

The Company Announcement Officer
ASX Ltd
via electronic lodgement

SOUTHERN COOPER BASIN GAS PROJECT UPDATE

- **Fracture stimulation operations at Le Chiffre planned to commence late this week**

Strike Energy Limited (ASX:STX) ("Strike") is pleased to provide the following update on activities at the Company's Southern Cooper Basin Gas Project.

Planning for the upcoming fracture stimulation, completion and flow testing program at the Le Chiffre and Klebb wells has been completed with the majority of pre-frac site preparation work also completed.

Pre-frac preparation work included installation of tiltmeter arrays at both wells designed to monitor fracture development and orientation, construction of water wells and lined-dams for frac water storage and well site preparation. Equipment mobilisation is currently underway and rig-up will commence in the next 24 hours.

To enable the fracture stimulation design to be finalised, the deepest stages at both Le Chiffre 1 and Klebb 1 have been perforated and diagnostic formation injection tests (DFIT) undertaken. Results from these tests have indicated that formation permeabilities in these zones are in excess of the Company's expectations and the frac design will be modified accordingly. Formation permeability across all coal intervals is a key factor in the potential commercialisation of our gas resource.

Pumping operations are expected to commence at Le Chiffre 1 later this week and the Company will provide a further activities update at that time.

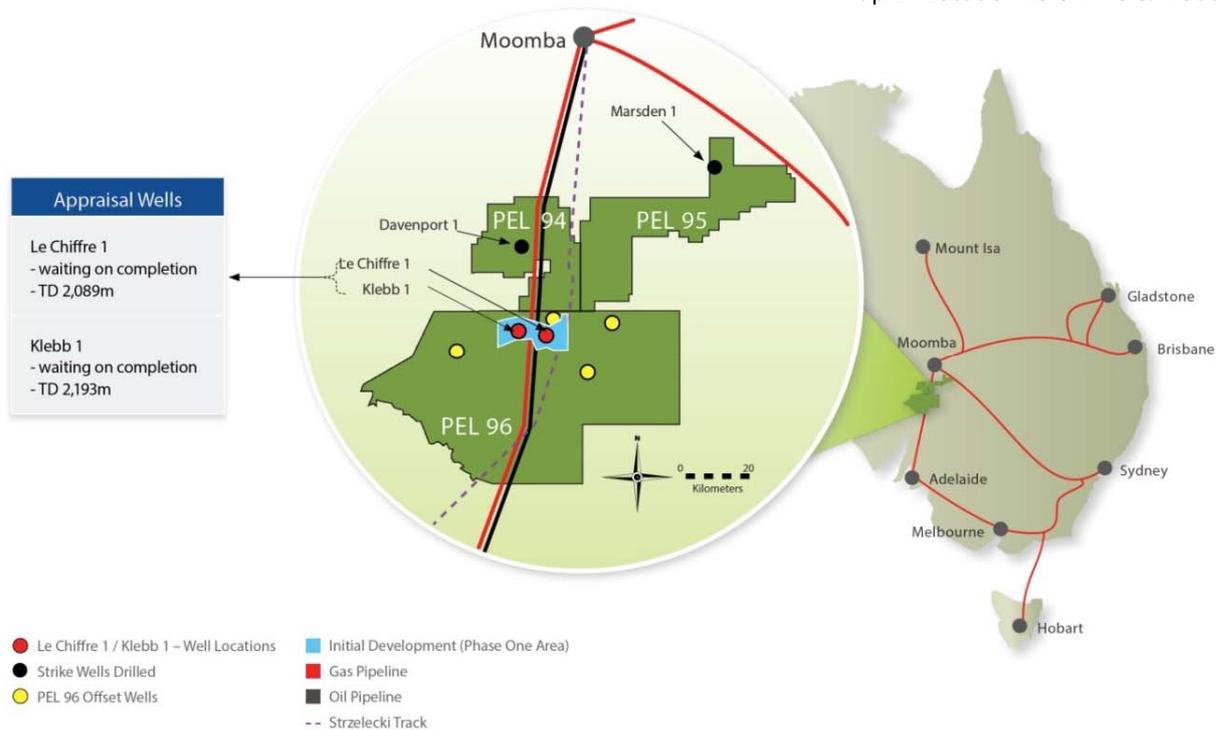
MANAGING DIRECTOR QUOTE

"We are pleased to now be commencing this next phase of evaluation of the Southern Cooper Basin Gas Project. While the initial DFIT results are encouraging, the frac and flow testing program needs to be completed to better understand the productive potential of the coals in PEL 96."

ASX Announcement

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Map 1 - Location Le Chiffre & Klebb



Yours faithfully



DAVID WRENCH
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