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BY ELECTRONIC LODGEMENT

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

EAD/EAD/432818/4
AUM/1227785245.1

11 January 2023

FOR IMMEDIATE RELEASE TO THE MARKET

Dear Sir/Madam

Notice under section 633(1C)(c) of the *Corporations Act 2001 (Cth)* (*Corporations Act*) (as inserted by ASIC Class Order [CO 13/521]) - Commencement of sending bidder's statement to securityholders

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 (Strike) in relation to its offer to acquire all shares in Warrego Energy Limited ACN 125 394 667 (**Warrego**) that are not owned by Strike (**Offer**). We have been authorised by the Managing Director of Strike to provide this letter to ASX.

The Offer is contained in Strike West's bidder's statement dated 23 December 2022 (**Original Bidder's Statement**) as supplemented and varied by Strike West's first supplementary bidder's statement dated 30 December 2022 (**First Supplementary Bidder's Statement**) and second supplementary bidder's statement dated 6 January 2023 (**Second Supplementary Bidder's Statement**).

On behalf of Strike West and for the purposes of section 633(1C)(c) of the *Corporations Act* (as inserted by ASIC Class Order [CO 13/521]), we **attach** a copy of the Original Bidder's Statement, First Supplementary Bidder's Statement and Second Supplementary Bidder's Statement together with the covering letter and acceptance form which was first sent to Warrego securityholders today. The Offer is now open for acceptance.

Yours sincerely

James Stewart
Partner

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Matthew Nowotny-Walsh
Senior Associate

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DLA Piper Australia



11 January 2023

Dear Warrego Shareholder

Strike West Holdings Pty Ltd - Despatch of original bidder's statement, first supplementary bidder's statement and second supplementary bidder's statement

We refer to Strike West Pty Ltd's (**Strike West**), a wholly owned subsidiary of Strike Energy Limited (ASX.STX), off-market takeover bid pursuant to Chapter 6 of the Corporations Act 2001 (Cth) (Corporations Act) to acquire all of the ordinary shares in the capital of Warrego Energy Limited (ASX.WGO) (**Offer**).

Enclosed, for the purposes of despatch in accordance with item 6 of section 633(1) of the Corporations Act (as modified by ASIC Class Order [CO 13/251]) are the following documents:

- 1 Strike West's second supplementary bidder's statement dated 6 January 2023;
- 2 Strike West's first supplementary bidder's statement dated 30 December 2022; and
- 3 Strike West's original bidder's statement dated 23 December 2022.

Strike West also encloses an acceptance and transfer form in respect of the Offer.

Strike West may release additional supplementary bidder's statements which it does not despatch to Warrego Shareholders and so you are encouraged to continue to monitor Warrego's ASX market announcements platform for further information in relation to Warrego, Strike and the Offer.

If you have further questions in relation to the Offer (including how to accept the Offer), please call the Offer Information Line from within Australia on 1300 737 760 (toll-free) or from outside Australia on +61 2 9290 9600 (charges apply) between 8.15 am and 5.30 pm (Sydney time) Monday to Friday.

Yours faithfully

A handwritten signature in black ink, appearing to read "Stuart Nicholls", written over a light grey rectangular background.

Stuart Nicholls
Director of Strike West Pty Ltd

ACCEPTANCE AND TRANSFER FORM

in respect of the Offer by Strike Energy Limited ACN 078 012 745 through its wholly owned subsidiary Strike West Holdings Pty Ltd ("Strike") ACN 616 395 398 to acquire all of your fully paid ordinary shares in Warrego Energy Limited ACN 125 394 667 ("Warrego")

THIS IS AN IMPORTANT DOCUMENT

IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR FINANCIAL, LEGAL OR OTHER PROFESSIONAL ADVISER IMMEDIATELY

STEP 1 – Check your details below (see overleaf for instructions)

| | |
|----------------------------------------------------------------------------------------|----------------------|
| The number of Warrego Shares you hold | <input type="text"/> |
| HIN/SRN * (*A new SRN may be allocated to you solely for the purpose of this Offer) | <input type="text"/> |
| Subregister | <input type="text"/> |

Use this Acceptance Form to accept the Offer by Strike for all of your Warrego ordinary shares that exist on 24 December 2022 ("Register Date") on the terms of the Bidder's Statement from Strike dated 23 December 2022. You should read the Bidder's Statement which accompanies this Acceptance Form. Capitalised terms used in this Acceptance Form have the same meaning as in the Bidder's Statement unless otherwise defined. By accepting the offer, you are accepting for all of your Warrego Shares that exist on the Register Date. You cannot accept for only part of your Warrego Shares that exist on the Register Date.

If you need help completing this Acceptance Form or have any enquiries in relation to the Offer, please contact the Strike's Offer Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (for calls from outside Australia) Monday to Friday between 8.15am to 5.30pm (Sydney time).

STEP 2 – For Issuer Sponsored Sub-registers only

If your Warrego Shares are held on the Issuer Sponsored Sub-register (see "Sub-register" box above) or if at the time of your acceptance you are entitled to be (but are not yet) registered as a holder of your Warrego Shares to accept the Offer you must **sign below** and **return this form**.

STEP 3 – For CHESS Holdings only

If your Warrego Shares are held on the CHESS Sub-register (see "Sub-register" box above), to accept the Offer you can either:

- contact your Controlling Participant (normally your Broker) and instruct them to accept the Offer on your behalf (**If you do this and your Controlling Participant follows those instructions, you do not need to complete and return this Acceptance Form**); OR
- authorise Strike to contact your Controlling Participant on your behalf – to do this, write their **details below** and **sign and return this form**. By doing so you authorise Strike to instruct your Controlling Participant to initiate acceptance of the Offer and to take all other steps necessary to cause acceptance of the Offer in accordance with the ASX Settlement Operating Rules.

| Your Broker's Name | Your Broker's Address | Your Broker's Telephone Number |
|----------------------|-----------------------|--------------------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

STEP 4 – Acceptance

By signing and returning this Acceptance Form, you are deemed to have accepted the Offer to sell all of your Warrego Shares (as indicated in the box above) on the terms and conditions of the Offer as set out in the Bidder's Statement.

If you are an Ineligible Foreign Warrego Shareholder or Small Warrego Shareholder and you sign and return this Acceptance Form, the Strike Shares which would otherwise have been issued to you will instead be issued to a Nominee approved by ASIC, who will then sell these securities and the proceeds of such sale will be remitted to you, in accordance with the terms of the Bidder's Statement.

STEP 5 – Sign as indicated below

I/We, the securityholder(s) named above, being the holder(s) of Warrego Shares:

- ACCEPT the Offer in respect of all of my/our Warrego Shares that exist on the Register Date;
- AGREE TO TRANSFER all of my/our Warrego Shares that exist on the Register Date to Strike for the consideration specified in the Offer, and in accordance with the terms of the Offer as set out in the Bidder's Statement;
- AUTHORISE, Strike, its officers and agents to correct any errors in or omissions from this Acceptance Form to make it an effective acceptance of the Offer and enable registration of the transfer of my/our Warrego Shares to Strike
- AGREE to be bound by the Offer Terms.

STEP 6 – Payment by Electronic Funds Transfer (EFT)

You may elect to receive the cash payment due to you by electronic funds transfer to a nominated financial institution account in Australia held in your name (**Your Nominated Account**) by completing the details at Step 6 overleaf.

Please refer overleaf for further instructions on how to complete this form

If this form is signed under power of attorney, the attorney declares that they have no notice of the revocation of the power of attorney.

| | | |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------|
| Individual or Securityholder 1 <input type="text"/> Sole Director and Sole Company Secretary | Securityholder 2 <input type="text"/> Director | Securityholder 3 <input type="text"/> Director/Company Secretary (delete one) |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------------|

Please enter your telephone number where you may be contacted during business hours

Dated ___/___/2023

Contact name: _____

Telephone number: _____

Your acceptance must be received BEFORE the Offer Period ends. If the Acceptance Form is sent by mail, you may use the enclosed reply paid envelope. Your acceptance of the Offer must be received before 7:00pm (Perth time) on 13 February 2023 (unless the Offer is withdrawn or extended).

How to complete this Acceptance Form and ACCEPT the Offer

1. Your Name & Address details

Your pre-printed name and address is as it appears on the share register of members provided by Warrego. If you hold your Warrego Shares on the Issuer Sponsored Sub-register and this information is incorrect, please make the correction on this form and initial the correction. Warrego Shareholders sponsored by a Broker on the CHESSE Sub-register should advise their Broker of any changes.

2. Issuer Sponsored Holdings

(as indicated by "Issuer Sponsored" appearing next to "Sub-register" on this Acceptance Form)

If your Warrego Shares are in an Issuer Sponsored Holding, or if you are not yet registered as the holder of your Warrego Shares, then to accept the Offer, **you must fill out this Acceptance Form overleaf and return it to one of the addresses shown below.**

3. CHESSE Holdings

(as indicated by "CHESSE" appearing next to "Sub-register" on this Acceptance Form)

If your Warrego Shares are in a CHESSE Holding, you do not need to complete and return this Acceptance Form to accept the Offer. You can contact your Controlling Participant (normally your Broker) and instruct them to accept the Offer on your behalf. If you decide to use this Acceptance Form to authorise us to contact your Controlling Participant on your behalf, follow the instructions below.

It is the responsibility of the Warrego Shareholder to allow sufficient time for their Controlling Participant to initiate acceptance of the Offer on their behalf in accordance with ASX Settlement Operating Rule 14.14. You must ensure that this Acceptance Form is received in sufficient time before the end of the Offer Period to enable Strike to instruct your Controlling Participant to effect acceptance on CHESSE during business hours.

If your holding is CHESSE sponsored and you send your Acceptance Form to Boardroom Pty Limited, we will send the relevant acceptance message to CHESSE for forwarding to your Controlling Participant for acknowledgement. Neither Strike nor Boardroom Pty Limited will be responsible for any delays incurred by this process.

If you sign and return this Acceptance Form to one of the below addresses either in respect of an Issuer Sponsored Holding or so that contact may be made with your Controlling Participant on your behalf, you warrant to Strike (and authorise Strike to warrant on your behalf) that you have full legal and beneficial ownership of the Warrego Shares and that Strike will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer and free from any third party rights.

4. Acceptance

By signing and returning this Acceptance Form, you are deemed to have accepted the Offer to sell all of your shares (refer overleaf for the number of your Warrego Shares to which this Offer relates).

5. Signature(s)

You must sign the form as follows in the space provided overleaf.

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA.

Companies: Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as (a) a sole director and sole company secretary OR a sole director; OR (b) two directors; OR (c) a director and company secretary.

Overseas Companies (incorporated outside Australia): Signed as above or documentation to show that the company can sign in another manner.

Deceased Estate: All executors must sign and an original certified copy of Probate or Letters of Administration must accompany this form

6. Payment by Electronic Funds Transfer (EFT)

You may elect to receive the cash payment due to you by electronic funds transfer to a nominated financial institution account in Australia held in your name (**You nominated Account**) by completing the details below. **CHESSE holders**, please complete, sign & return to receive payment by EFT.

| Name of Financial Institution | Account Name | BSB/ Bank & Branch | Account Number |
|-------------------------------|--------------|--------------------|----------------|
| | | | |

Additional Notes

- Sold all your Warrego Shares** – if you have sold all of your Warrego Shares, please send this form and your Bidder's Statement to the Broker who acted on your behalf.
- Recently bought or sold Warrego Shares** – if you have recently bought or sold any Warrego Shares, your holding may differ from that shown on the front of this form. If so, please alter the number of Warrego Shares shown as your registered holding on the front of this form to all of the number of Warrego Shares you now hold (including any Warrego Shares of which you are entitled to become registered as holder), initial the alteration and indicate the name of the Broker who acted for you.
- Information you supply on this Acceptance Form will be used by Strike and Boardroom Pty Limited for the primary purpose of processing your acceptance of the Offer and to provide you with the consideration payable under the Offer. This information may be disclosed to Strike professional advisers, securities brokers, printing and mailing providers and other third parties in connection with the Offer. If you do not supply this information, your acceptance may not be processed and you may not receive the consideration payable. You may have rights to access the personal information you have supplied. Please see Boardroom Pty Limited's privacy policy on its website <https://boardroomlimited.com.au/corp/privacy-policy>.
- This Acceptance Form must be received at the delivery address shown below before the end of the Offer Period, which is 7:00pm (Perth time) on 13 February 2023 (unless the Offer is withdrawn or extended). The postal acceptance rule does not apply to this offer.**

Postal address

Strike Energy Limited
GPO BOX 3993
SYDNEY NSW 2001

If the Acceptance Form is sent by mail, you may also use the enclosed reply-paid envelope. Neither Strike nor Boardroom Pty Limited takes any responsibility if you lodge this Acceptance Form at any other address or by any other means.



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.

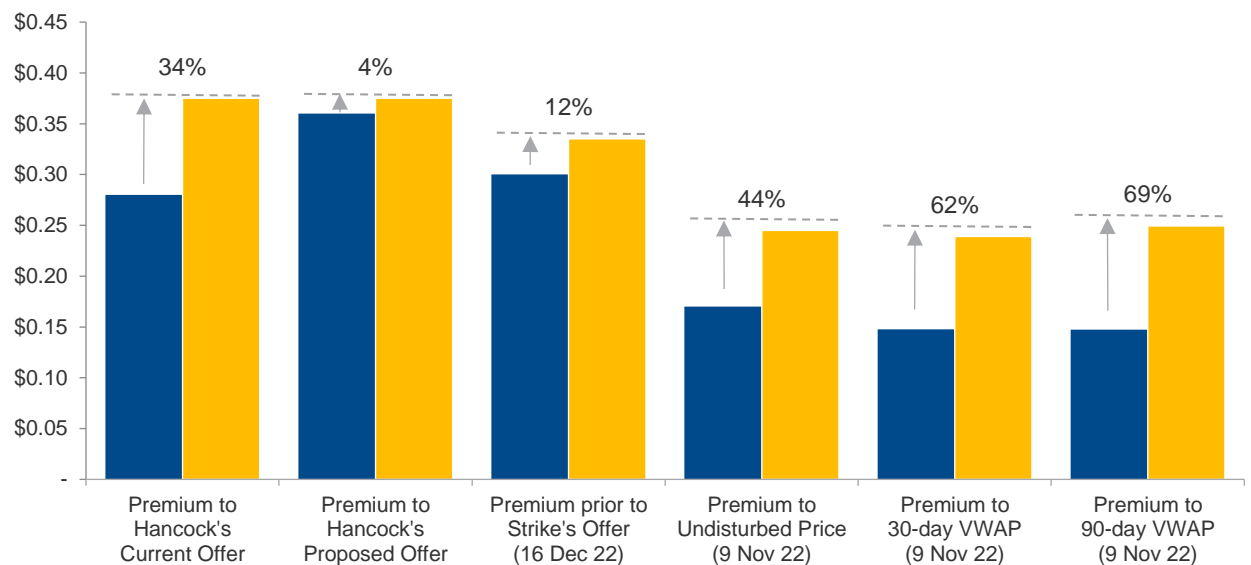
1. Strike's Offer continues to represent the best value for Warrego Shareholders

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



First 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



IMPORTANT INFORMATION

This document is the first supplementary bidder's statement (**First 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**).

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

A copy of this First Supplementary Bidder's Statement was lodged with ASIC and provided to ASX on 30 December 2022. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this First Supplementary Bidder's Statement or the merits of the Offer. This First 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 First Supplementary Bidder's Statement have the same meaning as in the Original Bidder's Statement unless the context requires otherwise.

SUPPLEMENTARY INFORMATION

1. Warrego Chairman Greg Columbus recommends Warrego Shareholders reject the Hancock Revised Offer and accept the Strike Offer in the absence of a superior proposal

The target's statement released by Warrego on 30 December 2022 in response to the Hancock Revised Offer (**Target's Statement – Hancock**) contained a split recommendation of the Warrego Board.¹

Mr Greg Columbus, the Independent Chairman of Warrego, recommends that Warrego Shareholders reject the Hancock Revised Offer and accept the Strike Offer (once open), in the absence of a superior proposal, for the reasons, and subject to the qualifications, described in the Target's Statement – Hancock at sections 1.3 and 1.4. Mr Columbus believes that the Strike Offer is in the interests of a majority of Warrego Shareholders, being those Warrego Shareholders with less liquidity constraints, having regard to the implied value, and the intrinsic value of the Strike Offer against the Hancock Revised Offer.

The reasons for Mr Columbus' recommendation, as set out in section 1.3 of the Target's Statement – Hancock are as follows:

- (a) The implied value of the Strike Offer, based on the closing price of Strike Shares on 29 December 2022, was \$0.32 per Warrego Share, which represents a 14.3% premium to the \$0.28 per Warrego Share being offered under the Hancock Revised Offer. While the implied value of the Strike Offer will depend on the price of the Strike Shares at any particular time, and while it is acknowledged that the Strike Share price has been variable over time, this current implied value represents a material premium to the Hancock Revised Offer. In other words, Warrego Shareholders who accept the Hancock Revised Offer would be accepting a lower price than the implied value of the Strike Offer as at 29 December 2022, and a lower price than the price of Warrego Shares on the ASX on that date.

¹ The Warrego Board recommends by a majority of 3:1 that Warrego Shareholders accept the Hancock Revised Offer in the absence of a superior proposal for the reasons and subject to qualifications set out at sections 1.3 and 1.4 of the Target's Statement – Hancock. While Mr Michael Atkins recommends acceptance of the Hancock Revised Offer, Mr Atkins emphasised that the decision is not clear cut and that Warrego Shareholders may, depending on their particular circumstances and risk appetite, wish to choose to accept the Strike Offer (once open) over the Hancock Revised Offer, including in order to retain ongoing exposure to any potential future upside associated with Warrego's and Strike's assets.

-
- (b) While accepting the Hancock Revised Offer may mean that Warrego Shareholders will no longer be exposed to the risks and uncertainties associated with Warrego's assets, it also puts a final and terminal value on their investment in Warrego and means that Warrego Shareholders will forego any future potential upside associated with the development of the combined assets.
- (c) By accepting the Strike Offer (once open), Shareholders may participate in future potential upside associated with the development of Warrego's existing assets and integration with Strike's assets. In this respect, Mr Columbus notes:
- (i) The announcement released by Strike on 20 December 2022 entitled 'EP469JV commits to nearfield exploration drilling' which notes the approval by the EP469 joint venture of the nearfield drilling campaign of Erregulla Deep-1 and Southwest Erregulla-1, with Strike currently finalising negotiations with a rig provider to procure rig slots supporting drilling of these wells in late 2023 and early 2024, which indicates the potential for upside in reserves. This potential upside will be foregone by Warrego Shareholders who elect to accept the Hancock Revised Offer.
 - (ii) The presentation given by Mr Dennis Donald, Managing Director of Warrego, on 7 September 2022 at the Good Oil Conference entitled 'Beyond West Erregulla', including specifically, in the section 'EP469 – unlocking future growth potential', the slides 'South Erregulla may unlock more Reserves for West Erregulla' and 'High grade exploration target at Erregulla Deep'. The presentation slides provide that 'Strike Energy (Operator of EP469 and EP503) indicates communication between West Erregulla and South Erregulla'.
 - (iii) In the same presentation, in the section 'EPA-0127 – the Next Perth Basin?', the slide entitled 'Potential massive structures identified'. There is potential for Warrego Shareholders to participate in the upside in EPA-0127 if they elect to accept the Strike Offer (once open), which potential will be foregone by Warrego Shareholders who elect to accept the Hancock Revised Offer.
 - (iv) Strike announced to ASX on 23 December 2022 that the Strike Board of Directors has determined that the optimal location for a domestic gas processing plant to service its Greater Erregulla portfolio of assets is on its 100%-owned Mid West Low Carbon Manufacturing Precinct. The Original Bidder's Statement indicates that, if the Strike Offer is successful, Strike will endeavour to take advantage of the potential operational benefits of a coordinated development of the Greater Erregulla region, which may potentially allow for the integration of the West Erregulla gas field with Strike's South Erregulla and Mid West Low Carbon Manufacturing Precinct. If Hancock achieves control of Warrego through the Hancock Revised Offer, then there remains a question as to how Warrego's share of gas from EP469 will be processed efficiently and effectively.
 - (v) Warrego Shareholders who elect to accept the Strike Offer (once open) and accept Strike Shares in exchange for their Warrego Shares will be able to participate in any upside from Warrego's Spanish Assets. This potential upside will be foregone by Warrego Shareholders who elect to accept the Hancock Revised Offer. This includes the ongoing cashflow generated at the El Romeral gas to energy plant when prices are at 40-year highs. Warrego's Dennis Donald noted in the 2022 Annual Report to Shareholders that Warrego continues to see upside driven by the increase in European energy prices at its Tesorillo gas project in the Cadiz region. The Annual Report states that 'The project comprises two petroleum exploration licences estimated to contain 830 Bcf of gross unrisked Prospective Resources'. The Annual Report goes on to state that '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'. The Original Bidder's Statement provides that 'based on the information available to Strike at the Announcement Date, Strike intends to completely divest the Spanish Assets'.
 - (vi) There is potential for upside through the ability for Strike to negotiate gas sales agreements for the combined business without the need for a gas balancing agreement between the EP469 joint venture participants.

- (vii) Strike may also be able to achieve operational synergies through the integration of West Erregulla with Strike's other operations, providing a large asset platform in a rising gas market. If Warrego Shareholders accept the Strike Offer (once open), they will receive Strike Shares, and may be able to participate in any potential operational synergies which are created, as a shareholder in Strike.
- (d) Accepting the Strike Offer will not preclude Warrego Shareholders from receiving any further change of control premium in the event a takeover proposal is ultimately received for Strike following successful close of the Strike Offer.
- (e) A combined Warrego and Strike business could create a more substantial resource and energy company on the ASX with potential upside, with Strike Shares that would have an enhanced equity market presence, greater liquidity and potentially a stronger institutional share register, all of which could make the combined business a greater target for further takeover activity.
- (f) A combined Warrego and Strike company would be overseen by a highly experienced commercial board and management team at Strike with material experience in the growth of ASX companies.

See section 1.4 of the Target's Statement – Hancock for other relevant considerations.

Further to Mr Columbus' recommendation, Strike has received notification from Mr Columbus indicating that he intends 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. See section 2 of this First Supplementary Bidder's Statement for further details.

2. Additional and updated shareholder intention statements

On 29 December 2022 Strike received notification from Warrego Shareholders Dr Christopher Ross, Mrs Kim Fong Ross, and Pine Street Pty Ltd as trustee for Pine Street Trust and on 30 December 2022 from Mr Greg Columbus (Warrego's Independent Chairman) 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.

On 29 December 2022 Strike received updated notifications from Warrego Shareholders, TR1 Master Fund, Harvest Lane Asset Management Pty Ltd and 31 May Pty Ltd 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. The updated shareholder intention statements were made in respect of increased shareholdings. The increased shareholdings are shown in the table below.

The notifications noted above together with shareholder intention statements disclosed in the Original Bidder's Statement mean that, collectively, Warrego Shareholders controlling 20.5% of Warrego Shares² have indicated their intention to support a merger of Strike and Warrego. An updated list of the Warrego Shareholders who have indicated their intention to support a merger of Strike and Warrego is set out in the table below:

Figure 1: Updated list of Warrego Shareholders intending to accept the Offer

| Shareholder | Warrego Shares owned | Percentage interest ³ |
|----------------------------------------------------------|-------------------------|----------------------------------|
| Regal Funds Management as trustee for various funds | 120,127,669 | 9.82% |
| Mr Greg Columbus | 38,863,398 ⁴ | 3.18% |
| Harvest Lane Asset Management Pty Ltd and 31 May Pty Ltd | 36,184,239 | 2.96% |
| TR1 Master Fund | 27,401,386 | 2.24% |

² Based on an aggregate 250,775,396 Warrego Shares held by Warrego Shareholders who have provided shareholder intention statements. See Figure 1 for further details.

³ Based on 1,223,122,326 Warrego Shares on issue as at the date of this First Supplementary Bidder's Statement.

⁴ Mr Greg Columbus also holds 3,333,333 Warrego Options which, if exercised prior to or during the Offer Period, will convert into Warrego Shares.

| | | |
|----------------------------------------------------------------------------------------------------------------------------|--------------------|--------------|
| Rookharp Holdings Pty Ltd, Rookharp Capital Pty Ltd, Rookharp Investments Pty Ltd, David Michal Rooke and Leesa Jane Rooke | 12,594,451 | 1.03% |
| Professional Consulting Pty Ltd as trustee for various funds | 4,093,367 | 0.33% |
| Dr Christopher Ross | 3,427,550 | 0.28% |
| Pine Street Pty Ltd as trustee for Pine Street Trust | 3,250,000 | 0.27% |
| Alan Fletcher | 2,000,000 | 0.16% |
| Mrs Kim Fong Ross | 1,338,099 | 0.11% |
| Vabetu Pty Ltd as trustee for Kulkarni Super Fund | 542,857 | 0.04% |
| Nelson Consulting Pty Ltd | 476,190 | 0.04% |
| SK Advisory Pty Ltd ATF SK Superannuation Fund | 476,190 | 0.04% |
| Total | 250,775,396 | 20.5% |

The Warrego Shareholders listed above in Figure 1 have consented to the disclosure of their statements of intention in this First Supplementary Bidder's Statement and have not withdrawn that consent before the date of this First Supplementary Bidder's Statement.

Each of the Warrego Shareholders who have provided a statement of intention to accept Strike's Offer has also provided a signed confirmation that:

- there is no agreement, arrangement or understanding between the Warrego Shareholder and Strike or any of Strike's associates in respect of Warrego or any Warrego Shares; and
- other than as expressly contemplated in the statement of intention, the statement of intention does not restrict, prohibit or require:
 - the disposal of any Warrego Shares; or
 - the exercise of any rights attaching to any Warrego Shares by the Warrego Shareholder.

3. Intention in relation to No Prescribed Occurrences Conditions

Warrego has requested clarification from Strike West as to whether any issue of Warrego Shares prior to the end of the Offer Period as a result of the exercise, vesting or conversion of any of the 9,999,999 Warrego Options, 631,874 Warrego Share Rights and 7,934,831 Warrego Performance Rights existing at the Register Date will constitute a breach of the no prescribed occurrences condition in items 8.1(d) and 8.2 of Schedule 1 (respectively) of the Original Bidder's Statement (**No Prescribed Occurrences Conditions**).

Item 8.1(d) of the no Prescribed Occurrences Condition makes it a defeating condition of the Offer if any member of the Warrego Group issues shares or grants an option over its shares or agrees to make such an issue or grant such an option during the Offer Period. The no prescribed occurrences condition in item 8.2 of Schedule 1 makes it a defeating condition of the Offer should such an event occur in the period between the Announcement Date and the commencement of the Offer Period.

Strike West confirms that, provided no other event occurs resulting in non-fulfilment of either of the No Prescribed Occurrences Conditions, it will not rely on and will formally waive the No Prescribed Occurrences Conditions to the extent otherwise triggered by any issue of Warrego Shares prior to the end of the Offer Period due to the exercise, vesting or conversion of the 9,999,999 Warrego Options, 631,874 Warrego Share Rights and 7,934,831 Warrego Performance Rights existing at the Register Date.

The foregoing does not require Strike West to waive, or in any way limit Strike West's discretion to rely on or waive, the No Prescribed Occurrences Conditions should any other event occur which results non-fulfilment of either of the No Prescribed Occurrences Conditions.

4. Amendments to statements in Original Bidder's Statement.

On 23 December 2022, Hancock released a copy of its fifth supplementary bidder's statement (**Hancock's Fifth Supplementary Bidder's Statement**) in relation to Hancock's Revised Offer, as well as a formal notice declaring Hancock's Revised Offer unconditional in accordance with section 650F of the Corporations Act.

Strike West's Original Bidder's Statement had already been lodged with ASIC at the time Hancock's Fifth Supplementary Bidder's Statement was released to ASX on 23 December 2022 and accordingly did not take into account the information contained in Hancock's Fifth Supplementary Bidder's Statement.

The following statements in Strike West's Original Bidder's Statement are amended in light of Hancock's Revised Offer being declared unconditional:

| Statement | Amendment |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <p>"4. Strike's Offer has lower conditionality than Hancock's Revised Offer</p> <p><i>In contrast to Hancock's Revised Offer, Strike's Offer does not contain any pre-emptive rights condition. Pursuant to the EP469 Joint Operating Agreement between Strike West and Warrego, Strike West as the operator for EP469 has a pre-emptive right to acquire Warrego's interest in EP469 in the event of change of control transaction for Warrego which has not been recommended by the Warrego board.</i></p> <p><i>Strike's Offer is subject only to no "prescribed occurrence" occurring, the satisfaction of which, other than in respect of certain insolvency events should be almost entirely within the control of the Warrego board. Given the limited conditionality associated with Strike's Offer, Strike may waive the condition and declare the Offer unconditional at any point.</i></p> <p><i>Similar to Hancock's Revised Offer, Strike's Offer does not contain a minimum acceptance condition or a material adverse change condition." (page 3, Letter from the Chairman and page 6, Why you should accept Strike's Offer)</i></p> | Delete in its entirety |

5. Consents

This First Supplementary Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX including the Target's Statement – Hancock. Under the terms of ASIC Class Order 13/521, the persons making those statements are not required to consent to, and have not consented to, the inclusion of those statements, or of statements based on those statements, in this First Supplementary Bidder's Statement.

If you would like to receive a copy of the Target's Statement – Hancock free of charge, please call Strike's Company Secretary on (+61) 8 7099 7400 between 9.00am and 5.00pm (Perth time), Monday to Friday and a copy will be provided to you within 2 Business Days of the request. Calls to these numbers may be recorded.

APPROVAL OF FIRST SUPPLEMENTARY BIDDER'S STATEMENT

This First 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
30 December 2022



Signed by Stuart Nicholls,
Director of Strike West
30 December 2022



Bidder's Statement

ACCEPT

containing 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



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KEY DATES

| | |
|------------------------------------------------------|-----------------------------------------|
| Bidder's Statement lodged | 23 December 2022 |
| Bidder's Statement despatched and Offer Period opens | 11 January 2023 |
| Notice of status of the Offer Conditions | 3 February 2023 |
| Offer Period scheduled to close (unless extended) | 7.00pm (Perth time) on 13 February 2023 |

IMPORTANT NOTICES

Purpose of this Bidder's Statement

This Bidder's Statement dated 23 December 2022 is given by Strike West, a wholly-owned subsidiary of Strike, to Warrego Shareholders in relation to the off-market takeover offer for all Warrego Shares under Part 6.5 of the Corporations Act.

This Bidder's Statement contains the terms and conditions of the Offer made by Strike West to acquire Your Warrego Shares along with certain disclosures required by the Corporations Act. The Offer is set out in full in schedule 1. You should read this Bidder's Statement in its entirety before deciding whether or not to accept the Offer.

Defined terms and interpretation

Capitalised terms and certain abbreviations used in this Bidder's Statement have the defined meanings set out in section 12 (*Definitions and interpretation*). Section 12 (*Definitions and interpretation*) also contains rules of interpretation that apply to this Bidder's Statement.

Disclaimer as to information about Warrego and the Merged Group

Strike West has prepared the information on Warrego, Warrego Shares and the Warrego Group contained in this Bidder's Statement from publicly available information. This information has not been independently verified by Strike West or Strike. Accordingly, none of Strike, Strike West, and their respective officers, employees and advisers makes, subject to applicable law, any representation or warranty, express or implied, as to the accuracy or completeness of such information or assumes any responsibility for it.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Warrego, Warrego Shares or the Warrego Group, has also been prepared using publicly available information. Accordingly, information in relation to the Merged Group is subject to the forgoing disclaimer.

The information in this Bidder's Statement relating to Warrego, Warrego Shares or the Warrego Group should not be considered comprehensive. Further information relating to Warrego, Warrego Shares and the Warrego Group may be included in the Target's Statement which Warrego must provide in response to this Bidder's Statement.

Role of ASIC

A copy of this Bidder's Statement was lodged with ASIC on 23 December 2022. Neither ASIC nor any of its officers takes any responsibility for the contents of this Bidder's Statement.

Disclaimer as to forward looking statements

Certain statements in this Bidder's Statement relate to the future. Such forward looking statements are not based on historical facts, but rather reflect the current assumptions and expectations of Strike and Strike West concerning future events and circumstances, including the operations of Strike, Strike West and Warrego and the economic and regulatory environment in which Strike, Strike West and Warrego will operate in the future. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements in this Bidder's Statement regarding intent, belief, expectations, plans, strategies and objectives of management, indications of and guidance on synergies, future earnings or financial position or performance, future acquisitions, anticipated production or construction commencement dates, costs or production outputs for each of Strike and Warrego (based on, among other things, their respective estimates of their production for the periods specifically referred to in this Bidder's Statement), the outcome and effects of the Offer (including expected benefits to Strike and Warrego Shareholders) and the future operation of Strike and Warrego.

To the extent that this Bidder's Statement contains forward looking information, the forward-looking information is subject to a number of risks, including those generally associated with the oil and gas industry. Any such forward looking statement inherently involves known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated. These may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development (including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves), political and social risks, changes to the regulatory framework within which Strike and Warrego operate or may in the future operate, environmental conditions including extreme weather conditions, geological and geotechnical events, and other environmental issues, the recruitment and retention of key personnel, industrial relations issues, litigation and outbreaks of disease or pandemics (including the continuation or escalation of the global COVID-19 pandemic). Further information in relation these risks and uncertainties,

including the key risks of the Offer are summarised in section 8 (*Key risks*). All forward looking statements should be read in light of such risks and uncertainties.

None of Strike, Strike West, their respective officers, employees and advisers nor any other person named in this Bidder's Statement, makes any representation or warranty that any outcome, performance, or result expressed in or implied by any forward looking statement in this Bidder's Statement will actually occur. You should treat all forward looking statements with caution and not place undue reliance on them.

Any forward looking statements in this Bidder's Statement reflect the assumptions and expectations of Strike and Strike West as at the Announcement Date. Except as required by law, Strike, Strike West and their respective officers, employees and advisers, and any person named in this Bidder's Statement with their consent, and any person involved in the preparation of this Bidder's Statement, disclaim any obligation to revise or update any forward looking statements after the Announcement Date to reflect any change in the assumptions or expectations on which those statements are based.

Investment decisions

This Bidder's Statement does not constitute financial product advice or investment advice (nor tax, accounting or legal advice) and has been prepared without reference to your individual investment objectives, financial situation or other circumstances. Any acceptance of the Offer will be subject to investment and other known and unknown risks, some of which are beyond the control of Strike. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of shares in Strike and Warrego in the future. When making any investment decision, investors should make their own enquires and investigations regarding all information in this Bidder's Statement, including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Strike and Warrego, and the impact that different future outcomes may have on Strike and Warrego. Further information in relation these risks and uncertainties, including the key risks of the Offer are summarised in section 8 (*Key risks*). This Bidder's Statement should not be relied upon as the sole basis for any decision as to whether or not to accept the Offer and Strike recommends that you seek independent financial, legal, taxation and other professional advice before making any such investment decision.

Value of Strike Shares

As you are being offered Strike Shares as consideration for Your Warrego Shares, the

implied value of the Offer will vary with the market price of Strike Shares. Further information on the implied value of the Offer is contained in the 'Why you should accept Strike's Offer' section and section 10.2(b) (*Valuation of quoted securities*) of this Bidder's Statement.

No guarantee of capital or investment returns

Except as required by law, and only to the extent required, no person named in this Bidder's Statement nor any other person, warrants or guarantees Strike's performance with or without the acquisition of Warrego or the repayment of capital or any return on investment made pursuant to this Bidder's Statement.

Acceptance of the Offer is not a deposit with or other liability of Strike or any other related party or associate of Strike. The Offer Consideration to be received under the Offer is subject to investment risk including loss of income or principal invested. Neither Strike nor any of its related parties or associates, gives any guarantee or assurance as to the performance of the new Strike Shares, any particular rate of return on the new Strike Shares or the repayment of any capital or principal.

Notices to persons outside Australia

Warrego Shareholders should note that the Offer Consideration is Strike Shares, which are shares in an Australian public company listed on ASX. The Offer is subject to disclosure requirements in Australia which are different from those applicable in other countries.

Warrego Shareholders whose addresses in Warrego's register of members are not in Australia or its external territories, New Zealand, the United Kingdom, British Virgin Islands, Jersey, Hong Kong, the European Union (excluding Austria) or Norway will not be entitled to receive Strike Shares on acceptance of the Offer (unless Strike West determines otherwise, including where Strike West forms the view that making the Offer to Warrego Shareholders registered in a jurisdiction other than the aforementioned jurisdictions is unlawful or unduly onerous). Ineligible Foreign Warrego Shareholders together with Small Warrego Shareholders who accept the Offer will be paid a cash amount calculated in accordance with paragraph 14 of schedule 1 (*Terms and conditions of the Offer*) of this Bidder's Statement. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which, or to any person to whom, the offer or issue of such securities would be unlawful.

The distribution of this Bidder's Statement in some countries may be restricted by law or regulation. If you receive this Bidder's Statement outside Australia or its external territories you should inform yourself of, and observe, any such restrictions. Any failure to comply with such restrictions may constitute

a violation of applicable securities laws. No action has been taken to register or qualify Strike or Strike West or to otherwise permit a public offering of Strike Shares outside Australia.

Strike Shares have not been, and will not be, registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the United States Securities Act of 1933 and applicable United States state securities law.

This Bidder's Statement has been prepared having regard to Australian disclosure requirements and Australian accounting standards. These disclosure requirements and accounting standards may be different from those in other countries.

If you are not an Australian resident taxpayer or are liable for tax outside Australia, you should seek specific tax advice in relation to the Australian and overseas tax consequences of accepting the Offer.

Small Parcels

Following acceptance of the Offer, if the total number of Strike Shares you are entitled to receive as consideration under the Offer is a Small Parcel, you will receive a cash amount for Your Warrego Shares, calculated in accordance with paragraph 14 of schedule 1 (*Terms and Conditions of the Offer*) as if you were an Ineligible Foreign Warrego Shareholder.

Privacy and personal information

Strike and its share registry have collected personal information about Warrego Shareholders for the purpose of making the Offer and, if the Offer is successful, for the purpose of administering holdings of Warrego Shares. The personal information collected includes the names and addresses of Warrego Shareholders and details of their holdings of Warrego Shares. This personal information may be disclosed to professional advisers, printers, mailing houses and other organisations providing services to Strike and Strike West in connection with the Offer, to other members of the Strike Group, and to ASIC and other regulatory authorities.

Individuals in respect of whom personal information is collected have certain rights to access that personal information. You should contact Strike's share registry, Boardroom, on 1300 737 760 from within Australia or (+61) 2 9290 9600 from outside Australia between 8.15am and 5.30pm (Sydney time), Monday to Friday if you wish to request access to your personal information.

Effect of rounding

Certain amounts or figures in this Bidder's Statement, including those relating to the Offer Consideration, are subject to the effect of rounding. Accordingly, the actual calculation of these amounts or figures may

differ from the amounts or figures set out in this Bidder's Statement.

Diagrams, maps and data in charts, graphs and tables

Diagrams and maps appearing in this Bidder's Statement are illustrative only and may not be drawn to scale. Unless otherwise indicated, all data contained in charts, graphs and tables is based on information current at the Announcement Date.

References to currency

Unless otherwise indicated, all references to \$, A\$, dollars or cents in this Bidder's Statement are to Australian currency.

References to time

Unless otherwise indicated, all references to time in this Bidder's Statement are to the time in Perth, Australia.

Websites

Strike maintains a website at www.strikeenergy.com.au and Warrego maintains a website at www.warregoenergy.com. Any references to these and any other websites are for information only and no material contained on any such website forms part of this Bidder's Statement.

Further questions

If you have further questions in relation to the Offer or how to accept them, please call the Offer Information Line from within Australia on 1300 737 760 (toll-free) or from outside Australia on +61 2 9290 9600 (charges apply) between 8.15 am and 5.30 pm (Sydney time) Monday to Friday.

SUMMARY OF REASONS TO ACCEPT THE OFFER

Strike believes you should ACCEPT the Offer for the reasons outlined below, which are detailed further in the 'Why you should accept Strike's Offer' section of this Bidder's Statement.

-  **1** Strike's Offer represents a significant premium for Your Warrego Shares
 -  **2** Strike's Offer is superior to Hancock's Revised Offer and allows you to retain exposure to a high quality Perth Basin asset portfolio during a rising gas price environment
 -  **3** Strike's Offer has limited conditionality and may promptly be declared unconditional
 -  **4** Current alternative transactions are unlikely to succeed and you face the risk of being a minority shareholder if you do not accept the Offer
 -  **5** Accepting the Offer does not preclude you from receiving a further change of control premium in the event a takeover proposal is received for Strike
 -  **6** A combination of Strike and Warrego increases development options to maximise value for all shareholders
 -  **7** You may benefit from the release of inherent latent value and the creation of benefits through your retained ownership in Strike
 -  **8** Your investment will be overseen by Strike's highly experienced board and management team, with a strong track record of success
 -  **9** Your Strike Shares will have an enhanced equity market presence, greater liquidity and a stronger institutional share register
 -  **10** You may be eligible for scrip-for-scrip rollover relief and you will not incur brokerage or stamp duty in accepting the Offer
-



LETTER FROM THE CHAIRMAN

Dear Warrego Shareholders

STRIKE TAKEOVER OFFER FOR WARREGO

On behalf of Strike Energy Limited (ASX: STX) (**Strike**) through its wholly owned subsidiary Strike West Holdings Pty Ltd (**Strike West**), we are pleased to present our offer to acquire all your shares in Warrego Energy Limited (ASX: WGO) (**Warrego**) for one Strike share for each Warrego share that you own (**Offer**, or **Strike's Offer**).

If you accept the Offer, you will become a shareholder of Strike, a leading Australian independent explorer and gas developer focused on its large and high-quality conventional gas resources in the Perth Basin. To leverage this prolific resource base, Strike has developed an integrated downstream strategy with the aspirations of becoming Australia's lowest cost domestic gas and fertiliser producer, supporting its future customers' carbon abatement and in doing so attracting premium pricing for its energy products.

Strike's Offer follows its initial merger proposal presented to the Warrego board on 16 September 2022 and as disclosed in subsequent announcements by Warrego and Strike on 10 November 2022 (**Strike's Initial Proposal**). Shortly thereafter, on 14 November 2022 Warrego entered into a scheme implementation deed with Beach Energy Limited (ASX: BPT) (**Beach**) under which Beach agreed to acquire all of the outstanding Warrego shares via a scheme of arrangement for an upfront cash consideration of \$0.20 per Warrego share and a pro rata entitlement to any net proceeds from any disposal of Warrego's Spanish assets within 12 months (**Beach's Initial Proposal**).

On 30 November 2022, Hancock Energy PB Pty Ltd (**Hancock**) announced an off-market takeover bid to acquire all of the Warrego shares for cash consideration of \$0.23 per Warrego share (**Hancock's Initial Offer**). On 1 December 2022, the Warrego board declared Hancock's Initial Offer to be superior to Beach's Initial Proposal. On 2 December 2022, Beach submitted a revised proposal to acquire all of the Warrego shares via a scheme of arrangement for \$0.25 per Warrego share (**Beach's Revised Offer**).

Subsequently, on 2 December 2022, Hancock submitted a revised offer to acquire shares in Warrego via an off-market takeover for \$0.28 per Warrego share (**Hancock's Revised Offer**). On 5 December 2022, Warrego declared Hancock's Revised Offer to be superior to Beach's Revised Offer.

On 7 December 2022, Strike entered into share purchase agreements with various Warrego shareholders to increase its shareholding in Warrego to ~19.9% via the swap of Strike ordinary shares for Warrego ordinary shares at a 1:1 exchange ratio.¹

On 9 December 2022, Beach declined to match Hancock's Revised Offer and on 19 December 2022 Strike announced its intention to make the Offer.

On 20 December 2022, the Warrego board announced it had deferred its assessment as to which of Strike's Offer and the Hancock Revised Offer is superior until the release of its target's statement in response to the Hancock Revised Offer. The Warrego board has not formally recommended either transaction as at the date of this bidder's statement. Warrego has received ASIC relief to extend the date by which it must release the target's statement in response to Hancock's Revised Offer until 5 January 2023.

The Strike Board believes Strike's Offer is highly attractive to Warrego shareholders and is superior to Hancock's Revised Offer for a number of reasons, a summary of which is set out below:

1. Strike's Offer currently represents the best value for Warrego shareholders

As at 22 December 2022, being the last practicable trading date, Strike's Offer implies a value for Warrego at approximately \$404 million, or \$0.3300 per Warrego share, which represents:

¹ As at the Announcement Date, 25,642,826 new Strike ordinary shares have been issued pursuant to the share purchase agreements. A further 123,534,182 new Strike ordinary shares are expected to be issued.

- a 17.9% premium to Hancock's Revised Offer of \$0.28 per Warrego share;
- a 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**);²
- a 61.8% premium to the 30-day VWAP of Warrego shares before the Undisturbed Date;³ and
- a 69.3% premium to the 90-day VWAP of Warrego shares before the Undisturbed Date.⁴

The Offer consideration may also provide Warrego shareholders with capital gains tax rollover relief.

2. Hancock's competing proposal places a final and terminal value on Warrego. Strike's Offer will allow Warrego shareholders to participate in ongoing upside

Under Strike's Offer, Warrego shareholders will receive Strike shares, which will not only provide ongoing exposure to Warrego's existing assets, but also provide 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 benefits and the potential re-rating of the price of Strike's shares as its Walyering gas project enters first commercial production in 2023. Importantly, accepting Strike's Offer will not preclude Warrego shareholders from receiving any further change of control premium in the event a takeover proposal is ultimately received for Strike following successful close of Strike's Offer. Conversely, by accepting Hancock's Revised Offer, a Warrego shareholder will not participate in any ongoing upside that may be realised.

3. Warrego shareholders will retain exposure to a uniquely positioned energy business with a portfolio of assets in the exciting and emerging Perth Basin

If Strike's offer is successful, Strike will endeavour to take advantage of the potential operational benefits of a coordinated development of the Greater Erregulla region. This may create value for both Warrego shareholders and Strike shareholders and 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 2030,⁵ integrated renewables and energy platform across sustainable energy and fertiliser manufacturing. Strike has recently agreed a \$153 million financing package with Macquarie Bank Limited which will fund Strike's next phase of growth and pre-final investment decision activities.

4. Strike's Offer has lower conditionality than Hancock's Revised Offer

In contrast to Hancock's Revised Offer, Strike's Offer does not contain any pre-emptive rights condition. Pursuant to the EP469 Joint Operating Agreement between Strike West and Warrego, Strike West as the operator for EP469 has a pre-emptive right to acquire Warrego's interest in EP469 in the event of a change of control transaction for Warrego which has not been recommended by the Warrego board.

Strike's Offer is subject only to no "prescribed occurrence" occurring, the satisfaction of which, other than in respect of certain insolvency events should be almost entirely within the control of the Warrego board. Given the limited conditionality associated with Strike's Offer, Strike may waive the condition and declare the Offer unconditional at any point.

Similar to Hancock's Revised Offer, Strike's Offer does not include a minimum acceptance condition or a material adverse change condition.

5. A number of Warrego shareholders have already agreed to the same share exchange ratio

On 6 December 2022, several Warrego shareholders elected to swap their Warrego shares for Strike shares at a ratio of one Strike share for every Warrego share held. This ratio is consistent with the Offer consideration under the Offer.

² 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.

³ 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.

⁴ 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.

⁵ 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.

6. **Warrego shareholders holding 15.45% have also confirmed their intention to support a merger of Strike and Warrego**

Following Strike's announcement on 6 December 2022 that it had acquired an interest of ~19.9% of Warrego's shares, Strike received several inbound inquiries from Warrego shareholders interested in receiving the same consideration for their Warrego shares. Strike has received notification from a number of Warrego shareholders indicating they intended to accept a takeover Offer from Strike on the date that is 21 days after the opening of Strike's Offer, subject to no superior proposal emerging.⁶ Collectively these Warrego shareholders control 189,189,148 Warrego shares which represents 15.45% of Warrego's total shares outstanding. A list of the Warrego shareholders who have indicated their intention to support a merger of Strike and Warrego is set out in the section titled "Why you should accept Strike's Offer".

Further details of the Offer including the full terms and conditions are set out in this Bidder's Statement, which we encourage you to read in full.

Collectively, we encourage you to **ACCEPT** the Offer for the reasons set out in this Bidder's Statement, which are open for your acceptance until 7.00 pm (Perth time) on 13 February 2023 unless the Offer period is extended. To accept the Offer please follow the instructions in this Bidder's Statement and the enclosed Acceptance Form.

If you have any questions about the Offer please call the Offer Information Line, on 1300 737 760 from within Australia (toll-free) or +61 2 9290 9600 from outside Australia (charges apply) between 8.15am and 5.30pm (Sydney time) Monday to Friday. We also recommend you consult your financial, legal or other professional adviser.

Yours sincerely



John Poynton AO
Chairman

⁶ See the section titled "Why you should accept Strike's Offer" for further information regarding the nature of the intention statements and confirmations provided by those Warrego shareholders.

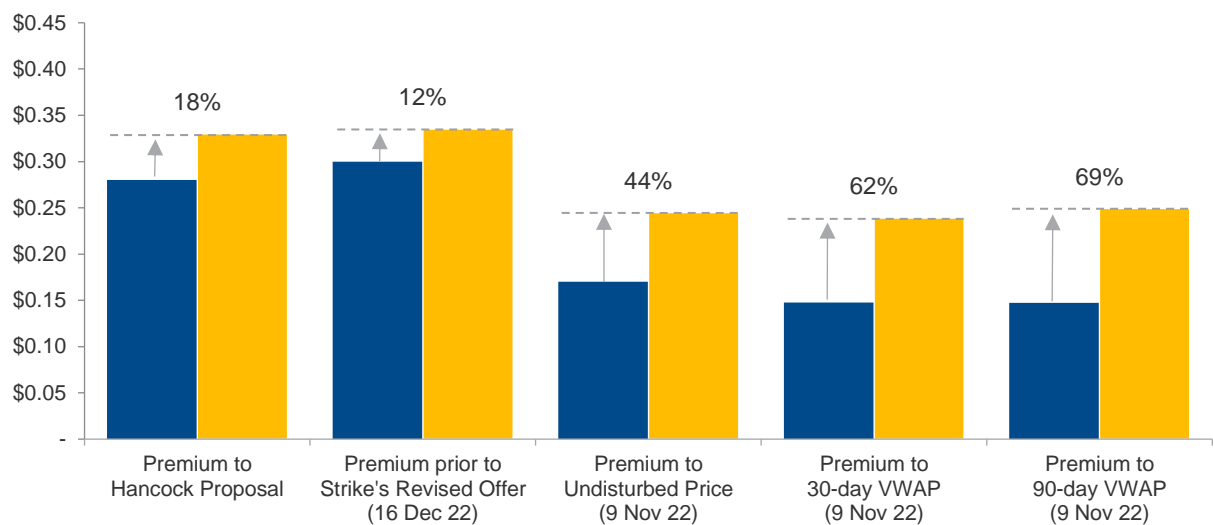
WHY YOU SHOULD ACCEPT STRIKE'S OFFER

1. Strike's Offer represents a significant premium for Your Warrego Shares

Under the Offer, Warrego Shareholders will receive one Strike Share for each Warrego Share. The implied value of the Offer varies with the market value of Strike Shares, however Strike's closing share price of \$0.3300 on the Last Practicable Trading Date implies an offer price of \$0.3300 per Warrego Share. The Offer represents a:

- 17.9% premium to Hancock's Revised Offer of \$0.28 per Warrego Share;⁷
- 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 Revised Offer;⁸
- 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**);⁹
- 61.8% premium to the 30-day VWAP of Warrego Shares before announcement of the Offer;¹⁰ and
- 69.3% premium to the 90-day VWAP of Warrego Shares before announcement of the Offer.¹¹

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



2. Strike's Offer is superior to Hancock's Revised Offer and allows you to retain exposure to a high quality Perth Basin asset portfolio during a rising gas price environment

Strike considers its Offer to be superior to Hancock's Revised Offer for a number of reasons:

1. **Strike's Offer currently represents the best value for Warrego Shareholders:**
Strike's Offer represents a 17.9% premium to the upfront consideration under Hancock's Revised Offer.¹² The Offer may also provide Warrego Shareholders with capital gains tax rollover relief.
2. **Hancock's competing proposal places a final and terminal value on Warrego. Strike's Offer will allow Warrego Shareholders to participate in ongoing potential upside:**
Under Strike's Offer, Warrego Shareholders will receive Strike Shares, which will not only provide ongoing exposure to Warrego's existing assets, but also provide potential upside exposure to Strike's

⁷ Based on Strike's closing price of \$0.3300 as at the Last Practicable Trading Date.

⁸ 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.

⁹ Based on Strike's closing price on 9 November 2022 of \$0.2450 and Warrego's closing price on 9 November 2022 of \$0.1700.

¹⁰ Based on the 30-day VWAP ending on 9 November 2022 for Warrego of \$0.1476 and Strike of \$0.2388.

¹¹ Based on the 90-day VWAP ending on 9 November 2022 for Warrego of \$0.1473 and Strike of \$0.2494.

¹² Based on Strike's closing price of \$0.3300 as at the Last Practicable Trading Date.

majority owned and operated Perth Basin asset portfolio. This will allow Warrego Shareholders to participate in any benefits of ongoing exploration success, the potential realisation of operational benefits and the potential re-rating of the price of Strike's Shares as its Walyering gas project enters first commercial production in 2023. Importantly, accepting Strike's Offer will not preclude Warrego Shareholders from receiving any further change of control premium in the event a takeover proposal is ultimately received for Strike following successful close of Strike's Offer.¹³ Conversely, by accepting Hancock's Revised Offer, a Warrego Shareholder will not participate in any ongoing upside that may be realised.

3. **Warrego Shareholders will retain exposure to a uniquely positioned energy business with a portfolio of assets in the exciting and emerging Perth Basin:**

If Strike's offer is successful, Strike will endeavour to take advantage of the potential operational benefits of a coordinated development of the Greater Erregulla region. This may create value for both Warrego Shareholders and Strike Shareholders and 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 2030,¹⁴ integrated renewables and energy platform across sustainable energy and fertiliser manufacturing. Strike has recently agreed a \$153 million financing package with Macquarie Bank Limited which will fund Strike's next phase of growth and pre-FID activities. Further information regarding Warrego and Strike and their respective projects and other assets is set out in sections 3 and 4.

4. **Strike's Offer has lower conditionality than Hancock's Revised Offer:**

In contrast to Hancock's Revised Offer, Strike's Offer does not contain any pre-emptive rights condition. Pursuant to the EP469 Joint Operating Agreement between Strike West and Warrego, Strike West as the operator for EP469 has a pre-emptive right to acquire Warrego's interest in EP469 in the event of a change of control transaction for Warrego which has not been recommended by the Warrego Board.

Strike's Offer is subject only to no "prescribed occurrence" occurring, the satisfaction of which, other than in respect of certain insolvency events, should be almost entirely within the control of the Warrego Board. Given the limited conditionality associated with Strike's Offer, Strike may waive the condition and declare the Offer unconditional at any point. Similar to Hancock's Revised Offer, Strike's Offer does not include a minimum acceptance condition or a material adverse change condition.

5. **A number of Warrego Shareholders have already agreed to the same share exchange ratio:**

On 6 December 2022, several Warrego Shareholders elected to swap their Warrego Shares for Strike Shares at a ratio of one Strike Share for every Warrego Share held. This ratio is consistent with the Offer Consideration under the Offer.

6. **Warrego Shareholders holding 15.45% have also confirmed their intention to support a merger of Strike and Warrego:**

Following Strike's announcement on 6 December 2022 that it had acquired an interest of ~19.9% of Warrego's Shares, Strike received several inbound inquiries from Warrego Shareholders interested in receiving the same consideration for their Warrego Shares. Strike has received notification from a number of Warrego Shareholders indicating they intended to accept a takeover Offer from Strike on the date that is 21 days after the opening of Strike's Offer, subject to no superior proposal emerging. Collectively these Warrego Shareholders control 189,189,148 Warrego Shares which represents 15.45% of Warrego Shares. A list of the Warrego Shareholders who have indicated their intention to support a merger of Strike and Warrego is set out in the table below:

¹³ As at the Announcement Date, 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.

¹⁴ 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.

Figure 2: List of Warrego Shareholders intending to accept the Offer

| Shareholder | Warrego Shares owned | Percentage interest ¹⁵ |
|----------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------|
| Regal Funds Management as trustee for various funds | 120,127,669 | 9.82% |
| TR1 Master Fund | 26,316,096 | 2.15% |
| Harvest Lane Asset Management Pty Ltd and 31 May Pty Ltd | 22,562,328 | 1.84% |
| Rookharp Holdings Pty Ltd, Rookharp Capital Pty Ltd, Rookharp Investments Pty Ltd, David Michal Rooke and Leesa Jane Rooke | 12,594,451 | 1.03% |
| Professional Consulting Pty Ltd as trustee for various funds | 4,093,367 | 0.33% |
| Alan Fletcher | 2,000,000 | 0.16% |
| Vabetu Pty Ltd as trustee for Kulkarni Super Fund | 542,857 | 0.04% |
| Nelson Consulting Pty Ltd | 476,190 | 0.04% |
| SK Advisory Pty Ltd ATF SK Superannuation Fund | 476,190 | 0.04% |
| Total | 189,189,148 | 15.45% |

The Warrego Shareholders listed above in Figure 2 have consented to the disclosure of their statements of intention in this Bidder's Statement and have not withdrawn that consent before the Announcement Date.

Each of the Warrego Shareholders who have provided a statement of intention to accept Strike's Offer has also provided a signed confirmation that:

- there is no agreement, arrangement or understanding between the Warrego Shareholder and Strike or any of Strike's associates in respect of Warrego or any Warrego Shares; and
- other than as expressly contemplated in the statement of intention, the statement of intention does not restrict, prohibit or require:
 - the disposal of any Warrego Shares; or
 - the exercise of any rights attaching to any Warrego Shares by the Warrego Shareholder.

3. Strike's Offer has limited conditionality and may promptly be declared unconditional

Strike's Offer is only subject to a No Prescribed Occurrences Condition. The list of Prescribed Occurrences is set out in schedule 1. This condition is customary for bids of this nature and the non-satisfaction of which, other than in respect of certain insolvency events, is almost entirely within the control of the Warrego Board.

Strike's Offer does not include a minimum acceptance condition. Accordingly, if you accept the Offer, but other Warrego Shareholders do not, you will still be provided the Offer Consideration, provided the No Prescribed Occurrences Condition is satisfied and the Offer is declared unconditional.

The Offer is also not subject to any material adverse change condition, giving Warrego Shareholders additional certainty through the Offer Period, as Strike's Offer is not affected by events which adversely affect the financial or operational performance of Warrego.

Given the limited conditionality associated with Strike's Offer, Strike may waive the No Prescribed Occurrences Condition and declare the Offer unconditional at any point.

¹⁵ Based on 1,223,122,326 Warrego Shares on issue as at the Last Practicable Trading Date.

Further details of the Offer including the full terms and conditions are set out in this Bidder's Statement.

4. Current alternative transactions are unlikely to succeed and you face the risk of being a minority shareholder if you do not accept the Offer

As at the Last Practicable Trading Date and based on publicly available information:

- Hancock does not currently own any Warrego Shares;¹⁶ and
- Strike is the largest shareholder of Warrego with ~19.9% ownership.

In addition, Warrego Shareholders holding an aggregate of 15.45% of Warrego Shares have confirmed their intention to accept the Offer on the date that is 21 days after the opening of the Offer, subject to no superior proposal emerging.¹⁷

As at the Last Practicable Trading Date, Warrego's share price was \$0.3250 per share, which is currently 16.1% above Hancock's Revised Offer.

Under Strike's Offer, if Strike acquires control of Warrego but not 100% ownership, Strike will have the ability to appoint a majority of directors to the Warrego Board and, in doing so, take control of the day-to-day operations of the business. Warrego Shareholders who do not accept the Offer will remain as minority shareholders and may be subject to a number of additional risks, including:

- reduced liquidity, noting that Warrego has historically already been thinly traded;
- a potential fall in the price of Warrego Shares below the implied value of the Offer;
- greater difficulty in realising value for Your Warrego Shares; and
- the potential for Warrego to undertake further equity raisings to fund its investment in West Erregulla which may be dilutive to non-participating shareholders.

5. Accepting the 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 led to:

- highly elevated global energy prices;
- strong demand and a meaningful supply deficit for seaborne LNG;
- a short domestic gas position with other WA market participants continuing to export gas;
- a limited number of high-quality, near-term domestic gas projects following a period of meaningful underinvestment; and
- a push by the market for industrial and resources companies to decarbonise, particularly away from diesel towards renewables or lower emitting sources of energy (i.e., gas).

Strike believes there will be continued interest in strategic, high-quality assets in the Perth Basin, including those assets held by Strike. By accepting the Offer, you will receive a 11.7% premium¹⁸ for Your Warrego Shares but you will also receive ownership of Strike Shares. In the event Strike ultimately receives a change of control proposal, you may receive a further change of control premium on your Strike Shares.¹⁹

¹⁶ On 21 December 2022 Hancock released a 'fourth supplementary bidder's statement' in relation to the Revised Hancock Offer noting that Hancock has received intention statements from various Warrego Shareholders stating that they hold 15.84% of Warrego Shares (as at the Announcement Date, this information has not been verified by Hancock) and that they intend to accept Hancock's Revised Offer subject to certain conditions being met.

¹⁷ See the section titled "Why you should accept Strike's Offer" for further information regarding the nature of the intention statements and confirmations provided by those Warrego shareholders.

¹⁸ Based on the closing prices as at 16 December 2022 for Warrego of \$0.3000 and Strike of \$0.3350.

¹⁹ As at the Announcement Date, 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.

6. A combination of Strike and Warrego increases development options to maximise value for all shareholders

Strike has announced its intention to establish a gas processing plant location in the Precinct which will enable Strike to:

- accelerate environmental approvals as the development will no longer require clearance of over 100 hectares of native vegetation / habitat clearing or the need to secure leases and offset areas;
- provide a centralised facility with capacity to process gas from Strike's Greater Erregulla portfolio of gas assets and avoid duplication of gas processing infrastructure;
- integrate the proposed Precinct renewables capacity to lower CO₂e emissions; and
- expand capacity and infrastructure efficiently as appraisal and nearfield exploration drilling occur in the area over the next two-years due to the abundance of cleared land available to integrate additional processing trains as further gas resources are delineated.

Consolidation of ownership across the Erregulla region provides an opportunity to facilitate the acceleration, maximisation and optimisation of gas production, cashflows and capital whilst reducing the carbon footprint of the West Erregulla domestic gas project.

7. You may benefit from the release of inherent latent value and creation of benefits through your retained ownership in Strike

On the basis the Erregulla gas plant is located on the Precinct, the combination of Strike and Warrego removes the need for duplicate processing costs. Further, the Merged Group could achieve greater economies of scale through a longer term processing arrangement that would be viable given the expanded portfolio of the Merged Group's gas assets.

There is an ability to remove significant costs from the combined business with scope for approximately \$5 million in annual cost savings from a reduction in Warrego corporate overheads (should Strike reach compulsory acquisition).

As operator of West Erregulla, all day-to-day operations and development planning is managed solely by Strike's experienced board and senior management team. Therefore, should Strike become entitled to compulsorily acquire the outstanding Warrego Shares, Strike intends to undertake a critical review of the Merged Group and consolidate duplicated functions in the business which are expected to primarily relate to the management of West Erregulla.

Strike's preliminary assessment based on publicly available information has identified that there is potential cost savings through removal of:

- certain senior personnel and board positions and duplicate external consultant fees;
- rental expenses associated with Warrego's unrequired premises; and
- joint venture governance and insurance costs.

Other than the potential cost savings noted above, Strike has not quantified the benefits to be realised through the consolidation of operations. However, Strike believes the Merged Group may be able to unlock the following benefits:

- **Exploration benefits:** high-grading of the exploration portfolio, optimisation of further studies and seismic / appraisal expenditure;
- **Portfolio benefits:** optimising the development profile and sequencing of assets (as above); and
- **Corporate benefits:** in addition to those mentioned above, alignment of systems and processes, and rationalisation of responsibilities.

8. Your investment will be overseen by Strike's highly experienced board and management team, with a strong track record of success

Shareholders in the Merged Group will benefit from both the international and Australian experience of Strike's Board and senior management team who have a proven track record in oil and gas exploration, appraisal and development as well as other resources and finance experience. Strike's team have held senior leadership positions at some of Australia's most significant resources companies which include

Fortescue, Santos, Shell, Woodside, GE, Origin Energy and Arrow Energy, as well as having a breadth of commercial and financial experience through a variety of corporate finance advisory firms.

Strike brings significant in-house technical expertise and knowledge of oil and gas assets in Australia, with a track-record and proven ability to complete projects and generate value, led by the same team that discovered West Erregulla.

Figure 3: Overview of Strike's leadership

Board of Directors



Executive Management Team



9. Your Strike Shares will have an enhanced equity market presence, greater liquidity, and a stronger institutional share register

By accepting the Offer, Warrego Shareholders may have exposure to a company with a significantly larger market capitalisation and considerably more liquidity than Warrego on a standalone basis.

In this respect, as at the Last Practicable Trading Date, Strike had a market capitalisation of \$772 million²⁰, compared to Warrego's market capitalisation of \$398 million (and \$208 million on the Undisturbed Date). Further, the average daily trading value of Strike Shares over the twelve months prior to the Undisturbed Date was \$1.385 million compared to the average daily trading value of Warrego Shares over the same period of \$0.192 million. If the Offer is successful, Warrego Shareholders will hold approximately 30% of the Merged Group (on an undiluted basis).²¹

By accepting the Offer, Warrego Shareholders will receive Strike Shares which form part of the S&P / ASX 300 index. Relative to Warrego Shares, this may further improve liquidity, provide greater access to debt and equity capital markets and access to broader institutional shareholder demand.

²⁰ Based on the total shares outstanding as at the Last Practicable Trading Date and on the basis that all shares to be issued pursuant to share purchase agreements with various Warrego Shareholders are issued, which are expected to result in an additional 123,534,182 new Strike Shares being issued. See section 10.2(a) for further details.

²¹ Refer to section 5.4 for further details.

The Merged Group will have a significantly larger balance sheet than Warrego on a standalone basis which may enhance its ability to attract partners and funding for its current and future growth opportunities, improve access and terms for equity, debt and gas markets and ultimately lower the cost of capital of the Merged Group. The removal of joint venture risk from the development of West Erregulla is also expected to enhance the Merged Group's abilities and access in these regards.

10. You may be eligible for scrip-for-scrip rollover relief, and you will not incur brokerage or stamp duty in accepting the Offer

In the event Strike is able to acquire 80% or more of the Warrego Shares, Warrego Shareholders may become eligible for scrip for scrip rollover relief. This may defer the crystallisation of a tax event for Warrego Shareholders and provide additional upfront value compared to Hancock's all cash proposal (where such tax relief will not be available).

If Your Warrego Shares are registered on an Issuer Sponsored Holding in your name and you deliver them directly to Strike, you will not incur any brokerage fees in connection with your acceptance of the Offer.

You may incur brokerage if you choose to sell Your Warrego Shares on market or if you instruct your broker to accept the Offer on your behalf.

1. HOW TO ACCEPT THE OFFER

If you wish to accept the Offer, you must accept for all Your Warrego Shares (and not for a lesser number) unless paragraph 4.5 of schedule 1 (*Terms and Conditions of the Offer*) applies to you.

You may accept the Offer at any time during the Offer Period. How you may accept the Offer depends on whether Your Warrego Shares are held in an Issuer Sponsored Holding or a CHESS Holding. If Your Warrego Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting the Offer.

Issuer Sponsored Holdings (you have a Securityholder Reference Number starting with the letter I)



If Your Warrego Shares are held in an Issuer Sponsored Holding, you can accept the Offer by completing and signing the enclosed Acceptance Form in accordance with the instructions on the form, and returning it (together with all documents required by the instructions on it) so that it is received at the address (or email address, as applicable) shown on the Acceptance Form before the end of the Offer Period. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use.

CHESS Holdings (you have a Holder Identification Number starting with the letter X)



If Your Warrego Shares are held in a CHESS Holding, you can accept the Offer by:

- instructing your Controlling Participant (usually your broker) to accept the Offer on your behalf before the end of the Offer Period (you are not required to return the Acceptance Form yourself); or
- completing and signing the enclosed Acceptance Form in accordance with the instructions on the form, and returning it (together with all documents required by the instructions on it) so that it is received at the address (or email address, as applicable) shown on the Acceptance Form before the end of the Offer Period. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use.

Controlling Participants



If you are a Controlling Participant, acceptance of the Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

Further information



Further information on completing and returning the Acceptance Form can be found in paragraph 4 of schedule 1 (*Terms and Conditions of the Offer*).

Contact Information



Strike's share registry
Boardroom Pty Limited
Telephone: 1300 737 760 (Australia),
(+61) 2 9290 9600 (International)

Offer Information Line



If you have further questions in relation to the Offer or how to accept them, please call the Offer Information Line from within Australia on 1300 737 760 (toll-free) or from outside Australia on +61 2 9290 9600 (charges apply) between 8.15 am and 5.30 pm (Sydney time) Monday to Friday.

2. SUMMARY OF THE OFFER

This section 2 provides a summary of the Offer and refers you to other sections of this Bidder's Statement where you will find more information on the subjects mentioned. This section does not provide all the information that may be relevant. You should read this Bidder's Statement in full before deciding whether or not to accept the Offer.

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| <p>What is the Bidder's Statement?</p> | <p>This Bidder's Statement was prepared by Strike and Strike West for distribution to Warrego Shareholders. It sets out the terms of the Offer and other information relating to the Offer.</p> |
| <p>What is the Offer?</p> | <p>Strike West is offering to buy all Warrego Shares, including Warrego Shares issued during the Offer Period, by way of an off-market takeover offer on the terms and conditions set out in schedule 1 (<i>Terms and Conditions of the Offer</i>).</p> |
| <p>What will you receive if you accept the Offer?</p> | <p>If you accept the Offer, subject to the satisfaction of the No Prescribed Occurrences Condition, for each of Your Warrego Shares you will receive one Strike Share.</p> <p>The implied value of the Offer varies with the market value of Strike Shares, however Strike's closing share price of \$0.3300 on the Last Practicable Trading Date implies an offer price of \$0.3300 per Warrego Share.</p> <p>If you are an Ineligible Foreign Warrego Shareholder (being a Warrego Shareholder whose address as shown in the register of members of Warrego is in a jurisdiction other than Australia or its external territories, New Zealand, the United Kingdom, British Virgin Islands, Jersey, Hong Kong, the European Union (excluding Austria) or Norway) or a Small Warrego Shareholder, you will not receive Strike Shares. Instead, the Strike Shares to which you would otherwise be entitled will be issued to a Nominee who will sell those shares on the ASX and provide you with the net sale proceeds. Refer to paragraph 14 of schedule 1 (<i>Terms and Conditions of the Offer</i>) for further details.</p> |
| <p>Who is the Bidder?</p> | <p>Strike West Holdings Pty Ltd ACN 616 395 398 is a wholly owned subsidiary of Strike Energy Limited ACN 078 012 745. Strike is a leading Australian independent explorer and gas developer focused on its large and high-quality conventional gas resources in the Perth Basin. To leverage this prolific resource base, we have developed an integrated downstream strategy with the aspirations of becoming Australia's lowest cost domestic gas and fertiliser producer, supporting its future customers' carbon abatement and in doing so attracting premium pricing for its energy products.</p> |
| <p>What is Strike's current interest in Warrego Shares?</p> | <p>As at the Announcement Date:</p> <ul style="list-style-type: none"> • Strike's voting power in Warrego is 19.94%;²² and • Strike and its associates have relevant interests in 243,889,618 Warrego Shares, <p>noting that Strike's voting power includes 1,400,000 Warrego Shares (0.11% voting power) held by Neville Power and Myube. Neville Power may be an associate of Strike by virtue of his position as a Strike Director.</p> <p>See section 10.1(b) of this Bidder's Statement for further information.</p> |
| <p>Have any Warrego Shareholder indicated they will accept the Offer?</p> | <p>Strike has received notification from a number of Warrego Shareholders indicating they intended to accept a takeover Offer from Strike on the date that is 21 days after the opening of Strike's Offer, subject to no superior proposal emerging.²³ Collectively these Warrego Shareholders control 189,189,148 Warrego Shares</p> |

²² Strike's voting power comprises 19.83% held by the Strike Group and 0.11% held by Neville Power and Myube based on 1,223,122,326 total Warrego Shares on issue.

²³ See the section titled "Why you should accept Strike's Offer" for further information regarding the nature of the intention statements and confirmations provided by those Warrego Shareholders.

| | |
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| | <p>which represents 15.45% of Warrego's total shares outstanding. For further information see the section titled "Why you should accept Strike's Offer".</p> |
| <p>Does the Warrego Board recommend the Offer?</p> | <p>The Warrego Board is yet to make a recommendation on whether to accept or reject the Offer. Warrego has up to 15 days to issue the Target's Statement after the despatch of this Bidder's Statement where they will provide a recommendation on the Offer.</p> <p>At the Announcement Date, the Warrego Board have stated it has deferred its assessment as to which of Strike's Offer and the Hancock Revised Offer is superior until the release of its Target's Statement in response to the Hancock Revised Offer. The Warrego Board has not formally recommended either transaction as at the date of this Bidder's Statement. Warrego has received ASIC relief to extend the date by which it must release the target's statement in response to the Hancock Revised Offer until 5 January 2023.</p> |
| <p>Why has Strike made the Offer?</p> | <p>For the reasons detailed on pages 5 to 11, Strike firmly believes a combination of Strike and Warrego is in the best interests of both sets of shareholders.</p> |
| <p>When does the Offer close?</p> | <p>The Offer closes at 7.00pm (Perth time) on 13 February 2023 unless Strike extends the Offer Period in accordance with the Corporations Act or the Offer Period is automatically extended.</p> <p>You will be sent written notice of any extension, as required by the Corporations Act. Further details about Strike West's right to extend the Offer Period and the circumstances in which the Offer Period will be automatically extended are set out in paragraph 2 of schedule 1 (<i>Terms and Conditions of the Offer</i>).</p> |
| <p>If I accept the Offer, when will I receive the Offer Consideration?</p> | <p>If you accept the Offer and that Offer becomes unconditional, Strike West will procure that the Offer Consideration is provided to you within 7 Business Days of the later of:</p> <ul style="list-style-type: none"> the date on which the Offer becomes unconditional; and the date on which Strike West receives a valid acceptance in accordance with the Offer Terms. <p>Full details regarding the consideration for Your Warrego Shares are set out in schedule 1 (<i>Terms and Conditions of the Offer</i>).</p> <p>Ineligible Warrego Foreign Shareholders and Small Warrego Shareholders will be provided with the net proceeds of sale to which they are entitled under the Offer at a different time. Refer to paragraph 14 of schedule 1 (<i>Terms and Conditions of the Offer</i>) for further details.</p> |
| <p>What are the Offer Conditions?</p> | <p>The Offer is only subject to the No Prescribed Occurrences Condition. This means that the Offer and any contract that results from your acceptance of the Offer, is subject to the defeating condition that no Prescribed Occurrence occur:</p> <ul style="list-style-type: none"> between the Announcement Date and the commencement of the Offer Period (inclusive); and during the Offer Period. <p>The list of Prescribed Occurrences is set out in full at paragraph 8.1 of schedule 1 (<i>Terms and Conditions of the Offer</i>). This condition is customary for bids of this nature and, other than in respect of certain insolvency events, should almost be entirely within the control of the Warrego Board.</p> <p>In summary, the No Prescribed Occurrences Condition will be satisfied unless Warrego is impacted by any of the events listed in paragraph 8.1 of schedule 1 (<i>Terms and Conditions of the Offer</i>) which include insolvency events, or where the Warrego Board elects to undertake certain transactions, such as the sale of major assets or restructuring Warrego's share capital, such as by issuing new Warrego Shares.</p> <p>Strike West may waive any No Prescribed Occurrences Condition at its discretion. If the No Prescribed Occurrences Condition has not been fulfilled or waived by</p> |

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| | <p>Strike West by the time the Offer closes, the Offer will lapse and you will continue to hold Your Warrego Shares even if you have accepted the Offer.</p> <p>Details about the status of the No Prescribed Occurrences Condition as at the Announcement Date are set out in section 10.7 (<i>Status of the No Prescribed Occurrences Condition</i>).</p> |
| What happens if I accept the Offer and Strike West increases the Offer Consideration? | If Strike West increases the Offer Consideration, all Warrego Shareholders who accept the Offer (whether or not they have accepted the Offer before or after the increase) will be entitled to the benefit of the increased Offer Consideration, should the Offer become unconditional. |
| Will I need to pay stamp duty or brokerage if I accept the Offer? | <p>You will not pay any stamp duty on accepting the Offer.</p> <p>If Your Warrego Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Strike West, you will not incur any brokerage fees connected with your acceptance of the Offer.</p> <p>If Your Warrego Shares are in a CHESS Holding or you hold Your Warrego Shares through a bank, custodian or other nominee, you should ask your Controlling Participant or the bank, custodian or other nominee whether it will charge any transaction fees or service charges in connection with you accepting the Offer. Usually your Controlling Participant is a person, such as a stockbroker, with whom you have a sponsorship agreement within the meaning of the ASX Settlement Operating Rules.</p> |
| What are the tax consequences if I accept the Offer? | A general summary of certain Australian tax consequences of the Offer is set out in section 9 (<i>Australian Taxation Summary</i>). However, the tax consequences of accepting the Offer will depend on your own individual circumstances and you should consult your financial, legal or other professional adviser about the tax implications of accepting the Offer. |
| How do I accept the Offer? | You may accept the Offer in the manner summarised in section 1 and described in paragraph 4 of schedule 1 (<i>Terms and Conditions of the Offer</i>) and on the Acceptance Form accompanying this Bidder's Statement. |
| Can I accept the Offer for only some of my Warrego Shares? | If you wish to accept the Offer, you must accept for all of Your Warrego Shares (and not a lesser number) and any acceptance that purports to be for fewer than all of Your Warrego Shares will be treated as being for all Your Warrego Shares, unless paragraph 4.5 of schedule 1 (<i>Terms and Conditions of the Offer</i>) applies to you. |
| What happens if I do not accept the Offer? | <p>Subject to the explanation below, you will remain the holder of Your Warrego Shares and will not receive the Offer Consideration if you do not accept the Offer.</p> <p>If Strike and its associates acquires a relevant interest in at least 90% of Warrego Shares</p> <p>If you do not accept the Offer and Strike obtains sufficient acceptances from other Warrego Shareholders to give it and its associates a relevant interest in 90% or more of the total number of Warrego Shares, Strike may compulsorily acquire Your Warrego Shares.²⁴ If this happens you will receive the Offer Consideration at the end of the compulsory acquisition process. This means you will receive the Offer Consideration for Your Warrego Shares later than you would have received it if you had accepted the Offer.</p> <p>If Strike and its associates acquires a relevant interest in at least 75% or Warrego Shares (but less than 90%) of Warrego Shares</p> <p>If Strike acquires at least 75% of Warrego Shares (but less than 90%), it will be able to determine the outcome of special resolutions (in respect of which it is entitled to vote). Such special resolutions could involve amendments to the Warrego constitution or a change to company type. In certain circumstances, Strike may request that ASX remove Warrego from the official list of ASX (which may be subject</p> |

²⁴ If more than 10% of Warrego Shareholders accept the Hancock Revised Offer and the Hancock Revised Offer is or becomes unconditional, Strike will only be able to proceed to compulsory acquisition to the extent that Hancock subsequently accepts the Offer.

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| | <p>to Warrego Shareholder approval). However, the Shareholder Protections will continue to apply, which may constrain Strike's ability to give effect to its intentions.</p> <p>If Strike and its associates acquires a relevant interest in more than 50% (but less than 90%) of Warrego Shares</p> <p>If Strike acquires more than 50% of Warrego Shares (but less than 90%), it will be able to solely determine the outcome of ordinary resolutions (in respect of which it is entitled to vote) and will be in a position to control the composition of the Warrego Board. However, the Shareholder Protections will continue to apply, which may constrain Strike's ability to give effect to its intentions. If Strike obtains sufficient acceptances under the Offer to gain effective control of Warrego and you do not accept the Offer, then you will remain a minority shareholder in Warrego with the attendant risks of being in such a position.</p> <p>If Strike acquires less than 50% of Warrego Shares</p> <p>If Strike acquires less than 50% of all Warrego Shares, it will not have a controlling interest in Warrego. In those circumstances Strike will seek representation on the Warrego Board so that the proportion of Strike nominees is broadly in line with its voting power in Warrego.</p> <p>Strike's intentions in respect of Warrego in the situations above are further described in section 6 (<i>Bidder's Intentions</i>).</p> |
| <p>Can I withdraw my acceptance?</p> | <p>You cannot withdraw your acceptance of the Offer except in the limited circumstances set out in the Corporations Act and described more fully in paragraph 6.1 of schedule 1 (<i>Terms and Conditions of the Offer</i>).</p> |
| <p>Can I sell the Strike Shares I receive as part of the Offer?</p> | <p>Provided ASX exercises its discretion to admit the Strike Shares issued under the Offer to be quoted on the ASX, you will be able to sell the Strike Shares you receive as part of the Offer on-market on the ASX.</p> |
| <p>Can I sell my Warrego Shares on market?</p> | <p>Yes. You may incur brokerage costs if you sell Your Warrego Shares on market on the ASX. If you have already accepted the Offer, you will be unable to settle any subsequent on-market sale of Your Warrego Shares unless you become entitled to withdraw your acceptance as described above.</p> |
| <p>What happens if Warrego announces a material transaction or dividend?</p> | <p>The Offer is subject to the No Prescribed Occurrences Condition. A material transaction or dividend may constitute a Prescribed Occurrence. If Warrego does announce a material transaction or dividend or undertakes any other action which constitutes a breach of the No Prescribed Occurrences Condition, Strike West will determine whether it will rely on such non-fulfilment or waive the No Prescribed Occurrences Condition and may be in a position to successfully apply to the Takeovers Panel to challenge such action. Strike West may waive the No Prescribed Occurrences Condition at its discretion.</p> <p>If the No Prescribed Occurrences Condition is not fulfilled and Strike West does not waive the No Prescribed Occurrences Condition, any contracts arising from acceptance of the Offer will become void at the end of the Offer Period.</p> |
| <p>Is the Offer open to holders of Warrego Convertible Securities?</p> | <p>Strike West is not making a separate offer to holders of Warrego Convertible Securities. However:</p> <ul style="list-style-type: none"> • holders of Warrego Options who exercise their Warrego Options during the Offer Period will be able to accept the Offer in respect of the Warrego Shares that are issued to them; • holders of Warrego Share Rights whose Warrego Share Rights vest and are converted into Warrego Shares during the Offer Period will be able to accept the Offer in respect of the Warrego Shares that are issued to them; and • holders of Warrego Performance Rights whose Warrego Performance Rights vest and are converted into Warrego Shares during the Offer Period will be able to accept the Offer in respect of the Warrego Shares that are issued to them. |

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| <p>Will my new Strike Shares be quoted on the ASX?</p> | <p>Strike will apply for the Strike Shares issued under the Offer to be quoted on the ASX within seven days of the start of the Offer Period. Quotation of these Strike Shares will not be automatic but will depend upon ASX exercising its discretion. However, as Strike is already admitted to the official list of the ASX and Strike Shares in the same class as those to be issued under the Offer are already quoted, Strike West believes quotation of the new Strike Shares will be granted.</p> |
| <p>Are there any risks in accepting the Offer?</p> | <p>Yes, if you accept the Offer and it becomes unconditional, you will become a Strike Shareholder (unless you are an Ineligible Foreign Warrego Shareholder or Small Warrego Shareholder). There are risks associated with holding Strike Shares, which are summarised in section 8 (<i>Key Risks</i>), including:</p> <ul style="list-style-type: none"> • risks common to Warrego and Strike; • risks specific to Strike; • risks relating to the creation of the Merged Group; and • risk factors relating to the trading price of Strike Shares. <p>In deciding whether or not to accept the Offer, you should carefully read and consider those risks. Many of these risks are beyond the control of the Strike Board and management.</p> <p>Strike considers the following risks (see section 8 (<i>Key Risks</i>) for further detail) to be the most significant risks associated with the Offer and the holding of Strike Shares:</p> <ul style="list-style-type: none"> • Exploration, drilling and production risk: Gas exploration is a speculative endeavour with an associated risk of discovery to find any gas in commercial quantities and a risk of development. There are also risks associated with gas drilling activities, many of which are beyond Strike or the Merged Group's direct control such as delay or cancellation due to weather or unexpected geological conditions. Risks associated with production of gas include cost overruns, production decrease or stoppage, which may be the result of facility shut-downs, mechanical or technical failure and other unforeseen events. • Counterparty and credit risk: A dispute, or a breakdown in the relationship, between the Merged Group and governments, regulators its joint venturers, suppliers or customers, a failure to reach a suitable arrangement with a particular counterparty could have an adverse effect on the reputation and/or the financial performance of the Merged Group. The Merged Group may also be adversely affected if a counterparty seeks to amend the terms (including pricing) of an existing contract, whether in anticipation of a potential breach of contract by such counterparty or otherwise. • Greater Erregulla development risk: The proposed development of the Greater Erregulla project is contingent upon, among other things, securing access to third party processing infrastructure and project financing on terms acceptable to the Merged Group, procurement of contractors for the construction of the upstream development, securing all requisite approvals, permits, licences and clearances from regulatory and other stakeholders on terms and conditions acceptable to the Merged Group, and the Merged Group being willing and able to take an investment decision on the project. Project finance is in turn dependent on signing sufficient gas sale agreements with third parties. • Debt exposure: Strike currently has \$33 million of secured debt financing facilities with Macquarie Bank to cover pre-development and development costs across its portfolio of gas projects, and has agreed a new secured financing package with Macquarie Bank to refinance the existing \$33 million debt facility, provide an additional committed \$40 million secured facility to fund appraisal drilling of two appraisal wells at South Erregulla, and a further uncommitted \$80 million facility to fund the Greater Erregulla |

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| | <p>gas development. Security has also been provided over the Precinct land for \$6 million to Rabo Bank Australia. In the event Strike fails to comply with the debt facility covenants, this could lead to an event of default and repayment obligation together with enforcement of the security granted for the facilities and, as a result, loss of control and ownership of the secured assets.</p> <ul style="list-style-type: none"> • Future operating and capital cost requirements: Development of Strike's Perth Basin assets will require significant capital expenditure, which will need to be supported by external project financing (the availability of which is not certain) and future cash flows. Unexpected changes to future cost profiles or projected cash flows (including as a result of production delays) could result in Strike's or the Merged Group's cash requirements being over and above its available liquidity. To the extent that Strike or the Merged Group's cash reserves and debt facilities are insufficient to meet its requirements for ongoing operations and capital expenditure, Strike or the Merged Group may need to seek additional debt or equity funding, sell assets or defer capital expenditure. Any such failure to obtain project financing funding on reasonable terms may result in a loss of business opportunity and excessive funding costs, including dilution to existing shareholders if equity funding is pursued. • Strike trading price: The market value of the Strike Shares which are issued under the Offer will depend on the trading price of those shares. There is no guarantee that the trading price of Strike Shares will increase in the future, nor that the trading price in the future will be the same as the current trading prices of Strike Shares. The market price of Strike Shares may fall due to a number of factors, some of which are beyond Strike's control. |
| <p>What if I am a Foreign Warrego Shareholder or a Small Warrego Shareholder?</p> | <p>Ineligible Foreign Warrego Shareholders and Small Warrego Shareholders that accept the Offer will not receive Strike Shares. Rather, the Strike Shares that Ineligible Foreign Warrego Shareholders and Small Warrego Shareholders would have been entitled to receive will be issued to, and sold by, a Nominee and the net proceeds attributable to each Ineligible Foreign Warrego Shareholder or Small Warrego Shareholder will be paid to them by cheque in Australian dollars drawn on an Australian bank account.</p> <p>Ineligible Foreign Warrego Shareholders and Small Warrego Shareholders should read paragraph 14 of schedule 1 (<i>Terms and Conditions of the Offer</i>), which provides further information for Ineligible Foreign Warrego Shareholders and Small Warrego Shareholders about the Nominee sale process. Strike West's determination as to whether a Warrego Shareholder is an Ineligible Foreign Warrego Shareholder or Small Warrego Shareholder is final.</p> <p>Depending on the Foreign Warrego Shareholder's particular circumstances, a portion of the Offer Consideration may be withheld by Strike West and paid to the Commissioner of Taxation on account of foreign resident capital gains withholding tax (see sections 9.2(b) and paragraphs 7.7 and 14 of schedule 1 (<i>Terms and Conditions of the Offer</i>) for further details).</p> |
| <p>Where can I get further information?</p> | <p>If you have further questions in relation to the Offer or how to accept the Offer, please call the Offer Information Line from within Australia on 1300 737 760 (toll-free) or from outside Australia on +61 2 9290 9600 (charges apply) between 8.15 am and 5.30 pm (Sydney time) Monday to Friday.</p> <p>Alternatively, please visit Strike's website at www.strikeenergy.com.au.</p> |

3. INFORMATION ABOUT STRIKE AND STRIKE WEST

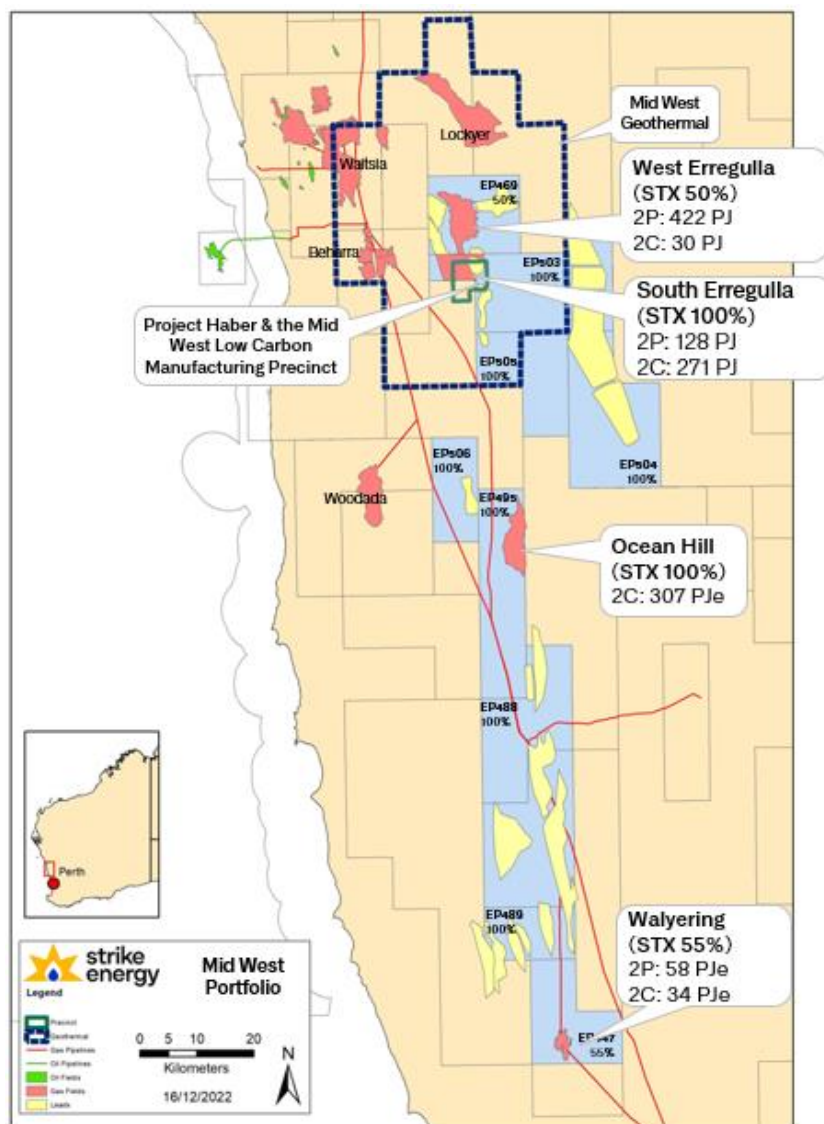
3.1 Overview of Strike and Strike West

(a) Strike Energy Limited

Strike was incorporated in Australia in 1997 and listed on the ASX in 2004. Strike's head office is in Perth, Australia. As at the Last Practicable Trading Date, Strike had a market capitalisation of ~\$772 million.²⁵

Strike is a leading Australian independent explorer and gas developer focused on its large and high-quality conventional gas resources in the Perth Basin. To leverage this prolific resource base, Strike has developed an integrated downstream strategy with the aspirations of becoming Australia's lowest cost domestic gas and fertiliser producer, supporting its future customers' carbon abatement and, in doing so, attracting premium pricing for its energy products.

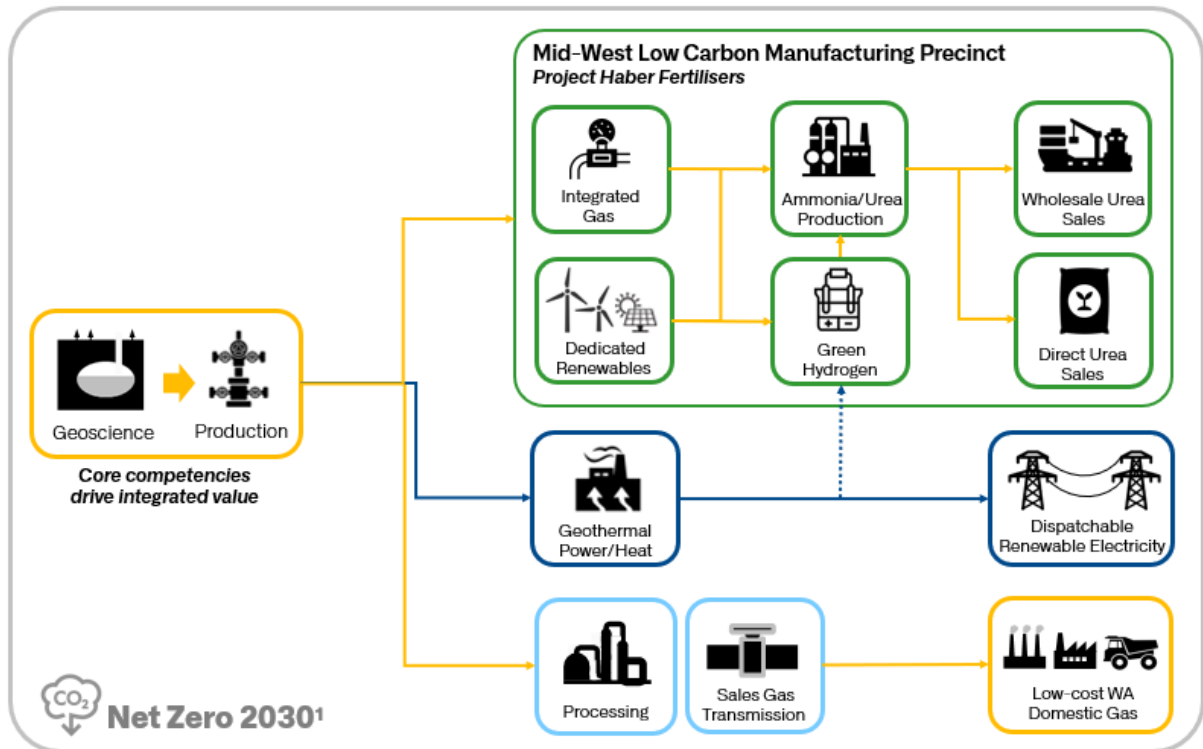
Figure 4: Overview of Strike's portfolio²⁶



²⁵ Based on the total shares outstanding as at the Last Practicable Trading Date and on the basis that all shares to be issued pursuant to share purchase agreements with various Warrego Shareholders are issued, which are expected to result in an additional 123,534,182 new Strike Shares being issued. See section 10.2(a) for further details.

²⁶ For the avoidance of doubt all figures within Figure 4 represent Strike's gross interest.

Figure 5: Overview of Strike's business model



¹ Refer to ASX announcement entitled "Strike Commits to Net Zero 2030" dated 14 May 2021 for the assumptions and source information on which Strike's Net Zero Plan is based.

Net zero emissions by 2030

On 14 May 2021 Strike announced its commitment to net zero Scope 1 & 2 emissions by 2030. With the operation of Project Haber, and on the basis Project Haber commences operations in the second half of the decade, Strike's estimated annual Scope 1 & 2 emissions are forecast to be lower than the reduction of carbon footprint associated with replacing 1.4mtpa of Australia's currently imported urea with 1.4mtpa of urea prospectively manufactured by Project Haber. Strike is building out an integrated business model that enables the consolidation of its approach to carbon through the value chain as a key value driver, ultimately generating value-accretive outcomes rather than margin reducing costs.

This value-add strategy is enabled via utilising the inherent low-cost and high-quality nature of Strike's gas resources, facilitating Strike to transfer, consume and abate its own carbon throughout the downstream manufacturing processes, whilst potentially integrating its own renewable energy throughout its activities.

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

(b) Strike West

Strike West is an Australian proprietary company incorporated in March 2018 and is a wholly owned subsidiary of Strike. Strike West is the entity that will acquire Your Warrego Shares if you accept the Offer. Strike West undertakes exploration, evaluation and development activities as operator of the West Erregulla Project.

3.2 Overview of assets and activities

(a) Perth Basin and Gas Assets

Overview

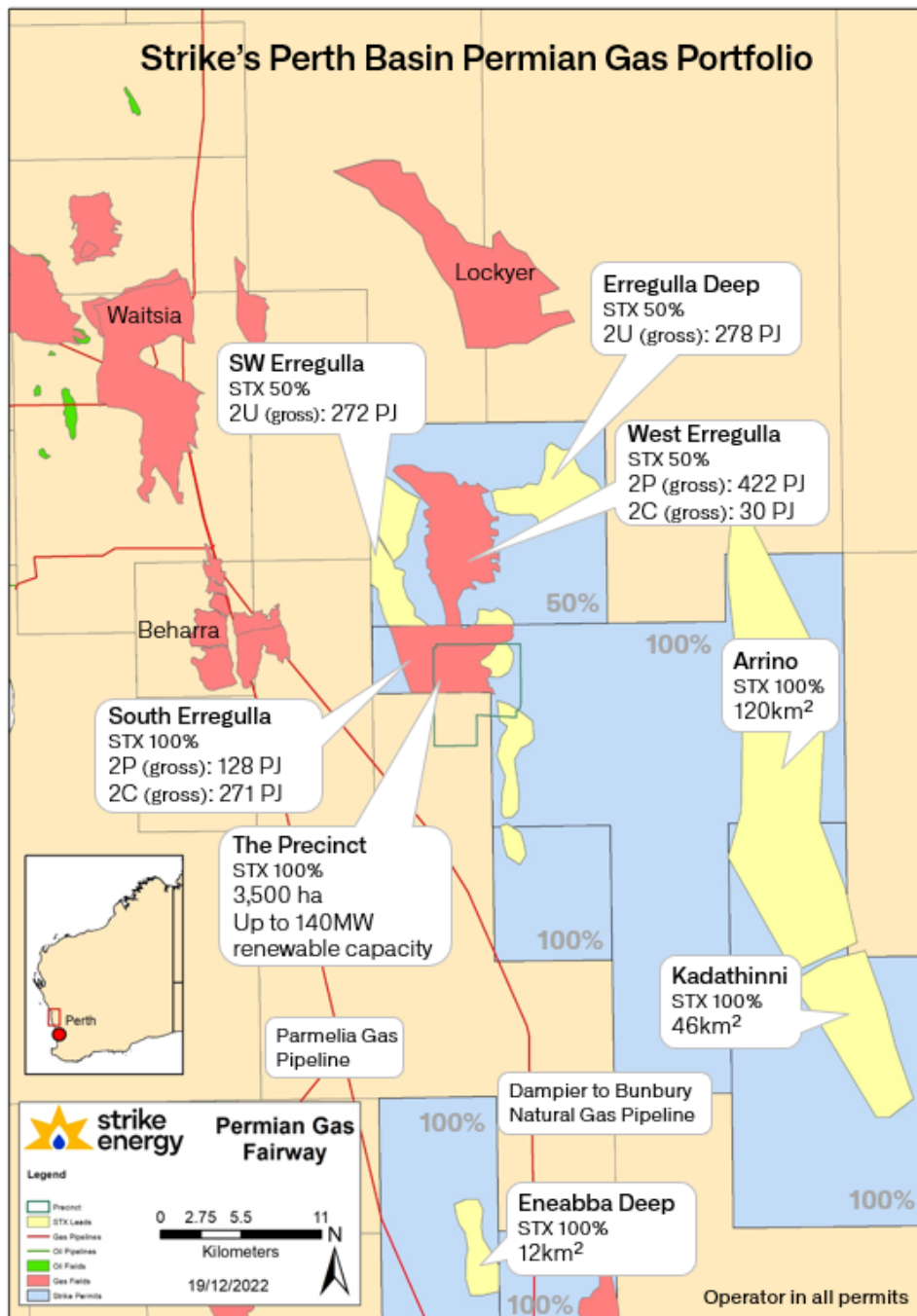
Strike has an extensive acreage position in the Perth Basin, Western Australia with several key projects including Greater Erregulla, Ocean Hill and Walyering.

Greater Erregulla

The Greater Erregulla group of gas assets comprise the gas fields of West Erregulla and South Erregulla and near field exploration opportunities of Southwest Erregulla and Erregulla Deep.

West Erregulla is located within the north Perth Basin block EP469 of which Strike West is operator and holder of a 50% interest in joint venture with Warrego, which holds the remaining interest. Strike's South Erregulla project is located in Perth Basin block EP 503 of which Strike is operator and 100% owner. The Southwest Erregulla and Erregulla Deep prospects are located within the West Erregulla permit.

Figure 6: Overview of Greater Erregulla and Permian Gas Fairway



Prospective Resource Estimate Information & Cautionary statement: For the 2U resources above the estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are un-risked, probabilistically determined, and have both an associated risk of discovery (POS 42% for Erregulla Deep and 54% for Southwest Erregulla) and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Volumes are stated in gross and net to Strike. % is listed below

Currently, after the first round of exploration and appraisal drilling across the Greater Erregulla gas fields, a total of 851 PJs of gross 2P reserves and gross 2C resources has been independently certified by Netherland, Sewell & Associates, Inc. (NSAI). This is made up of:

- 452 PJs of gross 2P reserves and 2C resources at West Erregulla (STX 50% and operator); and
- 399 PJs of gross 2P reserves and 2C resources at South Erregulla (STX 100% and operator).²⁷

A 87TJ/day domestic gas development at West Erregulla had been proposed by Strike West and Warrego Energy; however, that development has been significantly delayed, and remains delayed, for a number of reasons including the primary environmental approval process due to the requirement to clear more than 100 hectares of native vegetation in order to site the gas plant and export pipeline infrastructure.

Since that development was proposed, Strike has acquired the Mid West Low Carbon Manufacturing Precinct, approximately 3,500 hectares of freehold land (refer section 3.2(c) for full details). The Precinct is located predominantly within EP503 and directly on top of the South Erregulla gas field, and adjacent to the West Erregulla gas field. The Precinct is a strategic land holding which is sufficient in size to host all of Strike's critical major gas processing and future fertiliser manufacturing infrastructure as part of its Project Haber and can enable accelerated development of this infrastructure by virtue of the majority of the Precinct consisting of previously cleared and ploughed farmland. Due to this significant historical disturbance that has occurred over the land associated with agricultural activities, there is negligible potential for impact on any cultural heritage sites within this area. The available cleared farmland reduces the requirement to clear any area of native vegetation which provides local habitats for the Mid West flora and fauna.

The Precinct's location is also within the prolific Mid West wind corridor, and has abundant wind and solar resources with large areas of cleared land to host solar power infrastructure and suitable farmland to install wind turbines. The combined high-capacity factor of the wind and solar power generation provides the opportunity to displace gas fired electricity with renewable and sustainable energy. This reduces emissions from the energy intensive infrastructure at the Precinct, and facilitates additional gas resources for sales or feedstock for urea manufacturing.

The acquisition of the Precinct together with the gas discovery at South Erregulla in early 2022, combined with the current corporate activity involving a potential change of control at Warrego, has caused Strike's Board to carry out a review of its development strategy for its Greater Erregulla portfolio of assets. This review focused on ensuring that Strike's physical and financial resources are directed at where it can most efficiently and effectively develop its Greater Erregulla gas resources to generate additional early domestic gas revenues in a manner and within a timeframe that it can best control, whilst preserving sufficient gas as feedstock for the planned Project Haber 1.4mtpa urea facility.

As a result of the review undertaken on Strike's development options, Strike's Board has determined the preferred location for a gas processing facility is on the Precinct where it can:

- accelerate environmental approvals as the development will no longer require clearance of over 100 hectares of native vegetation / habitat clearing or the need to secure leases and offset areas;
- provide a centralised facility with capacity to process gas from Strike's Greater Erregulla portfolio of gas assets and avoid duplication of gas processing infrastructure;
- integrate the proposed Precinct renewables capacity to lower CO₂e emissions; and
- expand capacity and infrastructure efficiently as appraisal and nearfield exploration drilling occur in the area over the next two-years due to the abundance of cleared land available to integrate additional processing trains as further gas resources are delineated.

The arrangements between Strike West, Warrego Energy and AGIG for the previously proposed 87TJ/day West Erregulla dedicated gas processing plant were due to expire at the end of 2022. As a result of Strike's determination to establish a gas plant at the Precinct, Strike determined not to renew those arrangements with Warrego Energy and AGIG. Strike will now focus its attention on the gas processing development at the Precinct and Project Haber. Strike intends to engage a third party to build, own and operate the gas infrastructure and will now commence the process of identifying that third party and commencing negotiations for the new project.

²⁷ Refer to reserves and resources table in section 3.3 (*Reserves and resources*) for details of Strike's net reserves and resources in the Greater Erregulla area and to section 10.11 (*Information relating to resource estimates*) for additional information regarding the resource estimates.

Strike West will look to engage with its EP469 joint venture partner in relation to the development strategy for EP469 in light of the expiration of the midstream processing arrangements between Strike West, Warrego Energy and AGIG, should that continue to be required following the outcome of Strike's Offer. Further, Strike will need to assess West Erregulla development opportunities in the context of Strike West's conditional 100PJ gas supply agreement with CSBP Limited and its conditional 14.6PJ gas supply agreement with Perth Energy Pty Ltd, which contracts are to be supplied with EP469 sourced sales gas.

Additional drilling activity is planned in the Greater Erregulla region in 2023 with Strike looking to execute two appraisal wells in South Erregulla. The primary objective of these wells is to convert the existing 2C contingent resources in the Kingia Sandstone (178 PJ, 100% net to Strike) to 2P reserves, which subject to success would be placed on inventory as future producers.

The EP469 joint venture has also approved the drilling of two near field exploration / appraisal wells within EP469. These include a well into the Southwest Erregulla prospect (SWE-1) and the Erregulla Deep prospect (ED-1). Both of these structures sit immediately adjacent to or are interpreted to be connected to existing independently certified reserve or resources in the West Erregulla and South Erregulla gas fields. Strike has estimated a prospective resource (2U) of gross 272 PJ for Southwest Erregulla and gross 278 PJ for Erregulla Deep (163 PJ and 167 PJ respectively net to Strike).²⁸ Both of these targets demonstrate the undrilled prospectivity of the Greater Erregulla region and the broader prospectivity resultant from the drilling within the West and South Erregulla gas fields.

Additional resource success in the Greater Erregulla region could translate into a higher daily throughput of gas production, which could in turn be used for industrial gas sales or integrated into Strike's downstream developments.

Permian Gas Fairway

Strike's position in the Permian Gas Fairway (refer Figure 6) includes 100% ownership and operatorship in EP503 (South Erregulla), EP504, EP505, EP506 (Eneabba Deep) and 50% ownership and operatorship in EP469 (West Erregulla).

In EP503 and EP504 Strike has identified a significant extension of this Permian trend named the Tathra Terrace. The Tathra Terrace is a structural trend that extends from the Lockyer Deep gas discovery. This terrace includes two larger leads in Arrino and Kadathinni with a near identical trapping geometry to Lockyer Deep and 166km² of combined closure. Seismic amplitude brightening is observed on new 2D seismic at near Kingia Sandstone level at depths of 4,000m subsea to as deep as 6,000m in the far south. In EP506 Strike has a planned 2D seismic program to acquire new high definition subsurface information of the Eneabba Deep prospect, which, subject to the seismic results, will be used to inform the location of a future exploration well.

Walyering

The Walyering gas field is located within EP447 of which Strike is operator and holder of a 55% interest in joint venture with Talon (Aust) Pty Ltd, which holds the remaining interest. In August 2022, the Walyering EP447 Joint Venture sanctioned an up to 33Tj/day gas development following an independent certification by RISC of gross 2P reserves and 2C resources of 92.5 PJe.²⁹ The capital cost of the development is budgeted to cost approximately \$16.8 million for the completion of the Walyering 5 and 6 wells, construction of the upstream facility including liquids handling and condensate load out, and connection into the Parmelia Gas Pipeline. The facility is designed to produce up to 33 TJ/d and have 1,400 bbls of condensate storage and offloading. Daily production of condensate is estimated to be between 150 bbls/d and 300 bbls/d and will be stored on site and then delivered by truck via the adjacent Brand Highway to its point of sale which is currently forecast to be in Kwinana.

In December 2022, Strike and its joint venture partner entered into a gas supply agreement with Santos WA Energy Limited to supply a total of 36.5 PJ of gas on a firm basis with target commencement from Q1

²⁸ Prospective Resource cautionary note: The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Strike's net interest is Strike's (50%) interest (refer footnote 29). Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Refer to section 10.11 (*Information relating to resource estimates*) for additional information regarding the resource estimates.

²⁹ Consisting of gross 2P gas reserves of 57.1 PJe (32 PJe net to Strike) and gross 2C contingent resource of 35.4 PJe (19 PJe net to Strike). Refer section to section 10.11 (*Information relating to resource estimates*) for additional information regarding the resource estimates.

2023, for a period of 5 years. The contract covers tranches of firm take or pay volumes as well as 'as available' gas supply, which provides flexibility to the joint venture as the field ramps up towards its maximum production. The agreement is US-dollar denominated and escalated at US consumer price inflation.

Ocean Hill

The Ocean Hill (EP495) permit is 100% owned by Strike and covers 297 km² on the western flank of the Dandaragan Trough. Much like Walyering prior to its recent breakthroughs and successes, Ocean Hill is another historical example of a Cattamarra and Cadda gas discovery, where the Ocean Hill-1 well was placed on the crest of a large structure (four-way dip closed anticline) without understanding the hydrocarbon migration pathways or reservoir distribution of the play. Similar to some of the historical Walyering appraisal wells, Ocean Hill-1 found a thick gas charged section of Cadda and Cattamarra with a corresponding 761m gas column but had ineffective reservoir, flowing a small quantity of very low impurity gas from a few intervals when tested 6-months later. Strike interpreted this to be the result of sub-optimal well placement, which was exacerbated by poor drilling and completions practices at the time.

In October 2022, by applying a reprocessed version of the 2D seismic at Ocean Hill with a more advanced structural interpretation and corresponding depth conversion, as well as using the findings and excellent results from the Walyering 3D and drilling of the Walyering 5 & 6 wells, RISC independently certified net 2C conventional resources of approximately 307 PJe (100% to Strike) in the Cadda and Cattamarra Formations. As a result, Strike has planned a 3D seismic campaign with subsequent appraisal drilling with a target of reserve conversion and bringing Ocean Hill online to generate additional tranches of gas with Walyering's identical very-low cost and fast to market profile by 2025 when the market is expected to be at its tightest.

Ocean Hill is adjacent (6 km) to a pipeline compressor station on the Dampier to Bunbury Natural Gas Pipeline, which is the primary distribution pipeline of WA and is connected to both the LNG projects in the North (where substantial liquefaction capacity exists) and the industrial gas markets of Western Australia in the south, providing multiple potential commercialisation pathways.

With the success at Walyering, Ocean Hill now represents a similar high quality, fast to market and low development cost opportunity.

Other Perth Basin Exploration Assets

Strike's 100% owned southern Perth Basin blocks EP488 and EP489 are situated within or adjacent to the Dandaragan Trough, and south east of the Woodada gas field. Strike has used seismic and regional well data to identify conventional and unconventional reservoir targets within its permit areas, including a large potential basin centred gas play in the Cattamarra Coal Measures.

Mid-West Geothermal

On 20 May 2021 Strike acquired 100% of the then existing geothermal rights of the Perth Basin via the acquisition of MWGP pursuant to the MWGP Sale Agreement.

In 2021, and based on data acquired during Strike's 2021 geothermal field survey, Strike applied for a Geothermal Exploration Permit over an approximate 1,950km² area. The application is pending as at the Announcement Date.

The geothermal business is a natural complement to Strike's existing gas business and has a high degree of operational and intellectual property overlap. The concurrent development with Strike's existing gas portfolio described above may generate meaningful operational and subsurface benefits.

The North Perth Basin contains one of the most prospective geothermal resources in Australia and has the potential to supply enough zero-emissions, baseload power to make a significant contribution to reducing carbon emissions in Western Australia. The North Perth Basin has the key attributes of a successful geothermal energy source when not gas bearing (analogous to the Williston Basin in Canada, where geothermal opportunities are currently being commercialised) including:

- regionally pervasive and extensive sandstones with thick distribution across large areas;
- static measured temperatures of 150oC to 200oC;
- a high level of retained permeability at depth;
- contains extremely hot water (where gas bearing structures are not present); and

- very high reservoir pressures.

In May 2022 an inferred resource was independently assessed by Monteverde Energy Consultants and endorsed by EarthConnect Consultants over the Geothermal Exploration Permit area applied for by Strike. The mid-case estimate of 203PJe of net electrical energy, equivalent to 226Mwe of power generation for 30 years is assessed to be present in that acreage.³⁰

Strike was awarded a \$2 million grant from the WA Government Clean Energy Future Fund to support the preparation and execution of the drilling of Future State-1, Strike's planned physical test of the potential of the proposed Mid West Geothermal Power Project. Success at this project could provide Strike with 226Mwe of base load, dispatchable zero carbon electricity on a 24/7 basis, to integrate into its planned and growing power consumption across its domestic gas and downstream fertiliser and ammonia facilities. This integration will support Strike's net zero 2030 target and drive down the associated carbon of its products thereby increasing their global competitiveness.

(b) Project Haber

Overview

Strike is advancing Project Haber, a compelling development opportunity for a 1.4mtpa urea fertiliser production facility to be built southeast of Dongara in Western Australia on Strike's Mid West Low Carbon Manufacturing Precinct.

Project Haber aims to replace Australia's reliance on more than \$1 billion of nitrogen fertiliser imports each year, by providing a locally produced, low carbon fertiliser that would improve Australian agriculture's competitiveness and reduce the carbon intensity of Australian farming.

Strike's decision to enter into vertically integrated fertiliser manufacturing was for the following reasons:

- Urea is a global gas market derivative by reason of ~70% of its costs base being built on gas input costs. Using Strike's gas as feedstock for urea will therefore enable to Strike to access global gas pricing whilst still complying with Western Australia's domestic gas reservation policy.
- The Australian and regional urea market is much larger and more flexible than the Western Australian domestic gas market, and Strike can sell a large portion of its gas into this more competitive and broader market.
- The production of urea consumes vast amounts of carbon inherent in the methane molecules. When manufacturing fertiliser carbon is a value add in not a by-product, cost or an emission.
- Project Haber will make Strike one of the largest producers / consumers of hydrogen in Australia, which allows Strike to actively participate in the market development of this future fuel and transition Haber's diet as economics and technology allows.

³⁰ Refer ASX announcement 'Mid-West Geothermal Power Project Inferred Resource Statement' dated 5 May 2022 for key assumptions on which the abovementioned estimates are based. Strike is not aware of any new information that materially affects the information included in that announcement. All material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Figure 7: Conceptual render of the Project Haber Facility (not to scale)



Project Haber will provide a value adding opportunity for more than 350 PJ of Strike's gas and will also create hundreds of jobs in construction and during operations. With many green hydrogen developments planned for the Mid West Region, Project Haber is well placed to provide a demand sink to facilitate the start of this industry.

Due to the integration of the best in class technology, low impurity adjacent Perth Basin gas in partnership with the Precinct's renewable capacity, the domestication of supply chains and some initial green hydrogen, Project Haber is estimated to reduce Australia's urea fertiliser CO₂e footprint per tonne by 50-60% compared to that imported in 2019, equivalent to 650-795,000 tonnes of CO₂e p.a.³¹ as a result of Project Haber's urea production. On successful development this would position Australia as one of the lowest carbon-intensive urea producing regions globally.

Project Haber has been awarded Lead Agency Service by the State Government of Western Australia and, at a Federal Government level, Major Project Status. The award was based on the opportunity that Project Haber offers to advance Australia's downstream manufacturing industry and support the integration of low carbon technologies and renewable hydrogen. Major Project Status will provide the Project with the services of the Federal Major Project Facilitation Agency to streamline approvals processes and support the profile of the project when looking to attract export credit agency like financing.

Current status and next steps

Project Haber has completed the Pre-FEED stage, with design work being carried out by Technip Energies. Strike is preparing to enter the FEED phase having recently awarded the FEED via competitive tender again to Technip Energies. This stage will develop the design and technical requirements to the level of definition required to provide accurate cost and schedule estimates allowing Project Haber to enter into the execution phase with the required level of certainty.

In May 2022 Strike completed its competitive fertiliser offtake process by agreeing to a non-binding term sheet with Koch Fertilizer. The negotiations to convert this term sheet to a binding agreement remain underway. The key terms include offtake of 100% of the 1.4mtpa urea production capacity of Project Haber for a period of up to 15 years linked to standard internationally benchmarked pricing of urea.

In October 2022, Strike submitted the environmental referral for Project Haber required for its key Part IV environmental approvals to Western Australia's Environmental Protection Agency. These approvals are expected to be the longest lead item in preparing Project Haber for financial close prior to a construction commitment.

Strike has entered into a cooperation agreement with the Mid West Ports Authority to progress access to the Geraldton Port and associated facilities for urea handling and shipping for the ~60% of production that would not be distributed in the immediate local market within Western Australia's Wheatbelt region. Strike

³¹ Refer ASX announcement titled "Project Haber to deliver further benefits as Pre-FEED completes" dated 20 September 2021.

has also entered into a Memorandum of Understanding with AGIG as an option to source 8GL p/a of water supply from their proposed Mid-West desalination plant.

As previously described, Strike's ~3,500 hectare Mid West Low Carbon Manufacturing Precinct will host Project Haber, which is adjacent to the Greater Erregulla gas feedstock and allows for integration of renewable energy and carbon sequestration as the Precinct is developed.

Strike is in the process of identifying potential partners to fund the development of Project Haber and is investigating the possibility of selling down a minority interest of its interest in Project Haber at the project level. Project level sell down is the primary mechanism that Strike intends to use to fund its equity contribution to construction of Project Haber. Strike expects to retain operatorship and majority ownership of the project at the conclusion of that process. Strike is working towards completing all engineering studies, key agreements and financing processes in 2023/2024 so as to allow for a FID and entry into the Engineering, Procurement and Construction (EPC) phase.

(c) Mid West Low Carbon Manufacturing Precinct

In September 2022, Strike acquired approximately 3,500 hectares (35km²) of freehold farming land in the Shire of Three Springs in the Mid West of Western Australia to house Strike's "Mid West Low Carbon Manufacturing Precinct". This land holds substantial strategic value for reducing the cost and carbon intensity of Strike's gas developments and its Project Haber's nitrogen-based fertilisers, and for the development of renewables-driven manufacturing in Western Australia. The land possesses several natural resources and assets, including the South Erregulla low impurity gas fields, 103 metres of Jurassic aged carbon sequestration sandstone reservoir,³² and some of Australia's best wind resources. The Precinct offers the following opportunities for Strike:

- cleared land to locate and accelerate the development of domestic gas processing infrastructure;
- an industrial envelope for Project Haber, its operations and construction camp with surplus land for possible expansion;
- integration of up to 100MW of tier one developable wind resource;
- integration of 1MWh per 3 hectares of land for solar power generation;
- research and development grain farm for fertiliser product testing; and
- 1,500 hectares of revegetation and carbon farming / offset land.

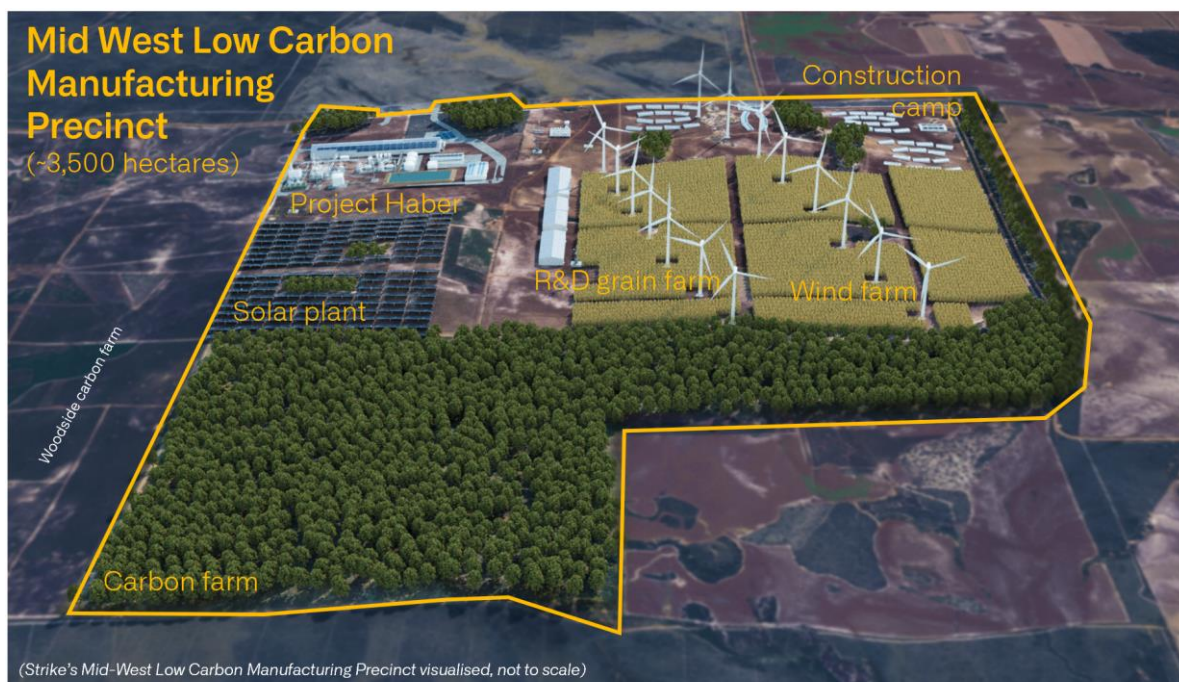
The Precinct is being established so that other proponents may join Strike in the development and expansion of the site's renewable resources.

The majority of the net Project Haber emissions are associated with power and heat generation for the plant's utilities. An additional estimated 255ktpa of CO₂ can be removed through the integration of dedicated renewable energy (resulting in an approximate 60% carbon reduction against urea imported, which will be replaced by Project Haber's local production).³³ Integration of dedicated renewable energy into Project Haber is facilitated by Strike's acquisition of this freehold land and the subsequent development of the Precinct.

³² ASX announcement dated 7th of March 2022 titled "South Erregulla Unlocks Project Haber".

³³ Refer ASX announcement dated 7 June 2022 titled "Strike Launches Mid West Low Carbon Manufacturing Precinct".

Figure 8: Conceptual render of the Mid West Low Carbon Manufacturing Precinct (not to scale)



On top of this renewable integration, locating Project Haber at the Precinct and directly adjacent the Greater Erregulla gas fields will enable Strike to remove the emissions that would otherwise be associated with transporting gas from Greater Erregulla to Geraldton, where the Project was originally proposed to be located. The substitution of the plant's utilities-associated gas consumption of 5-10TJ/d with the Precinct's planned dedicated renewable electricity reduces the final emissions profile of the urea produced (based on Strike's analysis) to an estimated 0.36 tonnes of CO₂ per tonne of urea. Achieving this carbon profile will make Project Haber's urea one of the lowest carbon urea fertilisers available in the global market. The substitution also liberates gas supplies for further manufacturing allocation or other trading opportunities. Through the relocation of Project Haber to the Precinct, the construction of the 105km Haber-Geraldton gas pipeline will no longer be required. This will reduce Project Haber's capital costs and eliminate the potentially lengthy process of obtaining pipeline licences and associated access agreements.

3.3 Reserves and resources estimates

(a) Reserves

As at the Announcement Date, Strike has total net reserves (2P) of approximately 371PJ_e.

Figure 9: Reserves (2P) (Strike Share)

| Strike share | Gas (PJ) | Condensate (PJ _e) | Total (PJ _e) |
|-------------------------|------------|-------------------------------|--------------------------|
| West Erregulla (EP469) | 211 | - | 211 |
| South Erregulla (EP503) | 128 | - | 128 |
| Walayering (EP447) | 30 | 2 | 32 |
| Total | 369 | 2 | 371 |

Note: Petajoule equivalent (PJ_e) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf). All numbers in the tables are rounded up or down to the nearest whole unit. Refer to section 10.11 (Information relating to reserve and resource estimates) for additional information regarding the resource estimates.

(b) Contingent resources

As at the Announcement Date, Strike has total net contingent resources (2C) of approximately 612 PJ_e.

Figure 10: Contingent resources (2C) (Strike Share)

| Strike share | Gas (PJ) | Condensate (PJe) | Total (PJe) |
|-------------------------|------------|------------------|-------------|
| West Erregulla (EP469) | 15 | - | 15 |
| South Erregulla (EP503) | 271 | - | 271 |
| Walyering (EP447) | 18 | 1 | 19 |
| Ocean Hill (EP495) | 300 | 7 | 307 |
| Total | 604 | 8 | 612 |

Note: Petajoule equivalent (PJe) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf). All numbers in the tables are rounded up or down to the nearest whole unit. Refer to section 10.11 (Information relating to resource estimates) for additional information regarding the resource estimates.

(c) **Prospective resources**

As at the Announcement Date, Strike has total net prospective resource (2U) of approximately 1,840 PJe.

Figure 11: Prospective resources (2U) (Strike Share)

| Strike share | Gas (PJ) | Condensate (PJe) | Total (PJe) |
|------------------------------|--------------|------------------|--------------|
| West Erregulla (EP469) | 55 | - | 55 |
| South Erregulla (EP503) | - | - | - |
| Walyering (EP447) | 9 | 1 | 10 |
| Ocean Hill (EP495) | 1,469 | 31 | 1,500 |
| Erregulla Deep (EP469) | 136 | - | 136 |
| South West Erregulla (EP469) | 139 | - | 139 |
| Total | 1,808 | 32 | 1,840 |

Note: Petajoule equivalent (PJe) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf). All numbers in the tables are rounded up or down to the nearest whole unit. Prospective resource cautionary note: The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Refer to section 10.11 (Information relating to resource estimates) for additional information regarding the resource estimates.

3.4 Directors and Management of Strike



John Poynton, Chairman (Non-Executive), AO Cit WA FAIM Sf FIN

Mr Poynton is Chair of Poynton Stavrianou. He is Deputy Chair of Sapien Cyber Limited and a Board Member of the Future Fund Board of Guardians. From 2014 to 2018 Mr Poynton was Chair of Giving West and Chair of the Council of Christ Church Grammar School. He has previously served as the Chairman, Deputy Chairman or Non-Executive Director of a number of ASX listed companies, Federal Government boards, education institutions and not-for-profit enterprises. Mr Poynton is an Officer in the General Division of the Order of Australia and is a past recipient of a WA Citizen of the Year award in the industry and commerce category. He holds a Bachelor of Commerce and an honorary Doctor of Commerce from the University of Western Australia. Mr Poynton was appointed to the Board as Chair on 10 April 2017.



Stuart Nicholls, Managing Director & Chief Executive Officer

Mr Nicholls has led the transformation of Strike from its exploration roots into one of Australia's major emerging domestic gas producers. Mr Nicholls has a broad ranging background across the energy landscape that included time in the up and downstreams at Royal Dutch Shell. His experience includes time within finance, commercial, joint ventures, economics, global strategy and exploration; primarily from within Royal Dutch Shell's gas businesses. He has a key focus on the transition of our energy system and his previous experience also includes six years with the Australian Army in senior leadership positions. Mr Nicholls has worked in Australia, The Netherlands, Myanmar and Malaysia in both a corporate and operational capacity and holds a Bachelor of Commerce (Finance and Accounting) from the University of Western Australia. Mr Nicholls joined Strike as Chief Executive Officer on 10 April 2017 and was appointed to the Board as Managing Director on 18 August 2017.



Neville Power, Non-Executive Director and Deputy Chairman

Mr Power has over 30 years' experience in the mining, steel, and construction industries with a record of performance on the delivery of major infrastructure projects. He is currently a Non-Executive Director of APM Human Services International Ltd. From November 2021 to September 2022, Mr Power was a Non-Executive Director of Genesis Minerals Ltd. From 2011 to 2018, Mr Power was Managing Director and Chief Executive Officer of Fortescue Metals Group Ltd, one of the world's largest, lowest cost producers of iron ore. During his time Fortescue more than quadrupled its production to over 170 million tonnes per annum and positioned itself as the lowest cost supplier of seaborne iron ore to China. Before joining Fortescue, Mr Power held Chief Executive positions at Thiess and the Smorgon Steel Group adding to his extensive background in the mining, steel and construction industries. In 2016, Mr Power was named WA Business Leader of the Year. He also has a long history in agribusiness and aviation holding both fixed wing and rotary pilot licenses. Mr Power was appointed to the Board on 25 September 2019.



Stephen Bizzell, Non-Executive Director, B.Comm, MAICD, SA FIN

Mr Bizzell is the Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners Pty Ltd. Mr Bizzell is also serving as the Chairman of ASX listed MAAS Group Holdings Ltd and Savannah Goldfields Ltd and as a Non-executive Director of ASX listed Armour Energy Ltd and Renascor Resources Ltd. Mr Bizzell was an Executive Director of Arrow Energy Ltd from 1999 until its acquisition in 2010 by Shell and PetroChina for \$3.5 billion. He was instrumental in Arrow's corporate and commercial success and its growth from a junior explorer to a large integrated energy company. He was a founding director of Bow Energy Ltd until its \$550 million takeover and was also a founding director of Stanmore Resources Ltd. Mr Bizzell qualified as a Chartered Accountant and early in his career was employed in the Corporate Finance division of Ernst & Young and the Corporate Tax division of Coopers & Lybrand. He has had considerable experience and success in the fields of corporate restructuring, debt and equity financing, and mergers and acquisitions. Mr Bizzell has over 25 years' corporate finance and public company management experience in the resources sector in Australia and Canada with various public companies. Mr Bizzell was appointed to the Board as a Non-Executive Director on 31 December 2018.



Andrew Seaton, Non-Executive Director, BE (Chem) Hons, Grad Dip Bus Admin, GAICD

Mr Seaton has over 30 years' business experience across a range of finance, engineering, project management, investment banking and senior executive roles. Mr Seaton was previously Chief Financial Officer of Santos Limited, Australia's largest producer of domestic natural gas and a key supplier of LNG into Asia. During his time with Santos, the company expanded its LNG portfolio to include interests in Darwin LNG, PNG LNG, and Gladstone LNG. Prior to this, he worked in investment banking with Merrill Lynch in Melbourne and New York across a broad range of advisory, M&A, equity and debt capital markets transactions, and with NAB in corporate and institutional banking. His early career included process engineering and project management roles across upstream oil and gas and petrochemicals. Mr Seaton is currently the Managing Director of Australian Naval Infrastructure, and a Non-Executive Director of Homestart Finance Ltd, Hydrocarbon Dynamics Ltd and Rex Minerals Ltd. Mr Seaton was appointed to the Board as a Non-Executive Director on 18 August 2017.



Mary Hackett, Non-Executive Director

Ms Hackett has an extensive career in the resource sector, spanning more than 30 years, with senior executive roles in Brown & Root, Woodside, and General Electric. Her most recent executive role being CEO of General Electric Oil & Gas for Australasia. Ms Hackett is currently a Non-Executive Director for Sapien Cyber Ltd, Chair of Future Energy Exports Cooperative Research Centre, and Board Director and Chair of the Finance committee with Clean Marine Fuel Institute. Ms Hackett was also a Non-Executive Director and Chair of the ESS (Environment, Social and Safety) committee with Northern Star Resources. A Graduate of AICD and Fellow of Engineers Australia, Ms Hackett holds an honours degree in Mechanical Engineering from University College Galway, Ireland. Ms Hackett was appointed to the Board as a Non-Executive Director on 27 October 2020.



Justin Ferravant, Chief Financial Officer & Company Secretary

Mr Ferravant is a Certified Practising Accountant (Australia) with over 15 years' experience in Australia and Asia. At Strike, he is responsible for finance, tax, treasury, information technology and company secretary functions. Prior to Strike, Mr Ferravant was Finance Manager at Santos Limited for the Cooper Basin and responsible for joint venture, financial reporting and controllership. He has held leadership roles in commercial analysis, finance and reporting at Origin Energy, General Electric Plastics (Japan) and Deloitte Consulting (Japan). Mr Ferravant joined Strike in August 2017.



Kevin Craig, Chief Operations Officer

Mr Craig has more than 30 years' experience in the energy industry having held senior operations roles at Royal Dutch Shell in the North Sea, onshore Nigeria, Russia and Australia and until recently the role of Director and Executive General Manager- West for Upstream Production Solutions. He has a broad and deeply diligent experience set in operations, maintenance, projects, contract management and low-cost production operations. Mr Craig joined Strike Energy as the Chief Operations Officer in April 2021 and is preparing the business to successfully commence production operations.



Crispin Collier, Chief Development Officer

Mr Collier brings 20 years of experience from the energy and resources industry, working for some of the biggest and lowest cost producers of their key commodities in the region. This experience includes time with both BHP and Fortescue Metals Group and more recently for Wesfarmers in both their Corporate Business Development and also Chemicals, Energy and Fertilisers divisions. Mr. Collier has held senior executive and operational roles throughout his tenure at his previous employers and has a demonstrable track record of deal making and project delivery.



Lucy Gauvin, General Counsel

Lucy Gauvin has near 20 years' experience as a corporate and commercial lawyer in the energy and resources sector. Prior to joining Strike as General Counsel in April 2017, Ms Gauvin was Partner in the Corporate and Commercial team at national law firm Piper Alderman, and prior to that a Partner at boutique Adelaide based energy and resources law firm, Watsons Lawyers. Ms Gauvin's experience covers all legal, corporate and commercial aspects of the upstream oil and gas business, including joint ventures, gas sales, infrastructure access, business and asset acquisitions and divestments, procurement, capital raisings, mergers and acquisitions, corporate governance and compliance. Ms Gauvin is currently also a non-executive director of public company entX Limited.

3.5 Financial information of Strike

(a) Basis of Presentation

The historical financial information below is a summary only and the full financial accounts for Strike, are publicly available via the ASX.

The summarised historical financial information of Strike has been extracted from the audited 2020, 2021 and 2022 consolidated financial statements being the most recent financial statements prior to the release of this Bidder's Statement. Financial statements presented from FY20 and beyond are presented on a post-AASB16 basis.

(b) Consolidated statement of comprehensive income

Figure 12: Consolidated statement of comprehensive income

| For the period ended | Full year | Full year | Full year |
|--------------------------------------------------|-----------------|----------------|-----------------|
| A\$'000 | 30-Jun-20 | 30-Jun-21 | 30-Jun-22 |
| Other income | 2,005 | 14,622 | 4,064 |
| Total revenue | 2,005 | 14,622 | 4,064 |
| Operating and administration expenses | (8,207) | (13,218) | (15,449) |
| Profit / (loss) from operating activities | (6,202) | 1,404 | (11,385) |
| Financial income | 180 | 147 | 22 |
| Financial expenses | (90) | (2,157) | (4,085) |
| Net financial costs | 90 | (2,010) | (4,063) |
| Impairment of exploration and evaluation assets | (91,294) | (1,956) | (235) |
| Profit / (loss) before income tax | (97,406) | (2,562) | (15,683) |
| Income tax benefit | - | 9,342 | (50) |
| Profit / (loss) for the period | (97,406) | 6,780 | (15,733) |

Other Comprehensive Income, Net of Income Tax

Items that will not be reclassified subsequently to profit/loss

| | | |
|-----------------------------------------------------------|-----------------|--------------|
| Fair value (loss) on investments in equity instruments | (562) | (11,614) |
| Other comprehensive income / (loss) for the period | (562) | (11,614) |
| Total comprehensive income / (loss) for the period | (97,406) | 6,218 |

(c) Consolidated statement of financial position

Figure 13: Consolidated statement of financial position

| As at | Full year | Full year | Full year |
|--------------------------------------|-----------------|-----------------|-----------------|
| A\$'000 | 30-Jun-20 | 30-Jun-21 | 30-Jun-22 |
| Cash and cash equivalents | 21,565 | 74,724 | 13,905 |
| Trade and other receivables | 2,609 | 2,609 | 2,119 |
| Other assets | 363 | 874 | 692 |
| Total current assets | 22,315 | 78,207 | 16,716 |
| Right of use asset | 256 | 189 | 111 |
| Exploration and evaluation assets | 37,671 | 73,118 | 129,106 |
| Property, plant and equipment | 275 | 219 | 421 |
| Intangible assets | - | 2,000 | 1,628 |
| Investment in equity instruments | - | 10,350 | 10,264 |
| Other assets | - | - | 500 |
| Total non-current assets | 38,202 | 85,876 | 142,030 |
| Total assets | 60,517 | 164,083 | 158,746 |
| Trade and other payables | (1,970) | (8,457) | (8,372) |
| Employee benefits | (387) | (393) | (512) |
| Provisions | (537) | (1,165) | (1,752) |
| Borrowings | - | - | - |
| Other liabilities | - | (1,000) | - |
| Lease liabilities | - | - | (118) |
| Total current liabilities | (2,894) | (11,015) | (10,754) |
| Trade and other payables | - | - | (950) |
| Employee benefits | (161) | (155) | (188) |
| Provisions | (2,805) | (3,741) | (5,153) |
| Borrowings | - | (5,769) | (18,291) |
| Other liabilities | (17,277) | (5,000) | (6,485) |
| Lease liabilities | (371) | (278) | (51) |
| Total non-current liabilities | (20,614) | (14,943) | (31,118) |
| Total liabilities | (23,508) | (25,958) | (41,872) |
| Net assets | 37,009 | 138,125 | 116,874 |
| Equity | | | |
| Issued capital | 211,978 | 297,960 | 301,339 |
| Reserves | 4,379 | 12,733 | 3,836 |
| Accumulated losses | (179,348) | (172,568) | (188,301) |
| Total equity | 37,009 | 138,125 | 116,874 |

(d) Consolidated statement of cash flows

Figure 14: Consolidated statement of cash flows

| For the period ended | Full year | Full year | Full year |
|------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| A\$'000 | 30-Jun-20 | 30-Jun-21 | 30-Jun-22 |
| Cash flows from operating activities | | | |
| Other receipts | - | - | 1,050 |
| R&D refund | - | 8,784 | 509 |
| Interest received | 186 | 150 | 22 |
| Interest paid | (48) | (20) | (369) |
| Net receipts from joint venture recoveries | 1,950 | 2,668 | 3,115 |
| Payments to suppliers and employees | (5,028) | (8,604) | (13,518) |
| Net cash (used in)/provided by operating activities | (2,940) | 2,978 | (9,191) |
| Cash flows from investing activities | | | |
| Payments for exploration, evaluation expenditure assets | (16,595) | (31,751) | (52,946) |
| Payments for property, plant and equipment | (200) | (42) | (391) |
| Proceeds from government grants | - | 50 | 1,800 |
| Payments of deposits | - | (494) | (500) |
| Payments for equity instruments designated at FVTOCI | - | (10,681) | (11,739) |
| Advances made to/from JV partners | - | 1,000 | - |
| Net cash used in investing activities | (16,795) | (41,918) | (63,776) |
| Cash flows from financing activities | | | |
| Proceeds from issue of equity instruments | 31,453 | 86,294 | 1,889 |
| Payment of share issue costs | (1,442) | (2,484) | - |
| Proceeds from borrowings | - | 8,400 | 10,500 |
| Term deposit maturity | (37) | 31 | (33) |
| Payment of Lease Liabilities | (24) | (172) | (108) |
| Net cash provided by/ (used in) financing activities | 29,950 | 92,069 | 12,248 |
| Net increase/(decrease) in cash and cash equivalents | 10,215 | 53,129 | (60,719) |
| Cash and cash equivalents at the beginning of the period | 11,351 | 21,565 | 74,724 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | 1 | 30 | (100) |
| Cash and cash equivalents at the end of the period | 21,565 | 74,724 | 13,905 |

3.6 Strike's current debt facilities

(a) Macquarie Bank debt facility

Strike has a \$33 million secured debt facility with Macquarie Bank, which it secured to fund West Erregulla related appraisal and pre-development costs and the Walyering development. The facility was provided in three tranches as detailed in the table below. As at the Announcement Date, Strike has drawn down \$26.25 million. Rabo Bank Australia has also extended a \$6 million loan for the acquisition of the Precinct which is secured by a mortgage over the property.

Figure 15: Macquarie Bank existing debt facility

| | Tranche A | Tranche B | Tranche C |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Facility limit | \$13,000,000 | \$10,000,000 | \$10,000,000 |
| Amount drawn at Statement Date | \$13,000,000 | \$10,000,000 | \$3,250,000 |
| Amount undrawn at Statement Date | - | - | \$6,750,000* |
| Maturity date | 10 November 2023 | 10 November 2023 | 10 November 2023 |
| Repayment | On maturity | On maturity | On maturity |
| Interest rate | 11% + bank bill swap rate | 11% + bank bill swap rate | 11% + bank bill swap rate |
| Strike Options issued to lender as part establishment fee | 35,000,000 Strike Options at an exercise price of 29 cents | 20,700,000 Strike Options at an exercise price of 34 cents | 20,700,000 Strike Options at an exercise price of 31.7 cents |
| Strike Options expiry date | 13 May 2023 | 22 December 2024 | 22 December 2024 |
| Security | Various forms of security including holding company guarantees, share mortgages and, for each facility tranche, security over the asset(s) to which the tranche relates and ranking behind joint venture cross securities where required. | | |
| Use of funds | Appraisal drilling and long lead items for the development of the West Erregulla Project. | Re-entry of the West Erregulla-3 well and the drilling and testing of the West Erregulla-5 and Walyering 6 wells | Development of the Walyering gas field. |

*Note: Drawdown of the undrawn balance of Tranche C is contingent on the grant of a production licence for the Walyering development. As at the date of this Bidder's Statement, the production licence has been offered for grant which the EP447 Joint Venture participants have accepted, and is in the process of finalisation for grant.

As announced by Strike on 19 December 2022, Strike has agreed a new financing package with Macquarie Bank, which package comprises:

- the refinancing of Tranches A, B and C of Strike's existing debt facility into a term facility;
- an additional \$40 million secured facility to fund the drilling of two appraisal wells at South Erregulla; and
- on an uncommitted basis, an \$80 million facility to fund the proposed Greater Erregulla gas development facility, which is currently uncommitted and remains subject to Macquarie Bank approval.

The key terms of the refinanced facility and additional debt facilities are set out in the table below. The new financing package is subject to execution of the requisite documentation and, in the case of the Greater Erregulla development facility, Macquarie Bank credit approval.

Figure 16: Refinanced facility and additional debt facilities

| | West Erregulla/Walyering Term Facility (Tranche A - C Refinancing) | Erregulla Drilling Facility | Uncommitted Greater Erregulla Gas Plant Development Facility |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Facility limit | A\$33,000,000 | A\$40,000,000 (in 2 tranches of \$20 million) | A\$80,000,000 |
| Conditions to drawdown | Grant of Walyering production licence and other customary drawdown conditions to be satisfied by 31 March 2023. | Tranche A – The same conditions as the conditions for the West Erregulla/Walyering Term Facility. Tranche B – As above; commencement of production at the Walyering Project; and Strike maintaining liquidity levels in line with liquidity levels as at the date of commitment to the finance package. | If committed, to be specified at time of commitment to facility. |
| Maturity date | 30 June 2025 | 31 December 2024 | 4 years from project completion. |
| Repayment | Amortising half yearly repayments of \$6.67m commencing on 31 December 2023 and a final bullet repayment on 30 June 2025. | On Maturity Date | If provided, amortisation upon a 4 year term upon completion of the project |
| Interest rate | 6% + bank bill swap rate | 11% + bank bill swap rate | 6% + bank bill swap rate |
| Strike Options to be issued to lender as part establishment fee | N/A | Total of 82,800,000 Strike Options at an exercise price of 36.3 cents. Options to be granted by 31 January 2023. Options will vest at the earlier of pro rata draw down of the facility and expiry of the facility availability period (30 June 2024). If the conditions to drawdown of Tranche A or Tranche B of the Facility are not satisfied and the relevant Tranche(s) is or are cancelled, the Options that relate to the relevant Tranche(s) (being 41,400,000 Options per Tranche) will lapse. | N/A |
| Strike Options expiry date | N/A | 22 May 2025 | N/A |
| Security | Various forms of security including holding company guarantees, share mortgages and, for each facility, security over the asset(s) to which the facility relates and ranking behind joint venture cross securities where required. | | |
| Use of funds | Refinancing of Tranches A to C of the existing facility | Appraisal drilling of two South Erregulla wells | Funding of gas plant and development costs |

3.7 General information about Strike Securities

As at the Announcement Date, Strike's Securities consist of:

- 2,216,513,135 Strike Shares;
- 123,534,182 new Strike Shares to be issued pursuant to share purchase agreements with various Warrego Shareholders;³⁴
- 17,390,804 Strike Performance Rights;³⁵
- 35,000,000 Strike Options exercisable at \$0.29 on or before 13 May 2023;
- 20,700,000 Strike Options exercisable at \$0.34 on or before 22 December 2024;
- 20,700,000 Strike Options exercisable at \$0.317 on or before 22 December 2024;
- 28,000,000 Strike Options exercisable at \$0.40 on or before 24 November 2025;
- 6 Strike Class A Performance Shares; and
- 6 Strike Class B Performance Shares.

Strike has also agreed to grant Macquarie Bank a total of 82,800,000 Strike Options at an exercise price of \$0.363 cents, subject to vesting conditions, as part of the establishment fee for the Erregulla Drilling Facility described in section 3.6(a).³⁶

Strike Shares are quoted on ASX and may be freely traded.

Each Strike Option confers on its holder the right to subscribe for one Strike Share at the specified exercise price on or before the specified date and subject to certain specified vesting conditions.

Each Strike Performance Right confers on its holder the right to acquire one Strike Share for a nil subscription price, subject to certain specified vesting conditions. The holders of Strike Performance Rights do not have any rights, by virtue of these instruments, to participate in any share issues by Strike or of any other body corporate or registered scheme.

The Class A Performance Shares and Class B Performance Shares were issued as part consideration for the acquisition of MWGP. The Class A Performance Shares (if certain conditions are satisfied) convert into up to 6,666,667 Strike Shares or \$1 million in cash and the Class B Performance Shares (if certain conditions are satisfied) convert into up to a maximum of 148,800,000 Strike Shares or an amount equal to approximately \$22,320,000 in cash. For more details, please see Strike's ASX announcement dated 1 April 2021 with the title "Strike moves to become first integrated gas producer, manufacturer and renewable energy supplier in WA".

3.8 Recent Strike Share price performance

The last recorded sale price of Strike Shares on ASX before the Last Practicable Trading Date was \$0.3300.

As depicted in Figure 17 below during the 12 months ending on the Last Practicable Trading Date:

- the highest recorded closing price for Strike Shares on ASX was \$0.375 on 8 December 2022; and
- the lowest recorded closing price for Strike Shares on ASX was \$0.20 on 11 January 2022.

³⁴ See section 10.2(a) for further details on the share purchase agreements with certain Warrego Shareholders.

³⁵ 1,253,254 Strike Performance Rights held by Stuart Nicholls vest on 23 December 2022.

³⁶ See Strike's ASX announcement dated 19 December 2022 with the title "Proposed issue of securities – STX".

Figure 17: Strike Share price performance (\$/sh)



3.9 Substantial shareholders

As at the Announcement Date, there are no Strike Shareholders who hold voting power in Strike of more than 5.0%.

3.10 Dividend history of Strike

Strike has not previously and currently does not pay dividends.

3.11 Rights and liabilities attaching to the Strike Shares

The rights and liabilities attaching to Strike Shares are set out in Strike's constitution and are affected by the Corporations Act, the ASX Listing Rules and general law. A summary of some of the more significant rights attaching to Strike Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Strike Shareholders.

(a) Reports and notices

Strike Shareholders are entitled to receive all notices, reports, financial statements and accounts and other documents required to be furnished to shareholders under applicable law.

(b) General meetings

Strike Shareholders are entitled to be present in person, by proxy, attorney or representative to speak and to vote at general meetings of Strike.

(c) Voting

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at the present time there are none), at a general meeting of Strike, every Strike Shareholder present in person, or by proxy, attorney or representative may vote. On a show of hands each Strike Shareholder has one vote and where a poll is demanded each Strike Shareholder has one vote for each Strike Share they hold.

(d) Dividends

The directors of Strike may declare a dividend to be paid to Strike Shareholders who are entitled to the dividend.

(e) Winding-up

On the winding-up of Strike, the liquidator may, upon the passing of a special resolution, distribute among Strike Shareholders the whole or part of any of the assets of Strike and may for that purpose decide how

the assets are to be distributed as between the shareholders or different classes of Strike Shares, value the assets to be distributed in such manner as the liquidator thinks fit and vest the whole or any part of any assets in such trusts and on such trusts for the benefit of the Strike Shareholders entitled to the distribution of those assets as the liquidator thinks fit.

(f) Transfer rights

Generally, Strike Shares are freely transferable whether on market or by written instrument, subject to the transfer not resulting in a contravening or failure to observe any applicable law, regulation or rule of any stock exchange on which the Strike Shares are traded. Applicable securities laws and rules of any stock exchange on which Strike Shares may be listed may also impose hold periods on such shares. The Strike Board may refuse to register a transfer in certain circumstances including, where Strike has a lien on the shares, the transfer would breach the terms of an employee incentive scheme or where the transfer would create an unmarketable parcel of Strike Shares.

(g) Proportional takeover bid

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares. Any proportional takeover for Strike must be approved by an ordinary resolution of Strike Shareholders.

(h) Variation of rights attaching to shares

Subject to the Corporations Act and ASX Listing Rules, the rights attaching to Strike Shares may be varied with the written consent of Strike Shareholders holding 75% of the issue Strike Shares of that class or by special resolution passed by Strike Shareholders.

(i) Directors

Strike's constitution prescribes a minimum of three and a maximum of nine directors, two of whom must ordinarily reside in Australia and also contains provisions relating to the rotation and election of directors. Strike Shareholders may elect and remove a director from office by resolution.

3.12 Material litigation

On 19 December 2022 Strike West received a dispute notice from Baker Hughes Australia Pty Limited relating to a 'Master Goods and Services Agreement No. EP469-005' between Strike West, as operator of the EP469 joint venture, and Baker Hughes Australia Pty Limited. Whilst Strike West is confident it will successfully defend the claim, there is a risk that Baker Hughes Australia Pty Limited seeks to commence proceedings and that it succeeds in this action or some other settlement related to such action.

Other than as noted above, at the Announcement Date, neither Strike nor any related body corporate of Strike is a party to any material litigation and is not involved in any material disputes and the Strike Directors are not aware of any threatened or pending material legal proceedings.

3.13 Employee incentive plans

(a) Executive long-term incentive program

The long-term incentive programs (**LTIP**) are offered to senior management and employees at the discretion of the Strike Board, based on recommendations by the nomination and remuneration committee, to promote growth in shareholder value and returns. Details of the current LTIP can be found in the remuneration report in the 2022 Annual Report.

LTIP awards comprise either share options or performance rights issued under Strike's employee share incentive plan (described at section 3.13(c)). Strike's security trading policy places prohibitions on speculative trading in securities or hedging options granted under the employee share incentive plan.

Under the LTIP, performance rights are granted at the discretion of the Board and where granted vest dependent on the achievement of absolute and relative total shareholder return targets. The number of performance rights which may be received under the current LTIP is calculated according to a percentage of the executive's fixed remuneration.

Performance rights awarded under the LTIP for the 2021, 2022 and 2023 financial year will be tested for vesting at the end of the LTIP period, being 30 June 2023, 30 June 2024 and 30 June respectively. The relevant executive will retain the right to receive the performance rights on the condition of remaining an employee of Strike until the vesting date, unless otherwise approved by the Strike Board, and any vested performance rights held by an executive will expire 90 days after the termination of their employment, unless otherwise approved by the Strike Board.

(b) Executive short-term incentive program (STIP)

The STIP is offered annually to senior management and employees charged with achieving short-term performance measures. Details of the STIP can be found in the remuneration report in the 2022 Annual Report.

STIP payments are awarded based on the extent to which prescribed performance targets are met across areas including safety, key gas milestones, cost management and board discretion. STIP awards are non-cash, and are delivered in the form of Strike Performance Rights.

The Strike Board sets a scorecard for measuring performance over five component areas each financial year, one of which relates to individual performance. The STIP awards performance that exceeds the base level of performance in each target area. The award opportunity for reaching each target is assessed as a percentage of that employee's remuneration.

Performance rights issued under the STIP are granted under and in accordance with the employee share incentive plan (described at section 3.13(c)). The performance rights in respect of the 2023 financial year will be granted after the close of the financial year, and after the Strike Board has assessed Strike's performance, with any performance rights awarded vesting one month following the issue. The relevant executive will retain the right to receive the performance rights on the condition of remaining an employee of Strike until the vesting date, unless otherwise approved by the Strike Board, and any vested performance rights held by an employee will expire 90 days after the termination of their employment, unless otherwise approved by the Strike Board.

(c) Employee share incentive plan

Under the Strike Incentive Plan, last approved by Strike Shareholders on 24 November 2022, eligible directors of Strike, senior management, employees and contractors can be awarded Strike Options or Strike Performance Rights for no consideration at the discretion of the board of Strike. Details of the Strike Incentive Plan and instruments issued under the Strike Incentive Plan in the last financial year are set out in the 2022 Annual Report.

Strike Options and Strike Performance Rights issued under the Strike Incentive Plan entitles its holder to one Strike Share which will rank equally to all other Strike Shares. Awards under the Strike Incentive Plan are typically granted for a one to three year period and carry a number of vesting conditions. Prior to satisfaction of the vesting conditions, Strike Options and Strike Performance Rights issued under the Strike Incentive Plan do not carry any dividend or voting rights.

3.14 Disclosing entity

Strike is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and as such is subject to regular reporting and disclosure obligations. Among other things, these obligations, including the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act, require disclosure of any information Strike has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Strike's file is available for inspection at ASX during normal office hours. A description of each announcement made by Strike since 23 September 2022 (being the date on which the most recent financial statements for Strike were released) and the Announcement Date are set out in section 3.15 below.

In addition, Strike is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC (not being documents referred to in section 1274(2)(a) of the Corporations Act) in relation to Strike may be obtained from, or inspected at, an ASIC office.

Strike will provide, free of charge, to any Warrego Shareholder who requests it before the end of the Offer Period, a copy of:

- the 2022 Annual Report (being the financial report most recently lodged with ASIC before the Announcement Date); and
- any announcement given to ASX by Strike listed in section 3.15 below.

Further publicly available information about Strike is available at Strike's website at www.strikeenergy.com.au and from ASX's website at www.asx.com.au. It is intended that further announcements concerning developments at Strike will continue to be made on such websites after the Announcement Date. Information on the websites referenced in this Bidder's Statement do not constitute part of this Bidder's Statement.

3.15 Recent Strike announcements

The table below set out the announcements made to ASX that may have affected share price movements over the period between 23 September 2022 (being the financial report most recently lodged with ASIC before the Announcement Date) and the Announcement Date. This information may be relevant to your assessment of the Offer. Copies of these announcements are available at www.asx.com.au.

Figure 18: Recent Strike announcements

| Date | Announcement |
|------------|-----------------------------------------------------------|
| 23/12/2022 | Erregulla Domestic Gas Strategy Update |
| 20/12/2022 | EP469 JV Commits to Nearfield Drilling |
| 19/12/2022 | Proposed issue of securities - STX |
| 19/12/2022 | Proposed competing takeover offer from Strike |
| 19/12/2022 | Takeover Offer for Warrego |
| 19/12/2022 | \$153m Domestic Gas Financing Package |
| 16/12/2022 | Strike to test Southwest Erregulla and Erregulla Deep |
| 14/12/2022 | Walyering Gas Sales Secured |
| 07/12/2022 | Change in substantial holding from STX |
| 07/12/2022 | Proposed issue of securities - STX |
| 07/12/2022 | Strike increases ownership of Warrego to 19.9% |
| 05/12/2022 | Appendix 3Y Stephen Bizzell |
| 05/12/2022 | Appendix 3Y John Poynton |
| 05/12/2022 | Appendix 3Y Neville Power |
| 05/12/2022 | Appendix 3Y Mary Hackett |
| 05/12/2022 | Appendix 3Y Andrew Seaton |
| 05/12/2022 | Appendix 3Y Stuart Nicholls |
| 05/12/2022 | Notification regarding unquoted securities - STX |
| 05/12/2022 | Proposed issue of securities - STX |
| 05/12/2022 | Notification regarding unquoted securities - STX |
| 24/11/2022 | 2022 AGM Results of Meeting |
| 24/11/2022 | Chairman's AGM Address and MD Presentation |
| 21/11/2022 | West Erregulla Resource Potential |
| 18/11/2022 | Notification regarding unquoted securities - STX |
| 15/11/2022 | Perth Basin Strategy & Proposed Merger Update |
| 11/11/2022 | Agreement with Strike for Potential Lithium Brine Testing |
| 10/11/2022 | Strike confirms Warrego Merger Proposal |
| 10/11/2022 | Receipt of non-binding and indicative proposal |

| Date | Announcement |
|------------|-------------------------------------------------------------|
| 09/11/2022 | Notification regarding unquoted securities - STX |
| 07/11/2022 | Sustainability Report 2022 |
| 04/11/2022 | Strike identifies significant extension of Permian trend |
| 31/10/2022 | Change of Registry Address |
| 28/10/2022 | 3Q22 Quarterly Activities Report & 5B |
| 27/10/2022 | Project Haber Update |
| 24/10/2022 | Notice of Annual General Meeting/Proxy Form |
| 19/10/2022 | Walyering development update |
| 18/10/2022 | Independent Certification of Sth Erregulla Wagina discovery |
| 10/10/2022 | Independent certification of Ocean Hill gas resource |
| 05/10/2022 | South Erregulla Update |
| 04/10/2022 | Notification of cessation of securities - STX |
| 04/10/2022 | Appendix 3Y Neville Power |
| 28/09/2022 | Independent certification of Sth Erregulla Kingia discovery |
| 27/09/2022 | 2022 Annual General Meeting |
| 26/09/2022 | South Erregulla Update |
| 23/09/2022 | Proposed issue of securities - STX |
| 23/09/2022 | Appendix 4G |
| 23/09/2022 | Corporate Governance Statement 2022 |

3.16 Corporate Governance

The Strike Board seeks, where appropriate, to provide accountability levels that meet the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Details for Strike's corporate governance policies, procedures and practices can be found at <http://strikeenergy.com.au/corporate-governance>.

3.17 Additional information

Certain additional information in relation to Strike and the Strike Shares is set out in sections 5 (*Overview of the Merged Group*), 8 (*Key risks*) and 10 (*Additional information*).

4. INFORMATION ABOUT WARREGO

4.1 Disclaimer

The information about Warrego and Warrego Securities contained in this Bidder's Statement has been sourced from publicly available information including documents lodged with ASIC, information contained on public registers, information made generally available to Warrego Shareholders.

The information in this Bidder's Statement concerning Warrego's business has not been verified by Warrego or the Warrego Board. It has also not been independently verified by Strike or Strike West. Accordingly, subject to the Corporations Act, neither Strike nor Strike West makes any representation or warranty, express or implied, as to the accuracy or completeness of such information or assumes any responsibility for it. The information on Warrego in this Bidder's Statement should not be considered comprehensive.

Further information relating to Warrego and Warrego Securities may be included in the Target's Statement, which Warrego must provide in response to this Bidder's Statement.

4.2 Overview of Warrego

Warrego is a public company listed on ASX and incorporated in Australia on 9 July 2007. It is an energy company with a portfolio of gas exploration interests in Australia and Spain. Warrego is headquartered in Perth, Australia. Warrego's principal activities comprise of gas exploration, appraisal and development of onshore assets in Australia and Spain.

Warrego's key exploration assets are its 50% participating interest in West Erregulla (EP469) and its 100% participating interest in EPA 0127 located in the Perth Basin (subject to a farm-out agreement in relation to 50% of the interest).

Warrego also has an 85% interest in class A shares and a 50.1% interest in class B shares of Tarba, which holds interests in the Tesorillo gas project in Cadiz, Spain as well as Ruedalabola investigation permits and the El Romeral project in Guadalquivir, Spain, including an 8.1 MW power station.

4.3 Overview of assets and activities

Warrego's gas exploration tenements and projects are outlined in Figure 19.

Figure 19: Warrego's gas exploration tenements and projects

| Project | Location | Current interest | After farm out |
|------------------------------------------------------|------------------------|------------------|---------------------|
| EP469 (West Erregulla) | Perth Basin, Australia | 50% | N/A |
| EPA 0127 | Perth Basin, Australia | 100% | 50% ³⁷ |
| Tesorillo Project (including the Ruedalabola permit) | Cadiz, Spain | 85% | 50.1% ³⁸ |
| El Romeral | Guadalquivir, Spain | 50.1% | N/A |
| Piedra Sola | Notre Basin, Uruguay | 41% | N/A |

(a) EP469 – West Erregulla

Onshore Exploration Permit EP469 was awarded to Warrego Energy 100% in April 2010. It is situated 230km north-east of Perth in the North Perth Basin and comprises an area of 224km². Warrego Energy farmed out 50% of EP469 and operatorship to Strike West in June 2018. In September 2020, Warrego Energy entered into a long-term gas sales agreement (GSA) with Alcoa to provide 155PJ of gas which, subject to a positive project FID by Warrego, was due to commence on 1 January 2024. Warrego and

³⁷ Refer to paragraph 4.4(b) below for further information.

³⁸ Refer to paragraph 4.3(c) below for further information.

Alcoa are working together on a revised gas supply start date in line with a revised project schedule for the West Erregulla development.

Please see section 3.2(a) for more information on West Erregulla.

(b) **EPA 0127**

The EPA 0127 Exploration Permit Application (**EPA**) zone is 130km north of West Erregulla and as yet is an under-explored block. In December 2021 Warrego farmed out 50% interest to Mitsui in exchange for carrying Warrego's year one and two exploration costs up to \$1.5m. Mitsui will also have the option to assume Operatorship of the permit from year three. The agreement is subject to EPA 0127 permit application converting to exploration permit.

(c) **Tesorillo Project**

Warrego currently holds an 85% interest in Tarba which owns the Tesorillo Project (including the Ruedalabola permit) in Cadiz Province in southern Spain. Warrego's partner AIM listed Prospex Oil and Gas Plc currently holds a 15% interest and has the right to acquire up to a 49.9% interest in the Tesorillo Project under a Share Purchase Agreement entered into in December 2017.

(d) **El Romeral**

Warrego currently holds a 50.1% interest in the El Romeral asset via its shareholding in Tarba. Warrego's partner AIM listed Prospex Energy Plc currently holds the remaining 49.9% interest. El Romeral is an integrated gas production and power station operation located in the Guadalquivir Basin in Southern Spain, immediately east of Seville. It comprises three production licenses, a 100%-owned 8.1 MW power station supplied by three producing wells, 13 prospects and multiple low-cost development opportunities.

4.4 Reserves and resources estimates

This section summarises Warrego's reported resources.

Warrego's Australian reserves and resource estimates were set out in the ASX announcement dated 28 July 2022 entitled "West Erregulla Reserves Upgraded by 41%". The independent reserve certification was completed by internationally recognised Netherland Sewell and Associated Inc.

Warrego's Tesorillo resource was set out in the ASX announcement dated 7 May 2015 with the title "Oil & Gas Certification for Spain".

Warrego's El Romeral resource was set out in the ASX announcement dated 17 December 2019 with the title "Warrego acquires operational gas power project in Spain".

(a) **Reserves**

Figure 20: Reserves (2P) (Warrego Share)

| Warrego share | Gas (PJ) | Condensate (Pje) | Total (Pje) |
|----------------|------------|------------------|-------------|
| West Erregulla | 211 | - | 211 |
| Total | 211 | - | 211 |

Note: Petajoule equivalent (PJe) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf). All numbers in the tables are rounded up or down to the nearest whole unit. Refer to section 10.11 (Information relating to resource estimates) for additional information regarding the resource estimates.

(b) **Contingent resources**

Figure 21: Contingent resources (2C) (Warrego Share)

| Warrego share | Gas (PJ) | Condensate (Pje) | Total (Pje) |
|----------------|-----------|------------------|-------------|
| West Erregulla | 15 | - | 15 |
| El Romeral | 2 | - | 2 |
| Total | 17 | - | 17 |

Note: Petajoule equivalent (PJe) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf). All numbers in the tables are rounded up or down to the nearest whole unit. Refer to section 10.11 (Information relating to resource estimates) for additional information regarding the resource estimates.

(c) Prospective resources

Figure 22: Prospective resources (2U) (Warrego Share)

| Warrego share | Gas (PJ) | Condensate (Pje) | Total (Pje) |
|------------------------|------------|------------------|-------------|
| West Erregulla (EP469) | 55 | | 55 |
| Erregulla Deep (EP469) | 133 | | 133 |
| Tesorillo | 683 | - | 683 |
| Total | 871 | - | 871 |

Note: Petajoule equivalent (PJe) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf). All numbers in the tables are rounded up or down to the nearest whole unit. Prospective resource cautionary note: The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Refer to section 10.11 (Information relating to resource estimates) for additional information regarding the resource estimates.

4.5 Directors and Management of Warrego

As of the Announcement Date, the Warrego Board consists of four Directors, two of which are independent directors, including an independent Chairman. The Warrego Board consists of:

- Greg Columbus, Independent Chairman;
- Dennis Donald, Chief Executive Officer and Managing Director;
- Mark Routh, Non-Executive Director; and
- Michael Atkins, Non-Executive Director.

Profiles of the Warrego Directors are available on Warrego's website at <https://warregoenergy.com/corporate-directory>.

Strike understands that in addition to the above Warrego Board members, Jani Surjan, (Chief Financial Officer), Dr Cathy McKeagney (General Manager) and John Newman (Manager New Ventures and ESG/ General Counsel) are key management personnel of Warrego.

4.6 Interests of Warrego Directors in Warrego

The interests of Warrego Directors in Warrego are set out in Figure 23.

Figure 23: Interests of Warrego Directors in Warrego

| Director | Number of Warrego Shares | Number of Warrego Convertible Securities | % of Warrego Shares (undiluted basis) |
|---------------|--------------------------|------------------------------------------|---------------------------------------|
| Greg Columbus | 38,863,398 | 3,333,333 Warrego Options | 3.18% |
| Dennis Donald | 139,061,136 | 1,912,568 Warrego Performance Rights | 11.37% |
| Mark Routh | 14,114,064 | 3,333,333 Warrego Options | 1.15% |
| Total: | | | 15.70% |

4.7 Financial information of Warrego

(a) Basis of preparation of historical financial information

The summary historical financial information is prepared in accordance with Australian Accounting Standards and International Financial Reporting Standards and relates to Warrego on a stand-alone basis and does not reflect any impact of the Offer. It is a summary only and has been extracted from the audited consolidated financial reports (including the notes therein) of Warrego for the years ending 30 June 2020, 30 June 2021 and 30 June 2022. It does not contain all of the disclosures that are usually provided in an annual report in accordance with the Corporations Act. Copies of these annual reports are available at <http://www.warregoenergy.com> and the ASX website.

(b) Consolidated statement of comprehensive income

Figure 24: Consolidated statement of comprehensive income

| For the period ended | Full year | Full year | Full year |
|------------------------------------------------------------------|----------------|----------------|----------------|
| A\$'000 | 30-Jun-20 | 30-Jun-21 | 30-Jun-22 |
| Revenue | - | 488 | 5,009 |
| Cost of sales | - | (399) | (2,645) |
| Gross Profit | - | 89 | 2,365 |
| Interest income | 9 | 5 | 14 |
| Other income | 9 | - | 61 |
| Expenses | | | |
| Directors' fees | (223) | (179) | (269) |
| Employee benefit expenses | (1,542) | (1,178) | (1,821) |
| Superannuation | (53) | (128) | (142) |
| Accounting, audit and tax services | (98) | (603) | (223) |
| Professional services | (827) | (1,170) | (1,350) |
| Share-based payments | (10) | (630) | (317) |
| Exploration and evaluation expenditure | (229) | (301) | (196) |
| Business development costs | - | (811) | (694) |
| Other expenditure - El Romeral completion | - | (158) | (3) |
| Depreciation and amortisation | (118) | (121) | (124) |
| Finance expenses | (192) | (40) | (378) |
| Foreign exchange losses | (8) | (6) | (8) |
| General and administrative expenses | (1,206) | (1,154) | (1,144) |
| Total expenses | (4,506) | (6,481) | (6,667) |
| Profit / (loss) from operations before income tax expense | (4,488) | (6,386) | (4,227) |
| Income tax expense | - | - | - |
| Profit / (loss) from operations after income tax expense | (4,488) | (6,386) | (4,227) |
| Foreign currency translation | (37) | (79) | (104) |
| Total comprehensive income / (loss) for the period | (4,525) | (6,465) | (4,331) |

(d) Consolidated statement of financial position

Figure 25: Consolidated statement of financial position

| As at | Full year | Full year | Full year |
|----------------------------------------------------|---------------|---------------|----------------|
| A\$'000 | 30-Jun-20 | 30-Jun-21 | 30-Jun-22 |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 15,262 | 13,721 | 33,743 |
| Other current assets | 1,656 | 876 | 964 |
| Restricted cash | 140 | 694 | 9,341 |
| Total current assets | 17,057 | 15,292 | 44,048 |
| Non-current assets | | | |
| Exploration and evaluation expenditure | 13,401 | 49,795 | 63,478 |
| Oil & gas properties | - | 2,620 | 1,938 |
| Property, plant and equipment | 15 | 457 | 358 |
| Right-of-use assets | - | 388 | 298 |
| Goodwill | 7,046 | - | - |
| Total non-current assets | 20,462 | 53,260 | 66,072 |
| Total assets | 37,519 | 68,552 | 110,120 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 2,133 | 6,512 | 2,772 |
| Lease liabilities | - | 95 | 101 |
| Provisions | 172 | 294 | 813 |
| Other current liabilities | - | 841 | 0 |
| Total current liabilities | 2,304 | 7,742 | 3,687 |
| Non-current liabilities | | | |
| Lease liabilities | - | 316 | 215 |
| Provisions | 435 | 2,513 | 5,224 |
| Other non-current liabilities | - | 1,116 | 1,138 |
| Payable to associate | 105 | 361 | 8 |
| Total non-current liabilities | 541 | 4,307 | 6,585 |
| Total liabilities | 2,845 | 12,049 | 10,272 |
| Net assets | 34,674 | 56,503 | 99,848 |
| Equity | | | |
| Contributed equity | 103,774 | 138,484 | 185,843 |
| Reverse acquisition reserve | (53,289) | (53,289) | (53,289) |
| Foreign currency translation reserve | (15) | (94) | (198) |
| Options reserve | 114 | 640 | 957 |
| Accumulated losses | (16,552) | (29,575) | (34,454) |
| Equity attributable to owners of the Parent | 34,032 | 56,166 | 98,859 |
| Non-controlling interests | 642 | 337 | 989 |
| Total equity | 34,674 | 56,503 | 99,848 |

(e) Consolidated statement of cash flows

Figure 26: Consolidated statement of cash flows

| For the period ended | Full year | Full year | Full year |
|------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| A\$'000 | 30-Jun-20 | 30-Jun-21 | 30-Jun-22 |
| Cash flows from operating activities | | | |
| Receipts from customers and other (inclusive of goods and services tax) | - | 346 | 5,536 |
| Payments to suppliers and employees (inclusive of goods and services tax) | (4,307) | (3,698) | (7,385) |
| Payments for exploration and evaluation expenditure-expensed | - | (1,037) | (739) |
| Interest received | 9 | 4 | 12 |
| Net cash (used in)/provided by operating activities | (4,298) | (4,385) | (2,576) |
| Cash flows from investing activities | | | |
| Payments for plant and equipment | (6) | (102) | (169) |
| Payments for exploration and evaluation expenditure | (10,721) | (31,591) | (14,419) |
| Proceeds from release of security deposits | - | 33 | (8,646) |
| Payments for security deposit | (20) | (583) | - |
| Payments for El Romeral acquisition | (1,227) | (41) | - |
| Net cash used in investing activities | (11,975) | (32,284) | (23,234) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares (net of costs) | 23,559 | 34,103 | 46,321 |
| Proceeds received in advance for shares not yet issued | - | 841 | 114 |
| Proceeds from associates | 744 | 256 | (460) |
| Payments for lease liabilities | (103) | (67) | (103) |
| Net cash provided by/ (used in) financing activities | 24,200 | 35,133 | 45,872 |
| Net increase/(decrease) in cash and cash equivalents | 7,928 | (1,537) | 20,062 |
| Cash and cash equivalents at the beginning of the period | 7,343 | 15,262 | 13,721 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | (9) | (4) | (40) |
| Cash and cash equivalents at the end of the period | 15,262 | 13,721 | 33,743 |

4.8 General information about Warrego Securities

As at the Announcement Date, Warrego's Securities consist of:

- 1,223,122,326 Warrego Shares;
- 9,999,999 Warrego Options, exercisable at \$0.28 on or before 21 July 2023;
- 631,874 Warrego Share Rights with a nil exercise price expiring 3 February 2023; and
- 7,934,831 Warrego Performance Rights.

Warrego Shares are quoted on ASX and may be freely traded.

The Offer extends to Warrego Shares that are issued during the Offer Period due to the conversion or exercise of securities existing as at the Register Date (refer to paragraph 1.4(c) of schedule 1 (*Terms and Conditions of the Offer*) for more details).

4.9 Impact of the Offer on Warrego Convertible Securities

Strike West understands that each of the Warrego Options and Warrego Share Rights are subject to automatic vesting upon a change of control event.

Warrego Performance Rights vest and become exercisable (if applicable) to the extent that the relevant vesting conditions, as determined by the Warrego Board, are satisfied. Vesting conditions may relate to continuous service or employment, employee performance or company performance. Upon satisfaction of the vesting conditions and any other conditions for exercise, each Warrego Share Right or Warrego Performance Right will be exercisable into a quantity of Warrego Shares in accordance with the terms of issue.

Warrego Options, upon satisfaction of the vesting conditions will expire on the earlier of 30 days following a change in control in Warrego and 21 July 2023. Further details on terms and conditions of the Warrego Convertible Securities are expected to be set out in the Target's Statement.

Strike West is not making a separate offer to holders of Warrego Convertible Securities. However:

- holders of Warrego Options who exercise their Warrego Options during the Offer Period;
- holders of Warrego Share Rights whose Warrego Share Rights vest and are converted into Warrego Shares during the Offer Period, will be able to accept the Offer in respect of the Warrego Shares that are issued to them; and
- holders of any other Warrego Security that converts into Warrego Shares during the Offer Period, will be able to accept the Offer in respect of the Warrego Shares that are issued to them.

4.10 Recent Warrego Share price performance

The last recorded sale price of Warrego Shares on ASX on the Last Practicable Trading Date was \$0.3250.

As depicted in Figure 27 below during the 12 months ending on the Last Practicable Trading Date:

- the highest recorded closing price of Warrego Shares on the ASX was \$0.3250 on 22 December 2022; and
- the lowest recorded sale price of Warrego Shares on the ASX was \$0.1050 which last occurred on 24 June 2022.

Figure 27: Warrego share price performance



4.11 Substantial shareholders

There are four substantial holders of Warrego Shares. Their last disclosed shareholding is outlined in Figure 28.

Figure 28: Substantial holders of Warrego Shares

| Name | Number of securities | Voting power |
|------------------------|---------------------------|----------------------|
| Strike Energy Limited | 243,889,618 ³⁹ | 19.94% ⁴⁰ |
| Duncan MacNiven | 139,061,136 | 11.37% |
| Dennis Donald | 139,061,136 | 11.37% |
| Regal Funds Management | 120,127,669 | 9.82% |

4.12 Dividend history of Warrego

Warrego has not previously and does not pay dividends.

4.13 Publicly available information about Warrego

Warrego is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Warrego is subject to the Listing Rules, which require Warrego to immediately disclose any information Warrego has that a reasonable person would expect to have a material effect on the price or value of its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Warrego's file is available for inspection at ASX during normal business hours.

In addition, Warrego is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Warrego may be obtained from, or inspected at, an ASIC office.

Further information about Warrego is available in electronic form from <http://www.warregoenergy.com> and the ASX, www.asx.com.au.

³⁹ Strike's voting power comprises 242,489,618 Warrego Shares held by the Strike Group and 1,400,000 Warrego Shares held by Neville Power and Myube.

⁴⁰ Strike's voting power comprises 19.83% held by the Strike Group and 0.11% held by Neville Power and Myube based on 1,223,122,326 total Warrego Shares on issue.

5. OVERVIEW OF THE MERGED GROUP

5.1 Introduction

This section 5 provides a description of the effects of the Offer on Strike and a profile of the Merged Group, assuming that Warrego becomes a wholly owned subsidiary of Strike. If Strike does not acquire at least 90% of the Warrego Shares during the Offer Period and therefore does not become entitled to compulsorily acquire the remaining Warrego Shares, the described outcomes for the Merged Group described in this section 5 may not be achieved.

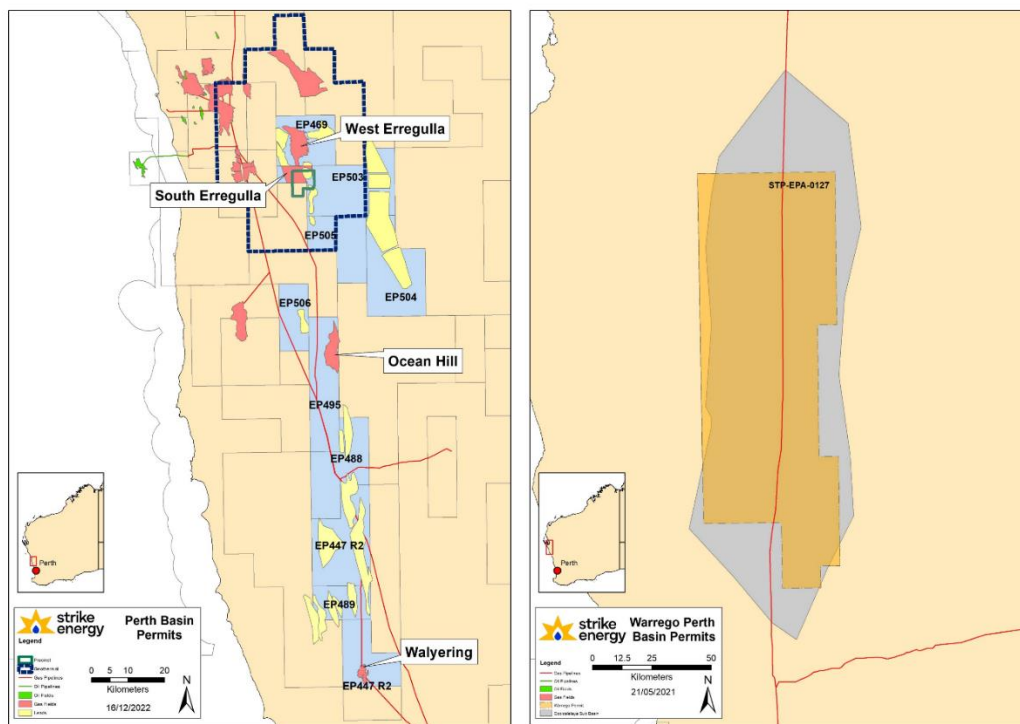
5.2 Description of the Merged Group

The Merged Group will:

- have 100% ownership of the proven Greater Erregulla region, and the largest equity holding in the proven and highly prospective Permian Gas Fairway;
- become a producer of gas and revenue generator through its 55% ownership interest and operatorship of the Walyering gas development due to commence production in the first quarter of 2023;
- own 100% the Mid West Low Carbon Manufacturing Precinct and, in turn, the development opportunities the Precinct offers for a domestic gas processing facility to service the Greater Erregulla assets, the 1.4mtpa Project Haber urea development, and renewable power generation and carbon abatement; and
- subject to the grant of the currently applied for Geothermal Exploration Permit, the largest and only geothermal permit holding in the Perth Basin.

If Strike's offer is successful, the Merged Group is expected to achieve an estimated market capitalisation of >\$1.1 billion.⁴¹

Figure 29: Overview of the Merged Group portfolio



⁴¹ Based on the issue of 999,199,412 Strike Shares to Warrego Shareholders (assuming all Warrego Options are exercised during the Offer Period). Based on the closing price of Strike Shares of \$0.3300 on the Last Practicable Trading Day. Assumes Strike achieves a 100% ownership of Warrego Shares.

5.3 Reserves and resources of the Merged Group

As at the Announcement Date, the Merged Group would have a total of 1,220 PJe of independently certified 2P Reserves and 2C Resources, making the Merged Group the largest holder of reserves and resources in the Perth Basin.

(a) Pro forma Merged Group reserves

As at the Announcement Date, the Merged Group would have total reserves (2P) of approximately 582 PJe.

Figure 30: Pro forma Merged Group reserves (2P)

| | Gas (PJ) | Condensate (PJe) | Total (PJe) |
|-------------------------|------------|------------------|-------------|
| West Erregulla (EP469) | 422 | - | 422 |
| South Erregulla (EP503) | 128 | | 128 |
| Walyearing (EP447) | 30 | 2 | 32 |
| Total | 580 | 2 | 582 |

Note: Petajoule equivalent (PJe) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf). All numbers in the tables are rounded up or down to the nearest whole unit. Refer to section 10.11 (Information relating to reserve and resource estimates) for additional information regarding the resource estimates.

(b) Pro forma Merged Group contingent resources

As at the Announcement Date, the Merged Group would have a total contingent resource (2C) of approximately 629 PJe.

Figure 31: Contingent resources (2C)

| | Gas (PJ) | Condensate (PJe) | Total (PJe) |
|-------------------------|------------|------------------|-------------|
| West Erregulla (EP469) | 30 | - | 30 |
| South Erregulla (EP503) | 271 | - | 271 |
| Walyearing (EP447) | 18 | 1 | 19 |
| Ocean Hill (EP495) | 300 | 7 | 307 |
| El Romeral | 2 | - | 2 |
| Total | 621 | 8 | 629 |

Note: Petajoule equivalent (PJe) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf). All numbers in the tables are rounded up or down to the nearest whole unit. Refer to section 10.11 (Information relating to reserve and resource estimates) for additional information regarding the resource estimates.

(c) Prospective resources

As at the Announcement Date, the Merged Group would have a total prospective resource (2U) of approximately 2,169 PJe.

Figure 32: Prospective resources (2U)

| Strike share | Gas (PJ) | Condensate (PJe) | Total (PJe) |
|------------------------------|--------------|------------------|--------------|
| West Erregulla (EP469) | 109 | - | 109 |
| South Erregulla (EP503) | - | - | - |
| Walyearing (EP447) | 9 | 1 | 10 |
| Ocean Hill (EP495) | 1,469 | 31 | 1,500 |
| Erregulla Deep (EP469) | 272 | - | 272 |
| South West Erregulla (EP469) | 278 | - | 278 |
| Total | 2,137 | 32 | 2,169 |

Note: The prospective resource estimate adopted for Erregulla Deep is Strike's estimate and does not include Warrego's separate estimate. Petajoule equivalent (PJe) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf). All numbers in the tables are rounded up or down to the nearest whole unit. Prospective resource cautionary note: The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Refer to section 10.11 (Information relating to reserve and resource estimates) for additional information regarding the resource estimates.

Strike estimates and reports its petroleum resources in accordance with the definitions and guidelines of the SPE PRMS.

5.4 Capital structure and substantial shareholding information

(a) Capital structure

Under the Offer, Strike is offering to issue Strike Shares to Warrego Shareholders. The actual number of Strike Shares on issue at completion of the Offer will depend on the level of acceptances of the Offer and the number of Warrego Convertible Securities which convert into Warrego Shares during the Offer Period.

The effect of the Offer on the capital structure of Strike is summarised below, assuming that:

- 9,999,999 Warrego Options, exercisable at \$0.280 are exercised during the Offer Period and accept into the Offer in respect of the Warrego Shares issued on exercise;
- 631,874 Warrego Share Rights will vest in accordance with their terms during the Offer Period and accept into the Offer in respect of the Warrego Shares issued on vesting;
- 7,934,831 Warrego Performance Rights vest during the Offer Period and accept into the Offer in respect of the Warrego Shares issued on vesting;
- Strike has not issued the 82,800,000 Strike Options agreed to be issued to Macquarie Bank as part of the establishment fee for the Erregulla Drilling Facility described in section 3.6(a);
- other than the 123,534,182 new Strike Shares to be issued pursuant to the share purchase agreements,⁴² Strike does not issue any Strike Securities or Strike convertible securities and no Strike convertible securities convert into Strike Shares after the Announcement Date; and
- Strike owns an existing 19.94%⁴³ interest in Warrego Shares.

Please refer to section 4.8 (*General information about Warrego Securities*) for further details on Warrego Securities assumptions set out above.

⁴² See section 10.2(a) for further details on the share purchase agreements with certain Warrego Shareholders.

⁴³ Strike's voting power comprises 19.83% held by the Strike Group and 0.11% held by Neville Power and Myube based on 1,223,122,326 total Warrego Shares on issue. See section 10.1(b) of this Bidder's Statement for further details.

Figure 33: Pro forma Strike Securities

| Capital structure of the Merged Group | Number held by Strike Shareholders | Number held by Warrego Shareholders | Total for the Merged Group |
|---------------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------------|
| Strike Shares ⁴⁴ | 2,340,047,317 | 999,199,412 | 3,339,246,729 |
| Strike Options exercisable at \$0.29 on or before 13 May 2023 | 35,000,000 | Nil | 35,000,000 |
| Strike Options exercisable at \$0.34 on or before 22 December 2024 | 20,700,000 | Nil | 20,700,000 |
| Strike Options exercisable at \$0.317 on or before 22 December 2024 | 20,700,000 | Nil | 20,700,000 |
| Strike Options exercisable at \$0.40 on or before 24 November 2025 | 28,000,000 | Nil | 28,000,000 |
| Strike Performance Rights | 17,390,804 | Nil | 17,390,804 |
| Strike Class A Performance Shares ⁴⁵ | 6 | Nil | 6 |
| Strike Class B Performance Shares ⁴⁵ | 6 | Nil | 6 |
| Total | 2,461,838,133 | 999,199,412 | 3,461,037,545 |
| Diluted percentage of the total capital structure ⁴⁶ | 72.4% | 27.6% | 100% |
| Undiluted percentage of the total capital structure | 70.1% | 29.9% | 100% |

Strike Shares are quoted on ASX and may be freely traded. None of the other securities referred to above will be quoted on the ASX.

(b) Substantial shareholding information

If the Offer is accepted by all the Warrego Shareholders, and assuming no change to the substantial shareholders of Warrego and Strike as at the date of the Offer, the Merged Group will not have any substantial shareholders immediately after the issue of Strike Shares in accordance with the terms of the Offer, either in the event acceptances of 50.1% or 100% are received.

The information in this section 5.4(b) is current as at the Announcement Date and is subject to change as a result if trading in Strike Shares and/or Warrego Shares until close of the Offer.

5.5 Merged Group pro forma financial information

(a) Introduction

This section 5.5 provides an overview of the financial effects of the Offer and sets out a summary of the pro forma historical statement of financial position as at 30 June 2022 for Strike under two scenarios:

⁴⁴ On the basis of the assumptions set out in this section 5.4(a).

⁴⁵ Class A Performance Shares (if certain conditions are satisfied) convert into up to 6,666,667 Strike Shares or \$1 million in cash and Class B Performance Shares (if certain conditions are satisfied) convert into up to a maximum of 148,800,000 Strike Shares or an amount equal to approximately \$22,320,000 in cash.

⁴⁶ The diluted capital structure assumes that all Strike convertible securities convert into Strike Shares.

-
- if the Offer had been accepted by all Warrego Shareholders; and
 - if the Offer had been accepted by 50.1% of all Warrego Shareholders.

In this Bidder's Statement, references to the Merged Group pro forma financial information, means the corporate group that will be formed as it will exist immediately following implementation of the Offer and refers to the Merged Group on an aggregated basis.

(b) Basis of preparation

This section should be read in conjunction with the underlying financial information from which it is derived, Strike's current intentions regarding Warrego set out in section 6, the risk factors set out in section 8, Strike's accounting policies and other information contained within this Bidder's Statement and Warrego's Target's Statement.

This section provides an overview of the financial effects of the Offer on Strike:

- based on:
 - the reviewed balance sheet of Warrego as at 30 June 2022;
 - the reviewed balance sheet of Strike as at 30 June 2022;
 - acquisition accounting based on the terms of the Offer set out in schedule 1; and
 - accounting policies and matters of significant judgement based on publicly available information.
- assuming that Strike acquires either 50.1% or 100% of Strike Shares;
- with the pro forma adjustments explained in section 5.5(d) below; and
- with adjustments to allocate the cost of the acquisition to the Warrego assets and liabilities which were initially measured at the amount specified in the applicable accounting standards for those assets and liabilities and not required to be initially measured at cost.

Strike's and Warrego's financial reports are available from their respective websites or the ASX website (www.asx.com.au).

This financial information has been prepared for illustrative purposes only, to give an indication of the financial position of the Merged Group as if the Offer had been implemented as at 30 June 2022 and has been prepared on an abbreviated basis. It does not provide all the disclosure usually provided in an Annual Report in accordance with the Corporations Act.

The Merged Group pro forma financial information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards (AAS) (including Australian Accounting Interpretations) adopted by the AASB, which comply with the recognition and measurement principles of the International Accounting Standards Board and interpretations adopted by the International Accounting Standards Board.

The Merged Group pro forma financial information has been prepared in accordance with and should be read in conjunction with the accounting policies detailed in Strike's FY22 Annual Report ending 30 June 2022. A preliminary assessment has not identified any material differences between the accounting policies adopted by Strike and Warrego as at 30 June 2022.

Pro forma adjustments and assumptions have also been made to reflect the terms of the Offer. It is assumed that the acquisition will be accounted for as an asset acquisition in accordance with applicable accounting standards. The Merged Group pro forma financial information has been prepared using preliminary purchase price accounting estimates. Comprehensive fair value assessments of the Warrego assets and liabilities will be completed upon completion of the Offer including fair value purchase price allocation and related tax effect accounting.

(c) Unaudited pro forma statement of financial position

Figure 34: Unaudited pro forma statement of financial position

| Assets and Liabilities (\$'000) | (1) Strike 30-Jun-22 | (2) Warrego 30-Jun-22 | (3) Issued Capital | (4) Facility Drawdown | (5) Precinct Acquisition | (6) Warrego Share Purchase | (7) Forecast Strike Activity | Subtotal | (8) Warrego Acquisition | Pro forma (100%) | (9) Warrego Acquisition | Pro forma (50.1%) |
|---------------------------------------------|-------------------------|--------------------------|-----------------------|--------------------------|-----------------------------|-------------------------------|---------------------------------|-----------------|----------------------------|---------------------|----------------------------|----------------------|
| Cash and cash equivalents | 13,905 | 33,743 | 30,825 | 5,550 | (8,222) | | (29,291) | 46,510 | (18,440) | 28,070 | (18,440) | 28,070 |
| Restricted cash | - | 9,341 | | | | | | 9,341 | - | 9,341 | - | 9,341 |
| Trade and other receivables | 2,119 | - | | | | | | 2,119 | - | 2,119 | - | 2,119 |
| Other current assets | 692 | 964 | | | | | | 1,656 | - | 1,656 | - | 1,656 |
| Total current assets | 16,716 | 44,048 | 30,825 | 5,550 | (8,222) | - | (29,291) | 59,626 | (18,440) | 41,186 | (18,440) | 41,186 |
| Right of use assets | 111 | 298 | | | | | | 409 | - | 409 | - | 409 |
| Exploration and evaluation assets | 129,106 | 63,478 | | | | | 1,049 | 193,633 | 306,728 | 500,361 | 306,728 | 500,361 |
| Oil and gas assets | - | 1,938 | | | | | 18,242 | 20,180 | - | 20,180 | - | 20,180 |
| Property, plant and equipment | 421 | 358 | | | 14,222 | | | 15,001 | - | 15,001 | - | 15,001 |
| Intangible assets | 1,628 | - | | | | | | 1,628 | - | 1,628 | - | 1,628 |
| Investments in equity investments | 10,264 | - | | | | 43,411 | | 53,675 | (53,675) | - | (53,675) | - |
| Other assets | 500 | - | | | | | | 500 | - | 500 | - | 500 |
| Total non-current assets | 142,030 | 66,072 | - | - | 14,222 | 43,411 | 19,291 | 285,026 | 253,054 | 538,079 | 253,054 | 538,079 |
| Total assets | 158,746 | 110,120 | 30,825 | 5,550 | 6,000 | 43,411 | (10,000) | 344,652 | 234,614 | 579,265 | 234,614 | 579,265 |
| Trade and other payables | (8,372) | (2,772) | | | | | 3,000 | (8,144) | - | (8,144) | - | (8,144) |
| Employee benefits | (512) | - | | | | | | (512) | - | (512) | - | (512) |
| Provisions | (1,752) | (813) | | | | | | (2,565) | - | (2,565) | - | (2,565) |
| Lease liabilities | (118) | (101) | | | | | | (219) | - | (219) | - | (219) |
| Total current liabilities | (10,754) | (3,687) | - | - | - | - | 3,000 | (11,441) | - | (11,441) | - | (11,441) |
| Trades and other payables | (950) | - | | | | | | (950) | - | (950) | - | (950) |
| Employee benefits | (188) | - | | | | | | (188) | - | (188) | - | (188) |
| Provisions | (5,153) | (5,224) | | | | | | (10,377) | - | (10,377) | - | (10,377) |
| Borrowings | (18,291) | - | | (4,043) | (6,000) | | | (28,334) | - | (28,334) | - | (28,334) |
| Other liabilities | (6,485) | (1,146) | | | | | | (7,631) | - | (7,631) | - | (7,631) |
| Lease liabilities | (51) | (215) | | | | | | (266) | - | (266) | - | (266) |
| Total non-current liabilities | (31,118) | (6,585) | - | (4,043) | (6,000) | - | - | (47,746) | - | (47,746) | - | (47,746) |
| Total liabilities | (41,872) | (10,272) | - | (4,043) | (6,000) | - | 3,000 | (59,187) | - | (59,187) | - | (59,187) |
| Net assets | 116,874 | 99,848 | 30,825 | 1,507 | - | 43,411 | (7,000) | 285,465 | 234,614 | 520,078 | 234,614 | 520,078 |
| Equity | | | | | | | | | | | | |
| Issued capital | 301,339 | 185,843 | 32,025 | | | 43,411 | | 562,618 | 135,453 | 698,071 | (69,016) | 493,602 |
| Reserves | 3,836 | (52,530) | (1,200) | 1,507 | | | | (48,387) | 64,706 | 16,319 | 64,706 | 16,319 |
| Accumulated losses | (188,301) | (34,454) | | | | | (7,000) | (229,755) | 34,454 | (195,301) | 34,454 | (195,301) |
| Equity attributable to owners of the Parent | 116,874 | 98,859 | 30,825 | 1,507 | - | 43,411 | (7,000) | 284,476 | 234,614 | 519,089 | 30,145 | 314,620 |
| Non-controlling interests | - | 989 | | | | | | 989 | | 989 | 204,469 | 205,458 |
| Total equity | 116,874 | 99,848 | 30,825 | 1,507 | - | 43,411 | (7,000) | 285,465 | 234,614 | 520,078 | 234,614 | 520,078 |

(d) Assumptions and pro forma adjustments

This pro forma balance sheet reflects the acquisition of either 100% or 50.1% of Warrego's issued capital. The pro forma adjustments assume that one Strike Share is issued for every Warrego Share. The adjustments assume a value of \$0.3300 for each Strike Share, which represents Strike's closing share price on the Last Practicable Trading Day.

The pro forma statement of financial position of the Merged Group is derived from:

- the reviewed Statement of Financial Position of Strike as at 30 June 2022;
- the reviewed Statement of Financial Position of Warrego as at 30 June 2022;
- adjustment to reflect material movements in issued capital of Strike post 30 June 2022 including:
 - \$28.8 million (net of transaction costs) share placement as announced on 2 September 2022; and
 - \$2 million of options exercised in July 2022;
- adjustment to reflect \$5.5 million drawdown of debt under the Macquarie Bank facilities B and C post 30 June 2022, and capitalised debt costs of \$1.5 million for options issued to Macquarie;
- adjustment to reflect the \$14.2 million land acquisition of the Precinct post 30 June 2022 and the \$6 million Rabo Bank Australia agriculture finance facility to support the acquisition (refer ASX announcement dated 1 September 2022);
- adjustment to reflect the acquisition of an additional 149.2 million Warrego Shares via share purchase agreements at a 1:1 exchange of Strike Shares for Warrego ordinary shares. 149.2 million Strike Shares were issued for the share swap with a deemed issue price of \$0.291;
- adjustment to reflect Strike's forecasted operating activity from July 2022 to November 2022. The estimates have been based on the Appendix 5B for the quarter ended 30 September 2022 of Strike including:
 - reclass of \$15.2 million from exploration and evaluation to oil and gas assets for the Walyering development;
 - \$16.2 million for exploration and evaluation activity and \$3 million for development activity;
 - \$3 million reduction of trade and other payables; and
 - Estimated \$7 million loss.
- adjustment to reflect 100% acquisition of Warrego Shares and asset acquisition accounting including the following:
 - elimination of Warrego's existing issued capital (\$186 million), reserves (-\$53 million) and accumulated losses (-\$34 million) on acquisition;
 - adjustment to remove Strike's total investment in 242,489,618 Warrego Shares (~19.9% shareholding in Warrego);
 - adjustment to allocate the cost of acquisition to the Warrego assets and liabilities. It is assumed that the cost of Warrego's assets and liabilities equal their fair value, with the exception of exploration and evaluation assets, to which the residual balance of the consideration paid is allocated;
 - increase of \$330 million in the issued capital of Strike to reflect new equity issued as consideration for the takeover;
 - transaction costs on acquisition of \$8.4 million; and
 - adjustment of \$10 million to include Warrego forecasted operating activity from July 2022 to November 2022. The estimate has been derived and extrapolated from the Appendix 5B for the quarter ended 30 September 2022 of Warrego.
- adjustment to reflect 50.1% acquisition of Warrego Shares and asset acquisition accounting including the following:
 - elimination of Warrego's existing issued capital (\$186 million), reserves (-\$53 million) and accumulated losses (-\$34 million) on acquisition;
 - adjustment to remove Strike's total investment in 242,489,618 Warrego Shares (~19.9% shareholding in Warrego);

-
- adjustment to allocate the cost of acquisition to the Warrego assets and liabilities. It is assumed that the cost of Warrego's assets and liabilities equal their fair value, with the exception of exploration and evaluation assets, to which the residual balance of the consideration paid is allocated;
 - adjustment of \$205 million to reflect the non-controlling interest in Warrego at 50.1% ownership;
 - increase of \$126 million in the issued capital of Strike to reflect new equity issued as consideration for the takeover;
 - transaction costs on acquisition of \$8.4 million; and
 - adjustment of \$10 million to include Warrego forecasted operating activity from July 2022 to November 2022. The estimate has been derived and extrapolated from the Appendix 5B for the quarter ended 30 September 2022 of Warrego.

(e) Material changes in the Merged Group's financial position since the most recent balance date

Other than as disclosed to the market by Strike and Warrego (in accordance with their reporting and disclosure obligations) since the date of the release of their respective 2022 annual reports, or as disclosed in this Bidder's Statement, there are no material changes in the Merged Group's financial position since the most recent balance date.

5.6 Forecast financial outlook for the Merged Group

Strike has given consideration as to whether a reasonable basis exists to produce reliable and meaningful forward looking financial information in relation to the Merged Group. Strike has concluded that it would be difficult to do so at this stage, particularly given the focus on the post Offer completion business reviews of Warrego's operations referenced in section 6 of this Bidder's Statement. Until such time as completion of the review of Warrego's operations, Strike does not believe a reasonable basis exists to provide any such combined forward looking financial projections.

6. BIDDER'S INTENTIONS

6.1 Introduction

This section 6 sets out the intentions of Strike relating to:

- the continuation of the business of Warrego;
- any major changes to the business of Warrego including any redeployment of the fixed assets of Warrego;
- the future employment of the present employees of Warrego; and
- the compulsory acquisition of Warrego Shares and the removal of Warrego from the official list of ASX.

The intentions set out in this section 6 represent the current intentions of Strike as at the Announcement Date formed on the basis of facts and information concerning Warrego and its business which are known to Strike at the time of preparing this Bidder's Statement.

As there is no minimum acceptance condition to the Offer, Strike will not know the extent of its ultimate shareholding in Warrego until the close of the Offer. This means that Strike's ultimate voting power in Warrego could be anywhere between 19.94%⁴⁷ and 100% at the close of the Offer. This means that the precise circumstances surrounding Strike's ability to give effect to its intentions may not necessarily be known until the close of the Offer and is difficult to predict or pre-empt with any certainty at this stage.

Strike will make final decisions regarding these matters in light of the information and circumstances at the relevant time including the general business environment. Strike's intentions may change as new information becomes available or circumstances change. Any changes in Strike's intentions will be disclosed to the extent and in the manner required by law.

References to the intentions of Strike include the intentions of Strike West (and vice versa).

6.2 Intentions if Strike becomes entitled to compulsorily acquire the outstanding Warrego Shares

This section 6.2 sets out Strike's current intentions if it and its associates acquire relevant interests in 90% or more of Warrego Shares and Strike becomes entitled to compulsorily acquire the remaining Warrego Shares under the Corporations Act.⁴⁸

(a) Corporate matters

Strike intends to:

- if entitled to do so, compulsorily acquire the outstanding Warrego Shares and any outstanding Warrego Convertible Securities in accordance with the provisions of part 6A.1 or Part 6A.2 of the Corporations Act;
- arrange for Warrego to be removed from the official list of ASX;
- replace the Warrego Board with its nominees (the identity of such nominees has not yet been decided but they are likely to be members of the Strike Board and Strike management team); and
- terminate the Warrego Incentive Plans.

(b) General operational review

Strike intends to conduct a broad based review of Warrego's operations covering strategic, financial and operating matters to:

- evaluate Warrego's performance and prospects in respect of each of its businesses;
- optimise Warrego's asset portfolio; and

⁴⁷ Strike's voting power comprises 19.83% held by the Strike Group and 0.11% held by Neville Power and Myube based on 1,223,122,326 total Warrego Shares on issue. See section 10.1(b) of this Bidder's Statement for further details.

⁴⁸ If more than 10% of Warrego Shareholders accept the Hancock Revised Offer and the Hancock Revised Offer is or becomes unconditional, Strike will only be able to proceed to compulsory acquisition to the extent that Hancock subsequently accepts the Offer.

- develop an operating business plan for the Merged Group.

The precise scope of this review is not able to be determined at the Announcement Date as Strike has not had access to all of the information relevant to making this determination. The majority of Warrego's commitments are in respect of West Erregulla (EP469) which are shared with Strike and will remain the same and, as such, the review will be focussed on commitments related to Warrego's Spanish Assets and EPA 0127. In the course of this review Strike intends to focus on a number of key areas including (but not limited to) the following:

- examining the timing and quantum of expenditure commitments to minimise capital deployment and/or realign those commitments so as to better fit within the Merged Group's work commitment program across its portfolio of assets;
- where economic, seek opportunities to consolidate duplicated functions and rationalise costs including the management of West Erregulla;
- the possible closure of one of the offices of the Merged Group in order to realise the benefits of closer communication and fewer costs;
- integrating the Warrego exploration database into Strike's systems with a view to reducing the number of software licenses and IT support costs;
- reviewing Warrego's Spanish Assets to determine whether a partial or complete divestment might be more value-accretive for the Merged Group going forward; based on the information available to Strike at the Announcement Date, Strike intends to completely divest the Spanish Assets; and
- evaluation of an optimal strategy to fund the Merged Group's future commitments and other transaction or contracting structures that may benefit the development of the Merged Group's assets.

(c) Business integration and impact on employees

Subject to the operational review referenced above, Strike intends to incorporate the operations of Warrego within its existing structure and remove any duplication of corporate or shared services including board, treasury and finance, legal and company secretarial resources, where economic.

As a result of the implementation of the above intentions, certain functions will become redundant. In addition, the positions held by certain other Warrego employees whose roles overlap with existing Strike employees may become redundant and some job redundancies may occur as a result.

However, the extent and timing of such job redundancies cannot be predicted in advance of conducting the review described in section 6.2(b). Where redundancies do occur across the Merged Group, severance and redundancy terms of all relevant employment contracts and industrial agreements or awards will be recognised and complied with by the Merged Group.

6.3 Intentions for Warrego as a controlled entity

This section 6.3 sets out Strike's current intentions if Strike acquires more than 50.1% of Warrego but Warrego does not become a wholly owned subsidiary of Strike.

(a) Corporate matters

Subject to the Corporations Act and Warrego's constitution, Strike intends to seek to replace some or all of the members of the Warrego Board so that Strike nominees constitute a majority of the members of the Warrego Board. No decision has been made at this stage about the identity of any proposed nominees to the Warrego Board (although they are likely to be members of the Strike Board or Strike management team) or which, if any, current Warrego Directors would be removed.

Strike intends, subject to satisfying the relevant preconditions, to remove Warrego from the official list of the ASX. In relation to the removal of Warrego from the official list of the ASX, ASX guidance indicates that the usual conditions that the ASX would expect to be satisfied in order for it to approve the removal of Warrego from the official list in the context of a successful takeover bid include:

- at the end of the Offer, Strike owns or controls at least 75% of the Warrego Shares and the Offer has remained open for at least two weeks after Strike attained ownership or control of at least 75% of the Warrego Shares; and

-
- the number of Warrego Shareholders (other than Strike) having holdings with a value of at least \$500 is fewer than 150,

and in such case, the ASX will not usually require Strike to obtain Warrego Shareholder approval for Warrego's removal from the official list of the ASX.

If the conditions contemplated above are satisfied, Strike may send a notice to all remaining Warrego Shareholders advising them of the nominated time and date at which Warrego would be removed from the official list of ASX, being a date not earlier than three months after the date the notice was given. This notice to remaining Warrego Shareholders would also state that:

- if the remaining Warrego Shareholders wish to sell their Warrego Shares on ASX, they must do so before the date that is three months after the date the notice was given; and
- if the remaining Warrego Shareholders do not sell their Warrego Shares on ASX before that deadline, they will only be able to sell their Warrego Shares off-market from that time.

If the conditions contemplated above are not met, Strike may still request that ASX remove Warrego from the official list of ASX with shareholder approval. ASX's guidance indicates that ASX's decision to act on Strike's request may be subject to the satisfaction of certain conditions directed to ensuring that the interests of remaining Warrego Shareholders are not unduly prejudiced by the removal and that trading in Warrego Shares takes place in an orderly manner up to the date of its removal.

Where such removal is sought later than twelve months after the close of the Offer, Strike would be entitled to vote on the resolution approving the removal. If Warrego is removed from the official list of the ASX, there may be risks related to remaining as a minority shareholder in Warrego. These include reduced or non-existent liquidity if Warrego Shareholders wish to sell their Warrego Shares.

(b) General operational review

Strike, through its nominees on the Warrego Board, intends to propose that Warrego conduct a broad review, and allow Strike to participate in such a review (similar to that described in section 6.2(b) but on terms of reference that are consistent with Warrego being controlled, but not wholly owned, by Strike). The outcome of the strategic review will be provided to the Warrego Board, and any Strike nominee on the Warrego Board will act in accordance with the duties and obligations mentioned in section 6.5(a) of this Bidder's Statement and the other Shareholder Protections.

Subject to the outcome of any such review, Strike may propose that, in the interests of both the Warrego Group and the Strike Group, a number of the Strike Group's corporate or shared services functions be made available to Warrego Group members under service agreements or similar arrangements, subject to the operation of the Shareholder Protections. Strike has not decided which functions may be proposed to be the subject of such service agreements or similar arrangements and does not intend to make a decision on those matters until after the close of the Offer.

Should Strike obtain a controlling interest it will undertake several studies on the best development pathway for Warrego's gas, which may include collaboration and cooperation with neighbouring greenfield developments. These studies will target an optimisation of capital, time and cost with a view to ensuring the greatest value driven outcomes are generated for Warrego's resources and, in turn Warrego Shareholders. This review will not be limited to upstream domestic gas sales and may also include downstream and or (subject to regulatory and legal requirements) LNG integration. Whilst these studies conclude, which may take some time, Strike will look to increase Warrego's gas resource base by conducting near field exploration and appraisal drilling activities, which in turn may broaden the development options available to Warrego.

(c) Funding assessment

Additional capital may be required to fund Warrego's projects in the future, including to fund the development of West Erregulla. Strike, through its nominees on the Warrego Board, will review how best to fund Warrego's capital requirements which, depending on the circumstances at the time, may include raising new equity capital.

(d) **Information protocols**

Strike, through its nominees on the Warrego Board, intends to propose information and disclosure protocols with the Warrego Board for the purpose of facilitating Strike's financial results preparation and ongoing reporting.

(e) **Warrego Incentive Plans**

Strike, through its nominees on the Warrego Board, intends to propose that Warrego review the Warrego Incentive Plans to determine whether they are appropriate. Strike has not formed any views on the likely outcome of such a review.

(f) **Majority Warrego Shareholder**

If Strike acquires a majority shareholding in Warrego Shares, it will have a controlling interest in Warrego and will be actively involved in influencing the strategic direction of the business of Warrego to the greatest extent that it is permitted by law.

If Strike receives acceptances under the Offer that bring its shareholding to 75% or more of Warrego Shares, it may be in a position to cast the votes required to determine the outcome of a "special resolution" at a meeting of Warrego Shareholders. This would enable it to pass resolutions, for example, to amend the Warrego constitution.

(g) **Further acquisition of Warrego Shares**

Strike may after conclusion of the Offer acquire further Warrego Shares in accordance with the Corporations Act. In particular, Strike may acquire additional Warrego Shares under the 'creep exception' in item 9 of section 611 of the Corporations Act which would permit Strike and its associates to acquire up to 3% of Warrego Shares every six months. Strike has not yet decided whether it will acquire further Warrego Shares under these provisions or by any other means permitted under the Corporations Act as that will be dependent upon (among other things) the extent of Strike's voting power in Warrego and market conditions at the time.

(h) **Compulsory acquisition at a later time**

If Strike becomes entitled at some later time to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act as a result of acquiring additional Warrego Shares in accordance with section 6.3(g), it may exercise those rights.

6.4 Intentions for Warrego if not controlled by Strike West

If Strike acquires voting power in 50% or less of all Warrego Shares, it will not have a controlling interest in Warrego. In those circumstances Strike does not expect to be in a position to give effect to the intentions set out in sections 6.2 or 6.3 of this Bidder's Statement other than as set out in this section 6.4.

(a) **Corporate matters**

Subject to the Corporations Act and Warrego's constitution, Strike intends to seek representation on the Warrego Board so that the proportion of Strike nominees is broadly in line with its voting power in Warrego. No decision has been made at this stage about the identity of any proposed nominees to the Warrego Board (although they are likely to be members of the Strike Board or Strike management team) or which, if any, current Warrego Directors would be removed.

(b) **Access to information and financial reports**

Strike intends to seek to have Warrego grant access rights to Strike in respect of certain information of the Warrego Group, including monthly and other periodic financial reports and technical, subsurface, commercial, legal and ESG information and reports, each prepared by Warrego management, and other information received by any of Strike nominees to the Warrego Board.

(c) **Active minority Warrego Shareholder**

Strike intends to remain actively involved as a Warrego Shareholder, including by way of influencing the strategic direction of the business of Warrego, to the greatest extent that it is permitted by law.

(d) **Maximising value for Strike Shareholders**

Strike's current intended purpose in holding Warrego Shares acquired is to maximise returns for Strike Shareholders (this may result in Strike and/or Strike's associates acquiring additional Warrego Shares, to the extent permitted by law, or divesting Warrego Shares at a future point in time). Despite Strike's intention set out in this section 6, if Strike's offer is not successful, Strike reserves its rights to consider and potentially accept alternative or subsequent offers for its Warrego Shares.

(e) **Further acquisition of Warrego Shares**

Strike may after conclusion of the Offer acquire further Warrego Shares subject to the provisions of the Corporations Act. In particular, Strike may acquire additional Warrego Shares under the 'creep exception' in item 9 of section 611 of the Corporations Act which would permit Strike and its associates to acquire up to 3% of Warrego Shares every six months. Strike has not yet decided whether it will acquire further Warrego Shares under these provisions or by any other means permitted under the Corporations Act as that will be dependent upon (among other things) the extent of Strike's voting power in Warrego and market conditions at the time.

6.5 Limitations on ability to implement intentions

(a) **Director's duties**

The ability of Strike to implement the intentions set out in sections 6.3 and 6.4 will be subject to the duties and legal obligations of Warrego Directors (including any nominees of Strike), which will require those Warrego Directors to have regard to the interests of Warrego and all Warrego Shareholders.

(b) **Shareholder Protections**

The implementation of Strike's intentions set out in sections 6.2 to 6.4 will be subject to:

- the level of voting power Strike has in Warrego; and
- the Corporations Act including, without limitation, any applicable Shareholder Protections.

The extent of Strike's ultimate shareholding in Warrego (at the close of the Offer) will determine the regulatory requirements for, and other practical matters associated with, implementing Strike's intentions. By way of illustration:

- If Strike acquires voting power in Warrego equal to 50% or less, it may not be in a position to determine alone the outcome of ordinary resolutions (in respect of which it is entitled to vote) and so, for example, it may not be in a position to control the composition of the Warrego Board. This means that Strike's ability to undertake the strategic review may be limited, and (assuming it is able to undertake the strategic review) its ability to realise the proposed outcomes of that strategic review may be similarly constrained.
- If Strike acquires voting power in Warrego equal to more than 50% (but less than 90%), it will be able to solely determine the outcome of ordinary resolutions (in respect of which it is entitled to vote) and will be in a position to control the composition of the Warrego Board. However, in these circumstances, the Shareholder Protections will continue to apply and again may constrain Strike's ability to realise the proposed outcomes of the strategic review.
- If Strike acquires at least 75% of Warrego Shares (but again less than 90%), it will also be able to determine alone the outcome of special resolutions (in respect of which it is entitled to vote). Such special resolutions could involve amendments to the Warrego constitution or a change to company type. However, again, the Shareholder Protections will continue to apply.
- If during, or at the end of, the Offer Period:
 - Strike and its associates together have relevant interests in at least 90% (by number) of all the Warrego Shares; and
 - Strike and its associates have acquired at least 75% (by number) of the Warrego Shares under the Offer (whether the acquisition happened under the Offer or otherwise),

Strike will be entitled to compulsorily acquire all outstanding Warrego Shares and presently intends to do so.⁴⁹ Following completion of such compulsory acquisition process, Warrego would

⁴⁹ If more than 10% of Warrego Shareholders accept the Hancock Revised Offer and the Hancock Revised Offer is or becomes unconditional, Strike will only be able to proceed to compulsory acquisition to the extent that Hancock subsequently accepts the Offer.

be a wholly owned subsidiary of Strike West, and Strike West would be entitled to exercise its rights as the sole shareholder of Warrego. However, in circumstances where a Warrego Shareholder or Warrego Shareholders held more than 10% in aggregate of all the Warrego Shares, that compulsory acquisition would not be possible. As at the Announcement Date, there is at least one other Warrego Shareholder who controls more than 10% of all the Warrego Shares in their own right, and that Warrego Shareholder is therefore capable of blocking compulsory acquisition if it chooses not to accept the Offer.

Strike's ability, therefore, to achieve some of its intentions, including those intentions concerning project development contracts, might not be able to be realised, either at all or without the approval of Warrego Shareholders in general meeting. As a result of the Shareholder Protections, Strike and its associates may also be excluded from voting on certain resolutions in general meeting, and any nominee directors appointed by Strike may potentially be precluded from voting at Warrego Board meetings, to the extent of any conflict of interest or material personal interest.

Further, in circumstances where a minority shareholder maintains a "blocking stake" or other substantial holding in Warrego which provides them with a significant proportion of the Warrego Shares which are not held by Strike, then that shareholder's ability to determine the outcome of any such resolutions put to Warrego Shareholders in general meeting may be disproportionate to its holding (for example, where that shareholder's holding in Warrego is such that they alone could determine whether a resolution is passed or not, in circumstances where Strike and its associates are excluded from voting on that resolution).

6.6 Other intentions

Other than as set out in this section 6, it is Strike's present intention to procure that Warrego will:

- generally continue its business in substantially the same manner, pending completion of any general operational review, as at the Announcement Date;
- not make any major changes to its business or redeploy any of its fixed assets with the exception of the review of Warrego's Spanish Assets as described in section 6.2(b) and 6.3(b); and
- Warrego will remain incorporated in Australia and be headquartered in Perth, Western Australia.

7. OFFER CONSIDERATION

7.1 Consideration

The consideration for the acquisition of the Warrego Shares to which the Offer relates will be satisfied by the issue of Offer Consideration.

7.2 Offer Consideration

The maximum number of Strike Shares that would be issued under the Offer if acceptances are received in respect of all Warrego Shares on issue as at the Last Practicable Trading Date is approximately 980,632,708.

In addition:

- if all Warrego Share Rights vest and Warrego Shares are issued in respect of such Warrego Shares Rights on a one-for-one basis during the Offer Period;
- if all Warrego Options on issue on the Last Practicable Trading Date are exercised and Warrego Shares are issued in respect of such Warrego Options during the Offer Period; and
- if all Warrego Performance Rights vest and Warrego Shares are issued in respect of such Warrego Shares Rights on a one-for-one basis during the Offer Period,

then approximately 18,566,704 additional Strike Shares would be issued under the Offer if acceptances are received in respect of all such Warrego Shares issued pursuant to the conversion of the aforementioned Warrego Shares Rights, Warrego Performance Rights and Warrego Options. If these additional Strike Shares are issued, the total number of Strike Shares which would be issued under the Offer would be approximately 999,199,412.

Strike has the capacity to issue the maximum number of Strike Shares which it may be required to issue under the Offer.

8. KEY RISKS

8.1 Introduction

If the Offer becomes unconditional, Warrego Shareholders who accept the Offer will become Strike Shareholders, and Strike West will acquire an interest in Warrego. In that event, Warrego Shareholders will continue to be indirectly exposed to the risks associated with having an interest in Warrego assets and general economic, share market and industry risks. There are also additional risks relating to Strike and the Strike Group, to which Warrego Shareholders will be exposed through their holding of Strike Shares.

The value of the Strike Shares received by Warrego Shareholders who accept the Offer will depend on the trading price of Strike Shares and any dividends paid on them in the future. The trading price of Strike Shares and any dividends paid on them will be affected by the financial performance, financial position and prospects of the Merged Group. There are a number of risks which, individually or in combination, may affect the financial performance, financial position and prospects of the Merged Group, the trading price of Strike Shares and any dividends that may be paid on them in the future. These include:

- risks that are common to the existing businesses of Warrego and Strike and to which Warrego Shareholders are already exposed (refer to section 8.2);
- risks that are specific to Strike's existing businesses and which will therefore be new risks for Warrego Shareholders (refer to section 8.3);
- risks arising from the Offer itself and the integration of Warrego's businesses with those of Strike (refer to section 8.4); and
- other risks that relate to the trading price of Strike Shares generally (refer to section 8.5).

Where possible, the Merged Group will seek to minimise its exposure to, and mitigate the effects of, the risks outlined in this section 8. However, certain risks relate to matters that are outside the control of the Merged Group and there can be no assurance that any steps the Merged Group takes will successfully protect it from any particular risk.

The risks identified in this section 8 are key risks associated with an investment in Strike Shares but are not an exhaustive list of all risks associated with such an investment. The summary of key risks set out below should be read in conjunction with the detailed information appearing elsewhere in this Bidder's Statement. There may be additional risks and uncertainties not currently known that may also have an adverse effect on the Merged Group's business and the value of Strike Shares.

The risks identified in this section 8 do not take into account the investment objectives, financial situation, tax position or other circumstances of any particular Warrego Shareholder. Warrego Shareholders should have regard to their own investment objectives and financial circumstances and seek professional advice from their legal, financial or other independent adviser before determining whether or not to accept the Offer.

8.2 Risks common to Warrego and Strike

This section 8.2 identifies the key risks common to Warrego and Strike and describes how they could affect Strike or the Merged Group which may in turn affect its financial position, and prospects. Warrego Shareholders are already exposed to these risks through their investment in Warrego. However, if the Offer is accepted, the extent to which a particular risk may affect Strike or the Merged Group may be greater than or less than the extent to which that risk currently affects each of Warrego and Strike individually.

Given the Offer is not subject to a minimum acceptance condition, if Warrego does not become a controlled entity of Strike, a Warrego Shareholder who accepts the Offer will be subject to the risks described in this section 8.2 to the extent that those risks apply to Strike as a standalone entity.

(a) Commodity prices

Warrego's and Strike's common business is heavily dependent on prevailing market prices for its products, primarily gas (only uncontracted gas volumes). Changes in the price of gas will impact Strike or the Merged Group's revenue, cash flows, profitability, and ability to service its debts.

(b) Future operating and capital cost requirements

Development of the Perth Basin assets will require significant capital and operating expenditure, which will need to be supported by external project financing, however there is no certainty Strike or the Merged Group will be able to secure such financing on appropriate terms or at all. Additionally, unexpected changes to future cost profiles (including as a result of a tightening labour and supply market) could result in Strike or the Merged Group's cash requirements being over and above its available liquidity. To the extent Strike or the Merged Group's cash reserves and debt facilities are insufficient to meet its requirements for ongoing operations and capital expenditure, Strike or the Merged Group may need to seek additional debt or equity funding, sell assets or defer capital expenditure. Project finance, specifically, is dependent on signing sufficient gas sale agreements with third parties. To the extent any existing or future customers terminate or repudiate their gas sale agreements or become entitled to withdraw any part of their committed gas purchases (including as a consequence of any delay of the development timetable), Strike or the Merged Group will need to source replacement customers for the purposes of securing or maintaining project finance. Any such failure to obtain project financing funding on reasonable terms may result in a loss of business opportunity and/or excessive funding costs, including potentially significant dilution to existing shareholders if equity funding is pursued.

(c) Project analysis

Warrego and Strike have undertaken technical, financial, operational, business and other analysis in respect of the Perth Basin in order to determine its readiness to proceed from a technical, commercial and economic perspective. It is possible that the analysis undertaken by Warrego and Strike and the best estimate assumptions made by Warrego and Strike draw conclusions and forecasts that are inaccurate or not realised in due course (whether because of flawed methodology, misinterpretation of economic circumstances, supervening events or otherwise). To the extent the actual results achieved are weaker than those indicated by Warrego and Strike's analysis, there is a risk this may have an adverse impact on the financial position, financial performance and/or share price of Strike or the Merged Group.

(d) Ability to exploit successful discoveries

It may not always be possible for Strike or the Merged Group to participate in the exploitation of successful discoveries made in any of the areas in which Strike or the Merged Group has an interest. Such exploitation will involve the need to obtain necessary licences and/or clearances from relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities in a favourable manner. It may or may not be possible for such conditions to be satisfied. Obtaining and complying with the necessary licences, permits, Authorisations, concessions and other approvals in connection with Strike or the Merged Group's activities or governmental regulations can be complex, costly and time-consuming and is not assured. Further, the decision to proceed to exploitation or further exploitation may require the participation and/or support of other companies including joint venturers whose interests and objectives may not be the same as Strike or the Merged Group's. Material delays or failures to successfully complete Strike or the Merged Group's development activities may have a material adverse effect on the operating performance of Strike or the Merged Group or its future prospects.

(e) Exploration, drilling & production

Gas exploration is a speculative endeavour with an associated risk of discovery to find any gas in commercial quantities and a risk of development. No assurances can be given that funds spent on exploration will result in discoveries that will be commercially viable. Future exploration activities, including drilling and seismic acquisition, may result in changes in current prospectivity perceptions of individual prospects, leads and permits. It may even lead to a relinquishment of the permit, or a portion of the permit.

Gas drilling activities are subject to numerous risks, many of which are beyond Strike or the Merged Group's direct control. Drilling activities may be curtailed, delayed or cancelled as a result of weather conditions, unexpected geological conditions, mechanical difficulties, conditions which could result in damage to plant or equipment or the environment, delays in government or regulatory approvals, availability of the necessary technical equipment and appropriately skilled and experienced technicians. Drilling may result in wells that, whilst encountering gas, may not achieve commercially viable results.

Gas projects may be exposed to low side reserve outcomes, cost overruns, and production decrease or stoppage, which may be the result of facility shut-downs, mechanical or technical failure and other unforeseen events. A significant poor development outcome or failure to maintain production could result

in Strike or the Merged Group lowering reserve and production forecasts, loss of revenue and additional operating costs to restore production. In some instances, a loss of production may incur significant capital expenditure, which could require Strike or the Merged Group to seek additional funding.

(f) Operating

Industry operating risks include fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in substantial losses to Strike or the Merged Group due to injury or loss of life, damage to or destruction of property, natural resources, or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties or suspension of operations. Damages occurring to third parties as a result of such risks may give rise to claims against Strike or the Merged Group.

Industrial disputes, work stoppages and occupational safety incidents involving the Merged Group's employees or contractors, natural disasters and extreme weather events, inadequate supply chain performance, deliberate acts of destruction, the inherent uncertainty in reserves estimates, failure of IT and other systems, cyber security disruption, environmental impacts, all contribute towards operational risk, which may have an adverse impact on Strike or the Merged Group's profitability and results of its operations.

(g) Estimates

Underground gas reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid at a certain point in time may alter significantly or become uncertain when new gas reservoir information becomes available through additional drilling or reservoir engineering over the life of the field. As reserve and resource estimates change, development and production plans may be altered in a way that may affect Strike or the Merged Group's operations and/or financial results. Additionally, gas reserves and resources assume that Strike or the Merged Group continues to be entitled to production licences over the fields and that the fields will be produced until the economic limit of production is reached. If any production licences for fields are not granted, renewed or are cancelled, estimated oil and gas reserves and resources may be materially impacted.

(h) Environmental

Strike or the Merged Group's exploration, appraisal, development and production activities may be delayed or may be unsuccessful owing to state, national and international environmental laws and regulations. Gas exploration, development and production can be potentially environmentally hazardous giving rise to substantial costs for environmental rehabilitation, damage control, and losses. Strike or the Merged Group's operations will be subject to environmental controls relating to hazardous operations and the discharge of waste. The legal framework governing this area is complex and constantly developing. There is a risk the environmental regulations may become more onerous, making Strike or the Merged Group's operations more expensive or causing delays. Non-governmental activists' activities may adversely affect gas exploitation activities, whether or not such activities involve fracking, and those activists may successfully lobby for enhanced or altered regulations that impact or prevent exploration or exploitation activities.

(i) Land access and Native Title risk

Land access is critical to the operations of Strike or the Merged Group. Immediate and continuing access to land within Strike or the Merged Group's licence and permit areas cannot in all cases be guaranteed as Strike or the Merged Group may be required to obtain the consent of the owners and occupiers of the relevant land or surrounding land. Compensation may be required to be paid to the owners and occupiers by Strike or the Merged Group in order for Strike or the Merged Group to carry out exploration activities.

In addition, Strike or the Merged Group operate in a number of areas within Australia that are, or may become, subject to claims or applications for native title determinations. These claims and applications have the potential to introduce delays in the granting of petroleum licences and other permits and consequently to have an effect on the timing and cost of exploration, development and production, as well as in respect of the operating costs associated with such activities.

Various aspects of Strike or the Merged Group's future performance and profitability are dependent on the outcome of future negotiations with third parties. In addition to the outcome of negotiations on land

access arrangements and native title issues, future negotiation with the government is expected in respect of licence renewals, developing related infrastructure and work obligations and security for rehabilitation of areas of operation within Strike or the Merged Group's tenements.

Potential claims by community members and landowners, who may have concerns over the social or environmental impacts of oil and gas operations or the distribution of oil and gas royalties and access to petroleum-related benefits, have the potential to affect land access or cause community unrest and activism, which may diminish Strike or the Merged Group's reputation.

(j) Legislative and regulatory risk

Strike or the Merged Group will operate in industries subject to extensive national and local laws and regulations. Non-compliance can lead to regulatory or legal actions and can impact the status of licenses or operatorship. Retention of licences can also be impacted when government development expectations are not met. Changes in government policy, the fiscal regime, regulatory regime or the legislative framework could impact Strike or the Merged Group's business, results from operations, asset valuation or financial condition and performance. The possible extent of such changes that may affect Strike or the Merged Group's business activities cannot be predicted with any certainty. The effects of any such actions may result in, amongst other things, delays or the prevention of Strike or the Merged Group being able to execute certain activities, increased costs (whether in the nature of capital or operating expenses), taxes (direct and indirect), or domestic market obligations. Companies in the energy and industrials sectors may be subject to paying direct and indirect taxes, royalties and other imposts in addition to normal company taxes. Strike or the Merged Group's profitability may be affected by changes in government taxation and royalty policies or in the interpretation or application of such policies. In addition to changes in existing tax laws, risk is also embedded in the interpretation or application of existing tax laws, especially where specific guidance is unavailable or has not been tested in the relevant tax jurisdiction. Strike or the Merged Group may also be forced to surrender or sell certain of its assets if required to do so by regulatory authorities, whether on a temporary or permanent basis.

(k) Climate change

Strike or the Merged Group are exposed to a number of climate change related risks. Material climate related risks include: changes in demand for products due to regulatory and technological changes (transitional risk), increases in operating costs of assets due to carbon-pricing policies or other market mechanisms, physical damage to assets or interruption to operations from climatic changes and extreme weather events, restrictions on capital deployment to carbon intensive industries, and reputational damage driven by stakeholder activism and changing societal expectations. The occurrence of any of these risks could result in asset impairment, lost revenue and damage to brand value, amongst other things.

(l) Joint venture risk

Strike is currently, and the Merged Group may in the future, become a party to joint venture or joint operating agreements for the licences, leases and permits in which it holds interests. Subject to any sole risk development rights that may exist in the joint venture agreement, Strike or the Merged Group may require the agreement of other joint venturers to proceed with an exploration, appraisal or development project. Where sole risk development rights are exercisable by a party to a joint venture or joint operating agreement, Strike or the Merged Group may not, for whatever reason, be in a position to participate and in those circumstances Strike or the Merged Group may not benefit wholly or at all from development activities which are undertaken by a counterparty exercising its sole development rights.

Strike or the Merged Group's joint venture partners may have economic or other business interests or goals that are inconsistent with the business interest or goals of Strike or the Merged Group and may be in a position to take actions contrary to Strike or the Merged Group's objectives or interests. Where a joint venture partner does not act in the best interests of the joint venture, there is underperformance by the joint venture management team or where the interests of joint venture partners do not align with Strike or the Merged Group, this may adversely affect Strike or the Merged Group's business, financial condition or results of operations.

(m) Counterparty and credit risk

A dispute, or a breakdown in the relationship, between Strike or the Merged Group and governments, regulators its joint venturers, suppliers or customers, a failure to reach a suitable arrangement with a

particular joint venturer, supplier or customer, the failure of a joint venturer, supplier or customer to pay or otherwise satisfy its contractual obligations (including as a result of insolvency, financial stress or the impacts of COVID-19) or termination of an existing arrangement by a particular counterparty, could have an adverse effect on the reputation and/or the financial performance of Strike or the Merged Group. Strike's relationship with its lending bank is particularly important. If Strike or the Merged Group's financial position deteriorates materially, and such banks are unwilling to grant covenant waivers or amendments to Strike's financing facilities then the potential resulting debt covenant breaches may affect Strike or the Merged Group's ability to finance its business. Strike or the Merged Group may also be adversely affected if a counterparty seeks to amend the terms (including pricing) of an existing contract, whether in anticipation of a potential breach of contract by such counterparty or otherwise. A breakdown in the relationship with a counterparty as a consequence of these or other factors may also adversely affect Strike or the Merged Group's future business prospects with that counterparty.

(n) Reliance on third party infrastructure

As is common in the energy and industrial sectors, Warrego and Strike rely on access to properly maintained operating infrastructure and shared facilities that, in some circumstances, may not be directly controlled by Strike or the Merged Group in order to deliver its production to the market. There can be no guarantee that Strike or the Merged Group will be able to maintain or obtain access to relevant infrastructure on commercially acceptable terms. Any delay or failure to access or properly maintain operating infrastructure or shared facilities may have a material adverse effect on the operating and financial performance of Strike or the Merged Group.

(o) Acquisitions and divestments

Strike or the Merged Group will from time to time evaluate acquisitions and divestment opportunities across its range of assets and businesses, and engages in confidential negotiations with third parties with respect to these opportunities. However, neither of the opportunities nor the negotiations will be disclosed publicly until such time as the prospects of transacting are sufficiently certain, and Strike or the Merged Group has determined the impact of the potential transaction would be material to the price of Strike Shares. Any acquisitions or divestments may lead to changes in future capital and operating expenditure obligations which may impact on Strike or the Merged Group's funding requirements.

(p) Personnel

The operating and financial performance of Strike or the Merged Group is in part dependent on its ability to retain and attract key personnel. Whilst Strike or the Merged Group will make every reasonable effort to retain key personnel, there can be no guarantee that it will be able to retain its management team. There is also a risk that, in the current or future market conditions, Strike or the Merged Group may need to pay a higher than expected cost to acquire or retain the necessary labour.

(q) Greater Erregulla development risks

The proposed development of the Greater Erregulla project is contingent upon, among other things, securing access to third party processing infrastructure and project financing on terms acceptable to Strike or the Merged Group, procurement of contractors for the construction of the upstream development, securing all requisite approvals, permits, licences and clearances from regulatory and other stakeholders on terms and conditions acceptable to Strike or the Merged Group, and Strike or the Merged Group being willing and able to take an investment decision on any given project. Project finance is in turn dependent on signing sufficient gas sale agreements with third parties. To the extent any existing or future Greater Erregulla customers terminate or repudiate their gas sale agreements or become entitled to withdraw any part of their committed gas purchases (including as a consequence of the delay of the development timetable) Strike or the Merged Group will need to source replacement customers for the purposes of securing project finance. Timing of the development is, in turn, dependent on the time required to secure the foregoing with the potential for delay where Strike or the Merged Group is not in a position to control the timeline or mitigate delay.

(r) Litigation

From time to time, Strike or the Merged Group may be involved in disputes and litigation relating to the conduct of its business. The risk of litigation is a general risk of Strike or the Merged Group's business and it may incur costs in making payments to settle claims or in complying with any court order (which may

not be covered adequately, if at all, by insurance). Any material dispute or litigation could adversely affect the financial position and the financial performance of Strike or the Merged Group.

(s) Cyber security risks

The integrity, availability and reliability of data within Strike or the Merged Group's information technology systems may be subject to intentional or unintentional disruption. Given the increasing level of sophistication and scope for potential cyber-attacks, these attacks may lead to significant breaches of security that could jeopardise the sensitive information and financial transactions of Strike or the Merged Group (from a cyber perspective) and property and environmental damage (from a physical perspective). This risk may be elevated as a result of the COVID-19 pandemic and the increase in remote working by Strike or the Merged Group's staff and contractors.

(t) Insurance coverage

Strike or the Merged Group will seek to maintain appropriate policies of insurance that are consistent with those customarily carried by similar organisations in the energy sector. Any future increase in the cost of such insurance policies, or an inability to fully replace, renew or claim against insurance policies could adversely affect Strike or the Merged Group's business, financial position and operational results.

Additionally, there is no assurance that Strike or the Merged Group's insurance coverage will be sufficient to compensate it against all losses it may suffer as a result of an incident affecting its assets. There are certain types of risks that are not covered by insurance because they are either uninsurable or not economically insurable, including acts of war, acts of terrorism, civil unrest and business disruption caused by outbreaks of disease (including the COVID-19 pandemic). If such events were to occur, Strike or the Merged Group may have to bear the costs of any uninsured risk or uninsured amount and this could have a material adverse effect on Strike or the Merged Group's business, financial position and operational results.

(u) Coronavirus (COVID-19)

There continues to be uncertainty as to the duration and further impact of COVID-19 pandemic on the global and Australian economies, including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions. The impact of some or all of these factors could cause significant disruption to Strike or the Merged Group's operations and financial performance. A suspension of business operations and/or quarantining of Strike or the Merged Group employees or may affect Strike or the Merged Group's overall operations and Strike or the Merged Group's operating results. A continuation or escalation of the COVID-19 pandemic could also materially affect the ability of Strike or the Merged Group's suppliers to provide products and services and threaten their ability to continue trading. If Strike or the Merged Group is unable to source spare parts for machinery and operations or other products and services, including personnel, then Strike or the Merged Group may need to suspend certain operations on a temporary or a prolonged basis. These factors are beyond Strike or the Merged Group's control and could have an adverse effect on the overall business sentiment and environment, causing material uncertainties in the regions where Strike or the Merged Group conducts its business, causing Strike or the Merged Group's business to suffer in ways that cannot be predicted with any reasonable certainty, and which may materially adversely impact Strike or the Merged Group's business, financial condition and results of operations.

(v) Russia-Ukraine Conflict

The current ongoing military action between Russia and Ukraine creates uncertainty about the potential impact on financial markets and the global economy. The conflict may contribute to increased short to medium-term market volatility, as well as increases in global energy prices. Refer to section 8.2(a) above for further information on how changes in commodity prices may impact Strike or the Merged Group.

(w) Other risks

Additional risks and uncertainties not currently known may also have an adverse effect on the Merged Group and the value of Strike's Shares. The information set out in this section 8.2 does not purport to be, nor should it be construed as representing, an exhaustive summary of the risks that may affect the performance of the Merged Group and Strike's Shares.

8.3 Risks specific to Strike

In addition to the risks common to both Warrego and Strike, there are risks to which Strike and its businesses are currently exposed but to which Warrego and its businesses are not currently exposed. This section 8.3 identifies the most significant of these risks and describes how they could affect the Merged Group. Warrego Shareholders are not currently exposed to these risks through their investment in Warrego but (other than in the case of Ineligible Foreign Warrego Shareholders or Small Warrego Shareholders) will become exposed to these risks if the Offer is accepted. The extent to which a particular risk may affect the Merged Group may be greater than or less than the extent to which that risk currently affects Strike.

Project Haber and proposed geothermal energy strategies are distinct to Strike. Most of the risks outlined in section 8.2 also apply to Project Haber and Strike's proposed geothermal strategies and should be considered by investors. The following specific additional risks also apply to Project Haber and Strike's proposed geothermal strategies.

(a) Commodity prices

Strike's business is heavily dependent on prevailing market prices for its products including, subject to successful implementation of Project Haber strategy, urea and related products. Changes in the prices of these commodities will impact the Strike's or the Merged Group's revenue, cash flows, profitability, and ability to service its debts.

(b) Additional future operating and capital cost requirements

Development of Strike's other assets (including Project Haber and proposed geothermal energy strategies) will require significant capital and operating expenditure, which will need to be supported by external project financing, however there is no certainty Strike will be able to secure such financing on appropriate terms. Additionally, unexpected changes to future cost profiles (including as a result of a tightening labour and supply market) or projected cash flows (including as a result of production delays) could result in Strike's or the Merged Group's cash requirements being over and above its available liquidity. To the extent that Strike or the Merged Group's cash reserves and debt facilities are insufficient to meet its requirements for ongoing operations and capital expenditure, Strike or the Merged Group may need to seek additional debt or equity funding, sell assets or defer capital expenditure. Strike is investigating the possibility of selling down a minority interest of its interest in Project Haber at the project level, which is the primary mechanism that Strike intends to use to fund its equity contribution to construction of Project Haber. There can be no assurances that Strike will be able to obtain project financing funding on reasonable terms or at all. Any such failure to obtain project financing funding on reasonable terms may result in a loss of business opportunity and excessive funding costs, including dilution to existing shareholders if equity funding is pursued.

(c) Debt exposure

Strike currently has \$33 million of secured debt financing facilities with Macquarie Bank to cover pre-development and development costs across its portfolio of gas projects, and has agreed a new secured financing package with Macquarie Bank to refinance the existing \$33 million debt facility, provide an additional committed \$40 million secured facility to fund drilling of two appraisal wells at South Erregulla, and a further uncommitted \$80 million facility to fund the Greater Erregulla gas development. Refer to section 3.6(a) for the details of these facilities. Security has also been provided over the Precinct land for \$6 million to Rabo Bank Australia. Warrego Shareholders should be aware of the risk associated with these debt facilities which will affect Strike Shareholders and shareholders of the Merged Group, in particular the risk that Strike fails to comply with the debt facility covenants, which could lead to an event of default and repayment obligation together with enforcement of the security granted for the facilities and, as a result, loss of control and ownership of the secured assets.

(d) Project analysis

Strike has undertaken technical, financial, operational, business and other analysis in respect of Project Haber and proposed geothermal energy projects in order to determine its readiness to proceed from a technical, commercial and economic perspective. It is possible that the analysis undertaken by Strike, and the best estimate assumptions made by Strike, draw conclusions and forecasts that are inaccurate or not realised in due course (whether because of flawed methodology, misinterpretation of economic

circumstances, supervening events or otherwise). To the extent the actual results achieved by Project Haber and/or the proposed geothermal energy project is weaker than those indicated by Strike's analysis, there is a risk this may have an adverse impact on the financial position, financial performance and share price of Strike. Furthermore, Strike's geothermal energy projects are subject to the grant of a Geothermal Exploration Permit and the area of land ultimately awarded (if at all). The application for the Geothermal Exploration Permit remains pending as at the Announcement Date.

(e) Environmental

The implementation of Project Haber and the proposed geothermal energy project can be potentially environmentally hazardous, giving rise to substantial costs for environmental rehabilitation, damage control, and losses. Strike's operations will be subject to environmental controls relating to hazardous operations and the discharge of waste. The legal framework governing this area is complex and constantly developing. There is a risk that the environmental regulations may become more onerous, making Strike's operations more expensive or causing delays.

8.4 Risks relating to the creation of the Merged Group

This section 8.4 identifies risks that specifically relate to, or arise as a result of, acceptance of the Offer, and describes how they could affect the Merged Group.

(a) Less than 50.1% ownership in Warrego

There is a risk the final level of ownership acquired by Strike may be 50% or less, which may impact upon Strike's intentions for Warrego (refer to section 6 of this Bidder's Statement). This could have a material adverse effect on the Merged Group. The Hancock Revised Offer may impact Strike's ability to achieve more than 50.1% ownership in Warrego at close of the Offer.

(b) Issue of Strike Shares as Offer Consideration

Pursuant to the Offer, Strike will issue a significant number of Strike Shares as Offer Consideration to Warrego Shareholders. The increase in the number of Strike Shares (being the issued share capital of the Merged Group) may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Strike Shares. Accordingly, the market value of the Strike Shares may vary from their market value on the date that the Warrego Shareholders accept the Offer.

The value of the Offer Consideration provided to Warrego Shareholders under the Offer may be affected by market fluctuations. Strike is under no obligation to adjust the Offer Consideration payable to accepting Warrego Shareholders if the value of the Strike Shares changes during the Offer Period.

Additionally, if current Strike Shareholders do not wish to hold shares in the Merged Group and seek to sell their Strike Shares, this may have a material adverse effect on the Merged Group and the price of the Strike Shares.

Refer to section 8.5 for risk factors relating to the trading price of Strike Shares.

(c) Assumed Warrego Information

In preparing the information in this Bidder's Statement, Strike has relied upon information in relation to Warrego that is publicly available and has not been independently verified by Strike (except as otherwise disclosed in this Bidder's Statement).

As Strike and Strike West have conducted only limited due diligence on Warrego based on publicly available information there could be circumstances relating to Warrego that Strike is unaware of and could adversely affect the anticipated results of the operations of the Merged Group, including the basis for preparing financial information for Warrego.

(d) Potential unavailability of scrip for scrip rollover relief

The availability of scrip for scrip rollover relief on the disposal of Warrego Shares is only available to Warrego Shareholders where Strike acquires 80% or more of the Warrego Shares. If this does not occur and the Offer is declared unconditional, Warrego Shareholders will not be able to defer any capital gains they realise on the disposal of their Warrego Shares. Any capital gains will therefore be subject to tax in the income year in which the disposal takes place.

8.5 Risk factors relating to the trading price of Strike Shares

The market value of the Strike Shares issued under the Offer will depend on the trading price of those shares. There is no guarantee the trading price of Strike Shares will increase in the future, nor that the trading price in the future will be the same as the current trading prices of Strike Shares. The market price of Strike Shares may fall due to the factors described elsewhere in this section 8 and other factors, some of which are beyond Strike's control, including, but not limited to:

- general economic conditions and changes in law, regulation or government policy (whether or not such changes also affect the operations of Strike or the Merged Group);
- changes in interest rates and the rate of inflation;
- operating results that do not meet the expectations of securities analysts and investors or changes in expectations as to Strike's or the Merged Group's future financial performance by securities analysts and investors;
- investor sentiment including in relation to the oil and gas sector, general movements in securities markets and changes in market valuations of other companies in the same or similar sector to Strike or the Merged Group;
- the announcement of acquisitions, strategic partnerships, joint ventures or capital commitments by Strike or its competitors;
- the development of new technologies and displacement of existing technologies;
- the impact of COVID-19, including on health of workforce, the industry, customers, supply chains and travel and other restrictions;
- geo-political conditions such as acts or threats of terrorism or military conflicts (including the current conflict between Russia and Ukraine which may continue to contribute to increased volatility in global energy markets); and
- future issues by Strike of debt or Equity Securities.

9. AUSTRALIAN TAXATION SUMMARY

9.1 Disclaimer

The information contained in this Australian tax summary is of a general nature only. It is not intended to be legal or tax advice and will not address all of the tax issues that may be relevant to you if you dispose of Warrego Shares. You should obtain independent tax advice relevant to your own particular facts and circumstances including the Australian taxation consequences of accepting the Offer.

You should also take into account the tax consequences that arise in your country of tax residence or any other country in which you may be liable for tax.

This is a general summary of the key Australian income tax, GST and stamp duty implications that may arise for you if you sell any Warrego Shares to Strike West under the Offer. This summary is based on the Australian tax laws and relevant administrative practices that are currently in force as at the Announcement Date, which may change.

This Australian taxation summary is limited in scope and is only relevant to you and Your Warrego Shares if you hold those Warrego Shares on capital account (broadly, for long-term investment purposes with no sale in contemplation). This summary may not apply to you if:

- you acquired or hold any Warrego Shares in the course of carrying on a business or for the purpose of resale at a profit (for example, you are in the business of trading or investment or you are a bank or an insurance company) or you are subject to the taxation of financial arrangements provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in respect of any Warrego Shares;
- you acquired Your Warrego Shares through an employee share, option or rights scheme;
- you are an insurance company, bank, an investor who holds shares on a revenue account or carries on a business of dealing in securities, or a shareholder who acquired shares pursuant to an employee share plan; or
- you are exempt from Australian income tax.

9.2 Disposal of Warrego Shares

(a) Australian tax resident Warrego Shareholders

General

If you accept the Offer and Your Warrego Shares are transferred to Strike West, this will be a CGT event for Australian CGT purposes. In this event, the disposal of those Warrego Shares will have capital gains tax implications for you, subject to the potential application of the scrip for scrip roll-over rules discussed below.

If you do not accept the offer but Your Warrego Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, this will also be a CGT event for Australian CGT purposes, and you will also be treated as having disposed of Your Warrego Shares for CGT purposes.

Time of CGT event

The time of your CGT event will be one of the following times:

- if you accept the Offer, your disposal should take place on the date the Offer is accepted by you; or
- if you do not accept the Offer and Your Warrego Shares are compulsorily acquired, your disposal should take place on the date Strike West becomes the owner of those Warrego Shares.

Capital gain or capital loss

Subject to the potential application of the scrip for scrip roll-over rules discussed below, you may make a capital gain or capital loss on the disposal of Your Warrego Shares to Strike West depending on the total consideration that you receive for the disposal of those Warrego Shares and the CGT cost base or reduced cost base of those Warrego Shares. You will have a capital gain from the disposal of Your Warrego Shares

if the Offer Consideration exceeds the cost base of those Warrego Shares. You will have a capital loss if the Offer Consideration is less than the reduced cost base of Your Warrego Shares.

The Offer Consideration will be the market value of the Offer Consideration, calculated at the date of CGT disposal. For these purposes, the Offer Consideration should be valued at their market value as at the time of the CGT disposal.

Generally, and subject to the comment in the section below with the title 'scrip for scrip roll-over relief', the cost base or reduced cost base Your Warrego Shares for capital gains tax purposes will include, among other things, the amount paid to acquire those Warrego Shares and any incidental costs.

If you make a capital gain from the disposal of Your Warrego Shares, that capital gain will be combined with any other capital gains you have made for the income year, then the total will be applied against any current year or carried forward capital losses (before taking into account the CGT discount (discussed below)).

CGT discount

You may be entitled to CGT discount treatment to reduce the amount of the capital gain included in your assessable income from any disposal of Your Warrego Shares. Where CGT discount treatment applies to you, the rate of CGT discount applicable is 50% (if you are an individual or hold your shares as a trustee) or 33.33% (if you are a complying superannuation entity) of any capital gain on Warrego Shares which you held for at least 12 months (excluding the date of acquisition and the date of disposal) and which are not disposed of under an agreement entered into within 12 months of acquisition. Any available capital losses will then be applied against the total capital gains made for the income year, following which the CGT discount (if available) is applied to any remaining discountable capital gains. A resulting 'net' capital gain will be included in your assessable income for the income year.

If you make a capital loss from the disposal of Your Warrego Shares, the capital loss may only be offset against your assessable capital gains (before taking into account the CGT discount, if applicable). Any excess capital loss may be applied against your future assessable capital gains (before taking into account the CGT discount, if applicable).

The CGT discount will not apply to Warrego Shareholders that are companies, and it also does not apply to Warrego Shares that have been owned, or are deemed to be owned, for less than the relevant 12 month period.

Scrip for scrip roll-over relief

Scrip for scrip roll-over relief will be available if Strike West acquires at least 80% of the Warrego Shares through the Offer, including any Warrego Shares already held. In this case, Australian resident Warrego Shareholders who have a capital gain on their Warrego Shares can choose to apply roll-over for that part of their Warrego Shares for which they receive the Offer Consideration, meaning that any such capital gain may be deferred.

In order to choose scrip for scrip roll-over relief, Warrego Shareholders must make an election prior to lodging their income tax return for the income year in which the CGT event occurs. The way you prepare your income tax return is sufficient evidence of the making of that election. Strike will not make a choice under section 124-795(4) of the *Income Tax Assessment Act 1997* (Cth) to deny scrip for scrip roll-over relief.

Roll-over relief is not available if a capital loss arises on the exchange of the Warrego Shares.

CGT on subsequent disposal of Strike Shares

A subsequent disposal of Strike Shares will generally result in Australian CGT implications as described above. These will differ depending upon whether or not, and the extent to which, scrip for scrip roll-over relief was claimed in relation to the disposal of Warrego Shares pursuant to the Offer.

Where you choose scrip for scrip roll-over relief, the cost base for the Strike Shares will be the cost base of the original Warrego Shares. Other amounts may be included in the cost base of the Strike Shares, such as any incidental costs to sell the Strike Shares. A shareholder will be taken to have acquired the Strike Shares at the time the Warrego Shares were originally acquired for CGT purposes, including the CGT discount. You will be taken to have acquired your Strike Shares at the time you originally acquired Your Warrego Shares.

Where scrip for scrip roll-over relief was not claimed or was not available in relation to the disposal of the Warrego Shares, the cost base of the Strike Shares (spread equally over those Strike Shares) would include the market value of the Warrego Shares disposed of under the Offer at the time the Offer is accepted. Other amounts may be included in the cost base of the Strike Shares, such as any incidental costs to sell the Strike Shares. A shareholder will be taken to have acquired the Strike Shares at the time the Warrego Shares disposed for CGT purposes and a CGT discount may be available for certain shareholders if the Strike Shares are held for at least 12 months.

(b) Foreign resident Warrego Shareholders

For a Warrego Shareholder who:

- is a foreign resident of Australia for Australian income tax purposes; and
- does not hold their Warrego Shares in carrying on a business through a permanent establishment in Australia,

their disposal of Warrego Shares will generally only result in Australian CGT implications if their Warrego Shares are 'indirect Australian real property interests' under the *Income Tax Assessment Act 1997* (Cth), which requires both of the following conditions to be satisfied:

- that Warrego Shareholder together with its associates held 10% or more of the Warrego Shares at the time of disposal or for any continuous 12 month period within two years preceding the disposal (referred to as a 'non-portfolio interest' in Warrego); and
- more than 50% of Warrego's value is attributable to direct or indirect interests in 'taxable Australian real property' (as defined in the *Income Tax Assessment Act 1997* (Cth)) (**TARP Test**).

Strike expects that the TARP Test is likely to be satisfied for Warrego.

Notwithstanding the base rollover conditions may otherwise be satisfied, foreign resident Warrego Shareholders who hold (or have held) a non-portfolio interest may not be entitled to apply scrip for scrip rollover and such shareholders should obtain independent professional advice as to the tax implications of a disposal of their Warrego Shares.

A foreign resident Warrego Shareholder who has previously been a resident of Australia and chose to disregard a capital gain or loss on their Warrego Shares on ceasing to be a resident should, in broad terms, be subject to Australian CGT consequences on disposal of their Warrego Shares as set out in section 9.2(a). However, scrip for scrip rollover may not be available in this case (even where Strike Shares are received) and such shareholders should seek independent professional advice in relation to their particular circumstances.

Note that Warrego Shareholders who are Ineligible Foreign Warrego Shareholders will not be entitled to receive Strike Shares as consideration for their Warrego Shares pursuant to the Offer. Scrip for scrip rollover will not be available for Warrego Shareholders who do not receive Strike Shares as consideration for their Warrego Shares pursuant to the Offer.

Foreign resident CGT withholding tax rules

Pursuant to the foreign resident CGT withholding tax rules, unless an exemption or variation applies, Strike West may be required to pay (in cash) to the Commissioner of Taxation an amount equal to 12.5% of the capital proceeds provided for the acquisition of Warrego Shares from certain Warrego Shareholders (i.e., an amount equal to 12.5% of the Offer Consideration).

The foreign resident CGT withholding tax rules aim to facilitate the collection of CGT from foreign resident sellers and normally would only be expected to apply to the disposal of Warrego Shares where the Warrego Shareholder meets the following conditions:

- it is a foreign resident for Australian income tax purposes (but note the comments below);
- it holds (or has held) a non-portfolio interest in Warrego, as described above; and
- Warrego satisfies the TARP Test, as described above.

Strike West may have the obligation to withhold tax of 12.5% from the Offer Consideration where the Warrego Shareholder is a foreign resident for Australian income tax purposes and their Warrego Shares are 'indirect Australian real property interests' (as that term is defined in the *Income Tax Assessment Act 1997* (Cth)).

A Warrego Shareholder that does not meet the conditions of the foreign resident CGT withholding tax rules described above should provide Strike West with a signed and completed declaration (**CGT Declaration**). This includes either of the following:

- Warrego Shareholders who are Australian residents for tax purposes;
- Warrego Shareholders who are foreign residents for tax purposes, and whose Warrego Shares are 'membership interests' but not 'indirect Australian real property interests' (as those terms are defined in the *Income Tax Assessment Act 1997* (Cth)).

Where a Warrego Shareholder has provided a signed and completed CGT Declaration prior to Strike West acquiring its Warrego Shares, Strike West will not deduct a foreign resident CGT withholding tax amount (i.e., a portion of the Offer Consideration receivable by the Warrego Shareholder), unless Strike West knows the CGT Declaration is false.

However, Strike West may deduct a foreign resident CGT withholding tax amount where it does not receive a signed and completed CGT Declaration prior to Strike West acquiring the Warrego Shares from that Warrego Shareholder. In this case, Strike West may deduct this amount on account of the foreign resident CGT withholding tax liability to the Commissioner of Taxation, where:

- Strike West knows the Warrego Shareholder is a foreign resident for Australian income tax purposes;
- Strike West reasonably believes that the Warrego Shareholder is a foreign resident for Australian income tax purposes;
- Strike West does not reasonably believe that the Warrego Shareholder is an Australian resident for Australian income tax purposes and either:
 - the Warrego Shareholder has an address outside Australia (according to any record that is in Strike West's possession or is kept or maintained on Strike West's behalf about the disposal of Warrego Shares); or
 - Strike West is authorised to provide a related financial benefit to a place outside Australia; or
- the Warrego Shareholder has a connection outside Australia of a kind specified in the relevant regulations under the *Income Tax Assessment Act 1997* (Cth).

If Strike West reasonably believes that a liability to foreign resident CGT withholding tax will arise, in respect of the disposal of Warrego Shares by a particular Warrego Shareholder, then Strike West will deduct (withhold) an amount, on account of and to satisfy this liability, from that particular Warrego Shareholder's Offer Consideration. The Warrego Shareholder will only receive, after deduction of this amount, the net proceeds (including, where applicable, the requisite net number of Strike Shares after an adjustment in respect of deduction on account of this amount to reduce the number of Strike Shares provided), and the deducted amount will be paid by Strike West to the Commissioner of Taxation.

A Warrego Shareholder who believes the disposal of their Warrego Shares may trigger a foreign resident CGT withholding tax liability should obtain independent professional advice and consider contacting Strike West.

The foreign resident CGT withholding tax is not a final withholding tax. Accordingly, a Warrego Shareholder should be able to claim a credit for any foreign resident CGT withholding tax amount deducted and remitted by Strike West (in respect of the disposal of Warrego Shares by that Warrego Shareholder) in their Australian income tax return for the relevant year. In addition, the Warrego Shareholder may apply to the Commissioner of Taxation prior to the disposal of their Warrego Shares to vary the rate of withholding down from 12.5%, if the tax liability expected to arise from that disposal is less than 12.5% of the Offer Consideration.

9.3 GST and stamp duty

No Australian stamp duty or GST is payable by you on the sale of Your Warrego Shares to Strike West pursuant to the Offer. You may be charged GST on incidental costs incurred in acquiring or disposing of Your Warrego Shares. You may be entitled to input tax credits or reduced input tax credits for such costs, but should seek independent professional advice in relation to your own particular circumstances.

10. ADDITIONAL INFORMATION

10.1 Interests in Strike and Warrego Securities

(a) Interests in Strike Securities held by directors of Strike and Strike West

The number, description and amount of marketable securities of Strike in which each director of Strike holds or controls as at the Announcement Date is set out in Figure 35.

Figure 35: Interests in Strike Securities held by directors of Strike and Strike West

| Director | Strike | | |
|-----------------|------------|------------------------|-------------------------|
| | Shares | Options | Performance Rights |
| John Poynton | 16,000,000 | 7,000,000 ¹ | - |
| Neville Power | 17,612,885 | 6,000,000 ¹ | - |
| Stuart Nicholls | 10,882,642 | - | 10,692,787 ² |
| Mary Hackett | 601,117 | 5,000,000 ¹ | - |
| Stephen Bizzell | 15,756,452 | 5,000,000 ¹ | - |
| Andrew Seaton | 5,630,434 | 5,000,000 ¹ | - |

Note:

¹ Unlisted options expiring 24 November 2025 with an exercise price of \$0.40 each.

² Strike Performance Rights are unlisted options to acquire one Strike Share for a nil subscription price, subject to certain specified vesting conditions. 1,253,254 Strike Performance Rights held by Stuart Nicholls vest on 23 December 2022.

(b) Interests in Warrego Securities held by Strike and Strike West and directors of Strike and Strike West

As at the Announcement Date:

- Strike's voting power in Warrego is 19.94%;⁵⁰ and
- Strike and its associates have relevant interests in 243,889,618 Warrego Shares,

noting that Strike's voting power includes 1,400,000 Warrego Shares (0.11% voting power) held by Neville Power and Myube. Neville Power may be an associate of Strike by virtue of his position as a Strike Director.

As noted above, Strike Director Neville Power has a relevant interest in 1,400,000 Warrego Shares which are legally held by Myube.

Other than as set out above, as at Announcement Date no other directors of Strike or Strike West have a relevant interest in Warrego securities.

10.2 Dealing in Warrego Shares

(a) Acquisitions of Warrego Shares by Strike and its associates

In the period beginning four months before the Announcement Date and ending on the day immediately before the Announcement Date, Strike have provided, or agreed to provide, consideration for 149,177,008⁵¹ Warrego Shares under share purchase agreements with certain Warrego Shareholders dated 6 December 2022. Refer to Strike's substantial shareholder notice lodged on Warrego's market

⁵⁰ Strike's voting power comprises 19.83% held by the Strike Group and 0.11% held by Neville Power and Myube based on 1,223,122,326 total Warrego Shares on issue.

⁵¹ On 7 December 2022 Strike announced it had entered into share purchase agreements pursuant to which Strike had agreed to acquire 149,573,198 Warrego Shares in consideration for the issue of one Strike Share for each Warrego Share. A counterparty to a share purchase agreement was unable to fully comply with its settlement obligations and so the total number of Warrego Shares acquired under the share purchase agreements is 149,177,008.

announcements platform on 7 December 2022 for further details and copies of the share purchase agreements.⁵²

The consideration payable by Strike to the vendor under each share purchase agreement was one Strike Share for every one Warrego Share acquired. The implied offer price calculated in accordance with ASIC Regulatory Guide 9: *Takeover Bids* on the basis of the VWAP for Strike Shares over the two Trading Days before the date of the pre-bid purchase is \$0.3206.

The share purchase agreements otherwise contained customary terms and conditions.

Otherwise, neither Strike nor any its associates has provided, or agreed to provide, consideration for a Warrego Share under any purchase or agreement during the 4 months before the Announcement Date.

Other than as set out below and as otherwise expressly disclosed in this Bidder's Statement, neither Strike, Strike West nor any of their associates has provided, or agreed to provide, consideration for Warrego Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer.

(b) Valuation of quoted securities

Strike West may rely on the provisions of ASIC Corporations (*Minimum Bid Price*) Instrument 2015/1068, which provides relief from the requirement in section 621(4) of the Corporations Act and allows a bidder up to five Business Days before the date of the takeover bid to value the quoted securities being offered as consideration under the takeover bid, for the purposes of determining whether the value of its bid consideration at least equals the maximum value of consideration paid by the bidder for bid class securities in the four months prior to the date of the offer.

Relying on that relief, Strike West may value the Strike Shares to be provided under the Offer at the Valuation Date. The valuation is determined by calculating the VWAP of the Strike Shares in the ordinary course of trading on ASX and during two full days before the Valuation Date.

Under section 621(4A) of the Corporations Act (as inserted into the Corporations Act by the ASIC Corporations (*Minimum Bid Price*) Instrument 2015/1068) the following information is provided:

- the value of Strike Shares under section 621(4A): \$0.3744 per Strike Share;
- the Valuation Date: Monday, 9 January 2023; and
- the Trading Days on which the valuation is based: Thursday, 5 January 2023 and Friday, 6 January 2023.

The value of the Offer per Warrego Share for the purpose of section 621 of the Corporations Act using this valuation is therefore \$0.3744. This value exceeds the maximum value of consideration paid by Strike and its associates for Warrego Shares in the four months prior to the date of the Offer.

10.3 No escalation agreements

Neither Strike nor any of their associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

10.4 Pre Offer benefits

Neither Strike nor any of its associates has, during the period of four months before the Announcement Date, or in the period between the Announcement Date and the date of the Offer, given, offered or agreed to give a benefit to another person which was likely to induce the other person, or an associate, to:

- accept an offer; or
- dispose of Warrego Shares;

which the benefit was not offered to all Warrego Shareholders under the Offer.

⁵² As at the Announcement Date, 25,642,826 Strike Shares have been issued pursuant to the share purchase agreements. A further 123,534,182 Strike Shares are expected to be issued.

10.5 Director's and officer's indemnity and insurance

The Strike and Strike West constitutions permit the grant of an indemnity (to the maximum extent permitted by law) in favour of any current or former director of Strike or Strike West or company secretary of Strike or Strike West. Strike has entered into deeds of indemnity and access with all current directors of the Strike Group. This indemnity is against liability to third parties by such officers unless excluded by law. The indemnity also covers costs or expenses incurred by an officer in defence of proceedings relating to that person's position. Strike also maintains an insurance policy in respect of certain present and future officers of the Strike Group against certain liability incurred in that capacity.

10.6 Other interests of directors and advisers of the Strike Group

Except as disclosed in this Bidder's Statement, no:

- director or proposed director of Strike West or director or proposed director of Strike;
- person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- promoter of Strike or Strike West,

has, or has had in the two year period ending on this Announcement Date, any interest in:

- the formation or promotion of Strike or Strike West;
- property acquired or proposed to be acquired by Strike or Strike West in connection with its formation or promotion, or the offer of Strike Shares under the Offer; or
- the offer of Strike Shares under the Offer.

DLA Piper has acted as legal adviser to the Strike Group in connection with the Offer and is entitled to professional fees in accordance with its normal time-based charges.

Macquarie Finance has acted as financial adviser to the Strike Group connection with the Offer and is entitled to receive professional fees for these services.

Boardroom has acted as Strike's share registry service provider in connection with the Offer and is entitled to professional fees in accordance with its normal time-based charges.

Boardroom is Strike's share registry and has been engaged by Strike to assist with certain aspects of the Offer, including facilitating the despatch of this Bidder's Statement. Boardroom is entitled to receive fees for these services as well as fees for its services as Strike's share registry.

Except as disclosed in this Bidder's Statement, no amount of any kind (whether in cash or shares or otherwise) has been paid or agreed to be paid to any director or proposed director of Strike or Strike West or to any company or firm with which a director is associated to induce him or her to become, or to qualify as, a director of Strike or Strike West or otherwise for services rendered by him or her or any company or firm with which the Strike Director is associated in connection with the promotion or formation of Strike, Strike West or the Offer.

10.7 No Prescribed Occurrences Condition

(a) Current status of No Prescribed Occurrences Condition

As at the Announcement Date, Strike West is not aware of any fact, matter or circumstance that would, or is likely to, result in the non-fulfilment of the No Prescribed Occurrences Condition.

(b) Events which trigger a breach of the No Prescribed Occurrences Condition

Under the Offer Terms and the Corporations Act, the No Prescribed Occurrences Condition can be waived by Strike West at any time before the end of the Offer Period.

If an event occurs which would, or is likely to, result in the non-fulfilment of the No Prescribed Occurrences Condition, Strike West does not intend to make a decision as to whether it will rely on such non-fulfilment or waive the No Prescribed Occurrences Condition until the date for giving notice as to the status of the Offer Conditions under section 630(3) of the Corporations Act. If Strike West wishes to waive the No Prescribed Occurrences Condition, then under section 650F of the Corporations Act that waiver must be announced to ASX. If the No Prescribed Occurrences Condition is not fulfilled and Strike West does not

waive the No Prescribed Occurrences Condition, any contracts arising from acceptance of the Offer will become void at the end of the Offer Period.

(c) **Effect of breach of the No Prescribed Occurrences Condition**

If there is a breach of the No Prescribed Occurrences Condition and Strike West decides to rely on that breach, all contracts formed by acceptance of the Offer will become void at the end of the Offer Period and all Warrego Shares will be returned to Warrego Shareholders at that time.

10.8 Impact of rival proposals

Under the terms of the EP469 JOA agreed between Warrego and Strike, if a person acquires control of Warrego in circumstances where such acquisition has not been recommended by the Warrego Board then Strike may be afforded the opportunity to acquire Warrego's indirect 50% interest in EP469 with cash at an equivalent value to the value proposed under the third party acquisition proposal.

Section 10.1 (*Pre-emptive Rights Condition*) of the Hancock Bidder's Statement asserts that Strike's pre-emptive right is not enlivened under the EP469 JOA where a change in control has been initially recommended by the Warrego Board regardless of whether that recommendation is subsequently withdrawn. Strike West rejects that interpretation. The objective purpose of the pre-emptive right is plainly directed at the provision of rights of pre-emption to joint venturers in circumstances where a change of control transaction occurs in respect of a joint venturer.

Strike West considers that it is entitled to exercise its pre-emptive rights in circumstances including (among others):

- where the Warrego Board has recommended a change of control transaction but that recommendation is subject to certain conditions (and the conditions are not satisfied); and
- where the Warrego Board initially recommended a change of control transaction but, for whatever reason, at the time the change of control transaction occurs, that transaction is not recommended by the Warrego Board.

Strike West reserves its rights in respect of its pre-emptive right.

10.9 Warrego Break Fee

Under the Beach SID, Warrego has agreed to pay a break fee of \$2,440,000 in certain circumstances (**Warrego Break Fee**) which include, among other things, if as a result of a competing proposal, any Warrego Director withdraws, adversely changes, modifies or qualifies their recommendation in favour of Beach's Initial Proposal or recommends, supports or endorses the competing proposal.

On 9 December 2022 Warrego announced to ASX that Beach had declined to match the Hancock Revised Offer and, as a result, that the Warrego Board has withdrawn its previous recommendation in favour of the Beach Revised Offer and unanimously recommends that Warrego shareholders accept the Hancock Revised Offer, in the absence of a superior proposal.

Accordingly, Strike understands that the Warrego Break Fee is payable and may have already been paid by Warrego to Beach under the Beach SID.

10.10 Warrego Convertible Securities

Strike West is not making a separate offer to holders of Warrego Convertible Securities. However, holders of Warrego Convertible Securities whose Warrego Convertible Securities vest and are exercised or converted into Warrego Shares during the Offer Period will be able to accept the Offer in respect of the Warrego Shares which they are issued.

As noted in section 4, Strike West recognises that if Strike West acquires control of Warrego and declares the Offer unconditional, the Warrego Convertible Securities will automatically vest and become exercisable or convert into Warrego Shares.

Given the Warrego Options, if unexercised, will lapse on the earlier of 30 days following a change of control in Warrego and 21 July 2023,⁵³ Strike West does not intend to compulsorily acquire them if it becomes

⁵³ See Warrego's ASX announcement dated 9 June 2020.

entitled to do so under Part 6A.2 of the Corporations Act. Strike West may be required under section 663A of the Corporations Act to give notice to holders of the Warrego Options of their rights to have Strike West to acquire their Warrego Options in accordance with Division 3 of Part 6A.1 of the Corporations Act.

10.11 Information relating to reserve and resource estimates

Unless otherwise stated, references in this Bidder's Statement to:

- the West Erregulla reserve and resource estimate is set out in the ASX announcement dated 27 July 2022 entitled "West Erregulla Reserves Upgraded by 41%" and in ASX announcement dated 16 December 2022 entitled "Strike to test Southwest Erregulla and Erregulla Deep Prospective Resource". Strike's interest is 50%;
- the South Erregulla reserve and resource estimate is set out in the ASX announcement dated 18 October 2022 entitled "Independent Certification of South Erregulla Wagina Gas Discovery". Strike's interest is 100%;
- the Walyering reserve and resource estimate is set out in ASX announcement dated 21 July 2022 entitled "Independent Certification of Walyering Reserves". Strike's equity interest is 55%;
- the Oceanhill 2C Contingent Resource is set out in ASX announcement dated 10 October 2022 entitled "Independent Certification of Ocean Hill Gas Resource". Strike's equity interest is 100%; and
- the Mid-West Geothermal Project inferred resource is set out in ASX announcement dated 5th May 2022 titled "Mid West Geothermal Power Project Inferred Resource Statement".

The above announcements are available to view on Strike's website at www.strikeenergy.com.au. Strike confirms it is not aware of any new information or data that materially affects the information included in the referenced announcements and that all the material assumptions and technical parameters underpinning the estimates in those announcements continue to apply.

Strike and Warrego prepare estimates in respect of West Erregulla jointly other than Warrego's prospective resource in respect of Eneabba Deep and Strike's prospective resource in respect of Eneabba Deep and South West Erregulla (which Warrego and Strike each prepared independently of the other).

Unless otherwise stated, all reserves and resources information in this Bidder's Statement in respect of Warrego has been extracted from information included in public documents filed by Warrego. Unless otherwise stated, this information has not been verified by Strike or Strike West.

In relation to Warrego's other estimates, Strike has conducted limited due diligence (or in the case of El Romeral, no due diligence) and has not independently verified all such information and expressly disclaims any responsibility for it, to the maximum extent permitted by law and no representation or warranty, express or implied, is made as to the fairness, currency, accuracy, adequacy, reliability or completeness of Warrego's estimates. Given Strike has not independently validated Warrego's estimates, it should not be regarded as reporting, adopting or otherwise endorsing those estimates.

Strike prepares its reserves and resources estimates in accordance with the SPE-PRMS. Unless otherwise stated, all references to reserves and resources quantities in this Bidder's Statement are Strike's net share. Reserves are aggregated by arithmetic summation by category and as a result, proved reserves may be a very conservative estimate due to the portfolio effects of arithmetic summation. Reserves are typically prepared by deterministic methods with support from probabilistic methods. Conversion factors: 1PJ of sales gas and ethane equals 171,937 boe; 1 tonne of LPG equals 8.458 boe; 1 barrel of condensate equals 0.935 boe; 1 barrel of crude oil equals 1 boe; Petajoule equivalent (PJe) of gas is calculated with a Barrels of oil equivalent (boe) conversion factor of 0.935 for condensate to oil and 1 million barrels of oil (mmbbl) to 6 billion standard cubic feet of gas (bcf).

10.12 Consents

As noted in section 10.5:

- DLA Piper Australia has acted as legal adviser to the Strike Group;
- Macquarie Bank provides secured debt financing facilities to the Strike Group;
- Macquarie Finance has acted as financial adviser to the Strike Group; and
- Boardroom has acted as share registry to the Strike Group.

Each of these entities is named solely for information purposes and consents to being named in this Bidder's Statement in the form and context in which its name appears and has not withdrawn its consent to be named at the Announcement Date, but:

- has not caused or authorised the issue of the Bidder's Statement;
- does not make nor purport to make any statement in the Bidder's Statement or any statement on which a statement in the Bidder's Statement is based; and
- to the maximum extent permitted by law, disclaims all liability in respect of, and takes no responsibility for, any part of this Bidder's Statement.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of *ASIC Class Order 13/521*, the persons making those statements are not required to consent to, and have not consented to, the inclusion of those statements, or of statements based on those statements, in this Bidder's Statement. If you would like to receive a copy of any of those documents free of charge, please call Strike's Company Secretary on (+61) 8 7099 7400 between 9.00am and 5.00pm (Sydney time), Monday to Friday. Calls to these numbers may be recorded.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Bidder's Statement contains security price trading data sourced from IRESS without their consent, and otherwise may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

10.13 Foreign Shareholders and Small Warrego Shareholders

If you are an Ineligible Foreign Warrego Shareholder or a Small Warrego Shareholder and you accept the Offer, the Strike Shares which would otherwise have been issued to you will instead be issued to a Nominee approved by ASIC, who will then sell these securities. The net proceeds of the sale of such securities will then be remitted to the relevant Warrego Shareholder.

For the purposes of the Offer, a Warrego Shareholder is considered to be an Ineligible Foreign Warrego Shareholder if their address in the register of members is a place outside of Australia and its external territories, New Zealand, the United Kingdom, British Virgin Islands, Jersey, Hong Kong, the European Union (excluding Austria) or Norway, unless Strike West determines (in its absolute discretion) that it is lawful, not unduly onerous and not unduly impracticable to make the Offer to that Foreign Warrego Shareholder in the relevant jurisdiction and to issue Strike Shares to that Foreign Warrego Shareholder, on the completion of the Offer and that it is lawful for that Foreign Warrego Shareholder to participate in the Offer by the law of the relevant jurisdiction (including those jurisdictions other than Australia and its external territories).

A Warrego Shareholder is a Small Warrego Shareholder if the total number of shares held by it is less than a Small Parcel.

The Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept these Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

New Zealand

This Bidder's Statement is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Financial Markets Conduct Act 2013* (NZ) or any other New Zealand law.

The offer of Strike Shares is being made to existing shareholders of Warrego in reliance upon the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (NZ) and, accordingly, this Bidder's Statement may not contain all the information that a disclosure document is required to contain under New Zealand law

United Kingdom

Neither this Bidder's Statement nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000* (UK), as amended (**FSMA**)) has been published or is intended to be published in respect of the Strike Shares.

The Strike Shares may not be offered or sold in the United Kingdom by means of this Bidder's Statement or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Bidder's Statement is issued on a confidential basis in the United Kingdom to "qualified investors" (as defined in the UK Prospectus Regulation) and fewer than 150 other persons who are existing shareholders of Warrego. This Bidder's Statement may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Strike Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Strike.

In the United Kingdom, this Bidder's Statement is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investment to which this Bidder's Statement relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Bidder's Statement.

British Virgin Islands

The Shares may not be offered in the British Virgin Islands unless Strike or any person offering the Shares on its behalf is licensed to carry on business in the British Virgin Islands. Given they will not be so licensed, the Shares may be offered only to existing shareholders of Warrego in the British Virgin Islands from outside the British Virgin Islands.

Jersey

This Bidder's Statement may be distributed in Jersey only to shareholders of Warrego. No offer or invitation to subscribe for shares may be made to the public in Jersey.

Hong Kong

This Bidder's Statement is confidential in Hong Kong and for the sole use by shareholders of Warrego. The contents of this Bidder's Statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

This Bidder's Statement also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document which is or contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this Bidder's Statement or any advertisement, invitation or document relating to the Offer, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

Copies of this Bidder's Statement may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Bidder's Statement, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Bidder's Statement is for the exclusive use of Warrego Shareholders in connection with the Offer, and no steps have been taken to

register or seek authorisation for the issue of this Bidder's Statement in Hong Kong. Only the person to whom a copy of this Bidder's Statement has been issued may take action in response to this Bidder's Statement. The Offer is personal to the person to whom this Bidder's Statement has been delivered, and an acquisition or subscription for securities under the Offer will only be accepted from such person.

This Bidder's Statement is confidential to the person to whom it is addressed and no person to whom a copy of this Bidder's Statement is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Bidder's Statement to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Offer by the person to whom this Bidder's Statement is addressed.

Norway

This Bidder's Statement has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this Bidder's Statement shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act.

The Strike Shares may not be offered or sold, directly or indirectly, in Norway except:

- to "professional clients" (as defined in the Norwegian Securities Trading Act of 29 June 2007 no. 75);
- to fewer than 150 non-professional clients; or
- in any other circumstances provided that such offer of Strike Shares does not result in a requirement for the registration, or the publication by Strike, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007 no. 75.

European Union (excluding Austria)

This Bidder's Statement has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Bidder's Statement may not be made available, nor may the Strike Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Strike Shares is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors and excluding France); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

10.14 Date for determining persons to whom information to be sent

For the purposes of section 633(2) of the Corporations Act, the date for determining the persons to whom information is to be sent under items 6 and 12 of section 633(1) is 24 December 2022.

10.15 Expiry date

No Strike Shares will be issued on the basis of the Offer contained in this Bidder's Statement after the date that is 13 months after the Announcement Date.

10.16 Social security and superannuation implications of Offer

Acceptance of the Offer may have implications under your superannuation arrangements or on your social security entitlements. If in any doubt, you should seek specialist advice.

10.17 No other material information

Except as disclosed in this Bidder's Statement, there is no information known to Strike or Strike West that is material to the making of the decision by a Warrego Shareholder whether or not to accept the Offer which has not previously been disclosed to Warrego Shareholders.

11. APPROVAL OF BIDDER'S STATEMENT

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



Signed by John Poynton, Chairman of Strike and duly authorised by unanimous resolution of the directors of Strike and Strike West

23 December 2022

12. DEFINITIONS AND INTERPRETATION

12.1 Definitions

In this Bidder's Statement and in the Acceptance Form, unless the context requires otherwise:

2022 Annual Report means Strike's annual report for financial year ended 30 June 2022.

Acceptance Form means the acceptance form enclosed with this Bidder's Statement or, as the context requires, any replacement or substitute acceptance form provided by or on behalf of Strike West.

AGIG means Australian Gas Infrastructure Group.

Announcement Date means the date of the announcement of the Offer to acquire all of Your Warrego Shares by Strike West, being 19 December 2022.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Ltd ACN 008 504 532 which govern the electronic transfer, settlement and registration of securities in Australia through the CHES.

Authorisation means any permit, licence, consent, approval, registration, accreditation, certification or other authorisation given or issued by any Government Agency.

Beach means Beach Energy Limited ACN 008 504 532.

Beach Initial Proposal means the proposed acquisition of Warrego by Beach via scheme of arrangement for an upfront cash consideration of \$0.20 per Warrego Share and a pro rata entitlement to any net proceeds from any disposal of Warrego's Spanish Assets within 12 months as announced by Warrego on 14 November 2022.

Beach Revised Offer means the revised proposed acquisition of Warrego by Beach via scheme of arrangement for an upfront cash consideration of \$0.25 per Warrego Share and a pro rata entitlement to any net proceeds from any disposal of Warrego's Spanish Assets within 12 months as announced by Warrego on 2 December 2022.

Beach SID means the scheme implementation deed dated 14 November 2022 between Beach and Warrego.

Bidder's Statement means this document.

Boardroom means Boardroom Pty Limited ACN 003 209 836.

boe means barrels of oil equivalent.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are generally open in Australia for normal business and which is a Trading Day on ASX.

CGT means capital gains tax.

CHES means Clearing House Electronic Sub-register System operated in accordance with the Corporations Act.

CHES Holding means a holding of Warrego Shares on the CHES Subregister of Warrego.

CHES Subregister has the meaning given in the ASX Settlement Operating Rules.

Class A Performance Shares means shares issued by Strike to the MWGP shareholders that (if certain conditions are satisfied), convert into up to 6,666,667 Strike Shares or \$1 million in cash.

Class B Performance Shares means shares issued by Strike to the MWGP shareholders that (if certain conditions are satisfied), convert into up to a maximum of 148,800,000 Strike Shares or an amount equal to approximately \$22,320,000 in cash.

Controlling Participant has the meaning given in the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth) as modified by ASIC from time to time.

Encumbrance means any mortgage, lien, charge, pledge, encumbrance, assignment by way of security, security interests (including any 'security interest' within the meaning in section 12 of the *Personal Property Securities Act 2009* (Cth)), title retention, preferential right or trust arrangement, contractual right of set-off, claim, covenant or any other security arrangement or any other arrangement having the same effect, whether registered or unregistered;

EP469 JOA means the EP469 Joint Operating Agreement between Warrego Energy Pty Ltd and Strike West Pty Ltd.

Equity Securities means:

- any share;
- preference share, option, warrant, debenture or any other 'security' (as that term is defined in section 92(1) of the Corporations Act) or obligation which, by its terms, is directly or indirectly convertible into, or exchangeable for shares; and
- any other option, warrant or other right for subscription or purchase in respect to Warrego Shares or such other securities.

Erregulla Deep means a structural extension of the West Erregulla gas field.

FEED means front-end engineering design.

FID means final investment decision.

Foreign Warrego Shareholder means a Warrego Shareholder whose address shown in the register of members of Warrego is a place outside of Australia and its external territories.

Fully Diluted Basis means the aggregate number of Warrego Shares assuming that all Equity Securities have been exercised, converted or exchanged (as the case may be) into the maximum number of Warrego Shares those Equity Securities can be exercised, converted or exchanged into.

Government Agency means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity.

Greater Erregulla means the region described in section 3.2(a)

GST has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Hancock means Hancock Energy (PB) Pty Ltd ACN 663 446 642.

Hancock Bidder's Statement means the bidder's statement lodged by Hancock dated 30 November 2022.

Hancock Initial Offer means the off-market takeover bid announced by Hancock on 30 November 2022 to acquire all of the Warrego Shares for cash consideration of \$0.23 per Warrego Share.

Hancock Revised Offer means the revised off-market takeover bid announced by Hancock on 2 December 2022 to acquire all of the Warrego Shares for cash consideration of \$0.28 per Warrego Share.

Holder Identification Number means the number used to identify a Warrego Shareholder on the CHESSE Subregister of Warrego.

Ineligible Foreign Warrego Shareholder means a Foreign Warrego Shareholder whose address shown in the register of members of Warrego is:

- outside of New Zealand, the United Kingdom, British Virgin Islands, Jersey, Hong Kong, the European Union (excluding Austria) or Norway; or
- a jurisdiction that does not permit the issue of Strike Shares to the Foreign Warrego Shareholder either unconditionally or after compliance with conditions which Strike reasonably regards as not unduly onerous or unduly impracticable.

Issuer Sponsored Holding means a holding of Warrego Shares on the Issuer Sponsored Subregister of Warrego.

Issuer Sponsored Subregister has the meaning given in the ASX Settlement Operating Rules.

Last Practicable Trading Date means 22 December 2022, being the last practicable day on which Warrego Shares were traded prior to the announcement of this Bidder's Statement.

LNG means liquefied natural gas.

Macquarie Bank means Macquarie Bank Limited ABN 46 008 583 542.

Macquarie Finance means Macquarie Capital (Australia) Limited ABN 79 123 199 548.

Merged Group means the Strike Group immediately following completion of the Offer, should the Offer be successful and Warrego becomes a subsidiary of Strike West.

Mmbbl means million barrels.

Mmboe means million barrels of oil equivalent.

MWGP means Mid West Geothermal Power Pty Ltd ACN 631 420 392.

MWGP Sale Agreement means Share Sale and Purchase Agreement between Strike Energy Limited and the shareholders of MWGP dated 13 May 2021.

Myube means Myube Investments Pty Ltd ACN 619 855 533 as trustee for Myube Trust, an entity owned and controlled by Neville Power.

Nominee means a sale nominee approved by ASIC.

No Prescribed Occurrences Condition means the defeating condition which is set out in full at paragraph 8.1 of schedule 1 (*Terms and Conditions of the Offer*).

Ocean Hill means the project described in section 3.2(a).

Offer means the offer for Warrego Shares contained in schedule 1.

Offer Condition means each condition set out in paragraph 8 of schedule 1.

Offer Consideration means one Strike Shares for every one Warrego Share, as set out in paragraph 1.2 of schedule 1 (*Terms and Conditions of the Offer*), subject to the treatment of Ineligible Foreign Warrego Shareholders and Small Warrego Shareholders in accordance with paragraph 14 of schedule 1 (*Terms and Conditions of the Offer*).

Offer Period means the period during which the Offer is open for acceptance as described in paragraph 2 of schedule 1.

Offer Terms means the terms and conditions of the Offer set out in schedule 1.

SPE-PRMS means the 2018 Petroleum Resources Management System sponsored by the Society of Petroleum Engineers.

Participant has the meaning given in the ASX Settlement Operating Rules.

Permian Gas Fairway means the portion of the northern Perth Basin that Strike believes to be prospective for hydrocarbons, comprised of the Wagina, Kingia and High Cliff formations.

PJ means petajoule.

Precinct means Strike's South Erregulla and Mid West low carbon manufacturing precinct.

Prescribed Occurrences means the prescribed occurrences which are set out in full at paragraph 8.1 of schedule 1 (*Terms and Conditions of the Offer*).

Register Date means 24 December 2022, being the date set by Strike West under section 633(2) of the Corporations Act.

Related Entity means in respect of an entity, a second entity that:

- controls the first entity;
- is under the control of the first entity; or
- is under the control of a third entity that also controls the first entity.

Rights means all rights and benefits directly or indirectly attaching to or arising from ownership of Warrego Shares on or after the Announcement Date, including without limitation all rights to receive dividends or other distributions declared, determined to be paid, made or paid by Warrego, all rights to receive or

subscribe for shares, notes, bonds, options or other securities or entitlements issued by Warrego or any member of the Warrego Group and all other rights exercisable by you as a holder of Warrego Shares.

Securityholder Reference Number means the number allocated by Warrego to identify a Warrego Shareholder on the Issuer Sponsored Subregister of Warrego.

Shareholder Protections means those provisions under the Warrego's constitution, Corporations Act and the ASX Listing Rules intended for the protection of minority shareholders, and the statutory and fiduciary obligations of the Warrego Directors at the time to act in the best interests of Warrego and all Warrego Shareholders.

Small Parcel means a parcel of Strike Shares having a value of less than \$500 based on the highest closing price of Strike Shares on the ASX during the period from the Announcement Date until the earlier of the end of the Offer Period and five ASX Trading Days before the first day on which Strike must provide the Offer Consideration under the Offer.

Small Warrego Shareholder means a Warrego Shareholder who would be entitled to receive a total number of Strike Shares as consideration under the Offer which constitute a Small Parcel.

Spanish Assets means the Warrego Group's 85% interest in class A shares and 50.1% interest in class B shares of Tarba, which reportedly holds interests in the Tesorillo and Ruedalabola investigation permits and the El Romeral-1, El Romeral-2 and El Romeral-3 Exploitation Concessions, including an 8.1 MW power station.

Strike means Strike Energy Limited ACN 078 012 745.

Strike West or **Bidder** means Strike West Holdings Pty Ltd ACN 616 395 398.

Strike Board means the board of directors of Strike from time to time.

Strike Directors means the directors of Strike.

Strike Group means Strike West, Strike and their Related Entities.

Strike Incentive Plan means the incentive plan operated by Strike for the benefit of executives or employees of members of the Strike Group.

Strike's Initial Proposal means the initial merger proposal Strike presented to the Warrego Board on 16 September 2022 as disclosed in subsequent announcements by Warrego and Strike on 10 November 2022.

Strike Option means an unlisted option to subscribe for one Strike Share at a specified exercise price on or before a specified date and subject to certain specified (if any) vesting conditions.

Strike Performance Right means an unlisted option to acquire one Strike Share for a nil subscription price, subject to certain specified vesting conditions.

Strike Securities means Strike Shares, Strike Options, Strike Performance Rights and any other Equity Securities issued in Strike.

Strike Share means fully paid ordinary share in the capital of Strike.

Strike Shareholder means a person registered in the register of members of Strike as a holder of Strike Shares.

Takeover Transferee Holding has the meaning given in the ASX Settlement Operating Rules, and refers to the CHESS Holding to which Warrego Shares are transferred pursuant to acceptances of the Offer.

Tarba means Tarba Energia Sociedad Limitada (NIE B85402345), a company incorporated in Spain.

Target's Statement means the statement given by Warrego under Part 6.5 of the Corporations Act relating to the Offer.

TJ means terajoule.

Trading Day has the meaning given in the ASX Listing Rules.

Undisturbed Date means 9 November 2022, being the Trading Day immediately prior to the announcement of Strike's Initial Proposal.

Valuation Date means any date nominated by Strike West up to five Business Days before the date of the Offer.

VWAP means volume weighted average price.

Walyering means the project described in section 3.2(a).

Warrego means Warrego Energy Limited ACN 125 394 667.

Warrego Board means the board of directors of Warrego from time to time.

Warrego Convertible Securities means the Warrego Options, Warrego Share Rights and Warrego Performance Rights.

Warrego Directors means the directors of Warrego.

Warrego Energy means Warrego Energy EP469 Pty Ltd ACN 133 046 787.

Warrego Group means Warrego and each of its Related Entities.

Warrego Incentive Plan means any incentive plan operated by Warrego for the benefit of executives or employees of members of the Warrego Group.

Warrego Option means an unlisted option to subscribe for a Warrego Share with an exercise price of \$0.28 and an expiry date of 21 July 2023.

Warrego Performance Rights means a performance right issued by Warrego to acquire a Warrego Share.

Warrego Securities means Warrego Shares, Warrego Convertible Securities and any other and any other Equity Securities issued in Warrego.

Warrego Share means an ordinary share in the capital of Warrego.

Warrego Share Rights means a right, expiring on 3 February 2023, to a Warrego Share with a nil exercise price subject to the vesting conditions approved by the Warrego Board and the holder of the right remaining employed by Warrego until the vesting date.

Warrego Shareholder means a person registered in the register of members of Warrego as a holder of Warrego Shares.

Your Warrego Shares means, subject to paragraph 4.5 of schedule 1 (*Terms and Conditions of the Offer*):

- the Warrego Shares in respect of which you are registered or entitled to be registered as holder in the register of members of Warrego as at 7.00pm (Perth time) on the Register Date;
- any Warrego Shares in respect of which you become registered or entitled to be registered as holder in the register of members of Warrego between the Register Date and the end of the Offer Period as a result of the conversion of, or exercise of rights conferred by, securities other than Warrego Shares that are on issue at the Register Date and that come to be Warrego Shares during the period from the Register Date to the end of the Offer Period; and
- any other Warrego Shares to which you are able to give good title at the time you accept the Offer.

12.2 Interpretation

In this Bidder's Statement and in the Acceptance Form, unless the context requires otherwise:

- any reference, express or implied, to any legislation in any jurisdiction includes:
 - that legislation as amended, extended or applied by or under any other legislation made before or after the Announcement Date;
 - any legislation which that legislation re-enacts with or without modification; and
 - any subordinate legislation made before or after the Announcement Date under that legislation, including (where applicable) that legislation as amended, extended or applied as described above, or under any legislation which it re-enacts as described above;
- references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;

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- references to an individual or a natural person include his estate and personal representatives, successors or assigns;
 - a reference to a section or annex is a reference to a section of or annex to this Bidder's Statement (and the annexes form part of this Bidder's Statement);
 - a reference to any instrument or document includes any variation or replacement of it;
 - a reference to you is to a person to whom the Offer in schedule 1 is made or is taken to be made;
 - a reference to an Offer Condition being waived, or to the waiver of an Offer Condition, is to Strike West freeing the Offer and any contract resulting from acceptance of the Offer from that Offer Condition in accordance with section 650F of the Corporations Act;
 - unless otherwise indicated, a reference to any time is a reference to that time in Perth, Australia;
 - unless otherwise indicated, a reference to \$, A\$, dollars or cents is to Australian currency;
 - singular words include the plural and vice versa;
 - a word of any gender includes the corresponding words of any other gender;
 - if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
 - a term that is defined in the Corporations Act and is not otherwise defined in this Bidder's Statement has the meaning given to it in the Corporations Act (and where any such term has a special meaning for the purposes of chapter 6 or 6A of the Corporations Act has that special meaning);
 - general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words; and
 - the headings do not affect interpretation.



Schedule 1

Terms and
conditions of
the Offer



SCHEDULE 1: TERMS AND CONDITIONS OF THE OFFER

In this schedule 1, a reference to a paragraph is a reference to a paragraph in this schedule 1.

1. Offer

1.1 Offer is for Your Warrego Shares and all attaching Rights

By accepting the Offer, you undertake to transfer to Strike West not only Your Warrego Shares, but also all Rights attached to them.

1.2 Consideration

- (a) The Offer Consideration is one Strike Share for each of Your Warrego Shares, subject to the Offer Terms.
- (b) You will receive the Offer Consideration in accordance with paragraph 7.
- (c) The Strike Shares to be issued are ordinary shares in Strike and will be credited as fully paid and have the rights summarised in section 3.11 of this Bidder's Statement.

1.3 Conditions to the Offer

Subject to paragraph 9, the Offer and any contract that results from an acceptance of the Offer is subject to the Offer Conditions.

1.4 Persons to whom Offer made

Strike West is making an offer in the form of the Offer to:

- (a) each person registered as a holder of Warrego Shares in the register of members of Warrego as at 7.00pm (Perth time) on the Register Date;
- (b) each person who during the Offer Period becomes registered, or entitled to be registered, as a holder of any Warrego Shares on issue as at 7.00pm (Perth time) on the Register Date; and
- (c) each person who holds one or more Warrego Convertible Securities that are on issue at the Register Date and that come to be Warrego Shares during the period from the Register Date to the end of the Offer Period.

1.5 Where someone else becomes entitled to some or all of Your Warrego Shares

If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of Your Warrego Shares, then:

- (a) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to that other person in respect of those Warrego Shares;
- (b) a corresponding offer on the same terms and conditions as the Offer will be deemed to have been made to you in respect of any other Warrego Shares you hold to which the Offer relates; and
- (c) the Offer will be deemed to have been withdrawn immediately at that time.

1.6 Variation and withdrawal

- (a) Strike West reserves the right to vary the Offer in accordance with the provisions of section 650D of the Corporations Act.
- (b) The Offer may be withdrawn with the consent in writing of ASIC, which consent may be subject to conditions. If ASIC gives such consent, Strike West will give notice of the withdrawal to ASX and to Warrego and will comply with any other conditions imposed by ASIC.
- (c) If, at the time the Offer is withdrawn, all the Offer Conditions have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.

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- (d) If, at the time the Offer is withdrawn, the Offer remains subject to one or more of the Offer Conditions, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant Offer Conditions have occurred).
 - (e) A withdrawal pursuant to this paragraph 1.6 will be deemed to take effect:
 - (i) if the withdrawal is not subject to conditions imposed by ASIC, on and after the date on which that consent in writing is given by ASIC; or
 - (ii) if the withdrawal is subject to conditions imposed by ASIC, on and after the date on which those conditions are satisfied.

1.7 Date of Offer

The Offer is dated 11 January 2023.

1.8 Transfer

By accepting the Offer, you undertake to transfer to Strike West not only Your Warrego Shares to which the Offer relates, but also the Rights attached to those Warrego Shares.

2. Offer Period

2.1 When the Offer can be accepted

The Offer will remain open for acceptance during the period starting on the date of the Offer and ending at 7.00pm (Perth time) on 13 February 2023, unless:

- (a) Strike West extends the Offer Period in accordance with the Corporations Act or the Offer Period is automatically extended as described in paragraph 2.3, in which case the Offer will remain open for acceptance until the end of the Offer Period as so extended; or
- (b) the offer is withdrawn in accordance with the Corporations Act before the end of the Offer Period.

2.2 Strike West's right to extend Offer Period

Strike West reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.

2.3 Automatic extension of Offer Period

If, within the last seven days of the Offer Period either the Offer is varied to improve the Offer Consideration or Strike West's voting power in Warrego increases to more than 50%, then the Offer Period will be automatically extended so that it ends 14 days after the relevant event.

3. Quotation of Strike Shares

- (a) The Strike Shares offered as Offer Consideration will be issued by Strike as fully paid ordinary shares and will rank equally with existing Strike Shares from the date of issue.
- (b) Strike has been admitted to the official list of the ASX. Securities of the same class as those to be issued as Offer Consideration have been granted official quotation by the ASX. Official quotation of securities by the ASX are not automatically granted on application.
- (c) Strike will apply for official quotation on ASX of the Strike Shares to be issued under the Offer. Quotation will not be automatic but will depend on ASX exercising its discretion.
- (d) Strike cannot guarantee, and does not represent or imply, that Strike Shares will be listed on ASX following their issue.

4. Accepting the Offer

4.1 General

- (a) Subject to paragraph 4.5, you may only accept the Offer for all of Your Warrego Shares (and not for a lesser number).
- (b) You may accept the Offer at any time during the Offer Period.

4.2 Warrego Shares held in an Issuer Sponsored Holding

To accept the Offer in respect of Warrego Shares held in an Issuer Sponsored Holding (you have a Securityholder Reference Number starting with the letter I), you must:

- (a) complete and sign the enclosed Acceptance Form in accordance with the Offer Terms and the instructions on the Acceptance Form; and
- (b) return it using the accompanying reply paid envelope (together with all documents required by the instructions on it or by these Offer Terms) or by email to corporateactions@boardroomlimited.com.au (with all documents required by the instructions on it or by these Offer Terms to follow immediately by post) so that the original documents are received at the address shown on the Acceptance Form before the end of the Offer Period.

4.3 Warrego Shares held in a CHESS Holding

To accept the Offer in respect of Warrego Shares held in a CHESS Holding (you have a Holder Identification Number starting with the letter X), you must do one of the following:

- (a) If Your Warrego Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your Controlling Participant (for Warrego Shareholders who are not institutions, this is normally the stockbroker either through whom you bought Your Warrego Shares or through whom you ordinarily acquire shares on the ASX) to initiate acceptance of the Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period. If you instruct your broker to accept the offer, you are not required to return the Acceptance Form yourself.
- (b) If Your Warrego Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of the Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (c) Alternatively, to accept the Offer for Your Warrego Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may:
 - (i) complete and sign the Acceptance Form in accordance with the Offer Terms of the Offer and the instructions on the Acceptance Form; and
 - (ii) return it using the accompanying reply paid envelope (together with all documents required by the instructions on it or by these Offer Terms) or by email to corporateactions@boardroomlimited.com.au (with all documents required by the instructions on it or by these Offer Terms to follow immediately by post) so that the original documents are received at the address shown on the Acceptance Form before the end of the Offer Period.
- (d) If Your Warrego Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

None of Strike, Strike West or Boardroom will be responsible if your Controlling Participant does not acknowledge and confirm your acceptance in sufficient time.

4.4 Warrego Shares in respect of which you are entitled to be registered as holder

To accept the Offer for Warrego Shares which are not held in your name, but in respect of which you are entitled to be registered as holder, you must:

- (a) complete and sign the Acceptance Form in accordance with the Offer Terms and the instructions on the form and return it (together with all documents required by those instructions or by these Offer Terms); and
- (b) ensure that it is received at the address shown on the Acceptance Form before the end of the Offer Period.

4.5 Warrego Shares you hold as trustee or nominee

If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Warrego Shares as trustee or nominee for, or otherwise on account of another person, you may accept as if a separate offer on the same terms and conditions as the Offer had been made in relation to each of those parcels and in relation to any parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement or the Acceptance Form, please call the Offer Information Line on 1300 737 760 from within Australia (toll-free) or +61 2 9290 9600 from outside Australia (charges apply) between 8.15 am and 5.30 pm (Perth time) Monday to Friday.

4.6 Using the Acceptance Form

The Acceptance Form which accompanies this Bidder's Statement forms part of the Offer Terms. If you use the Acceptance Form to accept the Offer you must follow the instructions on it. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use. The postage and transmission of the Acceptance Form and other documents is at your own risk.

4.7 Acceptance Form not received in time

If your Acceptance Form is not received at the address shown on the Acceptance Form before the end of the Offer Period or, in the case of an Acceptance Form used to accept the Offer in respect of Warrego Shares in a CHESS Holding, in sufficient time to permit Strike West to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf in accordance with ASX Settlement Operating Rule 14.14 before the end of the Offer Period, then, subject to paragraph 5.3, your acceptance will not be valid.

5. Validity of acceptances

5.1 General

Subject to this paragraph 5, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in paragraph 4.

5.2 Strike West's right to determine questions of validity

Strike West will determine, in its sole discretion, all questions as to eligibility to accept the Offer, the form of documents used to accept the Offer and the time of receipt of any acceptance of the Offer. Strike West is not required to communicate with you before or after making such a determination. The determination of Strike West will be final and binding on all parties.

5.3 Strike West's discretion to deem acceptance valid

Notwithstanding anything in paragraph 4, Strike West may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of Your Warrego Shares, even if a requirement for acceptance set out in these Offer Terms has not been complied with. However, provision of the Offer Consideration may be delayed until any such non-compliance has been resolved or waived by Strike West and any other documents required to transfer Your Warrego Shares to Strike West and register such transfer have been received by Strike West.

5.4 Where acceptance valid only in respect of some of Your Warrego Shares

If you have satisfied the requirements for acceptance in respect of only some of Your Warrego Shares, Strike West may, in its sole discretion, take the Offer to have been accepted in respect of those Warrego Shares but not the balance of Your Warrego Shares. Strike West will procure that the consideration is provided to you in accordance with section 7, in respect of any part of an acceptance determined by Strike West to be valid.

6. Consequences of accepting the Offer

6.1 Revocation of acceptance

- (a) Once you have accepted the Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you and you will be unable to withdraw that

acceptance or otherwise dispose of Your Warrego Shares to which the Offer relates, except as follows:

- (i) if, by the relevant times specified in paragraph 6.1(b), the Offer Conditions have not been fulfilled or waived, the Offer will automatically terminate and Your Warrego Shares the subject of your acceptance will be returned to you; or
 - (ii) if the Offer Period is extended for more than one month and the obligations of Strike West to deliver the Offer Consideration are postponed for more than one month and, at the time, the Offer remains subject to one or more of the Offer Conditions, you may be able to withdraw your acceptance in relation to Your Warrego Shares in accordance with section 650E of the Corporations Act. Should such rights arise, a notice will be sent to you at the relevant time explaining your rights in this regard.
- (b) The relevant times for the purposes of paragraph 6.1(a)(i) are:
- (i) in relation to the Offer Condition in paragraph 8.1, the end of the third Business Day after the end of the Offer Period; and
 - (ii) in relation to all other Offer Conditions, the end of the Offer Period.

6.2 Deemed representations, warranties, undertakings and authorities

- (a) By accepting the Offer pursuant to paragraph 4, you will be deemed to have:
- (i) accepted the Offer (and any variation to it subject to section 650E of the Corporations Act) in respect of the Your Warrego Shares, regardless of the number of Warrego Shares specified in the Acceptance Form, subject to paragraph 4);
 - (ii) agreed to the Offer Terms and, subject to the Offer Conditions being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to Strike West all of Your Warrego Shares;
 - (iii) agreed to accept the Offer Consideration being offered by Strike West and agreed to be bound by the Strike constitution;
 - (iv) authorised Strike West (and any director, secretary or nominee of Strike West) to alter the Acceptance Form on your behalf by inserting correct details of Your Warrego Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by Strike West:
 - (A) to make the Acceptance Form an effective acceptance of the Offer; or
 - (B) to enable registration of the transfer to Strike West of Your Warrego Shares;
 - (v) irrevocably authorised and directed Warrego to pay to Strike West or to account to Strike West for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of Your Warrego Shares (subject to Strike West accounting to you for any Rights received by it if your acceptance of the Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
 - (vi) if you signed the Acceptance Form in respect of Warrego Shares which are held in a CHESS Holding, irrevocably authorised Strike West (or any director, secretary or agent of Strike West) to instruct your Controlling Participant to initiate acceptance of the Offer in respect of Your Warrego Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
 - (vii) if you signed the Acceptance Form in respect of Warrego Shares which are held in a CHESS Holding, irrevocably authorised Strike West (or any director, secretary or agent of Strike West) to give any other instructions in relation to Your Warrego Shares to your Controlling Participant, as determined by Strike West acting in its own interests as a beneficial owner and intended registered holder of those Warrego Shares;
 - (viii) irrevocably authorised Strike West to notify Warrego on your behalf that your place of address for the purpose of serving notices upon you in respect of Your Warrego Shares is the address specified by Strike West in the notification;
 - (ix) agreed to indemnify Strike West in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the

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- transfer of Your Warrego Shares to Strike West being registered by Warrego without production of your Holder Identification Number or your Securityholder Reference Number for Your Warrego Shares;
- (x) represented and warranted to Strike West that, unless you have notified Strike West in accordance with paragraph 4.5, Your Warrego Shares do not consist of separate parcels of Warrego Shares;
 - (xi) subject to all the Offer Conditions being fulfilled or waived, irrevocably authorised Strike West (and any nominee) to transfer ownership of Your Warrego Shares, including transmitting a message in accordance with rule 14.17 of the ASX Settlement Operating Rules to transfer Your Warrego Shares to Strike West Takeover Transferee Holding, or transfer of your Issuer Sponsored Holding by master transfer, regardless of whether it has paid the consideration due to you under the Offer;
 - (xii) represented and warranted to Strike West as a fundamental condition going to the root of the contract resulting from your acceptance that:
 - (A) Strike West will acquire good title to and beneficial ownership of all of Your Warrego Shares free from all mortgages, charges, liens, Encumbrances (whether legal or equitable) and other third party interests of any kind;
 - (B) you have paid Warrego all amounts which are due in respect of Your Warrego Shares;
 - (C) all of Your Warrego Shares are fully paid; and
 - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of Your Warrego Shares (together with all Rights attached to them) to Strike West;
 - (xiii) unless you are an Ineligible Foreign Warrego Shareholder or Small Warrego Shareholder, agreed to accept the Strike Shares to which you become entitled by accepting the Offer, subject to Strike's constitution and the terms of issue of the Strike Shares and to have authorised Strike to place your name on its register of shareholders as the holder of the Strike Shares issued to you under the Offer;
 - (xiv) acknowledged and agreed that if you are an Ineligible Foreign Warrego Shareholder, Strike West will arrange for any Strike Shares otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in paragraph 14;
 - (xv) if you reside outside of Australia and are not an Ineligible Foreign Warrego Shareholder for the purposes of the Offer, represented and warranted to Strike West that the making of the Offer by Strike West to you, and your acceptance of the Offer is lawful under any law of a country other than Australia which apply to you to the making of the Offer and to your acceptance of the Offer;
 - (xvi) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, irrevocably appointed (and agreed not to revoke that appointment) Strike West and each of Strike West's directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning Your Warrego Shares or in exercise of any right or power derived from the holding of Your Warrego Shares including, without limitation:
 - (A) attend and vote in respect of Your Warrego Shares at any and all meetings of Warrego;
 - (B) requisition or join with other Warrego Shareholders in requisitioning and/or convening a meeting of the members of Warrego;
 - (C) demand a poll for any vote to be taken at any meeting of Warrego Shareholders;
 - (D) propose or second any resolutions to be considered at any and all meetings of Warrego Shareholders;
 - (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a Strike West director as a proxy in respect of all or any of Your Warrego Shares and a transfer form for Your Warrego Shares), proxies, consents, agreements, and resolutions relating to Your Warrego Shares;

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- (F) request Warrego to register in the name of Strike West or its nominee Your Warrego Shares which you hold on any register of Warrego; and
 - (G) do all things incidental or ancillary to the foregoing,
and to have agreed that in exercising the powers conferred by the power of attorney, the attorney shall be entitled to act in the interests of Strike West as the beneficial owner and intended registered holder of Your Warrego Shares in respect of which you will do all such acts, matters and things that Strike West may require to give effect to the matters the subject of this paragraph 6 (including the execution of a written form of proxy to the same effect as this paragraph 6 which complies in all respects with the requirements of the constitution of Warrego) if required by Strike West. This appointment is irrevocable and terminates upon registration of a transfer to Strike West of Your Warrego Shares; and
- (xvii) for as long as paragraph 6.2(a)(xvi) applies, agreed not to vote in person, proxy or otherwise at any general meeting of Warrego or to exercise (or purport to exercise) in person, proxy or otherwise, any of the powers conferred on Strike and the Strike Directors and secretaries and other officers of Strike by paragraph 6.2(a)(xvi).
- (b) The representations, warranties, undertakings and authorities referred to in this paragraph 6.2 will (unless otherwise stated) remain in force after you receive the Offer Consideration for Your Warrego Shares and after Strike West becomes registered as the holder of them.

7. Provision of consideration

7.1 Time for provision

Subject to the Offer Terms and the Corporations Act, if you accept the Offer and all of the Offer Conditions are fulfilled or waived, Strike West will procure that the Offer Consideration is provided to you for Your Warrego Shares under the Offer within 7 Business Days of the later of:

- (a) the date on which the Offer becomes unconditional; and
- (b) the date on which Strike West receives a valid acceptance in accordance with the Offer Terms.

7.2 Delay in providing additional documents

If the Acceptance Form requires additional documents to be provided with your acceptance, or Strike West subsequently requests such additional documents in order to give effect to your acceptance:

- (a) if those documents are given to Strike West with your acceptance, Strike West will pay you the Offer Consideration for Your Warrego Shares in accordance with paragraph 7.1;
- (b) if Strike West receives those documents after your acceptance and before the end of the Offer Period and while the Offer is still subject to one or more Offer Conditions, Strike West will pay you the Offer Consideration within 7 Business Days of the later of:
 - (i) the date on which the Offer becomes unconditional; and
 - (ii) the end of the Offer Period.
- (c) if Strike West receives those documents after your acceptance and before the end of the Offer Period, and at a time when the Offer is not subject to any Offer Conditions, Strike West will pay you the Offer Consideration within 7 Business Days of the later of:
 - (i) the date Strike West receives those documents; and
 - (ii) the end of the Offer Period; and
- (d) if Strike West receives those documents after the end of the Offer Period, Strike West will pay you the Offer Consideration for Your Warrego Shares:
 - (i) within 7 days after Strike West receives those documents; or
 - (ii) if the takeover contract is still subject to any of the Offer Conditions, within 7 days after that Offer Condition is satisfied.

7.3 Deductions in respect of Rights

If you accept the Offer, Strike West is entitled to all Rights in respect of Your Warrego Shares. Strike West may require you to provide all documents necessary to vest title to those Rights in Strike West or otherwise to give Strike West the benefit or value of those Rights. If you do not give those documents to Strike West, or if you have received the benefit of those Rights, Strike West will deduct from the Offer Consideration otherwise due to you the amount, or the value as reasonably assessed by Strike West, of those Rights.

7.4 Method of payment

Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or, in the case of Warrego Shareholders with addresses outside Australia, by airmail) to your address shown on the Acceptance Form or the last address that you notified to Strike West. Payment will be deemed to have been made at the time the cheque is delivered to Australia Post for delivery or placed in an Australia Post postal box.

7.5 Strike Share allotment

The obligation of Strike to issue and allot any Strike Shares to which you are entitled will be satisfied by Strike:

- (a) entering your name on the register of members of Strike; and
- (b) dispatching or procuring the dispatch to you by pre-paid post to your address recorded in the Warrego register of members at 7.00pm (Perth time) on the Register Date, an uncertified holding statement in your name. If Your Warrego Shares are held in joint name, an uncertified holding statement will be issued in the name of, and forwarded to, the holder whose name appears first in Warrego's register of members at 7.00pm (Perth time) on the Register Date.

7.6 Authorisations and clearances

If, at the time you accept the Offer, any authority or clearance of any Government Agency is required for you to receive the Offer Consideration under the Offer or you are resident in or a resident of a place to which, or you are a person to whom:

- (a) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
- (b) Part 4 of the *Charter of the United Nations Act 1945* (Cth) or any regulations thereunder;
- (c) any regulations made under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth);
- (d) *Autonomous Sanctions Regulations 2011* (Cth); or
- (e) any other law of Australia that would make it unlawful for Strike West to provide the Offer Consideration for Your Warrego Shares,

applies, then your acceptance of the Offer will not create or transfer to you any right to receive the Offer Consideration unless and until all requisite authorities or clearances have been obtained by Strike West.

7.7 Withholdings

If any amount is required under any Australian law or by any Government Agency to be withheld from any Offer Consideration otherwise payable to you under the Offer and paid to a Government Agency, or retained by Strike West out of any consideration otherwise payable to you under the Offer, the payment or retention by Strike West of that amount will constitute full discharge of Strike West's obligation to pay that amount of Offer Consideration to you.

8. Offer Conditions

Subject to paragraph 9, the Offer and any contract that results from your acceptance of the Offer, is subject to the defeating conditions in this paragraph 8:

8.1 No prescribed occurrence during the Offer Period

During the Offer Period none of the following events occurs:

- (a) Warrego converts all or any of its Warrego Shares into a larger or smaller number of Warrego Shares;
- (b) any member of the Warrego Group resolves to reduce its share capital in any way;
- (c) any member of the Warrego Group enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) any member of the Warrego Group issues shares or grants an option over its shares or agrees to make such an issue or grant such an option;
- (e) any member of the Warrego Group issues, or agrees to issue, convertible notes;
- (f) any member of the Warrego Group disposes of, or agrees to dispose of the whole, or a substantial part of its business or property;
- (g) any member of the Warrego Group grants, or agrees to grant, a security interest (within the meaning of section 51A of the Corporations Act) in the whole, or a substantial part of, its business or property;
- (h) any member of the Warrego Group resolves to be wound up;
- (i) a liquidator or provisional liquidator of any member of the Warrego Group is appointed; or
- (j) a court makes an order for the winding up of any member of the Warrego Group.

8.2 No prescribed occurrence before the Offer Period

Between the Announcement Date and the commencement of the Offer Period (inclusive) none of the events in sections 8.1(a) to 8.1(j) occurs.

9. Operation of the Offer Conditions

9.1 Offer Conditions are conditions subsequent

Each of the Offer Conditions is a condition subsequent. The fact that any such Offer Condition is not fulfilled or waived does not prevent a contract to sell Your Warrego Shares coming into effect when you accept the Offer but any breach or non-fulfilment will entitle Strike West, by notice in writing to you at any time before the Offer Condition is fulfilled or waived, to rescind any such contract as if it had not been formed.

9.2 Offer Conditions are separate

Each Offer Condition constitutes, and is to be construed as, a separate, several and distinct Offer Condition. No Offer Condition will be taken to limit the meaning or effect of any other Offer Condition.

9.3 Benefit of Offer Conditions

Subject to the Corporations Act, Strike West alone is entitled to the benefit of the Offer Conditions and any breach or non-fulfilment of any of the Offer Conditions may only be relied upon by Strike West. Strike West may at any time and from time to time waive (generally, or in respect of a particular event) the breach or non-fulfilment of any such Offer Condition or any part of such Offer Condition.

9.4 Strike West's rights to waive Conditions

Subject to the Corporations Act, Strike West may free the Offer and any contract resulting from your acceptance of the Offer from all or any of the Offer Conditions by giving written notice to Warrego and ASX in accordance with section 650F of the Corporations Act. Any such notice must be given:

- (a) in the case of the Offer Condition in paragraph 8.1, not later than three Business Days after the end of the Offer Period; and
- (b) in the case of all other Offer Conditions, not less than seven days before the end of the Offer Period.

9.5 Conditions not fulfilled or waived

Your acceptance of the Offer, and any contract resulting from your acceptance of the Offer, will be automatically void if at the end of the Offer Period (or in the case of the Offer Conditions in paragraph 8.1, at the end of the third Business Day after the end of the Offer Period) any of the Offer Conditions have not been fulfilled or waived. If this occurs, Strike West will return to you, at your address shown in the Acceptance Form, your Acceptance Form together with all documents provided by you with the Acceptance Form. The return of those documents is at your risk.

9.6 Notice of the status of Conditions

The date for giving the notice as to the status of the Offer Conditions required by section 630(1) of the Corporations Act is 3 February 2023 (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

9.7 Statutory condition

- (a) In accordance with section 625(3) of the Corporations Act, the Offer and any contract that results from your acceptance of it is subject to the further condition that:
 - (i) an application is made to the ASX within seven days of the start of the Offer Period for admission to official quotation by the ASX of the Strike Shares to be issued under the Offer; and
 - (ii) permission for admission to official quotation by the ASX of the Strike Shares to be issued under the Offer is granted no later than seven days after the end of the Offer Period.
- (b) This condition is not a defeating condition for the purposes of the Corporations Act and is not of the same nature as the Offer Conditions. The Offer cannot be freed of this condition and subsequently no statements made by Strike West can be taken to waive this condition. If this condition is not fulfilled, any contract resulting from your acceptance of the Offer will be automatically void.

10. Costs and stamp duty

Strike West will pay all costs and expenses of the preparation and distribution of this Bidder's Statement and any Australian stamp duty payable on the transfer of any Warrego Shares to Strike West under the Offer.

11. Brokerage

If Your Warrego Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Strike West, you will not incur any brokerage on acceptance of the Offer. If Your Warrego Shares are registered in a CHESS Holding or you hold Your Warrego Shares through a bank, custodian or other nominee, you should ask your Controlling Participant, or the bank, custodian or other nominee whether it will charge any transaction fees or service charges in connection with your acceptance of the Offer.

12. Notices and communications

Subject to the Corporations Act, a notice or other communication given by Strike West to you in connection with the Offer will be deemed to be duly given if it is in writing and is delivered or sent by ordinary mail (or in the case of an address outside Australia, by airmail) to you at your address as recorded on the register of members of Warrego or the address shown on the Acceptance Form.

13. Foreign laws

The Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer.

14. Ineligible Foreign Warrego Shareholders and Small Warrego Shareholders

- (a) If you are an Ineligible Foreign Warrego Shareholder or a Small Warrego Shareholder, you will not be entitled to receive Strike Shares as part of the Offer Consideration.
- (b) Instead, Strike West will:
- (i) arrange for the issue to a Nominee of the number of Strike Shares to which you and all other Ineligible Foreign Warrego Shareholders and Small Warrego Shareholders would have been entitled but for this paragraph 14. Strike may issue the Strike Shares to the Nominee in batches;
 - (ii) cause the Strike Shares to be issued for sale by the Nominee on the ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Nominee; and
 - (iii) cause the Nominee to pay to you the amount ascertained in accordance with the formula, being your pro rata share of the proceeds from the Strike Shares sold in the relevant sale tranche, less brokerage and sales expenses:
$$P \times SS / TS$$

Where:

P is the amount which is received by the Nominee upon the sale of the Strike Shares in the relevant tranche under this paragraph 14 less brokerage and sales expenses;

SS is the number of Strike Shares which would, but for this paragraph 14, have been provided to you as Offer Consideration; and

TS is the total number of Strike Shares issued to the Nominee in the relevant tranche under this paragraph 14.
- (c) Neither Strike West, Strike nor the Nominee gives any undertaking, representation or warranty or assurance as to the price that will be achieved for the sale of Strike Shares described in this paragraph 14.
- (d) You will receive your share of the proceeds of the sale of the Strike Shares by the Nominee in Australian currency.
- (e) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders, by airmail) at the address provided on your Acceptance Form within the period required by the Corporations Act.
- (f) Under no circumstances will interest be paid on your share of the proceeds of the sale of Strike Shares by the Nominee, regardless of any delay in remitting these proceeds to you.
- (g) The Nominee may sell the Strike Shares in such manner, at such price or prices and on such terms as the Nominee determines. The Nominee will sell the Strike Shares on the ASX as soon as practicable and has the sole and complete discretion with regards to the number of tranches in which to sell the Strike Shares that are issued to them.
- (h) If Strike West determines amounts must be withheld to comply with Australian taxation laws, Strike West may do so.

15. Governing Law

The Offer and any contract resulting from your acceptance of the Offer are governed by the laws in force in Western Australia.

CORPORATE DIRECTORY

Strike and Strike West

Level 2
66 Kings Park Road,
West Pert WA 6005

Financial Adviser

Macquarie Capital (Australia) Limited
Level 23
240 St Georges Terrace
Perth WA 6000

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney, NSW 2000

Legal Adviser

DLA Piper Australia
Level 21
240 St Georges Terrace
Perth WA 6000

Offer Information Line

If you have further questions in relation to the Offer or how to accept them, please call the Offer Information Line from within Australia on 1300 737 760 (toll-free) or from outside Australia on +61 2 9290 9600 (charges apply) between 8.15 am and 5.30 pm (Sydney time) Monday to Friday.



Attachments

