

West Erregulla CSBP GSA Update

Strike Energy Limited (Strike - ASX: STX) provides an update on the status of the gas supply agreement for West Erregulla with CSBP Limited (wholly owned subsidiary of Wesfarmers Chemicals, Energy and Fertilisers) as last disclosed on 31 August 2020.

Due to the delays in receiving environmental approvals and, in turn, delays to FID at West Erregulla, the firm gas supply agreement has reverted to the original option for gas supply under the Gas Sales Option Agreement announced on 29 May 2019. As a result, the fixed gas price that had been agreed under the firm gas supply agreement will revert to the option price as calculated under the Gas Sales Option Agreement, and on that calculation, will increase to a price that on Strike's assessment is more closely aligned to current WA market prices for long term gas supply.

As disclosed on 29 May 2019, the key terms of the Gas Sales Option Agreement with CSBP are:

1. CSBP granted an option for the supply of 100PJ of gas (Strike share), to be delivered at a maximum of 25 TJ/d from commencement of production from West Erregulla.
2. The option is conditional on Strike taking FID on a commercial project.
3. Option will lapse on 30 June 2027.

This announcement is authorised by Stuart Nicholls, Managing Director & Chief Executive Officer of Strike in accordance with the Company's Continuous Disclosure Policy.

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