

The Company Announcement Officer ASX Ltd
via electronic lodgement

JAWS PILOT UPDATE

Highlights

- **Jaws-1 bulk dewatering phase complete following plateau water production.**
- **Early signs of gas building in the annulus as reservoir approaches desorption window.**

Strike Energy Limited (**Strike** - ASX:STX) is pleased to provide an update on the piloting operations at the Jaws-1 appraisal wells. Over the past two months Strike has completed the bulk dewatering phase with instantaneous peak rates of 1400-1500 barrels of water. Bottom hole pressure has now been reduced by 65% and operations have moved into a restrained drawdown as Jaws approaches its desorption window.

This new phase has reduced the rate of change of pressure in the well bore to only a few PSI each day, as the reservoir response is carefully monitored to optimise the long-term productivity of the well. Water production in this phase has now stabilised at 800-900 bwpd and early gas release has been seen with the pressure continuing to build up the Jaws-1 annulus. This is consistent with the results expected from the depleted/shielded Klebb area and points to a positive relationship between the incremental permeability changes of the coal and the pressure differential between the reservoir and the well bore. Further early gas break-out is expected, which should build to flare ignition in the near term.

Strike will continue the current phase until the wellbore is at the cusp of critical desorption pressure. The bottom hole pressure will then be held steady to allow more coal to communicate with the well and ensure the maximum reservoir area is being produced from. Well performance remains within the expected range and on target to prove the commerciality of the significant PEL96 resource.

The Jaws-1 project wells are located at the Southern Cooper Basin Gas Project (**SCBGP**) in PEL96 (Strike Operator and 66.67%, Energy World Corporation 33.33%).

Strike's Managing Director, Stuart Nicholls, said:

"The results continue to be supportive of our view of the reservoir. The drawdown will advance ensuring the rate of change in pressure of the reservoir is maintained within the optimal window to allow for constant, sustainable and building gas flows once the reservoir reaches its critical desorption pressure."

Investor and Media Contacts

Stuart Nicholls

Managing Director

Phone: +61 432 587 808

email: stuart.nicholls@strikeenergy.com.au

Justin Ferravant

Chief Financial Officer & Company Secretary

Phone: +61 8 7099 7483

email: justin.ferravant@strikeenergy.com.au