

Major Kingia Gas Discovery at West Erregulla-2

- Significant conventional gas discovery in the Kingia Sandstone
- 41m of net pay in a gross Kingia gas column of 97, substantially thicker than Waitsia analogues
- Analysis indicates excellent reservoir quality with high gas saturation and porosities up to 19%
- Builds on recent discovery in the Basal Wagina section of EP 469
- Drilling continues to High Cliff Sandstones

Warrego Energy Limited (ASX: WGO) advises that the West Erregulla joint venture has made a significant gas discovery in the Kingia Sandstone (the Kingia) at the West Erregulla-2 (WE-2) well in EP 469, North Perth Basin, WA.

Logging While Drilling tools have been recovered successfully and log interpretation has been completed.

The first of two primary targets, the Kingia Sandstone, was intersected close to prognosis at 4,753m Measured Depth Below Rotary Table (MDRT). The formation was substantially thicker than anticipated, extending to a depth of 4,870 m MDRT. A 97m gas column was identified which includes a 67m section comprising several high-quality large units of clean sand with thick blocky porosity development and high gas saturation. Net pay is estimated at 41m with average porosity of 14.3% and peaks up to 19%.

The well did not encounter a gas water contact which is consistent with the seismic amplitude modelling which supports the proposed field boundaries. Drilling is continuing at a depth of 4,895 m MDRT with the second primary target, the High Cliff Sandstones, yet to be encountered.

Group CEO & Managing Director, Dennis Donald, said:

“This exciting discovery has exceeded our pre-drill expectations for the Kingia and substantially upgraded our view of the West Erregulla gas fields as a whole.

“Our interpretation of analogous Waitsia field data and the seismic amplitude model gave us confidence that West Erregulla-2 would yield results, even though the target formations are substantially deeper.

“The net pay of 41m is significantly thicker than analogues in the Waitsia field and underlines the potential of West Erregulla and EP469 to become an important future source of gas production in Western Australia,” he said.

“Drilling will continue through the Bit Basher Shale before intersecting the second primary target, the High Cliff Sandstones.

“For Warrego Energy, the discovery of a substantial, high quality conventional reservoir in the Kingia at West Erregulla is the culmination of 12 years of research, planning, investment and exploration activity in the North Perth Basin. The scale is material and has the potential to convert the fields from exploration to production assets in short order,” he concluded.”

The WE-2 well spudded in early June and a significant conventional gas discovery in the Wagina Sandstone was announced to the ASX on 1 August 2019. The well will be drilled to a nominal total depth of 5,200 m at the top of the Holmwood Shale, followed by wireline logging and coring before being completed for production and flow testing.

Further analysis and evaluation of well data and subsequent test results are required before an initial estimate of Resources can be prepared. The intent is to subsequently flow test the discovered fields in the West Erregulla well.

The Joint Venture Partners in EP 469 are:

Warrego Energy Limited (ASX: WGO) (via subsidiaries)	50%
Strike Energy Ltd (ASX: STX) (via subsidiaries, Operator)	50%

West Erregulla-2 is located at Lat: 29' 24' 54.07" South Long: 115' 18' 26.02" East.

For further information contact:

Dennis Donald Managing Director +61 2 9254 9000
Ian Kirkham CFO & Company Secretary +61 2 9254 9000

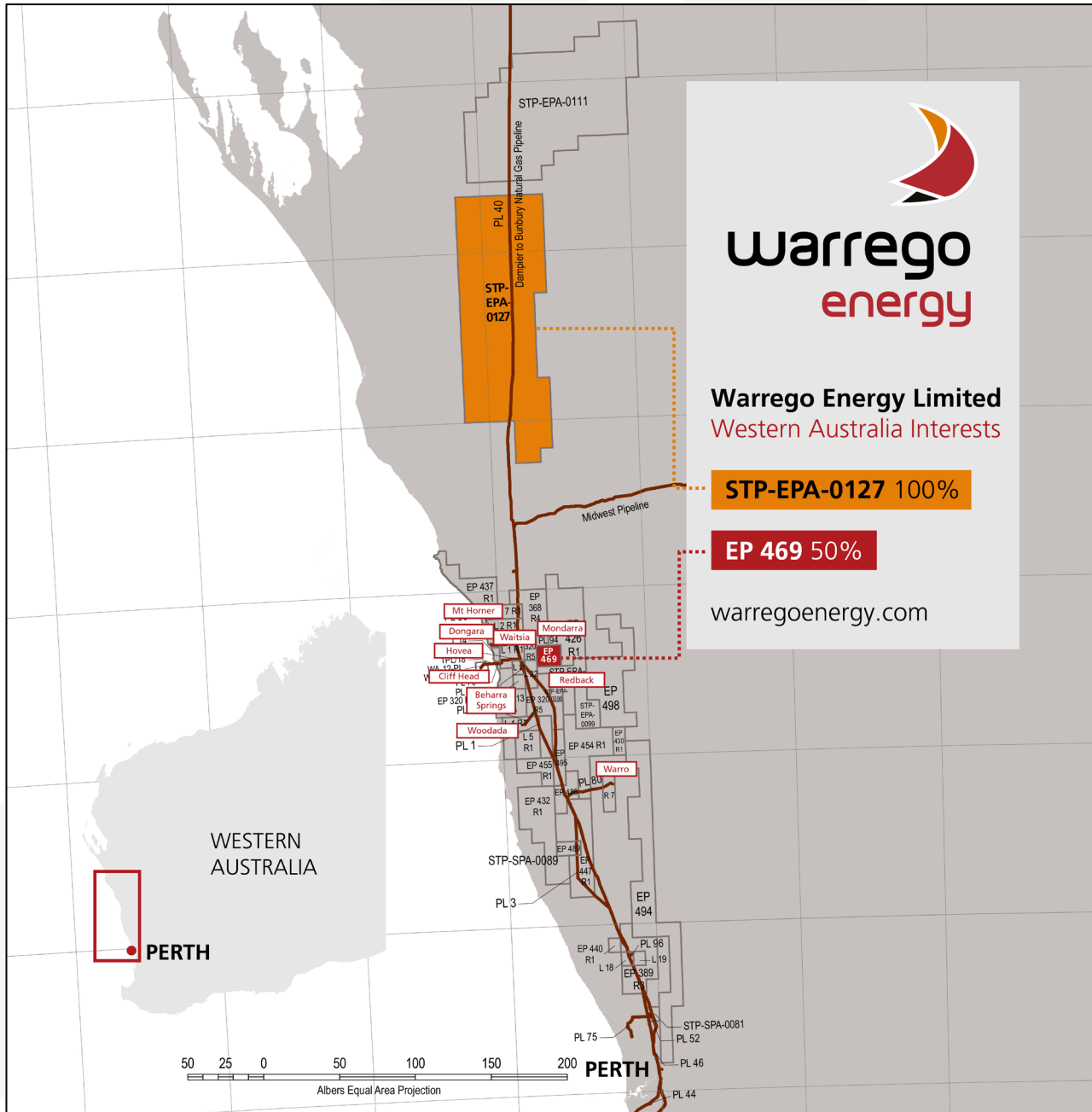
About Warrego Energy Limited (Warrego)

Warrego was founded by Dennis Donald and Duncan MacNiven in 2007 to bid by competitive tender for EP469. This was awarded to Warrego as operator in March 2008 subject to Native Title Agreement (obtained in 2010). Having weathered the 2008 global financial collapse, Warrego worked with the relevant authorities, the indigenous community and other key stakeholders to secure approval to undertake a 3D seismic campaign in Q4 2014.

Warrego raised a A\$40m commitment from two Dutch Oil and Gas companies in 2013 via a farm-in. Seismic operations were undertaken in late 2014, one third of the block being covered by the seismic polygon. Seismic data processed and interpreted in Q1 of 2015 showed significant potential. Following the oil price collapse in 2015 Warrego re-acquired title to the whole block.

In 2019 Warrego farmed out 50% of the block and operatorship to Strike Energy Ltd in exchange for Strike's paying Warrego \$600,000 towards back costs and meeting the first \$11m of the costs of WE-2. In March 2019, Warrego completed a reverse takeover of Petrel Energy Limited which was renamed Warrego Energy Limited, the ASX listing being retained. The newly combined Warrego and Petrel were joined by other key executives to form the team that are now focused on the development of their assets in WA and beyond.

About the West Erregulla gas fields and Warrego WA Assets



This basin map shows the WA assets held by Warrego including EP-469 and application STP-EPA-127.