

XST DISPOSAL OF AUSTRIAN ASSETS

- XST exits its Austrian project - Anshof
- Full value achieved for asset disposal
- No net cash payments
- XST production will decrease by 14 bopd
- XST to focus on Diona project
- Re-listing process on track tentatively for July 2025

4th June 2025 - Sydney

The Board of Xstate Resources Limited (**ASX:XST**) (**Xstate, XST or the Company**) is pleased to announce that it has 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 assigns its production (currently equivalent to 14 bopd) to Kathari for the equivalent of EUR547,075¹. This in turn is offset against the value of the accrued cash calls that total EUR547,075 which includes the contribution of EUR480,867 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.

Managing Director, Andrew Bald commented:

"The exit from the Anshof Project is a fantastic result for Xstate shareholders and simplifies our portfolio, allowing us to focus on getting the Diona project moving. Whilst there were no cash considerations paid, the assignment reduces our liabilities and strengthens our balance sheet in preparation for our imminent re-listing and progressing with the Diona Project. The XST team is now dedicating 100% of its time and efforts towards Diona and re-listing our shares."

BACKGROUND

In November 2021, XST entered into a Farmin Agreement with the Austrian subsidiary of ADX Energy Limited, ADX VIE GmbH (ADX) whereby XST would earn a 20% carry in the Anshof field by contributing 40% of the well cost up to a maximum of EUR1.8m.

XST contributed 40% of the Anshof-3 well cost and earned a 20% working interest in the Anshof field.

In September 2023, the Farmin Agreement was replaced with a cooperation agreement and production sharing agreement with ADX which formalised the Anshof Silent Partnership (**Anshof ASP**). MND Austria a.s. (MND) then became a partner in the Anshof SP in late September 2023 (see ADX Announcement dated 18th September 2023).

¹ At an exchange rate of 1 AUD = 0.568 EUR, this is equivalent to AUD963,160

In October 2023, ADX proposed the construction of the Anshof Production Facility (**APF**) with a budgeted cost of EUR2,053,144 (**APF AFE**). XST did not consent to this APF AFE however the project proceeded with the support of 80% of the Anshof ASP working interests. The result being that XST incurred a liability of approximately EUR480,000.

To date, XST has incurred unpaid cash call liabilities totaling EUR547,075. The sale of XST's interest in the Anshof project extinguishes these liabilities and strengthens XST's balance sheet.

SALE OF ANSHOF PROJECT

Given the modest rates of production achieved by the Anshof wells, the Board of XST resolved to exit the Anshof Project. Whilst we are forfeiting some production, the assignment simultaneously removes the accrued liabilities to the Anshof Project and eliminates any further costs associated with the ongoing operations of the Anshof Production Facility.

In summary, under the terms of the agreements, XST and ADX have agreed to an assignment of XST's interests in the Anshof field to Kathari whereby Kathari acquires XST's 20%:

- Working interest in the Anshof project;
- Equity interest in the Permanent Production Facility (PPF).

(Austrian Assets)

And Kathari assumes XST's unpaid cash calls which total EUR547,075.

DIONA PROJECT AND RE-QUOTATION

As previously announced, the Company is in the process of preparing to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The Prospectus is well advanced and we are close to finalizing all the requisite ASX processes and notices to allow us to begin the path towards re-compliance and re-quotation of the Company's shares.

All going well, we hope to have the Prospectus lodged with ASIC in mid June with a shareholder meeting to be convened in late July.

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 the California in the United States of America, and until recently, oil production assets in Austria and Alberta, Canada. In April 2025, the Company announced the acquisition of its Diona project located in the Surat Bowen basin of South-West Queensland.