ABN 96 009 217 154

20 April 2026

Announcement to ASX **Electronic lodgement**

Diona-1 Stimulation Update & Placement

Diona-1 Stimulation

The stimulation program for the Diona-1 well has commenced with equipment arriving on the wellsite and preparatory operations underway. Subject to operations proceeding to schedule, the stimulation program, to be conducted by Condor Energy, should commence by the end of the week.

Figure 1: Frac Tree installation at Diona-1

Placement

Following a number of enquiries from strategic investors and funds, the Board elected to take a placement from a small number of parties we believe significantly strengthen our share register. The underlying rationale behind the raising is twofold:

1. to fund any immediate capital requirements for any extended production tests and to connect the Diona-1 well to the existing pipeline infrastructure should the well be deemed commercially successful; and

2. to ensure the company is adequately funded should stimulation operations run over budget.

If the well is deemed commercial and can be connected quickly, we believe this project could generate early operational cashflow for the Company.

The terms of the placement are as follows:

Shares issued:	51,277,122 shares
Issue Price:	$0.033
Total funds raised:	$1,692,145 (before costs)
Attaching Options:	1 option per 3 shares subscribed (17,092,374 options)
Option Exercise Date:	30 April 2029
Option Exercise Price:	$0.06
Shareholder Approvals:	The shares are to be issued under the Company's existing LR 7.1 Capacity. The options are subject to shareholder approval which will be sought at a General Meeting to be convened.

PAC Partners and Veritas Securities are acting as Joint Lead Managers to the placement and will receive a fee of 6% of funds raised (being $101,528 plus GST). Subject to shareholder approval, the Joint Lead Managers will be issued 12,819,280 Options (1 option for every 4 shares placed) on the same terms and conditions as those issued to placement participants.

Managing Director, Andrew Bald, commented:

> *"We are very happy to welcome our new strategic investors who have a long and successful record in supporting juniors such as Xstate on their development path. If the flow rates are commercial, this placement will allow the Company to fund the connection to the valve approximately 1km to the west of the well pad which will, in turn, generate near-term revenue for the Company. The next month will be a very exciting time for us all."*

This announcement has been authorised for release by the Board of Directors.

Andrew Bald
Managing Director

Xstate Resources Limited:

Xstate Resources (ASX Code: XST) is an ASX listed company focused on the oil and gas sector focusing on its Diona project located in Queensland, Australia. Xstate owns 51% of the Diona block within ATP 2077. The Company spudded its first well in the Diona block, Diona-1, on 27 September 2025. Elixir Energy Limited (ASX Code EXR) retains a 100% beneficial ownership in Blocks A and B.