

31 May 2021

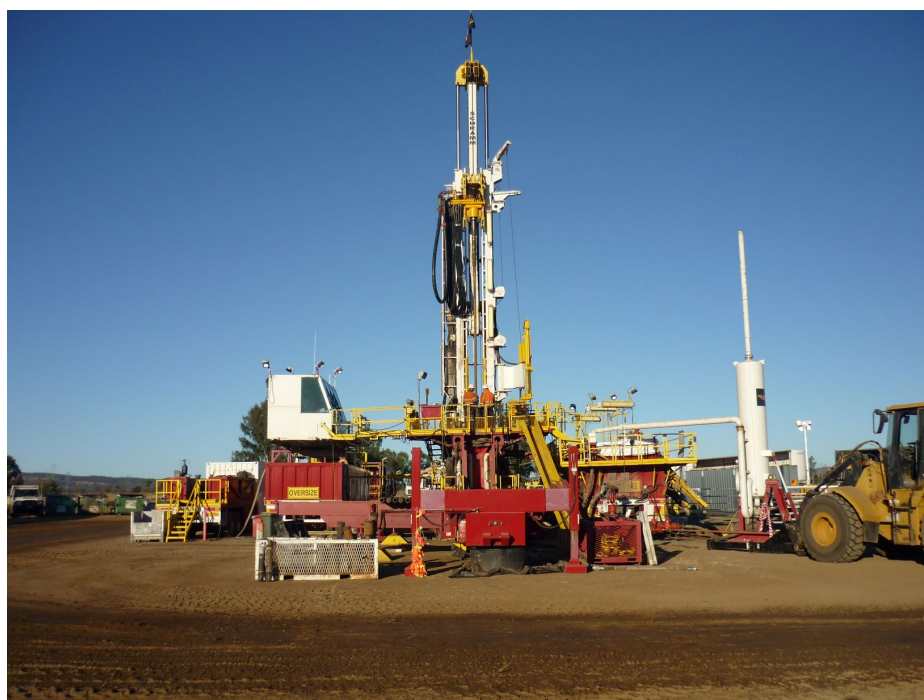
## Spud of Rougemont-2 Well

**State Gas Limited (ASX: GAS)** is pleased to announce the spud of Rougemont-2, the second well in its new Rolleston-West Gas Project (ATP-2062) in Central Queensland.

Following the successful drilling of Rougemont-<sup>1</sup>, State Gas has commenced drilling Rougemont-2, located some 3.7 km to the northeast of Rougemont-1. The well spudded at 8.40am on 29 May 2014. As at 6am this morning drilling had reached 75m.

Rougemont-2 is targeting the highly prospective gas-bearing Bandanna Formation coal measures on the eastern flank of the south-plunging Consuelo Anticline. The coals in this location are expected to commence up to 100m shallower than at Rougemont-2 and will provide valuable information about the coal seam gas potential at a range of depths within the Project area. The Bandanna Formation has been highly productive at this range of depths in the analogue fields of Arcadia Valley (Santos/GLNG) and Mahalo (Comet Ridge/Santos/APLNG) at similar distances to the south-east and north-east of ATP 2062 respectively.

State Gas will determine the thickness and gas content of the coal in the well through sampling the coals (coring) and wireline logs. Permeability testing will also be undertaken. These initial tests should confirm important information about the potential of this area of ATP 2062 and inform preparations for production testing in the future. Once these initial tests are completed the well will be suspended until production testing is commenced.



*Silver City Drilling Rig 23 at Rougemont-2 well*

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<sup>1</sup> See Announcement 24 May 2021

State Gas will continue to update the market as drilling and testing activities continue.

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).<sup>2</sup>

State Gas is also the 100% holder Authority to Prospect 2062 ("Rolleston-West"), a 1,414 km<sup>2</sup> 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 market<sup>3</sup>. State Gas' current focus has been to confirm the producibility of the gas through production testing of the wells.

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<sup>2</sup> The information in this paragraph was previously announced on 31 October 2018, 5 December 2018 and 31 January 2020.

<sup>3</sup> Strategy announced on 21 August 2019

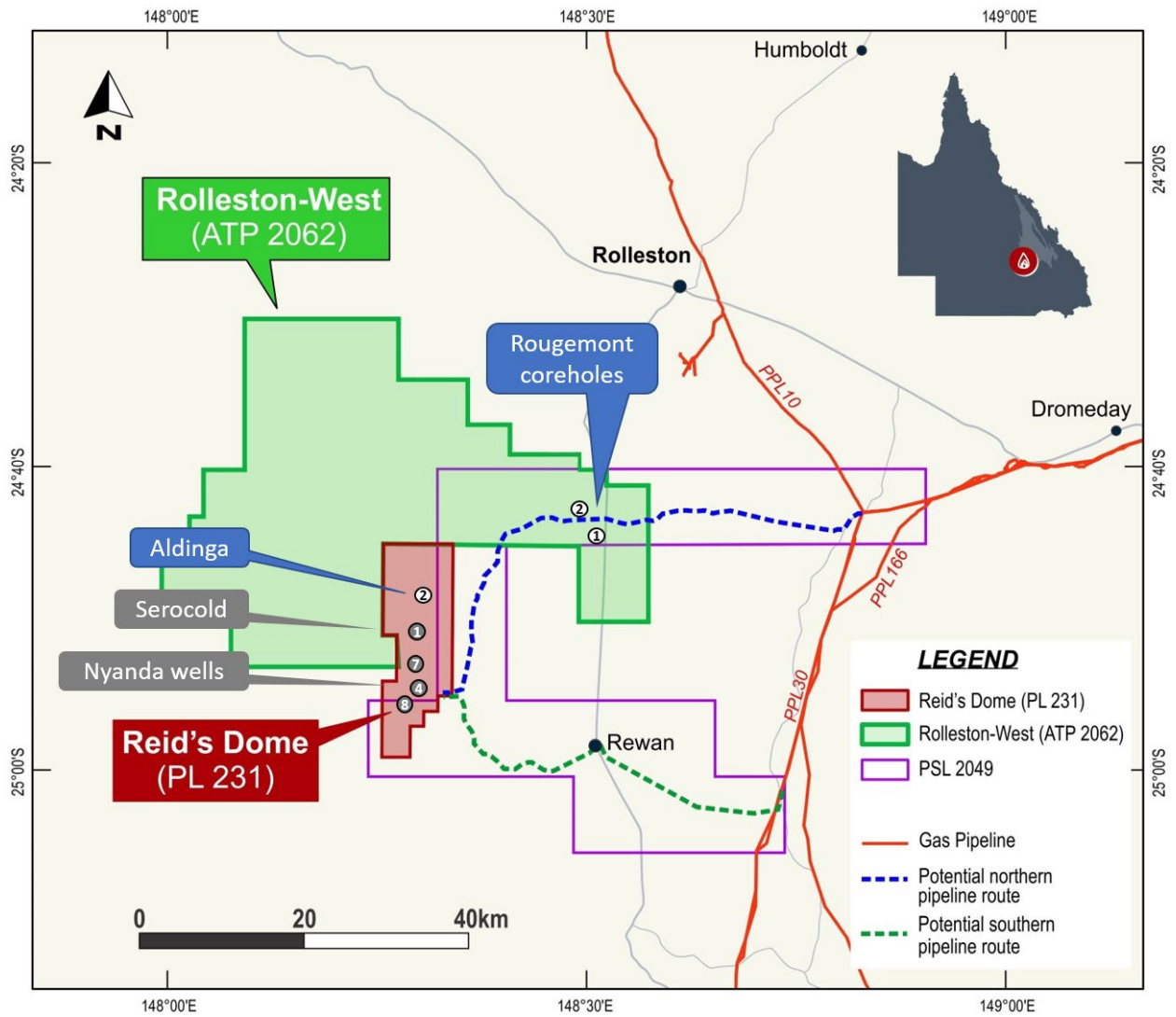


Figure 1: Map showing location of State Gas activities