



ASX RELEASE

6 August 2024

SUCCESSFUL COMPLETION OF INSTITUTIONAL COMPONENT OF ACCELERATED NON-RENOUCEABLE ENTITLEMENT OFFER

State Gas Limited (Company) (ASX:GAS) is pleased to announce that it has successfully completed the institutional component (**Institutional Entitlement Offer**) of its 1 for 2 accelerated non-renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) at an offer price of \$0.05 (**Offer Price**) per New Share, with one 12 month option exercisable at \$0.08 attaching for every 2 New Shares issued (**Entitlement Offer**).

As announced on 5 August 2024, the institutional component of the Entitlement Offer closed on 2 August 2024, with the Company receiving strong support from existing shareholders. The Company has now completed allocations of approximately 59.3 million New Shares at \$0.05 to raise approximately \$3.0 million in the Institutional Entitlement Offer. This completed in conjunction with the institutional Placement on the same terms that raised approximately \$2.0 million.

New Shares issued under the Placement and Entitlement Offer will each rank equally with ordinary shares already on issue.

Prospectus

The Prospectus relating to the Entitlement Offer was lodged with ASIC and ASX on 5 August 2024 and will be despatched to eligible retail shareholders on or around 8 August 2024. Further information regarding the Entitlement Offer can be found in the Prospectus.

Timetable

The indicative timetable for the Entitlement Offer is as follows:

Date	Event
30 July 2024	Company requests trading halt
5 August 2024	- 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
6 August 2024	- Voluntary suspension ceases - Company announces results of Institutional Entitlement Offer and placement - Trading resumes on an ex-entitlement basis
7 August 2024	Record Date

8 August 2024	Institutional Placement and Institutional Entitlement Offer settle
8 August 2024	Appendix 2A relating to placement and institutional shares and options lodged
8 August 2024	Prospectus and Entitlement Forms despatched to shareholders Company announces Prospectus despatch
8 August 2024	Retail Entitlement Offer Opens
19 August 2024	Last day to extend Retail Entitlement Offer
22 August 2024	Closing Date for retail entitlement offer
29 August 2024	Company announces results of the Retail Entitlement Offer and issues New Shares under the Retail Entitlement Offer
29 August 2024	Appendix 2A lodged with ASX
30 August 2024	Trading in New Shares under Retail Entitlement Offer commences

Note: This timetable is indicative only and subject to change. All references to time are to time in Sydney, Australia. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Company reserves the right to vary the above dates without notice, in consultation with the Joint Lead Managers. Any extension of the Closing Date will have a corresponding delay on the anticipated date for issue of the New Shares and New Options. The Company also reserves the right not to proceed with the whole or part of the Entitlement Offer at any time before the issue of the New Shares and New Options. If that occurs, the relevant Application Monies (without interest) will be returned to Applicants.

This announcement was approved for release by the Board of Directors.

FOR FURTHER INFORMATION

Richard Cottee
Executive Chairman
Phone: 0458 517 850
Email: richard@stategas.com

Doug McAlpine
Chief Executive Officer
Phone: 0439 557 400
Email: doug@stategas.com

ABOUT STATE GAS LIMITED

STATE GAS LIMITED (ASX: **GAS**) is a Queensland-based gas exploration and development company with highly prospective gas exploration assets located in the southern Bowen Basin. State Gas Limited's mission is to support east coast energy markets through the efficient identification and development of new high quality gas assets. It will do this by applying an agile, sustainable but low-cost development approach and opportunistically expanding its portfolio in areas that are well located to gas pipeline infrastructure.

State Gas is 100%-owner of the contiguous Reid's Dome (PL-231) and Rolleston-West (ATP 2062) gas projects, both of which contain CSG and conventional gas. The Projects, together some 1,595km², are located south of Rolleston, approximately 50 and 30 kilometres respectively from the Queensland Gas Pipeline and interconnected east coast gas network. State Gas intends to accelerate commercialisation of these assets through the application of an innovative virtual pipeline ("VP") solution which will see the Company transport compressed gas by truck to existing pipeline infrastructure or to an end user.

State Gas also holds a 35% interest in ATP 2068 and ATP 2069 in joint venture with Santos QNT Pty Ltd (65%). These two new areas lie adjacent to or in the near vicinity of State Gas and Santos' existing interests in the region, providing for the potential of an alignment in ownership interests across the region over time and enabling synergies in operations and development.

State Gas is also participating in a carbon capture and sequestration initiative with minerals explorer Rockminolutions Pty Ltd in respect of EPM 27596 which is located on the western border of ATP 2062. This project is investigating the potential of the unique basalts located in the Buckland Basaltic Sequence (located in EPM 27596) to provide a variety of in-situ and ex-situ carbon capture applications.

ABOUT THE ROLLESTON WEST PROJECT

The Rolleston West Project (ATP 2062), is 100% owned by State Gas Limited and is focussed on evaluating the viability of conventional and coal seam gas (CSG) production from Bandanna Formation coals, which are extensive across large areas of this and adjoining permits. The capability to produce CSG at commercial levels has already been established at the Arcadia Valley field to the south-east, and at Mahalo to the north-east.

The recent drilling program undertaken in the eastern part of the tenement (Rougemont 1,2 and 3) has intersected approximately 8 metres of net coal, with the thickest seams laterally continuous over many kilometres. The gas content of the coals is between 5 and 6 m3/tonne dry ash free. Gas is at or near pipeline quality, between 93.8% and 96% methane.

Production testing has established sustainable commercial gas flow rates and confirmed excellent permeability within the targeted coal seams State Gas is seeking to expand the project ("Rougemont") and move to early-stage production. The Company is currently evaluating a further step-out drilling campaign to confirm the continuity and permeability of the coal down dip of Rougemont 1 and 2 and establish initial gas resource and reserve estimates for the project.

ABOUT THE HDNG FACILITY

State Gas has developed a "first of its kind" in Australia CSG to HDNG plant ("the HDNG Facility"). When implemented in conjunction with virtual pipeline ("VP") trailer technology, the HDNG Facility will be able to deliver up to 1.7TJ/day of pipeline quality natural gas to end users in the Southern Bowen Basin and surrounding areas. This technology has a range of benefits and potential use cases:

- delivers substantial environmental benefits to gas producers, as it provides a reliable method for capturing and commercialising production testing gas which has historically been released to the atmosphere;
- provides a new path to market for pipeline quality natural gas which the Company believes will become increasingly important across a range of industries, including critical minerals, while the economy continues its long-term transition to renewable energy sources;
- is modular and can be efficiently expanded and easily relocated to support gas testing and processing opportunities in new locations; and
- provides access to a new fuel source for end users who are seeking access to smaller, flexible quantities of natural gas, but don't have access to traditional pipeline infrastructure and need to accelerate a transition away from diesel.

ABOUT THE REID'S DOME PROJECT

The Reid's Dome Project (PL 231) is targeting conventional and coal seam gas assets associated with the Reid's Dome anticline, an area of sharply uplifted coals, shales and sandstone formations.

State Gas' exploration activities have established in excess of 30 m of net coals, with gas contents averaging a very high 13.75m3/tonne dry ash free. Commercial levels of sustainable production of conventional gas have been established at the Nyanda-4 well and the Company continues to evaluate a range of techniques to successfully liberate gas from the deeper formations.

The Company is now evaluating how to best develop Reid's Dome in conjunction with Rolleston West to most efficiently leverage infrastructure and reduce operating costs.