

18<sup>th</sup> September 2025**Announcement to ASX****Electronic lodgement**

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## Diona 1: Project Update

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Xstate Resources Limited (ASX:XST) (**Xstate** or **the Company**) is pleased to provide the attached update in relation to the imminent drilling of the Diona-1 well next week.

**Key dates are:**

- Associated drilling equipment will start to arrive this Saturday, 20<sup>th</sup> September 2025
- Drilling spud date expected to be Friday 26<sup>th</sup> September 2025

**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. The Company holds exploration assets located in Queensland, Australia. The Company additionally holds exploration assets in the Sacramento Basin, California.



# Xstate

R E S O U R C E S

## Diona-1 Well Program Update

*Andrew Bald (Managing Director)*

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*Xstate Resources Limited*

*(ASX:XST)*

Sept 2025

[www.xstateresources.com.au](http://www.xstateresources.com.au)

# Milestones

- ✓ Drilling Contract signed with Ventia on 12<sup>th</sup> September
- ✓ Shares re-listed on 16<sup>th</sup> September
- ✓ Cellar and Conductor Pipe installed

## Coming Up

- Ventia Rig 101 due to be mobilised on Sunday 21<sup>st</sup> September
- Rig to arrive at well pad week of 22<sup>nd</sup> September
- Spud date forecast for 26<sup>th</sup> September
- Drilling to top of Showgrounds formation (2,300m) expected to take 6-7 days
- Drilling to total depth of 2,600m expected to take 10 days (ETA 6-8<sup>th</sup> October)



*Installation of the Conductor pipe at Diona-1*



# DIONA PROJECT

## Precis

- **Proven** hydrocarbon province
- Multiple producing fields nearby
- High profile and upcoming ASX neighbours
- High chance of success at **55%**<sup>1</sup>
- Shallow target **2,300m**
- Low cost drilling at **\$2.7m**
- Very close to infrastructure including pipeline and processing plant
- Current high gas prices support positive economics
- Well to be drilled in **week of 22<sup>nd</sup> September 2025**

<sup>1</sup> Per one or more horizons, see Prospective Resources Statement on Slide 9



*Diona-1 well pad*

# The Xstate Story



Farming into Diona block in Surat-Bowen basin, QLD, previously 100% owned by Elixir Energy Ltd (ASX Code EXR)



Extensive geoscience studies characterize the drilling opportunity as low risk with 55% COS<sup>1</sup>



Xstate has acquired a 51% interest in Elixir Energy's 369km<sup>2</sup> Diona block (part of ATP 2077)



The Diona Prospect has a total un-risked mean prospective resource of 12.5 billion standard cubic feet equivalent<sup>2</sup>



Xstate has re-listed as the Operator in the proven Surat-Bowen Basin. Neighbours include AGL, Santos, Shell, Omega, Elixir, Bridgeport



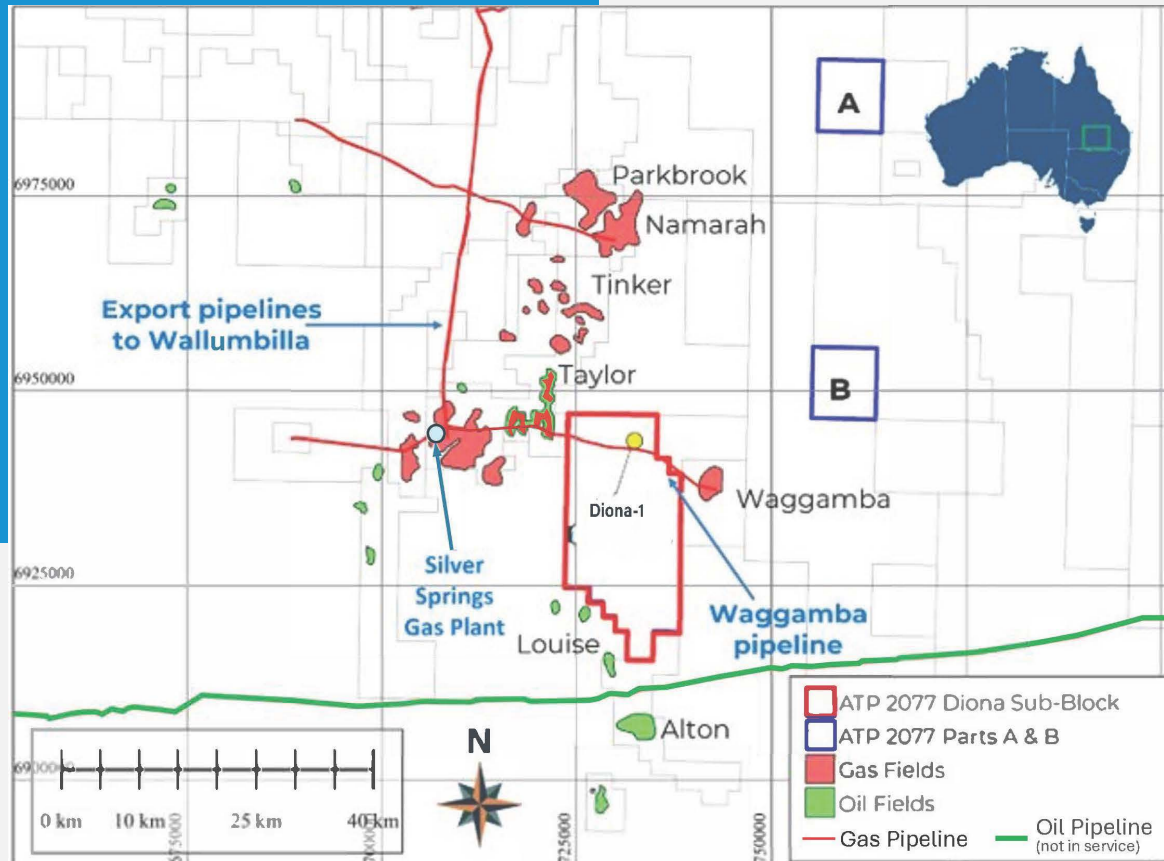
Xstate's accelerated work program as Operator will sole fund drilling of exploration well, Diona-1, expected to spud in week commencing 22<sup>nd</sup> Sept 2025

<sup>1</sup> per one or more horizons, see Prospective Resources Statement on Page 9

<sup>2</sup> 51% to Xstate equivalent to 6.4Bscfe net

## Diona - Location

- Premium Hydrocarbon country
- Proximal to numerous other oil and gas discoveries in the Showgrounds Formation
- Surrounded by Waggamba, Taylor, Silver Springs, Louise and Alton fields
  - 70km west of Omega's Canyon-1 and Canyon-2
  - 12km west of Waggamba gas field (100% AGL)
  - 11km east of Taylor oil and gas field
- Very close to infrastructure
  - <200m to Waggamba pipeline
  - 15km east of Silver Springs gas processing plant

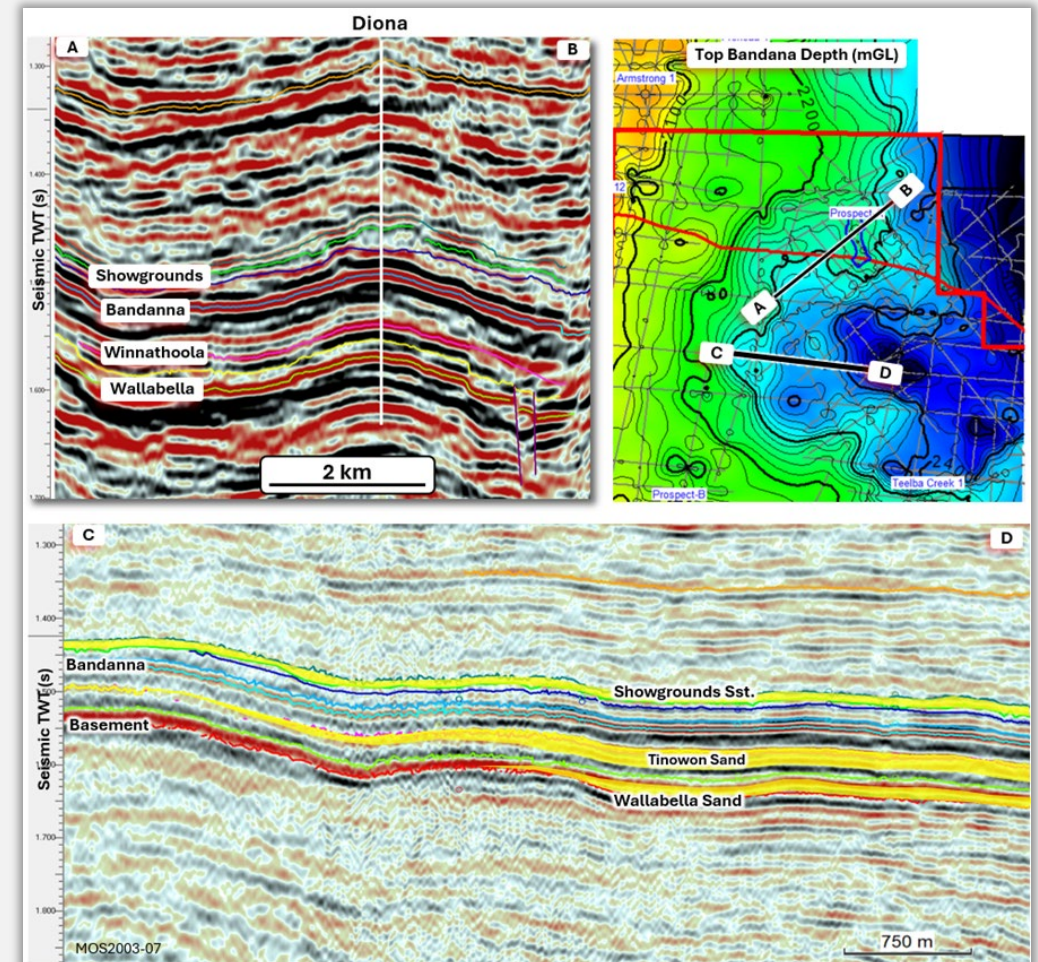




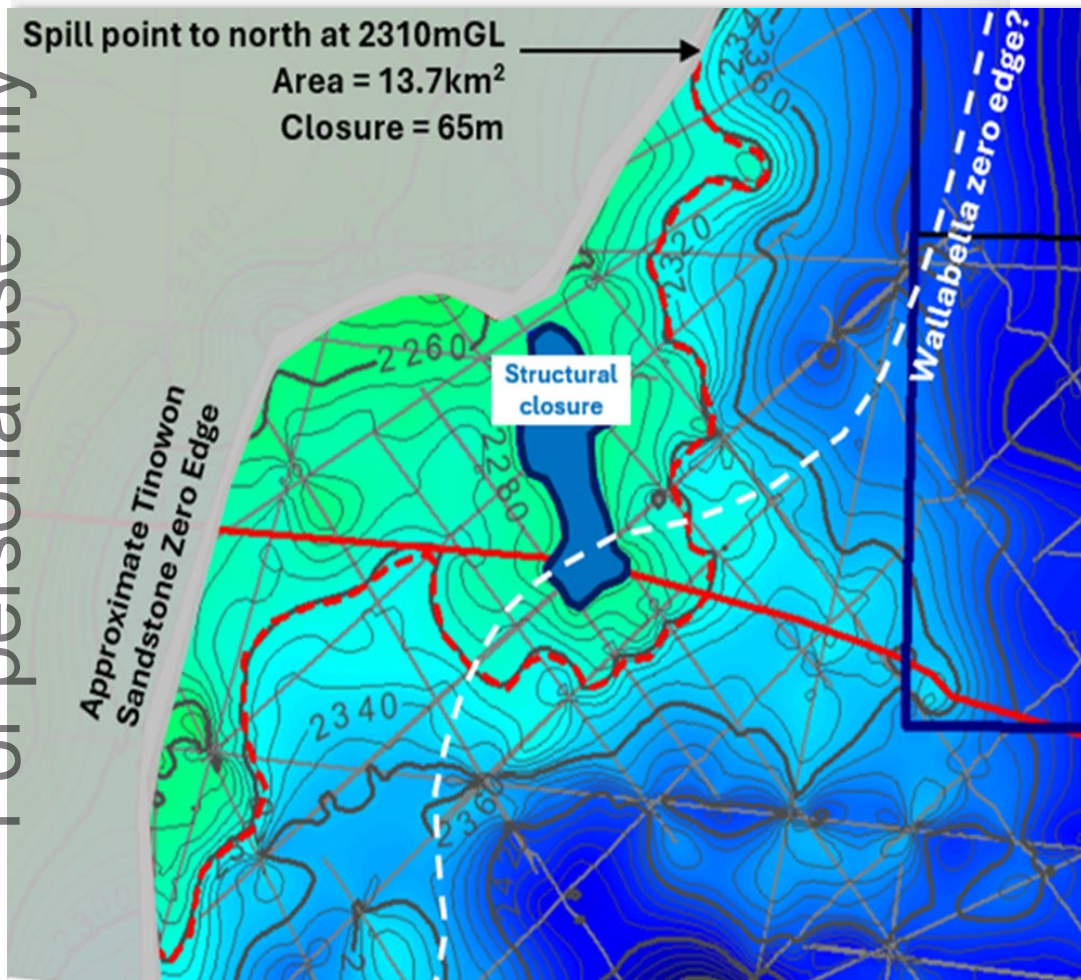
# Diona - Geology

- 4-way dip closed anticline with stratigraphic upside
- Situated on a structural nose plunging into source rock depo-centre
- Structural trap covers 1.0 km<sup>2</sup>
- Stratigraphic trap covers 13.7 km<sup>2</sup>
- Unrisked 100% Gross Mean Prospective Resource 12.5 BCFE
- Technical Risking of any one horizon: 55%<sup>1</sup>
- Depth to Target<sup>2</sup> 2300m

<sup>1</sup> per one or more horizons  
<sup>2</sup> estimated depth to top of target







## Diona - Prospectivity

- Diona prospect targets **3 stacked reservoir objectives** at Showgrounds, Upper Tinowon and Wallabella Sandstone levels all of which can be tested via a single vertical exploration well
- The **Tinowon and Wallabella Sandstone targets have additional stratigraphically trapped upside** associated with the inferred pinch-out of these two reservoirs against the eastern flank of the Wunger Ridge
- Diona is **well located for hydrocarbon charge** due to its position on a prominent east-southeast nose that plunges down into the prognosed Permian source kitchen.
- **Gas-condensate** is considered the most likely hydrocarbon phase, **but oil is a possibility**
- **At least 3 additional prospects identified and being matured**



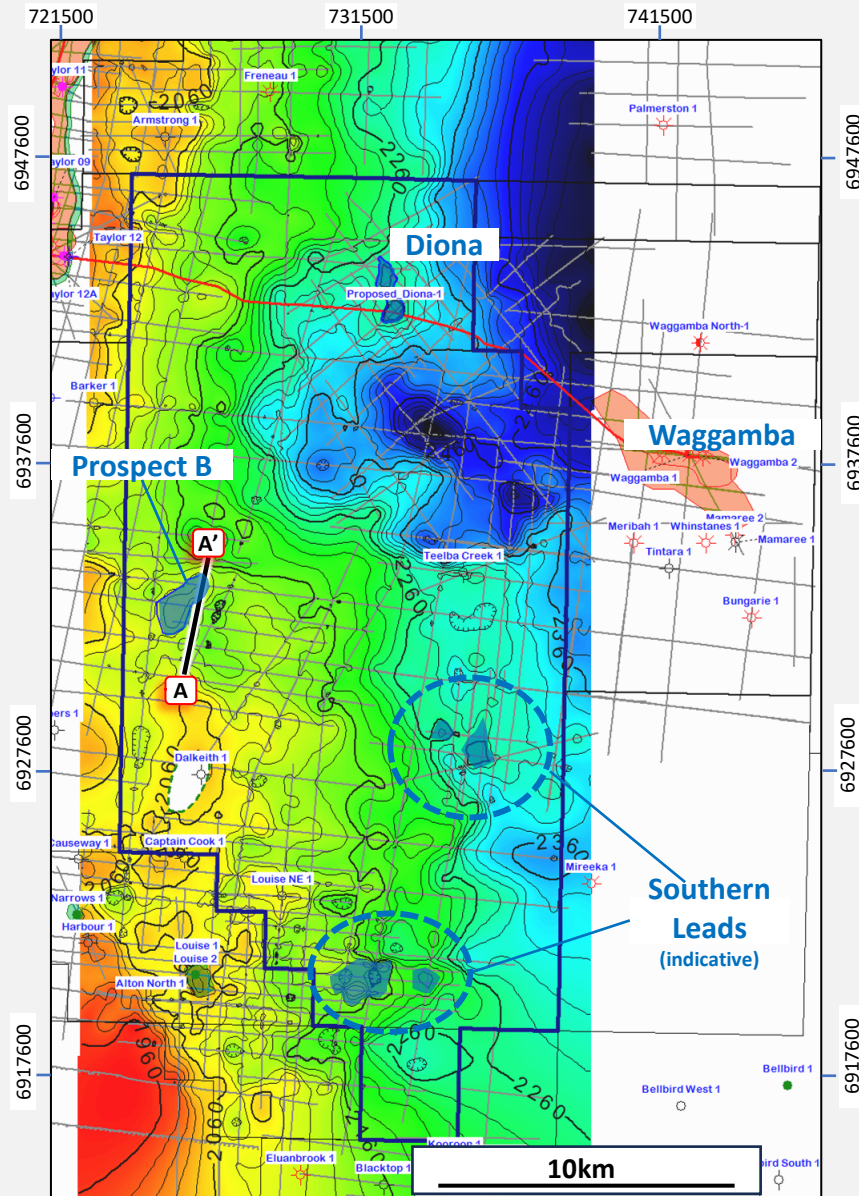
# Diona - Prospectivity

## Prospect B:

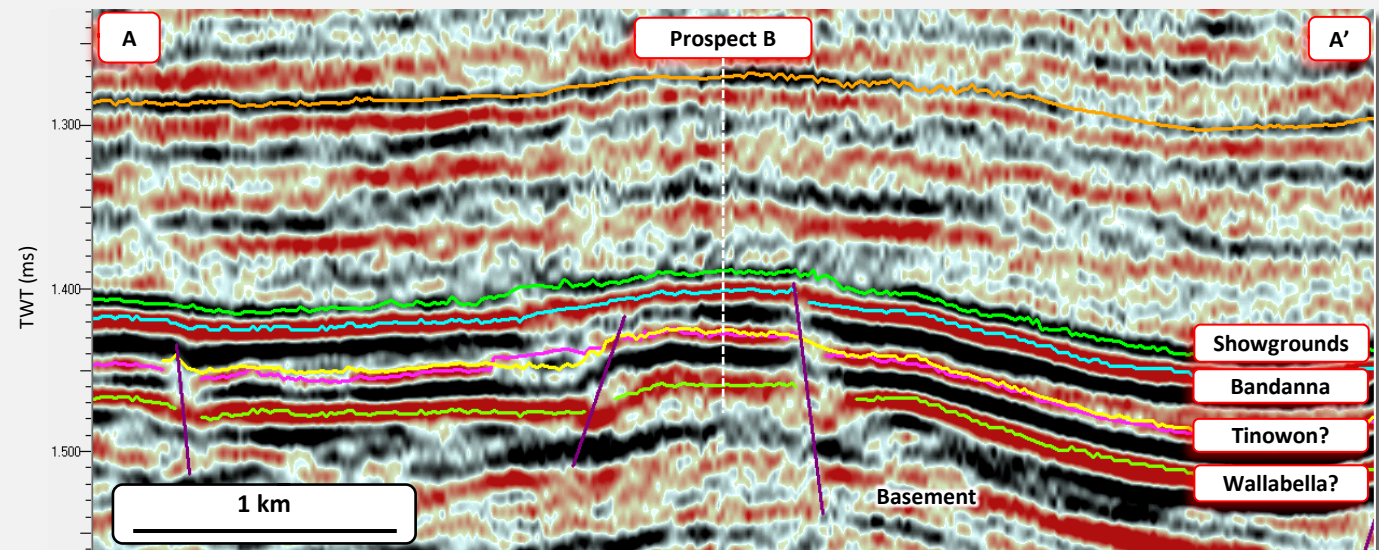
- 1.7km<sup>2</sup> closure at primary target Showgrounds Sandstone level
- Promising opportunity with gas or light oil potential
- Reprocessed seismic will be used to refine mapping and define additional potential at Tinowon & Wallabella Sandstone levels

**Southern Leads:** Areas with poor existing seismic data quality, but with potential for material new prospects to emerge from reprocessing

**Waggamba play:** Reprocessing may provide insights into the poorly understood trapping configuration of the Waggamba Field and allow analogue prospects to be identified in the adjacent Diona Sub-block



Top Showgrounds Formation Depth (m)



# Diona – Prospective Resources

Hydrocarbon Type	Reservoir Objective	Gross Unrisked Prospective Resource				Pg	Pd
		1U	2U	3U	Mean		
Gas Equivalent (Bscfe)	Showgrounds	0.9	1.9	4.1	2.3	39%	
	Tinowon	0.3	3.1	15.7	6.1	20%	
	Wallabella	0.2	2.1	10.6	4.1	16%	
	<b>Probabilistic Sum</b>	<b>0.7</b>	<b>2.7</b>	<b>12.2</b>	<b>5.1</b>	<b>55%</b>	<b>85%</b>
	<b>Arithmetic Sum</b>				<b>12.5*</b>		

\*6.4 net to Xstate

## Prospective Resources Cautionary Statement

- These estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery (Pg) and a risk of development (Pd). Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.
- These Prospective Resources have been calculated probabilistically using a Monte Carlo simulation methodology for the three individual reservoir targets and have then been combined probabilistically (incorporating the impact of risk and risk dependencies) to determine the Prospective Resources for the entire prospect.
- 1U, 2U and 3U refer to the low estimate, best estimate, and high estimate respectively and are respectively equal to the P90, P50 and P10 scenarios that are output from the probabilistic volumetric assessment.
- Gas-equivalent Prospective Resources have been calculated in Billion standard cubic feet equivalent (Bscfe) using a conversion factor of 1 barrel condensate = 6000 cubic feet of gas.
- These Prospective Resource only consider the most likely case hydrocarbon phase scenario (gas with condensate) and do not consider the possibility of oil.
- The risk of development, Pd, has been assessed in relation to the probabilistic resource ranges for the entire prospect rather than for each individual reservoir target.







## DEAL TERMS

- ✓ XST acquired a 51% interest in the Diona Sub-Block of ATP 2077
- ✓ XST has paid a \$250,000 non-refundable deposit to Elixir
- ✓ XST is the operator
- ✓ XST's accelerated work program – drilling in week of 22<sup>nd</sup> Sept 2025
- ✓ Market Cap: \$5.2m

1

2

3

## Vendor

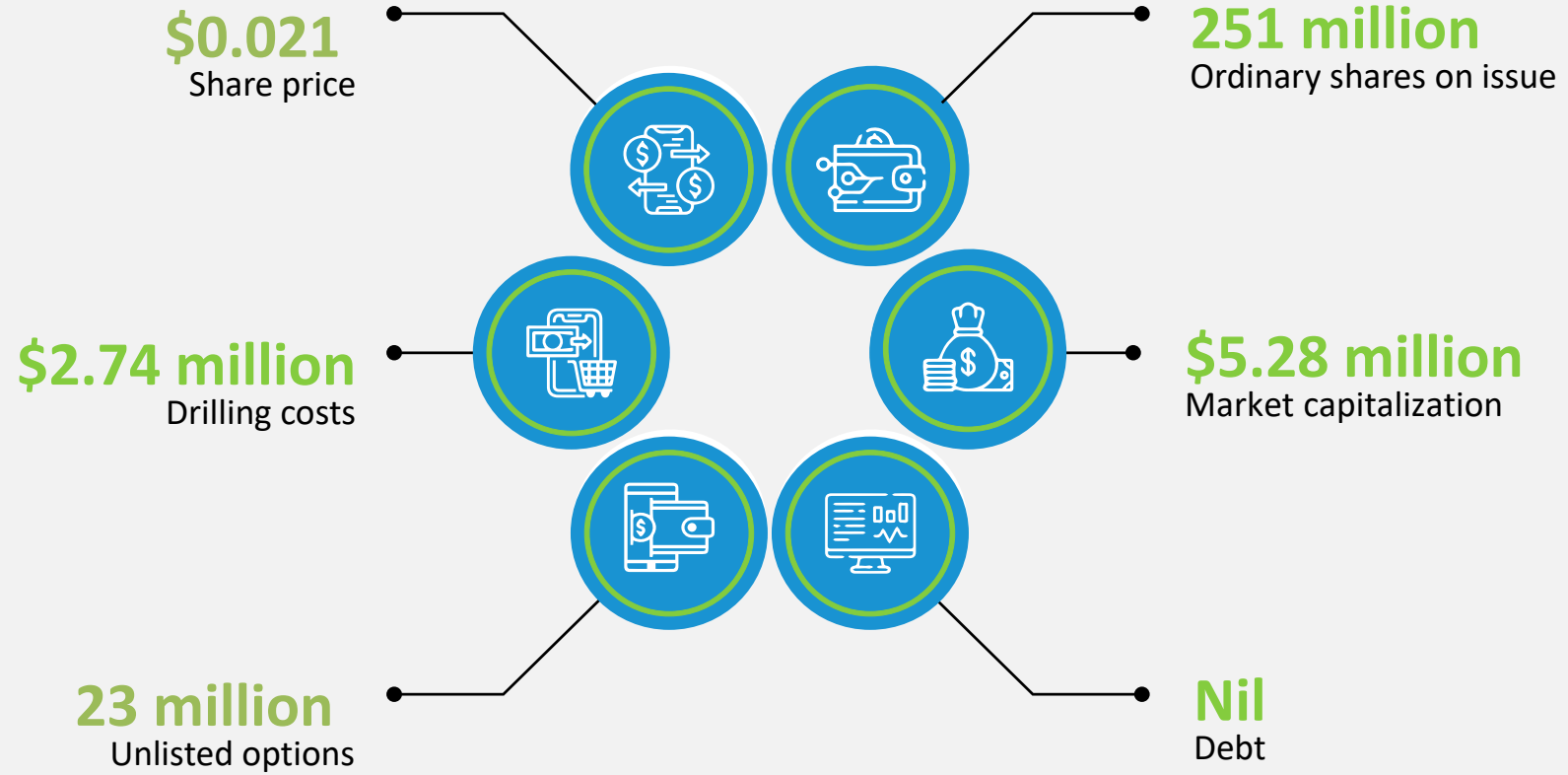
Elixir Energy (ASX: EXR) is an oil and gas explorer in Queensland

Active in adjacent blocks with Project Grandis (deep unconventional gas)

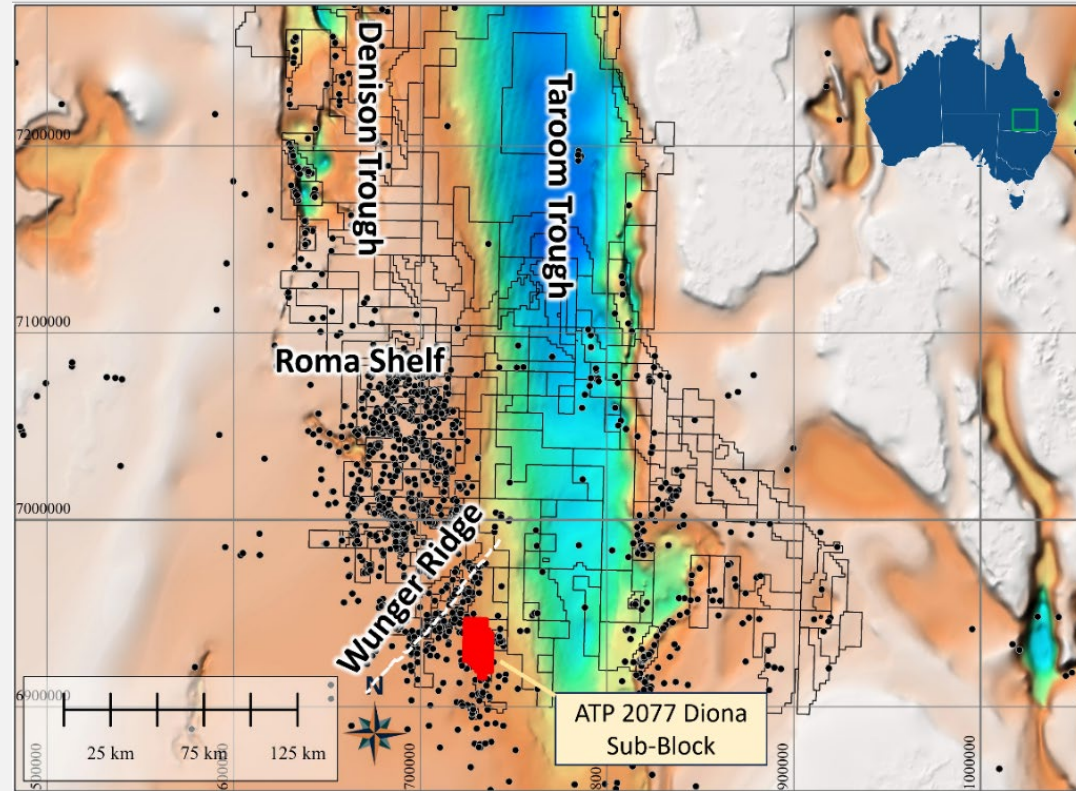
Market Capitalization: \$40m



# Capital Structure



# DIONA PROJECT Overview



**369 km<sup>2</sup>**

Covering Diona sub-block  
of ATP 2077

**12.5 billion cubic  
feet**

100% Gross un-risked mean  
prospective resource

**2,300m**

Target formation depth

**15 km**

To Silver Springs Gas Facility

**\$13.00 per 1,000  
cubic feet**

Current wholesale gas price  
ex Wallumbilla

# XST Team

## Greg Channon, Non-Exec Chairman

Qualifications: BSc.(Hons)

Mr Channon is a geologist with over 35 years of global oil and gas experience in a variety of technical and leadership roles. During his career, Mr Channon has worked with a range of E&P companies including Delhi, Santos, Fletcher Challenge Energy, Shell, Swift Energy, BrightOil and Pathfinder.

He has lived and worked in Australia, New Zealand, USA, Hong Kong, China and Africa. Mr Channon has a large range of diverse oil and gas expertise, including exploration, operations, development, production, economics, commercial negotiations, new ventures, business development and IPO start-ups. He has sat on the Board of Directors of companies listed on the ASX, NYSE, TSX and HKSE.

## Andrew Childs, Non-Exec Director

Qualifications: BSc.

Mr Childs is a petroleum geologist with over 35 years of Oil and Gas experience, working in Technical and Commercial roles for small to mid-capped Companies listed on the ASX, AIM and TSX markets.

Mr Childs is formerly Non-executive Chairman of Australian Oil Company Limited (formerly Sacgasco Limited) and formerly Non-executive Director of ADX Energy Limited.

## Andrew Bald, Managing Director

Qualifications: BEc. (Hons)

Mr Bald has over 35 years of experience in financial markets, director of numerous ASX listed companies including from 2013 through 2016, as managing director of Burleson Energy, an oil and gas explorer with production in Texas, USA. His private corporate advisory group, Panthea Capital, has been assisting junior ASX listed resource and oil and gas companies raise capital for over 20 years.

## Jordan McArthur, Company Secretary

Mr McArthur is a Chartered Accountant and was appointed to the position of Company Secretary on 17 April 2018. Mr McArthur has 14 years corporate and financial experience in Australia and the United Kingdom.

## Michael Andronov, Operations Manager

Qualifications: B.Eng. in Mechanical Engineering, Masters in Petroleum Engineering

Mike has 30 years of experience in the Oil and Gas sector with a background in Petroleum Engineering and Wells, working on Conventional and Unconventional plays. His experience has been gained whilst working for Exploration & Production Operating Companies, the Service Sector and Consultancy Firms. During his career he has held technical roles and team lead positions in challenging Offshore and Onshore projects, mostly focussed on Drilling & Completion Engineering. He has also managed large multi-disciplinary subsurface and engineering teams responsible for field appraisal, development, project management and due diligence in CBM projects. His international experience includes the North Sea, North Africa, the Caribbean and Australasia.



# Non-Core Assets

## California

- 10-30% WI in various gas producing properties in the Sacramento Basin
- 2023 Production: 14.7 million cubic feet of gas
- 2023 Reserve: Nil



## Austria

*Sold  
April 2025*

- 20% WI in the Anshof Oil Discovery
- 2023 Production: 5,960 barrels
- 2023 2P Reserve: 1,000,000 barrels

# Summary



Game-changing  
strategy for  
Xstate



Prospect with  
high chance of  
technical  
success



Pathway to early  
production



Re-listed Sept  
2025



Preparing to drill  
in Sept 2025

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