

16th September 2025

Announcement to ASX

Electronic lodgement

Diona-1: Well Pad Construction Completed

Xstate Resources Limited (ASX:XST) (Xstate or the Company) is pleased to provide an operational update on the drilling of Diona-1. Diona-1 is located in the Diona Block of ATP 2077 in the Surat-Bowen Basin, Queensland, where XST has a 51% working interest and is Operator.

The civil works associated with construction of the well pad are now complete: a cellar and conductor pipe have been installed ahead of the spud of Diona-1. The lease is now ready for the arrival of the Ventia 101 drilling rig, which is anticipated to arrive around the 22nd of September 2025.

Managing Director of Xstate Resources, Andrew Bald commented:

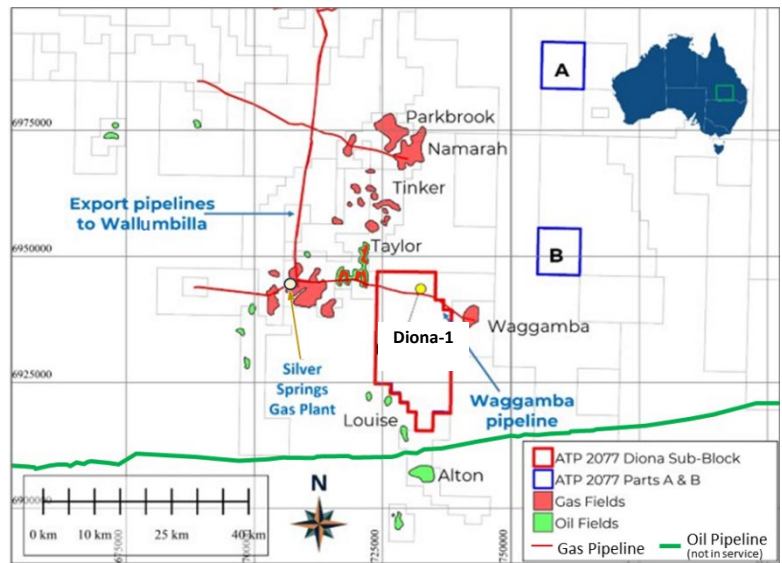
"The Xstate team has been extremely busy in preparation for drilling. The cellar and conductor pipe were installed quickly and efficiently last Friday with everything now in place for us to begin drilling once the rig arrives next week."



About the Diona Project

Located between the Silvers Springs Gas processing facility and the Waggamba gas field in the Surat-Bowen basin of Queensland, Xstate's Diona project is a shallow, conventional gas prospect (with liquids potential) that is ideally placed adjacent to the Waggamba to Silver Springs gas pipeline. The Diona-1 well targets 3 proven hydrocarbon reservoirs being the Showgrounds, Tinowon and Wallabella. With the top of the Showgrounds being only 2,300m, the well will take less than 15 days to reach its total planned depth of 2,600m.

If the well is successful, there is potential for a rapid path to market given the Waggamba pipeline is less than 100m from the well pad (with a valve tie-in point about 1 km away).



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. The Company additionally holds exploration assets in the Sacramento Basin, California.