

Xstate Resources Ltd

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Xstate Resources eyes productivity gains at Los Angeles Basin oil fields

The company is currently carrying out due diligence on the Sansinena oil field located near the City of La Habra and the East LA oil field located in Los Angeles.

Xstate's initial review of production operations in the Sansinena field indicates that significant productivity gains are available through:

- flaring of excess gas
- gas plant debottlenecking; and
- the ongoing return to production of shut in wells.

These gains are expected within months of closing the acquisition in February 2017.

Xstate anticipates more substantial production increases by mid-2017 following the commencement of drilling of proven undeveloped reserves in close proximity to existing producing wells.

From the due diligence work to date, Xstate continues to gain confidence in the underlying quality of the assets.

The company is aiming to complete the due diligence by December 16, 2016.

Under the terms of the acquisition Xstate has agreed to pay US\$13 million for a 24.5% gross working interest for both the Sansinena and the East LA oil fields.

The estimated lease operating expense of less than US\$15 barrel places Xstate in an ideal position to take advantage of any increases in oil price, further field productivity gains and reserves growth.

The company's share price has more than tripled since the start of 2016, last trading \$0.016.

Price: A\$0.01

Market Cap: A\$7.83M

1 Year Share Price Graph



Share Information

Code: XST

Listing: ASX

52 week High Low
0.018p 0.005p

Sector: General Mining - Uranium & Lithium

Website: www.xstate.com.au

Company Synopsis:

Xstate Resources (ASX:XST) is listed on the Australian Securities Exchange.

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