WINCHESTER
ENERGY LIMITED

Shareholder Presentation

Date: 15 February 2017

ASX Code: WEL

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Following is a Shareholder Presentation that Neville Henry, the Managing Director of Winchester Energy Limited, is giving to shareholders in Perth, Sydney and Melbourne during the course of the next 7 days.

—ENDS—

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WINCHESTER
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Oil Producer

Permian Basin - Texas - USA

ASX Code: WEL

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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 42 years experience in the technical, commercial and managerial aspects of the oil and gas industry.

Capital Structure

WINCHESTER ENERGY LTD

Cash	A$3.1M
Total shares on issue	215,416,672
Total options on issue	30,000,000
Total convertible milestone notes (converting to 60,000,000 shares)	60,000
Market capitalisation @ A$0.09	A$19.3M
Enterprise Value of the Company's assets	A$16.2
Founders, Board and Management (% ownership of the Company)	19%

Location of Oil and Gas Leases, Texas, USA (19,110 Net Acres)

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Winchester's holding of 19,110 net acres is located in Nolan Country, Texas as indicated on the map below:

Overview

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- 6 producing vertical oil wells. Gross oil production of 410 BOPD.
- Revenue earned by Winchester in the last quarter was US$708,900 at an average sale price of US$49 per BO.
- 106% pre-tax IRR for 100 BO IP recovering 100,000 BO with US$55 BO flat pricing from a low cost vertical well costing US$800,000.
- Very low cost of production (Permian Basin). Highly leveraged to any rise in oil prices.
- 90 square miles (57,600 acres) of 3D seismic completed and interpreted.
- 10,000 acre trap in the Ellenburger Formation identified.
- 19,110 net acres. 3 large leases cover the 10,000 acre trap.
- No debt.

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Overview

- 125 vertical well locations (40 acres spacing) over the interpreted best 5,000 acres of reservoir in the trap area. Based on structural modelling, 3D seismic interpretation and well data.
- Vertical wells anticipated to produce 50 to 200 BOPD per well.
- On 1 March 2017 CEGX ceases as operator and Winchester becomes operator. Current 50%/50% WI arrangement in the 6 producing wells changes to Winchester 75%/CEGX 25% in all new wells outside the existing 6 producing wells.
- Significant upside with Winchester taking an additional 25% WI but, more importantly, on 1 March 2017 Winchester becomes the operator of all new wells and will now have the ability to apply different drilling and completion techniques such as short length multi lateral wells.

Overview

- Winchester will operate differently to CEGX.
- Winchester will use the latest drilling and completion techniques (such as short length multiple laterals). This will significantly improve well production and well economics.
- Winchester will optimize post production operations.
- Objective is to finance from free cash flow an ongoing drilling program (1 well each 3 months). Two new wells between 1 March 2017 and 31 August 2017 (from either two vertical or two horizontal wells or one of each kind) producing a combined gross 400 BOPD will achieve this.
- Increase the share price by building daily oil production and by successfully drilling up 1P and 2P reserves across the 10,000 acre trap.

6 Producing Vertical Oil Wells

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Current Oil Production Summary			
Oil Well	**Current Gross Oil Production Per Day (bopd)**	**WEL's WI %**	**Current Net Oil Production Per Day to WEL (bopd)**
White Hat 20#1	16 bopd	50%	8 bopd
White Hat 20#2	2 bopd	50%	1 bopd
White Hat 21#1	112 bopd	50%	56 bopd
White Hat 21#2	30 bopd	50%	15 bopd
White Hat 21#4	224 bopd	50%	112 bopd
White Hat 38#2	26 bopd	50%	13 bopd
TOTAL	**410 bopd**	**50%**	**205 bopd**

Oil Production

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Gross Oil Production (bo)*	December Quarter 2016	September Quarter 2016	June Quarter 2016	March Quarter 2016	December Quarter 2015
Oil Production (Gross 100%WI)	**37,876**	35,428	26,159	26,761	19,774
Oil Sales (Gross 100%WI)	**37,642**	35,113	26,537	26,839	19,525
Net Oil Production to Winchester (bo) (50% Working Interest)*					
Quarterly Oil Production (Net)	**18,938**	17,714	13,080	13,380	9,887
Quarterly Oil Sales (Net)	**18,821**	17,556	13,269	13,420	9,763

** Please note that all production from the White Hat lease is subject to royalty payments of 23.5% to the owners of the oil and gas rights to the White Hat ranch. The figures represented above are pre-royalty.*

Growing Oil Production and Cash Flow

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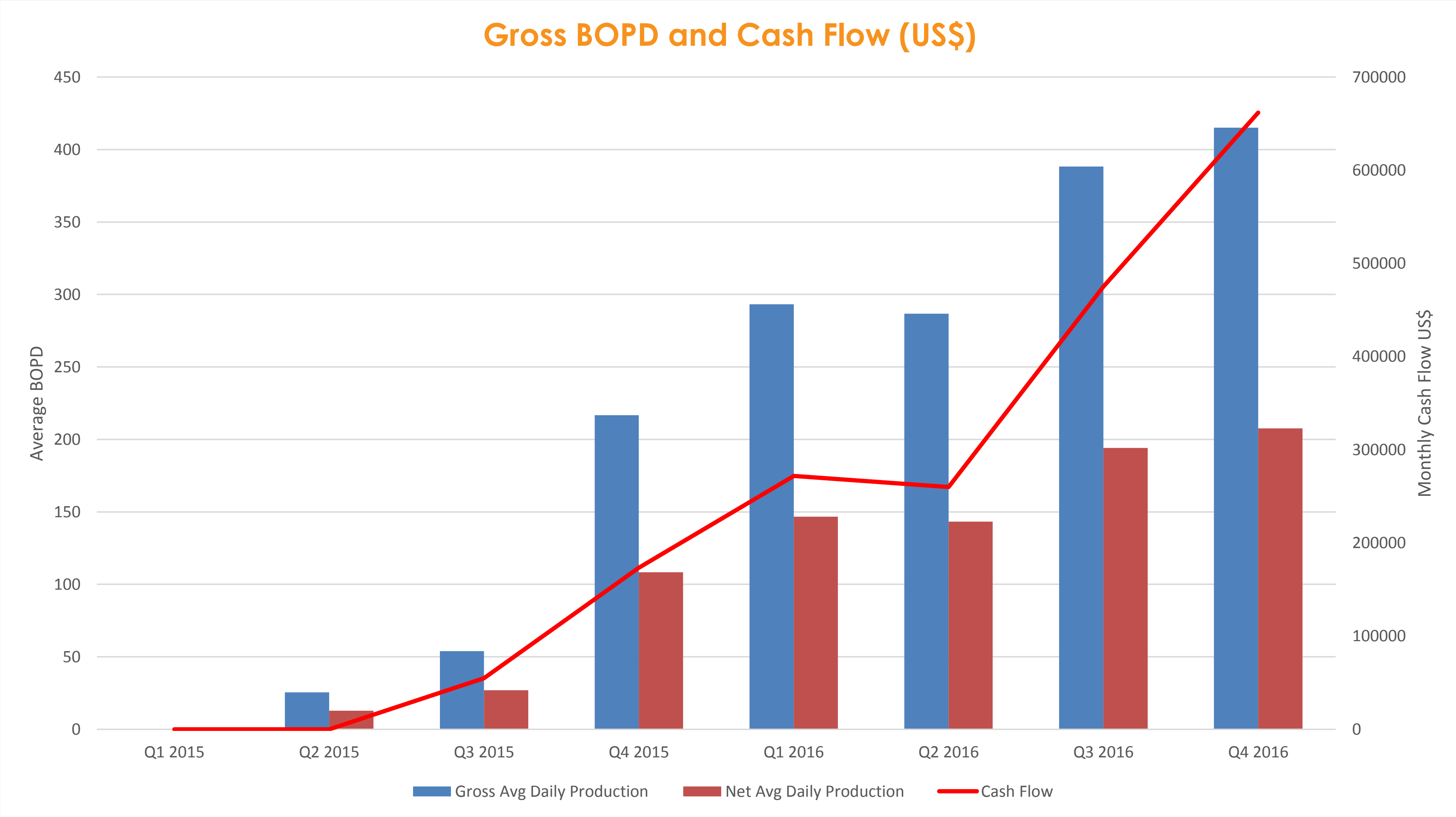
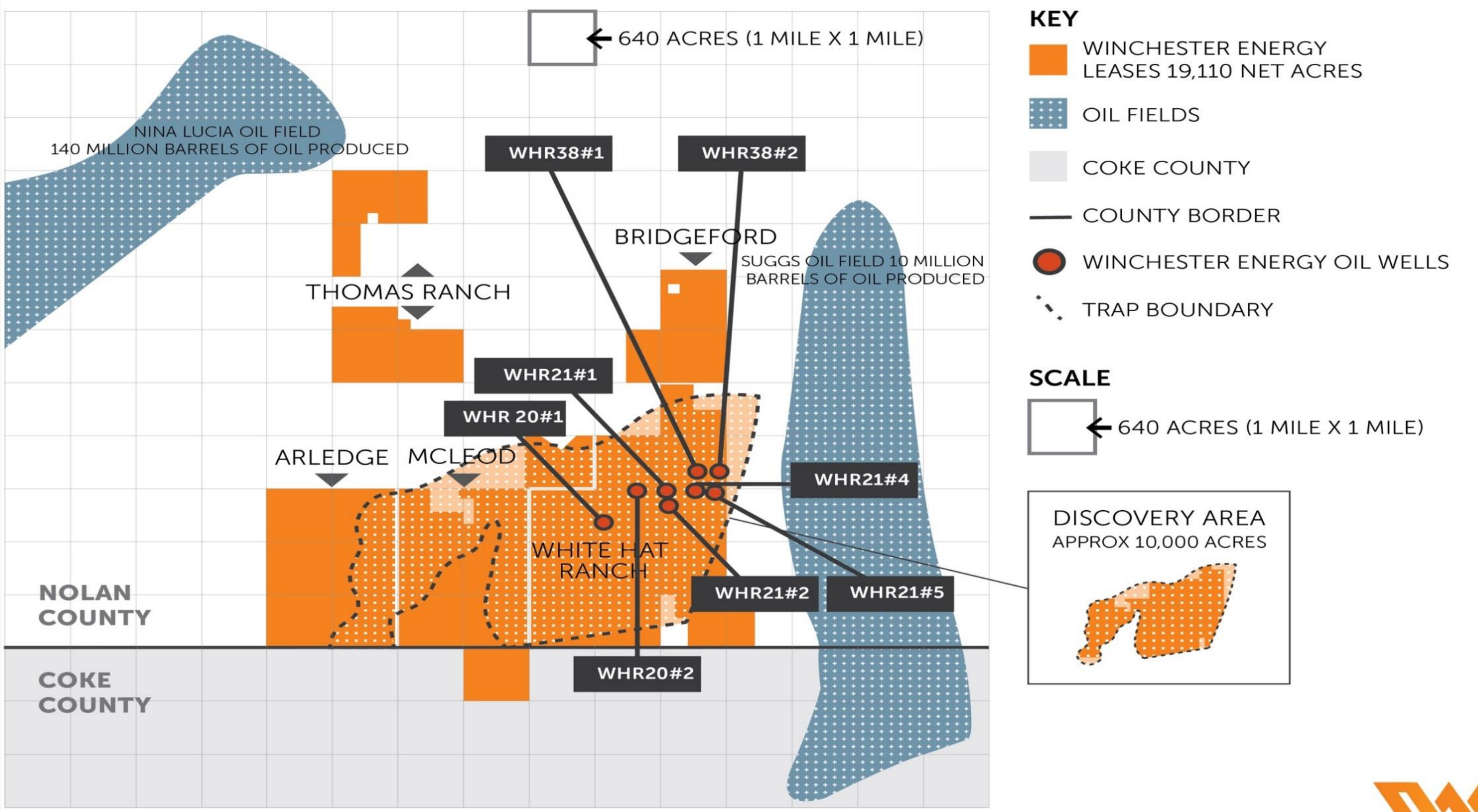


10,000 Acre Oil Trap

10,000 ACRE OIL TRAP



Excellent Vertical Well Economics

- Permian Basin is a low cost/low breakeven oil and gas basin. Low cost vertical wells: only US$800,000 to drill and complete.
- Excellent well economics at today's low oil price:
  - 106% pre-tax IRR for 100 BO IP recovering 100,000 BO with US$55 flat pricing.
  - 134% pre-tax IRR for 100 BO IP recovering 100,000 BO with US$65 flat pricing.
- Oil royalties of 23.5% (White Hat lease) and 20% (Arledge and McCleod leases).
- Continuous drilling lease terms. 1 vertical well per year maintains the 3 leases in perpetuity.
- 40 acres spacing for vertical wells. 125 potential vertical well locations over the interpreted best quality reservoir (5,000 acres) in the trap area.

Vertical Well Economics - US $55 BO

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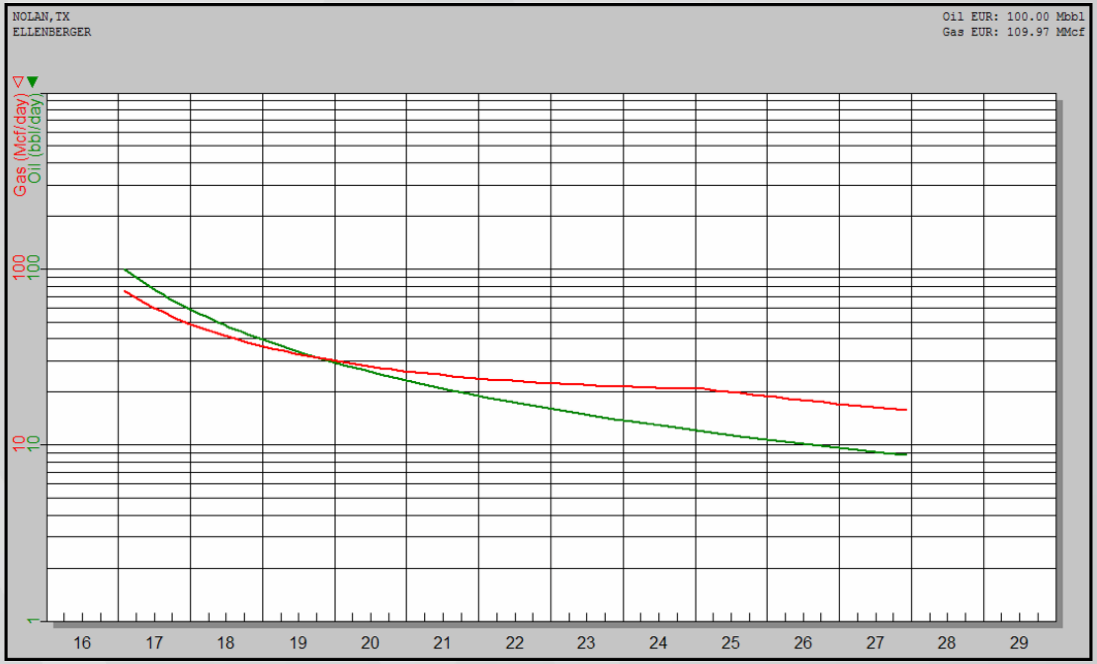
▷ Economic Results:

▸ Undisc Cash Flow ($):	US$2,535,920
▸ Disc Cash Flow @10% ($):	US$1,751,800
▸ Return on Investment (Undisc):	4.2 : 1
▸ Internal Rate of Return (IRR)(%):	**106%**
▸ Initial Production (IP):	100 Bopd
▸ Capital Investment:	US$800,000
▸ Working Interest (%):	100%
▸ EUR (Bbls):	100,000
▸ Net Revenue Interest (%):	76.5%
▸ Years to Payout:	0.8
▸ Oil Price (Flat):	US$55 BO
▸ Breakeven:	US$15.60 BO



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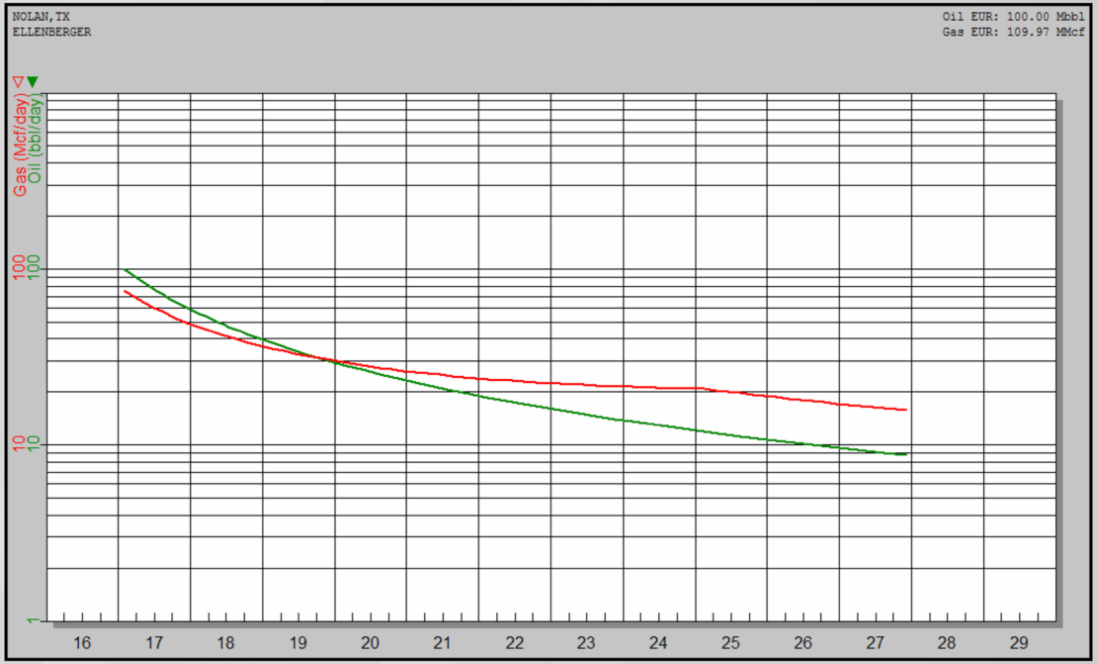
Vertical Well Economics - US $65 BO

Economic Results:

- Undisc Cash Flow ($): US$3,246,000
- Disc Cash Flow @10% ($): US$2,276,130
- Return on Investment (Undisc): 5.1 : 1
- Internal Rate of Return (IRR)(%): **134%**
- Initial Production (IP): 100 Bopd
- Capital Investment: US$800,000
- Working Interest (%): 100%
- EUR (Bbls): 100,000
- Net Revenue Interest (%): 76.5%
- Years to Payout: 0.67
- Oil Price (Flat): US$65 BO
- Breakeven: US$15.60 BO



Short Radius Lateral Wells

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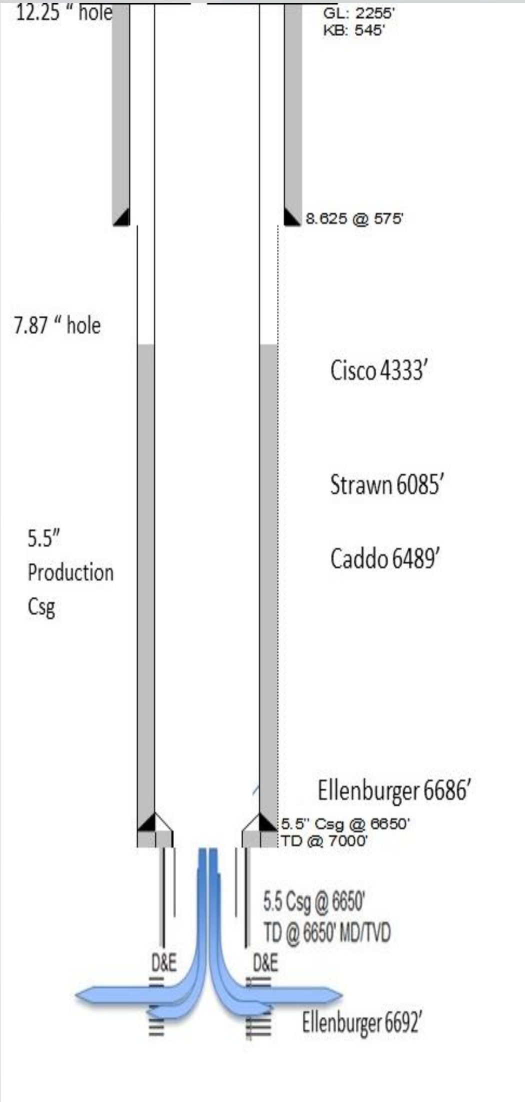

- Improve well production and economics by drilling short radius lateral wells (modern, cutting edge proprietary technology).
- 4 lateral legs of 500 feet each (2,000 gross feet). Each leg can be at a different level and at a different orientation.
- By drilling four 500 foot laterals, Winchester will expose 2,000 feet of rock compared to only 100 feet in a vertical well thus improving the productivity of each well.
- Twenty times (20x) the exposure to rock at only double (2x) the cost of a vertical well.
- The current estimated cost to drill and complete a short radius lateral well is US$1,600,000.
- Optimize our ability to intersect multiple zones with high fracture density and at the same time intersect variable porosity zones in the rock due to mineralization.

Oil Resources

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- 1,000 acres of high potential reservoir based on structural modelling, 3D seismic interpretation and well data from the current 6 producing vertical oil wells and old nearby vertical wells (Suggs Field).
- 25 vertical well locations over 1,000 acres (40 acres spacing) of high potential reservoir. Target EUR of 200,000 BO per vertical well for 1P potential of a gross 5,000,000 BO across these 25 vertical well locations.
- 4,000 acres of interpreted medium potential reservoir. 100 vertical well locations over 4,000 acres (40 acre spacing). Target EUR of 100,000 BO per vertical well for 1P potential of a gross 10,000,000 BO.
- Potential 1P target of a gross 15,000,000 BO across 10,000 acre oil trap.
- Winchester owns 75% of the White Hat lease and 100% of both the Arledge and McLeod leases. These 3 leases cover the oil trap.

Asset Values

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- Gross oil production is 410 bopd with mild decline. Revenue earned by Winchester in the last quarter was US$708,900 at an average sale price of US$49 per BO.
- Winchester values its current oil production at US$50,000 per net flowing BOPD post royalty. 410 BOPD minus 23.5% royalty x US$50,000 = US$15.6m (100%WI post royalty). This values Winchester's 50%WI in the 6 flowing vertical oil wells at US$7.8m (A$10.2m).
- Winchester has mapped an oil trap similar in size to the nearby Suggs Oil Field. Winchester believes its 10,000 acre trap will have similar variable reservoir characteristics to the Suggs Oil Field. 10,000,000 BO have been extracted from the Suggs Field to date.
- Winchester values 1P reserves in the Permian Basin at current oil prices at US$20 per BO. 1P reserves of 15,000,000 BO would have a value at current oil prices of US$300,000,000.

How to Drive the Share Price?

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- Enterprise value is currently A$16.2M which is only A$847 (US$650) per net acre across 19,110 net acres.
- Cash at bank is A$3.1M.
- No debt.
- Winchester will be a different operator to CEGX.
- Objective: prove we can consistently drill commercial wells and generate excellent repetitive economics.
- Objective is to finance from free cash flow an ongoing drilling program (1 well each quarter). Two wells between 1 March 2017 and 31 August 2017 (from either two vertical or two horizontal wells or one of each kind) producing a combined 400 BOPD will achieve this.
- Increase the share price by building daily oil production and by drilling up 1P and 2P reserves.

Permian Basin - Stacked Targets

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A number of distinct potential oil pay zones have been targeted by Winchester on its 19,110 net acres.

Upper Cline ("3 Fingers Shale") (Unconventional)
- Blanket resource play.
- Present on all of WEL's 19,110 acres.

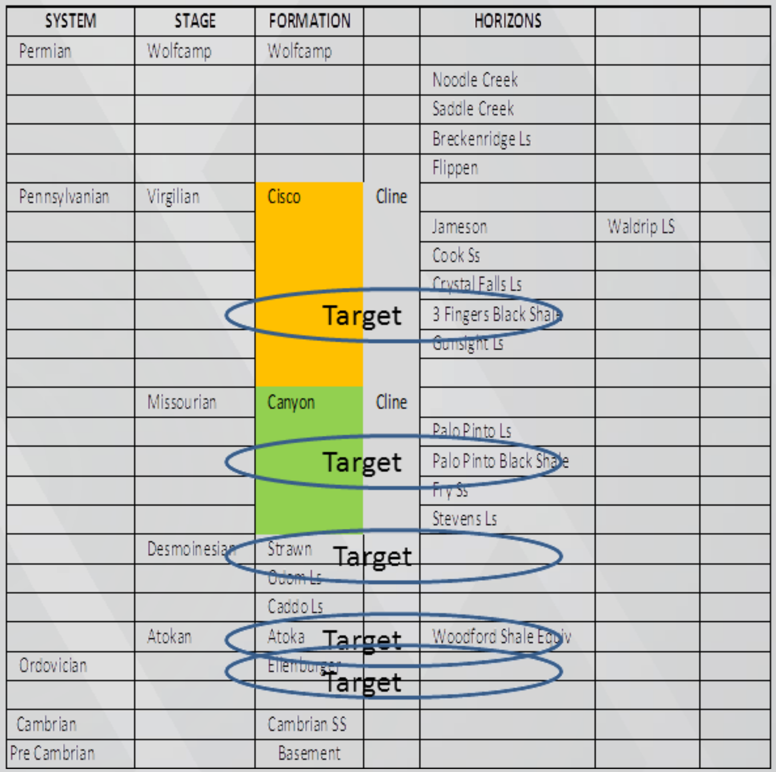
Lower Cline ("Lower Penn Shale") (Unconventional)
- Equal to if not superior to the "3 Fingers Shale" on sample data.
- Present on all of WEL's 19,110 acres.
- Over 5 MM barrels produced in Nolan County.

Strawn (Conventional)
- Prolific producing interval.
- Over 70 MM barrels produced in Nolan County.

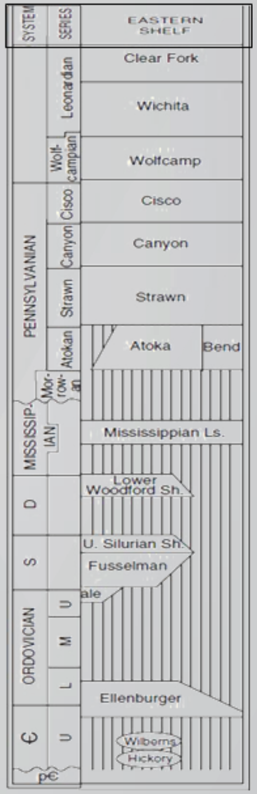
Barnett Shale Equivalent (Atoka) (Unconventional)
- Equal to if not superior to the "3 Fingers Shale" on sample data.
- Present on all of WEL's 19,110 acres.

Ellenburger (Conventional)
- Excellent conventional prospect.
- Over 30 MM barrels produced in Nolan County.

Eastern Shelf Stratigraphy



SYSTEM	STAGE	FORMATION		HORIZONS		
Permian	Wolfcamp	Wolfcamp				
				Noodle Creek		
				Saddle Creek		
				Breckenridge Ls		
				Flippen		
Pennsylvanian	Virgilian	Cisco	Cline			
				Jameson	Waldrip LS	
				Cook Ss		
				Crystal Falls Ls		
		Target		3 Fingers Black Shale		
				Gunsight Ls		
	Missourian	Canyon	Cline			
				Palo Pinto Ls		
		Target		Palo Pinto Black Shale		
				Fry Ss		
				Stevens Ls		
	Desmoinesian	Strawn Target				
		Odom Ls				
		Caddo Ls				
	Atokan	Atoka Target		Woodford Shale Equiv		
Ordovician		Ellenburger Target				
Cambrian		Cambrian SS				
Pre Cambrian		Basement				



Source: Ralph E Davis and Assoc 2014

Experienced Board

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Experienced Founders, Board and Management

- Board of WEL has a combined 130 years of successful experience in oil and gas discovery, development and production in the USA and many other parts of the world.
- Key founders, directors and shareholders of WEL are Neville Henry (Houston based) and Peter Allchurch (Perth based), two highly experienced and successful oil men both involved in the discovery of unconventional oil from the Eagle Ford Shale in Texas, USA.
- WEL is the ASX public company that Peter Allchurch and Neville Henry have founded for their exposure to and participation in the Ellenburger + Strawn + Canyon Conventional plus Cline and Barnett Resource oil plays located in the Eastern Shelf of the Permian Basin in Texas, USA.
- They are seeking to replicate their success in the Eagle Ford Shale, which occurred via their involvement with and shareholding in Aurora Oil & Gas (ASX Code: AUT) and Eureka Energy Ltd (ASX Code: EKA), with WEL in the Ellenburger + Strawn + Canyon Conventional plus Cline and Barnett Resource oil plays.

Experienced Board

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WEL has a strong and experienced Board with the skills required to develop WEL's oil and gas assets in Texas and deliver shareholder value.

Peter Allchurch (NonExecutive Chairman)	Geologist and Resource Venture Capitalist with 49 years' experience in Mineral and Petroleum Exploration, Development and Production. Has founded or co-founded a number of successful ASX listed companies in the oil and gas and mineral sectors including Cape Range Oil, Amity Oil, Aurora Oil & Gas Ltd and Eureka Energy Ltd (both in the Eagle Ford Shale in Texas).
Neville Henry (Managing Director)	Geologist based in Houston, Texas with 42 years in the worldwide oil and gas industry. He has directly led oil exploration teams responsible for oil and gas discoveries across 6 basins and over 4 countries for total discovered reserves of more than 4 billion barrels of oil. Worked for Anadarko for 12 years most notably as International Exploration Manager and Worldwide Business Development Manager and over this 12 year period was part of the core team that built this non-US oil production business from 25,000 bopd to 400,000 bopd. Neville has extensive operational experience in Texas and the USA in general.
James Hodges (Non-Executive Director)	Engineer based in Texas with more than 42 years of oil field experience having drilled and/or completed oil, high-pressure gas, saltwater disposal, injection, water source, hazardous waste injection and geothermal wells in Texas and Louisiana in reservoirs from sand to carbonates. As owner of Hodges Engineering, Inc. Mr. Hodges is currently active in exploration and production in Texas and he provides engineering consulting services to the energy, financial and environmental industries.
John D. Kenny (Non-Executive Director)	Mr Kenny is a lawyer by profession. Through his practise of corporate and mining law and investment banking he has advised a number of ASX listed public companies in the areas of equity and debt finance. Mr Kenny has been a venture capital investor in several ASX mining floats. He has been a director of a number of ASX listed public companies.
Larry Liu (Non-Executive Director)	Mr Liu is associated with Mr Yang Xiangyang who owns 25.62% of WEL. He previously served in various leadership positions for General Electric (GE). He is now a professional investor.

Performance Securities and Payments

TYPE	AMOUNT	TERMS AND CONDITIONS
Options	30,000,000	Each option has an exercise price of A$0.25 and a term which expires on 30 April 2019.
Class A Convertible Milestone Notes	10,000	The Class A convertible milestones notes have no value unless the milestone is successfully reached on or before 30 April 2019. The 10,000 Class A convertible milestone notes shall automatically convert into 10,000,000 shares upon WEL attaining average daily production (net to WEL) of 500 barrels of oil equivalent (boe) per day for a period of 60 days (as determined by an independent petroleum reservoir engineer) from the oil and gas leases located within Nolan County, Texas, USA in which WEL has a working interest.
Class B Convertible Milestone Notes	20,000	The Class B convertible milestones notes have no value unless the milestone is successfully reached on or before 30 April 2019. The 20,000 Class B convertible milestone notes shall automatically convert into 20,000,000 shares upon WEL attaining 2P Reserves (net to the Company) of 5,000,000 barrels of oil equivalent (boe) (as determined by an independent petroleum reservoir engineer) from the oil and gas leases located within the boundaries of Kent, Stonewall, Fisher, Nolan, Mitchell, Coke and Tom Green Counties, Texas, USA in which WEL has a working interest.
Class C Convertible Milestone Notes	30,000	The Class C convertible milestones notes have no value unless the milestone is successfully reached on or before 30 April 2019. The 30,000 Class C convertible milestone notes shall automatically convert into 30,000,000 shares upon WEL attaining 2P Reserves (net to the Company) of 10,000,000 barrels of oil equivalent (boe) and average daily production (net to WEL) of 1,000 barrels of oil equivalent (boe) per day for a period of 60 days (as determined by an independent petroleum reservoir engineer) from the oil and gas leases located within the boundaries of Kent, Stonewall, Fisher, Nolan, Mitchell, Coke and Tom Green Counties, Texas, USA in which WEL has a working interest.
Cash	US$3,100,000	This cash will only be paid upon the drilling and completion and achievement of commercial scale successful oil and gas production from at least 4 wells situated within the boundaries of Kent, Stonewall, Fisher, Nolan, Mitchell, Coke and Tom Green Counties, Texas, USA on or before 30 April 2019 and achievement of commercial scale successful oil and gas production shall be defined as average oil and gas production during the first 30 days of oil and gas production of 250 or higher barrels of oil equivalent per day (boepd) per well. This cash payment will be payable within 180 days of when this occurs.

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