ASX RELEASE

31 July 2024

QUARTERLY ACTIVITIES REPORT

1 April 2024 – 30 June 2024

HIGHLIGHTS:

- High Density Natural Gas ("HDNG") Facility commissioned and gas sales commenced in June 2024 – first revenue received post quarter end
- $5.5 million government grant awarded to support drilling of two additional appraisal wells and production ramp-up at Rolleston West
- Capital raising exercise launched post quarter end, which will see the Company recapitalized and sufficient working capital available to enable production expansion at its Rolleston West gas project in Central Queensland

State Gas Limited (ASX: GAS) ("State Gas or "the Company") is pleased to provide this update for the quarter ended 30 June 2024 ("the Quarter**"**). During the Quarter, the Company completed construction works and successfully commissioned its high-density natural gas ("HDNG") facility ("the HDNG Facility") near Rolleston in Central Queensland. Commissioning of the HDNG Facility in late May 2024 allowed the first sales of HDNG to occur in June 2024.

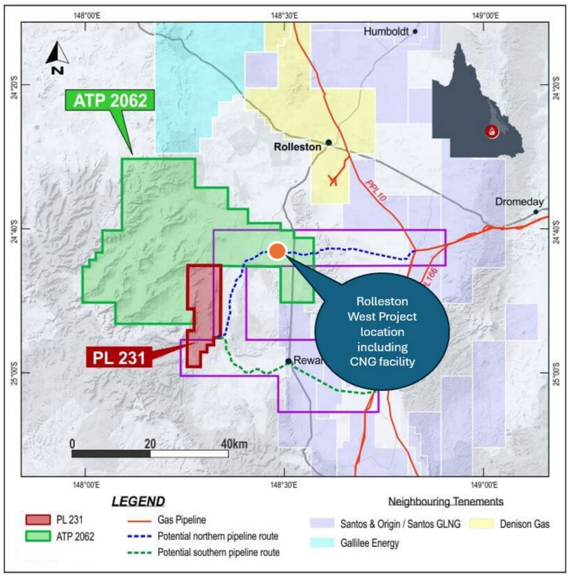

Figure 1: Completed HDNG Facility including all weather access road (top of photo) leading to Carnarvon Highway.

The HDNG facility is a strategically valuable asset for the Company as it:

1. accelerates initial revenues and cashflow that supports the Company's ongoing appraisal and development activities at ATP 2062 and PL 231;
2. demonstrates State Gas' credentials as an emerging provider of alternative fuels that can support decarbonisation initiatives in Queensland; and
3. creates a platform to leverage the significant intellectual property the Company has created around the production of HDNG from raw coal seam gas ("CSG") – a process which has never previously been attempted in Australia.

During the quarter, the Company also qualified for a $5.5 million exploration grant from the State of Queensland which will support drilling of two new exploration wells for the Rolleston West Project within ATP 2062. This represents a strong endorsement for the Rolleston West Project and the Company. The grant award demonstrates that the Queensland Government shares State Gas' view that the area is highly prospective and capable of supporting new gas production and development. State Gas' HDNG Facility will enable it to capture and commercialise production testing gas from these wells, thereby supporting the dual objectives of the Frontier Grant Program to increase geological knowledge of the area and accelerate new gas supply to Queensland and the East Coast domestic gas market.

Commissioning of the HDNG Facility

The HDNG Facility was commissioned in late May 2024 by a team of experienced gas plant operators and commissioning specialists. The HDNG Facility was tested across a range of performance and safety scenarios and in all cases has performed in line with, and in some cases superior to, design specification. The commissioning process included systematic pressure testing with nitrogen, introduction of gas to each component of the plant and successful operational testing of all process components and control systems. This included the test filling of Virtual Pipeline ("VP") trailers to various pressures up to 250 Bar (25,000 kpa).

Figure 2: Commissioned modular compressor package, capable of compressing up to 1.7TJ of natural gas per day

Figure 3: Commissioned dehydrator package, capable of reducing moisture content to less than 35mg/sm3

The HDNG Facility is first of its kind technology in Australia, and the provision of HDNG from CSG as a fuel source into a live mining environment has never before been operationalised. The construction and commissioning process and the first month of HDNG supply saw the Company, its partners and its initial customer identify and resolve a range of technical and operational issues associated with commencing this unique supply arrangement. The HDNG Facility and the VP trailers are now operating efficiently and State Gas is now focussed on managing daily delivery volumes in line with the offtake arrangement and the customer's demand profile.

Commencement of gas sales

Post the commissioning process in May 2024, the Company commenced supplying HDNG in accordance with its initial offtake agreement for the delivery of HDNG to a local coal mine. The customer is using HDNG as part of ongoing trials of hybrid (diesel/natural gas) mine-truck engine technology which is viewed by the mining sector as a mature technology that can assist in reducing carbon emissions. The mining sector has been, and continues to be, the highest industrial contributor to growth in global carbon emissions. The application of HDNG in dual fuel mining truck engines has the potential to reduce diesel fuel consumption by around seventy percent and associated carbon emissions by twenty-five percent. Currently, diesel fuel consumption by coal miners in the Bowen Basin is in excess of $2bn per annum and the majority of mining operations are remote from traditional gas infrastructure. This presents a significant opportunity for State Gas as it leverages first mover advantage for its HDNG supply capability.

The first month's HDNG supply volume was small, but consistent with the Company's expectations around establishing efficient loading and unloading processes for the VP trailers and ensuring that HDNG delivery was successfully integrated into the customer's ongoing mining operations. Under the initial offtake arrangement HDNG supply arrangements will increase to support up to five mining haul trucks (currently one truck), requiring in total approximately 500GJ of HDNG per day. With improved delivery times and volumes achieved in July 2024, revenue for that month is expected to be approximately $40,000 and will continue to grow as more trucks are brought into the trial.

The provision of HDNG using the Virtual Pipeline is a bundled gas supply solution, which reflects significant added value when compared to raw natural gas sourced from the traditional pipeline network. Raw coal seam gas from Rougemont 2/3 is processed by the HDNG Facility to meet gas specifications and pressures required for the efficient operation of the hybrid mine-truck engines. As such, the contracted price for HDNG under this supply arrangement is at a premium to the spot price of raw pipeline gas and more correlated with the price of diesel on an energy equivalent basis.

Figure 4: Loading post and filling of virtual pipeline trailers.

State Gas continues to receive third party inquiry from coal mines in proximity to Rolleston West for HDNG supply and is also engaged in preliminary discussions with a range of potential customers around the broader application of its HDNG technology to capture fugitive emissions associated with de-gassing of coal mine development.

Government Exploration Grant

During the quarter, State Gas was successful in its application for $5.5 million of exploration grant funding through the Queensland Government's Frontier Gas Exploration Program ("the Grant"). The Grant will be used to further delineate gas resources and reserves within the Company's Rolleston West project, through drilling of two new vertical wells ("the Campaign"). Successful results from the Campaign will accelerate the Company's application for a petroleum lease over a substantial portion of the project area and support the ongoing evaluation of a significant CSG project in the area.

With the support of Grant funding, the Company intends to drill two new vertical wells as identified in Figure 2. The two wells are adjacent to Rougemont 2/3 in an area that has proven gas content and commercial productivity. The wells are designed to intersect the entire Bandanna Formation coal measures and will have the ability to produce from all the permeable seams. This design will maximise the resultant reserves proven up by the wells, which may be sufficient to underwrite a pipeline connection to the national pipeline grid.

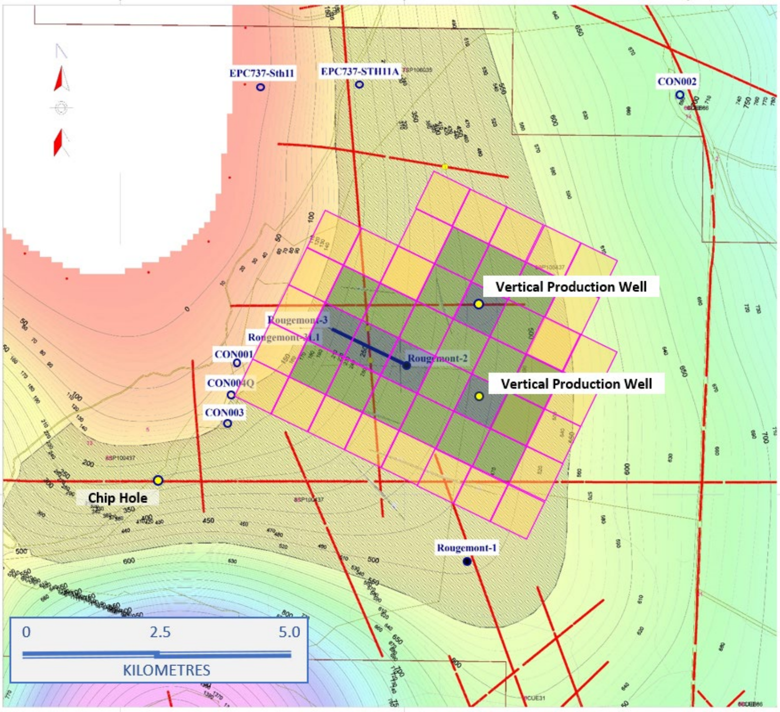

Figure 2: Map showing proposed vertical well locations and potential reserves designation zones

The company considers that the delivery of additional exploration and appraisal wells stepped out from its existing dual lateral well system will serve multiple purposes:

- further delineate gas resources for the purpose of supporting recognition of initial Proved and Probable 2P reserves:
- demonstrate the commercial viability of a larger scale gas project, potentially capable of attracting third

parting funding for pipeline infrastructure; and

- production testing gas from these new wells will contribute to increased utilisation of the HDNG production facility (up to 1.7TJ/day).

Subject to the results of the Drilling Campaign, State Gas intends to seek accreditation for a maiden 2P reserve of 30-50PJs, being a component of the existing 2C resources associated with the Rolleston West project. Establishing a substantial 2P reserve is an important step in demonstrating the commercial viability of a large-scale gas project at Rougemont West, enable the Company to transition to a petroleum lease at ATP 2062 and also enable it to engage with financiers about the development of traditional pipeline infrastructure which could connect Rolleston West to the Gladstone to Wallumbilla pipeline network.

Outlook

Successful commissioning of the CNG Facility provides immediate revenues and uniquely positions State Gas to meet the increasing demand for diesel fuel substitutes from miners in the Bowen Basin. It simultaneously supports the proposition that the Rolleston West Project has the hallmarks of a world class development project and, importantly, begins to unlock part of the substantial value inherent in the Company's asset base. This asset base will be further enhanced by the establishment of a maiden 2P reserve for Rolleston West early in calendar 2025.

The CNG Facility and its ability to generate short term cashflow, when taken in conjunction with the development potential of the Company's high quality, strategically well-located asset base, provides State Gas with significant optionality and opportunity. The Company's permits are not restricted by domestic gas reservation requirements or other pricing controls. State Gas is confident that it is on the path to delivering improved returns to shareholders by generating initial revenues from its existing assets and being more strategic around how further exploration capital is invested.

Execute Chairman Mr Richard Cottee said, "Whilst the natural gas price is shaped by the domestic netback price, HDNG is shaped by the diesel replacement price. As such, HDNG presents a price arbitrage opportunity for State Gas. When the Company's strategy is fully executed, it will have features of a technology play, a natural gas play and also produce green earning streams through assisting in abating the carbon emissions of others".

Financial Position

During the quarter, the Company expended approximately $1.3 million on construction and commissioning costs for HDNG Project. Company overheads were slightly lower than the run-rate observed in previous quarters, reflecting alignment of its activities with the timing of first gas sales and available cash reserves.

To support the Company significant milestones of commissioning the HDNG Facility and commencing initial gas sales, the Company entered into short-term loan agreements with entities associated with the Directors providing funding during the quarter of approximately $1.2 million. The loans are unsecured and accrue interest at 15% pa from the date of drawdown, compounding monthly. Interest on the loans will capitalise and be paid in full at the time the principal is repaid.

As experienced by many project developers in the recent inflationary environment and as previously reported, the quantum of civil and construction cost variations exceeded the Company's original cost estimates for the project. To address those cost over-runs and provide a suitable liquidity platform for the Company moving forward, State Gas announced an equity capital raising transaction on 30 July 2024.

In addition to additional equity capital, the Company continues to explore a range of financing options to free-up working capital, including refinancing of the HDNG Facility. Moving forward, the Company's reliance on additional equity capital is expected to progressively reduce with the ramp-up in production and as operating cashflow from HDNG sales increases.

Tenements and Resources

Year	***Asset***	***Net Acreage (km^2)***	***Estimated Contingent Resources* (PJ's Net to State Gas)***		
			1C	***2C***	***3C***
2017	*PL231 Reid's Dome (unconventional)*	*181*	*84*	*192*	*660*
	PL231 Reid's Dome (conventional)		*1.7*	*3.6*	*7.9*
2020	*ATP 2062 Rolleston-West (unconventional)*	*1,414*	*145*	*261*	*454*
	ATP 2062 Rolleston-West (conventional)		*6*	*18*	*52*
2022	*ATP 2068 (unconventional)*	*254*	*25*	*43*	*68*
2022-23	*ATP 2069 (unconventional)*	*108*	*12*	*17*	*24*
Total		***1,957***	***274***	***534***	***1,266***

*State Gas estimate as at 12/09/2022

Payments to Related Parties

A total of $25,000 was paid to Directors and their associates for salaries, director fees and superannuation during the quarter ended 30 June 2024.

Shareholder Engagement

We encourage shareholders and other interested parties to visit the Company's website: www.stategas.com to access information about the Company's projects. State Gas will continue to keep the market informed of its activities through regular Company updates and third-party publications, particularly as it executes the next critical stage of its strategy of moving to production and initial operating cashflows. A comprehensive company update presentation was released to the market in June 2024 and is available from the main page on the Company's website.

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

FOR FURTHER INFORMATION

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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 1,595km^2, 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 Rockminsolutions 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 CNG FACILITY

State Gas has developed a "first of its kind" in Australia CSG to CNG plant ("the CNG Facility"). When implemented in conjunction with virtual pipeline ("VP") trailer technology, the CNG 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.

ABOUT THE REID'S DOME PROJECT

The Reid's Dome Project (PL 231) is targeting conventional and coal seam gas assets associated with the Reid's Dome anticline, an area of sharply uplifted coals, shales and sandstone formations.

State Gas' exploration activities have established in excess of 30 m of net coals, with gas contents averaging a very high 13.75m3/tonne dry ash free. Commercial levels of sustainable production of conventional gas have been established at the Nyanda-4 well and the Company continues to evaluate a range of techniques to successfully liberate gas from the deeper formations.

The Company is now evaluating how to best develop Reid's Dome in conjunction with Rolleston West to most efficiently leverage infrastructure and reduce operating costs.

ASX Listing Rules Chapter 5 - Reporting on Oil and Gas Activities

Additional Information about Contingent Resource Estimates

The Contingent Resource estimates for the Reid's Dome and Rougemont Gas Projects (State Gas 100%) and State Gas' 35% interest in ATP 2068 and PLR 2021-1-3, were estimated utilising the probabilistic method with totals summed arithmetically and have not been adjusted for commercial risk.

The Contingent Resource estimates are based on technical data for the permits, regional geologic and production interpretations, and in the case of the Reid's Dome and Rolleston-West Projects, data derived by State Gas from exploration activities on the permits, including reprocessing of seismic, drilling, core analyses, production testing and analyses of produced gas and water.

Additional exploration and appraisal is required to address the contingencies associated with these resources to confirm commercial viability and areal extent. If the contingencies are successfully addressed, some part of the Contingent Gas Resources may be reclassified as reserves. The estimates of Continent Resources have not been risked to account for the possibility that the contingencies are not successfully addressed.

The estimates reported relate to unconventional petroleum reserves. The details of the project area, the method of extraction and number of wells that may be required are not yet finalised. The Contingent Resources estimated have been prepared in accordance with the definitions and guidelines set forth in the SPE–PRMS 2018. The estimates reported are not contingent on technology that remains under development.

Competent Persons Statement
The estimate of Contingent Resources for the Reid's Dome and Rolleston-West Gas Projects (of which State Gas holds 100%), and State Gas' 35% interest in ATP 2068 and PLR2021-1-3, provided in this document, is based on, and fairly represents, information and supporting documentation prepared by Mr James Crowley in accordance with Petroleum Resource Management System guidelines.

Mr Crowley is a qualified person as defined under the ASX Listing Rule 5.42. Mr Crowley holds a Bachelor of Science (Honours) from Macquarie University, Sydney and has over 36 years' experience in the industry. He is a member of The Petroleum Exploration Society of Australia and The Society of Petroleum Engineers. Mr Crowley has consented to the publication of the Contingent Resource estimates for the Reid's Dome and Rolleston-West Gas Projects, and ATP 2068 and PLR2021-1-3, in the form and context in which they appear in this Presentation.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

STATE GAS LIMITED

ABN	Quarter ended ("current quarter")
49 617 322 488	30 JUNE 2024

	Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		-	-
1.2	Payments for			
	(a)	exploration & evaluation (if expensed)	-	-
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(118)	(585)
	(e)	administration and corporate costs	(198)	(1,577)
1.3	Dividends received (see note 3)			
1.4	Interest received		1	25
1.5	Interest and other costs of finance paid		(4)	(65)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (provide details if material)			
	-	GST refunds	160	1,104
1.9	**Net cash from / (used in) operating activities**		**(159)**	**(1,098)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	(1,150)	(8,419)
	(d)	exploration & evaluation (if capitalised)	(172)	(1,326)
	(e)	investments	-	-
	(f)	other non-current assets	-	(2)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	80
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) Government grants and tax incentives	-	1,229
2.6	**Net cash from / (used in) investing activities**	**(1,322)**	**(8,438)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,385
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(168)
3.5	Proceeds from borrowings	1,253	2,452
3.6	Repayment of borrowings	(60)	(554)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,193**	**9,115**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	321	454
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(159)	(1,098)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,322)	(8,438)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,193	9,115

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**33**	**33**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	33	1,525
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**33**	**1,525**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	25
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to directors include accrued salaries, director fees and superannuation guarantee.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	2,000	2,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	2,000	2,000

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

- Loan agreement with director Jon Stretch for $250,000. As at 30 June 2024 is has been fully drawn down. The loan accrues interest at 15% per annum. The loan is repayable following the refinance the CNG Facility.
- Loan agreement with Monte Vista Holdings Pty Ltd, a related party of director Philip St Baker, for $200,000. As at 30 June 2024 is has been fully drawn down. The loan accrues interest at 15% per annum. The loan is repayable following the refinance the CNG Facility.
- Loan agreement with The P&L St Baker Family Trust, a related party of director Philip St Baker, for $1,050,000. As at 30 June 2024 is has been fully drawn down. The loan accrues interest at 15% per annum. The loan is repayable following the refinance the CNG Facility.
- Loan agreement with Allegro Capital Nominees Pty Ltd, a related party of director Greg Baynton, for $250,000. As at 30 June 2024 is has been fully drawn down. The loan accrues interest at 15% per annum. The loan is repayable following the refinance the CNG Facility.
- Loan agreement with Loch Explorations Pty Ltd, a related party of director Tony Bellas, for $250,000. As at 30 June 2024 is has been fully drawn down. The loan accrues interest at 15% per annum. The loan is repayable following the refinance the CNG Facility.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(159)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(172)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(331)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	33
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	33
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	0.1

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions: -

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? -

Answer: The capital costs associated with the construction and commissioning of the CNG project are non-recurring costs and not indicative of the Company's normalised run rate.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company has secured exploration grant funding which will assist in meeting project exploration costs and intends to refinance the CNG Facility to recycle capital and improve the Company's average cost of capital. The commencement of gas sales subsequent to plant commissioning will also assist in meeting the Company's ongoing operating costs. To assist the Company in reaching the commissioning milestone, a loan facility has been provided by Directors' totalling $2M. Subsequent to the end of the quarter, the Company requested a trading halt in its securities to execute an institutional placement and ANREO. This is ongoing at the time of release of this report. The Company anticipates that the proceeds from this capital raise will see the Company sufficiently recapitalised to support ongoing operations.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company commenced initial gas sales in June 2024 through its virtual pipeline and in accordance with the offtake agreement announced in April 2024. The Company can control the timing of further discretionary expenditure (such as exploration activity) to coincide with the availability of the relevant source of capital. Subsequent to the end of the quarter, the Company requested a trading halt in its securities to execute an institutional placement and ANREO. This is ongoing at the time of release of this report. The Company anticipates that the proceeds from this capital raise will see the Company sufficiently recapitalised to support ongoing operations.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.