ASX Announcement

11 March 2014

The Company Announcement Officer
ASX Ltd
via electronic lodgement

"EXCELLENCE IN OIL & GAS 2014" PRESENTATION

Please find attached a presentation to be given by David Wrench at the "Excellence in Oil & Gas" conference in Sydney today.

Yours faithfully

Sean McGuinness
Chief Financial Officer & Company Secretary

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STRIKE ENERGY LIMITED

Excellence in Oil & Gas Conference, Sydney

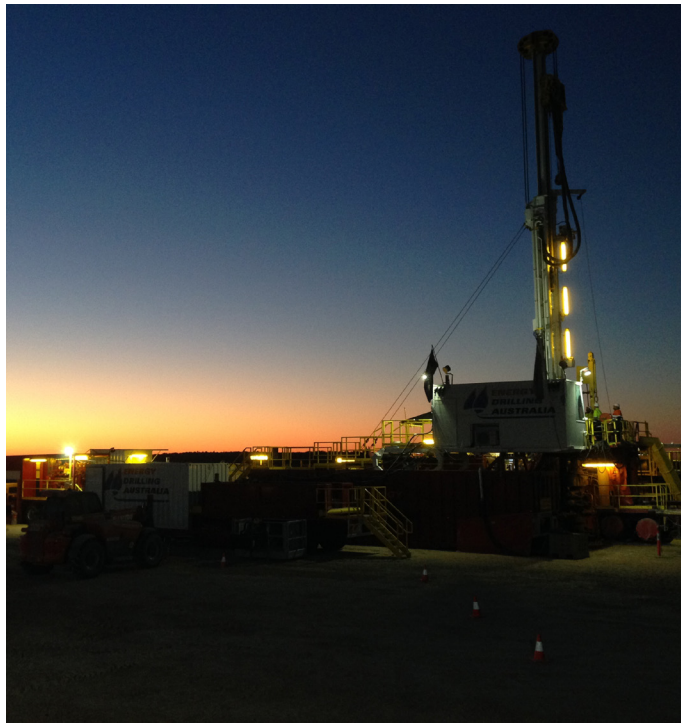
11-12 March 2014

Strike Energy

Company Overview: Corporate

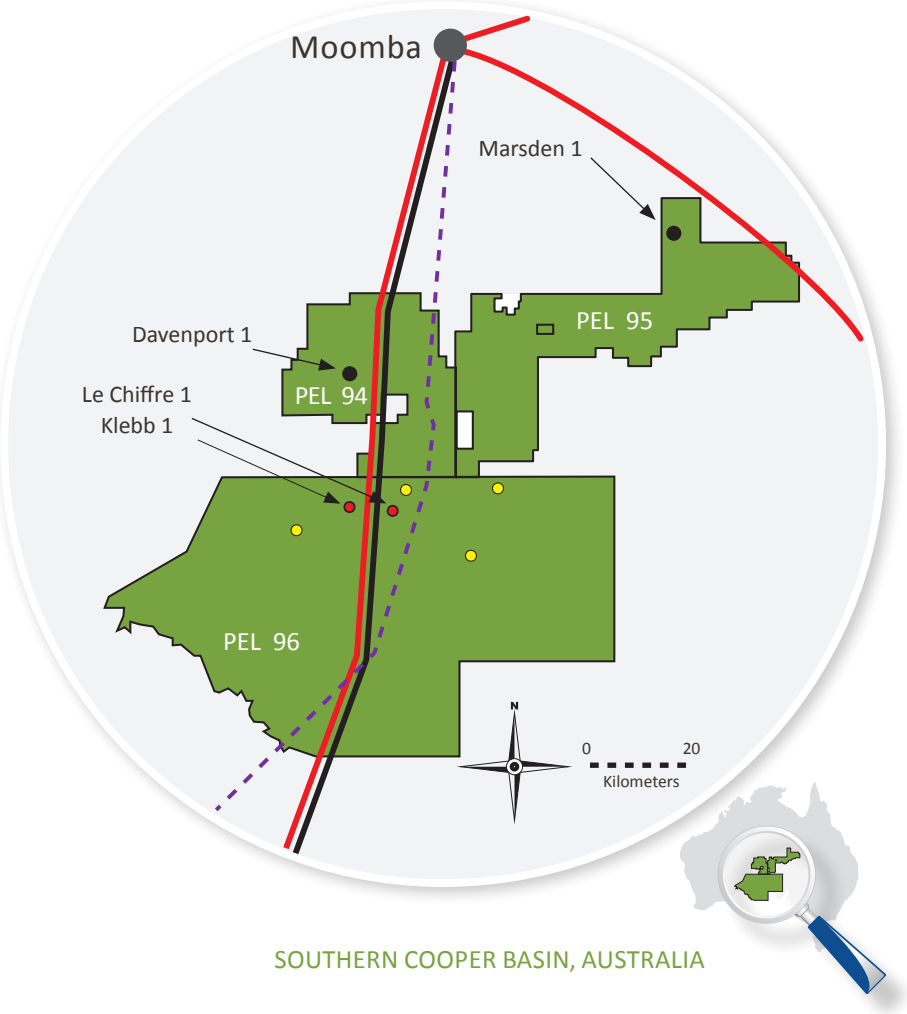
Strike Energy Limited (ASX : STX) is an Australian based, independent oil and gas exploration and production company. The company is focused on the development of a substantial gas resource in the Southern Cooper Basin to meet Eastern Australian gas market demand.

Listing	ASX (ticker STX)
Issued Shares	706,519,664
Unlisted Options	20,200,000
Market Capitalisation	$98.9 million (7 March 2014)
Production (2012/13)	100,698 boe
Revenue (2012/13)	$4.6 million



Company Overview: Assets

Australia, Southern Cooper Basin



SOUTHERN COOPER BASIN, AUSTRALIA

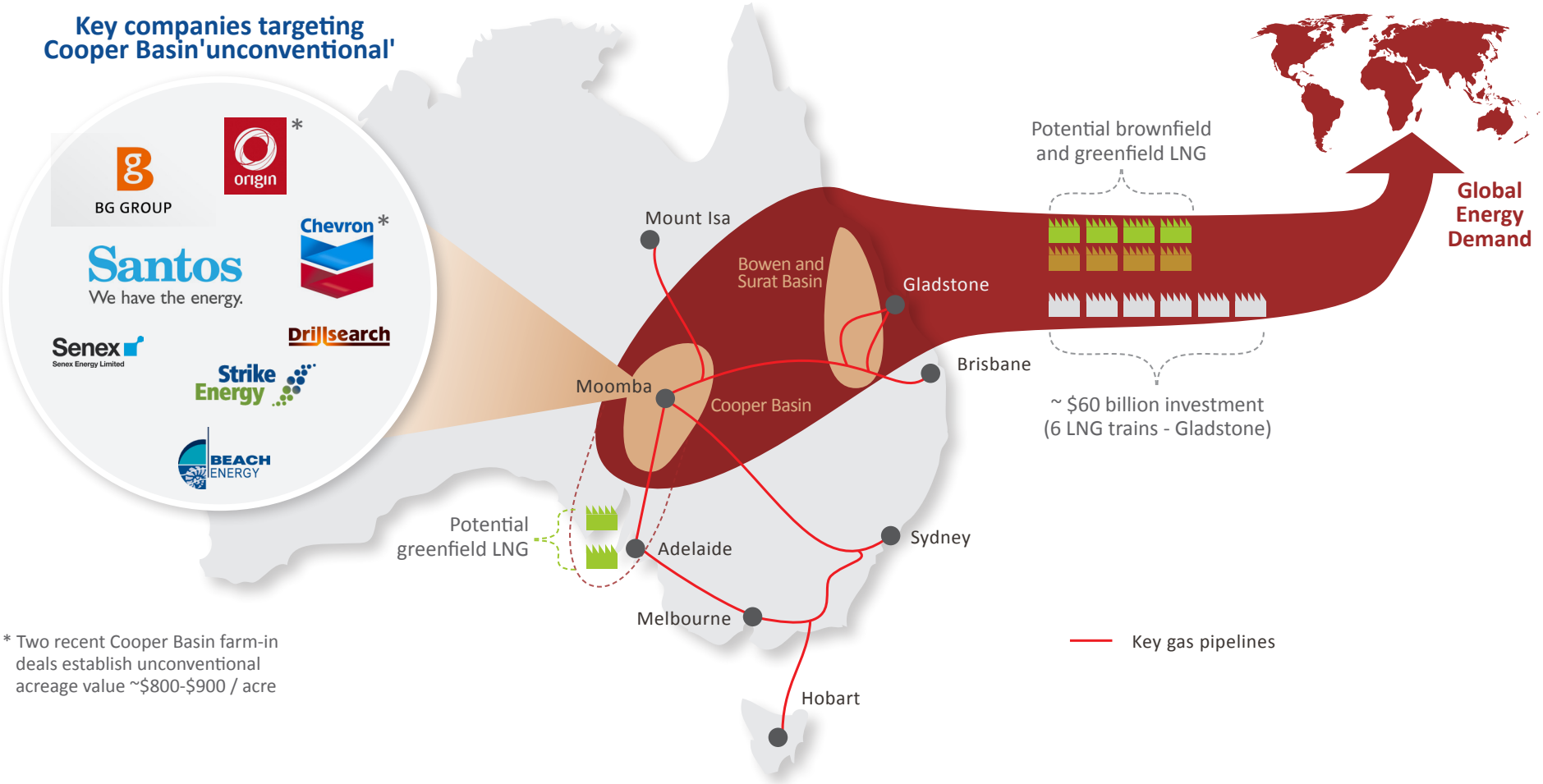
USA, Texas

TEXAS, USA

SOUTHERN COOPER BASIN GAS PROJECT

Southern Cooper Basin Gas Project: The opportunity

A massive investment program, involving an initial 6 LNG trains at Gladstone, Queensland, is unlocking onshore gas resources by connecting these resources to global energy demand. The maturation of significant CSG reserves in the Bowen and Surat Basins were the enabler of these LNG investments. Subsequently, a focus on the Cooper Basin is endeavouring to prove up substantial new reserves.



* Two recent Cooper Basin farm-in deals establish unconventional acreage value ~$800-$900 / acre

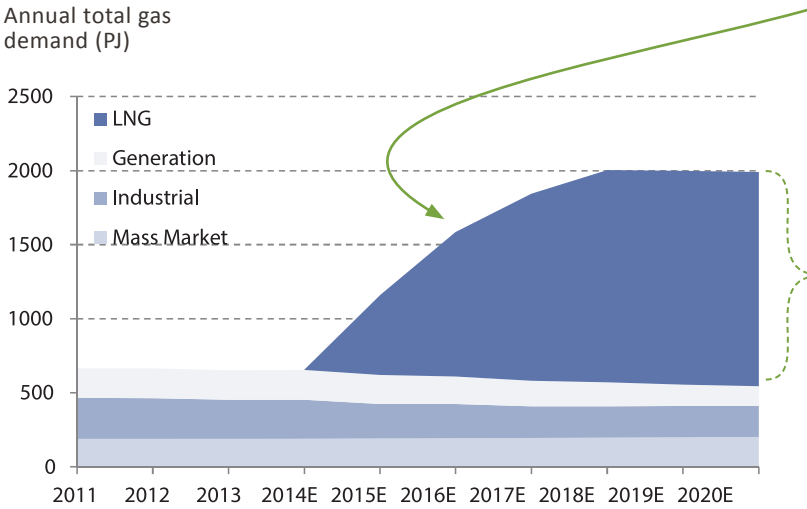
LNG investment connecting onshore gas reserves to global energy markets

Southern Cooper Basin Gas Project: The opportunity

The substantial LNG investment has increased the value of onshore gas reserves. Moreover, 'netback' pricing is establishing a similar pricing level for gas supply, whether destined for domestic or export markets.

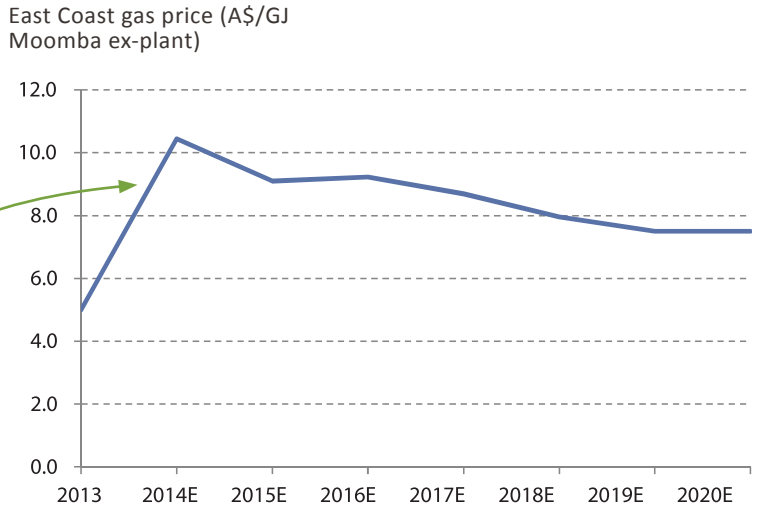
LNG ~$60 billion investment
(6 LNG trains - Gladstone)

Massive increase in LNG gas demand



Source: AEMO, Goldman Sachs Global Investment Research

Rising demand driving higher prices

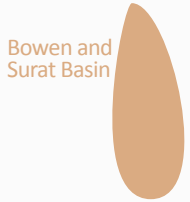


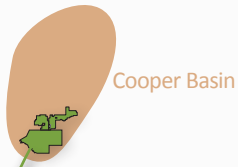
Source: AEMO, Goldman Sachs Global Investment Research

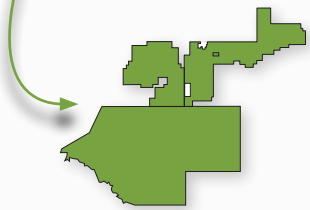
Increasing gas demand and pricing

Southern Cooper Basin Gas Project: The opportunity

More than 85% of 2P gas reserves in Eastern Australia are coal seam gas based. In the Cooper Basin, the gas saturated coals are an increasing focus of commercial appraisal to meet current and future gas demand.

Bowen and Surat Basin	Coal Seam Gas	Reserves growth	Increase in Resource value
	Water saturated coals	**18,000PJ** 2006 - 2009	**$10 - $15 BILLION** 2006 - 2009

Cooper Basin	Multiple Gas Plays	Reserves growth	Increase in Resource value
	Gas saturated coals emerging as increasing supply focus - 'Patchawarra' coals tested & flowed	 2014 - 2017	 2014 - 2017

PEL 94, 95 and 96	Strike's Gas Saturated Coals
	- shallowest seams - thickest seams - high resource concentration - favourable cost structure

Strike's 4.5 Tcf resource → Market demand

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

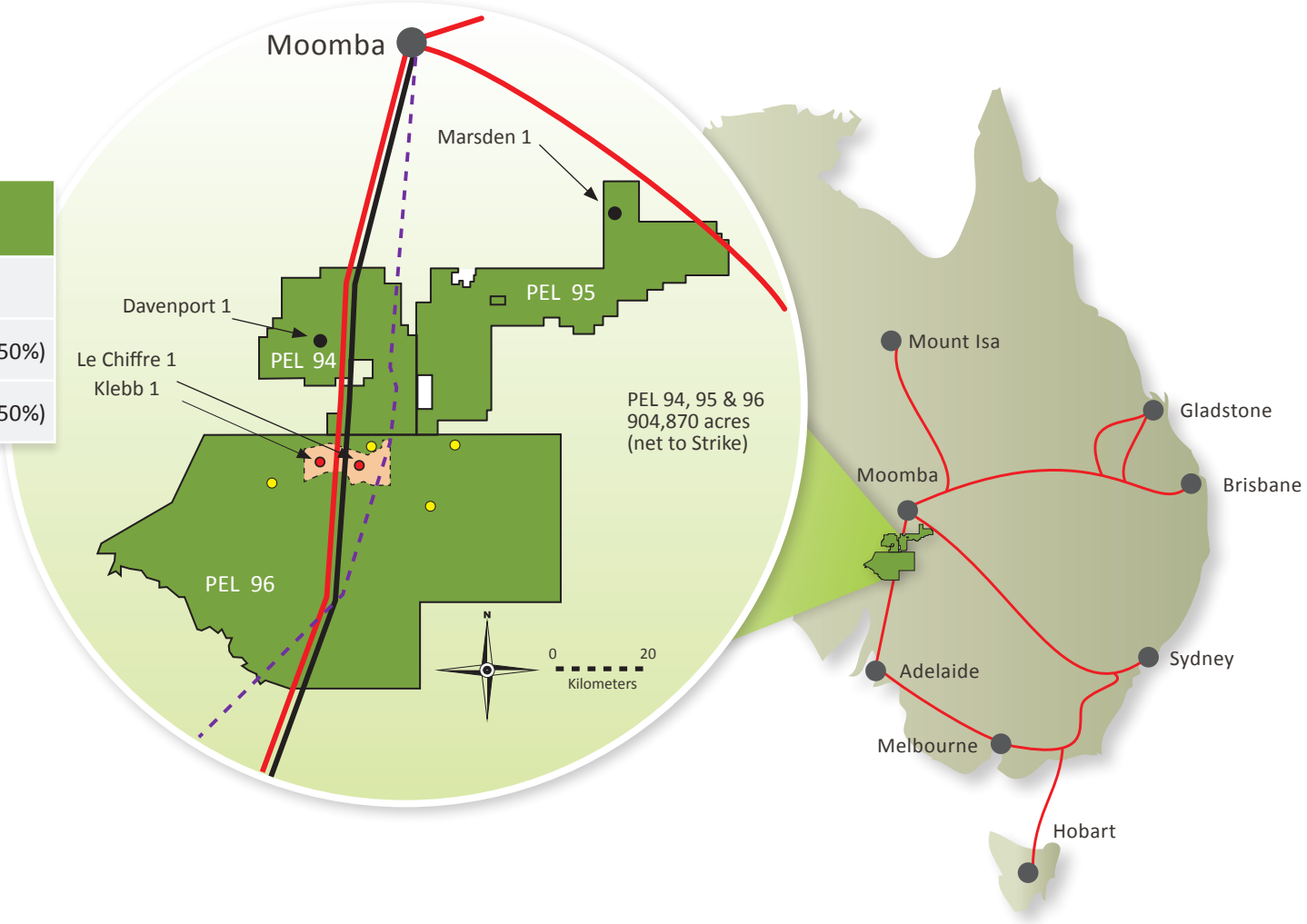
- foundation customer supporting project development
- innovative offtake agreements with domestic gas users
- Phase One Area resource could supply up to 25% of NSW demand
- plan to unlock the potential of the entire resource

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

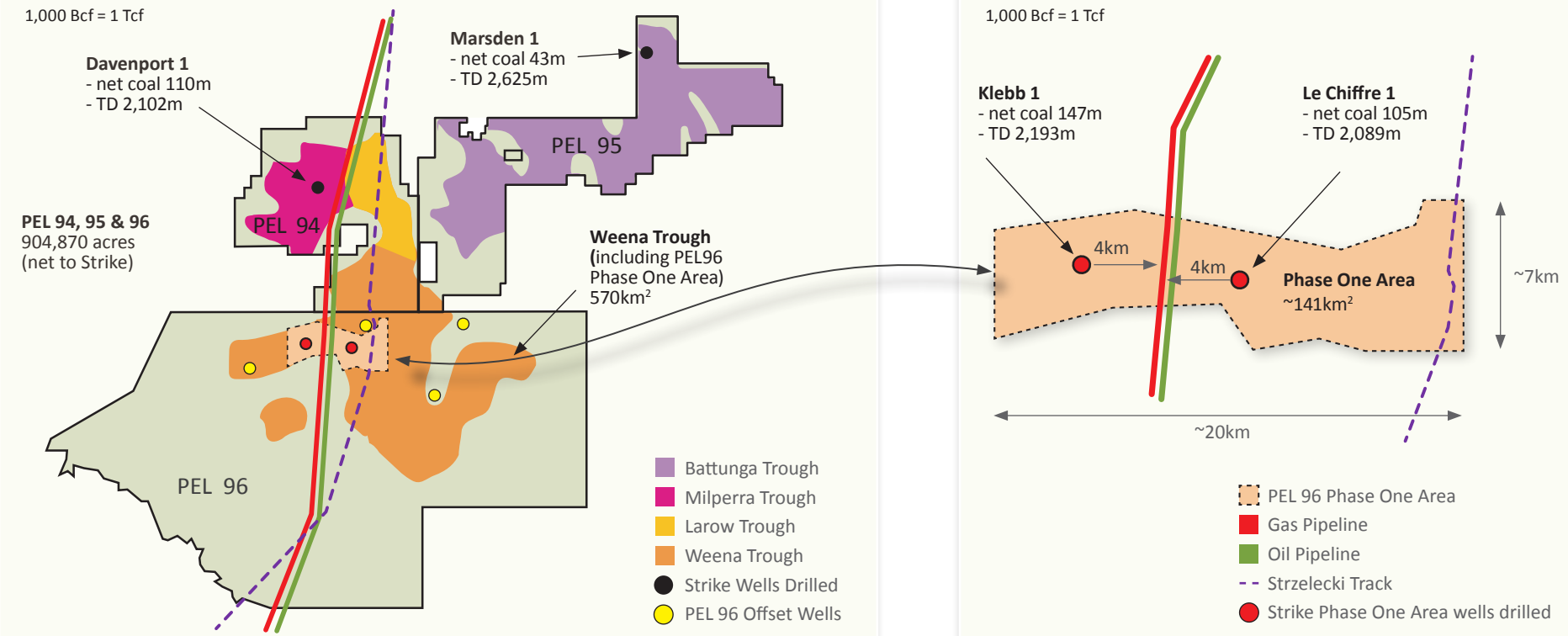
Following appraisal drilling, the mean estimate of the prospective resource within Strike's PEL 96 pemit increased to 4.5 Tcf (Phase One Area 1.25 Tcf). This resource is located directly beneath the Moomba to Adelaide Pipeline System (MAPS).

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

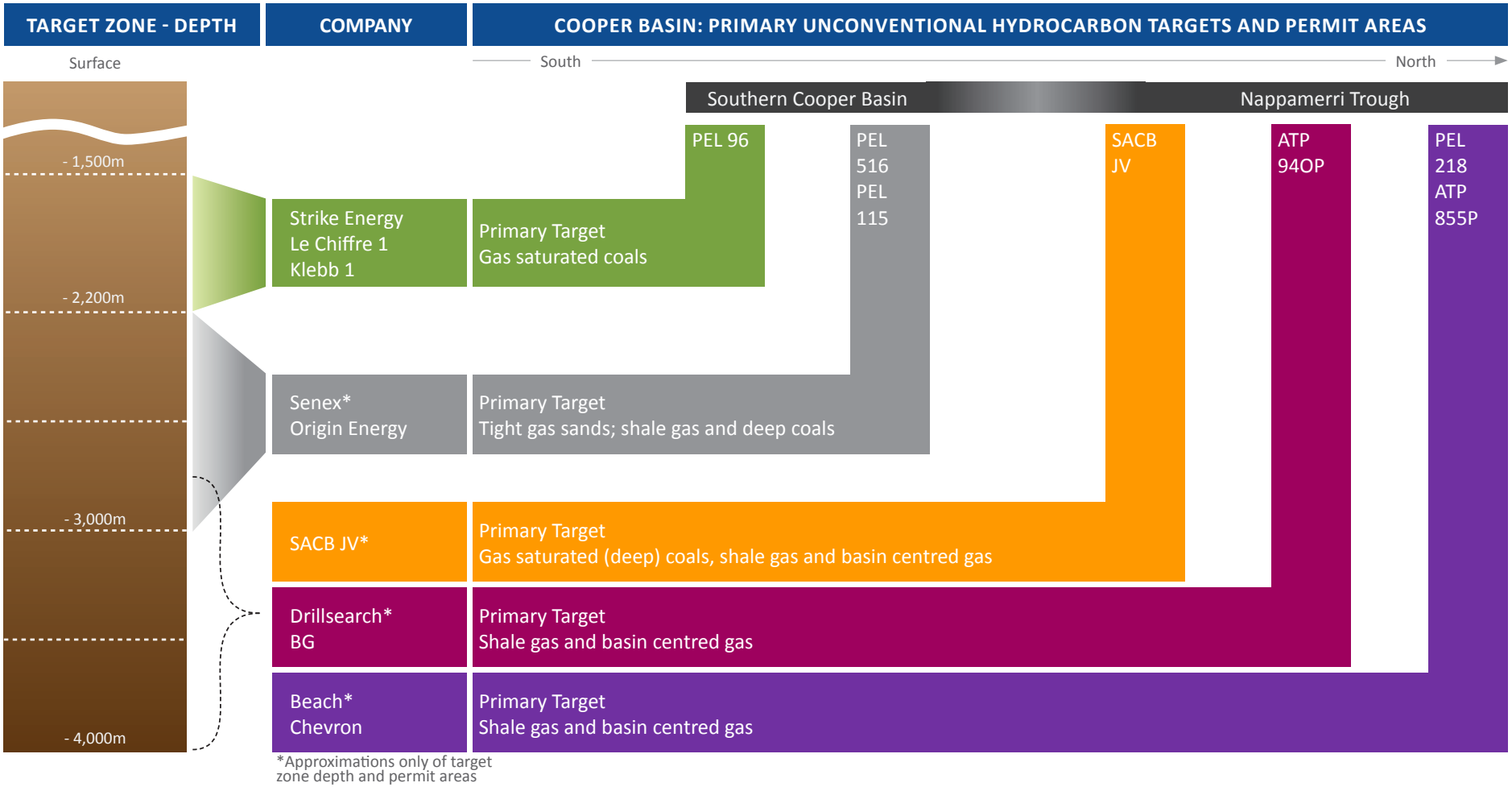
Low estimate	Mean estimate	High estimate
864 Bcf	1,227 Bcf	1,809 Bcf



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.



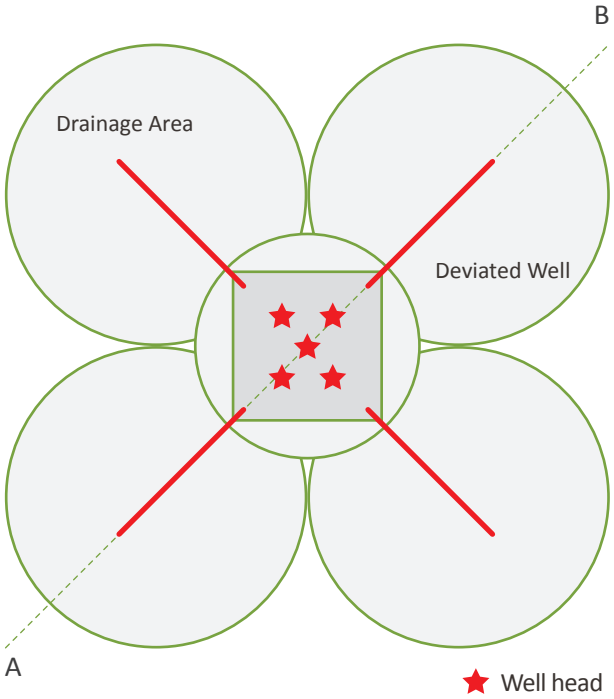
*Approximations only of target zone depth and permit areas

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

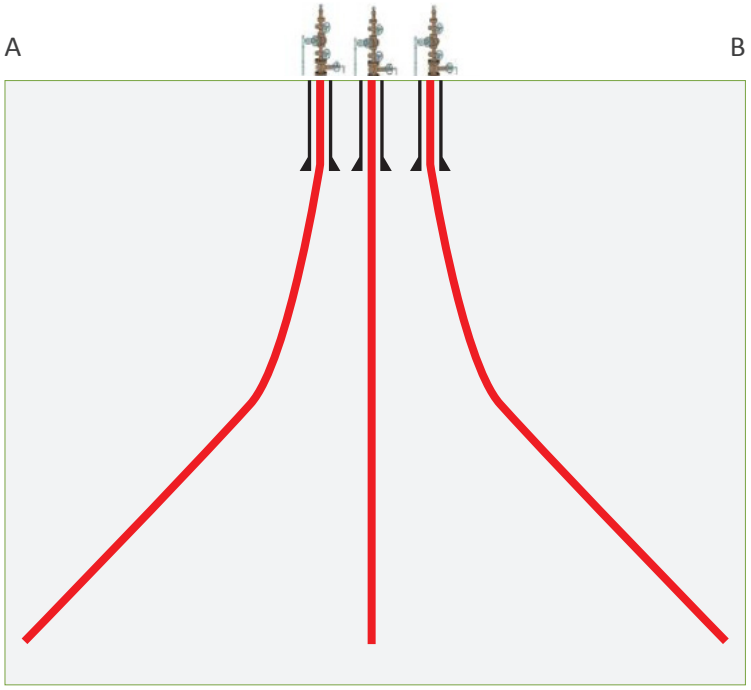
Completion Activities

Stimulation, flow-back and tie-in

Key Assumptions

Pad drilling; vertical wells targeting Patchawarra coals

5 Well Pad
Vertical Section Schematic



Not to scale

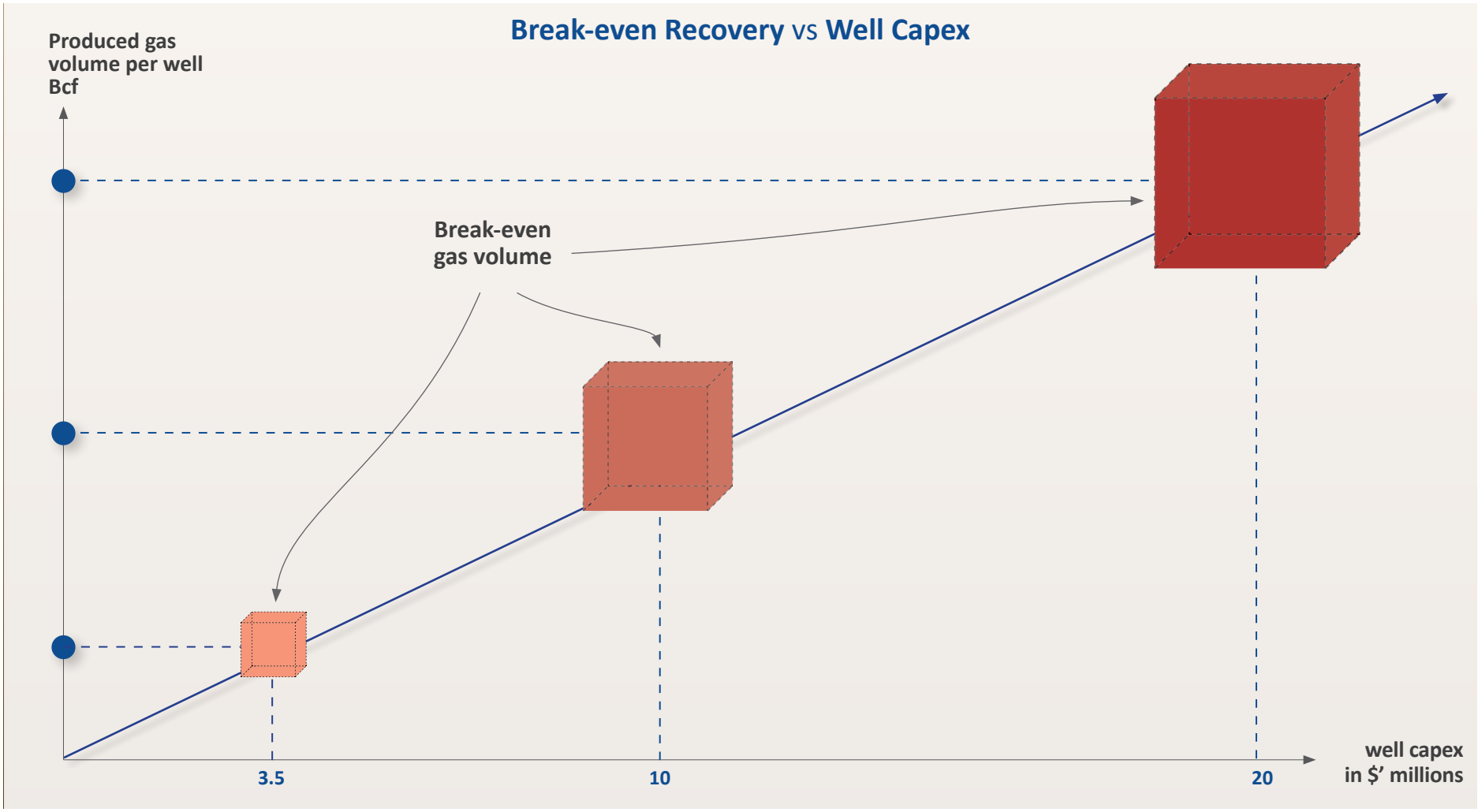
Section View (A-B)

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

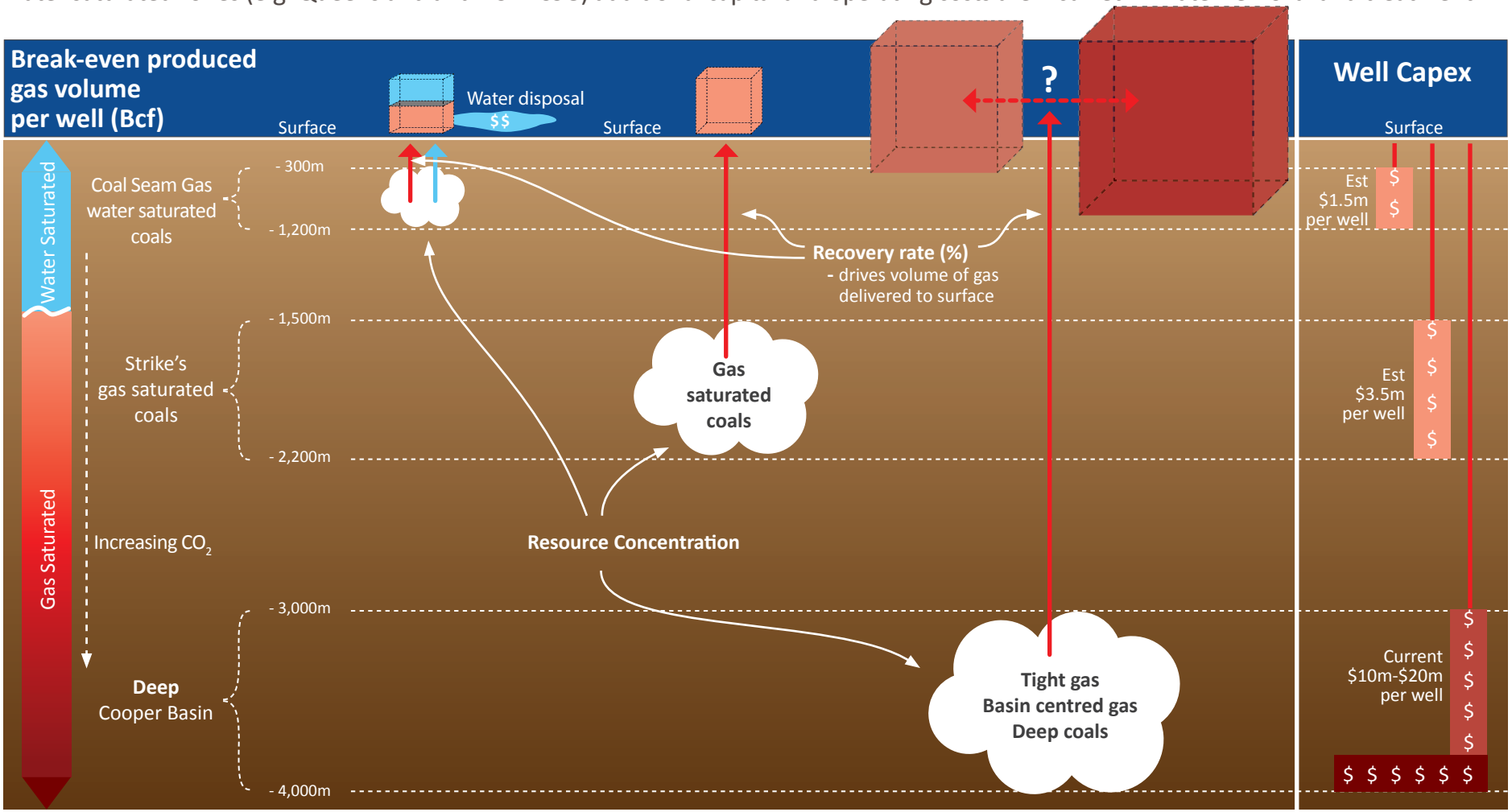
Southern Cooper Basin Gas Project: Unconventional gas play economics



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

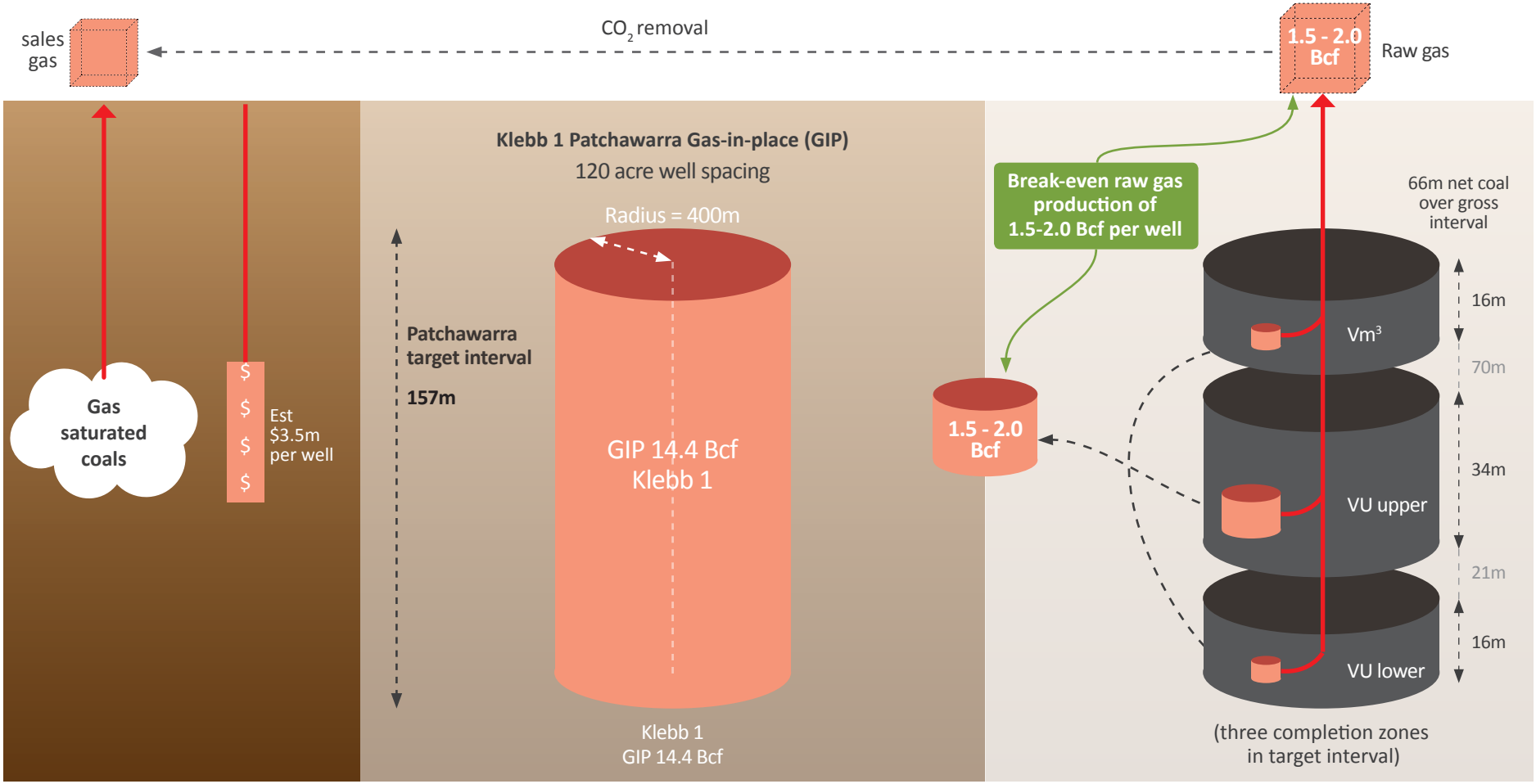
Well capex and sales gas price are the key determinants of the required break-even sales gas volume per well. Where gas is extracted from water saturated zones (e.g. Queensland and NSW CSG) additional capital and operating costs are incurred in water removal and treatment.



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

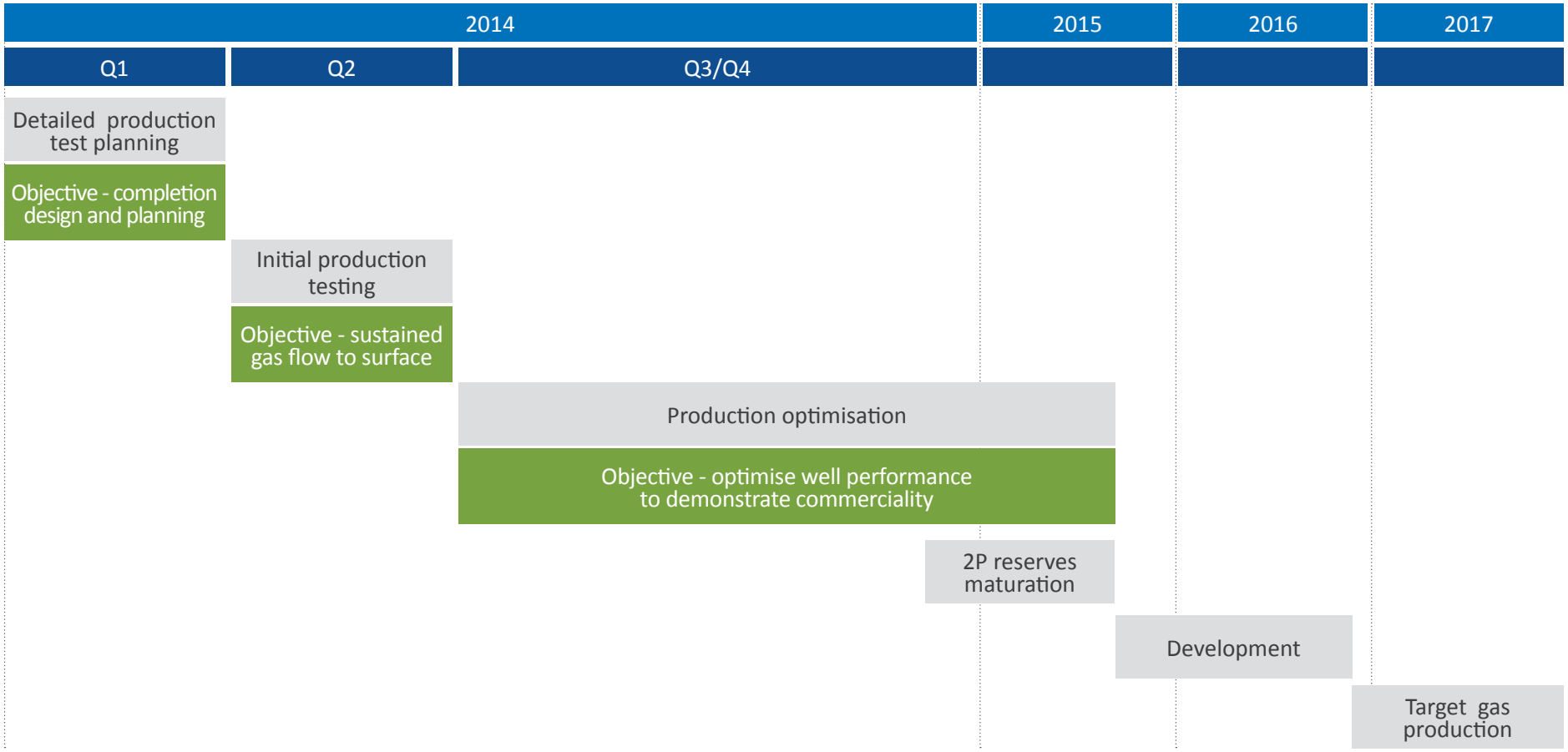
Based on a $6/GJ price for sales gas delivered into MAPS pipeline and drilling and completion costs of $3.5 million per well Strike needs to recover 1.5 - 2.0 Bcf of raw gas to break-even.



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

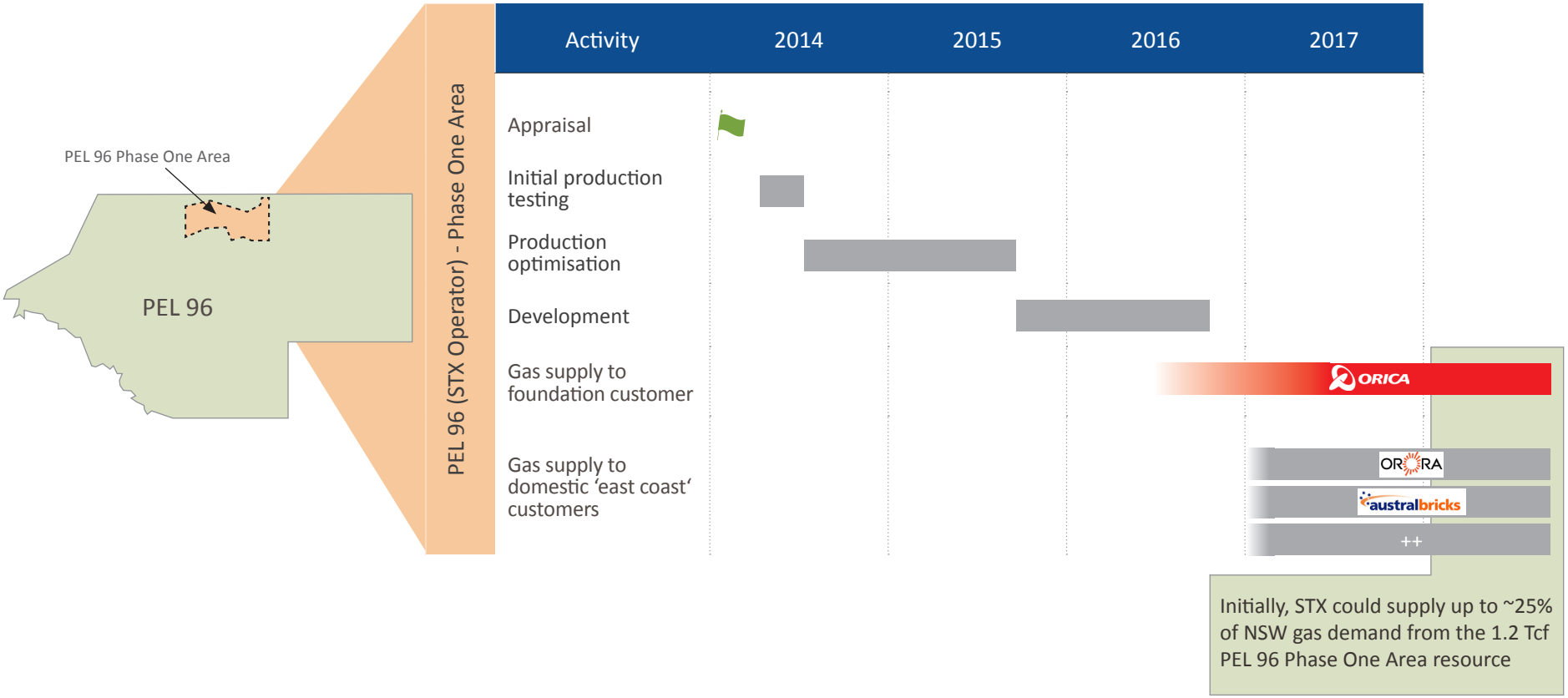
To date, unconventional appraisal in the Cooper basin has been characterised by high costs, slow progress and long-dated commerciality. The drivers of these outcomes have included target zone depths, pressures, temperatures and associated technical complexities and geological uncertainties. In contrast, 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

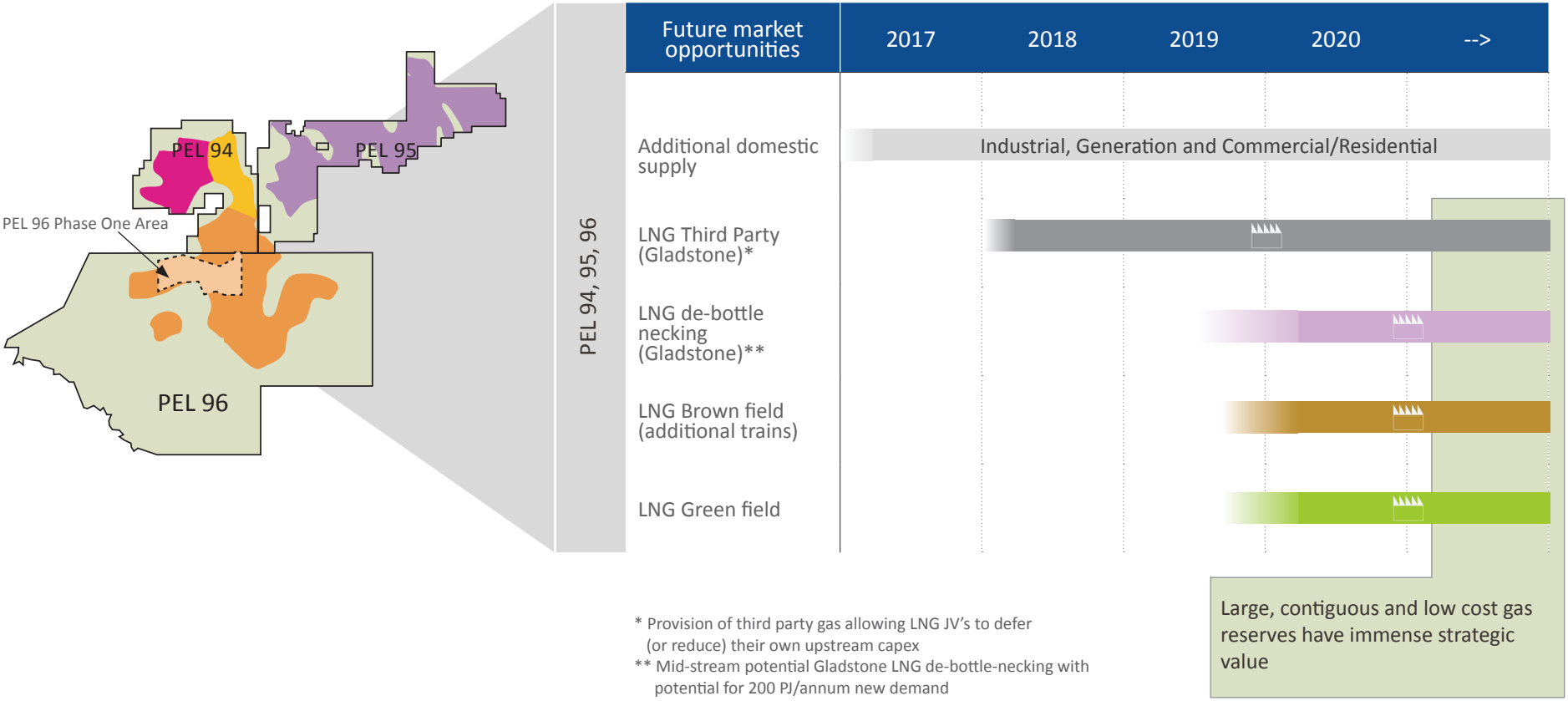
The production testing and development timing for the PEL 96 Phase One Area positions Strike as the 'frontrunner' to meet the forecast east coast gas shortage. The 1.2 Tcf prospective resource in the PEL 96 Phase One Area could supply up to ~25% of NSW gas demand. A clear path to market has been established.



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 → market demand

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.