

Quay Quarter Tower
50 Bridge Street, Sydney NSW 2000, Australia
GPO Box 9925, Sydney NSW 2001, Australia
Tel +61 2 9210 6500
Fax +61 2 9210 6611
www.corrs.com.au

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20 December 2022

Online lodgement

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

Partner

Sandy Mak (02) 9210 6171
Email: sandy.mak@corrs.com.au

Dear Sir / Madam

**Takeover bid by Hancock Energy (PB) Pty Ltd – Third
Supplementary Bidder's Statement**

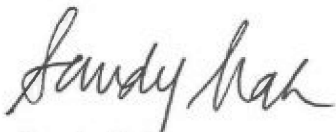
We act for Hancock Energy (PB) Pty Ltd ACN 663 446 642 (**Hancock**) in relation to its off-market takeover bid (**Offer**) under Chapter 6 of the *Corporations Act 2001* (Cth) (**Corporations Act**) for all the current and to be issued ordinary shares in Warrego Energy Limited ACN 125 394 667 (ASX:WGO)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

We enclose, by way of service 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 third supplementary bidder's statement dated 20 December 2022 in relation to the Offer.

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

Yours faithfully

Corrs Chambers Westgarth



Sandy Mak
Partner

Third 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

RESPONSE TO STRIKE'S ONE-FOR-ONE SCRIP PROPOSAL

THIS DOCUMENT CONTAINS IMPORTANT UPDATES IN RELATION TO THE
HANCOCK 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

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Important notice

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

It is the third supplementary bidder's statement (**Third 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**) and 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**) (**Bidder's Statement**).

This Third 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 Third 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 Third Supplementary Bidder's Statement.

A copy of this Third Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 20 December 2022. Neither ASIC nor its officers take any responsibility for the content of this Third Supplementary Bidder's Statement.

1 Context

Hancock notes the announcement from Strike Energy Limited ACN 078 012 745 (**Strike**) on 19 December 2022 that it intends to make an off-market takeover bid to acquire all of the outstanding Warrego Shares for one fully-paid Strike ordinary share per Warrego Share (**Strike's Scrip Proposal**).

Hancock considers that its all cash Offer of \$0.28 per Warrego Share is superior to Strike's Scrip Proposal in a number of material respects, as set out in this Third Supplementary Bidder's Statement. Several of these issues have previously been detailed by the Warrego Board on 22, 28 and 30 November 2022, expressing the Warrego Board's concerns to Warrego Shareholders about accepting a proposed offer for Strike shares.

HIGHLIGHTS

1. Hancock's all cash Offer at \$0.28 per Warrego Share **provides Warrego Shareholders with certainty** that Strike's Scrip Proposal does not. Therefore, Warrego Shareholders can quickly and simply determine and monetise the value of their Warrego Shares.
2. Hancock's Offer **is substantially higher than the value of Strike's scrip**, based on steady state trading. Strike's three month VWAP prior to the Announcement Date of the Hancock Offer was \$0.247, reflecting the steady state value of Strike's Shares.
3. Hancock's Offer means Warrego Shareholders are **not exposed to future declines in Strike's share price**. This may result from uncertainties around recoverable gas volumes, development approvals or increased costs.
4. Hancock's Offer means Warrego Shareholders are **not exposed to Strike's future development or funding challenges**. These are likely to include substantial funding that is not in place for key developments and onerous debt arrangements.
5. Hancock's Offer means Warrego Shareholders are **not exposed to Strike's management performance**. Strike's management may not have an extensive track record for delivery of large scale capital projects and there is no certainty it can contract relevant operational expertise in the short- to medium-term.
6. Hancock's Offer means Warrego Shareholders are **not exposed to Strike's other high risk concepts**. This includes a proposed unfunded \$3-3.5 billion fertiliser plant which is speculative and at conceptual stage only.
7. Hancock's Offer means Warrego Shareholders **are not exposed to potential Strike shareholder agitation**. Strike's Scrip Proposal is highly dilutive to existing Strike shareholders, which may result in existing Strike shareholders agitating against the Strike board.

2 Hancock’s all cash Offer is superior to the current one-for-one Strike Scrip Proposal in a number of material respects

Hancock’s all cash Offer at \$0.28 per Warrego Share provides Warrego Shareholders with certainty that Strike’s Scrip Proposal does not

Unlike Strike’s Scrip Proposal, Hancock’s Offer is all cash at an Offer Price of \$0.28 per Warrego Share providing Warrego Shareholders with certainty and represents a significant premium to the historical unaffected trading prices on the ASX. Therefore, Warrego Shareholders can quickly and simply determine and monetise the value of their Warrego Shares.

Hancock’s Offer is substantially higher than the value of Strike’s scrip, based on steady state trading

Strike’s share price has increased only recently, following the announcement of the Hancock Offer and increased activity in the Perth Basin, but its longer term share price has been substantially lower. The recent Strike share price levels may be temporary and may not be sustainable in the longer term.

The increase in Strike’s share price has occurred only relatively recently, and in particular since Hancock’s announcement of its Offer on 30 November 2022 and following increased interest in the oil and gas sector in the Perth Basin more generally. Strike’s recent share price increases may be linked to the general increase in activity in this sector, may not be driven by factors specific to Strike’s prospects and performance and may be temporary. There is no assurance that Strike’s share price will be able to be maintained at this level in the longer term.

As at 16 December 2022, Strike’s closing share price was \$0.335 per share, which represents an increase of 36.7% to Strike’s closing price of \$0.245 on the Trading Day prior to the announcement of Hancock’s Offer on 30 November 2022. Prior to this date, however, Strike’s share price remained in a steady state and significantly below its 16 December 2022 closing price (and below Hancock’s Offer Price) as noted below:

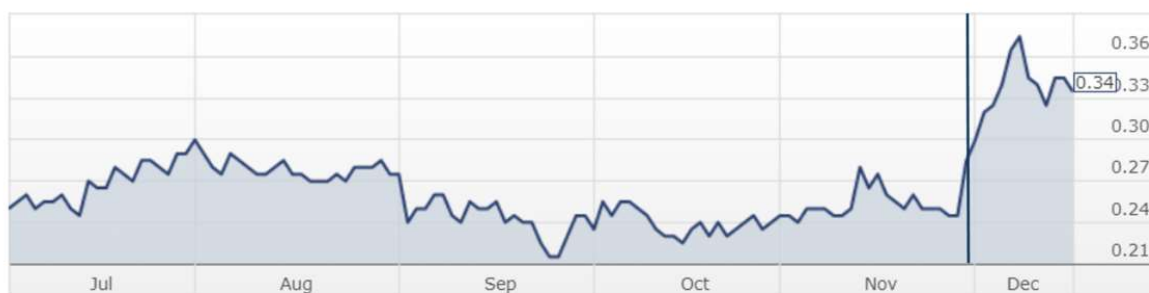
- Strike’s one month VWAP prior to the Announcement Date was \$0.254;
- Strike’s three month VWAP prior to the Announcement Date was \$0.247; and
- Strike’s six month VWAP prior to the Announcement Date was \$0.26.

Hancock’s Offer means Warrego Shareholders are not exposed to future declines in Strike’s share price

The chart below sets out Strike’s share price between 1 July 2022 and 16 December 2022, and illustrates that the recent increase in Strike’s price is correlated with the announcement of Hancock’s Offer for Warrego. There can be no assurance that Strike’s share price will be maintained at this level in the future or if Hancock’s Offer lapses.

In addition to being highly dilutive to Strike shareholders, Strike’s Scrip Proposal exposes Warrego Shareholders to Strike’s share price which is subject to volatility and fluctuation.

Jul 01, 2022 - Dec 16, 2022 ●STX



Date of Hancock’s Bidder’s Statement

Based on Strike's longer term share price, Strike's Scrip Proposal represents a lower or similar premium as compared to Hancock's Offer. The implied offer price of Strike's Scrip Proposal depends on its share price which, as noted above, has increased significantly only in the last month and since the announcement of Hancock's Offer.

Strike's Scrip Proposal offers a lower or similar premium to Hancock's Offer in most cases, if its implied proposal price is calculated based on Strike's longer term VWAP as illustrated below:

	Strike's Scrip Proposal premium	Hancock's Offer premium	Comparison between Strike's Scrip Proposal and Hancock Offer
<i>Based on Strike VWAP prior to Announcement Date of Hancock's Offer</i>			
Six month VWAP ¹	89.9%	103.7%	Hancock's Offer superior to Strike's Scrip Proposal by 13.8%
Three month VWAP ²	66.2%	88.4%	Hancock's Offer superior to Strike's Scrip Proposal by 22.2%
<i>Based on Strike VWAP prior to announcement of Strike Scrip Proposal</i>			
Six month VWAP ³	104.7%	104.7%	Hancock's Offer similar to Strike's Scrip Proposal
Three month VWAP ⁴	95.9%	88.4%	Strike's Scrip Proposal slightly greater to Hancock's Offer by 7.5%

Hancock's Offer means Warrego Shareholders are not exposed to Strike's future development or funding challenges

Strike's Scrip Proposal is highly dilutive to Strike shareholders and exposes Warrego Shareholders to volatility and fluctuation in Strike's share price and uncertainties relating to Warrego's and Strike's projects. By contrast, Hancock's Offer offers a certain cash price and removes uncertainty for Warrego Shareholders.

By contrast, Hancock's all cash Offer provides Warrego Shareholders with a clean exit from Warrego, removes exposure to Strike's share price and avoids risks and uncertainties specific to Warrego's and Strike's projects including, without limitation, funding and operational risks associated with their project development activities.

Strike had net debt of \$1.8 million as of 30 September 2022, comprising cash of \$21.1 million and drawn debt facilities of \$23 million. Hancock notes that the Going Concern statement included in Strike's 2022 Annual Report includes the assumption of a "reduction of discretionary expenditure, including but not limited to any significant expenditure related to Project Haber and the mid-west low carbon manufacturing precinct."

Hancock notes that Strike announced on 19 December 2022 a debt package with Macquarie Bank Limited (**Macquarie**). Hancock notes that Strike's financing package remains subject to a

¹ Based on Strike's six month VWAP up to the Trading Day prior to the Announcement Date of \$0.2609 and compared to Warrego's six month VWAP up to the last full Trading Day for Warrego Shares prior to announcement of Strike's original proposal for Warrego announced on 10 November 2022 (**Strike's Original Proposal**) of \$0.1374

² Based on Strike's three month VWAP up to the Trading Day prior to the Announcement Date of \$0.2469 and compared to Warrego's three month VWAP up to the last full Trading Day for Warrego Shares prior to announcement of Strike's Original Proposal of \$0.1486

³ Based on Strike's six month VWAP up to 16 December of \$0.2813 and compared to Warrego's six month VWAP up to the last full Trading Day for Warrego Shares prior to announcement of Strike's Original Proposal of \$0.1374

⁴ Based on Strike's three month VWAP up to 16 December of \$0.2911 and compared to Warrego's three month VWAP up to the last full Trading Day for Warrego Shares prior to announcement of Strike's Original Proposal of \$0.1486

number of terms and conditions, including the granting of various approvals, production licences, maintaining certain liquidity levels and further approval by Macquarie. Provision of the facilities is subject to execution of the definitive financing documents and the majority of the debt financing package of \$80 million for domestic gas development remains uncommitted by Macquarie.

If the debt package is finalised, Warrego Shareholders who accept Strike's Scrip Proposal will own shares in a company which has a significant \$153 million debt commitment, which is secured over Strike's key assets, including Strike's West Erregulla, South Erregulla and Walyering assets. If Strike defaults under its commitments in respect of this debt package then Macquarie may be entitled to enforce its security over Strike's assets.

Hancock's Offer means Warrego Shareholders are not exposed to Strike's management performance

The ability of Warrego shareholders to extract value from the West Erregulla project is dependent upon Strike's ability to execute major upstream development projects. Strike has no track record of operating an energy or manufacturing project and there is no certainty it can contract relevant operational expertise in the short- to medium-term. To date, Strike is yet to bring an upstream exploration project into successful production.

Strike's first revenue is expected to derive from the Walyering joint venture. Strike (55% and operator) and Talon Energy Limited are targeting first production in the first quarter of 2023. It will be some time before Strike starts to generate revenue and increase and sustain its borrowing capacity.

Hancock notes that Strike is now considering a revised development plan for West Erregulla Stage 1, despite previous ASX announcements indicating that it expected to commence production in the first half of 2022.

Hancock's Offer means Warrego Shareholders are not exposed to Strike's other high risk concepts

Strike's value proposition and planned gas sales are dependent upon a fertiliser project, it calls "Project Haber". Strike has stated the capital cost for this is estimated at \$3-3.5 billion. The fertiliser project remains contingent upon the proving up of sufficient gas reserves at South Erregulla, and securing finance and potentially equity partners.

Strike is also proposing to develop a 'Mid-West Low-Carbon Manufacturing Precinct' comprising more than 1500 hectares of carbon farming to generate carbon credits, and up to 170 megawatts of on-site renewable energy from wind and solar. Strike has also stated that it has acquired 100% of the geothermal rights in the Perth Basin, covering ~3,500km² and is currently evaluating potential targets for a pilot program to test geothermal potential. There is no clarity on how that will be achieved or funded.

In addition to Strike's domestic gas production projects, the range of projects Strike proposes to execute is diverse and there is no clear execution or financing strategy. The projects are all early stage and there is no current revenue flow from existing assets.

Hancock's Offer means Warrego Shareholders are not exposed to potential Strike shareholder agitation

Strike's Scrip Proposal is highly dilutive to existing Strike shareholders, which may result in existing Strike shareholders agitating against the Strike board given Strike's shareholders are not required to vote on the proposed equity issuance pursuant to Strike's Scrip Proposal.

As part of the Macquarie debt financing package announced on 19 December 2022, Strike has also agreed to issue to Macquarie 82.80 million options to subscribe for fully-paid Strike ordinary shares by 31 January 2023, without Strike shareholder approval. Warrego Shareholders who accept Strike's Scrip Proposal will be diluted by any exercise of these options.

3 Warrego’s Board has previously expressed concerns about accepting shares in Strike

Hancock also notes that in a number of announcements, Warrego has previously emphasised the risks associated with accepting Strike’s Original Proposal, which was an all-scrip offer for Warrego Shareholders, including:

- exposure to movements in Strike’s share price, particularly any future decline in Strike’s share price; and
- exposure, through owning Strike shares, to Strike’s other assets.

A number of these statements are extracted below:

Date	Announcement	Warrego statement
30 Nov 2022	“Webinar Presentation”	<p><i>“Strike’s proposal is a scrip proposal, so that the implied value of the proposal will depend on the price of Strike’s shares at any particular time. While the Strike proposal would have given Warrego shareholders exposure to any future increases in Strike’s share price, it also would have exposed them to any decline in Strike’s share price in the future.</i></p> <p><i>Under the Strike proposal, Warrego shareholders would be taking exposure to Strike’s other assets. Those other Strike assets include Strike’s interest in the South Erregulla field, and its proposed fertiliser plant (which it calls Project Haber), which does not have financing and is at a conceptual stage only. There is no certainty that the development of these other assets will proceed.”</i></p>
28 Nov 2022	“Warrego/Beach Energy Scheme Update”	<p><i>“Strike’s proposal is a scrip proposal, so that the implied value of the proposal will depend on the price of Strike’s shares at any particular time. So while the Strike proposal would have given Warrego shareholders exposure to any future increases in Strike’s share price, it also would have exposed them to any decline in Strike’s share price in the future. In contrast, the Beach offer provides Warrego shareholders with cash certain value for their shares.</i></p> <p><i>It is also important to note that, under the Strike proposal, Warrego shareholders would be taking exposure to Strike’s other assets. Those other Strike assets include Strike’s interest in the South Erregulla field, and its proposed fertiliser plant (which it calls Project Haber), which does not have financing and is at a conceptual stage only. There is no certainty that the development of these other assets will proceed.”</i></p>
22 Nov 2022	“AGM Presentation”	<p><i>“There are risks associated with a scrip offer for Warrego shareholders, including exposure to movements in Strike’s share price as well as exposure, through owning Strike shares, to Strike’s other assets.”</i></p>

4 Hancock urges Warrego Shareholders to ACCEPT HANCOCK'S ALL CASH OFFER

Hancock urges all Warrego Shareholders to accept the Hancock Offer.

The Hancock Offer will close at 7.00pm (AEDT) on 31 January 2023 (unless extended).

Warrego Shareholders who wish to receive a copy of their Bidder's Statement and their acceptance forms from Computershare by email can call the Offer Information Line on 1300 916 761 (within Australia) or +61 3 9415 4888 (if outside Australia).

Hancock has now also made it easier to accept the Hancock Offer, by allowing Warrego Shareholders to send completed Acceptance Forms to Computershare by email.

There are a number of ways you can accept the Hancock Offer as set out below.

For "Issuer sponsored shareholders (holder number beginning with "I")"

To accept the Hancock Offer, complete the Acceptance Form that has been sent to you in accordance with the instructions in it and email your signed Acceptance Form to corpactprocessing@computershare.com.au.

You may still accept the Hancock Offer by post by returning the completed Acceptance Form to the address indicated on the form before the end of the Offer Period in accordance with **Section 3** of the Bidder's Statement. However, Hancock encourages you to send your Acceptance Form by email to ensure the Acceptance Form can be received as soon as possible.

"For CHESS sponsored shareholders (holder number beginning with "X")"

To accept the Hancock Offer, you may either:

- (a) instruct your "Controlling Participant" (usually your broker) to accept the Offer on your behalf (*this is the recommended approach if your Warrego Shares are in a CHESS holding, as the acceptance can be processed more quickly*); or
- (b) complete the Acceptance Form that has been sent to you in accordance with the instructions in it and email your signed Acceptance Form to corpactprocessing@computershare.com.au; or
- (c) complete and sign the Acceptance Form enclosed with the Bidder's Statement and return it by post to the address indicated on the form (*this is the least recommended approach as postal delays may impact receipt of the completed Acceptance Forms*).

Revised Acceptance Form

A revised, personalised Acceptance Form, together with this Third Supplementary Bidder's Statement, is being sent to you by post.

You **do not need to wait** to receive your revised Acceptance Form to accept the Hancock Offer. You can complete the original Acceptance Form that was sent to you with the Bidder's Statement and you can return that form by post to the address on the form, or by email to corpactprocessing@computershare.com.au. **Hancock encourages you to send your Acceptance Form by email to ensure the Acceptance Form can be received as soon as possible.**

If you: (a) have not received or have lost your original Acceptance Form; (b) wish to receive your revised Acceptance Form by email; or (c) have any questions about how to accept the Hancock Offer, please call the Offer Information Line on 1300 916 761 (within Australia) or +61 3 9415 4888 (if outside Australia).

5 Approval

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

Date: 20 December 2022

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

A handwritten signature in blue ink, appearing to read "Stuart Johnston", written over a dotted line.

Stuart Richard Johnston, Director