Winchester Energy Limited

ACN 168 586 445

Annual Report - For the year ended 31 December 2025

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General information

The financial statements cover Winchester Energy Limited as a Group consisting of Winchester Energy Limited and the entities it controlled at the end of, or during, the year.

Winchester Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 8, 99 St Georges Terrace Perth, WA Australia 6000	Level 8, 99 St Georges Terrace Perth, WA Australia 6000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Directors	Mr David Wheeler, Non-Executive Director Mr Chris Zielinski, Non-Executive Director Mr Thomson Naude, Non-Executive Director
Chief Executive Officer	Mr Rory McGoldrick
Company secretaries	Mr Daniel Smith Mr John Kay
Registered office	Level 8, 99 St Georges Terrace, Perth, WA, Australia 6000 Telephone: +61 8 9486 4036
Principal place of business	Level 8, 99 St Georges Tce, Perth, WA, Australia 6000 Telephone: +61 8 9486 4036
Share registry	Automic Registry Services Level 5, 191 St Georges Terrace, Perth, WA, Australia 6000 Telephone: +618 9324 2099
Auditor	Hall Chadwick WA Audit Pty Ltd 283 Rokeby Road, Subiaco WA 6008 Telephone: +61 8 9426 0666
USA Office	Suite 780 4900 Woodway Drive, Houston, TX, 77056 USA Telephone: +1 713 333 0610
Lawyers (USA)	Looper Ballew Suite 200, 1300 Post Oak Blvd, Houston, Texas, USA 77056
Stock exchange listing	Winchester Energy Limited shares are listed on the Australian Securities Exchange (ASX code: WEL)
Website	www.winchesterenergyltd.com

Review of Operations
For the year ended 31 December 2025

Production Summary

Winchester has interest in 31 wells in four field areas. At year end Winchester was the operator of 12 active wells. Gross and net Working Interest (**WI**) oil and gas production for the year ended 31 December 2025 is shown below.

Oil Production (boe)[1]	**Full year 2025**	December Quarter 2025	September Quarter 2025	June Quarter 2025	March Quarter 2025	Full year 2024
Gross Oil Production	28,163	7,342	6,527	6,844	7,450	32,637
WEL WI Share*	26,274	6,655	6,322	6,618	6,679	28,841

**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 2025 was 72 boepd (comprising 92% oil), compared to an average of 73 boepd in 2024.

Revenue Summary

Total Winchester WI oil and gas sales revenue for the year ended 31 December 2025 (post payment of royalties) was US$1,441,138, compared to US$1,847,152 in 2024. The average sale price per barrel of oil was US$65.37, a decrease from the previous year's average price of US$77.18.

Exploration and Development Operations

Varn Oil Field (70%WI)

During the year the Company entered into a farm-out agreement for the Varn waterflood project in Taylor County, Texas. The Company farmed-out a 30% interest in the project and has since resumed development activities at Varn beginning with the drilling of the JVU-5 production well in the December quarter. The well reached a total depth (TD) of 4,877ft (1,486m) on 19 October 2025 and was subsequently completed and brought online. It has since stabilized with average oil production rate of approximately 14 barrels per day.

Winchester now generates primary production from the first two Varn production wells, the JVU-5 and JVU -6. For the full year ended 2025, these two wells produced approximately 7,300 gross barrels of oil.

[1] 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.

Photo 1: *JVU-5 drilling operations at the Varn Oil Field*

The waterflood development will comprise a total of 10 wells (five production wells and five water injectors). The majority of these wells are planned for the central area where the Upper and Lower Fry Sand overlap while the rest of the wells capture oil from the more widespread Upper Fry Sand.

All planning and permitting is in place to drill the remaining wells. Post year end the Company drilled, the first water injection well for the project, the JVU-4 water injection well.

Nolan County Projects

Operations have continued at Winchester's Nolan County Projects, 18 miles to the west of the Varn Oil Field.

No new wells were drilled at the Company's Nolan County Projects, however, several work overs were completed in order to rectify down-hole production issues. The well is now back online and producing as expected.

Winchester is the operator of 20 wells within the Nolan County acreage and the Company continues to conduct activities to increase or maintain production.

Wells Summary

Well ID	Drilled/Workover	Formation	Oil Field	WEL WI	Status
White Hat 2001	Apr 2017	Strawn	Mustang	50%	Producing
White Hat 2002	Apr 2017	Strawn	Mustang	50%	Producing
White Hat 2003	Mar 2019	Strawn	Mustang	75%	Producing
White Hat 2004	Mar 2019	Strawn	Mustang	75%	Producing
White Hat 2005	Aug 2019	Strawn	Mustang	75%	Producing

White Hat 2006	Jan 2020	Strawn	Mustang	75%	Producing
White Hat 2106	July 2021	Ellenburger	-	100%	Producing
White Hat 3902	Dec 2019	Ellenburger	-	100%	Producing
Arledge 1602	Jul 2019	Cisco Sands	Lightning	100%	Producing
McLeod 1703	Dec 2019	Cisco Sands	Lightning	100%	Producing
McLeod 1705	June 2021	Strawn	-	100%	Shut-in
Bast 1	1985	Strawn	Bast	94%	Shut-in
Bast 2	1985	Strawn	Bast	94%	Producing
Bast A-1	1985	Strawn	Bast	93%	Producing
Group 4000 – 15A	November 2022	Cisco Sands	Group	75%	Shut-in
Group 4000 – 16A	July 2022	Cisco Sands	Group	75%	Shut-in
Group 4000 – 23A	August 2022	Cisco Sands	Group	75%	Shut-in
JVU#11WSW	October 2022	Strawn	Varn	70%	Water supply well
JVU#6	November 2022	Strawn	Varn	70%	Producing
JVU#5	October 2025	Strawn	Varn	70%	Producing

Oil and Gas Leases Held as at 31 December 2025

Winchester's lease holding at the end of the year was 2,640 acres .

	WEL Interest	Lease/Prospect	Location
Held at end of year			
	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
	70%	Jocelyn Varn Oil Field	Taylor County Texas
	75%	Group Prospect	Nolan County Texas
Acquired during the year	Nil	Nil	Nil
Disposed during the year	Nil	Nil	Nil

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

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Winchester Energy Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2025.

Directors

The following persons were directors of Winchester Energy Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr David Wheeler	Non-Executive Director, appointed 30 July 2025
Mr Chris Zielinski	Non-Executive Director, appointed 20 August 2025
Mr Thomson Naude	Non-Executive Director, appointed 3 November 2025
Mr Rory McGoldrick	Executive Director, transition to Chief Executive Officer from 20 August 2025
Mr Lloyd Flint	Non-Executive Chairman, ceased 23 July 2025
Mr Iain Smith	Non-Executive Director, ceased 23 July 2025
Mr Ricardo Garzon Rangel	Non-Executive Director, ceased 23 July 2025
Mr Jason Peterson	Non-Executive Director, appointed 30 July 2025, resigned 3 November 2025

Information on directors

Name:	Mr David Wheeler
Title:	Non-Executive Director, appointed 30 July 2025
Experience and expertise:	Mr Wheeler has more than 30 years of Executive Management, Directorship, and Corporate Advisory experience. He is a foundation Director and Partner of Pathways Corporate a boutique Corporate Advisory firm that undertakes assignments on behalf of family offices, private clients, and ASX listed companies. Mr Wheeler has successfully engaged in business projects in the USA, UK, Europe, NZ, China, Malaysia, Singapore and the Middle East. Mr Wheeler is a Fellow of the Australian Institute of Company Directors and serves on public and private company boards currently holding a number of Directorships and Advisory positions in Australian ASX listed companies.
Other current and former directorships (last 3 years):	Avira Resources Ltd, from September 2018 to current; Ragnar Metals Ltd, from December 2017 to current; Lykos Metals Ltd, from November 2024 to current; MOAB Ltd (Previously Delecta Ltd), from June 2020 to current; Cycliq Group Ltd, from June 2021 to current; Earths Energy Ltd previously (Cradle Resources Ltd), from October 2021 to current; OZZ Resources Ltd, from May 2022 to current; Invex Ltd, from November 2023 to current.
Interests in shares:	Nil.
Interests in options:	Nil.
Interests in performance rights:	Nil.

Name:	Mr Chris Zielinski
Title:	Non-Executive Director, appointed 20 August 2025
Experience and expertise:	Mr Zielinski is an experienced corporate lawyer and director of Nova Legal, a Perth based corporate law firm. Mr Zielinski has a wide range of experience in all forms of corporate and commercial law, with a focus on mergers and acquisitions, equity capital markets, regulatory compliance and commercial transactions – particularly in the resources and technology sectors in the ASX listed environment. Mr Zielinski graduated from the University of Notre Dame Australia with a Bachelor of Laws and Bachelor of Commerce (Finance). Mr Zielinski is a Member of the Australian Institute of Company Directors (AICD) and an Associate of the Governance Institute of Australia (GIA).
Other current and former directorships (last 3 years):	Omnia Metals Group, from May 2025 to current; Xenora Minerals Limited, from July 2025 to current; GCM Corporation Limited, from March 2023 to current; Recharge Metals Ltd, from November 2025 to current; Earths Energy Limited, from May 2025 to current.
Interests in shares:	Nil.
Interests in options:	Nil.
Interests in performance rights:	Nil.

Name:	Mr Thomson Naude
Title:	Non-Executive Director, appointed 3 November 2025
Experience and expertise:	Mr Naude is a finance executive with significant experience in the oil & gas sector, having worked for 13 years at ASX-listed Carnarvon Energy Limited, where his roles included CFO, Company Secretary and Commercial Manager. More recently, he acted as an adviser to the multinational oil & gas producer Hibiscus Petroleum (Bhd) and as the interim CFO for Blackstone Minerals Limited where he was involved in their acquisition of the Mankayan project in the Philippines. Mr Naude is currently an executive director and CFO for Panacea Natural Resources Group Limited. Mr Naude has a B.Com from the University of Western Australia and is a qualified Chartered Accountant.
Other current and former current directorships (last 3 years):	None
Interests in shares:	Nil
Interests in options:	Nil
Interests in performance rights:	Nil

Name:	Mr Rory McGoldrick
Title:	Chief Executive Officer (Executive Director, transition to Chief Executive Officer from 20 August 2025)
Experience and expertise:	Mr McGoldrick is a long-term shareholder of the Company and an experienced corporate lawyer/company director. He has broad experience in project development, corporate governance, company restructures and investor relations. Rory is currently Chairman of Australasian Metals Limited (ASX:A8G) and is a founding shareholder and director of several unlisted mining and energy companies.
Other current and former directorships (last 3 years):	Australasian Metals Limited, from January 2021 to the present
Interests in shares:	53,583,333
Interests in options:	Nil
Interests in performance rights:	10,000,000 Class A Performance Rights and 10,000,000 Class B Performance Rights

Name:	Mr Lloyd Flint
Title:	Non-Executive Chairman (appointed 11 June 2024, ceased 23 July 2025)
Experience and expertise:	Mr. Flint, BAcc, FGIA and MBA is a Chartered Accountant with over 25 years' experience in the corporate and financial services arena. He has held a number of management and senior administrative positions as well as providing corporate advisory services as a consultant to corporate clients.
Other current and former directorships (last 3 years):	Mandrake Resources Ltd, from 7 March 2021 to the present
Interests in shares:	80,000
Interests in options:	Nil
Interests in performance rights:	5,000,000 Class A Performance Rights and 5,000,000 Class B Performance Rights - Lapsed upon termination of directorship

Name:	Mr Iain Smith
Title:	Non-Executive Director (appointed 31 May 2024, ceased 23 July 2025)
Experience and expertise:	Mr Smith is a Petroleum Geoscientist who has held commercial and senior management roles with a number of ASX listed oil and gas companies. He was recently appointed Chief Executive Officer of Pancontinental Energy NL (ASX:PCL) prior to which he was Managing Director of Norwest Energy NL. Norwest Energy enjoyed significant exploration success within the Perth Basin and was ultimately acquired by Mineral Resources Limited in 2023.
Other current and former directorships (last 3 years):	Norwest Energy NL, from April 2019 to 18 March 2023
Interests in shares:	Nil
Interests in options:	Nil
Interests in performance rights:	10,000,000 Class A Performance Rights and 10,000,000 Class B Performance Rights - Lapsed upon termination of directorship

Name:	Mr Ricardo Garzon Rangel
Title:	Non-Executive Director (appointed 11 June 2024, ceased 23 July 2025)
Experience and expertise:	Mr. Garzon Rangel is an industrial engineer and energy economist with over 15 years international experience in sourcing, managing and promoting oil and gas and mineral exploration projects. He completed his bachelor degree of Industrial Engineering at Universidad Distrital Francisco Jose de Caldas in Bogota Colombia and his MSc in Energy Economics and Management from Curtin University. Ricardo is a member of the Society of Petroleum Engineers (SPE).
Other current and former directorships (last 3 years):	Condor Energy Limited, from 31 December 2023 to 1 October 2024
Interests in shares:	Nil
Interests in options:	Nil
Interests in performance rights:	5,000,000 Class A Performance Rights and 5,000,000 Class B Performance Rights - Lapsed upon termination of directorship

Name:	Mr Jason Peterson
Title:	Non-Executive Director, appointed 30 July 2025, resigned 3 November 2025
Experience and expertise:	Mr Peterson is a Founder and Managing Director / Head of Corporate of CPS Capital Group Pty Ltd. Jason has over 25 years of stockbroking and corporate advisory experience across APAC, EMEA & Americas. He provides strategic advice and capital raising expertise for over 50 corporate transactions yearly from seed level to publicly listed entities.
Other current and former directorships (last 3 years):	None
Interests in shares:	68,774,632
Interests in options:	Nil.
Interests in performance rights:	Nil.

Company secretaries
Mr Daniel Smith
Mr John Kay

Principal activities
The principal activity of the Grou during the financial period was acquiring oil and gas leases and working interests in areas situated on the eastern Shelf of the Permian Basin in Texas, USA and exploring for oil and gas on those oil and gas leases.

Significant changes in the state of affairs
During the financial year, the Company issued 205,000,000 ordinary shares, raising AUD170,244 in capital after costs.

Matters subsequent to the end of the financial year
On 12 March 2026, the Company's shareholders approved to issue 45,000,000 ordinary shares to Mr Rory McGoldrick, 100,000,000 ordinary shares to Mr Jason Peterson, and 28,000,000 Broker Options to CPS Securities as part of consideration of their placement management service.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation
The Company has a policy of complying with its environmental performance obligations. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Indemnity and insurance of officers

During the financial year, the Company paid a premium to insure the directors and secretaries of the Company and its Australian-based controlled entities, and the general managers of each of the divisions of the Group. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Shares under option

Unissued ordinary shares of Winchester Energy Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
24 May 2022	31 May 2027	AUD0.060	12,500,000

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2025, and the number of meetings attended by each director were:

	Attended	Held
David Wheeler	2	2
Chris Zielinski	2	2
Thomson Naude	1	1
Rory McGoldrick	2	2
Lloyd Flint (ceased 23 July 2025)	2	2
Iain Smith (ceased 23 July 2025)	2	2
Ricardo Garzon Rangel (ceased 23 July 2025)	2	2
Jason Peterson	1	1

Held: represents the number of meetings held during the time the director held office.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Material Business Risks

The proposed future activities of the Group are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the directors and management of the Company and cannot be mitigated. An investment in the Company is not risk free and should be considered speculative.

This section provides a non-exhaustive list of the risks faced by the Group or by investors in the Company. The risks should be considered in connection with forward looking statements in this Annual Report. Actual events may be materially different to those described and may therefore affect the Group in a different way.

Investors should be aware that the performance of the Group may be affected by these risk factors and the value of its shares may rise or fall over any given period. None of the directors or any person associated with the Group guarantee the Group’s performance.

Business Risks	Mitigating actions
Oil & Gas Development	
Geological, exploration and development: The exploration and development of oil & gas is a high risk, high-cost exercise with no certainty of confirming economic viability of projects.	Oil & gas resources is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees. The Company is entirely dependent upon the projects, which are the sole source of revenue and revenue growth, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.
Human Resources and Occupational Health and Safety	
Oil and gas exploration and development involves a variety of risks which may impact the health and safety of the Company's personnel.	Strong human resources and employee relations framework. Competitive remuneration structure focused on attracting diverse, engaged and suitably qualified employees and consultants. Industry standard safety management system. Embedded safety culture. Regular review safety management system.
Finance	
The need to fund exploration and evaluation activities. Future funding risk: Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of an oil & gas project will dependent on the capacity to raise funds from equity and debt markets.	The Company may need to engage in equity/debt markets for continued exploration, evaluation and development. Any additional equity financing may be dilutive to shareholders, as pricing of the Company's shares are dependent on endogenous and exogenous outcomes. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.
Regulatory Approvals and Social Licence to Operate	
The Company's exploration activities and major projects depend on regulatory approvals (e.g. tenure, environmental licences and permits, etc). There is a risk that required approvals may be delayed or declined.	The Company has engaged expert consultants to undertake required baseline environmental assessments and to prepare major approval application documents to ensure it meets regulatory requirements.
Maintenance of positive relationships with stakeholders and the community is important in ensuring the Company retains its social licence to operate.	The Company considers potential environmental impacts as a key factor in its project design and evaluation and will ensure impacts are reduced to as low as reasonably practicable.
Changes in Government Regulations	

Business Risks	Mitigating actions
Changes in Government policies or legislation may impact royalties, tenure, land access and labour relations.	The Board regularly assesses developments in legislation and policies and regularly engages with relevant Government Departments.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Remuneration policy
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Directors and Senior Management

Mr David Wheeler	Non-Executive Director, appointed 30 July 2025
Mr Chris Zielinski	Non-Executive Director, appointed 20 August 2025
Mr Thomson Naude	Non-Executive Director, appointed 3 November 2025
Mr Rory McGoldrick	Executive Director, resigned 20 August 2025, transited to CEO from 20 August 2025
Mr Lloyd Flint	Non-Executive Chairman, ceased 23 July 2025
Mr Iain Smith	Non-Executive Director, ceased 23 July 2025
Mr Ricardo Garzon Rangel	Non-Executive Director, ceased 23 July 2025
Mr Jason Peterson	Non-Executive Director, appointed 30 July 2025, resigned 3 November 2025

Remuneration policy
The remuneration policy has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and where relevant, offering specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the current remuneration policy to be appropriate and effective in its ability to attract and retain the most valued executives and Directors to run and manage the Group. The Company has not sought advice from third party remuneration consultants and have relied on publicly available information to benchmark outcomes.

The remuneration policy, setting the terms and conditions for the executive Directors and other senior executives, was developed by the Board. All executives receive consultancy fees based on hours of service per month which is based on factors such as length of service and experience. The Board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth. Executives are also entitled to participate in the employee share and option arrangements. These incentives, bonuses and options can have market or non-market based performance requirements before being granted.
Executive Directors and senior management do not receive a superannuation guarantee contribution and do not receive any other retirement benefits.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The Shareholders of the Company set the maximum aggregate remuneration payable to Directors at the level of A$1,000,000 per annum.

Voting and comments made at the Company's 29 May 2025 Annual General Meeting ('AGM')
At the 29 May 2025 AGM, 98.47% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Share-based payments		
2025	Cash salary and fees US$	Employee Severance US$	Non-monetary US$	Super-annuation US$	Options US$	Performance rights US$	Total US$
Non-Executive Directors:							
David Wheeler	11,286	-	-	-	-	-	11,286
Chris Zielinski	8,425	-	-	-	-	-	8,425
Thomson Naude	3,869	-	-	-	-	-	3,869
Lloyd Flint(1)	13,044	-	-	-	-	1,417	14,461
Iain Smith(2)	13,044	-	-	-	-	2,835	15,879
Ricardo Garzon Rangel(3)	17,058	-	-	-	-	1,417	18,475
Jason Peterson(4)	3,869	-	-	-	-	-	3,869
Chief Executive Officer:							
Rory McGoldrick	95,768	-	-	-	-	5,716	101,484
	166,363	-	-	-	-	11,385	177,748

(1) Mr. Flint ceased as a Director on 23 July 2025.
(2) Mr. Smith ceased as a Director on 23 July 2025.
(3) Mr. Rangel ceased as a Director on 23 July 2025.
(4) Mr. Peterson was appointed a Director on 30 July 2025 and resigned on 3 November 2025.

	Short-term benefits			Post-employment benefits	Share-based payments		
2024	Cash salary and fees US$	Employee Severance US$	Non-monetary US$	Super-annuation US$	Options US$	Performance rights US$	Total US$
Non-Executive Directors:							
Lloyd Flint	13,074	-	-	-	-	211	13,285
Iain Smith	13,866	-	-	-	-	422	14,288
Ricardo Garzon Rangel	13,074	-	-	-	-	211	13,285
Zane Lewis [(1)]	4,217	-	-	-	-	-	4,217
Tony Peng [(2)]	22,050	-	-	-	-	-	22,050
John Kenny [(3)]	(1,486)	-	-	-	-	-	(1,486)
Larry Liu [(4)]	3,962	-	-	-	-	-	3,962
Executive Directors:							
Rory McGoldrick	61,738	-	-	-	-	423	62,161
Douglas Holland	117,323	67,500	-	-	-	-	184,823
	247,818	67,500	-	-	-	1,267	316,585

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr David Wheeler
Title:	Non-Executive Director, appointed 30 July 2025
Details:	Director's Fee of AUD3,000 per month

Name:	Mr Chris Zielinski
Title:	Non-Executive Director, appointed 20 August 2025
Details:	Director's Fee of AUD3,000 per month

Name:	Mr Thomson Naude
Title:	Non-Executive Director, appointed 3 November 2025
Details:	Director's fee of AUD3,000 per month

Name:	Mr Rory McGoldrick
Title:	Executive Director, transition to Chief Executive Officer from 20 August 2025
Term of agreement:	3 months' notice
Details:	AUD120,000 per annum and Non-Executive Director fee of the Company's US subsidiaries

Name:	Mr Lloyd Flint
Title:	Non-Executive Chairman, ceased 23 July 2025
Details:	Director's fee of AUD$36,000 per annum

Name:	Mr Iain Smith
Title:	Non-Executive Director, ceased 23 July 2025
Details:	Director's fee of AUD$36,000 per annum

Name:	Mr Ricardo Garzon Rangel
Title:	Non-Executive Director, ceased 23 July 2025
Details:	Director's fee of AUD$36,000 per annum

Name:	Mr Jason Peterson
Title:	Non-Executive Director, appointed 30 July 2025, resigned 3 November 2025
Details:	Director's fee of AUD3,000 per month

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2025.

Options
There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2025.

Performance rights
Pursuant to shareholder approval on 4 December 2024, the Company has issued 60,000,000 Performance Rights under the Company's employee incentive scheme. The Performance Rights are split into two tranches and vest as follows:

Class	Performance Rights	Vesting Milestone	Expiry Date	Vested securities
Tranche A	30,000,000	20-day VWAP of greater than AUD$0.006	3 years from date of issue	Nil
Tranche B	30,000,000	20-day VWAP of greater than AUD$0.01	5 years from date of issue	Nil

The fair value of the option was calculated using the underlying share price. The hurdles to vest are non-market hurdles. The share based payment cost will be realised over the term of the rights.

The key inputs for the valuation model are as follows:

Item	Class A	Class B
Valuation/grant date	4 December 2024	4 December 2024
Share price at grant date	$0.002	$0.002
Exercise price	Nil	Nil
Vesting date	17 December 2027	17 December 2029
Expiry period	3 years	5 years
Share price target	$0.006	$0.01
Volatility	160.8%	138.1%
Risk free rate	3.76%	3.83%
Fair value	$0.0011	$0.0011
Total value of Performance Rights	US$32,655	US$32,054

There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such performance rights.

During the year, 20,000,000 Performance Rights A and 20,000,000 Performance Rights B lapsed following the termination of employments of Mr Lloyd Flint, Mr Iain Smith, and Mr Ricardo Garzon Rangel.

During the financial year, the Group charged share-based payment expenses of AUD$11,094 (equivalent to US$7,154) for Performance Rights Class A and AUD$6,561 (equivalent to US$4,231) for Performance Class B to the profit or loss accounts. As at 31 December 2025, maximum value yet to vest in were US$7,046 and US$8,421 for 10,000,000 Performance Rights Class A and 10,000,000 Performance Rights B, respectively.

Additional information

The earnings of the Group for the five years to 31 December 2025 are summarised below:

	2025 US$	2024 US$	2023 US$	2022 US$	2021 US$
Sales revenue	1,441,138	1,847,152	2,772,046	5,651,189	4,153,333
Loss after income tax	(1,500,036)	(1,330,379)	(2,564,925)	(574,616)	(1,436,170)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end (cents in AUD)	0.10	0.20	0.20	1.00	1.40
Basic earnings per share (cents per share)	(0.11)	(0.11)	(0.25)	(0.06)	(0.17)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year/Date of appointment	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year/Date of cease of director
Ordinary shares					
Mr Rory McGoldrick	53,583,333	-	-	-	53,583,333
Mr David Wheeler	-	-	-	-	-
Mr Chris Zielinski	-	-	-	-	-
Mr Thomson Naude	-	-	-	-	-
Mr Lloyd Flint	80,000	-	-	-	80,000
Mr Iain Smith	-	-	-	-	-
Mr Ricardo Garzon Rangel	-	-	-	-	-
Mr Jason Peterson	68,774,632	-	-	-	68,774,632
	122,437,965	-	-	-	122,437,965

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year/Date of appointment	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year/the date of cease of director
Options over ordinary shares					
Mr Rory McGoldrick	-	-	-	-	-
Mr David Wheeler	-	-	-	-	-
Mr Chris Zielinski	-	-	-	-	-
Mr Thomson Naude	-	-	-	-	-
Mr Lloyd Flint	-	-	-	-	-
Mr Iain Smith	-	-	-	-	-
Mr Ricardo Garzon Rangel	-	-	-	-	-
Mr Jason Peterson	-	-	-	-	-
	-	-	-	-	-

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year/Date of appointment	Granted as Compensation	Net other change	Lapse/Expire	Number Unvested	Balance at the end of the year/Date of cease of director
Performance rights	-	-	-	-	-	-
Mr Rory McGoldrick	20,000,000	-	-	-	-	20,000,000
Mr David Wheeler	-	-	-	-	-	-
Mr Chris Zielinski	-	-	-	-	-	-
Mr Thomson Naude	-	-	-	-	-	-
Mr Lloyd Flint (1)	10,000,000	-	-	(10,000,000)	-	-
Mr Iain Smith (1)	20,000,000	-	-	(20,000,000)	-	-
Mr Ricardo Garzon Rangel (1)	10,000,000	-	-	(10,000,000)	-	-
Mr Jason Peterson	-	-	-	-	-	-
	60,000,000	-	-	(40,000,000)	-	20,000,000

(1) The performance rights lapsed upon the person ceasing to be a Director of the Company.

Pursuant to shareholder approval on 4 December 2024, the Company has issued 60,000,000 Performance Rights under the Company's employee incentive scheme. The Performance Rights are split into two tranches and vest as follows:

Class	Performance Rights	Vesting Milestone	Expiry Date	Vested securities
Tranche A	30,000,000	20-day VWAP of greater than AUD$0.006	3 years from date of issue	Nil
Tranche B	30,000,000	20-day VWAP of greater than AUD$0.01	5 years from date of issue	Nil

During the year, Mr Lloyd Fling, Mr Iain Smith, and Mr Ricardo Garzon Rangel ceased as directors. The Performance Rights granted to each of them were lapsed upon their termination of directorships.

During the financial year, the Group charged share-based payment expenses of AUD$17,654 (equivalent to US$11,385) for performance rights to the profit or loss accounts.

Other transactions with key management personnel and their related parties
During the year, Richardo Garzon Rangel provided consulting services to the Company for a consideration of US$4,095 (2024: US$619). David Wheeler provided consulting services to the Company for a consideration of US$1,612 (2024: nil).

Loans to directors and executives
No loans were provided to the directors or key management personnel during the financial year.

Shares issued on the exercise of options
There were no ordinary shares of Winchester Energy Limited issued on the exercise of options during the year ended 31 December 2025 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of Winchester Energy Limited issued on the exercise of performance rights during the year ended 31 December 2025 and up to the date of this report.

This concludes the remuneration report, which has been audited.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

____
Mr David Wheeler
Director

31 March 2026

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Winchester Energy Limited and its controlled entities for the period ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 31st day of March 2026
Perth, Western Australia

Winchester Energy Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Note	Consolidated 2025 US$	Consolidated 2024 US$
Revenue			
Sales of oil and natural gas	4	1,441,138	1,847,152
Other income		-	5,000
Interest income		2,120	10,116
Expenses			
Operating costs		(913,655)	(688,511)
Impairment expenses		(129,647)	(871,879)
Depreciation expense		(417,574)	(411,304)
Depletion expense		(250,393)	(343,521)
Administration expenses		(804,878)	(930,223)
Share-based payment expense		(11,385)	55,268
Farm-out working interest	16	(402,163)	-
Change in restoration provision		(1,417)	-
Finance costs		(12,182)	(2,477)
Loss before income tax expense		(1,500,036)	(1,330,379)
Income tax expense	5	-	-
Loss after income tax expense for the year attributable to the owners of Winchester Energy Limited		(1,500,036)	(1,330,379)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		8,257	(24,074)
Other comprehensive income/(loss) for the year, net of tax		8,257	(24,074)
Total comprehensive loss for the year attributable to the owners of Winchester Energy Limited		(1,491,779)	(1,354,453)
		Cents	**Cents**
Basic loss per share	7	(0.11)	(0.11)
Diluted loss per share	7	(0.11)	(0.11)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Winchester Energy Limited
Consolidated statement of financial position
As at 31 December 2025

	Note	Consolidated 2025 US$	Consolidated 2024 US$
Assets			
Current assets			
Cash and cash equivalents	8	466,104	199,966
Term deposits	10	-	319,988
Trade and other receivables	11	389,794	365,162
Inventories	12	38,083	106,512
Total current assets		893,981	991,628
Non-current assets			
Deposit	13	50,000	50,000
Right-of-use assets	14	70,839	106,258
Plant and equipment	15	1,258,830	1,652,977
Exploration and evaluation	16	3,186,095	3,985,468
Oil & Gas properties	17	470,277	326,343
Total non-current assets		5,036,041	6,121,046
Total assets		5,930,022	7,112,674
Liabilities			
Current liabilities			
Trade and other payables	18	727,346	321,508
Lease liabilities	19	44,306	33,893
Restoration provision	20	605,186	743,354
Total current liabilities		1,376,838	1,098,755
Non-current liabilities			
Lease liabilities	19	38,841	83,147
Restoration provision	20	37,567	85,997
Total non-current liabilities		76,408	169,144
Total liabilities		1,453,246	1,267,899
Net assets		4,476,776	5,844,775
Equity			
Issued capital	21	41,187,637	41,075,242
Reserves	22	84,739	65,097
Accumulated losses		(36,795,600)	(35,295,564)
Total equity		4,476,776	5,844,775

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Winchester Energy Limited
Consolidated statement of changes in equity
For the year ended 31 December 2025

Consolidated	Issued capital US$	Option Premium Reserve US$	Share-based Payment Reserve US$	Foreign Currency Translation Reserve US$	Accumulated losses US$	Total equity US$
Balance at 1 January 2024	40,437,639	1,894,344	1,480,627	(3,230,532)	(33,965,185)	6,616,893
Loss after income tax expense for the year	-	-	-	-	(1,330,379)	(1,330,379)
Other comprehensive loss for the year, net of tax	-	-	-	(24,074)	-	(24,074)
Total comprehensive loss for the year	-	-	-	(24,074)	(1,330,379)	(1,354,453)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 21)	637,603	-	-	-	-	637,603
Share-based payments	-	-	1,267	-	-	1,267
Performance rights lapsed	-	-	(56,535)	-	-	(56,535)
Balance at 31 December 2024	41,075,242	1,894,344	1,425,359	(3,254,606)	(35,295,564)	5,844,775

Consolidated	Issued capital US$	Option Premium Reserve US$	Share-based Payment Reserve US$	Foreign Currency Translation Reserve US$	Accumulated losses US$	Total equity US$
Balance at 1 January 2025	41,075,242	1,894,344	1,425,359	(3,254,606)	(35,295,564)	5,844,775
Loss after income tax expense for the year	-	-	-	-	(1,500,036)	(1,500,036)
Other comprehensive income for the year, net of tax	-	-	-	8,257	-	8,257
Total comprehensive income/(loss) for the year	-	-	-	8,257	(1,500,036)	(1,491,779)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 21)	112,395	-	-	-	-	112,395
Share-based payments	-	-	11,385	-	-	11,385
Balance at 31 December 2025	41,187,637	1,894,344	1,436,744	(3,246,349)	(36,795,600)	4,476,776

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2025 US$	2024 US$
Cash flows from operating activities			
Receipts from customers		1,614,035	2,129,385
Payments to suppliers and employees		(1,707,135)	(2,097,715)
Interest received		2,120	10,116
Interest and other finance costs paid		(11,554)	-
Net cash from/(used in) operating activities	9	(102,534)	41,786
Cash flows from investing activities			
Payments for property, plant and equipment		-	(88,786)
Payments for exploration, oil and gas activities		(413,815)	(180,218)
Receipt from/(Payments) for term deposits		331,929	(339,855)
Proceeds from farm-out of interest		111,028	-
Deposits received for exploration and drilling activities		193,177	-
Net cash from/(used in) investing activities		222,319	(608,859)
Cash flows from financing activities			
Proceeds from issue of shares		135,341	686,328
Receipt of share application fund		64,490	-
Share issue transaction costs		(22,946)	(48,726)
Repayment of lease liabilities		(33,893)	(77,000)
Net cash from financing activities		142,992	560,602
Net increase/(decrease) in cash and cash equivalents		262,777	(6,471)
Cash and cash equivalents at the beginning of the financial year		199,966	219,211
Effects of exchange rate changes on cash and cash equivalents		3,361	(12,774)
Cash and cash equivalents at the end of the financial year	8	466,104	199,966

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going Concern
The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 31 December 2025, the Group had a cash and bank deposit balance of $466,104 (2024: $519,954), had net working deficit of $482,857 (2024: deficit of $107,127 net working capital) and incurred a net loss of $1,500,036 (2024: loss $1,330,379).

The ability of the Group to continue as a going concern is dependent on the Group securing additional funding through the issue of equity, the raising of debt, joint venturing assets or the sale of assets as and when the need to raise working capital arises to continue to fund its planned operational activities.

There has also been significant volatility in world oil and gas pricing. Notwithstanding that oil and gas prices have recovered, the conditions above indicate a material uncertainty that may cast significant doubt about the entity’s ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management has prepared a cash flow forecast for a period of 12 months beyond the sign off date of this financial report and believes there are sufficient funds to meet the Group’s working capital requirements. The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group has a proven history of successfully raising capital;
- The Directors believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities; and
- Cash spending can be reduced or slowed below its current rate if required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

Note 1. Material accounting policy information (continued)

Functional and presentation currency
Items included in the consolidated annual financial statements of each of the group entities are measured using the currency of the primary economic environment in which entity operates (functional currency). The Company's functional currency is Australian dollars and other entities are US dollars. The consolidated financial statements are presented in US dollars.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Winchester Energy Limited ('Company' or 'parent entity') as at 31 December 2025 and the results of all subsidiaries for the year then ended. Winchester Energy Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition
Revenue from sales of oil & gas
Revenue from sales of oil & natural gas is recognised at the amount that reflects the consideration to which the Group is expected to be entitled, after deducting sales taxes, excise duties and similar levies, when the group transfers control of the goods to the customer.

Prices are based on market prices. Each sale of oil and gas is bid on by buyers in the market place and the best price is accepted. The Group is not contracted to sell to any one buyer and the Company's performance obligations are considered to relate only to the sale of oil and natural gas and each barrel of oil is considered a separate obligation. Collection is by the respective buyer and shipping costs is a cost to buyer of the product. Transfer of control takes place when the goods are physically transferred into a truck from storage tank and the customer accepts the product. There is minimal risk of a change in agreed price at point of sale on final testing on quality relative to forecast quality at the time of asking for bids on product. Invoices are typically paid on 30 day terms. Where the Group is not the operator of a well, the Group is entitled to its share of the revenue based on the Group's working interest.

Significant judgements, estimates and assumptions
Judgement is involved in assessing whether the Group is the principal or agent in revenue transactions. The Group has concluded that it is the principal in the significant majority of its revenue arrangements since it controls the goods or services before transferring them to the customer.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Trade and other receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (ie. only the passage of time is required before payment of consideration is due).

Note 1. Material accounting policy information (continued)

For trade and other receivables, the Group applies a simplified approach in calculating expected credit losses (ECL's). The Group does not track credit risk. Instead, ECL's are recognised based on lifetime ECL's at each reporting date. The Group has established a matrix that is based on its historical credit loss adjusted for forward looking factors specific to debtors and the economic environment. The Group considers a financial asset in default when contractual payments are 90 days past due. The Group may in certain cases, consider a financial asset to be in default when information to hand indicates that the Group is unlikely to receive outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Inventories
Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	Over 5 to 15 years
Leasehold improvements	life of lease
Motor vehicles	4 years
Computer Equipment	2.5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Exploration and evaluation assets
Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis.

Note 1. Material accounting policy information (continued)

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

(ii) Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

When an area of interest is abandoned or the directors decide that it is not commercial, accumulated costs in respect of that area are written off in the financial period the decision is made.

Oil & Gas properties
Upon the commencement of commercial production from each identifiable area of interest, the exploration & evaluation expenditure incurred up to this point is tested for impairment and then classified to oil & gas properties.

Oil and gas properties are stated at cost less accumulated depletion and impairment charges. Oil and gas properties include construction, installation or completion of production and infrastructure facilities such as pipelines and platforms, capitalised borrowing costs, transferred exploration and evaluation assets, development wells and the cost of dismantling and restoration. Subsequent capital costs, including major maintenance, are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Otherwise costs are charged to the income statement during the financial year in which they are incurred.

When production commences, the accumulated costs for the relevant area of interest are amortised on a unit of production method based on the ratio of actual production to remaining proved reserves (P1) as estimated by independent petroleum engineers over the life of the area according to the rate of depletion of the economically recoverable reserves.

The carrying amount of producing assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. Where an asset does not generate cash flows that are largely independent from other assets or groups of assets, the recoverable amount is determined for the cash generating unit to which the asset belongs. For producing assets, the estimated future cash flows for the value-in-use calculation are based on estimates, the most significant of which are 1P hydrocarbon reserves, future production profiles, commodity prices, operating costs and any future development costs necessary to produce the reserves. Under a fair value less costs to sell calculation, future cash flows are based on estimates of 2P hydrocarbon reserves. Estimates of future commodity prices are based on the Group's best estimate of future market prices with reference to external market analysts' forecasts, current spot prices and forward curves. Future commodity prices are reviewed at least annually.

An assets carrying amount is written down to the recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Impairment of assets
At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of profit or loss and other comprehensive income.

Note 1. Material accounting policy information (continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups and for exploration and oil & gas properties, the cash generating unit is identified by field basis. Impairment losses are recognised in the statement of financial position. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Site Restoration
In accordance with applicable legal requirements, a provision for site restoration in respect of contaminated and disturbed land, is recognised when the land is contaminated or disturbed. The site restoration provision represents the present value of decommissioning and site restoration costs relating to oil and gas properties.

At each reporting date the site rehabilitation provision is re-measured to reflect any changes in discount rates and timing or amounts of the costs to be incurred. Such changes in the estimated liability are accounted for prospectively from the date of the change and re-added to, or deducted from, the related asset where it is possible that future economic benefits will flow to the entity.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 1. Material accounting policy information (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 1. Material accounting policy information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2025. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Capitalised exploration and evaluation expenditure
The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation on asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices. Exploration wells are impaired down to nil where plugged and abandoned.

Oil & gas properties
Oil and gas producing assets are amortised on a unit of production basis on P1 reserves. P1 reserve has been determined by an independent expert. The method of amortisation necessitates the estimation of oil commercialisation.

The Company's ability & gas reserves over which the carrying value of the relevant asset will be expensed to profit or loss. See 3(iii) for judgements relating to reserve estimates. Producing assets are assessed for impairment when facts or circumstances suggest that carrying amount of a producing asset may exceed its recoverable amount.

Reserve estimates
Estimation of reported recoverable quantities of proved and probable reserves include judgemental assumptions regarding commodity prices, exchange rates, discount rates, and production and transportation costs for future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs, and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact assets' carrying amounts, provision for restoration and recognition of deferred tax assets due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, amortisation and impairment charged to the income statement.

Share-based Payments
Share-based payment transactions with Directors, employees and consultants are measured by reference to the fair value of the securities at the date they were granted. The fair value of the expense to be recognised in the statement of comprehensive income is ascertained using an appropriate pricing model, generally a Black-Scholes pricing mechanism, depending on the terms and conditions upon which the equity securities were granted. The Group also applies assumptions around the likelihood of such securities vesting which will have an impact on the expense recorded during the financial year.

Site Restoration provision
The Group estimates the future restoration costs of production facilities, wells, pipelines and related assets at the time of installation of the assets, or at the time of acquisition of the assets, and reviews these assessments periodically. The estimate of future removal costs requires management to make judgements around the timing of the required restoration, rehabilitation and decommissioning, as well as the discount rate.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment, being the exploration and development of its oil and gas assets in the United States. This reflects the fact that all revenue generating activities and operative decision making relate to the Group's oil and gas interest in the United States. This is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. There is no major customer of the Group's sales. There is no aggregation of operating segments.

Note 4. Sales of oil and natural gas

	Consolidated	
	2025	**2024**
	US$	**US$**
Sales of oil and natural gas (point in time)	1,441,138	1,847,152

Revenue is measured at fair value of the consideration received. Amounts disclosed as revenue are net of returns, trade allowances and rebates. All revenue is measured at the point in time. Revenue is recognised when the Group is notified of its proportionate share from operators of each production asset project.

Note 5. Income tax

	Consolidated	
	2025	**2024**
	US$	**US$**
Income tax		
Current tax	-	-
Deferred tax	-	-
Aggregate income tax expense	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,500,036)	(1,330,379)
Tax at the statutory tax rate of 30% - Australia	(122,626)	(67,724)
Tax at the statutory tax rate of 21% - United States	(229,169)	(231,973)
Effect of losses not recognised as deferred tax assets as a group	351,795	299,697
Income tax expense	-	-

The deferred tax assets on losses in Australia and USA have not been recognised as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilised. At reporting date, group has unrecognised losses of US$6,348,853 (2024: US$5,104,366) for the Australian and US entities and unrecognised net deferred tax asset of US$1,671,179 (2024: US$1,343,598).

Note 6. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Hall Chadwick WA Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2025	**2024**
	US$	**US$**
Audit services - Hall Chadwick WA Audit Pty Ltd		
Audit or review of the financial statements	49,657	49,523

Note 7. Loss per share

	Consolidated	
	2025	**2024**
	US$	**US$**
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Winchester Energy Limited	(1,500,036)	(1,330,379)

	Consolidated	
	2025	**2024**
	US$	**US$**
Loss after income tax attributable to the owners of Winchester Energy Limited	(1,500,036)	(1,330,379)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,423,162,138	1,189,037,007
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,423,162,138	1,189,037,007
	Cents	**Cents**
Basic loss per share	(0.11)	(0.11)
Diluted loss per share	(0.11)	(0.11)

Note 8. Cash and cash equivalents

	Consolidated	
	2025	**2024**
	US$	**US$**
Cash at bank	466,104	199,966

Note 9. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	2025 US$	2024 US$
Loss after income tax expense for the year	(1,500,036)	(1,330,379)
Adjustments for:		
Depreciation and depletion expense	667,967	754,825
Impairment expense	129,647	872,398
Share-based payments	11,385	(55,786)
Gain on disposal of right of use assets	-	(71,846)
Loss on farm-out of interest in oil and gas assets	402,163	-
Change in restoration provision	1,417	-
Interest and other finance costs	-	1,926
Change in operating assets and liabilities:		
Decrease in trade and other receivables	43,617	87,664
Increase in inventories	68,429	(106,512)
Increase/(decrease) in trade and other payables	72,877	(110,504)
Net cash from/(used in) operating activities	(102,534)	41,786

Note 10. Term deposit

	Consolidated	
	2025 US$	2024 US$
Term deposit	-	319,988

Deposits are made for varying periods between six months and one year, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Note 11. Trade and other receivables

	Consolidated	
	2025 US$	2024 US$
Trade receivables	304,358	309,025
Other receivables	85,436	56,137
	389,794	365,162

The ageing of the receivables and allowance for expected credit losses provided for above are disclosed in note 26.

Note 12. Inventories

	Consolidated	
	2025 US$	2024 US$
Oil for sale	38,083	106,512

Note 13. Deposit

	Consolidated 2025 US$	2024 US$
Bond deposit related to oil and gas assets	50,000	50,000

Note 14. Right-of-use assets

	Consolidated 2025 US$	2024 US$
Office - right-of-use	115,113	115,113
Less: Accumulated depreciation	(44,274)	(8,855)
	70,839	106,258

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	US$
Balance at 1 January 2024	30,129
Additions	115,113
Depreciation expense	(38,984)
Balance at 31 December 2024	106,258
Depreciation expense	(35,419)
Balance at 31 December 2025	70,839

Note 15. Plant and equipment

	Consolidated 2025 US$	2024 US$
Plant and equipment - at cost	2,682,527	2,641,486
Less: Accumulated depreciation	(1,423,697)	(988,509)
	1,258,830	1,652,977

Note 15. Plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant & Equipment US$
Balance at 1 January 2024	2,029,456
Additions	88,786
Write off of assets	(12,820)
Transfers in/(out)	(50,000)
Depreciation expense	(402,445)
Balance at 31 December 2024	1,652,977
Additions	70,221
Disposals	(82,213)
Depreciation expense	(382,155)
Balance at 31 December 2025	1,258,830

Note 16. Exploration and evaluation

	Consolidated	
	2025 US$	**2024 US$**
Exploration and evaluation	3,186,095	3,985,468

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	US$
Balance at 1 January 2024	3,978,932
Capitalised Expenditure during the year	30,505
Changes in restoration provision estimates	(235)
Impairment of assets	(23,734)
Balance at 31 December 2024	3,985,468
Additions	299,564
Farm-out interest	(440,243)
Changes in restoration provision estimates	(180,243)
Impairment of assets	(129,647)
Transfers out to oil & gas producing assets	(348,804)
Balance at 31 December 2025	3,186,095

Note 16. Exploration and evaluation (continued)

During the year the Company entered into a farm-out agreement for the Varn waterflood project in Taylor County, Texas. The Company farmed-out a 30% interest in the project and has since resumed development activities at Varn beginning with the drilling of the JVU-5 production well in the December quarter.

Under the farm-out agreement, the farming group paid the Group US$111,705 in upfront consideration and committed to fund 40% of future development costs to earn a 30% working interest. As the additional funding commitment (representing a disproportionate funding benefit of 10%) is contingent upon future expenditure being incurred, it has not been recognised at the date of disposal. As announced on the ASX on 16 September 2025, the total costs of the Varn waterflood project are estimated at US$5.6 million over approximately 24 months, with a total funding commitment by the farming group of approximately US$2.4 million. The economic gain arisen from the 10% additional fund contribution will be recognised when the development expenditure occurs and confirmed by all joint venture parties.

The Group recognised the disposal of a 30% interest in the Varn waterflood project, and the difference between the upfront consideration and the carrying value of the disposed interest, amounting to a loss of US$402,163, was recognised in profit or loss.

The additional 10% funding benefit arising from the farming group's contribution in excess of its acquired interest will be recognised as and when the funding is paid and the relevant expenditure incurs.

Farm out of Varn Waterflood Project	
Upfront proceeds received	111,705
30% working interest in the caplitalised exploration expenditure of the project	(440,243)
30% working interest in the oil and gas producing assets (note 17)	(73,625)
	(402,163)

Note 17. Oil & Gas properties

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	US$
Balance at 1 January 2024	1,306,178
Additions	136,419
Changes in restoration provision estimates	22,291
Impairment of assets	(795,023)
Depletion expense	(343,522)
Balance at 31 December 2024	326,343
Additions	126,920
Farm out of interest in assets (refer to note 16)	(73,625)
Changes in restoration provision estimates	(7,772)
Depletion expense	(250,393)
Transfers in from exploration assets (refer to note 16)	348,804
Balance at 31 December 2025	470,277

Producing assets represent the accumulation of all exploration, evaluation and development expenditure incurred in respect of areas of interest in which production has commenced or is in the process of commencing. When further development expenditure is incurred in respect of operating wells after the commencement of production, such expenditure is carried forward as part of the producing asset only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Note 17. Oil & Gas properties (continued)

The estimate of the recoverable amount for oil and gas properties is based on an asset's fair value in use using a discounted cash flow (value in use) method. Where the economic or fair value of a well forming part of oil and gas properties is less than the carrying value, the well is impaired to its economic/fair value. The following key estimates and judgements have been applied, also refer to note 3:

* The forward commodity prices of US$70 per barrel and US$3.26 per MMBTU;
** Estimated net P2 Recoverable reserves of 223mbbl of oil and 70.2 mmcf of gas;
*** Post-tax discount rate of 10.0%.

The net carrying value of each area of interest is reviewed regularly and to the extent to which this value exceeds its recoverable amount, the excess is either fully provided against or written off in the financial year in which this is determined. Economical recoverable reserves represent Management's expectations at the time of completing the impairment testing and based on the reserves statements and exploration and evaluation work undertaken by appropriately qualified persons.

Note 18. Trade and other payables

	Consolidated	
	2025	**2024**
	US$	**US$**
Trade payables	528,598	185,055
Other payables	198,748	136,453
	727,346	321,508

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. Current payables are on 30-45 day payment terms.

Note 19. Lease liabilities

	Consolidated	
	2025	**2024**
	US$	**US$**
Lease liabilities - current	44,306	33,893
Lease liabilities - non-current	38,841	83,147
	83,147	117,040

Note 20. Restoration provision

	Consolidated	
	2025	**2024**
	US$	**US$**
Restoration provision - current	605,186	743,354
Restoration provision - non-current	37,547	85,997
	642,733	829,351

Note 20. Restoration provision (continued)

Movements in provisions

Consolidated - 2025	Restoration Provision US$
Carrying amount at the start of the year	829,351
Amounts used	(171,589)
Interests accrued	1,551
Reduction from disposal	(16,560)
Carrying amount at the end of the year	642,753

The activities of the group gives rise to restoration provision which are expected to be incurred at the conclusion of oil production activities, estimated as having a life cycle of approximately 12 years. These provisions have been recognised based upon rehabilitation costing estimates with regard to rehabilitation of well sites. The Group recognised restoration provision with the assumptions used in the calculation of the present value of the provisions are a bond rate of 4.16%, a long-term inflation rate assumption of 2.70% and the assumed timing of between 1 to 12 years.

The Group conducted a review of the restoration provision and considered no significant changes in the following:

- Changes occur in the estimated costs required for site restoration;
- The expected timing of settlement;
- The discount rate used in the present value calculation;

The provision increased during the year represented accrued interest cost for the period, which was recognized as a finance cost in profit or loss.

Provisions are made for the estimated cost of asset retirement obligations associated with site restoration and are capitalised to Oil and Gas Properties & Exploration and evaluation as outlined in Note 16 & 17.

Note 21. Issued capital

	Consolidated			
	2025 Shares	**2024 Shares**	**2025 US$**	**2024 US$**
Ordinary shares - fully paid	1,568,018,946	1,363,018,946	41,187,637	41,075,242

Movements in ordinary share capital

Details	**Date**	**Shares**	**US$**
Beginning balance	1 January 2024	1,020,421,907	40,437,639
Placement	27 June 2024	228,000,000	455,954
Entitlements Issue	19 July 2024	114,597,039	230,374
Capital raising costs		-	(48,725)
Balance	31 December 2024	1,363,018,946	41,075,242
Placement	18 December 2025	205,000,000	135,341
Capital raising costs		-	(22,946)
Balance	31 December 2025	1,568,018,946	41,187,637

Note 21. Issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 22. Reserves

	Consolidated	
	2025 US$	**2024 US$**
Foreign currency reserve	(3,246,349)	(3,254,606)
Share-based payments reserve	1,436,744	1,425,359
Options reserve	1,894,344	1,894,344
	84,739	65,097

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to US Dollars.

Share-based payments reserve
The Share Based Payments reserve records the share-based payment transactions with Directors, employees and consultants measured by reference to the fair value of the securities at the date they were granted. The fair value of the expense to be recognised in the statement of comprehensive income or costs of issues of securities.

	2025 No.	2025 US$	2024 No.	2024 US$
Balance at 1 January	60,000,000	1,425,359	20,000,000	1,480,627
Performance rights granted during the year	-	-	60,000,000	1,267
Performance rights lapsed during the year	(40,000,000)	-	(20,000,000)	-
Share-based payments recognised during the year	-	11,385	-	26,937
Share-based payments reversed during the year	-	-	-	(83,472)
	20,000,000	1,436,744	60,000,000	1,425,359

Note 22. Reserves (continued)

2024 - Performance Rights over ordinary shares in the capital of the Company have been granted as follows:

Pursuant to shareholder approval on 4 December 2024, the Company has issued 60,000,000 Performance Rights under the Company's employee incentive scheme. The Performance Rights are split into two tranches and vest as follows:

Class	Performance Rights	Vesting Milestone	Expiry Date	Vested securities
Tranche A	30,000,000	20-day VWAP of greater than AUD$0.006	3 years from date of issue	Nil
Tranche B	30,000,000	20-day VWAP of greater than AUD$0.01	5 years from date of issue	Nil

The fair value of the option was calculated using the underlying share price. The hurdles to vest are non-market hurdles. The share based payment cost will be realised over the term of the rights.

The key inputs for the valuation model are as follows:

Item	Class A	Class B
Valuation/grant date	4 December 2024	4 December 2024
Share price at grant date	$0.002	$0.002
Exercise price	Nil	Nil
Vesting date	17 December 2027	17 December 2029
Expiry period	3 years	5 years
Share price target	$0.006	$0.01
Volatility	160.8%	138.1%
Risk free rate	3.76%	3.83%
Fair value	$0.0011	$0.0011
Total value of Performance Rights	US$32,655	$US32,054

There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such performance rights.

During the year, Mr Lloyd Flint, Mr Iain Smith, and Mr Ricardo Garzon Rangel ceased as directors. The Performance Rights granted to each of them were lapsed upon their termination of directorships.

During the financial year, the Group charged share-based payment expenses of AUD$17,654 (equivalent to US$11,385) for performance rights to the profit or loss accounts.

Options Reserve
The Option reserve records the subscription price paid by the holder on the issue of options.

	2025 US$	2025 No. of options	2025 Exercise price	2024 US$	2024 No. of options	2024 Exercise price
Balance at 1 January	1,894,344	80,300,000	AUD0.0377	1,894,344	91,200,000	AUD0.0377
Lapsed during the year	-	(67,800,000)		-	(10,900,000)	
Balance at 31 December	1,894,344	12,500,000	AUD0.06	1,894,344	80,300,000	AUD0.0861
Vested and exercisable		12,500,000	AUD0.06		80,300,000	AUD0.0313
Weighted average remaining contractual life			1.41 years			0.83 years

Note 23. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 24. Key management personnel

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025 US$	2024 US$
Short-term employee benefits	166,363	247,818
Termination benefits	-	67,500
Share-based payments	11,385	1,267
	177,748	316,585

Note 25. Contingent liabilities

On Friday 9 August 2024, the Company advised that it had received a Petition filed in the 32nd Judicial District Court of Nolan County, Texas by Westex Resources, Inc. (Westex). Westex is claiming that Winchester is in breach of its farm-in obligations regarding the Group Prospect in Nolan County, Texas. In the Petition, Westex is alleging that Winchester failed to perform all of the agreed farm-in work commitments and is therefore claiming damages in an amount of US$413,500.

During the year, the Company has successfully defended the legal proceedings. Following an application for summary judgement filed by Winchester, Westex has responded by filing a “notice of non-suit” which has the effect of abandoning all claims against the Company. The District Court of Nolan County, Texas has now made orders that all claims against Winchester be dismissed. These orders have the effect of immediately terminating the proceedings with no orders as to damages or costs. The Company does not expect any further action regarding this dispute.

Note 26. Financial risk management

The Group activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Group Finance Department under the authority of the Board. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit allowances, and future cash flow forecast projections.

Categories of Financial Instruments:

	Consolidated	
	2025 US$	2024 US$
Financial Assets		
Cash and cash equivalents	466,104	199,966
Term deposit	-	319,988
Trade and other receivables	389,794	365,162
	855,898	885,116

Note 26. Financial risk management (continued)

	Consolidated 2025	Consolidated 2024
Financial Liabilities		
Trade and other payables	727,346	321,508
Lease liabilities	83,147	117,040
	810,493	438,548

Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group operates internationally but has minimal exposure to foreign exchange risk as the majority of transactions, assets and liabilities are in its functional currency.

Interest rate risk

At the end of the reporting period, the interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Company was as follows:

	2025 %	2025 US$	2024 %	2024 US$
Financial assets - Cash and bank deposits	0.48%	466,104	3.00%	519,954
Financial liabilities - Leased liability	10.00%	(83,147)	10.00%	(117,040)
		382,957		402,914

Other than cash, all the Group's financial assets are non-interest bearing.

Cash flow sensitivity analysis for variable rate instruments

As at 31 December 2025, for the balances above, if interest rates had changed by +/- 350 basis points from the year end rates with all other variables held constant, pre-tax profit/(loss) for the year would have been $13,403 lower/higher (2024: $14,102 lower/higher).

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Certain businesses within the Group are largely reliant on a small number of customers which increases the concentration of credit risk. However, as the Group deals mainly with large reputable clients, the concentration of credit risk is minimised. Management does not expect any losses as a result of counterparty default.

At reporting date, there was no significant concentration of credit risk at Group level as all cash and cash equivalents and term deposits were held in AA & A+ credit rated banks (S&P). The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the statement of financial position.

Receivables balances are monitored on an ongoing basis with the result that the Group's experience of bad debts has not been significant. The receivable balances are held in the same currency as the functional currency of the entities to which they relate therefore there is no foreign currency risk.

Note 26. Financial risk management (continued)

	Current	Over 30 days due	Over 60 days due	Over 120 days due	Total
2025					
Expected loss rate	0%	0%	0%	0%	
Carrying value trade and other receivables	351,672	14,030	589	23,503	389,794
Loss allowance	-	-	-	-	-
2024					
Expected loss rate	0%	0%	0%	0%	
Carrying value trade and other receivables	348,694	-	-	16,468	365,162
Loss allowance	-	-	-	-	-

Liquidity risk

Liquidity risk is the inability to access funds, both anticipated and unforeseen, which may lead to the Group being unable to meet its obligations in an orderly manner as they arise.

The Group's liquidity position is managed to ensure sufficient funds are available to meet financial commitments in a timely and cost-effective manner. The Group is primarily funded through on-going cash flow, debt funding and equity capital raisings, as and when required.

Management regularly monitors actual and forecast cash flows to manage liquidity risk.

The table below analyses the Group's financial liabilities into relevant maturity Group's based on their contractual maturities.

	Carrying Amount US$	Contracted Cash Flows US$	Less than 1 month US$	1-3 months US$	3 months - 1 year US$	1 - 5 years US$
2025						
Trade and Other Payables	727,346	727,346	727,346	-	-	-
Lease Liability	83,147	83,147	3,091	9,429	26,321	38,841
	810,493	810,493	730,437	9,429	26,321	38,841

	Carrying Amount US$	Contracted Cash Flows US$	Less than 1 month US$	1-3 months US$	3 months - 1 year US$	1 - 5 years US$
2024						
Trade and Other Payables	321,508	321,508	318,352	3,156	-	-
Lease Liability	117,040	117,040	2,697	8,160	23,036	83,147
	438,548	438,548	321,049	11,316	23,036	83,147

Fair value of financial instruments

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Note 26. Financial risk management (continued)

Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of its equity balance.

The Company's Board of Directors review the capital structure of the Company and as a part of this review, considers the cost of capital and the risk associated with each class of capital. There were no changes in the Company's approach to capital management during the year.

Note 27. Commitments

Capital expenditure commitments

There are no capital expenditure commitments as at 31 December 2025 (31 December 2024: Nil).

Other expenditure commitments

There are no other expenditure commitments as at 31 December 2025 (31 December 2024: Nil).

Note 28. Related party transactions

Parent entity
Winchester Energy Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Transactions with related parties
During the year, Richardo Garzon Rangel provided consulting services to the Company for a consideration of US$4,095 (2024: US$619). David Wheeler provided consulting services to the Company for a consideration of US$1,612 (2024: nil).

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025 US$	2024 US$
Loss after income tax	(408,752)	(225,747)
Other comprehensive income/(loss) for the year, net of tax	8,306	(24,074)
Total comprehensive loss	(400,446)	(249,821)

Statement of financial position

	Parent	
	2025 US$	2024 US$
Total current assets	177,440	430,140
Total non-current assets	-	-
Total assets	177,440	430,140
Total current liabilities	118,324	93,710
Total liabilities	118,324	93,710
Net assets	59,116	336,430
Equity		
Issued capital	41,187,637	41,075,242
Foreign currency reserve	(7,286,789)	(9,349,057)
Share-based payments reserve	1,436,744	1,425,359
Options reserve	1,894,344	1,894,344
Accumulated losses	(37,172,820)	(34,709,458)
Total equity	59,116	336,430

Capital commitments - Property, plant and equipment
The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 1 for a summary of the material accounting policies relating to the Group.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	Principal activity / Country of incorporation	2025 %	2024 %
Winchester Energy LLC	Oil and Gas Exploration / USA	100.00%	100.00%
Winchester Energy USA Holding Inc.	Oil and Gas Exploration / USA	100.00%	100.00%

Note 31. Events after the reporting period

On 12 March 2026, the Company's shareholders approved to issue 45,000,000 ordinary shares to Mr Rory McGoldrick, 100,000,000 ordinary shares to Mr Jason Peterson, and 28,000,000 Broker Options to CPS Securities as part of consideration of their placement management service.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements at the end of the financial year.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Winchester Engery Limited	Company	Australia	-	Australia
Winchester Energy USA Holding Inc.	Company	USA	100.00%	USA
Winchester Energy LLC	Company	USA	100.00%	USA

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Mr David Wheeler
Director

31 March 2026

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WINCHESTER ENERGY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Winchester Energy Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2025, and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that the Company incurred a net loss of $1,500,036 during the year ended 31 December 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter

Capitalised Exploration and evaluation expenditure
As disclosed in note 16 to the financial statements, during the year ended 31 December 2025 the Company capitalised exploration and evaluation expenditure was carried at $3,186,095.
 	
Exploration and evaluation is a key audit matter due to:
• The significance of the balance to the Consolidated Entity's financial position.
• The level of judgement required in evaluating management's application of the requirements of *AASB 6 Exploration for and Evaluation of Mineral Resources* ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.
• The assessment of impairment of exploration and evaluation expenditure being inherently difficult.
	Our procedures included, amongst others:
	• Assessing management's determination of areas of interest and compliance with AASB 6;
	• Evaluating the Group's rights to tenure for its US-based oil and gas interests by reference to supporting documentation;
	• Testing a sample of capitalised exploration and evaluation expenditure to supporting documentation and assessing compliance with the Group's accounting policy and AASB 6;
	• Reviewing the accounting treatment of the farm-out transaction during the year including consideration of any impact on the carrying value of the related asset;
	• Assessing management's evaluation of impairment indicators, including consideration of:
	  ○ the Group's financial position and funding requirements;
	  ○ planned future exploration and development activities; and
	  ○ evidence of commercially viable reserves; and
	• Evaluating budgets and planned work programs to assess whether continued capitalisation of expenditure is appropriate.
	• We assessed the appropriateness of the related disclosures in Note 16 to the financial statements.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition During the year ended 31 December 2025, the Consolidated Entity generated sales revenue of $1,441,138. Revenue recognition has been included as a key audit matter in the audit report due to its financial significance.	Our procedures included, amongst others: • Evaluated the appropriateness of recognition of revenue; • Enquired with the key managerial personnel and executives of the company to the sales process and their application to revenue recognition; • Verifying receipts to bank statements on a total basis; • Performing revenue substantiation by reconciling recorded revenue with supporting documentation, including production reports, and verifying the calculation of the average oil price to ensure revenue is recognized accurately; and • Ensuring revenue is recognised in the correct period. • We assessed the appropriateness of the related disclosures in Note 1 and note 4 to the financial statements

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Company, for the year ended 31 December 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 31st day of March 2026
Perth, Western Australia

ADDITIONAL SHAREHOLDER INFORMATION

Ordinary share capital

The Shareholder information set out below was applicable as at 18 March 2026.

Details relating to the oil and gas leases held by the Company or its subsidiaries are set out in the Director's Report in accordance with ASX Listing Rule 5.37.

Distribution of ordinary shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	21	4,489	0.00%
1,001 - 5,000	6	20,209	0.00%
5,001 - 10,000	24	191,494	0.01%
10,001 - 100,000	290	14,476,746	0.92%
100,001 - 9,999,999,999	460	1,553,326,008	99.06%
Totals	**801**	**1,568,018,946**	**100.00%**

Unmarketable parcels

Based on the price of $0.003 per security, number of holders with an unmarketable holding: 414, with a total of 24,424,635, amounting to 1.56% of Issued Capital

Voting Rights

All issued ordinary shares carry one vote per share and carry the rights to dividends.

Substantial Shareholder

Per substantial shareholder filings:

	Number	Percentage
JDK Nominees Pty Ltd	115,803,130	7.39%
Chetan Enterprises Pty Ltd	90,000,000	5.74%

Twenty Largest Holders of Quoted Equity Securities

Position	Holder Name	Holding	% IC
1	JDK NOMINEES PTY LTD	115,803,130	7.39%
2	CHETAN ENTERPRISES PTY LTD	90,000,000	5.74%
3	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	68,774,632	4.39%
4	CHINA LEADER GROUP LIMITED	67,916,667	4.33%
5	MRS GAIL WALLACE-SMITH	64,020,739	4.08%
6	MR DEAN ROBERT TAIT	64,000,000	4.08%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	57,000,528	3.64%
8	JAMORA NOMINEES PTY LTD <KABOONK DISCRETIONARY A/C>	56,200,000	3.58%
9	NYSHA INVESTMENTS PTY LTD <SANGHAVI FAMILY A/C>	43,800,000	2.79%
10	DR TYRONE MICHAEL CARLIN	35,000,000	2.23%
11	PDA INVESTMENT CO NO 2 PTY LTD	33,333,333	2.13%
12	MB NO 2 CO PTY LTD <STOJKOV A/C>	32,881,564	2.10%
13	AJ LOO INVESTMENTS PTY LTD <AJ LOO FAMILY A/C>	30,000,000	1.91%
14	SUTVILLE PTY LTD <INVESTMENTS A/C>	23,166,666	1.48%
15	CHATSWORTH STIRLING PTY LTD	21,340,822	1.36%
16	INVENTIVE HOLDINGS LIMITED	21,074,380	1.34%
17	SSF AUST PTY LTD <SCHMARR FAMILY S/F A/C>	20,897,698	1.33%
18	ANTHEA HOLDINGS PTY LTD <SHANNONDOAH FAMILY A/C>	19,659,385	1.25%
19	AGENS PTY LIMITED <THE MARK COLLINS FAMILY A/C>	19,554,732	1.25%
20	STATE ONE CAPITAL GROUP P/L <CJZ - CSABA A/C>	17,964,569	1.15%
	Total	**902,388,845**	**57.55%**
	Total issued capital	**1,568,018,946**	**100.00%**

Restricted Securities

There are no restricted securities.

Market buyback

There is no current market buyback.

Unquoted equity securities

Options

There are 2 holders of 12,500,000 unlisted Options with an exercise price of $0.06 expiring 31/5/27:

Holder Name	Holding	% IC
Douglas Paul Holland	7,500,000	60%
James Peter Allchurch <Manstein Holding A/C>	5,000,000	40%

Performance rights

Holder Name	Holding	% IC
Rory McGoldrick	20,000,000	100%