

Operations Update Permian Basin, Texas

Date: 16 October 2019

ASX Code: WEL

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Highlights

Mustang Oil Field

- The White Hat 20#5 oil well is on pump, and continues to clean up, currently producing 192 bopd and 50 bwpd (oil cut is 82%).
- White Hat 20#5 production is currently constrained by pump capacity - the company is looking to make further adjustments as appropriate to optimize production.
- White Hat 20#5 is Winchester's third consecutive successful oil well drilled in the Mustang Oil Field. Over 76,600 gross barrels of oil have been produced to date from the three wells.
- Drilling at Winchester's next Mustang Oil Field development well, White Hat 20#4, to commence this week.
- Three additional Mustang well locations are in the process of being located and permitted.

Lightning Prospect

- Arledge 16#2 continues to flow oil without pump, requiring occasional swabbing when surging - recent production rate was 55 barrels in 6 hours.
- A low-cost plunger has been installed at Arledge 16#2 to augment flow and stabilize production, should this prove ineffective a hydraulic pump will be utilized.
- Significant upside remains in the Arledge 16#2 well with an aggregate of approximately 75 feet of additional interpreted net pay uphole yet to be tested.
- Winchester has re-entered and logged the Arledge 16#1 well and plans to test the shallow sands in the coming weeks.

White Hat 20#5 (Winchester - 75% Working Interest and Operator)

Winchester Energy Limited (Winchester) advises that the White Hat 20#5 development well in the Mustang Oil Field is now on pump.

The well is currently producing 192 barrels of oil per day (bopd) and 50 barrels of water per day (bwpd) with an oil cut of 82%. The well is cleaning up and the oil cut has been rising since commencement of pumping.

At this time the production rate is constrained by pump and motor capacity. Winchester may make further adjustments as appropriate to optimize production.

White Hat 20#5 is the third consecutive successful well drilled by Winchester at its Mustang Oil Field. To date, aggregate production at the White Hat 20#2, 20#3 and 20#5 wells exceeds 76,600 barrels of oil (gross), generating significant revenue for the Company.

The Mustang Oil Field results to date continue to surpass expectations. With completed wells costing less than US\$700,000 (pay back in 6 months) and oil sales occurring almost immediately upon completion of the wells, development of the Mustang Oil Field is highly attractive.

White Hat 20#4 (Winchester - 75% Working Interest and Operator)

The next Mustang Oil Field development well, White Hat 20#4, is scheduled to commence drilling this week. The well is located 1,200 feet south west of White Hat 20#3, with the well location supported by high amplitude on the 3D seismic as well as nearby well control. The well is expected to take 10 days to drill to its programmed total depth of 6,200 ft.

Arledge 16#2 (Winchester - 100% Working Interest and Operator)

Arledge 16#2 continues to surge with oil flowing at rates of approximately 9-10 barrels per hour between swabbing runs periodically required to stabilize oil flow; recent production included 55 barrels of oil over a period of 6 hours. Oil cut is stable at 90%. Note, the workover rig on Arledge 16#2 works daylight hours only.

A low-cost plunger has been installed at Arledge 16#2 to augment flow and stabilize production, should this prove ineffective a hydraulic pump will be utilized.

Winchester is extending the current testing program to acquire additional data. This will provide better understanding of the long-term productivity of this new lower pay section and in turn assist the optimisation of future development at the Lightning Prospect.

In addition to the zone currently being tested, Winchester has identified a number of highly prospective potential pay zones in the well. However, the company will first fully evaluate the production characteristics of the zone currently being tested before considering testing and completion programs for these additional pay intervals.

Winchester also notes the remaining untested pay in the lower sands (which includes 24.5 feet of interpreted net pay in a thick conventional sand unit) as well as the entire upper sand unit - interpreted to contain up to 50ft of additional net pay.

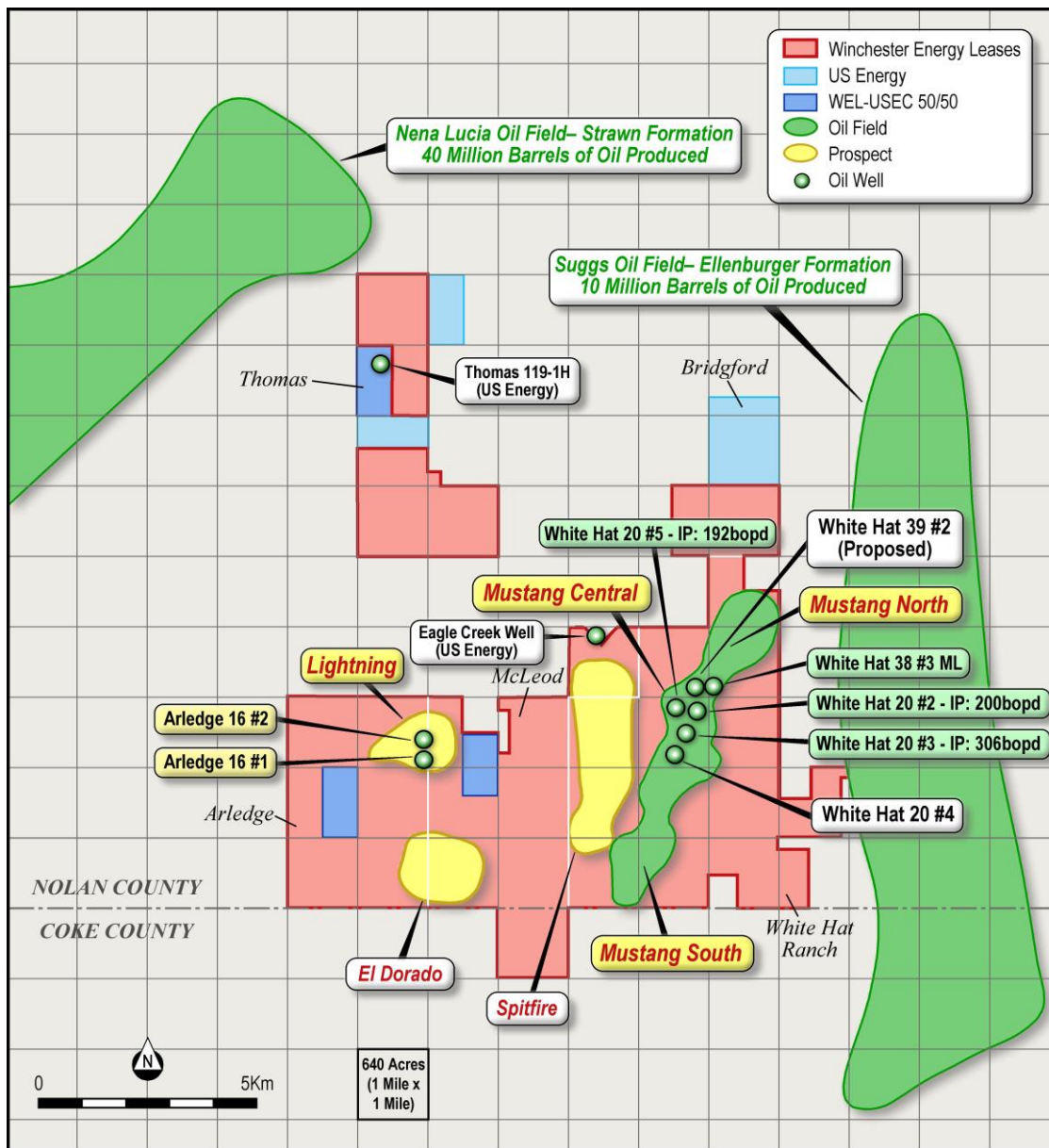
Arledge 16#1 (Winchester - 100% Working Interest and Operator)

Winchester has successfully re-entered and logged the shallow sand unit in the Arledge 16#1 well, with new wireline logs indicating oil potential within these sands.

Winchester will run new casing and test the shallow sand unit in the coming weeks. Anticipated cost of this operation is US\$60,000.

Arledge 16#1 is an old well, located 990 feet to the south of Arledge 16#2, which Winchester had attempted to re-enter in 2018, but was forced to abandon operations after encountering junk in the borehole at approximately 2,000 feet. During the re-entry

attempt, Winchester observed potentially significant oil and gas shows in a shallow sand unit.



Location Map – Prospects and Wells

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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 17,000 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 has identified several prospects across its leasehold and is currently undertaking development drilling at the newly discovered Mustang Oil Field as well as several exploration prospects.

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.