

The Company Announcement Officer ASX Ltd  
via electronic lodgement

## WEST ERREGULLA – ADDITIONAL TARGET AND FINAL PRE-DRILL PROSPECTIVE ESTIMATES

### KEY HIGHLIGHTS:

1. Strike's West Erregulla-2 well ideally placed within the evolution of the North Perth Basin to test three standalone and exclusive conventional oil and gas sequences.
2. Chance of discovering gas and proving a developable resource size in the primary target of the Kingia and High Cliff Formations is 69%.
3. New tertiary Jurassic target in the Cattamarra will test a potential material oil play, with running room throughout permit.

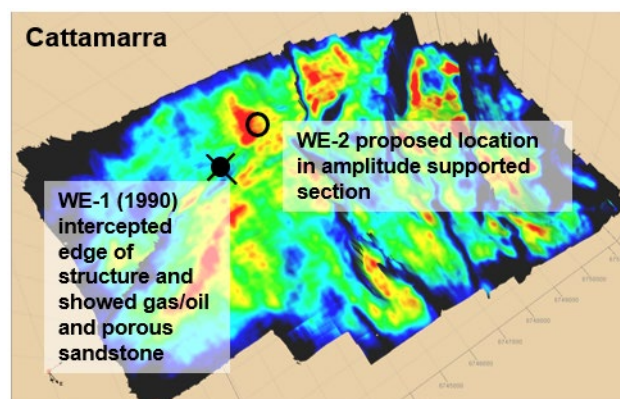
Strike Energy Limited (**Strike** - ASX:STX) on behalf of the EP469 JV (Strike 50% and operator, Warrego Energy 50%) is pleased to advise it has completed all geological and geophysical work resulting from the new reprocessed West Erregulla 3D seismic data. This work underpins the exciting multiple stacked plays that will be the target of the West Erregulla-2 well to be drilled in EP469, in the Perth Basin of Western Australia in May with the contracted Easternwell 106 rig. The well will look to prove the presence of both liquid and gas hydrocarbons across three separate geological sequences.

### Additional tertiary Jurassic oil target (EP 469, Western Australia)

West Erregulla-2 (WE-2) will pass through a Jurassic sand sequence as a part of the Cattamarra Coal Measures Formation on its way to the primary (Kingia-High Cliff) and secondary (basal Wagina) targets.

This Jurassic sequence was intersected via the Erregulla 1 and West Erregulla-1 (WE-1) wells drilled in the block in the 1970s and 1990s. These wells encountered significant oil and gas shows either at surface or via logging as they passed through the Cattamarra Coal Measures Formation. The Erregulla-1 well flowed 23bbls of oil to surface during a drill stem test with an API of 47.

Post the recent reprocessing of the West Erregulla 3D seismic survey, forensic interpretation of this Jurassic oil play shows an amplitude supported channel/fan complex which the WE-2 well path will pass through at a prognosed depth of 2200mTVD. Unlike the previous WE-1 (1990), WE-2 will intercept a high amplitude section of the anomaly which is indicative of hydrocarbon (oil) filled porosity. The prospect is a channel draped across a structural high that is well defined by the reprocessed data. The newly interpreted data, when combined with previous well



results in the block indicates a very exciting tertiary play that adds further resilience to a successful outcome for the WE-2 well.

### **West Erregulla Conventional Oil Prospective Resource Estimate (EP 469, Western Australia)**

Strike has determined the following Prospective Resource Estimate for the Jurassic Cattamarra Coal Measures (CCM) Oil target in the West Erregulla Structure in Exploration Permit 469 (EP469).

Jurassic (CCM) Conventional Oil Prospective Resource (STOIIP mm bbl) <sup>1</sup>	STX Share (50%)	Gross
Low Estimate (P90)	2.39	4.78
Best Estimate (P50)	3.60	7.19
High Estimate (P10)	5.14	10.27

1. The Prospective Resource estimate is probabilistic in nature, as of 10 February 2019, and is reported in accordance with the Petroleum Resources Management System 2007.

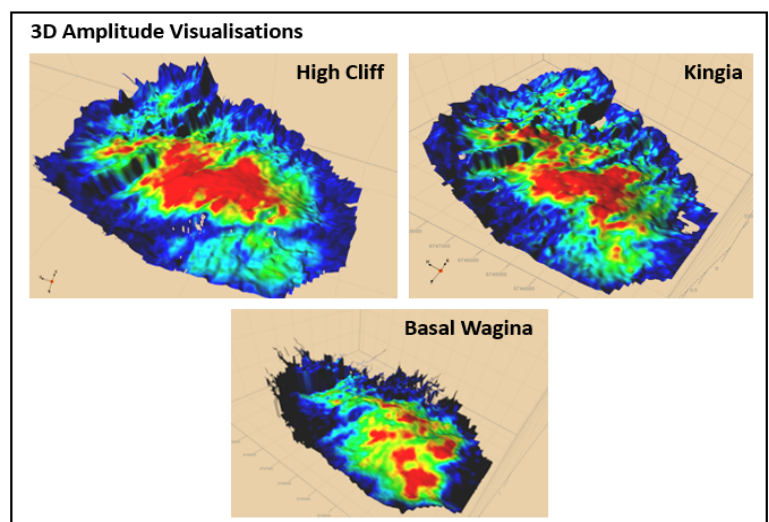
**Cautionary statement:** *The above estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates are un-risked and have both an associated risk of discovery and a risk of development. Further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

The above prospective resource estimates have been determined on the basis of reprocessed and reinterpreted 3D Seismic data, along with wireline and other data from offset wells in adjacent fields. The EP 469 Joint Venture intends to drill West Erregulla-2 in Q2 2019 with the objective of validating the prospective resource outlined above. Strike estimates the chance of discovering oil and proving a developable resource size in the Jurassic Cattamarra Coal Measures Formation is 14%.

### **West Erregulla Conventional Gas Prospective Resource Estimate (EP469, Western Australia)**

Strike's WE-2 well will penetrate its primary target at the Kingia-High Cliff sand sequence (at a prognosed top depth of 4700mTVD) and also its secondary target at the basal Wagina (at a prognosed top depth of 4100mTVD), in addition to the above Jurassic oil target.

As previously announced, Strike has determined the following Prospective Resource Estimate for the Kingia, High Cliff, and basal Wagina conventional gas targets in the West Erregulla Structure, Exploration Permit 469 (EP469). As with the Jurassic oil target, these estimates were determined on the basis of reprocessed and reinterpreted 3D seismic data, along with wireline and other data from offset wells in adjacent fields.



	STX Share (50%)	Gross
<b>West Erregulla Kingia-High Cliff Conventional Prospective Gas Resource (OGIIP BCF)<sup>1</sup></b>		
Low Estimate (P90)	303	607
Best Estimate (P50)	458	916
High Estimate (P10)	648	1,296
<b>West Erregulla basal Wagina Conventional Prospective Gas Resource (OGIIP BCF)<sup>1</sup></b>		
Low Estimate (P90)	77	154
Best Estimate (P50)	124	247
High Estimate (P10)	186	372

1. The Prospective Resource estimates are probabilistic in nature and are raw gas as of 20 December 2018 and are reported in accordance with the Petroleum Resources Management System 2007.

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

The EP 469 Joint Venture intends to drill West Erregulla-2 in Q2 2019 with the objective of validating the prospective resources outlined above. Strike estimates the chance of discovering gas and proving a developable resource size in the Kingia and High Cliff Formations is 69% and in the basal Wagina formation is 12%.

Together the total stacked gross Prospective Resource (best P50) estimate for gas targets is 1.16 TCF, with a prospective gross play range of 761 BCF (low P90) to 1.67 TCF (high P10) (un-risked). On top of this substantial prospective gas resource is an additional prospective oil accumulation which could yield 7.19 mmbbl gross of oil (best P50) with a gross play range of 4.78 mmbbl (low P90) to 10.27 mmbbl (high P10) (un-risked).

Strike's Managing Director, Stuart Nicholls, said:

*"The further analysis and identification of a material standalone oil target in the Jurassic sequence of the WE-2 well path provides additional resilience for a successful outcome for the joint venture. The presence of these stacked plays represents an excellent exploration opportunity for Strike and points to the quality and impact of the acquisition that Strike completed with Warrego for 50% and operatorship of EP469. The West Erregulla-2 well is likely be one of the most closely watched exploration wells drilled onshore Australia in 2019 and has the potential to materially re-value the adjoining acreage to the South and East which Strike holds 100% of via its corporate acquisition of UIL Energy late in 2018. With casing for the well having arrived in Western Australia, Strike looks forward to beginning drilling operations in May."*

#### **Competent person's statements**

The information in this presentation 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 Manager Geoscience

for the Group and has worked in the petroleum industry as a practicing geologist for over 16 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.

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 29 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 also has experience across all Unconventional Resource play types: tight clastic, shale and coal bed reservoirs.

**ENDS**

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