

Another low-cost recompletion adds 92 boepd¹

Winchester WI production now 611 boepd with

cash receipts of AUD\$1.28M for October 2021

Date: 23 November 2021

ASX Code: WEL

Capital Structure

Ordinary Shares:
1,008,212,215
Current Share Price: 1.4c
Market Cap: \$14M
Debt: Nil

Directors

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Non-Executive Director

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- **Following the success in the Ellenburger Formation at White Hat 2106, a recompletion was performed at White Hat 3902 targeting a 74-foot Ellenburger interval identified as prospective on logs**
- **Following perforation and acidisation, the well was placed on production and is now producing 92 barrels of oil equivalent per day (boepd) from a total recompletion cost of US\$100,000**
- **Recompletions at McLeod 1703 and 1705 – both wells have been placed on production and are producing an aggregate of 20 boepd**
- **At a time of elevated oil and gas prices, Winchester has production, net to its working interest, of over 611 boepd – a production record for the Company**
- **Winchester received US\$950,000 (AUD\$1.28M) for October 2021 oil and gas sales – this figure is expected to increase in November with White Hat 3902 now online**

Winchester Energy Limited (ASX: WEL) (Winchester or Company), as operator, is pleased to advise of initial production at the White Hat 3902 well following recompletion activities. White Hat 3902 is located within the Company's extensive lease position in the East Permian Basin, Texas.

At a cost of approximately US\$100,000, the White Hat 3902 well was successfully perforated and acidised and is now producing 92 boepd. Winchester's net to working interest (WI) production from its East Permian leases is currently 611 boepd from a gross 655 boepd produced.

Winchester Non-Executive Director James Allchurch commented:

"On the back of the game-changing White Hat 2106 well which, in the last week averaged over 375 boepd, Winchester has inexpensively recompleted an underperforming 100% working interest well which is now producing 92 boepd.

Daily production at present is now 611 boepd net to Winchester with full exposure to prevailing high oil and gas prices. The Company has a market capitalisation of approximately AUD\$15M with gross revenue of over AUD\$1.28M² in October 2021 alone."

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 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. Estimates are rounded to the nearest boe.

² Using exchange rate 1 AUD = 0.74 USD

White Hat 3902 (100% WI) – Ellenburger Recompletion

Background

White Hat 3902 was drilled by the Company in December 2019 targeting the Fry Sand, returning a modest initial production rate of 30 bopd before failing to maintain a commercial flow rate. White Hat 3902 penetrated the Ellenburger Formation to a total depth of 7,061 feet with logs run over all prospective formations.

Recompletion

In a programme costing less than US\$100,000, the Company successfully perforated 74 feet of the Ellenburger Formation identified as prospective by logs. The interval was then acidised to clean up the annulus and swabbed to remove the spent acid.

White Hat 3902 has now been placed on production and has averaged 92 boepd over the past four days. This has comprised 73 bopd and 114 thousand cubic feet gas per day (mmcfpd)³.

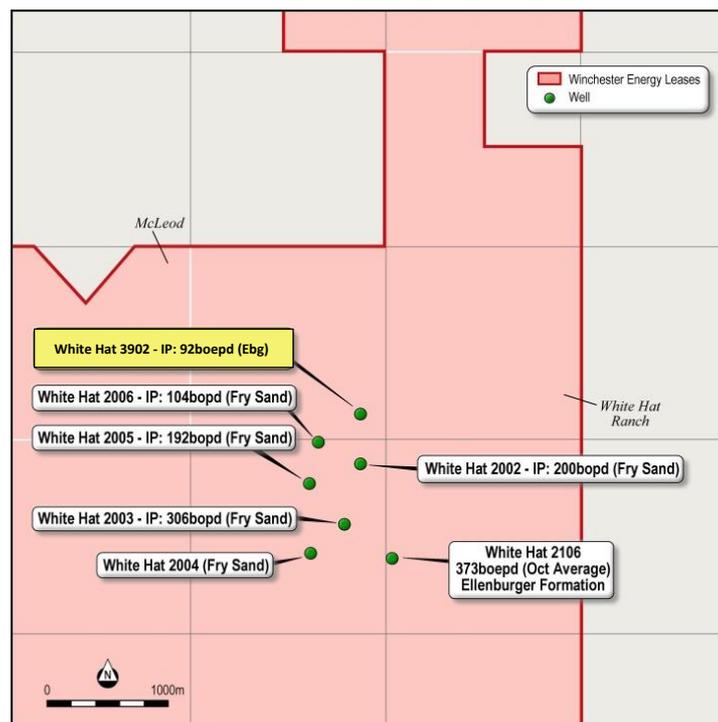


Figure 2: White Hat 3902, White Hat 2106 and producing Fry Sand well locations

McLeod 1705 Frac (100% WI) – Strawn Sands

McLeod 1705 was drilled in June 2021 with subsequent wireline logs identifying an encouraging 8-foot gross pay interval (6,461 - 6,469 feet depth) in the Strawn Sand formation. The sand is correlated to four wells immediately to the east that produced a total of 200,000 barrels of oil.

³ boe (barrels of oil equivalent) - gas quantities are converted to boe using 6,000 cubic feet of gas to one barrel of oil. The 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. Estimates are rounded to the nearest boe.

Operations included the successful perforation of the 8-foot interval and a 120,000-pound sand frac to stimulate the reservoir. The well is now consistently producing 10 boepd.

McLeod 1703 Frac (100% WI) – Cisco Sands

McLeod 1703 was drilled in February 2020 with a total depth targeting the Cisco Sands, short of the Strawn Sands. The well encountered the thick Upper Cisco A unit and a very thick 197-foot gross Upper Cisco B sand package. The entire sand package is interpreted as oil-bearing however the reservoir quality and details of the reservoir architecture are uncertain.

The Upper Cisco B was perforated and acidised in February 2020 but was not fracture stimulated. McLeod 1703 has produced over 5,000 barrels of oil equivalent⁴ to date from this zone.

The successfully completed fracture stimulation program used the 66 feet of existing perforations to perform a similar completion as White Hat 1705 designed to optimise the flow rate from the perforations.

McLeod 1705 is now producing approximately 10 boepd comprised of four barrels of oil and 40mmcfpd.

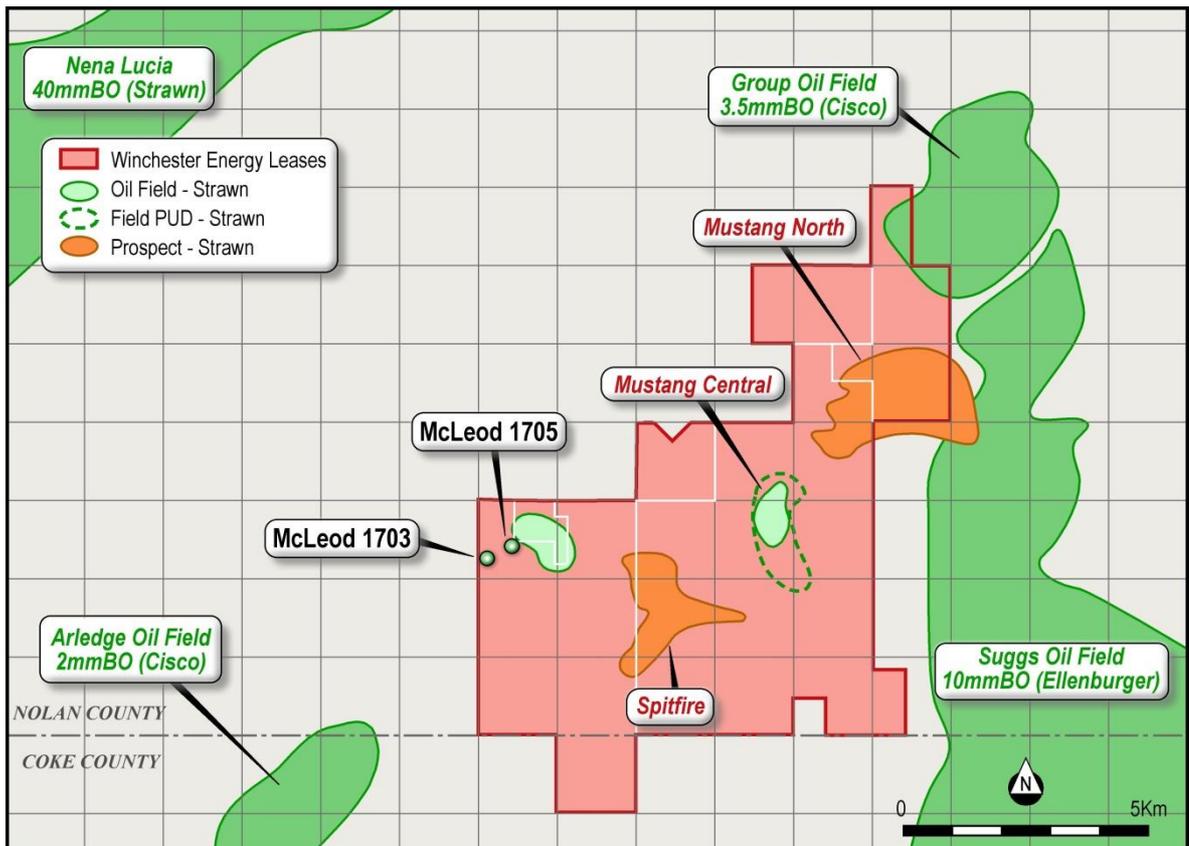


Figure 2: Winchester leaseholding showing the McLeod 1703 and 1705 well locations

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⁴ boe (barrels of oil equivalent) - gas quantities are converted to boe using 6,000 cubic feet of gas to one barrel of oil. The 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. Estimates are rounded to the nearest boe.



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.