

West Erregulla Update

Strike Energy Limited (Strike - ASX: STX) provides an update on behalf of the EP469 Joint Venture.

Current Operations

Since the last update, Strike successfully set a cement plug and side-tracked around the fish before drilling ahead in the 1st intermediate hole. Steady progress was made during this period, with generally improved rates of penetration interbedded with more challenging formation bands. Unfortunately, at a depth of 1629m, a sudden change in drilling parameters was observed and upon pulling the bottom hole assembly to surface it was apparent that the mud motor had parted. Based upon assessment of the fish left in the hole it was determined that fishing operations would have a low probability of success and the decision was made to again set a cement plug before side-tracking the well and drilling ahead.

The cement plug was set and the side-track assembly has now successfully initiated the kick-off.

Forward Plan

Strike will continue to drill ahead past the fish before changing to a new drilling bottom hole assembly (BHA) to complete the 1st intermediate hole section. This will be followed by running 13-3/8" casing and cementing in place. Strike is also concurrently undertaking several reviews as to the cause of this recent BHA failure with a view to avoiding any future occurrences.

Following the initial delays, Strike has engaged additional support and integrated drilling engineers with substantial Perth Basin experience into its drilling operations team. These new resources have been supporting operations since the BHA failure and with this added expertise, Strike is confident of resuming normal drilling operations.

About the West Erregulla Appraisal Campaign

Up to three appraisal wells will be drilled in the West Erregulla field, which is located in EP469. The appraisal wells will be drilled down to ~5,000m with West Erregulla 3 designed to test the continuation of the commercial gas accumulation in the northern fault block and West Erregulla 4 (and 5) to appraise the reservoir distribution in the central fault block. After various coring and logging operations all three wells will be flow tested (on success) and completed as future producers across the Kingia / High Cliff sequences for the proposed Phase 1 production operations. The Wagina gas discovery made in West Erregulla-2 will be appraised during the West Erregulla 4 & 5 wells.

The West Erregulla wells are to be executed at the following coordinates:

- West Erregulla 3: 29° 22' 40.79" S, 115° 18' 30.70" E
- West Erregulla 4 (proposed): 29° 25' 8.89" S, 115° 19' 18.15" E
- West Erregulla 5 (proposed): 29° 24' 1.72" S, 115° 18' 27.17" E

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

This announcement is authorised for release by the Managing Director and Chief Executive Officer in accordance with the Company's Continuous Disclosure Policy.

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West Erregulla Gas Field & Well Locations in EP469

