



**Xstate**  
R E S O U R C E S

**XSTATE RESOURCES LIMITED**

**ABN 96 009 217 154**

**ANNUAL FINANCIAL REPORT**

**For the year ended 31 December 2025**

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## **CORPORATE DIRECTORY**

### **Directors**

Mr Andrew Bald  
Mr Greg Channon  
Mr Andrew Childs

### **Company Secretary**

Mr Jordan McArthur

### **Registered and Principal Office**

Level 1, 31 Cliff Street  
Fremantle WA 6160

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

Telephone: +61 8 9435 3200

### **Postal Address**

PO Box 584  
Fremantle WA 6959

### **Auditors**

BDO Audit Pty Ltd  
Level 9, Mia Yellagonga Tower 2, 5 Spring Street  
Perth WA 6000

### **Bankers**

ANZ Banking Group Limited  
Level 6, 77 St Georges Terrace  
Perth WA 6000

### **Share Registry**

Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney, NSW 2000

Telephone: 1300 737 760

### **ASX Code**

Shares: XST

### **Country of Incorporation and Domicile**

Australia

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## CHAIRMAN'S ADDRESS

Dear Shareholder,

I am pleased to present the 2025 Xstate Annual Report. Whilst the year started with the company suspended and searching for a new asset, it ended with a successful ATP-2044 Queensland farm-in and a Diona-1 gas discovery — our first operated drilling venture and demonstrated our capability as a drilling Operator.

We also reorganized the Board and appointed Mr Andrew Bald as Managing Director.

The Diona-1 well found a substantial gas column in Permian sediments. It will soon undergo stimulation and testing, which may lead to a promising gas flow. The results increased the prospective resources at Diona from 12.5Bscfe to nearly 200Bscfe (gross mean). If upcoming tests are successful, we are well positioned for further drilling and eventual field development.

I would like to thank our shareholders and contractors for their support over the year and look forward to delivering greater value to shareholders in the coming year.



Greg Channon  
**Chairman**

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## **MANAGING DIRECTOR'S REPORT**

2025 was a transformational year for Xstate Resources, with the Company continuing its divestment and re-structure program. We divested ourselves from our remaining 2 minority, non-operating interests in Anshof (Austria) and California (USA), enabling us to focus on our new project in the Surat-Bowen Basin of Queensland, the Diona Block (ATP2077).

With our re-compliance process and re-quotation on the ASX completed on 16 September 2025, the swift spudding of Diona-1 one week later was the first stage in our new approach to oil and gas exploration.

Whilst the outcome in the shallowest (Showgrounds) target formation was disappointing, the deeper Permian sections delivered a breakthrough with significant gas intervals across the deeper Bandanna, Tinowon and Wallabella formations.

The wireline logs obtained while drilling the Diona-1 well confirmed 116 m Gross Pay and 23 m Net Pay, supporting a Basin Centred Gas (BCG) interpretation and an internal prospective resource mean of ~197 Bscfe gross (100.5 Bscfe net to Xstate). This has the potential to be truly transformative for Xstate over the coming years.

Following the success at Diona-1, our second capital raising announced in October (\$3.82m) to fund appraisal and production testing set us up for the completion and testing in the first quarter of 2026, with initial flow results expected in early April 2026. If the well test is successful, we will look to connect to the nearby pipeline and undertake an extended production test whilst we are ready for future drilling. A successful test could see the Company entering into a gas sales contract during the 2026 financial year, generating early revenues which we expect will be re-invested in the development of the field.

Thank you to all shareholders for your support during the last 12 months. I am very optimistic that the coming 12 months will be even more exciting!



Andrew Bald  
**Managing Director**

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## **REVIEW OF OPERATIONS**

### **Overview**

Xstate Resources Limited (“**Xstate**”, “**the Company**” or “**the Group**”) is listed on the Australian Stock Exchange (**ASX:XST**). The Group is primarily involved in oil and natural gas exploration and production.

Over the past 12 months, the Company continued to rationalise its portfolio and divested itself of its remaining overseas assets, located in Austria and then California. The decision to divest our minority working interest in these projects was driven by the lack of cashflow and ongoing drain on our cash reserves.

### **Operational Highlights**

- Shares reinstated to trading on ASX on 16 September 2025
- Successfully raised \$2.14m public offer (pre-costs)
- Diona-1 spudded 29 September 2025
- Wireline logs confirmed 116m Gross / 23m Net pay
- Potential Basin Centred Gas play identified
- Announcement of Prospective Resources of 197 Bscfe gross (mean, 100.5 Bscfe net to Xstate at 51%)
- Raised \$3.82m in two-tranche placement announced 31 October 2025 to fund appraisal/production testing
- Anshof (Austria) 20% working interest divested 4 June 2025
- California working interests divested on 8 December 2025

### **Diona Project (ATP 2077) – 51% Working Interest**

The Diona-1 well was spudded in late September 2025 and reached TD 2,479 m after drilling through the Showgrounds, Tinowon and Wallabella formations (Permian Sands). The original thesis was that the Showgrounds formation had the highest chance of success however the size of the target was a modest 12.5bscfe (gross 100% mean). Drilling however proved that the Showgrounds did not host any hydrocarbons but we were extremely pleased to discover that the lower formations (Bandana/Black Alley, Tinowon and Wallabella Sandstones) showed hydrocarbons were present and over-pressured. Wireline logs confirmed there was potential pay across these multiple Permian sandstone formations.

This was a truly significant, positive outcome for the Company and facilitated a significant re-rate of the Company’s Prospective Resources, increasing the P10 Prospective Resource Estimate to 197 bscfe (100% gross unrisked) of which 51% is attributable to Xstate (100.5bscfe).

As at the time of writing, the well was being prepared for perforation and stimulation, which is expected to be completed in early April 2026.

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**XSTATE RESOURCES LIMITED**  
**REVIEW OF OPERATIONS**  
**For the year ended 31 December 2025**

Table 1: Diona-1 – Summary of pay by formation

Formation	Top (m)	Gross Pay (m)	Net Pay (m)	Porosity (Max)	Porosity (Avg)	Notes
Bandanna / Black Alley	2287	60	13	14%	11%	Combined formations
Tinowon Sandstone	2411	11	1	12%	11%	-
Wallabella Sandstone	2421	45	9	11%	8%	Potential upside: additional pay on LWD not logged on wireline
<b>Total</b>		<b>86</b>	<b>23</b>		<b>10%</b>	

*Note: Our 14 Oct 2025 ASX announcement referenced 116 m Gross and 23 m Net pay. The above table reflects wireline coverage available at the time (some Wallabella interval not wireline-logged).*

Table 2: Prospective Resource Estimates (internal, unrisks)

Parameter	Units	P90 (1U)	P50 (2U)	P10 (3U)	Mean
Area	km <sup>2</sup>	28	60	129	72
Net Pay	m	14	23	33	23
Gross Recoverable Gas	Bscf	44	107	266	138
Gross Recoverable Condensate	MMstb	2.4	7.0	20.2	9.9
Gross Recoverable Gas Equivalent	Bscfe	62	154	377	197
Recoverable Gas (51% to Xstate)	Bscf	22.4	54.6	135.7	70.4
Recoverable Condensate (51% to Xstate)	MMstb	1.2	3.6	10.3	5.0
Recoverable Gas Eq. (51% to Xstate)	Bscfe	31.6	78.5	192.3	100.5

**PRMS 2018 Caution: Prospective resources are undiscovered and subject to risks of discovery and development; further appraisal is required. 1U/2U/3U refer to P90/P50/P10 respectively.**

Next Steps: Perforation and stimulation targeted April 2026, with flow test results expected early May 2026. Plan to tie into nearby pipeline for extended production test.

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## 2026 Operations

The Diona-1 well was re-entered in March 2026 in preparation for testing, which will involve perforation of 3 zones and stimulation. If hydrocarbons are present and flow, the zones will be co-mingled and put onto an extended production test, which could be as long as 12 months. During the testing period, the Company will look to connect the well to the nearby pipeline and enter into contracts to sell the gas.

All going well, the Company could be on production and selling gas before the end of June 2026. Following on from this, the Company is already preparing plans to progress the development of the field later this calendar year however all plans are, of course, contingent on a successful flow test. We should have a better understanding of where we stand by the middle of April 2026.

## Portfolio Rationalisation

During the 2025 calendar year, the Company continued with its rationalization of its portfolio and process of exiting its non-operated, minority working interests in various projects. Over the year, we successfully exited both our Austrian and Californian businesses and in the process, eliminated a significant balance sheet exposure to our Californian Assets.

The Californian assets were of particular concern to us as the Company had continued to incur costs, despite reported production, but revenue had not been sufficient enough to cover the operating costs, which, of course, reflected poorly on the competence of the operator.

As a result, on the 8 Dec 2025, we announced the sale of various working interests for a consideration totalling US\$95,103 which took the form of a forgiveness of accrued cash calls. The significantly reduced abandonment exposure had a commensurate positive effect on our balance sheet.

Earlier in the year, we announced the assignment of our 20% WI in the Anshof Project (Austria) to Kathari (ADX). The consideration was equivalent to €547,075 which was offset against outstanding cash calls that included a €480,867 contribution to the permanent oil production facility. As a result of the assignment, Kathari assumed all of Xstate's Austrian obligations.

## Financial results and condition

Loss from continuing and discontinued operations for the financial year ended 31 December 2025 after income tax was \$1,769,160 (2024: profit \$1,184,085).

Austrian oil production operations netted \$138,677 of revenue to the Group prior to disposal (2024: \$587,893), with a loss on those operations of \$103,623 before tax when factoring in disposal (2024: \$68,761). The Group disposed of its Austrian assets on 4 June 2025.

Californian gas production operations netted \$13,462 of revenue to the Group prior to disposal (2024: \$30,488), with a profit on the discontinued operations of \$212,028 before tax when factoring in disposal consideration and realisation of the foreign currency translation reserve (2024: loss of \$164,707). Consideration for disposal of the entity amounted to \$147,612 (US\$95,100). The Group disposed of its Californian assets on 12 December 2025.

The Group has working capital of \$2,804,975 (2024: \$2,674,246) and net cash out flows for the year of \$602,529 (2024: in flows \$2,525,059).

The Company remains acutely aware of the current economic climate and continues to assess costs incurred to ensure appropriate allocation of resources.

**XSTATE RESOURCES LIMITED**  
**REVIEW OF OPERATIONS**  
**For the year ended 31 December 2025**

**Summary of results**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>Reclassified</b>
		<b>\$</b>
<b>Continuing operations</b>		
Other income	72,868	40,887
Loss before income tax	(1,838,299)	(982,965)
Income tax benefit / (expense)	-	-
Net loss for the year from continuing operations	<b>(1,838,299)</b>	<b>(982,965)</b>
Profit from Discontinued Operations	<b>69,139</b>	<b>2,167,050</b>
Net (loss) / profit from operations	<b>(1,769,160)</b>	<b>1,184,085</b>
Other comprehensive income	(66,120)	21,037
Total comprehensive (loss) / profit for the year	<b>(1,835,280)</b>	<b>1,205,122</b>
Loss per share from continuing operations	(0.96)	(0.68)
(Loss) / profit per share from continuing and discontinued operations	(0.93)	0.82
Shares on issue at reporting date	428,680,818	144,180,863
Weighted average number of shares	190,533,365	144,180,863

The comparative figures reported for 2024 have been reclassified from those presented in the 2024 Annual Financial Report to take into account the effect of the discontinued operation (North American operations and Austrian Operations), as required under AASB 5. Shares on issue for 2024 has been updated to reflect the total number of shares prior to the 2.23:1 consolidation of capital that occurred in August 2025.

**Competent person statement**

The technical information provided has been compiled by Mr Greg Channon, Chairman of Xstate Resources Limited. Mr Channon is a qualified geologist with over 35 years technical, commercial and management experience in exploration, appraisal and development, and transportation of oil and gas and mineral and energy resources. Mr Channon has reviewed the results, procedures and data contained in this report and has consented to the inclusion of the above information in the form and context in which it appears.

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## **Material Business Risks**

The key risk factors affecting the Company are set out below. The occurrence of any one of the risks below could adversely impact the Company's operating or financial performance. It is noted that this is not an exhaustive list of risks that may potentially impact the Company.

### ***Operating Risk***

Sustained, unplanned interruption to production operations for either operator that the Company is involved with may impact Xstate's financial performance and its ability to fund its forward programs. The operations in which Xstate currently has a non-operated working interest are subject to operating hazards associated with major accident events and weather events, which can result in a loss of hydrocarbon containment, diminished production, unbudgeted cost increases, environmental damage and harm to people or reputation. This risk extends to unexpected sub-surface outcomes.

As Xstate is not the operator of the projects it is involved with, the operating risks are extended to include the performance of the operators. These risks could include inadequate resourcing or systems, misalignment of interests, inadequate capture or provision of data and information, poor financial position or unfavourable or inadequate agreement with the operator. Consequences of poor performance by an operator could extend to operational incidents, financial loss, loss of opportunity, non-compliance, legal disputes or less than optimal financial returns from the field.

Xstate seeks to manage and mitigate the risks around performance of the operator by entering into ventures with operators who have a demonstrated history of competencies of operation and financial capacity. Through its due diligence, Xstate seeks to ensure that the operator's reputations are sound and that Xstate's interests are aligned before committing to participation. The Board of Directors is actively engaged with regular communication with each Operator as to the status of operations and planned activities as part of the risk management process.

### ***Commodity Price Risk***

The prices of crude oil and natural gas are volatile. As an entity that holds working interests in exploration operations, changes in the prices of these commodities will not immediately affect the Company's financial position, financial results or cash flows. However, should the exploration projects transition into production operations, fluctuations in commodity prices will impact the entity. Movements in commodities also impact access to capital and the ability for the Company to grow and assess further exploration opportunities. Commodity prices have in recent years been characterized by significant price fluctuations driven by the market's expectations of demand for oil and natural gas, which are influenced by a range of global and domestic events beyond the Company's control.

These factors include shifts in supply and demand dynamics, changes in governmental policies, regulatory and environmental developments and broader macroeconomic conditions. Sustained periods of low prices may impact the economic viability of exploration, development and production activities, whilst high prices may contribute to increased costs and competition for resources.

As Xstate is not the operator of its working interests, the Company has not entered into any hedging arrangements to mitigate the downside commodity price risk.

### ***Hydrocarbon spills***

Oil and gas operations involve the production, storage and transport of the produced oil and gas as well as waste materials. Hydrocarbon spills may lead to damage to the environment, as well as potential safety issues and damage to Xstate and our respective operators' reputation and fines. Hydrocarbon spills are managed by each operator through a system of rigorous internal procedural adherence in combination with

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technological inputs to rapidly identify and address any occurrences to reduce the environmental impact as best as possible.

***Regulatory and Political***

Exploration for, and development and exploitation of, oil and gas in Australia is subject to numerous laws and regulations at both federal and state levels. These include areas of taxation, environmental protection and operational regulatory compliance. Existing laws and regulations, as currently interpreted or reinterpreted in the future, or future laws and regulations could potentially adversely impact the Company. Compliance with such laws and regulations may significantly increase the Company's operating expenses and any failure to comply may result in material penalties and fines to the Company or the Operators. Whilst Australia is considered politically stable, changes in governmental regulations and policies (whether through change in governments or change in policy from existing governments) may adversely affect the financial performance or the current and proposed operations of both the Company and the Operator of the working interests.

The ability to develop and produce oil and gas, as well as industry profitability generally, can be affected by such changes, which are beyond the control of the Company and the Operators of the working interests. As such, future financial performance and future operations may thereby be materially adversely affected.

***Exploration Risk***

Exploration activities in the oil and gas industry are inherently uncertain, with no assurance that drilling efforts will result in commercially viable discoveries. Geological complexities, inaccurate seismic data interpretations and unforeseen subsurface conditions can lead to unsuccessful wells, rendering exploration investments unproductive. Even when hydrocarbons are encountered, factors such as reservoir quality, fluid composition and extraction challenges may render a discovery uneconomical.

Exploration programs are also subject to external influences, including regulatory approvals, environmental constraints, land access issues and availability of critical infrastructure, all of which can impact project timelines and costs. Additionally, market conditions, including fluctuations in oil and gas prices, may affect the financial viability of exploration activities, potentially leading to delays, asset impairments or permit and licence relinquishments.

To mitigate these risks, Xstate employs advance geological and geophysical analysis, rigorous technical and economic assessments and disciplined capital allocation while maintaining a diversified exploration portfolio.

***Reserves and resource estimation***

Calculation of recoverable oil and gas reserves and resources contain significant uncertainties which are inherent in the reservoir geology, well data, operating costs and oil prices and requirement management to make a series of assumptions for the purposes of preparing such reserve reports.

Although such assumptions may be reasonable at the time they are made and may be subject to review by independent reserves auditors, future drilling results and costs and oil prices may differ significantly from those assumptions. There is a risk that resource estimations will not convert into reserves or any actual production may significantly vary from estimates.

Xstate manages the risks associated with reserves estimates through by appropriate qualified Board representatives and the engagement of independent auditors on at least an annual basis to certify reserves.

***Reliance on Key Personnel***

Xstate’s success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company’s business, financial condition, results of operations and prospects. The contributions of the existing management team to the immediate and near-term operations are likely to be of central importance. There can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the implementation, development and operation of its business strategy.

In addition, it is noted that Xstate is the non-operator of its key working interests held. Having suitably qualified and reputable operating teams in place, with appropriate relationships and experience for its operations is critical to Xstate’s success as it moves into the future. The loss of the services of members of the current operating team could have an adverse impact on the Company’s operations, particularly in the short-term until suitable replacements could be recruited. Xstate does not maintain or plan to obtain any insurance against the loss of any key management personnel.

***Foreign Exchange Risk***

Xstate has Australian based operations, and as such, exposure to foreign exchange fluctuations is minimal. However, certain elements of equipment required in oil and gas exploration is denominated in foreign currencies. Furthermore, commodity prices can also be denominated in foreign currencies, which together presents a financial risk. Movements in exchange rates can impact financial performance by affecting cash flows, asset valuations and the costs of funding commitments.

A depreciation of the Australian dollar against foreign currencies may increase the cost of requisite equipment acquisitions from overseas jurisdictions or services from overseas counterparties. An appreciation of the Australian dollar would cause a reversal in the abovementioned occurrences.

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## DIRECTORS' REPORT

The Directors present their report together with the financial statements of Xstate Resources Limited (the Company) and of the Group, being the Company and its subsidiaries for the financial year ended 31 December 2025 and the auditor's report thereon.

### 1. DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Name and independence status	Experience, qualifications, special responsibilities and other directorships
<p><b>Andrew Bald</b>            Managing Director            Qualifications: BEc.</p> <p><i>Interest in shares and options</i>            Shares: 3,219,780            Options: 1,793,792</p> <p><i>Appointed Non-exec Director</i>            6 June 2022</p> <p><i>Appointed Managing Director</i>            7 April 2025</p>	<p>Mr Bald has over 35 years of experience in financial markets and since branching out on his own in 2003, has raised capital for, and listed, a number of junior oil &amp; gas and mineral exploration companies. From 2013 through 2016, he was managing director of Burleson Energy, an oil and gas explorer with production in Texas, USA, and he has also been on the board and acted as company secretary of a number of other ASX listed companies.</p> <p>Mr Bald is the founder and Executive Director of Panthea Capital Partners, a boutique corporate advisory company that specialises in raising capital for ASX listed companies, advising companies in relation to IPO process and providing strategic planning, risk management and financing advice.</p> <p>Mr Bald is formerly Non-executive Director of AXP Energy Limited.</p>
<p><b>Greg Channon</b>            Non-executive Chairman            Qualifications: BSc.(Hons)</p> <p><i>Interest in shares and options</i>            Shares: 516,993            Options: 1,793,792</p> <p><i>Appointed Non-exec Director</i>            17 August 2020</p>	<p>Mr Channon is a geologist with over 35 years of global oil and gas experience in a variety of technical and leadership roles. He currently consults to a variety of Australian and International companies.</p> <p>During his career, Mr Channon has worked with a range of E&amp;P companies including Delhi, Santos, Fletcher Challenge Energy, Shell, Swift Energy, BrightOil and Elixir. He has lived and worked in Australia, New Zealand, USA, Hong Kong, China, Mongolia and Africa.</p> <p>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.</p> <p>Mr Channon is Chair of the Audit and Risk Management Committee and a member of the Remuneration and Nomination Committee.</p>
<p><b>Andrew Childs</b>            Non-executive Director            Qualifications: BSc.</p> <p><i>Interest in shares and options</i>            Shares: 2,787,743            Options: 1,793,792</p> <p><i>Appointed Non-exec Director</i>            22 April 2020</p>	<p>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.</p> <p>Mr Childs is formerly Non-executive Chairman of Australian Oil Company Limited (formerly Saggasco Limited) and formerly Non-executive Director of ADX Energy Limited.</p> <p>Mr Childs is Chair of the Nominations and Remuneration Committee and a member of the Audit and Risk Management Committee.</p>

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## 2. COMPANY SECRETARY

Jordan McArthur is a Chartered Accountant and was appointed to the position of Company Secretary on 17 April 2018. Mr McArthur has 15 years corporate and financial experience in Australia and the United Kingdom.

## 3. DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors held during the year ended 31 December 2025, and the number of meetings attended by each Director was:

Director	Full meetings of Directors		Meeting of Audit and Risk Management Committee	
	No. of meetings attended	No. of meetings held whilst a Director	No. of meetings attended	No. of meetings held whilst a Director
Andrew Childs	6	6	1	1
Greg Channon	6	6	1	1
Andrew Bald	5	6	-	-

## 4. PRINCIPAL ACTIVITIES

The principal activity of the Group during the course of the financial year was oil and natural gas exploration and production.

## 5. OPERATING AND FINANCIAL REVIEW

Information on the operations and financial position of the Group and its strategies and prospects is set out in the Review of Operations at the beginning of this Annual Report.

### Significant changes in the state of affairs

On 12 September 2025, the securities of the Company were reinstated to quotation following a successful re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

During the financial year ended 31 December 2025, the Company acquired a 51% working interest in the Diona sub-block of ATP 2077 (Diona-1 project), an on-shore gas exploration project the Surat-Bowen Basin, Queensland. The acquisition of this working interest was a component of the Company's re-compliance with ASX Listing Rules, and subsequent to reinstatement of quotation, the Company spudded the exploration well.

Additionally, during the year, the Company strategically exited its ancillary investments in Austrian and North American (USA and Canada) operations to concentrate resources and focus upon the newly acquired Diona project.

Other than the matters above and those discussed in section 8 of the Directors Report, there have been no other significant changes in the state of affairs for the entity.

## 6. DIVIDENDS

The Directors recommend that no dividend be provided for the year ended 31 December 2025 (2024: Nil).

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## **7. LIKELY DEVELOPMENTS**

The Group intends to focus on its Queensland based project and continue to develop its core asset, the Diona sub-block (ATP 2077) whilst also assessing any other viable global oil and gas exploration opportunities that are presented to the Board.

## **8. EVENTS SUBSEQUENT TO REPORTING DATE**

On 5 March 2026, the Company advised its intention to issue Directors with Performance Rights, subject to shareholder approval at the 2026 AGM to be held in April/May 2026. The total number of Performance Rights intended to be issued as incentive remuneration was identified as 19,500,000 with vesting criteria of achieving a share price of \$0.04 and \$0.06 over a 14-day period.

Other than the matters identified above, there have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

## **9. ENVIRONMENTAL REGULATION**

The Group is subject to significant environmental regulation in relation to its exploration and production activities. It aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation. The Directors are not aware of any breaches during the period covered by this report.

## **10. SHARE OPTIONS**

### **Unissued shares under options**

At the date of this report unissued ordinary shares of the Company under option are:

<b>Expiry date</b>	<b>Exercise price cents</b>	<b>Number of options</b>
30-Jun-26	6.7	6,614,351
5-Mar-27	4.0	16,440,000
17-Dec-29	4.0	95,899,966

All unissued shares are ordinary shares of the Company.

These options do not entitle the holder to participate in any share issue of the Company.

Further details in relation to the share-based payments to directors are included in the Remuneration Report.

### **Shares issued on exercise of options**

During the financial year, no options were converted into fully paid ordinary shares. Since the end of the financial year, no options have been converted into fully paid ordinary shares.

### **Options expired**

During the 2025 reporting period, no options expired (2024: 11,550,000). Since the end of the reporting period, no options have expired.

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## 11. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the financial year, the Company paid an insurance premium of \$26,864 (2024: \$32,592) to insure the Directors and Key Management of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by officers in connection with such proceedings. This does not include such liabilities arising from conduct involving a wilful breach of duty by officers or improper use by the officers of their position or information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to insurance against legal costs and those relating to other liabilities.

The Group has agreed to indemnify each of the Directors and the Company Secretary of the Company and its controlled entities, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Company Secretary of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

No agreements have been entered into to indemnify the Group's auditors against any claims by third parties arising from their report on the Annual Financial Statements.

## 12. NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of these non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the remuneration for non-audit services provided by the auditor of the Company, BDO Audit Pty Ltd, and its related practices during the year are set out below:

	2025 \$	2024 \$
<b>Taxation services</b>		
<b><i>BDO Services Pty Ltd</i></b>		
Tax compliance and advisory services	12,545	11,366
<b><i>BDO Corporate Finance Australia Pty Ltd</i></b>		
Preparation of Investing Accountant's Report	28,840	-
<b><i>BDO Vienna GmbH</i></b>		
Tax compliance and advisory services	22,280	2,418
<b>Total remuneration for non-audit services</b>	<b>63,665</b>	<b>13,784</b>

### **13. PROCEEDINGS ON BEHALF OF THE GROUP**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

### **14. REMUNERATION REPORT - AUDITED**

The Directors present the Company's 2025 Remuneration Report prepared in accordance with the Corporations Act 2001. The Report sets out the detailed remuneration information for Non-Executive Directors, Executive Directors and other Key Management Personnel (KMP) of the Group.

The report contains the following sections:

- (a) Remuneration governance
- (b) Remuneration consultants
- (c) Executive remuneration strategy and framework
- (d) Board and management changes
- (e) Service contracts
- (f) Non-executive director remuneration
- (g) Key management personnel remuneration
- (h) Analysis of bonuses included in remuneration
- (i) Other KMP disclosures
- (j) Voting and comments made at the Company's 2025 Annual General Meeting

#### **(a) Remuneration governance**

Decisions and determinations regarding remuneration of Directors and Key Management Personnel is the responsibility of the Remuneration and Nomination Committee.

#### **(b) Remuneration consultants**

The Company did not engage any remuneration consultants during the year as it was not considered necessary. No changes were made to the remuneration of directors.

#### **(c) Executive remuneration strategy and framework**

Remuneration is referred to as compensation throughout this report. Compensation levels for key management personnel of the Group are set to attract, retain and motivate appropriately qualified and experienced Directors and Executives.

As the Group's principal activities during the year were assessment of new ventures, exploration / evaluation and development operations, measurement of remuneration policies against financial performance is not considered relevant. The measurement of remuneration policies considered a range of factors including budget performance, delivery of results and timely completion of development programmes.

The objective of the Group's reward framework is to ensure that remuneration policies and structures are fair and competitive. The Board ensures that remuneration satisfies the following criteria for reward:

- competitiveness and reasonableness;
- transparency;
- attracts and retains high calibre executives; and
- rewards capability and experience.

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## 14. REMUNERATION REPORT – AUDITED *(continued)*

### (c) Executive remuneration strategy and framework *(continued)*

#### **Executive remuneration mix**

The remuneration of a Managing Director or any other KMP can be structured as a mix of fixed remuneration and variable “at risk” remuneration through short-term and long-term incentive components.

#### **Fixed compensation**

Fixed compensation consists of base compensation plus employer contributions to superannuation funds (unless otherwise stated). Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group and compares compensation to ensure it is comparable and competitive within the market in which the Group operates.

Fixed compensation is not “at risk” but is appropriately benchmarked and set with reference to role, responsibilities, skills and experience.

#### **Performance-linked compensation**

Performance-linked compensation can consist of both short-term and longer-term remuneration. Performance linked remuneration is not based on specific financial indicators such as earnings or dividends as the Group continues to focus upon efforts in the exploration and development stage of projects.

#### **Long-term incentive**

Long-term incentives (LTIs) can comprise options and/or performance rights (PRs), which are granted from time to time to encourage sustained performance in the realisation of strategic outcomes and growth in shareholder value. Options and rights are granted for no consideration and do not carry voting rights or dividend entitlements.

#### **Consequences of performance on shareholder wealth**

The overall level of key management personnel compensation takes into account the performance of the Company over a number of years, although no remuneration is directly linked with financial performance.

Financial performance in respect of the current financial year and the previous four financial years is detailed below:

Shareholder returns	2025	2024	2023	2022	2021
Total comprehensive (loss) / profit for year (\$)	(1,835,280)	1,205,122	1,426,696	(3,414,981)	(4,493,191)
Basic EPS (cents) <sup>1</sup>	(0.96)	0.84	0.99	(2.37)	(3.12)
Share price at year end (cents) <sup>1</sup>	1.8	2.0	2.90	4.46	8.92
Market capitalisation (\$)	7,716,255	2,893,672	4,179,748	6,430,363	12,860,727
Net tangible assets (\$)	2,245,000	3,272,924	2,168,193	353,332	3,802,235
NTA Backing (cents) <sup>1</sup>	0.52	2.27	1.50	0.25	2.64

<sup>1</sup> Note that for the purposes of consistency of comparative information, the data identified above for 2021 through 2024 have been adjusted to reflect accurately the 2.23-for-1 consolidation of the Company’s securities that took place in August 2025.

During the financial years noted there were no dividends paid or other returns of capital made by the Company to shareholders.

## **14. REMUNERATION REPORT – AUDITED (continued)**

### **(c) Executive remuneration strategy and framework (continued)**

The Group's financial performance is impacted by a number of factors. As the Group continues to have a predominant focus upon exploration activities, the share price and thus the Company's market capitalisation is still considered to be a strong indicator of the Group's overall performance. Cash flows from the operation of producing interests are utilised to fund these exploration activities, rather than the Company being reliant on shareholder funding to the same degree it has historically.

### **(d) Board and management changes**

During the year, no changes occurred to the Board or management personnel.

### **(e) Service contracts**

On appointment to the Board, all Non-executive Directors enter into a letter of appointment with the Company specifying their functions and duties as a Director.

Executive remuneration and other terms of contractual employment are formalised in service agreements. The service agreements outline the components of compensation paid to Executives and key management personnel (KMPs) but do not prescribe how compensation levels are modified year by year. Compensation levels are reviewed each year to take into account cost of living changes, any change in the scope of the role performance by KMPs and any changes required to meet the principles of the compensation policy. During the year, Andrew Bald was engaged as Managing Director under an executive agreement with Panthea Capital Partners Pty Ltd.

Remuneration and other terms of employment for Mr Bald was formalised in a contract. Details of this contract are as follows:

Counterparty: Panthea Capital Partners Pty Ltd

Title: Managing Director

Agreement Date: 7 April 2025

Details: Base salary for the year ended 31 December 2025 of \$235,000. Mr Bald is engaged on a 0.6 FTE basis and salary disclosed takes into account this basis. The Company and Mr Bald each have the capacity to terminate the employment agreement by giving a 3-month notice. The agreement may be terminated without notice and without compensation if either party commits a serious or persistent breach of any of the provisions of the agreement.

Mr Bald has no entitlement to termination payments in the event of removal for misconduct.

### **(f) Non-Executive Directors**

Total compensation for all Non-Executive Directors, last voted upon by shareholders on 19 May 2011, is not to exceed \$400,000 per annum and is based on comparative roles in the external market. The base fee for all Non-executive Directors, for the year ended 31 December 2025 was \$60,000 per annum. Fees and payments to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed by the Remuneration and Nomination Committee and they do not receive cash performance related compensation.

In addition to their base fees, Non-Executive Directors may also receive payment for consultancy services at \$1,550 per day plus reimbursable expenses for days worked over and above those expected to be worked in consideration of Non-Executive Directors fees.

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14. REMUNERATION REPORT – AUDITED (continued)

(g) Key management personnel remuneration 2025

Name		Short-term employee benefits			Post- employment benefits	Share based payments		Total
		Salary and fees (A)	Non-monetary benefits (B)	Total	Superannuation	Shares	Options	
		\$	\$	\$	\$	\$	\$	\$
<b>Executive Directors</b>								
Andrew Bald <sup>1</sup>	2025	171,250	5,970	177,220	-	-	-	177,220
	2024	-	-	-	-	-	-	-
Andrew Childs <sup>2</sup>	2025	17,897	2,985	20,882	2,103	-	-	22,985
	2024	53,933	10,864	64,797	6,067	-	-	70,864
<b>Non-Executive Directors</b>								
Greg Channon	2025	60,000	8,954	68,954	-	-	-	68,954
	2024	60,000	10,864	70,864	-	-	-	70,864
Andrew Bald <sup>1</sup>	2025	20,000	2,985	22,985	-	-	-	22,985
	2024	60,000	10,864	70,864	-	-	-	70,864
Andrew Childs <sup>2</sup>	2025	35,795	5,970	41,765	4,205	-	-	45,970
	2024	-	-	-	-	-	-	-
<b>Total key management personnel remuneration</b>	2025	<b>304,942</b>	<b>26,864</b>	<b>331,806</b>	<b>6,308</b>	-	-	<b>338,114</b>
	2024	173,933	32,592	206,525	6,067	-	-	212,592

1 Andrew Bald appointed Managing Director on 7 April 2025

2 Andrew Childs transitioned to Non-Executive Director on 7 April 2025

## 14. REMUNERATION REPORT – AUDITED *(continued)*

### (g) Key management personnel remuneration *(continued)*

#### **Notes in relation to the table of Directors' remuneration**

(A) Includes movements in annual leave accrual for Executive Director.

During the reporting period certain key management persons invoiced for commercial, arms-length consulting services in addition to duties required as Directors. The total quantum of these transactions as disclosed in note 22 of the notes to the consolidated financial statements was:

- Andrew Childs \$54,000 (2024: \$100,600)
- Greg Channon \$112,995(2024: \$58,900)
- Andrew Bald \$107,500 (2024: \$55,800)

(B) Comprises Directors and Officers insurance premiums.

### (h) Analysis of bonuses included in remuneration

No short-term incentive cash bonuses have been awarded as remuneration to Directors of the Company for year ended 31 December 2025 (2024: nil).

### (i) Other KMP disclosures

All options refer to options over ordinary shares of Xstate Resources Limited, which are exercisable on a one-for-one basis under the Employee Share Option Scheme.

#### **Options over equity instruments granted as compensation**

During the reporting period, no options were issued to Directors of the Company (2024: nil).

#### **Exercise of options granted as compensation**

During the reporting period, no shares were issued on the exercise of options previously granted as compensation. (2024: nil).

#### **Options over equity instruments**

The movement during the reporting period, by number of options over ordinary shares of Xstate Resources Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is identified in the table on the following page:

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## 14. REMUNERATION REPORT – AUDITED (continued)

### (i) Other KMP disclosures (continued)

	Held at 1-Jan-25	Granted	Effect of Consolidation of Capital <sup>1</sup>	Exercised / Sold	Held at 31-Dec-25	Vested and exercisable 31-Dec-25
Andrew Childs	4,000,000	-	(2,206,278)	-	1,793,792	1,793,792
Greg Channon	4,000,000	-	(2,206,278)	-	1,793,792	1,793,792
Andrew Bald	4,000,000	-	(2,206,278)	-	1,793,792	1,793,792

<sup>1</sup> Consolidation of capital occurring on 6 August 2025. Issued capital was consolidated on a 2.23:1 basis for all securities.

### Movements in shares

The movement during the reporting period in the number of ordinary shares in Xstate Resources Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1-Jan-25	Purchases / Conversions	Effect of Consolidation of Capital <sup>1</sup>	Held at 31-Dec-25
Andrew Childs	2,500,000	1,666,666	(1,378,923)	2,787,743
Greg Channon	528,493	280,000	(291,500)	516,993
Andrew Bald	3,166,108	1,800,000	(1,746,328)	3,219,780

<sup>1</sup> Consolidation of capital occurring on 6 August 2025. Issued capital was consolidated on a 2.23:1 basis for all securities.

### (j) Voting and comments at the Company's 2025 Annual General Meeting

The Company received 99.98% of "for" votes on its remuneration report for the 31 December 2024 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

**THIS IS THE END OF THE REMUNERATION REPORT – AUDITED**

## **15. LEAD AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, is included in the Directors' Report for the financial year ended 31 December 2025.

This Directors' Report is made in accordance with a resolution of the Directors.



**Andrew Bald**

Managing Director

Signed at Perth, Western Australia this 30<sup>th</sup> day of March 2026

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Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000  
PO Box 700 West Perth WA 6872  
Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF XSTATE  
RESOURCES LIMITED

As lead auditor of Xstate Resources Limited for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Xstate Resources Limited and the entities it controlled during the period.

Ashleigh Woodley  
Director

BDO Audit Pty Ltd

Perth

30 March 2026

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

	Note	2025 \$	2024 \$
<b>Assets</b>			
Cash and cash equivalents	14	2,914,236	3,555,128
Trade and other receivables	15	346,977	10,524
Prepayments		87,262	26,405
Current tax asset	12a	102,194	-
Non-current assets held for sale		-	61,691
<b>Total current assets</b>		<b>3,450,669</b>	<b>3,653,748</b>
Oil and gas assets		-	781,408
Other receivables		10,115	
Capitalised exploration	16	4,551,365	-
Deferred tax asset		-	91,199
<b>Total non-current assets</b>		<b>4,561,480</b>	<b>872,607</b>
<b>Total assets</b>		<b>8,012,149</b>	<b>4,526,355</b>
<b>Liabilities</b>			
Trade and other payables	17	(645,694)	(893,393)
Current tax liability		-	(34,719)
Employee benefits		-	(1,547)
Liabilities associated with non-current assets held for sale		-	(49,843)
<b>Total current liabilities</b>		<b>(645,694)</b>	<b>(979,502)</b>
Site restoration provision	18	(177,362)	(144,801)
<b>Total non-current liabilities</b>		<b>(177,362)</b>	<b>(144,801)</b>
<b>Total liabilities</b>		<b>(823,056)</b>	<b>(1,124,303)</b>
<b>Net assets</b>		<b>7,189,093</b>	<b>3,402,052</b>
<b>Equity</b>			
Share capital	19	63,554,779	58,083,830
Reserves		451,152	365,900
Accumulated losses		(56,816,838)	(55,047,678)
<b>Total equity attributable to equity holders of the Company</b>		<b>7,189,093</b>	<b>3,402,052</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 \$	2024 Reclassified \$
<b>Revenue from continuing operations</b>			
Interest income		72,868	40,887
<b>Expenses</b>			
Personnel expenses	11	(338,114)	(212,592)
Professional fees		(796,105)	(253,236)
Administrative expenses		(350,889)	(86,341)
Business Development		(291,627)	(408,774)
Finance expenses		(122,150)	(2,055)
Other expenses		(33,842)	(60,854)
Other gains / (losses)		(12,147)	-
Foreign exchange gain / (loss)		33,707	-
<b>Loss before income tax expense</b>		<b>(1,838,299)</b>	<b>(982,965)</b>
Income tax benefit / (expense)	12	-	-
<b>Loss for the year from continuing operations</b>		<b>(1,838,299)</b>	<b>(982,965)</b>
<b>Discontinued operations</b>			
Profit / (loss) for the year from discontinued operations United States	9(a)	212,028	(164,707)
(Loss) / profit for the year from discontinued operations Canada	9(b)	(39,267)	2,400,518
Loss for the year from discontinued operations Austria	9(c)	(103,622)	(68,761)
<b>(Loss) / profit for the year from operations</b>		<b>(1,769,160)</b>	<b>1,184,085</b>
<b>Other comprehensive income</b>			
Foreign currency transaction difference on discontinued foreign operations		(12,357)	21,037
Derecognition of foreign currency translation reserve on disposal of foreign subsidiary		(53,763)	-
<b>Total comprehensive (loss) /income for the year</b>		<b>(1,835,280)</b>	<b>1,205,122</b>

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 \$	2024 Reclassified \$
<b>(Loss) / profit for the year attributable to:</b>			
Continuing operations		(1,838,299)	(982,965)
Discontinued operations		69,139	2,167,050
<b>Comprehensive (loss) / profit for the year attributable to:</b>			
Continuing operations		(1,838,299)	(982,965)
Discontinued operations		3,019	2,188,087
<b>Loss per share (cents per share) – continuing operations</b>			
Basic and diluted	13	(0.96)	(0.68)
<b>(Loss) / profit per share (cents per share) – continuing and discontinued operations</b>			
Basic	13	(0.93)	0.82
Diluted	13	(0.93)	0.77

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

The comparative figures reported for 2024 have been reclassified from those presented in the 2024 Annual Financial Report to take into account the effect of the discontinued operation, as required under AASB 5.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	Share capital	Foreign currency translation reserve	Options reserve	Accumulated losses	Total
		\$	\$	\$	\$	\$
Balance at 1 January 2025		58,083,830	294,509	71,391	(55,047,678)	3,402,052
<b>Total comprehensive income for the year</b>						
Loss for the year		-	-	-	(1,769,160)	(1,769,160)
Foreign exchange translation difference on discontinued foreign operations		-	(12,357)	-	-	(12,357)
Derecognition of foreign currency translation reserve on disposal of foreign subsidiaries	9(a)(i)	-	(53,763)	-	-	(53,763)
<b>Total comprehensive loss for the year</b>		-	<b>(66,120)</b>	-	<b>(1,769,160)</b>	<b>(1,835,280)</b>
<b>Transactions with owners, recorded directly in equity:</b>						
Issue of ordinary shares		5,967,599	-	-	-	5,967,599
Share-based payment transactions		66,500	-	151,372	-	217,872
Capital raising costs		(563,150)	-	-	-	(563,150)
<b>Total contributions by owners</b>		<b>5,470,949</b>	-	<b>151,372</b>	-	<b>5,622,321</b>
<b>Balance at 31 December 2025</b>		<b>63,554,779</b>	<b>228,389</b>	<b>222,763</b>	<b>(56,816,838)</b>	<b>7,189,093</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share capital	Foreign currency translation reserve	Options reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2024	58,083,830	273,472	339,349	(56,499,721)	2,196,930
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	1,184,085	1,184,085
Foreign exchange translation difference on foreign operations	-	21,037	-	-	21,037
<b>Total comprehensive loss for the year</b>	-	21,037	-	1,184,085	1,205,122
<b>Transactions with owners, recorded directly in equity:</b>					
<b>Contributions by and distributions to owners</b>					
Expiration of options	-	-	(267,958)	267,958	-
<b>Total contributions by owners</b>	-	-	(267,958)	267,958	-
<b>Balance at 31 December 2024</b>	<b>58,083,830</b>	<b>294,509</b>	<b>71,391</b>	<b>(55,047,678)</b>	<b>3,402,052</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 \$	2024 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,780,687)	(1,157,885)
Payments for exploration and evaluation (expensed)		-	(93,283)
Interest paid		(5,951)	(24)
Interest received		80,512	91,759
Income taxes paid		(34,380)	(427,914)
<b>Net cash used in operating activities</b>	14	<b>(1,740,506)</b>	<b>(1,587,347)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation (capitalised)		(4,400,597)	-
Cash held in subsidiaries at date of disposal		(629)	-
Receipts from production interest divestment		-	4,117,292
<b>Net cash (used in) / generated from investing activities</b>		<b>(4,401,226)</b>	<b>4,117,292</b>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		5,944,108	-
Payment of capital raising costs		(404,905)	-
Repayment of borrowings		-	(4,886)
<b>Net cash generated from / (used in) financing activities</b>		<b>5,539,203</b>	<b>(4,886)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(602,529)</b>	<b>2,525,059</b>
Cash and cash equivalents at 1 January		3,555,128	995,260
Effect of exchange rate fluctuations on cash held		(38,363)	34,809
<b>Cash and cash equivalents at 31 December</b>	14	<b>2,914,236</b>	<b>3,555,128</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**1 GENERAL INFORMATION**

The Company is a for-profit, listed public company domiciled in Australia. The Company's registered office is located at Level 1, 31 Cliff Street, Fremantle, WA, 6160.

The Group is primarily involved in oil and natural gas exploration, having historically held exploration and evaluation interests in the United States of America, and holding working interests in oil production assets in Canada and Austria. As of the conclusion of the 2025 financial year, the Group solely holds exploration and evaluation interest in on-shore oil and gas projects.

The consolidated financial statements of the Group as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and were authorised for issue by the Board of Directors on 30 March 2026. The financial statements are general purpose financial statements which:

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards ("AASBs") and other authoritative pronouncements of the Accounting Standards Board ("AASB"). The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- have been prepared on a historical cost basis, except for share-based payments and financial assets which are measured at fair value. The basis of measurement is discussed further in the individual notes;
- are presented in Australian Dollars, being the Company's functional currency;
- adopt all new and revised Australian Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 January 2025; and
- do not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but not yet effective.

**2 BASIS OF CONSOLIDATION**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

**3 GOING CONCERN**

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business.

At balance date, the Group had net assets of \$7,189,092 (2024: \$3,402,052) and working capital of \$2,804,975 (2024: \$2,674,246). During the year ended 31 December 2025, the Group recorded overall cash outflows from Operating Activities of \$1,740,506 (2024: \$1,587,347) and cash outflows from Investing Activities of \$4,401,226 (2024: inflow \$4,117,292).

### **3 GOING CONCERN (continued)**

In Q4 CY2025, the Company achieved drilling success at the Diona-1 project on its recently acquired Surat-Bowen basin project, ATP 2077. Upon completion of the exploration well, operatorship returned to Elixir Energy Ltd (49% working interest in Diona-1 sub-block ATP 2077). Technical committee meetings were held during Q4 CY2025 and have continued into 2026 for the preparation of completion and testing activities on the Diona-1 well to assess the capability for the well to flow commercial quantities of gas.

Accordingly, significant funds have been budgeted for these works in the Group's forward cash flow forecast.

Considering the significant operational commitment at Diona in 2026 and corporate overheads, these conditions are indicative of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the Group to continue as a going concern is dependent on a combination of:

- capability to undertake capital raising to fund the exploration program; and
- potential revenues from the Diona-1 project, subject to successful completion and testing activities.

The Directors are confident of the Group's ability to continue as a going concern on the basis noted above. Should the activities identified above be unsuccessful in increasing cash flows to the entity, there is a material uncertainty that exists that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets and liabilities that might be necessary if the Group does not continue as a going concern.

### **4 FOREIGN CURRENCY TRANSLATION**

The financial report is presented in Australian dollars, which is Xstate's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing on the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period and exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency translation reserve in equity. The foreign currency translation reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### **5 IMPAIRMENT**

#### **Non-financial assets**

At each reporting date, the Group reviews the carrying amount of its non-financial assets, other than deferred tax assets, to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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Exploration and evaluation (**E&E**) assets are accounted for under AASB 6 *Exploration for and Evaluation of Mineral Resources*. E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed recoverable amount. Indicators include, but are not limited to:

- expiry of exploration rights with no expectation of renewal;
- lack of substantive expenditure on further exploration budgeted or planned;
- determination by the entity to discontinue exploration in an area;
- data indicating the asset is unlikely to lead to commercially viable extraction.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

## **6 ACCOUNTING JUDGEMENTS AND ESTIMATES**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment are included in the following notes:

### ***Judgements***

#### ***Going concern - note 3***

### ***Critical accounting estimates and assumptions***

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities relate to:

#### ***Recoverability of deferred tax assets (note 12)***

The recoverability of deferred tax assets (**DTA**) is based on the probability that future taxable amounts will be available to utilise those temporary differences and losses. The Group has not recognised deferred tax assets in respect of some tax losses as the future utilisation of these losses and temporary tax differences is not considered probable at this point in time.

Assessing the future utilisation of tax losses and temporary tax differences requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and application of existing tax laws. To the extent that future utilisation of these tax losses and temporary tax differences becomes probable, this could result in significant changes to deferred tax assets recognised, which would in turn impact future financial results. The deferred tax asset associated with historical losses recorded in the Group's Australian parent entity continues not to be recognised on the basis that it is not expected that the Group's Australian-based operations would generate sufficient taxable profits to fully utilise those losses recorded.

## 6 ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

### *Critical accounting estimates and assumptions (continued)*

#### *Exploration and Evaluation assets (note 16)*

The Group assesses each asset or CGU in each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value-in-use.

The assessments require the use of estimates and assumptions, such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, and comparable transactions. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

#### *Provisions for site restoration (note 17)*

The Group estimates the future removal and restoration costs of petroleum production facilities, wells, pipelines and related assets at the time of installation of the assets, or at the time of acquisition of the assets, and reviews these assessments periodically. In most instances, the removal of these assets will occur well into the future. The estimate of future removal costs therefore requires management to make judgements around the timing of the required restoration, rehabilitation and decommissioning, as well as the discount rate. The carrying amount of the provision for restoration is disclosed in note 17. As the provision for restoration identifies the cost of decommissioning, this cost is recognised under AASB 116 as forming part of the asset value recognised in note 15. As such, the estimation of provisions for restoration directly impact the value of oil and gas assets presented.

#### *Share-based payments (note 19)*

Share-based payment transactions with Directors, employees and consultants are measured by reference to the fair value of the securities at the date they were granted. The fair value of the expense to be recognised in the statement of comprehensive income is ascertained using an appropriate pricing model, generally a Black-Scholes pricing mechanism, depending on the terms and conditions upon which the equity securities were granted. The Group also applies assumptions around the likelihood of such securities vesting which will have an impact on the expense recorded during the financial year. The total number of equity securities outstanding is disclosed in the Director's Report, and the measurement of share-based payments entered into during the financial period are disclosed in note 19.

## 7 NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

There were no new and revised Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that were considered relevant to the Group's operations and effective for the financial year ended 31 December 2025. There are no other Australian Accounting Standards that are not yet effective and that are expected to have a material impact on the Group in the current or future financial years.

## 8 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## 9 DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARY

### (a) Disposal of Californian Operations

On 8 December 2025, Xstate announced the divestment of its Californian interests to Australian Oil Company Limited (**ASX:AOK**). Xstate agreed to divest of its working interests to AOK for US\$95,103 (A\$147,612) in consideration, to be effected by way of forgiveness of accrued cash call balances on the Sacramento Basin operations.

Under the terms of the Assignment Agreement, AOK agreed to assume all of Xstate's commitments and obligations to the Californian projects by way of acquisition of 100% of the issued capital of Xstate USA Corporation from Xstate Resources. The working interests held by Xstate USA and its subsidiaries ranged between 10% - 33% in the Californian leases. Xstate USA had two wholly owned subsidiaries – XGAS, LLC and CALX SELA, LLC.

The effective date of the transaction was 1 July 2025, and completion date was 11 December 2025. As the consideration payable was effected via debt forgiveness for amounts owed by XGAS LLC, the gain on disposal has been recognised entirely on the value of net liabilities de-recognised. Debt forgiveness consideration has been recognised as part of discontinued operations.

The divestment is considered a disposal of a separate major line of business operations, being exploration operations in California, USA. As such, the operations disclosed below represent Californian operations for the current and prior period.

#### (a)(i) Profit and loss from Californian Discontinued Operations

	Note	2025	2024
		\$	\$
Other income		13,461	30,489
Debt forgiveness		147,612	-
Administrative expenses		(5,021)	(2,816)
Professional fees		(5,447)	(6,804)
Exploration expenditure		(53,295)	(185,576)
Gain on disposal of subsidiary	9(a)(ii)	60,955	
Reclassification of cumulative foreign currency translation		53,763	
<b>Profit / (loss) before income tax expense</b>		<b>212,028</b>	<b>(164,707)</b>
Income tax expense		-	-
<b>Profit / (loss) for the year from discontinued operation</b>		<b>212,028</b>	<b>(164,707)</b>

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**9 DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARY (continued)**

**(a)(ii) Gain on Disposal of Subsidiary**

The net liabilities of Xstate USA Corporation and its subsidiaries at the date of disposal were as follows. The de-recognition of this net liability position has been recorded as a gain on disposal in the *Other Gains / (Losses)* line item in the Statement of Profit and Loss and Other Comprehensive Income.

	Note	2025
		\$
Cash		634
Other receivable		35
Provision for restoration		(61,624)
<b>Net liabilities</b>	9(a)(i)	<b>(60,955)</b>

**(a)(iii) Cash flows from Californian discontinued operations**

	2025	2024
	\$	\$
Net cash (used in) / generated from operating activities	(9,226)	(106,085)
Net cash generated from / (used in) investing activities	-	-
Net cash used in financing activities	-	-

**(b) Disposal of Crest Jinn Assets – Canadian Discontinued Operations**

On 5 February 2025, Xstate Energy Limited (the Canadian subsidiary of Xstate Resources Limited) entered into a sale agreement with Blue Sky Resources Ltd to dispose its 25% working interest in the Crest Jinn producing assets in Alberta, Canada. The assets were sold for a 3% overriding royalty in the Crest Jinn operational area, which included the producing assets that were sold. The agreement had an effective date of 1 January 2025.

The divestment is considered a disposal of a separate major line of business operations, being production operations in Canada. As such, the operations disclosed below represent Canadian production operations.

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**9 DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARY (continued)**

**(b)(i) Profit and loss from Canadian Discontinued Operations**

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Production income	-	171,367
Interest income	7,643	50,872
Cost of sales	-	(57,348)
Administrative expenses	(5,917)	(19,583)
Professional fees	(49,824)	(61,834)
Depreciation and amortisation	-	(35,393)
Finance expenses	(4,815)	(1,554)
Foreign exchange gain / (loss)	-	37,299
Gain on disposal of asset	-	3,223,754
Impairment	-	(732,018)
<b>(Loss) / Profit before income tax expense</b>	<b>(52,913)</b>	<b>2,575,562</b>
Income tax benefit / (expense)	13,646	(175,044)
<b>(Loss) / Profit for the year from discontinued operations</b>	<b>(39,267)</b>	<b>2,400,518</b>

**(b)(ii) Cash flows from Canadian discontinued operations**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Net cash (used in) / generated from operating activities	(112,244)	(486,332)
Net cash generated from / (used in) investing activities	-	3,069,659
Net cash used in financing activities	-	-

**(c) Disposal of Austrian Operations**

On 4 June 2025, Xstate Resources Limited announced that it had entered into an agreement with Kathari Energia GmbH (**Kathari**), a wholly owned subsidiary of ADX Energy Limited (**ASX:ADX**), to dispose of and assign its 20% working interest in the Anshof Project to Kathari (**Assignment Agreement**). The effective date of the agreement was 31 March 2025, and as such, Xstate had rights to production income for Q1 of 2025.

The result of the Assignment Agreement was that Xstate assigned its production interests in the Anshof-3 production well to Kathari for the equivalent of €547,075 (approximately A\$963,160 at the time of the agreement). This value was offset against the total value of accrued cash calls that Xstate was carrying in its balance sheet.

Under the terms of the Assignment Agreement, Kathari agreed to assume all of Xstate's commitments and obligations for the Anshof project and Xstate agreed to transfer its 20% equity interest in both the Anshof field and the 3,000 bopd production facility.

## 9 DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE *(continued)*

### (c)(i) Disposal of Austrian Operations

	Note	2025 \$	2024 \$
Production income	10	138,677	587,893
Cost of sales		(129,229)	(552,976)
Depreciation and amortisation		(13,086)	(40,596)
Finance expenses		(51,692)	-
Foreign exchange loss		(22,371)	(82,614)
Loss on disposal of asset		(25,921)	-
<b>Loss before income tax expense</b>		<b>(103,622)</b>	<b>(88,293)</b>
Income tax benefit		-	19,532
<b>Loss for the year from discontinued operations</b>		<b>(103,622)</b>	<b>(68,761)</b>

### (c)(ii) Cash flows from Austrian Discontinued Operations

	2025 \$	2024 \$
Net cash (used in) / generated from operating activities	-	-
Net cash generated from / (used in) investing activities	-	-
Net cash used in financing activities	-	-

## 10 OPERATING SEGMENTS

### Information about reportable segments

The Group consists of a single segment based on operation performed, and on geography, being oil & gas exploration activities on-shore Australia.

This singular operating segments is based on the internal reports that are reviewed and utilised by the Board of Directors (who are identified as the Chief Operating Decision Makers (**CODM**)) in assessing performance of the Group and in determining the allocation of resources. There is no aggregation of operating segments. Any amounts that fall outside of these segments are categorised as "Corporate".

There has been a change in the basis of segmentation since the 31 December 2024 accounts as a result of the discontinued operations for:

- Oil & gas exploration activities on-shore USA;
- Oil production activities Austria; and
- Oil production activities on-shore Canada,

occurring during the year ended 31 December 2025. Accordingly, no segment note is disclosed for financial year ended 31 December 2025.

10 OPERATING SEGMENTS *(continued)*

Segment information provided to the CODM

	Continuing Operations	Discontinued Operations			Eliminations	Totals
	Corporate	Oil & gas exploration USA	Oil production CAN	Oil production AUT		
<b>31 December 2024</b>						
<b>Key segment P&amp;L information</b>						
Revenue from external customers	-	-	171,367	587,893	-	759,260
Other income from external customers	-	30,489	-	-	-	30,489
<b>Profit / (loss) before tax</b>	<b>(982,965)</b>	<b>(164,707)</b>	<b>2,575,562</b>	<b>(88,293)</b>	-	<b>1,339,597</b>
<b>Profit / (loss) after tax</b>	<b>(982,965)</b>	<b>(164,707)</b>	<b>2,400,518</b>	<b>(68,761)</b>		<b>1,184,085</b>
Exploration expenditure	-	(185,576)	-	-	-	(185,576)
Depreciation and amortisation	-	-	(35,393)	(40,596)	-	(75,989)
Impairment expense	-	-	(732,018)	-	-	(732,018)
Gain on asset disposal	-	-	3,223,754	-	-	3,223,754
<b>Segment balance sheet info</b>						
Current assets	924,371	1,239	2,745,696	-	(17,558)	3,653,748
Non-current assets	-	-	91,199	781,408	-	872,607
<b>Total Assets</b>	<b>924,371</b>	<b>1,239</b>	<b>2,836,895</b>	<b>781,408</b>	<b>(17,558)</b>	<b>4,526,355</b>
Current liabilities	(150,986)	(110,606)	(102,378)	(633,090)	17,558	(979,502)
Non-current liabilities	-	(65,671)	-	(79,130)	-	(144,801)
<b>Total Liabilities</b>	<b>(150,986)</b>	<b>(176,277)</b>	<b>(102,378)</b>	<b>(712,220)</b>	<b>17,558</b>	<b>(1,124,303)</b>

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**11 PERSONNEL EXPENSES AND EMPLOYEE BENEFITS**

**Accounting Policy**

**Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Other long-term employee benefits**

The Group’s net obligation in respect of long-term employee benefits is the amount of the future benefit that employees have earned in return for services in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The table below sets out personnel costs expensed during the year.

	Note	2025 \$	2024 \$
Directors’ remuneration	22	338,114	212,592
		<b>338,114</b>	<b>212,592</b>

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## 12 INCOME TAX EXPENSE

### Accounting Policy

Income tax expense comprises current and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Current tax is based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used for calculating taxable profits. Deferred tax balances are disclosed net to the extent that they relate to taxes levied by the same authority and the Group has the right of set-off.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probably that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on substantively enacted rates at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

### (a) Tax Expense Breakdown

	Continuing Operations		Discontinued Operations		Totals	
	2025	2024 Reclassified	2025	2024 Reclassified	2025	2024 Reclassified
<b>Income tax expense</b>						
Current tax (benefit) / expense	-	-	(102,194)	245,527	(102,194)	245,527
Tax benefit related to movements in deferred tax balances <sup>1</sup>	-	-	88,548	(90,015)	88,548	(90,015)
<b>Total income tax (benefit) / expense</b>	<b>-</b>	<b>-</b>	<b>(13,646)</b>	<b>155,512</b>	<b>(13,646)</b>	<b>155,512</b>

<sup>1</sup> Deferred tax balances from 2025 have been recognised as current tax benefits receivable in 2025

12 INCOME TAX EXPENSE (continued)

(b) Reconciliation of Effective Tax Rate

	Continuing Operations		Discontinued Operations		Totals	
	2025	2024 Reclassified	2025	2024 Reclassified	2025	2024 Reclassified
(Loss) / profit for the period	(1,838,299)	(1,065,580)	69,139	2,249,665	(1,769,160)	1,184,085
Total income tax expense / (benefit)	-	-	(13,646)	155,512	(13,646)	155,512
(Loss) / profit excluding income tax	<b>(1,838,299)</b>	<b>(1,065,580)</b>	<b>55,493</b>	<b>2,405,177</b>	<b>(1,782,806)</b>	<b>1,339,597</b>
Income tax using the Group's domestic tax rate of 25% (2024: 25%)	(459,575)	(266,395)	13,873	601,295	(445,702)	334,900
Tax rate differential on non-Australian income	-	-	(5,350)	(51,398)	(5,350)	(51,398)
Non-deductible expenses	147,168	5,257	1,264	20,067	148,432	25,324
Adjustment for prior periods	147,974	92,759	(1,265)	6,886	146,709	99,645
Permanent differences	-	-	(47,266)	-	(47,266)	-
Timing differences	(2,357)	8,548	(89,043)	(359,125)	(91,400)	(350,577)
Deferred tax adjustments	-	-	90,308	(90,015)	90,308	(90,015)
Tax losses not brought to account	166,790	159,831	23,833	27,802	190,623	187,633
	-	-	<b>(13,646)</b>	<b>155,512</b>	<b>(13,646)</b>	<b>155,512</b>
<b>Tax Losses</b>						
Unused tax losses for which no deferred tax asset has been recognised	<b>8,929,880</b>	<b>8,262,720</b>	-	-	<b>8,929,880</b>	<b>8,262,720</b>
Potential tax benefit at 25% (2023: 25%)	<b>2,232,470</b>	<b>2,065,680</b>	-	-	<b>2,232,470</b>	<b>2,065,680</b>

All unused tax losses identified were incurred by Australian entities.

**12 INCOME TAX EXPENSE (continued)**

**(b) Reconciliation of effective tax rate (continued)**

Potential future income tax benefits of up to \$2,092,176 (2024: \$2,092,176) attributed to tax losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable. The benefit of these tax losses will only be obtained if:

- i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- ii) the conditions for deductibility imposed by tax legislation continue to be complied with;
- iii) no changes in tax legislation adversely affect the Group in realising the benefit; and
- iv) satisfaction of either the continuity of ownership or the same business test.

**(c) Recognised deferred tax assets and liabilities**

Deferred tax assets (DTAs) and liabilities have been recognised in respect of the following items. As at 31 December 2025, no deferred tax assets or liabilities have been brought to account. Deferred tax assets from 2024 have been recognised as current tax assets in 2025 on account of clawback of terminal losses identified in Canada on disposal of assets.

	2025	2024
	\$	\$
<b>Deferred tax assets</b>		
Oil and gas properties	-	92,598
Restoration provisions	-	11,464
	<b>-</b>	<b>104,062</b>
<b>Deferred tax liabilities</b>		
Oil and gas properties	-	(12,863)
DTA recognised	-	<b>91,199</b>

**(d) Unrecognised deferred tax assets and liabilities**

Deferred tax assets (DTAs) and liabilities have not been recognised in respect of the following items:

	2025	2024
	\$	\$
<b>Deferred tax assets</b>		
Employee benefits	-	387
Carry forward tax losses	2,232,470	2,092,176
Site restoration provisions	44,340	19,782
	<b>2,276,810</b>	<b>2,112,345</b>
<b>Deferred tax liabilities</b>		
Exploration and evaluation assets	(1,137,841)	-
DTAs not brought to account	<b>1,138,969</b>	<b>2,112,345</b>

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### 13 EARNINGS / (LOSS) PER SHARE

#### (a) Basic earnings / (loss) per share

Earnings / (loss) per share (EPS) is the amount of post-tax profit or loss attributable to each share.

The calculation of basic loss per share at 31 December 2025 has been based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

Diluted EPS takes into account the dilutive effect of all potential ordinary shares, being share options on issue.

#### *Loss per share attributable to ordinary shareholders from continuing operations*

	2025	2024 Reclassified
Net loss attributable to ordinary shareholders from continuing operations (dollars)	(1,838,299)	(982,965)
Issued ordinary shares at 1 January <sup>1</sup>	144,180,863	144,180,863
Effect of shares issued	46,352,502	-
Weighted average number of ordinary shares at 31 December	190,533,365	144,180,863
Basic and diluted loss per share (cents)	(0.96)	(0.68)

<sup>1</sup> Opening shares has been adjusted to take into account the 2.23:1 consolidation of capital effected 6 August 2025

#### *Earnings per share attributable to ordinary shareholders from continuing and discontinued operations*

	2025	2024 Reclassified
Net (loss) / profit attributable to ordinary shareholders from continuing and discontinued operations (dollars)	(1,769,160)	1,184,085
Issued ordinary shares at 1 January <sup>1</sup>	144,180,863	144,180,863
Effect of shares issued	46,352,502	-
Weighted average number of ordinary shares at 31 December	190,533,365	144,180,863
Basic (loss) / earnings per share (cents)	(0.93)	0.82
Diluted (loss) / earnings per share (cents) <sup>2</sup>	(0.93)	0.77

<sup>1</sup> Opening shares has been adjusted to take into account the 2.23:1 consolidation of capital effected 6 August 2025

<sup>2</sup> At 31 December 2024, 6,614,351 options were included in the diluted weighted average number of ordinary shares calculation. The number of dilutive options is noted as taking into account the 2.23:1 consolidation of capital for accurate comparative purposes.

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## 14 CASH AND CASH EQUIVALENTS

### Accounting Policy

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (a) Reconciliation of cash and cash equivalents

	2025	2024
	\$	\$
Cash and cash equivalents	2,914,236	3,555,128

The perceived credit risk is low as cash and cash equivalents are with authorised deposit taking institutions.

#### (b) Reconciliation of cash flows from operating activities

	2025	2024
	\$	\$
<b>Cash flows from operating activities</b>		
Profit / (loss) for the year from continuing and discontinued operations	(1,769,160)	1,184,085
<i>Adjustments for:</i>		
Depreciation	13,086	75,989
Unwinding of discount on restoration liabilities	656	3,586
Share-based payments	190,263	-
Exploration expenditure	39,835	-
Net (profit) / loss on foreign exchange translation	(19,757)	45,842
Debt forgiveness	(147,612)	-
Gain on disposal of asset	-	(3,223,754)
Gain on disposal of subsidiary	(60,955)	-
Impairment expense recognised oil and gas assets	38,069	732,018
Change in other receivables	37,650	(18,624)
Change in prepayments	401	(4,103)
Change in other operating assets	39,242	(114,019)
Change in deferred tax assets	-	(90,015)
Change in trade and other payables	(3,294)	3,973
Change in interest bearing liabilities	-	-
Change in tax liabilities	(48,026)	(182,386)
Change in employee benefits	(1,547)	61
Change in provisions	(49,357)	-
<b>Net Cash used in operating activities</b>	<b>(1,740,506)</b>	<b>(1,587,347)</b>

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14 CASH AND CASH EQUIVALENTS *(continued)*

(c) Non-cash investing and financing activities

	2025	2024
	\$	\$
Recognition of Exploration Asset – Abandonment costs	177,362	-
Options issued – Capital Raising	25,100	-
	<b>202,462</b>	-

15 TRADE AND OTHER RECEIVABLES

**Accounting Policy**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

	2025	2024
	\$	\$
Authorised government agencies	323,486	10,524
Other receivables	23,491	-
	<b>346,977</b>	10,524

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## 16 EXPLORATION AND EVALUATION

### Accounting Policy

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- The rights to tenure of the area of interest are current; and
- At least one of the following conditions is met;
  - The exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - Exploration and evaluation activities in the area of interest have not at reporting date reached a stage that enables a reasonable assessment of the existence of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost, which includes the following expenditures: *Acquisition of rights to explore, topographical, geological, geochemical and geophysical studies; exploration drilling, trenching and sampling and associated activities.* An allocation of depreciation and amortisation of assets used in exploration and evaluation activities is also permitted. General and administrative costs are only included in the measurement of exploration and evaluation assets where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessment for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any).

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

	\$
Balance as at 1 January 2025	-
Acquisition of rights to Diona-1	250,000
Capitalisation of site restoration provision	177,362
Exploration expenditure incurred	4,124,003
<b>Balance as at 31 December 2025</b>	<b>4,551,365</b>

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## 17 TRADE AND OTHER PAYABLES

### Accounting Policy

Trade payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid at the end of the month following date of recognition.

	2025	2024
	\$	\$
<b>Current</b>		
Trade payables	(499,479)	(151,428)
Joint operation partner payable (Austria)	-	(633,090)
Withholding taxes payable (Canada)	(120,215)	-
Other payables and accrued expenses	(26,000)	(108,875)
	<b>(645,694)</b>	<b>(893,393)</b>

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 19.

## 18 SITE RESTORATION PROVISIONS

### Accounting Policy

#### **Provisions**

Provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

#### **Site restoration**

In accordance with applicable legal requirements, a provision for site restoration in respect of contaminated and disturbed land, and the related expense, is recognised when the land is contaminated or disturbed. The site restoration provision represents the present value of decommissioning and site restoration costs relating to oil and gas properties.

At each reporting date the site rehabilitation provision is re-measured to reflect any changes in discount rates and timing or amounts of the costs to be incurred. Such changes in the estimated liability are accounted for prospectively from the date of the change and re-added to, or deducted from, the related asset where it is possible that future economic benefits will flow to the entity.

Site restoration provisions have been disaggregated based upon geography due to differing jurisdictional requirements.

#### **Queensland, Australia (Diona-1)**

The exploration drilling activities undertaken in 2025 by Xstate Resources on behalf of the of the joint operation in Queensland, Australia (Diona-1 well) gave rise to dismantling, decommissioning and site disturbance remediation activities. The calculations prepared are based on a potential well production lifespan of 25 years.

**18 SITE RESTORATION PROVISIONS (continued)**

This provision has been recognised based upon region specific cost estimates prepared by JJM Consultancy, with assumptions based on the current economic environment. These estimates are reviewed regularly to take into account any material changes to the assumptions, however, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required that will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend upon when the asset ceases to produce at an economically viable rate. This, in turn, will depend upon future oil and gas prices, which are considered inherently uncertain.

The significant assumptions used in the calculation of the present value of the provisions are a risk-free rate of 5.245 percent (2024: N/A), a long-term inflation rate assumption of 2.5 percent (2024: N/A) and the assumed timing of cash outflows after an estimated 25-year period.

Provisions are made for the estimated cost of asset retirement obligations associated with site restoration and are capitalised to Exploration and Evaluation Assets, as outlined in Note 16, and are intended to be amortised over the useful life of the assets. This assessment will be possible once a determination is made as to the viability of production activities in 2026.

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	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current</b>		
Australian asset retirement obligation	(177,362)	-
Californian asset retirement provision	-	(65,672)
Austrian asset retirement provision	-	(79,129)
<b>Total Non-current</b>	<b>(177,362)</b>	<b>(144,801)</b>
<b>Total Provision</b>	<b>(177,362)</b>	<b>(144,801)</b>
<b>Movement in carrying amounts</b>		
Opening balance	(144,801)	(10,081,642)
Discharge of liability on disposal (Canada)	-	10,030,076
Discharge of liability on disposal (Austria)	83,966	-
Discharge of liability on disposal (California)	61,624	-
Unwinding of discount	(1,015)	(3,586)
Re-estimation of provisions	-	1,494
Transfer to NCAHFS	-	49,843
Effects of foreign exchange	226	-
Recognition of Australian asset retirement obligation	(177,362)	(140,986)
<b>Closing balance</b>	<b>(177,362)</b>	<b>(144,801)</b>

## 19 CAPITAL AND RESERVES

### Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

### Share capital

	Ordinary shares			
	Number of shares		Amount in \$	
	2025	2024	2025	2024
<b>Movements in ordinary shares on issue:</b>				
<b>On issue at 1 January</b>	<b>321,519,150</b>	<b>321,519,150</b>	<b>58,083,830</b>	<b>58,083,830</b>
Consolidation of shares <sup>1</sup>	(177,338,287)	-	-	-
Issue of fully paid shares for cash August 2025	107,200,000	-	2,144,000	-
Issue of fully paid shares for cash November 2025	37,707,129	-	829,557	-
Issue of fully paid shares for cash December 2025	136,092,826	-	2,994,042	-
Issue of fully paid shares in lieu of consulting fees <sup>2</sup>	3,500,000	-	66,500	-
Capital raising costs	-	-	(563,150)	-
<b>On issue at 31 December</b>	<b>428,680,818</b>	<b>321,519,150</b>	<b>63,554,779</b>	<b>58,083,830</b>

<sup>1</sup> On 6 August 2025, the Company completed a consolidation of its issued capital on a basis of 1 share for every 2.23 shares held.

<sup>2</sup> On 17 December 2025, the Company issued a total of 3,500,000 shares to PAC Partners Securities Py Ltd for consulting services. The total fair value of the shares issued was \$66,500.

The holders of ordinary shares are entitled to receive dividends as declared from time and are entitled to one vote per share at meetings of the Company. Option holders cannot participate in any new share issues by the Company without exercising their options.

In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds on liquidation.

All issued shares are fully paid.

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**19 CAPITAL AND RESERVES (continued)**

**Options**

	Options on issue			
	Number of options		Amount in \$	
	2025	2024	2025	2024
<b>Movements in options on issue:</b>				
<b>On issue at 1 January</b>	<b>14,750,000</b>	<b>26,300,000</b>	<b>71,391</b>	<b>339,349</b>
Consolidation of options <sup>1</sup>	(8,135,649)	-	-	-
Issue of options to Brokers <sup>2</sup>	16,440,000	-	64,750	-
Issue of free-attaching placement options <sup>3</sup>	86,899,966	-	-	-
Issue of options to Consultants <sup>4</sup>	9,000,000	-	86,622	-
Expiry of unlisted options	-	(11,550,000)	-	(267,958)
<b>On issue at 31 December</b>	<b>118,954,317</b>	<b>14,750,000</b>	<b>222,763</b>	<b>71,391</b>

<sup>1</sup> On 6 August 2025, the Company completed a consolidation of its issued capital on a 2.23:1 basis

<sup>2</sup> On 5 September 2025, the Company issued 16,440,000 options, exercisable at \$0.04 per share on or before 5 March 2027 to brokers for their services in the re-compliance capital raising, as identified in the prospectus document dated 26 June 2025.

<sup>3</sup> A total of 86,899,966 free-attaching options were issued to sophisticated and professional investors as part of the two-tranche capital raising that took place across November and December 2025. The options have an exercise price of \$0.04, expiring on or before 17 December 2029.

<sup>4</sup> On 17 December 2029, the Company issued 9,000,000 options to consultants for services rendered. The options have an exercise price of \$0.04, expiring on or before 17 December 2029.

During the reporting period, no shares were issued as a result of the exercise of options. (2024: nil) Since the end of the reporting period, no shares have been issued as a result of the exercise of options.

During the reporting period, no options expired (2024: 11,550,000 on a pre-consolidation basis). Since the end of the reporting period, no options have expired.

**Nature and purpose of reserves**

**Options reserve**

The options reserve represents the fair value of shares to be issued to directors, consultants and employees. This reserve will be transferred to capital once the shares have been issued or reversed through retained earnings if the options expire or are cancelled.

**Foreign currency translation reserve**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

## 20 SHARE-BASED PAYMENTS

### Accounting Policy

The Company has the ability to implement an incentive share and option plan for employees and contractors to the Group, via shareholder approval, whereby employees and contractors may receive rights to acquire shares of the Company as remuneration or incentivisation. The grant date fair value of share-based payment awards granted to employees and contractors is recognised as a *personnel expense*, with a corresponding increase in equity, over the period that the employees and contractors become unconditionally entitled to the awards. The Group did not enter into such share-based payment transactions during the current financial year.

The Group additionally has the capacity to issue equity securities to suppliers under the ASX Listing Rules as an alternate method of payment for goods or services provided. The grant date fair value of share-based payments awards granted to suppliers is recognised as a separate expense, *share-based payments expense*, with a corresponding increase in equity over the period that the supplier provides the service or becomes unconditionally entitled to the award. The Group did not enter into such share-based payment transactions during the current financial year.

The amounts recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-market vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for difference between expected and actual outcomes.

The share-based payment expense included within the financial statements can be broken down as follows:

	Note	2025 \$	2024 \$
<b>Professional fees</b>			
Options issued to Consultants <sup>1</sup>		126,272	-
Shares issued to Consultants		66,500	-
<b>Capital raising costs</b>			
Options issued to Consultants <sup>1</sup>		25,100	-

<sup>1</sup> Options issued to consultants in connection with the re-compliance capital raising undertaken in September 2025 have been split between professional fees and capital raising costs.

**XSTATE RESOURCES LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**20 SHARE-BASED PAYMENTS (continued)**

At 31 December 2025, a summary of the Company options in issue and not exercised are as follows, excluding any free-attaching options currently in issue. Options are settled by the physical delivery of shares.

Grant date	Vesting date	Expiry date	Exercise price (cents) <sup>1</sup>	Opening balance <sup>2</sup>	Granted during year	Exercised / expired during year	Closing balance	Vested and exercisable
31-May-23	31-May-23	30-Jun-26	6.7	6,614,351	-	-	6,614,351	6,614,351
28-Aug-25	28-Aug-25	5-Mar-27	4.0	-	16,440,000	-	16,440,000	16,440,000
16-Dec-25	16-Dec-25	17-Dec-29	4.0	-	9,000,000	-	9,000,000	9,000,000
<b>Total</b>				<b>6,614,351</b>	<b>25,440,000</b>	<b>-</b>	<b>32,054,351</b>	<b>32,054,351</b>
<b>Weighted Average Exercise Price (cents)</b>				<b>6.7</b>	<b>4.0</b>	<b>-</b>	<b>4.56</b>	<b>4.56</b>

The weighted average remaining contractual life of options outstanding at year end was 1.82 years.

<sup>1</sup> Exercise price for 31-May-23 options amended as a result of 2.23:1 consolidation of capital effected 6 August 2026. The previous exercise price of these options was \$0.03.

<sup>2</sup> Opening balances adjusted for the 2.23:1 consolidation of capital effected 6 August 2026.

Options granted during the period have been valued using the Black-Scholes Option Valuation model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying shares, current market price of the underlying shares and the expected life of the option.

	Consultant Options Issued Sept-25	Consultant Options Issued Dec-25
Number of options	16,440,000	9,000,000
Exercise price (cents)	4	4
Grant date	28-Aug-25	16-Dec-25
Expiry date	5-Mar-27	17-Dec-29
Life of the options (years)	1.5	4
Volatility	80%	100%
Risk free rate	3.34%	4.17%
Fair value at grant date (cents)	0.39	0.96
Share price at grant date (cents)	2.0	1.7

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## 21 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

### Accounting Policy

#### Classification of financial instruments

The financial assets and liabilities of the Group are classified into the following financial statement categories in the statement of financial position in accordance with AASB 9 *Financial Instruments*:

- Fair value through Profit or Loss (FVTPL)
- Amortised Cost
- Fair value through Other Comprehensive Income (FVTOCI)

Judgement is required when determining the appropriate classification of the Group's financial instruments. Details on the accounting policies for measurement of the above instruments are set out in the relevant note.

#### Recognition and de-recognition of financial assets and liabilities

The Group recognises a financial asset or liability when it becomes a party to the contract. Financial instruments are no longer recognised in the statement of financial position when contractual cash flows expire or when the Group no longer retains control of substantially all the risks and rewards under the instrument.

### Overview

The Group has exposure through its operations to the following financial risks:

- Credit risk
- Interest rate risk
- Foreign exchange risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

### Principal Financial Instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents (note 14)
- Trade and other receivables (note 15)
- Trade and other payables (note 17)
- Current tax asset

#### Financial Assets

	Amortised cost	
	2025	2024
	\$	\$
Cash and cash equivalents	2,914,236	3,555,128
Trade and other receivables	226,763	10,524
Current tax asset	102,194	-
<b>Total Financial Assets</b>	<b>3,243,193</b>	<b>3,565,652</b>

**21 FINANCIAL INSTRUMENTS - RISK MANAGEMENT *(continued)***

Financial Liabilities

	Amortised cost	
	2025	2024
	\$	\$
Trade and other payables	(525,479)	(893,393)
Current tax liability	-	(34,719)
<b>Total Financial Liabilities</b>	<b>(525,479)</b>	<b>(928,112)</b>

Financial Instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables and trade and other payables approximates their value.

**General objectives, processes and policies**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit and Risk Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. Credit risk arises principally from the Group's receivables from joint operations. At the date of this report, operations on the Diona asset are under control of the operator (Elixir Energy Ltd) and accordingly there is not anticipated to be any raising of receivable balances from operations.

As the Group currently has a minimal transactions that result in receivables, the Risk Management Committee has determined it not necessary to establish a credit policy for assessing creditworthiness of customers at this stage.

The carrying amount of financial assets represents the maximum credit exposure.

**Cash and cash equivalents**

The Group held cash and cash equivalents of \$2,914,236 at 31 December 2025 (2024: \$3,555,128). Cash and cash equivalents are held with authorised institutions and only with counterparties with acceptable credit ratings.

**Liquidity risk**

Liquidity risk arises from the Group's management of working capital, it is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's objective is to ensure, so far as is possible, that it will always have sufficient cash and cash equivalents to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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## 21 FINANCIAL INSTRUMENTS - RISK MANAGEMENT *(continued)*

### Liquidity risk *(continued)*

The Group ensures that it has sufficient cash on demand to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The information on the following page represents the contractual maturities of financial liabilities excluding the impact of netting arrangements:

The balances above will not always agree to the financial statements as the contractual cash flows above are undiscounted. The carrying amount is the balance as recognised in the statement of financial position.

	Carrying amount \$	Contractual cash flows \$	12 months or less \$
<b>31 December 2025</b>			
<b>Non-derivative financial liabilities</b>			
Trade and other payables	(645,694)	(645,694)	(645,694)
	<b>(645,694)</b>	<b>(645,694)</b>	<b>(645,694)</b>
<b>31 December 2024</b>			
<b>Non-derivative financial liabilities</b>			
Trade and other payables	(893,393)	(893,393)	(893,393)
Current tax liability	(34,719)	(34,719)	(34,719)
	<b>(928,112)</b>	<b>(928,112)</b>	<b>(928,112)</b>

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no change to the manner in which the Group manages market risk from the previous year.

### Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's current operations are solely Australian focused, however the Company retains a marginal exposure to currency risk on exploration and evaluation activities for the fact some equipment is sourced from overseas and therefore denominated in foreign currency. Furthermore, should the Company transition into producing revenue from the Diona-1 well, commodity prices may be denominated or affected by foreign currency fluctuations.

The Group manages foreign exchange risk by monitoring forecast cash flows in currencies other than Australian dollars and ensuring that adequate foreign currency balances are maintained or provided for. The objective of the Group's foreign exchange risk management is to ensure its financial viability despite potential periods of unfavourable exchange rates. The carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the reporting date is as follows (denominated below in AUD equivalent as at respective period end exchange rates):

**21 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)**

**Foreign exchange risk (continued)**

	Assets		Liabilities	
	2025	2024	2025	2024
	\$	\$	\$	\$
US dollar	-	1,239	-	(110,605)
Canadian dollar	205,481	2,684,005	-	(34,719)
Euro	-	-	-	(633,090)

*Foreign currency sensitivity analysis*

There was no material exposure to foreign currency sensitivity on the 2025 operations.

**Commodity price risk**

Commodity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market commodity prices for crude oil and natural gas.

The objective of the Group's commodity price risk management is to ensure its financial viability despite potential periods of unfavourable prices. Sensitivity analyses are conducted to evaluate the potential impact of unfavourable prices on the Group's future financial position. The results of these evaluations are used to determine the most appropriate risk mitigation tool to be used.

*Commodity price sensitivity analysis*

Should the Group commence commercial production activities at the Diona-1 project, it may be exposed to movements in commodity prices for crude oil and for natural gas.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group only has interest rate risk relating to its funds on deposit with banking institutions.

**Market risk (continued)**

*Exposure to interest rate risk*

The interest rate profile of the Group's interest-bearing financial instruments as reported to management of the Group is as follows:

	Carrying amount	
	2025	2024
	\$	\$
<b>Variable rate instruments</b>		
Cash and cash equivalents	2,914,236	3,555,128
	<b>2,914,236</b>	<b>3,555,128</b>

**21 FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)**

*Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

*Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the reporting date has been analysed for potential impact upon the Company and the Group. This analysis assumes that all other variables remain constant. The analysis identified that the impact of a change in interest rates on variable rate instruments would not have a material impact on the Company or the Group.

At reporting date the Group did not hold any variable rate financial liabilities.

**22 RELATED PARTIES**

Key management personnel compensation included in “Directors’ remuneration” (note 12), comprises the following:

	Note	2025 \$	2024 \$
Short term employee benefits		331,806	206,525
Post-employment benefits		6,308	6,067
	11	<b>338,114</b>	<b>212,592</b>

**Individual Director’s and Executives’ compensation disclosures**

Information regarding individual Director’s and Executive’s compensation and some equity instruments disclosures as required by s300A of the Corporations Act and Corporations Regulations 2M.3.03 are provided in the Remuneration report section of the Directors’ Report in section 14.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors’ interests existing at year end.

**Other key management personnel transactions**

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these companies transacted with the Company during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm’s length basis.

The aggregate value of transactions and outstanding balances relating to Key Management Personnel and entities over which they have control or significant influence is disclosed below.

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## 22 RELATED PARTIES *(continued)*

### Other key management personnel transactions *(continued)*

<i>KMP</i>	<i>Transaction</i>	Transactions value year ended 31 December		Balance outstanding as at 31 December	
		2025	2024	2025	2024
		\$	\$	\$	\$
Andrew Childs	Consultancy fees <sup>1</sup>	15,000	79,600	-	-
	Rental fees <sup>2</sup>	39,000	21,000	3,300	-
Andrew Bald	Consultancy fees <sup>3</sup>	107,500	58,900	33,090	30,800
Greg Channon	Consultancy fees <sup>4</sup>	112,995	55,800	17,605	11,475
				<b>53,995</b>	<b>42,275</b>

<sup>1</sup> The Group incurred \$15,000 for consultancy services to Resource Recruitment, a sole-trader business associated with Mr Childs, in relation to technical oil and gas analysis services provided to the Group, services considered outside the scope of Mr Childs' Director commitments. Amounts were billed based on normal market rates for such services and were due and payable under normal terms.

<sup>2</sup> The Group incurred \$39,000 in rent expenses paid to Resources Recruitment, for utilisation of office space during the 2025 year. Amounts were billed based on normal market rates and were due and payable under normal terms.

<sup>3</sup> The Group incurred \$107,500 for consultancy services to Panthea Capital Partners Pty Ltd, a company associated with Mr Bald, in relation to analysis and consulting services provided to the Group, services considered in excess to the agreed scope of Mr Bald's Director commitments. Amounts were billed based on normal market rates for such services and were due and payable under normal terms at the end of the financial year.

<sup>4</sup> The Group incurred \$112,995 for consultancy services of Ruby Lloyd Pty Ltd, a company associated with Mr Channon, in relation to technical oil and gas analysis services provided to the Group, services considered outside the scope of Mr Channon's Director commitments. Amounts were billed based on normal market rates for such services and were due and payable under normal terms at the end of the financial year.

## 23 SUBSIDIARIES

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Financial year end	Proportion of ownership interest and voting power held by the Group	
				2025 %	2024 %
CalX SELA LLC	Oil and gas exploration	California, USA	31 December	-	100
Xstate (USA) Corp	Oil and gas exploration	California, USA	31 December	-	100
XGas LLC	Oil and gas exploration	California, USA	31 December	-	100
Xstate Energy Ltd	Oil production	Alberta, Canada	31 December	100	100
XST Diona Pty Ltd	Oil and gas exploration	WA, Australia	31 December	100	100
XST Diona Ops Pty Ltd	Oil and gas exploration	WA, Australia	31 December	100	100

## 23 SUBSIDIARIES *(continued)*

### Joint operations

Xstate Diona Pty Limited (“Xstate”) holds a 51% working interest in the Diona sub-block of ATP 2077. Xstate was the operator for the currency of the initial well program of the Diona-1 project. Following completion of the initial well program, operatorship transitioned back to Elixir Energy Limited (**ASX:EXR**). As operator, Elixir assesses and identifies the proportional share of income, expenditure, assets and liabilities attributable to Xstate as a result of operations. The operation is considered a joint arrangement for accounting purposes.

The principal place of business is the Surat-Bowen Basin, Queensland, Australia.

## 24 SUBSEQUENT EVENTS

On 5 March 2026, the Company advised its intention to issue Directors with Performance Rights, subject to shareholder approval at the 2026 AGM to be held in April/May 2026. The total number of Performance Rights intended to be issued as incentive remuneration was identified as 19,500,000 with vesting criteria of achieving a share price of \$0.04 and \$0.06 over a 14-day period.

Other than the matters identified above, there have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

## 25 PARENT COMPANY DISCLOSURES

As at, and throughout the financial year ended 31 December 2025, the parent entity of the Group was Xstate Resources Limited. Refer to note 26 for contingent liabilities that impact the parent entity.

	2025 \$	2024 \$
<b>Results of the parent entity</b>		
Total comprehensive profit / (loss) for the year	<b>287,289</b>	<b>(163,004)</b>
<b>Financial position of parent entity at year end</b>		
Current assets	2,852,667	954,370
Total assets	7,328,910	1,735,778
Current liabilities	(572,957)	(896,007)
Total liabilities	(572,957)	(1,040,807)
<b>Total equity of the parent entity comprising of:</b>		
Share capital	63,554,779	58,083,830
Reserves	222,763	71,391
Accumulated losses	(57,021,589)	(57,460,250)
<b>Total equity</b>	<b>6,755,953</b>	<b>694,971</b>

## 26 CONTINGENT LIABILITIES AND COMMITMENTS

As at the end of the reporting period, the Company has no identifiable contingent liabilities.

As at the end of December 2025, Xstate and Elixir have still to complete the Diona-1 well. The decision to complete was dependent on encountering hydrocarbons, which were definitively present, and hence, the well is due for completion in calendar 2026 (April 2026 - May 2026).

The final cost of this completion program will not be known until the well is completed and there are a number of variables that could significantly affect the total cost. Accordingly, the budget committed to by the unincorporated joint venture is only an approximation and the Board has chosen not to disclose the budget.

## 27 AUDITORS' REMUNERATION

During the financial year, the following fees were paid or payable for services provided by BDO, the auditor of the Company, and its network firms:

	2025 \$	2024 \$
<b>BDO Audit Pty Ltd</b>		
<i><b>Audit and other assurance services</b></i>		
Audit and review of financial reports	83,418	84,538
Total remuneration for audit and other assurance services	<b>83,418</b>	<b>84,538</b>
<b>BDO Services Pty Ltd</b>		
<i><b>Taxation services</b></i>		
Tax compliance services	12,545	11,366
Total remuneration for taxation services	<b>12,545</b>	<b>11,366</b>
<b>BDO Corporate Finance Australia Pty Ltd</b>		
<i><b>Corporate Finance Services</b></i>		
Preparation of Investing Accountant's Report	28,840	-
Total remuneration for Corporate Finance Services	<b>28,840</b>	-
<b>BDO Vienna GmbH</b>		
<i><b>Taxation services</b></i>		
Tax compliance services	2,418	2,418
Total remuneration for taxation services	<b>2,418</b>	<b>2,418</b>
<b>Total remuneration of BDO Audit Pty Ltd and its related parties</b>	<b>127,221</b>	<b>98,322</b>

It is the Group's policy to employ BDO on assignments additional to their statutory audit duties where BDO's expertise and experience with the Group are important. These assignments are principally tax advice, or where BDO is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As of 31 December 2025

Name of entity	Type of entity	Country of incorporation	Percentage owned	Australian resident	Foreign tax jurisdiction in which entity is a resident (if applicable)
Xstate Resources Limited	Body corporate	Australia	N/A	Yes	N/A
Xstate Energy Ltd	Body corporate	Canada	100%	No	Canada
XST Diona Pty Ltd	Body corporate	Australia	100%	Yes	N/A
XST Diona Ops Pty Ltd	Body corporate	Australia	100%	Yes	N/A

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

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## **DIRECTORS' DECLARATION**

1. In the opinion of the Directors of Xstate Resources Limited (the "Company"):
  - (a) the accompanying financial statements and notes are in accordance with the *Corporations Act 2001* including:
    - (i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the year then ended; and
    - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
  - (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 31 December 2025.
3. The Consolidated Entity Disclosure Statement on page 66 is true and correct.

This declaration is signed in accordance with a resolution of the Board of Directors.



**Andrew Bald**  
Managing Director

Dated at Perth, Western Australia this 30<sup>th</sup> day of March 2026

## INDEPENDENT AUDITOR'S REPORT

To the members of Xstate Resources Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Xstate Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- i) Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

### Acquisition of Diona and Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>During the year, the Group acquired a 51% interest in an exploration project. Management accounted for the arrangement as a joint operation, recognising its share of the underlying assets and liabilities.</p> <p>The accounting treatment required judgement in determining whether the contractual arrangement gives the Group rights to the assets and obligations for the liabilities of the project in accordance with AASB 11 <i>Joint Arrangements</i>, as well as determining the appropriate date of recognition and the amounts capitalised.</p> <p>In addition, the acquisition and subsequent exploration activity resulted in a significant carrying value of capitalised exploration and evaluation expenditure, as disclosed in Note 16. Management was required to assess whether any indicators of impairment existed under AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</p> <p>Given the significance of the balance and the judgement involved in assessing both the acquisition and the carrying value of exploration and evaluation assets, we considered this to be a key audit matter.</p>	<p>We performed the following:</p> <ul style="list-style-type: none"> <li>• Obtained and reviewed the acquisition and joint operation agreements to assess whether the contractual terms provide the Group with rights to the assets and obligations for the liabilities of the exploration project, consistent with the requirements of AASB 11;</li> <li>• Assessed management’s accounting treatment for the acquisition, including the nature of the interest acquired, the date of initial recognition and the appropriateness of amounts capitalised to exploration and evaluation assets;</li> <li>• Evaluated management’s assessment of impairment indicators for exploration and evaluation assets under AASB 6;</li> <li>• Reviewed tenure status, planned future expenditure, Board minutes and ASX announcements for evidence of matters which may have indicated impairment or otherwise impacted the carrying value of exploration and evaluation assets; and</li> <li>• Assessed the adequacy of the related disclosures in the financial report, including the significant judgements applied by management.</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf)



This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 20 of the directors' report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Xstate Resources Limited, for the year ended 31 December 2025, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a faint, stylized 'BDO' logo.

Ashleigh Woodley

Director

Perth, 30 March 2026

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## STOCK EXCHANGE INFORMATION

The shareholder information set out below was applicable as at 15 March 2026:

### 1. Distribution of ordinary shares

Range	Total holders	Ordinary shares	% of issued capital
1 - 1,000	940	92,588	0.02
1,001 - 5,000	932	2,509,943	0.59
5,001 - 10,000	415	3,063,680	0.71
10,001 - 100,000	1,103	43,762,763	10.21
100,001 and over	482	379,251,844	88.47
<b>Total</b>	<b>3,872</b>	<b>428,680,818</b>	<b>100.00</b>

There were 2,750 holders of less than a marketable parcel of ordinary shares.

### 2. Substantial shareholders

As at the date of this report there are no substantial holders.

### 3. Voting rights

#### *Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll, every member present or by proxy shall have one vote for every share held.

#### *Options and rights*

No voting rights.

### 4. Unlisted options

Grant date	Number	Number of holders	Expiry date	Exercise price (cents)
31-May-23	6,614,351	7	30-Jun-2026	6.7
28-Jul-25	16,440,000	12	5-Mar-27	4
17-Dec-25	86,899,966	108	17-Dec-2029	4
17-Dec-25	9,000,000	2	17-Dec-2029	4

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**5. Twenty largest shareholders**

Shareholders	Ordinary shares	
	Number held	% of issued shares
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	12,500,019	2.92
POUNAMU CAPITAL PTY LIMITED	11,363,636	2.65
STILL CAPITAL PTY LTD	11,000,001	2.57
KESLI CHEMICALS PTY LTD <RUANE S/F A/C>	9,870,909	2.30
TALEX INVESTMENTS PTY LTD	9,000,000	2.10
GETMEOUTOFHERE PTY LTD <SINKING SHIP SUPER FUND A/C>	8,474,055	1.98
WHEAD PTY LTD <CJ HOLDINGS A/C>	7,696,049	1.80
MELBOURNE SECURITIES CORP LTD <EMERALD AUSTRALIA GROWTH A/C>	7,695,454	1.80
BLUE SKY RESOURCES LTD	7,190,521	1.68
MR ALAN GEORGE BROOKS & MRS PHILIPPA CLAIRE BROOKS <A G & P C BROOKS S/FUND A/C>	6,904,473	1.61
BILL BROOKS PTY LTD <BILL BROOKS SUPER FUND A/C>	6,430,454	1.50
CITICORP NOMINEES PTY LIMITED	5,145,731	1.20
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,691,100	1.09
MRS LAY HOON LEE	4,545,455	1.06
KESLI CHEMICALS PTY LTD	4,301,706	1.00
DORIC WEALTH PTY LTD <PIVOT TRADING A/C>	4,095,421	0.96
CENTREPEAK RESOURCES GROUP PTY LTD	3,800,528	0.89
KINABALU AUSTRALIA PTY LTD <THE KINABALU AUSTRALIA A/C>	3,357,709	0.78
EMERGING EQUITIES PTY LTD	3,200,000	0.75
S N S SERVICES PTY LTD	3,073,250	0.72

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6. Petroleum lease interests at 15 March 2026

Project name	Region	Category	Working Interest (WI)
ATP 2077 (Diona-1)	Surat Bowen Basin, Queensland	Exploration	51%

7. Gold tenements listing at 15 March 2026

Tenement	Tenement Number	Status	Percentage Interest
King Brown	M24/705	Granted	12%

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