

## Warrego and Strike align for joint development of the West Erregulla gas field

- Warrego Energy Limited and Strike Energy Limited have executed a binding Heads of Agreement for the joint development of the West Erregulla gas field
- Phase 1 gas processing capacity revised upwards to 80 TJ/d delivered
- Targeting Phase 1 FID before the end of Q1 CY2021
- Gas balancing arrangement ensures joint venture alignment and seamless delivery of foundation gas sales
- JV approved the addition of WE-5 well to current drilling campaign

Warrego Energy Limited (ASX: WGO) ("Warrego" or the "Company") today announced it has executed a binding Heads of Agreement (HOA) with joint venture partner Strike Energy Limited (ASX: STX) ("Strike") to ensure both parties are aligned on the development of the West Erregulla gas field in EP469, onshore Perth Basin, Western Australia.

The HOA provides an agreed pathway for the Phase 1 development of West Erregulla including:

- Gas processing and plant capacity;
- Gas balancing and gas sales; and
- Optimisation of timing and alignment of critical activities including a Final Investment Decision (FID) and the current appraisal drilling campaign.

Phase 1 development of West Erregulla is subject to FID being taken by the parties by the end of Q1 CY2021, completion of definitive documentation for the gas processing arrangements, and completion of limited due diligence.

### Upstream Development

On the back of substantial foundation gas sales by both parties<sup>1</sup>, the joint venture has agreed a significant increase in Phase 1 capacity to 80 TJ/d delivered to the Dampier to Bunbury Natural Gas Pipeline (DBNGP). The Australian Gas Infrastructure Group (AGIG) remains the preferred proponent to build, own and operate the facility and will complete a supplementary FEED study for the larger capacity plant by the end of CY2020.

The joint venture partners plan to seek financing for the construction of the Phase 1 development on a co-ordinated basis. The partners expect to generate superior outcomes by following this process.

The joint venture is expected to be in a position to consider FID by the end of Q1 CY2021 following the drilling, testing and evaluation of the WE-3 and possibly WE-4 appraisal wells. The target date for first gas sales from West Erregulla remains mid-2022. The joint venture has also approved the addition of WE-5 to the current drilling campaign, but this well is unlikely to be drilled before FID is taken.

### West Erregulla Gas Sales

Warrego and Strike have entered into a gas balancing arrangement to align the interests of both parties with respect to the difference in total contracted volumes and contract commencement dates for each foundation gas sales agreement. This will ensure the seamless delivery of sales gas to foundation gas customers and enable the joint venture partners to sell uncontracted gas on an equal basis.

<sup>1</sup> Refer WGO ASX announcement of 29 September 2020 "Updated – Warrego and Alcoa Sign Large Scale, Long Term GSA" and STX ASX announcement of 31 August 2020 "CSBP Commits To Gas Offtake"

Marketing of additional capacity over and above the foundation gas sales will continue, although further gas sales are not needed to achieve FID.

Warrego's Executive Director & CEO Australia, David Biggs, said: "The agreement between Warrego and Strike provides an aligned and efficient pathway for the development of the West Erregulla gas field.

"The construction of a single gas processing plant provides capital and operational efficiencies to both companies as well as a smaller operational footprint. Importantly, it provides greater certainty to existing and future gas customers, regulators and stakeholders and is another significant step in de-risking the project.

"Results from WE-3, which is currently being drilled, and WE-4 have the potential to enhance our view of reserves and resources as we move towards FID in 2021," Biggs said.

###

Authorised by the Board of Warrego Energy Limited and issued in accordance with Warrego's disclosure policy.

### About Warrego Energy Limited

Founded in 2007, Warrego secured 100% of EP469 located onshore Perth Basin, Western Australia, in 2008. Warrego farmed out 50% of the block and operatorship in 2018 to Strike Energy Limited. In March 2019, Warrego completed a reverse takeover of Petrel Energy Limited which was renamed Warrego Energy Limited, the ASX listing being retained. Warrego is now focused on the development of onshore assets in Western Australia and Spain. Warrego was added to the ASX All Ordinaries Index from 22 June 2020.

### For further information contact:

United Kingdom  
Dennis Donald  
Managing Director & Group CEO  
+44 7961 897 894  
[investors@warregoenergy.com](mailto:investors@warregoenergy.com)

Australia  
David Biggs  
Executive Director & CEO Australia  
+61 427 772 924  
[investors@warregoenergy.com](mailto:investors@warregoenergy.com)

Matt Sullivan  
Meridian Investor Relations  
+61 412 157 276  
[meridianir@outlook.com](mailto:meridianir@outlook.com)