

20 March 2025

Applications for Technical Evaluation Agreements Offshore Peru

Highlights

- Non-binding Term Sheet signed with Jaguar Exploration, Inc relating to the joint application for offshore petroleum exploration rights in offshore Peru covering an area of approximately 8,060 km² in two adjacent areas in the Lima and Pisco Basins (**Blocks**)
- Winchester and Jaguar will submit the required documentation to be awarded Technical Evaluation Agreements (**TEAs**) covering each Block
- If the applications are successful and a formal offer the TEAs is received, Winchester and Jaguar will jointly develop the TEAs
- Winchester will be Operator and will hold an 80% participating interest
- The outcome of the TEAs is expected within two to three months

Winchester Energy Limited (ASX: WEL) (**Company**) has entered into a non-binding term sheet (**Term Sheet**) with Jaguar Exploration, Inc., a US based oil and gas exploration company (**Jaguar**), for the application and potential development of two offshore exploration blocks in Peruvian waters (refer Figure 1).



Figure 1: Proposed Technical Evaluation Agreement Areas

Key terms

The key terms of the Term Sheet are as follows:

- (a) Non-binding and subject to execution of definitive binding agreements.
- (b) Jaguar has granted the Company exclusivity until definitive binding agreements are entered into, which is anticipated to occur upon successful grant of one or both of the TEAs.
- (c) The parties have jointly prepared and submitted an application as part of a competitive process to enter into TEAs in respect of Block PI-XP-001 and Block Pisco Oeste which cover an area of approximately 8,060km² in the Lima and Pisco Basins, offshore Peru.
- (d) If the applications for one or both of the TEAs is successful, the parties will form a joint venture in respect of each TEA. The initial working interests of the Company and Jaguar will be 80% and 20% respectively. Jaguar's interest will be free-carried from the date of grant of the TEA up until completion of the first exploration well. It is anticipated that a third-party farm-in partner will ultimately be introduced to fund the drilling of any exploration well in the event suitable prospects are identified within the Block.
- (e) The consideration payable by the Company to Jaguar in the event that the TEAs are awarded will be as follows:
 - a. US\$12,500 on signature of the Term Sheet (now payable);
 - b. US\$40,000 as cost reimbursement for preparing and submitting the TEA applications;
 - c. US\$270,000 in cash; and
 - d. US\$300,000 in Winchester fully paid ordinary shares, subject to shareholder approval if required, at a deemed issue price of 0.3c (amounting to approximately 160,000,000 fully paid ordinary shares in the capital of the Company).
- (f) In the event that only one TEA is obtained, the Company shall pay to Jaguar US\$229,500 cash and US\$255,000 in fully paid ordinary shares (subject to shareholder approval if required) in lieu of the amounts in points (c) and (d) above.
- (g) The Term Sheet will terminate in the event that both applications for the TEAs are unsuccessful. Either party may withdraw from the joint venture if it does not wish to proceed to a license contract.

If the applications for one or both of the TEAs are successful, the Company intends to pay for the above amounts using its existing cash reserves. With respect to the new shares to be issued to Jaguar, the Company may have capacity to issue the shares above under its placement capacity at that time pursuant to ASX Listing Rule 7.1. If the Company does not have capacity, the Company will seek shareholder approval for the issue of the new shares to Jaguar.

The Company notes that negotiations are incomplete and subject to execution of definitive binding agreements. There can be no certainty that a binding agreement will be entered into or that any transaction will eventuate. The Company will keep the market informed in accordance with its continuous disclosure obligations and provide full details of the material terms of any binding agreement.

Technical Evaluation Agreement (TEA)

Under a TEA, interested companies can conduct geological/geophysical studies and activities that use non-intrusive geophysical methods and surface prospecting activities utilising existing data and information residing within the data bank of Perupetro S.A (the Peruvian oil and gas regulator). This includes seismic reprocessing, field geology, sampling and geochemical analysis.

The TEAs will enable the Company and Jaguar to evaluate the Blocks for a period of up to 2 years. There is no set minimum expenditure requirement however it is anticipated that the Company will ultimately invest approximately \$US250,000 per Block over this period in order to delineate prospectivity. This expenditure will be phased and is intended to be paid from existing cash reserves or operating revenues.

Upon completion of the evaluation period, the TEAs will provide the Company and Jaguar (subject to fulfilling their commitments under the TEA) a right to enter into a licence contract for the exploration and exploitation of hydrocarbons in the area of the Block.

About Jaguar Exploration, Inc.

Jaguar is a leading independent geoscience company and was founded in 2000. Jaguar has been responsible for the compilation of all historic 2D and 3D data for the TEAs as well as the compilation of all historic well data (petrophysical logs and well/production data). From this information Jaguar has identified several oil and gas prospects and delineated an area of interest that now defines the TEA areas. Given this is the core business of Jaguar (Geoscience business), Winchester has benefited greatly from their expertise and local knowledge to work up the prospects.

Jaguar (and its principals) are not a related party or substantial holder of the Company.

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

For further information please contact:

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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.