



Company update

Date: 1 April 2020

ASX Code: WEL

Directors

Laurence Roe
Non-Executive Chairman

Neville Henry
Managing Director

Larry Liu
Non-Executive Director

Tony Peng
Non-Executive Director

James Allchurch
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Please find attached a Winchester Energy Ltd presentation.

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WINCHESTER

ENERGY LIMITED

Oil Production & Development

Permian Basin - Texas , USA

ASX:WEL

Update - 31 March 2020



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The estimated total prospective resources referred to in this presentation were first announced to the ASX on 15 October 2018, 21 June 2019 and 25 June 2019.

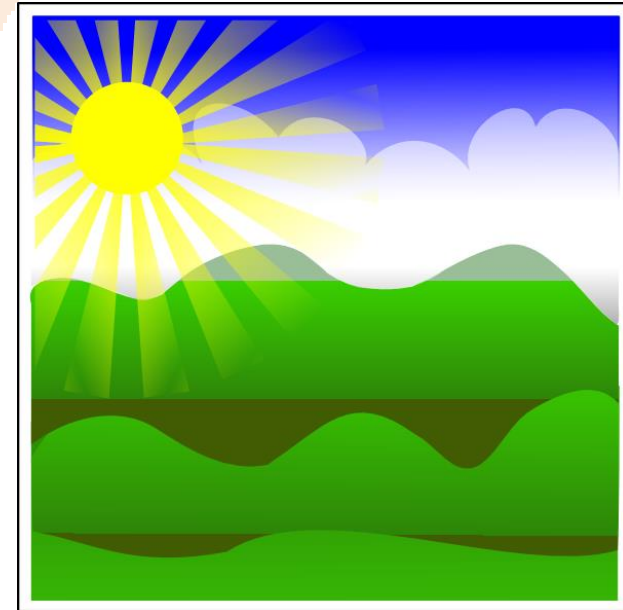
The estimated quantities of petroleum that may potentially be recovered by the application of future exploration and development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The Company confirms that it is not aware of any new information or data that in its opinion materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

COMPETENT PERSON'S STATEMENT

The information in this document relating to petroleum resources and exploration results is based on information compiled by Mr Neville Henry. Mr Neville Henry has a BA (Honours) in geology from Macquarie University and has over 43 years experience in the technical, commercial and managerial aspects of the oil and gas industry. Mr. Henry has consented in writing to the inclusion of the information stated in the form and context in which it appears.

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 and their associated calculations may be subject to revision if amendments to mapping or other factors necessitate such revision. Gas quantities are converted to boe (barrels of oil equivalent) using 6,000 cubic feet of gas per barrel. Quoted estimates are rounded to the nearest barrel.

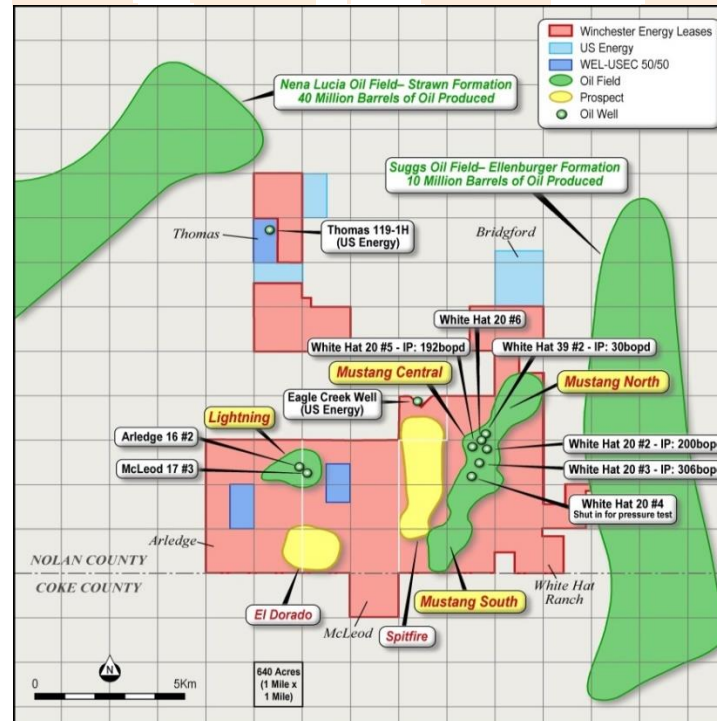
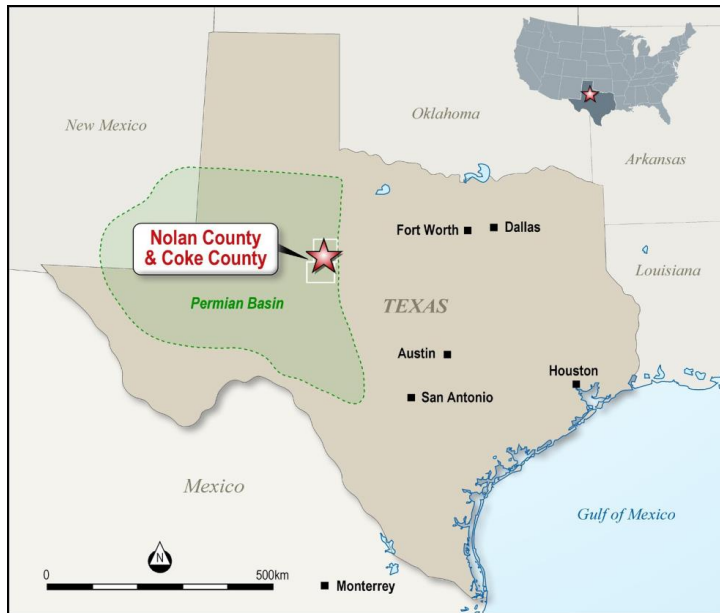
- Presentation prepared for Australian Energy and Minerals Investor Conference March 25th (cancelled)
- Winchester prepared this presentation prior to the double shock of the Covid-19 pandemic expansion and the oil price collapse due to the Saudi/Russia dispute
- We are in a good position to ride out the storm and will be ready to build as sunny days return
- Strengths
 - ✓ Over A\$6.5 million cash on hand¹
 - ✓ No Debt
 - ✓ Stable Production
 - ✓ Profitable at \$25 oil
 - ✓ Low Operating Cost
 - ✓ Experienced Team who have seen it before
 - ✓ Opportunity Rich and Drilling flexibility



*Note 1: 29 February 2020.

Company Background - Winchester Energy Ltd (ASX: WEL)

- Independent exploration and production company based in Houston, Texas USA with principal focus on the acquisition, exploration and development of oil and natural gas in the Permian Basin.
- Listed on the Australian Stock Exchange since 2014 – ASX: WEL
- Strategy to leverage science and advanced technology to capture low break-even conventional oil and gas assets by focusing on technical excellence, financial discipline and environmental stewardship to create shareholder value.



Why explore in the Permian Basin, Texas?

“The Permian Basin is currently the best oil address in the world outside of the Middle East – 2nd largest oil field after Ghawar.”
Forbes 2017

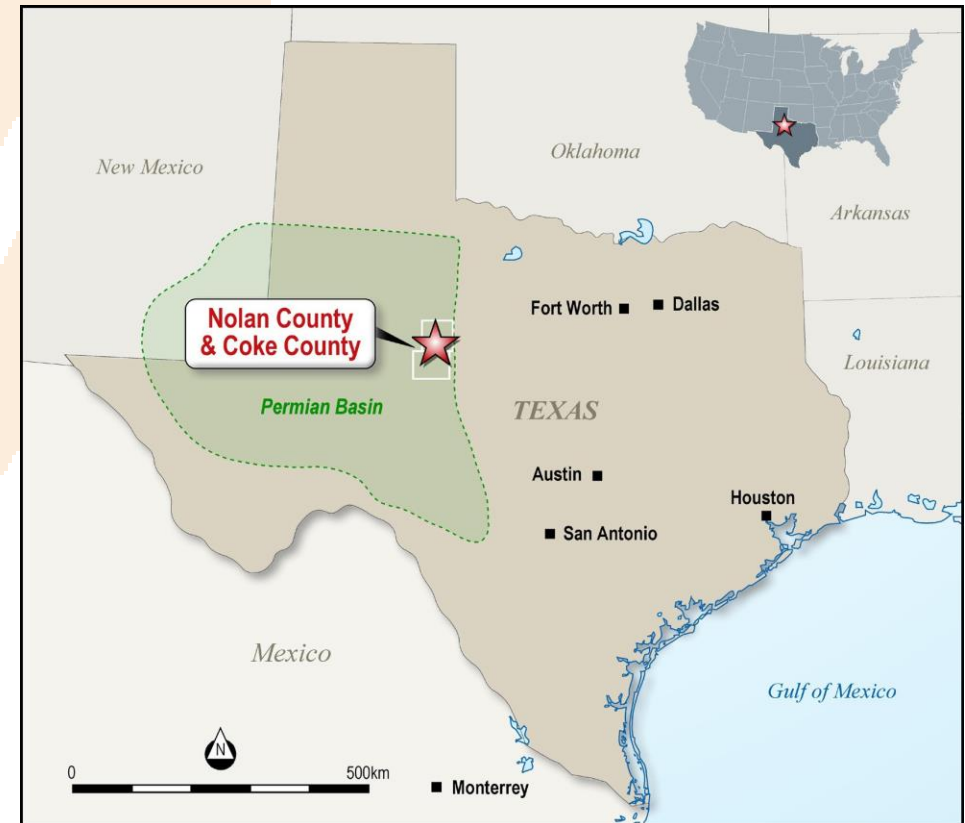
Winchester Energy is the only ASX-listed company with its sole focus in the Permian Basin

Still Many New Plays possible!!

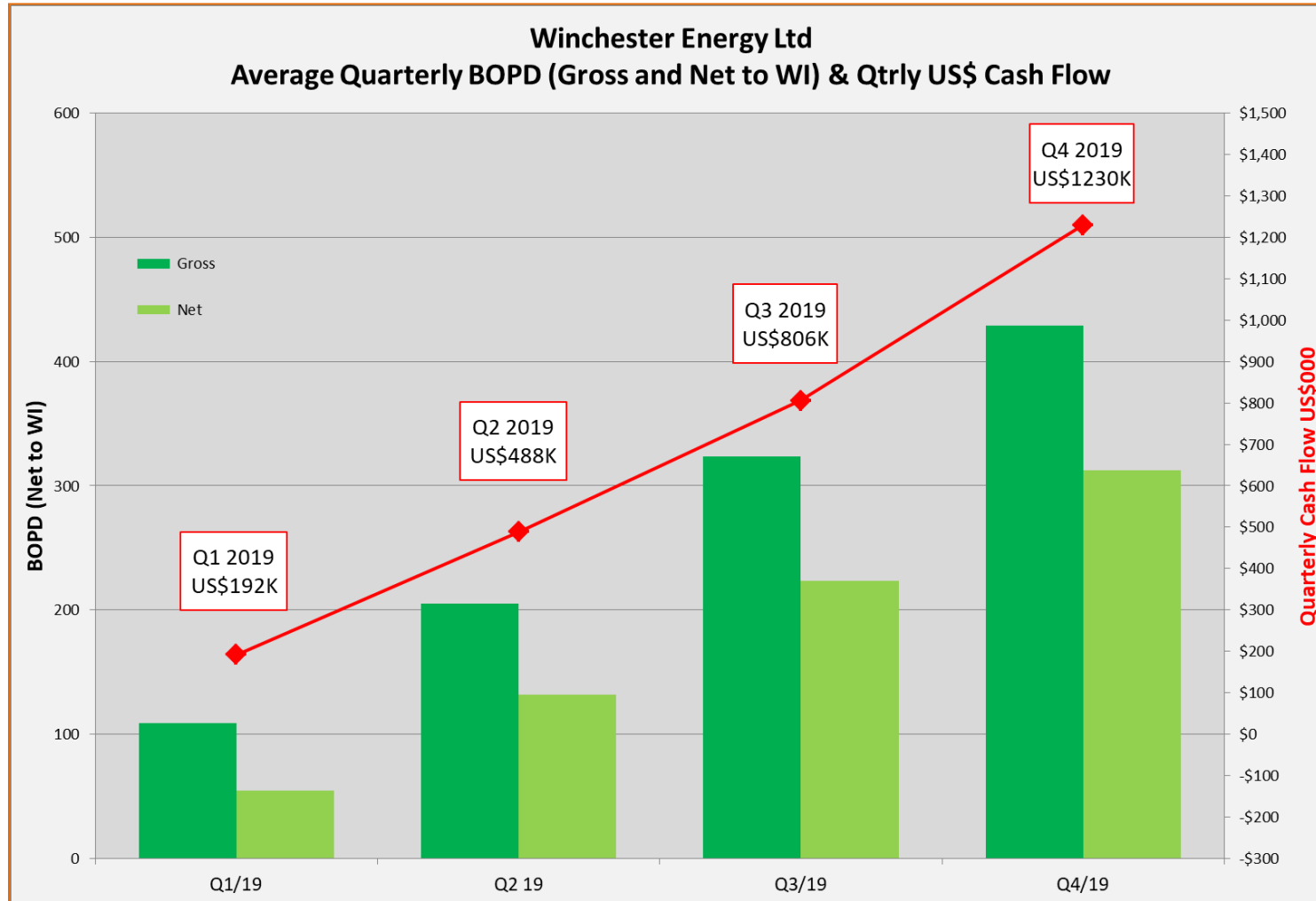
Permian Basin

Stacked, proven, prolific oil producing horizons = world-class production

| | |
|---|---|
| Total oil and gas production to date: | 34 billion bo & 121 TCF |
| Daily oil & gas production: <small>(EIA Nov 2019)</small> | 4.6 million bopd & 14.6 BCFG |
| Proportion of current US oil production: | 37% |
| Proportion of US onshore drilling rigs in Permian Basin: | 52% |
| Remaining Permian Basin reserves: <small>(USGS 2018)</small> | 46 billion bo & 281 TCF |



* In this presentation: bo = Barrels of Oil; bopd = barrels of oil per day; TCF = trillion cubic feet (of gas); BCF = Billion cubic feet (of gas); boe = Barrels of Oil equivalent.



- ✓ **Growing Production**
312 bopd production net to Winchester WI in Dec 2019 quarter
- ✓ **Strong Revenue Growth**
A\$1.8M net revenue in Dec 2019 quarter
- ✓ **Active growth strategy to boost production, cash-flow**
- ✓ **Debt-free**
- ✓ **Operator**
- ✓ **17,000 Net Acres**
- ✓ **Permian Basin**

Note: WEL Shares trading at \$0.019 on 24 March 2020

WEL Share Price Graph



| | |
|--|-----------------|
| Cash on hand 29 Feb 2020 | A\$6.5 Million |
| Total shares on issue | 687 Million |
| Total options on issue @A\$0.12/share | 44 Million |
| Current Market Cap (24 March 2020) @ 1.9 cents/share | A\$13.1 Million |
| Debt | Nil |
| Board & Management holdings (% ownership of the Company) | 13% |

Board and Management

| |
|--|
| Laurence Roe (Non-Exec Chairman) Technical experience & exploration success - Permian Basin, Texas |
| Neville Henry (MD) Successful start up-Aurora, business & technical experience – Texas |
| John Kopcheff (NED) Ex Vicpet/Senex MD & founder - technical experience |
| Larry Liu (NED) Commercial & investment experience - China |
| Tony Peng (NED) Finance & merchant banking experience, USA, CFO Helios Energy |
| Hugh Idstein (CFO) Financial and Leasing Manager |

Why Winchester is Different Post-March 8, 2020

Striving to maintain strong revenue stream, lower cost of development and good economics at today's oil and gas prices.

Experienced and Disciplined Team

- Solid and experienced technical and operational foundation in place who have seen it all before and prepared to tackle a low-price environment and reposition company for growth

Financial Strength

- Positive Cash Flow
- Cash on hand
- No Debt
- Ability to raise capital if opportunity arises

Opportunity Rich Portfolio

- Conventional assets and field development to maintain cash flow
- Low Risk Behind Pipe adds with Exploration Prospect upside when prices increase
- Access to increasingly stressed debt-based assets in current downturn

Operational Excellence

- Objective is to apply leading technology with a focus on cost management to develop proven acreage. Applying cutting edge seismic processing and modern log analysis to capture hidden opportunities

Low Cost Structure

- Low Cost Drilling and Completions
- Acreage held in a few low-commitment leases
- Low entry cost acreage for new leases
- US-based team

Positioned for Growth

- With a solid foundation in place for building a valuable oil and gas production company, we are carefully evaluating and pursuing low-risk exploration opportunities using strict criteria and a disciplined approach.

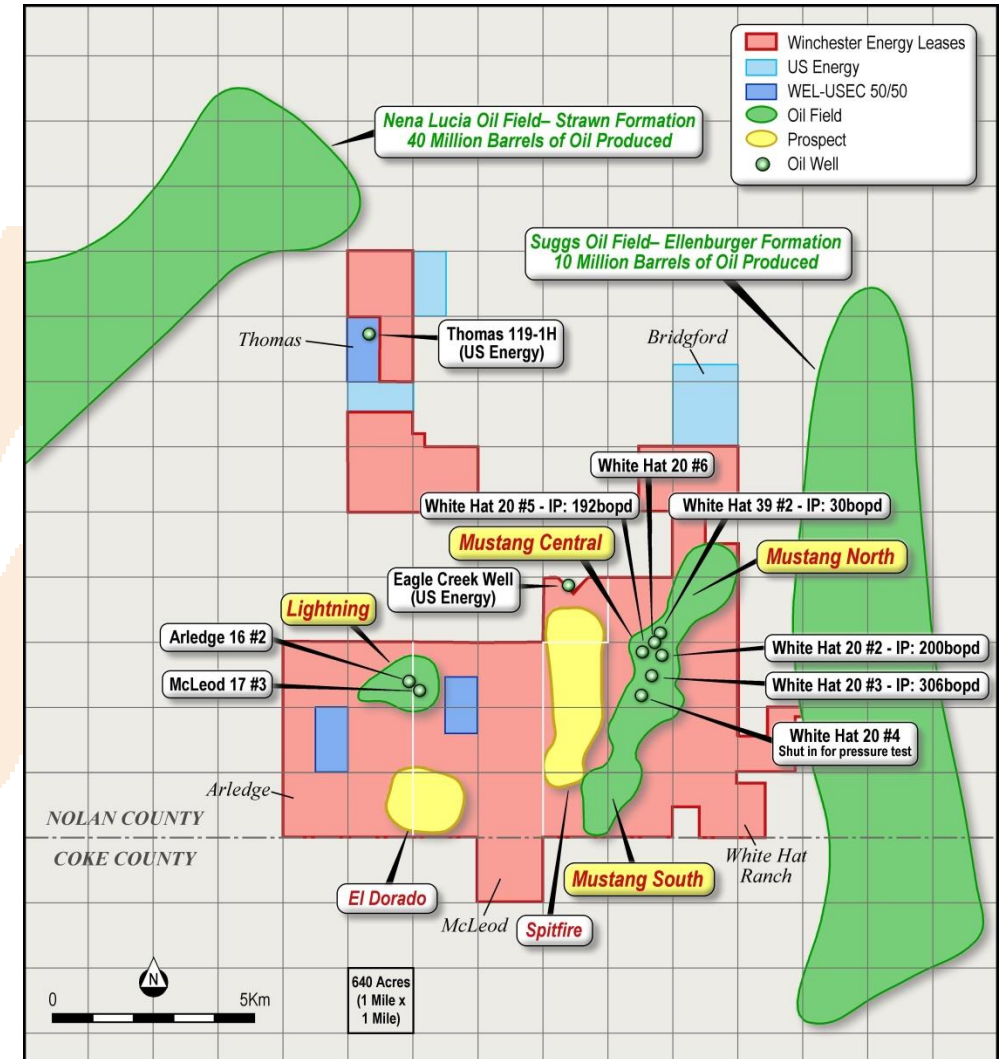
Operational Excellence

- Our strategy is to grow through production and development, exploration and leasing of acreage in proven areas. WEL has secured initial development acreage in the Permian Basin and are in early stages of a delineation and evaluation program.

Value Centric

- Our objective is to apply leading technology with a focus on cost management to develop proven acreage. Using cutting edge seismic processing and modern logs analysis to capture hidden opportunities.

Striving for a strong revenue stream, lower cost of development and good economics at today's oil and gas prices.

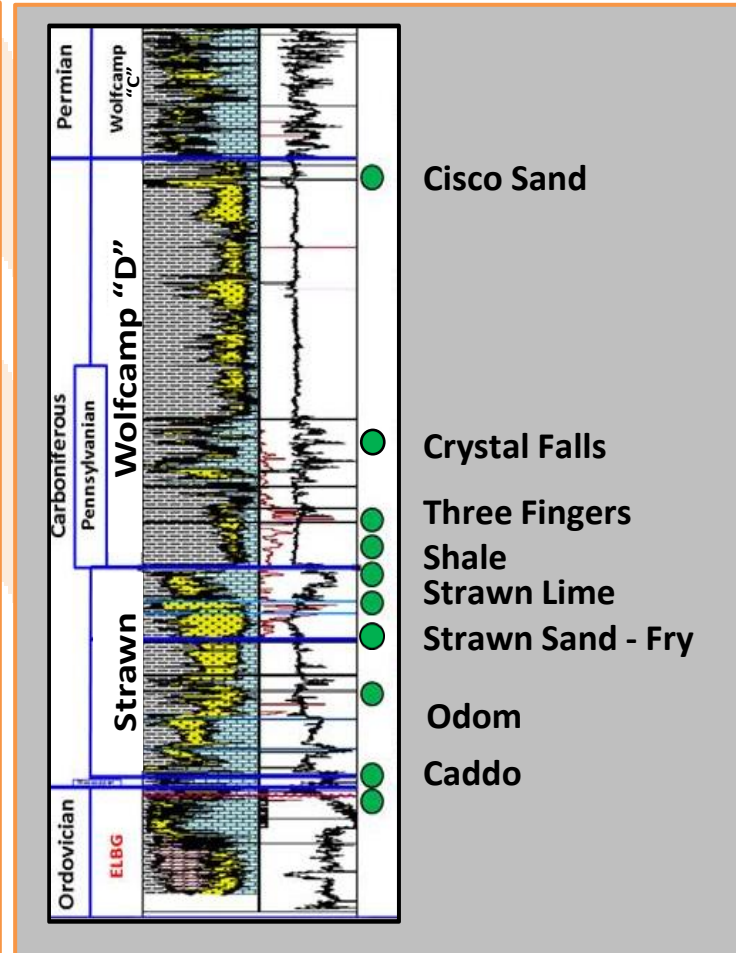


“The Permian Basin is currently the best oil address in the world outside of the Middle East – 2nd largest oil field after Ghawar.” *Forbes 2017*

Winchester Energy is the only ASX-listed company with its sole focus in the Permian Basin.

Winchester Energy

- Over 17,000 net acres under lease, with multiple stacked conventional drilling targets
- Current focus is on development of Mustang Field (Strawn Fry Sand) and Lightning Prospect (Cisco Sands) stratigraphic prospects.
- Total cumulative gross prospective resource for Mustang Field and the Lightning, Spitfire and El Dorado prospects range from a best estimate of 9.8 mill bbls to high estimate of 22.7 mill bbls*.
- Company actively identifying opportunities to materially expand lease-holdings.
- Significant unconventional oil potential in Wolfcamp D shale within Winchester leases.



Multiple Stacked Targets

- **Cisco Sands** – Lightning Prospect, El Dorado Prospect and Mustang
- **Wolfcamp "D"**: Three Fingers Shale (Thomas Ranch and White Hat)
- **Strawn Sand** – Mustang Field and Spitfire Prospect
- **Odom** – Reef - El Dorado
- **Ellenburger** – White Hat Ranch Field and El Dorado Prospect

* The cumulative total gross best (P50) and high estimate prospective (P10) resources quoted above were announced to the ASX on 15 October 2018, 21 June 2019 and 25 June 2019. See Disclaimers for further information.

Mustang Development Targets

P50: 2.03 mmboe* P10: 3.78 mmboe*

- Mustang Central
- Mustang South
- Mustang North

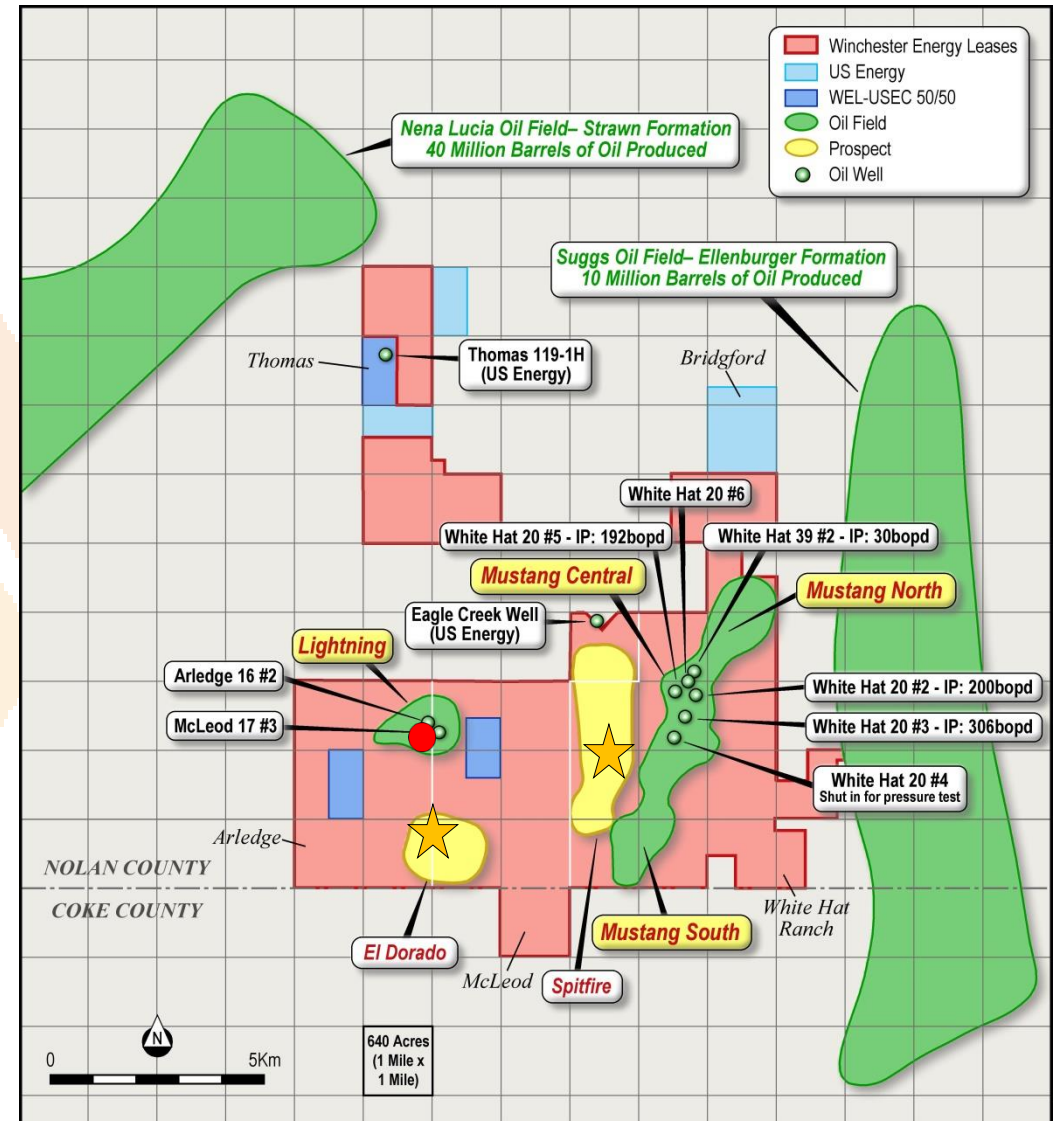
Lightning Appraisal Program

P50: 1.95 mmbo P10: 6.39 mmbo*

- Lightning

Exploration Prospects

- ★ Spitfire P50: 4.99 mmbo*
- ★ El Dorado P50: 1.27 mmbo* without Cisco included



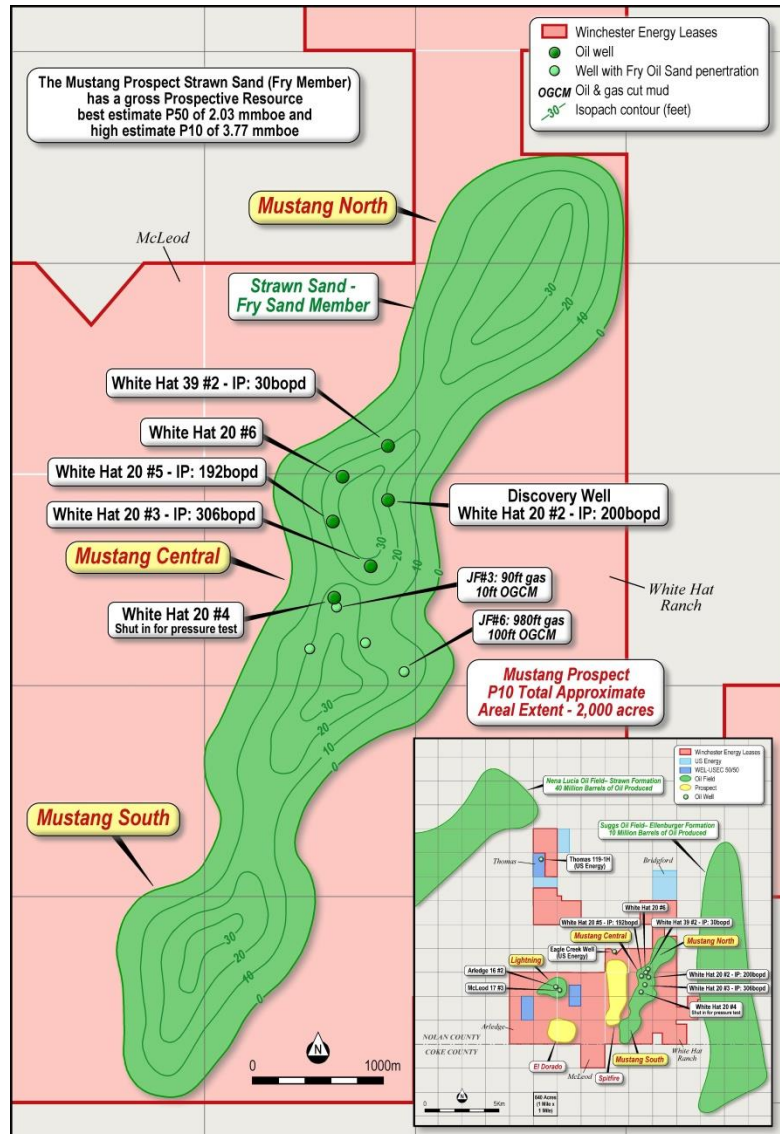
*Note: The cumulative total gross best (P50) and high estimate prospective (P10) resources quoted above were announced to the ASX on 15 October 2018, 21 June 2019 and 25 June 2019. See Disclaimers for further information.

mmbo = millions of barrels of oil; mmboe = millions of barrels oil equivalent.

Proven Conventional Reservoirs

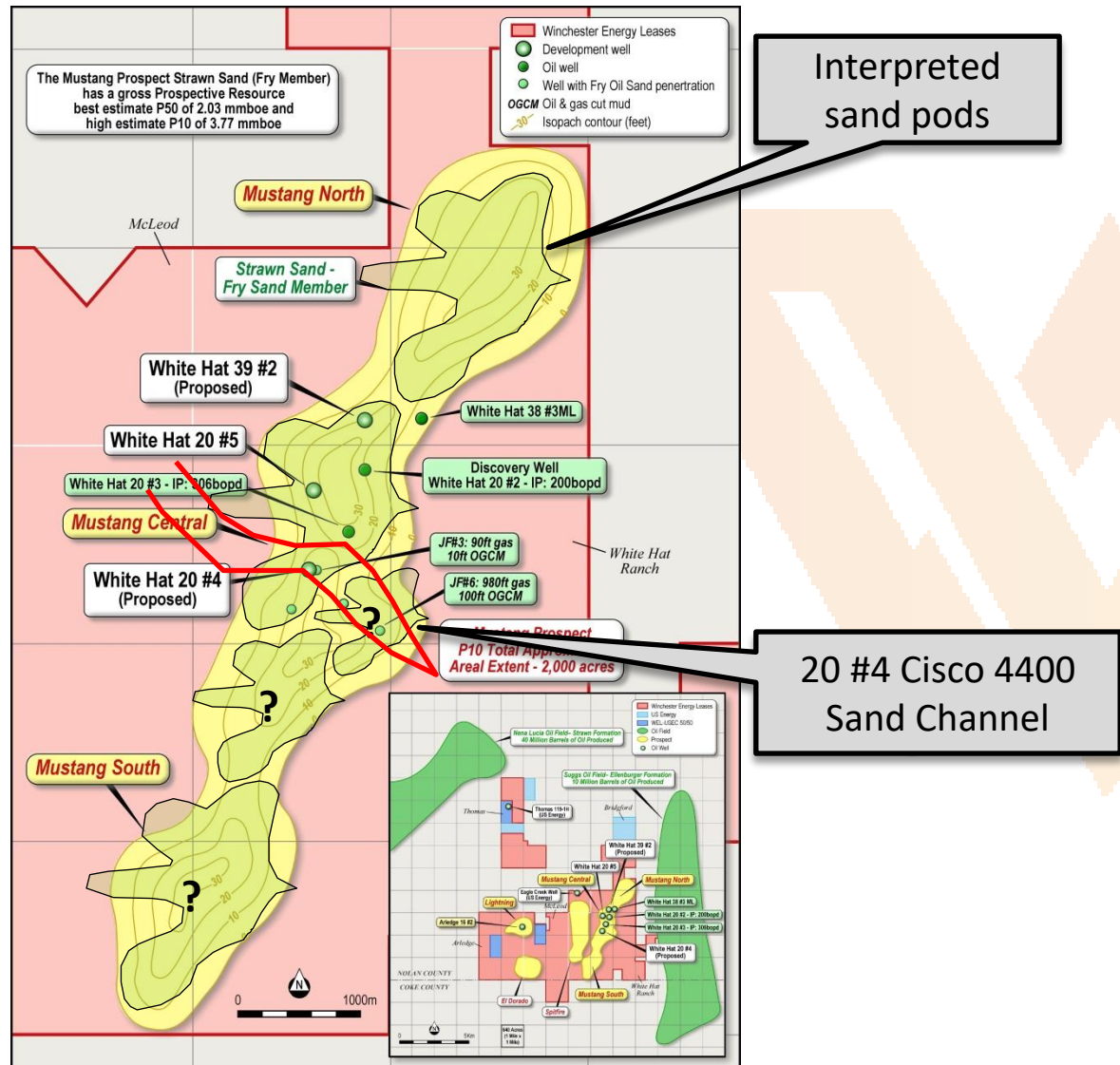
| Mustang | Lightning | Spitfire | El Dorado |
|---|--|--|--|
| <p>Strawn Sand (Fry Member)</p> <p><i>Gross Prospective Recoverable Resource</i></p> <p>Best estimate: 2.03 mill boe*</p> <p>High estimate: 3.78 mill boe*</p> | <p>Cisco stacked sands</p> <p><i>Gross Prospective Recoverable Resource</i></p> <p>Best estimate: 1.95 mill bbls*</p> <p>High estimate: 6.39 mill bbls*</p> | <p>Strawn Sand & Ellenburger Limestone</p> <p><i>Gross Prospective Recoverable Resource</i></p> <p>Best estimate: 4.49 mill bbls*</p> <p>High estimate: 9.91 mill bbls*</p> | <p>Cisco Sand, Odom and Ellenburger Limestones</p> <p><i>Gross Prospective Recoverable Resource</i></p> <p>Best estimate: 1.47 mill bbls*</p> <p>High Estimate: 2.63 mill bbls*</p> |
| <p>Multiple oil producers - Ongoing field development</p> | <p>Oil Discovery</p> | <p>CHANCE OF SUCCESS** 28% (WEL Ranking)</p> | <p>CHANCE OF SUCCESS** 36% (WEL Ranking)</p> |

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- The Fry Sandstone is the uppermost sand of the Strawn-age sediments.
- Production from the Mustang oil field is from the Mustang Central area, in the White Hat Ranch lease; areal extent is estimated as just over 1,000 acres.
- Additional lobes are interpreted to be present northeast and southwest of the main producing area
- The play is defined by 15 wells, including wells to the east and west of the field that provide stratigraphic control for the trap - both down-dip and in the critical spill direction.
- Five wells are currently on production - three have had Initial Production rates of 200 – 300 bopd.
- Up to 10 additional locations could be considered depending on the flow performance of the current producers.
- The 3D seismic survey covering the Mustang field is being reprocessed and is expected to improve imaging of the Fry Sand and potentially allow more accurate mapping of its thickness and porosity.

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Summary

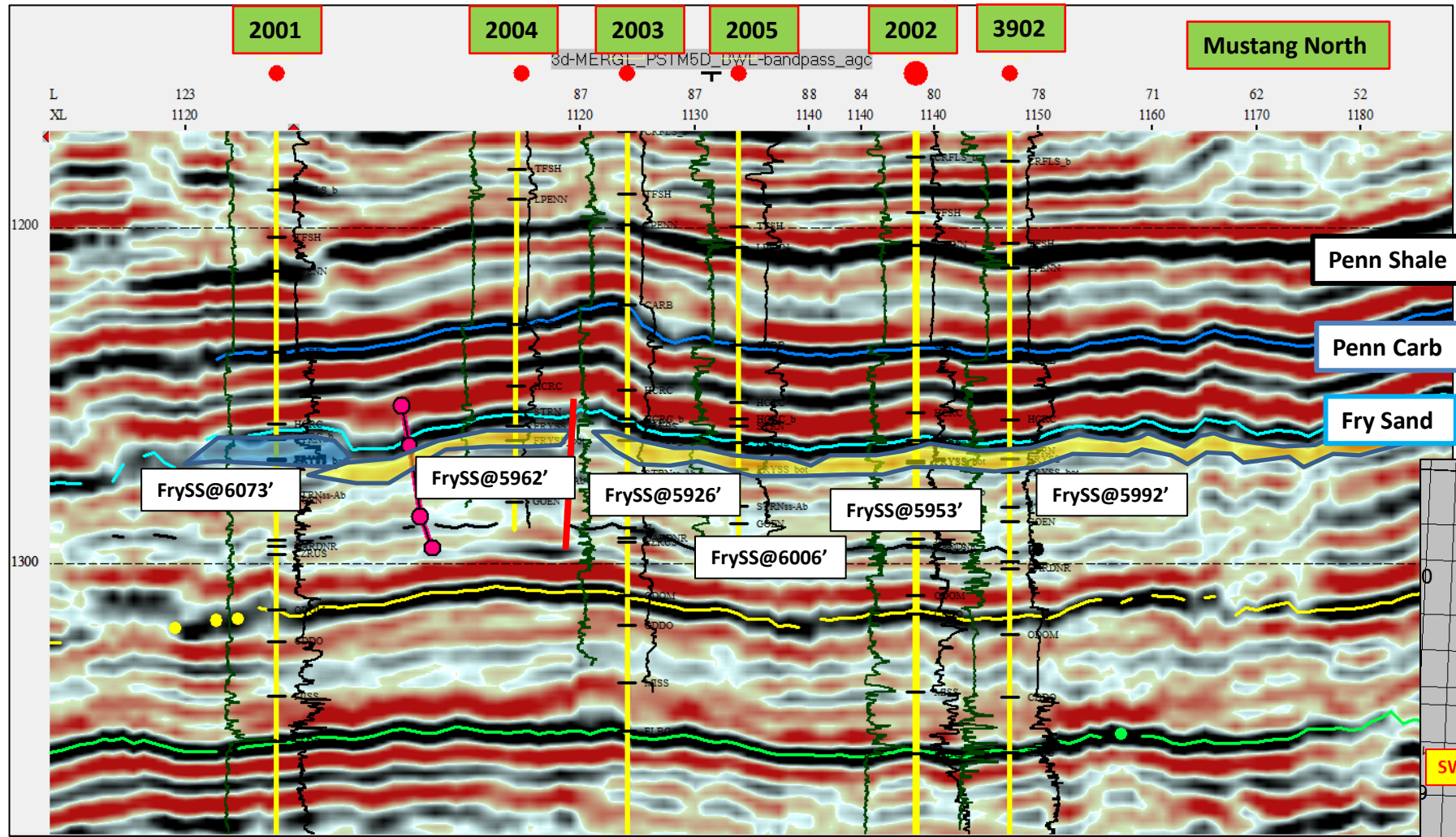
- The Fry Sand remains the primary target at Mustang.
- 3D seismic mapping indicates that the Fry is distributed in discrete “pods” within the lobes.
- Additional targets are mapped in the shallow Canyon and Cisco sands - a prospective Cisco sand channel (the “4400 sand”) has been intersected by the WHR 20#4 well in the Mustang Central lobe.
- The shallow plays and additional target options greatly reduce risk as the company continues to develop the Mustang Field.
- Recent seismic reprocessing has identified potential porous and fractured Ellenburger which has 30 feet of logged pay in WHR 39#2 that can be drilled at Mustang and extensions of the field.

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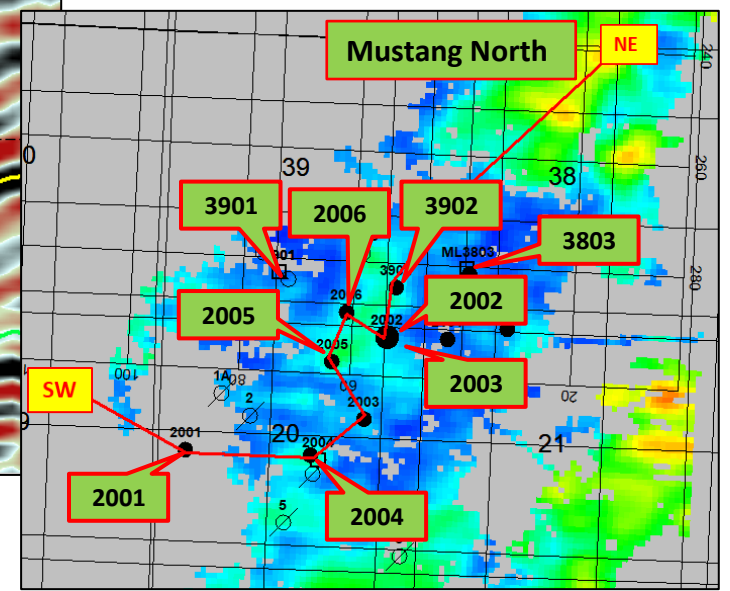
Mustang Oil Field – Seismic Expression

SW

NE

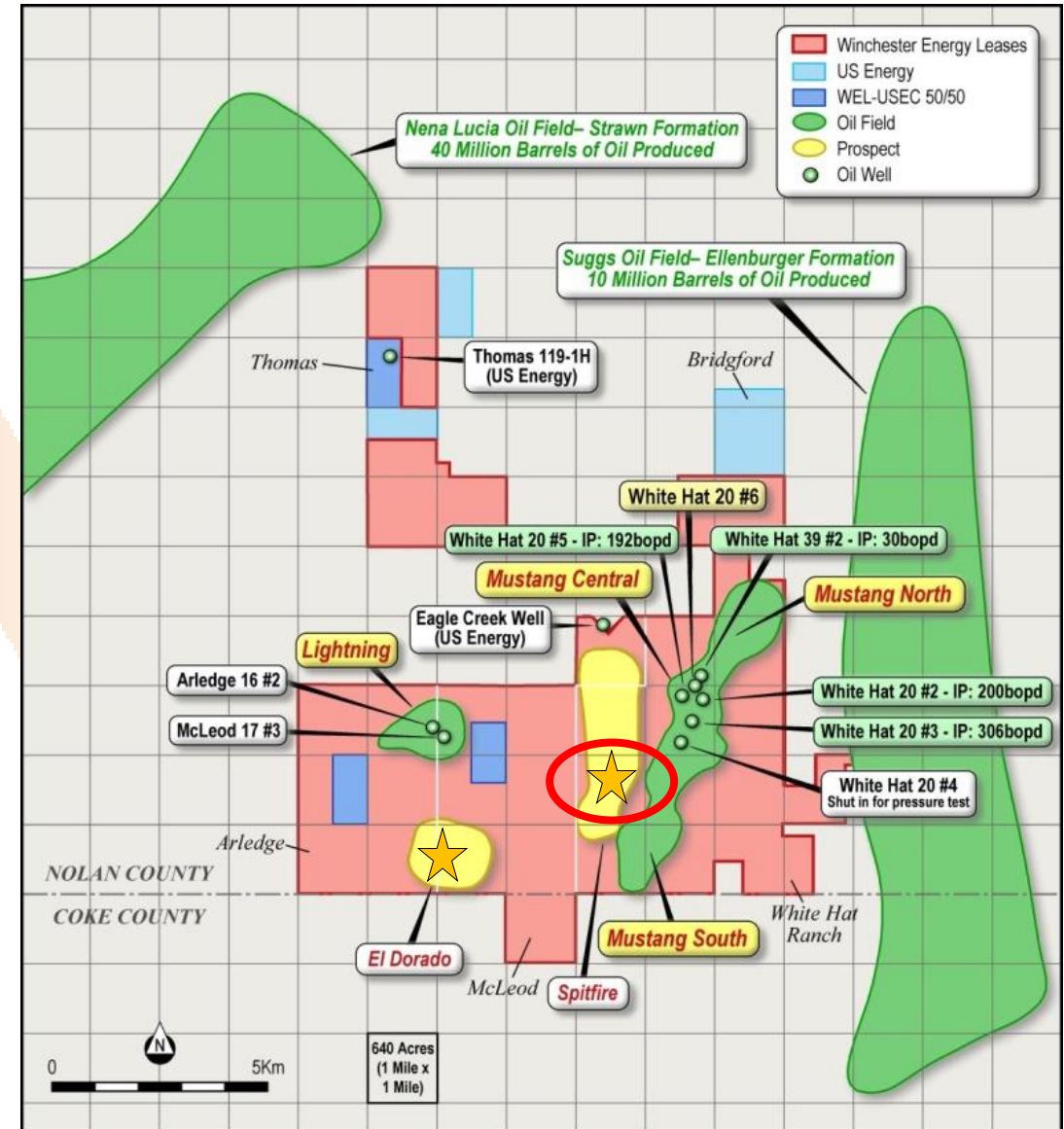


Fry Sand Maximum amplitude map



Seismically-defined Strawn Channel prospect

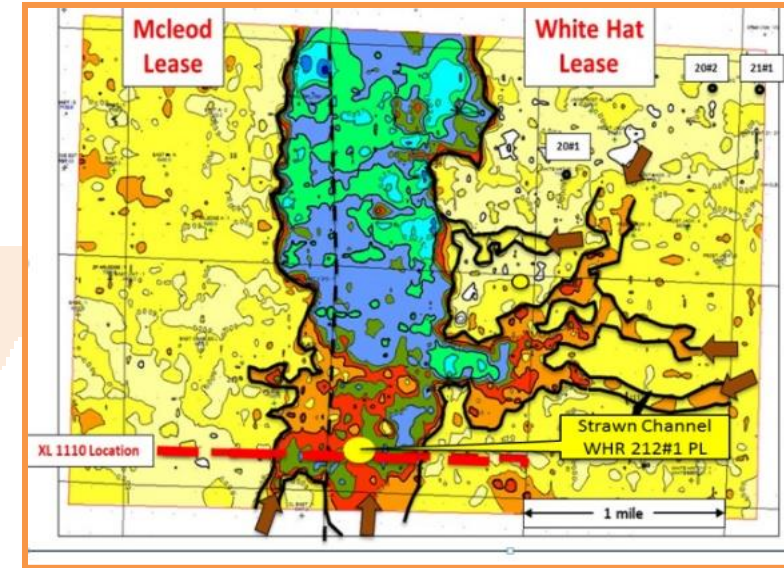
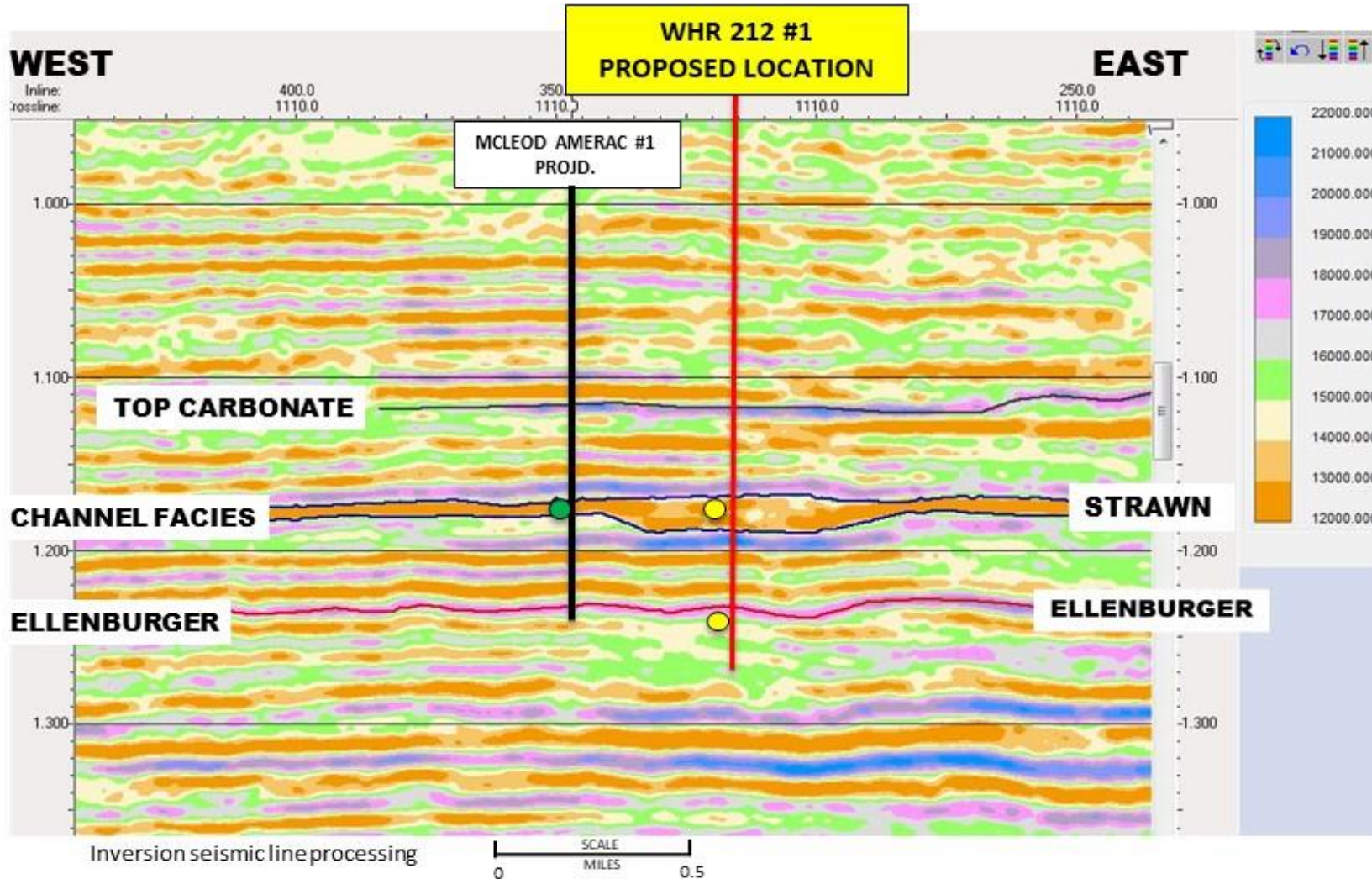
- Spitfire is a 3D seismically-defined major Strawn 'channel' feature interpreted to be filled with Upper Strawn Sand.
- Support for the presence of Strawn sand fill in the 'channel' is provided by a well drilled to the west of the channel edge that intersected sand with oil shows.
- Best Estimate (P50) gross prospective resource of 4.49 million barrels of oil* in target Strawn & Ellenburger Limestone.
- The Spitfire prospect will be tested by the proposed White Hat 212 #1 well; it will be drilled to a depth of 7,100 ft.
- Drilling timetable currently under revision.



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Exploration Prospect - Spitfire 'Strawn Channel'

Seismic line XL1110 using velocity imaging

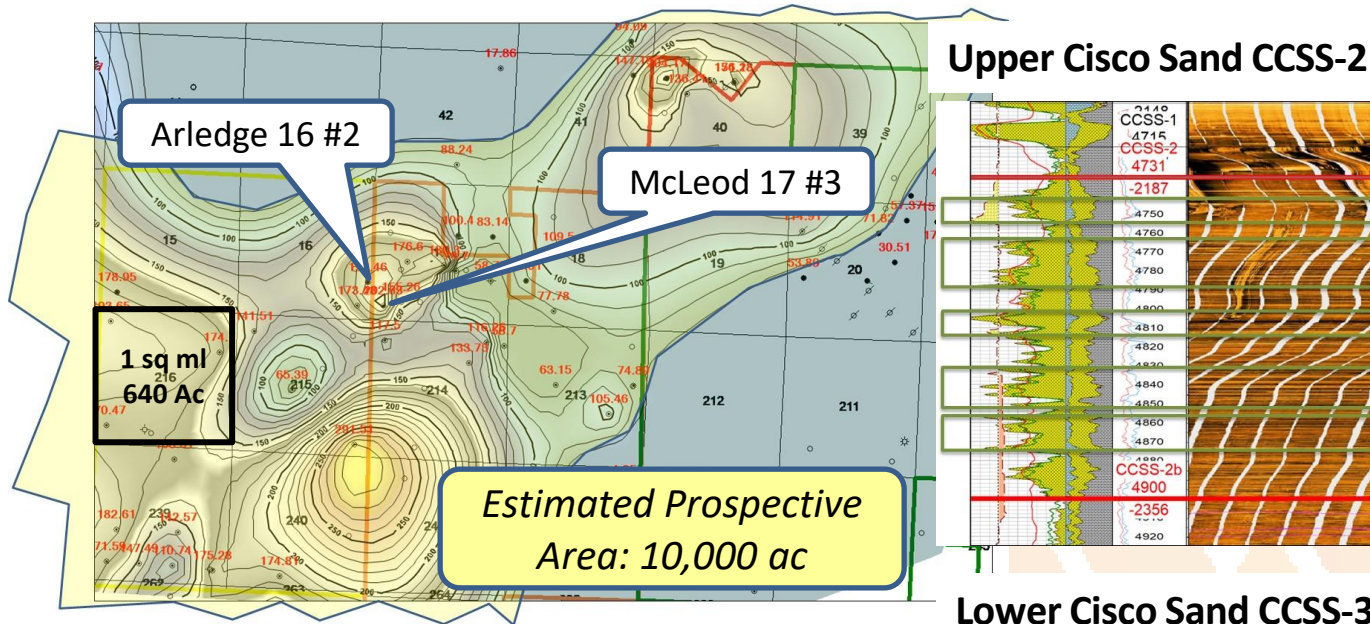


The Spitfire Prospect will test a channel feature on 3D seismic. The interval was penetrated at the channel edge in the McLeod 212 Amerac #1, where it penetrated 30 feet of gross sand with 7 feet of calculated pay. The interpreted target is anticipated to be approximately 60 feet thick with a net pay of 25 ft per Kurt Mire and Assoc.

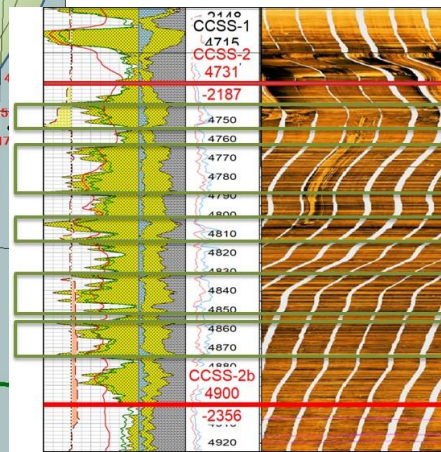
The prospect is also anticipated to have Penn Carb and Penn Shale secondary targets.

Fractured Ellenburger remains an exploration target.

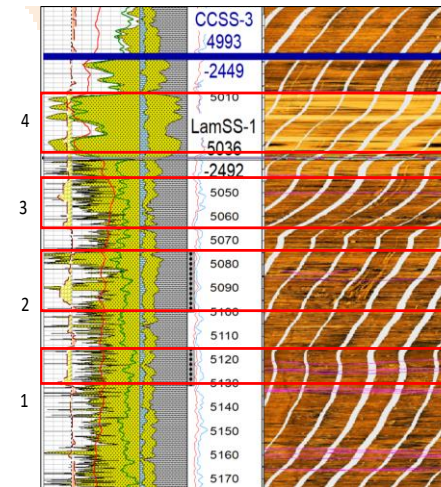
New Upper & Lower Cisco sand oil discovery



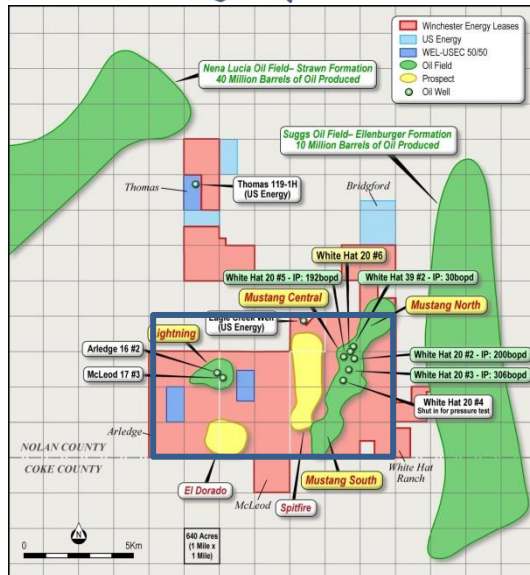
Upper Cisco Sand CCSS-2



Lower Cisco Sand CCSS-3



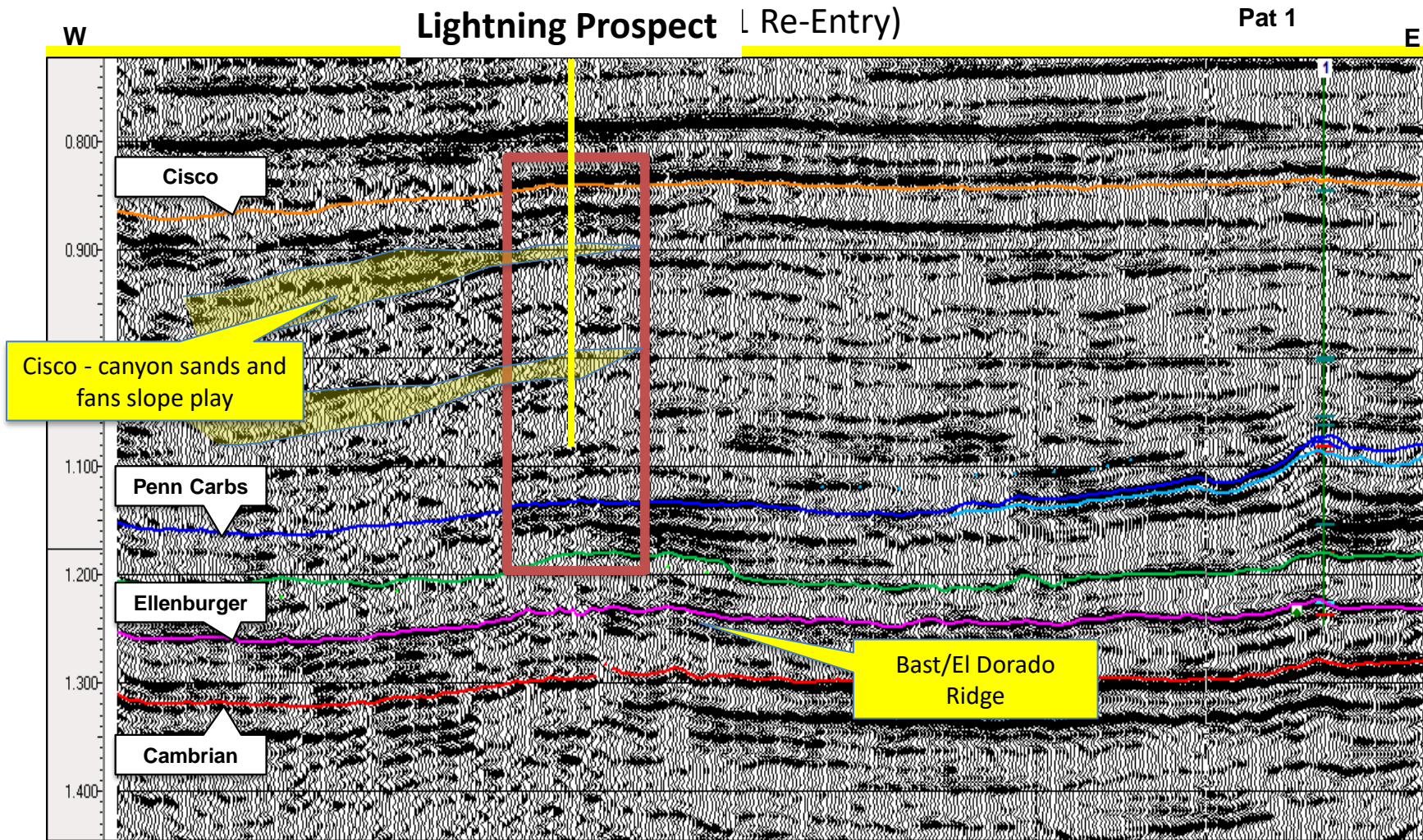
- Arledge 16#2 was a re-drill of the 1982 Arledge 16#1 well testing an Upper and Lower Cisco laminated sand and shale section between 4,700 feet and 5,250 feet.
- FMI log interpretation indicated a gross pay interval of approximately 490 feet with 150 ft of net pay in the laminated sands and shales.
- Conventional perf and acidizing tests recovered oil with little water from multiple tests within the 4,735 - 5,131 ft interval at moderate rates after initially testing at high rates.



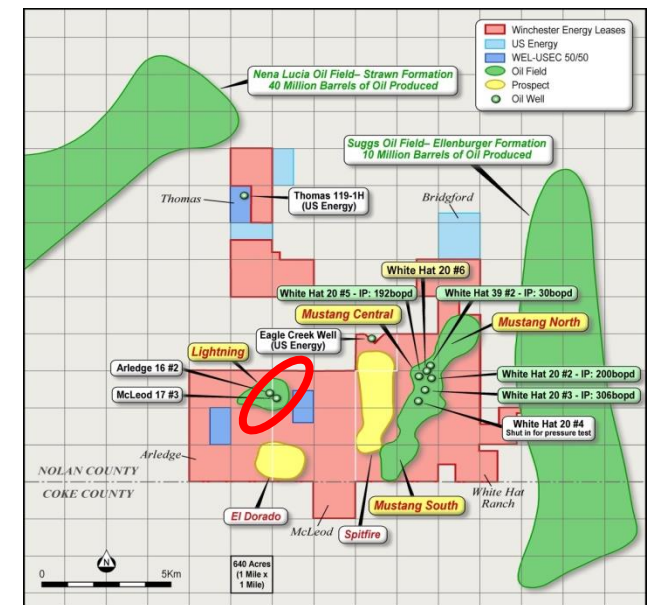
- The subsequent fracture stimulation appears to have intersected a partially-depleted sand, affecting the well performance.
- The Lower Cisco play discovered at the Arledge 16 #2 well is interpreted to be developed over an area approaching 10,000 acres.

Exploration Prospect - Lightning

New Upper & Lower Cisco sand oil discovery



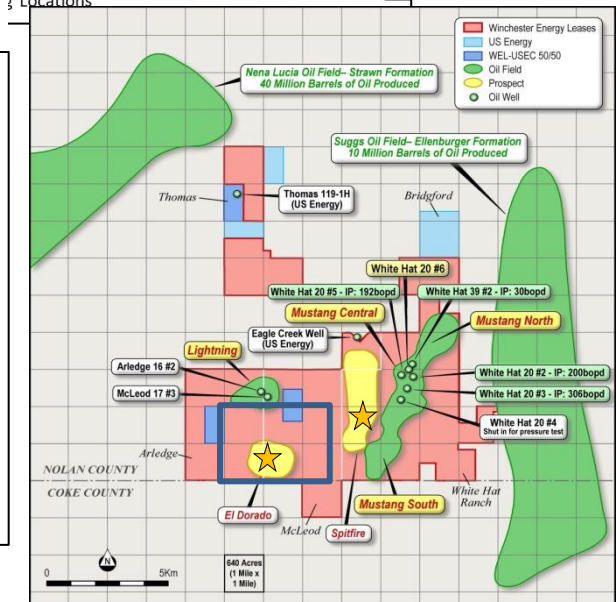
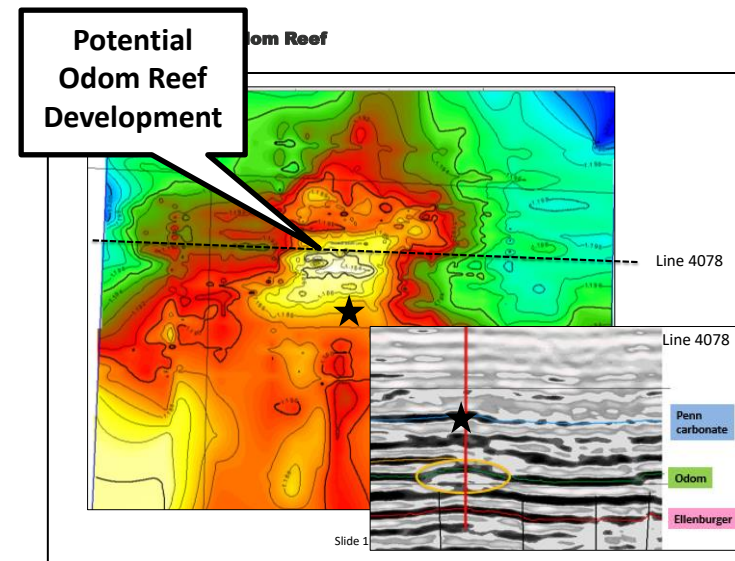
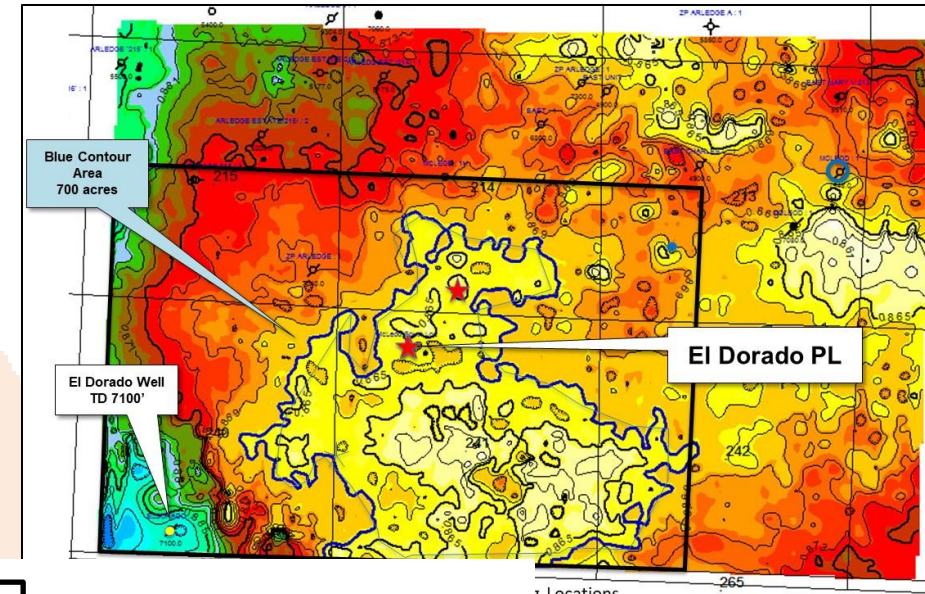
Successful completion for production of the Upper and Lower Cisco sands - with gross 490 ft oil column - opens up a major new stratigraphic play of slope channel sand fans being deposited westward of the Bast/El Dorado Ridge.



El Dorado Prospect Overview

- El Dorado is a 3D seismically-defined four-way dip structural closure at the Strawn and Ellenburger Limestone horizons.
- Closure covers up to 1,000 acres.
- Mapped closure includes the Upper Cisco Sand which is productive at Winchester's recently drilled Lightning prospect.
- Potential Odom Reef development.
- Ellenburger shows both structural closure and potential areas of fracturing and possible karstification as indicated by seismic velocity analysis
- Gross prospective Best Estimate (P50) resource of 1.47 million barrels of oil* and High Estimate (P10) of 2.63 million barrels of oil* in target Cisco Sand, Odom & Ellenburger Limestone.

4 Way Closure on Cisco - South of Lightning



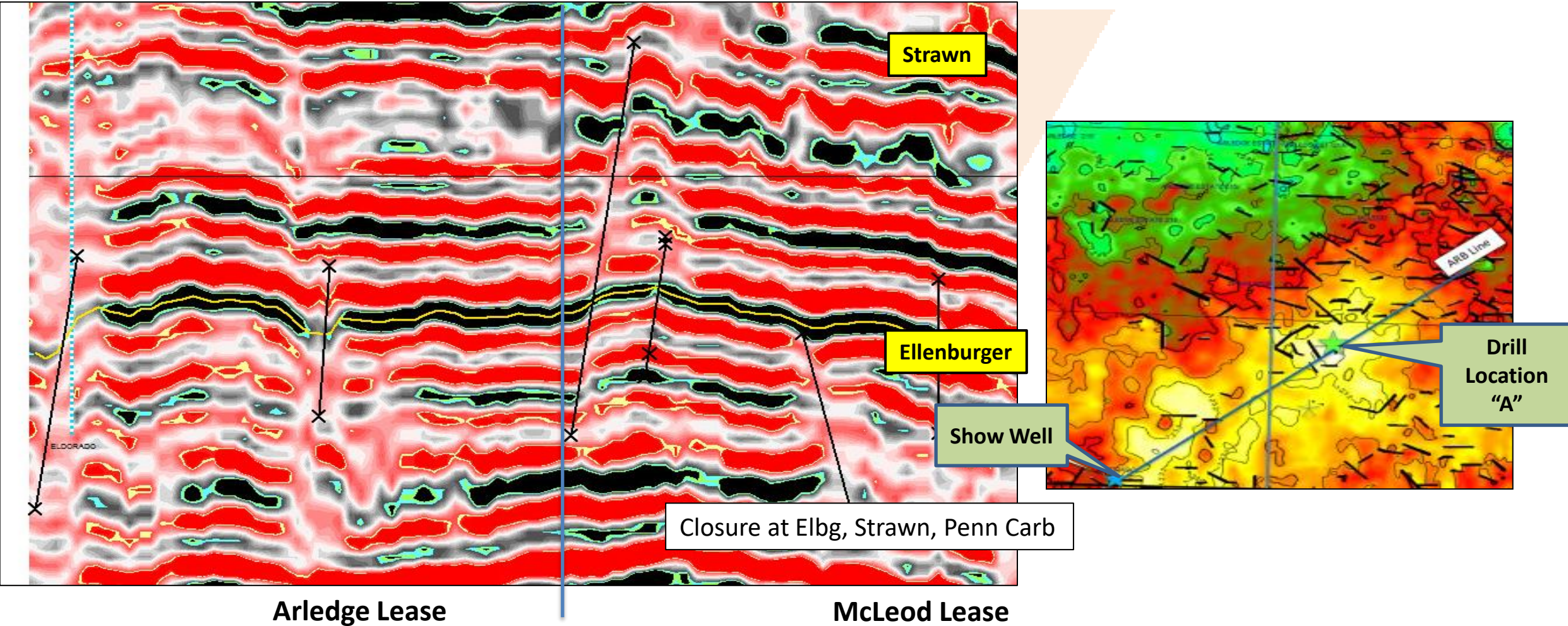
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Exploration Prospect - El Dorado

Arbitrary Seismic Line through the prospect

El Dorado 240 #1
2009

El Dorado A
Proposed Location



- ✓ Active and Successful
- ✓ Debt-free & Cash-Flow positive
- ✓ High working interests
- ✓ Five contiguous leases - 17,000 net acres
- ✓ 3D seismic over approximately 100 sq miles
- ✓ Exciting Exploration & Development Portfolio
- ✓ Recent Discoveries; Lightning Prospect
- ✓ Exploration Potential; El Dorado; Spitfire and Mustang North
- ✓ Sustainable Operations During Downturn
- ✓ Experienced “Been Through It Before” Team





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Oil Production & Development

Permian Basin - Texas , USA

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Update

25 March 2020

