ABN 96 009 217 154

31 October 2025

Announcement to ASX **Electronic lodgement**

$3.82m Capital Raising to Advance Diona-1 Appraisal and Production Testing

Highlights

- $3.82m raised over a two-tranche placement
- Funds to be utilized to support Diona-1 production testing and further exploration

The Board of Xstate Resources Limited (**ASX:XST**) (**Xstate** or **the Company**) is pleased to advise that it has received firm commitments for a two-tranche capital raising of fully paid ordinary shares to raise just over $3.82m (before costs).

Tranche 1 will comprise 37,707,129 fully paid ordinary shares issued at $0.022 per share to raise $829,556 (before costs). The Issue will be completed under the Company's available placement capacity pursuant to ASX Listing Rule 7.1.

Tranche 2 will comprise 136,092,826 fully paid ordinary shares at a price of $0.022 per share, to raise a further $2,994,042 (before costs). The issue of Tranche 2 shares will be subject to shareholder approval at an upcoming general meeting. The Tranche 1 and 2 placement shares will be issued under a short-form prospectus offer document.

Participants in the placement will also receive one (1) option for every two (2) shares subscribed, totalling 86,899,977 options, each exercisable at $0.04 and expiring 4 years from the date of issue. These options are subject to shareholder approval at the upcoming AGM.

Capital raising proceeds will be applied toward progressing the Company's appraisal and testing program at the Diona-1 well, for further exploration and evaluation activities and for working capital purposes.

The Company paid a fee of 6% on fees raised by brokers who participated in or facilitated with the raise.

Managing Director, Andrew Bald commented:

"We were overwhelmed with the support we received from the market. This raising gives us a tremendous boost to our balance sheet going into the flow testing of Diona-1 well which we are in the process of preparing for. We are truly well positioned for the next phase of our exciting Diona project. Thank you to everyone who helped us in the raising and to all of you who participated, we look forward to the results of the flow test!"

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).

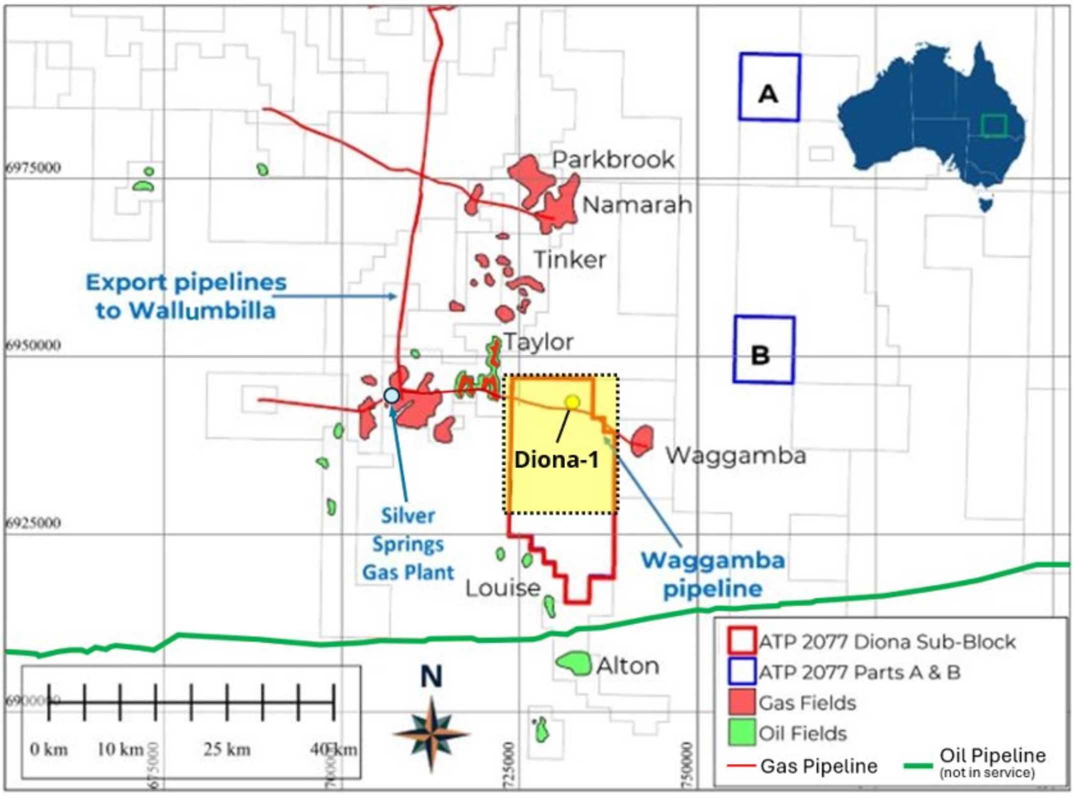

Figure 2: Diona project location map (extent of map in Figure 1 is highlighted in yellow)

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.