ASX Announcement

20 February 2014

The Company Announcement Officer
ASX Ltd
via electronic lodgement

SOUTHERN COOPER BASIN GAS PROJECT INVESTOR PRESENTATION

In conjunction with yesterday's resource upgrade announcement, Strike Energy Limited ("Strike" ASX:STX) is pleased to provide shareholders with a comprehensive presentation on the Company's Southern Cooper Basin Gas Project.

Managing Director, David Wrench said:

"The Company is very encouraged by the progress we have made to date with our Southern Cooper Basin Gas Project and is looking forward to commencing the next stage of our rapid commercialisation program."

Yours faithfully

DAVID WRENCH
Managing Director

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STRIKE ENERGY LIMITED

SOUTHERN COOPER BASIN GAS PROJECT

Investor Presentation

February 2014

Strike Energy

Southern Cooper Basin Gas Project: The opportunity

Strike Energy

The Eastern Australian Gas Market

The Market Reality

"Gas prices in Queensland are already reflecting the transition to export parity or LNG netback pricing. Supplies from Moomba are similarly reflecting export parity pricing."

AGL IPART submission February 2014

"....WE HAVE ESTIMATED AN LNG NETBACK PRICE OF $9.73/GJ AT MOOMBA."

Wholesale Gas Price for AGL's VPA Proposal for 2014-2016, The Brattle Group, February 2014

"....As a result gas prices are set to double or triple in the coming years and NSW faces a supply squeeze."

AFR: Energy costs push Alcoa over the edge, February 18, 2014

The Opportunity → **Strike's 4.5Tcf resource** → **Supply constrained market**

Southern Cooper Basin Gas Project: Executive summary

Strike's appraisal drilling confirms presence of world scale gas resource
- 4.5 Tcf prospective resource (PEL 96 net to Strike) directly under Moomba to Adelaide Gas Pipeline (MAPS)

Strike's 'gas saturated coals' - high resource concentration

Well capex of ~$3.5 million - compelling economics

Commercialisation program positioning Strike as 'frontrunner' for new gas supply

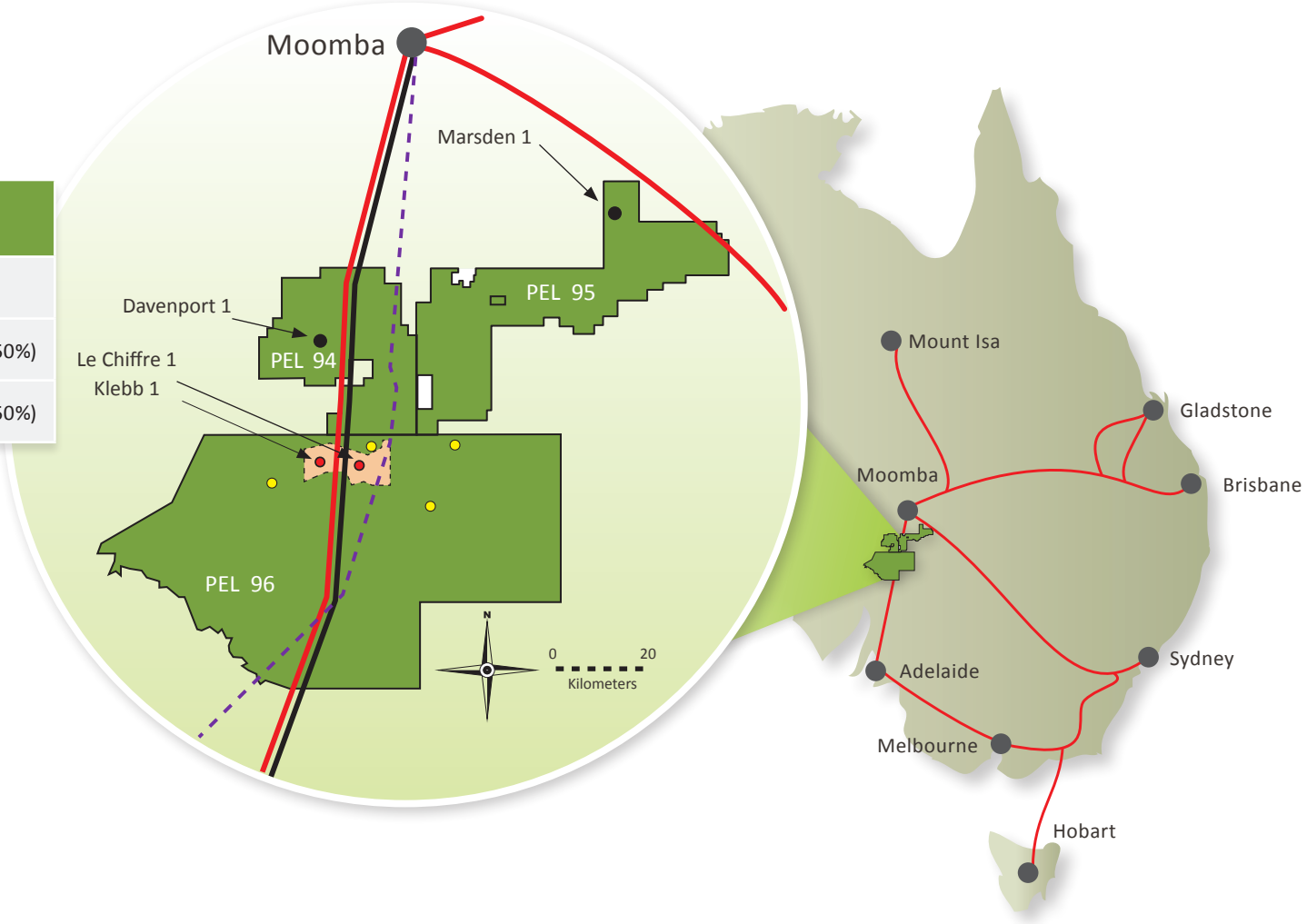
Clear path to market established
- foundation customer supporting project development
- innovative offtake agreements with domestic gas users
- Phase One Area resource could supply up to 25% of NSW demand
- plan to unlock the potential of the entire resource

Appraisal drilling results confirm transformational potential of Strike's Gas Project

Southern Cooper Basin Gas Project: Favourable location

Strike's PEL 94, 95 and 96 permits are ideally located with direct access to infrastructure connecting to Eastern Australian gas markets.

Permit	STX working interest	Operator
96	66.67%	Strike
95	50%	Beach Energy (50%)
94	35%	Beach Energy (50%)



- Strike Phase One Area wells drilled
- Strike Wells Drilled
- PEL 96 Offset Wells
- PEL 96 Phase One Area
- Gas Pipeline
- Oil Pipeline
- Strzelecki Track

Strike has control of planning, timing and execution of activities in PEL 96

Southern Cooper Basin Gas Project: Resource upgrade

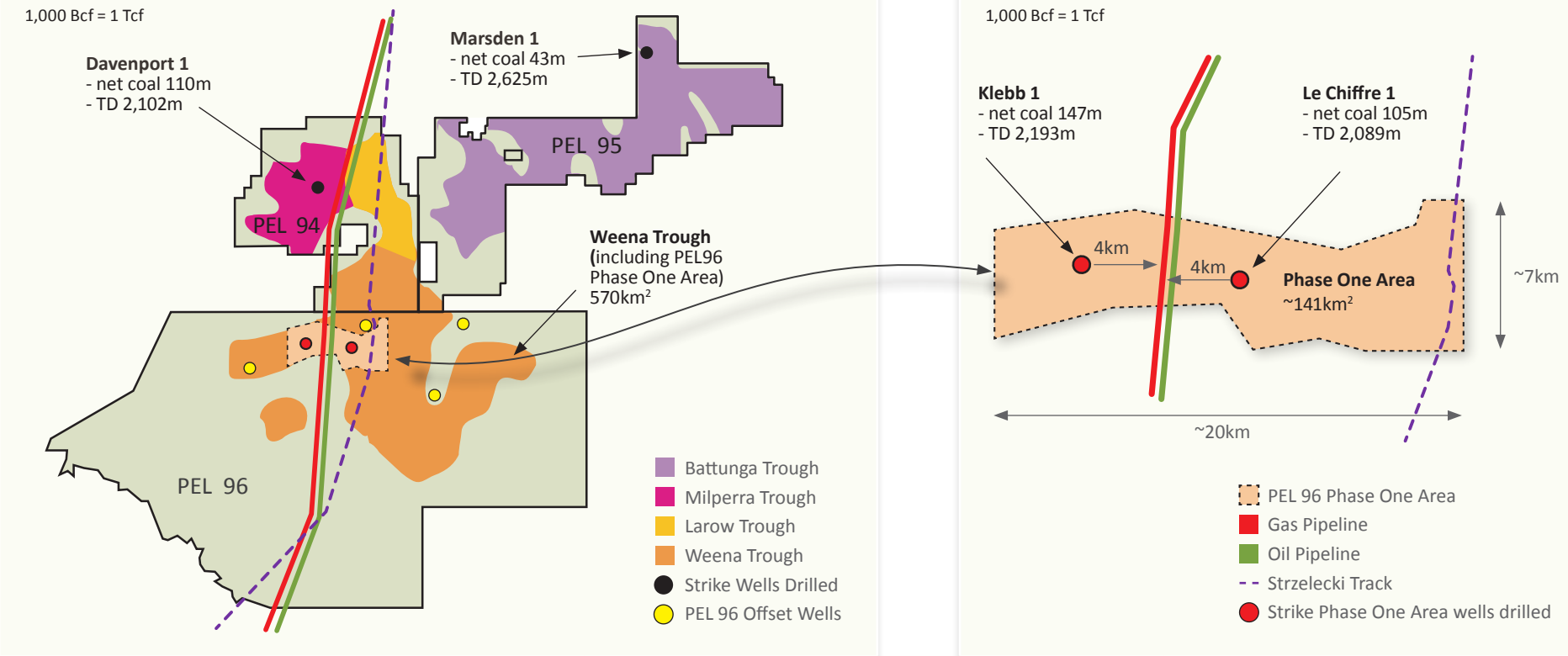
Following appraisal drilling, the mean estimate of the prospective resource within Strike's PEL 96 pemit increased to 4.5 Tcf (Phase One Area 1.25 Tcf). This resource is located directly beneath the Moomba to Adelaide Pipeline System (MAPS).

PEL 96 (net to Strike) Prospective resource

Low estimate	Mean estimate	High estimate
2,767 Bcf	4,492 Bcf	6,818 Bcf

PEL 96 Phase One Area (net to Strike) Prospective resource

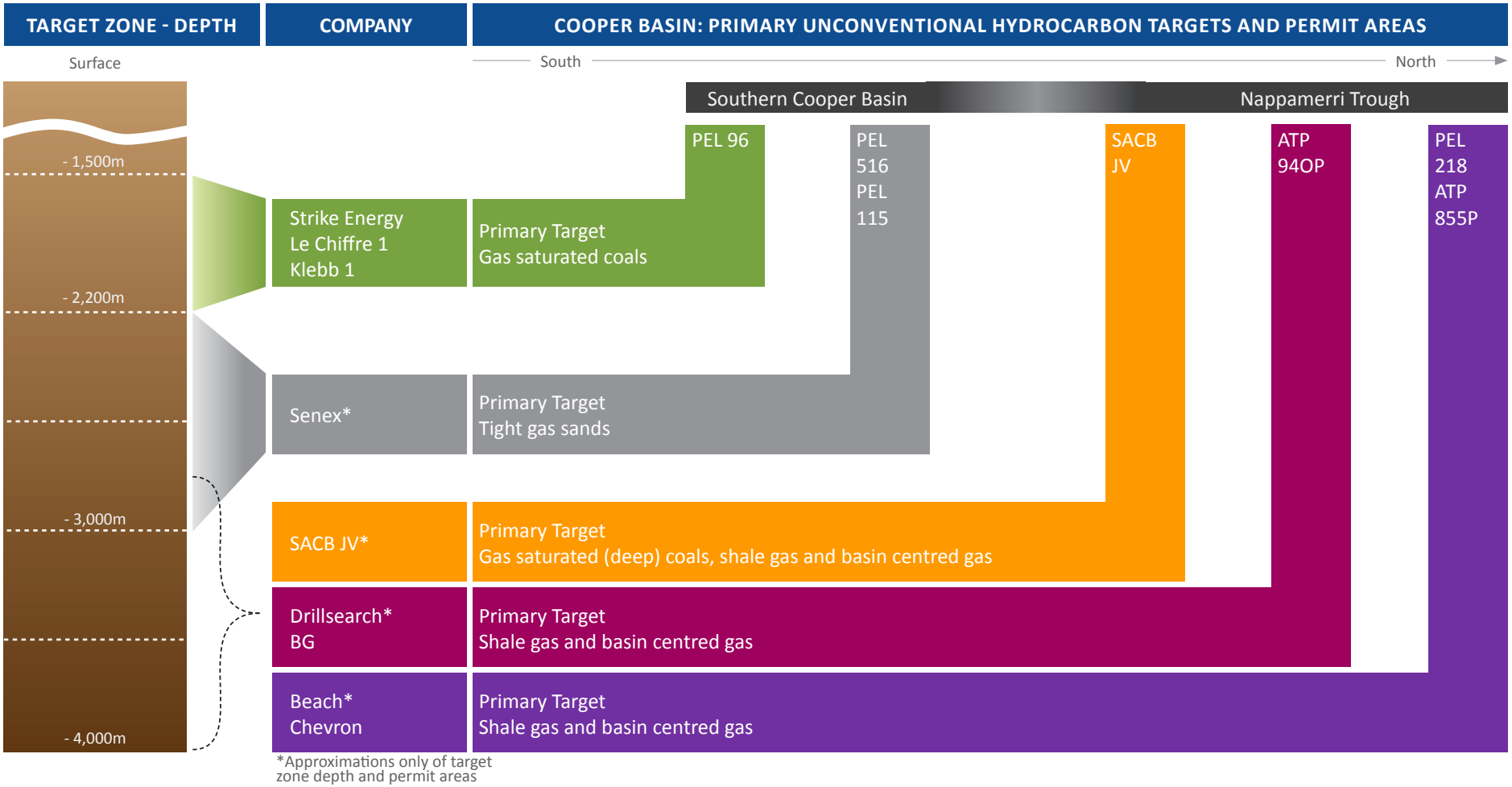
Low estimate	Mean estimate	High estimate
864 Bcf	1,227 Bcf	1,809 Bcf



4.5 Tcf prospective resource (PEL 96)

Southern Cooper Basin Gas Project: Target interval at optimal depth

Strike's appraisal program has confirmed the presence of thick, dry/gas saturated coals. The target interval at Le Chiffre 1 and Klebb 1 is in the optimal gas generation window at a relatively shallow depth. This delivers significant well cost advantages compared to deeper unconventional Cooper Basin activity.

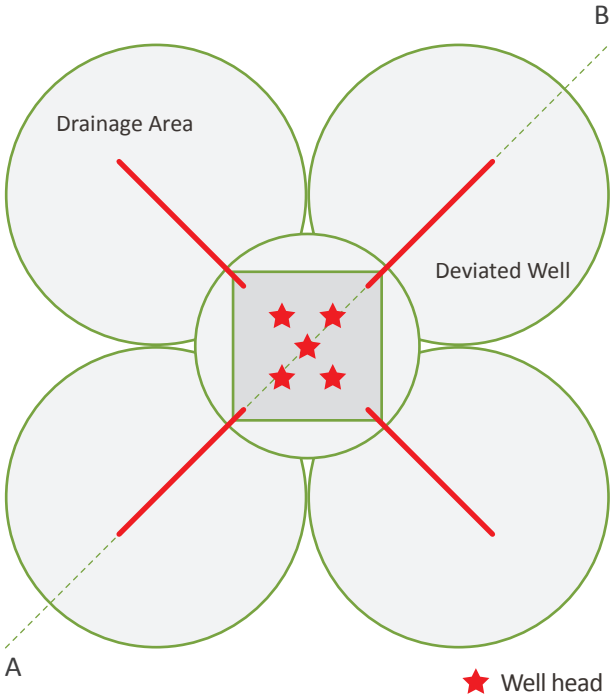


Strike's relatively shallow target horizon delivers significant well cost advantages

Southern Cooper Basin Gas Project: Well drilling and completion costs

Strike has completed an independent review of production well drilling and completion costs based on actual results achieved during the recent drilling program and firm third party tender quotes for the upcoming production testing program. The review has confirmed completed vertical production well costs of between $3.2 and $3.6 million per well are achievable.

5 Well Pad
Plan View



Drilling Activities

Drilling, casing and cementing

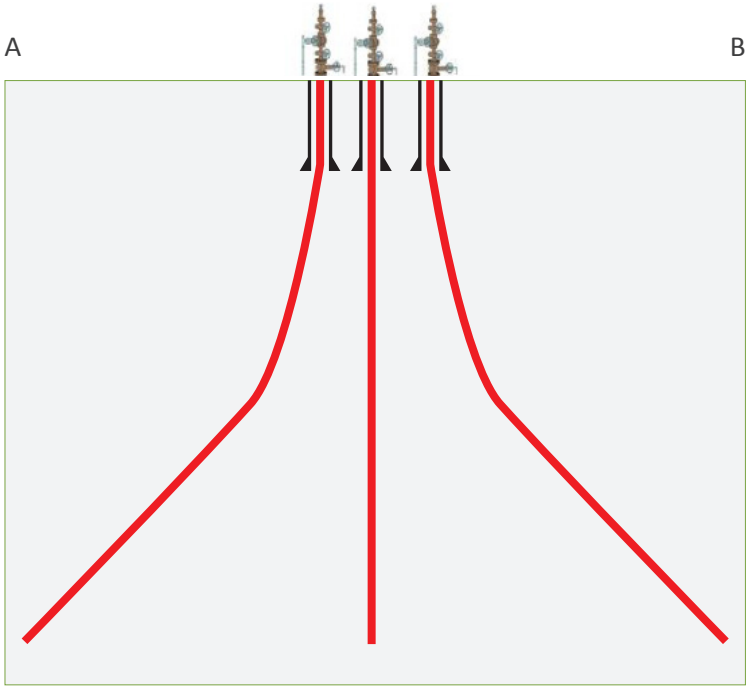
Completion Activities

Stimulation, flow-back and tie-in

Key Assumptions

Pad drilling; vertical wells targeting Patchawarra coals

5 Well Pad
Vertical Section Schematic



Not to scale

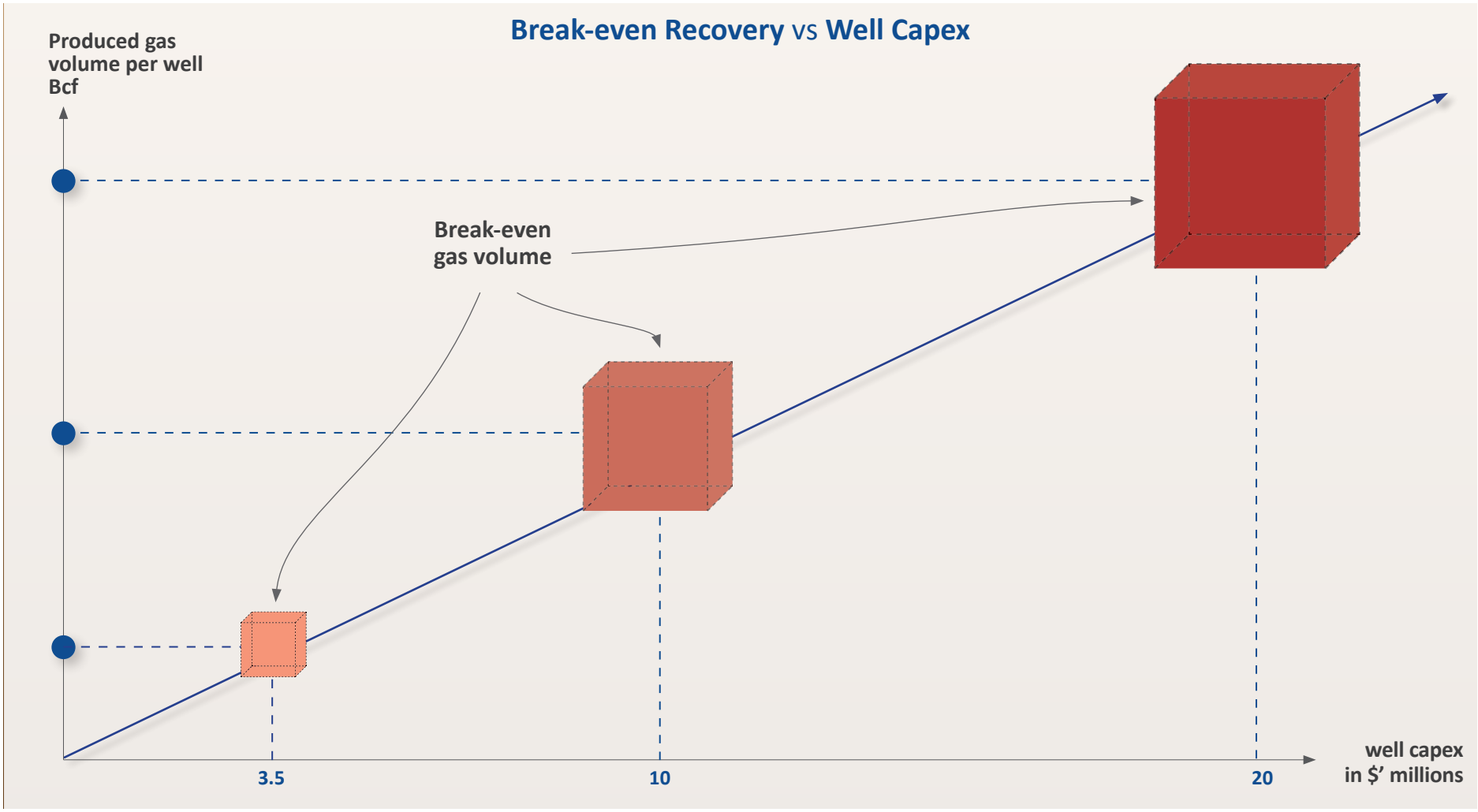
Section View (A-B)

Simple, cost effective production drilling

Southern Cooper Basin Gas Project: Unconventional gas play economics

Strike's Southern Cooper Basin Gas Project will require modest recoveries per well to achieve break-even

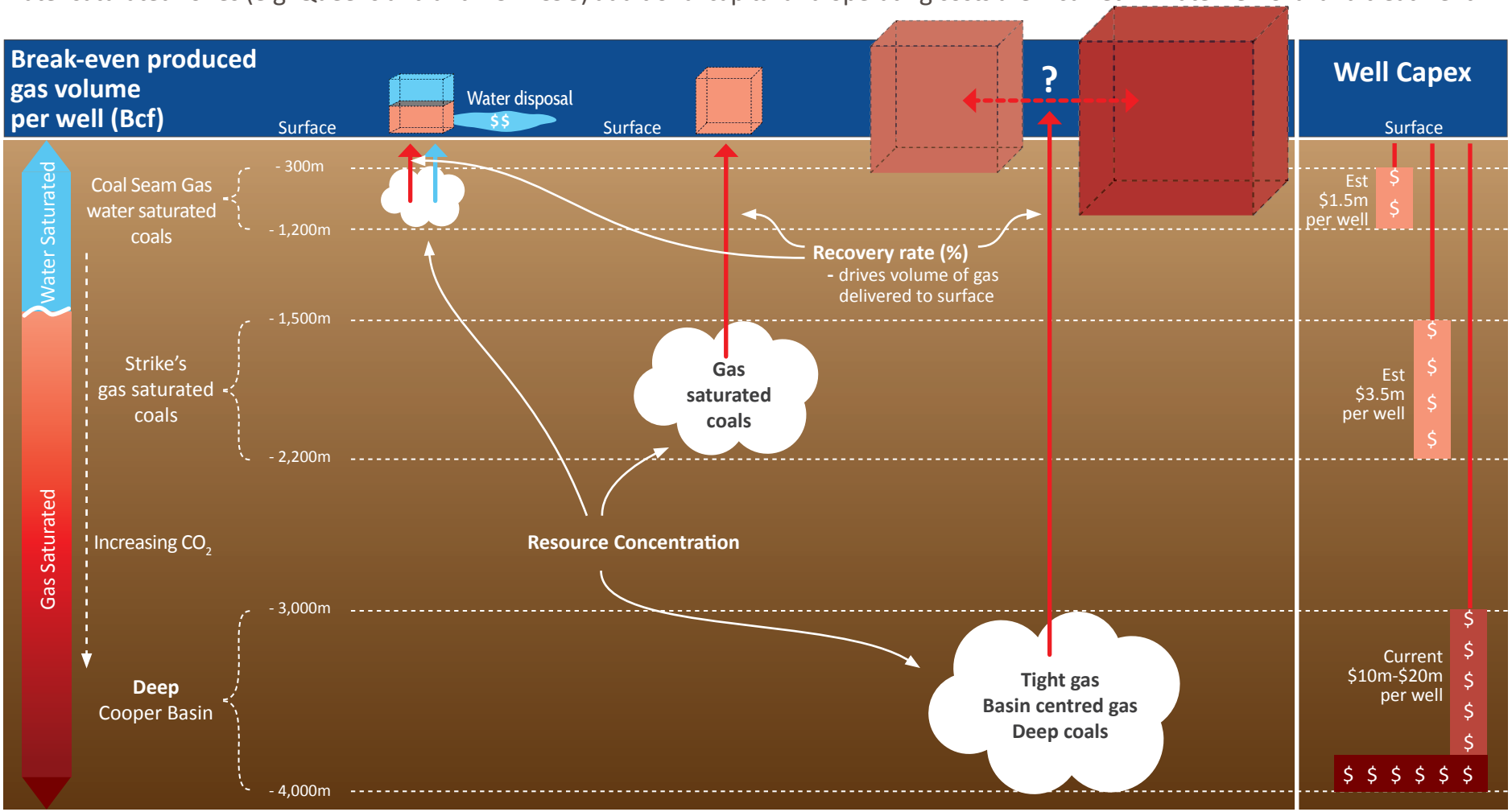
Southern Cooper Basin Gas Project: Unconventional gas play economics



Well capex is the primary driver of play economics .
Low well costs drive favourable economics even at modest sales gas volumes.

Southern Cooper Basin Gas Project: Unconventional gas play economics

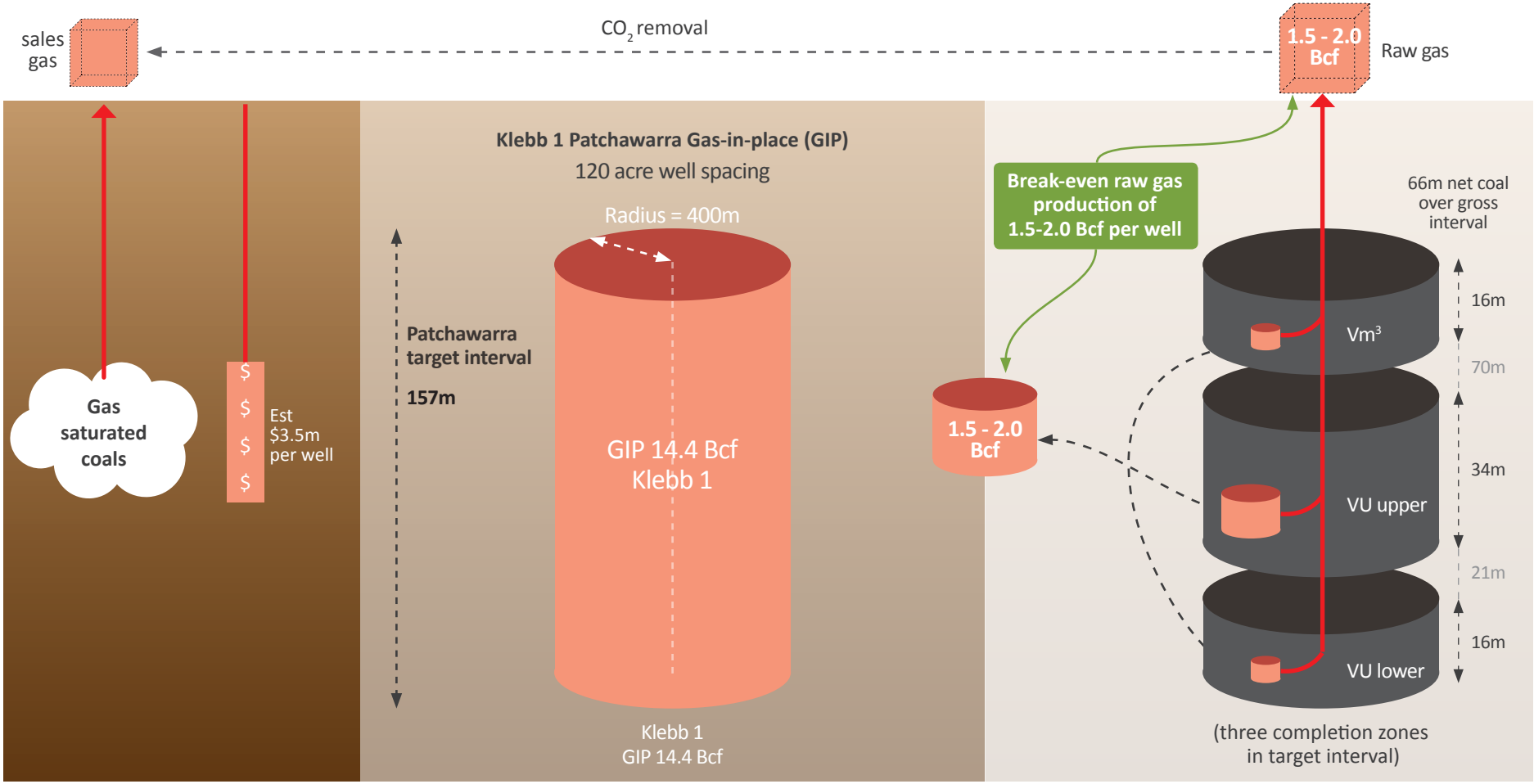
Well capex and sales gas price are the key determinants of the required break-even sales gas volume per well. Where gas is extracted from water saturated zones (e.g. Queensland and NSW CSG) additional capital and operating costs are incurred in water removal and treatment.



Increasing well capex demands a much higher sales gas volume to achieve break-even

Southern Cooper Basin Gas Project: PEL 96 Phase One Area economics

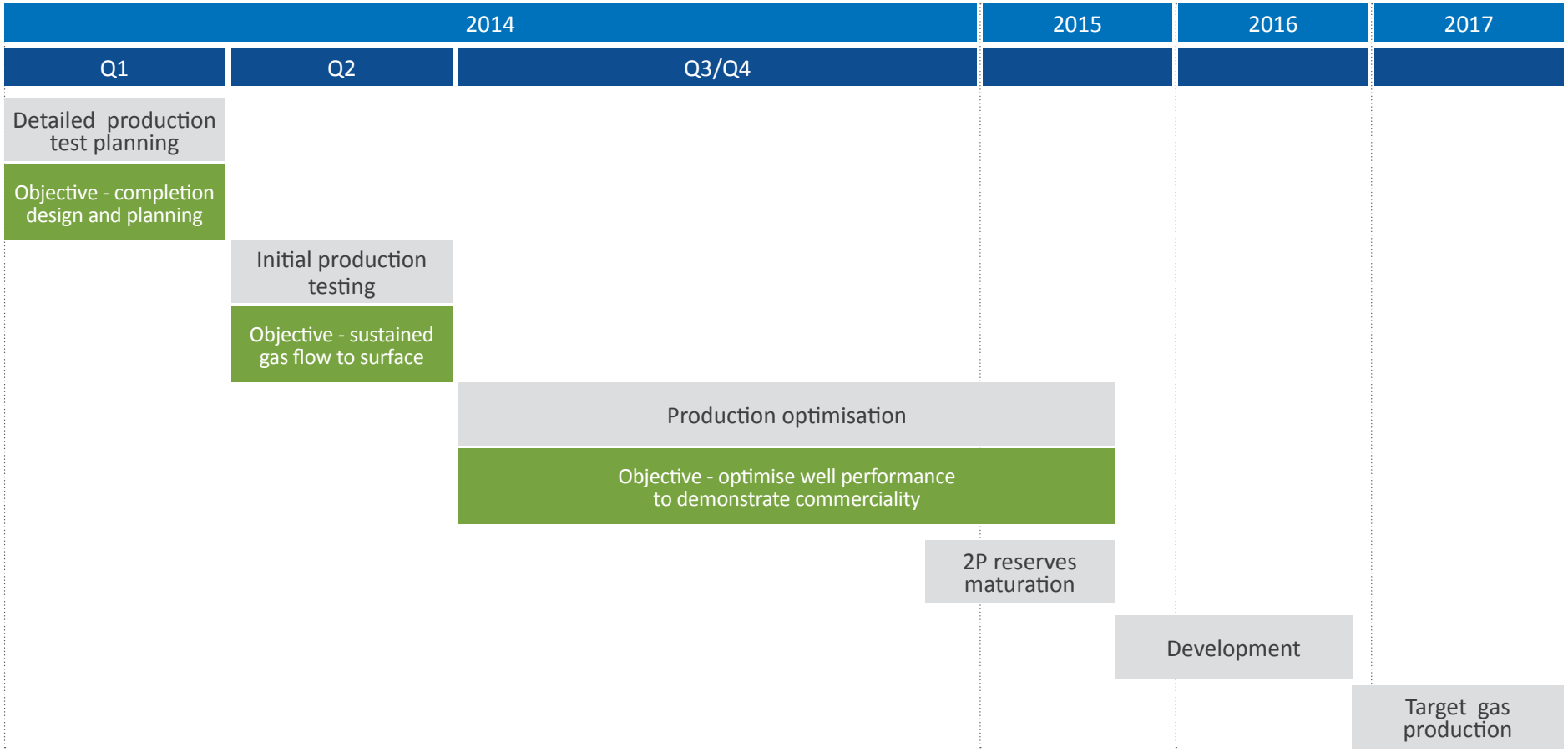
Based on a $6/GJ price for sales gas delivered into MAPS pipeline and drilling and completion costs of $3.5 million per well Strike needs to recover 1.5 - 2.0 Bcf of raw gas to break-even.



A favourable combination of high resource concentration, modest well capex and the absence of dewatering costs indicate that Strike's dry/ gas saturated coals are potentially in the sweet spot for gas play economics

Southern Cooper Basin Gas Project: Rapid commercialisation program

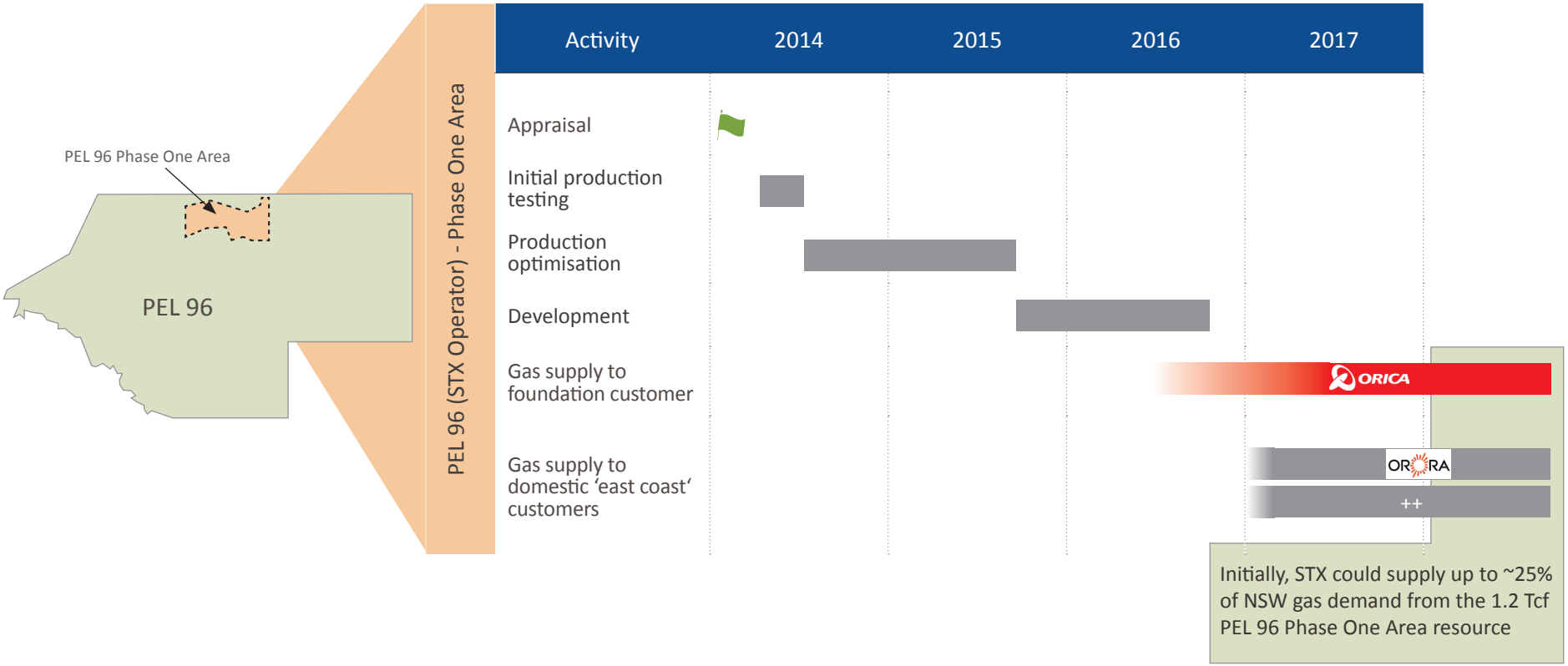
To date, unconventional appraisal in the Cooper basin has been characterised by high costs, slow progress and long-dated commerciality. The drivers of these outcomes have included target zone depths, pressures, temperatures and associated technical complexities and geological uncertainties. In contrast, Strike's relatively low cost and rapid commercialisation program is on track to supply gas to east coast markets in 2017.



Strike's Gas Project positioned as 'frontrunner' for new gas supply

Southern Cooper Basin Gas Project: PEL 96 Phase One Area path to market

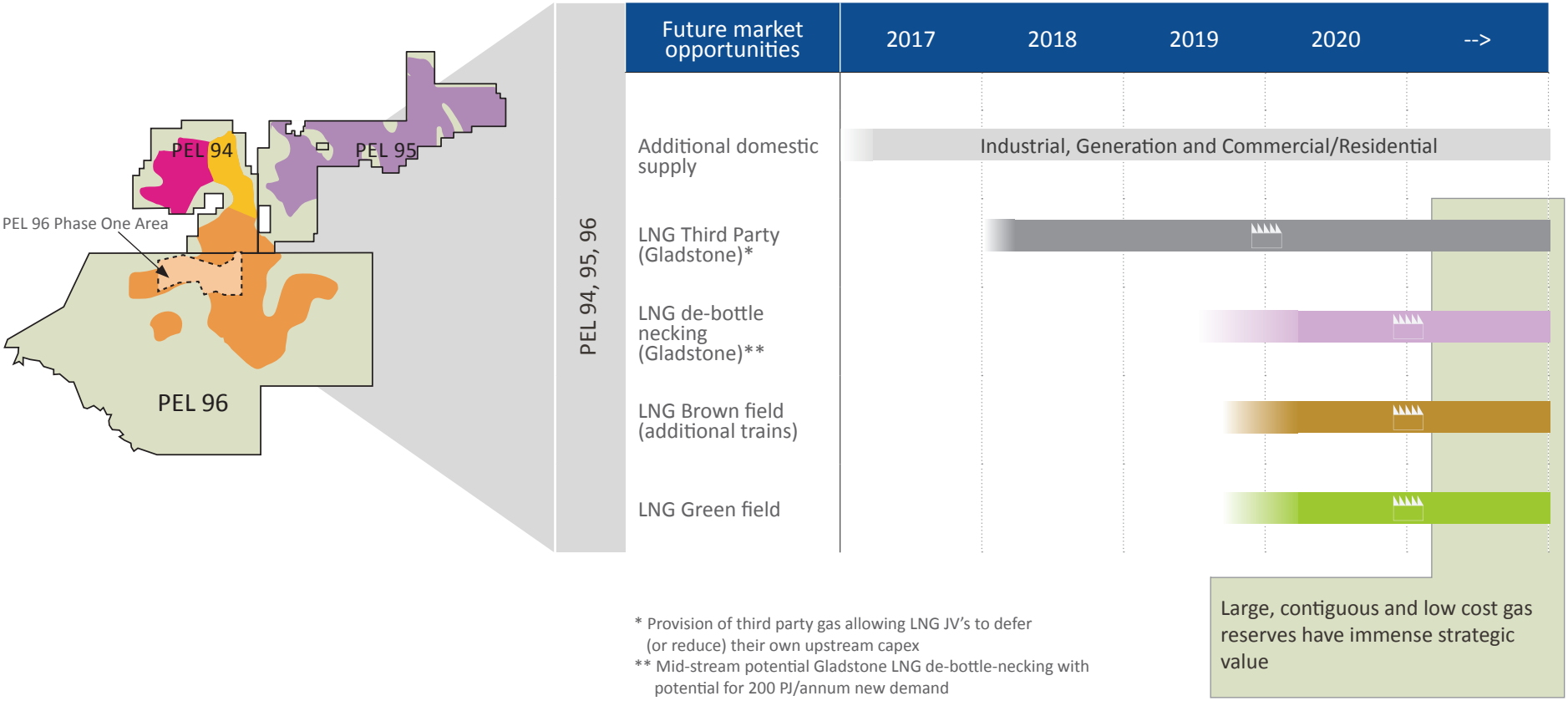
The production testing and development timing for the PEL 96 Phase One Area positions Strike as the 'frontrunner' to meet the forecast east coast gas shortage. The 1.2 Tcf prospective resource in the PEL 96 Phase One Area could supply up to ~25% of NSW gas demand. A clear path to market has been established.



Clear path to market established with Orica as foundation customer

Southern Cooper Basin Gas Project: Potential to deliver enormous value

Subject to early reserves maturation in the PEL 96 Phase One Area, Strike will pursue a monetisation path to fully capture the value of the large, contiguous and favourably located multi-Tcf gas resource present across PEL 94, 95 and 96.



* Provision of third party gas allowing LNG JV's to defer (or reduce) their own upstream capex

** Mid-stream potential Gladstone LNG de-bottle-necking with potential for 200 PJ/annum new demand

Plan to unlock the potential of the entire resource

Opportunity Summary

Strike Energy

World-scale resource → supply constrained market

Appraisal program successfully completed

Production testing next step in project development

Potentially compelling economics

Rapid commercialisation program

Established path to market

Successful commercialisation will deliver enormous value

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COMPETENT PERSONS STATEMENT

The reported resource and or reserves in this presentation are based on information compiled by Mr C Thompson. Mr. Thompson is the General Manager of Strike's Cooper Basin Project and has consented to the inclusion of the resource and or reserves information in this report.

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.