

# Strike to realise \$136m in proceeds following its takeover bid for Warrego

- Strike has closed its off-market takeover bid for Warrego finishing with ~30.4% of the total Warrego shares on issue.
- Strike will now accept Hancock's cash offer of \$0.36 per Warrego Share which will realise \$136 million in proceeds to Strike. The proceeds generated are equivalent to an equity raise at approximately 40 cents<sup>1</sup> per Strike share or a 16% premium to Strike's last closing price of \$0.345.
- In conjunction with the \$67 million of available cash and undrawn facilities as at Q4/22, Strike will have a total of \$203 million of available funding with a further \$80 million in an uncommitted domestic gas development facility to support its next investment decision.
- Strike will now proceed to accelerate its Perth Basin focussed strategy across its portfolio of highly attractive domestic gas, fertiliser and renewable energy assets.

Strike Energy Limited (ASX: STX) (Strike) is pleased to announce its off-market takeover bid for Warrego Energy Limited (ASX: WGO) (Warrego) has now closed.

As at 15<sup>th</sup> February 2023, Strike owned or controlled ~30.4% (377,040,765) of Warrego's shares. As per its revised intentions,<sup>2</sup> Strike will proceed to vend all Warrego shares owned or controlled by Strike into the unconditional Hancock Energy (PB) Pty Ltd (Hancock) cash offer of \$0.36 per Warrego share. As a result, Strike will receive \$136 million in proceeds which is the equivalent of Strike conducting an equity capital raise at \$0.40 per Strike share or a 16% premium to Strike's last closing price of \$0.345.

The decision to accept Hancock's offer and receive a substantial and certain funding injection provides clarity on the development pathway for the Greater Erregulla gas resources. Strike looks forward to working with its new joint venture partner in Hancock as the controller of the Warrego share of the West Erregulla gas field in EP469 where Strike is the operator and owns the other 50% of equity.

With the advent of securing the \$153 million of domestic gas financing via Macquarie Bank Limited, Strike will have \$203 million of cash and available undrawn facilities<sup>3</sup> and a further \$80 million in an uncommitted domestic gas development facility to support the acceleration of its gas, fertiliser and renewables strategy and execute its next final investment decision.

Strike is currently conducting a capital allocation review and will provide further information on the additional activities that will be funded under this acceleration strategy in due course.

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

*"Strike has never been in a better position than it is today, with imminent gas production and cash flow generation at the Walyering gas field, having a robust balance sheet and operating the largest reserve and resource position in the Perth Basin, all whilst local and global gas markets continue to tighten, and pricing dynamics increase in attractiveness."*

*"With two planned and funded drilling campaigns in the next 12 months, a proposed investment decision at the Erregulla domestic gas project and the opportunity to accelerate assets where known and unrecognised dormant value exists, there is a lot to look forward to for our current and newly welcomed Strike shareholders".*

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

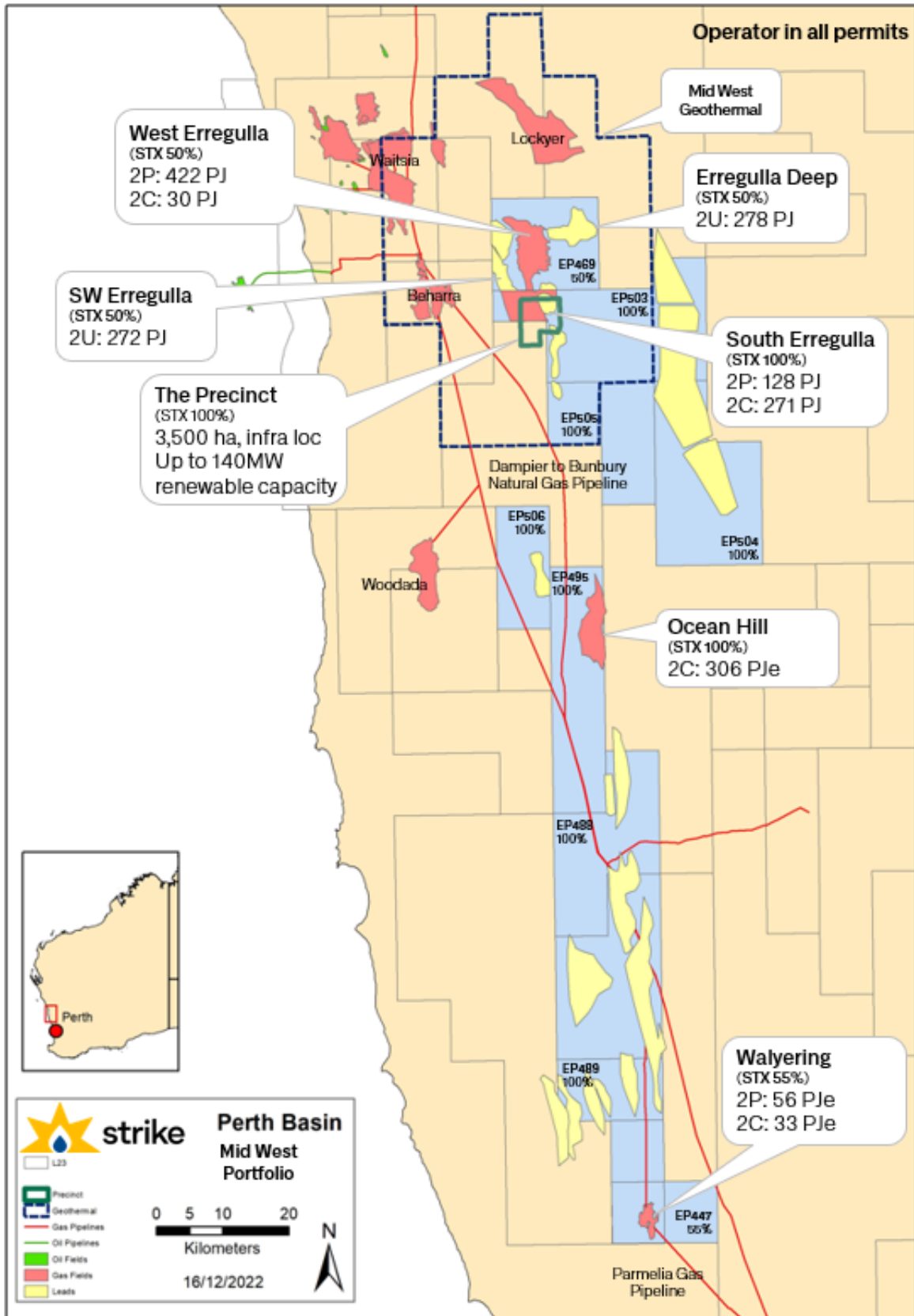
<sup>1</sup> Based on net proceeds of \$113m (\$136m of proceeds from sale of Strike's 377,040,765 Warrego shares for 36 cents per share, less the total acquisition price of ~\$22.3m for 93,312,610 Warrego shares) divided by the total of 283,728,155 Strike shares issued.

<sup>2</sup> See Strike's Seventh Supplementary Bidder's Statement dated 8 February 2023 for further details.

<sup>3</sup> Inclusive of cash balance reported as at 31 December 2022, undrawn balance of the \$10m Macquarie Bank Debt Facility for the Walyering Project and the \$40m committed debt facility from Macquarie for the SE appraisal program which remains subject to execution of documentation.

### Strike Perth Basin Asset Portfolio

Refer to Important Notices at the end of this release for information relating to Reserves and Resources.



Resource numbers in map are gross. Strike % equity interest is as noted in the map. Area marked "Mid West Geothermal" represents area of Geothermal Exploration Permit under application.  
 Condensates included as PJe on a 6.12PJ: 1 mmbce conversion. Reserves and Resources are unrisks



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## 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, 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. Actual results, performance, actions and developments of Strike 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 Strike West Pty Ltd's (wholly owned subsidiary of Strike) bidder's statement dated 23 December 2022 in relation to its off-market takeover offer to acquire all of the shares in Warrego Energy Limited that Strike does not already own. 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 its affiliates and its 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 since the date of this announcement.

### Information regarding Reserve and Resource Estimates

Unless otherwise stated, references in this report to:

- the West Erregulla reserve and resource estimate is set out in the ASX announcement dated 27th 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 Energy 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%; and
- 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%.
- The The Erregulla Deep & Southwest Erregulla 2U prospective Resource is set out in ASX announcement dated 16 December 2022 entitled "Strike to test Southwest Erregulla and Erregulla Deep Prospective Resource". Strike equity interest is 50%.

**Prospective Resource Estimate Information & Cautionary statement:** The above 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 with Strike % equity interest is as noted in the map. The estimates have been compiled using Strike's seismic mapping and reservoir/resource parameters common with the existing NSAI certified Reserves in the Erregulla region, which includes a BCF to PJ conversion of 1.081 and 5.8% shrinkage. The Prospective Resource estimates are as at 14th December 2022 and have been estimated in accordance with the definitions and guidelines of the Petroleum Resources Management System 2018, published by the Society of Petroleum Engineers (SPE PRMS).

The above announcements are available to view on Strike Energy's website at [www.strikeenergy.com.au](http://www.strikeenergy.com.au). The Reserves and Resources are un-risked. 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.