

**WEL CAP STRUCTURE**

Shares: 1,363,018,946  
Share Price: A\$0.002  
Market Cap: A\$2.73M  
Cash: A\$1.00M  
USD\$0.670M  
Debt: Nil

ASX Code: WEL

**QUARTERLY ACTIVITY REPORT****For the period ending 30 September 2024****HIGHLIGHTS**

- Cost reduction program delivers material savings
- Staff costs of US\$139,000 were 47.7% lower than the previous quarter and production costs of \$182,000 were 8.1% lower over the previous quarter
- Quarterly Working Interest (**WI**) revenue to Winchester (post payment of royalties) was AUD\$553,090 (US\$370,515)<sup>1</sup>
- Production during the September 2024 quarter averaged 73 barrels of oil equivalent per day (**boepd**) net to Winchester's WI<sup>2</sup>, -20.7% lower than the previous quarter due to unscheduled production outages

**Corporate update****Cost reduction program**

As previously announced, in June 2024 the Company implemented a series of measures to deliver costs savings across the business. The changes include corporate cost reductions and US staff rationalization. The new Board is committed to reshaping the business with a keen focus on disciplined capital allocation to maximise value for shareholders and maintain balance sheet flexibility. Quarterly business expenses were lower across the board, other than administration and corporate expenses which were higher due to a number of annual expenses typically incurred during the September quarter.

Winchester's quarterly revenue was lower than the previous quarter, impacted by one scheduled and unscheduled production outage (see below).

Cash flow from operations is expected to improve in the current quarter with the above costs saving measures and returning to normal production volumes.

Winchester's cash balance at the end of September was USD \$670,000.

**New opportunities**

The new Board continues to assess new project opportunities, with detailed technical and commercial reviews having been conducted on several project opportunities this quarter.

## Operations

During the quarter the Company completed routine oil field maintenance activities.

*In August, the company's 2106 production well at the White Hat Ranch project was shut in for 9 days due to a workover to retrieve and replace a stuck downhole pump. After a successful workover, the well is now producing in line with its previous production rate of 30-35 bopd.*

*In September, the company's 2003 production well at the White Hat Ranch project was shut in for 8 days due to a workover to recover parted rods, replace a downhole pump and hot oil all downhole components. After a successful workover, the well is now producing in line with its previous production rate of 12-14 bopd.*

## Production Summary

Winchester's gross and net working interest (**WI**) in oil and gas production for the quarter ended 30 September 2024 is shown below:

| Oil Production (boe) | September Quarter 2024 | June Quarter 2024 | March Quarter 2024 | December Quarter 2023 | September Quarter 2023 |
|----------------------|------------------------|-------------------|--------------------|-----------------------|------------------------|
| Gross Oil Production | 7,292                  | 9,162             | 8,983              | 9,064                 | 10,344                 |
| WEL WI Share*        | 6,673                  | 8,393             | 8,154              | 8,529                 | 9,603                  |

\*Winchester is entitled to its WI share of revenue after royalty payments to the oil and gas mineral rights owners.

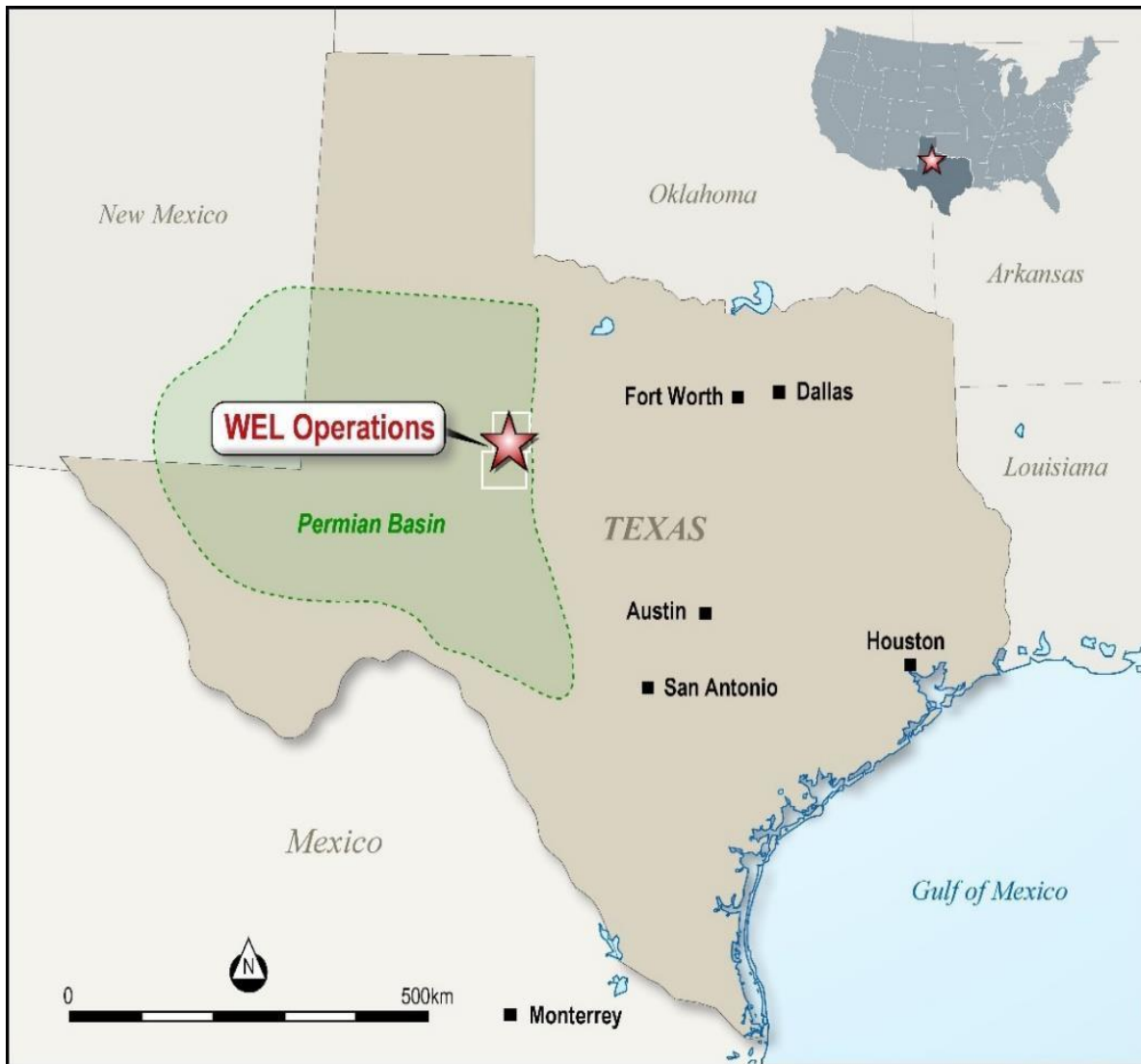
Winchester's average daily WI production in the September 2024 quarter was 73 boepd<sup>3</sup> (comprising 98% oil), compared to 92 boepd in the June 2024 quarter.

<sup>1</sup> Using exchange rate 1 AUD = 0.6699 USD (average Sep 2024 quarter exchange rate).

<sup>2</sup> boe (barrels of oil equivalent). Gas quantities are converted to boe using 6,000 cubic feet of gas to one barrel of oil. Conversion ratio is based on energy equivalency and does not represent value equivalency. Rounded to the nearest boe. Production is 98% oil.

<sup>3</sup> boe (barrels of oil equivalent). Gas quantities are converted to boe using 6,000 cubic feet of gas to one barrel of oil. The 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. Estimates are rounded to the nearest boe.

## LOCATION OF WINCHESTER'S OPERATIONS



### Revenue Summary

Total Winchester WI oil and gas sales revenue for the September 2024 quarter (post payment of royalties) was A\$553,090 (US\$370,515)<sup>4</sup>, compared to A\$727,464 (US\$481,872) in the June 2024 quarter. The average sale price per barrel of oil was US\$78.43, a US\$3.33 decrease from the previous quarter average price of US\$81.76.

<sup>4</sup> Using exchange rate 1 AUD = 0.6699 USD

## Well Summary

| Well ID          | Drilled/Workover | Formation   | Oil Field | WEL WI | Status            |
|------------------|------------------|-------------|-----------|--------|-------------------|
| White Hat 2002   | Apr 2017         | Strawn      | Mustang   | 50%    | Producing         |
| White Hat 2003   | Mar 2019         | Strawn      | Mustang   | 75%    | Producing         |
| White Hat 2005   | Aug 2019         | Strawn      | Mustang   | 75%    | Producing         |
| White Hat 3902   | Dec 2019         | Ellenburger | -         | 100%   | Producing         |
| White Hat 2006   | Jan 2020         | Strawn      | Mustang   | 75%    | Producing         |
| Arledge 1602     | Jul 2019         | Cisco Sands | Lightning | 100%   | Producing         |
| McLeod 1703      | Dec 2019         | Cisco Sands | Lightning | 100%   | Producing         |
| Bast 2           | 1985             | Strawn      | Bast      | 94%    | Producing         |
| Bast A-1         | 1985             | Strawn      | Bast      | 93%    | Producing         |
| McLeod 1705      | June 2021        | Strawn      | -         | 100%   | Producing         |
| White Hat 2106   | July 2021        | Ellenburger | -         | 100%   | Producing         |
| Group 4000 – 15A | November 2022    | Cisco Sands | Group     | 75%    | Producing         |
| Group 4000 – 16A | July 2022        | Cisco Sands | Group     | 75%    | Producing         |
| Group 4000 – 23A | August 2022      | Cisco Sands | Group     | 75%    | Producing         |
| JVU#11WSW        | October 2022     | Strawn      | Varn      | 100%   | Water supply well |
| JVU#6            | November 2022    | Strawn      | Varn      | 100%   | Producing         |

### Jocelyn Varn Oil Field (100% WI)

Operations have continued at Winchester's Jocelyn Varn Oil Field (situated in Taylor County, Texas, USA) which is located 18 miles to the east of Winchester's existing producing assets (White Hat) located in Nolan County, Texas, USA. Winchester continues to generate strong primary production from its first producing oil and gas well in the Jocelyn Varn Oil Field, the JVU#6 well. Through to 30 September 2024 the JVU#6 well has produced more than 10,800 gross barrels of oil and has shown zero decline since February 2023.

### Calculated Jocelyn Varn Oil Field Reserves - Mire Petroleum Consultants

| Reserves                  | Product | 1P – Proved Reserve | 2P – Proved + Probable Reserve <sup>5</sup> | 3P – Proved + Probable + Possible Reserve |
|---------------------------|---------|---------------------|---|---|
| Upper and Lower Fry Sands | BO      | 415,000             | 994,000                                     | 1,680,000                                 |
|                           | MCF     | 169,000             | 442,000                                     | 894,000                                   |
|                           | BOE     | 443,000             | 1,068,000                                   | 1,829,000                                 |

BO means barrels of oil

BOE means barrel of oil equivalent

MCF means one thousand cubic feet of gas

The above stated Calculated Reserves incorporates WEL's net revenue interest of 77%

Further ASX Listing Rule 5.31 Information (Notes to Reserves) related to these reserves is provided in Winchester's ASX release of 3 December 2021

<sup>5</sup> See ASX Release dated 3 December 2021

## Corporate

As of 30 September 2024, Winchester had 1,363,018,946 ordinary shares on issue and cash reserves of approximately AUD\$1 million (USD\$0.67 million)<sup>6</sup>.

During the September 2024 quarter, USD\$57,000 was paid to related parties and their associated entities.

## Oil and Gas Leases Held as at 30 September 2024

Winchester's lease holding at the end of the September 2024 quarter was 2,639 acres<sup>6</sup>.

|                                    | WEL Interest | Lease/Prospect         | Location            |
|------------------------------------|--------------|------------------------|---------------------|
| <b>Held at end of quarter</b>      |              |                        |                     |
|                                    | 100%         | McLeod (HBP only)      | Nolan County Texas  |
|                                    | 100%         | Coke                   | Coke County Texas   |
|                                    | 100%         | White Hat (HBP only)   | Nolan County Texas  |
|                                    | 100%         | Arledge (HBP only)     | Nolan County Texas  |
|                                    | 92%          | Bast (HBP only)        | Nolan County Texas  |
|                                    | 100%         | Jocelyn Varn Oil Field | Taylor County Texas |
|                                    | 75%          | Group Prospect         | Nolan County Texas  |
| <b>Acquired during the quarter</b> |              |                        |                     |
| <b>Disposed during the quarter</b> |              |                        |                     |
|                                    | 100%         | Whiteside Prospect     | Nolan County Texas  |

**HBP** means Held by Production (and therefore no lease costs or holding obligations as long as oil and gas production continues).

This announcement was authorized for release by the Board of Directors.

<sup>6</sup> Using exchange rate 1 AUD = 0.6699 USD

<sup>7</sup> The Company's net acreage position varies modestly in accordance with earned interests in drilling units of the current operations.

#### **FORWARD-LOOKING STATEMENTS**

*This report contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this report, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Winchester, the Directors and management of Winchester. These risks, uncertainties and assumptions could cause actual results to differ materially from those expressed in any forward-looking statements. Winchester has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this report, except where required by law. Winchester cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this report will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.*