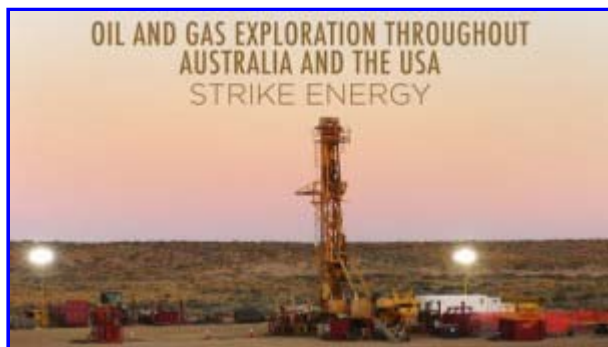


Strike Energy



Oil and Gas Exploration Throughout Australia and the USA

[Click to view in E-Magazine](#) | [Click to view Brochure](#)

-By Robert Hoshowsky

Led by a highly experienced board and management team, Strike Energy Limited is a company with significant assets and major growth potential. As an active oil and gas exploration and production company, Strike Energy has major unconventional (shale oil and gas) development projects in Australia and the United States.

“The last few years have seen the rapid development of drilling and completion techniques used to produce oil and gas from unconventional resources in North America,” says David Wrench, Strike Energy’s Managing Director. “The oil and gas industry is now focussed on using these techniques to develop unconventional resources globally, including in Australia, which has very large unconventional resource potential. Strike has taken interests in three unconventional projects – in the Eagle Ford Shale and Permian Basin, Texas and in the Cooper Basin, Australia.”

Possessing extensive experience in the energy markets in Australia and North America, David Wrench holds a Bachelor of Engineering (Mining) degree from the University of Sydney. He has worked in Australia and North America with Macquarie Bank, Credit Suisse and Chase Manhattan Bank, and has extensive commercial experience in the precious metals, base metals, and energy markets sectors. In addition to serving as director for a number of private resource companies, Mr Wrench was a co-founder and director of coal seam gas pioneer CH4 Gas Limited. Joining the board of Strike Energy as a non-executive director in 1998 – a year after the company was established – Mr Wrench was appointed Managing Director in October of 2011.

Listed on the Australian Stock Exchange in 2004 (STX), Strike Energy is headquartered in Perth, Western Australia, and has offices in Sydney, New South Wales (corporate office) and an American operations base in Houston, Texas. With a team of 12 technical and administrative staff, Strike Energy is focusing its efforts on Australia and the United States of America due to the company’s overall experience, technical capabilities, and the relationships it has established over the years in these markets.

The distinction between conventional and unconventional oil and gas projects is relatively straightforward, says Mr Wrench. Conventional oil and gas projects are those which produce from reservoirs which contain oil and/or gas which, following generation, has migrated from its original source and been trapped by a layer of impermeable rock. Unconventional projects refer to projects where the oil and/or gas is produced either directly from its source rock (such as coal seam gas and shale gas), or

from a very impermeable reservoir (“tight gas”). Unconventional projects generally require more complicated drilling and completion processes (such as horizontal drilling and fracking) than conventional projects in order to produce at commercial rates.

Since it was founded in 1997, Strike Energy’s exploration track record has been impressive. The company discovered, and later sold, the Casino gasfield in the Otway Basin, developed and spun off Comet Ridge Ltd, a coal seam methane company, and participated in three gas and condensate discoveries located in Texas. Additionally, the company has assembled its current portfolio of unconventional projects, which it will be evaluating and developing this year.

In Australia, Strike Energy has over four million net acres (over 16,000 square kilometres) of exploration permits and applications in the famous Cooper Basin. A sedimentary geological basin in Australia, gas resources were first discovered in the area in the early Sixties. Since that time, hundreds of producing gas wells have emerged, transforming the area into a major production and processing hub. Located on the Queensland and South Australian border, the Cooper Basin supplies a number of products via pipelines, including natural gas to Adelaide, Sydney and regional areas; oil, condensate, and liquefied petroleum gas to Port Bonython; and ethane to Botany Bay. Widely regarded as the location of Australia’s most important and prolific on-shore petroleum and natural gas deposits, the Cooper Basin is also a strategic area targeted for growth by Strike Energy.

Known for its unconventional potential, the company’s permit areas are in places known to contain vast hydrocarbon-bearing shale, coal and sand formations. At present, Strike is pursuing an active exploration program to demonstrate the commercial value of this massive potential resource. “Strike has held permits on Cooper Basin for many years and will be testing the unconventional potential of two of its permits in 2012 by drilling two evaluation wells,” says Mr Wrench of the company, which also holds in excess of 250,000 net acres (over 1,000 square kilometres) of prospective permit areas within the Carnarvon Basin, offshore Western Australia. The drilling depth in the Southern Cooper Basin is around 2,600 metres (8,500 feet).

In the USA, Strike Energy also holds over 8,000 net acres within the high-profile Eagle Ford Shale, onshore Texas. One of America’s most sought after unconventional hydrocarbon areas, Eagle Ford Shale is desirable due to high liquid recovery rates and strong economics, and the company is presently engaged in an exploration and evaluation program to demonstrate the commercial potential of its acreage. “Drilling depth in the Eagle Ford Shale in the US is around 3,600 metres, or 12,000 feet,” says Mr Wrench, “and leasing costs in the Eagle Ford Shale have increased significantly over the past few years, making prospective acreage very expensive to acquire.”

Additionally in the US, Strike has conventional exploration and production assets located on the Gulf Coast in Texas, along with existing production and a strong pipeline of medium and large liquids and gas prospects.

Strike Energy is managed by a stable Board with decades of combined experience. Along with Managing Director David Wrench, the company’s Chairman, Tim Clifton, has over 40 years of mining and corporate experience as both a geologist and a company director. Executive Director Ben Thomas – who joined Strike Energy in mid-2010 – presently serves as the company’s President of US Operations, a reflection of his many years of petroleum sector experience in management, engineering and marketing roles with companies like Mobil Oil Corporation, Superior Oil Company, Mark Producing, Edisto Resources and Hall-Houston Oil Company. The experience of Strike’s Non-Executive Directors Simon Ashton, Tim Goyder, and Eytan Uliel include the Australian

and international petroleum and resources industries, WMC Limited, Chalice Gold Mines Limited, Liontown Resources Limited, Uranium Equities Limited, Dart Energy Limited, and CH4 Gas Limited. Additionally Don Poynton, Strike's Manager of Exploration and Environment, has spent years working in the nation's petroleum exploration and production sector, while Manager of Geoscience Rob Weeden – who has over three decades of experience in both the mineral and petroleum industries – is responsible for the firm's geotechnical evaluations of the its interests in the Carnarvon and Cooper Basins in Australia and the Gulf Coast in Texas.

At Strike Energy, the company's Board and Management are committed to corporate governance and, to the extent they are applicable to the Company, have adopted the Essential Corporate Governance Principles and each of the Best Practice Recommendations as published by ASX Corporate Governance Council (ASX Principles and Recommendations). "Strike has an experienced board and management team which combines oil and gas industry technical and financial expertise in both Australia and the US," says Mr Wrench.

Additionally, the company also adheres to a rigorous Health and Safety Policy, and is committed to conducting its activities with the health and safety of its employees, contractors and third parties as a fundamental consideration. In 2006, Strike Energy won the Australian Petroleum Production and Exploration Association's (APPEA) environment award in the 'exploration' category for its efforts to eliminate many of the environmental risks in the eco-sensitive Exmouth Gulf in Western Australia during the drilling of the Cooper 1 well.

The potential for Strike Energy's unconventional shale oil and gas projects and conventional exploration and production assets presents shareholders with substantial value upside. The company's breadth of experience, technical capabilities, and established relationships in desirable Australian and American markets make Strike Energy a leading exploration company today and into the future.

"We intend to focus on further evaluation and development of our US and Cooper Basin projects in the second half of 2012," says Mr Wrench of the company, which has also been successful in leasing an 8,000 acre position in the Eagle Ford Shale, which it plans to test by production drilling this year.

Short URL: <http://www.australianresourcefocus.com.au/?p=1842>