

Warrego high-grades Erregulla Deep structure in EP469 as a possible exploration target with future growth potential

- Warrego has completed its initial subsurface analysis of the area between West Erregulla and Lockyer Deep, focusing on the Erregulla Deep structure at the Kingia level in the north-east section of EP469
- Warrego’s work has mapped a relatively low risk, high grade conventional gas exploration target with an estimated unrisks Prospective Resource range of 165 Bcf to 403 Bcf (low to high estimates, gross)
- Erregulla Deep will be incorporated within the planned Natta 3D seismic campaign to determine future growth exploration potential

Warrego Energy Limited (“Warrego” or the “Company”) (ASX: WGO) provides an update on its analysis of a high potential subsurface structure within EP469, located onshore in the northern Perth Basin, WA.

Warrego has mapped a relatively low risk, high grade conventional gas exploration target in the Erregulla Deep structure, covering over 20 km² at the Kingia level between the West Erregulla and Lockyer Deep gas pools. The Erregulla structure was previously drilled by the Erregulla-1 (1966) and Erregulla-2 (1980) wells to the Dongara and Eneabba sandstones, respectively. Gas and oil shows were observed but testing failed to flow hydrocarbons to the surface. These earlier Erregulla wells did not drill the deeper Kingia Sandstone level.

After extensive analysis of available 2D seismic data and applying a regional depth conversion model, Warrego estimates that the Erregulla Deep structure could support an Original-Gas-In-Place (OGIP) range between 230 Bcf and 560 Bcf, with a potential gross unrisks Prospective Resource range between 165 Bcf and 403 Bcf (sales gas, net of shrinkage) representing approximately 82 Bcf to 201 Bcf net to Warrego. It is likely that additional Prospective Resources associated with Erregulla Deep occur outside the EP469 boundary.

Table 1. Erregulla Deep OGIP* and unrisks Prospective Resources*, Warrego estimates at 18 May 2022

Kingia (Bcf)	Low Estimate (1U)		Best Estimate (2U)		High Estimate (3U)	
	Gross	Net	Gross	Net	Gross	Net
Original Gas in Place	230	115	370	185	560	280
Primary Sales Gas**	165	82	267	133	403	201

* Probabilistically derived estimates of OGIP and unrisks Prospective Resources inside EP469 only ** Net of shrinkage

Cautionary Statement

Prospective Resources are those quantities of hydrocarbons which are estimated as of a given date to be potentially recoverable from undiscovered accumulations by the application of future development projects. These estimates have both an associated risk of discovery and a risk of development. The Prospective Resources shown in this announcement are probabilistically determined and unrisks and should not be construed as Reserves or Contingent Resources; they represent exploration opportunities and quantify the development potential in the event a hydrocarbon discovery is made. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

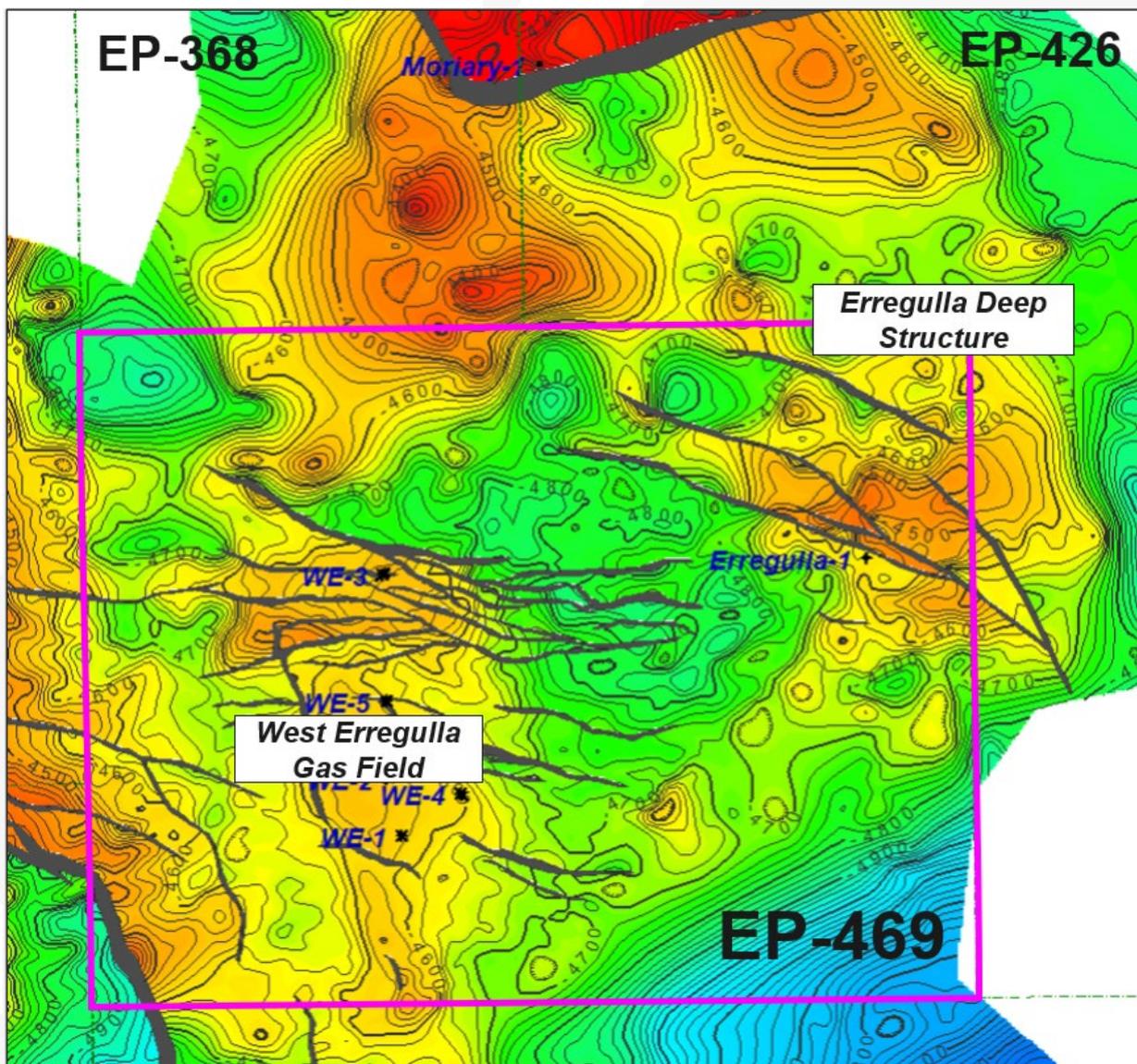
Warrego Energy’s CEO, Dennis Donald, said:

“The Erregulla Deep structure could be a very interesting growth exploration opportunity for the EP469 Joint Venture. The available data suggests it is similar in structure to West Erregulla with the potential to contribute substantial volumes to Reserves and Resources and expand future development within EP469.

“The planned Natta 3D Seismic campaign will provide a more detailed picture of the Erregulla Deep structure and its potential to be the focus of future growth exploration activity in EP469,” he said.

Warrego has commenced discussions with its Joint Venture partner and Operator of EP469, Strike Energy Limited (ASX: STX), to facilitate the comprehensive technical assessment of the Erregulla Deep structure incorporating data from the planned Natta 3D seismic campaign.

Figure 1. Top Kingia depth map (EP469) of the West Erregulla Gas Field and the Erregulla Deep Structure



Basis of Preparation Summary

The OGIP and Prospective Resources information in this announcement are derived from work completed by Warrego Energy Limited and its technical consultants. The OGIP and Prospective Resources assessment was prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). As presented in the 2018 PRMS, petroleum accumulations can be classified, in decreasing order of likelihood of commerciality, as Reserves, Contingent Resources, or Prospective Resources. Different classifications of petroleum accumulations have varying degrees of technical and commercial risk.

The OGIP and Prospective Resources shown here have been derived using a probabilistic method. Primary Sales Gas is determined by applying recovery factors, including shrinkage, to estimates of OGIP. Estimates of OGIP are based on geological mapping of gross rock volumes, and applying probabilistic analysis to other geological, petrophysical, and engineering parameters. Estimates of recovery factors are based on analogue Kingia reservoir data from the West Erregulla Gas Field also located within the EP469 permit.

Competent Person statement

The technical information and Prospective Resource estimates provided in this announcement fairly represent the data analysis and interpretation performed by Dr Paul Robinson who holds a BSc (Hons) and PhD in Geology and is a member of the Petroleum Exploration Society of Australia (PESA). Dr Robinson, employed by Spectrum Petroleum Solutions, is a technical consultant and advisor to Warrego Energy Limited and has over thirty years' experience in the oil and gas industry. Dr Robinson has consented to the form and context in which the estimated Prospective Resources and the supporting information are presented.

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

The Joint Venture Partners in EP469 are:

Warrego Energy Limited (via subsidiaries)	50%
Strike Energy Limited (via subsidiaries)	50%, Operator

About Warrego Energy Limited

Warrego Energy is focused on the development of onshore assets in Australia and Spain. In Western Australia's prolific Perth Basin, the Company holds a 50% interest in EP469, including the West Erregulla gas project, and 100% of STP-EPA-0127, potentially the largest exploration block in the Basin. In Spain, the Company holds an 85% working interest in the Tesorillo gas project in the Cadiz region and a 50.1% working interest in the El Romeral gas to power facility in the Seville region.

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Important Notices

The Prospective Resources in this announcement have been prepared in accordance with definitions and guidelines in the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS) and have been categorised and reported in the most specific category that reflects the degree of uncertainty in the estimated quantities, that is low (1U), best (2U) and high (3U) in the case of Prospective Resources. The Prospective Resource estimates are un-risked and have a risk of development.

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience, and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Prospective Resource estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward-looking statements.

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