



DLA Piper Australia
Whadjuk Country
Level 21
240 St Georges Terrace
Perth WA 6000
PO Box Z5470
Perth WA 6831
Australia
T: +61 8 6467 6000
F: +61 8 6467 6001
dlapiper.com

Market Announcements Office
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By online lodgement

6 January 2023

FOR IMMEDIATE RELEASE TO THE MARKET

Dear Sir/Madam

Strike West Holdings Pty Ltd – Second supplementary bidder’s statement

We act for Strike West Holdings Pty Ltd ACN 616 395 398 (**Strike West**), a wholly owned subsidiary of Strike Energy Limited ACN 078 012 745 (ASX: STX) (**Strike**), in relation to its off-market takeover bid to acquire all of the shares in Warrego Energy Limited ACN 125 394 667 (ASX: WGO) (**Warrego**) that Strike does not already own (**Offer**) and have been authorised by the board of Strike and Strike West to provide this release.

On behalf of Strike West, we attach a second supplementary bidder’s statement, dated 6 January 2023 (**Second Supplementary Bidder’s Statement**), which supplements Strike West’s bidder’s statement dated 23 December 2022 and first supplementary bidder’s statement dated 30 December 2022 in relation to the Offer.

The Second Supplementary Bidder’s Statement has been lodged with the Australian Securities and Investments Commission and sent to Warrego today.

Yours sincerely

James Stewart
Partner

T: +61 2 9286 8112
james.stewart@dlapiper.com

DLA Piper Australia

Matthew Nowotny-Walsh
Senior Associate

T: +61 8 6467 6043
matthew.nowotny-walsh@dlapiper.com

DLA Piper Australia



Second Supplementary Bidder's Statement

In relation to the Offer by
STRIKE ENERGY LIMITED

through its wholly owned subsidiary
Strike West Holdings Pty Ltd
ACN 616 395 398

to acquire Your Warrego Shares for
one Strike Share for every one
of Your Warrego Shares

**THIS IS AN IMPORTANT DOCUMENT AND
REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in doubt as to how to deal with it,
you should consult your financial, legal or other
professional adviser as soon as possible



MACQUARIE

Financial Adviser



DLA PIPER

Legal Adviser



IMPORTANT INFORMATION

This document is the second supplementary bidder's statement (**Second Supplementary Bidder's Statement**) under section 643 of the Corporations Act issued by Strike West Holdings Pty Ltd (ACN 616 395 398) (**Strike West**) in relation to its off-market takeover offer to acquire all of the shares in Warrego Energy Limited (ACN 125 394 667) (**Warrego**) that Strike Energy Limited (ACN 078 012 745) (**Strike**) does not already own (**Offer**) contained in Strike West's bidder's statement dated 23 December 2022 (**Original Bidder's Statement**) as varied and supplemented by the first supplementary bidder's statement dated 30 December 2022 (**First Supplementary Bidder's Statement**).

This Second Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement and the First Supplementary Bidder's Statement. This Second Supplementary Bidder's Statement will prevail to the extent of any inconsistency with the Original Bidder's Statement or the First Supplementary Bidder's Statement.

A copy of this Second Supplementary Bidder's Statement was lodged with ASIC and provided to ASX on 6 January 2023. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Second Supplementary Bidder's Statement or the merits of the Offer. This Second Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the directors of Strike and Strike West.

Words and phrases defined in this Second Supplementary Bidder's Statement have the same meaning as in the Original Bidder's Statement unless the context requires otherwise.

SUPPLEMENTARY INFORMATION

Strike notes the Hancock Energy (PB) Pty Ltd (**Hancock**) Sixth Supplementary Bidder's Statement announced on 5 January 2023, in which Hancock proposes to increase its offer from \$0.28 cash per Warrego Share to \$0.36 cash per Warrego Share, conditional on Hancock achieving 40% or more total acceptances under its offer (**Hancock's Proposed Offer**).

Warrego shareholders should note that Hancock has not yet actually increased its offer price. If Warrego shareholders accept the Hancock Offer now they will only receive payment of \$0.28 per Warrego Share unless and until Hancock receives acceptances of 40% or more and increases its offer price, as it has proposed, before the expiration of its offer on 31 January 2023.

Strike continues to believe that Strike's all scrip Offer of one Strike share per Warrego Share (**Strike's Offer**) currently represents the best value for all Warrego Shareholders. The Strike Board believes Strike's Offer is highly attractive to Warrego Shareholders and is superior to Hancock's current offer and Hancock's Proposed Offer. Collectively, we encourage you to **ACCEPT** Strike's Offer (expected to be open on 11 January 2023) for the reasons set out in the Original Bidder's Statement as supplemented by this Second Supplementary Bidder's Statement.

Highlights

1. Strike's Offer **continues to represent the best value for Warrego Shareholders**, implying a **33.9% premium to Hancock's current offer** of \$0.28 per Warrego Share and a **4.2% premium to Hancock's Proposed Offer** of \$0.36 per Warrego Share based on Strike's closing share price on 5 January 2023 of \$0.3750.
2. Hancock's Proposed Offer places a **terminal value on Warrego** while Strike's Offer allows for Warrego Shareholders to participate in **future potential upside** and **retain exposure to the exciting and emerging Perth Basin**.
3. Accepting Strike's Offer does not preclude you from **receiving a further change of control premium in the event a takeover proposal is received for Strike**. Under Hancock's current offer or Hancock's Proposed Offer, Warrego Shareholders will forgo any ongoing upside that may be realised.
4. Strike's Offer is not subject to a minimum acceptance condition and is subject only to prescribed occurrences conditions. In contrast, **Hancock's Proposed Offer requires Hancock to achieve 40% or more total acceptances**.
5. Strike currently holds **~19.9% of Warrego Shares** and as at the date of this Second Supplementary Bidder's Statement **additional Warrego Shareholders holding 10.68%** have confirmed their intention to support a merger of Strike and Warrego, in the absence of a superior proposal.

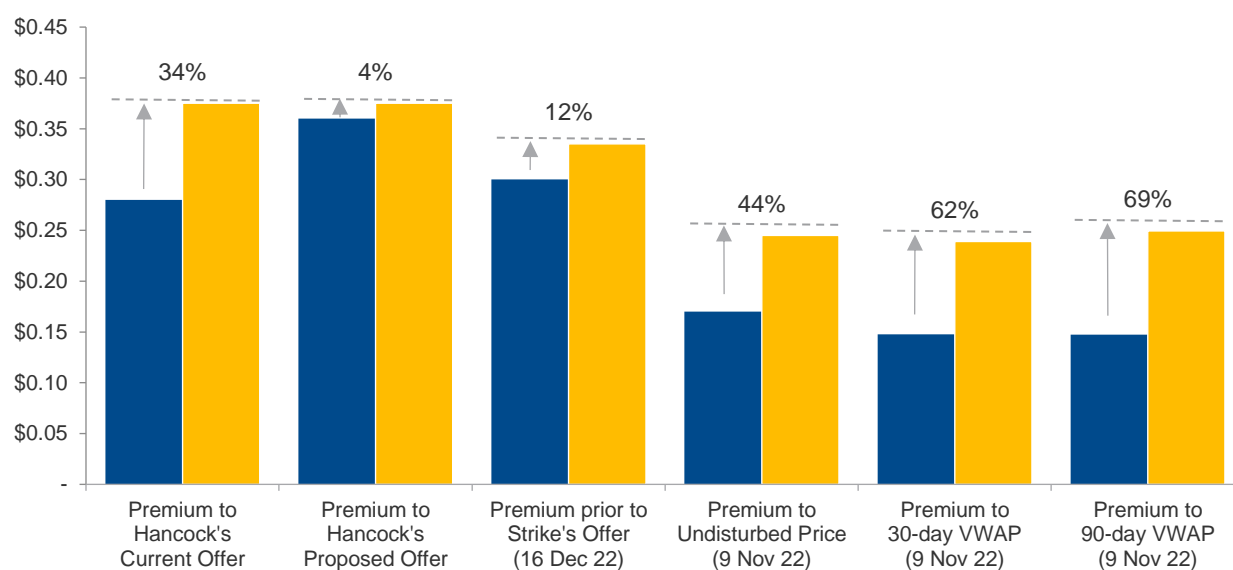
1. Strike's Offer continues to represent the best value for Warrego Shareholders

As at 5 January 2023, Strike's Offer implies a value for Warrego at approximately \$459 million, or \$0.3750 per Warrego Share, based on Strike's closing share price of \$0.3750 on this date.

Strike's Offer represents a¹:

- **33.9%** premium to Hancock's current offer of \$0.28 per Warrego Share²;
- **4.2%** premium to Hancock's Proposed Offer of \$0.36 per Warrego Share³
- **11.7%** premium to the closing price of Warrego Shares on 16 December 2022, being the day immediately prior to the announcement of Strike's Offer;⁴
- **44.1%** premium to the closing price of Warrego Shares on 9 November 2022, being the Trading Day immediately prior to the announcement of Strike's Initial Proposal (**Undisturbed Date**);⁵
- **61.8%** premium to the 30-day VWAP of Warrego Shares before the Undisturbed Date;⁶ and
- **69.3%** premium to the 90-day VWAP of Warrego Shares before the Undisturbed Date.⁷

Figure 1: Implied offer price and premiums (A\$/sh,%)



2. Hancock's current offer and Hancock's Proposed Offer each place a terminal value on Warrego. Strike's Offer will allow Warrego Shareholders to participate in future potential upside and retain exposure to the exciting and emerging Perth Basin

Under Strike's Offer, Warrego Shareholders will receive one Strike share per Warrego Share, which will provide both ongoing exposure to Warrego's existing assets and potential upside exposure to Strike's majority owned and operated Perth Basin asset portfolio. This will allow Warrego Shareholders to participate in the potential benefits of ongoing exploration success, the potential realisation of operational

¹ The value of the Offer Consideration provided to Warrego Shareholders under the Offer may be affected by market fluctuations.

² Based on Strike's closing price of \$0.3750 on 5 January 2023.

³ Based on Strike's closing price of \$0.3750 on 5 January 2023.

⁴ Based on Strike's closing price on 16 December 2022 of \$0.3350 and Warrego's closing price on 16 December 2022 of \$0.3000.

⁵ Based on Strike's closing price on 9 November 2022 of \$0.245 and Warrego's closing price on 9 November 2022 of \$0.170.

⁶ Based on Strike's 30-day VWAP to 9 November 2022 of \$0.2388 and Warrego's 30-day VWAP to 9 November 2022 of \$0.1476.

⁷ Based on Strike's 90-day VWAP to 9 November 2022 of \$0.2494 and Warrego's 90-day VWAP to 9 November 2022 of \$0.1473.

benefits and the potential re-rating of the price of Strike's Shares as its Walyering gas project enters first commercial production in 2023.

If Strike's Offer is successful, Warrego Shareholders may receive further value through the potential operational benefits of a coordinated development of the Greater Erregulla region. This may provide an opportunity to accelerate development of the West Erregulla gas field and potentially allow for its integration with Strike's South Erregulla and Mid West Low Carbon Manufacturing Precinct. Warrego Shareholders will also retain exposure to the potential in the currently unexplored portions of West Erregulla whilst also gaining exposure from Strike's ongoing exploration potential through its additional Perth Basin acreage, access to near-term cashflows through the development of the Walyering gas project, and entry into Strike's unique net zero 2030,⁸ integrated renewables and energy platform across sustainable energy and fertiliser manufacturing.

3. Accepting Strike's Offer does not preclude you from receiving a further change of control premium in the event a takeover proposal is received for Strike

There has been significant corporate interest for assets in the Perth Basin, evidenced by the numerous competing offers for Warrego. The current macroeconomic environment has supported this growing enthusiasm due to elevated global energy prices, a short domestic WA gas position and a limited number of high-quality, near-term domestic gas projects following a period of meaningful underinvestment.

Strike believes there will be continued interest in strategic, high-quality assets in the Perth Basin, including those assets held by Strike. In the event Strike ultimately receives a change of control proposal, you may receive a further change of control premium on your Strike Shares (in addition to the premium you are receiving for your Warrego Shares in Strike's Offer).⁹ Conversely, by accepting Hancock's current offer, you will not participate in any ongoing upside that may be realised.

4. Strike's offer does not contain a minimum acceptance condition and is subject only to a no prescribed occurrences occurring. In contrast, the offer price under Hancock's Proposed Offer is conditional on Hancock achieving a 40% minimum acceptance threshold which has no guarantee of being achieved

The proposed increase of the offer price from \$0.28 per Warrego Share under Hancock's Proposed Offer is conditional on Hancock achieving 40% or more total acceptances under its offer, whilst Strike's Offer does not include a minimum acceptance condition. Accordingly, if you accept Strike's Offer, but other Warrego Shareholders do not and no prescribed occurrences occur, you will still be provided Strike's Offer Consideration. In contrast, if you accept Hancock's Proposed Offer and Hancock does not achieve 40% or more total acceptances, you will only receive \$0.28 per Warrego Share.

There is no guarantee Hancock will be able to satisfy the conditionality of the Hancock Proposed Offer. Strike currently holds an interest of ~19.9% and as at the date of this Second Supplementary Bidder's Statement has received statements of intention to accept Strike's Offer from an additional 10.68% of Warrego Shareholders, subject to no superior proposal (see point 5 below for further details). In addition, Strike understands Regal Funds Management as trustee for various funds (**Regal**) has sold its 120,127,669 shares (9.82%) to an (as yet undisclosed) third party.

As at 5 January 2023 being the date prior to the date of this this Second Supplementary Bidder's Statement, Warrego's closing share price of \$0.3800 was 5.6% above Hancock's Proposed Offer of \$0.36 per Warrego Share. Warrego Shareholders may be able to sell their shares on market for a greater value than Hancock's Proposed Offer.

⁸ Refer to Strike's ASX announcement dated 21 May 2021 "Strike commits to net-zero 2030" for further details regarding Strike's net zero commitment, including the assumptions underpinning and qualifications in respect of that aspirational target.

⁹ As at 5 January 2023, no such takeover proposal has been received for Strike and there is no guarantee that any such takeover proposal will be received after the close of the Offer or at all.

5. Shareholder intention statement updates

Section 4.11 of the Original Bidder's Statement stated that Regal was a substantial holder¹⁰ of Warrego, holding 120,127,669 Warrego Shares and Figure 2 included Regal as a shareholder who had provided a statement to Strike that it intended to accept Strike's Offer in the absence of a superior proposal.

Strike has been informed that Regal sold all of its Warrego Shares for \$0.35 per share.

As at the date of this Second Supplementary Bidder's Statement, the balance of the total shareholdings of Warrego Shareholders who have provided shareholder intention statements to Strike indicating they intend to accept the Offer from Strike on the date that is 21 days after the opening of Strike's Offer, subject to no superior proposal emerging is 130,647,727 Warrego Shares representing a percentage interest of 10.68%¹¹.

¹⁰ Section 4.11 of the Original Bidder's Statement also stated that Dennis Donald is a substantial shareholder of Warrego. As disclosed in Warrego's ASX announcement 'Notice of ceasing to be a substantial holder' dated 5 January 2022, Dennis Donald is no longer a substantial shareholder of Warrego and no longer holds the number of Warrego Shares detailed in section 4.6 of the Original Bidder's Statement.

¹¹ Based on 1,223,122,326 Warrego Shares on issue as at the date of this Second Supplementary Bidder's Statement.

APPROVAL OF SECOND SUPPLEMENTARY BIDDER'S STATEMENT

This Second Supplementary Bidder's Statement has been approved by unanimous resolutions of the directors of Strike West and Strike.



Signed by John Poynton,
Chairman of Strike
6 January 2023



Signed by Stuart Nicholls,
Director of Strike West
6 January 2023