

WARREGO ENERGY LIMITED (ASX: WGO)
ACTIVITY REPORT FOR THE QUARTER ENDED 30 JUNE 2022

HIGHLIGHTS

EP469 exploration and appraisal, Perth Basin, WA

- West Erregulla 2P Reserves upgraded by 41% to 422 PJ gross (211 PJ Warrego 50% share), independently certified by NSAI following successful drilling and positive appraisal results at WE-3
- WE-3 appraisal well confirmed high quality conventional gas resource in the Northern Area of the West Erregulla gas field. Logging and petrophysical interpretation across the Kingia indicates:
 - Net pay of 38m in a 60m gross gas column
 - Average porosity of 13.8% and up to 19%
- Results in line with best wells from Central Area. Well test scheduled for August 2022.
- Warrego has high-graded the Erregulla Deep structure, a conventional gas exploration target in the north-east corner of the permit, and applied a Prospective Resources estimate (see p6)

West Erregulla Gas Project (EP469), Perth Basin, WA

- EPA approvals process ongoing with decision anticipated in Q3 CY2022, which would facilitate Ministerial endorsement in Q4.
- Design work for additional production well (WE-6) has commenced in anticipation of drilling prior to first gas (targeting late 2024).

Mid West Blue Hydrogen and CCS Feasibility Study, WA

- Feasibility Study to assess possible Blue Hydrogen and CCS projects that could potentially integrate with existing upstream, midstream and downstream assets, is targeting completion in Q3 CY2022

STP-EPA-0127 Exploration Permit Application, Coolcalalaya Sub-basin, WA

- An updated conventional work program for EPA-0127 has been approved by the WA Department of Mines, Industry Regulation and Safety (“DMIRS”).
- Warrego is working towards finalising all Native Title agreements by the end of CY2022.
- Warrego and future JV partner Mitsui are finalising an accelerated exploration work program, including evaluating the potential for CCS projects.

El Romeral Gas to Power facility, Spain

- El Romeral revenue for the June quarter was €1,385,000 (gross, up 28% over the March quarter).
- Transition to full automation completed and facility operating 24/7 to meet demand. Plant operating at 30% capacity with potential to increase to 100% if infill wells approved and drilled successfully.
- Project Apollo - installation of solar panels on the El Romeral facility to power ancillary services is underway and due for completion by the end of July 2022.
- Project Helios – renewable co-generation via proposed 5 MW solar farm adjacent to El Romeral is in FEED stage.

Tesorillo Project, Spain

- The production permit application and field development plan have progressed from the regulator to the Ministry for final review and approval.

Corporate and Financial

- Consolidated cash at 30 June 2022 was \$33,742,000.

Comments from Dennis Donald, Managing Director & CEO

“The excellent results from the WE-3 appraisal well were the highlight of the June quarter. The success at WE-3 has led to a substantial 41% increase in West Erregulla gross 2P Reserves, from 300 PJ to 422 PJ, as recently announced on 28 July 2022 and certified by NSAI. This upgrade is consistent with our view that gas has migrated through the basin from south to north, and that there remains further potential for Reserves growth at West Erregulla.

“Our initial work on Erregulla Deep is also very encouraging and indicates that this structure could potentially be a material gas field in EP469. We are very keen to acquire 3D Seismic over the remainder of the block next year, confident it will open the door for Erregulla Deep and possibly other discoveries.

“In Spain, our El Romeral gas to power generation facility is generating strong revenue and has the potential to grow substantially. We are currently adding renewables to the mix and the first solar installation project is nearing completion. This will allow us to generate additional revenue from our gas reserves.

“The new financial year is shaping up as a period of high activity. We continue to progress toward FID on West Erregulla Phase 1, exploration permit approval at EPA-0127 and completion of the 50% farmout to Mitsui, and drilling approvals at El Romeral and Tesorillo. Once these milestones are achieved, Warrego will be on its way to becoming a mid-size, sustainable energy company.”

STRATEGY AND MARKET UPDATE

Warrego’s mix of quality assets, with excellent proximity to markets and existing infrastructure, has it uniquely positioned to meet future energy demands as economies transition to a low carbon future. Following the Board’s decision, in March 2022, to pursue the development potential of the Company’s assets in Spain, Warrego has refined its strategy to focus on:

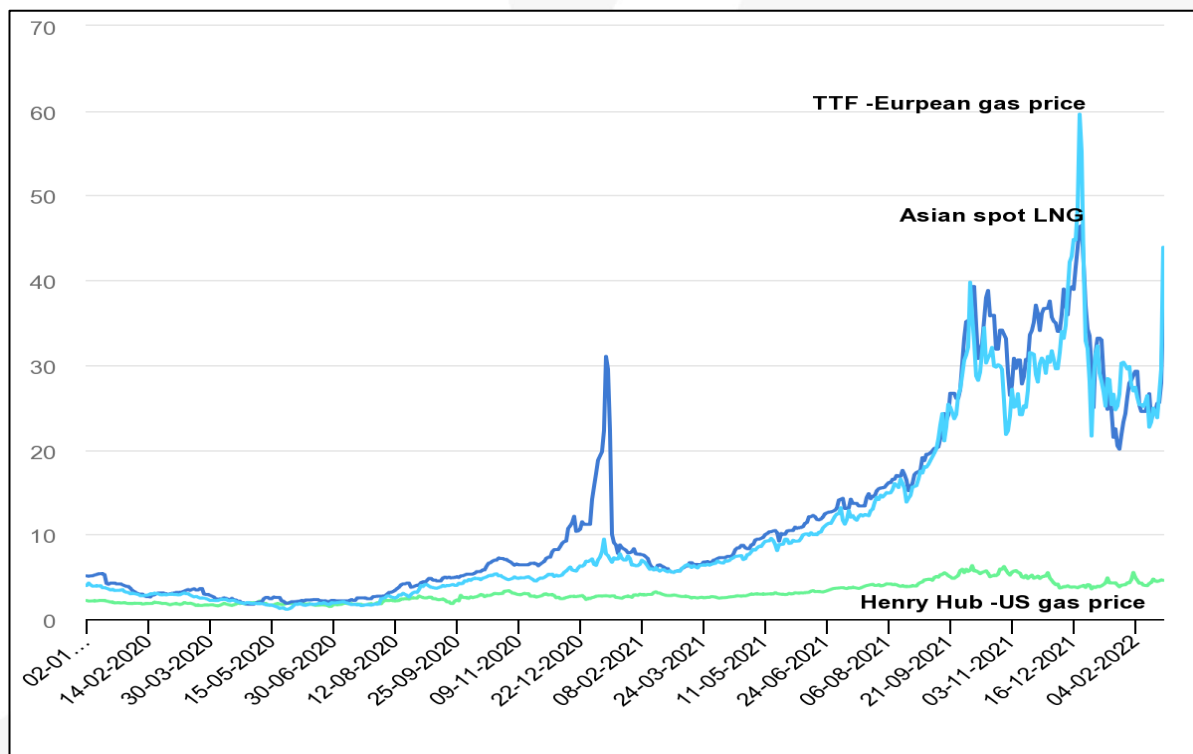
- Developing quality assets in high value markets in Australia and Europe
- Supporting three primary workstreams:
 - **Natural Gas** – onshore conventional E&P focus
 - **Power Generation** – flexible and scaleable gas to power facilities, supplemented by renewable co-generation (e.g. solar, wind)
 - **Hydrogen & CCS** – new venture opportunities (e.g. Blue/Green Hydrogen), carbon offsets
- A commitment to achieving net zero emissions by 2050.

	Perth Basin, WA	Coolcalalaya Sub-Basin, WA	Spain
NATURAL GAS	West Erregulla Gas Project (50%) (87 TJ/d gas project, pending development approvals) Erregulla Deep (50%) (Early stage exploration)	EPA-0127 (100%, Operator) (Early stage exploration, permit conversion and farm-out to Mitsui pending)	Tesorillo Project (85%, Operator) (830 Bcf gross prospective resources, appraisal pending drilling approvals)
POWER GENERATION			El Romeral Gas to Power Facility (50.1%, Operator) (Power generation, expansion pending permit approvals, adding renewables to mix with solar installation)
HYDROGEN & CCS	MWBH & CCS Feasibility Study (Blue Hydrogen & CCS feasibility study in conjunction with Pilot and APA)	Evaluating mid-term H ₂ and CCS potential	Evaluating long-term H ₂ and CCS potential

The WA domestic gas market continues to tighten with the average gas spot price hitting \$5.56/GJ in June 2022, up over 160% since May 2020. This tightening is consistent with the WA gas market outlook forecast by Warrego since 2019. Warrego’s West Erregulla gas marketing strategy was based on that outlook and the Company secured gas sale terms reflective of the tightening market over the decade ahead.

Gas and electricity prices in Spain have increased rapidly following a cold winter and the conflict in the Ukraine. The TTF-European Wholesale Gas Price at 27 July 2022 was €205 per megawatt hour, over 400% higher than 12 months prior. Global events have caused European countries to re-evaluate their energy policies and supply chains including recognising gas as a key baseload fuel in the transition to renewable energy and the potential easing of restrictions for domestic resource development.

Figure 1. Europe-Asia-US Gas price comparison



Source: IEA, Natural gas prices in Europe, Asia and the United States, Jan 2020-February 2022, IEA, Paris
<https://www.iea.org/data-and-statistics/charts/natural-gas-prices-in-europe-asia-and-the-united-states-jan-2020-february-2022>

WESTERN AUSTRALIA

EP469 (50%) West Erregulla Gas Field

Exploration Permit located onshore northern Perth Basin, WA, targeting conventional gas reservoirs

West Erregulla Gas Field appraisal

The WE-3 appraisal well was successfully re-entered on 2 June 2022 using the Ensign 970 drilling rig. The rig was fitted with a Weatherford Managed Pressure Drilling (MPD) system to ensure well pressure remained within operational limits.

Excellent results from WE-3¹ confirmed the extent of the Northern Area of the West Erregulla field. Logging and petrophysical interpretation across the Kingia indicate a high-quality conventional gas resource in the Kingia Sandstone:

- Net pay of 38m in a 60m gross gas column;
- Average porosity of 13.8% and up to 19%; and
- No gas water contact encountered.

Reservoir characteristics are in line with the best results from the Central Area. The drilling rig was released after 47 days on 18 July and was within budget and flow testing is planned for August 2022.

The JV is continuing to evaluate the technical options for the recompletion and retesting of WE-5. Once agreed, this work is likely to be undertaken in CY2023 in conjunction with workovers of WE-2 and WE-4.

West Erregulla Reserves Upgrade

In July 2022, Warrego announced a 41% upgrade to West Erregulla gross 2P Reserves, independently certified by Netherland, Sewell & Associates, Inc. (“NSAI”)². Excellent petrophysical results of the logs from the successful appraisal drilling at WE-3 were incorporated into NSAI’s subsurface modelling and resource estimation within the Kingia Sandstone. This review yielded a substantial 41% increase in gross 2P Reserves from 300 PJ to 422 PJ (211 PJ Warrego 50% share). A summary of the upgraded Reserves and Resources for West Erregulla is below:

Table 1. West Erregulla (EP469) Gas Reserves & Resources (PJ, unrisks)

At 28 July 2022	1P	2P	3P	1C	2C	3C	1U	2U	3U
Gross Reserves	324	422	502	-	-	-	-	-	-
Gross Contingent Resources	-	-	-	19	30	42	-	-	-
Gross Prospective Resources	-	-	-	-	-	-	67	109	161
Warrego share (50%) Reserves	162	211	251	-	-	-	-	-	-
Warrego share (50%) Contingent Resources	-	-	-	9	15	21	-	-	-
Warrego share (50%) Prospective Resources	-	-	-	-	-	-	34	55	81

Cautionary Statement

Prospective Resources are those quantities of hydrocarbons which are estimated as of a given date to be potentially recoverable from undiscovered accumulations by the application of future development projects. These estimates have both an associated risk of discovery and a risk of development. The Prospective Resources shown in this announcement are probabilistically determined and unrisks and should not be construed as Reserves or Contingent Resources; they represent exploration opportunities and quantify the development potential in the event a hydrocarbon discovery is made. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

¹ Announced by EP469 JV partner and Operator, Strike Energy Limited (ASX:STX) on 1 July 2022 “Excellent WE3 results confirm extension of field to the north”

² Refer Warrego ASX Announcement of 28 July 2022, “West Erregulla 2P Reserves upgraded by 41%”

West Erregulla Gas Project

The West Erregulla Gas Project is currently progressing through the environmental permitting process with the Environmental Protection Authority of Western Australia (“EPA”). The Operator anticipates that the EPA will make its decision on the mid and upstream submissions in Q3 CY2022 which would enable Ministerial endorsement late in Q4. These approvals are on the Project’s critical path and are required before financing and construction agreements can be finalised.

The Operator has rephased the Project’s procurement and financing processes, including suspending payments for Long Lead Items, until EPA and Ministerial approval is secured. The JV is maintaining regular contact with potential debt providers and will advance Project Finance negotiations once approvals are granted. The Operator now expects that first gas will be achieved in late 2024 and the JV is working with AGIG on a revised project schedule. Warrego and Alcoa remain committed to the long term 155 PJ Gas Sales Agreement and are working together on a revised gas supply start date in line with the revised project schedule.

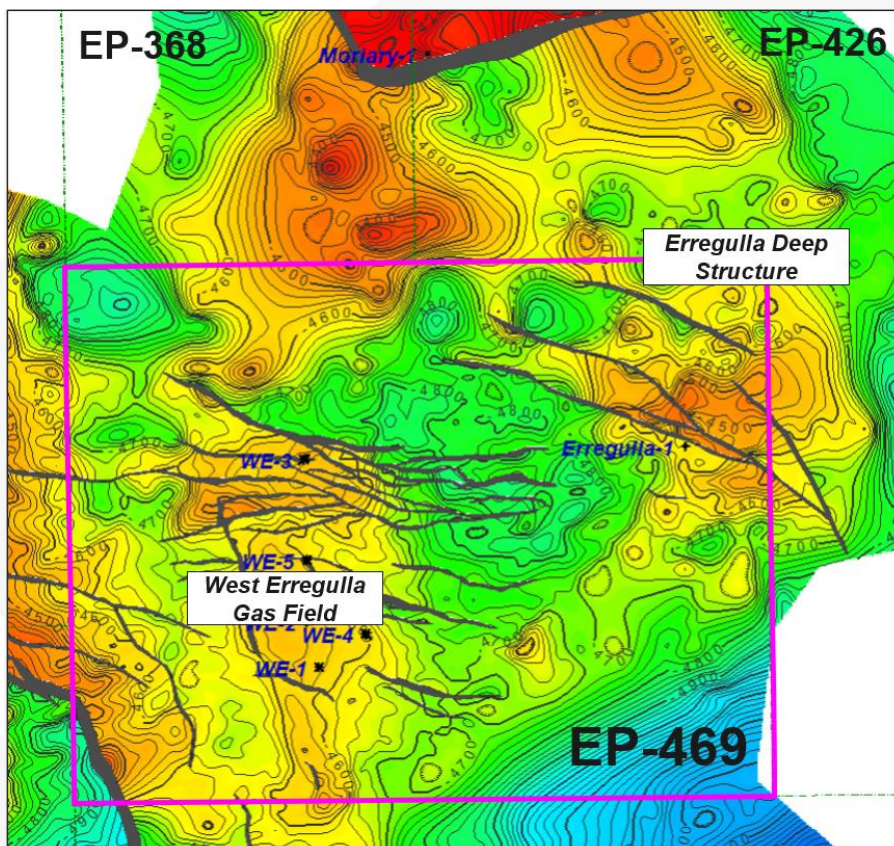
Design work for additional production well (WE-6) has begun in anticipation of drilling prior to first gas.

Erregulla Deep exploration

Warrego continues to progress its subsurface analysis of EP469, primarily in the area between West Erregulla and Lockyer Deep (EP426), with the aim of identifying exploration targets prior to undertaking the planned Natta 3D Seismic Survey in 2023.

Warrego has mapped a relatively low risk, high grade conventional gas exploration target in the Erregulla Deep structure, covering over 20 km² at the Kingia level between the West Erregulla and Lockyer Deep gas pools.

Figure 2. Top Kingia depth map



The Erregulla structure was previously drilled by the Erregulla-1 (1966) and Erregulla-2 (1980) wells to the Dongara and Eneabba sandstones, respectively. Gas and oil shows were observed but testing failed to flow hydrocarbons to the surface. These earlier Erregulla wells did not drill the deeper Kingia Sandstone.

After extensive analysis of available 2D seismic data and applying a regional depth conversion model, Warrego estimates that the Erregulla Deep structure could support an Original-Gas-In-Place (OGIP) range between 230 Bcf and 560 Bcf, with a potential gross unrisks Prospective Resource range between 165 Bcf and 403 Bcf (sales gas, net of shrinkage) representing approximately 82 Bcf to 201 Bcf net to Warrego. It is likely that additional Prospective Resources associated with Erregulla Deep occur outside the EP469 boundary.

Warrego is continuing discussions with its JV partner and Operator of EP469, Strike Energy Limited, to enable a comprehensive technical assessment of the Erregulla Deep prospect in order to select and mature a drillable exploration target. Warrego anticipates this technical work could be completed by early 2023 given the cooperation of relevant parties. The forthcoming 2023 3D seismic program will further define the Erregulla Deep prospect.

Table 2. Erregulla Deep OGIP* and unrisks Prospective Resources*, Warrego estimates at 18 May 2022

Kingia (Bcf)	Low Estimate (1U)		Best Estimate (2U)		High Estimate (3U)	
	Gross	Net	Gross	Net	Gross	Net
Original Gas in Place	230	115	370	185	560	280
Primary Sales Gas**	165	82	267	133	403	201

* Probabilistically derived estimates of OGIP and unrisks Prospective Resources inside EP469 only ** Net of shrinkage

Refer ASX Announcement of 9 June 2022, "Warrego high-grades Erregulla Deep Structure in EP 469"

Cautionary Statement on Prospective Resources

Prospective Resources are those quantities of hydrocarbons which are estimated as of a given date to be potentially recoverable from undiscovered accumulations by the application of future development projects. These estimates have both an associated risk of discovery and a risk of development. The Prospective Resources shown in this announcement are probabilistically determined and unrisks and should not be construed as Reserves or Contingent Resources; they represent exploration opportunities and quantify the development potential in the event a hydrocarbon discovery is made. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

STP-EPA-0127 (100%, Operator) Coolcalalaya Sub-basin

A 2.2 million acre (8,700 km²) permit application located onshore Coolcalalaya Sub-basin, Western Australia, targeting conventional gas reservoirs.

EPA-0127 is the largest exploration permit located onshore Western Australia. The permit area is 130 km north of the Waitsia and West Erregulla fields and is in the Coolcalalaya Sub-basin.

Surface geology and theoretical field modelling point to a deep, asymmetric structured basin with excellent exploration potential. Multiple Waitsia and West Erregulla-sized structures and leads with potential for the conventional extraction of hydrocarbons have been identified.

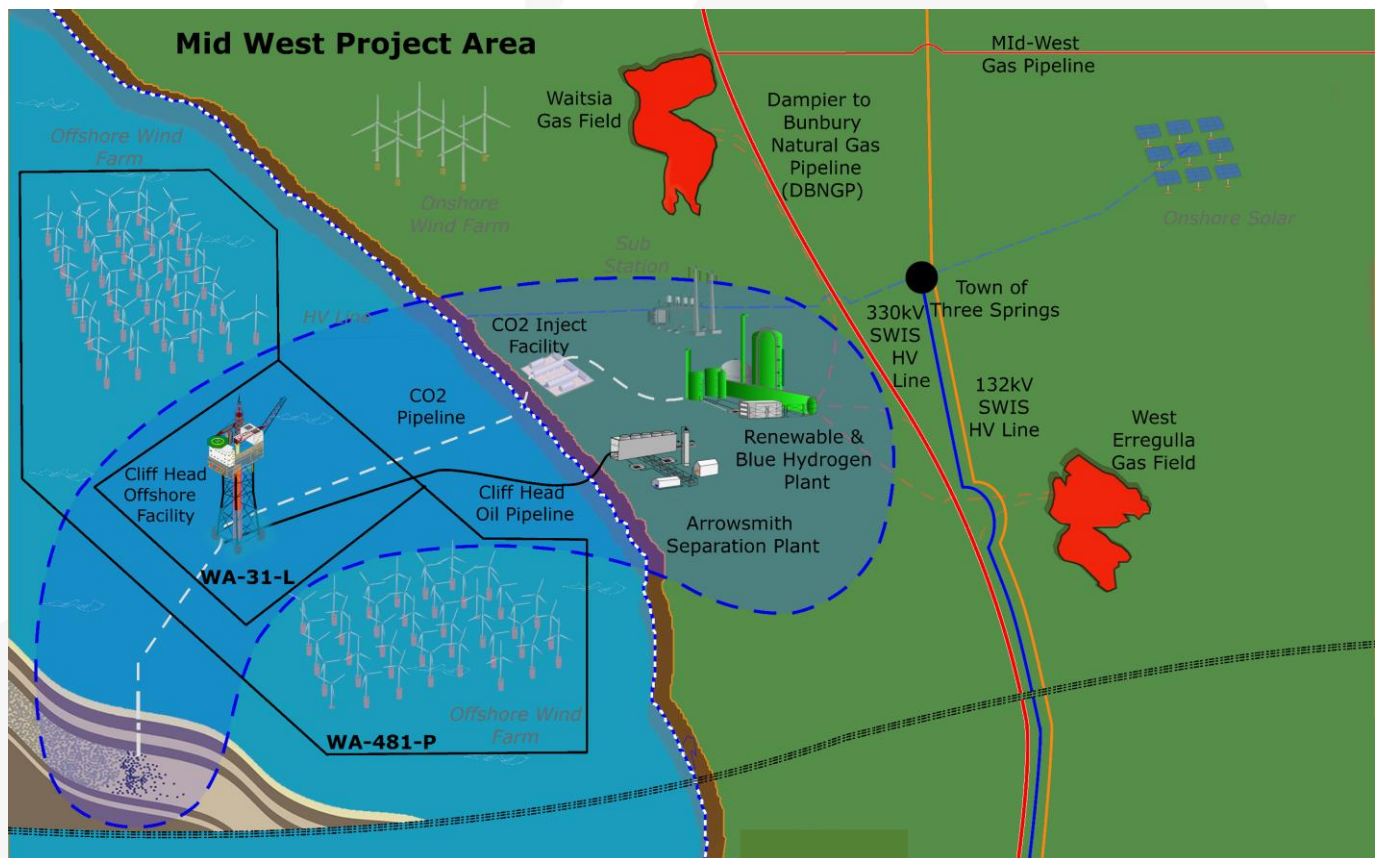
Mid West Blue Hydrogen and CCS Feasibility Study

On 4 November 2021³, the Company announced it has joined a consortium with APA Group and Pilot Energy to undertake and jointly fund a feasibility study for the Mid West Blue Hydrogen and Carbon Capture & Storage (CCS) project.

The feasibility study is designed to assess potential Blue Hydrogen and CCS projects that can integrate with existing upstream, midstream and downstream assets to deliver competitive clean energy. It will identify and select potential development projects and will form the basis for future FEED studies, partnering and other corporate initiatives.

The consortium lead, Pilot Energy, has advised that the feasibility study is nearing completion. The study, which is centred on the Cliff Head Oil Field, is expected to be completed in Q3 CY2022.

Figure 4. Mid West Blue Hydrogen & CCS project location and key elements



SPAIN

Warrego has an established presence in Spain through Tarba Energia S.L. (“Tarba”), a joint venture between Warrego and Prospec Energy Plc.

The range of strategic options available to Warrego to progress the development of its Spanish assets has expanded to include:

³ Announced by Warrego via the ASX on 4 November 2021 “Warrego joins innovative Mid West Blue Hydrogen and CCS consortium and accelerates carbon management initiatives”

- Maximise opportunities for the El Romeral gas to power project, including the development of near field gas prospects for the expansion of supply to the domestic electricity market in Spain, and complementary renewable energy technologies such as solar
- Develop the Tesorillo gas project and supply the domestic gas market in Spain
- Investigate the long-term potential for gas storage, CCS and other carbon management technologies, and hydrogen production

EL ROMERAL PROJECT, Seville Region (50.1% ownership of Operator and permits)

Integrated gas production and power station operation on 76,600 acres in southern Spain. Three producing wells, 22 prospects and multiple low-cost development opportunities with the potential to significantly increase gas production, electricity generation and revenue. El Romeral is one of only four gas producing assets in Spain and has operated since March 2021.

Electricity prices have continued at unprecedentedly high levels increasing income from power generation significantly in the quarter. Revenue for the June quarter was €1,385,000 (gross, up 28% over the March quarter).

Sustained high gas prices, leading to high electricity prices, have seen the Spanish government introduce a price cap on gas supply for the next 12 months. El Romeral produces its own gas, so any impact is expected to be gradual as high electricity prices begin to moderate. Power generated from El Romeral is not hedged into offtake arrangements and is able to take advantage of the prevailing high prices in the spot market.

The transition to full automation was completed with the facility now operating 24/7 to meet increased demand. The plant is currently operating at 30% capacity with potential to increase output to 100% if planned infill wells are approved and drilling is successful.

Figure 5. The El Romeral Gas to Power facility

Drilling and production permit applications for El Romeral were submitted to the regulator prior to the Climate Change Act being introduced and are currently being assessed. Warrego is targeting a response before the end of 2022.

All wells drilled to date at El Romeral have been successful and the typical lifespan per well is close to 20 years.

In a significant policy shift, the EU recently announced that Natural Gas is once again recognised as a transition fuel. This decision will help facilitate government approvals and make it easier to secure project financing for gas projects.



During the quarter, Tarba began construction of the first of two solar generation projects at the El Romeral.

Project Apollo, the installation of 83 solar panels on the roof of the El Romeral power facility, will feed the plant's ancillary services thus covering part of the plant's electricity demand during daylight hours allowing for increased electricity sales. Work is expected to be complete by the end of July 2022. The solar panels will have a total installed peak capacity of 41.5 kWh, which is expected to result in 66 MWh in the first year and will result in increased sales of electricity for the same amount. Project Apollo is a very fast and cost-effective way to increase income at the plant while waiting for drilling approvals.

Project Helios, the second solar generation project, involves the installation of photo-voltaic panels adjacent to the plant. Front-end engineering and design ('FEED') studies for Project Helios are underway. Subject to further definition from the FEED studies, the generation capacity of Project Helios is expected to be in the region of 5 MW.

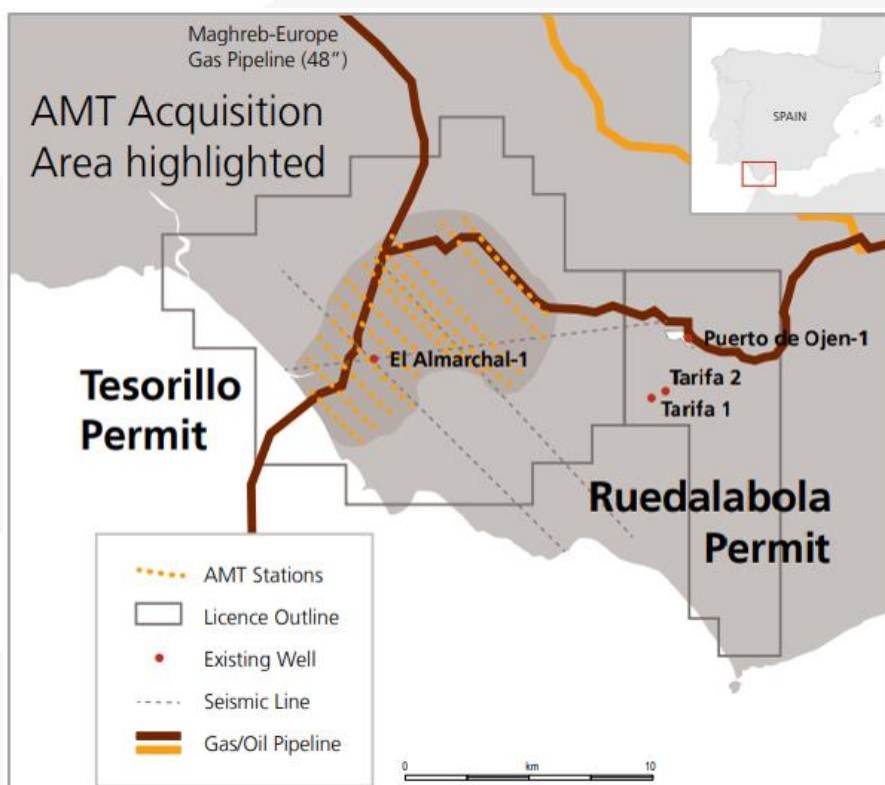
Both solar projects take full advantage of the existing connection to the power grid at El Romeral which has ample capacity to take the increased generation output.

TESORILLO PROJECT, Cadiz Region (85% ownership of Operator and permits)

Targeting conventional sandstone gas reservoirs in 94,000 acres in Southern Spain. There are no financial or drilling commitments attached to the permit.

The Tesorillo Project in the Cadiz province of Southern Spain comprises two petroleum exploration licences, the Tesorillo and Ruedalabola Permits, that include a conventional gas discovery at the El Almarchal-1 well and have excellent proximity to existing pipeline infrastructure. Warrego is targeting conventional onshore sandstone reservoirs.

Figure 6. The Tesorillo Project, including the El Almarchal-1 discovery well



The application for progression to a production permit for Tesorillo, including a field development plan, has progressed from the regulator to the Ministry for review and approval⁴. Discussions with the Ministry have made good progress and, subject to requests for further information, Warrego anticipates a response in the second half of 2022.

Compared to Australia, drilling costs in Spain are significantly lower and drilling rigs and crews are more readily available. Warrego anticipates drilling costs of approximately €3 million per well (or A\$4 million – A\$5 million). Warrego has appointed an experienced country manager to assist Tarba in progressing these applications.

ESG & SUSTAINABILITY

In line with Warrego's commitment to achieve net zero emissions by 2050, the Company's future ESG reporting will make disclosures against the World Economic Forum (WEF) Stakeholder Capitalism framework, a set of 21 core ESG metrics for sustainable value creation.

The WEF Stakeholder Capitalism Metrics are the most appropriate ESG disclosure framework for a company of Warrego's size and maturity. The Stakeholder Capitalism framework leverages a variety of existing frameworks and is a steppingstone to begin building capacity and capability in ESG reporting. It will enable Warrego to report on ESG matters of governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments.

By including universally recognised ESG metrics in its annual sustainability reporting and integrating them into governance, business strategy and performance management processes, Warrego can demonstrate that it is considering all pertinent risks and opportunities as it grows its energy business.

Warrego has subscribed to Socialsuite's 'ESG Go' reporting platform to establish an ESG baseline and provide the platform for future ESG monitoring and disclosure.

CORPORATE AND FINANCIAL

Consolidated cash at 30 June 2022 was \$33,742,000. Principal inflows for the quarter were \$1,914,000 relating to El Romeral electricity revenue, whilst principal outflows were \$2,345,000 for West Erregulla exploration. There were \$251,000 in payments made to related parties for non-executive directors fees and executive director salary (section 6.0 of Appendix 5B).

A summary of Warrego's cash flow for the Quarter and year to date is contained in the attached Appendix 5B statement.

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⁴ The Tesorillo exploration permit has been temporarily suspended pending the outcome of the application for a production permit.

About Warrego Energy Limited

Warrego Energy is focused on the development of onshore assets in Australia and Spain. In Western Australia's prolific Perth Basin, the Company holds a 50% interest in EP469, including the West Erregulla gas project, and 100% of STP-EPA-0127, covering 8,700 km² (2.2 million acres). In Spain, the Company holds an 85% working interest in the Tesorillo gas project in the Cadiz region and a 50.1% working interest in the El Romeral gas to power facility in the Seville region. For more information visit: warregoenergy.com

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Glossary

1P, 2P, 3P	Levels of Reserves classification
1C, 2C, 3C	Levels of Contingent Resources classification
1U, 2U, 3U	Levels of Prospective Resources classification
3D	Three-dimensional seismic survey
ASX	Australian Securities Exchange
Bcf	Billion cubic feet
CCS	Carbon Capture & Storage
CY	Calendar Year
EP	Exploration Permit
EPA	Exploration Permit Application
FEED	Front End Engineering and Design
FY	Financial Year
GSA	Gas Sales Agreement
H1,2	First Half, Second half
JV	Joint Venture
Km	kilometres
m	metres
NSAI	Netherland, Sewell & Associates, Inc
PJ	petajoules
Q1,2,3,4	Quarter 1, 2, 3, 4
TJ/d	Terajoules per day
WA	Western Australia
WE-2,3,4,5,6	West Erregulla wells

TENEMENT LISTING

Tenement reference	Location	Nature of interest	Interest at 30 Jun. 2022		Interest at 31 Mar. 2022	
				Gross Acres		Gross Acres
EP469	North Perth Basin Western Australia	Direct JV interest	50.0%	56,000	50.0%	56,000
STP-EPA-0127 application	North Perth Basin Western Australia	Application	100.0%	2,200,000	100.0%	2,200,000
El Romeral 1 [#]	Guadalquivir Basin, Spain	} Via Tarba Energia S.L.	50.1%	} 76,600	50.1%	} 76,600
El Romeral 2 [#]	Guadalquivir Basin, Spain		50.1%			
El Romeral 3 [#]	Guadalquivir Basin, Spain		50.1%			
Tesorillo [^]	Cadiz, Spain	} Via Tarba Energia S.L.	85.0%	68,800	85.0%	68,800
Ruedalabola [^]	Cadiz, Spain		85.0%	10,200	85.0%	10,200
<u>Legacy Assets</u>				<u>Gross Acres</u>		<u>Gross Acres</u>
Piedra Sola	Norte Basin, Uruguay	Via Schuepbach Energy International LLC	41.0%	2,525,000	41.0%	2,525,000

[^] Warrego's 85% working interest in Tesorillo and Ruedalabola will reduce to 50.1% upon notification by Prospex Energy plc that they wish to proceed to the Final Closing of the Prospex Share Purchase Agreement and acquire an additional 34.9% interest.

[#] Government and Regional Administration approval for the Romeral transfer of title was received in Q3 2021.

DISCLAIMER AND RESOURCE DISCLOSURES

This announcement 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.

Dates and schedules for planned EP469 activities are subject to change by the Operator.

The information in this announcement that relates to oil and gas Reserves, Contingent Resources and Prospective Resources estimates is based on and fairly represents information prepared by or under the supervision of a qualified oil and gas petroleum resources and reserves evaluator in accordance with ASX Listing Rule 5.41. Estimates of Reserves, Contingent Resources and Prospective Resources should be read in conjunction with the full text of the applicable ASX announcements. The Company is unaware of any new information that materially impacts the information on the Reserves, Contingent Resources or Prospective Resources in the announcements referred to herein and confirms that all the material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed. The reference point at which Reserves have been estimated is the inlet to the Dampier to Bunbury Natural Gas Pipeline on the outlet of the Australian Gasfields Infrastructure Group (**AGIG**) export pipeline and processing facilities.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

WARREGO ENERGY LIMITED

ABN

82 125 394 667

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1,914	5,536
1.2	Payments for		
	(a) exploration & evaluation (if expensed) and business development	(168)	(739)
	(b) development	-	-
	(c) production	(341)	(1,628)
	(d) staff costs	(266)	(2,692)
	(e) administration and corporate costs	(947)	(3,066)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	10	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	➤ Security deposit paid	-	-
	➤ Security refunded	-	1
	➤ EI Romeral completion payment	-	-
1.9	Net cash from / (used in) operating activities	202	(2,576)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment	(34)	(169)
	(d) exploration & evaluation (if capitalised)	(2,345)	(14,419)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)		
➤ Security deposit paid – EP469 AGIG LLIs	-	(8,646)
2.6 Net cash from / (used in) investing activities	(2,379)	(23,234)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	49,159
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options		-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(2,838)
3.5 Proceeds from borrowings		
➤ Loan from associate - PXOG	-	114
3.6 Repayment of borrowings		
➤ Loan from associate - PXOG	(227)	(460)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
➤ Funds from share placement issue (shares not yet issued)	-	-
➤ Payment for lease liabilities	(26)	(103)
3.10 Net cash from / (used in) financing activities	(253)	45,872

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	36,150	13,721
4.2	Net cash from / (used in) operating activities (item 1.9 above)	202	(2,576)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,379)	(23,234)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(253)	45,872
4.5	Effect of movement in exchange rates on cash held	22	(41)
4.6	Cash and cash equivalents at end of period	33,742	33,742

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	4,129	1,480
5.2 Call deposits	28,870	33,976
5.3 Bank overdrafts	-	-
5.4 Other – share of JV bank account	743	694
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	33,742	36,150

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1*	232
6.2 Aggregate amount of payments to related parties and their associates included in item 2*	19

* Non-Executive Directors fees and Executive Directors - salaries included

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 Unused financing facilities available at quarter end	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	202
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(2,345)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,143)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	33,742
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	33,742
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	15.7

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 July 2022

Date:

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.