

The Company Announcement Officer  
ASX Ltd  
*via electronic lodgement*

## “DUG AUSTRALIA” CONFERENCE

Please find attached a presentation to be given by David Wrench at the “DUG Australia” Conference in Brisbane today.

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](mailto:strike@strikeenergy.com.au)

# STRIKE ENERGY LIMITED

## DUG Australia

Royal International Convention Centre

28 August 2013



## Company Overview: Corporate



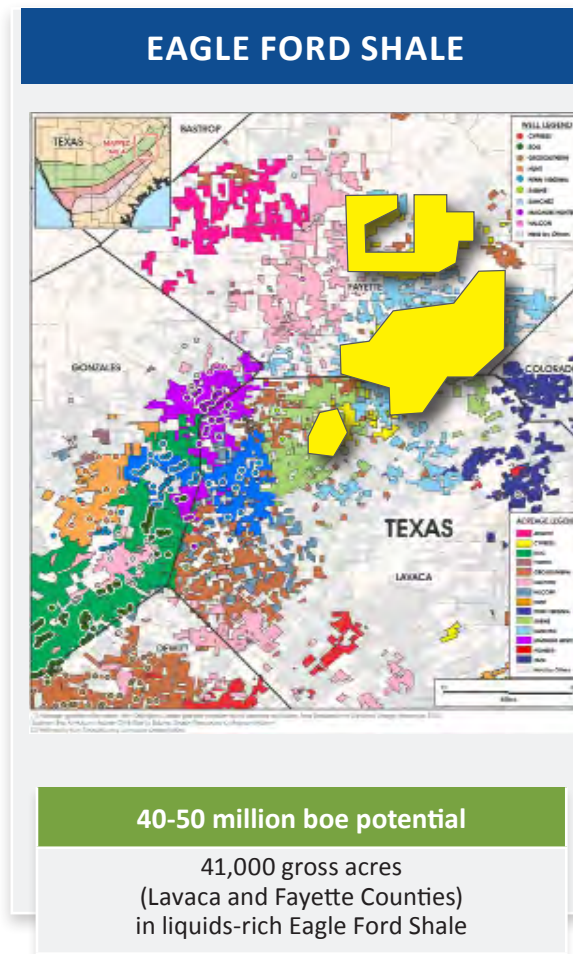
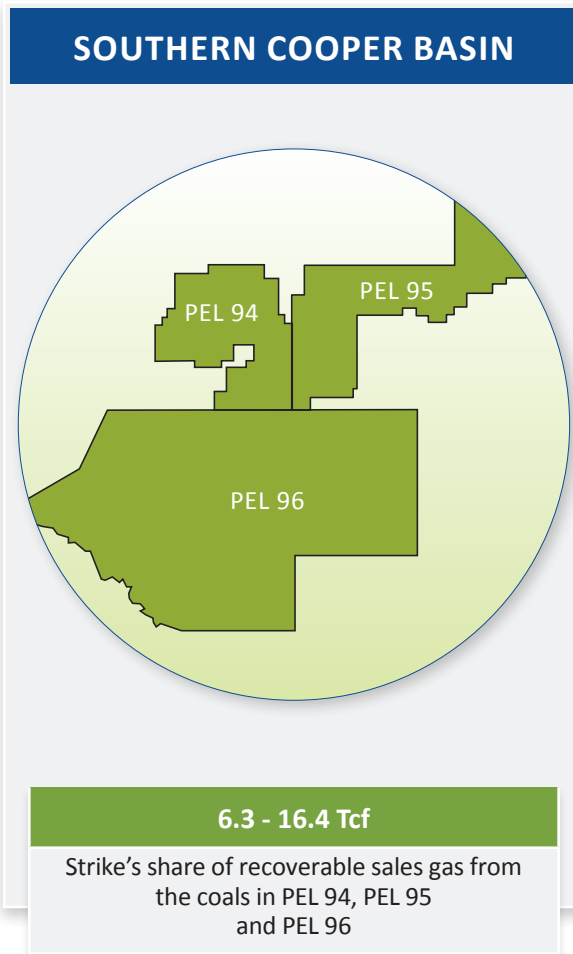
Strike Energy Limited (ASX : STX) is an Australian based, independent oil and gas exploration and production company. The company is focused on the development of major unconventional and conventional oil and gas projects. Current Australian activities are located in the Southern Cooper Basin and USA activities in the Eagle Ford Shale and Permian Basin.

Listing	ASX (ticker STX)
Issued Shares	704,519,664
Unlisted Options	21, 375, 000
Market Capitalisation	\$70 million (21 August 2013)
Production (2012/13)	100,698 boe
Revenue (2012/13)	\$4.6 million

# Company Overview: Oil and Gas Projects

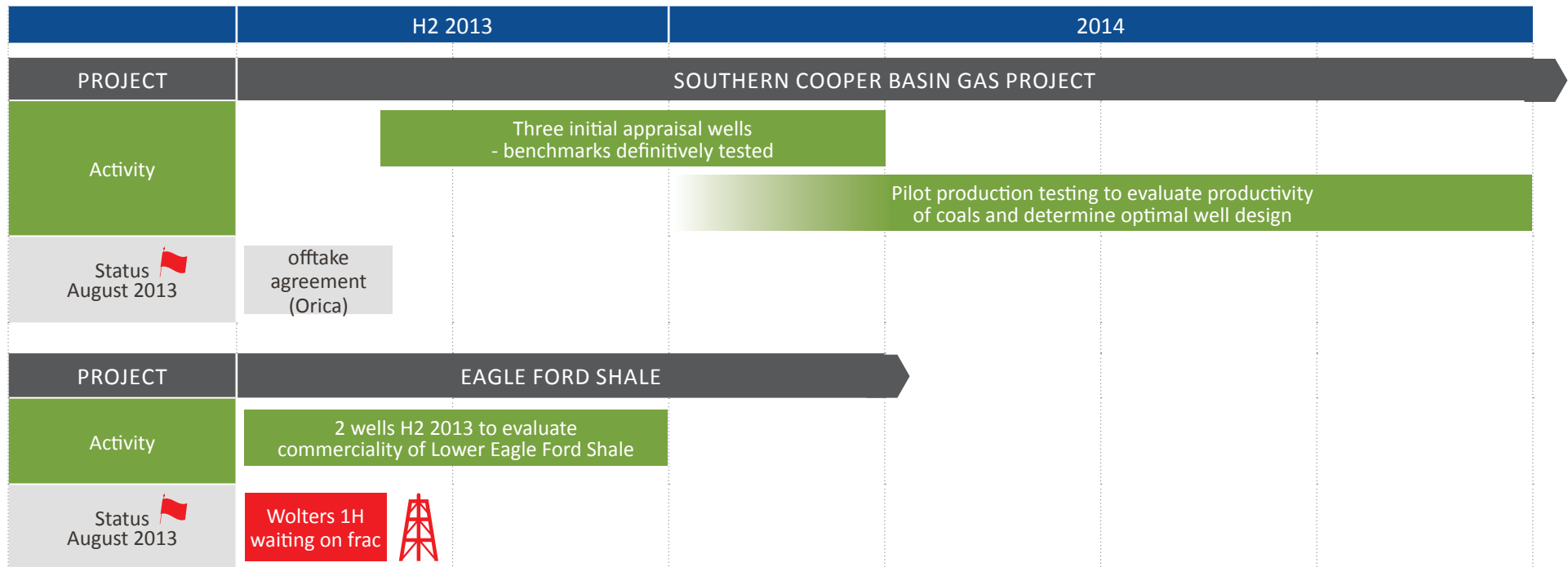


Strike is favourably positioned in highly prospective resource plays in two prolific hydrocarbon basins.



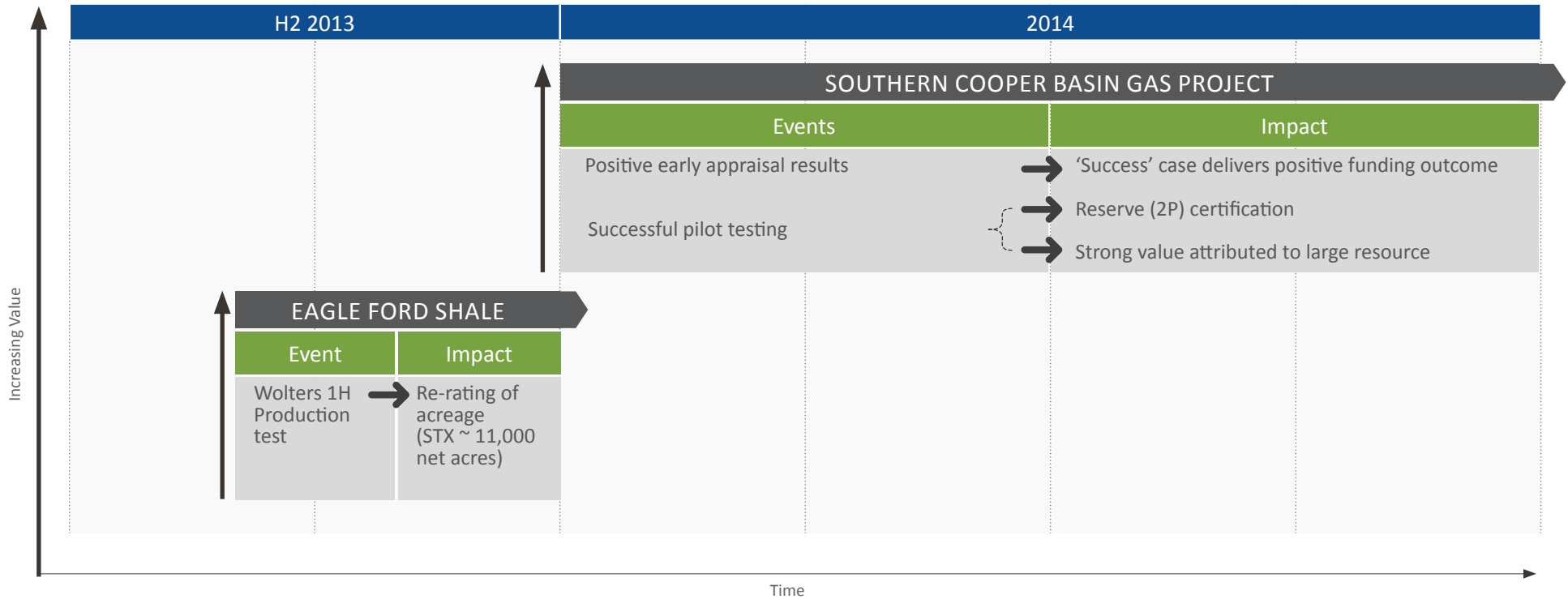
**Strike's projects positioned for commercial success**

# Company Overview: Key Project Activities



Strike has defined near-term drilling activities on all key projects that will produce results with the potential to demonstrate commerciality and high value

# Company Overview: Near-term Value Upside

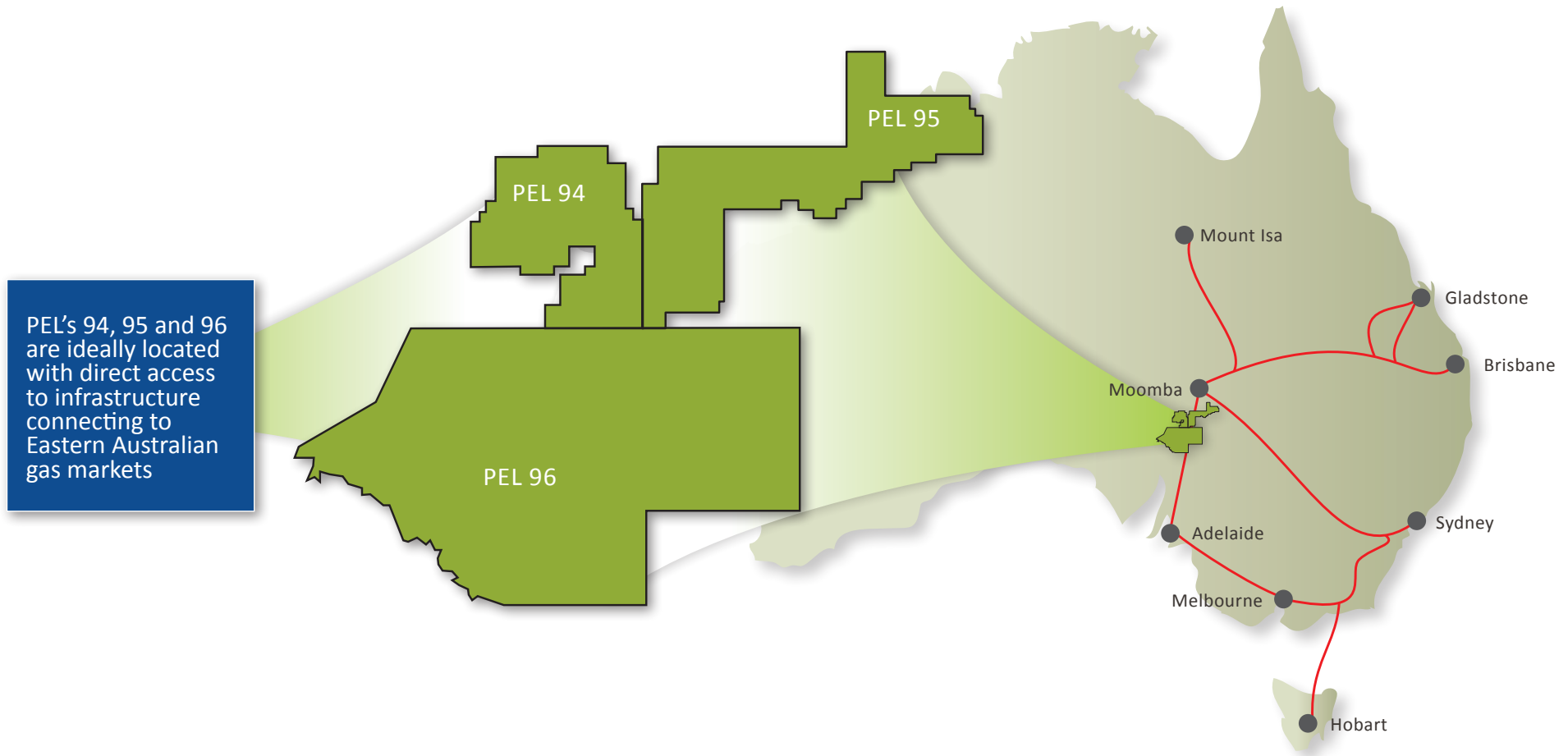


For a relatively modest capital commitment, Strike is leveraged to substantial value upside from positive near-term results from any of its key projects

# **SOUTHERN COOPER BASIN GAS PROJECT**



# Southern Cooper Basin Gas Project: Favourable Location



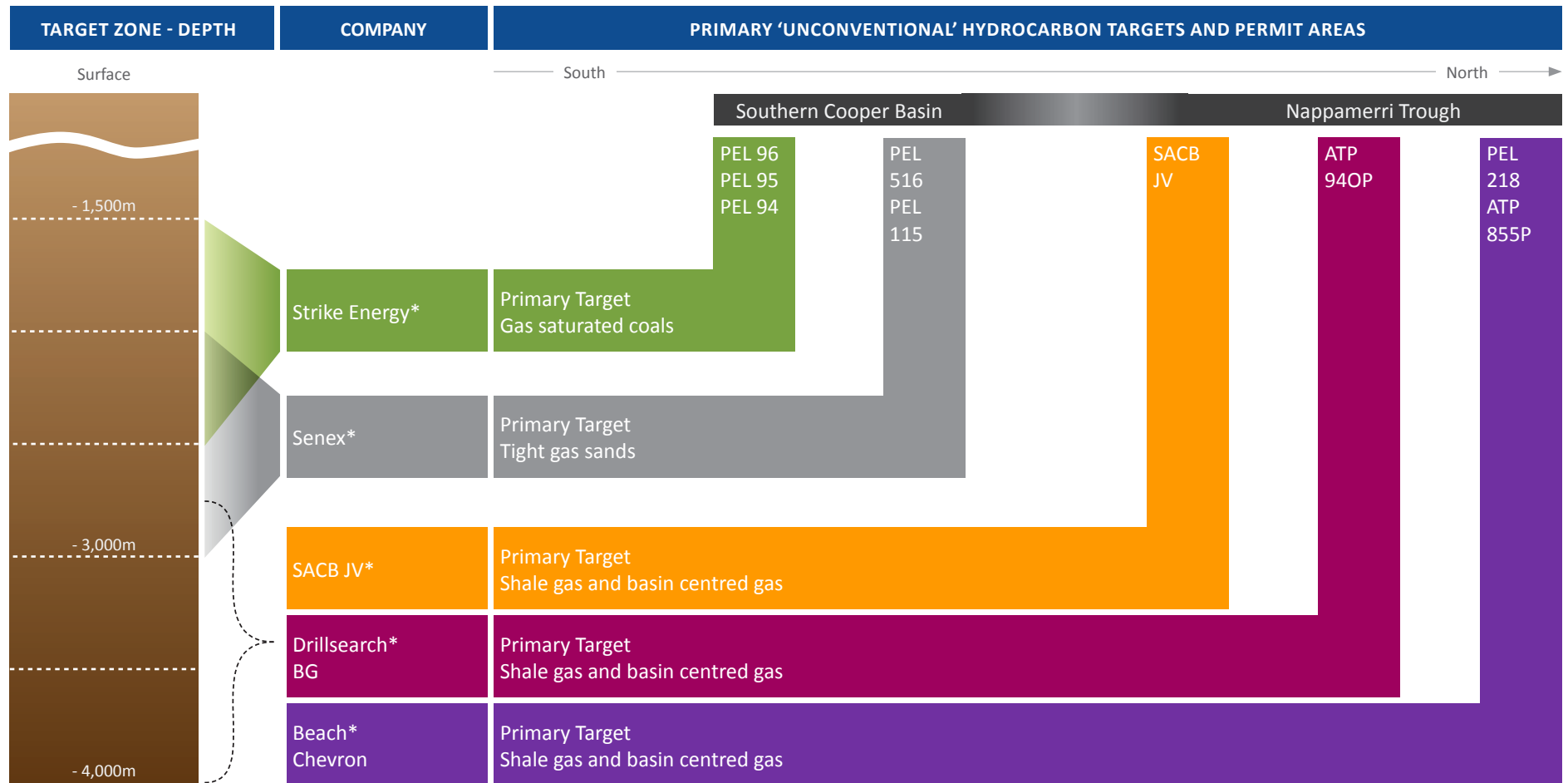
The Southern part of the Cooper Basin is ideally located given its proximity to adjacent infrastructure



# Southern Cooper Basin Gas Project: Supply Opportunities



The Cooper Basin is known as Australia’s most prolific onshore hydrocarbon basin. Appraisal expenditures in excess of \$500 million are delineating the unconventional resource potential including, gas composition, flow rates and ultimately the commerciality of these resources.



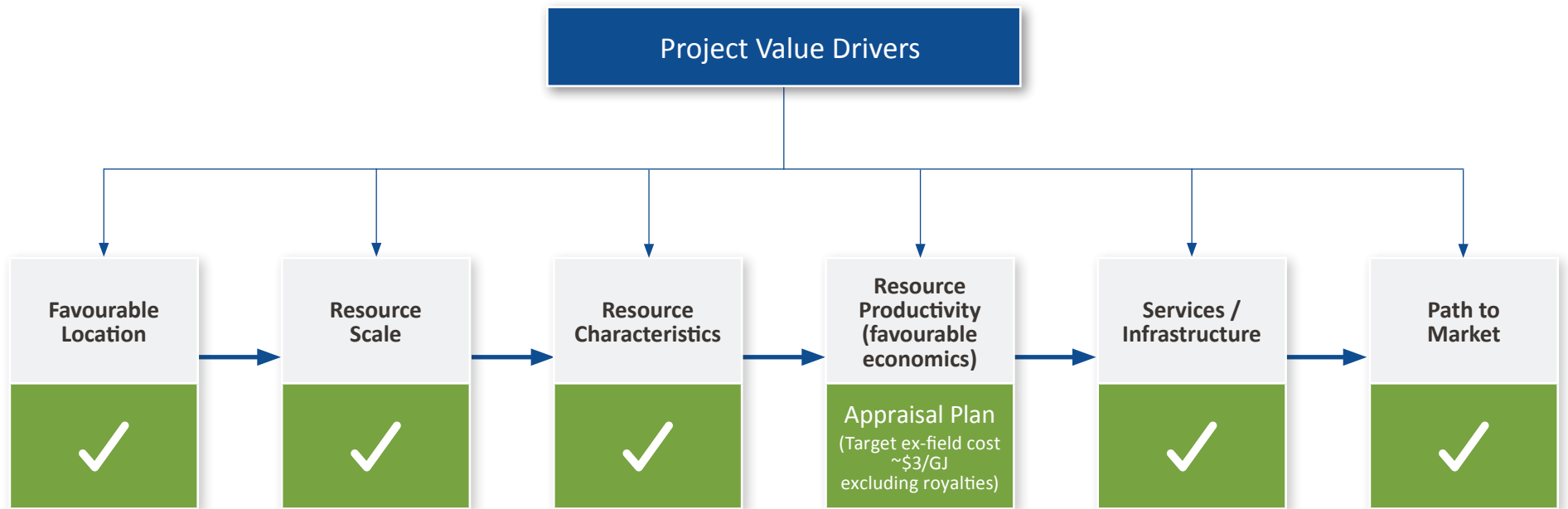
\*Approximations only of target zone depth and permit areas

Strike Energy’s primary gas target is the saturated Southern Cooper Coals - primary source rocks of Cooper Basin

# Southern Cooper Basin Gas Project: Value Drivers



Strike is targeting shallower coal seams in the Southern part of the Cooper Basin, a play which differs considerably from the basin centred and shale gas plays in the deeper parts of the basin. Significant discoveries were made in Strike's permit areas, through drilling activity in 2012, which increased the prospective resource by 400%.



Strike is executing a rapid appraisal plan to unlock the tremendous project potential

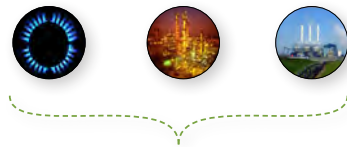
# Southern Cooper Basin Gas Project: Resource Scale

Strike's Southern Cooper Basin Gas Project has access to a significant prospective resource of between 6.3 and 16.4 Tcf\* (net to Strike) in the primary coal source rock of the Cooper Basin.

\*Tcf = Trillion cubic feet  
 = 1,000 Bcf  
 1 Bcf = 1.05 PJ



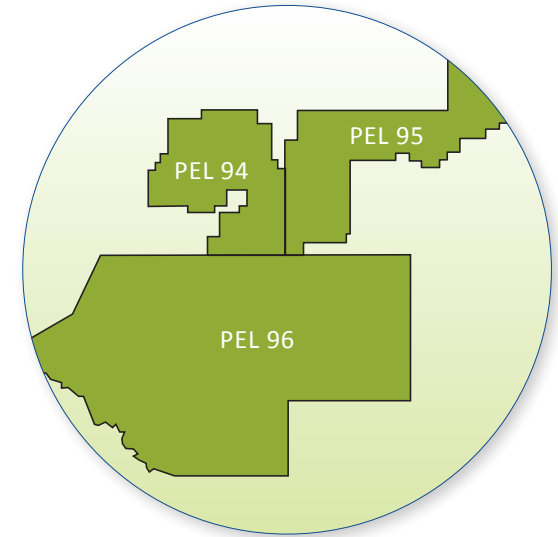
**~ 5 Tcf\***  
**Total Gas supplied out of Cooper Basin over 40 years**



**< 1 Tcf**  
**Combined east coast Australia gas demand per annum for industrial, generation and commercial / residential**



**4 - 5 Tcf**  
**Equivalent to 20yr supply for one 4 million tonne per annum LNG train**



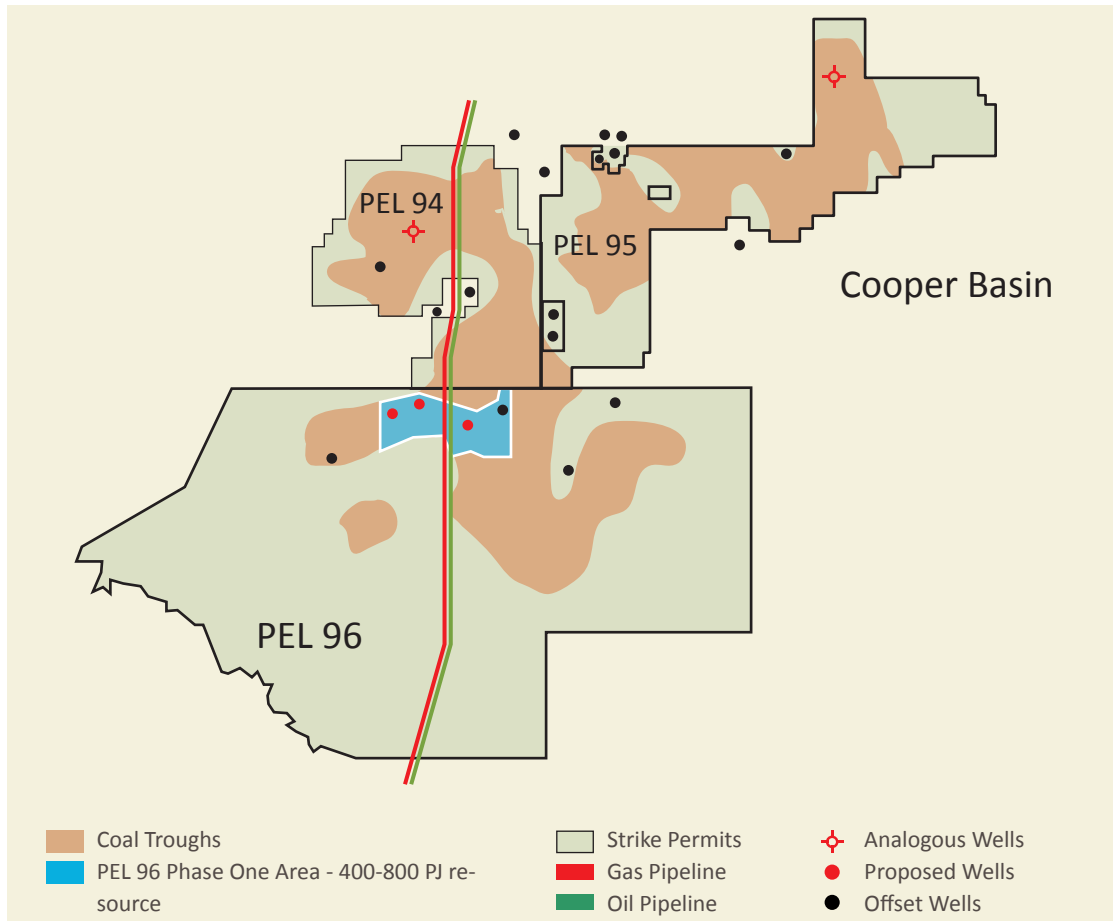
**6.3 - 16.4 Tcf**  
**Strike's share of recoverable sales gas in relation to the coals in PEL 94, PEL 95 and PEL 96**

\*Government of South Australia Energy Resource Division August 2012

**Strike's prospective resource is between 6.3 and 16.4 Tcf (net to Strike)**

# Southern Cooper Basin Gas Project: Project Appraisal

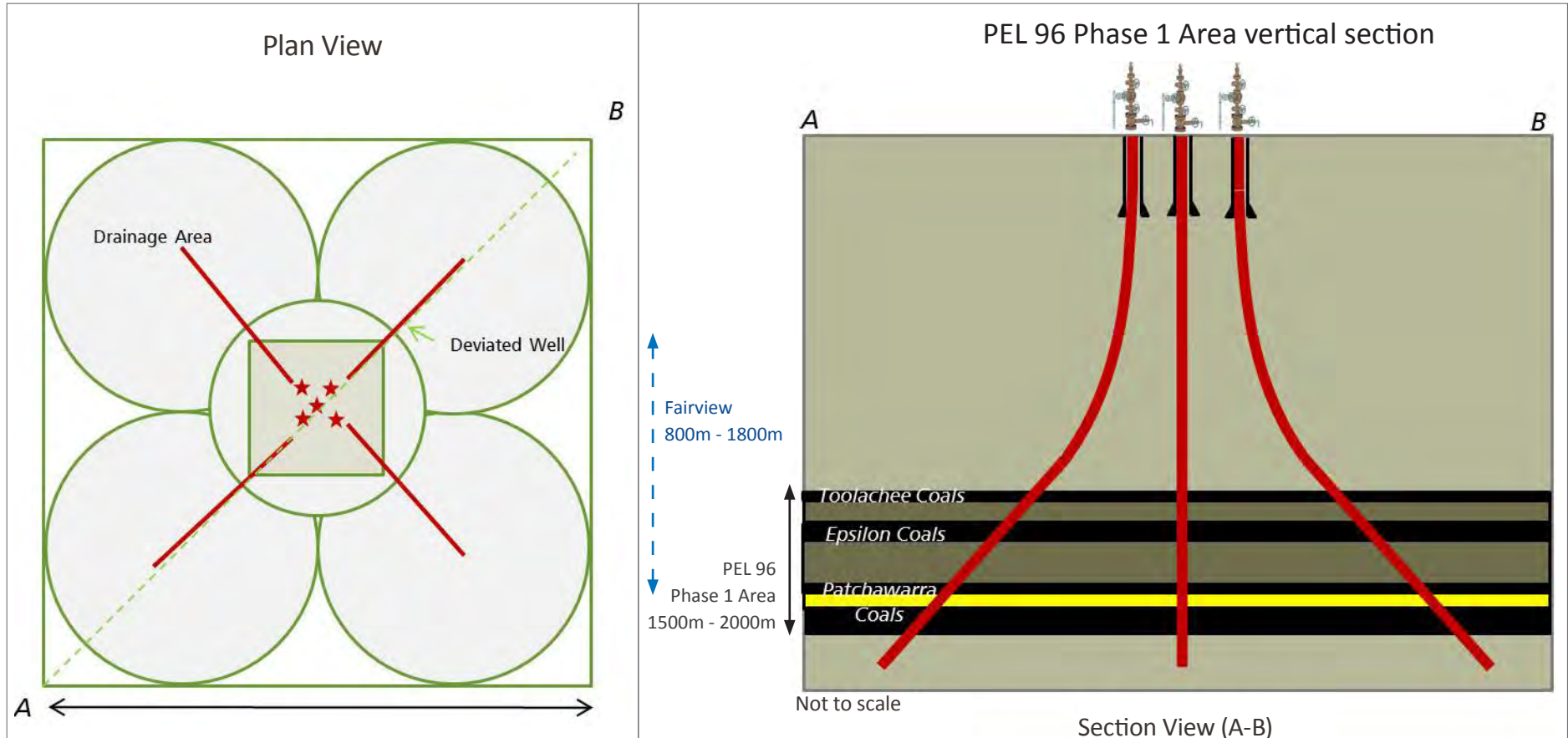
Strike’s appraisal and initial development plan (Phase One Area) is to focus on its PEL 96 permit area (STX 66.67% and operator) and establish a new, sustained, scalable and profitable gas resource to supply the Eastern Australia gas market.



Key Appraisal Goals	
3 well program Phase 1 Area	Confirm gas content, composition and saturation of coals
	Assess porosity of coals
	Assess potential completion technology
	Assess permeability/productivity of target coals
↓	
	Pre-production to test flow rates and commerciality
↓	
	FID
Features of Appraisal Program	
	Rapid appraisal time
	Low appraisal capital required to mature resource
	Foundation customer contribution to appraisal and development expenditure

Strike has a targeted appraisal plan to efficiently assess the project fundamentals and economics

# PEL 96 Phase 1 Area: Development Concept



Phase 1 Well Assumptions	Spacing (acres)	Well count	Completed Coal Thickness (m)	OGIP (BCF)	Min Rec (Factor %)	EUR BCF (ex CO2)
PEL 96 Phase I Well Pad	600	5	50	63	23.2	14.5

# PEL 96 Phase 1 Area: Development Concept Economics



Fairview CSG field analogue

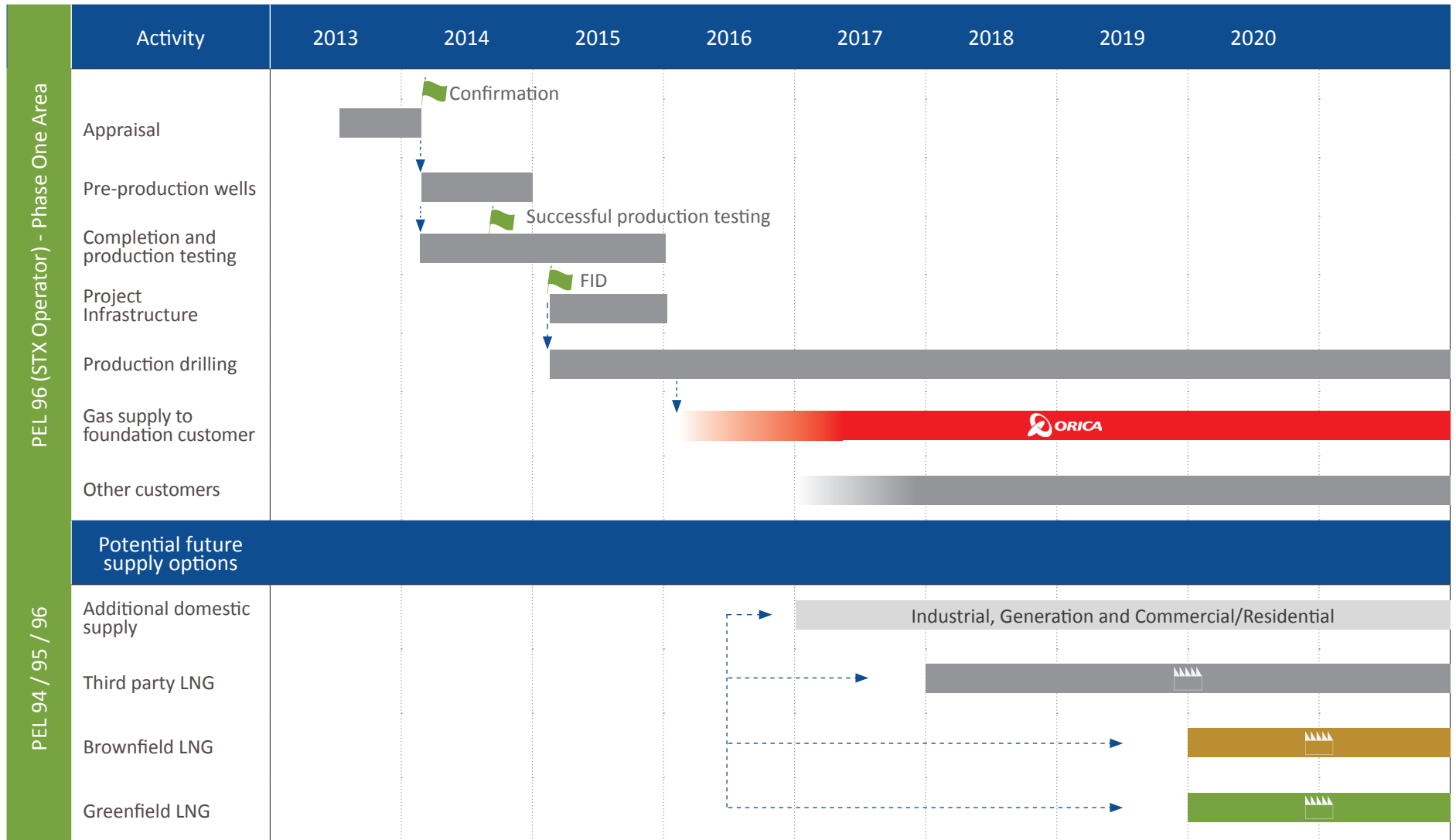
- Depths 800 - 1800 metres
- Net coal thickness 10-15 metres

PEL 96 Phase 1 Area

- Depths 1500 - 2000 metres
- Net coal thickness average 50 metres

PROJECTED WELL ECONOMICS		
Hydrocarbons in place		12.5 PJ/well
Estimated Ultimate Recovery ("EUR")		2.9 PJ/well
<b>Recovery factor</b>		<b>23.2%</b>
Drilling & Completion Costs	\$4,000,000/well	\$1.38/GJ
Gathering, processing & compression		\$0.35/GJ
<b>Sub-total development costs</b>		<b>\$1.73/GJ</b>
Field operating costs		\$1.00
Overheads		\$0.10
<b>Sub-total operating costs</b>		<b>\$1.10/GJ</b>
<b>Total ex-field cost</b>		<b>\$2.83/GJ</b>

# Southern Cooper Basin Gas Project: Path to Market



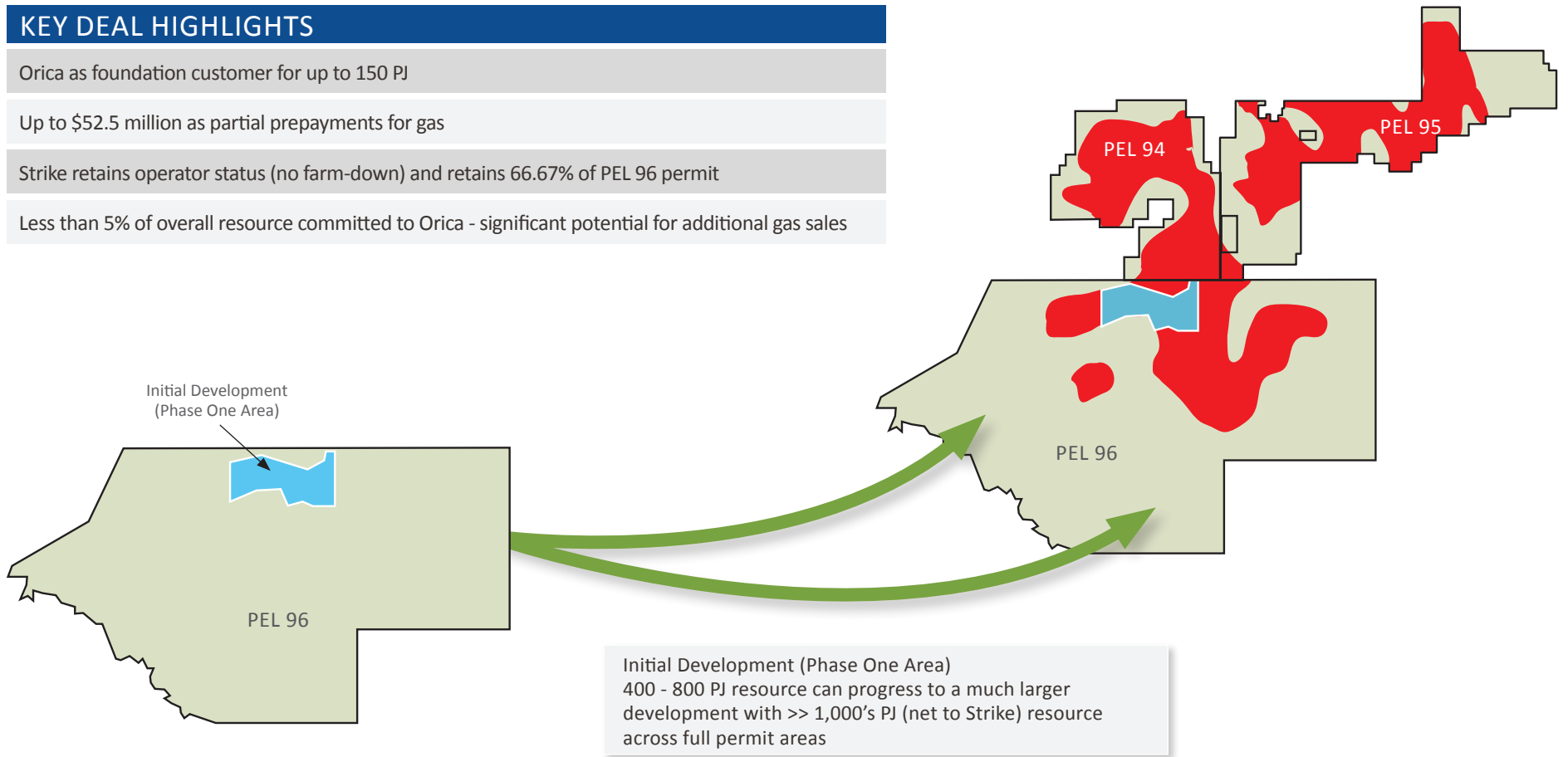
Existing infrastructure together with funding/offtake commitment from foundation customer provides clear commercialisation pathway

# Southern Cooper Basin Gas Project: Orica and Strike gas offtake deal



## KEY DEAL HIGHLIGHTS

- Orica as foundation customer for up to 150 PJ
- Up to \$52.5 million as partial prepayments for gas
- Strike retains operator status (no farm-down) and retains 66.67% of PEL 96 permit
- Less than 5% of overall resource committed to Orica - significant potential for additional gas sales



Appraisal and development success with Phase One will prove out the concept for a much larger development with tremendous economic value



## Important Notice

---

This presentation does not constitute an offer, invitation or recommendation to subscribe for, or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment.

Reliance should not be placed on the information or opinions contained in this presentation. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Any decision to purchase or subscribe for any shares in Strike Energy Limited should only be made after making independent enquiries and seeking appropriate financial advice.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, Strike Energy Limited and its affiliates and related bodies corporate, and their respective officers, directors, employees and agents disclaim liability (including without limitation, any liability arising from fault or negligence) for any loss arising from any use of or reliance on this presentation or its contents or otherwise arising in connection with it.

Statements contained in this presentation, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, production levels or rates, oil and gas prices, reserves, potential growth of Strike Energy Limited, industry growth or other projections and any estimated company earnings are or may be forward

looking statements.

Such statements relate to future events and expectations and as such involve known and unknown risk and uncertainties, many of which are outside the control of Strike Energy Limited. Actual results, actions and developments may differ materially from those expressed or implied by the statements in this presentation.

Subject to any continuing obligations under applicable law and the Listing Rules of ASX Limited, Strike Energy Limited does not undertake any obligation to publicly update or revise any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such statement is based.

### **COMPETENT PERSONS STATEMENT**

The reported resource and or reserves in this presentation are based on information compiled by Mr C Thompson. Mr. Thompson is the General Manager of Strike's Cooper Basin Project and has consented to the inclusion of the resource and or reserves information in this report.

Mr. Thompson holds a Graduate Diploma in Reservoir Evaluation and Management and Bachelor of Science Degree in Geology. He is a member of the Society of Petroleum Engineers and has worked in the petroleum industry as a practicing reservoir engineer for over 20 years.