



STATE GAS LIMITED
ACN 617 322 488

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

Date of meeting: 21 January 2026

Time of meeting: 10AM AEST

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 7.00pm (AEDT) on 19 January 2026.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 439 310 818.

BUSINESS OF THE GENERAL MEETING

Notice is given that a general Meeting of Shareholders of State Gas Limited ACN 617 322 488 (**Company**) will be held at HWL Ebsworth Lawyers, Level 19, 480 Queen Street, Brisbane on 21 January 2026 at 10:00am (AEST).

Terms used in this Notice of Meeting are defined in the Glossary forming part of the Explanatory Statement. The Explanatory Statement and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

A copy of this Notice and the Explanatory Statement which accompanies this Notice has been lodged with the Australian Securities & Investments Commission (**ASIC**) in accordance with Section 218 of the Corporations Act.

ORDINARY BUSINESS

Resolution 1 - Approval of the issue of Convertible Notes to Investors

To consider and, if thought fit, pass the following Resolution with or without amendment, as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 200 Notes on the terms and conditions set out in the Explanatory Statement."

Resolution 2 - Approval of the issue of Options to Investors

To consider and, if thought fit, pass the following Resolution with or without amendment, as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 83,333,400 Attaching Options on the terms and conditions set out in the Explanatory Statement."

Resolution 3 - Approval of the issue of Options to Lead Manager

To consider and, if thought fit, pass the following Resolution with or without amendment, as an ordinary resolution:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 9,600,000 Lead Manager Options to Ignite Equity Pty Ltd on the terms and conditions set out in the Explanatory Statement."

Resolution 4 - Approval of the issue of Notes and Attaching Options to a Related Party - Mr Philip St Baker

To consider and, if thought fit, pass the following Resolution with or without amendment, as an ordinary resolution:

"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to:

- (a) 13 Convertible Notes; and
- (b) 5,416,671 Attaching Options,

to Mr Phil St Baker, on the terms and conditions set out in the Explanatory Statement."

Resolution 5 - Approval of the issue of Notes and Attaching Options to a Related Party - Mr Greg Baynton

To consider and, if thought fit, pass the following Resolution with or without amendment, as an ordinary resolution:

"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to:

- (a) 3 Convertible Notes; and*
- (b) 1,250,001 Attaching Options,*

to Mr Greg Baynton, on the terms and conditions set out in the Explanatory Statement."

Resolution 6 - Approval of the issue of Notes and Attaching Options to a Related Party - Mr Tony Bellas

To consider and, if thought fit, pass the following Resolution with or without amendment, as an ordinary resolution:

"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to:

- (a) 2 Convertible Notes; and*
- (b) 833,334 Attaching Options,*

to Mr Tony Bellas, on the terms and conditions set out in the Explanatory Statement."

Resolution 7 - Approval of the issue of Notes and Attaching Options to a Related Party - Mr Jon Stretch

To consider and, if thought fit, pass the following Resolution with or without amendment, as an ordinary resolution:

"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to:

- (a) 2 Convertible Notes; and*
- (b) 833,334 Attaching Options,*

to Mr Jon Stretch, on the terms and conditions set out in the Explanatory Statement."

VOTING EXCLUSION STATEMENTS

The Company will disregard any votes cast in favour of:	
Resolution 1 Resolution 2 Resolution 3	by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue or their associates, (except a benefit solely by reason of being a holder of ordinary securities in the Company).
Resolution 4	by Mr Philip St Baker , and any other person who will obtain a material benefit as a result of the issue of the securities, or their associates (except a benefit solely by reason of being a holder of ordinary securities in the Company).
Resolution 5	by Mr Greg Baynton, and any other person who will obtain a material benefit as a result of the issue of the securities, or their associates (except a benefit solely by reason of being a holder of ordinary securities in the Company).
Resolution 6	by Mr Tony Bella, and any other person who will obtain a material benefit as a result of the issue of the securities, or their associates (except a benefit solely by reason of being a holder of ordinary securities in the Company).
Resolution 7	by Mr Jon Stretch, and any other person who will obtain a material benefit as a result of the issue of the securities, or their associates (except a benefit solely by reason of being a holder of ordinary securities in the Company).
However, this does not apply to a vote cast in favour of a resolution by: (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met: (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.	

IMPORTANT INFORMATION ABOUT VOTING ON THE RESOLUTIONS

All Resolutions will be by Poll

In accordance with clause 15.13 of the Company's constitution, the Chair intends to call a poll on each of the resolutions proposed at the Meeting. Each resolution considered at the Meeting will therefore be conducted by a poll, rather than on a show of hands. The Chair considers voting by poll to be in the interests of the Shareholders as a whole and is a way to ensure the views of as many Shareholders as possible are represented at the Meeting.

Pre-registration for remote attendance via Teams

The Company is holding an in-person meeting at the address indicated. However, Shareholders also have the option to attend (but not vote at) the Meeting virtually. The Meeting will be accessible to all Shareholders via videoconference on Teams, an online platform which will allow Shareholders to listen to and observe the Meeting, but not vote virtually at the Meeting.

If you are a Shareholder and you wish to attend the Meeting virtually, you will need to pre-register for the Meeting by emailing the Chief Financial Officer and Company Secretary at suzanne.yeates@oasolutions.com.au before 5:00pm (AEST) on 20 January 2026. Shareholders pre-registering prior to the Meeting will be emailed an electronic Teams invitation.

How to vote

Shareholders may vote by:

- (a) Attending the Meeting and voting in person at the Meeting.

- (b) Appointing a proxy to attend and vote on their behalf, using the enclosed proxy form completed and returned to the Company in accordance with the instructions below.

Voting by proxy

A member who is entitled to vote at the Meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; or
- (b) two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded.

A proxy need not be a member of the Company.

If you require an additional proxy form, please contact the Share Registry, MUFG Corporate Markets (AU) Limited, on 1300 554 474, which will supply it on request.

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, no later than 18 November 2025 at 3:00pm (AEST) (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted. Instructions for completing the proxy form are outlined on the form, which may be returned by:

- (a) posting it in the reply-paid envelope provided;
- (b) posting it to State Gas Limited C/- MUFG Corporate Markets (AU) Limited, Locked Bag A14, Sydney South NSW 1235;
- (c) hand delivering it to MUFG Corporate Markets (AU) Limited, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150;
- (d) faxing it to MUFG Corporate Markets on fax number (02) 9287 0309;
- (e) lodging it online at <https://au.investorcentre.mpms.mufg.com> in accordance with the instructions provided on the website. You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) to lodge your proxy form online.

Proxies given by corporate Shareholders must be executed in accordance with their Constitutions or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he or she thinks fit.

The Constitution provides that a proxy form issued by the Company may provide that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be given in favour of the Chair of the meeting who may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the secretary.

If a Shareholder appoints the Chair of the meeting as the Shareholder's proxy and does not specify how the Chair is to vote on an item of business, the Chair will vote, as a proxy for that Shareholder, in favour of the item on a poll.

Dated: 23 December 2025

By order of the Board
Phillip St Baker
Chairman

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions to be put to Shareholders at the General Meeting to be held online (see further details in the Notice of Meeting) and at HWL Ebsworth Lawyers, Level 19, 480 Queen Street, Brisbane on 21 January 2026 at 10:00am (AEST).

The Notice of Meeting, which is also enclosed, sets out details of proposals concerning the Resolutions to be put to Shareholders.

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Statement in full before making any decision in relation to the Resolutions.

Unless otherwise defined, terms used in this Explanatory Statement are defined in the Glossary forming part of this Explanatory Statement.

1. Background to all Resolutions

1.1 Convertible Notes

On 8 December 2025, the Company announced to ASX that it had received firm commitments to raise \$3.2 million before costs from sophisticated and professional investors through the issue of convertible notes (**Notes**) subject to shareholder approval. The Company has entered into a Convertible Note Deed Poll pursuant to the capital raising in that announcement, on the following terms:

Summary of key terms

- (a) The Notes are unsecured convertible notes that may be converted into shares as described below, each having an issue price (face value) of \$25,000 and a term of 30 months (**Maturity Date**).
- (b) If converted at the request of any investor at any time during the term:
 - (i) if converted within 16 weeks of the receipt of funds, \$0.04; or
 - (ii) the Conversion Date is more than 16 weeks of the receipt of funds, the lower of \$0.04 and the amount equal to a 20% discount to the VWAP of the Company's Shares traded on the ASX in the 15 trading days prior to the conversion date (being 3 business days after the Company receives a conversion notice from the investor).
- (c) The Company also has an election to require conversion of the Notes in the following circumstances:
 - (i) If, at any time prior to the Maturity Date, the Company's Shares trade on the ASX above \$0.10 for a minimum of 10 consecutive trading days (**Price Period**), with an average daily trading volume of at least \$50,000 across those days, the Company may (at its sole discretion) within 14 days of the end of the Price Period, elect to Convert some or all Notes on issue and in that event, the conversion price is the lower of \$0.04 and the amount equal to a 20% discount to the VWAP of the Company's Shares traded on the ASX in the 15 trading days prior to the Conversion Date (being not more than 14 days after the Price Period; or
 - (ii) Upon the occurrence of a Change of Control, the Company will Convert all the notes on issue no later than 7 days of a Change in Control (a bidder acquiring a relevant interest in 90% or more of the Company's voting shares or a scheme of arrangement receives the required court approval), at a conversion price of the lower of \$0.04 and the price per Share offered under the transaction giving rise to the change of control.
- (d) In lieu of interest, the Company will issue a total of 83,333,400 Options (**Attaching Options**) pro rata to the convertible note investors. The Attaching Options are exercisable at \$0.05

each and expire on the date that is 30 months after receipt of subscription funds. Their detailed terms are set out in Schedule 1. This is the subject of Resolution 2.

- (e) The notes are not redeemable at the instance of the investor before the maturity date, but the Company may, at its election, redeem (by repayment in cash) some or all of the notes early by:
 - (i) Paying the investor an amount equal to Aggregate Face Value of the Notes being Redeemed plus 20% (**Early Redemption Value**); and
 - (ii) Issuing new Attaching Options to the Investor equal to the number issued when the notes were issued.
- (f) Each of the Directors of the Company, have agreed to participate in the Note issue to an aggregate \$500,000, by setting off part of the balances of loans owed by the Company to each of them. This is the subject of Resolution 5.
- (g) The Deed Poll contains typical administrative clauses, indemnities and warranties, including an undertaking by the Company to consult with the Lead Manager before agreeing to sell any material assets and to redeem the notes upon an event of default, being primarily a failure to pay any amount in relation to a note, when due or the Company becoming insolvent.
- (h) Upon any reorganisation of the Company's capital, (**Reorganisation Event**) the number of Shares into which notes convert will be adjusted in accordance with all applicable laws so that the investor will not receive a benefit that the holders of Shares do not receive as a consequence of the Reorganisation Event, and vice versa, and otherwise in accordance with the ASX Listing Rules.
- (i) Under the notes, investors do not receive any voting rights (except as implied by the Corporations Act) or any right to participate in new issues of securities except in relation to notes that are converted before the record date of any equity issue.
- (j) The Company is able to elect to receive some or all of the underlying funds as a loan pending receipt of shareholder approval. The issue of the convertible notes and options is to occur shortly after receipt of shareholder approval is obtained. If shareholder approval is not obtained, any funds received by the Company in the interim is repayable with interest at the rate of 7% from the date of receipt until the date of repayment.

Conversion price has no floor after 16 weeks

There is no floor on the conversion price as from the date that is later than 16 weeks from receipt of funds by the Company.

As stated above, from that date, the conversion price is a 20% discount to the 15-business day VWAP of Shares on ASX prior to conversion. In other words, the number of Shares issued on conversion of the Notes is not fixed, but is instead based on the future trading price of Shares on ASX.

This means that the issue of the Notes could end up being highly dilutive to Shareholders if the market price of Shares on the ASX falls substantially over the period through to the date when they are converted. To illustrate this, the following table sets out the number of Shares that will be issued on conversion of the 200 of Convertible Notes having regard to 3 different share price examples. These are merely examples, and different possible outcomes may arise.

15 Business Day VWAP of Shares on ASX Prior to Conversion	Conversion Price (20% discount to 15-day VWAP)	Number of Shares to be issued on Conversion of each Note	Maximum aggregate new Shares based on all 200 Notes	Total Shares on Issue after conversion of all 200 Notes*	Maximum Dilution
\$0.04	\$0.0320	781,250	156,250,000	549,100,869	28.46%
\$0.03	\$0.0240	1,041,667	187,500,000	580,350,869	32.31%
\$0.02	\$0.0160	1,562,500	281,250,000	674,100,869	41.72%
\$0.01	\$0.0080	3,125,000	562,500,000	955,350,869	58.88%

*Based on 392,850,869 shares on issue (undiluted) and assuming no other new shares are issued or convertible securities converted

1.2 Lead Manager Mandate

State Gas Limited has entered into a Capital Raising Mandate (**Mandate**) with Ignite Equity Pty Ltd (**Lead Manager**), dated 1 December 2025, to raise a minimum of \$2.5 million through the issue of convertible notes.

Key terms of the Mandate are summarised below:

- (a) **Fees:** The following fees are payable by the Company to the Lead Manager:
 - (i) 6% cash fee on total funds raised; and
 - (ii) 300,000 broker options per \$100,000 raised (exercise price \$0.05, expiry 30 months from issue) (equating to 9,600,000 Lead Manager Options in total)
- (b) **Right of refusal:** The Lead Manager has a right of first refusal to act as Lead Manager for the next capital raising within 6 months post-funding and a first right to cornerstone the next capital raising between 6–12 months, post-funding.
- (c) **Conditions:** The Mandate includes industry standard terms, including confidentiality, intellectual property and liability limitations.

Pursuant to the Mandate, the Company will, subject to Shareholder approval, issue 9,600,000 Options (**Lead Manager Options**) to the Lead Manager on the same terms as set out above. These Lead Manager Options:

- (a) have the same terms of issue as the Attaching Options; and
- (b) are the subject of Resolution 3.

2. Resolution 1 - Approval of the issue of Convertible Notes to Investors

2.1 Background

The context for the issue of the Notes is set out in Section 1.1.

2.2 ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Notes will not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 1 seeks Shareholder approval to issue the Notes to investors identified and introduced by the Lead Manager under and for the purposes of Listing Rule 7.1.

If Resolution 1 is passed, the Company will issue the Notes and have the means to pursue its current objectives in relation to the Rolleston West Project, without using up its then available Listing Rule 7.1 placement capacity.

If Resolution 1 is not passed, the Company will not issue the Notes and will reconsider means of funding its objectives and operations. If the Resolution is not passed, the Company will not be able to issue the Convertible Notes and any loan funds received by the Company in the interim is repayable within 4 months following the date of the Meeting with interest at the rate of 7% from the date of receipt until the date of repayment.

2.3 Technical information required by ASX Listing Rules 7.3

Pursuant to and in accordance with ASX Listing Rules 7.3, the following information is provided in relation to the Notes:

Name of persons to whom the Notes will be issued or the basis upon which they were identified or selected	The Notes will be issued to sophisticated and institutional investors who are identified and introduced from the network of the Lead Manager. None of the investors are persons in respect of whom the Company would require Shareholder approval under Listing Rule 10.11 for the issue.
Number of Notes to be issued	Up to 200 Notes
Summary of the material terms of the Notes	The material terms of the Notes are summarised in Section 1.1
Date of issue of the Notes	No later than 3 months from the date of the Meeting.
Issue price of Notes	\$25,000 per Note
Purpose of the issue of the Notes	The Convertible Notes were offered to raise capital to fund, in relation to the Company's Rolleston West project: (a) internal resources (internal engineer and internal field resource) to support field development plans (b) third party costs of gas processing plant and pipeline connection concept studies (c) third party consultants and advisors to support the application for permanent production tenure including the commencement of baseline environmental studies, as well as corporate overheads, transaction legal costs and working capital associated with the wider State Gas business.
Summary of associated agreement	Key terms of the Deed Poll are summarised in Section 1.1.
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting.

11.4 Directors' recommendation

The Directors, none of whom has an interest in the subject matter of Resolution 1, unanimously recommend that Shareholders vote in favour of Resolution 1, as the Company will thereby be positioned to pursue its goals relating to the Rolleston West Project and fund its corporate overhead costs.

3. Resolution 2 - Approval of the issue of Attaching Options to Investors

3.1 Background

The context for the issue of the Attaching Options is set out in Section 1.1.

3.2 ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Attaching Options will not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 2 seeks Shareholder approval to issue the Attaching Options to investors identified and introduced by the Lead Manager under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Company will issue the Attaching Options and have the means to pursue its current objectives in relation to the Rolleston West Project, without using up its then available Listing Rule 7.1 placement capacity.

If Resolution 2 is not passed, the Company will not issue the Attaching Options and will reconsider means of funding its objectives and operations.

3.3 Technical information required by ASX Listing Rules 7.3

Pursuant to and in accordance with ASX Listing Rules 7.3, the following information is provided in relation to the Attaching Options:

Name of persons to whom the Attaching Options will be issued or the basis upon which they were identified or selected	The Attaching Options will be issued to sophisticated and institutional investors who are identified and introduced from the network of the Lead Manager. None of the investors are persons in respect of whom the Company would require Shareholder approval under Listing Rule 10.11 for the issue.
Number of Attaching Options to be issued	Up to 83,333,400 Attaching Options
Summary of the material terms of the Attaching Options	The terms of issue of the Attaching Options are set out in Schedule 1.
Date of issue of the Attaching Options	No later than 3 months from the date of the Meeting.
Issue price of Attaching Options	The Attaching Options will be issued for nil consideration.
Purpose of the issue of the Attaching Options	The Attaching Options were offered in lieu of interest on the Notes.
Summary of associated agreement	Key terms of the Convertible Note Deed Poll are summarised in Section 1.1.
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting.

3.4 Directors' recommendation

The Directors, none of whom has an interest in the subject matter of Resolution 2, unanimously recommend that Shareholders vote in favour of Resolution 2, as the Company will thereby be positioned to pursue its goals relating to the Rolleston West Project and fund its corporate overhead costs.

4. Resolution 3 - Approval of the issue of Lead Manager Options

4.1 Background

The context for the issue of the Lead Manager Options is set out in Sections 1.1 and 1.2.

4.2 ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Lead Manager Options will not fall within any of these exceptions and exceed the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 3 seeks Shareholder approval to issue the Lead Manager Options to the Lead Manager as consideration for its services under the Mandate, under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, the Company will issue the Lead Manager Options as required by the Mandate without using up its then available Listing Rule 7.1 placement capacity.

If Resolution 3 is not passed, the Company will not issue the Lead Manager Options as required by the Mandate and will have to negotiate with the Lead Manager to compensate it in cash instead.

4.3 Technical information required by ASX Listing Rules 7.3

Pursuant to and in accordance with ASX Listing Rules 7.3, the following information is provided in relation to the Lead Manager Options:

Name of persons to whom the Lead Manager Options will be issued or the basis upon which they were identified or selected	The Lead Manager Options will be issued to Ignite Equity Pty Ltd (Lead Manager), who is not a person in respect of whom the Company would require Shareholder approval under Listing Rule 10.11 for the issue.
Number of Lead Manager Options to be issued	Up to 9,600,000 Lead Manager Options
Summary of the material terms of the Lead Manager Options	The terms of issue of the Lead Manager Options are set out in Schedule 1.
Date of issue of the Lead Manager Options	No later than 3 months from the date of the Meeting.
Issue price of Lead Manager Options	The Lead Manager Options will be issued for nil cash consideration.
Purpose of the issue of the Lead Manager Options	The Lead Manager Options were offered as part consideration for the services provided by the Lead Manager under the Mandate.
Summary of associated agreement	Key terms of the Mandate are summarised in Section 0.
Voting exclusion	A voting exclusion statement is set out in the Notice of Meeting.

4.4 Directors' recommendation

The Directors, none of whom has an interest in the subject matter of Resolution 3, unanimously recommend that Shareholders vote in favour of Resolution 3, as the Company will thereby avoid having to pay additional cash consideration to the Lead Manager under the Mandate.

5. Resolution 4, Resolution 5, Resolution 6 and Resolution 7

5.1 Background

Section 1.1 set out the background to these Resolutions.

As stated, the abovementioned Directors have elected to participate in the Note issue by applying the balances of loans owed to them by the Company.

In relation to the Directors, each of the Directors had loan balances owing to him on 30 November 2025 that each has agreed with the Company will be applied in subscription for the Notes, as follows:

Director	Loan Balanced owed by GAS	Applied to Note Subscription
Phil St Baker	\$1,052,354.91	\$325,000
Greg Baynton	\$378,565.71	\$75,000
Tony Bellas	\$406,685.45	\$50,000
Jon Stretch	\$633,328.16	\$50,000
TOTAL	\$2,470,934.23	\$500,000

Each of Resolution 4, Resolution 5, Resolution 6 and Resolution 7 respectively seeks approval for the issue (in each case and collectively, **Issue**) of Notes and Attaching Options to the Director concerned or the nominee of that Director (each, a **Related Party Participant**).

5.2 Section 195(4) of the Corporations Act

Each of the Directors has a material personal interest in the outcome of Resolutions 4-7 (as applicable to each Director) in this Notice of Meeting by virtue of the fact that those Resolutions are concerned with the issue of Convertible Notes and Attaching Options to Directors.

Section 195 of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a material personal interest are being considered.

In the absence of Shareholder approval under section 195(4) of the Corporations Act, the Directors may not be able to form a quorum at a Board meeting necessary to carry out the terms of these Resolutions. The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the Issue to Shareholders to determine, pursuant to Resolutions 4-7 of this Notice.

5.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the prohibition; or
- (b) the company's members approve the giving of the financial benefit in accordance with the Corporations Act.

'Related party' is widely defined under the Corporations Act and includes directors of a company. 'Financial benefit' is also defined broadly and includes benefits from the public company's subsidiaries. It is necessary to look at the economic and commercial substance and the effect of the transaction in determining the financial benefit. The Corporations Act requires that any consideration that is given is disregarded in determining whether a financial benefit is given, even if the consideration is adequate.

Each Issue will result in the issue of Notes and Attaching Options (which constitutes the giving of a financial benefit by the Company) to the Related Party Participants, each of whom is a related party of the Company by virtue of being a Director (or in the case of a Related Party Participant that is a nominee of a Director, by virtue of that nominee being controlled by the Director).

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of each Issue because the Notes and Attaching Options will be issued to the Related Party Participant at the same price and on the same terms as the Notes and Attaching Options that are being issued to non-related party investors under the same capital raising and as such, the giving of the financial benefit is on arm's length terms.

As a financial benefit given on arm's length terms is one of the exceptions contemplated in paragraph (a) above, the approval of Shareholders contemplated in the explanation above is not required.

5.4 ASX Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) Listing Rule 10.11.1 - a related party;
- (b) Listing Rule 10.11.2 - person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) Listing Rule 10.11.3 - a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) Listing Rule 10.11.4 - an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) Listing Rule 10.11.5 - a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. each Resolution 4, Resolution 5, Resolution 6 and Resolution 7 therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

If each of Resolution 4, Resolution 5, Resolution 6 and Resolution 7 is passed, the Company will be able to proceed with the issue of the Notes and Attaching Options to the Related Party Participant the subject of the Resolution passed, within 1 month after the date of the Meeting. In these circumstances, by operation of Listing Rule 7.2 Exception 14, each Issue to the Related Party Participants will not be included for the purposes of the calculation of the Company's 15% placement capacity in respect of its Equity Securities.

If any of Resolution 4, Resolution 5, Resolution 6 and Resolution 7 is not passed, the Company will not be able to proceed with the Issue to the Related Party Participant in respect of whom the relevant Resolution was not passed, and the Company will not correspondingly reduce the balances of the loans owed by it to the relevant Related Party Participants.

Each of Resolution 4, Resolution 5, Resolution 6 and Resolution 7 is not conditional upon the approval of each other Resolution being obtained. If approval is obtained for some but not all of each of Resolution 4, Resolution 5, Resolution 6 and Resolution 7, the Company may proceed with the Issue to the Related Party Participants for whom the relevant Resolution was approved by Shareholders, but not those whose Resolutions were not approved.

5.5 Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to each Issue:

Name of person to whom securities will be issued	<ul style="list-style-type: none">• Resolution 4: Mr Phil St Baker• Resolution 5: Mr Greg Baynton• Resolution 6: Mr Tony Bellas• Resolution 7: Mr Jon Stretch
Which category in Listing Rules 10.11.1–10.11.5 the person falls within and why	Each of Mr St Baker, Mr Baynton, Mr Bellas and Mr Stretch is a Director and therefore falls within Listing Rule 10.11.1.

Number and class of securities to be issued	<ul style="list-style-type: none"> • Resolution 4: Mr Phil St Baker: 13 Notes and 5,416,671 Attaching Options • Resolution 5: Mr Greg Baynton: 3 Notes and 1,250,001 Attaching Options • Resolution 6: Mr Tony Bellas: 2 Notes and 833,334 Attaching Options • Resolution 7: Mr Jon Stretch: 2 Notes and 833,334 Attaching Options
Summary of the material terms of the Notes and Attaching Options	<p>The material terms of the Notes are summarised in Section 1.1. The terms of issue of the Attaching Options are set out in Schedule 1.</p> <p>Shares issued on conversion of the Notes or exercise of the Attaching Options will rank <i>pari passu</i> with the Company's other Shares on issue at the time.</p>
Date of issue	The Notes and Attaching Options will be issued within 1 month of the Meeting, if approved by Shareholders.
Issue Price	<p>\$25,000 per Note, although as set out in Section 5.1, subscriptions for the Related Party Participants will not be for cash, but rather the subscription amounts applied to reduce the balance of loans the Company owes to each Director.</p> <p>The Attaching Options are issued for nil consideration.</p>
Purpose of the issue	<p>Each Issue forms part of the capital raising described in Section 1.1, to raise capital to fund, in relation to the Company's Rolleston West project:</p> <ul style="list-style-type: none"> (a) internal resources (internal engineer and internal field resource) to support field development plans (b) third party costs of gas processing plant and pipeline connection concept studies (c) third party consultants and advisors to support the application for permanent production tenure including the commencement of baseline environmental studies, <p>as well as corporate overheads, transaction legal costs and working capital associated with the wider State Gas business.</p> <p>While the issue of these Notes and Attaching Options formed part of the capital raising for the above purposes, the Notes and attaching Options are issued for the purpose of reducing the loan balances owed to each of the Related Party Participants in a way that simplifies the Company's balance sheet.</p>
Material terms of agreement	Section 1.1 set out the key terms of the Convertible Note Deed Poll pursuant to which the Notes are offered. See also Section 5.1 about the agreement to apply Director loan balances to subscribe for the Notes.
Voting exclusion	Voting exclusion statements in relation to these Resolutions are set out in the Notice of Meeting.

5.6 Directors' Recommendation

Since each of the Directors is personally interested in the outcomes of these Resolutions, they refrain from making any recommendation.

6. GLOSSARY

AEST means Australian Eastern Standard Time

ASIC means the Australian Securities and Investments Commission.

Associate is defined in the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Wednesday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chairman means the chair of the Meeting.

Company means State Gas Limited ACN 617 322 488.

Constitution means the constitution of the Company.

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

General Meeting or **Meeting** means the General Meeting of the Company convened by this Notice of Meeting.

Lead Manager means Ignite Equity Pty Ltd.

Notes is defined in Section 1.1.

Notice or **Notice of Meeting** means this Notice of the General Meeting including the Explanatory Statement and Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a numbered section of this Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Schedule 1 **Terms of Attaching Options and Lead Manager Options**

(a) **Consideration for grant**

Attaching Options and Lead Manager Options (collectively, **Options**) are issued for nil consideration.

(b) **Exercise Price**

The exercise price of each Option is \$0.05.

(c) **Expiry**

The Options will expire on the date that is 30 months from the Issue Date (as defined in this Deed).

(d) **Entitlement**

Each Option entitles the holder to subscribe for one fully paid Share upon exercise of the Option and payment of the exercise price prior to the expiry date.

(e) **Terms of Exercise**

Options may be exercised only once by:

- (i) delivering to the Company before 5pm (AEST) on the expiry date the application for Shares on exercise of Options duly executed by the Option holder specifying the number of Options being exercised (**Relevant Number**) (**Notice of Exercise**); and
- (ii) payment to the Company by electronic funds transfer of an amount equal to the exercise price multiplied by the number of Options being exercised (**Settlement Price**).

A Notice of Exercise is irrevocable once given and is in the form obtainable from the Company's Share Registry.

(f) **Issue of Shares**

The Company must within 5 business days after the receipt by it of the last of the documents referred to in Section (e) and subject to the receipt by the Company of the Settlement Price:

- (i) issue to the Option holder the Relevant Number of Shares; and
- (ii) issue, or cause to be issued, to the Option holder a holding statement for the Relevant Number of Shares.

(g) **Ranking of Shares upon exercise of Options**

The Shares issued pursuant to the exercise of the Options will be issued as fully paid. Any Shares issued to the Option holder as a result of the exercise of an Option will rank pari passu in all respects with all other Shares then on issue. Shares issued upon the exercise of Options will only carry an entitlement to receive a dividend if they were issued before the record date for that dividend.

(h) **Rights to participate**

There are no participation rights or entitlements inherent in the Options and an Option holder will not be entitled to participate in new issues of capital offered to holders of Shares without exercising the Options before the record date for determining entitlements to the new issue of capital.

(i) **Quotation**

The Options will not be quoted unless the Company elects otherwise at any time before the expiry date. At the time any Shares are issued upon the exercise of an Option, the Company will apply to ASX for official quotation of the Shares as soon as practicable, and in any event within 2 business days after the date that the Shares are issued.

(j) **Capital reorganisation**

If, before exercise or expiry of the Options, the Company implements a reorganisation of its capital:

- (i) all rights of the Option holder are to be changed in a manner consistent with the ASX Listing Rules at the time of the reconstruction;
- (ii) the Company must notify the Option holder of any proposed variation to the terms of Options no less than 5 “business days” (as defined in the ASX Listing Rules) prior to the date of variation; and
- (iii) the Company must provide confirmation to the Option holder immediately after the date of variation that the terms of the Options have been varied as proposed.

(k) **Bonus issues**

A holder of Options does not have the right to participate in “bonus issues” (as defined in the ASX Listing Rules) or new issues of securities offered to Shareholders until Shares are allotted to the holder of the Options pursuant to the exercise of the Options. If there is a bonus issue to holders of Shares, the number of Shares over which an Option is exercisable is increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

(l) **Voting**

Holders of Options will have no voting rights until the Options are exercised and Shares issued upon exercise of those Options in accordance with the ASX Listing Rules.

(m) **Dividends**

Holders of Options will have no rights to dividends until the Options are exercised and Shares issued upon exercise of those Options in accordance with the ASX Listing Rules.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws and consent of the Company, which may be given or withheld at its sole discretion.

(o) **Variation**

Subject to the ASX Listing Rules and applicable law, the terms of the Options may be amended by a special resolution of the Company's Shareholders, provided that such amendment is procedural in nature and does not prejudice the Option holder.

(p) **Registered holders**

The Company is entitled to treat the holder of an Option as the absolute holder of that Option and is not bound to recognise any equitable or other claim to, or interest in, that Option on the part of any person other than the holder, except as ordered by a court of competent jurisdiction or as required by statute.

LODGE YOUR VOTE



ONLINE

<https://au.investorcentre.mpms.mufg.com>



BY MAIL

State Gas Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

MUFG Corporate Markets (AU) Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of State Gas Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am (AEST) on Wednesday, 21 January 2026 at HWL Ebsworth, Level 19, 480 Queen Street, Brisbane (the Meeting)** and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

Resolutions

1 Approval of the issue of Convertible Notes to Investors

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Approval of the issue of Options to Investors

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Approval of the issue of Options to Lead Manager

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Approval of the issue of Notes and Attaching Options to a Related Party - Mr Philip St Baker

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5 Approval of the issue of Notes and Attaching Options to a Related Party - Mr Greg Baynton

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Approval of the issue of Notes and Attaching Options to a Related Party - Mr Tony Bellas

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

7 Approval of the issue of Notes and Attaching Options to a Related Party - Mr Jon Stretch

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as they choose. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be received at support@cm.mpms.mufg.com prior to admission in accordance with the Notice of General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.mpms.mufg.com/en/mufg-corporate-markets.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEST) on Monday, 19 January 2026**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

<https://au.investorcentre.mpms.mufg.com>

Login to the Investor Centre using the holding details as shown on the Voting/Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your vote by scanning the QR code adjacent or enter the voting link

<https://au.investorcentre.mpms.mufg.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

State Gas Limited
C/- MUFG Corporate Markets (AU) Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to MUFG Corporate Markets (AU) Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**