

Warrego Energy reorganisation delivers further cost savings; Notification of Resignation of Director

- Salaries paid to Executive Directors and Senior Executives reduced by 50%
- Fees paid to Non-Executive Directors reduced by 50%
- Resignation of Director

Warrego Energy Limited ("Warrego" or "the Company", ASX: WGO) today announced further details of its ongoing reorganisation and cost reduction initiatives.

In light of current economic conditions, exacerbated by the developing situation with COVID-19, the Warrego Board has resolved to reduce salaries paid to Executive Directors and Senior Executives and the fees paid to Non-Executive Directors by 50% from 1 April, with a review of the position to be held post end June. This prudent action will further reduce overheads and conserve funds during a period of energy market uncertainty.

In addition, Executive Director Duncan MacNiven has decided to step down from the Board, effective immediately. Duncan is a founding shareholder of Warrego and retains a 19.99% interest in the Company. The Board would like to thank Duncan for his tireless efforts and considerable insight and experience, particularly with regard to securing the EP469 permit in 2007 with co-founder Dennis Donald which laid the groundwork for the world class West Erregulla discovery. Duncan will remain as a senior executive with the Company.

The Warrego Board will now comprise five Directors with a majority of Non-Executive Directors, including the Chairman.

The Company also confirms that it will close its Sydney office once the transition of corporate functions to a new, smaller, low-cost office in Perth is complete.

These initiatives are consistent with the Company's previous statements since its 2019 AGM regarding the reorganisation of Warrego's Australian operations to focus on the most cost-effective and efficient development pathway for the West Erregulla resource.

Strike Energy's Proposal to Acquire Warrego

Finally, shareholders may be aware of Strike Energy Limited's ("Strike", ASX: STX) proposal to acquire all the shares in Warrego Energy for an all scrip consideration of 1.2 Strike shares for each Warrego share. As disclosed yesterday, the Warrego Board has reviewed the proposal and has concluded that it fundamentally undervalues the Company and its assets. Further, it would confer significantly more benefits to shareholders in Strike Energy who would increase their interest in EP 469 at the expense of Warrego Energy shareholders whose interest would be diluted. Accordingly, the Warrego Board has decided not to engage with Strike on the proposal.

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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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