

25th September 2025**Announcement to ASX****Electronic lodgement**

Diona 1: Timetable to Spud

Xstate Resources Limited (**ASX:XST**) (**Xstate** or **the Company**) is pleased to provide an operational update on the drilling of Diona-1. Diona-1 is located in the Diona Block of ATP 2077¹ in the Surat-Bowen Basin, Queensland, where XST has a 51% working interest and is Operator.

The Drill Rig arrived on site as scheduled on Monday 22nd September 2025. Over the past week, the drilling team has been assembling at the site and the rig has been set up in preparation for the spud of the Diona-1 well at 1700 on Friday, 26th September 2025 (Queensland time).

The weather looks clear for the coming week so we are not expecting any delays due to weather. All going to plan, the well will take 7-8 days to get to the top of the Showgrounds formation, our primary target (2,300m). The plan is to drill down through the Showgrounds and run wireline logs to assess the prospectivity of the formation. If the Showgrounds formation proves to be prospective for hydrocarbons, the well will be cased and then drilling will continue through the lower Tinowon and Wallabella formations to a total depth of 2,600m.



Figure 1: Diona-1 well pad

Managing Director of Xstate Resources commented:

“The mobilization and set up of the rig in preparation for drilling has been a thoroughly professional operation and the team have done a great job moving this drilling program along this quickly. We are looking forward to drilling and discovering what this target has to offer.”

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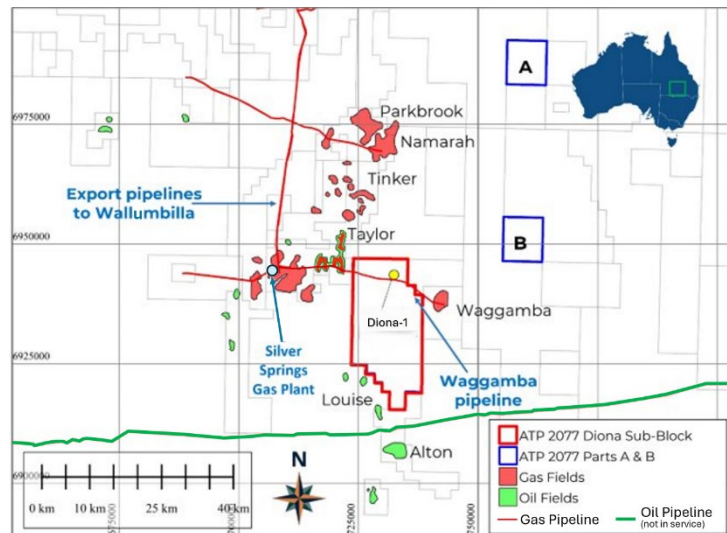
Xstate has acquired a 51% interest in ATP 2077 from Elixir Energy Limited, ASX Code EXR. ATP 2077 comprises 3 blocks being the Diona, Block A and Block B. Elixir retains a 100% beneficial ownership in Blocks A and B.

Next Steps

Spud of the Diona-1 estimated to occur at 1700 QLD time on Friday 26th September 2025

About the Diona Project

Located between the Silvers Springs Gas processing facility and the Waggamba gas field in the Surat-Bowen basin of Queensland, Xstate's Diona project is a shallow, conventional gas prospect (with liquids potential) that is ideally placed adjacent to the Waggamba to Silver Springs gas pipeline. The Diona-1 well targets 3 proven hydrocarbon reservoirs being the Showgrounds, Tinowon and Wallabella. With the top of the Showgrounds being only 2,300m, the well will take less than 15 days to reach its total planned depth of 2,600m.



If the well is successful, there is potential for a rapid path to market given the Waggamba pipeline is less than 100m from the well pad (with a valve tie-in point about 1 km away).

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 focusing on its Diona project located in Queensland, Australia. Xstate owns 51% of ATP 2077 however Elixir Energy Limited, (ASX Code EXR) retains a 100% beneficial ownership in Blocks A and B. The Company's will drill its first well in the Diona block, Diona-1, in late September 2025.

The Company additionally holds exploration assets in the Sacramento Basin, California.