

ASX Announcement



1 September 2015

The Company Announcement Officer ASX Ltd
via electronic lodgement

GOOD OIL CONFERENCE PRESENTATION – SEPTEMBER 2015

Please find attached a presentation to be given by Mr David Wrench at the Good Oil conference to be held at the Esplanade Hotel Fremantle (WA) on the 2nd and 3rd September 2015.

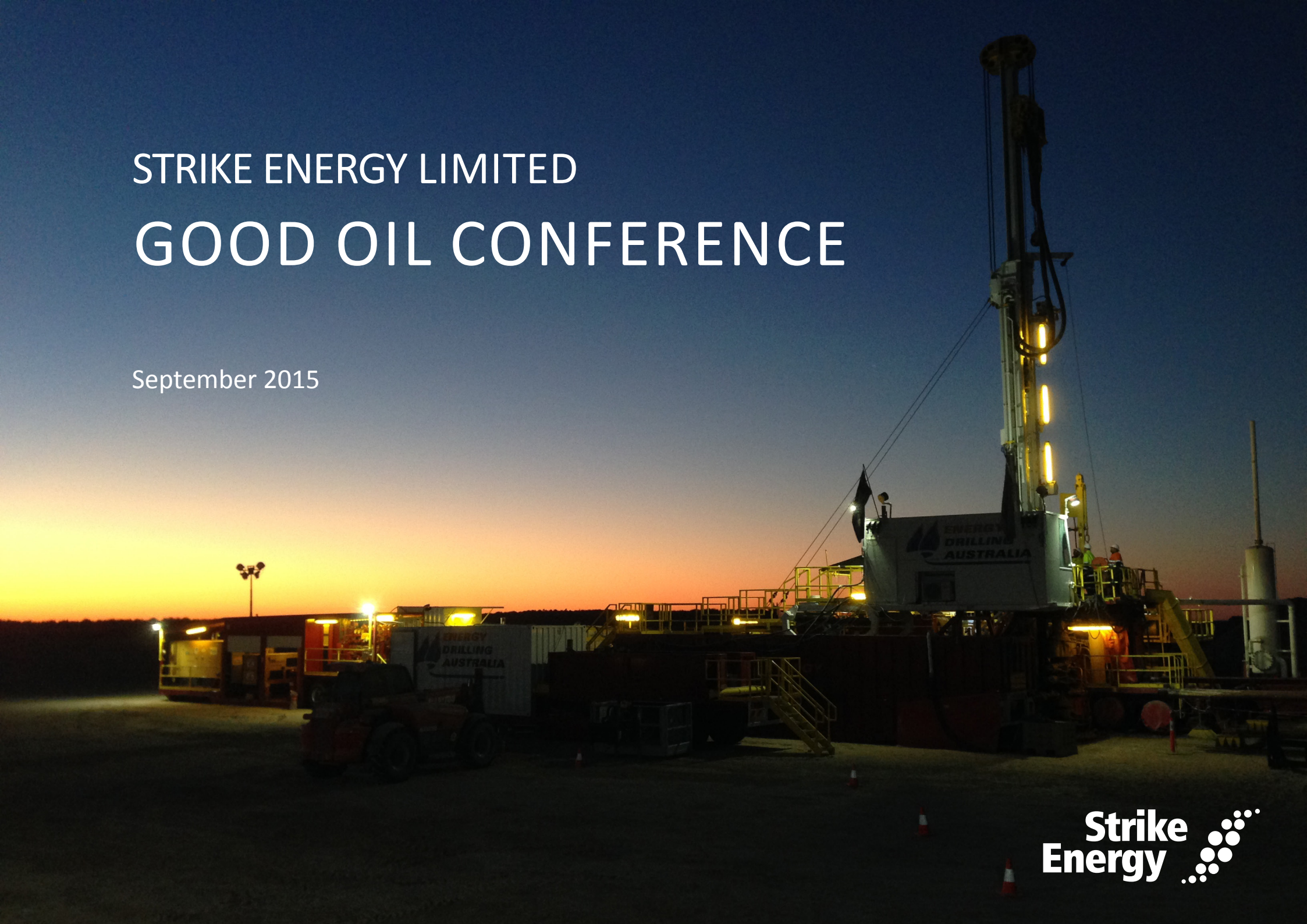
Yours faithfully

A handwritten signature in black ink, appearing to read "S McGuinness".

Sean McGuinness
Chief Financial Officer & Company Secretary

STRIKE ENERGY LIMITED GOOD OIL CONFERENCE

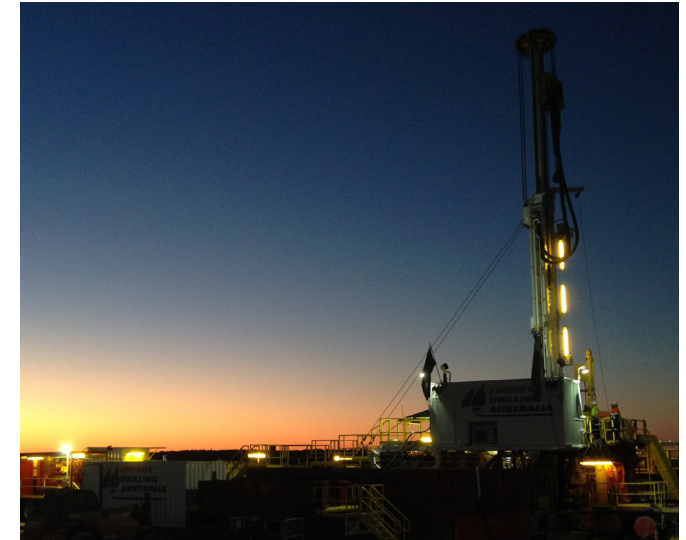
September 2015



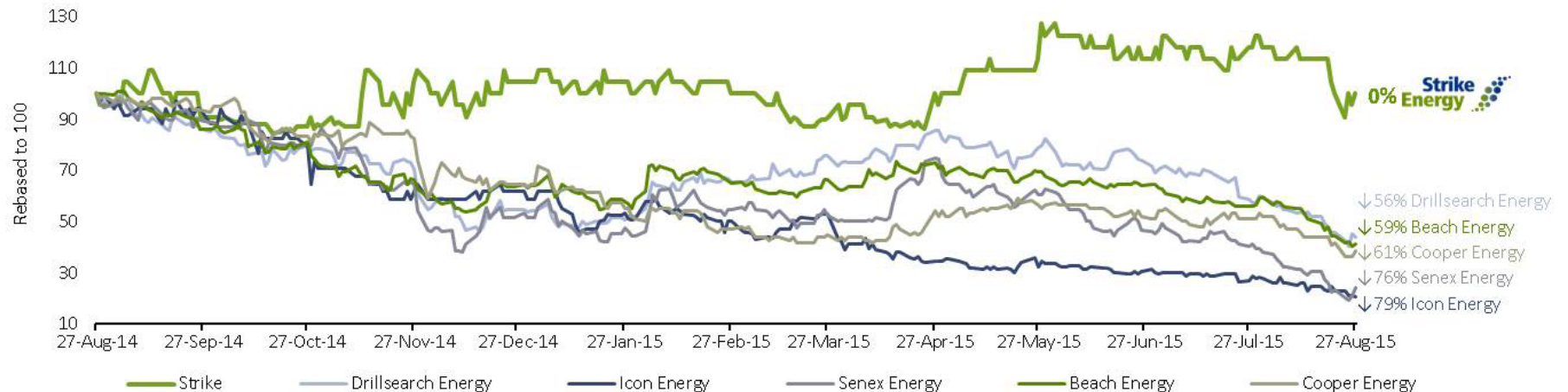
Strike
Energy 

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

Listing	ASX (ticker STX)
Issued Shares	833,330,946
Unlisted Options and Performance Rights	40,350,000
Market Capitalisation	\$91.6 million (28 August 2015)
Cash at 30 June 2015	\$11.7 million



Share price performance relative to peers : Last 12 months to 27 August 2015

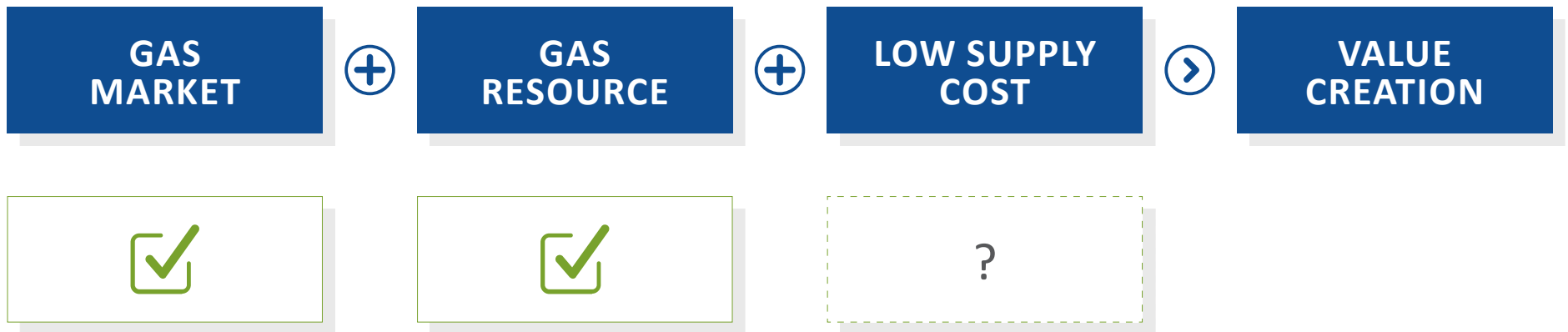




Eastern Australian gas supply - huge potential for value creation

Strike's Southern Cooper Basin Gas Project



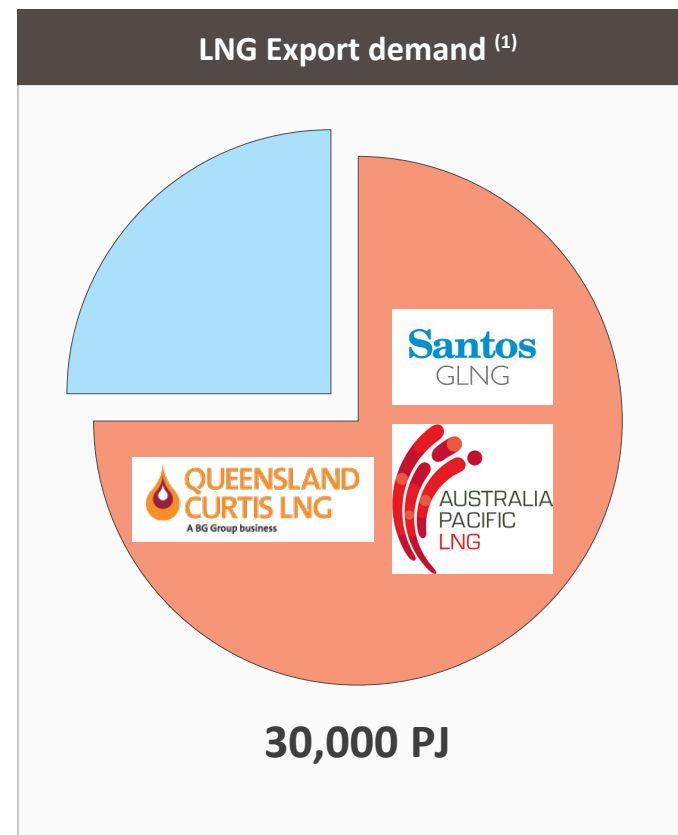
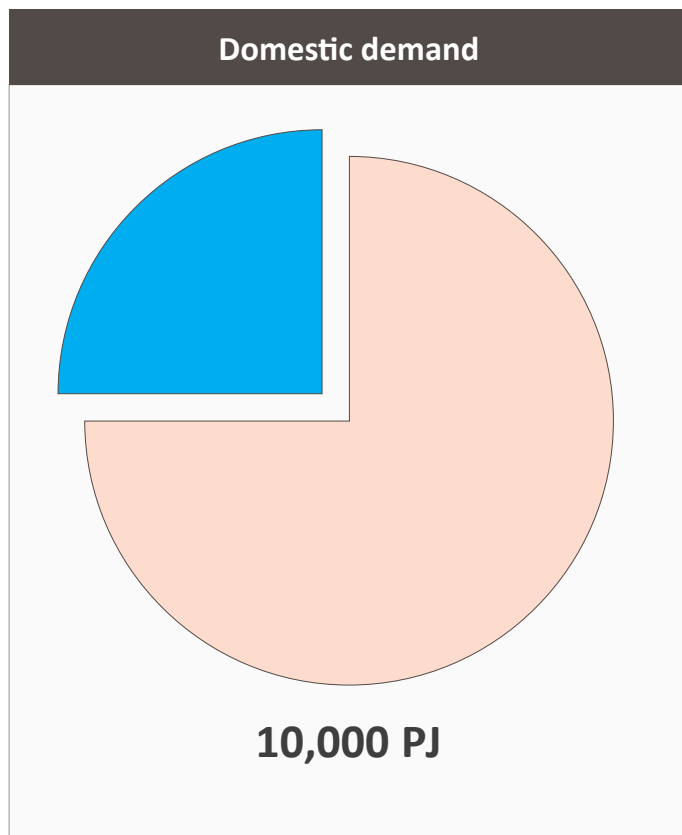


Supply cost is the critical driver of value

Eastern Australian Gas Market: 20-year total demand

Over the 20-year period from 2020 to 2040, 40 Tcf of gas will be required to meet demand.

Export LNG projects will create 75% of this demand.



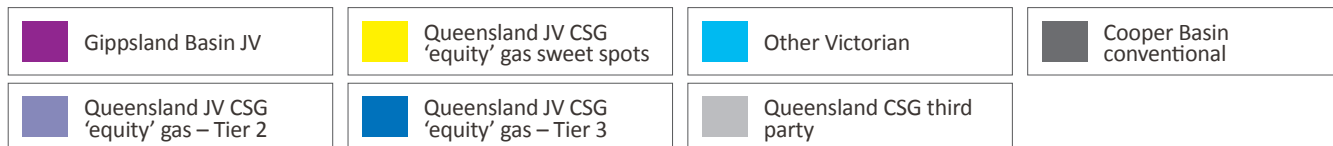
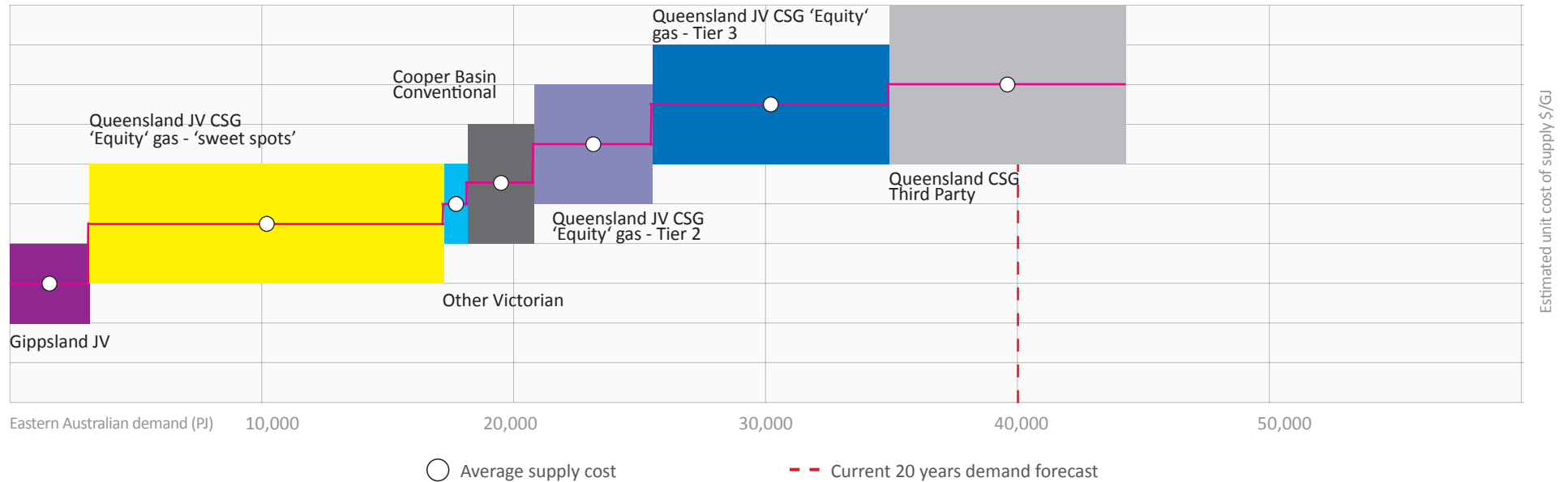
⁽¹⁾ Current LNG market forecast demand

LNG projects will dominate the east coast gas market

Supply cost: Eastern Australia gas supply cost curve

Strike’s analysis highlights the steepness of the East Australian gas supply cost curve.

The discovery and development of new large scale lower cost gas resources could substantially lower input costs for gas users by substituting higher cost reserves.

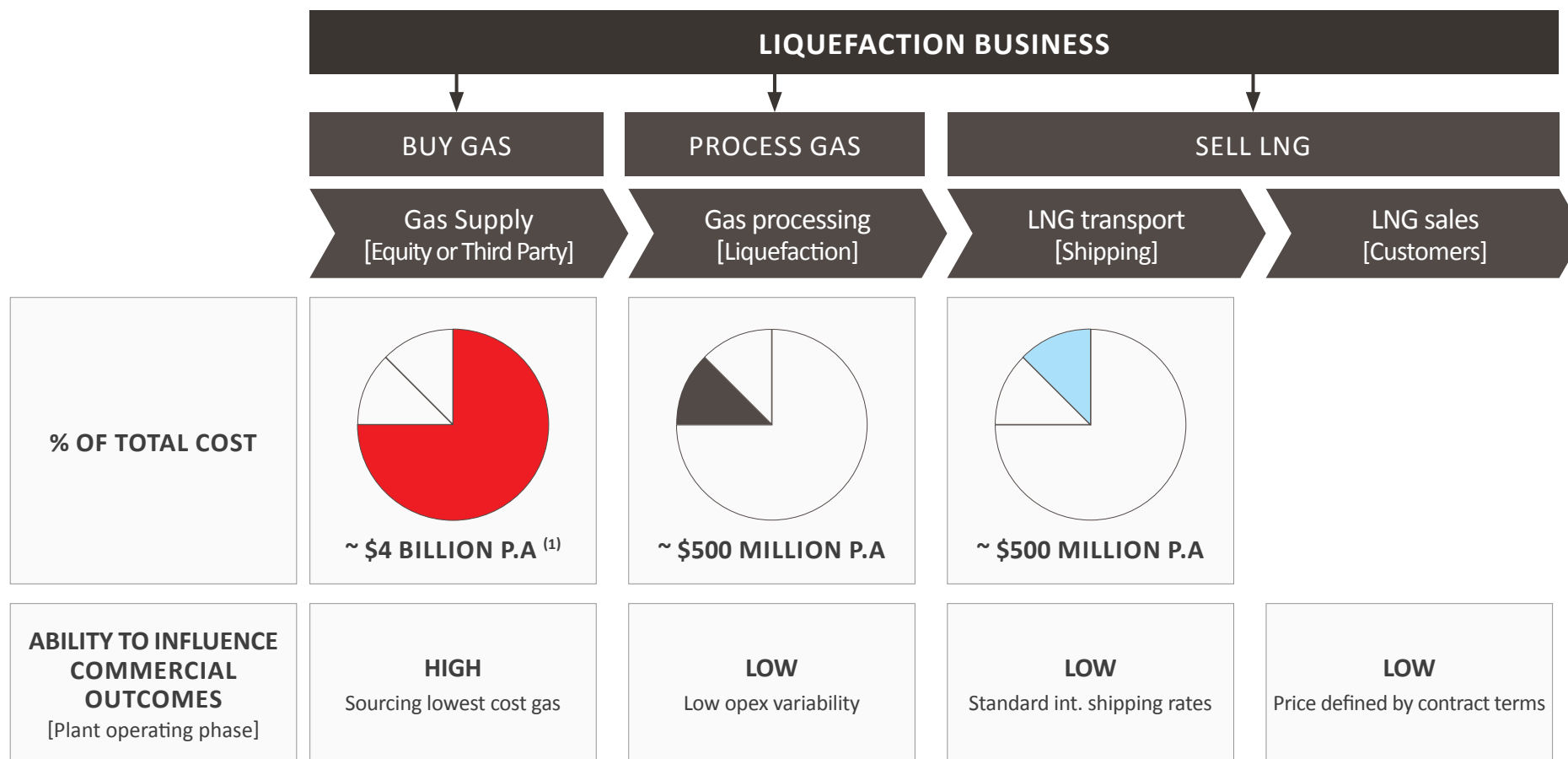


New large scale lower cost resources are needed to displace higher cost gas

Supply cost: Liquefaction business

LNG liquefaction projects are merchant gas processing businesses. These businesses must source the lowest cost gas supply from the market, be that 'equity' or third party gas.

The cost of gas supply is the one area of the business value chain that can be highly influenced by ongoing 'make' or 'buy' decisions throughout the operating life of the liquefaction plant.



⁽¹⁾ Based on an estimated 500 PJ/annum at a gas sales price of \$8/PJ.

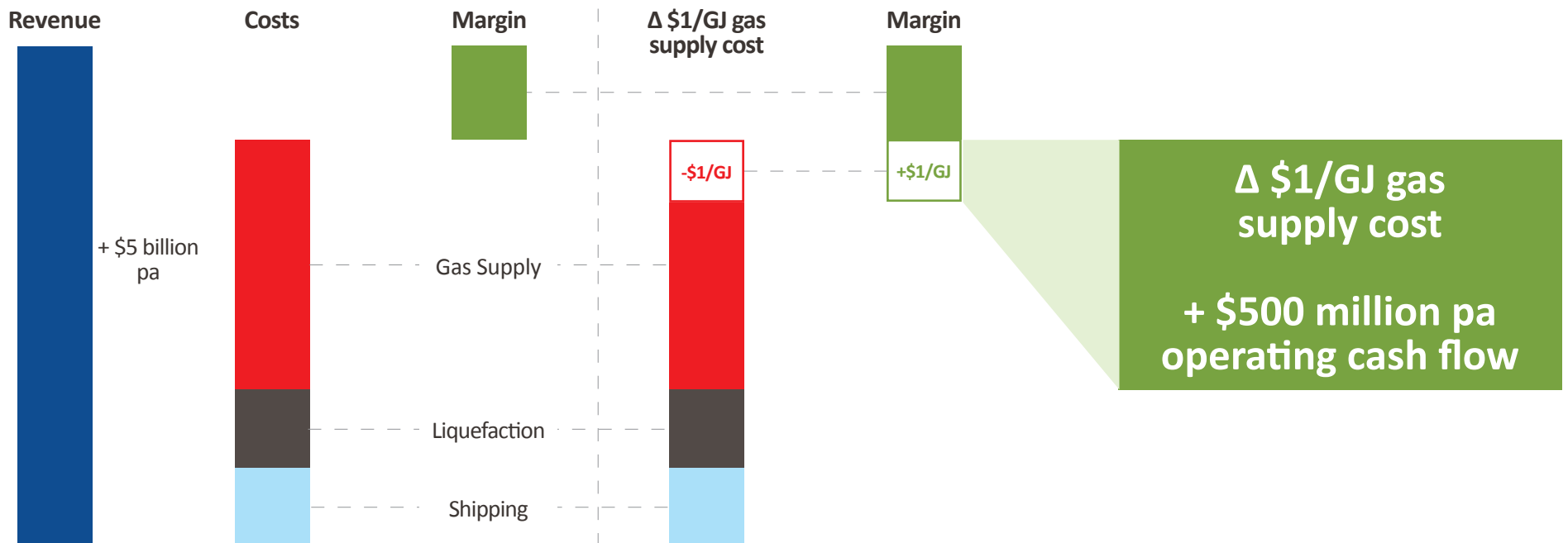
Gas supply is the primary business cost

Supply cost: Focus moving to cost of supply

Dramatic changes in the Eastern Australia gas demand profile have been driven by construction of six LNG trains at Gladstone. These trains will account for 30 Tcf of the 40 Tcf demand profile over the next twenty years.

During the ramp-up phase the focus is on establishing rate of gas supply into the plants to ensure offtake commitments can be met. Post ramp-up phase the focus will move to the cost of gas supply to maximise future operating cash flows.

9 million tonne per annum LNG facility (two trains) – 500 PJ/annum – sensitivity to cost of gas supply

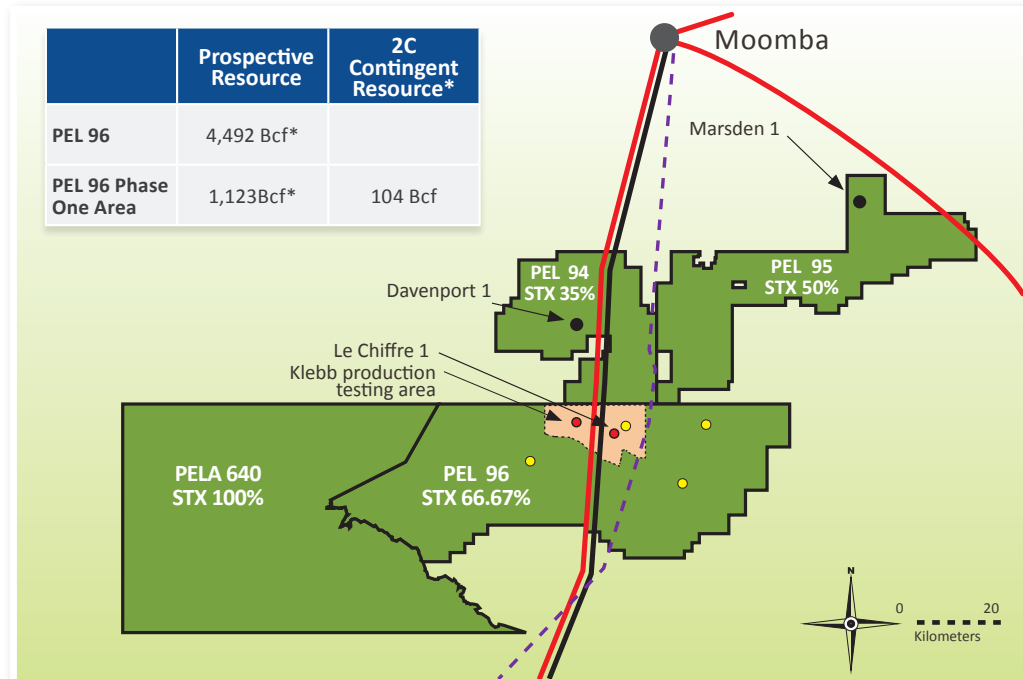


Massive incentive for LNG facilities to source lowest cost gas supply

Gas demand	~40 Tcf over twenty years; LNG the dominant gas buyer
LNG merchant business	Operating cash flows highly leveraged to gas supply cost
Cost curve	Eastern States gas market cost curve is very steep
Addressable market	10 - 20 Tcf addressable market for competitive new gas supply
Market opportunity	The lower the cost, the larger the market

Strike's strategy is to be the leading independent gas supplier to the Eastern Australian gas market

Gas resource: Strike's Southern Cooper Basin Gas Project



	Prospective Resource	2C Contingent Resource*
PEL 96	4,492 Bcf*	
PEL 96 Phase One Area	1,123Bcf*	104 Bcf



- PEL 96 Phase One Area
- Strike Phase One Area wells drilled
- Gas Pipeline
- Strike Wells Drilled
- Oil Pipeline
- PEL 96 Offset Wells
- Strzelecki Track
- PEL 96 and PELA 640 - STX Operated

PEL	Net STX Acres
PEL 94	77,925
PEL 95	160,248
PEL 96	443,880
PELA 640	850,786
Total	1,532,839

* Mean estimate (net to Strike determined on a probabilistic basis) per ASX announcement dated 19 Feb 2014 and adjusted for announced contingent resource estimate per ASX announcement dated 27 April 2015.

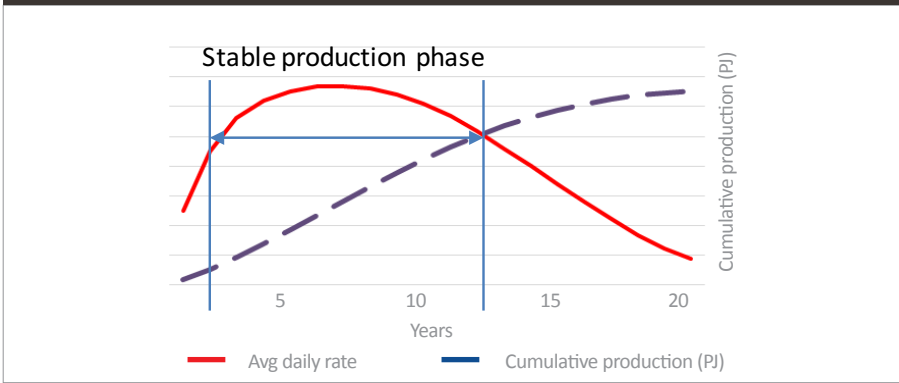
** The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

Strike has an ideally positioned long-life multi-Tcf resource directly connected to the ~40 Tcf Eastern Australian gas market

Unit Cost of Supply: Economics of Strike's Southern Cooper Coals

Strike's demonstrated cost structure will drive competitive unit production costs for wells that recover greater than 3PJ.

Production type curve - long stable phase



PEL 96 well full cycle costs (undiscounted) ⁽¹⁾

Well capex (drill/complete/connect)	\$3.5m
Other capex (gathering/processing) ⁽¹⁾ + Opex	\$13.5m
Total	\$17.0m

⁽¹⁾ Based on current Strike estimates

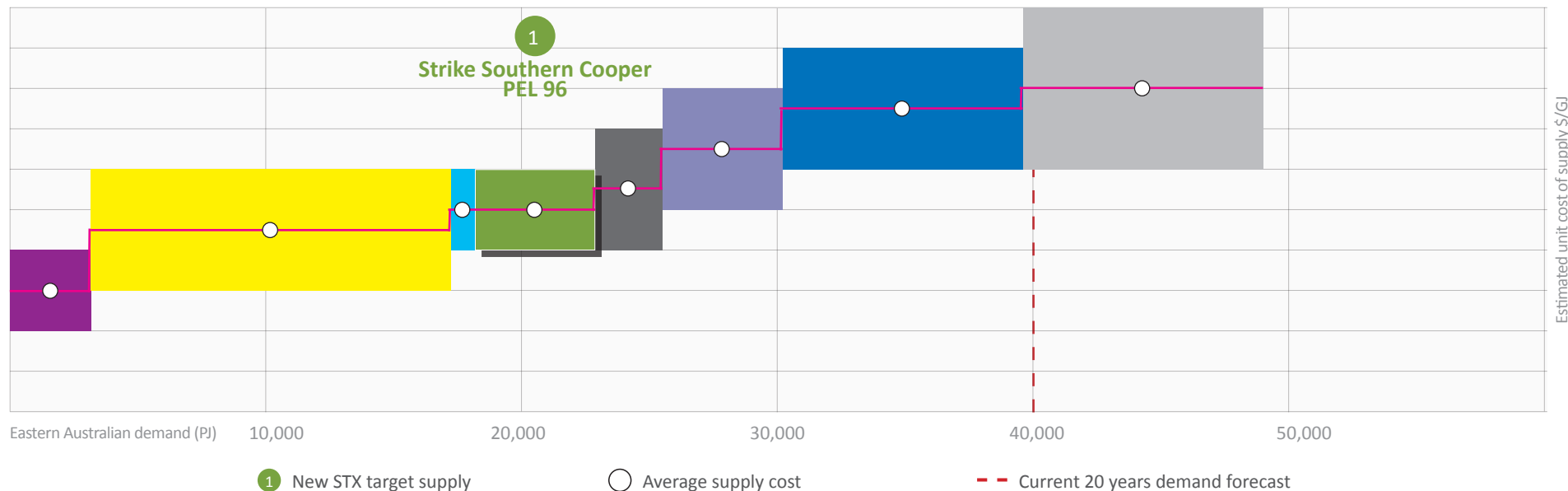
Ex-field gas costs



Strike is targeting a competitive positioning on the Eastern Australian gas cost curve

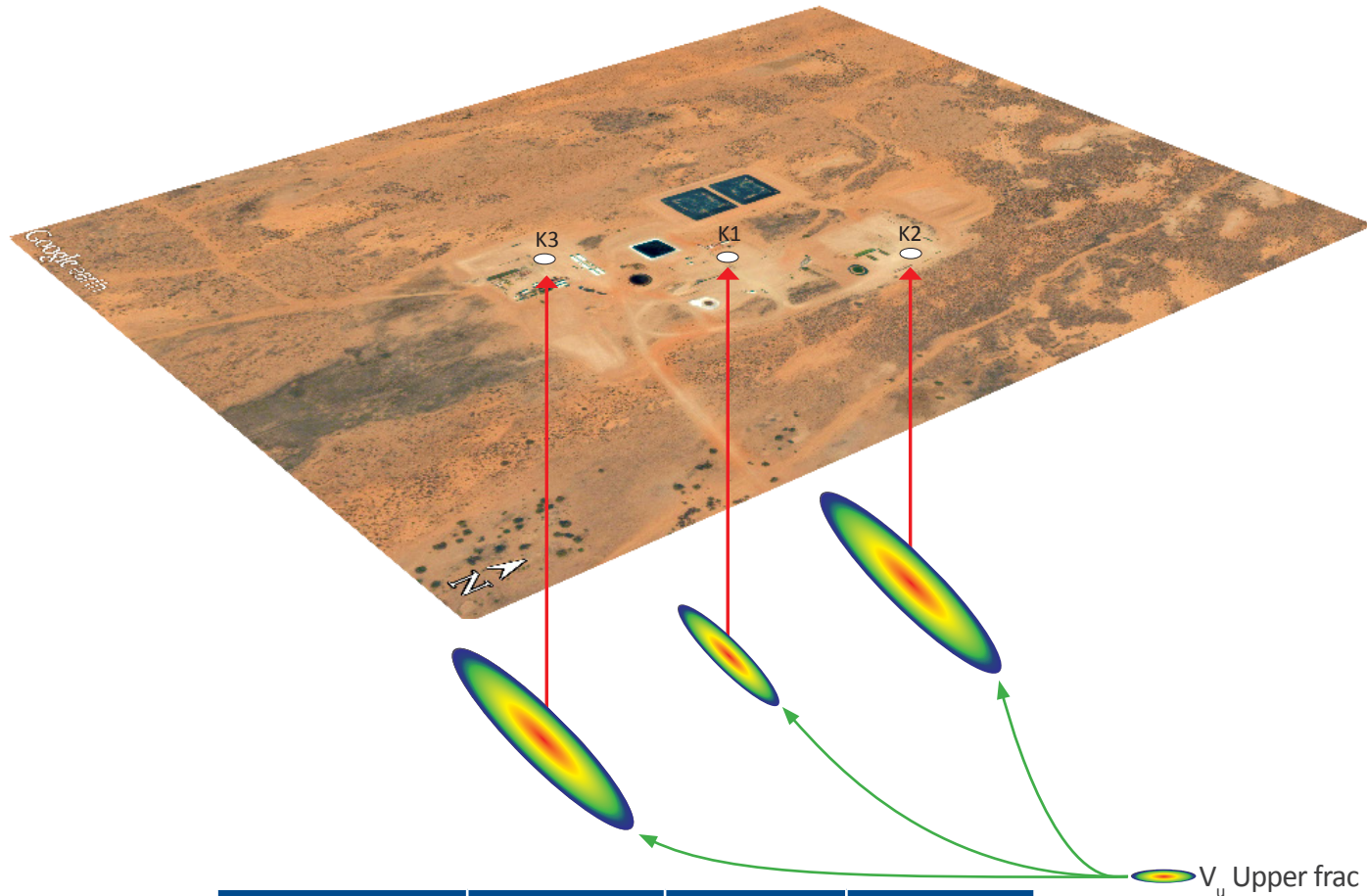
Unit cost of supply: Cost curve

Strike's Southern Cooper Basin Gas Project has the potential to be a low cost gas producer.



Gippsland Basin JV	Queensland JV CSG 'equity' gas sweet spots	Other Victorian	Strike's Southern Cooper Basin Gas Project
Cooper Basin conventional	Queensland JV CSG 'equity' gas - Tier 2	Queensland JV CSG 'equity' gas - Tier 3	Queensland CSG third party

The lower the unit cost the larger the market opportunity

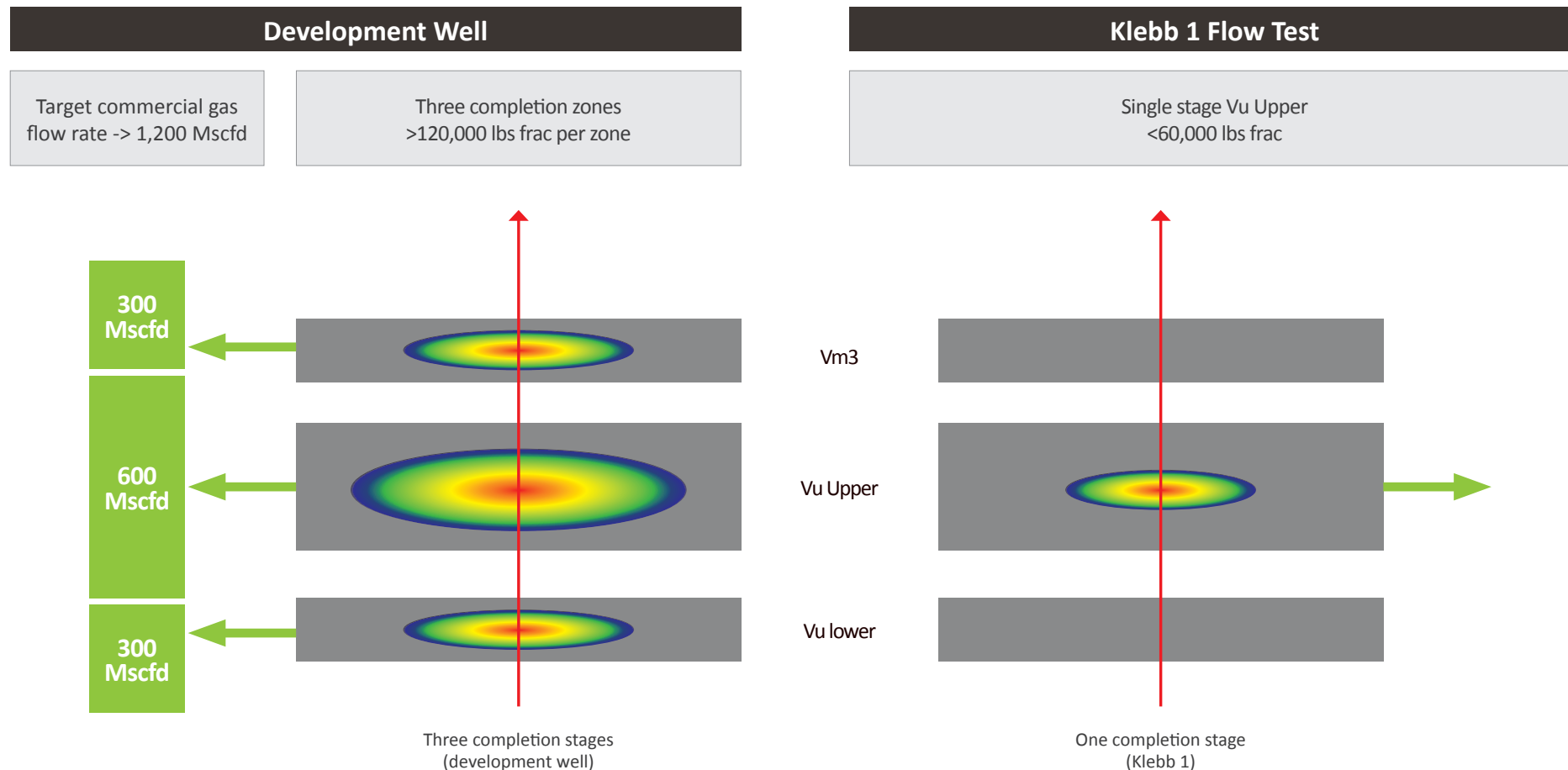


V _u Upper (35m seam)	Klebb 3	Klebb 1	Klebb 2
FRAC DETAILS			
Proppant pumped	104,000 lbs	59,000 lbs	125,800 lbs
Fluid pumped	1,780 bbls	460 bbls	1,803 bbls
PUMP TYPE	Jet	Beam	Jet

Flow testing of the three Klebb wells over the coming months is a critical step towards confirmation of the commercial potential of the SCBGP

Value Creation: Klebb 1 – flow test results

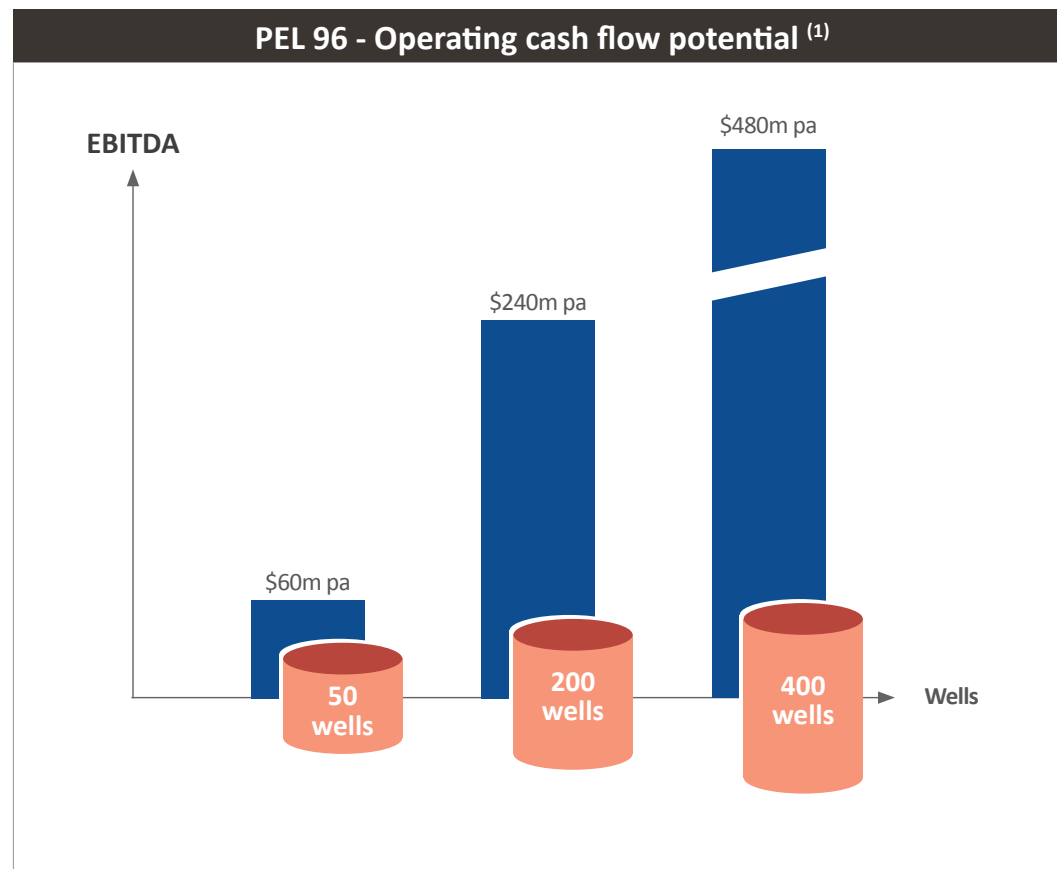
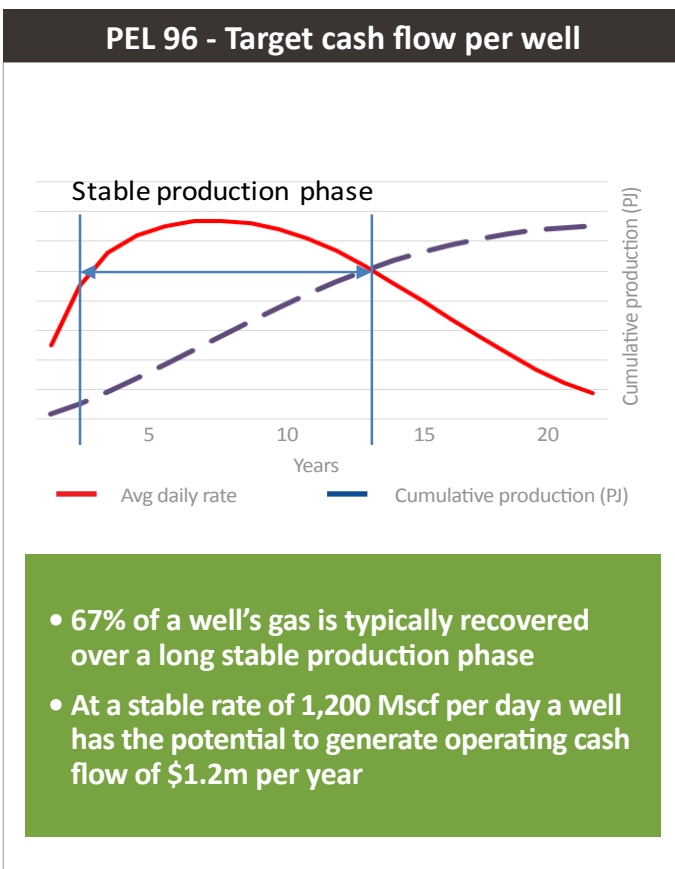
The Klebb 1 single stage flow test is a small scale test of potential flow rates achievable from a commercial development well.



Klebb 1 results need to be scaled to assess commercial potential

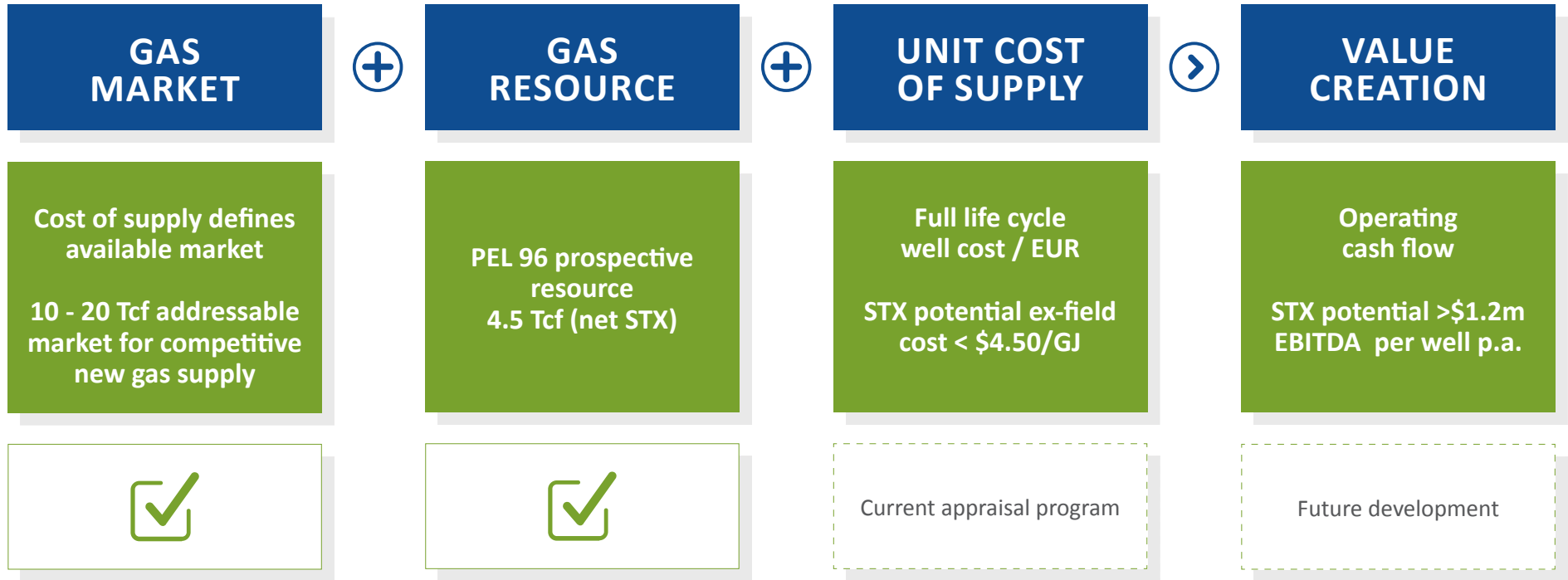
Value Creation: Future cash flow potential

Strike is targeting a low unit cost of supply that will deliver strong operating cash flows in the stable production phase. Future value will be driven by per well operating cash flows and the size of the resource in Strike’s permit areas that could ultimately be commercialised.



⁽¹⁾ Based on Strike estimates with that each well generating \$1.2 M in operating cashflow p.a.

Portfolio of 50 wells could generate EBITDA of ~\$60m per year



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Such statements relate to future events and expectations and as such involve known and unknown risk and uncertainties, many of which are outside the control of Strike Energy Limited. Actual results, actions and developments may differ materially from those expressed or implied by the statements in this presentation.

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Contingent Resource Estimate

DeGolyer and MacNaughton was engaged by Strike to undertake an Independent Review of the gas resource in PEL 96 based on the data and information acquired to date by Strike from the drilling and flow testing programs carried out at the Le Chiffre 1 and Klebb 1, Klebb 2 and Klebb 3 wells.

DeGolyer and MacNaughton has estimated a contingent gas resource on a probabilistic basis for the initial zones that have been flow tested within the Le Chiffre 1 and Klebb 1 wells. As these zones only represent a portion of the net coal encountered at these locations, successful flow testing of additional zones will enable an increased contingent resource to be booked.

The table below summarises the Contingent Resource Estimates.

Well	Contingent Gas Resource Estimates - PEL 96 ¹		
	1C ²	2C ²	3C ²
Productive area (acres)	2,171	2,938	3,931
Le Chiffre 1 - Patchawarra Vu Upper and Vu Lower zones (bcf)	62.9	93.2	132.4
Klebb 1 - Patchawarra Vu Upper zone 9 (bcf)	42.1	62.2	93.3
Total Gross Contingent Resource (bcf)	105.00	155.4	225.7

1. Contingent Resource Estimates have been prepared in accordance with the Petroleum Resources Management System "PRMS". Contingent Resource Estimates are those quantities of gas (produced gas less carbon dioxide and fuel gas) that are recoverable from known accumulations but which are not yet considered commercially recoverable.
2. 1C, 2C and 3C estimates in this table are P90, P50 and P10 respectively for each well and have been summed arithmetically
3. Net to Strike's 66.7% interest in PEL 96

Competent Persons Statement

The information in this presentation that relates to the PEL 96 contingent resources estimate has been taken from the independent reports as prepared by DeGolyer and MacNaughton, a leading independent international petroleum industry consultancy firm, and has been reviewed by Mr Chris Thompson (Chief Operating Officer of the Company). All other reported resource and or reserves information in this presentation is based on, and fairly represents, information prepared by, or under the supervision of Mr Thompson.

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. Mr Thompson is a qualified petroleum reserves and resources evaluator within the meaning of the ASX Listing Rules and consents to the inclusion in this release of the resource and or reserves information in the form and context in which that information is presented.

About DeGolyer and 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 DeGolyer 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 estimation of reserves and contingent resources, and is a member of the International Society of Petroleum Engineers and the American Association of Petroleum Geologists. Mr Szatkowski is a qualified petroleum reserves and resources 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.

