

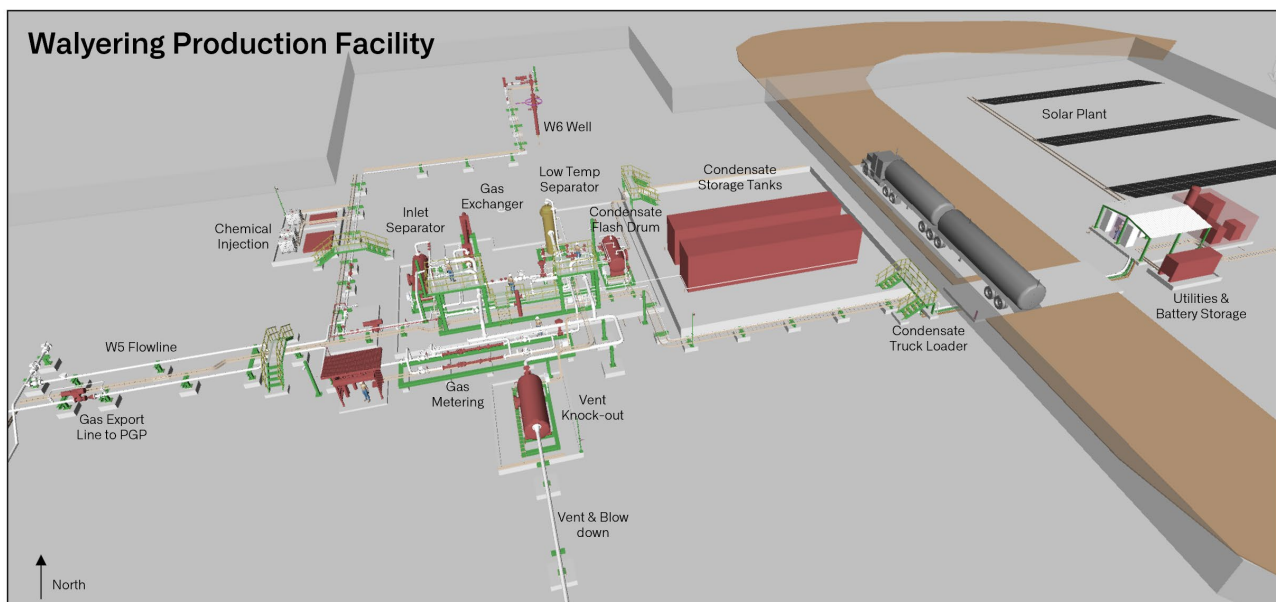
# Walyering development update

- Total procurement program is now ~70% complete.
- Pipeline connection agreement executed with APA Group.
- Secondary approval documents submitted to DMIRS and under assessment.
- Gas sales agreement terms sheet executed.

Strike Energy Limited (Strike - ASX: STX) provides an update on behalf of the Walyering EP447 JV where Strike is the operator and owner of a 55% equity interest, with Talon Energy Limited (ASX: TPD) the owner of the remaining 45%.

## Walyering Gas Field Development

Since the Walyering gas field was sanctioned for development in mid-August the Walyering EP447 JV has entered into the execution phase and has made good progress across a number of key project fronts.



Procurement is now ~70% complete with all critical path items under order, local fabrication well progressed and several major overseas components having already arrived in Western Australia (WA). Procurement remains on track against the development plan as does Strike's target of first gas sales in Q1/23.

The Joint Venture has used a high percentage local procurement and fabrication strategy to minimise exposure to the current turbulent global supply chains. Of the total development expenditure more than 70% is being spent at Australian domiciled businesses with approximately 72% of that quantum being spent in Western Australia.

The EP447JV has signed a gas pipeline connection agreement with APA Group (APA) for the Walyering Production Facility to inject its sales gas into the Parmelia Gas Pipeline and APA have subsequently commenced their procurement and detailed engineering.



Secondary approvals at Walyering are the critical path for construction, commissioning and first production operations. As such Strike has been liaising with the Department of Mines, Industry, Regulation and Safety (DMIRS) after having submitted its Production License, Pipeline License and Field Management Plans. These key approvals are progressing smoothly, and Strike is confident that commissioning and production operations can commence in the soonest possible timeframe which remains on target for first gas sales in Q1/23.

### Walyering Carbon Performance

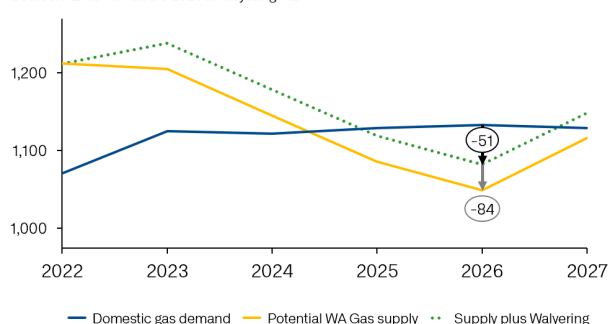
Strike has completed the modelling of the Scope 1 carbon footprint of the Walyering gas development. Due to the excellent gas quality (which requires nil processing) and the decision to integrate solar power and battery storage to run the facility, Walyering is estimated to have an emissions intensity of only 0.00015 tonnes of CO<sub>2</sub> per GJ, which is more than 10x lower than most current domestic gas supplies from other WA sources, such as Wheatstone. Walyering's Scope 2 intensity is also projected to be ~60% lower than the Carnarvon Basin supplies due to lower fuel gas used in compression for transportation given Walyering's short distance to the WA's industrial market. Combined, this makes Walyering's gas production one of the lowest carbon intensive supplies of industrial gas available in the WA domestic gas market.

### Walyering Gas Sales

The EP447 JV has executed a term sheet with its preferred buyer resulting from its gas marketing processes. Subject to the satisfaction of certain operational conditions and condition precedents, this term sheet will then transfer to a full form gas sales agreement with further disclosure around the terms of this agreement disclosed at that time.

Walyering's gas supplies were not included in the AEMO 2021 Gas Statement of Opportunities. Due to the fast to market development profile of the field, Walyering will have a material positive impact on the perceived gas shortage in WA during the mid-part of the decade. Utilising the base case modelling provided in the AEMO GSOO 2021, Walyering has the potential to support the State to avoid a modelled shortage of gas in 2025 and 2027 and reduce the modelled shortage in 2026 by more than one third.

**AEMO Base scenario WA gas market balance (TJ/d)**  
Source: AEMO WA GSOO 2021 & Walyering FID



### About the Walyering Gas Field

Strike and the EP447 JV sanctioned the development of the 33 TJ/d and 250 bbl/d production facility at the Walyering gas field, after successful appraisal via the Walyering 5 & 6 wells delineated a gross 54 PJ of 2P Reserves and 32 PJ of 2C Contingent Resources plus ~0.8mmboe of associated condensates<sup>1</sup>. First gas sales are targeted for Q1/23 with the gross cost of the production facility estimated at approximately \$14.4 million.

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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<sup>1</sup> Refer ASX announcement dated 20 July 2022 for information relating to Walyering reserves and resources. Strike confirms that it is not aware of any new information or data that materially affects the information included in those announcements and that all the material assumptions and technical parameters underpinning the estimates continue to apply.

## **Forward Looking Statements**

Statements contained in this release are or may be forward looking statements. All statements in this release regarding the outcomes of preliminary and definitive feasibility studies, projections and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Strike. Actual results, performance, actions and developments of Strike Energy may differ materially from those expressed or implied by the forward-looking statements in this release. Such forward-looking statements speak only as of the date of this release. Refer to the 'Summary of Key Risks' section of the release titled "Equity Raising and Corporate Update April 2021" released to ASX on 15 April 2021 for a summary of certain general, Strike specific and acquisition specific risk factors that may affect Strike. There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors set out in the aforementioned ASX release. Investors should consider the forward looking statements contained in this release in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Strike and any of its affiliates and their directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this document to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Strike since the date of this release.