

Drilling Commences at White Hat 2106

Date: 14 July 2021

ASX Code: WEL

Capital Structure

Ordinary Shares: 863,806,109
Current Share Price: 1.5c
Market Cap: \$13M
Cash: \$1.1M
Debt: Nil

Directors

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Non-Executive Director

Larry Liu
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- **White Hat 2106 has spudded and is now drilling ahead to test the Strawn Fry Sand Member (Fry Sand) in the Winchester-controlled Mustang Oil Field.**
- **Mustang Oil Field has produced over 178,000 barrels of oil (plus significant gas) from the consistent Fry Sand.**
- **Secondary targets include the Canyon Reef and Ellenburger Formation.**

Winchester Energy Limited (Winchester or Company), as operator, advises drilling has commenced at the White Hat 2106 well targeting the oil producing Strawn Fry Sand Member (Fry Sand) of the Mustang Oil Field in the Permian Basin, Texas.

White Hat 2106 is the seventh well drilled by Winchester in the Mustang Oil Field where aggregate production to date exceeds 178,000 barrels of oil (gross), generating significant revenue for the Company.

White Hat 2106 (Winchester 100% WI)

Main Target – Fry Sands

With a planned total depth of 6,800 feet, the White Hat 2106 well will test the highly productive Fry Sands within the Mustang Oil Field.

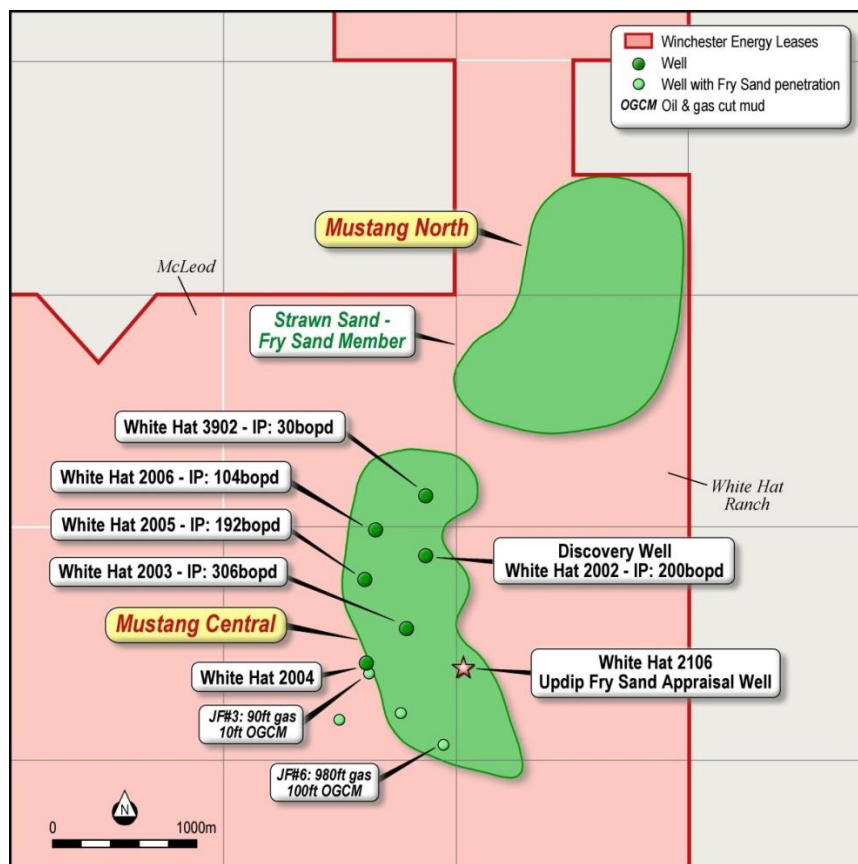


Figure 1: Mustang Oil Field showing the White Hat 2106 well location

Seismic mapping and interpretation suggests that White Hat 2106 location represents an Eastern Shelf (Permian Basin) sand entry point with potential Fry reservoir updip of the Mustang Oil Field. The location is supported by prospective sands logged in nearby historic wells.

White Hat 2106 will likely take 10 days to reach total depth at which time the Company will run logs and commence testing. Winchester will keep the market updated as drilling progresses.

With completed wells costing less than US\$700,000 and oil sales occurring almost immediately upon completion of the wells, development of the Mustang Oil Field is highly attractive.

Secondary Targets

The Canyon Reef (Strawn age) shows appreciable pay on logs in nearby wells with potential porosity.

The Ellenburger Formation is also potentially prospective at this location.

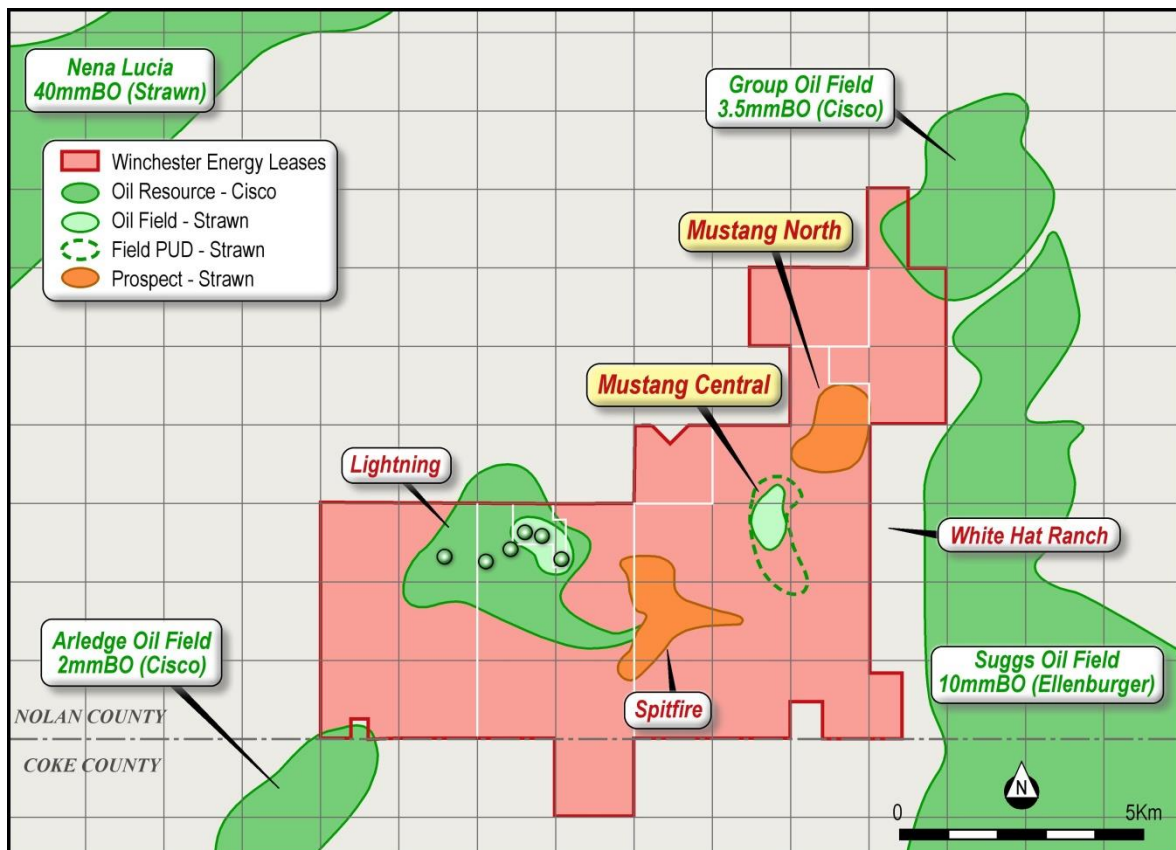


Figure 2: Winchester's leasehold position showing the Mustang Oil Fields

This announcement has been authorised for release by the Board.

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About Winchester Energy Ltd (ASX Code: WEL)

Winchester Energy Ltd (ASX: 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.

Winchester currently produces approximately 144 barrels of oil equivalent per day (boepd) net to its Working Interests (WI), generating revenue of over AUD\$500,000 in the March 2021 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 (mmboe) 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 report is based on information compiled or reviewed by Mr Keith Martens, consulting geologist/geophysicist to Winchester Energy. Mr Martens is a qualified petroleum geologist/geophysicist with over 45 years of Australian, North American and other international executive petroleum experience in both onshore and offshore environments. He has extensive experience of petroleum exploration, appraisal, strategy development and reserve/resource estimation. Mr Martens has a BSc. (Dual Major) in geology and geophysics from The University of British Columbia, Vancouver, Canada.