



Annual General Meeting Presentation
21 November 2018

Disclaimer

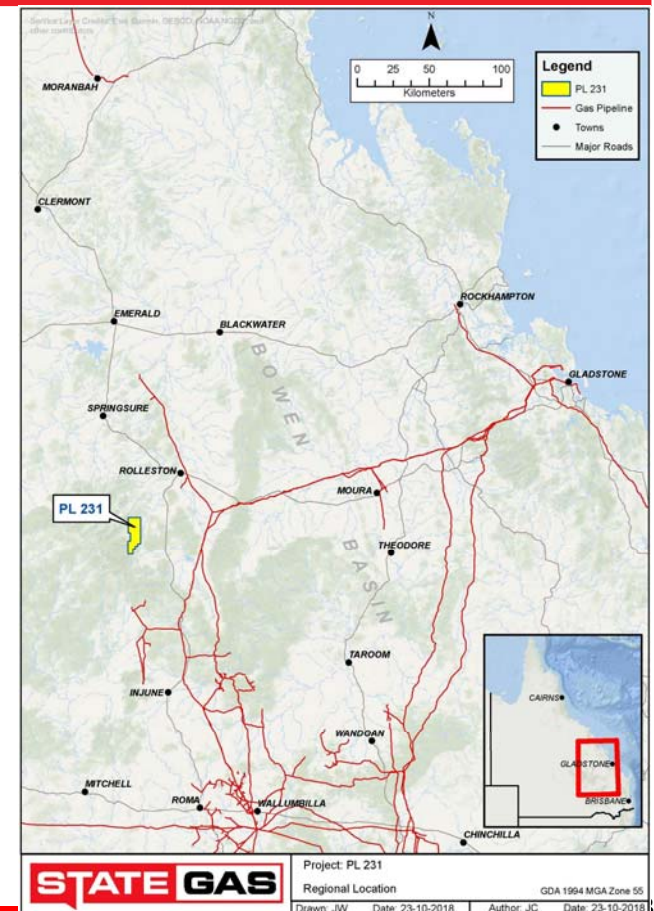


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PL 231



- Petroleum Lease, 30 years issued 15/12/2005
- ~ 50 km south west of Rolleston over the Reid's Dome anticline
- 181 km² covering a classic north-south dome structure
- Gas first discovered in 1955
- ~ 50 km from Queensland Gas Pipeline network
- PSL issued for route to market
- State Gas holds 60% and is Operator



ASX code: GAS

State Gas Ltd AGM 21 November 2018

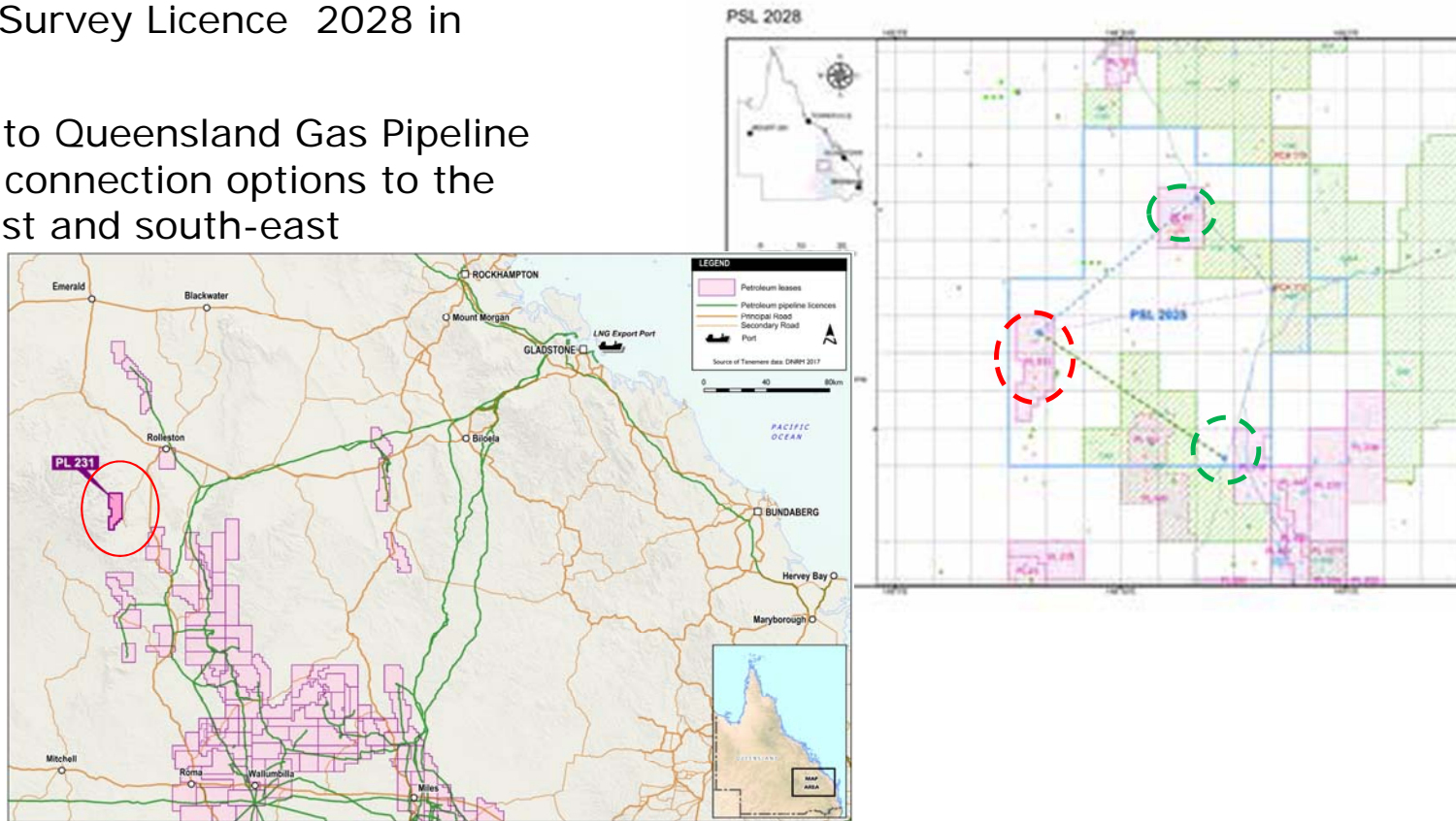
PL 231 Highlights

PROVEN GAS FLOWS	<ul style="list-style-type: none"> • 15 wells drilled 1955 – 2006. Gas flows from sandstone reservoirs in the Cattle Creek Formation and Reid's Dome Beds • Flow test in December 2017 confirmed flows of pipeline quality gas
CONVENTIONAL EXPLORATION TARGETS	<ul style="list-style-type: none"> • Cattle Creek Formation: 3-way dip closed structural traps, overpressured • Reid's Dome Beds: ~1500m thick section with multiple prospective sandstone reservoirs in anticlinal setting
NEW PROVINCE - LARGE CSG OPPORTUNITY	<ul style="list-style-type: none"> • Permian Reid's Dome coal measures are extensive throughout PL-231 with ~60m of net coal between 400m and 1200m. Never evaluated for coal seam gas (CSG).
3 TARGETS IN 2 WELLS IN CURRENT CAMPAIGN	<ul style="list-style-type: none"> • Primero West-1: Shallow conventional gas target identified in seismic data Spudded 10 November, encountered gas at 132m • Nyanda-4: CSG target identified from 1987 drilling results • Nyanda-4: Known large conventional gas targets within Reid's Dome Beds

PSL 2028 – route to infrastructure

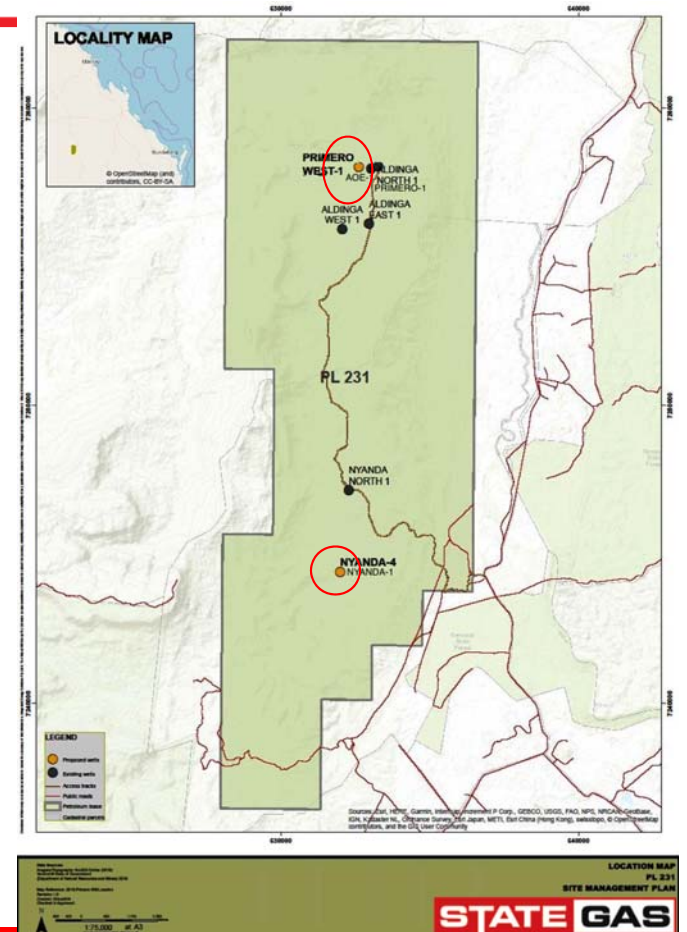


- Pipeline Survey Licence 2028 in place
- ~50 km to Queensland Gas Pipeline network connection options to the north-east and south-east



PL 231 Drilling Program

- Civil works to upgrade/construct 32 km tracks, 2 well pads & camp site
- Cultural Heritage survey and Environmental clearances obtained
- Aztech Well Construction engaged to design wells, undertake tender process and implement drilling program.
 - 11 drilling companies and 21 ancillary services invited to tender
 - Silver City Drilling awarded the drilling contract

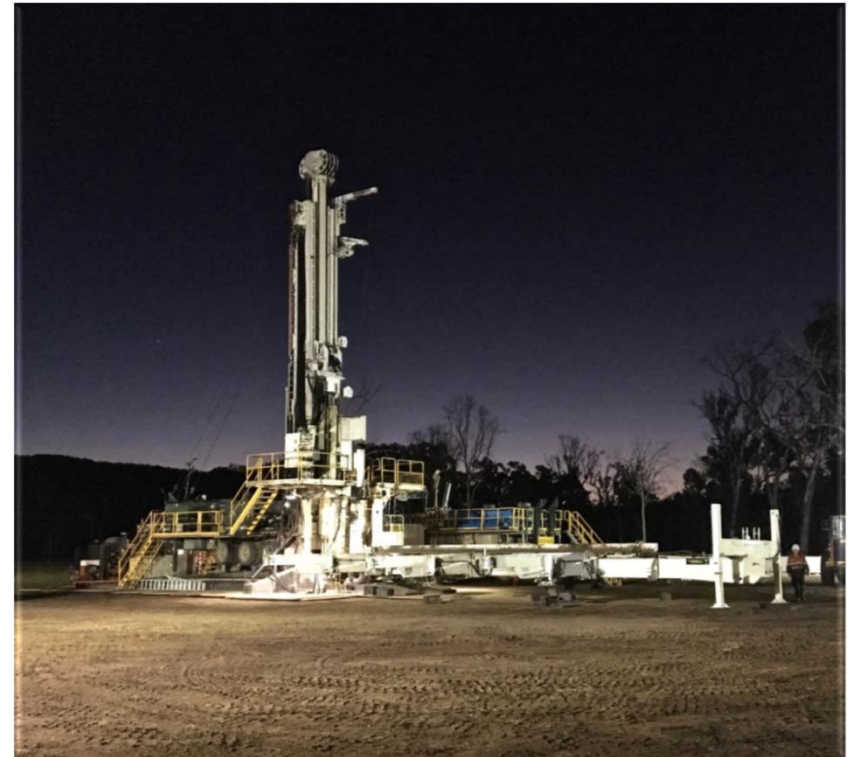


Health & Safety

- Legal responsibilities required:
 - PL-231 Safety Management Plan
 - PL-231 Emergency Response Plan
 - PL-231 Joint Interaction Management Plan (JIMP)
 - PL-231 Annual Safety Report (submitted 30th August 2018)
 - Appointment of PL-231 “Operator” and Site Safety Manager
 - Contractor Management procedure
 - Contractor Pre-qualification forms
 - Site Induction procedure
 - Vehicle Operations and Journey Management procedure
 - Inspection of drilling rig in accordance with the Code of Practice referenced API standards
 - Well construction by qualified personnel to meet the requirements of the Petroleum and Gas Act and accompanying regulations
- **To date, there have been no reportable safety or environmental incidents**

Primero West-1 Completed

- Shallow Conventional Gas Target, Cattle Creek Fm
- Objective: Test the south-western extent of the Cattle Creek gas sand and satisfy the requirements of the Joint Operating Agreement
- Gas encountered from 131.5m - close to prognosis with better than expected reservoir properties
- Net sand thickness indicated by quick-look petrophysics indicate a gas-bearing zone of 7.5m
- Max. gas flow rate of 0.436 mmscf/d through a 48/64" choke – in line with expectations
- Final shut-in wellhead pressure of 165 psi
- Located approximately 650m southwest of AOE-1 (1955 discovery well)
- Total depth: 250m
- Gas samples sent to laboratory for analyses, geological and reservoir engineering review underway



SCD Rig-25 on location at Primero West-1

Nyanda-4 – Mob in progress

- Coal Seam Gas and Tight Gas Sands Target
- Reid's Dome Beds
- Planned depth: 1,000m
- Investigate gas potential of
 - tight gas sands; and
 - coal seams, within the Reid's Dome Beds
- Coals not evaluated before
- Gas in AOE-1 in 1955 is possibly be present at Nyanda-4
- Silver City Drilling Rig-25 is being mobilised to site – drilling to commence in the coming days



Silver City Drilling Rig 25

Contacts



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At PL 231