

BEACH DECLINES TO MATCH REVISED HANCOCK TAKEOVER OFFER

Warrego Energy Limited (ASX: WGO) (**Warrego**) refers to its earlier announcements that Hancock Energy (PB) Pty Ltd (**Hancock**) had increased the offer price under its takeover bid for Warrego from \$0.23 per share to \$0.28 per share (the **Hancock Takeover Offer**), and that Warrego had then commenced the matching rights process in the Scheme Implementation Deed with Beach Energy Limited (**Beach**), under which Beach had 5 business days to match the revised Hancock Takeover Offer.

Warrego has now been advised by Beach that Beach does not intend to match the revised Hancock Takeover Offer. The Warrego Board has therefore now withdrawn its previous recommendation in favour of the revised Beach scheme proposal, and now unanimously recommends that Warrego shareholders accept the Hancock Takeover Offer, in the absence of a superior proposal.

The detailed reasons for the Warrego Board recommendation in relation to the Hancock Takeover Offer will be set out in a Target's Statement, which Warrego intends to send to Warrego shareholders approximately two weeks¹ after the despatch by Hancock of its Bidder's Statement to Warrego shareholders. Warrego understands that Hancock intends to despatch its Bidder's Statement around 14 December 2022.

As previously disclosed, the revised Hancock Takeover Offer is subject only to a "Pre-Emptive Rights Condition", which requires the Warrego Board to recommend in its Target's Statement or any supplementary Target's Statement that Warrego shareholders accept the Hancock Takeover Offer in the absence of a superior proposal, and a "No Prescribed Occurrences Condition". The Hancock Takeover Offer is not subject to any minimum acceptance condition.

Warrego also notes the announcement by Strike Energy on 7 December 2022 stating that it has increased its ownership of Warrego to 19.9%, and that "Strike's Board has not formed any intention with regards to any future transaction that may involve Warrego, and Strike is currently considering all available strategic options". This increase in Strike's percentage ownership of Warrego does not impact the availability of the revised Hancock Takeover Offer, which, as mentioned above, is not subject to any minimum acceptance condition.

While the Warrego Board unanimously recommends that Warrego shareholders accept the revised Hancock Takeover Offer, in the absence of superior proposal, it also notes that:

- * the Hancock Takeover Offer will, once it opens, remain open until 31 January 2023, unless extended or withdrawn (noting that there are only very limited circumstances in which ASIC would permit Hancock to withdraw the Hancock Takeover Offer).
- * Once a Warrego shareholder accepts the Hancock Takeover Offer, they will have agreed to sell their Warrego shares to Hancock under that offer, and will not be able to sell their shares under a competing takeover offer, if one is made for Warrego after their acceptance of the Hancock Takeover Offer, and they will not be able to sell their shares on-market, if the market price is above the offer price under Hancock Takeover Offer.

In those circumstances, Warrego shareholders intending to accept the Hancock Takeover Offer may wish to delay their acceptance into that offer for the time being, to see if a competing offer emerges.

¹ Subject to any extension granted by ASIC.

In any event, the Warrego Board advises shareholders to **TAKE NO ACTION** in relation to the Hancock Takeover Offer until they receive Warrego's Target's Statement in relation to Hancock Takeover Offer.

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

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About Warrego Energy Limited

Warrego Energy is focused on the development of onshore assets in Australia and Spain. In Western Australia's prolific Perth Basin, the Company holds a 50% interest in EP469, including the West Erregulla gas project, and 100% of STP-EPA-0127, covering 8,700 km² (or 2.2 million acres).

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