

White Hat Ranch 38#3ML Operations Update

Permian Basin, Texas

Highlights

- **Following perforation and acid treatment of the Strawn/Fry Sands at White Hat 38#3ML, 49 barrels of oil were recovered from the area of acid stimulation confirming the sands are oil bearing.**
- **This preliminary production rate is a highly encouraging result and Winchester, as operator with a 78.5% working interest, will now monitor well performance for the next week.**
- **The results of this initial acid stimulation will be used to design the optimum fracture stimulation program for the Strawn/Fry Sands with the aim to significantly increase oil production.**
- **A drilling rig has moved onto the White Hat 39#1 vertical well and is preparing for the drilling of a single lateral into the oil bearing Ellenburger Formation.**

Winchester Energy Ltd (Winchester or the Company) advises that it has completed the perforation and acid treatment of prospective zones within the Strawn and Fry Sands in existing well White Hat 38#3ML, Nolan County, Texas, USA.

Based on wireline logs obtained whilst drilling the original vertical well, the Company identified a prospective 166 ft zone within the historically productive Strawn/Fry Sands.

After plugging back above the Ellenburger Formation, three intervals totaling 16 feet within the 166 ft prospective zone were perforated and subjected to spot acidisation to clean up and improve near-wellbore permeability. A pumping unit was then installed on the well which has recovered 49 barrels of oil and a small quantity of water similar to the pre-frack results from White Hat 20#2.

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ASX Code: WEL

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This is an encouraging result for the Company as the White Hat 20#2 after fracking has produced approximately 30,000 barrels of oil in the first year of production and continues to produce at rates of 45 -50 bopd after 12 months of production.

A good result from the frack stimulation of the White Hat 38#3ML Strawn/Fry Sands will allow the company to target several additional Strawn/Fry completions in other existing wells.

White Hat 38#3ML will now remain on pump for approximately one week whilst data is collected to assist with the design of the optimum hydraulic fracture stimulation program. This program is likely to commence in two to three weeks dependent on frack equipment and crew availability.

Winchester is operator of these completion activities at White Hat 38#3ML 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).

All of Winchester's wells drilled to date have encountered shallow zones similar to the Strawn/Fry Formation in this well with varying oil production potential in addition to the primary Ellenburger target.

The completion activity outlined above is designed to increase Winchester's oil and gas production profile during the current elevated oil price environment.

White Hat 39#1L update:

The drill rig has arrived at White Hat 39#1L and is currently cleaning out the existing hole in preparation for horizontal lateral drilling commencing early next week.

The single lateral is targeting a distinct series of fractures in the Ellenburger Formation identified by detailed seismic analysis. Good oil shows were recorded in this well in the Ellenburger whilst drilling the vertical component, subsequently verified by wireline log interpretation.

Managing Director of Winchester, Mr. Neville Henry, commented:

"If the frack is successful in the Strawn/Fry Sands which we have proved is oil bearing with this acid stimulation, we will have been able to utilize

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the vertical portion of the White Hat 38#3ML well in this completion at very modest cost.

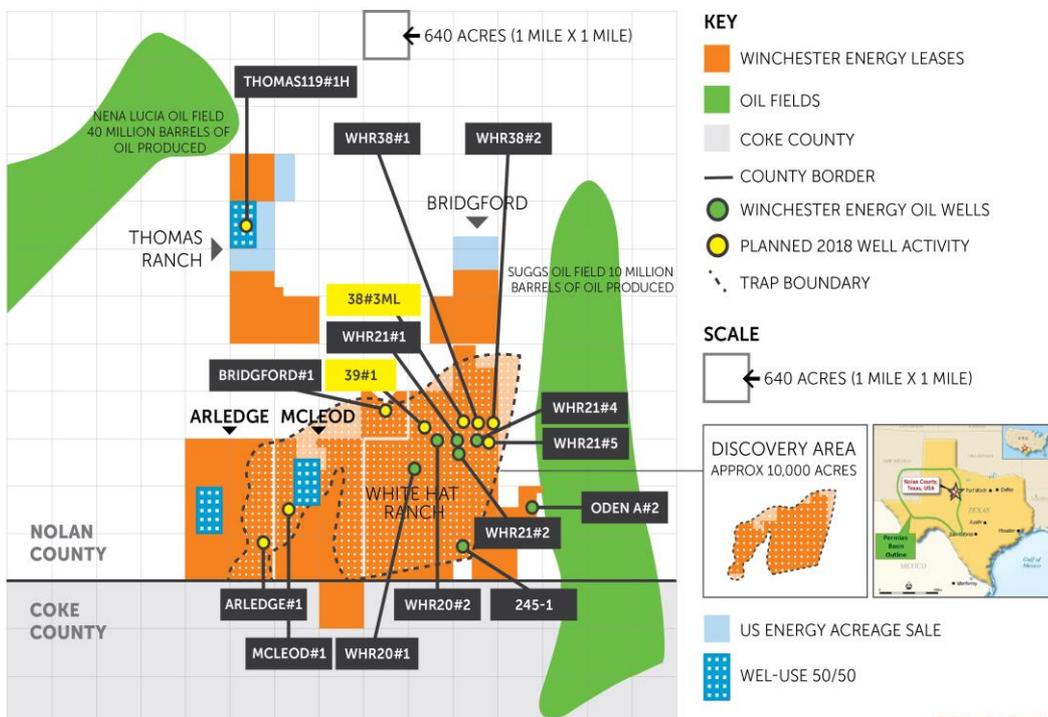
Initial results of the acid stimulation of the Strawn/Fry interval are encouraging and bode well for the forthcoming frack program scheduled for two weeks' time.

Winchester is currently reviewing other recompletion opportunities with its current partners and expects to move forward on these quickly.

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2018 Planned Drilling Schedule

PERMIAN BASIN WINCHESTER	Well Interest	2018									
		May	June	July	August	September	October	November	December		
White Hat Ranch - 39#1	60.0%										
Horizontal - Ellenburger 39#1 Fry/Strawn	45.0%										
White Hat Ranch 38#3ML	78.5%										
Completion Test Fry/Strawn											
White Hat Ranch - 38#2	50.0%										
Ellenburger Workover											
Bridgford - # 1 US Energy	1.0%										
Wolfcamp Shale Test											
White Hat Ranch - 21#5	50.0%										
Recompletions Strawn											
White Hat Ranch - 38#1	50.0%										
Recompletions Strawn											
Mcleod - #1	50.0%										
Vertical - Elbg/Skrwn/Cisco											
White Hat Ranch 38#3ML	78.5%										
Fry/Strawn Recompletion											
Arledge - # 2 ML	50.0%										
Vertical - Elbg/Skrwn/Cisco											
Thomas Ranch	83.5%										
Recompletion											
White Hat Ranch	50.0%										
Ellenburger Lateral											

LEGEND

 Horizontal Drilling
  Vertical Drilling
  Recompletion
  Production Testing

(NOTE: All well timing and well interests subject to rig availability, funding and farmout)

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.