

9 February 2026

Announcement to ASX

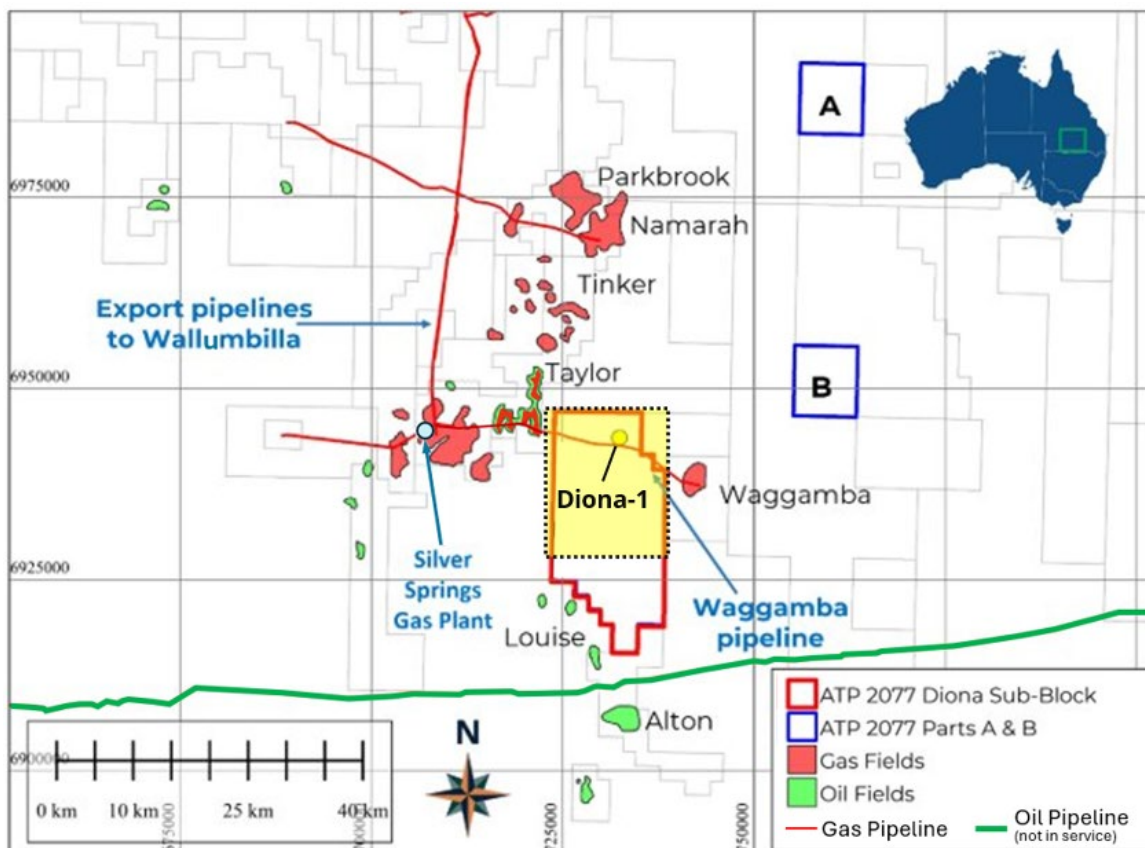
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## Diona Project: Operations Update

### Highlights

- Reservoir quality upgraded as a result of post drilling analysis of cuttings
- Testing program to begin with perforation of Wallabella Wash this week
- Stimulation scheduled to start in late March / early April 2026

The Board of Xstate Resources Limited (**ASX:XST**) (**Xstate** or **the Company**) provides the following Operations Update for its Diona Block within ATP2077<sup>1</sup> located in the Surat-Bowen basin of Queensland.



Location Map of Diona-1

Since the Diona 1 was cased and suspended in late 2025, the joint venture has undertaken a range of desktop studies and field operations in preparation for the upcoming simulation and testing program.

<sup>1</sup> Xstate owns 51% of ATP 2077 however Elixir Energy Limited, (ASX Code EXR) retains a 100% beneficial ownership in Blocks A and B. Elixir is the Operator of ATP-2077

## Cuttings Reservoir Analysis

Specialized rock typing has been undertaken over drill cuttings at the key reservoir levels. The analysis identified good visual porosity and indications of permeability in a number of the zones proposed for testing.



*Cuttings showing porosity from the Bandanna Formation*

## Formation Testing Program

Over the coming weeks, the joint venture will secure the requisite equipment and contractors to undertake a comprehensive formation stimulation and testing program covering Permian targets from the Bandana Formation to the Wallabella Wash.

### CBL logging

A Cement Bond Log (CBL) was run in the hole to determine the quality of the cement bond between the casing and the wellbore. The log has indicated a good cement bond over all targeted areas, meaning we can proceed to test all zones as planned.

### XLOT

This week the joint venture will undertake perforation operations in the lowermost Wallabella Wash which are critical for the planning of a potential XLOT (Extended Leak Off Test). This test will deliver important information about the stress and permeability of the basal zone and the diagnostics will be used to finalize the full stimulation and testing program.

### Forward Program

Competitive tenders have been received from the main contractors with respect to the upcoming stimulation and testing program. Tenders are expected to be awarded in the next week with the stimulation program expected to begin in late March although this may drift to early April 2026 depending on the availability of key service suppliers and equipment.

Managing Director, Andrew Bald commented:

*“The fact that we have confirmed a good cement bond puts us in an excellent position for the next phase of testing. Detailed planning by the Operator is fully underway, and includes modelling and analysis that increases both our confidence that this well will flow and the chance that this flow test will be seamless.*

*Following on from a successful test, Xstate and its joint venture partner, Elixir Energy Limited, will look to rapidly tie into the nearby Waggamba Silver Springs pipeline and commence early gas sales.*

*The coming weeks are going to be very exciting and hopefully deliver us more positive insight as to the potential of this Diona prospect”*

**This announcement has been authorised for release by the Board of Directors.**

**Andrew Bald**  
*Managing Director*

**Xstate Resources Limited:**

Xstate Resources (ASX Code: XST) is an ASX listed company focused on the oil and gas sector focusing on its Diona project located in Queensland, Australia. Xstate owns 51% of the Diona block within ATP 2077. The Company spudded its first well in the Diona block, Diona-1, on 27 September 2025. Elixir Energy Limited (ASX Code EXR) retains a 100% beneficial ownership in Blocks A and B.