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ASX Code: WEL

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## Commencement of Completion in Lower Sand at Arledge 16#2, Lightning Prospect, Permian Basin, Texas

### Highlights

- Completion activities have commenced at the recently drilled Arledge 16#2 well targeting the Lower Cisco Sand unit.
- Using resistivity from the Formation Image Tool (FMI), net calculated pay has increased to 50 feet from the 20 feet of calculated net pay initially identified from conventional logs - the potential gross pay interval has increased to 190 feet.
- The company is planning to evaluate the entire sand interval and will perforate and test 91 feet between 5,010 – 5,131 feet in four separate intervals with 4 shots per foot.
- Following perforation, if necessary, the entire sand unit will be fracture stimulated.
- The Upper Cisco Sand has a gross interval of 165 feet from 4,735 to 4,900 feet and will be retained as a behind-pipe resource until the lower sand is evaluated as a potential comingling opportunity.
- The Lightning Prospect has a Gross Prospective Resource best estimate P50 of 1.95mmbo<sup>1</sup> in the Lower Cisco Sands.
- Cisco Sands are a proven producer in this area, historically producing a cumulative 5 million barrels of oil and 2.25 bcf of gas and is productive in the Bast Field 1 mile to the northeast.

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<sup>1</sup> 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. See ASX release of 25 June 2019 for further details.

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Winchester Energy Limited (Winchester), as operator, has commenced testing and completion of the Lower Cisco Sand at the recently drilled Arledge 16#2 well.

Initial log calculations confirmed 20 feet of calculated net pay in the Lower Cisco Sand. After the Formation Image log (FMI) was processed, thin beds of sandstone and siltstone were identified that are below the



resolution of conventional logging. The high resolution resistivity was used to recalculate potential net pay, increasing the 20 feet of net pay to 50 feet of net pay. These thin beds are more dominant in the upper part of the interval.

The company plans to evaluate the interval from the bottom up using conventional completion technology. Four separate intervals totaling 91 feet will be isolated between 5,010 feet and 5,131 and perforated with four shots per foot (4spf). The separate intervals will then be acid washed and swabbed as necessary. The entire interval will then be fracture stimulated if required.

The Upper Cisco Sand has a gross interval of 165 feet between 4,735 and 4,900 feet coincident with oil and gas shows. Conventional log analysis identified 25 feet of calculated pay in the Upper Cisco Sand. This section is comprised of thin bedded turbidites and marine over bank deposits. The FMI log confirmed the presence of thin beds that range in thickness from one inch to several feet. Recalculation of the net pay using the FMI resistivity data increased the net potential from 25 feet to 50 feet of pay.

Depending upon the results from the Lower Cisco Sand test, the Upper Cisco Sand will be assessed to determine the potential of this zone for recompletion and potential production comingling with the Lower Cisco Sands.

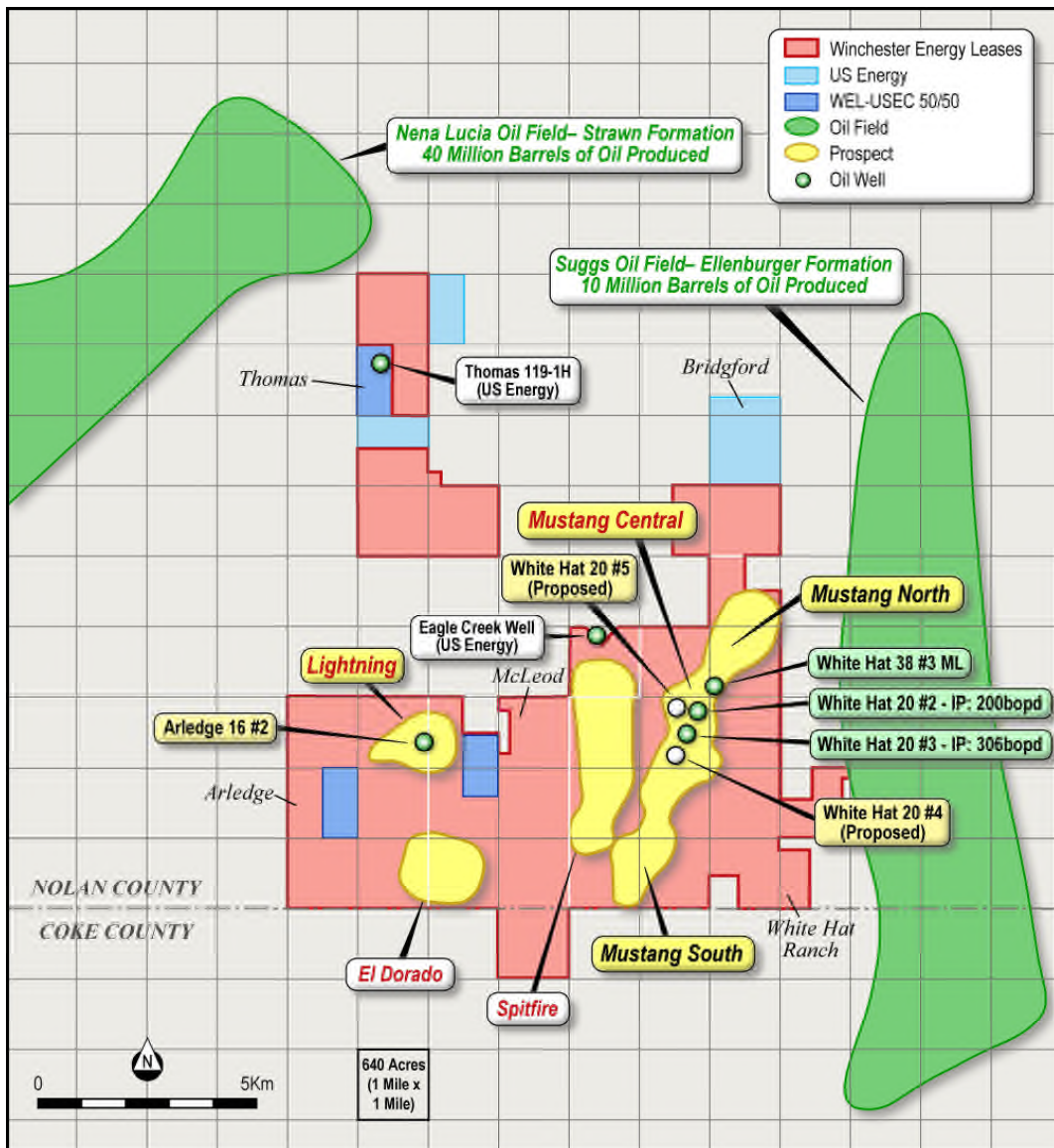
Winchester Managing Director Neville Henry commented:

*"We are excited to initiate completion of the Arledge 16#2 well which will be a very important well to Winchester particularly if the test of the full Lower Cisco Sand interval is successful. Seismic has identified several stratigraphic wedges in the Cisco and Canyon sections that could have these and/or similar sand units preserved over both the McLeod and Arledge leases".*

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Location of Lightning Prospect and the Arledge 16#2 well

### 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 has identified several prospects across its leasehold and is currently undertaking development drilling at the newly discovered Mustang Oil Field where the recently drilled and highly successful White Hat 20#3 has initial production (IP) of 306 bopd.



***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.*