

Klebb 2 August 2017

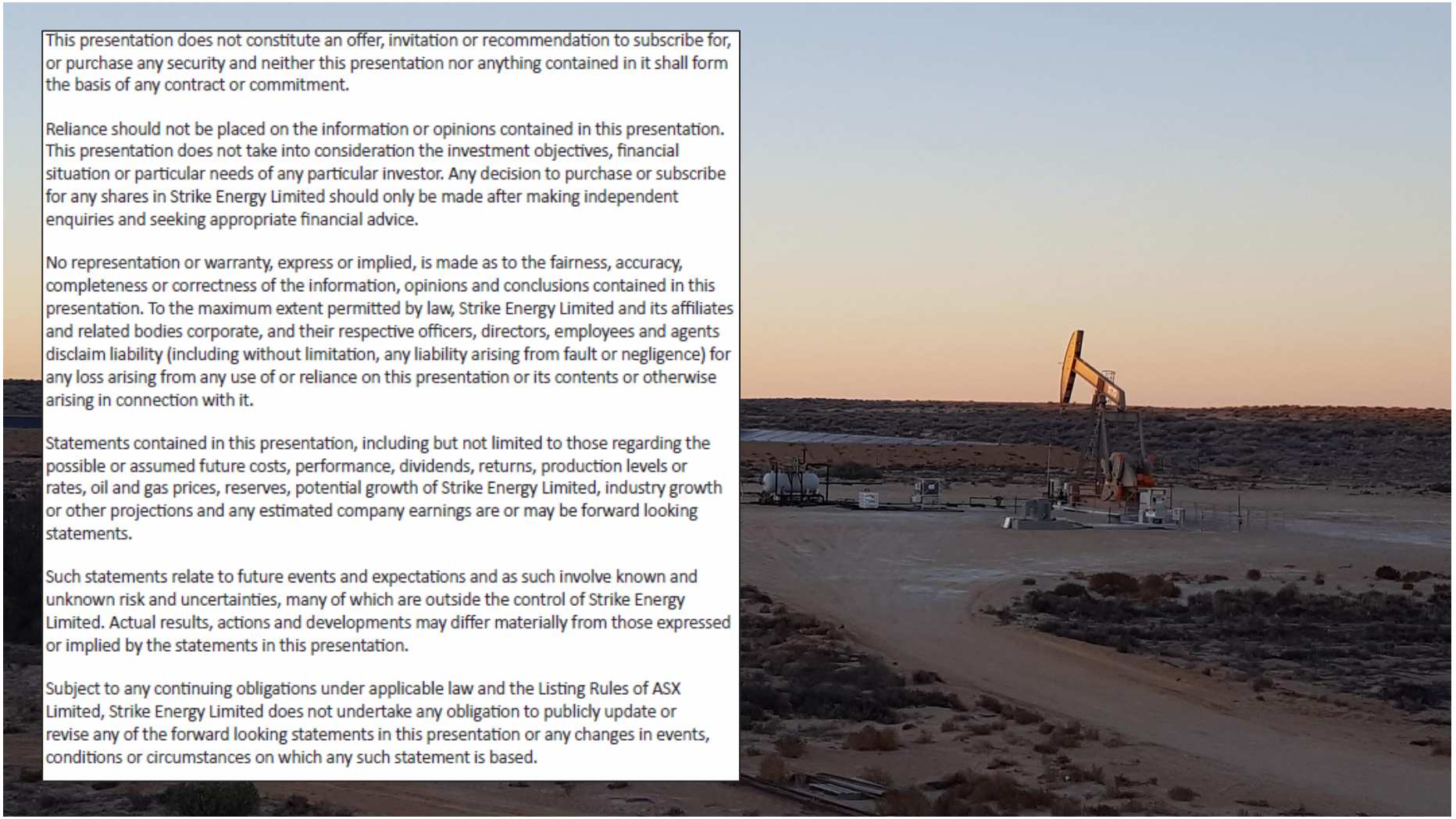
Southern Cooper Basin Gas Project

John Poynton AO
Chairman

Stuart Nicholls
Managing Director & CEO

September Update 2017

Disclaimer



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Strike Corporate Information

Securities Exchange
ASX: STX

Market Capitalisation
~$85 million
Price at 01 September 2017
$0.090 per share

Securities on Issue
Shares: 964,640,299
Options: 16,200,000
Performance Rights: 6,800,000

Top 30 Shareholders
43.48% ownership

Cash at Bank
~$3.4 mln
Joint Account Funds (STX 66.67%)
~$1.2 mln

Corporate / Registered Office
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Adelaide, South Australia
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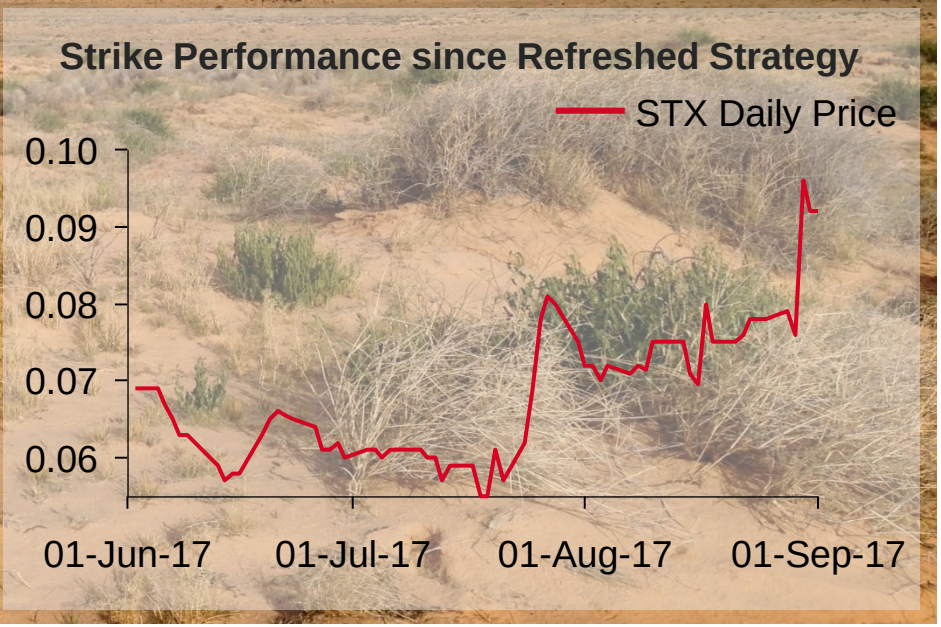
W: www.strikeenergy.com.au



* Source: Yahoo Finance

Strike's Major Progress

Technical

- Resource externally validated and uncertainty removed
- Technical Success achieved (Gas Content of 6.1 - 6.0 m3/t)
- Reservoir parameters defined (Permeability, Porosity, Saturation etc.)
- Jaws program costed, modelled and designed

Operational

- Performance issues identified and remedied
- Gas production and flares returned, water expectation normalized
- Significant reduction in daily operating costs

Commercial

- New GSA struck with Orica; improved terms across the board
- PACE Grant application submitted for up to $8mln, announcement October
- Allocation of $990,000 from Economic Investment Fund SA

Organisation

- Head office relocated to Adelaide
- New board in place
- New leadership team recruited
- New technical & drilling team with Cooper Basin subsurface experience


Flare at K3 July 17

A New Board with a High Performance Team

Board of Directors



Chairman
John Poynton AO Cit WA
Australian Business Leader
Governance & Finance



Managing Director
Stuart Nicholls
From Shell International
Exploration & Commercial



Non-Exec Director
Tim Goyder
Mining & Drilling Executive
Exploration & Management



Non-Exec Director
Jody Rowe
Ex-QGC, Rowe Consultants
Contracting & Procurement



Non-Exec Director
Andrew Seaton
Ex CFO Santos
Finance & Commercial

New Board

New Strategy

New Team

New Plan

Results



Principal Consultant
Tony Cortis
From Shell International
Unconventional Geology

Leadership Team



Chief Financial Officer
Justin Ferravant
From Santos, Origin
Finance



GM Commercial & Legal
Lucy Gauvin
Ex-Partner Piper Alderman
Energy, Resources



GM Technical
Temujin Einthal
From Inpex, Gazprom
Projects



GM Operations
Pax Barkla
From Fyfe, Santos
Upstream & Operations

Southern Cooper Basin Gas Project

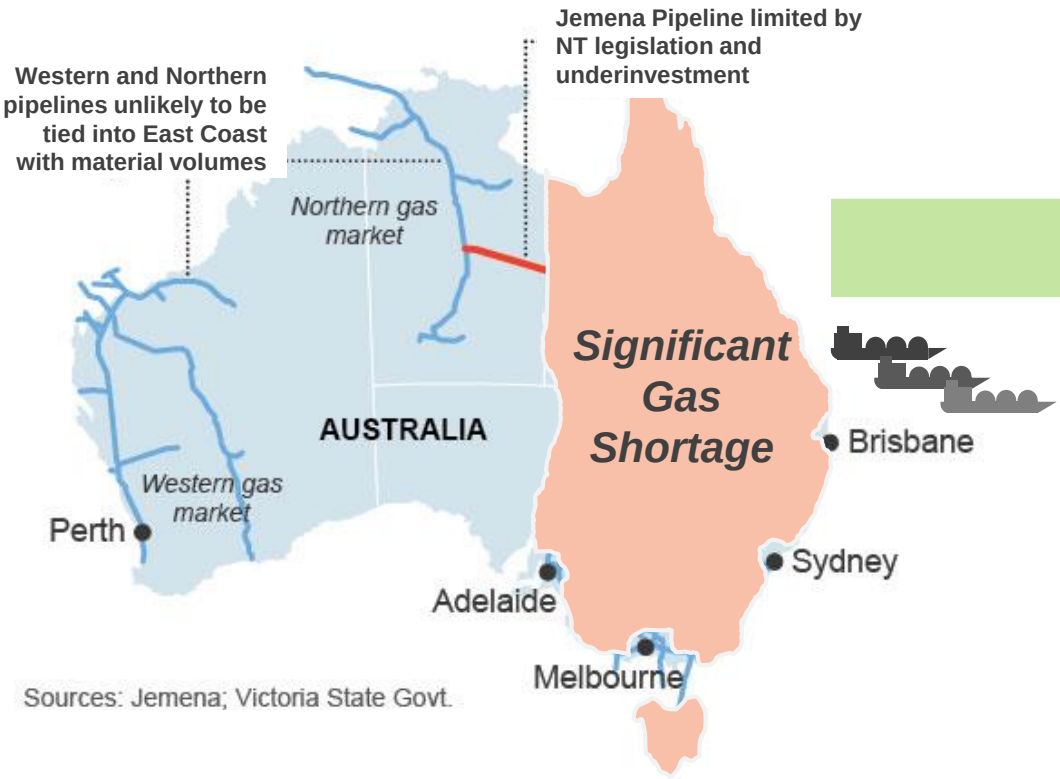
Strike's SCBGP is one of the largest accessible undeveloped onshore East Australian gas resources

- The SCBGP is a premium investment in the East Coast gas thematic, which is driven by:
  1. External validation of the prolific and producible nature of the resource (4+ TCF in PEL96 alone)
  2. High class resource density (8.55 BCF/ km² in VU Upper alone)
  3. Favourable long term price environment ($8-12 GJ)
  4. Top quartile cost of supply of greenfield volumes
  5. Proximity to major infrastructure (Moomba to Adelaide Pipeline and Moomba Gas Plant)
  6. Pro-development and supportive legislative environment in S.A.
  7. Minimal non-technical risk



* Resource density is raw

East Coast Gas Market – Certainty of Demand



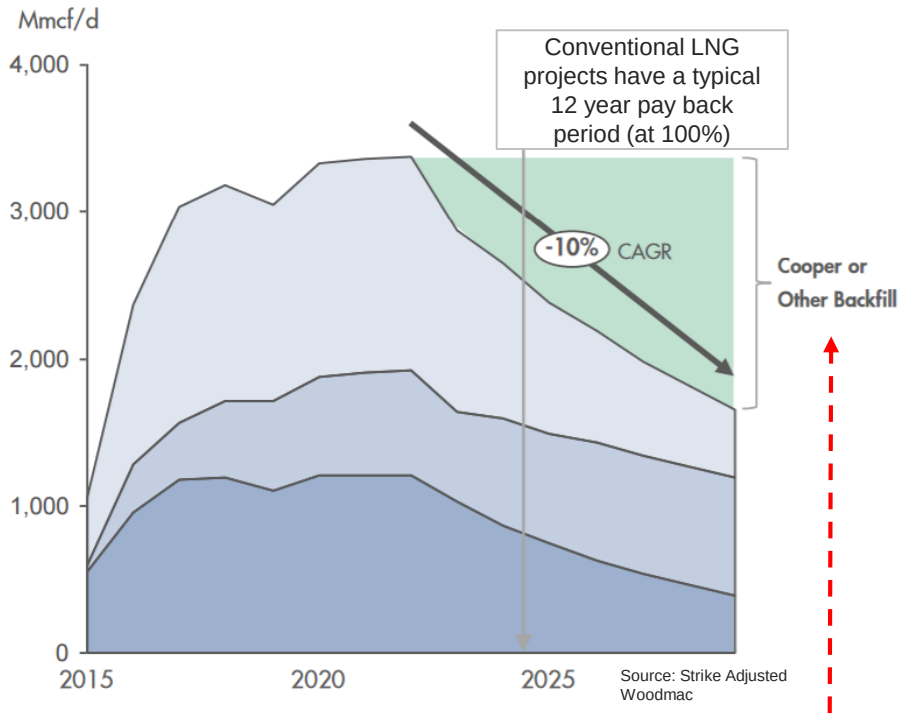
No single solution will fix the shortage

- NT Gas: Jemena Pipeline = 33 PJ pa
- WA Gas: Pipeline unlikely to land for less $15 GJ
- LNG import to be rendered uneconomic by shipping rates

- Eastern Australian market is 25% short. (500 PJ pa)
- LNG exporters are being forced to curtail liquefaction to support local demand.
- ADGSM wont alter demand picture.
- Supply side continues to be short of new upstream options. Only a handful of gas projects have been sanctioned since gas crisis.
- New consumers entering into South Australian gas market despite lack of new volumes.

East Coast LNG Feed Gas

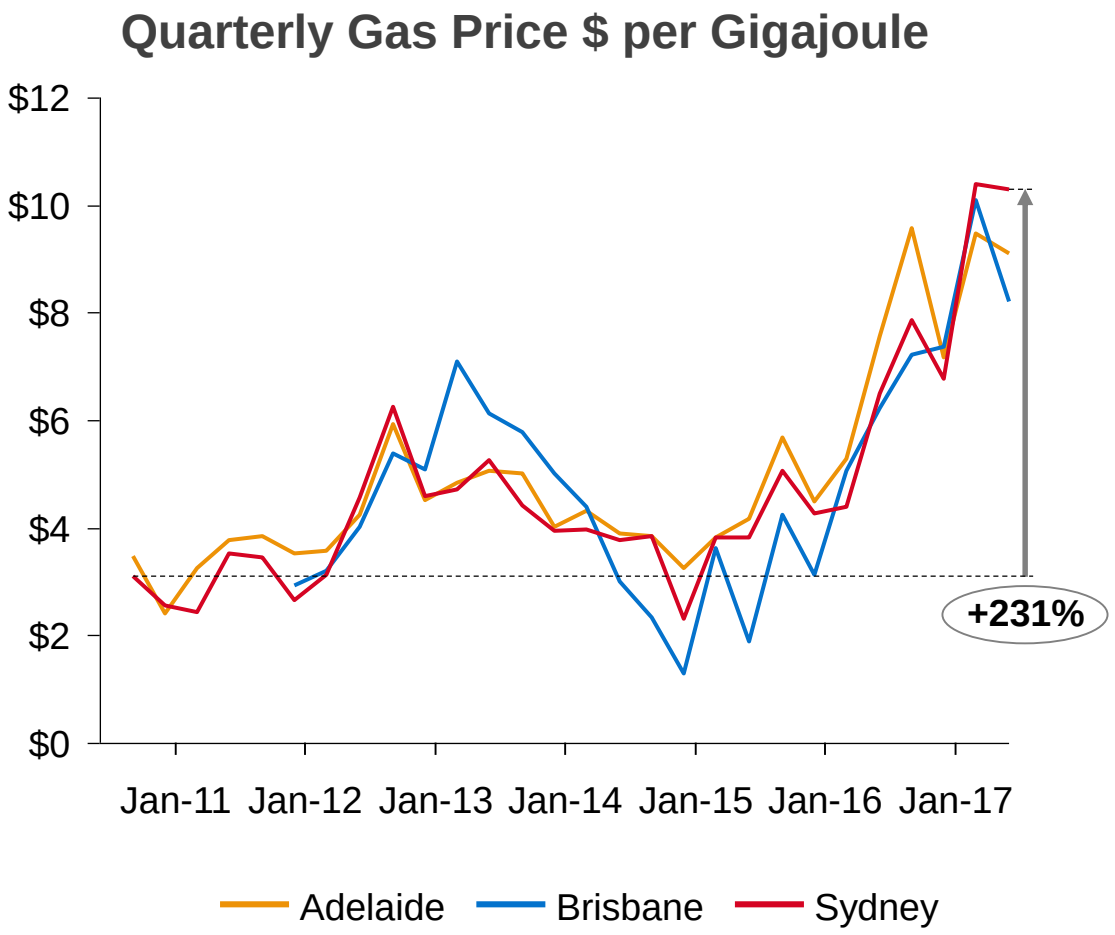
Predicted Decline in Production at Queensland LNG



Looming Reserves shortage will increase pull on domestic volumes

- With 25 mmtpa of liquefaction in Gladstone domestic price is a netback of LNG or higher.
- LNG plants currently running with low utilisation rates resulting from lagging upstream supply and weak global prices.
- Upstream supply a continuing problem.
  - QGC write downs,
  - GLNG acreage restrictions and 3rd party supply model,
  - ADGSM,
  - Bowen basin permeability issues.

State based gas prices



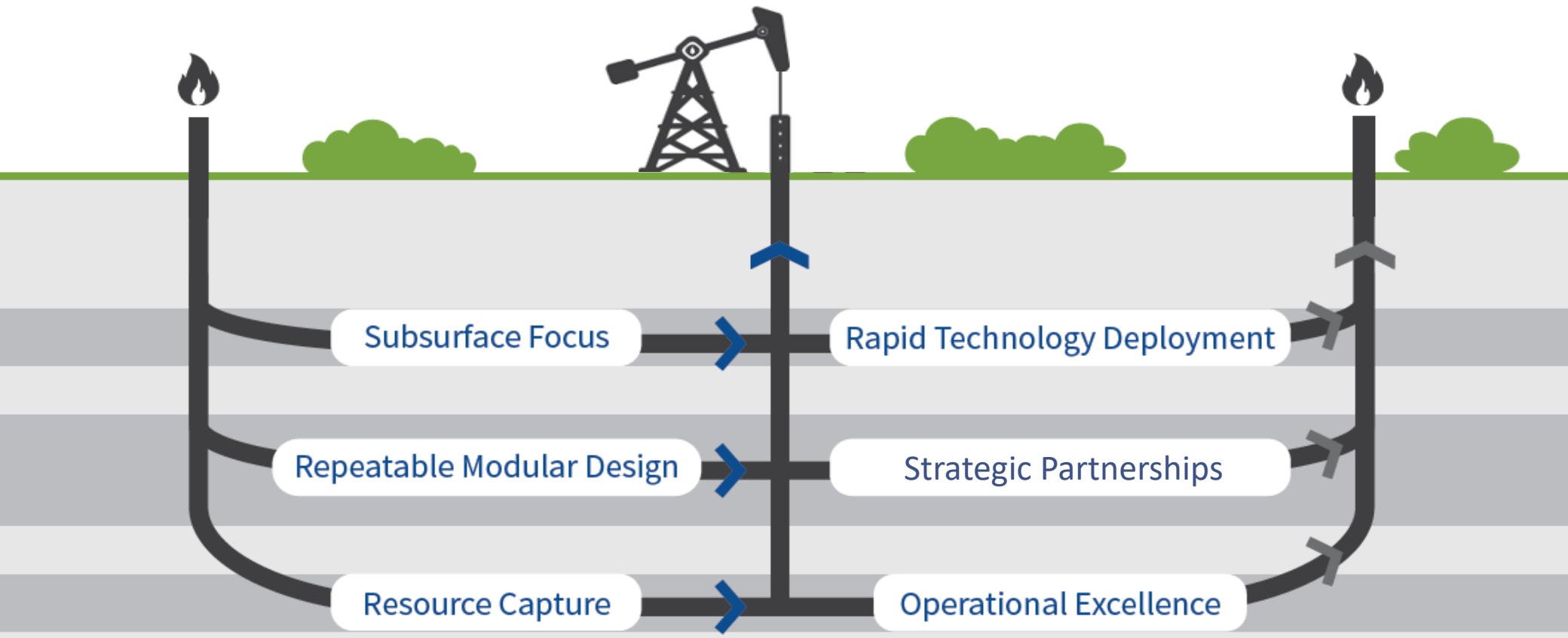
This figure shows average daily ex ante gas prices by quarter for each STTM hub
Source: AER website, AMEO

- Commissioning of LNG export plants + onshore moratoria have exacerbated recent pricing.
- State moratoria put in place in 2015 & 2016, unlikely to be lifted by present governments. (restriction of new supplies)
- Government under pressure to facilitate lower prices. Increasing supply is the best way to achieve this.

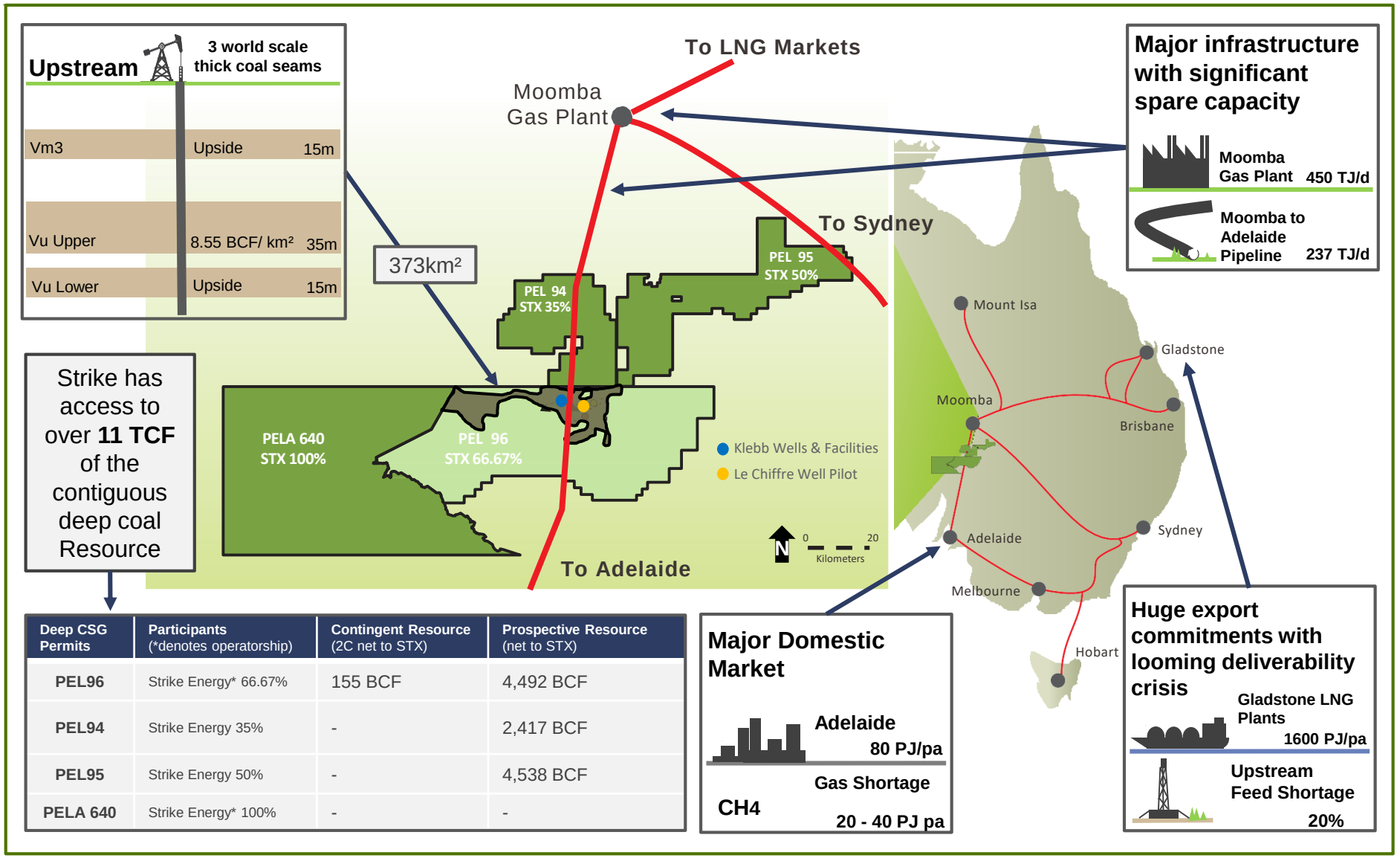
Strike Energy

Vision & Strategy

"Strike Energy will focus on delivering material gas production from its extensive deep coal seam assets, in order to drive major value creation by 2020."



Strike primed to influence East Coast energy market



Deep CSG Permits	Participants (*denotes operatorship)	Contingent Resource (2C net to STX)	Prospective Resource (net to STX)
PEL96	Strike Energy* 66.67%	155 BCF	4,492 BCF
PEL94	Strike Energy 35%	-	2,417 BCF
PEL95	Strike Energy 50%	-	4,538 BCF
PELA 640	Strike Energy* 100%	-	-

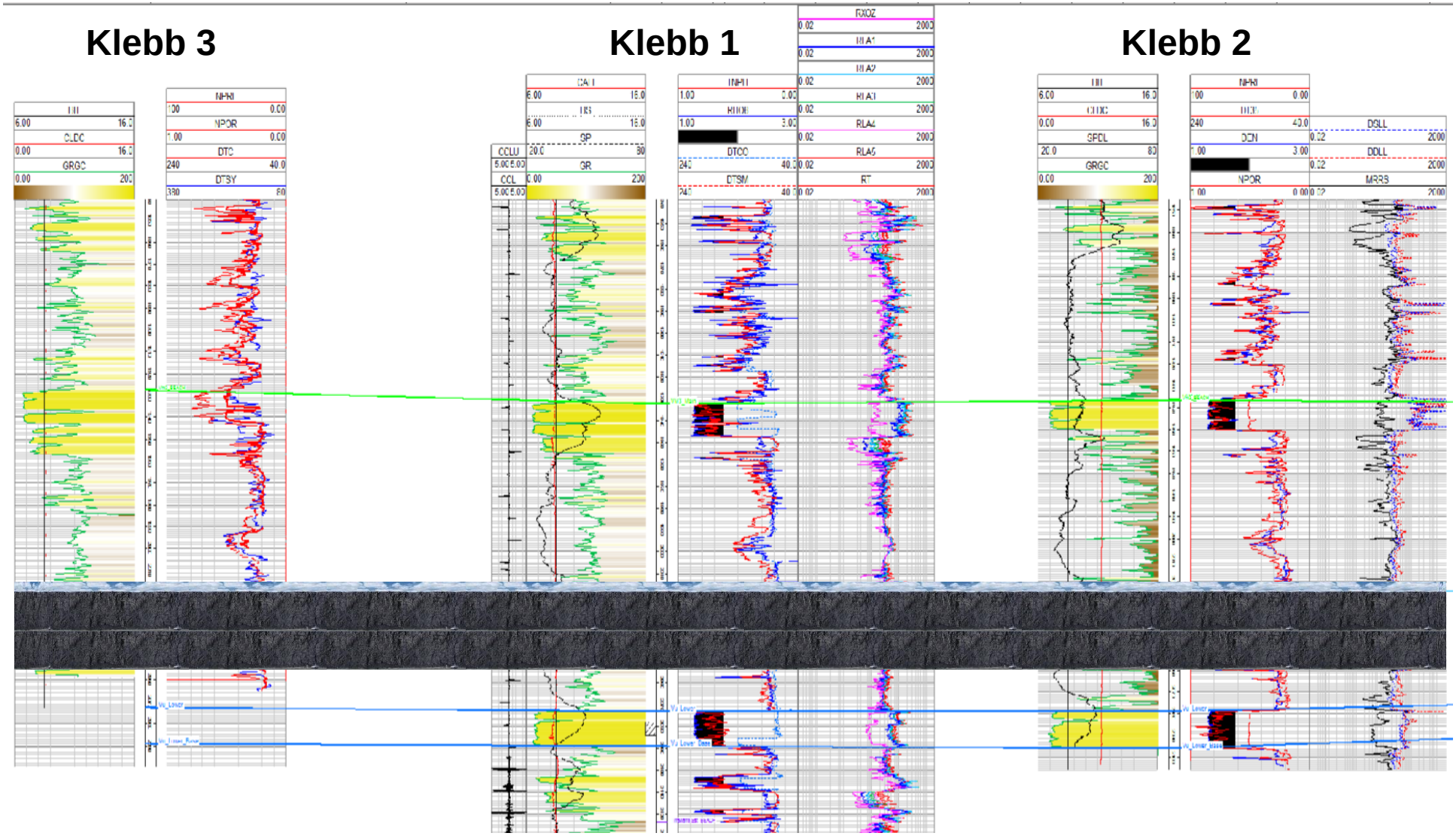
"The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Prospective Resource shows Recoverable sales gas, net to Strike as of 1 February 2014. Resource Density of 8.55BCF / km2 is Raw Gas

Coal Continuity – Modern Analogues



Modern day Peat Swamp James Bay Lowlands Canada

A Huge Contiguous Resource



Unique Geological Setting a Game Changer

Eastern Australian Coal Basins Gas Content vs Depth

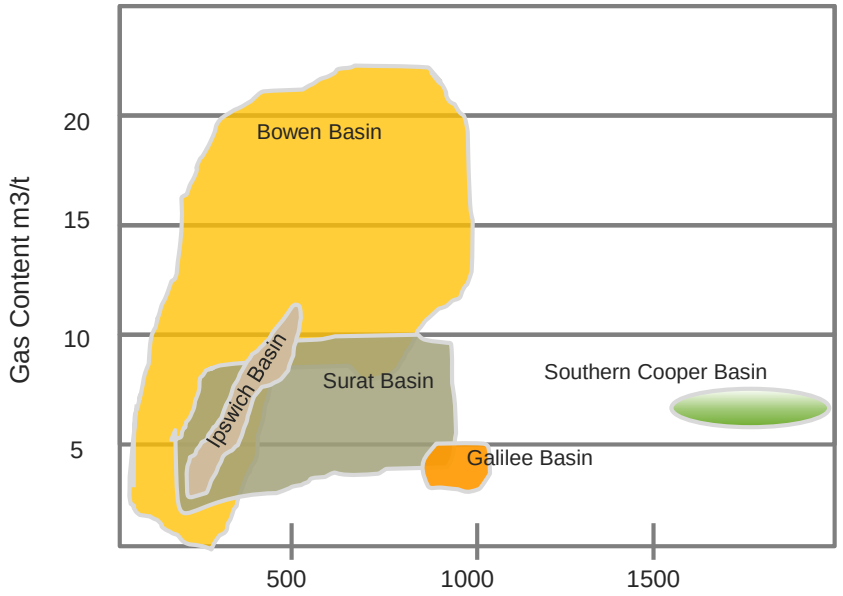


Figure: 1

Net Pay vs Depth for various Coal Seam Gas Projects

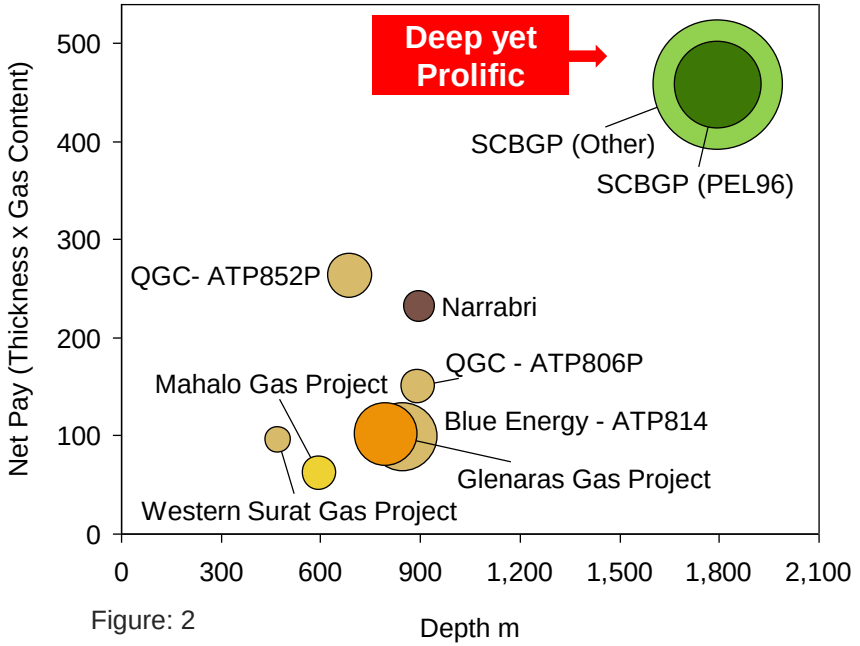


Figure: 2

- Strike's coals breaks the industry paradigm around the inverse relationship between depth and producibility. This is due to the Southern Cooper Coals' unique extensional vs compressional setting, allowing for preserved permeability.
- Regional expectation in line with Strike gas content analysis.
- Industry first: Strike's Southern Cooper Coal Seams are the deepest tested coal seams in Australia.

Galilee Basin
Surat Basin
Bowen Basin
Gunnedah Basin
Cooper Basin
= Size (PJ; Reserve & Resource)

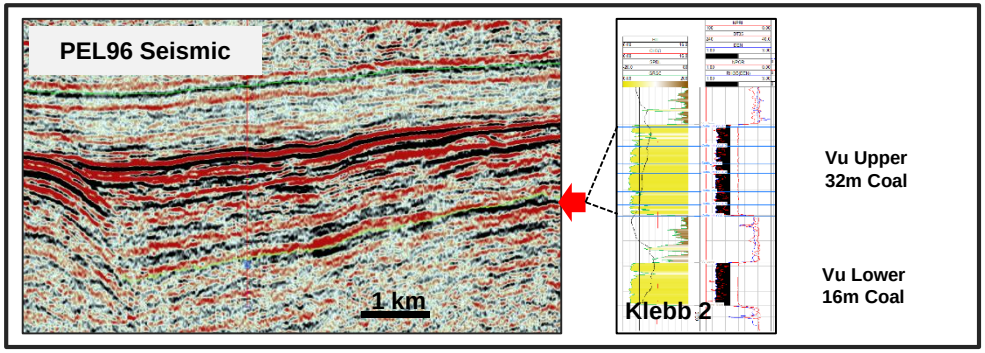
Figure 1: Extrapolated from Surat Basin, Kong (2016). All Gas Content numbers refer to m3 of CH4 per tonne of coal
Figure 2: Coal Seam Gas Project data sourced from various ASX announcements, company websites and environmental impact assessments.
Strike information: Volumes and gas content analysis as per previous company announcements. These volumes are estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and 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 moveable hydrocarbons.

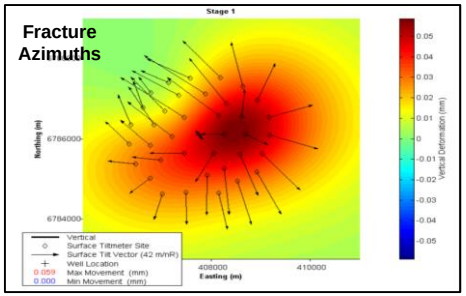
All the ingredients for success have come together

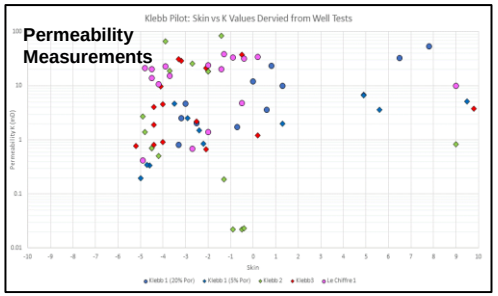
- ✓ Unique depositional environment
- ✓ Thick continuous mappable coal
- ✓ Multiple reservoir horizons
- ✓ Multiple wells with multiple tests
- ✓ Successful pilots
- ✓ Defined reservoir
- ✓ Gas bearing
- ✓ Productivity proven

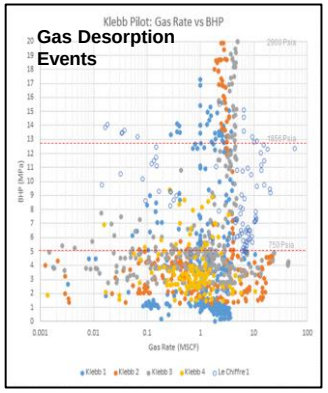
Technical Success

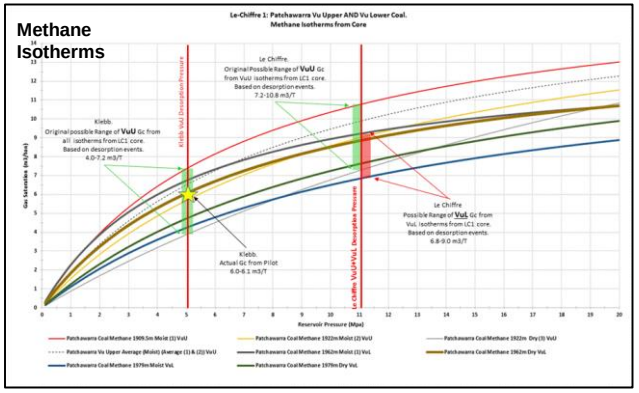
Prolific resource



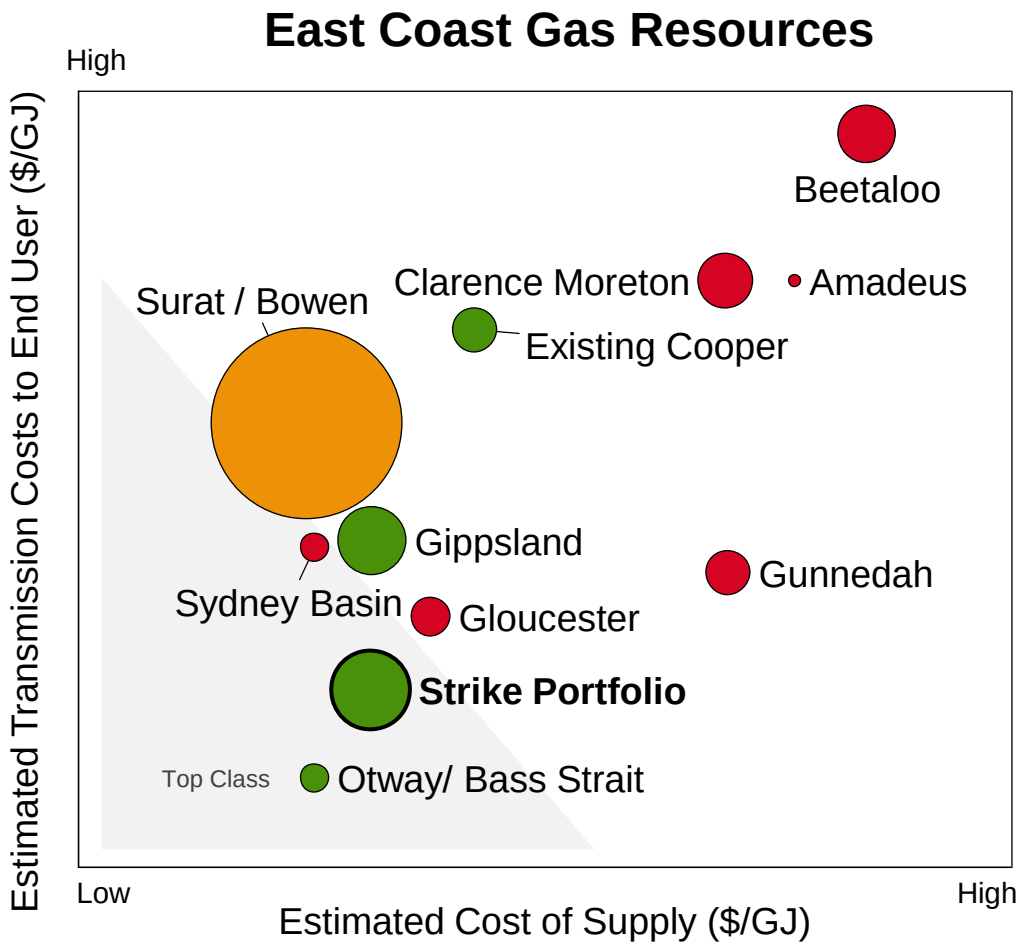








Strike's Competitiveness



- Unrestricted
- Land Acess Issues
- Mortatoria or Significant Restriction

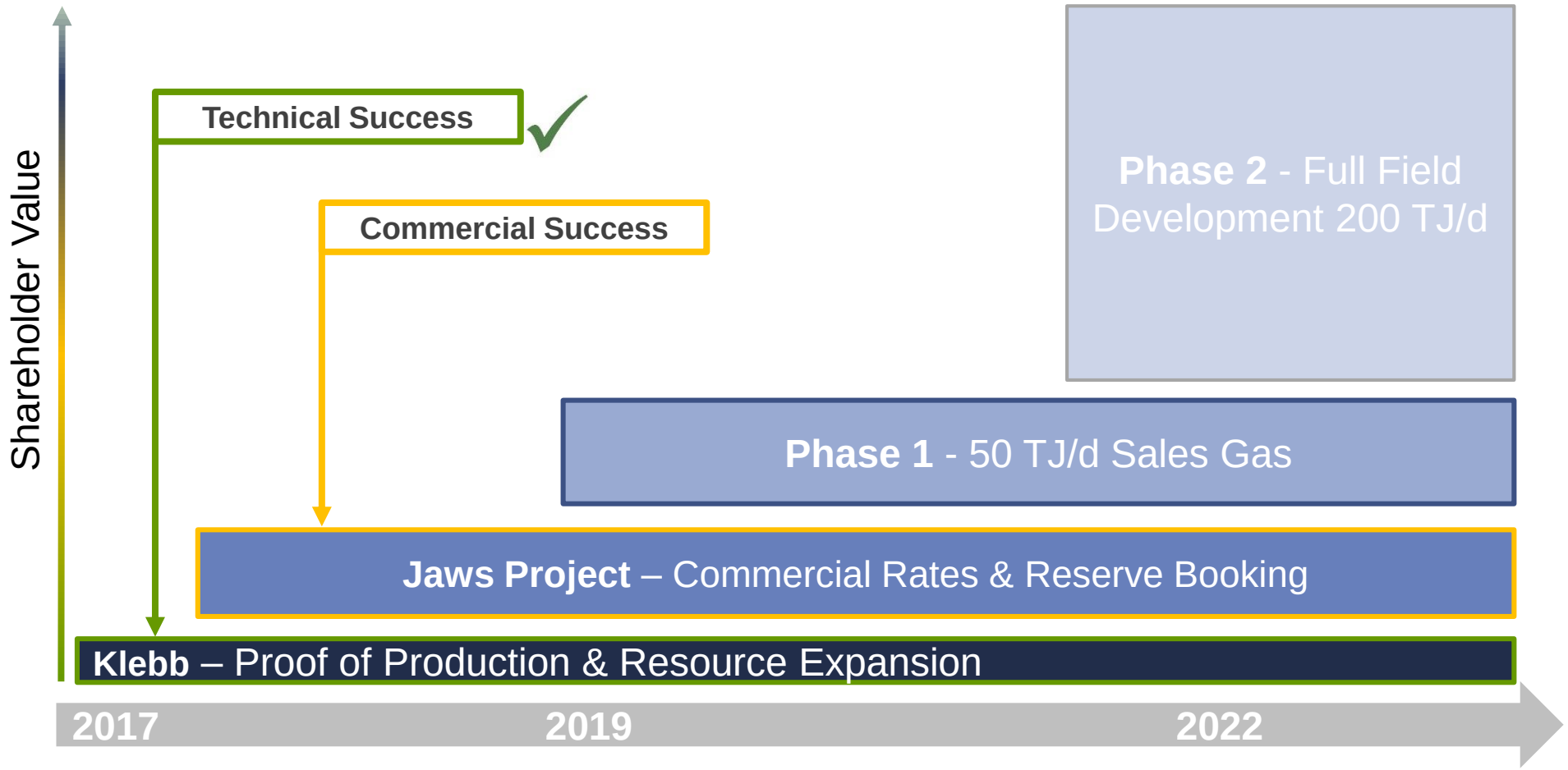
Size : Remaining Volume (PJ)

Competitive Positioning

- **Low Cost & Near Customers**
- Few opportunities to invest in the East Coast Gas thematic.
- Strike a high quality and robust option.
- Strike's position is adjacent to a major pipeline and has unparalleled proximity to its primary market.
- The size of Strike's substantial resource allows for significant cost reductions and economies of scale.

Sources used for the compilation of the chart include: Core Energy Gas Production and Transmission Costs for eastern and south eastern Australia (including Strike analysis), AEMO South Australian Fuel and Technology Report, Core Energy Gas Reserves and Resources Eastern and South Eastern Australia. Strike's number for COS are based on volumes in slide 11 of this presentation.

SCBGP Value Staircase



Strike's Targets

- 100% of its current market cap in revenue within 2 years of Commercial Success.
- Production equivalent to 100% of South Australia's gas demand by 2025.

*Commercial Success and execution of Phases 1 and 2 are contingent on speed of Capital Procurement, Reservoir Performance and Operational Execution

Jaws-1

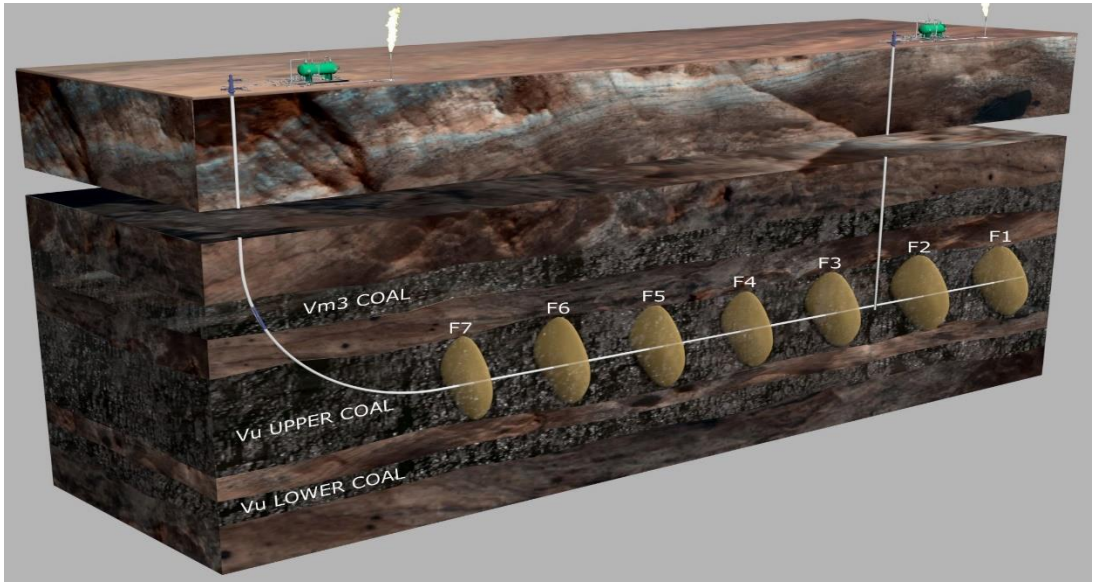
Jaws-1 to unlock a multi-TCF resource

The Jaws-1 production system is designed to enhance natural characteristics of the coal by:

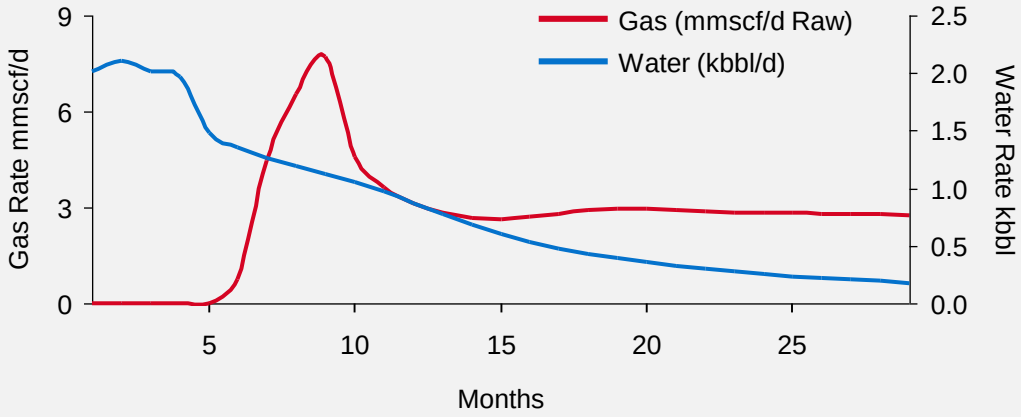
- Improving induced permeability through multi-stage fracturing,
- Increasing production rates via mass communication with the reservoir via horizontal axis, and
- Improving directional engagement to align well bore with natural cleating & fractures.

Jaws-1 objectives:

1. The booking of a reserve;
2. Expansion of contingent resource;
3. Commercial production testing and a midstream FID; and
4. Coring of the three seams to progress Vm3 & Vu Lower toward their Technical Success.

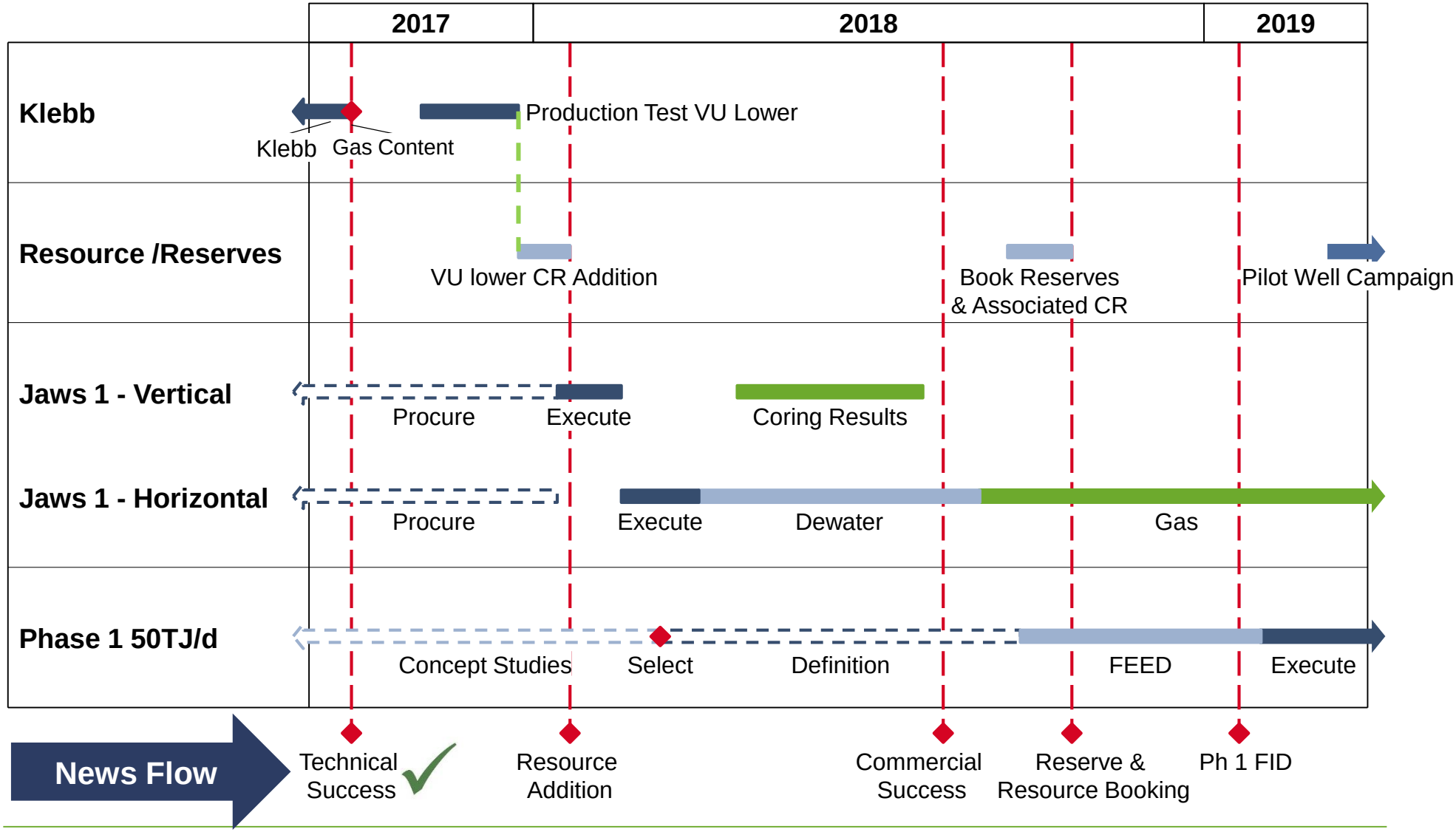


Jaws-1 Production Profile (6.1 m3/t)



* All Gas Content numbers refer to m3 of CH4 per tonne of coal unless stated
Jaws-1 production profile reflective of the reservoir model depicted within this presentation

News Flow Timeline



*All timelines are indicative and subject long lead and rig procurement, capital raising and reservoir performance metrics

Progress towards Commercial Success

Strike now has sufficient technical confidence in its resource to progress further appraisal and investment. Strike will immediately:

1. Accelerate the Jaws Project planned for Q1 2018, including long lead procurement.
2. Conduct remaining low cost appraisal at Klebb.
3. Prepare the Klebb facilities and civil works for the Jaws project.

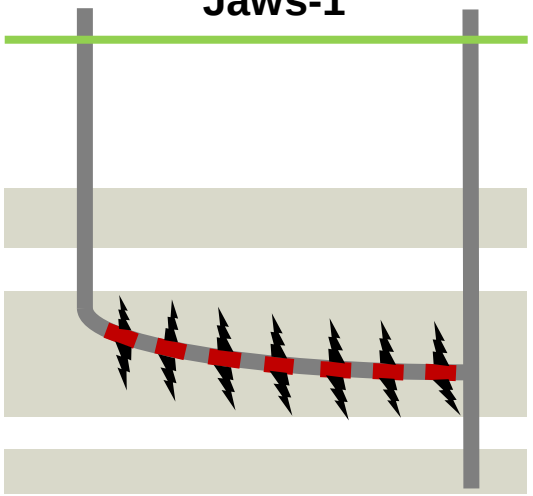
Strike Investment Thesis

Short Term Funding

$10mln Capital

+

Jaws-1



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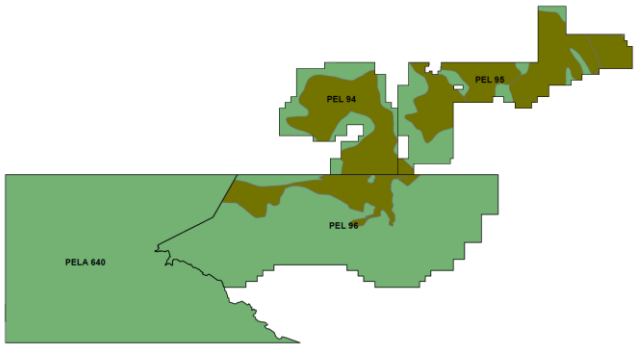
Commerciality of Multi-Tcf Deep Coal Seam Play



*Capital is Strike Share and does not include opex

Summary

Strike now has the:

- Requisite information & data (Technical Success)
- A board with the right experience
- The right strategy & plan
- A qualified execution team; and
- The commercial contracts & offtake agreements

…to bring this prolific asset of national importance to market ASAP.



Flare at K2 July-17

Important Notice

Competent Persons Statement

Oil and Gas Reserves Estimation Process

The information in this report that relates to oil and gas resource estimates at 01 June 2017 is based on information compiled or reviewed by Mr A.Farley who holds a B.Sc in Geology and is a member of the Society of Petroleum Engineers. Mr A.Farley is Manager Geoscience for the Group and has worked in the petroleum industry as a practicing geologist for over 15 years. Mr A. Farley has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.

Technical validation Review

Igessi Consulting

Tony Cortis (M.Sc. Geology) who brings over 28 years of industry experience with Shell International. He has extensive technical and delivery experience in all three Unconventional Resource play types: tight clastic, shale and coal bed reservoirs. He has actively worked on CBM projects in the Bowser Basin, the Western Canada Sedimentary Basin and in the Ordos Basin of China.

Mr Cortis consents to the inclusion of his findings and information with relation to his evaluation of the activities and estimates at PEL96.

DeGoyler 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 DeGoyler 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 estimate of reserves and contingent resources and is a member of the International Society of Petroleum Engineer and the American Association of Petroleum Geologists. Mr Szatkowski is a qualified petroleum reserves and reservoir 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.