

# South Erregulla Foundation Gas Sales

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- Strike has secured foundation firm gas sales agreements for a total of ~42 PJ covering ~60% of estimated daily production which will underpin the bankability and development of the proposed 100% owned and operated South Erregulla 40 TJ/day Phase 1 development in the Perth Basin.
  - The firm Gas Sales Agreements are with tier-1 customers and include:
    - A sales agreement for 35.5 PJ of gas to the Worsley Alumina Joint Venture (operated by South32) for a period of 5 years.
    - A sales agreement for 5.475 PJ of gas to Perth Energy (AGL) for a period of 3 years.
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Strike Energy Limited (Strike - ASX: STX) is pleased to announce that it has secured the foundation gas sales agreements to underpin the bankability of the proposed 100% owned and operated South Erregulla 40 TJ/day Phase 1 development in Production License - L24.

The two Gas Sales Agreements cover ~42 PJ of gas and ~60% of the estimated daily production capacity of the development, which is in line with Strike's gas marketing strategy to retain a portion of the production for short term marketing once nearing start-up. The two foundation contracts are secured with tier-1 customers and include:

- A long-term Gas Sales Agreement with the Worsley Alumina Joint Venture (operated by a subsidiary of South32 Limited) for a total of 36.5 PJ of gas (at 20 TJ/day) on a firm take or pay basis for a period of 5 years. The gas price is Australian dollar denominated and escalated at Perth-CPI. The Worsley Alumina Joint Venture operates an established alumina production business in Western Australia and this arrangement will assist the Worsley Alumina Joint Venture to reduce its operational (Scope 1) emissions of greenhouse gas as it transitions its boiler fuel source from coal to gas.
- A medium-term Gas Sales Agreement with Perth Energy Pty Ltd (a wholly owned subsidiary of AGL Energy Limited) (Perth Energy) which supersedes and replaces the previous agreement announced on 6 April 2022. This new arrangement is for a total of 5.75 PJ of gas (at 5 TJ/day) on a firm take or pay basis for a period of 3 years. The gas price is Australian dollar denominated and escalated in line with Perth-CPI. Perth Energy (AGL) is an established and growing power generator and retailer in WA where Strike's gas sales to Perth Energy will support future electrification.

In both cases the gas supply is proposed from the Phase 1 development of the South Erregulla gas field in L24 and are conditional upon Strike taking an unconditional final investment decision on Phase 1 of the South Erregulla Project.<sup>1</sup>

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<sup>1</sup> In the case of the Perth Energy Gas Sales Agreement, the source of supply could be from the West Erregulla Project located within EP469 (Strike 50% owner and Operator, Warrego Energy EP469 Pty Ltd 50%) should a final investment decision be taken on that Project before Phase 1 of the South Erregulla Project.



**Strike's Managing Director & Chief Executive Officer, Stuart Nicholls said:**

*"The agreements with the Worsley Alumina Joint Venture and Perth Energy provide a commercially attractive route for Strike to sell its South Erregulla gas stream in a strong pricing environment that supports the bankability of the project.*

*"The sale of this gas into the State's electricity and mineral refining markets continues to demonstrate Strike's commitment to supporting the energy transition of Western Australia from coal through the provision of domestic gas from the Perth Basin."*

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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**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 and the combined group, 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 and the combined group. Actual results, performance, actions and developments of Strike and the combined group 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 Talon and their respective affiliates, 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 or Talon since the date of this announcement.*