



**strike
energy**

31st July 2020

General Meeting

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Summary information

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forward-looking statements in this presentation or any changes in events, conditions or circumstances on which any such statement is based.

Information regarding Resource Estimates

Information in this presentation relating to:

- the 2C Contingent Resource Estimate and Prospective Resource Estimate for the West Erregulla Project is set out in the ASX announcement dated 11 November 2018 entitled "West Erregulla Resource Statement". Strike Energy interest is 50%;
- The Prospective Resource Estimate for South Erregulla is set out in the ASX announcement dated 17 February 2020 entitled "Exploration Portfolio Update" and is an aggregate of Strike's 100% equity interest in EPA 82 (subject to grant of that permit) and, to a relatively marginal extent, Strike's 50% equity interest in EP 469.
- the Oceanhill 2C Contingent Resource is sourced from the ASX Announcement of Greenrock Energy Limited (ASX:GRK) dated 4 October 2013 titled "Ocean Hill Independent Resource Certification". Strike Energy interest is 100%; and
- the Walyering 2C Contingent Resource is sourced from the ASX Announcement of Pancontinental Oil & Gas NL (ASX:PCL) dated 16 May 2018 titled "Gas & Condensate Resource Upgrade at Walyering Gas Field". Strike Energy interest is 100%.
- The Walyering Prospective Resource Estimate is set out in ASX announcement dated 9 June 2020 entitled "Greater Erregulla and Walyering Update". Strike Energy interest is 100%.

Strike Energy confirms it is not aware of any new information or data that materially affects the information included in the referenced announcements and that all the material assumptions and technical parameters underpinning the estimates in those announcements continue to apply.

Competent person's statements

The information in this presentation that relates to resource estimates is based on information compiled or reviewed by Mr A. Farley who holds a B.Sc in Geology and is a member of the Society of Petroleum Engineers. Mr A. Farley is Exploration Manager for the Group and has worked in the petroleum industry as a practicing geologist for over 17 years. Mr A. Farley has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.

Mr Tony Cortis (M.Sc. Geology) of Igesi Consulting has consented to the inclusion in this report of matters based on his information in the form and context in which they appear. Mr Cortis has over 30 years of industry experience, 28 of which were with Shell International, and is a member of APEGA and the AAPG. He has extensive technical and delivery experience in all three Unconventional Resource play types: tight clastic, shale and coal bed reservoirs. He has actively worked on CBM projects in the Bowser Basin, the Western Canada Sedimentary Basin and in the Ordos Basin of China. He has also worked on numerous conventional clastic and carbonate plays worldwide.

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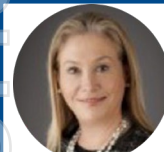
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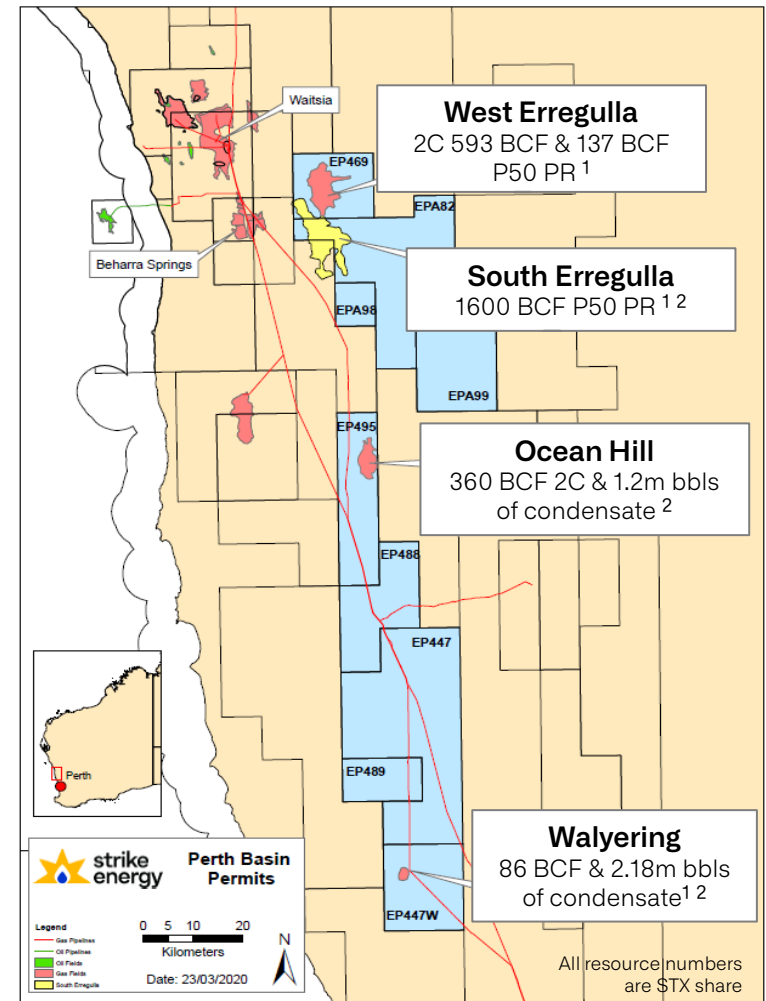
**Significant discovered
gas resources**

Well capitalised

**Excellent WA gas
market fundamentals**

Low cost development

**Huge upside in two
diverse plays**

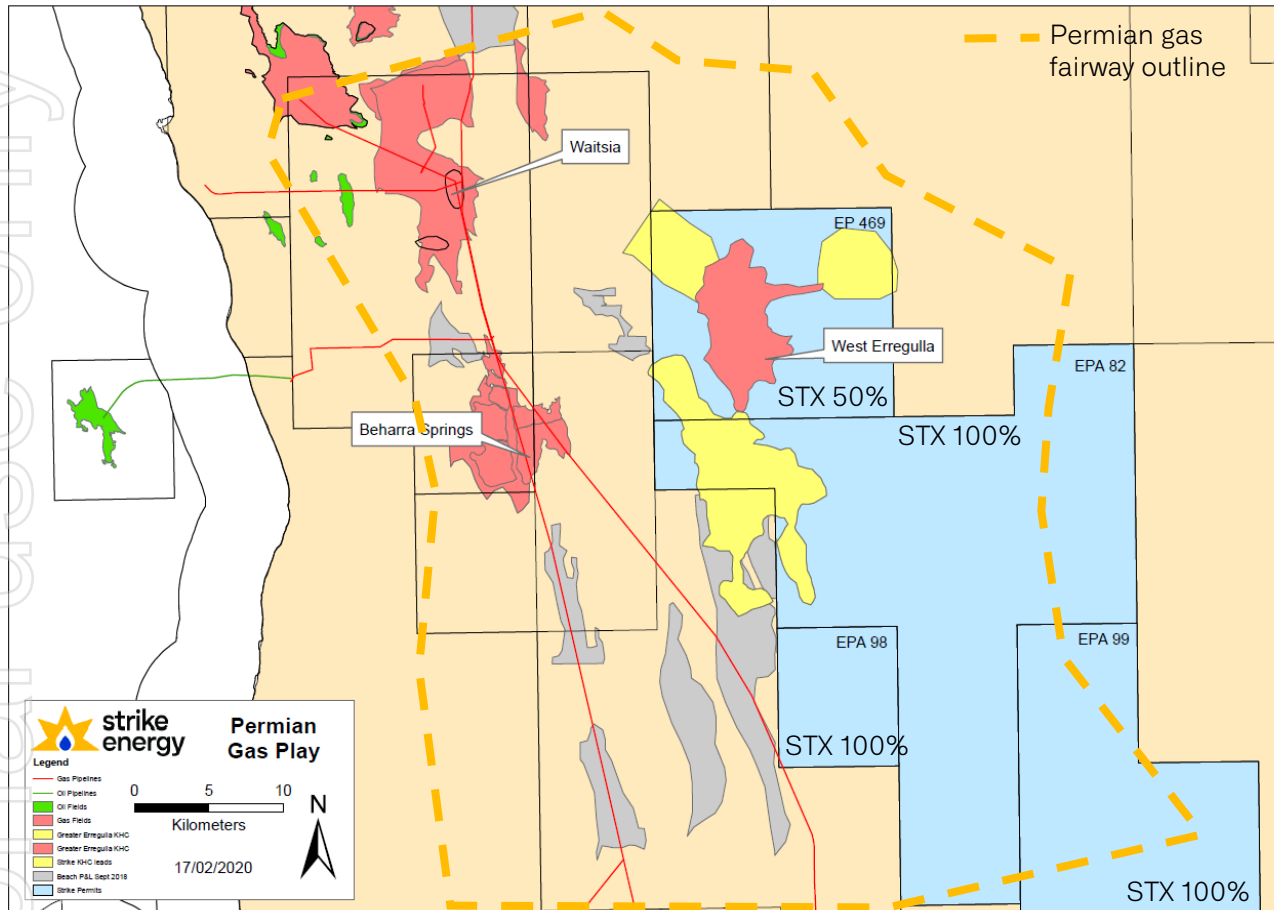


Corporate Information

- Shares: 1,711 mln
- Options: 31 mln
- Performance Rights: 25 mln
- Market Cap ~\$340 mln
- Q2/20 Cash: \$21.6mln

¹ Refer Important Notice on slide 2 for Resource Estimate information. ² **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.

North Perth Basin permits inside the Permian Gas Fairway



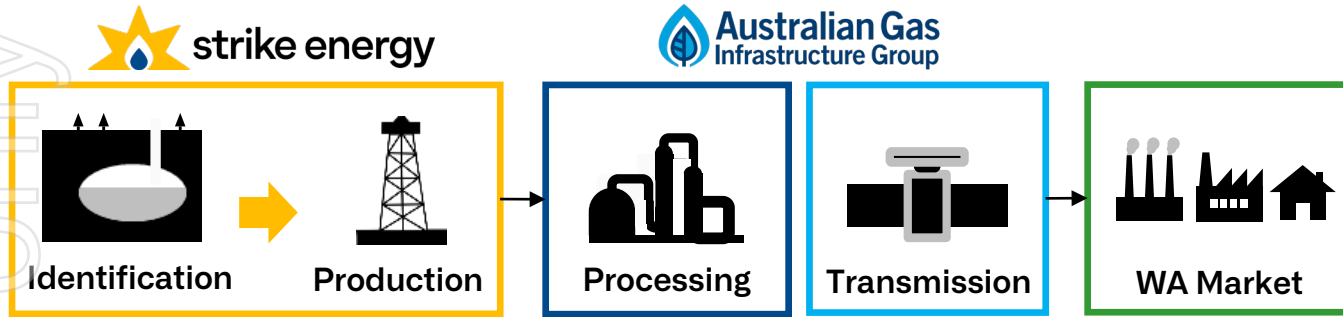
- Size, quality, productivity and location of these fields will enable a low cost development
- Some of the largest conventional onshore gas fields ever found in Aus
- Strike has the largest equity position in this fairway and is operator in all permits
- Planning underway for a 'Greater Erregulla' development

Permian gas fairway is host to **> 3TCF** of discoveries, with a track record of 100% exploration success

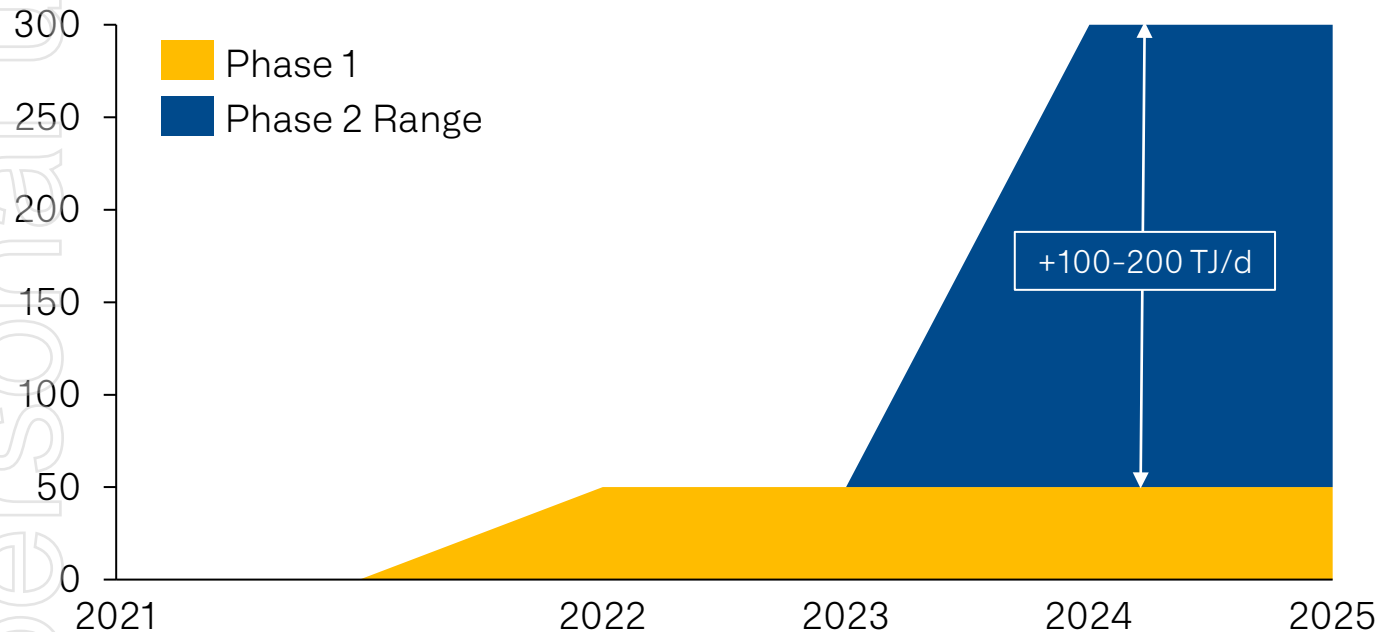
West Erregulla-2 Kingia Flow Test
69 mmscf/d



Strike's focus on the upstream segment of the value chain



Greater Erregulla Production Phases (TJ/d by year)





Phase 1

- Initial 50 TJ/d sales gas
- Existing West Erregulla resource confidence easily supports this initial development
- AGIG awarded as lead proponent to build, own and operate gas plant
- FEED in progress
- EP469 JV participation to be investigated

Phase 2

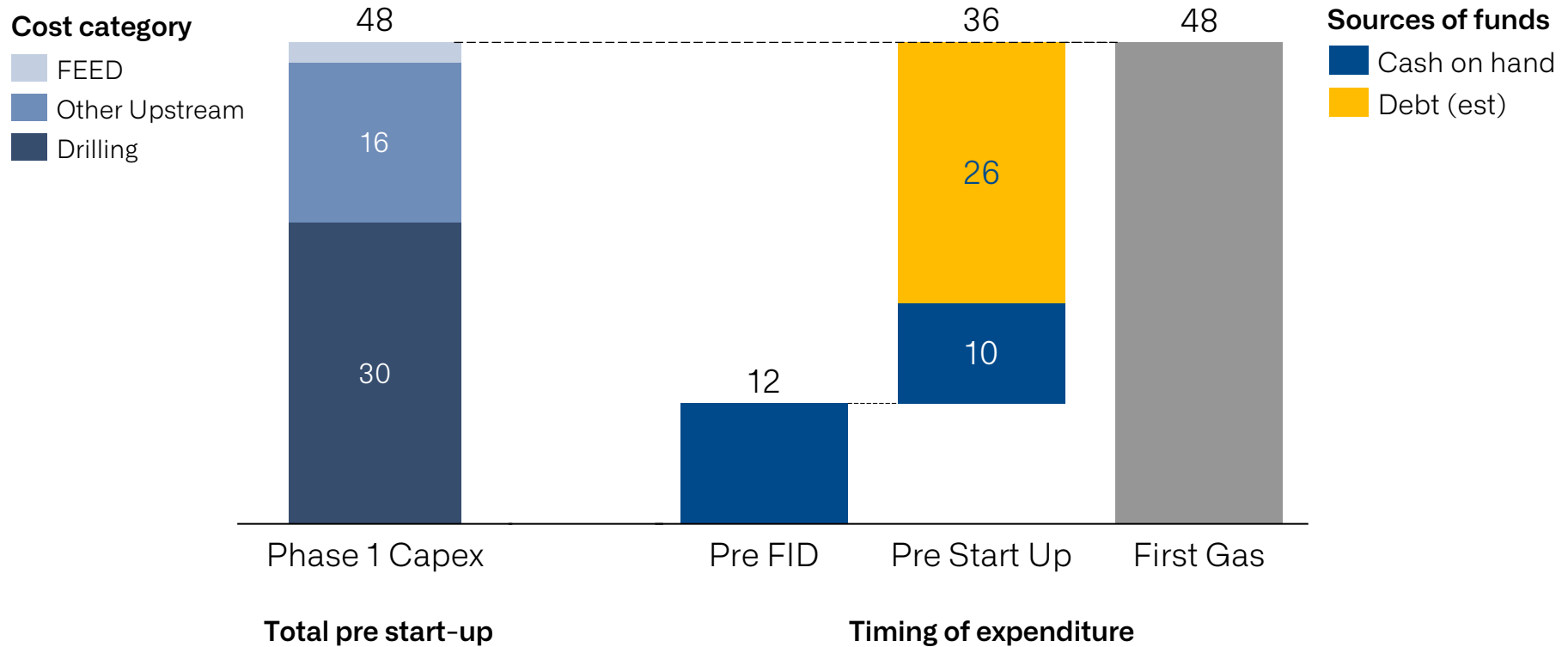
- Will be optimally sized to support resource footprint in the Greater Erregulla region
- Allows for significant gas delivery during mid-decade predicted shortfall
- Processing expansion sizing depending upon near field exploration success and EP469 JV participation

West Erregulla Gas Project

Discovered Resource	✓	High Confidence
Additional subsurface info	—	Drilling program 2H20
Foundation Gas Sales	✓	
Concept Select	✓	 Initial 50 TJ/d
Post FID Finance	—	In progress
Final Investment Decision	Targeting Q4 /20	
Phase 2 Expansion	—	Gas Marketing & Studies

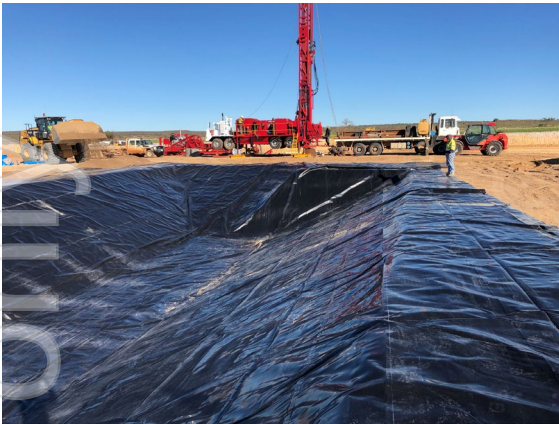
Strike estimated capex requirements for West Erregulla Phase 1 to First Gas

(Strike share A\$mIn pre FEED estimates)



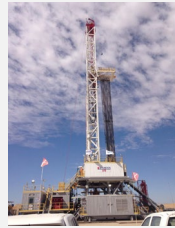
- Strike is funded to targeted FID with sufficient cash on hand (\$21.6mIn at end Q2/20).
- Total pre-startup capex planned to be funded by a mixture of cash and debt financing.
- Procurement of the debt facility depicted above; has formally commenced.
- 'Other Upstream' costs for Phase1 have been increased to avoid regret capital when expansion is progressed.

1. The above costs are Strike internal estimates only based on available information to hand and are subject to change and to the contingencies noted in note 3 below.
 2. Any additional drilling is expected to be required in the second half of the Phase 1 production life (Years 5-10) which would be funded out of free cash flows resulting from gas sales.
 3. FID and timeline to FID is subject to, among other things, appraisal results, JV discussions/processes, execution of infrastructure documentation and midstream FID, debt procurement, land access and regulatory approvals.
 4. Above expenditure is exclusively for first gas sales from the Phase 1 project and does not include additional 3D seismic, exploration drilling or downstream studies.



Drilling Preparedness

- Rig upgrades complete
- Mobilisation readiness has commenced
- Civils nearing completion
- COVID plan in action



Drilling Campaign

- **WE3:** early September
- **WE4:** shortly after WE3
subject to EP approval
- **WE5:** tbc Nov-20

Kingia Sandstone

- Whole core in WE3
- Flow tests in WE3, 4 & 5
- Pressure and fluid sampling in all wells to indicate GWC

High Cliff Sandstone

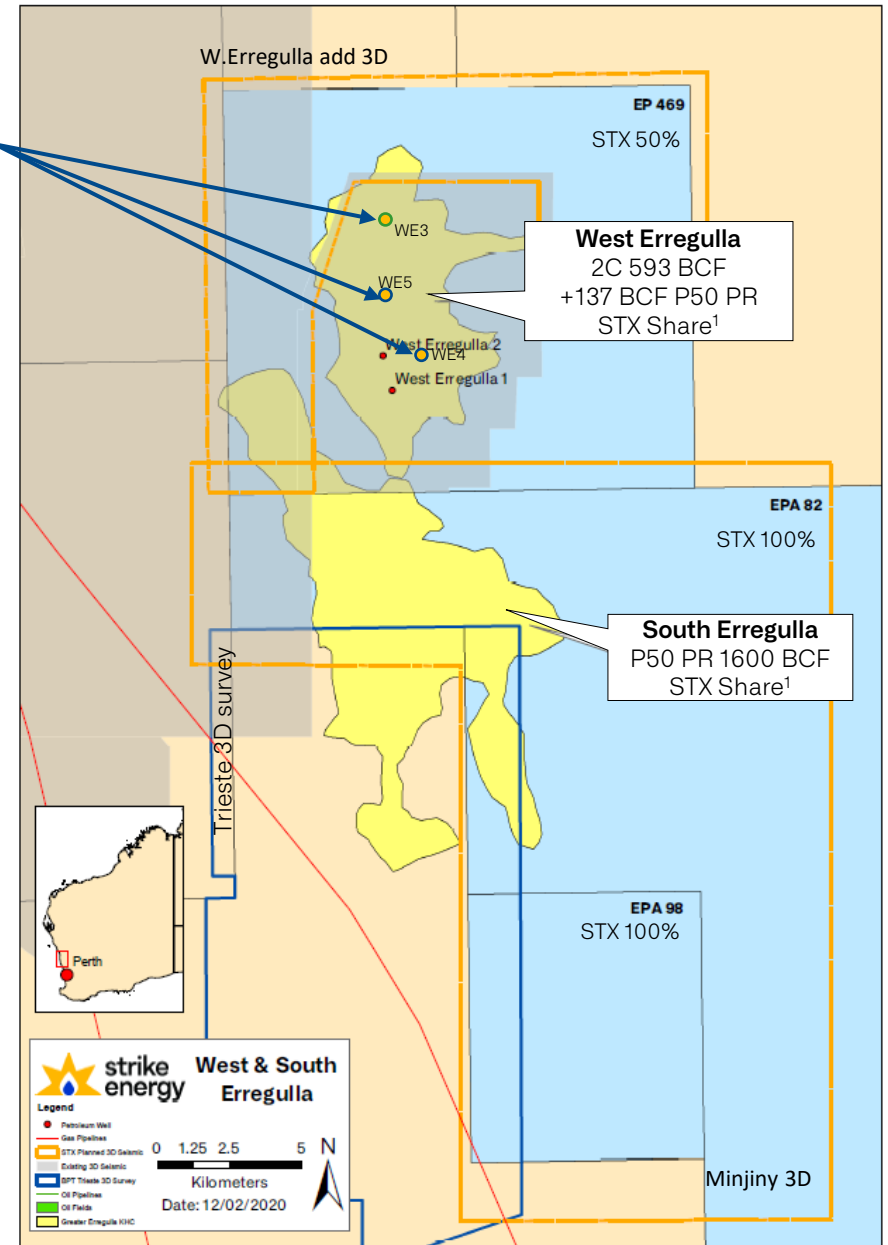
- Whole core in WE4
- Dedicated flow test in WE4

Wagina

- Acquire sufficient data to commence development planning for additional resource
- Not expected to be encountered in WE3
- Advanced logging and pressure/ fluid sampling in WE4 & 5

Development

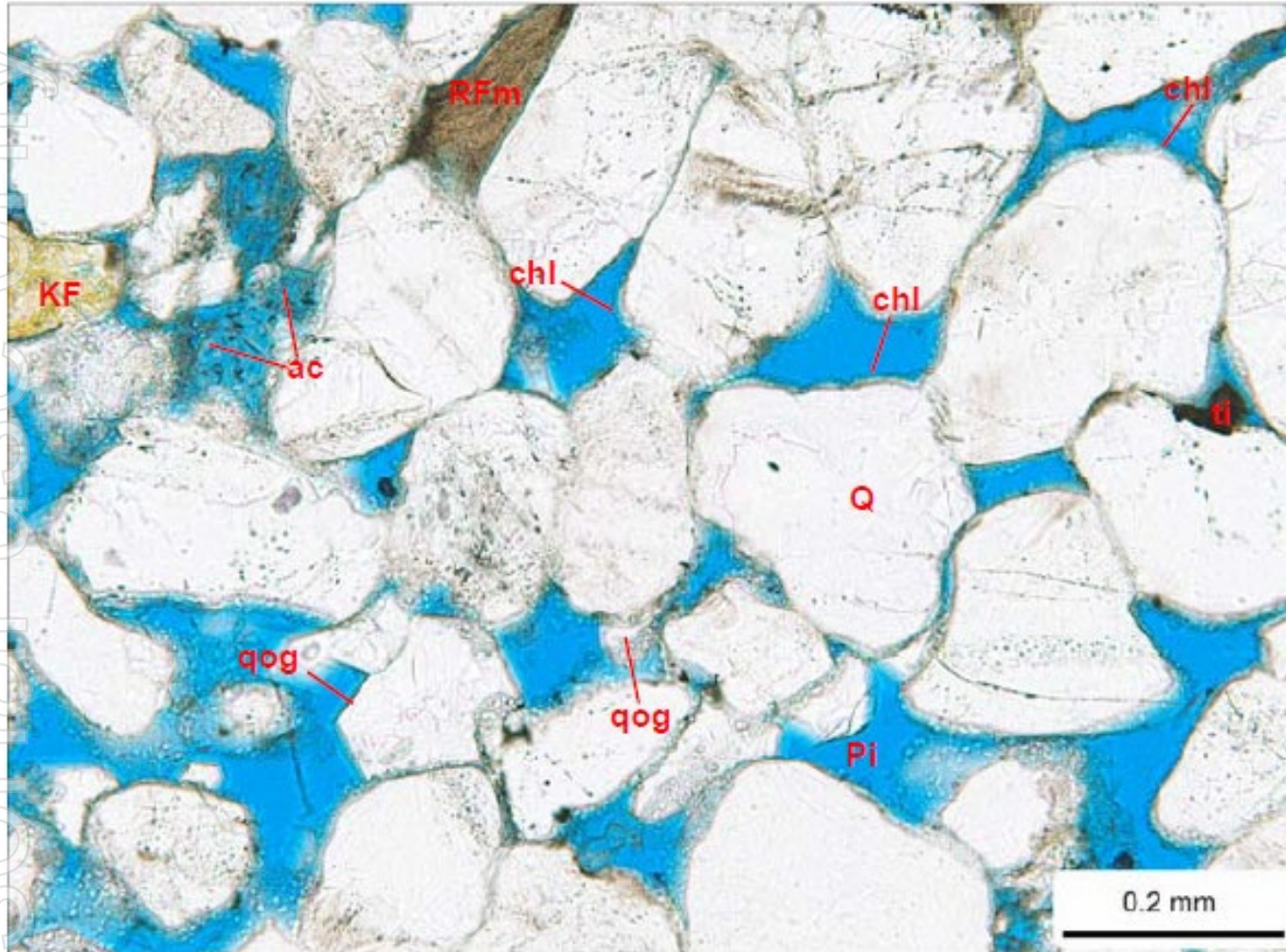
- All three wells will be completed and suspended as future producers



¹ Refer Important Notice on slide 2 for Resource Estimate information. **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.

Core Lab Report

Petrographic Report of sidewall cores from West Erregulla-2 Kingia Reservoir



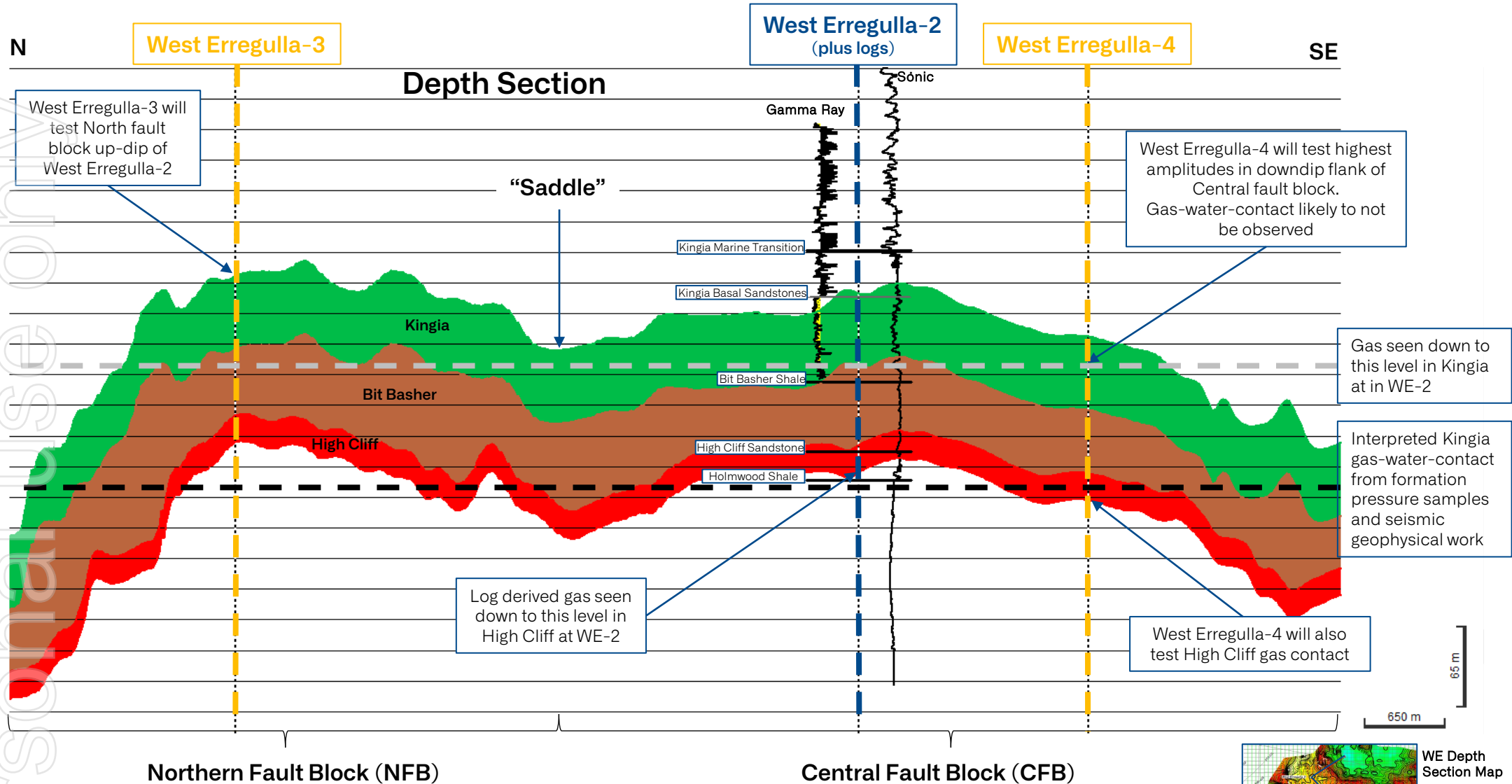
Legend

Q: quartz
Chl: chlorite
QOG: quartz overgrowth

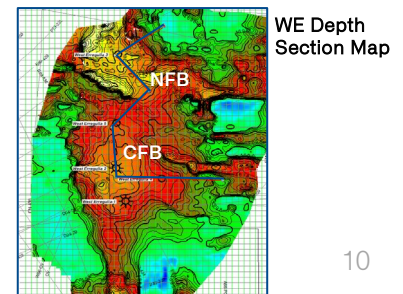
KF: K-feldspar
AC: Authigenic Clays
RfM: Metamorphic Fragments
Ti: Titanium Rich Minerals

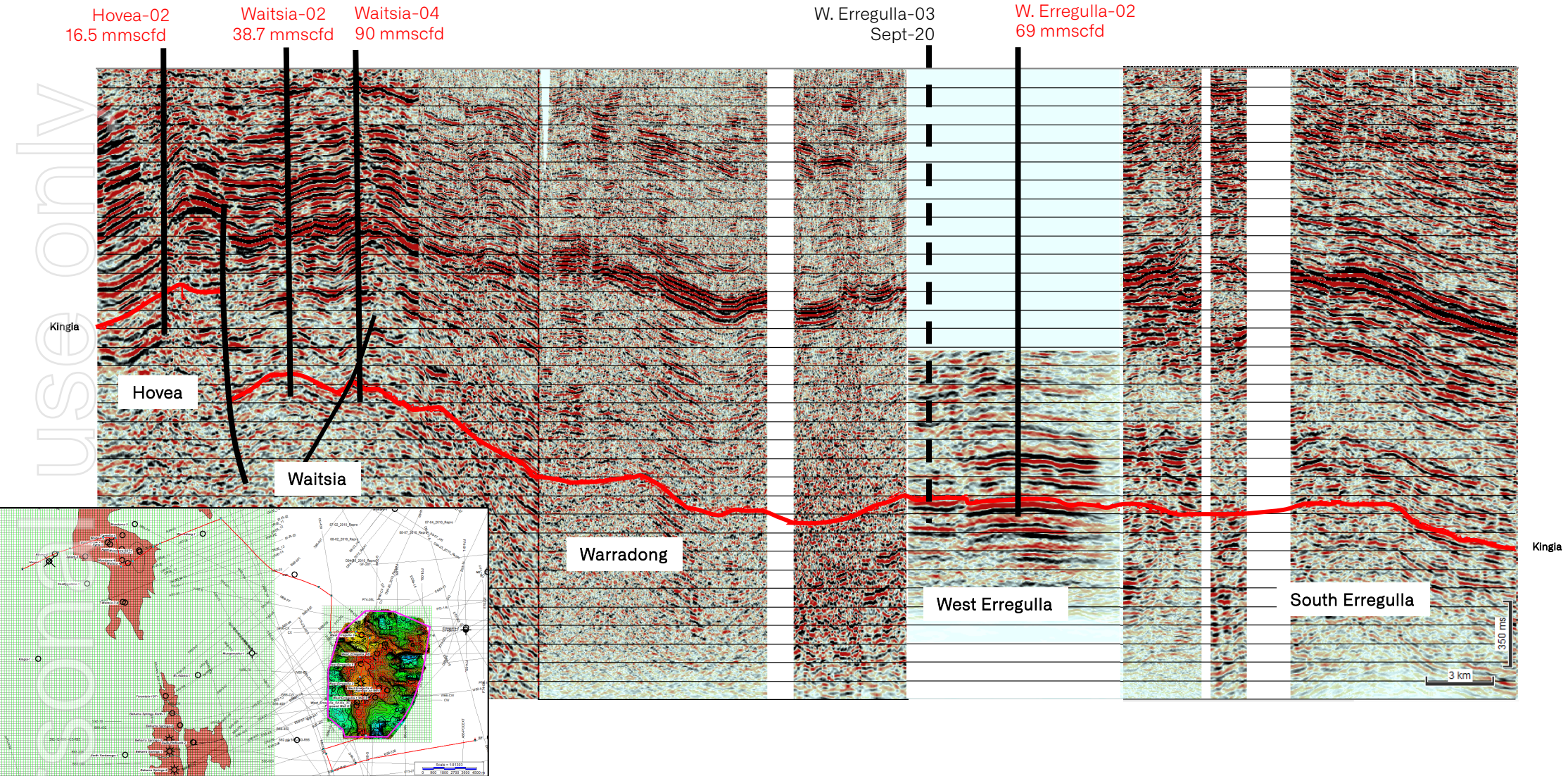
Petrography

- Kingia core sample from WE2 with measured porosity >16%
- Report concludes Kingia reservoir at West Erregulla is of good to excellent quality
- Chlorite coatings of sand grains are the primary porosity preservation mechanism, as also seen throughout Waitsia

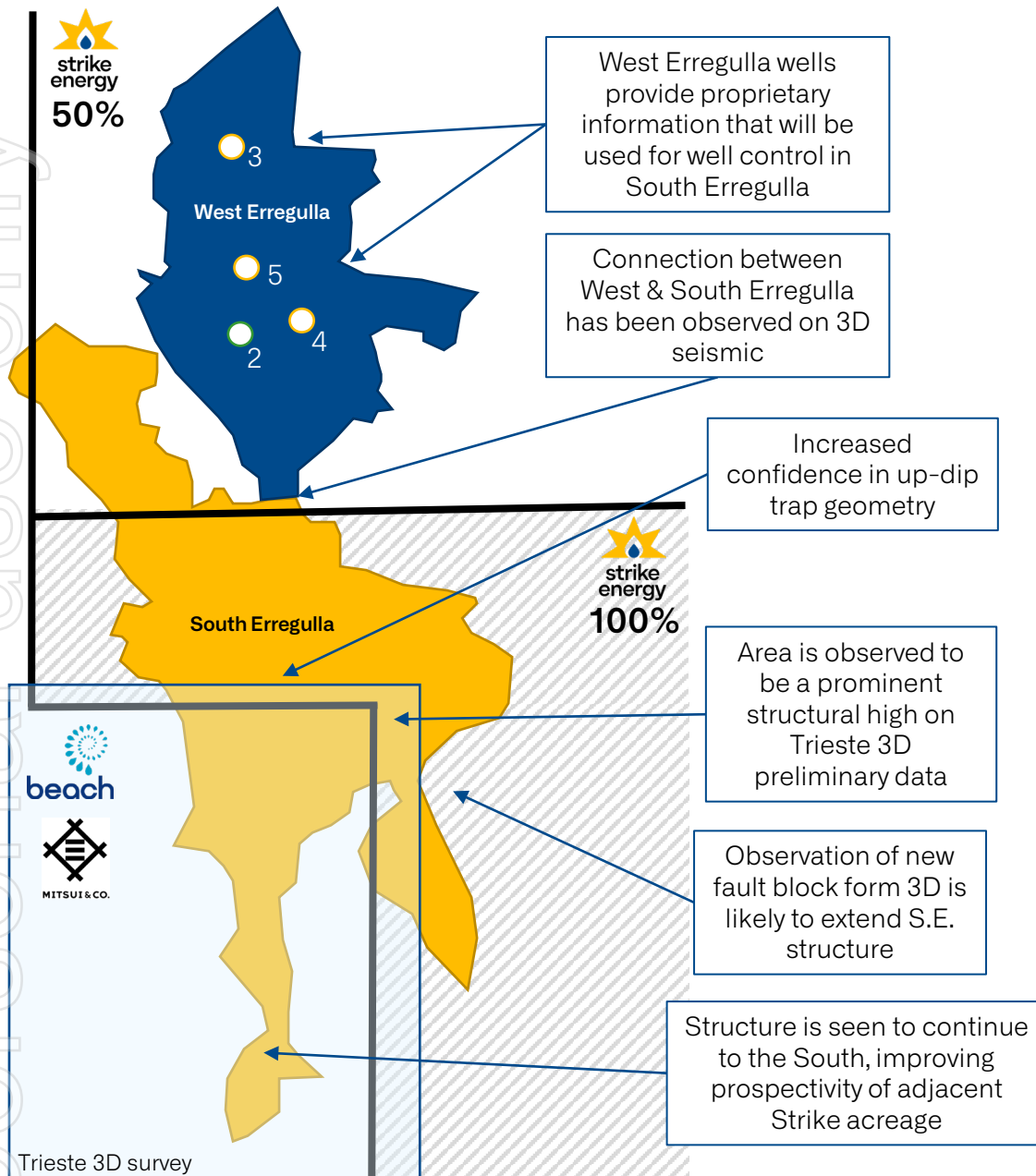


Resource confidence is high due to excellent data match between seismic interpretation and well results. Northern fault block likely communicating with Central block as evidenced by GWC below the saddle, continuous amplitude response across the feature and analogous structural setting at Waitsia which is made up of 4 linked communicating fault blocks.



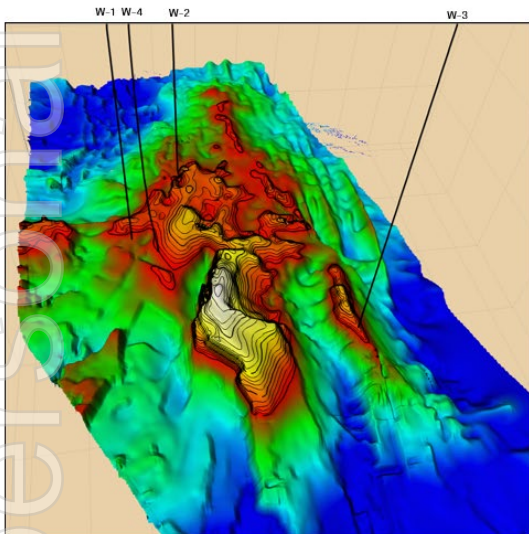


- Kingia / High Cliff and Wagina are all prevalent to the South and East of West Erregulla
- South Erregulla Permian sequences are at the same depth as West Erregulla

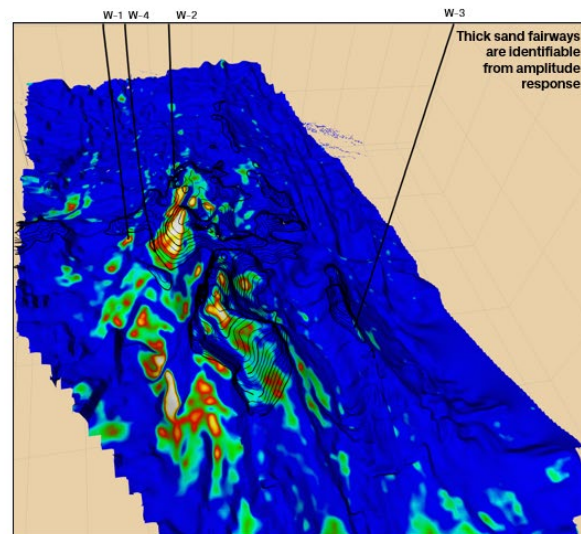


- Strike's takeaways from the preliminary processed Trieste 3D data:
 1. South Erregulla is large
 2. Structure continues further to the South
 3. A major crestal high is observed on Strike 100% acreage
 4. Depth is similar to West Erregulla
 5. Discontinuous, but appreciable amplitude blooms (current data is noisy)
- Further processed volumes of Trieste will allow for Strike to advance its interpretation over the coming weeks
- All data gathered during the West Erregulla appraisal campaign builds further proprietary understanding of Strike additional Permian acreage.

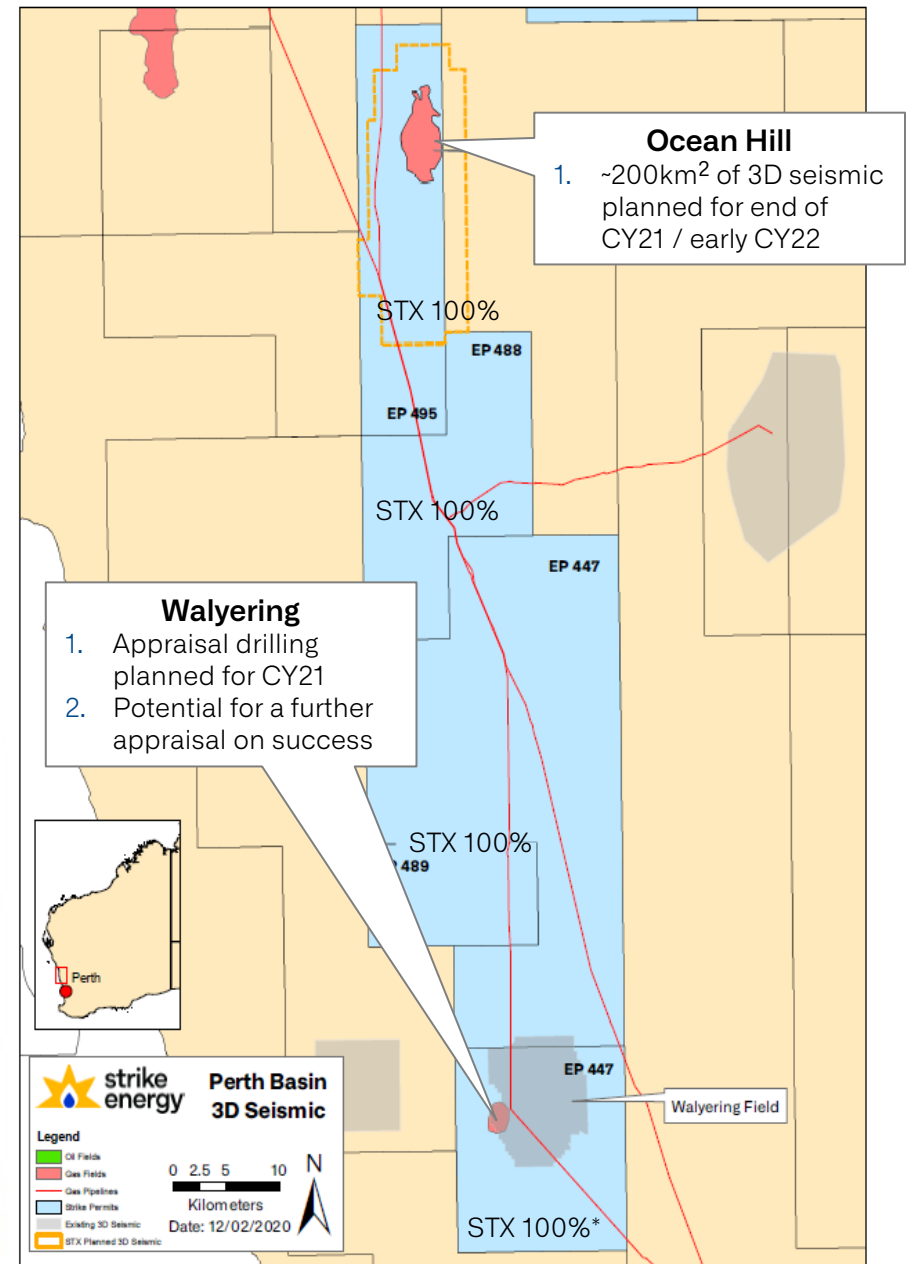
- Walyering now represents a high confidence wet-gas target and is a perfect test case for Strike’s proprietary geophysical diagnostics of conventional gas accumulations in the Jurassic sequences.
- Strike progressing appraisal drilling via farming out a 45% non-operated interest in Walyering (EP447) to Talon Petroleum in exchange for a **\$6m free carry**.
- Strike owns and operates 1,853 km² of acreage in the play which will revalue on success at the Walyering appraisal well.



Walyering A-Gas Sand
3D rendered Time Structure map illustrating main structural closure and subsidiary internal fault compartments.

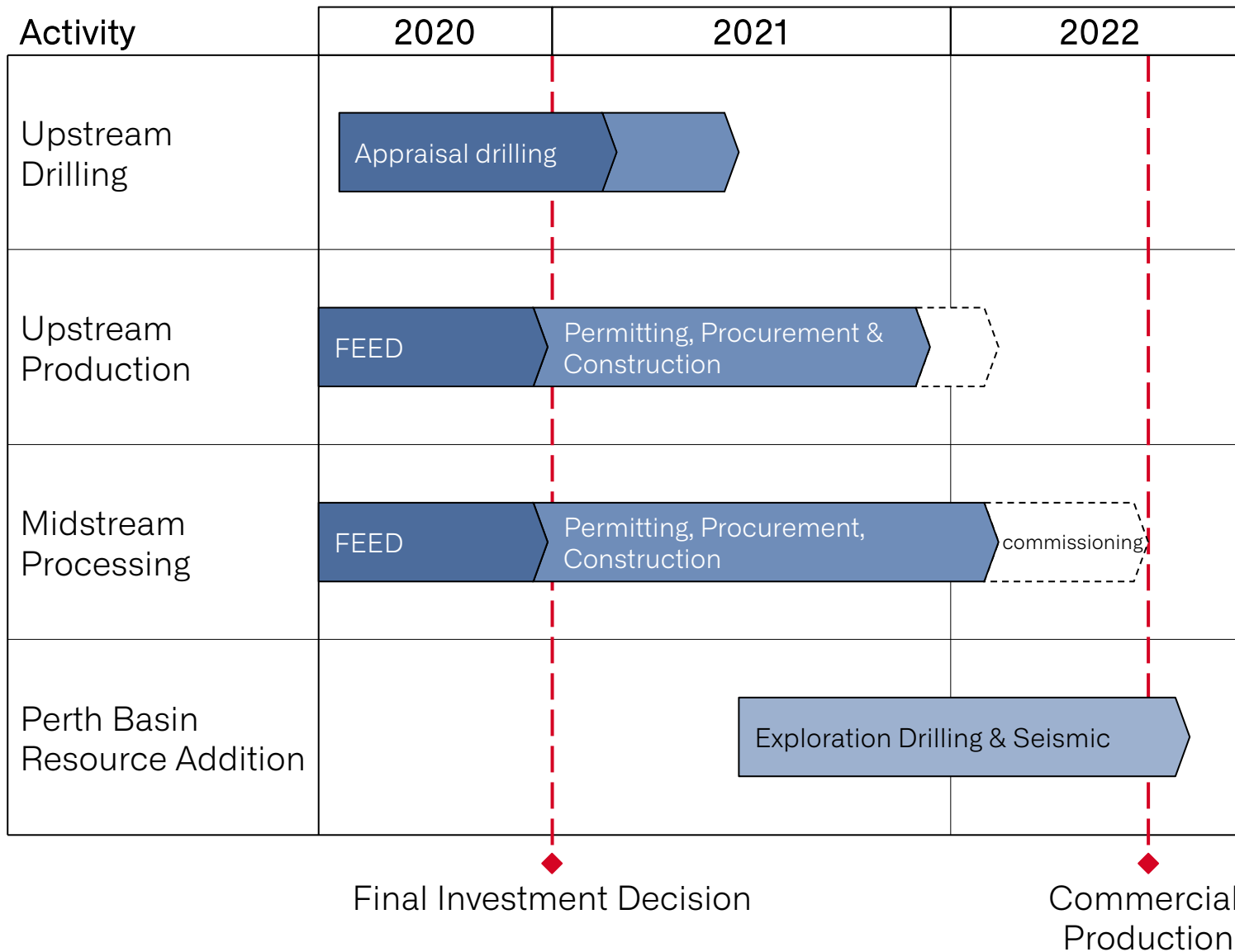


Walyering A-Gas Sand
Peak Amplitude map



On completion of the farm-in by Talon, Strike will reduce to 55% and operator

West Erregulla
Perth Basin



- West Erregulla 3,4,5* to inform full field development size.
- All wells completed as producers.

- Production License conversion.
- Construction of tie ins, well skids and trunk lines.

- Engineering and construction by AGIG
- Production operations under build/own/operate model.

- Exploration drilling at Walyering & South Erregulla.
- 3D seismic in the Greater Erregulla region.

Timeline is indicative and subject to appraisal results, JV discussion/processes, execution of infrastructure documentation and midstream FID, capital procurement, offtake market conditions, land access and regulatory approvals. WE5*: is subject to a JV decision by end November 2020.

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The WA Gas Landscape



WA future domestic gas supply at risk from project delays

1

**Browse
LNG**

Announced long term delays,
investability concerns with remote high
development costs

2

**Scarborough
LNG**

Medium term delays from commercial
complexity with joint venture and LNG
market conditions

3

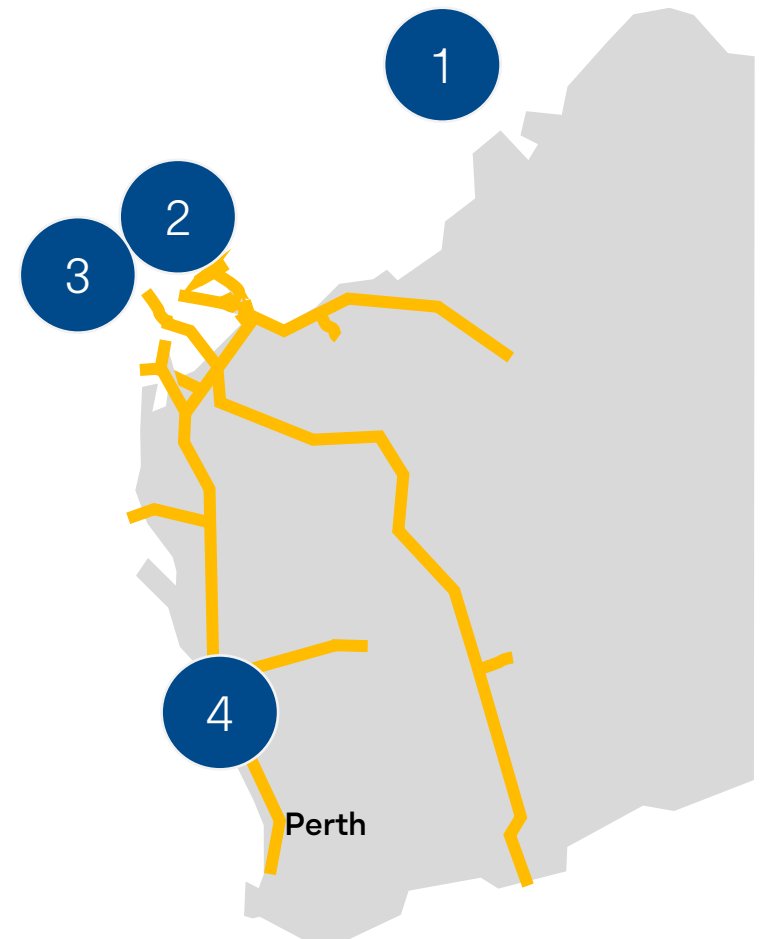
**Gorgon
Phase 2**

High cost investment base during
challenging market conditions

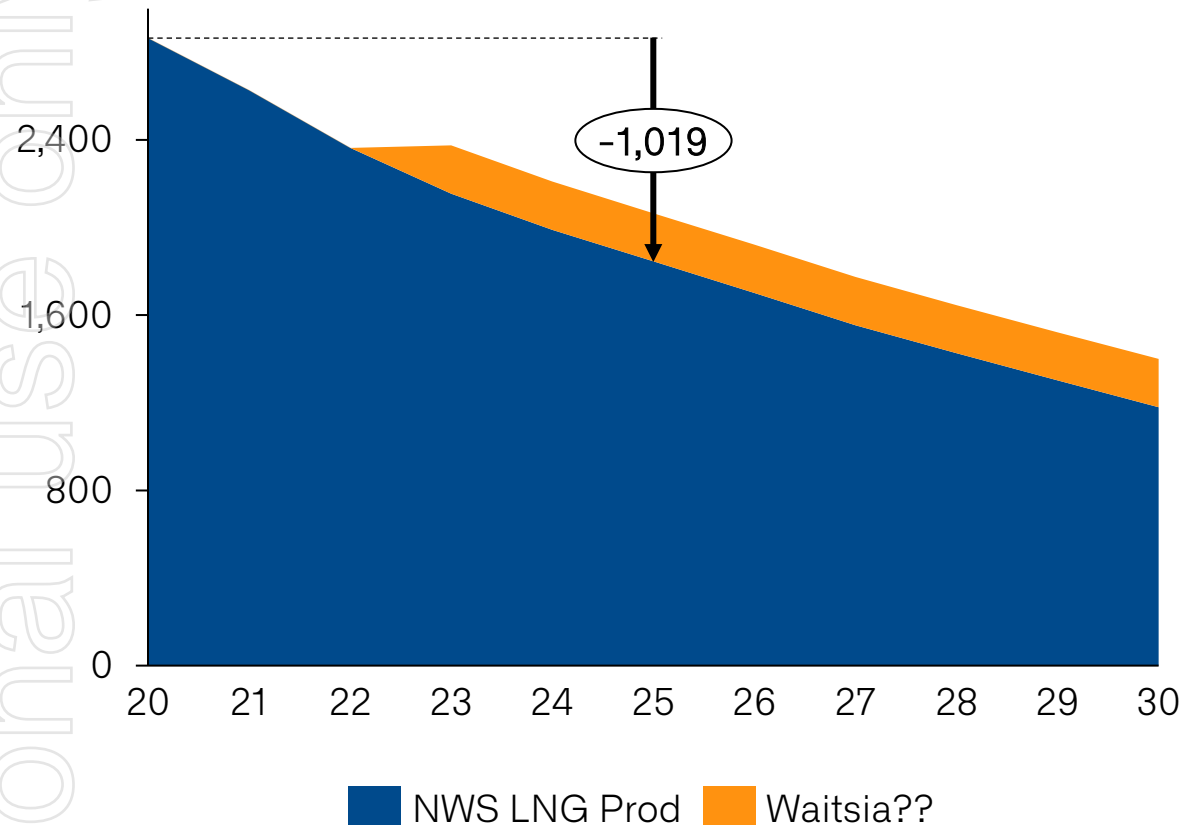
4

Waitsia

Waitsia in negotiation to backfill to the
NWS LNG project.



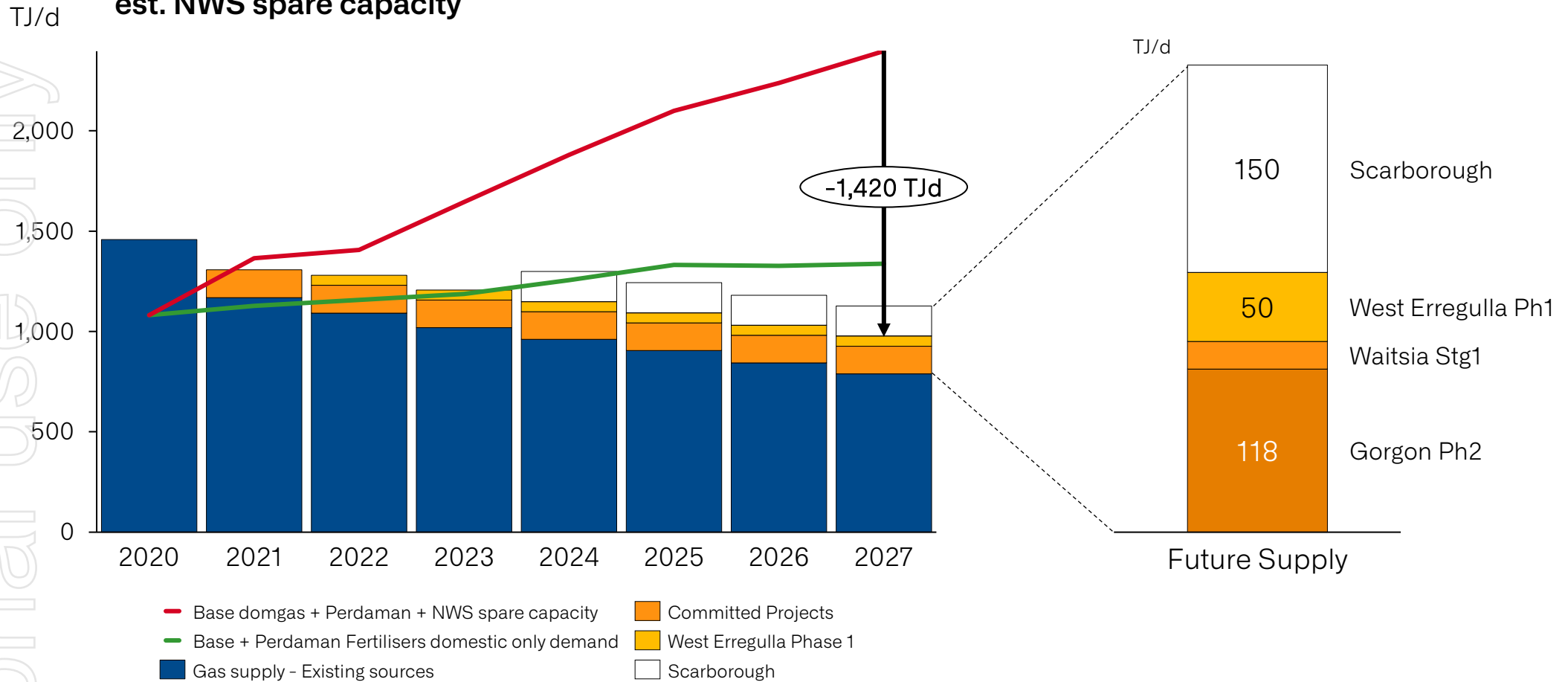
North West Shelf LNG production and speculated backfill (TJ/d)



LNG netback pricing could evolve as the new non-domestically reserved floor price for WA gas

- NWS owners likely to try and maximise LNG output whilst AUD is depressed (higher margins)
- Oil price crash /COVID has created delays and deferrals of major backfill candidates
- Huge liquefaction capacity now available mid decade
- NWS Act extended to 2059 and to allow third party volumes
- NWS may fast become a demand sink for uncontracted and developable gas resources

WA domestic gas supply and demand plus est. NWS spare capacity



- Deferral of LNG projects, projected increases in demand and spare NWS ullage is creating upheaval in WA gas markets.
- Existing Sources and Committed Projects in are not enough to even keep the domestic only market adequately supplied.
- The WA gas market (domestic and LNG backfill) may now be anywhere between 361 and 1,420 TJ/d short by 2027

Data Source: WA Gas Market information from AEMO 2019 | Western Australia Gas Statement of Opportunities and internal Strike estimates & Rystad Energy GasMarketCube, Ucube, NWS capacity assumes Waitsia Stg2 backfill from 2022 and all 5 trains remain online and available

Perth Basin gas has a '~\$1.10 GJ' cost advantage versus peers for transport to Perth

WA Domestic Gas Market:

up to 1,200 TJ/d

Or

~\$2.2 bln market p.a.

Estimated Transmission Costs

North West



\$1.44 GJ



Perth / South West

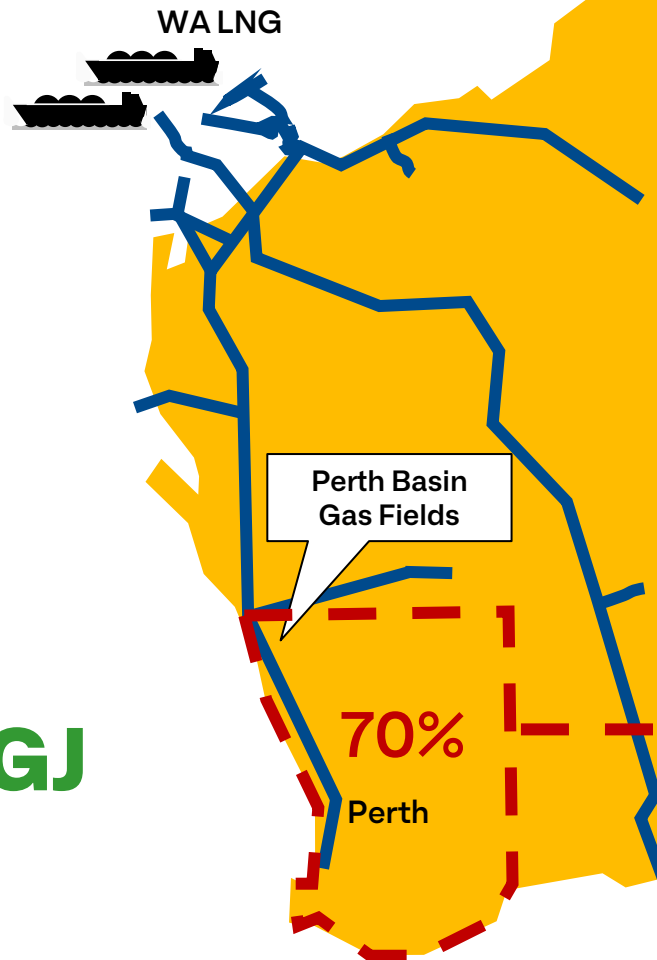
Mid West



\$0.34 GJ



Perth / South West

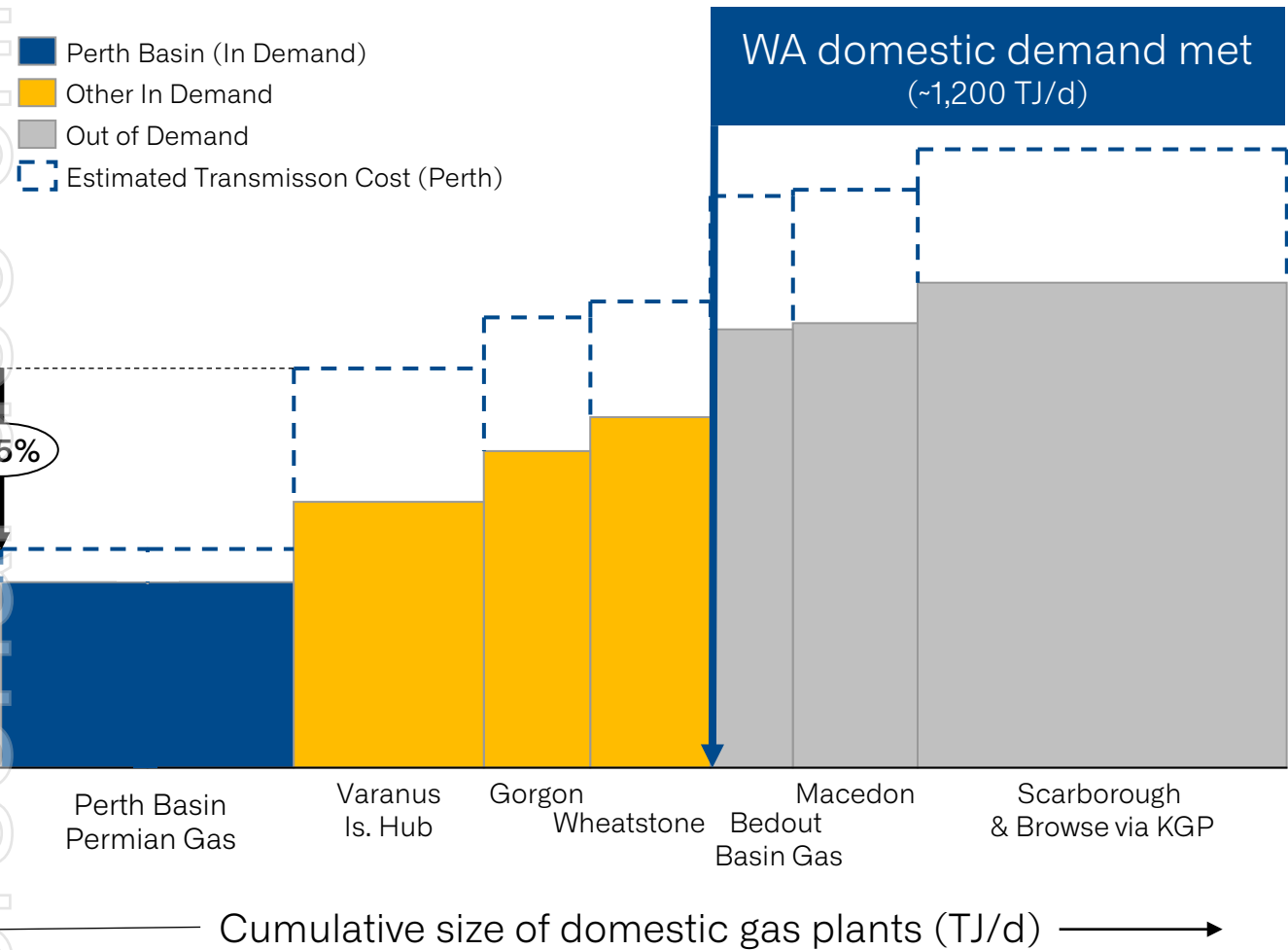


The Perth Basin is the closest source of gas to the bulk of WA gas demand

70% of WA's domestic gas demand is south of Geraldton

Estimated Forward Breakeven Cost of Supply for Uncontracted Gas¹

(Relative \$/GJ)



- Size, quality and location to market, coupled with onshore costs base, makes Perth Basin Permian gas supply low cost.
- WA gas market has daily demand of up to 1,200 TJ/d.
- If economic to do so, new LNG will become the domestic market marginal supplier.

¹Source of External Cost Benchmarking: Rystad Energy Consulting Ucube Upstream Database
 Perth Basin conventional Permian gas costs and facility sizes are internal estimates
 Domestic gas facility size source: AEMO Gas Bulletin Board WA
 Estimated transmission costs are via AGIG DBNGP: Five-year plan Dampier to Bunbury Natural Gas Pipeline 2021-25 draft plan https://www.dbp.net.au/wp-content/uploads/2019/05/AGIG-DBP-Draft-Plan-2021-2025_Web.pdf

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