

The Company Announcement Officer ASX Ltd  
via electronic lodgement

## KLEBB 1 UPDATE & SUBSURFACE VALIDATION

- **Klebb 1 performing steadily, with consistent water rates and increasing gas rates**
- **Reservoir behaviour in line with expectations, indicating Vu Lower gas content of at least 6.1m<sup>3</sup>/t**
- **Steady depressurisation of coal and gas performance validates reservoir understanding**

### Klebb 1 Performance

Strike Energy Limited (ASX: STX) (Strike) is pleased to provide an update on the performance of the Klebb 1 well. Klebb 1 was recompleted in October 2017 to access the Vu Lower coal seam, which despite being fracture stimulated in 2014 has not previously been tested. Since the recompletion, the water level has been drawn down slowly, allowing gas desorption to occur indicative of a gas content of at least 6.1m<sup>3</sup>/t.

Initially the well showed intermittent gas to flare resulting from comingled gas flows of the Vu Upper and free gas from the Vu Lower. This led to sub-optimal dewatering due to the different depressurisation histories of each coal seam. Operations were carefully managed until effective bottom hole separation occurred at which point water rates increased to 250 – 300 bbls/d and improved pumping efficiency.



### Subsurface Validation

The consistent and steady drawdown of the water column in the Klebb 1 well shows that the southern Cooper Basin Patchawarra coals within the Weena Trough perform and behave like other traditional coal seam gas projects. Reservoir data collected from this test and long-term production testing of other Klebb wells indicate a finite drainage area and the absence of a live aquifer. From this test Strike has yet again proven that the coal can be brought down and held at desorption pressure over time with the correct selection of artificial lift technology.

This test confirms that previous jet pump operations on other Klebb wells have led to formation damage and reduced productivity of both gas and water, as the Vu Lower coal in Klebb 1 has not been subject to the effects of jet pumping.

Testing of Klebb 1 will continue with the objective of achieving technical success in the Vu Lower coal seam.

The Klebb 1 well is within license PEL96 with Strike 66.67% as Operator and Energy World Corporation Limited (ASX:EWC) 33.33%. Further information in relation to Klebb 1, including relevant information required to be disclosed pursuant to ASX Listing Rule 5.30, can be found in ASX announcements dated 8 January 2014 and 2 July 2014.