

Strike set for a transformational second half of '21

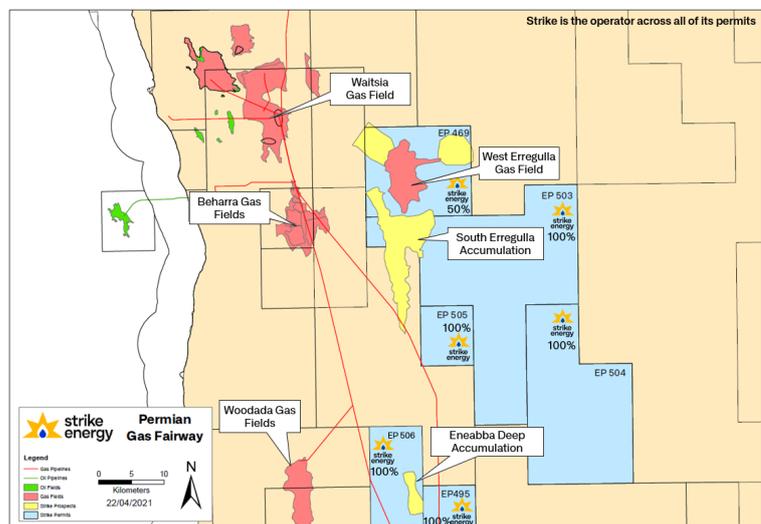
- Strike's multi-well Perth Basin program to target ~1,800 PJe of prospective conventional gas resources¹ over the second half of 2021.
- South Erregulla-1 well to spud in October.
 - Strike to acquire Maior 2D seismic in July.
 - MOU for gas supply from South Erregulla entered into with Goldfields downstream developer for 15-20 TJ/d for 5 years starting in 2024.
- Walyering-5 well to spud in September under free carry from Talon Energy.
- Bid round acreage granted as full exploration permit EP506.

Strike Energy Limited (Strike - ASX: STX "Company") is pleased to provide an update on its domestic gas business in the Perth Basin, which is set up for a potential series of transformational results.

South Erregulla

The South Erregulla-1 well is set to spud in October 2021 using one of the three Ensign 970 rig slots that Strike procured on favourable terms during the industry downturn in mid-2020. South Erregulla represents potentially significant near-term multi-TCF upside for Strike and has been materially de-risked through the West Erregulla exploration and appraisal campaign.

Strike has submitted and received approval for several of the permits required to commence drilling operations and has procured the long lead items (casing, well head, hangers and other jewellery). Through the learnings at West Erregulla, the SE-1 well will target a sub-45 day completion timeline with a new optimised design that can facilitate high quality data acquisition.



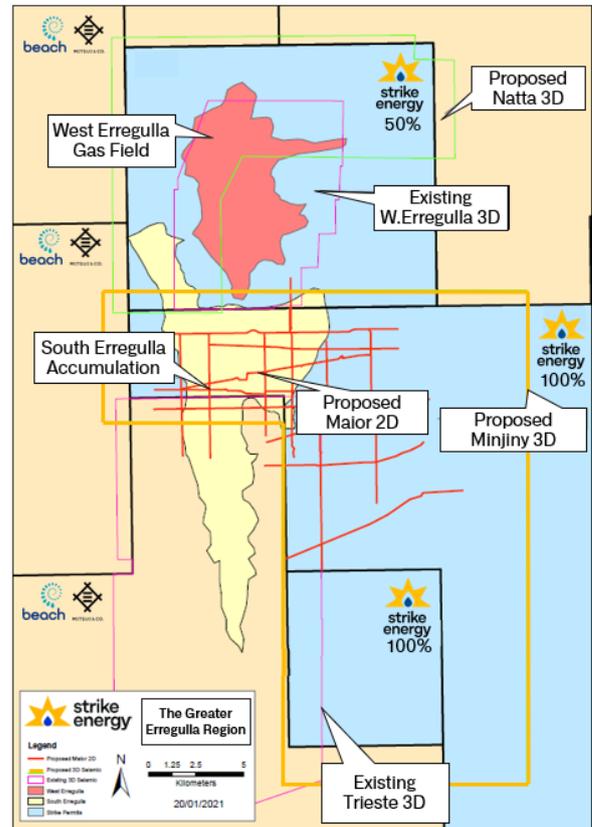
¹ Represents aggregate of the Prospective Resource Estimates for South Erregulla (as set out in the ASX announcement dated 17 February 2020 entitled "Exploration Portfolio Update", being an aggregate of Strike's 100% equity interest in EP 503 and, to a relatively marginal extent, Strike's 50% equity interest in EP 469) and Walyering (as set out in ASX announcement dated 9 June 2020 entitled "Greater Erregulla and Walyering Update", Strike equity interest 100%). **Prospective resource estimate cautionary statement:** The 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 and have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

On success at SE-1, Strike will both reserve dedicated resources for its Project Haber fertiliser feedstock and market and sell gas from the field into Western Australia’s growing domestic gas market. The construction of APA’s new Midwest gas pipeline infrastructure, the Northern Goldfields Interconnect (NGI), will continue to open up new opportunities for domestic gas market sales to the booming Northern Goldfields region.

Recently, Strike entered into a non-binding Memorandum of Understanding (MOU) with a Goldfields downstream project developer for a future gas supply agreement (GSA). The gas will supply a greenfield mineral processing and production facility and be transported via APA’s NGI.

Strike and the gas buyer have aligned on indicative key terms of 15-20 TJ/d for 5 years starting in 2024 and will work towards a binding term sheet before the end of 2021. In addition to the GSA, the parties are collaborating on other emissions reduction activities, including coal to gas conversion and where possible renewable energy opportunities.

During July, and only 6 months after being granted the South Erregulla permit (EP503), Strike will acquire the ‘Maior 2D seismic survey’. This vindicates Strike’s seismic strategy of new data sooner by focussing seismic acquisition over roads, cleared area and gaps in paddocks. This translates into not needing to wait for ‘post-harvest’ seasons before being able to secure additional subsurface information that can support new well locations.



The Maior 2D seismic survey will also provide valuable information over the Permian Sandstones in the Dandaragan Trough off the South Erregulla structure. The trough has the potential to host geothermal resources where Strike owns 100% of the over-lapping rights across the Basin. These over-lapping rights support the complementary development of critical subsurface information and potentially (where conventional quality Kingia reservoir is encountered) commercial outcomes for all well penetrations.

Ensign 970 Rig Program

Strike and Energy Resources Limited have agreed terms for the sharing of the Ensign Rig 970 during the second half of CY21. The rig will move to Lockyer Deep-1 during the remainder of July and August before coming back to Strike to drill Walyering-5, South Erregulla-1 and with a follow-on appraisal well or third

Ensign 970 Program	2021						2022
	J	A	S	O	N	D	J
Lockyer Deep	█	█					
Walyering-5		█	█				
South Erregulla-1				█	█	█	
Strike Appraisal						█	█

opportunity that is currently being worked.

Walyering-5

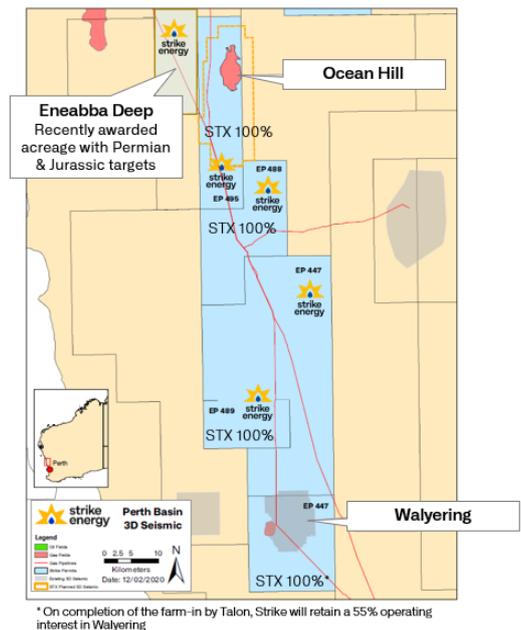
Strike is preparing to spud the Walyering-5 appraisal well in September of this year. All major agreements and permits are now in place to facilitate the drilling operations, all long lead items have been purchased and the rig has been booked.

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 1,853 km² acreage position across the play, which includes the large Ocean Hill structure where a significant contingent resource has been booked.

Permit Award – EP506

The WA Department of Mines, Industry Regulation and Safety (DMIRS) has granted Strike exploration permit EP506, which it won in a bid round during the WA 2020 acreage release. The L20-3 block is located at the southern edge of the prolific Perth Basin Permian Gas Fairway.

Strike has already mapped a future prospect in EP506 named “Eneabba Deep”. The target has significant potential for stacked, Permian-aged reservoirs hosted in structural closure. This is analogous to the structural trapping mechanism in place in the Beharra Springs area. Strike mapping indicates that the prospective fairway for thickened Permian reservoir sands, with porosity preservation at depth caused by syndepositional clay coatings on sand grains, could extend as far South as the Cadda terrace in EP506.



Strike Energy Managing Director & CEO Stuart Nicholls, said:

“Strike is now set to start this exciting and potentially transformational phase of its Perth Basin gas resource growth strategy.

“Extending the Permian Gas Fairway down to South Erregulla and reinjecting new value into the Jurassic wet gas play in the South will, on success, have cascading effects across the value of all of Strike’s adjoining acreage in the Basin.

“At the conclusion of this program, Strike aims to be in a position to support the development of its fertiliser project at Project Haber, which is a key pillar of its Net Zero 2030 target, and to take advantage of the tightening WA domestic gas market conditions expected in the mid part of the decade”.

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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Although Strike believes that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results, actions and developments to differ materially from those expressed or implied by the statements in this presentation, including, but not limited to: price fluctuations, actual demand, drilling and production results, reserve estimates, regulatory developments, project delays or advancements and approvals and costs estimates. Subject to any continuing obligations under applicable law and the Listing Rules of ASX Limited, Strike does not undertake any obligation to publicly update or revise any of the forward-looking statements in this release or any changes in events, conditions or circumstances on which any such statement is based.