

Greater Erregulla Update

- Strike awarded EIS grant from WA Government to support funding of South Erregulla-1 drilling campaign.
- EPA98 granted as EP505.
- West Erregulla appraisal results de-risk and high grade South Erregulla drilling with increase in POS to 61%.

Strike Energy Limited (Strike - ASX: STX "Company") is pleased to provide an update on its high value near field exploration targets in the Greater Erregulla region.

Exploration Incentive Scheme (EIS) Grant

Strike has been awarded an EIS grant of \$200,000 (maximum available) to contribute towards the drilling of South Erregulla-1. This grant is both endorsement for Strike's technical work and the State's support in seeing these resources commercialised as quickly as possible. The South Erregulla-1 well is being prepared for a Q4/21 spud.

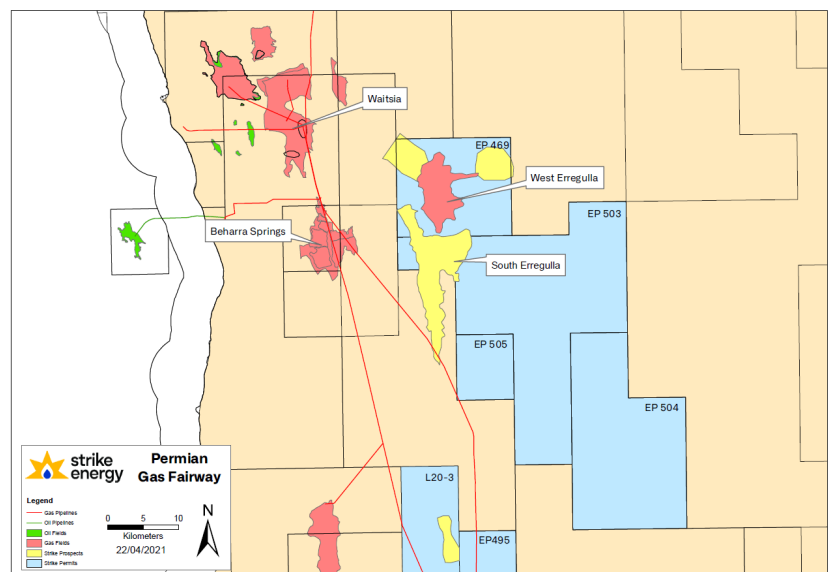
Permit Award

The WA Department of Mines, Industry Regulation and Safety (DMIRS) has granted Strike exploration permit EP505. This is due to the conversion of EPA98 and resulting from endorsement from the various stakeholders with infrastructure inside the permit boundaries (gas pipeline) and the conclusion of the Geraldton Alternate Settlement Agreement and the corresponding Indigenous Land Use Agreement (ILUA).

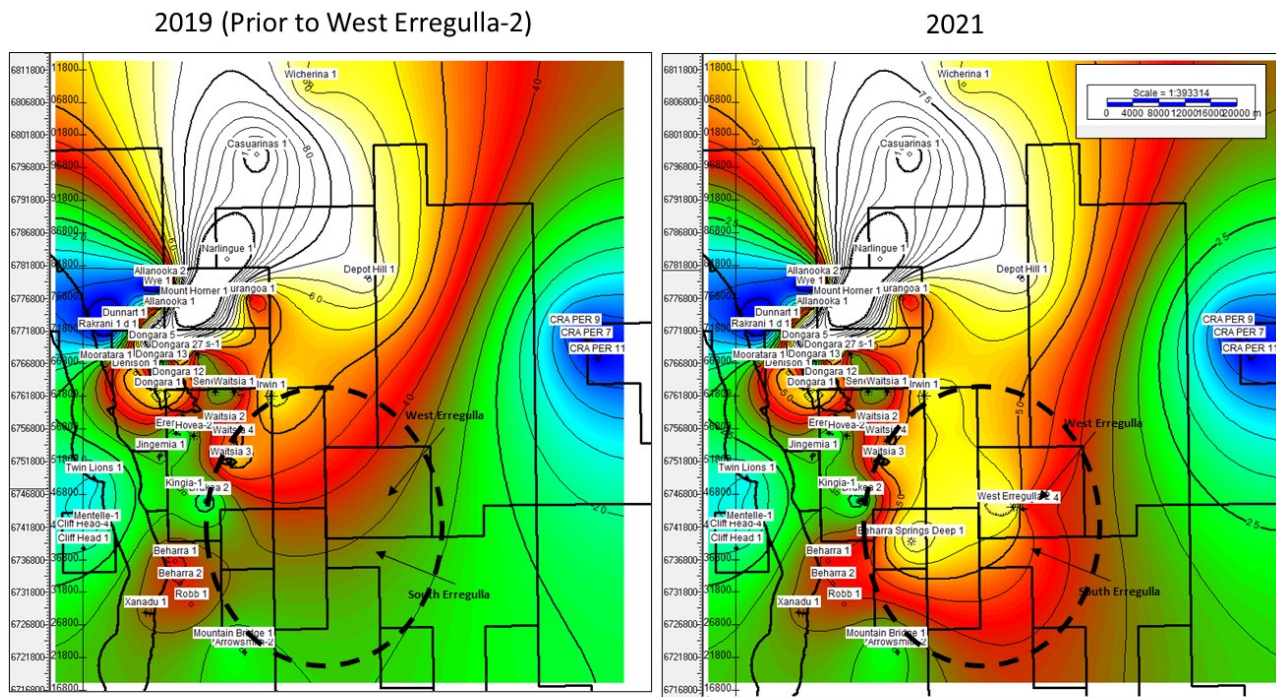
The grant of this permit by DMIRS allows for the progression of data acquisition over Strike's current flagship opportunity in South Erregulla, starting with the 'Maioir 2D seismic survey' which is set to be shot in the mid part of 2021.

Permian Gas Fairway Sustained Success

To date, all 15 penetrations of the Kingia Sandstone in and around the Dandaragan Trough, including all 9 deep penetrations (Kingia deeper than ~3,000m subsea) have encountered commercial grade conventional reservoir development. This includes the 3 deepest penetrations (West Erregulla-2 and West Erregulla-4, as well as Beharra Springs Deep-1). Of these 9 deep wells, 8 have been the foundation for major conventional gas discoveries and tested gas charged and highly porous Kingia Sandstones (the only outlier being Irwin-1 which displayed no geophysical



signature of gas charge, but did find high quality, thick, permeable water wet Kingia). Post 2018, well results have been incorporated into revised isopach maps of the Upper Kingia Sandstone and, even in the most conservative scenario, indicates high confidence in extension of the reservoir fairway to the south and south-east.



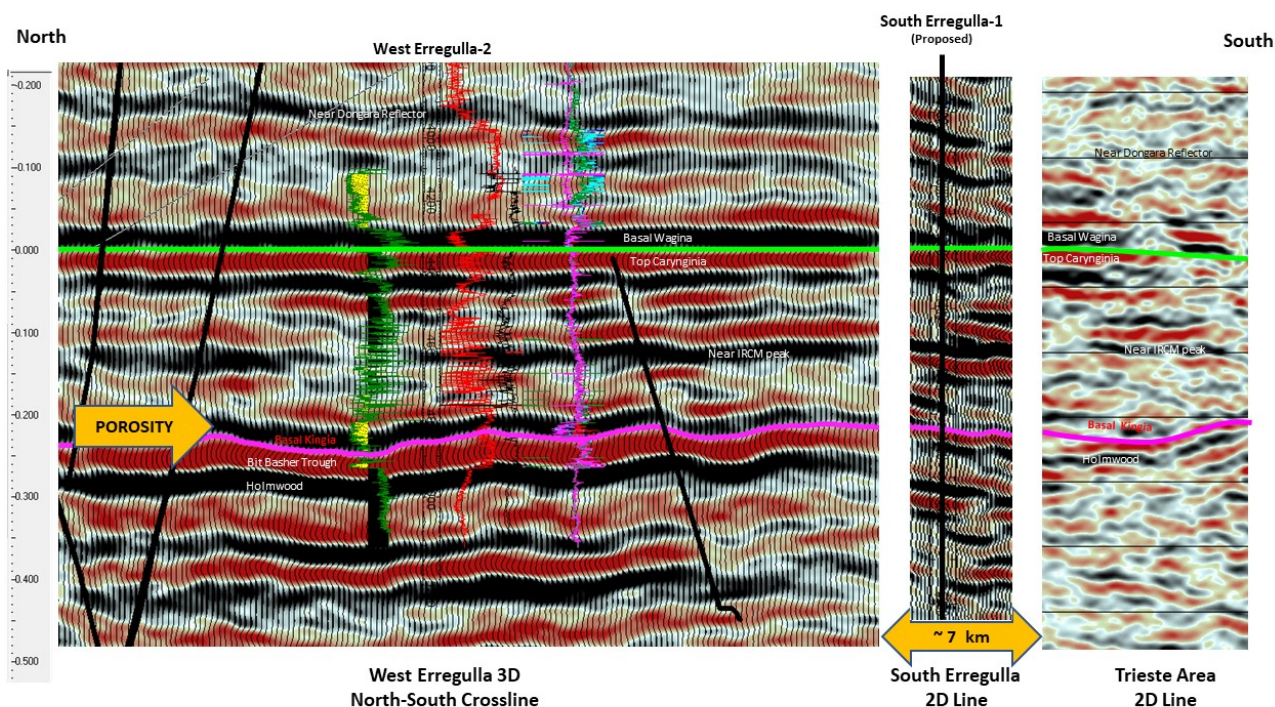
Kingia Basal Sand Isopach – LOW CASE (pre/post-2019)
Three new wells Early Permian extend Kingia sweet-spot to SE.

A regionally active, prolific source rock in the Carynginia and Irwin River Coal Measures are also consistently demonstrated by these wells. Two large kitchen zones adjacent to the Greater Erregulla structure (the Donkey Creek Terrace to the west and the deepest parts of the Dandaragan Trough to the east) are located optimally for consistent charge into axial closures along the fairway during hydrocarbon generation. The presence of effective dual top seal in (a) the Carynginia Shale and (b) the Kockatea Shale is demonstrated by ubiquitous presence of gas shows in the Dongara and Wagina sandstones in wells drilled in the deep parts of the basin, as well as by the presence of an over-pressured regional basin-centred gas accumulation in the Basal Wagina sandstones and by gas shows in the Carynginia Shale and Irwin River Coal Measures.

This sustained track record in the Early Permian Gas Fairway supports Strike's methodology and lends continued confidence in testing the extent of this fairway to the south with the drill bit.

South Erregulla Update

Results from the West Erregulla appraisal campaign have been applied to the South Erregulla prospect, resulting in an increase in the assessed probability of success (POS) to 61%. This is partly driven by increased confidence in the presence of commercial reservoir at the Kingia level (see section above) and partly driven by the confirmation of a thick hydrocarbon column and deep gas-water-contact (GWC) in West Erregulla. The deep West Erregulla GWC shows that the field is "filled to spill". This GWC also notably lies well below the structural saddle connecting the West Erregulla and South Erregulla structures. By inference, West Erregulla and South Erregulla are co-charged, and based on existing seismic control, it is unlikely that one could be gas saturated and the other not.



Comparative 2D-3D seismic-stratigraphy in the greater Erregulla area flattened on Base Wagina Zero Crossing (green reflector). Panels run from left to right from North to South. The Kingia reservoir tracks in the black peak just above the magenta reflector. The Early Permian seismic stratigraphy in the West Erregulla, South Erregulla and Trieste area is very similar. Proprietary 3D data over the Trieste area (not shown) is even more compelling and demonstrates near identical reflectivity with that at West Erregulla. This lends high confidence in continuity of the Kingia sandstones to the South. Results from the West Erregulla-2 and West Erregulla-4 locations suggest that subtle changes in peak (and underlying trough) thickness and amplitude at Kingia level are indicative of local geological perturbations and interplays in thickness of the High Cliff sandstone and Kingia sandstone intervals

Trap shape and size are the remaining risks given the current 2D seismic control. The possibility exists that unimaged faults may compartmentalise the larger field into smaller blocks. However, by analogy with the structural and seismo-stratigraphic characteristics seen in the Trieste and West Erregulla 3D seismic surveys bounding the South Erregulla prospect to south and north respectively, Strike remains confident as to the positive potential outcome of the South Erregulla-1 well, and the current well supported interpretation.

Strike Energy Managing Director & CEO Stuart Nicholls, said:

"Strike welcomes the ongoing support from the WA Government with this EIS grant to contribute towards the drilling of the potentially transformational South Erregulla-1 well.

"Strike is aiming to support the State's industrial gas market by bringing online large sources, of new, low-cost gas to meet the predicted shortfalls in the mid part of the decade.

"South Erregulla continues to firm as one of the Company's key milestones in the second half of this year. The increasing confidence in prospectivity driven by the West Erregulla appraisal campaign, provides further endorsement for Strike to commit to expenditure for long lead items for South Erregulla-1 later this year."

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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