

The Company Announcement Officer
ASX Ltd
via electronic lodgement

STRIKE AND ORICA SIGN GAS SUPPLY AGREEMENT

Please find attached joint announcement released today by Strike Energy Limited and Orica Limited.

Yours faithfully

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

DAVID WRENCH
Managing Director

Further information:

Strike Energy Limited

David Wrench – Managing Director

T: +61 2 8261 1000

E: strike@strikeenergy.com.au



Orica Limited
ABN 24 004 145 868



Strike Energy Limited
ABN 59 078 012 745

ASX Announcement

ORICA AND STRIKE ENERGY SIGN BINDING TERM SHEET FOR UP TO 150PJ OF GAS

STRIKE ENERGY TO UNDERTAKE A RAPID EVALUATION PROGRAM TO COMMERCIALISE ITS PROSPECTIVE GAS RESOURCE IN COOPER BASIN PERMIT PEL 96

Highlights:

- **20 year supply for up to 150PJ**
- **Orica a foundation customer of the project**
- **Subject to milestones being achieved Orica to make pre-payments towards future gas deliveries to fund pilot test work and development expenditure.**

Orica Australia Pty Ltd (ABN 99 004 117 828) ("Orica"), a subsidiary of Orica Limited (ASX:ORI) and Strike Energy Limited (ABN 59 078 012 745) ("Strike" - ASX:STX) have entered into a binding term sheet for the supply of up to 150 PJ of gas to be produced by Strike from PEL 96 (Strike 66.67% and operator; Energy World Corporation Ltd (ASX:EWC) 33.33%).

The agreement is an innovative risk-sharing arrangement designed to facilitate the evaluation and commercialisation of a large prospective gas resource (2.7 – 6.3Tcf gas net to Strike) defined within PEL 96 which forms part of Strike's larger Southern Cooper Basin Gas Project (PELs 94,95 & 96) in South Australia.

To secure its gas offtake Orica can elect to make up to \$52.5 million of gas pre-payments as Strike achieves appraisal and development milestones.

As part of Orica's project due diligence, leading petroleum industry consultants, DeGolyer and MacNaughton, were engaged to advise on both technical and commercial considerations. Development of the PEL 96 prospective gas resource provides an opportunity for Strike to become a new independent Cooper Basin gas supplier.

Orica Managing Director and CEO Ian Smith said: "This agreement has the potential to provide a future new source of gas supply to our Australian east coast manufacturing plants at an affordable price."

Strike's Managing Director, David Wrench noted, "This is a break-out transaction for Strike, providing the opportunity to unlock substantial value in our Southern Cooper Basin Gas Project. Today's announcement is a win-win for both parties, providing potential gas supply at an acceptable price for Orica while delivering to Strike a material contribution towards the appraisal and development of the project."

Strike, as project operator, will commence field activities in the current quarter.

16 July 2013

- **Analysts' Contact (Orica):**

Karen McRae , General Manager Investor Relations
+61 3 9665 7844 Mobile: +61 417 186 500

- **Media Contact (Orica):**

Simon Westaway, General Manager Communications
+61 3 9665 7183 Mobile: +61 401 994 627

- **Analysts' Contact (Strike):**

David Wrench, Managing Director
+61 2 8261 1000

- **Media Contact (Strike):**

Geoff Fowlstone, Fowlstone Communications
+61 2 9955 9899 Mobile: +61 413 746 949

- **Web site:** www.orica.com

- **Web site** www.strikeenergy.com.au

Gas Conversion Table

1 Tcf	= Trillion cubic feet = 1,000 Bcf
1 Bcf	= 1.05 PJ
1 PJ	= 1,000,000 GJ

About Orica

Orica is a global company listed and one of the largest entities listed on the Australian Securities Exchange (ASX). Founded in 1874 in Australia, Orica is:

- The largest provider of commercial explosives and blasting systems to the mining and infrastructure markets
- A global leader in the provision of ground support in mining and tunnelling, and the leading supplier of sodium cyanide for gold extraction
- A supplier of general chemicals across a diverse range of markets, including agriculture, building and construction, food and beverage, pharmaceutical and personal care, plastics, pulp and paper and water treatment industries
- A holder of a strong portfolio of manufacturing and distribution assets strategically located across Australia, New Zealand, Asia, Latin America and Africa which enables valuable supply chain capabilities for Orica's customers.

Orica has operations in more than 50 countries with customers in more than 100. The Company has a diverse workforce of over 15,000 people who originate from more than 130 nationalities. Additional information can be found at www.orica.com

About Strike Energy

Strike Energy Limited (ASX:STX) is an Australian based, independent oil and gas exploration and production company, with a wholly owned US subsidiary, Strike Oil Corp., located in Houston, Texas, USA.

The company is focussed on the development of major unconventional and conventional oil and gas projects. Current Australian activities are located in the Southern Cooper Basin and Carnarvon Basin and USA activities in the Eagle Ford Shale and Permian Basin. Presentations about the Company's activities can be found on Strike's website at www.strikeenergy.com.au