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ASX RELEASE

31 July 2026

QUARTERLY ACTIVITIES REPORT – 30 June 2026

HIGHLIGHTS:

- $4.1M of R & D tax concession received in July 2026, materially strengthening the Company's balance sheet and retiring outstanding working capital loans
- Foundation Customer for HDNG implementation identified and funding proposal submitted for Queensland Treasury consideration
- Rolleston West Concept Study and Farm-In Partner processes progressing favourably

State Gas Limited (ASX: GAS) ("State Gas or "the Company") provides this update for the quarter ending 30 June 2026 ("the Quarter").

Disruption to energy markets which began in early calendar 2026 continued during the Quarter and highlight risks and opportunities in Australia's current energy and fuel management strategy. In State Gas' view, successfully managing these risk and opportunities require increasing supply of local oil and gas, a sentiment echoed by both the Federal and Queensland State Governments. Recent forecast data published by Shell suggests substantial growth in global LNG demand in respond to a range of drivers including ongoing disruption to Middle East energy supply and growth in global demand for energy to support AI data centre development. This is a significant long term value driver for the Queensland LNG export industry and for State Gas' portfolio of gas projects which can supply gas to the Gladstone LNG export terminals via the Queensland Gas Pipeline ("QGP"). These dynamics suggest that government and industry should be aligned on the long-term strategic benefits to Australia of leveraging growing LNG supply opportunities into Asia while simultaneously ensuring sufficient and appropriately priced gas is available to support domestic demand.

State Gas' tenements (PL231 and ATP 2062) are within the Denison Trough, a sub-basin of the Bowen Basin that is geologically adjacent to the Taroom Trough and share the same Permian source rock system. State Gas believes these areas may contain significant volumes of natural gas and associated condensate (high-quality liquid hydrocarbons including oil) trapped in tight sandstone reservoirs. State Gas's portfolio of conventional and unconventional Queensland petroleum projects is strategically positioned to contribute meaningfully to production of gas and oil over a range of time horizons:

	Short term	Medium term	Long Term
State Gas Solution	HDNG technology allows provision of compressed natural gas for industrial uses where customers cannot access pipeline infrastructure	Rolleston West CSG Project can deliver between 10–30TJ/day of pipeline quality gas into the East Coast Gas network via the QGP or to LNG buyers ex Gladstone	Deeper exploration zones within PL231 and ATP2062 have the potential to host substantial unconventional gas and liquids (e.g. oil)
Availability	Immediate	2–3 years	5+ years
Opportunity	Mining companies	International LNG buyers and/or domestic gas users	International LNG buyers and/or domestic gas users

State Gas has the flexibility to evaluate and deliver these opportunities in parallel, subject to the availability of capital. Receipt of the outstanding $4.1M of R & D tax concession subsequent to the quarter end has materially strengthening the Company's balance sheet and provides the Company with further funding to continue work across all of these opportunities.

R&D Tax Incentive

On 16 July 2026, the Company received $4.1 million in R&D tax incentive refunds from the ATO in respect of the FY2024 year (year ending 30 June 2024), relating to costs associated with the development of the HDNG Pilot Plant. The receipt of these funds follows an extended ATO review process and materially changes the Company's capital position. The refund proceeds have been applied principally to the repayment of the R&D bridging loan facility and a portion of outstanding director working capital loans, with the balance contributing to cash reserves.

Rolleston West Project – Concept Study

During the quarter, State Gas in conjunction with its engineering partner, substantially completed the Concept Study ("the Study") for the development of a long-life pipeline supported gas project ("Rolleston West" or "the Project"), capable of delivering staged production commencing at 10TJ/day increasing to 30TJ/day. The Concept Study encompasses process design, field development options, equipment selection and granular capital cost estimation for a gas gathering and processing infrastructure capable of producing and delivering pipeline-quality gas into the QGP. The findings of the Study are a critical step towards further delineation of the Project development strategy and will support project financing, gas sales agreement execution and engagement with infrastructure providers and potential farm-in partners.

Although not complete, the Study has achieved a range of important outcomes including:

- A substantial reduction to the original capital costs estimates for the Project from those which underpinned the original 2P reserve assessment conducted by Netherland Sewell and Associates ("NSAI");

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- Developing a low-cost methodology for the transportation of produced water (during the development and operating phases of the Project) to a large local mine where the water can be used beneficially for a variety of dust suppression and construction activities;
- Identifying a range of locations for compression and dehydration infrastructure which will support multiple stage development of the Project and minimise sound and visual impacts to the local environment and surrounding landowners; and
- Finalising a design specification for the compression facility and outlet pressure that will allow efficient engagement with infrastructure providers around the development of the infrastructure to connect the Project to the QGP.

Conversion of the Company's independently certified 30.2 PJ 2P reserve (plus 250 PJ of adjacent 2C resource) into a commercialised, pipeline-connected gas project remains the Company's primary strategic objective. The finalised Concept Study outputs will directly support project financing, gas sales agreement execution, engagement with infrastructure providers, and provide the technical foundation for continued engagement with potential farm-in partners to the Project.

Farm-in Partner Process

During the quarter the Company supported diligence activities by a number of parties around the proposed farm-in opportunity at Rolleston West. These parties have been primarily focussed on remodelling the Project resource base and completing independent technical assessments of the productive capability and expansion potential of the Project area. Feedback from these parties to date has been encouraging with general agreement around the Company's (and NSAI's) assessment of gas reserves and resources. Over the coming quarter, the Company will support these parties to complete their commercial assessment of the opportunity.

The Company continues to expand its engagement selectively with other domestic and international parties who have expressed interest in gas expansion opportunities in Queensland which are located close to export infrastructure.

HDNG Operations & Commercial Offtake

The Company has secured the conditional support of a Queensland coal mining company to partner for the adoption of State Gas' HDNG technology ("Foundation Customer") which will ultimately underpin a multiple year HDNG supply contract for between six and twelve mine haul trucks ("Foundation Fleet"). The Foundation Customer commitment is conditional on a range of factors including their ultimately technical sign-off on State Gas's HDNG solution and supply chain solution and the parties securing appropriate funding. State Gas has lodged a formal Expression of Interest with Queensland Treasury under the Low Emission Investment Program (LEIP) which if accepted, will provides government funding for the initial capital cost of the implementation for the Foundation Fleet. The Company is now working with LEIP program representatives to understand the opportunity and secure formal funding support. While this funding

process continues over the coming quarter, State Gas will continue to execute its project implementation with the Foundation Customer targeting implementation in Q2 calendar 2027.

Successfully securing Queensland Government endorsement through LEIP funding, will support the Company's strategy of wider industry adoption of diesel/natural gas dual fuel solutions across the Queensland coal mining sector. Diesel substitution with HDNG has the potential to deliver fuel at a sustained discount to the historical price of diesel, while simultaneously reducing Scope 1 CO_2 emissions. The benefits of guaranteed local gas supply provided through State Gas' HDNG solution is now highly desirable to mining operators in the context of ongoing diesel price volatility and supply uncertainty. Diesel fuel consumption by coal miners in the Bowen Basin is in excess of $2 billion per annum and the Company's HDNG solution is capable of replacing between 50% and 70% of that diesel usage. State Gas is commencing a marketing process to advocate its HDNG technology to coal mine owners and equipment operators in light of a Foundation Customer commitment and a more compelling gas for diesel substitution case.

Land Access Dispute

The Land Court of Queensland proceedings relating to the access dispute with a landowner associated with the Rolleston West Project (located on ATP 2062) continued to progress during the Quarter with a Court directed mediation occurring on 21 July 2026 ("the Mediation"). At the Mediation, the Company put forward a series of reasonable commercial settlement offers in respect of the both the historical access disputes and compensation associated with ongoing access for the Project. The Parties were unable to reach a commercial settlement at the Mediation, and the matter now continues toward trial in the Land Court of Queensland.

The Company's objective remains to achieve a commercial resolution of all outstanding matters, but it is not willing to establish unreasonable industry precedents for compensation, particularly in respect of future access rights as State Gas continues to develop the Rolleston West Project. In addition, any settlement must recognise the substantial claim the Company has for loss and damage it has experienced from what it considers the unlawful restriction of access to its Project assets on two occasions over the last 24 months. In the Company's view, enforcing its access rights and protecting both its tangible and contingent assets is in the best interests of 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.

As the expert evidence process is completed prior to the matter being set down for trial, State Gas will continue to explore options for commercial settlement within the above framework. Further details of engagement between the Parties in respect of the mediation and the wider litigation process is confidential and subject to legal privilege.

Domestic Gas Reservation Scheme

During the Quarter, the Company contributed to an industry-wide response to the proposed Domestic Gas Reservation ("DGR") Scheme Draft Design Framework released for formal consultation in May 2026. In its response, State Gas registered its opposition to implementation of the scheme as proposed, primarily on the

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basis that market evidence does not support the need for the extreme industry disruption which will be caused by the proposed DGR structure. In State Gas' view, there is no immediate gas supply crisis and the unintended economic and social consequences across a range of economic horizons and stakeholder groups have not been adequately evaluated.

State Gas highlighted that reliable long term gas supply to support domestic users and our offshore export commitments are unlikely to be achieved by forcing large LNG exporters to oversupply the domestic market at potentially sub-commercial prices, while simultaneously relying on them to commit to a program of long-term green and brown field exploration. History shows that new gas supply is almost always most efficiently delivered through creating the investment conditions that allow new producers and early stage companies like State Gas, to find, develop, and bring to market the gas Australia requires over the coming decades. Consistent with other industry responses, we urged the Government to adopt a more proportionate supported by appropriate economic modelling and to engage directly with junior and domestic-focused producers before finalising any policy design.

Financial Position

The Company's financial position improved materially during the Quarter as a consequence of the receipt of the R&D tax incentive refund in early July 2026. Cash on hand at the end of July 2026 is approximately $1.6million after having repaid outstanding working capital loans.

Notwithstanding the Company's improved capital position, it will continue to manage its capital position conservatively in accordance with the principles in the Capital Management Plan described in its ASX announcement of 27 May 2025. The Company retains discretion over the timing and scale of future exploration and development activities, which are aligned with the commercial outcomes described in this report and the availability of capital through identifying a project partner for Rolleston West and LEIP funding to support the HDNG strategy.

Outlook

The Company enters the September 2026 quarter with materially improved project definition, a stronger balance sheet and a clearly defined commercial pipeline. Key objectives for the coming quarter are:

- Finalising the Rolleston West Concept Study and commencing the next stage of value engineering for the Project which will support a final investment decision;
- Supporting parties with their continued technical and commercial due diligence around the Rolleston West farm-in opportunity;
- Working with Queensland Treasury to advance funding for the HDNG Foundation Customer implementation;
- Progressing a resolution of the land access dispute either through commercial negotiation or the Land Court Process; and

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- Progressing the petroleum lease application over the eastern area of ATP 2062 to support Rolleston West project development approvals.

State Gas believes that its portfolio of conventional and unconventional petroleum assets is strategically attractive in the current market. The Company is focused on accelerating delivery of the Rolleston West project and its HDNG strategy, while continuing to evaluate unquantified geological upside from deeper unconventional opportunities within PL231 / Reid's Dome and ATP 2062. Improvements to the Company's financial position achieved over the last quarter means it is now better positions to execute on this strategy.

Resource and Reserve Estimates

Independently Certified Gas Reserves (PJs net to State Gas)				
Year last amended	***Asset***	***Net Acreage (km2)***	***2P***	***3P***
2025	*ATP 2062 Rolleston-West (unconventional)*	*1,414*	*30.2*	*44.1*

Notes:

- 2P reserves = Proven + Probable Reserves; 3P Reserves = Proven + Probable + Possible Reserves
- Refer additional commentary about the reserve estimate in the accompanying Competent Person's Statement
- No 1P reserves have been included in this reserve certification as gas production from currently developed wells is insufficient to support full project development including pipeline infrastructure
- The effective date of the reserve estimate is 20 November 2025. No changes have occurred to this estimate since that date

Independently Certified Contingent Resources (PJs net to State Gas)					
Year last amended	***Asset***	***Net Acreage (km^2)***	***1C***	***2C***	***3C***
2017	*PL231 Reid's Dome (unconventional)*	*181*	*84*	*192*	*660*
	PL231 Reid's Dome (conventional)		*1.7*	*3.6*	*7.9*
2025	*ATP 2062 Rolleston-West (unconventional)*	*1,414*	*145*	*231*	*410*
	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***	***505***	***1,222***

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Independently Certified Contingent Resources (PJs net to State Gas)					
Year last amended	***Asset***	***Net Acreage (km^2)***	***1C***	***2C***	***3C***
Notes: • Refer additional commentary about the reserve estimate in the accompanying Competent Person's Statement • The Company's 2C resource estimate for Rolleston West (within ATP 2062) have been amended by Mr Crowley on 20 November 2025 to take into account the reserve certification provided by NSAI					

Payments to Related Parties

A total of $105,000 was paid to the Managing Director for salaries, fees and superannuation during the quarter ended 30 June 2026. Non-executive Directors have agreed to defer payment of their remuneration until such time as the Company has successfully executed its Capital Management Strategy and outstanding Director Loans are repaid in full.

Payments for Exploration and Evaluation activities

In accordance with ASX Listing Rule 5.3.1, the Company advises that during the quarter it incurred a total of $329,000 on exploration and evaluation expenditure, as disclosed in section 2.1(d) of the attached Appendix 5B.

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

FOR FURTHER INFORMATION

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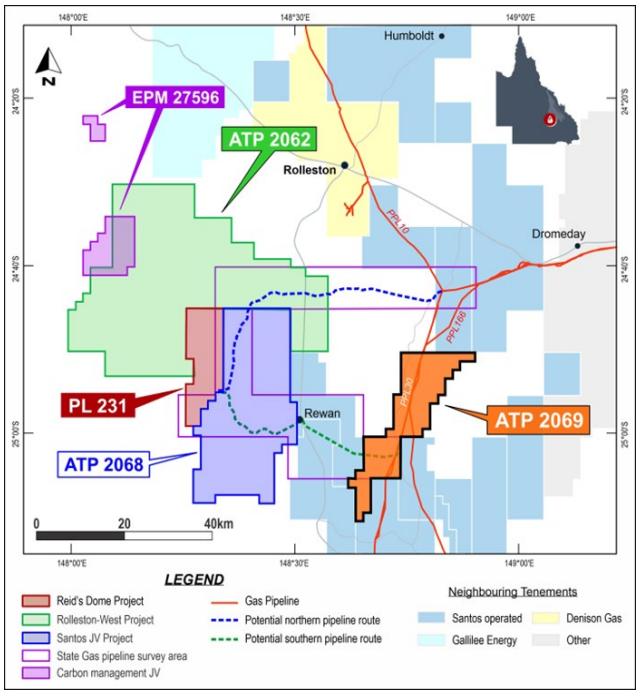
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ABOUT STATE GAS LIMITED

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 COAL SEAM GAS 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 CONVENTIONAL GAS 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

Listing Rule (LR)	Reporting Requirements
	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.
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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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 2026

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)	-	(97)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(171)	(645)
	(e) administration and corporate costs	(323)	(1,328)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(44)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	- GST refunds	55	244
	- Insurance claim proceeds	-	425
1.9	**Net cash from / (used in) operating activities**	**(440)**	**(1,445)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(63)
	(d) exploration & evaluation (if capitalised)	(329)	(4,897)
	(e) investments	-	-
	(f) other non-current assets	-	-

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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	-	-
	(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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(329)**	**(4,960)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	3,200
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(13)	(206)
3.5	Proceeds from borrowings	51	3,407
3.6	Repayment of borrowings	(44)	(1,520)
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**	**(6)**	**4,881**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,411	2,160
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(440)	(1,445)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(329)	(4,960)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	4,881

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**	**636**	**636**

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	636	1,411
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)**	**636**	**1,411**

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	105
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 included at 6.1 above is the remuneration paid to the Managing Director. Non-executive Directors have agreed to defer payment of their remuneration until such time as the Company has executed its Capital Management Strategy.

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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	2,808	2,808
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	2,808	2,808

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 RH Capital Finance Co., LLC for $1,000,000. The loan is secured against the Company's anticipated Research and Development (R&D) tax incentive refund for the year ended 30 June 2024. Interest accrues at a rate of 17% per annum. As at 30 June 2026 the has been fully drawn down.
- Loan agreement with director Jon Stretch for $505,000. The loan is secured by a general security interest over the assets and undertakings of the Company. As at 30 June 2026 the loan has been fully drawn down. $255,000 of the loan accrues interest at 15% per annum. With the balance accruing interest at 20%. $200,000 of the loan is repayable following the refinance the CNG Facility and $305,000 of the loan is repayable on receipt of the finalised FY2024 R&D claim.
- Loan agreement with Monte Vista Holdings Pty Ltd, a related party of director Philip St Baker, for $255,000. The loan is secured by a general security interest over the assets and undertakings of the Company. As at 30 June 2026 the loan has been fully drawn down. The loan accrues interest at 15% per annum. $200,000 of the loan is repayable following the refinance the CNG Facility and $55,000 of the loan is repayable on receipt of the finalised FY2024 R&D claim.
- Loan agreement with The P&P St Baker Family Trust, a related party of director Philip St Baker, for $519,192. The loan is secured by a general security interest over the assets and undertakings of the Company. As at 30 June 2026 the loan has been fully drawn down. The loan accrues interest at 20% per annum. $50,000 of the loan is repayable following the refinance the CNG Facility. The loan is repayable on receipt of the finalised FY2024 R&D claim.
- Loan agreement with Allegro Capital Nominees Pty Ltd, a related party of director Greg Baynton, for $230,000. As at 30 June 2026 the loan has been fully drawn down. The loan accrues interest at 15% per annum. $175,000 of the remaining loan is repayable following the refinance the CNG Facility and $55,000 of the loan is repayable on receipt of the finalised FY2024 R&D claim.
- Loan agreement with Loch Explorations Pty Ltd, a related party of director Tony Bellas, for $200,000. As at 30 June 2026 the loan 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 AG Super Pty Ltd, a related party of director Tony Bellas, for $22,898. As at 30 June 2026, the balance has been fully drawn down. The loan accrues interest at 15% per annum. The loan is repayable when sufficient working capital is available
- Loan agreement with Tony Bellas for $55,000. As at 30 June 2026, the loan has been fully drawn. The loan accrued interest at 15% per annum and is repayable on receipt of the finalised FY2024 R&D claim.
- Loan agreement with Richard Cottee for $20,828. As at 30 June 2026, the balance has been fully drawn down. The loan accrued interest at 15% per annum.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(440)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(329)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(769)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	636
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	636
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	0.83

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 Company has taken actions to reduce discretionary expenditure and Company overhead costs to preserve capital. The Company can control the timing of further discretionary expenditure to coincide with the availability of the relevant source of capital.

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: On 16 July 2026, the Company received a $4.16 million R&D tax incentive refund relating to the development of the HDNG plant for FY24, together with $0.22 million of interest in respect of the delayed payment.

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 can control the timing of further discretionary expenditure to coincide with the availability of capital.

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 2026

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.

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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.

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