

The Company Announcement Officer
ASX Ltd
via electronic lodgement

\$20 MILLION PLACEMENT TO ADVANCE COOPER BASIN & EAGLE FORD SHALE PROJECTS

- **\$20 MILLION PLACEMENT TO LEADING INSTITUTIONAL INVESTORS**
- **MEDIUM TERM COOPER BASIN & EAGLE FORD SHALE DRILLING PROGRAMS FULLY FUNDED**

SUMMARY

Strike Energy Limited is pleased to announce the successful completion of a \$20 million placement to sophisticated and professional investors. The company now has the financial resources to deliver its medium term drilling program – further confirmation of Strike’s significant unconventional gas and liquids resource in the Cooper Basin and demonstration of the commercial potential of the company’s Eagle Ford Shale position.

PLACEMENT DETAILS

The company will issue 117,647,059 shares at \$0.17 per share in two tranches as follows:

- 1) Tranche 1 – 45,780,890 shares to be issued within the company’s 15% placement capacity under ASX Listing Rule 7.1; and
- 2) Tranche 2 – 71,866,169 shares to be issued subject to shareholder approval to be sought at an Extraordinary General Meeting to be held on or about 4 May 2012.

The placement price is a 3% discount to Strike’s 30 day volume weighted average share price (VWAP) and a 13% discount to the company’s last closing price on 23 March 2012.

Bell Potter Securities Limited acted as Lead Manager for the placement.

OUR STRENGTHS

- Quality Assets
- Experienced Team
- Major Growth Potential

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MANAGING DIRECTOR'S QUOTE

Managing Director, David Wrench, said:

"The \$20 million placement ensures Strike has the financial resources to continue to deliver on our strategy – to confirm the company's significant unconventional gas and liquids resource in the Cooper Basin and to demonstrate the commercial potential of our Eagle Ford Shale acreage.

"While we are extremely enthusiastic about the potential of our assets we realise that we have a significant amount of hard work ahead of us to fully demonstrate their inherent value.

"We are delighted to have received extremely strong support from leading Australian and international institutional investors which have demonstrated confidence in Strike's assets and strategy and in the potential of our program to achieve a re-rating of these assets," he said.

STRIKE'S STRATEGY

Strike has one of the largest acreage positions in the Cooper Basin with over 16,000 net km² of permits and applications. Strike's PELs 94, 95 and 96 on the Southern Flank of the Cooper Basin have significant unconventional shale and coal hydrocarbon potential. The company is currently conducting a two well evaluation program – Marsden 1 in PEL 95 (Strike 50%) is underway and will be followed immediately by Davenport 1 in PEL 94 (Strike 35%). While the current wells are already funded, the placement will allow Strike to develop and fund a follow-on evaluation and testing program. This will likely include evaluation of the extensive coal measures within PEL 96 (Strike 66.7%) and further testing of the coals and shales within PELs 94 and 95.

In the Eagle Ford Shale, Strike is currently finalising an acquisition of some additional leases that will increase the company's acreage position to approximately 34,300 acres (gross) / 9,400 acres (net) and consolidate its position within the attractive gas/condensate fairway. While further leasing activity is now expected to slow, Strike is concluding arrangements to commence production drilling in mid-2012. The placement will allow Strike to fund initial production drilling and completions, gas sales infrastructure, 3D seismic acquisition and leasing activity.

Strike's Board considered a range of funding options for the planned Cooper Basin and Eagle Ford Shale activity, but believes that this next stage of development of the company's assets is most prudently funded by equity capital.

ASX Announcement



Strike Energy Limited

ABN 59 078 012 745

28 March 2012

Strike has a clear strategy focused on proving-up the value of our key unconventional assets – the Cooper Basin and the Eagle Ford Shale – and the placement puts Strike in a strong financial position to advance this strategy. I look forward to providing further updates to shareholders in due course.

Yours faithfully

A handwritten signature in black ink, appearing to read "DW", with a long horizontal line extending to the right.

DAVID WRENCH
Managing Director

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