

Third significant gas discovery at West Erregulla-2

- Substantial gas discovery in the High Cliff Sandstones at West Erregulla-2 well
- Net pay of 10m in a gross High Cliff gas column of at least 22m, in line with pre-drill expectations and Waitsia analogues
- Preliminary analysis indicates excellent conventional reservoir quality with high gas saturation and porosities up to 16%
- High Cliff discovery follows previously announced discoveries in Kingia and Wagina sandstones
- West Erregulla-2 well reached Total Depth at 5,100m and wireline logging is ongoing

Warrego Energy Limited (ASX: WGO) advises that the West Erregulla joint venture has made a third significant gas discovery at the West Erregulla-2 (WE-2) appraisal/production well in EP 469, onshore Perth Basin, Western Australia. Wireline logging tools have been run across the formation and initial log interpretation completed.

The second primary target, the High Cliff Sandstones (HCSS), was intersected close to prognosis at 4,918m MDRT and generally in line with pre-drill expectations and Waitsia analogues. A gross gas column of 22m was encountered with well-developed porosity throughout. The entire 22m section is gas saturated with a net pay of 10m, an average porosity of 10.3% and sections up to 16%.

A Total Depth (TD) of 5,100m was achieved in the Holmwood Shale. The well did not encounter a gas water contact which is consistent with the seismic amplitude modelling which supports the proposed field boundaries. Advanced wireline logging is now underway and sidewall coring, pressure data and fluid sampling is planned before the well is completed for production and flow testing.

Group CEO & Managing Director, Dennis Donald, said:

“With three significant conventional gas discoveries announced, the WE-2 well has delivered beyond expectations.

“WE-2 is now at TD and Warrego is looking forward to acquiring a full data suite including side-wall cores, pressure data and fluid sampling. This will allow the Joint Venture to determine in-place volumes ahead of flow testing these exciting reservoirs.

“These exciting discoveries in the Wagina, Kingia and High Cliff underline the substantial commercial potential of West Erregulla and the onshore Perth Basin,” he said.

The WE-2 well spudded in early June and a significant conventional gas discovery in the Wagina Sandstone was announced to the ASX on 1 August 2019. Subsequently, a major conventional gas discovery in the Kingia Sandstone was announced to the ASX on 27 August 2019.

A production completion will now be run across the Kingia and High Cliff zones ahead of flow testing. Further analysis and evaluation of well data and these test results are required before an initial Resource certification can be prepared.

The Joint Venture Partners in EP 469 are:

Warrego Energy Limited (ASX: WGO) (via subsidiaries)	50%
Strike Energy Ltd (ASX: STX) (via subsidiaries, Operator)	50%

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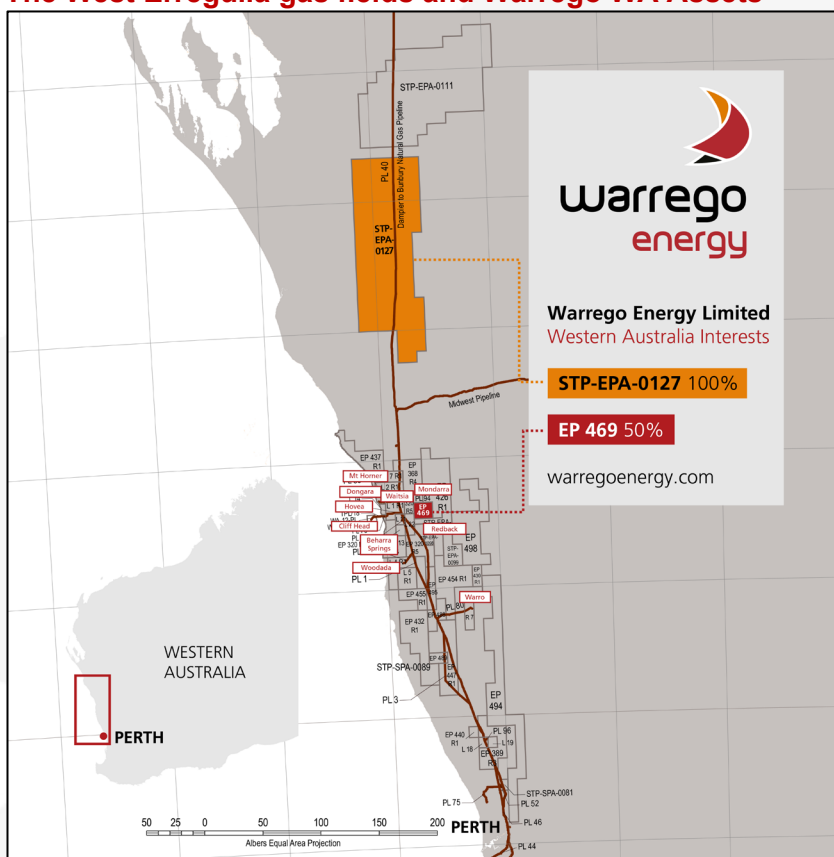
About Warrego Energy Limited (Warrego)

Warrego was founded by Dennis Donald and Duncan MacNiven in 2007 to bid by competitive tender for EP469. This was awarded to Warrego as operator in March 2008 subject to Native Title Agreement (obtained in 2010). Having weathered the 2008 global financial collapse, Warrego worked with the relevant authorities, the indigenous community and other key stakeholders to secure approval to undertake a 3D seismic campaign in Q4 2014.

Warrego raised a A\$40m commitment from two Dutch Oil and Gas companies in 2013 via a farm-in. Seismic operations were undertaken in late 2014, one third of the block being covered by the seismic polygon. Seismic data processed and interpreted in Q1 of 2015 showed significant potential. Following the oil price collapse in 2015, the Dutch partners exited and Warrego re-acquired title to the whole block.

In 2019 Warrego farmed out 50% of the block and operatorship to Strike Energy Ltd in exchange for Strike’s paying Warrego \$600,000 towards back costs and meeting the first \$11m of the costs of WE-2. In March 2019, Warrego completed a reverse takeover of Petrel Energy Limited which was renamed Warrego Energy Limited, the ASX listing being retained. The newly combined Warrego and Petrel were joined by other key executives to form the team that are now focused on the development of their assets in WA and beyond.

The West Erregulla gas fields and Warrego WA Assets



This basin map shows the WA assets held by Warrego including EP 469 and application EPA 127.