



State Gas Limited
(ACN 617 322 488)
PO Box 10348
BRISBANE QLD 4000

14 December 2018

Clare Porta
Adviser, Listings Compliance
ASX Compliance Pty Ltd
20 Bridge Street
SYDNEY NSW 2000

By email: Clare.Porta@asx.com.au

Dear Ms Porta

Re: State Gas Limited price query

We acknowledge receipt of your letter dated 14 December 2018 in relation to the above matter. State Gas Limited (ASX: GAS, “**State Gas**” or the “Company”) responds to the questions in your letter as follows:

1 Is GAS aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

No.

2 If the answer to question 1 is “yes”;

(a) Is GAS relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1 ?

Not applicable because the answer to question 1 is “no”.

(b) Can an announcement be made immediately?

Not applicable because the answer to question 1 is “no”.

(c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Not applicable because the answer to question 1 is “no”.

3 If the answer to question 1 is “no”, is there any other explanation that GAS may have for the recent trading in its securities?

The Company notes the following:

- (a) The Company has made a number of recent announcements which may have resulted in interest in the Company by investors. The Company refers to its recent announcements dated 5 December 2018 in relation to the successful drilling and testing of the Nyanda-4 coal seam gas and conventional well at PL 231 in Central Queensland; and to its announcements dated 5 December and 11 December 2018 in relation to the initiation of the process to increase State Gas' interest in PL 231 from 80% to 100%.
- (b) The Company is aware of recent press speculation regarding potential interest in the Company and other small Queensland gas developers.
- (c) The Company has been approached in recent weeks by a number of parties regarding possible transactions involving State Gas. The Company is currently in discussions with some of those parties. Importantly, all discussions with parties are at a preliminary stage.

4 Please confirm that GAS is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

5 Please confirm that Gas’s responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of GAS with delegated authority from the board to respond to ASX on disclosure matters.

The Company’s responses to the questions above have been authorised and approved in accordance with its published Continuous Disclosure Policy.

Signed for and on behalf of State Gas Limited:



Suzanne Yeates
Company Secretary
State Gas Limited



14 December 2018

Ms Suzanne Yeates
Company Secretary
State Gas Limited
PO Box 10348
BRISBANE QLD 4001

By email

Dear Ms Yeates

State Gas Limited ('GAS'): Price and Volume Query

We note the change in the price of GAS's securities from a closing price of \$0.72 yesterday to a high of \$1.00 this morning. We also note the significant increase in the volume of GAS's securities traded this morning.

Request for Information

In light of this, ASX asks GAS to respond separately to each of the following questions and requests for information:

1. Is GAS aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is GAS relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in GAS's securities would suggest to ASX that such information may have ceased to be confidential and therefore GAS may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that GAS may have for the recent trading in its securities?
4. Please confirm that GAS is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that GAS's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of GAS with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3.00pm AEDT today (Friday, 14 December 2018)**. If we do not have your response by then, ASX will likely suspend trading in GAS's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GAS's obligation is to disclose the information

“immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to GAS’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance *Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that GAS’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is “yes” and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in GAS’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in GAS’s securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

Clare Porta
Adviser, Listings Compliance (Sydney)