

WAGINA GAS DISCOVERY UPDATE

WEST ERREGULLA-2

Highlights

- **Further log interpretation indicates upgrade of net reservoir to 10.2 metres in the Wagina sandstone**
- **Additional 5 metres of gas bearing Wagina sands drilled since last update brings total gas column to 79 metres**
- **West Erregulla-2 Wagina discovery appears analogous to Beharra Springs**

Strike Energy Limited is pleased to announce an upgraded view of the Wagina sandstone conventional gas discovery at West Erregulla-2, which was announced on the 1st August 2019.

Further analysis of the logs has indicated an improved net reservoir and implies a discovery analogous to the Beharra Springs gas fields which are located only 9km from EP469 (West Erregulla).

Wagina Update

Further interpretation of the wireline logs has been undertaken using proven regional cut-offs in the petrophysical analysis, as taken from fields such as Beharra Springs. This has increased the interpreted net reservoir to at least 10.2 metres across the Wagina sandstone with porosities up to 14%. This net reservoir can be subdivided into a higher quality upper zone, and a more dispersed lower porosity zone.

Drilling observations, including gas flared to surface through the upper part of the Wagina formation, confirms that the reservoir pressure is in excess of 6,800 psia. This overpressure in conjunction with the inferred reservoir properties support the potential for material flow rates when the formation is subject to a future production test.

Since the discovery announcement, additional gas bearing Wagina sands have been encountered in the production hole section before reaching the Carynginia shale. Subject to logging, these are expected to add a further 5 metres to the previously advised gross gas column, bringing it to 79 metres in total.

Beharra Springs Analogy

Beharra Springs and its associated fields were discovered during the 1990's and early 2000's with depths ranging from 3,270m to 3,870m. The Beharra fields remain onstream and continue to produce sales gas.

Flow testing from these fields achieved some of the highest onshore flow rates at the time, up to 38mmscf/d. These results came with original reservoir pressures of ~5,780 psia, an average net pay of 10.4 metres and porosities of 9.5% - this compares very favourably for West Erregulla-2.

The Beharra fields are typical bimodal reservoirs, where a thick low porosity gas-charged sand underlies a thinner, highly productive upper section. The continual 'recharge' from the lower section into the upper is

believed to be the reason for the Beharra fields significantly exceeding their originally estimated recoverable reserves.

The Beharra fields have typical gross gas columns of ~40m, which again compares favourably to West Erregulla. The hydrocarbon bearing section of Wagina at West Erregulla-2 is interpreted as being substantially thicker due to an expanded stratigraphic section, with a total of a ~79 metre gross column, with the indicated reservoir development equivalent to the Beharra fields in the upper section.

West Erregulla Wagina Resource

As outlined above, the established reservoir properties, over-pressured formation and analogues to the Beharra Springs fields indicate the significance of the Wagina discovery in West Erregulla 2.

Booking of a contingent resource will be subject to conducting a flow test on the Wagina sandstone.

Strike's Managing Director, Stuart Nicholls said:

"The recent developments in our understanding of the Wagina discovery at West Erregulla are very exciting. When the results are compared to the those from Beharra Springs, the analogue is clear and favourable."

"This is a significant gas discovery given the observed and interpreted quality of the formation and over-pressured reservoir. We are encouraged by the results to date and look forward to a future flow test which would allow for a declaration of a contingent resource. Our confidence is further enforced by the extensive analogue data from the Beharra Springs fields. This includes the Redback South-1 well which is directly to the West and only 244m shallower which tested at 38mmscf/d. This well and others are not only right next door but host a producing, conventional gas field in the same Wagina sands in the same basin."

"With a conventional gas discovery already secured behind pipe and the primary target yet to be drilled, Strike is looking to deliver on further outcomes from WE-2 as predicted in the Strike geological model."

West Erregulla-2

West Erregulla-2 is being drilled in EP 469, which is adjacent to and targeting analogous Permian gas sands of a similar size and nature as the Waitsia gas discovery. The well will be drilled to a planned total depth of 5,200m. The remaining primary target is the Kingia High Cliff sandstones which are home to the Waitsia gas field and have produced the highest natural gas flow rates of any onshore well in Australia ever.

Strike Energy Limited (**Strike** - ASX: STX) is the operator and the holder of a 50% joint venture interest in EP469, and Warrego Energy (ASX: WGO) the holder of the other 50% joint venture interest.

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ASX Announcement

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West Erregulla-2 Location and Amplitude Visualisations of stacked targets:

