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ASX RELEASE

13 July 2026

R & D Grant Review Complete

HIGHLIGHTS:

- ATO review complete and $4.1M of R & D tax concession funding to be released
- Working capital loans to be repaid from these proceeds, with remaining capital returned to the Company

State Gas Limited (ASX: GAS) ("State Gas or "the Company") is pleased to advise that the Australian Taxation Office ("ATO") has formally advised that it has completed its review of the Company's 30 June 2024 Research and Development ("R & D") concessional funding claim. The R & D funding claim relates to expenditure the Company incurred in designing and developing its High Density Natural Gas ("HDNG") pilot plant, which was part of an eligible R & D project the Company has been conducting since 2022.

The ATO review of the claim, which has been ongoing for over twelve months, confirmed the eligibility of the costs claimed by the Company and similarly confirmed that the Company's governance and financial processes associated with management of its obligations under the R & D scheme were robust. State Gas has been advised that the R & D claim proceeds of $4.1 million will be released to the Company before the end of July 2026 and will enable repayment of all working capital loans which the Company established to fund its ongoing operations while the ATO conducted its review. Residual funds will contribute to cash reserves.

The Company's Managing Director, Mr Doug McAlpine, said: "State Gas has devoted significant time and resources over the last year to supporting the ATO with its review process. The Company is pleased that the review is now complete and the R&D concession funds will reduce debt and provide additional working capital."

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

FOR FURTHER INFORMATION

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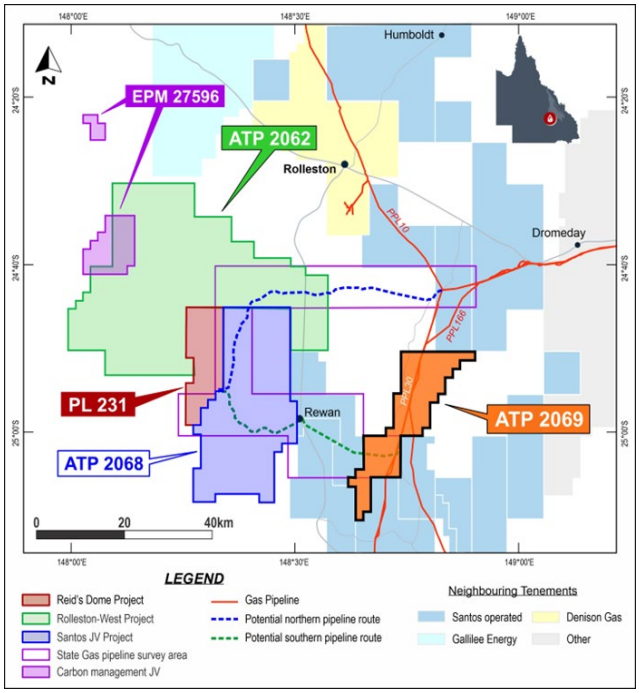
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ABOUT STATE GAS LIMITED

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 within the ATP and in adjoining areas. The capability to produce CSG at commercial levels from these coal formations has already been established at the Arcadia Valley field to the south-east, and at Mahalo to the north-east. Historical drilling programs undertaken in the eastern part of the tenement have 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. Gas desorption data, laboratory core sample analyses and permeability data and the subsequent production test (comprising a vertical production well intersected by a lateral well) provided confidence on both permeability and gas flow.

State Gas obtained independent certification of a maiden proven plus probable (2P) gas reserve of 30.2 petajoules (PJ) the Project in November 2025. The Rolleston West Project is in the pre-development stage and the independent certification confirms that the 30.2PJ of 2P gas reserves (in conjunction with a further 13.9PJ of 3P reserve) are economically capable of supporting the economics of an initial stage 10TJ/day coal seam gas ("CSG") project, capable of providing pipeline quality gas to both the East Coast domestic and export markets. Assuming success in future drilling campaigns in the 3P reserve zone and adjacent area which contains a large 2C resource base, the development and operation of a substantially larger 30 year life gas project in the Rolleston West area is possible. The 2P reserve provides a strong economic foundation for State Gas to advance funding solutions previously not available, thereby allowing the Company to more rapidly progress detailed engineering and gas sales negotiations, engagement with infrastructure providers and discussions with co-investment partners necessary for the long-term development the Project.

ABOUT THE REID'S DOME PROJECT

The Reid's Dome Gas Project (PL 231) is within the Bowen Basin on the apex of the Springsure-Serocold Anticline. The Company is targeting conventional and coal seam gas assets in areas 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. There are immediately available pockets of conventional gas capable of immediate, low cost extraction, subject to the delivery of supporting infrastructure.
There are substantial operational and financial synergies between ATP 2062 and PL231 and the Company is evaluating how to best develop its adjacent tenures as part of an integrated precinct utilising a combination of traditional pipeline and virtual pipeline infrastructure.

ABOUT THE HDNG PRODUCTION 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 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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ASX LISTING RULES CHAPTER 5 - REPORTING ON OIL AND GAS ACTIVITIES

Competent Persons Statement – Reserves

Joseph M. Wolfe is an employee of Netherland, Sewell & Associates, Inc. (NSAI) and a Licensed Professional Engineer in the State of Texas (Texas License No. 116170). He is a Qualified Petroleum Reserves and Resources Evaluator, which is defined by the Australian Securities Exchange (ASX) as a person who (1) has obtained a bachelor's degree or advanced degree in petroleum engineering, geology, geophysics, or other discipline of engineering or physical science; (2) has more than five years of practical experience in petroleum engineering, petroleum production geology, or petroleum geology, with at least three years of such experience being in the evaluation and estimation of petroleum reserves, contingent resources, and prospective resources; and (3) is a member of good standing of a professional organization of engineers, geologists, or other geoscientists whose professional practice includes petroleum reserves, contingent resources, and prospective resources evaluations and/or audits. Mr. Wolfe attended Texas A&M University and graduated in 2009 with a Master of Engineering Degree in Petroleum Engineering; he attended Northwestern State University and graduated in 1999 with a Bachelor of Science Degree in Mathematics, has in excess of 17 years of experience in petroleum engineering studies and evaluations, and he is a member of the Society of Petroleum Engineers (SPE No. 3283427).

John G. Hattner is an employee of Netherland, Sewell & Associates, Inc. (NSAI) and a Licensed Professional Geoscientist in the State of Texas (Texas License No. 559). He is a Qualified Petroleum Reserves and Resources Evaluator, which is defined by the Australian Securities Exchange (ASX) as a person who (1) has obtained a bachelor's degree or advanced degree in petroleum engineering, geology, geophysics, or other discipline of engineering or physical science; (2) has more than five years of practical experience in petroleum engineering, petroleum production geology, or petroleum geology, with at least three years of such experience being in the evaluation and estimation of petroleum reserves, contingent resources, and prospective resources; and (3) is a member of good standing of a professional organization of engineers, geologists, or other geoscientists whose professional practice includes petroleum reserves, contingent resources, and prospective resources evaluations and/or audits. Mr. Hattner attended Saint Mary's College of California and graduated in 1989 with a Master of Business Administration Degree; he attended Florida State University and graduated in 1980 with a Master of Science Degree in Geological Oceanography; he attended University of Miami, Florida in 1976 and graduated with a Bachelor of Science Degree in Geology, has in excess of 45 years of experience in petroleum geology studies and evaluations, and is a member of the Society of Exploration Geophysicists.

Additional Information in respect to Reserves required by the ASX Listing Rules (LR)

Listing Rule (LR)	Reporting Requirements
LR 5.25.1	The 2P (Proved plus Probable) Unconventional Gas Reserves for the Rolleston West Project (State Gas 100%) have been independently certified as at 20 November 2025. The Reserves were estimated by Netherland, Sewell & Associates, Inc. ("NSAI"), an internationally recognised subsurface consultancy and qualified petroleum reserves evaluator in accordance with ASX Listing Rule 5.41. The Reserves information is based on, and fairly represents, work conducted by Mr John G. Hattner and Mr Joseph M. (Joe) Wolfe of NSAI, each of whom meets the qualification requirements of ASX Listing Rule 5.41. Both have consented to the inclusion of the Reserves information in the form and context in which it appears. Mr Wolfe and Mr. Hattner do not have, nor does not expect to receive, any direct or indirect interest in the securities of State Gas Limited or its affiliated companies. In accordance with the definition of independent under Rule 141 of the NGR, both Mr Wolfe and Mr. Hattner are independent of State Gas Limited, its directors, its senior management, and its advisors.
LR 5.25.2	The Reserves have been prepared in accordance with the SPE-PRMS 2018 and SPE PRMS 2024 guidelines and ASX Listing Rule 5.25–5.31 requirements
LR 5.25.3	Unconventional Gas Reserves have been certified in the 2P and 3P categories. There has been no adjustment for risk.
LR 5.25.5	The reported estimate of Gas Reserves applicable to the Rolleston West Project are reported at State Gas 100% economic interest in the project. No contractual royalty obligations exist over ATP 2062. Allowance has been made for State royalties in evaluating project economics.
LR 5.25.6	The 2P Reserves have been assessed using deterministic methods and have not been adjusted for risk. The certification is based on detailed geological, petrophysical, reservoir engineering and production test data acquired across ATP 2062, including gas desorption measurements, core analyses, permeability tests, and extended production testing from the Rougemont well system. NSAI also incorporated historical coal and CSG industry data relevant to the Bandanna Formation coals within and adjacent to the permit.
LR 5.25.7	The reported Gas Reserves are stated in cubic feet and gigajoules and have not been reported in or converted from other units of equivalency.
LR 5.26.1	State Gas has a high degree of confidence in the commerciality of the Rolleston West Project and evidence of the economic producibility of the reservoir. This confidence is based on internal geological and economic modelling and is now supported by independent assessment by NSAI. The Company has already demonstrated the commercial viability of gas from the Rolleston West existing well system, through sales supported by the Company's unique gas compression technology. NSAI independently reviewed the Company's assumptions regarding development concept, well count, operating parameters, anticipated recoveries, capital and operating costs, and economic cut-offs. Based on this assessment, NSAI has concluded that the certified 30.2 PJ of 2P gas reserves, together with the associated 3P reserve volume, are economically capable of supporting development of a long-life ~10 TJ/day CSG project, supplying pipeline-quality gas to the east coast market.
LR 5.26.4	Gas reserves in the reserve table are stated before any assumption of fuel gas usage and shrinkage losses associated with production activities such as wellsite compression and water treatment. Detailed plan design is insufficiently advanced to determine if use of Rolleston West gas is the most efficient fuel source to support field activities.
LR 5.26.5	The 2P Reserve estimates have been reported on a 100% working interest basis, and the reference point for the reserves is the inlet to the Gladstone–Wallumbilla Pipeline at the Rolleston Jemena Compression Station.
LR 5.31.1	All economic assumptions that form the basis of the commerciality test were provided as actual or planned expenditures and revenues by State Gas. All assumptions on capital or operating costs were based on actual costs which the Company has previously incurred and are suitable proxies for long term cost modelling or based on third party cost disclosures available in public gas industry reports. When including these costs in economic models, the Company has included appropriate cost contingencies based on the fact that it is at the pre-development stage. Economic consideration has been given to State based royalties when assessing the resulting net project cashflows. State Gas provided NSAI with drilling logs, completion reports, LAS files, gas analysis reports, production test data, and license data from the Rolleston West Project (and surrounding areas) in the Bowen Basin in Queensland, Australia. In addition, the Company provided NSAI with shape files of its geologic interpretation of fractures and other geological features within the tenement area, including public seismic data. NSAI conducted its own petrophysical review and evaluation of the core and wireline log data and included extensive pre-existing coal industry data over and adjacent to the Project area. The tenement is not subject to an Australian market supply condition and consequently the Company has used the calendar 2025 average LNG netback price (after applying a 5% discount) for the purposes of determining forward sales revenue.

Listing Rule (LR)	Reporting Requirements
LR 5.31.2	State Gas has 100% ownership and is operator of the Rolleston West Project
LR 5.31.3	State Gas holds an Exploration Permit (ATP 2062) over the area which encompasses the Rolleston West Project for a term of six years. State Gas is now in the process of applying for a petroleum lease over the eastern area of the ATP which supports the Rolleston West Project. The tenement is not subject to an Australian market supply condition.
LR 5.31.4 and 5.31.5	Unconventional 2P Reserves listed in the above table are supported by three existing wells and 24 future "undeveloped" vertical wells which are required to support the Company's current assessment of minimum project size necessary to support the development of a permanent gas pipeline connection. The expected recovery rates from these wells are based on production performance from existing wells and conservative estimation of likely performance of future wells based on NSAI's experience of similar wells developed for other CSG projects targeting the similar coal measures. The 3P reserve case assumes the development of a further 16 wells to maintain daily production of 10TJ/day over a minimum operating period of 10 years. Final well numbers, extraction methods, production strategy and plant configuration remain subject to detailed FEED studies, financing, regulatory approvals and commercial arrangements.
LR 5.31.6	The Rolleston West Project is in the pre-development phase and remains conditional on finalising financing facilities and other sources of capital necessary to support project development, securing requisite permits and approvals and finalising detailed plant and pipeline design. State Gas believes there is now sufficient technical data available and sufficient reserves certified to progress each of these development pre-conditions. The Company will seek to obtain relevant regulatory and environmental approvals by the end of calendar 2027, which would allow construction to commence in early calendar 2028, with first material gas expected in calendar 2029. Now that a substantial 2P reserve base has been established, State Gas believes it is in a strong position to engage with potential customers around the negotiation of foundational gas supply contracts and now has a range of options available to progress the project toward development, including introducing project partners and the application of government supported infrastructure finance. The Company has identified potential pipeline routes (under a previous survey license) for the connection of Rolleston West to the Gladstone Wallumbilla Pipeline system (37 kilometres).

Competent Persons Statement – Resources

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 described in Table 2 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 document. The Contingent Resources estimated have been prepared in accordance with the definitions and guidelines set forth in the SPE–PRMS 2018.

Additional Information in respect to Resources required by the ASX Listing Rules (LR)

Listing Rule (LR)	Reporting Requirements
LR 5.25.1	Unconventional contingent Resources within ATP 2062 for the Rolleston West Project were previously assessed and announced on 12 September 2022 and have been amended on 20 November 2025 in conjunction with classification of the previous resource as part of a 2P reserve. All other conventional and unconventional contingent Resources were previously assessed and announced on 12 September 2022 and remain unchanged.
LR 5.25.2	Gas Resources have been reported in accordance with SPE-PRMS 2018 and the SPE 2024 PRMS guidelines and ASX Listing Rule Requirements
LR 5.25.3	Gas Resources have been certified in the 1C, 2C and 3C categories. There has been no adjustment for risk.
LR 5.25.5	The reported estimate of Gas Resources applicable to the Company's exploration tenements are reported at State Gas economic interest in the project, as reported in the relevant table. No contractual royalty obligations exist over the Company's tenements.
LR 5.25.6	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 ATP 2069, were estimated utilising the probabilistic method with totals summed arithmetically and have not been adjusted for commercial risk.
LR 5.25.7	The reported Gas Resources are stated in cubic feet and gigajoules and have not been reported in or converted from other units of equivalency.
LR 5.31	The estimates reported relate to unconventional petroleum resources. 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
LR 5.33	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. No decisions can yet be made about the proposed extraction method for these resources or whether additional processing is required before gas can be sold.

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