

Strike partners with AGIG in major gas processing infrastructure deal

- Australian Gas Infrastructure Group (AGIG) to build, own and operate the Phase 1 50 TJ/d natural gas plant to process Strike's West Erregulla gas
 - Greater than \$200m investment in WA gas infrastructure and supply services
 - Parties now entering FEED, and targeting a Q4 2020 FID
 - First gas targeted for delivery in 1H 2022
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Strike Energy Limited (Strike - ASX: STX "Company") is pleased to announce it has partnered with Australian gas infrastructure leader AGIG as the preferred proponent to design, build, own and operate a 50TJ/day gas plant for the processing of Strike's gas from the proposed Phase 1 West Erregulla development under a long-term tolling arrangement.

The 50 TJ/d gas facility will be constructed adjacent to the West Erregulla gas field with a raw gas trunkline connecting to the West Erregulla upstream development and will process raw gas to sales specification before delivering it into WA's gas transmission network.

The project represents an investment of more than \$200 million in infrastructure and services by AGIG under a competitively priced long-term tariff. This structure will avoid substantial upfront capital for Strike and facilitate Strike's focus on execution of the upstream wells and infrastructure. The proposed tariff arrangement is supportive of Strike's view that the Perth Basin Permian gas play is a competitive low-cost gas development.

The contract award to AGIG and subsequent infrastructure development are subject to execution of full form documentation consistent with agreed key terms, and conditions precedent including each party taking a final investment decision on their respective developments, all to be completed or satisfied by the end of 2020.

In preparation for a targeted final investment decision by the end of 2020 and first gas delivery in 1H 2022, AGIG will now begin front end engineering (FEED), long lead procurement and other early works necessary to secure the requisite tenure and project approvals prior to commencing construction. During construction of the Phase 1 project, Strike anticipates that more than 100 jobs will be created in the building of the gas plant and associated pipelines.

Strike Energy Managing Director & CEO Stuart Nicholls, said:

"We are really pleased to be partnering with AGIG, a world-class operator of gas infrastructure, for the development of Strike's significant natural gas assets. We're excited about the long-term future of the WA domestic gas market, and with our forecast low cost of production, believe we are in a prime position to move forward with confidence at a time when many in our industry are deferring or canceling projects."

"AGIG has a long and successful history of operating infrastructure in the region and in building relationships with the area's land holders and stakeholders. AGIG owns and operates WA's critical Dampier to Bunbury Natural Gas Pipeline, which connects domestic gas production in the north to the major WA South West market. Strike is well positioned with the West Erregulla gas field being located adjacent to the DBNGP, and in entering into this new partnership with the pipeline's operator, AGIG."

“With expansion options designed into the facility and a competitive long-term tariff arrangement, this transaction will assist to underpin and accelerate not only the West Erregulla Project but also the potential development of Strike’s Greater Erregulla resources.”

Phase 1 Gas Plant Processing Capacity:

The Phase 1 gas plant will deliver a nominal 50 TJ/d on an annual basis with short term additional capacity up to 55 TJ/d. The Phase 1 infrastructure has been designed with low cost expansion opportunities and the larger proposed Phase 2 development in mind. This includes the sales pipeline from the plant being designed to have capacity to deliver at least 250 TJ/d.

About AGIG:

AGIG is one of Australia’s largest gas infrastructure businesses with operations across every mainland state and the Northern Territory supplying over 2 million customers. Operations include 40,000km of gas distribution and transmission pipelines, 60 petajoules of gas storage capacity, gas processing facilities and remote power generation. AGIG is currently constructing Australia’s largest green hydrogen project, Hydrogen Park SA. AGIG’s vision is to be the leading gas infrastructure business in Australia – by delivering for customers, being a good employer, and being sustainably cost efficient. In Western Australia AGIG is the owner and operator of the Dampier to Bunbury Natural Gas Pipeline, Tubridgi gas storage facility and various other gas pipelines.

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