

Continued High Production at White Hat 20#3 Mustang Prospect, Permian Basin, Texas

Date: 26 June 2019

ASX Code: WEL

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Highlights

- **White Hat 20#3 continues to produce oil at outstanding rates with initial gross production over 30 days (IP30) of 259 bopd**
- **White Hat 20#3 is being prepared for gas sales**

Winchester Energy Limited (ASX:WEL) (Winchester or the Company) is pleased to advise that the recently completed White Hat 20#3 well has recorded initial gross production over 30 days (IP30) of 259 bopd.

White Hat 20#3 is also flowing gas at a rate of 100 - 140 thousand cubic feet per day (mcfpd) which is equivalent to a further 17 - 23 barrels of oil equivalent (boe) per day¹. White Hat 20#3 is now being prepared for gas sales.

This is a significant result for the company in that it demonstrates the quality of the Strawn Fry Sand Member reservoir in the Mustang Prospect and validates Winchester's strategy to develop the Mustang Prospect with the objective of generating significant oil production and cash flow.

The production from White Hat 20#3 will contribute positively to the June 2019 quarter sales revenue and production.

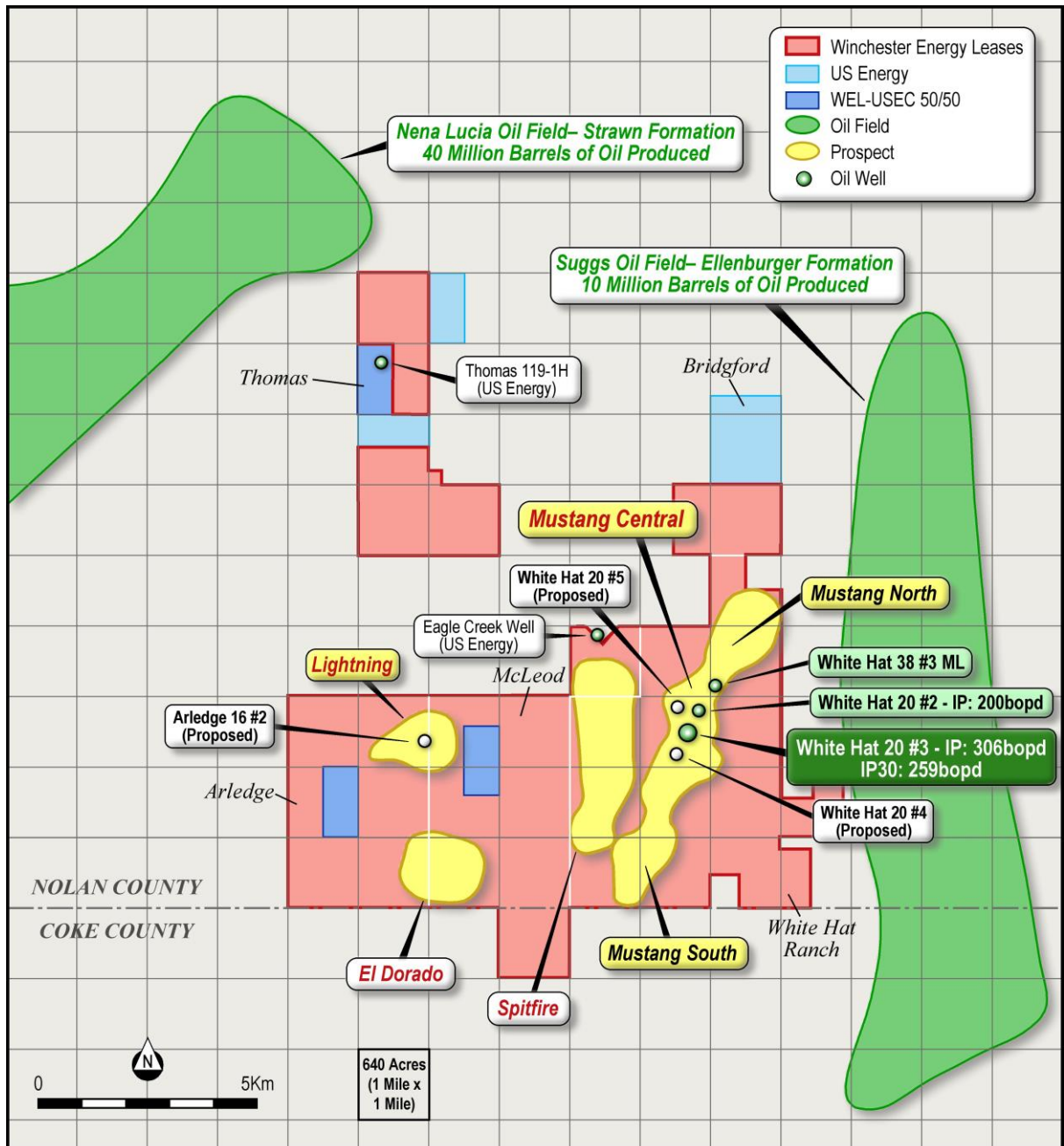
For those wells in which Winchester has an interest including White Hat 20#3, Operator's reports as at 23 June 2019 show that over the preceding seven days, gross average oil production was 386 bopd, with Winchesters working interest share of production 255 bopd.

Winchester will commence a further Mustang Prospect development well (White Hat 20#4) in July 2019.

Neville Henry, Managing Director of Winchester commented:

"The IP30 of White Hat 20#3 is an excellent result as it demonstrates the quality of the Strawn Fry Sand Member as an oil and gas reservoir. Production rates remain high which augurs well for the eventual determination of the ultimate cumulative oil and gas recoveries from Mustang wells. White Hat 20#3 production performance gives the Company a high degree of confidence as it prepares to spud development well White Hat 20#4 and White Hat 20#5."

¹ boe (barrels of oil equivalent) - gas quantities are converted to boe using 6,000 cubic feet of gas to one barrel of oil. 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. Estimates are rounded to the nearest boe.



Location Map – White Hat 20#3 and proposed drill locations White Hat 20#4 and 20#5

Background of White Hat 20#3 (WEL WI – 75%)

On 27 May 2019 Winchester announced an IP of 306 bopd for the White Hat 20#3 well targeting the Strawn Fry Sand Member in the Mustang Prospect.

The success of White Hat 20#3 is significant in that it builds on the previously drilled White Hat 20#2 located approximately 510 metres to the north east. The effect of the greater



thickness of the Strawn Sand unit drilled in White Hat 20#3 relative to White Hat 20#2 is reflected in the greater IP rate observed in White Hat 20#3.

White Hat 20#2 produces oil from the same Strawn Sand as White Hat 20#3 following a similar frack stimulation with initial production of 200 bopd in April 2017. This well continues to produce oil at 40bopd. Mire and Associates recently increased the estimated ultimate recovery (EUR) from the White Hat 20#2 well to 112,000 bo.

White Hat wells 20#2 and 20#3 drill results and 3D seismic coverage confirm the highly prospective nature of the Mustang Prospect and relatively low risk of drilling further potentially oil productive Strawn Sand oil reservoirs.

Following the success of White Hat 20#3 a development strategy has been finalized involving the drilling of 9 wells in the central Mustang area followed by a possible further 25 wells across the Mustang North and South areas (total of 34 wells).

New well White Hat 20#4 is on schedule to spud in July followed by White Hat 20#5 (permitting underway) which will be spudded shortly thereafter.

The Gross Prospective Resource estimates for the Mustang Prospect are presented in the table below.

Revised Prospective Resources Estimate for the Mustang Prospect (Strawn Sand Only)

Mustang Prospect	Low Estimate P90*	Best Estimate P50*	High Estimate P10*
Gross Prospective Resources*	1.078 mmmboe	2.029 mmmboe	3.773 mmmboe

* - *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.

mmmboe (million barrels of oil equivalent) - gas estimate quantities are converted to boe using 6,000 cubic feet of gas to one barrel of oil based on an energy equivalency conversion method. Estimates are rounded to the nearest boe.

+ - WEL's working interest in the Mustang Prospect is 75%. WEL's future entitlement share may be subject to reduction in the event of farmout in the future, should any farmout occur. WEL's future entitlement may also increase to 100% in individual wells should the 25% working interest party (CEGX) not exercise its right to participate.

See ASX announcement of 21 June 2019 for full details.

Carl E Gungoll Exploration LLC (CEGX), a private company, has a 25% working interest in White Hat 20#3.



About Winchester Energy Ltd (ASX Code: WEL)

Winchester Energy Ltd (ASX Code: WEL) is an Australian ASX listed energy company 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 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 Person's Statement

The information in this ASX announcement is based on information compiled or 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. He 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.