

Further Successful Test in Cisco Sands in Discovery Well Arledge 16 #2

Date: 11 December 2019

ASX Code: WEL

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HIGHLIGHTS

- **Winchester has perforated a further 25 ft section (Interval 3) within the 340 ft gross interval above the current Lower Cisco producing intervals at Lightning Prospect discovery well Arledge 16#2 (Winchester 100% WI).**
- **Interval 3 was swabbed at a rate of 100 – 125 bopd with no water and minor gas.**
- **The well is now back on pump, comingling intervals 1 – 3; it will be pumped for five days prior to the perforation of the next interval uphole (Interval 4).**
- **A new step out drill location at the Lightning Prospect is scheduled to spud in December 2019. At the Mustang Oil Field, the White Hat 20#4 well has been fraced and is now being swabbed, presently recovering oil and frac fluid. Encouragingly, the frac appears to have penetrated a more permeable zone than anticipated.**
- **The next Mustang Oil Field well, White Hat 39#2, is scheduled to commence drilling within a week.**

Lightning Prospect (Winchester 100% WI and Operator)

Winchester Energy Limited (Winchester) is pleased to advise it has successfully moved up-hole in the Arledge 16#2 well and perforated an additional 25 foot section of Interval 3 (5,040 – 5,065 ft) (see Figure 1).

Arledge 16#2 has been producing oil from Intervals 1 and 2 (5,075 – 5,131 ft) within the Lower Cisco Sands. An additional 340 feet of gross pay has been identified above intervals 1 and 2. Following perforation, Interval 3 was swabbed at a rate of 100 – 125 barrels of oil per day (bopd) with no water and minor gas.

The bridge plug isolating Interval 3 from the underlying Intervals 1 and 2 has been removed and the well has been put on pump, effectively comingling production from all three intervals completed to date.

Arledge 16#2 will be on pump for at least five days prior to the next planned perforation, Interval 4, which will test a highly prospective sand with conventional reservoir properties.

The current completion program is staged to allow the company to assess the production and reservoir characteristics of each individual interval.

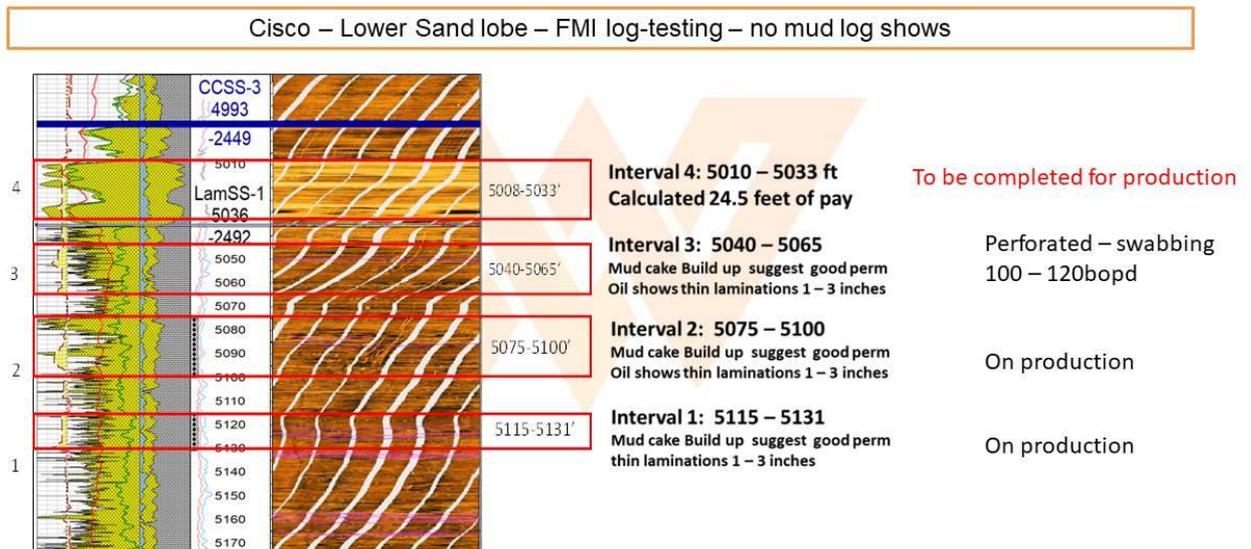


Figure 1 - Arledge 16#2 – Conventional and FMI Logs over the Lower Cisco Sands

In addition to the Lower Cisco Sands, the Upper Cisco Sand interval (4735 – 4900 ft) 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 is expected to be co-mingled.

The Lightning Prospect oil discovery is in its infancy. To assess the viability and long term productivity of this new play, comprehensive systematic testing and assessment is required. This will allow the company to optimize future production rates and well spacing.

The discovery of oil at the Lightning Prospect is 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%.

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.

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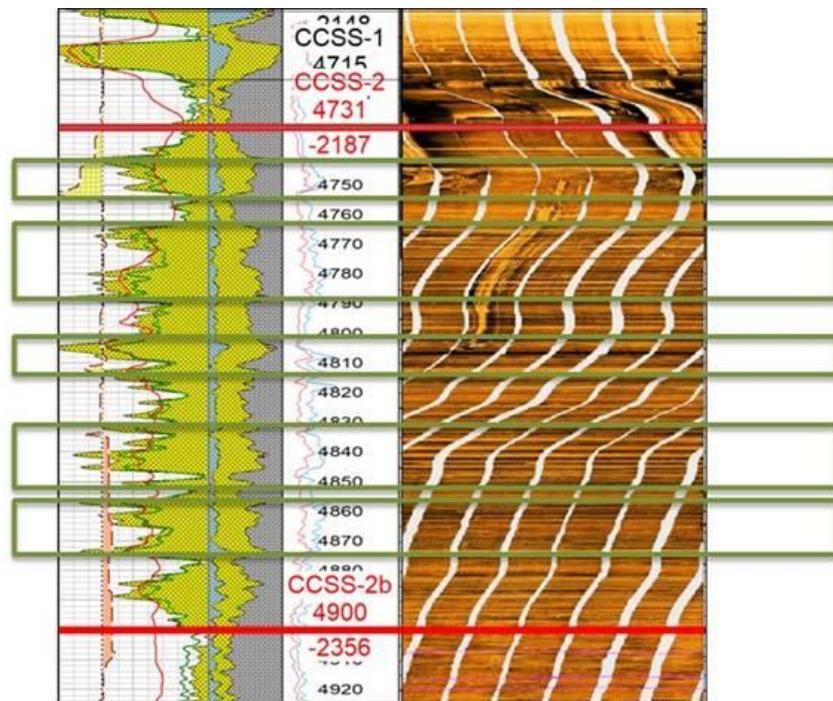


Figure 2- Conventional and FMI Logs over the Upper Cisco Sands

Mustang Oil Field (Winchester 50%-75% WI and Operator)

White Hat 20#4, the fourth well drilled by Winchester in the Mustang Oil Field, has now been fracture stimulated in the Strawn Fry Sand Member (Fry Sand).

Swabbing of the well is underway, currently recovering oil and frac fluid with the well expected to continue to clean up in the coming weeks. Initial observations of the frac suggest that it has penetrated a more permeable zone than anticipated, which potentially bodes well for future production.

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 next Mustang Field development well, White Hat 39#2, is scheduled to commence drilling within a week.

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.



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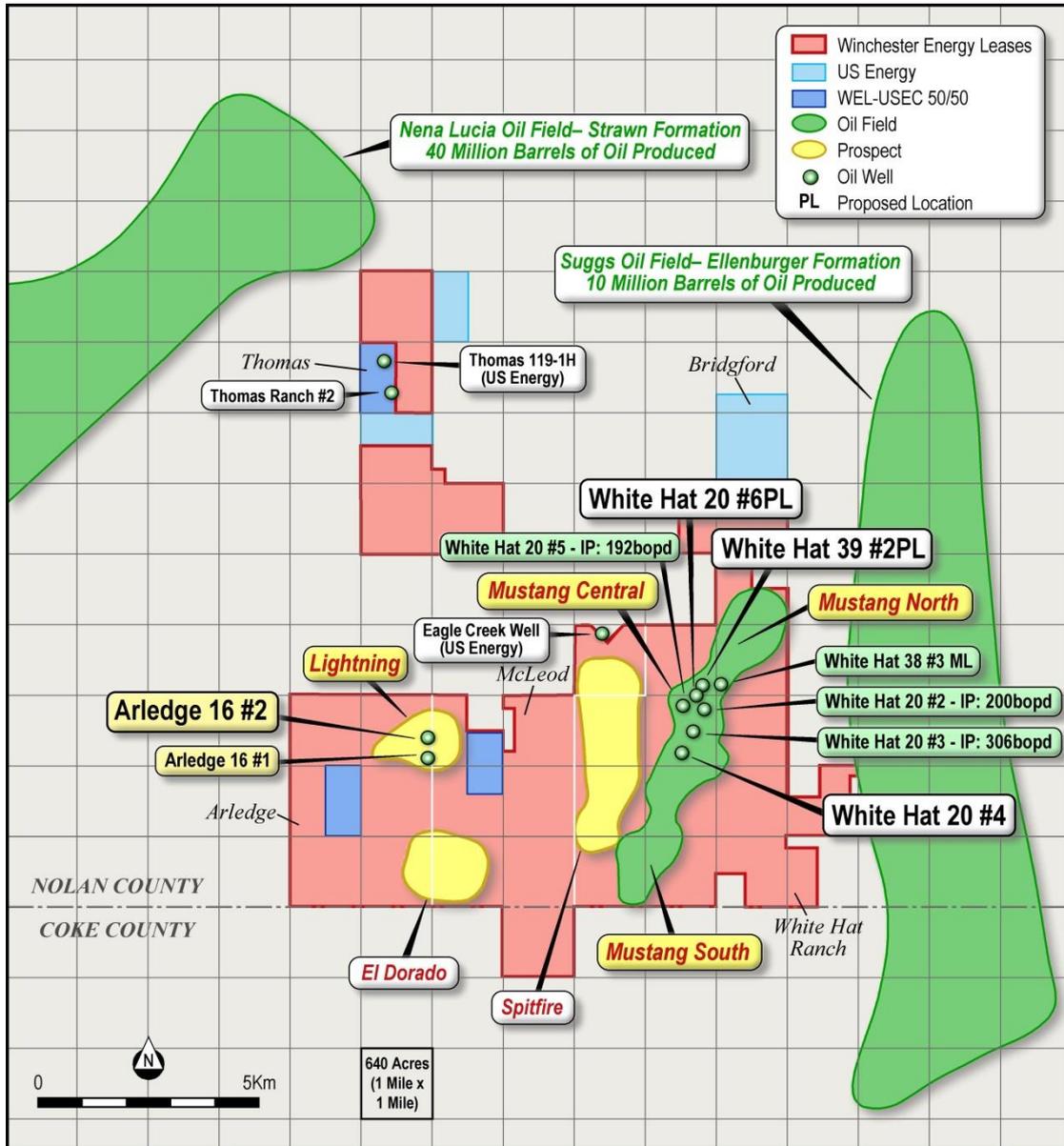


Figure3 - Location Map - Prospects and Wells

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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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