

Walyering Update

- Definitive documentation for farmout to Talon Petroleum executed.
 - Walyering appraisal well to be added to CY21 Perth Basin drilling program.
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Farmout

Strike Energy Limited (**Strike** - ASX: STX "Company") is pleased to announce it has executed the definitive documentation reflective of the agreed terms announced on 20th July 2020 for the farm-out of a 45% non-operated interest in EP447 to Talon Petroleum Limited (**Talon**) in exchange for a \$6 million carry.

Talon has paid a \$1 million transaction bond, which is to be applied towards Talon's free carry obligations.

The transaction remains subject to ministerial approval, following which Strike and Talon will be taken to have formed an unincorporated Joint Venture in EP447 (Walyering). The JV will then proceed to appraise and, if warranted, develop the Walyering wet-gas discovery.

Drilling

Strike has completed the well design and identification of a proposed well location in preparation for the upcoming appraisal drilling in CY21.

Commercialisation

Strike has commenced discussions with nearby industrial gas and energy users for the potential consumption of the gas and condensate streams should the Walyering appraisal well prove successful. Due to the 'sweet' nature of the hydrocarbon stream and low inert / CO₂ content expected (evidenced via the Walyering-1 production analysis), Strike is confident that Walyering can be brought onstream quickly without the establishment of major processing infrastructure.

Jurassic wet-gas play

Walyering is an excellent test-case for the geotechnical work Strike has carried out across the Jurassic Wet Gas Play in the Cattamarra sequence. Should the appraisal drilling prove up a commercial development, then Strike expects this will be a catalyst for a material uplift in valuation of its net 1,353 km² acreage position across the play. On success, Strike will look to accelerate Ocean Hill 3D seismic which represents a significant structure that continues this play trend.

Strike Energy Managing Director & CEO Stuart Nicholls, said:

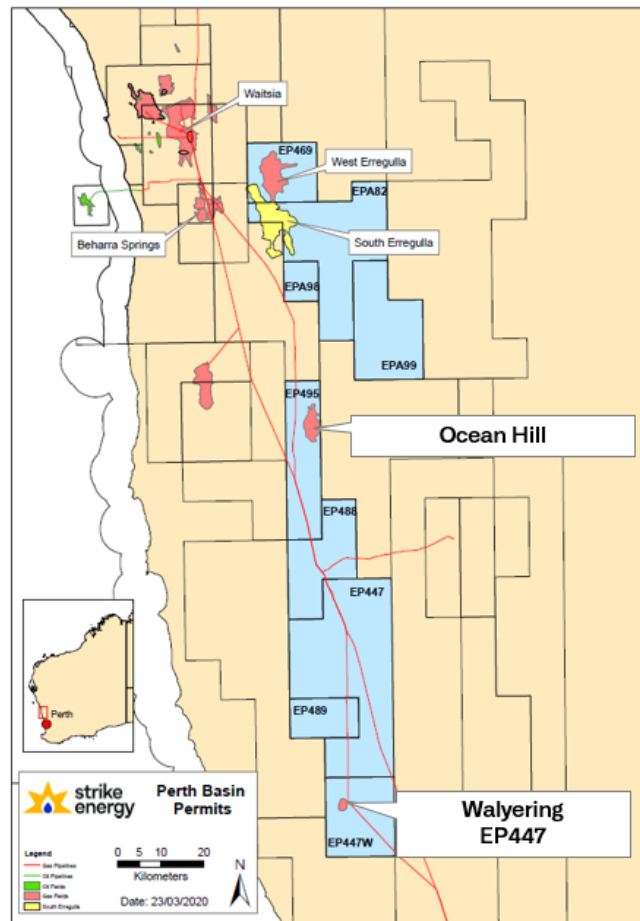
"Strike is pleased to close this transaction and welcomes Talon as its joint venture partner at Walyering. This transaction will support the acceleration of appraisal drilling at Walyering which, if successful, could be a fast to market additional source of production from Strike's substantial acreage position in the Perth Basin."

About Walyering – EP447

The Walyering conventional gas discovery was made in the Cattamarra Coal Measures (at an approximate depth of 3,400m SS), a play that has been proven to support commercial production from the gas projects at Gin-Gin and Red Gully.

The permit covers 1,110 km² and was acquired in 2018. Since acquisition Strike has carried out over 90km² of 3D seismic at Walyering in late 2019 which has markedly improved Strike's confidence in both Walyering and the broader Jurassic wet gas play. The high-resolution data indicates the presence of a wet-gas accumulation up-dip of the Walyering-4 well location.

Walyering is strategically advantaged with its location being situated between WA's two major gas transmission lines, and with the gas that flowed from Walyering-1 measuring only 1% CO₂ and flowing at 13.5mmscf/d. Furthermore, major industrial gas users are located in the immediate area with established uses for both the gas and condensate streams at their operations. This all translates into a potentially low cost and fast paced development without the need for significant processing or transport infrastructure.



This announcement is authorized by Stuart Nicholls, Managing Director & Chief Executive Officer of Strike in accordance with the Company's Continuous Disclosure Policy.

Company Contact

Stuart Nicholls

Managing Director & CEO

Email:

stuart.nicholls@strikeenergy.com.au

Investor & Media Contacts

Paul Ryan

Citadel-MAGNUS

Phone: 0409 296 511

Email: pryan@citadelmagnus.com