

The Company Announcement Officer
ASX Ltd
via electronic lodgement

US ACTIVITIES UPDATE

- **PERMIAN BASIN – MBCU #17 WELL SPUDS**

OVERVIEW

Strike Energy Limited (Strike) is pleased to announce that the MBCU #17 well spudded on 2 June 2013 and surface casing was set at 421' at report time on 3 June.

The MBCU #17 well will be drilled to an estimated total depth of 8,200' (~2,500m) and is estimated to take six weeks to drill and complete. The well's primary objective is to test the Lower Clearfork Shale and subsequently make a permanent completion in the Middle Clearfork Carbonate, the main conventional producing zone in the unit. Two prospective shale intervals will be fracture stimulated and independently tested to help assess the productivity of the shale in anticipation of future development.

PERMIAN BASIN

Strike has a 25% working interest in the Permian Basin Joint Venture in West Texas with 7,500 gross acres under lease (1,875 acres net to Strike) with existing conventional oil production and reserves. The project currently has 19 gross wells producing from the Middle Clearfork Carbonate with gross production averaging 125 boepd in April 2013. Two vertical wells are planned in 2013 to further evaluate, fracture stimulate and test the Lower Clearfork Shale following encouraging results from data obtained from the MBCU #16 well drilled in 2012.

FUNDING

Strike's share of the cost of the well (approximately US\$460,000) has been funded by the non-recourse production payment funding facility provided by BlueRock Energy Capital announced on 23 May 2013. The facility is available to fund drilling and completion costs of the Eagle Ford Shale and Permian Basin wells planned for 2013 up to an initial limit of US\$6 million with an option to increase the facility to US\$8 million. The facility will be repaid via a revenue interest in the company's producing wells.

ASX Announcement



4 June 2013

Managing Director, David Wrench said:

"This is the first of four wells planned to further the evaluation of the Company's Permian Basin and Eagle Ford Shale projects in 2013.

"The combination of conventional oil production potential and low drilling and completion costs at the MBCU #17 well give Strike a very attractive exposure to the evaluation of the Lower Clearfork Shale which, if successful, will add tremendous upside to our Permian Basin project."

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

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