

The Company Announcement Officer ASX Ltd
via electronic lodgement

JAWS-1 HORIZONTAL WELL UPDATE

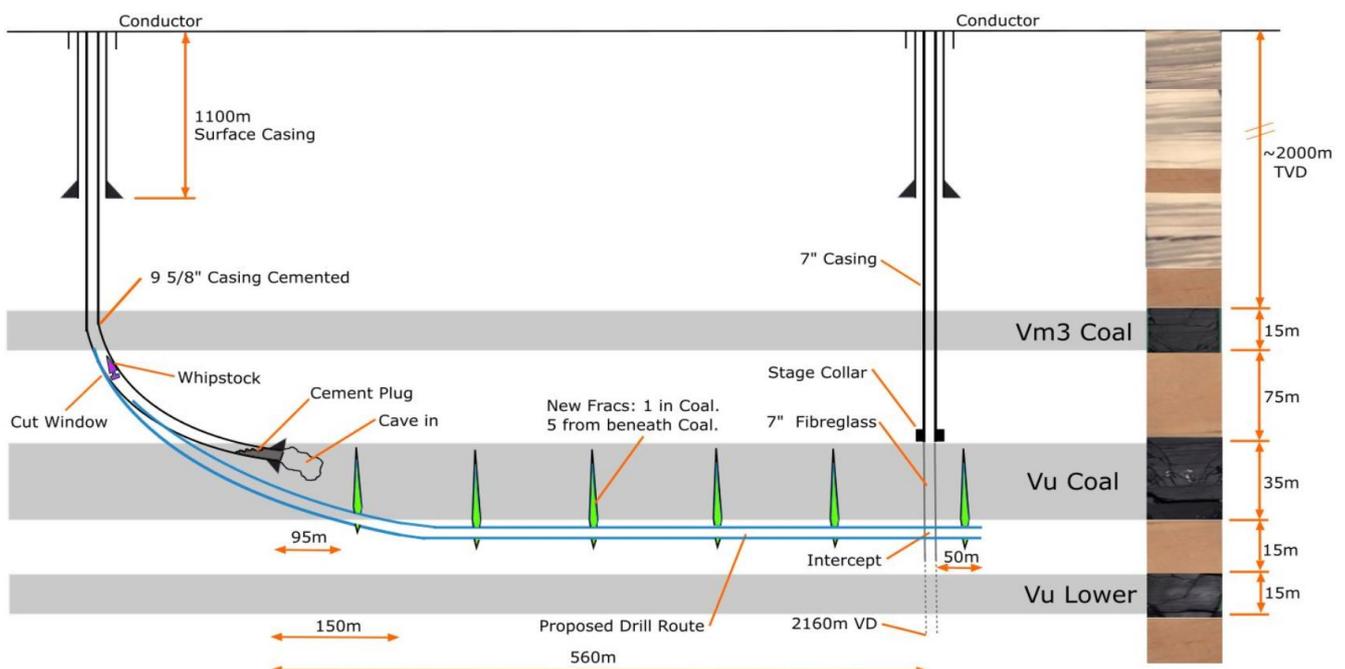
Strike Energy Limited (**Strike** - ASX:STX) provides the following update as at 17:00 hours Wednesday 18th April 2018 on drilling operations for the Jaws-1 Project.

Since the last update, Strike has drilled through the previously identified embrittled zone where the remedial cement program was undertaken. While successful cement placement was evident, remedial work has not sufficiently stabilised the well bore. Strike will now proceed with a contingent side-track around this area.

The side track will involve setting a whipstock above the Vu Upper coal, using equipment already available on site. The side track will then be drilled ahead through the Vu Upper coal into the interburden formation immediately below, and then on to the vertical intercept.

The Vu Upper coal will be fracture stimulated from below the seam utilising the cutting edge Indirect Vertical Fracture Completion (IVFC) technique. This technique is quickly becoming the preferred method in the US shale gas industry as it utilises gravity assisted drainage of the reservoir and can offer better fracture initiation due to the mechanical properties of the formation. The interburden displays such properties and Strike along with Halliburton have tested the efficacy through fracture modelling.

Strike believes this alternate design will enable completion of the drilling operations without compromising the original well objectives.



ASX Announcement



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The Jaws-1 Project wells are being drilled by Halliburton in collaboration with Ensign on the 965 rig. The horizontal well is the second of the two well appraisal campaign designed to prove commercial flow rates of gas and assess the quality of Strike's Southern Cooper Basin Gas Project (**SCBGP**) in PEL96 (Strike 66.67% and Operator, Energy World Corporation 33.33%).

Strike will provide additional technical information in the upcoming March Quarterly Report and further updates on the Jaws-1 project progress on a milestone basis.

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