

## White Hat 21#1 Well – Commercial Oil Production

Winchester Energy Limited (**Winchester** or **Company**) is pleased to report that commercial oil production has commenced from the White Hat 21#1 vertical well from the two zones in the Ellenburger Formation swab tested 3 weeks ago.

The Operator, Carl E Gungoll Exploration (**CEGX**) has reported that production in the past 24 hours was 207 barrels of oil (**bo**) and 19 barrels of water, via a beam pump installed on 17 September 2015. The oil is light 49° API gravity with no sulphur. In addition, the water cut continues to decrease as the well cleans up. A small volume of wet gas is being produced and the Operator is presently assessing sales options for that wet gas.

The Operator, CEGX, has today proposed two further offsetting vertical wells, in addition to the two vertical wells proposed by the Operator three weeks ago. These 4 offset wells are considered proved undeveloped reserve (**PUD**) locations by CEGX's engineers.

Winchester owns a 50% working interest (**WI**) in the White Hat 21#1 well along with a 50%WI in the surrounding 40 acre drilling unit. The remaining 50%WI is owned by CEGX. The White Hat 21#1 well is located about 1500 metres North-East of the White Hat 20#1 Ellenburger discovery well (currently on production) in Nolan County, Texas USA. Nolan County is located over part of the Eastern Shelf of the Permian Basin, the major oil producing basin in the USA.

Winchester's wholly owned USA subsidiary, Winchester Energy USA Holdings Inc., owns a 75%WI in the oil and gas mineral rights of the 7,378 acres which surround and adjoin both the White Hat 20#1 well (Winchester 50%WI) and the White Hat 21#1 well (Winchester 50%WI). CEGX owns the remaining 25%WI in these 7,378 acres.

Winchester has recently obtained reprocessed 3D seismic data over the entire 7,378 acres which surround and adjoin both the White Hat 20#1 well and the White Hat 21#1 well, as well as over additional adjacent acreage. Winchester is working with the Operator, CEGX, in staking these 4 offsetting well locations.

Managing Director of Winchester, Neville Henry, commented:

"We are very pleased with the rate of oil production from White Hat 21#1. This is a successful commercial oil well even at current oil prices. The Operator has similar views which is why CEGX has proposed 4 offsetting wells to be drilled between November 2015 and March 2016. The Ellenburger

**Date:** 24 September 2015

**ASX Code:** WEL

### Directors

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Non-Executive Chairman

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Formation 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".

—ENDS—

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