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5 December 2017

ASX Limited

Electronic lodgement

Legal Update on Supreme Court Action

Comments

Xstate Resources Limited (**ASX: XST**) ("**Xstate**" or "**the Company**") provides the following update in relation to its Supreme Court action against Tanzil Hidayat, Chloe Kowk Yun Qing, Hong Hung Thiam and Kevin Lim Gunawan seeking damages for the non-payment of A\$25 million in subscription funds by four investors who had signed binding, unconditional subscription agreements, such non-payment resulting in the termination by the vendor of Xstate's acquisition of the Los Angeles Basin assets as previously advised to the market.

The Company is very pleased to announce that the Supreme Court of Western Australia has awarded summary judgment in favour of the Company against three of the four defendants (Tanzil Hidayat, Chloe Kowk Yun Qing and Hong Hung Thiam). Judgment is being extracted and the Court will shortly publish written reasons of its decision for public viewing.

The Company will keep the market fully informed of further developments.

For and on behalf of the Board of Xstate Resources Limited

For further details please contact:

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About Xstate Resources Limited

Xstate Resources (ASX Code: XST) is an ASX listed company focused on the oil and gas sector. The Company has existing gas exploration assets located in the Sacramento Basin, California and associated gas production. Xstate is presently pursuing new opportunities in the oil and gas sector onshore North America.