



STATE GAS LIMITED
ACN 617 322 488

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

Date of meeting: 21 November 2024

Time of meeting: 11:00am AEST

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00pm (AEST) on 19 November 2024.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 439 310 818.

BUSINESS OF THE ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of Shareholders of State Gas Limited ACN 617 322 488 (**Company**) will be held at HWL Ebsworth Lawyers, Level 19, 480 Queen Street, Brisbane on 21 November 2024 at 11:00am (AEST).

Terms used in this Notice of Meeting are defined in the Glossary forming part of the Explanatory Statement. The Explanatory Statement and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

A copy of this Notice and the Explanatory Memorandum which accompanies this Notice has been lodged with the Australian Securities & Investments Commission (**ASIC**) in accordance with Section 218 of the Corporations Act.

ORDINARY BUSINESS

Reports and Accounts

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2024, together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

No resolution is required to be passed on this item.

Resolution 1 – Adoption of Remuneration Report (Non-Binding)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30 June 2024.”

Short Explanation

The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

A voting prohibition statement is set out below.

Resolution 2 – Re-election of Philip St Baker

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of clause 18.4 of the Constitution, ASX Listing Rules 14.4 and 14.5 and for all other purposes, Philip St Baker, a Director, retires and being eligible, is re-elected as a Director.”

Resolution 3 – Approval for the prior issue of Placement Shares

To consider and, if though fit, pass the following Resolution with or without amendment as an ordinary resolution:

“That, in accordance with Listing Rule 7.4, and for all other purposes, the Company ratify the issue on or about 5 August 2024 of 27,742,051 Placement Shares issued under the Company's Listing Rule 7.1 issue capacity, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

Resolution 4 – Approval for the prior issue of Shares to the CEO

To consider and, if though fit, pass the following Resolution with or without amendment as an ordinary resolution:

“That, in accordance with Listing Rule 7.4, and for all other purposes, the Company ratify the issue on or about 22 December 2023 of 160,475 Shares to its then Chief Executive Officer, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

Resolution 5 – Approval for the issue of Performance Rights to the Managing Director

To consider and, if though fit, pass the following Resolution with or without amendment as an ordinary resolution:

“That, in accordance with Listing Rule 10.11 and for all other purposes, the issue of 1,000,000 Performance Rights to Mr Doug McAlpine, the Managing Director, on the terms and conditions in the Explanatory statement.”

A voting exclusion statement is set out below.

Resolution 6 – Approval for the issue of Placement Options

To consider and, if though fit, pass the following Resolution with or without amendment, as an ordinary resolution:

“That under and for the purposes of Listing Rule 7.1 and for all other purposes, the issue of 13,871,036 Placement Options to sophisticated investors who participated in the Company's placement announced on or about 5 August 2024, on the terms and conditions in the Explanatory statement.”

A voting exclusion statement is set out below.

Resolution 7 – Approval of Director Participation in Rights Issue (Institutional) Shortfall - Mr Philip St Baker

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,288,756 Shares and 5,144,378 Options to Mr Philip St Baker (or his nominee) pursuant to his participation in the shortfall under the Institutional Component of the Company’s Rights Issue announced or about 5 August 2024 and otherwise on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

Resolution 8 – Approval of Director Participation in Rights Issue (Institutional) Shortfall - Mr Jonathan Stretch

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,918,665 Shares and 1,459,333 Options to Mr Jonathan Stretch (or his nominee) pursuant to his participation in the shortfall under the Institutional Component of the Company’s Rights Issue announced or about 5 August 2024 and otherwise on the terms and conditions set out in the Explanatory Statement”

A voting exclusion statement is set out below.

SPECIAL BUSINESS

Resolution 9 – Approval of 10% Placement Capacity

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement is set out below.

VOTING PROHIBITIONS

The Company will disregard any votes cast on	
Resolution 1	<u>Section 250BD of the Corporations Act</u>
Resolution 5	by a Director or on behalf of “Key Management Personnel” and their “closely related parties”.
<p>However, the Company need not disregard a vote if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none">(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or(b) the voter is the Chair and the appointment of the Chair expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.	

VOTING EXCLUSION STATEMENTS

The Company will disregard any votes cast in favour of:	
Resolution 3	by any person who participated in the issue or is a counterparty to the agreement being approved, or their associates
Resolution 4	
Resolution 6	by any person who is expected to participate in, or who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) and their associates.
Resolution 5	by the Director named in each respective Resolution and any other person who will obtain a material benefit as a result of the issue of the securities in each case (except a benefit solely by reason of being a holder of ordinary securities in the entity) and their associates.
Resolution 7	
Resolution 8	
Resolution 9	(if at the time the approval is sought, the entity is proposing to make an issue of equity securities under Listing Rule 7.1A.2) by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), and any of their associates.
<p>However, this does not apply to a vote cast in favour of a resolution by:</p> <p>(a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</p> <p>(b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or</p> <p>(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:</p> <p>(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and</p> <p>(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</p>	

IMPORTANT INFORMATION ABOUT VOTING ON THE RESOLUTIONS

All Resolutions will be by Poll

In accordance with clause 15.13 of the Company's constitution, the Chair intends to call a poll on each of the resolutions proposed at the Meeting. Each resolution considered at the Meeting will therefore be conducted by a poll, rather than on a show of hands. The Chair considers voting by poll to be in the interests of the Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

Pre-registration for remote attendance via Teams

The Company is holding an in-person meeting at the address indicated. However, Shareholders also have the option to attend (but not vote at) the Meeting virtually. The Meeting will be accessible to all Shareholders via videoconference on Teams, an online platform which will allow Shareholders to listen to and observe the Meeting, but not vote virtually at the Meeting.

If you are a Shareholder and you wish to attend the Meeting virtually, you will need to pre-register for the Meeting by emailing the Chief Financial Officer and Company Secretary at suzanne.yeates@oasolutions.com.au before 5:00pm (AEST) on 19 November 2024. Shareholders pre-registering prior to the Meeting will be emailed an electronic Teams invitation.

How to vote

Shareholders may vote by:

- (a) Attending the Meeting and voting in person at the Meeting.
- (b) Appointing a proxy to attend and vote on their behalf, using the enclosed proxy form completed and returned to the Company in accordance with the instructions below.

Voting by proxy

A member who is entitled to vote at the Meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; or
- (b) two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded.

A proxy need not be a member of the Company.

If you require an additional proxy form, please contact the Share Registry, Link Market Services Limited, on 1300 554 474, which will supply it on request.

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Link Market Services Limited, no later than 19 November 2024 at 11:00am (AEST) (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted. Instructions for completing the proxy form are outlined on the form, which may be returned by:

- (a) posting it in the reply-paid envelope provided;
- (b) posting it to State Gas Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235;

- (c) hand delivering it to Link Market Services Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150;
- (d) faxing it to Link Market Services Limited on fax number (02) 9287 0309;
- (e) lodging it online at <https://investorcentre.linkgroup.com> in accordance with the instructions provided on the website. You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) to lodge your proxy form online.

Proxies given by corporate Shareholders must be executed in accordance with their Constitutions or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he or she thinks fit.

The Constitution provides that a proxy form issued by the Company may provide that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be given in favour of the Chair of the meeting who may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the secretary.

If a Shareholder appoints the Chair of the meeting as the Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as a proxy for that Shareholder, in favour of the item on a poll.

Dated: 22 October 2024

By order of the Board
Richard Cottee
Chairman

For your information

Link Market Services (part of Link Group) was acquired by Mitsubishi UFJ Trust & Banking Corporation, a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG) on 16 May 2024. Link Group is now known as MUFG Pension & Market Services. Mailing and contact information are currently unchanged. Over the coming months, Link Market Services will also progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions to be put to Shareholders at the Annual General Meeting to be held online (see further details in the Notice of Meeting) and at HWL Ebsworth Lawyers, Level 19, 480 Queen Street, Brisbane on 21 November 2024 at 11:00am (AEST).

The Notice of Meeting, which is also enclosed, sets out details of proposals concerning the Resolutions to be put to Shareholders.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the Resolutions.

Unless otherwise defined, terms used in this Explanatory Statement are defined in the Glossary forming part of this Explanatory Statement.

Financial Statements and Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's 2024 Annual Report to Shareholders unless specifically requested to do so. The Company's 2024 Annual Report is available on its website at <https://stategas.com/>.

1. Resolution 1 – Adoption of Remuneration Report (Non-Binding)

1.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Company or the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the company. The remuneration report is part of the Directors' report contained in the annual financial report of the company for a financial year.

The Chair must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the Annual General Meeting.

1.2 Voting Consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous Voting Results

At the Company's previous Annual General Meeting, the votes cast against the remuneration report considered at that meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

1.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:	You <u>must direct your proxy</u> how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the votes on this Resolution.
If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):	You <u>do not</u> need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you are taken to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel. The Chair intends to vote undirected proxies in favour of all Resolutions.
If you appoint any other person as your proxy:	You <u>do not</u> need to direct your proxy how to vote on this Resolution.

2. Resolution 2 – Re-Election of Philip St Baker

2.1 Background

Clause 18.4 of the Constitution provides that a Director must retire from office no later than the longer of the third annual general meeting of the Company following that Director's last election or appointment.

If elected, the Board considers Mr St Baker to be an independent Director.

Pursuant to Resolution 2, Mr St Baker retires by rotation at this Meeting and, being eligible for re-election, offers himself for re-election at the Meeting pursuant to clause 18.4 of the Constitution.

2.2 **Qualifications and other material directorships**

Mr St Baker is an experienced entrepreneur, investor, director and executive, with over twenty years' experience in technology, energy, and resources sectors. He is experienced at leading large, medium, small, and startup companies, both private and public companies, domestic and international. Most relevant prior roles include; being Managing Director and Chief Executive Officer of NOVONIX Limited during which time the company transformed from aspiring graphite exploration company (GRAPHITECORP Limited) with a market capitalisation of less than \$1 million to an internationally recognised battery technology and synthetic materials company (renamed NOVONIX Limited in 2017) with a market capitalisation above \$500 million; Managing Director and Chief Executive Officer of ERM Power Limited during which time the company transformed from a private power development company into one of Australia's fastest growing diversified energy companies, listed on the ASX with annual turnover growing from \$10 million to over \$2 billion. In addition to being a current Director of State Gas, Mr St Baker is the Non-Executive Chairman of Healthcare Logic Global Limited (hospital data analytics company), Investor/Partner of NAVIQ Pty Ltd (specialised geotech services business), and Managing Director of his own private investment fund.

2.3 **Directors' Recommendation**

Having regard to Mr St Baker's experience described above, the Directors (other than Mr St Baker because of his material personal interest in the matter) recommend that Shareholders vote in favour of Resolution 2.

3. **Resolution 3 – Ratification of a prior issue of Placement Shares**

3.1 **The Placement and ANREO**

The Company announced on 5 August 2024 that it was conducting a \$2 million placement (**Placement**) to sophisticated and institutional investors and follow-on 1-for-2 accelerated non-renounceable entitlement offer (**ANREO**) offering new Shares at \$0.05 and one free attaching Option for every 2 new Shares issued.

Morgans Corporate Limited and Aitken Mount Capital Partners Pty Ltd acted as joint lead managers (**JLM's**) to the Placement and ANREO.

3.2 **Listing Rules**

Broadly speaking, and subject to a number of exceptions in Listing Rule 7.2, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period

The issue of the new Shares (**Placement Shares**) pursuant to the Placement did not exceed the Company's 15% threshold under Listing Rule 7.1. However, as the Placement Shares were not issued under any of the exceptions in Listing Rule 7.2 and the issue of the Placement Shares was not previously approved by Shareholders, the issue of the Placement Shares has effectively used up part of the Company's 15% limit under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without the approval of Shareholders under Listing Rule 7.1 for the 12-month period following the issue.

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 3 seeks Shareholder approval to the issue of the Placement Shares under and for the purposes of Listing Rule 7.4 to restore the Company's capacity to issue Equity Securities.

If Resolution 3 is passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, replenishing the Company's placement capacity and effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 3 is not passed, the issue of the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, limiting the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date. This may reduce the Company's ability to raise additional equity funds over the next 12 months.

3.3 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Placement Shares:

Name of persons to whom Placement Shares were issued	Sophisticated or professional investors identified by the Directors from their own investor networks and by the JLM's from among their customers and investor networks. None of the investors under Resolution 3 are related parties, Key Management Personnel, substantial holders of, or advisors to, the Company, or associates of such persons, and are being issued 1% or more of the Company current issued capital.
Number of Placement Shares issued	27,742,051 Placement Shares.
Summary of the material terms of the Placement Shares	Placement Shares are fully paid ordinary shares ranking equally with and with all the same rights as all other Shares on issue.
Date of issue of the Placement Shares	8 August 2024
Issue price of Placement Shares	\$0.05 per Placement Share and hence in aggregate, \$2,387,102.
Purpose of the issue of the Placement Shares	The issue of the Placement Shares (along with the ANREO) was used to fund: <ul style="list-style-type: none"> (a) payment of the remaining construction and commissioning costs associated with the development of the HDNG production facilities at Rolleston-West; (b) working capital; and (c) costs associated with the Placement and Entitlement Offer.
Summary of material terms of agreement relating to the issue	N/A

Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting.
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3.4 **Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of each of Resolution 3, as this will enable the Company to have flexibility in respect of future capital raising activities.

4. **Resolution 4 – Approval for the Prior Issue of Shares to the CEO**

4.1 **Background**

On 30 November 2022, the Company announced the appointment of Mr Doug McAlpine as its Chief Executive Officer (**CEO**). In that announcement, it was stated that Mr McAlpine's employment contract stipulated that he be issued \$50,000 in value of Shares after his first 12 months of consecutive service, at an issue price based on the 14-day VWAP of the Company's Shares prior to announcement of his employment.

On 22 December 2023, those Shares were issued, as Mr McAlpine had completed his 12 consecutive months of service. At the time of issue, he was not a Director.

4.2 **ASX Listing Rules**

The summary of Listing Rule 1 in Section 3.2 is relevant.

The issue of the Shares (**Issue**) to Mr McAlpine on 22 December 2023 did not exceed the Company's 15% threshold under Listing Rule 7.1. However, as the Shares were not issued under any of the exceptions in Listing Rule 7.2 and as the issue of the Shares was not previously approved by Shareholders, the issue of the Shares has effectively used up part of the Company's 15% limit under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without the approval of Shareholders under Listing Rule 7.1 for the 12-month period following the issue.

As stated above, Listing Rule 7.4 allows shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 4 seeks Shareholder approval to the issue of the Shares to Mr McAlpine under and for the purposes of Listing Rule 7.4 to restore the Company's capacity to issue Equity Securities.

If Resolution 4 is passed, the issue of the Shares to Mr McAlpine will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, replenishing the Company's placement capacity and effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If it is not passed, the issue of the Shares to Mr McAlpine will be included in calculating the Company's 15% limit in Listing Rule 7.1, limiting the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date. This may reduce the Company's ability to raise additional equity funds over the next 12 months.

4.3 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Shares:

Name of persons to whom Shares were issued	Mr Doug McAlpine At the time of the Company entering into the agreement with Mr McAlpine pursuant to which it agreed to issue the Shares to Mr McAlpine, he was not a member of Key Management Personnel, a related party, substantial holder of, or advisors to, the Company, or associates of such persons, and was not being issued 1% or more of the Company current issued capital.
Number of Shares issued	160,475 Shares.
Summary of the material terms of the Shares	The Shares are fully paid ordinary shares ranking equally with and with all the same rights as all other Shares on issue.
Date of issue of the Shares	22 December 2023
Issue price of Shares	Nil
Purpose of the issue of the Shares	The Shares were issued pursuant to an obligation under Mr McAlpine's employment contract.
Summary of material terms of agreement relating to the issue	The material terms of Mr McAlpine's employment agreement were announced on the ASX on 10 September 2024. Relevant parts of that ASX announcement are reproduced in Annexure A
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting.

4.4 Directors' Recommendation

The Directors (Mr McAlpine excluded) recommend that Shareholders vote in favour of Resolution 4, as this will enable the Company to have flexibility in respect of future capital raising activities.

5. Resolution 5 – Approval for the Issue of Performance Rights to the Managing Director

5.1 Background

On 10 September 2024, the Company announced on the ASX that Mr McAlpine, until that point the Company's CEO, was promoted to Managing Director. Particulars of his employment and remuneration were included in the announcement, including the issue (**Issue**), subject to Shareholder approval, of 1 million Performance Rights converting into Shares subject to satisfaction of the following vesting conditions within 1 year from the date of grant (**Vesting Period**):

- (a) successful completion of the Company's exploration program on Rougemoint 4 and 5 on time and within budget; and
- (b) establishment of an initial 2P reserve for the Company's Rolleston West Project; and
- (c) achievement of confidential business development objectives for the Company's HDNG business,

(collectively, **Vesting Conditions**).

5.2 **ASX Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) Listing Rule 10.11.1 - a related party;
- (b) Listing Rule 10.11.2 - person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) Listing Rule 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) Listing Rule 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) Listing Rule 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue of the Performance Rights to Mr McAlpine falls within Listing Rule 10.11.1 because he is a Director and does not fall within any of the exceptions in Listing Rule 10.12. Each Issue therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr McAlpine within 1 month after the date of the Meeting. In these circumstances, by operation of Listing Rule 7.2 Exception 14, the Issue will not be included for the purposes of calculating the Company's 15% placement capacity in respect of its Equity Securities.

If Resolution 5 is not passed, the Company will not be able to proceed with the Issue to Mr McAlpine and the Company will have to consider other options, including additional cash remuneration, to appropriately remunerate and incentivise Mr McAlpine in his role as Managing Director.

5.3 **ASX Guidance Note 19 disclosure relating to the Performance Rights**

Pursuant to ASX Guidance Note 19, the Company makes the following technical disclosure: The Performance Rights:

- (a) are not transferable (and hence, not quoted) and will not convert into Shares until vesting by satisfaction of all the Vesting Conditions;
- (b) are issued as performance securities to remunerate and incentivise Mr McAlpine, having regard to the Vesting Conditions; it is expected that Mr McAlpine, in his role as Managing Director, will play a critical part in achieving the milestones comprising the Vesting Conditions;
- (c) details of Mr McAlpine's remuneration and relevant interests in the Company's Equity Securities are set out in 5.4;

- (d) the number and terms of the Performance Rights were determined by the Board (Mr McAlpine excluded) to be appropriate and equitable with reference to benchmarking by the board and the value of the Performance Rights in light of Mr McAlpine's overall remuneration and the benefits the Company will derive from satisfaction of the Vesting Conditions; and
- (e) the Performance Rights are consistent with the base requirements for performance securities set out in section 9 and other provisions of ASX Guidance Note 19.

5.4 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to each Issue:

Name of person to whom securities will be issued	Mr Doug McAlpine or his nominee
Which category in Listing Rules 10.11.1–10.11.5 the person falls within and why	Mr McAlpine is a Director and therefore falls within Listing Rule 10.11.1.
Number and class of securities to be issued	1,000,000 Performance Rights
Summary of the material terms of the securities	The Performance Rights are subject to the Vesting Conditions set out in Section 5.1 and the terms and conditions in Schedule 2.
Date of issue	The Performance Rights will be issued within 1 month of the Meeting, if approved by Shareholders.
Issue Price	The Performance Rights are issued for nil consideration
Purpose of the issue	The Performance Rights are issued to remunerate and incentivise Mr McAlpine in his role as MD and are regarded by the Board (excluding Mr McAlpine) as a cost effective means of achieving this goal, while aligning his interests and the Company's achievement of its business objectives.
Details of remuneration and relevant interests	As announced by the Company on the ASX on 10 September 2024, Mr McAlpine receives a base salary of \$390,000 per annum plus statutory superannuation. In addition to the Performance Rights the subject of Resolution 5, Mr McAlpine already holds the following relevant interests in the Company's Equity Securities: <ul style="list-style-type: none"> (a) 160,475 Shares; (b) 375,000 vested Tranche 1 Performance Rights (c) 2,125,000 unvested Tranche 3, 4, and 5 Performance Rights (details of which are set out in the Company's ASX announcement of 10 September 2024).
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting.

5.5 Directors' Recommendation

The Directors (excluding Mr McAlpine) recommend that Shareholders vote in favour of Resolution 5, as they wish to appropriate remunerate Mr McAlpine to incentivise and retain him.

6. Resolution 6 – Approval for the issue of Placement Options

6.1 Background

As stated in Section 3.1, the Company conducted a Placement offering Shares (the subject of Resolution 3) (**Placement Shares**) and attaching new Options (**Placement Options**) on the basis of 1 Placement Option for every 2 Placement Shares issued.

The Placement Options have not yet been issued and are the subject of Resolution 6.

6.2 ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Placement Options do not fall within any of these exceptions and exceeds the Company's 15% limit under Listing Rule 7.1. The Issue therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 6 seeks Shareholder approval to issue the Placement Options to investors pursuant to the Placement, under and for the purposes of Listing Rule 7.1.

If Resolution 6 is passed, the Placement Options will be issued and will be capable of exercise into Shares on the terms and conditions herein, while the Placement Options (and Shares issued upon their exercise) will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 6 is not passed, the Company will be unable to issue the Placement Options and will be in breach its contractual obligations to investors under the Placement. The Company may, in that event, have to consider payment in cash to such investors in relation to Placement Options not issued.

6.3 Technical information required by ASX Listing Rules 7.3

Pursuant to and in accordance with ASX Listing Rules 7.3, the following information is provided in relation to the Placement Options:

Name of persons to whom the Placement Options will be issued or the basis upon which they were identified or selected	<p>The Placement Options will be issued to sophisticated and institutional investors who participated in the Placement. Investors were selected by the JLM's from their investor networks, in consultation with the Directors.</p> <p>None of the investors under Resolution 6 are related parties, Key Management Personnel, substantial holders of, or advisors to, the Company, or associates of such persons, and are being issued 1% or more of the Company current issued capital.</p>
Number of Options to be issued	13,871,036 Placement Options
Summary of the material terms of the Placement Options	The terms of issue of the Placement Options are set out in Schedule 1.

Date of issue of the Placement Options	No later than 3 months from the date of the Meeting.
Issue price of Options	The Placement Options will be issued for nil cash consideration as free Options attaching to Placement Shares issued under the Placement on a 1:2 basis. No funds will be raised by the issue of the Placement Options.
Purpose of the issue of the Loan Notes	The Placement Options were issued for the purpose of incentivising investors to participate in the Placement.
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting.

6.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6, as the Company is contractually obligated to issue the Options to investors under the Placement.

7. Resolution 7 and Resolution 8 - Participation of Related Parties in the Institutional Entitlement Offer Shortfall

7.1 Background

As stated above, the Company announced an ANREO on 5 August 2024 comprised of an Institutional Entitlement Offer and a Retail Entitlement Offer. The Institutional Entitlement Offer was completed on 6 August 2024. The Company's Directors, Mr Philip St Baker and Mr Jonathan Stretch (each, **Related Party Participant**), took up their Entitlements under the Institutional Entitlement Offer and further, committed to participate in the shortfall under the Institutional Entitlement Offer, subject to Shareholder approval, as follows:

- (d) Resolution 7 – Mr Philip St Baker (or his nominees) - 10,288,756 Shares and 5,144,378 attaching Options; and
- (e) Resolution 8 – Mr Jonathan Stretch - 2,918,665 Shares and 1,459,333 attaching Options, (jointly and each, the **Issue**).

7.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (f) the giving of the financial benefit falls within one of the exceptions to the prohibition; or
- (g) the company's members approve the giving of the financial benefit in accordance with the Corporations Act.

'Related party' is widely defined under the Corporations Act and includes directors of a company. 'Financial benefit' is also defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the

transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded in determining whether a financial benefit is given, even if the consideration is adequate.

Each Issue will result in the issue of Shares and Options (which constitutes the giving of a financial benefit by the Company) to the Related Party Participants, each of whom is a related party of the Company by virtue of being a Director (or in the case of a Related Party Participant that is a nominee of a Director, by virtue of that nominee being controlled by a Director).

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of each Issue because the Shares and Options will be issued to the Related Party Participants at the same price and on the same terms as the Shares and Options that were issued to non-related party participants in the ANREO and the Placement, and as such, the giving of the financial benefit is on arm's length terms.

As a financial benefit given on arm's length terms is one of the exceptions contemplated in paragraph (a) above, the approval of Shareholders contemplated in the explanation above is not required.

7.3 **ASX Listing Rule 10.11**

Listing Rule 10.11 is summarised in Section 5.1 and applies equally to Resolution 5.

The Issue to each Related Party Participant falls within Listing Rule 10.11.1 because each recipient is a Director and does not fall within any of the exceptions in Listing Rule 10.12. Each Issue therefore requires the approval of the Shareholders under Listing Rule 10.11.

If each of Resolution 7 and Resolution 8 is passed, the Company will be able to proceed with the issue of Shares to the Related Party Participant the subject of the Resolution passed within 1 month after the date of the Meeting. In these circumstances, by operation of Listing Rule 7.2 Exception 14, the Issue to each of the Related Party Participants will not be included for the purposes of calculating the Company's 15% placement capacity in respect of its Equity Securities.

If either of Resolution 7 or Resolution 8 is not passed, the Company will not be able to proceed with the Issue to the Related Party Participant in respect of whom the Resolution was not passed, and the Company may not raise the capital represented by that portion of the Entitlement Offer from other persons, which may adversely impact the Company's ability to achieve the objectives of the Entitlement Offer (having regard to the Company's proposed use of funds).

Resolution 7 and Resolution 8 are not inter-conditional. If approval is obtained for one but not the other of Resolution 7 or Resolution 8, the Company may proceed with the Issue to the Related Party Participant for whom the relevant Resolution was approved by Shareholders.

7.4 **Technical information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to each Issue:

Name of person to whom securities will be issued	Resolution 7 – Philip St Baker or his nominee; and Resolution 8 – Jonathan Stretch or his nominee.
Which category in Listing Rules 10.11.1–10.11.5 the person falls within and why	Each of Mr St Baker and Mr Stretch is a Director and therefore falls within Listing Rule 10.11.1.
Number and class of securities to be issued	Resolution 7 – Philip St Baker - 10,288,756 Shares and 5,144,378 attaching Options; and

	Resolution 8 – Jonathan Stretch - 2,918,665 Shares and 1,459,333 attaching Options.
Summary of the material terms of the securities	Fully paid ordinary shares ranking equally with and with all the same rights as all other Shares on issue. The attaching Options rank equally with the Placement Options and are issued on the terms set out in Schedule 1.
Date of issue	The Shares and attaching Options will be issued within 1 month of the Meeting, if approved by Shareholders.
Issue Price	The Shares will be issued for \$0.05 per new Share. The Options will be issued for nil cash consideration as free Options attaching to the Shares issued on a 1:2 basis. No funds will be raised by the issue of the Options. Hence the total consideration received by the Company from the Issues is: Resolution 7: \$514,438; and Resolution 8: \$145,933.
Purpose of the issue	The Issue forms part of the Company's capital raising comprising the Placement and Entitlement Offer announced on the ASX on 5 August 2024, seeking to raise up to \$8.9 million, to applied towards: (a) payment of the remaining construction and commissioning costs associated with the development of the HDNG production facilities at Rolleston-West; (b) working capital; and (c) costs associated with the Placement and Entitlement Offer.
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting.

7.5 Directors' Recommendation

The Company's non-interested Directors who did not participate in the Institutional Entitlement Offer Shortfall, Mr Richard Cottee, Mr Anthony Bellas and Mr Gregory Baynton, recommend that Shareholders vote in favour of Resolution 7 and Resolution 8, as otherwise the Company may not be able to place the relevant Shares and Options to other persons and will hence not have the benefit of the cash represented by them.

8. Resolution 9 – Approval of 10% Placement Capacity

8.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital as calculated in accordance with the formula in ASX Listing Rule 7.1A.2 (**10% Placement Capacity**) without using that entity's existing 15% annual placement capacity under ASX Listing Rule 7.1.

An **Eligible Entity** is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$20.1 million (based on the number of Shares on issue and the closing price of Shares on ASX on 30 September 2024). However, the Company will only be permitted to seek approval for the 10% Placement Capacity if it remains an Eligible Entity at the date of the Meeting. Accordingly, if the Company is not an Eligible Entity at the date of the Meeting, Resolution 9 will not be put to, and voted on at, the Meeting.

An **Equity Security** is a share, a unit in a trust, a right to a share or unit in a trust or Option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security, but not a security ASX decides to classify as a debt security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (**ASX:GAS**).

Subject to the Company being an Eligible Entity and Resolution 9 being put to the Meeting, if Shareholders approve Resolution 9, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

If Resolution 9 is passed, the Company will be able to issue equity securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further shareholder approval.

If Resolution 9 is not passed, the Company will not be able to access the additional 10% Placement Capacity to issue equity securities without shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in ASX Listing Rule 7.1.

Resolution 9 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present (in person, or by proxy or representative) and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed.

8.2 **Technical information required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

(a) **Period for which mandate is valid**

An approval under ASX Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the entity's next annual general meeting; and
- (iii) the time and date of the approval by holders of the Eligible Entity's ordinary securities of a transaction under Listing Rule 11.1.2 or Listing Rule 11.2.

(b) **Minimum price**

The minimum price at which the Equity Securities may be issued is 75% of the VWAP of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

Share on issue (Variable A in Listing Rule 7.1A.2)	Dilution			
	Issue price per Share	\$0.0275 50% decrease in Current Market Price	\$0.055 Current Market Price	\$0.111 100% increase in Current Market Price
379,393,448 Shares Variable A	10% Voting Dilution	37,939,345 Shares	37,939,345 Shares	37,939,345 Shares
	Funds raised	\$1,043,332	\$2,086,664	\$4,173,328
569,090,172 Shares 50% increase in Variable A	10% Voting Dilution	56,909,017 Shares	56,909,017 Shares	56,909,017 Shares
	Funds raised	\$1,564,998	\$3,129,996	\$6,259,992
758,786,896 Shares 100% increase in Variable A	10% Voting Dilution	75,878,690 Shares	75,878,690 Shares	75,878,690 Shares
	Funds raised	\$2,086,664	\$4,173,328	\$8,346,656

Note:

The number of Shares on issue (Variable 'A' in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

1. The number of Shares on issue is 379,393,448, which was the number of Shares the Company had on issue as at 15 October 2024.
2. The issue price set out above is the closing price of the Shares on the ASX on 15 October 2024.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

The table above shows the potential dilution of Shareholders calculated in accordance with the formula in ASX Listing Rule 7.1A.2 (assuming Resolution 9 is passed by Shareholders), on the basis of the market price of Shares and the number of Shares on issue as at 15 October 2024.

The table assumes differing numbers of Shares on issue (i.e. variable "A" in the above formula) and issue prices for Shares over three scenarios, but in each scenario it is assumed that the Company issues the maximum number of Shares available under the 10% Placement Capacity. For example:

- Variable 'A' differs across each scenario. Scenario 1 assumes there is no change to the number of Shares on issue. Scenarios 2 and 3 then assume an increase of 50% and 100% (respectively) to the number of Shares on issue.
- Within each scenario, three different issue prices for the Shares are assumed. One of the issue prices is the closing price on 15 October 2024 (being the last practicable trading day prior to the date of this Notice). The other two issue prices then assume a 50% decrease to that closing Share price and a 100% increase to that price.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue,

which may have an effect on the amount of funds raised by the issue of the Shares.

(d) Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the purpose of cash consideration in which case the Company intends to use funds raised for:

- (i) acquisition of new assets or investments (including expenses associated with them);
- (ii) continued exploration and development of the Company's current assets; and
- (iii) general working capital and business development.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 2.7 upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The identity of the recipients of the Equity Securities to be issued under the 10% Placement Capacity will be determined on a case-by-case basis at the time of issue and in the Company's discretion. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
 - (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 November 2023 (**Previous Approval**). Since the Company's Annual General Meeting in 2023, no Equity Securities have been issued by the Company under Listing Rule 7.1A.

(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

(h) **Compliance with ASX Listing Rule 7.1A.4**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must:

- (i) state in its announcement of the proposed issue under Listing Rule 3.10.3 or in its application for quotation of the securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A; and
- (ii) give to ASX immediately after the issue a list of names of the persons to whom the Company issued the equity securities and the number of equity securities issued to each. This list is not for release to the market.

8.3 **Directors' Recommendation**

The Directors recommend that shareholders vote in favour of Resolution 9.

9. GLOSSARY

AEST means Australian Eastern Standard Time

ASIC means the Australian Securities and Investments Commission.

Associate is defined in the Corporations Act.

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

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Wednesday inclusive, except New Year's Day, Good Wednesday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chairman means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (e) a company the member controls;
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition closely related party in the Corporations Act.

Company means State Gas Limited ACN 617 322 488.

Constitution means the constitution of the Company.

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

General Meeting or **Meeting** means the General Meeting of the Company convened by this Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or of the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated entity.

Notice or Notice of Meeting means this Notice of the General Meeting including the Explanatory Statement and Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Relevant Interest is defined in the Corporations Act.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a registered holder of a Share.

Schedule 1 Terms and conditions of Placement Options

Capitalised terms used in this Schedule 1 have the meaning given in this Schedule 1 only. The Placement Options are issued on the following terms:

(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.

Schedule 2 Performance Rights

The terms of the Performance Rights, are as follows:

(a) **Notification to holder**

The Company will notify the holder in writing when the relevant Vesting Condition (Milestone) has been satisfied.

(b) **Conversion**

Upon satisfaction of the applicable Milestone and the issue of the notice referred to in paragraph (a) above, each Performance Right will automatically convert into one Share.

(c) **Conversion on change of control**

- (i) Notwithstanding the relevant Milestone being satisfied or not, upon the occurrence of either: a takeover bid under Chapter 6 of the Corporations Act 2001 (Cth) having been made in respect of the Company having received acceptances for more than 50% of the Company's Shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

the Performance Rights will automatically convert into Shares, provided that if the number of Shares that would be issued upon such conversion is greater than 10% of the Company's Shares on issue as at the date of conversion, then only that number of Performance Rights which is equal to 10% of the Company's Shares on issue as at the date of conversion under this paragraph, will automatically convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Rights then on issue, as well as on a pro rata basis for each holder of Performance Rights. Performance Rights that are not converted into Shares under this paragraph, will continue to be held by the holders on the same terms and conditions.

(d) **Lapse of a Performance Right**

Any Performance Right that has not been converted into a Share prior to the Expiry Date will automatically lapse.

(e) **Fraudulent or dishonest action**

If a holder ceases to be an employee or Director of the Company in circumstances where the cessation or termination is specifically referenced to the holder having been found to have acted fraudulently or dishonestly in the performance of his or her duties, then:

- (i) the Board must deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and
- (ii) any Performance Rights that have vested will continue in existence in accordance with their terms of issue, only if the relevant Milestone has previously been met, and any Shares issued on satisfaction of the applicable Milestone will remain the property of the holder.

(f) **Ceasing to be an employee or Director**

If a holder ceases to be an employee or Director of the Company in circumstances where the cessation or termination arises because the holder:

- (i) voluntarily resigns his or her position (other than to take up employment with a subsidiary of the Company);
- (ii) wilfully breaches the terms of the engagement of the holder or any policy of the Company's published policies regulating the behaviour of holder;
- (iii) is convicted of a criminal offence which, in the reasonable opinion of the Company, might tend to injure the reputation or the business of the Company; or
- (iv) is found guilty of a breach of the Corporations Act and the Board considers that it brings the holder or the Company into disrepute, then:

unless the Board decides otherwise in its absolute discretion, will deem any Performance Rights of the holder to have immediately lapsed and be forfeited; and

- (v) any Performance Rights that have vested will continue in existence in accordance with their terms of issue, only if the relevant Milestone has previously been met and any Shares issued on satisfaction of the applicable Milestone, will remain the property of the holder.

(g) **Other Circumstances**

The Performance Rights will not lapse and will not be forfeited where the holder ceases to be an employee or Director of the Company for one of the following reasons:

- (i) death or total permanent disability (in respect of total permanent disability being that because of a sickness or injury, the holder is unable to work on his or her own or any occupation for which they are suited by training, education, or experience for a period beyond one year);
- (ii) redundancy (being where the holder ceases to be an employee or Director due to the Company no longer requiring the holder's position to be performed by any person); or
- (iii) any other reason, other than a reason listed in paragraph (e) and (f) (not including (f)(i), in which case the Board may exercise its absolute discretion to allow the holder to retain his or her Performance Right), that the Board determines is reasonable to permit the holder to retain his or her Performance Rights, and in those circumstances the Performance Rights will continue to be subject to the applicable Milestone.

(h) **Shares issued on exercise**

Shares issued on exercise of the Performance Rights will rank equally with the then issued Shares of the Company.

(i) **Not Quoted**

The Performance Rights will not be quoted on ASX.

(j) **Transferability**

The Performance Rights are not transferable but may be issued to an entity or family member nominated by the Director.

(k) Timing of issue of Shares on exercise

For personal use only 8 Within the time period prescribed by the ASX Listing Rules, the Company will: (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights converted; and (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to ensure that there are not secondary trading restrictions on the Shares issued upon exercise of Performance Rights.

(l) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a Performance Right holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(m) Participation in new issues

There are no participation rights or entitlements inherent in the Performance Right and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Right without exercising the Performance Right, subject to the Listing Rules.

(n) No rights to return of capital

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital, or otherwise.

(o) Rights on winding up

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) No other rights

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law, where such rights at law cannot be excluded by these terms.

(q) ASX Listing Rule compliance

The Board reserves the right to amend any term of the Performance Rights to ensure compliance with the ASX Listing Rules.

Annexure A Key Terms of CEO Contract (per ASX announcement on 10 September 2024)

Position	Managing Director			
Commencement date	9 September 2024			
Term	Appointment on an on-going basis			
Total Fixed Remuneration	AUD\$390,000 base salary excluding superannuation.			
Equity based compensation (proposed as part of MD employment package and subject to subject to shareholder approval)	Number of performance rights	Tranche/Milestone	Expiry Date	
	1,000,000	Upon successful achievement of the following objectives during FY25: <ul style="list-style-type: none">• Successful execution of the Rougemont 4 and 5 exploration program on time and within budget• Establishment of an initial 2P reserve for Rolleston West Project• Achieve business development objectives for the HDNG business	1 year from grant date	
	A summary of the key terms of the above performance rights are included in Appendix 2.			
Equity based compensation (existing compensation associated with employee's original engagement as CEO and already on issue)	Tranche	Number of performance rights	Tranche/Milestone	Expiry Date
	Tranche 1 (Vested)	375,000	Vest upon the first commercial delivery of gas from any of the Group's producing assets (based on the Group's assets held on the date of issue of the performance rights), either by truck or pipeline, at any time before the Expiry Date.	5 Dec 27
	Tranche 2 (unvested)	375,000	Vest upon the Board making a 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).	5 Dec 27

	Tranche 3 (unvested)	375,000	Vest upon the Group securing minimum annual gas sales of 2PJ per annum on terms acceptable to the Board.	5 Dec 27
	Tranche 4 (unvested)	375,000	Vest 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.	5 Dec 27
	Tranche 5 (unvested)	1,000,000	Vest 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.	5 Dec 27
Termination	The company and the executive can terminate the agreement by providing six months' notice.			

LODGE YOUR VOTE**ONLINE**<https://investorcentre.linkgroup.com>**BY MAIL**

State Gas Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

**BY FAX**

+61 2 9287 0309

**BY HAND***

Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150

*During business hours Monday to Friday

**ALL ENQUIRIES TO**

Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am (AEST) on Tuesday, 19 November 2024**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

**ONLINE**<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

**BY MOBILE DEVICE**

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code**HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM****YOUR NAME AND ADDRESS**

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the

appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

IMPORTANT INFORMATION

Link Group is now known as MUFG Pension & Market Services. Over the coming months, Link Market Services will progressively rebrand to its new name MUFG Corporate Markets, a division of MUFG Pension & Market Services.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of State Gas Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEST) on Thursday, 21 November 2024 at HWL Ebsworth Lawyers, Level 19, 480 Queen Street, Brisbane** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1 & 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 & 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report (Non-Binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Philip St Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Approval for the prior issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval for the prior issue of Shares to the CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval for the issue of Performance Rights to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval for the issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of Director Participation in Rights Issue (Institutional) Shortfall – Mr Philip St Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of Director Participation in Rights Issue (Institutional) Shortfall – Mr Jonathan Stretch	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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