

Erregulla Domestic Gas Strategy Update

- Strike's Board has undertaken a strategic review of its development options for its Greater Erregulla gas assets following the acquisition of the Mid West Low Carbon Manufacturing Precinct, the gas discovery at South Erregulla and the current corporate activity involving Strike's West Erregulla joint venture partner, Warrego Energy Limited.
- Following this review, Strike's Board has determined the optimal location for a domestic gas processing plant to service its Greater Erregulla portfolio of assets is on its 100% owned Mid West Low Carbon Manufacturing Precinct.
- Locating a domestic gas plant at the Mid West Low Carbon Manufacturing Precinct offers the following benefits:
 - faster and simpler environmental approvals due to land already being cleared and free from areas of native vegetation and cultural heritage significance and therefore earlier development;
 - a centralised facility with capacity to process gas from across the Greater Erregulla region and avoid duplication of infrastructure;
 - flexibility to scale up the infrastructure due to the availability of freehold land to accommodate regional gas development opportunities; and
 - reduction in total CO₂e emissions associated with the production of gas through the integration of the proposed Precinct renewables capacity.
- The development arrangements in respect of the West Erregulla Phase 1 gas plant with Warrego and AGIG will not be extended beyond their expiry dates at the end of CY22 to enable this optimisation.

Strike Energy Limited (Strike - ASX: STX) provides an update on its domestic gas development strategy across its domestic gas opportunities within the Greater Erregulla region.

The acquisition of the ~3,500 hectare Mid West Low Carbon Manufacturing Precinct (**the Precinct**) together with the gas discovery at South Erregulla in early 2022, combined with the current corporate activity involving a potential change of control at Warrego, has caused Strike's Board to carry out a review of its development strategy for its Greater Erregulla portfolio of assets. This review focussed on ensuring that Strike's physical and financial resources are directed at where it can most efficiently and effectively develop its Greater Erregulla gas resources to generate additional early domestic gas revenues in a manner and within a timeframe that it can best control, whilst preserving sufficient gas as feedstock for the planned Project Haber 1.4mtpa urea facility.

As a result of this review, Strike's Board has determined the optimal development strategy is to locate domestic gas processing infrastructure at the Precinct that is capable of servicing Strike's portfolio of domestic gas development opportunities across the Greater Erregulla region.

Locating a gas plant at the Precinct offers significant benefits which include:

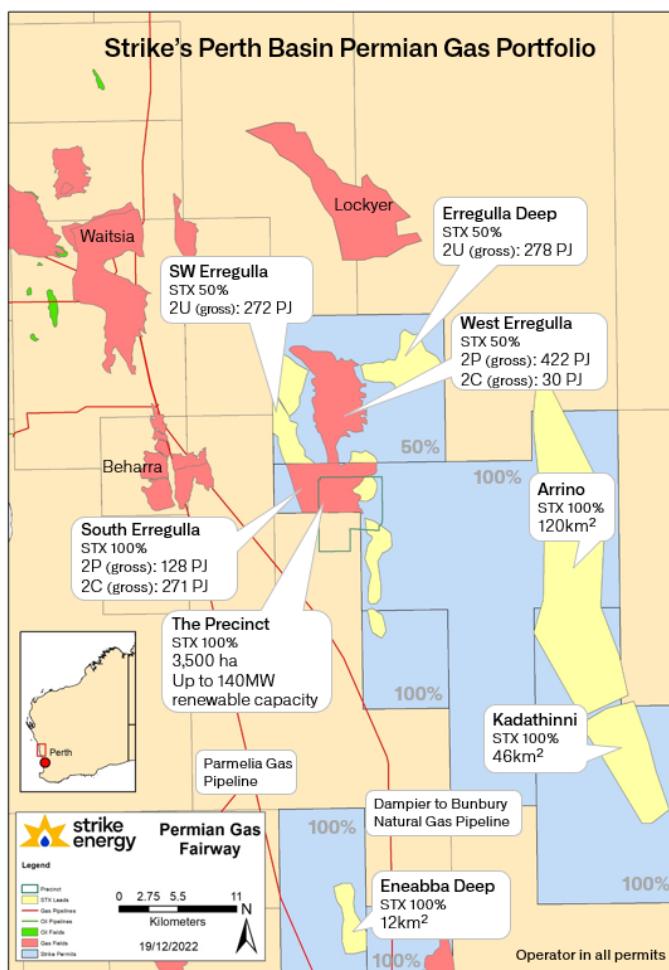
- accelerated environmental approvals as the development does not require clearance of native vegetation / habitat and does not require the need to secure leases and offset areas;
- a centralised facility with capacity to process gas from across the Greater Erregulla region and avoid duplication of infrastructure;
- the ability to integrate the proposed Precinct renewables capacity to reduce CO2e emissions; and
- the flexibility to expand capacity and infrastructure efficiently as appraisal and nearfield exploration drilling occur in the area over the next two-years. There is abundant cleared land in order to integrate additional processing trains as further gas resources are delineated.

Strike will look to engage a third party to build, own and operate the gas infrastructure and will now commence the process of identifying that third party and commencing negotiations for the new project, which may include AGIG.

Having selected the Precinct as the preferred location for Strike's domestic gas processing infrastructure, Strike has determined not to extend the tri-partite arrangements between Strike, Warrego and AGIG for the previously proposed 87TJ/day Phase 1 Erregulla dedicated gas processing plant to be constructed on EP469 and will instead focus its attention on the gas processing development at the Precinct and then Project Haber.

Strike has also exercised its right to terminate the gas balancing agreement that was entered into between Strike and Warrego as part of the Phase 1 West Erregulla development to align the interests of both parties with respect to the difference in total contracted volumes for each of their respective foundation gas sales agreements.¹

Strike will look to engage with its EP469 joint venture partner in relation to the development strategy for EP469 in light of the expiration of the Phase 1 midstream processing arrangements with AGIG, should that continue to be required following the outcome of Strike's off-market takeover bid for Warrego announced on 19 December 2022. Further, Strike will need to assess West Erregulla development opportunities in the context of Strike's conditional 100PJ gas supply agreement with CSBP Limited and its conditional 14.6PJ gas supply agreement with Perth Energy Pty Ltd, which contracts are to be supplied with EP469 sourced sales gas.



Prospective Resource Estimate Information & Cautionary statement: For the 2U resources above the estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are un-risked, probabilistically determined, and have both an associated risk of discovery (POS 42% for Erregulla Deep and 54% for Southwest Erregulla) and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Volumes are stated in gross and net to Strike. % is listed below

¹ A gas balancing agreement typical for petroleum joint ventures remains in place as between the participants in the EP469.



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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Important Notices

Reserves and Resources Information

References in this release to:

- the West Erregulla reserve and resource estimate is set out in the ASX announcement dated 27th July 2022 entitled "West Erregulla Reserves Upgraded by 41%" and in ASX announcement dated 16 December 2022 entitled "Strike to test Southwest Erregulla and Erregulla Deep Prospective Resource". Strike Energy interest is 50%; and
- the South Erregulla reserve and resource estimate is set out in the ASX announcement dated 18 October 2022 entitled "Independent Certification of South Erregulla Wagina Gas Discovery". Strike Energy interest is 100%.

The above announcements are available to view on Strike Energy's website at www.strikeenergy.com.au. Strike 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 announcements 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 release 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.