

Announcement to ASX

19 March 2021

## Strong Gas Shows Continue at Borba Discovery

- 30 metres (100 feet) of high gas shows in Lower Guinda Formation Sandstones
- Gas shows up to 39 times background with 13 ppg mud weight
- Drilling ahead to next target reservoir

Xstate Resources (ASX:XST (“Xstate” or “the Company”)) is pleased to announce that it has intersected a further 30 metre (100 feet) interval of high gas shows in Lower Guinda Formation sandstones at the Borba 1-7 well below a measured depth of 1879 metres (6,165 feet).

The gas shows which are the best seen to date in the well exhibited a gas peak of 385 units over a background of 10U (39x increase) from a 30 metres (100 feet) zone with very high sand content. Also, for the first time in the well, ethane (C<sub>2</sub>H<sub>6</sub>) is now present in the gas stream.

It should be noted that the Borba 1-7 well is being drilled in well 8 ½” diameter hole, using 13 ppg mud weight following good well control practices.

Drilling will continue to the next objective. The next suite of petrophysical logs are planned to be run at the TD of the well after drilling through 8 or more high amplitude targets.

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

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

**Xstate Managing Director, David McArthur commented:** *“This is the third seismic amplitude to exhibit strong gas shows. We are becoming more confident of our geological model with every sand and amplitude. Drilling continues to further objectives.”*

**This release is authorised by the Board of the Company.**

**David McArthur**  
**Managing Director**  
**+61 8 9435 3200**

## 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.

