

The Company Announcement Officer ASX Ltd
via electronic lodgement

INITIAL GAS RESULTS AT KLEBB 1

Strike Energy Limited (ASX: STX) (**Strike**) is pleased to announce it has successfully recompleted Klebb 1 and intercepted the Vu Lower coal seam. The well has already shown intermittent gas to flare post pump start up. The comingled gas flows are consistent with free gas that has previously desorped and banked in the Vu Upper as well as fracture induced releases of gas from the Vu Lower.

Whilst it is still too early to tell the results of the soaking on the coals permeability, the initial drawdown and increased water production is a positive development. These results confirm dual phase production from the Vu Lower coal seam and that the Vu Lower fracture stimulation remains conductive.

The Klebb 1 well has produced gas up to rates of ~9.8 mscf/d since restart. The observation of these gas flows supports the belief that the Vu Lower coal seam is highly prospective and broadly aligns with some of the initial positive results seen at the Le Chiffre 1 well back in 2014.

The early presence of this gas production has made operations challenging with drawdown rates inhibited by the amount of gas that is dissolved in the water and consequently in the artificial lift system. The operations team continue to manage through the situation and drawdowns continue. Water rates have been approximately 100 bpd with drawdowns increasing over the last few days of operations.

The Klebb 1 well is within license PEL96 with Strike 66.67% as Operator and Energy World Corporation Limited (ASX:EWC) 33.33%.

Strike will provide further updates on operations as they progress.

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