Annual Report

2022

warrego energy

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Chairman's Report

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EP469 WE-3 *West Erregulla, Australia*

A Look Back

Chairman's Report

Greg Columbus
Independent Non-executive Chairman

"Whether I look at West Erregulla, our Spanish assets or our range of ESG initiatives, Warrego Energy is continuing to make great progress on all fronts."

Fellow Shareholders,

The past 12 months have seen Warrego make great strides forward, consolidating a solid base for future success.

Warrego has identified and strengthened its portfolio of value growth pillars and the Company's Board and Management is very confident we are on the verge of a number of value-creating developments.

Not least of these is our West Erregulla gas development on Perth's doorstep in the onshore Perth Basin in Western Australia.

The project presents a compelling mix of high-quality exploration potential, a top-tier location, quality partners and a commodity which is increasingly seen as a transition fuel towards a lower carbon future.

422 PJ

EP469 GROSS 2P RESERVES RECEIVED A SUBSTANTIAL 41% UPGRADE

Whilst approvals for West Erregulla project have continued to drag on beyond our control, I am pleased with the field development progress to date, which in October 2021 saw the maiden independent certification of Reserves for West Erregulla in EP469. Working with our JV partner less than 12 months later, and just following period-end the gross 2P Reserves received a substantial 41% upgrade, totalling 422 PJ consolidating the alignment of the JV for Phase 1 of the Gas development.

These are exciting developments and with the project poised to enter construction phase, West Erregulla continues to highlight the potential of our Western Australian assets to build further shareholder value.

1. EP469 WE-3 *West Erregulla, Australia*

On the other side of the world, developments at Warrego's Spanish assets have been equally remarkable, underscored by strong revenues from the El Romeral gas-to-power facility.

Warrego has accelerated activities at the plant at a time when Spanish natural gas prices are hitting 40-year highs, with the additional power production increasing security of supply for local communities while also delivering shareholder value.

We continue to progress permitting activities at both our Spanish projects - El Romeral and Tesorillo - and discussions with Spain's national Ministry to progress our application for a production permit.


1.


2.

550%

EU GAS PRICE INCREASE OVER THE PAST YEAR

"Our Spanish assets are ideally placed to benefit from the significant increase in energy demand and pricing in Europe."

The exciting developments in Spain present two important opportunities. Firstly, a revenue-generating asset has the potential to significantly transform Warrego's balance sheet. Revenues have the potential to fund European growth, further work at West Erregulla or even open avenues to cheaper debt financing which would have previously been unavailable.

In response, Warrego has initiated investment in ESG initiatives. Following year-end we completed Project Apollo, a solar energy plant at El Romeral. Our sights are now firmly set on Project Helios, a proposed 5MW solar farm.

2050

Warrego Energy is committed to achieving net zero emissions by 2050.

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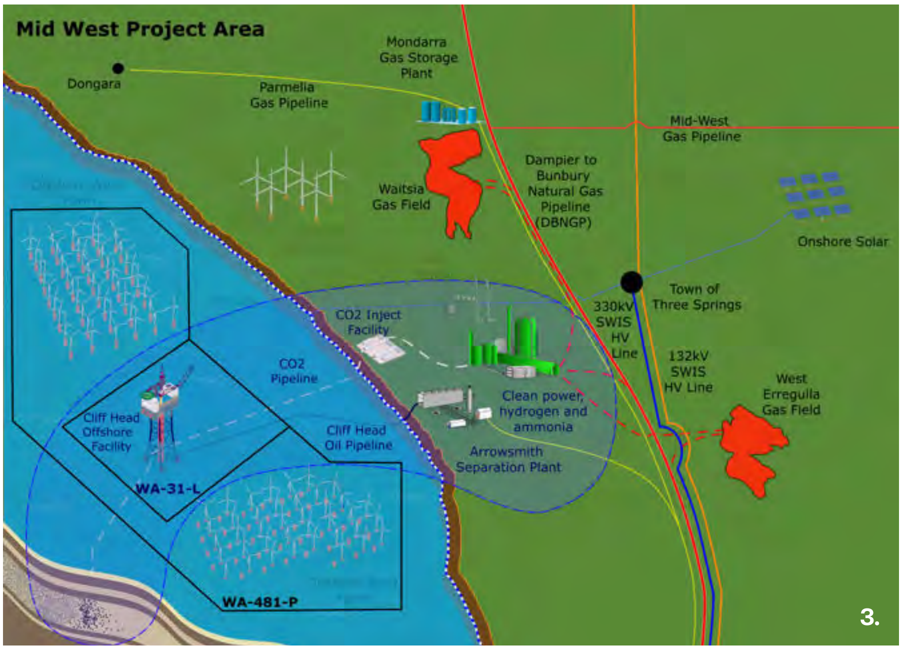
CORE METRICS AND DISCLOSURES HAVE BEEN ADOPTED AND WILL BE REPORTED ON AS PART OF WARREGO'S ESG FRAMEWORK



In Australia, we have taken an important step participating in a feasibility study with a number of key partners to assess the viability of Blue Hydrogen and carbon capture programs for projects like West Erregulla.

These are not just fantastic ESG opportunities, we firmly believe these, and other similar renewable projects have the potential to create new revenue streams for your Company.

In Conclusion

Your Board continues to remain focused on creating long-term value for shareholders, and whilst this year progress to FID has been delayed beyond our control, we have achieved many other material achievements. This has set the scene for greater value creation having exciting projects, cashed-up with no debt or long-term liabilities.

I would also like to thank my fellow Directors, our management team, staff and contractors for their hard work and perseverance. Finally, a sincere thank you to all our shareholders for their unwavering support. The critical progress Warrego achieved during the reporting period has placed your Company on a clear path to development success and I look forward to reporting on those Company changing activities over the course of FY23.

1. & 2. El Romeral Gas to Power Generation Facility *Spain*

3. Blue Hydrogen and Carbon Capture Storage *Australia*

Group CEO's Report

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El Romeral Power Station *Seville, Spain*

A Look Forward

Group CEO's Report

Dennis Donald
Group CEO & Managing Director

"Warrego anticipates the planned 2023 3D seismic campaign will define existing leads and reveal yet more upside."

A Landmark Year for Warrego

With activities accelerating across Warrego's exciting suite of Australian and Spanish energy projects, FY22 has been ground-breaking and sets up an even bigger year to come.

Australia in Focus

West Erregulla – EP469 (50%)

Since its October 2021 Reserves announcement, Warrego confirmed a significant 41% upgrade to West Erregulla's gross 2P Reserves, independently certified by Netherland, Sewell & Associates, Inc.

We also recently revealed strong results from the testing programme of the re-entered WE-3 well. This successful re-entry and drilling of WE-3 and the excellent flow rates achieved during testing again highlight the excellent production potential.

Meanwhile, the JV has identified indications of communication between West Erregulla and South Erregulla and excitingly, Warrego's mapping supports the connected gas pool concept.

West Erregulla Gas Project Development

Warrego is progressing key agreements with Australian Gas Infrastructure Group and operator Strike Energy for the construction and operation of a gas processing facility for Phase 1 of the West Erregulla Gas Project.

Concurrently, WA's EPA continues to assess the upstream (gas gathering system) and midstream (gas processing plant) submissions. Upon EPA approval and the issue of environmental permits, we anticipate construction can commence.

The Operator has lodged an application to convert EP469 to a Production Licence and this is expected to be assessed once the EPA approval process is complete.

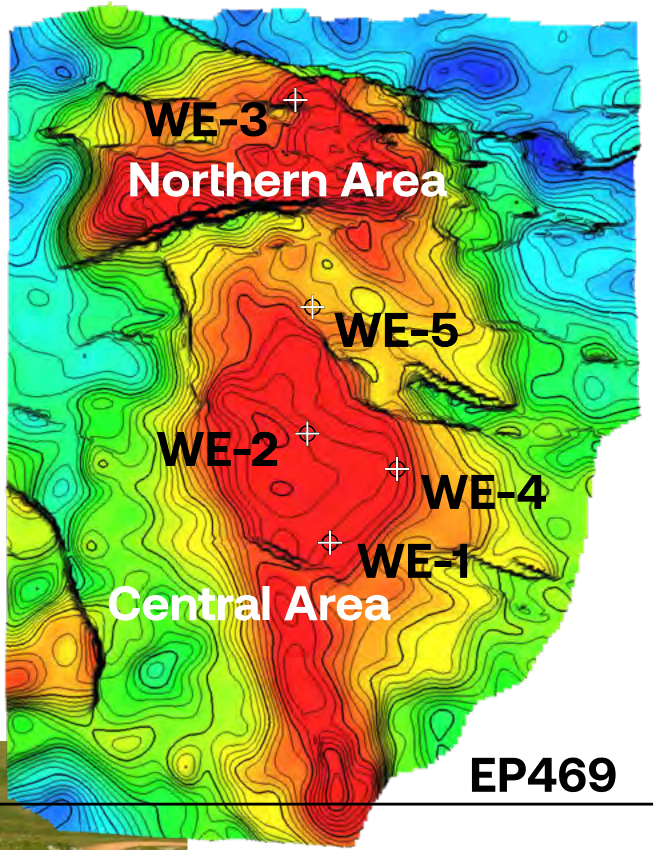
1. EP469 WE-3 *West Erregulla, Australia*

Erregulla Deep

Warrego has completed an initial subsurface analysis of the area between West Erregulla and Lockyer Deep, focusing on the Erregulla Deep structure at the Kingia level in the north-east section of permit EP469.

Warrego's work has mapped a relatively low risk, high-grade conventional gas exploration target with an estimated unrisked Prospective Resource* range of 165 Bcf to 403 Bcf (low to high estimates, gross). Working with its JV partner Warrego anticipates advancing this target to a drillable prospect. Recent announcements from Norwest Energy on their Ringneck seismic survey indicate even more potential connectivity in that area of the basin.

With the existing 3D seismic only covering one third of EP469, Warrego anticipates the planned 2023 3D seismic campaign will define existing leads and reveal yet more upside in the block.



1.

2.2M acres

THE SIZE OF THE LARGEST ONSHORE PERTH BASIN EXPLORATION PERMIT APPLICATION, WHICH IS HELD BY WARREGO ENERGY

2.

EPA-0127 (100%) Operator

EPA-0127 covers a highly prospective onshore region of the Coolcalalaya Sub-Basin, linking the northern Perth Basin with the Carnarvon Basin.

In December 2021, Warrego executed a farm-out agreement with Mitsui E&P Australia. Under the agreement Mitsui will, in exchange for a 50% working interest in the permit, carry 100% of Warrego's exploration costs in the first two years of the planned six-year conventional work programme up to a cap of $1.5 million. The agreement remains subject to grant of the exploration permit and approval of the work program by the Department of Mines, Industry Regulation and Safety. We are delighted to be working with Mitsui to accelerate the work program. A recent Warrego presentation at the Good Oil show postulated that EPA-0127 *"may be the new Perth Basin"*. With identified anomalies that indicate massive structures within the sedimentary sequence. We believe that a potential kitchen may be present along the entire eastern margin of the Coolcalalaya Sub-basin that could provide a charge to those structures.

** 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 unrisked 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.*

Spain In Focus

An emerging opportunity

El Romeral Gas to Power Facility

(50.1%) Operator

El Romeral, which is an integrated gas production and power station located in the Seville region, possesses enormous upside as electricity prices have risen to unprecedented levels in Europe.

European energy prices have been driven by sustained demand over the northern hemisphere winter and Russia's conflict in the Ukraine.

El Romeral currently includes three producing wells, 22 prospects and multiple low-cost development opportunities with the potential to significantly increase gas production, electricity generation and revenue.

The asset is one of only four gas producing facilities in Spain and has safely operated since March 2021. All wells drilled to date at El Romeral have been successful and the typical lifespan per well is close to 20 years. Warrego has submitted drilling and production permit applications for near field gas prospects and is targeting a response before the end of 2022.

Tesorillo (85%) Operator

Similarly, Warrego continues to see upside driven by the increase in European energy prices at its Tesorillo gas project in the Cadiz region.

The project comprises two petroleum exploration licences estimated to contain 830 Bcf of gross unrisked Prospective Resources*.

An 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 approval.

Discussions with the Spanish Ministry have made good progress and, subject to requests for further information, Warrego anticipates a response in the first half of 2023.

Evolving Renewables Opportunity

Warrego's emerging activities in Australia and Spain, coupled with its commitment to achieve net zero emissions by 2050, presents an important ESG opportunity for the Company.

We have joined a consortium to undertake and jointly fund a feasibility study for the Mid-West Blue Hydrogen and Carbon Capture and Storage (CCS) project. The study was designed to assess the potential for Blue Hydrogen and CCS projects which can integrate with existing infrastructure and assets including Warrego's resources in EP469 and/or EPA127, to deliver competitive clean energy. Post period-end, we announced the completion of a feasibility study.

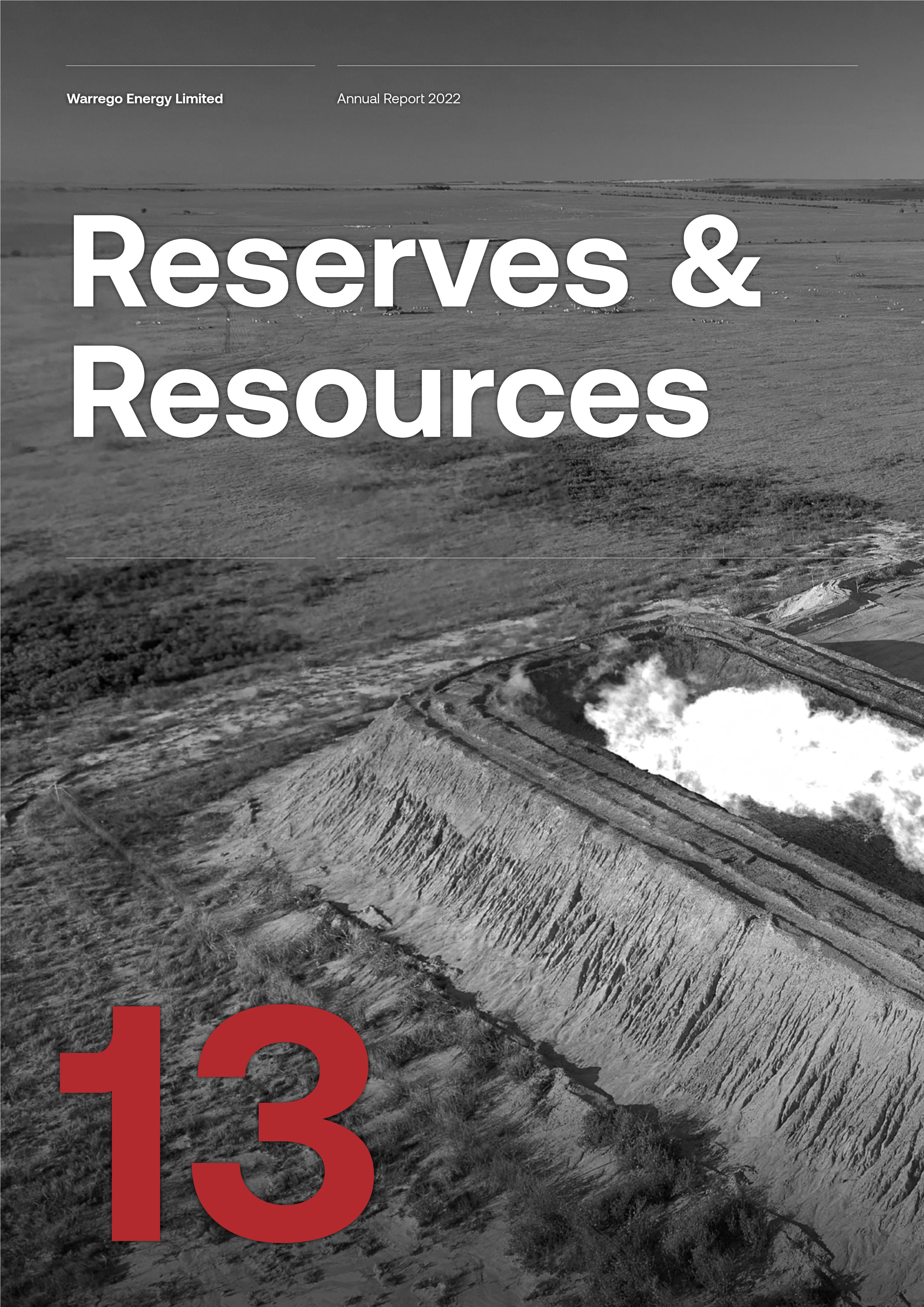
Meanwhile, post period-end Warrego also announced the successful commissioning of Project Apollo, a solar energy plant with a peak capacity of 41.5 kWh located at El Romeral. Its completion is a significant milestone and provides the impetus to continue work on Project Helios, a proposed 5MW solar farm adjacent to El Romeral.

1. EP469 WE-3 West Erregulla, Australia

2. EPA-0127 North Perth Basin, Australia

3. Project Apollo, El Romeral Spain

Reserves & Resources



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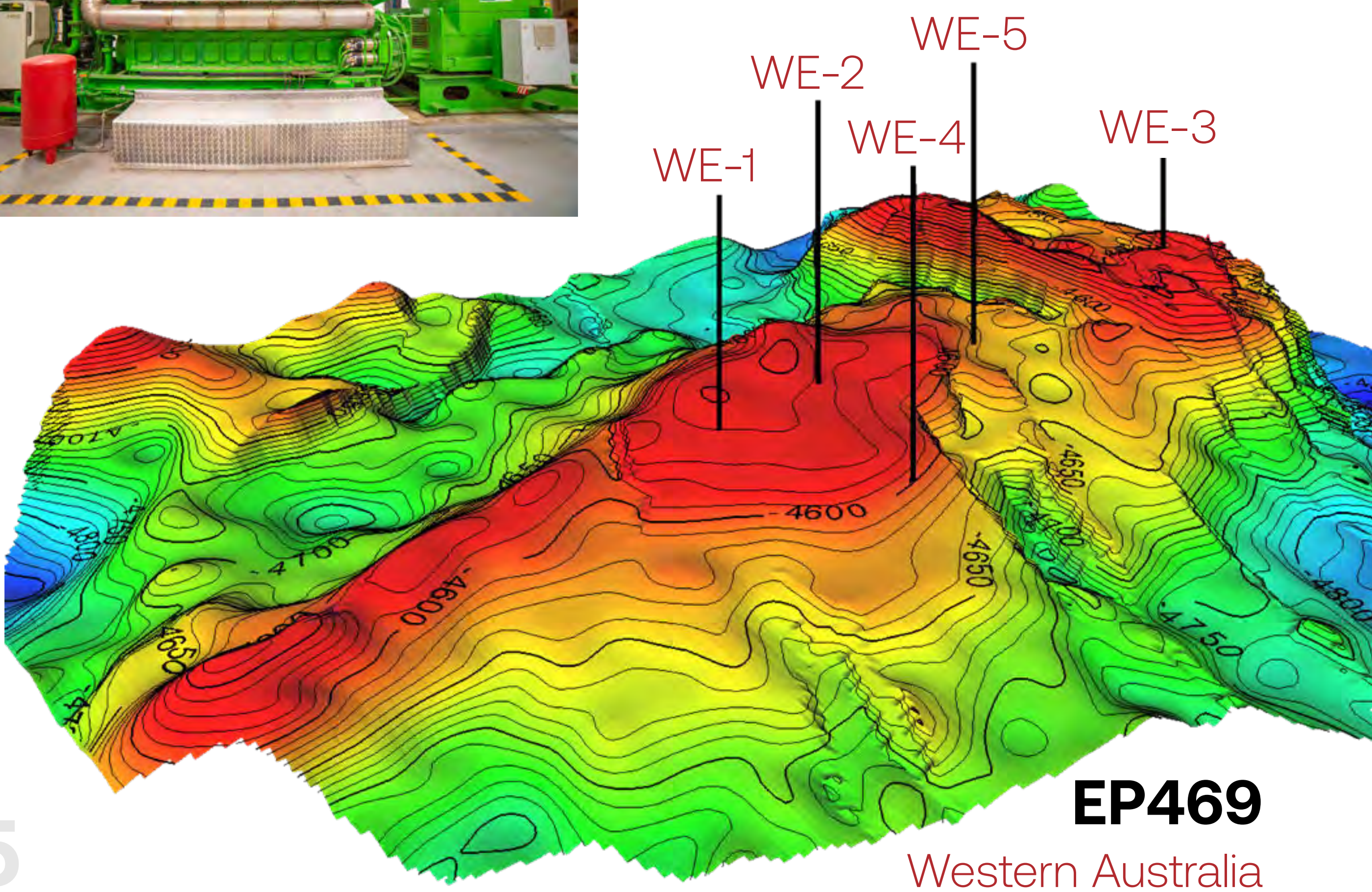
EP469 WE-3 *West Erregulla, Australia*

Reserves & Resources

El Romeral
Spain



EP469
Western Australia

In FY22 Warrego's 2P Reserves increased to 32.5 million barrels of oil equivalent (mmboe), representing its 50% share of Reserves in the West Erregulla field, located in the Perth Basin. The increase to 2P Reserves during the period was due to the conversion of 32.5 mmboe to Reserves* based on appraisal drilling and recently further upgraded from the successful appraisal drilling at WE-3. The decrease in 2C Contingent Resources of 40.4 mmboe (94% lower compare to the prior year) was due to the successful conversion of West Erregulla Resources to Reserves as well as a reduction in uncertainity of the gas-water contact of the gas field.

Proved and Probable (2P) Reserves (Warrego Share) at 30 June 2022

2P Reserves	Gas (PJ)	Gas (Bcf)	Total (mmboe**)
West Erregulla - Perth Basin*	211.0	195.0	32.5

Contingent Resources (2C) (Warrego Share) at 30 June 2022

2C Resources	Gas (PJ)	Gas (Bcf)	Total (mmboe**)
West Erregulla - Perth Basin*	15.0	14.7	2.6
El Romeral - Spain	-	2.5	0.4

** West Erregulla Field Reserves and Resources certification as of 30 June 2022 performed by Netherland, Sewell & Associates Inc. and announced to ASX on 28 July 2022.*
*** Conversion of cubic feet (cf) of gas to barrels of oil equivalent (boe) is 6-to-1 where 6 billion cubic feet (Bcf) of gas is equivalent to 1 million barrels of oil equivalent (mmboe). The ratio does not reflect the relative commercial value of gas and oil-condensate.*

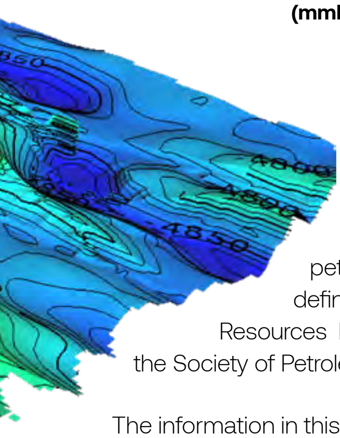
FY22 - Reserves Reconciliation (all products)

2P Reserves		FY21	Production	Exploration & Appraisal Success	Contingent Resources converted to Reserves	Revisions	Acquisitions / Divestments	Total Annual Movement	FY22
West Erregulla - Perth Basin	(Bcf)	-	-	-	195.0	-	-	195.0	195.0
	(mmboe)	-	-	-	32.5	-	-	32.5	32.5

FY22 - Contingent Resources Reconciliation (all products)

2C Contingent Resources		FY21	Production	Exploration & Appraisal Success	Contingent Resources converted to Reserves	Revisions	Acquisitions / Divestments	*** Total Annual Movement	FY22
West Erregulla - Perth Basin	(Bcf)	257.0	-	-	-195.0	-47.3	-	-242.3	14.7
	(mmboe)	43.0	-	-	-32.5	-7.9	-	-40.4	2.6
El Romeral - Spain	(Bcf)	2.5	-	-	-	-	-	-	2.5
	(mmboe)	0.4	-	-	-	-	-	-	0.4
Total	**(Bcf)**	**259.5**	**0.0**	**0.0**	**-195.0**	**-47.3**	**0.0**	**-242.3**	**17.2**
	(mmboe)	**43.4**	**0**	**0**	**-32.5**	**-7.9**	**0.0**	**-40.4**	**3.0**

****The decrease in 2C Contingent Resources of 40.4 mmboe (94% lower compare to the prior year) was due to the successful conversion of West Erregulla Resources to Reserves as well as a reduction in uncertainity of the gas-water contact of the gas field.*



Oil And Gas Reserves Estimation Process

Warrego estimates and reports its petroleum resources in accordance with the definitions and guidelines of the Petroleum Resources Management System 2018, published by the Society of Petroleum Engineers (SPE PRMS).

The information in this report that relates to oil and gas Reserves and Contingent Resources estimates at 30 June 2022 is based on information compiled or reviewed by Drs Peter Veenhof and Paul Robinson who hold Msc and PhD degrees respectively in Geology from Utrecht University and Victoria University Of Wellington, respectively. Drs Veenhof is a consultant of Warrego Energy, has worked in the petroleum industry as a practicing geologist for over 35 years and is a member of European Association of Geoscientists and Engineers. Dr Robinson is a consultant of Warrego Energy, has worked in the petroleum industry as a practicing geologist for over 40 years and is a member of Petroleum Exploration Society of Australia. Drs Veenhof and Robinson have approved this statement as a whole and consented to the inclusion of this statement in the report in the form and context in which it appears.

ESG & Sustainability

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The safety and health of our staff and respect for the environment remains our highest priority and we are proud to report FY22 was yet another period in which there were zero fatalities, no lost time incidents and no reportable environmental incidents. Warrego will always remain committed to treading lightly on the land.

EP469 WE-3 *West Erregulla, Australia*

ESG & Sustainability

"Developing a carbon strategy that can evolve"

The World Economic Forum (WEF) Stakeholder Capitalism Metrics are considered to be 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.

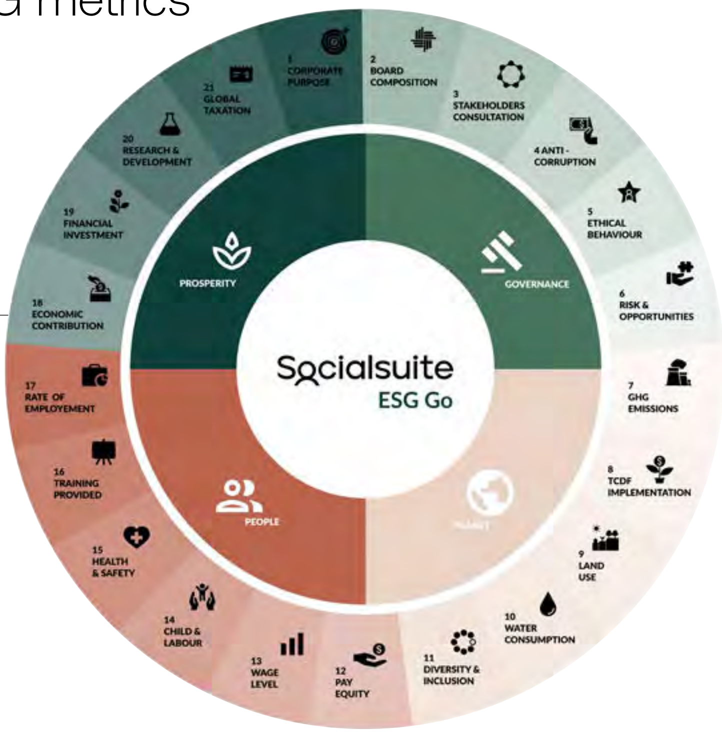
By including universally recognised ESG metrics in its annual sustainability reporting and integrating them into governance, business strategy and performance management processes, Warrego can demonstrate that it is considering all pertinent risks and opportunities as it grows its energy business.

Socialsuite

WORLD ECONOMIC FORUM


1.

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.



Zero

WARREGO HAS COMMITTED TO NET ZERO CARBON EMISSIONS BY 2050

Carbon Strategy

Net zero by 2050

Warrego is developing a carbon strategy that can evolve with the Company and its projects:

- Adopted an independent ESG framework with 21 core ESG metrics and disclosures created by the WEF
- Subscribed to Socialsuite's 'ESG Go' reporting platform
- Joined Mid-West Blue Hydrogen and CCS consortium in November 2021. The consortium has recently finalised a positive feasibility study.
- West Erregulla gas processing emissions to be managed by AGIG under the terms of the GPSA
- In Spain, delivering complementary renewable energy solutions (e.g. Project Apollo, solar co-generation)
- Undertaken two solar projects in Spain, Helios and Apollo, which respectively provide solar power to the El Romeral plant and investigate the potential to develop a solar farm on Warrego's Spanish acreage.

1. Project Apollo, El Romeral *Spain*

Our Board

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EP469 WE-3 *West Erregulla, Australia*

Our Board

Greg Columbus
Independent Non-executive Chairman

Dennis Donald
Group CEO & Managing Director

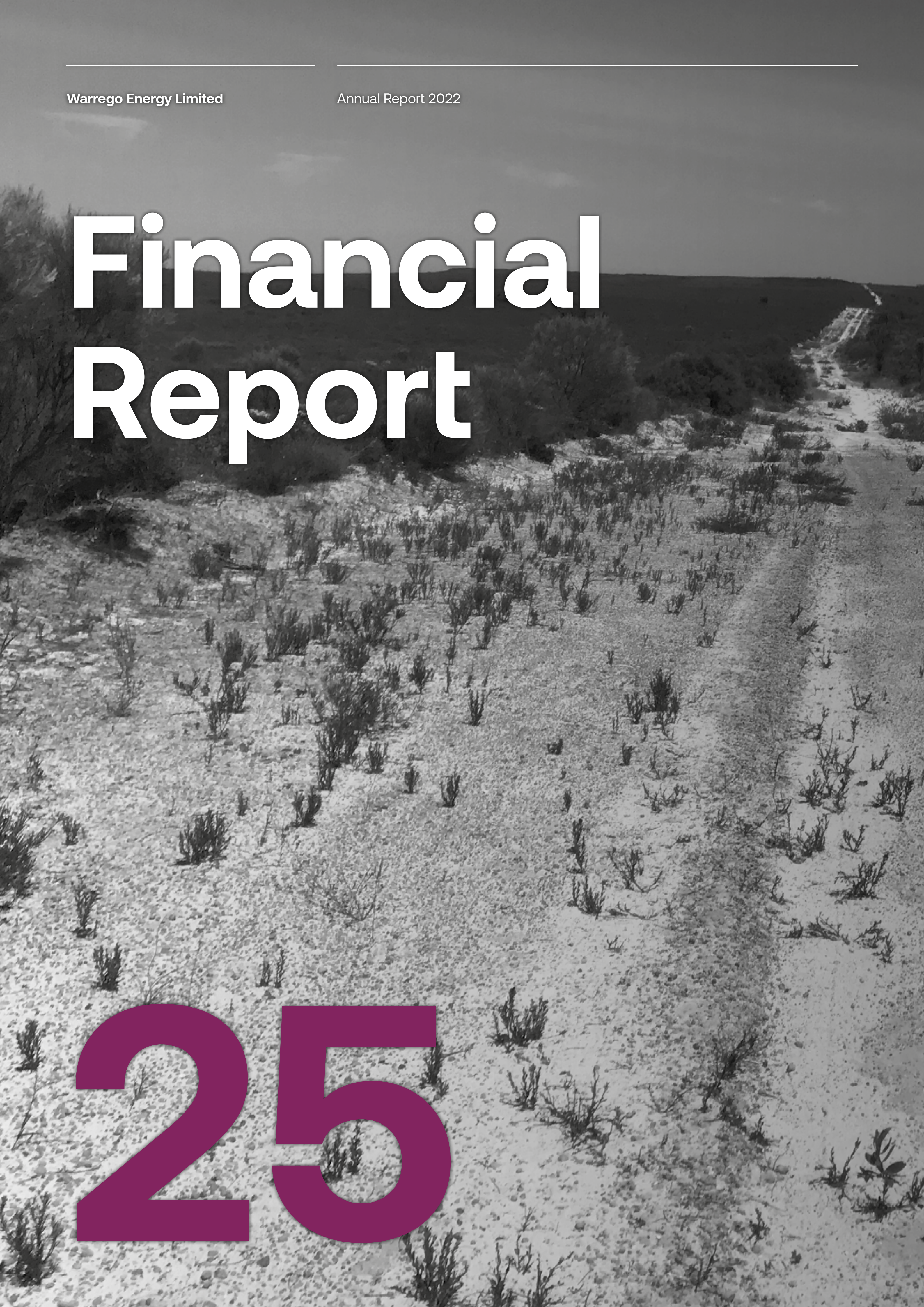
Driving Shareholder Value

Warrego will continue to drive shareholder value while respecting its shareholders and stakeholders and we will continue to tread lightly on the land.

Mark Routh
Non-executive Director

Shannon Coates
Company Secretary

Michael Atkins
Independent Non-executive Director



Financial Report

Contents.

***EPA-0127** North Perth Basin, Australia*

Directors' Report

The directors present their report, together with the financial statements, on the Group (referred to hereafter as the 'Group' or 'the Group') consisting of Warrego Energy Limited (referred to hereafter as 'the Company' or 'Parent Entity') and the entities it controlled for the financial year ended 30 June 2022.

Directors

The directors in office at any time during the financial year and up to the date of this report are:

Greg Columbus	Non-executive Chairman
Dennis Donald	Managing Director, Group Chief Executive Officer
Mark Routh	Non-executive Director
Michael Atkins	Non-executive Director (appointed 31 December 2021)
David Biggs	Executive Director – CEO Australia (resigned 31 December 2021)

Principal Activity

The principal activity of the Group during the year was the exploration for and development of oil and gas resources. Its objective is to generate shareholder wealth.

Operating Results

The Group's net loss after tax from operations for the year was $4,266,929 (2021: $6,386,088). There was no impairment expense arising during the year or prior year.

Financial Position

The Group's total assets increased to $110,119,743 (2021: $68,551,725), mainly as a result of additions in exploration expenditure primarily EP469 of $11,271,170 (2021: $35,146,511) and capital raisings (net of costs) totalling $47,359,276 (2021: $34,103,348). Total liabilities decreased to $10,271,607 (2021: $12,048,742) mainly due to a reduction in trade and other payables of $3,490,213 and increase in provision for well restoration of $2,707,776 associated with EP469.

Review of Operations

During the year the Group undertook the following activities:

Business Strategy

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.

This strategy allows Warrego to leverage its existing high quality international assets during a period of increasing energy demand and transition over time into a low carbon energy provider.

	Perth Basin, WA	Coolcalalaya Sub-Basin, WA	Spain
Natural Gas	**West Erregulla Gas Project (50%)** (87TJ/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 Feasability 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

Western Australia

EP469 (50%), onshore northern Perth Basin, WA

An Exploration Permit featuring a significant conventional gas discovery and multiple exploration targets in the prolific deep Permian gas play

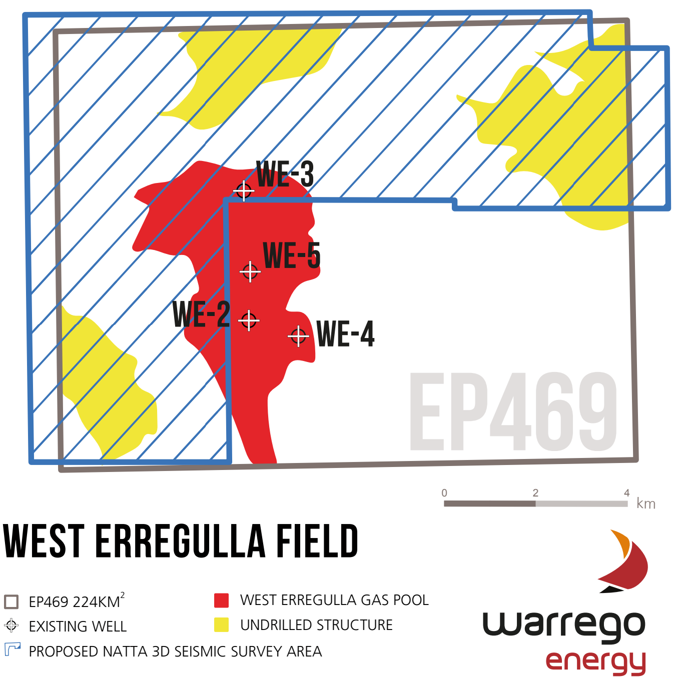
West Erregulla Gas Field Appraisal

The EP469 Joint Venture (50% Warrego, 50% Strike Energy Limited (ASX:STX) (Operator)) continued to appraise the West Erregulla gas field during 2022.

The WE-4 well, a step out appraisal well drilled down-dip on the south-eastern flank of the Central Area of the West Erregulla gas field, commenced flow testing operations in May 2021 over a 75m perforation between 4,847m and 4,962m MDRT. Clean-up of the well was paused due to the presence of sand in the production stream which was successfully controlled. On 10 July, after a 46-hour flow period, WE- 4 achieved a sustained gas flow rate of 35 MMscfd through a 76/64" choke at ~1,770 psig FWHP and produced low salinity water at a rate of 1,365 bbl/d (water entry was observed at 4,630m TVDSS). This was an excellent flow test result for a flank well and strongly correlates with the WE-2 discovery well located on the crest of the Central Area. The WE-4 well was completed for future production.

The WE-5 well, located in the north of the Central Area between WE-2 and the fault that divides the Central from the Northern Area of the field, commenced flow testing operations in July 2021. The well was perforated in two separate zones over a combined 31m interval in the Kingia Sandstone between 4,840m and 4,874m MDRT (4,613m and 4,647m TVDSS). After an extended clean-up period and prolonged flow test, it was determined that the reservoir was unable to overcome a production barrier thought to be well bore skin induced by filtrate from drilling mud invasion and cement resulting from sub-optimal cement placement around the well bore casing.

Figure 1. EP469 including the West Erregulla Gas Field and proposed Natta 3D Seismic Survey area



The primary flow period was conducted over 77 hours. An instantaneous flow rate of 13.1 MMscf/d was achieved while a sustained rate of 5.1 MMscf/d was measured through a 64/64" choke with 260 psig FWHP. Associated water was produced at less than 5.9 bbls/MMscf on average. Gas flows were measured down to 4,670m TVDSS although, due to the compromised flow test, there was no conclusive evidence as to the source of the produced water.

The Joint Venture (JV) is continuing to evaluate the technical options for the remediation 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.

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-3[1] 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 2022 and was within budget.

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. Total payments by Warrego to AGIG for its 50% share of long lead items were $9.14 million (AGIG has been selected to construct the gas processing facility on a Build, Own and Operate basis). The JV is maintaining regular contact with potential debt providers and will advance project financing negotiations once approvals are granted. Discussions to date have centred on forming a "banking club" to provide each JV partner with identical project finance packages on a several basis for their 50% share of Phase 1 of the Project. Funding secured via project debt financing would become available to Warrego after the project receives EPA, regulatory and permit approvals.

[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"*

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 and costings. Warrego and Alcoa remain committed to the long term 155 PJ Gas Sales Agreement[2] and are working together on a revised gas supply start date in line with the revised project schedule.

Warrego has committed to offset 60% of all Scope 1 and Scope 2 greenhouse gas emissions from production of first gas at West Erregulla with a trajectory to net zero by 2050, in accordance with the rigorous targets set in AGIG's proposed Greenhouse Gas Management Plan.

An application to convert EP469 to a Production Licence (PL) is expected to be assessed once the EPA approval process is complete. In addition to the wells already drilled and completed, the JV has agreed to drill an additional production well, WE-6, prior to first gas which will provide redundancy and additional flexibility. Design work for WE-6 has commenced in anticipation of drilling in 2023.

West Erregulla Reserves & Resources

In October 2021 Netherland, Sewell & Associates, Inc. (NSAI) completed its certification of West Erregulla Reserves, Contingent and Prospective Resources on behalf of the EP469 JV[3]. The independent Reserves certification by NSAI strongly correlated with the initial Resources certification that RISC Advisory completed for Warrego in May 2020[4] and supported the ability of the West Erregulla gas field to satisfy foundation gas sales agreements.

NSAI attributed 2P Reserves (proved plus probable) of 300 PJ of gas (gross) to the Kingia reservoir, with 3P upside of 372 PJ (gross). In addition, 2C Contingent Resources of 128 PJ of gas (gross) were assigned to the Kingia and High Cliff reservoirs with a further 198 PJ of gas (gross) in 2U Prospective Resources from the Kingia, High Cliff, Dongara and Wagina reservoirs.

In July 2022, Warrego announced a 41% upgrade to West Erregulla gross 2P Reserves, independently certified by Netherland, Sewell & Associates, Inc. (NSAI)[5]. 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, unrisked)*

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

** West Erregulla Gas Reserves & Resource independently determined by NSAI and announced to ASX on 28 July 2022.*

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 unrisked 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.

Warrego is of the view that there is potential to grow West Erregulla Reserves and Resources through further exploration and appraisal in EP469.

[2] *Issued by Warrego via the ASX on 28 September 2020, "Warrego and Alcoa Sign Large Scale, Long Term Gas Sales Agreement"*
[3] *Issued by Warrego via the ASX on 11 October 2021, "West Erregulla Independent Reserves Certification"*
[4] *Issued by Warrego via the ASX on 18 May 2020, "Certification confirms West Erregulla 2C of 513 Bscf gross"*
[5] *Refer Warrego ASX Announcement of 28 July 2022, "West Erregulla 2P Reserves upgraded by 41%"*

Erregulla Deep exploration and 3D seismic

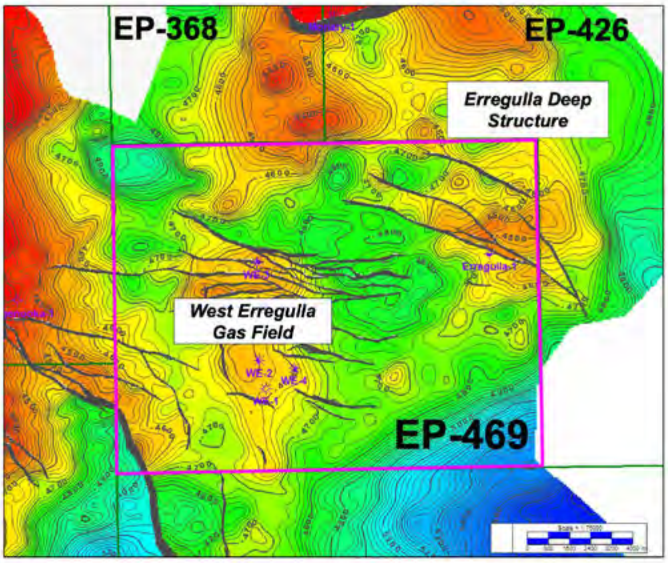
The EP469 JV intends to undertake a 3D seismic survey over the remaining permit areas of interest that are unmapped to provide better definition and enhanced subsurface data over a number of undrilled prospects with potential for future appraisal and development. Only 1/3 of the block has been currently covered by 3D seismic.

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 CY2023. The Natta 3D seismic campaign remains subject to feedback from the EPA and is still pending a determination on the level of assessment.

Warrego has mapped a relatively low risk, high grade conventional gas exploration target in the Erregulla Deep structure, covering over 20 km^2 at the Kingia level between the West Erregulla and Lockyer Deep gas pools.

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.

Figure 2. Top Kingia depth map



** Refer to ASX announcement 9 June 2022*

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 unrisked 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 unrisked 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 unrisked Prospective Resources inside EP469 only ** Net of shrinkage*

Erregulla Deep Resources independently determined by Dr Paul Robinson and announced to ASX on 9 June 2022, "Warrego high-grades Erregulla Deep Structure in EP 469"

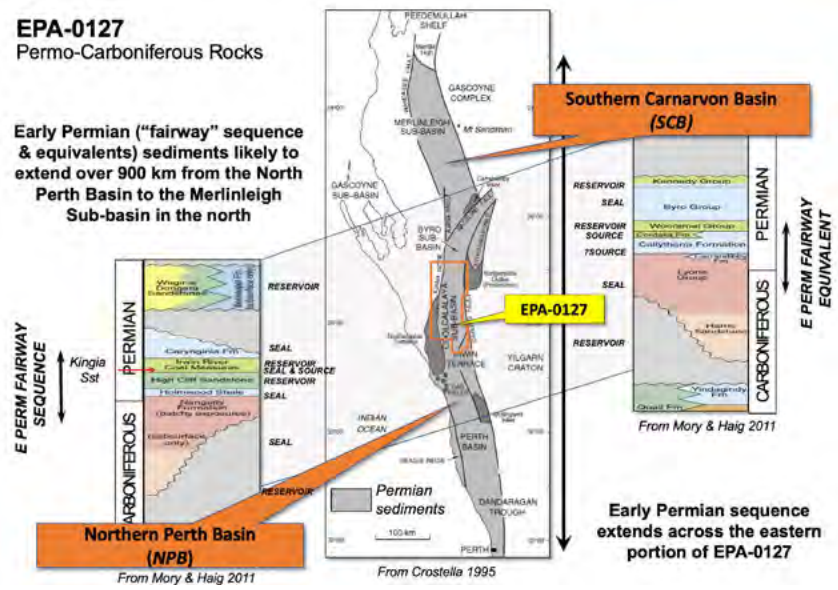
Cautionary Statement on Prospective Resources

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 unrisked 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) onshore Coolcalalaya Sub-Basin, WA

An 8,700 km² (2.2 million acre) permit application, covering an area greater than the whole of the northern Perth basin deep Permian gas play, located onshore in the Coolcalalaya Sub-basin, WA, targeting conventional gas reservoirs.

Figure 3. STP-EPA-0127 map highlighting Permian sequence



Exploration Potential and Permit Grant

At 2.2 million acres (8,700km²), EPA-0127 is the largest exploration permit located onshore Western Australia. The permit area is 130km north of the Waitsia and West Erregulla fields and is in the Coolcalalaya Sub-basin. Extensive analysis of available sub-surface data suggests that extensive Permian ("Waitsia" sequence and equivalent) may extend over 900 km from the Merlineigh Sub-basin to the North Perth Basin with an early Permian sequence that extends across the eastern portion of the permit area.

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.

An updated six-year conventional work program for EPA-0127 was approved by the Department of Mines, Industry Regulation and Safety (DMIRS) in May 2022.

Permit Grant and Native Title

Native title negotiations are ongoing. Warrego is in the process of gaining formal authorisation from the traditional owner groups with native title rights and interests in the permit area. Warrego is working towards finalising all native title agreements by the end of CY2022, which would facilitate the grant of an exploration permit in the first half of CY2023.

Farm-out to Mitsui

On 29 December 2021, Warrego executed a farm-out agreement with Mitsui E&P Australia (MEPAU), a wholly owned subsidiary of Mitsui & Co. Ltd. Under the terms of the farm-out MEPAU will, in exchange for receiving a 50% working interest in the permit, carry 100% of Warrego's exploration costs in the first two years of the planned six-year conventional work program, up to a cap of $1.5 million. MEPAU also has the option to assume operatorship of the permit from year three.

MEPAU is the Australian headquarters for Mitsui & Co. Ltd's energy investments in the region, and is focused on establishing a responsible, reliable and sustainable energy supply to meet growing energy demands. The acquisition of AWE Limited in 2018, including the Waitsia gas field, provided the opportunity for MEPAU to build its capability in the Perth Basin. MEPAU has seven producing assets in Australia and is operator of four facilities in the Mid-West of Western Australia. Mitsui has the ability and reach to export gas to international customers via the North West Shelf facility.

Warrego and MEPAU are negotiating a Joint Operating Agreement (JOA) and are finalising plans to accelerate the approved exploration work program, as well as evaluating the long-term potential for Carbon Capture and Storage (CCS) projects. The farm-out agreement with MEPAU remains subject to grant of the exploration permit.

Hydrogen (H_2) and Carbon Capture and Storage (CCS)

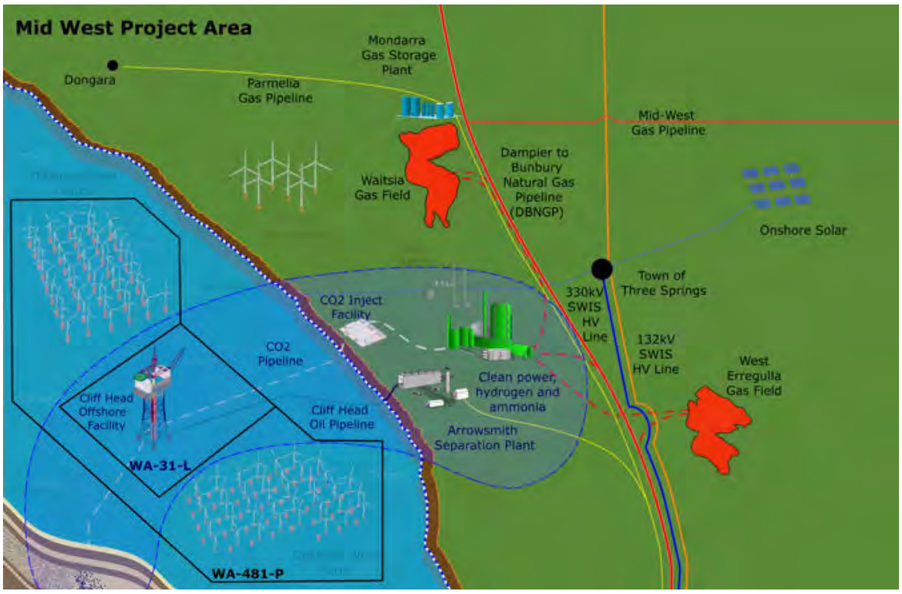
Warrego is committed to achieving net zero carbon emissions by 2050, within the framework of the Paris Agreement and Australian government policy. The increased emphasis on carbon management and decarbonisation from investors and regulators is a high priority issue for Warrego. Although our current emissions are negligible, we are conscious of the need to identify and implement carbon solutions that will help Warrego minimise and offset emissions from any future developments.

Mid-West Blue Hydrogen and CCS Feasibility Study, WA

On 4 November 2021, the Group announced it had 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 and 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.

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 Prospex Energy PLC.

In 2021 Warrego commenced a strategic review of its Spanish assets, focusing on the possible divestment of all or part of its portfolio to maximise shareholder value. Subsequently, European energy prices increased substantially due to sustained high demand over the northern hemisphere winter, followed by the conflict in Ukraine. Dramatic rises in gas and wholesale electricity prices prompted many European countries to re-evaluate their energy policy 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.

These changes have stimulated renewed interest in the development potential of Warrego’s onshore gas and electricity generation assets in Spain. As a result, the range of strategic options available to Warrego to progress the development of its Spanish assets has expanded to include:

- 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; and
- Investigate the long-term potential for gas storage, CCS and other carbon management technologies, and hydrogen production.

El Romeral Power Plant (50.1% interest in Operator[6] and Permits), Seville Region

El Romeral is an integrated gas production and power station operation located on 76,600 acres in the Guadalquivir basin in southern Spain immediately east of Seville. El Romeral comprises three production licences, a 100%-owned 8.1 MW power station supplied by 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 producing gas-fired electricity generating assets in Spain and has operated since March 2021 with an excellent HSE record and no lost time incidents.

[6] *Warrego holds 50.1% of the shares in the Operator of the project, Tarba Energia SL (Tarba). AIM-listed Prospex Energy PLC holds the remaining 49.9% of the shares.*

Operations

During the year, a cost-effective well intervention operations enhancement program was implemented to increase gas and electricity production to capitalise on strong electricity demand in Spain. 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.

Electricity prices have continued at unprecedently high levels increasing income from power generation significantly in the period. 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.

During the year, El Romeral generated A$5,009,000 in gross revenue. This allowed the repayment of A$363,000 to Warrego by its Spanish subsidiary representing cash generated from profitable power generation activities. Warrego's Spanish activities and current business plan are being met through cash flow being generated by its El Romeral operation. Warrego anticipates that the El Romeral operation has the potential to fund the Company's entire General and Administration (G&A) expenses, subject to drilling and production permit approvals.

Drilling and Production Permit Applications

There remains significant capacity to increase electricity generation if the application to drill further infill wells is approved. 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.

Drilling and production permit applications for El Romeral were submitted to the regulator prior to the Climate Change Act being introduced in 2021 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.

Solar Energy Projects and Renewable Co-generation Plan

Towards the end of FY22, work commenced on the first phase of the renewable energy co-generation plan at El Romeral. By leveraging an existing asset to renewable energy, Warrego is reducing its carbon footprint and increasing its revenue generation capacity.

Project Apollo is designed to power a significant proportion of the ancillary services at the plant with renewable energy, thereby leading to reduced self-consumption and increased sales of electricity. An array of 83 photo-voltaic panels was installed in three separate zones on the power plant roof, giving a total installed peak capacity of 41.5 kWh. Project Apollo is expected to generate 66 MWh in the first year and will result in increased sales of electricity for the same amount.

Work commenced in June 2022 and Project Apollo was successfully completed and commissioned on time and on budget in early August. The cost of installation was less than €50,000 which was financed from existing funds held by Tarba.

Project Helios, the second phase of the renewable energy co-generation plan, is a proposed 5MW solar farm located on 10 hectares of land adjacent to the El Romeral power facility. Front End Engineering and Design (FEED) studies have commenced. By adding a solar farm to the El Romeral energy mix, Project Helios has the potential to substantially increase generating capacity and enhance the facility's overall conventional/renewable energy ratio.

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

Tesorillo (85% ownership of Operator and permits), onshore Cadiz Province

The Tesorillo Project in the Cadiz Province of Southern Spain covers 94,000 acres and comprises two petroleum exploration licences, the Tesorillo and Ruedalabola Permits, and a conventional gas discovery at the El Almarchal-1 well. Warrego is targeting conventional sandstone reservoirs and there are no financial or drilling commitments attached to the permits.

Tesorillo is estimated to contain 830 Bcf gross unrisked prospective resources on a best estimate basis and has excellent proximity to existing pipeline infrastructure.

Table 3. Tesorillo Unrisked Prospective Resource (Bcf)

	Low Estimate (1U)		Best Estimate (2U)		High Estimate (3U)	
	Gross	Net**	Gross	Net**	Gross	Net**
Prospective Resource (Bcf)*	220	187	**830**	**705**	2289	1946

** Estimates of Unrisked Prospective Resources independently determined by Netherland, Sewell & Associates, Inc. (NSAI) on 5 May 2015 and announced to ASX on 7 May 2015.*

*** Tarba Energia SL (Tarba) is a controlled entity of the Group. Warrego holds 50.1% and 85% of the shares in the El Romeral project and the Tesorillo project respectively. AIM-listed Prospex Energy PLC holds the remaining 49.9% and 15% of the shares in the El Romeral project and Tesorillo project respectively. Refer to notes 13 and 30 for further detailed information.*

Cautionary Statement on Prospective Resources

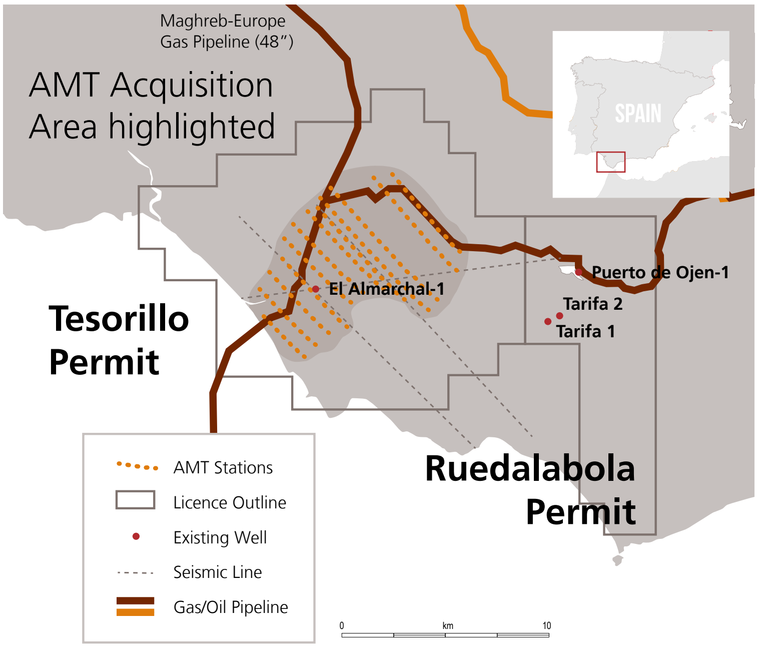
Prospective Resources are those quantities of hydrocarbons which are estimated as of a given date to be potentially recoverable from undiscovered accumulations by the application of future development projects. These estimates have both an associated risk of discovery and a risk of development. The Prospective Resources shown in this announcement are probabilistically determined and unrisked 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.

Drilling and Production Permit Applications

The energy crisis in the northern hemisphere has highlighted the critical need for reliable local supplies of natural gas across Europe. Against this backdrop, with the freeing of COVID restrictions, Warrego's UK team has increased its efforts with various government agencies to progress drilling approvals. An application for progression to a production permit for Tesorillo was submitted to the Ministry along with a field development plan for approval in Q4 FY21. Discussions with the Ministry have made good progress and, subject to requests for further information, Warrego anticipates a response in the second half of CY 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.

Figure 5. Location of the Tesorillo Project, including the El Almarchal-1 discovery well



Reserves and Resources

The Company is not aware of any new information or data that materially affects the Reserves and Resources information included in this announcement and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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 considered to be 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

Share Placements

On 2 July 2021, Tranche One of the $50 million two-tranche placement was completed, raising a total of $32,357,037 (147,077,439 fully paid ordinary shares). On 17 August 2021, Tranche Two was completed, with a total of $17,642,964 raised (80,195,289 fully paid ordinary shares).

Proceeds from the placement have and will be used to fund Warrego's 50% share of commitments for Phase 1 of the West Erregulla gas project, including long lead items for the 87 TJ/d gas processing plant and the upstream gathering system; unbudgeted costs associated with the re-entry, drilling, testing and completion of the currently suspended WE-3 well; 3D seismic over the balance of the EP469 permit; early-stage exploration activity of EPA-0127; and general working capital.

The Company held an Extraordinary General Meeting as a virtual meeting on 10 August 2021 with all resolutions passed by an overwhelming majority including the approval of Tranche 2 of the share placement and the approval of the Long-Term Incentive (LTI) Plan including approval to issue performance rights under the LTI plan.

In March 2022, Warrego commenced a buyback and cancellation of 750,000 of Employee Incentive Scheme (EIS) shares that were issued subject to loan arrangements to former employees of the Company. Under their terms of issue, the EIS shares were bought back in consideration for the repayment and extinguishment of the corresponding outstanding loans. The buy-backs were cash neutral to the Company. The buy-back and cancellation was completed on 14 April 2022. Upon completion there were no other EIS shares outstanding.

Shareholder Meetings

The Company held its Annual General Meeting as a virtual meeting on 24 November 2021 with all resolutions passed.

Reorganisation and Other Corporate Matters

Executive Director, Mr David Biggs, resigned from the Board and his management position as CEO Australia on 31 December 2021.

The Company made changes to its management structure in Europe, including Mr Duncan MacNiven and Mr Owain Franks retiring from the business. Both Mr MacNiven and Mr Franks remain significant shareholders.

Mr Dennis Donald remains as sole Managing Director and Group CEO and will oversee the Spanish and the Australian operations. The Company's Western Australian based management team will continue working under Mr Donald's direction.

Mr Michael Atkins, B. Comm (WA) FAICD, was appointed as a non-executive Director of Warrego Energy Limited on 31 December 2021. Based in Perth, Michael has a successful history as an executive and non-executive chairman and director of over 20 publicly listed companies.

Subsequent Events

No matter has arisen in the interval since 30 June 2022 and up to the date of this report that in the opinion of the directors has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods other than the following:

- In July 2022, Warrego announced a 41% upgrade to West Erregulla gross 2P Reserves, independently certified by NSAI[7]. 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).
- In August 2022, preliminary analysis of WE3 testing (7 days of flow testing) indicated a substantial sized connected reserve resulting from an excellent production test. WE3 stabilised rates of 83 mmscfd were recorded with a high flowing well head pressure of 3,474 psi on a 68/64" choke and were limited by surface equipment with well head pressures indicating the potential to stably flow at higher rates[8].
- In September 2022, Warrego announced the completion of a detailed Feasibility Study into the potential for a Blue Hydrogen and Carbon Capture and Storage (CCS) project in the Mid-West region of Western Australia[9].

Significant Changes In The State Of Affairs

There were no significant changes in the state of affairs for the Group during the financial year.

Dividends

No dividends have been paid or declared during or since the end of the financial year.

[7] *Refer Warrego ASX announcement of 28 July 2022, "West Erregulla 2P Reserves upgraded by 41%"*
[8] *Refer Strike Energy Limited (ASX:STX) announcement of 28 August 2022 "West Erregulla-3 confirmed as major producer"*
[9] *Refer Warrego ASX Announcement of 19 September 2022 "Completion of Blue Hydrogen and CCS Project Feasibility Study"*

Likely Development and Expected Results Of Operations

The Group intends to continue its exploration, development and production activities on its Tesorillo and El Romeral Spain projects and onshore Perth Basin Western Australia project. The outcome of these developments is dependent on successful exploration, evaluation and in the case of the Perth Basin, successful gas marketing activities.

Business Risks

The Group undertook an extensive risk review process during the year. The Group's primary focus is both on gas exploration activities and the commercialisation of the West Erregulla gas discovery. Any profitability in the future from the Group's business will be dependent upon successful exploration, development, production and marketing of hydrocarbons from the petroleum exploration licences. The following exposures to business risk may affect the Group's ability to achieve the above prospects:

Exploration and Production

The business of exploration and project development involves a degree of risk. To prosper, the Group depends on factors that include: successful acquisition of appropriate exploration licences; successful exploration and the establishment of gas resources and reserves; design, construction and operation of efficient production infrastructure; managerial performance and efficient marketing of the products. Exploration is a speculative endeavour. Exploration and development operations can be hampered by force majeure circumstances and cost overruns for unforeseen events, including unexpected variations in location and quality of the petroleum and equipment and plant malfunction.

Funding Risk

The Group's principal exploration focus remains the onshore Perth Basin and the project funding risk following the 2019 discovery in the West Erregulla 2 well has been placed in scale and is understood by Australian investors. However, additional capital will be required to fully realise the full potential of all the Group's assets and there is no certainty that the Group will be able to raise additional capital, or that it will be able to do so on favourable terms.

If the Group cannot raise additional capital through the issue of additional shares, it may be forced to dispose of some or all of its interest in one or more of its assets. If the Group is required to dispose of assets in those circumstances to a third party, it is possible that such disposal will not be on favourable terms, including disposal price.

Risk of Foreign Operations

The Group operates and invests in Australia and Spain where there may be a number of associated risks over which it will have no or limited control. These may include economic, social, or political instability or change, nationalisation, expropriation of property without fair compensation, cancellation or modification of contract rights, hyperinflation, currency non-convertibility or instability, and changes of laws affecting foreign ownership, government participation, royalties, taxation, working conditions, foreign nationals work permits, rates of exchange, exchange control, exploration licensing, minerals export licensing, export duties, government control over product pricing, and other risks arising out of foreign governmental sovereignty over the areas in which the Group's operations are conducted, as well as risks of loss due to Covid-19 and other pandemics, civil strife, acts of war, terrorism, guerrilla activities and insurrections.

The Group's operations may also be adversely affected by laws and policies of Australia affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with its operations the Group may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Australia or enforcing Australian judgements in foreign jurisdictions.

Environmental Impact Constraints

The Group's operations are subject to the environmental risks inherent in the oil and gas industry. The Group's exploration and development programmes are, in general, subject to approval by government authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals will prevent the Group from undertaking the desired activities.

Exploration and development of any of the Group's properties is also dependent on meeting planning and environmental laws and guidelines.

The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Group's business, financial condition and results of production operations.

Environmental Regulations

The Group's operations are subject to significant environmental and other regulations. The Group has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration and production activities. There have been no breaches of environmental regulations resulting in damage to the environment in the financial period and at the date of this report.

COVID-19

Whilst the COVID-19 pandemic continues to present significant challenges throughout the Australian economy and energy sector this year, the Company remains well positioned to execute its strategy. There were no material impacts of COVID-19 on the Financial Report as at 30 June 2022, however the Company will continue to monitor any future consequences due to the potential uncertainty in the medium to long term.

Information On Directors

Greg Columbus, MBA Non-Executive Chairman (Independent)

Greg has over 30 years of experience in the Energy, Oil and Gas sectors including technical, commercial and executive roles. He is an experienced director with commercial strategy, corporate finance and legal experience. Greg has over these years gained valuable business experience in delivering large, complex oil and gas projects and has, along the course of his career, also carved out strong strategic vision and been involved in numerous M&A activities.

He is also the Managing Director and a Main Board Director for Clarke Energy Group (A Kohler Company) for the past 18 years. Clarke Energy is a privately owned, multinational energy solutions company specialising in the engineering, installation and maintenance of power plants and gas compression stations, operating in 28 countries.

Greg is also a non-executive of Galilee Energy (ASX: GLL). He is also currently Chairman of Young Presidents Organisation Gold (YPOG) Chapter in South Australia.

Greg has committee experience, serving on audit and compliance, remuneration and health and safety committees. Greg is also a non-executive director of Galilee Energy Limited (ASX: GLL, appointed 17 September 2020).

Special responsibilities: Non-executive Chairman, Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee.

Dennis Donald Group Chief Executive Officer & Managing Director

Dennis left the armed forces in the early 70s to pursue a career in the North Sea oil and gas industry with Shell.

Beginning his career on the drill floor Dennis was latterly instrumental in the introduction of new technology into the Brent Fields, including the first platform Coiled Tubing Drilling project. Dennis left Shell in 1998 having anticipated a growing need in the oil sector for advanced drilling engineering capability.

Dennis set up a specialist drilling consultancy, Leading Edge Advantage in 1998 with Duncan MacNiven as legal counsel growing it into a global brand within 10 years.

Dennis holds a Master's Degree in Management Studies from Robert Gordon University.

Michael Atkins Non-Executive Director (Independent) (appointed on 31 December 2021)

Michael is a Fellow of the Australian Institute of Company Directors and was previously a Fellow of the Institute of Chartered Accountants in Australia.

Since 1987 he has been involved in the executive management and as a non-executive Chairman of numerous publicly listed resource companies with operations in Australia, USA, South East Asia and Africa, including as managing director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction phase, and as founder and executive chairman of Botswana gold company Gallery Gold Ltd. Michael has been non-executive Chairman of numerous ASX listed companies, including Westgold Resources and Azumah Resources.

Between 2009 and November 2021, Mr Atkins was a Director–Corporate Finance at Patersons Securities Limited and then Senior Advisor- Corporate Finance at Canaccord Genuity (Australia) Ltd, where he advised on the formation of, capital raising for, and corporate advice to ASX companies in various sectors including the resources and health sectors.

He is currently non-executive chairman of Castle Minerals Ltd and Legend Mining Limited, and non- executive director of SRG Global Limited, all ASX listed. Mr Atkins was non-executive Chairman of Azumah Resources Limited before its takeover in December 2019 and has not held any other former public company directorships in the last three years.

Special responsibilities: Member, (Chairman) of the Audit Committee and Member of the Remuneration and Nomination Committee from 31 December 2021.

Mark Routh, MSc Non-Executive Director

Mark served as the Chief Executive Officer of AIM listed Independent Oil and Gas Plc from August 2011 until February 2018 and served as its Chairman from February 2018 until December 2018.

Mark was the Founder and Managing Director of CH4 Energy Ltd from 2002 until 2006, when it was acquired by Venture Production plc. Mark served 10 years with Hess in the UK, 6 years with BP in the UK and 5 years with Schlumberger in South East Asia and the UK. His last role at Amerada Hess was SNS / Gas Area Business Manager, responsible for the exploration, appraisal, development and production of all assets in the Southern North Sea and gas assets in the Central North Sea.

Mark was Chairman of the Board of Warrego Energy Ltd UK from October 2010 and moved to be a non-executive director upon the reverse takeover with Petrel Energy. He has over 35 years of experience in the Oil & Gas Industry, covering commercial/asset management and area management. Mark has a BSc in Electrical Engineering from the University of Sussex and a MSc in Petroleum Engineering from Imperial College. Mark was appointed Managing Director of Prospex Energy Plc on 26 July 2021.

Special responsibilities: Member (Chairman from 1 August 2020 to 31 December 2021) of the Audit Committee and Member of the Remuneration and Nomination Committee.

David Biggs, LLB Executive Director – CEO Australia (resigned on 31 December 2021)

David has over 36 years of experience in the upstream oil and gas sector. David has worked extensively throughout Australia, New Zealand, Asia, the Middle East, Africa and the Americas with both large multi- national and smaller organisations.

David was CEO and Managing Director of AWE Limited (ASX: AWE). AWE accepted a $602 million takeover bid from Japanese firm Mitsui in February 2018 after rejecting two other bids in the preceding months. The principal asset being purchased by Mitsui was the Waitsia field, 16km west of Petrel/Warrego's West Erregulla-2 well. The Waitsia-4 well which recorded a maximum flow rate of 90 MMscf/d, the highest ever recorded onshore Australia. Prior to AWE, David spent 3 years as CEO of Cue Energy Limited, and before that, almost 20 years with BHP Billiton Petroleum, rising to the positions of Vice President, Commercial and Vice President, Land and Upstream Agreements, based in Houston. Part of these responsibilities included membership of the exploration leadership team. Prior to BHP Billiton Petroleum, David worked with the Natural Gas Corporation and the Petroleum Corporation of New Zealand. David brings extensive experience in leadership, strategy and planning, business improvement, and commercial transactions, particularly M&A and gas marketing. David holds a tertiary qualification in law from Victoria University in Wellington.

Interest in securities of the Company and related bodies corporate

As at 30 June 2022, the interest of directors in the shares and options of the Company were:

Directors	Number of ordinary shares	Number of options	Number of performance rights
Greg Columbus	38,863,398	3,333,333	-
Dennis Donald	145,176,736	-	1,912,568
Michael Atkins	-	-	-
Mark Routh	14,114,064	3,333,333	-

Information On Company Secretary

John Newman, BEc, LLB (resigned as company secretary on 1 July 2022)

Shannon Coates (appointed as company secretary on 1 July 2022)

Shannon is a qualified lawyer, Chartered Secretary and graduate of the AICD's Company Directors course. She has more than 25 years' experience in corporate law and compliance, is an Executive Director of national corporate advisory firm Emerson CoSec and is currently company secretary to a number of ASX listed companies, with a strong focus on resources.

Information On Chief Financial Officer

Jani Surjan

Jani is a Chartered Accountant with over 26 years of commercial and public practice experience predominantly within the oil and gas, health and aged care sectors. His early career included working with a chartered accounting firm for over 7 years.

Jani has held several senior finance positions including Chief Financial Officer for ASX Listed Nido Petroleum Limited and Financial Controller for ASX Listed Tap Oil Limited and St John of God Health Care Group. In these roles he was responsible for financial and accounting matters, joint venture reporting, treasury, negotiation of debt facilities, statutory reporting and taxation.

He graduated from Curtin University of Technology with a Bachelor of Commerce and completed various post graduate studies with professional bodies. These include the Institute of Chartered Accountants in Australia, the Tax Institute of Australia, the Australian Institute of Company Directors and Governance Institute of Australia.

Information On General Manager

Dr Cathy McKeagney

Cathy graduated in Geology (BSc Hons) from Birmingham University in 1994, followed by a PhD from Southampton University and a Graduate Diploma in Applied Finance and Investment from FINSIA.

Her role as a geologist, working in gold and base metal mining and exploration, has taken her to Southern Africa, New Zealand, Queensland and Western Australia.

Since transitioning from technical roles to the commercial side of the petroleum industry, she has carved out a highly successful career in the Australian gas industry, predominantly in the Western Australian domestic gas market working with North West Shelf Gas, Woodside, BHP, AWE and Mitsui. She has also had Eastern States' gas market exposure working on both Gippsland Basin and Otway Basin assets.

Information On Manager New Ventures And ESG / General Counsel

John Newman, BEc, LLB (resigned as company secretary on 1 July 2022)

John is a qualified lawyer and has over 25 years of legal, corporate and commercial experience. He brings extensive transactional experience in upstream oil and gas including M&A, farm-outs, native title, land access, capital raisings, debt financing and significant listed Company Secretarial experience.

John's previous roles include General Counsel and Company Secretary at Nido Petroleum Limited, Legal Manager Onshore WA & Company Secretary for AWE Limited / Mitsui E&P Australia and most recently Managing Counsel at Jadestone Energy Inc.

Earlier in his career John worked in-house as a lawyer for a peak Aboriginal representative body, the Northern Land Council based in Darwin where he represented traditional Aboriginal owners and for the Refugee and Immigration Legal Centre in Melbourne where he represented refugees and migrants including immigration detention cases.

Meetings Of Directors

The following table sets out the number of Board meetings held by the directors of the Company during the financial year ended 30 June 2022 and the number of meetings attended by each director:

Directors	No. of meetings attended	No. of meetings held while in office
Greg Columbus	8	8
Dennis Donald	8	8
Michael Atkins	4	4
Mark Routh	8	8
David Biggs	4	4

The Audit Committee met twice during the financial year ended 30 June 2022.

Directors	No. of meetings attended	No. of meetings held while in office
Michael Atkins	1	1
Greg Columbus	2	2
Mark Routh	2	2

The Remuneration and Nomination Committee met five times during the financial year ended 30 June 2022.

Directors	No. of meetings attended	No. of meetings held while in office
Greg Columbus	5	5
Michael Atkins	2	2
Mark Routh	4	5

Remuneration Report (Audited)

The Remuneration Report, which has been audited, outlines the directors' and executives' remuneration arrangements for the Group and the Company in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The Remuneration Report is set out under the following headings:

a) Key Management Personnel

b) Remuneration Policy and Practices

c) Details of Remuneration

Key Management Personnel

The key management personnel of the Group consisted of the directors of Warrego Energy Limited and the following executives:

Jani Surjan – Chief Financial Officer

Dr Cathy McKeagney – General Manager*

John Newman – Manager New Ventures and ESG / General Counsel

**Key Management Personnel effective 18 August 2021*

Remuneration Policy and Practices

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability and alignment with shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for the directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Remuneration and Nomination Committee, taking advice where necessary, has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

Alignment with shareholders' interests:

- focuses on sustained growth in shareholder wealth, consisting of growth in share price, and delivering increasing return on assets as well as focusing the executive on key non-financial drivers of value such as oil and gas production, reserves, health, safety and environment; and
- attracts and retains high calibre executives.

Alignment of program to participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth; and
- provides a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive directors' and executives' remuneration are separate.

Non-executive Directors

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities as well as capability and experience. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practices.

The base fee (inclusive of the superannuation guarantee contributions) for the Chairman is $75,000 per annum and each other non-executive for all Board activities is $55,000 per annum. An additional $15,000 per annum is paid for chairing a Board committee and $10,000 per annum is paid for being member of a Board committee. The superannuation guarantee contributions where applicable are paid to each non-executive director's personal retirement plan.

Executives

The Group aims to reward executives with a level and mix of both fixed and variable remuneration based on their position and responsibility. The executive remuneration and reward framework have four components:

- base pay;
- short-term performance incentives;
- share-based payments or long term performance incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Total fixed remuneration ('TFR'), consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee, based on individual and overall performance of the Group and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the Group with those of the executives accountable for meeting those targets. STI payments are granted to executives based on performance indicators including HSE performance, share price growth, reserve and resources growth, development milestones and governance improvements.

Details of remuneration

1 July 2021 to 30 June 2022	Short term Salary, fees & leave $	STI payments $	Consultancy payments $	Termination Benefits $	Post employment-Super-annuation $	Share based payments – Equity Settled $	Other Long Term Benefits $	Total $
Non-executive directors								
G. Columbus	100,000	-	30,000	-	-	-	-	130,000
M. Routh	77,223	-	-	-	-	-	-	77,223
M. Atkins(i)	37,177	-	24,000	-	-	-	-	61,177
Total	**214,400**	**-**	**54,000**	**-**	**-**	**-**	**-**	**268,400**
Executive directors								
D. Donald	478,905	98,772	-	-	-	116,076	-	693,753
D. Biggs(ii)	226,843	130,375	-	186,250	27,500	-	-	570,968
Total	**705,748**	**229,147**	**-**	**186,250**	**27,500**	**116,076**	**-**	**1,264,721**
Other key management								
J. Surjan	340,525	73,605	-	-	27,500	70,009	-	511,639
J. Newman	277,450	60,990	-	-	27,500	56,330	-	422,270
C. McKeagney(iii)	258,413	63,413	-	-	27,500	57,006	-	406,332
Total	**876,388**	**198,008**	**-**	**-**	**82,500**	**183,345**	**-**	**1,340,241**
Total	**1,796,536**	**427,155**	**54,000**	**186,250**	**110,000**	**299,421**	**-**	**2,873,362**

(i) Mr Michael Atkins appointed as Non-executive Director on 31 December 2021.

(ii) Mr David Biggs resigned as Executive Director – CEO Australia on 31 December 2021.

(iii) Dr Cathy McKeagney became a KMP effective 18 August 2021.

(iv) Remuneration includes a portion of the notional value of equity compensation granted or outstanding during in accordance with the Australian Accounting Standards. Share options based on the Black Scholes model. Performance rights issued during the period under the long term incentive plan have been valued on a Monte Carlo simulation. The fair value of the equity instruments which do not vest during the reporting period are determined as at the grant date and are progressively expensed over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the rights vest.

1 July 2020 to 30 June 2021	Short term Salary, fees & leave $	STI payments $	Consultancy payments $	Termination Benefits $	Post employment-Super-annuation $	Share based payments - Equity Settled $	Other Long Term Benefits $	Total $
Non-executive directors								
G. Columbus	95,833	-	-	-	-	203,258	-	299,091
M. Routh	75,479	-	-	-	-	203,258	-	278,737
D. Biggs(i)	3,044	-	-	-	289	203,258	-	206,591
Total	**174,356**	**-**	**-**	**-**	**289**	**609,774**	**-**	**784,419**
Executive directors								
D. Donald	433,295	220,875	-	-	-	-	-	654,170
D. Biggs (i)	343,749	124,688	-	-	22,917	-	-	491,354
O. Franks (ii)	48,594	-	-	-	-	-	-	48,594
Total	**825,638**	**345,563**	**-**	**-**	**22,917**	**-**		**1,194,118**
Other key management								
O. Franks (ii)	96,843	-	-	-	-	-	-	96,843
J. Surjan (iii)	194,892	108,165	-	-	14,583	-	-	317,640
J. Newman (iv)	208,333	84,175	-	-	29,167	-	-	321,675
I. Kirkham (v)	79,538	-	-	-	7,556	-	-	87,094
Total	**579,606**	**192,340**	**-**	**-**	**51,306**	**-**	**-**	**823,252**
Total	**1,579,600**	**537,903**	**-**	**-**	**74,512**	**609,774**	**-**	**2,801,789**

(i) Mr David Biggs appointed as Executive Director – CEO Australia 1 August 2020 (Non-executive Director prior 1 August 2020)

(ii) Owain Franks resigned as Executive Director and appointed as Chief Financial Officer at the same time on 1 September 2020. Owain Franks stepped down as Chief Financial Officer on 1 December 2020 and remains as President Europe with the company.

(iii) Mr Jani Surjan appointed as Chief Financial Officer on 1 December 2020.

(iv) Mr John Newman appointed as Company Secretary on 1 September 2020.

(v) Mr Ian Kirkham resigned on 1 September 2020.

(vi) Remuneration includes a portion of the notional value of equity compensation granted or outstanding during in accordance with the Australian Accounting Standards. Share options based on the Black Scholes model. Performance rights issued during the period under the long term incentive plan have been valued on a Monte Carlo simulation. The fair value of the equity instruments which do not vest during the reporting period are determined as at the grant date and are progressively expensed over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the rights vest.

	Fixed remuneration		At risk - STI		At risk - LTI	
	2022	2021	2022	2021	2022	2021
Non-executive directors						
G. Columbus	100%	32%	-	-	-	68%
M. Routh	100%	27%	-	-	-	73%
M. Atkins	100%	-	-	-	-	-
D. Biggs	-	2%	-	-	-	98%
Executive directors						
D. Donald	68%	66%	14%	34%	17%	-
D. Biggs	77%	75%	23%	25%	-	-
Other key management						
J. Surjan	72%	66%	14%	34%	14%	-
J Newman	72%	74%	14%	26%	13%	-
C. McKeagney	70%	-	16%	-	14%	-
O. Franks	-	100%	-	-	-	-
I. Kirkham	-	100%	-	-	-	-

There were $427,155 (2021: $537,903) of cash bonus payments during the financial year by the Group to key management personnel as part of their remuneration determined on growth of share price, reserves, production and net profit.

Service Agreements

Remuneration and other terms of employment for current key management personnel are formalised in service agreements.

There were no employment agreements for key management personnel other than the following:

Dennis Donald, Chief Executive Officer and Managing Director - TFR: $514,500*

Jani Surjan, Chief Financial Officer – TFR: $376,950*

Dr Cathy McKeagney, General Manager – TFR: $349,125*

John Newman, Manager New Ventures and ESG / General Counsel – TFR: $324,900*

**Revised TFR effective from 1 January 2022.*

Common key management employment terms:

- Salary Review: at earlier of material change in Company activities or 30 June 2022.
- Termination notice given by the Company - 6 months
- Short Term Incentives (STI)
    - For KMP other than the Managing Director “at risk” STI up to a maximum of 35% of Base Salary
    - For the Managing Director “at risk” STI up to a maximum of 50% of Base Salary
- Long Term Incentives (LTI)
- LTI – A formal LTI Plan was developed during the year.

The purpose of the LTI Plan is to motivate and attract employees and enable them to share in the rewards of the future success of the Company. The Board is of the view that a LTI Plan will better enable the Company to motivate and reward employees in the long run.

The Key Features of the Company's LTI Plan are as follows:

- LTIP Award: Awards are proposed to be awarded on an annual basis in the form of Performance Rights.
- Performance Rights: Performance rights issued pursuant to the LTI Plan are rights that vest and may be exercised into shares based on vesting conditions determined by the Board.
- Eligibility: Executive KMP, senior managers and staff.
- Vesting: The Board has determined that the Performance Rights will vest subject to the satisfaction of performance measures over the relevant performance periods. 50% of the Performance Rights will vest if the Company exceeds certain "Absolute TSR" hurdles and the other 50% will vest if the Company exceeds certain "Relative TSR" hurdles.

Upon vesting, each Performance Right will be exercisable over one (1) Share in the Company. Shares will be issued upon exercise of the Performance Rights for nil consideration, and exercise will occur immediately upon vesting of the Performance Right (subject to Corporations Act and Listing Rule limitations).

For the purposes of the LTI Plan:

- "Absolute TSR" means total shareholder return (TSR) as applied to the Company defined as (A) the Share Price at the end of the applicable Measurement Period minus the Share Price at the beginning of the applicable Measurement Period, plus dividends and distributions made during the applicable Measurement Period, divided by (B) the Share Price at the beginning of the applicable Measurement Period, expressed as a percentage return.
- "Relative TSR" means the change in TSR over a Measurement Period when compared to a comparator group of companies, measured as Warrego's percentile ranking in the comparator group, where TSR for Warrego and for each company with this comparator group is its Absolute TSR.
- "Comparator Group" means Strike Energy Limited, Cooper Energy Limited, Galilee Energy Limited, Senex Energy Limited, Empire Energy Limited, Blue Energy Limited, Central Petroleum Limited, Comet Ridge Limited and Armour Energy Limited.
- "Measurement Period" means the period of 3 years from the date of grant of the Performance Rights. The grant date of the Performance Rights is the date of approval of the relevant grant by the Board of the Company.
- "Share Price" is determined as the 20 day VWAP as at the first day of the Measurement Period and the last day of the Measurement Period.

Proposed Level of Awards under LTI Plan:

The Board has determined the following level of awards:

- Managing Director: an award equivalent to 100% of Total Fixed Remuneration
- Senior Managers and Executive KMP: an award equivalent to 70% of Total Fixed Remuneration.
- Other employees: an award equivalent to 30% of Total Fixed Remuneration.

FY21 LTIP Performance rights

There were no formal awards issued in the prior year (30 June 2021) as the Board determined that no award would occur until shareholders had approved the LTI Plan.

In this reporting period formal awards under the LTI Plan were issued on 31 August 2021, following shareholder approval of the LTI Plan at the Company's EGM held on 10 August 2021. These awards were issued in recognition for performance during the 20/21 Financial Year.

FY22 LTIP Performance rights

Given that the LTI Plan had been approved, the award under the program for the 21/22 Financial Year were issued on 24 May 2022 with future awards to be issued annually (as determined by the Board) within the performance period.

The full Board considered the allocation of the FY22 LTIP performance rights award set against the backdrop of the recent $50 million share placement and the present lower share price position.

The Board (at its discretion) and in harmony with the Managing Director agreed not to award the FY22 LTIP performance rights to Mr Donald. The Board agreed to award the KMP and other employees at a similar quantum as to the FY21 performance rights (adjusted for FY22 base remuneration). In order to recognise stake holder alignment, it was also decided to apply a floor price for measuring absolute TSR of 20 cents per share in lieu of the lower 20 day VWAP share price at the commencement of the measurement period, thereby mitigating the potential dilutionary effect on all shareholders.

Share-based compensation

The performance rights and options granted are to incentivise personnel to work towards and provide rewards for achieving the Company's strategic goals and improving the Company's value as determined by the market price of its shares. The Company has the following performance rights and options issued to KMP directors and executives in existence during the current and prior reporting periods.

Performance rights

Details of interest under performance rights to Directors and KMP as at the date of this report are:

Instrument	Grant Date	Vesting Date	Expiry Date	Fair Value	Exercise price	Number
FY21 LTIP Performance Rights						
Absolute TSR	10/8/21	8/6/24	8/9/24	0.201	nil	2,225,547
Relative TSR	10/8/21	8/6/24	8/9/24	0.186	nil	2,225,547
						4,451,094
FY22 LTIP Performance Rights						
Absolute TSR	17/3/22	17/3/25	17/6/25	0.116	nil	1,441,547
Relative TSR	17/3/22	17/3/25	17/6/25	0.096	nil	1,441,547
						2,883,094
					Total	**7,334,188**

Vesting details

Measure	Weighting	Definition	Hurdles	Vesting Percentage
Absolute TSR	50%	The Company's Absolute TSR calculated as at the vesting date	<10%	0
			10% to <15%	25%
			15% to <20%	50%
			20% to <25%	75%
			25% or more	100%
Relative TSR	50%	The Company's achieves a TSR relative to a comparator group of companies over a three year performance period	<50th percentile	0
			50th to <60th percentile	25%
			60th to <70th percentile	50%
			70th to <80th percentile	75%
			80th percentile or higher	100%

The following table summarises the performance rights granted, vested, expired and forfeited during the year.

Name	Grant Date	Balance at start of year	Granted		Vested		Forfeited		Expired	Balance at end of year (unvested)	Total value expensed in current year	Total value yet to be expensed
		#	#	$	#	%	#	$	#	#	$	$
G. Columbus	-	-	-	-	-	-	-	-	-	-	-	-
M. Routh	-	-	-	-	-	-	-	-	-	-	-	-
M. Atkins(ii)	-	-	-	-	-	-	-	-	-	-	-	-
D. Donald	10/8/21	-	1,912,568	370,082	-	-	-	-	-	1,912,568	116,076	254,006
	17/3/22	-	-	-	-	-	-	-	-	-	-	-
Total		**-**	**1,912,568**	**370,082**	**-**	**-**	**-**	**-**	**-**	**1,912,568**	**116,076**	**254,006**
D. Biggs(i)	10/8/21	-	1,092,896	211,475	-	-	(1,092,896)	(211,475)	-	-	-	-
J. Surjan	10/8/21	-	981,148	189,852	-	-	-	-	-	981,148	59,546	130,305
	17/3/22	-	1,030,205	109,202	-	-	-	-	-	1,030,205	10,462	98,740
Total		**-**	**2,011,353**	**299,054**	**-**	**-**	**-**	**-**	**-**	**2,011,353**	**70,009**	**229,045**
J. Newman	10/8/21	-	778,689	150,676	-	-	-	-	-	778,689	47,260	103,416
	17/3/22	-	893,147	94,674	-	-	-	-	-	893,147	9,070	85,604
Total		**-**	**1,671,836**	**245,350**	**-**	**-**	**-**	**-**	**-**	**1,671,836**	**56,330**	**189,020**
C.McKeagney	10/8/21	-	778,689	150,676	-	-	-	-	-	778,689	47,260	103,416
(iii)	17/3/22	-	959,742	101,733	-	-	-	-	-	959,742	9,746	91,987
Total		**-**	**1,738,431**	**252,409**	**-**	**-**	**-**	**-**	**-**	**1,738,431**	**57,006**	**195,403**
Total		**-**	**8,427,084**	**1,378,370**	**-**	**-**	**(1,092,896)**	**(211,475)**	**-**	**7,334,188**	**299,420**	**867,474**

i) David Biggs resigned as Executive Director – CEO Australia on 31 December 2021
ii) Michael Atkins appointed as Non-executive Director on 31 December 2021.
iii) Dr Cathy McKeagney became a KMP effective 18 August 2021.

Option holdings

There were no options issued during the year, share based compensation nil.

In 2021 9,999,999 options at an exercise price of $0.28 each were issued to Non-Executive Directors G. Columbus, M. Routh and D. Biggs resulting in $609,774 of share-based compensation.

Share holdings

The number of shares in the Company held during the 2022 financial year by each director and other key management personnel of Warrego Energy Limited, including their personally related parties, is set out below.

Name	Balance at start of the year/on appointment	Purchased during the year	Sold during the year	Reverse Takeover Consideration Securities	Balance at the end of the year/on vacating office
G. Columbus	37,727,033	1,136,365	-	-	38,863,398
D. Donald	145,176,736	-	-	-	145,176,736
D. Biggs (i)	571,824	-	-	-	571,824
M. Routh	14,114,064	-	-	-	14,114,064
M. Atkins (ii)	-	-	-	-	-
J. Surjan	-	-	-	-	-
J. Newman	-	-	-	-	-
C. McKeagney (iii)	-	-	-	-	-
	197,589,657	**1,136,365**	**-**	**-**	**198,726,022**

i) David Biggs resigned as Executive Director – CEO Australia on 31 December 2021
ii) Michael Atkins was appointed as Non-executive Director on 31 December 2021.
iii) Dr Cathy McKeagney became a KMP effective 18 August 2021.

Performance rights holdings

The number of performance rights in the Company held during the 2022 financial year by each director and other key management personnel of Warrego Energy Limited, including their personally related parties, is set out below.

Name	Balance at start of the year/on appointment	Granted during the year	Vested and exercisable	Exercised during the year	Expired / Other Change	Balance at the end of the year/on vacating office
G. Columbus	-	-	-	-	-	-
D. Donald(i)	-	1,912,568	-	-	-	1,912,568
D. Biggs (i)(ii)	-	1,092,896		-	(1,092,896)	-
M. Routh	-	-	-	-	-	-
M. Atkins(iii)	-	-	-	-	-	-
J. Surjan(i)	-	2,011,353	-	-	-	2,011,353
J. Newman(i)	-	1,671,836	-	-	-	1,671,836
C. McKeagney(i) (iv)	-	1,738,431	-	-	-	1,738,431
	-	**8,427,084**	**-**	**-**	**(1,092,896)**	**7,334,188**

i) Performance rights relating to FY21 were issued on 31 August 2021 subsequent to shareholder approval at EGM held on 10 August 2021 and performance rights relating to FY22 award were issued on 24 May 2022.
ii) David Biggs resigned as Executive Director – CEO Australia on 31 December 2021 at which time his performance rights were forfeited in accordance with their terms.
iii) Michael Atkins appointed as Non-executive Director on 31 December 2021.
iv) Dr Cathy McKeagney became a KMP effective 18 August 2021.

Option holdings

The number of options in the Company held during the 2022 financial year by each director and other key management personnel of Warrego Energy Limited, including their personally related parties, is set out below.

Name	Balance at start of the year/on appointment	Granted during the year	Vested and exercisable	Exercised during the year	Expired / Other Change	Balance at the end of the year/on vacating office
G. Columbus	3,333,333	-	-	-	-	3,333,333
D. Donald	-	-	-	-	-	-
D. Biggs (i)	3,333,333	-	-	-	-	3,333,333
M. Routh	3,333,333	-	-	-	-	3,333,333
M. Atkins(ii)	-	-	-	-	-	-
J. Surjan	-	-	-	-	-	-
J. Newman	-	-	-	-	-	-
C. McKeagney(iii)	-	-	-	-	-	-
	9,999,999	**-**	**-**	**-**	**-**	**9,999,999**

i) David Biggs resigned as Executive Director – CEO Australia on 31 December 2021
ii) Michael Atkins appointed as Non-Executive Director on 31 December 2021.
iii) Dr Cathy McKeagney became a KMP effective 18 August 2021.

Additional information

The table below summarises the Group's earnings and movement in shareholder value, for the five years to 30 June 2022:

	2022 $	2021 $	2020 $	2019 $	2018^ $
Sales Revenue	5,009,323	488,382	-	-	-
Loss after income tax attributable to parent	(4,266,929)	(6,386,088)	(4,448,104)	(7,532,858)	(19,815,033)
June volume-weighted average share price	12.2c	24.4c	15.8c	9.4c	6.0c
Total shareholder return	(50.1)%	54%	68%	57%	(92.7)%

^ periods relate to former Petrel Energy Limited as adjusted for 20:1 share consolidation.

This concludes the remuneration report, which has been audited.

Indemnification Of Officers And Auditors

The Group has entered into a Deed of Access, Indemnity and Insurance with each of the directors of the Group. Subject to the Corporations Act 2001, the deed provides an indemnity in respect of liability that each of the directors may incur in relation to the conduct of the business or affairs of the Group, acts or omission of the directors in relation to the business or affairs of the Group or the performance, manner of performance or failure to perform the director's responsibilities in relation to the business or affairs of the Group, in each case in the period during which each director (respectively) holds office. The Group insurance premium cost for the Directors and Officers Liability for the financial year was $171,900.

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purposes of taking responsibility on behalf of the Group for all or part of those proceedings.

Auditors

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Non-Audit Services

The Group may decide to employ the auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important. There were no non audit services provided by BDO during the year.

Details of amounts paid or payable to the auditors, BDO Audit Pty Ltd, for the audit services provided during the year are set out below.

	2022 $	2021 $
Audit services		
BDO – Audit and review of financial reports	73,429	87,300
Non BDO Audit Services	-	-
Total	**73,429**	**87,300**

The Auditor's Independence Declaration required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of the directors, pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the directors

Dennis Donald
Group CEO & Managing Director

21 September 2022

Auditor’s Independance Declaration

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Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF WARREGO ENERGY LIMITED

As lead auditor of Warrego Energy Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Warrego Energy Limited and the entities it controlled during the period.

Glyn O’Brien

Director

BDO Audit Pty Ltd

Perth

21 September 2022

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Notes	2022 $	2021 $
Revenue from the sale of electricity		5,009,323	488,382
Cost of sales		(2,644,538)	(398,783)
Gross Profit		**2,364,785**	**89,599**
Interest income		13,913	5,038
Other income		61,095	-
Expenses			
Employment expenses		(1,820,532)	(1,178,204)
Superannuation		(141,579)	(128,436)
Share-based payments	20	(316,586)	(630,237)
Directors' fees		(268,568)	(179,492)
Accounting, audit and tax services		(222,682)	(603,273)
Professional services		(1,350,405)	(1,169,819)
Exploration and evaluation expenditure		(195,977)	(301,415)
Business development costs		(693,672)	(811,197)
Other expenditure - El Romeral completion		(2,699)	(157,656)
Depreciation and amortisation		(124,122)	(120,888)
Finance and accretion expenses		(377,846)	(40,158)
Foreign exchange losses		(8,174)	(5,842)
Other general and administrative expenses		(1,143,880)	(1,154,108)
Total expenses		(6,666,722)	(6,480,725)
Loss before income tax		**(4,266,929)**	**(6,386,088)**
Income tax expense	6	-	-
Loss after tax attributable to members of Warrego Energy Limited		**(4,266,929)**	**(6,386,088)**
Other comprehensive loss- Items that may be reclassified subsequently to profit or loss			
Foreign currency translation loss		(103,781)	(79,172)
Other comprehensive loss for the year, net of tax		(103,781)	(79,172)
Total comprehensive loss for the year, net of tax		**(4,330,710)**	**(6,465,260)**
Loss for the year attributable to:			
Non-controlling interests*		652,641	(305,715)
Owners of Warrego Energy Limited		(4,879,569)	(6,080,373)
		(4,226,929)	**(6,386,088)**
Total comprehensive loss for the year attributable to:			
Non-controlling interests*		652,641	(305,715)
Owners of Warrego Energy Limited		(4,983,351)	(6,159,545)
		(4,330,710)	**(6,465,260)**
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents per share)	28	(0.11)	(0.18)
Diluted loss per share (cents per share)	28	(0.11)	(0.18)

The above Consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**Tarba Energia SL (Tarba) is a controlled entity of the Group. Warrego holds 50.1% and 85% of the shares in the El Romeral project and the Tesorillo project respectively. AIM-listed Prospex Energy PLC holds the remaining 49.9% and 15% of the shares in the El Romeral project and Tesorillo project respectively. Refer to notes 13 and 30 for further detailed information.*

Consolidated statement of financial position

As at 30 June 2022

	Notes	2022 $	2021 $ Restated	1 July 2020 $Restated
ASSETS				
Current assets				
Cash and cash equivalents	7	33,742,711	13,720,858	15,261,819
Other current assets	8	964,117	876,462	1,655,882
Restricted cash	23	9,340,799	694,441	139,533
Total current assets		**44,047,627**	**15,291,761**	**17,057,234**
Non-current assets				
Exploration and evaluation expenditure	9	63,478,230	49,795,495	13,400,589
Oil & gas properties	10	1,938,045	2,620,015	-
Property, plant and equipment	11	357,675	456,839	15,468
Right-of-use assets	15	298,166	387,615	-
Total non-current assets		**66,072,116**	**53,259,964**	**13,461,057**
Total assets		**110,119,743**	**68,551,725**	**30,473,291**
LIABILITIES				
Current liabilities				
Trade and other payables	14	2,772,190	6,512,285	2,132,721
Lease liabilities	15	100,862	95,320	-
Provisions	16	813,178	293,652	171,653
Other current liabilities	17	461	840,840	**-**
Total current liabilities		**3,686,691**	**7,742,097**	**2,304,374**
Non-current liabilities				
Lease liabilities	15	214,829	315,692	-
Provisions	16	5,224,136	2,513,048	435,275
Other non-current liabilities	18	1,138,261	1,116,470	-
Payable to associate		7,690	361,435	105,383
Total non-current liabilities		**6,584,916**	**4,306,645**	**540,658**
Total liabilities		**10,271,607**	**12,048,742**	**2,845,032**
NET ASSETS		**99,848,136**	**56,502,983**	**27,628,259**
EQUITY				
Contributed equity	19(a)	185,843,120	138,483,843	103,774,096
Reverse acquisition reserve		(53,288,653)	(53,288,653)	(53,288,653)
Foreign currency translation reserve		(197,892)	(94,111)	(14,939)
Share based payments reserve	20	956,599	640,013	113,549
Accumulated losses	21	(34,454,347)	(29,574,777)	(23,598,177)
Equity attributable to owners of the Parent		**98,858,827**	**56,166,315**	**26,985,876**
Non-controlling interests*		989,309	336,668	642,383
Total equity		**99,848,136**	**56,502,983**	**27,628,259**

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes. Refer to note 2 for detailed information on restatement of comparatives.

**Tarba Energia SL (Tarba) is a controlled entity of the Group. Warrego holds 50.1% and 85% of the shares in the El Romeral project and the Tesorillo project respectively. AIM-listed Prospex Energy PLC holds the remaining 49.9% and 15% of the shares in the El Romeral project and Tesorillo project respectively. Refer to notes 13 and 30 for further detailed information.*

Consolidated statement of changes in equity

For the year ended 30 June 2022

	Issued Capital $	Foreign Currency Translation Reserve $	Options Reserve $	Reverse acquisition Reserve $	Accumulated Losses $	Total $	Non-controlling Interests $	Total Equity $
Balance at 30 June 2020	**103,774,096**	**(14,939)**	**113,549**	**(53,288,653)**	**(16,552,305)**	**34,031,748**	**642,383**	**34,674,131**
Adjustment for restatement of comparative (note 2)					(7,045,872)	(7,045,872)	-	(7,045,872)
Balance at 30 June 2020 - restated	**103,774,096**	**(14,939)**	**113,549**	**(53,288,653)**	**(23,598,177)**	**26,985,876**	**642,383**	**27,628,259**
Net loss for the year	-	-	-	-	(6,386,088)	(6,386,088)	-	(6,386,088)
Other comprehensive loss	-	(79,172)	-	-	-	(79,172)	-	(79,172)
Total comprehensive loss for the year	**-**	**(79,172)**	**-**	**-**	**(6,386,088)**	**(6,465,260)**	**-**	**(6,465,260)**
Transactions with owners in their capacity as owners								
Share based payments	-	-	630,237	-	-	630,237	-	630,237
Exercise of options	830,661	-	(103,773)	-	103,773	830,661	-	830,661
Issue of share capital	35,963,936	-	-	-	-	35,963,936	-	35,963,936
Transaction costs arising on share issue	(2,084,850)	-	-	-	-	(2,084,850)	-	(2,084,850)
Total transactions with owners in their capacity as owners	**34,709,747**	**-**	**526,464**	**-**	**103,773**	**35,339,984**	**-**	**35,339,984**
Profit/Loss attributable to NCI	-	-	-	-	305,715	305,715	(305,715)	-
Balance at 30 June 2021 - restated	**138,483,843**	**(94,111)**	**640,013**	**(53,288,653)**	**(29,574,777)**	**56,166,315**	**336,668**	**56,502,983**
Net loss for the year	-	-	-	-	(4,226,929)	(4,226,929)	-	(4,226,929)
Other comprehensive loss	-	(103,781)	-	-	-	(103,781)	-	(103,781)
Total comprehensive loss for the year	**-**	**(103,781)**	**-**	**-**	**(4,226,929)**	**(4,330,710)**	**-**	**(4,330,710)**
Transactions with owners in their capacity as owners								
Share based payments	-	-	316,586	-	-	316,586	-	316,586
Exercise of options	-	-	-	-	-	-	-	-
Issue of share capital	50,000,000	-	-	-	-	50,000,000	-	50,000,000
Transaction costs arising on share issue	(2,640,723)	-	-	-	-	(2,640,723)	-	(2,640,723)
Total transactions with owners in their capacity as owners	**47,359,277**	**-**	**316,586**	**-**	**-**	**43,345,153**	**-**	**43,345,153**
Profit/Loss attributable to NCI	-	-	-	-	(652,641)	(652,641)	652,641	-
Balance at 30 June 2022	**185,843,120**	**(197,892)**	**956,599**	**(53,288,653)**	**(34,454,347)**	**98,858,827**	**989,309**	**99,848,136**

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
Refer to note 2 for detailed information on restatement of comparatives.

Consolidated statement of cash flows

For the year ended June 2022

	Notes	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers and other (inclusive of goods and services tax)		5,536,151	345,633
Payments to suppliers and employees (inclusive of goods and services tax)		(7,385,169)	(3,697,801)
Payments for exploration and evaluation expenditure-expensed and business development		(739,366)	(1,037,310)
Interest received		12,327	4,415
Net cash outflow from operating activities	27	**(2,576,057)**	**(4,385,063)**
Cash flows from investing activities			
Payments for plant and equipment		(168,544)	(102,408)
Payments for exploration and evaluation expenditure (inclusive of goods and services tax)		(14,419,325)	(31,591,144)
Proceeds from release of security deposits		-	33,410
Payments for security deposit		(8,646,485)	(582,878)
Payments for El Romeral acquisition		-	(41,455)
Net cash outflow from investing activities		**(23,234,354)**	**(32,284,475)**
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		46,321,213	34,103,348
Proceeds received in advance for shares not yet issued		-	840,840
Proceeds from associates		113,910	255,535
Payments for lease liabilities		(460,133)	-
Repayments to associates		(102,677)	(66,889)
Net cash inflow from financing activities		**45,872,313**	**35,132,834**
Net (decrease)/increase in cash and cash equivalents		**20,061,902**	**(1,536,704)**
Cash and cash equivalents at beginning of the year		13,720,858	15,261,819
Net foreign exchange difference		(40,049)	(4,257)
Cash and cash equivalents at end of the year	7	**33,742,711**	**13,720,858**

The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Summary of significant accounting policies

The financial report covers Warrego Energy Limited as a Group consisting of Warrego Energy Limited and the entities it controlled. Warrego Energy Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is Level 6 London House, 216 St George's Terrace Perth, WA 6000.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for-profit oriented entities. These financial statements also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. These financial statements have been prepared on an accruals basis.

The financial statements are presented in Australian dollars, which is Warrego Energy Limited's functional and presentation currency. The functional currencies for subsidiaries in the United Kingdom and Spain are GBP and Euro respectively.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the Parent Entity is disclosed in note 29.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Warrego Energy Limited ('Company' or 'Parent Entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Warrego Energy Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. Warrego Energy Limited is the principal to its subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method if the acquisition is deemed to be a business combination. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

The acquisition of subsidiaries that are deemed not to be carrying on a business, and do not meet the conditions of AASB 3 Business Combinations, are recognised at cost and are treated as asset acquisitions depending on the nature of the assets acquired from the subsidiaries.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and the statement of financial position of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(c) Recognition of revenue

General

Revenue derived from contracts with customers is recognised on the basis of fulfilment of the performance obligations with customers. This in accordance with the core principles of AASB 15 – Revenue from Contract with Customers.

Revenue reflects the transfer of goods or services to customers at an amount that reflects the consideration to which Warrego expects to be entitled in exchange for such goods or services.

Five steps are established for the recognition of revenue:

1. Identify the customer contract.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations.
5. Recognise the revenue on the basis of fulfilment of each obligation.

Based on this recognition model, sales of goods are recognised when products are delivered to the customer and have been accepted by them, even if they have not been invoiced, or when services are rendered, and there is a reasonable assurance that the related accounts receivable will be collected. Net revenues for the year include the estimate of the energy supplied that has not yet been invoiced.

Sale of electricity

The Group revenue is derived primarily from the sale of electricity and return subsidy from Spanish government. The revenue is generated from a single customer under a contract.

Sales revenue (electricity generation from hydrocarbon fuels produced at power plant) is recognised over time, when the supply of electricity, associated risks and rewards of ownership pass to the purchaser.

Return subsidy

The remuneration for the electricity distribution and transmission activity is established annually by the Ministry, which recognises remuneration for investment and for operation and maintenance.

The commissioning of distribution facilities to deliver electricity to supply points is considered to be a single performance obligation and, therefore, the remuneration for the regulated electricity transmission and distribution activity is recognised as revenue.

The regulatory framework of the electricity sector in Spain regulates a payment procedure for the redistribution among companies in the sector of the net revenues obtained, so that each company receives the remuneration recognised for its regulated activities.

(d) Going concern

These financial statements have been prepared on the going concern basis which contemplates the consolidated entity's ability pay its debts as and when they become due and payable for a period of at least 12 months from the date of authorising the financial report for issue.

During the year, the Company raised a total of $50 million (227.3 million fully paid ordinary shares) from a Two Tranche share placement.

(e) Foreign currency transactions

Foreign currency transactions during the year are translated into Australian dollars at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are converted at the rates of exchange current at that date. The gains and losses from translation of assets and liabilities, whether realised or unrealised, are included in profit or loss from ordinary activities as they arise.

Foreign subsidiaries

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximates the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(f) New, revised or amended Accounting Standards and interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

(h) New Accounting Standards and Interpretations not yet mandatory or early adopted

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted, and are not expected to have a material impact.

2. Restatement of comparatives

Correction of accounting treatment

A review of the opening balances has highlighted that the accounting treatment adopted at the time of the reverse acquisition of the company on 15 March 2019 was not correctly undertaken. The transaction was accounted for as a reverse business combination and resulted in the recognition of goodwill of $7,045,872*. The nature of the transaction aligned to and should have been accounted for as an asset acquisition under AASB 2 Share Based Payments.

Should the former approach have been taken at the time of the reverse takeover, the goodwill would not have been recognised and the premium paid over the fair value of the assets acquired would have been expensed in the consolidation statement of profit or loss and other comprehensive income. This has been rectified in the current financial year. Refer to the table below for the impacts on the financial statements.

** On 15 March 2019, Petrel Energy Limited ("Petrel") acquired Warrego Energy Limited, a private UK company. Petrel was at the same time renamed Warrego Energy Limited ("Warrego") and the UK company was renamed Warrego Energy UK Ltd ("WEUK"). The consideration transferred of $9,980,257 less fair value of identifiable net assets acquired $2,934,385 resulting in a premium of $7,045,872. The transaction was treated as a business combination from the consolidation perspective, where WEUK is the accounting acquirer (legal subsidiary) and Warrego is the accounting acquiree (legal parent) for accounting purposes.*

Statement of financial position at the beginning of the earliest comparative period

	1 July 2020 $ Reported	$ Adjustment	1 July 2020 $ Restated
Extract			
Current assets			
Total current assets	17,057,234	-	17,057,234
Non-current assets			
Goodwill	7,045,872	(7,045,872)	-
Total non-current assets	20,461,929	(7,045,872)	13,416,057
Total assets	**37,519,163**	**(7,045,872)**	**30,473,291**
Current liabilities			
Total current liabilities	2,304,374	-	2,304,374
Non-current liabilities			
Total non-current liabilities	540,658	-	540,658
Total liabilities	**2,845,032**	**-**	**2,845,032**
Net assets	**34,674,131**	**(7,045,872)**	**27,628,259**
Equity			
Accumulated losses	(16,552,305)	(7,045,872)	(23,598,177)
Total equity	**34,674,131**	**(7,045,872)**	**27,628,259**

Statement of financial position at the end of the earliest comparative period

	30 June 2021 $ Reported	$ Adjustment	30 June 2021 $ Restated
Extract			
Current assets			
Total current assets	15,291,761	-	15,291,761
Non-current assets			
Goodwill	7,045,872	(7,045,872)	-
Total non-current assets	60,305,836	(7,045,872)	53,259,964
Total assets	**75,597,597**	**(7,045,872)**	**68,551,725**
Current liabilities			
Total current liabilities	7,742,097	-	7,742,097
Non-current liabilities			
Total non-current liabilities	4,306,645	-	4,306,645
Total liabilities	**12,048,742**	**-**	**12,048,742**
Net assets	**63,548,855**	**(7,045,872)**	**56,502,983**
Equity			
Accumulated losses	(22,528,905)	(7,045,872)	(29,574,777)
Total equity	**63,548,855**	**(7,045,872)**	**56,502,983**

3. Financial risk management

The Group's financial instruments consist of cash and cash equivalents, restricted cash, trade and other receivables, trade and other payables and lease liabilities.

The Group does not presently have any bills, preference shares or derivatives.

Foreign exchange risk

The Group's cash / restricted cash holdings are exposed to changes in foreign exchange rates at reporting date.

	GBP	AUD Equivalent	EUR	AUD Equivalent
2022	35,490	62,582	1,190,506	1,806,814
2021	51,281	94,457	119,183	188,582

Credit risk and liquidity risk

The Group has no significant concentrations of credit risk.

Liquidity risk is the risk the Group will experience difficulty in meeting current financial demands. The Group manages liquidity risk through ensuring it will maintain sufficient cash holdings to meet its liabilities as and when they fall due from day to day operations along with monitoring of cash flow forecasts by management in order to anticipate future cash requirements.

Liquidity Risk Table	Non-interest bearing $	1 Year or less $	1 to 5 years $	More than 5 years $	Floating interest rate $	Total $	Weighted average interest rate
2022 Financial liabilities							
Trade and other payables	2,772,190	2,772,190	-	-	-	2,772,190	-
Other current liabilities	461	461	-	-	-	461	-
Other non-current liabilities	1,138,261	-	1,138,261	-	-	1,138,261	-
Payable to associate	7,690	-	7,690	-	-	7,690	
Lease liabilities	315,691	100,862	214,829	-	-	315,691	-
	4,234,293	**2,87,513**	**1,360,780**	**-**	**-**	**4,234,293**	**-**
2021 Financial liabilities							
Trade and other payables	6,512,285	6,512,285	-	-	-	6,512,285	-
Other current liabilities	840,840	840,840	-	-	-	840,840	-
Other non-current liabilities	1,116,470	-	1,116,470	-	-	1,116,470	-
Payable to associate	361,435	-	361,435	-	-	361,435	
Lease liabilities	411,012	95,320	315,692	-	-	411,012	-
	9,242,042	**7,448,445**	**1,793,597**	**-**	**-**	**9,242,042**	**-**

Cash flow and fair value interest rate risk

The Group's cash and restricted cash balances are exposed to deposit interest rate risk. This risk is managed by the use of fixed term deposits over periods ranging from 30 to 180 days.

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates and the effective weighted average interest rates on those financial assets, is as follows:

2022	Weighted average interest rate	Fixed interest rate maturity less than 1 year $	Non-interest bearing $	Total $
Financial assets				
Cash and cash equivalents	1.21%	33,742,711	-	33,742,711
Trade and other receivables	-	-	771,107	771,107
Restricted cash	0.62%	9,340,799	-	9,340,799
Total financial assets		**43,083,510**	**771,107**	**43,854,617**
Financial liabilities				
Trade and other payables	-	-	2,772,190	2,772,190
Other current liabilities	-	-	461	461
Other non-current liabilities	-	-	1,138,261	1,138,261
Payable to associate	-	-	7,690	7,690
Lease liabilities	-	-	315,692	315,692
Total financial liabilities	-	**-**	**4,234,294**	**4,23,294**

2021	Weighted average interest rate	Fixed interest rate maturity less than 1 year $	Non-interest bearing $	Total $
Financial assets				
Cash and cash equivalents	0.01%	13,720,858	-	13,720,858
Trade and other receivables	-	-	726,563	726,563
Restricted cash	0.01%	694,441	-	694,441
Total financial assets		**14,415,299**	**726,563**	**15,141,862**
Financial liabilities				
Trade and other payables	-	-	6,512,285	6,512,285
Other current liabilities	-	-	840,840	840,840
Other non-current liabilities	-	-	1,116,470	1,116,470
Payable to associate	-	-	361,435	361,435
Lease liabilities	-	-	411,012	411,012
Total financial liabilities		**-**	**9,242,042**	**9,242,042**

Financial instruments

(i) Derivative financial instruments

As at the date of this report, the Group does not have any derivative financial instruments.

(ii) Financial liabilities

Financial liabilities are expected to be paid as follows:

	2022 $	2021 $
Less than 6 months	2,822,226	7,399,961
Between 6 and 12 months	51,287	48,484
Between 1 and 5 years	1,360,781	1,793,597

(iii) Fair value measurement

The carrying amounts of cash and cash equivalents, restricted cash, trade and other receivables trade and other payables, other current liabilities, non-current liabilities and payable to associate are assumed to approximate their fair values due to their short-term nature.

The fair value of lease liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Sensitivity analysis

Interest rate risk and foreign currency risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis

At 30 June 2022, the only item affected by a change in interest rate would be the cash and cash equivalents and restricted cash.

Interest rate risk sensitivity analysis change in loss before tax and equity	2022 $	2021 $
Increase in interest rates by 0.25%	84,827	34,782
Decrease in interest rates by 0.25%	(84,827)	(34,782)

Management considers the 0.25% used in the interest rate sensitivity analysis to be reasonable.

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Foreign currency sensitivity analysis

As indicated under foreign exchange risk, the group is primarily exposed to changes in GBP/AUD and EUR/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from GBP and EUR denominated assets (i.e.; cash and cash equivalents and exploration and evaluation assets).

	Impact on total assets		Impact on other components of equity	
	2022	2021	2022	2021
GBP/AUD exchange rate – increase 10%	32,147	232,512	(32,147)	(232,512)
GBP/AUD exchange rate – decrease 10%	(32,147)	(232,512)	32,147	232,512
EUR/AUD exchange rate – increase 10%	570,507	446,985	(570,507)	(446,985)
EUR/AUD exchange rate – decrease 10%	(570,507)	(446,985)	570,507	446,985

Assets and other equity have not been significantly sensitive to movements in AUD and GBP and EUR exchange rates as a result of GBP and EUR increased by 4.46% and 4.26% respectively (2021: decreased by 2.81% and increased by 3.42% respectively). Management considers the 10% used in the foreign currency sensitivity analysis to be reasonable.

Capital management

Management controls the capital of the Group in order to provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

Due to the nature of the Group's business, the Group's capital is limited to ordinary share capital.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since commencement of operations.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by management and are based on historical experience and other factors, including expectations of the future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Other than estimated impairment of assets, there are no other current estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Business combinations

A Purchase Price Allocation (PPA) was performed by independent valuers in order to determine the acquisition-date fair value of the El Romeral identifiable assets acquired and liabilities assumed. The PPA further determined the useful lives of the identifiable assets acquired. The directors are satisfied with the allocation and the useful lives of the identifiable assets (refer Note 13 for further disclosure).

Impairment of exploration and evaluation assets

The Group assesses impairment of its exploration and evaluation expenditure at the end of each reporting period to ensure the carrying amount does not exceed the recoverable amount in accordance with AASB 6 - Exploration for and Evaluation of Mineral Resources as follows:

a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

c) exploration for and evaluation of mineral resources in the specific areas have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full, from the successful development or by sale.

Provision for well site restoration

The Group estimates the future removal and restoration costs of gas, wells and related assets at the time of installation of the assets. In most instances the removal of these assets will occur in the future. The estimate of future removal costs therefore requires management to make judgements in relation to the removal date, future environmental legislation, the extent of restoration activities required and future removal technologies.

Impairment of other assets

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss.

The Group tests at each reporting period whether assets have suffered any impairment.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes model (options) or the Monte Carlo simulation model (performance rights) taking into account the terms and conditions upon which the instruments were granted.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

5. Segment information

The Group has identified its operating segments based on the two geographical areas in which the Group operates its oil and gas properties, with the Group's corporate and unallocated costs identified separately. In Australia, the Group has a 50% interest in the West Erregulla exploration licence. In Cadiz Spain, the Group has an 85% interest in the Tesorillo and Ruedalabola gas exploration licences together with the project in Seville Spain, the Group has a 50.1% interest in the El Romeral gas production and power station operation. Revenue is derived from one single customer in the Spanish segment.

Geographical information

2022	Australia $	Spain $	Total $
Revenue from external customers	-	5,009,323	5,009,323
Segment expenses	-	(3,703,010)	(3,703,010)
Corporate and unallocated expenses			(5,608,250)
Total operating expenses			**(9,311,260)**
Segment other income	-	1,585	1,585
Corporate and unallocated other income			73,423
Total other income			**75,008**
Segment profit before income tax	-	1,307,898	1,307,898
Corporate and unallocated loss before tax			(5,534,827)
Total loss before tax			**(4,226,929)**

2021	Australia $	Spain $	Total $
Revenue from external customers	-	488,382	488,382
Segment expenses	(683,442)	(1,101,052)	(1,784,494)
Corporate and unallocated expenses			(5,095,014)
Total operating expenses			**(6,879,508)**
Segment other income	53	13	66
Corporate and unallocated other income			4,972
Total other income			**5,038**
Segment loss before income tax	(683,389)	(612,657)	(1,296,046)
Corporate and unallocated loss before tax			(5,090,042)
Total loss before tax			**(6,386,088)**

Assets and liabilities information of consolidated entity's operating segments

Consolidated	Australia $	Spain $	Total $
2022			
Segment non-current assets	62,530,406	3,201,646	65,732,052
Corporate and unallocated			340,064
Total non-current assets			**66,072,116**
Segment assets	72,547,469	5,705,073	78,252,542
Corporate and unallocated			31,867,201
Total assets			**110,119,743**
Segment liabilities	5,905,422	3,025,485	8,930,907
Corporate and unallocated			1,340,700
Total liabilities			**10,271,607**
2021			
Segment non-current assets	55,853,198	3,993,249	59,846,447
Corporate and unallocated			459,389
Total non-current assets			**60,305,836**
Segment assets	57,876,915	4,469,845	62,346,760
Corporate and unallocated			13,250,837
Total assets			**75,597,597**
Segment liabilities	6,557,957	2,675,288	9,233,245
Corporate and unallocated			2,815,497
Total liabilities			**12,048,742**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

6. Income tax

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	2022 $	2021 $
Loss from continuing operations before income tax expense	4,226,929	6,386,088
Tax benefit at the Australian tax rate of 30% (2021: 26%)	1,268,079	1,660,383
Tax effect of non-deductible expenses	(84,452)	(63,106)
Adjustment for differences in tax rates for foreign jurisdictions	(112,373)	-
Tax effect of tax base reset on consolidation	-	227,919
Under/over provision in prior years	58,070	(3,446,023)
Impact of change in tax rates	-	1,022,534
Utilisation of tax losses not brought to account/(tax losses and temporary differences not brought to account)	(1,129,324)	598,293
Income tax expense	**-**	**-**

(b) Tax losses

	2022 $	2021 $
Unused tax losses for which no deferred tax asset has been recognised	109,141,272	82,704,847
Potential tax benefit @ 30% (2021: 26%)	**32,206,245**	**21,503,260**

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The unrecognised tax loss balance in note 5(b) above reflects the entire carried forward tax loss balance for the Warrego global group. The ability of Warrego to utilise the Australian tax losses, which comprise $98,418,722 of the total tax loss balance, will be subject to satisfaction of loss utilisation rules, as well as application of an available fraction in the case of "transferred" losses that have been transferred to the tax consolidated group when entities have joined the group. Accordingly, some of these losses may not be available to offset future taxable income or may only be able to be utilised at a reduced rate. The specific impact that the loss utilisation and available fraction rules may have on Warrego's ability to utilise losses will largely depend on future events. However, as at 30 June 2022, analysis undertaken indicates that approximately $17.36m of transferred losses are likely to be of little value as the available fraction applying to those losses is low.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The tax benefits will only be obtained if:

a) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction of the losses to be realised;

b) The Group continues to comply with the conditions for deductibility imposed by law; and

c) No changes in tax legislation adversely affect the group in realising the benefits from the deductions for the loss.

7. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and in hand	4,128,756	3,673,765
Deposits at call	28,870,384	8,896,813
Share of joint operation cash	743,571	1,150,280
Total cash balances	**33,742,711**	**13,720,858**

The deposits at call are interest bearing with floating interest rates averaging 1.15% per annum (2021: 0.01%).

For Consolidated Statement of Cash Flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Refer to Note 23 for details of restricted cash.

8. Other current assets

	2022 $	2021 $
Trade and sundry debtors	452,341	210,410
Prepayments	193,010	149,899
Interest receivable	-	1,024
Share of joint operation receivables	132,937	348,810
Other current assets	185,829	166,319
Total other current assets	**964,117**	**876,462**

None of the trade and sundry debtors above are past due date (2021: nil).

Trade debtors are recognised when the control of ownership of the underlying sales transactions have passed to the customer in the ordinary course of business. Trade debtors are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. The Group holds the trade debtors with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Other receivables arise principally from financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition on issue and are subsequently recognised at amortised cost using the effective interest rate method, less allowance for expected credit losses.

The Group's trade and other receivables at year end are assessed under AASB 9 which prescribes an expected credit loss (ECL) model to recognise an allowance. The allowance is measured using a 12-month ECL model unless the credit risk on a financial asset has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

Revenues, expenses and assets are recognised net of the amount of associated GST or input VAT, unless the GST or input VAT incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST or input VAT receivable or payable. The net amount of GST or input VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

9. Exploration and evaluation expenditure

	2022 $	2021 $
Opening balance	49,795,495	13,400,589
Additions during the year at cost	11,271,170	35,146,511
Provision for well site restoration	2,451,910	1,273,248
Foreign currency translation	(40,345)	(24,853)
Closing balance	**63,478,230**	**49,795,495**

Exploration and evaluation expenditures incurred are accumulated in respect of each identifiable area of interest and are carried forward in the statement of financial position where:

i) rights to tenure of the area and participating interest are current; and

ii) one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not, at reporting date, yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the areas are continuing.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Accumulated expenditure on areas that have been abandoned or are considered to be of no future economic benefit is written off in the year in which such a decision is made.

Expenditure relating to pre-exploration activities (such as for new venture work) is written off to the consolidated statement of profit or loss during the period in which the expenditure is incurred. When production commences, the accumulated costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves from a successful development.

10. Oil & gas properties

	2022 $	2021 $
Cost	2,571,346	2,680,790
Accumulated depreciation, depletion and amortisation	(633,301)	(60,775)
Net book amount	**1,938,045**	**2,620,015**
Reconciliation of movement in oil and gas properties		
Opening balance	2,620,015	-
El Romeral acquisition at fair value	-	2,619,584
Depreciation, depletion and amortisation	(575,006)	(60,775)
Movement in foreign currency translation	(106,964)	61,206
Closing balance	**1,938,045**	**2,620,015**

Oil and gas properties are carried at cost and consist of gas resources, gas extraction wells, connection stations and gas pipelines acquired in El Romeral acquisition (refer to Note 13 Business Combinations). Any restoration assets arising as a result of recognition of a restoration provision is also included in the carrying amount of oil and gas assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income as incurred.

Oil and gas assets relating to the El Romeral is amortised on an unit of production basis over the life of the estimated reserves for an asset or group of assets.

Amortisation is charged only once production has commenced. No amortisation is charged on areas under development where production has not commenced.

11. Property, plant and equipment

	Land and building $	Power Plant $	IT and office equipment $	Furniture and fixtures $	Leasehold improvement $	Total $
As at 30 June 2022						
Gross carrying amount	166,641	235,880	73,051	2,415	31,845	509,833
Accumulated depreciation	(10,096)	(76,687)	(45,126)	(532)	(19,717)	(152,158)
Net book amount	156,545	159,193	27,926	1,883	12,128	357,675
Reconciliation of movement in property, plant and equipment						
Opening net book amount	171,128	211,488	47,082	4,399	22,742	456,839
Additions	-	18,346	7,102	365	-	25,813
Reclass	-	2,313	-	(2,313)	-	-
El Romeral acquisition at fair value	-	-	-	-	-	-
Depreciation charge for the year	(7,767)	(64,916)	(23,588)	(470)	(10,614)	(107,355)
Disposals	-	-	(2,698)	-	-	(2,698)
Movement in foreign currency translation	(6,816)	(8,038)	28	(98)	-	(14,924)
Closing net book amount	156,545	159,193	27,926	1,883	12,128	357,675

	Land and building $	Power Plant $	IT and office equipment $	Furniture and fixtures $	Leasehold improvement $	Total $
As at 30 June 2021						
Gross carrying amount	173,734	224,381	108,945	4,461	31,845	543,366
Accumulated depreciation	(2,606)	(12,893)	(61,863)	(62)	(9,103)	(86,527)
Net book amount	171,128	211,488	47,082	4,399	22,742	456,839
Reconciliation of movement in property, plant and equipment						
Opening net book amount	-	-	15,468	-	-	15,468
Additions	-	-	61,253	4,461	31,845	97,559
El Romeral acquisition at fair value	168,469	219,474	-	-	-	387,943
Depreciation charge for the year	(2,597)	(12,845)	(29,728)	(62)	(9,103)	(54,335)
Movement in foreign currency translation	5,256	4,859	89	-	-	10,204
Closing net book amount	171,128	211,488	47,082	4,399	22,742	456,839

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land and power plant) over its expected useful life to the Group. The El Romeral power plant is amortised on a unit of production basis over the life of the estimated reserves in line with the El Romeral oil and gas assets in Note 9. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The depreciation rates used for each class of depreciable assets as follows:

Buildings	10 - 25 years
IT and office equipment	3 years
Office furniture and fittings	5 years
Leasehold improvement	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

12. Joint Operation

EP469 Project

Warrego Energy EP469 Pty Ltd (WEEPL) was awarded EP469 tenement in March 2008. In March 2018, Warrego farmed out a 50% interest in EP469 and operatorship to Strike West Pty Ltd (STW) via a joint operation arrangement in June 2018. As part of this agreement STW funded the first $11,000,000 of the cost of drilling and completing West Erregulla 2 well including G&A costs.

WEEPL recognised their 50% share of exploration and evaluation expenditure over and above the $11,000,000 farm out amount from the joint operation at the reporting date which is set out in the table below.

The Group's accounting policy for farmout arrangements is as follows:

- the farmor uses the carrying amount of the interest before the farm-out as the carrying amount for the portion of the interest retained;
- the farmor credits any cash consideration received against the carrying amount, with any excess included as a gain in profit or loss; and
- the farmor does not record exploration expenditures on the property made by the farmee.

The Group accounts for its share of the EP469 venture as a joint operation in accordance with AASB 11; being satisfied that it is a joint operation as defined in that standard.

Share of EP469 Joint Operation - Financial Position

	2022 $	2021 $
Cash	743,571	1,150,280
Current assets	132,937	348,810
Exploration and evaluation expenditure	48,881,832	40,581,968
Current liabilities	(1,694,773)	(4,775,762)
Net assets	**48,063,567**	**37,305,296**

The Group recognises in relation to its interest in the EP469 joint operation:

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities (including contingent) incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint operation;
(d) its share of the revenue from the sale of the output by the joint operation; and
(e) its expenses, including its share of any expenses incurred jointly.

13. Business Combination

Tarba Energía SL ("Tarba") entered into an Asset Purchase Agreement ("APA") with Petroleum Oil & Gas España, S.A. ("Petroleum") in December 2019 to acquire El Romeral for an initial consideration of €750,000 ($1,159,196). The acquisition was approved and completed on 28 February 2021 (acquisition date).

Further deferred consideration of €250,000 per well drilled will be due to Petroleum on drilling each of the next three wells. The parties agreed an economic date commencing July 2019, which resulted in an adjustment of €100,789 ($157,656) to the income statement for the year ended 30 June 2021.

Prospex, which is the Company's partner via Tarba in the Tesorillo gas project in Spain, has taken up a 49.9% interest and the Company has taken up the remaining 50.1% interest in the project.

The acquisition has the features of a business combination in accordance with AASB 3 Business Combinations, primarily due to the El Romeral acquisition comprising three production licences providing gas to a 100%-owned 8.1 MW power station supplied by three producing wells. There are multiple prospects and low-cost development opportunities with the potential to increase gas production, electricity generation and revenue.

The following table summarises the fair value of the consideration (initial consideration paid and contingent consideration payable) as well as the assets and liabilities recognised from the acquisition for the year ended 30 June 2021.

	$
Fair value of initial consideration*	1,159,196
Fair value of contingent consideration	1,090,588
Total	**2,249,784**
Fair value of assets and liabilities acquired:	
Land & buildings	168,469
Oil and gas properties	1,861,841
Oil and gas properties restoration asset	757,743
Power plant	219,474
Provision for restoration	(757,743)
Total net assets	**2,249,784**
Warrego Energy Ltd - 50.1%	1,127,141
Non–controlling interest (Prospex) - 49.9%	1,122,643
Total	**2,249,784**
The cash outflow on the acquisition is as follows:	
Cash paid**	1,227,292
Net consolidated cash outflow on acquisition	**1,227,292**

** Exchange rate at date of acquisition - 0.6470 (AUD/EUR)*
*** Exchange rate at date of cash payment of initial consideration – 0.6111 (AUD/EUR)*

The net assets recognised in the financial statements were based on an independent valuation to assess the fair value of the assets and liabilities.

The fair value of contingent consideration being (€250,000 per well drilled due to Petroleum on drilling each of the next three wells at 100% probability) is recognised as a financial liability (Other non-current liabilities) in the statement of financial position. The fair value as at 30 June 2021 is $1,116,470. Refer to note 18 for further information.

The non-controlling interest in the acquiree is measured at the proportionate share of the acquiree's identifiable assets.

14. Trade and other payables

	2022 $	2021 $
Trade and other payables	1,077,417	1,736,523
Share of joint operation payables	1,694,773	4,775,762
Total trade and other payables	**2,772,190**	**6,512,285**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid when the Group becomes obliged to make future payments in respect of the purchase of those goods and services. The amounts are unsecured and are usually paid within 30 days of purchase. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

15. Leases

Details of right-of-use assets net carrying amount recognised on the consolidated statement of financial position as follows:

	2022 $	2021 $
Opening balance – office building	387,615	-
Additions	-	469,611
Depreciation charge for the year	(89,449)	(81,996)
Closing balance – office building	**298,166**	**387,615**

Details of lease liabilities recognised on the consolidated statement of financial position as follows:

	2022 $	2021 $
Opening balance	411,012	-
Additions	-	469,611
Finance expenses	7,356	8,290
Lease payment	(102,677)	(66,889)
Closing balance	**315,691**	**411,012**

	2022 $	2021 $
Current	100,862	95,320
Non-current	214,829	315,692
Total lease liabilities	**315,691**	**411,012**

Maturity analysis of lease liabilities are as follows:

At 30 June 2022	Up to 3 Months $	Between 3 and 12 Months $	Between 1 and 2 years $	Between 2 and 5 years $
Lease liabilities	24,424	76,438	92,520	122,309

A five-year office lease agreement was signed on 16 July 2020 for Level 6 London House, 216 St Georges Terrace, Perth WA 6000. The Group recognised the right-of-use asset equal to the lease liability measured at a present value of $469,611.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. The expense associated with these leases is as follows:

	2022 $	2021 $
Short-term leases	-	75,224
Leases with low value assets	-	-
	-	**75,224**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

16. Provisions

Current

	2022 $	2021 $
Employee benefits	171,968	226,534
Other taxes	641,210	67,118
Total current provisions	**813,178**	**293,652**

Employee benefits	2022 $	2021 $
Provision for annual leave – opening balance	226,534	171,653
Charge/(release) to profit or loss	(54,566)	54,881
Provision for annual leave – closing balance	**171,968**	**226,534**

Power generation tax and royalties	2022 $	2021 $
Provision for other taxes – opening balance	67,118	-
Charge/(release) to profit or loss	574,092	67,118
Provision for other taxes – closing balance	**641,210**	**67,118**

Non-current

	2022 $	2021 $
Employee benefits	4,636	1,324
Well site restoration	5,219,500	2,511,724
Total non-current provisions	**5,224,136**	**2,513,048**

Employee benefits	2022 $	2021 $
Provision for long service leave – opening balance	1,324	434
Charge/(release) to profit or loss	3,312	890
Provision for long service leave – closing balance	**4,636**	**1,324**

Well site restoration	2022 $	2021 $
Provision for well site restoration – opening balance	2,511,724	434,841
Capitalised in exploration and evaluation expenditure	2,451,910	1,273,249
Capitalised in oil and gas properties	255,866	803,634
Provision for well site restoration – closing balance	**5,219,500**	**2,511,724**

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date for corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Well site restoration

The Group estimates the future removal and restoration costs of gas, wells and related assets at the time of installation of the assets. In most instances the removal of these assets will occur in the future. The estimate of future removal costs therefore requires management to make judgements in relation to the removal date, future environmental legislation, the extent of restoration activities required and future removal technologies.

17. Other current liabilities

	2022 $	2021 $
Funds from share placement issue (shares not yet issued)	-	840,840
Other	461	-

In FY2021, funds from share placement issue (shares not yet issued) relates to Tranche One of the share placement which was completed on 2 July 2021, raising a total of $32.4 million (147.1 million fully paid ordinary shares)

18. Other non-current liabilities

	2022 $	2021 $
Contingent consideration	1,138,261	1,116,470

Tarba Energía SL ("Tarba") entered into an Asset Purchase Agreement ("APA") with Petroleum Oil & Gas España, S.A. ("Petroleum") in December 2019 to acquire El Romeral for an initial consideration of €750,000 ($1,159,196) with further deferred consideration of €250,000 per well drilled will be due to Petroleum on drilling each of the next three wells.

The fair value of contingent consideration (€250,000 per well drilled due to Petroleum on drilling each of the next three wells at 100% probability) is recognised as a financial liability. The fair value as at 30 June 2022 is $1,138,261 (2021: $1,116,470) and the forward plan is to commence drilling the three wells once regulatory approvals are obtained. Refer to note 13 for further information on Business Combinations.

19. Contributed equity

(a) Share capital

	2022 Shares Number	2021 Shares Number	2022 $	2021 $
Ordinary shares	1,223,122,324	996,599,596	185,843,120	138,483,843

(b) Movements in share capital

Date	Details	Number of Shares	Issue Price	$
1 July 2021	Opening balance	996,599,596		138,483,843
02 July 2021	Share placement	147,077,439	0.2200	32,357,037
17 August 2021	Share placement	80,195,289	0.2200	17,642,963
	Less: Transaction costs arising on share issue			(2,640,723)
14 April 2022	Cancellation pursuant to an employee share scheme buy-back	(750,000)		-
30 June 2022	Closing balance	**1,223,122,324**		**185,843,120**

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The fully paid ordinary shares have no par value.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(a) Options

Unlisted

Date	Details	Number of Options	Expiry Date	Exercise Price $
1 July 2021	Opening balance*	9,999,999	16 July 2023	0.280
30 June 2022	Closing balance	**9,999,999**		

** FY21 - Issue of options to Non-executive Directors (or their nominee) in recognition for their continued service to the company in accordance with shareholder approval of Resolutions 6,7 and 8 at Extraordinary General Meeting 16 July 2020.*

*** Options outstanding at 30 June 2022 had a weighted average remaining contractual life of 380 days.*

(b) Performance Rights

Unlisted

Balance of performance rights on issue as at 30 June 2022:

Instrument	Grant Date	Vesting Date	Expiry Date	Fair Value Per Right		Exercise price	Number
FY21 LTIP Performance Rights							
Absolute TSR	10/8/21	8/6/24	8/9/24	0.201	708	nil	2,335,032
Relative TSR	10/8/21	8/6/24	8/9/24	0.186	708	nil	2,335,032
							4,670,064
FY22 LTIP Performance Rights							
Absolute TSR	17/3/22	17/3/25	17/6/25	0.116	990	nil	1,632,384
Relative TSR	17/3/22	17/3/25	17/6/25	0.096	990	nil	1,632,383
							3,264,767
						Total	**7,934,831**

Change in performance rights on issue during the year:

	2022 $	2021 $
Opening balance	-	-
Grants during the year	9,027,727	-
Cancelled/forfeited during the year	(1,092,896)	-
Expired during the year	-	-
Exercised during the year	-	-
Closing balance	**7,934,831**	**-**

** Number of performance rights exercisable at the end of the year was nil (2021: nil)*

(c) Dividends

There were no dividends paid or declared by the Group during the year (2021: nil).

20. Share based payments reserve

	2022 $	2021 $
Opening balance	640,013	113,549
Share based payments expense – Performance Rights	316,586	-
Unlisted options under Employee Incentive Plan issued to employees	-	630,237
Exercised options	-	(103,773)
Closing balance	**956,599**	**640,013**

Type of instruments

(a) Options

In 2021, Options were granted to the Non-executive directors of the company which options issued over ordinary shares in Warrego Energy Limited in recognition of their contributions to the development of the company. The options were issued for nil consideration and vested on grant date.

The fair value of at grant date is determined using the Black-Scholes option pricing model which takes into account the issue price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

b) Performance rights

During the year, the Company granted 5,762,960 FY21 LTIP Performance Rights and 3,264,767 FY22 LTIP Performance Rights to KMP and employees. The total value of the Performance Rights issued were $1,115,133 and $346,065 respectively with $316,586 expensed to the profit and loss during the year.

The fair value of at grant date is determined using the Monte Carlo Simulation model which takes into account the issue price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance rights.

The following table lists the inputs used to value instruments issued during the year ended 30 June 2022.

Instrument	Grant date	Number	Exercise price	Expiry date	Share price at grant date	Expected volatility	Expected dividend yield	Risk free rate	Expected life years	Fair value per right
Options	17/7/20	9,999,999	0.280	16/7/23	0.160	80%	nil	0.85%	3	0.061
FY21 LTIP Performance Rights										
Absolute TSR	10/8/21	2,881,480	nil	8/9/24	0.265	77%	nil	0.31%	3	0.201
Relative TSR	10/8/21	2,881,480	nil	8/9/24	0.265	77%	nil	0.31%	3	0.186
FY22 LTIP Performance Rights										
Absolute TSR	17/3/22	1,632,384	nil	17/5/25	0.155	70%	nil	1.84%	3	0.116
Relative TSR	17/3/22	1,632,383	nil	17/5/25	0.155	70%	nil	1.84%	3	0.096

Performance rights vesting details

Measure	Weighting	Definition	Hurdles	Vesting Percentage
Absolute TSR	50%	The Company's Absolute TSR calculated	<10%	0
		as at the vesting date	10% to <15%	25%
			15% to <20%	50%
			20% to <25%	75%
			25% or more	100%
Relative TSR	50%	The Company's achieves a TSR relative	<50th percentile	0
		to a comparator group of companies over	50th to <60th percentile	25%
		a three year performance period	60th to <70th percentile	50%
			70th to <80th percentile	75%
			80th percentile or higher	100%

The options vested on grant date.

	2022 $	2021 $
Weighted average exercise price at 1 July	$0.2800	$0.1235
Weighted average exercise price granted during the period	-	$0.2800
Weighted average exercise price exercised during the period	-	$0.1235
Weighted average exercise price outstanding at 30 June	$0.2800	$0.2800
Weighted average exercise price exercisable at 30 June	$0.2800	$0.2800
Weighted average contractual life	1.04 years	2.04 years

21. Accumulated losses

	2022 $	2021 $
Opening balance	29,574,777	23,598,177
Net loss for the year	4,226,929	6,386,088
Transfer from share based payments reserve		(103,773)
Transfer of losses attributable to NCI	652,641	(305,715)
Closing balance	**34,454,347**	**29,574,777**

22. Related party transactions

(a) Directors

The following persons were directors of Warrego Energy Limited during or subsequent to the financial period:

Greg Columbus	Non-executive Chairman
Dennis Donald	Group Chief Executive Officer & Managing Director
Mark Routh	Non-executive Director
Michael Atkins	Non-executive Director (appointed 31 December 2021)
David Biggs	Executive Director – CEO Australia (resigned 31 December 2021)

(b) Other key management personnel compensation

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Jani Surjan	Chief Financial Officer
Dr Cathy McKeagney	General Manager*
John Newman	Manager New Ventures and ESG / General Counsel

**Key Management Personnel effective 18 August 2021*

(c) Key management personnel compensation

	2022 $	2021 $
Salary & fees	2,024,536	1,579,600
Bonus payments	427,155	537,903
Superannuation	110,000	74,512
Share-based payments	299,421	609,774
Long service leave	-	-
	2,861,112	**2,801,789**

Detailed remuneration disclosures can be found in sections (a) to (c) of the Remuneration Report which forms part of the Directors' Report.

23. Restricted cash

	2022 $	2021 $
Obligations under a bank corporate credit card facility with the Commonwealth Bank of Australia	50,000	50,000
Bankers' guarantee issued as security for the performance by the Company of its obligations under a lease of office premises at Level 6, 216 St George's Terrace, Perth	42,669	42,669
Bankers' guarantee issued as security for the performance by the Company of its obligations under a lease of office premises at Level 6, 10 Bridge Street, Sydney	-	-
AGIG – Security Deposit (Long Lead Items)	9,140,555	494,070
Cash pledged as deposit for Spanish Ministry compliance programme	107,575	107,702
Total	**9,340,799**	**694,441**

The above are secured by a charge over term deposits lodged with bankers of a like amount except for AGIG – Security Deposit which is cash backed. Warrego commenced payments to AGIG to enable the procurement of Long Lead Items for the construction of the 87 TJ/d gas processing facility.

24. Contingencies

a) Contingent assets

The Group has no contingent assets to report as at 30 June 2022 (2021: nil).

b) Contingent liabilities

The Group has no contingent liabilities as at 30 June 2022 other than future royalty commitments to third parties in relation to the El Romeral asset, however at this stage, any liability that may arise as a result of this, cannot be measured reliably (2021: nil).

25. Commitments

Exploration expenditure

The Group is required to meet minimum expenditure requirements of various government regulatory bodies and joint arrangements. These obligations may be subject to renegotiation, may be farmed out or may be relinquished and have not been provided for in the financial statements.

	2022 $	2021 $
Permit commitments		
Less than one year	9,251,242	9,935,300
Between one and five years	-	-
Total	**9,251,242**	**9,935,300**

There are no contractual commitments for the acquisition of property, plant and equipment.

26. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor:

	2022 $	2021 $
Audit services		
BDO – Audit and review of financial reports	73,429	87,300
Non BDO Audit Services	-	-
Total	**73,429**	**87,300**

27. Cash outflow from operating activities reconciliation to loss after income tax

	2022 $	2021 $
Loss for the year	**(4,226,929)**	**(6,386,088)**
Non-cash movement		
Depreciation and amortisation	809,925	196,874
Finance expenses associated with lease liabilities	355,494	8,290
Finance expenses associated with oil & gas restoration asset	7,357	27,802
Share-based payments	316,586	630,237
Foreign exchange losses	66,257	5,842
Movement in working capital		
(Increase) in other current assets	(87,655)	(382,661)
Increase in trade and other payables	182,908	1,514,641
Net cash outflow from operating activities	**(2,576,057)**	**(4,385,063)**

Non-cash transactions affecting investing and financing activities

(a) On 17 July 2020, 7,117,714 ordinary shares were issued at $0.024 each to WEUK shareholders as reverse acquisition consideration

in accordance with shareholder Resolution 2 approved at the 15 March 2019 Extraordinary General Meeting.

(b) On 30 April 2021, 2,000,000 ordinary shares were issued at $0.24 each in payment of $480,000 related to commission with respect to EP469 farmout.

28. Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Parent Entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(b) Diluted loss per share

Options issued to shareholders and related parties are considered to be potential ordinary shares if average market price during the period is above the exercise price and have been considered in the determination of diluted loss per share.

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account of the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(c) Reconciliation of loss used in calculating loss per share

	2022 $	2021 $
Basic loss per share / Diluted loss per share		
Loss from continuing operations attributable to the ordinary equity holders of the Company	4,226,929	6,386,088
Loss attributable to ordinary equity holders of the Company	4,226,929	6,386,088

(d) Weighted average number of shares used as the denominator

	2022 Number	2021 Number
Weighted average number of shares used as denominator in calculating:		
Basic loss per share	3,922,850,127	3,643,758,887
Diluted loss per share	3,934,565,365	3,643,758,887

29. Parent entity information

	Parent entity	
	2022 $	2021 $
Loss after income tax	11,567,857	14,654,517
Total comprehensive loss for the year	**11,567,857**	**14,654,517**
Statement of financial position		
Total current assets	31,463,272	12,666,591
Total assets	100,756,107	65,721,344
Total current liabilities	879,780	1,855,472
Total liabilities	**1,099,245**	**2,172,488**
Equity		
Issued capital	185,843,119	138,483,843
Option reserve	956,599	1,158,538
Accumulated losses	(87,142,856)	(76,093,525)
Total equity	**99,656,862**	**63,548,856**

Guarantees entered into by the Parent Entity in relation to the debts of its subsidiaries

The Parent Entity Warrego had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The Group had no contingent assets or liabilities as at 30 June 2022 and 30 June 2021 as detailed in Note 24.

Capital commitments - Plant and equipment

The Parent Entity had no capital commitments for plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the Parent Entity are consistent with those of the Group, as disclosed in note 1. In addition, investments in subsidiaries are accounted for at cost, less any impairment, in the Parent Entity.

30. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

Subsidiaries	Place of incorporation	2022 Interest %	2021 Interest %	Parent
Warrego Energy UK Ltd	United Kingdom	100	100	Warrego Energy Limited
Warrego Energy Europe Ltd ^^	Edinburgh, Scotland	100	100	Warrego Energy Limited
Warrego Energy Netherlands B.V. ^^	Netherlands	100	100	Warrego Energy Limited
Warrego Energy EP469 Pty Ltd	WA, Australia	100	100	Warrego Energy Limited
Warrego Australia Holdings Pty Ltd	WA, Australia	100	100	Warrego Energy Limited
West Erregulla Pty Ltd	WA, Australia	100	100	Warrego Energy Limited
Warrego Energy 127 Pty Ltd	Victoria, Australia	100	100	Warrego Energy Limited
Tarba Energia (formerly Schuepbach Energy Espania) ^	Cadiz, Spain	85 50.1	85 50.1	Warrego Energy Limited

^ Warrego has 85% working interest in Tesorillo and Ruedalabola and 50.1% working interest in El Romeral.
^^ Dormant subsidiaries

The ownership interests held in the subsidiaries are ordinary shares or participating interests as the case may be.

31. Interests in joint operations

The Group has the following participating interests in joint operations whose principal activities consist of oil & gas exploration. The joint operations are not separate legal entities and are contractual arrangements between the participants for the sharing of exploration and development costs and production.

	Interest	
Joint Operations	**2022 $**	**2021 $**
Cardium, Alberta, Canada*	-	40
EP469, Perth, Australia	50	50

** Interest in Joint Venture divested on 10 August 2021.*

32. Subsequent events

Other than disclosed below no matter has arisen in the period since 30 June 2022 that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods:

- In July 2022, Warrego announced a 41% upgrade to West Erregulla gross 2P Reserves, independently certified by Netherland, Sewell & Associates, Inc. ("NSAI")[10]. 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).
- In August 2022, preliminary analysis of WE3 testing (7 days of flow testing) indicated a substantial sized connected reserve resulting from an excellent production test. WE3 stabilised rates of 83 mmscfd were recorded with a high flowing well head pressure of 3,474 psi on a 68/64" choke and were limited by surface equipment with well head pressures indicating the potential to stably flow at higher rates.[11]

- In September 2022, Warrego announced the completion of a detailed Feasibility Study into the potential for a Blue Hydrogen and Carbon Capture and Storage (CCS) project in the Mid-West region of Western Australia[12].

[10] *Refer Warrego ASX Announcement of 28 July 2022, "West Erregulla 2P Reserves upgraded by 41%"*
[11] *Refer Strike Energy Limited (ASX:STX) announcement of 28 August 2022 "West Erregulla-3 confirmed as major producer"*
[12] *Refer Warrego ASX Announcement of 19 September 2022 "Completion of Blue Hydrogen and CCS Project Feasibility Study"*

33. Corporate information

The financial report of Warrego Energy Limited for the period ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 20 September 2022.

Warrego Energy Limited is a public company limited by shares, incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange. The directors have the power to amend and re-issue the financial report.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the notes to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Dennis Donald
Group CEO & Managing Director

21 September 2022

Auditor’s Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Warrego Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Warrego Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
At 30 June 2022, we note that the carrying value of the Exploration and Evaluation Asset is significant to the financial statements, as disclosed in note 9. Accordingly, we considered it necessary to assess whether there are any indicators of impairment of these assets and that the costs capitalised meet the criteria for capitalisation in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether there are indicators that suggest that the exploration and expenditure assets should be tested for impairment.	Our procedures included but were not limited to: • Obtaining a schedule of areas of interest held by the group and assessing whether the right to tenure was current; • Considering the status of ongoing exploration programmes in the respective areas of interest by holding discussions with management and reviewing forecast cash flows, ASX announcements and board minutes. • Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year to ensure these costs were capitalised in accordance with the group accounting policy. • Considering whether any facts of circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in note 9 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 43 to 52 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Warrego Energy Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth

21 September 2022

Additional Information

Additional information included in accordance with Listing Rules of ASX Limited, current as at 28 September 2022.

1. Shareholders

a) Distribution of security holders as at 28 September 2022

Fully paid ordinary shares

Holdings Ranges	Holders	Total Units	%
1 - 1,000	456	172,627	0.010
1,001 - 5,000	806	2,434,102	0.200
5,001 - 10,000	447	3,589,631	0.290
10,001 - 100,000	1,257	51,616,474	4.220
> 100,001	632	1,165,309,492	95.270
Totals	**3,598**	**1,223,122,326**	**100.000**

There were 1,011 shareholders holding an unmarketable parcel of shares. An unmarketable parcel comprised 3,846 shares based on a closing share price of $0.13 on 28 September 2022.

Unlisted options (expiring on 21 July 2023 and exercisable at $0.28)

Holdings Ranges	Holders	Total Units	%
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
> 100,001	3[1]	9,999,999	100.000
Totals	**3**	**9,999,999**	**100.000**

1. Holders with more than 20%:
- *Mr Mark Routh, 3,333,333 (33.33%);*
- *Mr David Biggs, 3,333,333 (33.33%); and*
- *Discovery Investments Pty Ltd <The Columbus Family A/C>, 3,333,333 (33.33%).*

Employee share rights (expiring on 3 February 2023)

Holdings Ranges	Holders	Total Units	%
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
> 100,001	1	631,874	100.000
Totals	**1**	**631,874**	**100.000**

Employee performance rights (various expiry dates)

Holdings Ranges	Holders	Total Units	%
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
> 100,001	6	7,934,831	100.000
Totals	**6**	**7,934,831**	**100.000**

b) Top twenty shareholders as at 28 September 2022

Fully paid ordinary shares

Top twenty shareholders as at 28 September 2022	Number of ordinary shares held	% of shares held
1. Condor Energy Investments LLP	137,878,873	11.273%
2. Mira Lasnubes LLP	137,878,873	11.273%
3. Citicorp Nominees Pty Limited	115,360,513	9.432%
4. Zero Nominees Pty ltd	93,312,610	7.629%
5. UBS Nominees Pty Ltd	42,867,684	3.505%
6. Brazil Farming Pty Ltd	37,847,896	3.094%
7. Discovery Investments Pty Ltd	35,828,956	2.929%
8. BNP Paribas Nominees Pty Ltd	30,991,717	2.534%
9. Mr James Clarke	19,152,474	1.566%
10. Treasury Services Group Pty Ltd <Nero Resource Fund A/C>	17,178,833	1.405%
11. Rookharp Capital Pty Limited	16,720,917	1.367%
12. HSBC Custody Nominees (Australia) Limited	14,779,578	1.208%
13. Mr Owain Franks	14,512,723	1.187%
14. Broadgate Investments Pty Ltd	13,910,585	1.137%
15. Brazil Farming Pty Ltd	11,305,459	0.924%
16. Treasury Services Group Pty Ltd <Nero Resources Fund A/C>	10,050,000	0.822%
17. Mr Antonios Manuel Syrianos <Tony Syrianos Family A/C>	8,735,000	0.714%
18. Brispot Nominees Pty Ltd <House Head Nominee A/C>	8,333,326	0.681%
19. Merrill Lynch (Australia) Nominees Pty Limited	7,836,527	0.641%
20. Mr Anthony John Wyeth	7,831,643	0.640%
Total Securities Of Top 20 Shareholders	**782,314,187**	**63.960%**
Total Of Securities	**1,223,122,326**	**100.000%**

2. Voting Power

Ordinary shareholders have voting rights as follows:

a) at meetings of members each member entitled to vote may vote in person or by proxy or attorney or, in the case of a member which is a body corporate, by representative duly authorised;

b) on a show of hands every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote; and

c) on a poll every member entitled to vote and be present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he or she is a holder.

Option holders, employee share rights holders and employee performance rights holders do not have voting rights.

3. Substantial Shareholders

The ordinary securities held by substantial shareholders as disclosed in substantial holder notices are as follows:

Names	Number of ordinary shares held	% of Shares Held
Dennis Donald [1]	145,176,736	15.15%
Duncan Macniven [2]	145,176,736	15.15%
Regal Funds Management Pty Ltd [3]	97,371,010	7.96%
Strike Energy Limited [4]	93,312,610	8.16%

The Company notes that the figures stated above are current as at the date the applicable substantial shareholder notices were lodged with ASX. Substantial shareholdings may have changed between then and the current date.

1. As lodged with ASX on 19 November 2020. 2. As lodged with ASX on 19 November 2020. 3. As lodged with ASX on 11 August 2022.
4. As lodged with ASX on 20 July 2021. Held by Zero Nominees Pty Ltd, a wholly owned subsidiary of Strike Energy Limited.

4. Unquoted Securities

The unquoted securities issued but not quoted as at 28 September 2022 are as follows:

Description	Holders	Total Number
Unlisted Options, expiry 21 July 2023, exercise price of $0.28	3	9,999,999
Employee Share Rights, expiry 3 February 2023	1	631,874
Employee Performance Rights, (various expiry dates)	6	7,934,831

5. Buy-Back

In March 2022, Warrego commenced a buy-back and cancellation of 750,000 of Employee Incentive Scheme (EIS) shares that were issued subject to loan arrangements to former employees of the Company. Under their terms of issue, the EIS shares were bought back in consideration for the repayment and extinguishment of the corresponding outstanding loans. The buy-backs were cash neutral to the Company. The buy-back and cancellation was completed on 14 April 2022. Upon completion there were no other EIS shares outstanding.

6. Corporate Governance Statement

The Company's Corporate Governance Statement for the 2022 financial year is available from the Company's website at https://warregoenergy.com/about/corporate-governance

7. Tenement Listing

Tenement reference	Location	Nature of interest	Interest at 30 June 2022	
				Gross Acres
EP469	North Perth Basin Western Australia	Direct JV interest	50.0%	56,000
STP-EPA-0127 application^^	North Perth Basin Western Australia	Application	100.0%	2,200,000
Piedra Sola	Norte Basin, Uruguay	Via Schuepbach Energy Int. LLC	41.0%	2,525,000
Tesorillo^	Cadiz, Spain	Via Tarba Energia SRL	85.0%	68,800
Ruedalabola^	Cadiz, Spain	Via Tarba Energia SRL	85.0%	10,200
El Romeral 1*	Guadalquivir Basin, Spain	Via Tarba Energia SRL	50.1%	76,600 (total*)
El Romeral 2*	Guadalquivir Basin, Spain	Via Tarba Energia SRL	50.1%	
El Romeral 3*	Guadalquivir Basin, Spain	Via Tarba Energia SRL	50.1%	

^ Warrego's 85% working interest will reduce to 50.1% upon completion of the Prospex Share Purchase Agreement. Proceeds of €2.05m (100%) will be used by Warrego to fund its share of an agreed Tesorillo work programme (estimated at €3.82m) which includes a magnetotelluric programme and if successful, a well to target the Almarchal-1 discovery drilled in 1956.

^^ On 29 December 2021, Warrego executed a farm-out agreement with Mitsui E&P Australia (MEPAU), a wholly owned subsidiary of Mitsui & Co. Ltd. Under the terms of the farm-out MEPAU will, in exchange for receiving a 50% working interest in the permit, carry 100% of Warrego's exploration costs in the first two years of the planned six-year conventional work program, up to a cap of $1.5 million. MEPAU also has the option to assume operatorship of the permit from year three.

Corporate Directory

Directors

Greg Columbus	Non-executive Chairman
Dennis Donald	Group Chief Executive Officer & Managing Director
Mark Routh	Non-executive Director
Michael Atkins	Non-executive Director

Company Secretary

Shannon Coates

Registered Office

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T: +61 8 6373 5171

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Warrego Energy Limited

ACN 125 394 667

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Sydney NSW 2001

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F: +61 2 9290 9655

Home Securities Exchange

ASX Limited
20 Bridge Street, Sydney NSW 2000

ASX Code: WGO

Auditors

BDO
Level 9, Mia Yellagonga Tower 2, 5 Spring Street,
Perth WA 6000

Glossary

2P	Proved + Probable Reserves
2C	Best Estimate Contingent Resources
2U	Best Estimate Prospective Resources
3D	Three-dimensional seismic survey
ASX	Australian Securities Exchange
Bbl/d	Barrels per day
Bcf	Billion cubic feet
CEO	Chief Executive Officer
CO_2	Carbon Dioxide
EP	Exploration Permit
E&P	Exploration & Production
EPA	Exploration Permit Application
ESG	Environment, Social, Governance
FEED	Front End Engineering and Design
FWHP	Flowing Well Head Pressure
FTHP	Flowing Tube Head Pressure
FY	Financial Year
GJ	Gigajoules

The critical progress Warrego achieved during the reporting period has placed your company on a clear path to development success.

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