



QUARTERLY ACTIVITIES REPORT

For the period ending 31 December 2024

HIGHLIGHTS

- Cost reduction program continues to deliver sustainable operations.
- Quarterly Working Interest (**WI**) net revenue to Winchester (post payment of royalties) was AUD\$566,950 (US\$352,473)¹.
- Staff costs decreased to US\$124,000 (compared to US\$139,000 in the previous quarter), and administration and corporate costs decreased to US\$111,000 (compared to US\$202,000 in the previous quarter).
- Net cash from operations was a loss of \$18,000 (compared to a loss of \$56,000 in the previous quarter).
- Production during the quarter averaged 73 barrels of oil equivalent per day (**boepd**)² net to Winchester's WI, steady compared to the previous quarter.

Corporate update

New Project Due Diligence

The new Board continues to assess new project opportunities, with detailed technical and commercial reviews having been conducted on several project opportunities this quarter. Winchester is seeking complementary new project opportunities that complement our team's expertise and represent accretionary value to shareholders. Potential projects are initially vetted by our technical team and those opportunities which have the potential to host significant targets in favourable jurisdictions progress further in our assessments and commercial discussions. Winchester's Board and Management look forward to keeping the market and stakeholders informed of any material progress on this process.

Cost reduction program

As previously announced, in the second half of 2024 the Company implemented a series of measures to deliver costs savings across the business. The changes include corporate cost reductions and 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. During the quarter, the Company continued to identify costs saving measures and is now sustaining much lower operating and administrative costs compared to previous years. Winchester's quarterly revenue was lower than the previous quarter, impacted by a series of small unscheduled production outages. The quarterly cash position was also lower due to foreign exchange losses (decline in the Australian dollar) amounting to US\$53,000.

Winchester's cash balance at the end of December was USD \$511,000.

Operations

During the quarter the Company completed routine oil field maintenance activities with no significant updates to report.

¹ Using exchange rate 1 AUD = 0.6217 USD (31 December 2024 rate).

² 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 Summary

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

Oil Production (boe) ³	December Quarter 2024	September Quarter 2024	June Quarter 2024	March Quarter 2024	December Quarter 2023
Gross Oil Production	7,200	7,292	9,162	8,983	9,064
WEL WI Share*	6,621	6,673	8,393	8,154	8,529

*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 December 2024 quarter was 73 boepd (comprising 92% oil), compared to 73 boepd in the September 2024 quarter.

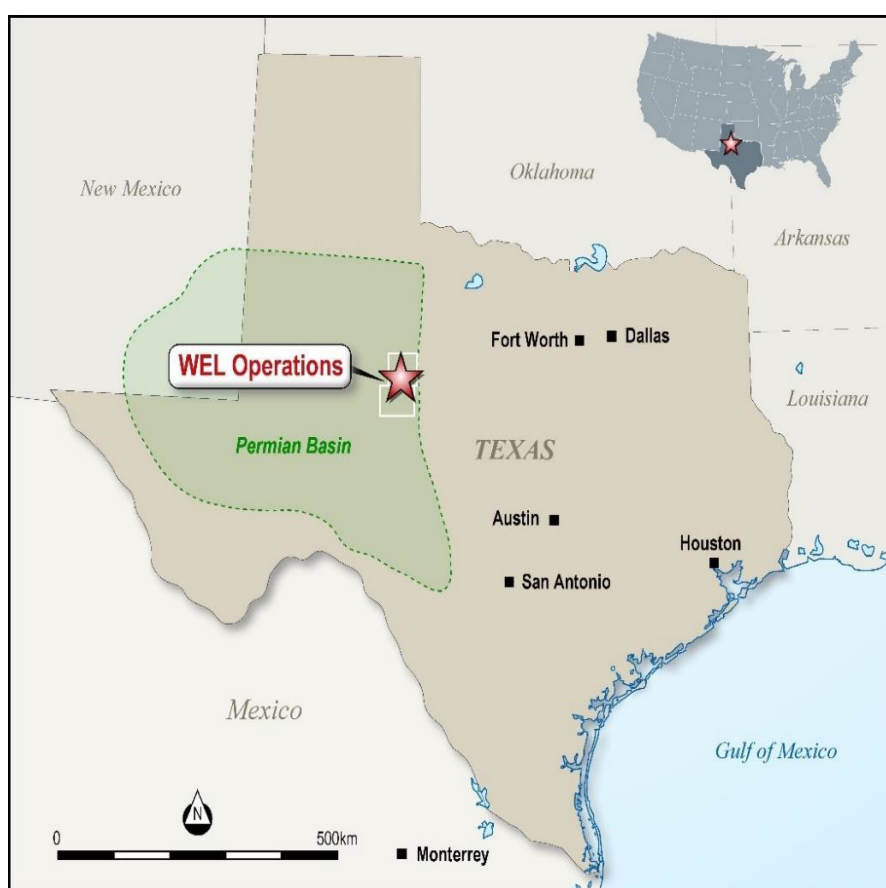


Figure 1: Location of Winchester's US operations.

Revenue Summary

Total Winchester WI oil and gas sales revenue for the December 2024 quarter (post payment of royalties) was A\$566,950 (US\$352,473)⁴, compared to A\$559,352 (US\$370,515) in the September 2024 quarter. The average sale price per barrel of oil was US\$75.06, a US\$3.37 decrease from the previous quarter average price of US\$78.43.

³ 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 energy equivalency and does not represent value equivalency. Estimates are rounded to the nearest boe.

⁴ Using exchange rate 1 AUD = 0.6217 USD (31 December 2024 rate).

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 31 December 2024 the JVU#6 well has produced more than 12,000 gross barrels of oil and has shown zero decline since February 2023.

Calculated Jocelyn Varn Oil Field Reserves - Mire Petroleum Consultants⁵

Reserves	Product	1P – Proved Reserve	2P – Proved + Probable Reserve ⁵	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

Corporate

As of 31 December 2024, Winchester had 1,363,018,946 ordinary shares on issue and cash reserves of approximately AUD\$820,000⁶ (USD\$0.51 million).

⁵ See ASX Release dated 3 December 2021.

⁶ Using exchange rate 1 AUD = 0.6217 USD (31 December 2024 rate).

During the December 2024 quarter, USD\$37,000 was paid to related parties and their associated entities.

Oil and Gas Leases Held as at 31 December 2024

Winchester’s lease holding at the end of the December 2024 quarter was 2,639 acres⁷.

	WEL Interest	Lease/Prospect	Location
Held at end of quarter			
	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
Acquired during the quarter			
Disposed during the quarter			

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.

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.

⁷ The Company’s net acreage position varies modestly in accordance with earned interests in drilling units of the current operations.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

WINCHESTER ENERGY LIMITED (ASX CODE: WEL)

ABN

21 168 586 445

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (12 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	430	1,960
1.2 Payments for		-
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(213)	(761)
(d) staff costs	(124)	(776)
(e) administration and corporate costs	(111)	(473)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(18)	(50)

2. Cash flows from investing activities		-
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(69)	(253)
(d) exploration & evaluation	(19)	(19)
(e) investments	-	-
(f) other non-current assets (ROU asset)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (12 months) \$USD'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(88)	(272)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	685
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(42)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	643

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	670	213
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(18)	(50)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(88)	(272)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	643

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (12 months) \$USD'000
4.5	Effect of movement in exchange rates on cash held	(53)	(23)
4.6	Cash and cash equivalents at end of period (\$USD'000)	511	511

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	201	323
5.2	Call deposits	310	347
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	511	670

6.	Payments to related parties of the entity and their associates	Current quarter \$USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	37
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$USD'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(18)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(19)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(37)
8.4 Cash and cash equivalents at quarter end (item 4.6)	511
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	511
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	13.8
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025.....

Authorised by:Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.