

Exploration Portfolio Update

- South Erregulla prospect - Prospective Resource best estimate of 1.6 TCF (Strike share)¹
- ‘Greater Erregulla Gas Project’ concept evolving as Permian gas fairway starts to take shape
- Initial Walyering 3D seismic has identified high confidence drillable targets
- Strike progressing multiple seismic and exploration drilling plans

Strike Energy Limited (Strike - ASX: STX “Company”) is pleased to provide an update on its exciting exploration portfolio, which it is progressing in parallel with its appraisal and pre-development activities for the West Erregulla gas field in the Perth Basin.

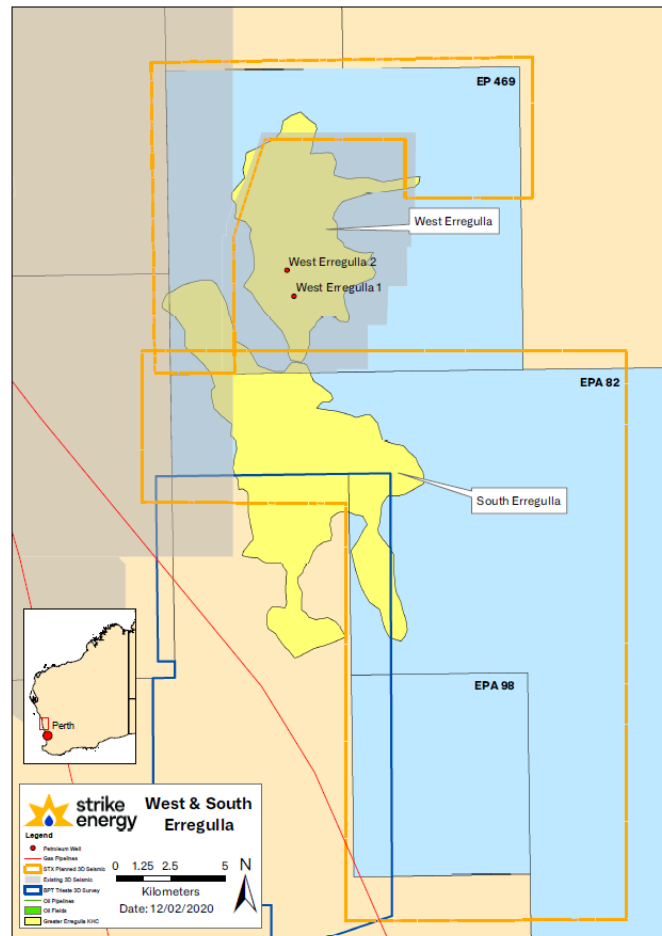
Perth Basin

South Erregulla

The Permian gas fairway in the Perth Basin, which currently has a 100% success rate for exploration wells and is host to greater than 3 TCF of recent discoveries at West Erregulla, Waitsia and Beharra Springs, is interpreted to be pervasive, extending into the Dandaragan Trough to the southeast within Strike’s extensive 100% owned acreage.

Merging of multiple 3D and 2D datasets over the areas to the south of West Erregulla have matured a lead into a significant new prospect in the form of ‘South Erregulla’.

The South Erregulla prospect(s) comprises a series of fault blocks located to the south and southwest of the West Erregulla structure. This series of faults is flanked to the west by a prominent down to basin fault and a large graben separating it from the Beharra Terraces further to the west. To the east and south, the structures exhibit monoclinical deepening into the Dandaragan trough.



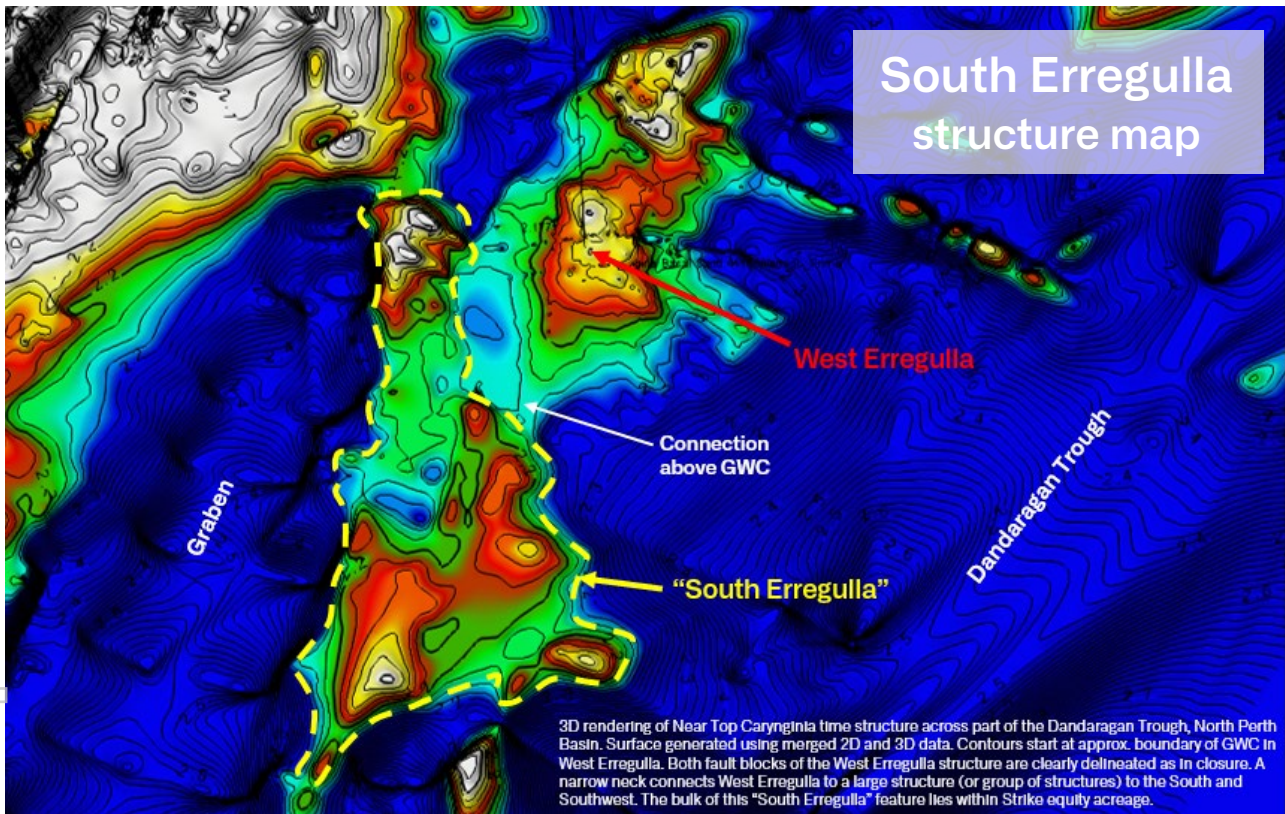
¹ Refer page 3 of this release for full details regarding the Prospective Resource estimate and related cautionary statement.

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Based on pressure data and seismic amplitude truncation, the prognosed gas-water contact (GWC) at West Erregulla-2 lies at approximately ~4,720m subsea. A narrow neck of structure above this prognosed GWC links the southernmost part of the West Erregulla structure to the northernmost tip of the South Erregulla prospect. Almost all of South Erregulla lies above the prognosed West Erregulla GWC and should the structure exhibit the same GWC, then it is possible that the gas phase is in communication with the overall trend and forms a mega-trap.

Areas of the existing 3D and some 2D lines show elements of amplitude brightening and structural conformity at near Kingia level similar to those that drove Strike to test the existence of the Permian extension of Waitsia at West Erregulla. Given the legacy 2D data, some elements are currently uncertain and will require better resolution data to improve confidence.

South Erregulla is material for the basin in its own right with a total approximate areal extent of 66km² (on Strike permits) compared to 40km² at West Erregulla. The South Erregulla prospect also clearly continues to the Southwest into the neighbouring permit operated by Beach Energy, where it has just completed the Trieste 3D seismic survey.



Prior to the drilling of West Erregulla-2, Strike executed a data trade with Beach Energy and Mitsui E&P (owners of EP320). Strike will receive a copy of the Trieste 3D seismic survey data which will cover areas on and adjacent to South Erregulla. The survey has now been completed. The Trieste 3D data will provide valuable insights and enable Strike to commence geophysical workflows similar to those carried out on West Erregulla over the portion of South Erregulla residing in the Beach Energy permit and across the borders to the Strike acreage. These workflows and interpretations can be interpolated throughout the structure and also extrapolated across the permit boundaries into other Strike acreage.

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Strike has used analogue data from West Erregulla in its assessment of the volumetrics of South Erregulla and, due to its early stage in terms of data acquisition, the Prospective Resource estimate will be subject to change as further data becomes available. However, given the proximity of the target to the West Erregulla gas field (< 1km), and that the Permian sequence appears to be approximately at the same depth as West Erregulla, the confidence in the current understanding of a potential discovery at South Erregulla is high.

The Prospective Resources for South Erregulla can be seen below:

South Erregulla Conventional Gas Prospective Resource OGIP (TCF) ¹			
Strike Share	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
100%	0.63	1.60	2.12

¹*Prospective Resource Estimate Cautionary statement:*

The above 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. Stated volumes are Strike's estimated 100% equity share of gas. The above stated volumes are 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 above prospective resource estimates have been determined on the basis of reinterpreted 3D & 2D seismic data, along with wireline and other data from offset wells in adjacent fields (including West Erregulla).

Reprocessing of the regional 2D dataset is underway and, once completed, should further refine the existing structural interpretation. Strike intends to acquire new 3D seismic data over South Erregulla to validate the prospective resource outlined above before commencing drilling activities. On the basis of current information and without taking into account any future information (including anticipated data from both the Trieste 3D seismic campaign and Strike's own 3D seismic campaign), Strike estimates the chance of discovering gas and proving at least one developable resource in the various Permian fault blocks is 50%. The prospective resource estimate is raw gas in place and has been determined on a probabilistic basis in accordance with SPE-PRMS 2018 as at 10th February 2020.

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The Greater Erregulla Gas Project & Permian Fairway

As seen with the definition of the South Erregulla prospect, the Permian gas fairway is likely to have further exploration upside to the southeast not currently captured by existing datasets.

As such Strike is progressing 3D seismic campaigns within the fairway with the objective of delineating additional leads and prospects. These 3D seismic campaigns cover EP469, EPA82 & EPA 98.

The 'Minjiny' (Wajarri language for Mountain Devil / Thorny Devil) 3D seismic campaign covers substantial land to the south east of West Erregulla, which is currently void of data. As exhibited by the location of the Trieste 3D survey, Strike interprets additional high value Permian targets on the fault blocks in this direction.

Figure right: Planned Strike operated 3D seismic campaigns in the Greater Erregulla Area

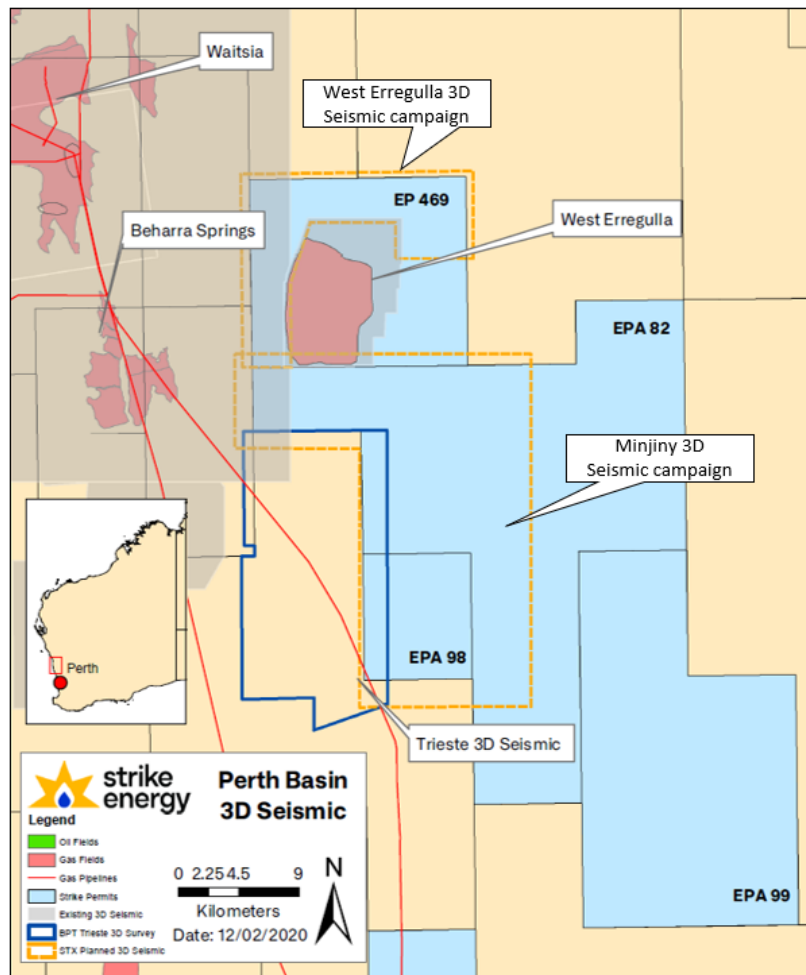
As Strike progresses towards the proposed Phase 1 development of West Erregulla it will continue to assess the optimal size for future processing capacity with this potential upside in mind. Any additional Strike exploration success is anticipated to require a significant expansion of gas production facilities, and Strike may look to bring in surrounding resources from other Strike 100% owned discoveries or those of neighbouring operators.

West Erregulla is just the beginning of what Strike believes to be a basin-shaping discovery and may become known as the **Greater Erregulla Gas Project**.

These potential additional volumes and expansion opportunities could tie in with the proposed Phase 2 development at West Erregulla. With any increase to the overall

resource base, the case for potential export facilities will strengthen. Whether this takes the form of petrochemicals, hydrogen or LNG greenfield, brownfield or backfill will be subject to the series of downstream studies Strike will be progressing in the second half of this calendar year.

In the meantime, Strike is awaiting delivery of the concluded Native Title Agreement for the permit applications EPA 82, 98 & 99 which will allow for the grant of the EPs and commencement of valuable exploration activities in these areas.



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Walyering

First-pass, post-stack 3D seismic volumes for Walyering (EP447) have been received and interpreted. Preliminary results are very encouraging, with the reasons for the variable results from the four historical Walyering wells becoming evident. The Walyering 3D seismic is the first high resolution dataset ever captured over this trend and is likely to have a material compounding effect on the value of the surrounding acreage.

Preliminary mapping suggests that the Walyering feature consists of a series of complex down-to-basin extensional faults that were modified by later oblique strike-slip movement. The largest closure in this complex is located just southeast and up-dip of the Walyering-4 well. This closure, coupled with amplitude response, which appears to show hydrocarbon migration pathways and accumulation locations, indicates a high confidence exploration prospect. An exploration well could be accelerated due to both the improved dataset and its shallower nature (with significantly lower costs compared to deeper wells, such as West Erregulla).

The Walyering conventional gas discovery was made in 1971 from within the Cattamarra Coal Measures (~3,350m), a play that has been proven to support commercial production from the projects at Gin Gin and Red Gully.

The Walyering-1 well encountered a thick (30m) blocky sand with good quality conventional reservoir development (Walyering A-Sand) and a second, deeper, thinner gas-charged sand (Walyering B-Sand). The test of the A sand flowed 13.5 MMscf/d which was considered an excellent result. Subsequently three further Walyering wells were drilled on the legacy 2D in the surrounding area in an attempt to delineate the accumulation. The first two appraisal wells, Walyering-2 and Walyering-3, encountered non-commercial hydrocarbon saturated reservoir at approximately the same level as the Walyering-1 A sand. These wells flowed only small amounts of gas (TSTM) on test. The final well, Walyering-4, drilled just up-dip of Walyering-1, encountered commercial-grade conventional reservoir similar to Walyering-1, but was water saturated.

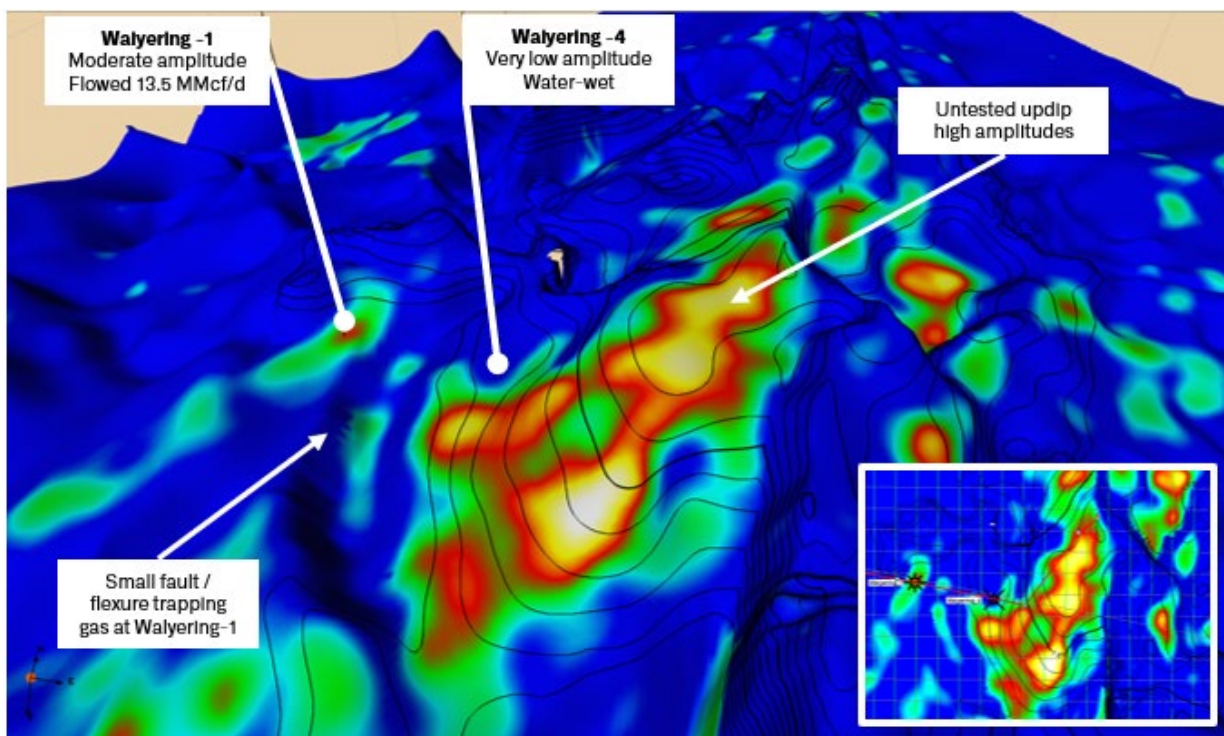


Figure above: Walyering well intersections and corresponding amplitude penetrations

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The mapping and interpretation of the new 3D seismic shows a correlation between peak amplitude and good quality conventional, hydrocarbon bearing reservoir in the Walyering A-Sand.

As seen in the image above, the recently acquired seismic data provides an accurate explanation for the various well results. It can now be shown that Walyering-4 was drilled into a different compartment to Walyering-1 separated by a fault that was not seen on the sparse 2D seismic at the time. Walyering-1, exhibiting an intermediate to high amplitude response, was evidently drilled into a small fault closure – this small closure generated the excellent discovery results. In contrast, Walyering-4, drilled up-dip of Walyering-1 and just 400m away, encountered water-wet reservoir. The amplitude response at the Walyering-4 location is considerably muted compared to that at Walyering-1. The non-commercial gas sands at Walyering-2 and Walyering-3 exhibit intermediate to poor amplitude response that is lower than that at Walyering-1, but higher than at Walyering-4. Encouragingly, it can be seen that Walyering-4 was not drilled on the highest point of a larger structural closure. Major parts of the closure above Walyering-4 demonstrate a much higher amplitude response than that seen even at Walyering-1. Strike believes that if Walyering-4 had been drilled ~1km to the East, it may have encountered good to excellent quality, hydrocarbon filled reservoir.

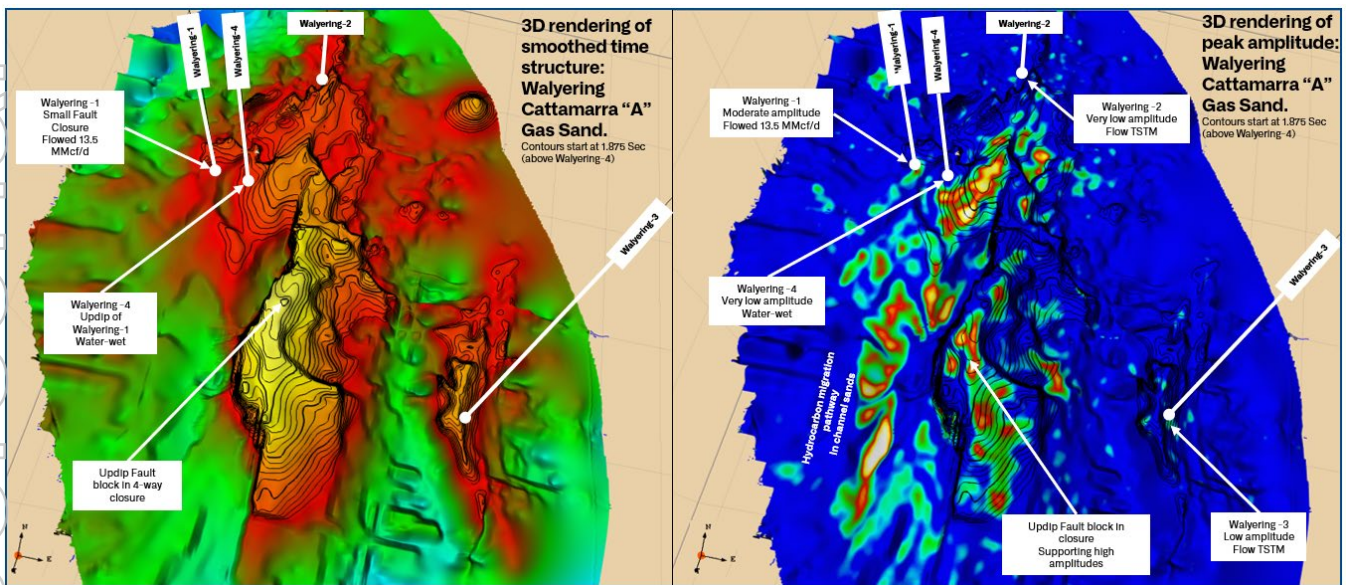


Figure above: Walyering 3D structure map (left) and amplitude on structure (right)

Walyering is strategically advantaged in its location being situated between WA's two major gas transmission lines and with the gas that flowed from Walyering-1 only measuring 1% CO₂ in the hydrocarbon stream. Furthermore, major industrial gas users are located in the immediate area, who have known uses for both the gas and condensate streams locally. Both of the above translates into a potentially very low cost and fast paced development which would avoid the need for significant gas processing infrastructure.

Continued processing of the seismic results will be carried out in Q1 and Q2 2020. The results may significantly boost the signal to noise ratio in the data and provide improved structural and amplitude imaging over and above what has been generated to date.

Strike owns the permit and the trend at 100% equity interest and is currently progressing the final geophysical workflows before commencement of exploration drilling.

Ocean Hill

Ocean Hill (EP495) is another Cattamarra target where the discovery well (again drilled on 2D seismic) was placed on a structure (four-way dip closed anticline) without understanding the hydrocarbon migration pathways and reservoir distribution of the play.

The Ocean Hill-1 well found a 761m thick gas charged section of the Cattamarra between 3,077m-3,838m but only free flowed gas from a few horizons, when tested 6 months later. This was a function of both sub-optimal well placement (due to insufficient information) and poor drilling and completions practices at the time.

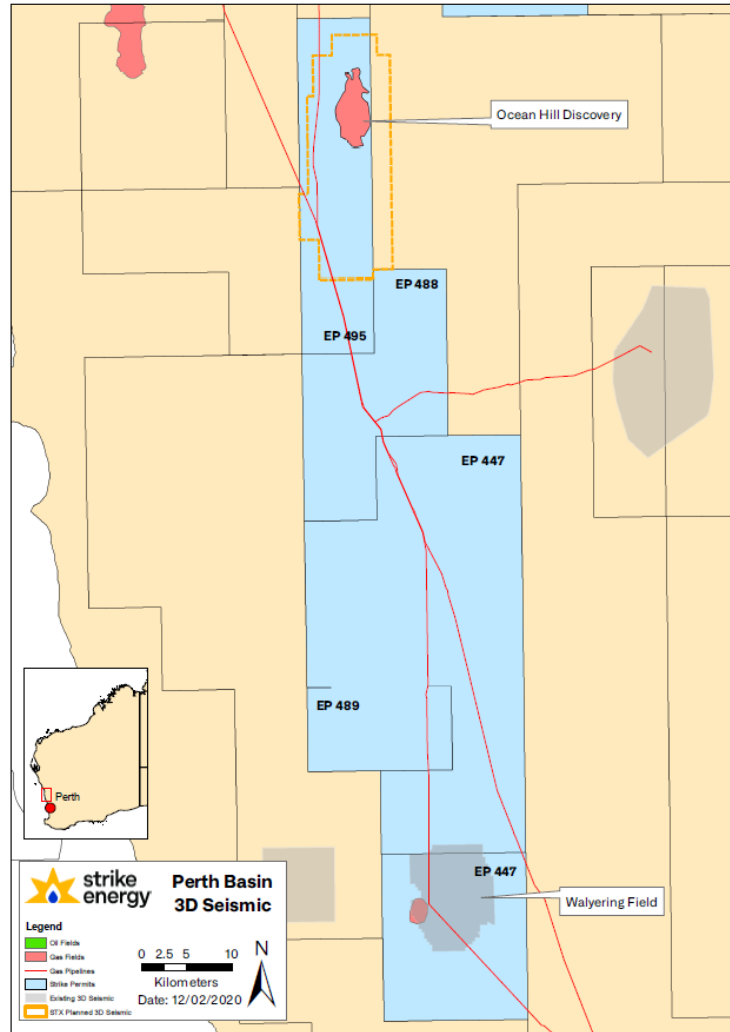
Ocean Hill currently has 360 BCF and 1.18 mln bbls of associated condensate 2C Contingent Resource² resulting from this initial discovery well.

A regional review of wells and seismic mapping indicated that seismic amplitudes could be used as a proxy for prominent sand fairways, charge migration pathways and possibly even local hydrocarbon accumulations.

This interpretation is now corroborated by the Walyering 3D seismic showing direct correlation between amplitude and good reservoir/hydrocarbons in this Jurassic play. Reinterpretation of the Ocean Hill 2D seismic shows some exciting amplitude anomalies within the original defined structure (as seen in the sweetness cube visualisation on the next page). It is believed these anomalies are highlighting compartments of good quality wet-gas charged reservoir.

With 3D seismic improving the subsurface resolution and improving the chance of making successful discoveries, Strike is currently progressing land access and environmental approvals to shoot approximately 230 km² of 3D seismic at Ocean Hill. Ocean Hill will also form the basis of a proposed farm-out in the Southern group of Strike Perth Basin licenses.

The Ocean Hill (EP495) permit covers 297 km² and is located on the Western flank of the Dandaragan Trough. The permit is intersected by the two major WA gas pipelines and has a compressor station within 7 km allowing for a potentially simple and low-cost development.

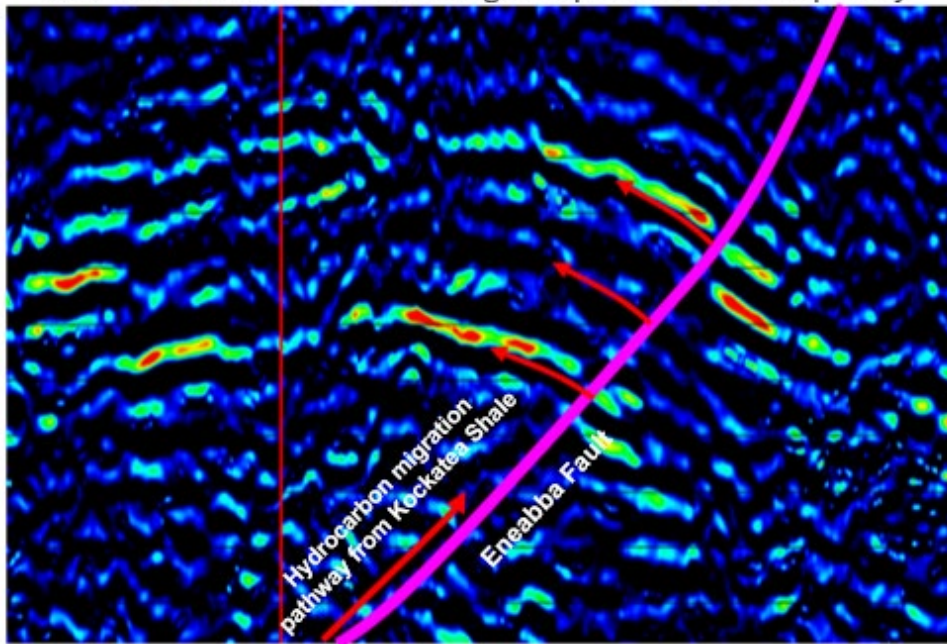


² The Ocean Hill 2C Contingent Resource is sourced from the ASX Announcement of Greenrock Energy Limited (ASX:GRK) dated 4 October 2013 titled "Independent Resource Evaluation Ocean Hill Block". Strike has a 100% equity interest in Ocean Hill. Strike confirms it is not aware of any new information or data that materially affects the information included in the referenced announcement and that all the material assumptions and technical parameters underpinning the estimate in that announcement continue to apply.

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Proven hydrocarbon migration pathways as seen at Mount Horner

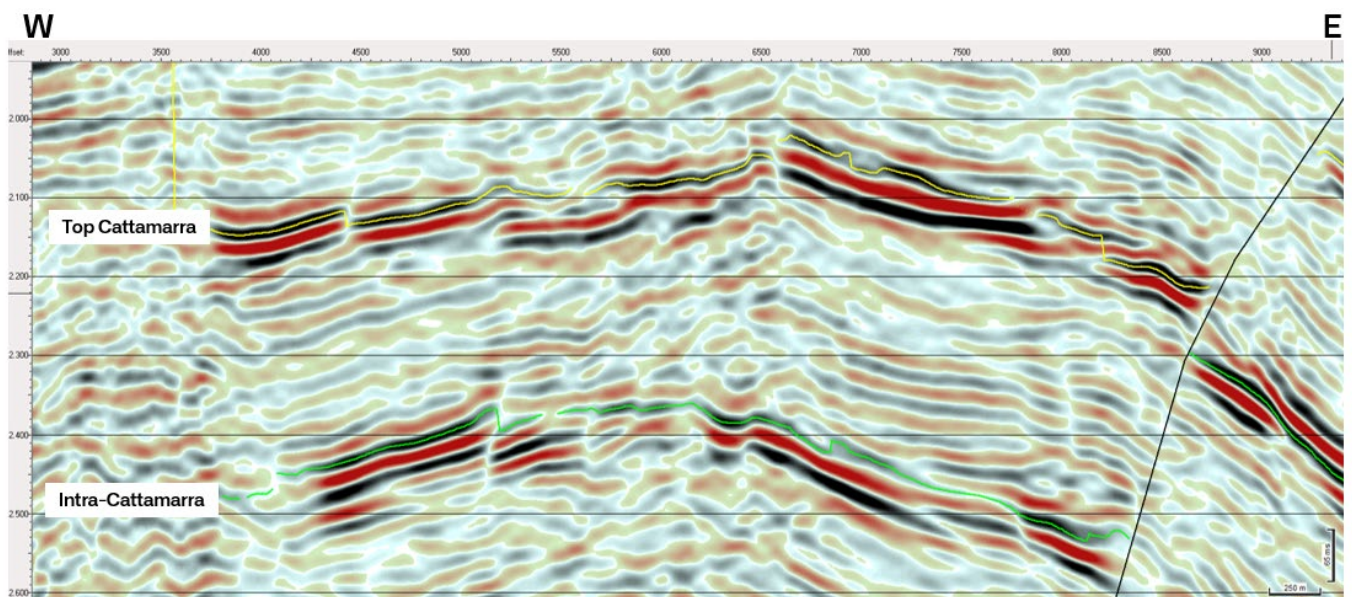
Ocean Hill sweetness cube high amplitude / low frequency



Above: Ocean Hill sweetness cube top slide

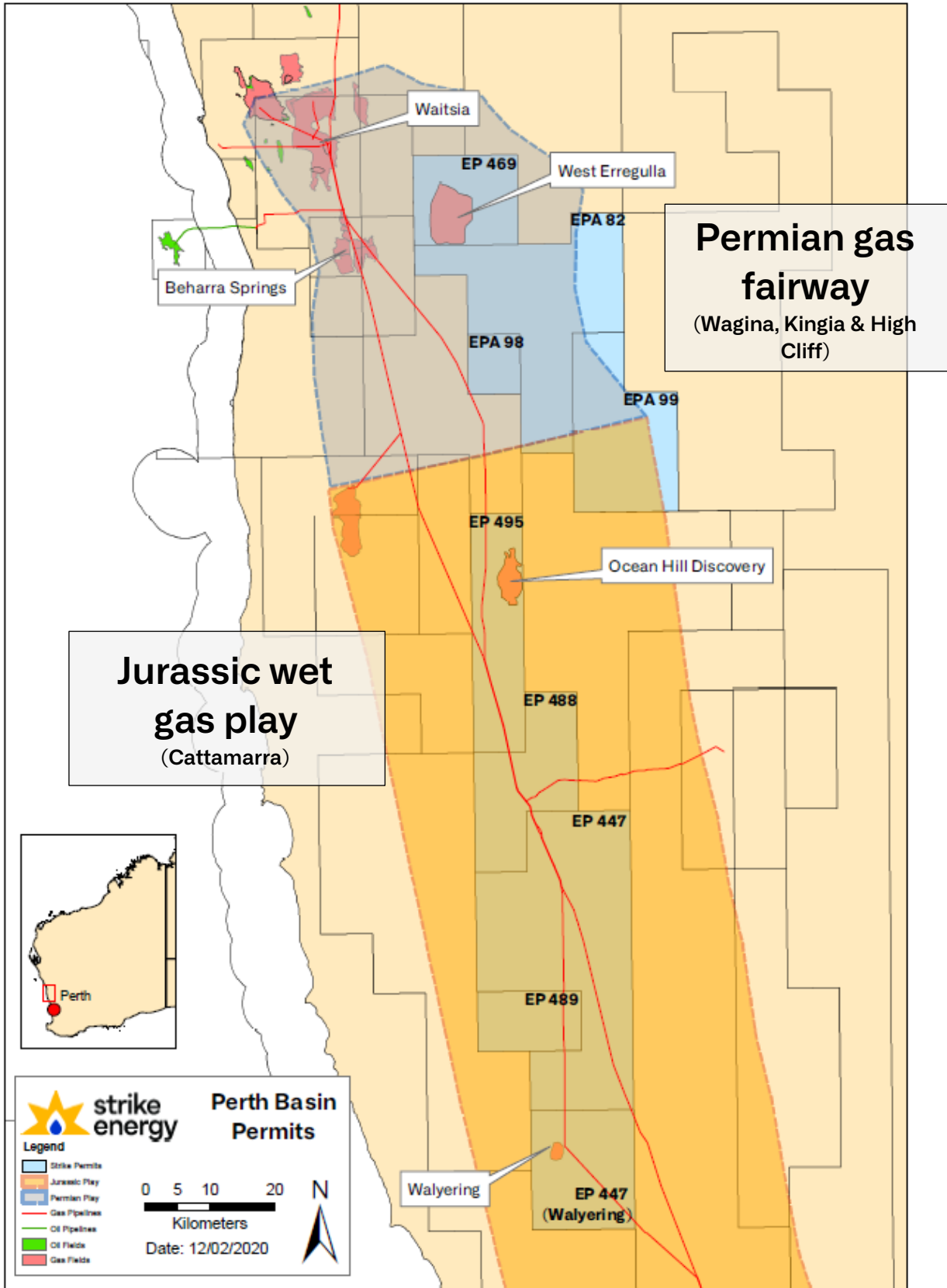
Below: E-W line 2D seismic line.

Two distinct reflective packages within the Cattamarra (Jurassic) inside the Ocean Hill structure



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Perth Basin Play Trends



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Cooper Basin

Strike's PEL 515 prospective oil exploration acreage in the Cooper Basin continues to improve in attractiveness by activity of adjacent operator Senex Energy. Senex, who has recently acquired the Westeros 3D seismic survey, published in its Quarterly Report for the period ended 31 December 2019 that they have processed and interpreted the ~600 km² of data and have mapped a number of material exploration targets.

Further to this Senex announced in the abovementioned Quarterly Report that they plan to drill a number of these targets in early FY21 and test the Namur Sandstone, McKinlay and Birkhead formations. The Namur sandstone is home to the large and extremely productive Western Flank oil fields such as Bauer. This news is seen as a very positive development for Strike's geological interpretation on the extension of the Western Flank to the South.

Strike is currently seeking a farmin partner with the view to acquiring a 100-200km² 3D seismic survey later in 2020.

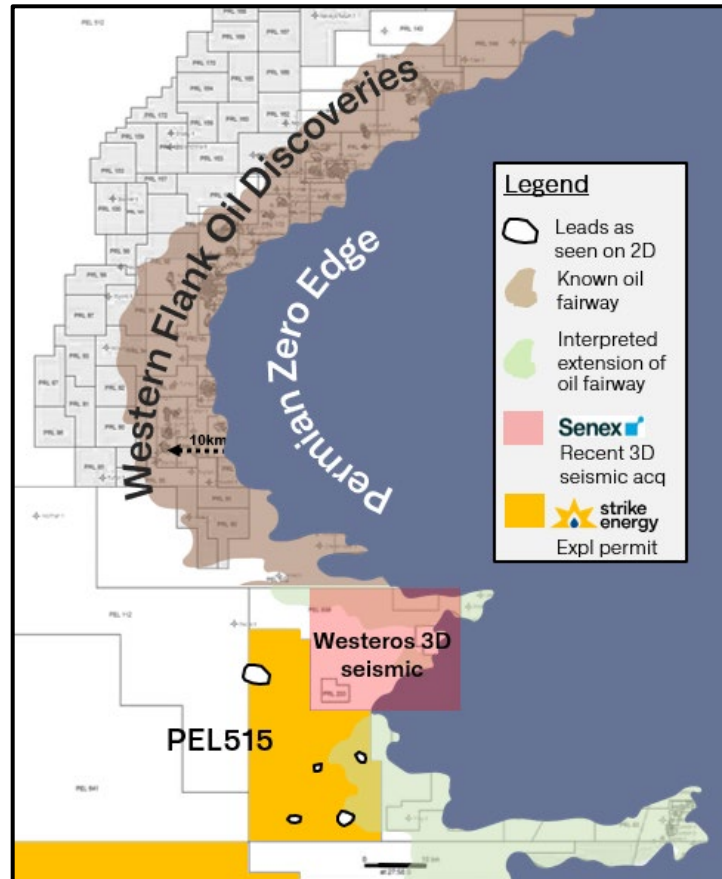
Competent person's statements

About Igesi Consulting:

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 across numerous conventional clastic and carbonate plays worldwide and has experience across all unconventional resource play types: tight clastic, shale and coal bed reservoirs.

About Strike:

The information in this release that relates to 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 over 18 years. Mr Farley has consented to the inclusion in this announcement of matters based on his information in the form and context in which it appears.



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Future Statements

Statements contained in this release (including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, production levels or rates, oil and gas prices, reserve or resource potential, exploration drilling, potential growth of Strike, industry growth and any estimated company earnings) are or may be forward looking statements.

Such statements relate to future events and expectations and as such involve known and unknown risk and uncertainties associated with oil, gas, geothermal and related businesses, many of which are outside the control of Strike, and are not guarantees of future performance.

Although Strike believes that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results, actions and developments to differ materially from those expressed or implied by the statements in this presentation, including, but not limited to: price fluctuations, actual demand, drilling and production results, reserve estimates, regulatory developments, project delays or advancements and approvals and costs estimates.

Subject to any continuing obligations under applicable law and the Listing Rules of ASX Limited, Strike does not undertake any obligation to publicly update or revise any of the forward looking statements in this release or any changes in events, conditions or circumstances on which any such statement is based.

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