



Company Update

July 2023



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This Presentation contains summary information about State Gas and its activities current at the date of this Presentation. The information in this Presentation is of general background and does not purport to be complete. It should be read in conjunction with State Gas' other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange which are available at www.asx.com.au.

ASX Releases

Investors are advised that by their nature as visual aids, presentations provide information in a summary form. The key information can be found in State Gas' ASX releases.

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This Presentation contains certain "forward looking statements". Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected.

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The material in this presentation has been previously released to the ASX

Appendix – Additional information about Contingent Resource Estimates

Additional information about Contingent Resource Estimate

The Contingent Resource estimates for the Reid's Dome and Rougemont Gas Projects (State Gas 100%) and State Gas' 35% interest in ATP 2068 and PLR 2021-1-3 are as at 12 September 2022. They were estimated utilising the probabilistic method with totals summed arithmetically and have not been adjusted for commercial risk.

The Contingent Resource estimates are based on technical data for the permits, regional geologic and production interpretations, and in the case of the Reid's Dome and Rolleston-West Projects, data derived by State Gas from exploration activities on the permits, including reprocessing of seismic, drilling, core analyses, production testing and analyses of produced gas and water. Additional exploration and appraisal is required to address the contingencies associated with these resources to confirm commercial viability and areal extent. If the contingencies are successfully addressed, some part of the Contingent Gas Resources may be reclassified as reserves. The estimates of Contingent Resources have not been risked to account for the possibility that the contingencies are not successfully addressed.

The estimates reported relate to unconventional petroleum reserves. The details of the project area, the method of extraction and number of wells that may be required are not yet finalised. The Contingent Resources estimated have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS 2018.

The estimates reported are not contingent on technology that remains under development.

Competent Persons Statement

The estimate of Contingent Resources for the Reid's Dome and Rolleston-West Gas Projects (of which State Gas holds 100%), and State Gas' 35% interest in ATP 2068 and PLR2021-1-3, provided in this document, is based on, and fairly represents, information and supporting documentation prepared by Mr James Crowley in accordance with Petroleum Resource Management System guidelines.

Mr Crowley is a full-time employee of State Gas, and is a qualified person as defined under the ASX Listing Rule 5.42. Mr Crowley holds a Bachelor of Science (Honours) from Macquarie University, Sydney and has over 36 years' experience in the industry. He is a member of The Petroleum Exploration Society of Australia and The Society of Petroleum Engineers. Mr Crowley has consented to the publication of the Contingent Resource estimates for the Reid's Dome and Rolleston-West Gas Projects, and ATP 2068 and PLR2021-1-3, in the form and context in which they appear in this Presentation.

1. Strategic Value Drivers for State Gas

1

Gas sector conditions stabilising

- The regulatory environment is now more certain and State Gas is outside the mandatory code of conduct and its gas sales arrangements are not subject to the price cap
- The need for stability in East Coast energy markets creates a significant opportunity for State Gas as the energy sector progressively decarbonises

2

Substantial resource base in the right location

- Significant acreage targeting the highly prospective Bandanna coal measures
- Historical drilling success in the area
- Substantial resource base already established with accreditation of initial 2P reserve expected over coming six months
- Close to existing gas pipeline infrastructure and other successful projects

3

Significant value step change as Company moves to production

- Compressed natural gas assets ready to commission (6-week build), with first gas immediately thereafter
- Move to operating cashflow imminent
- No acreage subject to domestic gas reservation and has the flexibility to leverage spot market pricing
- An achievable pathway to substantial production and delivering supporting pipeline infrastructure

2. Substantial Footprint

Development of a highly prospective gas region in the Bowen Basin



Substantial acreage

- 2630 km² of combined acreage
- ATP 2062 – 1414 km² - 100%
- ATP 2068 & 2069 (Santos JV) – 1035 km² - 35%
- PL 231 – 181 km² - 100%



Significant resource potential

- Highly prospective Bandanna coal sequence
- Multiple conventional and unconventional targets
- No domestic gas reservation



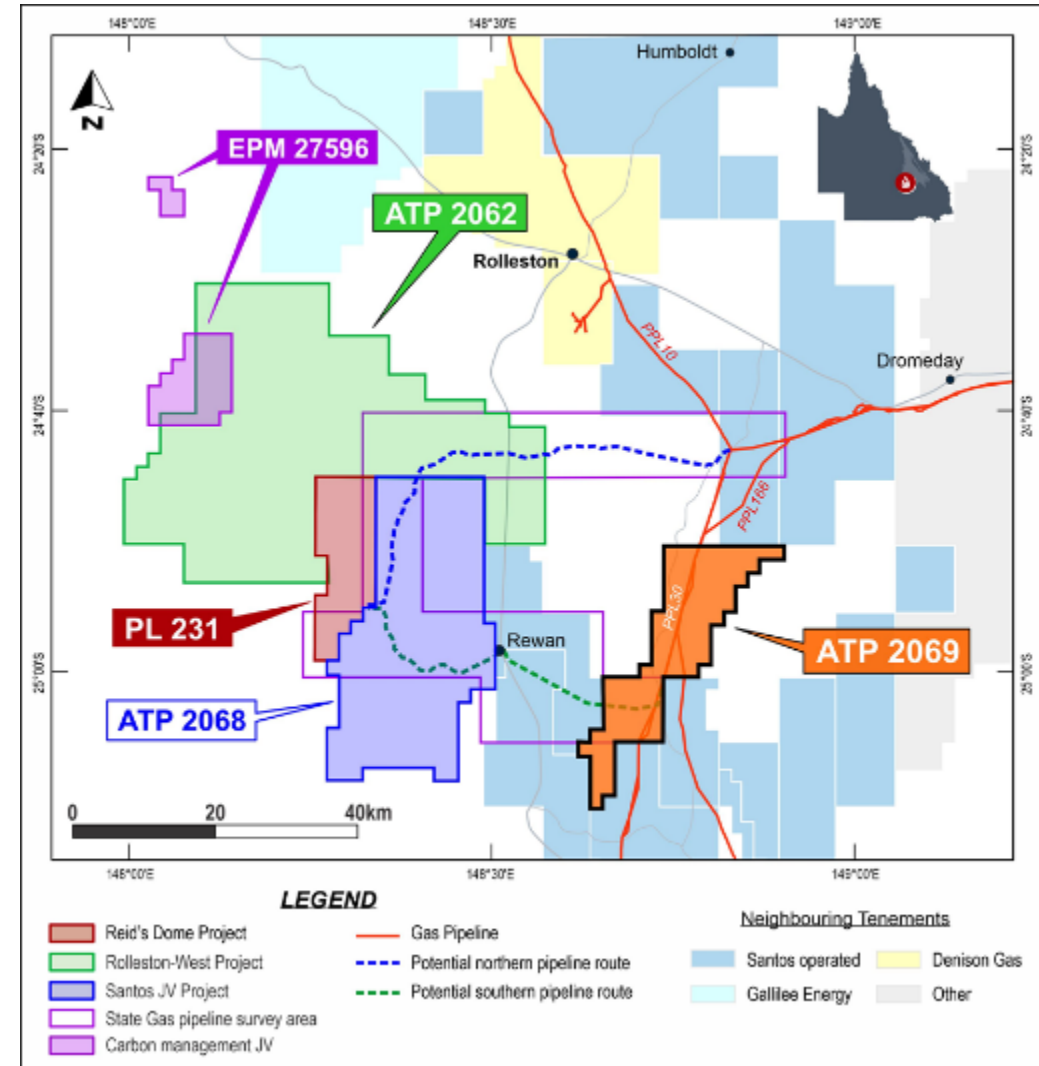
Alignment of interests across region

- Close to significant existing projects targeting similar coal measures
- Potential synergistic development of the area



Innovate through experience

- Deliver low cost, pipeline quality gas quickly
- Opportunistically exploit gas supply opportunities to maximise return



3. Governance and capability

Corporate information

ASX Code	GAS
Share price (at 14 July 2023)	\$0.20
Shares on issue	224.8 million
Top 20 Holders	54.3%
Directors	20.1%
Market capitalisation	\$44.9 million
Net debt	Nil
Enterprise value	\$44.9 million
52 week price range	17 cents – 52 cents



3 month price and volume trade analysis – source ASX

	Position	Experience
	Richard Cottee (Executive Chairman)	Significant international energy experience, and commercial strategy and acumen within the energy and utilities sector. Former Managing Director Queensland Gas Company Ltd, Central Petroleum Ltd and Nexus Energy Ltd, former CEO CS Energy & NRG Europe. Chairman of Elixir Petroleum Ltd.
	Greg Baynton (Non-Executive Director and Major Shareholder)	Director and founder of Orbit Capital. Former Director of NOVONIX Limited, SUPERLOOP Limited, intelliHR, PIPE NETWORKS Limited, NEXTDC Limited, Asia Pacific Data Centre Limited, and COALBANK Limited.
	Philip St Baker (Non-Executive Director and Major Shareholder)	Extensive experience in the energy sector, resources and governance. 2014 Ernst & Young Queensland Entrepreneur for Listed Companies. Former Managing Director of NOVONIX Limited, and ERM Power Limited. Current Director of Delta Electricity Pty Ltd and Healthcare Logic Group Limited.
	Tony Bellas (Non-Executive Deputy Chairman)	Extensive energy sector and governance experience. Former Chairman ERM Power Ltd, former CEO of Ergon Energy and CS Energy. Deputy Chairman NOVONIX Ltd, Non-Executive Director intelliHR.
	Jon Stretch (Non-Executive Director)	Broad international experience and success in the information technology (IT), telecommunications and energy sectors. Former Managing Director of ERM Power Limited, Executive Vice President EMEA Landis + Gyr, CEO AAPT. Former Director Telecom NZ, and AT&T Global Services Japan.
	Rob Towner (Non-Executive Director)	25 years corporate advisory and executive experience in energy and biotechnology sectors, Former Managing Director Triangle Energy (Global) Limited, former Director of Botanix Pharmaceuticals Limited.
	Doug McAlpine (Chief Executive Officer)	20+ years experience in strategic, operational and financial leadership. Extensive capital markets experience. Served previously as the CEO of Collection House Limited, the Executive General Manager of Silver Chef Limited and CFO of Stanmore Coal Limited.
	Mike Herrington (Chief Operating Officer)	40+ years experience in petroleum operations in Australia, US, Europe, and Asia. Former COO & Executive Director Central Petroleum Ltd, President Upstream QGC, & MD Enron Exploration Australia.
	Suzanne Years (CFO and Company Secretary)	Chartered Accountant working with clients for over 20 years as CFO and Company Secretary for public and private companies.

4. Strategy

Pathway to sustainable value



Manage volatile market conditions

- **Price and regulatory intervention:** Reduce reliance on equity markets
- **Market optionality:** CSG & conventional gas, no domestic reservation



Highly prospective exploration assets

- Targeting highly productive Bandanna Coal measures
- Production testing results from Rolleston West Project very encouraging
- All assets in proximity to existing export pipeline infrastructure



Staged market access

- **Short term:** Over next 3 months, deliver CNG solution to truck early gas and generate operating cashflow to drive future exploration
Move to 1.7 TJ daily gas production quickly
- **Mid-term:** 35km gas pipeline for larger volumes (as early as 2025)
10TJ/day of production expected
- **Long term:** Integrated development of a substantial regional portfolio



Joint Venture with Santos

- Partnership for regional synergistic development



Significant de-carbonisation partnership






- Ensuring sustainability of the Company's projects
- Deliver a project with wider potential carbon capture/sequestration benefits



Picture: Gas flaring at Rougemont 2, April 2023

5. Initial Gas Production Through CNG

CNG Project Update

- 
 Pre-commissioning of the compressor, dehydrator and associated equipment (“the CNG Assets”) successfully completed in Brisbane
- 
 Site commissioning and construction estimated at 6 weeks with first gas (0.75TJ per day) immediately thereafter
- 
 Accelerate the commercialisation of production testing gas from Rougemont using CNG assets originally earmarked for the Reid’s Dome project
 - Supports greater daily gas production than Reid’s Dome –up to the maximum compression limit of 1.7 TJ/day
 - Shorter trucking distance from Rougemont to pipeline tie-in locations
 - Avoids extensive road improvement and ongoing maintenance regime which would be associated with trucking gas on private roads, out of Reid’s Dome
- 
 The Reid’s Dome conventional gas can be held in reserve and captured later through construction of a pipeline system, which would connect it to the CNG assets
- 
 The “Virtual Pipeline” trucking methodology developed for the Reid’s Dome project will be applied, allowing Rougemont CSG to be transported to a decanting location on existing pipeline or shipped directly to end users

About Virtual Pipelines

Virtual pipelines have become a cost-effective option (particularly in North America) to commercialise gas production in infrastructure remote areas. The practice of a virtual pipeline involves the loading of compressed natural gas into cylinders onto specially designed trucks. The trucks then take the gas either to existing pipelines or to areas that are not connected to a traditional natural gas distribution system



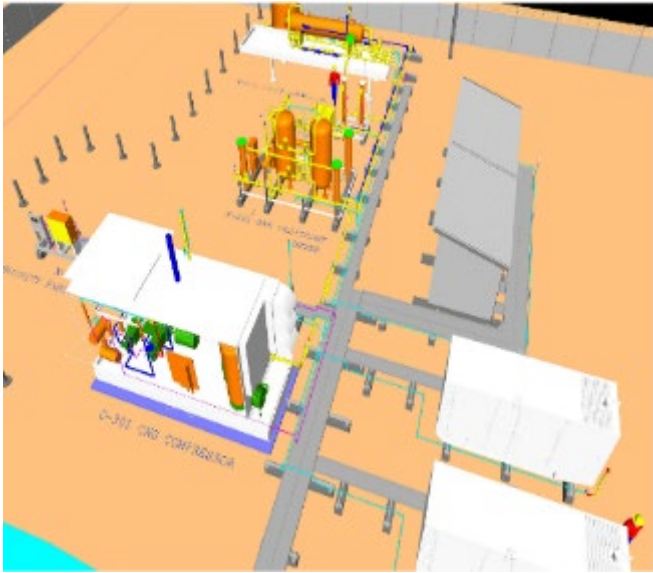
State Gas’ Virtual Pipeline solution has been developed in conjunction with our partners Mine Energy Solutions (MES). MES is seeking to drive significant operational efficiencies across the supply chain through improved energy use, particularly safe and sustainable compressed natural gas. MES have engineered the VP trailers to the highest standards of safety and reliability in Australia.



Delivers innovative energy technologies that safely challenge the existing mobile mining equipment cost paradigm.

- ✓ Innovative use of High Density CNG to deliver significant, safe and sustainable fuel savings
- ✓ Creating new & augmented fuel supply chains from energy source to point of use
- ✓ Equipment conversion & maintenance fully backed by State Gas by Industial.

6. Supporting Ongoing Gas Production



Compressed Natural Gas Facilities

The compression facility will intake and dehydrate gas provided by the gathering system

Gas will be compressed to 250 bar / ~3620 psi and then piped to a proposed filling station on the eastern side ATP 2062 to limit reliance on the private road system

The ATP and associated environmental approval permit the construction of the compression facility

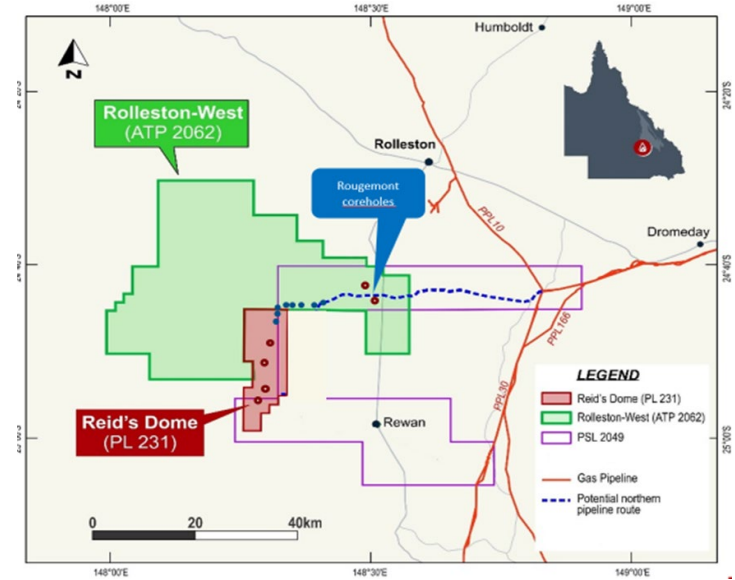


Virtual Pipeline Trucking Solution

Highly safe, specially designed gas tube trailers will transport compressed gas from the compression facility to end users or existing pipeline tie-in point

The VP trailers are mounted on a standard trailer, have low visual impact and have been designed in accordance with regulation for the transport of dangerous goods

The VP trailers are pulled by a traditional prime mover



Future development of a gas pipeline

Proposed gas pipeline (~10 TJ/d)

Initial pipeline studies have already determine a possible alignment and evaluated environmental risks

A range of strategic partners are interested in financing, constructing and operating a 35km pipeline from Rougemont to the Gladstone-Wallumbilla pipeline

An accredited reserve base of 10PJs is sufficient to underpin the financing of the pipeline

7. Rolleston-West Project (ATP 2062)

A Company Defining Project

~570 km² Bandanna Formation prospective for CSG and smaller conventional targets

Analogous to Arcadia Valley* & Mahalo#

Drilling within Rougemont area has established potential of eastern area

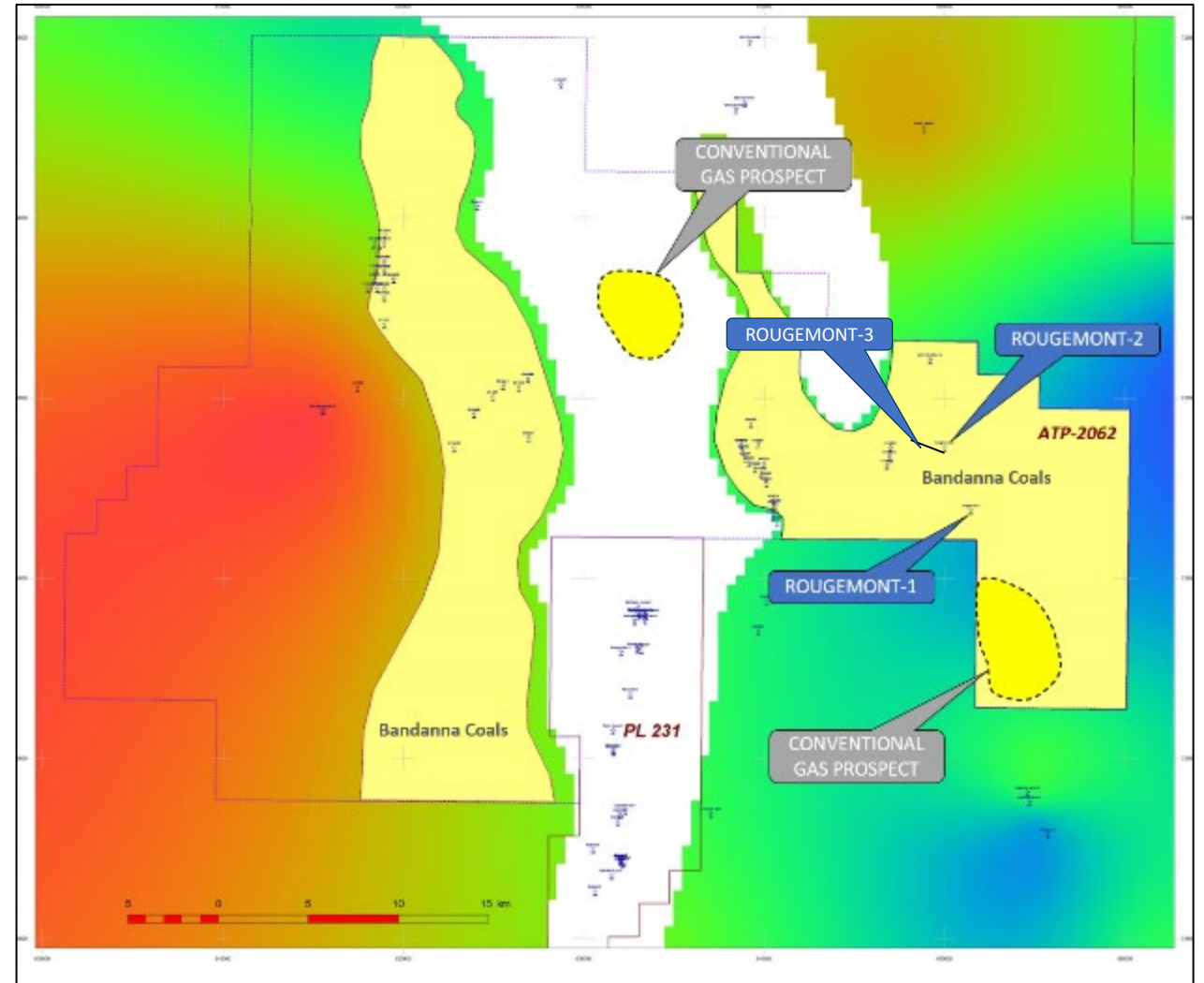
- Continuous coal seams across the area confirmed
- ~8m coal, with 2 primary seams
- Gas composition close to pipeline quality
- Economic daily gas production capability

Highly prospective targets:

ATP 2062 – Conventional and CSG Estimated Contingent Resources		
1C	2C	3C
151 PJ	279 PJ	506 PJ

Significant reserve potential

* Arcadia Valley, to the south-east, is a producing field, owned by GLNG & operated by Santos
 # Mahalo, to the north-east, is awaiting FID; owned by Santos & Comet Ridge



Rolleston-West CSG + conventional targets

7. Rolleston-West Project (continued)



"Rougemont2/3" dual well system in ATP 2062

- Target: Bandanna Coal Measures
- Number of seams : 2
- Depth to seams: 320 metres to 380 metres



Total in-seam length: ~2,400 metres



Horizontal well advantages:

- High recovery of gas in place can be achieved in a short period of time relative to vertical wells
- Delivers a multiple of vertical well production
- Can be used in areas where hydraulic-fracturing capability is lacking

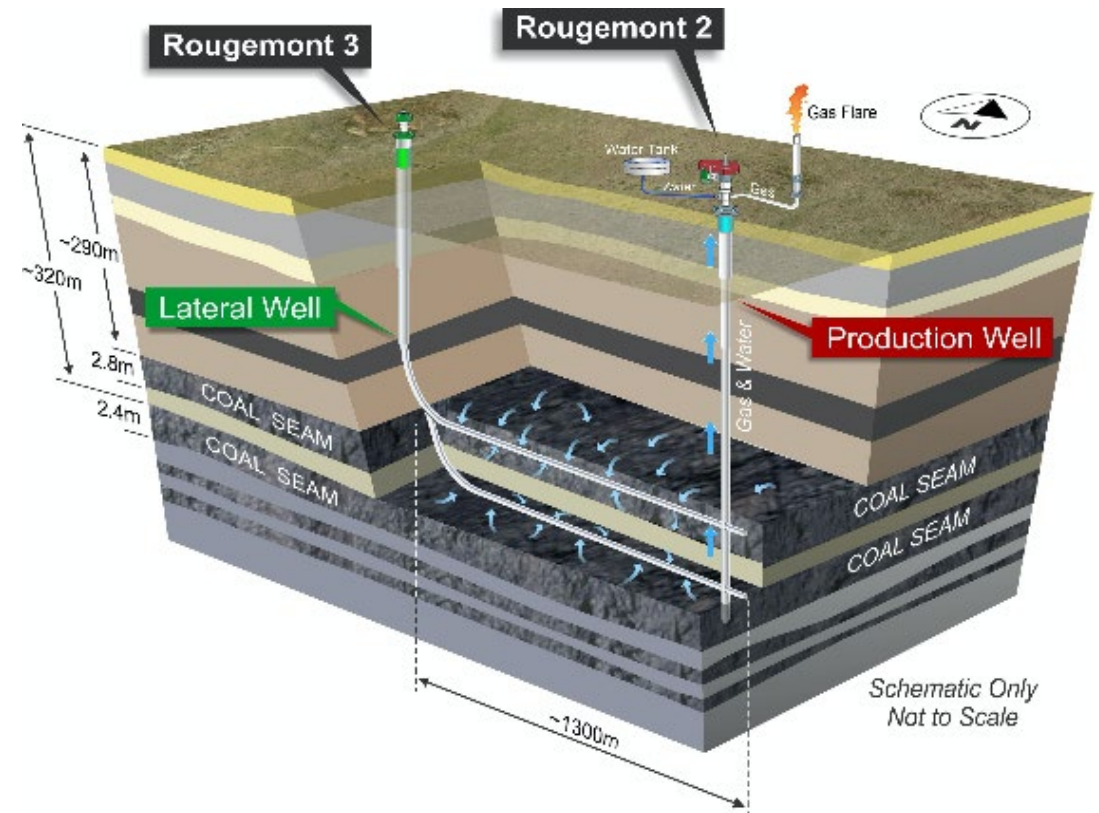


Analogous coals have delivered between 400,000 – 1,700,000 cubic feet per day gas in surrounding projects

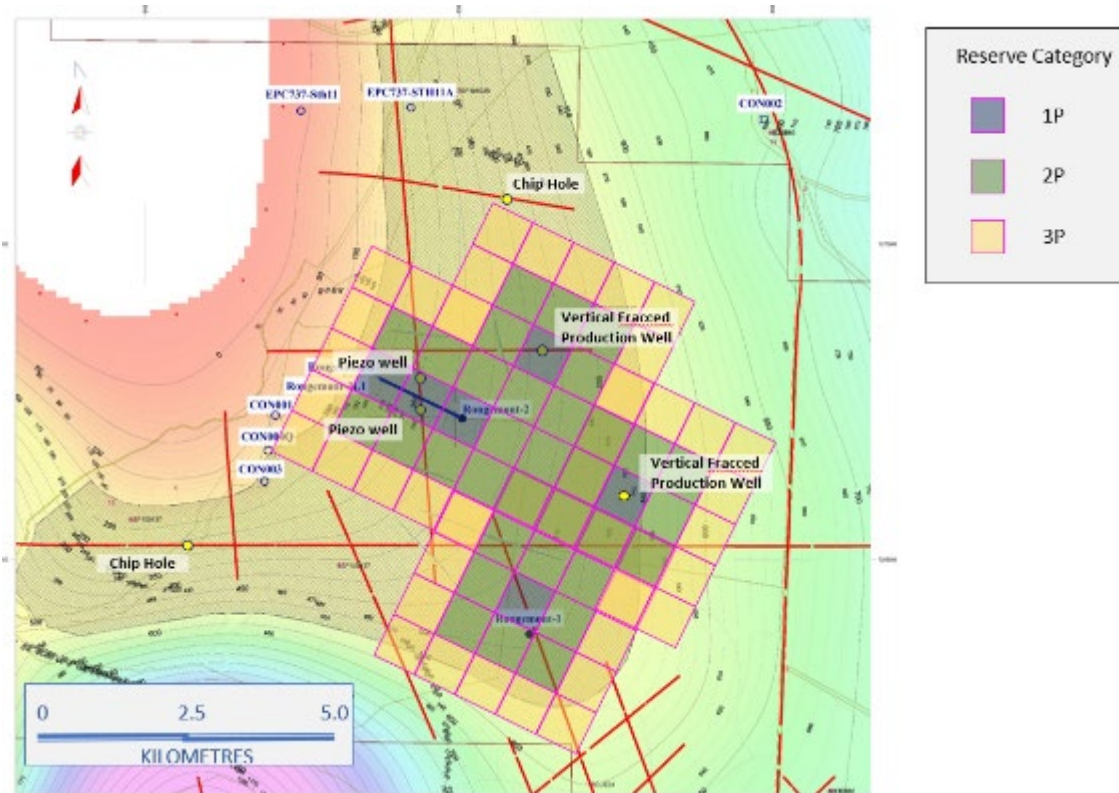


Well currently shut-in to conduct pressure build-up testing and reduce flaring

- Production testing results very encouraging
- 500,000 cubic feet/day of pipeline-quality gas
- Only dewatered to first seam



8. Verifying Substantial Resources and Reserves



Using the above zone assumptions and the accompanying average well performance statistics, management has prepared the following reserve estimation methodology, which it would use to engage with NSAI for the purposes of accreditation

Rougemont 2023 Program 1P/2P/3P Potential Reserves = 3.6/26.3/50.7 PJ's

- A comprehensive geological model of the area surrounding Rougemont has been developed incorporating State Gas exploration data and other public data from historical gas and coal holes
- Two new wells proposed to capture deeper gas from the Bandanna seams down dip to the East and South
- Obtain external verification of a significant 2P reserve (26PJ) and 2C resource (120PJ) in line with below conservative calculation for the Bandanna East CSG area in isolation

Deterministic Resource Base

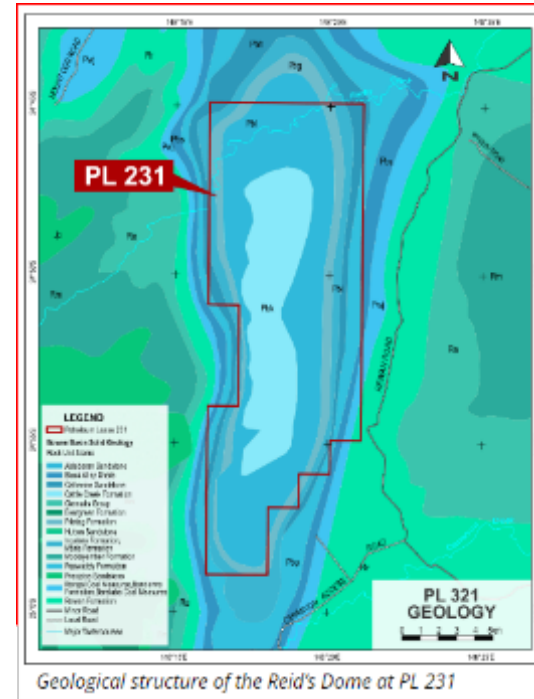
Variable	Rougemont Area	Bandanna East*
Average Net Coal (8-10 seams)	8 m	8 m
Prospective Area	52 km ² (150-550m)	89 km ² (150-600m)
Average Coal Density	1.45 g/cc	1.45 g/cc
Average Gas Content	5.5 m ³ /t	5.5 m ³ /t
Constant (m ³ to ft ³)	35.3	35.3
Original Gas In Place (OGIP)	117 bcf	200 bcf
Nominal Recovery Factor	60 %	60 %
Fuel Gas etc.	5 %	5 %
Resource	67 bcf or 70 PJ's	114 bcf or 120 PJ's

* Includes Rougemont Area plus area west of Rewan Road

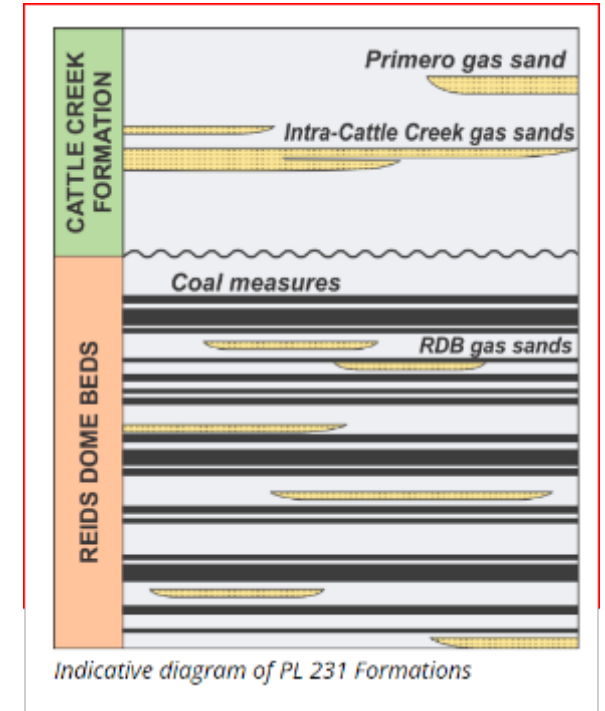
- New wells will also add to daily gas production capacity

9. Reid's Dome – Incremental Conventional Gas

- ↻ The Reid's Dome Gas Project (PL 231) is within the Bowen Basin on the apex of the Springsure-Serocold Anticline
- ↻ Identified in excess of 30 m of net coal, with gas contents averaging a very high 13.75m³/tonne dry ash free
- ↻ Commercial levels of sustainable production of conventional gas have been established at the Nyanda-4 well and the Company continues to evaluate a range of techniques to successfully liberate gas from the deeper formations
- ↻ Evaluating how to best develop Reid's Dome in conjunction with Rolleston West to most efficiently leverage infrastructure and reduce operating costs
- ↻ Could connect PL231 conventional gas to CNG assets at Rougemont by a direct pipeline



Geological structure of the Reid's Dome at PL 231



Indicative diagram of PL 231 Formations

PL231 Estimated Contingent Resources		
1C	2C	3C
85 PJ	195 PJ	668 PJ

10. ATP 2068 & 2069 – Regional JV with Santos



State Gas 35%, Santos 65% & Operator



Large area 727 km²

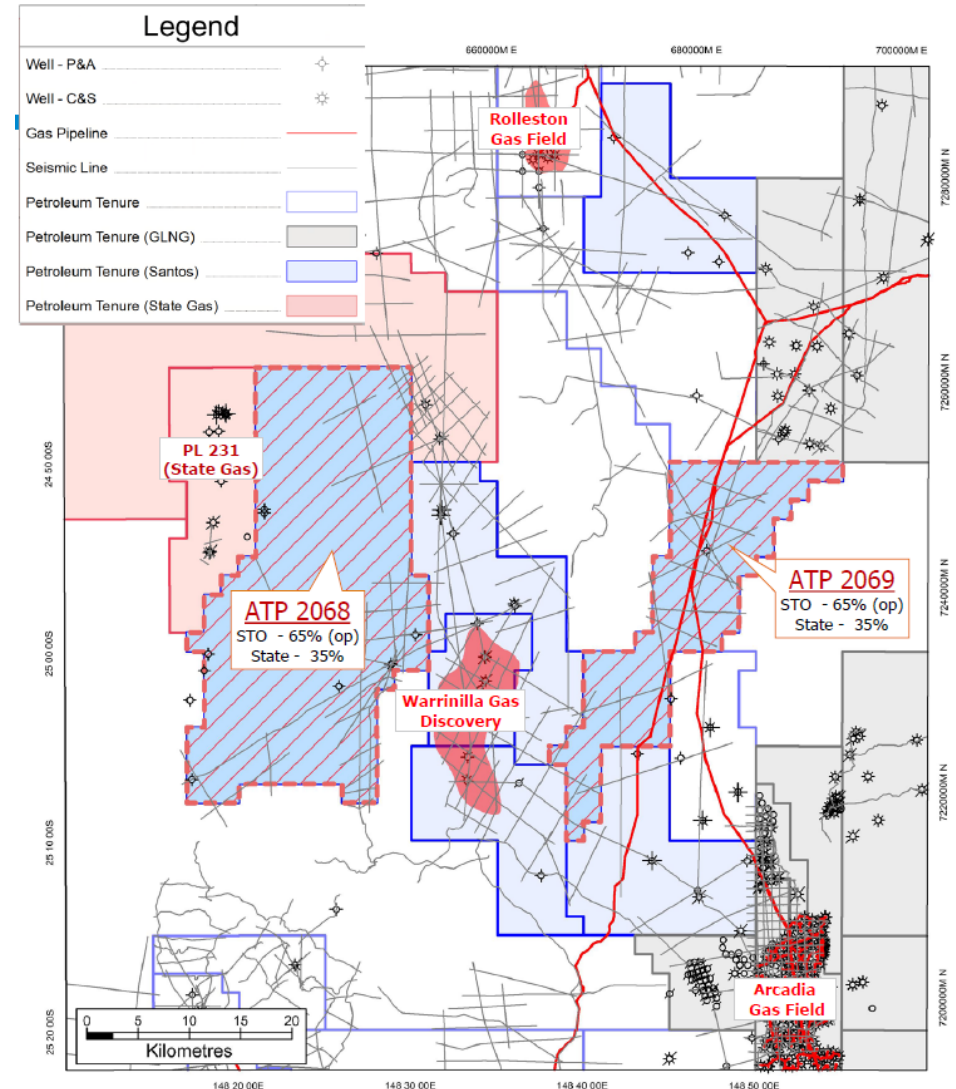


Bandanna Formation CSG

- Net coal demonstrated by Consuelo stratigraphic holes, Rougemont and Rewan-1
- Gas content proven by Rewan-1 and Rougemont wells
- Southwest extension of Rougemont

State Gas' Share of Joint Venture Estimated Contingent Resources*			
ATP	1C	2C	3C
2068	25 PJ	43 PJ	68 PJ
2069	12 PJ	17 PJ	24 PJ
Total	37 PJ	60 PJ	92 PJ

* State Gas estimate



11. Commitment to Carbon Reduction

➤ JV with minerals explorer Rockminolutions Pty Ltd to evaluate the suitability of the Buckland Basaltic Formation for a large scale carbon capture project

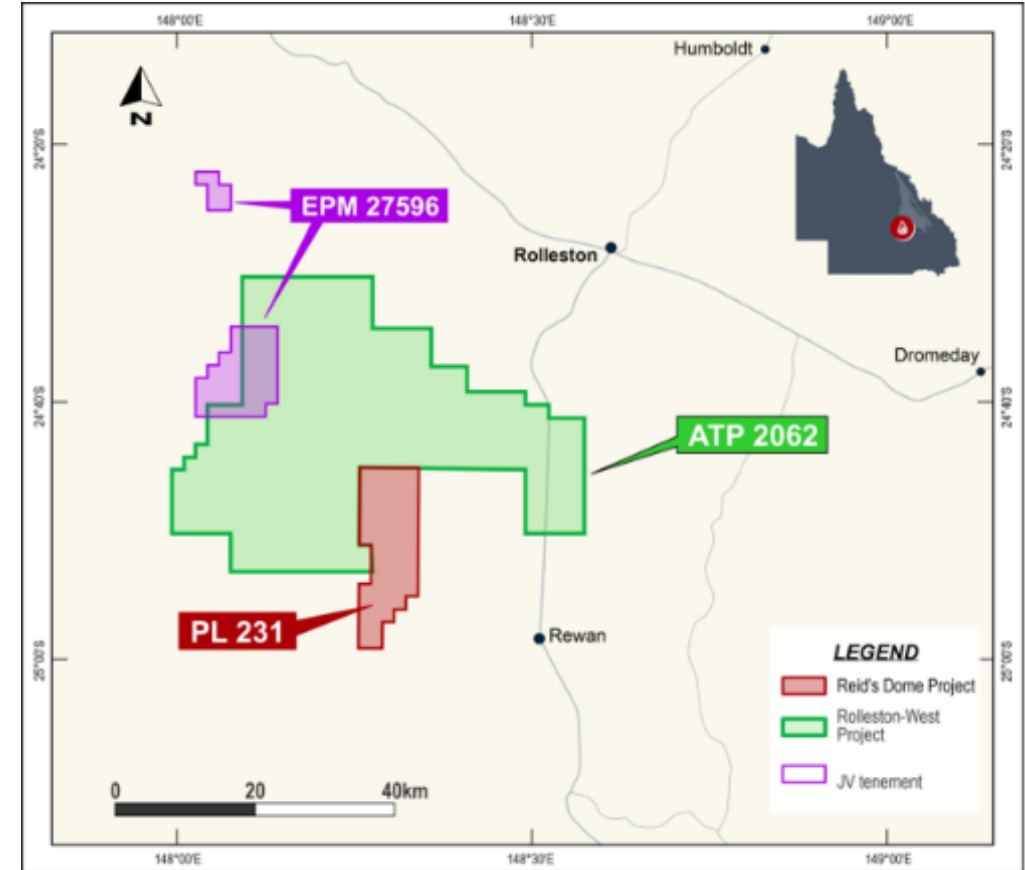
- 70 km² area
- Ignimbrite (basalt) 200 – 330 m thick

➤ A range of decarbonisation applications:

- Advanced weathering
- Low carbon cementitious material
- In-situ carbon mineralisation (Carbfix process)

➤ Option for further expansion into at-grade Basalt quarrying opportunity with immediate agricultural application

➤ Planning small drilling campaign to support further laboratory testing and accelerate government approvals



Map showing location of Joint-Venture Project

11.1 Carbfix Process

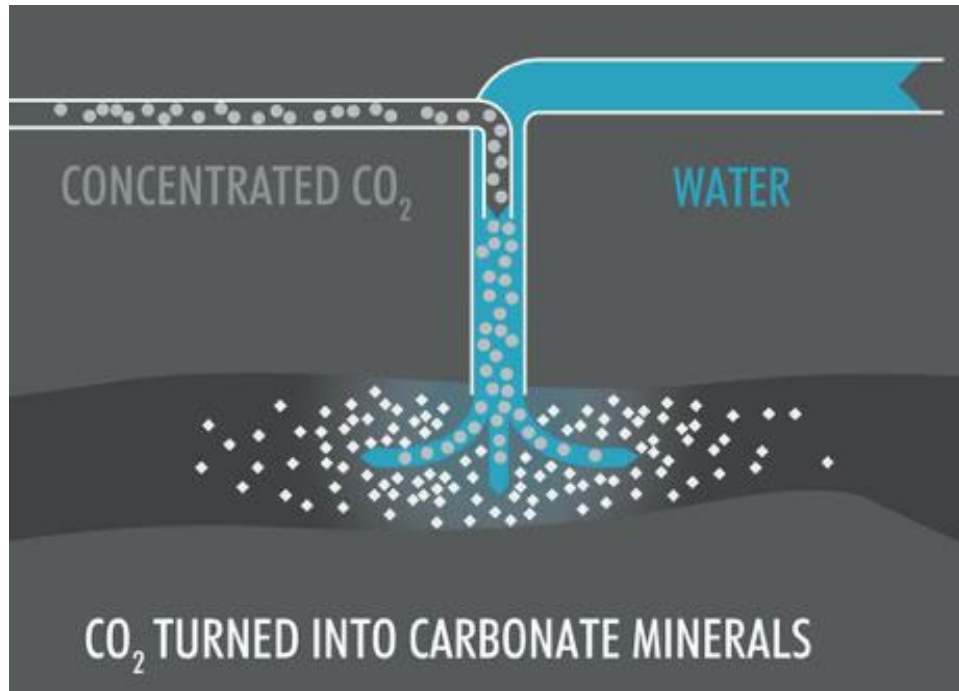


Illustration depicting the process of carbon mineralisation into underground basaltic rock formations



Image showing calcium carbonate (calcite) formed from CO₂ charged water injected into basalt at the Carbfix site in Hellisheioi, Iceland

- Permanent storage of CO₂ by conversion to mineral calcite
 - Successfully trialed in Iceland
 - Low temperature and low pressure requirements



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