

## Comments from Managing Director & CEO, Stuart Nicholls:

"Positive performance from the Walyering gas field continued, with a 21% increase in production delivering record quarterly revenue of ~\$18 million. Whilst the South Erregulla testing results were disappointing, we are now looking forward to our upcoming high-impact drilling campaign including the Walyering-7 appraisal and the Erregulla Deep exploration well. With the West Erregulla field development progressing towards a final investment decision targeted for Q3 2024, and the recent completion of the Ocean Hill 3D seismic acquisition, the company remains well positioned to benefit from rising WA energy prices."

# Highlights

## Walyering

- Walyering (L23) gross gas and condensate production increased by 21% to 2.29 PJe with gross sales increasing by 22% to approximately \$18 million.
- Nameplate capacity exceeded at 34 TJ/d and 265 bbls/d of condensate on 4 February 2024.
- Gas Transportation Agreement with APA executed to allow up to 10 TJ/d of sales gas to be delivered from the Parmelia Gas Pipeline into the Dampier to Bunbury Natural Gas Pipeline expected from late 2024.

## Ocean Hill

• The Ocean Hill 256 km<sup>2</sup> 3D seismic was acquired on schedule and under budget.

## Corporate

- Strike repaid \$3.33 million of its Macquarie Bank debt facility and finished the quarter with a liquidity position of ~\$91 million (~\$45 million of cash and cash equivalents and ~\$47 million of committed, undrawn debt facilities), plus an uncommitted \$80 million contingent debt facility for Strike's South Erregulla development<sup>1</sup>.
- Strike announced its intentions to undertake a minimum holding buy-back for holders of unmarketable parcels of ordinary shares. On completion, the buy-back may remove up to a maximum of 2,034,041 ordinary shares from the Company's register at a cost of up to \$488,169.84.

<sup>&</sup>lt;sup>1</sup> Uncommitted facility remains subject to lender credit approval.



# Key Performance Metrics

A\$ million unless indicated		Dec Q2 FY24	Mar Q3 FY24	Qtr on Qtr change	FY23 YTD	FY24 YTD	Change
Sales volume (gross)	(PJe net)	1.89	2.21	17%	0	4.15	-
Sales volume (net to Strike)	(PJe net)	1.04	2.21	112%	0	3.28	-
Sales revenue (gross)		14.39	17.63	22%	0	32.41	-
Sales revenue (net to Strike)		7.92	17.63	123%	0	25.76	-
Cash and cash equivalents		66.78	44.61	(33%)	143.10	44.61	(69%)
Undrawn debt		46.75	46.75	-	6.75	46.75	593%
Total Liquidity		113.53	91.36	(20%)	149.85	91.36	(39%)

# Production

Production by product		Dec Q2 FY24	Mar Q3 FY24	Qtr on Qtr change	FY23 YTD	FY24 YTD	Change
Sales gas (gross) <sup>2</sup>	PJ	1.81	2.19	21%	0	4.05	-
Sales gas (net to strike)	PJ	0.99	2.19	121%	0	3.21	-
Condensate (gross)	kbbl	14.60	17.12	17%	0	32.01	-
Condensate (net to strike)	kbbl	8.03	17.12	113%	0	25.31	-
Total production (gross)	PJe	1.89	2.29	21%	0	4.24	-
Total production (net to Strike)	PJe	1.04	2.29	121%	0	3.36	-
Total production (gross)	MMboe	0.31	0.37	21%	0	0.69	-
Total production (net to Strike)	MMboe	0.17	0.37	121%	0	0.55	-

Note: Net to Strike is 55% equity to 31 Dec 2023 and 100% thereafter.

## Walyering (L23, 100% and operator)

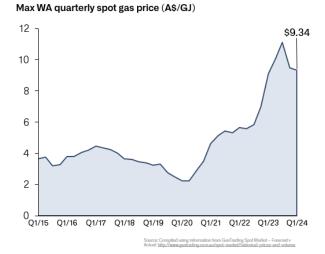
- The Walyering gas field produced a total of 2.29 PJe of gas and condensate for the quarter or approximately 24 TJ/d of sales gas and 176 bbls of condensate. Daily gas production rose by 20% from the previous quarter along with a 9% increase in realised gas prices as a result of the Company commencing into the gas sales agreement with Alinta Energy WA Pty Ltd.
- Strike successfully delivered 34 TJ from the Walyering gas field on 4 February 2024 and has produced at instantaneous rates of up to 38 TJ/d, demonstrating the upstream facility's throughput capacity is capable of exceeding its nameplate of 33 TJ/d.
- A Gas Transportation Agreement was executed with APA to allow up to 10 TJ/d of sales gas to be delivered from the Parmelia Gas Pipeline into the Dampier to Bunbury Natural Gas Pipeline expected from late 2024 upon completion of the construction and commissioning of the new inter-pipeline connection at Mondarra by APA Group Pty Ltd.
- Strike has spent much of the last quarter preparing for the Walyering-7 appraisal well, which will be drilled from the Walyering facility, allowing for a low cost and quick tie-in on success. Spud is expected to occur shortly after rig handover in late April. Walyering-7 is targeting a fault block directly North and on trend with the producing Walyering-5 compartment with which it shares a bounding fault required for the trapping geometry and interpreted charge mechanism.

<sup>&</sup>lt;sup>2</sup> Sales gas production includes gas invoiced in a prior period and taken as 'banked gas' pursuant to the 'Take or Pay' contract with Santos WA Ltd.



# WA Energy Market

- WA gas market conditions eased during the Quarter, which Strike believes is on the back of pressure from the preliminary findings of the Economic Standing Committee's review into the WA Domestic Gas Policy. However, due to declines in some domestic only gas supplies, prices remained elevated against historical averages with the maximum quarterly WA spot gas price averaging \$9.34 GJ.
- The Economic Standing Committee released its interim report<sup>3</sup> on its review of the WA Domestic Gas Policy in late February. Several findings may impact Strike's business going forward. These are summarised below:

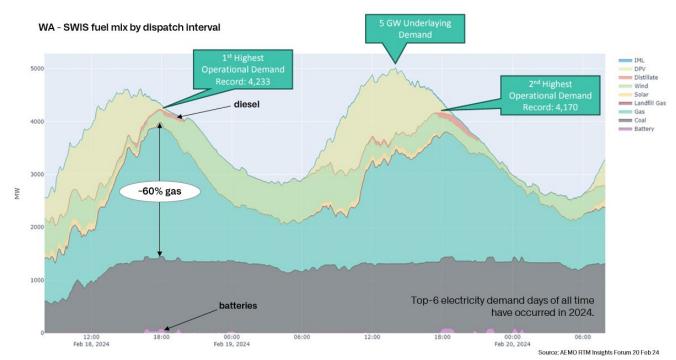


- The Australian Energy Market Operator (AEMO) has forecast that WA will experience a gas shortfall and there was no indication in the interim report that the AEMO is incorrect.
- There is a credible risk that the State will face a substantial gas supply shortfall starting in the near term and continuing for most of the next decade. If this shortfall materialises it will likely lead to higher energy prices and threaten to undermine the State's decarbonisation agenda.
- Lifting of the export ban placed on Perth Basin gas resources may facilitate faster development and greater volumes of gas into the domestic market through the availability of greater pools of capital as a result.
- Some existing LNG producers have not produced the amount of domestic gas as per the spirit of the original WA Domestic Gas Policy and Government interventions could be looked at to ensure the market is not adversely affected. (From Strike's perspective, if the LNG producers were to supply more domestic gas, this would reduce the risk that a shortfall ever materialises and ease the pathway for the State to lift the ban on Strike exporting a portion of its gas)
- In response to the release of this interim report, Woodside Energy announced that it had agreed to supply additional Pluto gas through the North West Shelf which would largely address the expected shortfall of gas in WA.
- Electricity markets continue to be a major driver of new gas demand. This is due to the fall in annual coal fired base load supply and the increasing supply from intermittent solar and wind. The increase in the speed of electrification and demand for electricity continues to touch new highs with the first quarter of 2024 recording the top-6 electricity demand days of all time in the South West Interconnect System (SWIS). The quarter's cost for electricity in WA averaged \$78.50/MWh, with a significant increase in peak energy prices (4pm – 9pm) to \$172/MWh, a 6% and 65% increase respectively on the March 2023 quarter.
- The 19<sup>th</sup> of February 2024 saw a new all-time maximum underlying demand of 5 GW which superseded the previous high set the day before during a period of consecutive high temperatures. During peak evening electricity demand, gas made up ~60% of the total fuel load, where diesel (distillate) generation was also required to meet underlying demand.

<sup>&</sup>lt;sup>3</sup> The full interim report can be found under Current Inquiries at <u>www.parliament.wa.gov.au</u> or <u>here</u>.



During long periods on these two days the WA wholesale electricity price reached its price cap of \$738 MW, which on a like for like basis with a gas peaking power plant would infer a look through gas price of ~\$74 GJ<sup>4</sup>.



# **Exploration & Development**

## South Erregulla (L24, STX 100% and operator)

- During the quarter, South Erregulla 2 and 3 were flow tested and failed to produce commercial flows of gas to surface.
- The flow testing results at South Erregulla were in conflict with the drilling results where logs, mud gas and pressures indicated gas intersections. The interpretation of these physical flow testing results is still undergoing further 3<sup>rd</sup> party review, however the presence of anomalous fresh water production comingled with the gas is interpreted to be the root cause for the flow testing results not matching the post logging expectations. Of particular note, applying a fresh water cutoff to the petrophysical interpretation at South Erregulla-1 (which flowed at a maximum rate of 80 mmscf/d on test) generates a false-negative petrophysical response and thus infers the Kingia Sandstone at SE-1 would flow water and gas, similarly to SE-2 and 3, which was clearly not the case. These anomalous results suggest the Permian is more compartmentalised with different aquifers, water gradients and geochemistry than first interpreted.
- South Erregulla is currently undergoing a Reserves and Resources review where Strike is confident that (an albeit smaller) Reserve exists in the Eastern compartment of the field demonstrated by the SE-1 flow test. Work with independent certifier NSAI is planned to be completed before the end of the financial year.

<sup>&</sup>lt;sup>4</sup> Assumes ~10 GJ of gas consumption per MWh of electricity production.

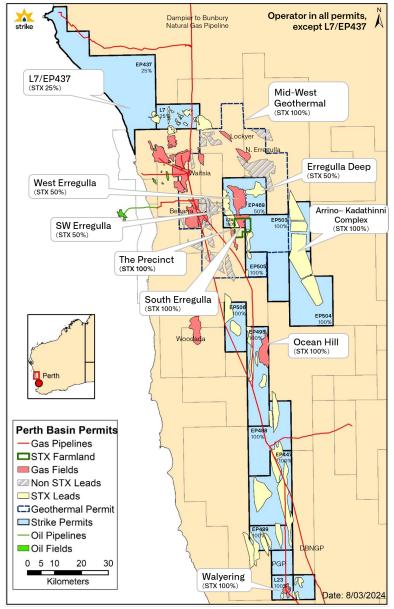


Despite these geological setbacks, and in line with a likely smaller Reserve at South Erregulla, Strike is reviewing the development concept and investigating a standalone development supported by the South Erregulla gas discovery. This commercialisation pathway will be designed to maximise the revenue generation from every mmscf of gas produced from the field. Strike intends to make further disclosure on this development in the coming quarter.

## West Erregulla (EP469, STX 50% and operator)

- During the quarter the West Erregulla upstream development Part IV environmental EPA report and recommendation progressed through the appeals process, as did the Australian Gas Infrastructure Group (AGIG) midstream development EPA report and recommendation. Both of these appeals are expected to conclude prior to the end of the coming quarter.
- Further work by AGIG on the • repricing of the midstream 87 TJ/d gas plant was carried out during and is expected to be finalised the following in quarter with definitive documentation progressing towards an FID targeted by Strike for O3/24.
- Further work on the Field Development Plan for the 87 b/LT development was conducted and is undergoing a joint venture review process.
- Strike progressed the • Production Licence application and expects it to be granted by DMIRS in the following quarter.

•



Notes to map: Area marked "Mid West Geothermal" represents area of Geothermal Exploration Permit under application (not granted).

Strike has spent much of the quarter preparing for exploration drilling at Erregulla Deep-1, where Strike believes a potentially material gas resource exists. Strike expects to spud this well in June '24 following the drilling at Walyering.

## Ocean Hill (EP495, STX 100% and operator)

During the guarter, 256 km<sup>2</sup> of 3D seismic was successfully acquired by Terrex Seismic over the Ocean Hill gas discovery. The acquisition was completed on time and on budget.



• Processing of this dataset will be conducted by Earth Signal Processing, who recently conducted the Walyering 3D seismic re-processing. This much anticipated high-resolution dataset will be used to site a potential future appraisal well to test the existing large 2C Contingent Resource.

## Arrino-Kadathinni (EP503 & 504, STX 100% and operator)

- On the 18<sup>th</sup> of April Terrex Seismic commenced the 479 km Kadathinni 2D seismic survey where more than 100 km<sup>2</sup> of Permian closure has been identified on both historical and the South Erregulla Maior 2D seismic volumes.
- The four structures that make up the Arrino-Kadathinni complex on the Tathra Terrace represent the next Permian frontier for the basin. The play remains open to the East where no wells have ever been drilled to Kingia depth anywhere on the Eastern side of the Dandaragan Trough, which is more proximal to the North-Eastern sediment deposition trend. The Arrino-Kadathinni structures are currently interpreted to be at similar depths to Lockyer and West/South and North Erregulla.

## L7/EP437 Joint Venture

- During the quarter Strike as non-operator along with joint venture partners Triangle Energy (Global) Limited (operator) and New Zealand Oil & Gas Limited approved the work program and budget for the drilling of the Booth-1 oil and gas exploration well in L7.
- Triangle has contracted the Ventia 106 rig to drill the Booth-1 well in Permit L7 on behalf of the L7 JV and expects to receive the well late June July.
- The Booth prospect, located in the east of L7, is targeting gas at the Kingia-High Cliff reservoirs with potential for oil or gas in the overlying Dongara and Jurassic sandstones.

## Financial

- During the quarter total gross sales were 2.21 PJe of gas and condensate. This was made up of 2.1 PJ of sales gas and 13,400 bbls of associated condensate across 3 liftings. Average daily production was 24 TJ/d noting the commencement in February of the 100% Take-or-Pay, 2-year, Alinta Energy Gas Sales Agreement.
- Gas sales revenues for the quarter were ~\$16 million. Averaged realised gas prices were ~\$7.54 GJ, 5% higher than the previous quarter, due to the commencement of the Alinta Gas Sales Agreement and slightly higher USD exchange rates. Condensate liftings and sales from Port Bonython totalled ~\$1.6 million and averaged ~\$119/bbl. Total production costs year to date have averaged \$0.62/GJ.
- Capital expenditure during the quarter was predominantly from one-off activities including the South Erregulla drilling campaign, the South Erregulla testing program, the Ocean Hill 3D seismic acquisition and preparation for Strike's three upcoming exploration wells.
- During the quarter Strike paid down \$3.3 million of drawn debt from its existing Macquarie Bank facilities. Drawn debt from this facility at the end of the quarter was \$16.3 million.
- Strike finished the quarter with a liquidity position of ~\$91 million (~\$45 million of cash, ~\$47 million of committed, undrawn debt facilities and \$0.16 million of listed equities), plus an uncommitted \$80 million contingent debt facility for Strike's South Erregulla development<sup>5</sup>.
- During the quarter \$239,621 in payments were made to related parties for director fees.

<sup>&</sup>lt;sup>5</sup> Uncommitted facility remains subject to lender credit approval.



#### Revenue Note: Net to Strike is 55% equity to 31 Dec 2023 and 100% thereafter. Mar Dec Q2 Qtr on Qtr FY23 FY24 A\$ million Q3 Change FY24 change YTD YTD **FY24** Sales Revenue Gas (gross)<sup>6</sup> 13.00 16.04 29.42 23% 0 Gas (net to Strike) 7.15 16.04 124% 0 23.40 1.59 0 2.99 Condensate (gross) 1.40 14% Condensate (net to Strike) 0.77 1.59 107% 0 2.36 Total Sales Revenue (gross) 14.39 17.63 22% 0 32.41 Total Sales Revenue (net to Strike) 7.92 17.63 123% 0 25.76 Average Realised Prices 7.38 Gas (\$/GJ) 6.93 7.54 9% 0 Condensate (\$/bbl) 101.13 118.52 17% 0 112.24 \_

## Capital Expenditure

A\$ million	Dec Q2 FY24	Mar Q3 FY24	Qtr on Qtr change	FY23 YTD	FY24 YTD	Change
Exploration & Appraisal	35.00	19.18	(45%)	17.40	76.54	340%
Development	1.53	0.03	(98%)	12.41	6.31	(49%)
Total Capital Expenditure	36.53	19.21	(47%)	29.80	82.85	178%

## Liquidity

A\$ million	Dec Q2 FY24	Mar Q3 FY24	Qtr on Qtr change	FY23 YTD	FY24 YTD	Change
Cash & Cash Equivalents	66.78	44.61	(33%)	143.10	44.61	(69%)
Undrawn Debt	46.75	46.75	-	6.75	46.75	593%
Total Liquidity	113.53	91.36	(20%)	149.85	91.36	(39%)

# Corporate & Commercial

- During the quarter Strike commenced a \$1.5 million cost out initiative. Half of the cost reductions are targeted through optimising the Walyering production facility, where the remainder is between corporate and other development costs. To date ~33% of the cost reductions have been achieved with the remainder on track for to be completed by the end of the FY.
- Strike announced intentions to undertake a minimum holding buy-back for the holders of unmarketable parcels (less than \$500) of ordinary shares in the Company. The Buy-Back will allow Eligible Shareholders who hold unmarketable parcels to sell their ordinary shares back to the Company at the Buy-Back price of \$0.24 per share, being the 5-day VWAP of the trading days before the Record Date7. The Company has decided to undertake the Buy-Back to assist Eligible Shareholders to sell and realise the value of their shares without incurring brokerage

<sup>&</sup>lt;sup>6</sup> Sales gas revenue includes gas banked and not taken or produced pursuant to the 'Take or Pay' contract with Santos WA Ltd.

<sup>&</sup>lt;sup>7</sup> For further information, refer to ASX announcement dated 28 March 2024 "Minimum Holding Share Buy-Back".



fees and other expenses, and to assist in reducing administrative costs associated with maintaining a large number of very small holdings.

Permit	Туре	Basin	Play	Operator (parent)	STX Interest	Gross Area (acres)	STX Net Area (acres)
L23 (Walyering)	Production	Perth Basin	Jurassic Wet Gas	Strike	100%	18,222	18,222
L24 (South Erregulla)	Production	Perth Basin	Permian Gas	Strike	100%	18,409	18,409
L7 (Mount Horner)	Production	Perth Basin	Permian Gas/Oil	Triangle	25%	37,021	9,255
EP469 (West Erregulla)	Exploration	Perth Basin	Permian Gas	Strike	50%	55,500	27,750
EP503	Exploration	Perth Basin	Permian Gas	Strike	100%	120,217	120,217
EP504	Exploration	Perth Basin	Permian Gas	Strike	100%	92,170	92,170
EP505	Exploration	Perth Basin	Permian Gas	Strike	100%	18,533	18,533
EP506	Exploration	Perth Basin	Permian Gas	Strike	100%	37,066	37,066
EP447	Exploration	Perth Basin	Jurassic Wet Gas	Strike	100%	127,849	127,849
EP488	Exploration	Perth Basin	Jurassic Wet Gas	Strike	100%	73,390	73,390
EP489	Exploration	Perth Basin	Jurassic Wet Gas	Strike	100%	36,572	36,572
EP495	Exploration	Perth Basin	Jurassic Wet Gas	Strike	100%	73,637	73,637
EP437	Exploration	Perth Basin	Permian Gas/Oil	Triangle	25%	176,861	44,215
PPL210 (Aldinga)	Production	Cooper Basin	Shallow Oil	Beach	50%	988	494
PEL 96	Exploration	Cooper Basin	Deep Coal	Strike	67%	668,098	444,953

## Petroleum Tenements Held at the End of the Quarter

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

#### **Company Contact**

Emma Alexander Investor Relations & Corporate Manager Strike Energy Limited +61 419 877 137 emma.alexander@strikeenergy.com.au

#### Media Contacts

Paul Ryan Citadel-MAGNUS +61 409 296 511 pryan@citadelmagnus.com



## Important Notices

## Forward looking Statements

Statements contained in this Interim Financial Report, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Strike, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'budget', 'outlook', 'schedule', 'estimate', 'target', 'guidance' 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Forward looking statements including all statements in this document regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings 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 may differ materially from those expressed or implied by the forward-looking statements in this Interim Financial Report. Such forward-looking statements speak only as of the date of this document. Refer to the risk factors set out in Talon Energy Limited's Scheme Booklet dated 3 November 2023 in relation to the acquisition by Strike Energy (through its wholly owned subsidiary) of all of the issued shares in Talon Energy by way of scheme of arrangement pursuant to Part 5.1 of the Corporations Act 2001 (Cth) for a summary of certain general, Strike Energy specific and acquisition specific risk factors that may affect Strike Energy. There can be no assurance that actual outcomes will not differ materially from these statements. Investors should consider the forward looking statements contained in this Interim Financial Report 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 Interim Financial Report will under any circumstances create an implication that there has been no change in the affairs of Strike since the date of this document.

# Quarterly Activities & Financials Q3-FY24



Ocean Hill 3D Seismic



#### Summary information

This presentation contains summary information and statements about Strike Energy Limited (ASX:STX) (Strike), its subsidiaries and their respective activities, which is current as at the date of this presentation (unless otherwise indicated).

The information in this presentation is general in nature and does not purport to be exhaustive. For example, this presentation does not purport to contain all of the information that investors may require in evaluating a possible investment in Strike . It has been prepared by Strike with due care but no representation or warranty, express or implied, is provided by Strike in relation to the currency, accuracy, reliability, fairness or completeness of the information, opinions or conclusions in this presentation.

This presentation should be read in conjunction with Strike's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (**ASX**), which are available on the ASX website (at www.asx.com.au) and the Strike website (at www.strikeenergy.com.au).

No person other than Strike has authorised or caused the issue, release, submission, distribution or provision of this presentation, or takes any responsibility for, or makes or purports to make, any statements, representations or undertakings in this presentation. Strike, to the maximum extent permitted by law, expressly excludes and disclaims all liability (including, without limitation, any liability arising out of fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage, or for any costs or expenses, arising from the use of this presentation or its contents or otherwise arising in connection with it. Strike does not make any representations or warranties (express or implied) to you about the currency, accuracy, reliability or completeness of the information, opinions and conclusions in this presentation (including, without limitation, any financial information, any estimates or projections and any other financial information).

#### Not an offer, and not investment or financial product advice

This presentation is not a prospectus, product disclosure statement or other disclosure document under the Corporations Act, or other offering document under Australian law or any other law. This presentation has not been lodged with the Australian Securities and Investments Commission. This presentation, and the information contained in it, is provided for information purposes only and is not an offer or solicitation or an invitation or recommendation to subscribe for, acquire or buy securities of Strike, or any other financial products or securities, in any place or jurisdiction.

This presentation may not be released to US wire services or distributed in the United States. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be unlawful. The securities referred to in this document have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This presentation, and the information provided in it, does not constitute, and is not intended to constitute, financial product or investment advice (nor tax, accounting or legal advice) or a recommendation to acquire any securities of Strike. It has been prepared without taking into account the objectives, financial or tax situation or particular needs of any individual. Any investment decision, should be made based solely upon appropriate due diligence and other inquiries. Before making any investment decision, investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek professional advice from their legal, financial, taxation or other independent adviser (having regard to the requirements of all relevant jurisdictions). Strike is not licensed to provide financial product advice in respect of an investment in securities, and do not purport to give advice of any nature. An investment in any listed company, including Strike, is subject to risks of loss of income and capital.

#### Past performance

Past performance metrics and figures, as well as pro forma financial information, included in this presentation are given for illustrative purposes only and should not be relied upon as (and are not) an indication of Strike's views on Strike's future financial performance or condition or prospects (including on a consolidated basis). Investors should note that past performance of Strike, including in relation to the historical trading price of shares, production, reserves and resources, costs and other historical financial information cannot be relied upon as an indicator of (and provide no guidance, assurance or guarantee as to) future performance, including the future trading price of shares. The historical information included in this presentation is, or is based on, information that has previously been released to the market.

#### Investment risk

As noted above, an investment in shares in Strike is subject to investment and other known and unknown risks, some of which are beyond the control of Strike. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of shares in Strike in the future. Strike does not guarantee any particular rate of return or the performance of Strike, nor guarantee the repayment of capital from Strike, or any particular tax treatment. When making any investment decision, investors should make their own enquires and investigations regarding all information in this presentation, including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Strike, and the impact that different future outcomes may have on Strike. Refer to the section 8 of Strike's Bidder's Statement dated 23 December 2022 for its off-market takeover offer to acquire all of the shares in Warrego Energy Limited (ACN 125 394 667) that Strike did not already own for a summary of certain risk factors that may affect Strike.



# Highlights for Q3-FY24





#### Revenue Note: Net to Strike is 55% equity to 31 Dec 2023 and 100% thereafter. Mar Dec Q2 Otr on Otr FY23 FY24 A\$ million Q3 Change FY24 YTD YTD change FY24 Sales Revenue Gas (gross)6 13.00 16.04 23% 0 29.42 \_ 16.04 Gas (net to Strike) 7.15 124% 0 23.40 \_ Condensate (gross) 1.40 1.59 14% 0 2.99 \_ Condensate (net to Strike) 0.77 1.59 107% 0 2.36 \_ Total Sales Revenue (gross) 14.39 17.63 22% 0 32.41 17.63 123% 25.76 Total Sales Revenue (net to Strike) 7.92 0 \_ Average Realised Prices Gas (\$/GJ) 6.93 7.54 9% 0 7.38 \_ Condensate (\$/bbl) 101.13 118.52 17% 0 112.24

## Capital Expenditure

A\$ million	Dec Q2 FY24	Mar Q3 FY24	Qtr on Qtr change	FY23 YTD	FY24 YTD	Change
Exploration & Appraisal	35	19.18	(45%)	17.40	76.54	340%
Development	1.53	0.03	(98%)	12.41	6.31	(49%)
Total Capital Expenditure	36.53	19.21	(47%)	29.80	82.85	178%

## Liquidity

A\$ million	Dec Q2 FY24	Mar Q3 FY24	Qtr on Qtr change	FY23 YTD	FY24 YTD	Change
Cash & Cash Equivalents	66.78	44.61	(33%)	143.10	44.61	(69%)
Undrawn Debt	46.75	46.75	-	6.75	46.75	593%
Total Liquidity	113.53	91.36	(20%)	149.85	91.36	(39%)

Note: Sales gas revenue includes gas banked (paid for but not taken or produced) pursuant to the 'Take or Pay' contract with Santos WA Ltd. Net to Strike is at 55% equity until 31 Dec 2023.

## Commentary

- Total record quarterly revenue generation of ~\$18m up 22%.
- Realised gas prices up 9%.
- Realised condensate price of \$119 bbl up 17%.
- Revenue and price increases related to commencement of Alinta GSA and softer AUD-USD FX.
- Expenditure related to one-off activities including the South Erregulla drilling and testing, the Ocean Hill 3D seismic and preparation for Strike's 3 upcoming exploration wells
- Repaid \$3.3m of drawn debt.
- Balance sheet remains strong with ~\$91m of liquidity (\$44.6m cash and \$46.7m undrawn debt).



**Production** 

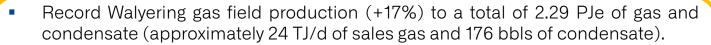
Walyering

Development

st & Sou

Erregulla

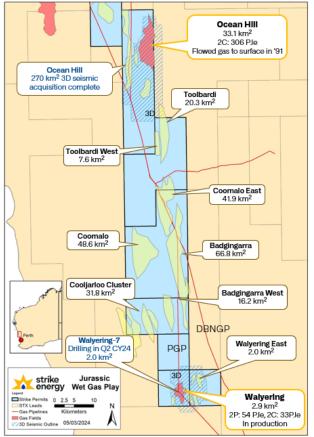
orporate



- 9% increase in realised gas prices to \$7.54 GJ.
- Nameplate capacity exceeded at 34 TJ/d with instantaneous rates reaching 38 TJ.
- Gas Transportation Agreement executed with APA to allow up to 10 TJ/d of sales gas to be delivered from the PGP to the DBNGP expected from late 2024.
- AGIG West Erregulla gas plant repricing made substantial progress, documentation expected for post environmental approval and Q3 FID.
- Production License submitted for WE which Strike expects it to be granted in coming quarter.
- During the quarter, South Erregulla 2 and 3 were flow tested and failed to produce commercial flows of gas to surface. Reserves and standalone development review to conclude by end-FY.
- During the quarter Strike commenced a \$1.5 million cost out initiative by end FY24. To date ~33% of the cost reductions have been achieved.
- Strike announced intentions to undertake a minimum holding buy-back for the holders of unmarketable parcels. (reduction ~9-10% of No of shareholders)
- Liquidity (~\$91m) and balance sheet remains strong with only \$16m of drawn debt and cash of \$45m plus undrawn debt of \$47m.



# **Exploration Update**



#### All assets are 100% equity with reported structural closure only that which lie within Strike's permits

## **Ocean Hill**

## 100% STX, operator EP495

The Ocean Hill 256 km<sup>2</sup> 3D seismic acquisition has been completed on schedule and under budget covering the large Jurassic gas discovery where a material 306 PJe 2C Contingent Resource exists (RISC 2022).



## 25% STX, non-operator L7

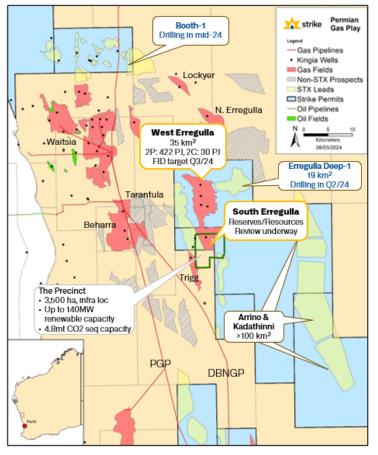
Work program and budget approved, and rig secured for Booth-1 Permian exploration well to be drilled mid-24.

## Arrino & Kadathinni

100% STX, operator EP503, 504 & 505

479 km Kadathinni 2D seismic survey where more than 100 km<sup>2</sup> of Permian closure has been identified on both historical and the South Erregulla Maior 2D seismic volumes.

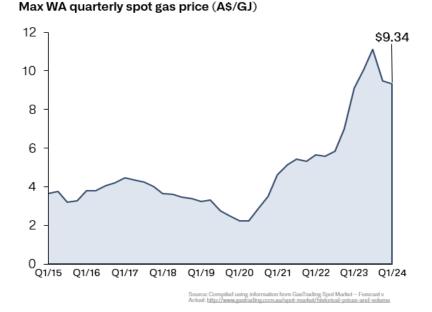
Note: Refer to Slide 10 for important information regarding Reserves and Resources.

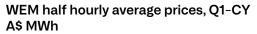


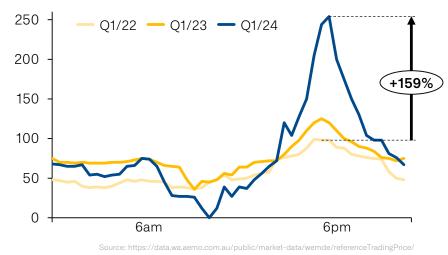


# WA Energy Market Update

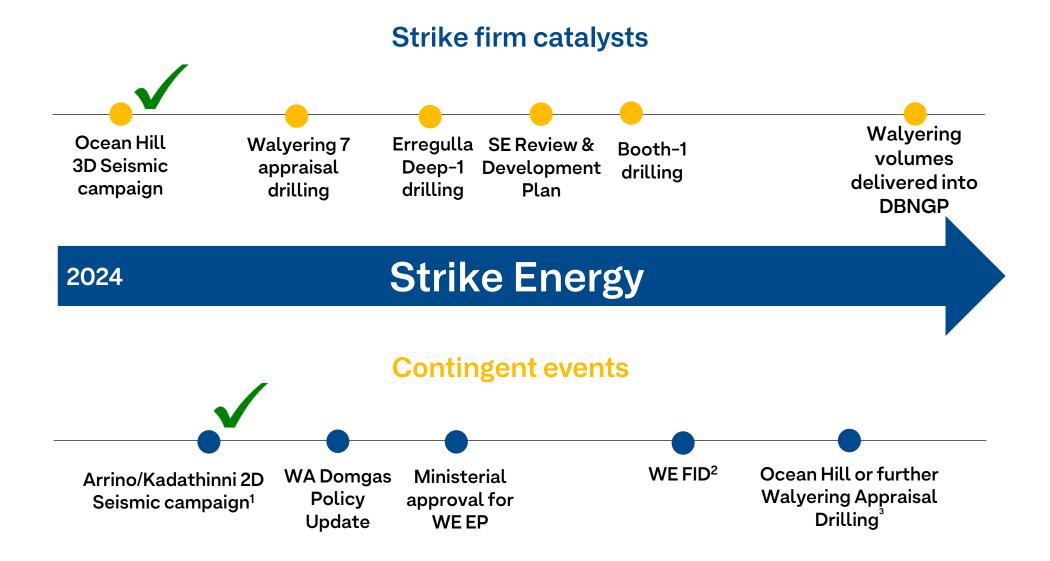
- 1. WA max spot gas price of \$9.34/GJ during the quarter.
- 2. The Economic Standing Committee released its interim report on its review of the WA Domestic Gas Policy in late February. Several findings may impact Strike's business going forward. These are summarised below:
  - The Australian Energy Market Operator (AEMO) has forecast that WA will experience a gas shortfall and there was no indication in the interim report that the AEMO is incorrect.
  - A substantial gas supply shortfall will likely lead to higher energy prices and threaten to undermine the State's decarbonisation agenda.
  - Lifting of the export ban placed on Perth Basin gas resources may facilitate faster development and greater volumes of gas into the domestic market.
  - Some existing LNG producers have not produced the amount of domestic gas as per the spirit of the original WA Domestic Gas Policy.
- 3. BHP announced plans to increase gas fired generation in the Pilbara by 120 MW which would equate to ~30 TJ/d of new gas demand.
- 4. New electricity demand record set on consecutive days in Feb (~4,233 MW, and then 5 GW). Gas made up 60% of electricity during evening peaks. The quarter's cost for electricity in WA averaged \$78.50 MWh up 6% vs Q1 CY23 and 44% vs Q1 CY22.











1. Subject to, among other things, land access and regulatory approvals.

2. Subject to, among other things, Joint Venture discussions/processes and regulatory approvals.

3. Subject to, among other things, Ocean Hill and Walyering appraisal results, rig procurement, and land access and regulatory approvals.

# **Strike** Central to WA's energy transition





# Forward looking statements and project information

#### Forward looking statements

This presentation contains forward looking statements about Strike. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation, statements in this presentation regarding intent, belief, expectations, plans, strategies and objectives of management, indications of and guidance on synergies, future earnings or financial position or performance, future acquisitions, anticipated production rates or construction commencement dates, costs or production outputs for each of Strike and the future operation of Strike. Strike does not make any representation or warranty as to the currency, accuracy, reliability or completeness of any forward-looking statements contained in this presentation.

To the extent that this presentation materials contains forward looking information, the forward-looking information is subject to a number of risks, including those generally associated with the gas industry more broadly. Any such forward looking statement inherently involves known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated. These may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development (including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves), political and social risks, changes to the regulatory framework within which Strike operate or may in the future operate, environmental conditions including extreme weather conditions, geological and geotechnical events, and other environmental issues, the recruitment and retention of key personnel, industrial relations issues, litigation and outbreaks of disease or pandemics (including the continuation or escalation of the global COVID-19 pandemic).

Any such forward looking statements are based on assumptions, qualifications and contingencies which are subject to change and which may ultimately prove to be materially incorrect, as are statements about market and industry trends, which are based on interpretations of current market conditions. Investors should consider any forward-looking statements contained in this presentation in light of such matters (and their inherent uncertainty) and not place reliance on such statements. Forward looking statements are not guarantees or predictions of future performance and may involve significant elements of subjective judgment, assumptions as to future events that may not be correct, known and unknown risks, uncertainties and other factors, many of which are outside the control of Strike. Any forward-looking statements are based on information available to Strike as at the date of this presentation. Refer to the risk factors set out in Talon Energy Limited's Scheme Booklet dated 3 November 2023 in relation to the acquisition by Strike Energy (through its wholly owned subsidiary) of all of the issued shares in Talon Energy by way of scheme of arrangement pursuant to Part 5.1 of the Corporations Act 2001 (Cth) for a summary of certain general, Strike Energy specific and acquisition specific risk factors that may affect Strike Energy. There can be no assurance that actual outcomes will not differ materially from these statements. Investors should consider should consider the forward looking statements are disclassing any obligation or undertaking to provide any additional or updated information, whether as a result of new information, future events or results or otherwise (including to reflect any change in expectations or assurptions).

Nothing in this presentation will, under any circumstances (including by reason of this presentation remaining available and not being superseded or replaced by any other presentation or publication with respect to Strike or any other matter the subject matter of this presentation), create an implication that there has been no change in the affairs of Strike since the date of this presentation.

#### Precinct development

The proposed Low Carbon Mid-West Precinct development will be contingent on, among other things, successfully re-zoning the land for the intended renewable and industrial uses, obtaining all other required regulatory approvals, licences and authorisations and, in the case of the renewable uses, securing renewables developer(s) on terms acceptable to Strike.

#### Effect of rounding and Financial data

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation. All dollar values are in Australian dollars (\$ or A\$ or AUD) unless stated otherwise. All references to USD or US\$ or US\$ or US\$ are to the currency of the United States of America.

#### Reserves and resources estimates

Information in this presentation relating to the Reserve and Resource Estimates for:

- The West Erregulla Project is set out in the ASX announcement dated 27th July 2022 entitled "West Erregulla Reserves Upgraded by 41%". Strike equity interest is 50% and Warrego equity interest is 50%.
- The Walyering Reserve and Resource Estimate is set out in ASX announcement dated 21 July 2022 entitled "Independent Certification of Walyering Reserves". Strike equity interest is 100%.
- The Ocean Hill 2C Contingent Resource is set out in ASX announcement dated 10 October 2022 entitled "Independent Certification of Ocean Hill Gas Resource". Strike equity interest is 100%.
- The Erregulla Deep 2U prospective Resource is set out in ASX announcement dated 16 December 2022 entitled "Strike to test Southwest Erregulla and Erregulla Deep Prospective Resource". Strike equity interest is 50%.

This reserves and resources estimates must, therefore, be read in conjunction with the full text of the ASX releases referred to. The Reserves and Resources are unrisked.

Strike is unaware of any new information that materially impacts the information in these releases and confirms that all the material assumptions and technical parameters underpinning the estimates in the above releases continue to apply and have not materially changed.

## Appendix 5B

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
STRIKE ENERGY LIMITED	
ABN	Quarter ended ("current quarter")
59 078 012 745	31 March 2024

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	21,947	25,004
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(4,548)	(6,308)
	(d) staff costs	(1,434)	(3,759)
	(e) administration and corporate costs	(2,160)	(6,678)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	656	3,925
1.5	Interest and other costs of finance paid	(709)	(2,192)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (cost recoveries from JVs, cash on acquisition)	798	2,258
1.9	Net cash from / (used in) operating activities	14,550	12,250

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(36)	(591)
	(d) exploration & evaluation	(31,924)	(72,029)
	(e) investments	-	-
	(f) oil & gas assets	(1,667)	(10,254)

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	(3,133)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide detail if material)	555	1,685
2.6	Net cash from / (used in) investing activities	(33,072)	(84,322)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	132
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(140)	(140)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(3,330)	(10,000)
3.7	Transaction costs related to loans and borrowings	(404)	(1,190)
3.8	Dividends paid	-	-
3.9	Other (security deposit)	37	(105)
3.10	Net cash from / (used in) financing activities	(3,837)	(11,303)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	66,783	127,877
4.2	Net cash from / (used in) operating activities (item 1.9 above)	14,550	12,250
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33,072)	(84,321)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3,837)	(11,303)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000	
4.5	Effect of movement in exchange rates on cash held	191	112	
4.6	Cash and cash equivalents at end of period	44,615	44,615	

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	14,395	11,285
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (share of JV bank accounts and bank deposits)	30,220	55,497
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	44,615	66,782

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	240
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	f any amounts are shown in items 6.1 or 6.2, your quarterly activity report must includ ation for, such payments.	e a description of, and an

7.	<b>Financing facilities</b> Note: the term "facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000	
	sources of finance available to the entity.	<b>ΦΑ΄ UUU</b>		
7.1	Loan facilities	69,000	22,250	
7.2	Credit standby arrangements	-	-	
7.3	Other (please specify)	-	-	
7.4	Total financing facilities	69,000	22,250	
7.5	Unused financing facilities available at quarter end 46,75			
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.			
	Rabobank – Secured Facility - \$6 million.			
	Interest Rate – 3.25% + bank bill swap rate			
	Maturity date – 31 August 2025.			
	Macquarie Bank Limited – Secured Facility – Tranche A, B and C (\$23 million) and Tranche D (\$40 million)			
	Interest rate – 6% + bank bill swap rate (A, B &C) and 9% + bank bill swap rate (D)			
	Maturity Date – 30 June 2025 (Tranches A, B & C) and 31 December 2024 (Tranche D)			
	As per ASX announcement on 19 December 2022 "\$153 million Domestic Gas Financing Package", Macquarie Bank Limited agreed to refinancing of Facilities A, B and C, additional committed facility of \$40 million for drilling SE2 and 3, and \$80 million uncommitted facility for Erregulla domestic gas facilities.			

8.	Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	14,550	
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(31,924)	
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(17,374)	
8.4	Cash and cash equivalents at quarter end (item 4.6)	44,615	
8.5	Unused finance facilities available at quarter end (item 7.5)	46,750	
8.6	Total available funding (item 8.4 + item 8.5)	91,365	
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.26	
	Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:		
	8.8.1 Does the entity expect that it will continue to have the current I cash flows for the time being and, if not, why not?	evel of net operating	

8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise furth cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
8.8.3	Does the entity expect to be able to continue its operations and to meet its busine objectives and, if so, on what basis?
Note: w	here item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

## **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ...23 April 2024.....

#### Notes

- 1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.