

Investor Presentation

Following is an Investor Presentation that Neville Henry, the Managing Director of Winchester Energy Limited, is giving to investors in Sydney, Melbourne and Perth during the course of the next 10 days.

—ENDS—

For further information, please contact:

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

Date: 30 August 2016

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

For personal use only



WINCHESTER

ENERGY LTD

Oil Producer

Permian Basin - Texas - USA

ASX Code: WEL



Disclaimer

This document is for information purposes only. It is not a prospectus, disclosure document or offering document under Australian law or under any other law and does not constitute an offer or invitation to apply for securities. In particular, this document is not an offer of securities for subscription or sale in the United States or any other jurisdiction in which such an offer or solicitation is not authorised or to any other person to whom it is unlawful to make such an offer or solicitation.

The information in this document is an overview and does not contain all the information necessary to make an investment decision. To the extent permitted by law, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statements, estimates or opinions or other information contained in this document, any of which may change without notice.

Neither Winchester Energy Limited (Winchester) nor any other person warrants the future performance of Winchester or any return on any investment made in Winchester. Some of the information contained in this document constitutes forward-looking statements that are subject to various risks and uncertainties, not all of which may be disclosed. These statements discuss future objectives or expectations concerning results of operations of financial condition or provide other forward looking information. Winchester's actual results, performances or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements.

Prospective investors should make their own independent evaluation of an investment in any securities. The material contained in this document does not take into account the investment objectives, financial situation or particular needs of any individual investor. Winchester does not make any recommendation to investors regarding the suitability of any securities and the recipient must make its own assessment and/or seek independent advice on financial, legal, tax and other matters, including the merits and risks involved, before making any investments.

COMPETENT PERSON'S STATEMENT

The information in this document relating to petroleum resources and exploration results is based on information compiled by Mr Neville Henry. Mr Neville Henry has a BA (Honours) in geology from Macquarie University and has over 40 years experience in the technical, commercial and managerial aspects of the energy industry.



Capital Structure

Cash	AUD \$5,500,000
Total shares on issue	215,416,672
Total options on issue	30,000,000
Total convertible milestone notes (converting to 60,000,000 shares)	60,000
Market capitalisation @ A\$0.07	AUD \$15,079,167
Enterprise Value of the Company's assets	AUD \$9,579,167
Founders, Board and Management (% ownership of the Company)	19%

For personal use only

Location of Oil and Gas Leases, Texas, USA (18,058 Net Acres)

Winchester's holding of 18,058 net acres is located in Nolan County, Texas as indicated on the map below:





Overview

- ▶ 5 producing vertical oil wells. Gross oil production of 462 BOPD.
- ▶ 90 square miles (57,600 acres) of 3D seismic completed and interpreted.
- ▶ 10,000 acre trap in the Ellenburger Formation identified.
- ▶ Low cost wells: US\$800,000 to drill and complete.
- ▶ 18,058 net acres. Three large leases cover the 10,000 acre trap.
- ▶ 40 acre spacing for wells.
- ▶ Based on structural modelling, 3D seismic interpretation and well data from the current 5 producing oil wells and nearby old wells, there is potential for 125 well locations over the interpreted best 5,000 acres of reservoir in the trap area.
- ▶ Vertical wells anticipated to produce 50 to 250 BOPD per well.
- ▶ 79% pre-tax IRR for 100 BO IP recovering 100,000 BO with US\$45 BO flat pricing.

For personal use only

5 Producing Oil Wells

The first 5 vertical oil wells drilled into Winchester's leases and their daily oil flow rates are as follows:

Oil Well	Gross Oil Production Per Day (bopd)	WEL's WI %	Net Oil Production to WEL (bopd)
White Hat 20#1	20 bopd	50%	10 bopd
White Hat 20#2	2 bopd	50%	1 bopd
White Hat 21#1	200 bopd	50%	100 bopd
White Hat 21#2	40 bopd	50%	20 bopd
White Hat 21#4	200 bopd	50%	100 bopd
TOTAL	462 bopd	50%	231 bopd



Oil Production

Gross Oil Production (bo)	June Quarter 2016	March Quarter 2016	June Quarter 2015	March Quarter 2015
Oil Production (Gross 100%WI) ¹	26,159	26,761	2,322	267

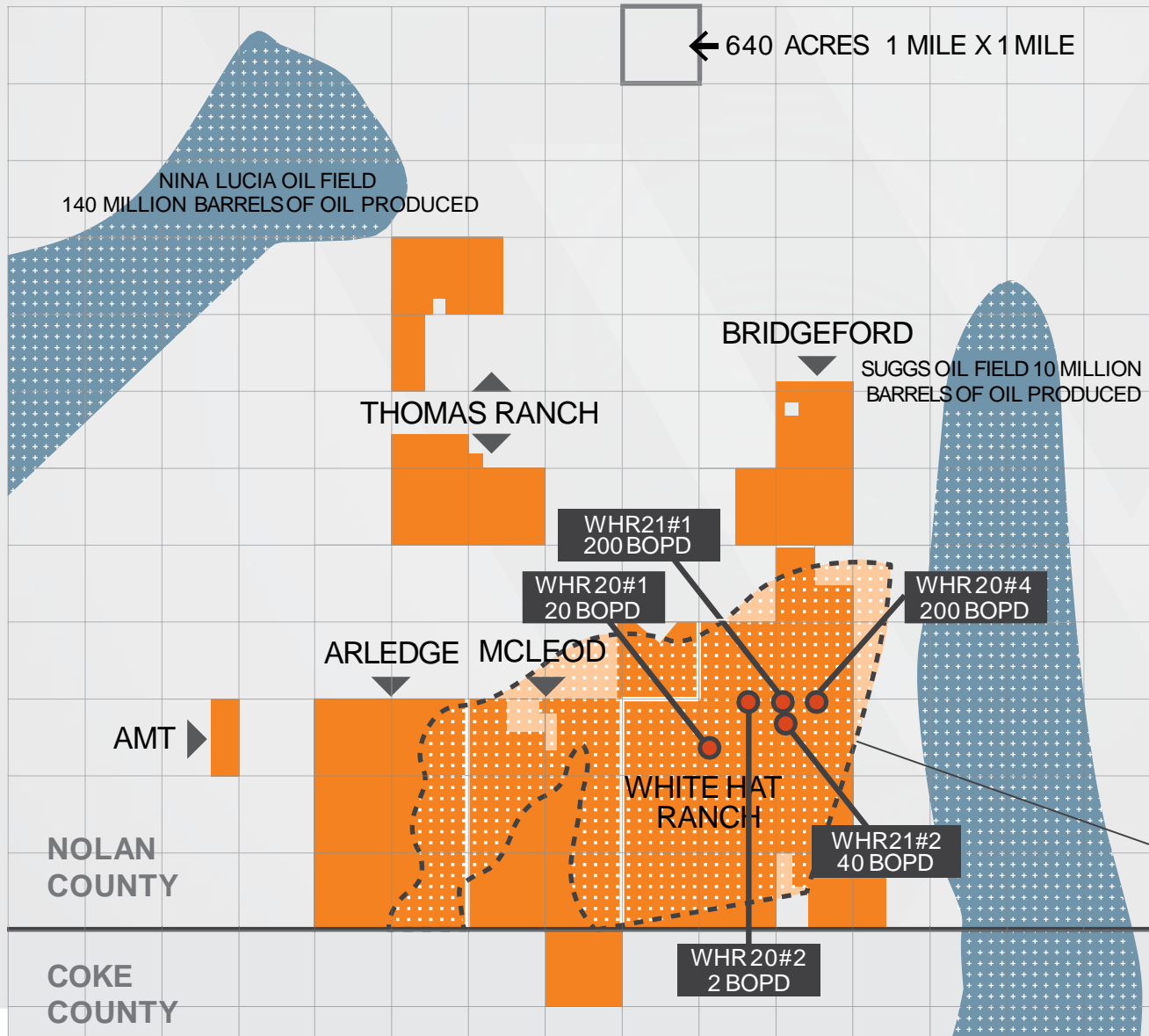
Note 1 These figures show gross oil production from all wells and is pre-royalty. Winchester is entitled to 50% of net proceeds after royalty payments of 23.5% to the oil and gas mineral rights owners.

Net Oil Production to Winchester (bo)	June Quarter 2016	March Quarter 2016	June Quarter 2015	March Quarter 2015
Quarterly Oil Production (Net)	13,080	13,380	1,161	134



10,000 Acre Oil Trap

For personal use only



KEY

- WINCHESTER ENERGY LEASES 18,058 NET ACRES
- OIL FIELDS
- COKE COUNTY
- COUNTY BORDER
- WINCHESTER ENERGY OIL WELLS
- TRAP BOUNDARY

SCALE

← 640 ACRES (1 MILE X 1 MILE)

DISCOVERY AREA
APPROX 10,000 ACRES



Excellent Well Economics

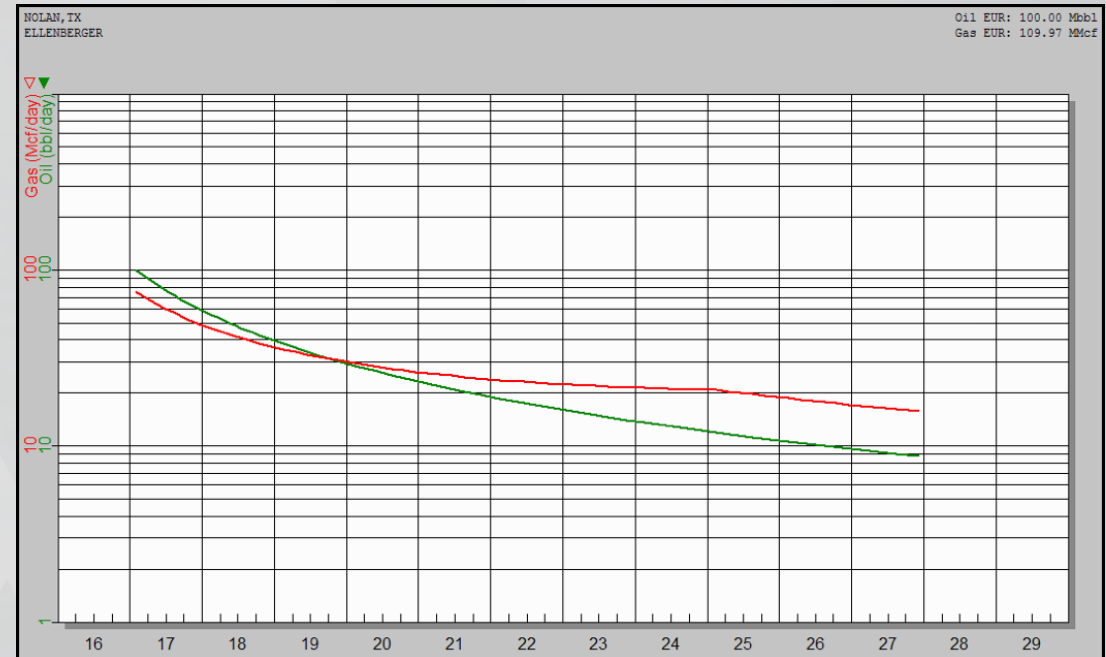
- ▶ Low cost wells: US\$800,000 to drill and complete.
- ▶ 18,058 net acres. Three large leases cover the 10,000 acre trap area.
- ▶ Oil royalties of 23.5% (one lease) and 20% (two leases).
- ▶ Continuous drilling lease terms. 1 vertical well per year maintains the 3 leases in perpetuity.
- ▶ Excellent well economics at today's low oil price:
 - ▶ 79% pre-tax IRR for 100 BO IP recovering 100,000 BO with US\$45 flat pricing.
 - ▶ 107% pre-tax IRR for 100 BO IP recovering 100,000 BO with US\$55 flat pricing.
 - ▶ 134% pre-tax IRR for 100 BO IP recovering 100,000 BO with US\$65 flat pricing.
- ▶ 40 acre spacing for wells.
- ▶ 125 potential well locations over the interpreted best quality reservoir in the 10,000 acre trap area.



Well Economics - US \$45 BO

▶ Economic Results:

- ▶ Undisc Cash Flow (\$): US\$1,825,230
- ▶ Disc Cash Flow @10% (\$): US\$1,227,470
- ▶ Return on Investment (Undisc): 3.2: 1
- ▶ Internal Rate of Return (IRR)(%): **79%**
- ▶ Initial Production (IP): 100 Bopd
- ▶ Capital Investment: US\$800,000
- ▶ Working Interest (%): 100%
- ▶ EUR (Bbls): 100,000
- ▶ Net Revenue Interest (%): 76.5%
- ▶ Years to Payout: 1.02
- ▶ Oil Price (Flat): US\$45 BO

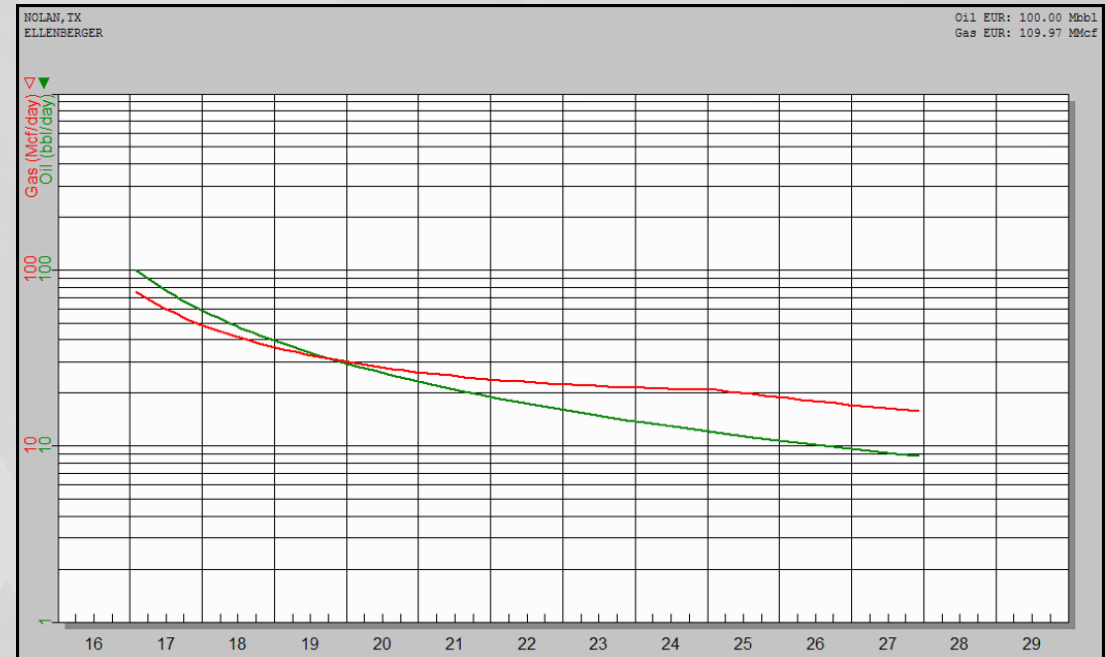




Well Economics - US \$55 BO

▶ Economic Results:

- ▶ Undisc Cash Flow (\$): US\$2,535,920
- ▶ Disc Cash Flow @10% (\$): US\$1,751,800
- ▶ Return on Investment (Undisc): 4.2: 1
- ▶ Internal Rate of Return (IRR)(%): **106%**
- ▶ Initial Production (IP): 100 Bopd
- ▶ Capital Investment: US\$800,000
- ▶ Working Interest (%): 100%
- ▶ EUR (Bbls): 100,000
- ▶ Net Revenue Interest (%): 76.5%
- ▶ Years to Payout: 0.8
- ▶ Oil Price (Flat): US\$55 BO

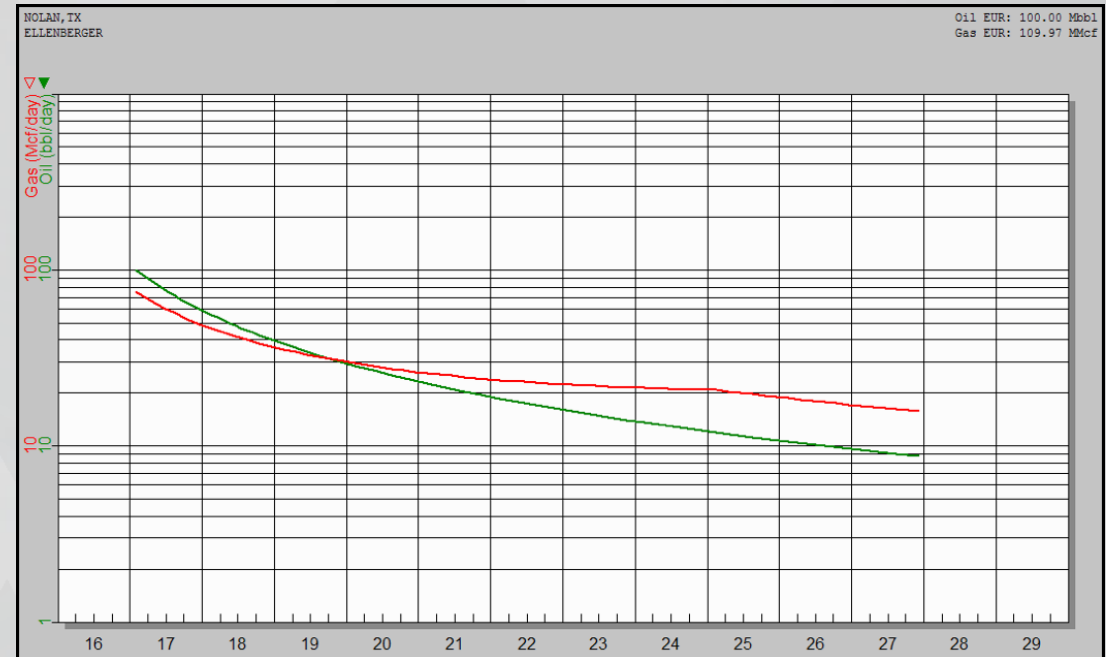




Well Economics - US \$65 BO

▶ Economic Results:

- ▶ Undisc Cash Flow (\$): US\$3,246,000
- ▶ Disc Cash Flow @10% (\$): US\$2,276,130
- ▶ Return on Investment (Undisc): 5.1: 1
- ▶ Internal Rate of Return (IRR)(%): **134%**
- ▶ Initial Production (IP): 100 Bopd
- ▶ Capital Investment: US\$800,000
- ▶ Working Interest (%): 100%
- ▶ EUR (Bbls): 100,000
- ▶ Net Revenue Interest (%): 76.5%
- ▶ Years to Payout: 0.67
- ▶ Oil Price (Flat): US\$65 BO



Modern Proprietary Technology

Short Radius Lateral Wells

- ▶ Improve well economics by drilling short radius lateral wells (modern, cutting edge proprietary technology).
- ▶ 4 lateral legs of 500 feet.
- ▶ Optimize your ability to intersect multiple zones with high fracture density, and at the same time intersect variable porosity zones in the rock due to mineralization (which is what we have already experienced in short distances between five wells).
- ▶ By drilling four 500 foot laterals, Winchester believes it can expose 2,000 feet of rock compared to 100 feet in the vertical well thus improving the productivity of each well.
- ▶ The current estimated cost to drill and complete a short radius lateral well of this kind is US\$1.5 million.



Potential 2P Reserves

- ▶ 1,000 acres of high potential reservoir based on structural modelling, 3D seismic interpretation and well data from the current 5 producing oil wells and old nearby wells.
- ▶ 25 well locations over 1,000 acres (40 acre spacing) of high potential reservoir.
- ▶ Target of EUR of 200,000 BO per well for 2P reserves potential of a gross 5,000,000 BO.
- ▶ 4,000 acres of interpreted medium potential reservoir.
- ▶ 100 well locations over 4,000 acres (40 acre spacing).
- ▶ Target of EUR of 100,000 BO per well for 2P reserves potential of a gross 10,000,000 BO.
- ▶ Winchester owns 75% of the leases and therefore the oil trap.
- ▶ Potential 2P reserve target of a gross 15,000,000 BO across 10,000 acre oil trap.
- ▶ Potential 2P reserves target for Winchester (75%) of 11,250,000 BO across 10,000 acre oil trap.



Current Focus and Strategy

- ▶ Gross oil production is 462 bopd with mild decline.
- ▶ Have mapped an oil trap similar in size to the nearby Suggs Oil Field.
- ▶ We believe our 10,000 acre trap will have similar variable reservoir characteristics to the Suggs Oil Field.
- ▶ We will use modern drilling and completion techniques (i.e. such as short length multiple laterals) to improve well productivity. This will significantly improve already excellent well economics.
- ▶ Objective: prove we can consistently drill commercial wells and generate excellent repetitive economics.

For personal use only



How to Drive the Share Price?

- ▶ Enterprise value is currently A\$9,600,000 (which is only US\$400 per net acre across 18,058 net acres).
- ▶ Drive the share price by proving by successful drilling a gross 2P reserve of 15,000,000 BO across the 10,000 acre trap.
- ▶ Debt financing for the next 3 wells has been offered to Winchester.
- ▶ Winchester believes that at a price of US\$65 per BO that 2P reserves will sell for US\$15 per BO.
- ▶ Pursuing the creation of a US\$225,000,000 oil field asset of which Winchester will own 75%.



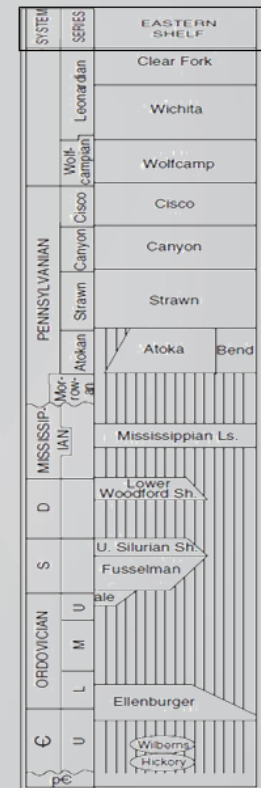
Stacked Targets

A number of distinct potential oil pay zones have been targeted by Winchester on its 18,058 net acres.

- ▶ 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 (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	Cisco			
			Canyon			
			Strawn			
			Strawn			
			Crystal Falls Ls			
			3 Fingers Black Shale			
			Gunsight Ls			
			Missourian		Canyon	Palo Pinto Ls
						Palo Pinto Black Shale
						Fry Ss
Stevens Ls						
Desmoinesian		Strawn				Strawn
			Odom Ls			
			Caddo Ls			
			Atoka			
Ordovician		Ellenburger	Woodford Shale Equiv			
			Ellenburger			
Cambrian		Cambrian SS				
Pre Cambrian		Basement				



Source: Ralph E Davis and Assoc 2014



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 Cline and Barnett 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.

Peter Allchurch (Non-Executive Chairman)	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).
Neville Henry (Managing Director)	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.
James Hodges (Non-Executive Director)	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.
John D. Kenny (Non-Executive Director)	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.
Larry Liu (Non-Executive Director)	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.

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 .



Contact Details

Neville Henry Managing Director

Tel: +1 713 333 0610
Cell: +1 832 656 9916
Email: nh@winchesterenergyltd.com

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

winchesterenergyltd.com

John Kenny Director

Mobile: +61 403 347 171
Email: jk@winchesterenergyltd.com

USA

Two Riverway
17th Floor
Suite 1700
Houston Texas USA 77056