



Placement Raises \$5 Million to Accelerate Oil Exploration

Date: 26 May 2021

ASX Code: WEL

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HIGHLIGHTS

- **Placement raising \$5 million to accelerate oil exploration and production activity in the Permian Basin, Texas – high impact well to be spudded next week.**
- **Placement well supported by existing and new sophisticated investors.**

Winchester Energy Limited (Winchester; ASX:WEL) is pleased to announce it has received firm commitments for a placement to fund an accelerated oil exploration and production in its 16,650 acre lease hold position in the Permian Basin, Texas ("Placement").

The Placement to institutional and sophisticated investors will raise AUD\$5 million (before costs) through the issue of 312,500,000 new shares at an issue price of \$0.016 per share, representing a 19% discount to the 15-day VWAP up to and including 21 May 2021. CPS Capital Group Pty Ltd (CPS) is acting as lead broker and manager to the Placement.

Work to be Undertaken	Scheduled	\$AUD
Workover of <u>four</u> existing wells targeting the Cisco Sands	1 complete and producing 3 remain – Q2 and Q3 2021	\$600k total
Drilling Bast Deep prospect targeting Cambrian Sands plus bailout options	Early June 2021	\$1.2M
Drilling Mustang Oil Field targeting the Strawn Formation - White Hat 2106	Q3 2021	\$1M
Drilling Spitfire prospect targeting the Strawn Formation	Q3 2021	\$1.2M
Additional drilling/completions and working capital	Q2-Q4 2021	\$1M
Total		\$5M

Note that costs are for guidance purposes and are subject to change. Schedule of work also subject to change.

Details of the Placement

The Company has arranged a Placement of 312,500,000 new shares in two tranches to raise \$5,000,000 with sophisticated and professional investors as defined by section 708 (8), (10) and (11) of the Corporations Act 2001.



The issue of shares under Tranche 1 of the Placement of 172,761,222 new shares will not be subject to shareholder approval and will be made within the Company's 25% placement capacity under Australian Securities Exchange (ASX) listing rules 7.1 and 7.1A. Tranche 1 comprises 103,656,733 new shares issued within the Company's 15% placement capacity under listing rule 7.1 and 69,104,489 new shares issued within the Company's additional 10% placement capacity under listing rule 7.1A.

The issue of 139,738,778 new shares, under Tranche 2 of the Placement will be subject to shareholder approval along with the 37,500,000 fee options to be issued to CPS as lead broker to the Placement.

Each new share will be issued at a price of 1.6 cents.

The Company will convene a general meeting seeking shareholder approval of the issue of Tranche 2 Placement shares, anticipated to be late July 2021.

Shares issued under the Placement will be fully paid ordinary shares in the Company and will rank equally with shares currently on issue.

Settlement and issue of the Placement shares is expected to occur on or around Wednesday 2nd June 2021.

This announcement has been authorised for release by the Board.

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About Winchester Energy Ltd (ASX Code: WEL)

Winchester Energy Ltd (ASX: WEL) is an Australian ASX-listed oil and gas explorer and producer 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.

Winchester currently produces approximately 144 barrels of oil equivalent per day (boepd) net to its Working Interests (WI), generating revenue of over AUD\$500,000 in the March 2021 quarter.

As at 31 December 2020 Winchester's Resources and Reserves were calculated at 495,800 barrels of oil equivalent of 3P reserves and a combined 11.1 million barrels of oil equivalent (mmboe) in Contingent and Prospective Resources. Please refer to Winchester's 16 March 2021 ASX release for more details.