

11 May 2026

Announcement to ASX

Electronic lodgement

Diona-1 Well: Operations Update

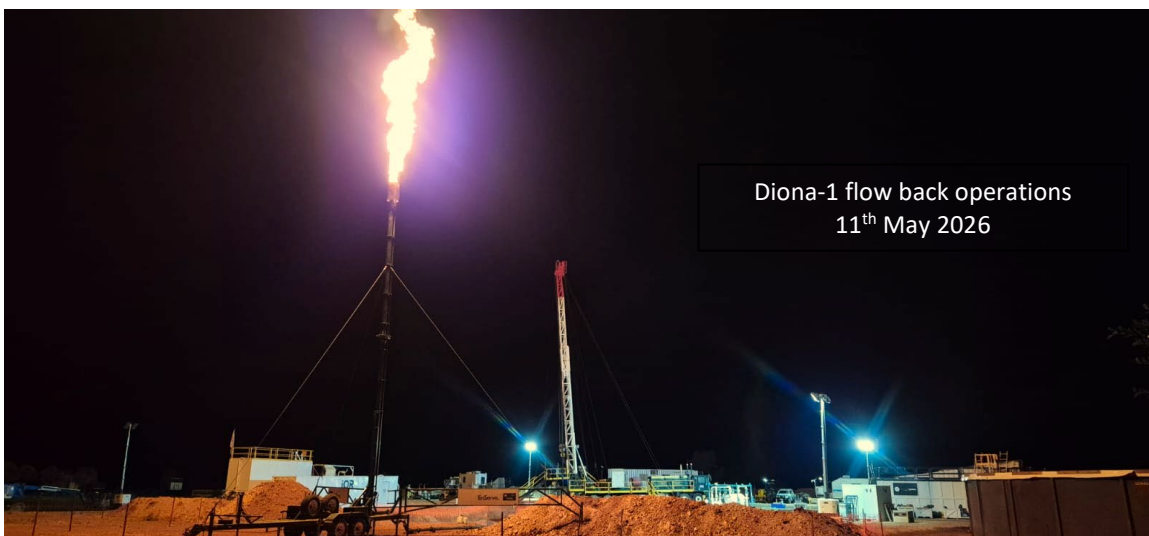
Highlights

- Stimulation and completion successfully completed
- Flow-back and clean-up operations have begun
- Diona-1 currently flowing gas along with stimulation and completion fluids to surface
- FTHP* of 731 psig on a 20/64th choke
- As completion fluids decline gas will be diverted to the measurement equipment

The Board of Xstate Resources Limited (**ASX:XST**) (**Xstate** or **the Company**) provides the following update on operations at the Diona-1 well located on ATP2077 Diona sub-block in the Surat-Bowen Basin in Queensland. (XST 51% / EXR 49%).

Diona-1 Activities

The Diona-1 exploration well has been successfully stimulated across the identified Permian net gas pay and completed with 2-3/8" tubing with sliding sleeve completions. The workover rig and ancillary equipment is being demobilised from site and the well testing package has been rigged up. The well was opened late on Sunday afternoon (10 May 2026) and Diona-1 commenced free flowing its completion and stimulation fluids back to surface. The well is now in the flow-back and clean up phase with the production stream bypassing the measurement equipment. On a positive note, Diona-1 is already flowing gas and condensate (along with stimulation and completion fluids).



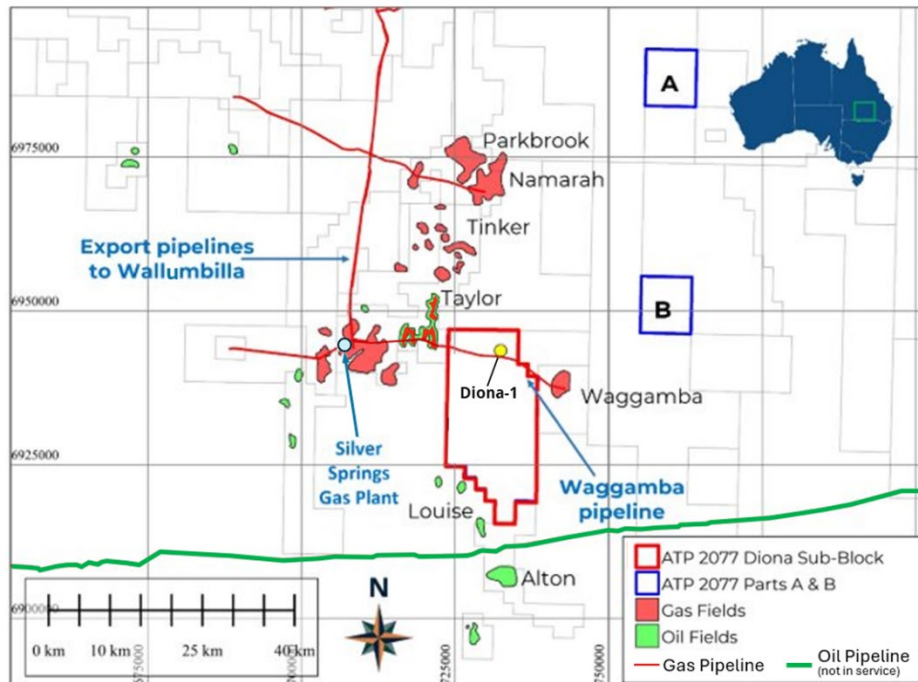
* FTHP = Flowing Tubing Head Pressure

Next Steps

In the coming days we expect that gas and condensate will displace the stimulation and completion fluids. The production stream will then be diverted to the measurement equipment and commencement of the multi-rate and pressure monitoring phase will occur.

Managing Director, Andrew Bald commented:

“This is a very encouraging start to the testing program and we are very much looking forward to understanding more about the Diona-1 well and what it is capable of producing.”



Location Map of Diona-1

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.

Competent Person:

Pursuant to the requirements of the ASX Listing Rules Chapter 5, the technical information and resource reporting contained in this announcement was reviewed in detail by Mr Greg Channon, who is a Non-Executive Director of the Company. Mr Channon has more than 40 years technical, commercial and management experience in exploration appraisal and development of oil and gas. Mr Channon is a member of the American Association of Petroleum Geologists. Mr Channon has reviewed the information and supporting documentation referred to in this announcement and considers the resource estimates to be fairly represented and consents to its release in the form and context in which it appears. His academic qualifications and industry memberships appear on the Company's website and both comply with the criteria for "Competence" under clause 3.1 of the Valmin Code 2015. Terminology and standards adopted by the Society of Petroleum Engineers "Petroleum Resources Management System" have been applied in producing this document.