

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)¹
- Production during the September 2024 quarter averaged 73 barrels of oil equivalent per day (**boepd**) net to Winchester's WI², -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.

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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.

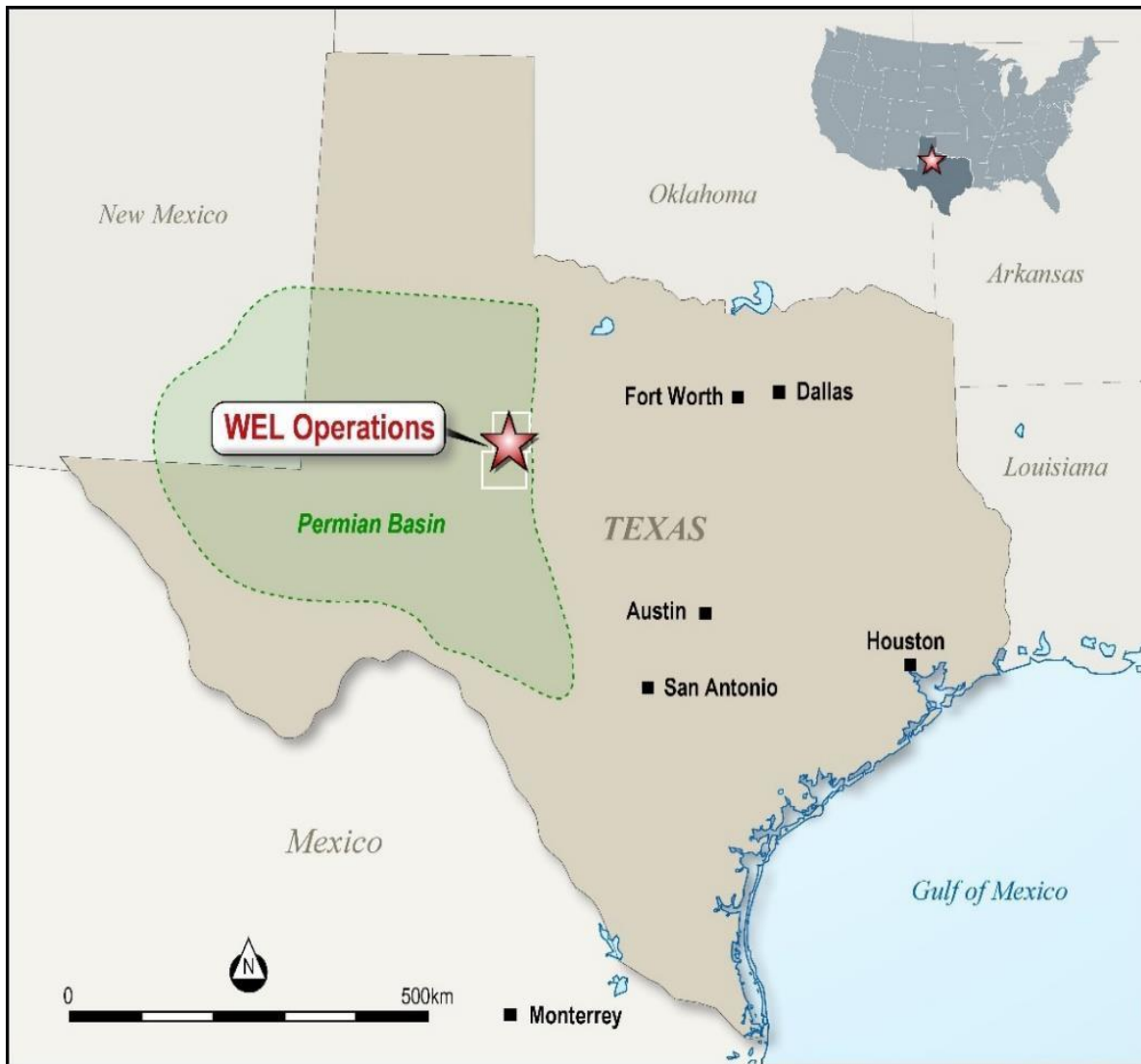
Winchester's average daily WI production in the September 2024 quarter was 73 boepd³ (comprising 98% oil), compared to 92 boepd in the June 2024 quarter.

¹ Using exchange rate 1 AUD = 0.6699 USD (average Sep 2024 quarter exchange 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 is 98% oil.

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 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)⁴, 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.

⁴ 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 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

⁵ 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)⁶.

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 acres⁶.

	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			
	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.

⁶ Using exchange rate 1 AUD = 0.6699 USD

⁷ 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.

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