ASX Announcement

5 April 2017

The Company Announcement Officer ASX Ltd
via electronic lodgement

East Coast Gas Presentation – April 2017

Please find attached a presentation to be given today by Mr David Baker (Managing Director).

Yours faithfully

Matthew Montano
Chief Financial Officer & Company Secretary

STRIKE ENERGY LIMITED

Taylor Collison Limited: East Coast Gas

April 2017

Strike Energy

Introduction

Strike Energy Limited (ASX : STX) is an Australian based, independent oil and gas exploration company. The company is focused on the development of a substantial gas resource in the Southern Cooper Basin to meet Eastern Australian gas market demand.

Listing	ASX (ticker STX)
Issued Shares	964,640,299
Options/Performance Rights	19,150,000
Market Capitalisation	$80.1m as at 3 April 2017
Cash at 31 Dec 2016	$7.2m
Net Exploration Acres (2015/16)	2.3 million Acres

Southern Cooper Basin Gas Project

Location, location, location

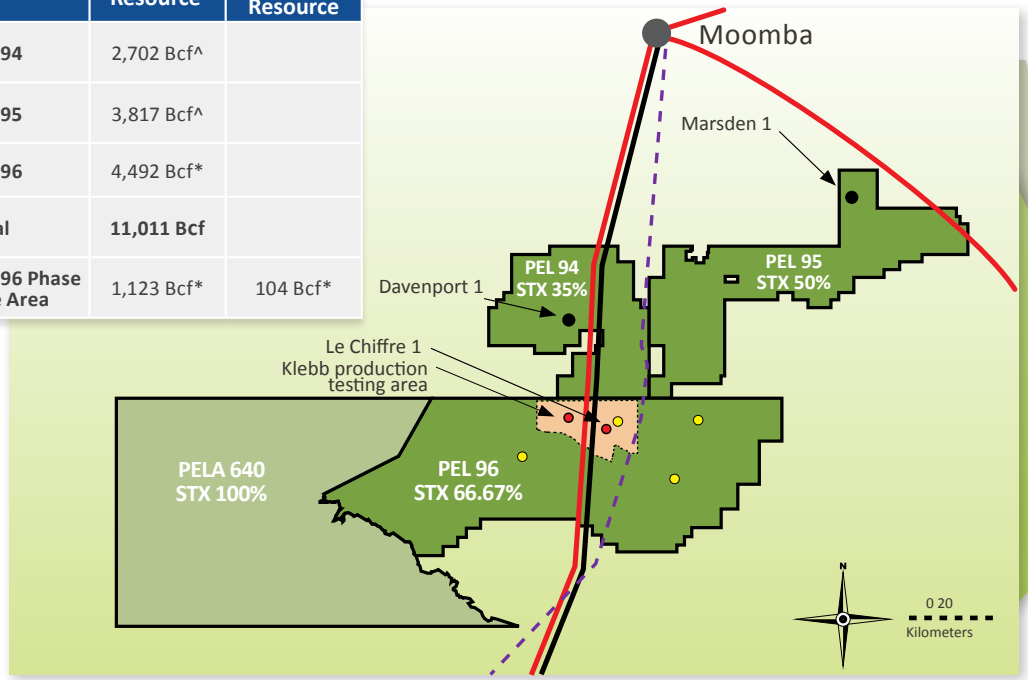
… and competitive economics …

Coal seam gas fundamentals

Economies of Scale	Location	Low Supply Cost	Positive Regulatory Environment	Industry Support
Supply gap (150-250 PJ/a) CSG critically reliant upon economies of scale	Access to market Proximity to services Competitive land use Social licence	Position on cost curve Delivered cost	South Australia + Queensland	Alignment of security of supply + Firm, long term off-take

Scale and Location

	Prospective Resource +	2C Contingent Resource
PEL 94	2,702 Bcf^	
PEL 95	3,817 Bcf^	
PEL 96	4,492 Bcf*	
Total	**11,011 Bcf**	
PEL 96 Phase One Area	1,123 Bcf*	104 Bcf*



- PEL 96 Phase One Area
- Gas Pipeline
- Oil Pipeline
- Strzelecki Track
- Strike Phase One Area wells drilled
- Strike Wells Drilled
- PEL 96 Offset Wells
- PEL 96 and PELA – STX Operated

* Mean estimate (net to Strike determined on a probalistic basis) per ASX announcement dated 19 Feb 2014 and adjusted for announced contingent resource estimate per ASX announcement dated 27 April 2015.

^ Mean estimate (net to Strike determined on a probalistic basis) per ASX announcement dated 19 September 2012.

\+ The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

PEL	Net STX Acres
PEL 94	77,925
PEL 95	160,248
PEL 96	443,880
PELA 640	850,786
Total	**1,532,839**

Strike has an ideally positioned long-life multi-Tcf resource to supply into ~40 Tcf Eastern Australian gas demand over the next twenty years

Low Gas Supply Cost: Key Parameters

The geological and reservoir characteristics in each gas field define the overall quantity and quality and ultimate recovery of the gas resource. Geology varies between gas basins with implications for exploration activity and production outcomes. The pilot stage appraisal of the southern Cooper coals supports a favourable combination of key CSG parameters.

Resource Concentration	
Net coal thickness	★★★★★
Gas content	★★/★★★
Resource Concentration	★★★★★

Productivity	
Resource concentration	★★★★★
"Fracability"	★★★★
Permeability	★★★
Productive Potential	★★★★

Well Costs	
Drilling	★★★
Stimulation & completion	★★★★
Connection	★★★★
EUR / Capex Potential	★★★★

Field Processing	
Modular gas processing	★★★★
Pipeline access	★★★★★
Water handling	★★★
Target Outcome	★★★★

Gas Transport	
Domestic (SA)	★★★★★
Domestic (East Coast)	★★★★
Export	★★★
Median Outcome	★★★★

Field Reserve Potential	
PEL 96	★★★★★
PEL 94 & PEL 95	★★★★★
PELA 640	★★★★
Potential Outcome	★★★★★

SCBGP Rankings Low ★ Acceptable ★★ Good ★★★ Very Good ★★★★ Excellent ★★★★★

These are the key parameters that, in combination, determine a low cost CSG producer

SCBGP: Primary risks to low supply cost: Permeability

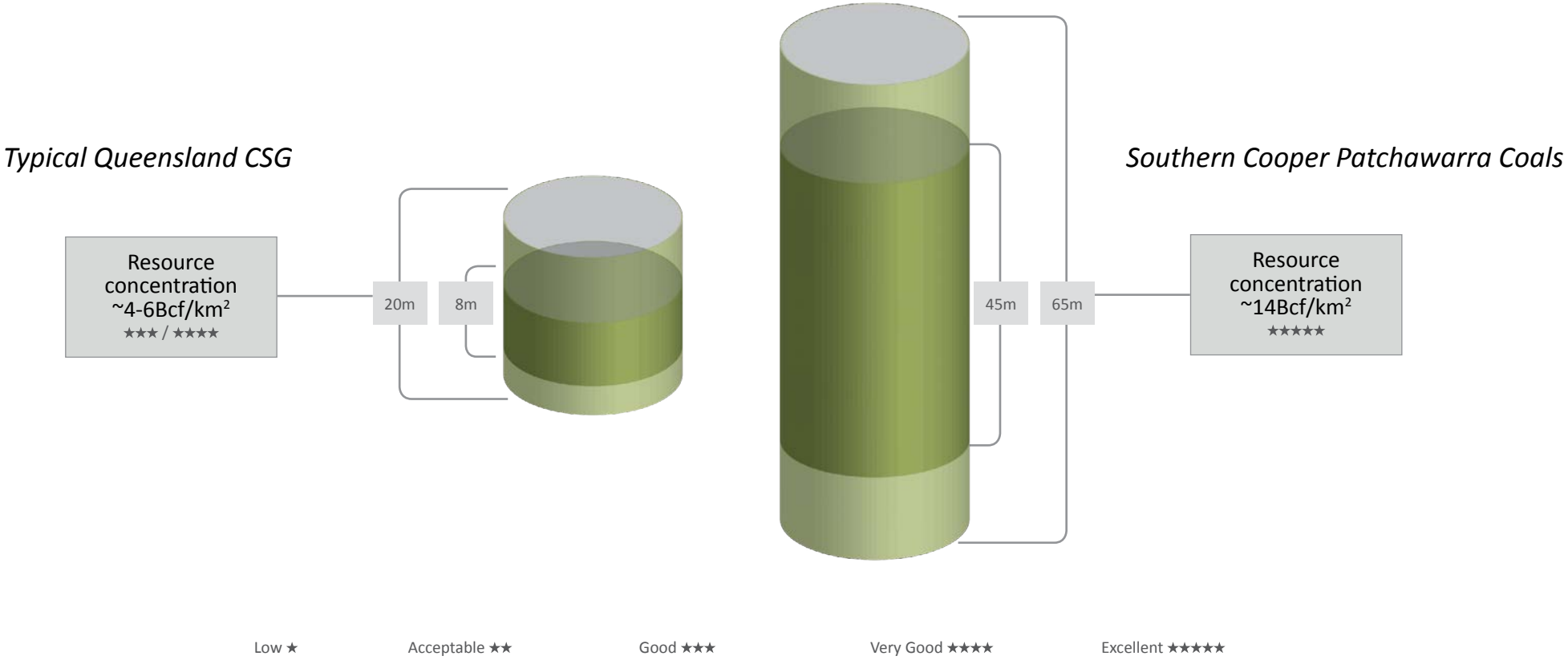
Typically CSG reservoirs are commercialised where they are shallower than 1,000m due to the stress induced by the overburden and resulting closure of cleats and natural fractures. In the Queensland fields, typical CSG reservoirs are from 300m to 1,200m. The southern Cooper coals are at depths of 1,600 to 2,100m but are in a low stress environment with residual permeability much higher than expected at these depths *and* a relative ease of effective stimulation which has already enabled maximum dewatering rates in excess of 1,000 bwpd. More over, current modelling indicates that development wells may produce up to 4MMscfd of raw gas from multi-zone Patchawarra completions.

The southern Cooper coals have very good productive potential

SCBGP: Primary risks to low supply cost: Thermal Maturity & Resource Concentration

Typically increases with burial history (maximum depth). Southern Patchawarra Cooper coals have a Vitrinite reflectance of 0.6%-0.8%, which is within the gas generation window for inertinite macerals. Inertinite is a primary component of the southern Cooper coals.

Gas in the southern Cooper coals has a combination of biogenic and thermogenic sources.

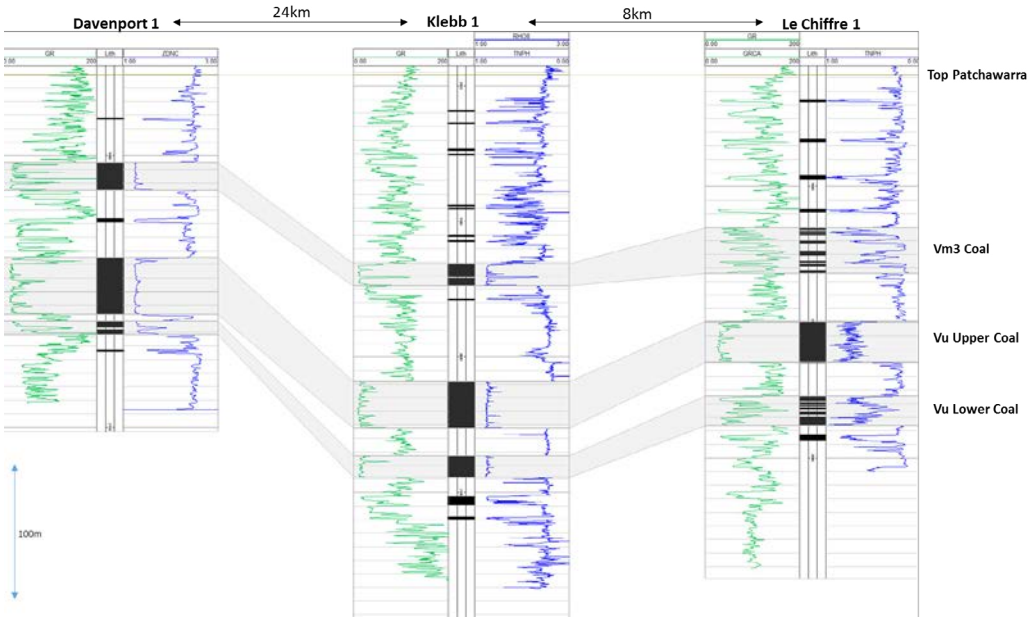


Gas content and net coal thickness in the Southern Cooper coals → exceptional resource concentration

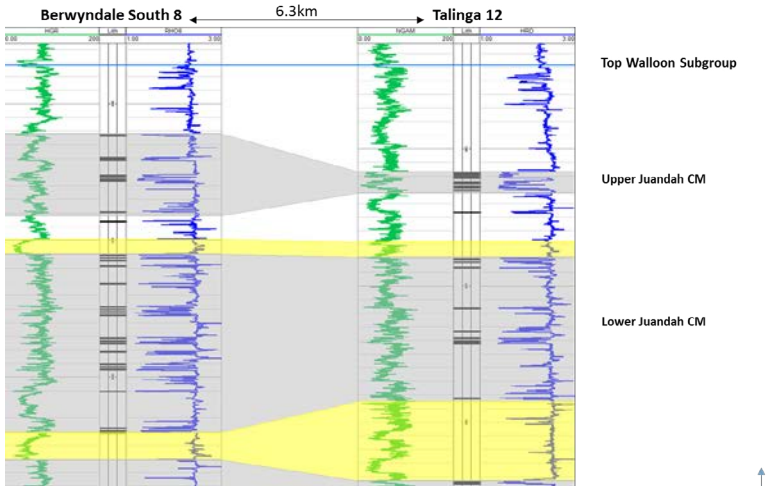
SCBGP: Reservoir Fundamentals

The southern Cooper coals are thick, competent, consistent and continuous over tens of kilometres. The wells are cased and fracture stimulated so that de-watering is from the target seams only and not from interbedded sands, as can be the case in the open-hole completions of many CSG plays. Pilot test pressure data has confirmed that de-watering activity is confined to the southern Cooper coal seams and that the de-watering task is finite.

Southern Cooper well logs



Surat Basin well logs



The fundamental drivers are different for each CSG play

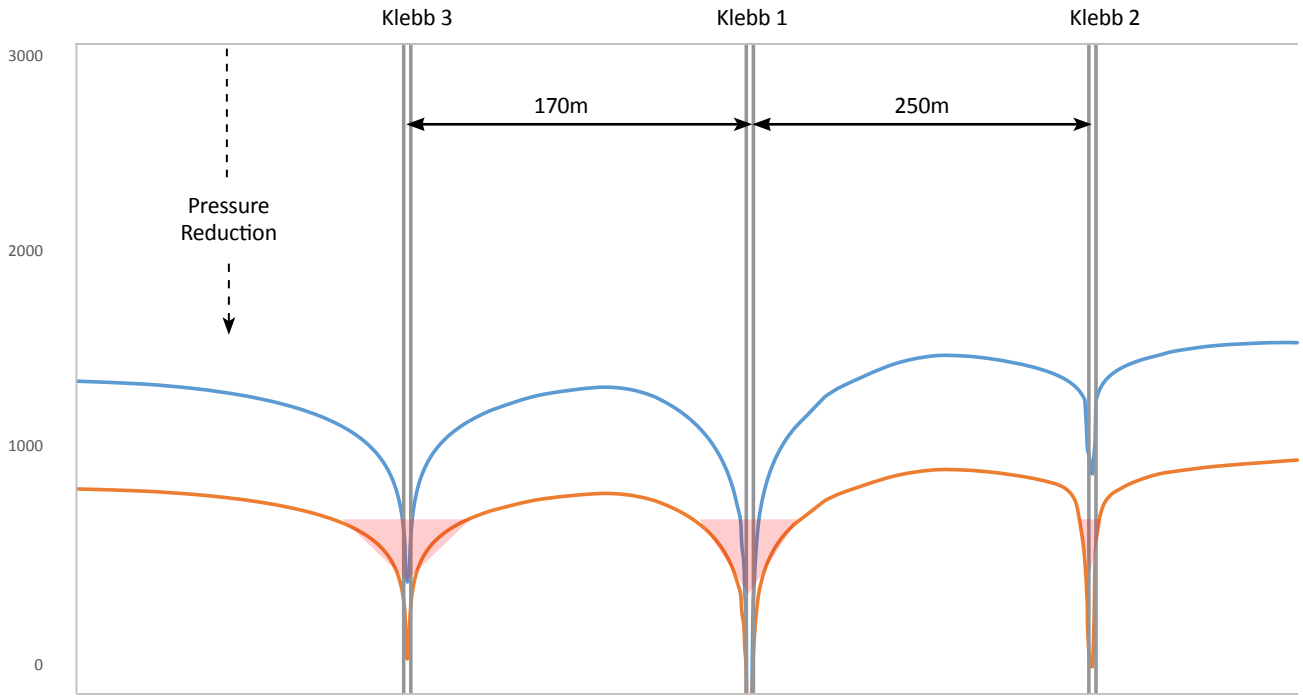
SCBGP: Status of pilot appraisal

The remaining key objective for the Klebb pilot is to confirm the range of gas content of the Vu Coal at Klebb, which represents approximately 50% of the target Patchawarra coals. Flow testing has positively refined our understanding of the key play drivers. Further testing will confirm the range of gas content within the southern Cooper coals. Achievement of target pilot test flow rate objectives will confirm excellent development potential.

Current modelling indicates development wells may produce up to 4 MMscfd of raw gas from multi-zone Patchawarra completions.

Estimated current pressure profile after ~600Mbbls of de-watering

Estimated pressure profile by end-June after a further 90Mbbls of de-watering

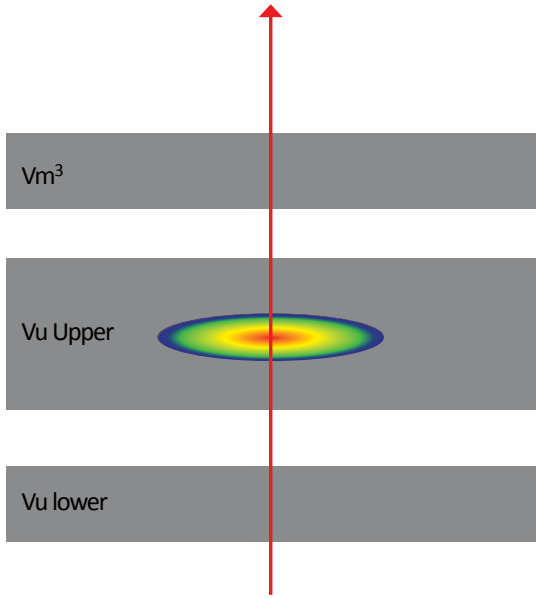


Consistent, effective de-watering is the key to successful pilot test appraisal

SCBGP: High confidence in commercial outcome

Strike's 2013 discovery of thick coal seams in the primary Patchawarra target zone (net 65m) indicated the transformational potential of the SCBGP. Subsequent to this discovery the Company has progressively established the reservoir characteristics, including highly favourable assessments of resource concentration and productive potential. As is typical during pilot appraisal in a new resource play there are reservoir nuances to be understood and operational challenges to be overcome. While these engineering challenges create a degree of short-term time uncertainty, the known reservoir parameters support a favourable commercial outcome.

Pilot appraisal → **Future development potential**

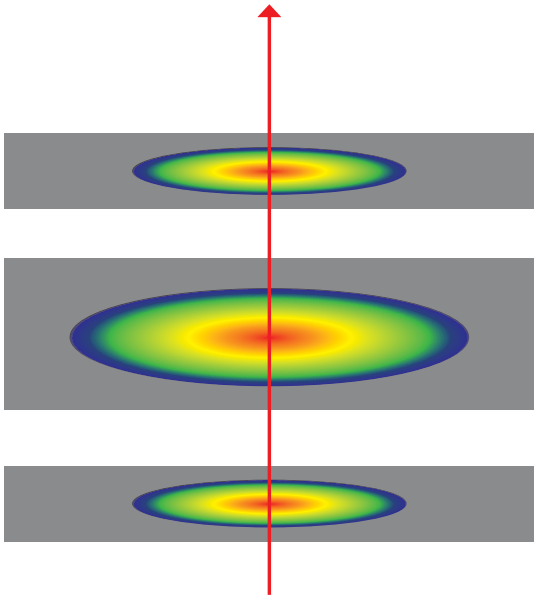


Single completion stage

Target pilot gas flow range 100-400 Mscfd from single zone

Earlier testing (2015 - 2016) has delivered gas flows approaching low end of range. Measured approach now being applied to achieve pilot goals over the medium term

Short-term operational challenges part of operational IP applied to future development wells



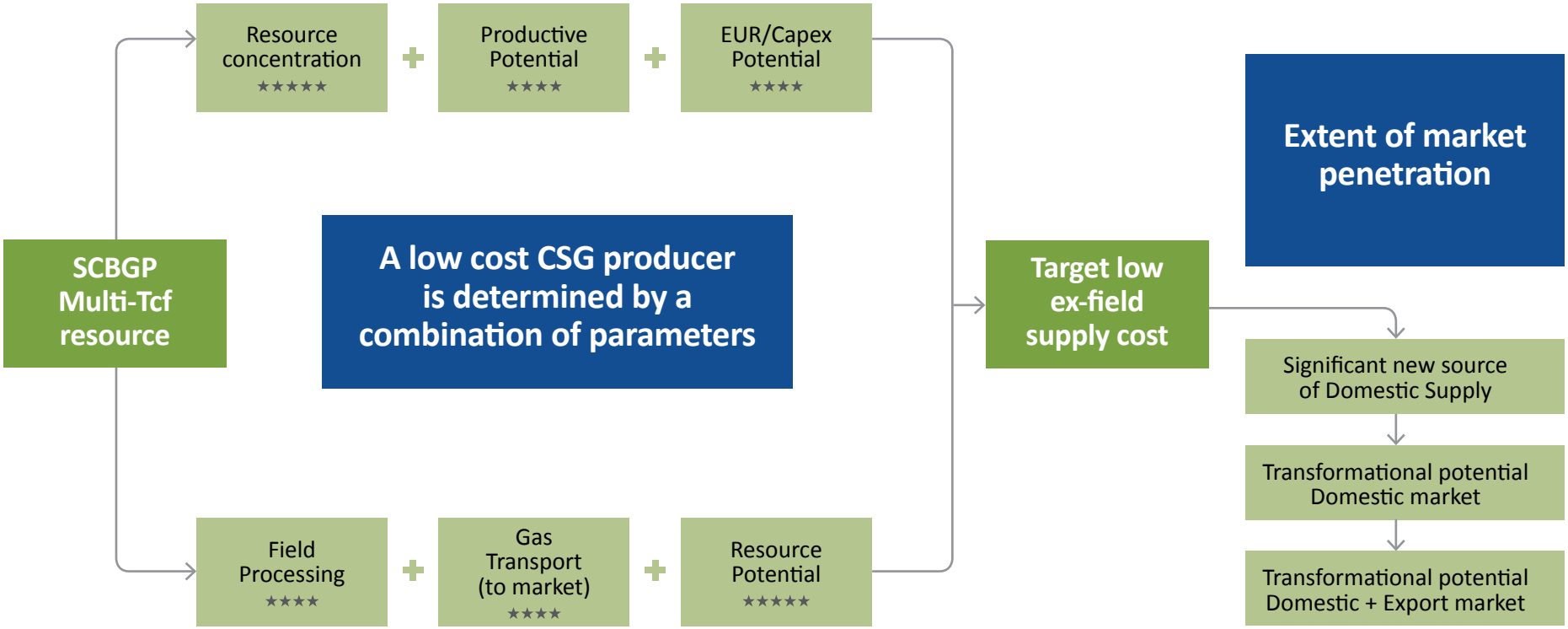
Three completion stages (development well)

Development wells may produce up to 4 MMscfd of raw gas from multi-zone Patchawarra completions

Strike's confidence in SCBG is underpinned by very favourable reservoir characteristics

SCBGP: Transformational potential of low supply cost outcome

Gas flows from the Klebb pilot are expected to confirm the remaining reservoir parameters that determine commercial potential. The enormous scale of the prospective resource will drive SCBGP down the cost curve.



The SCBGP can deliver compelling gas supply economics

Initial customer base in place: Clear pathway to gas production

- 1.5 million acres, ideally located southern Cooper coals
- 11 Tcf prospective resource
- $90 million expended on exploration, appraisal and pilot production

Funding sources

Substantial industry support

Gas off-take $17 million
R & D funding $25 million
JV funding $30 million
Equity capital $18 million
PACE grant $2 million

Adelaide Brighton Ltd

australbricks since 1908

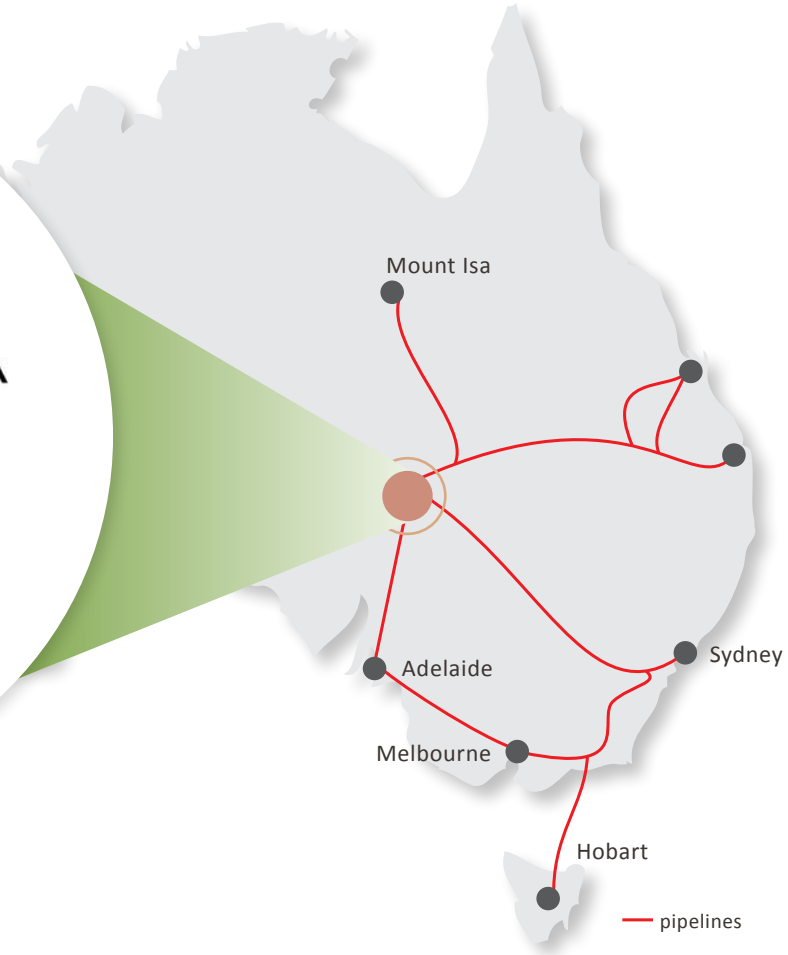
ORICA

ORORA

Strike Energy

3rd party gas processing and compression

Government of South Australia



East coast gas market in need substantial new supply sources

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Contingent Resource Estimate

DeGolyer and MacNaughton was engaged by Strike to undertake an Independent Review of the gas resource in PEL 96 based on the data and information acquired to date by Strike from the drilling and flow testing programs carried out at the Le Chiffre 1 and Klebb 1, Klebb 2 and Klebb 3 wells.

DeGolyer and MacNaughton has estimated a contingent gas resource on a probalistic basis for the initial zones that have been flow tested within the Le Chiffre 1 and Klebb 1 wells. As these zones only represent a portion of the net coal encountered at these locations, successful flow testing of additional zones will enable an increased contingent resource to be booked.

The table below summarises the Contingent Resource Estimates.

	Contingent Gas Resource Estimates – PEL 96[1]		
Well	1C[2]	2C[2]	3C[2]
Productive area (acres)	2,171	2,938	3,931
Le Chiffre 1 – Patchawarra Vu Upper and Vu Lower zones (bcf)	62.9	93.2	132.4
Klebb 1 – Patchawarra Vu Upper zone 9 (bcf)	42.1	62.2	93.3
Total Gross Contingent Resource (bcf)	105.00	155.4	225.7

1. Contingent Resource Estimates have been prepared in accordance with the Petroleum Resources Management System "PRMS". Contingent Resource Estimates are those quantities of gas (produced gas less carbon dioxide and fuel gas) that are recoverable from known accumulations but which are not yet considered commercially recoverable.

2. 1C, 2C and 3C estimates in this table are P90, P50 and P10 respectively for each well and have been summed arithmetically

3. Net to Strike's 66.7% interest in PEL 96

Important Notice: continued

Competent Persons Statement

The information in this presentation that relates to the PEL 96, PEL 95 and PEL 94 contingent resources estimate has been taken from the independent reports as prepared by DeGolyer and MacNaughton, a leading independent international petroleum industry consultancy firm, and has been reviewed by Mr Chris Thompson (Chief Operating Officer of the Company). All other reported resource and or reserves information in this presentation is based on, and fairly represents, information prepared by, or under the supervision of Mr Thompson.

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. Mr Thompson is a qualified petroleum reserves and resources evaluator within the meaning of the ASX Listing Rules and consents to the inclusion in this release of the resource and or reserves information in the form and context in which that information is presented.

About DeGolyer and MacNaughton

The information contained in this release pertaining to the PEL 96 contingent resources estimate is based on, and fairly represents, information prepared under the supervision of Mr Paul Szatkowski, Senior Vice President of DeGolyer and MacNaughton. Mr Szatkowski holds a Bachelor of Science degree in Petroleum Engineering from Texas A&M, has in excess of 40 years of relevant experience in the estimation of reserves and contingent resources, and is a member of the International Society of Petroleum Engineers and the American Association of Petroleum Geologists. Mr Szatkowski is a qualified petroleum reserves and resources evaluator within the meaning of the ASX Listing Rules and consents to the inclusion of the contingent resource estimate related information in the form and context in which that information is presented.

While not yet commercial, these results confirm that the coals will be capable of substantial gas production rates and highly economic per well recoveries as the reservoir pressure is reduced at increasing distances from the wells.