

The Company Announcement Officer  
ASX Ltd  
*via electronic lodgement*

## US ACTIVITIES UPDATE

Strike Energy Limited provides an update on drilling operations at the company's Eagle Ford Shale project.

### EAGLE FORD SHALE PROJECT

As previously advised, the Wolters #1H horizontal well reached a total depth of 18,530' (~5,648 metres) on 1 August 2013 and the well has now been cased and cemented. Approximately 5,500' of lateral was successfully drilled in the Lower Eagle Ford shale.

A frac spread was mobilised to site and fracture stimulation operations commenced on 20 August and the first stage of the frac was successfully completed. When attempting to set the plug to perf the second stage the tools became stuck in the hole at (15,644'). Subsequent operations moved the plug up the hole to 13,075' at which point it was recommended by the operator that coil tubing operations cease and a workover rig be moved in to complete the cleanout operation on the hole. The workover operation was successful in moving the fish down the hole and in recovering most of the coil tubing but was unsuccessful in removing the entire obstruction in the wellbore.

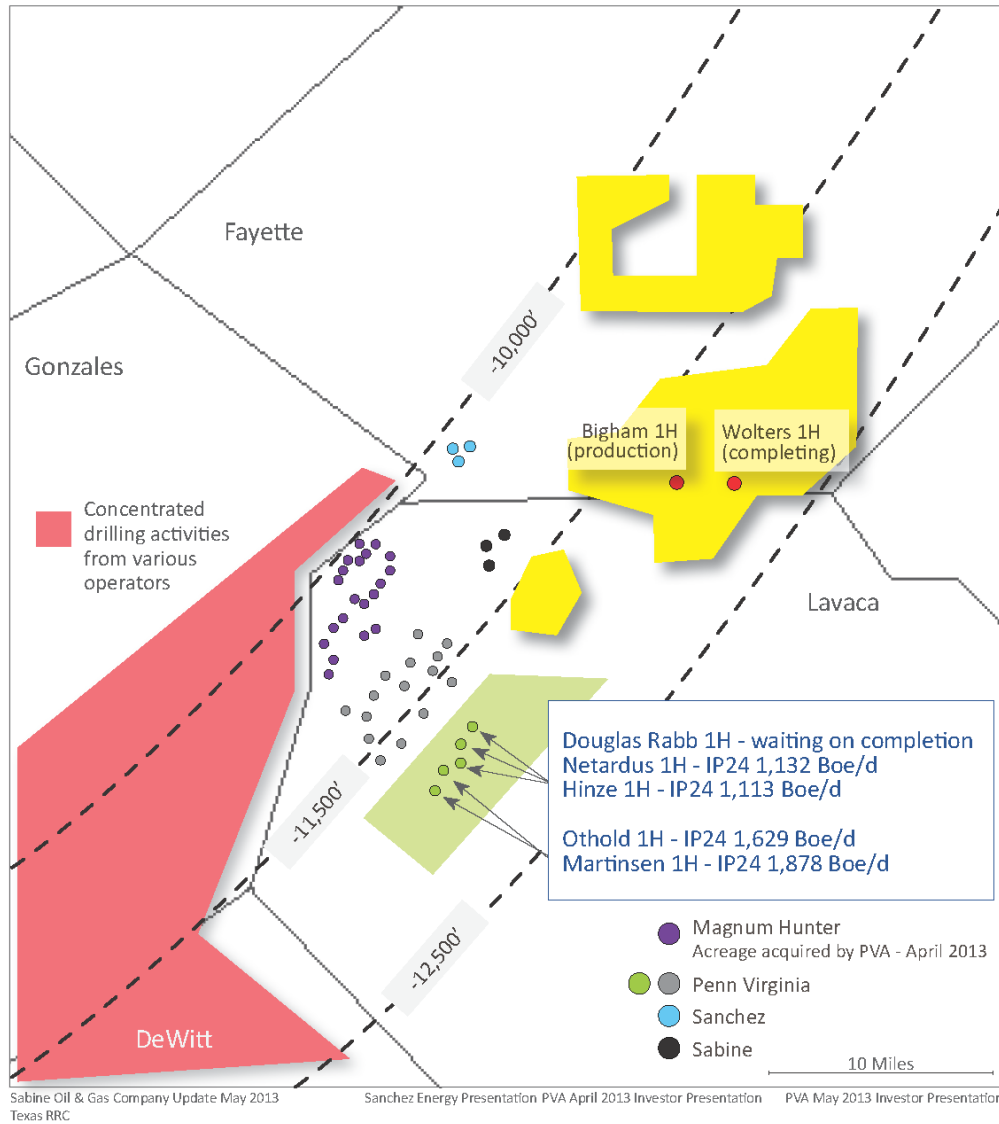
After consideration of the additional risk and cost associated with continued efforts to recover the equipment in the hole, the operator recommended that the bottom portion of the hole be sealed off at approximately 14,800' with the objective of completing nine frac stages over approximately 1,800' of lateral. This recommendation was approved by all participants in the well and frac operations will re-commence once a frac crew becomes available. Flow back and production testing will follow completion of the frac program.

The operator believes that completion of nine stages in the shortened lateral, rather than the planned 22 stages, will provide a valid test of the productivity of the Lower Eagle Ford formation in this area. Furthermore, the estimated cost to achieve these production test results will not be materially above the original estimate.

Strike participates in the Cypress Eagle Ford Shale Joint Venture in Lavaca and Fayette Counties, Texas which has 41,080 gross acres under lease (Strike's net interest is 10,843 acres). The leases are located on trend with highly productive fields in Lavaca and De Witt counties and are predominantly positioned in the optimum gas-condensate window.

# ASX Announcement

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Yours faithfully



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