

Wireline Logs Confirm Substantial Oil Pay in White Hat 20#6

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ASX Code: WEL

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HIGHLIGHTS

- **Wireline logging at Winchester's newly-drilled White Hat 20#6 well (Winchester working interest: 75%) indicates 24 feet of net oil pay within the Fry Sand with good to excellent oil and gas shows with some of the highest porosity yet found in the reservoir.**
- **The well extends the Mustang Oil Field with increased net Fry Sand thickness to the north west.**
- **The net pay thickness in the Fry Sand is superior to the last three Mustang wells drilled and compares favourably to the interval found in the successful White Hat 20#3 well (28 feet net oil pay; IP 306 bopd).**
- **Production casing is being run ahead of perforation and fracture stimulation of the Fry Sand within the next two weeks, with the same completion design as that successfully used in the White Hat 20#3 and 20#5 wells.**
- **The well was drilled and logged within budget.**

Winchester Energy Limited (Winchester or Company), as operator, advises that White Hat 20#6 has reached a total depth of 6,250 feet targeting the oil producing Strawn Fry Sand Member (Fry Sand) in the Mustang Oil Field in the Permian Basin, Texas.

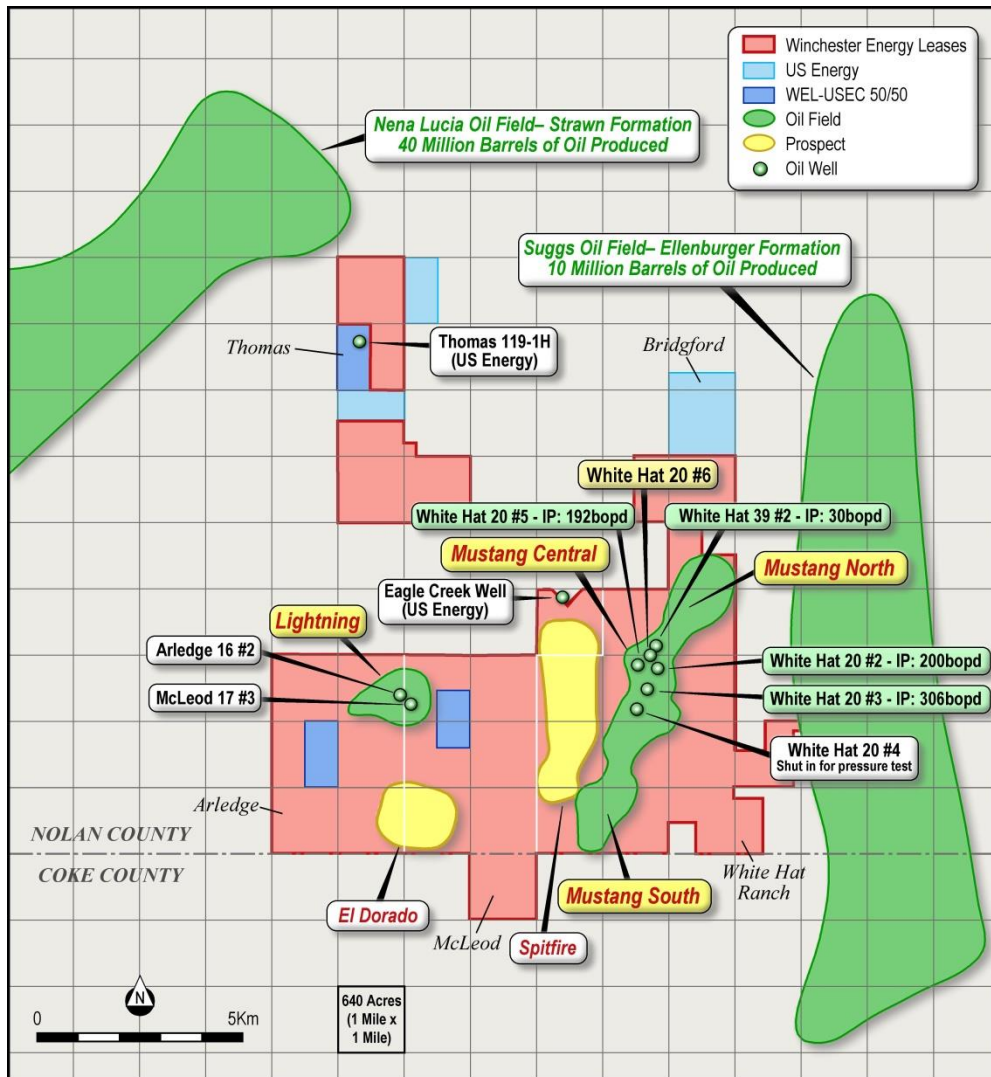
Good to excellent oil and gas shows were observed throughout the Fry Sand in the well, effectively extending the Mustang Oil Field with an increased net Fry Sand thickness to the north west. Wireline logs have been run with the initial interpretation indicating a gross Fry Sand thickness of 30 feet and net oil pay of 24 feet with good porosity up to 16% through the Fry Sand from 6,026 to 6,056 feet (average 12%). There is no indication of water in the sand.

The net oil pay and reservoir quality of the Fry Sand as observed in White Hat 20#6 are superior to the preceding three wells drilled at Mustang (White Hat 20#4, 20#5 and 39#2) and compares favourably to the interval found in the highly successful White Hat 20#3 well (28 feet net oil pay; IP 306 bopd).

Production casing is being run ahead of perforation and fracture stimulation of the Fry Sand within the next two weeks, with the same (or very similar) design to that successfully used in the White Hat 20#3 and 20#5 wells.

White Hat 20#6 is the sixth well drilled by Winchester in the Mustang Oil Field where aggregate production to date exceeds 110,000 barrels of oil (gross), generating significant revenue for the Company.

Carl E Gungoll Exploration LLC (CEGX), a private company, has a 25% working interest in White Hat 20#6. The well was drilled and logged within budget.



Winchester Lease Map - Location of White Hat 20#6

Mustang Field Development

Winchester is continuing to develop the Mustang Oil Field with highly commercial low-cost and low-risk wells designed to significantly increase oil production.

To date, aggregate production at the White Hat 20#2, 20#3 and 20#5 wells exceeds 110,000 barrels of oil (gross), generating significant revenue for the Company.

With completed wells costing less than US\$700,000 and oil sales occurring almost immediately upon completion of the wells, development of the Mustang Oil Field is highly attractive.

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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 17,000 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 has identified several prospects across its leasehold and is currently undertaking development drilling at the newly discovered Mustang Oil Field.

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.