

White Hat 21#4 – Oil Production Update

Winchester Energy Limited (**Winchester** or **Company**) is pleased to report that the White Hat 21#4 well has produced 2084 barrels of oil (**bo**), 95 barrels of water (**bw**) and 1140 MCF of gas over the past 11 days of reported production. Average daily production over this period is therefore 189 bo, 8 bw and 104 MCF of gas. The oil cut therefore is 95%.

The White Hat 21#4 well was placed on production by the Operator, Carl E Gungoll Exploration LLC (**CEGX**), on 28 July 2016 after perforating both a deep zone and an upper zone in the Ellenburger Formation.

Managing Director of Winchester, Neville Henry, commented:

"We are very pleased with the rate of oil production from White Hat 21#4. This is a very commercial oil well even at an oil price of US\$45 per bo. It appears to be as productive as the White Hat 21#1 well which has produced 73,518 bo since 17 September 2015. Gross production from our 5 producing oil wells now exceeds 460 bopd".

CEGX has a 50% working interest (**WI**) in 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. Winchester is entitled to 50% of net proceeds after royalty payments of 23.5% to the oil and gas mineral rights owners.

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 5 White Hat wells (Winchester 50% WI). CEGX owns the remaining 25%WI in these 7,378 acres.

Winchester's 5 producing oil wells and the oil and gas mineral rights holdings referred to in this ASX announcement are located in Nolan County, Texas, USA. Nolan County is located over part of the Eastern Shelf of the Permian Basin, the major onshore oil producing basin in the USA.

—ENDS—

For further information, please contact:

Neville Henry
Managing Director
T: +1 713 333 0610
E: nh@winchesterenergyltd.com

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ASX Code: WEL

Directors

Peter Allchurch
Non-Executive Chairman

Neville Henry
Managing Director

James Hodges
Non-Executive Director

John D Kenny
Non-Executive Director

Larry Liu
Non-Executive Director

Nicholas Calder
Company Secretary

Contact Details

Australia
Level 3
18 Richardson Street
West Perth WA 6005
Australia

PO Box 641
West Perth WA 6872
Australia

Tel: +61 1300 133 921
Fax: +61(8) 6298 6191

USA
Two Riverway
17th Floor
Suite 1700
Houston Texas USA 77056

Tel: +1 713 333 0610

winchesterenergyltd.com



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.

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