



State Gas Limited

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ASX RELEASE

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NEXT PHASE OF PRODUCTION ACTIVITIES COMMENCED

Highlights

- Production enhancement works starting at Reid's Dome Gas Project
- Production testing to start at Rougemont-2 well at the Rolleston-West Gas Project
- Works are expected to be complete, and production tests commenced (or recommenced) by the end of November.

State Gas Limited (ASX: GAS) announces the commencement of the next phase of its activities in its program to bring new gas supplies to market to meet impending shortfalls in the east coast market. Following encouraging results at both its Reid's Dome and Rolleston-West Projects in Central Queensland, State Gas is progressing with field works at both locations.

At Reid's Dome (PL 231) the production test of the Nyanda-4 well demonstrated the potential of the area, producing at a stabilised rate of 140,000 cubic feet per day, punctuated by peak rates of up to 700,000 cubic feet/day¹. The Company is now undertaking works on the nearby Nyanda-8 well (approximately 2.2 km to the south), and Serocold-1 in the central area of PL 231, aiming to deliver production from those wells to the levels achieved at Nyanda-4. Serocold-1 previously suffered technical difficulties associated with the pump, and the new work to be performed will involve sealing off more of the wellbore to facilitate improved pump performance. At Nyanda-8 selected coal seams will be targeted using abrasive jetting techniques to improve the well's access to the productive zones.

At Rolleston-West (ATP 2062) the Company will conduct the first production test in the area at the Rougemont-2 well which was drilled in June this year. The Rougemont-2 well intersected more than 8m net of coal seams in the Bandanna Formation, starting at the depth of 316m. Laboratory analysis of the gas contained in the coals indicated it is approximately 96% methane, near pipeline quality. Testing of the major gas-bearing coal seams during drilling showed outstanding permeability: the thickest seam (2.8m thick) recorded permeability of 395mD, a result which is extremely positive for commercial production². The upcoming production test is the next step in proving the Rougemont-2 well's potential and in assessing the potential for the broader Bandanna East CSG fairway in ATP 2062.

A services rig is currently mobilising to site to undertake the work at all three wells. Works are expected to be complete, and production tests commenced (or recommenced) at all three wells by the end of November (weather permitting).

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

¹ Announced on 16 March, 30 April 2021

² Announced on 9 June and 27 August 2021.

ABOUT STATE GAS

STATE GAS LIMITED (ASX: **GAS**) is a Queensland-based gas exploration and development company focussing on the Bowen Basin in Central Queensland. State Gas is 100%-owner of the contiguous Reid's Dome (PL-231) and Rolleston-West (ATP 2062) Gas Projects, both of which contain both CSG and conventional gas. The Projects, together some 1,595km², are located south of Rolleston, approximately 50 and 30 kilometres respectively from the Queensland Gas Pipeline and interconnected east coast gas network. Neither project is restricted by domestic gas reservation requirements.

State Gas' sole ownership of the Reid's Dome and Rolleston-West Projects enables 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.

FOR FURTHER INFORMATION

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Gas production testing at Serocold-1