

Investor Presentation – Good Oil Conference Perth

Please find attached the Investor Presentation being presented by the Company's newly appointed Chairman, Mr John Kopcheff, at the Good Oil Conference in Perth on Wednesday and Thursday of this week.

—ENDS—

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Date: 13 September 2017

ASX Code: WEL

Directors

John Kopcheff
Non-Executive Chairman

Neville Henry
Managing Director

Peter Allchurch
Non-Executive Director

James Hodges
Non-Executive Director

John D Kenny
Non-Executive Director

Larry Liu
Non-Executive Director

Nicholas Calder
Company Secretary

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WINCHESTER

ENERGY LTD

Oil Production & Development ASX code: WEL

Permian Basin - Texas - USA

"Australian junior taking on the Permian heavyweights" RGN 2017





Investment Highlights

- ▶ Single focus on Permian Basin, Texas, most profitable basin in USA
- ▶ Large acreage position with high working interest and low royalties
- ▶ Growing low risk and low cost oil production, very profitable at current oil prices. **Highly leveraged to oil price rises. NO DEBT**
- ▶ Houston based development and production operations office
- ▶ Significant upside development & production potential using the latest geophysical, drilling and completion methods. **Short radius multi-lateral drilling** in progress increases intersected oil pay length by twenty (20) times & is expected to generate multiples of vertical well production rates
- ▶ Potential Ellenburger target resource of gross 15 million bbls across interpreted 40sq km trap with successful development drilling
- ▶ Active drilling program to increase share price by building daily oil production and successfully drilling up interpreted oil resource.



Experienced Board

Experienced Founders, Board and Management

- ▶ Board of WEL has a combined 170 years of successful experience in oil and gas discovery, development and production in the USA and many other parts of the world.
- ▶ Key founders, directors and shareholders of WEL are Neville Henry (Houston based) and Peter Allchurch (Perth based), two highly experienced and successful oil men both involved in the discovery of unconventional oil from the Eagle Ford Shale in Texas, USA.
- ▶ WEL is the ASX public company that Peter Allchurch and Neville Henry have founded for their exposure to and participation in the Ellenburger + Strawn + Canyon Conventional plus Cline and Barnett Resource oil plays located in the Eastern Shelf of the Permian Basin in Texas, USA.
- ▶ They are seeking to replicate their success in the Eagle Ford Shale, which occurred via their involvement with and shareholding in Aurora Oil & Gas (ASX Code: AUT) and Eureka Energy Ltd (ASX Code: EKA), with WEL in the Ellenburger + Strawn + Canyon Conventional plus Cline and Barnett Resource oil plays.



Experienced Board

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

John Kopcheff
(Non-Executive Chairman)

John Kopcheff is a geologist and geophysicist with 45 years of experience in Australia, South East Asia, USA, South America and the North Sea in oil exploration, production, oil field operations and management. Mr. Kopcheff founded ASX listed public company Victoria Petroleum N.L. (now Senex Energy Ltd) and held the position of Managing Director for 26 years from 1984 to 2010 where he successfully pioneered oil exploration and production on the western margin of the South Australian Cooper Basin. Under his stewardship, Victoria Petroleum discovered proved, probable and possible net oil reserves of 20 million bbls. During that time Victoria Petroleum increased its ASX market cap from \$10 million at IPO to \$162 million at his retirement.

Neville Henry
(Managing Director)

Geologist based in Houston, Texas with 43 years in the worldwide oil and gas industry. He has directly led oil exploration teams responsible for oil and gas discoveries across 6 basins and over 4 countries for total discovered reserves of more than 4 billion barrels of oil. Worked for Anadarko for 12 years most notably as International Exploration Manager and Worldwide Business Development Manager and over this 12 year period was part of the core team that built this non-US oil production business from 25,000 bopd to 400,000 bopd. Neville has extensive operational experience in Texas and the USA in general.

Peter Allchurch
(Non-Executive Director)

Geologist and Resource Venture Capitalist with 50 years' experience in Mineral and Petroleum Exploration, Development and Production. Has founded or co-founded a number of successful ASX listed companies in the oil and gas and mineral sectors including Cape Range Oil, Amity Oil, Aurora Oil & Gas Ltd and Eureka Energy Ltd (both in the Eagle Ford Shale in Texas).

James Hodges
(Non-Executive Director)

Engineer based in Texas with more than 42 years of oil field experience having drilled and/or completed oil, high-pressure gas, saltwater disposal, injection, water source, hazardous waste injection and geothermal wells in Texas and Louisiana in reservoirs from sand to carbonates. As owner of Hodges Engineering, Inc. Mr. Hodges is currently active in exploration and production in Texas and he provides engineering consulting services to the energy, financial and environmental industries.

John D. Kenny
(Non-Executive Director)

Mr Kenny is a lawyer by profession. Through his practise of corporate and mining law and investment banking he has advised a number of ASX listed public companies in the areas of equity and debt finance. Mr Kenny has been a venture capital investor in several ASX mining floats. He has been a director of a number of ASX listed public companies.

Larry Liu
(Non-Executive Director)

Mr Liu is associated with Mr Yang Xiangyang who owns 25.62% of WEL. He previously served in various leadership positions for General Electric (GE). He is now a professional investor.

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Houston, Texas based Management

WEL has Houston, Texas based senior management with the skills required to develop WEL's oil and gas assets in Texas and deliver shareholder value.

Neville Henry
(Managing Director)

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Hugh Idstein
(Chief Financial Officer)

Hugh Idstein is a senior financial executive with extensive experience in the energy industry. He has served as CFO for several E&P companies, both private and public, in both Houston and Dallas. He has in-depth experience and knowledge of all aspects of the financial and accounting functions of the oil exploration business and has been responsible for IT, Investor Relations, Human Resources, Risk Management and Strategic Planning in those E&P businesses. Hugh holds an MBA from Eastern Illinois University, a Bachelor's in Energy Management from Eastern Illinois University and has completed Management Programs at Thunderbird University, Wharton School of Business and Harvard Business School in areas including sourcing, people development and management process improvement.

Austin Gard
(Operations Manager)

Austin Gard is a Petroleum Engineer who has extensive experience in all aspects of drilling, completion and production operations and oil field management in the Permian Basin, Texas, USA. In addition to his petroleum engineering duties, Austin Gard is also focused on optimizing production from well bores that are underperforming due to lack of investment or interest by previous owners through modern engineering and geologic interpretations and principals.

James Hodges
(Non-Executive Director)

Engineer based in Texas with more than 43 years of oil field experience having drilled and/or completed oil, high-pressure gas, saltwater disposal, injection, water source, hazardous waste injection and geothermal wells in Texas and Louisiana in reservoirs from sand to carbonates. As owner of Hodges Engineering, Inc. Mr. Hodges is currently active in exploration and production in Texas and he provides engineering consulting services to the energy, financial and environmental industries.

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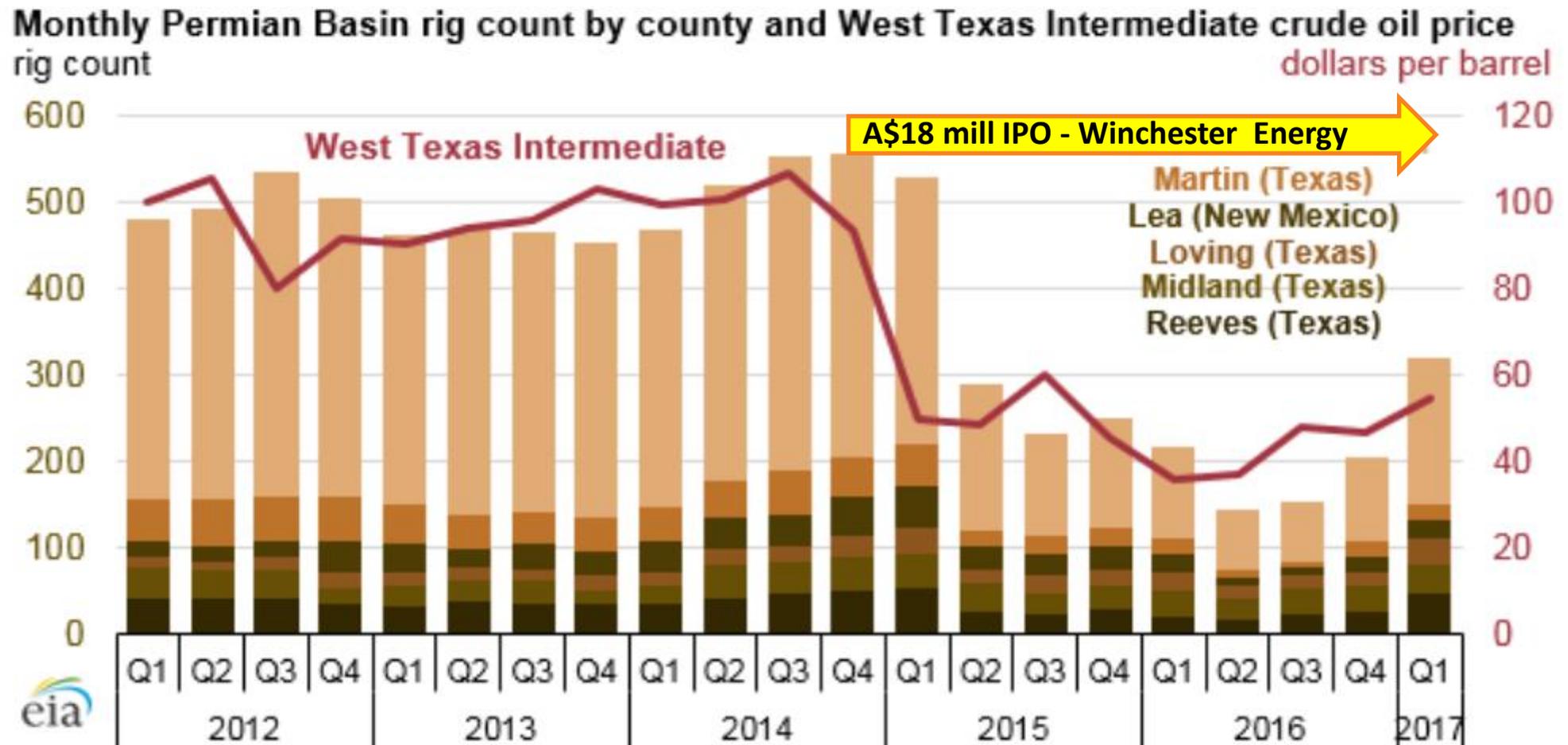


Capital Structure

Cash	A\$2.9M
Total shares on issue	244,691,332
Total options on issue	44,000,000
Debt	Nil
Market capitalisation @ A\$0.08/share	A\$19.6M
Enterprise Value of the Company's assets	A\$16.7M
Founders, Board and Management (% Ownership)	48%

How was Winchester able to build an acreage position in the Permian Basin?

WEL listed in late 2014 and has acquired acreage during the “down” years

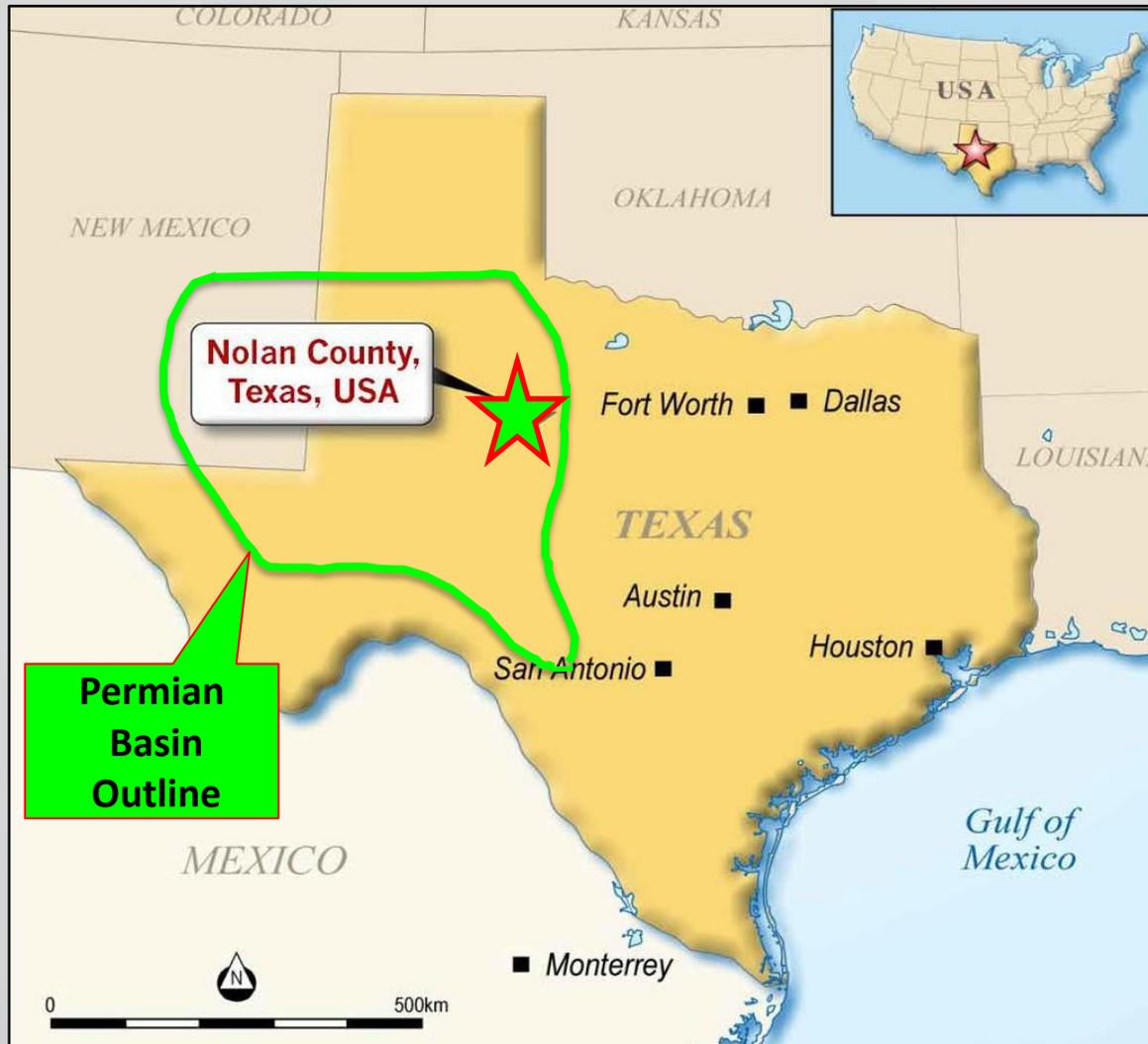


Source: U.S. Energy Information Administration, based on Baker Hughes

Permian Basin - Texas USA

Net 78 sq kms (19,210 Acres)

Winchester's 19,210 net acres are located in Nolan County, Texas in the Permian Basin which is currently the best oil address in the world outside of the Middle East – second largest oil field after Ghawar. Forbes 2017



PERMIAN BASIN

- Total oil and gas production to date: **30 billion bbls & 75TCF**
- Daily oil & gas production now: **2.5 mill bbls/d & 8.6 bcf/d**
- **25% of US oil production now**

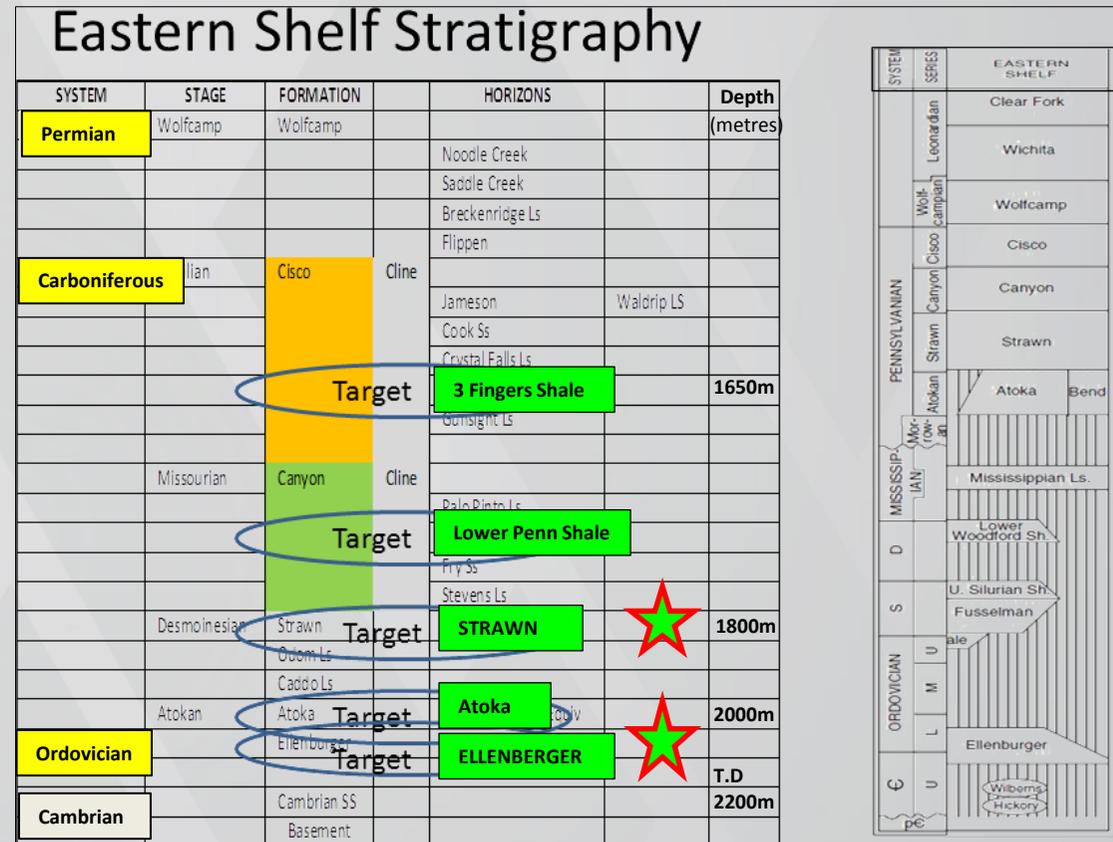
EIA 7/2017



Why be in the Permian Basin? Stacked proven Oil Targets!

A number of distinct potential oil pay zones have been targeted by Winchester on its 19,210 net acres. Current development focus is on the Ellenburger and Strawn conventional oil horizons

- ▶ **Upper Cline (“3 Fingers Shale”)
(Unconventional)**
 - ▶ Blanket resource play.
 - ▶ Present on all of WEL’s 19,210 net acres.
- ▶ **Lower Cline (“Lower Penn Shale”)
(Unconventional)**
 - ▶ Equal to if not superior to the “3 Fingers Shale” on sample data.
 - ▶ Present on all of WEL’s 19,210 net acres.
 - ▶ Over 5 mill barrels produced in Nolan County.
- ▶ **Strawn (Conventional)**
 - ▶ Prolific producing interval.
 - ▶ Over 70 mill barrels produced in Nolan County.
- ▶ **Barnett Shale Equivalent (Atoka)
(Unconventional)**
 - ▶ Equal to if not superior to the “3 Fingers Shale” on sample data.
 - ▶ Present on all of WEL’s 19,210 net acres.
- ▶ **Ellenburger (Conventional)**
 - ▶ Excellent conventional prospect.
 - ▶ Over 30 mill barrels produced in Nolan County.

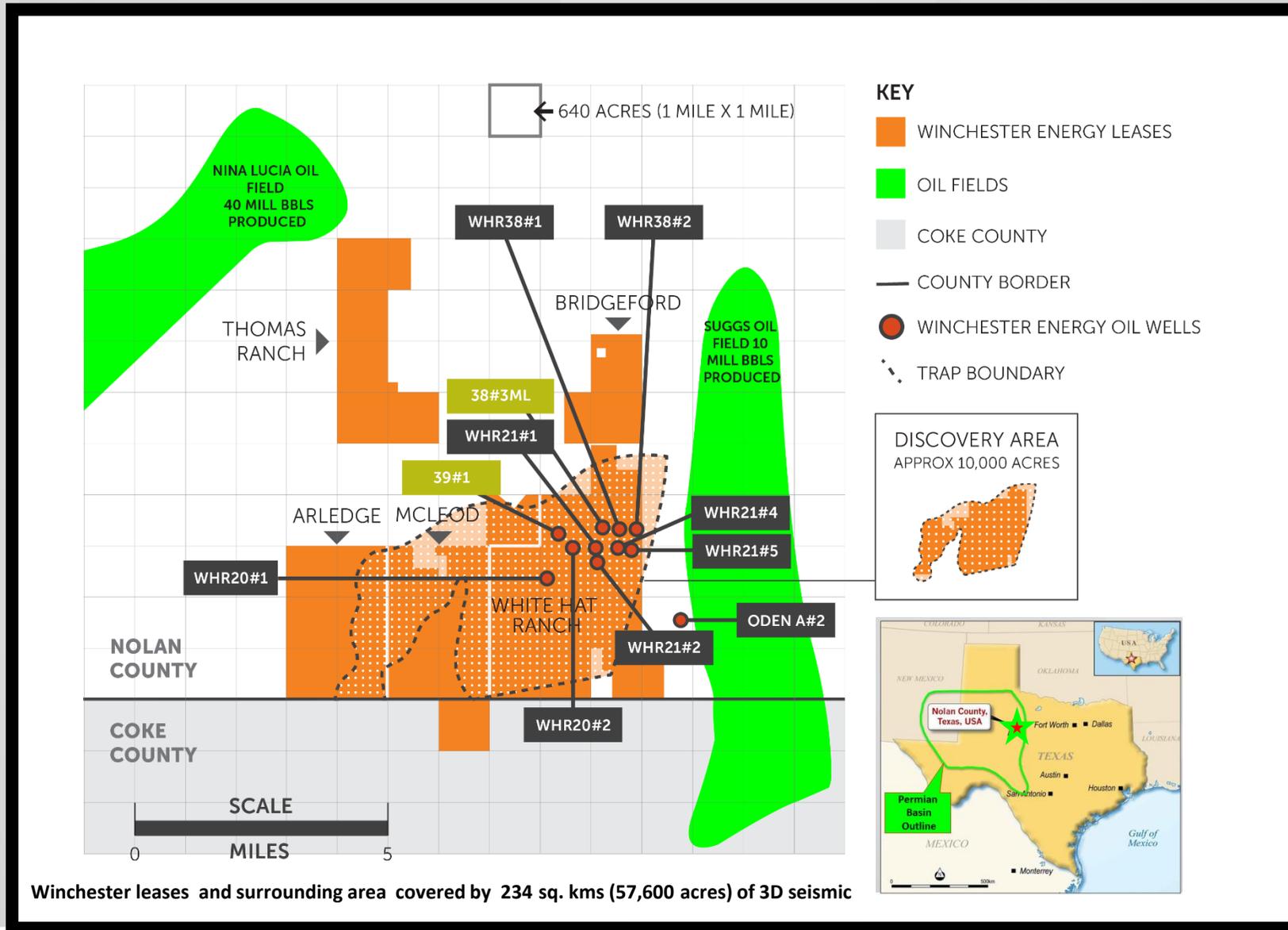


Source: Ralph E Davis and Assoc 2014

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40 sq. km (10,000 acres) Potential Oil Trap Ellenburger carbonate formation

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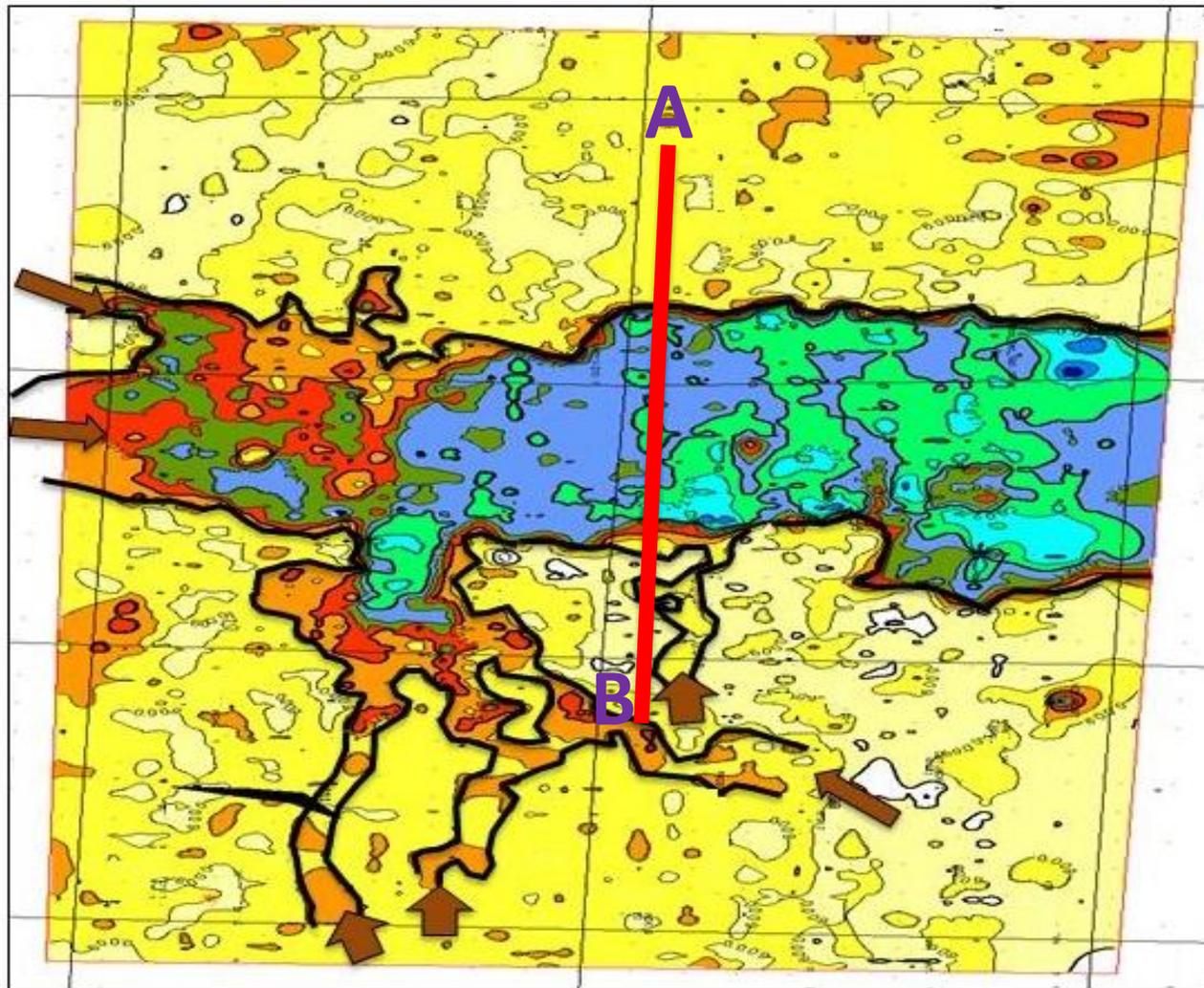
Potential Ellenburger Oil Resources

- ▶ Potential from 125 drill locations (40 acre spacing) of resource target of gross 15 million bbls recovered over interpreted 40 sq kms (10,000 acre) oil trap in the Ellenburger Formation only, based on 3D seismic, well data from current 8 producing vertical oil wells & old nearby vertical wells. (Adjacent Suggs Field has produced 10 million bbls oil)
- ▶ Potential gross resource of 15 million bbls from 125 drill locations:
 - ▶ - 25 vertical well locations over 4 sq kms (1,000 acres) of high potential reservoir. Target IP 200 bopd with EUR of 200,000 bbls oil per vertical well for interpreted recovered resource of gross 5 mill bbls oil.
 - ▶ -100 vertical well locations over 16 sq kms (4,000 acres) of interpreted medium potential reservoir. Target IP 100 bopd with EUR of 100,000 bbls oil per vertical well for interpreted recovered resource of gross 10 mill bbls oil.
- ▶ Winchester owns 75% of the White Hat lease and 100% of both the Arledge and McLeod leases. These 3 leases cover the interpreted oil trap.

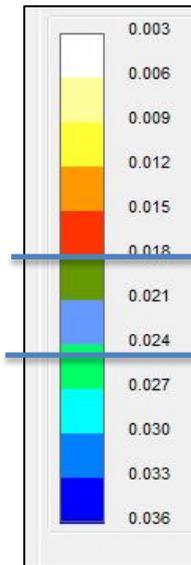
Undrilled Stratigraphic trap potential

Strawn 'channel sand' anomaly interpretation from 3D Inversion Volume covers 8.1 sq. kms (2,000 acres)

Strawn wells lateral to channel produce oil!



Thickness



20 metres

Channel boundaries



'Sand' entry points to Channel

Eastern Shelf Stratigraphy

SYSTEM	STAGE	FORMATION	HORIZONS
Permian	Wolfcamp	Wolfcamp	Nicole Creek
			Saddle Creek
			Breckenridge Ls
			Flippen
Pennsylvanian	Virgilian	Coco	Cline
			Jameston
			Cook St
			Coastal Falls Ls
			3 Fingers Shale
Missourian	Canyon	Cline	Lower Penn Shale
			Target
			Target
Desmoinesian	Strawn	Target	STRAWN
			Target
			Target
Atokan	Atoka	Target	Atoka
			Target
Ordovician	Ellenberg	Target	ELLENBERGER
			Target
Cambrian		Cambrian SS	
Precambrian		Basement	

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SCALE



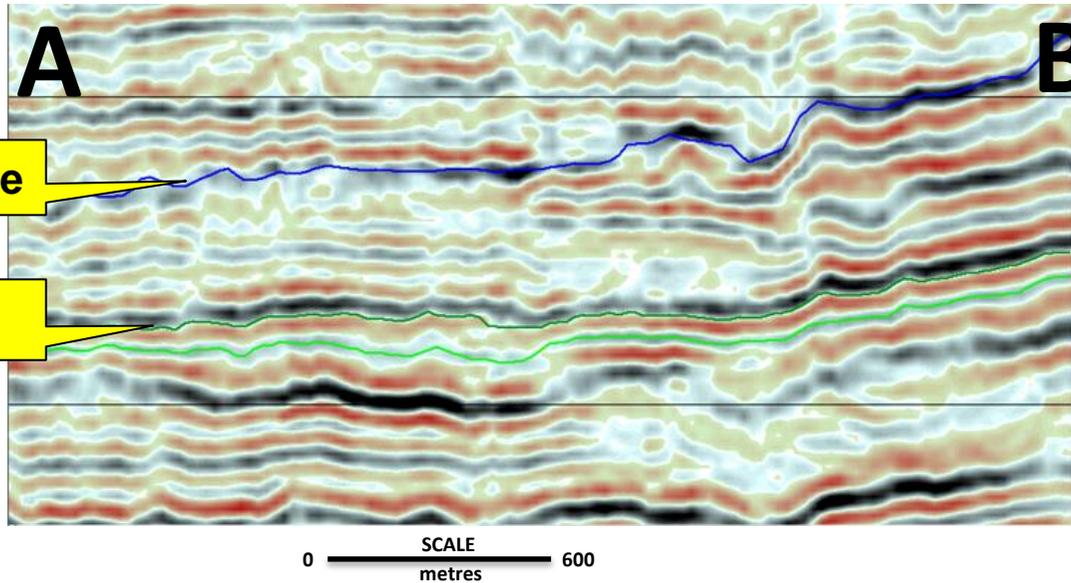
Slide 12

Undrilled Stratigraphic trap potential

Winchester Energy LTD

3D Seismic pre and post inversion showing Isochron thick Strawn feature

Original 3D seismic line

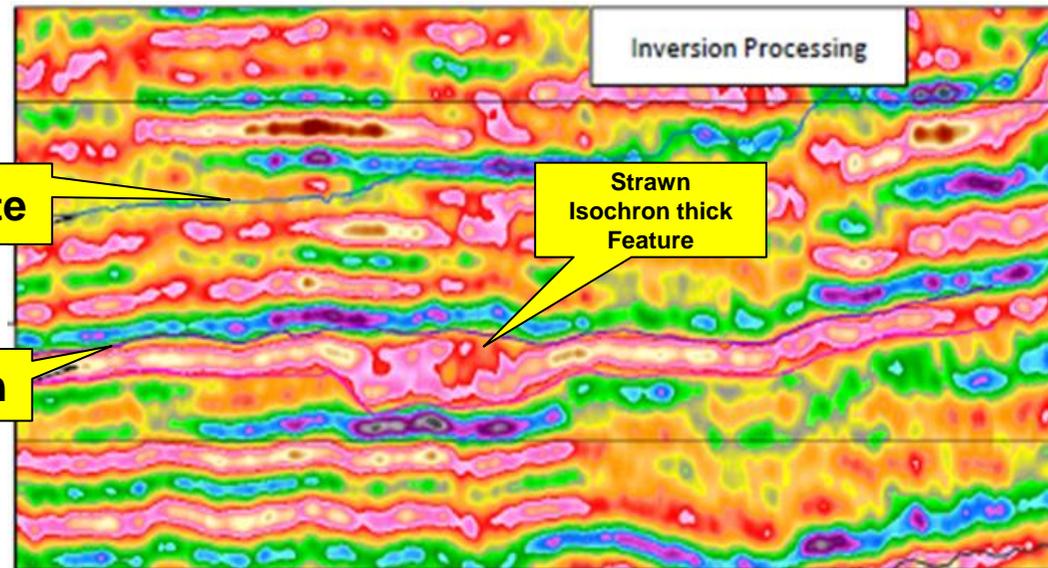


Top Penn Carbonate

Strawn

SCALE
0 metres 600

Re-processed 3D seismic inversion line



Top Penn Carbonate

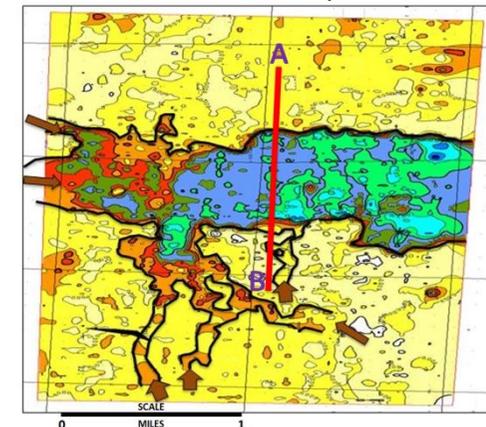
Strawn

Inversion Processing

Strawn
Isochron thick
Feature

For the interpreted mapped feature:
Area: 8 sq. kms
Ave Thickness: 10 m
Depth: 1800 m
Assume: 100 bbl/ac ft
**Potential resource:
6 mill bbls recovered**

Line location Map



SCALE
0 MILES 1

Overview of production & well economics

- ▶ 8 producing vertical oil wells on White Hat Ranch. Gross oil production 462 bopd. 49 deg API oil with associated gas. Net 224 bopd and 125 mcf/d
- ▶ For 100 bopd IP vertical well recovering 100,000 BO with WTI US\$45/bbl & US\$2.75/mcf flat pricing, well and completion costs pay out in 12 months
- ▶ NPV10 of US\$1.23 million with Internal Rate of Return (IRR) of 79% at WTI US\$45/bbl flat
- ▶ Very low cost of production of US\$8/bbl reduced further as associated condensate rich gas sales pay for major part of onsite production costs.
- ▶ Low cost of US\$800,000 for vertical wells to 2300 metres, drilled, completed and on production.
- ▶ Multi-lateral wells twice cost vertical well, expose up to 20 times potential reservoir length of vertical well with multiples of production possible.
- ▶ Production cash flow & profits significantly leveraged to any rise in oil price



Excellent Vertical Well Economics

- ▶ Permian Basin is a low cost/low breakeven oil and gas basin. Low cost vertical wells: only US\$800,000 to drill and complete.
- ▶ Excellent well economics at today's low oil price:
 - ▶ 79% pre-tax IRR for 100 BO IP recovering 100,000 BO with US\$45 flat pricing.
 - ▶ 106% pre-tax IRR for 100 BO IP recovering 100,000 BO with US\$55 flat pricing.
 - ▶ 134% pre-tax IRR for 100 BO IP recovering 100,000 BO with US\$65 flat pricing.
- ▶ Oil royalties of 23.5% (White Hat lease) and 20% (Arledge and McCleod leases).
- ▶ Continuous drilling lease terms. 1 vertical well per year maintains the 3 leases in perpetuity.
- ▶ 40 acres spacing for vertical wells. 125 potential vertical well locations over the interpreted best quality reservoir (5,000 acres) in the trap area.



8 Producing Vertical Oil Wells

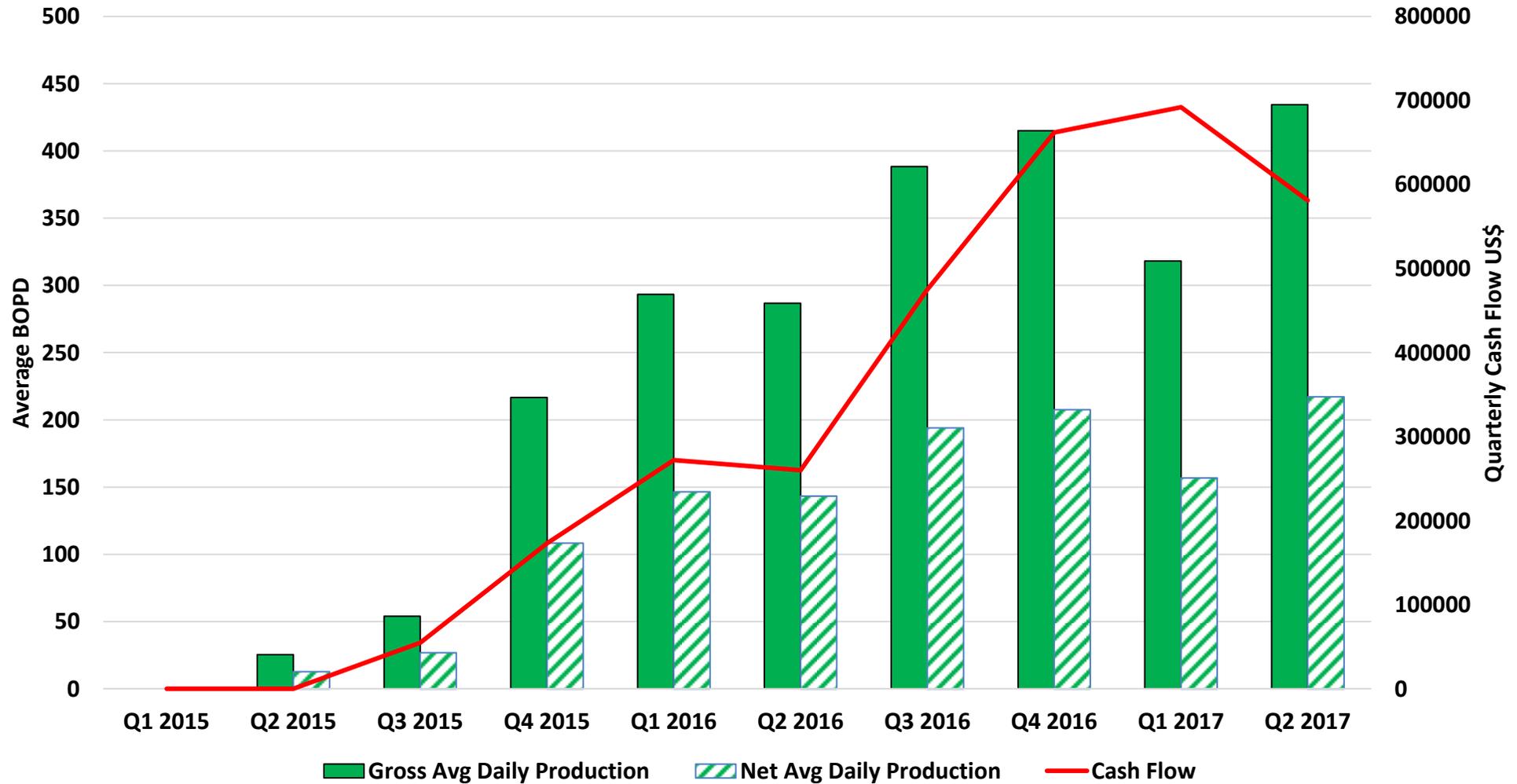
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Gross Oil Production June 2017 Quarter			
Oil Well	Average Gross Oil Production Per Day	WEL's WI %	Net Oil Production to WEL
White Hat 20#1	13 bopd	50%	6.5 bopd
White Hat 20#2	111 bopd	50%	55.5 bopd
White Hat 21 #1	61 bopd	50%	30.5 bopd
White Hat 21 #2	21 bopd	50%	10.5 bopd
White Hat 21 #4	192 bopd	50%	96 bopd
White Hat 38#2	23 bopd	50%	11.5 bopd
White Hat 21 #5	15 bopd	50%	7.5 bopd
Oden A#2	26 bopd	25%	6.5 bopd
TOTAL	462 bopd		224.5 bopd



Growing Oil Production and Cash Flow

Gross & Net BOPD and Quarterly Cash Flow (US\$)



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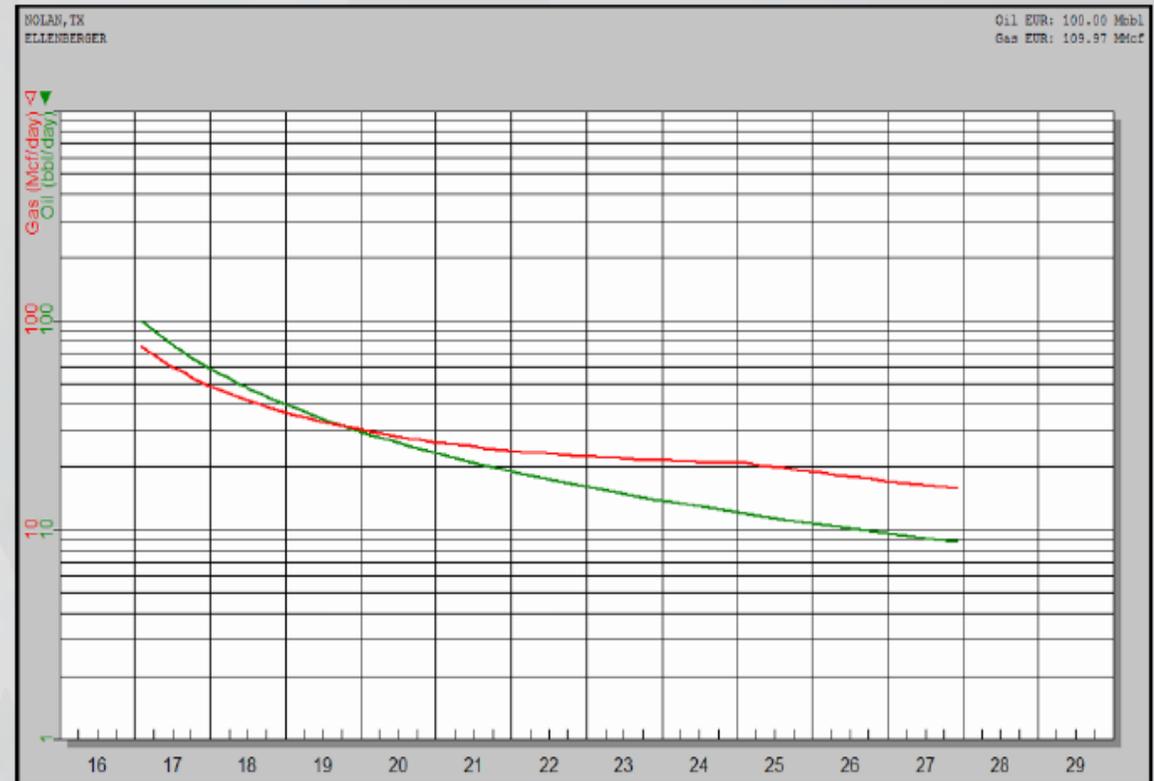


Vertical Well Economics - US \$45/bbl

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Economic Results:

- ▶ Undisc Cash Flow (\$): US\$1,825,230
- ▶ Disc Cash Flow @10% (\$): US\$1,227,470
- ▶ Return on Investment (Undisc): 3.2: 1
- ▶ Internal Rate of Return (IRR)(%): **79%**
- ▶ Initial Production (IP): 100 Bopd
- ▶ Capital Investment: US\$800,000
- ▶ Working Interest (%): 100%
- ▶ EUR (Bbls): 100,000
- ▶ Net Revenue Interest (%): 76.5%
- ▶ Years to Payout: 1.02
- ▶ Oil Price (Flat): US\$45 BO

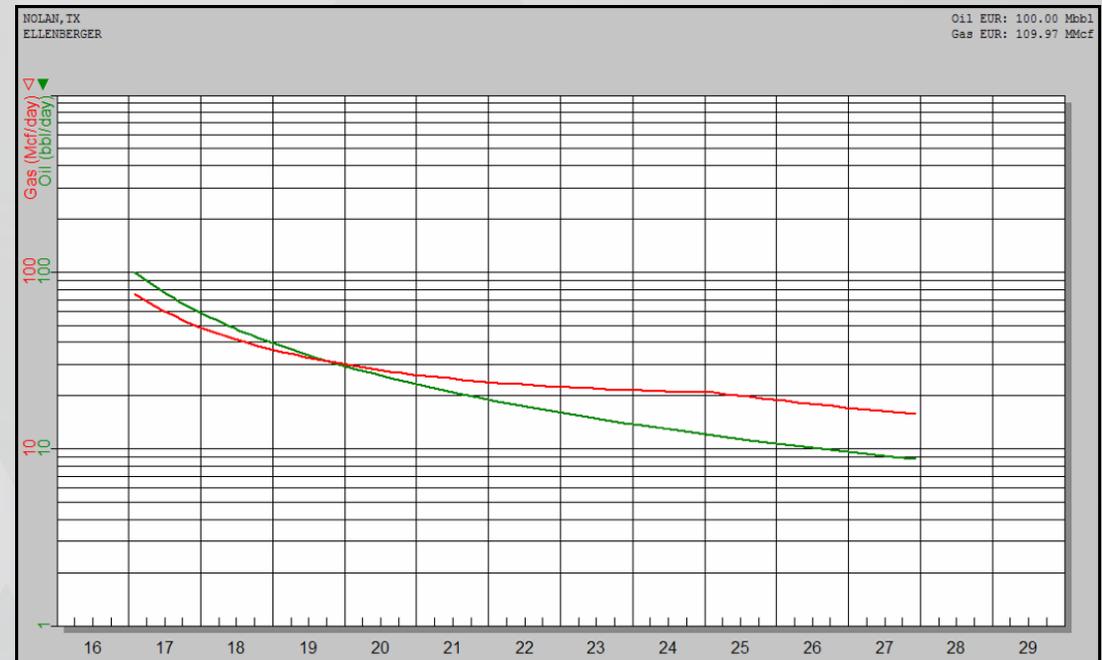




Vertical Well Economics - US \$55 BO

▶ Economic Results:

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

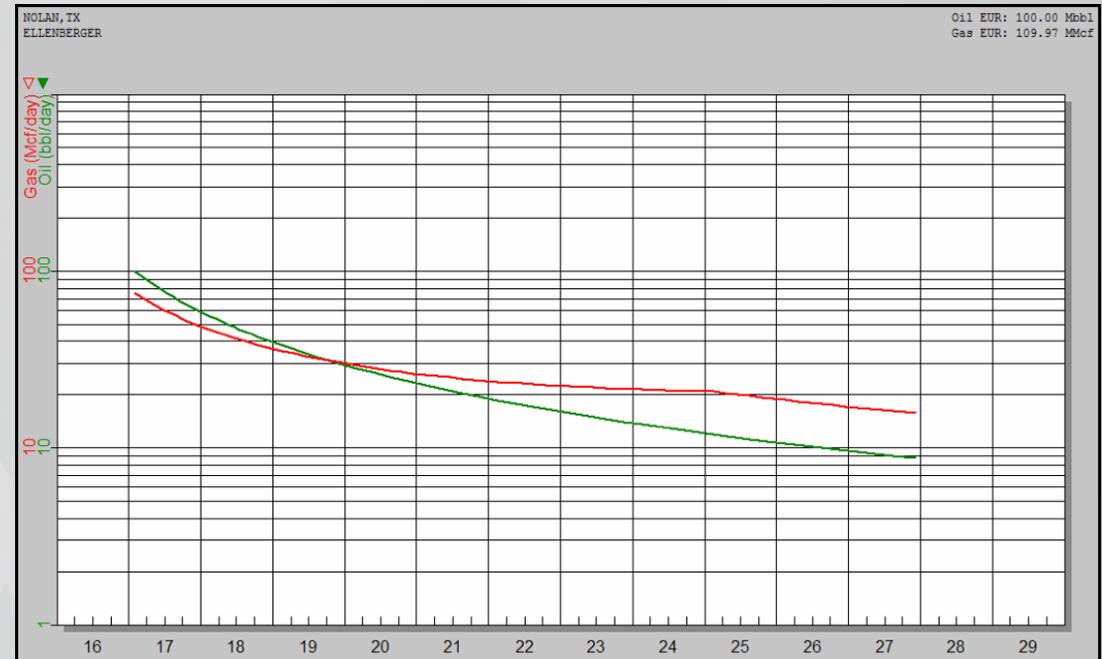




Vertical Well Economics - US \$65 BO

▶ Economic Results:

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





Overview of Winchester as Operator

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



Asset Values

- ▶ Gross oil production is 462 bopd with mild decline.
- ▶ Winchester values its current oil production at US\$50,000 per net flowing BOPD post royalty. $462 \text{ BOPD} \text{ minus } 23.5\% \text{ royalty} \times \text{US\$}50,000 = \text{US\$}17.6\text{m}$ (100%WI post royalty). This values Winchester's 50%WI in the 8 flowing vertical oil wells at US\$8.8m (A\$11.2m).
- ▶ Winchester has mapped an oil trap similar in size to the nearby Suggs Oil Field. Winchester believes its 10,000 acre trap will have similar variable reservoir characteristics to the Suggs Oil Field. 10,000,000 BO have been extracted to date from the Suggs Field (Ellenburger Formation oil field).
- ▶ Winchester values 1P reserves in the Permian Basin at current oil prices at US\$20 per BO. 1P reserves of 15,000,000 BO would have a value at current oil prices of US\$300,000,000.



How to Drive the current Share Price?

- ▶ Build daily oil production by successfully drilling up interpreted resource of 15 mill bbls in Ellenburger carbonate formation with active successful drilling program.
- ▶ Successfully drilling and bringing on production at average IP 100 bopd low risk and low cost vertical Ellenburger development wells on 40 acre spacing.
- ▶ Production, cash flow and reserves build up will be accelerated by lateral drilling success in Ellenburger formation.
- ▶ With exploration drilling success of interpreted Strawn stratigraphic “channel sand” trap overlying Ellenburger development oil horizon.
- ▶ Finance from free cash flow an ongoing drilling program of 6-12 wells per year.

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Come Visit Booth #21



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"Australian junior taking on the Permian heavyweights" RGN 2017





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