



State Gas Limited
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ASX RELEASE

27 October 2020

Completion of Share Purchase Plan

State Gas Limited (ASX: GAS) (“the Company”) is pleased to advise that the Share Purchase Plan (**SPP**) offered to eligible shareholders, alongside the recent \$9.5 million private placement, closed on 22 October 2020 receiving strong support. Applications exceeded the original target and the Company decided to accept all eligible applications.

The SPP offer was made to 719 eligible shareholders, with valid applications received from 246 eligible shareholders for a total value of approximately \$4.9 million. Valid applications received represented a participation rate of over one-third of eligible shareholders with an average application amount of approximately \$20,000.

The combined funding of almost \$14.5 million from the SPP and private placement will allow State Gas to undertake a more significant appraisal program at its 100%-owned Reid’s Dome Gas Project (**PL 231**) and also commence drilling and testing at the contiguous Rolleston West Project (**ATP 2062**) very soon after its recent award to State Gas.

The proceeds will also assist in funding planning and approval activities for the gas pipeline and related infrastructure to export gas from the neighbouring PL 231 and ATP 2062 projects.

“The SPP provided eligible shareholders with an opportunity to increase their investment and was a resounding vote of confidence in State Gas,” Executive Chairman, Richard Cottee commented.

“The proceeds from the SPP, when combined with the preceding private placement of \$9.5 million not only strengthens our resolve to meet our Target 2022 objectives but also enables the Company to take its first steps to creating a new “super-gas region” within our wholly-owned acreage at a time of national need.”

This announcement was approved for release by Mr Richard Cottee, Executive Chairman.

FOR FURTHER INFORMATION

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ABOUT STATE GAS

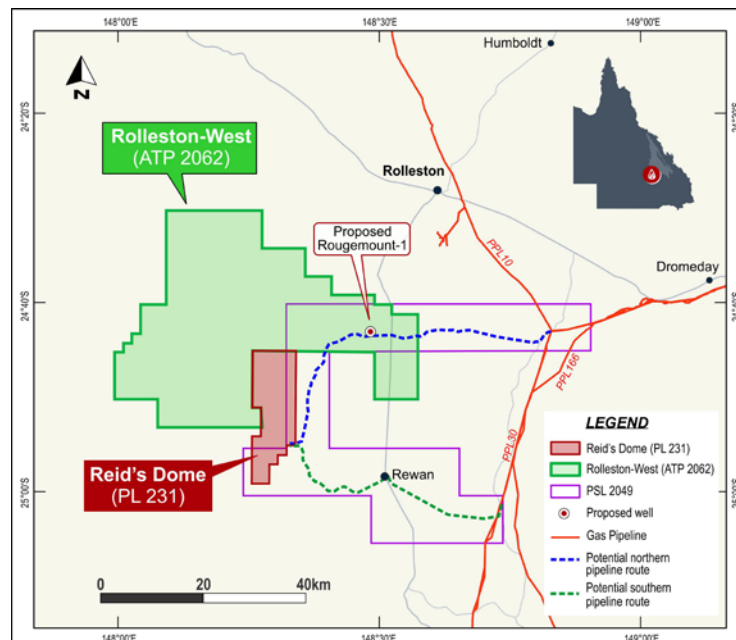
STATE GAS LIMITED (ASX: **GAS**) is a Queensland-based developer of the Reid's Dome gas field, originally discovered during drilling in 1955, located in the Bowen Basin in Central Queensland. State Gas is 100%-owner of the Reid's Dome Gas Project (PL-231) a CSG and conventional gas play, which is well-located 30 kilometres southwest of Rolleston, approximately 50 kilometres from the Queensland Gas Pipeline and interconnected east coast gas network.

Permian coal measures within the Reid's Dome Beds are extensive across the entire permit but the area had not been explored for coal seam gas prior to State Gas' ownership. In late 2018 State Gas drilled the first coal seam gas well in the region (Nyanda-4) into the Reid's Dome Beds and established the potential for a significant coal seam gas project in PL 231. The extension of the coal measures into the northern and central areas of the permit was confirmed in late 2019 by the Company's drilling of Aldinga East-1A (12 km north) and Serocold-1 (6 km to the north of Nyanda-4).¹

State Gas is also the 100% holder Authority to Prospect 2062 ("Rolleston-West"), a 1,414 km² permit (eight times larger than PL 231) that is contiguous with the Reid's Dome Gas Project. Rolleston-West contains highly prospective targets for both coal seam gas (CSG) and known conventional gas within the permit area. It is not restricted by domestic gas reservation requirements.

The contiguous areas (Reid's Dome and Rolleston-West), under sole ownership by State Gas, enable integration of activities and a unified super-gasfield development, providing economies of scale, efficient operations, and optionality in marketing.

State Gas is implementing its strategic plan to bring gas to market from Reid's Dome and Rolleston-West to meet near term forecast shortfalls in the east coast domestic gas market. The strategy involves progressing a phased appraisal program in parallel with permitting for an export pipeline and development facilities to facilitate the fastest possible delivery of gas to market². State Gas' current focus has been to confirm the producibility of the gas through production testing of the wells.



Map of Reid's Dome and Rolleston-West Gas Projects

¹ The information in this paragraph was previously announced on 31 October 2018, 5 December 2018 and 31 January 2020.

² Strategy announced on 21 August 2019