

Strike Energy Limited

October 2018 Update

Stuart Nicholls

CEO & Managing Director

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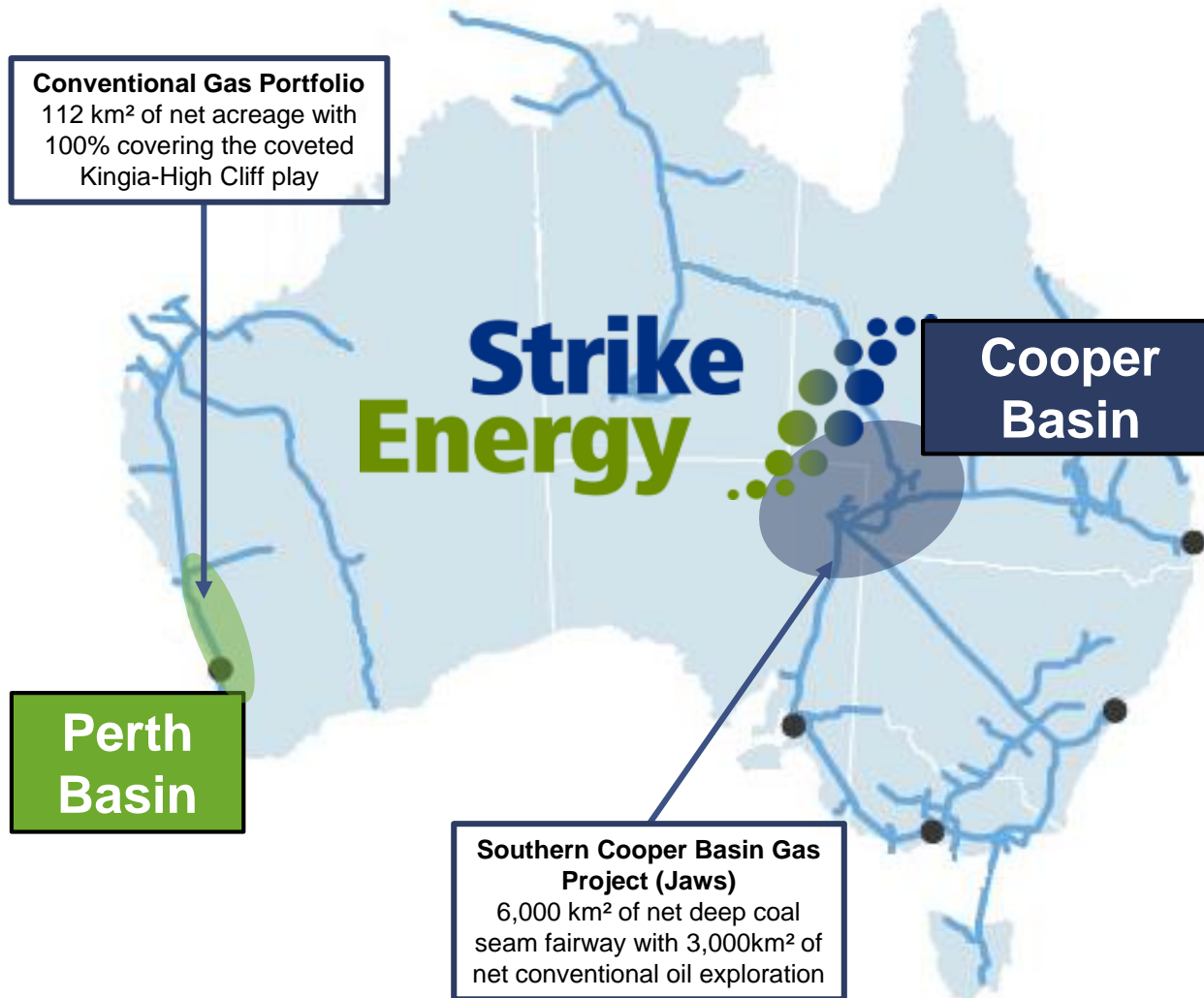
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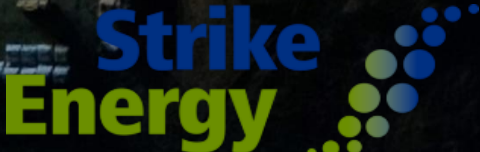
Strike is poised to become Australia's next mid-cap O&G company



Strike is a highly attractive Australian domestic gas investment opportunity.

1. Australian domestic gas market focus
2. Diversity across basins, play types, timelines and markets
3. Significant landholdings in two of Australia's premier onshore O&G basins
4. Track record of identifying attractive opportunities and competent delivery
5. Projects strategically located near major gas infrastructure including pipelines and processing plants
6. Near to medium term share price catalysts including commercial success of Jaws and high-impact drilling of West Erregulla

Southern Cooper Basin Gas Project



Southern Cooper Basin Gas Project

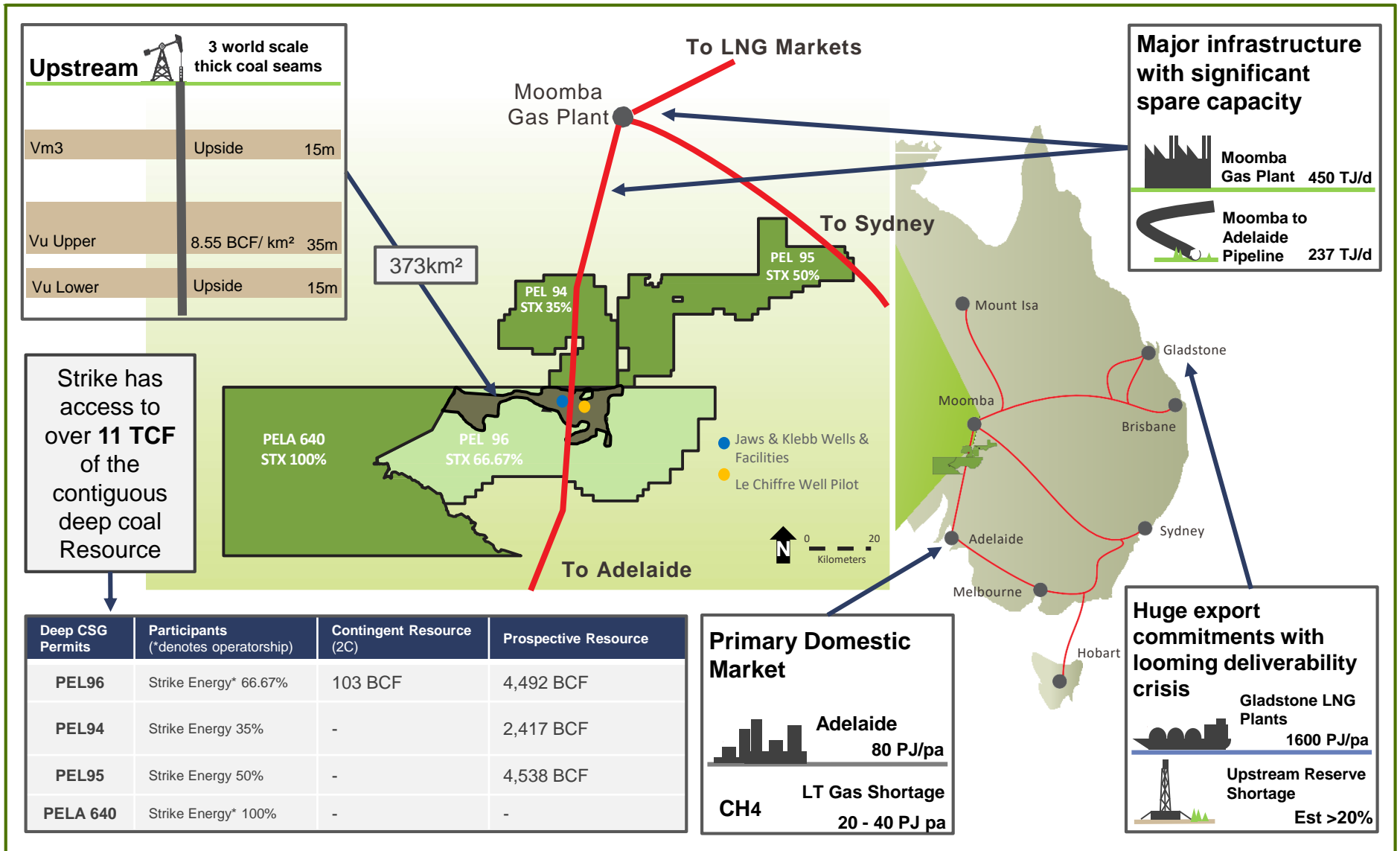
Strike's SCBGP is one of the largest undeveloped East Australian gas resources

- Huge resource (4+ TCF in PEL96 alone)
- Excellent resource density (8.55 BCF/ km² in a single coal seam)
- Technical production solution in Jaws
- Favourable long term price environment (\$8-12 GJ)
- Top quartile cost of supply for greenfield volumes
- Proximity to major infrastructure (Moomba to Adelaide Pipeline and Moomba Gas Plant)
- Pro-development and supportive legislative environment in South Australia
- Minimal non-technical risk

The SCBGP is an asset of national importance and its success is a strategic imperative

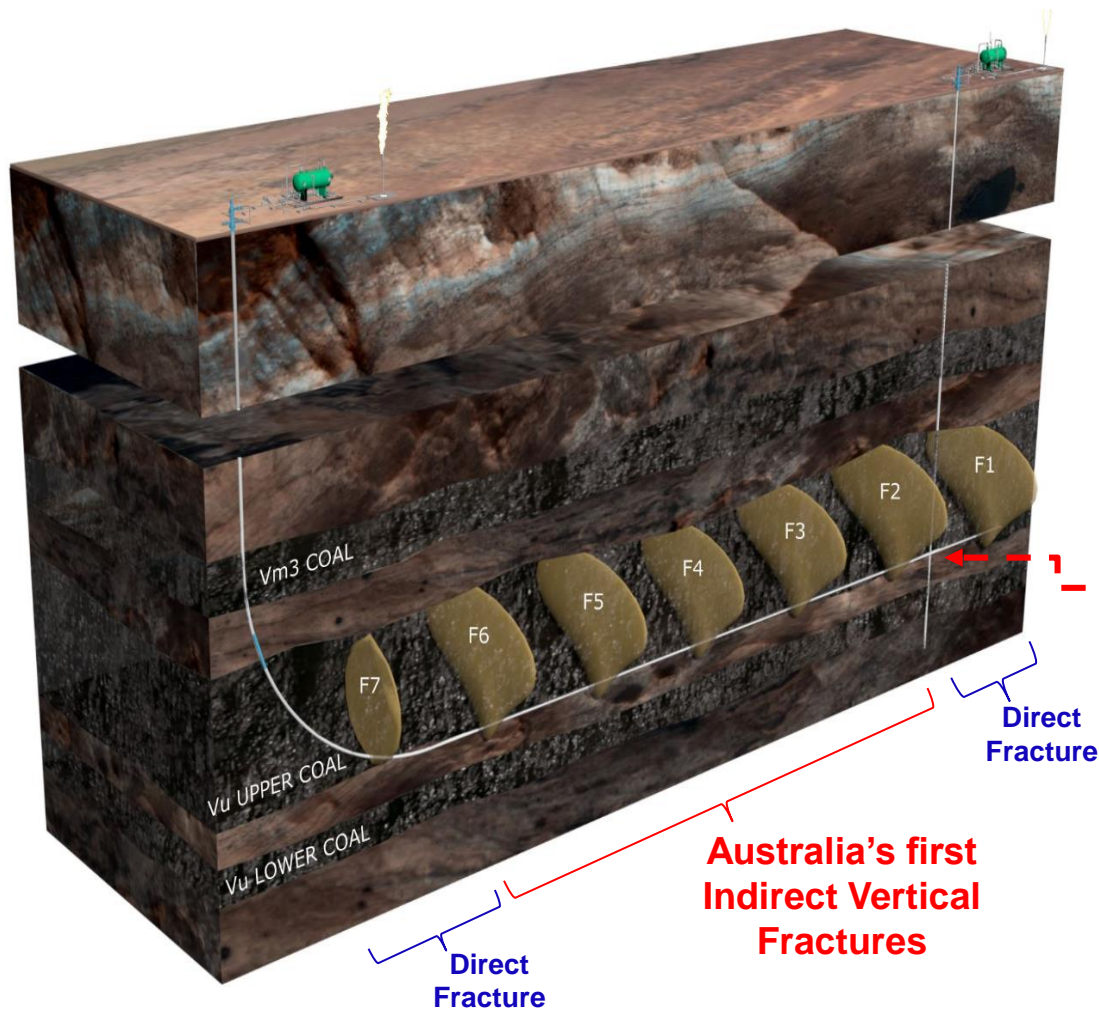


The SCBGP is transformational for the East Coast



"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

Australian Innovation - Jaws-1



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

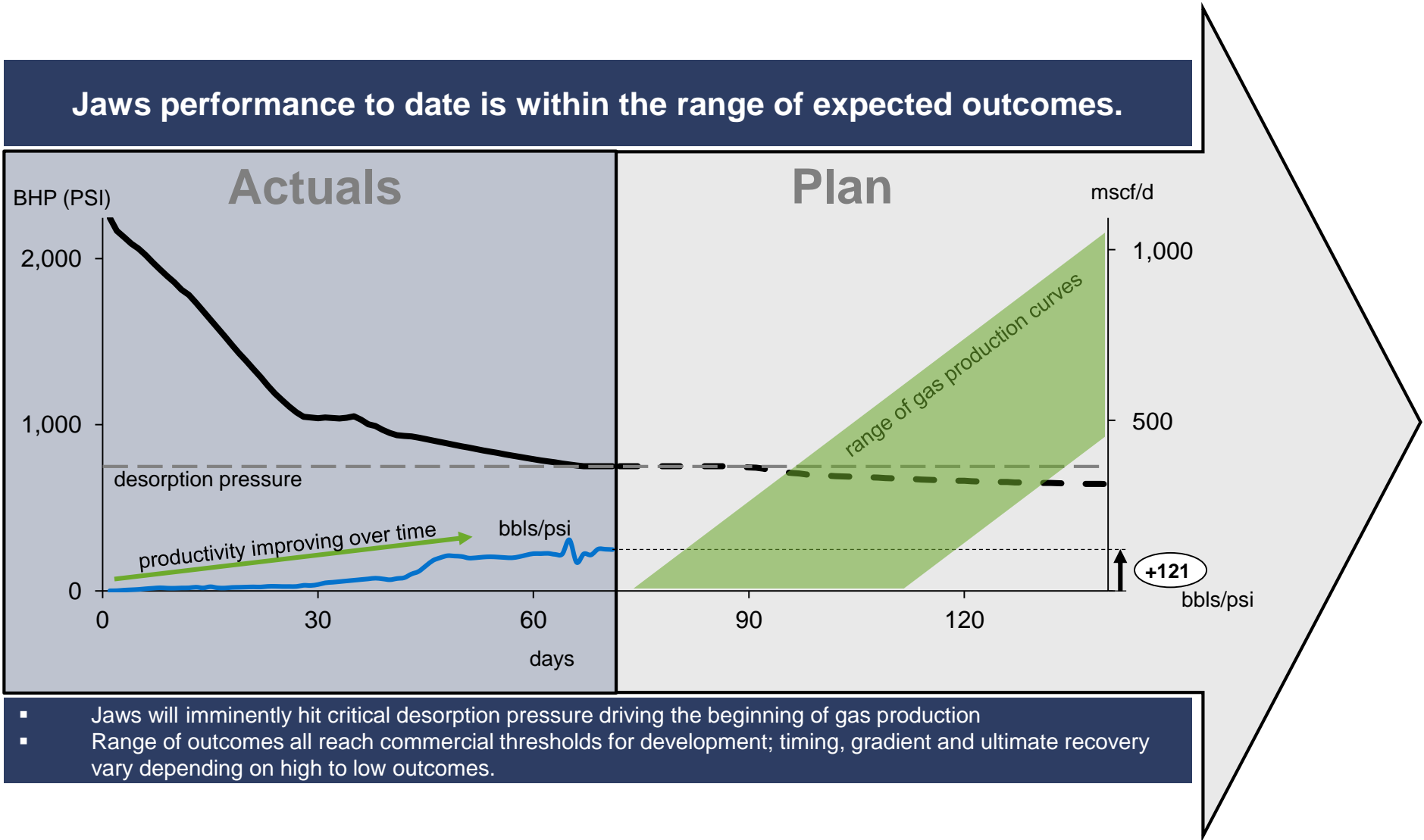
1. Increasing induced permeability through multi-stage fracturing,
2. Enhancing production rates via mass communication with the reservoir, and
3. Optimising well orientation to align well bore with natural cleating & fractures.

Jaws-1:

- Australia's deepest Horizontal-vertical Intercept at 2100m;
- 800m horizontal in and under coal;
- 1mln lbs of proppant placed over 7 stages;
- 5 x indirect vertical fractures (gravity assisted drainage)
- Dual ESP configuration (accelerated depressurisation/ redundancy);
- Successful construction proves delivery competency of execution team.

CURRENTLY ON TEST!

Jaws-1 – Progress to date



- Jaws will imminently hit critical desorption pressure driving the beginning of gas production
- Range of outcomes all reach commercial thresholds for development; timing, gradient and ultimate recovery vary depending on high to low outcomes.

*Modelling and plans of Jaws-1 are subject to further history matching; whilst the range of outcomes captures the expected results, actual gas production is required to accurately model trends, productivity and recoveries.

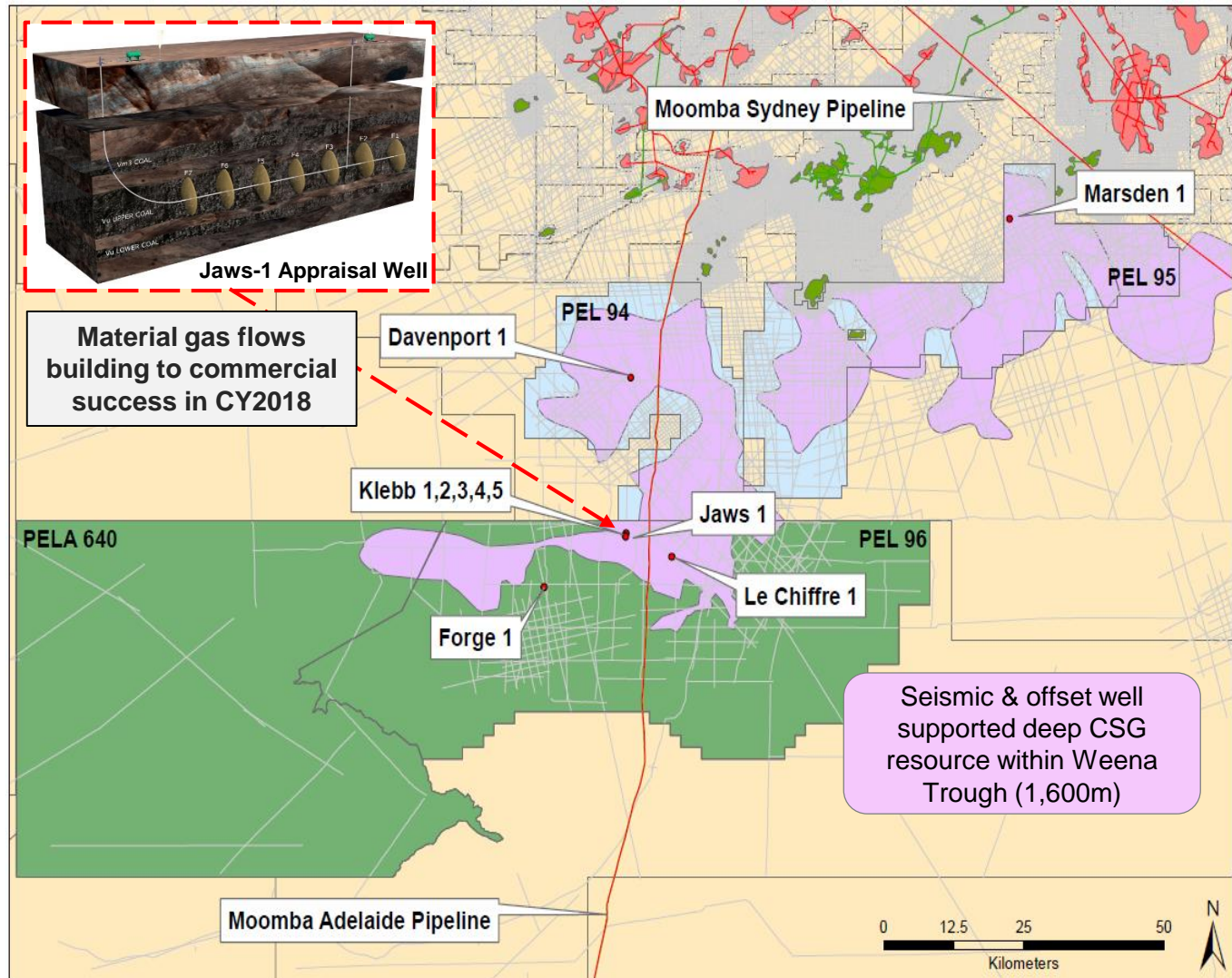
Jaws unlocks commercial pathway for multi-TCF play

Jaws is the enabler for a multi-billion dollar resource to make its way to market.

Jaws proves that:

1. The unique deep coal fairway within the Weena Trough is geologically capable of supporting a gas project
2. The well design required for commercial success is technically feasible.

On booking of a Reserve Strike will be set to move the SCBGP into development during 2019

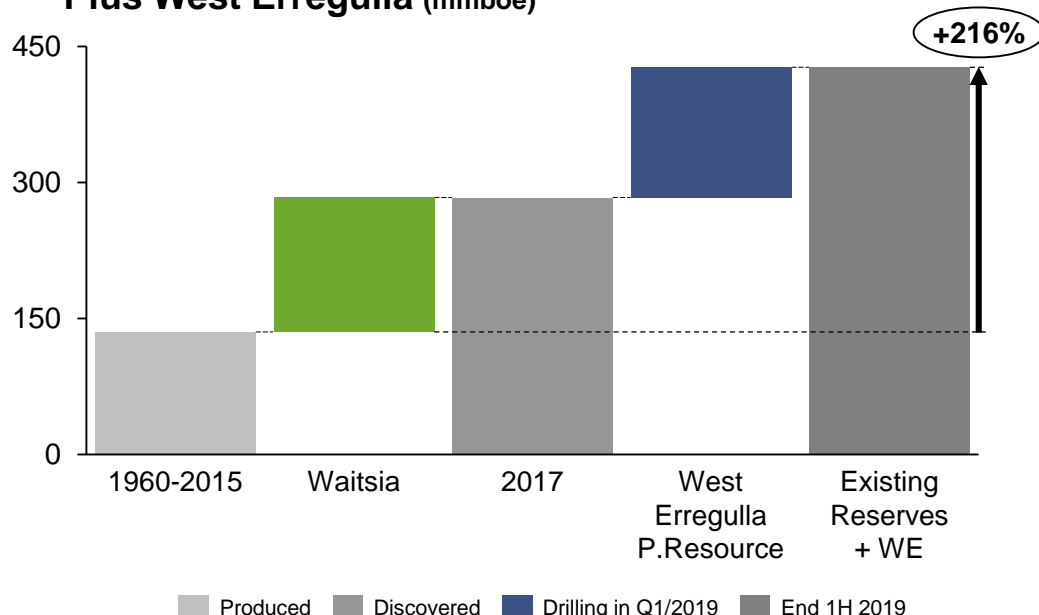


Perth Basin



West Erregulla in the Perth Basin & WA Market

**Perth Basin total Discovered Reserves (2017)
Plus West Erregulla (mmboe)**



Between Waitsia and West Erregulla the Perth Basin could triple its discovered Reserves within 2 years from 2017.

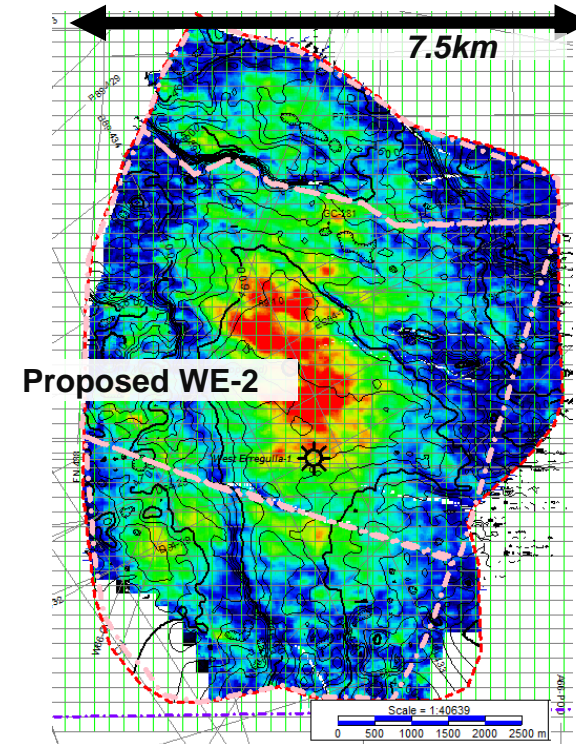
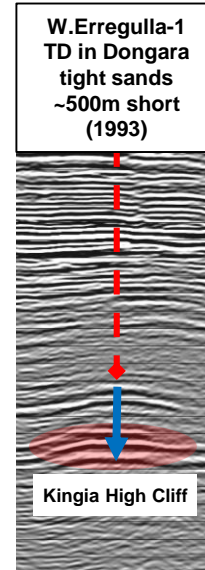
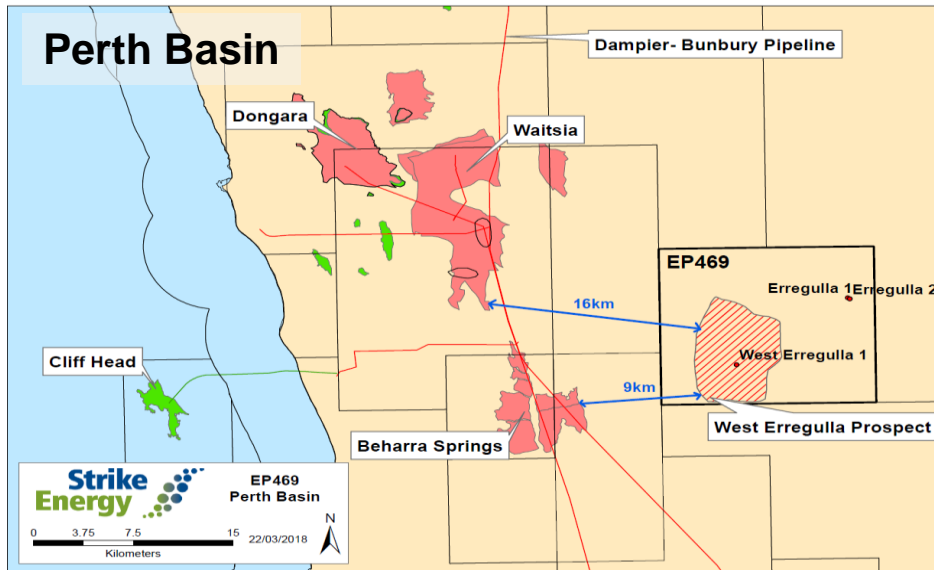
Major signal that this petroleum basin is massively underexplored

Western Australian Market

- Currently market is balanced with significant demand opening up from 2020.
- Existing supply from the North West Shelf is declining putting pressure on the new supplies.
- Market growth has been signalled by major industrial gas users (Coogee, BHP, FMG and Wesfarmers).
- Waitsia operator: Mitsui is considering export options.
- Delays in construction to any proposed LNG projects/expansions will trigger a rapid tightening of the market

There is more than enough demand in the market for West Erregulla to place volumes at commercial pricing within its development horizons

West Erregulla – A tier 1 asset in the making



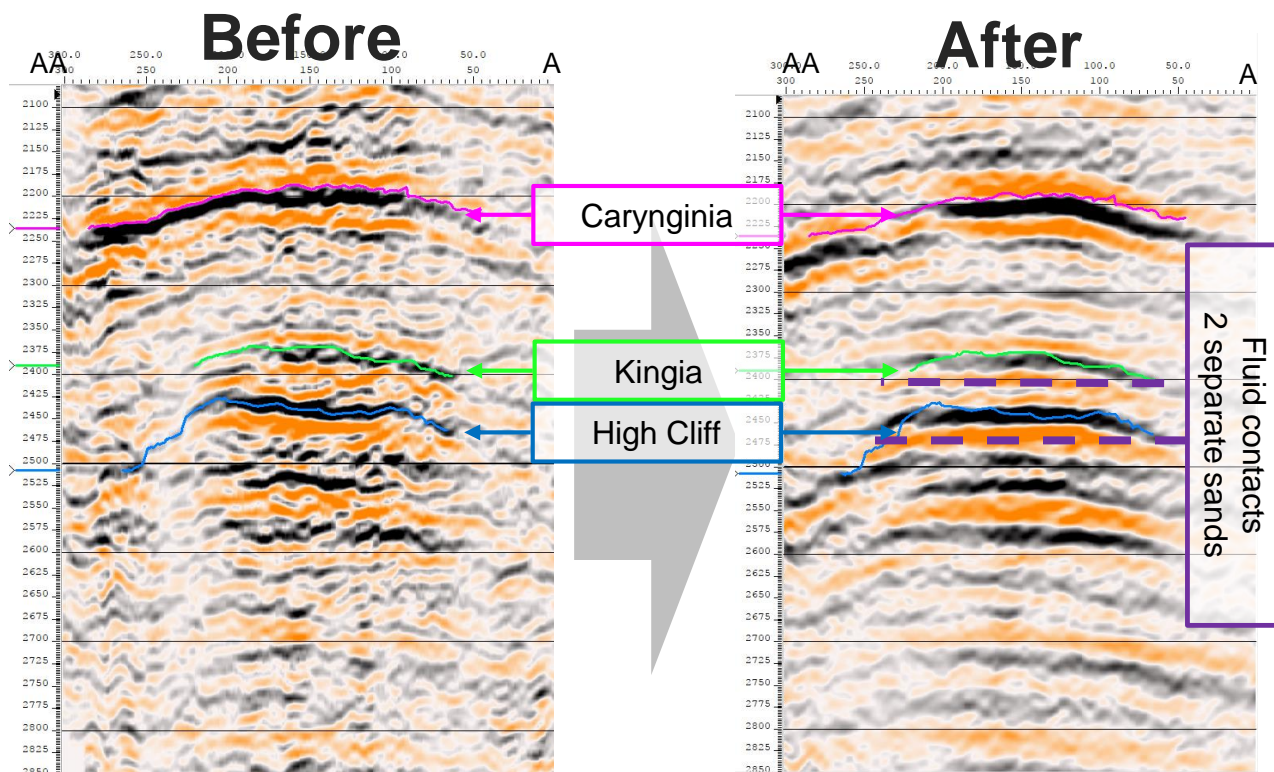
West Erregulla is a material standalone conventional gas prospect with prospective volumes up to 1.24 TCF

- Displays very similar attributes to Waitsia
- Has multiple Direct Hydrocarbon Indicators
- Is structurally conformable with amplitude and AVO support
- Adjacent to existing gas infrastructure + two major pipelines
- Is drill ready for late Q1/2019.
- External validation from other Perth Basin operators

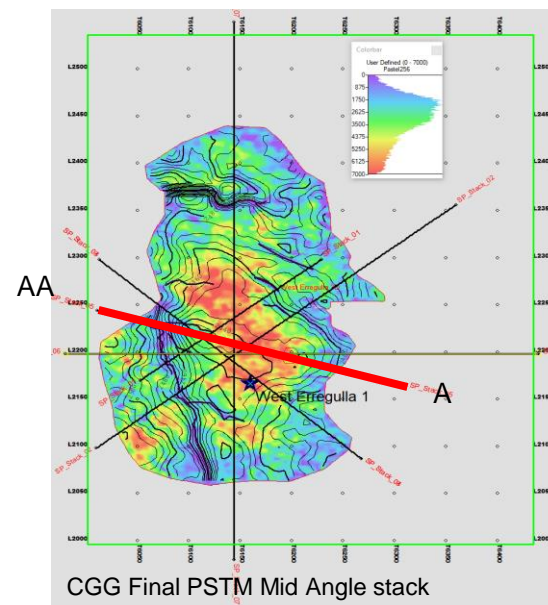
West Erregulla Conventional Gas (BCF) Kingia- High Cliff Prospective Resource

OGIIP	STX Share	100%
Low Estimate (P90)	285	570
Best Estimate (P50)	442	884
High Estimate (P10)	620	1,240

West Erregulla - Advanced reprocessing & spacial stacking yields further confidence in Kingia-High Cliff



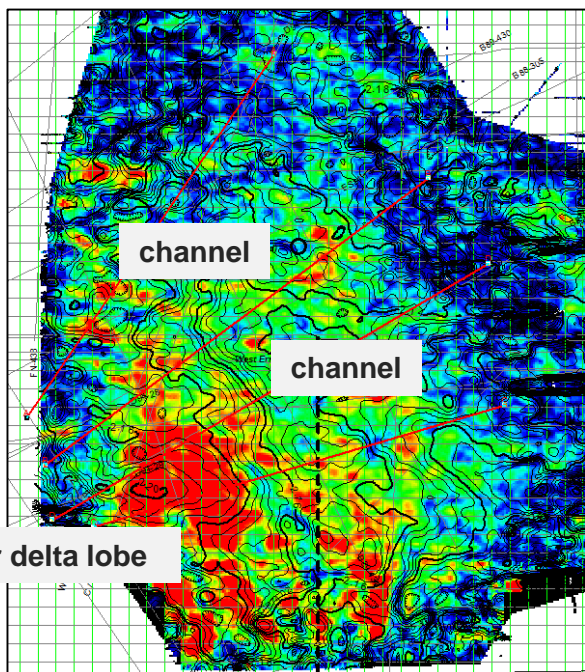
Spatial Stack
41 traces stacked on either side of profile



Azimuthal velocity remodelling of WE 3D data set has increased confidence in mapping of critical West Erregulla attributes.

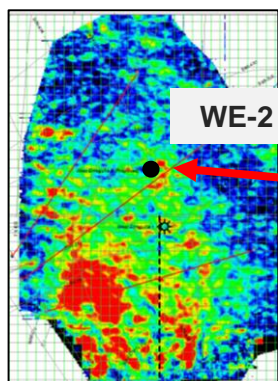
- Gas & water contacts more easily visible; higher confidence of direct hydrocarbon indicators.
- Improves Quantitative Interpretation on commercial porosity preservation.
- Wedge and fluid substitution models are supportive of two gas-charged sands – a porous Kingia and a porous upper High Cliff separated by a thickened Bit Basher shale (*similar to Waitsia-1 well*)

West Erregulla – Additional Prospectivity



Recent mapping of conventional play in the lower Dongara shows stacked target for WE-2

- Lowstand to transgressive basin floor channel-fan complex and feeder channels interpreted in basal Wagina sandstone.
- Apparently exhibits similar amplitude responses to the other QI supported plays.
- Expect similar porosity development to Wagina in Beharra Springs, located 9km to the West, but may have a thicker gross sand interval in the basal Wagina (similar thickness to Warradong-1, but blockier and higher quality).
- Provides additional evidence that the West Erregulla area lay within a depocenter throughout the Permian and was structured early.



West Erregulla-2 will pass through the fringes of the fan to prove it's prospectivity




West Erregulla Conventional Gas (BCF) Lower Dongara Prospective Resource

OGIIP	STX Share	100%
Low Estimate (P90)	30	60
Best Estimate (P50)	64	127
High Estimate (P10)	117	234

Mitsui valuation of Waitsia & comparison to West Erregulla

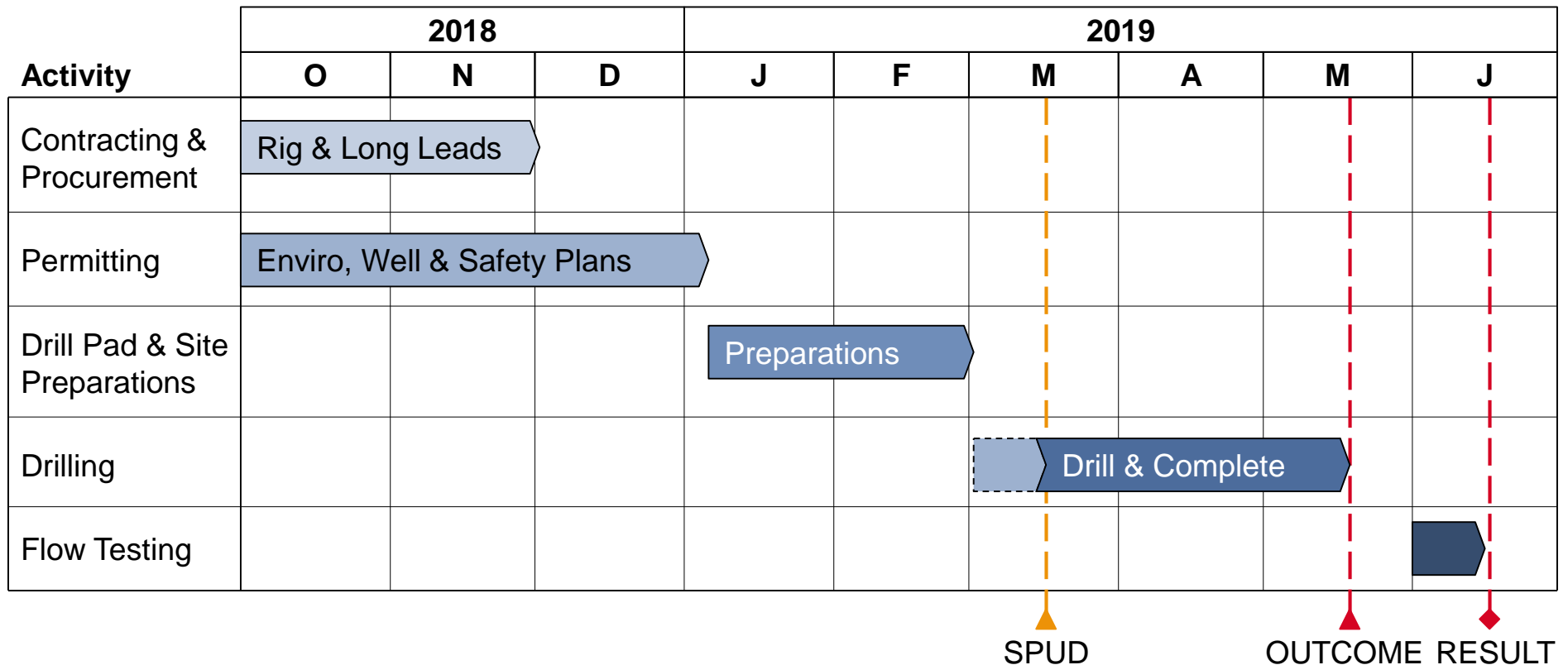


In Q1 of this year Mitsui closed its acquisition of AWE for \$605mln. 83% of the transactions 2P Reserves were attributable to Waitsia. This equals a market valuation of \$503mln for the 50% operated position in Waitsia.

	WAITSIA GAS FIELD	WEST ERREGULLA PROSPECT
	  Operator*	 Operator*
Trap	<ul style="list-style-type: none"> North part of field low-side downthrown fault block. South part of field antiformal fault blocks with three-way dip closure. 	<ul style="list-style-type: none"> Antiformal fault block with three-way dip closure. High-side upthrown fault block to south.
Seal	<ul style="list-style-type: none"> Vertical seal – intraformational seals or continuous charge up to Dongara-Wagina sandstones. Lateral seals – downthrown fault block seals across Mountain bridge Fault against Holmwood shale/Nangetty Formation. 	<ul style="list-style-type: none"> Vertical seal – intraformational seals or continuous charge up to Dongara-Wagina sandstones. Lateral seals – upthrown fault block to South seals against basal Irwin River Coal Measures.
Reservoir	<ul style="list-style-type: none"> Primary reservoir development in Kingia member of the High Cliff sands. Secondary reservoir in upper High Cliff Sandstones. 	<ul style="list-style-type: none"> Same reservoir to Waitsia but with thickened Bit-Basher shale separating Kingia and High Cliff. High Cliff porosity strongly developed (similar to as seen in Waitsia-1).
Charge	<ul style="list-style-type: none"> Charge from overlying IRCM and underlying Holmwood shale. Dongara-Wagina sandstones overlying prospect are gas-bearing (led to discovery). 	<ul style="list-style-type: none"> Charge from overlying IRCM and underlying Holmwood shale. Dongara-Wagina sandstones overlying prospect are gas-bearing (confirmed via WE-1 in 1993).
Volume (KHC only)	836 PJ 2P Reserves – 418 PJ Mitsui Share	884 PJ Prospective Resource Pre-Drill – 442 PJ STX Share

West Erregulla-2 Well Delivery

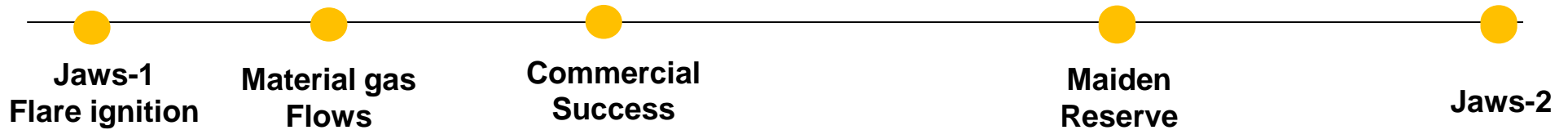
- WE-2 is on track for spud in March 2019
- Some major tenders complete (rig, casing etc) others ongoing: well heads, fluids, mud etc



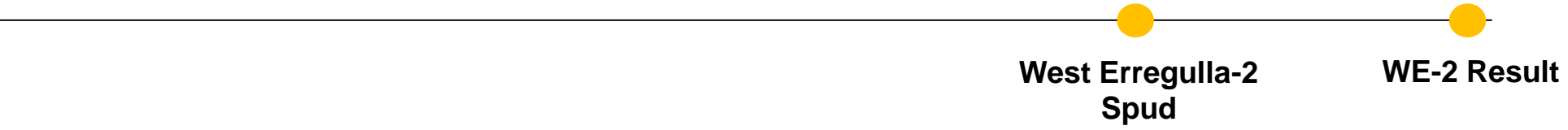
A succession of major news flow over the next 9 months



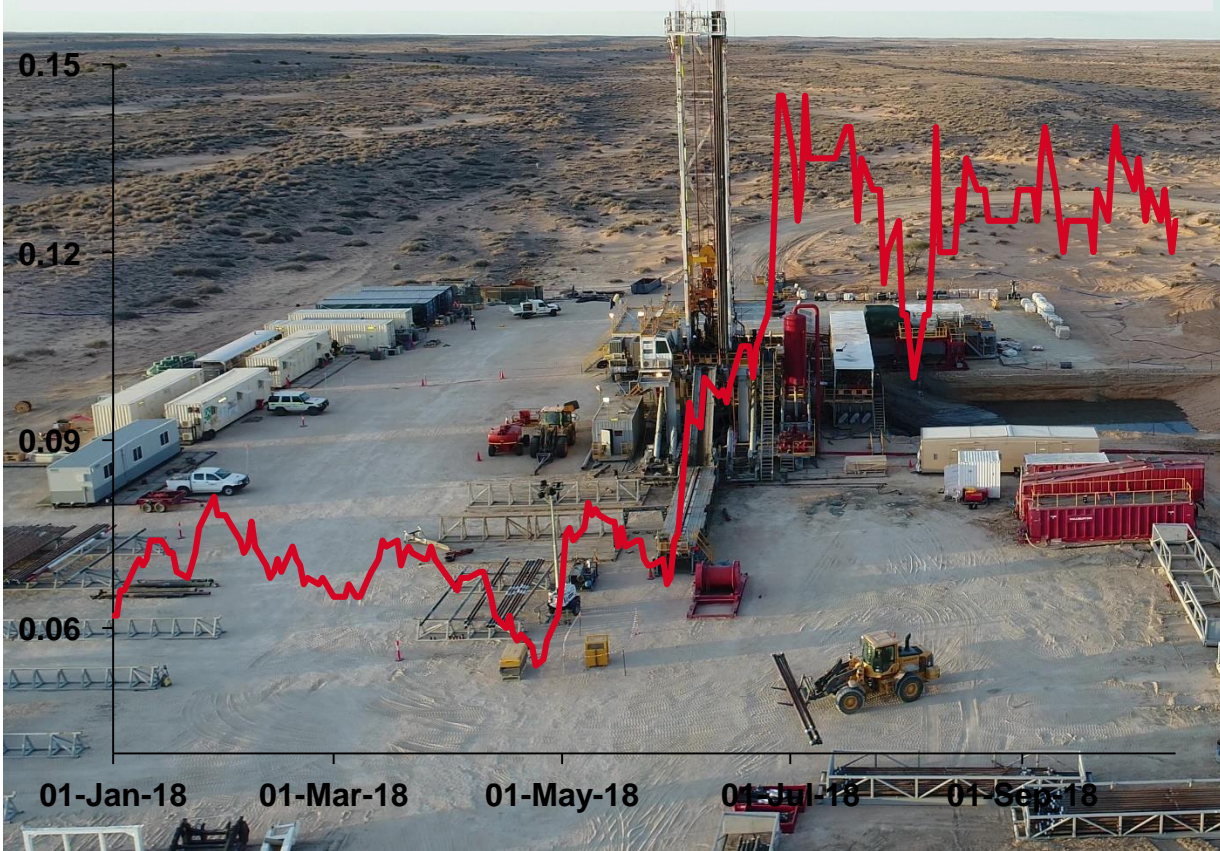
Southern Cooper Basin



Perth Basin



Strike has a portfolio of high quality and transformational gas projects set to deliver material near term value



Board of Directors

John Poynton (Chair)
Jody Rowe
Andrew Seaton
Stuart Nicholls (MD)
Tim Goyder

Securities Exchange

ASX: STX

Market Capitalisation

\$146 million

5th Oct 2018

\$0.13 per share

Securities on Issue

Shares: 1,123,511,727

Options: 28,000,000

Performance Rights 9,250,000

Top 30 Shareholders

40.4% ownership

Cash & Facilities

~\$3 mln as per the end of Q2/2018

Corporate / Registered Office

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An Experienced Board with a High Performance Team



Board of Directors



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



Managing Director
Stuart Nicholls
Ex-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

Strike Energy Journey since
April 2017

New Board



New Strategy



New Team



New Plan



Today's Results

Trusted Advisor



Subsurface Consultant
Tony Cortis
From Shell International
Unconventional Geology
Exclusive Access

Leadership Team



Chief Financial Officer
Justin Ferravant
From Santos, Origin
Finance



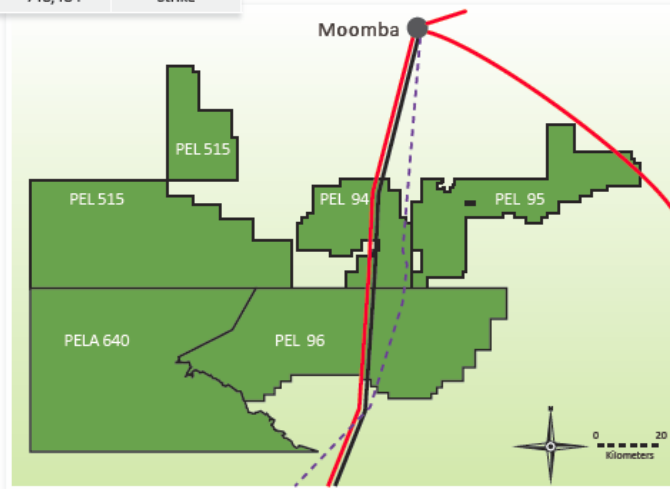
GM Commercial & Legal
Lucy Gauvin
Ex-Partner Piper Alderman
Energy, Resources



GM Operations
Pax Barkla
From Fyfe, Santos
Upstream & Operations

Cooper Basin License Information

Permit	STX Working Interest	STX Net Acres	Operator
PEL 96	66.67%	443,880	Strike
PEL 95	50%	160,248	Beach Energy
PEL 94	35%	77,925	Beach Energy
PELA 640	100%	821,055	Strike
PEL 515	100%	748,484	Strike



Competent Persons Statement

The information in this report that relates to appraisal results 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 16 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.

Igesi Consulting

Tony Cortis (M.Sc. Geology) who brings over 29 years of industry experience, 28 of which were with Shell International. He is a member of APEGA and the AAPG. 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. He has also worked on numerous conventional clastic and carbonate plays worldwide.

Mr. T. Cortis has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.