

27th October 2025

Announcement to ASX

Electronic lodgement

Diona Project: Prospective Resource Upgrade

Highlights

- Basin Centred Gas (BCG) play supports significant increase in Prospective Resources
- Mean Prospective Resource of 100 Bscfe net unrisked to Xstate
- Preparations underway for flow testing before year end

The Board of Xstate Resources Limited (**ASX:XST**) (**Xstate** or **the Company**) provides the following updated Prospective Resource estimates for its Diona Block within ATP2077¹ located in the Surat-Bowen basin of Queensland.

Prospective Resource Estimate attributed to Basin Centred Gas (BCG) Play

Prior to drilling, the objective of the Diona-1 well was to drill and test a conventional play with the most probable target being the shallowest Showgrounds Formation.² As we subsequently announced, whilst the Showgrounds Formation did not indicate the presence of hydrocarbons, a gross interval of 181m of hydrocarbon shows in the Permian was intersected, with wireline log analysis subsequently indicating 116m of gross pay and 23m of net pay (not including potential additional lower zones in the wellbore that had strong gas shows but which were not able to be logged)³.

This extended hydrocarbon interval, which is over-pressured and appears to be lacking a water leg, gives rise to the potential for the unconventional Taroom Trough BCG play to extend into the Diona Block and across the Diona prospect.

An internal review of the Prospective Resource attributed to the BCG play, completed by Xstate's Competent Person, Mr Greg Channon, dated 24/10/2025, has identified the potential for hydrocarbons to extend over the northern portion of the Diona block (Figures 1 and 2). The Prospective Resource distribution considered the potential extent of the reservoir, the thickness based on nearby wells, the petrophysical results from the Diona-1 well and also considered analogies locally and globally.

As a result of this new re-interpretation, a revised Prospective Resource distribution has been calculated as per **Table 1: Prospective Resources Estimates** below.

Managing Director, Andrew Bald commented:

"This Diona-1 well has yielded one of the best possible outcomes for Xstate and its shareholders. The potential for this area to be a Basin Centred Gas play and possible extension of the Taroom

¹ Xstate owns 51% of ATP 2077 however Elixir Energy Limited, (ASX Code EXR) retains a 100% beneficial ownership in Blocks A and B.

² Refer to ASX Announcement 18 Sept 2025

³ Refer to ASX Announcement 14 Oct 2025

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Trough changes our interpretation of this region and the Diona block now has the potential to host a very significant size project, many multiples larger than the previously prognosed conventional target. Our neighbours include some impressive names with Santos, Shell, Omega and Elixir all nearby and all targeting BCG plays.”

Parameter	Units	P90 (1U)	P50 (2U)	P10 (3U)	Mean
Area	km ²	28	60	129	72
Net Pay	m	14	23	33	23
Gross Recoverable Gas	Bscf	44	107	266	138
Gross Recoverable Condensate	MMstb	2.4	7.0	20.2	9.9
Gross Recoverable Gas Equivalent	Bscfe	62	154	377	197
Recoverable Gas 51% net to Xstate	Bscf	22.4	54.6	135.7	70.4
Recoverable Condensate 51% net to Xstate	MMstb	1.2	3.6	10.3	5.0
Recoverable Gas Equivalent 51% net to Xstate	Bscfe	31.6	78.5	192.3	100.5

*Table 1: Prospective Resources Estimates**

The chance of discovery (Pg) associated with this prospective distribution is estimated at 38%, with the chance of development (Pd) estimated at 85%.

The above prospective resource is internally generated by XState and has not yet been reviewed nor ratified by the Diona Joint Venture.

Whilst the testing of the Permian section will be a critical step in understanding the potential of the BCG play in the Diona Block, further drilling may be required to realise the prospective resource outlined in this release.

*** Prospective Resources Cautionary Statement**

These estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery (Pg) and a risk of development (Pd). Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons. These Prospective Resource have been calculated in accordance with Guidelines issued by the Society of Petroleum Engineers in the Petroleum Resource Management System (2018) using probabilistic methods. 1U, 2U and 3U refer to the low estimate, best estimate, and high estimate respectively and are respectively equal to the P90, P50 and P10 scenarios that are output from the probabilistic assessment. Gas-equivalent Prospective Resources have been calculated in Billion standard cubic feet equivalent (Bscfe) using a conversion factor of 1 barrel condensate = 6000 cubic feet of gas. These Prospective Resource only consider the most likely case hydrocarbon phase scenario (gas with condensate) and do not consider the possibility of oil. ATP2077 is an Authority To Prospect as awarded by the Queensland Government.

Next Steps

Plans for completion and testing are now underway with a target date of pre-Christmas 2025.

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Diona Sub-block: Proximal limit of BCG play in P90, P50 and P10 resource scenarios

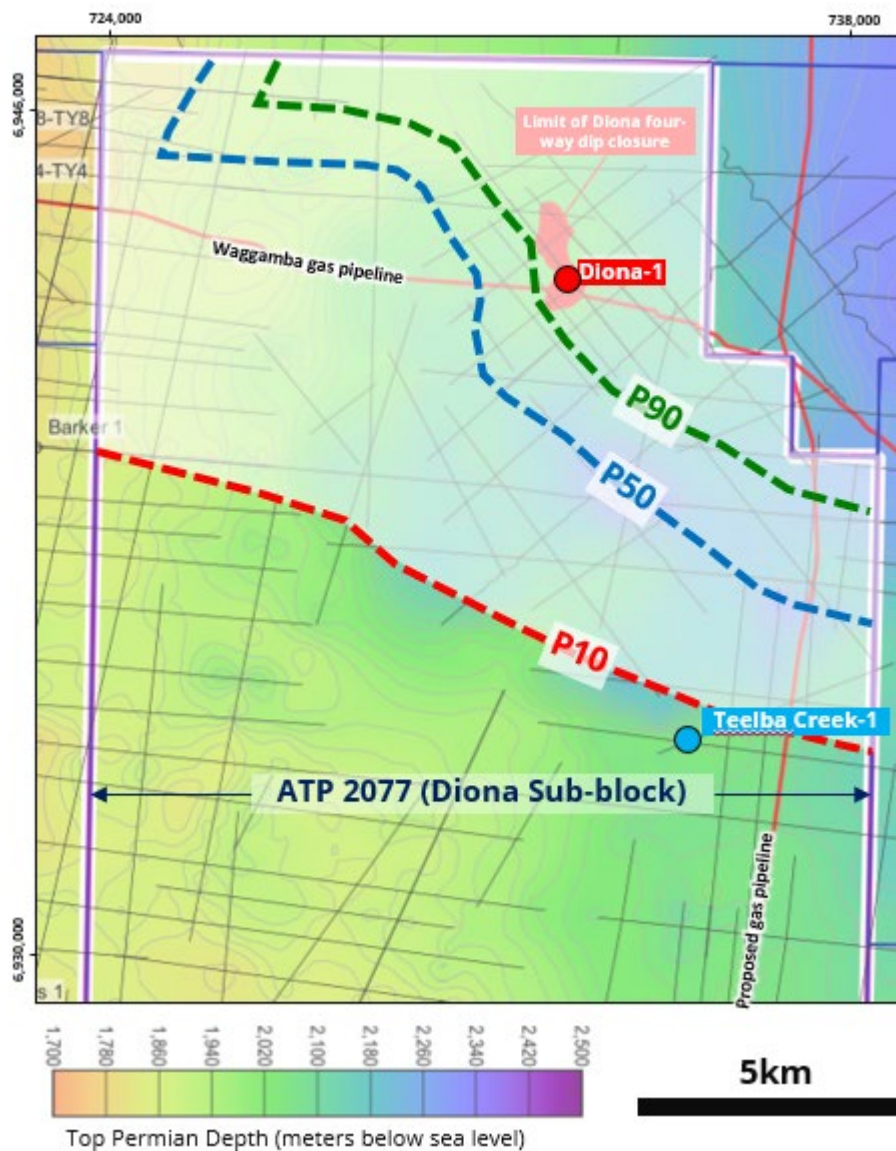


Figure 1: Diona Top Permian Depth map with proximal limit of potential BCG play

About the Diona Project

The Diona-1 Well reached a final Total Depth (TD) of 2,479m after the well bore had passed through the Wallabella formation into basement.

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 (Figure 2).

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).

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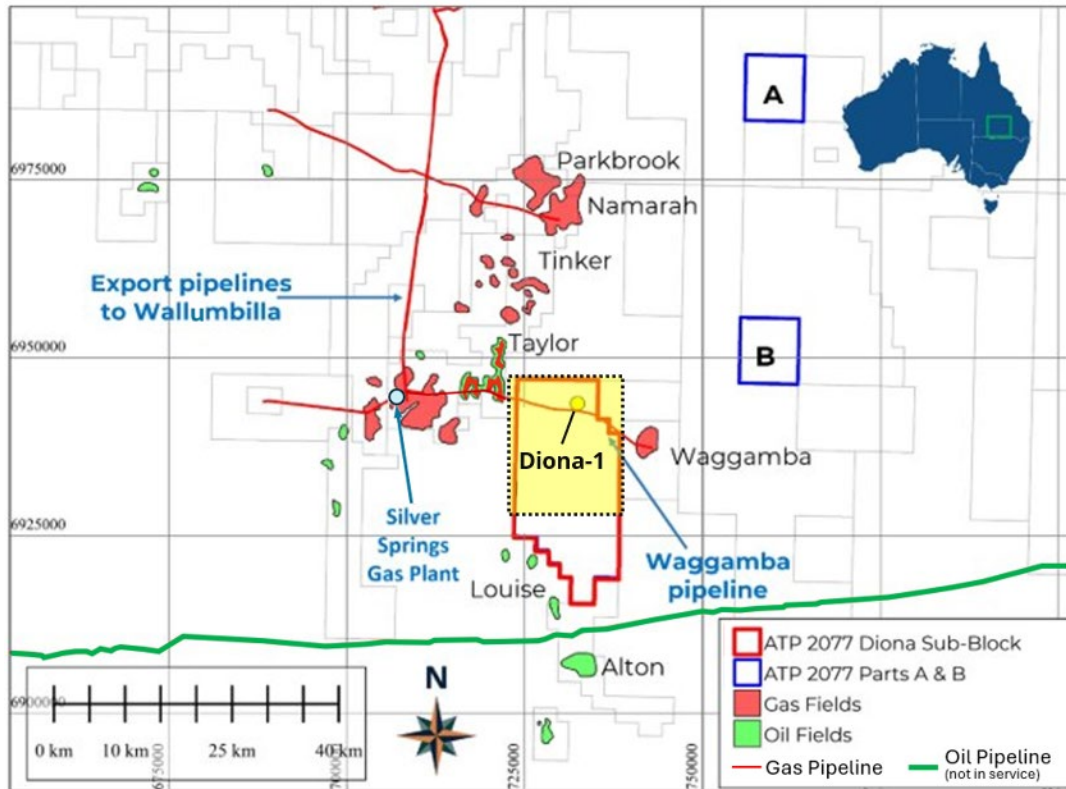


Figure 2: Diona project location map (extent of map in Figure 1 is highlighted in yellow)

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.

Competent Person:

Pursuant to the requirements of the ASX Listing Rules Chapter 5, the technical information and resource reporting contained in this announcement was reviewed in detail by Mr Greg Channon, who is a Non-Executive Director of the Company. Mr Channon has more than 35 years technical, commercial and management experience in exploration appraisal and development of oil and gas. Mr Channon is a member of the American Association of Petroleum Geologists. Mr Channon has reviewed the information and supporting documentation referred to in this announcement and considers the resource estimates to be fairly represented and consents to its release in the form and context in which it appears. His academic qualifications and industry memberships appear on the Company's website and both comply with the criteria for "Competence" under clause 3.1 of the Valmin Code 2015. Terminology and standards adopted by the Society of Petroleum Engineers "Petroleum Resources Management System" have been applied in producing this document.

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