

ASX/MEDIA RELEASE

25 November 2020



CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR'S PRESENTATION

Warrego Energy Limited (ASX: WGO) is pleased to provide a copy of the Chairman's address and Managing Director's presentation to be presented at the Company's Annual General Meeting today commencing at 4pm, Sydney time.

Authorised for release by the Board of Warrego Energy Limited in accordance with the Company's Disclosure Policy.

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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.

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CHAIRMAN'S ADDRESS

Prior to turning to the formal items of Business, I'd like to take this opportunity to make some brief remarks about the past year and the Company.

2020 has certainly been a challenging year for everyone. The COVID-19 pandemic has resulted in extreme market volatility, economic uncertainty and downturn, severe travel and border restrictions along with major changes to the way we live our lives.

For Warrego, 2020 was also a year of great success, opportunity and growth which was achieved with no safety incidents, no cases of COVID-19 reported from our workforce or contractors, and no environmental incidents.

At last year's AGM, I said:

"We are very ambitious for next year and will ensure that we maximise the value of our current assets, seize on the opportunities for growth and continue to have the best placed management and resources in place to meet our goals."

On review of our Company's performance in FY20 and beyond, I believe we have satisfied these objectives and have positioned Warrego for a period of sustained success in future years. This is a very solid outcome given the challenges the last 12 months has presented.

We began the year in the best possible way – with a major gas discovery at West Erregulla in EP469 in September 2019. That, and the remarkable flow test that followed, not only realised the decade-long vision of Warrego's founders, Dennis Donald and Duncan MacNiven, it also marked a strategic turning point for the Company. From that point on, Warrego has been focused on the successful development of this world class resource.

For such a small, capitalised company, Warrego has significant commercial and technical experience within its board and management team. This enabled us to design and implement a deliberate strategy that would optimise the commercial potential of the resource and take advantage of the forecast gas supply-demand gap in Western Australia from 2023. We are in no doubt that Warrego's strategy continues to deliver the best long-term outcome for all our shareholders.

In the 12 months since the discovery at West Erregulla, Warrego successfully:

- Agreed a work plan and budget for the current three-well drilling campaign in EP469;
- Gained independent certification of the West Erregulla resource resulting in 2C Contingent Resources of 513 Bscf of gas, gross, from the central area of the field with potential 3C upside of 966 Bscf of gas, gross;

- Signed an agreement with Alcoa of Australia to deliver 155 Petajoules of gas over a period of at least 10 years, from 1 January 2024; and
- Entered a binding heads of agreement with our joint venture partner to secure alignment on the development plan for the West Erregulla resource.

At the same time, we reshaped the Company to ensure the effective delivery of our growth strategy in a COVID-19 environment by:

- Forming two distinct geographic areas of focus, Australia and Europe;
- Relocating our Australian headquarters to Perth while closing our Sydney office and building a local Perth team of highly capable and experienced oil and gas executives; and
- Appointing David Biggs as Executive Director and CEO Australia and streamlining the board.

At this point, I'd like to thank Duncan MacNiven and Owain Franks, two of our longest serving executive directors, who stepped down from the Board voluntarily to ensure it remained balanced. Both have made substantial contributions to Warrego's success.

The 12 months ahead promise to be just as exciting for Warrego as we position the company for production and growth. Phase 1 capacity of the West Erregulla development plan has recently been expanded to 80 Terajoules per day and the joint venture will consider a final investment decision by the end of Q1 in calendar year 2021.

The three-well drilling campaign over 2020-21 commenced in late September with the WE-3 exploration/appraisal well. A success case there would likely result in a material increase in our booked 2C Contingent Resources.

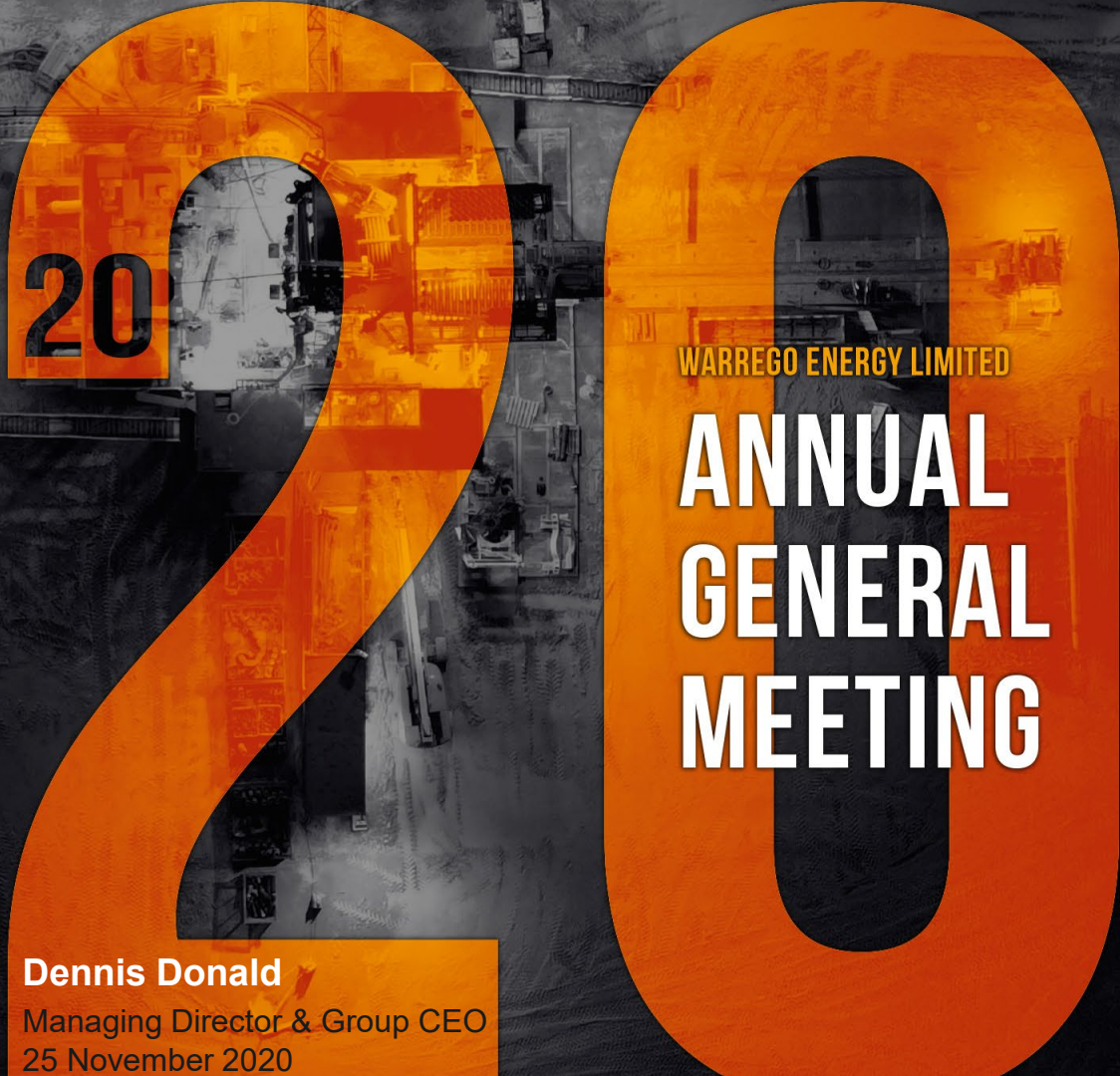
Managing Director and Group CEO, Dennis Donald, will provide a more detailed update on the drilling campaign and the West Erregulla development plan in his presentation at the conclusion of today's meeting.

In contrast to the high activity levels in Australia in 2020, Europe has presented a very different picture. In Spain, elections and COVID-19 shutdowns have severely impacted the government's ability to process approvals. The acquisition of the El Romeral gas power project, announced in December 2019, is going through the final stages of administrative approvals and drilling approvals for the Tesorillo project are unlikely to be received in 2020. Notwithstanding these delays, the potential inherent in both projects is substantial and we are working closely with our joint venture partner to progress these issues and a work program for the coming year.

Warrego ended the 2020 financial year in a sound position following a \$15 million two-tranche placement undertaken in May. More recently, Warrego raised a further \$32 million in October via a two-tranche placement, the second tranche requiring shareholder approval at today's meeting. Funds raised will be used primarily for the three-well drilling campaign currently underway.

I would like to thank our shareholders for their substantial support during the year, without which we could not have achieved our goals.

Finally, as we look forward with hope for a return to more normal conditions in 2021, I would like to acknowledge the hard work and dedication of our directors, senior management, staff and contractors who operated under very challenging circumstances in 2020. We will continue to focus on unlocking the significant potential of Warrego's assets and the company is well-positioned for even further growth and success in the year ahead.



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WARREGO ENERGY LIMITED

**ANNUAL
GENERAL
MEETING**

Dennis Donald
Managing Director & Group CEO
25 November 2020



Compliance Statements



Disclaimer

- This presentation does not constitute investment advice. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.
- This presentation may include forward looking statements. Forward looking statements are only predictions and are subject to known and unknown risks, uncertainties and assumptions which are outside the control of Warrego. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this presentation.
- Future appraisal and development projects are subject to approvals such as government approvals, joint venture approvals and Board approvals.

Resources Disclosure

- The Contingent and Prospective Resource estimates for EP469 referred to in this presentation were first released to the ASX by the Company on 18 May 2020.
- The Contingent and Prospective Resource estimates for the El Romeral asset referred to in this presentation were first released to the ASX by the Company on 17 December 2019.
- The Contingent and Prospective Resource estimates for the Tesorillo asset referred to in this presentation were first released to the ASX by the Company on 7 May 2015.
- These estimates must therefore be read in conjunction with the full text of the ASX releases referred to. The Company is unaware of any new information that materially impacts the information in these releases and confirms that all the material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.
- Cautionary Statement on Prospective resources
Estimates of quantities of petroleum that may be potentially recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates should have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is therefore required to determine the existence of a significant quantity of potentially movable hydrocarbons.

Health, safety & environment

Meeting the challenge



Our performance

- No fatalities
- No Lost Time Incidents
- No reportable environmental incidents
- No cases of COVID-19 in workforce

Health

The health and wellbeing of our people is central to our approach

Safety

We operate in a manner that protects people from harm and complies with legislation and regulation

Environment

In all our endeavours, we aim to tread lightly on the land

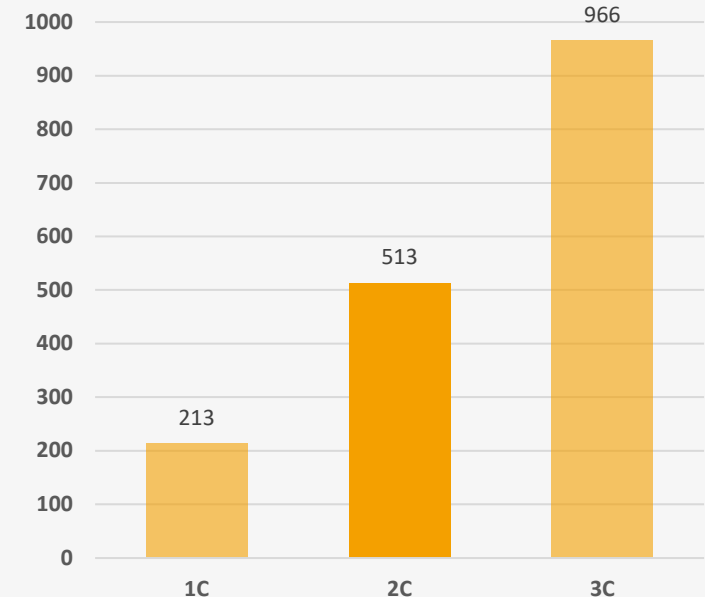
2020 – a year of achievement



Successful execution has significantly advanced West Erregulla project

- ✓ Appointed an experienced commercial manager to lead gas marketing
- ✓ Relocated Australian headquarters to Perth and closed Sydney office
- ✓ Certified West Erregulla resources via a respected independent party with extensive Perth Basin experience
- ✓ Agreed a work program and budget for a 3-well drilling campaign in 2020-21
- ✓ Signed landmark GSA with Alcoa of Australia
- ✓ Agreed joint development of West Erregulla with JV partner ensuring aligned Phase 1 development, gas balancing and gas sales

Central Area Reservoir
Contingent Resources (BCF gross)



Note: Warrego's Contingent and Prospective Resource estimates for EP469 West Erregulla announced to ASX on 18 May 2020

Financial Performance

Cost control a focus of all areas of Warrego's business in FY20



FY20 Results

- Directors and senior execs took a **50% cut** in remuneration from 1 April to 31 July to help mitigate the financial impact of COVID-19.
- \$4.49m net loss after tax from operations, a **40% improvement** over FY19.
- \$4.30m net cash outflows from operating activities, up 31% in line with **significantly higher activity** levels.
- \$11.97m net cash outflows from investing activities included **exploration** and the **EI Romeral acquisition**.
- Total assets increased to \$37.52m, **up 127%**.



warrego
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Funding and Capital Structure

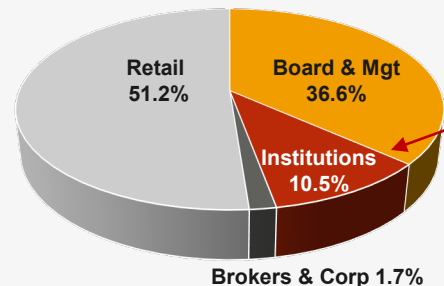
Strong market support has helped Warrego achieve its planned objectives



Funding Initiatives in 2020

- Raised \$15 million via a two-tranche Placement in May 2020 (115.4 million new shares issued at 13 cps) to fund WGO's share of WE-3 drilling costs and secure long lead items for WE-4.
- Raised \$32 million via a two-tranche Placement in October 2020 (152.6 million new shares issued at 21 cps) to fully fund WE-4 and WE-5, 3D seismic, and general working capital.

Register Analysis 6 November 2020



Institutional investors have increased substantially over the past 12 months and liquidity has been enhanced

Capital Structure

Cash:	\$11.4 million @ 30 Sept 2020 ¹
Issued Cap:	958.6 million shares
Options:	6.7 million @ 12.4c
Employee shares & rights:	1.38 million
NED Options:	10.0 million @ 0.28c
Market Cap:	\$191.7 million ²
Debt:	nil

1. Unaudited and prior to \$32m capital raise in October 2020

2. Undiluted market cap at ~\$0.20 share price @ 24 November 2020

Reshaped for production and growth

Warrego restructured to enable greater focus on West Erregulla



Dennis Donald
Co-founder
Managing Director
& Group CEO



Mark Routh
Non-Executive
Director



Greg Columbus
Chairman and
Non-Executive
Director



David Biggs
Executive Director
& CEO Australia

Europe
Dennis Donald



Aberdeen



Spain

Spain

- El Romeral gas power project, Seville Province
- Tesorillo project, Cadiz Province

Australia
David Biggs



Western Australia

- West Erregulla gas project, onshore Perth Basin, WA
- EPA-0127 onshore Perth Basin, WA





Perth Australia

Board streamlined; distinct business units formed; HQ relocated to Perth

Growth projects prioritised

Portfolio of transformational projects at different stages of development



 Development	 Gas Power	 Exploration	 Exploration
<p>West Erregulla gas project, EP469 onshore Perth Basin, WA</p>	<p>El Romeral gas power project, Seville Province, Spain</p>	<p>Tesorillo gas project, Cadiz Province, southern Spain</p>	<p>EPA-0127 exploration, North onshore Perth Basin, WA</p>
<p>Excellent reservoir quality and productivity; joint development plan in place; targeting production mid-2022 with step up from start of 2024; ongoing appraisal drilling program; pursuing additional gas sales.</p>	<p>Low-cost beachhead into market with widening supply-demand gap; largely self funding from cash flows; ready to commence work program once licence transfer approved.</p>	<p>Low-cost exploration opportunity with discovery in place; P50 estimate of 830 Bcf gross; excellent proximity to infrastructure; drill ready and awaiting government approval.</p>	<p>Largest exploration permit in onshore Perth Basin; liquid hydrocarbon potential; Native Title negotiations well advanced; farmin potentially 2021-22.</p>

Positioning for Production

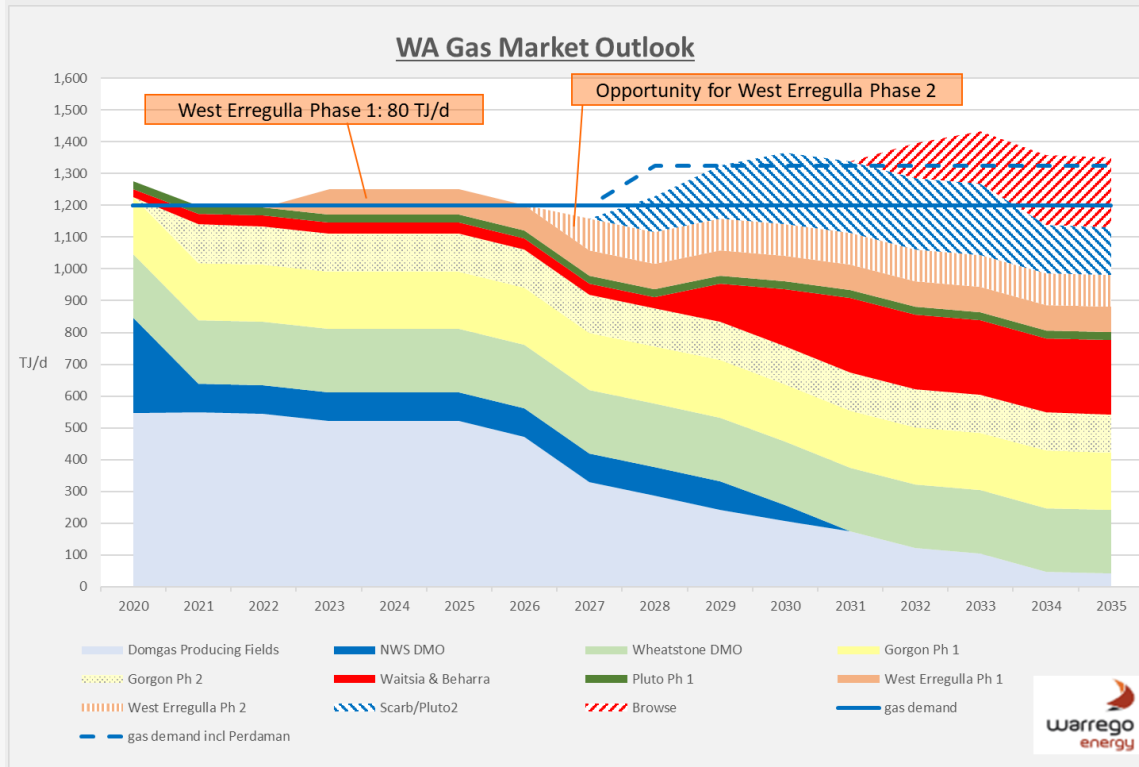


WA Gas Market



West Erregulla Phase 1 set at 80 TJ/d, planning for Phase 2

- West Erregulla Phase 1 planned for 80 TJ/d from 2022/23:
 - Sufficient GSAs to underpin FID
 - Gas processing negotiations progressing well
 - Marketing small remaining volume available in Phase 1
- West Erregulla Phase 2:
 - Opportunity in mid-2020's as other projects approach end of plateau
 - Strong interest from gas buyers concerned about continued delays of Scarborough/Pluto and Browse
 - Market tightening widely accepted, experienced gas buyers planning to secure supply ahead of 2025
 - Illustrated here as 100 TJ/d



Maximising commercial potential

Clear strategy to achieve optimal gas sales and processing outcomes



- Appointed Cathy McKeagney as GM Commercial to lead gas marketing effort
- Appointed Perth Basin expert, RISC Advisory, to undertake independent resource evaluation and certification – provided certainty to potential buyers
- Signed a long-term (at least 10 years duration), large-scale (155 PJ) gas sales agreement with tier 1 customer, Alcoa of Australia
- Executed binding heads of agreement with JV partner for the joint development of West Erregulla
- HOA ensures alignment on Phase 1 development plan, gas balancing and gas sales



Representatives from Warrego Energy and Alcoa of Australia execute landmark gas sales agreement. Sept 2020

Joint development pathway

Heads of Agreement provides clarity and alignment for West Erregulla JV



AGIG remains preferred proponent to build, own and operate the gas processing facility – supplementary FEED study for larger capacity plant due by end CY2020

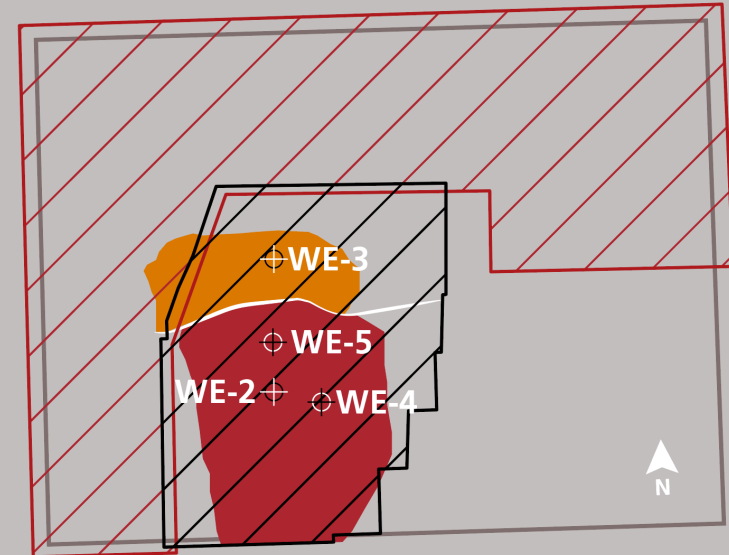
- Phase 1 Development plan upsized to 80 TJ/d delivered to the DBNGP
- Gas balancing arrangement ensures differences in total contracted volumes and contract start dates for each foundation GSA do not impact delivery
- Post a successful WE-3, currently targeting Phase 1 FID before the end of Q1 CY2021
- Application for Production Permit targeting end of Q1 CY2021
- JV partners seeking financing for the construction of Phase 1 development on a co-ordinated basis
- Marketing of additional capacity over and above the foundation GSAs will continue, although further gas sales are not needed to achieve FID.

EP469 drilling campaign underway

2020-21 exploration/appraisal drilling campaign expanded to 3 wells



- Work program and budget for WE-3 and WE-4 wells agreed in April
- WE-3 spudded in September targeting Northern Area
- WE-4 likely to be drilled in 1H 2021; targeting eastern extent of Central Area
- WE-5 added to program in October; will immediately follow WE-4; location TBD
- The Ensign 970 drilling rig contracted – all wells to be completed for production
- Additional 3D seismic to be shot over 2/3 of unmapped area of EP469 block in 2021



West Erregulla Field



- EP 469 224km²
- ⚓ Existing Well
- ⚓ Proposed Wells
- ▭ 80km² Existing 3D seismic
- ▭ 121km² Proposed 3D seismic
- ↔ Fault Structure
- Northern Area
- Central Area



WE-3 exploration/appraisal well update

Working closely with Operator to resolve issues and improve performance



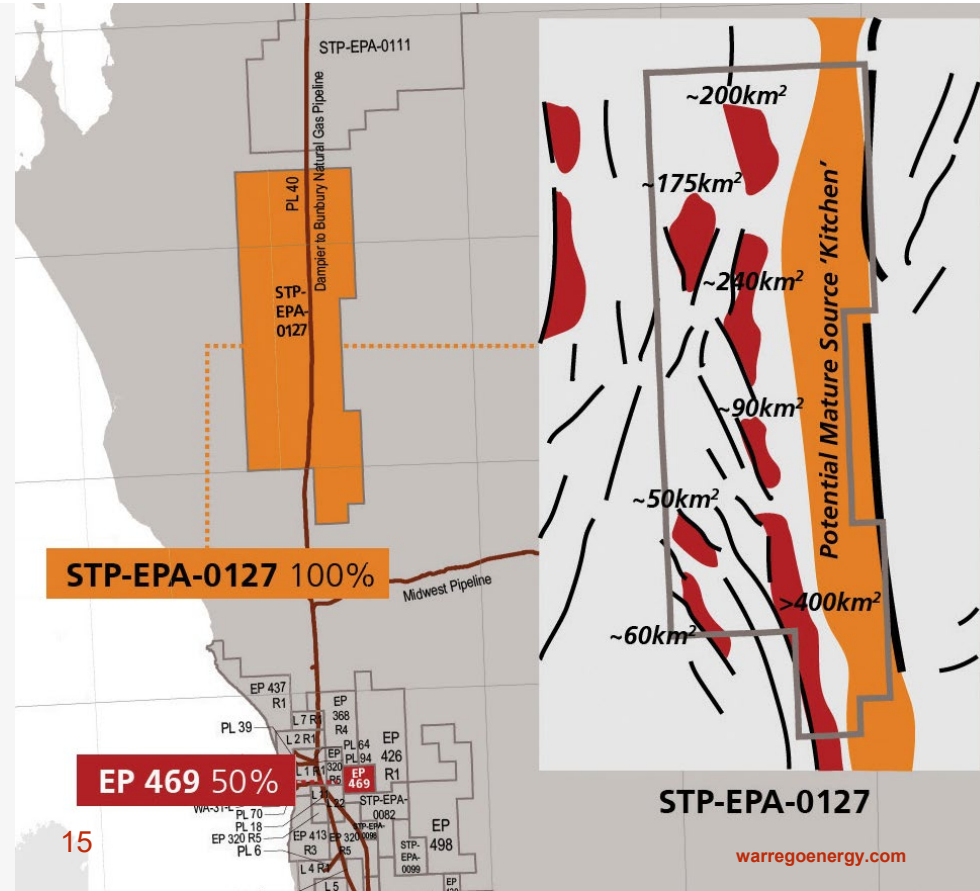
- WE-3 targeting undrilled Northern Area of West Erregulla field
- Potential to convert Prospective Resources to Contingent and add to overall volumes
- Data from a successful WE-3 (and possibly WE-4) will be important for Phase 1 FID
- As a result of drill string failures, sidetracks and an issue with a slip and sealing assembly, WE-3 is currently running behind schedule
- WE-3 now drilling ahead with a 12 ½ inch drilling assembly in the second intermediate hole section down to a depth of 3,750 - 4,150m.
- Warrego is working closely with the Operator to improve performance

EPA-0127 – steady progress

Warrego holds 100% and is the Operator



- Largest onshore Perth Basin exploration permit - 2.2 million acres (8,700 km²) across the Coolcalalaya sub-basin
- Relatively unexplored link between the Perth and Carnarvon Basins - data suggests potential for liquid hydrocarbons
- Identified structuring; known reservoir quality; potential source rocks in deep kitchen
- Proximity to pipeline infrastructure
- Native Title negotiations, suspended due to COVID-19, have recommenced and are at an advanced stage
- Will seek farm-in partner(s) once Native Title negotiations complete and application to convert to Exploration Permit successful





Preparing for Growth

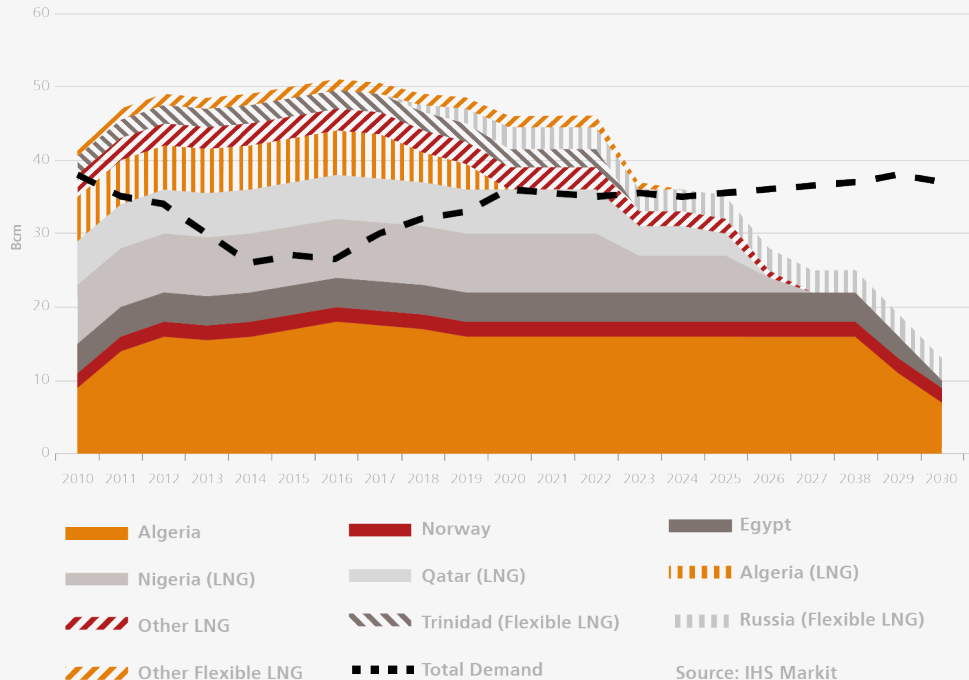
Spain's gas market reliant on costly imports



Warrego well positioned to leverage supply-demand gap opportunity

Spain - long-term pipeline and LNG contracts

Long-term contracts cover ~50% of expected demand - highlighting the scale of surplus LNG receiving capacity available



- Well developed market with excellent infrastructure, strong demand and prices
- Dependent on costly transcontinental pipeline suppliers and LNG imports
- Potential to sell gas locally:
 - Power generation
 - Industrial & manufacturing
 - Residential domgas
- Spanish Government recognises gas as a transition fuel
- Warrego holds interests in two permits, Tesorillo and Ruedalabola
- Also in the process of acquiring the El Romeral gas power project

El Romeral acquisition update

Beachhead acquisition to provide cashflow and operating experience in Spain



- Acquired 50.1% of El Romeral via 85% owned Tarba Energia S.R.L., in Dec 2019 (economic commencement July 2019)
- Gas power project comprises 8.1 MW power station, 3 production licences, 3 producing wells, 2 Undeveloped Discoveries and 11 Prospects
- Selling electricity direct to grid; project has the potential to create up to €4.2 million revenue p.a.
- Currently operating at c. 22% capacity – post pandemic targeting increased production rates and planning to drill up to 3 new wells
- Transfer of production licences delayed by States of Emergency in Spain due to COVID-19
- Government approval for transfer secured and now only subject to Regional Administration conditions that are being addressed.



On completion of the El Romeral acquisition, Warrego will recognise 2C Contingent Resources of 5 BCF gross and a Best Estimate of Unrisked Prospective Resources of 90 BCF gross

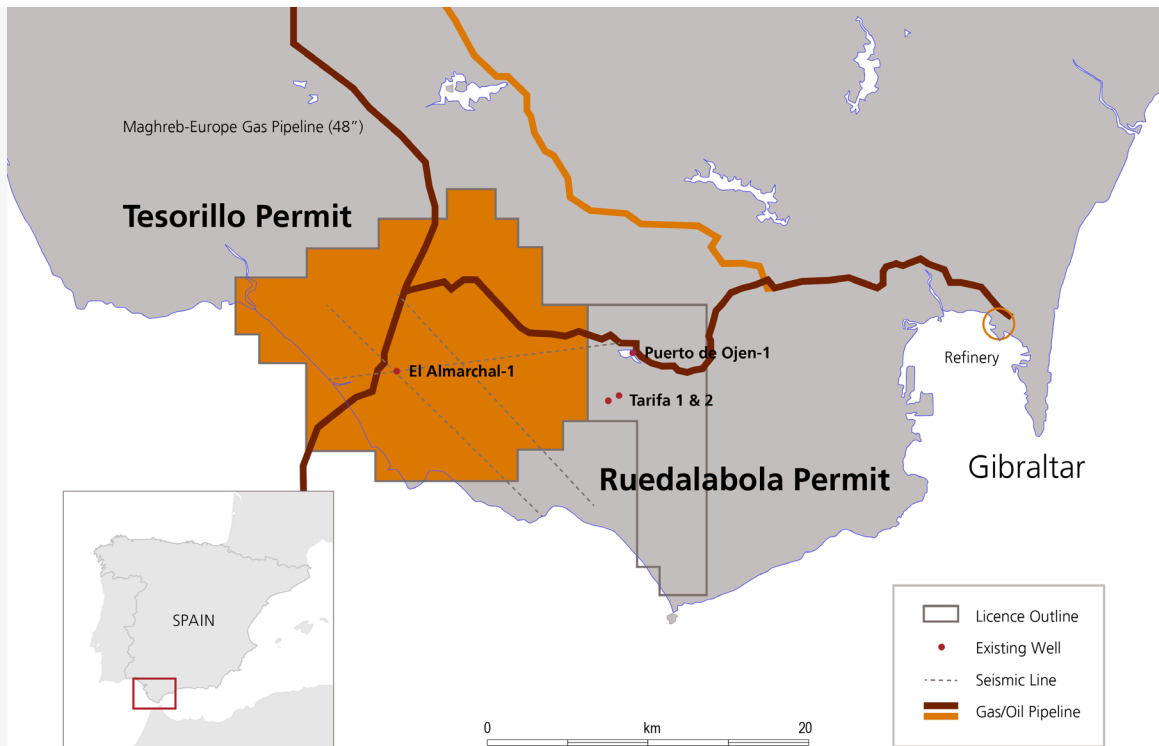
Note: Warrego's Contingent and Prospective Resource estimates for El Romeral were announced to the ASX on 19/12/2019.

Tesorillo gas project, southern Spain

Drilling permit approvals delayed by elections and COVID-19 restrictions



- Warrego holds an 85% interest¹ in the Tesorillo project in Cadiz Province via Tarba Energia S.R.L.
- Targeting conventional sandstone gas reservoirs in a known 1956 discovery² 3 km from 48-inch gas pipeline
- Drilling permit approvals delayed by multiple elections in 2019 and the impact of COVID-19 States of Emergency through most of 2020
- Anticipate 2021 spud date – subject to receiving government and regulatory approvals
- Potential for 2D seismic under review



1. Prospec Energy plc holds the other 15% with an option to acquire up to a further 34.9% for €1.725 million
2. Tesorillo estimated to contain 830 BCF gross unrisks prospective resources on a best estimate basis, *NSAI, 2015*



An exciting year ahead

Focus for 2021



Australia

- West Erregulla Phase 1 FID, financing and development
- Secure additional gas sales
- Reduce drilling costs
- Grow Resources and convert to Reserves
- Identify additional leads and prospects in EP469
- Complete native title negotiations for EPA-0127, convert to exploration permit, and commence farmin process

Spain

- Increase efforts to achieve government and regulatory licence transfers and drilling approvals
- Complete El Romeral acquisition and approve work plan and budget
- Increase El Romeral output, improve cash flow and revenue
- Drill Tesorillo exploration well and potentially acquire 2D seismic, subject to COVID-19 restrictions

Warrego - a growth story with upside



- A talented and dedicated team focused on achieving clear objectives
- Portfolio of transformational assets in different stages of development
- Potential to rapidly increase Reserves and Resources through further drilling in Australia and Spain
- On track to achieve maiden production, cash flow and revenue within two years
- Build sustainability capabilities as we move towards production
- Excellent platform for future expansion and growth
- Stock significantly undervalued – Warrego provides excellent exposure to world-class West Erregulla asset at ground level



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energy

Thank you

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