

24 June 2026**Announcement to ASX****Electronic lodgement**

Diona-1 update

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

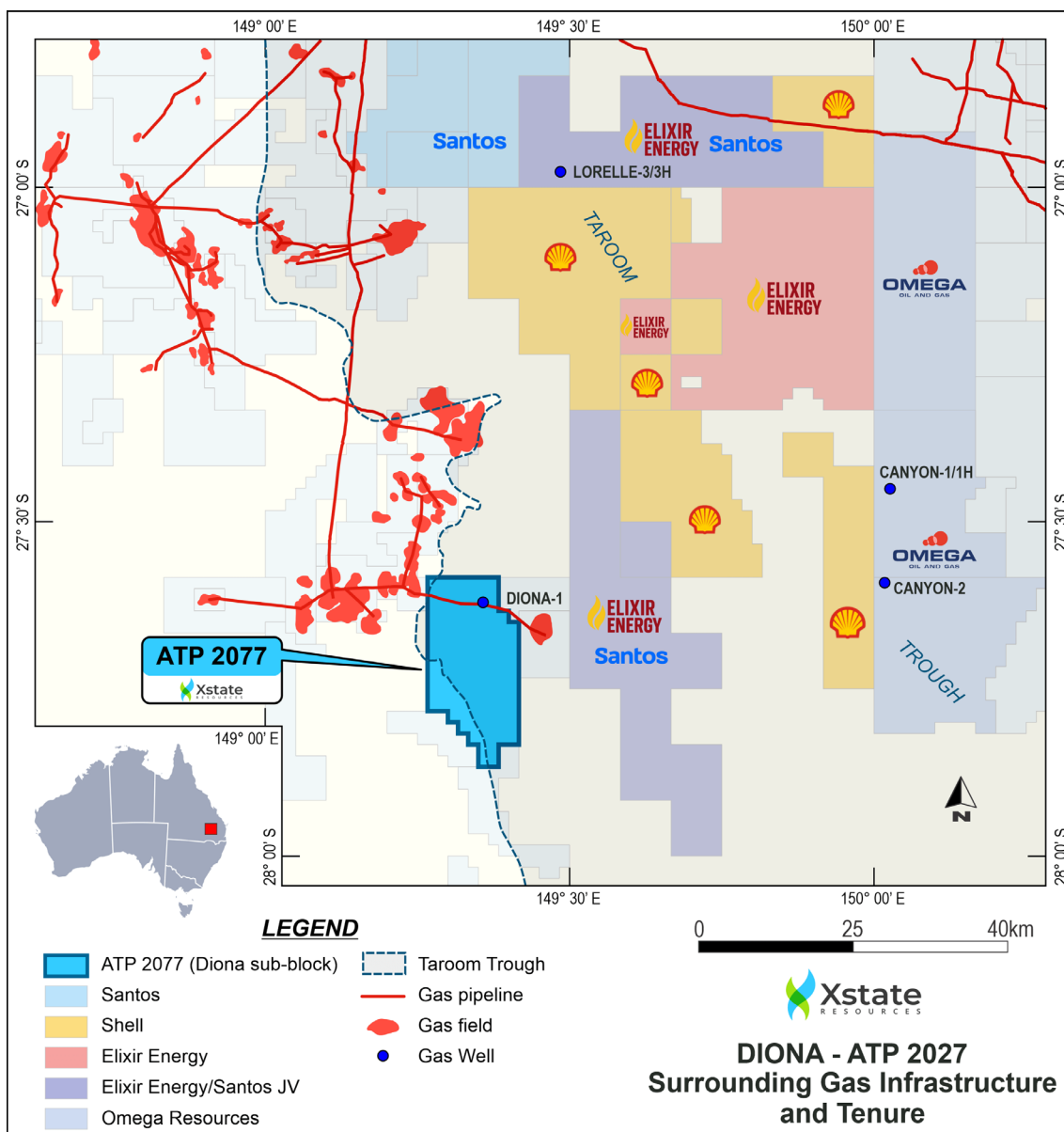
Operations Update

Following the pause in testing of the Diona-1 well earlier this month, the Joint Venture has engaged Ms Janet Mignano of JJM Consultancy Pty Ltd (**JJM**) to undertake a detailed analysis of the workover options available to us in order to determine the preferred operational approach to optimally unload the completion fluids remaining in the well bore. This options analysis will be supported by detailed assessment of operational feasibility and technical considerations. JJM are now in the process of finalizing cost estimates for each option and assess resource availability (timing) to optimise overall cost efficiency. The scope of work also includes identification and assessment of relevant risks for each option, with risk ratings assigned to support a structured decision-making framework.

We look forward to updating shareholders of the results of the analysis in due course.

Managing Director, Andrew Bald commented:

"The Board of XState is pleased to see a renewed push on competing this well. The process of unloading the completion fluids is a common operational issue and is simply a matter of choosing the quickest and most cost-efficient solution. Janet and her team at JJM bring a wealth of local experience to this project and we are looking forward to progressing with their proposed solution."



Location Map of Diona-1

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

Andrew Bald
Managing Director

About Xstate Resources Limited:

Xstate Resources (ASX Code: XST) is an ASX listed company focused on the oil and gas sector focusing on its Diona project located in Queensland, Australia. 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.