

West Erregulla Update

- Initial LWD results indicate conventional potential in the Dongara and Upper Wagina sandstones with 6m of net pay at an average porosity of 10.6%.
 - Sustained gas flaring in the Carynginia Shale.
 - WE3 currently at 4,279m measured depth and drilling ahead.
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Strike Energy Limited (Strike - ASX: STX) provides an update on the West Erregulla 3 well on behalf of the EP469 Joint Venture.

Current Operations

Since the last update, Strike has drilled through the Dongara, Upper Wagina and Basal Wagina sandstones (3,887m - 4,176m measured depth) and has entered into the Carynginia shale. Strike collected logging while drilling (LWD) results across these late Permian sequences and Strike is currently drilling ahead at 4,279m.

Dongara & Upper Wagina Sandstones

Initial LWD results indicate a large bimodal gas column where conventional potential is represented in streaks throughout the sandstones. Notably 6m of net pay with average porosity of 10.6% (using an 8% cut-off) has been observed embedded within a much thicker sequence of over 150m (gross pay) of naturally fractured, low porosity gas-charged sands. Further wireline logging and testing will be required to indicate the materiality of these initial results. No indications of a water leg have been seen and in addition, drilling performance and mud gas peaks indicate extensive natural fracturing within these sands. These early observations correlate to strong gas shows seen in the well and are similar to other conventional Dongara and Wagina discoveries which have been made throughout the basin.

Basal Wagina Sandstone

As prognosed, the Basal Wagina comprises a large blocky, clean sequence of gas-charged sandstones, with no extensive conventional porosity development. This aligns with Strike's geological models and correlates to the minimum level of porosity required to generate an amplitude anomaly which was observed and encountered at WE2 but is not present in the seismic at WE3. Drilling through the Wagina was protracted due to the hard and cemented nature of this non-porous lowermost sandstone cycle.

Carynginia Shale

As Strike drilled through the upper section of the Carynginia shale an over-pressured gas sand was encountered. Drilling was paused while Strike took action to rebalance the well and circulate out the gas via the flare. This gas zone bodes well for Strike's geological model as it suggests gas charge in the deeper early Permian sequences which are the primary objectives of this well.

Forward Plan

Strike is drilling ahead to the primary Permian targets in the Kingia and High Cliff Sandstones. Upon reaching the upper Kingia, Strike will pull out of hole to add further measuring and logging tools to the bottom hole assembly before drilling through these primary targets.

About the West Erregulla Appraisal Campaign

Up to three appraisal wells will be drilled in the West Erregulla field, which is located in EP469. The appraisal wells will be drilled down to ~5,000m with West Erregulla 3 designed to test the continuation of the commercial gas accumulation in the northern fault block and West Erregulla 4 (and 5) to appraise the reservoir distribution in the central fault block. After various coring and logging operations all three wells will be flow tested (on success) and completed as future producers across the Kingia / High Cliff sequences for the proposed Phase 1 production operations. The Wagina gas discovery made in West Erregulla-2 will be appraised during the West Erregulla 4 & 5 wells.

The West Erregulla wells are to be executed at the following coordinates:

- West Erregulla 3: 29° 22' 40.79" S, 115° 18' 30.70" E
- West Erregulla 4 (proposed): 29° 25' 8.89" S, 115° 19' 18.15" E
- West Erregulla 5 (proposed): 29° 24' 1.72" S, 115° 18' 27.17" E

Strike Energy Limited operator and the holder of a 50% joint venture interest in EP469, and Warrego Energy (ASX: WGO) a holder of the other 50% joint venture interest.

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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West Erregulla Gas Field & Well Locations in EP469

