

The Company Announcement Officer
ASX Ltd
via electronic lodgement

BIGHAM 1H PRODUCTION UPDATE

Strike Energy Limited is pleased to provide an update on the continuing flow back operations at the Bigham 1H production well.

Since the company's last announcement, the well has continued cleaning up with current production rates averaging approximately 1,200 bbls per day of total fluids, comprising 240 bbls of oil, 960 bbls of water (primarily frac water) and 520 Mcf per day of natural gas.

The oil cut (oil produced as a percentage of the total fluid volume), currently around 20%, is steadily building and we believe the full potential of the well cannot be properly assessed until the large volume of frac water being produced has substantially cleaned up and the oil cut has stabilised.

Over the weekend the well was shut-in briefly to allow production flows to be switched from temporary testing facilities to the permanent production facilities. The gas sales pipeline is scheduled to be connected in mid-December.

Based on the well performance since flow back operations commenced the following observations can be made:

1. The fracture stimulation operation has apparently opened a large effective fracture volume. The fractures do not appear to be closing as pressure reduces;
2. The gas oil ratio and oil gravity are consistent with other Eagle Ford wells along trend;
3. The well has high total fluid (frac water and oil) flow rates and the oil cut is steadily increasing;
4. Only 15% of the fluid pumped during fracture stimulation has been recovered to date and the well continues to clean up.

OUR FOCUS

- COOPER BASIN
4 million net acres, including over 1 million net acres with unconventional potential
- EAGLE FORD SHALE
Participation in over 37,400 gross acres within the gas-condensate window

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MANAGING DIRECTOR'S QUOTE

Managing Director, David Wrench, said:

"The flow back performance of Bigham to date indicates that a large volume of the target reservoir has been successfully fractured and connected to the well bore.

This fracture system was created by pumping a very large quantity of water and the well needs to unload a substantial amount of this water before its' full potential can be evaluated. At current flow rates, this process is expected to take some weeks to complete."

Strike participates in over 37,400 acres in the Eagle Ford Shale through its 27.5% interest in the Eagle Landing Joint Venture (approximately 10,300 acres net to Strike).

Yours faithfully

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

DAVID WRENCH
Managing Director

Further information:

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