

The Company Announcement Officer ASX Ltd
via electronic lodgement

SOUTHERN COOPER BASIN GAS PROJECT OPERATIONS UPDATE

- Continued pleasing progress with the Klebb Phase 3 flow testing program
- Encouraging early stage gas rates achieved

Strike Energy Limited (ASX:STX) ("Strike") is pleased to provide an update on operations at its Southern Cooper Basin Gas Project in PEL 96 (Strike 66.67% and Operator, Energy World Corporation (ASX:EWC) 33.33%).

Program Status

Pleasing progress has been made during August with testing operations proceeding to plan. Water production rates at Klebb 2 and Klebb 3 have been ramped up steadily with the pumps currently running at approximately 60% of maximum capacity.

During the month some commissioning issues were experienced with the Klebb 1 beam pump which have now been fully resolved and the well is currently flowing stably.

All wells are currently producing gas with rates building. The early results show that the fracture stimulation treatments at Klebb 2 and 3, combined with the controlled ramp up, has significantly improved well productivity and resulted in higher gas rates being achieved earlier at lower pump rates than observed during previous testing.

Forward Plan

Over the next 6 weeks, water flow rates will continue to be ramped up in a controlled manner. Once full pump capacity is reached, steady production will be maintained to reduce reservoir pressure centred around Klebb 1.

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1 September 2015

Managing Directors Comment

"We are very encouraged by the early results we are seeing from the Klebb testing program. The fracs at Klebb 2 and 3 have not only increased well productivity but have also resulted in earlier gas flows and a significantly higher ratio of gas to water than we have previously experienced.

With Klebb 1 now up and running stably we expect further progress as the three wells work together to build toward commercial gas rates, our objective for this phase of testing."

Yours faithfully



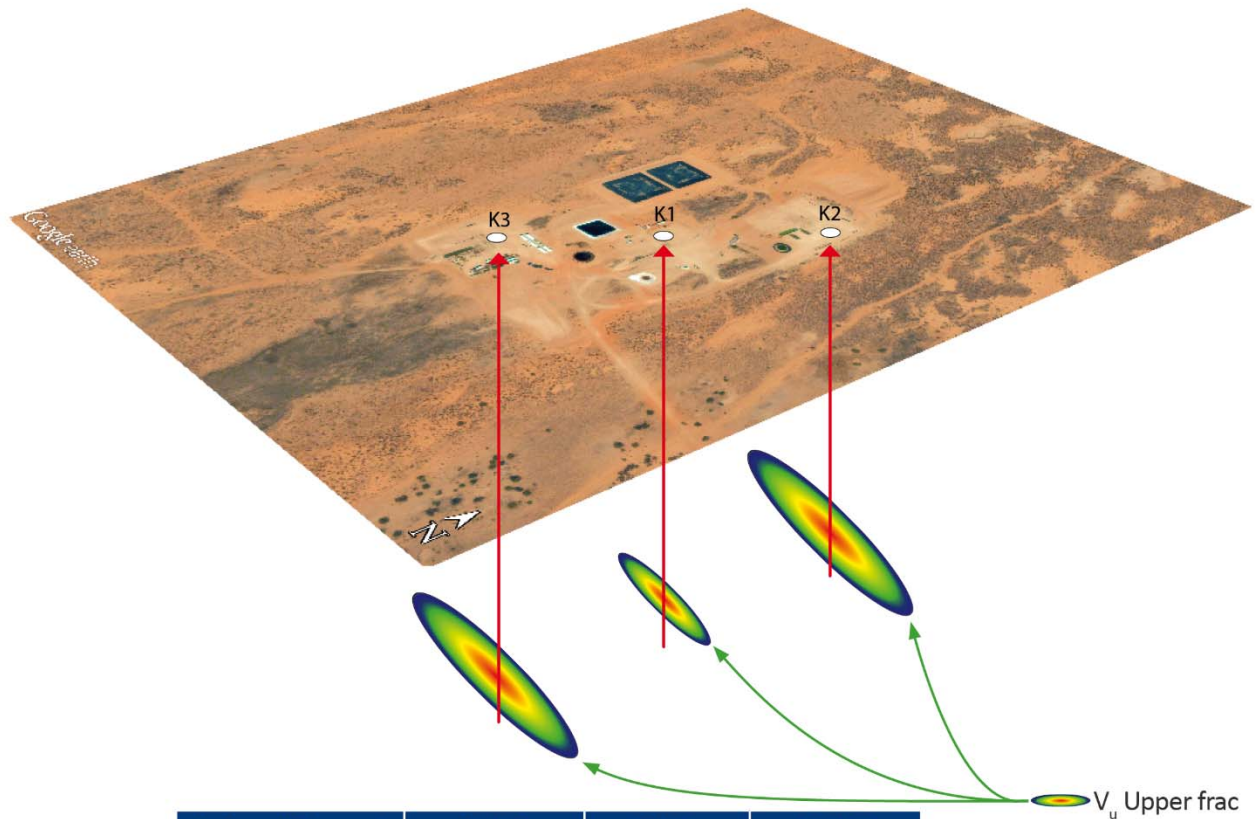
DAVID WRENCH
Managing Director



Klebb 1 Beam Pump

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Klebb pilot production test schematic



V _u Upper (35m seam)	Klebb 3	Klebb 1	Klebb 2
FRAC DETAILS			
Proppant pumped	104,000 lbs	59,000 lbs	125,800 lbs
Fluid pumped	1,780 bbls	460 bbls	1,803 bbls
PUMP TYPE	Jet	Beam	Jet