

The Company Announcement Officer ASX Ltd
via electronic lodgement

JAWS PILOT UPDATE

Over the last 24 hours Strike Energy Limited (**Strike** – ASX:STX) has attempted rig-less intervention at the Jaws wells in order to re-establish normal downhole conditions.

During the major gas event in January, a sand body was deposited into the wellbore which has impacted communication between the horizontal and vertical wells. The issue was intermittent throughout the month with regular signs of improvement and it was hoped the well may clean itself up with oscillations of the downhole pumps. These oscillations were done within a range that minimised risk to the vertical downhole pump and did not impact reservoir integrity.

On 24th of January, Strike called out a Halliburton pump truck to Jaws and carried out flushing operations from the vertical well annulus in an attempt to mobilise the sand and pump it out to surface via the horizontal pump. These operations have been unsuccessful, and consequently Strike will now need to escalate the intervention program and mobilise a workover rig and coiled tubing unit to site in order to remove the sand using nitrogen lift and return the well to normal conditions.

Strike anticipates the appropriate services will arrive at Jaws in mid-February and the workover and clean-up program will take approximately two weeks. This operation has a high degree of certainty in restoring the wellbore communication and Strike expects it will then be able to resume unrestricted drawdown of the reservoir towards the now well-defined desorption window.

Until the workover program begins, Strike will operate the vertical well pump to keep the dewatering program continuing and to manage bottom hole pressures throughout the period of reduced operations.

Strike's Managing Director Stuart Nicholls said:

"Whilst the delay in the program is a setback to our timeline, it is the result of a downhole event which is indicative of the high quality of the reservoir and Strike's potential to flow commercial gas from the Southern Cooper coals. The company is using all options at its disposal to return the downhole situation to previous conditions as soon as possible and is looking forward to returning the well to optimal performance for continuing the pilot and achieving a successful outcome."

The Jaws-1 project wells are located at the Southern Cooper Basin Gas Project (**SCBGP**) in PEL96 (Strike Operator and 66.67%, Energy World Corporation 33.33%).

ENDS

Investor and Media Contacts

Stuart Nicholls

Managing Director

Phone: +61 432 587 808

email: stuart.nicholls@strikeenergy.com.au

Justin Ferravant

Chief Financial Officer & Company Secretary

Phone: +61 8 7099 7483

email: justin.ferravant@strikeenergy.com.au