Walyering Appraisal, Discovery & Testing Results

- Walyering-6 has been drilled to final depth of 3,551m with a new gas discovery in the Cadda Formation and 21m of pay identified in Cattamarra Sandstones.
- Conventional gas discovery identified in the Cadda Formation sandstones with 4m of net pay at 2,683m measured depth with porosities up to 22%, good gas saturation and permeabilities measured up to 220 mD with reservoir pressures of 3,827 psi.
- Analysis of Walyering-5 production test results indicate a large, connected volume of gas to the well which in itself supports the progression of the Walyering gas field into development.

Strike Energy Limited (Strike - ASX: STX) provides an update on the activities at the Walyering Gas Field on behalf of the EP447 JV (Strike 55%, Talon Energy 45%).

Walyering-6

Since the last update Strike has drilled the W6 well down to total depth at 3,551m (MD). This section of the hole contained the primary conventional sandstone targets in the Cattamarra Coal Measures and the secondary objective in the Cadda Formation sandstones. Mud logs, logging while drilling and wireline logging tools were used to evaluate both objectives.

The Cattamarra sands were observed to possess areas of good gas charged reservoir. The result whilst positively confirming Strike's geophysical and geological modelling of the play is lower quality than the excellent W5 well. However, sand thickness across the A to D Sands came within expectations with 21m of net gas pay primarily across the B & C Sands (3,309m & 3,389m MD respectively). The A-Sand was found to contain low gas saturation which is indicative of a breached seal whilst the D-Sand contained streaks of net gas pay which were deemed immaterial. As a result, the B & C Sands will provide candidates for the proposed production testing at W6. The result at W6 is consistent with the results seen at W1 (from 1971) where the B-Sand provided the majority of the produced volumes.

Positively, the secondary objective in the Cadda Formation at 2,683m (MD) was observed to be strongly gas charged throughout and to contain conventional sandstone reservoir which was measured as having a 4m block of very clean net gas pay with porosities up to 22% and an average of 20%, high permeability (up to 220mD) and measured pressures of 3,827 psi. Samples of the gas and reservoir fluid have been collected and have been sent to the laboratory for testing and compositional analysis. The Cadda will also be included in the proposed W6 flow test.

Managing Director & Chief Executive Officer, Stuart Nicholls said:

"Walyering-6 has provided positive appraisal outcomes that support the progression of the Walyering Reserves & Resources certification. The presence of the very high-quality gas discovery in the Cadda Formation bodes well for incremental production from the field.

"On successful flow testing at W6, Strike will incorporate the Cadda gas discovery and the Cattamarra appraisal results into the field's development plan. When W6 is combined with the better-than-expected results of W5, Strike is confident that the Walyering gas field continues to provide the fastest pathway toward a commercial development and earliest possible revenue generation from its portfolio of attractive Perth Basin energy projects."

Walyering-5 Well Test Results

Strike has now analysed the W5 well test data and calculated estimates of the connected volume of gas to the well bore. Positively, and based on Strike's internal analysis, the W5 well is interpreted to be connected to an estimated mid case of 60 PJs of gas in place across the four reservoirs, with the A-Sand representing the majority of the resource.[1] This is a strong and commercially indictive result for this well, and W5, with its 67 mmscfd stabilised rate stands as the most successful penetration of the Jurassic wet gas play in the Basin to date.

<table>
<tr><th>Reservoir</th><th>Interval Top TVDss (-m)</th><th>Average Porosity (%)</th><th>Perf interval (m)</th><th>Reservoir Pressure (Est, psi)</th><th>Peak Rate (mmscfd)</th><th>Stabilised Rate (mmscfd)</th><th>Choke Setting (")</th><th>FWHP (psi)</th><th>Length of Test (hrs)</th><th>Estimated connected resource (PJ)</th></tr>
<tr><td>A Sand</td><td>2,969</td><td>17.3</td><td>16</td><td>4,388</td><td>59</td><td>52</td><td>64/64</td><td>2557</td><td>>24</td><td>31</td></tr>
<tr><td>B Sand</td><td>3,045</td><td>14.5</td><td>32</td><td>4552</td><td>32</td><td>28</td><td>48/64</td><td>2175</td><td>>24</td><td rowspan="2">24</td></tr>
<tr><td>C Sand</td><td>3,154</td><td>16.4</td><td>10</td><td>4,850</td><td>32</td><td>27</td><td>48/64</td><td>2083</td><td>>24</td></tr>
<tr><td>D Sand</td><td>3,212</td><td>13.9</td><td>18</td><td>4,655</td><td>13</td><td>10</td><td>48/64</td><td>813</td><td>>24</td><td>5</td></tr>
<tr><td>Comingled Flow</td><td>-</td><td>15.4</td><td>76</td><td>-</td><td>75</td><td>67</td><td>72/64</td><td>2,634</td><td>~3</td><td>60</td></tr>
</table>

1. Estimated connected volume in place is calculated based on Strike reservoir engineering analysis of well test data and does not constitute a resource estimate for the purposes of the Petroleum Resources Management System 2018, BCF to PJ energy conversion factor of 1.2x was used based on the sweetness and negligible impurity of the Walyering gas stream.

Walyering Resources

The Cattamarra results at W6 indicate a different hydrocarbon system and trapping geometry for the western fault block of the field as opposed to the W5 eastern fault block. As such each area of the field will be assessed individually and summed to generate a field wide Reserve and Resource. The inclusion of the Cadda gas discovery is incremental to Strike's expectations for the pre-drill estimates of the western fault block. During the drilling at W6, Strike also took the opportunity to gather vital subsurface information (such a water samples and pressure gradients), which will support a higher degree of accuracy in the final resource calculation. Strike will work with RISC Advisory to incorporate these most recent drilling results into the final analysis for resource and reserve certification purposes as it proceeds through development.

Walyering Forward Plan

At W6 the rig will run and cement in place 5-1/2" casing and complete the well across the Cadda gas discovery and Cattamarra B & C Sands in preparation for a production test. On success, the W6 well will be incorporated and tied into the Walyering gas field development.

For the upstream development, Strike will continue to proceed as planned through the various milestones with the final production rate to be determined once flow testing of the W6 wells various successful horizons has occurred which is estimated to commence during June 2022.

Cadda Gas Discovery & Cattamarra Appraisal

All cut-offs and screening metrics (porosity, gas saturation etc) for the W6 well are as per the Walyering-5 results as announced to the ASX on the 6th of December 2021 *"Successful Appraisal of the Walyering Gas Field"*

The Walyering-5 well is located at: Latitude: 30° 43′ 48.30", Longitude 115° 28′ 43.61" and the Walyering-6 well: 30° 42′ 48.50", Longitude 115° 28′ 28.2"

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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Future Statements

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