

The Company Announcement Officer
ASX Ltd
via electronic lodgement

\$9.2 MILLION CAPITAL RAISING COMPLETED, PEL 96 PHASE ONE COOPER BASIN APPRAISAL PROGRAM FULLY FUNDED

Strike Energy Limited (ASX:STX) ("Company" or "Strike") is pleased to announce the successful completion of a \$9.2 million capital raising by way of a private placement ("Placement") to sophisticated and professional investors.

The Placement was well supported by existing shareholders and the Company is pleased to welcome several new institutional investors to the register.

PLACEMENT DETAILS

The Company will issue 92,000,000 shares at \$0.10 per share in two tranches as follows:

- 1) Tranche 1 – 90,000,000 shares to be issued to sophisticated and professional investors within the Company's 15% placement capacity under ASX Listing Rule 7.1; and
- 2) Tranche 2 – 2,000,000 shares to be issued to certain Directors of the Company subject to shareholder approval to be sought at a General Meeting (to be held on or about 10 September 2013).

The Placement price of \$0.10 per share is a 20% discount to Strike's closing price on ASX on 29 July 2013 and a 2.7% discount to the 30-day VWAP.

RBC Capital Markets and Blackswan Equities Limited acted as Joint Lead Managers for the Placement.

Settlement of the first tranche of the Placement is expected to occur on Wednesday, 7 August 2013 with Placement shares issued and to commence trading on ASX on Thursday, 8 August 2013. The settlement and issue shares under the second tranche of the Placement will occur as soon as possible after the General Meeting.

MANAGING DIRECTOR'S QUOTE

Managing Director, David Wrench, said:

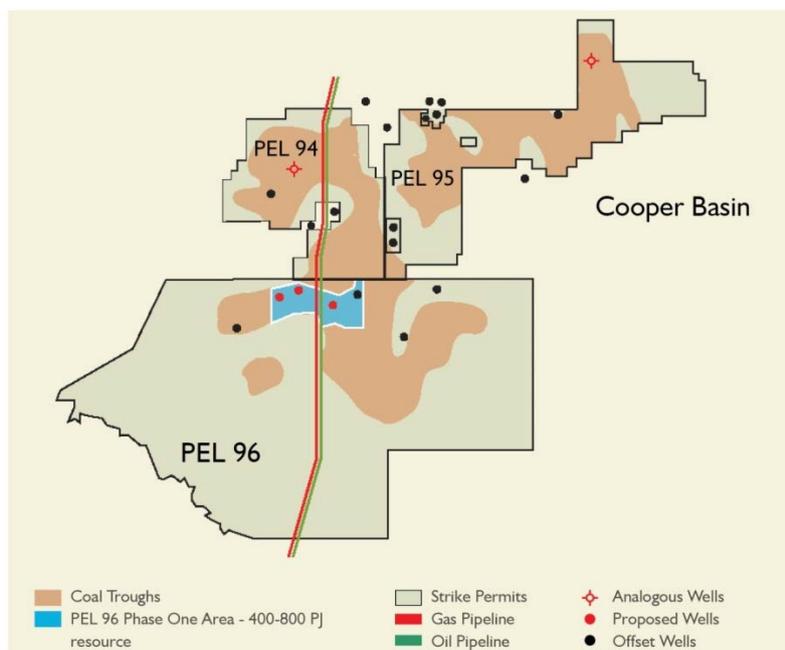
"This capital raising provides funding certainty for completion of the next phase of drilling and appraisal work in our Southern Cooper Basin Gas Project. Importantly, completion of this work leads directly to the first of Orica's gas prepayment milestones.

"The company's development strategy for this asset is proceeding to plan, building on the recently announced gas sales and prepayment agreement with a subsidiary of Orica Limited ("Orica").

"We are delighted that this capital raising has received strong support from existing shareholders and has attracted new institutional investors. It demonstrates confidence in Strike's strategy and in the potential of the current and planned drilling activity across all our key assets to achieve a substantial re-rating of the company in the near term," he said.

SOUTHERN COOPER BASIN GAS PROJECT OPERATING UPDATE

Evaluation of the PEL 96 Stage 1 resource (see Map 1 below) involves the drilling of three wells in the project area to further define coal thickness and continuity, gas contents and composition and will also incorporate initial formation productivity testing.



Map 1 - Southern Cooper Basin Gas Project

ASX Announcement



1 August 2013

Detailed planning for the program is well advanced with long lead items procured, drill site work area clearances completed and major contracts for drilling and other services expected to be secured in the next few weeks.

The Company is on track to start site preparation work in the current quarter, with drilling operations schedule to commence in November 2013.

These initial wells have been designed to be cased and suspended for subsequent completion and extended production testing during the pilot production phase which is planned to commence in April 2014.

In July 2013, the Company signed a binding term sheet with Orica for the supply of up to 150 PJ of gas. To secure its gas off take Orica can elect to make up to \$52.5 million as partial prepayments.

The Company is also in discussions with other gas users regarding additional gas supply from PEL 96.

Yours faithfully

A handwritten signature in black ink, appearing to read "DW", followed by a horizontal line.

DAVID WRENCH
Managing Director

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