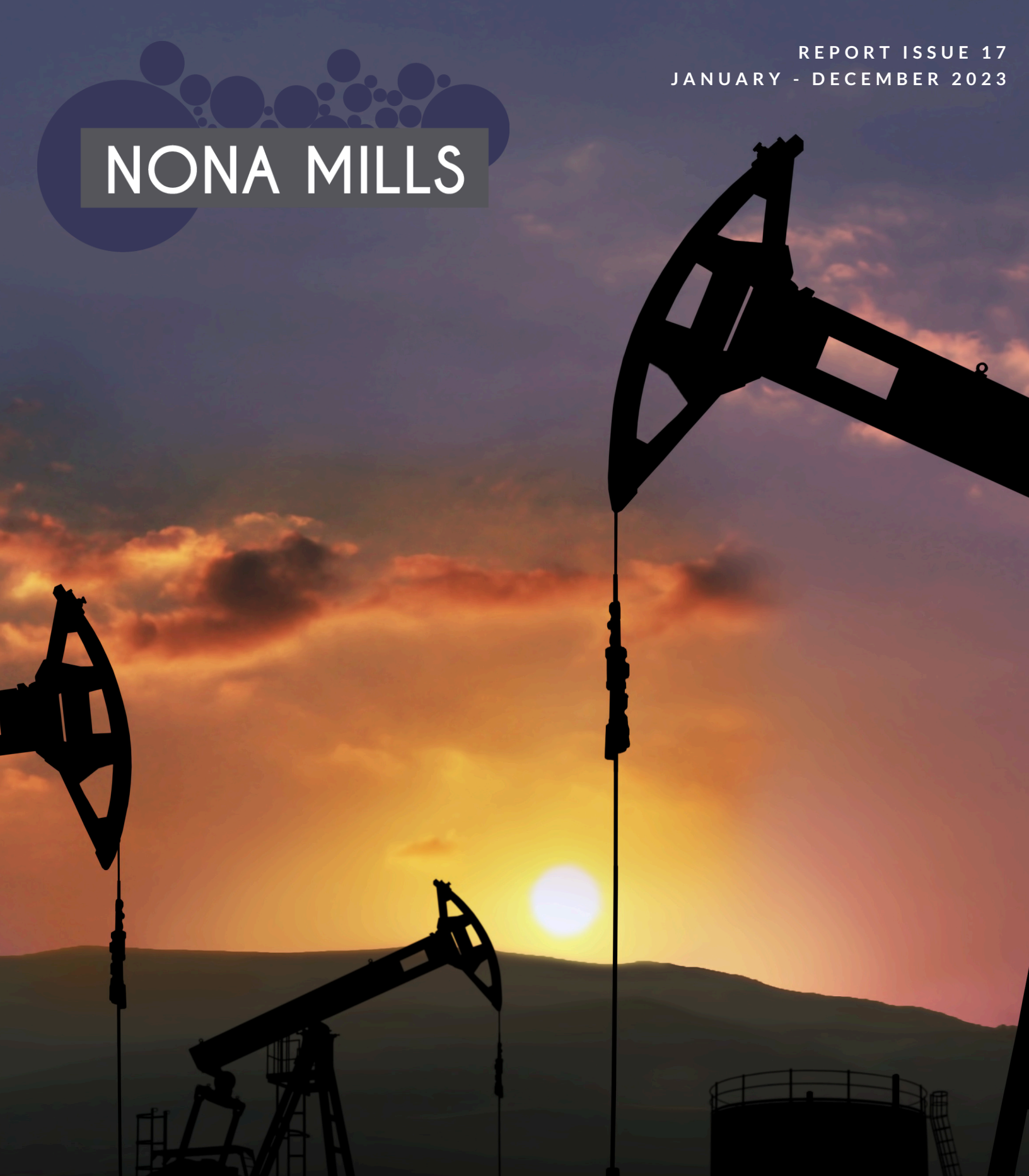


REPORT ISSUE 17  
JANUARY - DECEMBER 2023


# NONA MILLS



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Formula for success: rise  
early, work hard, strike oil

- J. Paul Getty



# CONTENTS

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LETTER FROM THE DIRECTOR	3
OIL MARKET HIGHLIGHTS	4
NONA MILLS PROJECT UPDATE	11
ALLSTATE ENVIRONMENTAL INC	12
DISCLAIMER	13



# LETTER FROM THE DIRECTOR

We bring you Report 17 for the period Jan - Dec 2023. This will finally bring us up to date on all reporting periods.

We have been finally able to get to determine some of the Nona Mills issues through continual pressure and via legal means. Further explanation will be updated in the Nona Mills section of this report.

You may recall from the last report that we would not be providing any further updates on American Mudworks. Just in brief to date nothing further has advanced with this and we feel it will provide no benefit to shareholders.

We have been working on another project that we hope may get us some restitution for Nona Mills. We have added that section to the report.

In conclusion, we will be providing a further update on this option in writing in the next few days.

At this point in time investors will be able to decide on their best course of action based on individual personal and financial circumstances.

Regards

A handwritten signature in black ink, appearing to read 'W. Blazejczyk'. The signature is fluid and cursive.

Wayne Blazejczyk

# OIL MARKET HIGHLIGHTS



## Crude Oil Twelve-Month Summary

Throughout 2023, the OPEC Monthly Oil Market Reports detailed the significant movements and trends in crude oil prices. The year witnessed notable fluctuations driven by various geopolitical and economic factors. Early in the year, crude oil prices were influenced by the recovery in demand as global economies continued to emerge from the pandemic. This recovery was particularly pronounced in China, following the lifting of COVID-19 restrictions, which substantially boosted global oil demand.

However, the market remained volatile due to persistent geopolitical tensions, particularly involving Russia. The imposition of sanctions on Russian oil by the EU and the G7 led to a reconfiguration of trade flows, which created price fluctuations. In addition to this, the year saw mixed impacts from weather-related disruptions, which affected supply levels, particularly in the US, where refinery outages due to severe weather conditions also played a role in driving price volatility.

Moreover, OPEC+'s production adjustments throughout the year aimed to balance the market but often resulted in uncertainty and speculative movements in prices. For instance, despite attempts to stabilize production, the market saw supply reductions from OPEC+ in response to declining prices and to address market oversupply issues.

Global economic conditions, including inflationary pressures and changes in monetary policies by major central banks, also impacted crude oil prices. These economic factors influenced investor sentiment and market expectations, contributing to the observed price trends.

By the end of 2023, despite various disruptions and adjustments, the overall trend in crude oil prices reflected a year of recovery and adjustment, as the market continued to respond to the evolving balance between supply and demand dynamics.

# OIL MARKET HIGHLIGHTS

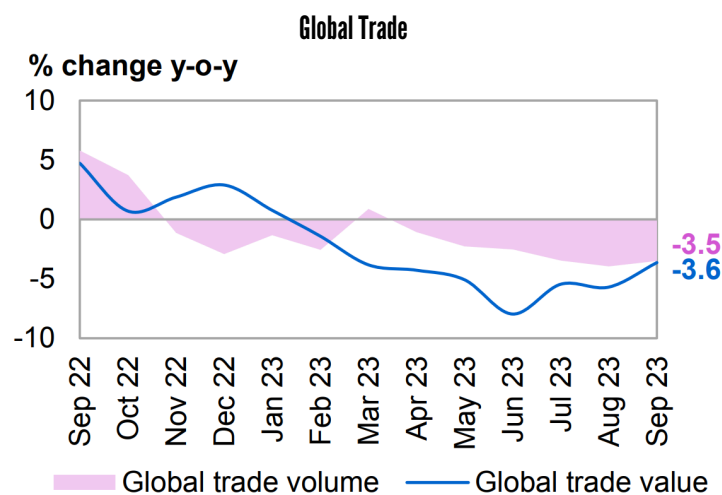
## World Economy

Throughout 2023, the world economy showed signs of resilience despite numerous challenges, as reported in OPEC's Monthly Oil Market Reports. The global economic growth rate for the year was projected at around 2.7%, with varied performance across regions. The United States experienced steady growth driven by consumer spending and labor market strength, while the Eurozone faced headwinds from inflationary pressures and energy supply concerns. In emerging markets, China and India maintained robust growth trajectories, benefiting from domestic demand and policy support, despite external trade tensions and supply chain disruptions. Other regions, including Latin America and Sub-Saharan Africa, saw moderate growth supported by commodity exports and recovering investment levels.

Inflation remained a critical issue globally, with central banks, including the Federal Reserve and the European Central Bank, implementing tight monetary policies to manage rising prices. This had mixed effects on economic activities, balancing inflation control with growth stimulation.

Overall, the 2023 economic landscape was marked by

cautious optimism, with growth supported by consumer spending, policy interventions, and resilience in key emerging markets, offset by challenges such as inflation, geopolitical uncertainties, and supply chain disruptions.



Sources: Netherlands Bureau for Economic Policy Analysis, and Haver Analytics.

Reference: OPEC Monthly Oil Market Report – Dec 2023

# OIL MARKET HIGHLIGHTS

## World Oil Demand

In 2023, the global oil demand experienced moderate growth, primarily driven by economic recovery post-COVID-19 and increased industrial activity. The Organization of the Petroleum Exporting Countries (OPEC) reported an overall increase in world oil demand by approximately 2.4 million barrels per day (mb/d), a slight upward revision from previous forecasts. This growth was supported by rising consumption in the non-OECD countries, particularly in Asia, with notable increases in India and China due to higher transportation and industrial fuel needs.

The OECD countries also saw an increase in oil demand, albeit at a slower pace, primarily driven by the United States and Europe, where the demand for transportation fuels remained robust despite high prices and economic uncertainties. In the latter half of the year, seasonal factors and a colder winter boosted heating oil consumption.

Throughout the year, several factors influenced demand fluctuations, including geopolitical tensions, economic policies, and shifts in consumer behaviour towards more sustainable energy sources. Despite these challenges, the overall trend remained positive, reflecting a steady global economic recovery and resilience in key industrial sectors.

### World Oil Demand 2023\* mb/d

Million Barrels Per Day

World oil demand	2022	1Q23	2Q23	3Q23	4Q23	2023	Change 2023/22	
							Growth	%
Americas	24.87	24.52	25.21	25.47	24.94	25.04	0.17	0.68
of which US	20.16	19.92	20.50	20.47	20.05	20.24	0.08	0.38
Europe	13.51	13.10	13.54	13.67	13.34	13.41	-0.09	-0.70
Asia Pacific	7.38	7.81	6.96	7.07	7.65	7.37	-0.01	-0.12
<b>Total OECD</b>	<b>45.75</b>	<b>45.43</b>	<b>45.71</b>	<b>46.20</b>	<b>45.93</b>	<b>45.82</b>	<b>0.07</b>	<b>0.14</b>
China	14.95	15.73	16.06	16.27	16.37	16.11	1.16	7.75
India	5.14	5.40	5.40	5.17	5.50	5.37	0.23	4.48
Other Asia	9.06	9.33	9.48	9.12	9.18	9.28	0.22	2.37
Latin America	6.44	6.60	6.70	6.75	6.68	6.68	0.25	3.83
Middle East	8.30	8.63	8.32	8.82	8.73	8.63	0.33	3.98
Africa	4.40	4.59	4.24	4.27	4.83	4.48	0.08	1.85
Russia	3.70	3.83	3.59	3.74	4.01	3.79	0.09	2.40
Other Eurasia	1.15	1.24	1.21	1.02	1.23	1.17	0.02	2.03
Other Europe	0.77	0.79	0.77	0.75	0.83	0.79	0.02	2.29
<b>Total Non-OECD</b>	<b>53.90</b>	<b>56.15</b>	<b>55.76</b>	<b>55.92</b>	<b>57.35</b>	<b>56.29</b>	<b>2.39</b>	<b>4.44</b>
<b>Total World</b>	<b>99.66</b>	<b>101.57</b>	<b>101.47</b>	<b>102.12</b>	<b>103.28</b>	<b>102.11</b>	<b>2.46</b>	<b>2.47</b>
Previous Estimate	99.66	101.58	101.47	102.11	103.28	102.11	2.46	2.47
Revision	0.00	-0.01	0.00	0.01	0.00	0.00	0.00	0.00

Note: \* 2023 = Forecast. Totals may not add up due to independent rounding.  
Source: OPEC.

Reference: OPEC Monthly Oil Market Report - Dec 2023

# OIL MARKET HIGHLIGHTS

## World Oil Supply

The world oil supply in 2023, as detailed in the OPEC Monthly Oil Market Reports, exhibited several key trends and developments. Throughout the year, OPEC+ continued its strategy of adjusting production levels to balance market demand and stabilize prices. Despite global economic uncertainties and varying demand patterns, the group's coordinated efforts helped manage the supply effectively.

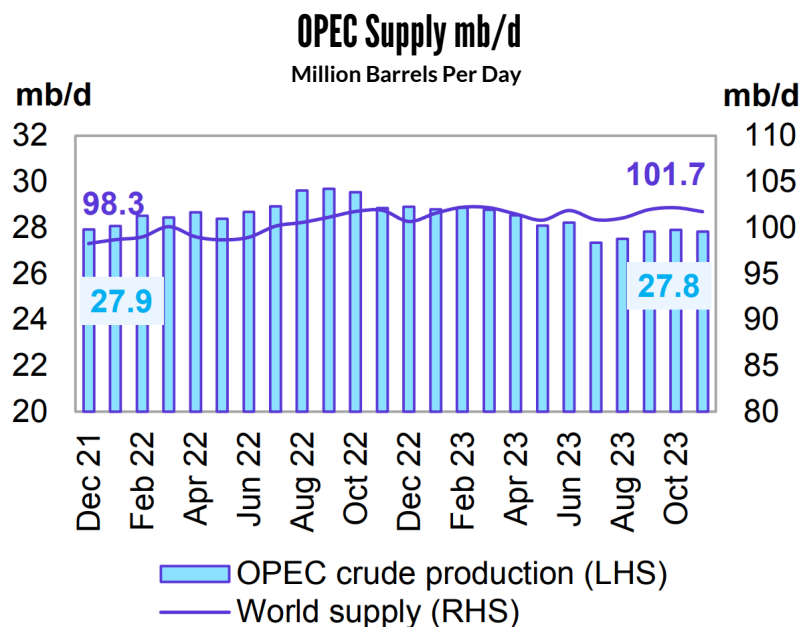
In the first quarter of the year, supply levels were relatively stable, with OPEC maintaining production cuts agreed upon in previous meetings. This was a response to the slower-than-expected economic recovery and fluctuating oil demand, particularly due to ongoing geopolitical tensions and supply chain disruptions.

By mid-year, as global economic activity picked up and demand increased, OPEC+ began to gradually ease production cuts. This adjustment aimed to accommodate the higher demand while preventing a significant oversupply that could depress prices. The group's flexibility and responsiveness were critical in managing the market's recovery phase.

Towards the end of 2023, supply dynamics were influenced by several factors, including seasonal demand

variations and external economic conditions. OPEC+ meetings in the latter part of the year focused on fine-tuning production levels to ensure market stability, with a cautious approach to any potential increases in supply.

Overall, OPEC's monthly reports highlighted a year of strategic management of oil production, with an emphasis on maintaining market balance amidst a complex and often volatile global economic environment.



Source: OPEC.

Reference: OPEC Monthly Oil Market Report - Dec 2023

# OIL MARKET HIGHLIGHTS

## Balance of Supply and Demand

Throughout 2023, the balance of oil supply and demand reflected dynamic changes influenced by various global economic and geopolitical factors. OPEC's Monthly Oil Market Reports consistently analyzed these fluctuations, highlighting key trends and adjustments.

In the first quarter, the reports noted a slight oversupply in the market, driven by a combination of increased production from non-OPEC countries and a slower-than-expected recovery in global demand. This imbalance was exacerbated by economic uncertainties in major consuming regions, particularly in Europe and Asia.

By mid-2023, a notable shift occurred as global demand began to catch up, driven by seasonal increases in consumption and stronger economic activities, especially in developing countries. OPEC and its allies responded by adjusting production levels to stabilize the market, aiming to balance the supply-demand equation more effectively.

Entering the third quarter, the balance remained relatively stable, although there were periodic fluctuations due to unexpected supply disruptions in some regions and variable economic performance globally. OPEC's strategy of adaptive production adjustments played a crucial role in maintaining market

stability.

Towards the end of the year, the reports highlighted a tightening of the market, with demand consistently outstripping supply. This was attributed to a robust recovery in economic activities and a surge in transportation fuel demand. OPEC's measured production increases were pivotal in preventing significant market disruptions.

Overall, the balance of supply and demand in 2023 underscored the importance of OPEC's role in market stabilization through coordinated production adjustments and strategic planning in response to global economic and geopolitical developments.

### Balance of Supply and Demand 2023

	2022	1Q23	2Q23	3Q23	4Q23	2023	2023/22	Change
<b>(a) World oil demand</b>	<b>99.66</b>	<b>101.57</b>	<b>101.47</b>	<b>102.12</b>	<b>103.28</b>	<b>102.11</b>		<b>2.46</b>
Non-OPEC liquids production	65.81	67.72	67.62	68.29	66.73	67.59		1.78
OPEC NGL and non-conventionals	5.39	5.44	5.47	5.43	5.43	5.44		0.05
<b>(b) Total non-OPEC liquids production and OPEC NGLs</b>	<b>71.21</b>	<b>73.15</b>	<b>73.10</b>	<b>73.72</b>	<b>72.16</b>	<b>73.03</b>		<b>1.82</b>
Difference (a-b)	28.45	28.42	28.37	28.40	31.12	29.08		0.63
OPEC crude oil production	28.86	28.82	28.28	27.56				
Balance	0.41	0.40	-0.10	-0.84				

Note: \* 2023 = Forecast. Totals may not add up due to independent rounding.

Source: OPEC.

Reference: OPEC Monthly Oil Market Report - Dec 2023



# OIL MARKET HIGHLIGHTS

## Crude Oil Price Movements

In 2023, crude oil prices experienced notable fluctuations, influenced by various economic and geopolitical factors. According to the OPEC Monthly Oil Market Reports, the year began with the OPEC Reference Basket (ORB) averaging around \$79.68 per barrel in January, reflecting a decline from the previous month. This trend continued with varying degrees throughout the year.

The first half of the year saw some volatility, with prices dropping in March to an average of \$78.45 per barrel due to concerns over banking crises in the US and Europe, coupled with fears of a potential recession impacting global demand. However, by May, prices had fallen further, averaging \$75.82 per barrel, influenced by rising interest rates and the uncertain economic outlook.

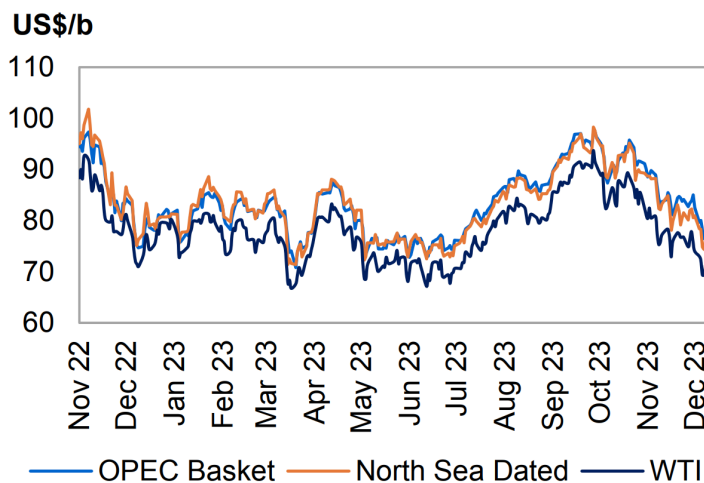
During the summer months, the crude oil market experienced some recovery. In July, the ORB rose to \$81.06 per barrel, driven by increased summer travel demand and improved economic indicators. This upward trend continued into September, where the ORB reached \$94.60 per barrel, buoyed by OPEC+ production cuts and geopolitical tensions impacting supply routes.

As the year drew to a close, crude oil prices showed a

downward adjustment. In November, the ORB averaged \$84.92 per barrel, reflecting a decrease due to seasonal demand declines and a stabilized supply outlook. By December, the market remained cautious with prices adjusting to ongoing global economic conditions and production policies.

Overall, 2023 was marked by significant price movements in the crude oil market, reflecting the complex interplay of supply adjustments, economic recovery efforts, and geopolitical developments

Crude Oil Price Movement



Sources: Argus, OPEC and Platts.

Reference: OPEC Monthly Oil Market Report - December 2023

# OIL MARKET HIGHLIGHTS

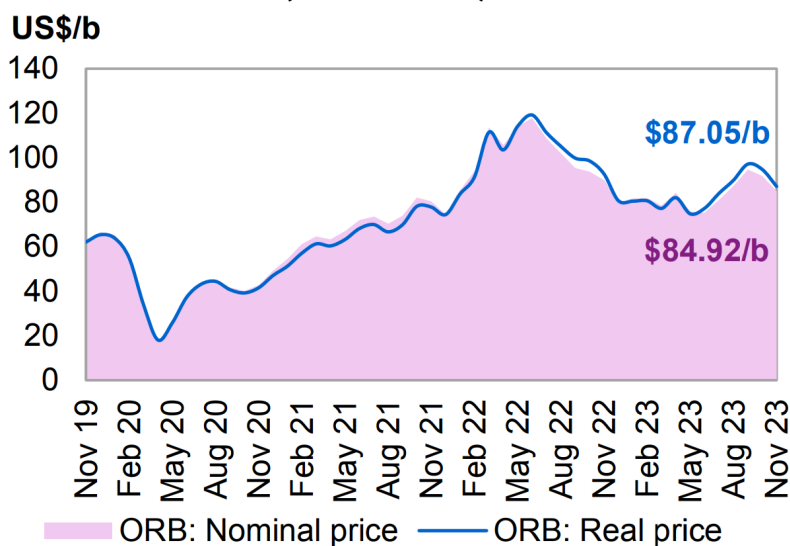
## The Impact of the US Dollar (USD) and Inflation on Oil Prices

In 2023, the US dollar and inflation significantly impacted oil prices, as detailed in the OPEC Monthly Oil Market Reports. The strengthening of the US dollar generally exerted downward pressure on oil prices because oil is typically traded in dollars. A stronger dollar makes oil more expensive for holders of other currencies, which can dampen demand.

Inflation, particularly in the United States and other major economies, influenced oil prices by affecting both demand and supply dynamics. High inflation led to increased interest rates as central banks, including the Federal Reserve, sought to curb rising prices. Higher interest rates tend to slow economic growth and reduce demand for oil. Additionally, inflation raised the costs of oil production and transport, which contributed to higher oil prices (OPEC) (IEA).

Throughout 2023, these factors created a complex environment where oil prices were highly sensitive to changes in monetary policy and currency valuations, highlighting the interconnectedness of global economic policies and commodity markets.

Impact of Inflation and Currency Fluctuations on the spot ORB Price  
(Base June 2017 = 100)



Source: OPEC.

Reference: OPEC Monthly Oil Market Report - Dec 2023

# Nona Mills Project Update



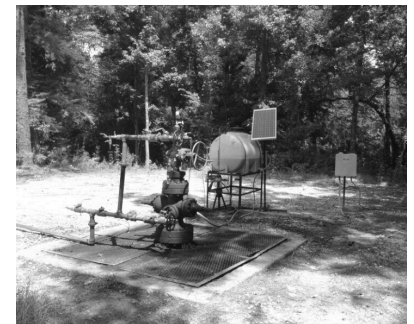
In the year 2023 Nona Mills did not produce any oil because there were no pumps in working order.

As investors are aware, we have been continuously pursuing the field management and operations company to try to determine their plans for the future of the field. This has been to no avail with no response provided to our enquiries. We, along with other stakeholders, then utilised legal means to obtain a response.

Finally, during 2023, it was confirmed that the operators are no longer in business and have entered administration. Having been notified of this, we have since been investigating alternative options for the field. It was confirmed to us that the field is no longer producing, and has not been for some time.

After being made aware of this we proceeded to investigate options on the field. It has then been confirmed that as the field is no longer producing and has not been for some time. This means the individual land owners have not been receiving royalties. The US Government has not received taxes and refinery contracts for supply have not been met, thus the field has been handed back/taken back by the US/Texas Railways who handle and maintain leases.

We have been in touch with the railway who have confirmed this is the case, thus this means the Nona Mills oil field project is finished operating and in existence as a producing field.



The Nona Mills Project is located in Hardin County approx 60 miles northeast of Houston.

The field is comprised of 9 proven, productive intervals, 8 of the Yegua and one of the Crockett (Cook Mountain) ages. The formations in this field are typical to the Texas Gulf Coast and this is one of the premier East Texas oil and gas producing areas.

The field was discovered by General Crude, the predecessor to Mobil Oil. The first well, the Esther Hooks #1, came in on Christmas Eve 1949. Production was first established in the spring of 1950. Initial engineering studies on this field indicated a total reserve of 25+ million barrels of oil.

# Allstate Environmental Inc



We have been working with other investors to secure a small allocation for this project at no cost. The aim being to achieve some value for this equity position in the future.

The operation supplies the water infill from used dirty water produced by oil fields which can then be reinjected into the ground in a monitored and sustainable manner.

Allstate started with the purchase of one original long term continuous running well. It has now had approvals to expand the numbers of wells in different locations around the oil field regions.

They have started on construction phase of numerous wells along with having others in various stages of the approval process.



Allstate Water Resources is evolving into much more than an oil and gas services company; it is diversifying into optimised solutions for specialised, sustainable waste streams.

This new company name, Allstate Environmental, Inc. (AEI) will be the company that we eventually take public. We want to ensure you that when you invested with us, you became part of the still-growing environmental company, not just the water disposal side of the business.



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