

Walyering Update

- Individual testing of the Walyering-5 B, C & D Sands has been completed or is underway with strong results observed from all reservoirs. Interim results include:
 - B-Sand flowed at a maximum recorded rate of 33 mmscfd at 2,427 psi on a 48/64" choke and is currently on test.
 - C-Sand flowed at a maximum recorded rate of 32 mmscfd. Stabilised rates were maintained for longer than 24 hours at 27 mmscfd with flowing well head pressures of 2,083 psi through a 48/64" choke.
 - D-Sand flowed at a maximum recorded rate of 13 mmscfd. Stabilised rates were maintained for longer than 24 hours at 10 mmscfd with flowing well head pressures of 813 psi through a 48/64" choke.
- Analysis of the gas from the C & D sands was found to be of high quality with negligible impurities and condensate gas ratios of 4-6 bbls/mmscf of light oil ranging between 34-45 API.
- Walyering-6 has commenced drilling operations and is currently drilling ahead at a depth of 969m (measured depth).

Strike Energy Limited (Strike - ASX: STX) provides an interim update on the testing and development activities at the Walyering Gas Field on behalf of the EP447 JV, where Strike is operator and the holder of 55% equity interest and Talon Energy (ASX: TPD) the other 45%.

Walyering-5

Strike has commenced the testing program of the four Jurassic aged wet-gas charged reservoirs in the Walyering-5 well through the 5.5" tubing test string. Individual testing of the D & C Sands is now complete, and the B-Sand is ongoing with strong results observed to date.

The gas streams produced from both the D & C Sands are similar to samples from the A Sand, in that they have negligible impurities and have a condensate gas ratio of approximately 4-6 bbls/mmscf. The liquids produced are of a light oil quality with an API ranging between 34-45 with minimal associated water production.



The production rates seen in all tested reservoirs were strong and indicative of the good hydrocarbon saturation and reservoir quality. The C and B Sands have been observed as having strong pressure dynamics which has supported much higher rates than expected.

The following interim testing results have been captured in the table below and are subject to adjustments once bottom hole gauges are retrieved at the end of the full testing period:

Reservoir	Interval Top TVDss (-m)	Average Porosity (%)	Perf interval (m)	Estimated Reservoir Pressure (psi)	Instantaneous Peak Rate (mmscfd)	Stabilised Rate (mmscfd)	Choke Setting	FWHP (psi)	Length of Test (hrs)
D Sand	3,212	13.9	18	4,655	13	10	48/64	813	>24
C Sand	3,154	16.4	10	4,850	32	27	48/64	2083	>24
B Sand	3,045	14.5	Testing ongoing						
A Sand	2,969	17.3	Yet to be tested						

The flowing periods for each sand have been run over several days at various choke settings with the primary stabilised flows occurring for periods longer than 24 hours. The objective of these prolonged flows is to generate a high degree of confidence in the 'connected volumes' of gas in the reservoir to the well, which in turn will support a higher Reserve and Resource confidence.

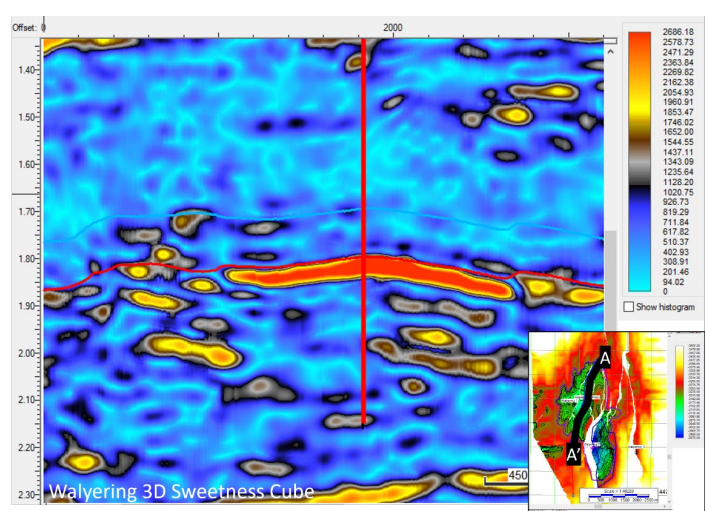
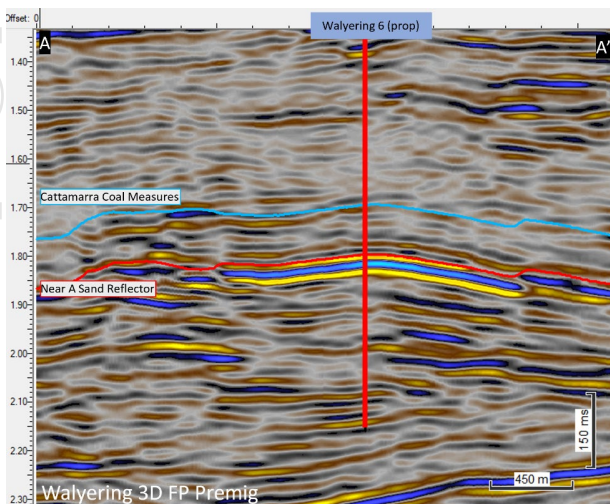
Strike is currently flowing the B Sand and on completion will perforate and test the A Sand individually, which will be followed by a series of pipe work upgrades across the testing package in order for the equipment to handle the higher-than-expected rates of the final comingled test from all four reservoirs.

Walyering Development

Momentum Engineering has been awarded the front-end engineering and detailed design for the upstream facilities prior to the gas stream entering into the APA operated Parmelia Gas Pipeline compound. The facilities will be designed for up to 30 mmscfd (which may produce up to 36 TJ/d) and have condensate/oil storage and offloading capacity for up to 1,400 bbls.

Walyering-6

The Walyering-6 well has spud and is drilling ahead in the top section currently at a depth of 969m (measured depth). The well is planned to be drilled down to a total depth of 3,504m MD and is expected to intersect the A to D Sands as seen in the Walyering-5 well.



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The Walyering-5 well is located at: Latitude: 30° 43' 48.30", Longitude 115° 28' 43.61" and the Walyering-6 well : 30° 42' 48.50", Longitude 115° 28' 28.2"

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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Investor Relations

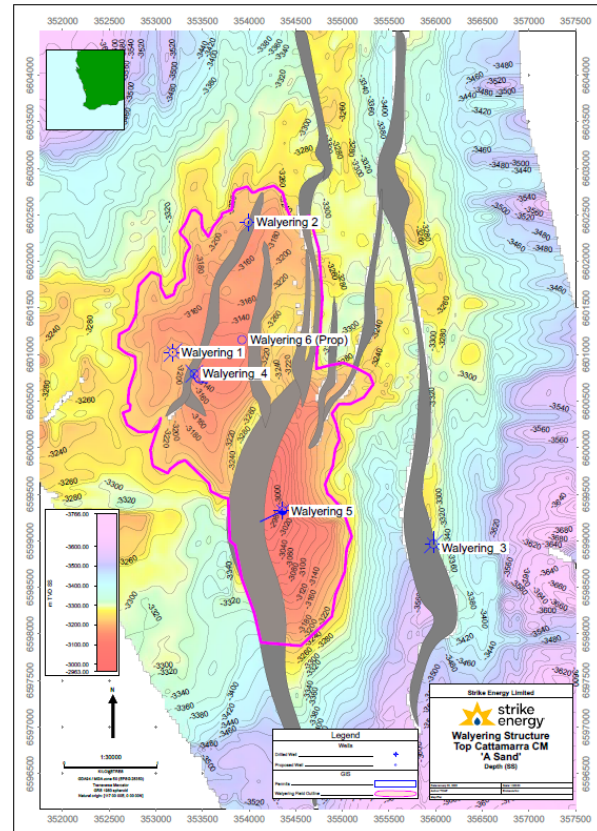
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