

warrego
energy

2022 Annual General Meeting

22nd November 2022

Dennis Donald, Managing Director & CEO

Compliance Statements



Disclaimer

- This presentation was authorised for release by the Managing Director of Warrego Energy Limited.
- This presentation does not constitute investment advice. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.
- This presentation may include forward looking statements. Forward looking statements are only predictions and are subject to known and unknown risks, uncertainties and assumptions which are outside the control of Warrego. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this presentation.
- Future appraisal and development projects are subject to approvals such as government approvals, joint venture approvals and Board approvals.
- Dates and schedules for planned EP469 activities are subject to change by the Operator.

Resources Disclosure

- The NSAI-certified Reserves, Contingent Resources and Prospective Resources for EP469 referred to in this presentation were released to the Australian Securities Exchange (ASX) by the Company on 28 July 2022.
- These estimates must therefore be read in conjunction with the full text of the ASX releases referred to.
- The Company is unaware of any new information that materially impacts the information in these releases and confirms that all the material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.

Cautionary Statement on Prospective Resources:

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

Recommended Transaction with Beach Energy



Warrego has entered into a Scheme Implementation Deed (SID) with Beach Energy

Beach Energy Limited (ASX:BPT) (Beach) Offer	<ul style="list-style-type: none">• Beach has agreed to acquire all the shares in Warrego by way of a scheme of arrangement under which Warrego shareholders will receive:<ul style="list-style-type: none">• Cash consideration of \$0.20 per share; and• If Warrego's Spanish assets are sold, and such sale completes, within 12 months of implementation of the Scheme, the proceeds of such sale net of costs and taxes
Attractive premium and cash certain value	<ul style="list-style-type: none">• \$0.20 per share cash consideration represents a 36% premium to Warrego's 1-month VWAP to 9 November 2022¹• Delivers all-cash certain value to Warrego shareholders for their shares
Recommendation	<ul style="list-style-type: none">• Warrego Board unanimously recommends Warrego shareholders vote in favour of the Beach Scheme, and Each Warrego director intends to vote in favour of the Scheme, in each case in the absence of a Superior Proposal and subject to an Independent Expert concluding the Scheme is in the best interests of Warrego shareholders
Next Steps	<ul style="list-style-type: none">• Scheme is subject to Warrego shareholder approval at the Scheme Meeting, and approval by the Court, as well as other customary conditions• A Scheme Booklet² will be dispatched to Warrego shareholders anticipated during January 2023 in advance of the Scheme Meeting

1. 9 November 2022 was the last trading day prior to the announcement of the Strike Energy Limited proposal by Warrego on 10 November 2022.

2. Scheme Booklet to contain information relating to the Scheme, reasons for the Warrego Directors' recommendation, Independent Expert's Report and details of Scheme Meeting

Recommended Transaction with Beach Energy (cont)



Warrego has entered into a Scheme Implementation Deed (SID) with Beach Energy

Strike Energy Limited (ASX:STX) (Strike) Offer

- Warrego previously announced receipt of a proposal from Strike under which Warrego shareholders would receive:
 - 0.775 new Strike shares for each Warrego share held; and
 - If Warrego's Spanish assets are sold, and such sale completes, within 12 months of implementation of the scheme the proceeds of such sale net of costs and taxes
- Warrego shareholders would own approximately 30.35% of the combined group¹
- Warrego would have the right to appoint 1 Board member to the Board of the combined group

Board's assessment of offers

- Based on Strike's closing share price of \$0.25 on 11 November 2022 (last trading day before entry into the Beach SID), Beach's cash consideration (\$0.20 per share) was superior to the implied value of Strike's proposed scrip consideration (\$0.194 per share)
- Beach's \$0.20 per share proposal delivers cash certain value to Warrego shareholders
- There are risks associated with a scrip offer for Warrego shareholders, including exposure to movements in Strike's share price as well as exposure, through owning Strike shares, to Strike's other assets
- After careful consideration of the respective offers, your Board decided to enter into a Scheme Implementation Deed (SID) with Beach as announced on 14 November 2022

1. Assuming diluted share capital of Warrego of 1,231,689,031 comprising 1,223,122,326 fully paid ordinary shares, and 7,934,831 performance rights and 631,874 employee share rights that convert into fully paid ordinary shares on a 1:1 basis

First priority: Health, Safety, Environment



Performance in 2022

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

Net zero by 2050

- Adopted independent ESG framework with 21 core metrics created by the World Economic Forum
- Joined Mid West Blue Hydrogen and CCS consortium (Nov 2021) – currently evaluating
- West Erregulla gas processing emissions to be managed by AGIG under the terms of the GPSA
- In Spain, evaluating complementary renewable energy solutions

High quality portfolio with excellent long-term cash generation potential



	North Perth Basin, WA	Coolcalalaya Sub-Basin, WA	Spain
NATURAL GAS	<p>EP-469 (50%) West Erregulla (87 TJ/d gas project, pending development approvals)</p> <p>Erregulla Deep (Early stage exploration)</p>	<p>EPA-0127 (100%, Operator) (Early stage exploration, permit conversion and farm-out to Mitsui pending)</p>	<p>Tesorillo (85%, Operator) (830 Bcf gross prospective resources, appraisal pending drilling approvals)</p>
POWER GENERATION			<p>El Romeral Gas to Power Facility (50.1%, Operator) (Power generation, expansion pending permit approvals, adding renewables to mix with solar installation)</p>
HYDROGEN & CCS	<p>MWBH & CCS Feasibility Study Completed (Feasibility Study was in conjunction with Pilot and APA)</p>	<p>Evaluating mid-term H₂ and CCS potential</p>	<p>Evaluating long-term H₂ and CCS potential</p>

Note: The Prospective Resource estimate for the Tesorillo asset was first released to the ASX by the Company on 7 May 2015.



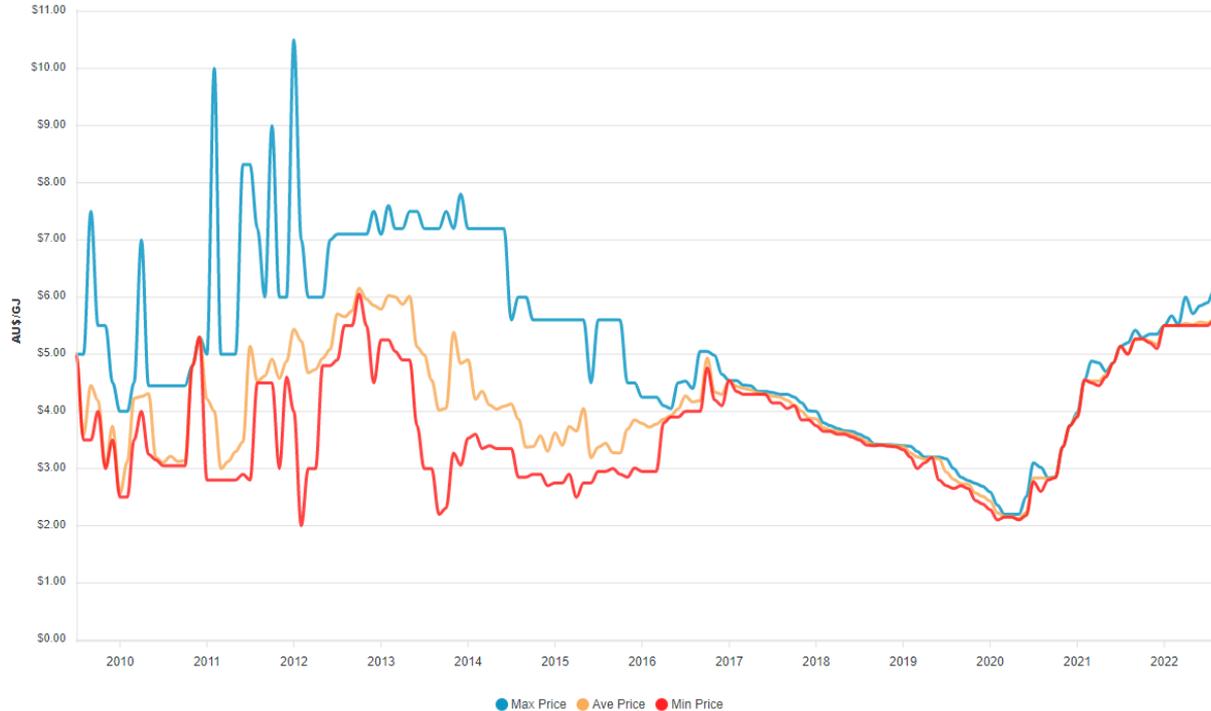
Unlocking future growth potential in WA

Northern Perth Basin, WA

WA domgas market continues to tighten – spot prices rise above \$5.80/GJ in 2022



Gas Trading - Daily Price History



Sep 2022

Max Price	\$6.25/GJ
Avg Price	\$5.82/GJ
Min Price	\$5.80/GJ

Source: Gas Trading Australia Pty Ltd,
<https://www.gastrading.com.au/spot-market/historical-prices-and-volume/daily-price-history>

EP469: A major opportunity at West Erregulla

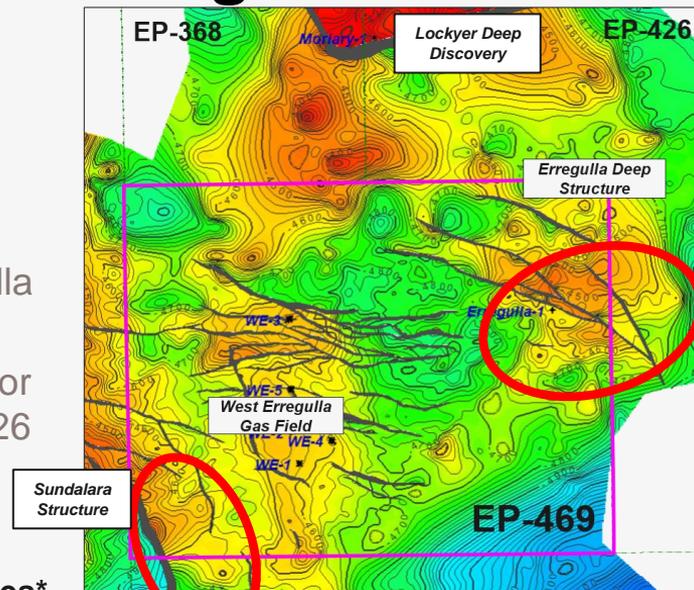
- Large onshore gas development in the production-ready Perth Basin
- West Erregulla 2P Reserves upgraded by 41% in July 2022 to 422 PJ gross
- Outstanding WE-3 flow test results reported in August 2022
- WA's EPA currently assessing approvals submitted for West Erregulla gas processing facility and upstream gathering system
- Significant potential for further Reserves upgrades



EP469: High grade exploration target at Erregulla Deep



- Erregulla Deep offers future substantial, low risk, growth potential in EP469
- Planned 3D seismic will provide detail of the Erregulla Deep structure
- A future discovery could be tied into West Erregulla or developed in conjunction with adjacent JVs in EP-426 or EP-368



Erregulla Deep OGIP* and unrisked Prospective Resources* Warrego estimates as at 18 May 2022 (ASX Announcement 9 June 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

Prospective Resources 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.

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EPA-0127 – the next Perth Basin?



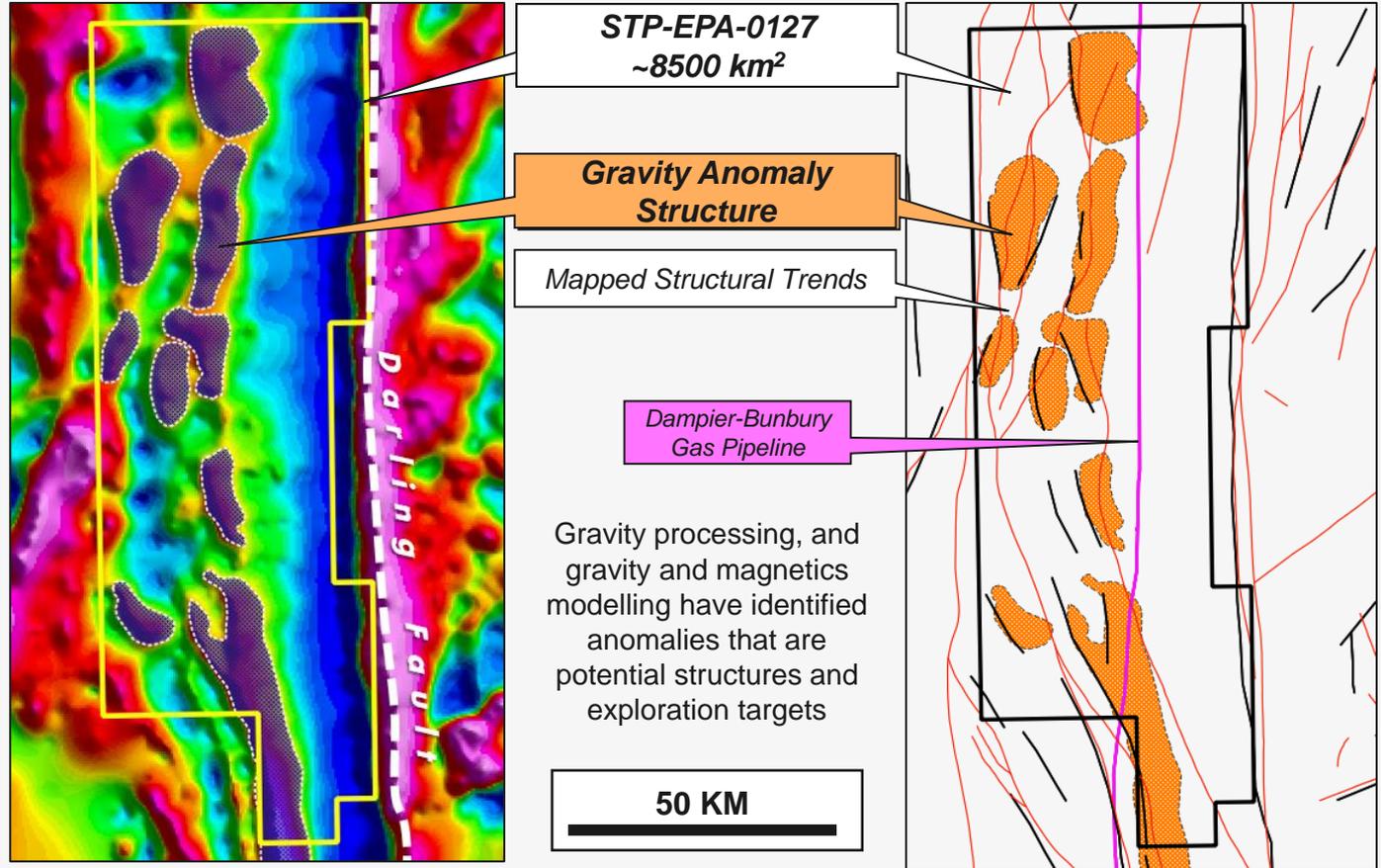
- Largest onshore WA exploration permit application covering 2.1 million acres (8,500 km²)
- Excellent proximity to pipeline infrastructure
- Farm-out 50% working interest to Mitsui E&P Australia
- Farm-out agreement subject to exploration permit grant
- Native Title negotiations at advanced stage
- Work program approved by DMIRS; JV partners planning to accelerate



EPA-0127 – large-scale untapped potential



Asymmetric sub-basin with multiple positive gravity anomalies identified



Modified, from FrogTech (2013)

The interpretation of the gravity data across EPA-0127 was completed by Warrego Energy



Spain: Opening doors to European gas market

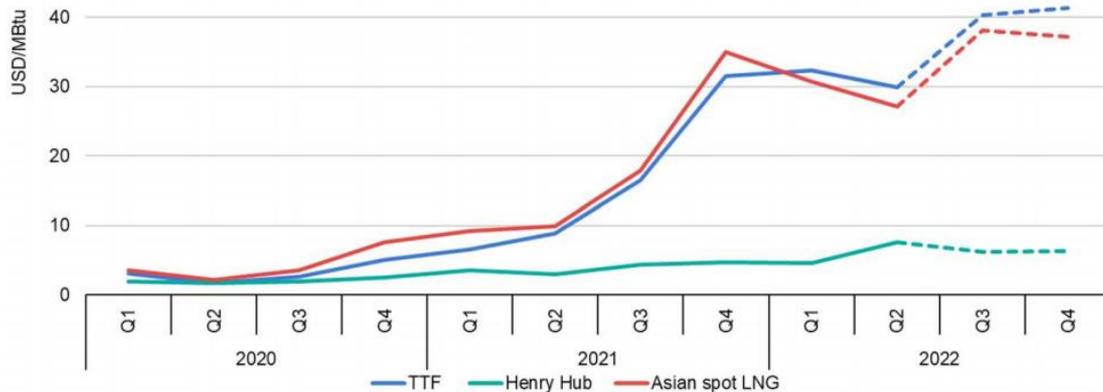
Meeting market demand for gas and power



Surging gas and electricity prices trigger energy policy changes in Europe

TTF is expected to display a strong premium over Asian spot LNG prices in H2 2022

Main spot and forward natural gas prices, 2020-2022



Global events have caused European countries to re-evaluate their energy policies and supply chains including recognising gas as a key baseload fuel in the transition to renewable energy and the potential easing of restrictions for domestic resource development. Warrego has a significant advantage with an established presence in Spain and the necessary development permit applications lodged and pending approval.

Source: IEA, Gas Market Report, Q3-2022, p.108, IEA, Paris
<https://iea.blob.core.windows.net/assets/c7e74868-30fd-440c-a616-488215894356/GasMarketReport%2CQ3-2022.pdf>

El Romeral Gas to Power facility



- El Romeral, in the Seville Region, is generating strong revenue and cash flow
- Facility currently running 24/7 with potential to increase capacity to 100% (if infill wells are approved and drilling successful)
- Drilling and production permit applications were submitted to the regulator prior to the Climate Change Act being introduced and are currently being assessed
- **Project Apollo**, the installation of solar panels on the El Romeral facility to power ancillary services has been successfully completed and has been generating electricity in line with expectations.
- **Project Helios**, a proposed 5 MW solar farm adjacent to El Romeral is advancing through the FEED stage with land negotiations and an environmental impact assessment underway.

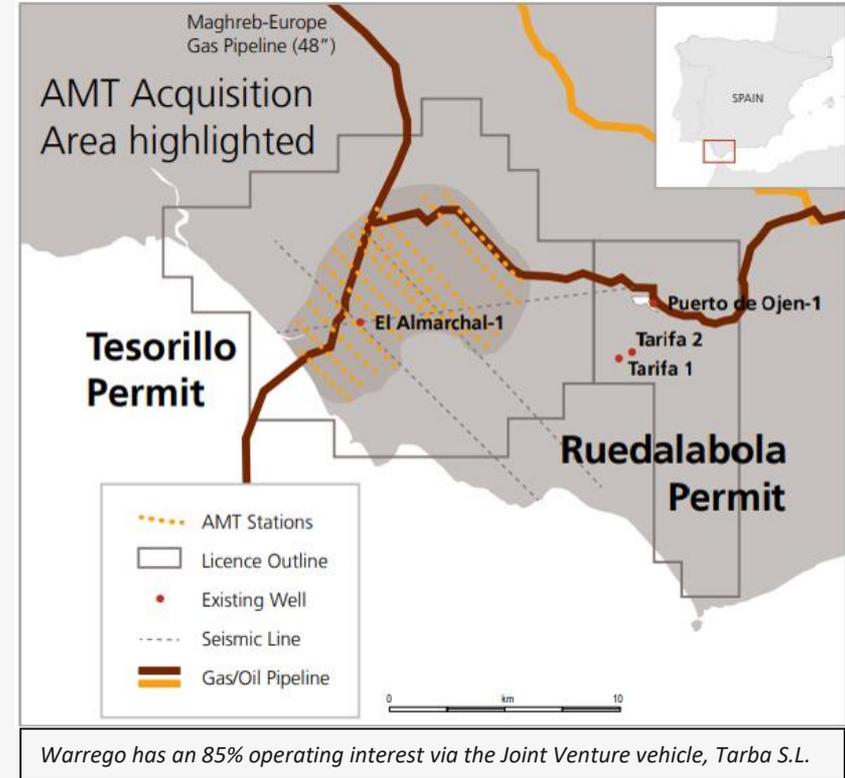


The El Romeral gas to power generation facility. Warrego has a 50.1% Operating interest in the project via the joint venture vehicle, Tarba S.L.

Tesorillo Project – 830 Bcf gross unrisked Prospective Resource



- The Tesorillo Project, in the Cadiz Region, comprises two petroleum exploration licences, Tesorillo and Ruedalabola
- The permit area features a conventional gas discovery (El Almarchal-1)
- Estimated to contain 830 Bcf gross unrisked prospective resources on a best estimate basis¹
- Low drilling costs and proximity to pipeline infrastructure and markets make this a **high priority opportunity**
- The production permit application and field development plan have progressed from the regulator to the Ministry for final review and approval
- Discussions with the Ministry have made good progress



1. The Prospective Resource estimate for the Tesorillo asset was first released to the ASX by the Company on 7 May 2015. The Tesorillo exploration permit has been temporarily suspended pending the outcome of the production permit application. See disclaimer wording around Prospective Resources on Page 2 of this Presentation.

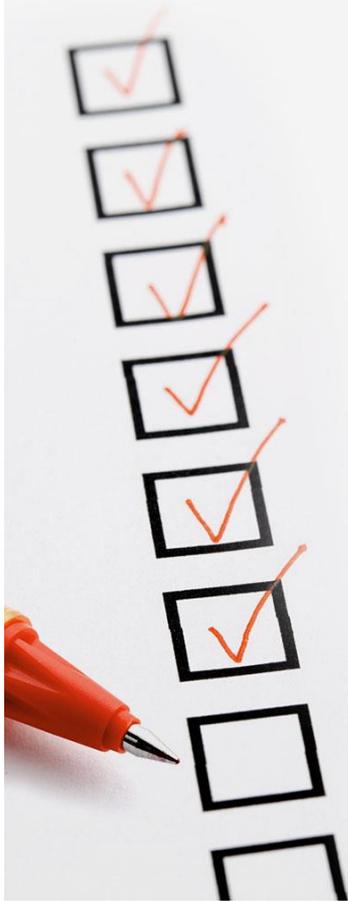


Outlook

Quality projects with multiple catalysts



Project Milestones

- 
- A vertical checklist on the left side of the slide. It consists of a series of black-outlined squares. The top seven squares contain a red checkmark. The bottom two squares are empty. An orange pen is positioned at the bottom left, pointing towards the checklist.
- EPA and regulatory approvals for West Erregulla Gas project
 - Drilling and permit approvals for Tesorillo and El Romeral
 - EPA-0127 Native Title agreement
 - EPA-0127 conversion to exploration permit and farm-out to Mitsui
 - 3D seismic to prove up Erregulla Deep and other structures in EP469



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Thank you

Research coverage

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