

South Erregulla Power Project Awarded Certified Reserve Capacity

- Strike has been awarded 85 MW of Certified Reserve Capacity in the South West Interconnected System (in WA) by AEMO for its proposed South Erregulla peaking gas power station for capacity year 2026.
- The award marks a significant de-risking event for the project as it proceeds towards a Final Investment Decision in November 2024.

Strike Energy Limited (Strike - ASX: STX) is pleased to announce it has been awarded Certified Reserve Capacity (CRC) by the Australian Energy Market Operator (AEMO) in the South West Interconnected System (in Western Australia) for its proposed fully integrated 85 MW peaking gas power station, as part of the development of the South Erregulla gas field in Production License L24 within the Perth Basin (100% net to STX).

This CRC award is a significant milestone for Strike's peaking gas power station project as it prepares for the taking of a Final Investment Decision in November 2024 following the receipt of the applied for minimum Network Access Quantity (NAQ) in October 2024.

AEMO are planning to publish the price per MW for capacity credits associated with the CRC award in September 2024. The CRC and associated capacity credits form a valuable part of the economics of the project where Strike's independent consultants model a range of \$180-230k per MW for the 2026 capacity year. At 85 MW of capacity, this is equivalent to annualised revenues of \$15 - 20 million which does not include any revenue associated with the proposed sales of energy generated by the power station or provision of ancillary services.

Strike is now required to pay a \$4.9 million deposit for the CRC which secures its position in the NAQ allocation process.

Strike's Managing Director and Chief Executive Officer Stuart Nicholls said:

"Being awarded the 85 MW of capacity for the 2026 cycle paves the way for South Erregulla's path to market. The project capitalises on the incremental value that integrated gas to power projects can generate from the spark-spread during peak power prices and WA's capacity credit mechanism. Upon receiving confirmation of our minimum network access quantity, we look forward to taking a Final Investment Decision.

"Strike's proposal to integrate the South Erregulla gas field into a dedicated peaking gas power station to firm local renewable power generation, is a clear demonstration of how Strike is using its gas endowment for a positive impact in Western Australia's energy transition."

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

Power Project

The development of the Power Project is contingent on, among other things, the award of Network Access Quantity (NAQ), satisfaction of the conditions precedent to and financial close under the Macquarie Bank project finance facility for the Power Project (details of which were released to ASX on 21 June 2024), execution of all required procurement contracts, and obtaining all requisite regulatory and stakeholder permits, approvals, licences and authorisations by no later than 30 November 2024 in order to meet the construction timeline to be supplying electricity into the grid by 1 October 2026.

The forecast revenue for the Power Plant has been modeled based on the assumptions and information set out or referred to in the ASX announcement “South Erregulla Peaking Power Plant” released on 24 June 2024, are to the level of accuracy as specified in that release, and are subject to change. These forecasts are, by their nature, forward looking statements and subject to the same risks as other forward looking statements (see below).

Forward looking Statements

Statements contained in this release, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Strike, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward looking statements can generally be identified by the use of words such as ‘project’, ‘foresee’, ‘plan’, ‘expect’, ‘budget’, ‘outlook’, ‘schedule’, ‘estimate’, ‘target’, ‘guidance’, ‘aim’, ‘intend’, ‘anticipate’, ‘believe’, ‘estimate’, ‘may’, ‘should’, ‘will’ or similar expressions. Forward looking statements including all statements in this document regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings 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 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 document. Refer to the risk factors set out in Talon Energy Limited’s Scheme Booklet dated 3 November 2023 in relation to the acquisition by Strike Energy (through its wholly owned subsidiary) of all of the issued shares in Talon Energy by way of scheme of arrangement pursuant to Part 5.1 of the Corporations Act 2001 (Cth) for a summary of certain general, Strike Energy specific and acquisition specific risk factors that may affect Strike Energy. There can be no assurance that actual outcomes will not differ materially from these statements. 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 release will under any circumstances create an implication that there has been no change in the affairs of Strike since the date of this document.