

Low Cost Oil Well Re-entries to Commence

HIGHLIGHTS

- Existing oil well White Hat 2004 (WEL working interest: 100% and operator), drilled in late 2019, is to be re-entered and completed for production in the prospective Cisco Sand, with work scheduled to commence within the month.
- Wireline log interpretation at White Hat 2004 has indicated the Cisco interval includes 35 feet of potential net oil pay with an average 13% porosity.
- At US\$75,000, the re-entry and re-completion of White Hat 2004 represents an attractive opportunity to increase existing oil production at minimal cost.
- Designs for further work in existing wells in the coming months are well advanced as Winchester plans additional re-completions to test a number of different formations.
- Four existing wells to be connected to gas sales, further enhancing revenue.

Winchester Energy Limited ("Winchester"; "WEL"), as operator, expects to commence re-entry and re-completion activities at the White Hat 2004 well which was drilled by Winchester in late 2019 targeting the Strawn Fry Sand Member (Fry Sand) within the Company's Mustang Oil Field in the Permian Basin, Texas.

The program will perforate and test the Cisco Sands at a depth of 4,400 ft. This follows a detailed review of wireline logs which has indicated the presence of 54 gross feet of potential oil-bearing Cisco sand in the well, including 35 ft of interpreted net oil pay with an average porosity of 13%.

The Cisco interval in White Hat 2004 will initially be perforated, acidized and swabbed. Dependent on the presence of oil, the interval may also be fracture stimulated prior to being placed on production. The program will commence next month with an anticipated total cost of approximately US\$75,000.

The Cisco Sands have been a significant oil producer in the region with Winchester also currently producing oil from this interval in its Arledge 1602 well.

Winchester has increased its interest in White Hat 2004 to 100% following an agreement with Carl E Gungoll Exploration LLC (CEGX).

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ASX Code: WEL

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Forthcoming Operations

In addition to the planned program at White Hat 2004, detailed assessments of well log data and new 3D seismic interpretation have identified several opportunities for completions in currently untested zones in existing wells. Potential pay zones have been identified in several wells in formations including the Fry Sands, Cisco Sands and sands within the Three Fingers Shale (TFS). Several of these re-completions, if successful, have considerable commercial implications given the lateral extent of the formations as well as the high availability of historic wells for re-entry.

Winchester is in the process of designing and prioritizing re-completions and will move onto the next re-entry following operations at White Hat 2004.

Beyond the re-completion program, the recent pause in drilling activities has allowed the Winchester technical team to review and assess several new project/play opportunities emerging from the low oil price environment. Winchester is progressing several discussions and will inform the market if and when any transaction is completed.

Increased Gas Sales

Favourable local gas market conditions have prompted Winchester to connect four existing wells to gas sales. Oil producing wells White Hat 2005, White Hat 2006 and Arledge 1602 are to be connected along with McLeod 1703 which is currently shut-in. Testing has previously confirmed that gas from these wells has a high associated liquids content, which attracts a premium price.

Tie-in to the gas sales line will commence at McLeod 1703 this week with an estimated cost of US\$5,000. During testing, McLeod 1703 flowed gas at a rate of 100 thousand cubic feet per day (mcfpd). With the high quality gas attracting a premium price of between US\$4-US\$5/mcf, payback is anticipated within 14 days. Tie-in to sales of the remaining wells will follow McLeod 1703.

This announcement has been authorised for release by the Board.

For further information, please contact:

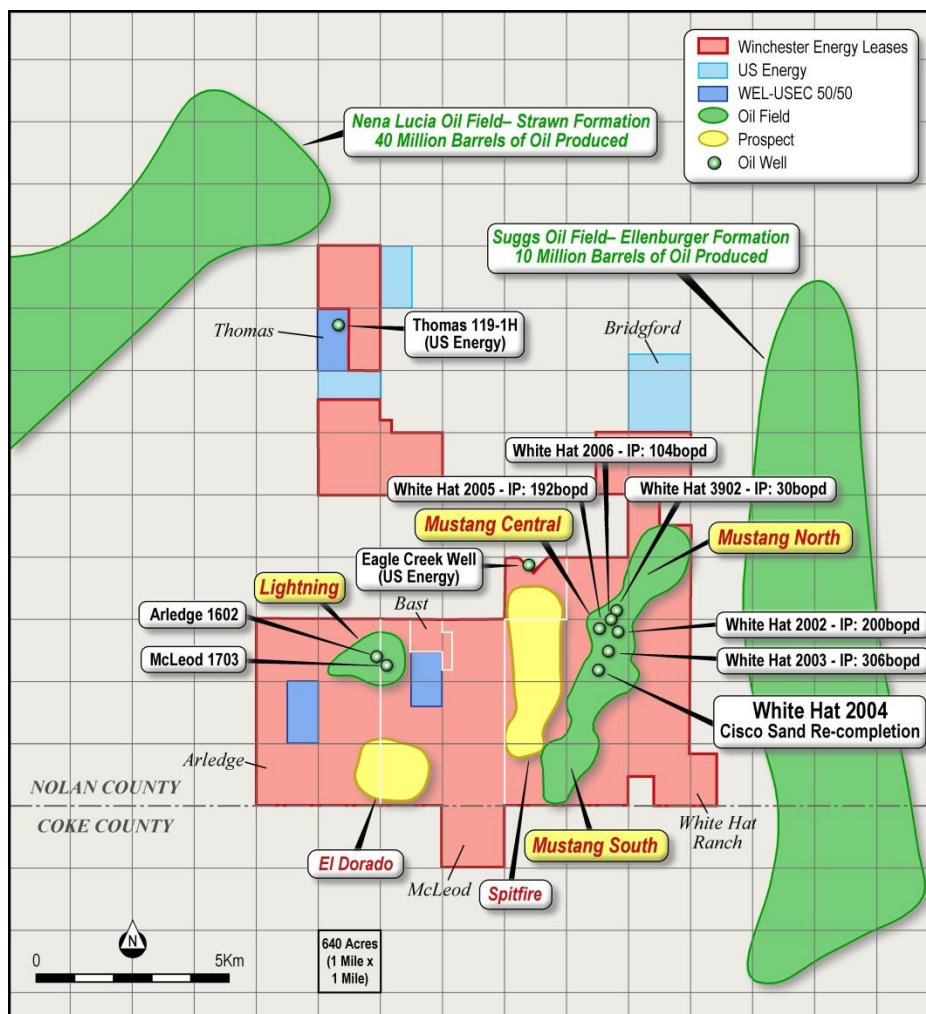
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About Winchester Energy Ltd (ASX Code: WEL)

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 17,560 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 discovered new oil fields and identified several prospects across its leasehold. It is currently undertaking development work at the newly discovered Mustang Oil Field.



Winchester Lease Map - Location of White Hat 2004

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