

Strike Energy Limited

PCWA – Diving off the Kingia-High Cliff

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Clay coated sand grains from the High Cliff sandstones in the Perth Basin, showing anti diagenetic properties (occlusion of quartz overgrowth) and preservation of porosity (Corybas-1 well, Ferdinando 2007)

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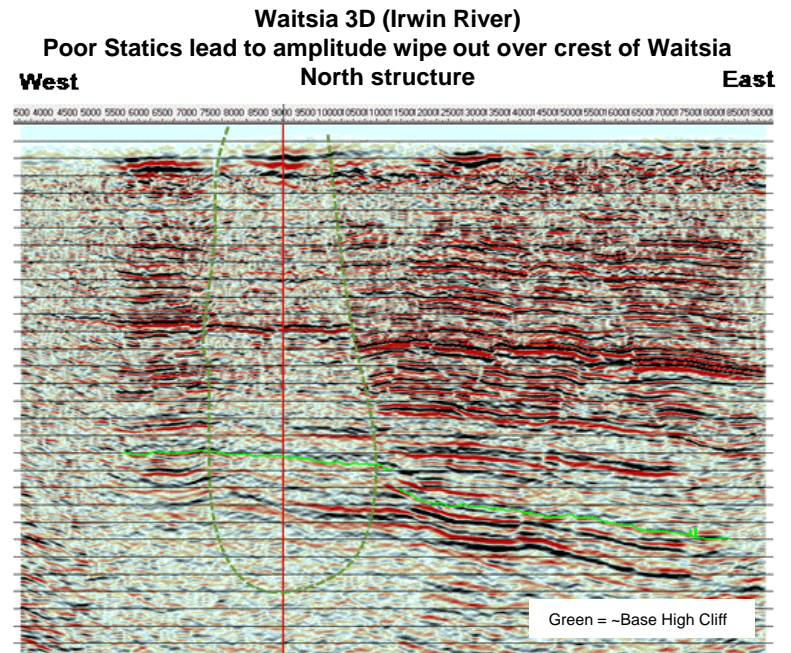
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Waitsia the billion dollar accident

How does the fourth largest conventional onshore gas discovery in Australia's history remain undiscovered in a drilled up basin for 60 years ???

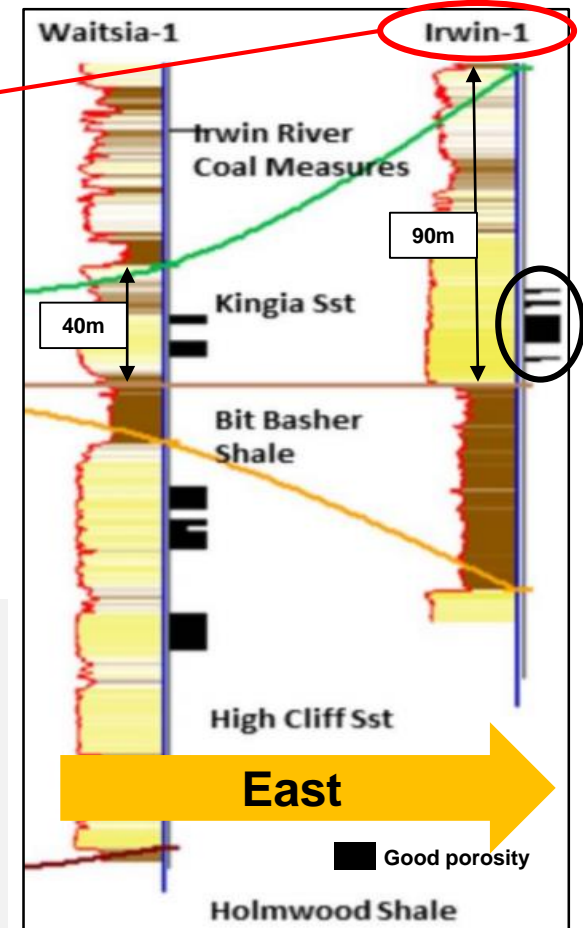
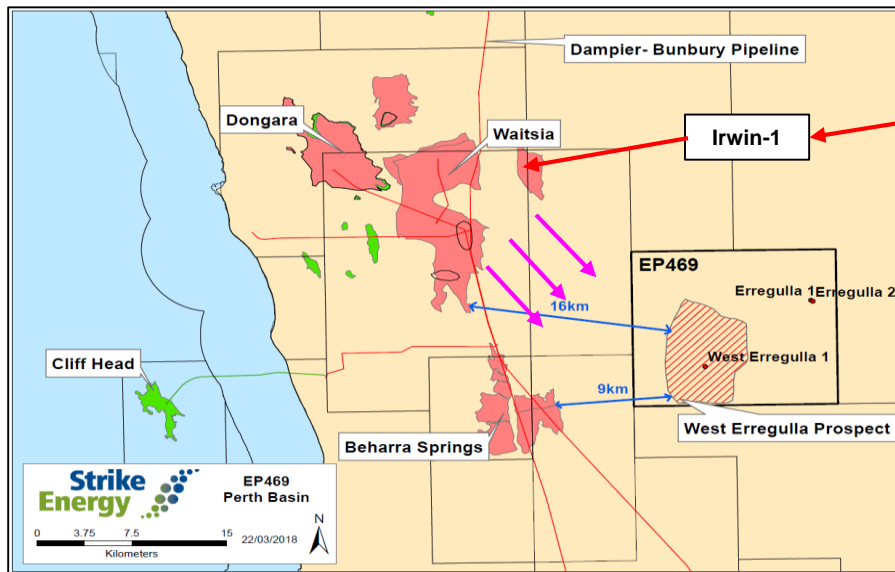
Building an Unconventional Gas Business in Australia:

AWE Strategy for the Perth Basin, WA



1. The Perth basin is deep and hot, conventional wisdom indicates poor quality reservoir at depth. (exploration only occurred in shallower sections of the basin, towards the coast)
2. The leading explorer in the basin is telling you that it is a tight gas/ unconventional basin. (paradigm)
3. Existing 3D data is of poor quality, with deeper horizons poorly imaged due to coastal limestones.

Waitsia was the hidden clue...to a valley of sleeping giants



1. **Waitsia well results** (gross thickness and net to gross) improves as you move to the south and east.
2. **Irwin-1**: deepest most eastern penetration of Kingia finds good quality porosity ~17% and thickest sand to date.
3. **Global geological analogues** of the same play mechanics show porosity preservation down past 6,000m (Nth Sea, GoM, Nigeria)

The Waitsia discovery threw the basin up in the air, paradigms were broken and new basin evolutionary concepts were required

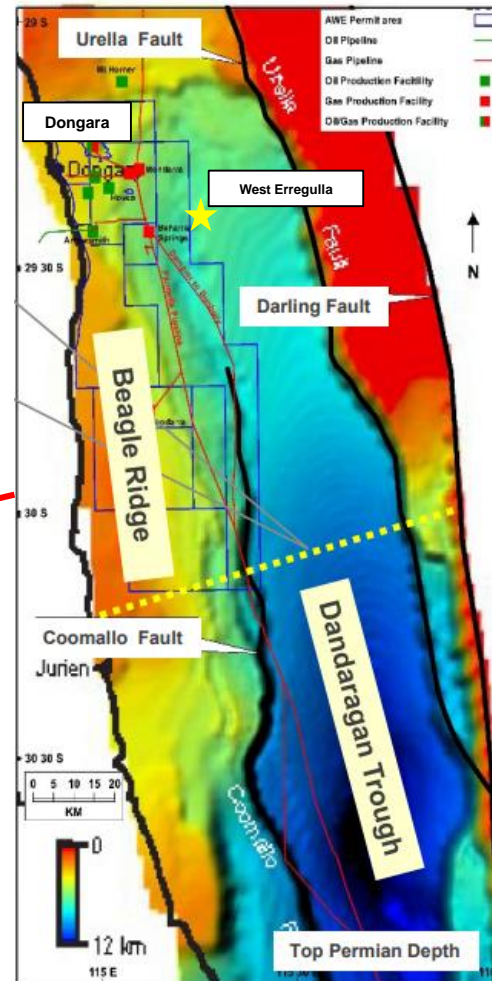
1. Formation of the depo-centre (Dandaragan Trough)

Pangea



- Indian and Australian continental plates rip apart tearing the WA coastline away from the continent

Perth Basin – Dandaragan Trough



Modern proto-rift basin
Baha California: Mexico



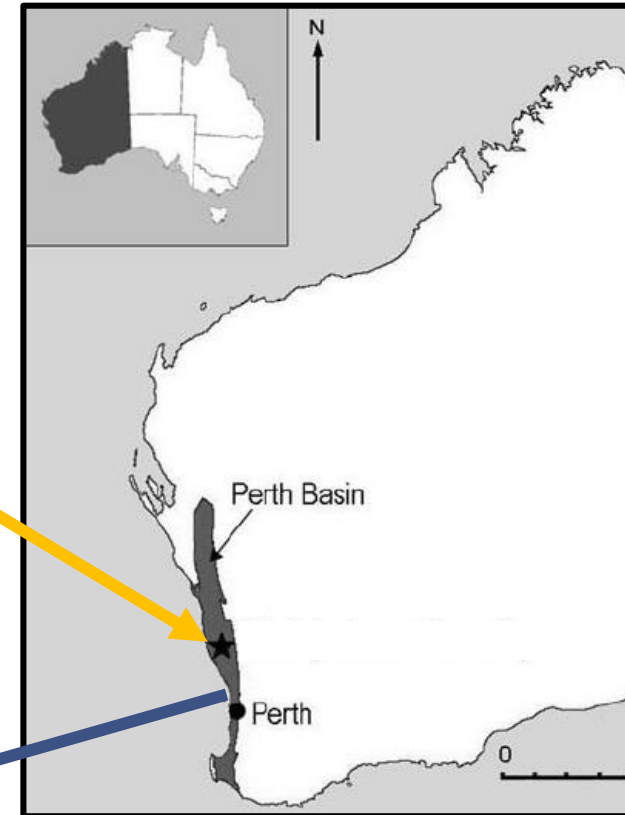
- Rift basin and new low (depo-centre) created.
- Dandaragan Trough (Perth Basin) running NW – SE.
- Trough is now the focal point for sedimentary sequences.

2. Creation of the reservoir via dramatic changes in continental coast line

Transgressive Shore face and Deposition of sand – Alaska, US



Forced Regression of Coast line – Hudson Bay, Canada



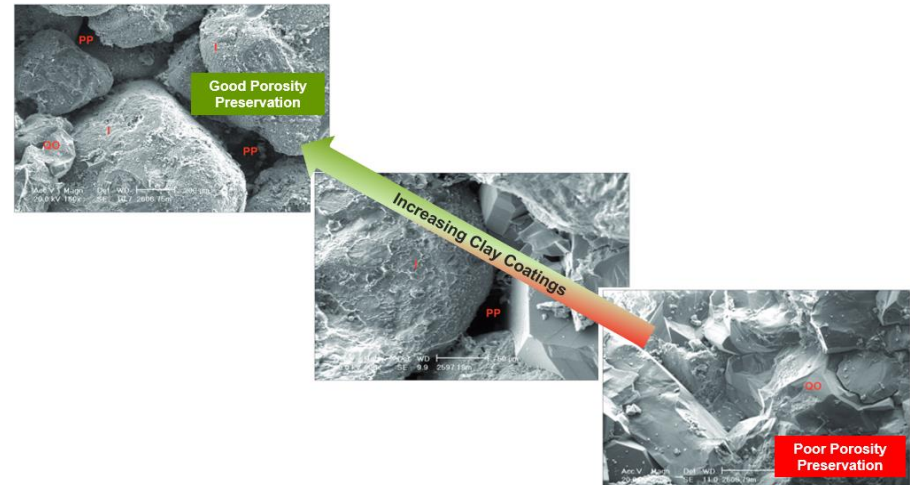
- Towards the early Permian the world's ice caps were melting creating large flux in the continental coast line
- Transgression followed by regression of the coastline was picking up clean beach sands and depositing into the trough

3. Addition of valuable clays

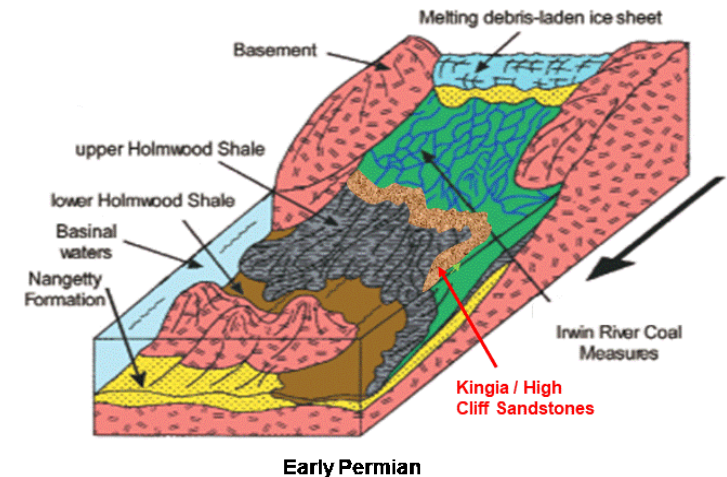
Channel Country – Queensland, Aus



Core taken from the Perth Basin High Cliff Sandstones showing addition of clays and overall occlusion of quartz overgrowth and resulting porosity preservation (Corybas-1 well, Ferdinando 2007)



- Australia's ice sheet in the North was melting creating a North to South meandering river system.
- Rivers collected organic and clay material before arriving and focussing their deposition into the trough.
- Clays contain illite and chlorite which are anti-diagenetic in nature and preserve porosity at depth creating extraordinary burial conditions.



West Erregulla the next giant to awaken

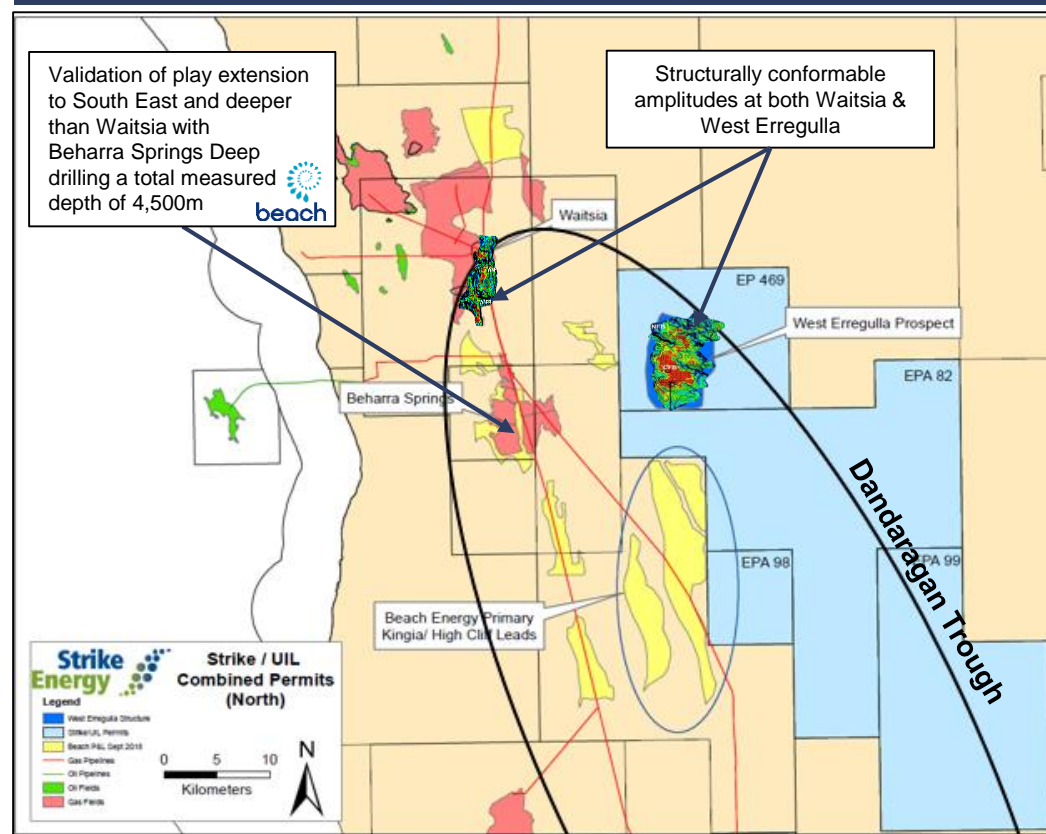
West Erregulla – Kingia High Cliff

- A direct analogue to the Waitsia conventional gas field (891PJ).
- **69%** chance of successful discovery and development.
- Multiple Direct Hydrocarbon Indicators.
- Structures statistically supported - structurally conformable amplitudes with QI and AVO support.

If basin-ward conditions improve as modelled this will more than offset the additional depth. Therefore the possibility of a better than Waitsia discovery exists

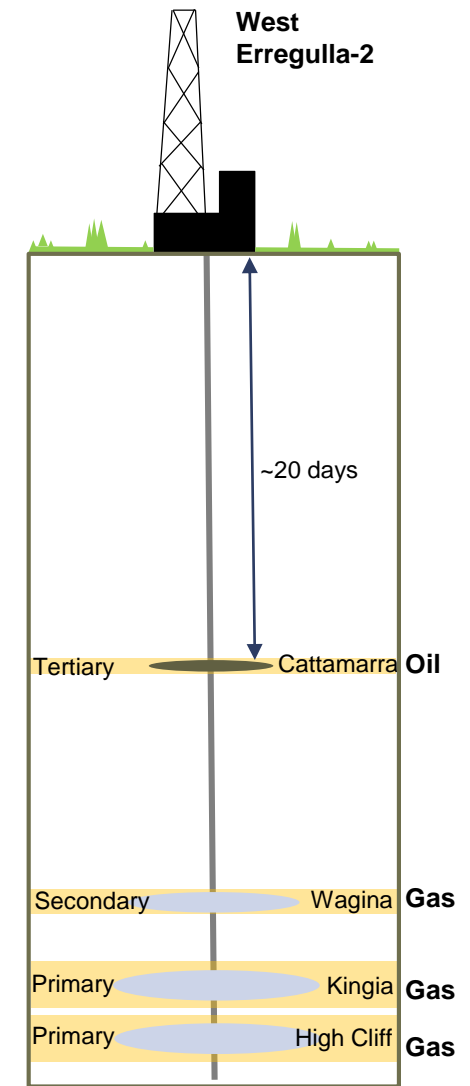
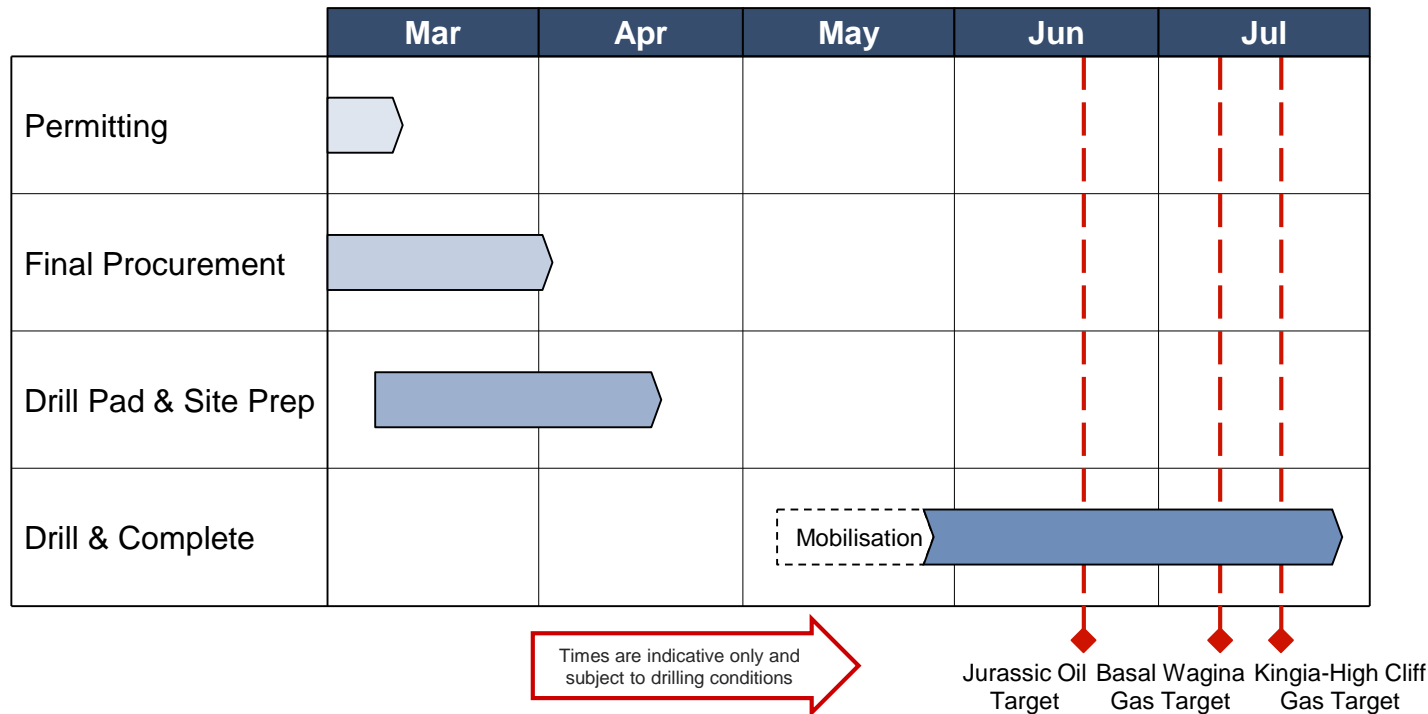
West Erregulla Primary Target (BCF) Prospective Resource¹

OGIIP		Kingia	High Cliff	Total
Low Estimate (P90)	Net to STX	142	162	303
	Gross	283	324	607
Best Estimate (P50)	Net to STX	227	231	458
	Gross	454	462	916
High Estimate (P10)	Net to STX	335	314	648
	Gross	670	627	1,296



Shaking the giant awake

- WE-2 will spud in late May 2019
- Easternwell 106 has begun mobilising from Queensland
- Campaign to drill, case and complete the well is ~60 days with a two week flow test booked on success
- Being drilled and completed as a producer due to high confidence in sub-surface



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