



16 July 2021

Dear Shareholder

GENERAL MEETING OF SHAREHOLDERS

The Board of Directors of Winchester Energy Limited (the **Company**) advises that it will be holding a general meeting of shareholders at Ground Floor, 24 Outram Street, West Perth, Western Australia on Thursday 19 August 2021 at 10.00am (WST).

Notice of Meeting

You will not be mailed a physical copy of the Notice of Meeting for the general meeting. This reflects temporary changes made by the Commonwealth Government in response to the COVID-19 pandemic, which allow notices of meeting and other information regarding a meeting to be provided online. You may contact Automic to obtain a hard copy Voting Form which will be mailed to you.

The Notice is made available to shareholders electronically and can be viewed and downloaded online from the Company's website at the following link: <https://www.winchesterenergy.com.au/investors/announcements> . A personalised proxy form will be attached to this letter.

Voting

All resolutions at the general meeting will be decided on a poll.

The poll will be conducted based on votes submitted by proxy and those cast at the meeting by shareholders who attend in-person.

To vote by proxy, please use one of the following methods:

By hand: Automic, Level 5, 126 Philip Street, Sydney NSW 2000

By post: Automic, GPO Box 5193, Sydney NSW 2001

By email: meetings@automicgroup.com.au

By fax: +61 2 8583 3040

Your proxy instructions must be received not later than 48 hours before the commencement of the meeting, being 10.00am (WST) on 17 August 2021. Proxy Forms received later than this time will be invalid. Shareholders who wish to participate and vote at the general meeting are strongly encouraged to complete and submit their proxies as early as possible.

The Chairperson intends to vote all open proxies **in favour** of all resolutions, where permitted.



Questions

Shareholders will be able to ask questions at the general meeting.

Shareholders are also encouraged to submit questions in advance of the general meeting to the Company. Questions must be submitted by email to admin@winchesterenergy.com or in writing to the Company's office by 5.00pm (WST) on Friday 13 August 2021.

There will be no presentation at the meeting.

Approved for release by the Board of Directors

Lloyd Flint

Company Secretary

WINCHESTER ENERGY LIMITED**ACN 168 586 445****NOTICE OF GENERAL MEETING**

Notice is given that the Meeting will be held at:

TIME: 10:00 am (WST)
DATE: Thursday 19 August 2021
PLACE: Ground floor
24 Outram Street
West Perth, Western Australia 6005,
Australia

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00 am (WST) on Tuesday 17 August 2021.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 103,656,733 Shares at an issue price of \$0.016 per Share on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 69,104,489 Shares at an issue price of \$0.016 per Share on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT SHARES – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 139,738,778 Shares at an issue price of \$0.016 per Share on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 37,500,000 Lead Manager Options to the Lead Manager (and/or its nominees) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – APPROVAL TO ISSUE CONSULTANT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,821,610 Shares to the Consultant (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 16 July 2021

By order of the Board

**Lloyd Flint
Company Secretary**

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolutions set out below by or on behalf of the following persons:

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 1 – Ratification of prior issue – Listing Rule 7.1	A person who participated in the issue or is a counterparty to the agreement being approved (namely Placement Participants) or an associate of that person or those persons.
Resolution 2 – Ratification of prior issue – Listing Rule 7.1A	A person who participated in the issue or is a counterparty to the agreement being approved (namely Placement Participants) or an associate of that person or those persons.
Resolution 3 – Approval to issue Placement Shares	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely Placement Participants) or an associate of that person (or those persons).
Resolution 4 – Approval to issue Lead Manager Options	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Lead Manager) or an associate of that person (or those persons).
Resolution 5 – Approval to issue Consultant Shares	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely the Consultant) or an associate of that person (or those persons).

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9200 3743.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES – LISTING RULES 7.1 AND 7.1A

1.1 Background to the Placement

As announced on 26 May 2021, the Company received firm commitments from sophisticated, professional and institutional investors (**Placement Participants**) to raise up to a total of \$5,000,000 (before costs) through a placement of 312,500,000 Shares in two tranches at an issue price of \$0.016 per Share (**Placement**).

Pursuant to the Placement, the Company:

- (a) issued, on 3 June 2021, 172,761,222 Shares at an issue price of \$0.016 per Share to raise \$2,764,179.55, comprising:
 - (i) 103,656,733 Shares issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1); and
 - (ii) 69,104,489 Shares issued pursuant to the Company's 7.1A mandate (being, the subject of Resolution 2),(together, the **Tranche 1 Placement Shares**); and
- (b) proposes to issue, subject to Shareholder approval, a further 139,738,778 Shares at an issue price of \$0.016 per Share to raise a further \$2,235,820.45 (the subject of Resolution 3) (the **Tranche 2 Placement Shares**).

Resolutions 1 – 3 (inclusive) seek shareholder ratification for the issue of the Tranche 1 Placement Shares and shareholder approval for the issue of the Tranche 2 Placement Shares.

1.2 Use of funds

As announced on 26 May 2021, the Company is intending to raise \$5,000,000 via the Placement (before costs). The Company proposes that the funds raised by the Placement are utilised as follows:

Use of Funds	\$
Workover of four existing wells targeting the Cisco Sands	600,000
Drilling Bast Deep prospect targeting Cambrian Sands plus bailout options	1,200,000
Drilling Mustang Oil Field targeting the Strawn Formation - White Hat 2106	1,000,000
Drilling Spitfire prospect targeting the Strawn Formation	1,200,000
Additional drilling/completions and working capital	1,000,000
Total	5,000,000

1.3 Effect on capital structure

The capital structure of the Company following completion of the Placement is summarised below:

Shares	
Shares currently on issue ¹	863,806,109
Tranche 2 Placement Shares	139,738,778
Total Shares on completion of the Offer	1,003,544,887

Options	
Options currently on issue ²	47,650,000
Lead Manager Options to be issued ³	37,500,000
Total Options on completion of the Offer	73,610,332

Note:

1. Comprising 691,044,887 Shares on issue prior to the Placement, and 172,761,222 Tranche 1 Placement Shares as issued on 3 June 2021.
2. Comprising:
 - a. 33,900,000 unquoted Options exercisable at various exercise prices on various dates;
 - b. 10,000,000 unquoted Options exercisable at \$0.10 each on or before 15 December 2022;
 - c. 1,500,000 unquoted Options exercisable at \$0.05 each on or before 11 June 2022; and
 - d. 2,250,000 unquoted Options exercisable at \$0.10 each on or before 16 February 2023.
3. The Lead Manager Options are to be issued pursuant to Resolution 4. The terms and conditions of the Lead Manager Options are set out in Schedule 1.

1.4 Lead Manager

On 21 May 2021, the Company engaged the services of CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL 294848) (the **Lead Manager**), to act as Lead Broker, Manager and Arranger in relation to a \$4,000,000 capital raising by the Company (**CPS Mandate**). The Company agreed to pay the Lead Manager a management fee of 2% plus GST and a raising fee of 4% plus GST in consideration for services provided.

The Company also agreed to grant the Lead Manager 30,000,000 Options upon the successful completion of the Placement (**Lead Manager Options**).

After entering the CPS Mandate, the Company and the Lead Manager mutually agreed to increase the amount of the capital raising by 25% to the amount of the Placement (\$5,000,000) after receiving a high level of demand from clients of the Lead Manager. It was also agreed that the number of Lead Manager Options would increase on the same basis of 25% to 37,500,000.

1.5 Listing Rules 7.1 and 7.1A

As set out above, 103,656,733 Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1) and 69,104,489 Shares were issued pursuant to the Company's 7.1A mandate, which

was approved by Shareholders at the Annual General Meeting held on 14 May 2021 (being, the subject of Resolution 2).

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at its annual general meeting held on 14 May 2021.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

1.6 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

1.7 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Tranche 1 Placement Shares.

If Resolutions 1 and 2 are not passed, the Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Tranche 1 Placement Shares.

1.8 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who are clients of the Lead Manager. The

recipients were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company.

- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 172,761,222 Tranche 1 Placement Shares were issued on the following basis:
 - (i) 103,656,733 Shares issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - (ii) 69,104,489 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (d) the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Tranche 1 Placement Shares were issued on 3 June 2021;
- (f) the issue price was \$0.016 per Tranche 1 Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
- (g) the purpose of the issue of the Tranche 1 Placement Shares was to raise \$2,764,180, which will be applied towards the use of funds as set out in Section 1.2 above; and
- (h) the Tranche 1 Placement Shares were not issued under an agreement.

2. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT SHARES

2.1 General

Refer to Section 1.1 for an overview of the Placement.

As set out above, the Company is proposing, pursuant to the Placement and subject to Shareholder approval, to issue 139,738,778 Shares at an issue price of \$0.016 per Share to raise up to \$2,235,820.45 (**Tranche 2 Placement Shares**).

As summarised in Section 1.4, the Company engaged the services of the Lead Manager to manage the Placement.

As summarised in Section 1.5, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Tranche 2 Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

2.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed (and assuming that Resolutions 1 and 2 are passed), the issue of the Tranche 2 Placement Shares can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

If each of Resolutions 1 to 3 are not passed, the Company will not be able to proceed with the issue of the Tranche 2 Placement Shares and will not realise the additional funds intended to be raised pursuant to the issue of those Shares, reducing the Company's capacity to proceed with the intended uses of the funding, as set out in 1.2 above.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

2.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Tranche 2 Placement Shares will be issued to professional and sophisticated investors who are clients of the Lead Manager. The recipients were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company.
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Tranche 2 Placement Shares to be issued is 139,738,778.
- (d) The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting and it is intended that issue of the Tranche 2 Placement Shares will occur on the same date;

- (f) the issue price of the Tranche 2 Placement Shares will be \$0.016 per Tranche 2 Placement Share. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Shares;
- (g) the purpose of the issue of the Tranche 2 Placement Shares is to raise capital, which the Company intends to apply towards the use of funds as set out in Section 1.2 above;
- (h) the Tranche 2 Placement Shares are not being issued under an agreement; and
- (i) the Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover.

3. RESOLUTION 4 – APPROVAL TO ISSUE LEAD MANAGER OPTIONS – LISTING RULE 7.1

3.1 General

As outlined in Section 1.4, the Company has agreed to issue 37,500,000 Lead Manager Options in part consideration for services provided by the Lead Manager as the Lead Broker, Manager and Arranger of the Placement.

As summarised in Section 1.5, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Lead Manager Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Lead Manager Options. In addition, the issue of the Lead Manager Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Lead Manager Options, unless and until it has sufficient capacity within the 15% limit in Listing Rule 7.1 to issue such Options (including following approval of other Resolutions in this Notice).

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Lead Manager Options.

3.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Lead Manager Options will be issued to the Lead Manager (being CPS Capital Group Pty Ltd (ACN 088 055 636) (and/or its nominees) in part consideration for services provided to the Company in relation to the Placement;

- (b) the maximum number of Lead Manager Options to be issued is 37,500,000. The terms and conditions of the Lead Manager Options are set out in Schedule 1;
- (c) the Lead Manager Options will be issued no later than 3 months after the date of the Meeting and it is intended that issue of the Lead Manager Options will occur on the same date;
- (d) the Lead Manager Options will be issued at an issue price of \$0.0001 per Lead Manager Option. The Company has not and will not receive any other consideration for the issue of the Lead Manager Options (other than in respect of funds received on exercise of the Lead Manager Options);
- (e) the purpose of the issue of the Lead Manager Options is part satisfy the Company's obligations under the CPS Mandate;
- (f) the Lead Manager Options are being issued to the Lead Manager under the CPS Mandate. A summary of the material terms of the CPS Mandate is set out in Section 1.4; and
- (g) the Lead Manager Options are not being issued under, or to fund, a reverse takeover.

4. RESOLUTION 5 – APPROVAL TO ISSUE CONSULTANT SHARES

4.1 Consultancy Agreement

On 17 March 2021, the Company entered into a consulting agreement with Martens Petroleum Consulting Pty Ltd (ACN 125 335 104), a company associated with Keith Martens, the Company's consulting petroleum geologist and geophysicist (**Consultant**), whereby the Company agreed to engage the Consultant to provide petroleum geology and geophysics advice between 1 January 2021 and 31 December 2021 (**Consultancy Agreement**).

In accordance with the terms of the Consultancy Agreement, the Company agreed to:

- (a) pay a monthly fee of \$20,000 to the Consultant for petroleum geology and geophysics advice provided to the Company between 1 January 2021 and 31 December 2021, of which:
 - (i) 50% may be paid in cash; and
 - (ii) 50% may be paid in Shares at a deemed issue price equal to the 30-day VWAP in the respective invoice month (**Consultant Shares**); and
- (b) issue 2,000,000 Options to the Consultant exercisable at \$0.054 on completion of the work in a professional manner, at the end of the first quarter 2022.

Pursuant to the terms of the Consultancy Agreement the Company is proposing to issue 2,821,610 Consultant Shares to the Consultant in part satisfaction of the fees owing to the Consultant as at 30 June 2021.

4.2 Listing Rule 7.1

As summarised in Section 1.5 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Consultant Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Consultant Shares. In addition, the issue of the Consultant Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Consultant Shares, unless and until it has sufficient capacity to issue such Consultant Shares (including following approval of the various other Resolutions mentioned in this Notice) or settle the outstanding monthly fees of \$60,000 in cash.

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Consultant Shares.

4.4 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the Consultant Shares will be issued to the Consultant (Martens Petroleum Consulting Pty Ltd (ACN 125 335 104), a company associated with Keith Martens) who provides petroleum geology and geophysics advice to the Company;
- (b) a total of 2,821,610 Consultant Shares will be issued;
- (c) the Consultant Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Consultant Shares will be issued no later than 3 months after the date of the Meeting and it is intended that issue of the Consultant Shares will occur on the same date;
- (e) the Consultant Shares will be issued at a nil issue price, in consideration for services provided by the Consultant. The Company has not and will not receive any other consideration for the issue of the Consultant Shares;
- (f) the purpose of the issue of the Consultant Shares is to part satisfy the Company's obligations under the Consultancy Agreement which have accrued to 30 June 2021;
- (g) the Consultant Shares are being issued to the Consultant under the Consultancy Agreement. A summary of the material terms of the Consultancy Agreement is set out in Section 4.1; and
- (h) the Consultant Shares are not being issued under, or to fund, a reverse takeover.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Winchester Energy Limited (ACN 168 586 445).

Consultant means Martens Petroleum Consulting Pty Ltd (ACN 125 335 104), a company associated with Keith Martens, the Company's consulting petroleum geologist and geophysicist.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lead Manager means CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL 294848).

Lead Manager Options means the 37,500,000 Options to be issued to the Lead Manager (and/or its nominees) pursuant to Resolution 4, on the terms and conditions set out in Schedule 1.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the Company's placement (announced on 26 May 2021) to raise up to \$5,000,000 (before costs) via the issue of 312,500,000 Shares at an issue price of \$0.016 per Share.

Placement Participant means a sophisticated, professional or institutional investor who participated in the Placement.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Tranche 1 Placement Shares means the 172,761,222 Shares issued by the Company on 3 June 2021 pursuant to the Placement, utilising the Company's existing placement capacity, ratification of which is sought pursuant to Resolutions 1 and 2.

Tranche 2 Placement Shares means the 139,738,778 Shares to be issued by the Company on pursuant to the Placement following receipt of shareholder approval the subject of Resolution 3.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF LEAD MANAGER OPTIONS

(a) **Entitlement**

Subject to paragraph (l), each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraphs (i) and (k), the amount payable upon exercise of each Option will be \$0.016 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is 47 months after the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time during the period commencing on the date of issue of the Options and ending on the Expiry Date (**Exercise Period**), subject to and conditional upon the attainment by the Company of a 20 trading day volume weighted average closing Share price which exceeds \$0.032 per Share.

(e) **Notice of Exercise**

Subject to paragraph (d), the Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Adjustment for rights issue**

In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

(l) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares or other securities which must be issued on the exercise of an Option will be increased by the number of Shares or other securities which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Your proxy voting instruction must be received by **10.00am (WST) on Tuesday, 17 August 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WECHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

