



Successful Recompletion Increases Oil Production

Date: 20 May 2021

ASX Code: WEL

Capital Structure

Ordinary Shares:
691,044,887
Current Share Price: 1.9c
Market Cap: \$13M
Cash: \$1.1M
Debt: Nil

Directors

James Allchurch
Non-Executive Director

Larry Liu
Non-Executive Director

Tony Peng
Non-Executive Director

Lloyd Flint
Company Secretary

Contact Details

Australia

Ground Floor
24 Outram Street
West Perth WA 6005
Australia

PO Box 641
West Perth WA 6872
Australia

Tel: +61 8 9200 3743
Fax: +61 8 9200 3742

USA

Two Riverway
17th Floor
Suite 1700
Houston Texas USA 77056

Tel: +1 713 333 0610

winchesterenergyltd.com

- **Following a workover and fracture stimulation costing US\$120,000 targeting the Cisco Sands, the Bast#1 well is now producing 545 barrels of fluid per day, including 25 barrels of oil and minor gas.**
- **Further improvement in the oil cut and thus oil production rate is expected as pumping continues and more load water is removed.**
- **Significant result given a further four existing wells are prime candidates for this inexpensive form of workover – potential to meaningfully increase production at very low cost.**
- **First new well to be drilled in June to test the potentially game-changing Cambrian Sands target at the Bast Deep prospect**

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

Bast #1 Workover (Winchester 92% WI)

Low Cost Operation Increases Cash-flow

The Bast #1 well was recompleted and fracture stimulated in the Upper Cisco Formation and initially put on beam pump.

Encouraged by the high fluid level in the borehole, high pressure and excellent productivity from the reservoir, Winchester installed an electric submersible pump (ESP) to increase the amount of fluid able to be removed from the well from roughly 200 barrels of fluid per day (bfpd) (beam pump) to around 900 bfpd (ESP). Over 14,000 barrels of fluid were used in the fracture stimulation of Bast #1 with around 60% of that fluid remaining in the formation.

The well is currently producing over 545bfpd including 25 barrels of oil per day (bopd). The rate of oil production is expected to increase over the coming weeks as the pumping continues and more load water is drawn down.

With West Texas Intermediate (WTI) prices approximately US\$65 per barrel and the workover of Bast #1 costing around US\$120,000 these recompletions are very commercial with production able to be immediately translated to revenue.

Having demonstrated appreciable oil production in the Upper Cisco, Winchester has four other existing wells that are now candidates for re-completion and fracture stimulation (Figure 1) which could potentially greatly improve production at very little cost.

Bast Deep Prospect (Winchester 100% WI)

Winchester plans to drill a new well in June to test the potentially game-changing Cambrian Sands target at the Bast Deep prospect. The well will also test several other historically oil productive formations including a Strawn Clastic which produced an average of 50,000 barrels of oil from nearby wells and the Upper Cisco Sands described above.

Success in the Cambrian target at Bast Deep will allow prioritisation of additional prospects with Cambrian potential at Meteor and El Dorado with a combined best estimate Gross Prospective Resource of 3.2 million boe.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Gross Prospective Resources	Low Estimate mboe	Best Estimate mboe	High Estimate mboe
Bast Deep	381.8	948.2	2,340.5
Meteor	694.8	1,934.5	4,685.8
El Dorado	519.2	1,358.5	3,516.8
Total (mboe)	1,596	4,241	6,543

Table 1: Prospects with Cambrian Targets

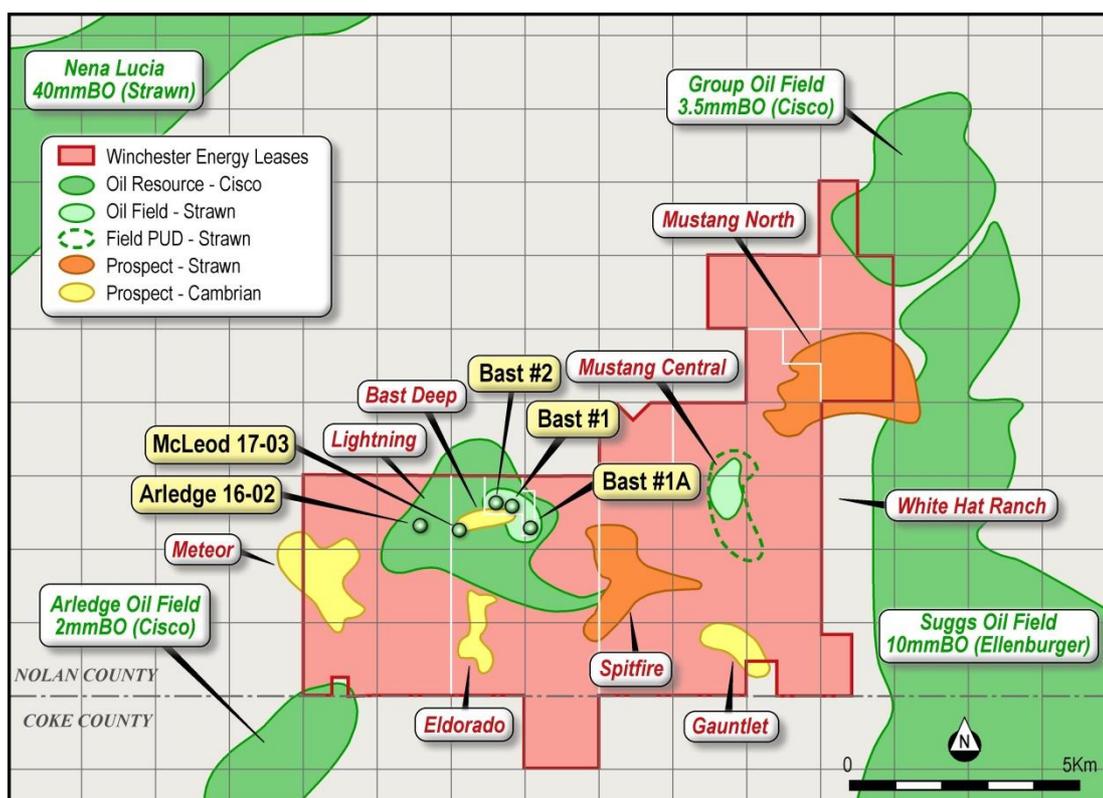


Figure 1: Winchester leaseholding and prospects – Wells with yellow labels able to be re-completed in the Cisco Sands



This announcement has been authorised for release by the Board.

For further information, please contact:

James Allchurch
Director

T: +61 8 9200 3743

E: admin@winchesterenergy.com

About Winchester Energy Ltd (ASX Code: WEL)

Winchester Energy Ltd (ASX: WEL) is an Australian ASX-listed oil and gas explorer and producer 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.

Winchester currently produces approximately 144 barrels of oil equivalent per day (boepd) net to its Working Interests (WI), generating revenue of over AUD\$500,000 in the March 2021 quarter.

As at 31 December 2020 Winchester's Resources and Reserves were calculated at 495,800 barrels of oil equivalent of 3P reserves and a combined 11.1 million barrels of oil equivalent (mmboe) in Contingent and Prospective Resources. Please refer to Winchester's 16 March 2021 ASX release for more details.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning Winchester Energy Limited's planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Winchester Energy Limited believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. Winchester Energy Limited confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

Competent Persons Statement

The information in this report is based on information compiled or reviewed by Mr Keith Martens, consulting geologist/geophysicist to Winchester Energy. Mr Martens is a qualified petroleum geologist/geophysicist with over 45 years of Australian, North American and other international executive petroleum experience in both onshore and offshore environments. He has extensive experience of petroleum exploration, appraisal, strategy development and reserve/resource estimation. Mr Martens has a BSc. (Dual Major) in geology and geophysics from The University of British Columbia, Vancouver, Canada.

Notes

- Gas quantities are converted to boe (barrels of oil equivalent) using 6,000 cubic feet of gas per barrel; quoted estimates are rounded to the nearest barrel.
- bopd; boepd= barrels of oil per day; barrels of oil equivalent per day
- mbo; mboe = thousand barrels of oil; thousand barrels of oil equivalent
- mmmo; mmmo = million barrels of oil; million barrels of oil equivalent