

31 July 2025

Announcement to ASX

Electronic lodgement

JUNE 2025 QUARTERLY ACTIVITIES REPORT

Xstate Resources Limited (**ASX:XST**) (**Xstate, XST or the Company**) provides its Quarterly Activities Report for the quarter ending 30 June 2025.

ACTIVITIES AND PORTFOLIO UPDATE

On 4th June 2025, the Company announced the disposal of its interests in the Anshof project (Austria).

The Company retains its USA (California) portfolio, however the Board is constantly reviewing the Company's portfolio and looking for opportunities to enhance or monetise this project.

Otherwise, the Company's activities during the quarter were exclusively focused on preparations to drill the Diona Prospect and re-listing of the Company's shares.

DIONA PROJECT AND RE-QUOTATION

On 7 April 2025, the Company announced that it had signed a deal to acquire a 51% working interest in the Diona block of ATP 2077, currently owned by Elixir Energy Limited¹.

The Company continued with its preparations for drilling the Diona-1 well which will be drilled within weeks of re-listing of the Company's shares.

As previously announced, re-listing of the Company's shares required the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules and to that end, on 26 June 2025, the Company issued its Re-Compliance Prospectus seeking to raise between \$2m and \$3m.

FINANCIAL

The Company's cash balance upon conclusion of the quarter decreased to A\$2.488m, down \$788k.

OPERATIONS

AUSTRIA: ANSHOF PRODUCTION (20% WI)

On the 4 June 2025, the Company announced that it had agreed to dispose of its 20% Working Interest in its Anshof Project located in Austria by way of an assignment of its working interest and obligations to Kathari Energia GmbH (Kathari) a wholly owned subsidiary of ADX Energy Limited (ASX: ADX) (Assignment Agreement).

The result is that XST assigned its production (equivalent to 14 bopd at time of divestment) to Kathari for the equivalent of €547,075 (approximately A\$963,160 at time of divestment). This in turn was offset against the value of the accrued cash calls that totaled €547,075, including a contribution of €480,867 towards the 3,000 bopd permanent production facility.

Under the terms of the Assignment Agreement, Kathari has agreed to assume all of Xstate's commitments and obligations to the Anshof project and Xstate has agreed to transfer its 20% equity interest in both the Anshof field and the 3,000 bopd production facility, clearing the decks for XST to focus on its upcoming Diona project.

¹ See ASX Announcement dated 7 April 2025

CALIFORNIA: SACRAMENTO BASIN PRODUCTION (VARIOUS WIs)

There were no changes to the Company's Californian based assets during the quarter.

No changes to the Sacramento project with the Company continuing to maintain its leases in the Sacramento Basin during the quarter. Xstate has working interests (WI) of between 10% and 33% in oil and gas leases.

Oil and Gas production in California (mcf¹)	June 2025	March 2025
Gross Gas	13,939	20,192
Net XST (after Royalty)	1,390	2,023

¹ mcf – Thousand Cubic feet gas

CORPORATE

On 7 April 2025, it was announced that Mr Andrew Bald had been appointed as the Company's Managing Director. Mr Bald's focus has been on leading the Company through the re-quotation process on ASX and our imminent maiden drilling program at the Diona project.

Concurrently, Mr Andrew Childs' role as Chairman has transitioned such that it will be performed in a Non-executive capacity.

XSTATE TENEMENT LISTING

XSTATE RESOURCES LIMITED – TENEMENT LIST AS AT 30 JUNE 2025			
Project name	Region	Category	Working Interest (WI)
Dempsey 1-15 Well	California	Exploration & Appraisal	10%
Dempsey Trend (Includes Borba)	California	Active leasing 3 large prospects	33%
Rancho Capay Field	California	Production	10%
Malton field	California	Production	30%
East Rice East Creek Field	California	Production	10%
Los Medanos Gas Field	California	Production	10%
Dutch Slough Field	California	Production	30%

LISTING RULE 5 DISCLOSURES

LR 5.4.1: Exploration expenditure during the quarter totaled \$83k.

LR 5.4.2: No production expenditure payments were incurred during the quarter.

LR 5.4.3:

- No petroleum tenements acquired during the quarter. Xstate's Austrian petroleum tenements were disposed during the quarter;
- Petroleum tenements held at quarter end identified in the above table;
- During the quarter, Xstate announced that it had agreed to acquire a 51% interest in the Diona sub-block of ATP 2077 from Elixir Energy, subject to shareholder approval, ministerial approvals and re-listing of the Company's shares on ASX. No farm-out agreements entered into during the quarter; and
- There are no other farm-in or farm-out agreements current in earn-in stage.

LR 5.4.4: Not applicable.

LR 5.4.5: Payments to related parties totaled \$128k. These were in respect of Directors' salaries and superannuation payments, for rent of office lease to a Director related entity and for additional consulting work performed on an ad hoc basis over and above normal Directors' duties.

This release was approved by the Board of the Company

Andrew Bald

Managing Director

Xstate Resources Limited

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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 oil and gas assets located in California in the United States of America. In April 2025, the Company acquired its Diona project located in the Surat Bowen basin of South-West Queensland.

LEASES

US and Canadian exploration is conducted on leases granted by mineral right owners, including the respective governments and private individuals or groups. Leases can vary in size from very small parcels (part of an acre) to large landholdings (covering a few square miles). Leases generally are for 5 years and rentals are paid annually. There are no firm work commitments associated with the leases. Some leases are 'held by production' (HBP) and royalties are paid to mineral right owners in lieu of rentals. Xstate has not listed all its leases as it is impractical and not meaningful for potential project value assessment in a conventional natural gas play. A detailed listing of leases may also lead to a loss of competitive advantage and consequent reduced value to XST shareholders.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Xstate Resources Limited

ABN

96 009 217 154

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(83)	(83)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(94)	(141)
	(e) administration and corporate costs	(564)	(760)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	27	53
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	(52)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(714)	(983)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(76)	(76)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(76)	(76)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,276	3,555
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(714)	(983)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(76)	(76)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	2	(8)
4.6	Cash and cash equivalents at end of period	2,488	2,488

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,488	3,276
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,488	3,276

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	128
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
8.	Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	(714)	
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-	
8.3	Total relevant outgoings (item 8.1 + Item 8.2)	(714)	
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,488	
8.5	Unused finance facilities available at quarter end (item 7.5)	-	
8.6	Total available funding (item 8.4 + item 8.5)	2,488	
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.48	
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>			
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:		
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?		
Answer: N/A			
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?		
Answer: N/A			
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?		
Answer: N/A			
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2025

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.