

Production Testing Activities Commence in the Strawn Formation at White Hat 39#1L, Permian Basin, Texas

Highlights

- A rig has arrived at White Hat 39#1L ahead of a hydraulic fracturing program targeting the Strawn Formation in White Hat 39#1L scheduled for next week.
- Winchester to operate the well with a working interest of 40% after payout.
- Winchester currently derives production from the Strawn Formation in the White Hat 20#2 well. White Hat 20#2, which was fracture stimulated, has produced over 30,000 barrels of oil after 17 months of production.

A workover drill rig has now moved onto White Hat 39#1L in preparation for the implementation of a hydraulic fracturing programme targeting the Strawn Formation scheduled for next week.

Winchester currently derives production from the Strawn in the White Hat 20#2 well. The White Hat 20#2 well was fracture stimulated, with an initial production rate of 200 bopd and continues after 17 months of production to be an excellent producer at an average of 40 bopd in the month of August 2018 - producing over 30,000 bo to date.

The targeted section of the Strawn Formation is a thick consistent unit of carbonate debris sand with over 20 feet of good porosity and permeability. Strong oil and gas shows were observed while drilling.

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ASX Code: WEL

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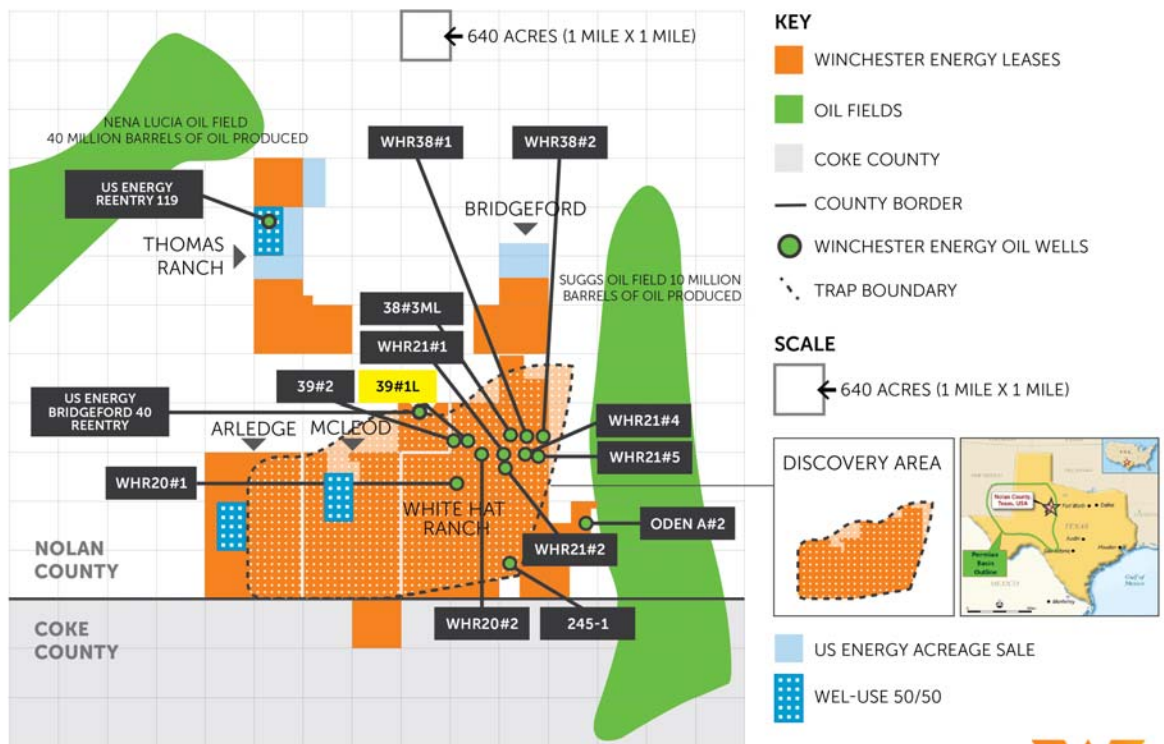
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Carl E Gungoll Exploration LLC (CEGX) has farmed-in to the White Hat 39#1L Strawn fracture stimulation program. Winchester has a 31.5% interest before payout retaining a 40.6% working interest (WI) after payout through the program (GEGX 50% WI, Ultra Short Radius (USR) Drilling Services 5% WI and a syndicate of technical consultants familiar with the area a 4.4% WI).

The location of White Hat 39#1L is over 1.5 miles west of the producing White Hat Ranch Ellenburger wells.

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About Winchester Energy Ltd (ASX Code: WEL)

Winchester Energy Ltd (ASX Code: WEL) is an Australian ASX listed energy company with its operations base in Houston, Texas. The Company has a single focus on oil exploration, development and production in the Permian Basin of Texas. The Company has established initial oil production on its large 17,402 net acres leasehold position on the eastern shelf of the Permian Basin, the largest oil producing basin in the USA. Winchester's lease position is situated between proven significant oil fields. Winchester is of the view that with the several known oil productive horizons in its lease holding, that it can build through the application of modern geology, 3D geophysical analysis, drilling and completion methods, a potentially significant proven reserves and oil production asset.

Competent Person's Statement

The information in this ASX announcement is based on information compiled or reviewed by Mr Neville Henry. Mr Henry is a qualified petroleum geologist with over 43 years of Australian, USA and other international technical, operational and executive petroleum experience in both onshore and offshore environments. He has extensive experience of petroleum exploration, appraisal, strategy development and reserve/resource estimation, as well as new oil and gas ventures identification and evaluation. Mr Henry has a BA (Honours) in geology from Macquarie University.