

Receipt of Non-Binding and Indicative Proposal

Warrego Energy Limited (“Warrego”, ASX:WGO) wishes to advise that it has received a non-binding indicative offer from Beach Energy Limited (“Beach”, ASX:BPT) under which Beach would acquire all of the shares in Warrego via a scheme of arrangement (the “Proposal”).

Under the Proposal, Warrego shareholders would receive:

- Cash consideration of \$0.20 per share; 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.

The Proposal is subject to several conditions including:

- Confirmatory due diligence;
- Agreement of, and entry into, a binding scheme implementation deed; and
- Recommendation of the Board of Directors of Warrego.

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

As part of the Proposal, Beach would be 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, Beach 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 cash consideration to be provided by Beach 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 Beach.

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.

Warrego is being advised by RBC Capital Markets and Allens.

Authorised by the Board of Warrego Energy Limited

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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 km² (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

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