

Strike commences work to unlock second Perth Basin gas play

- Civil works underway at Walyering-5 well in preparation for spud.
- Walyering-5 to test conventional Jurassic wet-gas play in the central Perth Basin.
- Success at Walyering has potential to unlock Strike's 1,853km² acreage position prospective for the conventional Jurassic wet-gas play, which includes the Ocean Hill 360 BCF 2C contingent resource.¹

Strike Energy Limited (Strike - ASX: STX) provides an update on the appraisal operations at the Walyering gas discovery in the Perth Basin.

Earth moving and civils equipment has been mobilised to the Walyering-5 well location where Strike has commenced construction of the well pad and associated infrastructure to host the Ensign 970 drilling rig. Strike will receive the rig after completion of the Lockyer Deep-1 well and estimates the spud of the Walyering-5 well will occur in October.



Walyering-5 well pad
preparations Aug-21

Walyering Conventional Wet Gas Prospective Resource²

Pre-farm out Strike Share (100%)	Low (P90)	Best (P50)	High (P10)
Gas (OGIIP bcf)	48	86	142
Condensate (STOIIP mmbbls)	1.22	2.18	3.61
Post-farm out Strike Share (55%) Gas/Condensate	26 / 0.7	47 / 1.2	78 / 2.0

¹ The Ocean Hill 2C Contingent Resource is sourced from the ASX Announcement of Greenrock Energy Limited (ASX:GRK) dated 4 October 2013 titled "Independent Resource Evaluation Ocean Hill Block". Strike has a 100% equity interest in Ocean Hill.

² The Walyering Prospective Resource Estimate is set out in the Company's ASX Announcement dated 9 June 2020 entitled 'Greater Erregulla and Walyering Update'. Strike confirms it is not aware of any new information or data that materially affects the information included in the referenced announcement and that all the material assumptions and technical parameters underpinning the estimate in that announcement continue to apply. See Prospective Resource (PR) Estimate Cautionary Statement on page 2 of this Announcement.

Prospective Resource (PR) estimate cautionary statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Chief Executive Officer & Managing Director Stuart Nicholls said:

“We are excited to take our recent subsurface and drilling experience from operating in the north Perth Basin to the adjacent Jurassic wet gas play trend in the central part of the basin.

“Success at the Walyering-5 well has the potential for material value uplift across Strike’s large continuous acreage position, where substantial Cattamarra prospectivity exists. This area includes the Ocean Hill structure and gas discovery where a substantial contingent resource already exists.”

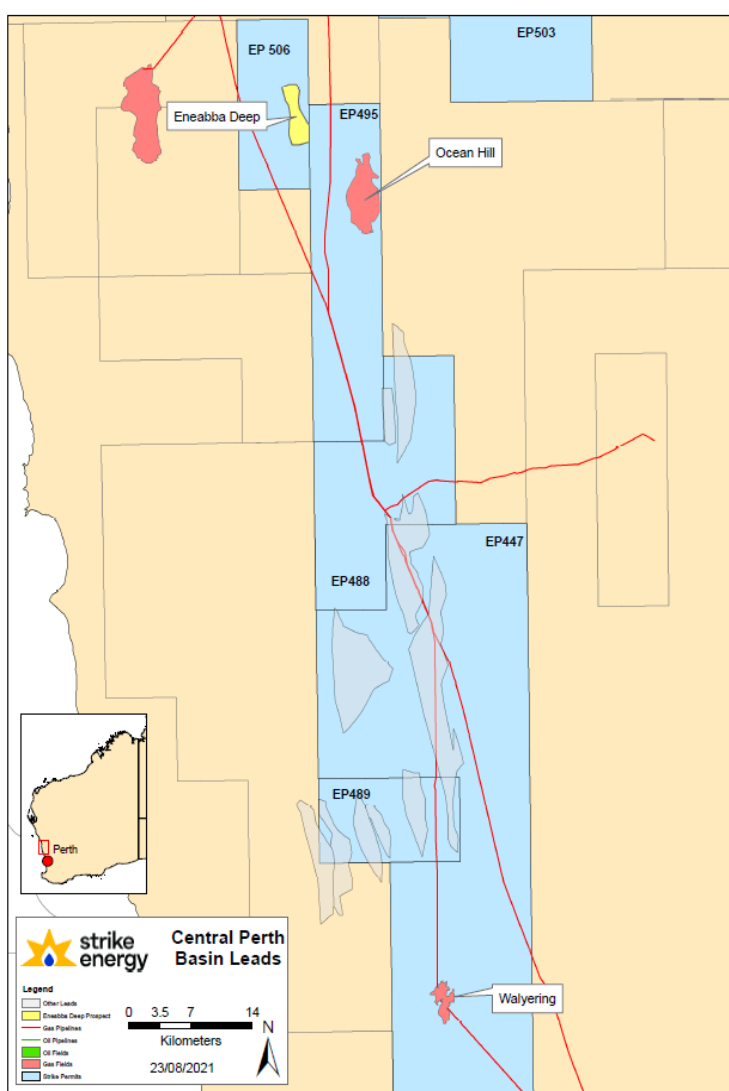
Jurassic wet gas strategy

The Walyering-5 well is key to recommencing development of the Walyering (86 BCF P50 Prospective Resource)³ and Ocean Hill (360 BCF 2C)⁴ wet-gas resources, which stalled under previous ownership after initial successful exploration and appraisal outcomes.

Strike owns 1,853km² of petroleum acreage in the central area of the Perth Basin at 100% equity (prior to registration of the 45% farmin interest at Walyering to Talon Energy, which is expected in Q3 2021). This acreage position not only includes the Walyering and Ocean Hill gas discoveries but also some ~270km² of leads across the Coomaloo and Dandaragan Troughs and along the Eneabba fault (as indicated by the grey polygons in the map to the right).

Walyering gas discovery

The Walyering conventional gas discovery was made in 1971 from within the Cattamarra Coal Measures (~3,350m) and with its strong seismic and well control represented an excellent test case



³ The Walyering Prospective Resource Estimate is set out in the Company’s ASX Announcement dated 9 June 2020 entitled ‘Greater Erregulla and Walyering Update’.

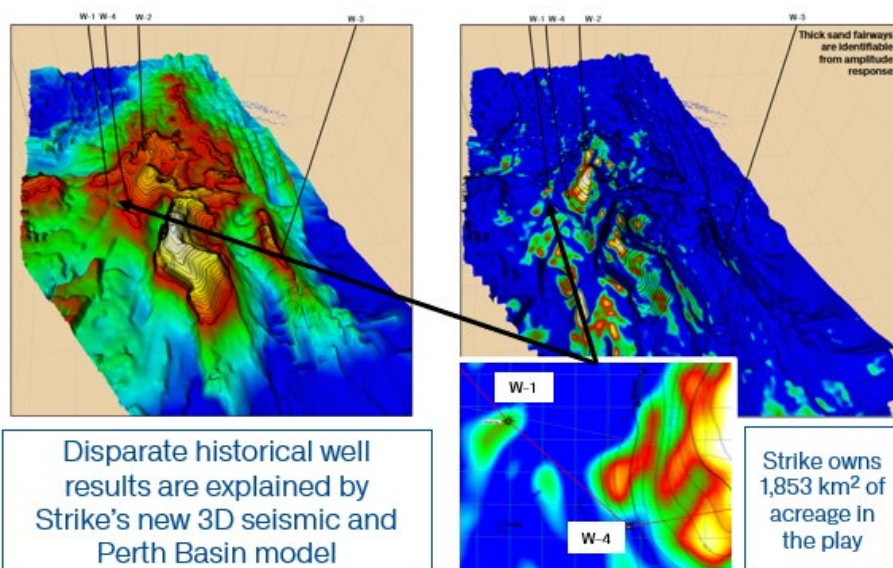
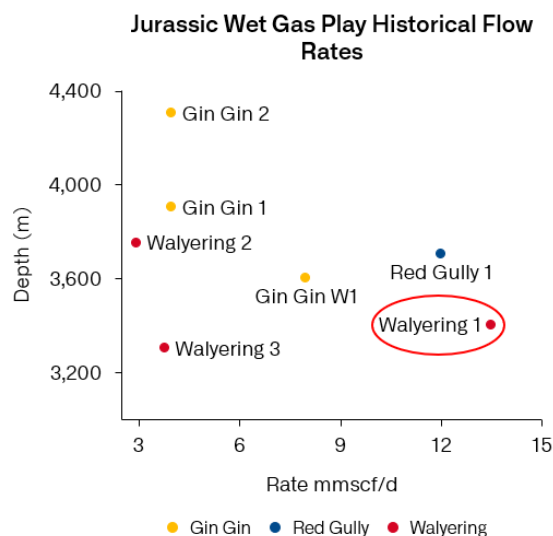
With respect to both the Ocean Hill 2C Contingent Resource and the Walyering Prospective Resource Estimate referenced above, Strike confirms it is not aware of any new information or data that materially affects the information included in the referenced announcements and that all the material assumptions and technical parameters underpinning the estimates in those announcements continue to apply.

⁴ See footnote 1 above.

for Strike's geotechnical approach to consistently identifying and testing the conventional quality sandstones within the play.

In December 2019 Strike completed 3D seismic acquisition across the play. The Walyering 3D seismic was the first high resolution dataset of its kind over the play and quickly provided explanation for the variable results from the four historical Walyering wells.

The Walyering-1 well encountered a thick (30m) sand with good quality conventional reservoir development (A-Sand) and a second, deeper, thinner gas-charged sand (B-Sand). The test of the A-Sand flowed 13.5 mmscfd, which is considered an excellent result when reviewed against other commercial discoveries from the play. Subsequently, three further Walyering wells were drilled on the legacy 2D seismic data in the surrounding area (in the 1970s and early 2000s) in an attempt to hit the larger accumulation. The first two appraisal wells, Walyering-2 and 3, encountered non-commercial hydrocarbon saturated reservoir at approximately the same level as the Walyering-1 A-Sand. These wells flowed only small amounts of gas on test. The final well, Walyering-4, was drilled in 2001 just up-dip of Walyering-1, and according to the published well report, encountered commercial-grade conventional reservoir similar to Walyering-1, but was water saturated.



Strike's ongoing analysis of the historical well results shows that the Walyering-4 appraisal well did indeed hit the gas bearing structure just above the water leg. However, this outcome, which is visible on Strike's revised petrophysical analysis, went untested. A gas saturated net pay zone of several metres with porosity of 15% was measured just above the gas water contact at 3,029m. This, in addition

to the seismic analysis, is an encouraging and positive development for the potential success of the Walyering-5 appraisal well and confirms the presence of high porosity gas charged conventional sands in two of the four historical wells which were drilled on high amplitude conforming structures, which aligns with Strike's geophysical and quantitative interpretations.

Walyering farm out

The costs of drilling the Walyering-5 well will be shared by Talon and Strike on a two-thirds / one-third basis respectively for the first \$9 million of proposed costs. Any costs above \$9 million will be incurred on a pro-rata participating interest basis. (STX 55% / TPD 45%)



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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