



State Gas Limited
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ASX RELEASE

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UPDATE ON INCREASE OF INTEREST IN PL 231

State Gas Limited (ASX: GAS) (State Gas, the Company) refers to its previous announcements on 5 December 2018, 11 December 2018 and 8 February 2019 regarding its initiation of a process to increase its Participating Interest in the Reid's Dome Gas Project (**PL 231**) from 80% to 100% in accordance with the provisions of the Joint Operating Agreement (**JOA**) for PL 231.

The Company is providing an update on the proceedings commenced in the Supreme Court of Queensland on 8 February 2019 seeking specific performance by Dome Petroleum Resources Plc (**Dome**) of its obligations under the JOA.

As previously announced, Dome failed to complete the transfer of its remaining 20% Participating Interest in PL 231 to State Gas in accordance with the requirements of the JOA. State Gas's right to increase its Participating Interest arises under the provisions of the JOA which facilitate the acquisition of the remainder of a Participant's Participating Interest where that Participating Interest has reduced below 25% (**Compulsory Acquisition**). Dome's Participating Interest reduced below 25% when State Gas acquired 20% of its Participating Interest in PL 231 in November 2018, as announced on 28 November 2018 (the **November 20% Acquisition**).

In an attempt to avoid Compulsory Acquisition, Dome has filed a counterclaim in the court proceeding seeking to reverse the November 20% Acquisition. The counterclaim is being strenuously defended by State Gas and the Company remains confident of its position with respect to both its claim and Dome's counterclaim.

A mediation facilitated by a retired Supreme Court of Queensland and Queensland Court of Appeal Judge was attended by both parties on 30 May 2019. The matter was not resolved during mediation. The matter will now proceed to the Supreme Court of Queensland, with a trial date set for the latter part of the third quarter of 2019.

State Gas will continue to keep the market updated regarding any changes to the status and progress of the matter.

Signed for and on behalf of State Gas Limited:

A handwritten signature in black ink, appearing to read "S. Yeates".

Suzanne Yeates
Company Secretary
State Gas Limited