



State Gas Limited
(ACN 617 322 488)
GPO Box 10348
BRISBANE QLD 4001

ASX RELEASE

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STATE GAS INCREASES INTEREST IN PL 231 TO 80%

State Gas Limited (ASX: GAS) advises it has increased its Participating Interest in the Reid's Dome Gas Project (PL 231) from 60% to 80%.

The increase in the Company's Participating Interest to 80% has arisen through the agreed acquisition by State Gas Limited of an additional 20% interest in PL 231 and the Reid's Dome Joint Venture by way of funds offset in partial satisfaction of Cash Calls owed by State Gas' partner under the terms of the Joint Operating Agreement.

Subject to these proportional changes to the Participating Interest-levels in the Reid's Dome Joint Venture, the Joint Operating Agreement continues in full force and effect.

At its new Participating Interest level of 80%, State Gas will be responsible for 80% of the ongoing costs of the Reid's Dome Joint Venture, including the drilling of the Nyanda-4 coal seam gas and conventional gas well (currently underway).

State Gas Limited remains sole Operator and is now 80%-owner of the Reid's Dome Gas Project

ENDS

FOR FURTHER INFORMATION

Lucy Snelling

Chief Executive Officer

Phone: 0439 608 241

e-mail: lucy@stategas.com

Greg Baynton

Executive Director

Phone: 0414 970 566

e-mail: greg@stategas.com

STATE GAS LIMITED (ASX: GAS) is a Queensland-based developer of the Reid's Dome gas field, originally discovered during drilling in 1955, located in the Bowen Basin in Central Queensland. State Gas is sole Operator and 80%-owner of the Reid's Dome gas project which is well-located 30 kilometres southwest of Rolleston, approximately 50 kilometres from the Queensland Gas Pipeline.