Corporate Update

Strike Energy Limited (Strike - ASX: STX) provides a response to market commentary on, and value implications of the recently announced up to $1.13 billion acquisition of Mineral Resources Limited's Perth Basin gas assets by Hancock Prospecting Pty Ltd.

Strike has a dominant operated acreage position in the highly attractive Perth Basin, where several TCF (trillion cubic feet) of low impurity, high quality conventional natural gas has been discovered only 150-350 km north of Perth along major pipeline routes. These pipelines connect Strike's gas assets to LNG export terminals in the North and a well-developed and growing gas market in the south. Strike's assets also sit inside and along transmission lines for the State's Southwest Interconnected System, which supports up to ~5 GW of electricity demand.

Over the past 6 years, approximately $4 billion of Perth Basin company and asset acquisitions have occurred, more than any other oil and gas basin in Australia over the same period. This external investor appetite highlights the highly attractive and coveted nature of the natural gas fields within the Perth Basin.

Hancock's up to $1.13 billion acquisition of Mineral Resources' non-independently certified gas assets has amplified the attention on the Perth Basin with a transaction look through value of ~$2 per GJ of in ground non-independently certified 2C Contingent Resources. This transaction has highlighted the deep value represented in Strike's organically discovered portfolio of well defined, independently certified gas fields and highly prospective exploration acreage.

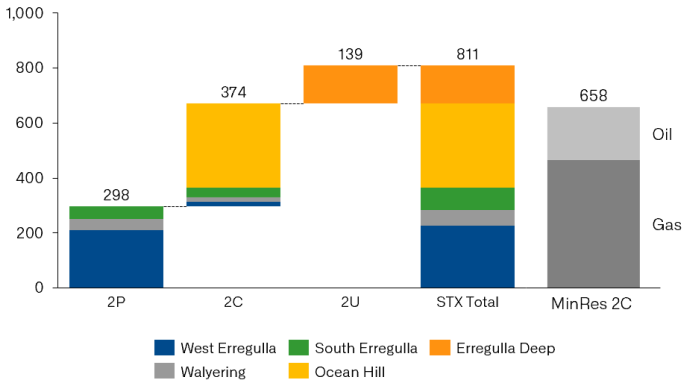
Currently, Strike is trading on a resource multiple of just under $1 per GJ on its aggregate independently certified 2P and 2C resource numbers, which does not account for any new Reserves and Resources that will be defined by the recent Erregulla Deep discovery. This is more than a 50% discount to the price Hancock has paid for the non-independently certified Lockyer and North Erregulla 2C Resources, again noting the large amount of fully appraised, independently certified Reserves in Strike's portfolio, some of which are already in production.

Gas Acceleration Strategy

In 2023 Strike embarked on its WA Government endorsed Gas Acceleration Strategy (GAS), whereby Strike is targeting commencement of production operations from its four current gas discoveries, acquire several seismic datasets and drill several exciting exploration targets. To date, material progress has been achieved from the GAS with Walyering in production, South Erregulla close to its Final Investment Decision (FID), Ocean Hill in appraisal, a major new gas discovery being made at Erregulla Deep, and West Erregulla progressing toward FID.

Minres versus Strike's Perth Basin Independently Certified 2P Reserves plus 2C Resources plus Erregulla Deep discovery 2U

(PJe) Conversion of 1 mmboe 6.12 PJe used



Prospective Resource Estimate Information & Cautionary statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. This estimate is un-risked, probabilistically determined and has a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Note: Refer to Important Notices for information regarding reserves and resources estimates.

At Walyering, Strike has completed its first full year of production and is now generating more than $70 million of annual gas and condensate sales. This project which has proven Strike as a fast, nimble and competent project developer, generates a reliable underlying EBITDA to build the financial architecture required to progress the second and third phases of its GAS.

At West Erregulla, Strike, as the operator, and its infrastructure partner Australian Gas Infrastructure Group are committed to taking the project to FID in the near term. The West Erregulla gas field is a fully appraised, fully permitted, low risk and a high yield development opportunity that can utilise the LNG export window recently defined by the State. The field and recent discovery at Erregulla Deep sit inside Production License L25 and EP469 where the conditions of the production licence require production operations to begin within 5-years of grant, which aligns with Strike's development plans.

In early 2023, the highly contested acquisition of the 50% non-operated share of West Erregulla closed, where Beach Energy, Mineral Resources, Hancock Energy and Strike all participated in the transaction. Ultimately, the non-operated stake of West Erregulla was sold to Hancock Energy for ~$450 million, underwriting the deep value in the asset. Since the transaction, significant value-accretive milestones have been achieved, including securing full permitting over the West Erregulla gas field, obtaining LNG export allowances, and the notable adjacent gas discovery at Erregulla Deep.

At South Erregulla, Strike is preparing to take an FID and break ground at its proposed fully integrated peaking gas power station development. New modelling indicates that the power station may have a capacity factor far greater than the ~18.8% that was forecast in June of this year and the associated cashflows may provide a meaningful step change in underlying group EBITDA generation in 2026. This modelling is being finalised and an updated capacity factor will be provided at the time of taking FID.

Finally, at Ocean Hill, new high-resolution 3D seismic acquired over the discovery supports the progression of the field towards appraisal drilling. On success, given the low impurity nature of the field, plus the location of the nearby DBNGP compressor station, Strike envisages an ultra-fast and low-cost development could be progressed, incorporating benefits and learnings from the Walyering gas project.

Strike's ambitious GAS is underpinned by its organic cashflow generation, and the $153 million financing package announced with its long-term financier at Macquarie Bank Limited[1], where it expects to reach financial close in the near term.

Strike is committed to delivering against the GAS so the Company is well positioned from 2027 onwards to start to deliver meaningful shareholder returns via the cashflow generation from its highly attractive portfolio of WA energy projects.

This announcement is authorised by Stuart Nicholls, Managing Director & Chief Executive Officer of Strike in accordance with the Company's Continuous Disclosure Policy.

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[1] For more information, see ASX announcement dated 21 June 2024 entitled "Terms agreed for $153m Development Funding Package".

Important Notices

Reserves and Resources Information

Unless otherwise stated, references in this announcement to:

- the West Erregulla reserve and resource estimate is set out in the ASX announcement dated 27th July 2022 entitled "West Erregulla Reserves Upgraded by 41%" and in ASX announcement dated 16 December 2022 entitled "Strike to test Southwest Erregulla and Erregulla Deep Prospective Resource". Strike's interest is 50%;
- the South Erregulla reserve and resource estimate is set out in the ASX announcement dated 24th June 2024 entitled "South Erregulla Reserves". Strike Energy interest is 100%;
- the Walyering reserve and resource estimate is set out in ASX announcement dated 23 September 2022 entitled "Walyering Update". Strike 's equity interest is 100%;
- the Ocean Hill 2C Contingent Resource is set out in ASX announcement dated 10 October 2022 entitled "Independent Certification of Ocean Hill Gas Resource". Strike's equity interest is 100%;

Strike is unaware of any new information that materially impacts the information in these releases and confirms that all the material assumptions and technical parameters underpinning the estimates in the above releases continue to apply and have not materially changed.

- The Erregulla Deep 2U prospective Resource is set out in ASX announcement dated 16 December 2022 entitled "Strike to test Southwest Erregulla and Erregulla Deep Prospective Resource". Strike equity interest is 50%.

Since the drilling of Erregulla Deep-1 Strike is aware of new information that has been set out in ASX announcements dated 03 September 2024 entitled "Highly significant gas discoveries at Erregulla Deep-1" and 21 October 2024 entitled "Exceptional Production Test at Erregulla Deep-1". Strike does not expect this information to materially impact the information in the 16 December 2022 release and, pending a full analysis of the new data and the results of the 3D Natta Seismic planned for Q1 CY2025 being incorporated into the data set, confirms all material assumptions and technical parameters underpinning the estimates in the above release continues to apply and have not materially changed.

These reserves and resources estimates must, therefore, be read in conjunction with the full text of the ASX releases referred to. The Reserves and Resources are unrisked.

The above announcements are available to view on Strike Energy's website at www.strikeenergy.com.au.

Forward looking Statements

Statements contained in this release, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Strike, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'budget', 'outlook', 'schedule', 'estimate', 'target', 'guidance' 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Forward looking statements including all statements in this document regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Strike. Actual results, performance, actions and developments of Strike may differ materially from those expressed or implied by the forward-looking statements in this release. Such forward-looking statements speak only as of the date of this document. Refer to the risk factors set out in Talon Energy Limited's Scheme Booklet dated 3 November 2023 in relation to the acquisition by Strike Energy (through its wholly owned subsidiary) of all of the issued shares in Talon Energy by way of scheme of arrangement pursuant to Part 5.1 of the Corporations Act 2001 (Cth) for a summary of certain general, Strike Energy specific and acquisition specific risk factors that may affect Strike Energy