

Mid-West Geothermal Power Project Update

- 5-month heat needle survey has been completed and data retrieved.
- Process to convert geothermal acreage to an exploration permit underway.
- Strike awarded Exploration Incentive Scheme grant to execute seismic inversion modelling with leading geophysics consultancy, Delft Inversion.
- Strike has commenced preparation of a formal independent inferred resource assessment.

Strike Energy Limited (Strike - ASX: STX) provides an update on its 100% owned zero carbon Mid-West Geothermal Power Project in WA's Perth Basin.

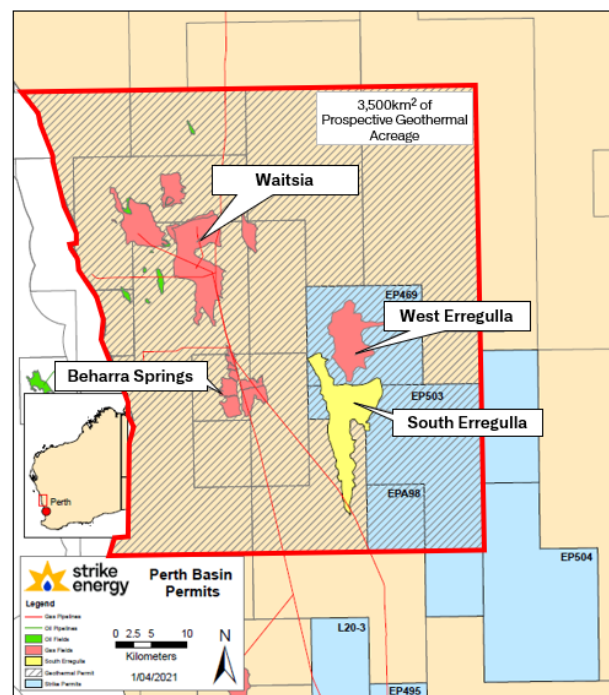
Heat Needle Survey

As part of its agreed work program with the regulator, Strike deployed 12 heat needles for 5 months across Strike's geothermal acreage in the Perth Basin to map surface thermal gradients. These heat needles have been retrieved and the data recovered is currently being processed by Dr Graeme Beardsmore at Hot Dry Rocks Ltd. On completion of this activity the data will be integrated into Strike's Kingia Sandstone reservoir model, which is well developed and includes all of the most recent penetrations of the Kingia Sandstones as they are also the host reservoirs of Strike's substantial natural gas resources.

Subsurface & Inferred Resource

Following the award of the Exploration Incentive Scheme for co-funded energy analysis, Strike has commenced 3D seismic inversion modelling with leading geophysics consultancy, Delft Inversion to generate subsurface information for the mapping of water-wet and permeable sandstones throughout the Kingia in the North Perth Basin.

As seen throughout the basin, amplitude anomalies at the Kingia level have been strongly correlated with major gas discoveries indicating the anomaly is consistent with the quantitative interpretation of gas-prone porous sandstones. To date, water-wet porous sandstones have not been observed to generate any obvious geophysical signature, as evidenced by the Irwin-1 well drilled by Origin Energy between the Waitsia and West Erregulla gas fields that contained 39m of water wet conventional quality reservoir with average porosities of 10% and up to 17.6%.



Processing the seismic volumes into a version that can inform the inverse for gas and water only (and not for porosity) will be a step change in the speed and accuracy of mapping the geothermal potential of the Kingia Sandstone. Strike has focussed this inversion modelling in areas where good resolution 3D seismic is currently available.

The remapped and inverted data will be integrated into Strike's basin wide sub-surface model to form the basis of an independent Inferred Resource and associated power assessment. This Inferred Resource booking is expected to be finalised in the next quarter and will support the progression of an Indicated Resource in CY22.

During the West Erregulla appraisal campaign Strike re-confirmed the presence and ability to produce very hot brine from the Kingia Sandstones. West Erregulla 4 produced approximately 10% brine along with its dominant gas stream. The fluid produced was sufficient in quantity to generate well head temperatures of more than 115°C, which is some 30°C higher than the well head temperatures measured from the 100% gas stream at the WE2 flow test.



Steam from the separator generated at the WE4 well test in July 21

Conversion of Permit

With the completion of the heat needle survey, Strike has the right to apply for a Geothermal Exploration Permit (GEP) over up to 50% of the 3,500 km² Geothermal Special Prospecting Authority (GSPA) area, equating to up to 1,750 km². Strike will use its basin modelling and once booked, Inferred Resource in order to identify and select the highest quality areas that best support the subsurface conditions required to generate the most electrical power and in turn the preferred GEP area. Strike intends to make application for the GEP during Q4/21 and, upon grant, will be in a position to consider future commercial opportunities for potential partners to participate in the proposed testing and development.

Commercialisation

Strike is currently engaged with a range of experienced potential collaborators to progress the overall project concept selection. This includes both international and local expertise regarding subsurface, drilling, surface power generation, technical and project engineering, regulatory approvals, network service providers, and electricity off-takers. Strike is very encouraged by the market engagement to date. Strike is particularly excited by the contribution that geothermal power can make to not only the State's decarbonisation agenda and zero carbon electricity supply via transmission through the co-located South West Interconnected System (SWIS), but also to the aspiring hydrogen economy of the Mid-West, which has strong support from the State Government under the Oakajee Strategic Industrial Area project.

Beyond geothermal power generation, Strike is also considering a range of complementary additional applications for the residual waste heat of the working fluid prior to condensing and recycling through the heat exchanger. These opportunities include using residual energy for reverse osmosis and purification of a portion of the geothermal fluid for industrial water applications and also high temperature electrolysis for high efficiency green hydrogen production.

Strike looks forward to updating its shareholders in due course as the project progresses through its various milestones.



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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