

The Company Announcement Officer
ASX Ltd
via electronic lodgement

SOUTHERN COOPER BASIN GAS PROJECT OPERATIONS UPDATE

- **Production testing at Klebb 1 and Le Chiffre 1 underway**
- **Good gas shows already being observed at surface**
- **Klebb 2 reached TD at 2,115m**

Strike Energy Limited (ASX:STX) ("Strike") is pleased to provide an update on production testing and drilling operations at the Southern Cooper Basin Gas Project. Operations in PEL 96 are continuing to schedule with production testing operations at Klebb 1 and Le Chiffre 1 underway.

KLEBB MULTI-WELL PRODUCTION TEST

Pumping operations at Klebb 1 commenced on Friday, 31 October with water production rates of up to 600 bbls of water per day being achieved during initial commissioning. Water flow rates have steadily declined with approximately 3,000 bbls of water produced to date. Reduction in reservoir pressure has also been observed with increasing gas shows noted at surface.

As at 6:00am on 10 November, Klebb 2 had reached total depth of 2,115m and production casing has been run and cemented. The well will now be completed for production testing.

LE CHIFFRE 1 SINGLE WELL PRODUCTION TEST

Pumping operations at Le Chiffre 1 commenced on Saturday, November 8 with commissioning ongoing. Gas shows have already been observed at surface.

TESTING PROGRAM – FORWARD PROGRAM

Production testing will continue with water and gas flow rates and pressures observed. Flow rates and pressure drawdown will continue to be conservatively managed to minimise potential for reservoir damage and ensure steady progress towards sustained gas flow at surface.

ASX Announcement



10 November 2014

MANAGING DIRECTORS COMMENT

"We are pleased to have successfully commenced testing operations at Le Chiffre 1 and Klebb 1 as planned.

The early results are very encouraging as we have experienced lower volumes of formation water than anticipated and have already observed good gas shows at surface. Our next objective is to demonstrate sustained gas flows at surface over coming months."

Yours faithfully

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

DAVID WRENCH
Managing Director