

Off Market Takeover Bid for Warrego

Offer Opens

- Strike Energy announces its off-market takeover bid to acquire all the outstanding Warrego shares for 1 new Strike Share for each Warrego share is now open for acceptance by Warrego shareholders.
- The implied offer price is \$0.385 per Warrego share based on Strike's last closing price¹ which represents a 37.5% premium to Hancock's current offer of \$0.28 per Warrego Share and a 6.94% premium to Hancock's proposed conditional offer of \$0.36 per Warrego Share (which remains subject to a 40% minimum acceptance condition).
- The Offer represents a 61.8% premium to Warrego's undisturbed price (based on the 30-day VWAP prior to the announcement of Strike's first non-binding indicative offer)².
- Strike intends to waive the no prescribed occurrences condition shortly after open of the Offer so that Strike's Offer will be unconditional.
- Despatch of the Bidder's Statement, First Supplementary Bidder's Statement, Second Supplementary Bidder's Statement, including further details on Strike's Offer and information on how Warrego shareholders can **ACCEPT** Strike's Offer, has commenced today.

Strike Energy Limited (ASX:STX) (**Strike**) is pleased to announce its off-market takeover bid (**Offer**, or **Strike's Offer**) to acquire all of the ordinary shares issued in the capital of Warrego Energy Limited (ASX: WGO) (**Warrego** and **Warrego Shares**) that it does not already own, is now open for acceptance by Warrego shareholders.

Under Strike's Offer, Warrego shareholders who validly accept the Offer will receive 1 new fully paid ordinary Strike share for each Warrego Share held (**Offer Consideration**).

As at 10 January 2023, being the last trading day prior to the date of this announcement, the Offer Consideration implied an offer price of A\$0.385 per Warrego Share³. This represents a 37.5% premium to Hancock Energy (PB) Pty Ltd's (**Hancock**) current offer of \$0.28 per Warrego Share and 6.94% premium to the Hancock proposed offer of \$0.36 per Warrego Share (which remains subject to a 40% minimum acceptance condition).

The Offer also represents a 61.8% premium to the 30-day VWAP of Warrego Shares on 9 November 2022, being the trading day immediately prior to the announcement of Strike's first non-binding indicative offer⁴.

Strike intends to waive the no prescribed occurrences condition shortly after open of the Offer. Once Strike waives the no prescribed occurrence condition Strike's Offer will be unconditional and Warrego shareholders who accept the Offer will receive their Strike Shares within 7 business days of the Offer becoming unconditional and thereafter within 7 business days of receipt of a valid acceptance in accordance with the Offer Terms.

Strike and its associates already own ~19.9% of Warrego Shares and Strike has received statements of intention to accept Strike's offer from Warrego shareholders holding a further 10.68% of Warrego Shares.⁵

The Offer is scheduled to close at 7:00pm (Perth time) on 13 February 2023.

¹ Based on Strike's closing price on 10 January 2023 of A\$0.3850.

² Based on Strike's 30-day VWAP to 9 November 2022 of A\$0.2388 and Warrego's 30-day VWAP to 9 November 2022 of A\$0.1476.

³ Based on Strike's closing price on 10 January 2023 of A\$0.3850.

⁴ Based on Strike's 30-day VWAP to 9 November 2022 of A\$0.2388 and Warrego's 30-day VWAP to 9 November 2022 of A\$0.1476.

⁵ For further details, see Strike's Second Supplementary Bidder's Statement dated 6 January 2022.



Statements from the Managing Director & Chief Executive Officer of Strike, Stuart Nicholls:

“Strike continues to believe that Strike’s all scrip Offer represents the best value for all Warrego shareholders, and that operational consolidation of Strike and Warrego will deliver significant value accretion to both Strike and Warrego shareholders. This Offer allows Warrego to participate in future potential upside and retain exposure to the exciting and emerging Perth Basin. Should Strike achieve operational control of Warrego, Strike expects that it can accelerate, maximise and optimise the gas production, cash flows and capital, whilst reducing the carbon footprint of the Erregulla domestic gas project.”⁶

“Warrego shareholders have the opportunity to participate in the clear value creation we can see from this transaction. It will also provide them with access to an enhanced equity market presence, greater liquidity and a stronger share register. Regardless of the recommendation from some of the Warrego board of directors, we trust the Warrego shareholders to recognise the inherent value of their existing interest in West Erregulla and the potential enhancement to that value arising out of a combination of the two companies”

Next steps

Despatch to Warrego shareholders of the Bidder’s Statement, First Supplementary Bidder’s Statement and Second Supplementary Bidder’s Statement including further details on Strike’s Offer and information on how Warrego shareholders can **ACCEPT** Strike’s Offer, has commenced today.

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 (AEDT time) Monday to Friday.

If you are in doubt as to how to deal with the Offer or any of the offer documents, you should consult your financial, legal or other professional adviser as soon as possible.

This announcement is authorised for release by the Board of Strike Energy Limited.

Contacts

Stuart Nicholls
Strike Managing Director & CEO
Email: stuart.nicholls@strikeenergy.com.au

Strike Media Contact
Paul Ryan
(Citadel-MAGNUS)
Phone: +61 409 296 511
Email: pryan@citadelmagnus.com

Brendan Henry
(Alliance Advisors LLC)
Phone: +61 402 856 353
Email: bhenry@allianceadvisors.com

⁶ Strike’s intentions for Warrego as a controlled entity are further described in section 6.3 of Strike’s Bidder’s Statement dated 23 December 2022 together with the limitations on Strike’s ability to implement its intentions in section 6.5.

About Strike Energy Limited

Strike Energy Limited (ASX.STX) 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.

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

Forward looking statements

Statements contained in this announcement, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Strike, Warrego or the proposed merged entity, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'budget', 'outlook', 'schedule', 'estimate', 'target', 'guidance', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Forward looking statements including all statements in this document regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Strike, Warrego and any merged entity. Actual results, performance, actions and developments of Strike, Warrego and any merged entity may differ materially from those expressed or implied by the forward-looking statements in this announcement. Such forward-looking statements speak only as of the date of this announcement. There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this announcement. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Strike and Warrego and any of each party's respective affiliates and their respective directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this announcement to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this announcement, or likelihood of fulfilment of any forward looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this announcement will under any circumstances create an implication that there has been no change in the affairs of Strike or Warrego since the date of this announcement.