

Strike delivers maiden Perth Basin gas reserve

- Internationally recognised subsurface consultancy Netherland, Sewell & Associates, Inc. (NSAI) has certified 300 PJ 2P and up to 372 PJ 3P gross gas Reserves at the West Erregulla gas field in the Kingia Sandstone alone.
- NSAI's Reserves certification supports progression of the West Erregulla Gas Project into its Phase 1 of development.
- Considerable upside has been identified by NSAI in the West Erregulla gas field with a further 128 PJ of gross 2C Resources and 198 PJ of gross 2U Resources.
- NSAI's mapping of West Erregulla shows a continuous gas resource to the southern boundary of the permit supporting Strike's high degree of confidence in the potential of the 100% owned South Erregulla prospect.

Strike Energy Limited (Strike - ASX: STX) is pleased to announce that it has delivered its maiden Perth Basin Gas Reserve only 24 months after its first exploration operations in the Basin.

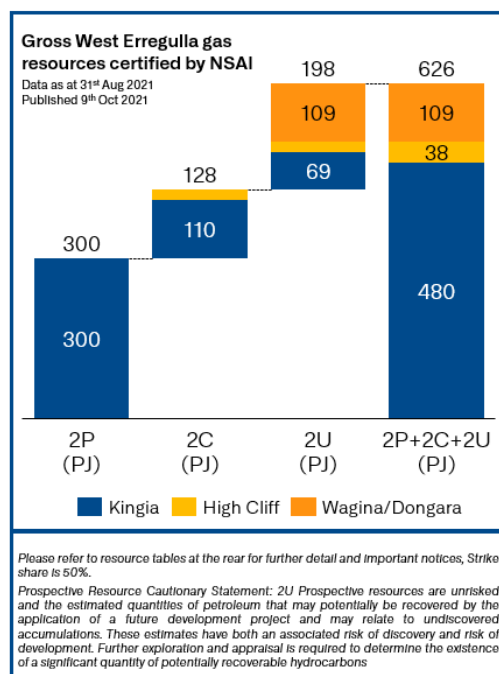
Chief Executive Officer & Managing Director, Stuart Nicholls said:

"Natural gas from the Erregulla region in the Perth Basin is one the most competitive energy sources in the country, competing on cost, carbon and reliability."

"Delivering our maiden Perth Basin reserve is an important step on the journey towards delivering Strike's Mid-West vision of becoming a Net Zero 2030 integrated energy, fertiliser and renewable power producer, predicted to be the first of its kind for Australia."

"These initial reserves are the beginning of a value staircase with a clear plan to increase the recoverable resources in the Erregulla complex and come at a time when gas availability is shortening and its value in the energy system is rising."

"These NSAI certified resources are bounded by significant upside and potential in Strike's 100% owned acreage, where gas resources have been booked to the very southern edge of the permit boundary, where Strike's acreage continues."



Reserves release conference call details

Strike will host a conference call to discuss the Reserves and Resources release. The call will take place at 11:00am (AEST) on Monday, 11th October 2021. Participants need to pre-register by following the link and instructions at the end of this announcement.

West Erregulla Gas Project

Internationally recognised subsurface consultancy, Netherland, Sewell & Associates, Inc. (NSAI) have estimated gross 2P gas reserves of 300 PJ (150 PJ net to Strike)¹ which supports the progression of the West Erregulla Phase 1 gas project and recognises the resource conversion success of the drilling, appraisal, and development programme thus far.

Strike will now proceed to take the development forward and enter into mandates with various banks in order to commence due diligence prior to finalising the terms of a Project Financing facility for the Phase 1 development, where EP469 gas (subject to certain conditions being met) has been sold to the project's foundation customers, Wesfarmers and Alcoa.

Construction of the upstream and midstream processing facilities is expected to commence in 2H 2022 following the endorsement of upstream and midstream final investment decisions and receipt of necessary approvals under Part IV of the *Environmental Protection Act 1986* (WA) with first gas expected in 2H 2023.

Australian Gas Infrastructure Group will build own and operate the 87 TJ/d gas plant to process the EP469 Phase 1 gas. The plant will be constructed within the EP469 permit area and will directly tie into the Dampier to Bunbury Natural Gas Pipeline (DBNGP).

West Erregulla Resources & Reserves

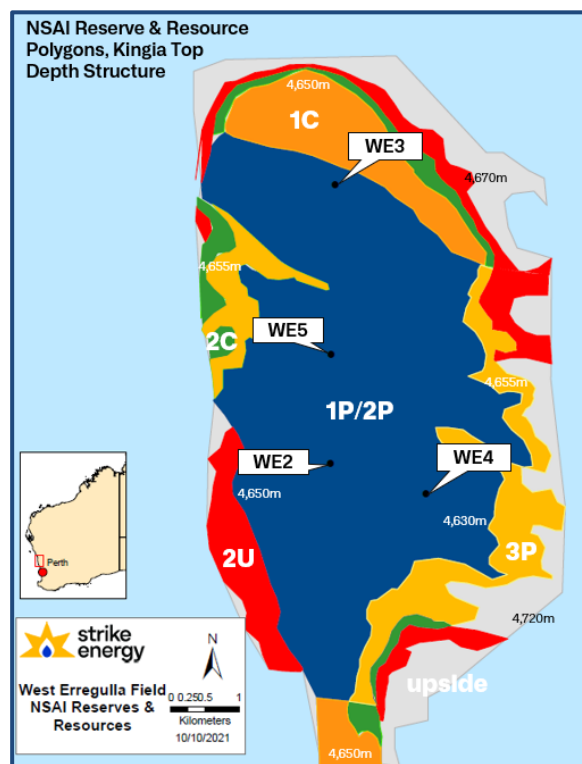
NSAI has recognised substantial growth potential in the West Erregulla gas field with a further 128 PJ of gross 2C Contingent Resources (64 PJ net to Strike) and 198 PJ of gross 2U Prospective Resources (99 PJ net to Strike) in the Kingia, High Cliff and Wagina/Dongara Sandstones.²

The NSAI Reserves and Resources report is based on the drilling, coring, log, seismic and production testing data from the various strata and exploration and appraisal wells drilled throughout the field.

NSAI have estimated reserves and resources against the following field contours for the Kingia Sandstone:

- 1P Reserves down to 4,630m subsea true vertical depth (ssTVD) excluding the most Northern and Southern areas).
- 2P Reserves down to 4,650m ssTVD on the Western side of the field and 4,630m ss TVD on the Eastern side of the field.
- 3P Reserves down to 4,650m ssTVD.
- All Contingent Resources (1C/2C/3C) down to 4,655m ssTVD. (excluding the most Northern and Southern areas).
- All Prospective Resources (1U/2U/3U) down to 4,670m ssTVD.

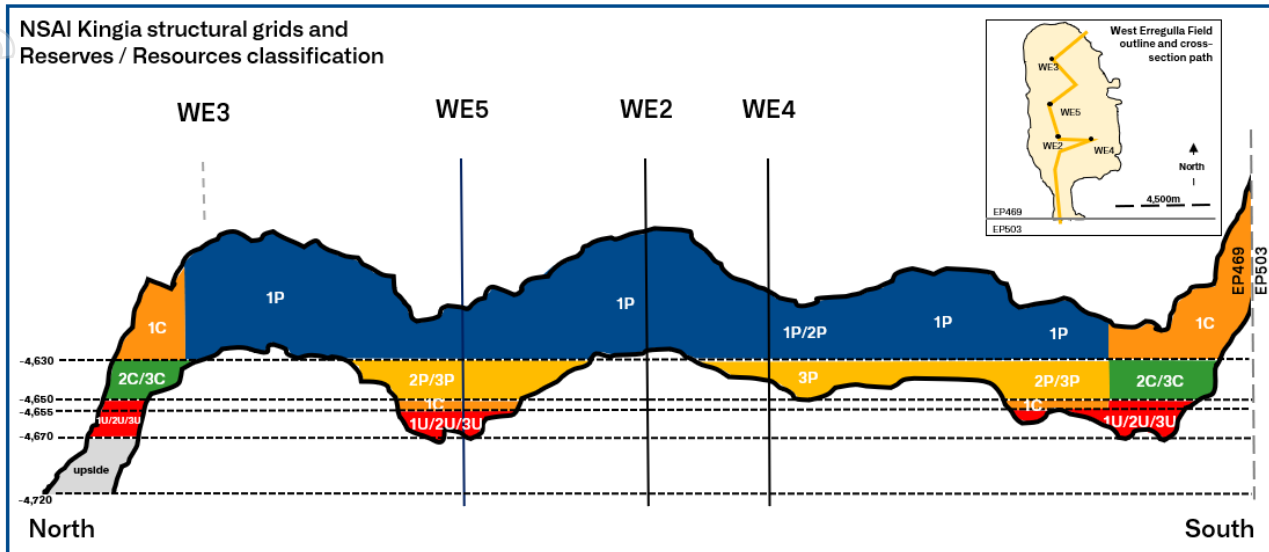
Strike also observes the potential for deeper gas down to 4,720m ssTVD on at least the Western flank of the field, which Strike estimates could potentially add 155 PJ of P50 upside recoverable gas resources that NSAI risked out in the deeper



¹ Refer to resource tables at the end of this release.

² Refer to resource tables at end of this release and to Prospective Resource cautionary note on page 1 of this release.

Kingia horizon. A down dip well would need to be drilled to confirm this additional upside resource.



The West Erregulla appraisal program has delivered a larger sample set of results for the field, but a wider distribution of various input factors than was considered in September 2019 in the initial resource estimate by Strike after the first well penetration of WE2. This distribution has generated a lower total resource base where some of the original Contingent Resources have either been risked out of the distribution or reclassified as Prospective Resource. In most cases NSAI and Strike have landed on similar inputs for the calculation of the resource including gas saturation, expansion factors, rock properties and calorific values. However, there have been some areas where Strike's original assumptions were disproven by the appraisal drilling programme. For example, the WE2 production test was observed as dry which indicated a naturally depleted drive of the West Erregulla reservoir, whereas post the appraisal program and observation of a water body in the WE4 well, test data now additional drive mechanisms, therefore, a corresponding reduced overall recovery factor. As a result, NSAI have assessed the P50 final recoverable volumes at 138 PJ less than Strike had originally estimated. In addition, the High Cliff was observed to have poorer reservoir development in wells drilled subsequent to WE2 which has reduced the estimate of recoverable High Cliff resources by 163 PJ.

There remain a number of areas where Strike's interpretation of some of the data used in the reserve and resource estimate has differed from NSAI's, which is based on their risking profile and as a result NSAI have risked some volumes out of their distribution. This provides the opportunity for additional resource upside on the provision of further supporting information and data. These areas include:

- **Time depth conversion:** Strike observes the opportunity for up to 130 PJ of P50 recoverable resource from the inclusion of gross rock volume that was not included in this NSAI estimate due to insufficient quality and resolution of seismic data. Additional processing and the planned Natta 3D Seismic program would be required to review the structural mapping in order to reduce the uncertainty of the field boundaries.
- **Perched Water:** The Eastern flank of the field was given a shallower contact of 4,630m ssTVD by NSAI reflecting the presence of water in the WE4 well test. The areal extent of this polygon is currently substantial and resulted in a reduction by NSAI in the total P50 recoverable resource of 180 PJ. The large size of this polygon is due to the lack of additional well control on the eastern side of the field, where identification of the water

boundary from additional drilling results in the East could prove smaller and, therefore, incremental gas prone reservoir coming back into the total gross reservoir volume.

- **Recovery Factor:** NSAI has used a P50 recovery factor of 70% due to the depth of the field and the lack of extended production data from any equivalent deep penetration in the Basin. P50 recovery factors of 75% or more have commonly been used for the Permian gas discoveries of the Perth Basin, which may be possible at West Erregulla once additional production data is available. An increase in recovery to 75% would see a P50 incremental recovery of 30 PJ.

West Erregulla Drilling & Testing

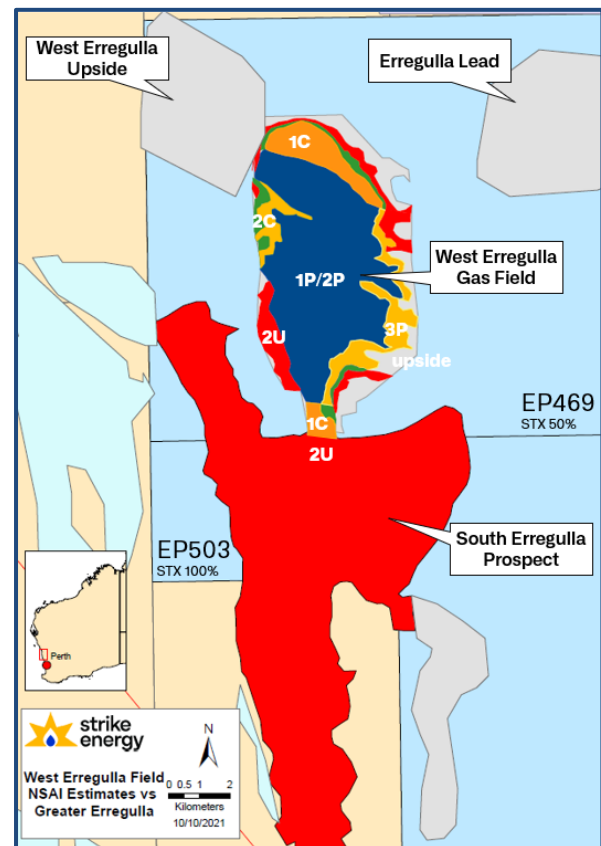
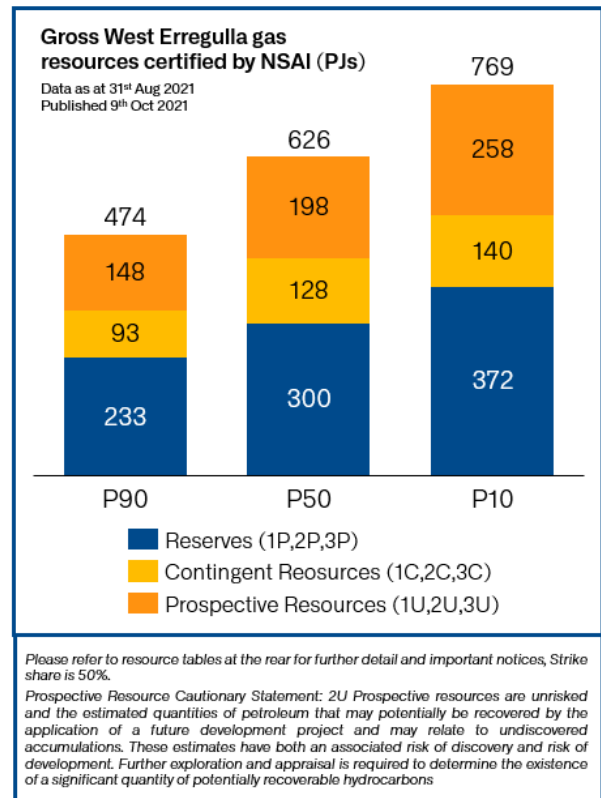
NSAI has booked Reserves over both the WE5 and WE3 areas, thereby reducing the urgency to retest/recomplete these wells at a time when it is difficult to secure the necessary expertise and equipment due to movement restrictions into Western Australia. As such Strike plans to return to WE3 in 1H/22 in order to deepen the well into the Kingia High Cliff and will look to campaign the re-testing of WE5 along with WE3 and possibly other wells in the area, which could include South Erregulla 1 and or Lockyer Deep 1. This will drive cost savings and facilitate adequate time to prepare the West Erregulla well inventory for future production operations.

The joint venture has also proposed a new well, West Erregulla 6 (WE6) to be drilled in FY23. This well will provide additional production capacity and redundancy for the Phase 1 production operations and may provide the opportunity to test some of the upside opportunities within the field.

South Erregulla

NSAI has identified West Erregulla's Contingent Resources to the far south down to the permit boundary of EP469. EP469 borders EP503, Strike's 100% owned and operated permit that contains the South Erregulla prospect.

Strike's interpretation that West Erregulla is connected to South Erregulla³ is further supported by NSAI's work. NSAI's booking of resource



³ Refer to ASX announcement titled "Exploration Portfolio Update" released on 17th February 2020. Strike confirms it is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimates in that announcement continue to apply.

to this arbitrary point bodes well for the probability of success in the South Erregulla-1 well and, as a result, Strike has sought approval from the regulator to add a second South Erregulla well into its Environmental Permit to facilitate timely appraisal and faster reserves conversion on success.

Strike has previously published a Prospective Resource for its South Erregulla prospect³ which it intends to drill in Q4 of this calendar year subject to procurement and rig timing. As NSAI and Strike have agreed on similar rock properties and gas saturations, Strike continues to endorse the original in place volume as previously released to the market. The application of future recovery factors to any discovery will be reviewed in parallel to the NSAI recovery factors applied to this resource assessment, however, Strike does not intend to revise the South Erregulla in place resource estimate until it has drilled the South Erregulla-1 well and has the requisite well data to better inform any resource estimate adjustment.

West Erregulla Reserve and Resource Tables

As at 31st August 2021

| West Erregulla Gas Reserves Gas Gross | | | | | | |
|---------------------------------------|-----------------------------|-----|-----|----------------------------------|-----|-----|
| | Original Gas in Place (BCF) | | | Proved, Probable & Possible (PJ) | | |
| | P90 | P50 | P10 | 1P | 2P | 3P |
| Kingia | 350 | 409 | 499 | 233 | 300 | 372 |

| West Erregulla Gas Unrisked Contingent Resources Gross | | | | | | |
|--|-----------------------------|------------|------------|-------------------------|------------|------------|
| | Original Gas in Place (BCF) | | | Low, Best and High (PJ) | | |
| | P90 | P50 | P10 | 1C | 2C | 3C |
| Kingia | 124 | 155 | 155 | 82 | 110 | 113 |
| High Cliff | 18 | 27 | 37 | 11 | 18 | 26 |
| Current Total | 141 | 182 | 191 | 93 | 128 | 140 |

| West Erregulla Gas Unrisked Prospective Resources Gross | | | | | | |
|---|-----------------------------|------------|------------|-------------------------|------------|------------|
| | Original Gas in Place (BCF) | | | Low, Best and High (PJ) | | |
| | P90 | P50 | P10 | 1U | 2U | 3U |
| Kingia | 97 | 97 | 97 | 64 | 69 | 71 |
| High Cliff | 26 | 30 | 35 | 16 | 20 | 25 |
| Wagina/Dongara | 157 | 202 | 250 | 68 | 109 | 161 |
| Current Total | 280 | 329 | 382 | 148 | 198 | 258 |

Cautionary Statement: Prospective resources are unrisked and the estimated quantities of petroleum that may potentially be recovered by the application of a future development project and may relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons

West Erregulla Gas Reserves Gas Net (50% Strike share)

| | | | | Proved, Probable & Possible (PJ) | | |
|--------|-----|-----|-----|----------------------------------|-----|-----|
| | P90 | P50 | P10 | 1P | 2P | 3P |
| Kingia | 175 | 205 | 250 | 117 | 150 | 186 |

West Erregulla Gas unrisksed Contingent Resources (50% Strike share)

| | Original Gas in Place (BCF) | | | Low, Best and High (PJ) | | |
|----------------------|-----------------------------|-----------|-----------|-------------------------|-----------|-----------|
| | P90 | P50 | P10 | 1C | 2C | 3C |
| Kingia | 62 | 77 | 77 | 41 | 55 | 57 |
| High Cliff | 9 | 14 | 18 | 5 | 9 | 13 |
| Current Total | 71 | 91 | 96 | 46 | 64 | 70 |

West Erregulla Gas Unrisksed Prospective Resources (50% Strike share)

| | Original Gas in Place (BCF) | | | Low, Best and High (PJ) | | |
|----------------------|-----------------------------|------------|------------|-------------------------|-----------|------------|
| | P90 | P50 | P10 | 1U | 2U | 3U |
| Kingia | 49 | 49 | 49 | 32 | 35 | 36 |
| High Cliff | 13 | 15 | 18 | 8 | 10 | 13 |
| Wagina/Dongara | 78 | 101 | 125 | 34 | 54 | 81 |
| Current Total | 140 | 165 | 191 | 74 | 99 | 129 |

Probabilistic and deterministic evaluation methods have been used. The four reservoirs have been added arithmetically and include fuel and flare.

Cautionary Statement: Prospective resources are unrisksed and estimated quantities of petroleum that may potentially be recovered by the application of a future development project and may relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons

Reserves release teleconference details

Strike will host a conference call for equity market participants to discuss the Reserves release. The call will take place at 11:00am (AEST) on Monday, 11 October 2021. Participants need to pre-register by following the link and instructions below.

Joining the conference call:

1. Please register in advance of the conference using the link provided below. Upon registering, you will be provided with participant dial-in numbers, Direct Event passcode and unique registrant ID. The conference ID is 10017254.
2. In the 10 minutes prior to the call start time, you will need to use the conference access information provided in the email received at the point of registering.

Direct Event online registration: <https://s1.c-conf.com/diamondpass/10017254-wu2pgk.html>

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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Important Notices

Additional Information in respect to Reserves and Resources required by the ASX Listing Rules (LR):

The reported Reserves, Contingent Resource and Prospective Resources in the Kingia, High Cliff, Wagina/Dongara within Exploration Permit EP469 have been estimated by Netherland, Sewell & Associates, Inc. (NSAI) based on data as at 31st August 2021.

All Reserves and Resources figures in this document are net to Strike unless otherwise stated. Strike holds a 50% operated interest in Exploration Permit EP469 to which the Reserve and Resource estimates relate.

The Reserves and Resources have been prepared in accordance with definitions and guidelines in the Society of Petroleum Engineers (SPE) 2018 Petroleum Resources Management System (PRMS), and have been categorised and reported in the most specific category that reflects the degree of uncertainty in the estimated quantities, that is 1P, 2P and 3P in the case of Reserves, 1C, 2C and 3C in the case of Contingent Resources, and low (1U), best (2U) and high (3U) in the case of Prospective Resources. The Contingent and Prospective Resource estimates are un-risked and have a risk of development.

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking statements.

In respect to the Reserve estimates:

- LR 5.26.1 - Strike has a high degree of confidence in the commerciality of the project and evidence of the economic producibility of the reservoir.
- LR 5.26.4 (Lease Fuel) - The Reserves estimates does not include fuel and flare gas consumption. Strike estimates that approximately 2.7TJ/d will be required by the gas processing facilities, however this energy consumption may be displaced with the provision of up to 20 MW of renewable electricity from the Mid-West region. Shrinkage of sales gas from raw gas was estimated at 5.8% in NSAI's report with the energy content of the gas 1.081 PJ per BCF measured at a standard temperature and pressure;
- LR 5.26.5 (Reference Point) – The reference point at which these reserves have been estimated is the inlet to the Dampier to Bunbury Natural Gas Pipeline on the outlet of the AGIG export pipeline and processing facilities;

- LR 5.26.7 and 5.26.8(Aggregation)- The Reserves have been aggregated by arithmetic summation by category, that is 1P, 2P and 3P. As recommended by the PRMS, the 1P, 2P and 3P Reserves have been aggregated beyond the project level by arithmetic summation, hence the aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation;
- LR 5.31.1 (Material economic assumptions) - All economic assumptions that form the basis of the commerciality test were provided as actual or planned expenditures and revenues by Strike to NSAI. Any assumptions on capital or operating costs were based on authorisations for expenditure or actual costs, or near final agreed pricing. These assumptions are commercially sensitive. Economic consideration has been applied for all State based royalties and federal taxes when assessing the resulting net project cashflows.
- LR 5.31.2 (Operated interest) – Strike has a 50% operated interest in the EP469 West Erregulla Project.
- LR 5.31.3 (Permits) – Strike holds Exploration Permit EP469 in respect of the reported Reserves in joint venture with Warrego Energy EP469 Pty Ltd.
- LR 5.31.4 (Description of analysis of Reserves) – The reserves were deemed commercial as screened against the economic assumptions for the West Erregulla Phase 1 conventional gas project to generate net project cashflows with conservative assumptions around capital, abandonment and ongoing operating costs. These assumptions are commercially sensitive. The cashflows were generated from the known sales quantities of gas to the existing offtakers of the project at estimated screening level pricing.
- LR 5.31.5 (Estimated Quantities to be recovered) – All reserves listed under the NSAI report are deemed as ‘under development’ and the resulting recoverable quantities of gas reflect the ultimate recoveries of the existing well inventory including the deepening of WE3, recompletion of WE5 and future drilling of WE6 (location TBC).
- LR 5.31.6:
 - Status of the project –The West Erregulla Phase 1 Project is in the pre-development phase and remains contingent on finalising a project financing facility, securing all requisite permits and approvals, execution of definitive gas processing development and services agreements with Australian Gas Infrastructure Group and the taking of a final investment decision by the EP469 Joint Venture. Strike believes there is now sufficient technical data available and sufficient reserves certified to proceed to take the development forward and progress each of these development pre-conditions.
 - Development timeline - Construction of the upstream gathering network and midstream processing facilities is expected to commence in 2H 2022 following the endorsement of upstream and midstream final investment decisions and receipt of necessary permits and approvals, with first gas expected in 2H 2023
 - Marketing arrangements that justify development -Foundation gas supply contracts with Wesfarmers subsidiary, CSBP Limited, and Alcoa Limited.
 - Access to transportation infrastructure – The 87 TJ/day gas processing plant to be built owned and operated by Australian Gas Infrastructure Group within the EP469 permit area will directly tie into the Dampier to Bunbury Natural Gas Pipeline (DBNGP).

- Environmental approvals required – Approvals pursuant to the Part IV of the *Environmental Protection Act 1986* (WA) for the upstream gathering network and for the midstream processing facilities. Applications for the Part IV approvals have been submitted and are currently under assessment.

In respect to the Contingent Resource estimates:

- LR 5.27.3 and 5.27.4 (Aggregation) – The Contingent Resources have been aggregated by arithmetic summation by category, that is 1C, 2C and 3C. As recommended by the PRMS, the 1C, 2C and 3C Contingent Resources have been aggregated beyond the project level by arithmetic summation, hence the aggregate 1C may be a very conservative estimate and the aggregate 3C may be a very optimistic estimate due to the portfolio effects of arithmetic summation.
- LR 5.33.2 (Basis for confirmation of hydrocarbons and discovery)– The existence of potentially moveable hydrocarbons and the determination of a discovery in the Kingia and High Cliff formations was via petrophysical analysis and, in the case of the Kingia, flowing of gas to surface.
- LR 5.33.3 (Analytical procedures and key contingencies) – The estimates have been determined using a combination of deterministic and probabilistic methods based on the data generated from the West Erregulla exploration and appraisal program, this includes interpretation of porosity, hydrocarbon saturation and net reservoir thickness from the logging program, the analysis of potential hydrocarbon columns from the pressure data and the fluid properties derived from the gas samples and applied to the structure map with recovery factors calculated using analogues and industry standards. The key contingencies that prevent the Contingent Resources from being classified as Reserves are (1) acquisition of additional technical data that can demonstrate producing rates and volumes sufficient to sustain economic viability; and (2) commitment to develop the resources.

In respect to the Prospective Resource estimates:

- LR 5.35.2 (Basis of estimation and further exploration activities) – The Prospective Resource estimates have been determined using a combination of deterministic and probabilistic and methods based on the data generated from the West Erregulla exploration and appraisal program, this includes interpretation of porosity, hydrocarbon saturation and net reservoir thickness from the logging program, the analysis of potential hydrocarbon columns from the pressure data and the fluid properties derived from the gas samples and applied to the structure map with recovery factors calculated using analogues and industry standards. Activities that may be required to generate conversion of the prospective Resource to a degree of higher classification include, the drilling of a down dip well to test the lower horizons, acquisition of the Natta 3D seismic, production data and a pressure sample from all or individually the High Cliff, Wagina and Dongara formations.
- LR 5.35.3 (Chance of discovery and development) – NSAI have listed the Prospective Resources as unrisks. Strike estimates that these Prospective Resources have a high degree of confidence in being discovered or confirmed with each individual Prospective Resource from each horizon having a different degree of probability based on reservoir makeup, gas water contacts, reservoir productivity and gas consumption. The probability of success for each horizon has not been quantified at this time.

Competent person's statements

About NSAI:

The Reserves and Resources estimated in this announcement have been made by Mr. John. G. Hattner Sr Vice President at Netherland, Sewell & Associates, Inc. (NSAI). Mr. John. G. Hattner is qualified in accordance with ASX listing rule 5.41 and has consented to the use of the reserves, contingent and prospective resources estimates, and to the form and context in which these statements appear.

NSAI are a worldwide leader of petroleum property analysis to industry and financial organizations and government agencies. We deliver high quality, fully integrated engineering, operational, geological, geophysical, petrophysical, and economic solutions for all facets of the upstream energy industry.

About Strike:

The information in this release that relates to reserve and resource estimates is based on information compiled or reviewed by Mr Andrew Farley who holds a B.Sc in Geology and is a member of the Society of Petroleum Engineers (SPE), and the Petroleum Exploration Society of Australia (PESA). Mr Farley is the Exploration Manager for the Group and has worked in the petroleum industry as a practicing geologist for more than 19 years. Mr Farley has consented to the form and context in which the estimated petroleum reserves, contingent resources and prospective resources and the supporting information are presented.

Forward Looking Statements

Statements contained in this release are or may be forward looking statements. All statements in this release regarding the outcomes of preliminary and definitive feasibility studies, projections and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Strike. Actual results, performance, actions and developments of Strike Energy may differ materially from those expressed or implied by the forward-looking statements in this release. Such forward-looking statements speak only as of the date of this release. Refer to the 'Summary of Key Risks' section of the release titled "Equity Raising and Corporate Update April 2021" released to ASX on 15 April 2021 for a summary of certain general, Strike specific and acquisition specific risk factors that may affect Strike. There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors set out in the aforementioned ASX release. Investors should consider the forward looking statements contained in this release in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Strike and any of its affiliates and their directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this document to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Strike since the date of this release.