



State Gas Limited
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ASX RELEASE

23 September 2020

Private Placement and Share Purchase Plan to raise \$11.5M

State Gas Limited (ASX: GAS) (the **Company**) advises that it has received firm commitments to undertake a private placement to sophisticated investors raising \$9.5M. In addition, the Company is undertaking a Share Purchase Plan (the **Plan** or **SPP**) targeting a further \$2 million to allow qualifying shareholders the opportunity to participate alongside investors in the private placement.

The private placement and SPP follows the announcement yesterday by the Queensland Government of the appointment of State Gas as Preferred Tenderer for Authority to Prospect (ATP) for PLR2020-1-5, a large (1,414 km²) new area of gas acreage located 40 km south west of Rolleston in Central Queensland, contiguous with the Company's PL231 (Reid's Dome Gas Project).

Funds raised under the placement and SPP will be used to drill and production test at least three new gas wells (subject to approvals), and provide funding for field geology, seismic reprocessing and infrastructure studies for PLR2020-1-5 ("Rolleston-West") and PL231 ("Reids Dome"), along with corporate and fundraising costs.

Private Placement

State Gas is pleased to announce that it has received firm and binding commitments from sophisticated and strategic investors including Trevor St Baker (and associated entities) and other experienced energy and technology investors to raise \$9.5M. The issue price of the new Shares is \$0.55 per Share.

The Placement will result in the issue of 17,272,730 new fully paid ordinary shares in State Gas.

Settlement is scheduled for 29 September 2020, with allotment of new shares planned for 2 October 2020. The new shares are being issued without shareholder approval and using the Company's existing capacity under Listing Rule 7.1

Share Purchase Plan

The issue price under the SPP will be \$0.55 per share, which represents a 4.1% discount to the Volume Weighted Average Market Price (**VWAP**) over the last 5 days on which sales of shares are recorded prior to the announcement of the SPP to ASX on 23 September 2020.

Under the SPP, eligible shareholders, being those with registered address in Australia or New Zealand on 22 September 2020 (**Record Date**) (**Eligible Shareholders**), will be given the opportunity to purchase up to \$30,000 worth of new fully paid ordinary shares in the Company at a discount and without incurring brokerage or transaction costs. Eligible Shareholders will be able to participate in the SPP by subscribing for shares in multiples of \$5,000, subject to a scale back at the Directors' discretion and the Listing Rules.

The SPP is targeting a maximum of \$2,000,000. The SPP is not underwritten, however the Company reserves its right to accept additional funds received and place any shortfall under the

SPP at a price not less than the issue price in accordance with its share issue capacity under the Listing Rules.

An offer booklet for the SPP will be mailed to eligible shareholders on or about 1 October 2020 and the SPP offer will close on 22 October 2020.

The indicative timetable is as follows:

Event	Date
Record Date	22 September 2020
Announcement date	23 September 2020
Dispatch of offer booklet and application forms to Eligible Shareholders	1 October 2020
Opening date for acceptances	
Closing date for acceptances	22 October 2020
Announce results of SPP	27 October 2020
Issue SPP shares	28 October 2020
Normal trading of SPP shares commence	29 October 2020
Dispatch of holding statements	3 November 2020

The above timetable is indicative and may change, subject to the Corporations Act and Listing Rules.

This announcement has been authorised for release to the ASX by the Board of Directors.

Yours faithfully



Suzanne Yeates
Company Secretary
State Gas Limited

FOR FURTHER INFORMATION

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