

Walyering Production Update

- Firm gas sales commenced on 1 October 2023 where the Walyering gas field has operated with a high reliability delivering a stabilised 20 TJ/d.
- Condensate production has averaged ~200 barrels per day during the firm supply period with first load out occurring on 3 October 2023.
- Ramp up towards name plate capacity of the facility is targeted to occur over the coming quarter.
- A total of ~52 TJ of gross commissioning gas was sold prior to commencement of firm gas sales which has been invoiced.

Strike Energy Limited (Strike - ASX: STX), on behalf of the L23/EP447 Joint Venture, (where Strike is operator and the holder of 55% and Talon Energy Limited (ASX: TPD) the other 45%) is pleased to provide an update on the Walyering gas field production.

During September, a gross total of ~52 TJ of commissioning gas was sold at varying rates during the startup of the Walyering gas field, where these sales have now been invoiced. On 1 October 2023 at 8:00am the Walyering gas field commenced stabilised export of sales gas into the Parmelia Gas Pipeline under its long-term gas supply agreement with Santos WA Energy Limited (**Santos**) where a high reliability in the performance of the facility has been observed measuring at an uptime of more than 97%.

Condensate production has been within forecast rates of ~200 barrels per day since firm gas supply commenced and the first offloading of condensate to its point of sale at Port Bonython occurred on 5 October 2023.

At this time, it is important to recognise that both sales of gas into the Santos contract and condensate sales are US-dollar denominated. The Santos Gas Supply Agreement is for the supply of 36.5 PJ over a period of 5 years on a firm, take-or-pay basis at 20 TJ per day with arrangements for supply of additional gas on an 'as available basis'.

Now that stabilised rates for the firm contracted production have been achieved, Strike will commence safely ramping up the field towards it's the facility's nameplate capacity of 33 TJ/d over the coming quarter.

The Walyering field is independently certified as having proved and probable (2P) Reserves of 56 petajoules equivalent (PJe) (Strike share 32 PJe) and a further 33 PJe (Strike share 19 PJe) of 2C Contingent Resources in the western compartment of the field¹ where Strike and Talon have agreed to drill the Walyering-7 well in Q1/24 with the aim of maturing these Resources to Reserves.

The final cost of the development, including the well completions, facility construction and commissioning costs was \$30 million gross, \$16.5 million net to Strike. The increase in the final

¹ For more information see ASX announcement dated 21st July 2022 "Independent Certification of Walyering Reserves". 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.



cost was due to the extended construction time, higher labour rates and additional manpower required against forecasts. Strike expects to 'payback' the construction cost from gas and condensate sales in approximately two quarters, highlighting the high returning nature of the Walyering development².

As part of the financing package Strike provided to Talon in connection with the Talon Board endorsed³ binding Scheme of Arrangement for the acquisition by Strike of all the issued shares in Talon, Strike has provided a letter of comfort to Talon to increase the existing facility should Talon need to access additional funds to meet its commitments as a result of the increased Walyering final cost. These additional funds would be provided on the existing agreed terms as set out in Strike's announcement on 14 August 2023 entitled "Strike to acquire Talon".

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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² Assumes production and sales from the Walyering Field at 33 TJ/day and 250bbl/day with as available gas sold to Santos at the 'as available' price under the Gas Supply Agreement with Santos, and condensate at A\$104bbl (US\$70bbl FX 0.67).

³ Unanimous Talon Board endorsement for the Scheme of Arrangement in the absence of a Superior Proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of Talon shareholders.