



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

ASX RELEASE

10 December 2020

Drilling Rig mobilisation to Reid's Dome Gas Project

State Gas Limited (ASX: GAS) ("the Company") advises that the appraisal program at its 100%-owned Reid's Dome Gas Project (**PL 231**, or **the Project**) is commencing, with Silver City Drilling Rig 25 currently mobilising to site.

The Rig will drill at least four production wells on PL231 in the next phase of State Gas' exploration and appraisal program for the Project, where the Company is implementing its strategic plan to bring gas to market to meet near term forecast shortfalls in the east coast market. Centred on the highly successful Nyanda-4 well, at least four step-out wells will be drilled and production tested, providing additional data to secure a significant certified reserves booking and enable field development planning and infrastructure design for commercialisation of the Nyanda area.¹

During production testing in the September Quarter, the Nyanda-4 well flowed gas at highly-commercial rates approaching 500,000 scf/day, after only two months of production testing.²

The first new well to be drilled will be Nyanda-7, approximately 2.6 km to the north west of the Nyanda-4 well. Spud of the well is expected next week. The Company is hoping to complete drilling of at least two wells, and commence production testing of three (including Nyanda-4), before the wet season impacts.

The Silver City Drilling Rig 25 has a strong track record at the Reid's Dome Gas Project, having previously drilled the successful Primero West-1, Nyanda-4, and Serocold-1 wells for State Gas.

This announcement was approved for release by Mr Richard Cottee, Executive Chairman.

FOR FURTHER INFORMATION

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

Lucy Snelling
Head, Corporate & Commercial
Phone: 0439 608 241
Email: lucy@stategas.com

www.stategas.com

ABOUT STATE GAS

STATE GAS LIMITED (ASX: GAS) is a Queensland-based developer of the Reid's Dome gas field, originally discovered during drilling in 1955, located in the Bowen Basin in Central

¹ Announced on 23 September 2020

² Announced on 23 September 2020 in release *State Gas Wins New Contiguous Acreage Creating Super Gas Region*

Queensland. State Gas is 100%-owner of the Reid's Dome Gas Project (PL-231) a CSG and conventional gas play, which is well-located 30 kilometres southwest of Rolleston, approximately 50 kilometres from the Queensland Gas Pipeline and interconnected east coast gas network.

Permian coal measures within the Reid's Dome Beds are extensive across the entire permit but the area had not been explored for coal seam gas prior to State Gas' ownership. In late 2018 State Gas drilled the first coal seam gas well in the region (Nyanda-4) into the Reid's Dome Beds and established the potential for a significant coal seam gas project in PL 231. The extension of the coal measures into the northern and central areas of the permit was confirmed in late 2019 by the Company's drilling of Aldinga East-1A (12 km north) and Serocold-1 (6 km to the north of Nyanda-4).³

State Gas is also the 100% holder Authority to Prospect 2062 ("Rolleston-West"), a 1,414 km² permit (eight times larger than PL 231) that is contiguous with the Reid's Dome Gas Project. Rolleston-West contains highly prospective targets for both coal seam gas (CSG) and known conventional gas within the permit area. It is not restricted by domestic gas reservation requirements.

The contiguous areas (Reid's Dome and Rolleston-West), under sole ownership by State Gas, enable integration of activities and a unified super-gasfield development, providing economies of scale, efficient operations, and optionality in marketing.

State Gas is implementing its strategic plan to bring gas to market from Reid's Dome and Rolleston-West to meet near term forecast shortfalls in the east coast domestic gas market. The strategy involves progressing a phased appraisal program in parallel with permitting for an export pipeline and development facilities to facilitate the fastest possible delivery of gas to market⁴. State Gas' current focus has been to confirm the producibility of the gas through production testing of the wells.

³ The information in this paragraph was previously announced on 31 October 2018, 5 December 2018 and 31 January 2020.

⁴ Strategy announced on 21 August 2019