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11 January 2023

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

**Partner**  
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Dear Sir / Madam

**Takeover bid by Hancock Energy (PB) Pty Ltd – seventh supplementary bidder’s statement**

We act for Hancock Energy (PB) Pty Ltd ACN 663 446 642 (**Hancock**) in relation to its off-market takeover bid (**Offer**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all the current and to be issued ordinary shares in Warrego Energy Limited ACN 125 394 667 (ASX:WGO) (**Warrego**).

We enclose by way of lodgement pursuant to section 647(3)(a)(ii) of the Corporations Act (as inserted by ASIC Class Order [CO 13/528]) a copy of Hancock’s seventh supplementary bidder’s statement in relation to the Offer.

The seventh supplementary bidder’s statement has been lodged today with the Australian Securities and Investments Commission and served on Warrego.

Yours faithfully

**Corrs Chambers Westgarth**

*O. Carrick*

**Oliver Carrick**  
Partner

# Seventh Supplementary Bidder's Statement

In respect of the All Cash Offer by

**Hancock Energy (PB) Pty Ltd** ACN 663 446 642

to acquire all of your fully-paid ordinary shares in **Warrego Energy Limited** (ASX:WGO) ACN 125 394 667

## ACCEPT HANCOCK'S OFFER

- **WARREGO SHAREHOLDERS CAN PARTICIPATE IN THE ACCEPTANCE FACILITY TO INDICATE THEIR INTENTION TO ACCEPT HANCOCK'S OFFER BUT WITHOUT BEING OBLIGED TO DO SO UNTIL THE 40% CONDITION IS MET**
- **THREE OF WARREGO'S LARGEST SHAREHOLDERS (HOLDING 32.6% COLLECTIVELY) HAVE NOW ACCEPTED CASH FOR THEIR SHARES AND THEREFORE REJECTED STRIKE'S SCRIP OFFER**

THIS DOCUMENT CONTAINS IMPORTANT UPDATES IN RELATION TO HANCOCK'S OFFER

**Offer Information Line:**

Please call 1300 916 761 (within Australia) or +61 3 9415 4888 (if outside Australia), if you have any questions or require assistance with your acceptance.

*Legal Adviser*

**CORRS  
CHAMBERS  
WESTGARTH**

## Important notice

This document is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

It is the seventh supplementary bidder's statement (**Seventh Supplementary Bidder's Statement**) issued by Hancock Energy (PB) Pty Ltd ACN 663 446 642 (**Hancock**), in relation to the off-market takeover offer by Hancock for all issued fully-paid ordinary shares in Warrego Energy Limited ACN 125 394 667 (**Warrego**), pursuant to the bidder's statement dated 30 November 2022 (**Original Bidder's Statement**), as supplemented by the first supplementary bidder's statement dated 2 December 2022 (**First Supplementary Bidder's Statement**), the second supplementary bidder's statement dated 9 December 2022 (**Second Supplementary Bidder's Statement**) and replaced by the replacement bidder's statement dated 9 December 2022 (**Replacement Bidder's Statement**), and further supplemented by the third supplementary bidder's statement dated 20 December 2022 (**Third Supplementary Bidder's Statement**), the fourth supplementary bidder's statement dated 21 December 2022 (**Fourth Supplementary Bidder's Statement**), the fifth supplementary bidder's statement dated 23 December 2022 (**Fifth Supplementary Bidder's Statement**) and the sixth supplementary bidder's statement dated 5 January 2023 (**Sixth Supplementary Bidder's Statement**) (**Bidder's Statement**).

This Seventh Supplementary Bidder's Statement is given in compliance with the requirements of Chapter 6 of the Corporations Act and supplements, and must be read together with, the Bidder's Statement.

**This Seventh Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Bidder's Statement.**

Unless the context requires otherwise, terms defined in the Bidder's Statement have the same meaning in this Seventh Supplementary Bidder's Statement.

A copy of this Seventh Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 11 January 2023. Neither ASIC nor its officers takes any responsibility for the content of this Seventh Supplementary Bidder's Statement.

## Context

Warrego Shareholders who accept the Hancock Offer will now be paid \$0.36 cash per Warrego Share if Hancock receives acceptances totalling 40% or more of Warrego Shares prior to the close of Hancock's Offer (**40% Increase Condition**).

Warrego Shareholders can now simply either:

- accept Hancock's Offer; or
- participate in the acceptance facility to indicate their intention to accept Hancock's Offer but without being obliged to do so until the 40% Increase Condition is met.

## HIGHLIGHTS

1. Warrego Shareholders are encouraged to **indicate their intention to accept Hancock's Offer but without being obliged to do so until the 40% Increase Condition is met** – by participating in Hancock's **acceptance facility** following the simple steps outlined within.
2. Strike's share price continues to be unrealistically inflated and Strike's Scrip Offer is inferior to cash as evidenced by **three of Warrego's largest shareholders** (holding collectively 32.6%) **now accepting cash for their shares and therefore rejecting Strike's Scrip Offer**.
3. If the 40% Increase Condition is met, Hancock **will accelerate payment terms** under Hancock's Offer **to seven Business Days**.

# 1 Simple steps to participate in the Acceptance Facility

Warrego Shareholders can now either:

- accept Hancock's Offer by sending their completed Acceptance Form by email to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au); or
- participate in the acceptance facility (**Facility**) to indicate their intention to accept Hancock's Offer but without being obliged to do so until the 40% Increase Condition is met.

If a Warrego Shareholder participates in the Facility, their Warrego Shares will be counted in determining whether the 40% Increase Condition is met. However, until the 40% Increase Condition is satisfied, you may withdraw your Warrego Shares from the Facility for any reason by giving a withdrawal notice to the Facility Agent, and then dealing with your Warrego Shares as you wish.

**To participate in the Facility, a Warrego Shareholder should simply:**

- **Complete the Appointment Form and Acceptance Form; and**
- **Send the Appointment Form and Acceptance Form by email to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au)**

The Appointment Form and Acceptance Form are attached to this Seventh Supplementary Bidder's Statement, and are also available on Hancock's website ([hancockprospecting.com.au](http://hancockprospecting.com.au)) or by calling Computershare Clearing Pty Limited on 1300 916 761 (within Australia) or +61 3 9415 4888 (outside Australia). Note that Custodians holding shares should complete the Custodian Direction rather than the Acceptance Form. Further details on the Facility are set out in Annexure A.

## 2 Strike's share price continues to be unrealistically inflated and Strike's Scrip Offer is inferior to cash

Hancock has previously confirmed its view that the current Strike share price is largely being supported by Hancock's Offer for Warrego, and Warrego Shareholders should not expect Strike's share price to maintain its current value once Hancock's Offer closes. In addition, Hancock notes the following.

**(a) Three of Warrego's largest shareholders, who collectively owned 32.6% of Warrego, have now accepted CASH for their shares and therefore rejected Strike's Scrip Offer**

Each of Regal Funds Management Pty Ltd (and associates),<sup>1</sup> Mira LasNubes LLP (and associates), and Condor Energy Investments LLP (and associates) have now all decided to sell their Warrego Shares for cash, and in doing so have rejected Strike's Scrip Offer.

These were three of Warrego's largest shareholders who collectively owned 32.6% of Warrego. Each of these large Warrego Shareholders preferred cash, and have now avoided exposure to the risks and significant potential downside associated with receiving shares in Strike in return for their Warrego Shares.

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<sup>1</sup> Regal Funds Management Pty Ltd (and associates) sold their Warrego Shares on market.

**(b) Strike's gas reserves are insufficient to support Project Haber and no defined timeline has been provided to secure the required reserves**

Hancock notes that Project Haber will require minimum 2P Reserves of 584PJ<sup>2</sup> to support its planned levels of Urea production for a proposed operating life of 20 years. Hancock notes that Strike has previously earmarked South Erregulla as the primary source of gas for Project Haber. Yet South Erregulla currently has 2P Reserves of 128PJ which is insufficient (by itself) to support any final investment decision for Project Haber.

In considering its 2P Reserves and 2C Contingent Resources in Blocks EP503 and EP469, Strike appears to only have 508PJ<sup>3</sup> available for Project Haber. This is still insufficient and assumes successful conversion of 2C Contingent Resources. In considering 2P Reserves only across Blocks EP503 and EP469, Strike has 2P Reserves of 339PJ against which it has committed Gas Sales Agreements (GSAs) of 117PJ.<sup>4</sup> This leaves 222PJ available for Project Haber, subject to suitable connection infrastructure being installed.

Hancock considers that this is indicative of the considerable uncertainty associated with Strike's ability to establish sufficient Reserves to support Project Haber, needs significant exploration funding and lead times. This is in addition to the considerable development and funding risk associated with Project Haber itself which has expected capital expenditure requirements of approximately \$3-3.5 billion<sup>5</sup> of funding that Strike does not have.

**(c) Strike's balance sheet is very limited, and likely means Strike's ability to undertake activities is unrealistic without funding strategies that are shareholder value destructive**

Strike's net debt was \$1.8 million as at 30 September 2022, comprising cash of only \$21.1 million and drawn debt facilities of \$23 million. Given its limited cash reserves, Strike has entered into a number of debt financing agreements including with Macquarie Bank Limited.<sup>6</sup> This includes a \$40 million facility which will be used to fund appraisal drilling at South Erregulla, secured against the South Erregulla assets. The facility has a coupon rate of 11% plus the bank bill swap rate which reflects a significant risk premium associated with the early stage of project development.

Hancock considers that strategy of using debt finance to fund appraisal drilling is high-risk, and indicative of Strike's inability to fund its planned activities in a prudent and orderly manner without being value destructive for its shareholders.

**(d) Strike has no approved development plan that is currently known for Greater Erregulla gas development, which is likely to incur further delays under Strike's operatorship**

Hancock notes that Strike now intends to develop the West Erregulla project on an integrated basis with its 100% owned South Erregulla project. Further, Strike has now allowed key project agreements for West Erregulla to lapse, which may act to deny the existing development plan and make redundant existing application for critical project approvals, notwithstanding this is not necessarily in the interests of the West Erregulla JV partners.<sup>7</sup>

Hancock considers that under Strike's proposal this means the development of West Erregulla will be dependent on development of South Erregulla. This is despite the fact that South Erregulla is still at an early appraisal stage of development.

Hancock notes that any revised development plan and timetable for West Erregulla will be subject to joint venture approval under the joint venture agreement, whereby Warrego will be required to act in the best interests of all of its shareholders.

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<sup>2</sup> Strike ASX Announcement 20 September 2021 "Project Haber to deliver further benefits as Pre-FEED completes".

<sup>3</sup> Strike ASX Announcement 24 November 2022 "Annual General Meeting Presentation".

<sup>4</sup> Strike ASX Announcement 24 November 2022 "Annual General Meeting Presentation".

<sup>5</sup> Strike ASX Announcement 24 November 2022 "Annual General Meeting Presentation".

<sup>6</sup> Strike ASX Announcement 19 December 2022 "\$153m Domestic Gas Financing Package".

<sup>7</sup> Strike ASX Announcement 23 December 2022 "Erregulla Domestic Gas Strategy Update".

**(e) Strike has already contracted gas for sale at prices that may not reflect current or future market conditions**

Hancock notes that in August 2020, Strike contracted 100 PJ of gas from West Erregulla under a Gas Sale Agreement to CSBP (Wesfarmers).<sup>8</sup>

Whilst pricing under this contract is not public, Hancock considers that this reflects the conversion of an option held by Wesfarmers having contributed \$5 million of exploration funding at West Erregulla.

This is unlikely to be in line with current or prospective gas market prices in WA, and Hancock notes that Strike now intends to develop the West Erregulla project on an integrated basis with its 100% owned South Erregulla project.

### 3 Accelerated timing for cash payment

Once the 40% Increase Condition is met and Warrego Shareholders become entitled to receive \$0.36 cash per Warrego Share under Hancock's Offer, Hancock will pay those Warrego Shareholders their cash by no later than seven Business Days.

### 4 Approval

This Seventh Supplementary Bidder's Statement has been approved by a resolution passed by the directors of Hancock.

Date: 11 January 2023

Signed for and on behalf of Hancock Energy (PB) Pty Ltd by:



.....  
Stuart Richard Johnston, Director

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<sup>8</sup> Strike ASX Announcement 31 August 2020 "CSBP Commits To Gas Offtake".

# Annexure A – Further detail on the Facility

## Operation of the Facility

The Facility will be operated by Computershare Clearing Pty Limited ACN 063 826 228 (**Facility Agent**) in accordance with the Facility terms of appointment (**Terms of Appointment**).

The Facility will operate as follows:

- (a) If you decide to participate in the Facility, you will provide to the Facility Agent a duly completed appointment of Facility Agent form (**Appointment Form**), together with:
- if you are the registered shareholder of your Warrego Shares, a duly completed acceptance and transfer form for Hancock's Offer in respect of all your Warrego Shares (**Acceptance Form**); or
  - if your Warrego Shares are held by a custodian (such as a nominee) (**Custodian**), a duly completed and executed direction to your Custodian to accept Hancock's Offer in respect of all your Warrego Shares (**Custodian Direction**),
- (collectively, **Acceptance Instructions**).
- (b) The Acceptance Instructions should be provided to the Facility Agent by post or by email to: [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au).
- (c) The Facility Agent will hold the completed Acceptance Form and/or Custodian Direction in accordance with the terms set out in the Appointment Form. Acceptance Instructions lodged with the Facility Agent will demonstrate the intention of the relevant Warrego Shareholder to accept Hancock's Offer, but will not constitute an actual acceptance of Hancock's Offer while they are held by the Facility Agent.
- (d) Hancock may deliver a letter to the Facility Agent (**Confirmation Letter**) confirming that the 40% Increase Condition has been met at any time prior to the close of Hancock's Offer, which is currently 7.00 pm (AEDT) on Tuesday, 31 January 2023.<sup>9</sup> For the purposes of determining whether the 40% Increase Condition has been met, Hancock will be taken to have an aggregate interest in the sum of:
- the number of Warrego Shares in which Hancock has a relevant interest (including as a result of receiving actual acceptances of Hancock's Offer); and
  - the number of Warrego Shares in respect of which Acceptance Instructions have been received under the Facility (as advised by the Facility Agent to Hancock).
- (e) Upon the Facility Agent receiving the Confirmation Letter from Hancock, the Facility Agent will, as soon as is reasonably practicable:
- deliver the Acceptance Form to Computershare Investor Services Pty Limited (ACN 078 279 277) (in the case of Issuer Sponsored Holdings) or to the relevant Controlling Participant (in the case of CHESS Holdings);
  - deliver the Custodian Direction to the relevant Custodian(s); and/or
  - direct the relevant Warrego Shareholder to initiate acceptance of Hancock's Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules.
- (f) You will retain all rights and control over your Warrego Shares and will be able to withdraw your Acceptance Form or Custodian Direction by submitting a withdrawal notice to the Facility Agent in writing (including by email) (**Withdrawal Notice**). The Facility Agent must return the Acceptance Instructions to the Warrego Shareholder promptly upon:

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<sup>9</sup> Unless extended in accordance with the Corporations Act.



- receipt of a written request (including by email) from you at any time prior to the Facility Agent receiving the Confirmation Letter from Hancock; or
- Hancock terminating its arrangements with the Facility Agent in respect of the Facility.

Once Hancock has delivered the Confirmation Letter to the Facility Agent, you can no longer withdraw your Acceptance Form or Custodian Direction.

The Facility Agent will receive reasonable fees from Hancock for acting as Facility Agent. Warrego Shareholders pay no fees for this service.

## **Disclosure**

Hancock will treat any Warrego Shares the subject of the Facility as shares over which it has a relevant interest for the purpose of disclosure requirements in Chapter 6 of the Corporations Act and for continuous disclosure obligations generally.

The Facility Agent will inform Hancock on each Business Day of the number of Warrego Shares in respect of which Acceptance Instructions have been received on the previous Business Day.

Hancock will disclose this information as required by the Corporations Act. When Hancock discloses its voting power in that regard, it will do so in a way that distinguishes the Warrego Shares that are the subject of the Facility.

## **Participating in the Facility**

If you wish to participate in the Facility, please provide to the Facility Agent by email to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au):

- (a) a completed and executed Appointment Form; and
- (b) a completed and executed:
  - Acceptance Form; and/or
  - in respect of Warrego Shares held by a custodian, Custodian Direction (one copy for Hancock and one copy for the Custodian).

The Acceptance Form or Custodian Direction will apply to all of the Warrego Shareholder's Warrego Shares. Persons holding parcels as trustee or nominee for another person may participate in the Facility as if a separate Offer had been made in relation to each parcel.

## **Other**

A copy of the Appointment Form, Terms of Appointment, Acceptance Form, Custodian Direction and Withdrawal Notice will be provided to Warrego Shareholders upon request by calling the Offer Information Line on 1300 916 761 (within Australia) or +61 3 9415 4888 (outside Australia). Any Warrego Shareholder may also request a copy of any of these documents from the Facility Agent by email at [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au). The documents will also be available on Hancock's website. Warrego Shareholders can provide their Appointment Form, together with their Acceptance Form or Custodian Direction, to the Facility Agent by post or email (at the contact details set out in the forms) or by email to [corpactprocessing@computershare.com.au](mailto:corpactprocessing@computershare.com.au).

If you have any questions in relation to the Facility or the related documents, please contact Computershare Clearing Pty Limited on 1300 916 761 (within Australia) or +61 3 9415 4888 (outside Australia).

The Terms contain warranties, limitations of liability and releases in favour of the Facility Agent.

The Facility Agent has not been involved in the preparation of this Seventh Supplementary Bidder's Statement and is not providing advice or making any recommendation in relation to the Warrego Shareholder's participation in the Facility.

The Facility Agent has given, and has not at the date of this Seventh Supplementary Bidder's Statement withdrawn, its written consent to being named in this Seventh Supplementary Bidder's Statement.