



State Gas Limited  
ACN 617 322 488  
PO Box 10348  
BRISBANE QLD 4000

9 February 2026

The Manager  
Market Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

## **State Gas Limited (ASX:GAS) - Notice under section 708A(12C)(e) of the Corporations Act 2001 (Cth)**

This notice is given by State Gas Limited ACN 617 322 488 (**Company**).

Neither the Australian Securities and Investments Commission (ASIC) nor ASX Limited or its subsidiaries (ASX) take responsibility for the contents of this Cleansing Notice.

This cleansing notice (**Cleansing Notice**) is given by the Company under section 708A(12C)(e) of the *Corporations Act 2001 (Cth)* (**Corporations Act**) as amended by *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Securities) Instrument 2016/82*.

The Company hereby confirms that:

- (a) the convertible notes described below were issued without disclosure to an investor under Part 6D.2 of the Corporations Act;
- (b) this Cleansing Notice has been given in accordance with section 708A(12C)(e) of the Corporations Act for the Notes;
- (c) as at the date of this Cleansing Notice, the Company has complied with:
  - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - (ii) section 674 and 674A of the Corporations Act; and
- (d) as at the date of this Cleansing Notice, there is no information that is "excluded information" within the meaning of Sections 708A(7) and 708A(8) of the Corporations Act.

The issue of this Cleansing Notice enables the fully paid ordinary shares in the capital of the Company (**Shares**) issued on the conversion of the convertible notes, as referred to further below, to be on-sold to retail investors without further disclosure.

### **1. Background**

As announced on 8 December 2025, the Company received commitments from sophisticated investors to subscribe for Notes (**Notes**) with an aggregate face value of \$3,700,000 (**Note Issue**), subject to shareholder approval under listing rules 7.1 and 10.11. Those shareholder approvals were obtained on 21 January 2026

Under the Convertible Note Deed Poll (**Note Deed Poll**) pursuant to which the Notes are being issued, the Company has issued 148 Notes with an aggregate face value of \$3,700,000 (**Face Value**).

## 2. Contents of this Cleansing Notice

This Cleansing Notice sets out the following:

- (a) the effect of the issue of the Notes on the Company;
- (b) a summary of the rights and liabilities attaching to the Notes;
- (c) a summary of the rights and liabilities attaching to the Shares that will be issued on the conversion of the Notes;
- (d) any information that:
  - (i) has been excluded from continuous disclosing notices in accordance with the Listing Rules; and
  - (ii) is reasonably required by investors and their professional advisers to make an informed assessment of:
    - (A) the Company's assets and liabilities, profits and losses, financial position, performance, and prospectus; and
    - (B) the rights and liabilities attaching to the Notes; and
- (e) other information relating to the Company's status as a disclosing entity.

### 3. The effect of the issue on the Company

#### 3.1 Summary of the effect of the Issue on the Company

The principal effect of the Issue of the Notes on the Company will be to:

- (a) increase the Company's cash reserves by \$3,200,000;
- (b) increase the number of unquoted Notes on issue from nil to 148;
- (c) give rise to the Company having a liability for the aggregate amount of the Face Value of the Notes, of \$3,700,000;
- (d) increase the number of options on issue from 8,400,000 to 79,666,716; and
- (e) if some or all of the Notes are converted, either wholly or in part to Shares, increase the number of Shares on issue as set out in the Company's Notice of General Meeting dated 22 December 2025.

#### 3.2 Pro forma statement of financial position

To illustrate the financial effect on the Company of the issue of the Notes, a pro forma Consolidated Statement of Financial Position (**Pro-forma Accounts**) has been prepared based on the reviewed financial statements of the Company as at 30 June 2025, adjusted to reflect the issue of the Notes, prepared on the basis of the accounting policies adopted by the Company.

The Pro-forma Accounts show the effect of the issue of the Notes and attaching options as if they had been issued on 30 June 2025.

The pro forma financial information in the Pro-Forma Accounts is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The pro forma financial information is not audited. The classification of the allocations between debt and equity for the Notes may change

in the future. The Company advises that the Pro-forma Accounts are provided for illustrative purposes only and do not show the current financial position of the Company as at the date of this Cleansing Notice:

	Audited June 30, 2025	Proforma adjustments	Proforma June 30, 2025
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 2,160,062	2,977,810	5,137,872
Trade and other receivables	87,899	20,199	108,098
<b>Total current assets</b>	<b>2,247,961</b>	<b>2,998,009</b>	<b>5,245,970</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	39,264,913	-	39,264,913
Plant and equipment	9,296,822	-	9,296,822
Other assets	402,595	-	402,595
<b>Total non-current assets</b>	<b>48,964,330</b>	-	<b>48,964,330</b>
<b>Total assets</b>	<b>\$ 51,212,291</b>	<b>2,998,009</b>	<b>54,210,300</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	\$ 4,076,701	-	4,076,701
Derivative financial instruments	-	1,269,593	1,269,593
Borrowings	1,787,366	938,243	2,725,609
<b>Total current liabilities</b>	<b>5,864,067</b>	<b>2,207,836</b>	<b>8,071,903</b>
<b>Non-current liabilities</b>			
Provisions	2,688,041	-	2,688,041
<b>Total non-current liabilities</b>	<b>2,688,041</b>	-	<b>2,688,041</b>
<b>Total liabilities</b>	<b>8,522,108</b>	<b>2,207,836</b>	<b>10,759,944</b>
<b>Net assets</b>	<b>42,660,183</b>	<b>790,173</b>	<b>43,450,356</b>
<b>EQUITY</b>			
Contributed equity	55,493,597	611,421	56,105,018
Reserves	3,120,631	178,752	3,299,383
Accumulated losses	(15,954,045)	-	(15,954,045)
<b>Total equity</b>	<b>\$ 42,660,183</b>	<b>790,173</b>	<b>43,450,356</b>

**Note:** Subsequent to 30 June 2025, the Company received proceeds from the borrowings totalling \$2,089,192, of which \$1,089,192 was received from Directors or their Director-related entities. The proceeds were applied to the settlement of trade and other payables.

### 3.3 Potential effect on capital structure

As at the date of this Cleansing Notice, the total number of issued Shares is 393,975,869.

The capital structure of the Company will be affected by conversion of the Notes which will result in additional Shares being issued. The effect on the capital structure of the Company upon the issue and conversion of the Notes is as follows:

**Upon the issue of Notes:**

Type of Security - Convertible Notes	Number on issue
Notes under the Deed Poll	148
Other convertible notes on issue at the date of this cleansing notice	Nil
Type of Security - Options	Number on issue
Attaching Options issued under the Deed Poll	61,666,716
Other options notes on issue at the date of this cleansing notice	18,000,000

**Upon conversion of the Notes**

The Note may be converted at the request of any investor at any time during the term, as the following prices:

- (a) if converted within 16 weeks of the receipt of funds by the Company, at \$0.04; or
- (b) if the Conversion Date is more than 16 weeks of the receipt of funds by the Company, 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).

Therefore, after 16 weeks, there is no floor on the conversion price. In other words, after 26 weeks, 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. To illustrate this, the following table sets out the number of Shares that will be issued on conversion of the 148 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	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 148 Notes	Total Shares on Issue after conversion of all 148 Notes*	Maximum Dilution
\$0.04	\$0.0320	781,250	115,625,000	509,600,869	22.69%
\$0.03	\$0.0240	1,041,667	138,750,000	532,725,869	26.05%
\$0.02	\$0.0160	1,562,500	208,125,000	602,100,869	34.57%
\$0.01	\$0.0080	3,125,000	416,250,000	810,225,869	51.37%

\*Based on 393,975,869 shares on issue (undiluted) and assuming no other new shares are issued or convertible securities converted

The actual effect on the share capital of the Company will depend on what percentage of the Notes are actually converted, the price at which the conversion occurs, the exchange rate at the date of conversion and the Conversion Price.

**4. Rights and Liabilities attaching to the Notes**

The rights and liabilities attaching to the Notes are summarised below.

Item	Details
<b>Number of Loan Notes</b>	148
<b>Face value</b>	\$25,0000 per Note.
<b>Maturity Date</b>	The Notes have a term of 30 months ( <b>Maturity Date</b> ) from the date of receipt of funds by the Company. Notes which are not converted prior to the Maturity Date are redeemable for cash on the Maturity Date.
<b>Conversion price</b>	If converted within 16 weeks of the receipt of funds by the Company, conversion is at \$0.04. If the Conversion Date is more than 16 weeks of the receipt of funds by the Company, 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).
<b>Ranking on conversion</b>	Shares issued on conversion of the Notes will rank equally with existing Shares on issue at the time of conversion.
<b>Interest</b>	In lieu of interest, the Company will issue a total of 83,333,400 Options ( <b>Attaching Options</b> ) pro rata to the 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 by the Company.
<b>Security</b>	The Notes are unsecured.
<b>Conversion</b>	Subject to the limits on the conversion under the Note Deed Poll: <ul style="list-style-type: none"> <li>(a) and as set out above, the Notes can be converted at the request of any investor at any time during the term; and</li> <li>(b) may be converted at the election of the Company in the following circumstances: <ul style="list-style-type: none"> <li>(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 (<b>Price Period</b>), 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</li> <li>(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.</li> </ul> </li> </ul>
<b>Repayment</b>	Notes that have not converted to Shares on or before the Maturity Date are repayable in cash on the Maturity Date, which repayment will redeem and cancel those Notes. <p>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:</p> <ul style="list-style-type: none"> <li>(a) paying the investor an amount equal to Aggregate Face Value of the Notes being Redeemed plus 20% (Early Redemption Value); and</li> <li>(b) issuing additional new Attaching Options to the Investor equal to the number issued when the Notes were issued.</li> </ul>

<b>Limits on conversion</b>	The issue of Shares on conversion of Loan is subject to compliance with all applicable laws. A holder is not entitled to convert Notes where the issue of Shares (or the requested number of Shares) would breach or could reasonably be anticipated to breach any law including the requirement to obtain the approval of any governmental organisation.
<b>Events of default</b>	Failure to pay amounts to Note holders when due, unremedied material breaches of the Note Deed Poll, insolvency events and other events customary for agreements in the nature of the Note Deed Poll.
<b>Voting, meetings, future issues and participation rights</b>	<ul style="list-style-type: none"> <li>(a) Upon any reorganisation of the Company's capital, (<b>Reorganisation Event</b>) 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.</li> <li>(b) 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.</li> </ul>

## 5. Rights and Liabilities attaching to Shares issued on conversion of Notes

Shares issued on conversion of Notes will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as existing issued shares of the Company.

Application will be made for quotation on ASX.

The rights attaching to the Shares are set out in the constitution of the Company (Constitution), the Listing Rules of ASX and the Corporations Act. The following is a summary of key rights attaching to the Shares.

### 5.1 General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Company's constitution.

### 5.2 Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by them, or in respect of which they appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's

name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### **5.3 Dividend Rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

### **5.4 Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as they consider fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributors as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

### **5.5 Shareholder liability**

As the Shares to be issued on the conversion of the Notes will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

### **5.6 Transfer of Shares**

General, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

### **5.7 Future increase in capital**

The allotment and issue of any new Shares is under the control of the Directors. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Company's constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue securities as they shall, in their absolute discretion, determine.

### **5.8 Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing

of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

### 5.9 Alteration of constitution

In accordance with the Corporations Act, the Company's constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

## 6. Compliance with disclosure obligations

The Company is a "disclosing entity" under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules.

Broadly, these obligations require:

- (a) the Company to notify ASX immediately of any information (subject to certain exceptions) of which it is or becomes aware which a reasonable person would expect to have a material effect on the price value of its securities. That information is available to the public from ASX; and
- (b) the preparation of yearly and half-yearly financial statements and a report of the Company's operations during the relevant account period, together with an audit or review report prepared by the Company's auditor. These documents are lodged with ASIC and ASX.

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. Copies of all documents announced to the ASX can be found at [www.asx.com.au](http://www.asx.com.au).

The Company will provide free of charge to any person who requests it during normal business hours:

- (a) the Annual Report for the period ending 30 June 2025 lodged with ASX on 30 September 2025 (Annual Financial Report); and
- (b) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report lodged with ASX on 30 September 2025, until the date of this Cleansing Notice:

Date	Headline
03/02/2026	Change of Director's Interest Notice
03/02/2026	Change of Director's Interest Notice
03/02/2026	Change of Director's Interest Notice
03/02/2026	Change of Director's Interest Notice
03/02/2026	Notification regarding unquoted securities - GAS
03/02/2026	Notification regarding unquoted securities – GAS
03/02/2026	Notification regarding unquoted securities - GAS
03/02/2026	Change of Director's Interest Notice
03/02/2026	Cleansing Notice
03/02/2026	Application for quotation of securities – GAS
30/01/2026	Quarterly Activities/Appendix 5B Cash Flow Report

21/01/2026	Results of Meeting
14/01/2026	Waiver of ASX Listing Rule 10.1 Granted
21/01/2026	Results of Meeting
14/01/2026	Waiver of ASX Listing Rule 10.1 Granted
22/12/2025	Notice of General Meeting/Proxy Form
08/12/2025	Proposed issue of securities - GAS
08/12/2025	Secured \$3.2 million via Structured Loan Notes at a Premium
04/12/2025	Trading Halt
20/11/2025	Results of Meeting
20/11/2025	Presentation to the AGM
20/11/2025	Chairman Address to AGM
20/11/2025	Maiden 2P Gas Reserve of 30.2 PJ Certified
12/11/2025	Appendix 3Y Notices
31/10/2025	Quarterly Activities/Appendix 5B Cash Flow Report
21/10/2025	Notice of Annual General Meeting/Proxy Form
09/10/2025	AGM date and closing date for director nominations
30/09/2025	Corporate Governance Statement and Appendix 4G

Yours faithfully,

Suzanne Yeatres  
Company Secretary  
State Gas Limited