

ASX Announcement



Strike Energy Limited

ABN 59 078 012 745

30 April 2012

The Company Announcement Officer
ASX Ltd
via electronic lodgement

GENERAL MEETING PRESENTATION

Please find attached a presentation to be made by David Wrench at the company's General Meeting to be held today at 2.00pm WST.

Yours faithfully

A handwritten signature in black ink, appearing to be "DW", with a long horizontal stroke extending to the right.

DAVID WRENCH
Managing Director

Further information:

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David Wrench – Managing Director
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OUR STRENGTHS

- Quality Assets
- Experienced Team
- Major Growth Potential

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SUBSTANTIAL LEVERAGE TO THE UNCONVENTIONAL OIL & GAS SECTOR

INVESTOR PRESENTATION

APRIL 2012

 **SECTOR EXPOSURE**

Major exposure to the ‘booming’ unconventional oil & gas sector – a ‘game changer’ in global energy supply

 **QUALITY ASSETS**

Large positions within highly prospective unconventional oil and gas plays – Cooper Basin (Australia) and Eagle Ford Shale (USA)

 **HIGH ACTIVITY**

Active 2012 drilling program to de-risk unconventional assets, starting with the successful Marsden 1 well in the Cooper Basin

 **NEW TEAM**

New leadership team with extensive commercial, technical and unconventional sector experience

 **ATTRACTIVE VALUE**

Potential to benefit from near-term activity and a substantial re-rating of asset values in line with peers

COMPANY SNAPSHOT (27 April 2012)

Corporate office	Sydney, Australia
US operations base	Houston, USA
Key management	David Wrench – Managing Director Ben Thomas – President, USA Andrew Dimsey – GM, Australia Andrew Hooper-Nguyen – CFO/CCO
Listing	ASX (ticker STX)
Market capitalization	~\$110 million / \$125 million ¹
Issued shares	542,653,495 / 614,519,664 ¹
Unlisted options	31,275,000
Major shareholders	Board & management 12.1% MH Carnegie & Co 10.4%
Production (FY 2010/11)	1,300 Mmcfe
Revenue (FY 2010/11)	A\$8.3 million
1P reserves (31 Dec 2011)	4 Bcf + 325 Mbbl

¹ Strike to issue 71,866,169 new shares under tranche 2 of the placement announced on 28 March 2012, subject to shareholder approval to be sought at an EGM on 30 April 2012

COMPANY STRATEGY



HIGH IMPACT

Early stage exploration, which if successful, will result in rapid commercialisation and have a major impact on shareholder value



LIQUIDS RICH

Seek superior economics across the commodity cycle through oil, condensate and wet gas exploration and development

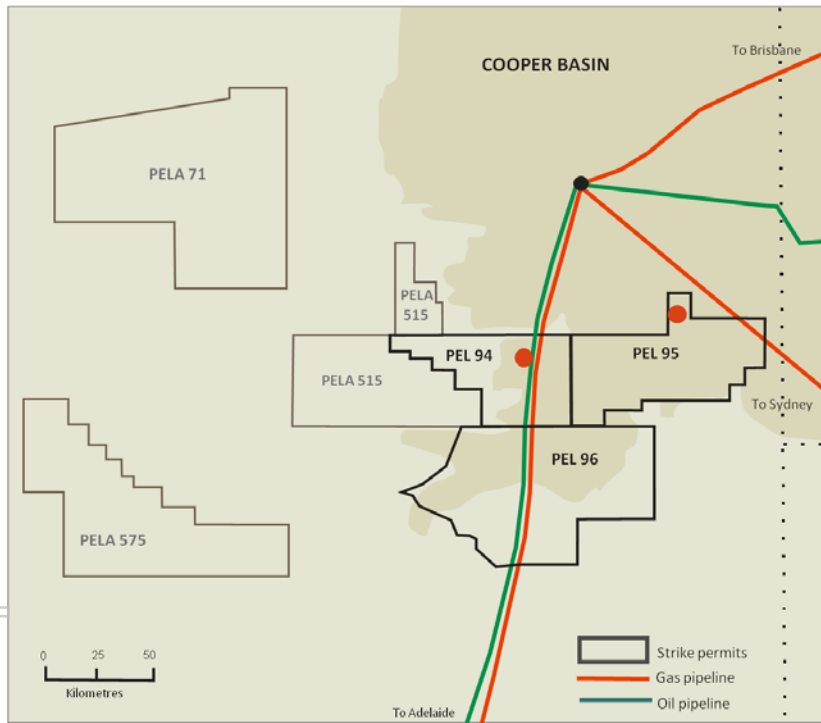


PARTNERSHIPS

Partner with high-caliber operators and leverage extensive industry relationships to source quality opportunities

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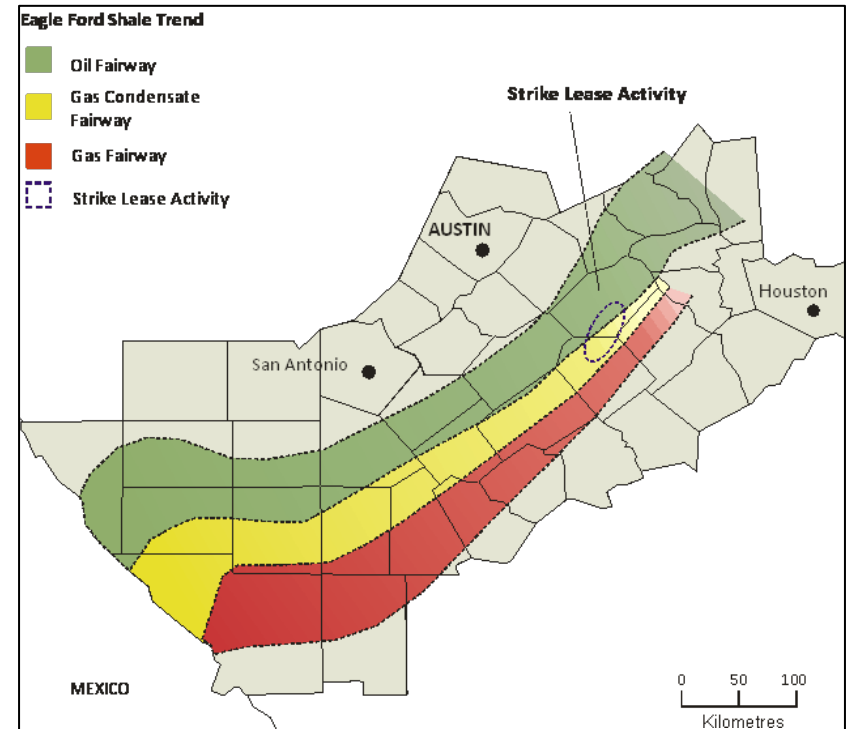
THE COOPER BASIN



16,000 km² / 4 million acres (net) of permits and applications with unconventional and conventional potential

Unconventional evaluation drilling program underway

EAGLE FORD SHALE



34,400 (gross) / 9,460 (net) acres of Eagle Ford Shale focused on the attractive gas-condensate fairway

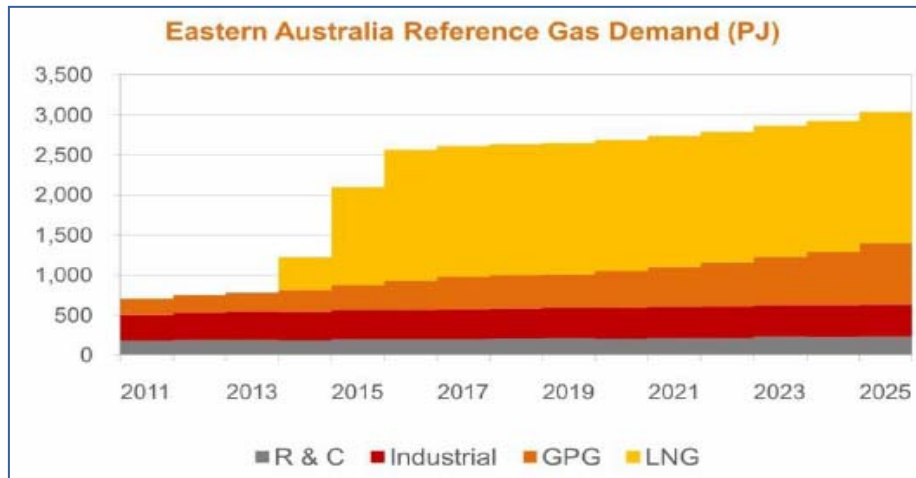
Initial production drilling to commence mid-year

THE COOPER BASIN

*A LARGE POSITION WITHIN AUSTRALIA'S
LEADING UNCONVENTIONAL PLAY*

THE COOPER BASIN IS A PROVEN HYDROCARBON SYSTEM WITH 50 YEARS OF PRODUCTION

- ✓ Australian east coast **gas demand forecast to triple by 2016**, primarily from LNG projects under construction
- ✓ **Gas prices forecast to reach A\$6 - 9/GJ** in the medium term
- ✓ Connected to east coast markets by **existing pipeline infrastructure** with spare capacity
- ✓ Manageable **land access and environmental impact** issues



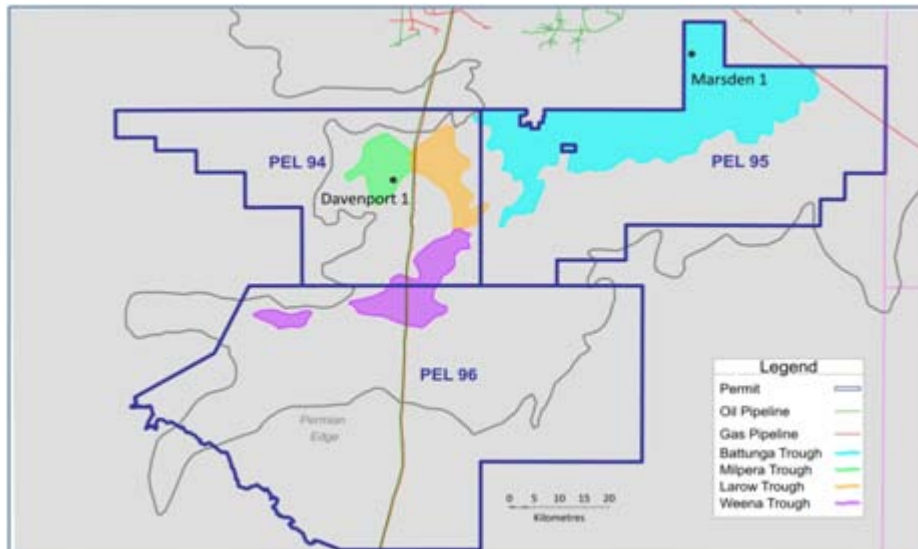
Source – Beach Energy / Core Energy Group 2011

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STRIKE HAS A LARGE COOPER BASIN EXPOSURE WITH EXCELLENT UNCONVENTIONAL POTENTIAL

- ✓ **16,000 km² / 4 million acres (net)** of permits & applications with conventional and unconventional potential
- ✓ **Extensive coal & shale formations with liquids potential** in key unconventional permits – over 4,600 km² (net)
- ✓ Unconventional evaluation program underway to prove-up an estimated **~6 Tcf (net) prospective resource**

STRIKE ENERGY – KEY UNCONVENTIONAL PERMITS



PERMIT	INTEREST	SIZE (km ² net)	PROSPECTIVE RESOURCE ¹
PEL 96	67%	2,707	1.4
PEL 95	50%	1,291	1.6
PEL 94	35%	631	2.8
		4,629	5.8 Tcf

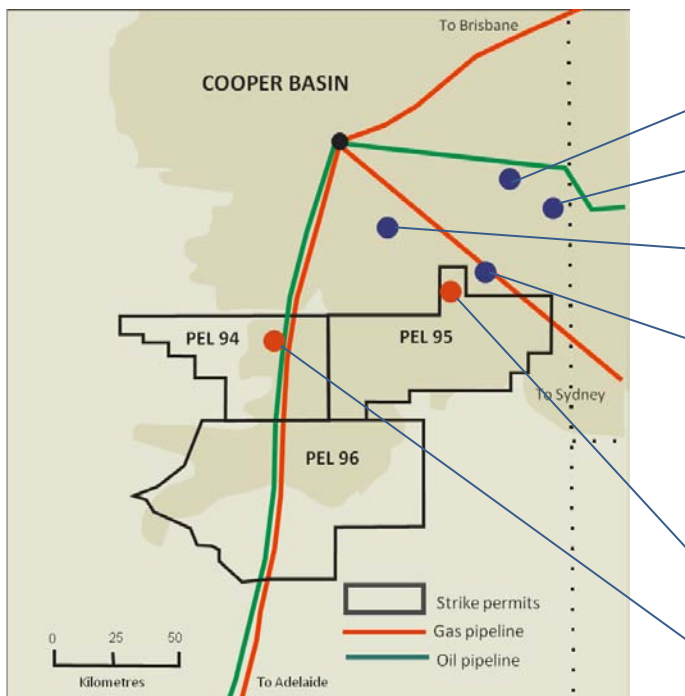
¹ P50 Tcf net to Strike

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THE SOUTHERN COOPER BASIN IS EMERGING AS THE LIQUIDS 'SWEET SPOT'

- ✓ Strike's North American experience is that liquids-rich gas plays have **clearly superior economics**
- ✓ Heightened drilling activity in the Southern Cooper Basin **confirms unconventional potential**

SOUTHERN COOPER BASIN UNCONVENTIONAL REGION



SENEX ENERGY
SOUTHERN COOPER BASIN UNCONVENTIONAL PROGRAM

- Skipton 1** (Senex Energy 100%) – expected to spud June 2012
- Talaq 1** (Senex Energy 100%) – spudded 10 April 2012
- Sasanof 1** (Senex Energy 100%) – completed drilling April 2012
“SIGNIFICANT GAS SHOWS AND THE PRESENCE OF LIQUIDS-RICH GAS”
- Vintage Crop 1** (Senex Energy 100%) – completed drilling June 2011
“CONTINUOUS GAS SHOWS. PRESENCE OF LIQUIDS RICH GAS”



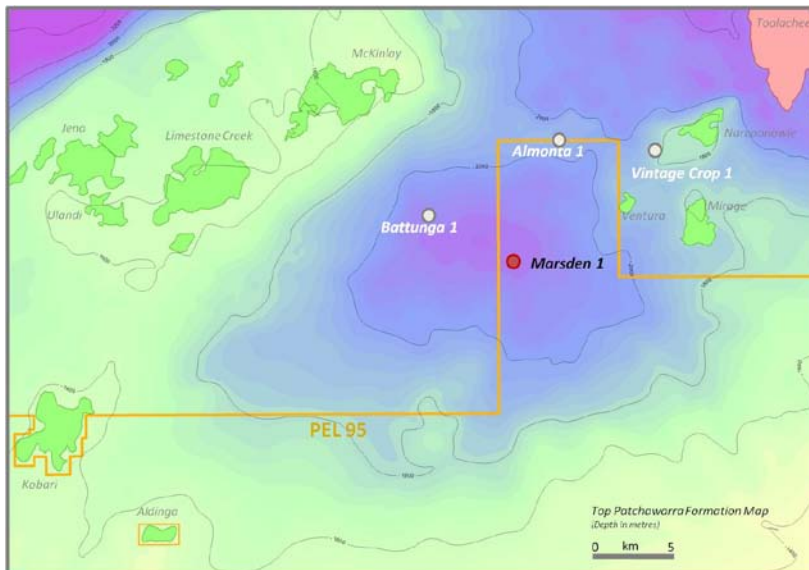
STRIKE ENERGY
SOUTHERN COOPER BASIN UNCONVENTIONAL PROGRAM

- Marsden 1** (Strike 50% / Beach Energy 50%) – completed drilling April 2012
ELEVATED GAS SHOWS & THE PRESENCE OF HEAVY HYDROCARBONS UP TO C5
- Davenport 1** (Strike 35% / Beach Energy 50% / Senex Energy 15%)
Spudded 25 April 2012

MARSDEN 1 ENCOUNTERED OVER 800 METRES OF PERMIAN SECTION WITHIN PEL 95 (Strike 50%)

- ✔ **Confirmed thick sections** of the target Toolachee, Roseneath, Epsilon & Murteree ('REM') and Patchawarra
- ✔ Elevated gas readings and the presence of heavy hydrocarbons up to pentane (C5) – **likely in a wet gas window**
- ✔ **Cased and suspended** for future testing. Laboratory analysis of **cores and cuttings** underway

MARSDEN 1 WELL LOCATION, BATTUNGA TROUGH, PEL 95



STRIKE HAS CONSIDERABLE LEVERAGE TO COOPER BASIN UNCONVENTIONAL SUCCESS



A large acreage position in the Southern Cooper Basin

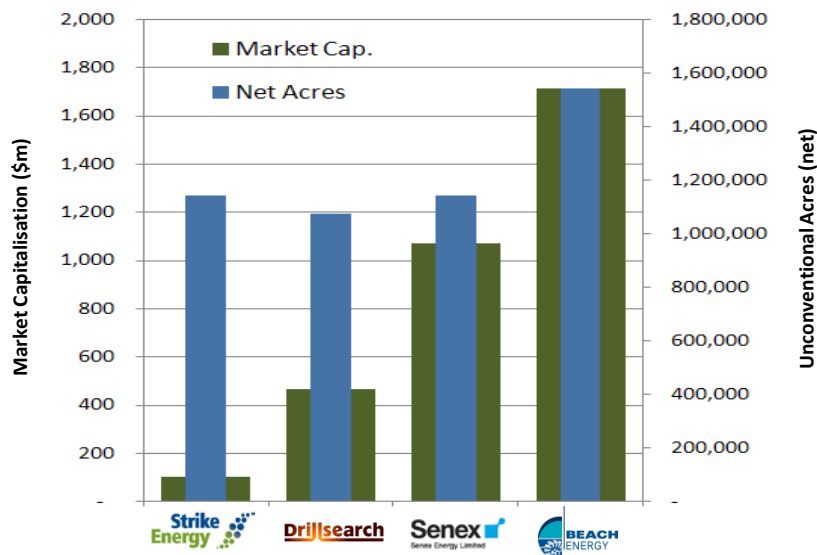


Marsden 1 preliminary results confirm the **significant unconventional gas and liquids resource potential** of the Southern Cooper Basin



Market capitalisation a fraction of Cooper Basin peers

COOPER BASIN UNCONVENTIONAL ACREAGE V MARKET CAPITALISATION¹



¹ SOURCE – GPinfo, company reports:
 Strike – PELs 94, 95, 96
 Drillsearch – PELs 91, 106, 107, 513, ATP 940P
 Senex Energy – PELs 90, 94, 514, 516
 Beach Energy – PELs 94, 95, 218, ATP 855P, SACB

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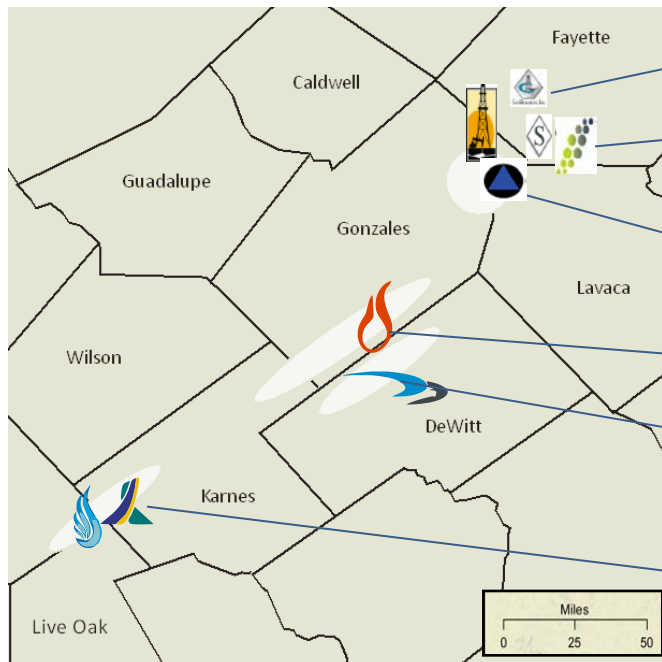
THE EAGLE FORD SHALE

*LEVERAGE TO THE USA'S PREMIER
UNCONVENTIONAL LIQUIDS PLAY*

THE EAGLE FORD SHALE IS EMERGING AS ONE OF THE WORLD'S BEST SHALE REGIONS

- ✓ **Superior economics** due to productivity and high liquids content (typically > 90% of revenues)
- ✓ **Increasing drilling activity** as operators reallocate resources to liquids-rich basins
- ✓ **Entry of international O&G majors** through acquisitions and partnerships

EAGLE FORD SHALE – LEASE AREAS OF SELECT OPERATORS



GeoResources

STRIKE ENERGY – Eagle Landing JV

Sanchez Energy – Marquis Area

Magnum Hunter

Penn Virginia

EOG Resources

BHP (Petrohawk) – Blackhawk Area

Aurora Energy – Sugarkane Area

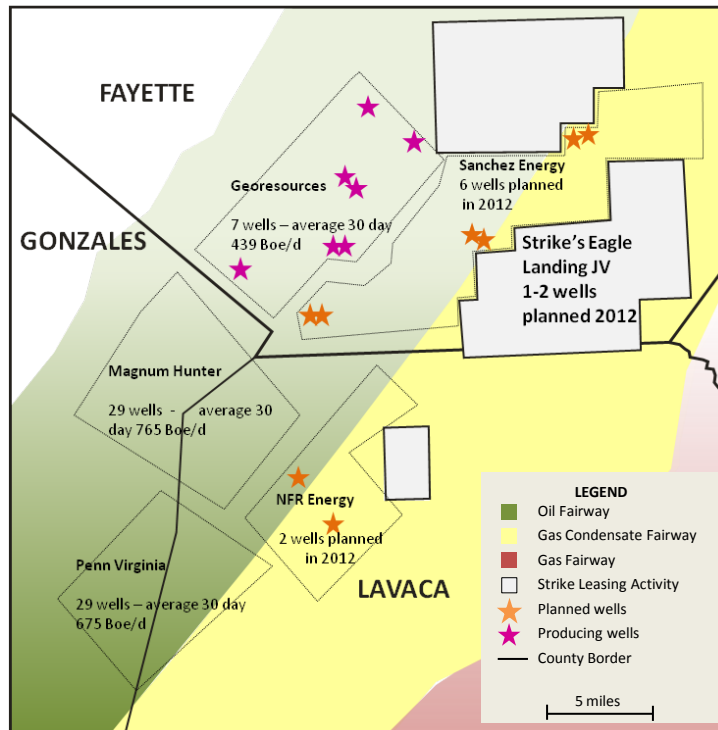
Eureka Energy – Sugarloaf Area

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34,400 GROSS / 9,460 NET ACRES OF EAGLE FORD SHALE LEASES IN LAVACA & FAYETTE COUNTIES

- ✓ Focused upon the **gas-condensate fairway** which has been shown to have the best economics
- ✓ Drilling activity by other operators is demonstrating **extension of the Eagle Ford trend into Fayette County**

LAVACA & FAYETTE COUNTY DRILLING ACTIVITY

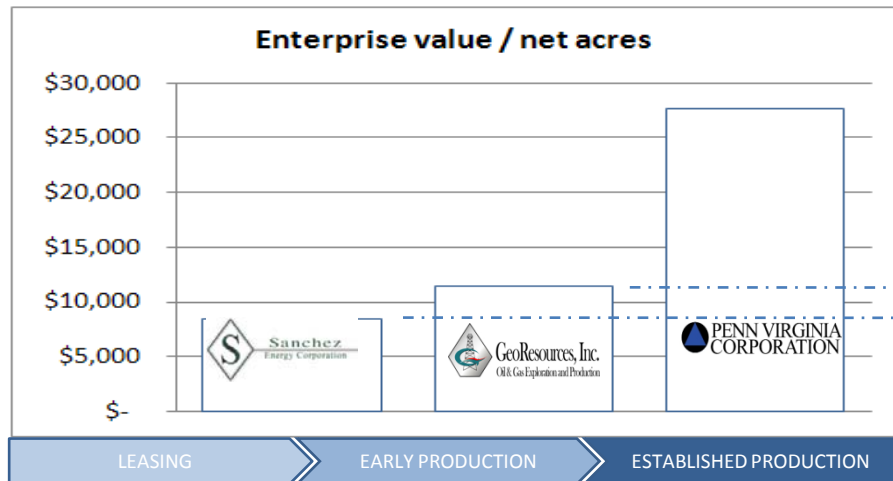


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STRIKE'S FIRST HORIZONTAL PRODUCTION WELL IS EXPECTED TO SPUD MID-2012

- ✓ Technical evaluation shows that the Eagle Ford Shale **gas-condensate fairway** extends into Strike's acreage
- ✓ The **Lower Austin Chalk** is present immediately above the Eagle Ford Shale and provides a secondary target
- ✓ Approximately **215 gross / 60 net well locations** at 160 acre spacing, with upside potential from down-spacing
- ✓ **Substantial re-rating expected** in line with peers as Strike moves from leasing to early production

OPERATORS FOCUSED ON NORTH LAVACA & SOUTH FAYETTE COUNTIES



Implied potential near-term value of Strike's 9,460 Eagle Ford Shale acres based on peers:

\$80 million
\$110 million

OTHER ASSETS

*OPTION VALUE + CASHFLOW FROM
CONVENTIONAL PRODUCTION*

STRIKE IS FOCUSED UPON ITS UNCONVENTIONAL ASSETS, BUT ITS OTHER ASSETS ADD VALUE

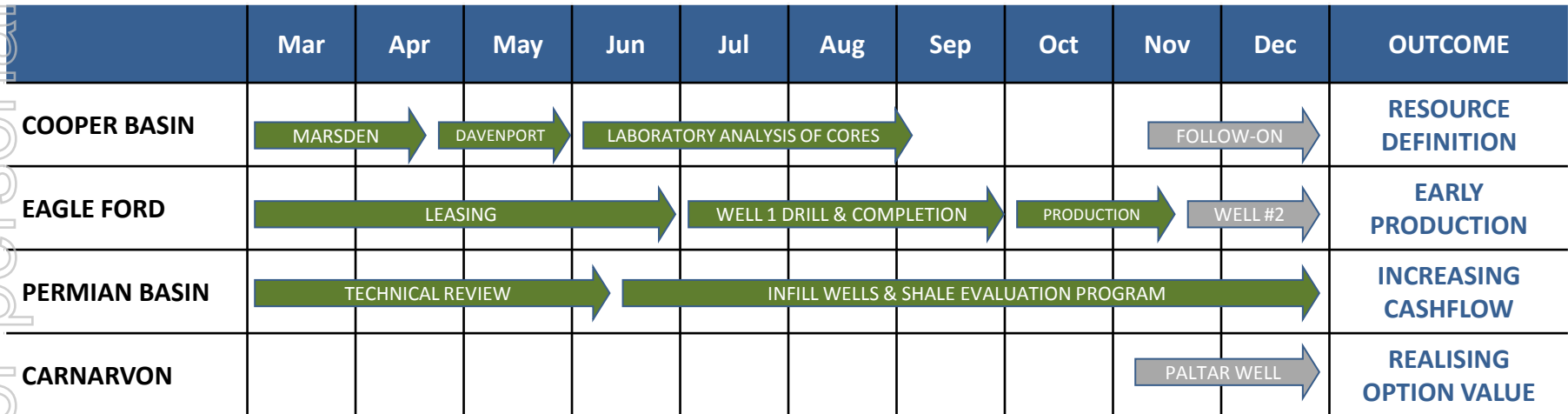
STRIKE ASSET	PRODUCTION	OPTION VALUE
<p>CARNARVON BASIN, Western Australia Five onshore and offshore permits</p>	---	<p>Multiple conventional prospects <i>WA 460P partly sitting over the 13.5 Tcf Paltar prospect to be drilled by Shell from an adjoining permit in late 2012</i></p>
<p>PERMIAN BASIN, Texas 7,500 gross / 1,875 net acres</p>	<p>Conventional oil production – 30 Bbl/d (net) Forecast 2012 cashflow ~\$1.5 million Reserves – 437 Mboe (net) Infill drilling program to increase production</p>	<p><i>~1,000 foot thick Lower Clearfork Shale underlying conventional formations</i></p>
<p>EAGLE LANDING JV (Wilcox), Texas Louise gas-condensate field</p>	<p>Conventional production – 1.6 Mmcf/d + 50 Bbl/d (net) Forecast 2012 cashflow ~\$2.5 million Reserves – 4 Bcf + 50 Mbbbl (net)</p>	---

LOOKING FORWARD

***PROSPECTIVE UNCONVENTIONAL ASSETS +
ACTIVE DRILLING = VALUE UPSIDE***

IMPORTANT ACTIVITY AT KEY UNCONVENTIONAL ASSETS + OPTION VALUE FROM OTHER ASSETS

- ✓ **Current or near-term drilling** in the Cooper Basin and Eagle Ford Shale
- ✓ Technical and commercial analysis underway to develop **follow-on programs**



CONFIRMED ACTIVITY

CONTINGENT ACTIVITY

A STRONG FINANCIAL POSITION FROM WHICH TO ADVANCE KEY UNCONVENTIONAL ASSETS

- ✓ Encouraging share price performance – up 100% this year – **but substantial upside remains**
- ✓ **\$20 million placement** heavily over-subscribed
- ✓ **Leading institutional investors** now shareholders
- ✓ 2012 baseline exploration and development program **fully funded**
- ✓ 2012 forecast cash flow from operations approximately **\$4 million**

 **SECTOR EXPOSURE**

Major exposure to the ‘booming’ unconventional oil & gas sector – a ‘game changer’ in global energy supply

 **QUALITY ASSETS**

Large positions within highly prospective unconventional oil and gas plays – Cooper Basin (Australia) and Eagle Ford Shale (USA)

 **HIGH ACTIVITY**

Active 2012 drilling program to de-risk unconventional assets, starting with the successful Marsden 1 well in the Cooper Basin

 **NEW TEAM**

New leadership team with extensive commercial, technical and unconventional sector experience

 **ATTRACTIVE VALUE**

Potential to benefit from near-term activity and a substantial re-rating of asset values in line with peers

ADDITIONAL INFORMATION

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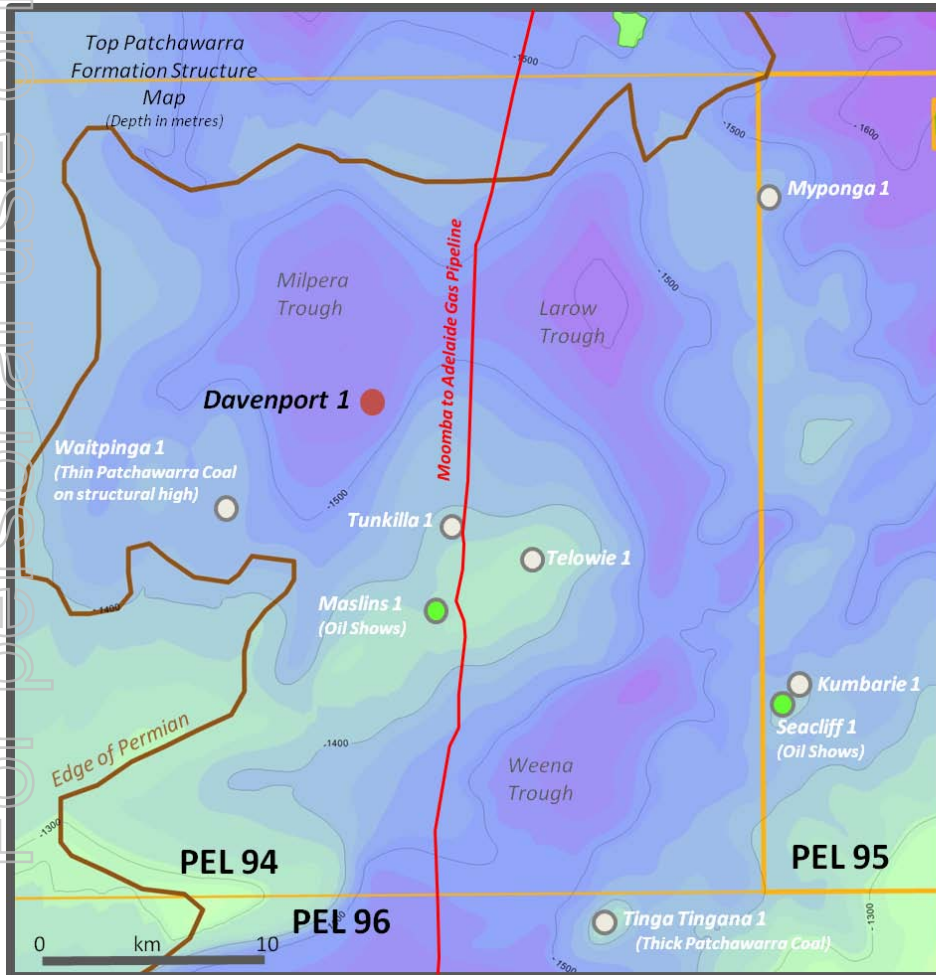
The Marsden 1 unconventional coal and shale evaluation well in PEL 95 (Strike 50%, Beach Energy 50%) spudded on 22 February, and following a three week suspension due to heavy rains, reached a total depth of 2,625 metres on 10 April.

Marsden 1 encountered 804 metres of Permian sediments, including thick sections of the target Toolachee, REM and Patchawarra formations. The well recorded 62 gross metres / 43 net metres of major coal seams within the Toolachee and Patchawarra formations.

FORMATION	THICKNESS (m)	COMMENT
Nappamerri Group	59	
Toolachee Formation	131	Includes 24m gross / 18m net primary coal target
Daralingie Formation	39	
Roseneath Shale	56	
Epsilon Formation	92	
Murteree Shale	78	
Patchawarra Formation	350	Includes 38m gross / 25m net primary coal target
TOTAL	804	

Mudlogs recorded elevated gas readings across the target coal formations. The mudlogs also recorded the presence of heavy hydrocarbons – ethane (C2), propane (C3), butane (C4) and pentane (C5) – from the top of the Toolachee Formation.

Based on the encouraging preliminary results, Strike and its partner Beach Energy have cased and suspended the well to facilitate additional testing in due course. In the meantime, detailed laboratory analysis of the Marsden 1 cores and cuttings will be undertaken over the next few months to determine geochemical and geomechanical properties of the samples which will be integrated with log data.



Strike's Davenport 1 unconventional evaluation well spudded on 25 April and is testing the Permian coals and shales within the Milpera Trough in PEL 95 (Strike 35%).

The well will be drilled to a total depth of 2,192 metres and logged, before target formations are cored by a sidetrack well. Drilling, logging and coring is expected to take 25 – 30 days.

Activity by independent operators is ramping-up as the Eagle Ford Shale trend is shown to extend into northern Lavaca and southern Fayette Counties. At least 15 wells are expected to complete in Fayette County during 2012, compared with only three in 2011.

Well performances are continuously improving as drilling and completion techniques are refined. The most recent wells completed by Magnum Hunter and Penn Virginia have strong initial production rates (IPs) around 2,000 Boe/day.

OPERATOR	N. LAVACA & S. FAYETTE ACRES (net)	WELLS ¹	30 DAY AVG PRODUCTION	ENTERPRISE VALUE (USDm)	COMMENT
MAGNUM HUNTER	24,500	29 gross / 14 net	765 Boe/d	1,225	Hawg Hunter IP 2,289 Boe/d – Mar 2012 Snipe Hunter IP 2,033 Boe/d – Dec 2011
PENN VIRGINIA	23,100	29 gross	675 Boe/d	914	Munson Ranch IP 1,921 Boe/d Hawn Holt 9H IP 1,877 Boe/d
GEORESOURCES	24,000	12 gross	445 Boe/d	899	Approximately 10 net wells planned in Fayette County in 2012 Merger with Halcon Resources announced 25 April valuing GEOI at ~\$12,000 / acre
SANCHEZ ENERGY	54,000	1 gross / 1 net	Currently drilling	776	Dedicated Eagle Ford Shale operator Leases in the immediate vicinity of Strike's acreage Six wells planned in Fayette County in 2012 Currently trading at ~\$8,500 / acre
NFR ENERGY	17,000	1 gross / 1 net	Currently drilling	Not listed	Two wells planned in Fayette County in 2012
STRIKE'S EAGLE LANDING JV	34,400 (gross) 9,460 (Strike)	-	-	Not listed	First production well planned for mid-2012

¹ Includes producing wells and wells awaiting completion

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