



State Gas Limited

ACN 617 322 488

Prospectus

For an offer of up to approximately 137,033,157 New Shares and approximately 68.6 million free attaching New Options via a one (1) for two (2) accelerated non-renounceable entitlement offer of Shares at an issue price of \$0.05 per New Share to raise up to approximately \$6,851,657 before costs, with one (1) attaching Option for every two (2) New Shares issued.

The Entitlement Offer is not underwritten.

The Entitlement Offer closes at 5pm AEST on 22 August 2024.

Not for release to US wire services or distribution in the United States

IMPORTANT INFORMATION

This Prospectus is lodged with ASIC pursuant to section 718 of the Corporations Act, is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

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Important Notices

General

This Prospectus is dated, and was lodged with ASIC on, 5 August 2024.

Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No New Shares or New Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the Expiry Date of this Prospectus).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the New Shares offered under this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 4, Level 1, 40 Edward St, Brisbane QLD 4000 during business hours.

The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Section 7.3). Eligible Shareholders can obtain a copy of this Prospectus during the period of the Entitlement Offer from the Company's website.

No person or entity is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Entitlement Offer.

Foreign Jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of New Shares in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons outside of Australia and New Zealand should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Refer to Section 2.18 for further details.

Notice to nominees and custodians Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Shares does not breach regulations in the relevant jurisdiction.

Information for New Zealand investors

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the Entitlement Offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Transaction Specific Prospectus

This is a 'transaction specific prospectus' of 'continuously quoted securities' (as defined in the Corporations Act) of the Company to which the special content rules under section 713 of the Corporations Act apply. This allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of this Prospectus. In general terms, 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of New Shares on the Company and the rights attaching to the New Shares and New Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offering of securities.

No Exposure period

No exposure period applies to this Prospectus by operation of ASIC Corporations (Exposure Period) Instrument 2016/74.

No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

Speculative investment

An investment in the New Shares should be considered speculative. Refer to Section 6 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to New Shares.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering applying for New Shares have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Shares will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Forward-looking statements

This Prospectus contains certain forward-looking statements including, but not limited to, projections, estimates, the outcome and effects of the Entitlement Offer and the use of Proceeds and the future performance and financial position of the Company. Forward looking statements include those containing words such as: "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may" "intends", "guidance", "project", "forecast", "target", "likely", "continue", "objectives" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the outcome and effects of the Entitlement Offer, the use of the Entitlement Offer Proceeds, certain plans, strategies and objectives of management, the expected financial performance and position of the Company. Any forward-looking statements, opinions and estimates provided in this Prospectus are based on assumptions and contingencies which are subject to change without notice and involve known

and unknown risks and uncertainties and other factors which are beyond the control of the Company and its officers, employees, agents, Associates and advisers. This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Past performance is not a guide to future performance. Readers are cautioned not to place undue reliance on forward looking statements. Actual results may differ materially from those expressed or implied in such statements. Except as required by law or regulation (including the Listing Rules), the Company undertakes no obligation to update these forward-looking statements or to provide any other additional or updated information whether as a result of new information, future events or results or otherwise.

To the maximum extent permitted by law, the Company and its officers, employees, agents, Associates and advisers do not make any representation or warranty, express or implied as to the currency, accuracy, reliability or completeness of any forward-looking statements, or the likelihood of fulfilment of any forward looking statement, and disclaim all responsibility and liability for the forward looking statements (including, without limitation, liability for negligence). Refer to the "Risks" detailed in Section 6 for a summary of certain risk factors that may affect the Company. There can be no assurance that actual outcomes will not differ materially from the forward-looking statements. The forward-looking statements are based on information available to the Company as at the date of this Prospectus.

No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus. An investment in the Shares of the Company, including the New Shares offered by this Prospectus, should be considered speculative.

Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for New Shares and consider the risks that could affect the performance of the Company and the Shares.

If you have any questions, you should seek advice from your financial or other professional adviser.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus. The Company and the Joint Lead Managers will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.stategas.com). By making an Application under the Entitlement Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.stategas.com.

If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand. The Corporations Act prohibits any person passing onto another

person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company during office hours.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Website

Any references to documents included on the Company's website or the ASX website are for convenience only, and none of the documents or other information available on those websites is incorporated in this Prospectus by reference.

Diagrams

Any diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to AEST, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 9

Indicative Timetable

The key dates in respect of the Entitlement Offer are as follows.

Event	Date
Trading halt requested	30 July 2024
<ul style="list-style-type: none"> Company requests one day voluntary suspension from trading to comply with ASX timetable rules Placement and Entitlement Offer announced Prospectus lodged with ASIC and ASX Appendix 3B lodged with ASX 	5 August 2024
<ul style="list-style-type: none"> Company announces results of Institutional Entitlement Offer and Placement Trading resumes on an ex-entitlement basis 	6 August 2024
Record Date	7 August 2024 (7:00pm AEST)
<ul style="list-style-type: none"> Institutional Placement and Entitlement Offer settle Appendix 2A relating to Institutional Entitlement Offer and Placement lodged with ASX Prospectus and Entitlement Forms despatched to Shareholders Opening Date for Retail Entitlement Offer 	8 August 2024
Last day to extend Retail Entitlement Offer	19 August 2024
Closing Date for Retail Entitlement Offer	22 August 2024 (5:00 pm AEST)
<ul style="list-style-type: none"> Company announce results of the Retail Entitlement Offer and issues New Shares and New Options under the Retail Entitlement Offer Appendix 2A lodged with ASX for Retail Entitlement Offer 	29 August 2024
Trading in New Shares under Retail Entitlement Offer commences	30 August 2024

The Company reserves the right to vary these times and dates in its absolute discretion by sending a revised timetable to ASX. In particular, the Company reserves the right to extend the Closing Date and to accept late Applications under the Entitlement Offer at its discretion without prior notice. Any extension of the Closing Date will have a consequential effect on the date of issue for New Shares under the Entitlement Offer.

The Company also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

The commencement of quotation of New Shares is subject to the discretion of ASX.

Corporate Directory

Directors Mr Richard Cottee (Executive Chairman) Mr Anthony Bellas (Non-Executive Deputy Chairman) Mr Gregory Baynton (Non-Executive Director) Mr Philip St Baker (Non-Executive Director) Mr Jonathan Stretch (Non-Executive Director)	Registered Office Suite 4 Level 1 40 Edward Street Brisbane QLD 4000 Website www.stategas.com
Company Secretary Ms Suzanne Yeates	Chief Financial Officer Ms Suzanne Yeates
Legal Adviser HWL Ebsworth Lawyers Level 19, 480 Queen Street Brisbane QLD 4000	Joint Lead Managers Aitken Mount Capital Partners Pty Ltd ACN 169 972 436 AFSL 517935 20b Underwood Street Paddington NSW 2021 Morgans Corporate Limited Level 29 Riverside Centre 123 Eagle Street Brisbane QLD 4000
Share Registry Link Market Services Limited Level 21, 10 Eagle Street Brisbane, QLD, 4000	ASX Code GAS

1. Investment Overview

This Section is intended to highlight key information for potential investors. It is an overview only and investors should read the Prospectus in full before deciding to invest in Securities.

Key Information	Further Information
Placement	
<p>What is the Placement?</p> <p>The Company has undertaken a placement to institutional and sophisticated investors of 40,949,472 New Shares and 20,474,736 attaching New Options to raise \$2,047,473 before costs. The issue of New Shares under the Placement will be settled at the same time as the Institutional Entitlement Offer, while the attaching New Options will be issued subject to Shareholder approval under ASX Listing Rule 7.1, which is expected during September 2024.</p>	Section 7.10
Entitlement Offer	
<p>What is the Entitlement Offer?</p> <p>The Entitlement Offer is an accelerated non-renounceable pro rata entitlement offer of New Shares with attaching free New Options. Under the Entitlement Offer, all Eligible Shareholders are being offered the opportunity to acquire 1 New Share for every 2 Shares held at 7.00pm (AEST) on the Record Date at a price of \$0.05 per New Share. In addition, the Company will issue 1 New Option for every 2 New Shares subscribed for under the Entitlement Offer.</p> <p>The Entitlement Offer comprises the following:</p> <p>(a) Institutional Entitlement Offer – Eligible Institutional Shareholders will be given the opportunity to take up all or part of their Entitlement. Entitlements under the Institutional Entitlement Offer are non-renounceable. The Joint Lead Managers will provide all Eligible Institutional Shareholders with details of the Institutional Entitlement Offer and how to apply under the Institutional Entitlement Offer.</p> <p>(b) Retail Entitlement Offer – Eligible Retail Shareholders will be given the opportunity to take up all or part of their Entitlement. Retail Entitlements are also non-renounceable. Eligible Retail Shareholders can also apply for Shortfall Shares in excess of their Entitlement under the Shortfall Offer. There is no guarantee that Eligible Retail Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.</p>	Section 2.1
<p>How much will be raised from the Entitlement Offer?</p> <p>The Company is seeking to raise approximately \$6,851,657 (before costs) pursuant to the Entitlement Offer. This follows the successfully completed institutional Placement offer which raised \$2,047,473.</p>	Section 2.1
<p>What is the purpose of the Entitlement Offer and how will the funds raised be used?</p> <p>The Entitlement Offer is being undertaken (and the Placement was undertaken) to</p> <p>(a) pay off the remaining construction and commissioning costs associated with</p>	Section 4

Key Information	Further Information
<p>the development of the HDNG production facilities at Rolleston-West;</p> <p>(b) working capital; and</p> <p>(c) costs associated with the offer.</p> <p>Subject to take-up of the Entitlement Offer, the Company may also apply funds towards:</p> <p>(d) accelerating exploration and appraisal activities;</p> <p>(e) improving efficiency and production capability of the HDNG plant; and</p> <p>(f) further strengthening the Company's balance sheet.</p>	
<p>Is the Entitlement Offer underwritten?</p> <p>The Entitlement Offer is not underwritten</p>	Section 2.9
<p>What is my Entitlement?</p> <p>Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 2 Shares held at 7.00pm (AEST) on the Record Date, with 1 free attaching New Option for every 2 New Shares issued.</p> <p>If you are an Eligible Retail Shareholder, your Entitlement is set out on the personalised Entitlement and Acceptance Form accompanying this Prospectus.</p>	Sections 2.1, 2.2, 2.3
<p>What is the Offer Price?</p> <p>The Offer Price for New Shares subscribed for under the Entitlement Offer is \$0.05 per New Share. The New Options have a nil issue price, are exercisable at 8 cents and expire on 30 August 2025.</p>	Section 2.1
How to Participate in the Entitlement Offer	
<p>Am I an Eligible Institutional Shareholder and able to participate in the Institutional Entitlement Offer?</p> <p>An Eligible Institutional Shareholder under this Prospectus is anyone who the Joint Lead Managers determine have successfully received an offer to subscribe for New Shares and attaching New Options under the Institutional Entitlement Offer on the basis that they are Institutional Investors.</p> <p>If you are an Eligible Institutional Shareholder, you are eligible to participate in the Institutional Entitlement Offer being conducted by the Company. The Joint Lead Managers will provide Eligible Institutional Shareholders with the details of their Entitlements and how to apply under the Institutional Entitlement Offer at the commencement of the Institutional Entitlement Offer.</p>	Section 2.16
<p>Am I an Eligible Retail Shareholder and able to participate in the Retail Entitlement Offer?</p> <p>Eligible Retail Shareholders are those Shareholders who:</p> <p>(a) as at 7:00pm (AEST) on the Record Date, have a registered address in Australia or New Zealand;</p> <p>(b) are not in the United States and are not, and are not acting for the account or benefit of, a person in the United States;</p>	Section 2.15

Key Information	Further Information
<p>(c) are not an Institutional Shareholder or an Ineligible Institutional Shareholder; and</p> <p>(d) are eligible under all applicable laws to receive an offer under the Entitlement Offer.</p>	
<p>How do I accept all or part of the Retail Entitlement</p> <p>If you are an Eligible Retail Shareholder and you wish to take up all or part of your Entitlement, you must pay the full Application Monies via BPAY® or EFT (for Eligible Retail Shareholders with a registered address in New Zealand only) by no later than the 5.00pm (AEST) on the Closing Date.</p>	Section 3.1
<p>Can Eligible Retail Shareholders apply for New Shares in excess of their Entitlement?</p> <p>Yes. Eligible Retail Shareholders may also apply for Shortfall Shares offered under the Shortfall Offer. However, there may be few or no Shortfall Shares available for issue depending upon the level of take up of Entitlements by Eligible Retail Shareholders. The Company reserves the right to issue to an Eligible Retail Shareholder who has applied for Shortfall Shares, a lesser number of Shortfall Shares (and attaching New Options) than the number applied for, reject an Application or not proceed with the issuing of the Shortfall Shares and attaching New Options, or part of them.</p>	Section 2.7
<p>Further details of the Entitlement Offer</p>	
<p>Can I trade my Entitlement?</p> <p>No, the Entitlement Offer is non-renounceable. This means that the Entitlements of Eligible Retail Shareholders to subscribe for New Shares and New Options under this Prospectus are not transferable and there will be no trading of rights on ASX or otherwise.</p>	Section 2.4
<p>What will be the effect of the Entitlement Offer on the control of the Company?</p> <p>No. New Shares will be issued to any Shareholder pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Shareholder's Voting Power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.</p>	Section 4.6
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (or securities convertible into continuously quoted securities) (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 7.3
<p>What are the key risks of taking up my Entitlement?</p>	
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Securities in the Company</p>	Section 6

Key Information**Further Information**

involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6, including (but not limited to) risks in respect of:

(a) **Measurement and Transportation of HDNG**

The application of virtual pipeline technology to transport HDNG by truck to customers is mature technology globally, but has not been historically undertaken at scale in Australia. The end-to-end process involves risk, multiple parties and different equipment at each stage of the supply chain. Any failure of risk management procedures in the Company's supply chain could lead to injury to persons or property, financial and reputational loss for the Company and impact adversely on its regulatory approvals.

(b) **Optimisation of Plant and Well Performance**

The Company's ability to meet its gas supply commitments and further expand its gas production capability is dependent on the reliable operation of its HDNG plant and the Company's gas wells which are supplying raw coal seam gas ("CSG"). Any failure of the Company's plant and equipment or issues impact performance of its gas wells could materially adversely affect the Company.

(c) **Development risk**

The Company's development projects may be delayed or be unsuccessful for many reasons, including unanticipated financial, operational or regulatory events, cost overruns, decline in petroleum prices or demand, equipment and labour shortages, technical concerns including with respect to reserves and deliverability difficulties, increases in operational cost structures, contractual issues with securing sales contracts for petroleum products or with engineering procurement and construction contracts, community or industrial actions, changes in construction costs, design requirements and delays in construction or other circumstances which may result in the delay, suspension or termination of the development projects.

(d) **Project cost control**

Execution of the Company's exploration and development activities requires an appropriate framework of internal controls including obtaining robust project cost estimates, ensuring investment decisions are supported by the appropriate financial analysis and that appropriate procedures are in place to ensure work is executed on time and on budget. Failure to implement these controls effectively could mean that long term funding decisions for the business are incorrect and the Company's ability to deliver on its plans within specified timeframes are compromised.

(e) **Business Interruption**

Pandemic-type restrictions, natural disaster impacts, or cyber-attack may prevent or disrupt ongoing operations as planned. The Company's exploration operations and profitability may be adversely impacted or delayed.

(f) **Operating Risks**

Industry operating risks to which the Company is exposed include the risk of fire, explosions, blow-outs, pipe failure, weather conditions, industrial disputes, unexpected equipment shortages or cost increases, mechanical failure or breakdown, abnormally

Key Information	Further Information
<p>pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gases.</p> <p>(g) Production risk</p> <p>The business of petroleum exploration and development is subject to a variety of risks and hazards. Such occurrences may delay production, increase production costs or result in damage to and destruction of petroleum properties or production facilities, personal injury, environmental damage and legal liability. There is a risk that capital and/or operating costs will be higher than expected or there will be other unexpected changes in variables upon which expansion and commissioning decisions were made. Mechanical failure of the Company's operating plant and equipment, and general unanticipated operational and technical difficulties, may adversely affect its operations.</p> <p>(h) Access to Funding</p> <p>The ability of the Company to meet future proposed development programs may be dependent on the Company's ability to raise further funds in future. There can be no assurance that sufficient capital funding will be available to the Company on favourable terms or at all. Any failure by the Company to raise necessary capital could have an adverse effect on the Company's ability to expand its business and/or maintain operations at the desired level.</p> <p>(i) Climate Change</p> <p>Government and community expectations about carbon emissions and how companies are managing the impacts of climate change are increasing. The Company's growth may be impacted by increasing regulation and costs associated with climate change and the management of carbon emissions.</p> <p>(j) Health and safety</p> <p>The Company's activities are subject to operating hazards which could result in harm to our people or our communities. In addition to injury or negative effects to the health or wellbeing of affected people, impacts may include reputational damage and financial penalties.</p> <p>(k) Commodity price volatility</p> <p>The demand for, and price of gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major gas corporations, global economic and political developments and other factors all of which are beyond the control of the Company. A material decline in the price of gas may have a material adverse effect on the economic viability of the Company's projects.</p> <p>(l) Resource and reserve estimates</p> <p>The estimation of natural gas resources and reserves involves subjective judgements and determinations based on geological, technical, contractual and economic information. There is uncertainty in the estimates and it is not an exact calculation. The estimates may go up or down because of new information from operational activities or changes in economic factors, such as assumptions regarding incomes and costs, or</p>	

Key Information	Further Information
<p>due to other factors. It may also alter because of acquisitions and disposals, new discoveries and extensions of existing fields as well as the application of improved recovery techniques. There can be no guarantee that the Company will successfully produce the volume of hydrocarbon that it estimates are reserves or that hydrocarbon resources will be successfully converted to reserves.</p> <p>(m) Environmental risks</p> <p>The operations and proposed activities of the Company are subject to environmental laws and regulations. As with most resource projects, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environment damage caused by previous owners on property acquired by the Company, or noncompliance with environmental laws or regulations.</p> <p>(n) Competition risk</p> <p>There is also no guarantee that the Company will be able to compete effectively with future competitors, including from organisations specialising in alternative sources of energy. Future competition may adversely impact the Company's financial performance.</p> <p>(o) Risk of superseding energy technology</p> <p>There is a risk that new technology will be developed and deployed in the energy market that will move current and potential customers for the Company's products towards new energy products, including renewable energy such as solar or wind and battery storage. In that event, the Company's current projects may be adversely affected and the Company may not be in a position to invest and economically compete in such emerging energy markets.</p> <p>(p) Reliance on Key Personnel Risk</p> <p>The Company is reliant on its senior management and key personnel. The Company's progress in pursuing its operation, development, exploration within the timeframes currently envisaged and anticipated cost structure could be influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as its production, development, exploration and appraisal programs, progress.</p> <p>(q) Land Access</p> <p>Land access is critical for the success of the Company's operational, exploration and development activities. The Company relies on being able to negotiate mutually satisfactory access arrangements with landholders and other stakeholders for lands on which the Company's exploration and production activities are conducted. The Company's operations and profitability may be adversely impacted or delayed in the event of a dispute with a landowner or user that delays or prevents the Company carrying out its projects.</p>	

Key Information	Further Information
<p>(r) Native title and heritage risk</p> <p>The Company is required to comply with the Native Title Act 1993 (Cth) since native title has been determined for part of the land underlying the petroleum lease and granted exploration tenements. Further, under the Aboriginal Cultural Heritage Act 2003 (Qld), any person carrying out an activity must take all reasonable and practicable measures to ensure the activity does not harm Aboriginal culture heritage. This applies whether or not such places are recorded in an official register and whether or not they are located on private land. Failure to comply with the Aboriginal cultural duty of care is an offence for which large penalties apply.</p> <p>(s) Community opposition risk</p> <p>Given community opposition to certain gas projects from time to time, there is a risk of community opposition to the Company's operations. Disapproval of local communities or other interested parties may lead to direct action which impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company.</p> <p>(t) Other risks</p> <p>Other risks described in Section 6 include risks relating to exploration and development including drilling, compliance failures, legislation and regulatory risks, insurance, significant government policy changes, force majeure, and risks relating to New Options. They also include risks relating to economic and market conditions, litigation, information systems and cyber risk, liquidity risk, changes to taxation laws and rules, exposure to global credit and investment markets, counterparty risk, unforeseen expenditure and changes to accounting standards.</p>	
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p>	

Key Information	Further Information
<p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.</p>	
<p>Further information</p>	
<p>How can I obtain further information?</p> <p>Shareholders with registered addresses in Australia or New Zealand can obtain a copy of this Prospectus during the period of the Retail Entitlement Offer on by calling the Offer Info Line on 1300 494 861 during business hours.</p> <p>If you access the electronic version of this Prospectus, you should ensure that you download and read the entire Prospectus and that you have received the entire Prospectus accompanied by the relevant Entitlement and Acceptance Form.</p>	

2. Details of the Entitlement Offer

2.1 Entitlement Offer

The Entitlement Offer is an accelerated non-renounceable pro rata offer of 1 New Share for every 2 Shares held by Eligible Shareholders at 7.00pm (AEST) on the Record Date at an issue price of \$0.05 per New Share to raise approximately \$6,851,657 (before costs) (**Entitlement Offer**), with 1 attaching New Option for every 2 New Shares issued.

The Entitlement Offer comprises the:

- (a) **Institutional Entitlement Offer** – being an offer to Eligible Institutional Shareholders – refer to Section 2.2 below for further details; and
- (b) **Retail Entitlement Offer** – whereby Eligible Retail Shareholders will be allotted Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part – refer to Section 2.3 below for further details.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable, meaning that Entitlements cannot be traded on ASX, nor can they be sold, transferred or otherwise disposed of. All New Shares under the Entitlement Offer will rank equally with the Shares on issue as at the date of this Prospectus. For further information regarding the rights and liabilities attaching to Shares, please see Section 5.1.

2.2 Institutional Entitlement Offer

The Company is conducting the Institutional Entitlement Offer during the period detailed in the Indicative Timetable. Entitlements under the Institutional Entitlement Offer are non-renounceable. The Joint Lead Managers will provide Eligible Institutional Shareholders with the details of their Entitlements and how to apply under the Institutional Entitlement Offer at the commencement of the Institutional Entitlement Offer.

The announcement of the results of the Institutional Entitlement Offer will be made on or around 6 August 2024. The New Shares offered under the Institutional Entitlement Offer are expected to be issued on or about 8 August 2024.

2.3 Retail Entitlement Offer

Eligible Retail Shareholders are being invited to subscribe, at the Offer Price of \$0.05 per New Share, for 1 New Share for every 2 existing Shares held as at 7.00pm (AEST) on the Record Date, with one Free attaching New Option for every 2 New Shares issued.

Retail Entitlements are also non-renounceable.

Eligible Retail Shareholders can also apply for Shortfall Shares in excess of their Entitlement under the Shortfall Offer (refer to Section 2.7). There is no guarantee that Eligible Retail Shareholders will be allocated any Shortfall Shares under the Shortfall Offer.

You should note that not all Shareholders will be eligible to participate in the offer of New Shares.

The offer ratio and Offer Price under the Retail Entitlement Offer are the same as the Institutional Entitlement Offer.

The Retail Entitlement Offer opens on the Opening Date and closes at 5.00pm (AEST) on the Closing Date (unless extended or otherwise varied by the Company in its sole discretion).

Please consider the Retail Entitlement Offer in the light of your particular investment objectives and circumstances.

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of principal invested. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

2.4 No rights trading

The rights to New Shares and attaching New Options under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Shares (and attaching New Options) under the Entitlement Offer to any other party. If you do not take up your Entitlement to New Shares under the Entitlement Offer by 7.00pm (AEST) on the Closing Date, your Entitlement will lapse.

2.5 Minimum subscription

There is no minimum subscription under the Entitlement Offer.

2.6 Opening and Closing Dates

The Company will accept payment in respect of the Retail Entitlement Offer from Eligible Retail Shareholders from the Opening Date until 5.00pm (AEST) on the Closing Date or such other date as the Directors in their absolute discretion determine, subject to the Listing Rules.

Please note that payment made by BPAY® or EFT must be received no later than 5.00pm (AEST) on the Closing Date. It is the responsibility of all Eligible Retail Shareholders to ensure that their BPAY® or EFT payments are received by the Company on or before 5.00pm (AEST) on the Closing Date.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date of the Entitlement Offer without prior notice. If the Closing Date is varied, subsequent dates may also be varied accordingly.

2.7 **Shortfall Offer and Allocation Policy**

Any New Shares under the Retail Entitlement Offer that are not applied for will form Shortfall Shares. The offer to issue Shortfall Shares is a separate offer under this Prospectus (**Shortfall Offer**).

Under this Prospectus, the Company offers to issue the Shortfall Shares to investors at the same price of \$0.05 per New Share as that offered under the Entitlement Offer, also with 1 attaching New Option for every 2 New Shares issued under the Shortfall Offer.

The Shortfall Shares will have the same rights as the New Shares (as detailed in Section 5.1). Eligible Retail Shareholders may apply for Shortfall Shares (refer to Section 2.7 for further details).

Unless otherwise agreed between the Company and the Joint Lead Managers, the Company will allocate Shortfall Shares according to the following priority:

- (a) to each Eligible Retail Shareholder who has applied for Shortfall Shares through the Shortfall Offer, to the extent that the Company so determines; and
- (b) if, following the allocation in paragraph (a) there remains a Shortfall, those unallocated Shortfall Shares will then be allocated to other investors who have applied for Shortfall Shares under the Shortfall Offer.

The Company reserves the right to issue, at its sole discretion, to an Eligible Retail Shareholder who has applied for Shortfall Shares, a lesser number of Shortfall Shares than the number applied for (or no Shortfall Shares), reject an Application or not proceed with the issuing of the Shortfall Shares or part thereof. Subject to compliance with the Corporations Act and the Listing Rules, the Company reserves the right to place Shortfall Shares and attaching New Options within three months of the Closing Date at a price not less than the Offer Price of \$0.05.

2.8 **Fractional Entitlements**

Fractional Entitlements will be rounded up to the nearest whole number of New Shares and attaching New Options. For this purpose, holdings in the same name are aggregated for calculation of Entitlements, to the extent permitted by the Listing Rules. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the Listing Rules.

2.9 **Underwriting**

The Entitlement Offer is not underwritten.

2.10 Risks of the Entitlement Offer

As with any securities investment, there are risks associated with investing in the Company. Having regard to the risks applicable to the Company and its business detailed in Section 6, Eligible Shareholders should be aware that an investment in the New Shares should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 6), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

2.11 Application Forms and BPAY® or EFT payments

Acceptance of a BPAY® or EFT payment by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares (and attaching New Options) accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of New Shares and New Options.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Application Form as valid and how to construe, amend or complete the Application Form is final.

2.12 Issue and Dispatch

All New Shares under the Entitlement Offer are expected to be issued on or before the dates specified in the Indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

Shortfall Shares may be issued within three months after 5.00pm (AEST) on the Closing Date.

2.13 ASX quotation and trading

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made in accordance with the Listing Rules requirements. Application Monies will be held on trust in a subscription account until allotment (or repayment).

If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus before the expiration of three (3) months after the date of issue of the Prospectus (or such period as varied by the ASIC), the Company will not issue any New Shares and attaching New Options and will repay all Application Monies for the New Shares within the time prescribed under the Corporations Act, without interest.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares and New Options.

2.14 **Withdrawal and Cooling-Off Rights**

Cooling off rights do not apply to an investment in New Shares (and attaching New Options) under the Retail Entitlement Offer. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.

The Directors may at any time decide to withdraw this Prospectus and the Entitlement Offer, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

2.15 **Eligible Retail Shareholders**

Eligible Retail Shareholders are those Shareholders who:

- (a) as at 7.00pm (AEST) on the Record Date, have a registered address in Australia or New Zealand;
- (b) are not in the United States and are not, and are not acting for the account or benefit of, a person in the United States;
- (c) are not an Institutional Shareholder or an Ineligible Institutional Shareholder; and
- (d) are eligible under all applicable laws to receive an offer under the Entitlement Offer,

(an **Eligible Retail Shareholder**).

Where this Prospectus has been despatched to Ineligible Retail Shareholders, this Prospectus is provided for information purposes only. The Company reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By making a payment by BPAY® or EFT (for Eligible Retail Shareholders with a registered address in New Zealand only), you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder.

Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

The Company may (in its absolute discretion) extend the Retail Entitlement Offer to any Institutional Shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

By receiving this Prospectus, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints. The discretion of the Company, the Joint Lead Managers and their affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia or New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. The Company may (in its absolute discretion) extend the Retail Entitlement Offer to Shareholders who have registered addresses outside Australia or New Zealand in accordance with applicable law.

2.16 Eligible Institutional Shareholders

Eligible Institutional Shareholders are anyone whom the Joint Lead Managers determine have successfully received an offer to subscribe for New Shares (and attaching New Options) under the Institutional Entitlement Offer on the basis that they are Institutional Investors.

Determination of eligibility of investors for the purposes of the Entitlement Offer, and in particular, the question as to whether an eligible shareholder is an Eligible Institutional Shareholder, is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Company and the Joint Lead Managers. The Company and the Joint Lead Managers disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. If you are an Eligible Institutional Shareholder, you are eligible to participate in the Institutional Entitlement Offer being conducted by the Company.

2.17 Nominees

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Retail Entitlement Offer).

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person who is in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement on behalf of such person or send any materials into the United States or any other jurisdiction outside Australia or New Zealand, except to beneficial shareholders who are institutional or professional investors in certain foreign countries as the Company may permit in compliance with applicable law.

2.18 Foreign Jurisdictions

This Prospectus and the accompanying Entitlement and Acceptance Form do not constitute an offer of New Shares or New Options in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. In particular, this Prospectus may not be distributed to any person, and the New Shares and New Options may not be offered or sold, in any country outside of Australia, except to the extent permitted below:

(a) Retail Entitlement Offer

New Zealand

The New Shares and New Options are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(b) Institutional Entitlement Offer

New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act.

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

2.19 CHES

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of New Shares and New Options. If you are broker sponsored, ASX Settlement will send you a CHES statement.

The CHES statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Shares and New Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.20 **Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares and New Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. Applicants should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

2.21 **Major activities and financial information**

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2023 is provided in the Annual Report which is available on the Company's website at <https://www.stategas.com>.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of the Annual Report for the year ended 30 June 2023 with ASX on 28 September 2023 are detailed in Section 7.3. Copies of these documents are available free of charge from the Company or the Company's website: <https://www.stategas.com> or from <https://www.asx.com.au>. Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Entitlement Offer.

2.22 **Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged

for access. Access requests must be made in writing to the Company's registered office.

2.23 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Offer Info Line on 1300 494 861 from 9.00am to 5.00pm (AEST), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

3. Actions required by Applicants

3.1 How to apply

Your personalised entitlement and acceptance form (**Entitlement and Acceptance Form**) can be obtained at <https://events.miracle.com/gas-anreo>.

Your Entitlement has been calculated as 1 New Share for every 2 Shares you held as at 7.00pm (AEST) on the Record Date, with free attaching New Options to be issued on the basis of 1 New Option for every 2 New Shares allocated. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares and New Options.

If you have more than one registered holding of Shares, you will have a personalised Entitlement and Acceptance Form online for each and you will have separate Entitlements for each separate holding.

If you are an Eligible Retail Shareholder, you may do any one of the following:

- (a) take up all of your Entitlement and also apply for additional New Shares and New Options under the Shortfall Offer;
- (b) take up all of your Entitlement but not apply for additional New Shares and New Options under the Shortfall Offer;
- (c) take up part of your Entitlement, but the part not taken up will lapse; or
- (d) do nothing, in which case all of your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you wish to take up all of your Entitlement and also apply for additional New Shares and New Options in the Shortfall Offer or if you wish to take up all of your Entitlement only

If you decide to take up all of your Entitlement, or take up all of your Entitlement and apply for additional New Shares and New Options, please pay your Application Monies via BPAY® or EFT (for Eligible Retail Shareholders with a registered address in New Zealand only) by following the instructions set out on the personalised Entitlement and Acceptance Form site (available at <https://events.miracle.com/gas-anreo>) and below so that they are received by the Share Registry by no later than 5.00pm (AEST) on the Closing Date.

If paying by Bpay®, Applicants **do NOT need to return an Entitlement and Acceptance Form**. Payment must be received via Bpay® before 5:00pm (AEST) on Thursday 22 August 2024. You should check the processing cut off-time for Bpay® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by Bpay® you will be deemed to have completed an Entitlement and Acceptance Form for the number of New Shares subject of your application payment.

New Zealand Applicants may pay via EFT by completing the Entitlement and Acceptance Form (available from <https://events.miraqle.com/gas-anreo>) once your Application Payment has been made by EFT. Completed Entitlement and Acceptance Forms must be emailed to capitalmarkets@linkmarketservices.com.au. Please remember to:

- (i) Enter the number of New Shares accepted and the number of Shortfall Shares applied for (if any).
- (ii) Work out your payment amount. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.05.
- (iii) Payment must be received in cleared funds before 5:00pm (Sydney time) on Thursday 22 August 2024. **You must use your SRN/HIN as the reference number for your deposit.** If you do not use your SRN/HIN, your application will not be able to be processed. You will also need to ensure that you are aware of any transfer fees with your Financial Institution as we are only able to process the AUD funds received.
- (iv) Enter your contact telephone number at which we may contact you regarding the application for New Shares.

If you apply to take up all of your Entitlement, you may also apply for additional New Shares and New Options under the Shortfall Offer. Amounts received by the Company in excess of the Offer Price of \$0.05 multiplied by your Entitlement may be treated as an Application to apply for as many additional Shortfall Shares and attaching New Options as your Application Monies will pay for in full.

If you take up all of your Entitlement and apply for additional New Shares and New Options under the Shortfall Offer and if your Application is successful (in whole or in part) you will be issued your New Shares and New Options on or about 29 August 2024. The Company's decision on the number of New Shares and attaching New Options to be issued to you will be final. Additional New Shares and New Options under the Shortfall Offer will only be allocated first to Eligible Retail Shareholders to the extent that the Company so determines, in its absolute discretion (refer to Section 2.7 for details in respect to the Shortfall Offer allocation policy). If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares and New Options. Any New Shares and attaching New Options not taken up by 5.00pm (AEST) on the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares and New Options under the Shortfall Offer. There is no guarantee that such Shareholders will receive the number of New Shares and New Options applied for under the Shortfall Offer, or any. Additional New Shares and New Options under the Shortfall Offer will only be allocated to Eligible Retail Shareholders if available and to the extent that the Company so determines, in its absolute discretion.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Shares and New Options issued to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if the Company believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to the Company's satisfaction.

If you wish to take up part of your Entitlement

If you decide to take up part of your Entitlement, and allow the balance to lapse, please pay your Application Monies via BPAY® or EFT (for Eligible Retail Shareholders with a registered address in New Zealand only) by following the instructions set out in Section 3.1.

If you receive more than one personalised Entitlement and Acceptance Form (available from <https://events.miraqle.com/gas-anreo>), please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

If you take up and pay part of your Entitlement before the close of the Retail Entitlement Offer you will be issued your New Shares and New Options on or about 29 August 2024. The Company's decision on the number of New Shares and New Options to be issued to you will be final.

The Company also reserves the right (in its absolute discretion) to reduce the number of New Shares and attaching New Options issued to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if the Company believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to the Company's satisfaction.

You will not receive any value for the Entitlements you choose not to take up and they will lapse with no value.

If you take no action

If you take no action you will not be allocated New Shares and attaching New Options and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Eligible Retail Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

3.2 Payment

Payments by cash, cheque, bank draft or money order will not be accepted. The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to Applicants on any Application Monies received or refunded.

Please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

(a) Payment by BPAY®

For payment by BPAY®, please follow the instructions and in Section 3.1 and on the Entitlement and Acceptance Form (available from <https://events.miraqle.com/gas-anreo>), which includes the Biller Code and Customer Reference Number. Eligible Shareholders who have multiple holdings will have multiple Customer Reference Numbers. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that if paying by BPAY®:

- (i) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations, representations and warranties on that personalised Entitlement and Acceptance Form and under this Prospectus; and
- (ii) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

(b) Payment by EFT – New Zealand only

For payment by EFT, please follow the instructions and in Section 3.1 and on the Entitlement and Acceptance Form (available from <https://events.miraqle.com/gas-anreo>), which includes your Unique Reference Number. The Unique Reference Number is used to identify your holding. Eligible Shareholders who have multiple holdings will have multiple Unique Reference Numbers. You must use the Unique Reference Number shown on each Entitlement and Acceptance Form to pay for each holding separately.

It is your responsibility to ensure that your payment is received by the Share Registry by no later than 5.00pm (AEST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should, therefore, take this into consideration when making payment.

Please make sure you use the specific Biller Code and your unique Customer Reference Number on your personalised Entitlement and Acceptance Form (available from <https://events.miraqle.com/gas-anreo>). If you have more than one holding of Shares, you will be able to access more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you have more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that Entitlement and Acceptance Form.

Any Application Monies received for more than your final allocation of New Shares will be refunded to you. No interest will be paid on any Application Monies received or refunded.

3.3 Representations by Applicants

By making payment to acquire New Shares, you will be deemed to have represented to the Company that you are an Eligible Retail Shareholder and:

- (a) acknowledge that you have received a copy of this Prospectus and an accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Prospectus and the Constitution;
- (c) authorise the Company to register you as the holder(s) of the New Shares and attaching New Options allotted to you;
- (d) declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) acknowledge that once any payment of Application Monies via BPAY® or EFT is made, you may not withdraw your Application or funds provided except as allowed by law;
- (g) agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® or EFT, at the Offer Price of \$0.05 per New Share;
- (h) authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares and attaching New Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company; and
 - (ii) the Company and its respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) declare that you were the registered holder(s) at 7.00pm (AEST) on the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you at 7.00pm (AEST) on the Record Date;
- (k) acknowledge that the information contained in this Prospectus and your personalised Entitlement and Acceptance Form is not investment advice nor a

recommendation that New Shares or New Options are suitable for you given your investment objectives, financial situation or particular needs;

- (l) acknowledge that this Prospectus does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (m) acknowledge the statement of risks in Section 6 and that investments in the Company are subject to risk;
- (n) acknowledge that none of the Company, nor its related bodies corporate and affiliates and their respective Directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (o) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares at 7.00pm (AEST) on the Record Date;
- (p) you and each person on whose account you are acting understand and acknowledge that the New Shares and New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and accordingly that the New Shares may not be offered or, sold to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (q) represent and warrant:
 - (i) that the law of any place does not prohibit you from being given this Prospectus and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
 - (ii) (for the benefit of the Company, and its respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer and are otherwise eligible to participate in the Retail Entitlement Offer;
 - (iii) that you and each person on whose account you are acting are not in the United States;
 - (iv) that you have not and will not send this Prospectus, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand; and

- (v) that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are applying for New Shares is resident in Australia or New Zealand and is not acting for the account or benefit of a person in the United States, and you have not sent this Prospectus, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

3.4 **Brokerage**

No brokerage or stamp duty is payable by Eligible Retail Shareholders who accept their Entitlement.

4. Purpose and Effect of the Entitlement Offer

4.1 Purpose of the Entitlement Offer

The purpose of the Entitlement Offer is to raise approximately \$6,851,657 (before costs). The aggregate funds raised from the Entitlement Offer and the Placement will be used as follows:

Description	50% take-up of Entitlements ¹	% Raised Funds	100% take-up of Entitlements ¹	% Raised Funds
Remaining construction and production commissioning costs for the Company's HDNG production facilities at Rolleston-West	1,240,000	23	1,240,000	14
Accelerating exploration and appraisal of the Company's projects	-		1,500,000	23
Upgrading the capacity and efficiency of the Company's HDNG production facilities	-		500,000	5
Economic studies and appraisals relating to development of permanent pipeline infrastructure to support the Company's projects ²	750,000	14	1,000,000	11
Working capital and balance sheet optimisation	1,228,464	22	2,250,976	19
Repayment of Director Loans (refer Section 7.9)	1,760,000	32	1,760,000	20
Costs of the Entitlement Offer	494,839	9	648,155	8
TOTAL	5,473,303	100	8,899,131	100

Notes:

1. Assumes full take-up of the Placement.
2. Excludes costs of physical pipeline infrastructure

The above table is a statement of the Board's current intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales performance, operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

4.2 Effect of the Placement and Entitlement Offer on issued securities and funds raised

The effect of the Placement and Entitlement Offer will depend on the level of take-up of Entitlements by Eligible Retail Shareholders. Assuming full subscription under the Entitlement Offer, the principal effect of the Entitlement Offer will be to:

- (a) increase the cash reserves of the Company by up to approximately \$2,047,473 under the Placement and \$6,851,657 under the Entitlement Offer (being \$8,899,131 in total) (before costs);

- (b) increase the number of Shares on issue from 274,226,789 as at the date of this Prospectus, by up to approximately 40,949,472 under the Placement and 130,033,157 under the Entitlement Offer (hence, the maximum Shares on issue at completion of the Placement and Entitlement Offer will be 452,209,418 Shares, assuming a full subscription and no exercise of Existing Options are before 7.00pm (AEST) on the Record Date); and
- (c) increase the number of Options on issue from 8,400,000 as at the date of this Prospectus, by up to approximately 20,474,736 under the Placement and 68,516,579 under the Entitlement Offer (hence, the maximum Options on issue at completion of the Entitlement Offer will be 226,104,709 Options, assuming a full subscription and no exercise of Existing Options before 7pm AEST on the Record Date).

4.3 Capital structure

Assuming full subscription under the Entitlement Offer (and assuming no convertible securities are exercised or converted prior to 7.00pm (AEST) on the Record Date), the Company's capital structure following completion of the Entitlement Offer will be as follows:

(a) **Shares**

	Number
Existing Shares on issue	274,226,789
New Shares to be issued under the Placement ¹	40,949,472
New Shares to be issued under the Entitlement Offer ¹	137,033,157
Total Shares on issue at completion of the Entitlement Offer	452,209,418

Notes:

1. Subject to rounding. The rights attaching to Shares are set out in Section 5.1.

(b) **Options**

Existing Options on issue ¹	8,400,000
New Options to be issued under the Placement ²	20,474,736
New Options to be issued under the Entitlement Offer ²	68,516,579
Total Shares on issue at completion of the Entitlement Offer	97,391,315

Notes:

1. Issue of these Options was approved by Shareholders at the Company's 2023 annual general meeting. They have a 3-tranche exercise price as follows: Tranche 1: 1,600,000 Options exercisable at \$0.20, 4,000,000 Options exercisable at 30 cents and 2,800,000 Options at 40 cents. They expire 3 years from the date of issue.
2. Subject to rounding. The terms of issue of the New Options are set out in Section 5.2. Issue of New Options under the Placement is conditional the Company obtaining approval of Shareholders under ASX Listing Rule 7.1 following completion of the Entitlement Offer.

(c) **Performance Rights**

Existing Performance Rights on issue ¹	5,000,000
Performance Rights on issue at completion of the Entitlement Offer	5,000,000

Notes:

1. These comprise of 2,500,000 issued to an employee under the Company's employee incentive plan. They have not vested. The remaining 2,500,000 have been issued to Mr Doug McAlpine, the Company's CEO, with tranches and vesting conditions as follows:
 - (a) 375,000 , expiring on 5/12/2027, vesting upon the first commercial delivery of gas from any of the Group's producing assets (based on the Company's assets held on the date of issue of the performance rights), either by truck or pipeline, at any time before the Expiry Date.
 - (b) 75,000 expiring on 5/12/2027, vesting upon the Board making an FID to proceed with construction of a physical pipeline from any of the Group's producing assets (based on the Group's assets held on the date of issue of the Performance Rights);
 - (c) 375,000 expiring on 5/12/2027, vesting upon the Group securing minimum annual gas sales of 2PJ per annum on terms acceptable to the Board.
 - (d) 375,000 expiring on 5/12/2027, vesting if the volume weighted average market price of the Company's Shares on ASX over 20 consecutive trading days on which the Company's shares have actually traded on ASX, is not less than \$0.70.
 - (e) 1,000,000 expiring on 5/12/2027, vesting upon the Board recommending a transaction, whether by takeover bid, scheme of arrangement or otherwise, that results in a change of control of the Company and the transaction becomes unconditional.

4.4 Substantial Shareholders

As at the date of this Prospectus, the Company had the following substantial Shareholders (being Shareholders with a Voting Power in 5% or more of the Shares on issue):

Shareholder	Shares	Voting Power
Greg Alexander John Baynton, Allegro Capital Nominees Pty Ltd, Intercontinental Pty Ltd Investment for Retirement Pty Ltd and Baynton Brothers Pty Ltd	31,393,623	11.45%
Triangle Energy (Global) Limited	22,084,693	8.05%
Sunset Power Pty Ltd	13,670,499	4.99%

4.5 Dilution

Shareholders should also be aware that if they do not participate in the Entitlement Offer, their holdings will be diluted by approximately 50% (as compared to their holdings on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding at Record Date	% at Record Date	New Share Entitlements ¹	Holdings if Entitlement not taken up	% post Entitlement Offer
Shareholder 1	2,742,268	1%	1,371,134	2,742,268	0.61%
Shareholder 2	5,484,536	2%	2,742,268	5,484,536	1.21%
Shareholder 3	8,226,804	3%	4,113,402	8,226,804	1.82%
Shareholder 4	10,969,072	4%	5,484,536	10,969,072	2.43%
Shareholder 5	13,711,339	5%	6,855,670	13,711,339	3.03%

Shareholder 6	21,938,143	8%	10,969,072	21,938,143	4.85%
Shareholder 7	27,422,679	10%	13,711,339	27,422,679	6.06%

Shareholders should also be aware that if they do not participate in the Entitlement Offer, their holdings will be further diluted by an additional approximately 25% (as compared to their holdings on issue as at the date of this Prospectus) if attaching New Options are also exercised.

4.6 Effect on control

The Company has not appointed a nominee in respect of the Entitlements of Ineligible Shareholders pursuant to section 615 of the Corporations Act. Accordingly, the exemption to the 20% takeovers threshold under item 10 of section 611 of the Corporations Act is not available to Shareholders taking up their Entitlement under the Entitlement Offer.

No New Shares and attaching New Options will be issued to any Shareholder pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Shareholder's Voting Power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law

4.7 Financial Information

Pro Forma Statement of Financial Position

Detailed below, to demonstrate the indicative impact of the Entitlement Offer on the financial position of the Company, is an unaudited Pro Forma Statement of Financial Position.

The Company's reviewed Statement of Financial Position as at 31 December 2023 has been used for the purposes of preparing the unaudited Pro Forma Statement of Financial Position and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Entitlement Offer had occurred by 31 December 2023.

The unaudited Pro Forma Statement of Financial Position is presented in an abbreviated form. It does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The key assumptions on which the unaudited Pro Forma Statement of Financial Position below are based are as follows:

- (a) the Pro Forma Statement of Financial Position has not been audited or reviewed and does not include any other expenditure of the Proceeds other than costs of the Entitlement Offer of approximately \$648,155 (on a full subscription basis) (refer to Section 7.11); and
- (b) the unaudited effects of the Placement and Entitlement Offer, being at full subscription of the Placement and Entitlement Offer, the issue of approximately 177,982,629 New Shares at \$0.05 each and 88,991,315 New Options (subject

to rounding and assuming that no Existing Options are converted before 7.00pm (AEST) on the Record Date).

Pro forma historical statement of financial position

	Reviewed 31/12/2023	50% take-up of Entitlement offer	Full Subscription	Other adjustments	Pro forma 31 December 2023 (50% Subscription)	Pro forma 31 December 2023 (100% Subscription)
	A	B	C	D	A+B+D	A+B+C
ASSETS						
Current assets						
Cash and cash equivalents	1,524,629	5,101,311	8,250,976	(4,060,464)	2,565,476	5,715,141
Other receivables	1,470,524	-	-	(1,229,536)	240,988	240,988
Total current assets	2,995,153	5,101,311	8,250,976	(5,290,000)	2,806,464	5,956,129
Non-current assets						
Exploration and evaluation assets	36,203,565	-	-	750,000	36,953,565	36,953,565
Property, plant and equipment	7,763,079	-	-	4,300,000	12,063,079	12,063,079
Security deposits	400,171	-	-	-	400,171	400,171
Total non-current assets	44,366,815	-	-	5,050,000	49,416,815	49,416,815
Total assets	47,361,968	5,101,311	8,250,976	(240,000)	52,223,279	55,372,944
LIABILITIES						
Current liabilities						
Trade and other payables	1,723,784	-	-	(1,240,000)	483,784	483,784
Borrowings	163,032	-	-	1,070,800	1,233,832	1,233,832
Total current liabilities	1,886,816	-	-	(169,200)	1,717,616	1,717,616
Non-current liabilities						
Provisions	2,996,280	-	-	-	2,996,280	2,996,280
Total non-current liabilities	2,996,280	-	-	-	2,996,280	2,996,280
Total liabilities	4,883,096	-	-	(169,200)	4,713,896	4,713,896
Net assets	42,478,872	5,101,311	8,250,976	(70,800)	47,509,383	50,659,048
EQUITY						
Contributed equity	50,009,839	5,101,311	8,250,976	-	55,111,150	58,260,815
Reserves	2,949,467	-	-	-	2,949,467	2,949,467
Accumulated losses	(10,480,434)	-	-	(70,800)	(10,551,234)	(10,551,234)
Total equity	42,478,872	5,101,311	8,250,976	(70,800)	47,509,383	50,659,048

Other Adjustments (D)

Various other material changes to the Company's capital structure to more accurately represent the pro-forma impact of the capital raising proceeds including, the FY23 R&D refund received, the payment of creditors associated with construction and commissioning of the HDNG facility and Director loans received and repaid from capital raising proceeds.

5. Rights and Liabilities attaching to Shares and New Options

5.1 Shares

A summary of the key rights attaching to Shares (including New Shares) is set out below. The provisions of the Constitution relating to the rights attaching to Shares must be read subject to the Corporations Act, the ASX Listing Rules, ASX Settlement Operating Rules and other applicable laws. This summary is not intended to be exhaustive and does not constitute a definitive statement of the rights, liabilities and restrictions attaching to Shares.

(a) General meetings

Pursuant to the Company's Constitution, any member is entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company. Members are entitled to receive notice of and to attend general meetings of the Company and to receive all notices, financial reports and other documents required to be sent to members under the Constitution, the Corporations Act or the ASX Listing Rules. The notice must state the general nature of business and any other matters required by the Constitution, the Corporations Act or the ASX Listing Rules.

Members may requisition meetings in accordance with the Corporations Act.

(b) Voting rights

Subject to the Constitution, Corporations Act and other relevant laws, and to any rights or restrictions attaching to any class of shares, the members may vote at meetings of members as follows:

- (i) on a show of hands, each member has one vote; and
- (ii) on a poll, each shareholder has one vote for each fully paid Share, and for each partly paid Share, a member will have a fraction of a vote equivalent to the proportion that the amount paid on the Share bears to the total issue price of that Share.

A resolution put to the vote at a meeting of members must be decided on a show of hands unless a poll is demanded or required by law.

A member is not entitled to be present or vote at a general meeting unless all calls due and payable in respect of their Shares have been paid.

If a Share is held jointly, any one of such persons may vote but the vote of the person first named in the member register who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders.

(c) Dividend rights and dividend policy

If the Board determines that a dividend is payable, it may fix the amount, time for payment and method for payment, subject to the ASX Listing Rules.

The Company may in general meeting determine that a dividend is to be paid but may only do so if the Board has recommended a dividend.

(d) **Winding-up**

If the Company is wound up, the liquidator may, by special resolution passed by the members divide among the members the whole or any part of the assets of the Company.

(e) **Transfer of Shares**

Subject to the Constitution, a member may transfer securities in any manner required or permitted by the Law and the ASX Listing Rules.

Unless the capital has been reorganised or a holding lock has been placed on the securities, the Board must not prevent, delay or interfere with transfer of securities.

(f) **Issues of shares**

Subject to the Constitution, the Corporations Act, ASX Listing Rules and any special rights conferred on the holders of any existing shares:

- (i) the Board may allot, grant options over, or otherwise dispose of shares, to such persons on such terms and conditions as it thinks fit; and
- (ii) any shares may be issued with preferred, deferred or other rights or restrictions and on terms and conditions as the Board determines.

(g) **Variation of rights**

Subject to the ASX Listing Rules, if at any time different classes of shares are issued, the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with:

- (i) a special resolution passed at a separate general meeting of the holders of the shares of that class; or
- (ii) absent a quorum in the separate general meeting, a written consent of the holders of at least 75% of the issued shares of the class within two calendar months from the date of such meeting.

5.2 **Terms of New Options**

The New Options are issued on the following:

(a) **Exercise price**

Exercise Price: \$0.08.

(b) **Entitlement**

Each New Option gives the option holder the right to subscribe for, and be issued, one Share.

(c) **Not quoted**

The Company will not apply for Official Quotation of the New Options, but reserves the right to do so in future.

(d) **Expiry date**

The New Options will expire on 30 August 2025 (**Expiry Date**). Any New Option not exercised before the applicable Expiry Date (**Exercise Period**) will automatically lapse on that date.

(e) **Takeover or other control transaction**

Despite section (d), should the Company's Directors publicly recommend a Control Proposal, the Expiry Date of the Options will be 30 days after the date of such public recommendation (not including the day of the public recommendation but including the whole of the last day of that period).

For these purposes, **Control Proposal** means any actual or proposed transaction or arrangement pursuant to which a person will (either alone or together with an Associate), if the transaction or arrangement is entered into or completed, acquire a Relevant Interest in, or otherwise acquire or have a right to acquire a legal, beneficial and/or economic interest in, 50.1% or more of the voting securities of the Company (or any of its Related Bodies Corporate holding the whole or substantially the whole of the Company Group's consolidated assets), whether by way of takeover bid, scheme of arrangement, shareholder approved transaction, capital reduction or buy-back, sale or purchase of shares or assets, joint venture, dual-listed company structure (or other synthetic merger), or other transaction or arrangement.

(f) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. Exercise forms (**Notice of Exercise**) are available from the Company upon request.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within five Business Days of receipt of the Exercise Notice and the aggregate Exercise Price (where applicable), the Company will allot the applicable Shares to the option holder.

(i) **Shares issued on exercise**

Shares allotted upon the exercise of New Options will upon allotment rank equally in all respects with other issued fully paid Shares.

(j) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, the Company will apply for quotation of all Shares allotted pursuant to the exercise of New Options on the ASX within five business days after the date of allotment of those Shares.

(k) **Reorganisation**

If, prior to the Expiry Date of the New Options, the issued capital of the Company is reorganised, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and any requirements with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the New Options and option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options except to the extent that these Options (if capable of exercise at the material time) are exercised prior to the 'record date' for determining entitlements for the new issue.

(m) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(n) **Agreement to be bound**

By lodging an Exercise Notice, the option holder agrees to take the applicable Shares and agrees to be bound by the Constitution of the Company.

(o) **Amendment of terms**

Subject to the Corporations Act and the ASX Listing Rules and paragraph (m) , the terms of the New Options may be amended by and in accordance with a special resolution in a general meeting of members of the Company.

6. Risk Factors

The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to subscribe for New Shares.

An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding to apply for New Shares pursuant to this Prospectus.

The principal risk factors include, but are not limited to, the following.

6.1 Company-specific risks

(a) Measurement and Transportation of HDNG

The application of virtual pipeline technology to transport HDNG by truck to customers is mature technology globally, but has not been historically undertaken at scale in Australia. The Company must ensure that transport contractors and the virtual pipeline assets are compliant and regularly integrity tested. The transmission of HDNG at high pressure requires a strict control regime to ensure it is undertaken safely and not subject to contamination or pressure loss. The end-to-end process involves multiple parties and different equipment at each stage of the supply chain. The Company must work with all parties in the supply chain, including the end customer carefully to ensure relevant risk management procedures are in place and followed for the production and delivery of HDNG. Any failure of risk management procedures in the Company's supply chain could lead to injury to persons or property, financial and reputational loss for the Company and impact adversely on its regulatory approvals.

(b) Optimisation of Plant and Well Performance

The Company's ability to meet its gas supply commitments and further expand its gas production capability is dependent on the reliable operation of its HDNG plant and the Company's gas wells which are supplying raw coal seam gas ("CSG"). The Company must ensure that equipment is monitored and appropriately maintained and operates within specified performance guidelines. Well pressure must be maintained to ensure constant gas flow which is sufficient to support the dehydration and compression processes inherent in the HDNG plant. Any failure of the Company's plant and equipment or issues impacting performance of its gas wells could materially adversely affect the Company.

(c) Development risk

The Company's development projects may be delayed or be unsuccessful for many reasons, including unanticipated financial, operational or regulatory events, the failure to receive government approvals, whether a final investment decision is reached, cost overruns, decline in petroleum prices or demand, equipment and labour shortages,

technical concerns including with respect to reserves and deliverability difficulties, increases in operational cost structures, contractual issues with securing sales contracts for petroleum products or with engineering procurement and construction contracts, community or industrial actions, changes in construction costs, design requirements and delays in construction or other circumstances which may result in the delay, suspension or termination of the development projects. In addition, the ability of counterparties of the relevant sales contracts to meet their commitments under such arrangements may impact on the Company's investment in these projects. Development projects to which the Company is or may become involved are subject to the abovementioned risks (and the other risks outlined in this document), and may adversely affect the commerciality and economics of project development.

(d) **Project cost control**

Execution of the Company's exploration and development activities requires an appropriate framework of internal controls including obtaining robust project cost estimates, ensuring investment decisions are supported by the appropriate financial analysis and that appropriate procedures are in place to ensure work is executed on time and on budget. Failure to implement these controls effectively could mean that long term funding decisions for the business are incorrect and the Company's ability to deliver on its plans within specified timeframes are compromised.

(e) **Business Interruption**

Pandemic-type restrictions, natural disaster impacts, or cyber-attack may prevent or disrupt ongoing operations as planned. The Company's exploration operations and profitability may be adversely impacted or delayed.

(f) **Operating Risks**

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, weather conditions, industrial disputes, unexpected equipment shortages or cost increases, mechanical failure or breakdown, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gases. The occurrence of any of these risks could result in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations or claims against the Company resulting from damages, especially where such risks are not covered or not fully covered by its insurances.

(g) **Production risk**

The business of petroleum exploration and development is subject to a variety of risks and hazards. Such occurrences may delay production, increase production costs or result in damage to and destruction of petroleum properties or production facilities, personal injury, environmental damage and legal liability. Ongoing production and commissioning of staged expansions to production may not proceed to plan, with potential for delay in the timing of targeted production and/or a failure to achieve the level of targeted production. In certain circumstances, these potential delays or difficulties may necessitate additional funding requirements which could lead to additional equity and / or debt requirements for the Company. In addition to potential

delays, there is a risk that capital and/or operating costs will be higher than expected or there will be other unexpected changes in variables upon which expansion and commissioning decisions were made. These potential scope changes and/or cost overruns may also lead to additional funding requirements. The Company's activities may be affected by numerous other factors beyond its control. Mechanical failure of the Company's operating plant and equipment, and general unanticipated operational and technical difficulties, may adversely affect its operations

(h) Access to Funding

The ability of the Company to meet future proposed development programs may be dependent on the Company's ability to raise further funds in future. There can be no assurance that sufficient capital funding will be available to the Company on favourable terms or at all. If the Company is unable to raise necessary capital, there may be a reduction in planned capital expenditure (by a scaling back of development works), which could have an adverse effect on the Company's ability to expand its business and/or maintain operations at desired levels; this could, in turn, have a material adverse effect on the Company's business, financial condition and operations.

If the Company undertakes additional equity offerings in the future, in addition to diluting existing Shareholders who do not participate, the increase in the number of Shares issued could have a depressive effect on the price of the Company's Shares.

(i) Climate Change

There has been increasing concern by the public and regulators globally on climate change issues. As a gas development company, the Company is exposed to both transition risks and physical risks associated with climate change. Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes and, if demand for gas declines, the Company may find it difficult to commercialise any resources it discovers. In particular:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples are among an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidences of extreme weather events and longer term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

The Company does not consider its Shares to be currently suitable for investors looking for exposure to net zero financial products.

(j) **Health and safety**

The Company's activities are subject to operating hazards which could result in harm to our people or our communities. In addition to injury or negative effects to the health or wellbeing of affected people, impacts may include reputational damage and financial penalties. The identification, effective control and overall management of health and safety risks are the highest priority for the Company.

(k) **Commodity price volatility**

The demand for, and price of gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and major gas corporations, global economic and political developments, the pricing of alternative supplies of energy and other factors all of which are beyond the control of the Company. As such, it is impossible to predict future commodity prices with confidence.

International gas prices fluctuate and at times the fluctuations can be quite wide. A material decline in the price of gas may have a material adverse effect on the economic viability of a project. Examples of such uncontrollable factors that can affect gas price are unrest and political instability in countries that have increased concern over supply.

(l) **Resource and reserve estimates**

Estimates of reserves, and contingent resources and prospective resources are not precise and no assurance can be given that reserves, contingent resources and prospective resource estimates will be recovered during production. Production estimates are dependent on, among other things, the accuracy of reserves, contingent resources and prospective resources estimates, the accuracy of assumptions regarding the resource calculations and recovery rates. Reserves, contingent resources and prospective resources estimates are based on limited sampling. The failure of the Company to achieve its production estimates could have a material and adverse effect on any or all of its future cash flows, access to capital, profitability, results of operations, financial condition and prospects. Commodity price fluctuations, as well as increased production costs or reduced recovery rates, may render reserves uneconomic and may ultimately result in a restatement of such reserves. Moreover, short-term operating factors relating to reserves, such as the need for sequential development of resource bodies and the processing of new or different resource types may cause an operation to be unprofitable in any particular accounting period.

(m) **Drilling Risks**

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to several factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and specialist service providers, as well as compliance with governmental requirements. Hazards incidental to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressure, temperatures and/or other factors are inherent in

drilling and operating wells and may be encountered by the Company. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Whilst wells drilled may yield some hydrocarbons there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.

(n) Exploration and development

The growth of the Company is dependent on its ability to successfully discover, develop and deliver new resources and reserves. Exploration and drilling activities are highly uncertain and dependent on capital funding and the acquisition and analysis of data. The Company's ability to deliver its strategy may be impacted by the success of its exploration and development efforts.

(o) Environmental risks

The operations and proposed activities of the Company are subject to environmental laws and regulations. These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards, as well as establishing obligations to rehabilitate locations where activities were conducted.

As with most exploration projects and hydrocarbon production operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environment damage caused by previous owners on property acquired by the Company, or noncompliance with environmental laws or regulations.

Amendments to current laws, regulations, policies and permits governing operations and activities of mining and energy companies, or more stringent implementation, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or a reduction in level of producing properties or require abandonment or delays in development of new properties.

(p) Competition risk

The Company competes with numerous other organisations in the search for, and the acquisition of, gas assets. The Company's competitors include gas companies that have substantially greater financial resources, staff and facilities than those of the Company and a longer operating history. The Company's ability to increase its resources and reserves in the future will depend not only on its ability to explore and develop its current projects, but also on its ability to select and acquire suitable producing assets or prospects for exploration. There is also no guarantee that the Company will be able to compete effectively with future competitors, including from organisations specialising in alternative sources of energy. Future competition may adversely impact the Company's financial performance.

(q) Risk of superseding energy technology

There is a risk that new technology will be developed and deployed in the energy market that will move current and potential customers for the Company's products

towards new energy products, including renewable energy such as solar or wind and battery storage. In that event, the Company's current projects may be adversely affected and the Company may not be in a position to invest and economically compete in such emerging energy markets.

(r) Compliance risk

The leases and permits in which the Company has an interest are subject to ongoing obligations to satisfy minimum drilling and expenditure obligations. If these obligations were not satisfied, the relevant lease may expire or be forfeited, which would result in a loss of the reserves attributable to the Company's interest in that lease. Oil and gas exploration permits are subject to periodic review and renewal. There is no guarantee that applications for future exploration permits or production permits will be approved. Government authorities' review, renewal and transfer conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the permits comprising the Company's projects. The imposition of new conditions or the inability to meet conditions may adversely affect the operations, financial positions and/or performance of the Company.

(s) Legislation and Regulatory Risk

The Company's activities are subject to legislation, regulation and approvals. The introduction of new legislation, amendments to existing legislation, the application of developments in existing common law or policies or the interpretation of those laws or policies, particularly in relation to land access arrangements, environmental approvals, a carbon tax or similar, the effect of greenhouse gases legislation, royalties, generation, production and exploration licensing may adversely affect the Company's future operations and financial performance. The Company will, from time to time, require various government regulatory approvals for its transactions and operations and must comply with those approvals, applicable laws, regulations and policies. In particular, the Company may require licences and approvals in relation to exploration, development and production activities, environmental matters and the supply of gas. There is a risk that the Company or a future joint venture to which it is a party may not obtain, or there may be a delay in obtaining, the necessary licences and approvals. This may affect the timing and scope of transactions and work that can be undertaken. Further, a failure to comply with a licence, approval or applicable law may affect the timing and scope of work that can be done. The loss of granted tenements or failure to obtain relevant approvals in relation to them may have a material adverse effect on the Company.

(t) Reliance on Key Personnel Risk

The Company is reliant on its senior management and key personnel. There is a risk that the Company may not be able to retain or hire all necessary personnel. The Company's progress in pursuing its development, exploration and appraisal programs within the timeframes and currently envisaged cost structure could be influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as its production, development, exploration and appraisal programs, progress. The result of such loss would depend on the quality and timing of the employee's replacement.

(u) **Land Access**

Land access is critical for the success of the Company's exploration and development activities. The Company relies on being able to negotiate mutually satisfactory access arrangements with landholders and other stakeholders for lands on which the Company's exploration and production activities are conducted. The Company's exploration operations and profitability may be adversely impacted or delayed in the event of a dispute with a landowner or user that delays or prevents the Company from carrying out its projects.

(v) **Native title and heritage risk**

The Company is required to comply with the Native Title Act 1993 (Cth) since native title has been determined for part of the land underlying the petroleum lease and granted exploration tenements. As such, consultations and negotiations with the registered native title body corporate or native title claimant may be required. Further, under the Aboriginal Cultural Heritage Act 2003 (Qld), any person carrying out an activity must take all reasonable and practicable measures to ensure that the activity does not harm Aboriginal cultural heritage. This applies whether or not such places are recorded in an official register and whether or not they are located on private land. Failure to comply with the Aboriginal cultural duty of care is an offence for which large penalties apply. These legislative regimes may affect the existing or future activities of the Company and impact on its ability to develop projects and its operational and financial performance.

(w) **Community opposition risk**

Given community opposition to certain gas projects from time to time, there is a risk of community opposition to the Company's operations. Disapproval of local communities or other interested parties may lead to direct action that impedes the Company's ability to carry out its lawful operations, resulting in project delay, reputational damage and increased costs and thus impact the financial performance of the Company. Such action by community opposition may include undertaking legal proceedings, media campaigns and protests.

(x) **Insurance**

The Company aims to maintain insurance with ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted and associated risks. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims. Moreover, insurance against risks such as environmental protection or other hazards as a result of exploration, development and production activities is not generally available to the Company or to other companies in the energy and resources industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(y) **Significant government policy change**

Changes in government policy, legislation, regulations and/or policy can result from changes in community expectations, changes in market conditions, or compliance with international treaties or other obligations. These changes may impact on use, exploration and development of the Company's assets as well as the energy markets in which it operates. In turn, such changes may impact on sustainable returns for investors, through profit erosion and loss of company value. Retrospective or unexpected regulatory changes potentially may impact the longer-term viability of projects. The Company actively monitor regulatory and public policy developments and constructively engages with government, regulators and industry bodies.

(z) **Force majeure**

Events may occur within or outside the markets in which the Company operates that could impact upon the global and in particular, the Australian economy, the operations of the Company and the market price of its Shares. These events include acts of terrorism, outbreaks of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. Given that the Company has only a limited ability to insure against some of these risks, its business, financial performance and operations maybe materially and adversely affected if any of the events described above occur.

(aa) **Dividends**

The Directors are unable to say if and when the Company will be able to pay dividends. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of profit, operating results, the financial position of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurances in relation to the payment of dividends, or the franking credits attached to such dividends, can be given.

(bb) **Options Risk**

There is no guarantee that the price of Shares will trade above the Exercise Price of the New Options proposed to be issued under the Entitlement Offer at any time during the Exercise Period. As these New Options will not be quoted on the ASX, there may not be a liquid market for trading in the New Options.

6.2 **General risks**

(a) **Economic**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

(b) **Market conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) conflicts which may affect International trade and supply lines such as the conflicts in Gaza and Ukraine;
- (ii) general economic outlook;
- (iii) introduction of tax reform or other new legislation;
- (iv) interest rates and inflation rates;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and healthcare stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Litigation risk**

While the Company is not currently engaged in any litigation or disputes, it remains exposed to possible litigation and dispute risks including environmental claims, occupational health and safety claims, trademark infringement and employee claims. Further, the Company may be involved in disputes with other parties in the future, which may result in litigation. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact on the Company's operations, financial performance and financial position. Defence and settlement costs can be significant, even in respect of claims that have no merit, and can divert the time and attention of management away from the business. In addition, the adverse publicity surrounding such claims may have a material adverse effect on the Company's business and prospects.

(d) **Information systems and cyber risk**

The Company is reliant on information technology systems. Despite the Company's security measures, it is possible that these systems may be breached. Unauthorised third party access to the Company's information technology systems and the resulting potential theft, loss or misuse of the Company's information could adversely impact the operations and performance of the Company and the price of its securities.

(e) **Liquidity risk**

The market for the Company's Shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment.

(f) **Taxation**

There may be tax implications arising from Applications for New Shares, the receipt of dividends (both franked and unfranked) (if any) from the Company, the participation in any on-market Share buy-back and on the disposal of New Shares.

(g) **Global credit and investment markets**

Global credit, commodity and investment markets volatility may impact the price at which the Shares trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(h) **Counterparty risk**

There is a risk that contracts and other arrangements which the Company is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations.

The Company and its projects may suffer material adverse consequences such as increased costs, delayed projects, loss of market share, or loss of customers.

(i) **Unforeseen Expenditure Risk**

Expenditure may need to be incurred that has not been considered in the Company's planning. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration and development programmes. This could have a material adverse effect on the Company's activities and the value of its Shares.

(j) **Accounting standards**

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are therefore outside the Directors' and the Company's control. Changes to accounting standards issued by the AASB could materially adversely affect the way in which the Company's financial performance is perceived by the market.

6.3 **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of its New Shares and New Options.

The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus. Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for New Shares pursuant to this Prospectus.

7. Additional Information

7.1 Dividend policy

The Company does not intend to declare or pay any dividends in the immediately foreseeable future. Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7.2 Joint Lead Manager Mandate

The Company and the Joint Lead Managers are parties to an engagement letter dated 12 July 2024. Under the engagement letter, the Joint Lead Managers have agreed to act as Joint Lead Managers to the Placement and Entitlement Offer.

In consideration for the services provided by the Joint Lead Managers under the above agreements, the Joint Lead Managers will receive be entitled to receive a fee of 6% on the gross Proceeds of the Placement and Entitlement Offer (reduced to 3% for investors introduced by the Directors). The Joint Lead Managers share the fee equally.

In addition to the fees detailed above, the Company will reimburse the Joint Lead Managers for all reasonable out of pocket-expenses incurred by the Joint Lead Managers in connection with the Entitlement Offer. Legal fees incurred by the Joint Lead Managers are capped at \$50,000.

The Joint Lead Manager Mandate may be terminated by the Joint Lead Managers or the Company by written notice to the other party. Unless otherwise terminated by the Joint Lead Managers or the Company, the Joint Lead Manager Mandate will terminate on the earlier of completion of the Entitlement Offer and 12 July 2025 (unless otherwise extended by the parties). Notwithstanding termination of the Joint Lead Manager Mandate by the Company or the Joint Lead Managers, the Company must pay the Joint Lead Manager the fees and reimbursements detailed in this Section. The Joint Lead Manager Mandate otherwise contains terms and conditions considered standard for an agreement of this nature.

7.3 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not

necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been provided to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to apply for New Shares.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC, being the financial report for the year ending on 30 June 2023;
 - (ii) half-year financial report lodged by the Company with ASIC for the half-year ending on 31 December 2023; and
 - (iii) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in clause 7.3(c)(i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company will be made available free of charge to anyone who requests a copy of it during the Entitlement Offer period, available by email.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest full year statutory accounts and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description
5/08/2024	Request for voluntary suspension
31/07/2024	Quarterly Activities/Appendix 5B Cash Flow Report
30/07/2024	Trading Halt
29/07/2024	Change in substantial holding from TEG
21/06/2024	Notification of cessation of securities - GAS
05/06/2024	Company Update

20/05/2024	First Shipment of HDNG
10/05/2024	\$5.5 million Exploration Grant Funding
30/04/2024	Quarterly Activities/Appendix 5B Cash Flow Report
24/04/2024	Notification of cessation of securities - GAS
05/04/2024	CNG Supply Arrangements and Project Update
14/03/2024	Half Yearly Report and Accounts
29/02/2024	Mechanical Completion of CNG Facility
31/01/2024	Quarterly Activities/Appendix 5B Cash Flow Report
18/01/2024	CNG Facility Construction Update
22/12/2023	Notification of cessation of securities - GAS
22/12/2023	Application for quotation of securities - GAS
12/12/2023	CNG Facility Construction Update
30/11/2023	Final Director's Interest Notice
30/11/2023	Results of Meeting
30/11/2023	Executive Chairman's Address to AGM
27/11/2023	CNG Facility Construction Update
21/11/2023	CNG Facility Construction Update
31/10/2023	Notice of Annual General Meeting/Proxy Form
31/10/2023	Quarterly Activities/Appendix 5B Cash Flow Report
16/10/2023	Change of AGM date
11/10/2023	CNG Facility Construction Update
05/10/2023	Notification regarding unquoted securities - GAS
04/10/2023	Change of Director's Interest Notice
04/10/2023	Change of Director's Interest Notice
04/10/2023	Change of Director's Interest Notice
04/10/2023	Change of Director's Interest Notice
03/10/2023	Section 708A Notice

03/10/2023	Application for quotation of securities - GAS
29/09/2023	CNG Facility Construction Update
28/09/2023	Corporate Governance Statement and Appendix 4G

The announcements are available at www.asx.com.au.

7.4 Market Prices of Existing Shares on ASX

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.16 (10 May 2024)

Lowest: \$0.083 (29 July 2024)

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.93 per Share on 29 July 2024.

7.5 Interests of Directors

Other than as set out in this Section 7 or elsewhere in this Prospectus, no Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director :

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Entitlement Offer.

7.6 Security holdings of Directors

The Relevant Interest of each of the Directors in the securities of the Company as at the date of this Prospectus, is set out in the table below.

Director	Shares	Voting power (%)	Options	Entitlement Shares ⁵
Mr Richard Cottee	1,566,896	0.57%	-	783,448
Mr Anthony Bellas	6,084,098 ¹	2.22%	-	3,042,049
Mr Gregory Baynton	31,393,623 ²	11.45%	-	15,696,812
Mr Philip St Baker	11,372,487 ³	4.15%	-	5,686,244
Mr Jonathan Stretch	2,162,669 ⁴	0.79%	-	1,081,335

Notes:

1. Held through AG Bellas Super Pty Ltd and Loch Explorations Pty Ltd.
2. Held through Orbit Capital Pty Ltd, Allegro Capital Nominees Pty Ltd, Baynton Brothers Pty Ltd, Investment for Retirement Pty Ltd and Intercontinental Pty Ltd.
3. Held through St Baker Sunset Holdings Pty Ltd <The P St Baker Sunset Trust>, St Baker Sunset Holdings Pty Ltd <Sunrise Trust A>, St Baker Sunset Holdings Pty Ltd <Sunrise Trust B>, HSBC Custody Nominees (Australia) Pty Ltd - LGT Crestone and Philip Matthew St Baker + Peta Jane St Baker <P & P St Baker Family A/c>.
4. Held through the Stretch Family Trust.
5. New Options attach on a 1 for 2 basis to the Entitlements.

The Directors have indicated an intention to participate in the Offers.

7.7 Remuneration of Directors

The Directors' total remuneration for the 2022 and 2023 financial years, together with the anticipated remuneration of the Directors for the current financial year, are set out in the table below:

Director ¹	Remuneration for FY2023	Current financial year (FY24)
Mr Richard Cottee	\$100,000	\$100,000
Mr Anthony Bellas	\$55,282	\$55,500
Mr Gregory Baynton	\$60,791	\$44,400
Mr Philip St Baker	\$32,176	\$44,400
Mr Jonathan Stretch	\$32,176	\$44,400

Note:

1. Non-Executive Director remuneration includes salary, fees and superannuation.

7.8 Interests of other persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;

- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Offer; or
- (c) the Entitlement Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Entitlement Offer, except as disclosed in this Prospectus and as follows:

- (a) HWL Ebsworth Lawyers (**HWLE**) has acted as the Australian lawyers to the Company for the Entitlement Offer. In respect of this work the Company will pay HWLE approximately \$30,000 (plus GST). During the two years before the date of this Prospectus, HWLE has provided the Company with legal services and was paid approximately \$35,520 for these services;
- (b) Morgans Corporate Limited (**Morgans**) has acted as Joint Lead Manager to the Placement and Entitlement Offer. In respect of this work the Company will pay Morgans the amounts set out in Section 7.2 plus GST. During the two years before the date of this Prospectus, Morgans has not been paid any fees during the two years preceding the date of this Prospectus; and
- (c) Aitken Mount Capital Partners Pty Ltd (**Aitken Mount**) has acted as Joint Lead Manager to the Placement and Entitlement Offer. In respect of this work the Company will pay the Aitken Mount the amounts set out in Section 7.2 plus GST. During the two years before the date of this Prospectus, Aitken Mount has received cash and equity from the Company in consideration of services rendered in the amount of \$350,000 in the two years preceding the date of this Prospectus; and
- (d) Link Market Services Limited conducts the Company's share registry functions and will provide administrative services in respect to the proposed Share applications pursuant to this Prospectus. Link Market Services will be paid for these services on standard industry terms and conditions.

7.9 Related party transactions

As at the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus or in the Company's ASX announcements, other than loans received by the Company from its Directors, as follows:

During the course of the financial year ended 30 June 2024 and subsequently, the following Directors (or their associated entities) have advanced funds by way of unsecured loans to the Company, as follows:

Director	Lender	Loan balance 31 July 2024	Interest owing

Anthony Bellas	Loch Explorations Pty Ltd	\$425,000	\$14,593
Jon Stretch	The Stretch Family Trust	\$425,000	\$14,131
Greg Baynton	Allegro Capital Nominees Pty Ltd	\$1,425,000	\$27,844
Philip St Baker	Monte Vista Holdings Pty Ltd The P&P St Baker Family Trust	\$425,000	\$13,858
Richard Cottee	Richard Cottee	\$60,000	\$374
TOTAL		\$2,760,000	\$70,800

Interest on the principal of the loans accrues at 15% per annum and is compounded monthly and to be paid when the principal is repaid. Loans that require repayment within 30 days of completion of the Entitlement Offer are reflected in the use of funds table in Section 4.1. The remainder are repayable on the earlier of drawdown of debt finance if obtained in the future, a change of control of the Company (as "Control" defined in the Corporations Act) or from proceeds of any material sale of assets.

7.10 Placement

The Company has undertaken a placement to institutional and sophisticated investors of 40,949,472 New Shares and 20,474,736 attaching New Options to raise approximately \$5,006,884 before cost. The New Shares issued under the Placement will settle at the same time as the Institutional Entitlement Offer. The New Options will be issued subject to Shareholder approval under ASX Listing Rule 7.1, which is expected during September 2024.

7.11 Costs of the Entitlement Offer

The estimated costs of the Placement and Entitlement Offer are set out in the table below:

Item	Cost ¹
Lead Manager Fees	\$481,713 ¹
ASX quotation fee	\$133,236
Legal expenses	\$30,000
ASIC lodgement fee	\$3,206
TOTAL	\$648,155

Note:

1. Assumes full Subscription. GST is excluded.

7.12 Consents

HWL Ebsworth Lawyers has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Australian legal adviser (except in relation to stamp duty and taxation matters) in the form and context in which it is named. HWL Ebsworth Lawyers takes no responsibility for any part of this Prospectus, other than a reference to its name.

The Joint Lead Managers have given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their written consent to be named in this Prospectus as the Joint Lead Managers of the Institutional Entitlement Offer and the Retail Entitlement Offer, in the form and context in which it is named. The Joint Lead Managers take no responsibility for any part of this Prospectus, other than a reference to their names.

Link Market Services Limited (**Link**) has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Share Registry in the form and context in which it is named. Link has not taken part in the preparation of any part of this Prospectus other than the recording of its name as Share Registry. Link takes no responsibility for any part of this Prospectus, other than a reference to its name.

7.13 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they have a reasonable basis to include the forecast financial information included in this Prospectus.

7.14 Litigation

As at the date of this prospectus the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company which are likely to have a material adverse effect on the business or financial position of the Company.

7.15 Governing law

This Prospectus, the Entitlement Offer and the contracts formed on acceptance of Applications under the Entitlement Offer are governed by the laws applicable in the State of Queensland, the Commonwealth of Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Queensland, Australia.

7.16 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of New Shares in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the company on trust and returned (without interest) to the Applicant as soon as practicable.

8. Directors' authorisation

This Prospectus is authorised by each Director, who has given and not withdrawn their consent to the issue of this Prospectus and to its lodgement with ASIC.

Signed for and on behalf of State Gas Limited:



Richard Cottee
Executive Chairman

9. Glossary

\$ means the lawful currency of the Commonwealth of Australia.

AEST means Australian Eastern Standard Time.

Aitken Mount means Aitken Mount Capital Partners Pty Ltd.

Applicant means a person who applies for New Shares and attaching New Options pursuant to the Retail Entitlement Offer.

Application means a valid application for New Shares and attaching New Options under the Retail Entitlement Offer made pursuant to an Entitlement and Acceptance Form.

Application Form means an Entitlement and Acceptance Form.

Application Monies means Application Monies for New Shares received by the Company from an Applicant.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given in sections 12 and 15 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

CHESS means Clearing House Electronic Subregister System.

Company means State Gas Limited ACN 617 322 488.

Closing Date means the closing date of the Retail Entitlement Offer, as outlined in the Indicative Timetable.

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

EFT means an electronic fund transfer.

Eligible Institutional Shareholder means anyone whom the Joint Lead Managers determine have successfully received an offer to subscribe for New Shares and attaching New Options under the Institutional Entitlement Offer on the basis that they are Institutional Investors.

Eligible Retail Shareholder has the meaning given in Section 2.15.

Eligible Shareholder means an Eligible Institutional Shareholder and an Eligible Retail Shareholder.

Entitlement means a Shareholder's entitlement to subscribe for New Shares and attaching New Options under the Entitlement Offer.

Entitlement Offer has the meaning given in Section 2.1.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to, or accompanying this Prospectus, that sets out the entitlement of an Eligible Shareholder to subscribe for New Shares pursuant to the Retail Entitlement Offer.

Existing Options means Options on issue at the date of this Prospectus.

Expiry Date means 5.00pm (AEST) on the date that is 13 months after the date of this Prospectus.

HDNG means high density natural gas.

Indicative Timetable means the timetable on page 6 of this Prospectus.

Ineligible Institutional Shareholder means a Shareholder that:

- (a) is, or the person for whom it holds securities is, outside Australia or New Zealand and who is an Institutional Investor (or who, if in Australia, would, in the opinion of the Joint Lead Managers, be likely to be an Institutional Investor); or
- (b) is in the United States, or is, or is acting for the account or benefit of, a person in the United States; or
- (c) the Joint Lead Managers and the Company agree will be an Ineligible Institutional Shareholder for the purposes of the Institutional Entitlement Offer.

Ineligible Retail Shareholder means a Shareholder that is not:

- (a) an Eligible Retail Shareholder;
- (b) an Institutional Shareholder; or
- (c) an Ineligible Institutional Shareholder.

Ineligible Shareholder means Ineligible Institutional Shareholder and Ineligible Retail Shareholder.

Institutional Entitlement Offer has the meaning given in Section 2.1.

Ineligible Retail Shareholder means a Shareholder that is not an Eligible Retail Shareholder.

Institutional Investor means:

- (a) if in Australia, a sophisticated investor or a professional investor in accordance with sections 708(8) or section 708(11) of the Corporations Act respectively; or

- (b) if outside Australia, an institutional or professional investor in New Zealand whom the Joint Lead Managers have reasonable grounds to believe that offers for the issue or sale of New Shares under the Entitlement Offer can be made without any prospectus, lodgement, approval with or by any Government Agency or any other formality, in each case as contemplated by the “Foreign Jurisdiction” section of this Prospectus (refer to Section 2.18).

Institutional Shareholder means anyone whom the Joint Lead Managers determine has successfully received an offer to subscribe for New Shares and attaching New Options under the Institutional Entitlement Offer on the basis that they are Institutional Investors.

Joint Lead Managers means Morgans and Aitken Mount.

Morgans means Morgans Corporate Limited.

New Option is an Option having the terms of issue set out in Section 5.2

New Share means a Share issued under the Entitlement Offer.

Offer Price means \$0.05 per New Share.

Official Quotation means quotation of shares on the official list of ASX.

Opening Date means the opening date of the Retail Entitlement Offer, as detailed in the Indicative Timetable.

Option means an option to acquire a Share.

Performance Right means a right granted under the Company's Performance Rights and Options Plan to receive a Share (whether by way of issue or on-market purchase), subject to the satisfaction of relevant performance hurdles.

Placement means the placement described in Section 7.10.

Privacy Act means the *Privacy Act 1988* (Cth).

Proceeds means the gross amount raised under the Placement, Institutional Entitlement Offer and the Retail Entitlement Offer.

Prospectus means this prospectus (as may be replaced or supplemented).

Record Date means the date referred to as such in the Indicative Timetable.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Retail Entitlement Offer has the meaning given in Section 2.3.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Link Market Services Limited.

Shortfall means the New Shares and attaching New Options not applied for under the Retail Entitlement Offer before the Closing Date.

Shortfall Offer has the meaning given to that term in Section 2.7.

Shortfall Shares means the New Shares included in the Shortfall Offer.

US Securities Act means the United States Securities Act of 1933.

Voting Power has the meaning given in section 610 of the Corporations Act.