



ABN 96 009 217 154

14 June 2016

ASX Limited

Electronic lodgement

CAPITAL RAISING

Xstate Resources Limited ("Xstate" or the "Company") advises that it has placed 300,000,000 fully paid shares at \$0.01 each to raise \$3,000,000 in working capital, with the majority of funds raised to provide the capital for future acquisitions and development activities onshore California as previously advised by the Company.

The placement was approved by shareholders on 31 May 2016, and was placed to clients of Sanston Securities Australia Pty Ltd, who have advised that the placement was 3 times oversubscribed from Asian investors.

Xstate it is currently conducting due diligence of producing assets onshore California in line with its revised strategy as previously announced to the market. Xstate has identified a number of oil projects in California that are in production, which lowers the risk profile and provide immediate access to cash flow.

Xstate is advancing discussions in relation to these potential transactions, which the Board believe can be progressed rapidly.

Recently appointed Managing Director Cosimo Damiano has over 10 years experience with oil producers in California, and has established a number of valuable working relationships during that period.

For further details please contact:

Cosimo Damiano

Managing Director

Xstate Resources Limited

Tel Office: +61 8 9423 3200

Email: cosimodamiano@xstate.com.au

David McArthur

Director- Corporate

Xstate Resources Limited

Tel Office: +61 8 9423 3200

Email: DavidM@broadwaymgt.com.au

About Xstate Resources Limited

Xstate Resources (ASX Code: XST) is an ASX listed company focused on the oil and gas sector. The Company has existing gas exploration assets located in the Sacramento Basin, California and minor associated gas production.