

26 April 2023

Announcement to ASX

Electronic lodgement

New Canadian Oil Production

Highlights:

- 2 new oil wells now on production in Alberta Canada
- Incremental production 170 BOPD gross (43 BOPD net to XST)
- 9% increase in Xstate's Daily Canadian Production

Xstate Resources Limited (**ASX: XST**) (**Xstate, XST or the Company**) is pleased to provide an update on its oil production in Canada.

As announced on 3 February 2023, Xstate acquired 25% working interest in 10,240 gross acres (16 sections) of leases adjacent to the Xstate Red Earth properties in Canada.

Importantly, the acquisition included 2 oil discovery wells that were drilled and completed but were not set up for production.

These two wells have now been put into production, and the most recent Operator reported production (3-day average) from the two new oil producers was 170 BOPD gross (43 BOPD net to Xstate).



Aerial View of Xstate's new oil well and production facilities



Pump Jack on new oil well



1000 Barrel Storage Tanks at one the new wells

Xstate Executive Chairman, Mr Andrew Childs said:

“It has been pleasing to see Xstate’s strong start to the year. The new production from the recently acquired wells complements the ongoing production from Xstate’s other assets in Austria and North America. It represents a 9% increase in production for Xstate in Canada.

Based on the observed performance, production from these new oil wells is expected to improve in the coming months and the operator is planning on drilling one of the 10 analogous prospects mapped on 3D seismic in the acquired leases later this year.”

This release was approved by the Board of the Company

Andrew Childs**Executive Chairman**

Xstate Resources Limited

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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 oil and associated gas production interests in Alberta Canada and Austria, and exploration assets located in the Sacramento Basin, California. 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.