

3 July 2025

Announcement to ASX

Electronic lodgement

CAPITAL RAISING OPEN

Xstate Resources Limited (**ASX:XST**) (**Xstate** or **the Company**) confirms that the Re-compliance prospectus dated 26th June 2025 is now open for applications. Existing shareholders of XState are invited to participate in the Priority Offer and a letter to each shareholder will be emailed or mailed out in the coming days. A copy of this letter is attached below.

Copies of the Prospectus and application forms can be downloaded from the Company's website, <https://www.xstateresources.com/access-terms> or by contacting the Company via email to investors@xstateresources.com.au

PAC Partners Securities Pty Ltd (**PAC Partners**) and BW Equities Pty Ltd (**BW Equities**) (together the **Joint Lead Managers**) have been appointed to act as Joint Lead Managers for capital raising that is seeking to raise a minimum of \$2 million (before costs), and a maximum of \$3 million (before costs), through the issue of at least 100 million Shares (**Minimum Subscription**) and up to 150 million shares (**Maximum Subscription**) at an issue price of \$0.02 per Share (**Public Offer**)¹.

The Company has convened a Shareholders Meeting to be held on Monday, 28th July 2025 for the purposes of approving the acquisition of the Diona project and the requisite approvals regarding the consolidation of existing shares and issue of new shares. For full details, please refer to our ASX Announcement dated 26th June 2025. A full copy of the announcement is also available from the Company's website <https://www.xstateresources.com/asx-announcements>.

This announcement has been authorised for release by the Board of Directors.

Andrew Bald
Managing Director

About Xstate Resources Limited :Xstate Resources (ASX Code: XST) is an ASX listed company focused on the oil and gas sector. Subject to approval at an upcoming shareholder meeting, the Company will hold exploration assets located in Queensland, Australia. The Company additionally holds exploration assets and in the Sacramento Basin, California.

¹ See ASX Announcement dated 23 June 2025

3 July 2025

Dear Xstate Shareholder,

XSTATE RESOURCES LIMITED RE-COMPLIANCE PROSPECTUS – PRIORITY OFFER

Xstate Resources Limited (ACN 009 217 154) (**XST** or the **Company**) lodged a prospectus with the Australian Securities & Investments Commission (**ASIC**) dated 26 June 2025 (**Prospectus**) for an offer of 100 million fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.02 each to raise a minimum of \$2.0 million (**Minimum Subscription**) and up to a maximum of 150 million Shares to raise up to \$3.0 million before costs (**Maximum Subscription**) (**Offer**).

As part of the Offer, XST is making a priority offer to eligible XST shareholders of \$1.0 million worth of the Shares under the Offer (**Priority Offer**).

YOU, AS AN ELIGIBLE XST SHAREHOLDER, ARE ENTITLED TO PARTICIPATE IN THE PRIORITY OFFER.

This letter has been prepared to provide you with details on how to participate in the Priority Offer.

If you do not wish to participate in the Priority Offer, you are not obliged to do anything.

How to participate in the Priority Offer

Before making any decision to invest in XST, you should read the Prospectus in its entirety and consider the risk factors set out in Section 8 of the Prospectus available at <https://www.xstateresources.com/access-terms>.

To participate in the Priority Offer, you should follow the instructions set out in your personalised Priority Offer Application Form that has been dispatched via physical mail or email today.

Important Dates

Closing Date: Priority Offer will close at 5:00pm (WST) on Thursday, 24 July 2025 (**Closing Date**), or such earlier or later date as the XST directors, in their absolute discretion, may determine.

Shareholder Meeting: There will be a meeting of shareholders to approve the acquisition of the project and new issue of shares on the 28th July 2025. Please see the Notice of meeting on the ASX platform. Alternatively a full copy of the notice is available from the Company's website:

<https://www.xstateresources.com/asx-announcements>

The allocation of Shares to Applicants under the Priority Offer will be determined by XST. Shares offered under the Priority Offer that are not taken up will be allocated by XST under the Offer.

For queries on how to participate in the Priority Offer please contact the Company's Share Registry, Automic Group on 1300 288 664 (within Australia); +61 (2) 9698 5414 (outside Australia); email corporate.actions@automicgroup.com.au.

Yours faithfully

Andrew Bald

Managing Director

Xstate Resources Limited