

The Company Announcement Officer ASX Ltd
via electronic lodgement

SOUTHERN COOPER BASIN GAS PROJECT OPERATIONS UPDATE

Sustained 25% increase in Klebb 3 productivity achieved

Klebb 4 frac successfully completed

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%).

Klebb Production Test Update

Production testing continued until June 15th when the wells were shut in ahead of Klebb 4 fracture stimulation and flow back operations. Testing of Klebb 2 and 3 recommenced over the weekend with Klebb 1 to restart in the near term.

The performance of the wells since recommencement of testing has been consistent with previous production ramp ups and we have been particularly pleased with the substantially improved productivity of Klebb 3.

At Klebb 3, the current water production rate of around 550 bwpd compares to water rates of ~450 bwpd pre-workover, a 20-25% improvement in productivity.

The sustained increase in productivity at Klebb 3 is typical of the performance of many highly productive fields and is very encouraging. These higher water rates imply that the well is depressuring a larger volume of coal, which will lead to higher gas rates than those previously achieved as the coal approaches critical desorption pressure. The upgraded pump systems are operating well and have sufficient capacity to handle increased water rates.

Based on the success of the Klebb 3 workover and downhole jet pump equipment upgrade, planning is now underway to implement the same modifications at Klebb 2.

Klebb 4 fracture stimulation

The Klebb 4 fracture stimulation has been pumped and the well is flowing back unassisted. The electric submersible pump ("ESP") and control systems will be installed once the well has cleaned up with commissioning and extended testing on track to commence in early July.

Managing Directors Comment

“The productivity improvements we have seen at Klebb 3 and the fact that we have now successfully completed 7 fracs in the Patchawarra coals are important milestones - they’re further confirmation of our confidence in the long term productive capacity of the field and our ability to commercialise it.

We are looking forward to having all four Klebb wells working together to accelerate progress towards commercial gas flows.”

Yours faithfully

A handwritten signature in black ink, appearing to read "DW", with a long horizontal line extending to the right.

DAVID WRENCH
Managing Director