



7 December 2018

## ENTITLEMENT OFFER

Winchester Energy Limited (**Company**) is pleased to announce that it has today lodged an offer document with ASX for a non-renounceable entitlement offer to raise up to \$2,851,488 (before costs). Shareholders with a registered address in Australia or New Zealand at 5.00pm (WST) on Wednesday, 14 December 2018 (**Eligible Shareholders**), will be offered 1 new fully paid ordinary share (**New Share**) for every 2 existing shares held in the Company (**Entitlement Offer**).

The Entitlement Offer will be made by way of an offer document under Section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no prospectus needs to be prepared (**Offer Document**). A copy of the offer Document was lodged with ASX today and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au). All Eligible Shareholders will shortly receive a copy of the Offer Document, which includes a personalised application form.

The Company intends to apply the funds raised from the Entitlement Offer as follows:

Well participation and drilling: Mustang, El Dorado and Spitfire prospects	\$2,300,000
Working capital	\$439,988
Expenses of the Offer	\$111,500
<b>Total</b>	<b>\$2,851,488</b>

### Shortfall

Any entitlements not taken up pursuant to the Entitlement Offer will fall into a Shortfall.

Eligible Shareholders (and other investors upon invitation from the Company) will have the opportunity to apply for additional New Shares in excess of their entitlement. In summary, Eligible Shareholders have the following options available to them:

- take up their full entitlement;
- take up any number of shares less than their full entitlement;
- take up their full entitlement and apply for additional shares pursuant to an offer of the Shortfall; or
- allow their entitlement to lapse and take up no additional shares.

CPS Capital Group Pty Ltd (**CPS**) has been appointed as Lead Manager and Broker to the Shortfall Offer. Applications under the Shortfall Offer will be placed by the Company's Directors (in consultation with CPS) in accordance with the Corporations Act and the ASX Listing Rules.

In the event the Shortfall is less than 30,000,000 Shares, the Company will offer to CPS such number of Shares that is equal to the difference between 30,000,000 Shares and the total available Shortfall at an issue price of \$0.02 per Share and otherwise on the same terms as the Offer.

## Timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Rights Issue	7 December 2018
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX. Notice sent to Option holders.	7 December 2018
Notice sent to Shareholders	7 December 2018
Ex-date	13 December 2018
Record Date for determining Entitlements	14 December 2018
Despatch of Offer Document to Eligible Shareholders, Company announces this has been completed and Offer Opening Date	17 December 2018
Closing Date*	23 January 2019
Shares quoted on a deferred settlement basis	24 January 2019
ASX notified of under subscriptions	29 January 2019
Issue date/Shares entered into Shareholders' security holdings	31 January 2019
Dispatch of holding statements	1 February 2019
Quotation of Shares issued under the Offer	1 February 2018

This timetable is indicative only. The Company reserves the right to amend this indicative timetable at any time, subject to the *Corporations Act 2001* (Cth) and the Listing Rules.

In particular, subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

No offer will be made to shareholders with a registered address outside Australia or New Zealand. Refer to the Offer Document for further details.

An Appendix 3B and s708AA Cleansing Notice in relation to the Entitlement Offer is attached.

Please refer to the Offer Document for further information.

For enquiries, please contact the Company Secretary on +61 1300 133 921.

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

WINCHESTER ENERGY LIMITED (ASX CODE: WEL)

ABN

21 168 586 445

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |  |
|---|---|--|
| 1 | +Class of +securities issued or to be issued  | Fully paid ordinary shares   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | Up to 172,574,416 Shares to be issued (assuming no exercise of options prior to the Record Date).  |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares to be issued pursuant to a 1:2 entitlement issue and potentially a Top Up Offer.<br><br>Refer Entitlement Issue Prospectus dated 7 December 2018. |

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?	Yes
	<p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	
5	Issue price or consideration	\$0.02 per share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The purpose of the Entitlement Offer is outlined in the Company's Offer Document dated 7 December 2018.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	22 May 2018
6c	Number of +securities issued without security holder approval under rule 7.1	Up to 30,000,000 (Top Up Offer)
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil

+ See chapter 19 for defined terms.

6f	Number of +securities issued under an exception in rule 7.2	Up to 142,574,416 Shares (assuming no exercise of options prior to Record Date) (Exception 1)					
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable					
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable					
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR7.1 34,158,487 LR7.1A 42,772,325					
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	31 January 2019					
8	Number and +class of all +securities quoted on ASX ( <i>including</i> the +securities in section 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Up to 457,723,248</td> <td style="vertical-align: top;">Fully Paid Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	Up to 457,723,248	Fully Paid Ordinary Shares	
Number	+Class						
Up to 457,723,248	Fully Paid Ordinary Shares						

+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	30,000,000	Options exercisable at \$0.25 each on or before 30 April 2019
	10,000	Class A Convertible Milestone Notes
	20,000	Class B Convertible Milestone Notes
	30,000	Class C Convertible Milestone Notes
	20,000,000	Options exercisable at \$0.12 each on or before 31 January 2022.
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not Applicable	

## Part 2 - Pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	Non renounceable
13 Ratio in which the +securities will be offered	1 New Share for every 2 Shares held at the record date.
14 +Class of +securities to which the offer relates	Fully paid ordinary shares
15 +Record date to determine entitlements	14 December 2018
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	Rounding up
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	All countries except Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	23 January 2019
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	CPS Capital Group Pty Ltd (ACN 088 055 636; AFSL 294 848).
23	Fee or commission payable to the broker to the issue	6% with minimum fee of \$60,000
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	17 December 2018
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	7 December 2018
28	Date rights trading will begin (if applicable)	Not applicable

+ See chapter 19 for defined terms.

- |    |   |                |
|----|---|----------------|
| 29 | Date rights trading will end (if applicable)  | Not applicable |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?                            | Not applicable |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | Not applicable |

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+ See chapter 19 for defined terms.



32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Issue date	31 January 2018

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37  A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<input type="text"/>	<input type="text"/>

+ See chapter 19 for defined terms.

## Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: ..7 December 2018...  
Company secretary

Print name: .....Lloyd Flint.....

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+ See chapter 19 for defined terms.

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12. Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	250,148,832
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>142,574,416 This Entitlement Offer</p> <p>1,500,000 Options 2/11/17 Ratified 22/5/18 35,000,000 Shares 8/12/17 Ratified 22/5/18 4,500,000 Options - this App3B – Approved 22/5/18</p>
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	427,723,248

+ See chapter 19 for defined terms.

<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	64,158,487
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	30,000,000 The Top Up Offer
<b>“C”</b>	30,000,000
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	64,158,487
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	30,000,000
<p><b>Total</b> [“A” x 0.15] – “C”</p>	<p>34,158,487</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	427,723,248
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	42,772,325
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	Nil
<b>“E”</b>	Nil

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+ See chapter 19 for defined terms.

<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10  <i>Note: number must be same as shown in Step 2</i>	42,772,325
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	-
<b>Total</b> [“A” x 0.10] – “E”	42,772,325  <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.

## Notice under Section 708AA

The Company hereby gives notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**) that:

- (a) the Company will offer the New Shares under the Entitlement Offer without disclosure under Part 6D.2 of the Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- (c) as at the date of this notice, the Company has complied with:
  - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
  - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no information:
  - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - (B) the rights and liabilities attaching to the New Shares; and
- (e) the potential effect that the issue of the New Shares, under the Entitlement Offer, will have on the control of the Company is as follows:
  - (i) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, the issue of the New Shares under the Entitlement Offer will have no effect on the control of the Company as Eligible Shareholders would continue to hold materially the same percentage interest in the Company
  - (ii) the percentage shareholding interests of shareholders who are not Eligible Shareholders will be diluted because those shareholders are not entitled to participate in the Entitlement Offer
  - (iii) in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full entitlement of New Shares under the Entitlement Offer and ineligible shareholders unable to participate in the Entitlement Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement;
  - (iv) to the extent New Shares which are not subscribed for under the Entitlement Offer are allotted under the shortfall facility, the percentage of shareholder interests of the Company's shareholders who do not take up their entitlement to New Shares will also be diluted; and
  - (v) in relation to any person participating in the shortfall offer, the Company will have regard to the takeovers prohibition in section 606 of the Act, on the basis that no person will be issued New Shares if such issue will result in their voting power in the Company increasing from 20% or below to more than 20%.

Further details regarding the Entitlement Offer are set out in the Offer Document.