

South Erregulla Update

- SE1 has commenced drilling operations and is drilling ahead in the first hole section at a current depth of 1,045m MD.

Strike Energy Limited (Strike - ASX: STX) provides an update on the drilling operations at the company's 100% owned South Erregulla target in EP503.

Current Operations

Strike officially spudded SE1 at 22:15 Saturday 15th January 2022. Drilling operations have subsequently commenced and the well is drilling ahead in 17-1/2" hole in the top section at approximately a measured depth (MD) of 1,045m.

Forward Plan

Strike will drill ahead to section depth planned at 1,945m MD before running 13-5/8" casing and cementing it in place. SE1 is being drilled with a further optimised design in order to ensure the well conditions when drilling (and coring) through the primary objective in the Kingia Sandstone are maximised for reservoir preservation and data acquisition.

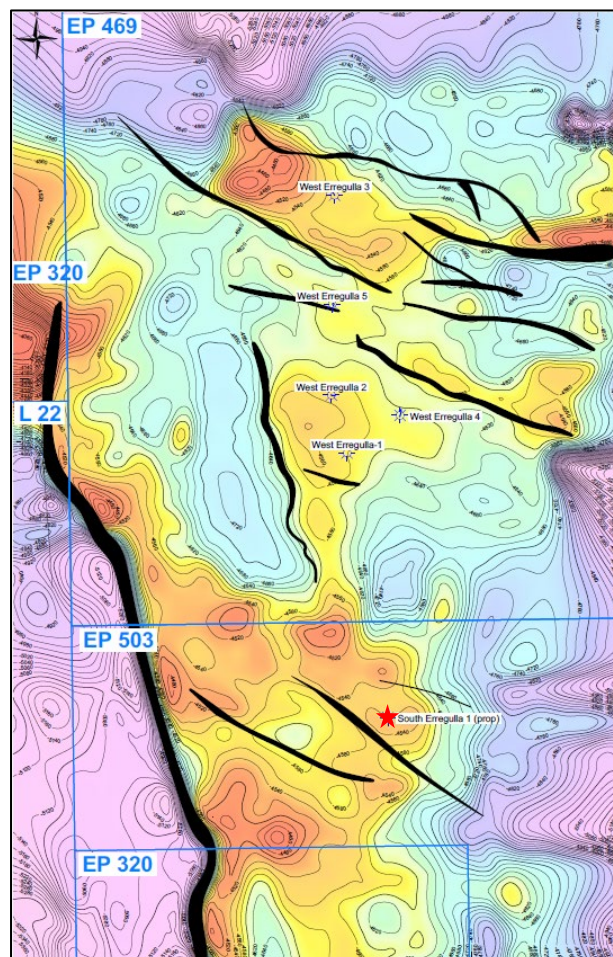
About South Erregulla-1

South Erregulla is located in the 100% Strike owned EP503 which adjoins EP469 where Strike as operator has made a large, high quality conventional gas discovery at West Erregulla. SE1 lies less than 5km to the South of the nearest successful West Erregulla intersection. SE1 is being executed at: 29° 28' 29.816 S, 115° 19' 5.618 E

South Erregulla has significant resource potential in the Kingia Sandstones with a high chance of success due to the strong data control over the Erregulla region (wells and seismic), consistent geological outcomes in the Kingia and recent identification of updip connectivity to the known West Erregulla gas field.

SE1 expects to encounter the Kingia at a revised depth of 4,369m ss TVD, which is up to 200m shallower than the penetration of the Kingia at West Erregulla 2. Strike is planning to collect whole core and an advanced series of wireline logs across the Kingia Sandstones and on success will be flow tested in order to be completed as a future producer.

Through seismic interpretation (with good well control) of the 3D seismic data over EP469 and EP320 in combination with the recently acquired Maior 2D seismic and reprocessed

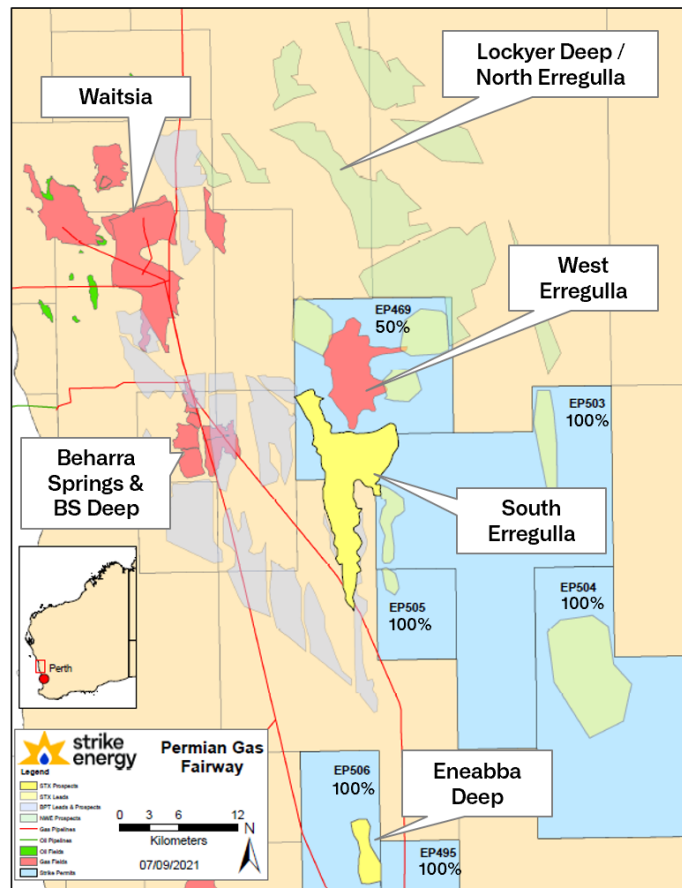


legacy 2D lines in EP503, Strike has interpreted a major structural high to the South of West Erregulla. Numerous drilling results at West Erregulla, Waitsia, Beharra, Lockyer and Irwin correlate to Strike's geophysical model which supports the presence of gas charged porous sands in the Kingia Sandstone at South Erregulla.

Structural mapping (which has recently been corroborated by Netherland Sewell and Associates Inc. through their West Erregulla work), shows the Greater Erregulla structure rising to the South where the South Erregulla target has been identified. This interpretation suggests that South Erregulla is connected and updip of West Erregulla (a known conventional gas field) meaning a similar gas accumulation is likely to be encountered.

The primary objective of SE1 (and any subsequent appraisal wells in South Erregulla) is to delineate approximately 350 PJs of high confidence resource in order to secure the gas requirements for Project Haber, Strike's proposed Geraldton based 1.4mtpa urea fertiliser manufacturing facility. On confirmation of success at SE1, Strike will look to sanction additional detailed engineering (FEED), finalise the urea offtake, and progress the equity/debt processes for Project Haber.

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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