Wagina Gas Discovery at South Erregulla

- Results from the Wagina Sandstones at SE1 confirms Strike has made a conventional gas discovery.
- SE1 Wagina gas discovery is highly analogous to the high flow rate results of the Beharra Springs, Red Back and Tarantula wells only ~14km to the west.
- Logging and petrophysics across the Wagina Sandstone indicate:
  - A bimodal reservoir (as seen in other Wagina discoveries) made up of high-quality flow units and a large gasifier section.
  - The base Wagina is made up of 160m of thick, clean and gas charged sand including:
    - 16m of net pay in the flow units with porosities up to 14%
    - 61m of gasifier with lower quality net pay and average porosities of 6%.
  - Over-pressured with inferred pressures in excess of 7,500 psi.
- Wagina gas discovery is an upside outcome to the primary objective of SE1.

Strike Energy Limited (Strike - ASX: STX) provides an update from SE1 on the Wagina Sandstone reservoir at the Company's 100% owned South Erregulla target in EP503 within the Perth Basin.

South Erregulla Wagina Gas Discovery

The Wagina Sandstone results from the logging while drilling, mud logs and wireline tools confirm the presence of a conventional gas resource at South Erregulla.

The Wagina Sandstone was encountered at 4,072m MD and observed to be made up of 160m of thick, clean and gas charged sands. The discovery is made up of two net pay zones:

- a 16 metre section of high-quality flow units with peak porosities of 14% and an average of 9%; and
- a lower permeability gasifier section of 61 metre with an average porosity of 6%.

Both sections are measured to be gas saturated and over pressured with reservoir pressures inferred to be in excess of 7,500 psi. The Wagina discovery will now be added to the future well testing program to retrieve the final information required for a formal resource assessment.

Analogous Perth Basin Wagina Discoveries

The Wagina gas discovery in SE1 is highly comparable to the successful penetrations of the Beharra Springs complex, which is some 14km due west and in places only ~300m shallower.

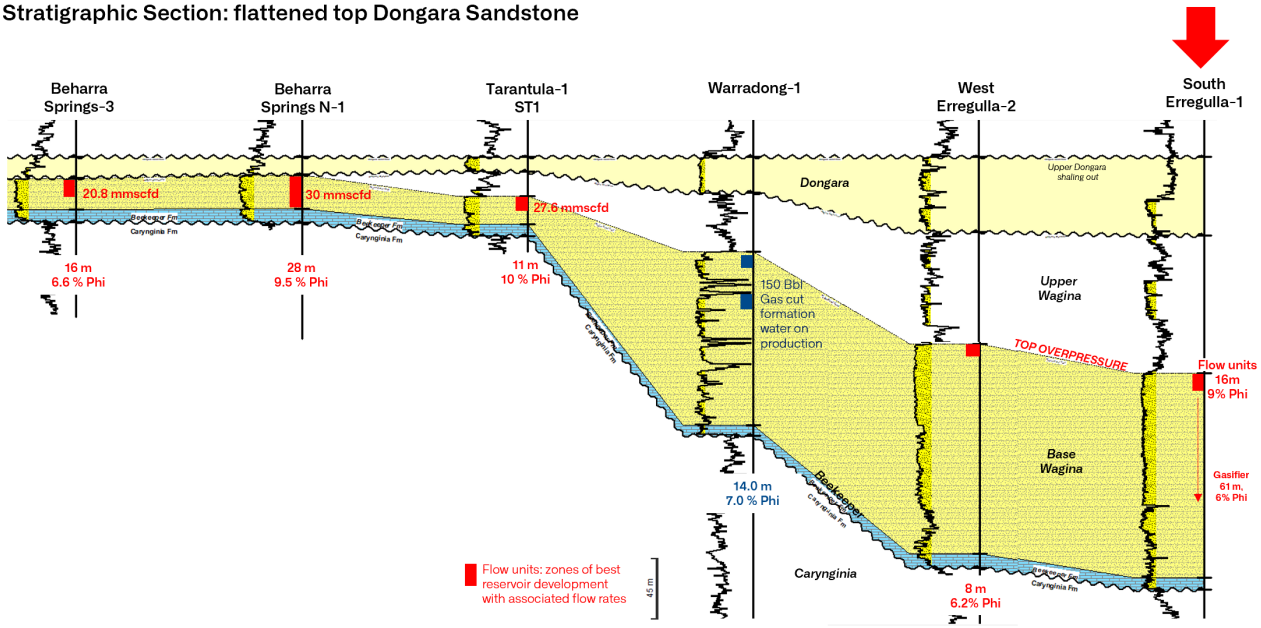
Beharra Springs and its associated fields (Redback & Tarantula) were discovered during the 1990s and early 2000s with depths ranging from 3,270m to 3,870m. The Beharra fields until very recently remained onstream and were still producing sales gas. Flow testing from these fields achieved high flow rates with Redback South-1 measuring up to 38 mmscf/d. RBS-1 results

measured original reservoir pressures of ~5,780 psia, with a net pay section of 10.4 metres with porosities of 9.5% (phi). This compares favourably with SE1's results.

The Beharra fields are typical bimodal reservoirs, where a thick low porosity gas-charged sand underlies a thinner, highly productive upper section. The continual 'recharge' from the lower section into the upper is believed to be the reason for the Beharra fields production significantly exceeding their originally estimated recoverable reserves.

The Beharra fields have on average gross gas columns of ~40 metres, which compares to South Erregulla's 160 metres. The Wagina at SE1 is observed as being substantially thicker than the Beharra fields due to an expanded stratigraphic section with a larger gasifier, yet still including the equivalent high quality flow unit section.

Stratigraphic Section: flattened top Dongara Sandstone



Overpressure in WE-2 and SE-1 correlate to gas zones in Wagina at BHS but at BHS these are normally pressured. Tarantula-1 ST-1 was overpressured

Forward plan at SE1

Strike will now run in 9-5/8" casing and cement in place before commencing the drilling of the production section of SE1 into the primary target of the Kingia Sandstone. On observation of the Kingia, Strike will move to conduct full coring operations.

About South Erregulla-1

South Erregulla is located in the 100% Strike owned EP503 within the North Perth Basin. The Wagina gas discovery at SE1 is located at: 29° 28' 29.816 S, 115° 19' 5.618E

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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