

Q1 /22 Quarterly Report

Perth Basin - Walyering flow testing

Comments from Managing Director & CEO Stuart Nicholls:

“Strike has completed the quarter having achieved several strategic milestones, with the successful drilling at both Walyering and South Erregulla. These positive results unlock both nearer term cashflows at Walyering and substantial diversified value at Strike’s integrated low carbon fertiliser manufacturing development, Project Haber.

“The early results at the Walyering flow test continue to demonstrate the value and scale of Strike’s vast Perth Basin position in the hands of its exceptional geoscientists. The Company now looks forward to accelerating its maiden cashflows as it works through the Walyering gas fields development milestones over the remainder of the year.

“In pursuit of Strike’s vertically integrated downstream strategy, the coming quarter will see the foundations laid for the ramp up at Project Haber, where Strike has the opportunity to not only re-domesticate fertiliser manufacturing in Australia and lower the Country’s hard to abate agricultural emissions, but also deliver transformational industrial value to Strike’s capital base and shareholders.”

Highlights

Permian Gas Fairway

- South Erregulla 1 made multiple high-quality conventional gas discoveries in the Permian Kingia and Wagina Sandstones. The discoveries give Strike the resource confidence necessary to proceed with and execute the Project Haber engineering, offtake and environmental approval workstreams.
- West Erregulla Phase 1 87 TJ/d development continues with the preparation to re-enter WE3 and progress into development on receipt of environmental permit approvals.

Jurassic Wet Gas Play

- Walyering-5 flow testing has commenced, with high flow rates that have exceeded expectations and confirm the excellent gas quality and condensate streams.

- RISC Advisory appointed to independently assess Reserves and Resources of the Walyering gas field post testing and drilling.
- Walyering-6 well has commenced drilling operations and is drilling ahead.
- Momentum Engineering has been awarded the front-end engineering and detailed design for a 30 mmscfd development into the Parmelia Gas Pipeline with associated 1,400 bbls of condensate storage and offloading.

WA Gas Market

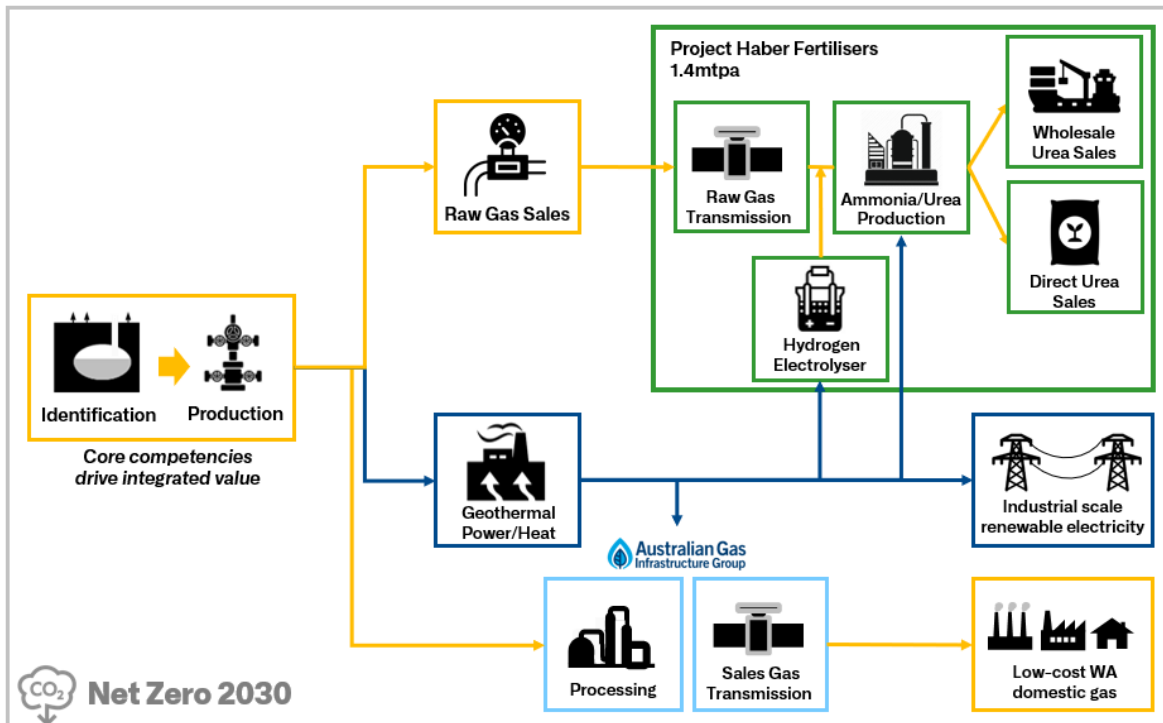
- Strike executed a gas sales agreement with Perth Energy (AGL) to supply 14.6PJ of gas from its low-cost Perth Basin acreage. The agreement is expected to commence in 2024 for a period of 5 years.

Project Haber – Mid-West 1.4mtpa Fertiliser Development

- Project Haber awarded Major Project Status by Australian Federal Government.
- FEED early works continued to progress, including development of environmental assessments and issue of the FEED Basis of Design.
- Negotiations with the preferred off-taker(s) have materially progressed and are envisaged to close out during the quarter.

Mid-West Geothermal Power

- Strike was awarded a \$2 million grant from the WA Government Clean Energy Future Fund to support the preparation and execution of the drilling of Future State-1, Strike’s planned physical test of the potential of the Mid-West Geothermal Power Project.



Results from Q1/22 are stimulating the activation of Strike’s unique Net Zero 2030, vertically integrated energy, fertilisers and renewables strategy. Strike sees the coming quarter as a period of substantial transformation as it starts to make inroads on its Project Haber fertiliser and Mid-West Geothermal Power developments, all underpinned by its access to vast quantities of low carbon and low-cost energy.

Domestic Gas Business

Permian Gas Fairway

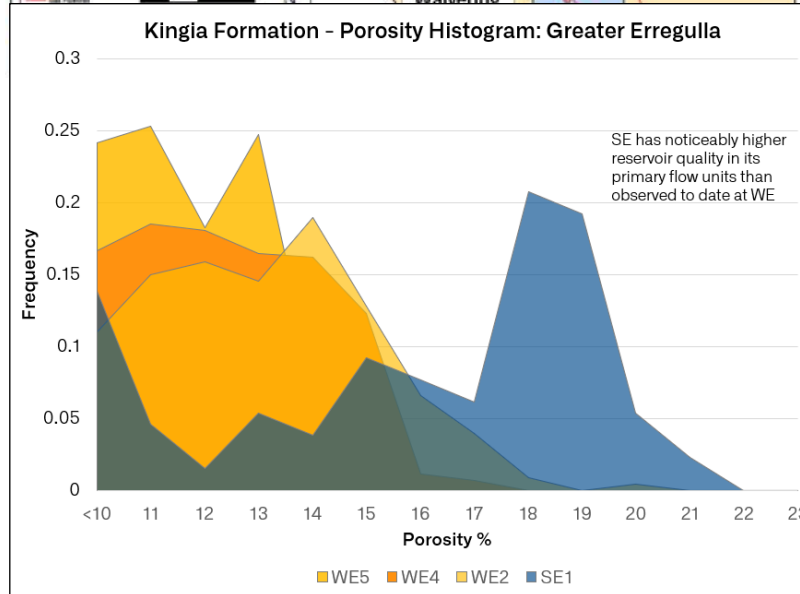
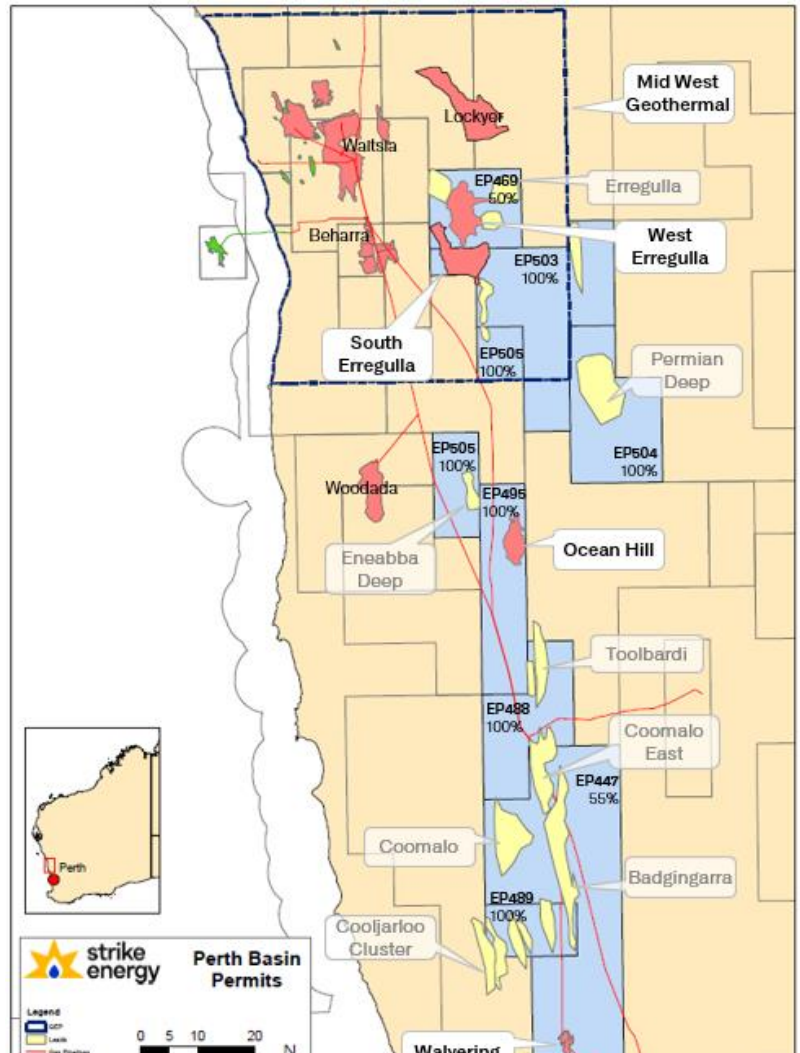
South Erregulla (EP503, STX 100%)

The 100% owned South Erregulla-1 well was drilled during the quarter, which delivered two conventional gas discoveries in the Permian strata of the Kingia and Wagina sandstones.

Strike’s discovery in the Kingia Sandstone has been confirmed via logging, whole coring and petrophysical evaluation across the Kingia, which included high gas saturations, porosities of up to 20.2% and a blocky net pay of 14m in a gross 52m gas column. Kingia reservoir pressures of approximately 6,800 psia were measured with samples of lean low CO2 gas collected. Importantly no gas water contact was encountered during the drilling.

The South Erregulla Kingia gas discovery is interpreted to be up dip of the West Erregulla gas field. The SE1 Kingia reservoir is measured as being of noticeably better quality than most of the existing penetrations at the West Erregulla gas field (as seen in the visualisation to the right) and is most comparable to the outcomes seen at the Beharra Springs Deep 1 well.

Strike also made a secondary gas discovery in the Wagina Sandstone. The Wagina Sandstone was observed to be made up of 160m of thick, clean and gas charged sands. The discovery is made up of two net pay zones: a 16-metre section of high-quality flow units with peak porosities of 14% and an average of 9%; and a lower permeability gasifier section of 61 metre with an average porosity of 6%. The Wagina gas discovery in SE1 is highly comparable to the successful penetrations of the Beharra Springs complex, which is some 14km due West and in places only ~300m shallower. The SE1 Kingia gas discovery

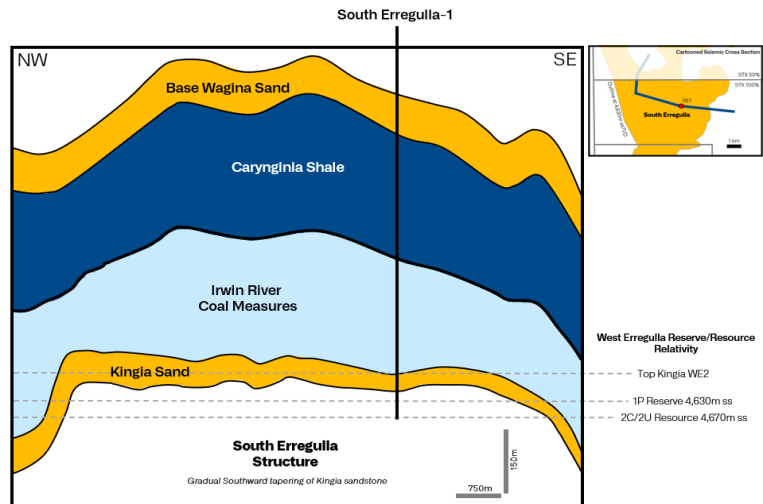


The SE1 Kingia gas discovery

will be flow tested in mid May which will be followed by the mobilisation of a workover rig that will pull and reset the tubing for a Wagina completion and subsequent production test.

SE1 was drilled off the mapped structural high where the majority of the structure sits above the 1P Reserves contour at the West Erregulla conventional gas field in EP469, as certified by NSAI in 2021. This creates the foundation for a high degree of resource confidence in Strike's 100% owned gas position, and Strike will now look to progress the offtake, engineering/construction and environmental approvals processes for the 1.4 mtpa urea development at Project Haber. The delivery of these positive results at SE1 facilitates the activation of Strike's vertically integrated up and downstream strategy.

Strike has started planning the South Erregulla appraisal activities, which may include up to 3 wells (which would be completed as future producers) and the Minjiny 3D seismic campaign, for which primary approvals are in process. With the fully vertically integrated nature of the South Erregulla gas field into Project Haber, Strike is investigating various financing mechanisms to support these upstream (and downstream engineering) activities primarily at the project level.



West Erregulla (EP469, STX 50%)

Ongoing work was undertaken by Strike to prepare for re-entry of West Erregulla 3 to take the well down to total depth. Drilling operations are planned to commence in June/July 2022 and are estimated to take approximately 45 days to complete the required drilling and testing. Completion of WE3 on success should support a higher conversion of undeveloped to developed reserves, which in turn provides additional support for the financing required for the proposed Phase 1 development.

The West Erregulla Natta 3D seismic campaign remains subject to feedback from the Environmental Protection Authority (EPA) and is still pending a determination on the level of assessment.

The West Erregulla 87 TJ/d Phase 1 development is currently in its environmental permitting process with the EPA. Both the mid and upstream submissions are expected to be released for public comment in late Q2/22, which would then be followed by an EPA decision in the following quarter enabling Ministerial endorsement thereafter.

At this stage, the environmental permits are on the critical path for the development at West Erregulla, and the procurement and financing processes have been re-phased to accommodate the later than expected delivery of these critical preconstruction approvals. Strike currently expects that gas production would be brought online in late 2024 as a result of these environmental approvals process delays.

Eneabba Deep (EP506, STX 100%)

The local importance of the Eneabba Deep prospect rose during the quarter with Iluka Resources Limited announcing its investment decision into the Eneabba Rare Earths Refinery, which is an energy intensive mineral processing development adjacent to the Eneabba Deep prospect location. This gas using infrastructure could provide a potential future route for a localised development for any successful exploration in EP506.

Strike is targeting the acquisition of the Eneabba Deep 2D seismic in the coming quarter and has awarded the acquisition to Velseis Integrated Seismic Technologies. Strike has secured land access for the acquisition and has one regulatory approval pending prior to including the acquisition in Velseis' project schedule.

Jurassic Wet Gas Play

Walying (EP447, STX 55%)

Strike materially progressed the Walying gas development during the quarter which is quickly shaping up to be the source of the Company's first gas sales due to the excellent quality gas and adjacent existing infrastructure. Key development activities undertaken during the reporting period included flow testing of the Walying-5 well, the spud of the Walying-6 well, appointment of RISC Advisory to conduct an official review and independent assessment of the Walying Gas Field's Reserves and Resources and the submission of primary regulatory documents to facilitate the development of the field.

Production testing of Walying-5 was a critical milestone in bringing the field back into production. The testing outcomes to date have exceeded Strike's initial estimates from the drilling campaign in Q4 CY 21. 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:

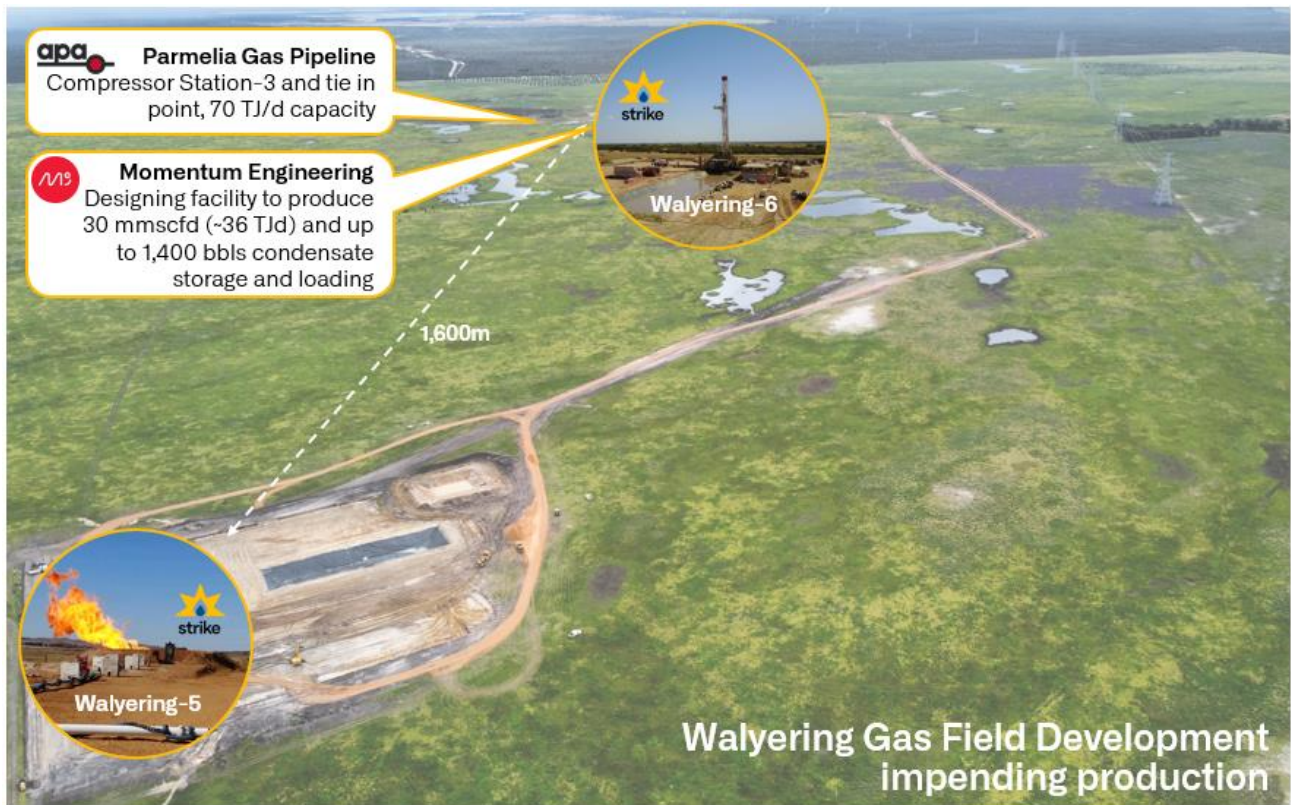
| Reservoir | Interval Top TVDss (-m) | Average Porosity (%) | Perf interval (m) | Estimated Reservoir Pressure (psi) | Instantaneous Peak Rate (mmscfd) | Stabilised Rate (mmscfd) | Choke Setting | FWHP (psi) | Length of Test (hrs) |
|-----------|-------------------------|----------------------|-------------------|------------------------------------|----------------------------------|--------------------------|---------------|------------|----------------------|
| 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 | 23 | n/a | 33 | Yet to be finalised | | | |
| A Sand | 2,969 | 17.3 | Yet to be tested | | | | | | |

The production rates seen in all tested reservoirs were strong and indicative of the good hydrocarbon saturation and reservoir quality. 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.

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.

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 was spud after the quarter but prior to the end of the reporting period. The well has reached section depth at ~995m measure depth and is running the 13-38” casing in place before cementing, pressure testing and drilling ahead. Walyering-6 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.



Ocean Hill (EP495, STX 100%)

During the quarter, Strike integrated its Walyering drilling and interim flow testing results into its Ocean Hill model and subsurface assessment. This has resulted in an exciting similarly fast to market development opportunity on successful appraisal which is reflective of the excellent reservoir and gas quality of the Jurassic wet gas play. Ocean Hill, which already has a material independently certified 2C gas resource, also benefits from the adjacency of the Dampier to Bunbury Natural Gas Pipeline, which could facilitate the delivery of gas both North and South from the Perth Basin.

Secondary approvals for the Ocean Hill 3D activities have commenced in readiness for acquisition, which is slated for the post-harvest period in CY23. As part of the Walyering farm-out, Talon Energy secured a right of first refusal at Ocean Hill. Strike and Talon have subsequently entered into negotiations on a transaction to extend the joint venture relationship to EP495 and apply the technical achievements from the Walyering gas field.

WA Gas Market

Perth Energy Gas Sales Agreement

Earlier in the reporting period Strike announced that it had entered into a long-term gas sales agreement with AGL Energy subsidiary Perth Energy. Under the agreement, Strike will supply a total of 14.6PJ of gas to Perth Energy for a period of five years, which is expected to commence in 2024. The agreement with Perth Energy demonstrates Strike’s commitment to supplying the WA domestic gas market with low-cost Perth

Basin gas and validates the role of these fast to market supplies filling the projected mid-decade market shortfalls.

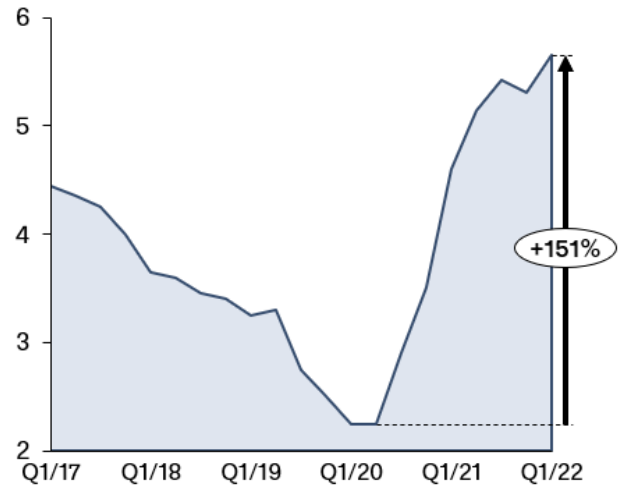
Market Dynamics

Spot gas prices reached as high as \$5.67 GJ in the quarter, consistent with a continued tightening in the WA gas market. The spot market volumes continued their trend of last year with further shortening of supply and stable demand conditions.

Devil Creek’s gas processing facility remained at low production levels averaging ~59 TJ/d (of 220 TJ/d Capacity) reflecting the lack of successful reserves replacement. This was offset to a degree by the processing of Pluto gas at the North West Shelf (Karratha Gas Plant) which commenced in March. Raw gas was delivered via the AGIG executed Pluto-KGP interconnector.

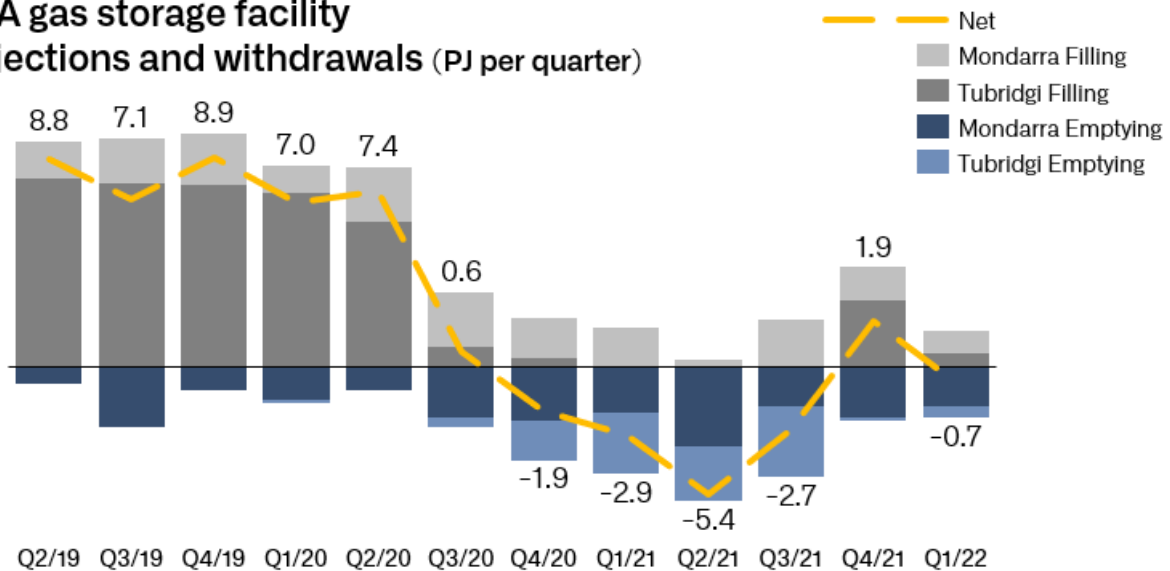
Gorgon Phase 2 commissioning gas was a notable addition to the supply and demand balance in November 2021, ahead of new gas supply agreements commencing in January 2022. As a result, there was a net 0.65 PJ of gas withdrawals from the State’s two major gas storage hubs for the quarter, noting the demand for gas in the South West (from Mondarra) was higher than in the North (Tubridgi). Five of the last six quarters have now seen net withdrawals from the State’s gas storage, which is a further indication of a lack of new supplies coming

WA spot gas price (\$/GJ)



Source: Compiled using information from GasTrading Spot Market – Forecast v Actual: <http://www.gastrading.com.au/spot-market/historical-prices-and-volume>

WA gas storage facility injections and withdrawals (PJ per quarter)



Source: AEMO Quarterly Energy Dynamics Q4 2021

online.

Domgas Alliance - ‘WA Gas Market Strategic Development Report’

In February of this year the DomGas Alliance released a commissioned report entitled the ‘WA Gas Market Strategic Development Report’. The report noted the critical role that gas will play in WA over the next 10

years as a feedstock for industrial value add manufacturing and to underpin the energy transition. The report observed that the gas market is in the middle of a transition for both buyers and sellers. New gas supply is required (corroborated by the AEMO forecasted shortfall) and should be supported, whilst prices are expected to rise to balance the market and incentivise reserves replacement. Importantly, the report highlighted the opportunity for gas to support the Southwest industrial and mining gas buyers with their energy transition ambitions as they look to remove diesel, coal and other liquid fuels from their own energy mix.

Market Engagement & Insights

During the quarter Strike concluded a heavily supported competitive gas marketing tender process for its Perth Basin sourced gas, which culminated in the entry into a firm gas supply agreement with AGL Energy subsidiary, Perth Energy.

Strike's domestic gas marketing has confirmed the competitive environment for buyers to secure new long-term gas supply agreements, which is being reflected in the WA spot market, with the highest gas prices seen since 2013. Strike expects these dynamics to continue as it looks to develop and secure additional market share through the commercialisation of its portfolio of Perth Basin gas discoveries.

Strike and Talon will jointly market the Walyering gas supply with Strike leading the joint marketing activities. Gas buyers have continued to express interest in locking-in gas supply for terms greater than 5 years, at market prices that reflect the long-term LNG netback price. Gas buyers remain very supportive of fast to market gas supply opportunities that will provide much needed gas supply in 2024-25 when AEMO is predicting a potential supply shortfall.

Project Haber

Federal Government Support

During the quarter the Australian Federal Government awarded Project Haber Major Project Status. The award was based on the opportunity that Project Haber offers to advance Australia's downstream manufacturing industry and support the integration of low carbon technologies and renewable hydrogen. Major Project Status will provide the Project with the services of the Major Project Facilitation Agency to streamline approvals processes and support the profile of the project when looking to attract export credit agency like financing.



Project Engineering

FEED early works were ongoing during the quarter, including progression of the environmental assessments. The project team issued the FEED Basis of Design, which is an important milestone in preparing Strike to award the FEED/EPC contract. The FEED/EPC tender process continued to advance with commercial and technical discussions underway. The tender has been issued on a combined FEED / EPC basis with mechanisms that will allow the FEED to progress directly into the EPC phase on the taking of a final investment decision on Project Haber. The project team issued the Owner's Engineering tender early in the quarter and received a number of proposals, which are currently under review.

Urea Market Pricing and Offtake Process

The March quarter saw a large degree of volatility in the pricing of the urea largely driven by Russia’s invasion of Ukraine. At the start of the quarter urea prices initially retracted due to reduced farming activities driving demand side softening. The urea price has now reached near record highs with capacity shut in from the Ukraine and the international energy market experiencing supply side shocks from the sanctioning of Russian gas and exported products. The previous quarter had seen major urea exporting countries China and Egypt place restriction on urea exports. These restrictions are yet to soften and continue to amplify the supply side shortage.

As a result, during the quarter urea prices again touched near record highs with FOB Middle East prices reaching just below US \$1,000 per tonne in the spot market. Given the seasonal period of reduced farming activity there is further upside pressure expected on urea pricing moving into higher seasonal demand windows.

Domestically, Australia imported 93% of the 2.5 million tonnes of urea that was consumed in 2021 (as according to Fertilizer Australia). Consumption in 2021 increased by 19% compared to 2020 levels. Australia is currently on course to have zero domestic urea production capacity by December 2022, with Incitec Pivot Limited announcing the closure of their Gibson Island production facility.

The macro-economic events transpiring highlight the fragility of long supply chains and vulnerability of parts of Australia’s economy to international energy markets. This situation demonstrates the increasing importance of Project Haber to Australia’s agricultural and logistics industries as a sovereign source of urea.

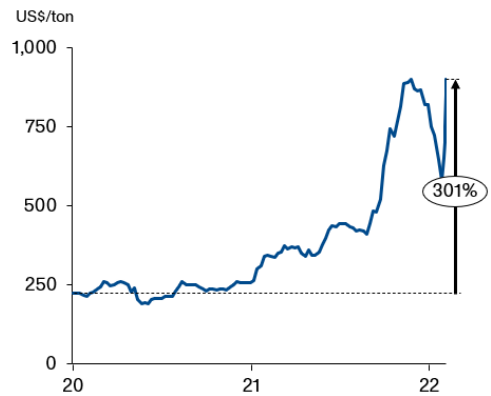
Strike has progressed negotiations with its preferred offtake party for 100% of Project Haber’s 1.4mtpa production capacity. Strike hopes to update its shareholders on the outcomes of these negotiations in the coming quarter.

Environmental Approvals

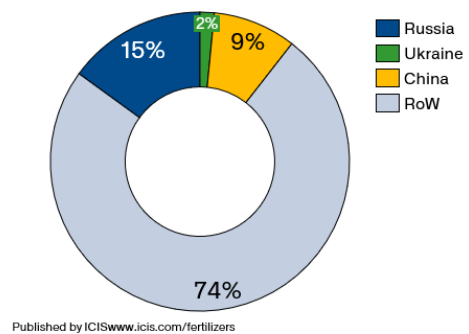
Strike continues to progress the environmental and planning approvals required for Project Haber. The first round of baseline surveys, modelling and technical studies have been completed and Strike’s consultant, Strategen JBS&G, has continued the drafting of the key regulatory approval applications ahead of planned submission in 2022. Strike has also brought highly experienced personnel into the project Haber team who have demonstrable track records of delivering major pieces of infrastructure in Western Australia.

Mid-West Geothermal Power Project

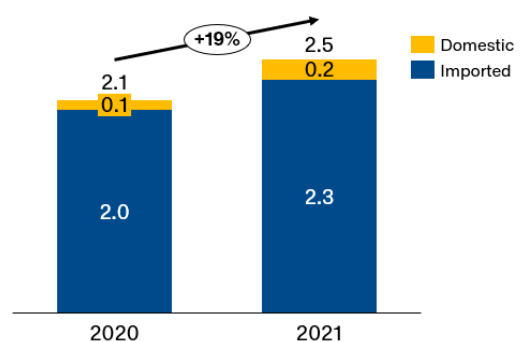
Urea Middle East FOB (as at Mar-22)



Global urea net export share (2021)



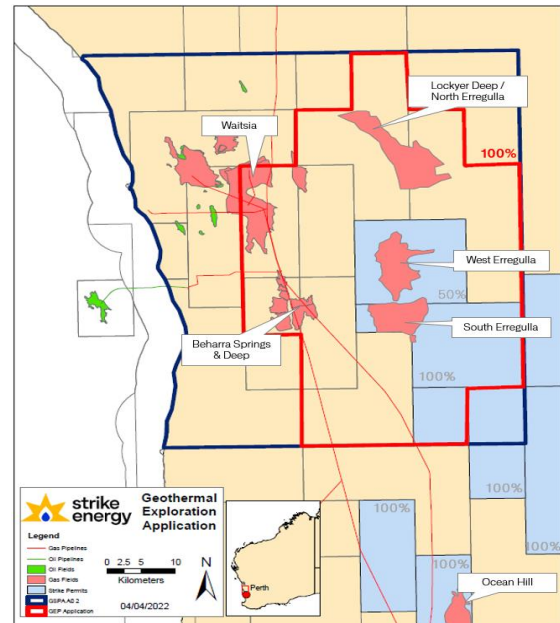
Australian urea consumption (mtpa)



During the quarter Strike was awarded a \$2 million grant as part of the second round of the Clean Energy Future Fund. The fund is designed to support the implementation of innovative clean energy projects in Western Australia. The grant will be directed towards the preparation and (subject to grant of tenure) execution of the drilling of the Future State-1 well, the Company's planned test of the Geothermal potential of the Mid-West Geothermal Power Project.

Studies continued during the quarter in support of Strike's maiden inferred resource statement to underpin the Mid-West Geothermal Power Project where the Company plans to release further information in the coming quarter.

The outcome of Strike's conversion of its acreage from its Geothermal Special Prospecting Authority area to its Geothermal Exploration Permit is still pending.



Corporate

During the quarter, Strike's expenditure focused on payables from the drilling and testing programs of the South Erregulla, the Walyering-5 campaigns and preparation and spud of Walyering-6. The Company also deployed financial resources towards the procurement of long lead items for the West Erregulla Phase 1 development and its various seismic and drilling programs. Funds during the quarter were also used to execute strategic transactions and pre-development activities at Project Haber in preparation for offtake negotiations and FEED/EPC entry. Strike finished the quarter with ~\$29.3m of cash on hand, ~\$14.3 million in liquid investments and \$9.2 million of secured long lead items for the proposed Phase 1 gas plant. As outlined in the attached Appendix 5B (section 6.1) \$144,000 in payments were made to related parties for director fees.



Petroleum Tenements Held at the End of the Quarter

| Permit | Basin | Play | Operator (parent) | STX Interest | Gross Area (acres) | STX Net Area (acres) |
|---------------------------|-------------|-------------|-------------------|--------------|--------------------|----------------------|
| EP469 (West Erregulla) | Perth Basin | Permian Gas | Strike | 50% | 55,500 | 27,750 |
| EP503 | Perth Basin | Permian Gas | Strike | 100% | 138,626 | 138,626 |

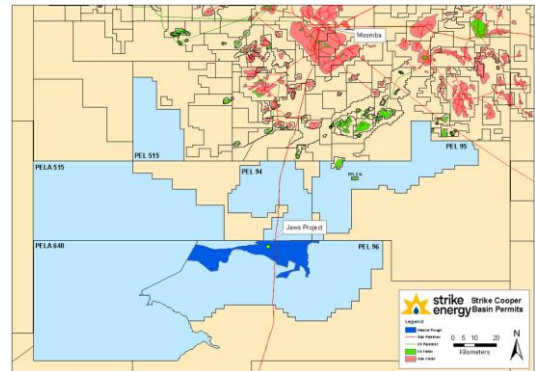
| | | | | | | |
|-------------------|--------------|------------------|--------|------|---------|---------|
| EP504 | Perth Basin | Permian Gas | Strike | 100% | 92,170 | 92,170 |
| EP505 | Perth Basin | Permian Gas | Strike | 100% | 18,533 | 18,533 |
| EP506 | Perth Basin | Permian Gas | Strike | 100% | 37,066 | 37,066 |
| EP447 (Walyering) | Perth Basin | Jurassic Wet Gas | Strike | 55% | 274,287 | 150,857 |
| EP488 | Perth Basin | Jurassic Wet Gas | Strike | 100% | 73,390 | 73,390 |
| EP489 | Perth Basin | Jurassic Wet Gas | Strike | 100% | 36,572 | 36,572 |
| EP495 | Perth Basin | Jurassic Wet Gas | Strike | 100% | 73,637 | 73,637 |
| PEL 94 | Cooper Basin | Deep Coal | Beach | 35% | 222,963 | 78,037 |
| PEL 95 | Cooper Basin | Deep Coal | Beach | 50% | 316,418 | 158,209 |
| PEL 96 (Jaws) | Cooper Basin | Deep Coal | Strike | 67% | 668,098 | 444,953 |
| PELA640 | Cooper Basin | Deep Coal | Strike | 100% | 821,056 | 821,056 |
| PEL 515 | Cooper Basin | Western Flank | Strike | 100% | 750,483 | 750,483 |
| PPL210 (Aldinga) | Cooper Basin | Shallow Oil | Beach | 50% | 988 | 494 |

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

Important Notices

Future Statements

Statements contained in this release are or may be forward looking statements. All statements in this release regarding the outcomes of preliminary and definitive feasibility studies, projections 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 Energy 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 release. Refer to the



‘Summary of Key Risks’ section of the release titled “Equity Raising and Corporate Update April 2021” released to ASX on 15 April 2021 for a summary of certain general, Strike specific and acquisition specific risk factors that may affect Strike. There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including the risk factors set out in the aforementioned ASX release. Investors should consider the forward-looking statements contained in this release in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Strike and any of its affiliates and their directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this document to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Strike since the date of this release.

Project Haber Studies

The successful development of Project Haber is contingent on, among other things, the proving up of sufficient gas reserves at South Erregulla, the outcomes of FEED on Project Haber, access to finance and (where

required) equity participation, securing binding urea offtake agreements, and obtaining all requisite regulatory and stakeholder permits, approvals and authorisations.

The concept, feasibility and pre-FEED studies prepared by TechnipFMC on Project Haber to date have been undertaken to determine the potential viability of Project Haber and to reach a decision to proceed with more definitive studies, and as such are indicative in nature only. The studies are based on low-level technical and economic assessments and are insufficient to provide full assurance of an economic development case at this stage or provide certainty that the conclusions of the studies will be realised, and that the development of Project Haber will be commercially viable.

Company Contact

Georgina Fraser

Investor Relations

Email: georgina.fraser@strikeenergy.com

Media Contacts

Paul Ryan

Citadel-MAGNUS

Phone: 0409 296 511

Email: pryan@citadelmagnus.com