

Operations Update

Date: 15 April 2021

ASX Code: WEL

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Winchester Energy Limited (Winchester; ASX:WEL) is pleased to provide an update of exploration and development activities within its extensive lease position in the East Permian Basin, Texas.

- **Company to recommence operations in Q2 of this year**
- **First well planned to be drilled will test the Bast Deep prospect, with an upside (P10) Gross Prospective Resource estimate of 2.34 million barrels of oil equivalent (boe)**
- **Success in the Cambrian target at Bast Deep will allow prioritisation of drilling additional Cambrian prospects at Meteor and El Dorado with a combined upside (P10) Gross Prospective Resource estimate of 8.2 million boe**
- **Bast Deep well will also intersect productive sands from the Bast Field**
- **Additional development drilling planned at the Mustang Oil Field in July**
- **Workover planned at McLeod 17-03 well to fracture stimulate productive Cisco Sands**
- **Up to three workovers planned during the year at the company's Bast Field**
- **Follow-up Q3/Q4 program in planning stages**

After a Covid 19-driven operational hiatus in 2020 and following a full review of its Nolan County assets in the east Permian Basin, Winchester Energy is recommencing field operations.

The initial program will span Q2 and Q3 and will comprise of a "high-impact" exploration well, a development well at the Company's Mustang field and a number of workovers at our existing producing oil wells.

Planning design for Q3/Q4 operations is underway.

More details are included in the Company's recent ASX Releases: 16 March 2021, "Reserves and Resources Update" and 17 March 2021 "AEMIC" Presentation.

Bast Deep Prospect (Winchester 100% WI and Operator) **High impact potential**

The first well planned to be drilled will be the McLeod 17-05, testing Winchester's high-impact potential "Bast Deep" Prospect. Programmed Total Depth is 7,700 feet, with an estimated cost of US\$800,000 to drill and complete.

Gross Prospective Resources estimates for Bast Deep are 948,000 barrels of oil equivalent ("Most Likely" or P50) with an upside (P10) estimate of 2.34 million barrels of oil equivalent (mmboe).

The prospect is located on a closed structural high and will test potential traps in the Cambrian sands and the overlying formations.

Chairman Laurence Roe noted, "Success at Bast Deep will not only add to Winchester's existing production, reserves and cash flow, but a Cambrian discovery here will confirm the viability of the play type and likely lead to a priority program to test Cambrian prospects at Meteor and El Dorado with combined P50 and P10 Gross Prospective Resources of 3.3 mmboe and 8.21 mmboe respectively."

Bast Deep is also situated in an optimal location to intersect the shallower Bast Sand in the Upper Strawn Formation - this sand has produced oil in four adjacent wells with an average ultimate recovery of 47,000 barrels of oil per well and is expected to be up-dip to the existing production at this location.

Prospect	Gross Prospective Resource (Best Estimate; P50)	Gross Prospective Resource (High Estimate; P10)
Bast Deep	0.95 million boe	2.34 million boe
Meteor	1.94 million boe	4.69 million boe
El Dorado	1.36 million boe	3.52 million boe

Table 1 – Winchester Energy Cambrian Prospects

Mustang Field (Winchester 75-100% WI and Operator)

Ongoing Field Development

Additional development drilling is planned in Q3 in the Company's Mustang Oil Field.

The proposed WHR 21-06 well will target the Fry Sand in the south-eastern sector of the Mustang Field. Programmed Total Depth is 7,200 feet, with an estimated cost of US\$700,000 to drill and complete.

Workover Program (Winchester 92% - 100% WI and Operator)

Low-risk Operations to Increase Production and Cash-flow

A review of existing pay and potential "behind-pipe" pay zones in a number of Winchester's existing wells has identified low-cost opportunities to add to the Company's production and cash-flow.

The current workover program includes completing the Bast #1 well for production in sands in the Upper Cisco Formation. The sands are interpreted as oil-bearing on wireline logs and exhibited good oil shows when initially drilled. The completion program will include a slick-water fracture stimulation. Operations have commenced at the well with an estimated cost of approximately US\$120,000.

A workover is also planned at the Company's McLeod 17-03 well to fracture stimulate currently producing Upper Cisco sands. Analysis of the production to date indicates that the sands are tight (as opposed to having been depleted) and that a fracture stimulation should increase the contact area with the productive units and improve overall production. Estimated cost is approx. US\$120,000.

In both cases, a successful program is expected to payout within 4 months.

Additional workovers are planned at Bast A #1 (Cisco Sands) and at WHR 39-01 (Canyon Reef).

Reserves and Resources 2021 Update

Solid Basis For Material Growth

A recent update of Winchester's Reserves and Resources has confirmed 3P reserves of 495,800 boe net to Winchester and an upside (P10) combined Gross Contingent and Prospective Resources estimate of 32.7 million barrels of oil equivalent (Figure 1; Table 2).

Laurence Roe commented, "This provides a solid foundation for the Company's continual growth, ranging from ongoing production through to low-cost workovers, development drilling and secondary recovery programs to high-impact exploration drilling to full-on resource development. This broad range of opportunities in an established productive area is an ideal platform for a growth profile that balances risk and reward."



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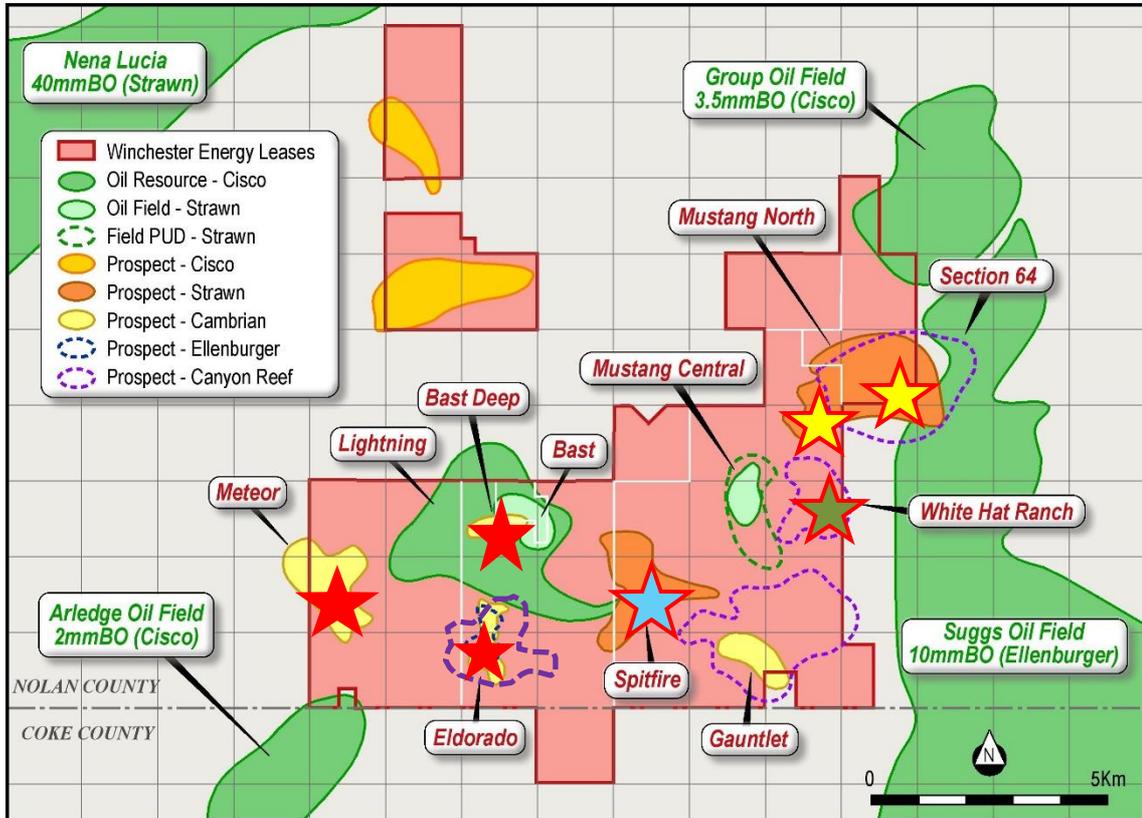


Figure 1: Winchester Energy Assets

Gross Contingent Resources	P90 mboe	P50 mboe	P10 mboe
Lightning Cisco	2,174.2	4,822.5	11,015.3
Bast Field (Primary)	143.0	438.5	935.2
Bast Field (Secondary)	242.2	471.7	932.0
Total mboe	2,559	5,733	12,883
Gross Prospective Resources	P90 mboe	P50 mboe	P10 mboe
Bast Deep	381.8	948.2	2,340.5
Spitfire	1,222.7	2,730.7	6,030.2
Meteor	694.8	1,934.5	4,685.8
Hurricane (Canyon Reef)	560.3	1,036.7	1,910.3
Mustang North	287.6	623.1	1,344.0
El Dorado	519.2	1,358.5	3,516.8
Total mboe	3,666	8,632	19,828
Gross Resources Total (mboe)	6,225	14,635	32,711

Table 2 – Winchester Energy Resource Estimates



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About Winchester Energy Ltd (ASX Code: WEL)

Winchester Energy Ltd (ASX Code: WEL) is an Australian ASX-listed oil and gas explorer and producer with its operations base in Houston, Texas. The Company has a single focus on oil exploration, development and production in the Permian Basin of Texas.

The Company currently produces approximately 187 barrels of oil equivalent per day (boepd) net to its Working Interests (WI), generating revenue of over AUD\$500,000 in the December 2020 quarter.

As at 31 December 2020 Winchester's Resources and Reserves were calculated at 495,800 barrels of oil equivalent of 3P reserves and a combined 11.1 million barrels of oil equivalent (mboe) in Contingent and Prospective Resources. Please refer to Winchester's 16 March 2021 ASX release for more details.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning Winchester Energy Limited's planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Winchester Energy Limited believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. Winchester Energy Limited confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

Competent Persons Statement

The information in this ASX announcement is based on information reviewed by Mr Laurence Roe. Mr Roe is a petroleum geophysicist with over 40 years of Australian, USA and other international technical, operational and executive petroleum experience in both onshore and offshore environments. Mr. Roe has extensive experience of petroleum exploration, appraisal, strategy development and reserve/resource estimation, as well as new oil and gas ventures identification and evaluation. Mr Roe has a BSc in Geophysics from the University of Adelaide.

Notes

- Gas quantities are converted to boe (barrels of oil equivalent) using 6,000 cubic feet of gas per barrel; quoted estimates are rounded to the nearest barrel.
- bopd; boepd= barrels of oil per day; barrels of oil equivalent per day
- mbo; mboe = thousand barrels of oil; thousand barrels of oil equivalent
- mmmo; mmmo = million barrels of oil; million barrels of oil equivalent