

The Company Announcement Officer ASX Ltd

via electronic lodgement

Southern Cooper Basin Gas Project Operations update

Strike Energy Limited (ASX:STX) ("Strike") is pleased to provide an update on operations at its Southern Cooper Basin Gas Project in PEL 96 (Strike 66.67% and Operator, Energy World Corporation (ASX:EWC) 33.33%).

Overview

Over the last few weeks, stable operations have been maintained, with consistent water production from the Klebb pilot. The dewatering process to lower reservoir pressure sufficiently to achieve gas desorption is tracking to plan and in line with expectations.

Klebb Production Test Update

The Klebb 1 beam-pump continues to maintain the optimal fluid level in the well. Gas is being flared consistently and water flows from this well are declining as planned in advance of the next, major gas desorption event.

Dewatering performance of both Klebb 2 and Klebb 3 is also progressing to plan. The relatively high productivity of these wells supports our increasing confidence that they will have access to larger reservoir volumes to sustain sharply increasing gas flows at desorption. Over 3 weeks of uninterrupted flow has been achieved from Klebb 3 and this is having a direct influence on the performance we are observing from Klebb 1.

Klebb 4 has experienced some intermittent performance issues, which are being managed without impacting the core objective of the production test at the Klebb pilot.

Forward Plan

Flow testing will proceed with the operational target of maintaining consistent, stable production. Maximising field dewatering to lower average reservoir pressure with the jet-pump wells whilst maintaining low fluid levels in the beam-pump and ESP wells is on track to promote, maintain and progressively increase gas flow rates.

Managing Directors Comment

"Our operational focus on stable and reliable performance of the wells is proceeding as planned in order to progress our goal of achieving commercial gas flows from the Southern Cooper Basin Gas Project. Proof of concept will materially de-risk this major new gas supply project and deliver significant, near term value to our shareholders."

Yours faithfully

A handwritten signature in black ink that reads "David Baker".

David Baker
Managing Director

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