

West Erregulla Resource Update

- **The Operator of EP469 has released a 2C Contingent Resource estimate of 1,185BCF (gross) for the Kingia and High Cliff Sandstones at West Erregulla**

Warrego Energy Limited (“Warrego”, ASX: WGO), advises that the Operator of EP469, Strike Energy Limited (“Strike”, ASX: STX), has today released an initial 2C Contingent Resources estimate of 1,185BCF for the Kingia and High Cliff Sandstones and updated its Prospective Resource estimate for the Wagina Sandstones at West Erregulla. Warrego holds a 50% interest in EP469, located onshore Perth Basin, Western Australia.

A copy of the Operator’s announcement is attached.

Warrego Group CEO & Managing Director, Dennis Donald said “We are very pleased to see these initial estimates following what has been a very successful 2019 program. While its obviously early days and we will continue to review what is an extensive data set, it represents a very good first step in what is becoming Australia’s next gas frontier”

The Joint Venture Partners in EP 469 are:

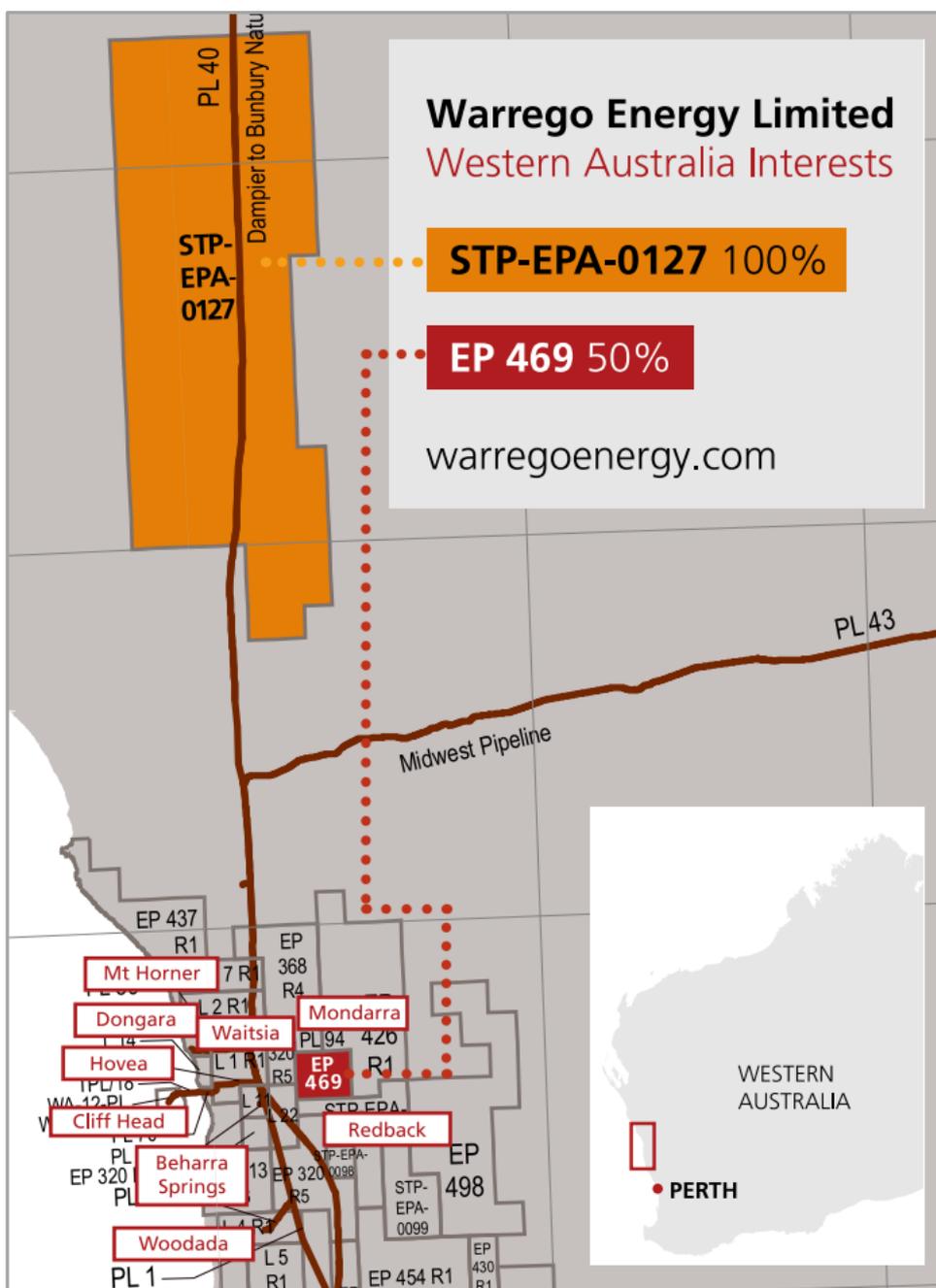
Warrego Energy Limited (ASX: WGO) (via subsidiaries)	50%
Strike Energy Ltd (ASX: STX) (via subsidiaries, Operator)	50%

For further information contact:

Dennis Donald, Group CEO & Managing Director	+61 2 9254 9000
Ian Kirkham, CFO & Company Secretary	+61 2 9254 9000

About Warrego Energy Limited

Warrego was founded by Dennis Donald and Duncan MacNiven in 2007. In 2008 the company secured 100% of EP469 located onshore Perth Basin, Western Australia. In 2018 Warrego farmed out 50% of the block and operatorship 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.



This basin map shows the WA assets held by Warrego including EP469 and application EPA-0127.

West Erregulla Resource Statement

- 1,185 BCF (gross) 2C contingent gas resources confirmed at West Erregulla.
- West Erregulla is one of the largest conventional gas fields ever discovered onshore Australia.
- Significant upside remaining within the Wagina sandstone.

Strike Energy Limited (Strike - ASX: STX "Company") is pleased to announce a 2C contingent resource estimate at West Erregulla of 1,185 BCF (gross) following the successful drilling and flow testing of the West Erregulla-2 well.

Based on this Resource Statement, West Erregulla is believed to be one of the largest conventional gas fields ever discovered onshore Australia, and the size of the resource booked from the discovery well is indicative of a large contiguous structure. With additional resources expected to be added from the Wagina sandstone, West Erregulla is very likely to be a generational asset capable of producing some of the lowest cost gas in Australia.

West Erregulla Conventional Gas Gross (BCF) ¹						
	Discovered Original Gas in Place			Contingent Resource		
	P90	P50	P10	1C	2C	3C
Kingia	1,022	1,183	1,368	858	1,004	1,175
High Cliff	162	213	273	136	181	234
Wagina	Subject to further testing					
Current Total	1,184	1,396	1,641	993	1,185	1,409

Igesi Consulting Pty Ltd (Tony Cortis and Co) was engaged to assess the Kingia and High Cliff contingent resource. The High Cliff sandstone contingent resource is based on drilling and log-data alone.

The Company believes the Wagina sandstone has the potential to represent a significant recoverable conventional gas accumulation, however, due to incomplete testing to date, the booking of this resource is subject to further analysis of the data and samples collected.

West Erregulla Conventional Gas Net to Strike (BCF) ¹						
	Discovered Original Gas in Place			Contingent Resource		
	P90	P50	P10	1C	2C	3C
Kingia	511	592	684	428	502	588
High Cliff	81	107	137	68	91	117
Wagina	Subject to further testing					
Current Total	592	698	821	497	593	705

Strike has completed West Erregulla-2 as a future producer for the proposed Phase-1 development¹, which is targeting first production in 2022. Strike is now preparing the appraisal drilling campaign slated for the second half of 2020, which may add additional resources or high-grade existing resources. In parallel, Strike is progressing engineering and project development workstreams for a potential future investment decision.

West Erregulla is within EP469 in which Strike Energy Limited is operator and holder of a 50% interest with Warrego Energy Limited holding the remaining interest.

Strike Energy Managing Director & CEO Stuart Nicholls said:

“The discovery of West Erregulla marks the beginning of an exciting journey for the company as it progresses through development towards its first gas sales in 2022.

West Erregulla is confirmed as a resource of significant size with a gross 2C estimate of 1,185 BCF. The size of this resource enables the progression of multiple development options with West Erregulla being a highly productive, recoverable gas asset which is adjacent to major gas transmission infrastructure. This resource and its location are the basis and foundation for Strike’s aspirations of being one of the lowest cost gas producers in Australia.

The definition of the Permian gas prone fairway in the North Perth Basin is proven by the discoveries of Waitsia, West Erregulla and Beharra Springs Deep. This augurs well for Strike as it embarks on a significant exploration program within its 100% owned acreage in parallel with the development campaign, which may result in additional discoveries and ultimately resources in the lead up to the proposed Phase 2 development.”

Wagina Sandstone Prospective Resource

Following analysis of drilling and log data procured from the drilling of the West Erregulla-2 well, the prospective resource estimate for the Wagina formation as at 20 December 2018 (refer ASX announcement dated 5 March 2019, pre drill) has been revised upward to 273 BCF gross (P50), representing a 10% increase to the previously announced P50 estimate.

West Erregulla Wagina Conventional Gas (BCF) ²				
Date		P90	P50	P10
20 th December 2018	Gross	154	247	372
31 st October 2019	Gross	208 (+54)	273 (+26)	363 (-9)
	Net to Strike	104	137	182

²**Cautionary statement:**

The above estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to discovered and undiscovered accumulations. These estimates are un-risked and have associated risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The revised estimate is raw gas and has been determined on a probabilistic basis in accordance with SPE-PRMS 2018 as at 31st October 2019. Strike intends to commence an appraisal drilling program in the second half of 2020 with the objective of validating the prospective resource outlined above. With the new data to hand and having gas to surface from the Wagina formation

¹ Refer ASX Announcement “Perth Basin Strategy & Operations Update” released on 21 October 2019.

during drilling of West Erregulla-2 (refer ASX announcement dated 1 August 2019), Strike now estimates the chance of discovery is 100% and the chance of proving a developable resource size in the Wagina formation is 50% (upgraded from 12% as announced on 5 March 2019).

Contingent Resources

¹The contingent resource in the Kingia and the High Cliff has been estimated by Igesi Consulting, both as at 31 October 2019. Both resource estimates are un-risked and have a risk of development. The estimates have been determined using probabilistic and statistic volumetric methods based on the interpretation of porosity, hydrocarbon saturation and net reservoir thickness from the logging program, the analysis of potential hydrocarbon columns from the pressure data and the fluid properties derived from the gas samples and applied to the structure map with recovery factors calculated using analogues and industry standards.

The existence of potentially moveable hydrocarbons and the determination of a discovery in the Kingia and High Cliff formations was via petrophysical analysis and, in the case of the Kingia, flowing of gas to surface.

These contingent resources have been aggregated by arithmetic summation and hence the aggregate 1C may be a very conservative estimate and the 3C may be a very optimistic estimate due to the portfolio effects of arithmetic summation.

These are classified as contingent resources according to SPE-PRMS 2018 as the potential development concept has not yet been finalised or sanctioned.

Competent person's statements

About Igesi Consulting:

Mr. Tony Cortis (M.Sc. Geology) of Igesi Consulting has consented to the inclusion in this report of matters based on his information in the form and context in which they appear. Mr. Cortis has over 30 years of industry experience, 28 of which were with Shell International, and is a member of APEGA and the AAPG. He has extensive technical and delivery experience across numerous conventional clastic and carbonate plays worldwide and has experience across all unconventional resource play types: tight clastic, shale and coal bed reservoirs.

About Strike:

The information in this release that relates to resource estimates is based on information compiled or reviewed by Mr Andrew Farley who holds a B.Sc in Geology and is a member of the Society of Petroleum Engineers (SPE), and the Petroleum Exploration Society of Australia (PESA). Mr Farley is the Exploration Manager for the Group and has worked in the petroleum industry as a practicing geologist for over 18 years. Mr Farley has consented to the inclusion in this announcement of matters based on his information in the form and context in which it appears.



Company Contact

Stuart Nicholls

Managing Director & CEO

email: stuart.nicholls@strikeenergy.com.au

Investor & Media Contacts

Paul Ryan

Citadel-MAGNUS

Phone: 0409 296 511

Email: pryan@citadelmagnus.com