

21st October 2026

Announcement to ASX

Electronic lodgement

SEPT 2026 QUARTERLY ACTIVITIES REPORT

Xstate Resources Limited (**ASX:XST**) (**Xstate**, **XST** or **the Company**) provides its Quarterly Activities Report for the quarter ending 30 Sept 2026.

Highlights

- **Static Gradient Survey (SGS) completed at Diona-1**
- **Fluid level receded by more than 1,800m to approximately 2325m TVD**
- **Fluid level interpreted to be below the top of the Black Alley/Bandanna perforated intervals**
- **Maximum measured downhole pressure of 4139psi at 2,411m TVD**
- **Diona flowback incomplete, resumption pending**
- **XST leads successful tender for new Taroom Trough tenement, ATP2087**

Operations Update

During the quarter, the operator conducted a Static Gradient Survey (**SGS**) at Diona-1 to measure pressure and fluid level under static well conditions. The SGS recorded a fluid level of approximately 2,325m TVD, more than 1,800m below the level recorded during previous flowback operations. The wellbore above this depth was gas filled. The measured liquid level is now interpreted to be below the top of the Black Alley/Bandanna perforated interval.

The SGS also recorded a wellhead pressure of approximately 3,235psi, compared with approximately 1,600psi when the well was shut in. The maximum downhole pressure recorded was 4,139psi at 2,411m TVD.

Logistics and timing of the resumption of flowback and flow testing at Diona-1 remain under review.

Subsequent events

On 2 October 2026, Xstate announced that the joint venture comprising Xstate, Amplitude Energy Limited, Beetaloo Energy Limited and Eastern States Energy Pty Ltd had been selected as preferred tenderer for block PLR2026-1-7, referred to as ATP2087, under the Queensland Government's 2026 public land release. Each participant is to hold a 25% interest, subject to grant of the permit.

ATP2087 is located on the eastern margin of the Taroom Trough, where other operators have recently reported exploration results. These results provide regional context for the Joint Venture's assessment of ATP2087's gas and liquids (oil and condensate) potential, but are not necessarily indicative of results within the acreage. ATP2087 is also immediately adjacent to the APLNG-operated Condabri coal seam gas field. The Joint Venture plans to assess the acreage's coal seam gas potential early in the proposed work program.

The Joint Venture expects work on ATP2087 to commence in early 2027.

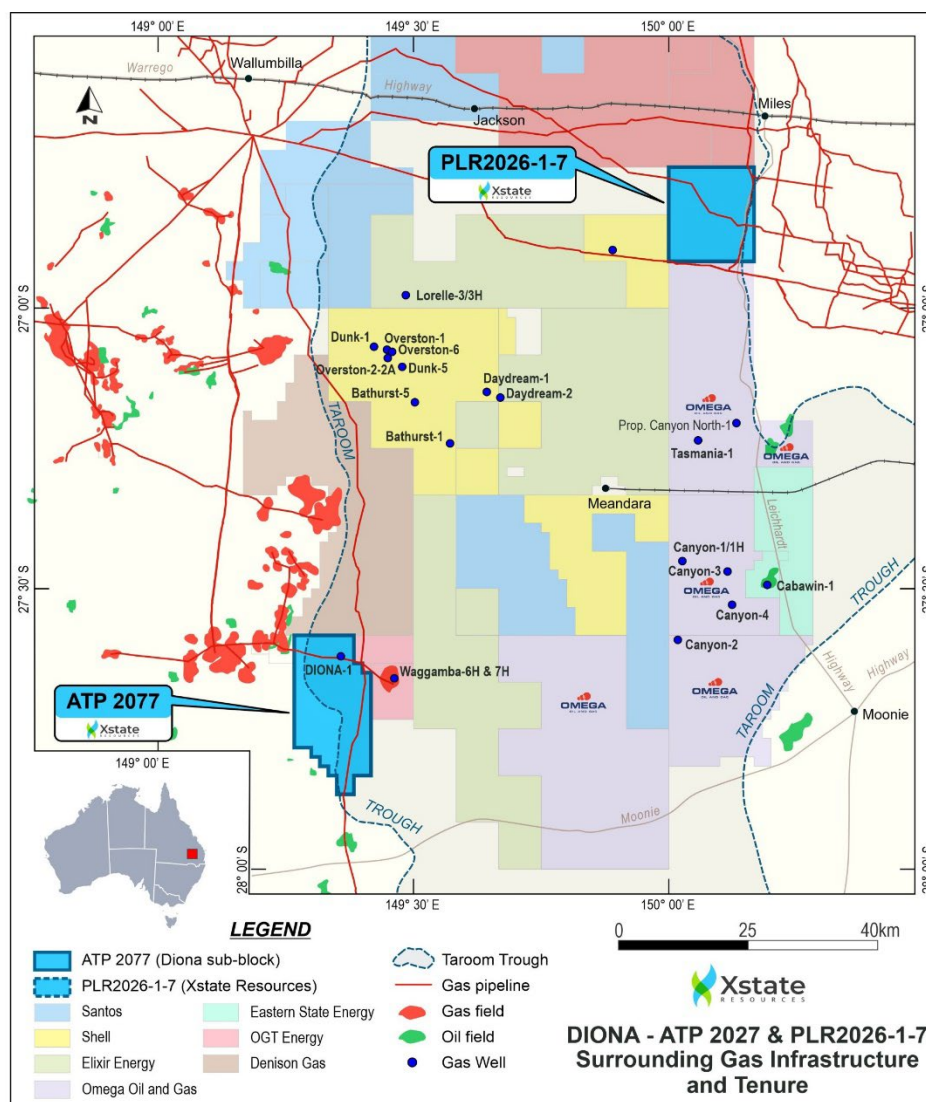


Image 1 above is a map showing the location of XState's respective interests in ATP2077 and ATP2087. Xstate owns 51% of the Diona block within ATP 2077 and is an equal 25% partner in the Taroom JV¹ which is the preferred tenderer for PLR2026-1-7 (now known as ATP2087).

FINANCIAL

The Company's cash balance upon conclusion of the quarter decreased to A\$0.676m.

The Company has receivables of \$300,000 that it expects to realise in the December quarter boosting its cash totals.

XSTATE TENEMENT LISTING

¹ The Taroom JV refers to the recently announced joint venture with Amplitude Energy Limited, Betaloo Energy Limited and Eastern States Energy Pty Ltd, each holding 25% working interest in the block.

XSTATE RESOURCES LIMITED – TENEMENT LIST AS AT 30 SEPTEMBER 2026

Project name	Region	Category	Working Interest (WI)
ATP2077	Surat Bowen Basin, Queensland	Exploration	51%
ATP2087²	Surat Bowen Basin, Queensland	Exploration	25%

LISTING RULE 5 DISCLOSURES

LR 5.4.1: Exploration expenditure during the quarter totalled \$0.285m on the Company's Diona-1 project.

LR 5.4.2: No production expenditure payments were incurred during the quarter.

LR 5.4.3:

- No petroleum tenements acquired or disposed during the quarter.
- Petroleum tenements held at quarter end identified in the above table;
- No farm-in or farm-out agreements entered into during the quarter; and
- There are no other farm-in or farm-out agreements current in earn-in stage.

LR 5.4.4: Use of funds for the quarter reported against the Company's prospectus is as follows:

Use of funds	As per Prospectus dated 26-Jun-25	Actual expenditure 1-Jul-25 – 30-Sept-26
Diona-1 Well	2,650,000	7,314,000
Exploration and Development	120,000	-
Costs of the Offer	319,206	351,000
Working Capital	1,651,294	1,252,000
Total	4,740,500	8,917,000

LR 5.4.5: Payments to related parties totalled \$181k. These were in respect of Directors' fees and superannuation payments, for rent of office lease to a Director related entity and for additional consulting work performed on an ad hoc basis over and above normal Directors' duties.

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

Andrew Bald
Managing Director

² XST was advised of its status as preferred tenderer for ATP2087 in September but was subject to strict confidentiality until it was announced by the Minister in October 2026. XST is in Joint Venture with Amplitude Energy Limited, Beetaloo Energy Limited and Eastern States Energy Pty Ltd, each holding a 25% working interest. See ASX Announcement dated 2nd October 2026.

About Xstate Resources Limited:

Xstate Resources (ASX Code: XST) is an ASX listed company focused on the oil and gas sector focusing on its Taroom Trough projects located in Queensland, Australia. Xstate owns 51% of the Diona block within ATP 2077. Xstate is also the Operator and is an equal 25% joint venture partner in the newly announced ATP2087 (PLR2026-1-7) of which the Taroom JV is currently preferred Tenderer.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

XSTATE RESOURCES LIMITED

ABN

96 009 217 154

Quarter ended
("current quarter")

30 September 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
1.2 (c) production	-	-
(d) staff costs*	(87)	(249)
(e) administration and corporate costs	(366)	(374)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	45
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / refunded	33	33
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	(116)
1.9 Net cash from/(used in) operating activities	(411)	(661)
<i>*Some staff costs are reallocated in exploration & evaluation</i>		
2. Cash flow from investing activities		
Payment to acquire or for:		
(a) entities	-	-
(b) tenements	-	(41)
2.1 (c) property, plant and equipment	-	-
(d) exploration & evaluation	(285)	(3,377)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (Contributions from JV Partner)	147	440
2.6 Net cash from/(used in) investing activities	(138)	(2,978)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,590
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(22)	(185)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from/(used in) financing activities	(22)	1,405

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,248	2,914
4.2 Net cash from/(used in) operating activities (item 1.9 above)	(411)	(661)
4.3 Net cash from/(used in) investing activities (item 2.6 above)	(138)	(2,978)
4.4 Net cash from/(used in) financing activities (item 3.10 above)	(22)	1,405
4.5 Effect of movement in exchange rates on cash held	(1)	(4)
4.6 Cash and cash equivalents at end of period	676	676

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	676	1,248
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	676	1,248

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	88
6.2 Aggregate amount of payments to related parties and their associates included in item 2	93
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments</i> <i>Director fees, consulting, rent and reimbursed expenses.</i>	

7. Financing facilities <i>Note: the item 'facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from/(used in) operating activities (Item 1.9)	(411)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1 (d))	(285)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(696)
8.4 Cash and cash equivalents at quarter end (item 4.6)	676
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	676

8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.97
<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7</i>	
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	No. The estimated quarters of funding available reflects the quarter's historical spend, including Diona-1 activity. Forecast activity is significantly lower and hence, the Company does not expect to have to fund the current level of operating cashflows
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	No however the Company retains the option to raise equity to fund future approved work programmes should it need to do so, subject to market conditions.
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	Yes. The Company expects to continue operations based on existing cash, lower forecast activity, reduced overheads, active expenditure management and the option to raise equity for future approved work programmes.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement does give a true and fair view of the matters disclosed.

Date: 21 October 2026

Authorised by: The Board of Xstate Resources Limited

Notes

- The quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee - e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- If this report has been authorised for release to the market by your board of directors, you can wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.