

Strike Energy Limited

Australian Domestic Gas Outlook
March 2022



Kwinana industrial precinct



WA Gas Market Update

Summary information

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Future Statements

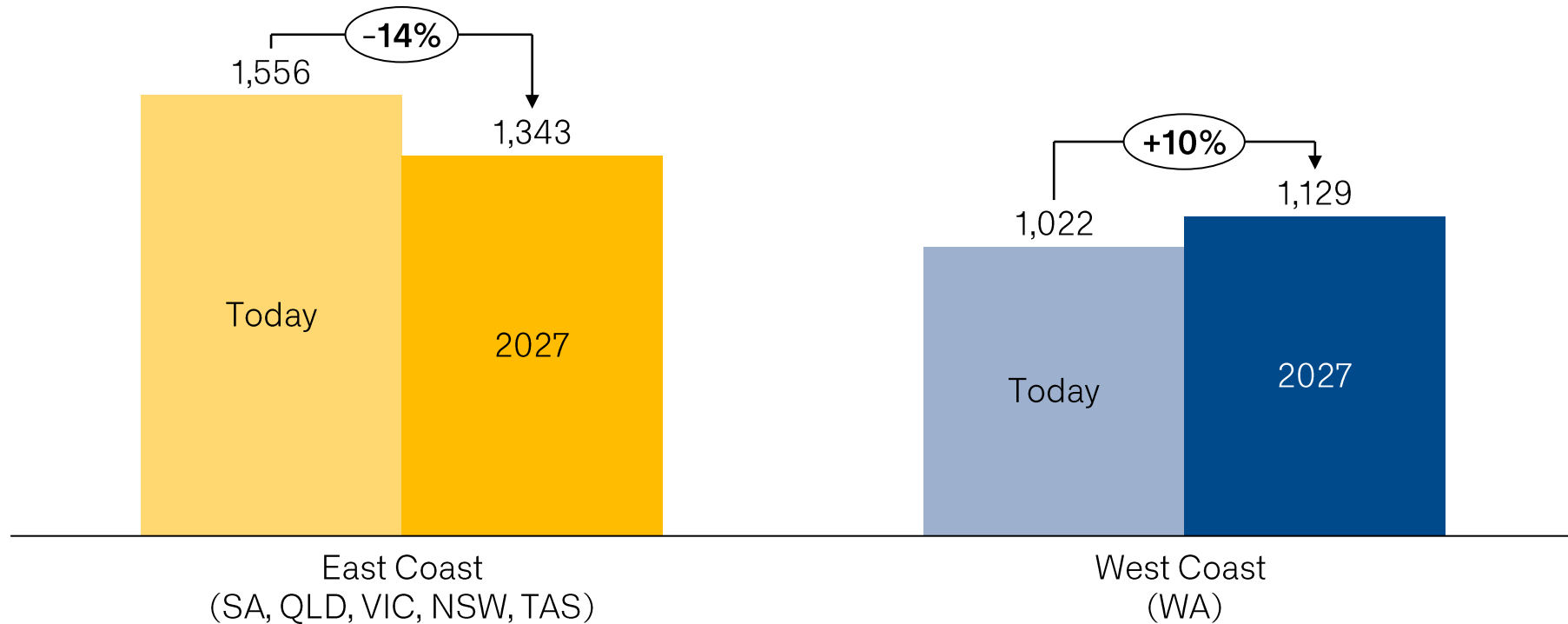
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Information regarding Reserve and Resource Estimates

Information in this presentation relating to the Reserve and Resource Estimates for the West Erregulla Project is set out in the ASX announcement dated 11 October 2021 entitled "Strike delivers maiden Perth Basin gas reserve". Strike Energy interest is 50%. The Oceanhill 2C Contingent Resource is sourced from the ASX Announcement of Greenrock Energy Limited (ASX:GRK) dated 4 October 2013 titled "Ocean Hill Independent Resource Certification". Strike Energy's equity interest is 100%. Strike Energy 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 announcement continues to apply.

Gas Demand by Market, TJ/d (LNG excluded)



WA is a large market

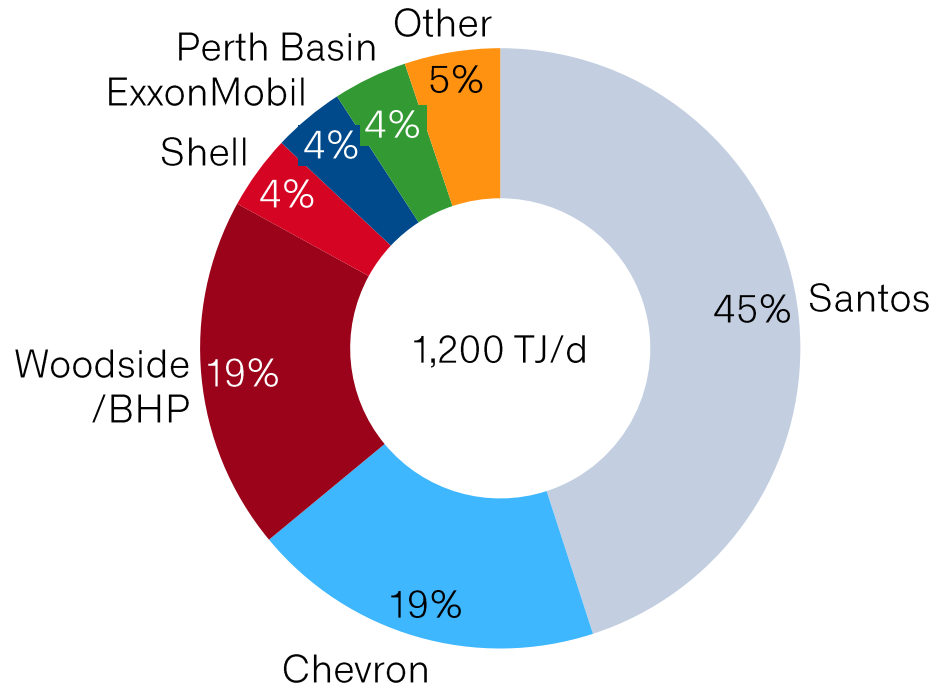
WA as a standalone market is two thirds that of the entire East Coast

Forecasted growth

WA gas market estimated to grow 10% by 2027 whilst East Coast estimated to shrink by 14%

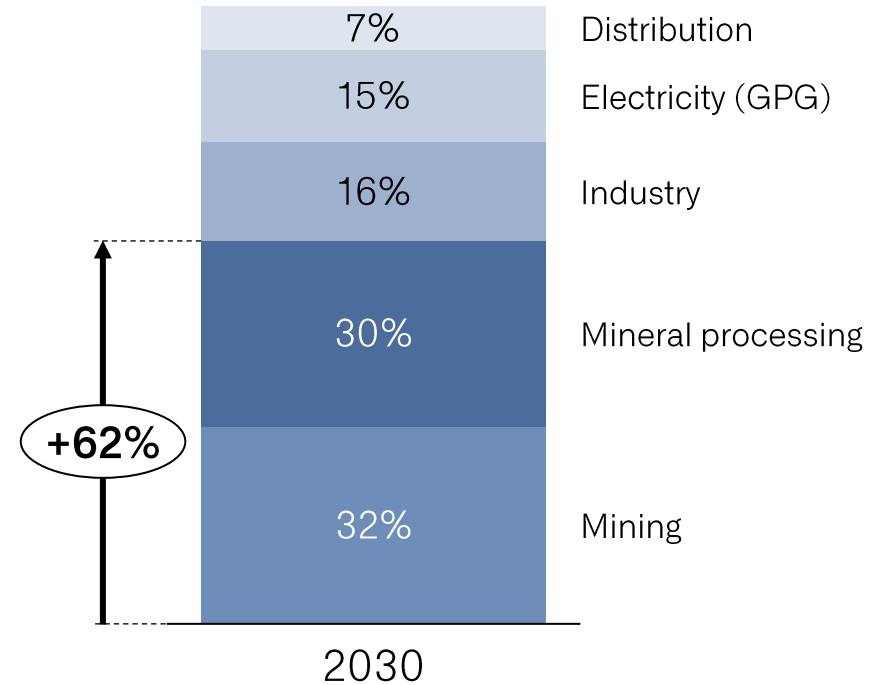
Who's selling it today?

Jul-21



WA Gas Buyers

2030



3 sellers

make up 83% of the gas supply

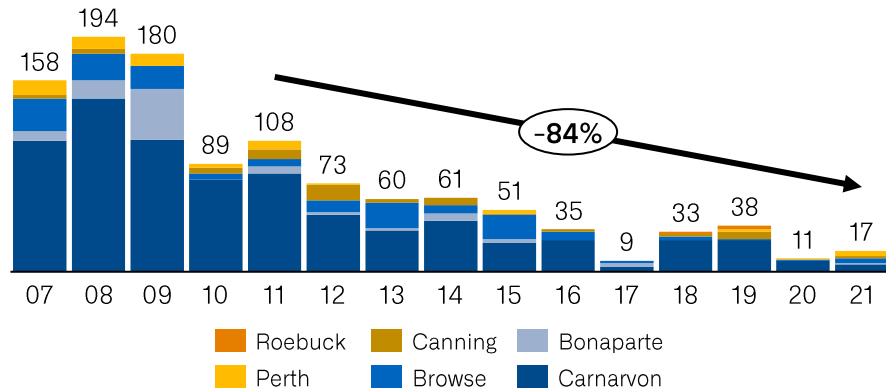
WA's domestic gas market continues to reduce in competitiveness every year

62% of demand

from miners & mineral processors

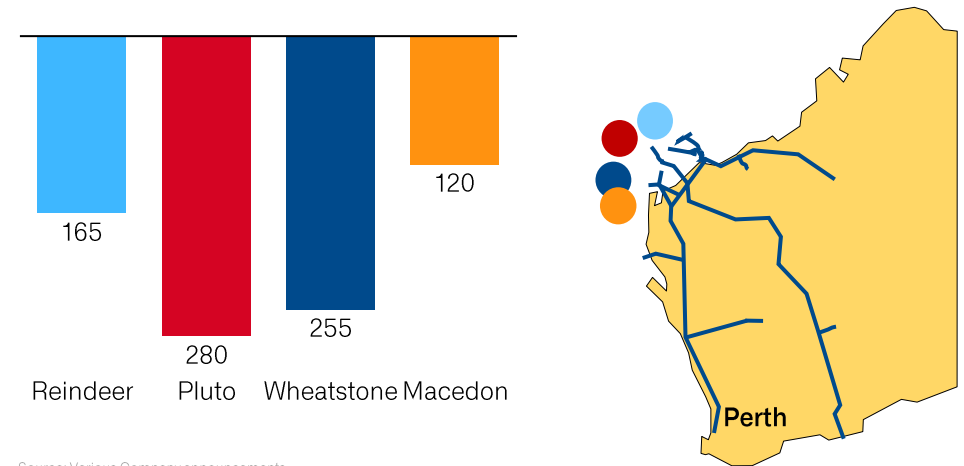
Battery minerals and other commodity prices are driving growth in WA's gas demand

WA (oil and gas) wells drilled per Basin per year **Under Investment**



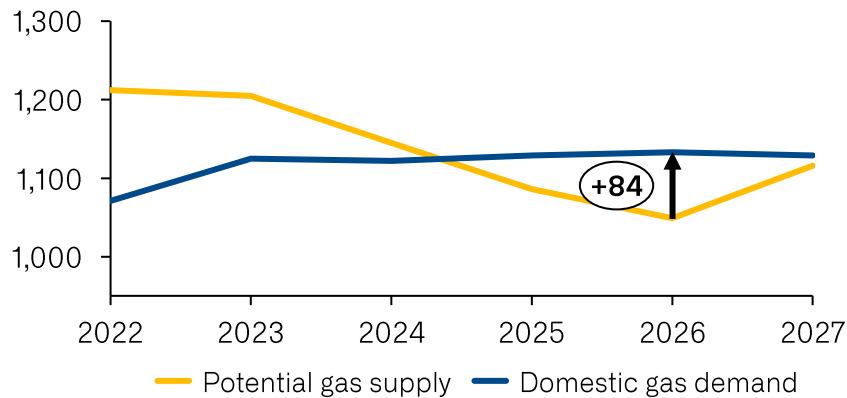
Source: Compiled using information from APPEA and National Offshore Petroleum Titles Administrator.

2P reserves write downs (PJe) **Write Downs**



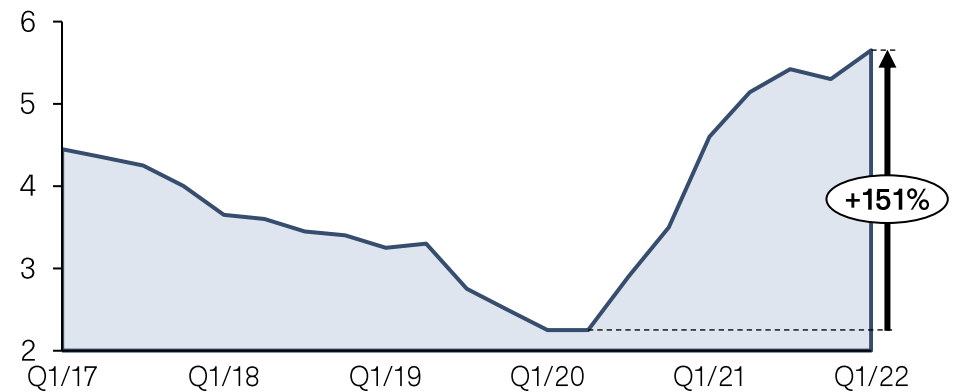
Source: Various Company announcements

AEMO Base Scenario WA gas market balance (TJ/d) **Forecast Shortage**



Source: AEMO Gas Statement of Opportunities 2021

WA spot gas price (\$/GJ) **Prices Up**



Source: Compiled using information from GasTrading Spot Market - Forecast v Actual: <http://www.gastrading.com.au/spot-market/historical-prices-and-volume>

High Confidence

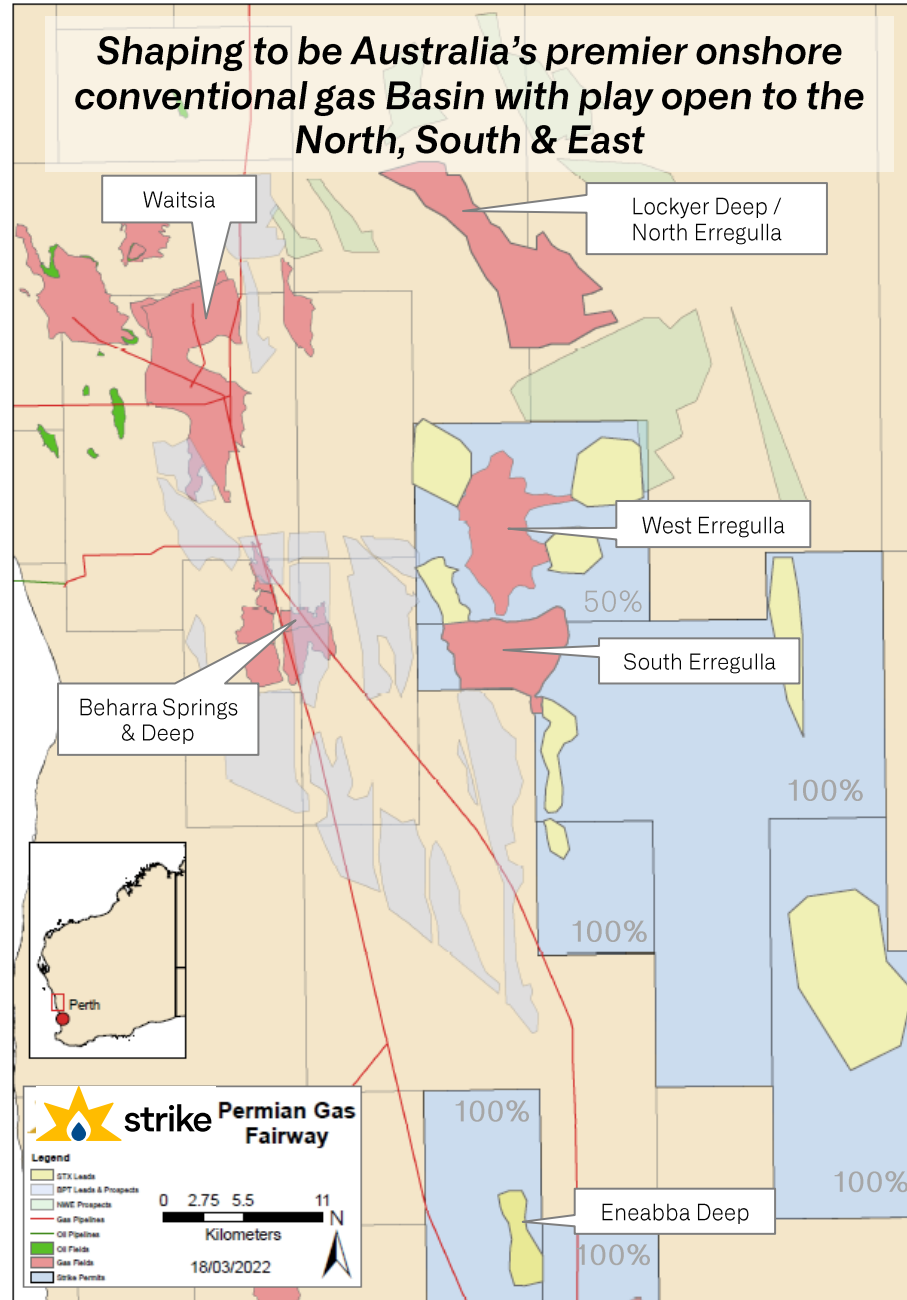
92% drilling success rate

High Rates

18-89 mmscfd/d tested flow rates

Large Resources

More than 3 TCF discovered



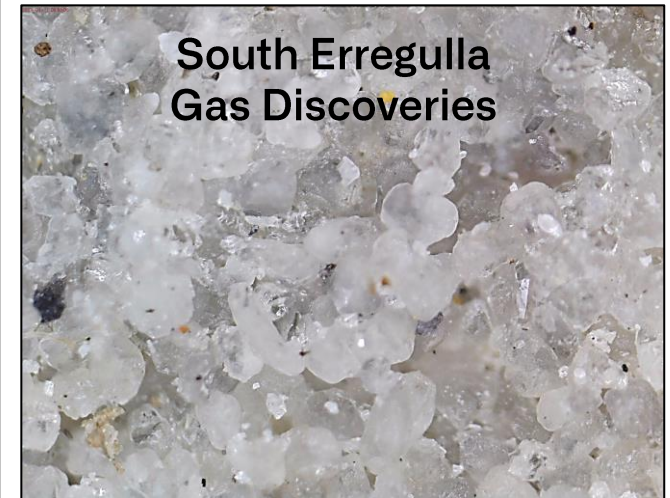
Lockyer Deep Gas Discovery



MINERAL RESOURCES 80% **norwest ENERGY** 20%

High quality, most northern Kingia penetration

South Erregulla Gas Discoveries



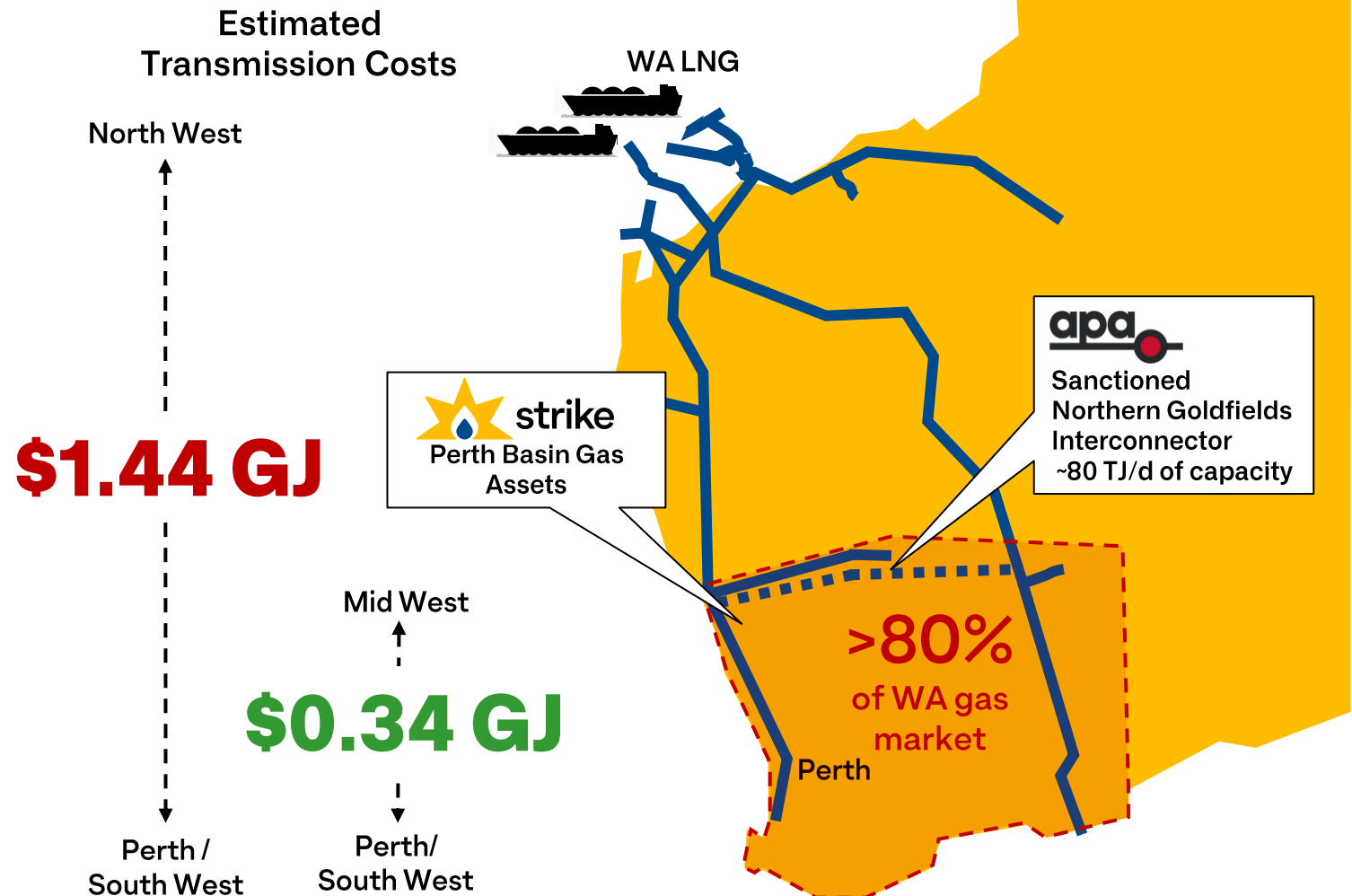
strike 100%

Discoveries in both Wagina & Kingia Sands
Most southerly and eastern penetration

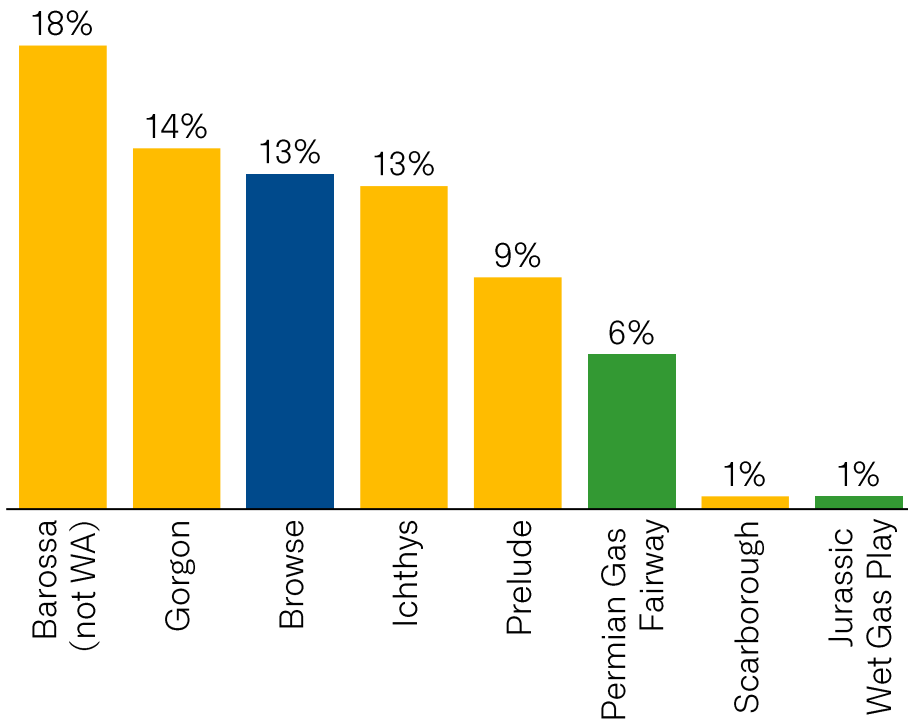
Perth Basin customers benefit from a material transportation advantages

Perth Basin gas can deliver superior customer outcomes:

1. Lower transportation costs
2. Multiple pipelines to select from. (DBNGP, Parmelia & new NGI)



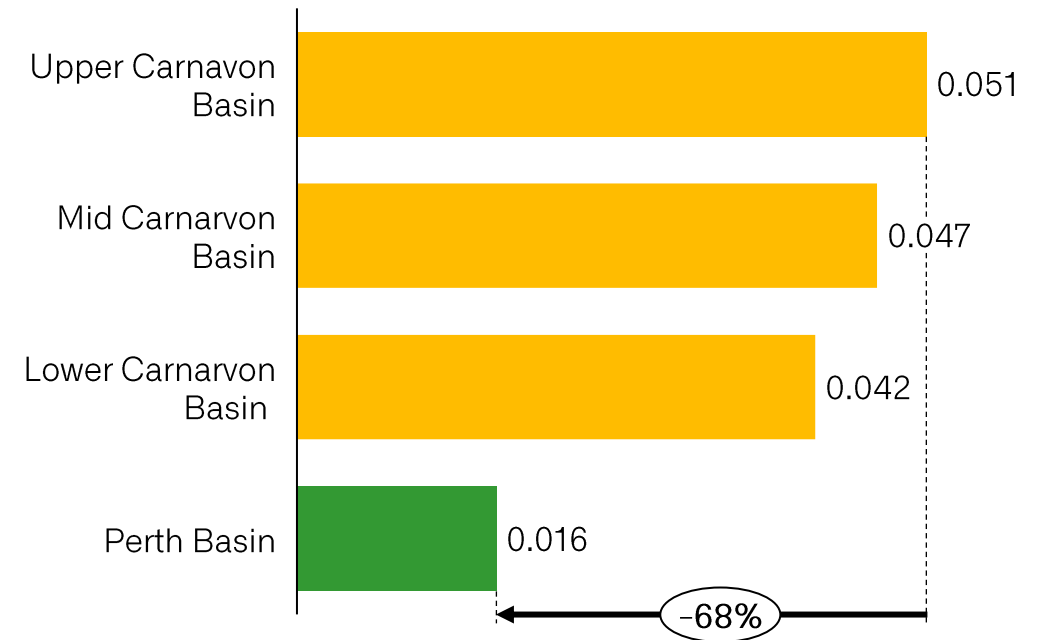
Scope 1: Contained reservoir CO2 (%)



■ Other Sanctioned Fields
 ■ Yet To Be Sanctioned
 ■ Perth Basin

Scope 2: Transmission emissions intensity to Industrial Southwest Gas Market

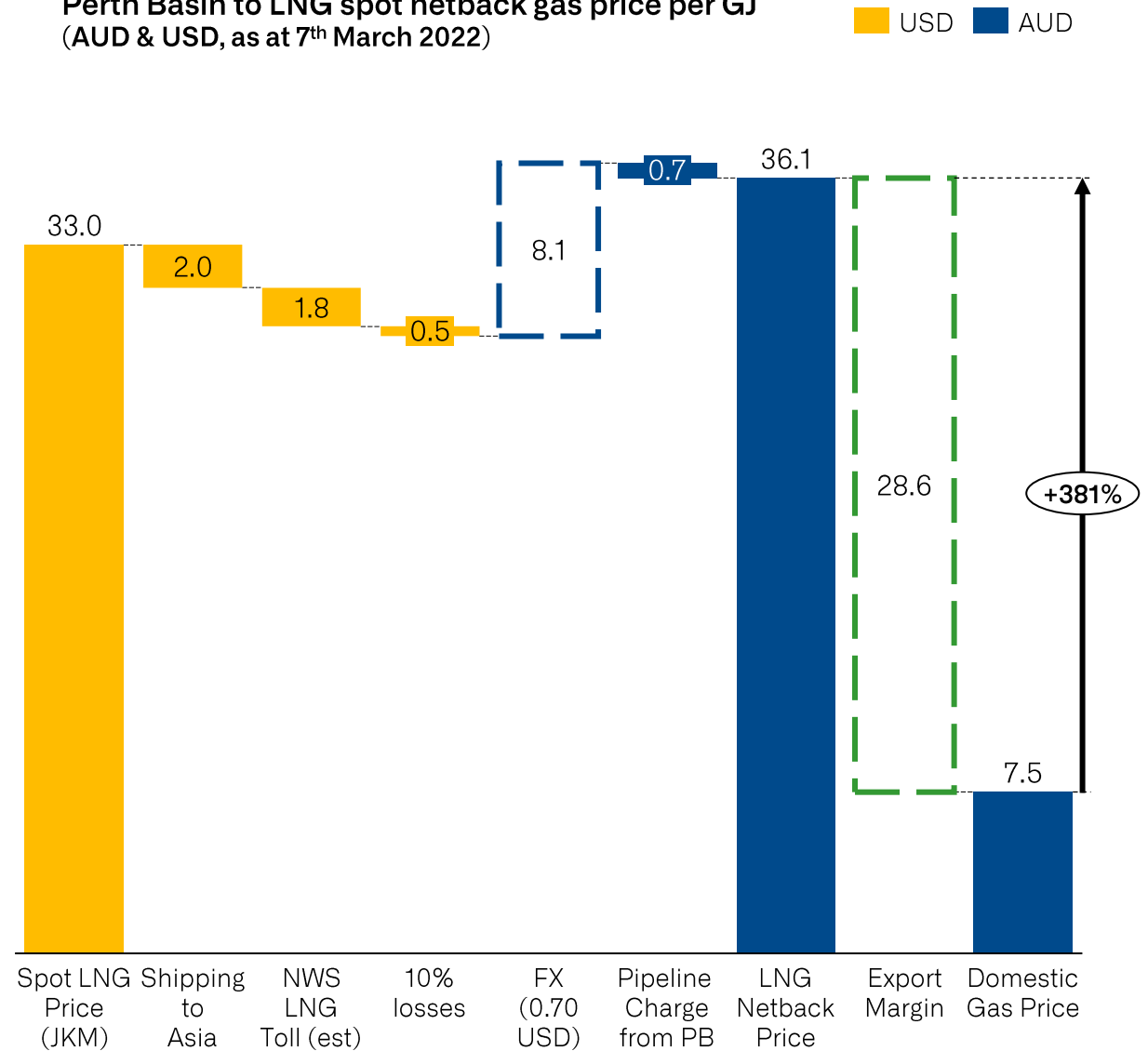
CO₂e t/ TJ (DBNGP)



The Perth Basin through its high spec gas and proximity to customers delivers the lowest lifecycle carbon cost to the end domestic consumer

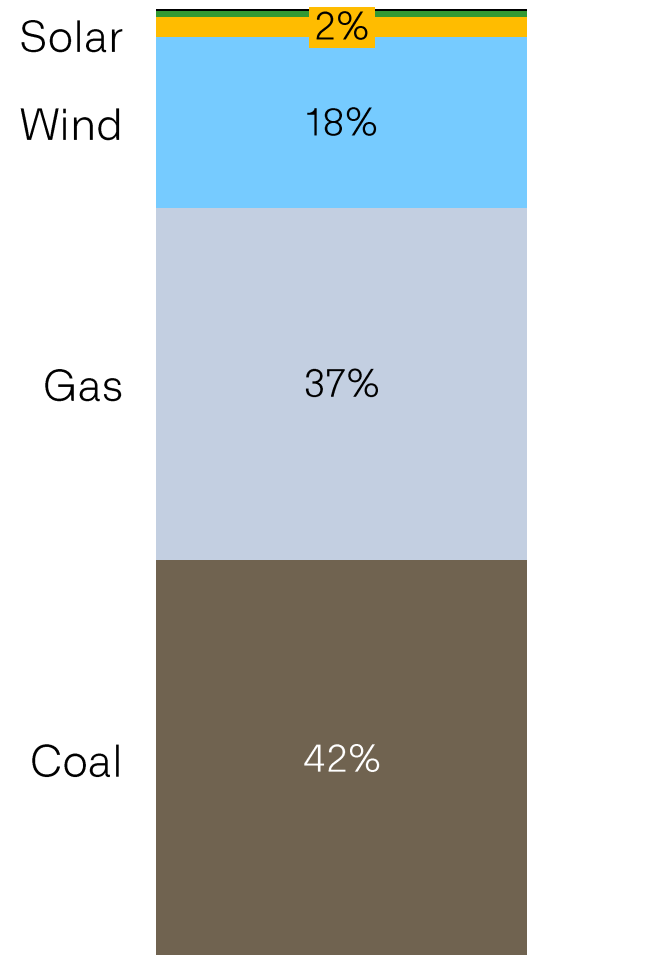


Perth Basin to LNG spot netback gas price per GJ
(AUD & USD, as at 7th March 2022)



Project Haber set to benefit from these initiatives and is a key enabler for Strike to request access to WA LNG export capacity

WA Electricity generation by source / fuel type, 2021



2021 Generation by fuel type

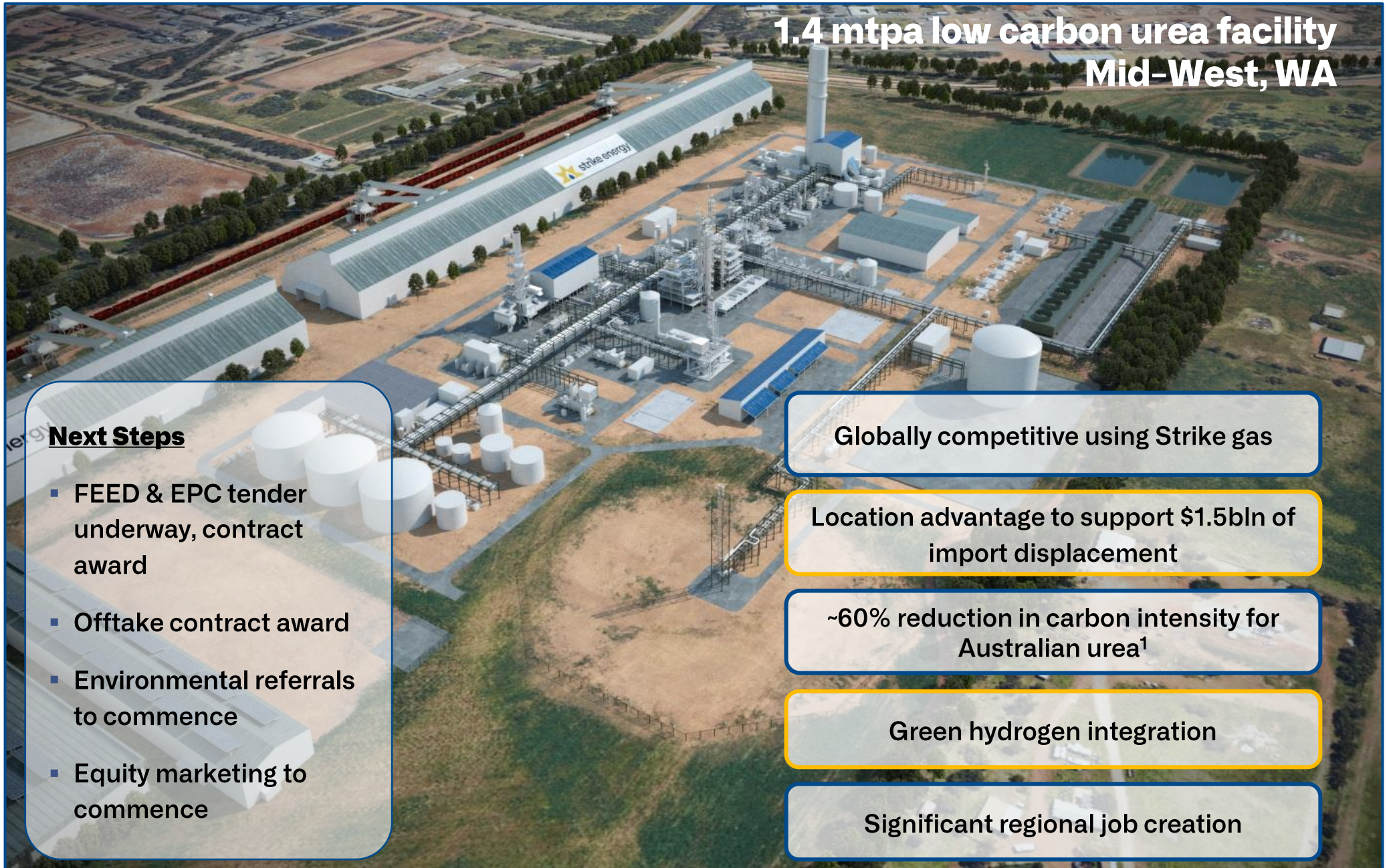
Total market 4GW

Still 42% Coal

Only 20% renewables

1.7 GW of BTM solar

Great opportunity for gas to increase dedicated renewable penetration into the WA market



**1.4 mtpa low carbon urea facility
Mid-West, WA**

Next Steps

- FEED & EPC tender underway, contract award
- Offtake contract award
- Environmental referrals to commence
- Equity marketing to commence

Globally competitive using Strike gas

Location advantage to support \$1.5bln of import displacement

~60% reduction in carbon intensity for Australian urea¹

Green hydrogen integration

Significant regional job creation

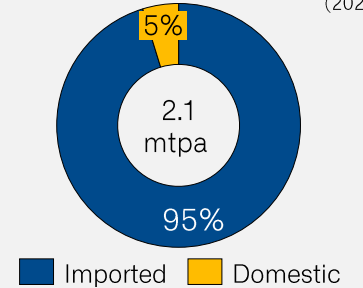
1. Source: Refer to ASX announcement: "Project Haber forecast to deliver huge carbon abatement and billions Australian GDP" on 6th May 2021 and to the Important Notices referenced in that announcement. The successful development of Project Haber is contingent on, among other things, the certifying sufficient gas reserves at South Erregulla, the outcomes of FEED on Project Haber, access to finance and (where required) equity participation, securing binding urea offtake agreements, and obtaining all requisite regulatory and stakeholder permits, approvals and authorisations



Domestication of fertiliser manufacturing

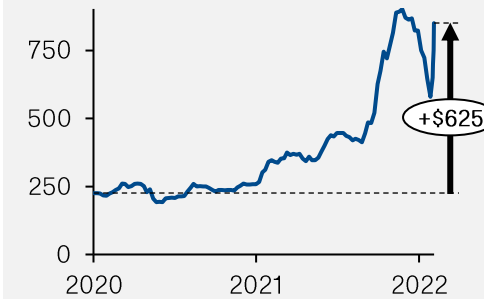
1. Federal Government Major Project Status
2. WA Government Lead Agency Service
3. Federal award of Supply Chain Resilience Grant

Australia's urea consumption almost exclusively imported (2020)



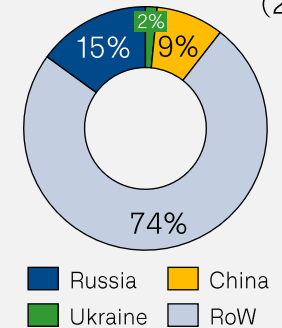
Reduce exposure to international markets

Urea Middle East FOB (US\$/ton)



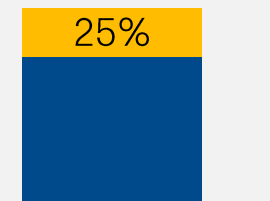
Source:1

Global urea net export share (2021)



Improve competitiveness and reduce carbon intensity of Australian farming

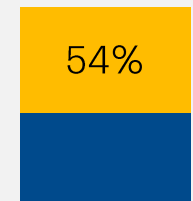
cost



Fertiliser as a % of per hectare operating costs

Source:2

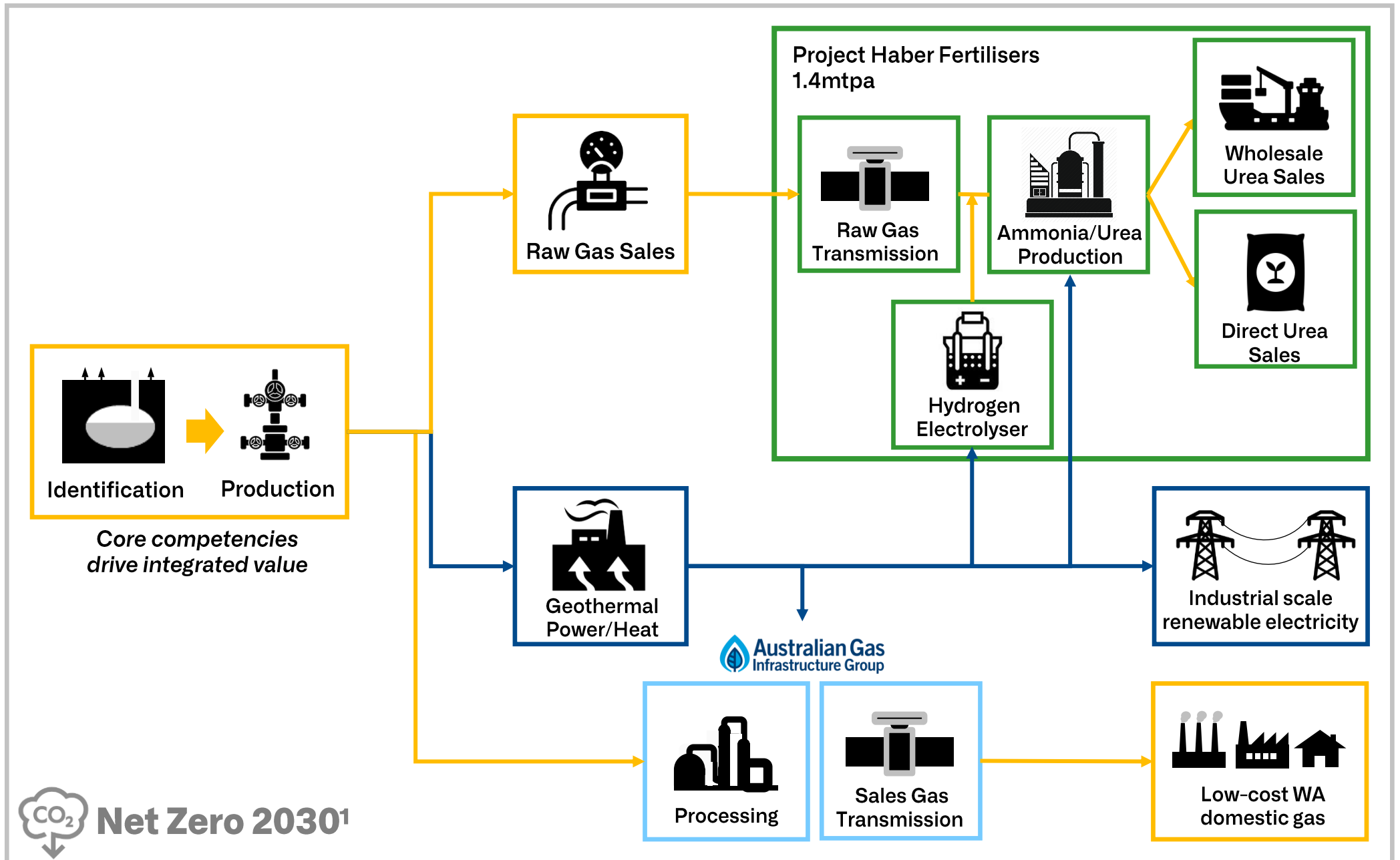
carbon



Fertiliser as a % of per hectare carbon emissions

1) Source: Published by ICIS www.icis.com/fertilizers

2) Source: Planfarm (2021), *Benchmarks 2020*; and NSW Department of Primary Industries (2019), *WA Central Region Summary*.



 **Net Zero 2030¹**

¹ Refer to ASX announcement entitled "Strike Commits to Net Zero 2030" dated 14 May 2021 for the assumptions and source information on which Strike's Net Zero Plan is based.



strike