

27 February 2014

The Company Announcement Officer  
ASX Ltd  
*via electronic lodgement*

## STRIKE SIGNS NEW GAS SUPPLY OPTION AGREEMENT

- ***Strike Energy and Austral Bricks sign a gas supply option agreement for 12.5PJ of gas***
- ***Innovative commercial arrangement to facilitate rapid commercialisation of Strike's Southern Cooper Basin Gas Project***

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Strike Energy Limited (ASX:STX) ("Strike") is pleased to advise that the Company has entered into a Gas Supply Option Agreement for 12.5PJ of gas with Austral Bricks, a subsidiary of Brickworks Limited (ASX:BKW) ("Austral Bricks"). The gas is to be produced by Strike from its Southern Cooper Basin Gas Project (the "Project") to be developed on the substantial gas resource identified within the PEL 96 permit area.

The Option Agreement complements the gas supply option agreement signed by the Company with Orora Limited for 30PJ of gas, as announced to the market on 15 January 2014 with the same key terms:

- The grant of an option to Austral Bricks for the supply of 12.5PJ of gas by Strike, to be delivered at 1.25PJ per annum, at a fixed price over a 10 year term from 2017, the expected commencement date of production from the Project.
- The payment of an option fee to Strike by Austral Bricks as a gas pre-payment, conditional only upon the PEL 96 joint venture proceeding with a pilot production test project.
- Austral Bricks can then exercise the option when a decision is made by the PEL 96 joint venture to proceed with development of the Project.
- Strike will use the option fee to accelerate the PEL 96 work program following the recent confirmation of a substantial, continuous gas resource directly under the Moomba to Adelaide gas pipeline.

The option agreements with Orora and now Austral Bricks for a total of 42.5PJ of gas follow the announcement in July 2013 of a binding term sheet with Orica for the supply of up to 150PJ of gas over a 20 year period.

# ASX Announcement



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## MANAGING DIRECTOR QUOTE

*"Strike has once again used an innovative commercial arrangement to source additional funding for the rapid commercialisation of our substantial gas resource in the Southern Cooper Basin.*

*The portfolio of gas supply arrangements we now have in place represent win-win outcomes for Strike and our customers.*

*As previously announced, our next goal is to demonstrate sustained gas flows to surface within the PEL 96 permit areas, with work planned to commence next quarter. This initial production testing program will be funded by gas supply prepayments and option agreement payments and is the first stage of a drilling, completion and production optimisation program designed to establish commercial well productivity.*

*With the delineation of a very substantial gas resource and established gas supply arrangements, further demonstration of the commercial potential of the gas resource is now our key focus."*

Yours faithfully

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

DAVID WRENCH  
Managing Director

*Further information:*

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