

## Receipt of Non-Binding and Indicative Proposal

Warrego Energy Limited (“Warrego”, ASX:WGO) notes recent increased trading activity in its shares and advises that it received a non-binding and indicative proposal from Strike Energy Limited (“Strike”) under which Strike would acquire all of the shares in Warrego that it does not already own via a scheme of arrangement (the “Proposal”).

Under the Proposal, Warrego shareholders would receive:

- 0.775 new Strike shares for each Warrego share held; and
- if Warrego's Spanish assets are sold, and such sale completes, within 12 months of implementation of the scheme, additional scheme consideration described below.

Under this Proposal, Warrego shareholders would own approximately 30.5% of the combined group. Warrego would have the right to appoint one Board member to the Board of the combined group.

### **Contingent scheme consideration if a sale of the Spanish Assets is completed within 12 months**

As part of the Proposal, Strike is required to use reasonable endeavours to market and sell the Spanish assets. If those assets are sold, and such sale is completed, within 12 months following implementation of the scheme, Strike will be required to pay, as additional consideration for the Warrego shares transferred under the scheme, the net proceeds of sale of the Spanish assets (net of all taxes and costs). Any such consideration would be in addition to the scrip consideration to be provided by Strike for Warrego shares under the scheme.

### **Due Diligence**

The Warrego Board considers the Proposal is at a sufficient level to merit further review and has determined to grant due diligence access to Strike. Warrego is also undertaking due diligence on Strike in order to determine whether to recommend a transaction to its shareholders.

In addition, it is negotiating the potential terms of a scheme implementation deed that would govern any transaction.

Any scheme implementation agreement entered into between the parties would itself be subject to a number of conditions including Warrego shareholder approval.

### **Next Steps**

The Warrego Board will update shareholders and the market in due course. Shareholders do not need to take any action in relation to the Proposal at this stage. There is no certainty that the Proposal will result in a transaction.

Authorised by the Board of Warrego Energy Limited

**For further information contact:**

Dennis Donald  
Managing Director & Group CEO  
T: +44 7961 897 894  
E: [investors@warregoenergy.com](mailto:investors@warregoenergy.com)

**Investors and Media**

David Tasker  
Chapter One Advisors  
T: +61 433 112 936  
E: [dtasker@chapteroneadvisors.com.au](mailto:dtasker@chapteroneadvisors.com.au)

**About Warrego Energy Limited**

Warrego Energy is focused on the development of onshore assets in Australia and Spain. In Western Australia's prolific Perth Basin, the Company holds a 50% interest in EP469, including the West Erregulla gas project, and 100% of STP-EPA-0127, covering 8,700 km<sup>2</sup> (or 2.2 million acres).

In Spain, the Company holds an 85% working interest in the Tesorillo gas project in the Cadiz region and a 50.1% working interest in the El Romeral gas to power facility in the Seville region.

Website: [www.warregoenergy.com](http://www.warregoenergy.com)