

Prospective Resources El Dorado, Mustang & Spitfire Prospects Nolan County, Texas

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ASX Code: WEL

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Highlights

- The El Dorado, Mustang and Spitfire prospects, all occurring within the Company's 17,000 acre leasehold position, have been identified through 3D seismic and well control as compelling drill targets
- Gross Prospective Resources for the three prospects have been estimated on a probabilistic basis by independent petroleum consultants. The aggregate gross Prospective Resource is 7.796 million barrels of oil*, if oil and productive reservoir targets are present in these prospects

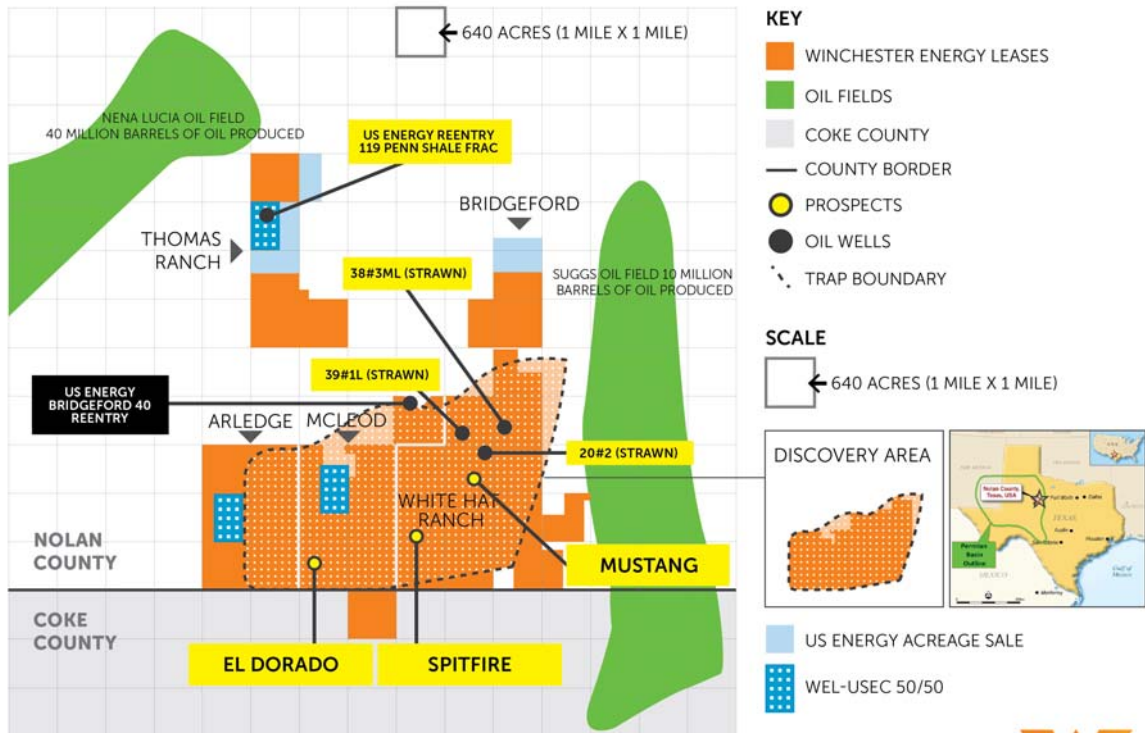
Winchester Energy Ltd (Winchester) has identified, from both 3D seismic and well control, the El Dorado, Mustang and Spitfire prospects. All prospects are incorporated in the Company's 17,000 acre leasehold position.

The gross Prospective Resources estimates for these three prospects have been estimated probabilistically on an un-risked Best Estimates basis by independent U.S. based petroleum consultants, Mire & Associates, Inc. The cumulative gross prospective resource for these three prospects on a probabilistic basis is 7.796 million barrels*, if oil and productive reservoir targets are present in these prospects.

Prospect	Low Estimate	Best Estimate	High Estimate
	(mill bbls)* P90	(mill bbls)* P50	(mill bbls)* P10
El Dorado	0.591	1.269	2.628
Mustang**	0.799	2.037	5.007
Spitfire**	1.994	4.490	9.907
Total - All Prospects	3.384	7.796	17.542
Total Net to WEL**	2.122	4.870	10.912

* - *Cautionary Statement* - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

** - Total Net to WEL is its current Entitlement Share (79%), net of applicable lease royalties and equates to average 62% of the Total Gross Prospective Resource as WEL's working interest is 75% in the Mustang and Spitfire prospects and 100% working interest in the El Dorado prospect. WEL's future entitlement share may be subject to reduction in the event of farmout in the future, should any farmout occur.



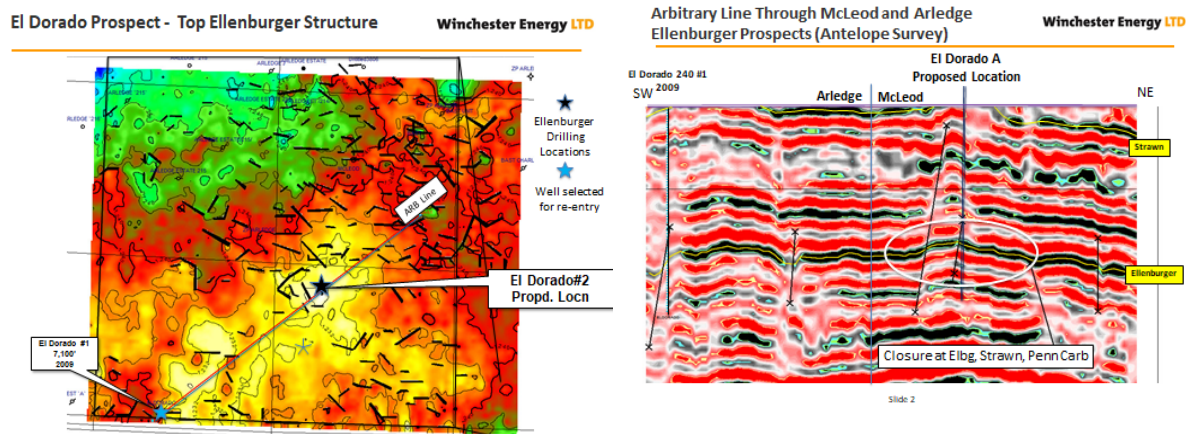
Winchester Lease Position – Prospect Locations

El Dorado Prospect - Winchester Energy 100% Working Interest (WI)

The El Dorado prospect is a large four-way closed structure. The closure has been mapped at multiple levels.

Multiple horizons are prospective including the Wolfcamp 'D' shales and carbonates, the Penn Carbonate, the Strawn sandstones and carbonates and the Ellenburger carbonates with closure present over 3,000 feet of vertical section.

The company has used a vast number of wells in Nolan County in the vicinity and within the Company's acreage to determine recovery factors, 3D seismic mapping to calculate the trapping area and well logs to determine the prospective reservoir thickness. The recoverable barrels per acre-ft for the prospects are based on the adjacent Suggs Oil Field and White Hat Ranch Field producing well data.



For the purpose of this report only the Ellenburger carbonates and the Strawn formation are being considered in the determination of the prospective resources. The gross potential recoverable oil resource classified as Prospective Resources have been estimated probabilistically on an un-risked basis with a range from low (P90), best estimate (P50), high (P10) and mean basis as set out in the table below. Given the control over the prospect provided by the 3D seismic and adjacent wells surrounding the prospect with oil shows, the estimated probability of success for both targets is 48%*.

EL DORADO PROSPECT

	P90	P50	P10	Mean
Total Gross Prospective Resource mill bbls (recoverable)	0.591	1.269	2.628	1.473

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** Estimated probability of success in finding oil is based on Winchester's analysis of the risk relating to presence of: Trap X Reservoir X Seal X Charge.*

Mustang Prospect - Winchester Energy 75% Working Interest (WI)

The Mustang prospect is a stratigraphic trap interpreted from 3D seismic and well control data. The prospect is composed of a series of Strawn sand lobes deposited in a linear trend in front of the regional high (to the east) as shown on the seismically derived isopach (thickness map) of the prospect. Within the prospect and 0.5 miles to the north east of the proposed well location, the White Hat 20#2 well produces oil from the Strawn Sand with an initial production rate of 200 barrels of oil per day (bopd). The results from White Hat 20#2 provide confidence that the stratigraphic trap proposed for the Mustang Prospect is present.

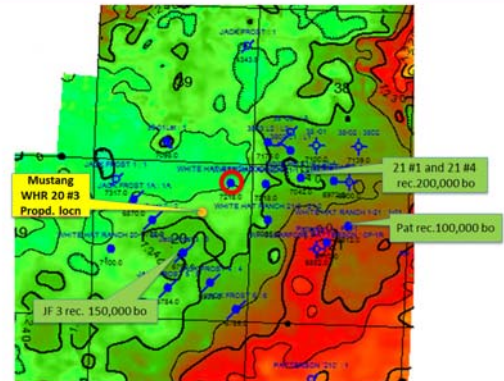
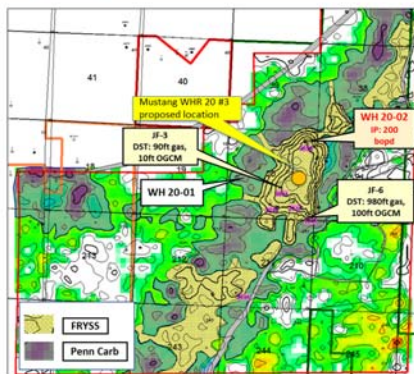
Multiple horizons are prospective including the Strawn sandstones and carbonates, the Wolfcamp 'D' shales and carbonates and the Ellenburger carbonates.

Mustang Prospect – 3D Fry Sand & Penn Carbonate Isochron map

Winchester Energy

Mustang Prospect- structure map on Ellenburger

Winchester Energy



For the purpose of this report, only the Strawn sand and Ellenburger carbonates are being considered in the determination of the Prospective Resources for the Mustang Prospect. The potential gross recoverable oil resource classified as Prospective Resources have been estimated probabilistically on an un-risked basis with a range from low (P90), best estimate (P50), high (P10) and mean basis as set out in the table below. Given the control over the Mustang Prospect provided by the 3D seismic and adjacent wells with oil shows and a producing well in the primary target zone (White Hat 20#2), the estimated probability of success for both targets is 58%*.

MUSTANG PROSPECT

	P90	P50	P10	Mean
Total Gross Prospective Resource Million bbls (recoverable)	0.799	2.037	5.007	2.569

Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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Spitfire Prospect - Winchester Energy 75% Working Interest (WI)

The Spitfire Prospect is interpreted to be an incised valley fill of Strawn Formation sediments composed of sands and carbonates as seen in wells adjacent to the prospect. The Strawn valley fill is located in a depression between structural highs that creates a large stratigraphic trap.

This valley fill is interpreted from the 3D seismic following seismic inversion processing as a series of lobes of potential reservoir sediments intraformationally sealed within the

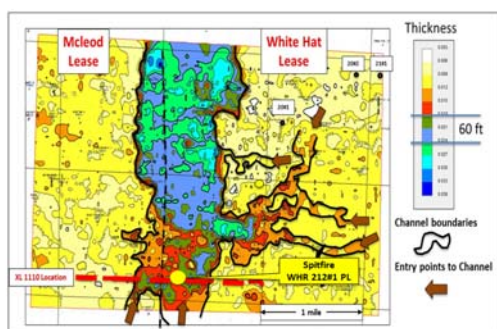
thick valley fill. Well control adjacent to the interpreted Strawn valley fill is provided by an immediately adjacent well on the edge of the seismically interpreted valley fill.

Oil shows are present within this 'edge' well in the Strawn sands and carbonates, the primary target within the Spitfire Prospect. Reservoir risk and intraformational seal risk within the valley fill are determined to be the main risks for the Spitfire Prospect containing an oil productive formation.

Multiple horizons are prospective including the Strawn sandstones and carbonates, the Wolfcamp D shales and carbonates and the Ellenburger carbonate.

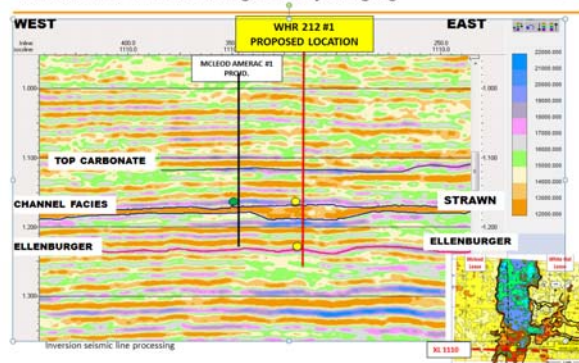
Spitfire Prospect- incised Strawn valley fill 'Channel' 3D Isochron map

Winchester Energy LTD



Spitfire 'Strawn Channel' Prospect – 3D seismic line XL 1110 using velocity imaging

Winchester Energy LTD



For the purpose of this report, only the Strawn Formation and Ellenburger carbonates are being considered in the determination of the gross Prospective Resources for the Spitfire Prospect. The potential recoverable oil resource classified as Prospective Resources have been estimated probabilistically on an un-risked basis with a range from low (P90), best estimate (P50), high (P10) and mean basis as set out in the table below. Given the control over the Spitfire Prospect provided by the 3D seismic and adjacent wells with oil shows surrounding the prospect and the reservoir and seal risk, the estimated probability of success for both targets is 28%*.

SPITFIRE PROSPECT

	P90	P50	P10	Mean
Total Gross Prospective Resource Mill bbls (recoverable)	1.994	4.490	9.907	5.353

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INDIVIDUAL PROSPECT GROSS PROSPECTIVE RESOURCE SUMMARY

Prospect	Low Estimate (mill bbls)** P90	Best Estimate (mill bbls)** P50	High Estimate (mill bbls)** P10
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About Winchester Energy Ltd (ASX Code: WEL)

Winchester Energy Ltd (ASX Code: WEL) is an Australian ASX-listed energy company with its operations based in Houston, Texas. The Company has a single focus on oil exploration, development and production in the Permian Basin of Texas. The Company has established initial oil production on its large 17,000 net acres leasehold position on the eastern shelf of the Permian Basin, the largest oil producing basin in the USA. Winchester's lease position is situated between proven significant oil fields. Winchester is of the view that with the several known oil productive horizons in its lease holding, that it can build through the application of modern geology, 3D geophysical analysis, drilling and completion methods, a potentially significant proven reserves and oil production asset.

Competent Persons Statement

The information in this ASX announcement is based on information reviewed by Mr Neville Henry. Mr Henry is a qualified petroleum geologist with over 43 years of Australian, USA and other international technical, operational and executive petroleum experience in both onshore and offshore environments. Mr. Henry 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 Henry has a BA (Honours) in geology from Macquarie University.

The Prospective Resources estimates in this report have been compiled by Kurt Mire, P.E. of Mire & Associates, Inc. from information provided by Winchester Energy. Mr Mire is a registered professional Engineer in the State of Texas and has over 30 years' experience in petroleum engineering. These Prospective Resource estimates may be subject to revision if amendments to mapping or other factors necessitate such revision.

Mr Mire consents to the inclusion in this report of information relating to the hydrocarbon Prospective Resources in the form and context in which it appears.

Prospective Resource Estimates Cautionary Statement

The estimated quantities of petroleum in this report that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Prospective Resources

All Prospective Resource estimates provided in this report are prepared as of 25 September 2018. The prospective resource estimates provided in this report are low estimate, best estimate and high estimate and represent that there is a 90%, 50% and 10% probability that the actual resource volumes will be in excess of the amounts reported. The estimates are on a 100% basis and have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resource Management System 2007 "PRMS" approved by the Society of Petroleum Engineers and have been prepared using probabilistic methods. Unless otherwise stated the estimates provided in this report are Best Estimates. The estimates are unrisked and have not been adjusted for an associated risk of discovery and risk of development. The 100% basis refers to the gross total prospective resource. The net to WEL prospective resource estimates include royalty interests payable to royalty interest holders.

Prospects

The meanings of "Prospects" in this report are in accordance with the Petroleum Resource Management System 2007 approved by the Society of Petroleum Engineers. A Prospect is a project that is sufficiently well defined to represent a viable drilling target.

Prospective Resources Reporting Notes for the El Dorado, Spitfire and Mustang Prospects Reported for the First Time

- The prospective resources information is effective as at 25 September 2018 (Listing Rule (LR) 5.25.1).*
- The prospective resources information has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System) (LR 5.25.2).*
- The prospective resources information is reported according to the Company's economic interest in each of the resources and net of royalties (LR 5.25.5).*
- The prospective resources information in this document has been estimated and prepared using the probabilistic method (LR 5.25.6).*
- Prospective resources are reported on a P10-P50-P90 basis (LR 5.28.1).*
- For prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR 5.28.2).*
- The El Dorado, Spitfire and Mustang prospects are located on private leases. In respect of the prospective resources for the prospects referred to in this report, Winchester currently owns a 75% working interest in the Spitfire and Mustang prospects leases and 100% of the El Dorado prospect. Texas-based oil company Carl E Gungoll Exploration LLC (CEGX) has a 25% WI in the Mustang and Spitfire prospects. However it is noted that third-party companies may additionally farm-in to the prospects, leases and/or wells (LR 5.35.1).*
- The P10-P50-P90 and mean prospective resource volumes for the three prospects were estimated using modern 3D seismic data. Such data are standard in the oil and gas industry as a tool for identifying prospects and these data currently provide the industry's most accurate method of estimating prospective resource volumes and attendant risks. The parameters used in the acquisition and processing of the seismic surveys is commensurate with the industry standard for the East Permian Basin area. Exploration drilling will be required to assess these resources. (LR 5.35.2):*



- *The probability of discovery for each of the three prospects is outlined in the report. There is a risk that exploration will not result in sufficient volumes of oil and/or gas for a commercial development (LR 5.35.3).*
- *Prospective resources in this report are un-risked and have not been adjusted for an associated chance of discovery and a chance of development. The report includes volumes which are the probabilistic addition of the risked prospective resource distributions. See below for further explanation (LR 5.35.4).*

Further Notes on the Prospective Resources Calculation at the El Dorado, Spitfire and Mustang Prospects

Winchester has accumulated a massive proprietary regional East Permian Basin database comprising well drilling and production information from private and public sources. This database is used by Winchester and Mire and Associates, Inc in generating probabilistic estimates for future wells and programs where the data can be tailored to the specific parameters required for analysis such as depth, play type, etc.

The Prospective Resources were calculated utilising the above mentioned regional database. From the regional database Mire and Associates, Inc developed a series of expectation curves from which the P90-P50-P10 outcomes shown have been extracted. Winchester has undertaken its own due diligence on these data and is satisfied that they represent a good estimate for the portfolio of opportunities to be drilled.

For each of the three prospects, a probabilistic prospective resource was calculated using analogue offset well information and high-quality 3D seismic data. The probabilistic additions above have been undertaken using a Monte Carlo approach to each prospect's expectation curve.

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.*