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ASX RELEASE

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Rougemont 6 drill data reinforces confidence in Rolleston West coal seam continuity

HIGHLIGHTS:

- Rougemont 6 well reached total target depth of 572 metres in maiden 2P Reserve drilling at Rolleston West
- Coal intersections commenced at ~404 metres, with 8.1 metres of net coal logged
- Elevated gas shows during drilling from the Bandanna coal seams and deeper Black Alley Shale
- Results confirm continuity of gas-bearing coal seams north-east of Rougemont 2/3, reinforcing a large and permeable gas production zone
- Rig relocation to Rougemont 5 vertical well underway
- Drilling results will support the establishment of a maiden 2P reserve targeting 30–50 PJ at Rolleston West
- Drilling is funded under a \$5.5M Queensland Government Frontier Gas Exploration Program.

State Gas Limited (ASX: GAS) (“State Gas or “the Company”) is pleased to announce successful drilling, wireline logging and casing of the Rougemont 6 vertical well at its Rolleston West Project (ATP 2062) in the Southern Bowen Basin in Queensland. Rougemont 6 is 1.5 kilometres north-east of the existing Rougemont 2/3 dual lateral well system. The well intersected the Bandanna coal measures at 403.8 metres, with 8.1 metres of net coal close to the expected range. Elevated gas shows during drilling further validate the commercial gas potential of the formation. State Gas will incorporate wireline log data from Rougemont 6 into its geological model for ATP 2062. Data demonstrates strong correlation between with previously drilled wells.

State Gas Managing Director, Doug McAlpine, commented: *“These results suggest strong consistency across the extensive Bandanna coal measures at Rolleston West. Assuming further positive results from completion of this drilling program, State Gas remains optimistic about the prospects of developing a substantial gas project at Rolleston-West.*

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Picture 1: Night view during logging operations. (Photo credits: Molly McEwin)

Establishing a maiden 2P reserve in conjunction with production testing of Rougemont 5 and 6 remains the Company's immediate objective."

Drilling results from Rougemont 5 and 6, including wireline logs and production testing, are expected to support accreditation of a maiden 2P reserve of 30-50 PJ for the Rolleston West Project. Successful outcomes from the program will enable the Company to submit a petroleum lease application over a substantial portion of ATP 2062 and advance discussions with potential end users and pipeline infrastructure providers. Drilling at the two new exploration/appraisal wells is fully funded under a \$5.5 million Queensland Government Frontier Gas Exploration Program.



Picture 2: Cementing operations. Photo credits: Molly McEwin

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 1,595km², 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 Rockminolutions 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.

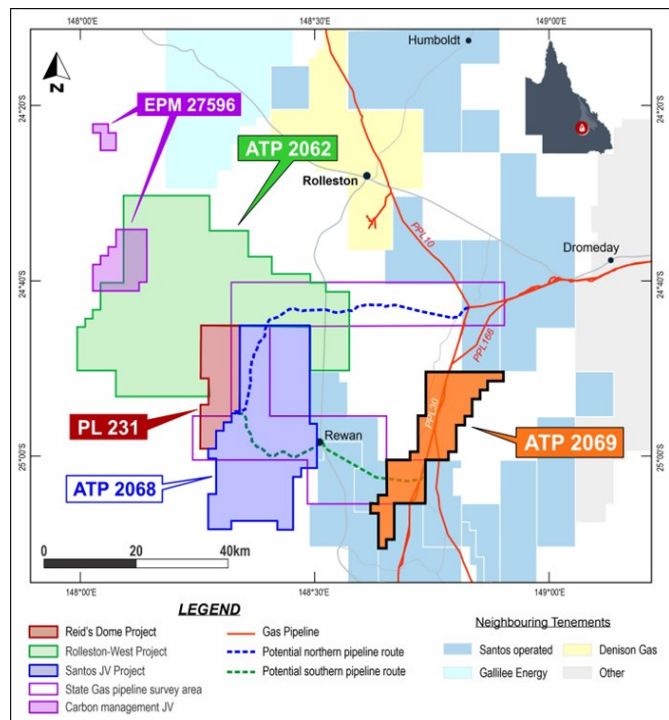
The recent drilling program undertaken in the eastern part of the tenement (Rougemont 1,2 and 3) has intersected approximately 8 metres of net coal, with the thickest seams laterally continuous over many kilometres. The gas content of the coals is between 5 and 6 m³/tonne dry ash free. Gas is at or near 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 HDNG PRODUCTION FACILITY

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

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