



ABN 96 009 217 154

14 February 2011

ASX Limited

Electronic lodgement

XState Enters Exciting New Phase

XState Resources Limited advised the market on 11 February 2011 that differences have been resolved to the satisfaction of all parties with a group of shareholders who requisitioned a meeting of shareholders, such meeting held today.

Following the withdrawal of the requisition by this group of shareholders, no resolution was put to shareholders at today's meeting.

As advised in the previous release, the shareholders who requisitioned the meeting have restated their belief in the exciting growth prospects of the Company and their continued willingness to provide support in the future.

The board also wish to advise that the announcement on 11 February 2011 of the appointment of David Whitby as Chairman of the Company has received overwhelming support from the Company's major shareholders. Mr Whitby will bring a wealth of international experience to the board, having worked in Canada, Indonesia and Australia in senior positions with Husky Oil, Gulf Canada and ConocoPhillips. Most recently Mr Whitby has been CEO and then Chairman of ASX listed Nido Petroleum, where he remains a non- executive Director. His particular passion is in developing oil and gas projects , which he has done successfully on a number of occasions in Indonesia. This well rounded experience is the key for XState to monetize two gas discoveries in its acreage. Please refer to the attached resume of Mr Whitby.

For the Board of XState Resources Limited

Curriculum Vitae

David R. Whitby

I Personal History

Age: 55
Birth date: June 22, 1955
Marital Status: Married to Laura for 29 years
Children: One daughter, Rebecca - 24 years old
University: Royal Military College of Canada
Degree: Bachelor of Mechanical Engineering
Hobbies: Avid golfer with a 2 handicap
Home Address: Singel 366 HS
Amsterdam, Netherlands

II Work History

Jan 2009 to Feb 2010	LEAD NEGOTIATOR – SUBAN GAS UNIT Pertamina EP. Jakarta, Indonesia
Feb 2008 to Present	NON-EXECUTIVE DIRECTOR Nido Petroleum; Perth Australia
Aug 2004 to Feb 2008	MANAGING DIRECTOR Nido Petroleum; Perth, Australia
Feb 2003 to Aug 2004	PROJECT DIRECTOR – WEST JAVA GAS ConocoPhillips Indonesia; Jakarta, Indonesia
Jun 2001 to Oct 2002	DEFENCE ADVISOR TO THE BOARD Gulf Indonesia Resources; Jakarta,, Indonesia
Nov 1999 - Mar 2001	VICE-PRESIDENT CORP. DEVELOPMENT Gulf Indonesia Ltd; Jakarta, Indonesia
Apr 1997 - Nov 1999	MANAGING DIRECTOR Gulf (Australia) Resources Ltd, Perth, Australia
Apr 1995 - Apr 1997	PROJECT DIRECTOR - N. SUMATRA GAS Gulf Indonesia Ltd; Jakarta, Indonesia
Feb 1994 - Apr 1995	VICE PRESIDENT - HEAVY OIL and GAS Husky Oil Operations; Calgary, Canada

Jul 1990 - Jan 1994	MANAGER – GAS STRATEGY Gulf Indonesia Ltd; Jakarta, Indonesia
Oct 1988 - Jun 1990	MANAGER - RESERVOIR ENGINEERING Husky Oil Operations; Calgary, Canada
Jun 1984 - Oct 1988	SUPERVISOR - RESERVOIR ENGINEERING Husky Oil Operations; Calgary, Canada
Oct 1982 - Jun 1984	PRODUCTION ENGINEER – FLOOD Husky Oil Operations; Lloydminster, Canada
May 1981 - Oct 1982	OPERATIONS ENGINEER Husky Oil Operations; Lloydminster, Canada
May 1977 - May 1981	COMMISSIONED OFFICER (Captain) Canadian Military Engineers; Calgary, Canada

III WORK EXPERIENCE HIGHLIGHTS

A. Lead Negotiator – Suban Gas Unit **Pertamina EP**

The Suban gas field in South Sumatra is the biggest onshore gas field in the country and is presently producing approx 1 BCFD to markets in Singapore, C. Sumatra and W. Java. Suban has approx 8.4 TCF of sales gas and straddles the Corridor Block, operated by ConocoPhillips(COPI) and acreage owned by Pertamina EP. The operator inadvertently developed the field without finalizing the unit with Pertamina EP. Negotiations have been on-going for 5 years with no resolution. Pertamina sought assistance to finalize the unit negotiations with COPI.

Major Accomplishments

- The unit was successfully negotiated in 12 months,
- PEP share of the Suban gas field increased from 3.0% to 8.4%
- The impact to PEP was substantial, adding 10,000+boepd, annual revenue of \$200m

B. Managing Director **Nido Petroleum**

Joining the company in August 2004, built an asset base focusing on the NW Palawan basin in the Philippines. Nido is presently an oil producer from two fields with a third one under development. The crown jewel of the company the exploration portfolio from its large contiguous land position in the Palawan basin. Nido has systematically acquired 2D and 3D seismic which has generated a drillable portfolio of 60+ wells with mean oil in place estimates in excess of 8 billion barrels. Nido retains the majority share of this opportunity.

Major Accomplishments

- Share price increased from 1.6 cents in 2004 to 60 cents in May 2008
- Market capitalization grew from \$A 5.7 million to greater than \$600 million
- Galoc on production generating \$US 50 million per year net to Nido Petroleum
- Acquired control over the NW Palawan basin exploration generating 80+ leads

C. Project Director – West Java Gas **ConocoPhillips Indonesia Ltd**

Reporting to the President of ConocoPhillips Indonesia, leading a team of Indonesian and expatriate technical and commercial experts to monetise 2.4 trillion ft³ of gas from COPI's South Sumatra concessions to industrial and power customers in Jakarta and West Java through a newly built 660 km pipeline. A new 400 million standard ft³ per day gas plant replaced imported diesel as the preferred fuel in West Java. The total investment in this project exceeded US\$ 1 billion

Major Accomplishments

- Gas sales Heads of Agreement signed in July 2003, 18 weeks from kick-off
- Gas Sales Agreement signed on 09 Aug 2004, first gas targeted for 01 Dec 2008

D. Defence Advisor to the Board Gulf Indonesia Resources Ltd

Reporting to the Chairman of the Board, responsible for the evaluation of the company's assets in anticipation of a bid by the majority shareholder, Conoco and to conceive and implement a new strategic direction to optimise the net asset value of the company and to lead the negotiations.

Major Accomplishments

- Successfully closed negotiations in July 2002 at a 62 % share price premium

E. Vice President - Corporate Development; Gulf Indonesia Resources Ltd

Reporting to the President, responsible for strategic planning, economic modelling, mergers and acquisitions, investor relations and gas marketing. Utilising key contacts within the government and Pertamina was able to ensure Gulf's gas projects proceeded to closure and new opportunities were identified.

Major Accomplishments

- Commercial closure of two international gas contracts of 2.5 trillion ft³.

F. Managing Director Gulf (Australia) Resources Ltd

The Managing Director role was a senior executive position reporting to the Chief Executive Officer of Gulf Canada Resources. I assumed the position following Gulf's acquisition of Clyde Resources, responsible for all functions of the 12th largest producer of oil and gas in Australia with assets in the Timor Sea and the Cooper Basin with a value in excess of \$250 million. Through a series of non-core divestitures, I was able to fund the acquisition of BHP's interest in the Timor Sea giving Gulf operatorship of key infrastructure in the region and control over the basin. In 1998, Gulf reduced worldwide exposure and divested the Australian assets.

Major Accomplishments

- Increased production from 3,500 BOE/D in 1997 to 16,400 BOE/D in 1998.

G. Project Director - N. Sumatra Gas Project; Gulf Indonesia Resources Ltd

Leading a multi-discipline team of production and facility engineers, gas marketers and geo-scientists, I developed the conceptual plan for a 200 million standard ft³ per day gas project delivering gas from three fields in North Sumatra, Indonesia to the nearby Arun LNG facility. The team was responsible for marketing the gas to Japan, project design and cost estimation, preparation of bid documentation as well as exploration and delineation activities in the region. The project was deferred in response to security concerns in the region

Major Accomplishments

- Government approval for the US\$ 500 million development was received in Feb 1997.

H. Vice - President Heavy Oil and Gas Husky Oil Operations

Reporting to the Chief Executive Officer, this senior executive position was responsible for field operations, exploration, production and reservoir engineering, acquisitions and divestitures, drilling, workovers and overall budget control and accounting functions of the largest of Husky's three business units. This unit comprised steamfloods, waterfloods and conventional production representing over half of Husky's total annual production with a staff of 450 field and office personnel and an asset value of \$C 1.5 billion.

Major Accomplishments:

- Major re-engineering of the business unit returning it to profitability
- Decreasing Opex from \$6.52/bbl to \$4.97/bbl in 12 months with a 14% production increase.

I. Manager – Caltex Gas Sales

Gulf Indonesia Resources Ltd

Responsible for developing and implementing a strategy for the commercialisation of Gulf's first gas discovery at the Gelam field in South Sumatra. As Indonesia had no domestic gas market to speak of, the task covered market analysis, establishing threshold economics and reserve requirements, gaining government support and preparation of the conceptual development plan to deliver 350 million standard ft³ per day to the Duri Steamflood through a gas plant located in South Sumatra and a 540 km 28" gas transmission line to Duri. The total cost estimate for the project was \$US1.078 billion.

Major Accomplishments:

- Received approval from the government of Indonesia to proceed with the implementation of the South Sumatra to Duri gas development plan in October 1993, which was the first major domestic gas infrastructure in the country

I. Manager Reservoir Engineering:

Husky Oil Operations

Reporting to the division Vice-President, responsibilities included evaluation and reporting of Husky's heavy oil and gas reserves, preparation of asset exploitation plans and long-range development plans for conventional heavy oil fields, fields under pressure maintenance through waterflooding and fields producing under thermal enhanced recovery schemes.

Major Accomplishments:

- Created and implemented a shallow gas exploitation strategy resulting in gas production increase of 50 million standard ft³ in 18 months adding estimated 75 million BOE of reserves.