

23 November 2022

Rougemont Production Test Commenced

State Gas Limited (ASX:GAS) (State Gas or the Company) advises that the production test of the Rougemont-2 and Rougemont-3 well pair commenced yesterday, 22 November 2022.

As previously announced¹ State Gas recently completed drilling the Rougemont-3 horizontal well. The well consists of two laterals drilled through gas bearing coal seams to intersect with the Rougemont-2 vertical well (drilled in 2021).

The two laterals, both in excess of 1000m length, provide direct access to ~ 2400m of Bandanna coals, a formation under commercial production in nearby Arcadia Valley.

Water levels in the well pair will be drawn down slowly to optimise production. Initial gas flows are not expected to commence for several months.

The Rougemont-2/3 production test is being undertaken to confirm the gas production potential of the Rougemont area within State Gas' 100%-owned Rolleston-West Project (ATP 2062) and to provide gas for a future pipeline to connect the project area with the east coast gas pipeline network².

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

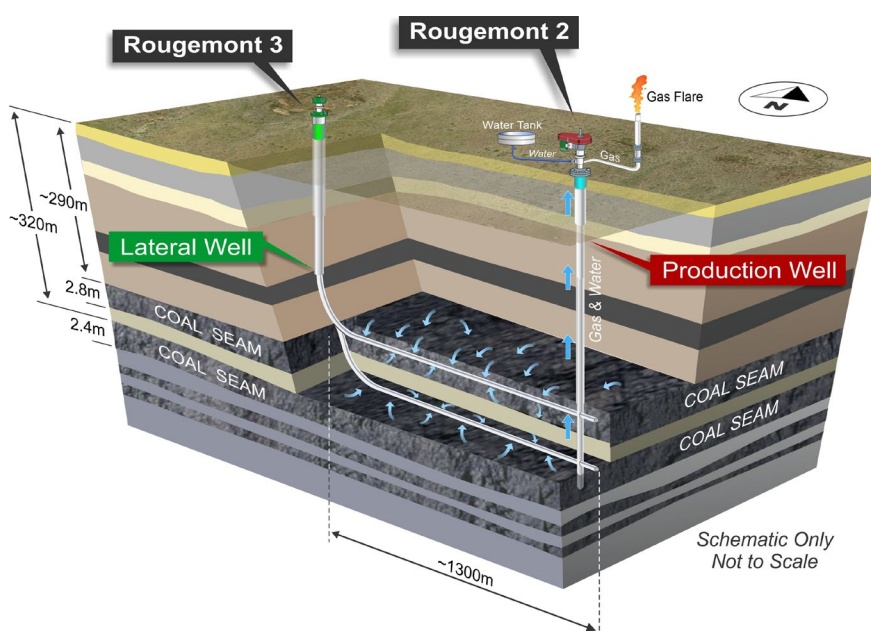


Figure 1: Rougemont-3 Well, showing first and second lateral wells completed in the current drilling program and the previously-drilled Rougemont-2 vertical well.

¹ See announcement on 24 October 2022

² See announcements of 12, 16 and 21 September 2022

FOR FURTHER INFORMATION

Richard Cottee
Executive Chairman
Email: richard@stategas.com
www.stategas.com

Lucy Snelling
Head, Corporate & Commercial
Email: lucy@stategas.com

ABOUT STATE GAS

STATE GAS LIMITED (ASX: **GAS**) is a Queensland-based gas exploration and development company focussing on the Bowen Basin in Central Queensland. State Gas is 100%-owner of the contiguous Reid's Dome (PL-231) and Rolleston-West (ATP 2062) Gas Projects, both of which contain both 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. Neither project is restricted by domestic gas reservation requirements.

State Gas also holds a 35% interest in new permit ATP 2068 in joint venture with Santos QNT Pty Ltd (65%), and, also in the same joint venture, has been appointed Preferred Tenderer for an additional new exploration block PLR2021-1-3. These two new areas lie adjacent to or in the near vicinity of State Gas and Santos' existing interests in the area, providing for an alignment of ownership interests across the region, enabling synergies in operations and development.

None of State Gas' permits are restricted by domestic gas reservation requirements. State Gas is implementing its strategic plan to bring gas to market from Reid's Dome and Rolleston-West to meet shortfalls in the east coast domestic gas market.

State Gas is also undertaking a carbon management initiative with minerals explorer Rockminolutions Pty Ltd in respect of EPM 27596 on the western border of ATP 2062. This project is investigating the potential of basalts in the Buckland Basaltic Sequence to provide long term secure sequestration of carbon through mineralisation³.

³ For more information see State Gas Ltd announcement on 9 May 2022