



WINCHESTER

ENERGY LTD

Oil Production & Development

Permian Basin - Texas - USA

Good Oil Conference

12 September 2019

ASX:WEL



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The estimated total prospective resources referred to in this presentation were first announced to the ASX on 15 October 2018, 21 June 2019 and 25 June 2019.

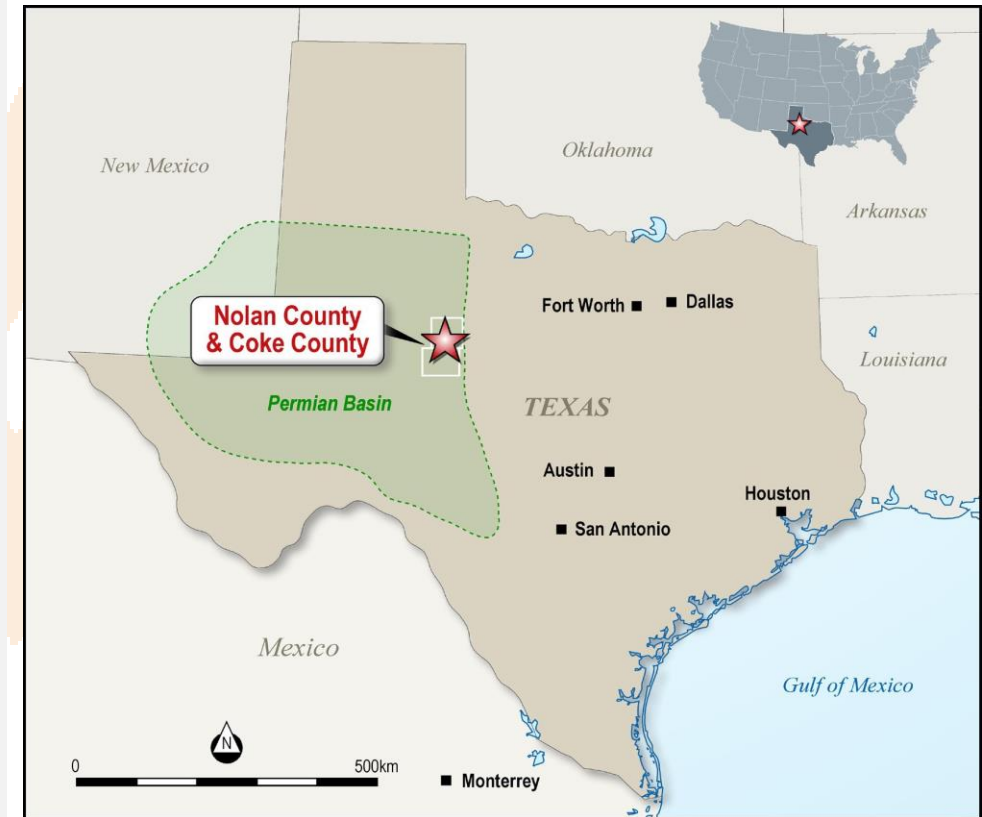
The estimated quantities of petroleum that may potentially be recovered by the application of future exploration and development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The Company confirms that it is not aware of any new information or data that in its opinion materially affects the information included in the relevant market announcement and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

COMPETENT PERSON'S STATEMENT

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

The Prospective Resources estimates in this report have been compiled by Kurt Mire, P.E. of Mire & Associates, Inc. from information provided by Winchester Energy. Mr Mire is a registered professional Engineer in the State of Texas and has over 30 years' experience in petroleum engineering. These Prospective Resource estimates and their associated calculations may be subject to revision if amendments to mapping or other factors necessitate such revision. Gas quantities are converted to boe (barrels of oil equivalent) using 6,000 cubic feet of gas per barrel. Quoted estimates are rounded to the nearest barrel.

- Growing oil production and quarterly net revenues (A\$695,102 in June 2019 quarter - up 2.5 times from March 2019 quarter)
- Leases comprising 17,000 contiguous acres.
- **New Mustang and Lightning oil discoveries** with Spitfire and El Dorado prospects - total cumulative gross best estimate prospective resource of 9.8 million barrels of oil and high estimate of 22.7 million barrels*
- **Aggressive drilling program of development wells and exploration wells underway** (anticipating 7 wells in next 6 months)
- Winchester has 75% WI in Mustang Oil Field Development with high estimate gross prospective resource of 3.8 million barrels of oil* - development potential 25 wells
- 100% WI in Lightning Prospect - gross resource best estimate of 6.4 million barrels of oil* over 5,000 acres. **Latest discovery now under flow back test**
- Wolfcamp D shale frac program in progress on Winchester acreage to evaluate shale oil potential of 17,000 acres with horizontal drilling and fracing planned by farminee.
- **Average oil sale price of 48-degree API oil during June quarter: US\$54.10/bbl with cost of production US\$10.62/bbl**



* The cumulative total gross best and high prospective resource estimates quoted above were announced to the ASX on 15 October 2018, 21 June 2019 and 25 June 2019. See Disclaimers for further information.

Note: In this presentation: bo = Barrels of Oil; bopd = barrels of oil per day; TCF = trillion cubic feet (of gas); BCF = Billion cubic feet (of gas); boe = Barrels of Oil equivalent.

Why explore in the Permian Basin, Texas?

"The Permian Basin is currently the best oil address in the world outside of the Middle East – 2nd largest oil field after Ghawar."
Forbes 2017

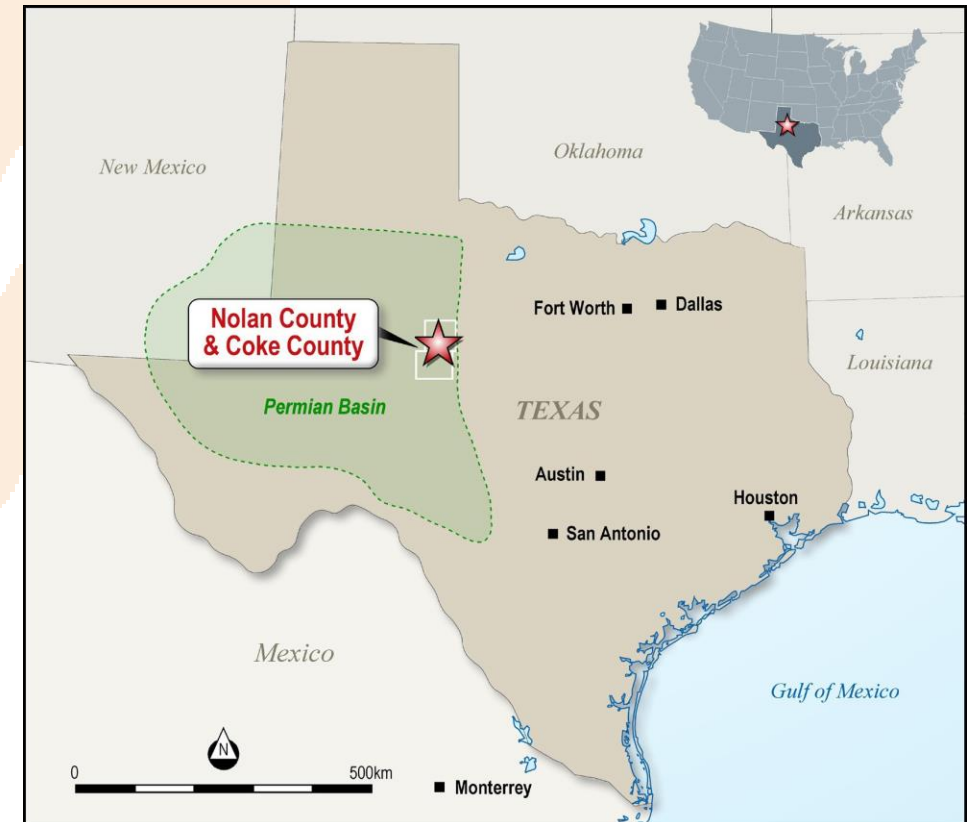
Winchester Energy is the only ASX-listed company with its sole focus in the Permian Basin

Still Many New Plays possible!!

Permian Basin

Stacked, proven, prolific oil producing horizons = world-class production

Technical Remaining Recoverable Resources (USGS)	46 billion bo and 218 TCF
Total oil and gas production to date:	33 billion bo & 118 TCF (2018)
Daily oil & gas production:	4.2 million bopd & 11.3 BCFG
Proportion of current US oil production:	32%
Proportion of US onshore drilling rigs in Permian Basin:	46%



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Eastern Shelf Stratigraphy

Source: Ralph E Davis and Assoc 2014

Winchester Energy (ASX:WEL) shares trading at \$0.057 on 10 September 2019

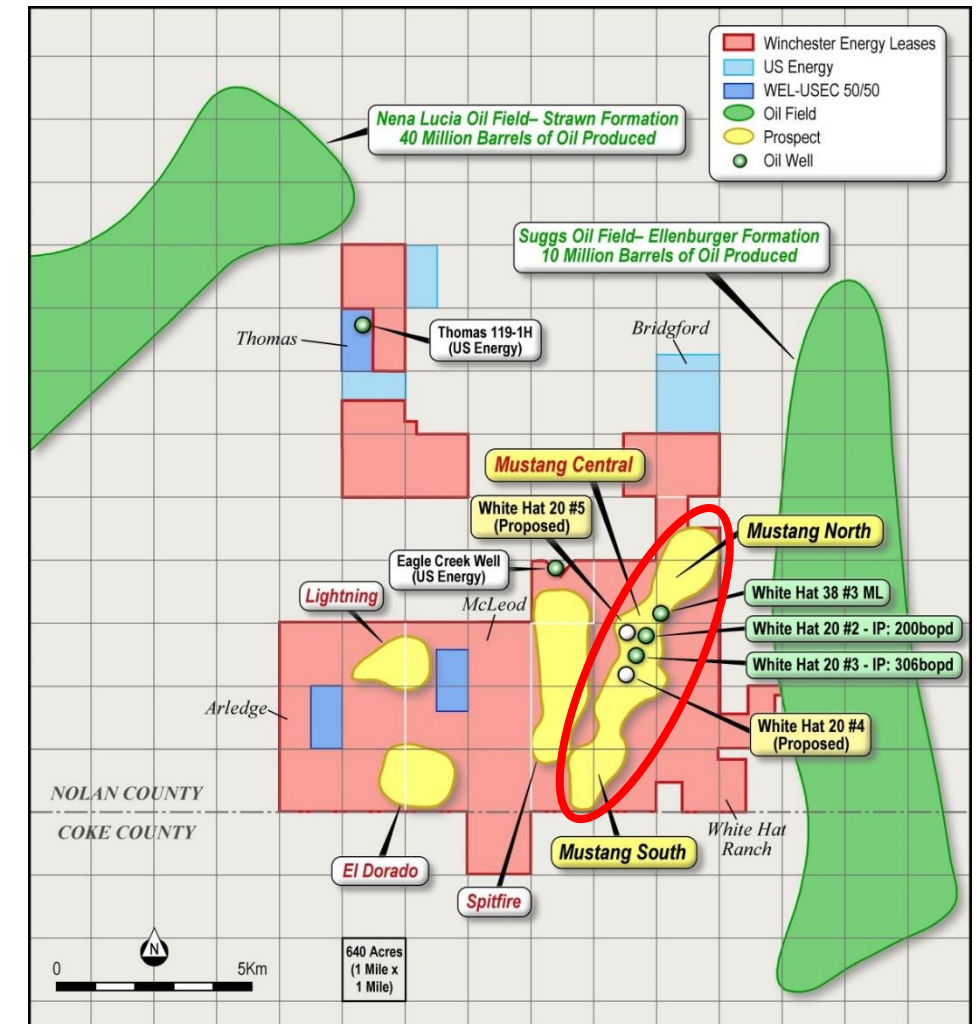


Cash on hand* 31 August 2019	\$2.5 mill
Total shares on issue*	538 mill
Total options on issue @A\$0.12/share	39 mill
Current Market Cap @ 5.7 cents/share	\$31 mill
Debt	NIL
Board & Management holdings (% ownership of the Company)	32%

Board and Management























Laurence Roe (Non-Exec Chairman) Technical experience & exploration success - Permian Basin, Texas
Neville Henry (MD) Successful start up-Aurora, business & technical experience – Texas
John Kopcheff (NED) Ex Vicpet/Senex MD & founder - technical experience
Larry Liu (NED) Commercial & investment experience - China
Tony Peng (NED) Finance & merchant banking experience, USA, CFO Helios Energy
Hugh Idstein (CFO) Financial and Leasing Manager

- Mustang oil discovery White Hat 20#3 online in May 2019 at 306 bopd with gross production still at an average of 200 bopd (WI 75%) in Aug.
- Mustang development; White Hat 20#5 - 50 feet of gross Fry Sand, pre-frac swabbed 60% oil. Frac scheduled Sept 12, 2019
- Lightning discovery (WI 100%) in flow back after frac. Initial unstabilised rate of 30 bbls per hour 90% oil with only 10% of frac load recovered
- Upcoming drill program anticipating 7 wells in the next 6 months targeting development and exploration



Active Exploration and Development Program

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PERMIAN BASIN WINCHESTER WELL INTEREST % (After farmout- direct)	Well Interest	2019				2020		
		September	October	November	December	January	February	March
Mustang 20 #5 Fry Sand appraisal	75.0%							
Lightning -Arledge16#2 Cisco sands	100%*							
Mustang 39 #2 Fry Sand appraisal	75.0%							
Thomas Ranch Strawn & Ellenburger	12.5%							
Bridgford 40 Strawn and Ellenburger	12.5%							
Mustang 20 #4/ #6/ #7 Fry Sand appraisal	75.0%					 	 	 
Spitfire 212 #1 Strawn and Ellenburger	75.0%							
Lightning 16 #3 Cisco sand appraisal	100.0%							
El Dorado Strawn and Ellenburger	100.0%							

LEGEND



Appraisal Drilling



Vertical Drilling

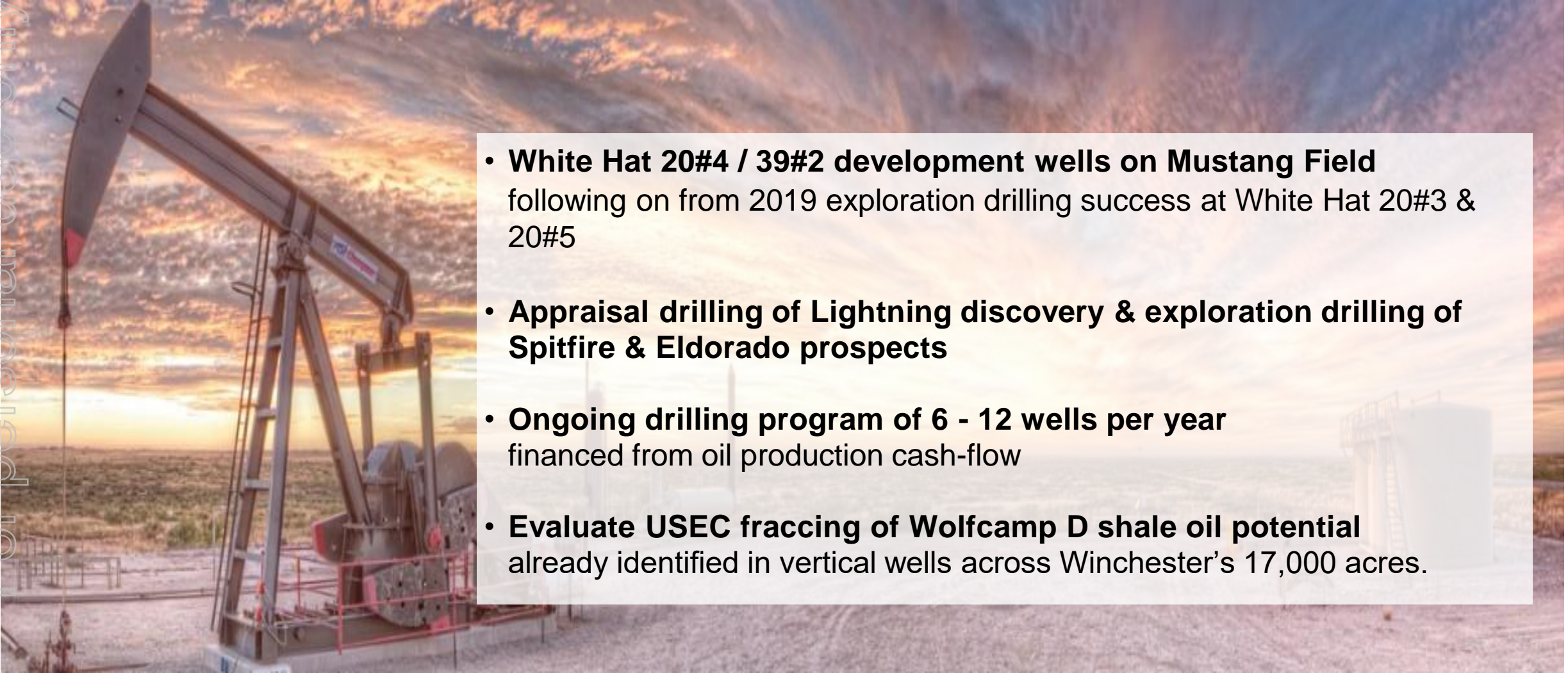


Production Testing

(Note: All well timing and well interests subject to rig availability, funding and farmout)



Growing cash flow by the successful development and exploration of 17,000 acres of leasehold

- 
- **White Hat 20#4 / 39#2 development wells on Mustang Field** following on from 2019 exploration drilling success at White Hat 20#3 & 20#5
 - **Appraisal drilling of Lightning discovery & exploration drilling of Spitfire & Eldorado prospects**
 - **Ongoing drilling program of 6 - 12 wells per year** financed from oil production cash-flow
 - **Evaluate USEC fracking of Wolfcamp D shale oil potential** already identified in vertical wells across Winchester's 17,000 acres.

Mire & Associates Inc. with Winchester (WEL) Pre-Drill Chance of Success Estimates**

Mustang

Strawn Sand- Fry Member
Gross Prospective Recoverable Resource

Best estimate: 2.03 mill boe*

High estimate: 3.78 mill boe*

Lightning

Cisco stacked sands
Gross Prospective Recoverable Resource

Best estimate: 1.95 mill bbls*

High estimate: 6.39 mill bbls*

Spitfire

Strawn Sand & Ellenburger Limestone
Gross Prospective Recoverable Resource

Best estimate: 4.49 mill bbls*

High estimate: 9.91 mill bbls*

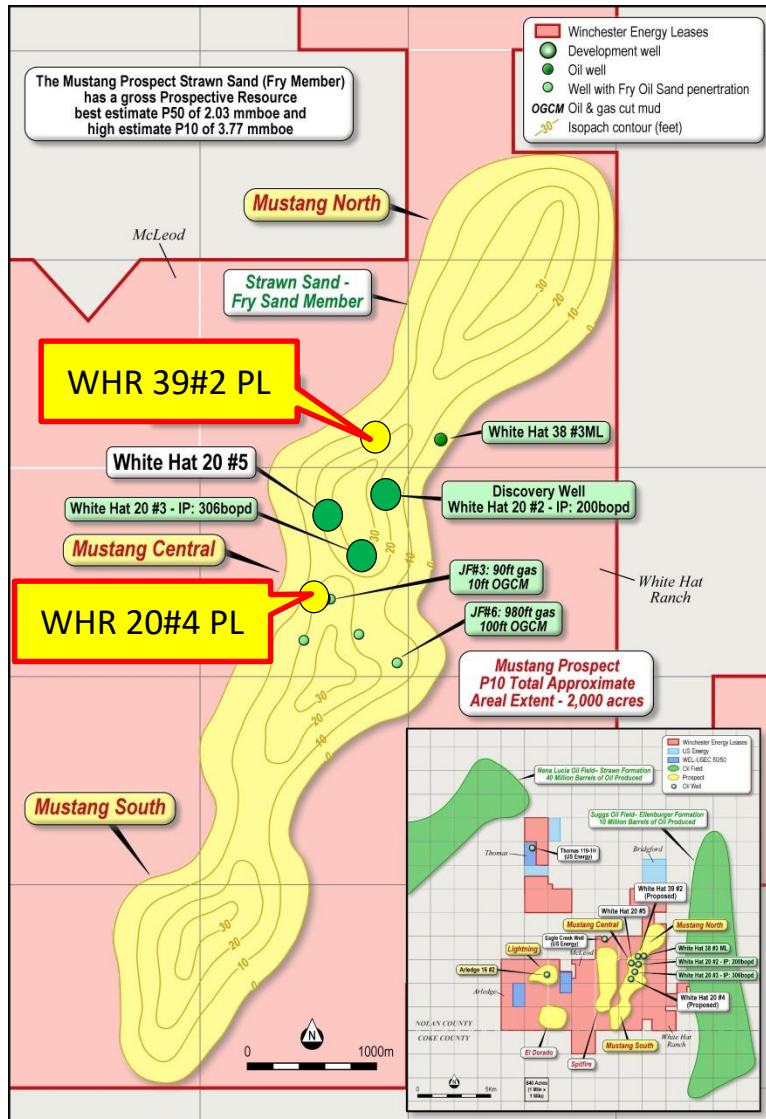
Development
82% (WEL Ranking)**

Discovery
27% (WEL Ranking)**

CHANCE OF SUCCESS**
28% (WEL Ranking)

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See Disclaimers for further information. ** Estimated chance of finding oil based on risk relating to presence of : Trap X Reservoir X Source X Charge



Active 2019 / 2020 Development Drilling Program

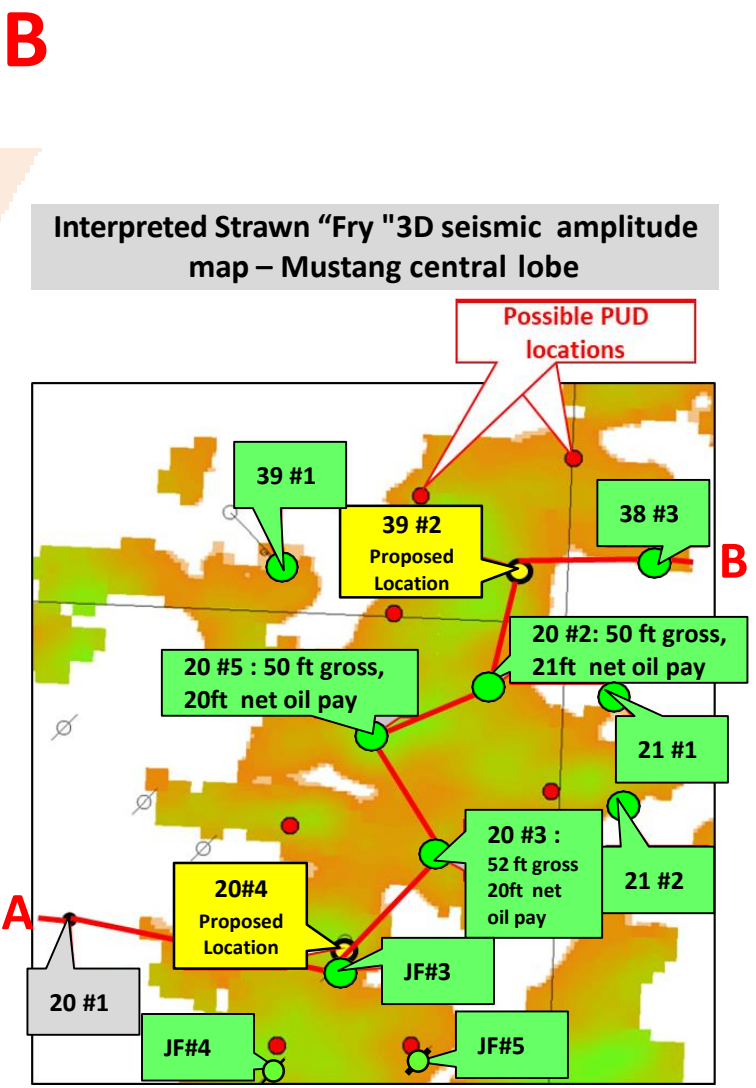
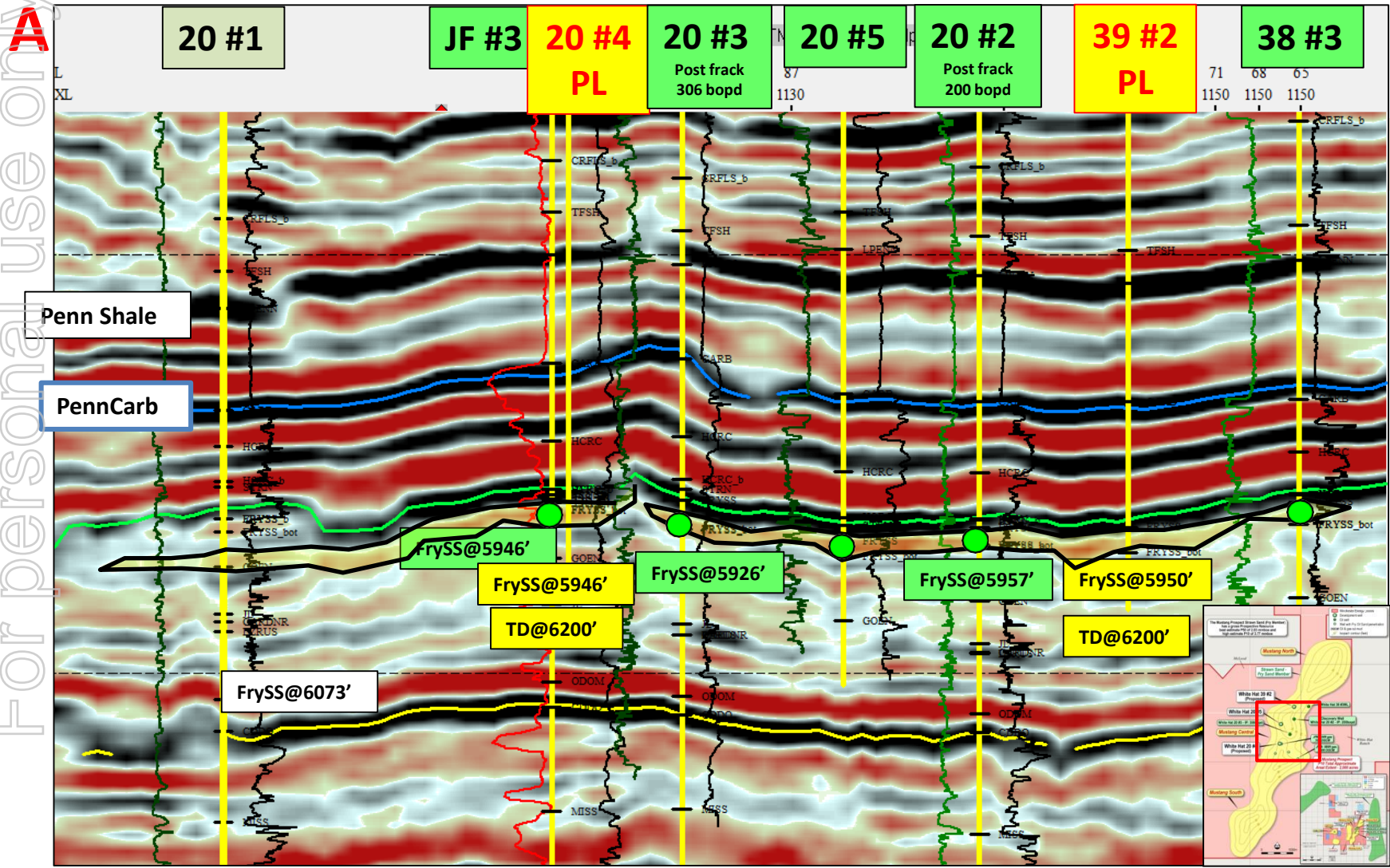
- Mustang Oil Field confirmed as a target for further development drilling following White Hat 20#3 (IP 306 bopd).
- Accelerated development drilling commenced with White Hat 20#5 drilled August 2019, intersecting 50 ft gross, 20 ft net oil pay in target Strawn Fry sand – frac pending.
- White Hat 39#2 step-out well planned as next well.
- To be followed by White Hat 20#4 - high confidence well as it is ‘twinning’ the Jack Frost #3 well which recovered oil and gas cut mud on test in 1965.
- Further development drilling planned on up to nine wells in Mustang Central.
- Up to additional 25 development well locations indicated for Mustang South and North.

*Cautionary Statement: The total gross high estimate prospective resource (P10) quoted above was announced to the ASX on 21 June 2019. Boe (barrels oil equivalent).

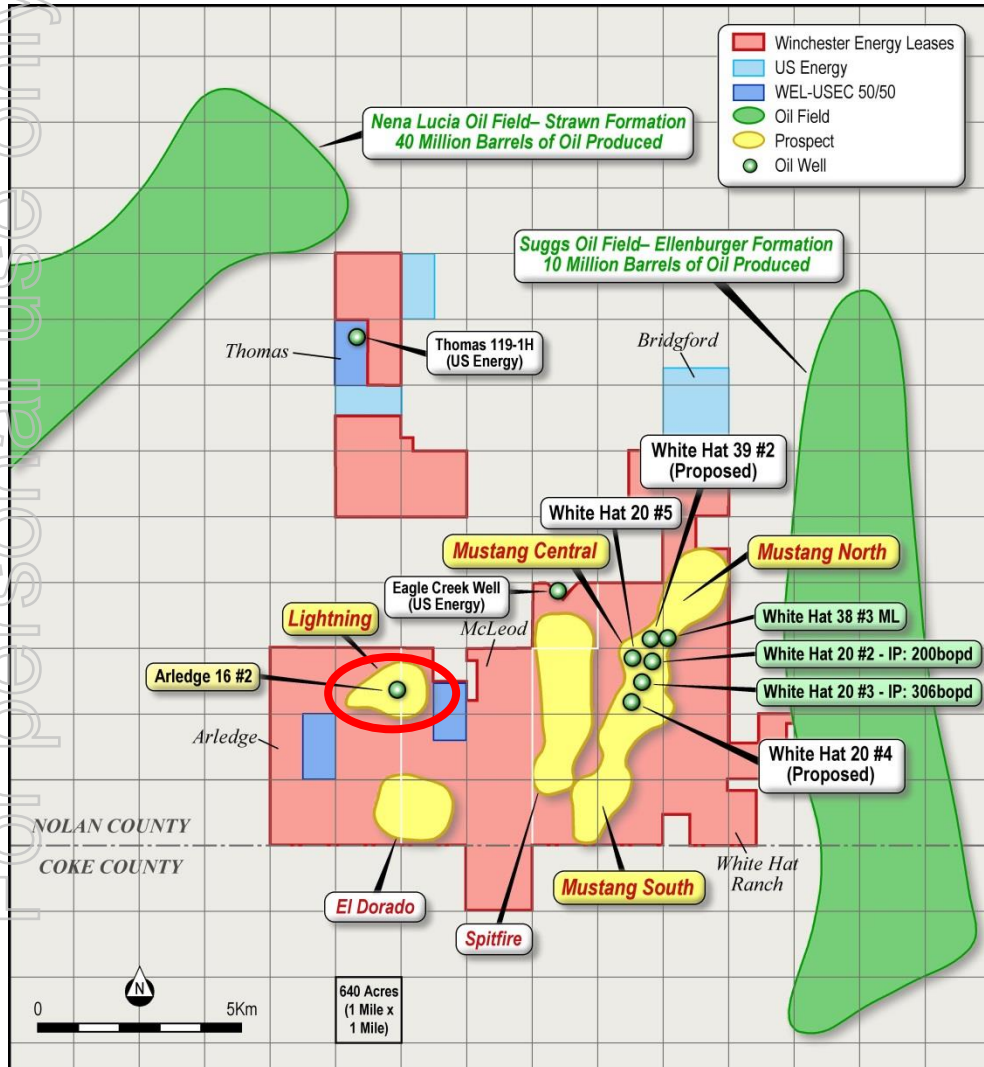
See Disclaimers for further information.

SE - NW 3D seismic section through key White Hat well locations, Central Lobe.

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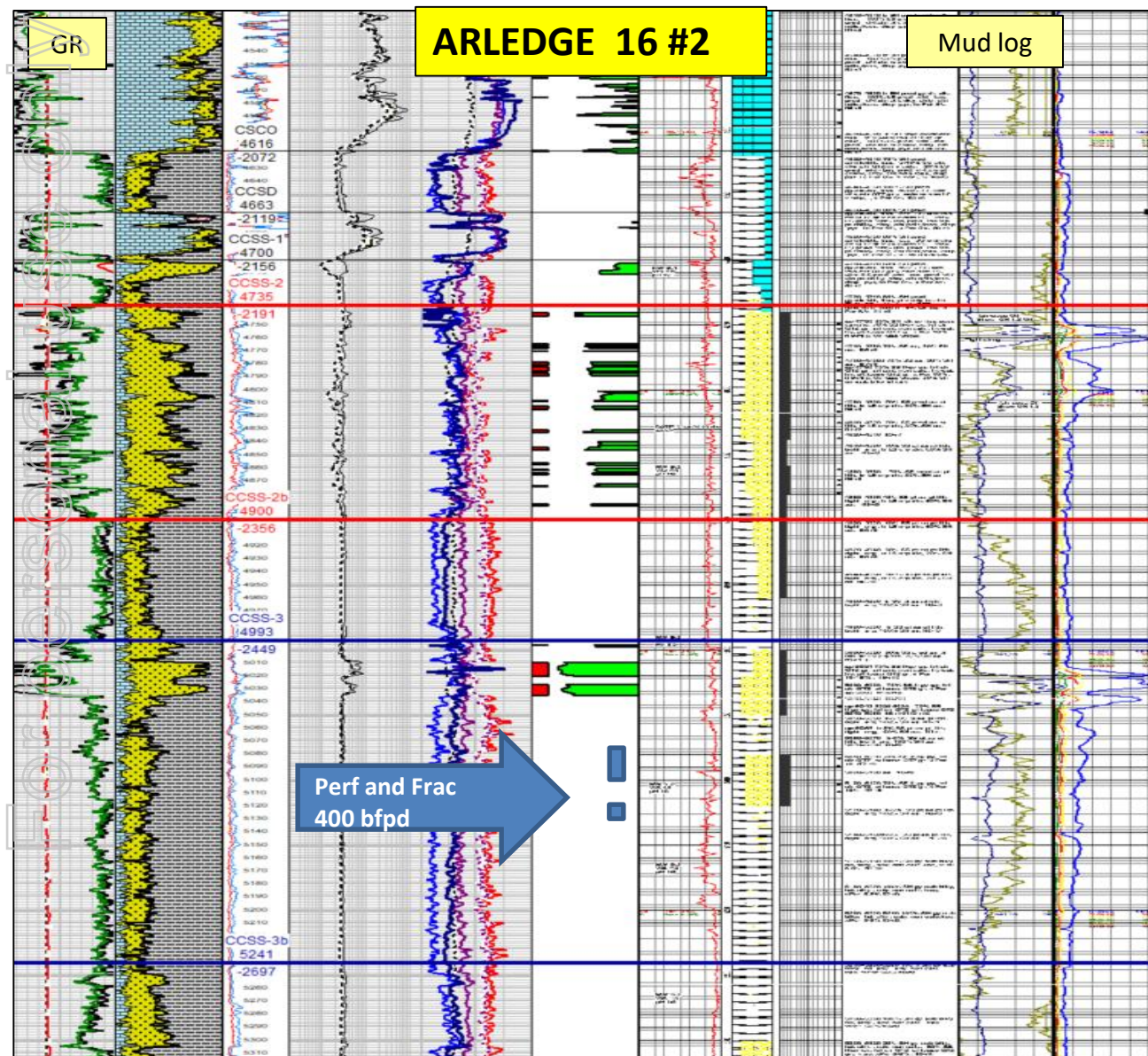
New Upper & Lower Cisco Sand Oil Discovery



- **Arledge 16 #2 New oil Discovery**
- **Successful completion for production of Lower Cisco sands - within Cisco gross 490 ft oil column - opens up a major new stratigraphic play of slope channel sand fans**
- **FMI log interpretation affirmed untested potential oil pay in the 490 feet of laminated sands and shales section and additional potential oil pay where no mud log shows from 5033-5201 ft**
- **41 feet of Lower Cisco sand was perforated and swabbed a cumulative 80 bopd with no water.**
- **Following fracing the interval the initial Absolute Open Flow (AOF) was 30 bbls fluid/hr - 90% oil**
- **Upper Cisco interpreted net oil pay has very high potential and will be tested shortly.**

Exploration Prospect - Lightning

New Upper & Lower Cisco Sand Oil Discovery



Upper
Cisco
ZONE 1

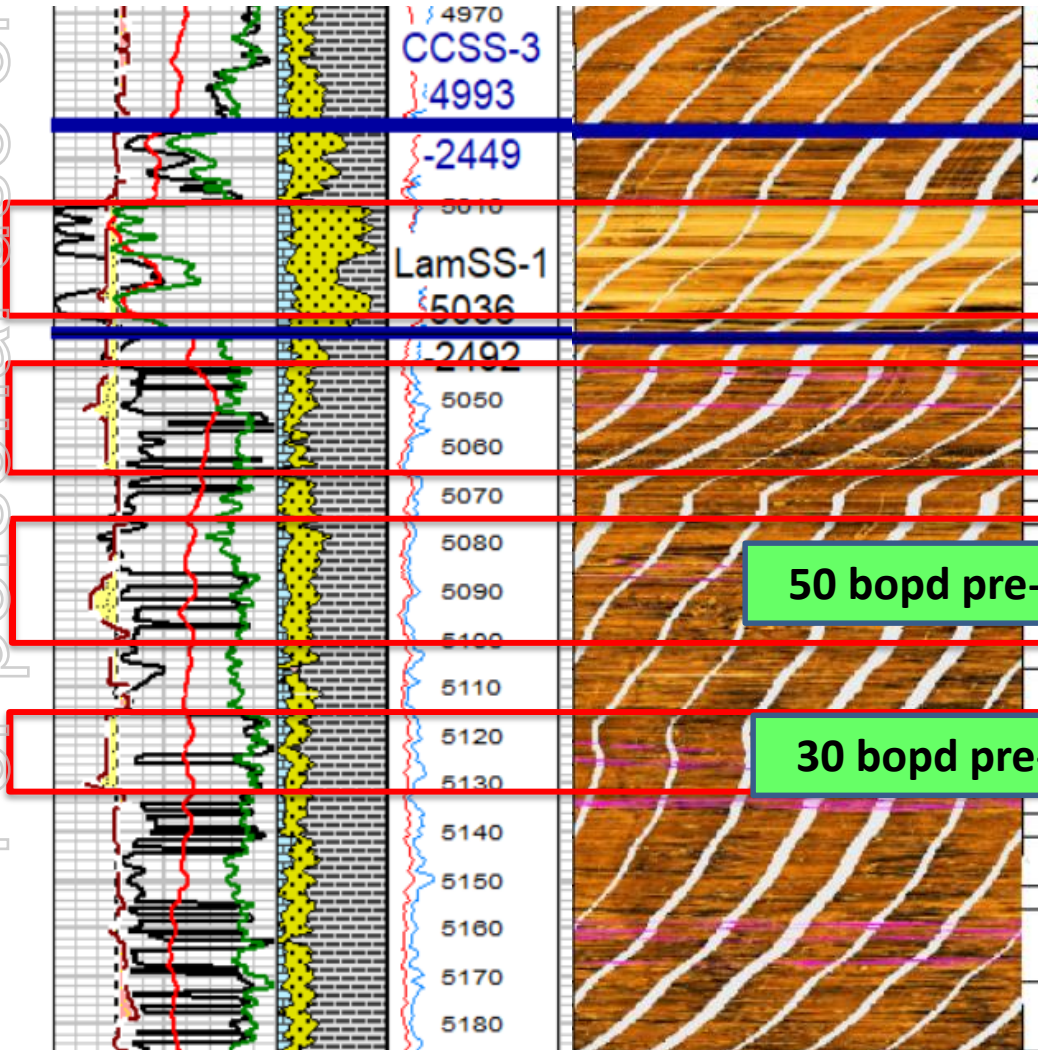
Lower
Cisco
ZONE 2

Arledge 16 #2

- **TD :** 5,502 feet
- **Well cost:** US\$550k D & C
- **Pay:** 490 gross feet
- **Reservoir:** Two Pay intervals in Cisco Formation from mud log and wireline logs:
 - Zone 1:** 4,735 – 4,900 ft
 - Zone 2:** 5,000 – 5,225 ft
- **Perf and Frack 41 feet @ 4 shots per ft in interval 5,075 ft – 5,031 ft – initial frac flow back 400 bbls fluid/day**

New Upper & Lower Cisco Sand Oil Discovery

Zone 2 - Lower Cisco Sand lobe – FMI log-Testing – no mud log shows below 5,115 ft



Interval 4: 5010 – 5033 ft
Calculated 24.5 feet of pay

Interval 3: 5040 – 5065
Mud cake Build up suggest good perm
Oil shows thin laminations 1 – 3 inches

Interval 2: 5075 – 5100
Mud cake Build up suggest good perm
Oil shows thin laminations 1 – 3 inches

Interval 1: 5115 – 5131
Mud cake Build up suggest good perm
thin laminations 1 – 3 inches

5,075 – 5,131 feet

**Fracced 111,000
lbs of Sand 1,700
bbls of frac fluid**

**AOF 30 bbls/hr
90% oil**

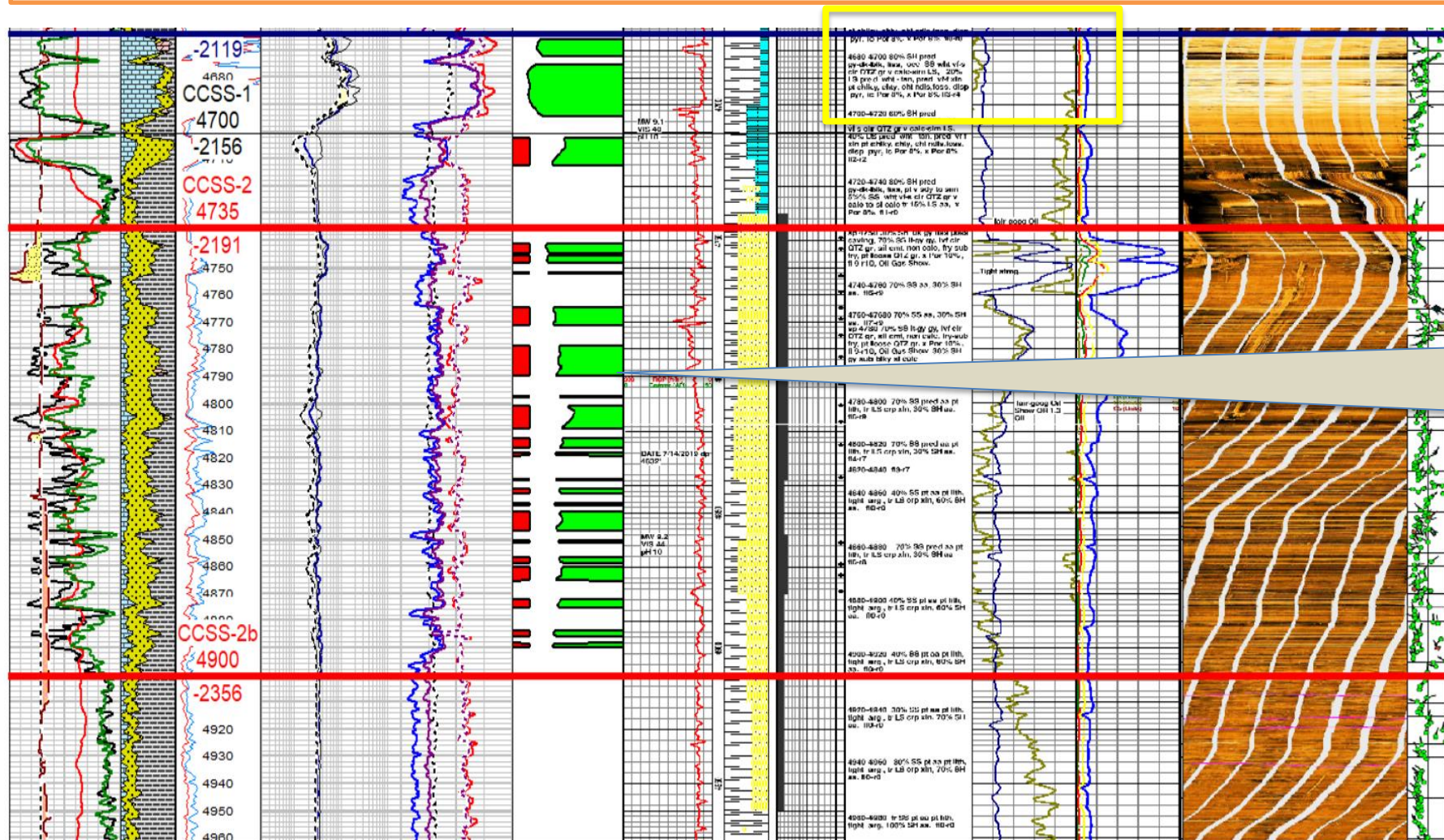
**Flowing and
Swabbing at 400
bpd fluid 90% Oil**

**1,400 bbls of frac
fluid to recover**

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New Upper & Lower Cisco Sand Oil Discovery

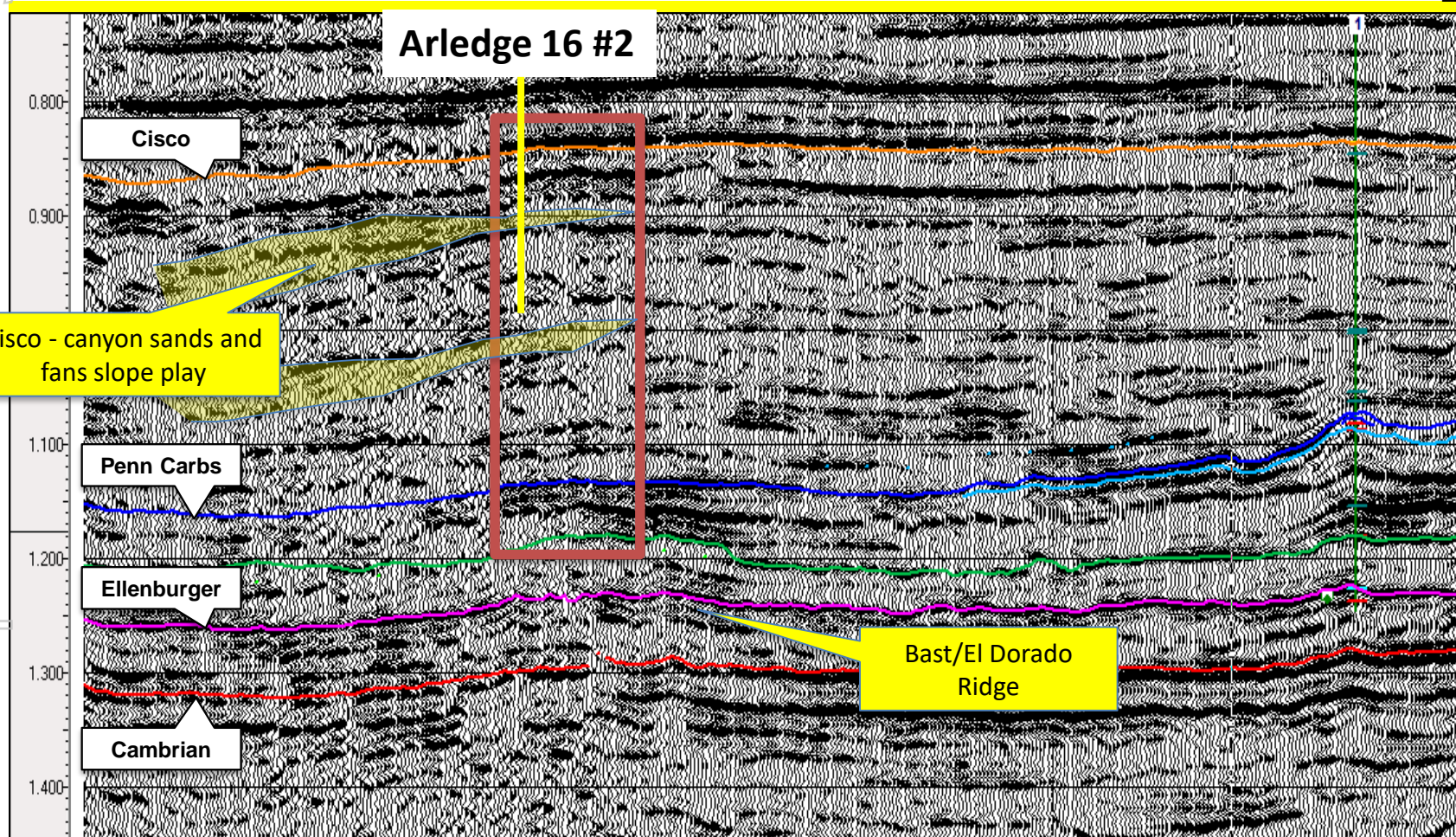
Zone 1 - Upper Cisco Sand lobe 4735 ft – 4900 ft – FMI log- Untested



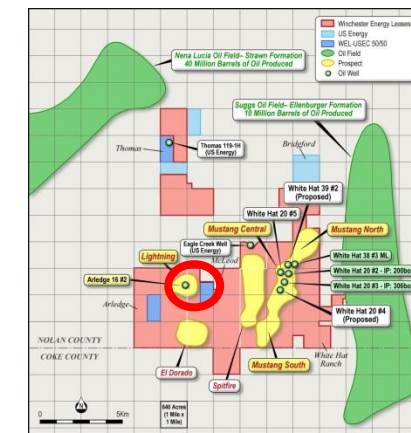
Zone 1
Revised
potential
pay >30%
net/gross

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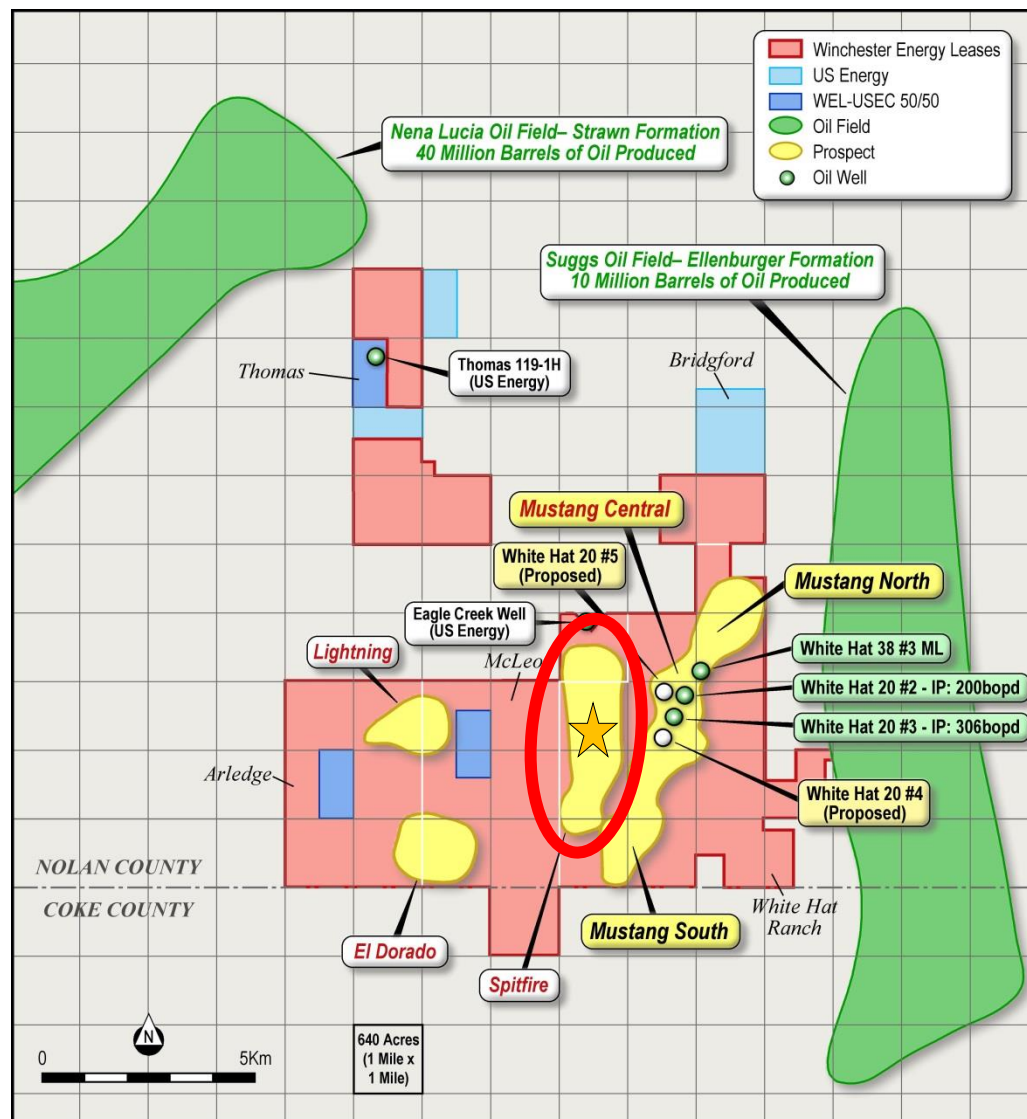
New Upper & Lower Cisco sand oil discovery



Successful completion for production of the Upper and Lower Cisco sands - with gross 490 ft oil column - opens up a major new stratigraphic play of slope channel sand fans being deposited westward of the Bast/Eldorado Ridge



Exploration Prospect - Spitfire 'Strawn Channel'



Target is a 3D seismically defined major Strawn 'channel' feature interpreted to be filled with Upper Strawn Sand

Support for the presence of Strawn sand fill in the 'channel' is provided by a well drilled to the west of the channel edge that intersected sand with oil shows.

Best Estimate (P50) gross prospective resource of 4.49 million barrels of oil* in target Strawn & Ellenburger Limestone.

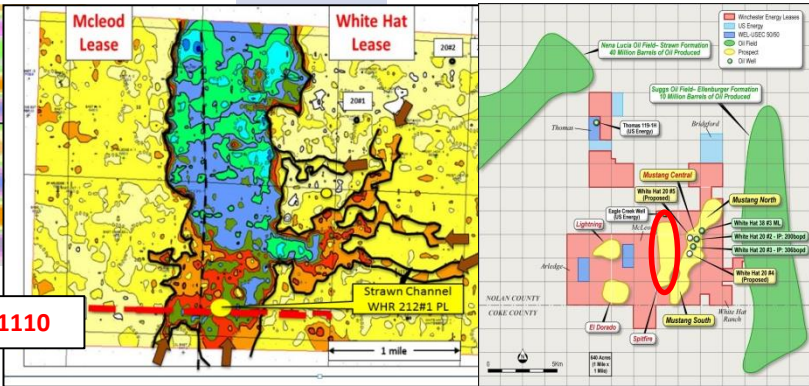
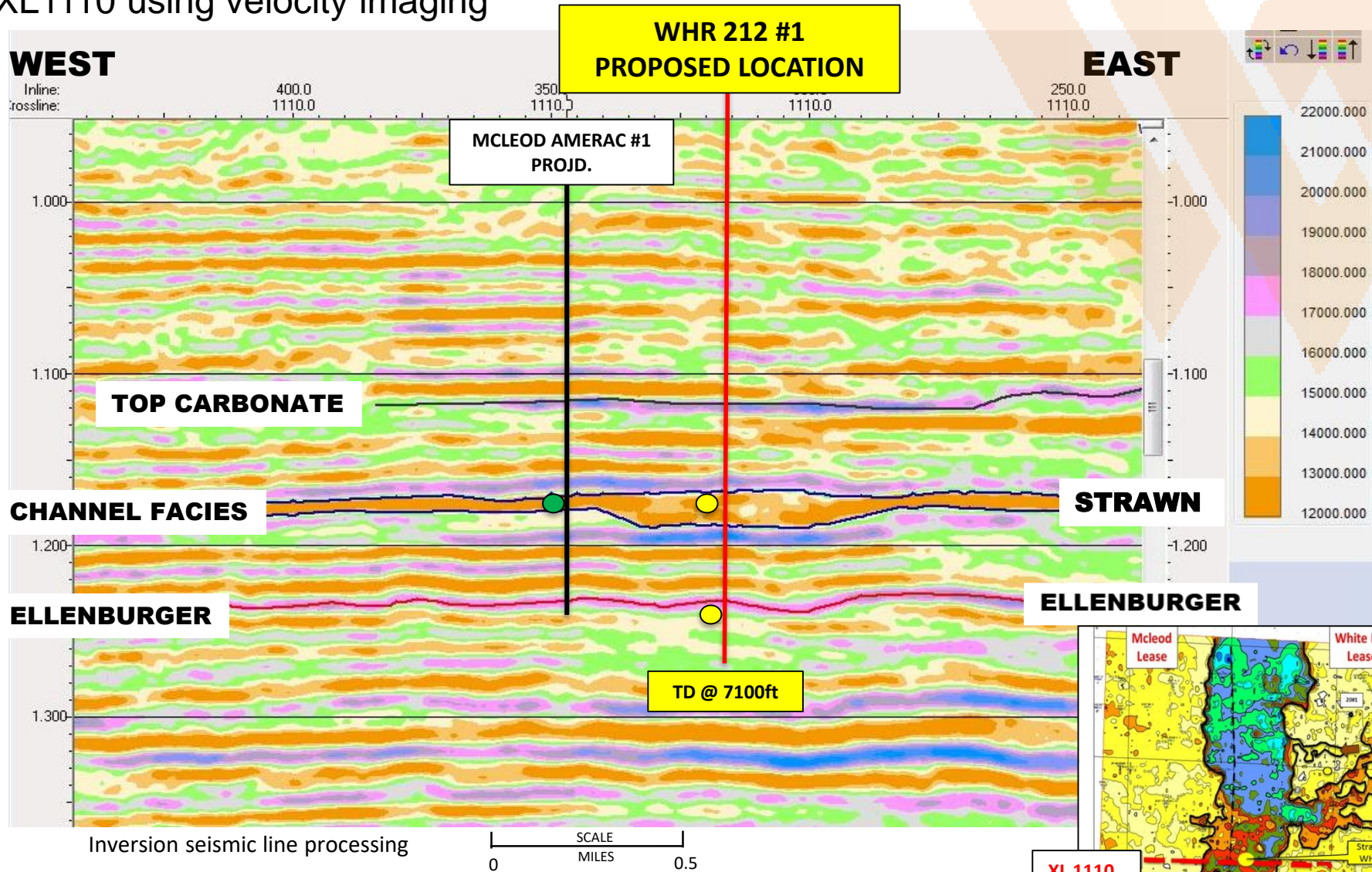
White Hat 212#1 will be drilled to a depth of 7,100 ft.

Drilling planned for 4Q 2019.

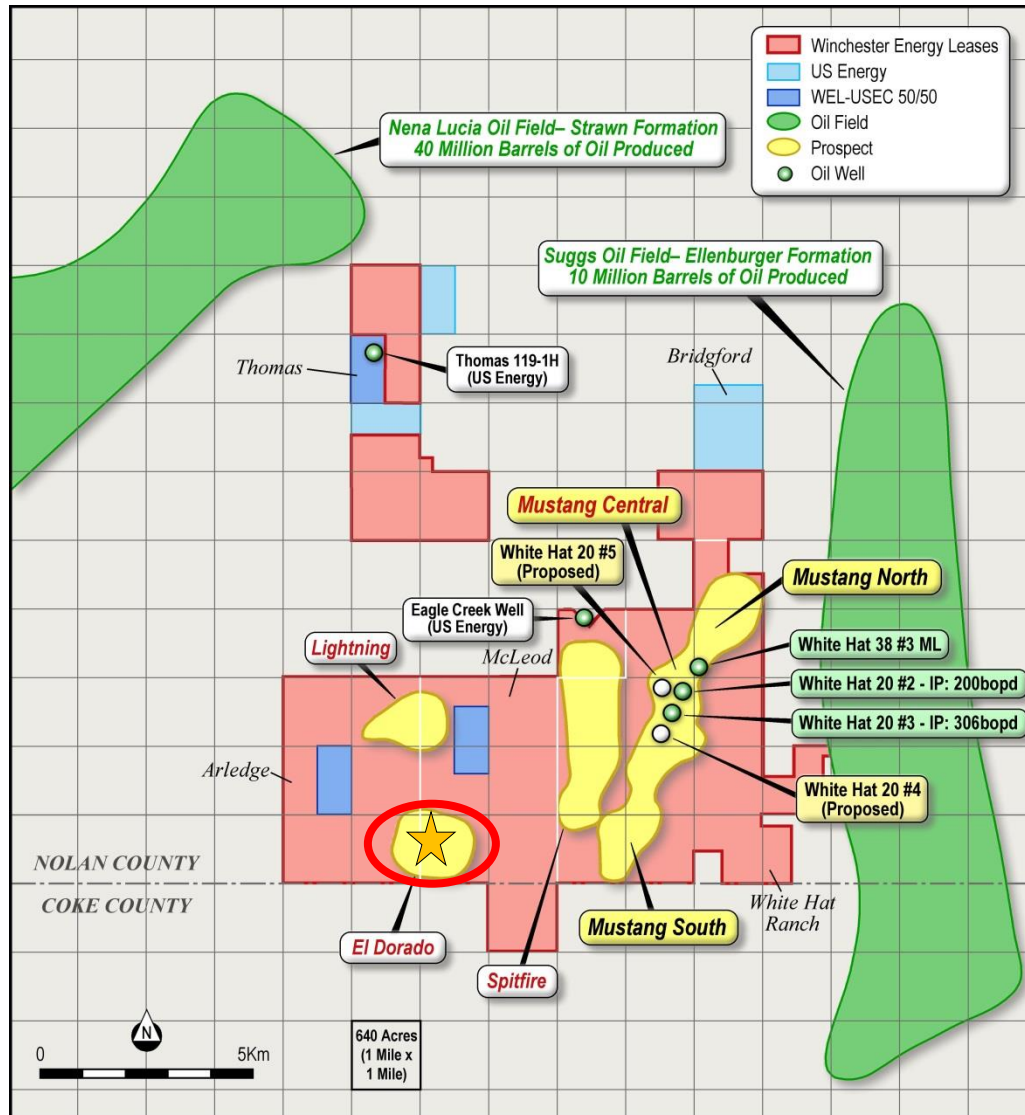
**Cautionary Statement: The total gross best estimate prospective resource (P50) quoted above was announced to the ASX on 15 October 2018. See Disclaimers for further information.*

Spitfire Prospect - Strawn Channel Prospect

seismic line XL1110 using velocity imaging



Four-way dip structure – multiple targets



El Dorado Prospect is a 3D seismically defined four-way dip structural closure at the Strawn and Ellenburger limestone horizons.

Secondary targets are in the Cisco down to the Strawn Formation.

Good porous Ellenburger limestone with oil shows was drilled off the western flank of the structure.

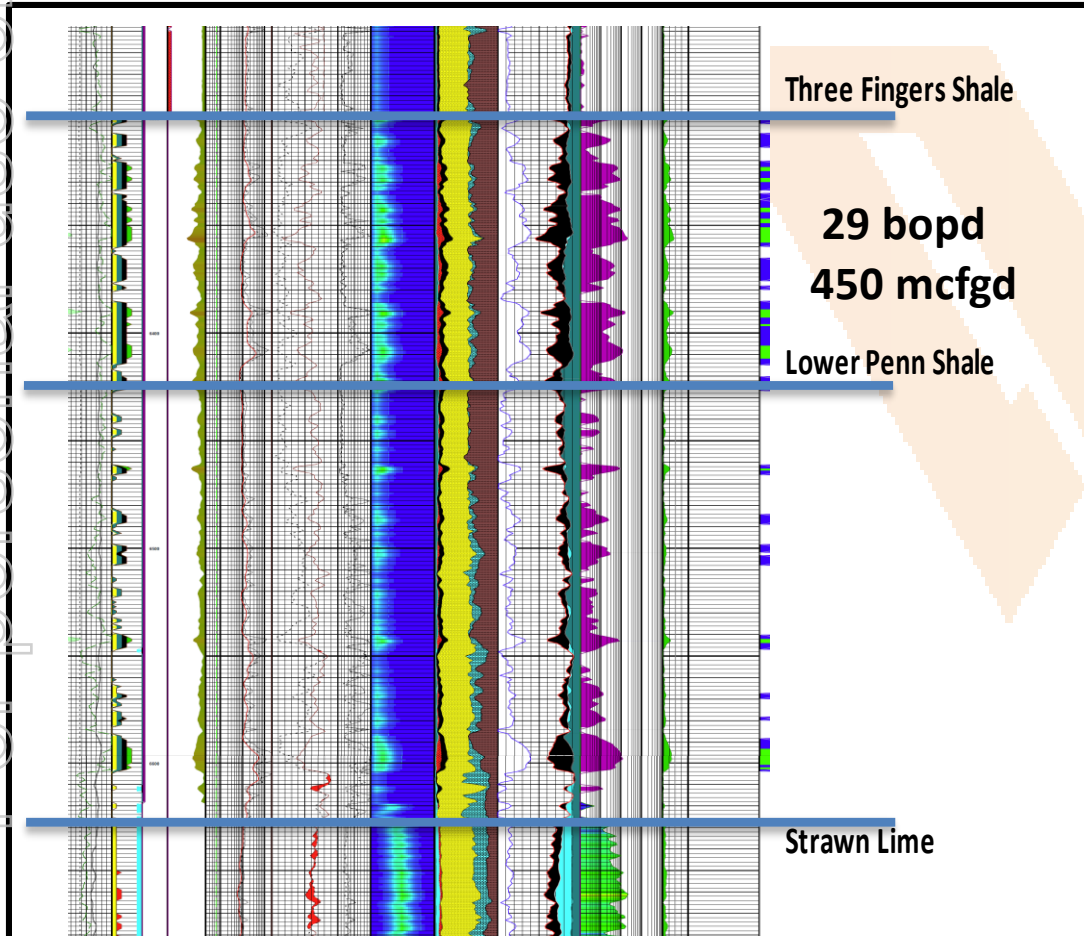
Best estimate (P50) gross prospective resource of 1.26 million barrels of oil* in target Strawn & Ellenburger Limestone.

El Dorado #1 to be drilled to a depth of 7,100 ft.

Drilling planned for 1Q 2020.

*Cautionary Statement: The total gross best estimate prospective resource (P50) quoted above was announced to the ASX on 15 October 2018. See Disclaimers for further information.

Well log for Wolfcamp "D" Three Fingers Shale – Thomas 119-1



Thomas 119 vertical frac carried out by USEC during 1Q 2019

Significant vertical frac oil and gas rates reported by USEC for the Wolfcamp ‘D’ Three Fingers Shale.

First test in Winchester’s leasehold with Winchester having a 12.5% WI back in after USEC recover costs.

Wolfcamp “D” Shale extends over Winchesters 17,000 acre leasehold.

- ✓ Active and Successful
- ✓ Debt-free & Cash-Flow positive
- ✓ High working interests
- ✓ Five contiguous leases covering 17,000 net acres
- ✓ 3D seismic over approximately 100 sq. miles
- ✓ New and Exciting Prospect Portfolio
- ✓ Recent Discoveries; Lightning Prospect potentially “game changing”
- ✓ One of the more aggressive drilling programs going

Visit us at Booth 25 for more technical details on Winchester’s exciting exploration & development projects in the Permian Basin

