



Investor Presentation

Following is an investor presentation being used by the Managing Director of Winchester, Mr. Neville Henry, on an investor roadshow occurring in Sydney, Melbourne and Perth this week.

—ENDS—

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Date: 26 May 2015

ASX Code: WEL

Directors

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Non-Executive Chairman

Neville Henry
Managing Director

James Hodges
Non-Executive Director

John D Kenny
Non-Executive Director

Larry Liu
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WINCHESTER

ENERGY LIMITED



**Ellenburger + Strawn + Canyon Conventional
plus Ellenburger and Cline Resource Oil Plays**

Permian Basin - Texas - USA

ASX Code: WEL

Capital Structure

Cash	A\$13m
Total shares on issue	215m
Total options on issue	30m
Total convertible milestone notes (converting to 60,000,000 shares)	60m
Market capitalisation @ \$0.07	A\$15m
Enterprise Value of WEL's Assets	A\$2m
Founders, Board and Management	19%



9,370 Net Acres – Permian Basin Texas

Winchester Energy Limited (ASX Code: WEL) owns 9,370 net acres in Nolan County located in the Eastern Shelf of the Permian Basin, Texas, USA.

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Strong Local Texas Relationships and Significant Acreage Position

- ◆ WEL currently owns a 50%WI in the Thomas 119-1H well located in Nolan County, Texas, USA. WEL paid US\$2m for this 50%WI (reducing to a 25%WI after well payback i.e after cash return back to WEL of US\$2m the WI reduces to 25%). The other 50%WI in the Thomas 119-1H well is owned by CraRuth. The Thomas 119-1H well was drilled to a total depth (TD) of 10,265 feet after drilling 2,500 feet horizontally into the Ellenburger “E” interval.
- ◆ WEL currently owns a 50% WI in the White Hat 20#1 well which has flowed 777bo over 8 days from the Ellenburger Formation.
- ◆ WEL owns valuable confidential proprietary geological and geophysical information on the Ellenburger + Strawn + Canyon Conventional plus Ellenburger and Cline Resource oil plays across 7 counties of Texas which allows WEL to identify potential sweet spots and to lease these areas.
- ◆ Assuming initial success via drilling in Nolan County there is the potential to secure additional acreage within the trend across 7 counties of Texas: Kent, Stonewall, Fisher, Nolan, Mitchell, Coke and Tom Green counties.
- ◆ The 50%WI in the Thomas 119-1H well, 50% WI in the White Hat 20 #1 well, valuable proprietary geological and geophysical information across 7 counties of Texas and the 9,370 net acres together forms and is called the “Van Hoogen Oil Project”.

Target Area

– Eastern Shelf of The Permian Basin

The Van Hoogen Oil Project is located in an area where there is 300 feet of thermally mature Cline Shale and other stacked targets including the prospective Ellenburger “E” carbonate.

- ◆ Emerging Oil Play - The Eastern Shelf of the Permian Basin is emerging as a stacked shale oil resource play and conventional carbonate play area.
- ◆ Nearby Production - The Ellenburger “E” and Strawn carbonates are productive in vertical wells immediately adjacent to WEL’s oil and gas leases.



Source: mapsoftheworld.com

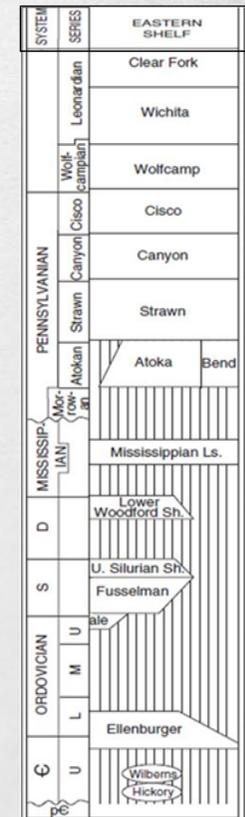
The Van Hoogen Oil Project – Stacked Targets

A number of distinct potential oil pay zones have been targeted by WEL across the 7 target counties in Texas

- ◆ Upper Cline (“3 Fingers Shale”) (Unconventional)
 - Blanket resource play.
 - Present on all of WEL’s acres.
- ◆ Lower Cline (“Lower Penn Shale”) (Unconventional)
 - Equal to if not superior to the “3 Fingers Shale” on sample data.
 - Present on all of WEL’s acres.
 - Over 5 MM barrels produced in Nolan County
- ◆ Strawn (Conventional)
 - Prolific producing interval.
 - Present on all of WEL’s acres.
 - Over 70 MM barrels produced in Nolan County
- ◆ Barnett Shale Equivalent (Atoka) (Unconventional)
 - Equal to if not superior to the “3 Fingers Shale” on sample data.
 - Present on all of WEL’s acres.
- ◆ Ellenburger “E” (Conventional)
 - Excellent conventional prospect.
 - Present over the majority of WEL’s acres.
 - Over 30 MM barrels produced in Nolan County

Eastern Shelf Stratigraphy

SYSTEM	STAGE	FORMATION	HORIZONS			
Permian	Wolfcamp	Wolfcamp	Noodle Creek			
			Saddle Creek			
			Breckenridge Ls			
			Flippen			
			Jameson	Waldrip LS		
Pennsylvanian	Virgilian	Cisco	Cline			
			Cook Ss			
			Crystal Falls Ls			
			3 Fingers Black Shale			
			Gunsight Ls			
			Missourian	Canyon	Cline	Palo Pinto Ls
						Palo Pinto Black Shale
						Fry Ss
						Stevens Ls
						Desmoinesian
Odom Ls						
Caddo Ls						
Atokan	Atoka	Cline	Woodford Shale Edg			
			Ellenburger			
Ordovician		Ellenburger	Ellenburger			
Cambrian		Cambrian SS				
Pre Cambrian		Basement				



Source: Ralph E Davis and Assoc 2014

White Hat 20#1 – Oil Production

- ◆ The Operator (**CEGX**) of the White Hat 20#1 vertical well (WEL: 50%WI) has reported that the White Hat 20#1 vertical well has recently commenced production and has produced 777 barrels of high quality crude oil over a period of 8 days from 1,518 barrels of total fluid. Oil cut is about 51% which is within the normal range for Ellenburger production in the area. Winchester and the Operator (**CEGX**) are encouraged by the well to date and are considering drilling an offset well after observation of production for about 30 days. This will also enable the estimation of reserves for the well.
- ◆ The White Hat 20#1 vertical well was drilled to 7,088 feet and casing was run after the well encountered oil shows in the Ellenburger Formation. The well was cased with 7 inch production pipe, so that a horizontal leg could be drilled from the well bore at a later date if desired.
- ◆ The White Hat 20#1 vertical well also has additional log interpreted oil zones behind pipe that remain untested.

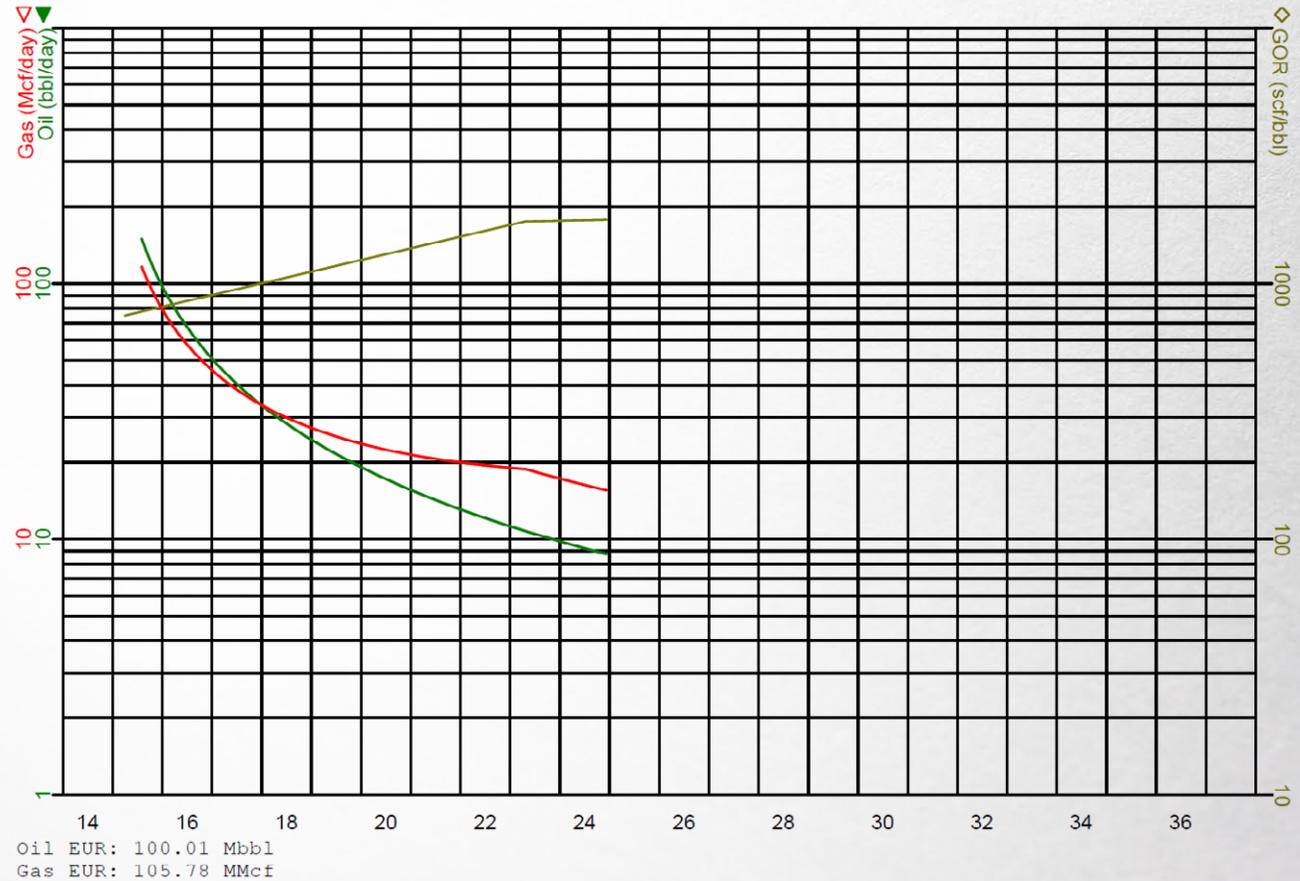
White Hat 20#1 – Oil Production

- ◆ The performance of the well to date exceeds our expectations. The Ellenburger is a conventional reservoir with good porosity but has regional potential similar to unconventional plays. Our understanding of the oil systems in the area is steadily improving as our experienced technical team work through the extensive data base and add new wells and seismic. The cost to drill an offset vertical well has fallen to approximately USD\$800,000 to drill and complete a vertical well, significantly less than previously budgeted.
- ◆ The White Hat 20#1 vertical well is part of a 40 acre drilling unit. Both the well and the 40 acres are 50% owned by Winchester and the Operator (**CEGX**).
- ◆ Importantly, the Company owns a 75% (**WI**) in an additional 7,378 gross acres in Nolan County, Texas, USA which completely surrounds and envelopes the White Hat 20#1 vertical well.

Conventional Vertical Ellenburger "E" Well - Type Curve and Economics

◆ Economic Results:

- Undisc Cash Flow (\$): **US\$2,700,000**
- Disc Cash Flow @10% (\$): **US\$2,100,000**
- Return on Investment (Undisc): **3.4: 1**
- Internal Rate of Return (IRR)(%): **142%**
- Initial Production (IP) **100 Bopd**
- Capital Investment: **US\$800,000**
- Working Interest (%): **100%**
- EUR (Bbls): **100,000**
- Net Revenue Interest (%): **75%**



Thomas 119-1H Horizontal Well

- ◆ On the Thomas 119-1H well, a production liner with 20 external swellable packers was run to total depth of 10,265 feet. The swellable packers separate the target Ellenburger Formation into 20 intervals of approximately equal length but with different amounts of interpreted pay zones. This well configuration is allowing each interval to be perforated and tested without interference from other intervals.
- ◆ The Operator of Thomas 119-1H (**CraRuth**) has tested zones A (the toe), B and D and operations are currently in the N and O intervals, which are slightly higher in structure. The initial encouraging oil seen in swab tests in the horizontal Thomas 119-1H, where 44° API Gravity oil was recovered, was followed by high water rates with low oil cut (3 to 10%). The lower zones (A, B and D) were tested individually for several weeks each, at various total fluid rates (from 100 to 300 barrels of fluid per day (bfd)) and then together by production pumping. These results were unexpected and appear inconsistent with wireline log data, mudlog and sample analyses. A similar result was obtained from the upper two zones although these have not been combined. There remain some 15 zones currently untested.
- ◆ After consultation with several enhanced oil recovery (EOR) experts and completion engineers, the Operator (**CraRuth**) has agreed to test an interval with a different completion method from those already tried. Accordingly CraRuth is presently preparing to notch a new interval rather than perforate, and then acidize and treat the formation with a cleanup chemical to reduce mud damage before pump testing as this has not been carried out on any previously tested interval. Prior test methods have involved perforating guns and flowing, circulating cleanup fluid around the rock face and then producing the zone.



Current Acreage (9,370 net acres)

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9,370 net acres owned in Nolan County, Texas, USA. Upon success further acreage along the expected oil trend across 7 counties of Texas will be purchased.



Source: Winchester Energy

Experienced Board

Experienced Founders, Board and Management

- ◆ Board of WEL has a combined 130 years of successful experience in oil and gas discovery, development and production in the USA and many other parts of the world.
- ◆ Key founders, directors and shareholders of WEL are Neville Henry (Houston based) and Peter Allchurch (Perth based), two highly experienced and successful oil men both involved in the discovery of unconventional oil from the Eagle Ford Shale in Texas, USA.
- ◆ WEL is the ASX public company that Peter Allchurch and Neville Henry have founded for their exposure to and participation in the Ellenburger + Strawn + Canyon Conventional plus Ellenburger and Cline Resource oil plays located in the Eastern Shelf of the Permian Basin in Texas, USA.
- ◆ They are seeking to replicate their success in the Eagle Ford Shale, which occurred via their involvement with and shareholding in Aurora Oil & Gas (ASX Code: AUT) and Eureka Energy Ltd (ASX Code: EKA), with WEL in the Ellenburger + Strawn + Canyon Conventional plus Ellenburger and Cline Resource oil plays.

Experienced Board

WEL has a strong and experienced Board with the skills required to develop WEL's oil and gas assets in Texas and deliver shareholder value.

<p>Peter Allchurch (Non-Executive Chairman)</p>	<p>Geologist and Resource Venture Capitalist with 48 years' experience in Mineral and Petroleum Exploration, Development and Production. Has founded or co-founded a number of successful ASX listed companies in the oil and gas and mineral sectors including Cape Range Oil, Amity Oil, Aurora Oil & Gas Ltd and Eureka Energy Ltd (both in the Eagle Ford Shale in Texas). Recently he and Neville Henry sourced the Woodbine oil play in Texas for Sun Resources NL.</p>
<p>Neville Henry (Managing Director)</p>	<p>Geologist based in Houston, Texas with 40 years in the worldwide oil and gas industry. He has directly led oil exploration teams responsible for oil and gas discoveries across 6 basins and over 4 countries for total discovered reserves of more than 4 billion barrels of oil. Worked for Anadarko for 12 years most notably as International Exploration Manager and Worldwide Business Development Manager and over this 12 year period was part of the core team that built this non-US oil production business from 25,000 bopd to 400,000 bopd. Neville has extensive operational experience in Texas and the USA in general.</p>
<p>James Hodges (Non-Executive Director)</p>	<p>Engineer based in Texas with more than 40 years of oil field experience having drilled and/or completed oil, high-pressure gas, saltwater disposal, injection, water source, hazardous waste injection and geothermal wells in Texas and Louisiana in reservoirs from sand to carbonates. As owner of Hodges Engineering, Inc. Mr. Hodges is currently active in exploration and production in Texas and he provides engineering consulting services to the energy, financial and environmental industries.</p>
<p>John D. Kenny (Non-Executive Director)</p>	<p>Mr Kenny is a lawyer by profession. Through his practise of corporate and mining law and investment banking he has advised a number of ASX listed public companies in the areas of equity and debt finance. Mr Kenny has been a venture capital investor in several ASX mining floats. He has been a director of a number of ASX listed public companies.</p>
<p>Larry Liu (Non-Executive Director)</p>	<p>Mr Liu is associated with Mr Yang Xiangyang who owns 25.62% of WEL. He previously served in various leadership positions for General Electric (GE). He is now a professional investor.</p>

Performance Securities and Payments

TYPE	AMOUNT	TERMS AND CONDITIONS
Options	30,000,000	Each option has an exercise price of A\$0.25 and a term which expires on 30 April 2019.
Class A Convertible Milestone Notes	10,000	The Class A convertible milestones notes have no value unless the milestone is successfully reached on or before 30 April 2019. The 10,000 Class A convertible milestone notes shall automatically convert into 10,000,000 shares upon WEL attaining average daily production (net to WEL) of 500 barrels of oil equivalent (boe) per day for a period of 60 days (as determined by an independent petroleum reservoir engineer) from the oil and gas leases located within Nolan County, Texas, USA in which WEL has a working interest.
Class B Convertible Milestone Notes	20,000	The Class B convertible milestones notes have no value unless the milestone is successfully reached on or before 30 April 2019. The 20,000 Class B convertible milestone notes shall automatically convert into 20,000,000 shares upon WEL attaining 2P Reserves (net to the Company) of 5,000,000 barrels of oil equivalent (boe) (as determined by an independent petroleum reservoir engineer) from the oil and gas leases located within the boundaries of Kent, Stonewall, Fisher, Nolan, Mitchell, Coke and Tom Green Counties, Texas, USA in which WEL has a working interest.
Class C Convertible Milestone Notes	30,000	The Class C convertible milestones notes have no value unless the milestone is successfully reached on or before 30 April 2019. The 30,000 Class C convertible milestone notes shall automatically convert into 30,000,000 shares upon WEL attaining 2P Reserves (net to the Company) of 10,000,000 barrels of oil equivalent (boe) and average daily production (net to WEL) of 1,000 barrels of oil equivalent (boe) per day for a period of 60 days (as determined by an independent petroleum reservoir engineer) from the oil and gas leases located within the boundaries of Kent, Stonewall, Fisher, Nolan, Mitchell, Coke and Tom Green Counties, Texas, USA in which WEL has a working interest.
Cash	US\$3,100,000	This cash will only be paid upon the drilling and completion and achievement of commercial scale successful oil and gas production from at least 4 wells situated within the boundaries of Kent, Stonewall, Fisher, Nolan, Mitchell, Coke and Tom Green Counties, Texas, USA on or before 30 April 2019 and achievement of commercial scale successful oil and gas production shall be defined as average oil and gas production during the first 30 days of oil and gas production of 250 or higher barrels of oil equivalent per day (boepd) per well. This cash payment will be payable within 180 days of when this occurs .

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