



State Gas Limited
ACN 617 322 488
PO Box 10348
BRISBANE QLD 4000

ASX RELEASE

19 November 2024

Access to Rolleston West Project Assets Restored

Further to the announcement on 4 November 2024, **State Gas Limited (ASX: GAS)** ("State Gas or "the Company") is pleased to provide an update on the Access Dispute which has arisen between itself and the landowner for the Rolleston West Project ("the Landowner").

Late on 18 November 2024, State Gas and the Landowner entered into a settlement arrangement that allows State Gas to immediately recommence the Company's gas production activities on the Landowner's property. The arrangement also allows State Gas to continue its planned two-well exploration program subject to continued implementation of access protocols for the well sites as prescribed in the Conduct and Compensation Agreement ("CCA"). As part of the settlement arrangement, State Gas has agreed to discontinue legal action against the Landowner, subject to its access rights being preserved while the parties continue to resolve the underlying dispute in accordance with the process set out in the CCA.

The Company is now in the process of mobilising its field teams to recommence its gas compression and exploration activities as soon as possible.

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

FOR FURTHER INFORMATION

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

Doug McAlpine
Managing Director
Phone: 0439 557 400
Email: doug@stategas.com

www.stategas.com

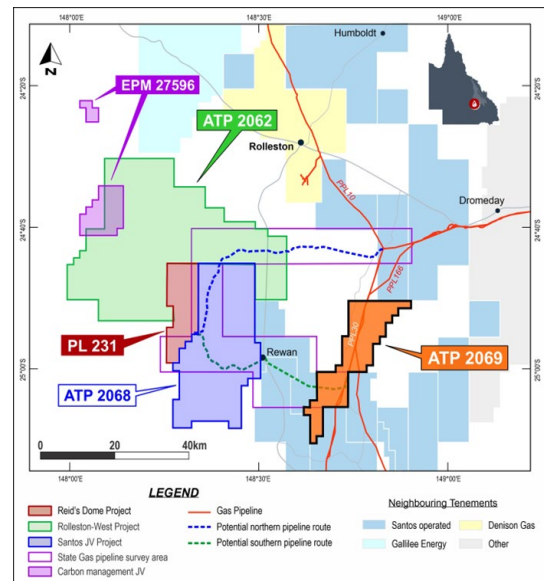
ABOUT STATE GAS LIMITED

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

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

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

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



ABOUT THE ROLLESTON WEST PROJECT

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

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

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

ABOUT THE HDNG PRODUCTION 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.