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ASX RELEASE

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Conventional Gas at Aldinga East-1A Reid's Dome

State Gas Limited (ASX: GAS) ("State Gas" or "the Company") refers to its previous announcements of 4 October 2019 and 18 October 2019 relating to the spudding and commencement of coring at the Aldinga East-1A well in the Reid's Dome Gas Project (PL 231). The Company has completed coring operations.

The cored interval from 563.5 – 649m contained coal seams and a conventional sandstone reservoir within the Reid's Dome Beds. Gas was noted bubbling from both coal and sandstone. After pulling the coring assembly out of hole, the well started vigorously bubbling gas from the annulus.

As a result, the mud weight is currently being increased to control the gas influx and ensure the safety of the rig and personnel.

The gas is believed to be coming from the sandstone reservoir within the Reid's Dome Beds as typically gas will not be produced from coal seams until the pressure in the well is dropped by pumping fluid out of the well.

If significant gas is emanating from the sandstone, it is anticipated that this conventional gas will enhance the economics of any coal seam gas project at PL 231.

Further updates will be provided once drilling reaches total depth (targeted to be 1,200m) and testing is undertaken.

ENDS

FOR FURTHER INFORMATION

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