

Warrego Energy Limited
Extraordinary General Meeting
Thursday 16 July 2020

Dear Shareholder

Attached to this letter is the Notice (Notice) of Extraordinary General Meeting of Shareholders of Warrego Energy Limited (EGM) to be held on Thursday 16 July 2020 at 4.00 pm.

Under normal circumstances, shareholders would be able to attend the meeting in person or lodge a proxy vote online, by fax or by mail.

Given the current situation with COVID-19 as well as guidelines and restrictions issued by State and Federal governments on meetings and travel to date, Warrego does not wish to risk placing any shareholder in direct harm, and we are going, therefore, to hold the EGM as a virtual meeting.

EGM held virtually:

Under the Corporations Act determination issued by the Treasurer, Josh Frydenberg, on 5 May 2020, the Corporations Act has been temporarily amended to allow companies to hold virtual general meetings, provided that those companies give shareholders a reasonable opportunity to vote and participate in the general meeting. That is clearly our intention, and details on how you may participate in the virtual EGM will be set out, three weeks before the meeting, on the Warrego website, warregoenergy.com/egm2020.

Questions to the Board at the meeting:

Shareholders will be able to ask questions of the Board via the virtual EGM. However, if you have any questions for the Board, you are encouraged to email them to the Company Secretary at companysecretary@warregoenergy.com by 4.00 pm (Sydney time) on 10 July 2020 so that they may be adequately considered in the most efficient manner possible and addressed as part of the meeting.

Time will be allowed to answer the submitted questions from shareholders at the EGM as well as dealing with the questions raised in the virtual EGM itself.

Voting at the meeting:

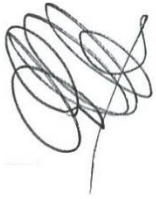
Shareholders are strongly encouraged to vote their shares in advance of the EGM by proxy (using the methods set out in the Notice). Proxy voting is open now, and you should submit your voting preference on or before 4.00 pm (Sydney time) on Tuesday 14 July 2020.

Information on the resolutions:

The explanatory statement accompanying the resolutions gives details of the reasons for each resolution, and in the interests of brevity, I will not repeat all of that material here. I would respectfully request you to read that statement before posing questions. I would recommend that you consider that explanatory statement as well before completing your proxy forms.

We find ourselves in extremely unusual times. Despite that, Warrego continues to make excellent progress in delivering our ambitions and enhancing value to shareholders. My fellow directors and I are very grateful to you, our shareholders, for your support and encouragement.

Yours Sincerely



Greg Columbus
Chairman
9 June 2020

WARREGO ENERGY LIMITED

ACN 125 394 667
(Company)

Notice of Extraordinary General Meeting

The Extraordinary General Meeting of Shareholders of Warrego Energy Limited will be held on 16 July 2020 at 4.00 pm (Sydney time) as a virtual meeting

BUSINESS

Ordinary Resolutions

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 1: Ratification of Tranche 1 placement shares

“That for the purpose of ASX Listing Rule 7.4 and all other purposes, approval and ratification is given to the issue and allotment of 94,882,750 fully paid ordinary shares as detailed in the Explanatory Statement.”

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 2: Issue of placement shares to Greg Columbus

“That for the purpose of ASX Listing Rule 10.11 and all other purposes, approval is given to the issue and allotment of 3,000,000 fully paid ordinary shares to Greg Columbus as detailed in the Explanatory Statement.”

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 3: Issue of Tranche 2 placement shares

“That for the purpose of ASX Listing Rule 7.1 and all other purposes, approval is given to the issue and allotment of 17,501,865 fully paid ordinary shares as detailed in the Explanatory Statement.”

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 4: Issue of shares to Mr Dennis Donald

“That for the purpose of ASX Listing Rule 10.11 and all other purposes, approval is given to the issue and allotment of 3,558,857 fully paid ordinary shares to Mr Dennis Donald as detailed in the Explanatory Statement.”

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 5: Issue of shares to Mr Duncan MacNiven

“That for the purpose of ASX Listing Rule 10.11 and all other purposes, approval is given to the issue and allotment of 3,558,857 fully paid ordinary shares to Mr Duncan MacNiven as detailed in the Explanatory Statement.”

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 6: Issue of Options to Discovery Investments Pty Ltd <ATF Columbus Family Trust>

“That for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue of 3,333,333 options over fully paid ordinary shares to Discovery Investments Pty Ltd <ATF Columbus Family Trust>, an entity associated with Mr Greg Columbus, as detailed in the Explanatory Statement.”

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 7: Issue of Options to Mr David Biggs

“That for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue of 3,333,333 options over fully paid ordinary shares to Mr David Biggs as detailed in the Explanatory Statement.”

To consider and, if thought fit, to pass the following as an ordinary resolution:

Resolution 8: Issue of Options to Mr Mark Routh

“That for the purposes of Chapter 2E of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11 and for all other purposes, approval is given to the issue of 3,333,333 options over fully paid ordinary shares to Mr Mark Routh as detailed in the Explanatory Statement.”

Voting Restrictions

For the purposes of Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes on the following Resolutions cast by or on behalf of the following persons:

| Resolution | Excluded Party(s) |
|--------------|--|
| Resolution 1 | A person who participated in the issue, and any of their associates |
| Resolution 2 | Mr Gregory Columbus, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a shareholder in the Company), and any of his associates |
| Resolution 3 | A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a shareholder), and any of their associates |
| Resolution 4 | Mr Dennis Donald, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a shareholder in the Company), and any of his associates |
| Resolution 5 | Mr Duncan MacNiven, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a shareholder in the Company), and any of his associates |
| Resolution 6 | Discovery Investments Pty Ltd <ATF Columbus Family Trust>, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a shareholder in the Company), and any of its associates |
| Resolution 7 | Mr David Biggs, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a shareholder in the Company), and any of his associates |
| Resolution 8 | Mr Mark Routh, and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a shareholder in the Company), and any of his associates |

However, the Company need not disregard a vote in relation to a resolution if it is cast by:

- a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that they are not excluded from voting, and are not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Ian Kirkham

Company Secretary

9 June 2020

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting to be held as 4.00pm (Sydney time) on 16 July 2020 (**Meeting**) as a virtual meeting. Shareholders can participate in the Meeting virtually.

In the current dynamic pandemic climate, there is no certainty as to the number of shareholders (if any) that will be able to participate in the meeting physically. Accordingly, the Company is conducting the meeting as a virtual meeting only.

Instructions on how to participate in the virtual EGM will be set out, three weeks before the meeting, on the Warrego website, warregoenergy.com/egm2020.

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of the Extraordinary General Meeting.

If you have any questions regarding the matters set out in this explanatory statement (or elsewhere in the notice of extraordinary general meeting), you may contact the Company's share registry, Boardroom Pty Limited, as follows:

Telephone: 1300 737 760 (within Australia)
+61 2 9290 9600 (outside Australia)

between 8:30 am and 5:00 pm (Sydney time) Monday to Friday (except public holidays).

In the current pandemic climate, you are strongly encouraged to vote your shares by proxy in advance of the Meeting.

Voting Entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001*, the Company has determined that a person set out in the Company's share register as at 7:00pm (Sydney time) on 14 July 2020 will be entitled to attend and vote at the Meeting. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Your Vote is Important

The business of the Meeting affects your shareholding and your vote is important.

Proxy Voting and Undirected Proxies

Shareholders may appoint a proxy to attend the Meeting (*virtually*) and vote on their behalf. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post (in the reply paid envelope) to Warrego Energy Limited, C/- Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia;
- in person to Warrego Energy Limited, C/- Boardroom Pty Limited, Level 12, 225 George Street Sydney NSW 2000;
- facsimile to Warrego Energy Limited C/- Boardroom Pty Limited on facsimile number + 61 2 92909655; or
- voting online at votingonline.com.au/wgoegm2020.

so that it is received not later than **4.00 pm (Sydney time) on 14 July 2020**. Proxy Forms received later than this time will be invalid and not accepted.

Shareholders may also submit questions in advance of the Meeting to the Company Secretary no later than **4.00 pm (Sydney time) 10 July 2020** by email to companysecretary@warregoenergy.com.

Resolution 1 – Ratification of placement shares

Background

On 25 May 2020, the Company announced the share placement of 115,384,615 shares at \$0.13 per share to raise \$15 million (**Placement**). The Placement was made to institutional and sophisticated and professional investors to fund the Company's share of the drilling costs of West Erregulla-3, long lead items for West Erregulla-4 and general working capital. Of the 115,384,615 shares issued under the Placement, 94,882,750 are the subject of this Resolution, with 3,000,000 the subject of the Resolution 2 and the remaining 17,501,865 the subject of the Resolution 3.

Application of ASX Listing Rules

Listing Rule 7.4 states that an issue of securities made without shareholder approval under Listing Rules 7.1, such as the issue of the shares under the Placement, is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue of shares did not breach Listing Rule 7.1 and Shareholders subsequently approve it.

The issue of the shares under the Placement did not breach Listing Rule 7.1 — they did not represent more than 15% of the issued shares of the Company, any other equity securities issued by the Company in the last 12 months having been approved by shareholders under Listing Rule 7.1, 7.4 or 10.11.

If Resolution 1 is passed, the approval of Shareholders to the issue of the shares will be obtained for the purpose of Listing Rule 7.4. The Company will then have the flexibility to issue additional equity securities in the next 12 months up to 15% of the ordinary shares in the Company currently on issue, plus any other shares issued with shareholder approval under Listing Rule 7.1 (once they are issued).

If Resolution 1 is not passed, then the Company's ability to raise further capital over the next 11 months by way of a placement, and without shareholder approval, will be significantly restricted.

Listing Rule Information

Listing Rule 7.5 requires the following information to be provided to Shareholders:

- the shares were issued to sophisticated and professional investors, selected by the company;
- the total number of shares issued, and the subject of this Resolution, was 94,882,750 fully paid ordinary shares in the capital of the Company;
- the issue price of these shares was \$0.13 per share;
- these shares rank equally in all respects with other existing fully paid ordinary shares in the capital of the Company;
- the allottees were sophisticated and professional investors (including institutional investors) identified by the Board;
- the proceeds will be used by the Company as working capital and to progress the EP469 exploration programme; and
- a voting exclusion statement applies to Resolution 1.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 1.

Resolution 2 - Issue of placement shares to Greg Columbus

Background

On 25 May 2020, the Company announced its successful \$15 million Placement, as detailed in Resolution 1. Mr Greg Columbus participated in the Placement by subscribing for 3,000,000 shares. As Mr Greg Columbus is the Chairman of the Company, these shares are subject to Shareholder approval.

Application of ASX Listing Rules

Listing Rule 10.11 requires Shareholder approval be sought for an issue of securities to a director or an associate of a director. Accordingly, approval is sought for the issue of 3,000,000 shares to Mr Greg Columbus, the Chairman of the Company.

If Resolution 2 is passed, approval for the issue of the ordinary shares will not be required under Listing Rule 7.1 (see Listing Rule 7.2, Exception 14) and Mr Greg Columbus or his nominee will be issued with 3,000,000 shares without using any of the Company's 15% placement capacity in consideration for which, the Company will receive \$390,000. If Resolution 2 is not passed, then these shares will not be issued and the Company will not have the benefit of receiving \$390,000.

Listing Rule Information

Listing Rule 10.13 requires the following information to be provided to Shareholders:

- the shares will be issued to Mr Greg Columbus, or his nominee;
- Mr Greg Columbus is a related party of the Company by virtue of being the Chairman of the Company;
- the maximum number of shares that may be issued under this Resolution is 3,000,000 fully paid ordinary shares in the capital of the Company;
- the shares will be issued within one month of the date of this Meeting at which this Resolution is passed (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- the shares will be issued for \$0.13 per share under the Placement;
- the proceeds will be used by the Company to progress the EP469 exploration programme and general working capital; and
- a voting exclusion statement applies to Resolution 2.

Directors' Recommendation

The Board (with Mr Greg Columbus abstaining) recommends Shareholders vote in favour of Resolution 2.

Resolution 3 – Issue of Tranche 2 shares to unrelated parties

Background

On 25 May 2020, the Company announced its successful \$15 million Placement, as detailed in Resolution 1. The Company had capacity under Listing Rule 7.1 to immediately issue those shares the subject of Resolution 1. Funds have been collected for an additional 17,501,865 Tranche 2 shares which can only be issued subject to Shareholder approval.

Application of ASX Listing Rules

Listing Rule 7.1 effectively allows a company to issue up to 15% of its capital without seeking Shareholder approval in a 12-month period. However, issues in excess of the 15% in 12 months require Shareholder approval. Resolution 3 seeks Shareholder approval under Listing Rule 7.1 for the issue of 17,501,865 Shares.

If approval is given under ASX Listing Rule 7.1, the issue of the additional 17,501,865 shares will not use the Company's capacity under Listing Rule 7.1. If Resolution 3 is not passed, then these shares will not be issued and the Company will not have the benefit of receiving \$2.3 million.

Listing Rule Information

Listing Rule 7.3 requires the following information to be provided to Shareholders:

- the shares will be issued to sophisticated and professional investors, selected by the company;
- the maximum number of shares that may be issued under this Resolution is 17,501,865 fully paid ordinary shares in the capital of the Company;
- the shares will be issued promptly after the Meeting, and in any event, within one month of the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- the shares will be issued for \$0.13 per share under the Placement;
- the proceeds will be used by the Company to progress the EP469 exploration programme and general working capital; and
- a voting exclusion statement applies to Resolution 3.

Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

Resolution 4 – Issue of shares to Mr Dennis Donald

Background

On 22 March 2019, the Company announced the completion of the Company's acquisition of UK company, Warrego Energy Limited (**Target Company**), as part of a reverse takeover transaction (**Warrego Transaction**).

As part of the Warrego Transaction, Mr Dennis Donald and his associates were entitled to receive 145,176,736 consideration shares, which at the time represented more than 20% of the Company's share capital. To ensure no shareholders of the Target Company acquired voting power in the Company greater than 20%, consideration shares were issued in tranches. As a result, Mr Dennis Donald and his associates have only been issued 141,617,879 shares to date, with 3,558,857 shares remaining unissued.

Shareholders have previously approved the issue of Shares to shareholders of the Target Company including Mr Dennis Donald, at the EGM of 15 March 2019. This approval was valid for a period of 3 months from the date of that meeting. Given the Company's ability to issue shares under that previous approval lapsed on 15 June 2019, Resolution 4 seeks approval to issue the outstanding shares to Mr Dennis Donald under Listing Rule 10.11, subject to his voting power in the Company not exceeding 20%.

Application of ASX Listing Rules

Listing Rule 10.11 requires Shareholder approval be sought for an issue of securities to a director or an associate of a director. Accordingly, approval is sought for the issue of 3,558,857 shares to Mr Dennis Donald.

If Resolution 4 is passed, approval for the issue of the ordinary shares will not be required under Listing Rule 7.1 (see Listing Rule 7.2, Exception 14) and Mr Dennis Donald or his nominee will be issued with 3,558,857 shares without using any of its 15% placement. If Resolution 4 is not passed, then Mr Dennis Donald will not be issued with these shares, which will be the subject of a further Shareholder resolution at a future meeting of Shareholders.

Listing Rule Information

Listing Rule 10.13 requires the following information to be provided to Shareholders:

- the shares will be issued to Mr Dennis Donald, the Managing Director of the Company, and/or his associates;
- Mr Dennis Donald is a related party of the Company by virtue of being a director of the Company;
- the maximum number of shares that may be issued under this Resolution is 3,558,857 fully paid ordinary shares in the capital of the Company;
- the shares will be issued promptly after the Meeting, and in any event, within one month of the date of the Meeting at which this Resolution is passed (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- the shares will be issued in consideration for Warrego shares, and there will be no cash consideration;
- the shares issued will be fully paid ordinary shares in the capital of the Company, and otherwise rank pair passu with the Company's existing shares;
- no cash will be raised as part of the share issue to Mr Dennis Donald and therefore no funds will be available for use by the Company; and
- a voting exclusion statement applies to Resolution 4.

Directors' Recommendation

The Board (with Mr Dennis Donald abstaining) recommends Shareholders vote in favour of Resolution 4.

Resolution 5 – Issue of shares to Mr Duncan MacNiven

Background

On 22 March 2019, the Company announced the completion of the Company's acquisition of UK company, Warrego Energy Limited (**Target Company**), as part of a reverse takeover transaction (**Warrego Transaction**).

As part of the Warrego Transaction, Mr Duncan MacNiven and his associates were entitled to receive 145,176,736 consideration shares, which at the time represented more than 20% of the Company's share capital. To ensure no shareholders of the Target Company acquired voting power in the Company greater than 20%, consideration shares were issued in tranches. As a result, Mr Duncan MacNiven and his associates have only been issued 141,617,879 shares to date, with 3,558,857 shares remaining unissued.

Shareholders have previously approved the issue of shares to shareholders of the Target Company including Mr Duncan MacNiven, at the EGM of 15 March 2019. This approval was valid for a period of 3 months from the date of that meeting. Given the Company's ability to issue shares under that previous approval lapsed on 15 June 2019, Resolution 5 seeks approval to issue the outstanding shares to Mr MacNiven under Listing Rule 10.11, subject to his voting power in the Company not exceeding 20%.

Application of ASX Listing Rules

Listing Rule 10.11 requires Shareholder approval be sought for an issue of securities to a director or an associate of a director. Accordingly, approval is sought for the issue of 3,558,857 shares to Mr Duncan MacNiven.

If Resolution 5 is passed, approval for the issue of the ordinary shares will not be required under Listing Rule 7.1 (see Listing Rule 7.2, Exception 14) and Mr Duncan MacNiven or his nominee will be issued with 3,558,857 shares without using any of its 15% placement. If Resolution 5 is not passed, then Mr Duncan MacNiven will not be issued with these shares, which will be the subject of a further shareholder resolution at a future meeting of shareholders.

Listing Rule Information

Listing Rule 10.13 requires the following information to be provided to Shareholders:

- the shares will be issued to Mr Duncan MacNiven, and/or his associates;
- Mr Duncan MacNiven is a related party of the Company by virtue of having been a director of the Company in the 6 months before the issue of the shares the subject of this Resolution;
- the maximum number of shares that may be issued under this Resolution is 3,558,857 fully paid ordinary shares in the capital of the Company;
- the shares will be issued promptly after the Meeting, and in any event, within one month of the date of the Meeting at which this Resolution is passed (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- the shares will be issued in consideration for Warrego shares, and there will be no cash consideration;
- the shares issued will be fully paid ordinary shares in the capital of the Company, and otherwise rank pari passu with the Company's existing shares;
- no cash will be raised as part of the share issue to Mr Duncan MacNiven and therefore no funds will be available for use by the Company; and
- a voting exclusion statement applies to Resolution 5.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 5.

Resolutions 6, 7 and 8 – Issue of incentive options to Discovery Investments Pty Ltd <ATF Columbus Family Trust>, Mr David Biggs and Mr Mark Routh

Background

The Board of the Company includes 3 non-executive directors who have contributed significantly to the development of the Company. In recognition of their contributions to date and in consideration for their continued service to the Company, subject to obtaining Shareholder approval, the Board proposes that the Company issue to each non-executive director (or their nominee) 3,333,333 options over fully paid ordinary shares (**Options**) (9,999,999 Options in total). The Options are proposed to be issued on the following terms:

| | |
|-------------------------|--|
| Term of Options: | Three years from date of issue |
| Type: | Unlisted |
| Issue Price: | Nil. |
| Exercise Price: | \$0.28 per Option. |
| Vesting: | The Options will vest on: <ul style="list-style-type: none">• the price per share in the capital of the Company, reaching or exceeding the Exercise Price, as quoted on ASX; or• a person acquires a relevant interest in more than 50% of the Company's shares; or• a court approving the convening of a meeting of security holders for the purposes of approving a scheme of arrangement with respect to the company. |
| Expiration: | The Options will expire immediately on whichever is the earlier of: <ul style="list-style-type: none">• where the Options have vested on the Company receiving a successful takeover bid, 5pm (Sydney time), the date that is 30 days after the date of such vesting; and• the expiry of the Term of Options. |

Application of ASX Listing Rules and Corporations Act

Listing Rule 10.11 requires Shareholder approval be sought for an issue of securities to a director or an associate of a director. Accordingly, approval is sought for the issue of:

- 3,333,333 Options to Discovery Investments Pty Ltd <ATF Columbus Family Trust>, an entity associated with Mr Greg Columbus (Resolution 6);
- 3,333,333 Options to Mr David Biggs (Resolution 7); and
- 3,333,333 Options to Mr Mark Routh (Resolution 8).

If Resolution 6, 7 or 8 is passed, approval for the issue of the Options the subject of that Resolution will not be required under Listing Rule 7.1 (see Listing Rule 7.2, Exception 14) and those Options will be issued without using any of the Company's 15% placement capacity. If any of Resolutions 6, 7 or 8 is not passed, then the Options the subject of that Resolution will not be issued to the intended recipient.

Section 208 of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without approval of the company's members. Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 229(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)).

Each of:

- Discovery Investments Pty Ltd <ATF Columbus Family Trust>;
- Mr David Biggs; and
- Mr Mark Routh,

is a related party of the Company for the purposes of Chapter 2E of the Corporations Act. A “financial benefit” is defined in section 229 of the Corporations Act and includes issuing securities or granting an option to a related party. The nature of the financial benefit to be given to each of them is the interest in the ordinary shares upon exercise of the Options which are proposed to be issued to them.

The issue of Options may fall within an exception in sections 210 to 217 (reasonable remuneration of an officer or director), however, the Board considers that it should nonetheless seek Shareholder approval.

Listing Rule Information

Listing Rule 10.13 requires the following information to be provided to Shareholders regarding Resolutions 6, 7 and 8:

- the Options will be issued to:
 - Discovery Investments Pty Ltd <ATF Columbus Family Trust>, or its associate;
 - Mr David Biggs, or his associate; and
 - Mr Mark Routh; or his associate;
- Discovery Investments Pty Ltd <ATF Columbus Family Trust> is a related party of the Company by virtue of being an entity that is controlled by Mr Greg Columbus, a director of the Company. Each of Mr David Biggs and Mr Mark Routh are related parties of the Company by virtue of being a director of the Company;
- the maximum number of Options that may be issued under these Resolutions is 9,999,999 Options (3,333,333 Options under Resolution 6, 3,333,333 Options under Resolution 7, and 3,333,333 Options under Resolution 8);
- a summary of the material terms of the Options is set out above;
- the Options will be issued promptly after the Meeting, and in any event, within one month of the date of the Meeting at which this Resolution is passed (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- the Options will be issued for nil consideration for the purpose of remunerating / incentivising the non-executive directors. No funds will be raised from the grant of the Options. However, if some or all of the Options are exercised, then the Company will receive up to \$2.8 million on exercise of the Options;
- on exercise of the Options, the Company will issue fully paid ordinary shares in the capital of the Company, which will rank pari passu with the Company’s existing shares;
- the current total remuneration package of each of the non-executive directors (excluding the 50% reduction to Director fees for the period 1 April 2020 to 30 June 2020 announced on 24 March 2020) is as follows:
 - Mr Greg Columbus, Director fees \$100,000 per annum;
 - Mr David Biggs, Director fees \$80,000 per annum; and
 - Mr Mark Routh, Director fees \$75,000 per annum;
- a voting exclusion statement applies to each of Resolutions 6, 7 and 8.

Corporations Act information:

Chapter 2E of the *Corporations Act 2001* (Cth) requires that the following additional information be provided to Shareholders:

- the proposed financial benefit to be given is the grant of Options (and consequential issue of Shares upon exercise of the Options), for nil consideration (other than the payment of the \$0.28 per Option exercise price), to each of:
 - Discovery Investments Pty Ltd <ATF Columbus Family Trust>, or its associate;
 - Mr David Biggs, or his associate; and
 - Mr Mark Routh, or his associate.
- underlying the Black-Scholes model used in calculating the preliminary value of the Options were the following assumptions:
 - \$0.16 share price;
 - \$0.28 per Option exercise price;
 - 3 year term;
 - **0.85%** risk free rate of interest;
 - **80%** expected share volatility; and
 - N/A dividend yield.
- Using this method of valuation, the Company has determined a preliminary value per Option of \$0.061 per Option. Providing an expected total financial benefit of the Options to be issued of \$203,258 for each Director.
- as at the date of this Notice, the Company has the following equity securities on issue. See the Company's Appendix 3B released to ASX on 30 October 2019 for further information:

| Security | Number on issue |
|----------|---|
| Shares | 708,341,778 fully paid ordinary shares 750,000 fully paid ordinary shares unlisted and issued under an Employee Incentive Plan |
| Options | 6,726,000 unlisted Options (exercisable into 6,726,000 fully paid ordinary shares) |

If Resolution 6, 7 and / or 8 is approved, the Company will have on issue an additional 3,333,333 Options (on the approval of each such Resolution).

If any of the Options are exercised, then the shareholding of other existing Shareholders will be diluted.

As at the date of this Notice of Meeting, on a fully diluted basis (assuming all of the existing Options on issue are exercised and no other securities are issued), the Company has an equivalent of a maximum of 715,817,778 fully paid ordinary shares. The issue of up to 9,999,999 shares upon the exercise of the Options proposed to be issued would result in a dilution of approximately 0.0140% (i.e. 9,999,999 shares expressed as a percentage of the expanded share capital of 715,817,778).

- The equity securities in the Company currently held directly and indirectly by the proposed recipients of the Options as at the date of this Notice are as follows:

| Recipient | Shares (together with associates) | Other securities (together with associates) | % of Share capital (on a fully diluted basis) |
|---|-----------------------------------|---|---|
| Discovery Investments Pty Ltd <ATF Columbus Family Trust> | 33,131,793 | - | 3.98% |
| Mr David Biggs | 445,335 | - | 0.05% |
| Mr Mark Routh | 14,114,064 | - | 1.70% |

- The remuneration package of each of the non-executive directors is set out above.
- The rationale behind the Board's proposal to issue the Options is:
 - a means of attracting and retaining persons of a calibre, and with the skillset and experience, that the Board considers necessary for the current stage of the Company's evolution; and
 - to incentivise non-executive directors to utilise their skills and experience to increase the Company's value.
- Whilst the issue of the Options to non-executive directors is not strictly in compliance with Recommendation 8.2 of the ASX's Corporate Governance Council's Corporate Governance Principles and Recommendations (4th ed), for the above reasons the Board (with Mr Greg Columbus abstaining in respect of Resolution 6, Mr David Biggs abstaining in respect of Resolution 7 and Mr Mark Routh abstaining in respect of Resolution 8) considers the issue of Options appropriate in the circumstances.

Directors' Recommendation

The Board recommends Shareholders vote in favour of:

- Resolution 6 (with Mr Greg Columbus abstaining);
- Resolution 7 (with Mr David Biggs abstaining); and
- Resolution 8 (with Mr Mark Routh abstaining).

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 4:00pm (Sydney Time) on Tuesday 12 July 2020.**

🖥 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/wgoegm2020>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **4:00pm (Sydney Time) on Tuesday 12 July 2020.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/wgoegm2020>

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Warrego Energy Limited

ACN 125 394 667

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Warrego Energy Limited** and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be as a **Virtual Meeting on Thursday, 16 July, 2020 at 4:00pm (Sydney Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2,4,5,6,7 and 8, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 2,4,5,6,7 and 8 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 2,4,5,6,7 and 8). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

| | | For | Against | Abstain* |
|--------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Ratification of Tranche 1 placement shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Issue of placement shares to Greg Columbus | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Issue of Tranche 2 placement shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Issue of shares to Mr Dennis Donald | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Issue of shares to Mr Duncan MacNiven | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Issue of Options to Discovery Investments Pty Ltd <ATF Columbus Family Trust> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 7 | Issue of Options to Mr David Biggs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 8 | Issue of options to Mr Mark Routh | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020