

The Company Announcement Officer  
ASX Ltd  
*via electronic lodgement*

## INVESTOR PRESENTATION

Please find attached Strike Energy's investor presentation.

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

*Further information:*

**Strike Energy Limited**  
David Wrench – Managing Director  
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### OUR STRENGTHS

- Quality Assets
- Experienced Team
- Major Growth Potential

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*SUBSTANTIAL EXPOSURE TO WORLD-CLASS UNCONVENTIONAL PLAYS  
– THE EAGLE FORD SHALE & THE COOPER BASIN –*

INVESTOR PRESENTATION  
JUNE 2012



**STRIKE ENERGY**

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**EAGLE FORD SHALE**

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**SOUTHERN COOPER BASIN**

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**OTHER ASSETS**

# STRIKE ENERGY

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***SUBSTANTIAL EXPOSURE TO THE  
UNCONVENTIONAL OIL & GAS SECTOR***

	EAGLE FORD SHALE	SOUTHERN COOPER BASIN
★ <b>QUALITY ASSETS</b>	~9,500 (net) acres in the gas-condensate fairway	~4,600 (net) km <sup>2</sup> (~1.1m acres) with unconventional potential
★ <b>LARGE RESOURCE</b>	25 – 40 Mmbbl (net) resource potential	6+ Tcf (net) prospective gas resource with liquids potential
★ <b>HIGH ACTIVITY</b>	Production test well - drilling now	Evaluation drilling has confirmed resource potential
★ <b>VALUE UPSIDE</b>	Successful production will re-rate asset value	Resource definition & follow-on drilling will re-rate asset value

## SNAPSHOT (21 JUNE 2012)

<b>Corporate office</b>	Sydney, Australia
<b>US operations base</b>	Houston, USA
<b>Key management</b>	David Wrench – Managing Director Ben Thomas – President, USA Andrew Hooper-Nguyen – CFO/CCO
<b>Listing</b>	ASX (ticker STX)
<b>Market capitalisation</b>	~\$105 million
<b>Issued shares</b>	614,519,664
<b>Unlisted options</b>	31,025,000
<b>Major shareholders</b>	Board and management ~11% Institutional investors ~25%
<b>Production</b>	~700 Mmcfe (FY 2012/13 forecast)
<b>Revenue</b>	~A\$5 million (FY 2012/13 forecast)

## ★ FULLY FUNDED

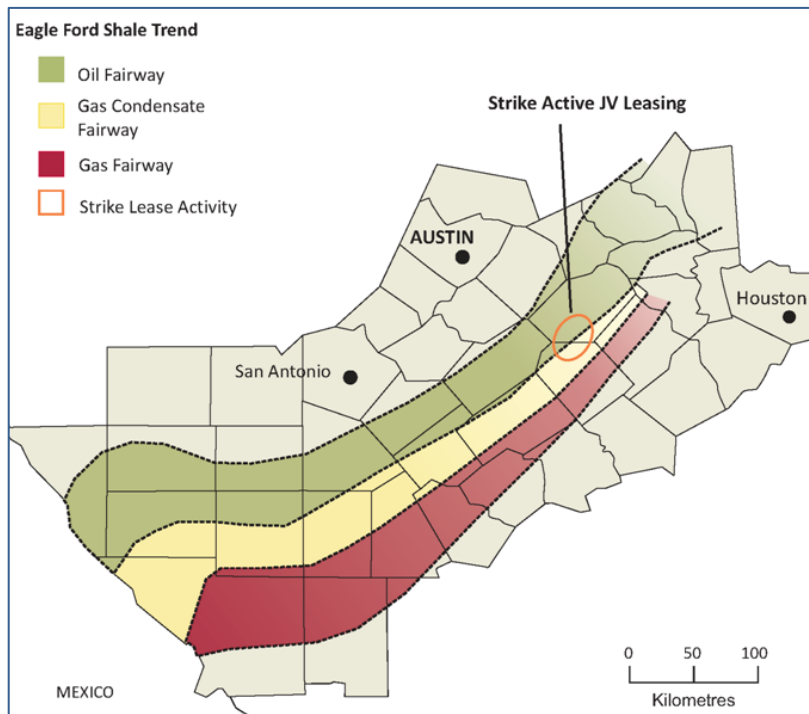
~A\$16 million cash at 15 June 2012

- All exploration and development commitments fully funded
- Cash flow from operations forecast to meet corporate costs

## ★ COMPANY REPOSITIONING

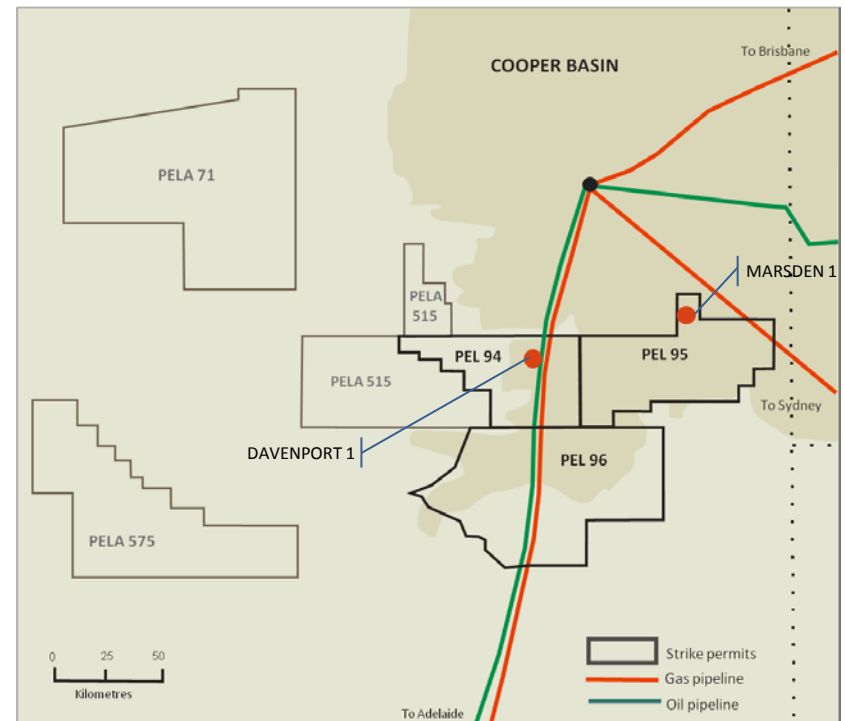
- New management team and Board
- Re-focused strategy targeting unconventional plays
- Well structured and balanced share register including top-tier institutional investors
- Clear pathways to value re-rating
- Research coverage

### EAGLE FORD SHALE



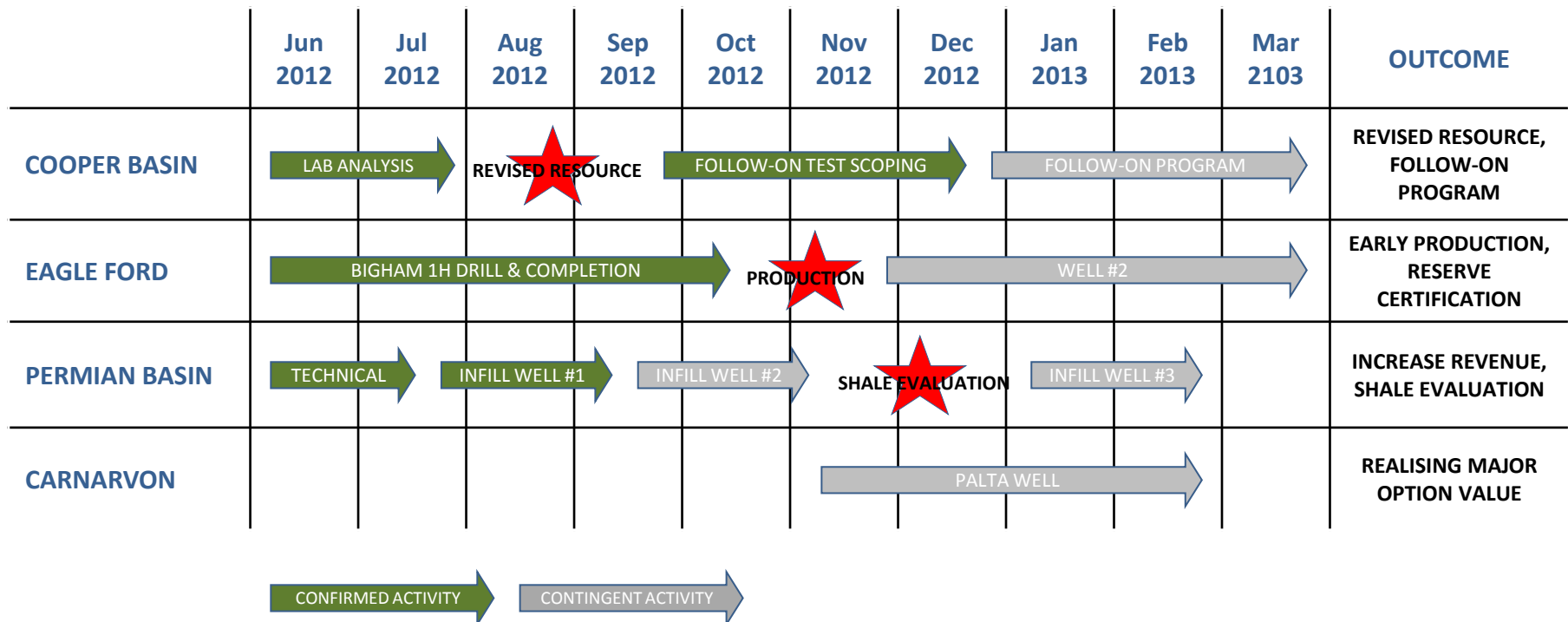
34,793 (gross) / 9,568 (net) acres of Eagle Ford Shale focused on the attractive gas-condensate fairway

### SOUTHERN COOPER BASIN



16,000 km<sup>2</sup> / 4 million acres (net) of permits and applications, including 4,600 km<sup>2</sup> of key unconventional permits

- ★ SUCCESSFUL COOPER BASIN EVALUATION DRILLING PROGRAM COMPLETED
- ★ EAGLE FORD SHALE PRODUCTION TEST DRILLING PROGRAM UNDERWAY AND FULLY FUNDED



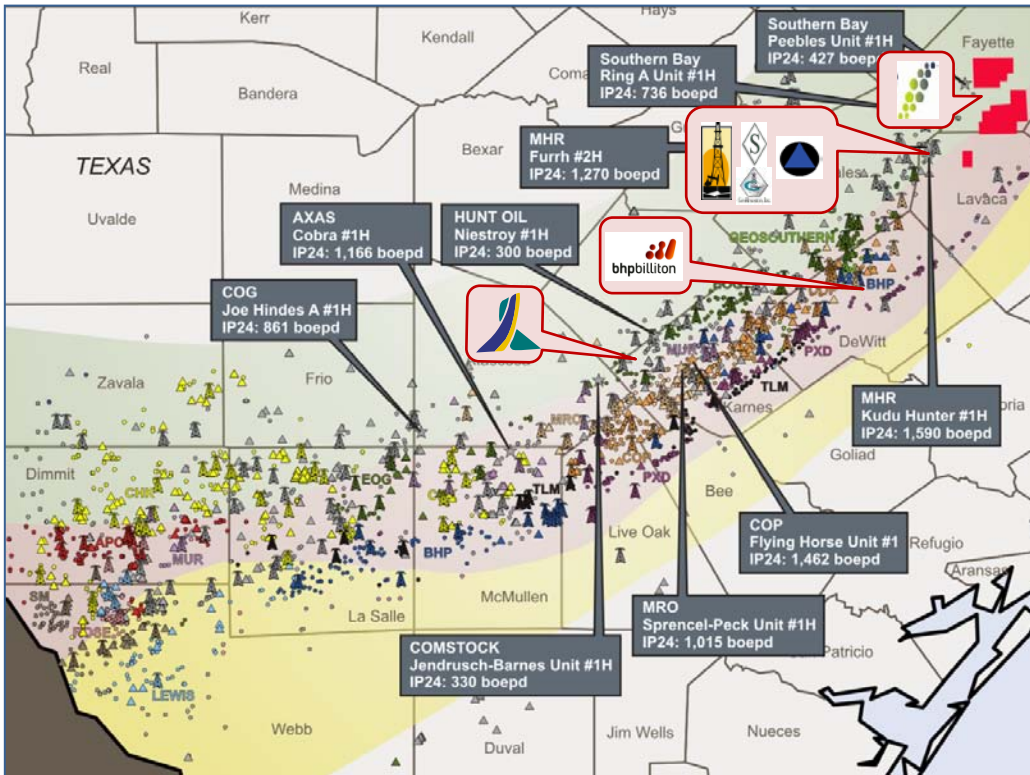


# THE EAGLE FORD SHALE

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*LEVERAGE TO THE USA'S PREMIER  
UNCONVENTIONAL LIQUIDS PLAY*

## THE EAGLE FORD SHALE TREND



Source: RBC Capital Markets



### LIQUIDS RICH

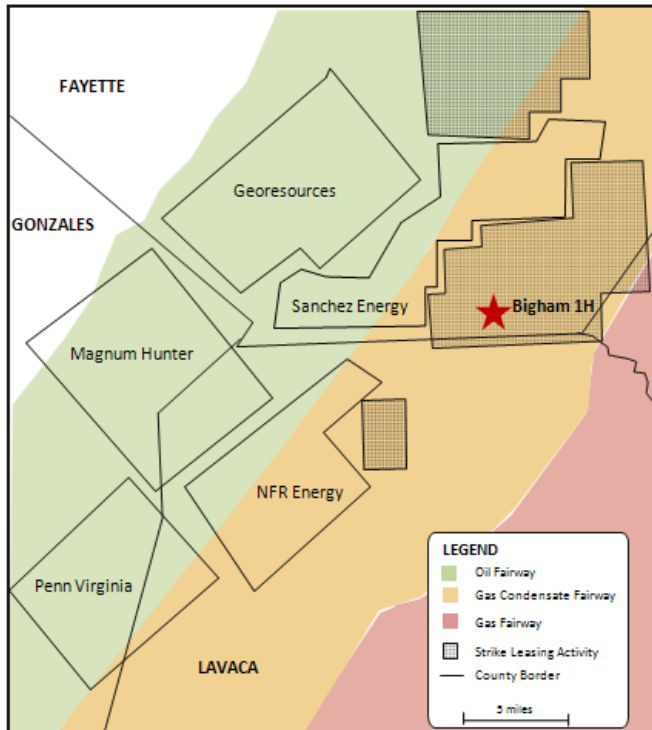
- The Eagle Ford Shale produces **high-value oil and condensate**
- Over-pressured formations generate strong flow rates
- **Superior economics** to dry gas plays



### HEIGHTENED ACTIVITY

- Over 2,800 drilling permits issued in 2011 compared to 26 in 2008 (Source: TRRC)
- **Drilling activity rapidly moving northeast towards Strike's lease area**
- Entry of oil and gas majors through acquisitions and partnerships

## STRIKE'S LEASE AREA



### PRODUCTION TEST DRILLING UNDERWAY

#### BIGHAM 1H PRODUCTION TEST WELL CURRENTLY DRILLING

- Targeting Eagle Ford Shale & Lower Austin Chalk – a “Chalkeford” play
- Expected well completion and production around October
- Drilling by other operators also proving-up productivity of the area



### SIGNIFICANT LEASE AREA ~9,500 NET ACRES

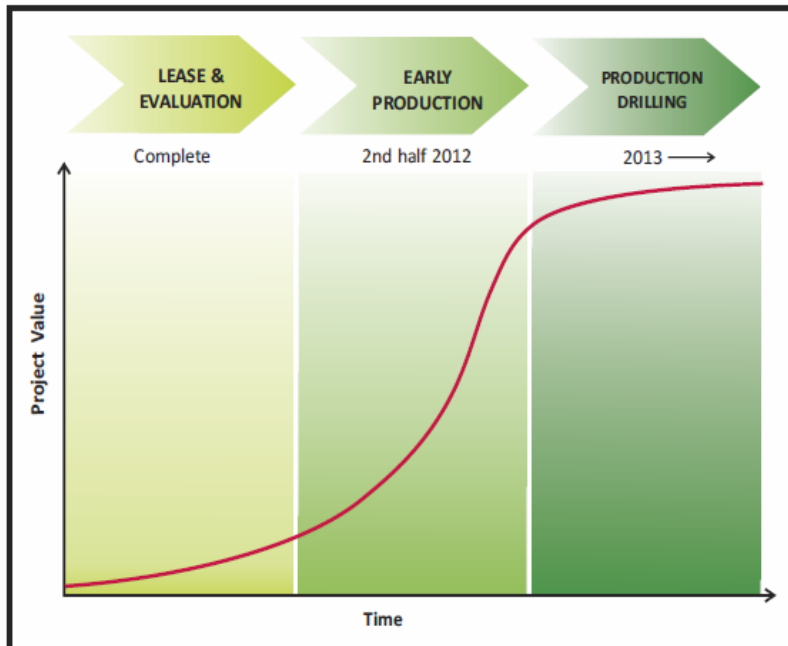
- Southern Fayette and northern Lavaca counties, Texas
- Focused upon the attractive **gas-condensate fairway**



### LARGE RESOURCE POTENTIAL ~25 TO 40 MMBOE

- About **78 net well locations** at 120 acre well spacing
- Expected Ultimate Recovery (EUR) of **350 – 550 Mboe per well** forecast by adjacent operators

DEVELOPMENT VALUE CURVE



EARLY PRODUCTION

- Technical evaluation has confirmed presence of Eagle Ford Shale and Lower Austin Chalk within Strike’s lease area
- **Bigham 1H aims to demonstrate production potential**
- Subsequent wells will optimise well performance and demonstrate productivity over a wide area
- Acquire 3D seismic and secure reserves certification
- **Achieve a near-term re-rating of asset value in-line with early stage peers – US\$6,000–12,000 per acre** (Source: Bell Potter)



PRODUCTION DRILLING

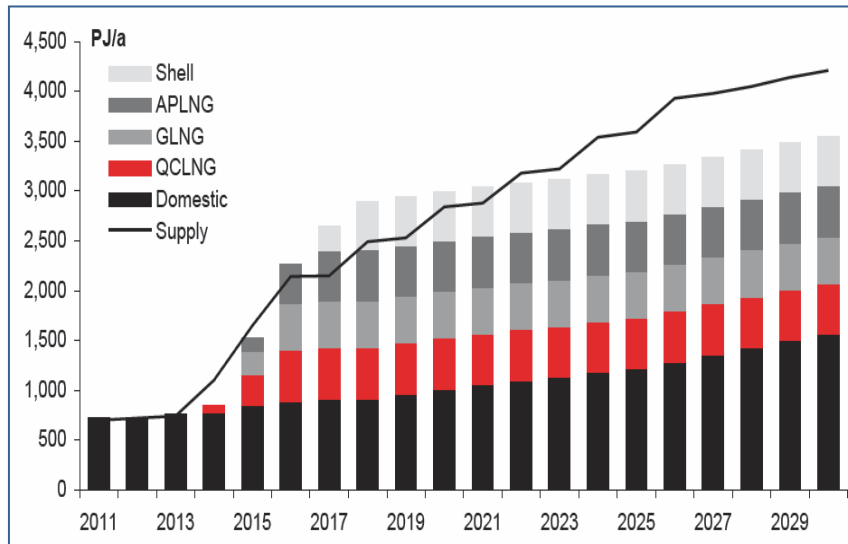
- Accelerate production drilling based on early well success
- Confirm well production profile ‘type curve’
- **Achieve a medium term re-rating of asset value in-line with advanced producing peers**

# **SOUTHERN COOPER BASIN**

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***A LARGE POSITION WITHIN AUSTRALIA'S  
LEADING UNCONVENTIONAL PLAY***

## FORECAST EAST COAST GAS SUPPLY & DEMAND



Source – Macquarie



### GAS DEMAND FORECAST TO TRIPLE BY 2016

- Demand from Queensland LNG plants under construction plus increased role for gas in the clean energy future
- East coast gas prices forecast to reach A\$6-9 / GJ



### UNCONVENTIONAL POTENTIAL

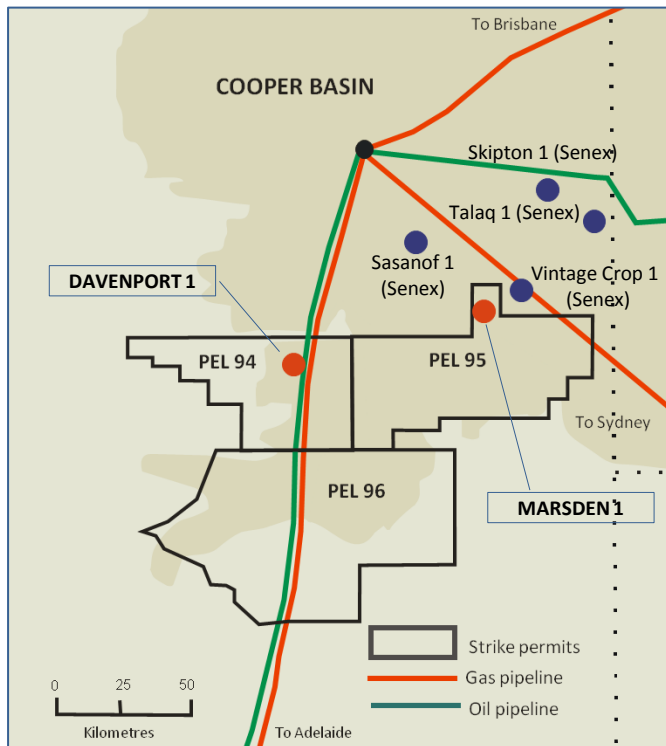
- Established hydrocarbon basin with 50 years production
- Extensive thick shales, coals and tight sands
- **Australia's most active unconventional exploration region**



### BEST POSITIONING

- **Existing oil and gas pipelines** to east coast markets (running through Strike's permits) with open access and spare capacity
- **Manageable land access** and environmental impact issues

## STRIKE'S KEY UNCONVENTIONAL PERMITS



## VERY LARGE PERMIT AREA

Over 4,600 km<sup>2</sup> (1.1 million acres) prospective for unconventional exploration

PERMIT	INTEREST	OPERATOR	SIZE (km <sup>2</sup> net)
PEL 96	67%	Strike	2,707
PEL 95	50%	Beach Energy	1,291
PEL 94	35%	Beach Energy	631
			<b>4,629</b>



## HUGE RESOURCE POTENTIAL

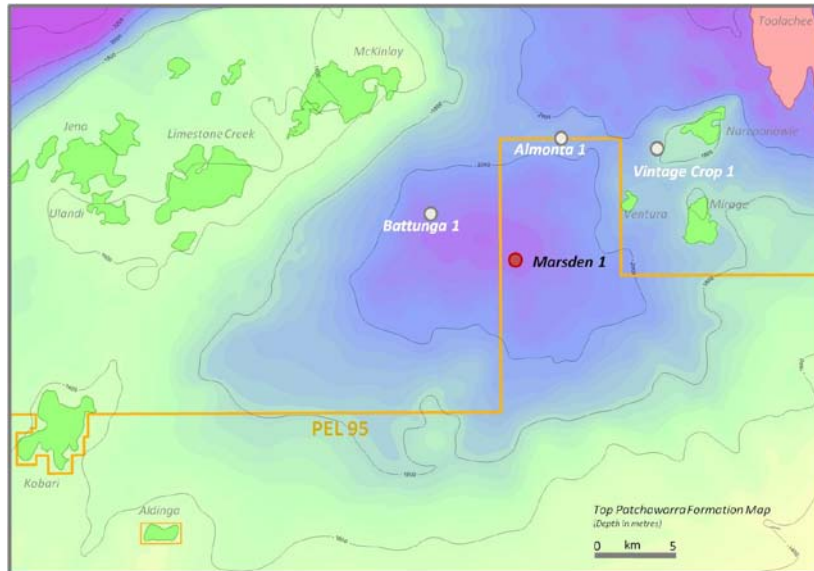
**6 Tcf (net) prospective resource – likely to increase**

Successful evaluation drilling program demonstrated two distinct plays:

- (1) **SHALES WITH THE PRESENCE OF HEAVY HYDROCARBONS** (liquids)
- (2) **EXCEPTIONALLY THICK, GAS-SATURATED COALS**

Encouragement from Senex Energy's unconventional drilling program in the adjacent PEL 516

## MARSDEN 1 WELL LOCATION, PEL 95



## HYDROCARBON POTENTIAL

- Encountered over **800 metres** of Toolachee, Roseneath, Epsilon and Murteree ('REM') and Patchawarra
- Existing 2D seismic shows formations extend over wide area
- **Elevated gas readings** throughout the Permian section
- Presence of **heavy hydrocarbons up to Pentane (C5)**
- Early laboratory results indicate high gas contents
- Results consistent with those announced by Senex Energy in adjacent PEL 516

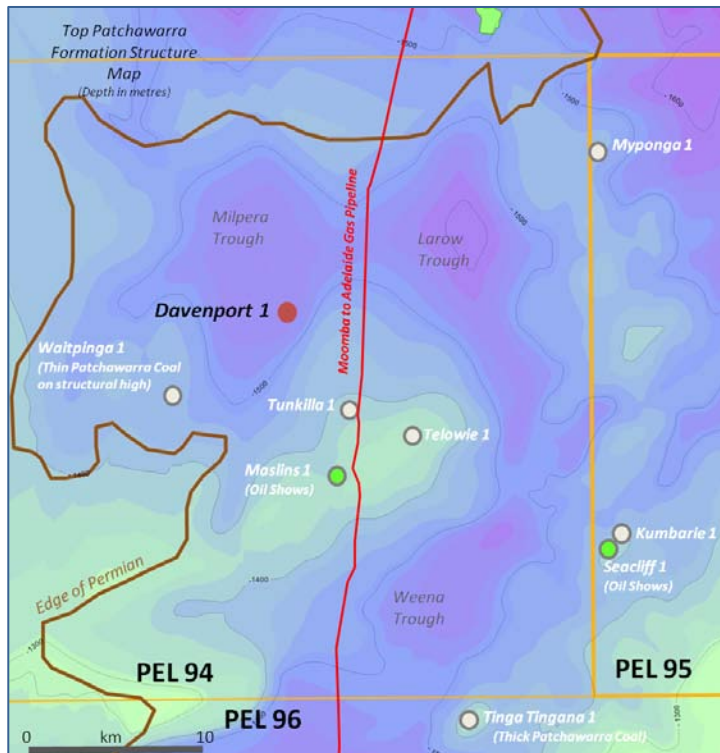


## CURRENT ACTIVITY

- Ongoing laboratory analysis of cores and samples
- Calibrate seismic and remap coal and shale formations
- Update calculation of resource potential
- Analysis of activity in adjacent PEL 516



## DAVENPORT 1 WELL LOCATION, PEL 94



## HYDROCARBON POTENTIAL

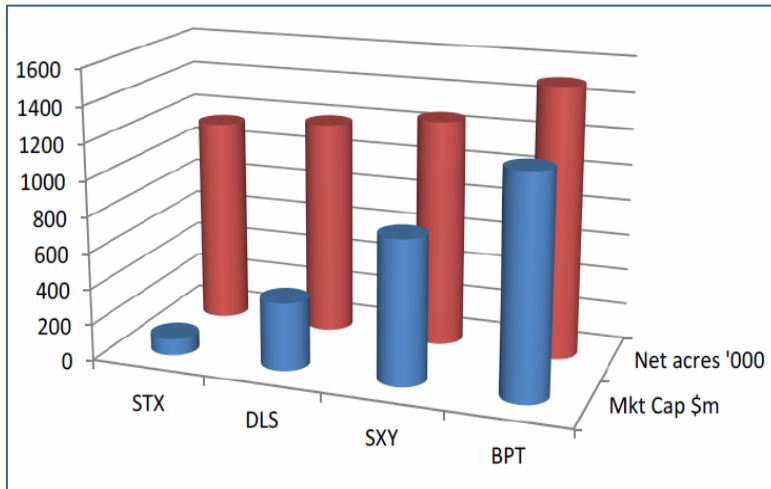
- Encountered thick Toolachee, REM and Patchawarra
- **Over 110 metres of net coal, including a 45 metre thick Patchawarra coal – *the thickest known coal in the Cooper Basin***
- Existing 2D seismic shows formations extend over wide area
- **Elevated gas readings** across the target formations and liquids shows
- Early laboratory results indicate high gas contents
- **Exceptionally thick, gas-saturated coal formations indicate very large resource potential**



## CURRENT ACTIVITY

- Ongoing laboratory analysis of cores and samples
- Calibrate seismic and remap coal and shale formations
- Update calculation of resource potential
- Scoping studies for follow-on evaluation / production test program

UNCONVENTIONAL ACREAGE & CAPITALISATION v PEERS



Source – Bell Potter



CONFIRM RESOURCE POTENTIAL

- Evaluation drilling has confirmed coal and shale thicknesses
- Existing 2D seismic shows coals & shales extend across wide area
- Early laboratory analysis has confirmed gas & heavy hydrocarbons
- Resource potential being recalculated and to be certified by an independent geological consultant
- **Achieve a near-term re-rating of asset value in-line with early stage peers**






DEMONSTRATE PRODUCTIVITY

- Geological, engineering and economic scoping studies underway to develop optimal well design and completion technique
- Further evaluation and pilot production testing program planned
- **Achieve a medium-term re-rating of asset value in-line with production testing peers**

## OTHER ASSETS

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*OPTION VALUE + CASHFLOW FROM  
CONVENTIONAL PRODUCTION*

	PRODUCTION	OPTION VALUE
 <p><b>CARNARVON BASIN</b> Five exploration permits, Western Australia</p>	--	<p>Multiple ready-to-drill prospects</p> <p><b>WA 460 P straddles multi-Tcf Palta prospect to be drilled by Shell from an adjacent permit in late 2012</b></p>
 <p><b>PERMIAN BASIN</b> 1,875 net acres, Texas</p>	<p>Conventional production ~30 Bbl/d (net) Reserves ~437 Mboe (net) Infill drilling to commence Q3/2012 <b>Forecast 2012/13 cashflow ~A\$1m</b></p>	<p><b>1,000 foot thick Lower Clearfork Shale to be tested during infill drilling</b></p>
 <p><b>EAGLEWOOD JV</b> Louise gas-condensate field, Texas</p>	<p>Conventional production ~1.6 Mmcf/d + 40 Bbl/d (net) Reserves ~ 4 Bcf + 50 Mmmbbl (net) <b>Forecast 2012/13 cashflow ~A\$2.5m</b></p>	--

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## **COMPETENT PERSONS STATEMENT**

The reported reserves in this presentation are based on information compiled by Mr. Ben A Thomas. Mr. Thomas is the Manager of Strike's US operations and has consented to the inclusion of the reserves information in this report.

Mr. Thomas holds a B.Sc in Petroleum Engineering. He is a member of the Society of Petroleum Engineers and has worked in the petroleum industry as a practicing reservoir engineer for over 40 years.