

The Company Announcement Officer ASX Ltd
via electronic lodgement

JAWS-1 UPDATE & CONTRACT AWARD

- **Spud for Jaws-1 on-target for 14th February 2018**
- **Award of Drilling & Stimulation Contract for Jaws-1 to Halliburton**
- **Ensign 965 drill rig secured**

Strike Energy Limited (**Strike** - ASX: STX) is pleased to advise that it has entered into an integrated drilling and stimulation contract with Halliburton for the delivery of the Jaws-1 appraisal well.

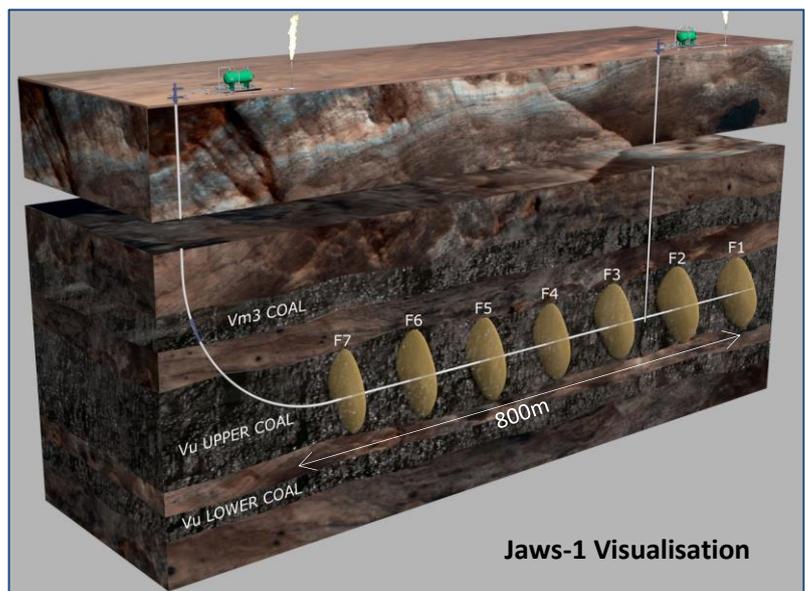
As indicated in the AGM presentation on the 16th November 2017, Strike has been able to secure the requisite services, contracts and long leads to schedule the spud date of Jaws-1 within the previously targeted Q1/2018 window.

In line with its strategy, Strike has been looking to employ the very best of the recent technological developments in the US shale industry into the execution of the Jaws-1 appraisal well. Halliburton represents an excellent outcome for Strike due to their substantial experience in US onshore directional drilling and advanced stimulation systems, combined with their proven track record in the Cooper Basin.

Halliburton and Strike, as operator, are also engaged in discussions on a partnership agreement for follow-on wells pending the successful execution of Jaws-1.

As a part of the drilling and stimulation contract, Halliburton will engage the Ensign 965 drilling rig. This is a fundamental advantage for the project as the Ensign 965 rig will be coming off existing work and has recent experience in both deep and horizontal/directional drilling in the Cooper Basin.

The Jaws-1 well is one of the most technologically advanced coal seam gas wells ever drilled. The well will test the application of advanced drilling and stimulation technologies on the gas-charged 35m thick Vu Upper coal seam and their effects on the productivity of the reservoir. Strike expects to be in a



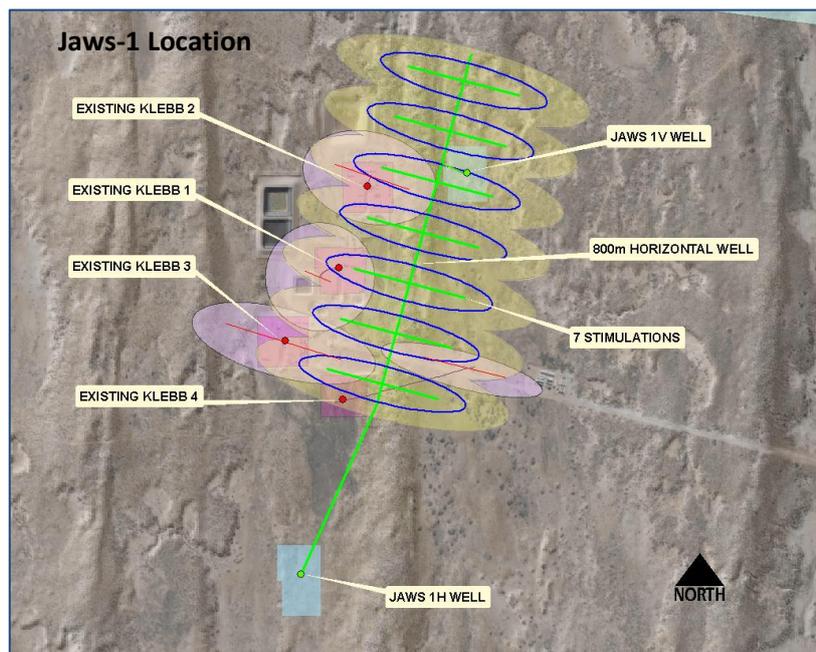
position to declare commercial success over the resource off the back of the successful Jaws-1 appraisal, and

potentially convert its existing resource to a reserve, which will be the trigger for a decision on the development of the Southern Cooper Basin Gas Project.

The well will be drilled to a total vertical depth of approximately 2,000m with an 800m horizontal section that will intercept a second vertical producing well. The horizontal section will target the placement of seven stimulation stages in order to create as much communication with the reservoir as possible.

The vertical producing well will be drilled first and a pressurised coring campaign will be conducted on the Vm3 and Vu coals in order to gather gas saturation and other reservoir characteristics required for the technical maturation of these other targets.

Jaws-1 is located within the Klebb appraisal area and has been sited in order to leverage the existing dewatering that has been achieved to date. The Jaws-1 well is designed to communicate with approximately 170 acres of the Vu Upper coal seam.



Jaws-1 is part of PEL96 of which Strike is Operator and the holder of a 66.667% joint venture interest, and Australian Gasfields Limited (**AGL**), a wholly owned subsidiary of Energy World Corporation Ltd (**EWC** - ASX:EWC), is the holder of a 33.333% joint venture interest.

ENDS

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