



ASX RELEASE

12 September 2024

## SUCCESSFUL COMPLETION OF RETAIL ENTITLEMENT OFFER

State Gas Limited (**Company**) (ASX:GAS) is pleased to announce the successful completion of the retail component (**Retail Entitlement Offer**) of its 1 for 2 accelerated pro rata non-renounceable entitlement offer (**Offer**) announced on 5 August 2024.

The Retail Entitlement Offer closed at 5:00pm AEST on 5 September 2024, raising \$959,151.

Eligible retail shareholders applied for 18,101,687 New Shares (and 9,050,857 attaching options) pursuant to their entitlements, including 3,957,803 New shares (and 1,978,902 attaching options) under the shortfall facility.

This follows a successful placement (**Placement**) and institutional component of the Offer (**Institutional Entitlement Offer**) which jointly raised approximately \$4,348,513, as announced to ASX on 8 August 2024.

The Retail Entitlement Offer gave eligible retail shareholders (**Eligible Shareholders**) the opportunity to take up their pro-rata entitlement by applying for New Shares and attaching options. Eligible Shareholders were also able to apply for additional New Shares (and attaching options) under a shortfall facility allocated as set out in the Company's Prospectus dated 5 August 2024. Total proceeds from the Retail Entitlement Offer were \$905,084.

A total amount of approximately \$5,253,598 was raised through the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer. A further \$660,371 has been raised from the Placement, representing 13,207,421 New Shares and 6,603,711 attaching options, and is subject to Shareholder approval.

New Shares taken up under the Retail Entitlement Offer, which rank equally with existing shares on issue, are expected to be issued on 12 September 2024 and commence trading on ASX on 13 September 2024.

The final results of the Placement, the Institutional Entitlement Offer and the Retail Entitlement Offer (including additional New Shares taken up under the shortfall offer) are set out below:

	Funds raised	New Shares	Attaching Options
<b>Placement</b>	\$1,387,102.55	27,742,051	13,871,026 <sup>1</sup>
<b>Institutional Entitlement Offer</b>	\$2,961,411.05	59,228,221	29,614,111
<b>Retail Entitlement Offer</b>	\$905,084.35	18,101,687	9,050,857

Note: 13,871,026 options issued under the Placement subject to shareholder approval

The Directors have reserved the right to place the shortfall within 3 months of close of the offer.

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

## FOR FURTHER INFORMATION

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## 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 1,595km<sup>2</sup>, 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 13.75m<sup>3</sup>/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.