strike

30th January 2023

Q4 /22 Quarterly Report

South Erregulla-1 Flow Testing

Comments from Managing Director & CEO Stuart Nicholls:

"The fourth quarter of calendar year 2022 was significant for Strike shareholders on a number of fronts. Firstly, and most importantly, the Company made substantial progress in its pursuit of becoming a gas producer by the end of Q1/23 at the Walyering gas field.

"Secondly, post engaging with the Warrego Energy Board on a proposed merger, significant corporate interest has precipitated for entry and access to Perth Basin gas, with Beach Energy, Mineral Resources and Hancock Energy emerging as bidders or acquirers of Warrego's shares. This has culminated in a peak price paid of an equivalent $2.14 GJ on a 2P Reserve plus 2C Resource basis for Warrego. This transaction metric results in a multi-billion dollar look through for the value of Strike's in ground gas.*

"The corporate activity for both Warrego and Norwest Energy Limited is validation of the rising value and increasing scarcity of gas in Western Australia, as well as recognition of the quality of the assets and gas discoveries of the North Perth Basin."

Highlights

Warrego Offer

- Strike's unconditional off-market takeover offer to acquire all the outstanding shares in Warrego Energy Limited (ASX: WGO) (**Warrego**) for 1 new Strike Share for each Warrego share is now open for acceptance by Warrego shareholders.
- The implied offer price is $0.37 per Warrego share based on Strike's last closing price, which represents a 32% premium to the current offer by Hancock Energy (PB) Pty Ltd's of $0.28 per Warrego share, and a 3% premium to Hancock's proposed conditional offer of $0.36 per Warrego share (which is subject to a 40% minimum acceptance condition).
- Strike and its associates own ~21% of Warrego shares and Strike has received statements of intention to accept Strike's offer, subject to no superior proposal, from Warrego shareholders holding a further ~11% of Warrego shares on the date that is 21 days after the opening of Strike's offer, being 31st of January 2023.[1]

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[1] For further details, see Strike's Second Supplementary Bidder's Statement dated 6 January 2022.

* Based on total net reserves (2P) and contingent resources (2C) at West Erregulla of approximately 226PJ as at 23 January 2023 as set out in section 5.3 of Warrego's Target's Statement dated and lodged with ASX that same date, and Warrego share price of $0.392 as noted as the average purchase price of the 16th of January in Mineral Resources Substantial Shareholder Notice released on the 17th January 2023.

Walyering

- The Production Licence for the Walyering gas field (L23) has been granted and the Walyering gas field development procurement program is 98% complete, fabrication is 65% complete and the project remains on schedule and on budget.
- The EP447 JV has entered into a binding gas supply agreement for 36.5 PJ of gas to Santos-WA Limited with target commencement from Q1/23, for a period of 5 years.

Greater Erregulla

- Strike's Board has undertaken a strategic review and 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 several benefits: faster and simpler environmental approvals; a centralised facility to process regional gas from across the Greater Erregulla region and avoid duplication of infrastructure; flexibility to scale up; and integration of direct renewables energy and consequent reduction in total produced CO2e emissions.
- The EP469 (West Erregulla) JV has agreed a 2-well near field drilling program to start in early 2024 that will test two structural extensions (Southwest Erregulla and Erregulla Deep) which adjoin existing proven Greater Erregulla Reserves or Resources.
- Tathra Fault Terrace identified with upthrown fault blocks hosting four large leads in the Arrino and Kadathinni structures with up to 100 km^2 of combined closure. The leads are similar depths to the Erregulla fields, and on trend with Lockyer Deep.

Project Haber: Mid-West 1.4mtpa Fertiliser Development

- Globally recognised ammonia/urea engineer, Technip Energies, has been awarded the Front-End Engineering for Strike's Project Haber, a 1.4 mtpa low carbon urea fertiliser development to be located at the Mid West Low Carbon Manufacturing Precinct.
- Environmental referrals submitted to EPA as part of permit approval process.

WA Gas Market

- AEMO Gas Statement of Opportunities 2022 released indicating a current deficit in the WA gas market, which is predicted to significantly increase (to -213 TJ/d) as WA retires its coal fired power generation fleet and moves to renewable and gas alternatives.
- Several WA gas supply sources went down temporarily or permanently during the quarter, resulting in gas storage drawdown and gas rationing. This has highlighted the fragility of the WA gas market and lack of future supply sources.

Corporate

- Strike agreed a $153 million domestic gas financing package with Macquarie Bank Limited which includes: refinancing of the existing $33 million of drawn and undrawn debt; $40 million of committed debt to support the planned South Erregulla appraisal activities; and an $80 million uncommitted facility for the proposed Erregulla domestic gas development.
- Macquarie Bank exercised 35 million options post quarter-end with proceeds of $10.2 million.
- Post the option exercise Strike had access to ~$67 million of available funding in cash and committed undrawn facilities[2].

[2] Refer to the Corporate section of this report for further information.

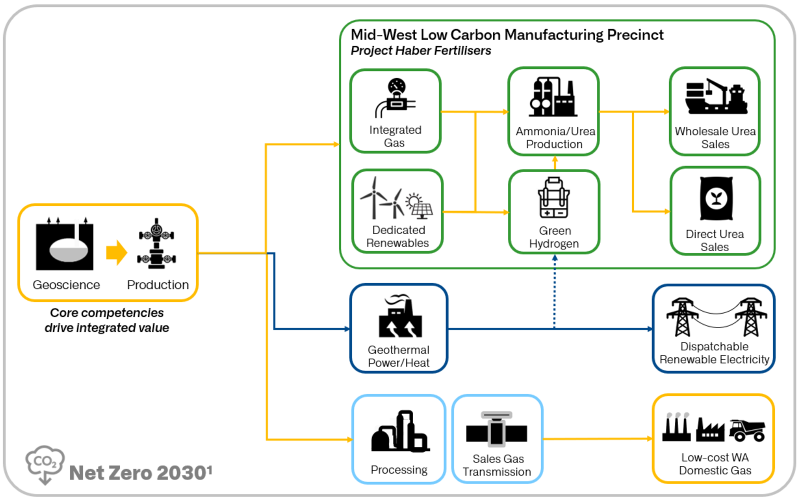
Strike Strategy & Portfolio

As reported at the end of the previous quarter, Strike is currently the largest owner of combined Perth Basin gas Reserves and Contingent Resources with net 982 PJ made up of 371 PJ 2P Reserves and 611 PJ of Contingent Resources.[3] These numbers do not include Strike's ~11.5% indirect interest in West Erregulla as a result of its ~21% shareholding in Warrego Energy Limited.

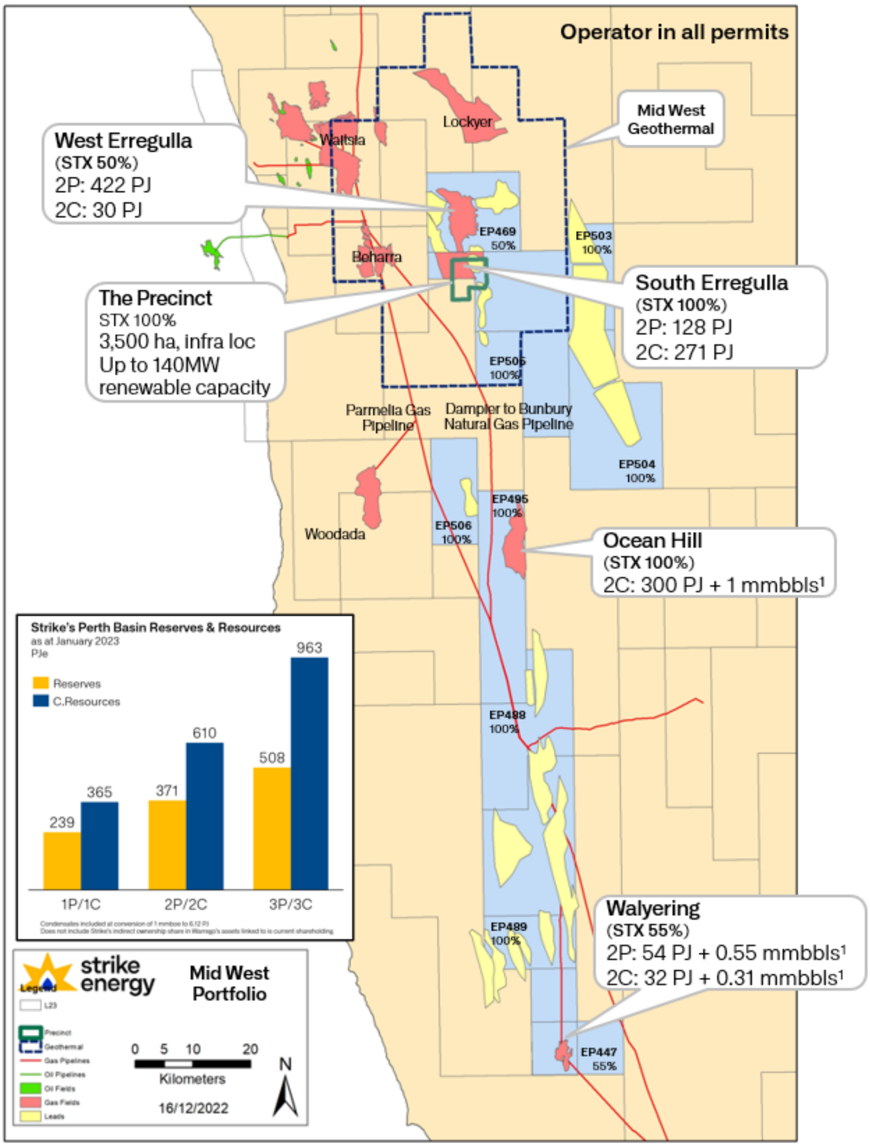
Strike's gas portfolio provides the platform for its vertically integrated gas, fertiliser and renewables strategy. Strike is building out an integrated business model that enables the consolidation of its approach to carbon along the product chain as a key value driver, ultimately generating value accretive outcomes rather than margin reducing costs.

This value-add strategy is enabled via utilising the inherent low-cost and high-quality nature of Strike's gas resources, facilitating Strike to transfer, consume and abate its own carbon throughout the downstream manufacturing processes, whilst potentially integrating its own renewable energy throughout its activities, generating world class low carbon outcomes for both energy and fertiliser products.

Strike's strategic aspiration to become one of Australia's lowest cost and lowest carbon energy producers is set to be realised within its very first project at the Walyering gas field and will be cemented further via the Erregulla domestic gas development and ultimately Strike's flagship 1.4mtpa low carbon fertiliser development, Project Haber.



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.



Resource numbers in map are gross. Strike % equity interest is as noted in the map. Area marked "Mid West Geothermal" represents area of Geothermal Exploration Permit under application.
Gas Resources do not include Strike's indirect ownership share in Warrego's assets linked to its current shareholding

[3] Refer Important Notices at the end of this Report for information relating to Reserves and Resources.

Offer to acquire Warrego Energy

During the previous quarter Strike was engaged with Warrego's Board in a proposed merger. Following competing offers for Warrego, on the 11th of January 2023 Strike opened an off-market takeover bid to acquire all of the ordinary shares issued in the capital of Warrego that it did not already own. Under Strike's offer, Warrego shareholders who validly accept the offer will receive 1 new fully paid ordinary Strike share for each Warrego share held. **This offer is unconditional, open and capable of acceptance by Warrego shareholders**. Strike's offer is scheduled to close at 7:00pm (Perth time) on 13th February 2023.

As at close of trading on the 27th of January 2023, being the last trading day prior to the date of this report, the consideration under Strike's offer implied an offer price of A$0.37 per Warrego share[4]. This represents a 32% premium to Hancock's current offer of $0.28 per Warrego share and a 3% premium to Hancock's proposed conditional offer of $0.36 per Warrego share (which remains subject to a 40% minimum acceptance condition).

As at today, the 30th of January 2023, Strike currently owns 21% of Warrego's shares (based on 1,233,122,325 shares on issue) and has intentions statement from Warrego shareholders holding a further ~11% to accept Strike's offer, subject to no superior proposal, 21 days post Strike's offer opening, being 31st January 2023.

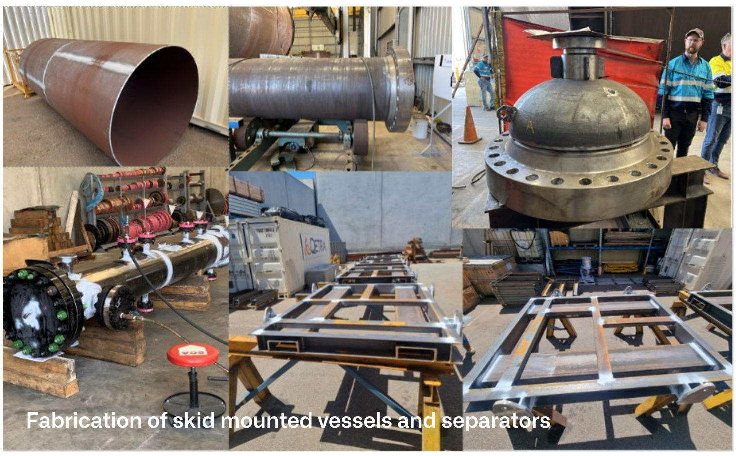
If Warrego shareholders have questions in relation to Strike's offer or how to accept it, please call the Offer Information Line from within Australia on 1300 737 760 (toll-free) or from outside Australia on +61 2 9290 9600 (charges apply) between 8.15 am and 5.30 pm (AEDT time) Monday to Friday. Or please consult Strike's website at: https://strikeenergy.com.au/warrego-offer/.

Domestic Gas Business

Walyering (EP447, STX 55%)

During the quarter Strike materially progressed the Walyering gas field in EP447 towards production where Strike is the operator and owner of a 55% equity interest, with Talon Energy Limited (ASX: TPD) (**Talon**) the owner of the remaining 45%.

Post quarter end, the EP447 JV was granted Production Licence - L23 by the Western Australian Minister for Mines and Petroleum. The granting of the Production Licence was on the critical path and represents a key milestone in the timely development and subsequent start-up of production from the Walyering gas field.



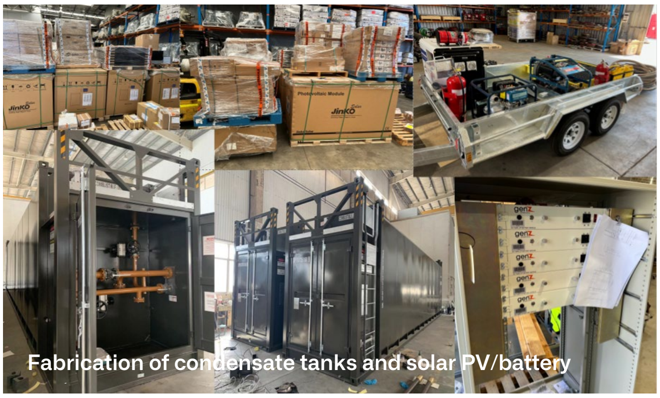
Fabrication of skid mounted vessels and separators

As part of the broader $153m Macquarie Bank domestic gas financing package announced to ASX on 19th December 2022, the existing $33 million drawn and undrawn debt facility provided by Macquarie Bank (of which $10 million is dedicated to the Walyering development) will be refinanced into a new term facility at a 6% coupon plus bank bill swap rate and a 2.5-year tenor with a period of capitalising interest.

Strike and joint venture partner Talon announced during the quarter that it will supply a total of 36.5 PJ of gas to Santos-

[4] Based on Strike's closing price on 27 January 2023 of A$0.37

WA Limited on a firm basis with target commencement from Q1 2023, for a period of 5 years. The contract covers tranches of firm take or pay volumes as well as 'as available', which provides flexibility to the Joint Venture as the field ramps up towards is maximum production. The agreement is US-dollar denominated linked to escalation in US-CPI.


Fabrication of condensate tanks and solar PV/battery

A total of 98% of the procurement program for the upstream facility is complete with 65% of fabrication having been completed. The upstream facility remains on budget and on schedule. The workover rig is expected to mobilise to site in mid-February to complete both the Walerying-5 and Walyering-6 wells.

The EP447 Joint Venture sanctioned the development of the up to 33 TJ/d and 250 bbl/d production facility at the Walyering gas field following the successful appraisal of the field via the Walyering 5 and 6 wells, which delineated a gross 54 PJ of 2P Reserves and gross 32 PJ of 2C Contingent Resources plus ~0.8mmboe of associated condensates[5].

The gross cost of the production facility remains on target for approximately $14.4 million plus at least $2.4 million in costs for the connection and metering to the APA owned Parmelia Gas Pipeline. The overall fixed and variable operating cost of the field is estimated at approximately $0.19/GJ based on 33 TJ/d annual average production[6]. The facility, which will be the closest source of gas to the major Southwest gas market, will be powered purely by solar and battery storage thereby enabling Walyering to have an emissions intensity that is more than 10x less than most current domestic WA gas supplies.

Greater Erregulla (EP503: STX 100%, EP469: STX 50% and operator)

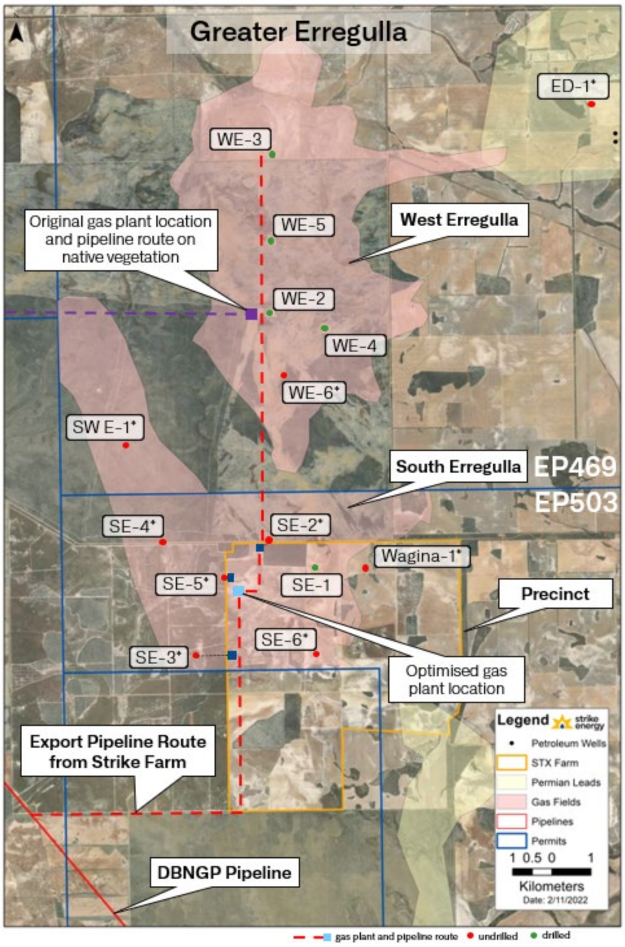
The acquisition of the ~3,500 hectare Mid West Low Carbon Manufacturing Precinct (**the Precinct**) together with the gas discovery at South Erregulla in early 2022 and the current corporate activity involving a potential change of control at Warrego, has caused Strike's Board to carry out a review of 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.

Greater Erregulla Net Gas Reserves & Resources (PJ)[7]						
	1P	**2P**	**3P**	**1C**	**2C**	**3C**
South Erregulla (100% Strike)						
Reserves	58	128	209	-	-	-
Contingent Resources	-	-	-	157	271	438
West Erregulla (Strike, 50%)						
Net Reserves	162	211	251	-	-	-
Net Contingent Resources	-	-	-	9	15	21
Total	**220**	**339**	**460**	**166**	**286**	**459**

[5] Refer Important Notices at the end of this Report for information relating to Reserves and Resources.
[6] Based on 365 days of production and $2.3m of annual operating costs
[7] Refer Important Notices at the end of this report for information relating to Reserves and Resource.

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 CO_2e 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 Australian Gas Infrastructure Group (**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 87 TJ/day Phase 1 West 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.

This new gas plant is earmarked to be financed via an $80m facility from Macquarie Bank, which is currently uncommitted and subject to further bank approvals and project milestones. This finance facility would have a similar cost to the Walyering Facility with a 4-year tenor post project completion.[8]

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.[9]

During the quarter, Strike in conjunction with Mineral Resources Limited subsidiary, Energy Resources Limited negotiated and post quarter end secured multiple firm and optional drilling slots on the Ensign 970 for its upcoming appraisal and exploration campaigns over 2023 and 2024.

[8] Refer ASX announcement dated 19 December 2022 for further details.
[9] A gas balancing agreement typical for petroleum joint ventures remains in place as between the participants in the EP469.

The secured drilling slots will be broken up into two separate campaigns:

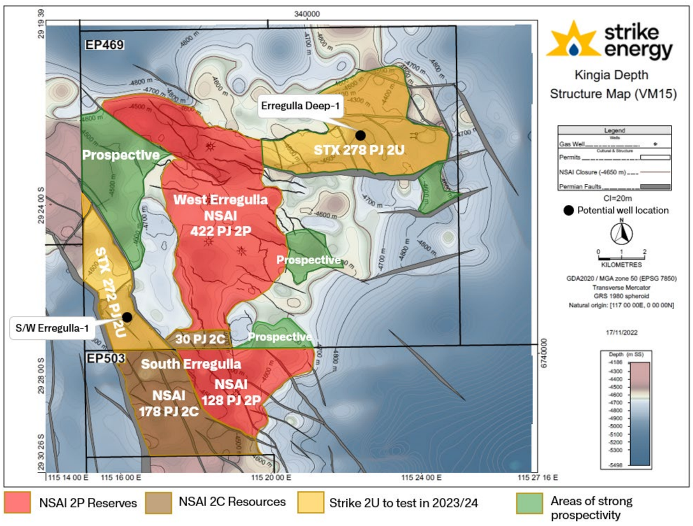
1. **South Erregulla appraisal campaign** – Two updip appraisal wells to start in mid-2023 in Strike's 100% owned South Erregulla gas field in EP503 with the target of converting the current independently certified gross 178 PJ of 2C Contingent Resources in the Kingia Sandstone to 2P Reserves;
2. **West Erregulla exploration campaign** - A nearfield exploration campaign in early-2024 to drill and test Erregulla deep-1 and Southwest Erregulla-1 within EP469, where an exploration work program and budget has been formally approved by the EP469 Joint Venture that also includes 2D seismic reprocessing over the Erregulla Deep structure.

The Prospective Resources for the two West Erregulla drill targets are listed below:

Prospective Resources (50% net to Strike)						
Southwest Erregulla	**Low Estimate 1U**		**Best Estimate 2U**		**High Estimate 3U**	
	Gross	Net	Gross	Net	Gross	Net
OGIP (bcf)	280	140	383	192	489	245
Net Sales Gas (PJ)	197	99	272	136	353	177
Erregulla Deep						
OGIP (bcf)	298	149	391	196	492	246
Net Sales Gas (PJ)	209	105	278	139	355	178
Total Net Sales Gas (PJ)	**406**	**203**	**550**	**275**	**707**	**354**

Prospective Resource Estimate Information & Cautionary statement:

The above 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 (50% equity share). The estimates have been compiled using Strike's seismic mapping and reservoir/resource parameters common with the existing NSAI certified Reserves in the Erregulla region, which includes a BCF to PJ conversion of 1.081 and 5.8% shrinkage. The Prospective Resource estimates are as at 14th December 2022 and have been estimated in accordance with the definitions and guidelines of the Petroleum Resources Management System 2018, published by the Society of Petroleum Engineers (SPE PRMS).



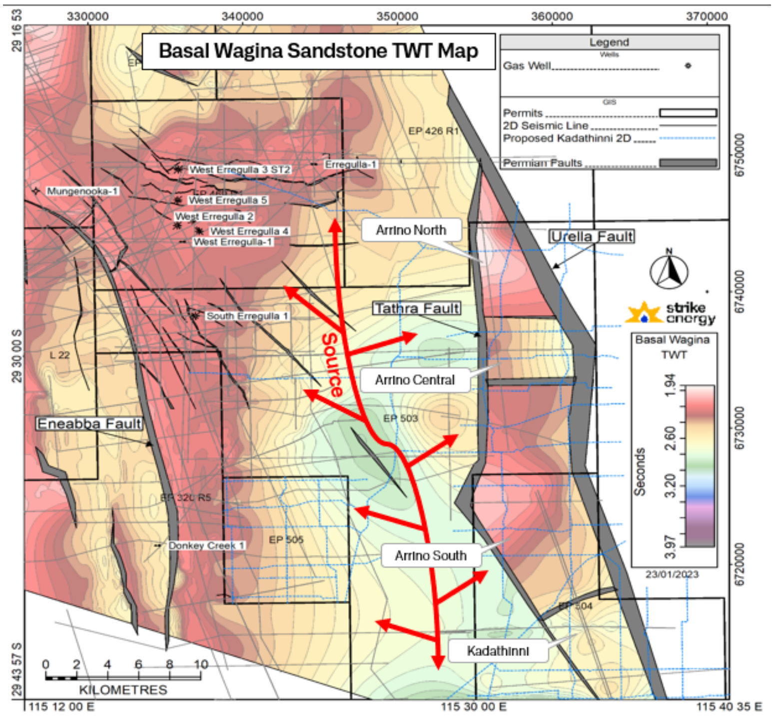
*resource polygons are for visualisation purposes only and well locations are preliminary and subject to additional analysis and joint venture processes

The drilling expenses at South Erregulla will be funded by a $40 million drilling facility to be provided as part of the $153 million Macquarie Bank domestic gas financing package announced to ASX on 19th December 2022. The drilling facility has a 24-month tenor, capitalising interest and a 11% coupon plus bank bill swap rate.

Tathra Terrace – Arrino & Kadathinni (EP503 and EP504: STX 100%)

During the quarter Strike's regional seismic analysis identified the Tathra Terrace structural trend within the 100% Strike owned EP504 and EP503, which comprises a series of linked fault blocks formed between the Urella fault to the East and the Tathra/Wicherina Fault to the West, extending from Lockyer in the North.

At least four large structural closures are identified along the Tathra Terrace. Three linked closures rise towards the North and are termed Arrino North, Arrino Central and Arrino South leads respectively. The deeper Kadathinni lead comprises an additional fault block somewhat isolated from Arrino and deeper to the South. South of Kadathinni, the Tathra trend shows structural reversal along a deep flexure marking the Abrolhos Transfer Zone. The combined closure of these four structures is ~100km^2. Estimated depths of these structures range from approximately 4km for Arrino (roughly equivalent to Lockyer Deep) to around 6km for Kadathinni (deeper than at West Erregulla). As an approximate guide, the resource density of the Erregulla fields is 13.6 PJ per square kilometre of Permian (Kingia) closure.



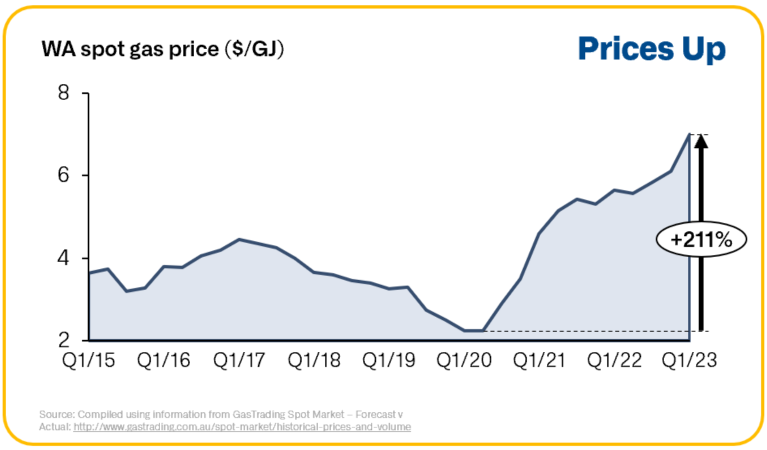
Ocean Hill (EP495, STX 100%)

As part of the rig procurement process for the Greater Erregulla campaigns, Strike has secured a further option slot in 2024 which, subject to acquisition and interpretation of new seismic data, Strike intends to use to drill an appraisal well into the 100% owned Ocean Hill gas field within EP495. The appraisal drilling will target the conversion of the current independently certified 300 PJ of 2C Contingent Resources to 2P Reserves[10] and bringing Ocean Hill online to generate additional tranches of low cost and fast to market gas by 2025 when the market is expected to be at its tightest.

Similar to Walyering, Ocean Hill is adjacent (6 km) to a pipeline compressor station. In this case, it is Compressor Station-8 of the Dampier to Bunbury Natural Gas Pipeline, which is connected to both the LNG projects in the North and the industrial gas markets of WA in the South, providing multiple potential commercialisation pathways. Ocean Hill is firming as a material and valuable low cost option for Strike's gas business.

WA Gas Market

On top of the ongoing tightening of long-term supply and demand dynamics, very immediate events in the previous quarter have shown the fragility of WA's gas market with recent unplanned shutdowns, asset integrity and field failures all contributing to supply disruptions, resulting in a gas supply shortfall requiring the forced curtailment of demand and diesel for gas fuel substitution for power generation.



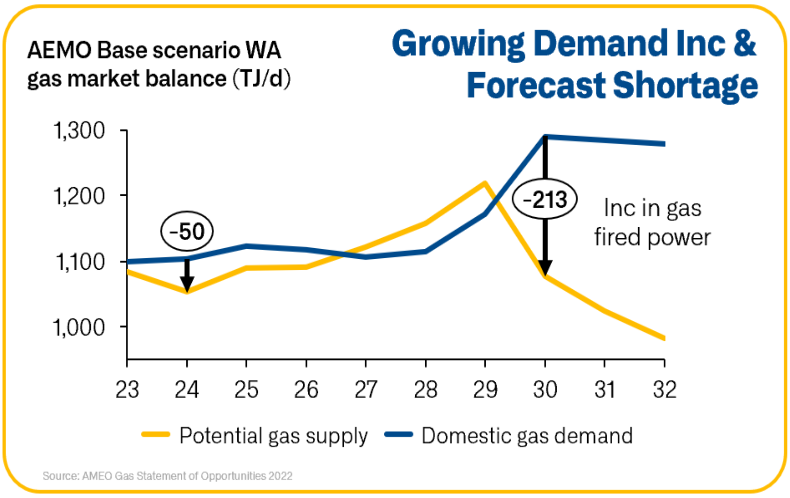
[10] Refer Important Notices at the end of this report for Reserves and Resources information.

A number of gas supply facilities were curtailed during the quarter: Varanus Island gas plant (40 TJ/d down from 250 TJ/d, from 27 November 2022); Devil Creek gas plant (47 TJ/d down from 180 TJ/d, from 5 January 2023); the Wheatstone domestic gas plant (0 TJ/d down from 175 TJ/d, 6-10 January 2023); and Pluto domestic gas plant (0 TJ/d down from 25 TJ/d, 26 November – 9 December 2022). On top of this, Santos announced the permanent retirement of the Devil Creek gas plant (~11% of WA gas supply), where the end of field life of the Reindeer and Spar gas fields have brought forward the end of supply.

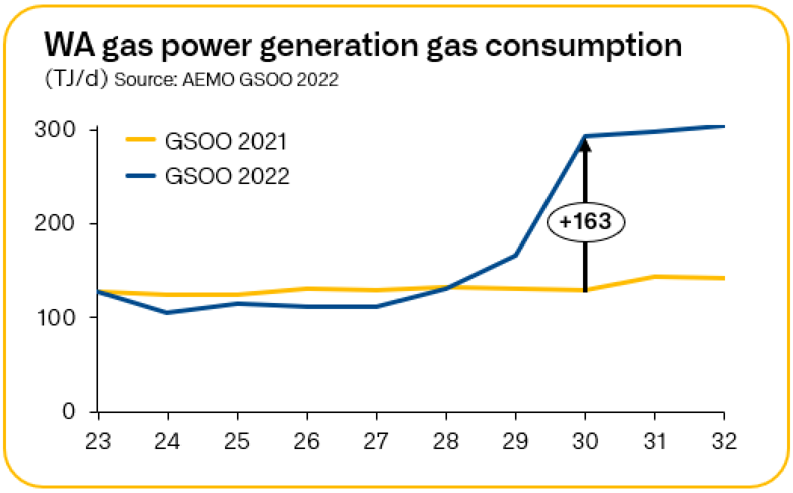
Unfortunately, despite this confluence of events there was no additional supply capacity brought online to reduce the impact of the gas supply shortfall. Several major gas consuming facilities (such as ammonia plants, mineral processing facilities and gas fired power generators) were curtailed for periods of time. In order to resume normalised market operations major storage withdrawals occurred and the State intervened in gas market operations to ensure that buyers who could use alternative energy sources, and fuels, did so. This resulted in diesel for gas fuel substitution for power generation across sites throughout WA and gas consumption falling to as low as 757 TJ/d. Over the last month, when these above market effects were most acute, the WA spot gas price was projected to clear at $7/GJ, however Strike's analysis has shown that domestic gas parcels may have been clearing at up to $10 /GJ.

AEMO WA Gas Statement of Opportunities

The report is the culmination of AEMO data collection, forecasting, and analysis that details the outlook for domestic gas supply and demand for Western Australia for the period 2023-2032. The report outlook is not a surprise and supports Strike's strategy and competitive advantage of low cost, close to market, domestic gas production.



The forecast outlook for the 2023 to 2026 gas supply-demand balance is predicted to be tight, with a deficit of up to 50 TJ/d in 2024 or 45 PJ over the four years. Forecast shortfalls are being driven by changes in production and increased demand, including for gas-powered generation from new resource and mineral processing projects.



Domestic gas demand in WA is forecast to increase from 1,099 TJ/d in 2023 to 1,278 TJ/d in 2032, at an average annual rate of 1.7%. Gas demand for power generation in the South-West Interconnected System is forecast to grow from 127 TJ/d in 2023 to 304 TJ/d in 2032 as state-owned coal fired power stations are retired and alternative generation is required, only part of which can be currently filled by renewables. In addition, committed new resources projects in WA's mining and minerals processing sector are also expected to add a further 43 TJ/d to gas demand by 2026.

Between 2027 and 2029, supply is expected to exceed demand by 38 PJ, assuming Woodside's Scarborough project is brought online in the currently projected timeframe. The domestic gas market then moves into a much larger deficit from 2030 onwards in line with planned coal generation retirements and a decline in production from existing gas fields. Recent and public Collie coal supply issues have highlighted the risk that coal supply declines well before 2030 and additional gas supply may be required to fill the power generation gap much earlier than forecast.

Strike's interpretation of the report and effect on our business strategy includes the following conclusions:

- A high potential for increased price volatility in the domestic gas market based on the uncertainty in the timeframe of new supply. This dynamic could shift into a minor surplus or a much larger deficit between 2023 and 2029 if existing supply sources decline faster than expected and or project delays occur for new gas projects.
- WA's existing gas storage (up to 210 TJ/d) will be highly impactful going forward based on the anticipated increase in volatility noted above. Strike expects both suppliers and buyers to seek gas off-take flexibility and purchase gas storage positions, which may become increasingly valuable.
- Spot market volumes and prices are likely to increase, particularly as further gas-renewable hybrid power systems are installed across the State's mining operations. Spot prices have already reached $7 / GJ in early 2023.
- Customer recontracting will be significant. Gas consumer contract duration has declined with only 48% (down from 67% last year) of demand being contracted for 4+ years. 52% of demand will be recontracting in the next 2 years in a tight market (this is similar to East Coast trends which are now 1 year in length).

Purchasing the Precinct and accelerating Greater Erregulla gas supply to meet domestic gas demand reinforces Strike's strong position in the context of the domestic market dynamic forecast.

Project Haber

Mid West Low Carbon Manufacturing Precinct

During the quarter, Strike completed several studies required for the planning and scheme amendment (for example the Traffic Survey and Bushfire Management Plan) for the use of the Precinct as an industrial hub versus an agricultural property. Discussions to date with the Three Springs Shire have been very positive with a high degree of alignment in the objectives of the two parties, resulting from the enormous job and local population growth that the Haber plant would bring to the Mid West region.

Strike has also continued discussions with multiple renewable power developers to undertake concept design and data gathering studies in conjunction with power offtake agreements for Strike's industrial uses.

Project Engineering & Port Access

Strike awarded the FEED (Front End Engineering & Design) contract for Project Haber to Technip Energies. Preparation of FEED project management documentation has commenced as has licensor agreement negotiations, including technical meetings with Licensors and Technip Energies to finalise licensor basis of designs. The Mid West Port Authority commenced engineering studies on the $350 million WA Government funded Port Maximisation Project with consultation with Strike continuing towards a world class urea export solution.

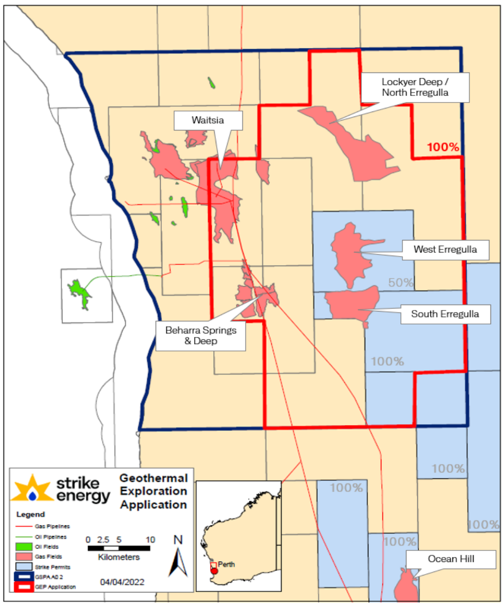
Environmental Approvals

During the quarter Strike submitted the environmental referral for Project Haber together with the appropriate supporting documentation required for its key Part IV environmental approvals to WA's Environmental Protection Agency. Seven-day comment on new referral closed on 22nd December 2022. The environmental approvals are considered the longest lead item for timely development of Project Haber.

Urea Offtake

Negotiations with Koch Fertilizers are progressing and remain on track for completion and conversion of the Terms Sheet into a Binding Offtake Agreement by the end of 1H23 as previously indicated.

Mid-West Geothermal Power Project



Throughout the quarter, Strike worked with the regulator in order to provide additional information around the interaction of geothermal operations and that of gas or petroleum pools. This was conducted with a view to completing the requested information in order to facilitate award of the Geothermal Exploration Permit, which would allow Strike to formally conduct and test the geothermal potential in its high graded and identified area of operations. Also, during the quarter Strike became a corporate member of the Australian Geothermal Association.

Corporate

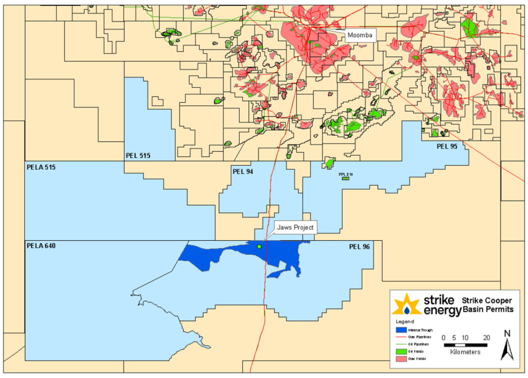
During the quarter Strike's expenditure focused on the procurement and development of the Walyering gas field, the remaining payables from the workover and testing programs of the South Erregulla Wagina gas discovery and the preparation for the Warrego merger and resulting bid.

From a financing perspective the quarter was marked by the conclusion of a competitive financing process which resulted in agreement of a $153 million domestic gas financing package with Macquarie Bank to cover pre-development and development costs across its high-quality Walyering and Erregulla domestic gas projects in the Perth Basin. The facilities are to provide Strike with the capital required to close out its journey to first gas production at Walyering and then onward to becoming a significant Western Australian gas producer via the Erregulla domestic gas project. As part of the establishment cost of the $40 million South Erregulla drilling facility, Strike has agreed to issue Macquarie Bank with 82.80 million options to subscribe for fully paid Strike ordinary shares exercisable at 36.3 cents (representing a 15% premium to the 30-day VWAP at the time of commitment) which will expire on 22 May 2025.

Strike finished the quarter with ~$56.5 million of committed funding (subject to definitive Macquarie Bank facility documentation) plus ~$75 million in Warrego shares (19.9% of WGO at 31 cents per share as at 31st December 2022). Post the quarter balance date Macquarie bank exercised a further $10.2 million of options taking total committed funding to ~$67 million for the forward 2023 program. As outlined in the attached Appendix 5B (section 6.1), $207,000 in payments were made to related parties for director fees.

Petroleum Tenements Held at the End of the Quarter

Permit	Basin	Play	Operator (parent)	STX Interest	Gross Area (acres)	STX Net Area (acres)
EP469 (West Erregulla)	Perth Basin	Permian Gas	Strike	50%	55,500	27,750
EP503 (South Erregulla)	Perth Basin	Permian Gas	Strike	100%	138,626	138,626
EP504	Perth Basin	Permian Gas	Strike	100%	92,170	92,170
EP505	Perth Basin	Permian Gas	Strike	100%	18,533	18,533
EP506	Perth Basin	Permian Gas	Strike	100%	37,066	37,066
EP447 (Walyering)	Perth Basin	Jurassic Wet Gas	Strike	55%	274,287	150,857
EP488	Perth Basin	Jurassic Wet Gas	Strike	100%	73,390	73,390
EP489	Perth Basin	Jurassic Wet Gas	Strike	100%	36,572	36,572
EP495	Perth Basin	Jurassic Wet Gas	Strike	100%	73,637	73,637
PEL 94	Cooper Basin	Deep Coal	Beach	35%	222,963	78,037
PEL 95	Cooper Basin	Deep Coal	Beach	50%	316,418	158,209
PEL 96	Cooper Basin	Deep Coal	Strike	67%	668,098	444,953
PELA640	Cooper Basin	Deep Coal	Strike	100%	821,056	821,056
PEL 515	Cooper Basin	Western Flank	Strike	100%	750,483	750,483
PPL210 (Aldinga)	Cooper Basin	Shallow Oil	Beach	50%	988	494



This announcement is authorised for release by the Managing Director and Chief Executive Officer in accordance with the Company's Continuous Disclosure Policy.

Important Notices

Information regarding Reserve and Resource Estimates

Unless otherwise stated, references in this report 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's interest is 50%;*
- *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 Walyering reserve and resource estimate is set out in ASX announcement dated 21 July 2022 entitled "Independent Certification of Walyering Reserves". Strike 's equity interest is 55%;*

- *the Oceanhill 2C Contingent Resource is set out in ASX announcement dated 10 October 2022 entitled "Independent Certification of Ocean Hill Gas Resource". Strike's equity interest is 100%; and*
- *the Mid-West Geothermal Project inferred resource is set out in ASX announcement dated 5th May 2022 titled "Mid West Geothermal Power Project Inferred Resource Statement".*

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.

Future Statements

Statements contained in this announcement, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Strike, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'budget', 'outlook', 'schedule', 'estimate', 'target', 'guidance' 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Forward looking statements including all statements in this document regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings 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 may differ materially from those expressed or implied by the forward-looking statements in this announcement. Such forward-looking statements speak only as of the date of this announcement. 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 Strike West Pty Ltd's (wholly owned subsidiary of Strike) bidder's statement dated 23 December 2022 in relation to its off-market takeover offer to acquire all of the shares in Warrego Energy Limited that Strike does not already own. Investors should consider the forward looking statements contained in this announcement in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Strike and its affiliates and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this announcement 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 announcement, 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 announcement will under any circumstances create an implication that there has been no change in the affairs of Strike since the date of this announcement.

Project Haber and Precinct Development

The successful development of Project Haber is contingent on, among other things, the proving up of 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.

The concept, feasibility and pre-FEED studies prepared by TechnipFMC on Project Haber to date have been undertaken to determine the potential viability of Project Haber and to reach a decision to proceed with more definitive studies, and as such are indicative in nature only. The studies are based on low-level technical and economic assessments and are insufficient to provide full assurance of an economic development case at this stage or provide certainty that the conclusions of the studies will be realised, and that the development of Project Haber will be commercially viable.

The proposed Mid West Low Carbon Manufacturing Precinct development, including siting Project Haber within the Precinct area, will be contingent on, among other things, successfully re-zoning the land for the *intended renewable and industrial uses and obtaining all other required regulatory approvals, licences and authorisations.*

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

STRIKE ENERGY LIMITED

ABN	Quarter ended ("current quarter")
59 078 012 745	31 December 2022

	Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		50	59
1.2	Payments for			
	(a)	exploration & evaluation	-	-
	(b)	development	-	-
	(c)	production	-	-
	(d)	staff costs	(1,099)	(2,159)
	(e)	administration and corporate costs	(915)	(1,833)
1.3	Dividends received (see note 3)		-	-
1.4	Interest received		7	9
1.5	Interest and other costs of finance paid		(915)	(1,558)
1.6	Income taxes paid		-	-
1.7	Government grants and tax incentives		-	-
1.8	Other (cost recoveries from JVs)		628	1,433
1.9	**Net cash from / (used in) operating activities**		**(2,244)**	**(4,049)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities	-	-
	(b)	tenements	-	-
	(c)	property, plant and equipment	(163)	(13,914)
	(d)	exploration & evaluation	(8,435)	(18,970)
	(e)	investments	-	-
	(f)	oil & gas assets	(3,191)	(8,653)

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide detail if material)	(12)	(12)
2.6	**Net cash from / (used in) investing activities**	**(11,801)**	**(41,549)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	30,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	2,026
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1,200)
3.5	Proceeds from borrowings	3,250	11,550
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(217)	(219)
3.8	Dividends paid	-	-
3.9	Other (term deposit)	(324)	(641)
3.10	**Net cash from / (used in) financing activities**	**2,709**	**41,516**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	21,130	13,905
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,244)	(4,049)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11,801)	(41,549)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,709	41,516

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	(72)	(101)
4.6	**Cash and cash equivalents at end of period**	**9,722**	**9,722**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	9,142	20,977
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (share of JV bank accounts)	580	153
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**9,722**	**21,130**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	207
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	33,000	26,250
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	33,000	26,250

7.5	**Unused financing facilities available at quarter end**	6,750

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Macquarie Bank Limited – Secured Facility – Tranche A ($13 million), B ($10 million) and C ($10 million)

Interest rate – 11% + bank bill swap rate

Maturity Date – 12 Nov 2023 (Tranche A) and 22 Dec 2024 (Tranches B & C)

As per ASX announcement on 19 December 2023 "$153 million Domestic Gas Financing Package", Macquarie Bank Limited has agreed to refinancing of Facilities A, B and C, additional committed facility of $40 million for drilling SE2 and 3, and $80 million uncommitted facility for Erregulla domestic gas facilities.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,244)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(8,435)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(10,679)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,722
8.5	Unused finance facilities available at quarter end (item 7.5)	6,750
8.6	Total available funding (item 8.4 + item 8.5)	16,472
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.54

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company does not expect to have the same level of cash outflows as the previous 6 months. The commissioning of the Walyering project is expected to commence in 2023 which will bring revenues into the Company.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company received $10.2 million from options exercised in January 2023. The Company has sanctioned its Walyering project to generate revenues in 2023.

As per ASX announcement on 19 December 2023 "$153 million Domestic Gas Financing Package", Macquarie Bank Limited has agreed to refinancing of Facilities A, B and C, additional committed facility of $40 million for drilling SE2 and 3, and $80 million uncommitted facility for Erregulla domestic gas facilities.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, Strike expects to be able to continue its operations and to meet its business objectives. The Company believes that the cash, available facilities and liquid investments will be sufficient to meet the planned operating costs and development expenditure to fulfill its obligations when due.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: ...30 January 2023...

Authorised by: By the Board
....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.