



White Hat 21#4 - Operational Update

Date: 4 July 2016

ASX Code: WEL

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The White Hat 21#4 vertical well reached a total depth (**TD**) of 7,042 feet after drilling through the Ellenburger target zones. Oil and gas shows and wireline log interpretation indicate two oil bearing zones of comparable thickness and quality to those in the White Hat 21#1 well, the best producing oil well in the field to date. Substantial drilling fluid losses while drilling the main target zone also suggest appreciable formation permeability.

Production casing has been successfully run and cemented to TD and the drilling rig has been released. The Operator, Carl E Gungoll Exploration LLC (**CEGX**), has advised that a well completion rig is scheduled to move to site and commence well completion and production testing operations on 5 July 2016. A further ASX announcement will be issued when test results are available.

White Hat 21#4 is located approximately 1,200 feet (366 meters) to the east of White Hat 21#1. The primary target in the White Hat 21#4 well is oil in the Ellenburger Formation. Shows were also encountered during drilling in several shallower formations but testing is not planned at this time.

CEGX has a 50% working interest (**WI**) in the White Hat 21#4 well along with a 50%WI in the surrounding 40 acre drilling unit. Winchester owns the other 50%WI in the well and the drilling unit. Each party is paying 50% of the costs of White Hat 21#4.

Winchester's wholly owned USA subsidiary, Winchester Energy USA Holdings Inc., owns a 75% working interest (**WI**) in the oil and gas mineral rights of the 7,378 acres which surround and adjoin the existing 4 White Hat wells (Winchester 50% WI) and the new White Hat 21#4 vertical well. CEGX owns the remaining 25%WI in these 7,378 acres.

—ENDS—

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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 40 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.