

WEST ERREGULLA-2 UPDATE UPPER KINGIA ENCOUNTERED

Highlights

- **WE-2 is interpreted to have reached the upper Kingia sandstone**
- **Drilling breaks with associated elevated mud gas observed whilst drilling through Kingia**

Since the last update, Strike has continued drilling the 6-3/4" production hole section through the Irwin River Coal Measures and is interpreted to have intercepted the Kingia sandstones at 4,761m. Multiple drilling breaks were observed in the upper section of the Kingia with associated elevated mud gas readings. Cuttings from these sections include clean sands with some evidence of grains being coated in what is inferred to be chlorite. Chlorite and illite (which are known to possess anti-diagenetic properties) from the sediments buried and worked in with the sand at the time of deposition are understood to be the key play elements required for the preservation of porosity at depth, and therefore maintenance of good and effective reservoir. This mechanism for porosity preservation is the main ingredient to the excellent reservoirs seen at neighbouring Waitsia gas field.

WE2 is currently at a depth of 4,800m (total vertical depth) and based on the original interpretation of the Kingia sandstone thickness, Strike extrapolates that it is approximately halfway through the formation. The large blocky porous sections of sand understood to provide the best reservoir zones at the Waitsia gas field (and other offset wells) occurred within the bottom 25% of the Kingia sandstones. Based on Strike's interpretation of the 3D seismic, geological modelling and offset well analysis, the company expects to encounter this equivalent section when drilling ahead into the lower Kingia sands.

Forward Plan

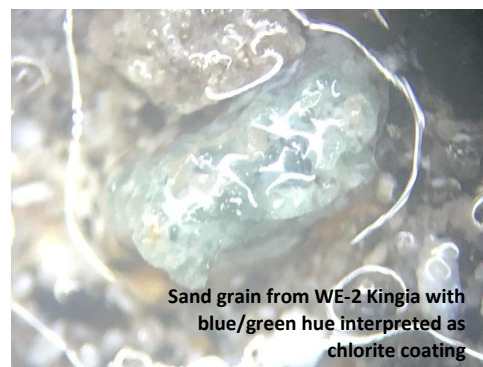
During the drilling of this section ROP reduced and ultimately the drilling assembly was required to be changed out and pulled out of hole. Currently, this is ongoing in order to install a new bit and motor before drilling through the lower half off the Kingia and then onto the Bit Basher shale and High Cliff sandstone.

The Logging While Drilling (LWD) tools will be recovered with the bottom hole assembly and the accompanying data will be downloaded from memory for initial assessment of the uncased section of basal Wagina and the upper Kingia sandstones.

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.

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

