



State Gas Limited
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ASX RELEASE

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Target Depth reached at Nyanda-7

State Gas Limited (ASX: GAS) (“the Company”) advises that on 19th December Target Depth of 1212m was reached at Nyanda 7. The drilling showed net coal of over 30 metres with very encouraging gas readings on drilling. Nyanda 7 is presently being under-reamed after logging. The well will be cased to total depth and the casing cemented to surface. After which the rig will move to Nyanda 8. This should occur by the end of this week. The arrival of the Completion/Workover Rig is anticipated later this week which should allow pumps to be installed at both Nyanda 7 and 8 after the Christmas break with production testing to commence in the early new year.

On completion of drilling of Nyanda 8 and with the site at Aldinga 2 fully prepared, State Gas will make a decision on whether to move the rig to Aldinga 2 based on the weather forecast at that time.

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

FOR FURTHER INFORMATION

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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 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).¹

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 market². State Gas' current focus has been to confirm the producibility of the gas through production testing of the wells.

¹ The information in this paragraph was previously announced on 31 October 2018, 5 December 2018 and 31 January 2020.

² Strategy announced on 21 August 2019