

Date: 20 September 2021

ASX Code: WEL

Capital Structure

Ordinary Shares:
1,006,366,497
Current Share Price: 1.7c
Market Cap: \$17M
Debt: Nil

Directors

James Allchurch
Non-Executive Director

Larry Liu
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Tony Peng
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White Hat 2106 Increases Production to 352 BOEPD¹

Winchester now producing over 482 boepd¹

- **White Hat 2106 has increased production to 352 barrels of oil equivalent per day¹ (boepd) with potential to increase further**
- **With drill and completion costs at US\$785,000, White Hat 2106 is spectacularly commercial and sees Winchester now producing over 482 boepd¹ at a time of highly favourable oil and gas prices**
- **Well completion activities at the McLeod 1703 and McLeod 1705 wells have been successfully completed with initial flowback activities indicating additional potential oil and gas production**
- **Following the success in the Ellenburger formation at White Hat 2106, a re-completion targeting the same prospective formation is to be undertaken at White Hat 3902 – operation to commence shortly**

Winchester Energy Limited ("Winchester" or "the Company"), as operator, is pleased to advise that the White Hat 2106 (Winchester - 100% WI) well, located within its extensive lease position in the East Permian Basin, Texas, has increased production to 352 boepd (average production across the preceding four days).

White Hat 2106 has dramatically improved Winchester's net oil and gas production, increasing from 130 boepd (avg June 2021 quarter production) to 482 boepd presently, a 3.7 times increase. The inclusion of this production will have a significant impact on revenue going forward.

Winchester Non-Executive Director James Allchurch commented:

"With West Texas Intermediate (WTI) oil prices over US\$70 barrel and gas prices above US\$5mcf, the spectacular result at White Hat 2106 has the Company producing appreciable revenue.

Further, recent successful completions at the McLeod 1703 and 1705 wells have considerable potential to yield yet more oil and gas, along with other operations to be undertaken shortly, placing Winchester in an enviable revenue position".

¹ boe (barrels of oil equivalent) - gas quantities are converted to boe using 6,000 cubic feet of gas to one barrel of oil. The conversion ratio is based on energy equivalency and does not represent value equivalency. Estimates are rounded to the nearest boe. 352 boepd is a rounded average of the last four days of production at White Hat 2106 comprising approx 330 barrels of oil and 22.5 barrels of oil equivalent (gas)

White Hat 2106 (Winchester 100% WI and Operator) - Background

Winchester perforated and acid-washed a 60-foot interpreted oil pay zone from 6,652-6,712 feet within the Ellenburger Formation. The well immediately surged and flowed periodically between swab runs prior to running production tubing and rods and installing a beam pump.

The marked improvement from the initial production rate of 217 bopd (ASX release 26 August 2021) results from:

1. an incremental increase in the stroke rate of the beam pump;
2. the inclusion of gas production (135 thousand cubic feet of gas per day (mcfpd) – or 22.5 barrels of oil equivalence); and
3. Improvement in the oil cut to 100% - there is no water production.

Notably, the fluid level in the well remains static which indicates that there is scope to further increase the pump rate and, in turn, the oil and gas production rate.

With drill and completion costs of US\$785,000, White Hat 2106 is anticipated to have a payback period of under two months, with oil and gas sales having commenced upon first production.



Figure 1: Beam pump producing oil at White Hat 2106

Current and Upcoming Activities

Well recompletion activities at the McLeod 1703 and McLeod 1705 wells have been successfully completed, with initial flowback activities indicating additional potential oil and gas production. Results from these two recompletions will be released once consistent and normalised well performance is established.

Following the success in the Ellenburger formation at White Hat 2106, a recompletion targeting the same prospective formation is to be undertaken at White Hat 3902 with operations commencing shortly.



This announcement has been authorised for release by the Winchester 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 (mmbobe) 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.