

State Gas Limited ACN 617 322 488

ASX: GAS

Share Purchase Plan Booklet

This is an important document for existing Shareholders of State Gas Limited.

The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to participate in the Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other disclosure document under the Corporations Act.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

1 Key offer information

Key dates

Record Date	7 August 2023
Announcement date	8 August 2023
Dispatch of offer booklet and application forms to Eligible Shareholders Opening date for acceptances	14 August 2023
Closing date for acceptances	28 August 2023
Announce results of SPP	31 August 2023
Issue SPP shares	1 September 2023
Normal trading of SPP shares commence	4 September 2023

The timetable is indicative only and GAS may, at its discretion, vary any of the above dates by sending a revised timetable to ASX.

Defined terms and abbreviations used in this document are set out in Clause 24 of the Terms and Conditions in **Section 3**.

Important notices and disclaimer

The offer contained in this document is not a recommendation to purchase GAS shares. If you are in any doubt about the Offer, you should consult your financial or other professional adviser.

If you apply to participate in the Offer by making a BPAY®¹ payment or completing and returning the Application Form under EFT, you are accepting the risk that the market price of Shares may change between the date of the Offer and the Issue Date. This means it is possible that up to or after the Issue Date, you may be able to buy Shares at a lower price than the Offer Price.

Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person.

GAS recommends that you monitor its announcements and the Share price, which can be found on the ASX website at www.asx.com.au (ASX code: GAS). The Share price can also be found in the financial pages of major Australian metropolitan newspapers. The SPP Booklet and personalised Application Form can be downloaded from the offer website: <https://events.miracle.com/gas-spp>.

This Offer does not provide financial advice and has been prepared without taking into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder.

Questions

Any queries regarding the Offer should be directed to the GAS SPP offer information line on 1300 657 159 if calling within Australia or +61 1300 657 159 if calling from outside of Australia.

¹ ® Registered to BPAY Pty Limited ABN 69 079 137 518
New Zealand based shareholders can only apply using BPAY® if they have an Australian bank account

2 Frequently asked questions

Set out below are answers to some key questions that you may have about the Offer. This table is qualified by and should be read in conjunction with the Terms and Conditions in **Section 3**.

Question	Answer
What is the Offer?	The Offer enables Eligible Shareholders to apply to purchase up to A\$30,000 worth of ordinary shares in GAS at \$0.15 per share. The purchase price of \$0.15 per Share is at a 16.7% discount to the volume weighted average market closing price over the five ASX trading days immediately preceding the Announcement Date, 3 August 2023, on which GAS shares were traded. GAS intends to raise approximately \$3 million under the Offer.
Am I eligible to participate?	You are eligible to participate if you fulfil the criteria set out in Clause 2 of the Terms and Conditions in Section 3. For you to be eligible to participate in the Offer, you must have been a holder of GAS shares at 7.00 pm (AEST) on 7 August 2023 (Record Date) and your registered address must be in Australia or New Zealand. If you are a nominee or custodian holding shares on behalf of one or more beneficial holders, you may also apply to purchase up to A\$30,000 worth of shares on behalf of each beneficial holder, subject to complying with the criteria set out in Clause 2 of the Terms and Conditions in Section 3.
Do I have to participate?	Participation is optional. Before deciding whether or not to participate in the Offer, GAS recommends seeking independent financial advice from your professional adviser.
Can I transfer my entitlement to participate?	If you are eligible to participate in the Offer, you cannot transfer your right to purchase shares under the Offer to anyone else.
Oversubscriptions and scale back	GAS intends to raise approximately \$3 million under the SPP, but may, at GAS's discretion increase this cap and accept oversubscriptions, subject to compliance with the ASX Listing Rules and the Class Order. GAS may in its discretion reject or undertake a scale back of applications for New Shares. Therefore, you may receive less than the parcel of New Shares for which you have applied. Details about any scale back are set out in Clause 10 of the Terms and Conditions. If applications are rejected or scaled back, excess funds will be returned to applicants without interest.
How do I apply?	To apply for shares under the Offer you can: Option 1: Pay by BPAY® Make payment by BPAY as shown on the Application Form. New Zealand based shareholders can only apply using BPAY if they have an Australian bank account. Option 2: Pay by EFT (New Zealand based shareholders) If you are a New Zealand Shareholder or cannot make payment by BPAY® you can pay by EFT. When making an EFT payment please put your SRN/HIN in the reference field otherwise your payment may not be processed. Applications made by EFT will also be required to return their application form to capitalmarkets@linkmarketservices.com.au.

Question	Answer
What is the maximum investment for each shareholder?	The maximum investment for each shareholder is A\$30,000.
How many shares will I receive?	You may apply for a parcel of shares under the Offer with one of the application amounts set out in Clause 6 of the Terms and Conditions of this document. The Offer Price for New Shares will be \$0.15.
When will I receive my shares?	GAS intends to issue New Shares on 1 September 2023 (Issue Date). Holding statements in respect of those New Shares are to be dispatched on 4 September 2023. However, these dates are indicative and GAS may, at its discretion, vary the Issue Date by sending a revised timetable to ASX.
When can I trade allocated shares?	You can trade your New Shares after the Issue Date. However, given the possibility that applications may be scaled back, you should confirm your holding on or after the Issue Date before trading any New Shares you believe you have acquired under the Offer.
What will funds raised under the Share Purchase Plan be used for?	Proceeds of the Offer will be applied to further drilling and working capital.
Is the offer underwritten?	The Offer is not underwritten.

3 Terms and conditions

1 Offer

The Offer entitles Eligible Shareholders to apply to purchase up to A\$30,000 worth of Shares in GAS at A\$0.15 per share.

2 Eligibility to participate

- 2.1 You are eligible to participate in the Offer if you were a registered holder of Shares at 7.00 pm (AEST) on 7 August 2023 (**Record Date**) with an address on the share register in Australia or New Zealand, unless:
- (a) you hold Shares on behalf of another person who resides outside Australia or New Zealand; or
 - (b) you are, or are acting for the account or benefit of, a US Person.
- 2.2 GAS has determined that it is either unlawful or impracticable for holders of Shares with an address in jurisdictions outside Australia and New Zealand to participate in the Offer. The Offer does not constitute an offer of Shares in any jurisdiction other than Australia and New Zealand.
- 2.3 If you are the only registered holder of a holding of Shares, but you receive more than one offer (for example, due to multiple registered holdings), you may only apply in aggregate for one maximum parcel of New Shares.
- 2.4 Joint holders of Shares will be taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification

under Clause 7.1(j) by one joint holder will be effective in respect of the other joint holder(s).

- 2.5 If you are a Custodian for a beneficiary or beneficiaries, you may apply for one maximum parcel of New Shares for each beneficiary (or if you are a Custodian for two or more joint beneficiaries, for each such holding as if it was held by a single person). Further information in relation to how Custodians may apply for New Shares is set out in Clause 7.2.

- 2.6 Directors and employees of GAS who hold Shares may be Eligible Shareholders.

3 Rights are non-renounceable

If you are an Eligible Shareholder, your rights under the Offer are personal to you and are non-renounceable, which means that you cannot transfer your rights to another person.

4 Offer price and price risk

- 4.1 The Offer Price for New Shares is \$0.15 per share, which is at a 16.7% discount to the volume weighted average market closing price over the five ASX trading days immediately preceding the Announcement Date, 3 August 2023, on which GAS shares were traded.

- 4.2 In accordance with the requirements of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, GAS notes that:

- (a) On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.18 per Share. The Issue Price is a 16.7% discount to that closing price.
- (b) The market price of Shares in GAS may rise and fall between the date of the Offer and the date that any Shares are issued to you as a result of your application under the Offer.
- (c) By making an application under this Offer, each Eligible Shareholder will be acknowledging that although the Issue Price is at a discount to the closing price specified above, Shares are a speculative investment and the price of Shares on ASX may change between the date GAS announcing its intention to make the Offer and the date of issue of Shares under that Offer and that the value of the Shares received under the Offer may rise or fall accordingly.

5 Timing

- 5.1 The Offer opens on 14 August 2023 and closes on 28 August 2023, unless extended. GAS proposes to issue New Shares on 1 September 2023 and send written confirmations to shareholders on 4 September 2023.

- 5.2 GAS reserves the right to extend the Offer, or the proposed Issue Date at any time by making an announcement to ASX.

6 Applying for New Shares

- 6.1 The minimum application amount is \$2,500. The maximum investment under the Offer is \$30,000. If you are an Eligible Shareholder, you can apply for New Shares in increments of \$2,500.

- 6.2 The number of New Shares is rounded up to the nearest whole number after dividing the application money received by the Offer Price.

- 6.3 You may not spend more than \$30,000 applying for New Shares in aggregate under the Offer, even though you may receive more than one offer, or offers in more than one capacity, under the Offer.

- 6.4 If you wish to apply for New Shares under the Offer you should either:
- (a) pay directly via BPAY® on the internet or by telephone, using your unique Customer Reference Number and the Biller Coder details on the Application Form (New Zealand based shareholders need to have an appropriate Australian bank account to apply using BPAY).² The Application Form does not need to be returned in this case; or
 - (b) if you are a New Zealand Shareholder or cannot make payment by BPAY® you can pay by EFT. When making an EFT payment please put your SRN/HIN in the reference field otherwise your payment may not be processed. Applications made by EFT will also be required to return their application form to capitalmarkets@linkmarketservices.com.au.
- 6.5 Do not forward cash. Receipts for payment will not be issued.
- 6.6 Funds paid via BPAY or Application Forms (with application payments) must be received by the Share Registry by **5.00 pm (AEST) on 28 August 2023**. GAS may reject applications received after this time. If your funds do not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred.
- 6.7 If your Application Form or application is incomplete, contains errors or is otherwise invalid or defective, GAS may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the close of the Offer. No interest will be paid on any refunded application money.
- 6.8 You cannot withdraw or revoke your application once you have sent in an Application Form or paid via BPAY.

7 Effect of making an application

- 7.1 If you submit a BPAY payment or complete and return the Application Form:
- (a) you will be deemed to have represented and warranted that you are an Eligible Shareholder, you have read and understood these Terms and Conditions and you subscribe for New Shares in accordance with these Terms and Conditions;
 - (b) you authorise GAS to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor details;
 - (c) you acknowledge that the market price of Shares may rise or fall between the date of this offer and the Issue Date and that the Offer Price you pay for the New Shares may exceed the market price of the Shares on the Issue Date;
 - (d) you accept the risk associated with any refund that may be dispatched to you at your address as shown on the share register;
 - (e) you are responsible for any dishonour fees or other costs GAS may incur in relation to payment which is dishonoured;
 - (f) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, the New Shares purchased under the Offer may not be offered, sold

² Applicants should be aware that their own financial institution may implement earlier cut off times with respect to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received in time.

or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;

- (g) you represent and warrant that you are not a US Person, and are not applying under the Offer for or on behalf of a US Person;
- (h) you represent and warrant that you have not and will not send any materials relating to the Offer to any person in the United States that is, or is acting for the account or benefit of, a US Person;
- (i) you acknowledge that you have not been provided with investment advice or financial product advice by GAS or the Share Registry; and
- (j) you certify that you have not applied for, or instructed a Custodian to apply on your behalf for, New Shares with an application price which, when aggregated with the application price for any Shares issued to you or a Custodian on your behalf under the Offer or any similar GAS arrangement in the 12 months prior to your application, exceeds A\$30,000. This certification by one joint holder of Shares will be effective in respect of the other joint holder(s).

7.2 If you are a Custodian, you certify:

- (a) that as at the Record Date, you hold Shares on behalf of one or more beneficiaries, and that those beneficiaries have instructed you to apply for New Shares;
- (b) details of the number of beneficiaries who have instructed you to apply for New Shares on their behalf, their names and addresses, the number of Shares you hold on their behalf and the number of New Shares they have instructed you to apply for are correct;
- (c) you have not applied for New Shares on behalf of any beneficiary with an application price which, when aggregated with the application price for any Shares issued to you on behalf of that beneficiary under the Offer or any similar GAS arrangement in the 12 months prior to your application, exceeds A\$30,000; and
- (d) you are a Custodian (as that term is defined in the Class Order) or a nominee.

7.3 Custodians wishing to participate on behalf of one or more beneficiaries and are uncertain about how to do so should contact the Share Registry to obtain more information on how to apply and the form of certification to be given.

7.4 Please note that if you hold Shares in the capacity of a trustee or a nominee for another person but you do not hold an Australian financial services licence of the kind described in Clause 7.2 above and you are not exempt from the requirement to hold such a licence as described in the Class Order, you cannot participate for beneficiaries in the manner outlined in Clause 7.2 above. In this case, the rules for multiple registered holdings as described in Clause 2.3 apply.

8 Rights attached to the New Shares

8.1 New Shares issued under the Offer will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements as at the Issue Date.

8.2 GAS will apply for the New Shares to be quoted on ASX.

9 Costs of participation

9.1 No commission is payable by GAS on the issue of the New Shares and no brokerage applies.

9.2 In the event of a change in legislation so that at the date of any issue or allotment of New Shares under the Offer, stamp duty or any other tax or duty is payable on those New Shares, the amount of that stamp duty or other tax or duty must be:

- (a) paid by the Eligible Shareholder to whom the New Shares are issued; and
- (b) in respect of each of those New Shares, included in the calculation of the Issue Price.

10 Oversubscriptions and scale back

10.1 GAS reserves the right to close the Offer early, accept applications under the SPP in excess of this amount or to reject or scale back applications in its sole discretion. The aggregate number of New Shares that will be issued under the SPP will not exceed 30% of GAS's issued Shares.

10.2 If applications are scaled back, GAS may in its absolute discretion apply the scale back to the extent and in any manner that it sees fit. If the scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be issued will be rounded down to the nearest whole number of New Shares.

10.3 In the event of a rejection or scale back, the difference between the application monies received, and the number of New Shares issued to you multiplied by the Offer Price, will be refunded by GAS, without interest, following the issue of the New Shares.

11 Shortfall

There will be a shortfall if less than 20,000,000 New Shares are subscribed for by Eligible Shareholders. In this event, and subject to any necessary shareholder approval, the shortfall may be placed to sophisticated, professional and other investors who are exempt from the disclosure requirements under Chapter 6D of the Corporations Act.

12 Refunds

12.1 Refunds pursuant to the Offer may be paid under various circumstances. For example, if applications are made incorrectly the entire payment may be refunded, or if allocations are scaled back a partial refund may be made.

12.2 If a refund is made, payment will be by cheque mailed to your address as shown on the company's share register.

12.3 You will not receive any interest on funds refunded to you.

12.4 Any refund made to you is dispatched at your risk.

13 United States

13.1 Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a US Person. Participation in the Offer, directly or indirectly, in violation of these restrictions is not permitted, and any such participation will be invalid.

13.2 This document is not an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, a US Person. GAS Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or delivered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person, except in accordance with an available exemption from registration.

- 13.3 Because of the legal restrictions summarised above, you must not send copies of any Offer materials to any of your clients (or any other person) in the United States or to any person that is, or is acting for the account or benefit of, a US Person. Consistent with the warranties set out above, you are also advised not to submit any Application Form or make payment by BPAY or otherwise in respect of the purchase of New Shares under the Offer on behalf of any of your clients (or any other person) in the United States or that is, or is acting for the account or benefit of, a US Person. Failure to comply with these restrictions may result in violations of applicable securities laws.

14 New Zealand

- 14.1 The New Shares are not being offered or sold to the public within New Zealand other than to Eligible Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made under the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*.
- 14.2 This Offer has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

15 Taxation

None of GAS, its officers, employees, advisers or agents makes any representations or warranties about, and accepts no responsibility for, the liability of Eligible Shareholders to pay income tax in respect of any issue of New Shares, payment or other transaction under the Offer.

16 Dispute resolution

GAS reserves the right to settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer and the decision of GAS will be conclusive and binding on all shareholders and other persons to whom the determination relates.

17 Waiver, amendment, suspension and termination

- 17.1 GAS may, in its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions or suspend, withdraw or terminate the Offer at any time. Any such waiver, amendment, variation, suspension, withdrawal or termination will be binding on all Eligible Shareholders even where GAS does not notify you of the event.
- 17.2 GAS is not liable for loss, cost or expense arising out of any exercise of its discretions under these Terms and Conditions.

18 ASIC relief

The Offer is made in accordance with the Class Order. The Class Order grants relief from the requirement to prepare a prospectus for the offer of New Shares up to A\$30,000 under the Offer, subject to certain terms and conditions.

19 Governing law

These Terms and Conditions are governed by the laws in force in Queensland and Eligible Shareholders submit to the jurisdiction of the Courts of Queensland in relation to the Offer and all matters pertaining thereto .

20 Binding terms

By accepting the offer to purchase New Shares under the Offer, you agree to be bound by these Terms and Conditions and the constitution of GAS.

21 Reliance on Terms and Conditions

These Terms and Conditions have been prepared in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*, which relates to share purchase plans that do not require a prospectus or disclosure document. Accordingly, the level of disclosure in these Terms and Conditions is considerably less than the level of disclosure required in a prospectus or other disclosure document.

Nothing in these Terms and Conditions constitutes financial or investment advice. In deciding whether or not to participate in the SPP, you should rely on your own knowledge of GAS, refer to disclosures made by GAS to ASX (which are available for inspection on ASX's website at www.asx.com.au and on GAS website at stategas.com and seek the advice of your professional adviser.

22 Risk

Subscription under the Plan is a speculative investment and the market price of Shares may change between the date of the Offer, the date you apply for Shares and the date of issue of Shares to you. Accordingly, the value of Shares applied for may rise or fall.

This Offer is not a prospectus and does not require the types of disclosures required under the Corporations Act. You must rely on your own knowledge of the Company, previous disclosures made by the Company to ASX and, if necessary, consult your professional adviser when deciding whether or not to accept the Offer and participate in the Plan.

23 Privacy Notification

GAS and the Registry value your privacy and will take reasonable steps to protect your personal information in accordance with applicable data privacy laws and regulations. Note, however, that GAS and the Registry are located primarily in Australia and data privacy laws may be less strict in Australia than those of the country in which you reside when you receive this Offer.

This privacy statement sets out how information about you will be collected, held, used and disclosed to and accessed by third parties during your participation in the SPP and while you hold Shares.

GAS and the Registry are bound by the *Privacy Act 1988* (Cth) in relation to the collection, use and disclosure of any personal information about you. Chapter 2C of the Corporations Act requires personal information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. If we are unable to collect this personal information about you, you will be unable to participate in the SPP. This personal information must continue to be included in the public register if you cease to be a shareholder.

24 Definitions

In this document the following terms have these meanings:

Definition	Meaning
AEST	Australian Eastern Standard Time.
Application Form	The application form which accompanies this Share Purchase Plan Offer.
ASIC	The Australian Securities and Investments Commission.

Definition	Meaning
ASX	ASX Limited or the Australian Securities Exchange, as the context requires.
Class Order	ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Custodian	The meaning given in the Class Order.
Eligible Shareholder	A person who is eligible to participate in the Offer in accordance with Section 2 of the Terms and Conditions.
GAS	State Gas Limited ACN 617 322 488
Issue Date	The date the New Shares are issued, expected to be 1 September 2023
New Shares	The Shares offered in the Share Purchase Plan Offer.
Offer	The offer of New Shares in the Share Purchase Plan Offer.
Offer Price	A\$0.15 per New Share.
Record Date	7pm (AEST), 7 August 2023
Share Purchase Plan Offer	This document.
Share Registry	Link Market Services Limited
Shares	Fully paid ordinary shares in GAS.
Share Purchase Plan	The Share Purchase Plan referred to in this document.
Terms and Conditions	The terms and conditions of the Offer set out in Section 3 of this Share Purchase Plan Offer.
US Person	A “U.S. person” as defined in <i>Regulation S</i> under the <i>US Securities Act of 1933</i> .
US Securities Act	<i>US Securities Act of 1933</i> .