

ENERGY LTD Oil Production & Development ASX code: WEL

Permian Basin - Texas - USA

"Australian junior taking on the Permian heavyweights" RGN 2017



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The estimated total prospective resources referred to in this presentation were first announced to the ASX on 15 October 2018.

The estimated quantities of petroleum that may potentially be recovered by the application of future exploration and 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. The Company confirms that it is not aware of any new information or data that in its opinion materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

COMPETENT PERSON'S STATEMENT

The information in this document relating to petroleum resources and exploration results is based on information compiled by Mr Neville Henry. Mr Neville Henry has a BA (Honours) in geology from Macquarie University and has over 43 years experience in the technical, commercial and managerial aspects of the oil and gas industry. Mr. Henry has consented in writing to the inclusion of the information stated in the form and context in which it appears.

The Prospective Resources estimates in this report have been compiled by Kurt Mire, P.E. of Mire & Associates, Inc. from information provided by Winchester Energy. Mr Mire is a registered professional Engineer in the State of Texas and has over 30 years' experience in petroleum engineering. These Prospective Resource estimates may be subject to revision if amendments to mapping or other factors necessitate such revision.

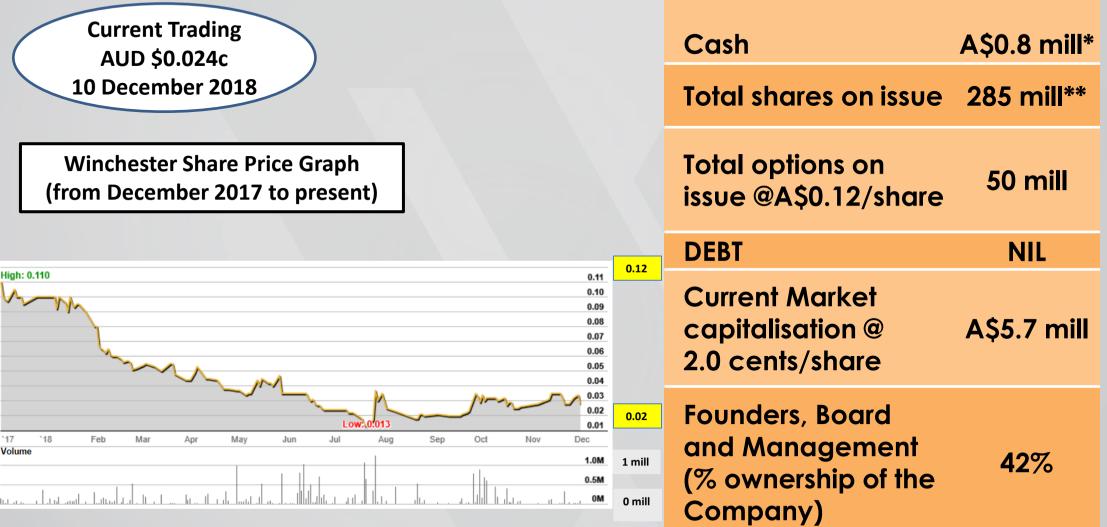
Winchester Energy Investment Summary



- Single focus on US premier area, Permian Basin, Texas with high working interests in 17,000 of contiguous net acres, 5 large leases with low continuous drilling commitments.
- Aiming to restore & grow oil production from conventional exploration drilling in Strawn and Ellenburger formations.
- Newly defined shallow conventional Strawn & Ellenburger structural and stratigraphic prospects mapped on 3D seismic.
- Fracture Stimulation testing of unconventional Wolfcamp shales in progress.
- Accelerating drilling with fund raising & farmouts in progress to drill Mustang, El Dorado & Spitfire prospects with total cumulative gross best estimate prospective resource of 7.8 million barrels of oil.*
- Three well exploration drilling program commencing February 2019.
- NO DEBT!
- * Cautionary Statement: The cumulative total gross best estimate prospective resource quoted above was first announced to the ASX on 15 October 2018. See Disclaimers for further information

Capital Structure





* at 30 September 2018

**After current January 2019 1:2 rights issue of 142.6 million share at 2 cents to raise A\$2.8 million, total shares on issue 428 million.



WEL has an experienced management team

WEL Directors

John Kopcheff (Non-Exec Chairman) – ex Vicpet/Senex MD & foundertechnical experience

Neville Henry (MD) – successful start up, business & technical experience – Texas

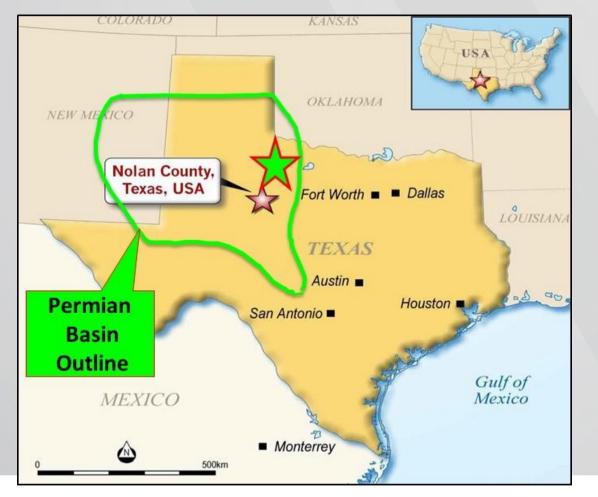
Peter Allchurch (NED) – successful start up-Aurora & technical experience

Larry Lui (NED) – commercial & investment experience - China Senior Executives – all based in Texas Neville Henry - Managing the business and geotechnical Hugh Idstein - CFO - manages leases & finances

Permian Basin - Texas USA Net 78 sq. kms (17,000 Acres)



Winchester with its 17,000 net acres located in Nolan & Coke Counties, Texas is only ASX listed company with sole focus in the Permian Basin. "The Permian Basin is currently the best oil address in the world outside of the Middle East – second largest oil field after Ghawar."Forbes 2017

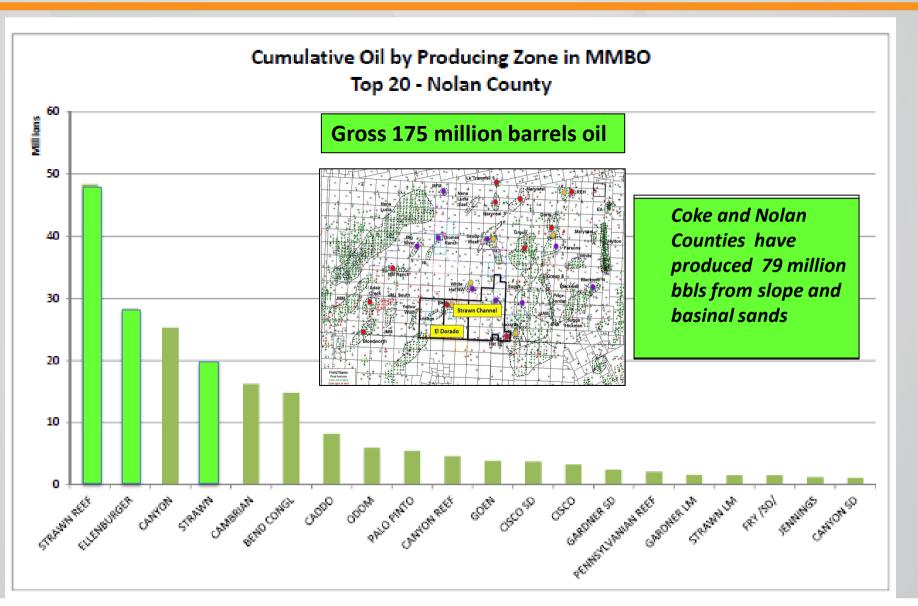


PERMIAN BASIN

- Total oil and gas production to date: 30 billion bbls & 75TCF
- Daily oil & gas production now: 3.4 mill bbls/d & 11.3 bcf/d
- 32% of US oil production now
- 46% of onshore drilling rigs

US EIA

Why be in Nolan and Coke Counties? - have produced 175 million barrels oil from conventional Ordovician to Permian Reservoirs



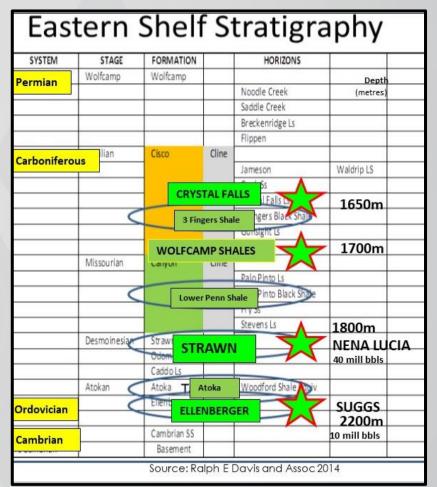
WINCHESTER

ENERGY ITD

Why explore in the Permian Basin? Stacked proven Oil producing horizons.



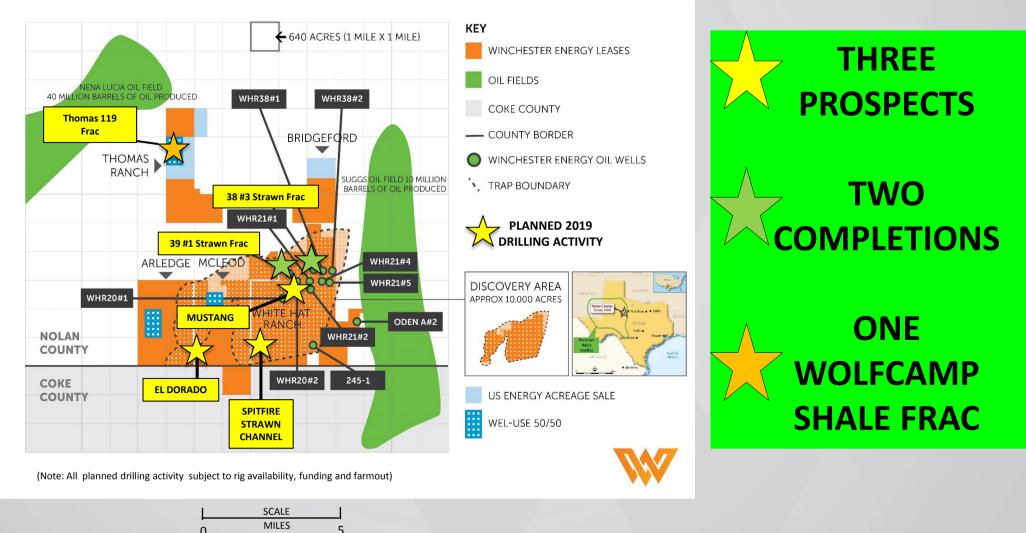
- 17,000 net acres with multiple stacked targets.
- Initial Development focus is on Strawn & Ellenberger conventional prospects.
- Total cumulative prospective resource for Mustang, El Dorado & Spitfire prospects range from best estimate of 7.8 million bbls to high estimate of 17.5 million bbls.*
- Follow on focus on Crystal Falls carbonates/shales & Wolfcamp D shales unconventional oil plays.



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Planned Drilling & Production Testing Activity, Next 6 months, Eastern Permian Basin





Winchester leases & surrounding area covered by 234 sq. kms (57,600 acres) of 3D seismic

Independent Prospective Resource Estimation* - Mire & Associates Inc.



El Dorado P	rospect		Prospective Resources (MBO)			
Ellenberger	P ₉₀	P ₁₀	Ellenberger			
Area (Acres)	500	1,000	P ₉₀	P ₅₀	P ₁₀	
Recovery (BO/Acre)	441	1,750	289	615	1,263	
Strawn	P ₉₀	P ₁₀	Strawn			
Area (Acres)	500	700	302	654	1,365	
Net Pay (Ft)	5	20				
Unit Recovery (BO/AF)	80	160	591	1,269	2,628	
Mustang Pi	Prospective Resources (MBO)					
Fry	P ₉₀	P ₁₀	Fry			
Area (Acres)	350	2,000	P ₉₀	P ₅₀	P ₁₀	
Net Pay (Ft)	10	25	510	1,428	3,756	
Unit Recovery (BO/AF)	80	160				
Ellenberger	P ₉₀	P ₁₀	Ellenberger			
Area (Acres)	500	1,000	289	609	1,251	
Recovery (BO/Acre)	441	1,750	799	2,037	5,007	
Spitfire Pro	Prospective Resources (MBO)					
Strawn Channel	P ₉₀	P ₁₀	Strawn Channel			
Area (Acres)	500	2,000	P ₉₀	P ₅₀	P ₁₀	
Net Pay (Ft)	25	50	1,708	3,882	8,665	
Unit Recovery (BO/AF)	80	160				
Ellenberger	P ₉₀	P ₁₀	Ellenberger			
Area (Acres)	500	1,000	286	608	1,242	
Recovery (BO/Acre)	441	1,750	1,994	4,490	9,907	

The prospective resources estiamted in this report have been compiled by Kurt Mire, P.E.

Mustang - Best estimate: 2.0 mill bbls

 High estimate: 5.0 mill bbls
 CHANCE OF SUCCESS**: 58% (WEL Ranking)

 El Dorado - Best estimate: 1.3 mill bbls

 High estimate: 2.6 mill bbls
 High estimate: 4.5 mill bbls
 Spitfire - Best estimate: 4.5 mill bbls
 High estimate: 9.9 mill bbls
 CHANCE OF SUCCESS**: 28% (WEL Ranking)

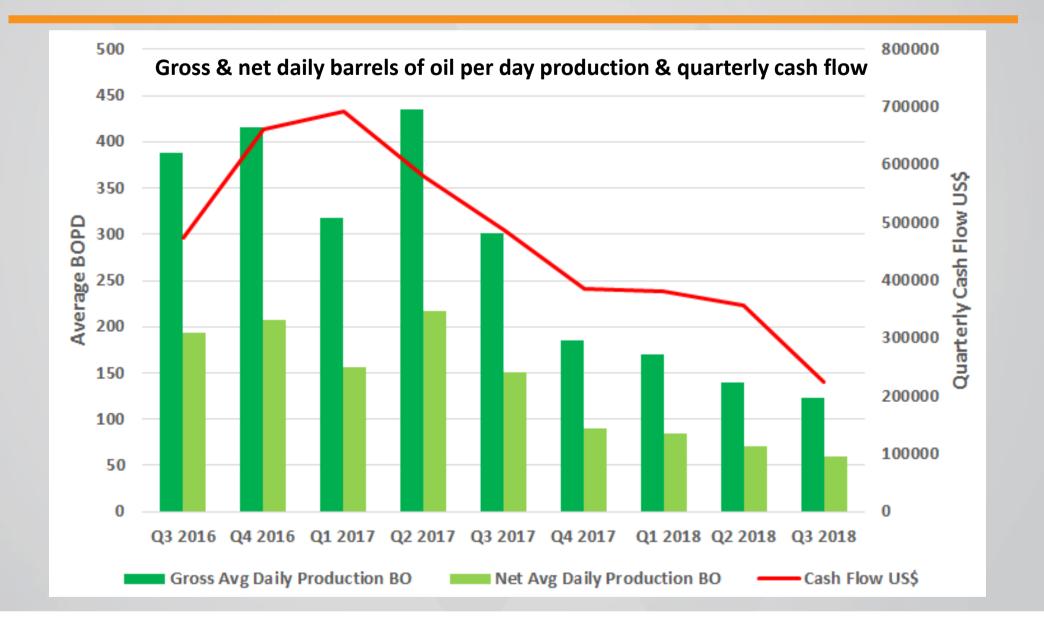
TOTAL ALL PROSPECTS Best estimate: 7.8 mill bbls High estimate: 17.5 mill bbls

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** Estimated chance of finding oil based on risk relating to presence of : Trap X Reservoir X Source X Charge

Oil Production and Cash Flow





WINCHESTER

- How to increase the value of Winchester?
- Restore & grow production, cash flow & reserves by successful exploration and development drilling and well re-completions in existing vertical wells with indicated prospective oil resource.
- With early 2019 exploration drilling success in conventional Mustang, El Dorado & Spitfire prospects with cumulative total gross best estimate prospective resource of 7.8 million barrels of oil*
- Follow on drilling of 20 additional drill ready locations with 3D seismic interpreted structural and stratigraphic traps with multiple stacked formations with prospective oil resource.
- Prove up horizontal drilling Wolfcamp D shale oil potential already identified in vertical wells across Winchesters 17,000 acres.
- Finance from January 2019 share issue and then free cash flow and farmout for ongoing drilling program of 6 -12 wells per year.

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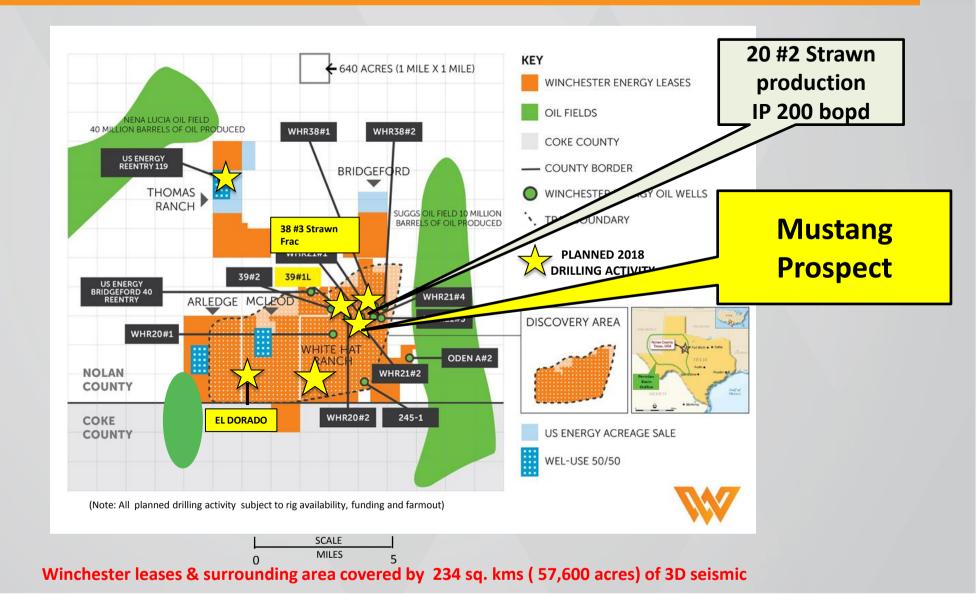


2019 Planned Drilling Schedule

PERMIAN BASIN WINCHESTE	R				2019)		
WELL INTEREST %	Well	January	February	March	April	May	June	July
(After farmout- direct)	Interest							
White Hat Ranch - 39#1		.T						
Recompletion Strawn	31.5%							
Thomas Ranch 119H		Ā	. 7					
Wolfcamp Shale Frac	12.5%*		L.					
White Hat Ranch 38#3			Å	. 7				
Strawn Frac/ Recompletion	78.5%			L.				
Bridgford 40			Ā	. 7				
Wolfcamp Shale Frac	25.0%			É.				
Mustang			A	. 7				
Fry/Strawn and Ellenburger	75.0%			L.				
El Dorado				Å	. F			
Strawn/Ellenburger	50.0%			Â		£.		
Spitfire					Å	. 7		
Strawn and Ellenburger	50.0%							
East Bast						Ā	. 7	
Strawn and Ellenburger	40.0%							
West Bast							Ā	T
Strawn and Ellenburger	40.0%							ti da
	LEGEND	Å	Horizontal Drilling	Å	Vertical Drilling	Completion	A.	Production Testing
		(Note: All well	timing and wel	l interests subje	ect to rig avai	lability, funding and f	armout)	

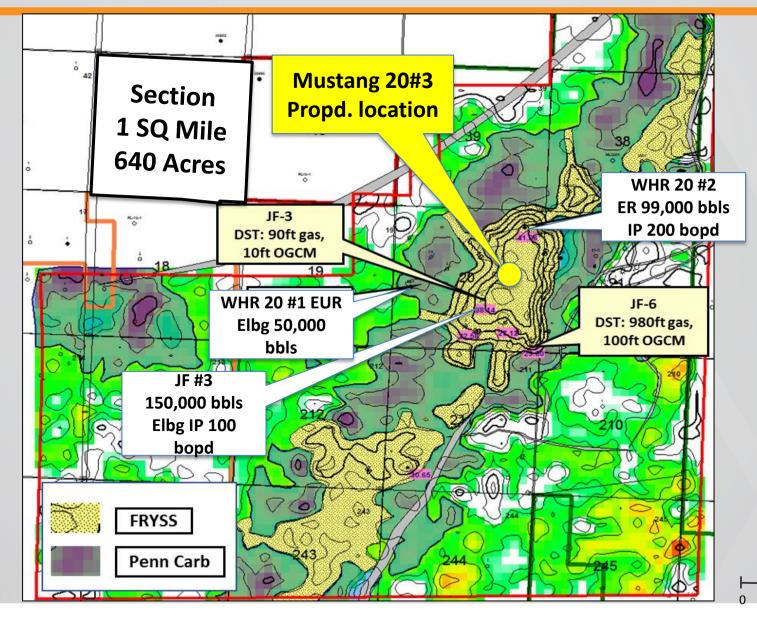
Mustang Prospect- interpreted prospective area of over 1,000 acres







White Hat Ranch Mustang Prospect



- Gross Pay: 30 ft
- Net Pay: 10 20 ft
- Drill Depth: 5,700 –
 6,000 ft MD
- D&C Cost: Stand alone \$500,000
- F&D: Full cycle cost \$20/bbl
- 1000 acres
- Best estimate prospective resource: (Fry/Strawn & Elbg)

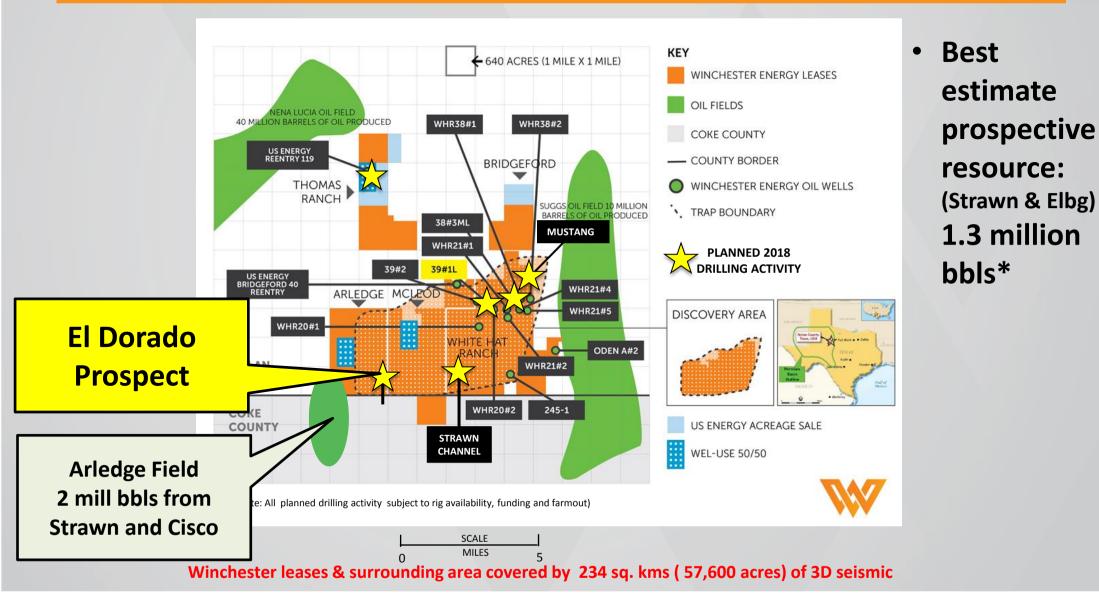
2.0 million bbls*

SCALE

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El Dorado Prospect-Ellenburger & Strawn closure 1,000 acres

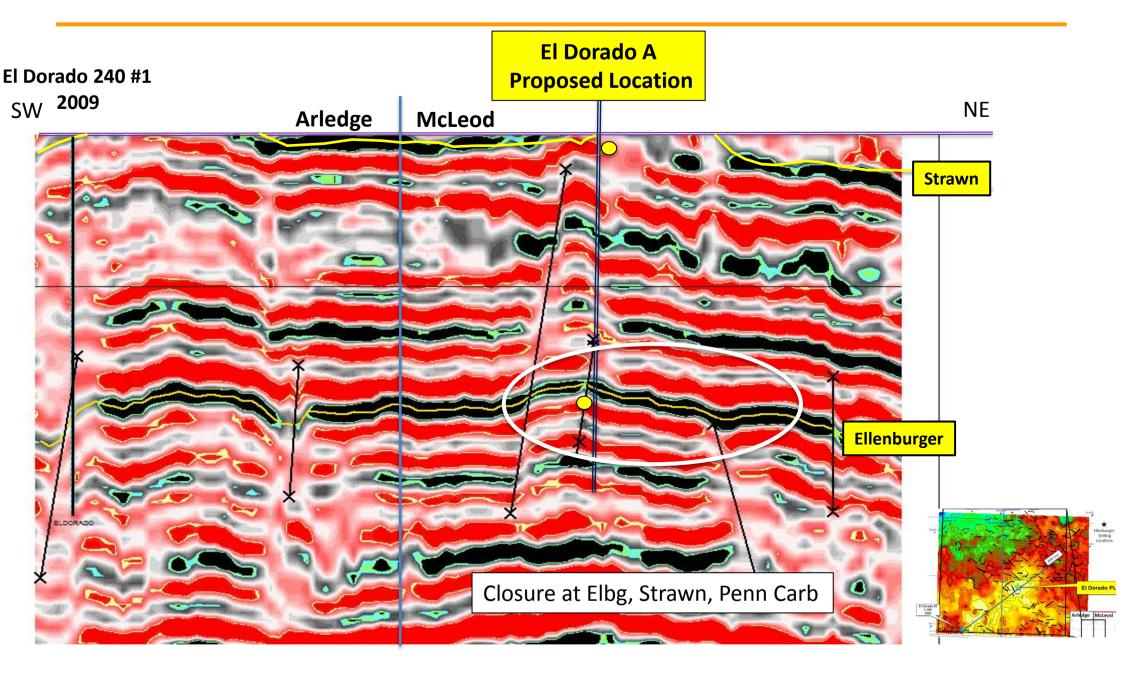




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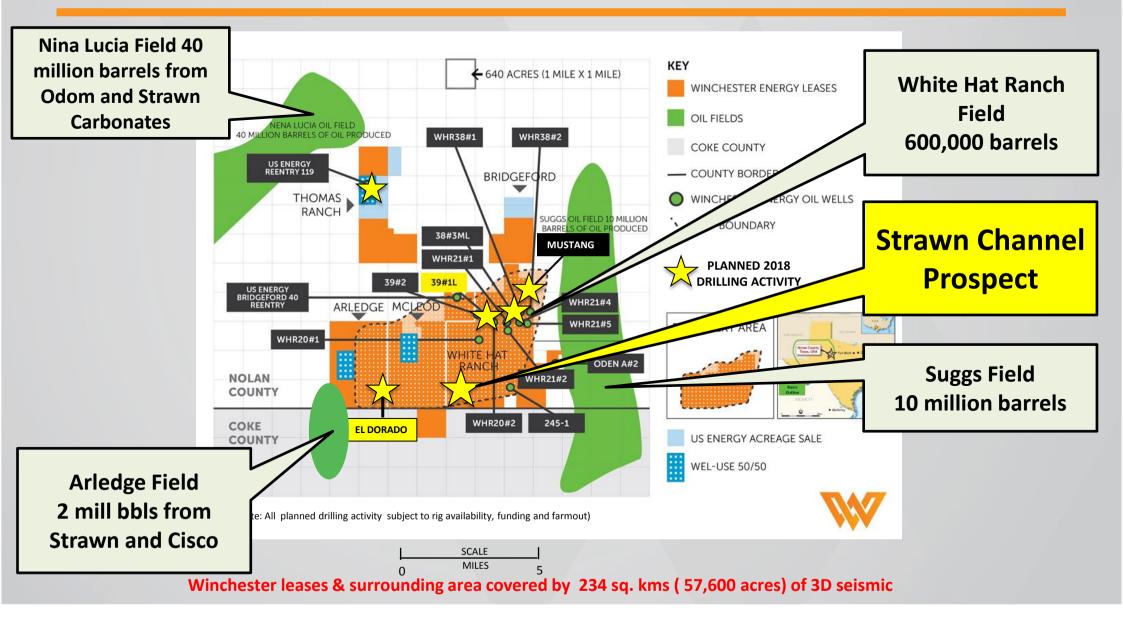
El Dorado Prospect- Arbitrary 3D Seismic Line

Winchester Energy LTD

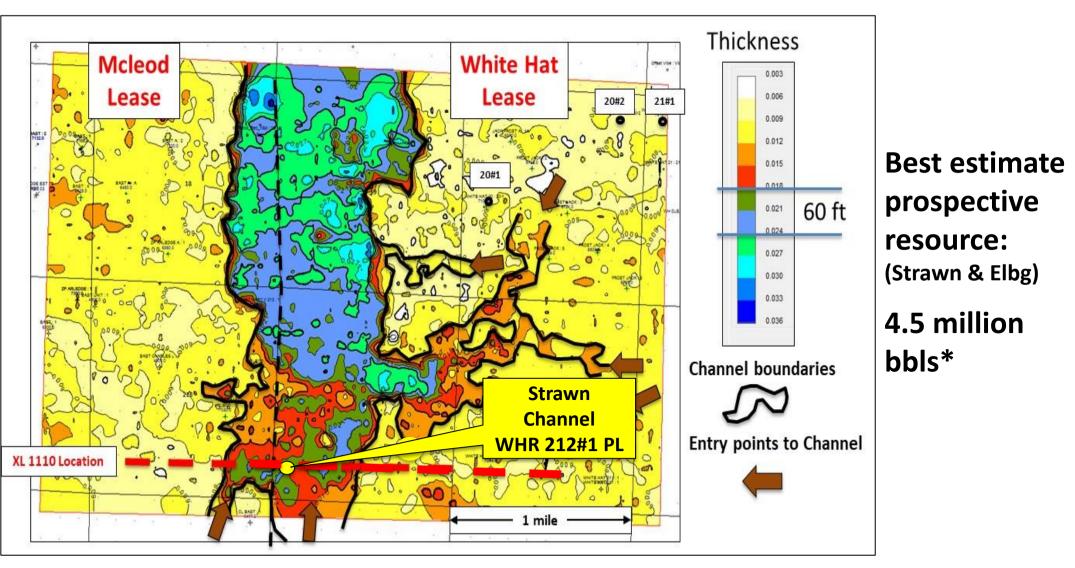


Spitfire 'Strawn Channel' Prospect-Interpreted gross area 2,000 acres





Spitfire 'Strawn Channel' Prospect-interpreted gross area 2,000 acres

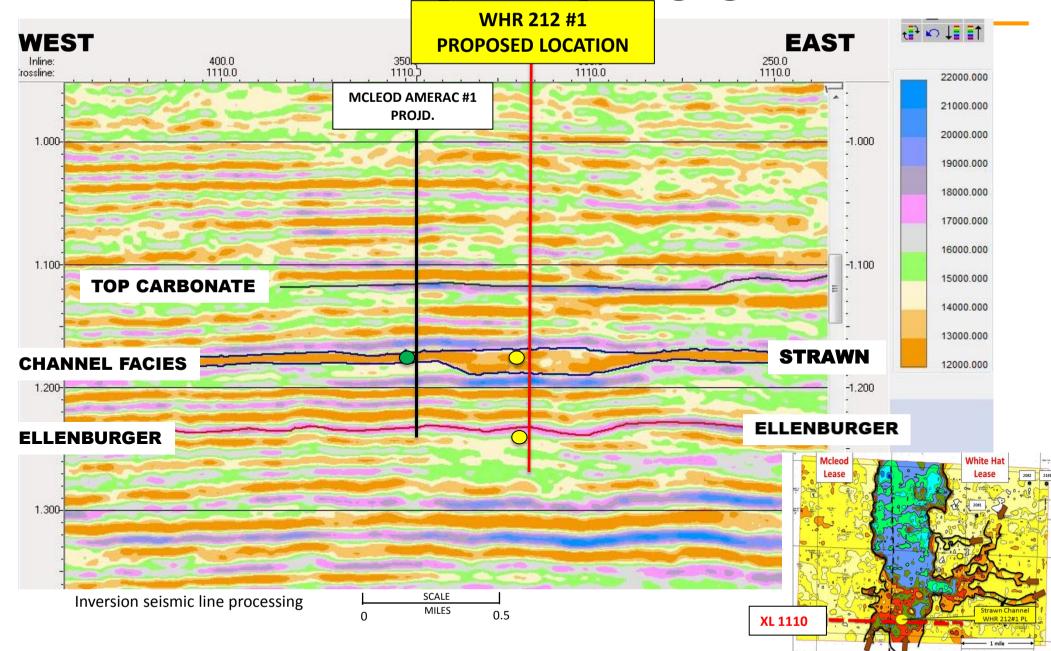


Winchester Energy LTD

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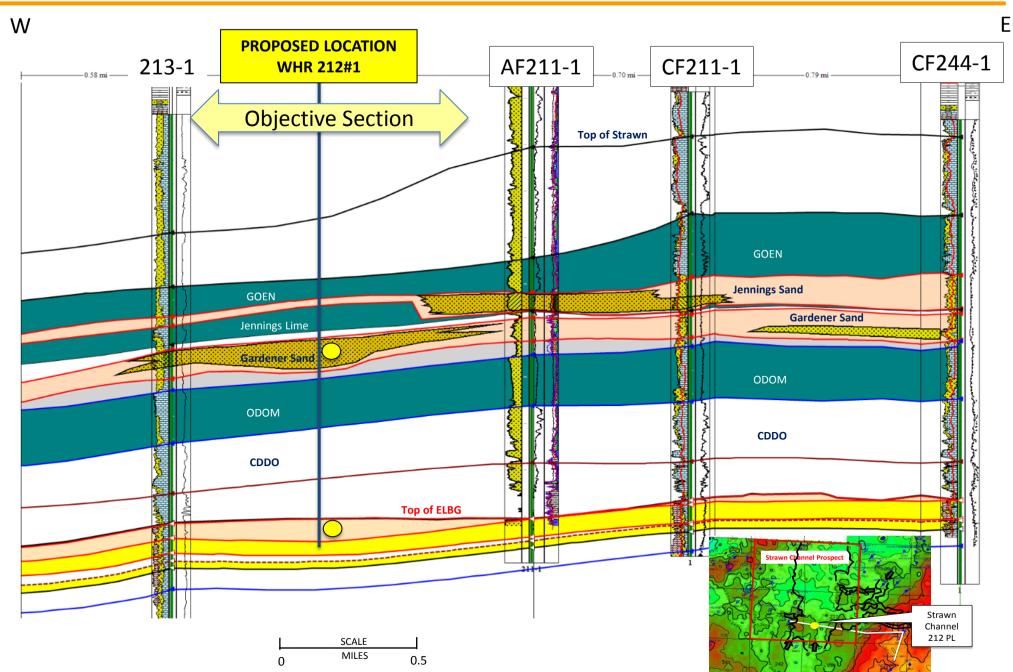
Spitfire Prospect Strawn Channel Prospect seismic line XL 1110 using velocity imaging

Winchester Energy LTD

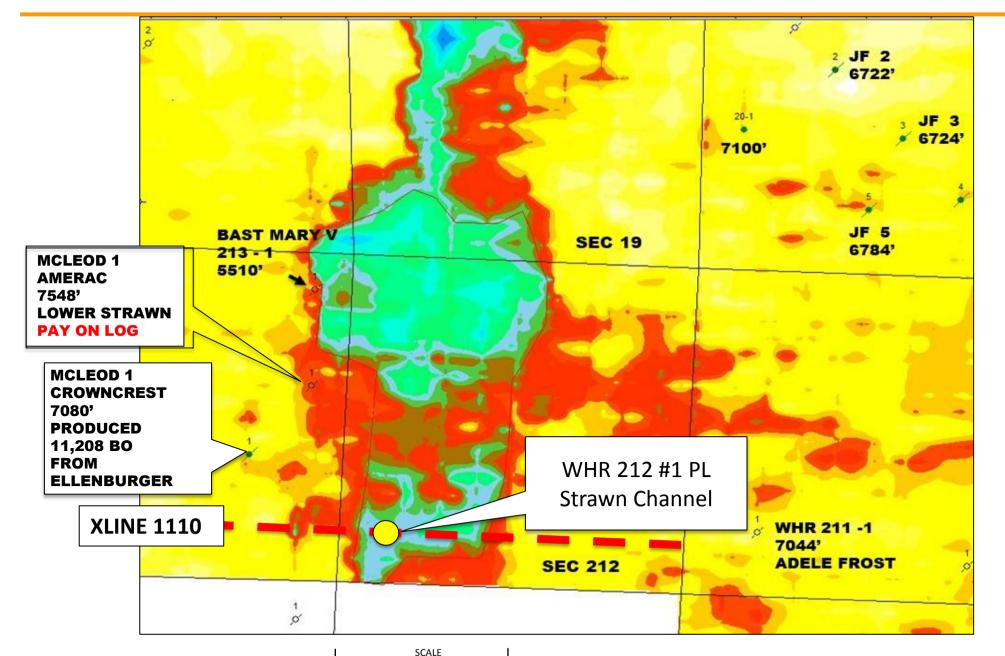


Spitfire Prospect- West to East Cross-section across Wind Strawn Channel

Winchester Energy LTD



Spitfire Prospect - Strawn Channel Isochron Map – from 3D & Nearby Wells Winchester Energy LTD



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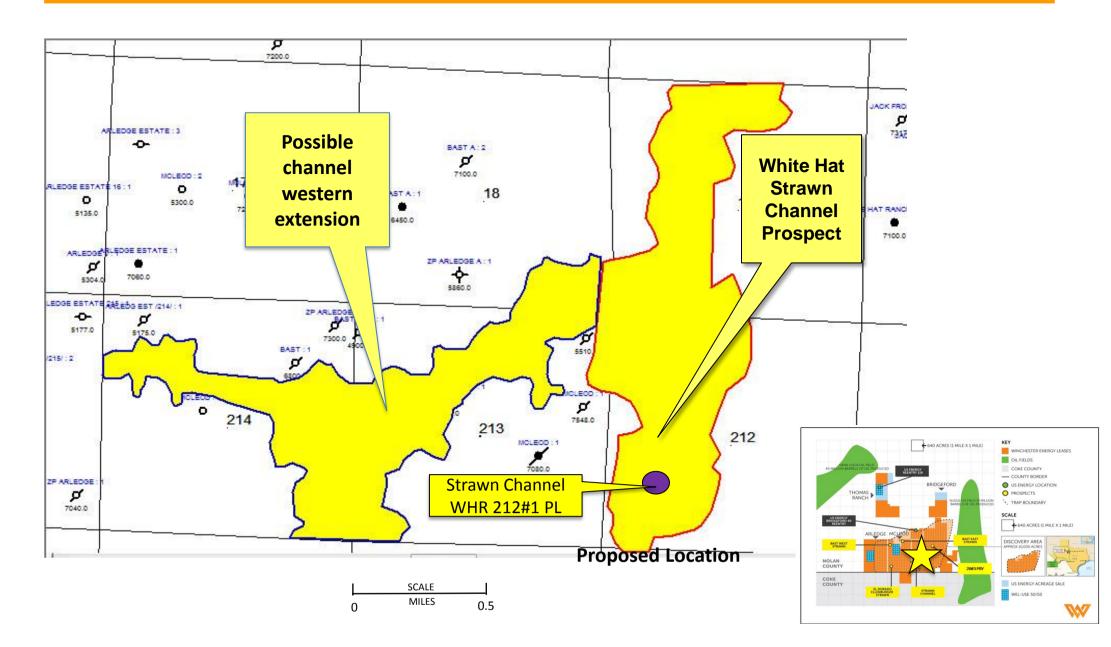
MILES

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Spitfire 'Strawn Channel' Prospect & possible

Winchester Energy LTD

western extension



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Permian Basin oil producer & explorer, WINCHESTER Texas



