

Strike Energy Limited

Macquarie Energy Equities Series

July 2021



An Integrated Energy, Fertilisers & Renewables Developer

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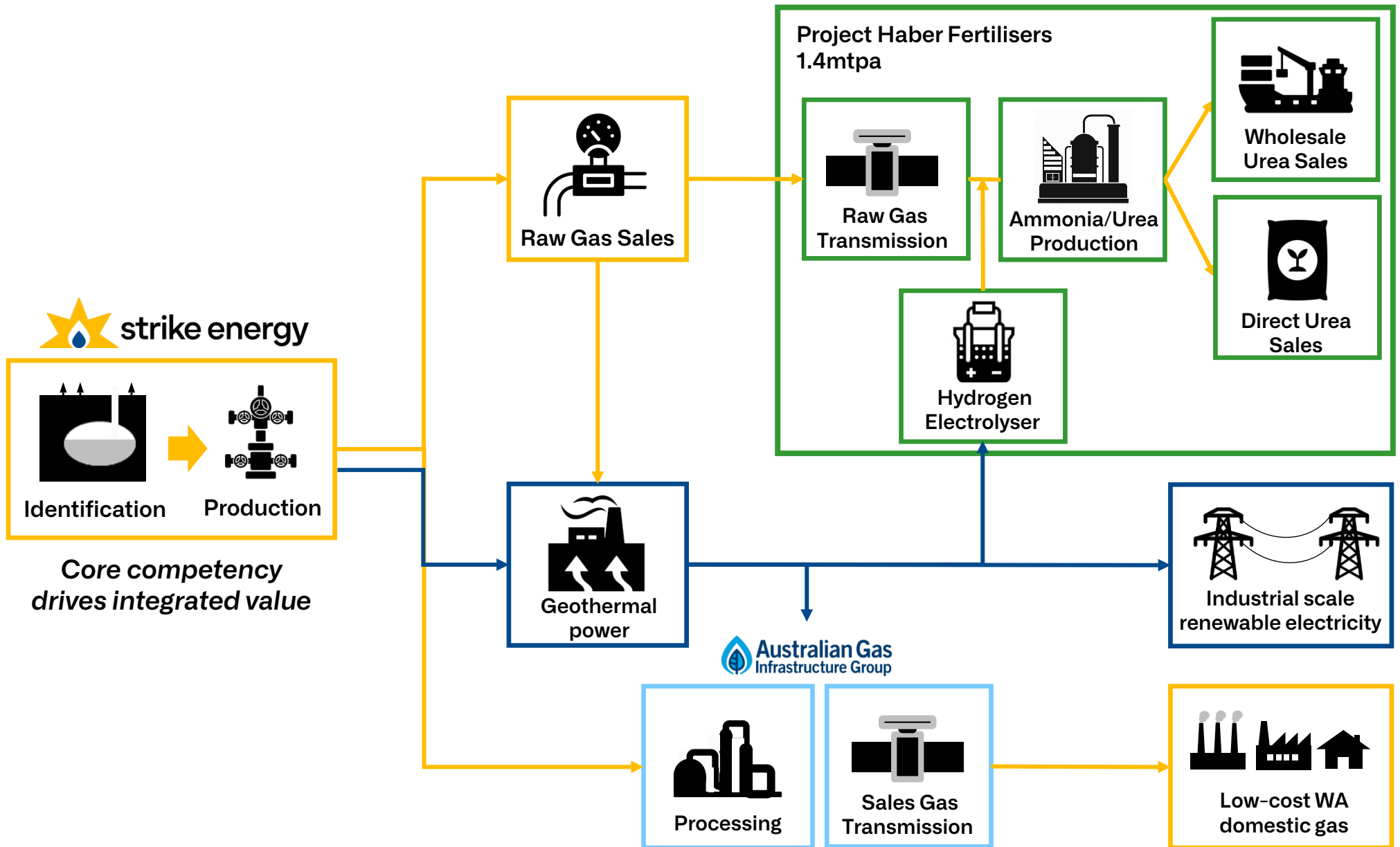
the Company believes that the expectations reflected in these statements are reasonable, they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results, actions and developments to differ materially from those expressed or implied by the statements 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.

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Competent person's statements

The information in this presentation that relates to resource estimates is based on information compiled or reviewed by Mr A. Farley who holds a B.Sc in Geology and is a member of the Society of Petroleum Engineers. Mr A. Farley is Exploration Manager for the Group and has worked in the petroleum industry as a practicing geologist for over 17 years. Mr A. Farley has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.

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 in all three Unconventional Resource play types: tight clastic, shale and coal bed reservoirs. He has actively worked on CBM projects in the Bowser Basin, the Western Canada Sedimentary Basin and in the Ordos Basin of China. He has also worked on numerous conventional clastic and carbonate plays worldwide.



Net Zero Scope 1 & 2

2030



Domestic Gas Business



West Erregulla 5

- 32m net pay at 10% phi
- Test in late July-21



West Erregulla 3

- Suspended pending re-entry and completion



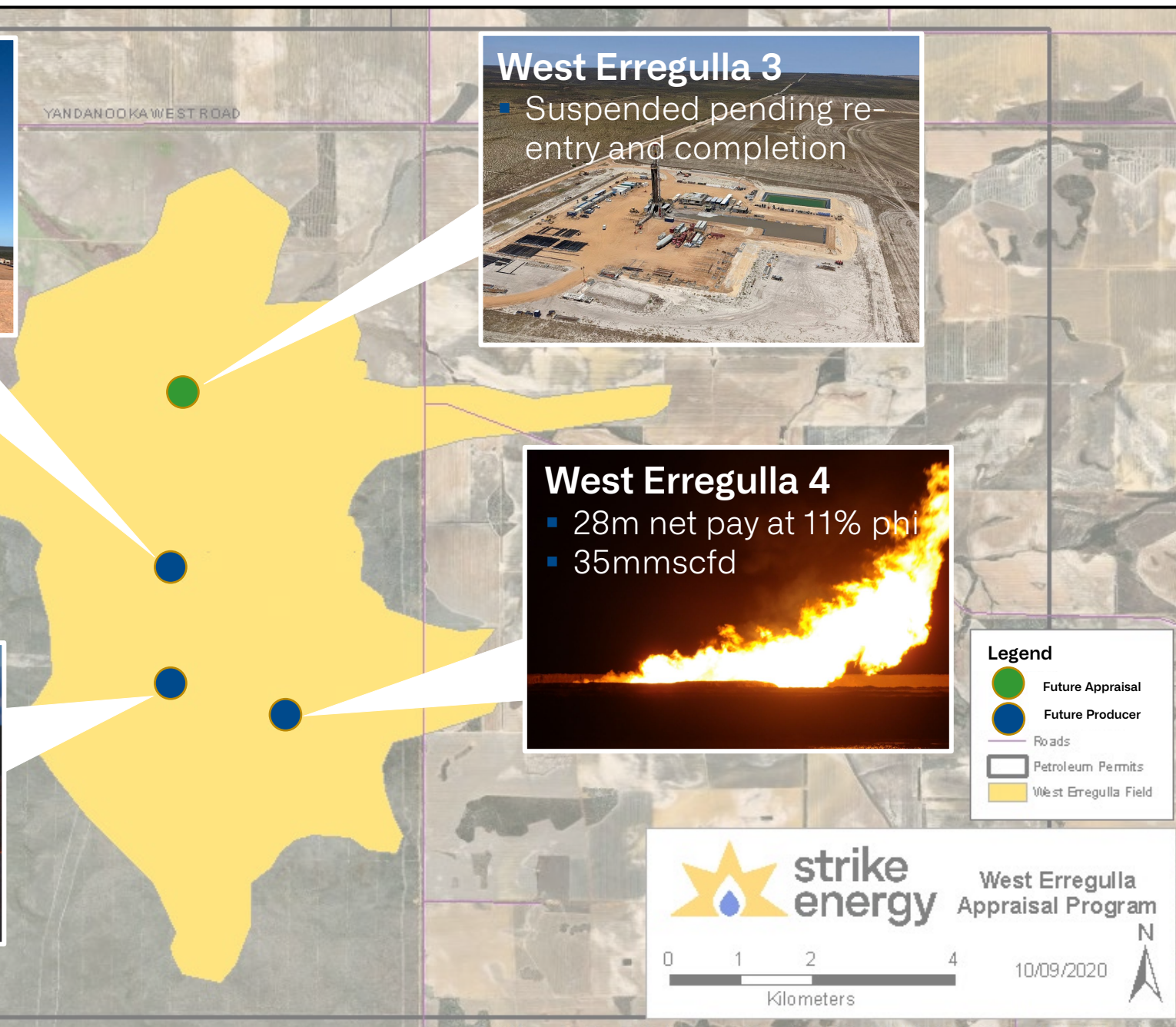
West Erregulla 4

- 28m net pay at 11% phi
- 35mmscfd

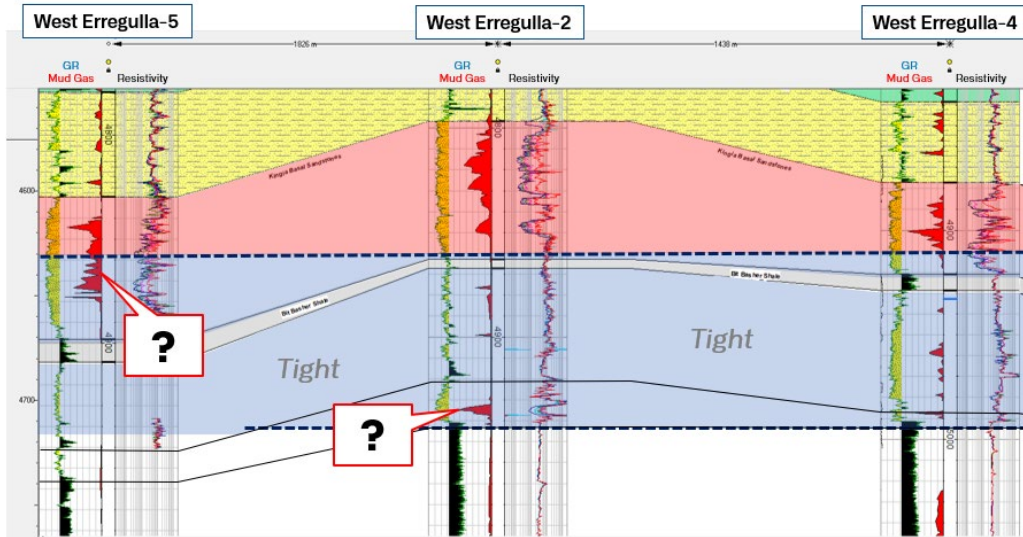


West Erregulla 2

- 58m net pay at 14% phi
- 69mmscfd



JVP interpretation / potential GWC at 4,635m ss

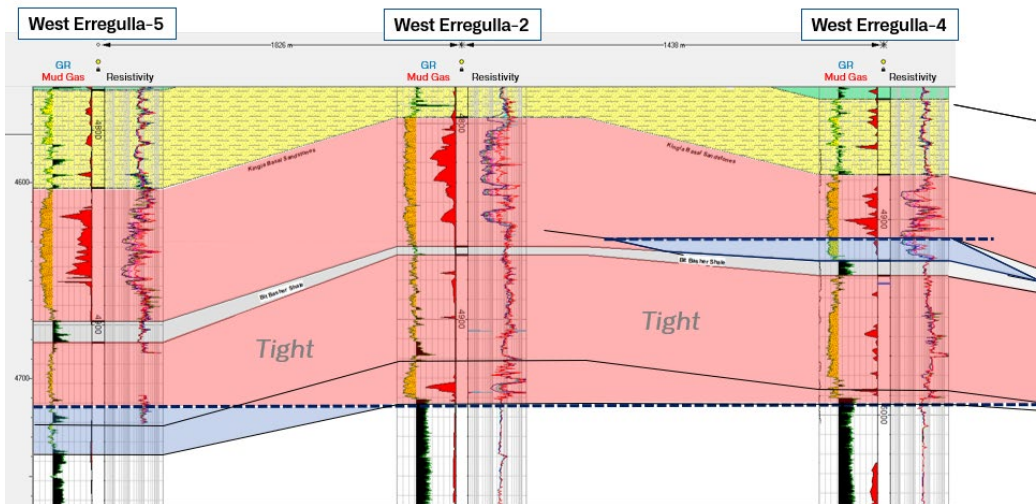


Section in Subsea Depth

JVP interpretation indicates:

- 'Gas water contact' at 4,635m ss
- Gas at WE4, 5 and 2 under water?
- Inconsistent with other physical, measured and interpreted results
- Water freely communicating across multiple tight or impermeable rocks

Strike interpretation GWC at 4,720m ss



Section in Subsea Depth

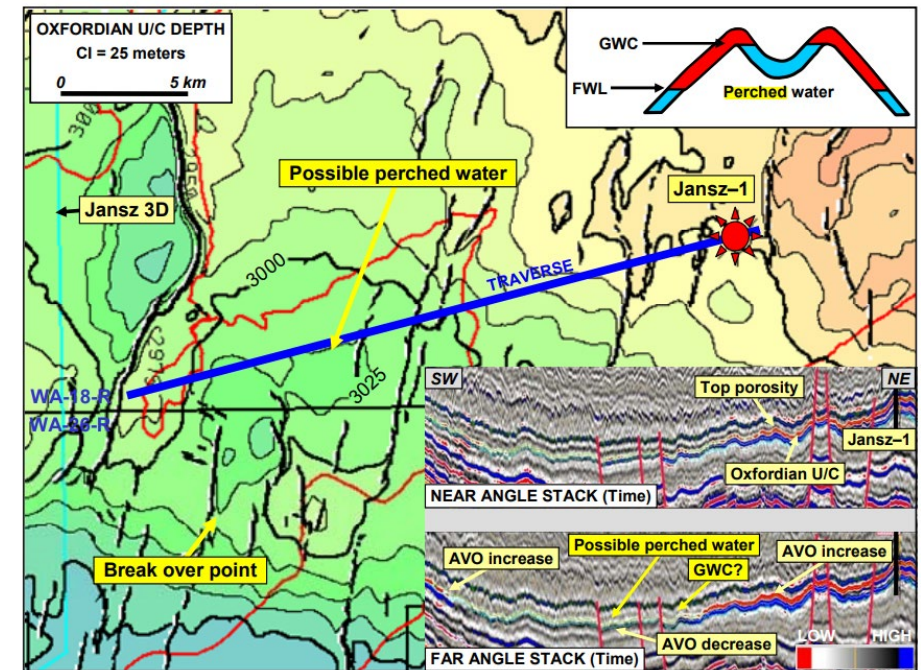
Strike interpretation consistent with:

- Field water contact interpreted at 4,720m ss
- Consistent with all field, play and regional data
- WE4 Kingia water perched against impermeable BB Shale
- Explains hydrocarbons measured under water level
- Height above free water level core analysis indicates 4,720m ss

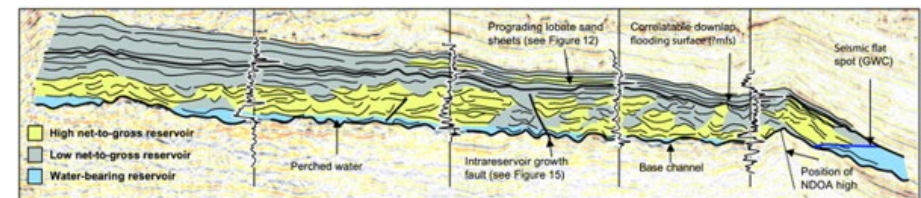
Perched Water:

- Movable water above the transition zone that is not directly connected to the actual free-water table of a given hydrocarbon column.
- Perched water is not rare, but rather atypical with several examples throughout the North West Shelf
- Conditions required for perched water seen at West Erregulla, these include:

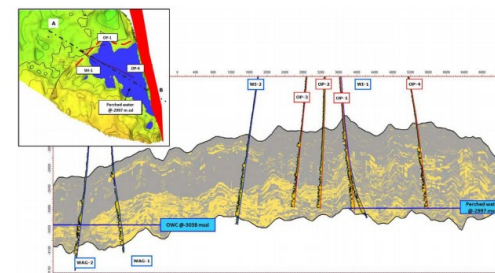
- ✓ Overpressured water gradient relative to regional aquifers
- ✓ Atypical water chemistry
- ✓ Localisation of water near base of reservoir interval where it overlies impermeable rock
- ✓ Presence of hydrocarbons (including on logs) below interpreted water-bearing interval
- ✓ Presence of topographic highs/lows at base of downdip oriented linear reservoirs or discontinuity of sands/incised features or stratigraphic features associated with regional dip.



Jansz/lo field in the Gorgon complex in WA; above

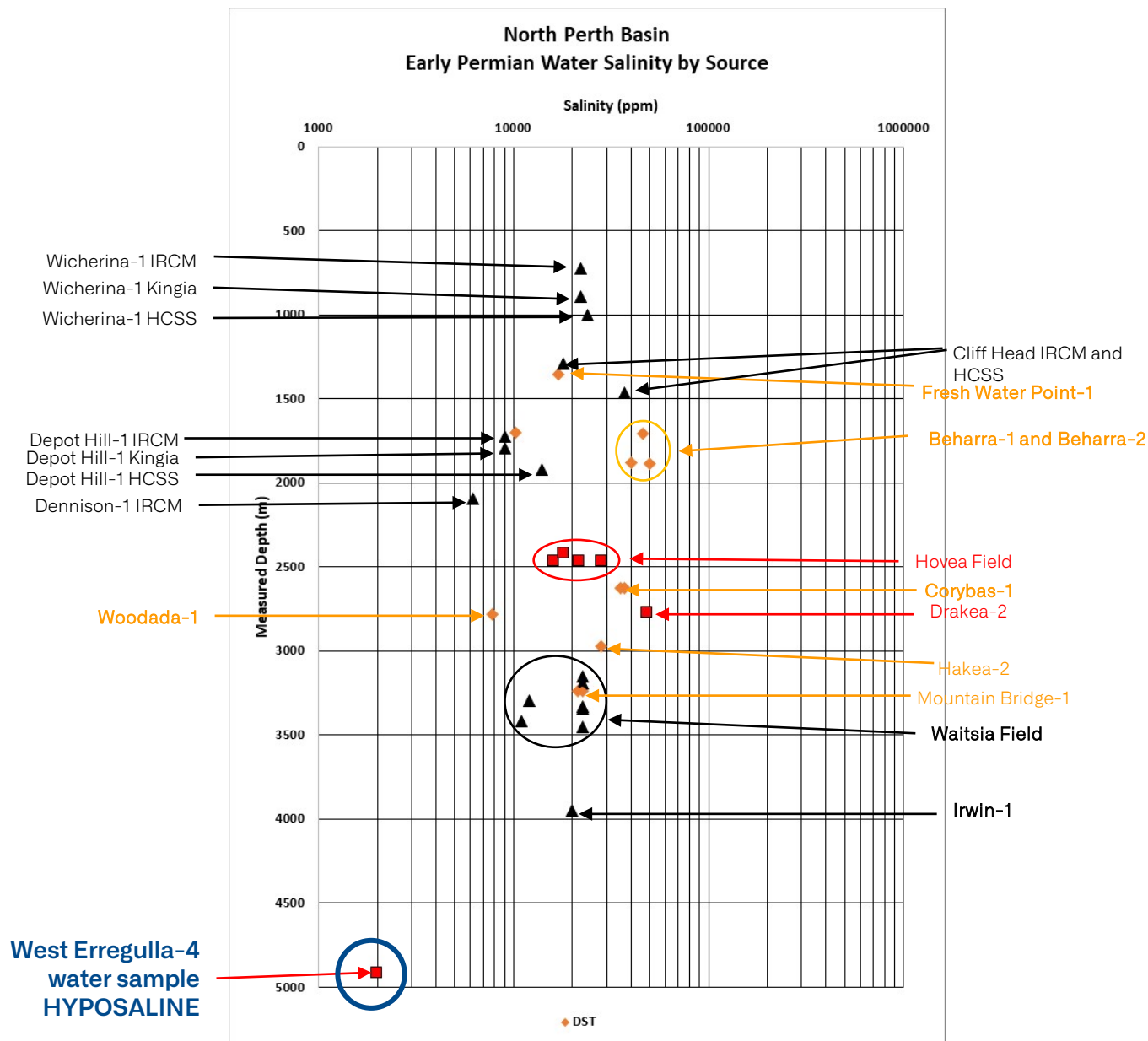


Sequoia Field Egypt; above



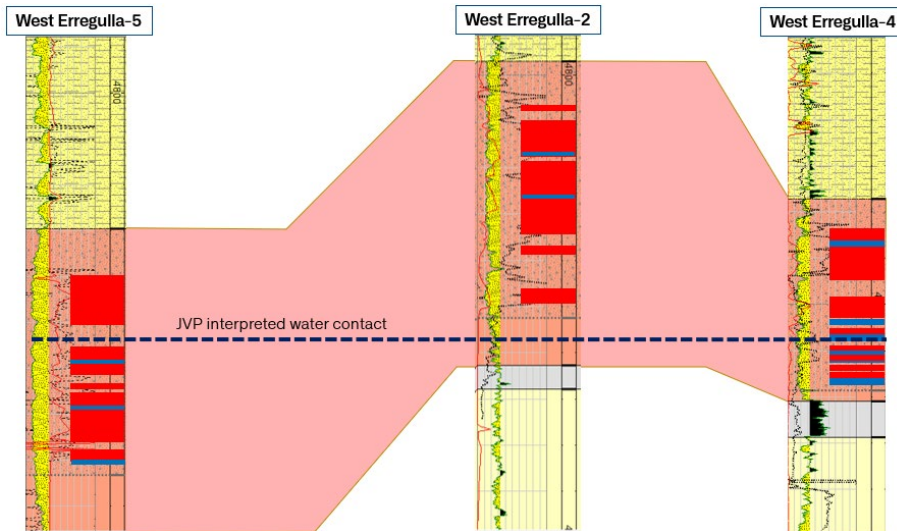
Perched Water
Example: Alpha Field
West Africa: left

Figure 7—Cross-section NW-SE showing perched water entrapment in Alpha field.



- Water from WE4 has anomalously low salinity (~2,000 to 4,000 ppm) compared to offset data across the North Perth Basin.
- Successive water samples taken during clean trend to increasingly fresh water.
- Final WE-4 samples all at ~2,000ppm.
- WE4 has hyposaline water that is enriched in bicarbonate and depleted in Sulphate, Ca, Mg, Na and Cl.
- Alkaline pH 8.0 measured on final WE4 samples inconsistent with regional acidic Kingia water measured 5-7.0 pH.

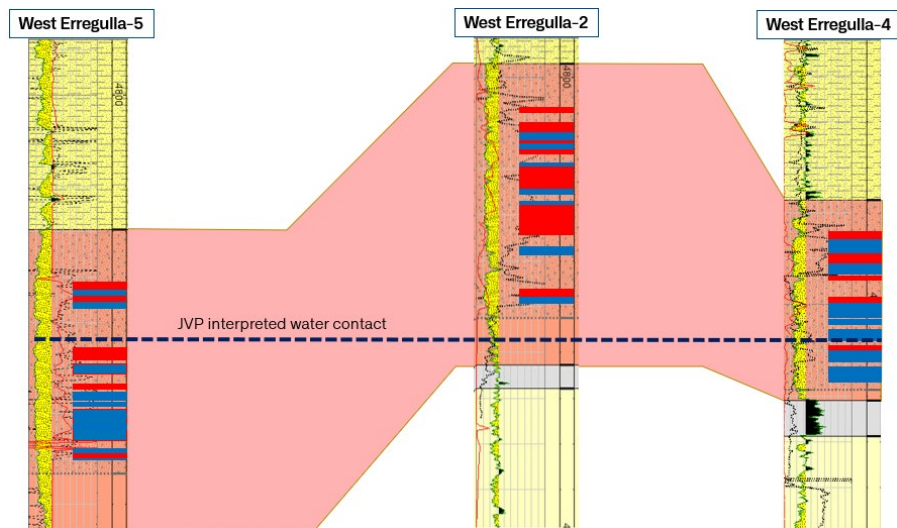
WE Field saturation with regional water at 10,000 ppm



Regional salinity is estimated to be 23k ppm

- Converting regional water down to 10k ppm salinity shows some streaky gas and water zones in WE2, 4 & 5, inconsistent with observed results to date
- WE2 produced zero water so the physical results indicate salinity higher than 10k ppm
- WE4 water influx was from base of Kingia where 10k ppm salinity would convert some upper gas pay to water producing

WE Field saturation with regional water at 4,000 ppm



- Converting regional water down to 4k ppm salinity (fresh water) shows nearly all wells become major water producers and gas pay disappears
- WE2 & WE4 had strong gas production so physical evidence doesn't correlate
- A fresh regional aquifer would make WE5 almost completely water-wet, which doesn't correlate with mud gas and logs

A fresh water aquifer is inconsistent with the physical, measured and observed results

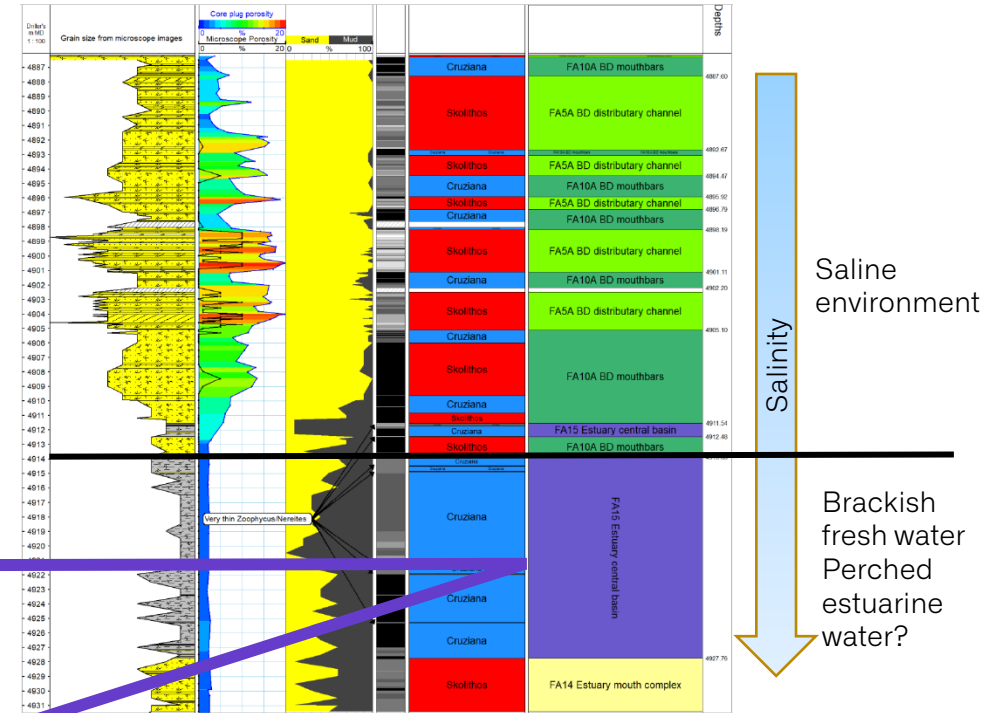
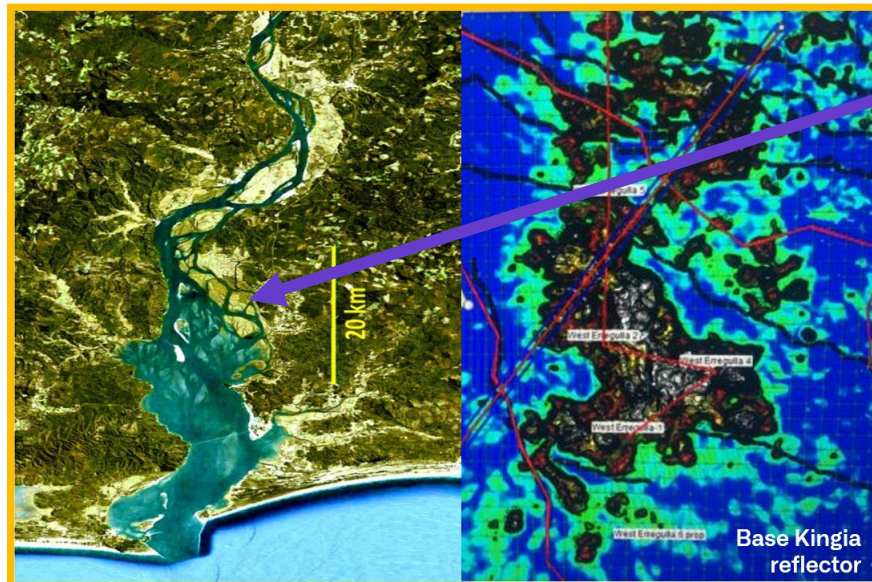
Legend

Gas Pay

Water Pay

Kingia

The diagram illustrates two types of estuaries. On the left, a 'Tide Dominated Estuary' is shown with a wide, shallow mouth and a large area of 'Tidal Flat' (yellow) extending from the river mouth. On the right, a 'Wave Dominated Estuary' is shown with a narrower, deeper mouth and a smaller area of 'Tidal Flat'. A blue arrow points from the river mouth into the estuary, indicating the flow of water.



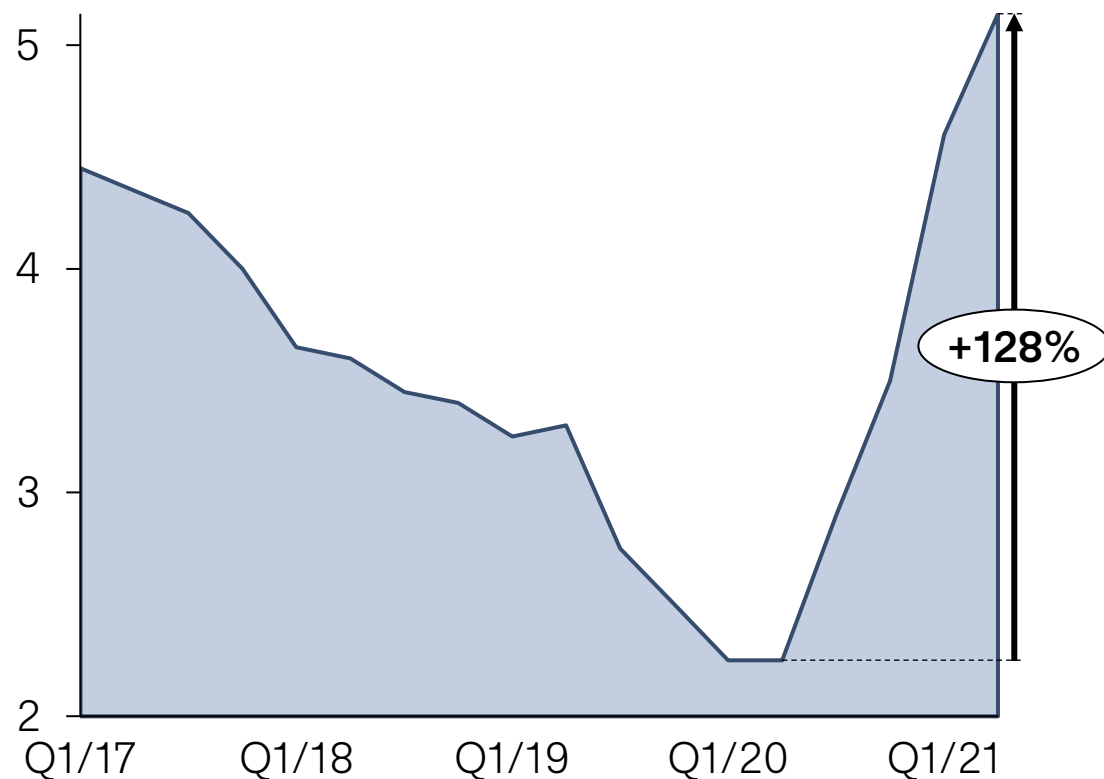
- WE4 core analysis indicates an estuarine fresh water depositional environment during the early lay down of the Kingia, then converting to marine environment later on.
- The lower most Kingia sand is indicative of an estuarine mouth bar (sand body).
- Depositional analysis indicates a unique discontinuous and localised setting that would have been required for perching of water and is unlikely to be field wide pervasive

West Erregulla Gas Project

Sufficient Resources & Reserves	✓	Resources Confirmed Reserves Pending with NSAI
Environmental Approvals	✓	All EP's submitted awaiting approvals
Foundation Gas Sales ²	✓	 
Development Plan	✓	 Australian Gas Infrastructure Group BOO 87TJ/d
Pre-Development Funding	✓	 MACQUARIE up to \$28m Pre-Development facility plus equity raising proceeds
Project Financing	✓	Banks being selected
Final Investment Decision	Long Lead Items Secured FID pending	

1. FID and timing of FID subject to, among other things, booking of sufficient reserves, execution of infrastructure documentation and midstream-FID, JV processes, debt procurement, and regulatory approvals. Strike and Warrego have agreed a gas balancing arrangement in respect of their respective foundation gas sales agreements. Refer to the ASX announcement titled "West Erregulla JV Alignment" dated 8th Oct 2020.

WA Spot Gas Price (\$/GJ)



Reserves replacement not occurring

+

Looming mid-decade undersupply

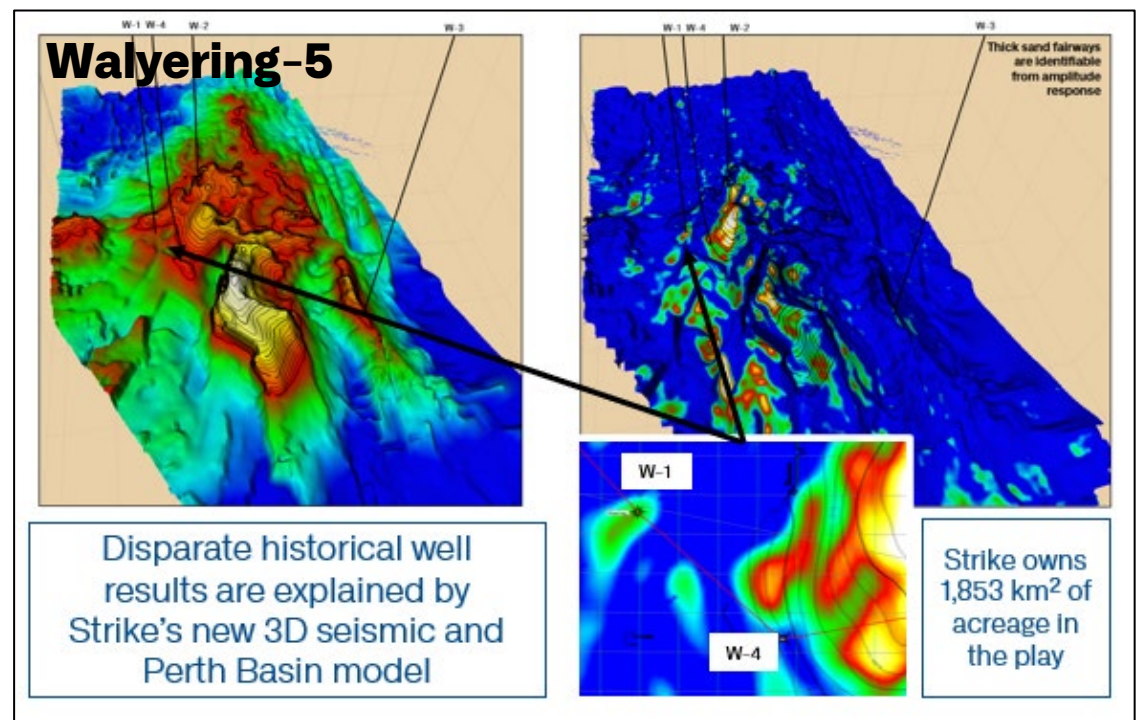
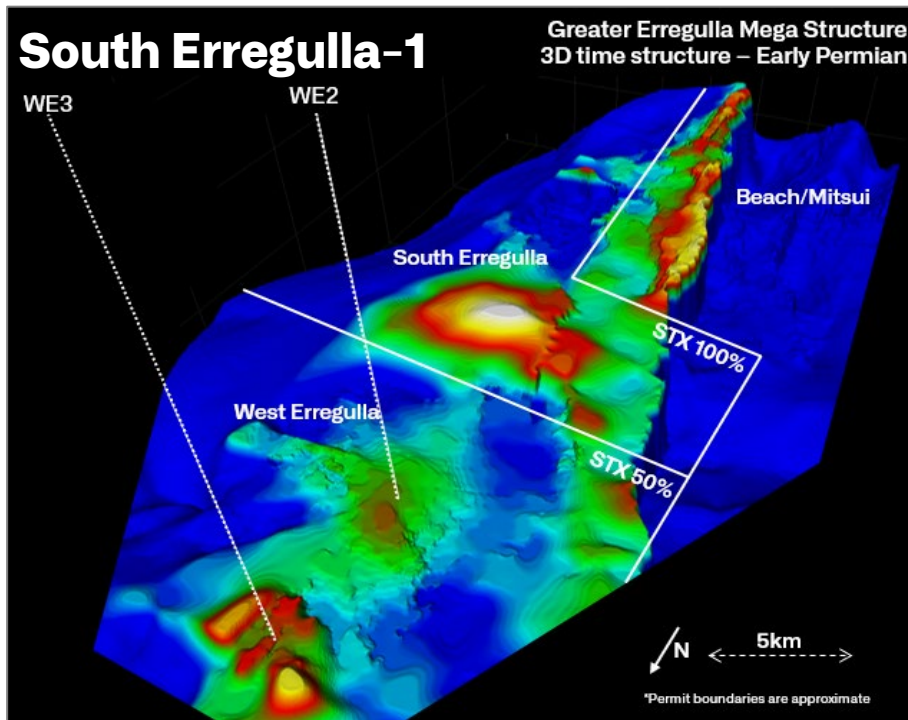
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Gas demand rising

=

Rising Price Environment

WA's spot gas price has continued its vertical ascent since 2020



Set for a transformational second half of 2021

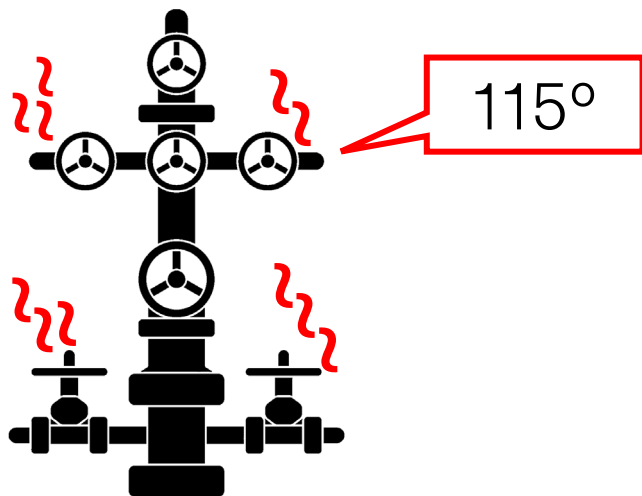
Ensign 970 Program	2021						2022
	J	A	S	O	N	D	J
Walyering-5							
South Erregulla-1							
Strike Appraisal							



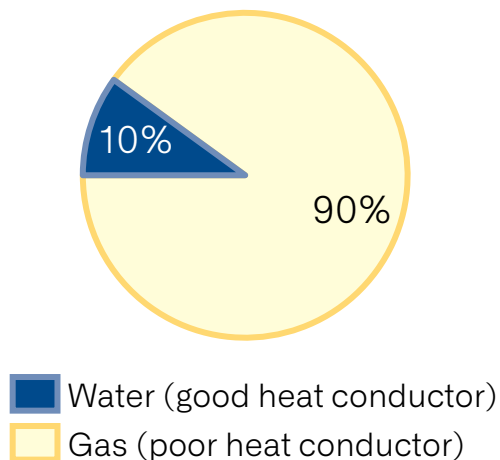
Mid West Geothermal Power Project



WE4 well head temperature whilst testing the Kingia



approx % of mass moving through well



Evidence of Kingia reservoir permeability sufficient to support fluid production



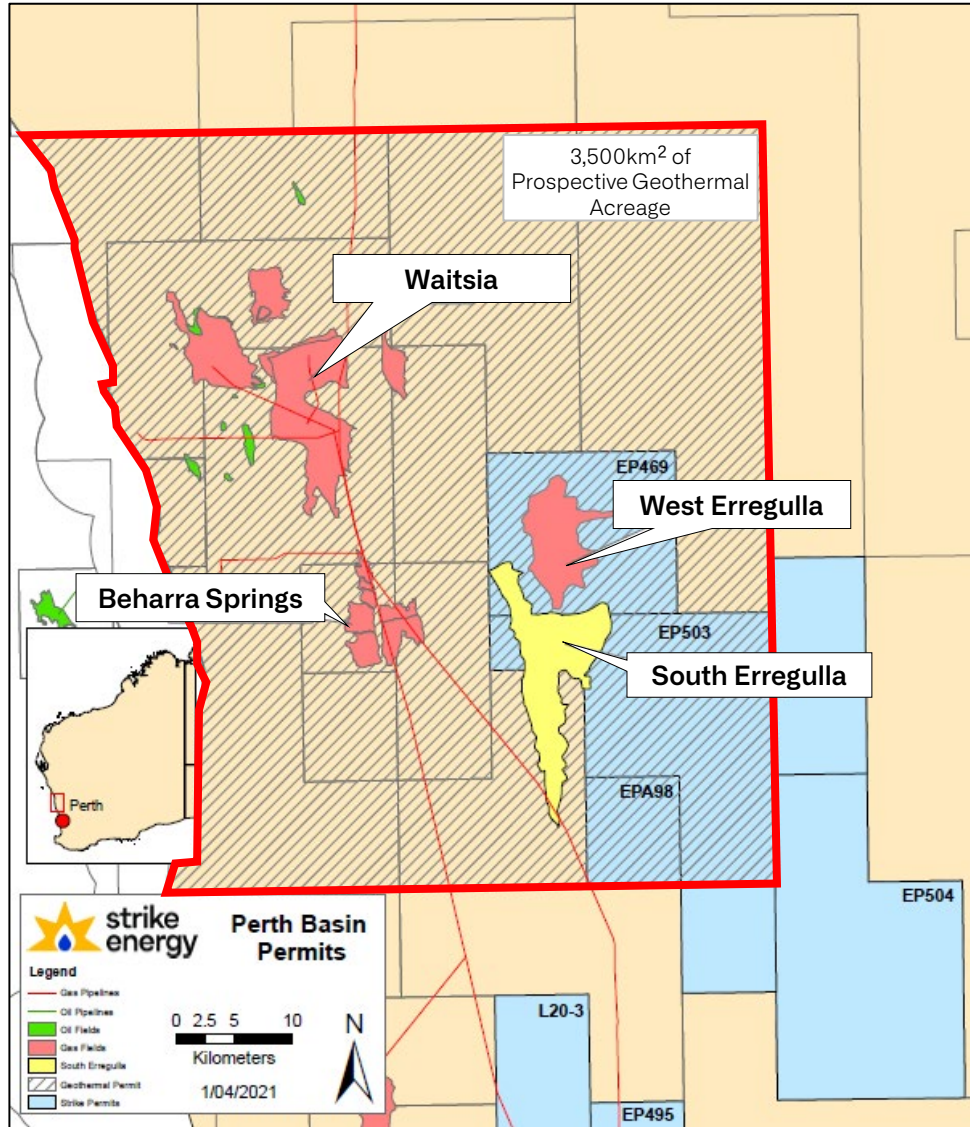
Evidence that Kingia fluid can support high well head transfer temperatures



Minimal heat loss versus modelling



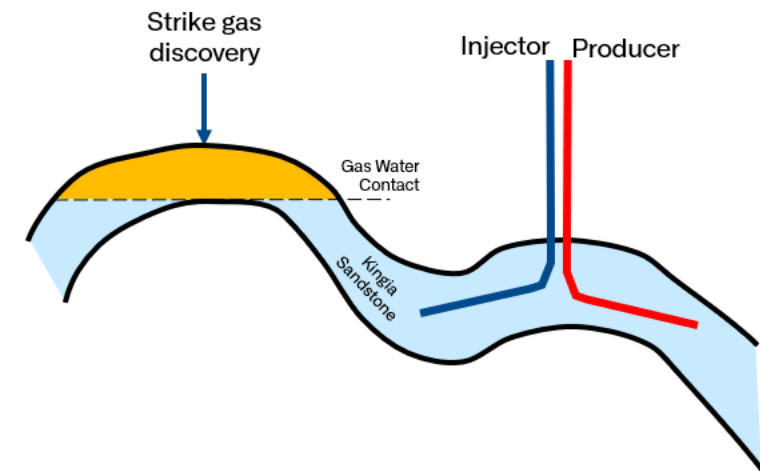
- During the WE4 flow test the small amount of water produced, which made up ~10% of the total volume passing through the well head, heated the xmas tree up to 115°:
 - If the flow had been purely water (a better thermal conductor than gas) the heat of the tree would have been much higher.
- Future testing work is required to further de-risk the resource, but these early evidences position the project for an exciting future.



More than 500km² of already mapped resource

- Strike's reservoir modeling from the Permian Fairway shows that equivalent quality non-gas bearing, water wet sandstones:
 - could flow >13,000 bbls of water per day unassisted.
 - have bottom hole temperatures of >175°.
- Strike modelling suggests up to 350 MW of power, with >500km² of potential resource already mapped.
- On success would produce WA's only baseload zero carbon renewable power.

Strike's Co-located Gas & Geothermal Assets

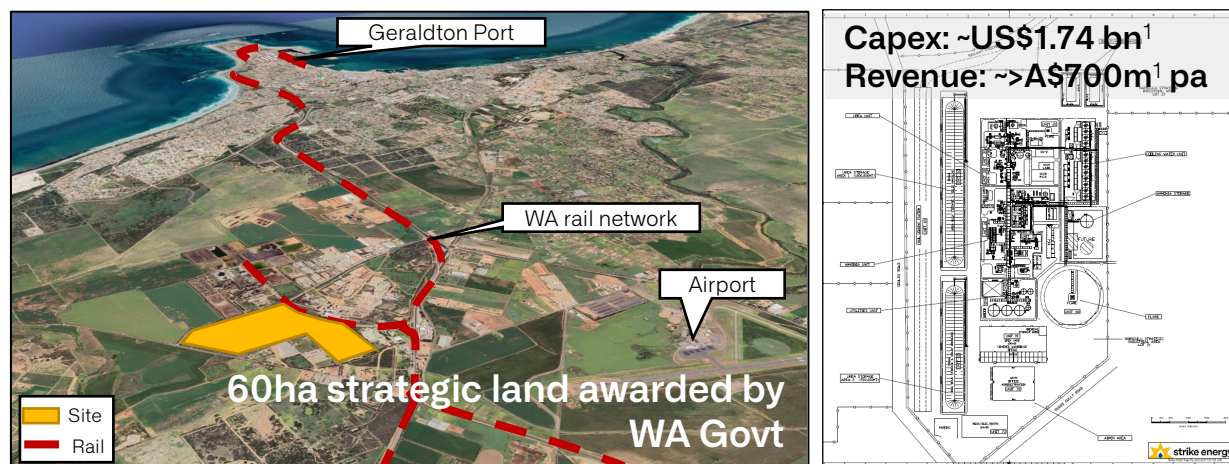


Project Haber Fertiliser Development

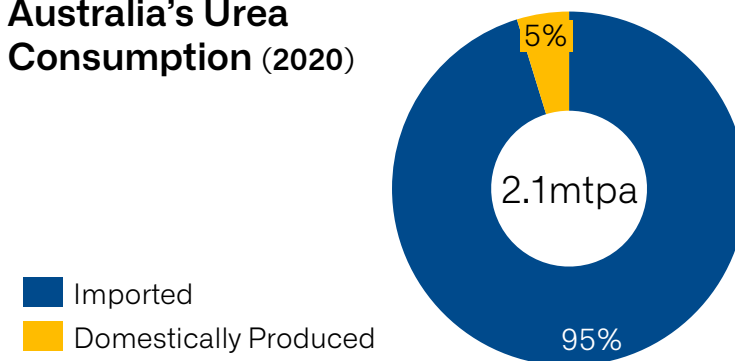




- Offtake Round 2 closes today, expecting strong responses.
- Project equity and debt advisors selected.
- Continued positive engagement with potential operators.
- Submission of carbon credit (ACCU) accreditation and methodology inclusion ongoing.
- Pre-FEED on track for September completion with final technology choice underway.
- MOU signed with AGIG for water offtake from proposed desalination plant.
- Engaged with Mid West Ports Authority for shipping logistics and progression of user and service agreement

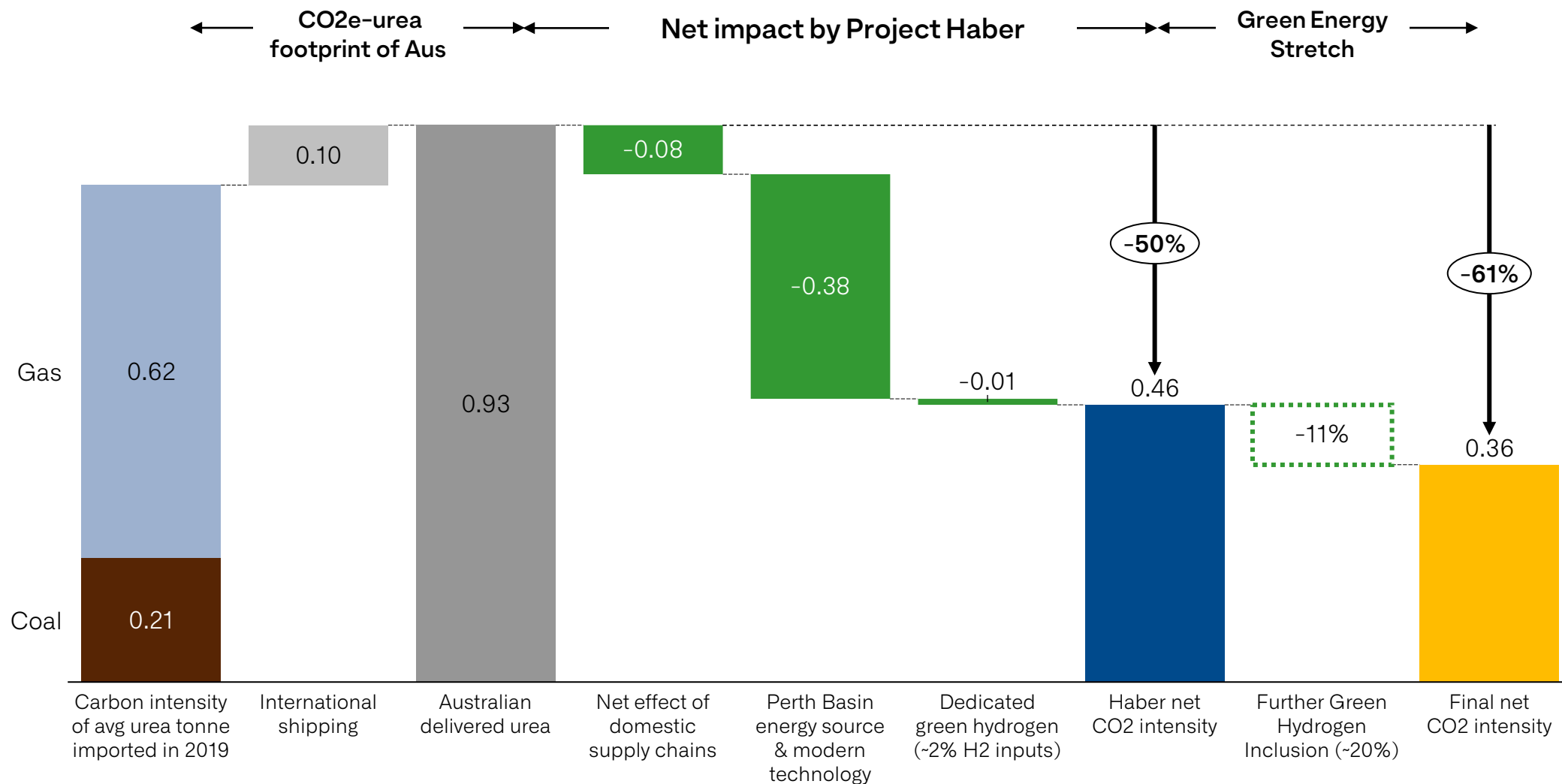


Australia's Urea Consumption (2020)



Average CO2 intensity of urea imported to Australia vs Project Haber

(tonnes of CO2e per tonne of urea)



Strike's gas endowment is Australia's hydrogen enabler



20ktpa of green ammonia

Oakajee Development:

Renewables park and future proponents green infrastructure



Clean Energy Innovation Park



Up to 5,000MW of capacity planned



strike energy

Project Haber:

Proposed dedicated 10MW electrolyser
2% of total H2 input



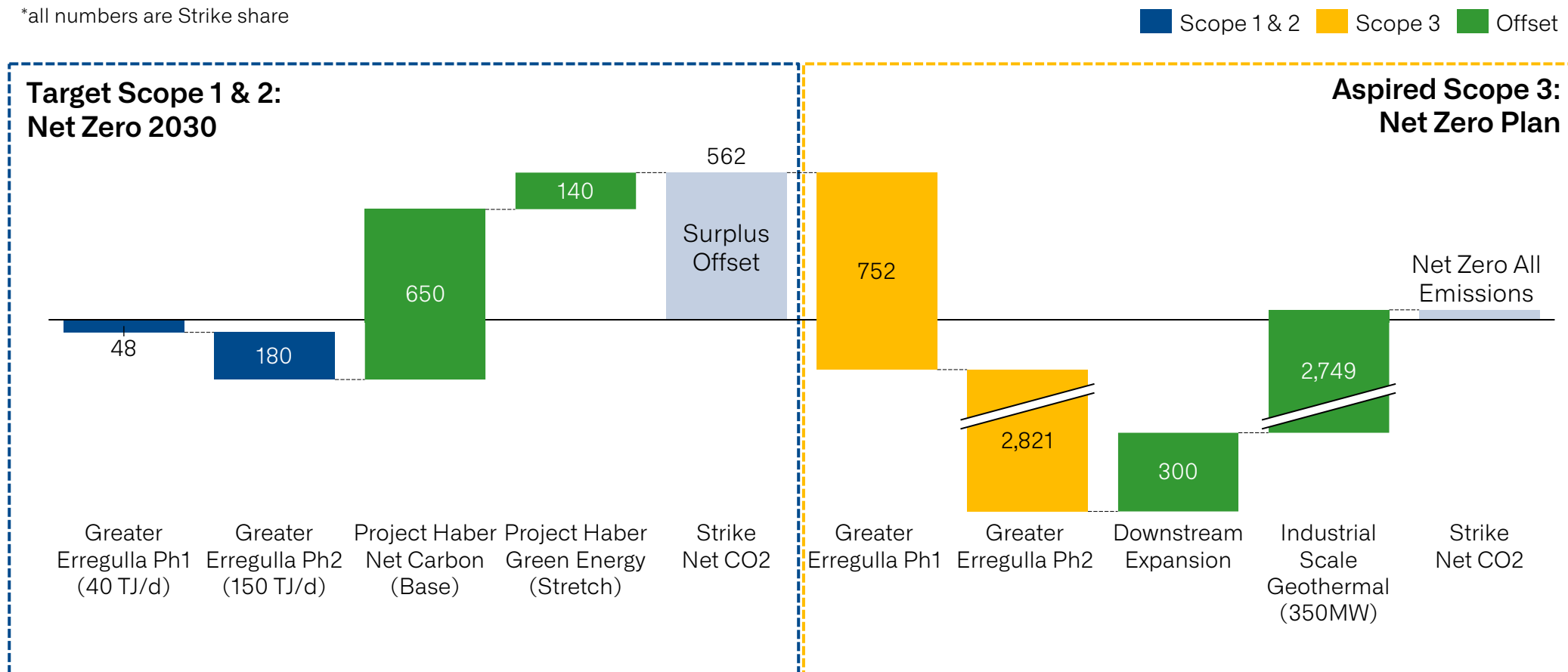
Arrowsmith Hydrogen Project

Project Haber is an enabler to the Mid-West green hydrogen vision by being the largest hydrogen and ammonia customer in Australia. Potential for Haber to be supported by Strike's geothermal resources and some of the 900 MW of local renewable energy

Strike's projected net carbon production from its various projects and operations

CO₂e-kt p.a. base lined at 2019

*all numbers are Strike share



Through the proposed development of Project Haber, Strike is targeting to reach net zero across its Scope 1 & 2 emissions by 2030. Success at the company's geothermal assets and expansion of downstream activities may enable Strike to be the first energy company to deliver full Scope 3 offsets.



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