

Very encouraging results from Wagina Sandstone and forward view of the primary target of WE-2, the Kingia-High Cliff sands

- **Significant conventional gas discovery in the Wagina Sandstone**
- **Wagina reservoir characteristics appear good quality with a gross section of 74m**
- **Wagina porosity at ~4,200m depth encouraging for main reservoir target which is some ~600m deeper**
- **King-High Cliff zone expected to be intersected by end August 2019**

Warrego Energy Limited (ASX: WGO, "Warrego") is pleased to inform shareholders on progress to date at West Erregulla-2 (WE-2) in the North Perth Basin, Western Australia. WE-2 is located in EP 469 (Warrego 50%, Strike Energy Ltd ASX: STX 50% and operator).

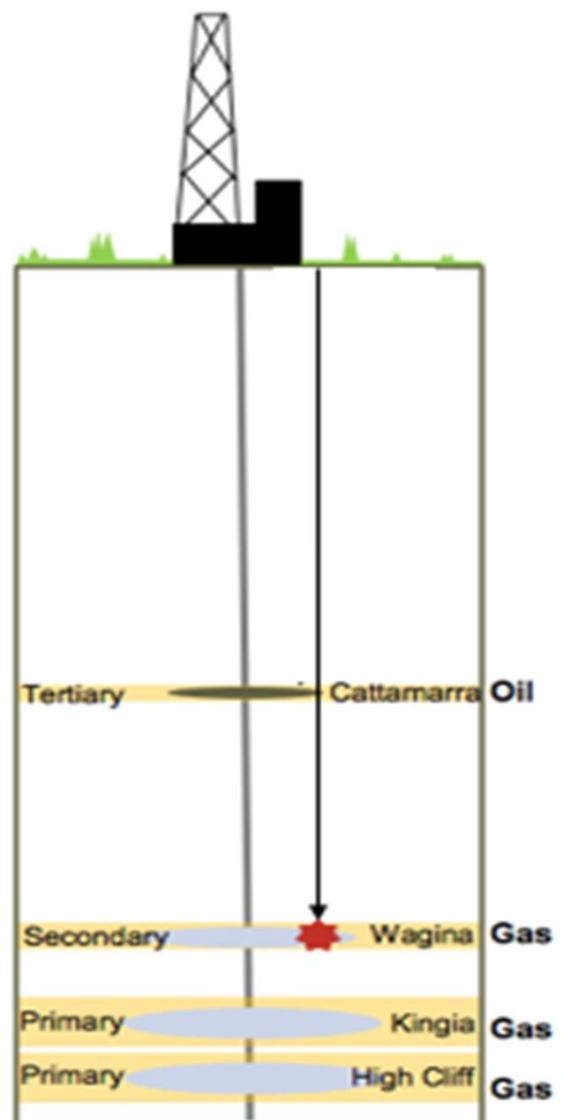
WE-2 spudded in early June and is sited on 3D seismic to intersect the Kingia-High Cliff sand sequence, the primary reservoir in the adjacent Waitsia gas field approximately 16 kilometres to the northwest.

Planned total depth of WE-2 is 5,200m. To date, hydrocarbons shows have been seen throughout the drilling of the most recent section from 3,371m to 4,229m with a very encouraging gas flow to surface encountered in the upper Wagina Sandstone.

This gas flow and coincident significant increase in drilling rate through the Wagina sandstone suggest impressive permeability and porosity at approximately 4,200m was not seen in WE-1. This depth is 800m to 1,000m deeper than the Waitsia discovery. The apparent quality of these sands gives an excellent indication as to the primary Kingia-High Cliff targets in this well. Ultimately, the main drilling risk in WE-2 relative to Waitsia is the extra reservoir depth to the Kingia – High Cliff sands and the potential impact of this additional depth on reservoir porosity. The positive results encountered thus far in the Wagina sandstone have mitigated this key risk to success in the Kingia – High Cliff sands.

During recent evaluation work, poor hole conditions meant that logging to measure porosity was only possible for the very upper portion of the Wagina – which yielded a porosity of 14%. This is not only a good result in isolation but is particularly encouraging when considered in context of the drilling break experienced when intersecting the Wagina, and the clean porous sands observed from 4111m to 4117m.

WE-2 Progress to Date



Source: Strike Energy Ltd

Notwithstanding these encouraging results we have agreed with Strike Energy Limited (Operator) that given additional reprocessing and interpretation of the data already obtained could yield further valuable insights, the focus should remain on the much larger primary target, the Kingia-High Cliff sands, and that it was best to case off and cement this zone for potential flow testing at some point in the future. The forward plan is to complete drilling of the Basal Wagina sandstone and drill ahead to reach the primary Kingia-High Cliff gas targets before the end of August.

David Casey (Warrego CEO – Australia) said “The gas discovery in the upper Wagina is a very encouraging result from what is essentially a secondary target with more potential reservoir to be drilled. Significantly, the Wagina sandstones measured and implied porosity augurs well for the deeper targets which, as with the Wagina, were identified using seismic amplitude analysis, albeit with both exhibiting notably stronger and more defined amplitudes.

We are looking forward to drilling ahead in anticipation of greater success in the primary targets for which this well was originally planned.”

Group Managing Director Dennis Donald said “The challenges of getting to this point over the past 10 years and now drilling what is Australia’s deepest onshore well to date should not be underestimated. It is a testament to the efforts of everybody involved that we find ourselves close to what could be a transformational outcome for both JV partners. The next few weeks are shaping up as a very exciting period for shareholders and stakeholders alike.

In summary, we have discovered gas in a good quality reservoir section to which we had previously attributed a relatively low technical probability of success, and there are compelling arguments to support a similar outcome at greater depth.”

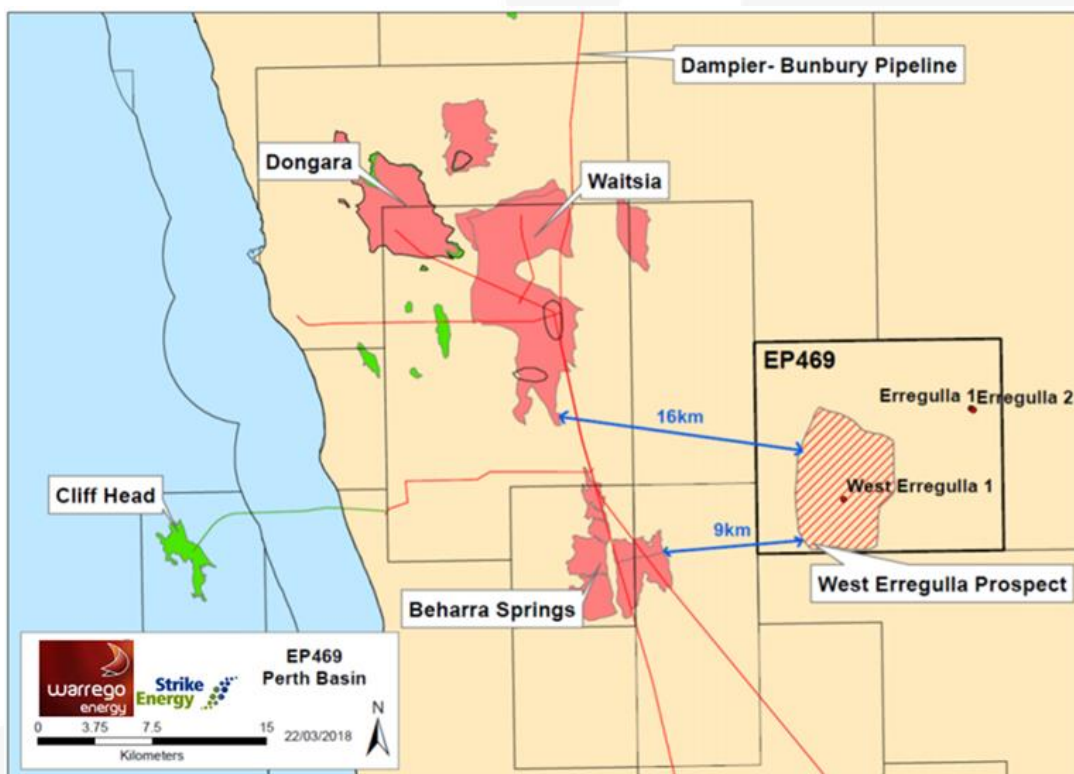
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About the West Erregulla gas field

The northern Perth Basin has been one of Western Australia's major gas producing regions for more than 50 years. The Waitsia field, discovered in 2014 by AWE, is the largest onshore conventional gas discovery in Australia for the last 40 years and can supply the domestic market with 100 TJ/d for at least 20 years from its conventional reservoirs. WE-2 is currently being drilled in EP 469 by WGO and STX. It is adjacent to and targeting analogous Permian gas sands of a similar size and nature as the Waitsia gas discovery. The well will be drilled to a planned total depth of 5,200m and penetrate two independent reservoir targets. A conventional gas target in the Basal Wagina sandstones and the primary gas sand sequence in the Kingia High Cliff. WE-2 is potentially the most significant well drilled onshore Australia in 2019 and a tier 1 asset in the making.



About Warrego Energy Limited

Warrego is an independent UK / Australia based oil and gas exploration company with assets in Australia, Spain and Uruguay. These assets were combined in a reverse takeover of Petrel Energy Limited (ASX:PRL) in March 2019. Warrego's principal asset is EP469 or West Erregulla a material standalone conventional gas prospect with prospective volumes up to 1.6TCF of gas with similar characteristics to the Waitsia field. After undertaking initial exploration and seismic Warrego farmed out 50% of the permit to Strike Energy in 2018 for an A\$11M drilling programme. Importantly Warrego has no debt and has not encumbered any of its potential EP469 gas.

Warrego also holds STP-EPA-0127 120km to the north in central-northern part of the Perth Basin which on final grant will be 2.2m acres and will be the largest exploration permit in the Perth Basin. Other assets include an 85% interest in the Tesorillo project in southern Spain and a 41% interest in the Piedra Sola concession in Uruguay.