

Completion Activities Commence at White Hat 38#3ML, Permian Basin, Texas

Highlights

- **A workover rig has arrived at existing well White Hat 38#3ML to commence completion activities in the Strawn and Fry Sands.**
- **As operator with a 78.5% working interest, Winchester is targeting an interval of 166ft in the Strawn/Fry Sands and will perforate three intervals within this zone and perform an initial acid stimulation ahead of fracking at a later date.**
- **The Company currently derives significant oil production from the Strawn Formation in White Hat 20#2 which had Initial Production (IP) of 200 barrels of oil per day (bopd).**

Winchester Energy Ltd (Winchester or the Company) is pleased to advise that a workover rig has arrived at existing well White Hat 38#3ML, Nolan County, Texas, USA to commence completion activities in the Strawn and Fry Sands.

Winchester will operate completion activities and has a 78.5% working interest (WI) in the well. The remaining 21.5% participants are Carl E Gungoll Exploration LLC (CEGX) and Ultra Short Radius Drilling (USR).

On 23 November 2017, the Company announced that it had completed the third and final ultra-short radius lateral in the White Hat 38#3ML well targeting the Ellenburger Formation. While the lateral horizontal drilling was successfully demonstrated within the Ellenburger, the horizontal well bores drilled into a depleted oil reservoir within the drainage radius of pre-existing Ellenburger Formation producing oil wells.

To determine the oil producing potential of the shallow formations overlying the Ellenburger in the White Hat 38#3ML well, Winchester

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has commenced operations to complete the well in the Strawn and Fry Sands.

Based on logs obtained whilst drilling the original vertical well, the Company has identified a prospective 166ft zone where three intervals will be perforated and subjected to spot acidisation to maximize permeability. A pumping unit will then be installed on the well to determine the potential rate of oil production.

It is anticipated that following the perforation and acid stimulation of the Strawn and Fry sands, that initial pump production results will be known in two weeks.

Based on the data generated from the above activities, a frack design will be formulated and fracture stimulation carried out at a later date targeting the Strawn and Fry Sands.

The completion of these shallow potentially oil producing zones in the vertical section of White Hat 38#3ML provides an opportunity to establish the well as an oil producer for Winchester Energy.

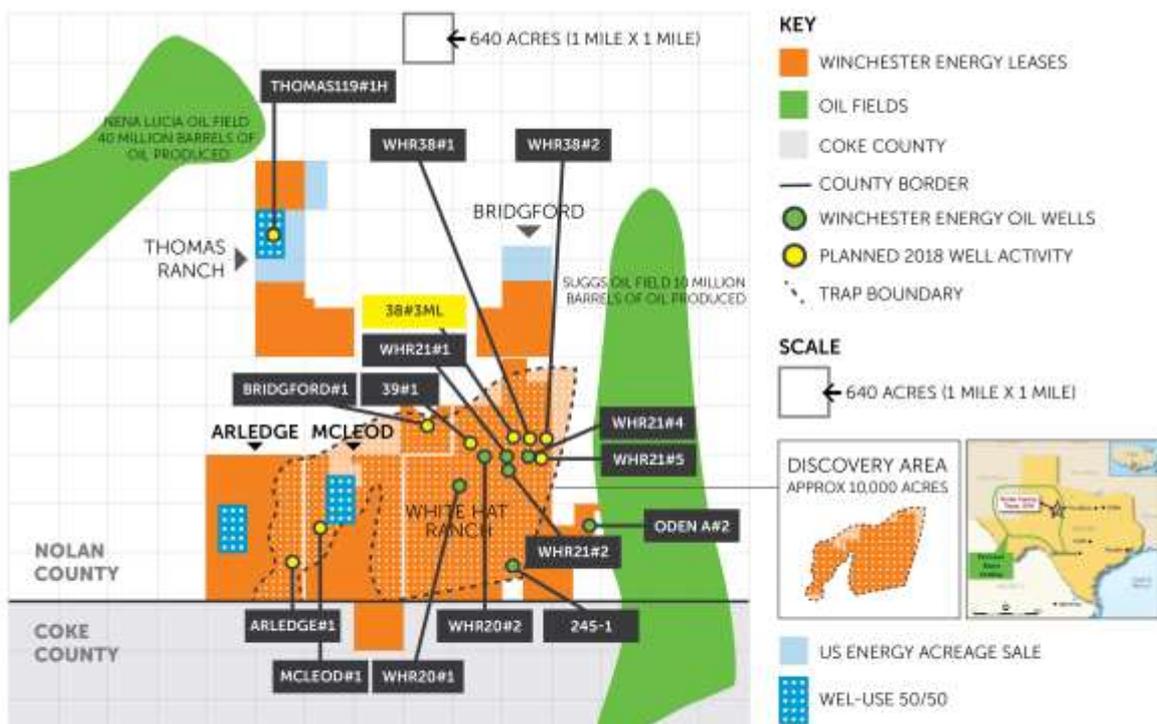
All of Winchester's wells targeting the Ellenburger Formation to date have encountered shallow zones with varying oil production potential in addition to the primary Ellenburger target. In April 2017, Winchester announced initial production rates of 200 bopd from the Fry/Strawn Formation in the White Hat 20#2 well. This well continues after nearly a year of production to be an excellent producer at 60 bopd and has produced over 25,000 barrels of oil.

The completion activity outlined above is designed to increase Winchester's oil and gas production profile during the current elevated oil price environment. Any oil production from this well activity will add to Winchester's current net oil production of 177 barrels of oil per day.

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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 17,402 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 is of the view that with the several known oil productive horizons in its lease holding, that it can build through the application of modern geology, 3D geophysical analysis, drilling and completion methods, a potentially significant proven reserves and oil production asset.

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.

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