

Operations Update

Re-completion to test new Permian Basin play

HIGHLIGHTS

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ASX Code: WEL

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- Work will commence this week on a re-completion of Winchester's White Hat 3801 well to test the 'Bonus Sands' unit within the Three Fingers Shale
- The Bonus Sand interval has been drilled in several wells in the White Hat Ranch - all have oil and gas shows and hydrocarbons in samples.
- The Bonus Sands play is comprised of multiple porous thin sands and sand laminations within the shale and potentially extend over 5,000 – 7,000 acres of Winchester Energy's lease holdings.
- Substantial follow up potential if testing is successful, with a number of other wells available for re-entry.
- With the industry-wide reduction in costs for oil services, budgeted costs of the program - which will include fracture stimulation - are under US\$150,000.

Bonus Sands Play – White Hat 3801 (WEL WI: 100% & Operator)

Winchester ("Winchester"; ASX: WEL) will this week commence a testing program for its White Hat 3801 well. The well was originally drilled in 2016 in Nolan County, Texas by Carl E Gungoll Exploration LLC, targeting the Ordovician Ellenburger formation.

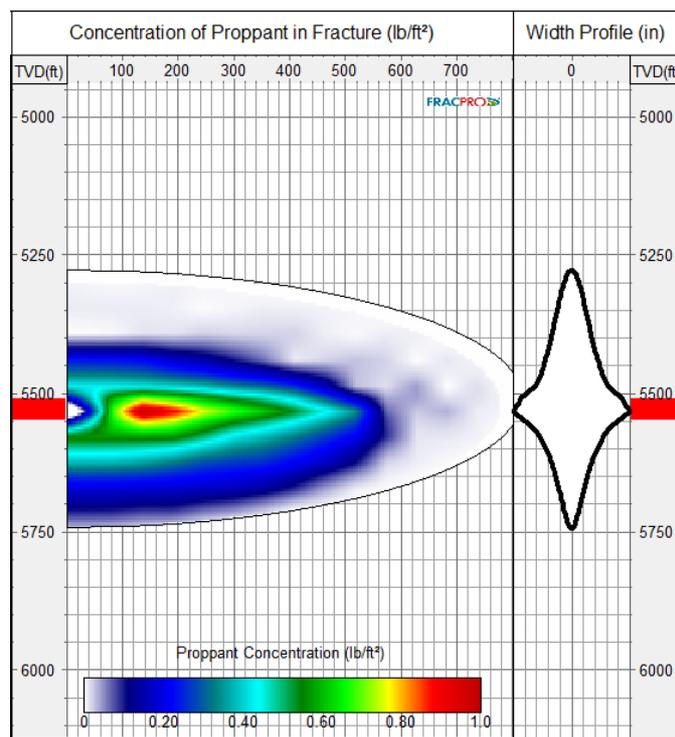


Figure 1: White Hat 3801 – Modelled Frac Profile

Pursuant to recent negotiations, Winchester is now operator with a 100% working interest (WI) in the well - this program will test previously unmapped sands in a shallower formation.

Based on Winchester's review of wireline log and mudlog data and sample analysis of drill cuttings, the company has noted that the Pennsylvanian-age "Three Fingers" shale encloses a series of previously unidentified thin sandstones and sand laminations (Bonus Sands) within a gross interval of 60 feet. The porous 'sands' identified in this unit have been obscured by the "hot" shale and therefore not recognised by previous operators.

Winchester's testing of the Bonus Sands will include a slick-water fracture stimulation using 4,000 barrels of water to place 100,000 pounds of total proppant in the formation - the fractures are expected to extend over 500 feet from the borehole (Figure 1).

The Bonus Sands play is potentially transformational for Winchester as mapping indicates that it may have an area extent of up to 5,000 – 7,000 acres within the Company's existing lease position. Sufficient success in this program may justify a standalone drilling program to fully develop the play, utilising vertical wells rather than requiring more expensive horizontal drilling.

The Bonus Sands has also been identified in several other existing Winchester-controlled oil wells (Figure 2) that may represent additional behind-pipe pay that could drive a relatively inexpensive and commercially attractive re-entry program.

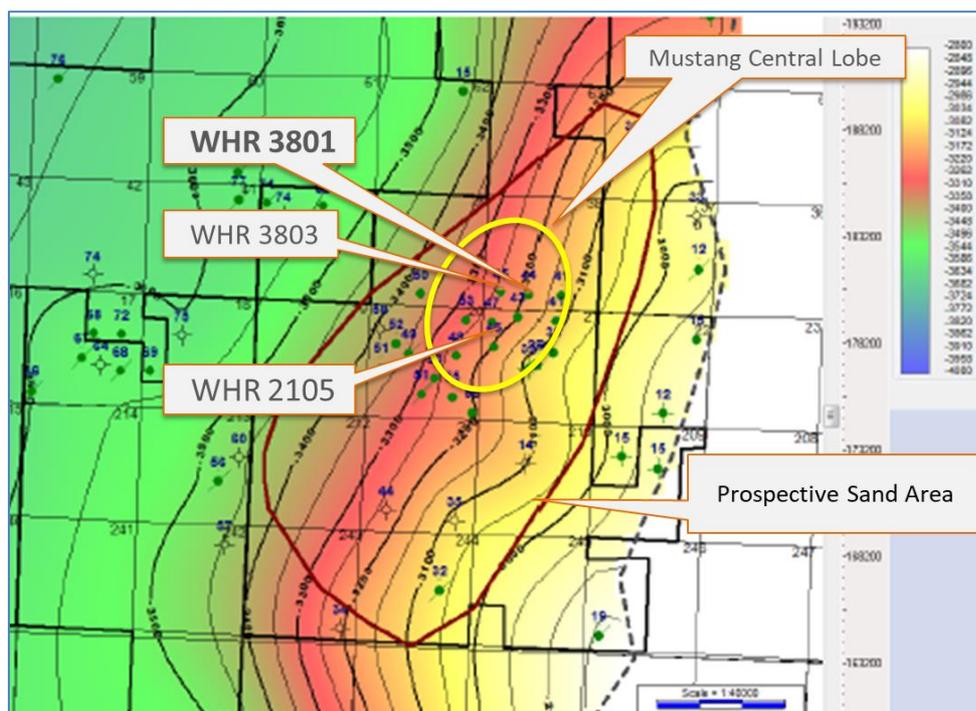


Figure 2: Depth Structure Map – Three Fingers Shale (Bonus Sand)



White Hat 2004 (WEL WI: 100% WI & Operator)

Further testing of two units within the Upper Cisco Sands has now been completed at Winchester's White Hat 2004 well (Figure 3), drilled in late 2019 targeting the Strawn Fry Sand Member within the Company's Mustang Oil Field.

After perforation, acidisation and swabbing of the two upper Cisco Sand zones it was determined that there was insufficient hydrocarbons returned to warrant fracture stimulation or further testing. Total cost of the operation was approximately US\$35,000.

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 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 oil production within its (approx.) 18,400 net acre 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 leaseholdings and is currently undertaking development work at the newly discovered Mustang Oil Field.

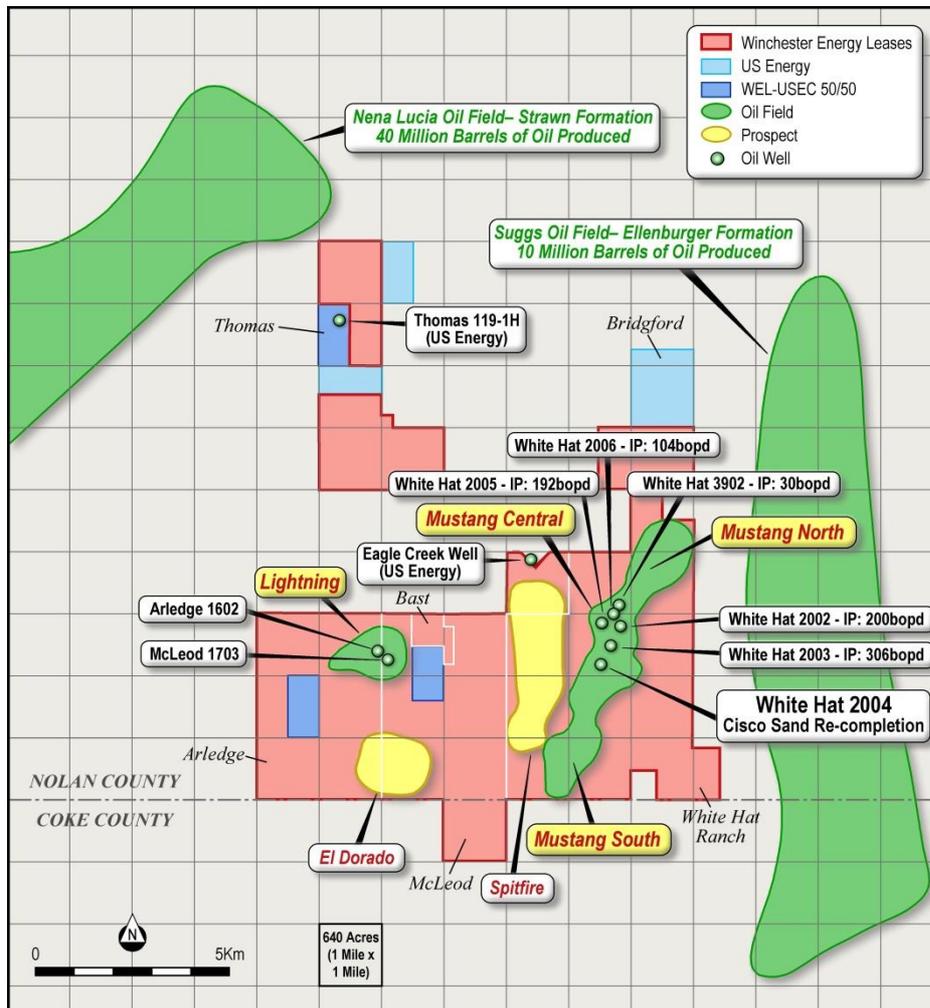


Figure 3: Winchester Lease Map - Location of White Hat 2004

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