



ABN: 96 009 217 154

Announcement to ASX

8 March 2021

## Gas Shows at Borba 1-7

- Borba 1-7 has intersected gas shows at the first reservoir objective
- A gas peak of up to 65 units through a gross sandstone interval of 52 metres.
- Borba 1-7 drilling ahead below 4,737 feet and will be drilled to test multiple stacked 3D seismic amplitude anomalies in the interval from 3,200 feet (975 metres) to 9,500 feet (2,800 metres).

Xstate Resources (ASX:XST (“Xstate” or “the Company”)) is pleased to announce that the Borba 1-7 well has intersected a gas show in the first reservoir objective, called the Kione sands. The well intersected a gas peak of 65 units over a background of 5 units (1 unit of gas = 200 ppm methane). The gas shows covered a gross interval of 58m below 1155 m measured depth. The lithology was reported to be fine to coarse grained unconsolidated sandstone by the wellsite geologist.

The well is currently drilling directionally below 4,737 feet in 12 ¼” diameter hole. Background gas is increasing with some zones below 4,300 recording gas measurements over 4 times higher than the background gas levels. The significance of the shows will be assessed further from future petrophysical log analysis.

The well will continue drilling to the 9 5/8” casing point, which is expected in the coming days. The section will then be logged and cased, securing the zone for later evaluation.

The Working Interests (“WI”) in the Borba 1-7 well and Borba AMI are:

	Drilling Costs	After Drilling WI
Sacgasco Limited (Operator) (ASX: SGC)	62.5%	66.67%
Xstate Resources Limited (ASX: XST)	37.5%	33.33%

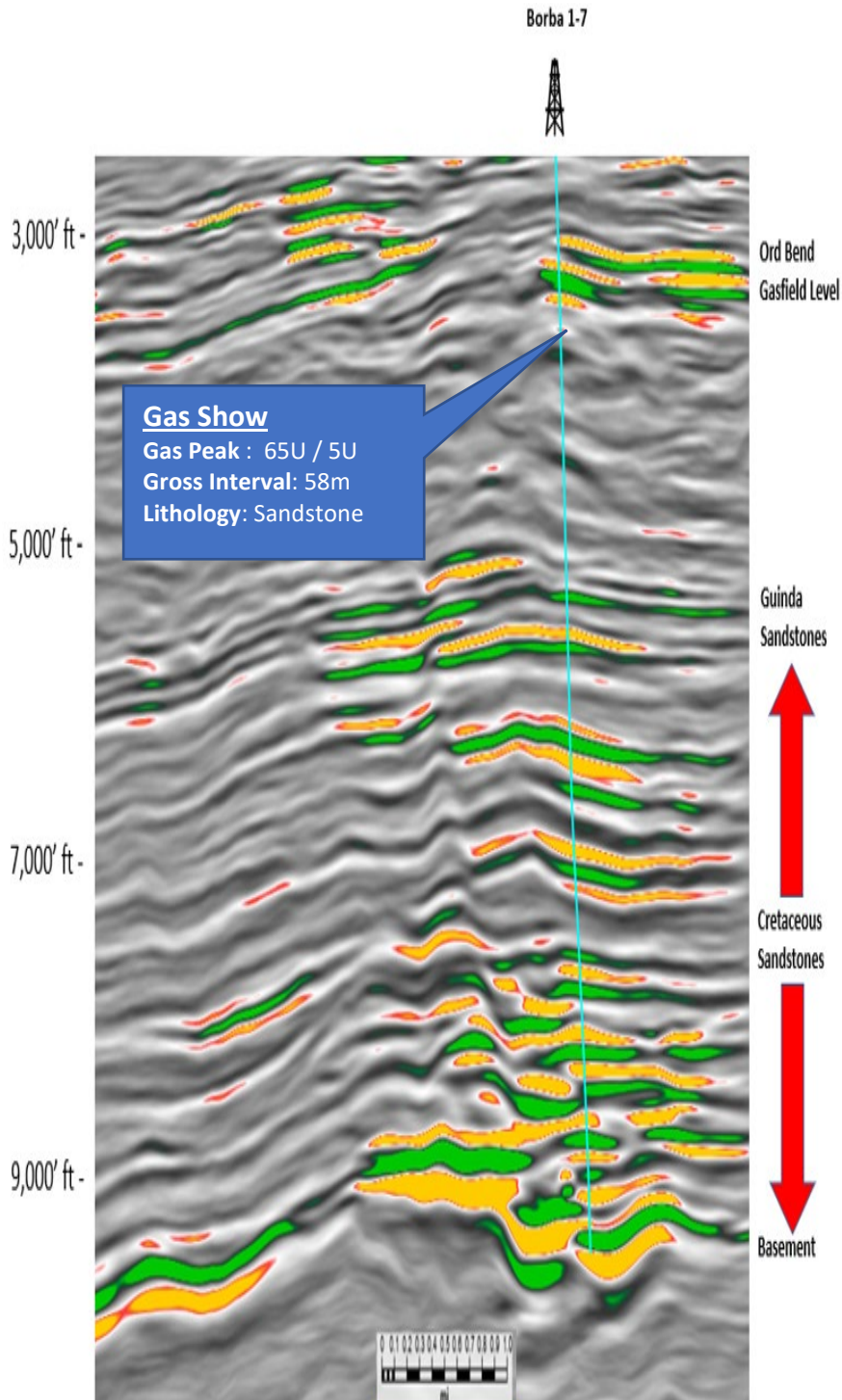


Fig 1: Seismic Profile along Borba 1-7 Drill Path

**Xstate Managing Director, David McArthur commented:** “The intersection of gas shows in our first reservoir objective is very promising. This zone appears to coincide with our first bright amplitude on the seismic. The zone will be logged and put behind 9 5/8” casing and secured for further testing at a later date.”

**This release is authorised by the board of the company.**

**David McArthur**  
**Managing Director**  
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### **About Xstate Resources Limited**

Xstate Resources (ASX Code: XST) is an ASX listed company focused on the oil and gas sector. The Company has existing assets located in the Sacramento Basin in California and associated production interests together with production interests in Alberta Canada. Xstate is presently pursuing new opportunities in the oil and gas sector in North America.