

4 May 2026

Announcement to ASX**Electronic lodgement**

DIONA-1 WELL: OPERATIONS UPDATE

Xstate Resources Limited (**ASX:XST**) (**Xstate, XST or the Company**) provides the following update on the operations at the Diona-1 well on ATP2077 (XST 51%/EXR 49%) located in the Surat-Bowen basin of South West Queensland.

DIONA-1 ACTIVITIES

The stimulation and flow testing operations at the Diona-1 are progressing smoothly and as per the Operator's schedule. All zones have been successfully stimulated and the stimulation equipment is now being demobilised. During the routine flowback period post final stimulation, indications of methane gas were recorded on a hand held gas meter.

NEXT STEPS

The coil tubing unit is now in the process of milling out the temporary plugs ahead of running the completion. Following this process, the 14 day flow testing and pressure monitoring process will commence.



Figure 1: Aerial view of operations at the Diona-1 well

This release was approved by the Board of the Company

Andrew Bald
Managing Director
Xstate Resources Limited

ABOUT XSTATE RESOURCES LIMITED

Xstate Resources (ASX:XST) is an ASX listed company focused on the oil and gas sector. In April 2025, the Company acquired its Diona project (ATP 2077 XST 51%, EXR 49%) located in the Surat Bowen basin of South-West Queensland.

COMPETENT PERSON

The technical information provided has been supervised and reviewed in detail by Xstate's competent person, Mr Greg Channon, who is also a Non-Executive Director of the Company. Mr Channon is a qualified geoscientist with over 35 years of oil and gas industry experience and a member of the American Association of Petroleum Geologists and the South East Asian Exploration Society and is a graduate of the Australian Institute of Company Directors. He is qualified as a competent person in accordance with ASX listing rule 5.41. Mr Channon consents to the inclusion of the information in this report in the form and context in which it appears.