



State Gas Limited
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BRISBANE QLD 4001

ASX RELEASE

27 February 2019

PRIVATE PLACEMENT COMPLETED FOR CORPORATE INITIATIVES

State Gas Limited (ASX: GAS) ("State Gas" or the "Company") advises that it has undertaken a private placement to sophisticated investors raising \$500,000.

The purpose of the Placement is to fund:

- additional legal expenses associated with the increase in the Company's Participating Interest to 100% of the Reid's Dome Gas Project (PL 231);
- additional costs arising from the Company's increase in its Participating Interest in PL 231;
- legal expenses in relation to pursuing possible transactions arising from interest received from potentially interested parties; and
- further working capital.

As announced to the ASX during February 2019, the Company has received approaches and interest from a number of parties to progress the Reid's Dome Gas Project in both partnering (asset-level) and corporate (company-level) transactions. In line with the Board's aim to ensure that discussions include all qualified and interested counterparties, State Gas has recently appointed leading independent M&A/Advisory firm Highbury Partnership as financial advisor to help it assess and respond to inquiries from interested parties. Presentations, discussions and Q&As are continuing with parties under confidentiality arrangements.

The \$500,000 placement has been conducted at a price of \$0.85 per Ordinary Share, with settlement on or before Wednesday, 6 March 2019.

The placement funds will provide further resources for the important corporate initiatives currently underway during the remainder of FY2019.

ENDS

FOR FURTHER INFORMATION

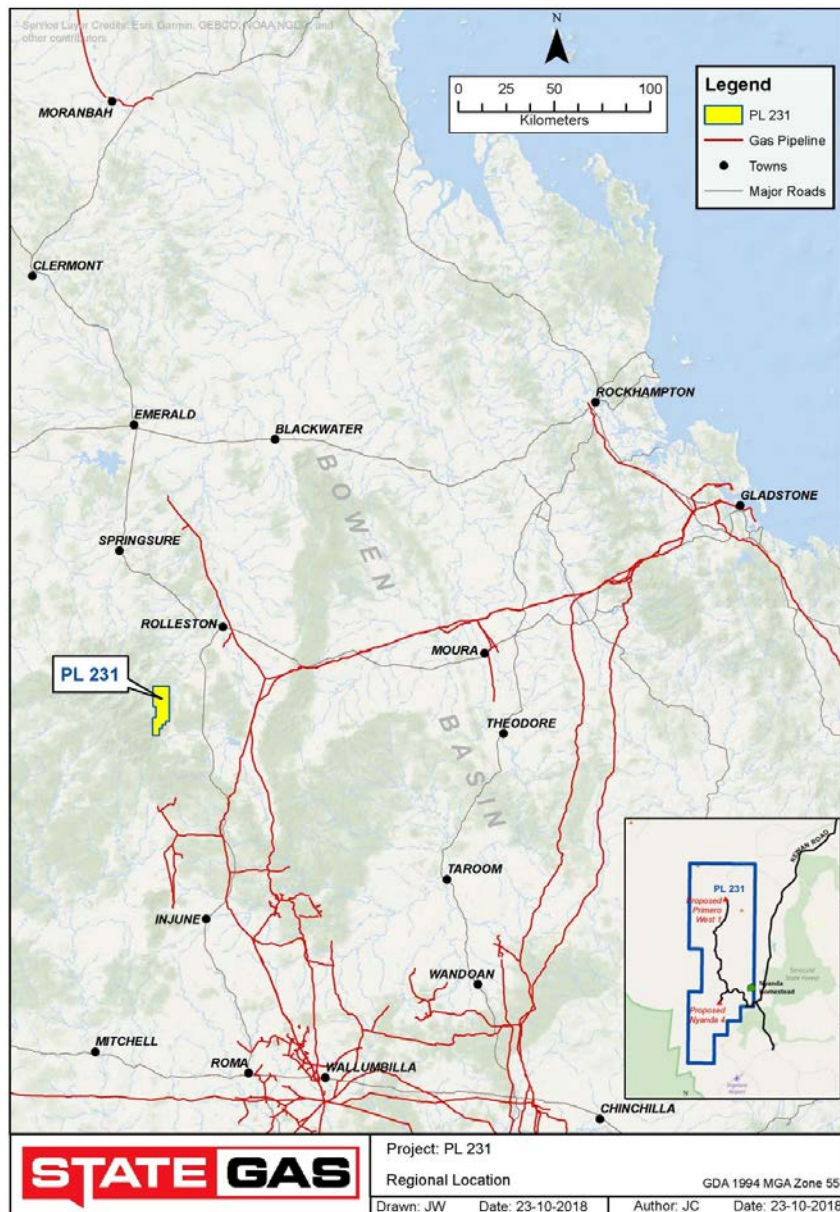
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ABOUT STATE GAS

STATE GAS LIMITED (ASX: **GAS**) is a Queensland-based developer of the Reid's Dome gas field (PL 231), which includes both CSG and conventional gas, originally discovered in 1954 during oil drilling prior to the existence of a pipeline network and an east coast gas market. The Reid's Dome field is located in the Bowen Basin in Central Queensland on the apex of the Springsure-Sericold Anticline. State Gas is sole Operator and 80%-owner (transitioning to 100%) of PL 231, which is well-located 30 kilometres southwest of Rolleston, approximately 47 kilometres from the Queensland Gas Pipeline.

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REIDS DOME GAS FIELD (PL 231) LOCATION



Location of PL 231 shown relative to regional gas pipeline infrastructure and towns. Inset shows the location of the Primero West-1 and Nyanda-4 wells drilled by State Gas during November-December 2018.