Walyering Flow Test Materially Exceeds Expectations

- Walyering comingled flow test achieves 3rd highest flow rate in Basin history at a choke coefficient of 75 mmscfd on 72/64" choke with FWHP of 2,599 psi.
- Individual testing of the Walyering-5 A and B Sands has been completed and delivered excellent results, which include:
  - A-Sand flowed at a maximum recorded rate of 59 mmscfd. Stabilised rates were maintained for longer than 24 hours at 52 mmscfd with flowing well head pressures of 2,557 psi through a 64/64" choke.
  - B-Sand flowed at a maximum recorded rate of 32 mmscfd. Stabilised rates were maintained for longer than 24 hours at 28 mmscfd with flowing well head pressures of 2,175 psi through a 48/64" choke.
- Analysis of the gas from the A & B sands was found to be of high quality with negligible impurities and condensate gas ratios of 9 bbls/ mmscf in the A-Sand and 6 bbls/mmscf in the B-Sand of light oil ranging between 39-47 API.
- Walyering-6 is currently drilling ahead at a depth of 2,130m (measured depth) after cementing the top-hole casing in place.

Strike Energy Limited (Strike - ASX: STX) is pleased to release the final testing results and provide an update on the development activities at the Walyering Gas Field on behalf of the EP447 JV (Strike operator and owner of 55% equity interest, Talon Energy (ASX: TPD) 45%).

Walyering-5

After 21 days Strike has completed the flow testing activities at the Walyering-5 well, which has materially outperformed expectations.


W5 on test

Since the last update, Strike has individually tested the A & B Sands and conducted a comingled flow with PLT run from all four reservoirs after retrieving the down hole gauges and retrievable bridge plugs used to isolate the zones during testing.

The comingled flow has produced a choke coefficient peak rate of 75 mmscfd on a 72/64" choke with FWHP of 2,599 psi, which

was limited by the testing package on site. This is the third highest test rate ever recorded in the Perth Basin and is comparable with the high-quality deep gas discoveries of the Permian Gas Fairway in the North (Waitsia, Greater Erregulla, Lockyer and Beharra), but with much better gas quality. Stabilised flows of 67 mmscfd with a FWHP of 2,634 psi were measured on the same setting when diverted through the separator in order to measure liquid hydrocarbon streams. These results exceed all modelling and support the assumptions for commercial gas production from the Walyering-5 well.

The gas streams produced from both the A & B Sands are in line with the remainder of the field in that they have negligible impurities and have a condensate gas ratio of approximately 6-9 bbls/mmscf. The liquids produced are again of a light oil quality with an API ranging between 39-47 with minimal associated water production. During the comingled test the well produced approximately 8 bbls/mmscf of light oil.

The production rates seen from the A & B and comingled tests demonstrate an exceptional result given the high degree of back pressure on the well head when flowing, which suggests a material connected gas resource.

Final test results have been captured in the table below but are subject to adjustment once bottom hole gauge data is included and integrated:

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)
A Sand	2,969	17.3	16	4,388	59	52	64/64	2557	>24
B Sand	3,045	14.5	32	4552	32	28	48/64	2175	>24
C Sand	3,154	16.4	10	4,850	32	27	48/64	2083	>24
D Sand	3,212	13.9	18	4,655	13	10	48/64	813	>24
Comingled Flow	-	**15.4**	**76**	-	**75**	**67**	**72/64**	**2,634**	**~3**

Strike is currently suspending W5 ready for its final production well completion, which will be run with the Walyering-6 well (on success) prior to commissioning later in 2022.

Walyering Development

As a result of the higher-than-expected flow rate results, Strike is investigating minor changes to the basis of design for the facility to increase the throughput to 35 mmscfd (with the potential to produce up to 42 TJ/d) without upscaling major components of the facility.

Walyering-6

The Walyering-6 well has run the surface casing to depth and cemented in place. W6 is currently drilling ahead in 12-1/4” hole at a depth of 2,130m down to a section depth of ~2,400m.

Managing Director & Chief Executive Officer, Stuart Nicholls said:

“The outcomes of the Walyering-5 flow test have exceeded Strike’s most bullish estimates. The strength of the reservoir pressure, high quality gas stream and adjacency of gas transmission infrastructure will all come together to create some of the lowest cost gas to be developed in Australia for many years.

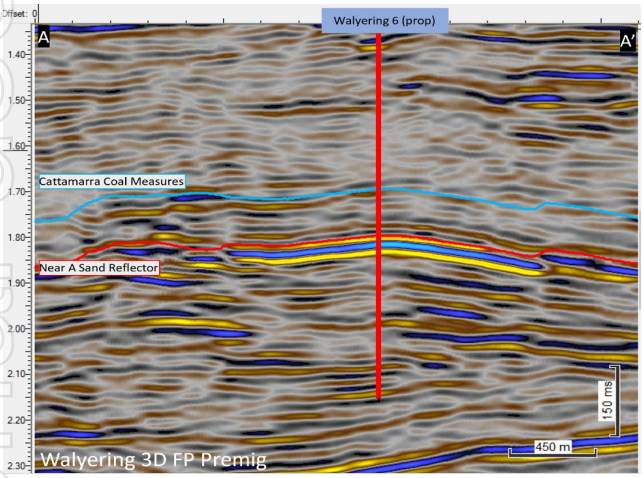
“These results also demonstrate the inherent value of Strike’s 1,853km^2 of Jurassic acreage in the Perth Basin where the Company has mapped over 270km^2 of prospects and leads and

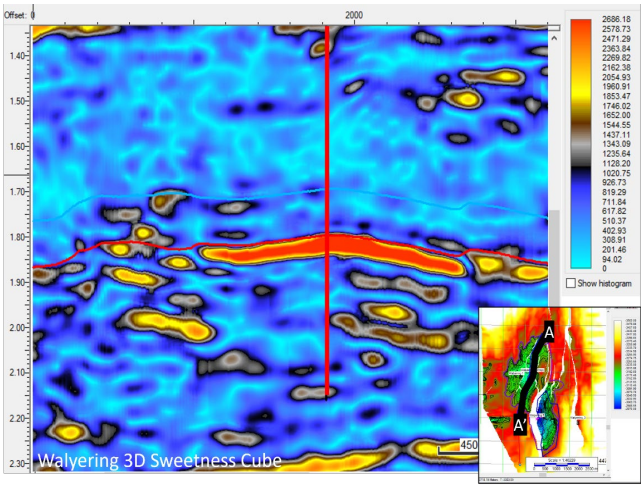
includes the existing Jurassic wet gas discovery at Ocean Hill where a large independent 2C contingent resource of 360 bcf[1] and 1.2 mln bbls of condensate has already been booked.

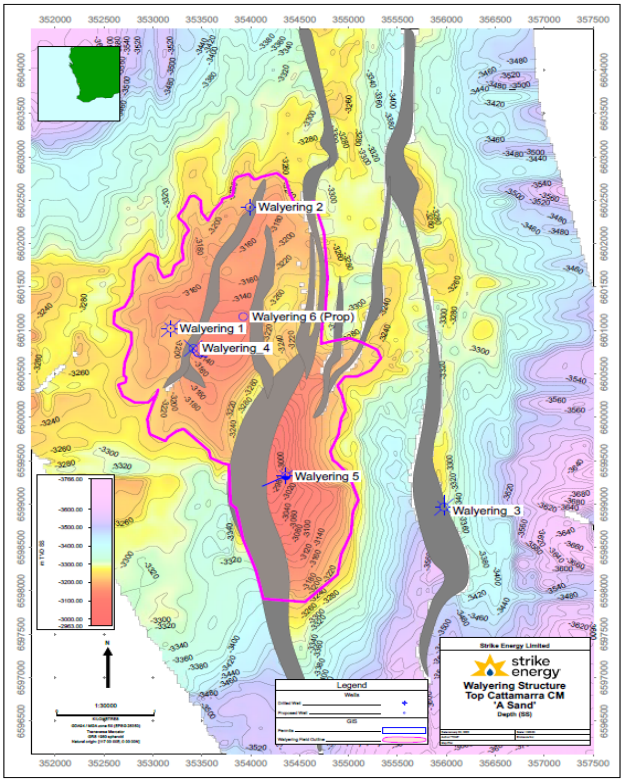
"Importantly, the Walyering gas resource was not captured in the forward supply and demand modelling of the AEMO in their 2021 Gas Statement of Opportunities, and therefore Walyering may be influential in ensuring the forecasted mid-decade WA industrial gas shortage is avoided"

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.







Company Contact

Georgina Fraser
Investor Relations
georgina.fraser@strikeenergy.com.au

Media Contacts

Paul Ryan (Citadel-MAGNUS)
P: 0409 296 511
E: pryan@citadelmagnus.com

[1] For the Ocean Hill 2C Contingent Resource please refer to ASX Announcement: "Exploration Portfolio Update" dated 17th of February 2021. Strike confirms it is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimate in that announcement continues to apply.