

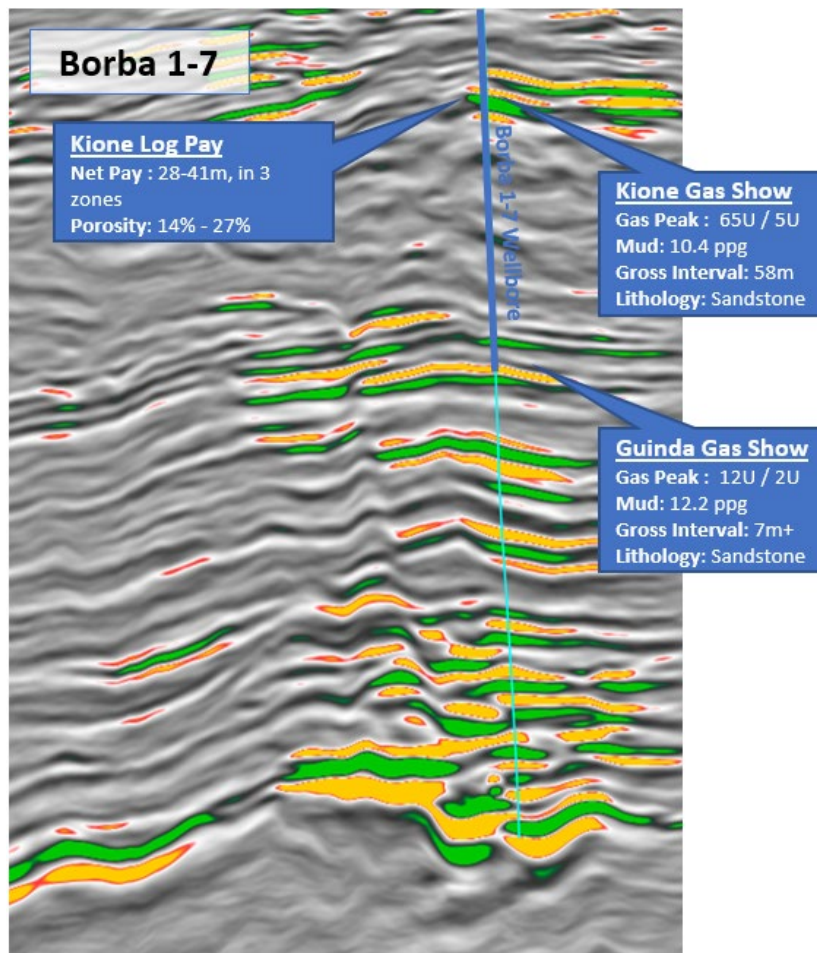
Announcement to ASX

17 March 2021

## Drilling Break and Gas Peak at Guinda Sandstone

- Gas peak of 12U over a background of 2 unit
- Strong Drilling break and indications of sandstone

Xstate Resources (ASX:XST) (“Xstate” or “the Company”) is pleased to announce that it has intersected a gas peak in the Guinda Formation at the Borba 1-7 well at a depth of 1,726 metres (5,662 feet). The gas peak of 12 U over a background of 2U (6x increase) was in a zone of increased sand content which drilled significantly faster than the overlying shales. Seven metres (23’) of reservoir has been intersected so far. It should be noted that the mud weight in our 8 ½” hole (12.2 ppg) is significantly higher than the intermediate hole (10.4 ppg). The mud weight has been raised to protect the well from potential overpressure zones below. The higher mud weight also has the effect of suppressing the gas shows in the mud.





ABN: 96 009 217 154

Drilling will continue to the next objective with the next suite of logs to be run at the TD of the well.

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

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

**Xstate Managing Director, David McArthur commented:** *"Our second objective has been intersected with gas shows. We look forward to evaluating the remaining objectives."*

**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: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.