



ABN 96 009 217 154

15 May 2017

**ASX Limited**

**Electronic lodgement**

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## **Subscription Agreements Legal Proceedings**

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Xstate Resources Limited (**ASX: XST**) ("**Xstate**" or "**the Company**") provides the following update in relation to the non-payment of A\$25 million in subscription funds by four investors who had signed binding, unconditional subscription agreements, such non-payment resulting in the termination by the vendor of Xstate's acquisition of the Los Angeles Basin assets.

On 19 April 2017 the board of Xstate advised that the Company had commenced legal proceedings against the investors appointing legal counsel in Australia and Singapore.

Xstate advises that Letters of Demand have today been served on all four investors, seeking substantial compensation for the loss and damage it has suffered in consequence of breach of the agreements. Pursuant to the Letters of Demand the defaulting investors have 14 days in which to respond to the Company's claim.

Xstate confirms that initial court proceeding for the breach of agreement will be heard in Western Australia in relation to this matter.

### **For and on behalf of the Board of Xstate Resources Limited**

#### **For further details please contact:**

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### **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 associated gas production.