

STRIKE ENERGY LIMITED

# SOUTHERN COOPER BASIN GAS PROJECT

Investor Update Presentation

October 2013



# Southern Cooper Basin Gas Project: Background



Le Chiffre 1 is the first well of an important drilling program at our Southern Cooper Basin Gas Project

Following the company's 2012 Cooper Basin drilling activities and the recent binding gas sales term sheet signed with Orica, this program is the next step in the company's rapid commercialisation plan for the gas resource

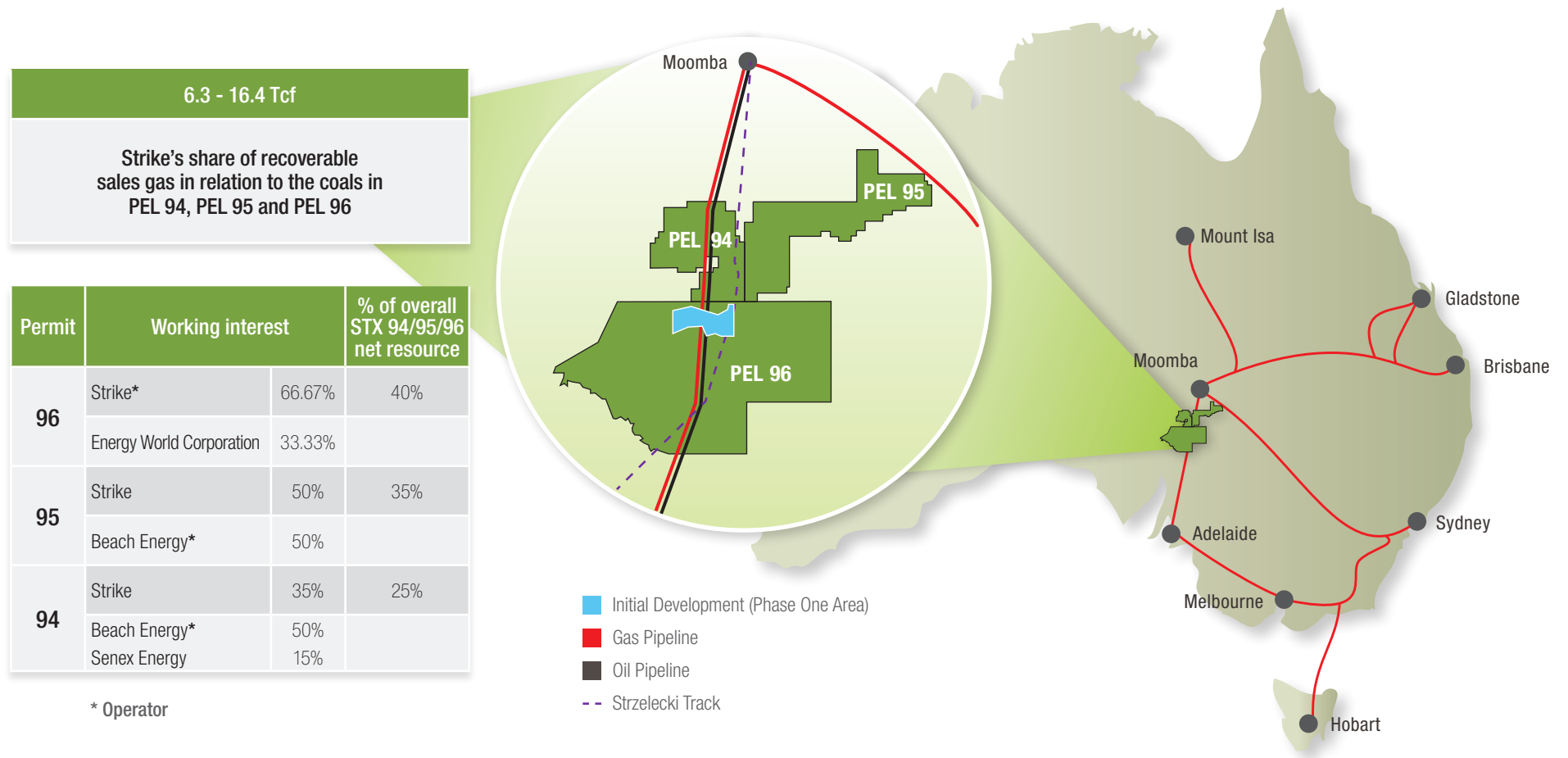
Drilling operations are expected to be completed early in 2014 with detailed analysis of logs, cores, gas samples and test results undertaken during Q1 2014

Results from this program will underpin the decision to commence an extended pilot production test program, ahead of a commitment to develop a commercial gas project



# Southern Cooper Basin Gas Project: Overview

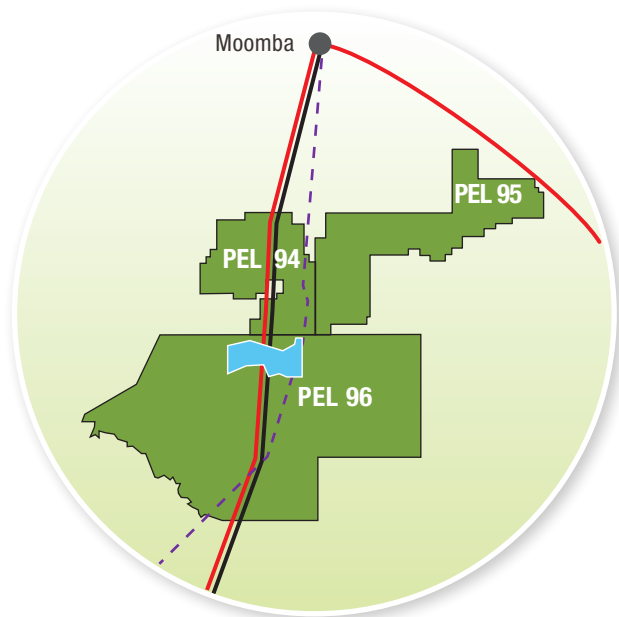
The PEL 94, 95 and 96 permits host a massive gas resource. Forty (40) percent of Strike's net resource is located in its operated PEL 96 permit.



Strike has control of planning, timing and execution activities in PEL 96

# Southern Cooper Basin Gas Project: Strategic objectives

The PEL 96 Phase One Area appraisal program and pilot production test project are key milestones in achieving commercialisation.



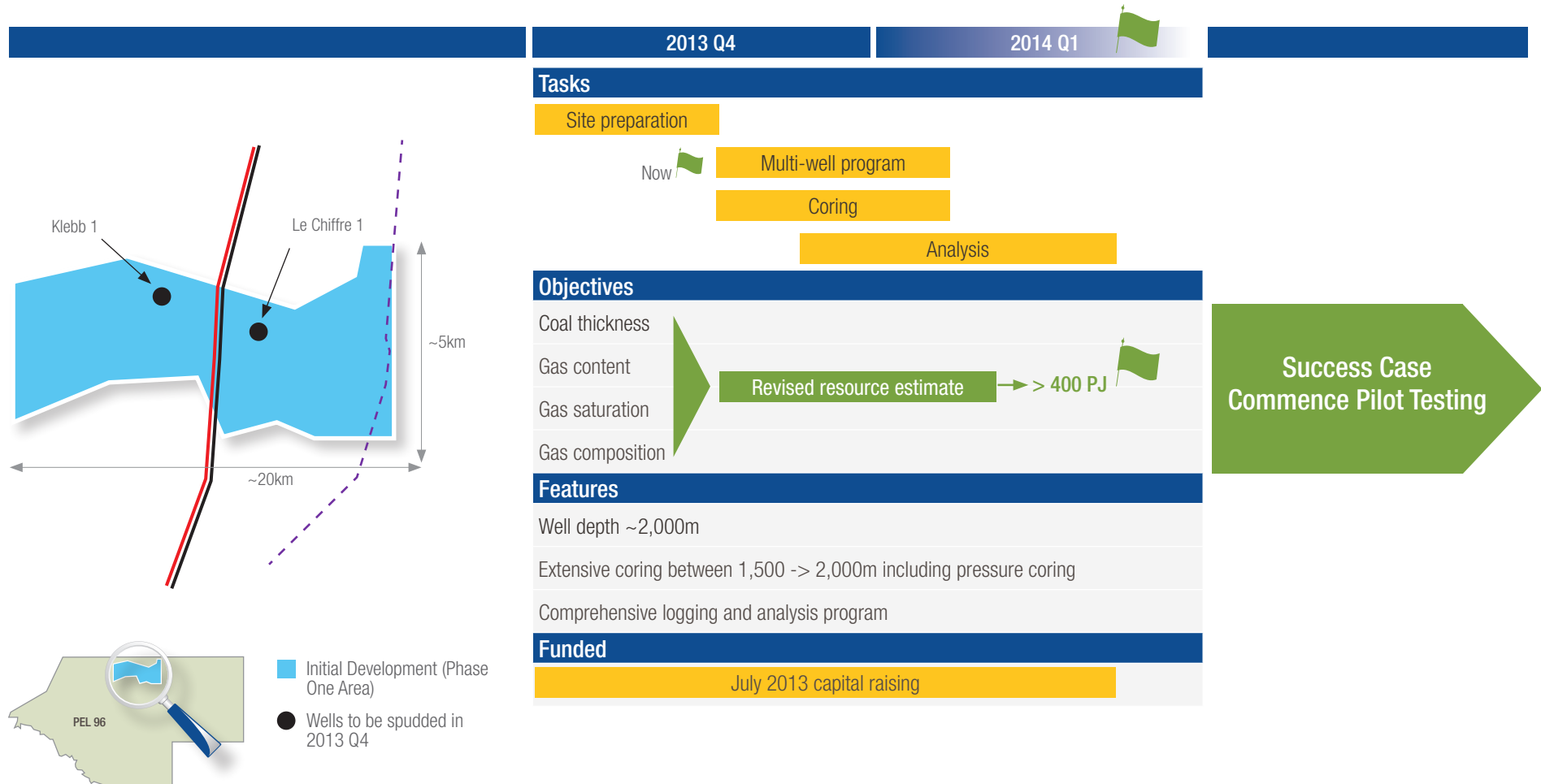
■ Initial Development (Phase One Area)

- Confirm resource and reservoir characteristics, optimise production model
- Focus on rapid commercialisation and development of the PEL 96 Phase One Area resource for supply to domestic gas users
- Following PEL 96 Phase One Area initial project development, expand the focus to unlock the potential of the entire world scale resource

**Successful PEL 96 Phase One Area commercialisation will point towards immense strategic value of the total resource**

# Southern Cooper Basin Gas Project: PEL 96 Phase One Area Appraisal

The appraisal process is the first milestone on the path to commercialisation.

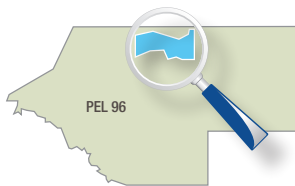
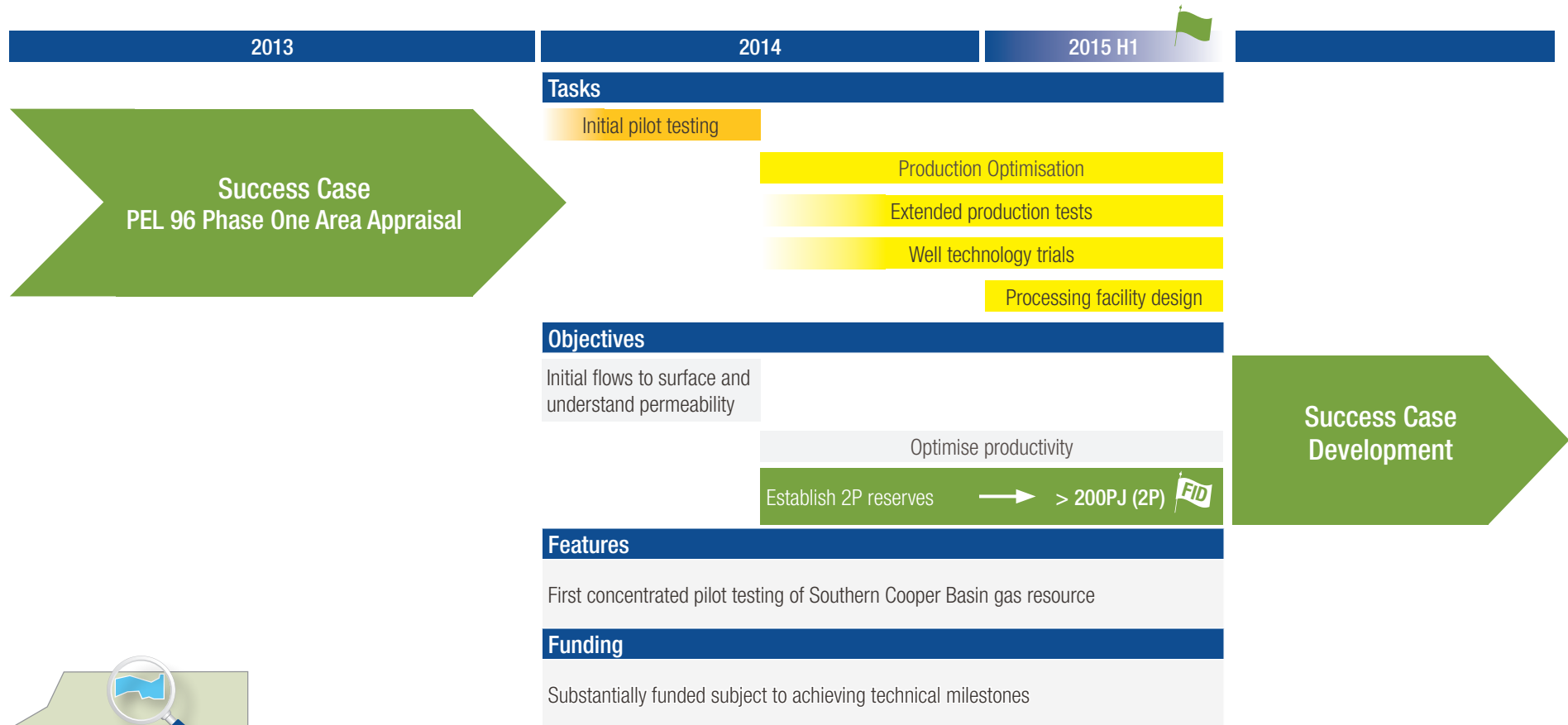


**Potential to accelerate pilot testing with early appraisal success**

# Southern Cooper Basin Gas Project: PEL 96 Proposed Pilot Production Test Project



The objective of the pilot production test project will be to establish commerciality of the PEL 96 Phase One Area resource.

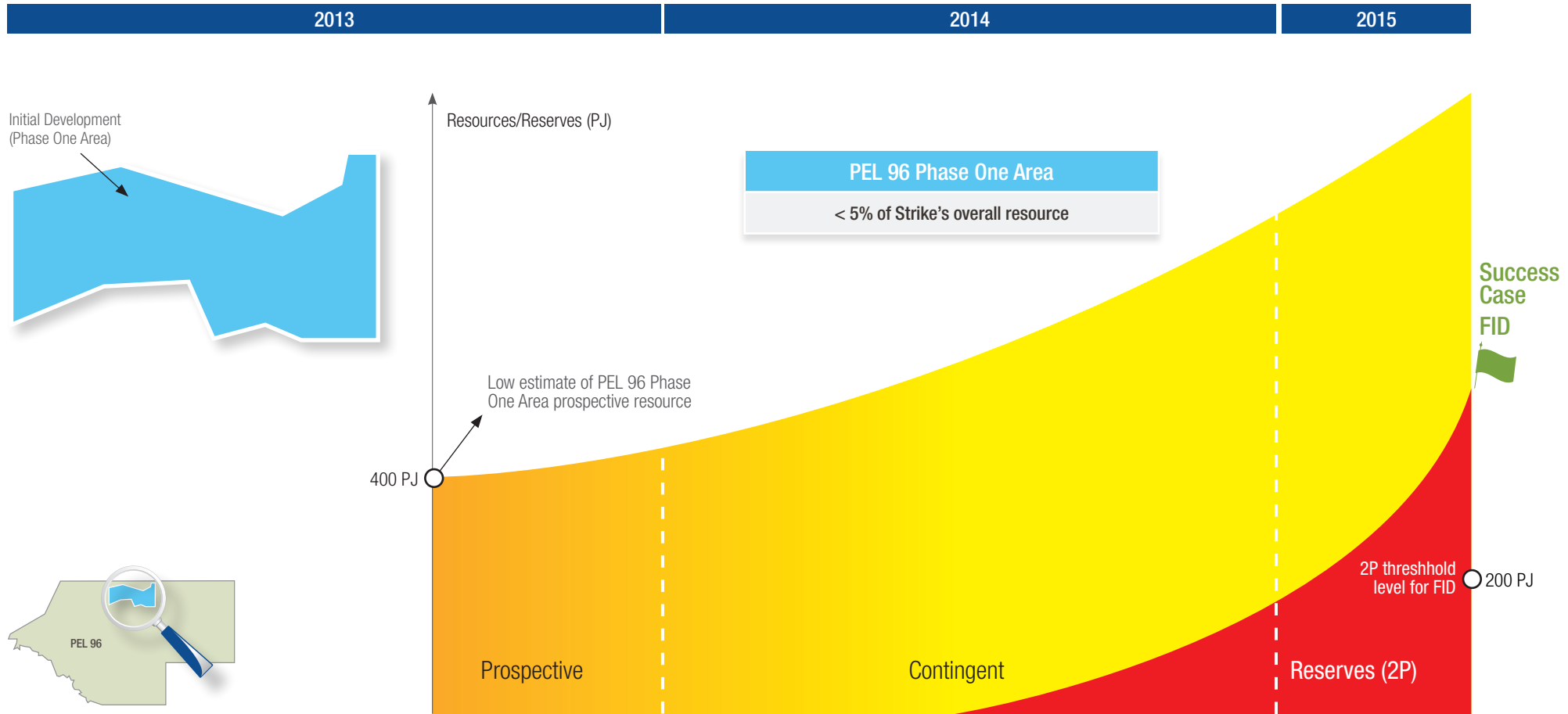


**Demonstrating commerciality of the gas resource will establish the reserves profile for final development approval**

# Southern Cooper Basin Gas Project: Reserve maturation plan



The appraisal and pilot testing program is specifically designed to establish reserves in the PEL 96 Phase One Area.



**Focus on rapid commercialisation and development of the PEL 96 Phase One Area resource**

# Southern Cooper Basin Gas Project: Economics



The commercialisation of new gas resources in the Cooper Basin will largely depend on production costs. Strike’s relatively shallow primary gas target avoids the complexities and costs associated with deep drilling.



\*Approximations only of target zone depth and permit areas

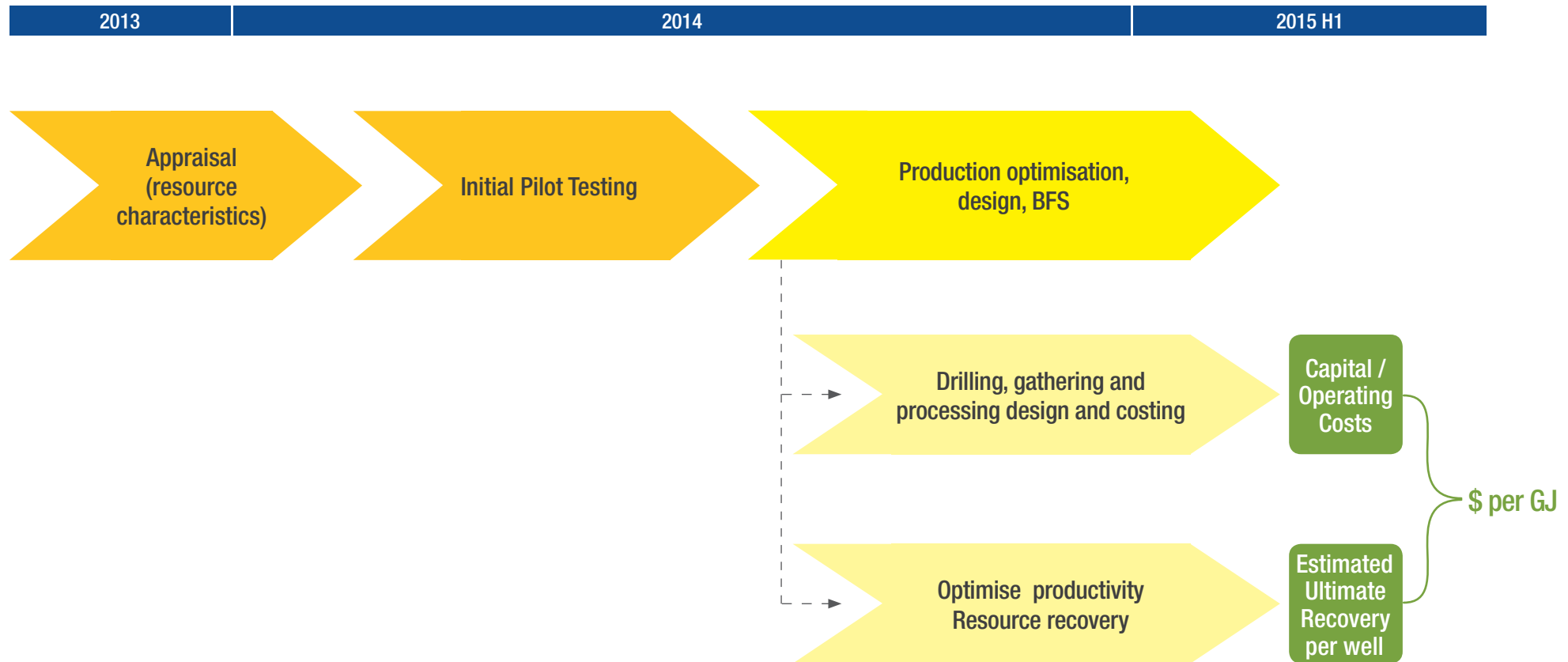
**Strike’s relatively shallow Southern Cooper Basin gas resource provides significant cost advantages**



# Southern Cooper Basin Gas Project: Economics



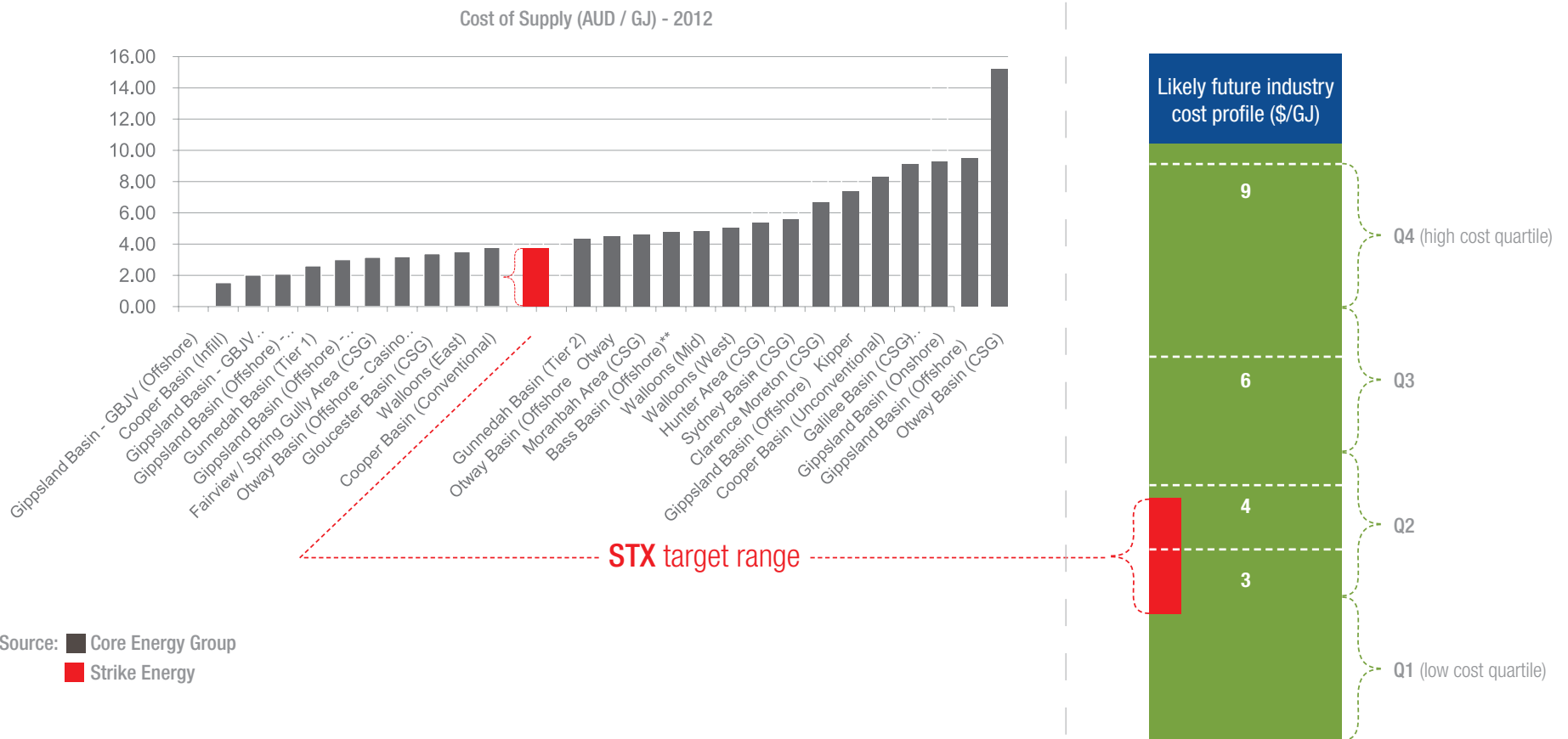
Strike's work programme for the PEL 96 Phase One Area will establish the key parameters and inputs for commercial gas flows.



**The 'game changer' for Strike is achieving commercial flows from its gas saturated coals**

# Southern Cooper Basin Gas Project: Relative Economics

Future cost of extraction will determine which new resources are developed.

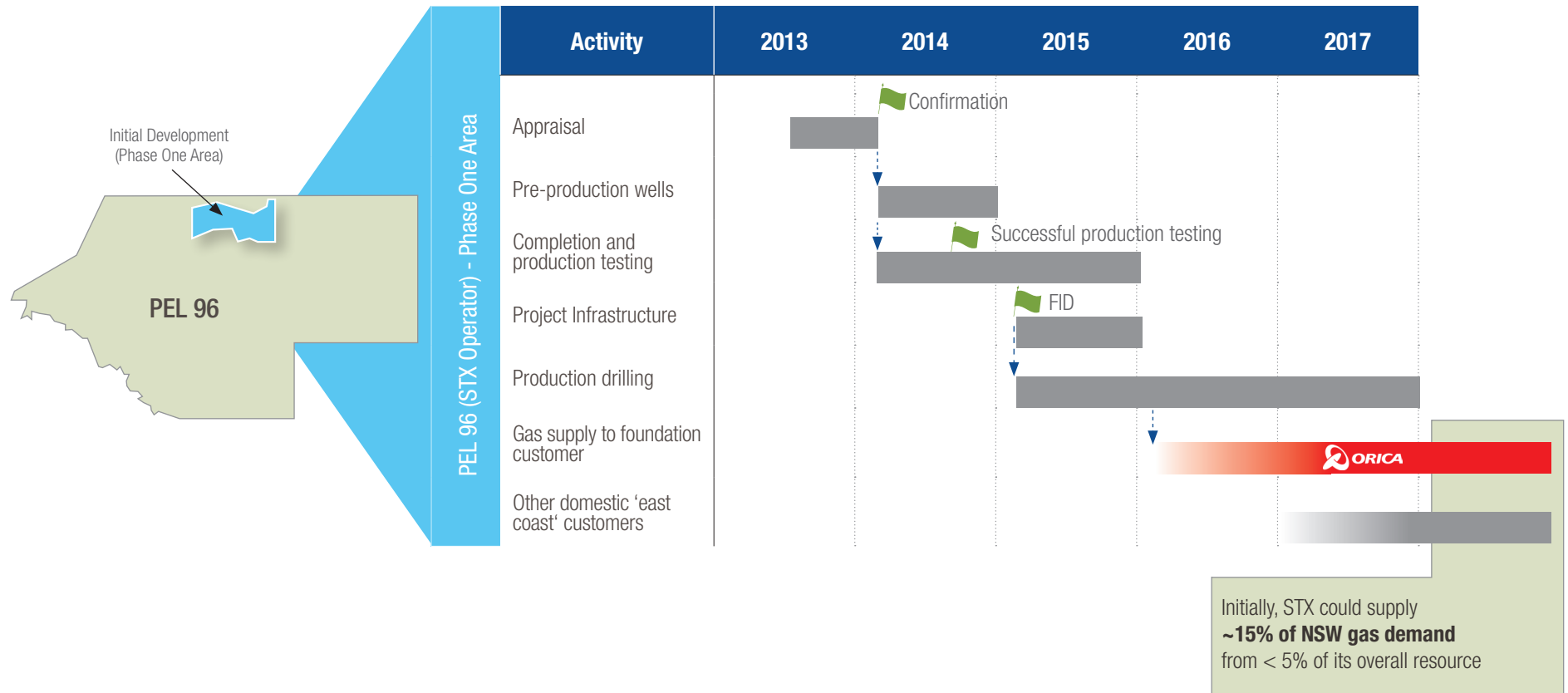


Strike is targeting a low cost position on the gas supply curve

# Southern Cooper Basin Gas Project: PEL 96 Phase One Area path to market



The appraisal, testing and development timing for the PEL 96 Phase One Area will position Strike as the 'frontrunner' to meet the forecast east coast gas shortage.

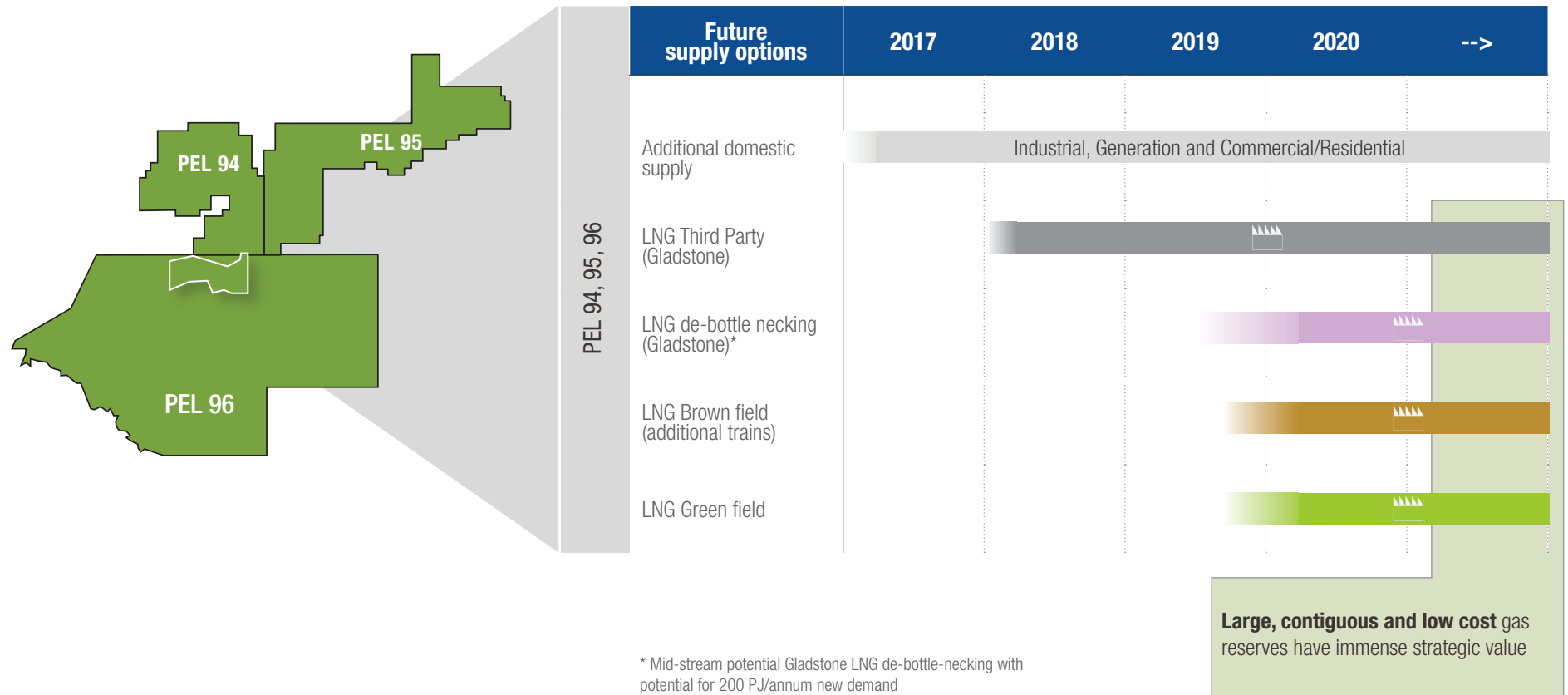


**Focus on rapid commercialisation of the PEL 96 Phase One Area resource for supply to domestic gas users with Orica as foundation customer**

# Southern Cooper Basin Gas Project: Potential to deliver enormous value



Subject to development 'proof of concept' in the PEL 96 initial development area, Strike will pursue a monetisation path to fully capture the value of the large, contiguous and ideally located multi-Tcf gas resource present across PEL 94, 95, 96.



**Following PEL 96 Phase One Area initial project development expand the focus to unlock the potential of the entire world scale resource**

**World-scale resource**

**Company-making project for Strike**

**Successful commercialisation will deliver enormous value**

**Appraisal drilling commenced**

**Potential to accelerate pilot testing**

**Targeting favourable economics**

**Multiple paths to market**

# 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.