



ABN 96 009 217 154

18 November 2010

ASX Limited

Electronic lodgement

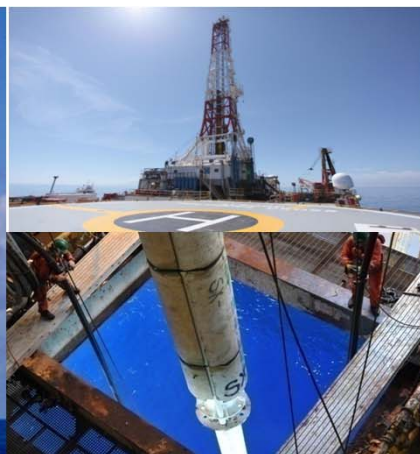
Investor Presentation

Please find attached a copy of presentation made to investors at the oilbarrels conference in London on 18 November 2010

For and on behalf of the Board.

XState Resources Limited

Investor Presentation



oilbarrel Investor Conference

London

18 November 2010

Xstate- An Emerging Oil and Gas Company

- Active: Drilling Big Prospects in Tunisia and Italy:
 - Onshore 300+ Million Barrel Prospect to spud in late 2010 / early 2011
- Strategic: Seeking to Monetize Existing and New Discoveries
 - Pre-FEED evaluation of offshore Dugga and Lambouka gas and condensate discoveries
- Asset Base: Extensive prospective permits (6900 Km²) in under- explored, producing basins with multiple target reservoirs
 - Sandwiched between Super-Major's permits, and oil and gas fields
- Markets: Convenient access to production infrastructure with direct connections to European Gas Markets

Experienced, Successful Oil and Gas Team lead XState

BOARD AND MANAGMENT	
Non Executive Chairman- John Begg (BSc)	30 years Oil and Gas Experience Founder of Voyager Energy
Managing Director – Gary Jeffery (BSc FAICD)	37 years Oil and Gas, Energy, and Mineral Resources experience Extensive experience in Finding, Developing, Operating and Marketing Oil and Gas Worldwide
Non-Executive Director - Ross Kestel (CA CPA) Non-Executive Director – Brett Mitchell (BEc MAICD)	Working with experienced Operating and Joint Venture Teams in Project Areas

John Begg



Gary Jeffery



XST (ASX) Snap Shot

Capital Structure

Shares on issue (undiluted) 67.5 million

Options on Issue:

\$0.24 Listed Options exp 30 June 2013 48.4 million

Market Capitalization

A\$10 million

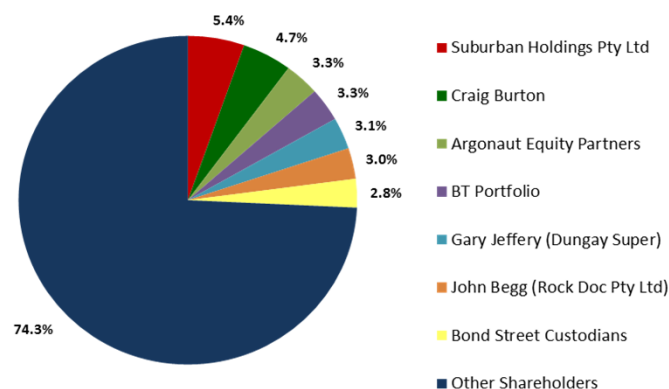
Atwood Oceanic Southern Cross Rig



Board & Management

John Begg	Non-Executive Chairman
Gary Jeffery	Managing Director
Brett Mitchell	Non-Executive Director
Ross Kestel	Non-Executive Director
David McArthur	Company Secretary

Share Ownership

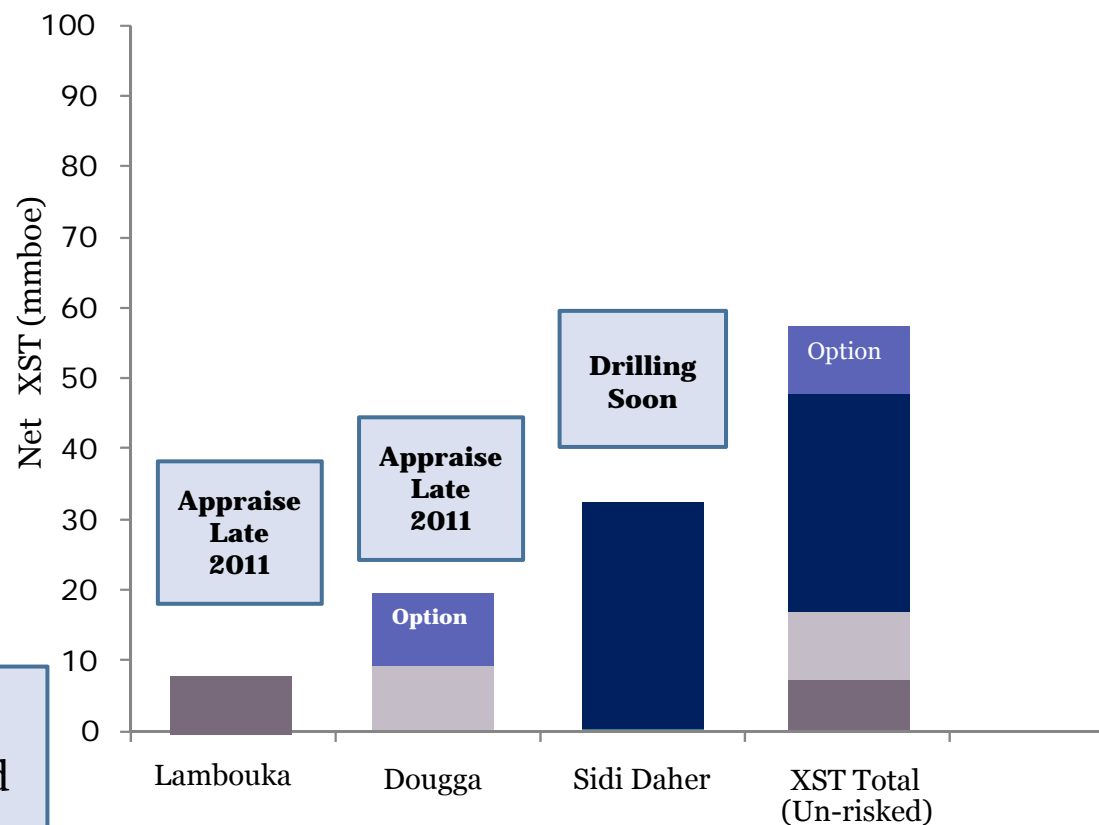


XState Underlying Value Net mean un-risked oil and gas resources from only Dougga and Lambouka discoveries and upcoming Sidi Daher Prospect

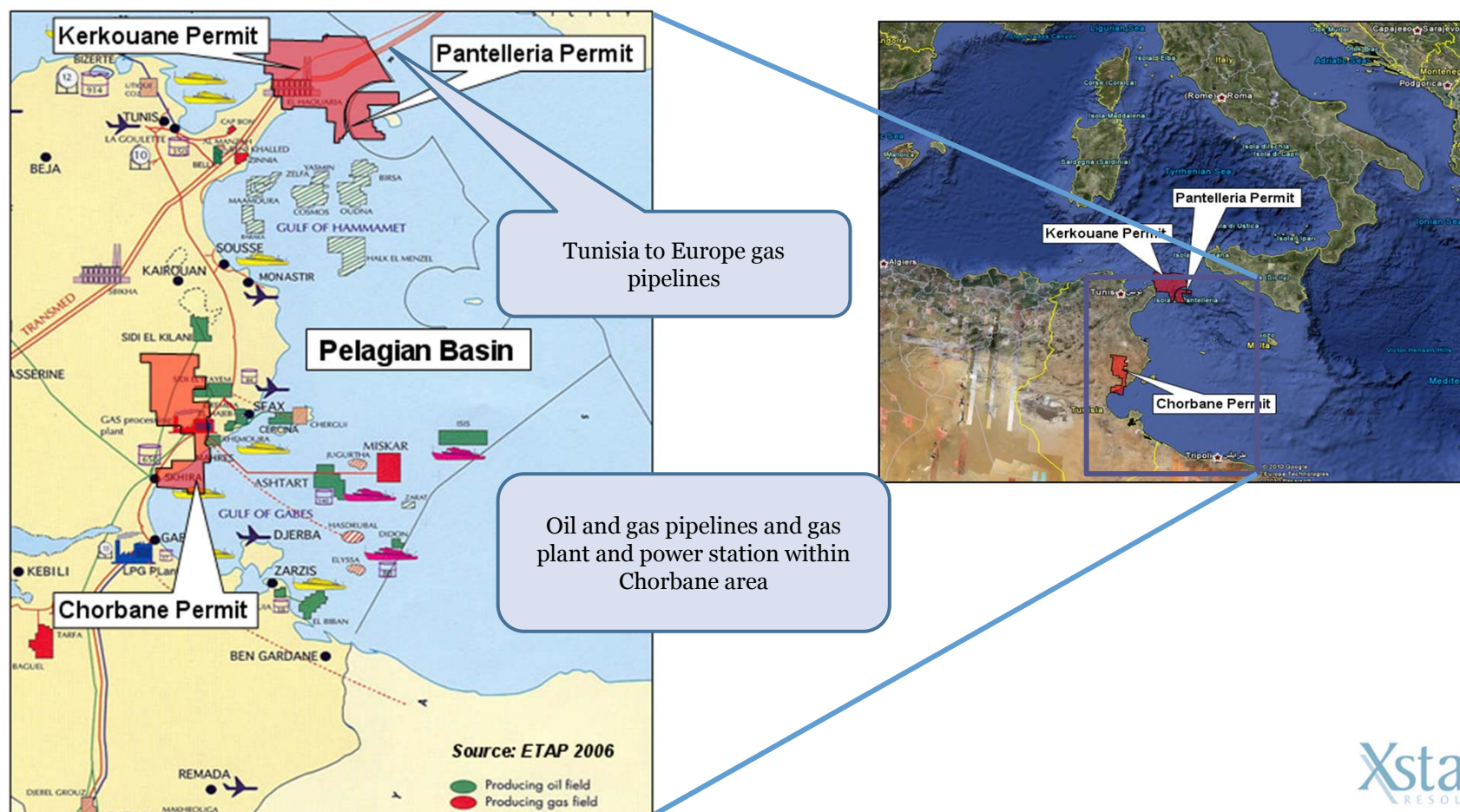
Dougga¹	41 Bcf gas
(Net Tested Contingent Resources)	2.8 million barrels condensate
Lambouka	31 Bcf gas
(Net Untested Contingent Resources)	2.4 million barrels condensate
Sidi Daher	4 Bcf gas
(Net Prospective resources)	31 million barrels oil
<hr/>	
TOTAL (NET)	76 Bcf gas
	36 mmb oil and condensate

Note 1. Currently 10%, but XST has an option to double equity to 20%

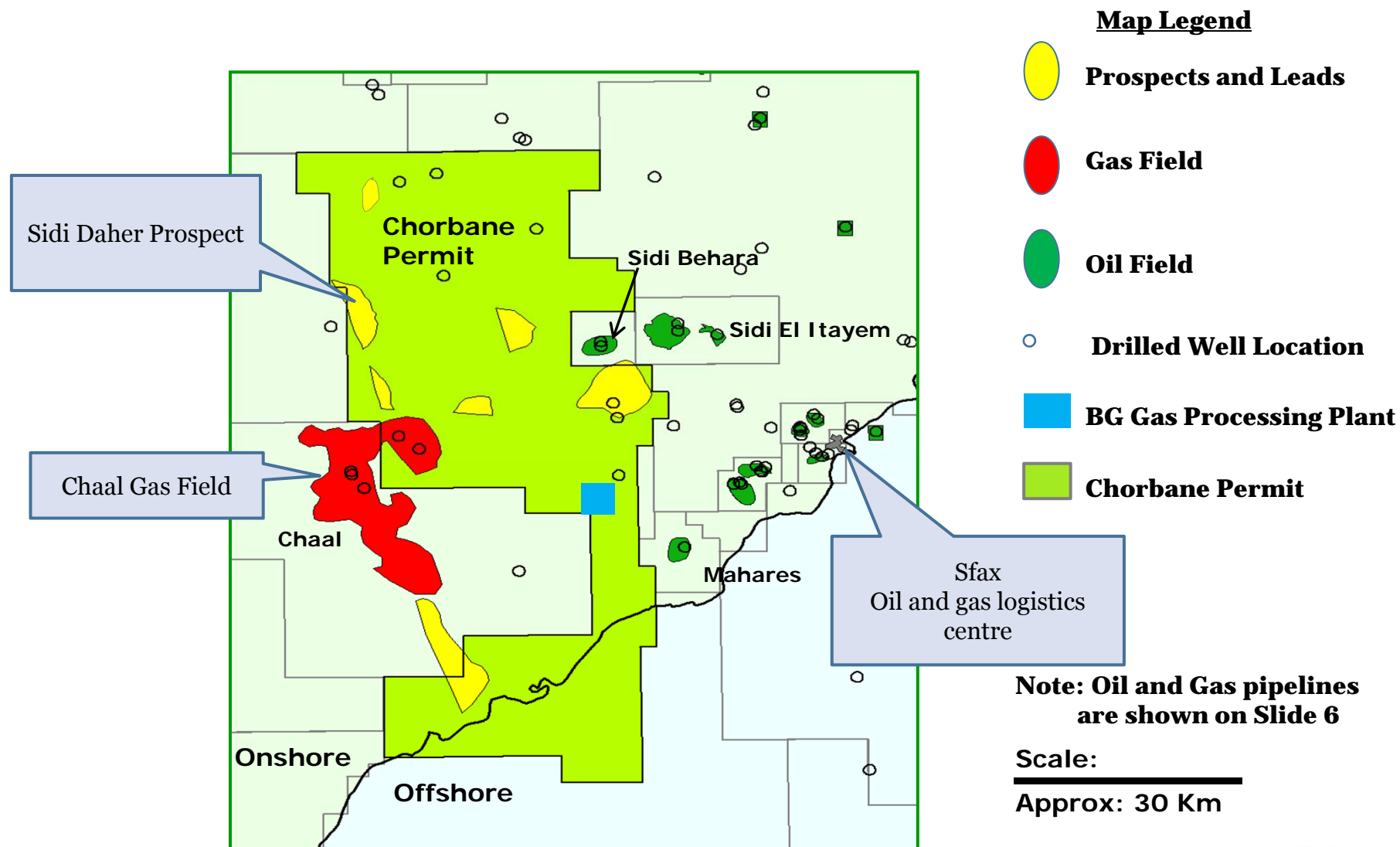
“Success in any of these projects could elevate XState into ASX mid-cap oil and gas company ranks on comparative reserves and resources basis”



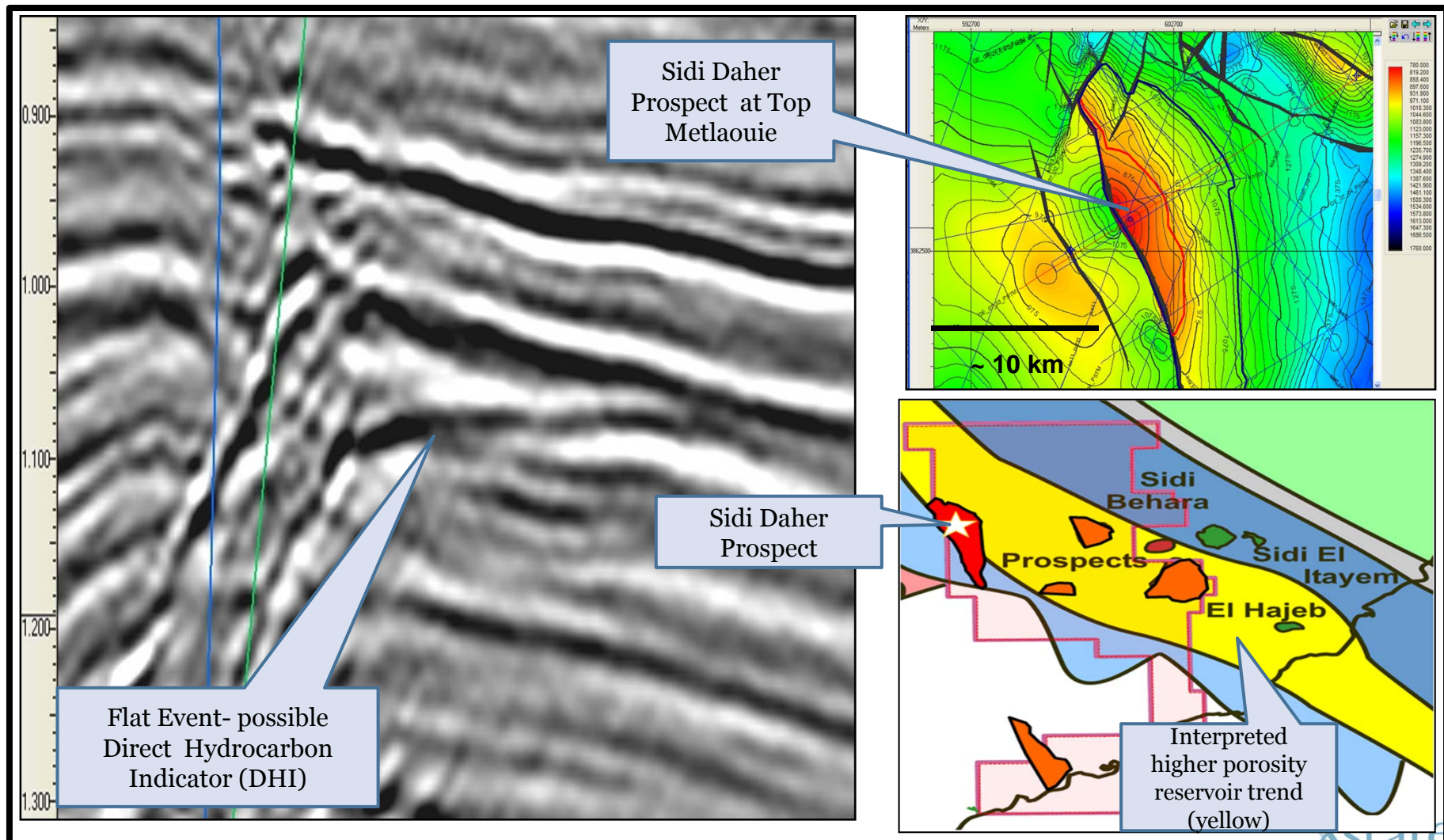
XState's Permits in Tunisia and Italy: Excellent Oil & Gas Infrastructure; Gas Pipelines to European Gas Market



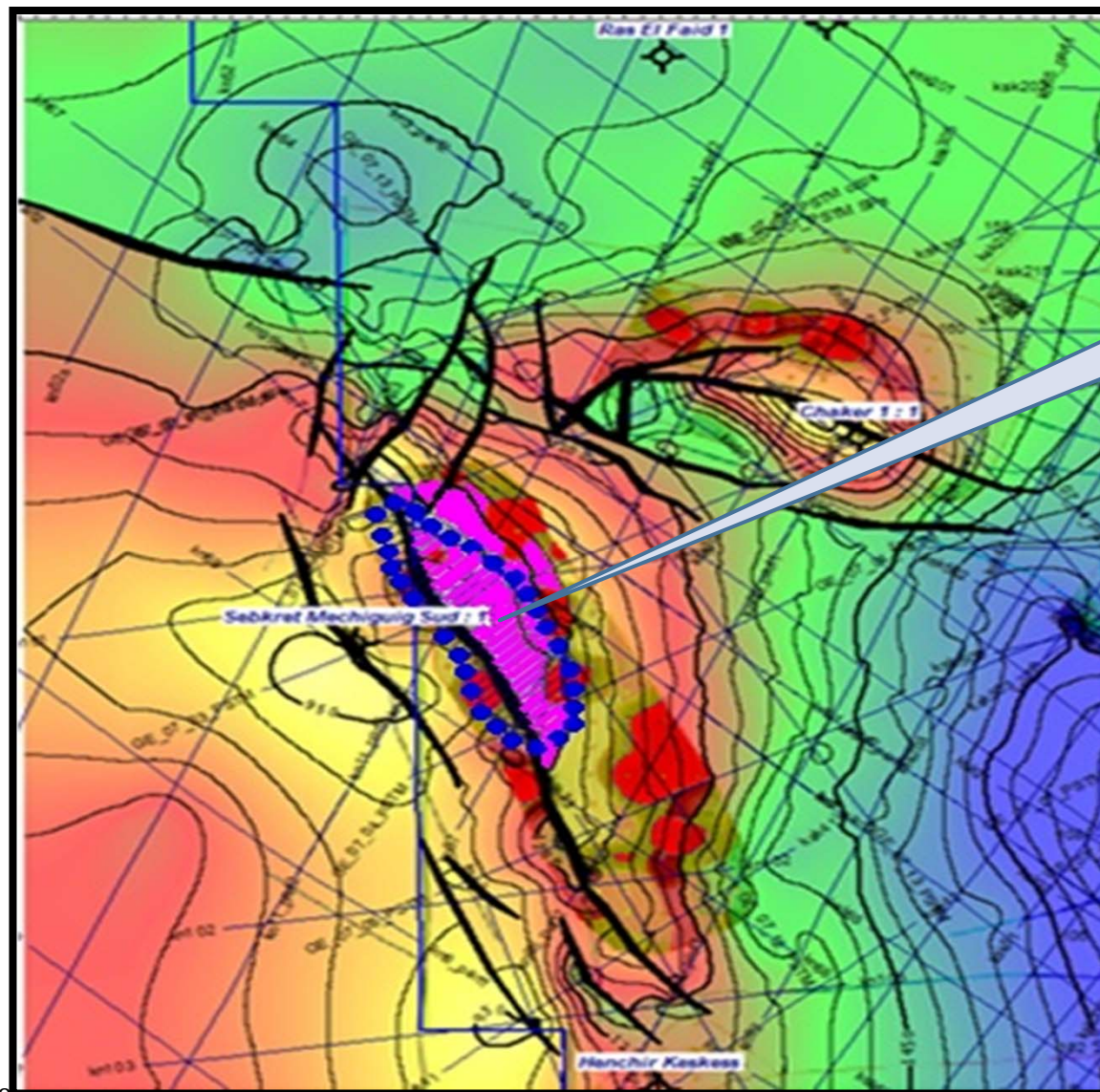
Chorbane Permit- Surrounded by Oil and Gas (XST - 10%)



Portion of dip-oriented seismic line across Sidi Daher Prospect showing "flat spot" anomaly



Map of Sidi Daher with "Prospectivity Indicators"



Sidi Daher prospect (structural Closure over 70 km² on a regional high with encouraging coincident prospectivity indicators; and 6 potential stacked reservoirs



Most likely closure at HCI level



Flat spot (HCI) on seismic



Surface Geochem Anomalies

Sidi Daher Prospect ready to Spud

- Sidi Daher Prospect (XST 10%):
 - ✓ Progressing for spud in late 2010 / early 2011
 - ✓ Two Primary Targets - Eocene Limestones and Abiod Formation
 - ✓ Multiple (4) Secondary Targets
 - ✓ Probability of Success (POS): ~30%¹
 - ✓ **Mean Unrisked Recoverable Prospective Resource:**
310 million barrels of oil, and
42 Bcf gas, (317 mmboe)¹
...in just two of the six prospective reservoirs

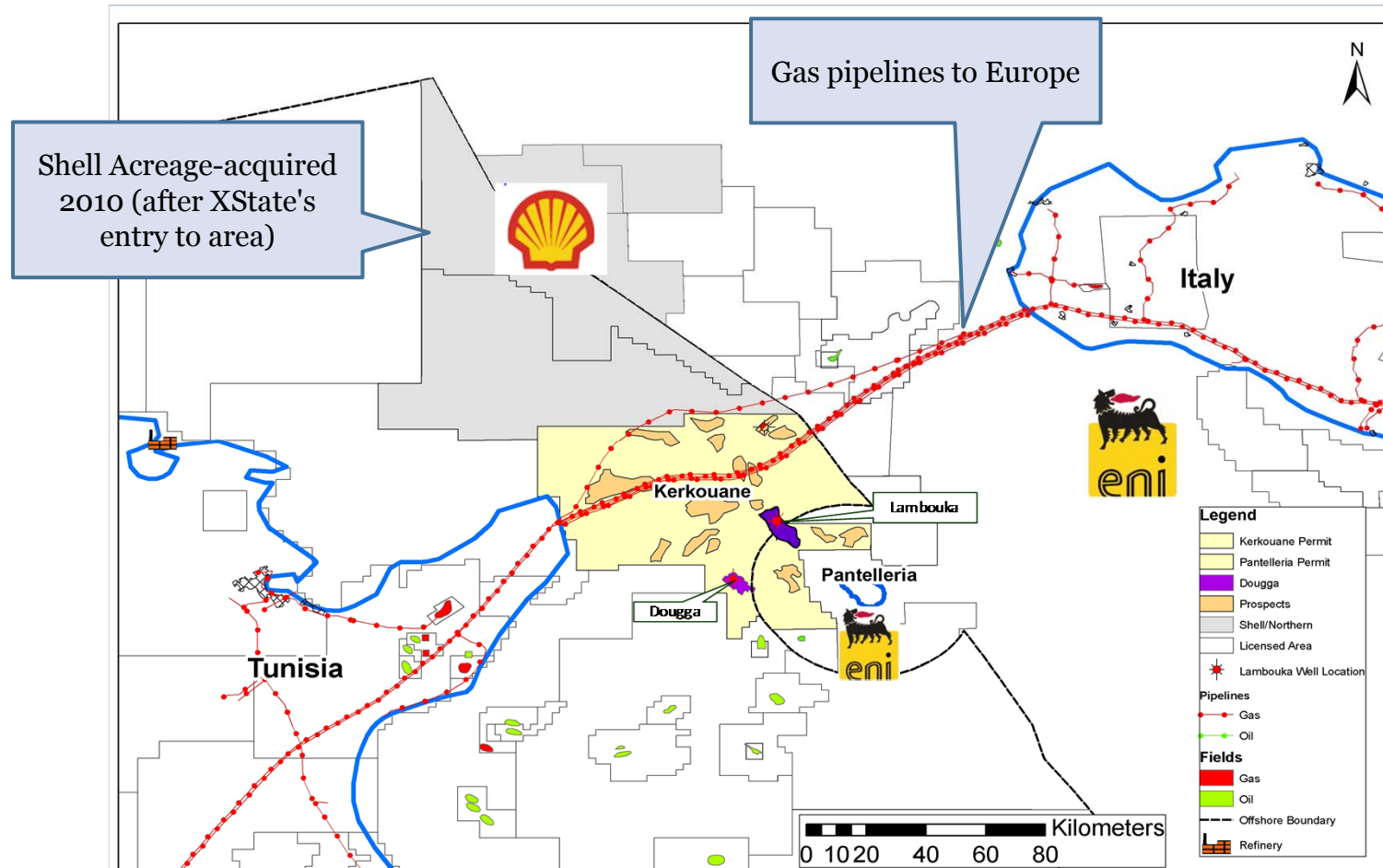
Proposed Sidi Daher well
surface location



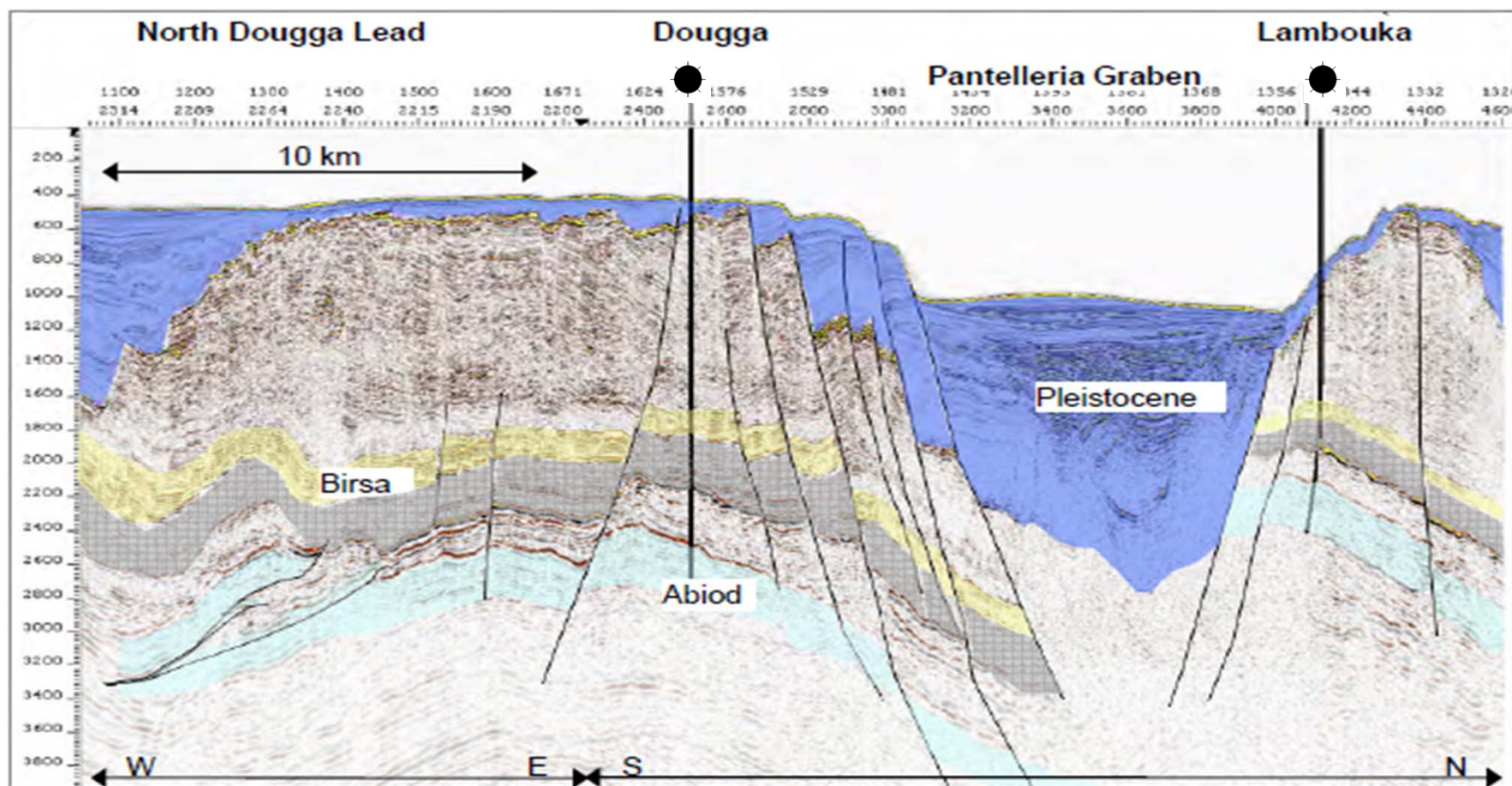
¹Volumetrics and Risk from Prospectus- Independent Expert's Report

Offshore Permits - Kerkouane and Pantelleria:

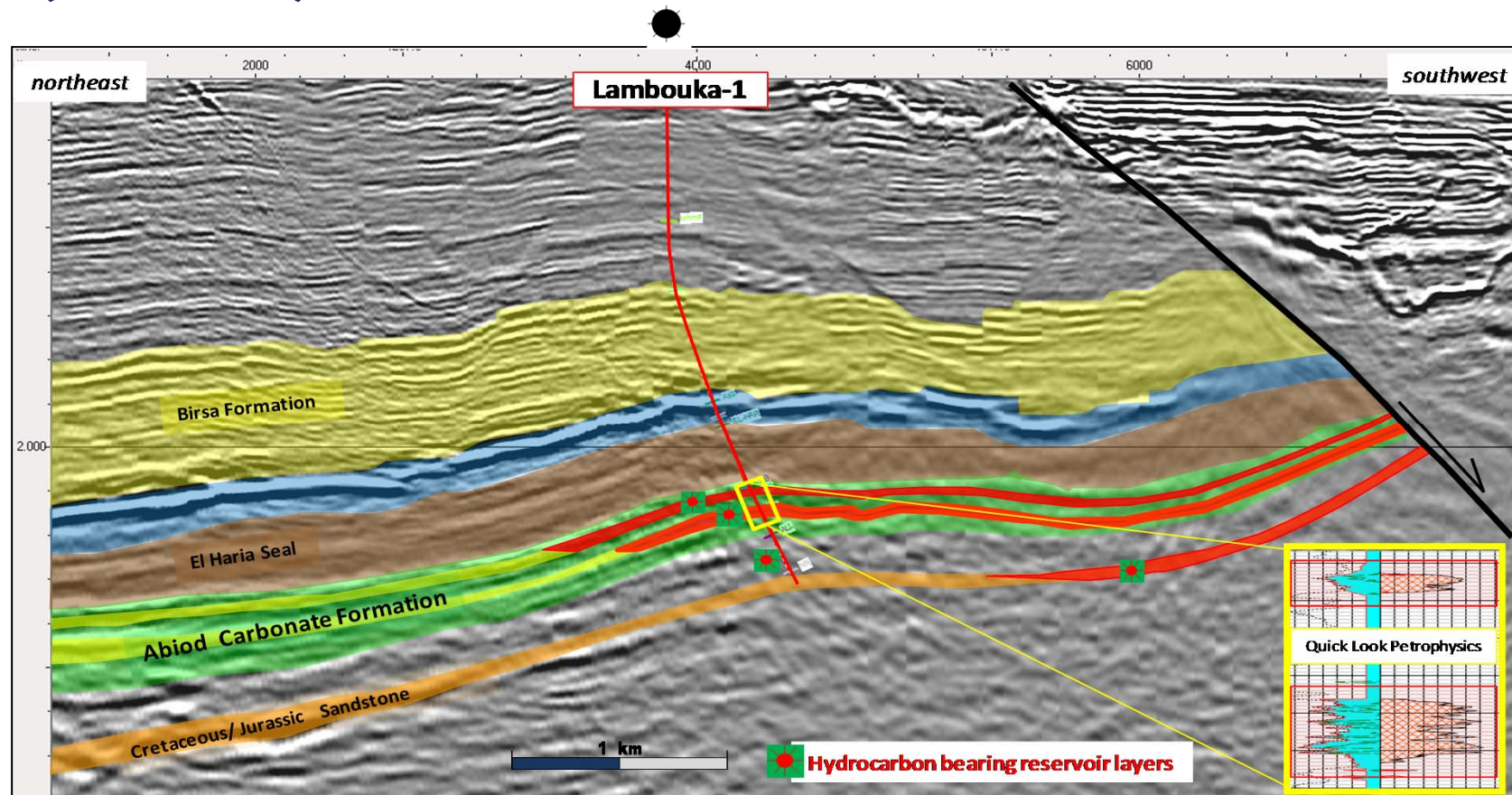
- Three (3) discovery wells (no dry holes);
- Strategic Acreage sandwiched between Super-Majors; and
- Oil and Gas fields



3D Seismic line across key discovery wells in the Kerkouane Permit

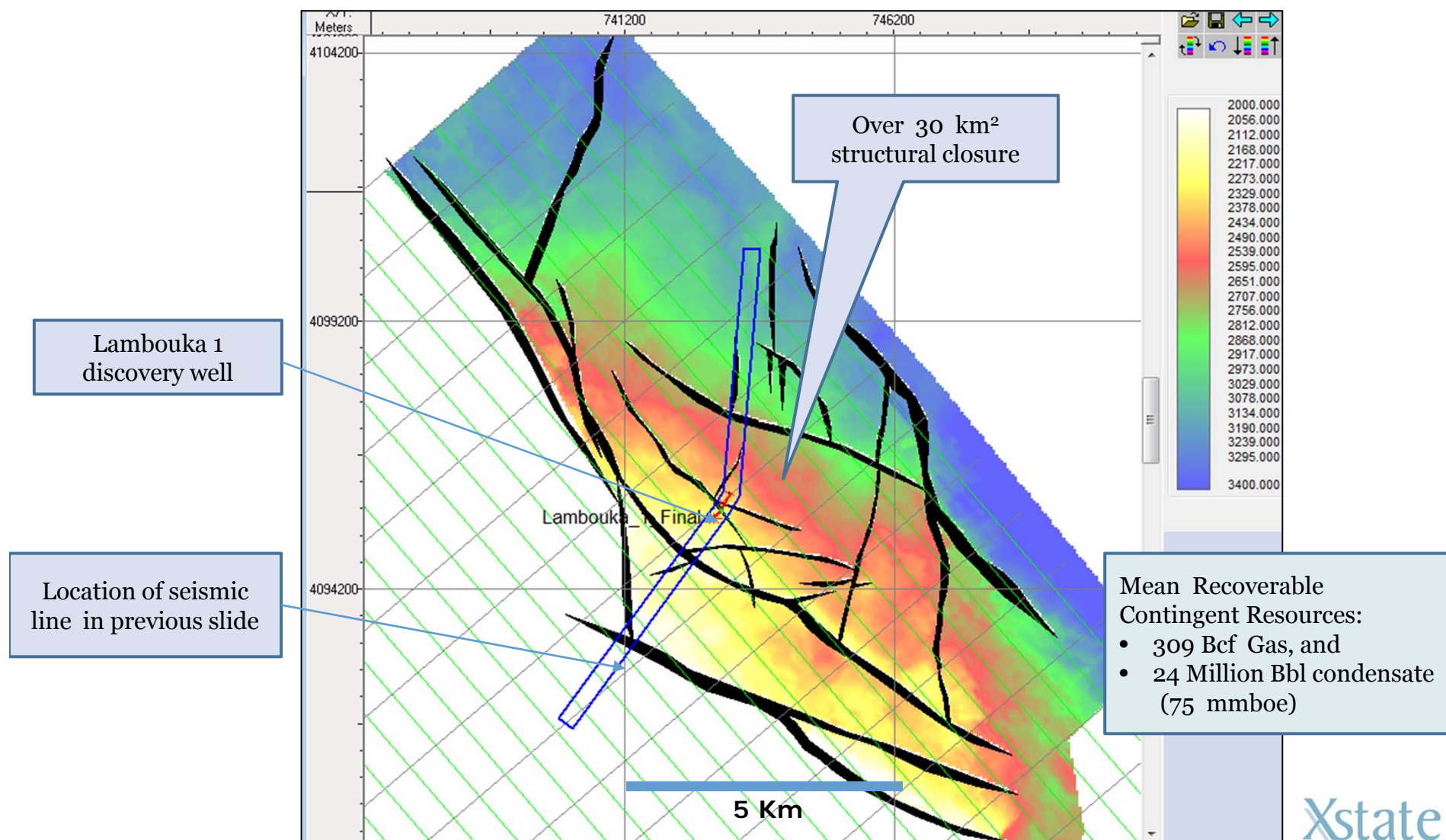


Seismic Cross Section - Lambouka Discovery Well (XST 10%)



Discovery well plugged and suspended to allow re-entry for side-track and further testing as hole conditions precluded sampling, pressure data gathering and flow testing;
 -Upside from up-dip potential and attractive Italian contract terms

Lambouka Discovery- Top Abiod Reservoir Structure Map

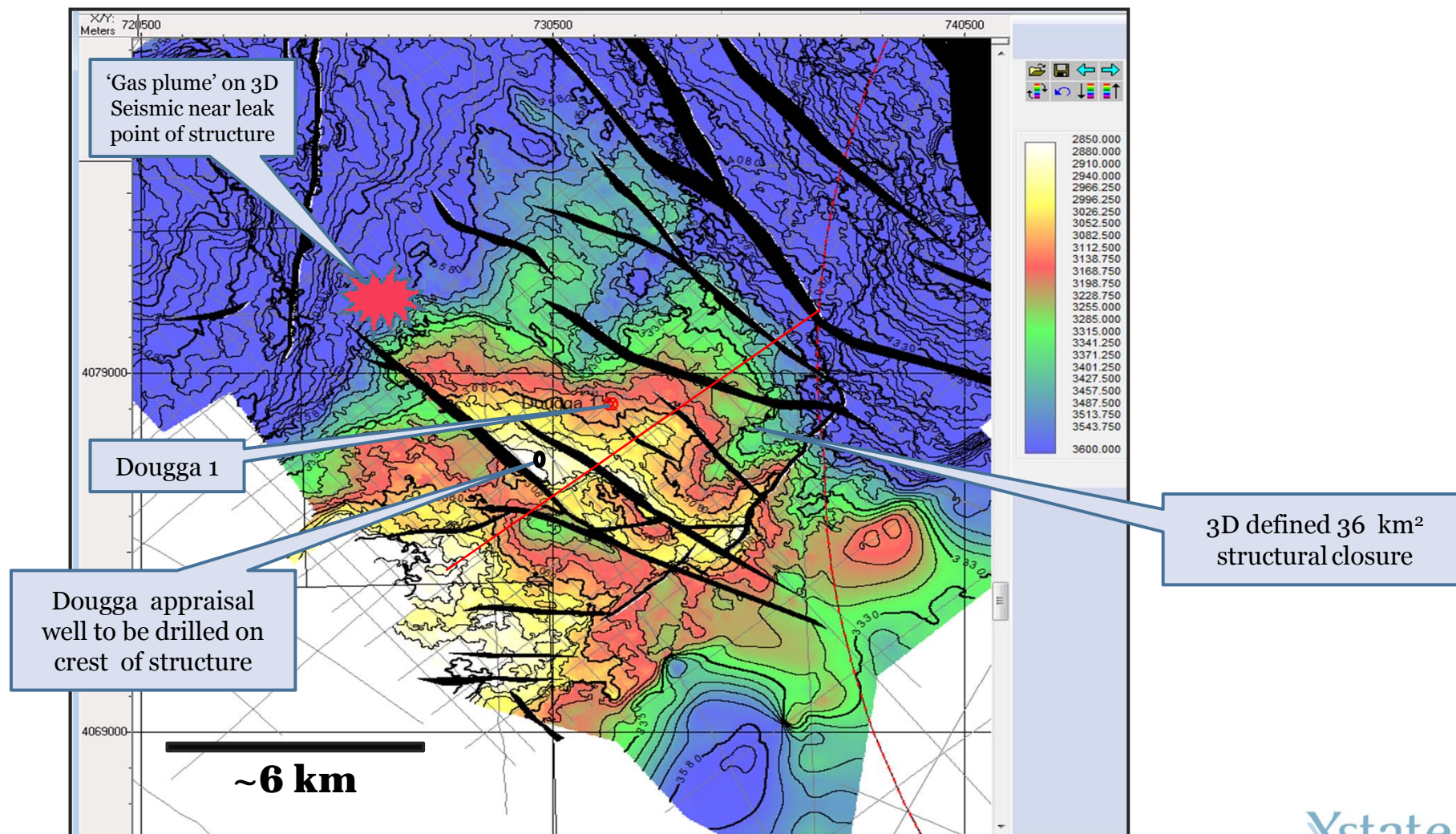


Dougga Discovery- Ready to be appraised

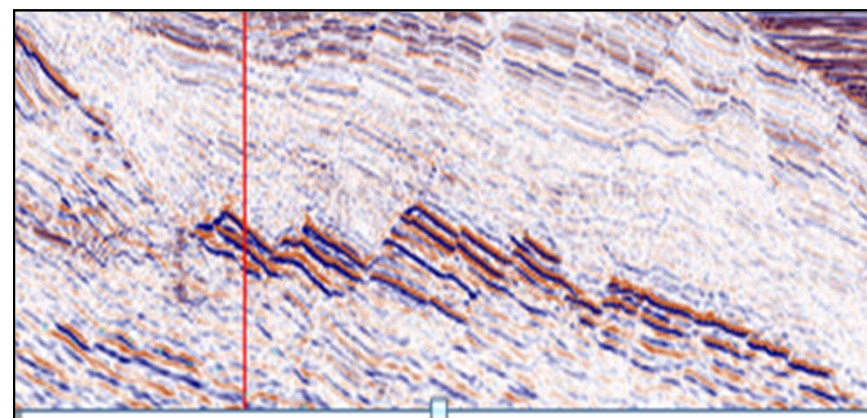
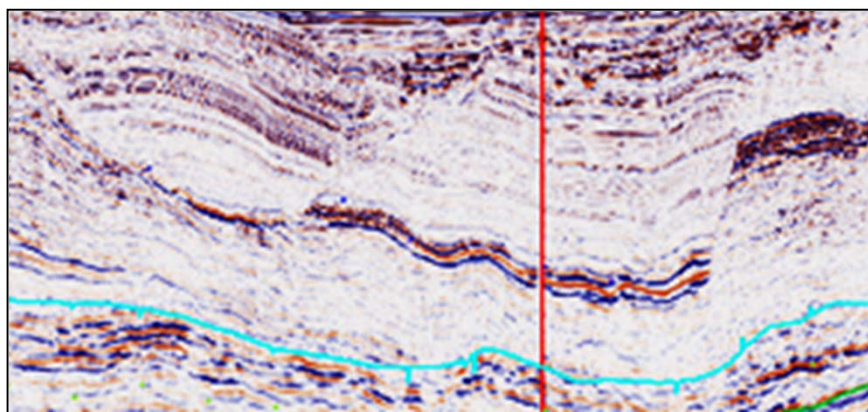
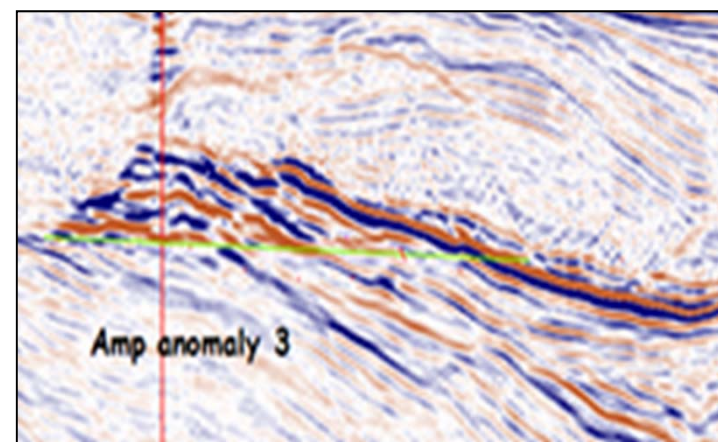
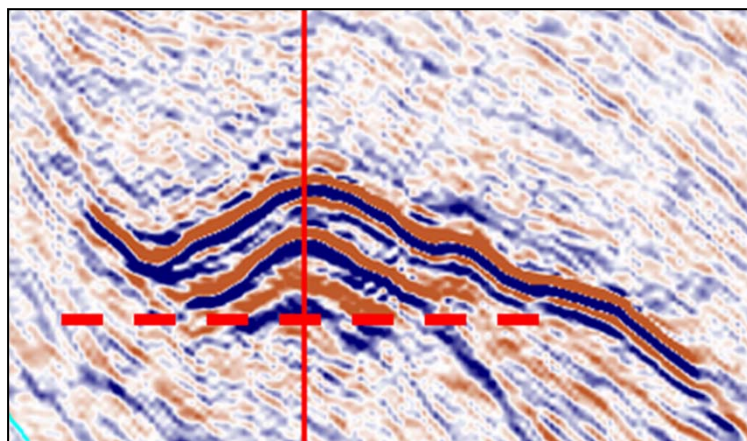
- 1981 Dougga Gas and Condensate (light oil) discovery ready for appraisal in higher oil and gas price environment following 3D Seismic (XST 10%):
 - ✓ Up-dip Appraisal Target (200m + higher) in Abiod Formation
 - ✓ Probability of Success (POS): ~70%¹
 - ✓ XState has option to increase equity from 10% to 20%
 - ✓ **Mean Unrisked Recoverable Contingent Resource:**
405 Bcf gas and 28 million barrels of condensate , or
96 mmboe¹
 - Key risk: managing relatively high CO₂ gas content (approximately 30%)

¹ Volumetrics and Risk from Prospectus- Independent Expert's Report

Dougga Top Reservoir Structure Map



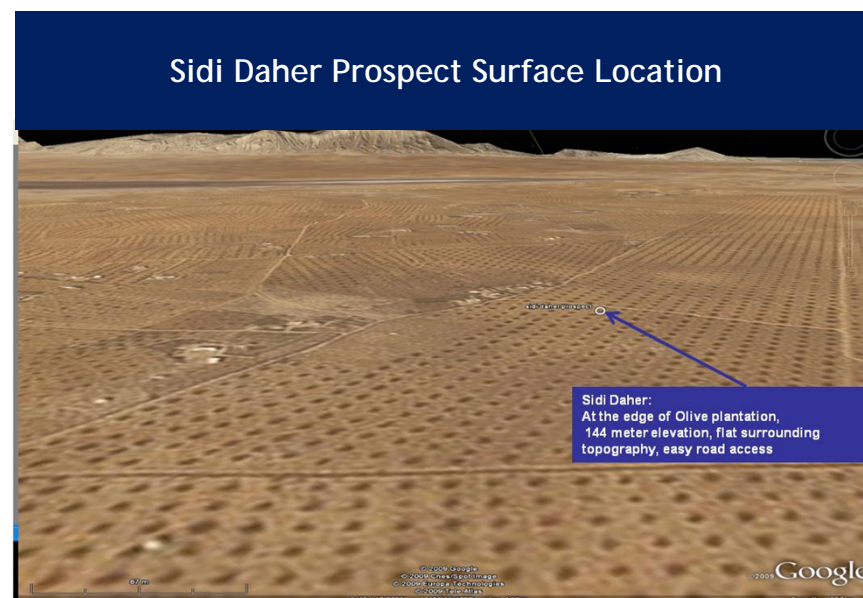
Upside Potential from Pliocene Gas anomalies analogous to reservoirs with multi-TCF dry gas discoveries in the Mediterranean



Note: Varying Scales

Upcoming Value Changing Activity

- ✓ Drill Sidi Daher Prospect (310 million barrels oil and 42 Bcf gas)
- ✓ Pre FEED studies and follow-up drilling on Dougga and Lambouka Discoveries with mean recoverable Contingent Resources of over 50 million barrels of condensate and 700 Bcf gas



XState Resources (ASX:XST)

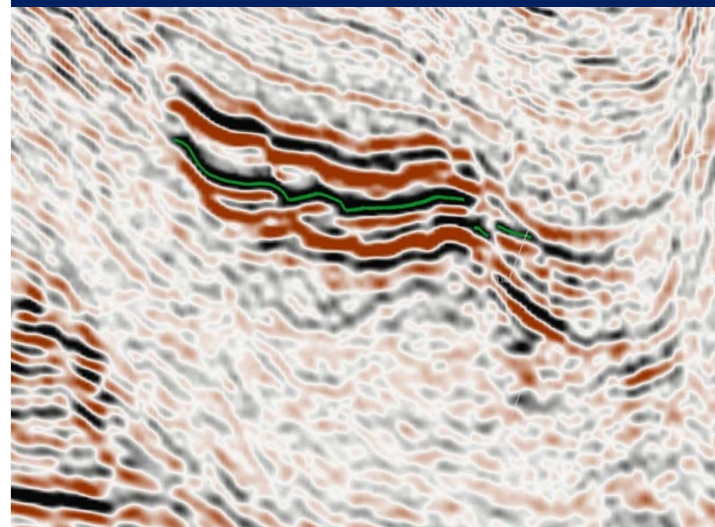
Highly Leveraged Exposure to Increased Value:

- ✓ 300+ million barrel prospect at Sidi Daher-well to spud soon;
- ✓ Pre-FEED on new untested Lambouka Gas / Condensate Discovery in conjunction with tested Dougga discovery;
- ✓ 3D Seismic and early wells (2011) to provide fast track to reserve booking;
- ✓ Multiple drilling opportunities with multiple targets;
- ✓ Existing Tunisian Infrastructure connected to European Gas Markets for Earlier Monetization;
- ✓ Tight Capital Structure
- ✓ Led by experienced oil and gas finders, who have a record of delivering shareholder value

Disclaimer, Risks, Competent Person Statement

- This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be effected by a variety of variables which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency exchange rate fluctuations, drilling rig availability and timing of drilling, drilling and production results, commercialisation and development progress, operating success and results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and accuracy or otherwise of cost estimates. Refer to XST website: www.xstate.com.au for more detail on risks, resources and projects.
- The technical information provided has been compiled by Mr Gary Jeffery, Managing Director of XState Resources Limited. He is a qualified geophysicist with over 37 years technical, commercial and management experience in exploration for, appraisal and development, and transportation of oil and gas and mineral and energy resources. Mr Jeffery has reviewed the results, procedures and data contained in this presentation. Mr Jeffery consents to the inclusion in this presentations of the matters based on the information in the form and context in which it appears.

Another unexplored amplitude anomaly
on flank of Pantelleria Graben

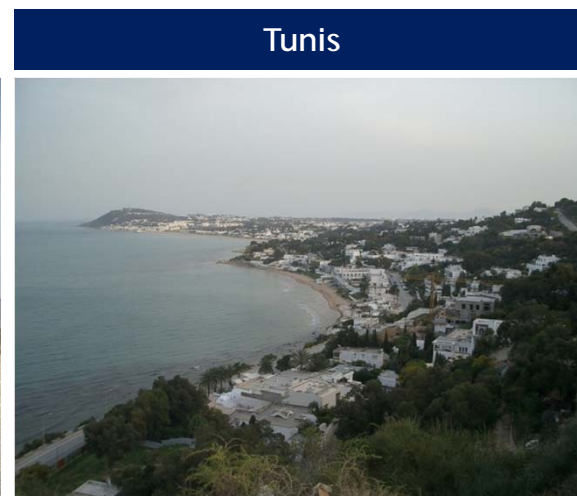
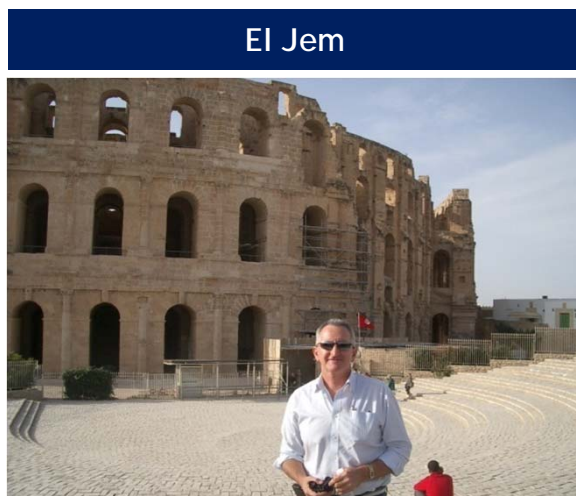


Supplementary Information:

Onshore Permit - Chorbane (Tunisia)

- Equity Interests after Farm-in to the Chorbane Permit :

XState	10%
ADX	50% (operator)
Gulfsands (AIM listed)	40%



Supplementary Information:

Offshore Permits: Kerkouane (Tunisia) and Pantelleria (Italy)

- Equity Interests in the “Lambouka Prospect Area” (~150 Km²) within the Kerkouane (Tunisia) and
- Pantelleria (Italy) permits:

XState	10%
ADX Energy (ADX)	30% (operator)
Gulfsands	30%
Carnavale	20%
PharmAust	10%

- Equity Interests in the remainder (~4,350 Km²) of the Kerkouane and Pantelleria permits outside of the Lambouka Prospect Area:

XState	10% (with an option* to increase to 20%)
ADX Energy (ADX)	60% (operator)
Gulfsands	30%

PGS Atlantic Explorer 3D Seismic Acquisition Vessel



* XST can increase its interest to 20% after reviewing the results of 3D Seismic and Lambouka drilling

THIS OPTION PROVIDES XST WITH UNIQUE LEVERAGE TO UPSIDE VALUE