

Warrego and Alcoa sign large scale, long term gas sales agreement

- **Warrego and Alcoa of Australia Limited have executed a binding Gas Sales Agreement (GSA) for the sale of natural gas from West Erregulla**
- **Total contract quantity is significant - 155 PJ long term contract, commencing in 2024**
- **The GSA is of sufficient size and term to support FID and underpin a gas processing development**

Warrego Energy Limited (ASX:WGO) (“Warrego” or the “Company”) today announced it has signed a binding Gas Sales Agreement (GSA) with one of Western Australia’s leading gas buyers, Alcoa of Australia Limited (Alcoa), for the long term supply of a total of 155 petajoules (PJ) of natural gas from the West Erregulla gas field.

The GSA will commence on 1 January 2024, subject to a positive project Final Investment Decision (FID) by Warrego expected in 1H 2021. The significant size and term of the foundation GSA with Alcoa is such that Warrego does not need to secure additional GSAs to support FID. This foundation load will underpin a gas processing development and provide the foundation for Warrego to plan additional phases of development.

Warrego intends to expand its gas sale portfolio and is continuing to negotiate with other potential customers.

In addition, the Company will continue to progress gas processing options which include the use of third-party facilities and shared infrastructure.

Warrego’s Managing Director & Group CEO, Dennis Donald, said: “We are very pleased to conclude a long term GSA with Western Australia’s largest and most experienced gas buyer, Alcoa.

“Securing such a large scale and long term GSA with a top-tier customer like Alcoa is testament to the quality of the West Erregulla gas field and the commercialisation strategy adopted by Warrego, and will send a positive signal to other potential gas buyers.

“We are well advanced in progressing gas processing options, which include third party processing and shared infrastructure, with a view to selecting our preferred option later this year. No further GSAs are required in order for Warrego to commit to bringing the field into production,” he said.

Warrego’s Executive Director & CEO Australia, David Biggs said: “We are also looking forward to the results from the WE-3 well, currently being drilled on the Northern Area of the West Erregulla field. At least one further well (WE-4), with the possibility of another (WE-5), is slated to be drilled in the field over the next 12 months.

“Any increase in West Erregulla’s certified resources will be welcomed by the market following delays to some major offshore gas projects. A WE-3 success case could potentially add significant volumes to the 513 Bscf of gross 2C Contingent Resources¹ currently estimated in the Central Area of the field,” Biggs said.

¹ Previously announced to the ASX on 18 May 2020 (“Independent Certification confirms West Erregulla 2C of 513 Bscf gross with significant upside potential”)

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Authorised by the Board of Warrego Energy Limited and issued in accordance with Warrego's disclosure policy.

About Warrego Energy Limited

Founded in 2007, Warrego secured 100% of EP469 located onshore Perth Basin, Western Australia, in 2008. Warrego farmed out 50% of the block and operatorship in 2018 to Strike Energy Limited. In March 2019, Warrego completed a reverse takeover of Petrel Energy Limited which was renamed Warrego Energy Limited, the ASX listing being retained. Warrego is now focused on the development of onshore assets in Western Australia and Spain. Warrego was added to the ASX All Ordinaries Index from 22 June 2020.

For further information contact:

United Kingdom

Dennis Donald
Managing Director & Group CEO
+44 7961 897 894
investors@warregoenergy.com

Australia

David Biggs
Executive Director & CEO Australia
+61 427 772 924
investors@warregoenergy.com

Matt Sullivan
Meridian Investor Relations
+61 412 157 276
meridianir@outlook.com