



ABN 96 009 217 154

5 October 2017

**ASX Limited**

**Electronic lodgement**

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## **Subscription Agreements Legal Update**

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### **Comments**

Xstate Resources Limited (**ASX: XST**) ("**Xstate**" or "**the Company**") provides the following update in relation to its Supreme Court action against Tanzil Hidayat, Chloe Kowk Yun Qing, Hong Hung Thiam and Kevin Lim Gunawan seeking damages for 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 as previously advised to the market .

On 27 September 2017 Xstate advised the market it had agreed to provide the defendants with an additional 7 days to file any affidavits in response to the summary judgment application made by the Company.

Despite the defendants having consented to the revised timetable of events and Court orders being made to that effect, the defendants have failed to lodge any affidavits and have requested an additional four weeks.

Xstate has categorically declined the defendants request for the additional four weeks. The Company is concerned that the defendants have continuously sought to find excuses to delay the progression of the Proceedings. This is despite repeated representations by the defendants that the subscription monies would be paid. Furthermore, at no time have the defendants indicated the substance or the nature of any purported defence to Xstate's summary judgment application.

Xstate will continue its efforts to reach a satisfactory and swift resolution of its claim for damages including damages for loss of opportunity relating to the investors' breach of contract and the consequential losses suffered by the Company.

Xstate will keep the market fully informed of any further changes.

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

**For further details please contact:**

**Cosimo Damiano**

Managing Director

Xstate Resources Limited

Tel Office: +61 8 9435 3200

Email: [cosimodamiano@xstate.com.au](mailto:cosimodamiano@xstate.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 associated gas production. Xstate is presently pursuing new opportunities in the oil and gas sector onshore North America.