

WARREGO ENTERS INTO SCHEME IMPLEMENTATION DEED WITH BEACH ENERGY

Warrego Energy Limited (ASX: WGO, Warrego) refers to its announcement dated 11 November 2022 and advises that it has now entered into a Scheme Implementation Deed ("SID") with Beach Energy Limited (ASX: BPT, Beach) under which Beach has agreed to acquire all the issued shares in Warrego by way of scheme of arrangement (the "Scheme").

Under the Scheme, Warrego shareholders would receive:

- Cash consideration of \$0.20 per share (the "Base Scheme Consideration"); and
- If Warrego's Spanish assets are sold, and such sale completes, within 12 months of implementation of the Scheme, the proceeds of such sale net of costs and taxes (the "Contingent Scheme Consideration").

The Base Scheme Consideration of \$0.20 per share represents a 36% premium to Warrego's 1-month VWAP to 9 November 2022.¹ The all cash consideration would also deliver cash certain value to Warrego shareholders for their shares.

The Scheme is subject to approval by Warrego shareholders, and by the Court, as well as other customary conditions.

Recommendation

The Board of Warrego (Board) unanimously recommends that Warrego shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to an Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of Warrego shareholders. Subject to those same qualifications, each Warrego Director has confirmed that they intend to vote any shares that they hold or control in favour of the Scheme.

Commenting on the Proposed Acquisition, Warrego Managing Director and CEO Dennis Donald said: "This transaction provides an attractive outcome for our shareholders, with the certainty of cash proceeds. The premium offered to our share price recognises the strong underlying value of our assets as well as providing the ability to realise further upside from the future potential sale of Warrego's assets in Spain".

Scheme Implementation Agreement

The SID is subject to customary conditions for a transaction of this nature, including:

- Warrego shareholder approval;
- Approval by the Court;
- The Independent Expert concluding, and continuing to conclude, that the Scheme in the best interests of Warrego shareholders; and
- No Warrego Material Adverse Change and no Warrego Regulated Event occurring.

¹ 9 November 2022 was the last trading day prior to the announcement of the Strike Energy Limited proposal by Warrego on 10 November 2022.

The SID contains customary exclusivity provisions, including no shop, no talk and no due diligence obligations, with the no-talk and no-due diligence provisions being subject to customary fiduciary carve-outs. The SID also contains a matching right in favour of Beach, and break fee and reverse break fee obligations.

A copy of the SID is attached to this announcement.

Indicative timetable and next steps

A Scheme Booklet containing information relating to the Scheme, the reasons for the Warrego Directors' recommendation, the Independent Expert's Report and details of the Scheme Meeting will be dispatched to Warrego shareholders in advance of the Scheme Meeting. It is expected that the Scheme Booklet will be sent to Warrego Shareholders in January 2023.

Warrego is being advised by RBC Capital Markets as financial advisor and Allens as legal advisor.

This announcement has been authorised for release by the Warrego Board.

– ENDS –

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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 EI Romeral gas to power facility in the Seville region.

Website: www.warregoenergy.com

Beach Energy Limited
and
Warrego Energy Limited

Scheme Implementation Deed

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Contents

1	Definitions and interpretation	4
1.1	Definitions	4
1.2	Interpretation	12
1.3	Business Day	12
1.4	Reasonable and best endeavours	13
1.5	Consents or approvals	13
1.6	Knowledge, belief or awareness of Warrego	13
1.7	Listing requirements included as law	13
2	Agreement to proceed with Scheme	13
2.1	Warrego to propose the Scheme	13
2.2	Beach to assist	13
2.3	Nomination of BidCo	14
3	Conditions Precedent and pre-implementation steps	14
3.1	Conditions precedent	14
3.2	Co-operation	15
3.3	Waiver of Conditions Precedent	15
3.4	Notifications	15
3.5	Scheme voted down because of Headcount Test	16
3.6	Failure of Conditions Precedent	16
3.7	Certificates in relation to Conditions Precedent	17
4	Transaction Steps	17
4.1	Scheme	17
4.2	Scheme Consideration	17
4.3	Provision of Scheme Consideration	18
4.4	Options and Performance Rights	18
4.5	No amendment to Scheme without consent	19
4.6	Sale of the Spanish Assets	19
5	Implementation	21
5.1	Warrego's obligations	21
5.2	Appeal process	23
5.3	Beach's obligations	23
5.4	Appointment of directors	25
6	Conduct of business and requests for access	25
6.1	Conduct of Warrego business	25
6.2	No Warrego Regulated Events	26
6.3	Access to information and co-operation	26
6.4	Change of control consents	27
6.5	Directors' and officers' insurance and indemnities	27
6.6	Other insurance policies notification and Run-Off Policies	29
7	Warrego Board recommendation	30
8	Representations and warranties	31
8.1	Beach Representations and Warranties	31
8.2	Warrego Representations and Warranties	31
8.3	Timing of representations and warranties	31
8.4	Survival of representations	31
8.5	Notification obligations	32

9	Releases	32
	9.1 Warrego Parties	32
	9.2 Beach Parties	32
10	Public announcements	33
	10.1 Announcement of the Transaction	33
	10.2 Other public announcements	33
11	Exclusivity	33
	11.1 No current discussions regarding a Competing Proposal	33
	11.2 No-shop and no talk	33
	11.3 Limitation to no-talk and no-due diligence	34
	11.4 Notification by Warrego	34
	11.5 Beach matching right	35
	11.6 Compliance with law	36
	11.7 Normal provision of information	36
12	Warrego Break Fee	37
	12.1 Background	37
	12.2 Payment of Warrego Break Fee	37
	12.3 Payment conditions	38
	12.4 Timing of payment	38
	12.5 Nature of payment	38
	12.6 Compliance with law	39
	12.7 Limitation of liability	39
13	Reverse Break Fee	39
	13.1 Background	39
	13.2 Payment of Reverse Break Fee	40
	13.3 Payment conditions	40
	13.4 Timing of payment	40
	13.5 Nature of payment	40
	13.6 Compliance with law	40
	13.7 Limitation of liability	40
14	Termination	41
	14.1 General rights	41
	14.2 Effect of termination	42
	14.3 Termination by written agreement	42
15	Confidentiality/standstill	42
16	GST	42
	16.1 Recovery of GST	42
	16.2 Liability net of GST	43
	16.3 Adjustment events	43
	16.4 Survival	43
	16.5 Definitions	43
17	Notices	43
18	General provisions	44
	18.1 Amendment	44
	18.2 Assignment	44
	18.3 Costs and stamp duty	44
	18.4 Withholding tax	45

18.5	Counterparts	45
18.6	Entire agreement	45
18.7	Further assurances	45
18.8	Governing law and jurisdiction	45
18.9	No merger	45
18.10	No waiver	45
18.11	Severability of provisions	46
	Schedule 1 – Beach Representations and Warranties	47
	Schedule 2 – Warrego Representations and Warranties	48
	Schedule 3 – Warrego Regulated Events	51
	Schedule 4 - Timetable	53
	Execution pages	54
	Annexure A – Form of Scheme	55
	Annexure B – Form of Deed Poll	68
	Deed Poll	69

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This Deed is made on 14 November 2022

Parties

- 1 **Beach Energy Limited** (ACN 007 617 969) of Level 8, 80 Flinders Street Adelaide, South Australia 5000 (**Beach**).
- 2 **Warrego Energy Limited** (ACN 125 394 667) of Level 6, 216 St Georges Terrace Perth WA 6000 (**Warrego**).

Recitals

- A The parties have agreed that Beach will acquire all of the Scheme Shares by means of a scheme of arrangement under Part 5.1 of the Corporations Act between Warrego and its shareholders.
- B Warrego has agreed to propose and implement the Scheme, and Beach has agreed to assist Warrego to propose and implement the Scheme, on the terms of this deed.

It is agreed as follows.

1 Definitions and interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

Adviser means, in relation to an entity, a professional adviser engaged (directly or indirectly) by the entity for the purposes of the Transaction.

Alcoa GSA means the Gas Supply Agreement between Alcoa of Australia Limited and Warrego Energy EP 469 Pty Ltd.

Anti-Corruption Laws means all applicable anti-bribery and anti-corruption laws and regulations, including the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act 2010, the Australian Criminal Code Act 1995 (Cth), laws implementing the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or the rules and regulations promulgated thereunder, or any other applicable law, rule, or regulation of similar effect in other jurisdictions.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning set out in section 12(2)(b) and (c) of the Corporations Act, where for the purposes of section 12, the 'designated body' is Warrego.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as 'ASX' operated by ASX Limited.

ASX Listing Rules means the official listing rules of ASX.

Base Scheme Consideration has the meaning given in clause 4.2.

BidCo means a wholly owned subsidiary of Beach nominated in accordance with clause 2.3.

Beach Counterproposal has the meaning given in clause 11.5.

Beach Group means Beach and each of its Subsidiaries. A reference to a **member of the Beach Group** is a reference to Beach or any such Subsidiaries.

Beach Information means information about the Beach Group provided by Beach or any of its Advisers to Warrego in writing for inclusion in the Scheme Booklet, as required by clauses 5.3(a)

and 5.3(g), being:

- (a) any letter from Beach's Chairman;
- (b) information about Beach, other members of the Beach Group, the businesses of the Beach Group, Beach's interests and dealings in Warrego Shares, Beach's intentions for Warrego and Warrego's employees, and funding for the Scheme; and
- (c) any other information required under the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 and the ASX Listing Rules to enable the Scheme Booklet to be prepared that the parties agree is 'Beach Information' and that is identified in the Scheme Booklet as such.

For the avoidance of doubt, the Beach Information excludes the Warrego Information and the Independent Expert's Report.

Beach Party means any member of the Beach Group or any officer, employee or Adviser of any of them.

Beach Representation and Warranty means a representation and warranty of Beach set out in Schedule 1.

Business Day means any day that is both of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Perth, Western Australia and in Adelaide, South Australia.

CGT Clearance Certificate is the certificate issued by the Commissioner of Taxation under Section 14-220 of Schedule 1 to the Tax Administration Act 1953 (Cth).

CGT Vendor Declaration is a declaration in a form approved by Beach and signed by a Warrego Shareholder stating that they are an Australian tax resident.

Claim means, in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.

Competing Proposal means any expression of interest, proposal, offer, transaction, agreement or arrangement pursuant to which, if the expression of interest, proposal, offer, transaction, agreement or arrangement is entered into or completed substantially in accordance with its terms:

- (a) a Third Party will (either alone or together with any Associate), directly or indirectly:
 - (i) acquire a relevant interest in, or acquire or obtain a right to acquire a legal, beneficial, economic or voting interest in (including by way of equity swap, contract for difference or similar transaction or arrangement), or control of, 20% or more of Warrego Shares;
 - (ii) acquire, obtain a right to acquire, or otherwise obtain a legal, beneficial or economic interest in all or a substantial part of the assets or business of Warrego or Warrego Group (taken as a whole);
 - (iii) otherwise acquire control (within the meaning of section 50AA of the Corporations Act, but disregarding subsection 50AA(4) of the Corporations Act) of Warrego or any of its Related Bodies Corporate; or
 - (iv) otherwise acquire, being stapled to, or merge with, Warrego; or
- (b) a party would be required to abandon or otherwise fail to proceed with the Transaction, or otherwise having the result that a Transaction is not reasonably able to be implemented, by whatever means,

whether by way of takeover offer or bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.

Conditions Precedent has the meaning given in clause 3.1.

Confidentiality Deed means each of the confidentiality deed between the Beach and Warrego dated 5 May 2022 (as amended).

Contingent Scheme Consideration has the meaning given in clause 4.2.

Corporations Act means the *Corporations Act 2001* (Cth), as amended by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.

Court means the Federal Court of Australia, Western Australian Division or such other court of competent jurisdiction under the Corporations Act agreed to in writing between the parties.

Data Room means the online virtual data room established by or on behalf of Warrego in connection with the Transaction, to which Beach and its Advisers have been given access.

Deed Poll means a deed poll in favour of all Scheme Shareholders in the form of Annexure B (or such other form agreed to in writing between the parties to this deed).

Deferred Returns Period means the period from the Implementation Date to the date that is the first anniversary of the Implementation Date.

Disclosure Materials means:

- (a) all documentation contained in the Data Room, as evidenced by the Data Room index agreed in writing between the parties on the date of this document; and
- (b) the written responses by or on behalf of the Warrego Group or its Representatives (and any documents provided together with those responses) to the questions raised by the Beach Group or its Representatives, including any attachments to such responses, before the date of this deed.

Distribution includes any dividend, capital return, shareholder loan repayment, payment or other distribution of any kind.

Early Works Agreement means the Agreement for the Provision of Phase 1 Early Works Program between Strike Energy Limited and AGI Operations Pty Ltd dated 20 May 2020 (as novated, amended and restated by a Deed of Novation, Joinder, Amendment and Restatement dated 2 July 2021 between those parties and Warrego Energy EP469 Pty Ltd).

Effective means the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the date that is six months after the date of this deed or such other date as may be agreed in writing between Warrego and Beach.

Exclusivity Period means the period from and including the date of this deed to the earlier of:

- (a) the termination of this deed; and
- (b) the End Date.

Fairly Disclosed: A reference to 'Fairly Disclosed' in relation to a matter is to such matter being disclosed in sufficient detail to enable a reasonable person experienced in the oil and gas sector,

or transactions similar to the Transaction, to identify the nature, substance and scope of the relevant matter.

First Court Date means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned for any reason, the day on which the adjourned application is heard.

Government Agency means any Australian or foreign government or governmental, semi-governmental or judicial entity or authority. It also includes any government minister (and his or her delegate), any self-regulatory organisation established under statute or any securities exchange and, for the avoidance of doubt, includes ASIC and ASX.

Government Official means:

- (a) any employee or person acting for or on behalf of a government official, Government Agency, or other enterprise performing a governmental function;
- (b) any political party, candidate for public office, officer, employee, or person acting for or on behalf of a political party or candidate for public office;
- (c) any member of a military or a royal or ruling family, and
- (d) any employee or person acting for or on behalf of a public international organisation (eg the United Nations).

GSA Term Sheet means the Joint Venture Gas Sales Agreement Binding Term Sheet dated 29 October 2021 between Strike West Pty Ltd and Warrego Energy EP469 Pty Ltd.

GST means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

GST Law has the same meaning as in the GST Act.

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of Warrego Shareholders present and voting, either in person or by proxy.

Implementation Date means the fourth Business Day after the Scheme Record Date or such other date agreed to in writing between Beach and Warrego.

Independent Expert means an independent expert to be engaged by Warrego.

Independent Expert's Report means a report (including any written updates to such report) of the Independent Expert stating whether or not in its opinion the Scheme is in the best interests of Warrego Shareholders.

Insolvency Event means, in the case of any entity:

- (a) it ceases, suspends, or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of all or a substantial part of its assets;
- (b) it stops or suspends, or threatens to stop or suspend, payment of all or a class of its debts;
- (c) it is, or under legislation is presumed or taken to be, insolvent (other than as the result of a failure to pay a debt or Claim the subject of a good faith dispute);
- (d) it has an administrator, controller or similar officer appointed, or any step preliminary to the appointment of such an officer is taken;

- (e) an application or an order is made, proceedings are commenced, or a resolution is passed (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days) for:
- (i) its winding up, dissolution or administration; or
 - (ii) it entering into an arrangement, compromise or composition with, or assignment for, the benefit of its creditors or a class of them;
- (f) a:
- (i) receiver, receiver and manager, administrative receiver or similar officer is appointed to;
 - (ii) security interest becomes enforceable or is enforced over; or
 - (iii) distress, attachment or other execution is levied or enforced or applied for over, all or a substantial part of its assets; or
- (g) anything analogous to anything referred to in the above paragraphs, or which has substantially similar effect, occurs with respect to it, including under any foreign law.

Key Licence means:

- (a) Exploration Permit EP469;
- (b) the applicable exploration permit granted in respect of the Key Licence Application, following its grant.

and in each case, including any extension, renewal, variation, conversion, amalgamation, replacement or substitution of such permit, which is granted in respect of the whole or part of the area the subject of such permit.

Key Licence Application means the pending application for exploration permit EPA-127.

Net Sale Proceeds means:

- (a) the gross proceeds from the sale of the Spanish Assets; less
- (b) all external costs and expenses incurred by the Warrego Group after the date of this deed, in connection with the sale of the Spanish Assets (including any fees payable to any financial adviser appointed in connection with or to run the proposed sale of the Spanish Assets, regardless of by whom that financial adviser is appointed), and all taxes which have, or will, become due and payable in connection with the sale of the Spanish Assets (after utilising any available tax losses within the Warrego Group) as reasonably estimated by Beach; less
- (c) if not all of the Warrego Options have been cancelled on or before Implementation of the Scheme on the Implementation Date, all costs reasonably incurred by the Beach Group (including, at that time, the Warrego Group) in connection with the cancellation of those Warrego Options, including:
 - (i) any amounts payable under private treaty with any such Warrego Optionholder;
 - (ii) any external adviser fees incurred in procuring the cancellation or compulsory acquisition of those Warrego Options or resulting shares, or obtaining advice about the cancellation or compulsory acquisition of those Warrego Options or resulting shares; and
 - (iii) any fees or third party costs (eg court costs or costs associated with the appointment of an independent expert) for any required application or process to

effect the cancellation or compulsory acquisition of such Warrego Options or resulting shares,

provided that (to avoid any doubt), if the Net Sale Proceeds equal a negative number, the Net Sale Proceeds will be taken to be \$0 and Beach will have no obligations under clause 4.6 or under the Scheme or the Deed Poll to procure any payment (of the Contingent Scheme Consideration or otherwise) to Scheme Shareholders.

Option Cancellation Deeds means the deeds or agreements entered into, or which may be entered into, between Warrego and each of the holders of Warrego Options under which, subject to the Scheme becoming Effective, each Option held by the holder which is the party to such deed or agreement is cancelled automatically on the Implementation Date.

Order means any decree, judgment, injunction, direction, writ or other order, whether temporary, preliminary or permanent, made or given by a court of competent jurisdiction or by another Government Agency.

Representative means, in relation to Beach or Warrego:

- (a) a related body corporate (as defined in the Corporations Act) of that party;
- (b) an Adviser of that party or any of their Related Bodies Corporate;
- (c) a director, officer or employee of that party, or of an Adviser or Related Body Corporate of that party.

Reverse Break Fee means \$2,440,000.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Warrego and the Scheme Shareholders in the form of Annexure A (or such other form agreed to in writing between the parties to this deed).

Scheme Booklet means the scheme booklet to be prepared by Warrego in accordance with clause 5.1(a) and to be approved by the Court and despatched to Warrego Shareholders and which must include the Scheme, an explanatory statement complying with the requirements of the Corporations Act, the Independent Expert's Report, notice of the Scheme Meeting and a proxy form for the Scheme Meeting.

Scheme Consideration has the meaning given in clause 4.2.

Scheme Meeting means the meeting of Warrego Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act, including any adjournment of that meeting.

Scheme Record Date means 7:00pm (Sydney time) on the second Business Day after the Effective Date or such other time and date agreed to in writing between the parties.

Scheme Shares means the Warrego Shares on issue as at the Scheme Record Date.

Scheme Shareholder means a person registered in the Warrego Share Register as the holder of one or more Scheme Shares at the Scheme Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the day on which the adjourned application is heard.

Spanish Assets means the Warrego Group's 85% interest in class A shares, and its 50.1% interest in class B shares, of Tarba, together with any shareholder loans from the Warrego Group to Tarba.

Subsidiary has the meaning given in Part 1.2, Division 6 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal received by Warrego (and not

received as a result of a breach by Warrego of its obligations under clause 11) that the Warrego Board determines, acting in good faith and in order to satisfy what the Warrego Board considers to be the Warrego Directors' statutory or fiduciary duties, and after having obtained written advice from Warrego's external legal and financial advisers:

- (a) is reasonably capable of being valued and reasonably capable of being completed in accordance with its terms; and
- (b) would, if completed in accordance with its terms, result in a transaction that is more favourable to Warrego Shareholders than the Transaction (as the Transaction may be amended or varied following application of the matching right set out in section 11.5).

Tarba means Tarba Energia S.L..

Third Party means a person other than any member of the Beach Group.

Timetable means the indicative timetable for the implementation of the Transaction set out in Schedule 4.

Transaction means the acquisition of the Scheme Shares by Beach through implementation of the Scheme in accordance with the terms of this deed.

Trust Deed means a deed between Warrego, Beach and the Trustee on the terms set out in clause 4.6(i).

Trustee means an entity who meets the requirements of section 283AC of the Corporations Act and who is approved by Beach (acting reasonably) and appointed by Warrego to be the trustee of the Net Sale Proceeds for the Warrego Shareholders under the Trust Deed.

Warrego Board means the board of directors of Warrego from time to time.

Warrego Break Fee means \$2,440,000.

Warrego Director means each director of Warrego from time to time, other than a director who was appointed by Warrego Shareholders at a general meeting of Warrego where the Warrego Board did not recommend the appointment of such director.

Warrego Group means Warrego and each of its Subsidiaries, other than Tarba and any Subsidiary of Tarba.

Warrego Incentive means an equity incentive issued under the long term incentive plan approved at a general meeting of Shareholders on 10 August 2021 comprising:

- (a) 631,874 employee share rights; and
- (b) 7,934,831 performance rights.

Warrego Information means all information included in the Scheme Booklet other than the Beach Information and the Independent Expert's Report.

Warrego Long Term Incentive Plan means the Warrego Group Limited Long Term Incentive Plan Rules adopted on 18 February 2015, as amended.

Warrego Material Adverse Change means any matter, event, change in condition, circumstances, information or thing (**Warrego Change**) which occurs, is announced or becomes known to Beach (whether or not in the public domain, and including under Warrego's obligation to notify Beach of any potential Warrego Material Adverse Change under clause 3.4(c)) that, either individually or when aggregated with all such Warrego Changes:

- (a) diminishes, or could reasonably be expected to diminish, the consolidated net assets of the Warrego Group by 15% or more (by reference to the consolidated net assets contained in Warrego's financial statements for the financial year ended 30 June 2022);

- (b) have a material effect on the Warrego Group's interest in the Key Licence or the ability of the Warrego Group to exploit its interest in the Key Licence;
- (c) materially affects the ability of any member of the Warrego Group to freely market its share of gas from the Key Licence,

other than any Warrego Change that arises from or in connection with:

- (d) any change on or after the date of this deed in:
 - (i) Australian or international economic conditions, credit markets, or capital markets (including changes in interest rates);
 - (ii) the industry in which Warrego operates;
 - (iii) laws (including any statute, ordinance, rule, regulation, the common law and equitable principles) or the interpretation, application or non-application of any laws by any Government Agency; or
 - (iv) applicable accounting standards,in each case, affecting Australian oil and gas exploration businesses generally;
- (e) any war, act of terrorism, civil unrest or similar event occurring on or after the date of this deed;
- (f) any act of God, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide, adverse weather conditions occurring on or after the date of this deed;
- (g) required or expressly permitted by this deed, the Scheme or the transactions contemplated by either; or
- (h) any action, or failure to take action, by Warrego with the prior written approval or consent of, or at the written request of, Beach,

provided that, in the case of exceptions in paragraphs (d) and (e) above, such Warrego Change does not affect Warrego in a manner that is materially disproportionate to the effect on other companies of a similar size operating in the same industry as Warrego.

Warrego Option means the 9,999,999 options (under which the holder has the option to subscribe for one Warrego Share for each option held) on issue, issued with an exercise price of \$0.28 and due to expire on 21 July 2023.

Warrego Optionholder means a holder of one or more Warrego Options.

Warrego Party means any member of the Warrego Group or any officer, employee or Adviser of any member of the Warrego Group.

Warrego Regulated Event means any of the occurrences set out in Schedule 3, other than an occurrence:

- (a) required or expressly permitted by this deed or the Scheme;
- (b) as reasonably required by an applicable law or by any Government Agency; or
- (c) with the prior written consent of Beach.

Warrego Registry means Boardroom Pty Limited or any replacement provider of share registry services to Warrego.

Warrego Representation and Warranty means a representation and warranty of Warrego set out in Schedule 2.

Warrego STIs means the Warrego FY23 STI Awards referred to in the memorandum from the CEO to the Warrego Board dated 27 October 2022.

Warrego Share means a fully paid ordinary share in the capital of Warrego.

Warrego Shareholder means a person who is registered as the holder of one or more Warrego Shares from time to time.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause, schedule or annexure is a reference to a clause of, or schedule or annexure to, this deed.
- (f) A reference to an *agreement* or *document* (including a reference to this deed) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this deed or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
- (g) A reference to a party to this deed or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) A reference to an *agreement* includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a *document* includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (k) A reference to *dollars* and \$ is to Australian currency.
- (l) All references to time are to time in Perth, Australia time.
- (m) Mentioning anything after *includes, including, for example*, or similar expressions, does not limit what else might be included.
- (n) Nothing in this deed is to be interpreted against a party solely on the ground that the party put forward this deed or a relevant part of it.
- (o) A reference to *officer, relevant interest* or *voting power* is to that term as it is defined in the Corporations Act.

1.3 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.4 Reasonable and best endeavours

A reference to a party using or obligation on a party to use its reasonable endeavours, best endeavours or all reasonable endeavours does not oblige that party to:

- (a) pay money:
 - (i) in the form of an inducement or consideration to a third party to procure something (other than the payment of immaterial expenses or costs, including costs of advisers, to procure the relevant thing); or
 - (ii) in circumstances that are commercially onerous or unreasonable in the context of this deed;
- (b) provide other valuable consideration to or for the benefit of any person; or
- (c) agree to commercially onerous or unreasonable conditions, except where the provision expressly specifies otherwise.

1.5 Consents or approvals

If the doing of any act, matter or thing under this deed is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless expressly provided otherwise.

1.6 Knowledge, belief or awareness of Warrego

- (a) Certain statements made in this deed (including certain Warrego Representations and Warranties) are given and made by Warrego only on the basis of its knowledge, belief or awareness. For the purposes of this deed, Warrego's knowledge, belief or awareness is limited to:
 - (i) the actual knowledge, belief or awareness of either of Dennis Donald, Mark Routh and Jani Surjan; and
 - (ii) the knowledge, belief or awareness that either of Dennis Donald, Mark Routh and Jani Surjan would have had, had they made reasonable enquiries and investigations.

The knowledge, belief or awareness of any person other than the persons referred to in this clause will not be imputed to Warrego.

- (b) None of the persons named in clause 1.6(a) will bear any personal liability in respect of the Warrego Representations and Warranties or otherwise under this deed, except where such person has engaged in wilful misconduct, wilful concealment or fraud.

1.7 Listing requirements included as law

A listing rule or business rule of a securities exchange will be regarded as a *law*, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to a party.

2 Agreement to proceed with Scheme

2.1 Warrego to propose the Scheme

Warrego agrees to propose and implement the Scheme on and subject to the terms of this deed.

2.2 Beach to assist

Beach agrees to assist Warrego to propose and implement the Scheme, on and subject to the terms of this deed.

2.3 Nomination of BidCo

- (a) No later than fifteen Business Days after the date of this deed, Beach may nominate a subsidiary of Beach to acquire the Scheme Shares under the Scheme (such subsidiary being **BidCo**) by giving written notice which sets out the details of BidCo to Warrego.
- (b) If Beach nominates BidCo to acquire the Scheme Shares:
 - (i) references in this deed to Beach acquiring the Scheme Shares are to be read as references to BidCo doing so;
 - (ii) the parties must procure that the Scheme Shares are transferred to BidCo rather than Beach;
 - (iii) Beach and BidCo will both enter into the Deed Poll;
 - (iv) Beach must procure that BidCo complies with all of the relevant obligations of Beach under this deed and the Deed Poll; and
 - (v) any such nomination will not relieve Beach of its obligations under this deed, including the obligation to pay or procure the payment of the Scheme Consideration in accordance with the terms of the Scheme provided that Beach will not be in breach of this deed for failing to perform an obligation of BidCo if that obligation is fully discharged by BidCo.

3 Conditions Precedent and pre-implementation steps

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of Beach under clause 4.3 are not binding, unless each of the following Conditions Precedent (the **Conditions Precedent**) is satisfied or waived in accordance with clauses 3.2 and 3.3:

- (a) **(Warrego Shareholder approval)** Warrego Shareholders approve the Scheme by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act at the Scheme Meeting;
- (b) **(Independent Expert)** the Independent Expert issues an Independent Expert's Report which concludes that Scheme is in the best interests of Warrego Shareholders and does not publicly change, qualify or withdraw that conclusion before 8.00am on the Second Court Date;
- (c) **(Court approval)** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act (either unconditionally and without modification or with modifications or conditions consented to by the Beach in accordance with clause 4.5);
- (d) **(Orders lodged with ASIC)** An office copy of the Court order approving the Scheme under section 411(4)(b) of the Corporations Act is lodged with ASIC.
- (e) **(No restraints)** no applicable law, regulation or rule shall have been enacted and no Order shall be in effect as at 8:00am on the Second Court Date (or the intended date for the Second Court Date, but for such law, regulation, rule or Order) that prevents, makes illegal or prohibits on the implementation of the Scheme;
- (f) **(No Warrego Material Adverse Change)** no Warrego Material Adverse Change occurs between the date of this deed and 8:00am on the Second Court Date; and
- (g) **(No Warrego Regulated Event)** no Warrego Regulated Event occurs between the date of this deed and 8:00am on the Second Court Date.

3.2 Co-operation

Without prejudice to any other obligations of the parties under this deed:

- (a) Warrego must use its reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(f) and 3.1(g); and
- (b) each party must, to the extent it is within its power to do so, use its reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(a), 3.1(b), 3.1(c), 3.1(d) and 3.1(e).

3.3 Waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(a), 3.1(c) and 3.1(d) are for the benefit of both Warrego and Beach. Any breach or non-satisfaction of any of the Conditions Precedent in clauses 3.1(a), 3.1(c) and 3.1(d) cannot be waived. Any breach or non-satisfaction of the Condition Precedent in clause 3.1(e) may only be waived by each of Beach and Warrego giving their written consent.
- (b) The Conditions Precedent in clauses 3.1(f) and 3.1(g) are for the sole benefit of Beach, and any breach or non-satisfaction of those Conditions Precedent may only be waived by Beach giving its written consent.
- (c) The Condition Precedent in clause 3.1(b) is for the sole benefit of Warrego, and any breach or non-satisfaction of that Condition Precedent may only be waived by Warrego giving its written consent.
- (d) A party entitled to waive the breach or non-satisfaction of a Condition Precedent pursuant to this clause 3.3 may do so in its absolute discretion.
- (e) If a waiver by a party of a Condition Precedent is itself expressed to be conditional and the other party accepts the conditions, the terms of the conditions apply accordingly. If the other party does not accept the conditions, the relevant Condition Precedent has not been waived.
- (f) If a party waives the breach or non-satisfaction of a Condition Precedent, that waiver will not preclude it from suing the other party for any breach of this deed constituted by the same event that gave rise to the breach or non-satisfaction of the Condition Precedent.
- (g) Waiver of a breach or non-satisfaction in respect of one Condition Precedent does not constitute:
 - (i) a waiver of breach or non-satisfaction of any other Condition Precedent resulting from the same events or circumstances; or
 - (ii) a waiver of breach or non-satisfaction of that Condition Precedent resulting from any other event or circumstance.

3.4 Notifications

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent;
- (b) promptly notify the other party in writing if it becomes aware that any Condition Precedent has been satisfied, in which case the notifying party must also provide reasonable evidence that the Condition Precedent has been satisfied; and
- (c) promptly notify the other party in writing of a failure to satisfy a Condition Precedent or of any fact or circumstance that results in that Condition Precedent becoming incapable of

being satisfied or that may result in that Condition Precedent not being satisfied in accordance with its terms.

3.5 Scheme voted down because of Headcount Test

- (a) If the Scheme is not approved by Warrego Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and Warrego or Beach considers, acting reasonably, that the splitting by a holder of Warrego Shares into two or more parcels of Warrego Shares (whether or not it results in any change in beneficial ownership of the Warrego Shares) or some abusive or improper conduct may have caused or materially contributed to the Headcount Test not having been satisfied then Warrego must:
- (i) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
 - (ii) make such submissions to the Court and file such evidence as counsel engaged by Warrego to represent it in Court proceedings related to the Scheme, in consultation with Beach, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.
- (b) If the Court's approval of the Scheme under section 411(4)(b) of the Corporations Act is given, notwithstanding that the Headcount Test has not been satisfied, the Condition Precedent in clause 3.1(a) is deemed to be satisfied for all purposes.

3.6 Failure of Conditions Precedent

- (a) If:
- (i) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied (which is not waived in accordance with this deed by the time or date specified in this deed for the satisfaction of the relevant Condition Precedent); or
 - (ii) there is an event or occurrence that would, or does, prevent any of the Conditions Precedent being satisfied by the time and date specified in this deed for the satisfaction of that Condition Precedent or such Condition Precedent is otherwise not satisfied by that time and date (and the breach or non-satisfaction which would otherwise occur has not already been waived in accordance with this deed),
- then either party may serve a written notice on the other party, and the parties must promptly consult in good faith with a view to determining whether:
- (iii) the Scheme or the Transaction may proceed by way of alternative means or methods;
 - (iv) to extend the relevant time or date for satisfaction of the Condition Precedent;
 - (v) to change the First Court Date or to adjourn the application for orders pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting to another date agreed by the parties;
 - (vi) to change the Second Court Date or to adjourn the application for orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme to another date agreed by the parties; or

- (vii) to extend the End Date.
- (b) If Warrego and Beach are unable to reach agreement under clauses 3.6(a)(iii), 3.6(a)(iv), 3.6(a)(v), 3.6(a)(vi) or 3.6(a)(vii) within five Business Days after the delivery of the notice under that clause or any shorter period ending at 5:00pm on the day before the Second Court Date, either party may terminate this deed by notice in writing to the other party, provided that:
- (i) the Condition Precedent to which the notice relates is for the benefit of that party (whether or not the Condition Precedent is also for the benefit of the other party); and
 - (ii) there has been no failure by that party to comply with its obligations under this deed, where that failure directly and materially contributed to the Condition Precedent to which the notice relates becoming incapable of satisfaction, or being breached or not fulfilled before the End Date,

in which case clause 14.2 will have effect.

3.7 Certificates in relation to Conditions Precedent

- (a) On the Second Court Date (and prior to the scheduled time for the applicable hearing of the Court) each party must provide to the Court a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not as at 8:00am on the Second Court Date the Conditions Precedent (other than the conditions precedent in clauses 3.1(c) and 3.1(d)) have been satisfied or waived in accordance with this deed.
- (b) Each party must provide to the other party a draft of the certificate to be provided by it pursuant to clause 3.7(a) by 5:00pm on the day that is two Business Days prior to the Second Court Date, and must provide to the other party on the Second Court Date a copy of the final certificate or other evidence provided to the Court.

4 Transaction Steps

4.1 Scheme

Warrego must propose a scheme of arrangement under which:

- (a) all of the Scheme Shares will be transferred to Beach; and
- (b) the Scheme Shareholders will be entitled to receive the Scheme Consideration.

4.2 Scheme Consideration

- (a) The **Base Scheme Consideration**, in respect of a Scheme Shareholder, means \$0.20 per Scheme Share held by that Scheme Shareholder.
- (b) The **Contingent Scheme Consideration**, in respect of a Scheme Shareholder, means any additional Scheme Consideration which becomes payable after the Implementation Date under clause 4.6.
- (c) The **Scheme Consideration**, in respect of a Scheme Shareholder, means:
 - (i) the Base Scheme Consideration; plus
 - (ii) the Contingent Scheme Consideration.

4.3 Provision of Scheme Consideration

Beach undertakes to Warrego (in its own right and as trustee on behalf of the Scheme Shareholders) that, in consideration of the transfer to Beach of the Scheme Shares under the terms of the Scheme on the Implementation Date, it will:

- (a) accept that transfer; and
 - (b) pay or procure payment of:
 - (i) the Base Scheme Consideration for each Scheme Share on the Implementation Date
 - (ii) any Contingent Scheme Consideration for each Scheme Share on the date for payment of that amount referred to in clause 4.6,
- in accordance with the Scheme and the Deed Poll.

4.4 Options and Performance Rights

- (a) Warrego must use reasonable endeavours to enter into an Option Cancellation Deed with the holders of Warrego Options as soon as practicable after the date of this deed, and in any event within 5 Business Days after the date of this deed.
- (b) Warrego must perform its obligations under the Option Cancellation Deeds.
- (c) Warrego must take such action as is necessary to ensure that subject to the Scheme becoming Effective, prior to the Scheme Record Date, all Warrego Incentives will vest in accordance with their terms and be exercised (if applicable), and the resulting Warrego Shares are issued, which action will include:
 - (i) the Warrego Board accelerating the vesting of, or waiving any vesting conditions or vesting periods applying to, any or all Warrego Incentives (subject to the proper exercise of the Warrego Board's discretion);
 - (ii) the Warrego Board taking all reasonable steps and actions as are necessary to ensure the Warrego Incentives are exercised immediately;
 - (iii) for the vested Warrego Incentives that have not been exercised prior to the Effective Date, upon the Effective Date; and
 - (iv) for all other Warrego Incentives, upon those Warrego Incentives vesting;
 - (v) Warrego issuing or procuring the issue or transfer of such number of Warrego Shares as required by the terms of the Warrego Incentives before the Scheme Record Date so that the holders of the Warrego Incentives can participate as Scheme Shareholders in the Scheme and receive the Scheme Consideration.
- (d) As soon as reasonably practicable after the date of this deed, Warrego must use reasonable endeavours to obtain any necessary waiver from the ASX Listing Rule 6.23 in connection with any actions to be undertaken under this clause 4.4 in relation to the Warrego Options and Warrego Incentives.
- (e) If the waiver referred to in clause 4.4(d) is not obtained before the First Court Date, Warrego must seek any approvals that are required from the Warrego Shareholders under Listing Rule 6.23 in connection with any actions to be undertaken under this clause 4.4 in relation to the Warrego Options.
- (f) If the Scheme becomes Effective, the Warrego Board may accelerate the vesting of the Warrego STIs, and pay those Warrego STIs in full, prior to the Implementation Date.

4.5 No amendment to Scheme without consent

Warrego must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Beach.

4.6 Sale of the Spanish Assets

- (a) Subject to clause 4.6(b), from the date of this deed until the Implementation Date:
- (i) Warrego must use reasonable endeavours to sell the Spanish Assets (recognising that Warrego may not wish to commence the sale process until it is reasonably certain that the Transaction will be implemented); and
 - (ii) Warrego may agree to sell, and may sell, the Spanish Assets.
- (b) Warrego may only agree to sell the Spanish Assets to a Third Party prior to the Implementation Date if:
- (i) the terms of sale:
 - (A) provide for a 'clean exit' (from all liabilities in connection with the Spanish Assets) by the Warrego Group and, to avoid doubt, the Beach Group; other than in relation to customary warranties for a transaction of this nature; and
 - (B) do not require payment of any kind by or any member of the Warrego Group (or, to avoid doubt, the Beach Group) to that Third Party or any other person; and
 - (ii) Beach has consented to the terms of the proposed sale (acting reasonably and in good faith, such consent not to be unreasonably withheld or delayed).
- (c) If Warrego sells the Spanish Assets prior to the Implementation Date, and receives any Net Sale Proceeds prior to the Implementation Date:
- (i) Warrego may distribute those Net Sale Proceeds to Warrego Shareholders by way of dividend or capital return paid on or before the Implementation Date; and
 - (ii) if Warrego is not able to distribute the Net Sale Proceeds to Warrego Shareholders on or before the Implementation Date, clause 4.6(g) will apply equally to the distribution of those Net Sale Proceeds.
- (d) If the Spanish Assets have not been sold by the Implementation Date, then during the Deferred Returns Period, Beach must:
- (i) use its reasonable endeavours to sell the Spanish Assets as promptly as practicable (and in any event, to the extent possible, such that the sale is completed before the end of the Deferred Returns Period);
 - (ii) use its reasonable endeavours to secure the most favourable terms and conditions which are reasonably available to it in the circumstances), provided that the terms of sale:
 - (A) provide for a 'clean exit' (from all liabilities in connection with the Spanish Assets) by the Warrego Group and, to avoid doubt, the Beach Group; other than in relation to customary warranties for a transaction of this nature; and
 - (B) do not require payment of any kind by or any member of the Warrego Group (or, to avoid doubt, the Beach Group) to that Third Party or any other person;

- (iii) ensure that there is no Distribution from Tarba to the Beach Group during the period and that the holding structure of Tarba (as a standalone entity) is not altered; and
- (iv) ensure that the sale process is managed by the financial adviser appointed by the Warrego Board prior to the Implementation Date to manage that sale process, and provide all reasonable assistance to that financial adviser to sell the Spanish Assets in accordance with clause 4.6(d)(i) and clause 4.6(d)(ii).
- (e) If the Spanish Assets have not been sold by the Implementation Date, then during the Deferred Returns Period, Beach will ensure updates are promptly released to the ASX (and provided to the Trustee at the same time) so that Scheme Shareholders are informed of any material development in relation to the sale of the Spanish Assets and the distribution of the Net Sale Proceeds to Scheme Shareholders (including, for the avoidance of doubt, the terms and conditions of such sale, and the details of any costs and/or taxes deducted from the gross proceeds of sale before distribution of any Net Sale Proceeds to Scheme Shareholders).
- (f) If the Spanish Assets have not been sold by the Implementation Date, then during the Deferred Returns Period, Beach must provide to the Trustee on a timely basis any information which is reasonably requested by the Trustee in relation to the sale of the Spanish Assets and the distribution of the Net Sale Proceeds to Scheme Shareholders.
- (g) If the Spanish Assets have been sold, and that sale has been completed during the Deferred Returns Period, each Scheme Shareholders' pro-rata share of the Net Sale Proceeds will form part of the Scheme Consideration (being the Contingent Scheme Consideration) payable to Scheme Shareholders in respect of their Scheme Shares, and Beach must pay each Scheme Shareholder their pro-rata share (the proportion which each Scheme Shareholder's Scheme Shares bears to the total number of Scheme Shares) of that amount within 10 Business Days after completion of the sale of the Spanish Assets. Each Scheme Shareholder's pro-rata share of such amount will be rounded down to the nearest cent.
- (h) As soon as reasonably practicable after the date of this deed, Beach and Warrego must, acting reasonably, agree the form of the Trust Deed with each other and the Trustee.
- (i) Beach and Warrego acknowledge and agree that the Trust Deed must:
- (i) provide for the payment of the Net Sale Proceeds to Scheme Shareholders in accordance with clause 4.6(g);
 - (ii) provide that the transfer or assignment of a Scheme Shareholders' rights to receive the Net Sale Proceeds is not permitted;
 - (iii) otherwise be on terms that are common for deferred consideration arrangements such as the payment of the Net Sale Proceeds to Scheme Shareholders; and
 - (iv) provide for its immediate termination on the earlier of the payment of the Net Sale Proceeds to Scheme Shareholders in accordance with clause 4.6(f) and the expiry of the Deferred Returns Period,
- unless Beach and Warrego agree otherwise.
- (j) Beach and Warrego agree to cooperate in good faith to incorporate into the Trust Deed any reasonable comments received from the Trustee.
- (k) Subject to the Trust Deed being agreed in accordance with clauses 4.6(h) to 4.6(j), Beach and Warrego must:
- (i) execute and deliver the Trust Deed; and

- (ii) take all reasonable steps to procure the appointment of the Trustee and to procure that the Trustee executes and delivers the Trust Deed, prior to the scheduled date for lodgement of the Scheme Booklet with ASIC.

5 Implementation

5.1 Warrego's obligations

Warrego must take all steps necessary to propose and implement the Scheme as soon as is reasonably practicable after the date of this deed and must use reasonable endeavours to ensure that each step in the Timetable is met by the date set out beside that step, including by doing any acts it is authorised and able to do on behalf of Warrego Shareholders and each of the following.

- (a) **(Preparation of Scheme Booklet)** Prepare the Scheme Booklet so that it complies with all applicable laws, including the Corporations Act, ASIC Regulatory Guide 60 and the ASX Listing Rules. The Scheme Booklet must include a statement that:
 - (i) other than the Beach Information and the Independent Expert's Report, the Scheme Booklet has been prepared by Warrego and is the responsibility of Warrego, and that no Beach Party assumes any responsibility for the accuracy or completeness of the Scheme Booklet (other than the Beach Information); and
 - (ii) the Beach Information has been provided by Beach and is the responsibility of Beach, and that no Warrego Party assumes any responsibility for the accuracy or completeness of the Beach Information.

The Scheme Booklet and all public announcements by Warrego in relation to the Scheme (other than announcements as to purely administrative matters) must also include the recommendation and statement required under clause 7.

- (b) **(Independent Expert)** Promptly appoint the Independent Expert (if the Independent Expert has not been appointed prior to the date of this deed), and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report.
- (c) **(Consultation with Beach)** Consult with Beach as to the content and presentation of the Scheme Booklet, such consultation to include allowing Beach a reasonable opportunity to review and make comments on successive drafts of the Scheme Booklet a reasonable time before its lodgement with ASIC and obtain Beach's written consent to the inclusion of the Beach Information (including in respect of the form and context in which the Beach Information appears in the Scheme Booklet) prior to lodgement of the Scheme Booklet with ASIC. Warrego must consider in good faith any comments on drafts of the Scheme Booklet provided by or on behalf of Beach.
- (d) **(Liaison with ASIC)** As soon as reasonably practicable after the date of this deed but no later than 14 days before the First Court Date, and following Beach giving confirmation or providing changes as contemplated by clause 5.3(d), provide an advanced draft of the Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act, and to Beach, and keep Beach reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet (and of any resolution of those matters), and use reasonable endeavours, in consultation with Beach, to resolve any such matters (provided that Warrego may not resolve any such matters without the prior written consent of Beach to the extent that such matters relate to the Beach Information).

- (e) **(Indication of intent)** Apply to ASIC no later than 14 days before the First Court Date for a letter indicating whether ASIC proposes to make submissions to the Court, or intervene to oppose the Scheme, on the First Court Date.
- (f) **(Approval of Scheme Booklet)** As soon as practicable after ASIC has provided its indication of intent in accordance with clause 5.1(e), procure that a meeting of the Warrego Board is convened for the purpose of approving the Scheme Booklet for despatch to Warrego Shareholders.
- (g) **(Verification)** undertake appropriate verification processes in relation to the Warrego Information;
- (h) **(Court direction)** Apply to the Court for orders directing Warrego to convene the Scheme Meeting, and consult with Beach as to the content of all relevant originating process, affidavits, submissions and draft minutes of Court orders. Such consultation must include providing Beach with a reasonable opportunity to review and comment on the relevant Court documents before they are lodged, and Warrego must consider in good faith any comments provided by or on behalf of Beach.
- (i) **(ASIC registration)** Request ASIC to register the Scheme Booklet in the form approved by the Court.
- (j) **(Despatch)** Send the Scheme Booklet to Warrego Shareholders following receipt of Beach's written consent to the inclusion of the Beach Information in the form and context in which the Beach Information appears in such version of the Scheme Booklet.
- (k) **(Update Scheme Booklet)** If, after the Scheme Booklet has been sent to Warrego Shareholders, it becomes aware of information that is:
- (i) not included in the Scheme Booklet and that is:
 - (A) material for disclosure to Warrego Shareholders in deciding whether to approve the Scheme; or
 - (B) required to be disclosed to Warrego Shareholders under any applicable law; or
 - (ii) included in the Scheme Booklet and is misleading or deceptive in a material respect in the form and context in which it appears in the Scheme Booklet,
- inform Warrego Shareholders of the information in an appropriate and timely manner, in accordance with applicable law. Warrego must consult with Beach as to the form and content of any supplementary disclosure before it is made to Warrego Shareholders, and, to the extent reasonably practicable, must provide Beach with a reasonable opportunity to review and comment on such disclosure before it is made and must consider in good faith any comments provided by or on behalf of Beach. To the extent that any supplementary disclosure relates to (or constitutes) Beach Information, it may only be made with Beach's prior written consent (not to be unreasonably withheld or delayed).
- (l) **(Promote Transaction)** Participate in efforts reasonably requested by Beach to promote the merits of the Transaction and the Scheme Consideration, including, where requested by Beach, meeting with key Warrego Shareholders and, in consultation with Beach, undertaking reasonable shareholder engagement and proxy solicitation actions to encourage Warrego Shareholders to vote on the Scheme in accordance with the recommendation of the Warrego Board, subject to applicable law and ASIC policy.
- (m) **(Scheme Meeting)** Convene the Scheme Meeting to approve the Scheme (in accordance with any orders made by the Court).

- (n) **(No objection statement)** Apply to ASIC for the production of a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme.
- (o) **(Court approval)** Subject to all Conditions Precedent in clause 3.1 (other than that in clause 3.1(c) and 3.1(d)) being (or being reasonably expected to be) satisfied or waived in accordance with this deed, apply to the Court for orders approving the Scheme, and consult with Beach as to the content of all relevant affidavits, submissions and draft minutes of Court orders. Such consultation must include providing Beach with a reasonable opportunity to review and comment on the relevant Court documents before they are lodged, and Warrego must consider in good faith any comments provided by or on behalf of Beach.
- (p) **(Court order)** Lodge with ASIC an office copy of any Court order approving the Scheme by not later than the first Business Day after the day such office copy is received (or such later date as Beach may agree in writing).
- (q) **(Representation)** Allow, and not oppose, any application by Beach for leave of the Court to be represented by counsel at the Court hearings in relation to the Scheme.
- (r) **(Information)** Provide all necessary information, and procure that the Warrego Registry provides all necessary information, in each case in a form reasonably requested by Beach, for the purpose of understanding legal ownership of Warrego Shares and proxy appointments and directions received by Warrego prior to the Scheme Meeting.
- (s) **(Implementation)** If the Scheme becomes Effective:
- (i) procure ASX to suspend trading in Warrego Shares from the close of trading on the Effective Date;
 - (ii) close the Warrego Share Register at the Scheme Record Date to determine the identity of Scheme Shareholders and their entitlements to the Scheme Consideration; and
 - (iii) subject to Beach satisfying its obligations under clause 4.3, execute proper instruments of transfer of the Scheme Shares on behalf of the Scheme Shareholders in favour of Beach and procure the registration in the Warrego Share Register of all transfers of Scheme Shares to Beach under those instruments on the Implementation Date.
- (t) **(ASX listing)** Maintain Warrego's admission to the official list of ASX and the quotation of Warrego Shares on ASX up to and including the Implementation Date.

5.2 Appeal process

If the Court refuses to make any orders convening the Scheme Meeting or approving the Scheme:

- (a) Warrego and Beach must consult with each other in good faith as to whether to appeal the Court's decision; and
- (b) Warrego must appeal the Court's decision (unless the parties agree otherwise, or an independent senior counsel of the Western Australian bar advises that, in their view, an appeal would have no reasonable prospect of success before the End Date).

5.3 Beach's obligations

Beach must take all steps necessary to assist Warrego to propose and implement the Scheme as soon as is reasonably practicable and, without limiting the foregoing, must use reasonable

endeavours to ensure that each step in the Timetable is met by the date set out beside that step, including by doing each of the following.

- (a) **(Beach Information)** Prepare and provide to Warrego the Beach Information for inclusion in the Scheme Booklet to comply with all applicable laws, including the Corporations Act, ASIC Regulatory Guide 60 and the ASX Listing Rules relevant to the Beach Information and consult with Warrego as to the content and presentation of the Beach Information in the Scheme Booklet, such consultation to include allowing Warrego a reasonable opportunity to review and make comments on successive drafts of the Beach Information before lodgement of the Scheme Booklet with ASIC. Beach must consider in good faith any comments on drafts of the Beach Information provided by or on behalf of Warrego.
- (b) **(Review drafts of Scheme Booklet)** As soon as practicable after delivery, review drafts of the Scheme Booklet prepared by Warrego and provide any comments on those drafts.
- (c) **(Independent Expert information)** Provide all assistance and information reasonably requested by Warrego or by the Independent Expert in connection with the preparation of the Independent Expert's Report.
- (d) **(Confirmation of Beach Information)** Before the Scheme Booklet is provided to ASIC pursuant to section 411(2) of the Corporations Act, procure that a meeting of the board of directors of Beach is held to consider the Beach Information included in the Scheme Booklet as being in a form appropriate for provision to ASIC for review, and either:
- (i) confirm in writing to Warrego that the Beach Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission; or
 - (ii) provide to Warrego the changes required to ensure that the Beach Information in the form and context in which it appears in the Scheme Booklet is not misleading or deceptive in any material respect and does not contain any material omission.
- (e) **(Approval and consent to inclusion of Beach Information)** As soon as reasonably practicable after the conclusion of the review by ASIC of the Scheme Booklet:
- (i) procure that a meeting of the board of directors of Beach is held to consider the Beach Information included in the Scheme Booklet as being in a form appropriate for despatch to Warrego Shareholders, subject to approval of the Court; and
 - (ii) confirm in writing to Warrego that Beach consents to the inclusion of the Beach Information in the Scheme Booklet, in the form and context in which the Beach Information appears.
- (f) **(Verification)** undertake appropriate verification processes in relation to the Beach Information.
- (g) **(Update Beach Information)** If at any time after the despatch of the Scheme Booklet, Beach becomes aware:
- (i) of new information which, were it known at the time of despatch, should have been included in any Beach Information included in that version of the Scheme Booklet; or
 - (ii) that any part of the Beach Information included in that version of the Scheme Booklet is misleading or deceptive in any material respect (whether by omission or otherwise),

it must advise Warrego so that Warrego can determine whether supplementary disclosure to Warrego Shareholders is required in accordance with (and subject to the terms of) clause 5.1(k).

- (h) **(Deed Poll)** Before the first Court hearing on the First Court Date, enter into the Deed Poll and deliver it to Warrego.
- (i) **(Court representation)** Procure that it is represented by counsel at the Court hearings convened in relation to the Scheme, at which, through its counsel or solicitors, Beach will undertake (if requested by the Court) to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this deed and the Scheme.
- (j) **(Scheme Consideration)** If the Scheme becomes Effective, provide the Scheme Consideration in the manner and amount contemplated by clause 4.3 and the terms of the Scheme.
- (k) **(Promote Transaction)** Participate in efforts reasonably requested by Warrego to promote the merits of the Transaction and the Scheme Consideration, including, where requested by Warrego, meeting with key Warrego Shareholders.

5.4 Appointment of directors

On and from the Implementation Date, but subject to the Base Scheme Consideration having been paid by Beach in accordance with the Scheme and receipt by Warrego of signed consents to act, Warrego must:

- (a) cause the appointment of the persons nominated by Beach as new directors of Warrego and other members of the Warrego Group; and
- (b) procure that all directors on the Warrego Board or the board of another member of the Warrego Group (other than any directors nominated by Beach or the new directors of Warrego appointed pursuant to clause 5.4(a)) resign from the Warrego Board or such other board (as applicable), with such written notice of resignation to confirm that the outgoing director has no outstanding Claim against the Warrego Group. Any such confirmation must not limit any Claim in the future under any deed of access and indemnity with any member of the Warrego Group, any constituent document of any member of the Warrego Group or any directors and officers insurance policy entered into by any member of the Warrego Group.

6 Conduct of business and requests for access

6.1 Conduct of Warrego business

During the period from the date of this deed up to and including the Implementation Date, Warrego must, and must procure that each other Warrego Group entity does:

- (a) conduct its business and operations in the ordinary course and substantially consistent (subject to any applicable laws and regulations) with the manner in which each such business and operation has been conducted in the 12 month period prior to the date of this deed and in accordance with all applicable laws, regulations and regulatory approvals in all material respects; and
- (b) not:
 - (i) amend any agreement that governs the rights, ownership or interests of any member of the Warrego Group in respect of any Key Licence or any project

- covered by any Key Licence, including any joint operating agreement that applies in respect of any Key Licence;
- (ii) commit or agree to any development, investment or project, including (without limitation) any investment decision or development plan or any modification to any development plan;
 - (iii) commit or agree to the marketing, sale, disposition or allocation of production from any Key Licence or any projects covered by any Key Licence;
 - (iv) assign, transfer, encumber or otherwise deal with any of its rights or interests in any Key Licence or any agreement contemplated in paragraph (i);
 - (v) enter into any new, or amend, modify or vary (including to extend), breach, terminate, rescind or repudiate, any existing material contract agreement or arrangement;
 - (vi) without limiting any of the above, incur any other commitments for an amount in excess of \$5,000,000 (whether individually or in aggregate); or
 - (vii) vary, surrender or relinquish or agree to any amendment to any Key Licence or any pending approvals, processes or applications relating to any Key Licence or the Key Licence Application; and
- (c) use(s) its reasonable endeavours to:
- (i) maintain all the material assets in the normal course and consistent with past practice;
 - (ii) keep available the services of its officers and key employees;
 - (iii) preserve and maintain its relationships with all Government Agencies and all customers, suppliers, licensors, licensees, joint venturers and others with whom it has business dealings,

in each case except to the extent:

- (d) required or expressly permitted by this deed or the Scheme;
- (e) required to comply with any applicable law;
- (f) notified to Beach in writing prior to the date of this document; or
- (g) agreed to in writing by Beach (such agreement not to be unreasonable withheld or delayed).

6.2 No Warrego Regulated Events

Warrego must ensure that no Warrego Regulated Event occurs between the date of this deed and 8:00am on the Second Court Date.

6.3 Access to information and co-operation

- (a) **(Provision of access and information)** During the period from the date of this deed up to and including the Implementation Date, Warrego must, and must procure each of its Subsidiaries to, respond to reasonable requests from Beach and its Representatives for information concerning the Warrego Group and Tarba's businesses, operations and affairs as soon as reasonably practicable after such requests are made, and give Beach and its Representatives reasonable access to Warrego's senior executive team and records, and otherwise provide reasonable co-operation to Beach and its Representatives.

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- (b) **(Limits on Warrego obligations)** The obligations in clause 6.3(a) do not require Warrego to:
- (i) do anything which would cause unreasonable disruption to the operation of its business;
 - (ii) require a member of the Warrego Group to take any action that would be reasonably expected to result in a Warrego Group member breaching any applicable law or the entity's constituent documents;
 - (iii) require a member of the Warrego Group to take any action that would breach an obligation to any person (including any confidentiality obligations);
 - (iv) provide information to Beach concerning the Warrego directors' and management's consideration of the Scheme; or
 - (v) provide any confidential, competitively sensitive or privileged information where the provision of such information is reasonably likely to cause prejudice to the commercial or legal interests of the Warrego Group taken as a whole, or would be reasonably likely to jeopardise any attorney-client, work product or other legal privilege (provided Warrego must use reasonable endeavours to facilitate the provision of such information without waiving legal professional privilege).
- (c) The parties acknowledge that all information that is provided pursuant to this clause 6.2 will be provided subject to the terms of the Confidentiality Deed.

6.4 Change of control consents

As soon as practicable after the date of this deed, Warrego and Beach must seek to identify any change of control or unilateral termination rights (or similar provisions) in material contracts which may be triggered by or exercised in response to the implementation of the Transaction. In respect of those contracts:

- (a) Warrego and Beach will agree a proposed course of action (which, among other things, will have due regard to applicable legal restrictions) and then Warrego will initiate contact, including joint discussions if required, with the relevant counterparties and request that they provide any consents or confirmations required or appropriate. Beach must not contact any counterparties for this purpose without Warrego present or without Warrego's prior written consent (which is not to be unreasonably withheld, conditioned or delayed).
- (b) Warrego must cooperate with, and provide reasonable assistance to, Beach to obtain such consents or confirmations as expeditiously as possible, including by promptly providing any information reasonably required by counterparties (but nothing in this clause requires Warrego or Beach to incur material expense).
- (c) a failure by a member of the Warrego Group to obtain any third party consent or confirmation, or the exercise of a termination right, will not of itself constitute a breach of this deed by Warrego.

6.5 Directors' and officers' insurance and indemnities

- (a) Subject to the Scheme becoming Effective and the Transaction completing, Beach undertakes in favour of Warrego and each person who is a director or officer of a member of the Warrego Group that it will to the extent permitted by law and unless otherwise agreed:
 - (i) for a period of seven years from the Implementation Date or until a company ceases to be part of the Warrego Group (whichever is earlier), ensure that the constitutions of Warrego and each other member of the Warrego Group

continues to contain such rules as are contained in those constitutions at the date of this deed that provide for each company to indemnify each of its current and previous directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Warrego Group;

- (ii) procure that each member of the Warrego Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time for a period of seven years from the retirement date of each director and officer;
 - (iii) without limiting the foregoing but subject to 6.5(b), Beach must not, and from the Implementation Date must procure that each member of the Warrego Group must not, amend or cancel any directors' and officers' run-off insurance cover referred to in clause 6.5(b) for 7 years after the Implementation Date (and Warrego may, at its election, pay any amounts necessary to ensure such maintenance upfront prior to the implementation of the Scheme).
- (b) Beach acknowledges that, notwithstanding any other provision of this deed, Warrego must, subject to Beach's approval of the relevant quotation, prior to the Implementation Date, enter into arrangements to secure directors' and officers' run-off insurance for a period of up to 7 years on and from the Implementation Date for the retiring directors and officers and other individuals and entities who are insured under the existing directors' and officers' insurance policy for the Warrego Group in respect of acts or omissions occurring in the period up to and including the Implementation Date, including in connection with the Scheme (**D&O Policy**), and that any actions to facilitate that insurance or in connection therewith will not be a Warrego Regulated Event or breach any provision of this deed, provided that:
- (i) Warrego uses all reasonable endeavours to place the policy on reasonable commercial terms;
 - (ii) Warrego keeps Beach informed of progress in relation to the D&O Policy and provides Beach with all information reasonably requested by Beach in connection with the placing, or progress, of the D&O Policy;
 - (iii) Warrego consults with Beach in advance in relation to the progress of obtaining, and all material communications with potential providers regarding, the D&O Policy;
 - (iv) the scope and amount of the cover of the D&O Policy is on the same terms, or terms that are reasonably the same in all material respects, as the existing insurance policies as at the Implementation Date in place for the directors and officers of Warrego (and entities in respect of their indemnity obligations to such directors and officers) as at the date of this deed (it being acknowledged that the market for cover is dynamic and reasonable regard is to be had to the extent to which the level and type of cover in place under the existing policies is available for the extended run-off); and
 - (v) if requested in writing by Beach (and provided there is a reasonable period to obtain an alternative quote and place and enter into the D&O Policy before the Implementation Date and provided that Warrego provide the quote for the Proposed D&O Policy no later than 14 days after the date of this deed), Warrego will, before placing or entering into the Proposed D&O Policy (as defined below) obtain a quote from a reputable insurer nominated in writing by Beach (**Alternative Insurer**) for a D&O Policy sourced in accordance with (and which

would comply with) clauses 6.5(b)(i) to 6.5(b)(iv) (**Alternative D&O Policy**), which is on the same terms, or terms that are the same in all material respects, as the D&O Policy which is proposed to be entered into by Warrego (**Proposed D&O Policy**) (which was sourced in accordance with (and which would comply with) clauses 6.5(b)(i) to 6.5(b)(iv)) and if:

- (A) the estimated total costs under that Alternative D&O Policy are equal to or greater than the estimated total costs under the Proposed D&O Policy;
- (B) the Alternative Insurer declines to participate or provide a quote; or
- (C) the Alternative Insurer fails to provide a quote within a period of time that would allow the policy to be placed and entered into before the Implementation Date,

then Warrego will proceed to place and enter into the Proposed D&O Policy subject to Beach's agreement. However, if the estimated total costs under the Alternative D&O Policy are less than the estimated total costs under the Proposed D&O Policy, the Alternative D&O Policy is on the same terms, or terms that are the same in all material respects, as the Proposed D&O Policy and there is a reasonable period for Warrego to place and enter into the Alternative D&O Policy before the Implementation Date, Warrego must place and enter into the Alternative D&O Policy, unless Beach otherwise agrees in writing.

- (c) The undertakings contained in clause 6.5(a) are subject to any Corporations Act restriction and will be read down accordingly.
- (d) Warrego receives and holds the benefit of clause 6.5(a), to the extent it relates to the other Warrego Parties, as trustee for them.
- (e) The undertakings contained in clause 6.5(a) are given until the earlier of the end of the relevant period specified in clause 6.5(a) or the relevant member of the Warrego Group ceasing to be part of the Warrego Group.
- (f) From the date of this deed until the Implementation Date, without the prior written consent of Beach, Warrego must not amend or vary its existing, or enter into or agree to enter into any new, directors' and officers' insurance policy for the Warrego Group that would be materially more expensive than the existing policy.

6.6 Other insurance policies notification and Run-Off Policies

- (a) Prior to the Implementation Date, Warrego must provide, or must procure that the relevant member of the Warrego Group provides any notifications:
 - (i) which are required to be provided under the Warrego Group's insurance policies prior to the Implementation Date in respect of the Scheme; and
 - (ii) under the Warrego Group's insurance policies prior to the Implementation Date all matters in respect of which the Warrego Group consider that they have grounds to make a claim under such policies.
- (b) As soon as reasonably practicable after the date of this deed, Warrego must notify, or must procure that the relevant member of the Warrego Group notifies, the insurer under the Warrego Group's insurance policies and use reasonable endeavours to obtain written confirmation from the relevant insurer that the Scheme will not affect coverage under the insurance policy, including that the policy will not be cancelled or amended as a result of the Scheme and will remain in force and effect following Implementation on the same terms and conditions as prior to implementation. If Warrego is not able to obtain such

confirmation within 10 Business Days prior to Implementation, Warrego's obligations under clause 6.6(c) apply in relation to that policy.

- (c) Subject to clause 6.6(b) but notwithstanding any other provision of this deed, Warrego must, subject to Beach's approval of the relevant quotation(s) and at Warrego's cost, prior to the Implementation Date, enter into arrangements to secure separate run-off insurance for the insurances for the policies for which confirmation were not obtained under clause 6.6(b) (**Specific Insurance**). Such separate run-off insurance is to be for a period of up to 7 years on and from the Implementation Date for Warrego and each of the entities and individuals who are insured under the Specific Insurance(s), on terms no less favourable than such Specific Insurance(s) in force or expiring as at the Implementation Date, in respect of acts or omissions occurring in the period up to and including the Implementation Date (**Other Run-Off Insurance**). Before entering into the Other Run-Off Insurance, Beach must first approve such quotation (such approval not to be unreasonably withheld, conditioned or delayed) before Warrego may enter into that contract of insurance.
- (d) From the date of this deed until the Implementation Date, Warrego must obtain Beach's prior written consent to any Specific Insurance that would be materially more expensive than the policy it is intended to replace.

7 Warrego Board recommendation

- (a) Warrego represents and warrants to Beach that, as at the date of this deed, each Warrego Director has confirmed that he or she will act in accordance with clause 7(b).
- (b) Subject to clause 7(c), Warrego must ensure that:
 - (i) each Warrego Director unanimously recommends that, in the absence of a Superior Proposal and subject to the Independent Expert opining at all times prior to the Second Court Date that the Scheme is in the best interests of Warrego Shareholders, Warrego Shareholders vote in favour of the Scheme at the Scheme Meeting;
 - (ii) each Warrego Director states that he or she intends to vote, or procure the voting of, all Warrego Shares held or controlled by them, in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert's Report opining at all times prior to the Second Court Date that the Scheme is in the best interests of Warrego Shareholders; and
 - (iii) the Scheme Booklet and all public announcements by Warrego in relation to the Scheme (other than announcements as to purely administrative matters) will include a statement to the effect of paragraphs (i) and (ii) above.
- (c) Clause 7(b) will cease to apply in either of the following circumstances:
 - (i) the Independent Expert opines either prior to the despatch of the Scheme Booklet or prior to the Scheme Meeting to the effect that the Scheme is not in the best interests of Warrego Shareholders (other than in circumstances where clause 11.5(a)(ii) applies); or
 - (ii) Warrego receives a Competing Proposal and the Warrego Board unanimously determines, after all of Beach's rights under clause 11.5 have been exhausted, that the Competing Proposal constitutes a Superior Proposal.
- (d) Clause 7(b) does not apply to require a Warrego Director to recommend the Transaction if a Government Agency of competent jurisdiction requires that he or she abstains from making a recommendation.

8 Representations and warranties

8.1 Beach Representations and Warranties

- (a) Beach represents and warrants to Warrego (in its own right and separately as trustee or nominee for each of the other Warrego Parties) that each Beach Representation and Warranty is true and correct.
- (b) Beach indemnifies Warrego against, and must pay Warrego on demand the amount of, any losses, liabilities, damages, costs, charges or expenses suffered or incurred by any member of the Beach Group as a result of, or in connection with, a breach of a Beach Representation and Warranty.

8.2 Warrego Representations and Warranties

- (a) Warrego represents and warrants to Beach (in its own right and separately as trustee or nominee for each of the other Beach Parties) that each Warrego Representation and Warranty is true and correct.
- (b) Beach acknowledges and agrees that the Warrego Representations and Warranties and the Warrego indemnity under clause 8.2(c) are given subject to those matters which:
 - (i) are expressly provided for in this deed;
 - (ii) is Fairly Disclosed in the Disclosure Materials (other than in respect of the Warrego Representation and Warranty in paragraph 17 of Schedule 2);
 - (iii) would have been Fairly Disclosed to Beach had Beach conducted searches of public records maintained by:
 - (A) the companies register maintained by ASIC, on 13 November 2022; or
 - (B) the register established under the *Personal Property Securities Act 2009* (Cth), on 12 November 2022; or
 - (iv) are within the actual knowledge of Beach as at the date of this deed.
- (c) Warrego indemnifies Beach (in its own right and separately as trustee or nominee for each member of the Beach Group) against, and must pay Beach on demand the amount of, any losses, liabilities, damages, costs, charges or expenses suffered or incurred by any member of the Beach Group as a result of, or in connection with, a breach of a Warrego Representation and Warranty.

8.3 Timing of representations and warranties

Unless expressed to be given at a particular time or during a particular period (in which case it is given at that time or during that period), each Beach Representation and Warranty and each Warrego Representation and Warranty is given:

- (a) at the date of this deed; and
- (b) at 8:00am on the Second Court Date.

8.4 Survival of representations

Each Beach Representation and Warranty and Warrego Representation and Warranty and the indemnities in clause 8.1(b) and 8.2(c):

- (a) is severable; and
- (b) survives the termination of this deed (but does not survive, and will be taken to have no further force or effect following, implementation of the Scheme).

8.5 Notification obligations

- (a) Warrego must notify Beach in writing as soon as practicable after Warrego (or another Warrego Group member) becomes aware of any fact, matter or circumstance that has resulted in, or might reasonably be expected to result in, a breach of a Warrego Representation and Warranty. A notice provided by Warrego to Beach under this clause must contain reasonable details of the relevant fact, matter or circumstance that resulted in, or might reasonably be expected to result in, a breach of a Warrego Representation and Warranty.
- (b) Beach must notify Warrego in writing as soon practicable after Beach becomes aware of any fact, matter or circumstance that has resulted in, or might reasonably be expected to result in, a breach of a Beach Representation and Warranty. A notice provided by Beach to Warrego under this clause must contain reasonable details of the relevant fact, matter or circumstance that resulted in, or might reasonably be expected to result in, a breach of a Beach Representation and Warranty.

9 Releases

9.1 Warrego Parties

- (a) Without limiting Beach's rights under clause 12, Beach releases its rights against, and agrees with Warrego that it will not make a Claim against, any Warrego Party (other than Warrego) in connection with:
 - (i) any breach of any representation, covenant and warranty of Warrego in this deed; or
 - (ii) any disclosure made (at any time) by any Warrego Party that contains any statement which is false or misleading whether in content or by omission,except to the extent the relevant Warrego Party has acted fraudulently or has engaged in wilful misconduct.
- (b) This clause 9.1 is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Warrego receives and holds the benefit of this clause as trustee for each other Warrego Party.

9.2 Beach Parties

- (a) Warrego releases its rights against, and agrees with Beach that it will not make a Claim against, any Beach Party (other than Beach) in connection with:
 - (i) any breach of any representation, covenant and warranty of Beach in this deed; or
 - (ii) any disclosure made (at any time) by any Beach Party that contains any statement which is false or misleading whether in content or by omission,except to the extent that the relevant Beach Party has acted fraudulently or has engaged in wilful misconduct.
- (b) This clause 9.2 is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Beach receives and holds the benefit of this clause as trustee for each other Beach Party.

10 Public announcements

10.1 Announcement of the Transaction

Immediately after the execution of this deed, Warrego must issue a public announcement in a form previously agreed to in writing between the parties. The Warrego announcement must include a unanimous recommendation by the directors of Warrego to Warrego Shareholders consistent with that set out in clause 7(b)(i) and clause 7(b)(ii) (unless otherwise agreed by the parties in writing).

10.2 Other public announcements

Each party must:

- (a) prior to making any public announcement or disclosure of or in relation to the Transaction or any other transaction the subject of this deed or the Scheme, to the extent reasonably practicable and lawful, consult with the other party as to the timing, form and content of that announcement or disclosure, including by giving the other party a reasonable opportunity to review the draft and taking into account all reasonable comments from them on the draft; and
- (b) not make any such public announcement or disclosure prior to such consultation, except as may be required by applicable law or the ASX Listing Rules.

11 Exclusivity

11.1 No current discussions regarding a Competing Proposal

Warrego represents and warrants that, as at the time of execution of this deed, neither it nor any of its Representatives are in any negotiations or discussions, or party to any agreement or arrangement, in connection with, or that could reasonably be expected to lead to, any Competing Proposal.

11.2 No-shop and no talk

During the Exclusivity Period, Warrego must not, and must ensure that each of its Representatives and each of its and their Associates, does not, directly or indirectly:

- (a) **(no shop)** solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any Competing Proposal, or any enquiries, proposal, negotiations or discussions with any Third Party in relation to, or that may reasonably be expected to encourage or lead to, any Competing Proposal, or communicate any intention to do any of those things; and
- (b) **(no talk or due diligence access)** subject to clause 11.3:
 - (i) enter into, continue or participate in negotiations or discussions with, or negotiate or enter into any agreement, arrangement or understanding with, any Third Party in relation to, or that may reasonably be expected to encourage or lead to, any Competing Proposal, or offer or agree to do any of those things; or
 - (ii) disclose or otherwise make available to any Third Party, or permit any Third Party to receive, any non-public information relating to Warrego or any of its Related Bodies Corporate in connection with, or which may reasonably be expected to encourage or lead to, such Third Party formulating, developing or finalising, or assisting in the formulation, development or finalisation of, any Competing Proposal; or
 - (iii) communicate any intention to do any of those things.

11.3 Limitation to no-talk and no-due diligence

Clause 11.2(b) does not prevent Warrego from taking or omitting to take any action in relation to a genuine bona fide Competing Proposal (which was not solicited, invited, encouraged or initiated in breach of clause 11.2), provided that:

- (a) the Warrego Board has first determined, in good faith, and in what the Warrego Board considers to be in the interests of Warrego and its shareholders, and after receiving written advice from its external financial and external legal Advisers, that:
 - (i) such genuine bona fide Competing Proposal is, or could reasonably be expected to become, a Superior Proposal; and
 - (ii) failing to respond to such a genuine bona fide Competing Proposal would, or would be likely to, constitute a breach of any of the fiduciary or statutory duties of the directors of Warrego;
- (b) Warrego immediately notifies Beach of each action or inaction by it or any of its Representatives in reliance on this clause 11.3 and has complied with its obligations under clause 11.4 in respect of the Competing Proposal; and
- (c) in respect of an action to which clause 11.2(b)(ii) applies, before information is disclosed or otherwise provided or made available to the Third Party, the Third Party has entered into a confidentiality agreement with Warrego.

11.4 Notification by Warrego

- (a) During the Exclusivity Period, Warrego must as soon as reasonably practicable, but in any event no later than within one day, notify Beach in writing if it or any of its Representatives becomes aware of any:
 - (i) receipt of any Competing Proposal;
 - (ii) approach or attempt to initiate any negotiations or discussions in relation to, or that may reasonably be expected to lead to, any Competing Proposal;
 - (iii) provision by Warrego or any of its Representatives of, any non-public information relating to Warrego or any of its Related Bodies Corporate to any Third Party in relation to any Competing Proposal; or
 - (iv) any breach of this clause 11,whether direct or indirect, solicited or unsolicited, and in writing or otherwise. For the avoidance of doubt, any of the acts described in sub-paragraphs (i) to (iii) may only be taken by Warrego or any of its Representatives if not prohibited by clause 11.2.
- (b) A notification given under clause 11.4(a)(i) must include (to the extent known):
 - (i) all the material terms and conditions of the Competing Proposal; and
 - (ii) the identity of the Third Party making or proposing the Competing Proposal, unless the Warrego Board has first determined, in good faith, and in what the Warrego Board considers to be in the interests of Warrego and its shareholders, and after receiving written advice from its external legal Advisers, that providing such identity would, or would be reasonably likely to, constitute a breach of any of the Warrego Board's fiduciary or statutory duties.
- (c) During the Exclusivity Period, Warrego must also notify Beach in writing as soon as reasonably practicable after becoming aware of any material development in relation to the Competing Proposal, including in respect of any of the information previously notified to Beach pursuant to this clause and clauses 11.4(a) and 11.4(b).

- (d) During the Exclusivity Period, Warrego must as soon as reasonably practicable (and, in any event, within two Business Days) provide Beach with:
- (i) in the case of written materials, a copy of; and
 - (ii) in any other case, a written statement of,
- any material non-public information about the business or affairs of Warrego or any of its Related Bodies Corporate disclosed or otherwise provided by Warrego or any of its Representatives to any Third Party in connection with any Competing Proposal that has not previously been provided to the Beach.

11.5 Beach matching right

- (a) Without limiting clause 11.2, during the Exclusivity Period, Warrego:
- (i) must not, and must procure that each of its Related Bodies Corporate do not, enter into any legally binding agreement, arrangement or understanding pursuant to which Warrego or any Related Body Corporate of Warrego proposes to undertake or give effect to a Competing Proposal; and
 - (ii) must ensure that none of the Warrego Directors withdraw, change or modify his or her recommendation (under clause 7(b)(i)) or voting intention (under clause 7(b)(ii)), or publicly recommend, support or endorse a Competing Proposal or make any public statement to the effect that they may do so at a future point, unless:
 - (iii) the Warrego Board determines that the Competing Proposal constitutes a Superior Proposal;
 - (iv) Warrego has provided Beach with a notice stating that it is given for the purposes of this clause 11.5 and setting out:
 - (A) all the material terms and conditions of the Competing Proposal (including, but not limited to, price, form of consideration, value of any non-cash component of the consideration, proposed deal protection provisions, any break or reimbursement fee, proposed timing and any conditions precedent); and
 - (B) the identity of the Third Party making the Competing Proposal;
 - (v) Warrego has given Beach at least five Business Days after the date of the provision of the notice referred to in clause 11.5(a)(iv) to announce or provide to Warrego a counter proposal to the Competing Proposal (**Beach Counterproposal**); and
 - (vi) either:
 - (A) Beach has not announced or provided to Warrego a Beach Counterproposal by the expiry of the five Business Day period in clause 11.5(a)(v); or
 - (B) Beach has announced or provided to Warrego a Beach Counterproposal by the expiry of the five Business Day period in clause 11.5(a)(v) that the Warrego Board, acting reasonably and in good faith, determines would not provide a matching or superior outcome for Warrego Shareholders as a whole compared with the Competing Proposal, taking into account all of the terms and conditions of the Beach Counterproposal.

- (b) If Beach announces or provides to Warrego a Beach Counterproposal by the expiry of the five Business Day period in clause 11.5(a)(iv), Warrego must procure that the Warrego Board considers the Beach Counterproposal and if the Warrego Board determines that the Beach Counterproposal would provide a matching or superior outcome for Warrego Shareholders as a whole compared with the Competing Proposal, taking into account all of the terms and conditions of the Beach Counterproposal, then Warrego and Beach must use reasonable endeavours to agree the amendments to this deed, the Scheme and the Deed Poll (as applicable) that are reasonably necessary to reflect the Beach Counterproposal and to implement the Beach Counterproposal, in each case as soon as reasonably practicable, and Warrego must use reasonable endeavours to procure that each Warrego Director continues to recommend the Transaction (as modified by the Beach Counterproposal) to Warrego Shareholders (other than as permitted under clause 7(c) of this deed).
- (c) For the purposes of this clause 11.5:
- (i) each successive material variation or amendment to a Competing Proposal will constitute a new Competing Proposal; and
 - (ii) for the avoidance of doubt, the process set out in this clause 11.5 must again be followed in respect of any such new Competing Proposal.

11.6 Compliance with law

- (a) This clause 11 imposes obligations on Warrego only to the extent that the performance of all or part of those obligations:
- (i) does not constitute unacceptable circumstances as declared by the Australian Takeovers Panel; and
 - (ii) is not determined to be unlawful by a court (including by virtue of it being a breach of the Warrego Board's fiduciary or statutory duties),
- subject to all proper avenues of appeal and review, judicial and otherwise, having been exhausted.
- (b) The parties must not make, or cause or permit to be made, any application to the Australian Takeovers Panel or a court for or in relation to a declaration or determination of a kind referred to in clause 11.6(a) and, in the event that any such application is made by a Third Party, must take all reasonable steps (including by making submissions against the declaration or determination) to ensure that any such determination is not made or applies to the minimum extent possible.

11.7 Normal provision of information

Nothing in this clause 11 prevents a party from:

- (a) providing information to its Representatives;
- (b) providing information to any Government Agency;
- (c) providing information to its auditors, customers, financiers, joint venturers and suppliers acting in that capacity in the ordinary course of business;
- (d) providing information required to be provided by law, including to satisfy its obligations of disclosure under the ASX Listing Rules or to any Government Agency;
- (e) making presentations to, and responding to enquiries from, brokers, portfolio investors, analysts, institutional investors and institutional lenders in the ordinary course in relation to its business generally; or

- (f) engaging with its shareholders (in their capacity as a shareholder) in the ordinary course and consistent with past practice, in relation to Warrego Group, provided such engagement does not relate to Warrego soliciting, inviting, encouraging or initiating an actual or proposed or potential Competing Proposal.

12 Warrego Break Fee

12.1 Background

This clause 12 has been agreed to in circumstances where:

- (a) Warrego believes the implementation of the Scheme will provide significant benefits to it and its shareholders, and acknowledges that, if Beach enters into this deed and the Scheme is subsequently not implemented, Beach will have incurred significant costs, including significant opportunity costs;
- (b) Beach requested provision be made for the relevant payment outlined in this clause 12, without which it would not have entered into this deed;
- (c) the Warrego Board believes that it is appropriate to agree to the payment referred to in this clause 12 to secure Beach's entry into this deed; and
- (d) Warrego has received separate legal advice in relation to this deed and the operation of this clause 12.

The parties acknowledge and agree that the costs actually incurred by Beach as referred to in clause 12.1(a) will be of such nature that they cannot be accurately ascertained, but that the Warrego Break Fee is a genuine and reasonable pre-estimate of the minimum cost and loss that would actually be suffered by Beach.

12.2 Payment of Warrego Break Fee

Subject to clause 12.3 and 12.6, Warrego must pay Beach the Warrego Break Fee if:

- (a) at any time before the End Date or, if earlier, the date the deed is terminated under clause 13, a Warrego Director:
 - (i) fails to make the recommendation under clause 7(b)(i) or statement under clause 7(b)(ii) (unless otherwise agreed by the parties in writing, or a Government Agency of competent jurisdiction requires that he or she abstains from making a recommendation);
 - (ii) withdraws or adversely changes, modifies or qualifies their recommendation that Warrego Shareholders vote in favour of the Scheme at the Scheme Meeting (unless the withdrawal, change, modification or qualification was otherwise agreed by the parties in writing, or a Government Agency of competent jurisdiction requires that he or she abstains from making a recommendation);
 - (iii) makes a public statement that they will or may not vote (or procure the voting of) all Warrego Shares held or controlled by him or her in favour of the Scheme at the Scheme Meeting; or
 - (iv) recommends, supports or endorses a Competing Proposal, including by making a public statement:
 - (A) supporting, endorsing or recommending any Competing Proposal;
 - (B) to the effect that she or he no longer supports the Scheme;
 - (C) that is otherwise inconsistent with the recommendation under clause 7(b)(i) or the statement under clause 7(b)(ii); or

- (D) otherwise indicating that they no longer recommend the Transaction or recommend that Warrego Shareholders accept or vote in favour of a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period,

other than in circumstances where the Independent Expert concludes that the Scheme is not in the best interests of Warrego Shareholders (except in circumstances where the Independent Expert reaches that conclusion, whether in whole or in part, as a result of a Competing Proposal);

- (b) at any time before the End Date or, if earlier, the date the deed is terminated under clause 13, either:
- (i) a member of the Warrego Group enters into an agreement to implement a Competing Proposal; or
 - (ii) a Competing Proposal is announced by a Third Party or notified to Warrego and, within 9 months after that occurring, the Third Party or any one or more Associate(s) of the Third Party:
 - (A) completes in all material respects a transaction of the kind referred to in paragraph (a)(ii), (a)(iii) or (a)(iv) of the definition of Competing Proposal; or
 - (B) has voting power or an economic interest in at least 50% of Warrego Shares under a transaction that is or has become wholly unconditional or otherwise comes to control (within the meaning of section 50AA of the Corporations Act) Warrego or acquires substantially all of the assets of Warrego (in each case alone or in aggregate);
 - (c) Beach terminates this deed under clause 14.1(a)(i) or 14.1(b).

12.3 Payment conditions

- (a) Notwithstanding the occurrence of any event under clause 12.2, no amount is payable under that clause if the Scheme becomes Effective.
- (b) Notwithstanding the occurrence of an event referred to in clause 12.2(b)(ii)(A) or clause 12.2(b)(ii)(B), no amount is payable under clause 12.2(b)(ii) if, prior to the event occurring Warrego terminates this deed under clause 14.1(a)(i); or
- (c) Warrego can only ever be liable to pay the Warrego Break Fee once.

12.4 Timing of payment

If the Warrego Break Fee is payable under this clause 12, Warrego must pay the Warrego Break Fee without set-off or withholding, unless required by law, within five Business Days of receipt of a demand for payment from Beach.

12.5 Nature of payment

Warrego acknowledges and agrees that the amount payable by Warrego to Beach under clause 12.2 is an amount to compensate Beach for:

- (a) advisory costs (including costs of Advisers other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and

- (d) opportunity costs incurred in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives which could have been developed to further business and objectives,

incurred by Beach.

12.6 Compliance with law

- (a) This clause 12 imposes obligations on Warrego only to the extent that the performance of all or part of those obligations:
 - (i) does not constitute unacceptable circumstances as declared by the Australian Takeovers Panel; and
 - (ii) is not determined to be unlawful by a court (including by virtue of it being a breach of the Warrego Board's fiduciary or statutory duties),subject to all proper avenues of appeal and review, judicial and otherwise, having been exhausted.
- (b) The parties must not make, or cause or permit to be made, any application to the Australian Takeovers Panel or a court for or in relation to a declaration or determination of a kind referred to in clause 12.6(a).

12.7 Limitation of liability

- (a) Notwithstanding any other provision of this deed, but subject to clause 12.7(b):
 - (i) the maximum aggregate liability of Warrego to Beach under or in connection with this deed including in respect of any breach of this deed will be the amount of the Warrego Break Fee;
 - (ii) a payment by Warrego of the Warrego Break Fee in accordance with this clause 12 represents the sole and absolute liability of Warrego to Beach under or in connection with this deed and no further damages, fees, expenses or reimbursements of any kind will be payable by Warrego to Beach in connection with this deed; and
 - (iii) the amount of the Warrego Break Fee payable to Beach under this clause 12 shall be reduced by the amount of any loss or damage recovered by Beach in relation to a breach of any other clause of this deed.
- (b) Clause 12.7(a) does not limit the liability of Warrego under or in connection with this deed in respect of any fraud or wilful material breach of this deed by Warrego.

13 Reverse Break Fee

13.1 Background

- (a) This clause 13 has been agreed to in circumstances each party believes that the implementation of the Transaction will provide significant benefits to its shareholders and the shareholders of the other party; and acknowledges and agrees that if it enters into this deed and the Transaction is subsequently not implemented, Warrego will have incurred significant costs, including significant opportunity costs.
- (b) The parties acknowledge and agree that the costs actually incurred by Warrego as referred to in clause 13.1(a) will be of such nature that they cannot be accurately ascertained, but that the Reverse Break Fee is a genuine and reasonable pre-estimate of the minimum cost and loss that would actually be suffered by Beach.

13.2 Payment of Reverse Break Fee

Subject to clause 13.2 and 13.6, Beach must pay Warrego the Reverse Break Fee if this deed has been terminated by Warrego in accordance with clause 14.1(a)(i)(A) and where the Warrego Break Fee is not payable under clause 12.

13.3 Payment conditions

- (a) Notwithstanding the occurrence of any event under clause 13.2, no amount is payable under that clause if the Scheme becomes Effective.
- (b) Beach can only ever be liable to pay the Reverse Break Fee once.

13.4 Timing of payment

If the Reverse Break Fee is payable under this clause 13, Warrego must pay the Warrego Break Fee without set-off or withholding, unless required by law, within five Business Days of receipt of a demand for payment from Warrego.

13.5 Nature of payment

Beach acknowledges that the amount payable by Beach to Warrego under clause 13.2 is an amount to compensate Beach for:

- (a) advisory costs (including costs of Advisers other than success fees);
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses; and
- (d) opportunity costs of pursuing the Transaction or in not pursuing alternative transactions or business opportunities,

incurred by Warrego.

13.6 Compliance with law

- (a) This clause 12 imposes obligations on Beach only to the extent that the performance of all or part of those obligations:
 - (i) does not constitute unacceptable circumstances as declared by the Australian Takeovers Panel; and
 - (ii) is not determined to be unlawful by a court,subject to all proper avenues of appeal and review, judicial and otherwise, having been exhausted.
- (b) The parties must not make, or cause or permit to be made, any application to the Australian Takeovers Panel or a court for or in relation to a declaration or determination of a kind referred to in clause 13.6(a).

13.7 Limitation of liability

- (a) Notwithstanding any other provision of this deed, but subject to clause 13.7(b):
 - (i) the maximum aggregate liability of Beach to Warrego under or in connection with this deed including in respect of any breach of this deed will be the amount of the Reverse Break Fee;
 - (ii) a payment by Beach of the Reverse Break Fee in accordance with this clause 13 represents the sole and absolute liability of Beach to Warrego under or in connection with this deed and no further damages, fees, expenses or

reimbursements of any kind will be payable by Beach to Warrego in connection with this deed; and

- (iii) the amount of the Reverse Break Fee payable to Warrego under this clause 13 shall be reduced by the amount of any loss or damage recovered by Warrego in relation to a breach of any other clause of this deed.
- (b) Clause 13.7(a) does not limit the liability of Beach under or in connection with this deed in respect of any fraud or wilful material breach of this deed this deed by Beach.

14 Termination

14.1 General rights

- (a) Either party may terminate this deed by written notice to the other at any time before 8.00am on the Second Court Date:
 - (i) if:
 - (A) either:
 - (1) the other party is in material breach of any provision of this deed (other than a Beach Representation and Warranty or a Warrego Representation and Warranty not being true and correct); or
 - (2) a representation and warranty given by the other party (being the Beach Representations and Warranties where the "other party" is Beach, and being the Warrego Representations and Warranties where the "other party" is Warrego) is not true and correct, where that breach of representation and warranty is material in the context of the Transaction as a whole;
 - (B) the party wishing to terminate has given written notice to the other setting out the relevant circumstances and stating an intention to terminate this deed; and
 - (C) the relevant circumstances continue to exist for five Business Days from the time the notice of intention to terminate is given (or any shorter period ending at 5:00pm on the Business Day before the Second Court Date); or
 - (ii) in the circumstances set out in, and in accordance with, clause 3.6(b).
- (b) Beach may terminate this deed by written notice to Warrego at any time before 8:00am on the Second Court Date if any Warrego Director:
 - (i) fails to provide the recommendation under clause 7(b)(i) or statement under clause 7(b)(ii) (unless otherwise agreed by the parties in writing);
 - (ii) has changed, withdrawn or adversely modified or qualified, or made a public statement that is inconsistent with, his or her recommendation that Warrego Shareholders vote in favour of the Scheme at the Scheme Meeting (unless the withdrawal, change or modification or qualification was otherwise agreed by the parties in writing) or statement under clause 7(b)(ii); or
 - (iii) has made a statement indicating that he or she no longer recommends the Transaction or recommending, supporting or endorsing another transaction (including any Competing Proposal).
- (c) Without limiting Warrego's obligations under clause 7 and 11.5, Warrego may terminate this deed by written notice to Beach at any time before 8:00am on the Second Court Date if a majority of the Warrego Board withdraws its recommendation that Warrego Shareholders

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vote in favour of the Scheme at the Scheme Meeting in the manner permitted by clause 7(c), and, if required to pay the Warrego Break Fee as a result of such withdrawal, Warrego has paid Beach the Warrego Break Fee.

14.2 Effect of termination

If this deed is terminated by a party under clause 3.6(b) or 14.1, this deed will be of no force or effect, without any liability or obligation on the part of any party, other than in relation to rights and obligations that accrued before termination and the provisions of this clause 13 and of clauses 1, 8.4, 9, 10, 12, 15, 16, 17 and 18, which will remain in force after the termination.

14.3 Termination by written agreement

The parties may terminate this deed by another written agreement between them.

15 Confidentiality/standstill

(a) Warrego and Beach acknowledge and agree that the Confidentiality Deed:

- (i) continues to operate in full force and effect after the date of this deed; and
- (ii) survives any termination of this deed,

in each case subject to, and in accordance with, the terms of the Confidentiality Deed.

(b) During the period from the date of this deed until the earlier of (1) the End Date and (2) termination of this deed, Beach must not (and must ensure that each other member of the Beach Group does not) directly or indirectly:

- (i) acquire or dispose of, or offer to acquire or dispose of, or invite or solicit the sale or purchase of, any Warrego Shares or a relevant interest in any Warrego Shares or any right or option in respect of any Warrego Shares;
- (ii) enter into any agreement, arrangement or understanding that would involve the conferring of rights on Beach or any other member of the Beach Group, the economic effect of which is equivalent, or substantially equivalent, to Beach or such other member of the Beach Group (as the case may be) acquiring, holding or disposing of Warrego Shares or a relevant interest in Warrego Shares (including any cash-settled equity swap or similar derivative relating to any Warrego Shares); or
- (iii) aid, abet, counsel, solicit, encourage or induce any other person to do any of the things referred to in clause 15(b)(i) or 15(b)(ii),

other than:

- (iv) with the prior written consent of Warrego; or
- (v) any acquisition of Warrego Shares pursuant to a takeover bid made by any member of Beach Group for all of the Warrego Shares following a public announcement of a recommendation by the Warrego Board of a Competing Proposal.

16 GST

16.1 Recovery of GST

If GST is or becomes payable, or notionally payable, on a supply made under or in connection with this deed, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the **GST Amount**) as calculated by the party making the supply (the **Supplier**) in

accordance with the GST law. Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time and in the same manner that the other consideration for the supply is provided. This clause 16 does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

16.2 Liability net of GST

Notwithstanding any other provision in this deed, where any indemnity, reimbursement or similar payment under this deed is based on any cost, expense or other liability incurred by a party, it may be reduced by any input tax credit entitlement, or notional input tax credit entitlement, of that party (or its representative member) in relation to the relevant cost, expense or other liability.

16.3 Adjustment events

If an adjustment event occurs in relation to a supply under or in connection with this deed, the GST Amount will be recalculated in accordance with the GST law to reflect that adjustment and an appropriate payment will be made between the parties and the Supplier shall issue an adjustment note to the recipient within 10 Business Days after becoming aware of the occurrence of the adjustment event.

16.4 Survival

This clause 16 will continue to apply after expiration or termination of this deed.

16.5 Definitions

Unless the context requires otherwise, words used in this clause 16 that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) have the same meaning in this clause 16.

17 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this deed:

- (a) must be in writing and signed by a person duly authorised by the sender;
- (b) must be delivered to the intended recipient:
 - (i) by prepaid post (or, if posted to an address in another country, by registered airmail) or by hand to the address below or the address last notified by the intended recipient to the sender; or
 - (ii) by email to the email address below or the email address last notified by the intended recipient to the sender:

to Beach: Address: Level 8, 80 Flinders Street Adelaide,
South Australia 5000

Email: morne.engelbrecht@beachenergy.com.au

Attention: Morné Engelbrecht

with a copy to (which by itself does not constitute a Notice) to:

antonella.pacitti@au.kwm.com

18.4 Withholding tax

- (a) If Beach is required by Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (**Subdivision 14-D**) to pay amounts to the Commissioner of Taxation in respect of the acquisition of Warrego Shares from certain Warrego Shareholders, Beach is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to those Warrego Shareholders, and remit such amounts to the Commissioner of Taxation. The aggregate sum payable to Warrego Shareholders shall not be increased to reflect the deduction and the net aggregate sum payable to those Warrego Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those Warrego Shareholders.
- (b) If the Warrego Shareholders provide Beach with a CGT Clearance Certificate, or a valid CGT Vendor Declaration, together with any supporting documentation reasonably requested by Beach, at least 5 Business Days prior to the completion of the sale, Beach must not withhold any part of the payment of the Scheme Consideration on the basis of a liability to pay amount to the Commissioner of Taxation under Subdivision 14-D of Schedule 1 to the *Tax Administration Act 1953* (Cth).

18.5 Counterparts

This deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

18.6 Entire agreement

This deed, the Confidentiality Deed and any other documents specified by the parties for the purposes of this clause 18.6 contain the entire agreement between the parties with respect to their subject matter. This deed, the Confidentiality Deed and any other documents specified by the parties for the purposes of this clause 18.6 set out the only conduct relied on by the parties and supersede all earlier conduct and prior agreements and understandings between the parties in connection with their subject matter.

18.7 Further assurances

Each party must do anything necessary (including executing agreements and documents) to give full effect to this deed and the transactions contemplated by it.

18.8 Governing law and jurisdiction

This deed is governed by the laws of Western Australia. In relation to it and related non-contractual matters each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

18.9 No merger

The rights and obligations of the parties will not merge on the completion of any transaction contemplated by this deed. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

18.10 No waiver

A failure to exercise or a delay in exercising any right, power or remedy under this deed does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

18.11 Severability of provisions

Any provision of this deed that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this deed nor affect the validity or enforceability of that provision in any other jurisdiction.

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Schedule 1 – Beach Representations and Warranties

- 1 **(Status)** It is a corporation duly incorporated and validly existing under the laws of the place of its incorporation.
- 2 **(Power)** It has the power to enter into and perform its obligations under this deed to carry out the transactions contemplated by this deed.
- 3 **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into and the performance of this deed by it and to carry out the transactions contemplated by this deed.
- 4 **(Documents binding)** This deed is its valid and binding obligation enforceable in accordance with its terms.
- 5 **(Transactions permitted)** The execution and performance by it of this deed and each transaction contemplated by this deed did not and will not violate any provision of:
- (a) a law or treaty or a judgment, ruling, order or decree of a Government Agency binding on it or any of its Related Bodies Corporate; or
 - (b) its constituent documents.
- 6 **(Solvency)** No member of the Beach Group is affected by an Insolvency Event.
- 7 **(Scheme Booklet)** At the time Warrego commenced sending the Scheme Booklet to Warrego Shareholders, the Beach Information contained in the Scheme Booklet (in the form consented to by Beach) is true and correct in all material respects, complies in all material respect with all applicable laws and does not contain any statement which is misleading or deceptive in any material respect (whether by omission or otherwise).
- 8 **(No relevant interests)** As at the date of this deed, no member of the Beach Group has a relevant interest in any Warrego Shares.
- 9 **(No dealings with Warrego Shareholders):** No member of the Beach Group has any agreement, arrangement or understanding with any Warrego Shareholder under which that Warrego Shareholder (or an Associate of that Warrego Shareholder):
- (a) would be entitled to receive consideration for their Scheme Shares different from the Scheme Consideration or any benefit in connection with the Scheme that is not also offered to all other Warrego Shareholders on the same terms; or
 - (b) has agreed to vote in favour of the Scheme or against any Competing Proposal.
- 10 **(No dealings with Warrego directors or employees):** Other than as disclosed to Warrego and approved by the Warrego Board, no member of the Beach Group has any agreement, arrangement or understanding with any director or employee of Warrego relating in any way to the Transaction or operations of Warrego after the Effective Date.

Schedule 2 – Warrego Representations and Warranties

- 1 **(Status)** It is a corporation duly incorporated and validly existing under the laws of the place of its incorporation.
- 2 **(Power)** It has the power to enter into and perform its obligations under this deed to carry out the transactions contemplated by this deed.
- 3 **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into and performance of this deed by it and to carry out the transactions contemplated by this deed.
- 4 **(Deed binding)** This deed is its valid and binding obligation enforceable in accordance with its terms.
- 5 **(Transactions permitted)** The execution and performance by it of this deed and each transaction contemplated by this deed did not and will not violate any provision of:
- (a) a law or treaty or a judgment, ruling, order or decree of a Government Agency binding on it or any of its Related Bodies Corporate; or
 - (b) its constitution or other constituent documents.
- 6 **(Capital structure)** As at the date of this deed, Warrego has:
- (a) 1,223,122,326 Warrego Shares on issue;
 - (b) 9,999,999 Warrego Options on issue, issued with an exercise price of \$0.28 and due to expire on 21 July 2023;
 - (c) the Warrego Incentives on issue,
- and, other than the above, there are no other securities, options, performance rights, shares, convertible notes, warrants or other securities which may convert into Warrego Shares (or offers or agreements to issue any of the foregoing) and no person has any right to call for the issue or grant of, any Warrego Shares, options, warrants, performance rights or other securities or instruments in Warrego.
- 7 **(Continuous disclosure):**
- (a) it has complied in all material respects with its continuous disclosure obligations under ASX Listing Rule 3.1; and
 - (b) as at the date of this deed, it is not withholding any information from public disclosure in reliance on ASX Listing Rule 3.1A (other than the information in relation to the Transaction).
- 8 **(Scheme Booklet)** At the time Warrego commenced sending the Scheme Booklet to Warrego Shareholders, the information contained in the Scheme Booklet (other than the Beach Information and the Independent Expert's Report) is true and correct in all material respects, complies with all applicable laws and does not contain any statement which is misleading or deceptive in any material respect (whether by omission or otherwise).
- 9 **(Solvency)**
- (a) No member of the Warrego Group is affected by an Insolvency Event.
 - (b) Neither Tarba nor any subsidiary of Tarba is affected by an Insolvency Event.
- 10 **(No material breach of laws)** So far as Warrego is aware, each member of the Warrego Group, and Tarba and each subsidiary of Tarba, has complied in all material respects with all, and is not in material breach of any material Australian or foreign laws and regulations applicable to them or orders of Australian or foreign Government Agencies having jurisdiction over it.

- 11 **(material licences and authorisations)** the Warrego Group has, and so far as Warrego is aware, Tarba and each subsidiary of Tarba has, all material licences and permits necessary for it to conduct its activities as they are conducted as at the date of this deed.
- 12 **(Pre-emptive Rights)** Neither the entry into this deed or any transaction contemplated by this deed (other than the sale of the Spanish Assets) will trigger any pre-emptive right in favour of a Third Party under any agreement that is material to the Warrego Group.
- 13 **(Material contracts)**
- (a) Each member of the Warrego Group has complied in all material respects with all contracts to which it is a party and which is material to the Warrego Group as a whole.
 - (b) Each contract to which a member of the Warrego Group is a party and which is material to the Warrego Group as a whole is valid and binding on the parties to it, and is enforceable in accordance with its terms.
 - (c) No member of the Warrego Group has taken any action that has given a counterparty to a material contract a right of termination.
- 14 **(Litigation)** So far as Warrego is aware, as at the date of this deed:
- (a) no person has commenced or threatened any claim, dispute or litigation (including any court proceeding, arbitration or expert determination) against any member of the Warrego Group, or against Tarba or any subsidiary of Tarba, that could reasonably be expected to give rise to a material liability for the Warrego Group (taken as a whole); and
 - (b) no enforcement action or investigation has been announced, commenced or threatened by any Government Agency against or involving a member of the Warrego Group or Tarba or any subsidiary of Tarba that could reasonably be expected to give rise to a material liability for the Warrego Group (taken as a whole).
- 15 **(Anti-bribery and corruption)**
- (a) No member of the Warrego Group nor any of its Representatives has directly or indirectly:
 - (i) offered, promised, made or authorised, or agreed to offer, promise, make or authorise (or made attempts at doing any of the foregoing) any contribution, expense, payment or gift of funds, property or anything else of value to or for the use or benefit of any Government Official for the purpose of securing action or inaction or a decision of a Government Agency or a Government Official, influence over such action, inaction or decision, or any improper advantage; or
 - (ii) taken any action which is or would be otherwise inconsistent with or prohibited by the Anti-Corruption Laws as they apply to the Warrego Group.
 - (b) No member of the Warrego Group nor any of its Representatives has directly or, so far as Warrego is aware, indirectly, given or agreed to give any gift or similar benefit to any customer, supplier, Government Official or any other person that:
 - (i) could be reasonably expected to subject a member of the Warrego Group to any damage or penalty in any civil, criminal or governmental litigation or proceeding;
 - (ii) if not given in the past, might have had a material effect on the Warrego Group as a whole;
 - (iii) has the intention of inducing a person to improperly perform a relevant function or activity (such as their work) or to reward a person for having improperly performed a relevant function or activity; or

- (iv) if not continued in the future, might have a material effect or that might subject a member of the Warrego Group to suit or penalty in any private or governmental litigation or proceeding.
- (c) The Warrego Group maintains a system or systems of internal controls reasonably designed to:
- (i) ensure compliance with the Anti-Corruption Laws applicable to the Warrego Group; and
 - (ii) prevent and detect violations of the Anti-Corruption Laws as applicable to the Warrego Group.
- 16 **(Related party transactions)** Other than the shareholder loan between Tarba and a member of the Warrego Group, no member of the Warrego Group is or was previously a party to any transaction with any related party of Warrego (and, for these purposes, "related party" has the meaning given in section 228 of the Corporations Act).
- 17 **(No FID and status of current project)**
- (a) The Early Works Agreement will expire on 31 December 2022 without further action by any party and that the parties to that agreement have not engaged in discussions to extend the term of that agreement beyond such date.
 - (b) Warrego Energy EP496 Pty Ltd is entitled to terminate the Alcoa GSA and the parties to that agreement have not agreed to extend the "End Date" beyond 30 June 2021.
 - (c) Warrego Energy EP496 Pty Ltd is entitled to terminate the GSA Term Sheet and the parties to that document have not agreed to any amendments to the definition of the "Conditions Precedent Date".
 - (d) No final investment decision has been made in relation to the development of the resource covered by the Key Licence and no member of the Warrego Group is under any commitment or obligation to proceed with any particular development concept for such resource.
- 18 **(Claims and royalties for international assets)** There are no unpaid or outstanding claims or royalties (whether to a Government Agency or under a private treaty) or similar arrangements in respect of any asset outside of Australia in an amount exceeding or reasonably likely to exceed \$1,000,000.
- 19 **(Disclosure Material)** The Disclosure Materials have been collated and prepared in good faith, and, as at the date of this deed, Warrego is not aware of any information contained in the Disclosure Materials that is false, incomplete, misleading or deceptive in any material respect (including by omission). Other than where Warrego has indicated to Beach that it is withholding particular information from disclosure to Beach on the basis that it is commercially sensitive information, as at the date of this deed Warrego has not knowingly withheld or omitted information from disclosure to Beach which could reasonably be expected to be material to Beach's evaluation of the Warrego Group and the merits of the Transaction. For the avoidance of doubt, Warrego makes no representation or warranty whatsoever as to: (i) the accuracy or adequacy of any forward looking statement in respect of the future financial position of Warrego; or (ii) the adequacy or sufficiency of the Disclosure Materials for the purpose of Beach acquiring the Scheme Shares or for Beach's funding of that acquisition, which are matters of which Beach has to satisfy itself.
- 20 **(Material overseas assets)** The Warrego Group does not hold any material assets or have any material liabilities outside Australia and Spain.

Schedule 3 – Warrego Regulated Events

- 1 Warrego converts all or any of its shares into a larger or smaller number of shares.
- 2 Any Warrego Group entity resolves to reduce its share capital in any way.
- 3 Any Warrego Group entity:
 - (a) enters into a buy-back agreement; or
 - (b) resolves to approve the terms of a buy-back agreement under the Corporations Act.
- 4 Any member of the Warrego Group issues shares or other securities to a person, or grants an option over or a right to receive its shares or other securities, or agrees to make such an issue or grant such an option or right, other than the issue of Warrego Shares upon the exercise or vesting of Warrego Options or Warrego Incentives which are on issue as at the date of this deed.
- 5 Any member of the Warrego Group issues, or agrees to issue, convertible notes or any other instrument or security convertible into shares or securities in or of any member of the Warrego Group.
- 6 Other than in respect of the proceeds of sale of the Spanish Assets, any member of the Warrego Group agrees to pay, declares, determines, pays or makes, or incurs a liability to pay or make, a dividend or any other form of distribution of profits or capital (whether in cash or in specie).
- 7 Other than as expressly contemplated by this deed in relation to the Spanish Assets, any member of the Warrego Group:
 - (a) acquires or disposes of any shares or other securities in any body corporate or any units in any trust;
 - (b) acquires substantially all of the assets of any business;
 - (c) disposes of, or agrees to dispose of or licences, the whole, or a substantial part of its business or property, or
 - (d) exercises or waives any pre-emptive rights or rights of first or last refusal in respect of any undertaking, entity, asset or business (or such interest in an undertaking, entity, asset or business) held by another person,
the value of which exceeds, or which could reasonably be expected to exceed, \$1,000,000 (individually) or \$2,500,000 (in aggregate).
- 8 Any member of the Warrego Group agrees to waive or adversely vary in a material respect any material rights under, or terminate any contract to which it is party and which is material to the Warrego Group as a whole.
- 9 Any member of the Warrego Group enters into a transaction or arrangement which, if completed, would result in a Third Party acquiring any gas produced from any of the licences within which Warrego has an interest.
- 10 Any Warrego Group entity grants, or agrees to grant, a security interest in or over the whole or a substantial part of the business or property of the Warrego Group.
- 11 Any member of the Warrego Group resolves to be wound up.
- 12 Any member of the Warrego Group agrees to increase in any material respect the remuneration of, makes or offers to make any bonus payment, retention payment or termination payment to, or otherwise materially change the terms and conditions of employment of any Warrego Director or any employee of any member of the Warrego Group, other than in respect of an annual salary review in the ordinary course of business.

- 13 Any member of the Warrego Group makes or agrees to make any award or any certified agreement, enterprise agreement, workplace agreement or other collective agreement.
- 14 Any member of the Warrego Group commences, compromises or settles any litigation or similar proceeding for an amount exceeding \$500,000.
- 15 Any member of the Warrego Group enters into any production sharing contract or production sharing agreement or other similar concession for the exploration, appraisal, development and/or production of petroleum.
- 16 A liquidator or provisional liquidator of any member of the Warrego Group is appointed.
- 17 A court makes an order for the winding up of any member of the Warrego Group.
- 18 An administrator of any member of the Warrego Group is appointed under section 436A, 436B or 436C of the Corporations Act.
- 19 Any member of the Warrego Group executes a deed of company arrangement.
- 20 A receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of any member of the Warrego Group.
- 21 Any member of the Warrego Group forgives any loans given in favour of any other person (including, to avoid doubt, Tarba).
- 22 Either the Alcoa GSA or the Strike GSA is terminated, with such termination giving rise to materially adverse consequences for the Warrego Group.

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Schedule 4 - Timetable

Event	Date
Execution of this deed	14 November 2022
Warrego submits draft Scheme Booklet to ASIC	14 December 2022
Beach to execute Deed Poll	16 January 2023
First Court hearing for Scheme	16 January 2023
Warrego sends Scheme Booklet to Warrego Shareholders	21 January 2023
Scheme Meeting	23 February 2023
Second Court hearing for Scheme	27 February 2023
Effective Date	28 February 2023
Scheme Record Date	2 March 2023
Implementation Date	8 March 2023

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Execution pages

Executed and delivered as a deed

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* (Cth) by **Beach Energy Limited**:



Director Signature

Glenn Davis

Print Name



Director/Secretary Signature

Susan Jones

Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* (Cth) by **Warrego Energy Limited**:

Director Signature

Print Name

Director/Secretary Signature

Print Name

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Execution pages

Executed and delivered as a deed

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* (Cth) by **Beach Energy Limited**:

Director Signature

Director/Secretary Signature

Print Name

Print Name

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* (Cth) by **Warrego Energy Limited**:



Director Signature

Director/Secretary Signature

Mark Routh

Dennis Donald

Print Name

Print Name

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Annexure A – Form of Scheme

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Scheme of Arrangement pursuant to section 411 of the *Corporations Act 2001* (Cth)**Between**

Warrego Energy Limited (ACN 125 394 667) of Level 6, 216 St Georges Terrace Perth WA 6000 (*Warrego*).

And

Each holder of Warrego Shares recorded in the Warrego Share Register as at the Scheme Record Date (each a *Scheme Shareholder* and, together, the *Scheme Shareholders*).

Recitals

- A Warrego is an Australian public company limited by shares, registered under the Corporations Act, and has been admitted to the official list of the ASX. Warrego Shares are quoted for trading on the ASX.
- B **Beach Energy Limited** (ACN 007 617 969) (*Beach*) is a company incorporated in Australia and listed on the ASX.
- C Warrego and Beach have entered into a Scheme Implementation Deed dated [insert] 2022 (the *Scheme Implementation Deed*) pursuant to which:
- (a) Warrego has agreed to propose this Scheme to Warrego Shareholders; and
 - (b) Warrego and Beach have agreed to take certain steps to give effect to this Scheme.
- D If this Scheme becomes Effective, then:
- (a) all of the Scheme Shares and all of the rights and entitlements attaching to them on the Implementation Date will be transferred to Beach; and
 - (b) the Scheme Consideration will be provided to the Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll; and
 - (c) Warrego will enter the name and address of Beach in the Warrego Share Register as the holder of all of the Scheme Shares.
- E By executing the Scheme Implementation Deed, Warrego has agreed to propose and implement this Scheme, and Beach has agreed to assist with that proposal and implementation, on and subject to the terms of the Scheme Implementation Deed.
- F Beach has entered into the Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that Beach will observe and perform the obligations contemplated of it under this Scheme.

It is agreed as follows.

1 Definitions and interpretation**1.1 Definitions**

In this document, unless the context requires otherwise:

ADI means an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)).

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market

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known as 'ASX' operated by it.

ASX Listing Rules means the official listing rules of ASX.

Base Scheme Consideration, in respect of a Scheme Shareholder, means \$0.20 per Scheme Share held by that Scheme Shareholder.

Business Day means any day that is both of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Perth, Australia.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited (ABN 49 008 504 532).

Constitution means the constitution of Warrego, as amended from time to time.

Contingent Scheme Consideration, in respect of a Scheme Shareholder, means any additional Scheme Consideration which becomes payable after the Implementation Date under clause 4.6 of the Scheme Implementation Deed.

Corporations Act means the *Corporations Act 2001* (Cth), as amended by any applicable ASIC class order, ASIC legislative instrument or ASIC relief.

Court means the Federal Court of Australia, Western Australian Division or such other court of competent jurisdiction under the Corporations Act agreed to in writing between Warrego and Beach.

Deed Poll means the deed poll executed on [date] 2022 by Beach in favour of the Scheme Shareholders.

Deferred Returns Period means the period from the Implementation Date to the date that is the first anniversary of the Implementation Date.

Effective means, when used in relation to this Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the date which is six months after the date of the Scheme Implementation Deed, subject to any extension under clause 3.6 of the Scheme Implementation Deed.

Implementation Date means the fourth Business Day after the Scheme Record Date, or such other date as Warrego and Beach may agree in writing.

Net Sale Proceeds means:

- (a) the gross proceeds from the sale of the Spanish Assets; less
- (b) all external costs and expenses incurred by the Warrego Group after the date of this deed, in connection with the sale of the Spanish Assets (including any fees payable to any financial adviser appointed in connection with or to run the proposed sale of the Spanish Assets, regardless of by whom that financial adviser is appointed), and all taxes which have, or will, become due and payable in connection with the sale of the Spanish Assets (after utilising any available tax losses within the Warrego Group) as reasonably estimated by Beach; less
- (c) if not all of the Warrego Options have been cancelled on or before Implementation of the Scheme on the Implementation Date, all costs reasonably incurred by the Beach Group (including, at that time, the Warrego Group) in connection with the cancellation of those Warrego Options, including:

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- (i) any amounts payable under private treaty with any such Warrego Optionholder;
- (ii) any external adviser fees incurred in procuring the cancellation or compulsory acquisition of those Warrego Options or resulting shares, or obtaining advice about the cancellation or compulsory acquisition of those Warrego Options or resulting shares; and
- (iii) any fees or third party costs (eg court costs or costs associated with the appointment of an independent expert) for any required application or process to effect the cancellation or compulsory acquisition of such Warrego Options or resulting shares,

provided that (to avoid any doubt), if the Net Sale Proceeds equal a negative number, the Net Sale Proceeds will be taken to be \$0 and Beach will have no obligations under this Scheme (or under the Deed Poll or the Scheme Implementation Deed) to procure any payment (of the Contingent Scheme Consideration or otherwise) to Scheme Shareholders.

Registered Address means, in relation to a Scheme Shareholder, the address of that Scheme Shareholder shown in the Warrego Share Register as at the Scheme Record Date.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Warrego and the Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court and agreed to by Beach and Warrego (such agreement not to be unreasonably withheld or delayed) made or required by the Court under section 411(6) of the Corporations Act and agreed to by Warrego and Beach.

Scheme Consideration, in respect of a Scheme Shareholder, means:

- (a) the Base Scheme Consideration; plus
- (b) the Contingent Scheme Consideration.

Scheme Meeting means the meeting of Warrego Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act in relation to this Scheme, and includes any adjournment or postponement of that meeting.

Scheme Orders means the orders of the Court made under section 411(4)(b) of the Corporations Act (and if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

Scheme Record Date means 7:00pm (Sydney time) on the second Business Day after the Effective Date or such other time and date agreed to in writing between Warrego and Beach.

Scheme Shares means the Warrego Shares on issue as at the Scheme Record Date.

Scheme Shareholder means a person registered in the Warrego Share Register as the holder of one or more Scheme Shares at the Scheme Record Date.

Scheme Transfer means, in relation to each Scheme Shareholder, a proper instrument of transfer of their Scheme Shares for the purpose of section 1071B of the Corporations Act.

Second Court Date means the first day of hearing of an application made to the Court for orders pursuant to section 411(4)(b) of the Corporations Act approving this Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Spanish Assets means the Warrego Group's 85% interest in class A shares, and its 50.1% interest in class B shares, of Tarba together with any shareholder loans from the Warrego Group to Tarba.

Tarba means Tarba Energia S.L..

Trust Account means an Australian dollar denominated trust account held with an Australian ADI operated by Warrego (or by the Warrego Share Registry on behalf of Warrego) as trustee for

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the Scheme Shareholders.

Warrego Share Register means the register of members of Warrego maintained by or on behalf of Warrego in accordance with section 168(1) of the Corporations Act.

Warrego Share Registry means Boardroom Pty Limited, or any replacement share registry services provider to Warrego.

Warrego Shares means fully paid ordinary shares issued in the capital of Warrego.

Warrego Shareholder means a person who is registered in the Warrego Share Register as a holder of Warrego Shares.

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after includes, including, for example, or similar expressions, does not limit what else might be included.
- (c) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a person includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a clause is a reference to a clause of this Scheme.
 - (vi) A reference to an agreement or document (including a reference to this document) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document.
 - (vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
 - (viii) A reference to a person includes the person's successors, permitted substitutes and permitted assigns (and, where applicable, the person's legal personal representatives).
 - (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (x) A reference to *dollars* or \$ is to Australian currency.
 - (xi) Words and phrases not specifically defined in this Scheme have the same meanings (if any) given to them in the Corporations Act.
 - (xii) A reference to time is to Perth, Australia time.
 - (xiii) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.

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2 Conditions

2.1 Conditions Precedent

This Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8:00am on the Second Court Date each of the conditions precedent set out in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent relating to the approval of the Court set out in clause 3.1(d) of the Scheme Implementation Deed) has been satisfied or waived in accordance with the Scheme Implementation Deed;
- (b) as at 8:00am on the Second Court Date, neither the Scheme Implementation Deed nor the Deed Poll has been terminated in accordance with its terms;
- (c) the Court makes orders approving this Scheme under section 411(4)(b) of the Corporations Act, including with such alterations made or required by the Court under section 411(6) of the Corporations Act and that are agreed to Warrego and Beach (such agreement not to be unreasonably withheld or delayed);
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and that are agreed to Warrego and Beach (such agreement not to be unreasonably withheld or delayed); and
- (e) the orders of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act approving this Scheme come into effect, pursuant to section 411(10) of the Corporations Act on or before the End Date.

2.2 Lapsing

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms unless Warrego and Beach otherwise agree in writing.

3 Scheme becoming Effective

Subject to clause 2, this Scheme will take effect on and from the Effective Date.

4 Implementation of Scheme

- (a) If the conditions precedent in clause 2.1 are satisfied or waived, Warrego must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Scheme Orders as soon as possible and in any event before 5.00pm on the Business Day immediately following the day on which the Scheme Orders are entered, or such other date as agreed by Warrego and Beach.
- (b) On the Implementation Date, subject to Beach having satisfied its obligations in clause 5.2, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Beach, without the need for any further act by any Scheme Shareholder (other than acts performed by Warrego or any of its directors and officers as attorney and agent for Scheme Shareholders under this Scheme), by:
 - (i) Warrego delivering to Beach for execution duly completed (and, if necessary, stamped) Scheme Transfers to transfer all of the Scheme Shares to Beach (and one or more Scheme Transfers can be a master transfer of all or part of all of the

Scheme Shares), duly executed by Warrego (or any of its directors and officers) as the attorney and agent of each Scheme Shareholder as transferor under clause 8.3;

- (ii) Beach executing the Scheme Transfers as transferee and delivering them to Warrego for registration; and
- (iii) Warrego, immediately after receipt of the Scheme Transfers under clause 4(b)(ii), entering, or procuring the entry of, the name and address of Beach in the Warrego Share Register as the holder of all of the Scheme Shares.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, each Scheme Shareholder will be entitled to the Scheme Consideration for each Scheme Share held by that Scheme Shareholder.

5.2 Deposit of Scheme Consideration

Beach must, by no later than close of business on the Business Day before the Implementation Date, deposit (or procure the deposit) in cleared funds into the Trust Account an amount at least equal to the aggregate amount of the Base Scheme Consideration payable to each Scheme Shareholder provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to Beach's account.

5.3 Payment to Scheme Shareholders

- (a) On the Implementation Date, subject to Beach having satisfied its obligations in clause 5.2, Warrego must pay or procure the payment, from the Trust Account, to each Scheme Shareholder the Base Scheme Consideration as that Scheme Shareholder is entitled under this clause 5.
- (b) The obligations of Warrego under clause 5.3(a) will be satisfied by Warrego (in its absolute discretion):
 - (i) where a Scheme Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Warrego Share Registry to receive dividend payments from Warrego by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or
 - (ii) otherwise, whether or not the Scheme Shareholder has made an election referred to in clause 5.3(b)(i), dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Scheme Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.4).
- (c) if the Spanish Assets have been sold, and that sale has completed during the Deferred Returns Period, Beach must pay the Contingent Scheme Consideration. Each Scheme Shareholders' pro-rata share of the Net Sale Proceeds will form part of the Scheme Consideration payable to Scheme Shareholders in respect of their Scheme Shares, and Beach must pay (or procure payment to) each Scheme Shareholder their pro-rata share of the Net Sale Proceeds within 10 Business Days after completion of the sale of the Spanish Assets, provided that each Scheme Shareholder's pro-rata share will be rounded

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down to the nearest cent. The provisions of this Scheme relating to payment of the Base Scheme Consideration (including clause 5.3(b), 5.4, 5.5, 5.6, 5.7 and 5.9) also apply, with such modifications as a necessary, to the payment of the Contingent Scheme Consideration.

5.4 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent to either, at the sole discretion of Warrego, the holder whose name appears first in the Warrego Share Register as at the Scheme Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of Warrego, the holder whose name appears first in the Warrego Share Register as at the Scheme Record Date or to the joint holders.

5.5 Cancellation and re-issue of cheques

- (a) Warrego may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to Warrego or the Warrego Share Registry; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Warrego or the Warrego Share Registry (which request may not be made until the date which is 20 Business Days after the Implementation Date), Warrego must reissue a cheque that was previously cancelled under clause 5.5(a).

5.6 Fractional entitlements

Where the calculation of the Scheme Consideration to be paid to a Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, that fractional entitlement will be rounded down to the nearest whole cent.

5.7 Unclaimed monies

- (a) The *Unclaimed Money Act 1990 (WA)* will apply in relation to any Scheme Consideration which becomes 'unclaimed money' (as defined in section 3 of the *Unclaimed Money Act 1990 (WA)*).
- (b) Warrego may cancel a cheque issued under this clause 5 if the cheque:
 - (i) is returned to Warrego; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (c) During the period of one year commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Warrego (or the Warrego Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Warrego must reissue a cheque that was previously cancelled under this clause 5.7.

5.8 Remaining monies (if any) in Trust Account

To the extent that, following satisfaction of Warrego's obligations under the other provisions of this clause 5 and provided Beach has by that time acquired the Scheme Shares in accordance with this Scheme, there is a surplus in the Trust Account, then subject to compliance with applicable laws, the other terms of this Scheme, the Deed Poll and the Scheme Implementation Deed, that surplus (less any bank fees and related charges) shall be paid by Warrego (or the Warrego Share Registry on Warrego's behalf) to Beach.

5.9 Orders of a court

- (a) If written notice is given to Warrego (or the Warrego Share Registry) of an order or direction made by a court that:
- (i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Warrego in accordance with this clause 5, then Warrego shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (ii) prevents Warrego from providing consideration to any particular Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibitive by applicable law, Warrego shall be entitled to (as applicable) retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration, until such time as payment in accordance with this clause 5 is permitted by that (or another) court or direction or otherwise by law.
- (b) To the extent that amounts are so deducted or withheld in accordance with clause 5.9(a), such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted as required.

6 Dealings in Warrego Shares

6.1 Dealings in Warrego Shares by Scheme Shareholders

For the purpose of establishing the persons who are Scheme Shareholders, dealings in Warrego Shares will be recognised by Warrego provided that:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Warrego Share Register as the holder of the relevant Warrego Shares by the Scheme Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Warrego Share Registry by 5.00pm on the day which is the Scheme Record Date at the place where the Warrego Share Register is located (in which case Warrego must register such transfers or transmission applications before 7.00pm on that day),

and Warrego will not accept for registration, nor recognise for the purpose of establishing the persons who are Scheme Shareholders nor for any other purpose (other than to transfer to Beach pursuant to this Scheme and any subsequent transfers by Beach and its successors in title), any transfer or transmission application in respect of Warrego Shares received after such times, or received prior to such times but not in actionable or registrable form (as appropriate).

6.2 Register

- (a) Warrego will, until the Scheme Consideration has been provided and the name and address of Beach has been entered in the Warrego Share Register as the holder of all of the Scheme Shares, maintain, or procure the maintenance of, the Warrego Share Register in accordance with this clause 6, and the Warrego Share Register in this form and the terms of this Scheme will solely determine entitlements to the Scheme Consideration.
- (b) As from the Scheme Record Date (and other than for Beach following the Implementation Date), each entry in the Warrego Share Register as at the Scheme Record Date relating to Scheme Shares will cease to have any effect other than as evidence of the entitlements of Scheme Shareholders to the Scheme Consideration in respect of those Scheme Shares.
- (c) As soon as possible on or after the Scheme Record Date, and in any event within two Business Days after the Scheme Record Date, Warrego will ensure that details of the names, Registered Addresses and holdings of Warrego Shares for each Scheme Shareholder as shown in the Warrego Share Register are available to Beach.

6.3 Effect of share certificates and holding statements

As from the Scheme Record Date (and other than for Beach following the Implementation Date), all share certificates and holding statements for Scheme Shares (other than statements of holding in favour of Beach) will cease to have effect as documents of title in respect of those Scheme Shares.

6.4 No disposals after Scheme Record Date

If this Scheme becomes Effective, each Scheme Shareholder, and any person claiming through that Scheme Shareholder, must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after 5.00pm on the Scheme Record Date (other than to Beach in accordance with this Scheme and any subsequent transfers by Beach and its successors in title), and any attempt to do so will have no effect and Warrego shall be entitled to disregard any such disposal, purported disposal or agreement.

7 Suspension and termination of quotation of Warrego Shares

- (a) Warrego must use reasonable endeavours to ensure that ASX suspends trading of the Warrego Shares on ASX with effect from the close of business on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Beach, Warrego must apply to ASX for termination of official quotation of the Warrego Shares on ASX and the removal of Warrego from the official list of ASX.

8 General provisions

8.1 Further assurances

- (a) Each Scheme Shareholder and Warrego will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it.
- (b) Without limiting Warrego's other powers under this Scheme, Warrego has power to do all things that it considers necessary or desirable to give effect to this Scheme and the transactions contemplated by it.

8.2 Scheme Shareholders' agreements and consents

Each Scheme Shareholder:

- (a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Beach in accordance with the terms of this Scheme; and
- (b) acknowledges and agrees that this Scheme binds Warrego and all Scheme Shareholders (including those that did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting) and, to the extent of any inconsistency, overrides the Constitution; and
- (c) irrevocably consents to Warrego and Beach doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of the Scheme and the transactions contemplated by it,

without the need for any further act by that Scheme Shareholder.

8.3 Appointment of Warrego as attorney for implementation of Scheme

Each Scheme Shareholder, without the need for any further act by that Scheme Shareholder, irrevocably appoints Warrego as that Scheme Shareholder's agent and attorney for the purpose of:

- (a) doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the terms of this Scheme and the transactions contemplated by it, including the effecting of a valid transfer or transfers (or the execution and delivery of any Scheme Transfers) under clause 4(b)(i); and
- (b) enforcing the Deed Poll against Beach,

and Warrego accepts such appointment. Warrego, as agent and attorney of each Scheme Shareholder, may sub delegate its functions, authorities or powers under this clause 8.3 to all or any of its directors and officers (jointly, severally, or jointly and severally).

8.4 Warranty by Scheme Shareholders

Each Scheme Shareholder is deemed to have warranted to Beach, and, to the extent enforceable, to have appointed and authorised Warrego as that Scheme Shareholder's agent and attorney to warrant to Beach, that all of their Scheme Shares (including all rights and entitlements attaching to those Scheme Shares) will, at the time of the transfer of them to Beach pursuant to this Scheme, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to sell and to transfer their Scheme Shares (together with any rights and entitlements attaching to those Scheme Shares) to Beach pursuant to this Scheme. Warrego undertakes in favour of each Scheme Shareholder that it will provide such warranty, to the extent enforceable, to Beach on behalf of that Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Beach will, at the time of transfer of them to Beach, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including 'security interests' within the

meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and other interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.

- (b) Immediately upon the deposit of the Scheme Consideration in the manner contemplated by clause 5.2, Beach will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Warrego of the name and address of Beach in the Warrego Share Register as the holder of the Scheme Shares.

8.6 Appointment of Beach as attorney and agent for Scheme Shares

- (a) From the time that Beach has satisfied its obligations in clause 5.2 until Beach is registered in the Warrego Share Register as the holder of all Scheme Shares, each Warrego Shareholder:
 - (i) without the need for any further act by that Warrego Shareholder, irrevocably appoints Beach as its proxy to (and irrevocably appoints Beach as its agent and attorney for the purpose of appointing any director or officer of Beach as that Warrego Shareholder's proxy and, where appropriate, its corporate representative to):
 - (A) attend shareholders' meetings of Warrego;
 - (B) exercise the votes attaching to the Warrego Shares registered in the name of the Warrego Shareholder; and
 - (C) sign any Warrego Shareholders' resolution;
 - (ii) must take all other action in the capacity of a Warrego Shareholder as Beach reasonably directs; and
 - (iii) acknowledges and agrees that in exercising the powers referred to in clause 8.6(a), Beach and any person nominated by Beach under clause 8.6(a) may act in the best interests of Beach as the intended registered holder of the Scheme Shares.
- (b) From the time that Beach has satisfied its obligations in clause 5.2 until Beach is registered in the Warrego Share Register as the holder of all Scheme Shares, no Warrego Shareholder may attend or vote at any meetings of Warrego Shareholders or sign any Warrego Shareholders' resolution (whether in person, by proxy or by corporate representative) other than under this clause 8.6.

8.7 Alterations and conditions to Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions, Warrego may, by its counsel or solicitors, and with the prior written consent of Beach:

- (a) consent on behalf of all persons concerned, including each Warrego Shareholder, to those alterations or conditions; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which Warrego has consented to.

8.8 Enforcement of Deed Poll

Warrego undertakes in favour of each Scheme Shareholder that it will enforce the Deed Poll against Beach on behalf of and as agent and attorney for the Scheme Shareholders.

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8.9 Consent

Each of the Scheme Shareholders consents to Warrego doing all things necessary or incidental to the implementation of this Scheme, whether on behalf of the Scheme Shareholders, Warrego or otherwise.

8.10 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Warrego, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at Warrego's registered office or by the Warrego Share Registry, as the case may be.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Warrego Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

8.11 Duty

Beach will:

- (a) pay all duty (including stamp duty and any related fines, penalties and interest) payable on or in connection with this Deed Poll and any instrument executed under or any transaction evidenced by this Deed Poll (including, the transfer by Scheme Shareholders of the Scheme Shares to Beach pursuant to this Scheme); and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.11(a).

8.12 Governing law and jurisdiction

This document is governed by the laws of Western Australia. Each party submits to the non-exclusive jurisdiction of courts exercising jurisdiction there and courts of appeal from them in connection with matters concerning this document. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

8.13 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Warrego, nor Beach, nor any director, officer, secretary or employee of any of those companies shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Annexure B – Form of Deed Poll

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Deed Poll

This Deed Poll is made on

By

Beach Energy Limited (ACN 007 617 969) of Level 8, 80 Flinders Street Adelaide, South Australia 5000 (**Beach**).

In favour of

Each Scheme Shareholder

Recitals

- A Beach and **Warrego Energy Limited** (ACN 125 394 667) of Level 6, 216 St Georges Terrace Perth WA 6000 (**Warrego**) have entered into a Scheme Implementation Deed dated [*] 2022 (the **Scheme Implementation Deed**).
- B Warrego has agreed in the Scheme Implementation Deed to propose the Scheme, pursuant to which, subject to the satisfaction or waiver of certain conditions precedent, Beach will acquire all of the Scheme Shares from Scheme Shareholders for the payment of the Scheme Consideration.
- C In accordance with the Scheme Implementation Deed, Beach is entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders that Beach will observe and perform the obligations contemplated of it under the Scheme.

It is agreed as follows.

1 Definitions and interpretation**1.1 Definitions**

Terms defined in the Scheme Implementation Deed have the same meaning in this Deed Poll, unless the context requires otherwise.

1.2 Interpretation

The provisions of clause 1.2 of the Scheme Implementation Deed form part of this Deed Poll as if set out in full in this Deed Poll, and on the basis that references to 'this deed' in that clause are references to 'this Deed Poll'.

2 Nature of Deed Poll

Beach acknowledges that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder appoints Warrego as its agent and attorney to enforce this Deed Poll against Beach on behalf of that Scheme Shareholder.

3 Conditions precedent and termination**3.1 Conditions precedent**

The obligations of Beach under this Deed Poll are subject to the Scheme becoming Effective.

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3.2 Termination

If the Scheme Implementation Deed is terminated before the Effective Date or the Scheme does not become Effective on or before the End Date, the obligations of Beach under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect, unless Warrego and Beach otherwise agree.

3.3 Consequences of termination

If this Deed Poll is terminated under clause 3.2, then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Beach is released from its obligations under this Deed Poll, except those obligations under clause 8.6; and
- (b) each Scheme Shareholder retains any rights, powers or remedies that Scheme Shareholder has against Beach in respect of any breach of Beach's obligations under this Deed Poll that occurred before termination of this Deed Poll.

4 Compliance with Scheme obligations

4.1 Obligations of Beach

Subject to clause 3, Beach covenants in favour of each Scheme Shareholder, that it will:

- (a) observe and perform all obligations contemplated of Beach under the Scheme, including the relevant obligations relating to the provision of the Scheme Consideration (including any Contingent Scheme Consideration) in accordance with the terms of the Scheme, as if those obligations were owed directly to Scheme Shareholders; and
- (b) perform its obligations under the Scheme Implementation Deed in relation to the sale of the Spanish Assets and the provision of the Contingent Scheme Consideration, as if those obligations were owed directly to Scheme Shareholders.

5 Representations and warranties

Beach makes the following representations and warranties in respect of itself.

- (a) **(Status)** It is a corporation duly incorporated and validly existing under the laws of the place of its incorporation.
- (b) **(Power)** It has the power to enter into and perform its obligations under this Deed, and to carry out the transactions contemplated by this Deed.
- (c) **(Corporate authorisations)** It has taken all necessary corporate action to authorise the entry into and performance of this Deed Poll by it and to carry out the transactions contemplated by this Deed Poll.
- (d) **(Document binding)** This Deed Poll is its valid and binding obligation enforceable in accordance with its terms.
- (e) **(Transactions permitted)** The execution and performance by it of this Deed Poll and each transaction contemplated by this Deed Poll did not and will not violate in any respect a provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree binding on it; or
 - (ii) its constitution or other constituent documents.

6 Continuing obligations

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Beach having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll under clause 3.

7 Further assurances

Beach will, on its own behalf and, to the extent authorised by the Scheme, on behalf of each Scheme Shareholder, do all things and execute all deeds, instruments, transfers or other documents as may be necessary to give full effect to the provisions of this Deed Poll and the transactions contemplated by it.

8 General

8.1 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Deed Poll:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be sent by regular ordinary post (airmail if appropriate) to the addresses referred to below, or sent by email to the addresses referred to below:
 - (i) to Beach:
 - Address: Level 8, 80 Flinders Street Adelaide,
South Australia 5000
 - Email:
morne.engelbrecht@beachenergy.com.au
 - Attention: Company Secretary
 - with a copy to (which by itself does not
constitute a Notice) to:
antonella.pacitti@au.kwm.com
- (c) will be conclusively taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, six Business Days after the date of posting (if posted to an address in the same country) or ten Business Days after the date of posting (if posted to an address in another country); and
 - (iii) in the case of email, at the earliest of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - (B) the time that the intended recipient confirms receipt of the email by reply email; and
 - (C) two hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that two hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made:

 - (iv) in the case of delivery by hand or post, at a time that is later than 5pm;

- (v) in the case of delivery by email, at a time that is later than 7pm; or
- (vi) on a day that is not a business day,

in the place specified by the intended recipient as its postal address under clause 8.1(b), it will be conclusively taken to have been duly given or made at the start of business on the next business day in that place.

8.2 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by Beach or by any Scheme Shareholder operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing.

8.3 Remedies cumulative

The rights, powers and remedies of Beach and of each Scheme Shareholder under this Deed Poll are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

8.4 Amendment

No amendment or variation of this Deed Poll is valid or binding unless:

- (a) either:
 - (i) before the Second Court Date, the amendment or variation is agreed to in writing by Warrego and Beach (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder); or
 - (ii) on or after the Second Court Date, the amendment or variation is agreed to in writing by Warrego and Beach (which such agreement may be given or withheld without reference to or approval by any Scheme Shareholder), and is approved by the Court; and
- (b) Beach enters into a further deed poll in favour of the Scheme Shareholders giving effect to that amendment or variation.

8.5 Assignment

The rights and obligations of Beach and of each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior consent of Beach and Warrego.

8.6 Duty

Beach will:

- (a) pay all stamp duty (including any fines, penalties and interest) payable on the transfer by Scheme Shareholders of the Scheme Shares to Beach pursuant to the Scheme; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.6(a).

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8.7 Withholding tax

If Beach is required to by Subdivision 14-D of Schedule 1 of the *Taxation Administration Act 1953* (Cth) (Subdivision 14-D)) to pay amounts to the Commissioner of Taxation in respect of the acquisition of Scheme Shares from any one or more of the Scheme Shareholders:

- (a) Beach is permitted to deduct the relevant amounts from the payment of the Scheme Consideration to those Warrego Shareholders, and remit such amounts to the Commissioner of Taxation; and
- (b) the aggregate sum payable to Warrego Shareholders will not be increased to reflect the deduction and the net aggregate sum payable to those Warrego Shareholders shall be taken to be in full and final satisfaction of the amounts owing to those Warrego Shareholders.

8.8 Governing law and jurisdiction

This Deed Poll is governed by the laws of Western Australia. Beach submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this Deed Poll.

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Executed and delivered as a Deed Poll.

Executed as a deed in accordance with section 127 of the *Corporations Act 2001* (Cth) by **Beach Energy Limited**:

Director Signature

Director/Secretary Signature

Print Name

Print Name

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