



ASX RELEASE

20 November 2025

CHAIRMAN'S ADDRESS –ANNUAL GENERAL MEETING OF SHAREHOLDERS

Good afternoon, shareholders and guests. My name is Phil St Baker. I am Non-Executive Chairman of State Gas Limited and a major shareholder in the Company. When I assumed the role of Chairman after last year's AGM, my immediate priorities were to work with the Executive Team to support progress of the Rolleston West Project, build out our strategy for an alternative fuels business and improve our working relationship with the landowner with whom we were in the early stages of an access and compensation dispute. I am pleased to report significant progress with these priority areas despite many challenges. Doug McApline and I will report on our progress in these areas today and provide opportunities to take questions from those in attendance today. However, I think we should begin focussing on a substantial positive, which is today's announcement of a maiden 2P reserve for the Rolleston West Project, large enough to support a substantial gas project and required commercial infrastructure.

2P Reserve – Rolleston West

The Company has successfully converted 30 PJ of its contingent resource base into 2P reserves, which is sufficient to underpin the economics of a substantial gas project. To put this into economic context, using a price range bound by the current regulated Australian east coast gas price reference of \$12 per gigajoule and the 2025 calendar year average LNG netback price of \$17 per gigajoule, the reference economic value of our independently certified 30 petajoules of 2P reserves is \$360 million to \$510 million. This 2P reserve therefore provides a strong economic foundation for State Gas to advance funding options previously not available, to progress detailed engineering and gas sales negotiations, and to identify infrastructure partners and potential equity partners to develop Rolleston West. The Company now has the independently certified, bankable reserves that validates many years of geological work, drilling and production testing in this area. State Gas' successful commercialisation of coal seam gas ("CSG") within the Rolleston West area using its High-Density Natural Gas ("HNDG") technology enabled it to demonstrate the commercial viability of gas from this CSG field much earlier in the exploration/appraisal process than otherwise possible. It should also be noted that the 2P reserve is only a portion of the larger 2C resource within the Rolleston West Project area on the eastern flank of ATP 2062, providing significant expansion prospects for the Project.

State Gas is now focussed on converting this maiden reserve into cash-flow as through achieving the following project development milestones:

- Concept and pre-FEED/FEED studies for gas processing, compression and export infrastructure, including

integration with State Gas' existing HDNG® facilities;

- Progressing permanent production tenure applications and associated environmental and regulatory approvals for Rolleston West; and
- Advancing commercial discussions with potential gas offtakers, including industrial users and power generators seeking secure medium to long-term gas supply.

This is a significant value marker for the Company and under any evaluation demonstrates an intrinsic value in the Company's assets many times the Company's current market capitalisation. I believe the right foundations are in place to more aggressively market the Company and encourage further investment to develop this hugely valuable gas asset.

State Gas has progressed the Rolleston West project to this critical milestone at the right time. The macroeconomic outlook for energy markets in Australia remains positive, with a continuing recognition that gas-fired electricity generation is critical to the dynamic stability and supply reliability of Australia's electricity grid as more non-dispatchable and intermittent solar and wind generation is added. The Directors believe that the Company's exploration assets combined with its pioneering HDNG technology means it is well positioned to contribute gas supply toward addressing the substantial east-coast gas shortfall and an orderly transition to renewables and a sustainable energy security policy for Australia. We continue to enjoy strong support from the Queensland Government regarding our role in the provision of long-term cost-effective energy solutions.

There is more work to do on the road to delivering the Rolleston West Gas Project, but the establishment of a large reserve capable of economically supporting the first 10 years of gas production is a major step on that journey and one that positions us strongly moving forward, opening up funding options previously not available to the company including large gas consumers, traders, retailers and exporters, infrastructure investors and funders.

Alternative Fuels

Over the last year we demonstrated the efficacy of the Company's HDNG technology through successfully providing compressed CSG as a diesel fuel alternative to its first customer – a coal mine in the Bowen Basin requiring gas as a diesel fuel substitute. State Gas is continuing to promote its HDNG technology and bespoke fuels supply-chain solutions as a diesel fuel alternative and price arbitrage opportunity to other mines and industrial users in the Bowen Basin and surrounding areas. Although current coal market conditions have resulted in a slowing in the Company's sales cycle, we see this turning as coal miners come under increasing cost pressure and they seek savings that can be delivered quickly by our solution exploiting price arbitrage between diesel and gas markets and sharing the upside with our customers.

This remains a significant opportunity for State Gas, with diesel fuel consumption by coal miners in the Bowen Basin more than \$2bn per annum and our solution potentially able to replace between 50 and 70% of that diesel.

Reid's Dome and an integrated gas precinct

There are significant physical and commercial synergies between Reid's Dome (PL 231) and Rolleston West which provide State Gas with optionality to increase HDNG production. In addition to the potential for increased HDNG supply, the Company has commenced investigations into the use of conventional gas at Reid's Dome including local power generation to support remote data centres, accelerated computing and token generation. The Company believes there is the opportunity to create shared gas infrastructure capable of commercialising gas from both PL 231 and ATP 2062. Gas supply under this concept could be shaped to support a range of potential use cases and would be supported by a combination of HDNG technology and traditional gas pipelines. The Company is in early-stage discussions with parties around joint participation in this concept and the benefits of shared gas infrastructure.

Landholder dispute

Achievement of these milestones has not been without its challenges and significant management time, and substantial legal costs have been incurred in defending the Company and protecting its Rolleston West Project Assets as a consequence of an ongoing access and compensation dispute with the landowner at ATP 2062 dating back to September 2024.

State Gas has incurred significant direct and indirect costs and losses arising from what is in the Company's view, the unlawful actions by the landowner of locking the Company off the property in November 2024 and May 2025 and continued threats of disrupting our activities on site. The parties have been unable to resolve these matters through independent mediation and both the Company, and the Landowner have now instigated proceedings for claims of costs and losses. These matters are currently at an early stage in the Land Court of Queensland.

State Gas' objective is to undertake its exploration and appraisal activities on the property in a co-operative manner with the landowner and recognition of the payment of appropriate compensation for access and disturbance. Notwithstanding the wider access dispute, the Company has continued to pay compensation to the landowner for ongoing access to conduct its activities on site and has worked collaboratively with the Landowner to improve its operating procedures to ensure it continues to meet the high operating standards required under their organic certification status. Management of this issue is an enormous drain on the Board and Management's time, but enforcing the Company's rights and protecting our assets is in the best interests of all shareholders as is ensuring that there is a commercially sustainable regime for access and compensation for activities on the property as we continue to advance the Rolleston West Project.

This is a complex and delicate situation we are working through with the Landowner and at all times State Gas has been commercial and respectful in our unsuccessful attempts to negotiate a commercial resolution to these matters. I have personally been involved in all third-party mediation meetings and attended many legal meetings associated with this dispute. A significant portion of the engagement between the parties has been confidential or subject to legal privilege and consequently the Company has been restricted in what it is capable of publicly disclosing about these matters. We continue to work toward a resolution of these matters, one which reflects an appropriate sharing of actual costs and losses that both parties have incurred over an extended period.

Finances and Capital Management

The Directors are cognisant of the Company's restricted capital position and have implemented a range of initiatives in accordance with a Capital Management plan first described in the announcement of 27 May 2025.

Critical to that strategy was the receipt of further material R & D Tax refund made in respect of the development costs of the HDNG plant (which is an eligible R & D project). Receipt of these R & D Tax refund monies was originally expected in the quarter ended 30 September 2025 but has been delayed by ATO review processes. The Company is working with the ATO to expedite its review and release these refund monies. Receipt of these funds will restore the Company's balance sheet and establish a solid foundation for achieving the objectives described in this report.

In response to the delay in receipt of R & D Tax refund monies, the Directors (who are major shareholders of the Company) have continued to provide substantial ongoing financial support to the Company by way of working capital loans, demonstrating their commitment to the Company's strategy and the challenges associated with raising new equity solely for exploration activities.

State Gas has adjusted overhead staffing levels to reflect a lower level of operational field activity now that the current exploration program is completed and to align with the timing of HDNG sales recommencing. The Company has curtailed all non-essential expenditure and scaled back field operations until further capital becomes available. The Company has discretion over the timing and scale of future exploration and project development activities and can align spending with near-term objectives and the availability of capital.

Outlook

With the attainment of 2P Reserve Certification for the Rolleston West Project, the Company is now focussed on progressing funding options not previously available (prior to our recent 2P certification), development planning and identifying long term co-investment partners for the Project. After the R&D tax refund monies have been received and the balance sheet restored, the Company plans to accelerate planning and develop activities while simultaneously seeking to commercialise our unique HDNG alternate fuels solution to foundational customers seeking to drive down their fuel costs and emissions.

The Company must also resolve the ongoing Landholder dispute through the Land Court Process or direct commercial negotiation. These actions will require significantly less capital than prior years and will add substantial value to the Rolleston West Project.

Based on the Company's ongoing exploration and development strategy, with particular focus on the Rolleston West Project and application of its unique HDNG capability, State Gas remains well-positioned to participate in what it believes will be an expanding opportunity set for natural gas.

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.

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 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. Recent drilling results from two new vertical wells (Rougemont 5 and 6) support the Company's existing geological hypothesis and the premise that the area can support a commercial scale CSG project.

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 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 ATP 2069, 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 ATP 2069, in the form and context in which they appear in this Presentation.