

Significant Oil and Gas Production at White Hat 2106

Date: 16 August 2021

ASX Code: WEL

Capital Structure

Ordinary Shares: 863,806,109
Current Share Price: 1.4
Market Cap: \$12M
Cash: \$1.1M
Debt: Nil

Directors

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Non-Executive Director

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- The newly drilled White Hat 2106 well is producing appreciable oil and gas from early swabbing following simple perforation and an acid wash.
- Approximately 65 barrels of oil (bo) and 45 barrels of water as well as gas were produced from swabbing in a single ten hour period (156 bo in a 24hr period) – the oil cut is steadily increasing and production rates are expected to increase significantly once put on pump.
- White Hat 2106 well has been surging and flowing of its own accord between swabbing runs indicating good pressure and flow potential.
- Gas metering equipment and production facilities, including a beam pump, are currently being mobilized to site with oil sales to commence within a week.

Winchester Energy Limited (ASX: WEL) (Winchester or the Company), as operator, advises of the successful completion of the White Hat 2106 (Winchester - 100% WI) well located within its extensive lease position in the East Permian Basin, Texas.

An 84 foot oil pay zone from 6,637-6,721 feet with strong oil shows and visual vuggy porosity within the Ellenburger Formation was perforated and acid washed ahead of flow testing and production.

Swabbing of the well, designed to remove spent acid and stimulate the reservoir, immediately produced a gassy fluid with an oil cut greater than 50%. Approximately 65 barrels of oil (bo) and 45 barrels of water were produced from swabbing in a single ten hour period (156 bo in a 24hr period). The gas levels are yet to be measured.



Between swabbing runs the well has surged and flowed periodically of its own accord which is indicative of good reservoir pressure and flow potential.

The oil cut of swabbed fluid has been steadily increasing as water and spent acid is removed with the latest swab runs producing an oil cut of 80%.

The oil production rate is expected to significantly increase once all spent acid is removed and the well is placed on pump.

Gas metering equipment and production facilities, including a beam pump, are currently being mobilized to site with oil sales to commence within a week.

Figure 1: Fluid sample from White Hat 2106 showing oil cut

Winchester will provide a detailed production update once the well has been placed on pump with the gas flow rate metered and the oil flow rate normalized; this is anticipated in the coming week.

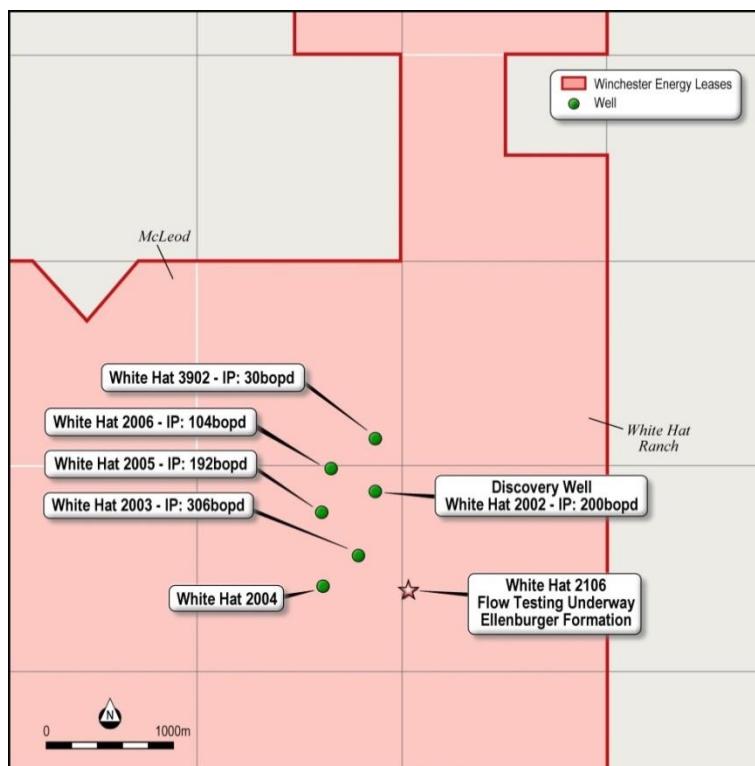


Figure 2: White Hat 2106 (Ellenburger) and producing Fry Sand well locations

This announcement has been authorised for release by the Board.

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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 130 barrels of oil equivalent per day (boepd) net to its Working Interests (WI), generating revenue of AUD\$661,805 in the June 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.



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.