



ACN 168 586 445

Prospectus

Winchester Energy Limited ACN 168 586 445 (Company)

For a non-renounceable rights issue of one (1) New Share for every four (4) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.09 each per New Share to raise approximately \$4,846,875 (before costs) (**Offer or Rights Issue**).

Important Notice

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the New Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The New Shares offered by this Prospectus should be considered as speculative.

This is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States of America.

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Important information

Offer statistics

Number of New Shares to be issued under the Offer	53,854,168*
Offer Price for New Shares under the Offer	\$0.09

*Excludes any Shares which may be issued in the event that any existing Options are exercised prior to the Record Date and assumes no Shares have been issued upon conversion of any Convertible Milestone Notes (refer to Section 5.4 for further details).

Key dates

Record Date for determining Entitlements under the Offer	1 June 2017
Opening Date (9:00am Perth time)	6 June 2017
Closing Date (5:00pm Perth time)	16 June 2017
Commencement of trading of New Shares on ASX	26 June 2017
Expected date for despatch of holding statements for New Shares	27 June 2017

Further details regarding the timetable for the Offer are set out in Section 2.2 of this Prospectus. All dates are subject to change and, accordingly, are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Eligible Shareholders and other investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

Important notice

This Prospectus is dated Friday 26 May 2017 and was lodged with the ASIC on that date. Neither the ASIC nor the ASX, nor any of their officers, takes any responsibility as to the contents of this Prospectus. No New Shares will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus is a transaction specific prospectus for an offer to subscribe for continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. The Prospectus is also issued for the purposes of offering the Shortfall Shares to any other investors identified by the Directors.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the Offer has not been, and will not be, registered under the U.S. Securities Act or the securities law of any state of the United States, and may not be offered or sold in the United States of America or to or for the account or benefit of any U.S. Persons, except in a transaction exempt from the registration requirements of the U.S. Securities Act and applicable United States of America state securities laws.

Eligible Shareholders and other investors should be aware that past Share price performance of the Company provides no guidance to future Share price performance. Neither the Company, the Directors nor any other person, warrants or guarantees the future performance of the New Shares nor any return on any investment made pursuant to this Prospectus.

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The information provided in this Prospectus is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. If you have any questions you should seek professional advice before deciding to invest. An investment in New Shares that are offered under this Prospectus should be considered speculative.

Please refer to Sections 1.4 and 6 for details relating to risks involved with an investment in the New Shares being offered under this Prospectus.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this document which is not contained in this document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Forward looking statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

Foreign Shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful to make such an offer. New Shares will not be offered or sold in any country outside Australia or New Zealand except to the extent permitted below.

The Offer is made only to those Eligible Shareholders or investors with registered addresses in Australia and New Zealand and therefore only those Eligible Shareholders or investors will be offered New Shares. See Section 2.9 of this Prospectus for further information on Offer restrictions with respect to Shareholders or investors who do not have registered addresses in Australia or New Zealand.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these New Shares is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This document may not be released or distributed in the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States of America. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States of America except in

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transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to accept your Entitlement to New Shares

Eligible Shareholders and other investors should be aware that past Share price performance of the Company provides no guidance to future Share price performance. Neither the Company nor any other person, warrants or guarantees the future performance of the New Shares nor any return on any investment made pursuant to this Prospectus. You should also have regard to other publicly available information about the Company, including ASX announcements.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or making payment of Acceptance Monies in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form.

This Prospectus is available in electronic form on the internet at www.winchesterenergyltd.com. If you wish to obtain a paper copy of this Prospectus, please contact the Company on +61 1300 133 921.

Not investment advice

The information provided in this Prospectus is not investment advice or financial product advice and has been prepared without taking into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in full before deciding to take up your Entitlements and consider all of the risk factors that could affect the performance of the New Shares, including those set out in Section 6. You should carefully consider these risks and your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek independent professional advice from your stockbroker, accountant or other professional advisor before deciding to invest in the New Shares.

Enquiries

If you are an Eligible Shareholder or investor and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the New Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement or apply for Shortfall Shares, please call the Company on +61 1300 133 921.

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Chairman's letter

Friday 26 May 2017

Dear Shareholders and Investors

It is my pleasure to introduce this Prospectus and invite you to take up your Entitlement of New Shares in the Company pursuant to the Offer.

The Offer made by this Prospectus is a non-renounceable rights issue of one (1) New Share for every four (4) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.09 each per New Share to raise approximately \$4,846,875 (before costs).

The funds raised from the Offer will be used by the Company, as operator, to drill exploration and development wells into the White Hat ranch oil and gas lease as well as provide general working capital and fund the costs of the Offer.

Under the Offer, you are entitled to subscribe for the number of New Shares set out in your personalised Entitlement and Acceptance Form enclosed with this Prospectus. You are also invited to apply for Shortfall Shares in excess of your Entitlement. Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus and making payment of Acceptance Monies in accordance with the instructions set out in Section 3 and on the Entitlement and Acceptance Form. Acceptance Monies for the New Shares and any Shortfall Shares (if applicable) must be received by the Closing Date. Please refer to the timetable in Section 2.2 for further information regarding the important dates in relation to the Offer.

All of the Directors of the Company are taking up their respective Entitlements to New Shares under the Offer. In addition, all of the Substantial Shareholders of the Company, of which there are three, are taking up their respective Entitlements to New Shares under the Offer.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours faithfully

Peter Allchurch
Chairman
Winchester Energy Limited

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1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offer

This Prospectus is for a non-renounceable rights issue of up to 53,854,168 New Shares at an issue price of \$0.09 each per New Share, on the basis of one (1) New Share for every four (4) Shares held by Eligible Shareholders as at the Record Date.

This Prospectus is also issued for the purposes of offering and issuing the Shortfall Shares to any other investors identified by the Company. The Directors may at any time decide to withdraw this Prospectus and the offer of New Shares made under this Prospectus, in which case the Company will return all Acceptance Monies (without interest) within 28 days of giving notice of such withdrawal.

1.2 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer to:

- (a) Drilling additional exploration and development wells into the interpreted oil trap, identified by the Company, in the Ellenburger Formation in the White Hat ranch oil and gas lease in which the Company has a 75% working interest;
- (b) general working capital; and
- (c) the costs of the Offer.

It is proposed that the funds raised under the Offer will be allocated in the following manner:

Proposed use of funds	A\$
Drilling of additional exploration and development wells	4,500,000
General working capital	161,875
Costs of the Offer	185,000
Total	A\$4,846,875

The current estimated cost to drill and complete a vertical well is US\$800,000. The current estimated cost to drill and complete an ultra-short radius lateral well of the kind detailed in Section 4.7 of this Prospectus is US\$1.6 million. Notwithstanding the allocations set out above, in the event that circumstances change or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders. The Company will provide details of its actual expenditure in its periodic reports and as otherwise required by the ASX Listing Rules.

Further details on the Company's operations and the effect of the Offer on the Company are set out in Section 5.

1.3 Investment highlights

The capital injection from the completion of the Offer will enable the Company to continue its development and exploration drilling of the oil discovery made within the Ellenburger Formation on the White Hat ranch oil and gas lease in which the Company has a 75% working interest. The Company will be the operator of these additional exploration and development wells.

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To date, the White Hat ranch oil and gas lease has been the subject of 8 vertical oil and gas wells in which the Company has a 50% working interest in each well and their surrounding 40 acre drilling unit. All 8 wells are operated by Carl E Gungoll Exploration LLC (**CEGX**).

The Company's wholly owned USA subsidiary, Winchester Energy USA Holdings Inc., owns a 75% WI in the oil and gas mineral rights of the 7,058 acres which surround and adjoin the existing eight White Hat ranch wells and their attached 40 acre drilling units (Winchester 50% WI). CEGX owns the remaining 25% WI in these 7,058 acres.

On 1 March 2017, the current 50%:50% WI arrangement transitioned to Winchester 75% WI:CEGX 25% WI in all areas outside the eight presently drilled 40 acre drilling units (save for 1 additional vertical well that CEGX can drill at a time of its choosing on a 50:50 basis). Thus, as of 1 March 2017, Winchester is operator of the 7,058 acres of the White Hat ranch oil and gas lease outside of the eight presently drilled 40 acre drilling units (being a total of 320 acres operated by CEGX).

The primary purpose of the Offer is to raise funds to contribute to the cost of drilling additional wells, with Winchester as operator, into the interpreted oil trap in the Ellenburger Formation in the White Hat ranch oil and gas lease in which the Company has a 75% working interest.

1.4 Risk factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following table sets out a summary of some of the key risks relevant to the Company and its operations. Further information in relation to these risks are contained in Section 6.

Risk	Detail
Uncertainty of development of oil and gas projects and exploration risk	<p>The primary business of the Company is exploration for, and commercial development of, conventional and unconventional oil reservoirs, which is subject to the risks inherent in these activities. The Company has a 50% WI in 8 vertical wells on the White Hat ranch oil and gas lease and in the 40 acre drilling units which surround these eight wells. The current and future operations of the Company may be affected by a range of factors, including:</p> <ul style="list-style-type: none">• geological conditions;• the flow potential of oil reservoirs after any stimulation by hydraulic fracturing ("fracking");• limitations on activities due to seasonal weather patterns;• alterations to exploration programs and budgets;• unanticipated operational and technical difficulties encountered in drilling, development, production and treatment activities;• mechanical failure of operating plant and equipment;• adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;

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Risk	Detail
	<ul style="list-style-type: none"> • unavailability of drilling, processing and other equipment; • unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour; • prevention of access by reason of inability to obtain regulatory or landowner consents or approvals; • terms imposed by government on the development of projects including conditions such as environmental rehabilitation and taxes; and • delays in completing feasibility studies and obtaining development approvals.
Reliance on and sourcing of key personnel	<p>The Company is dependent on its Directors', managers' and consultants' ability to implement the Company's strategy in respect of the exploration and development of the Company's conventional and unconventional oil interests. A number of factors, including the departure of Directors and/or senior management of the Company and/or senior consultants, could adversely affect the Company's ability to implement its strategy. The success of the Company's operations may also depend on continued access to competent management and technical expertise, prudent financial administrators and the availability of appropriately skilled and experienced employees, contractors and consultants operating in relevant sectors. In the event that the Company is unable to source such personnel, the Company could be adversely affected.</p>
Future financing	<p>Whilst production and development of the oil discovery on the White Hat ranch oil and gas lease is in progress by way of the existing 8 vertical wells on the White Hat ranch oil and gas lease in which the Company has a 50% working interest in each well and the surrounding 40 acre drilling unit, the Company has not yet reached the stage where it is generating positive free cash flow and can therefore finance from this free cash flow an ongoing drilling program. The Company must fund its exploration and development of the White Hat ranch oil and gas lease through its cash reserves, equity capital or debt. The accelerated exploration and development of the White Hat ranch oil and gas lease is therefore dependent upon the success of the Offer. If the cash reserves currently available to the Company and the funds to be raised under the Offer which are to be used to drill additional wells into the interpreted oil trap in the Ellenburger Formation in the White Hat ranch oil and gas lease in which the Company has a 75% working interest, do not result in the Company generating enough free cash flow to self-sustain an ongoing drilling programme on the White Hat oil and gas lease then there may be a need for the further raising of equity or debt funds in the future. There can be no guarantee that the Company will be able to successfully raise project debt or equity finance for the drilling of additional wells.</p>
Energy market conditions	<p>The ability of the Company to successfully advance and accelerate the commercialisation phase of its oil and gas discovery on the White Hat ranch oil and gas lease will</p>

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Risk	Detail
	depend upon its ability to sell oil and gas on commercial terms and prices. There can be no assurance that the Company will ultimately be able to sell oil and gas it may produce on acceptable commercial terms. The Company's ability to benefit from any future production operations will depend on market factors, some of which may be beyond its control. The world market for oil and gas is subject to many variables and may fluctuate markedly, especially oil pricing. The Company's currently sells all its oil and gas at spot prices and is completely unhedged as to the sale of its oil and gas.
Environmental risks	The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. The Company may be required to comply, from time to time, with environmental management issues that arise from factors beyond its control. The conduct of exploration and production activities on the Company's oil and gas leases is subject to receipt of all necessary environmental approvals. There can be no guarantee that such approvals will be forthcoming and the conditions imposed for the grant of such approvals may be so onerous that they render the project uneconomic.
Operating risks	The Company and its operations in the United States of America will be subject to usual industry operating risks including fire, accidental damage caused by employee errors or negligence, adverse weather conditions and industrial action. The occurrence of any of these risks could result in substantial liability being incurred by the Company.
Tenure risk	The oil and gas leases interests held by the Company are subject to applicable laws regarding exploration, expenditure and renewal of such interests. If an oil and gas lease interest is not renewed (as the case may be) or access cannot be secured to carry out operations, the Company could be adversely affected as a result of the consequential loss of opportunity to discover and develop any oil and gas resources within those oil and gas lease interests.
Taxation	In all places where the Company has operations, in addition to the normal level of corporate income tax imposed on all industries, the Company may be required to pay royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows.
Contractual risks	The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant counterpart complying with its contractual obligations. To the extent that such counterparts default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action.

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In addition, there are a number of general risks that are common to all investments in shares and are not specific to the business model and operations of the Company. Further details regarding risks which may affect the Company in the future are set out in Section 6.

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.5 New Share terms

On completion of the Offer, each New Share will rank equally with all other Shares then on issue. A summary of the rights attaching to the New Shares is set out in Section 7.5.

1.6 Acceptance of Entitlement to New Shares

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder will have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form accompanying this Prospectus. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus and by making payment of your Acceptance Monies in accordance with the instructions set out on the Entitlement and Acceptance Form. Acceptance Monies for the New Shares must be received by the Company by the Closing Date. Please refer to the timetable in Section 2.2 for the important dates of the Offer.

1.7 Directors and Substantial Shareholders intentions in respect of their Entitlements

As at the date of this Prospectus, all of the Directors of the Company have either a direct or indirect interest in Shares and therefore will be entitled to participate in the Offer.

All of the Directors of the Company have agreed to subscribe for their respective Entitlements to New Shares under the Offer. Accordingly, the five Directors will be investing a further \$1,942,531 into the Company pursuant to the Offer.

Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how much the taking up of their Entitlement will cost each of them.

Director	Shares	Entitlement	Intention	A\$
Neville Henry	5,321,787	1,330,447	Subscribe for full Entitlement	\$119,740
Peter Allchurch	12,278,994	3,069,749	Subscribe for full Entitlement	\$276,277
John D. Kenny	11,718,994	2,929,749	Subscribe for full Entitlement	\$263,677
James Hodges	900,000	225,000	Subscribe for full Entitlement	\$20,250
Larry Liu	56,114,986	14,028,747	Subscribe for full Entitlement	\$1,262,587
Total				A\$1,942,531

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Below are the details of those Shareholders who hold more than 5% of the Company's Shares as at the date of this Prospectus (**Substantial Shareholders**):

Substantial Shareholder	Fully Paid		Entitlement
	Number	Percentage	
Mr Yang Xiangyang (Mandarin) / Mr Yeung Heung Yeung (Cantonese) and China Leader Group Pty Ltd and Inventive Holdings Ltd	55,192,837	25.62%	13,798,210
Peter Donald Allchurch and Haifa Pty Ltd and Energetico Pty Ltd and Azuree Pty Ltd	12,278,994	5.70%	3,069,749
JDK Nominees Pty Ltd as trustee for the Kenny Capital Trust and Chatsworth Stirling Pty Ltd	11,718,994	5.44%	2,929,749
	79,190,825	36.76%	19,797,708

All the Substantial Shareholders named above, have indicated to the Company that they are all taking up in full, all their Entitlements under the Offer. In the event all Entitlements are accepted there will be no percentage change to the Substantial Shareholders on completion of the Entitlement Offer.

1.8 Effect on control of the Company

The table below sets out the voting power of the Company's largest Shareholder, Mr Yang Xiangyang (Mandarin) / Mr Yeung Heung Yeung (Cantonese) and China Leader Group Pty Ltd and Inventive Holdings Ltd (the **Largest Shareholder**), as at the Record Date and the potential increase in the voting power of the Largest Shareholder under several scenarios relating to the percentage acceptance of Entitlements under the Offer and prior to any placement of any Shortfall.

Event	Number of Shares held	Voting Power
As at the Record date	55,192,837	25.62%
100% take up from Eligible Shareholders	68,991,047	25.62%
75% take up from Eligible Shareholders	68,991,047	26.97%
50% take up from Eligible Shareholders	68,991,047	28.47%
40.08% take up from Eligible Shareholders (which assumes that the only Eligible Shareholders taking up their Entitlements under the Offer are the Directors and the 3 Substantial Shareholders)	68,991,047	29.11%

The table above provides an example of how the Offer may potentially effect control of the Company. However, it is unlikely that no Shareholders, other than the Directors and Substantial Shareholders, will take up Entitlements under the Offer.

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The Company understands that, other than as disclosed in this Prospectus and previously announced by the Company, the Largest Shareholder has no present intention of making any significant changes to the business of the Company.

These intentions are based on information concerning the Company, its business and the business environment which is known to the Largest Shareholder at the date of this Prospectus.

These present intentions may change as new information becomes available, as circumstances change or in the light of all material information, facts and circumstances necessary to assess the operational, commercial, taxation and financial implications of those decisions at the relevant time.

The effect on the control of the Company in the event that Shareholders do not participate in the Offer is further described in Section 5.6.

1.9 Not Underwritten

The Offer is not underwritten.

1.10 Broker to the Shortfall Offer

Bell Potter Securities Limited (**Bell Potter**) has been appointed as Broker to the Shortfall Offer. Bell Potter will be paid a fee \$50,000 and 6% (plus GST) in respect of funds raised by them from the placement of Shortfall Shares.

1.11 Shortfall Offer

In the event that Eligible Shareholders do not accept their Entitlements in full, a Shortfall will arise which will be placed by the Directors of the Company (in their sole and absolute discretion) in accordance with the Corporations Act and the ASX Listing Rules (**Shortfall Offer**). The Company has appointed Bell Potter as Broker to the Shortfall Offer.

The offer of any Shortfall is a separate offer made pursuant to this Prospectus and will remain open after the Closing Date for a period of up to three (3) months from the Closing Date (or such shorter date as determined by the Directors of the Company at their sole and absolute discretion). The Shortfall will be offered at the same price and on the same terms as the New Shares were offered under the Offer. The Shortfall Shares, once issued, will have the same rights as the New Shares issued pursuant to the Offer.

The Directors do not represent that any application to participate in the Shortfall Offer will be successful. The Directors have the right, at their sole and absolute discretion, to issue to an applicant for the Shortfall a lesser number of Shortfall Shares than the number applied for or reject an application or not proceed with the issuing of the Shortfall or part thereof. If the number of Shortfall Shares issued is less than the number applied for, the surplus Acceptance Monies will be refunded in full. Interest will not be paid on any refunded Acceptance Monies.

If Eligible Shareholders wish to apply for any Shortfall they should complete the relevant section of the Entitlement and Acceptance Form.

1.12 Potential dilution of Shareholders' interests

Eligible Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and the Directors of the Company (in their sole and absolute discretion) may place part or all of the Shortfall to other parties in which case their interest in the Company may be significantly diluted. Further, the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders will be diluted by the Offer.

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Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the Corporations Act, which restricts a person and their associates from having a relevant interest in the Company of not more than 20%, subject to a number of exemptions.

For personal use only

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2. Details of the Offer

2.1 Offer to Eligible Shareholders

The Directors have approved a non-renounceable rights issue of one (1) New Share for every four (4) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.09 each per New Share to raise approximately \$4,846,875 (before costs) (**Offer or Rights Issue**). Only those Shareholders shown on the Register on the Record Date with a registered address in Australia or New Zealand will be entitled to participate in this part of the Offer.

2.2 Important dates

Event	Date
Announcement of Offer	Friday 26 May 2017
Lodgement of Prospectus with ASIC and Appendix 3B with ASX	Friday 26 May 2017
Notice to Option holders	Tuesday 30 May 2017
Notice to Shareholders	Tuesday 30 May 2017
Shares commence trading on an ex rights basis	Wednesday 31 May 2017
Record Date for the Offer	Thursday 1 June 2017
Prospectus despatched to Shareholders	Tuesday 6 June 2017
Opening Date of the Offer (9.00am Perth time)	Tuesday 6 June 2017
Last day to extend Offer Closing Date	Tuesday 13 June 2017
Closing Date of the Offer (5.00pm Perth time)	Friday 16 June 2017
New Shares quoted on a deferred settlement basis	Monday 19 June 2017
Company to advise ASX of any Shortfall	Wednesday 21 June 2017
Expected date of issue of New Shares	Friday 23 June 2017
Commencement of trading of New Shares on ASX	Monday 26 June 2017
Expected date of despatch of holding statements for New Shares	Tuesday 27 June 2017

The dates set out above are indicative only and subject to change. The Company reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules. This may have a consequential effect on the other dates, including the date the New Shares are expected to commence trading on ASX.

2.3 Issue of New Shares and allocation policy for Shortfall Offer

New Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the timetable set out in Section 2.2 above.

In the case that there is less than full subscription by Shareholders of their Entitlements under this Prospectus, the Directors have the right to place any Shortfall at their sole and absolute discretion. Successful Applicants under the Shortfall Offer will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

New Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis, within 3 months after the Closing Date on the same terms and at the same price as the New Shares

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were offered under the Offer (or as otherwise permitted by the ASX). Where the number of New Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the New Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for New Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and the timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

2.4 ASX listing

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out in Section 2.2 above. If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

2.5 CHESS

The Company will not be issuing share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

2.6 Non-renounceable Offer

Entitlements to New Shares are non-renounceable and, accordingly, will not be traded on ASX. Entitlements which are not taken up will lapse and form part of the Shortfall and will be dealt with in accordance with Section 1.11 of this Prospectus.

2.7 Minimum subscription

There is no minimum subscription for the Offer.

Prospectus

2.8 Option holders

Option holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder at 5.00pm on the Record Date.

If all holders of Options elect to exercise their Options prior to the Record Date, and are eligible to participate in the Offer, a further 44,000,000 New Shares may be issued under this Prospectus. Details of the Options on issue at the date of this Prospectus are set out in Section 5.3. However, having regard to the exercise price of the existing Options and the Offer Price, the Directors believe that it is unlikely that any existing Options will be exercised prior to the Record Date.

2.9 Overseas Shareholders

The Company is of the view that it is unreasonable to extend the Offer to Shareholders or investors with registered addresses outside of Australia or New Zealand (**Ineligible Shareholders**) having regard to:

- (a) the number of Ineligible Shareholders in each place where the Offer would be made;
- (b) the number and value of the Shares which would be offered to Ineligible Shareholders; and
- (c) the cost of complying with the legal requirements and the requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Company is making the Offer to Shareholders or investors with registered addresses in Australia and New Zealand only. Where this Prospectus has been sent to Shareholders with registered addresses outside Australia or New Zealand who are not entitled to participate in the Offer, it is sent to them for information purposes only.

This Prospectus and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or those forms.

The distribution of this Prospectus in places outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

In particular, this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

2.10 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this document in the United States of America or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

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2.11 Foreign holder nominee

The Company will appoint an ASIC approved nominee to act as nominee for the purposes of section 615 of the Corporations Act (**Nominee**).

The nominee sale procedure will be implemented in accordance with section 615 of the Corporations Act as follows:

- (a) the Company will, at the issue price of \$0.09, issue to the Nominee, the New Shares that Ineligible Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer (**Nominee Shares**);
- (b) the Nominee will then sell the Nominee Shares at a price and otherwise in a manner and at such time as determined by the Nominee in its absolute and sole discretion; and
- (c) the net proceeds of the sale of the Nominee Shares (after deducting the aggregate subscription price of the Nominee Shares and costs of sale including brokerage and commission), if any, will be distributed to the Ineligible Shareholders for whose benefit the New Shares are sold in proportion to their shareholdings as at the Record Date.

If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Accordingly there is a possibility that Ineligible Shareholders may receive no net proceeds if the subscription price plus costs of the sale of the Nominee Shares are greater than the sale proceeds. The Company and the Nominee will not be held liable for a failure to obtain any net proceeds, or for the sale of any the Nominee Shares at any particular price or the timing of such sale.

2.12 Electronic prospectus

An electronic version of this Prospectus is available on the internet at www.winchesterenergyld.com

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company.

Prospectus

3. How to apply

3.1 How to accept your Entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompany this Prospectus.

Eligible Shareholders may participate in the Offer as follows:

(a) Take up your Entitlement in full and apply for Additional Shares

If you are an Eligible Shareholder and you wish to take up all of your Entitlement and apply for Shortfall in excess of your Entitlement, please:

- (1) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Offer under this Prospectus plus the number of Shortfall Shares (being more than your Entitlement as specified on the Entitlement and Acceptance Form); and
- (2) forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable (including for the Shortfall Shares you are applying for) in the reply paid envelope to the Share Registry (being Automic Registry Services) so that it is received by no later than **5.00pm (Perth time) on the Closing Date** or such later date as the Directors determine.
- (3) if you are paying via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. If you elect to pay via BPAY you will not need to return the Entitlement and Acceptance Form. Applicants should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date.

Cheques and bank drafts, in Australian currency should be made payable to "Winchester Energy Limited Rights Issue" and crossed "Not Negotiable".

You should ensure that sufficient funds are held in the relevant account(s) to cover the Acceptance Monies. If the amount of your cheque for Acceptance Monies is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Monies will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

If you wish to pay for the New Shares by bank electronic transfer please call the Company on +61 1300 133 921 and the Company will provide you with the relevant details of the ANZ bank account to where the Acceptance Monies can be paid. You must ensure that your payment is received by no later than 5:00pm (Perth time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by bank electronic transfer may take one or more Business Days to clear.

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When paying by bank electronic transfer please return your Entitlement and Acceptance Form to the Company at the following address:

Winchester Energy Limited
PO Box 641
West Perth WA 6872
Australia

(b) **Take up your Entitlement in full**

If you are an Eligible Shareholder and wish to take up all of your Entitlement, please:

- (1) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions set out on the Entitlement and Acceptance Form; and
- (2) forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form in the reply paid envelope to the Share Registry (being Automic Registry Services) so that it is received by no later than **5:00pm (Perth time) on the Closing Date** or such later date as the Directors determine.
- (3) if you are paying via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. If you elect to pay via BPAY you will not need to return the Entitlement and Acceptance Form. Applicants should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date.

Cheques and bank drafts, in Australian currency should be made payable to "Winchester Energy Limited Rights Issue" and crossed "Not Negotiable".

You should ensure that sufficient funds are held in the relevant account(s) to cover the Acceptance Monies. If the amount of your cheque for Acceptance Monies is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Monies will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

If you wish to pay for the New Shares by bank electronic transfer please call the Company on +61 1300 133 921 and the Company will provide you with the relevant details of the ANZ bank account to where the Acceptance Monies can be paid. You must ensure that your payment is received by no later than 5:00pm (Perth time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by bank electronic transfer may take one or more Business Days to clear.

When paying by bank electronic transfer please return your Entitlement and Acceptance Form to the Company at the following address:

Winchester Energy Limited
PO Box 641
West Perth WA 6872
Australia

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(c) Take up part of your Entitlement

If you are an Eligible Shareholder and wish to take up only some of your Entitlement, please:

- (1) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Offer under this Prospectus (being less than your Entitlement as specified on the Entitlement and Acceptance Form); and
- (2) forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable in the reply paid envelope to the Share Registry (being Automatic Registry Services), so that it is received by no later than **5.00pm (Perth time) on the Closing Date** or such later date as the Directors determine.
- (3) if you are paying via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. If you elect to pay via BPAY you will not need to return the Entitlement and Acceptance Form. Applicants should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Closing Date.

Cheques and bank drafts, in Australian currency, should be made payable to "Winchester Energy Limited Rights Issue" and crossed "Not Negotiable".

You should ensure that sufficient funds are held in the relevant account(s) to cover the Acceptance Monies. If the amount of your cheque for Acceptance Monies is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Monies will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

If you wish to pay for the New Shares by bank electronic transfer please call the Company on +61 1300 133 921 and the Company will provide you with the relevant details of the ANZ bank account to where the Acceptance Monies can be paid. You must ensure that your payment is received by no later than 5:00pm (Perth time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by bank electronic transfer may take one or more Business Days to clear.

When paying by bank electronic transfer please return your Entitlement and Acceptance Form to the Company at the following address:

Winchester Energy Limited
PO Box 641
West Perth WA 6872
Australia

(d) Do nothing

You may do nothing, in which case you will have no right to subscribe for New Shares and no New Shares will be issued to you. However, if you are an Eligible Shareholder and you do nothing, then New Shares representing your Entitlement may be issued to other third party investors. You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

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3.2 General

If you have any queries concerning your Entitlement under the Rights Issue please contact the Company on +61 1300 133 921 or contact your stockbroker or professional adviser.

For all general shareholder enquiries, please contact Automic Registry Services on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

Entitlement and Acceptance Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Entitlement and Acceptance Forms received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.09 per New Share is payable in full on acceptance of part or all of your Entitlement.

If an Eligible Shareholder or investor elects to make payment using electronic bank transfer, they must contact their bank, credit union or building society to make payment of the Acceptance Monies from their bank account. Payment must be received by no later than 5:00pm (Perth time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by electronic bank transfer may take one or more Business Days to clear.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and electronic bank payments must be drawn on an Australian bank.

No stamp duty, brokerage or handling fees are payable by any Applicant for the New Shares offered by this Prospectus.

Lodging your Entitlement and Acceptance Form

BY MAIL

Winchester Energy Limited
C/- Automic
PO Box 2226
Strawberry Hills NSW 2012

BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST)

Automic
Level 3
50 Holt Street
Surry Hills NSW 2010

Winchester Energy Limited
Level 3
18 Richardson Street
West Perth WA 6872

The amount payable for the New Shares will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Monies will be held in trust by the Company in a subscription bank account at the ANZ Bank entitled "Winchester Energy Limited Rights Issue", until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Acceptance Monies will be retained by the Company irrespective of whether allotment takes place.

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3.3 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made by BPAY or electronic bank transfer, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Acceptance Monies or making a payment by BPAY or electronic bank transfer, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder or investor and are not a person to whom it would be illegal to make an offer or issue of New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the laws of any jurisdiction outside of Australia and New Zealand; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

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4. Company Information

4.1 Introduction

Winchester was established in 2014 with the objective of acquiring oil and gas leases and working interests in areas situated on the Eastern Shelf of the Permian Basin in Texas, USA, a location which offers prospective Cline Shale unconventional oil opportunities at shallow depth together with attractive conventional oil targets, such as the Ellenburger Formation, at slightly greater depth. Concurrent with establishing a reasonably sized land position in the Eastern Shelf of the Permian Basin in Texas, Winchester commenced exploration drilling with subsequent oil and gas production achieved in early 2015. As at the date of this Prospectus, Winchester had acquired 19,110 net acres by way of six oil and gas leases in the highly productive Eastern Shelf of the Permian Basin in Texas, USA.



Figure 1: Location of the Company's 19,110 net acres in Texas, USA

4.2 Six Oil and Gas Leases

The Company has 19,110 net acres of oil and gas leases situated in Nolan County and Coke County in Texas, USA across six oil and gas leases.

LEASE AREAS	GROSS ACRES	MIN. INT.	LEASE NET ACRES	WI	CO. NET AC.
White Hat Ranch	7,588.20	97.23%	7,378.20	75.00%	5,463.65
Bridgford Ranch	2,311.94	100.00%	2,311.94	100.00%	2,311.94
Thomas Ranch	3,564.60	95.53%	3,401.86	100.00%	3,401.86
McLeod	4246.4	87.48%	3,924.80	100.00%	3,924.80
Arledge	3,816.30	91.77%	3,502.23	100.00%	3,502.23
Coke	505.40	100.00%	505.40	100.00%	505.40

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4.3 Oil production per Quarter

The following table outlines the oil production of the Company, on a quarter by quarter basis, commencing from the December 2015 quarter.

Gross Oil Production (bo)*	March Quarter 2017	December Quarter 2016	September Quarter 2016	June Quarter 2016	March Quarter 2016	December Quarter 2015
Oil Production (Gross 100%WI)	28,633	37,876	35,428	26,159	26,761	19,774
Oil Sales (Gross 100%WI)	28,467	37,642	35,113	26,537	26,839	19,525
Net Oil Production to Winchester (bo) (50% Working Interest)*						
Quarterly Oil Production (Net)	14,316	18,938	17,714	13,080	13,380	9,887
Quarterly Oil Sales (Net)	14,233	18,821	17,556	13,269	13,420	9,763

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

Total revenue for oil and gas sold during the March 2017 quarter was US\$572,086. Total oil revenue was US\$540,567 and total gas sales revenue was US\$31,519. The average sale price per bo was US\$49.64.

4.4 8 Vertical Oil Wells with CEGX

In conjunction with operator, Carl E Gungoll Exploration LLC (**CEGX**), Winchester participated in three oil wells during the year ended 31 December 2016 which built upon the four oil wells drilled prior to the 2016 calendar year, with all wells located on the White Hat ranch oil and gas lease. The Company participated with CEGX in a further vertical well (White Hat 21#5) during early 2017.

Winchester's wholly owned USA subsidiary, Winchester Energy USA Holdings Inc., owns a 75% working interest in the oil and gas mineral rights of the 7,058 acres which surround and adjoin these existing 8 White Hat wells (Winchester 50% WI). CEGX owns the remaining 25% WI in these 7,058 acres.

Importantly, on 1 March 2017, the current 50%:50% WI arrangement transitioned to Winchester 75% WI:CEGX 25% WI in all areas outside the eight presently drilled 40 acre drilling units (save for 1 additional vertical well that CEGX can drill at a time of its choosing on a 50:50 basis). Thus, as of 1 March 2017, Winchester is operator of the 7,058 acres of the White Hat ranch oil and gas lease outside of the eight presently drilled 40 acre drilling units (being a total of 320 acres).

4.5 Average Daily Oil and Gas Production from the 8 Vertical Oil Wells with CEGX

The following table sets out the gross per well oil and gas production per day for the 8 vertical oil wells operated by CEGX on the White Hat ranch oil and gas lease for the 7 day period ending on 11 May 2017:

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Gross Oil and Gas Production 7 Day Average for Period Ending 11 May 2017					
Oil Well	Average Gross Oil Production Per Day	Average Gross Gas Production Per Day	WEL's WI %	Gross BOEPD Production	Producing Unit
White Hat 20#1	17 bopd	Nil	50%	17 boepd	Ellenburger Formation
White Hat 20#2	118 bopd	Nil	50%	118 boepd	Strawn Formation
White Hat 21#1	92 bopd	53 mcfpd	50%	100 boepd	Ellenburger Formation
White Hat 21#2	11 bopd	1 mcfpd	50%	11 boepd	Ellenburger Formation
White Hat 21#4	234 bopd	237 mcfpd	50%	273 boepd	Ellenburger Formation
White Hat 38#1	Nil	Nil	50%	Nil	n/a
White Hat 38#2	23 bopd	Nil	50%	23 boepd	Ellenburger Formation
White Hat 21#5	12 bopd	Nil	50%	12 boepd	Ellenburger Formation
TOTAL	507 bopd	291 mcfpd	50%	554 boepd	

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

4.6 Continued Development of the Ellenburger Formation – 10,000 acre oil trap identified

The Company has established an area of 10,000 acres (see map below) which extends over 3 oil and gas leases and partially a fourth, where the Ellenburger Formation has been proven productive in several wells and is expected to be productive based on recent drilling results, new technologies and 3D seismic interpretations.

The Ellenburger Formation is variable in its reservoir characteristics, its porosity and permeability, its fracture density and the ratio of dolomite and limestone. The Company plans to test and evaluate several completion techniques (such as ultra-short radius multiple laterals and small vertical fracture stimulations) to improve well productivity when required. This is anticipated to improve the economics of wells which have low initial productivity with standard completions.

In the nearby 12,000 acre Suggs Oil Field, total oil production to date is around 10 million barrels of oil (**bo**) from just over 100 wells, indicating an average of 100,000 barrels of oil per well. There were several excellent wells within the Suggs Oil Field with the highest producing 835,450 barrels of oil over 30 years. 15% of wells recovered over 200,000 barrels of oil and 30% of the wells produced under 50,000 barrels of oil and were sub economic. Three wells exceeded 500,000 barrels of total oil production. The highest IP rate was 432 barrels of oil per day (**bopd**) and the average initial production (**IP**) of the top 6% of wells was 364 bopd.

Winchester's technical team believes its Ellenburger play will have similar characteristics to the Suggs Oil Field and that utilising modern techniques to improve well productivity will significantly enhance field economics. To this end, Winchester is presently investigating improved completion techniques and new drilling approaches including ultra-short radius lateral drilling that allows for multiple short distance laterals to be drilled from a single well bore. By applying some or all of these modern techniques, Winchester plans to improve well productivity at relatively low cost.

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10,000 ACRE OIL TRAP

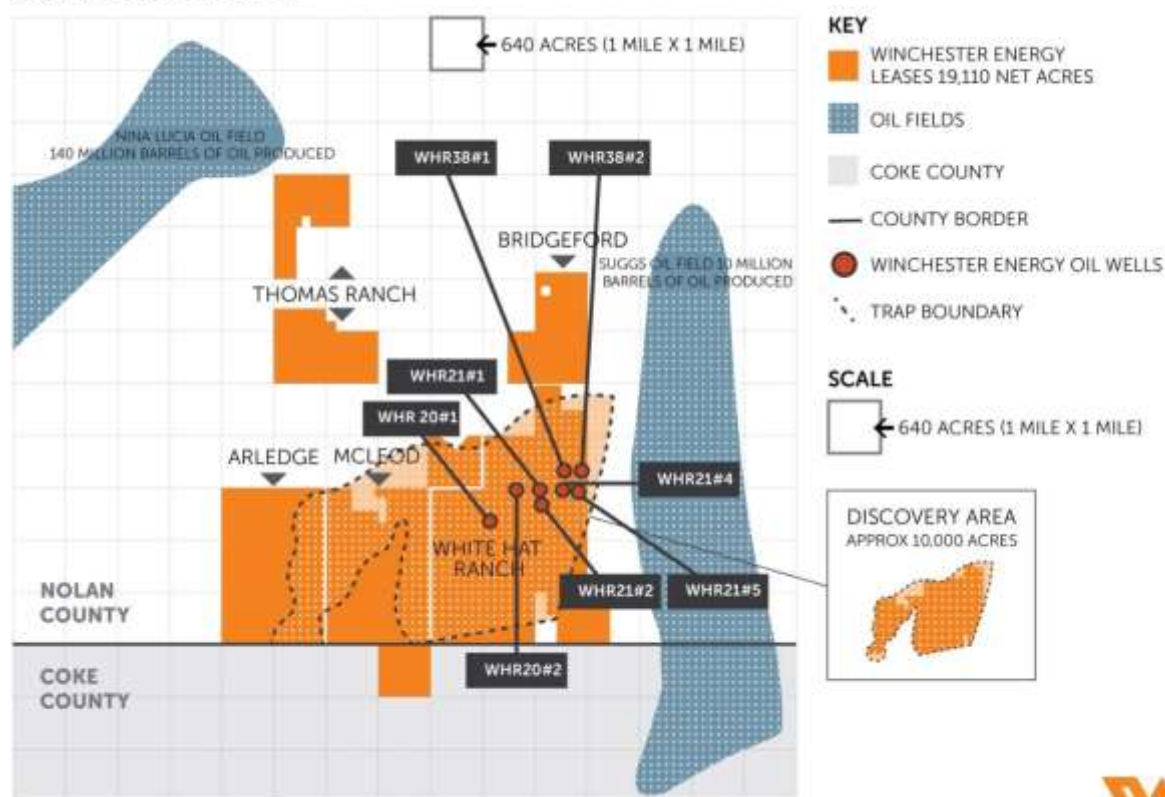


Figure 2: Aerial extent of interpreted 10,000 acre Ellenburger Formation oil trap area

4.7 Innovative Completion Techniques

The Company has signed a letter of intent with a specialist group with proprietary ultra-short radius lateral drilling technology. The Company is planning to test the technology by drilling four 500 foot lateral sections from one vertical well bore. The Company believes this technology will allow improved well productivity as it will provide the ability to intersect multiple fracture zones. At the same time these laterals will also connect the zones of better productive characteristics in the well. The Ellenburger Formation has been shown to have highly variable porosity due to multi staged, post depositional mineralization effects on the reservoir and Winchester has already experienced these variations over short distances between the 8 wells drilled to date with CEGX. By drilling four 500 foot laterals, as operator, Winchester believes it can expose the well bore to 2,000 gross feet of productive rock compared to about 100 gross feet in the vertical well, thus improving the productivity of each well significantly. The current estimated cost to drill and complete an ultra-short radius lateral well of this kind is US\$1.6 million and the current cost to drill and complete a vertical well is US\$800,000.

The Company is also exploring several processes that may improve expected ultimate recovery (**EUR**) in wells where either the recovery factor is low, decline rates are high or the water cut is high.

Many carbonate reservoirs are oil wet or become oil wet. In some cases in Winchester's wells the produced reservoir fluids have generated down hole scaling that inhibits well performance. Changes in reservoir temperature and pressure at the well face can result in precipitation of various contaminants down hole, in the tubing and/or at the pump, or at the perforations and nearby rock formation.

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The Company is analysing produced fluids to identify these risks and designing chemical treatments to manage the negative effects. In addition, the Company is looking into future treatments and technologies that may increase oil production and decrease water production by addressing the oil wet characteristics of the reservoir. Oil wet reservoirs means that more oil is attached to the rock surface and cannot be produced without changing the electrical charge properties that hold the oil molecules to the rock.

The Company's experienced and successful technical team has assembled a wealth of proprietary technical information on producing reservoirs along the Eastern Shelf of the Permian Basin. The Company has access to significant intellectual property that includes improved recovery techniques (**IRT**), reservoir permeability and fracture analyses and technologies identified to lower the costs of drilling and improve the productivity of wells. The Company intends to evaluate these improved recovery technologies over the next six months with the objective of unlocking the considerable volume of oil that remains trapped and unrecovered in several formations on the Eastern Shelf of the Permian Basin, including the Ellenburger Formation.

4.8 Other Conventional Oil Plays other than the Ellenburger Formation

To date, Winchester has focussed on drilling and producing oil and gas from its deeper Ellenburger Formation discovery but from the founding of the Company, it has recognised the potential for oil in a number of shallower reservoirs ("**stacked pays**"), including the Strawn Formation.

Importantly, the prolific oil producing Strawn Formation is expected to occur within Winchester's 19,110 net acres in Nolan County, Texas, USA.

Winchester announced to ASX on 19 April 2017, that oil is being produced on pump at a rate of 200 barrels of oil per day from a sand unit within the Strawn Formation in the White Hat 20#2 well which is being operated by CEGX. Winchester has a 50% working interest in White Hat 20#2. CEGX has the other 50%WI.

The specific interval in question is a sand play that is deposited on the basin ward shelf margin in the Strawn Formation. These sands occur at several stratigraphic levels and have produced significant oil from stratigraphic traps in the nearby Suggs Oil Field and White Hat ranch area and beyond and have been labelled or referred to as Fry, Gardner, Lazarus, Jennings Lime, and Goen sand units.

The result in White Hat 20#2 constitutes a significant new oil discovery in a sand unit within the Strawn Formation. The current significant oil production rate from White Hat 20#2 in the range of 100 to 120 bopd has arisen from simple, low cost, small scale fracking. This result constitutes a new, valuable oil play across Winchester's 19,110 net acres.

Winchester is evaluating logs, well samples and seismic data across all its 19,110 net acres in order to attempt to identify Strawn Formation sand packages which have properties analogous to those in the White Hat 20#2 well.

In addition, Winchester is evaluating the circumstances and costs associated with drilling a horizontal fracked well into this sand unit in the Strawn Formation having properties

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analogous to those in the White Hat 20#2 well, in light of the significant oil production rate resulting from straightforward, low cost, small scale fracking of a 30 foot vertical interval.

4.9 Other Shallow Formations

It should be noted that all 8 wells drilled to date by CEGX as operator targeting the Ellenburger Formation have obtained promising oil and gas shows in several of the overlying formations, many of which have a strong history of oil production in the East Permian Basin.

These overlying formations (being shallower than the Ellenburger Formation), include the Upper Cline (otherwise called the "Three Fingers Black Shale"), the Lower Cline (otherwise called the "Lower Penn Shale") and the Barnett Shale Equivalent. All 3 shale oil plays are blanket resource plays across all of Winchester's 19,110 net acres. That equates to 57,330 net acres of shale drilling units, which at drill spacing of 640 acres, results in 89 horizontal well locations.

The result in White Hat 20#2, announced to ASX on 19 April 2017, which constitutes a significant new oil discovery in a sand unit within the Strawn Formation, is the only well of the 8 wells drilled to date by CEGX as operator, which has seen a test of one of these overlying formations.

4.10 The Directors

The Directors bring relevant oil and gas expertise and skills, including oil and gas industry and business knowledge, financial management and corporate governance experience to the Board.

The following persons are Directors as at the date of this Prospectus:

Mr Peter Allchurch (Non-Executive Chairman)

Mr Allchurch is a geologist and resource venture capitalist and is the Non-Executive Chairman of the Company. He has 50 years of experience in mineral and petroleum exploration, development and production. Based in Perth, Australia, he has experience in several countries and has founded or co-founded a number of successful ASX listed public companies in the oil and gas and mineral sectors including, but not limited to, Cape Range Oil, Amity Oil, Aurora Oil & Gas and Eureka Energy (with the latter two companies having oil assets located in the Eagle Ford Shale, Texas, USA). Mr Allchurch has a BSc. (Geology) from the University of Adelaide and is a Member of the Petroleum Exploration Society of Australia, as well as a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Allchurch is currently a private investor in, and developer of, oil and gas properties and a consultant to independent oil and gas companies.

Current directorships held in other listed entities

None.

Former directorships held in other listed entities in the last three years

Platinum Australia Limited

Mr Neville Henry (Managing Director)

Mr Henry is a petroleum geologist with more than 43 years of experience in the global oil and gas industry and is the Managing Director of the Company. Mr Henry has been based in Houston, Texas, USA for more than 25 years. Mr Henry has experience in oil in more than 30 countries and has directly led oil exploration teams responsible for oil and gas discoveries

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across six basins and four countries for total discovered reserves of more than 4 billion barrels of oil. He worked for Anadarko for 12 years, most notably as International Exploration Manager and Worldwide Business Development Manager, and was part of the core team that built this non-US oil production business from 25,000 bopd to 400,000 bopd. Prior to his roles at Anadarko, Mr Henry worked at Adobe Petroleum, Marathon Oil and UNOCAL. Mr Henry has managed joint ventures involving 45 oil and gas companies, including majors, large and small oil independents and foreign and domestic oil companies, and has been responsible for all technical, business, financial and personnel aspects of their respective businesses. Mr Henry has a BA (Honours) in geology from Macquarie University, and is registered in Texas as a Professional Geoscientist.

Current directorships held in other listed entities

None.

Former directorships in other listed entities in the last three years

None.

Mr James Hodges (Independent Non-Executive Director)

Mr Hodges is an engineer based in Texas, USA with more than 45 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 the owner of Hodges Engineering Inc., Mr Hodges is currently active in oil and gas exploration and production in Texas and provides engineering consulting services to the Texan energy, financial and environmental industries. Mr Hodges graduated from Texas A&M University in 1970 with a degree in mechanical engineering, and is registered in Texas as a Professional Engineer.

Current directorships held in other listed entities

None.

Former directorships in other listed entities in the last three years

None.

Mr John D. Kenny (Non-Executive Director)

Mr Kenny is a lawyer by profession and holds a Bachelor of Commerce (Hons) and Bachelor of Laws from the University of Western Australia. Through his practice of corporate and mining law and investment banking, Mr Kenny 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 and oil floats and also has experience in a number of sectors of Australian agribusiness, with involvement both as a director and as an investor.

Current directorships held in other listed entities

Arrowhead Resources Ltd

Former directorships in other listed entities in the last three years

Sun Resources NL
Indus Coal Ltd

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Mr Larry Liu (Non-Executive Director)

Mr Larry Liu obtained a Bachelor's Degree of Engineering from Southeast University, China and a MBA from a joint program between APESMA and Deakin University in Australia. He joined General Electric in 1997 from Contact Energy New Zealand, and served in various Asia Pacific leadership positions for GE. He was the general manager of South China, HK & Macau for GE Consumer & Industrial. He is now a professional investor.

Current directorships held in other listed entities

None

Former directorships in other listed entities in the last three years

None

Details of the current interests of the Directors in the Company and their intentions in respect of the Offer are set out in Section 1.7 of this Prospectus.

4.11 Mr Nicholas Calder (Company Secretary)

Mr Calder is a Chartered Accountant and Registered Company Auditor. He was a Partner of PKF Mack & Co from 2006 to 2012 before commencing NK Advisory and Investments, which provides corporate and strategic advisory services to a number of oil and gas, resource and energy, technology and manufacturing companies based in Perth, Western Australia. Mr Calder graduated from the University of Western Australia with a Bachelor of Commerce.

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5. Effect of the Offer on the Company

5.1 Principal effects of the Offer

The principal effects of the Offer will be to:

- (a) increase cash reserves of the Company by approximately \$4,846,875 immediately after completion of the Offer (and prior to deducting the costs of the Offer which are \$185,000); and
- (b) increase the total number of Shares on issue from 215,416,672 as at the date of this Prospectus to 269,270,840 Shares following completion of the Offer.

5.2 Financial position

The Offer will have a material effect on improving the Company's and the Group's financial position. Set out below are the audited consolidated statements of financial position as at 31 December 2016 and the unaudited pro-forma accounts assuming completion of the Offer. The unaudited pro-forma statement incorporates the effects of the Offer, if fully subscribed. There have been no other material events since 31 December 2016.

	Consolidated Unaudited Pro Forma US\$ ^A	Consolidated Audited 31 December 2016 US\$	Consolidated Audited 31 December 2015 US\$
Current assets			
Cash and cash equivalents	5,936,956	2,440,550	5,641,407
Trade and other receivables	549,755	549,755	227,068
Total current assets	6,486,711	2,990,305	5,868,475
Non-current assets			
Property, Plant and Equipment	8,985	8,985	1,421
Exploration and evaluation expenditure	15,002,839	15,002,839	13,052,468
Oil and gas properties	1,751,126	1,751,126	1,318,406
Total non-current assets	16,762,950	16,762,950	14,372,295
Total assets	23,249,662	19,753,255	20,240,770
Current liabilities			
Trade and other payables	435,285	435,285	198,145
Total current liabilities	435,285	435,285	198,145
Non-current liabilities			
Borrowings	3,907	3,907	3,941
Total non-current liabilities	3,907	3,941	3,941
Total Liabilities	439,192	439,192	202,086
Net assets	22,810,471	19,314,063	20,038,684

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Equity			
Issued capital	27,669,280	24,172,873	24,172,873
Option reserve	1,891,620	1,891,620	1,891,620
Foreign currency translation reserve	(3,170,924)	(3,170,924)	(3,231,113)
Accumulated losses	(3,579,506)	(3,579,506)	(2,794,696)
Total equity	22,810,471	19,314,063	20,038,684

Note A: The Company's consolidated financial statements are prepared in US\$ (being the functional currency of the Company and its subsidiaries). The unaudited pro-forma statement incorporates the effects of the Offer, if fully subscribed. The A\$ equivalent has been converted into US\$ at the exchange rate of A\$1 equals US\$0.75 being the Reserve Bank of Australia's published foreign exchange rate as at Thursday 25 May 2017.

Basis of preparation

The consolidated statements of financial position have been prepared as an abridged version for the purposes of the Prospectus and do not include all the disclosures required under Australian accounting standards as required for annual financial statements or a half year report.

The consolidated statements of financial position are based on the accounting policies of the Company as included in the 31 December 2016 audited financial report.

The basis of preparation includes the historical cost basis and does not take into account changing money values or fair values of non-current assets.

The financial statements have also been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The pro-forma consolidated statements of financial position have been prepared based on the audited consolidated financial report as at 31 December 2016, adjusted for the effects of the Offer. There are no other post 31 December 2016 transactions that were considered significant that required inclusion in the pro-forma consolidated statements of financial position.

5.3 Capital structure

The Company will issue up to 53,854,168 New Shares under the Offer.

Assuming that none of the existing Options are exercised, the capital structure of the Company immediately following completion of the Offer (excluding rounding of Entitlements and assuming full subscription), will be as follows:

	Shares
Shares on issue at the date of this Prospectus	215,416,672
New Shares to be issued under Rights Issue	53,854,168
Total	269,270,840^A

Note:

- A. *If any of the Options on issue at the date of this Prospectus are exercised prior to the Record Date, additional New Shares will be issued under the Offer. If all Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 44,000,000 Shares resulting in a further 11,000,000 New Shares being issued pursuant to this Prospectus. This would increase the Company's total Shares on issue after completion of the Offer*

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to 324,270,840 Shares. However, having regard to the exercise price of the existing Options, the Directors believe that it is unlikely that any existing Options will be exercised prior to the Record Date.

As at the date of this Prospectus, the Company has 44,000,000 Options on issue which are comprised as follows:

Type	Number	Exercise Price	Expiry Date
Unlisted	30,000,000	\$0.25	30 April 2019
Unlisted	14,000,000	\$0.12	31 January 2022

The total number of these Options will not be affected by the Offer. These Options may be exercised by Option Holders in accordance with the terms of the Options. The terms of each of these Options provide for an adjustment in the exercise price of each of these Options. The terms provide that if the Company makes an issue of shares pro-rata to existing shareholders (which it is) (and except in the instance of a bonus issue) the exercise price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price (as defined in the ASX Listing Rules) per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

The Company will inform Optionholders of the relevant amended exercise price of each of their Options once the Rights Issue is completed.

5.4 60,000 Convertible Milestone Notes

The Company has issued 10,000 Class A Convertible Milestone Notes, 20,000 Class B Convertible Milestone Notes and 30,000 Class C Convertible Milestone Notes. Refer to Note 16 on page 41 of the Company's Annual Report for the Year Ending 31 December 2016 released to ASX on 3 April 2017 for the full terms and conditions of all the Class A, B and C Convertible Milestone Notes on issue.

The milestones that are applicable to each of the Class A, B and C Convertible Milestone Notes have not been met and will not be met before the completion of the Rights Issue. Accordingly,

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the capital structure of the Company will not be changed prior to the completion of the Offer due to these 60,000 Convertible Milestone Notes.

5.5 Contingent liabilities

On the 24 June 2014, Winchester entered into a purchase agreement to acquire the working interest in oil and gas leases located in Nolan County, Texas from the shareholders of CEP Nolan Partners Inc. The Company will be required to pay the vendors being the various shareholders of CEP, US\$3.1 million cash on the achievement of commercial scale, successful oil and gas production from at least 4 wells on or before 30 April 2019, with commercial scale being defined as 250 boepd per well during the first 30 days initial production across at least 4 wells.

Mr Peter Allchurch, the Non-Executive Chairman of the Company, a company associated with the Managing Director, Mr Neville Henry and a discretionary trust associated with a Non-Executive Director, Mr John D. Kenny, are each vendors. Accordingly, each of the Directors (or entities with whom they are associated) will receive a proportion of the contingent consideration payable by the Company.

As at the date of this Prospectus, not a single well of the Company has had initial production during the first 30 days of production, which has exceeded 250 boepd. Should such production occur across 4 wells, this cash payment of US\$3.1 million will be payable by the Company within 180 days of when this milestone is achieved.

5.6 Effect on control

The Offer is a pro-rata offer so if all Eligible Shareholders take up their Entitlements in full and none of the Option Holders exercise their Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

If Eligible Shareholders do not take up their Entitlements in full it will result in their percentage holding in the Company being diluted by the Offer. Given the terms of the Offer, the maximum possible dilution to an Eligible Shareholder's interest in the Company will be 20%. Additionally, the Offer is not being extended to Shareholders with registered addresses outside of Australia and New Zealand and the holdings of those Shareholders in the Company will be diluted in the event the Offer is fully subscribed.

The following sets out the potential percentage dilution of the total shareholding that Eligible Shareholders will have in the Company, if they do not take up in full all their Entitlements and these Shortfall Shares are then successfully placed by the Directors to third party investors:

	40%^A uptake	50% uptake	75% uptake	100% uptake
Existing Shares	215,416,672	215,416,672	215,416,672	215,416,672
Issue of New Shares under Rights Issue	53,854,168	53,854,168	53,854,168	53,854,168
Take Up of New Shares	21,583,692	26,927,084	40,390,626	53,854,168
Shortfall Shares	32,270,476	26,927,084	13,463,542	0
% Dilution of Current Shareholders	11.98%	10%	5%	0%

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Note A: 40% take up from Eligible Shareholders assumes that the only Eligible Shareholders taking up their Entitlements under the Offer are the Directors and the 3 Substantial Shareholders and these parties are taking up their Entitlements in full.

Eligible Shareholders may apply for any number of Shortfall Shares, regardless of the size of their present holding. The Directors reserve the right to place the Shortfall Shares in their sole and absolute discretion, subject to the Corporations Act and the ASX Listing Rules. No party will be allotted any Shortfall Shares such that they would, by virtue of the allotment of those Shares, acquire a relevant interest in voting shares in the Company exceeding 20%.

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Prospectus

6. Risk factors

6.1 Introduction

The New Shares offered by this Prospectus should be considered speculative. The Directors strongly recommend that you examine the contents of this Prospectus and consult your professional advisors before deciding whether to invest in the Company.

An investment in the Company will be exposed to a number of key risks related to its specific oil and gas business operations located in Texas, USA. Key risks are risks that the Directors and senior management of the Company focus on when managing the business and which would have the potential, upon occurrence, to significantly affect the Company and the value of investments in the Company. An overview of these key risks is provided in Section 6.2.

An investment in the Company is also subject to general risks that are common to all investments in shares quoted on ASX and are not specific to the business model and operations of the Company. These include, for example, the volatility of share prices as a result of economic conditions. An overview of these general risks is provided in Section 6.3.

Some risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. Some of the risks may be outside the control of the Company and not capable of mitigation. The following risk factors are not exhaustive but represent some of the major risk factors that may affect the future operating and financial performance of the Company and the value of an investment in it.

6.2 Risks specific to an investment in the Company

Investors should be aware of the key risks specific to an investment in the Company as described below.

(a) Uncertainty of Development of Oil and Gas Projects and Exploration Risk

The primary business of the Company is exploration for, and commercial development of, conventional and unconventional oil reservoirs, which is subject to the risks inherent in these activities. The Company has a 50% WI in 8 vertical wells on the White Hat ranch oil and gas lease along with the 40 acre drilling units which surround these eight wells. These wells are currently all operated by a third party, namely, Carl E Gungoll Exploration LLC. The current and future operations of the Company may be affected by a range of factors, including:

- (1) geological conditions;
- (2) the flow potential of oil reservoirs after any stimulation by hydraulic fracturing ("fracking");
- (3) limitations on activities due to seasonal weather patterns;
- (4) alterations to exploration programs and budgets;
- (5) unanticipated operational and technical difficulties encountered in drilling, development, production and treatment activities;
- (6) mechanical failure of operating plant and equipment;
- (7) adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;

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- (8) unavailability of drilling, processing and other equipment;
- (9) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour;
- (10) prevention of access by reason of inability to obtain regulatory or landowner consents or approvals;
- (11) terms imposed by government on the development of projects including conditions such as environmental rehabilitation and taxes;
- (12) delays in completing feasibility studies and obtaining development approvals; and
- (13) risks of default or non-performance by third parties providing essential services.

No assurance can be given that future exploration will be commercially successful. The ongoing financial viability of the Company depends on the continued discovery and delineation of economically recoverable oil and gas reserves, design and construction of efficient processing facilities, and competent operational and managerial performance.

Development of a commercial oil and gas business is also dependent on the Company's ability to obtain necessary governmental and other regulatory, including but, not limited to, environmental approvals on a timely basis. Development of a commercial oil and gas business is also dependent on the Company's ability to establish basic infrastructure such as (but not limited to) power, water, transport and housing to support its operations.

(b) Reliance on and sourcing of Key Personnel

The Company is dependent on its Directors', managers' and consultants' ability to implement the Company's strategy in respect of the exploration and development of the Company's conventional and unconventional oil and gas interests. A number of factors, including the departure of Directors and/or senior management of the Company and/or senior consultants, could adversely affect the Company's ability to implement its strategy. There can be no assurance that any Director, manager or consultant of the Company will remain a Director, manager or consultant of the Company.

The success of the Company's operations may also depend on continued access to competent management and technical expertise, prudent financial administrators and the availability of appropriately skilled and experienced employees, contractors and consultants operating in relevant sectors. The continued access to such personnel cannot be guaranteed. In the event that the Company is unable to source such personnel, the Company could be adversely affected.

(c) Future financing

Whilst production and development of the oil discovery on the White Hat ranch oil and gas lease is in progress by way of the existing 8 vertical wells on the White Hat ranch oil and gas lease, operated by CEGX, in which the Company has a 50% working interest in each well along with the surrounding 40 acre drilling unit, the Company has not reached the stage where it is generating positive free cash flow and can therefore finance from this free cash flow an ongoing drilling program. The Company must fund its exploration and development of the White Hat ranch oil and gas lease through its cash reserves, equity capital or debt. The accelerated exploration and development of the White Hat ranch oil and gas lease is therefore dependent upon the success of the Offer.

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If the cash reserves currently available to the Company and the funds to be raised under the Offer which are to be used to drill additional wells into the interpreted oil trap in the Ellenburger Formation in the White Hat oil and gas lease in which the Company has a 75% working interest, do not result in the Company generating enough free cash flow to self-sustain an ongoing drilling programme on the White Hat ranch oil and gas lease (beyond these additional wells) then there may be a need for the further raising of equity or debt funds in the future. There can be no guarantee that the Company will be able to successfully raise project debt or equity finance for the drilling of additional wells.

(d) Importance of Future Prices, Supply and Demand for Oil and Gas

The revenues generated from the activities of the Company will be highly dependent upon the future prices and demand for oil and gas. Factors which may affect prices and demand for oil and gas include, but are not limited to, the worldwide supply of oil and gas; the price of oil produced in the United States of America or imported from foreign countries; consumer demand for oil and gas; the price and availability of alternative fuels; federal and state regulation; and general, national and worldwide economic political conditions.

In addition to the widely-recognised volatility of the oil market, the gas market is also unsettled due to a number of factors. In the past, production from gas wells in many geographic areas of the United States of America has been curtailed for considerable periods of time due to a lack of market demand, and such curtailments may exist in the future. Further, there may be an excess supply of gas in the area of the Company wells. In that event, it is possible that wells in the area of the Company wells, including the Company wells, will be shut in or that gas in those areas will be sold on terms less favourable than might otherwise be obtained. The combination of these factors, among others, makes it particularly difficult to estimate accurately future prices of oil and gas, and any assumptions concerning future prices may prove incorrect.

(e) Competition

The Company competes with many other companies. Some of these companies have greater financial and other resources available to them than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce oil and gas, but also carry out refining operations on a global scale. There can be no assurances that the Company will be able to compete effectively with these companies.

(f) Markets for sale of production

The ability of the Company to market oil and gas found and produced, if any, will depend on numerous factors beyond the control of the Company, the effect of which cannot be accurately predicted or anticipated. Some of these factors include, without limitation, the availability of a ready market, the effect of federal and state regulation of production, refining, transportation and sales, and general national and worldwide economic conditions.

There is no assurance that the Company will be able to market any oil or gas produced by it, or, if such oil or gas is marketed, that favourable prices can be obtained by the Company. The Company's currently sells all its oil and gas at spot prices and is completely unhedged as to the sale of its oil and gas.

(g) Price control and possible energy legislation

There are currently no US Federal Government price controls on oil or gas production so that sales of oil or gas by the Company can be made at uncontrolled market prices.

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However, there can be no assurance that either the United States Federal Government or the Texas legislature will not enact controls at any time. No prediction can be made as to what additional energy legislation may be proposed, if any, nor which bills may be enacted nor when any such bills, if enacted, would become effective.

(h) Environmental risk

The exploration, development and production of oil and gas are subject to various federal and state laws and regulations to protect the environment. Various US government states and governmental agencies are considering, and some have adopted, laws and regulations regarding environmental control which could adversely affect the business of the Company.

Compliance with such legislation and regulations, together with any penalties resulting from non-compliance therewith, will increase the cost of oil and gas development and production. Some of these costs may ultimately be borne by the Company.

(i) Operating risks

The Company and its operations in the United States of America will be subject to usual industry operating risks including fire, accidental damage caused by contractor or employee errors or negligence, adverse weather conditions and industrial action.

The occurrence of any of these risks could result in substantial liability being incurred by the Company.

To mitigate this risk the Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any potential claims. Insurance cover may not be available for every risk faced by the Company. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(j) Tenure risk

The oil and gas mineral rights and interests held by the Company are subject to commercial terms and applicable laws regarding exploration and production, expenditure, plus extension and renewal costs.

Laws and policies in the United States of America may impact on both the Company's ability to secure and maintain its oil and gas mineral rights and interests and its ability to access these leases that it holds. Oil and gas mineral rights and interests are granted subject to various conditions including, but not limited to, work and expenditure conditions. Failure to comply with these conditions may expose the leases to forfeiture.

(k) Taxation

In all places where the Company has operations, in addition to the normal level of corporate income tax imposed on all industries, the Company may be required to pay royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

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(l) Government regulation

The oil and gas business is subject to extensive governmental regulation under which, among other things, rates of production from the Company wells may be fixed.

Governmental agencies may impose a moratorium on drilling, such as the moratorium on deepwater drilling operations in the Outer Continental Shelf of the Gulf of Mexico that occurred in 2010. A drilling moratorium or other regulatory initiatives in response to oil spills in the geographical areas where the Company conducts operations could have a material adverse effect the Company's business. Governmental regulation also may limit or otherwise affect the market for the Company's wells' production and the price which may be paid for that production. Governmental regulations relating to environmental matters could also affect the Company's operations.

The nature and extent of various regulations, the nature of other political developments and their overall effect upon the Company are not predictable.

(m) Contractual risk

The Company's ability to efficiently conduct its operations in a number of respects depends upon a number of contracts. As in any contractual relationship, the ability for the Company to ultimately receive the benefit of the contract is dependent upon the relevant counterparty complying with its contractual obligations. To the extent that such counterparties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms. Most oil field operations are administered between the joint interest parties under a joint operating agreement (**JOA**) and this contract included remedies for non-performance of either party.

(n) Litigation risk

Legal proceedings may also arise from time to time in the course of the Company's business. The Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently the subject of any legal proceedings which would adversely affect the Company's operations, financial performance or financial position.

6.3 General Risks

(a) Share market conditions

The value of Shares quoted on ASX will be subject to varied and often unpredictable influences on the market for equities and particularly for speculative stocks such as the Company's. It is important to recognise that share prices may fall as well as rise, and the Company's Shares may trade below or above the issue price. The price of the Company's Shares, when quoted on the ASX, will be influenced by international and domestic factors as well as general equity market fluctuations. Should these produce a negative effect on the Share price, this may also affect the Company's ability to raise capital.

(b) Dividends

There is no guarantee as to future earnings of the Company or that the Company will be profitable and there is no guarantee that the Company will be in a financial position to pay dividends. At the time of the issue of this Prospectus, the Directors do not anticipate

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that any dividend will be declared in respect of the current financial year and no dividends are anticipated to be declared for the foreseeable future.

(c) Dilution risk

The Company may require further financing in the future in addition to the amounts being raised under the Offer. If any additional funds are raised through the issue of further Shares, Shareholders voting and relevant interest in the Company may be diluted if they do not participate in the offer.

(d) Liquidity

As with all securities listed on ASX, there can be no guarantee that an active market in Shares will develop over and above its current levels. There may be relatively few or many potential buyers or sellers of Shares on ASX at any given time. This may increase the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the Offer Price.

(e) General economic conditions

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation have an impact on operating costs, commodity prices, and the parameters in which the Company operates. Factors that may be beyond the control of the Company include:

- (1) general economic conditions in Australia and the United States and their trading partners and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;
- (2) financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- (3) insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- (4) industrial disputes.

These as well as other conditions can affect the Company's future revenues and profitability and the price of its securities.

(f) Changes in Government policies and laws

Changes in government laws, regulations, policies and administrative regimes, particularly those affecting ownership of oil and gas interests, taxation, royalties, land access, labour relations, environmental pollution and exploration activities, may adversely affect the financial performance or the current and proposed operations generally of the Company. These changes may increase operating costs and may have a material adverse effect on the Company.

(g) Industrial risk

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

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(h) Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its Shares.

6.4 Speculative nature of investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. Factors including costs, equipment availability and oil prices affect successful project development as does the design and construction of efficient exploration facilities, competent operation and management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced consultants. In particular, changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in Australian and overseas equity markets may affect the Company's operations and particularly the trading price of the New Shares on the ASX. The New Shares offered under this Prospectus should be considered speculative in nature and investors should be aware that they may lose some or all of the value of their investment.

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7. Additional information

7.1 Transaction specific prospectus

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements. The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Shares.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

7.2 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any Shareholder who asks for a copy of the document before the Closing Date:

- (a) the Company's annual financial report for the period ended 31 December 2016; and
- (b) any continuous disclosure notices given by the Company to ASX in the period since the release of the Company's last annual financial report on 3 April 2017 and before the lodgement of this Prospectus, being the following documents:

ASX Announcement	Date
Results of Annual General Meeting	23 May 2017
Oden A#2 Well – 25%WI	16 May 2017
Oil and Gas Production Update	15 May 2017

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ASX Announcement	Date
Appendix 3Y – 5 Directors	3 May 2017
Quarterly Activities Report	1 May 2017
Quarterly Cashflow Report	1 May 2017
Notice of Annual General Meeting/Proxy Form	24 April 2017
White Hat 20#02 – 200 BOPD – Strawn Formation	19 April 2017
Results of General Meeting	12 April 2017

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.winchesterenergy.com.

7.3 Share price information

The highest and lowest closing market sale prices for Shares quoted on ASX in the six month period before the date of this Prospectus were as follows:

(a) Highest

\$0.11 on 3 January 2017.

(b) Lowest

\$0.068 on 22 November 2016 and 25 November 2016.

The closing market sale price of Shares quoted on ASX on the last day that trading took place in the Shares prior to the lodgement of this Prospectus was \$0.08 on Thursday 25 May 2017.

The Offer Price of New Shares under the Offer is \$0.09 each. The Offer Price represents a 12.5% premium to the closing price on Thursday 25 May 2017 which was the day prior to lodgement of the Prospectus with ASIC.

7.4 Constitution

The Company's Constitution is in a form common to ASX listed public companies in Australia. The Company will provide a copy of the Constitution to any Shareholder upon request, free of charge.

7.5 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) **Voting**

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every

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member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) **Dividends**

The New Shares will rank equally with all other issued shares in the capital of the Company and will participate in dividends out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any special, preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) **Transfer of Shares**

(1) **Uncertificated system**

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in accordance with the Securities Clearing House Business Rules approved under the Corporations Act or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the Corporations Act or the ASX Listing Rules.

(2) **Certificated system**

Subject to the Constitution and the Corporations Act, a Shareholder's Share may be transferred by instrument in writing in any form authorised by the Corporations Act and the ASX Listing Rules or in any other form authorised by the Corporations Act and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) **Acceptance of transfer**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(d) **Winding up**

Upon accepting the Entitlement to New Shares and paying the Acceptance Monies, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

(e) **Future increases in capital**

The allotment and issue of any new Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the Corporations Act, the Directors may allot or otherwise dispose of new Shares on such terms and conditions as they see fit.

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(f) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of 75% of the holders of the issued shares of that class, or if authorised by an ordinary resolution passed at a separate meeting of the holders of the shares of that class.

(g) **General Meeting**

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

For more particular details of the rights attaching to ordinary shares in the Company, investors should refer to the Constitution of the Company.

7.6 **Directors' interests**

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last 2 years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion; or
 - (2) the Offer; or
- (c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a director in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Offer.

Set out below are details of the interest of the Directors in the Shares, Options and Convertible Milestone Notes of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those Shares, Options and Convertible Milestone Notes held directly and indirectly. The table does not take into account any New Shares the Directors may acquire under the Offer.

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Director	Shares	Options	Class A Convertible Milestone Notes ⁶	Class B Convertible Milestone Notes ⁶	Class B Convertible Milestone Notes ⁶
Neville Henry	5,321,787	8,777,759 ¹	1,959	3,918	5,877
Peter Allchurch	12,278,994	4,576,828 ²	1,981	3,962	5,943
John D. Kenny	11,718,994	6,016,828 ³	1,666	3,332	4,998
James Hodges	900,000	500,000 ⁴	Nil	Nil	Nil
Larry Liu	56,114,986	5,128,099 ⁵	330	660	990

Notes:

¹ 3,777,759 Options are exercisable at \$0.25 on or before 30 April 2019. 5,000,000 Options are exercisable at \$0.12 on or before 31 January 2022.

² 4,076,828 Options are exercisable at \$0.25 on or before 30 April 2019. 500,000 Options are exercisable at \$0.12 on or before 31 January 2022.

³ 3,516,828 Options are exercisable at \$0.25 on or before 30 April 2019. 2,500,000 Options are exercisable at \$0.12 on or before 31 January 2022.

⁴ 500,000 Options are exercisable at \$0.12 on or before 31 January 2022.

⁵ 4,628,099 Options are exercisable at \$0.25 on or before 30 April 2019. 500,000 Options are exercisable at \$0.12 on or before 31 January 2022.

⁶ Refer to Note 16 on page 41 of the Company's Annual Report for the Year Ending 31 December 2016 released to ASX on 3 April 2017 for the full terms and conditions of all the Class A, B and C Convertible Milestone Notes on issue.

7.7 Directors' fees

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$1,000,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

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The following table shows the total annual remuneration and emoluments from the Company for the previous financial year and the remuneration and emoluments for the current financial year paid to both executive and non-executive directors who are currently Directors as at the date of this Prospectus.

Related Party	Current Financial Year (12 months Ending on 31 December 2017)	Previous Financial Year (12 months Ending on 31 December 2016)
Neville Henry	A\$300,000	A\$300,000
Peter Allchurch	A\$78,000	A\$78,000
John D. Kenny	A\$78,000	A\$78,000
James Hodges	A\$36,000	A\$36,000
Larry Liu	A\$36,000	A\$36,000

Details of the intention of the Directors to participate in the Offer are set out in Section 1.7 of this Prospectus.

7.8 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements;
- (b) rental agreements; and
- (c) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arm's length" basis or reasonable remuneration basis.

7.9 Litigation

The Company is currently not engaged in any litigation of any kind.

7.10 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers to the Offer (collectively, **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two (2) years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of New Shares under this Prospectus.

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Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) offer of New Shares under this Prospectus.

Steinepreis Paganin are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In respect of this work, the Company estimates that it will pay approximately \$10,000 (excluding disbursements and GST) to Steinepreis Paganin. Steinepreis Paganin are also engaged from time to time by the Company on a variety of legal matters. Further amounts may be paid to Steinepreis Paganin in accordance with its normal time based charges.

Bell Potter has been appointed Broker to the Shortfall Offer. Bell Potter will be paid a fee of \$50,000 and 6% (plus GST) in respect of funds raised by them from the placement of Shortfall Shares.

7.11 Subsequent events

There has not arisen, as at the date of this Prospectus, any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

7.12 Privacy

By submitting an Entitlement and Acceptance Form for New Shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Automic Registry Services, an external service provider. The Company requires Automic Registry Services to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;

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- (d) to other members in the Company's group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Automic Registry Services, except in limited circumstances. If you wish to access, update or correct your personal information held by Automic Registry Services or by the Company please contact us.

If you have any questions concerning how the Company handles your personal information please contact the Company.

7.13 Expenses of the Offer

The expenses which are payable by the Company in respect of preparing and distributing this Prospectus and in respect of the Offer are estimated to be approximately as follows:

Item	\$
ASIC fees	2,350
ASX quotation fees	13,020
Legal fees	10,000
Printing and despatch	5,000
Share registry fees	5,000
Estimated Broking Fees for Placing Shortfall Shares	145,406
Miscellaneous	4,224
Total	\$185,000

7.14 Consents and disclaimers

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the New Shares), the Directors, any persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

Steinepreis Paganin has given and has not withdrawn its consent to be named in this Prospectus as lawyers to the Company with respect to the Offer in the form and context in which it is named. To the maximum extent permitted by law, it takes no responsibility for any part of the Prospectus other than references to its name.

BDO Audit (WA) Pty Ltd has given and has not withdrawn its consent to be named in this Prospectus as auditors of the Company in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Prospectus

Automic Registry Services has given and, at the date of this Prospectus, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. To the maximum extent permitted by law, it takes no responsibility for any part of the Prospectus other than references to its name.

Bell Potter Securities Limited has given and, at the date of this Prospectus, has not withdrawn, its written consent to be named as Broker to the Shortfall Offer in the form and context in which it is named. To the maximum extent permitted by law, it takes no responsibility for any part of the Prospectus other than references to its name.

For personal use only

Prospectus

8. Directors' statement

This Prospectus is dated Friday 26 May 2017 and is issued by the Company.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquires and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to investors or their professional advisors. Each of the Directors has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Signed on behalf of the Company by:

Mr John Kenny
Director

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9. Definitions & glossary

Terms and abbreviations used in this Prospectus have the following meaning:

\$ or A\$	Australian Dollars
Acceptance Monies	Offer Price multiplied by the number of New Shares accepted under an Entitlement or for Shortfall Shares
Additional Shares	New Shares in excess of an Eligible Shareholder's Entitlement
Applicant	A person who submits an Entitlement and Acceptance Form for New Shares or applies for Shortfall Shares
ASIC	Australian Securities & Investments Commission
ASX	The Australian Securities Exchange operated by ASX Limited ACN 008 624 691
ASX Listing Rules	The listing rules of the ASX
Bell Potter	Bell Potter Securities Limited
bo	barrels of oil
bopd	barrels of oil per day
boepd	barrels of oil equivalent per day
Board	The board of directors of the Company
Broker to the Shortfall Offer	Bell Potter
Business Day	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Perth, Western Australia.
CEGX	Carl E Gungoll Exploration LLC
Closing Date	The date by which valid acceptances must be received by the Company being 5.00pm (Perth time) 16 June 2017, or such other date determined by the Board
Company or Winchester	Winchester Energy Limited ACN 168 586 445
Constitution	The constitution of the Company
Corporations Act	The <i>Corporations Act</i> 2001 (Cth)
Director	A Director of the Company
Eligible Shareholder	A Shareholder of the Company (other than an Ineligible Shareholder) that holds Shares on the Record Date
Entitlement	The entitlement of a Shareholder to accept New Shares under this Prospectus

Prospectus

Entitlement and Acceptance Form	An entitlement and acceptance form in the form accompanying this Prospectus
EUR	expected ultimate recovery
Group	The Company and each of its wholly owned subsidiaries
Ineligible Shareholder	A Shareholder of the Company having a registered address outside Australia and New Zealand
IP	initial production
JOA	joint operating agreement
New Shares	The new Shares offered under this Prospectus
Offer	The offer and issue of the New Shares under this Prospectus as set out in Section 1.1 of this Prospectus
Offer Price	\$0.09 for each New Share applied for under the Rights Issue
Official List	The official list of ASX
Official Quotation	Quotation of securities on the Official List
Opening Date	9.00am (Perth time) on 6 June 2017
Option	An option to subscribe for a Share and Options has a corresponding meaning
Optionholder	A holder of an Option
Perth time	Western standard time, as observed in Perth, Western Australia
Prospectus	This prospectus dated Friday 26 May 2017 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
Record Date	5.00pm (Perth time) on Thursday 1 June 2017
Register	The register of Shareholders and Optionholders of the Company
Rights Issue	a non-renounceable rights issue of one (1) New Share for every four (4) Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.09 each per New Share to raise approximately \$4,846,875 (before costs)
Section	A section of this Prospectus.
Securities	Shares and Options
Share	An ordinary fully paid shares in the capital of the Company and Shares has a corresponding meaning
Shareholder	A holder of a Share

Prospectus

Share Registry

Automatic Registry Services

Shortfall or Shortfall Shares

Any New Shares not subscribed for by Eligible Shareholders under the Rights Issue

Shortfall Offer

The offer of the Shortfall Shares

US\$

United States of America Dollars

U.S. Securities Act

The U.S. Securities Act of 1933

WI

working interest

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Prospectus

10. Corporate Directory

Directors

Mr Peter Allchurch
Mr Neville Henry
Mr James Hodges
Mr John D. Kenny
Mr Larry Liu

Company Secretary

Mr Nicholas Calder

Registered Office

Level 3, 18 Richardson Street
West Perth WA 6005 Australia

Telephone: +61 1300 133 921
Facsimile: +618 6298 6191
Email: admin@winchesterenergytld.com
Website: www.winchesterenergytld.com

Principal place of business

Level 3, 18 Richardson Street
West Perth WA 6005 Australia

USA Office

17th Floor, Two Riverway, Suite 1700
Houston, Texas USA 77056

Share register

Automic Registry Services
Level 2, 267 St George's Terrace
Perth WA 6000 Australia
Postal Address: PO Box 2226
Strawberry Hills, NSW 2012 Australia

Telephone: +61 8 9324 2099
Facsimile: +61 2 8583 3040

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008 Australia

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000 Australia