

26 April 2022

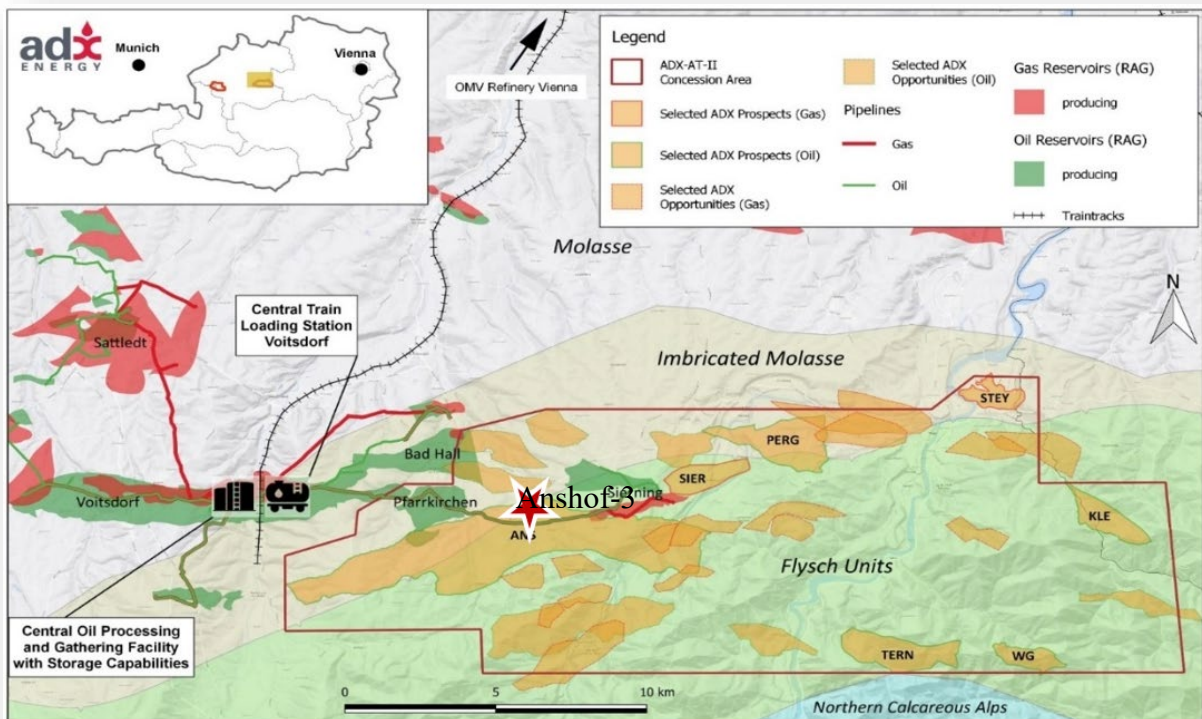
Announcement to ASX

Electronic lodgement

## ANSHOF-3 FLOWS CLEAN OIL TO SURFACE

- Water free oil produced to surface at approximately 75 barrels of oil per day (gross) from Anshof-3
- Well productivity is within initial expectations and has now been shut in for build-up
- Oil rates in subsequent wells on the flank of the structure where reservoirs are expected to thicken are likely to result in significantly higher production rates.

Xstate Resources Limited (ASX: XST) ("Xstate", "XST" or "the Company") is pleased to inform its shareholders and the market of the results of the production test at Anshof-3, in which Xstate has 20% working interest.



Anshof-3 Location Map

The Company advises that a water free oil flow has been recorded from the Anshof-3 well in the ADX-AT-II license in Upper Austria during flow testing of the Eocene oil zone. Oil was produced to

surface at an approximate rate of 75 barrels of oil per day (gross), which is 15 barrels of oil per day net to Xstate. The oil flowed from a 6 metre gross Eocene oil column intersected in the Anshof-3 well. The well has been shut in to record a pressure build up which is expected to provide further information in relation to the continuity of Eocene oil reservoirs around the well.

Well productivity was within expectation for the relatively thin column encountered at the crest of the Anshof structure. Oil rates in subsequent appraisal wells planned on the Eastern flank of the structure where the Eocene reservoirs are expected to thicken are likely to result in significantly higher production rates.



*Photograph of Anshof-3 Production Test*

The well flowed without any acidization, which is usually required to overcome reservoir damage from drilling. Acidization in offset wells has resulted in substantial increases in production rates. Planning has already commenced to install a pump in the well and a early production testing system so that commercial oil sales can commence. Eocene oils produced in the area typically have a low gas oil ratio and require pumping. It is likely that the well will be acidized ahead of production with a view to enhancing oil rates from the well. The 32° API oil can be delivered for sale by truck to a nearby oil terminal prior to securing a production license for the entire Anshof discovery.



*Sample of 32°API Oil from Anshof-3 Production Test*

**Xstate Executive Chairman Mr Andrew Childs commented:** *“Xstate is pleased to add a second production hub to our business. The Anshof Oil Field has the potential to be a lucrative add-on to our Canadian production, which is currently producing around 570 barrels of oil per day (net). We look forward to the Operator bringing the Anshof-3 well online, and appraising the remainder of this significant Molasse Basin discovery.”*

**This release was approved by the board of the Company**

**Andrew Childs**  
**Executive Chairman**

Xstate Resources Limited  
Tel Office: +61 8 9435 3200

***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 gas exploration assets located in the Sacramento Basin, California and associated gas production interests together with production interests in Alberta, Canada and Austria. Xstate is presently pursuing new opportunities in the oil and gas sector globally.*

***Competent Person:***

*The technical information provided in this release has been supervised and reviewed in detail by XST’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.*