



Annual General Meeting

18 November 2020

ASX:GAS



Disclaimer

Disclaimer

This presentation (Presentation) has been prepared by State Gas Limited (ACN 617 322 488) (State Gas). The Presentation and information contained in it is being provided to shareholders and investors for information purposes only. Shareholders and investors should undertake their own evaluation of this information and otherwise contact their professional advisers in the event they wish to buy or sell shares. To the extent the information contains any projections, State Gas has provided these projections based upon the information that has been provided to State Gas. None of State Gas or its directors, officers or employees make any representations (express or implied) as to the accuracy or otherwise of any information or opinions in the Presentation and (to the maximum extent permitted by law) no liability or responsibility is accepted by such persons.

Summary Information

This Presentation contains summary information about State Gas and its activities current at the date of this Presentation. The information in this Presentation is of general background and does not purport to be complete. It should be read in conjunction with State Gas' other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange which are available at www.asx.com.au.

ASX Releases

Investors are advised that by their nature as visual aids, presentations provide information in a summary form. The key information can be found in State Gas' ASX releases.

Future Performance

This Presentation contains certain "forward looking statements". Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected.

State Gas' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, including without limitation, based on the examination of historical operating trends, data contained in State Gas' records and other data available from third parties. There can be no assurance, however, that these expectations will eventuate. Forward looking statements, opinions and estimates are not guarantees of future performance and investors should not place undue reliance on these forward looking statements.

State Gas' expectations as expressed in this Presentation may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserves estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Such forward looking statements are relevant at the date of this Presentation and State Gas assumes no obligation to update such information.

The material in this presentation has been previously released to the ASX in QUPEX Presentation 8.10.2019; Announcement dated 4.10.2019 and Announcement dated 18.10.2019

Corporate Overview

Share price

\$0.52 @ 13 Nov 2020 close

52 week high \$1.19, low 32c

Market Cap

~\$100m

Shares on Issue

173m

Shareholders

902

Cash at bank

\$14.4m @ 31/10/2020

Drs & Mgt holdings

20%



The East Coast Market

Supply

Bass Strait in long term decline

Major LNG Projects cancelled /deferred

Uncertainty around new domestic gas supplies

Demand

Asia markets recovering – Qld LNG exports to increase

Support required for volatile renewables

Policy

Federal Government Gas - led Recovery

Strong State Government support

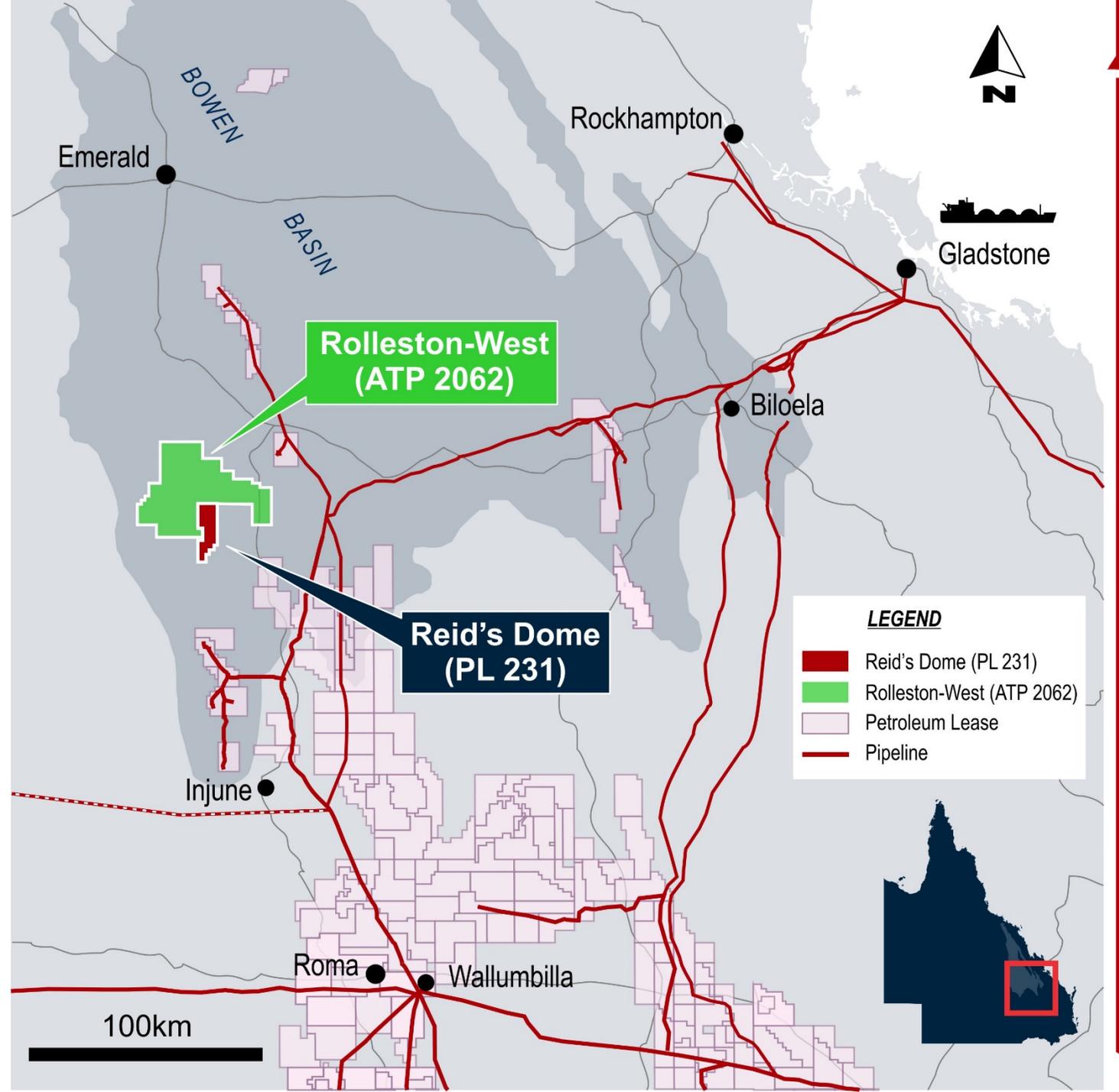
Impacts:

1. East Coast shortfalls from 2023
2. Capacity to respond to volatility

Project Areas

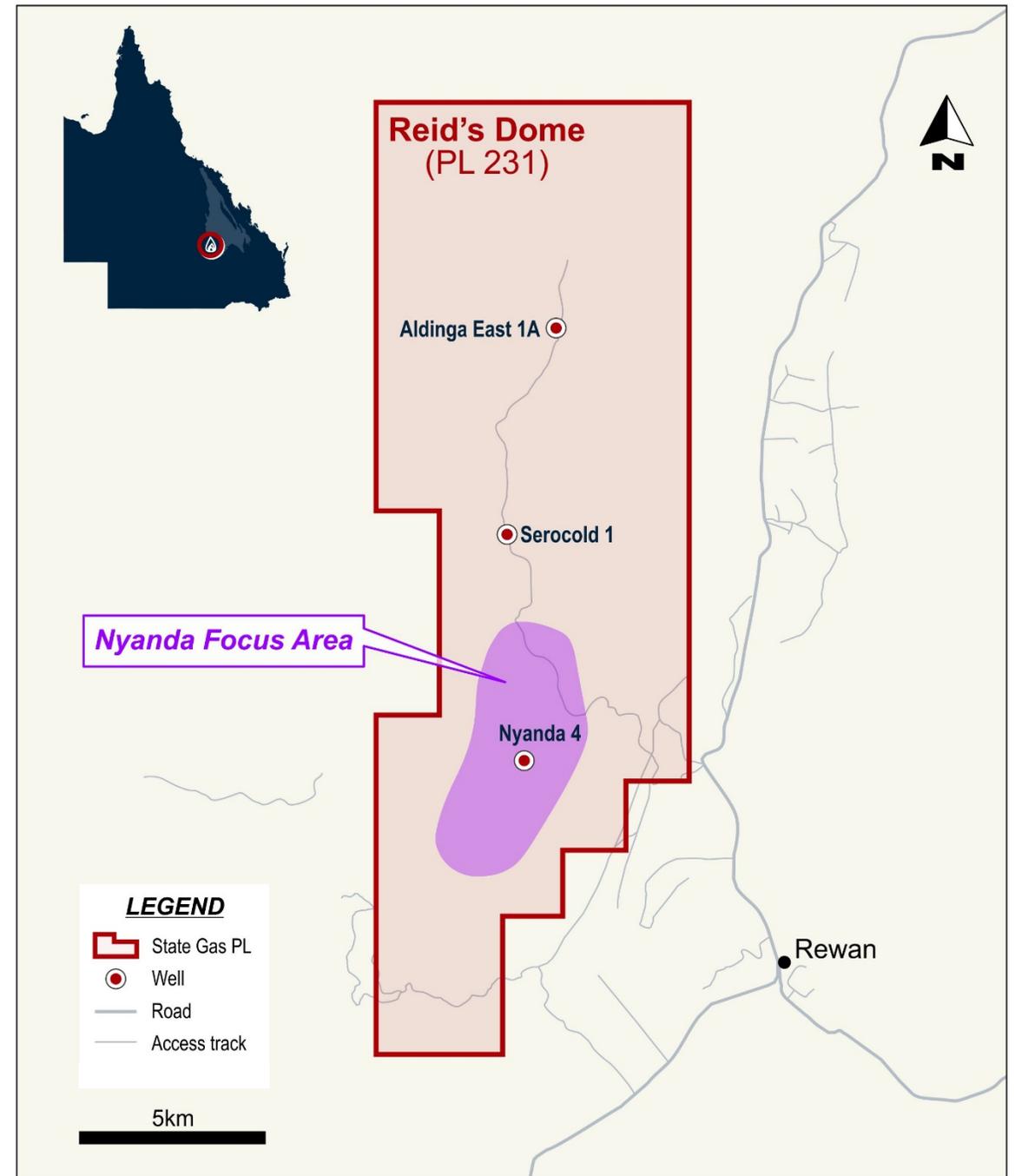
- Reid's Dome & Rolleston West;
 - 1593 km² of combined acreage*
 - PL 231 – 180 km²
 - ATP 2062 – 1413 km²
 - Highly prospective Bowen Basin sequence
 - Multiple conventional and unconventional targets
 - No domestic gas reservation
- Less than 50 km from Queensland Gas Pipeline network
- Single owner (100% State Gas)
- Pipeline Survey Licence held for routes to market

* Areas confirmed from corner-point calculations due to Australian Datum recent change from GDA94 to GDA2020



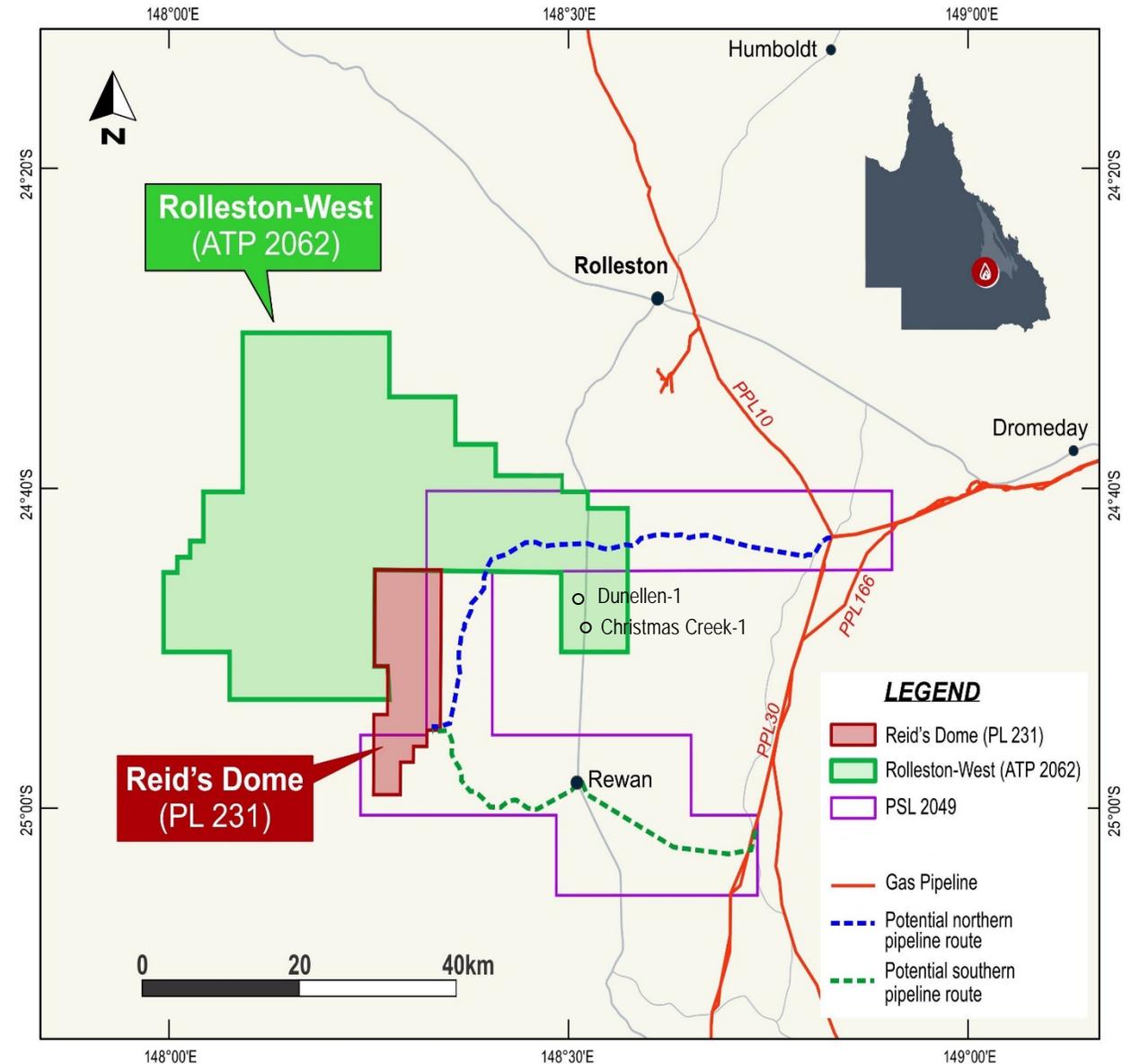
PL-231 Update

- State Gas drilled 4 wells to date - 100% successful
 - Primero West-1: Staircase Sandstone conventional gas.
 - Nyanda-4: Reid's Dome Beds CSG. Gas flowing close to 500 mscfd
 - Aldinga East-1A: intra-Cattle Creek new conventional gas
 - Serocold-1: Reid's Dome Beds CSG
- At least 4 new wells commencing as soon as possible
 - Nyanda Focus Area, plus confirm Central & Northern potential
 - Drilling company secured, long lead items on order
 - Production testing planned new wells and Nyanda-4
 - Permitting well advanced
 - Up-grades of access roads commencing to minimize potential impact of wet weather events



ATP-2062

- New permit, granted October 2020
- Early – Late Permian sequence:
 - Bandanna Formation (*CSG, cf Arcadia Valley, Mahalo*)
 - Rewan Formation (*conventional gas, cf Yellowbank*)
 - Aldebaran Sandstone (*conventional gas, cf Merivale, Rolleston, Yandina, Yellowbank*)
 - Cattle Creek Formation (*conventional gas, cf Springton*)
 - Reids Dome Beds (*CSG, cf PL-231*)
- Significant structural elements:
 - Prospective for CSG and conventional plays
 - Conventional gas on block indicated at Dunellen-1 (1994) and Christmas Creek-1 (1981)
- 2 wells planned in permit Year-1:
 - Rougemont-1 and Rougemont-2 Bandanna CSG core-holes selected at intersection of two plunging noses
 - Wells to evaluate range of prospective depth 250 – 700m
 - Coal properties similar to Arcadia Valley and Mahalo
 - Permitting underway



A Gas Reservation Policy?

The Problem

Volatility in gas prices

Insufficient gas available for long term contracts at low prices

Low oil price environment disincentivizing investment

Objectives

Increased supply

Increased competition in supply

Incentivise investment

Avoid rewriting contracts

Likely impacts of reservation

Raise barriers to entry

Concentrate supply

Increase sovereign risk

Disincentivise investment in new projects

There must be a better way !



Contact

Level 8
46 Edward Street
Brisbane QLD 4000
Australia

Email
info@stategas.com

stategas.com