



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

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

By online lodgement

8 February 2023

FOR IMMEDIATE RELEASE TO THE MARKET

Dear Sir/Madam

Strike West Holdings Pty Ltd – Seventh supplementary bidder's statement

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

On behalf of Strike West, we attach a seventh supplementary bidder's statement, dated 8 February 2023 (**Seventh Supplementary Bidder's Statement**), which supplements Strike West's bidder's statement dated 23 December 2022 as supplemented by the first supplementary bidder's statement dated 30 December 2022, second supplementary bidder's statement dated 6 January 2023, third supplementary bidder's statement dated 12 January 2023, fourth supplementary bidder's statement dated 17 January 2023, fifth supplementary bidder's statement dated 23 January 2023 and sixth supplementary bidder's statement dated 3 February 2023 in relation to its Takeover Bid.

A copy of the Seventh Supplementary Bidder's Statement has been lodged with the Australian Securities and Investments Commission and sent to Warrego today.

Yours sincerely

James Nicholls
Partner

T: +61864676087
james.nicholls@dlapiper.com

DLA Piper Australia

Matthew Nowotny-Walsh
Senior Associate

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

DLA Piper Australia



Seventh Supplementary Bidder's Statement

In relation to the **UNCONDITIONAL
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



Legal Adviser



IMPORTANT NOTICES

This document is the seventh supplementary bidder's statement (**Seventh 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**), second supplementary bidder's statement dated 6 January 2023 (**Second Supplementary Bidder's Statement**), third supplementary bidder's statement dated 12 January 2023 (**Third Supplementary Bidder's Statement**), fourth supplementary bidder's statement dated 17 January 2023 (**Fourth Supplementary Bidder's Statement**), fifth supplementary bidder's statement dated 23 January 2023 (**Fifth Supplementary Bidder's Statement**) and sixth supplementary bidder's statement dated 3 February 2023 (**Sixth Supplementary Bidder's Statement**).

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

A copy of this Seventh Supplementary Bidder's Statement was lodged with ASIC and provided to ASX on 8 February 2023. Neither ASIC or ASX nor any of their respective officers takes any responsibility for the contents of this Seventh Supplementary Bidder's Statement. This Seventh 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 Seventh 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 Tenth Supplementary Bidder's Statement released by Hancock Energy (PB) Pty Ltd (**Hancock**) on 6 February 2023 in which Hancock confirmed the 40% minimum acceptance condition to its \$0.36 cash offer per Warrego Share had been satisfied. Consequently, Hancock's current offer is now unconditional and all Warrego Shareholders who accept, or have accepted, Hancock's current offer will receive \$0.36 cash per Warrego Share.

Based on Hancock's most recent disclosure, Hancock's voting power is now 52.17%.¹ Consequently, Hancock has reached a majority position and become Warrego's controlling shareholder.

In light of the abovementioned developments, the Strike Board has reconsidered its intentions in respect of Warrego and Warrego Shares², This Seventh Supplementary Bidder's Statement details Strike's current intentions in respect of its strategic shareholding in Warrego and Strike's current intentions for its Perth Basin asset portfolio more generally.

Highlights

1. Strike announces its **intention to accept into Hancock's current offer for Warrego** in respect of all Warrego Shares held or controlled by the Strike Group.
2. Recent corporate activity **validates the value of Strike's Perth Basin asset portfolio** with Hancock's purchase price of A\$1.98/GJ (2P+2C) implying **significant look-through value to Strike's portfolio**.
3. Despite not acquiring control of Warrego, Strike has nonetheless **achieved a number of key milestones** over the last 6 months including:
 - (a) Strike's **share price has appreciated by ~40%**;
 - (b) following acceptance of Hancock's current offer, **Strike will realise ~A\$116 million in immediately available cash funding** at a material premium to Strike's undisturbed share price and at an **implied premium to Strike's current share price (equivalent to 41cps)**³;
 - (c) Strike's joint venture partner will be controlled by a **credentialed, well-funded and motivated counterparty** to pursue development activity in respect of the West Erregulla gas project.
4. Strike has maximised the value of its strategic shareholding in Warrego, for the benefit of current and incoming Strike Shareholders, by **procuring an 80% increase in the counterparty offer price** from 20 cents per Warrego Share (under Beach's offer) to 36 cents per Warrego Share (under Hancock's current offer).

¹ As advised in Hancock's Form 604 dated 8 February 2023 released on Warrego's market announcement platform.

² Refer to section 6 of the Original Bidder's Statement for further information regarding Strike's intentions for Warrego as at the Last Practicable Date. Strike expressly reserved its rights to consider and potentially accept alternative or subsequent offers for its Warrego Shares in section 6.4(d) of the Original Bidder's Statement.

³ Realised price of \$0.41 per Strike Share based on the issue of 229,258,280 Strike Shares (Warrego share purchases through scrip consideration) and net cash proceeds of \$94 million (sale of 332,570,890 Warrego Shares at \$0.36 per Share net \$22.3 million in cash consideration to acquire 93,312,610 Warrego Shares).

1. Strike intends to accept the Hancock's current offer

Strike's overarching purpose in acquiring and holding Warrego Shares has been, and remains, to maximise returns for Strike Shareholders. Based on Hancock's now unconditional cash offer of \$0.36 per Warrego Share after having received acceptances of 52.17%⁴, the Strike Board has determined to accept Hancock's current offer in respect of all Warrego Shares held or controlled by the Strike Group.

As at the date of this Seventh Supplementary Bidder's Statement, the Strike Group holds or controls 322,570,890 Warrego Shares (equating to voting power equal to ~25.99%). Consequently, upon accepting Hancock's current offer in respect of all 322,570,890 Warrego Shares, Strike will be entitled to receive approximately \$116 million in gross cash proceeds⁵.

Details of all of Strike's acquisitions of Warrego Shares are set out in Figure 1 below.

Figure 1: Details of Strike's acquisitions of Warrego Shares (to 7 February 2023)

	Number acquired	Consideration
Warrego Share acquisitions (cash consideration) ⁶	93,312,610	\$22,329,202.44
Warrego Share acquisitions (scrip consideration) ⁷	229,258,280	229,258,280 Strike Shares

Following acceptance of Hancock's current offer, Strike will have access to ~\$183 million in available cash and undrawn committed debt facilities⁸. With this additional funding, Strike will be able to deliver the exploration, appraisal, development and production outcomes outlined in section 3.2 of the Original Bidder's Statement as well as progress its intentions with regards to the development of Project Haber. Strike expects to make further disclosure as to its forward capital program consistent with these objectives in due course.

In the near term, Strike will also look to engage with Hancock, as the controller of the non-operated 50% interest in EP469, in relation to the development strategy for, and how to maximise the value of, EP469, whilst meeting both parties' operational objectives.

2. Recent corporate activity validates the value of Strike's Perth Basin asset portfolio

There have been several non-binding proposals and takeover offers for Warrego over the last 6 months, including:

- Beach Energy Limited (**Beach**) entering into a scheme implementation deed with Warrego, as announced on 14 November 2022, for upfront cash consideration of \$0.20 per Warrego Share and a contingent entitlement to the net proceeds of sale of Warrego's Spanish assets, which offer was then revised to \$0.25 per Warrego Share on 2 December 2022 following the emergence of Hancock as a competing bidder.
- Hancock's off-market takeover bid to acquire all of the Warrego Shares for cash consideration of \$0.23 per Warrego Share as announced on 30 November 2022; revised offer of \$0.28 per Warrego Share as announced on 2 December 2022; and Hancock's now unconditional offer of \$0.36 per Warrego Share as announced on 6 February 2023.

⁴ As advised in Hancock's Form 604 dated 8 February 2023 released on Warrego's market announcement platform.

⁵ Strike may process or receive additional acceptances between the date of this Seventh Supplementary Bidder's Statement and the date of its acceptance of Hancock's current offer. In those circumstances, the cash proceeds realised by Strike will include those additional Warrego Shares.

⁶ For further details please refer to Strike's Form 603 dated 20 July 2021 released on Warrego's market announcement platform.

⁷ Acquisitions of Warrego Shares in consideration for the issue of Strike Shares were conducted through both off-market share swap agreements with certain Warrego Shareholders and via acceptances by Warrego Shareholders of Strike's off-market takeover offers for Warrego Shares. For further details please refer to Strike announcement dated 7 November 2022 titled 'Strike increases ownership of Warrego to 19.9%'.

⁸ Inclusive of cash balance reported as at 31 December 2022, undrawn balance of the \$10 million Macquarie Bank Debt Facility for the Walyering Project and the \$40 million committed debt facility from Macquarie Bank for the South Erregulla appraisal program which remains subject to execution of definitive finance documentation.

- On-market acquisitions by Mineral Resources Limited of 19.7% of the outstanding Warrego Shares between 4 January 2023 and 16 January 2023 at an average purchase price of \$0.3516 per Warrego Share and a maximum purchase price of \$0.3924 per Warrego Share.

The significant corporate interest in Warrego detailed above clearly demonstrates the quality and strategic importance of Perth Basin gas. Indeed, Hancock's current offer for Warrego implies a valuation of Warrego's interest in West Erregulla of **A\$1.98/GJ (2P + 2C)**. Assuming the same implied valuation in respect of Strike's interest in West Erregulla and its broader Perth Basin portfolio implies a total Strike equity valuation of **>80 cents per share**⁹.

3. Strike has achieved a number of key milestones

Despite not acquiring control of Warrego, Strike has achieved a number of key milestones in respect of its business strategy over the last 6 months, including:

- **Share price appreciation of ~40%:** Since submitting Strike's initial proposal to Warrego on 16 September 2022, Strike's share price has risen from **25.5 cents per share** to **36 cents per share** (based on the closing price as at 7 February 2023).
- **Releasing ~A\$116m of equity funding at a substantial premium to Strike's current share price:** Strike has issued ~229 million new Strike Shares to raise net cash proceeds of ~A\$94 million (A\$116 million proceeds net of A\$22 million cash costs to acquire ~93 million Warrego Shares in July 2021). This implies an effective equity raising price of **~41 cents per share**¹⁰ or a **14% premium** to Strike's closing share price on 7 February 2023 and a **18% premium** to Strike's 90-day VWAP¹¹.
- **Welcoming a well-credentialed, well-funded and motivated counterparty to pursue the development of West Erregulla:** Hancock is one of Australia's leading energy and resources companies with significant development experience. Hancock also have significant cash reserves with sufficient existing financial capacity to fund their portion of the West Erregulla development costs.
- **Extracted significant value for its strategic interest in Warrego:** Since Strike's initial proposal, Strike has maximised value of its strategic shareholding in Warrego, for the benefit of current and incoming Strike Shareholders by procuring an 80% increase in the counterparty offer price from 20 cents per share (under Beach's offer) to 36 cents per share (under Hancock's current offer).

The Strike Board continues to believe the implementation of Strike's business strategy will provide significant long-term upside to its shareholders, including by virtue of the advancement of Project Haber, continued exploration activities and its transition to become Australia's next gas producer.

4. Information regarding the Strike Offer

Warrego Shareholders may accept the Strike Offer at any time during the Offer Period, which is currently scheduled to close at 7.00pm (Perth time) on Monday, 13 February 2023.

If you have any questions about the Strike 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 as required.

⁹ Based on Strike's net reserve and resource position of 983 PJ of gas and 2,381,163,112 shares outstanding per Strike's application for quotation of securities dated 6 February 2023.

¹⁰ Realised price of \$0.41 per Strike Share based on the issue of 229,258,280 Strike Shares (Warrego share purchases through scrip consideration) and net cash proceeds of \$94 million (sale of 332,570,890 Warrego Shares at \$0.36 per Share net \$22.3 million in cash consideration to acquire 93,312,610 Warrego Shares).

¹¹ Based on Strike's closing share price of \$0.3600 and 90-day VWAP of \$0.3462 on 7 February 2023.

5. Consents

This Seventh Supplementary Bidder's Statement includes statements that are made in, or based on statements made in, documents lodged with ASIC or given to ASX, including:

- Hancock's ASX announcement dated 6 February 2023 entitled 'Hancock's 10th Supplementary Bidder's Statement' released on Warrego's market announcement platform; and
- Hancock's Form 604 dated 8 February 2023 released on Warrego's market announcement platform.

Under the terms of *ASIC Class Order 13/521*, the persons who made 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 Seventh Supplementary Bidder's Statement.

If you would like to receive a copy of the above-mentioned announcements free of charge, please call Strike's Company Secretary on (+61) 8 7099 7400 between 9.00 am and 5.00 pm (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 SEVENTH SUPPLEMENTARY BIDDER'S STATEMENT

This Seventh 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
8 February 2023



Signed by Stuart Nicholls,
Director of Strike West
8 February 2023