

14th October 2025

Announcement to ASX

Electronic lodgement

Diona 1: 23m Net Pay Confirmed, Testing to follow

Highlights

- Logging confirms 3 zones of net gas pay
- 23m of net pay in the Permian sandstone reservoirs
- Upside potential in the Wallabella Formation
- Porosities up to 10% (average)
- Well cased and cemented, preparations under way for testing

Xstate Resources Limited (**ASX:XST**) (**Xstate** or **the Company**) provides the following update on the wireline logging results of Diona-1 well within the Diona block of ATP2077¹ located in the Surat-Bowen basin of Queensland.

Logging confirms 3 main intervals of net pay

Wireline logs have been successfully run in the Diona-1 open hole. Evaluation of the logs has confirmed 3 zones of net gas pay in Permian sandstone formations consistent with the data obtained from the Logging While Drilling (**LWD**) tools and the mud logs. Due to challenging down hole operational conditions, wireline tools were not able to be run across the entirety of the Wallabella Sandstones and hence, these sandstones were not able to be comprehensively analysed with the full suite of wireline logging tools.

The following Pay Zones have been calculated using cutoffs consistent with ERCE-Sproule's Contingent Gas Resources calculations used to calculate Elixir's nearby tight-gas permits.

Formation	Top of Formation	Gross Pay	Net Pay	Porosity (Max)	Porosity (Avg)	Notes
Bandanna / Black Alley	2287	60	13	14%	11%	Combined formations
Tinowon Sandstone	2411	11	1	12%	11%	-
Wallabella Sandstone	2421	45	9	11%	8%	Potential upside and additional pay on LWD and mud logs not logged on wireline
Total		116	23		10%	

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Xstate owns 51% of ATP 2077 however Elixir Energy Limited, (ASX Code EXR) retains a 100% beneficial ownership in Blocks A and B.

Diona-1 Well – Final drilling update

The Diona-1 Well reached a final Total Depth (TD) of 2,479m after the well bore had passed through the Wallabella formation and basement. Challenging hole conditions resulted in the drilling team deciding to call TD at 2,479m and to pull out of the hole. Wireline logs were then successfully run through to the bottom of hole but due to the shortened depth below basement, the full suite of logs could not be run over the Wallabella formation. Casing was then run through to within 2m of TD and the casing was cemented in place on Sunday.

Next Steps

The Joint Venture will now formalize the Operation Committee and a plan for completion and testing will need to be finalized and agreed upon. At this stage, decisions to be made include the possibility of perforating and possibly stimulating each of the 3 key zones independently in order to collect as much data on each section with a view to revising our existing resource estimates.

Managing Director, Andrew Bald commented:

“These are extremely encouraging results for Diona-1. We now need to flow test each of the Permian reservoirs and we are very optimistic that we could see more upside from the unlogged Wallabella formation. Production testing will confirm flow rates from what could be a new gas discovery.”

About the Diona Project

Located between the Silver Springs Gas processing facility and the Waggamba gas field in the Surat-Bowen basin of Queensland, Xstate’s Diona project is ideally placed adjacent to the Waggamba to Silver Springs gas pipeline. The Diona-1 well targeted 3 proven hydrocarbon reservoirs being the Showgrounds, Tinowon and Wallabella. These lower 2 formations have given early signs of hosting significant quantities of flowing hydrocarbons.

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

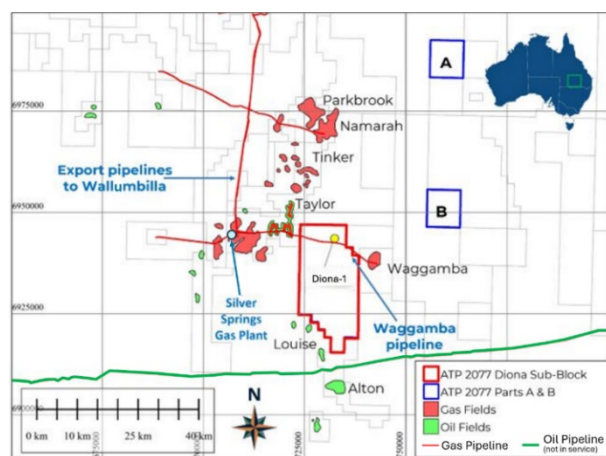


Figure 1: Location of the Diona Block

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 spudded its first well in the Diona block, Diona-1, on 27 September 2025.

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