

Warrego Energy rejects non-binding indicative proposal from Strike Energy

Warrego Energy Limited ("Warrego" or "the Company", ASX: WGO) advises that it has recently received an unsolicited, conditional, non-binding and indicative proposal from Strike Energy Limited ("Strike", ASX: STX) to acquire all of the shares in Warrego for an all-scrip consideration of 1.2 Strike shares for each Warrego share (the "Proposal").

The Proposal was subject to a number of conditions, including completion of due diligence to Strike's satisfaction; no material asset sales, divestments or similar transactions; no issuance of new equity or changes to Warrego's capital structure; and receipt of a unanimous recommendation by the Warrego Board.

The Warrego Board has now reviewed the Proposal and has concluded that it fundamentally undervalues the Company and its assets. For example, the Proposal, if it were implemented, would result in Warrego shareholders owning approximately 31% of the merged entity, whereas Strike and Warrego each hold a 50% interest in the EP469 Joint Venture which includes the West Erregulla tenements. The Proposal also undervalues Warrego's other valuable assets, including its Tesorillo project in Spain.

The Warrego Board has therefore decided not to engage with Strike on the Proposal.

The Warrego Board continues to be prepared to engage on any other proposals which are received in the future, whether from Strike or any third party, provided those proposals represent compelling value for Warrego shareholders. Unfortunately, Strike's current Proposal does not meet that test.

Warrego has appointed RBC Capital Markets as its financial adviser and Allens as its legal adviser.

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About Warrego Energy Limited

Founded in 2007, Warrego secured 100% of EP469 located onshore Perth Basin, Western Australia, in 2008. Warrego farmed out 50% of the block and operatorship in 2018 to Strike Energy Limited. In March 2019, Warrego completed a reverse takeover of Petrel Energy Limited which was renamed Warrego Energy Limited, the ASX listing being retained. Warrego is now focused on the development of onshore assets in Western Australia and Spain.

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