

South Erregulla Update

- SE1 has drilled the intermediate section of the well down to a depth of 4,421m MD in the lower Carynginia Formation just above section final depth.
- Strong gas flows to surface were encountered in the basal Wagina Sandstone. Preliminary analysis of live logging while drilling data suggests a conventional gas charged reservoir has been encountered.
- Wireline tools will be run in order to retrieve reservoir pressures and gas samples to assess the significance of the LWD results in the Wagina Sandstone.
- Potential Carbon storage reservoir discovered in the Jurassic Sandstones with 103m of net reservoir at an average porosity of 19%.

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

Completed Operations

SE1 has drilled the 12-1/4" intermediate hole section down to a depth of 4,421m MD (measured depth) in the Carynginia Formation just above section target depth. Hydrocarbons were observed throughout, with the well strongly correlating to the West Erregulla gas field.

Wagina Sandstone

The Wagina Sandstone was encountered at 4,072m MD and observed to be made up of thick, clean sand units with elevated mud gas readings recorded throughout. A notable drilling break was encountered at 4,174m MD which coincided with substantial gas break out that resulted in prolonged flaring at surface. Live logging while drilling data suggests a conventional, gas charged reservoir similar in nature to that of the Beharra Springs gas field has been encountered. Strike is gathering pressures and samples via a wireline campaign before finalising petrophysical analysis in order to assess the significance of the LWD results.



Jurassic Sandstones -Carbon Storage Target

The Jurassic Sandstones within the Cattamarra Coal Measures were observed to be a very high-quality reservoir. 103m of clean, net sandstone reservoir, with an average porosity of 19% (up to 23%) was measured between 2,096m MD and 2,297m MD. This non-hydrocarbon bearing reservoir has many of the characteristics of a suitable location for the storage of captured carbon. Strike will now progress additional geotechnical and engineering studies over this structure to assess the suitability for a potential carbon capture and storage program.

Forward Plan

Strike will shortly finish drilling the section and then post pulling out of hole will run advanced wireline tools to measure reservoir pressures and take reservoir fluid (gas) samples from the Wagina Sandstone. Once complete Strike will run 9-5/8" casing and cement in place before commencing the drilling of the production section of SE1 into the primary target of the Kingia Sandstone.

About South Erregulla-1

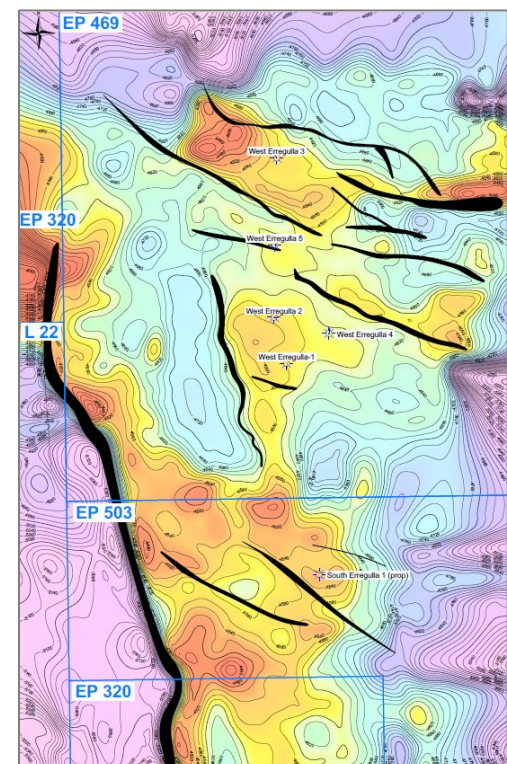
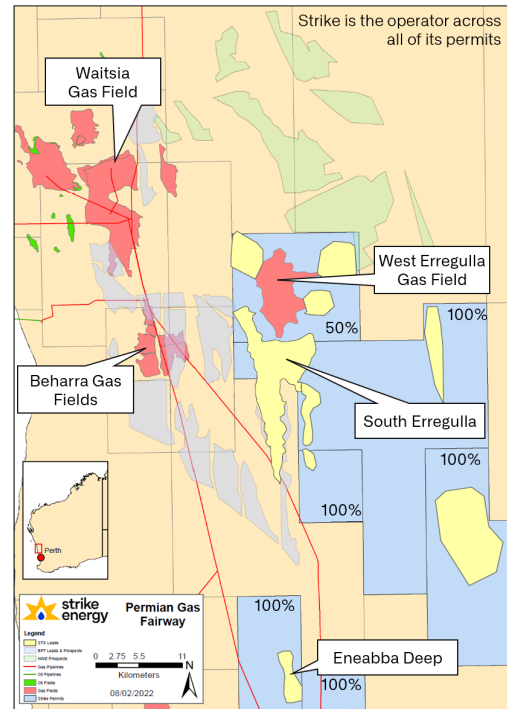
South Erregulla is located in the 100% Strike owned EP503 which adjoins EP469 where Strike as operator has made a large, high quality conventional gas discovery at West Erregulla. SE1 lies less than 5km to the South of the nearest successful West Erregulla intersection. SE1 is being executed at: 29° 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 shallower depth 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 Deep, Lockyer Deep 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 Mid-West 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.

Company Contact

Georgina Fraser

Investor Relations

Email: georgina.fraser@strikeenergy.com.au

Media Contacts

Paul Ryan (Citadel-MAGNUS)

Phone: 0409 296 511

Email: pryan@citadelmagnus.com