

Greater Erregulla Update

- South Erregulla program formally commences with grant of permits.
- Strike to acquire 'Maioir 2D seismic survey' in 1H/21.

Strike Energy Limited (Strike - ASX: STX "Company") is pleased to provide an update on its high value near field exploration targets in the Greater Erregulla region.

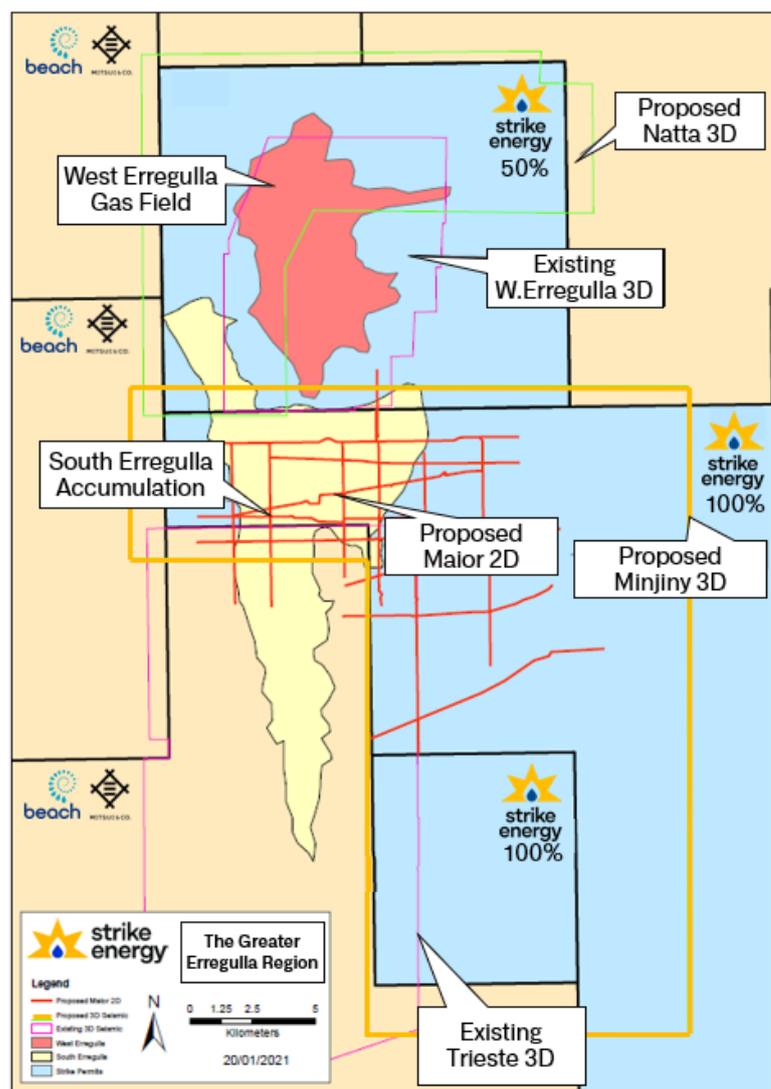
Permit Awards

The WA Department of Mines, Industry Regulation and Safety (DMIRS) has granted Strike exploration permits EP503 and 504. This is due to the conversion of EPA82 and EPA98 resulting from the conclusion of the Geraldton Alternate Settlement Agreement and the corresponding Indigenous Land Use Agreement (ILUA). EPA98 is expected to convert shortly after other Government processes are completed.

The grant of these high prospective Permits by DMIRS allows for the commencement of data acquisition over Strike's current flagship opportunity in South Erregulla, starting with the 'Maioir 2D seismic survey' which is set to be shot in the first half of 2021.

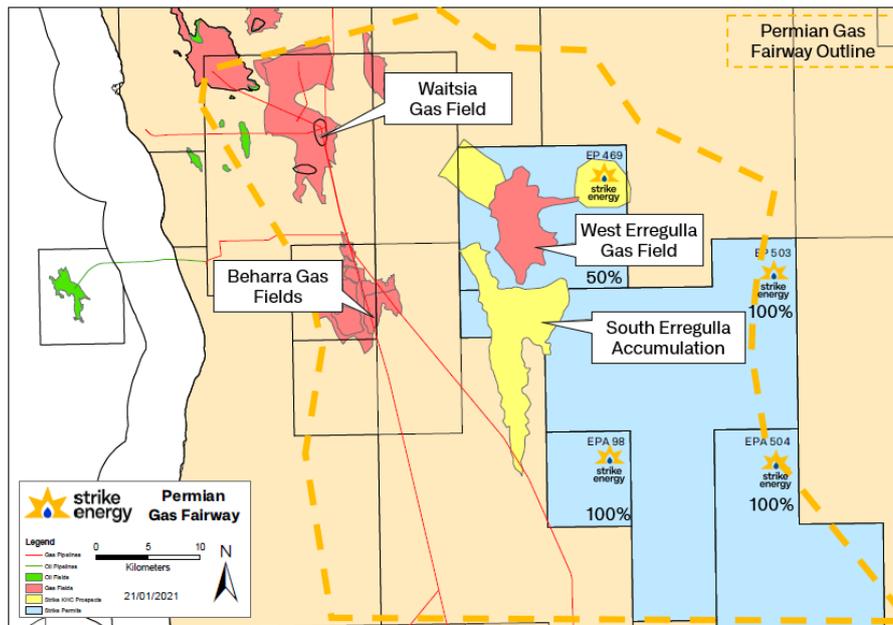
South Erregulla

Strike has awarded the Maioir 2D seismic survey to Velseis Seismic. The seismic campaign is expected to support the prospective resource already identified at South Erregulla, which has been booked via Strike's interpretation of the Beach/Mitsui Trieste 3D seismic survey which it attained via data trade, and Strike's reprocessing of the historical 2D lines from the area. This survey will help identify a potential well location on the South Erregulla structure for later this year. The ~140-line kilometre campaign has been designed to follow firebreaks, roads, tracks and existing cleared areas to minimise environmental and landholder impact and allow approvals and acquisition to be carried out in a timely fashion.



As disclosed in the previous quarter, Strike has secured three rig slot options on the Ensign Rig 970 post the West Erregulla appraisal campaign. South Erregulla-1 has been identified as a potential high value candidate for one of these slots subject to final internal approvals.

Identifying a high confidence drill location at South Erregulla and subsequently proving the resource could triple the company's existing Greater Erregulla contingent resources and facilitate supplying further domestic gas including making additional commitments towards Strike's proposed national scale fertiliser plant, Project Haber.



West Erregulla Learnings for the Greater Erregulla Region

Results from the West Erregulla 3 (WE3) drilling campaign demonstrate that the Carynginia shale is very likely the true upper seal for the Kingia and High Cliff sandstones, with mild to severe overpressure being observed in the deeper part of the formation in both wells to date. Whilst the overpressures in WE3 were of a magnitude requiring temporary suspension and reengineering, their presence indicates that the Carynginia shale, even where fractured, is a competent caprock. The demonstrated presence of a competent, over pressured, gas charged, caprock/source rock, coupled with data from WE2 showing the Kingia formation below it is normally pressured, suggests that the Permian structures throughout the Greater Erregulla region are likely 'filled to spill', in that the entire trap and associated reservoirs are likely gas saturated down to the spill point. This bodes well for extension of gas charge into all structures mapped within the Greater Erregulla region. Therefore, presence of the Carynginia shale (which has been identified on seismic over the top of South Erregulla) is a critical success factor and forms an integral part of positive well results for the deep conventional Permian gas zones.

The Dongara/Wagina sequences overlie the Carynginia and manifest at West Erregulla as a hybrid reservoir, with conventional flow units and open natural fractures intercalated within very thick units of low porosity gas sands that can store large volumes of hydrocarbon. Over 150m of this hybrid gas pay was encountered in WE3. Hydrocarbon saturation at WE3 is almost 50% higher than at WE2 suggesting that, on a relative permeability basis, the updip parts of these units will be most conducive to flow. Considerable volumes of gas were flared from these zones while drilling, with no water leg being observed in either WE2 or WE3. The hybrid, bimodal nature of these late Permian and Lower Triassic sandstones may represent a provincial, basin-centred accumulation that has regional wide upside.

Importantly, existence of moveable gas in these zones, seems closely associated with the presence of thicker, cleaner, blocky sands at basal Wagina level. This forms a depositional sweet spot that appears to be within 3D seismic resolution and can therefore be diagnosed from surface. As a result, this play concept will now form a meaningful series of targets in Strike's Permian Gas Fairway exploration programs where the extent of this shallower play is expected to permeate further South-East into the Dandaragan Trough.

All of the learnings from WE3 bode well for additional commercial-conventional and hybrid pay to be identified throughout Strike's Permian Gas Fairway permits and will help high grade and prioritise further drilling targets.

Strike Energy Managing Director & CEO Stuart Nicholls, said:

"It is still early days in understanding the sheer magnitude of discoverable gas in the Permian Gas Fairway of the Perth Basin. Discoveries at Waitsia, West Erregulla and Beharra in combination with new insights from Strike's appraisal program and regional seismic evaluation are indicating multi-TCF upside in Strike's Greater Erregulla permits alone.

"With the grant of these permits, Strike is now ready to commence a very exciting resource addition campaign where seismic crews and subsequent drilling slots are already identified and booked. This is a major positive for the company given the current scarceness of equipment.

"Successful identification of additional recoverable gas resources during 2021, could have a dramatic effect on the company's valuation, as Strike has already identified key markets in the Goldfields and industrial opportunities such as Project Haber in which to direct large volumes of gas at high realised prices".

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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