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ASX RELEASE

30 October 2026

QUARTERLY ACTIVITIES REPORT – 30 September 2026

HIGHLIGHTS:

- Alternative fuels business advancing towards initial cashflow from Q2 calendar 2027: Rapid Refuel prototype engineered and moving to fabrication, and Queensland Treasury due diligence on Foundation Customer funding commenced
- Rolleston West Class 5 Concept Study completed for a low capital and operating cost 10 TJ/day Stage 1 development, expandable to 30 TJ/day, with pre-FEED for the Queensland Gas Pipeline tie-in at Jemena's Rolleston compression station commencing
- $4.1M R&D tax refund received and all working capital and director loans repaid in full

State Gas Limited (ASX: GAS) ("State Gas" or "the Company") provides this update for the quarter ending 30 September 2026 ("the Quarter") during which it continued its transformation journey from explorer to developer. The Company's Rolleston West Project ("Rolleston West"), located within the Denison Trough approximately 37 kilometres from the Queensland Gas Pipeline ("QGP"), is now supported by an independently certified 30.2 PJ 2P reserve (and another 14 PJ of 3P reserve) and a Concept Study including a Class 5 cost estimate. Rolleston West is designed to produce up to 30 TJ/day of pipeline-quality gas for the domestic market or LNG export via Gladstone. The Company's alternative fuels business, underpinned by its proprietary HDNG technology and Rapid Refuel solutions, offers a unique parallel earnings stream for the Company as it enables State Gas to accelerate gas sales and near-term cashflow and act as a natural hedge against the possibility of medium-term disruption to the price of domestic pipeline gas.

The long-term outlook for State Gas as a Queensland gas explorer and developer remains strong as the Company benefits from the following economic drivers:

- increasing demand for evening peaking power generation to complement daytime solar contribution;
- a long term committed program for replacement of East Coast historical coal fired generation capacity with dual-fuel turbines,
- increased appetite from industrial users seeking to move away from diesel toward more reliable locally sourced fuel sources such as natural gas which also have a better price and emission profile; and
- increasing LNG export volumes from Gladstone, which will require the export joint ventures to secure upstream gas supply

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Shell's LNG Outlook 2026 forecasts global LNG trade to grow by around 65% by 2050, and supply disruption in the Middle East during 2026 has increased the premium Asian buyers place on reliable, geopolitically secure supply. AEMO's 2026 Gas Statement of Opportunities forecasts legacy domestic southern production to fall by around 46% within five years, while the Queensland Energy Roadmap targets up to 4.1 GW of new gas-fired generation by 2030 (independent of substantial potential new demand from AI data centre development).

	Short term	**Medium term**	**Long Term**
State Gas Solution	Alternative fuels business – HDNG technology allows provision of compressed natural gas to mining fleets and other users without access to 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	Initial cashflow from Q2 calendar 2027 (subject to Foundation Customer and Queensland Treasury approvals)	First gas targeted in calendar 2031	Beyond 2031
Opportunity	Mining companies and other large industrial users	International LNG buyers and/or domestic gas users	International LNG buyers and/or domestic gas users

The Company's multiple horizon projects strategy means it can adopt a through the cycle approach and focus on components of its portfolio which have the greatest likelihood to obtaining strategic and financial support. Importantly, State Gas' Alternative Fuels business provides a near-term path to revenue and operating cashflow. At the same time, the substantial value inherent in its pipeline-supported Rolleston West Project can be realised through progress towards a final investment decision and the identification of strategic project partners.

The optionality inherent in State Gas' business model and a strong positive outlook for the Australian gas sector more generally, continue to be overshadowed by a narrative of global energy market volatility and domestic regulatory uncertainty. This uncertainty is partially created by the Federal Government's continued public statements that natural gas will be required as part of Australia's energy transition for much longer than originally anticipated, while it simultaneously seeks to implement a Domestic Gas Reservation Policy with features that structurally disincentivise investment in exploration and early-stage gas project development activities.

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Alternative Fuels Business – HDNG Rapid Refuel

The Company's alternative fuels business uses its proprietary HDNG processing technology and Rapid Refuel supply chain solution to deliver compressed natural gas as a lower-cost, lower-emission alternative to diesel. In the first instance, State Gas is offering mine operators a turn-key fuel solution requiring no capital investment which will support conversion of large coal mining haul trucks to dual-fuel (diesel/gas hybrid). State Gas and the customer share the benefit of the price arbitrage between diesel and natural gas after State Gas has recovered its capital and operating costs. This solution becomes highly attractive to both State Gas and its customer when domestic gas prices fall and the cost of diesel rises.

During the Quarter, the Company progressed implementation planning with a Queensland coal mining company ("the Foundation Customer") for an initial twelve-truck implementation which will generate cashflow to the Company from Q2 calendar 2027 in line with the Foundation Customer implementation timetable. The Company commenced fabrication of the prototype for its propriety fuel delivery system which will support Foundation Customer approval of the fuelling solution. The Company has continued to support due diligence being undertaken by Queensland Treasury as part of its Low Emission Investment Program ("LEIP"). Subject to Queensland Treasury final approval, LEIP will provide the majority of the capital for the Foundation Customer implementation. The Company is targeting completion of LEIP's diligence process by the end of this calendar year.

State Gas has also progressed commercial and technical discussions with technology partners capable of providing dual-fuel engine conversion kits which can deliver the target diesel substitution rates when installed on the mine haul trucks. These kits are essential enabling technology for the project and identification of the best technology partner who can also provide ongoing technical and customer support is critical to the Foundation Customer implementation.

While there is a range of commercial and technical conditions which still need to be satisfied (including final Foundation Customer approval) significant progress has been made during the quarter and all parties are working to a timetable which would see truck conversions and initial gas supply commencing in Q2 calendar 2027.

A successful Foundation Customer implementation supported by Queensland Government funding is expected to generate renewed interest from other coal miners in the Bowen Basin who are seeking to reduce fuel costs and C02 emissions. Diesel consumption by coal miners in the Bowen Basin exceeds $2 billion per annum across a fleet of around 3,000 mine haul trucks, and the Company's HDNG technology in conjunction with its Rapid Refuel solution can replace between 50% and 70% of that diesel usage. This represents a substantial near term growth opportunity for State Gas and one which is not constrained by long term regulatory approval processes and significant upfront capital investment. Against a backdrop of uncertainty around historically reliable global liquid fuel supply arrangements, there is renewed interest in the benefits of locally produced natural gas as a cheaper, more reliable fuel solution.

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Rolleston West – Concept Study and Development Pathway

During the Quarter, the Company in conjunction with its engineering partner, completed a Concept Study ("the Study", including a Class 5 cost estimate) for a multi-stage, pipeline-connected development of the Rolleston West Project. The Study evaluated a Stage 1 development of 10 TJ/day, engineered for low capital and operating costs, with the capability to expand efficiently to 30 TJ/day. Key outcomes from the Study were a reduction in capital cost compared with those underpinning the independent 2P reserve assessment in November 2025, a lower cost solution for the beneficial use of produced water, and a detailed compression facility specification that provides the relevant information to allow the 37-kilometre pipeline connection from the compression facility to the QGP to be scoped and priced. The Company has now commenced a value engineering review to more fully evaluate and price opportunities for further capital reduction while it simultaneously continues other desktop activities which will ultimately support its petroleum lease application.

Rolleston West Co-investment Process

The Company continues to evaluate the introduction of an offtake or co-investment partner to assist in funding Rolleston West to reach a final investment decision. Discussions with parties in the co-investment process continued during the Quarter, following the completion of their technical assessments of the Project's reserves and resources. However, uncertainty about the final design of the proposed Domestic Gas Reservation scheme has made it challenging for parties to settle long-term gas price assumptions and this has slowed progress towards commercial terms for project participation. The Company expects that policy clarity will arise as the Domestic Gas Reservation scheme is legislated over coming weeks and this will allow renewed engagement with parties who are currently reviewing the Rolleston West co-investment opportunity.

Tenure Extension

During the Quarter, the Company lodged an application to extend the term of its permitted exploration activities within ATP 2062 (the exploration tenement which includes Rolleston West). As part of its application, the Company was required to relinquished areas within the original tenement boundaries which, based on geological work undertaken over the last six years, the Company concluded had limited prospectivity. Relinquishment of these areas has no impact on the Company's reported reserves or resources estimates for Rolleston West. The retained area includes the Rolleston West Project and the areas which State Gas believes have the greatest likelihood of supporting expansion of the Rolleston West Project and regions which host deeper tight gas formations which require ongoing study and evaluation. After quarter end, the Company received formal confirmation that its tenure at ATP 2026 has been extended for a further six years.

R&D Tax Incentive

On 16 July 2026 the Company received $4.1 million in R&D tax incentive refunds from the ATO for the year ended 30 June 2024, following the conclusion of the ATO review. The proceeds were applied to the

repayment of the R&D bridging facility and all outstanding director working capital loans, with the balance contributing to cash reserves.

Land Access Dispute

The Land Court of Queensland proceedings relating to the access and compensation dispute with a landowner at ATP 2062 continued during the Quarter. The parties were unable to reach a commercial settlement at a court-directed mediation on 21 July 2026 and the is now proceeding to the expert evidence phase, being the penultimate stage before trial.

The expert evidence process also considers the Company's claim for loss and damage arising from what it considers the unlawful restriction of access to its Project assets, including future losses associated with substantial delay to the Companies activities. The Company's insurer continues to support the Company in the proceedings.

The Company remains open to a commercial resolution, but not one that establishes unreasonable precedents for compensation and future access as it develops the Rolleston West Project. Further details of the engagement between the parties are confidential and subject to legal privilege.

Domestic Gas Reservation Scheme

In September 2026 the Federal Government released an exposure draft of the legislation for the proposed Domestic Gas Reservation scheme. The revised design, which is currently subject to Parliamentary review, defers the commencement of the domestic supply obligation to 1 July 2028 and provided slightly improved flexibility in the level of the obligation placed on LNG exporters. While the deferral prolongs uncertainty about medium-term domestic gas pricing, the Company welcomes changes which respond to concerns raised by industry during consultation.

State Gas is not an LNG exporter and carries no direct obligation under the proposed scheme. Under the proposed design and subject to final legislation, third-party gas counts towards satisfying an exporter's domestic gas supply obligation only where it represents genuine additional supply, which makes new gas fields such as Rolleston West highly attractive to exporters seeking to meet their new regulatory obligations.

Financial Position

At 30 September 2026 the Company had cash of $0.3 million. Following receipt of the R&D tax refund in July 2026, all director working capital loans and the R&D bridging facility were repaid in full.

The Company continues to operate on a low overhead base and retains discretion over the timing and scale of exploration and development expenditure. The Company's LEIP funding application, if successful, would fund much of the capital cost of the Foundation Customer implementation and includes a contribution towards associated project overheads. The Company is currently in advanced discussions with a range of parties who have expressed interest in providing additional capital to the Company and support the advancement of its projects.

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Outlook

Key objectives for the December 2026 quarter are:

- completing fabrication and testing of the Rapid Refuel prototype and advancing formal commitment from the Foundation Customer;
- supporting Queensland Treasury completing their due diligence for LEIP funding and progressing towards binding funding commitments;
- commencing pre-FEED for the Rolleston West QGP tie-in and continuing value engineering, environmental planning and preparation of the petroleum lease application; and
- securing ongoing funding to support the Company's activities.

State Gas believes that its combination of a development-ready, expandable gas project close to export and domestic infrastructure and first mover advantage through an alternative fuels business focussing on diesel displacement means it is well positioned to benefit from the strong long-term fundamentals for Queensland gas. LNG exporters are moving to secure long-term supply, illustrated most recently by the Gladstone LNG joint venture's A$430 million acquisition of the Meridian coal seam gas project in the Bowen Basin. This transaction suggests that the intrinsic value of State Gas current reserve and resource base (even acknowledging it is in the pre-development stage) is multiples of its current market capitalisation. A successful Foundation Customer implementation of its alternative fuels strategy will generate material cashflows for the Company in calendar 2027 and there is significant unvalued potential in conventional and unconventional targets across the Company's portfolio of exploration tenements, which share the Permian source rock system of the adjacent Taroom Trough.

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

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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***

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
- Although not formally approved at 30 September 2026, the net acreage within ATP 2062 is expected to decrease to approximately 707 km2 as a consequence of the Company's relinquishment proposal which is being in conjunction with a 6 year extension to ATP 2062. Relinquishment of areas within ATP 2062 has no impact on above reserve or resource estimates

Payments to Related Parties and Exploration and Evaluation Activities

A total of $109,000 was paid to the Managing Director for salaries, fees and superannuation during the quarter ended 30 September 2026. Non-executive Directors continue to defer payment of their remuneration. In accordance with ASX Listing Rule 5.3.1, the Company advises that during the quarter it incurred a total of $305,000 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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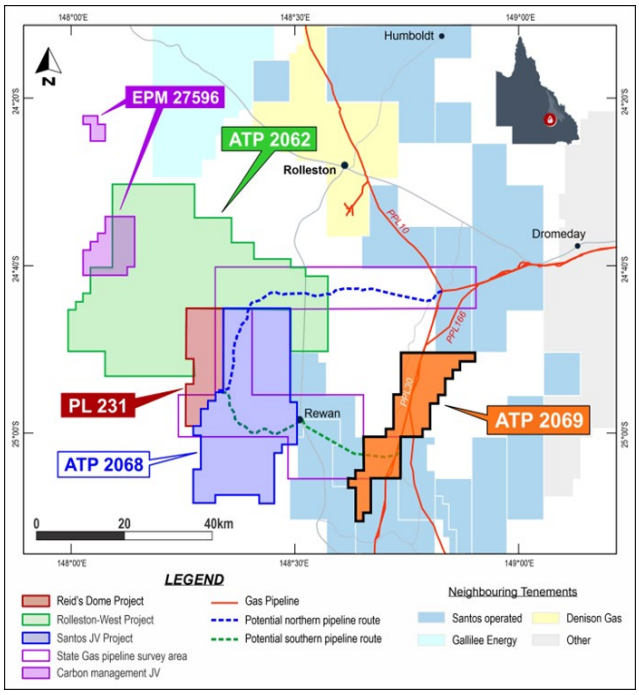
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ABOUT STATE GAS LIMITED

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. Following completion of the Concept Study, the Company has updated its development schedule: the earliest potential grant of a petroleum lease would allow field development and plant construction to commence in calendar 2030, with first gas targeted in calendar 2031 (previously first material gas in calendar 2029). The Company 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 SEPTEMBER 2026**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(45)	(45)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(142)	(142)
	(e) administration and corporate costs	(403)	(403)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	220	220
1.5	Interest and other costs of finance paid	(749)	(749)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	Insurance claim proceeds	38	38
	GST refunds	78	78
1.9	**Net cash from / (used in) operating activities**	**(1,003)**	**(1,003)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(305)	(305)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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)		
	R&D tax incentive	4,162	4,162
2.6	**Net cash from / (used in) investing activities**	**3,857**	**3,857**

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	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(21)	(21)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,951)	(2,951)
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**	**(2,972)**	**(2,972)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	633	633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,003)	(1,003)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	3,857	3,857
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,972)	(2,972)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**515**	**515**

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	515	633
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)**	**515**	**633**

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	109
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.

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

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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,003)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(305)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,308)
8.4	Cash and cash equivalents at quarter end (item 4.6)	515
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	515
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	0.39

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

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

8.8.1 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: No. The current quarter included payment of interest accrued on director loans repaid during the quarter of $582k. The Company continues 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.

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8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer:	The Company is currently in advanced discussions with a range of investors who have expressed interest in providing additional capital to the Company and support the advancement of its projects. The Company is considering the structure and timing for the introduction of additional capital so as to limit the impact of dilution to existing shareholders and adequately reflect the intrinsic value of the Company's assets.
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	Yes. The Company can control the timing of further discretionary expenditure to coincide with the availability of capital.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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: 30 October 2026

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

Notes

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

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

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

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

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

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