



Drilling Commences at High Impact Bast Deep Well

Date: 4 June 2021

ASX Code: WEL

Capital Structure

Ordinary Shares:
863,806,109
Current Share Price: 2.4c
Market Cap: \$20.7M
Cash: \$1.1M
Debt: Nil

Directors

James Allchurch
Non-Executive Director

Larry Liu
Non-Executive Director

Tony Peng
Non-Executive Director

Lloyd Flint
Company Secretary

Contact Details

Australia

Ground Floor
24 Outram Street
West Perth WA 6005
Australia

PO Box 641
West Perth WA 6872
Australia

Tel: +61 8 9200 3743
Fax: +61 8 9200 3742

USA

Two Riverway
17th Floor
Suite 1700
Houston Texas USA 77056

Tel: +1 713 333 0610

winchesterenergyltd.com

- **McLeod 1705 has spudded and is now drilling ahead to test the potentially game-changing Cambrian Sands target at the Bast Deep prospect.**
- **Success in the Cambrian target at Bast Deep will allow prioritisation of additional Cambrian prospects identified to date that have a combined best estimate Gross Prospective Resource* of 4.2 million boe.**
- **Previous gas sampling conducted by Winchester has identified highly anomalous helium values up to 0.11% He in units overlying the Cambrian Sands. Helium potential exists and accordingly gas will be monitored during drilling.**
- **Several highly productive zones overlying the Cambrian Sands provide additional oil production options.**

*** Cautionary Note:** The estimated quantities of petroleum that may potentially be recovered by the application of a future 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.

Winchester Energy Limited ("Winchester"; ASX: WEL) is pleased to advise that the Blue Line Rig No. 7 is presently drilling ahead at the McLeod 1705 well located within its extensive lease position in the East Permian Basin, Texas.

McLeod 1705 (Winchester 100% WI)

Main Target – Cambrian Sands

With a planned total depth of 7,800 feet, the McLeod 1705 well will test the high-impact Cambrian Sands target at the Bast Deep prospect.

McLeod 1705 is the first new well testing the exciting Bast Deep prospect which has best estimate (i.e. most likely) Gross Prospective Resources of 948,000 barrels of oil equivalent (boe).

Success in the Cambrian target at Bast Deep will allow prioritisation of additional Cambrian prospects identified to date that have a combined best estimate Gross Prospective Resource of 4.2 million boe (see Table 1).

Gross Prospective Resources	Low Estimate (mboe)	Best Estimate (mboe)	High Estimate (mboe)
Bast Deep	381.8	948.2	2,340.5
Meteor	694.8	1,934.5	4,685.8
El Dorado	519.2	1,358.5	3,516.8
Total (mboe)	1,596	4,241	6,543

Table 1: Prospects with Cambrian Targets

Cautionary Note: The estimated quantities of petroleum that may potentially be recovered by the application of a future 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.

McLeod 1708 will likely take 10 days to reach total depth at which time the company will run logs and commence testing. Winchester will keep the market updated as drilling progresses.

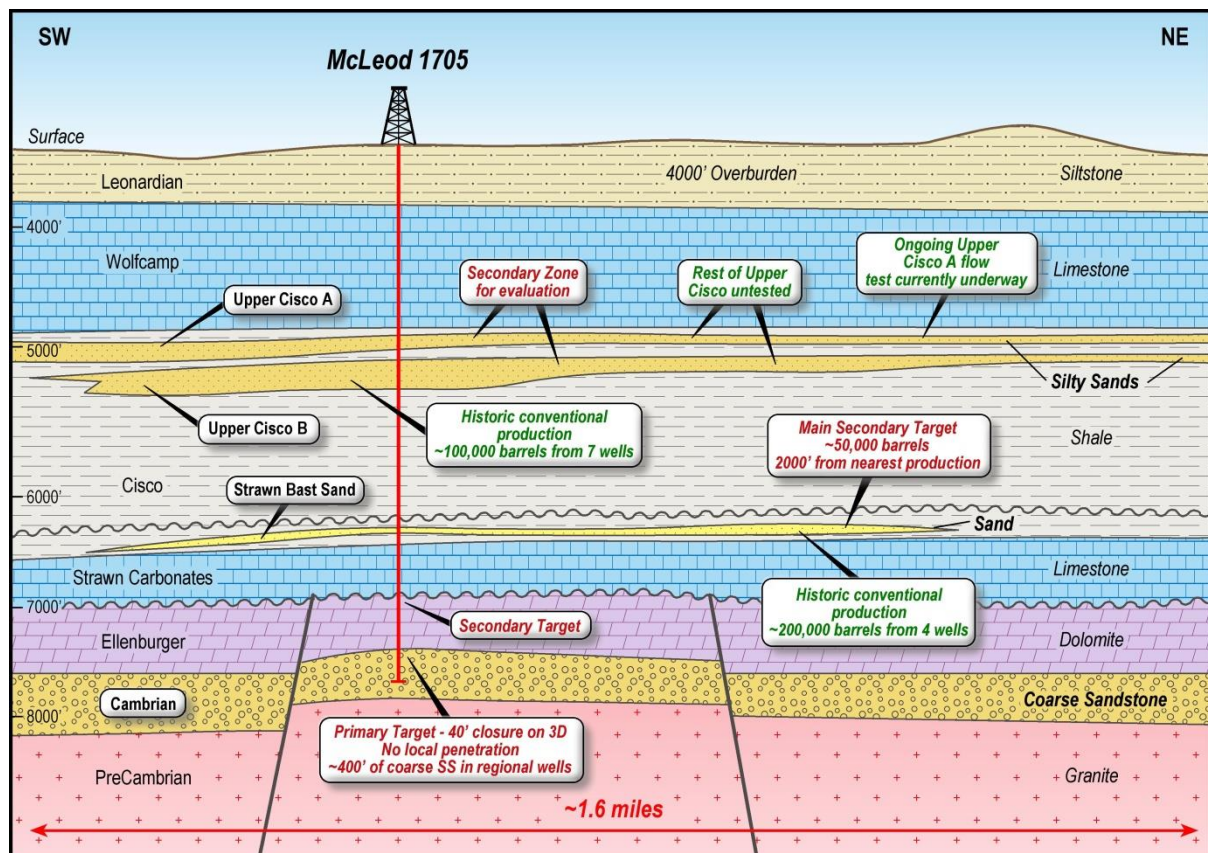


Figure 1: Stylized section showing proposed McLeod 1705 penetration and formations

Secondary Targets

McLeod 1705 is optimally sited in that the well will also test several other historically oil productive formations.

Chief amongst these secondary targets is the Strawn Sands from which the majority of Winchester's current 144 barrels per day of oil equivalent (boepd) (March 2021 quarter) net production is derived. This Strawn unit has produced an average of 50,000 barrels of oil from wells proximal to McLeod 1705.

The Upper Cisco Sands is also a current producer for Winchester and has successfully produced oil from a frac performed by the Company last month in nearby well Bast #1. The Ellenburger is also a genuine target in the McLeod 1705 well and has been a prolific oil producer in the area.

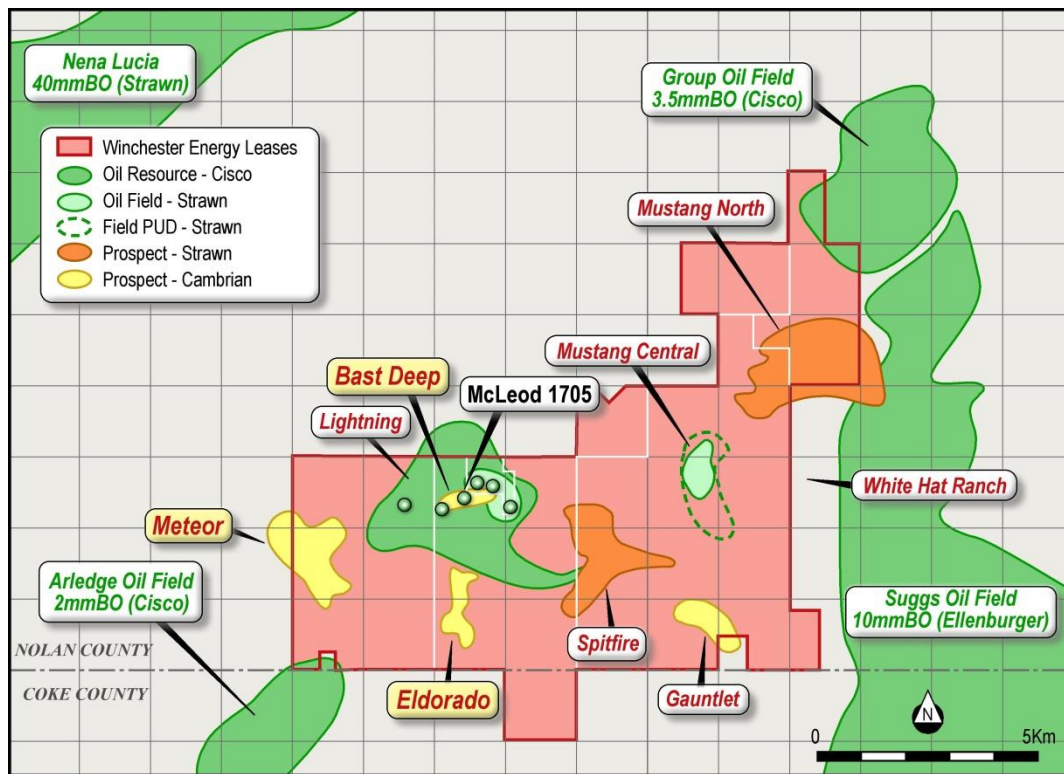


Figure 2: Winchester leaseholding showing the McLeod 1705 well location and Cambrian targets

Helium Potential

The Cambrian Sands is the deepest sedimentary unit in the stratigraphic package and directly overlies a felsic Precambrian basement. Winchester previously sampled its producing wells for helium and identified a number of prominent anomalies, this highest concentration being 0.11% He in the Arledge 1602 well, proximal to McLeod 1705.

Whilst likely sub-economic at the recorded concentrations shown in Table 2, the presence of helium has highlighted the helium potential of the area, particularly the Cambrian Sands given proximity to basement (which could be a potential source of helium by way of radioactive decay).

Winchester will be monitoring gas during the drilling of McLeod 1705 and testing for helium periodically to evaluate the helium potential.



Well Name	Sample #	He %	Comments
McLeod 1703	1	0.075	Cisco
McLeod 1703	2	0.075	Cisco. Both samples have good repeatability
WHR 2003	4	0.043	Fry (Strawn). Fairly consistent across Fry samples
WHR 2003	8	0.051	Fry (Strawn). Fairly consistent across Fry samples
WHR Common Point	6	0.052	Combination of 2003, 2005, & 2006. 2003 largest contributor
WHR 2005	5	0.054	Fry (Strawn). Fairly consistent across Fry samples
Arledge 1602	3	0.110	Cisco
WHR 2104	7	0.081	Ellenburger. CEGX well

Table 2: Helium results from sampling at Winchester's producing wells.

This announcement has been authorised for release by the Board.

For further information, please contact:

James Allchurch
Director

T: +61 8 9200 3743
E: admin@winchesterenergy.com

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 (mmbobe) in Contingent and Prospective Resources. Please refer to Winchester's 16 March 2021 ASX release for more details.

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning Winchester Energy Limited's planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Winchester Energy Limited believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. Winchester Energy Limited confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.



Competent Persons Statement

The information in this report is based on information compiled or reviewed by Mr Keith Martens, consulting geologist/geophysicist to Winchester Energy. Mr Martens is a qualified petroleum geologist/geophysicist with over 45 years of Australian, North American and other international executive petroleum experience in both onshore and offshore environments. He has extensive experience of petroleum exploration, appraisal, strategy development and reserve/resource estimation. Mr Martens has a BSc. (Dual Major) in geology and geophysics from The University of British Columbia, Vancouver, Canada.

Notes

- 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.
- bopd; boepd= barrels of oil per day; barrels of oil equivalent per day
- mbo; mboe = thousand barrels of oil; thousand barrels of oil equivalent
- mmbo; mmboe = million barrels of oil; million barrels of oil equivalent