

Allens

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000 Australia

T +61 2 9230 4000

F +61 2 9230 5333

www.allens.com.au

GPO Box 50
Sydney NSW 2001 Australia

ABN 47 702 595 758

Allens > < Linklaters

5 January 2023

Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

By online lodgement

Dear Sir/Madam

Warrego Energy Limited – First Supplementary Target's Statement in relation to takeover offer from Hancock Energy (PB) Pty Ltd

We act for Warrego Energy Limited (ACN 125 394 667) (*Warrego*).

On behalf of Warrego, we attach a supplementary target's statement dated 5 January 2023 (*First Supplementary Target's Statement*), which supplements Warrego's target's statement dated 30 December 2022 in response to the off-market takeover offer from Hancock Energy (PB) Pty Ltd (*Hancock*) for all the ordinary shares in Warrego.

The First Supplementary Target's Statement has been lodged with the Australian Securities and Investments Commission and served on Hancock today.

Yours sincerely



Guy Alexander

Partner

Allens

Guy.Alexander@allens.com.au

T +61 2 9230 4874

Bree Rowswell

Managing Associate

Allens

Bree.Rowswell@allens.com.au

T + 2 9230 4137

Our Ref 121036424

WTBS 802496834v2 121036424

First Supplementary Target's Statement in relation to Hancock Offer

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth) (**Corporations Act**). It is the first supplementary target's statement (**First Supplementary Target's Statement**) issued by Warrego Energy Limited (ACN 125 394 667) (**Warrego**) in relation to the off-market takeover bid made by Hancock Energy (PB) Pty Ltd (ACN 663 446 642) (**Hancock**) for all the ordinary shares in Warrego. This document supplements, and should be read together with, Warrego's target's statement dated 30 December 2022 (**Target's Statement**).

Unless otherwise specified, capitalised terms used but not defined in this First Supplementary Target's Statement have the same meaning given to them in the Target's Statement. This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this First Supplementary Target's Statement is being lodged with ASIC today. Neither ASIC nor any of its officers take any responsibility for its contents. A copy of this First Supplementary Target's Statement has also been provided to the ASX. Neither the ASX nor any of its officers takes any responsibility for the contents of this document.

1. Update on Takeover Offers for Warrego

Warrego refers to its Target's Statement which was released to the ASX on 30 December 2022. As discussed in the Target's Statement, there are currently two takeover bids on the table for Warrego, being:

- * The Hancock cash offer at \$0.28 per Warrego Share (the **Hancock Offer**); and
- * The Strike scrip offer of 1 new Strike share per Warrego Share (the **Strike Offer**).

In Warrego's Target's Statement, the Warrego Board has recommended (by 3:1 majority resolution) that Shareholders accept the Hancock Offer, in the absence of a superior proposal¹. The Target's Statement sets out in full the individual director's reasons for their recommendations.

There have been a number of developments since the release of Warrego's Target's Statement on 30 December 2022, including the following:

(a) Conditional increase in Hancock offer price

Warrego notes the announcement by Hancock today that Hancock will increase the offer price under its takeover offer from \$0.28 per Warrego Share to \$0.36 per Warrego Share, if Hancock receives acceptances totalling 40% or more of Warrego Shares (**40% Increase Condition**). Hancock has advised that it currently has acceptances from Warrego Shareholders holding 25.92% of the Warrego Shares on issue, and therefore requires further acceptances from Warrego Shareholders holding in aggregate 14.08% of Warrego Shares in order for the conditional price increase to take effect. If the 40% Increase Condition is satisfied and the offer price is increased to \$0.36 per Warrego Share, all Warrego Shareholders who have already accepted the Hancock Offer will also be entitled to receive the increased price of \$0.36 per Warrego Share.

¹In the Target's Statement, the Board notes that Shareholders wishing to sell their Shares for cash may prefer to sell their Shares on the ASX if Warrego Shares continue to trade on ASX above the Hancock Offer Price of \$0.28 per Share. If a Shareholder accepts the Hancock Offer and the Hancock Offer price is subsequently increased, the Shareholder will receive the increased offer price, which is not the case if they have sold on-market.

There is no guarantee that Hancock will receive acceptances totalling 40% or more of Warrego Shares, and, accordingly, there is therefore no guarantee that the conditional price increase will take effect. Hancock is required to update the market daily on the level of acceptances under its bid, so that Shareholders will have visibility during the Hancock offer period on the likelihood of the condition being satisfied.

(b) Special crossing of approximately 15% of Warrego Shares yesterday

Warrego also notes that there was a special crossing of approximately 15% of Warrego Shares on ASX yesterday, at \$0.35 per Warrego Share. The purchaser of these Shares is not yet known, although Warrego notes media speculation around the identity of the purchaser. It is not yet clear what effect this purchase will have on the likelihood or otherwise of the 40% Increase Condition being satisfied under the Hancock Offer. It is also not clear whether any of the sellers of these Shares were parties which had previously given Strike shareholder intention statements indicating that they intended to accept the Strike Offer in the absence of a superior proposal, thereby reducing the aggregate 20.5% shareholding in Warrego which Strike had indicated were the subject of those intention statements.

Warrego will continue to monitor the position in relation to this parcel, and will update Shareholders once the position becomes clearer.

2. Warrego Directors' recommendations

Each of the Warrego Directors will now consider whether the changed facts set out above impact in any way on their respective recommendations given in the Target's Statement, and will update Shareholders as soon as possible if there is any change.

3. References by each of the bidders to statements in Warrego's Target's Statement

Since the release of Warrego's Target's Statement, each of Strike and Hancock have released statements either seeking to quote in an unbalanced way the individual Warrego director's recommendations from the Target's Statement, or, in Hancock's case, incorrectly referring to passages from the Target's Statement as being reasons of a majority of the Warrego Board which were not reasons of a majority of directors.

Warrego Shareholders are encouraged to read Warrego's Target's Statement for the Warrego Directors' individual reasons for their recommendations, rather than the bidders' interpretation or characterisation of those reasons. The Target's Statement is available on the ASX, and has now been despatched to Shareholders in the manner previously advised. Shareholders can also obtain a hard copy by contacting the Warrego Shareholder Information Line on 1300 130 401 (within Australia) or +61 2 9066 4063 (outside Australia), Monday to Friday between 9.00am and 5.00pm (Sydney time).

4. Pre-emptive rights provision in EP469 JOA

Warrego also notes statements in Hancock's Sixth Supplementary Bidder's Statement today in relation to the operation of the pre-emptive rights under the joint operating agreement between Warrego and Strike, in the event that Hancock does acquire control of Warrego. In its supplementary statement, Hancock refers, without consent, to views expressed by Warrego in relation to Warrego's 9 December 2022 announcement, prior to the Strike offer being announced, which are now irrelevant given that the Warrego Board has now made a recommendation in the Target's Statement dated 30 December 2022.

Warrego makes no comment on the pre-emptive rights provision beyond what is set out in Warrego's Target's Statement, including section 9.1 of that statement. Hancock needs to form its own views on the operation of the pre-emptive rights provision, which it presumably did when it waived its bid condition requiring a Warrego Board recommendation in the Target's Statement or any supplementary Target's Statement.

5. Offer period

The Hancock Offer is scheduled to close at 7.00pm (Sydney time) on Tuesday, 31 January 2023, unless withdrawn or extended. If Shareholders are in any doubt as to what they should do in relation to the Hancock Offer or the Strike Offer, they are encouraged to seek advice from independent and appropriately licensed financial, legal, taxation and other professional advisers before making their decision in relation to their Warrego Shares.

6. Authorisation

This First Supplementary Target's Statement has been approved by a resolution passed by the Directors of Warrego Energy Limited (ACN 125 394 667).

Dated 5 January 2023.

Signed for and on behalf of Warrego:

A handwritten signature in blue ink, appearing to read 'Dennis Donald', is written over a faint circular stamp or watermark.

Dennis Donald
Managing Director