ABN 96 009 217 154

27 November 2019

ASX Limited **Electronic lodgement**

Successful Placement / Board Changes

- **Xstate is pleased to advise it has placed 285 million shares at $0.002 per share to raise $570,000.**
- **Proceeds will be used in part to fund the the Company's share of operations in the Sacramento Basin and for working capital purposes.**
- **Appointment of Richard Lorentz as Non-Executive Director and David McArthur as interim Managing Director**
- **Resignation of Cosimo Damiano as Managing Director and Ian Tchacos as Non-Executive Director**

Xstate Resources Limited **(ASX: XST) ("Xstate" or "the Company")** is pleased to announce that it has raised $570,000 (before costs) via a private placement to new and existing domestic investors (**the "Placement"**).

The Placement will result in the issue of 285 million new fully paid ordinary shares in the Company (**"Shares"**), at an issue price of $0.002 per share. The Company intends issue Directors with a further 23.75 million shares at $0.002 per share in return for retiring debts totalling $47,500 (subject to shareholder approval).

The funds raised will in part be used for the Company's share of operations in the Sacramento Basin and for general working capital requirements.

The Placement was made follows:

- 171 million shares were placed under the Company's ASX LR 7.1 placement capacity; and
- 114 million shares were placed under the Company's ASX LR7.1A placement capacity.

All shares were placed pursuant to S708 of the Corporations Act.

Disclosure under Listing Rule 7.1A

The Company provides the following additional information pursuant to Listing Rule 3.10.5A. The dilutive effect on the Shares of existing shareholders, as a result of the issue of Shares under the placement, is as follows:

	Shares	**Dilution**
Shares on issue prior to Placement	**1,140,490,898**	
Shares issued under Listing Rule 7.1	171,000,000	14.99%
Total Shares on issue after Listing Rule 7.1 issue	**1,311,490,808**	
Shares issued under Listing Rule 7.1A	114,000,000	8.69%
Total Shares on issue after Listing Rule 7.1A	**1,425,490,898**	

Due to the relatively small amount of capital being raised and for the purposes of reducing costs wherever possible, the Directors formed the view that the placement was the most expedient mechanism for raising funds in a timely manner, rather than by a pro rata issue.

The placement was not underwritten, and a fee of 5% was paid to eligible brokers lodging applications.

Appointment of Directors

The Company wishes to advise the appointment Richard Lorentz as a Non-Executive Director of the Company.

Mr Lorentz is a petroleum geologist and a leading member of the upstream oil and gas community in Southeast Asia with a career spanning the better part of four decades. Aside from playing key roles in the discovery and development of several oil and gas fields, he has an unmatched network of industry, government and investment relationships and has been instrumental in the evolution of three E & P companies through to public listing status.

- Co-founder of two mature and one new oil and gas companies
- Participated / responsible for four IPO's and rights issues (NY and Singapore exchanges) raising circa US$2.20 billion
- Led 4 global roadshows (numerous mini roadshows)
- Raised circa US$550 million in private equity
- Raised circa US$730 in bond placements
- Led the acquisition of circa 50 exploration and production areas
- Secured circa US$210 in promoted partnerships
- Served as an independent director on companies with an annual EBITA exceeding US$400 million
- Successfully assembled several of the best Exploration and Production teams in Southeast Asia
- Acknowledged as an industry leader in the publication "Heritage of the Geologist"

The Board is delighted to have Mr Lorentz join the Company.

The Board also wished to advise that David McArthur will be re-joining the Board as interim Managing Director whilst the board conducts a search for a Managing Director to replace Mr Damiano (Mr McArthur was a Director until July 2019).

Director Resignations

The Company wishes to advise that Cosimo Daminano has resigned as Managing Director of the Company. The Board thank Mr Damiano for his guidance and support of the Company during his tenure as Managing Director.

The Company also wishes to advise the resignation of Ian Tchacos as a Non-Executive Director of the Company. The Board thank Mr Tchacos for his contribution during his tenure.

For and on behalf of the Board of Xstate Resources Limited

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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.