

The Company Announcement Officer  
ASX Limited  
*via electronic lodgement*

## MARSDEN 1 PRELIMINARY RESULTS CONFIRM SIGNIFICANT SOUTHERN COOPER BASIN UNCONVENTIONAL RESOURCE POTENTIAL

- Preliminary mud and wireline log results confirm the unconventional resource potential of Strike's Southern Cooper Basin permits
- Over 800 metres of Permian shales, coals and sands intersected
- Elevated gas readings with heavy hydrocarbon shows
- Well to be cased and suspended for future testing
- Davenport 1 expected to spud within two weeks

### OVERVIEW

Strike Energy Limited is pleased to announce that the preliminary mud and wireline log data from the Marsden 1 well have demonstrated coal and shale thicknesses that match or better pre-drill expectations and exceed the values used in Strike's resource model.

Marsden 1 was drilled to test the unconventional hydrocarbon potential of the Battunga Trough in PEL 95 (Strike 50%) and penetrated over 800 metres of Permian sediments, including thick sections of the target Toolachee, REM and Patchawarra formations. Elevated gas readings, including the presence of heavy hydrocarbons up to pentane (C5), were recorded across the target coal and shale formations. Cores and cuttings from Marsden 1 have been sent for detailed laboratory analysis.

Marsden 1 is now being cased and suspended for future testing and the Ensign 918 rig will move directly to the site of Strike's second unconventional evaluation well, Davenport 1, to test the Milpera Trough in PEL 94 (Strike 35%).

**The Marsden 1 well log data appears consistent with recently announced offset well results in the region which indicate that the Southern Cooper Basin could host a major unconventional gas resource with liquids-rich gas potential.**

### OUR STRENGTHS

- Quality Assets
- Experienced Team
- Major Growth Potential

Strike Energy Limited  
Ground Floor, 10 Ord Street  
West Perth WA 6005

T: 61 8 6103 0999  
F: 61 8 6103 0990  
E: [strike@strikeenergy.com.au](mailto:strike@strikeenergy.com.au)  
[www.strikeenergy.com.au](http://www.strikeenergy.com.au)

## MANAGING DIRECTOR'S QUOTE

Managing Director, David Wrench, said:

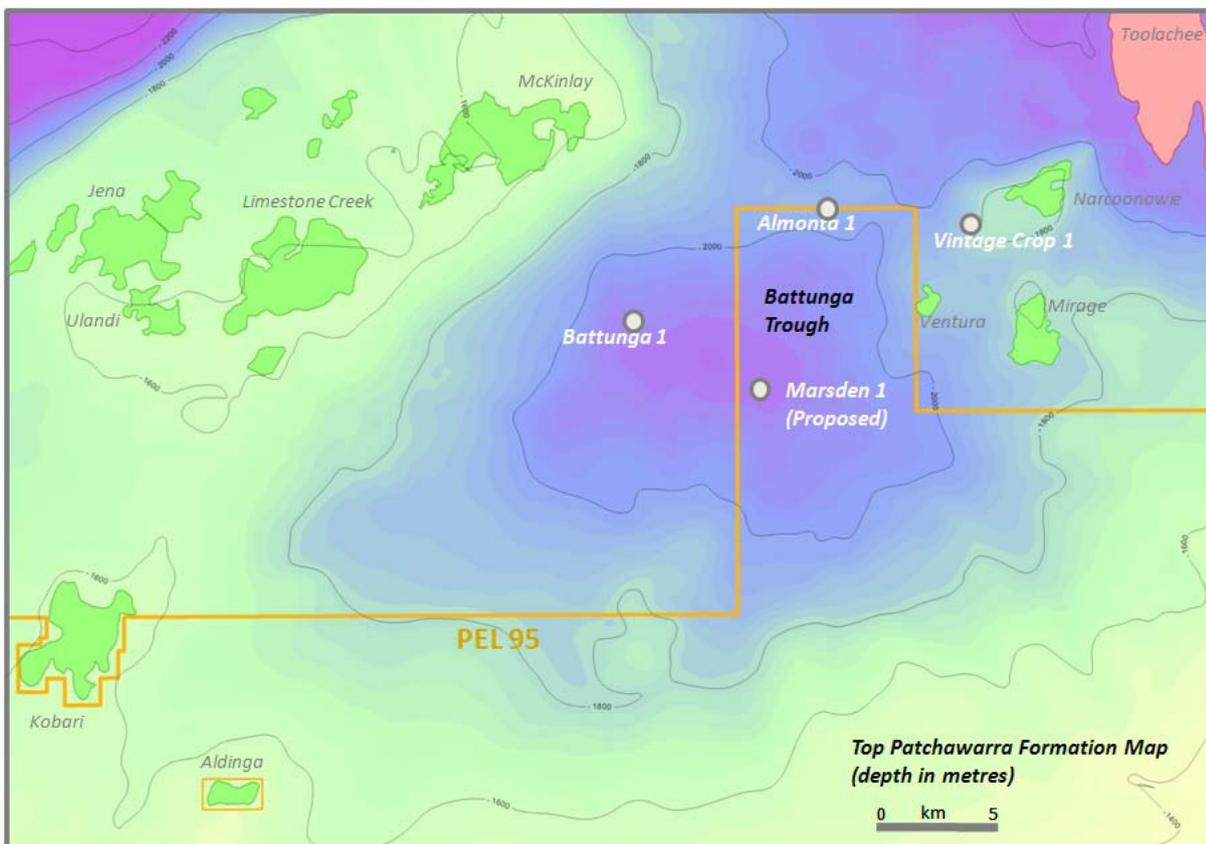
*"We are very encouraged by the preliminary data received to date from Marsden 1. While we will be receiving additional data over the next few months from laboratory analysis of the samples taken, these early results are indicative of a very large and potentially liquids-rich prospective gas resource."*

*"We know from our experience in the Eagle Ford Shale that the recovery of liquids associated with gas production significantly enhances project economics," he said.*

## MARSDEN 1 - CURRENT STATUS

The Marsden 1 unconventional coal and shale evaluation well in PEL 95 (Strike 50%, Beach Energy 50%) spudded on 22 February, and following a three week suspension due to heavy rains, reached a total depth of 2,625 metres on 10 April. Marsden 1 targeted the Permian section of the Battunga Trough, and in particular – the Toolachee Formation, Roseneath Shale, Epsilon Formation and Murteree Shale (together 'REM') and the Patchawarra Formation.

Map 1 – Marsden 1 well location, PEL 95 (Battunga Trough)



Core samples were recovered from the Toolachee Formation and the Murteree Shale, however, deteriorating well conditions prevented planned coring of the Patchawarra Formation. Comprehensive wireline logs were recorded across the entire Permian section. Detailed laboratory analysis of the cores and cuttings will be undertaken over the next few months to determine geochemical and geomechanical properties of the samples which will be integrated with log data.

Based on the encouraging preliminary results, Strike and its partner Beach Energy have agreed to case and suspend the well to facilitate additional testing in due course. Upon completion of the casing operation, the Ensign 918 rig will demobilise and move to the site of Strike's second unconventional evaluation well, Davenport 1, in PEL 94 (Strike 35%).

## PRELIMINARY RESULTS

Marsden 1 encountered 804 metres of Permian sediments, including thick sections of the target Toolachee, REM and Patchawarra formations. The well recorded 62 gross metres / 43 net metres of major coal seams within the Toolachee and Patchawarra formations.

**Table 1 – Marsden 1 Permian section thicknesses**

FORMATION	THICKNESS (m)	COMMENT
Nappamerri Group	59	
Toolachee Formation	131	Includes 24m gross / 18m net primary coal target
Daralingie Formation	39	
Roseneath Shale	56	
Epsilon Formation	92	
Murteree Shale	78	
Patchawarra Formation	350	Includes 38m gross / 25m net primary coal target
<b>TOTAL</b>	<b>804</b>	

Mudlogs recorded elevated gas readings across the target coal formations. The mudlogs also recorded the presence of heavy hydrocarbons – ethane (C2), propane (C3), butane (C4) and pentane (C5) – from the top of the Toolachee Formation.

## MANAGEMENT DISCUSSION

These early results confirm some of the key underlying assumptions used to develop Strike's resource model and 6 Tcf (net) prospective resource announced on 3 November 2011 (see Annexure), specifically:

- ✔ Net coal and shale thicknesses encountered in the well exceed the values used in the model.
- ✔ Coal and shale sections can be correlated to Battunga 1, located approximately 6.5 kilometres northwest of Marsden 1 (see Map 1) and to seismic data across the Battunga Trough.



The presence of heavy hydrocarbons indicates that Marsden 1 is likely located in a wet gas hydrocarbon generation window.

More broadly, the Marsden 1 logs are consistent with results recently announced by Senex Energy in relation to its Vintage Crop 1 and Sasanof 1 unconventional wells in PEL 516, immediately to the north of Strike's PEL 95. Together, these wells confirm that the Southern Cooper Basin has the potential to host a very significant unconventional hydrocarbon resource with liquids-rich gas potential.

The final results of Marsden 1 and Davenport 1 including laboratory sample analysis over the next few months will be used to further refine Strike's resource model and importantly, to develop a follow-on exploration and development program.

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We now look forward to spudding of the Davenport 1 unconventional evaluation well.

Yours faithfully

A handwritten signature in black ink, appearing to read "David Wrench".

DAVID WRENCH  
Managing Director

*Further information:*

**Investors:**

Strike Energy Limited  
David Wrench – Managing Director  
T: +61 2 8261 1000  
E: [strike@strikeenergy.com.au](mailto:strike@strikeenergy.com.au)

**Media:**

Fowlstone Communications  
Geoff Fowlstone  
T: +61 413 746 949  
E: [geoff@fowlstone.com.au](mailto:geoff@fowlstone.com.au)

## ANNEXURE – PROSPECTIVE RESOURCE

Table 2 below summarises Strike’s prospective gas and liquids resource within its key unconventional Cooper Basin permits – PEL 96 (Strike 67%), PEL 95 (Strike 50%) and PEL 94 (Strike 35%) – as announced by the company on 3 November 2011.

**Table 2 – Strike Energy’s gas and liquids prospective resource estimate**

	P90	P50 (mean)	P10
<b>Prospective resource<sup>1</sup> total</b>			
- Gas (Bcf)	7,310	<b>12,393</b>	18,393
- Liquids (Mmbbl)	30	<b>113</b>	229
<b>Prospective resource<sup>1</sup> Strike’s share</b>			
- Gas (Bcf)	3,599	<b>6,099</b>	9,045
- Liquids (Mmbbl)	14	<b>54</b>	109

1. Prospective Resource as per Society of Petroleum Engineers – Petroleum Resources Management System