



7 December 2018

Dear Shareholder

NOTICE TO ELIGIBLE SHAREHOLDERS OF NON-RENOUNCEABLE ENTITLEMENT OFFER

I am writing to you in relation to your shareholding in Winchester Energy Limited (**Company**) (ASX:WEL).

The Company is undertaking a non-renounceable pro rata entitlement offer on the basis of 1 new fully paid ordinary share (**New Share**) for every 2 fully paid ordinary shares in the Company (**Shares**) held by Eligible Shareholders (defined below) at an issue price of \$0.02 per New Share (**Entitlement Offer**) to raise approximately \$2,851,488 (before costs). The Entitlement Offer will be made by way of an offer document pursuant to section 708AA of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no prospectus needs to be prepared (**Offer Document**). Up to 142,574,416 New Shares will be issued under the Entitlement Offer (assuming no options are exercised prior to the Record Date, defined below).

The Company intends to apply the funds raised from the Entitlement Offer as follows:

Well participation and drilling: Mustang, El Dorado and Spitfire prospects	\$2,300,000
Working capital	\$439,988
Expenses of the Offer	\$111,500
Total	\$2,851,488

The Entitlement Offer is only available to shareholders whose registered address is in Australia or New Zealand as recorded with the Company's share registry as at 5.00pm (WST) on 14 December 2018 (**Record Date**) (**Eligible Shareholders**).

As a non-renounceable offer, rights are not tradeable on the ASX or otherwise transferable. New Shares will rank equally with the Company's existing Shares.

Indicative Timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Rights Issue	7 December 2018
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX Notice sent to Option holders	7 December 2018
Notice sent to Share holders	7 December 2018
Ex-date	13 December 2018
Record Date for determining Entitlements	14 December 2018
Despatch of Offer Document to Eligible Shareholders, Company announces this has been completed and Offer Opening Date	17 December 2018
Closing Date	23 January 2019
Shares quoted on a deferred settlement basis	24 January 2019
ASX notified of under subscriptions	29 January 2019
Issue date/Shares entered into Shareholders' security holdings	31 January 2019
Dispatch of holding statements	1 February 2019
Quotation of Shares issued under the Offer	1 February 2019

This timetable is indicative only. The Company reserves the right to amend this indicative timetable at any time, subject to the *Corporations Act 2001* (Cth) and the Listing Rules.

In particular, subject to the Listing Rules, the Directors reserve the right to extend the Closing Date set out above at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

Shortfall

Any entitlements not taken up pursuant to the Entitlement Offer will fall into a Shortfall.

Eligible Shareholders (and other investors upon invitation from the Company) will have the opportunity to apply for additional New Shares in excess of their entitlement. In summary, Eligible Shareholders have the following options available to them:

- take up their full entitlement;
- take up any number of shares less than their full entitlement;
- take up their full entitlement and apply for additional shares pursuant to an offer of the Shortfall (**Shortfall Offer**); or
- allow their entitlement to lapse and take up no additional shares.

CPS Capital Group Pty Ltd (**CPS**) has been appointed as Lead Manager and Broker to the Shortfall Offer. Applications under the Shortfall Offer will be placed by the Company's Directors (in consultation with CPS) in accordance with the Corporations Act and the ASX Listing Rules.

In the event the Shortfall is less than 30,000,000 Shares, the Company will offer to CPS such number of Shares that is equal to the difference between 30,000,000 Shares and the total available Shortfall at an issue price of \$0.02 per Share and otherwise on the same terms as the Offer.

Offer Document

The Company lodged the Offer Document with ASX on 7 December 2018, and it is available on the ASX website at www.asx.com.au. The Company expects to dispatch the Offer Document to shareholders of the Company on or about 17 December 2018. The Offer Document provides further details of the Entitlement Offer.

The Offer Document will attach a personalised Entitlement and Acceptance Form, which will set out the number of New Shares which you are entitled to under the Entitlement Offer, as well as details of payment options, how to subscribe for New Shares and other instructions. Please read and follow these instructions carefully to ensure your acceptance is completed according to your intentions. Please note the Closing Date of 2pm (WST) on 23 January 2019, which is the deadline by which your completed Entitlement and Acceptance Form and application monies (in full) must be received.

If you have any queries in relation to the Entitlement Offer, please do not hesitate to contact the Company Secretary on +61 1300 133 921.

Yours sincerely

Lloyd Flint
Company Secretary

Important Notices

This notice is issued by Winchester Energy Limited. This notice is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Winchester Energy Limited in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of Winchester ordinary shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other country. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia, New Zealand, or Bermuda. In particular, the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Because of legal restrictions, you must not send copies of this letter or any material in relation to the Entitlement Offer to any person outside Australia or New Zealand. Failure to comply with these restrictions may result in violations of applicable securities law.

The provision of this document is not, and should not be considered as, a securities recommendation or financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your stockbroker, accountant, taxation adviser, financial adviser or other professional adviser.



7 December 2018

Dear Shareholder

NOTICE TO INELIGIBLE SHAREHOLDERS OF NON-RENOUNCEABLE ENTITLEMENT OFFER

I am writing to you as the registered holder of shares in Winchester Energy Limited (**Company**) (ASX:WEL), with a registered address outside of Australia or New Zealand, as at today's date. According to our records, you are therefore an Ineligible Shareholder (defined below), as at today's date.

The Company is undertaking a non-renounceable pro rata entitlement offer on the basis of 1 new fully paid ordinary share (**New Share**) for every 2 fully paid ordinary shares in the Company (**Shares**) held by Eligible Shareholders (defined below) at an issue price of \$0.02 per New Share (**Entitlement Offer**) to raise approximately \$2,851,488 (before costs).

This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter. This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. A nominee arrangement will be put in place for Ineligible Shareholders (as defined below), and you should read this letter carefully to understand what this means for you.

The Entitlement Offer will be made by way of an offer document pursuant to section 708AA of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no prospectus needs to be prepared (**Offer Document**). Up to 142,574,416 New Shares will be issued under the Entitlement Offer (assuming no options are exercised prior to the Record Date, defined below).

The Company intends to apply the funds raised from the Entitlement Offer as follows:

Well participation and drilling: Mustang, El Dorado and Spitfire prospects	\$2,300,000
Working capital	\$439,988
Expenses of the Offer	\$111,500
Total	\$2,851,488

The Entitlement Offer is only available to shareholders whose registered address is in Australia or New Zealand as recorded with the Company's share registry as at 5.00pm (WST) on 14 December 2018 (**Record Date**) (**Eligible Shareholders**).

As a non-renounceable offer, rights are not tradeable on the ASX or otherwise transferable. New Shares will rank equally with the Company's existing Shares.

Ineligible Shareholders

The Company has determined that it would be unreasonable to extend participation in the Entitlement Offer to shareholders who do not have a registered address in Australia or New Zealand on the Record Date (**Ineligible Shareholders**) having regard to:

- (a) the number of Ineligible Shareholders;
- (b) the number and value of the New Shares that would otherwise be offered to Ineligible Shareholders; and
- (c) the cost of complying with overseas legal and regulatory requirements.

Unfortunately, according to our records, you do not satisfy the criteria for an Eligible Shareholder, accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, the Company wishes to advise that it is unable to extend to you the opportunity to participate in the Entitlement Offer. If our records are incorrect on this matter, please contact the Company Secretary, Lloyd Flint, on +61 1300 133 921. You will not be sent the documents relating to the Entitlement Offer or be able to subscribe for New Shares under the Entitlement Offer.

Nominee

In order to comply with section 615 of the Corporations Act, the Company will appoint an ASIC approved nominee (**Nominee**) to subscribe for the New Shares that Ineligible Shareholders would have otherwise been entitled to, and the Nominee will sell those shares on their behalf.

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 \$0.02, issue to the Nominee the New Shares that Ineligible Shareholders would otherwise 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 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.

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If you have any queries in relation to the Entitlement Offer, please do not hesitate to contact the Company Secretary on +61 1300 133 921.

Yours sincerely

Lloyd Flint
Company Secretary

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This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other country. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. In particular, the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Because of legal restrictions, you must not send copies of this letter or any material in relation to the Entitlement Offer to any person outside Australia or New Zealand. Failure to comply with these restrictions may result in violations of applicable securities law.

The provision of this document is not, and should not be considered as, a securities recommendation or financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your stockbroker, accountant, taxation adviser, financial adviser or other professional adviser.



7 December 2018

Dear Optionholder

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I am writing to you in relation to your option holding in Winchester Energy Limited (**Company**) (ASX:WEL).

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In accordance with the Listing Rules, the Company, by this letter, gives you notice of your right to participate in the Entitlement Offer, subject to the requirements detailed below.

To participate in the Entitlement Offer, you will need to have exercised your options and have been issued the resulting Shares prior to the Record Date. Notice of exercise of options and cleared payment of the exercise price of the options must be received by the Company's share registry, Automic Group Pty Ltd on or before 5.00pm (WST) on 12 December 2018. Notices of exercise of options received after this date cannot be assured of the allotment of Shares by the Record Date for the Entitlement Offer.

There is no obligation for you to exercise your options. This letter is intended to inform you of your rights in relation to your options and the Entitlement Offer. If you do not wish to participate in the Entitlement Offer, you do not need to take any action. If you require an option exercise form, please contact the Company Secretary on +61 1300 133 921.

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Lloyd Flint
Company Secretary

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