

Production Update

Drilling Success Leads to Substantial Increase in Oil Production

HIGHLIGHTS

- During October 2019, Winchester recorded its highest production level to date, with new wells contributing to an average rate of 506 gross bopd (Winchester WI: 381 bopd) for the week ending 23 October – providing a significant boost to revenue.
- Arledge 16#2 is on pump, producing from the lower-most 41 feet of the Lower Cisco Sands – with early production averaging 131 bopd.
- Preparations are underway at Arledge 16#2 to add additional perforations over a 340 foot gross interval above the current producing zone. Any additional Arledge 16#2 production will be co-mingled with existing production.
- Planned completion of the newly-drilled White Hat 20#4 well in the Mustang Oil Field is expected to further augment existing production.
- With two fields (Mustang and potentially Lightning) producing in addition to the Ellenburger, Winchester is now positioned to significantly and systematically build oil production and plans are underway to increase development drilling and cash flow while maintaining an ongoing exploration program :
 - Further lower risk development oil wells in the Mustang Oil Field
 - New up-dip and offset wells on the Lightning Prospect
 - Drilling of additional high-impact prospects, El Dorado and Spitfire.

Oil Production Increase

Winchester Energy Limited (Winchester; ASX:WEL) is pleased to advise that it has recorded an all-time high in oil production from its producing properties within its 17,266 acre lease position in the East Permian Basin, Texas.

Following recent drilling success at the Mustang Oil Field and the exciting new Lightning Prospect discovery, Winchester has recorded increases in oil production to an average of 506 gross barrels of oil per day (bopd) (Winchester Working Interest (WI): 381 bopd) resulting in a significant increase in revenue.

Since April 2019, Winchester's gross production has increased from around 100 bopd to its current levels of around 500 bopd and its working interest barrels from 50 bopd to 381 bopd - a 700 % increase.

Date: 4 November 2019

ASX Code: WEL

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Winchester Energy Managing Director, Neville Henry, commented,

"I am excited to advise our investors that the Company's successes in 2019 are maturing and we are in a much stronger position than ever in regards to our cash flow and production. Combining this with the depth in our low risk drilling inventory at Mustang and Lightning and the large number of exploration opportunities that provide the company with significant blue sky potential, this is very good news and I look forward to seeing additional production growth in the months to come."

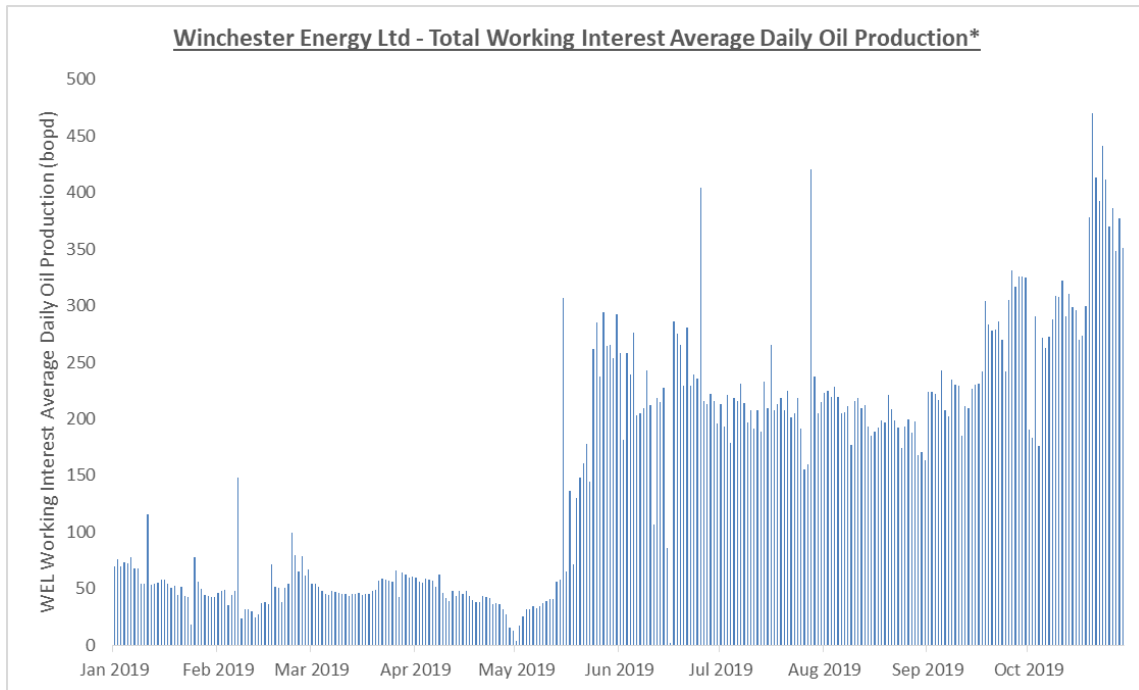


Figure 1 – Winchester Energy - Average Daily Net (WI) Oil Production to 29 October 2019

Lightning Prospect (Winchester 100% WI and Operator)

Arledge 16#2 is on pump, producing from the lower Cisco Sand unit with early production averaging 131 bopd with zero water from 41 feet of perforations, 6 shots per foot between 5,075 feet and 5,131 feet.

With a better understanding of the productivity of the deeper section of the Cisco, preparations to add additional selective high density perforations over a 340 foot gross interval between 5075 and 4735 feet are underway. This program will include the (untested) upper two intervals which are interpreted from the FMI wireline log to contain more sand than the interval currently in production. It is further noted that Interval 4 is a highly prospective sand with conventional reservoir properties (Figure 2).

In addition to the Lower Cisco Sands, the Upper Cisco Sand interval provides significant additional potential upside and is coincident with good oil and gas shows (Figure 3). The company has identified an aggregate of 100 feet of potential pay in 7 intervals in the Upper Cisco Sand, with perforation of these intervals also being considered for additional production.

Additional production, if encountered, is planned to be co-mingled with existing production.

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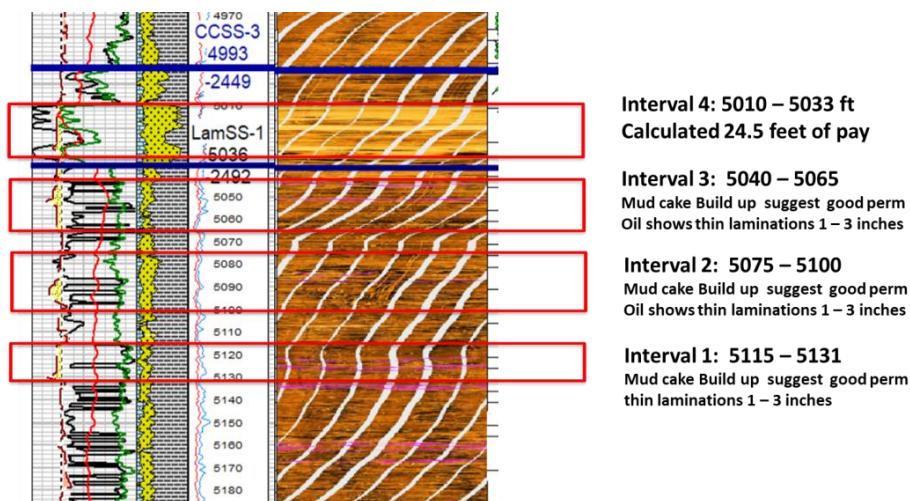


Figure 2 - Arledge 16#2 – Conventional and FMI Logs over the Lower Cisco Sands

Upper Cisco Sand lobe 4735 ft – 4900 ft – FMI log- Untested

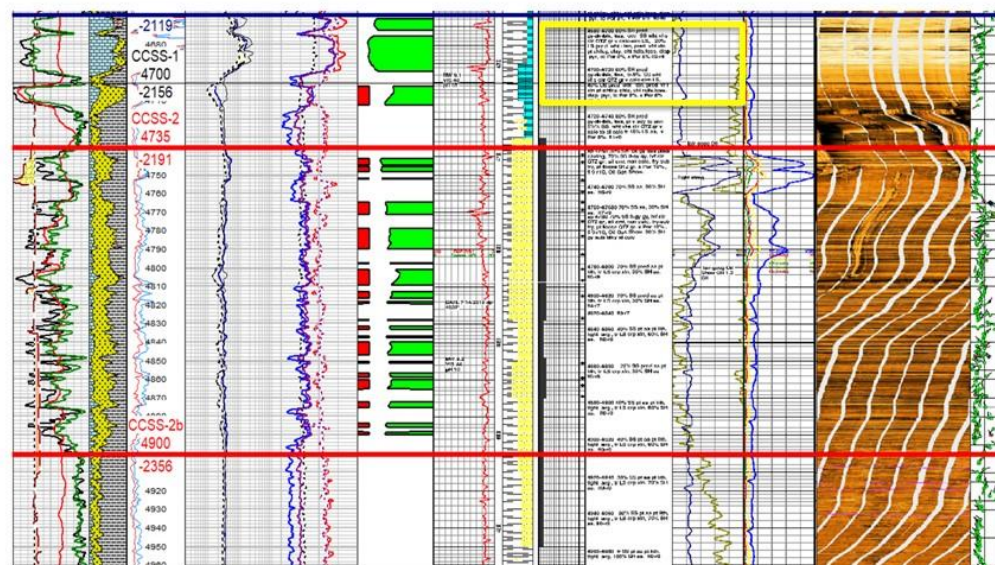


Figure 2- Conventional and FMI Logs over the Upper Cisco Sands

The discovery of oil at the Lightning Prospect is particularly exciting given the thickness and laterally pervasive nature of the oil-bearing unit. Seismic has identified a series of large shelf slope Cisco Sand 'wedges' of thick laminated and channelized slope fan complexes covering over 5,000 acres confirmed by drilling and additional seismic and well analysis indicates it may extend over Winchester's Thomas Lease. The total gross pay interval of the two Cisco Sand units discussed above is an impressive 490 feet.

The Lightning Prospect oil discovery is in its infancy, requiring Winchester to approach completion in the reservoir in a methodical and structured manner in order to best understand reservoir characteristics and optimise production rates.



Additional Near-Term Production Upside

Mustang Oil Field (Winchester 75% WI and Operator)

White Hat 20#4, the fourth well drilled by Winchester in the productive Mustang Oil Field (85,000 gross barrels produced to date by Winchester) reached total depth and was logged last week. The logs indicate a gross sand thickness of 25 feet of the Strawn Fry Sand Member (Fry Sand). The well is to be completed as an oil producer with production casing run and a testing and fracture stimulation program planned once a frac crew becomes available. Winchester is continuing to develop the Mustang Oil Field with highly commercial low-cost and low-risk wells designed to significantly increase oil production. Three additional Mustang well locations are in the process of being located and permitted.

Lightning Prospect (Winchester 100% WI and Operator)

In November, Winchester plans to spud a second well, McLeod 17#1, at the Lightning Prospect (100% WI) following on from the exciting Arledge 16#2 discovery well. McLeod 17#1 will target the same Cisco Sands as the discovery well and represents an exciting opportunity for the Company to potentially further increase production.































Exploration and Re-Entry

Winchester retains over 20 prospects in its inventory and plans to drill the exciting Spitfire and El Dorado Prospects shortly as cash flow allows in late 2019 and early 2020.

Winchester is also the Operator of several re-entry operations (Arledge 16#1 and Thomas Ranch #2) that allow for low cost evaluation. However, re-entry operations are inherently unreliable operations as often the wells are not abandoned as records indicate. This was the case in the original Arledge 16 #1 re-entry.

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2019 / 1Q 2020 Planned Drilling Schedule

PERMIAN BASIN WINCHESTER		2019			2020		
WELL INTEREST % (After farmout-direct)	Well Interest	October	November	December	January	February	March
Mustang: WH 20#5 Fry Sand appraisal on production	75.0%						
Lightning: Arledge 16#2 Cisco Sands on production	100.0%						
Mustang: WH 20 #4 Fry Sand appraisal	75.0%						
Lightning: Arledge 16#1 Re-Entry San Angelo	100.0%						
Thomas Ranch #2 Re-Entry Cisco and San Angelo	100.0%						
Bridgford Cisco and Strawn	25.0%						
Mustang: WH 20#6, 39#2,39#3 Fry Sand appraisal	75.0%				 	 	 
Spitfire: WH 212#1 Strawn and Ellenburger	75.0%						
Lightning: McLeod 17#1 Cisco sand	100.0%				 	 	 
El Dorado: McLeod 241#1 Cisco, Strawn and Ellenburger	100.0%						 

LEGEND	 Appraisal Drilling	 Vertical Drilling	 Production Testing
(Note: All well timing and well interests subject to rig availability, funding and farmout)			

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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.

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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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