WINCHESTER
ENERGY LIMITED

Date
Wednesday 19 June 2024

ASX Code:
WEL

Directors

Lloyd Flint
Non-Executive Chairman

Rory McGoldrick
Executive Director

Iain Smith
Non-Executive Director

Ricardo Garzon Rangel
Non-Executive Director

Zane Lewis
Company Secretary

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Entitlements Issue Cleansing Notice

Winchester Energy Limited (ASX:WEL) (**WEL** or the **Company**) gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (together, **ASIC Instruments**). Where applicable, references in this notice to sections of the Corporations Act are to those sections as modified by the ASIC Instruments.

The Company today announced a placement of fully paid ordinary shares (**Shares**) to sophisticated and professional investors to raise $750,000 before costs (**Placement**) and a non-renounceable entitlements issue to eligible shareholders to raise up to an additional approximately $765,000 (**Entitlements Issue**). The new Shares to be issued under the Placement and the Entitlements Issue will be issued at a price of $0.003 per Share.

Under the Entitlements Issue, the Company will offer all eligible shareholders who have a registered address in Australia and New Zealand (**Eligible Shareholders**) the opportunity to subscribe for one (1) Share (**New Share**) for every four (4) Shares held as at the record date.

With respect to the Entitlements Issue, the Company advises that:

a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;

b) this notice is being given under section 708AA(2)(f) of the Corporations Act;

c) as at the date of this notice, the Company has complied with:

    ii) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and

    iii) sections 674 and 674A of the Corporations Act;

d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act; and

e) the potential effect of the issue of New Shares on the control of the Company and the consequences of that effect will depend on a number of factors, including investor demand, existing shareholdings in the Company and the extent to which eligible shareholders take up New Shares under the Entitlements Issue. However, having regard to the terms of the Entitlements Issue which is structured as a pro rata issue, at this time, the Company does not expect that any person will increase their percentage shareholding in the Company in a way which will have a material impact on the control of the Company.

In addition to paragraph (e) above:

- given the structure of the Entitlements Issue as a pro rata offer, if all Eligible Shareholders take up their full entitlements under the Entitlements Issue, they will maintain their existing percentage interest in the total issued share capital of the Company in so far as the Entitlements Issue is concerned. However as set out above, in addition to the Entitlements Issue, the Company will undertake the Placement. The Placement will involve the issue of approximately an additional 250,000,000 new Shares (**Placement Shares**), assuming all necessary shareholder approvals are obtained. The Placement Shares represent approximately 24.5% of the Shares currently on issue in the Company. Accordingly, existing shareholders of the Company will be diluted because of the Placement, even if they take up their full entitlement under the Entitlements Issue. The potential dilutionary effect of the Placement is intended to be mitigated by issuing the Placement Shares after the record date for the Entitlements Issue. The board of directors of the Company does not consider that the Placement will have any material impact on the control of the Company;

- if Eligible Shareholders do not take up all of their entitlements in the Entitlements Issue, their holdings are likely to be diluted; and
- the proportional interests of Shareholders who are ineligible shareholders will be diluted because those Shareholders are not entitled to participate in the Entitlements Issue.

Authorised for release by the Board.