

Walyering Gas Sales Secured

- The EP447 JV has entered into a binding supply agreement for 36.5 PJ of gas to Santos-WA with target commencement from Q1/23, for a period of 5 years from the Walyering gas field in the Perth Basin.
 - The Walyering gas field development procurement program is 95% complete and construction is on schedule to allow first gas sales in Q1/23.
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Strike Energy Limited (Strike - ASX: STX) on behalf of the EP447 JV, (where Strike is operator and the holder of 55% and Talon Energy (ASX: TPD) the other 45%) is pleased to announce that it has entered into a long-term Gas Supply Agreement with Santos-WA Limited.

Strike and joint venture partner Talon will supply a total of 36.5 PJ of gas to Santos-WA Limited on a firm basis with target commencement from Q1 2023, for a period of 5 years. The contract covers tranches of firm take or pay volumes as well as 'as available', which provides flexibility to the JV as the field ramps up towards its maximum production. The agreement is US-dollar denominated linked to escalation in US-CPI. Santos has an established domestic sales gas portfolio in Western Australia and this collaboration has assisted Strike to bring this gas to market in a timely manner and on attractive terms.

The gas supply will be sourced from the Walyering gas field in EP447 where the joint venture is constructing a low-cost development with gas being delivered into the Parmelia Gas Pipeline.

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

"The agreement with Santos provides a commercially attractive route for the Walyering JV to sell its gas stream in a strong pricing environment. As Strike commissions the field, the flexibility of this agreement is supportive of Strike managing reservoir performance whilst maximising early revenues during the ramp up period."

"Walyering's incredibly short 15-month journey from discovery to planned start-up shows the opportunity and immediacy in returns and value from Strike's substantial undeveloped acreage position in the Jurassic wet gas play in the Perth Basin. This position includes the highly analogous Ocean Hill wet-gas discovery where a large 300PJ independently certified 2C contingent resource already exists."

"The sale of this gas to Santos continues to demonstrate Strike's commitment to supplying the Western Australian domestic gas market with low-cost Perth Basin gas and underscores the importance of Strike's activities in filling the projected mid-decade gas market shortfalls."

Walyering Development Update

A total of 95% of the procurement program for the upstream facility has been secured under purchase orders with vendors and the facility is currently on budget with 54% of fabrication having been completed. Further to this, Strike as the operator has made the decision to reduce some of APA Group's scope and transfer a section of their pipeline connection project into Strike's responsibilities. The decision to move this scope to Strike has been driven by schedule maintenance and Strike's ability to perform the activities at a more competitive cost and will result in a decrease of the overall fixed and variable operating cost of the field to approximately \$0.19 GJ (assuming 33 TJ/d annual average production). However, this operational cost saving



increases capital expenditure by at least \$2.4 million (gross). The overall development remains on schedule to produce first gas sales in Q1/23 subject to receiving several approvals from the regulator which are progressing well.

This announcement is authorised for release by the Managing Director and Chief Executive Officer in accordance with the Company's Continuous Disclosure Policy.

Company Contact

Stuart Nicholls

CEO & Managing Director

Email: stuart.nicholls@strikeenergy.com.au

Media Contacts

Paul Ryan (Citadel-MAGNUS)

Phone: 0409 296 511

Email: pryan@citadelmagnus.com