STATE GAS

Noosa Mining & Investment Conference

November 2020

ASX:GAS

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The material in this presentation has been previously released to the ASX in QUPEX Presentation 8.10.2019; Announcement dated 4.10.2019 and Announcement dated 18.10.2019

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Corporate Overview

Share price

$0.52 @ 10 Nov 2020 close

52 week high $1.19, low 32c

Market Cap

$89.98m

Shares on Issue

173m

Shareholders

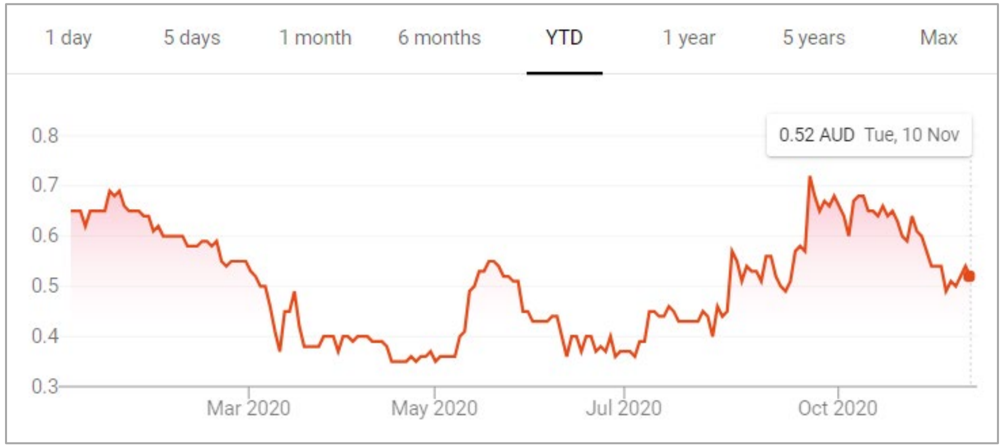
902

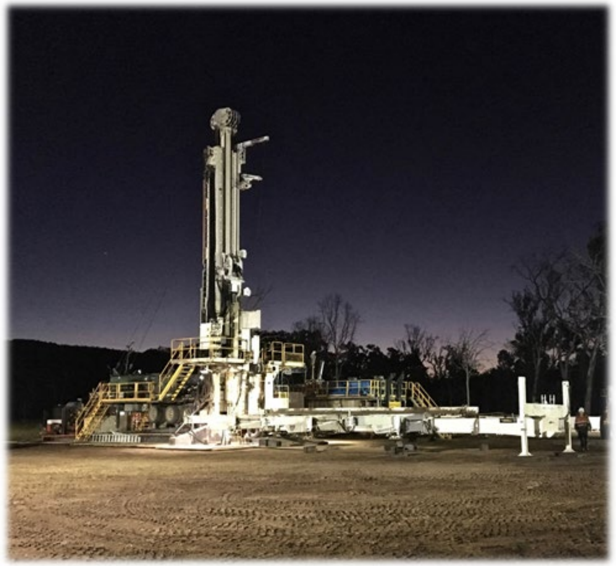
Cash at bank

$14.4m @ 31/10/2020

Drs & Mgt holdings

20%





The East Coast Market

Supply

Bass Strait in long term decline

Major LNG Projects cancelled /deferred

Uncertainty around new domestic gas supplies

Demand

Asia markets recovering – Qld LNG exports to increase

Support required for volatile renewables

Policy

Federal Government Gas - led Recovery

Strong State Government support

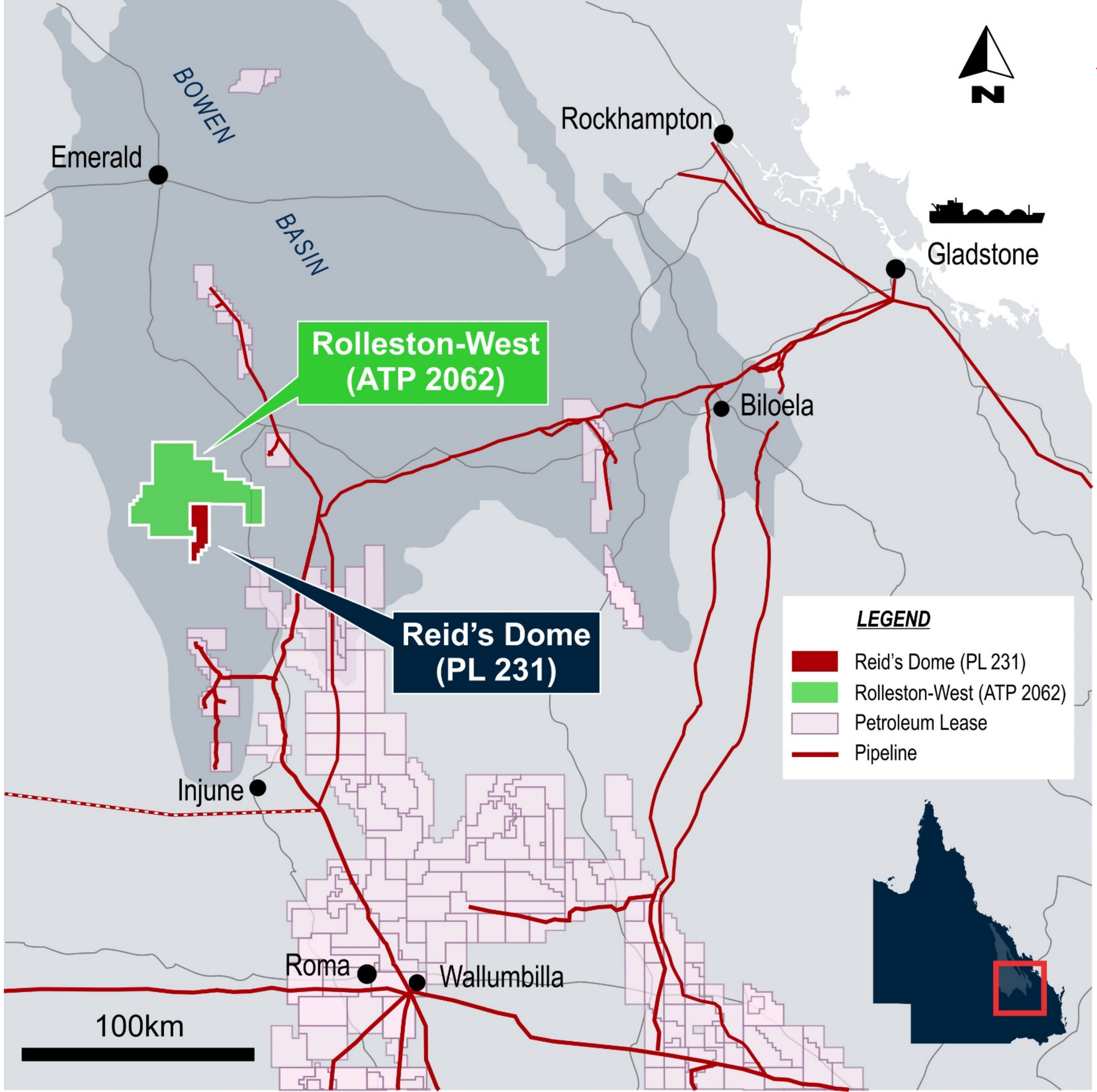
Impacts:

1. East Coast shortfalls from 2023
2. Capacity to respond to volatility

Project Areas

- Reid's Dome & Rolleston West;
  - 1593 km^2 of combined acreage*
    - PL 231 – 180 km^2
    - ATP 2062 – 1413 km^2
  - Highly prospective Bowen Basin sequence
  - Multiple conventional and unconventional targets
  - No domestic gas reservation
- Less than 50 km from Queensland Gas Pipeline network
- Single owner (100% State Gas)
- Pipeline Survey Licence held for routes to market

** Areas confirmed from corner-point calculations due to Australian Datum recent change from GDA94 to GDA2020*



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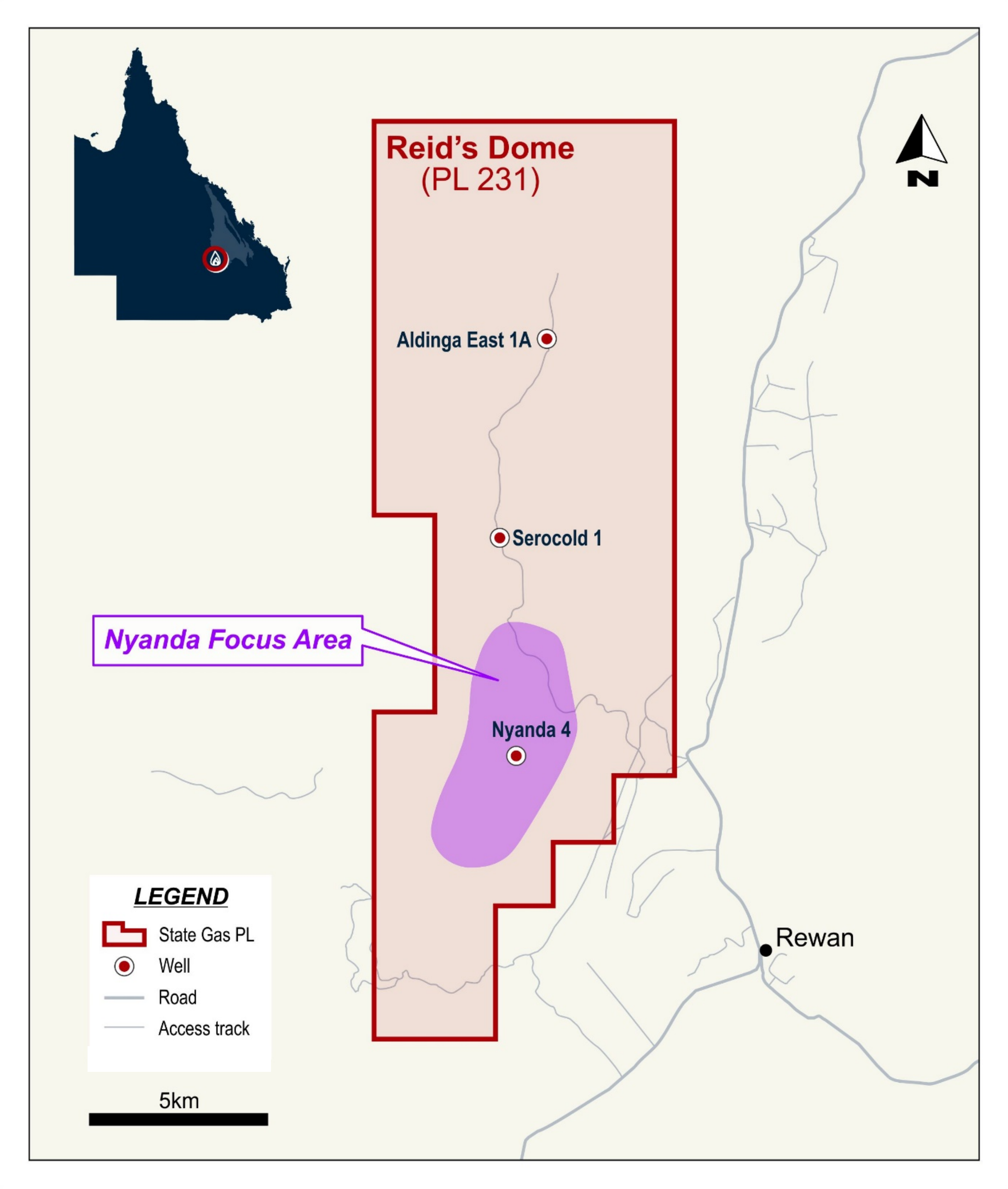
PL-231 Update

- **State Gas drilled 4 wells to date - 100% successful**
  - Primero West-1: Staircase Sandstone conventional gas.
  - Nyanda-4: Reid's Dome Beds CSG. **Gas flowing close to 500 mscfd**
  - Aldinga East-1A: intra-Cattle Creek new conventional gas
  - Serocold-1: Reid's Dome Beds CSG

- **At least 4 new wells commencing as soon as possible**
  - Nyanda Focus Area, plus confirm Central & Northern potential
  - Drilling company secured, long lead items on order
  - Production testing planned new wells and Nyanda-4
  - Permitting well advanced
  - Up-grades of access roads commencing to minimize potential impact of wet weather events



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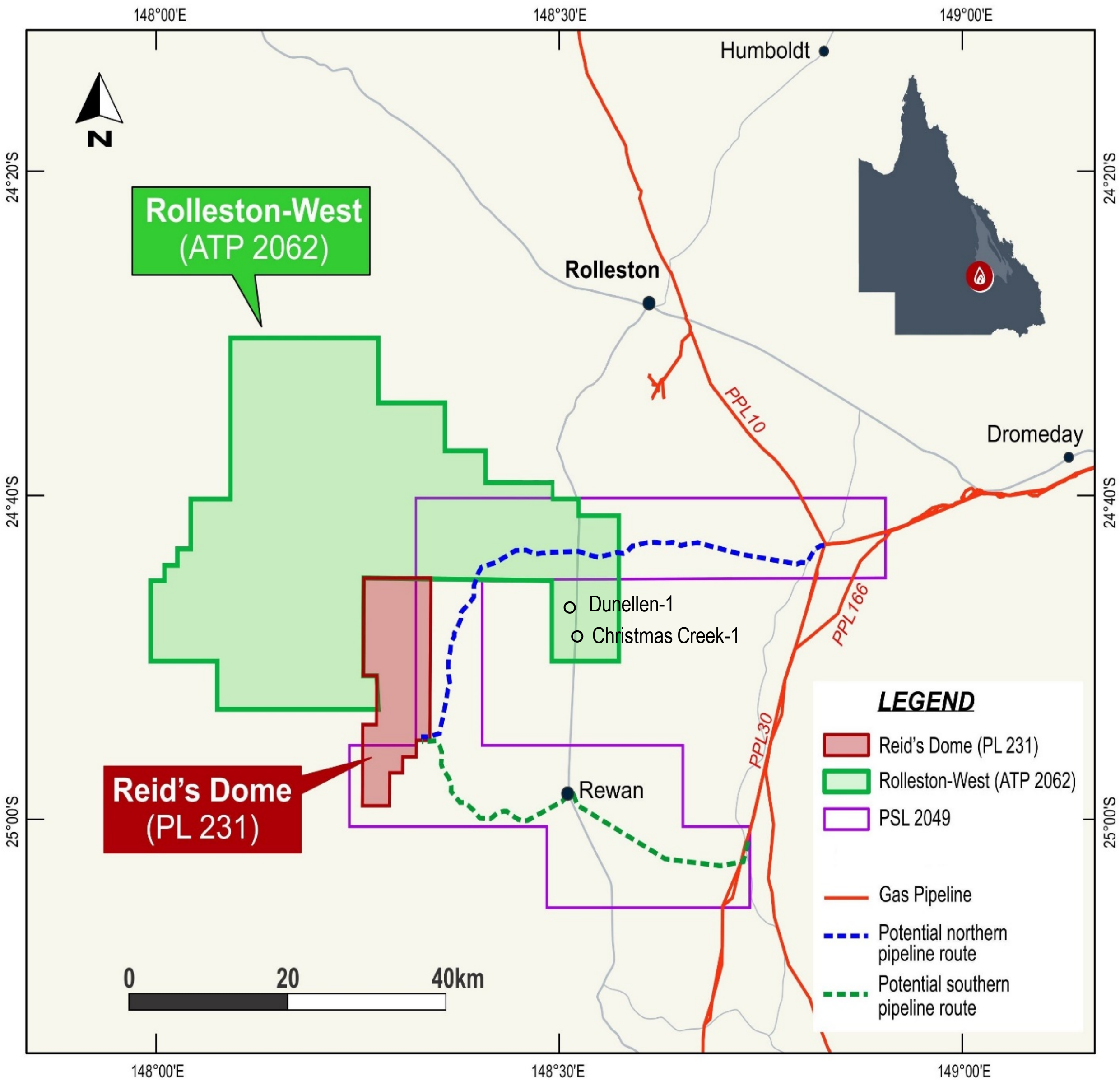
ATP-2062

- New permit, granted October 2020
- Early – Late Permian sequence:
  - Bandanna Formation *(CSG, cf Arcadia Valley, Mahalo)*
  - Rewan Formation *(conventional gas, cf Yellowbank)*
  - Aldebaran Sandstone *(conventional gas, cf Merivale, Rolleston, Yandina, Yellowbank)*
  - Cattle Creek Formation *(conventional gas, cf Springton)*
  - Reids Dome Beds *(CSG, cf PL-231)*

- Significant structural elements:
  - Prospective for CSG and conventional plays
  - Conventional gas on block indicated at Dunellen-1 *(1994)* and Christmas Creek-1 *(1981)*

- 2 wells planned in permit Year-1:
  - Rougemont-1 and Rougemont-2 Bandanna CSG core-holes selected at intersection of two plunging noses
  - Wells to evaluate range of prospective depth 250 – 700m
  - Coal properties similar to Arcadia Valley and Mahalo
  - Permitting underway



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A Gas Reservation Policy?

The Problem	Objectives	Likely impacts of reservation
Volatility in gas prices	Increased supply	Raise barriers to entry
Insufficient gas available for long term contracts at low prices	Increased competition in supply	Concentrate supply
Low oil price environment disincentivizing investment	Incentivise investment	Increase sovereign risk
	Avoid rewriting contracts	Disincentivise investment in new projects

There must be a better way !

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Questions?

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