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Significant Oil Recovered from the Lower Cisco Sand at Arledge 16#2, Lightning Prospect, Permian Basin, Texas

Highlights

- Completion activities have commenced at the recently drilled Arledge 16#2 (100% working interest) well targeting the Lower Cisco Sand unit.
- The combined swabbing rate from the first two of four intervals perforated and acidized to date is approximately 80 barrels of oil per day (bopd).
- The result is highly significant given the intervals are yet to be fracked, the remaining upper two intervals have not yet been tested and further gross oil pay has been identified.
- The forward plan is to fracture stimulate the two perforated intervals. This frack will also target the potentially 70 feet of thin bedded oil pay below the lowest perforated interval. It is expected that a frack crew will be available in the next two weeks.
- The Lightning Prospect has a Gross Prospective Resource high estimate P10 of 6.39 mmbo¹ in the Lower Cisco Sands.

¹ 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.

Arledge 16#2 Initial Production Testing Results – Lower Cisco Sands (Winchester - 100% Working Interest)

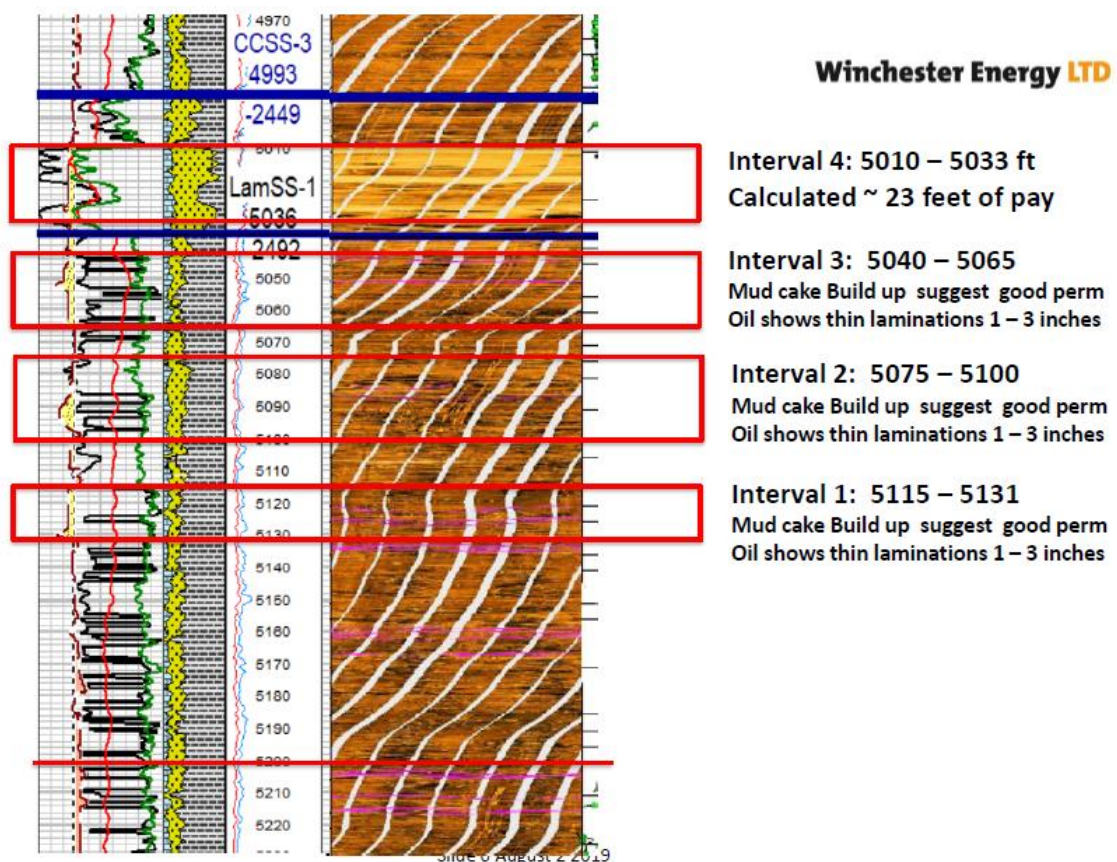
Winchester Energy Limited (Winchester), as operator, has recovered significant oil following perforation, acidisation and swabbing of the bottom two intervals of the Lower Cisco Sand at the recently drilled Arledge 16#2 well.

The combined swabbing rate from the two intervals of approximately 80 barrels of oil per day (bopd) is a highly significant result for the company given:

- the oil recovery results represent unfracked/unstimulated oil production – fracking is considered most likely to significantly enhance oil flow.
- these results are only from the bottom two intervals (aggregate 41 feet) of a total of four intervals (aggregate 89ft).
- The upper two intervals, as yet not tested, appear more prospective given the higher sand content, superior wireline and mud log response and greater thickness.
- There is potentially a further 70 feet of additional thin bedded oil pay below the lowest interval at 5,131 feet for the Lower Cisco sands based on FMI wireline log interpretation and mud log shows.

The lowest interval (Interval 1) of the Lower Cisco sands from 5,115 - 5,131 ft (a total of 16 ft) was perforated, acidized and swabbed 100% oil at an entry rate of 30-35 bopd.

Interval 2 was then perforated between 5,075 - 5,100 feet (total 25 feet) acidized and swabbed 80% oil cut at a rate of 48 bopd.



Arledge 16#2 – Conventional and FMI Log of the Lower Cisco Sands showing the Four Intervals



Arledge 16#2 Completion Plan Going Forward – Lower Cisco Sands (Winchester - 100% working Interest)

The forward plan is to fracture stimulate Intervals 1 and 2. This frack will also target the potentially 70 feet of thin bedded pay below 5,131 feet (immediately beneath Interval 1). The frack will be designed using the pressure data and current log data and we expect a frack crew will be available in the next two weeks.

Following the frack of Intervals 1 and 2, Interval 3 (5,040 – 5,065 feet) and Interval 4 (5,010 – 5,033 feet) will be perforated for swab production testing. These upper intervals are interpreted from the FMI wireline log to contain more sand than the tested Intervals 1 and 2. It is noted that Interval 4 is a highly prospective sand with conventional reservoir properties.

Arledge 16#2 Completion Plan Going Forward – Upper Cisco Sands (Winchester - 100% working interest)

The Upper Cisco Sand has a gross interval of 165 feet between 4,735 and 4,900 feet coincident with oil and gas shows.

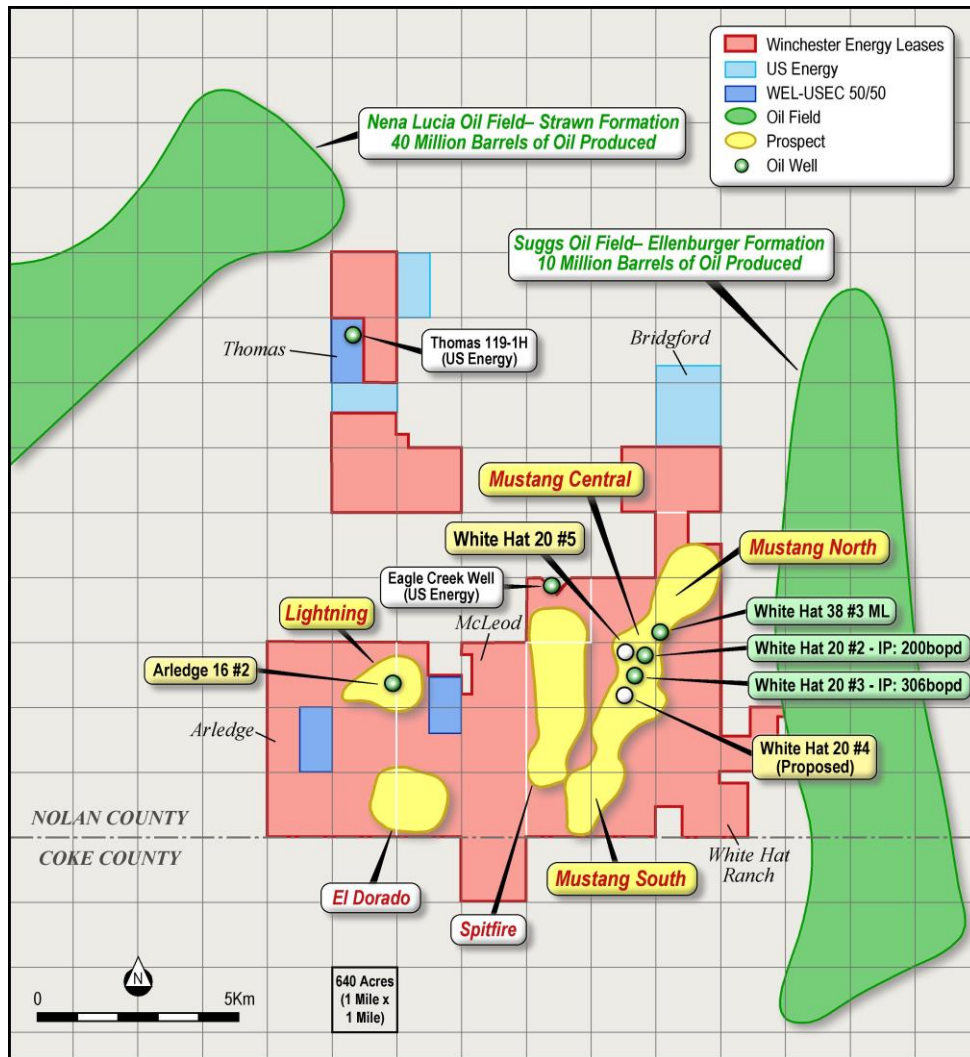
This section is comprised of thin bedded turbidites and marine over bank deposits. The FMI log confirmed the presence of thin beds that range in thickness from one inch to several feet. Calculation of the pay using the FMI resistivity resulted in 50 feet of net pay.

The net oil pay and oil production potential of the Upper Cisco sands will be assessed by a program of selective perforations, acidisation and stimulation to determine its potential for completion and potential production comingling with the Lower Cisco Sands.

Winchester Managing Director Neville Henry commented:

"Seismic has identified a series of large shelf slope Cisco sand 'wedges' of thick laminated and channelized slope fan complexes covering over 5,000 acres confirmed by drilling.

The initial Lower Cisco Sands testing is extremely encouraging, if not game changing, for Winchester and we look forward to the frack of Intervals 1 and 2 and the testing of the remaining Cisco sand intervals."



Location of Lightning Prospect and the Arledge 16#2 well

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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.