

Activities Update

Mustang Oil Field and Lightning Prospect

HIGHLIGHTS

- **Following successful completion work on the Lower Cisco Sands, Winchester will now include additional completion stages over the 340 foot gross interval above the current Lower Cisco producing intervals at Lightning Prospect discovery well Arledge 16#2 (Winchester 100% WI).**
- **A new step out drill location at the Lightning Prospect is scheduled to spud in December 2019.**
- **Recently drilled Mustang Oil Field well White Hat 20#4 has been perforated and acidized ahead of fracture stimulation in early December. The well has swabbed oil and is presently shut in for a pressure test.**
- **The next Mustang Oil Field well, White Hat 39#2, is scheduled to commence drilling in the first half of December 2019.**

Winchester Energy Limited (Winchester; ASX:WEL) is pleased to provide an update of exploration and development activities within its 17,266 acre lease position in the East Permian Basin, Texas.

Lightning Prospect (Winchester 100% WI and Operator)

Lightning Prospect discovery well Arledge 16#2 is presently shut in for a downhole pressure test prior to a program of adding perforations over selected intervals in the 340 foot gross pay section between 5,075 and 4,735 feet.

The program will be staged to allow the company to assess the production and reservoir characteristics of each individual zone. The first stage will cover Interval 3 shown in Figure 1. Interval 3 is 25 feet thick and interpreted from the FMI wireline log to contain better permeability than the intervals currently in production. Further, the following stage scheduled for perforation, Interval 4, is a highly prospective sand with conventional reservoir properties.

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

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 2).

The company has identified an aggregate of 100 feet of potential pay with more sand and very good oil shows in several intervals in the overlying Upper Cisco Sand package. The production from these intervals will also be considered for co-mingling.

Date: 27 November 2019

ASX Code: WEL

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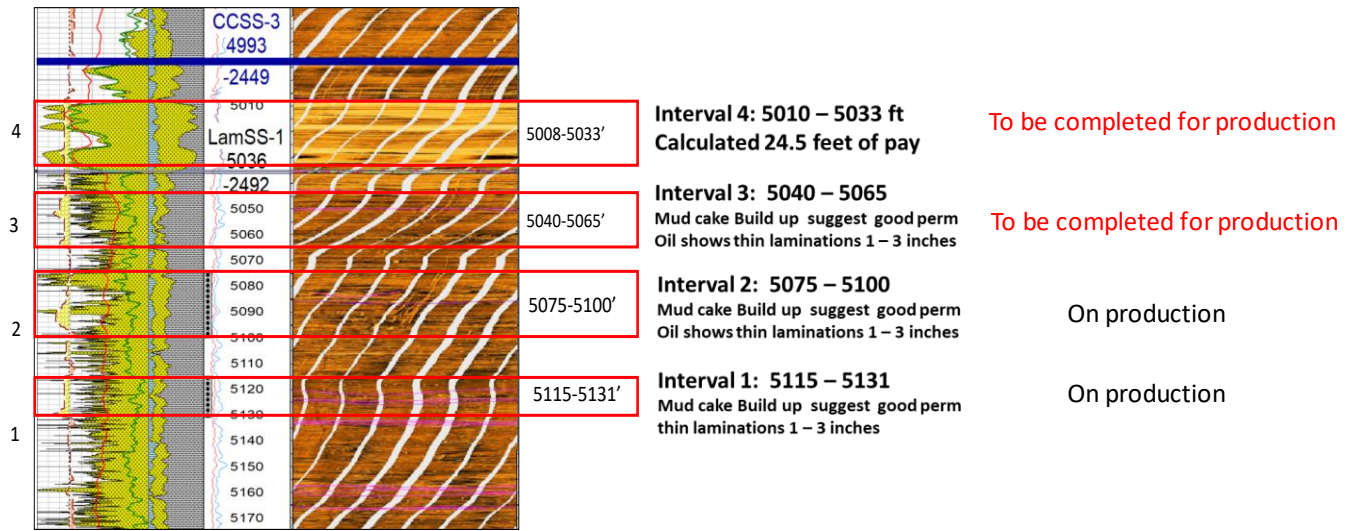


Figure 1 - Arledge 16#2 – Conventional and FMI Logs over the Lower Cisco Sands

The discovery of oil at the Lightning Prospect is potentially very significant given the thickness and laterally pervasive nature of the unit. The revised total gross pay interval of the two Cisco Sand units discussed above is 506 feet with net sand of 25 – 30%.

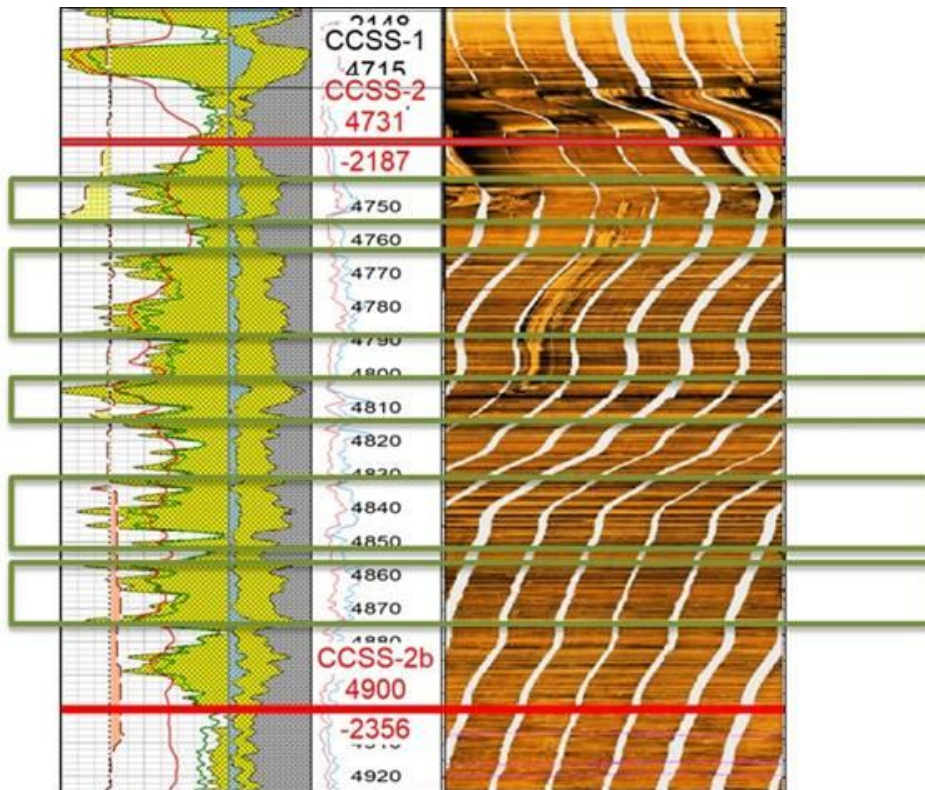


Figure 2- Conventional and FMI Logs over the Upper Cisco Sands

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The Lightning Prospect oil discovery is in its infancy, requiring comprehensive testing and assessment. It is important that Winchester approach completions in the reservoir in a systematic manner in order to understand reservoir characteristics, long-term productivity and deliverability. This will allow the company to optimise future production rates and well spacing.

Winchester has identified the location for its next well at the Lightning Prospect, which will be a step-out from the Arledge 16#2 discovery well. The well is scheduled to spud in December 2019 targeting the same Cisco Sands as the discovery well, representing a low risk opportunity for the Company to potentially further increase production.

Mustang Oil Field (Winchester 50%-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) has now been perforated and acidized across the Strawn Fry Sand Member (Fry Sand). The well has swabbed oil and is now shut-in for a pressure test ahead of fracture stimulation scheduled for the first week of December 2019.

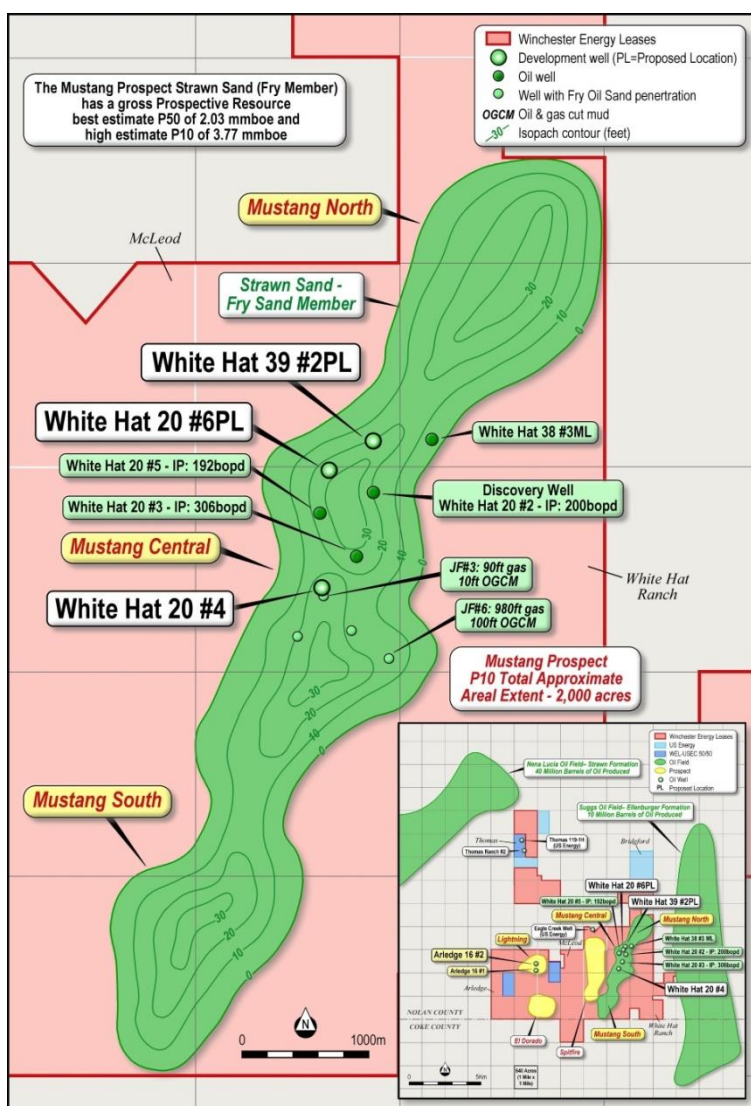


Figure 3 - Mustang Field – Conceptual (preliminary) Isopach Contour Map of Strawn Fry Sand



After participating in the drilling of White Hat 20#4 with a working interest of 75%, Carl E Gungoll Exploration LLC (CEGX), a private independent Texas based company, has elected not to participate in the completion of White Hat 20#4. This allows Winchester to upgrade to a 100% WI in White Hat 20#4 with CEGX only able to exercise a 25% WI back-in after Winchester has recovered 300% of its completion costs.

Winchester is continuing to develop the Mustang Oil Field with highly commercial low-cost and low-risk wells designed to significantly increase oil production.

The location for the next Mustang Field development well, White Hat 39#2, is currently being prepared (earthworks and clearing) with drilling scheduled to commence in the first half of December 2019.

The location for the following development well, White Hat 20#6, has also been finalised with drilling scheduled in January 2020.

CEGX has the right to participate with a 50% and 25% working interest in the drilling of White Hat 39#2 and 20#6 respectively.

Further additional Mustang well locations are in the process of being located and permitted.

Re-entry Operations

Thomas Ranch#2 (Winchester 100% WI and Operator)

Winchester initiated operations on the Thomas Ranch lease by re-entering and drilling out plugs at the Thomas Ranch #2 well located 2,953 feet south south-east from the surface location of the Thomas Ranch 119-1H well.

Winchester encountered junk in the hole prior to reaching target depth - the rig was released and the company is securing a larger rig to continue the work program prior to the end of January 2020. The net cost to Winchester to date for this operation is \$80,000.

Arledge 16#1 (Winchester 100% WI and Operator)

Winchester recently re-entered the Arledge 16#1 well, located 990 feet to the south of Arledge 16#2 after observing oil shows in a shallow sand interval in that well.

The shallow unit was tested and found to be wet. The testing work was considered opportunistic, targeting a shallow sand at around 1,500 feet depth that is unrelated to any core productive formations in Winchester's leasehold. The cost of this operation was approximately US\$120,000. Arledge 16#1 will now be suspended.

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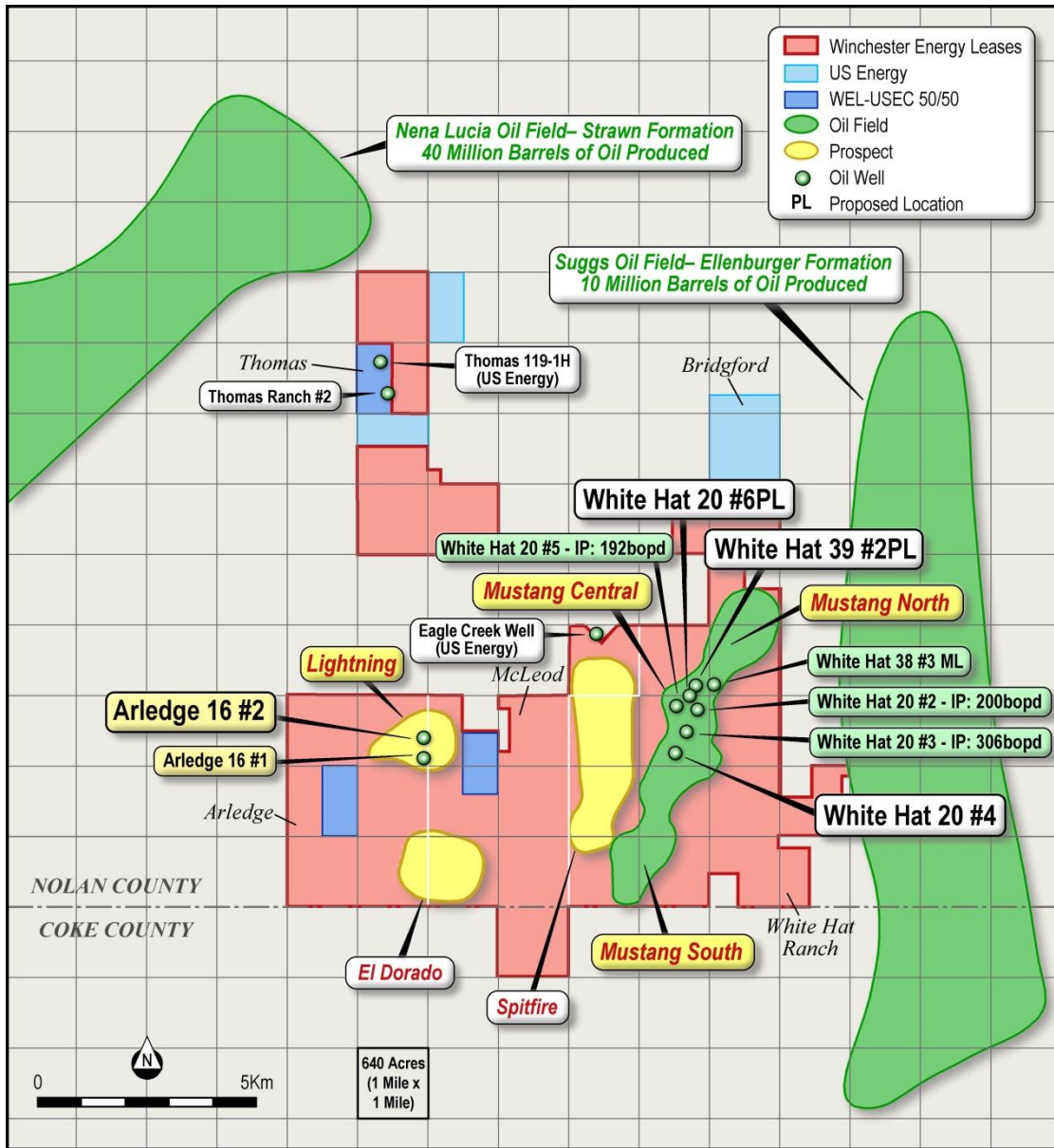


Figure 4 - Location Map - Prospects and Wells

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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.

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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