

ASX Announcement



29 October 2015

The Company Announcement Officer
ASX Ltd
via electronic lodgement

CHAIRMAN'S ADDRESS AND AGM PRESENTATION

Please find attached the following items which will be presented and discussed as part of the Annual General Meeting of the Company to be held at 11.00 am today (EST) in Sydney.

- Chairman's address; and
- Managing Director's presentation

Yours faithfully

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

Sean McGuinness
Chief Financial Officer & Company Secretary



STRIKE ENERGY LIMITED

CHAIRMAN'S ADDRESS

ANNUAL GENERAL MEETING – 29 OCTOBER 2015

Ladies and Gentlemen,

In my address to shareholders as part of our 2014 Annual General Meeting, I adapted a Charles Dickens line from *A Tale of Two Cities*: *'It was the worst of times. It is not yet the best of times.'* It was in this context that I outlined last year our strategic plan to deliver the next chapter in our Company's evolution, which I expect to be the *'best of times'*.

During the 2015 financial year we have executed and advanced this strategy to deliver on our core goal of realising significant value for our shareholders through the development of a world scale, multi-Tcf gas resource within our Southern Cooper Basin Gas Project.

Our key achievements over the last 12 months can be summarised as follows:

- Sustained gas flows to surface at both the Klebb and Le Chiffre locations with gas production building steadily.
- Initial contingent resource certification by leading international petroleum consultants DeGolyer and MacNaughton.
- Incremental funding of \$9.9 million received via innovative gas prepayment arrangements with investment grade offtake partners.
- Klebb 2 and 3 frac programs successfully completed in early July 2015, ahead of the ongoing Klebb multi-well test program.
- PEL 96 exploration and appraisal program in excess of \$19 million funded without raising equity capital.
- Completed the year with \$11.7 million in cash with a post balance date receipt of \$8.5 million from the ATO under its R&D eligible rebate scheme.

Further details on these achievements and the results we have achieved post 30 June 2015 will be discussed by our Managing Director Mr Wrench.

These achievements place us both operationally, commercially and financially on track to progress confidently towards the rapid commercialisation of this multi-Tcf resource during a relatively volatile period in the market where we have seen a 'global meltdown' in oil and gas prices.

We are, as a result, ideally positioned to be the next major new independent gas supplier in the East Coast gas market in a highly favourable sector and operating cost environment. As we see a number of our competitors seek to either merge or divest key elements of their asset portfolios to rationalise their complex and sometimes over burdensome cost and funding structures, Strike remains committed to the strategy set over two years ago to commercialise our key assets in a cost efficient and effective manner. This strategy continues to pay dividends for the Company as we continue to advance our planned activities using innovative solutions that are non-dilutive to our shareholders.

I would like to thank my other fellow Directors, the executive team, staff and contractors for the contributions they have made to the Company and their efforts over the past year.

I would finally like to acknowledge the Company's shareholders and thank you for your continued support - my commitment and challenge to our management team is to deliver the *'best of times'* to you over the coming year.

MARK CARNEGIE
CHAIRMAN

STRIKE ENERGY LIMITED

2015 ANNUAL GENERAL MEETING

Sydney, 29 October 2015

Managing Director's Presentation



2015 Review

Eastern Australian Gas Market

Southern Cooper Basin Gas Project Update



2015 Key Highlights and Achievements

Cooper Basin

- Achieved sustained gas flows to surface at both the Klebb and Le Chiffre locations.
- Initial contingent resource certification by leading international petroleum consultants DeGolyer and MacNaughton.
- Klebb 2 and 3 frac programs successfully completed in early July 2015, ahead of the ongoing Klebb Phase 3 testing program.
- Good progress towards commercial flow, in recent months.

Finance and Commercial

- PEL 96 exploration and appraisal program in excess of \$19 million funded without raising equity capital.
- Incremental funding of \$9.9 million received via innovative gas prepayment arrangements with investment grade offtake partners.
- Completed the year with \$11.7 million in cash with a post balance date receipt of \$8.5 million from the ATO under its R&D eligible rebate scheme.

United States

- Production with minimal on going investment.



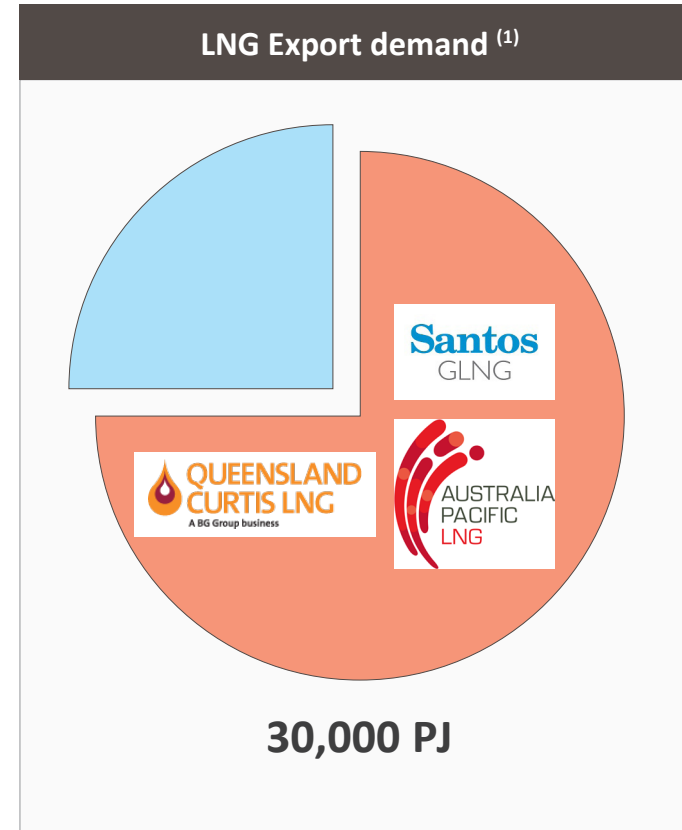
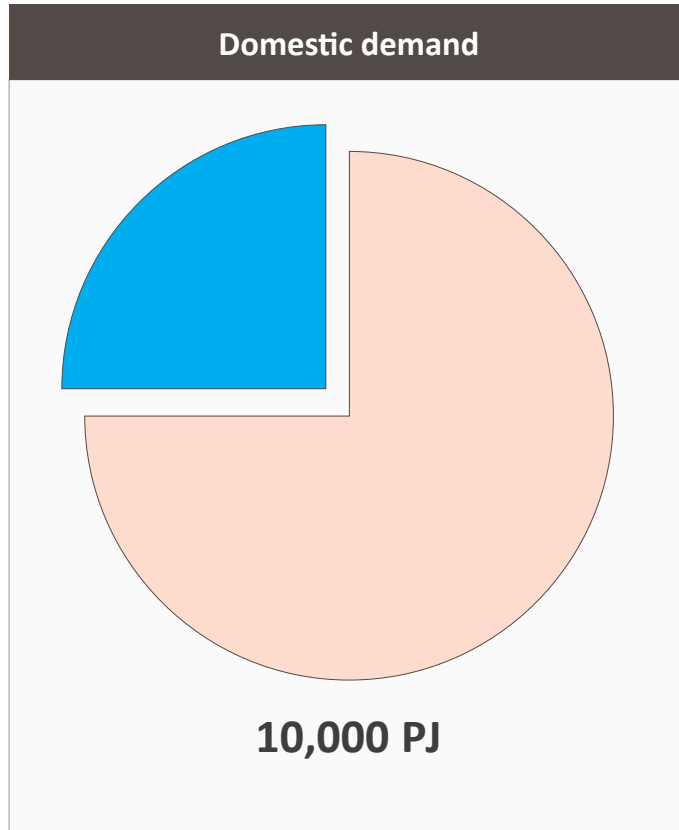
EASTERN AUSTRALIAN GAS MARKET



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

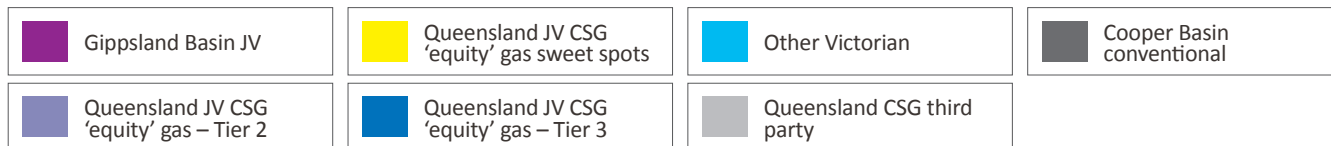
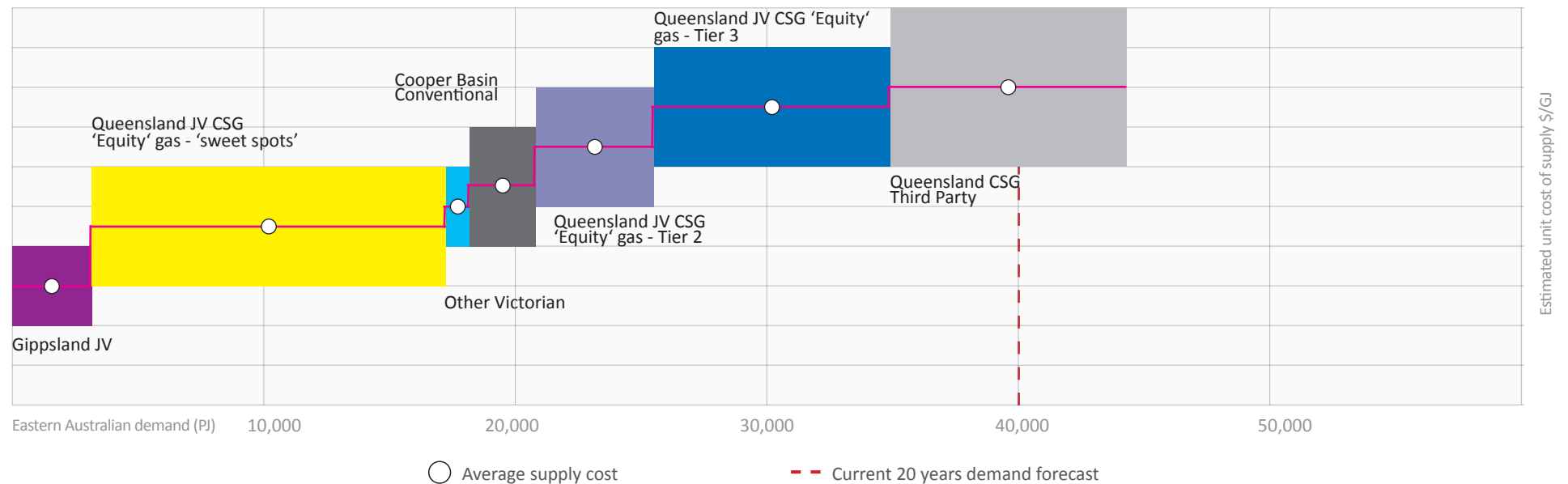
LNG projects will dominate the east coast gas market

Eastern Australian Gas Market: 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

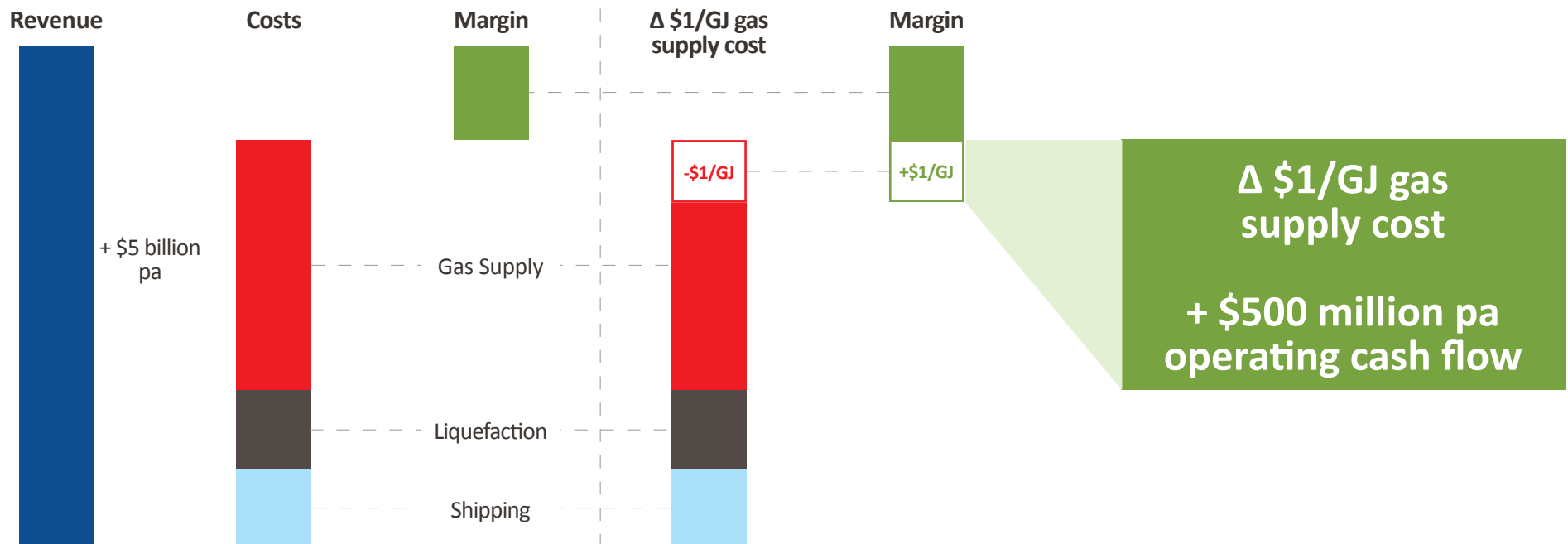
Eastern Australian Gas Market: Focus moving to cost of supply



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

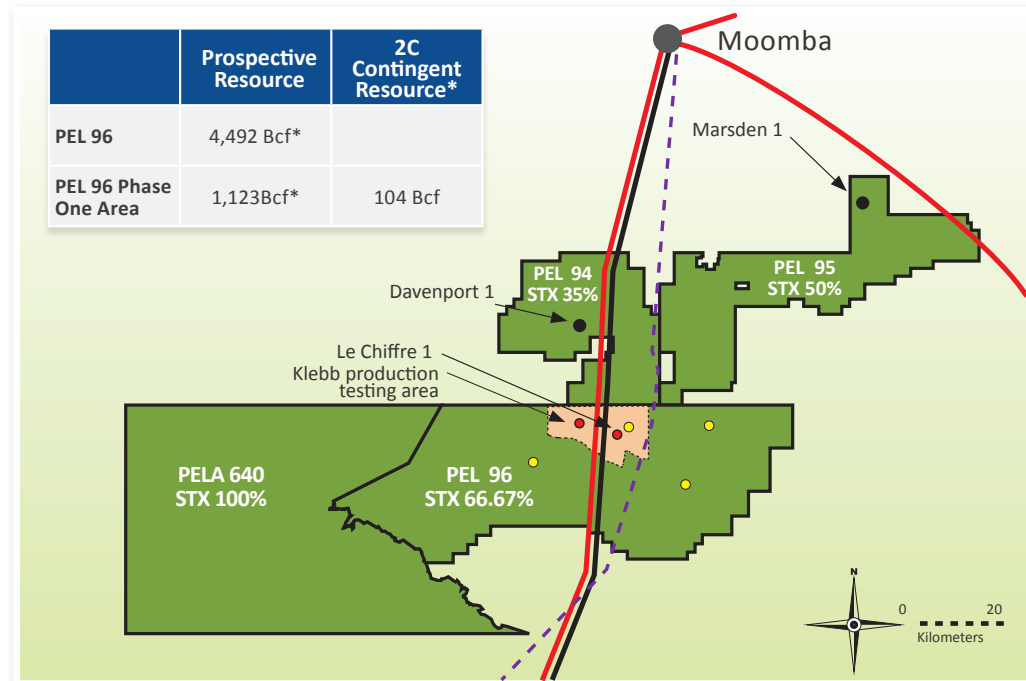


Massive incentive for LNG facilities to source lowest cost gas supply

SOUTHERN COOPER BASIN GAS PROJECT

The slide features a decorative footer consisting of three horizontal bars of varying shades of green, stacked on top of each other. The top bar is a light green, the middle bar is a medium green, and the bottom bar is a darker green. These bars span the width of the slide and are positioned below the main title.

Strike's Southern Cooper Basin Gas Project: Gas resource



	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

* 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.

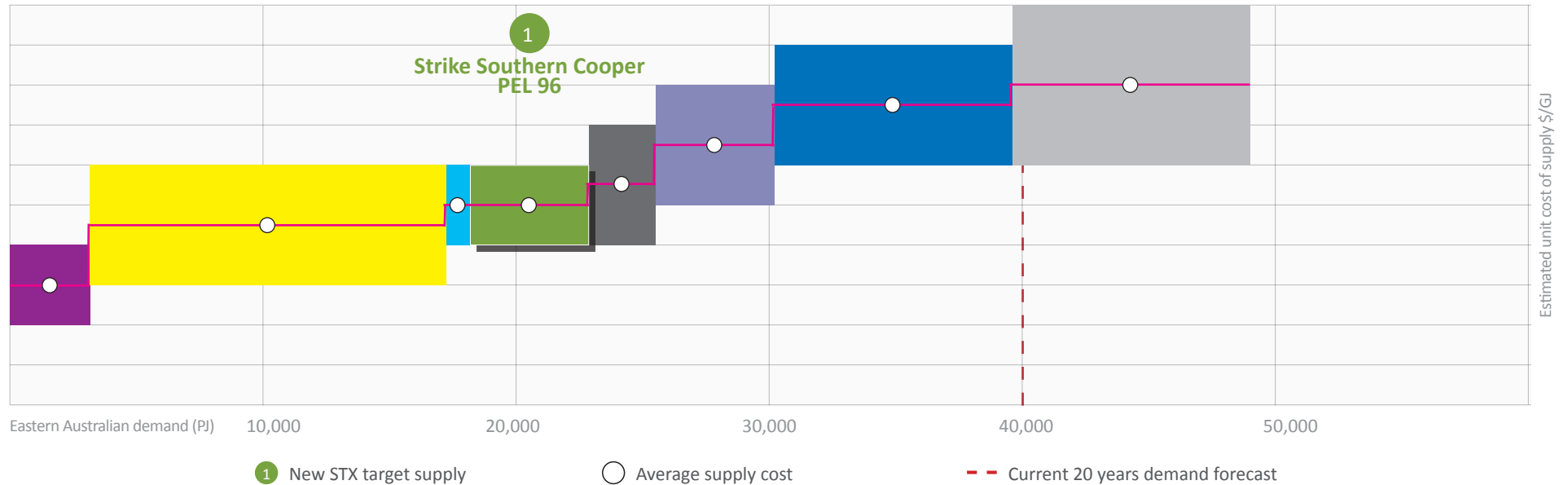
PEL	Net STX Acres
PEL 94	77,925
PEL 95	160,248
PEL 96	443,880
PELA 640	850,786
Total	1,532,839

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

Southern Cooper Basin Gas Project: Target supply cost



Strike's Southern Cooper Basin Gas Project has the potential to be a low cost gas producer. Achieving commercial gas flow rates is an early objective of the current test program. This is a 'gateway' to the commencement of production optimisation, where the focus will move to driving well economics and low ex-field unit cost outcomes, that will favourably position the PEL 96 resource on the Eastern Australia gas supply cost curve.



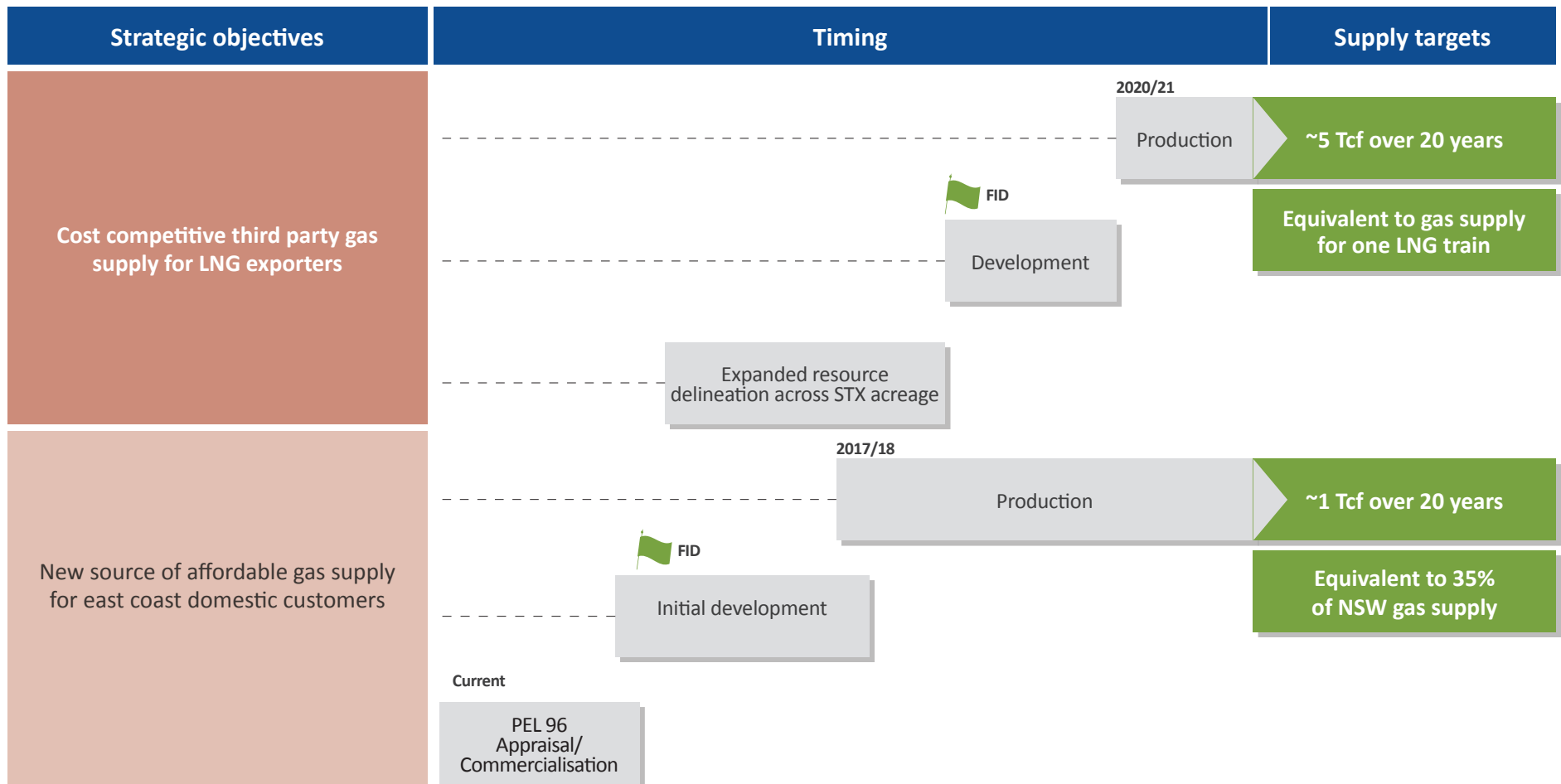
Gippsland Basin JV	Queensland JV CSG 'equity' gas sweet spots	Other Victorian	Strike's Southern Cooper Basin Gas Project
Cooper Basin conventional	Queensland JV CSG 'equity' gas - Tier 2	Queensland JV CSG 'equity' gas - Tier 3	Queensland CSG third party

The lower the unit cost the larger the Eastern Australian gas market opportunity

Southern Cooper Basin Gas Project: Strike's strategic objectives

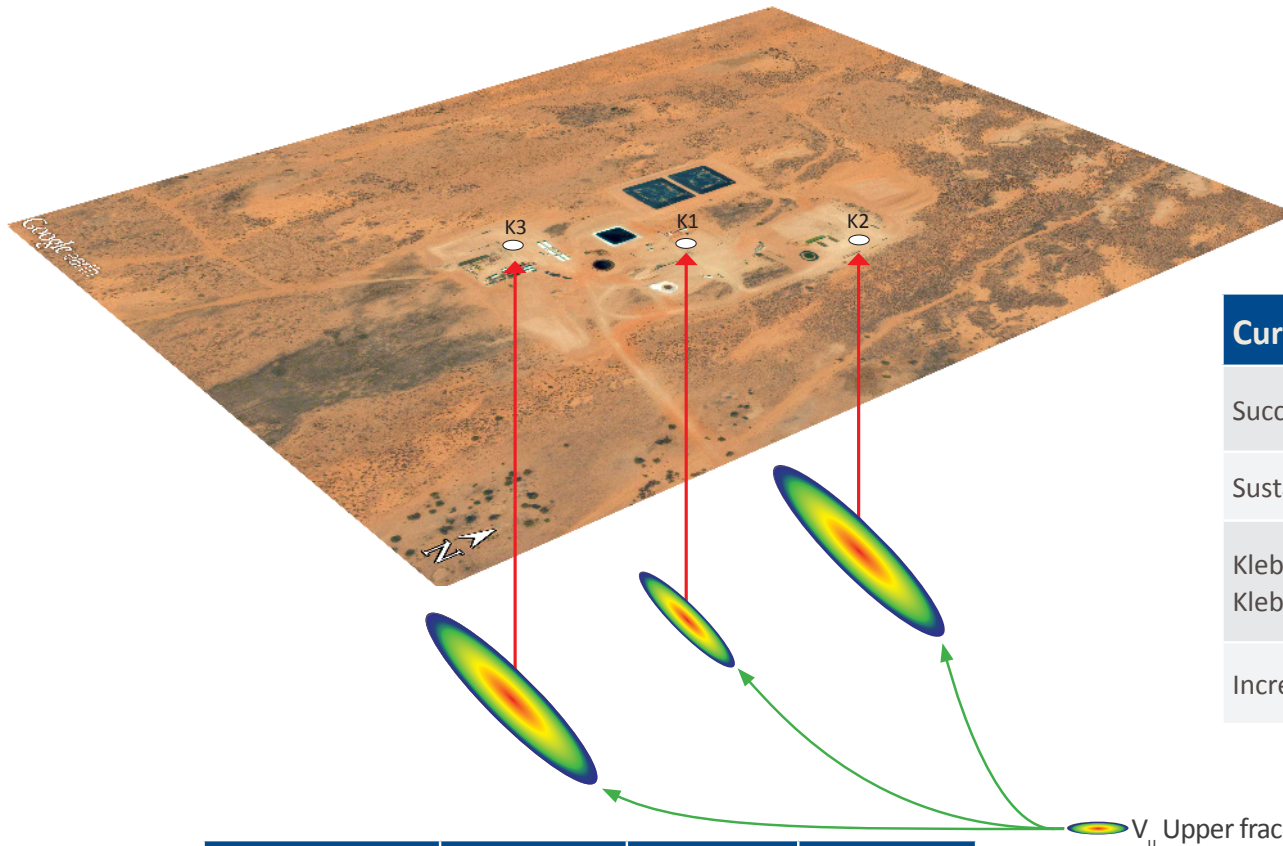


The reservoir characteristics of the Southern Cooper Basin Gas Project, together with the multi-Tcf size of the prospective resource, have underpinned Strike's strategic objectives for the Project.



Strike is positioning the Southern Cooper Gas Project as a long-life resource for domestic and export gas supply

Southern Cooper Basin Gas Project: Klebb pilot test program



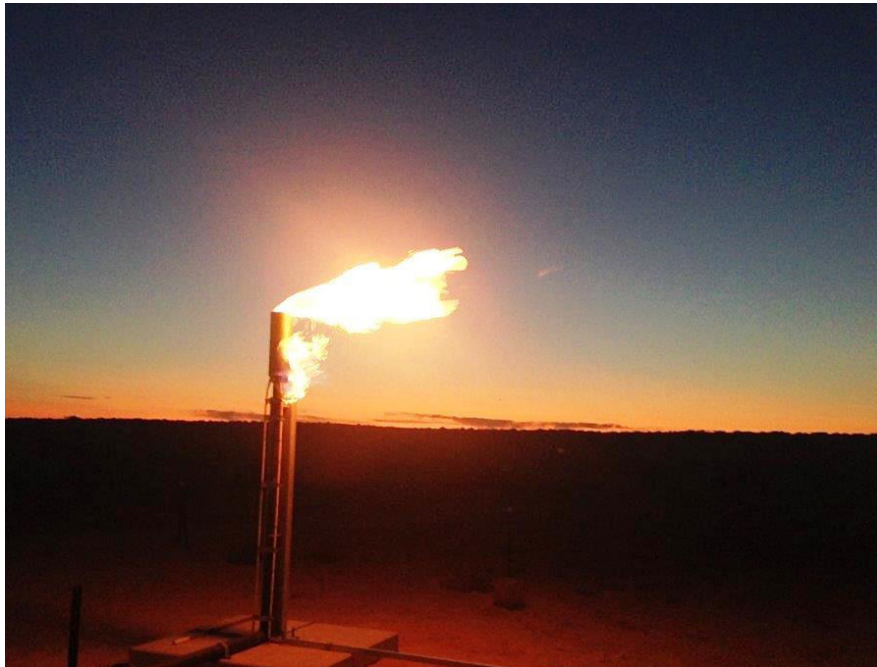
- ### Current program achievements
- Successfully drilled, completed and fraced three wells
 - Sustained gas flows to surface
 - Klebb 2 and 3 acting as 'shield' wells to constrain water recharge to Klebb 1 drainage area
 - Increasing gas flow rates

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

Current flow testing of the three Klebb wells is designed to demonstrate the commercial potential of the project

Southern Cooper Basin Gas Project: Phase 3 Program Current Status

The Klebb pilot wells have now proven that reservoir pressure (although still relatively high on average) has been reduced to the point where gas flows are starting to rapidly build. Therefore, as consistent and stable testing continues, we expect the Klebb Phase 3 pilot wells will build to and exceed our threshold commercial gas rates.

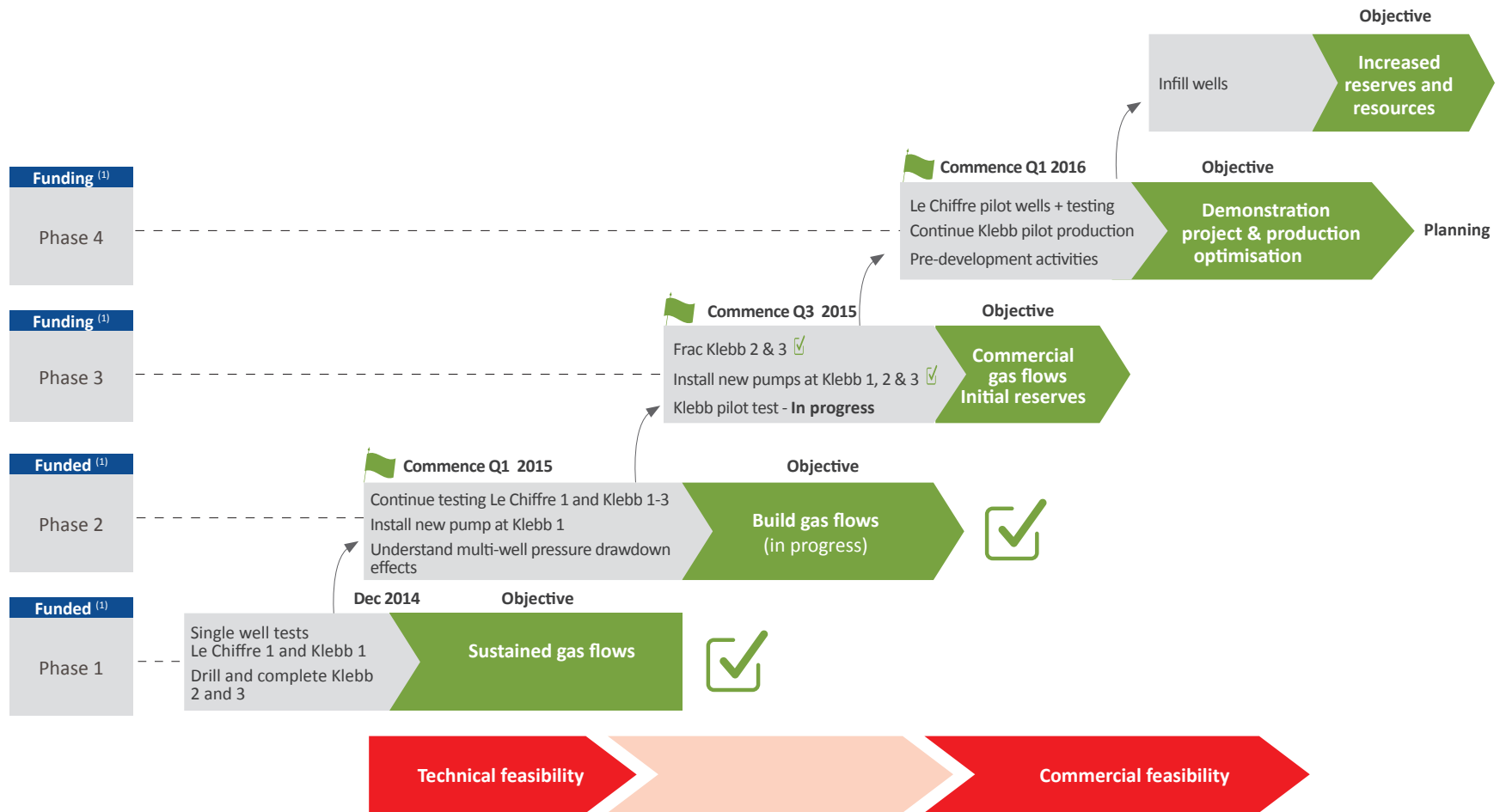


Above: Klebb 2 flare



The Patchawarra coals at Klebb and Le Chiffre have the fundamental gas content and reservoir attributes required to deliver commercial gas flow rates.

Southern Cooper Basin Gas Project: PEL 96 Commercialisation Strategy



(1) Funded from existing cash resources

A disciplined, capital efficient and funded appraisal program is being followed to establish commerciality

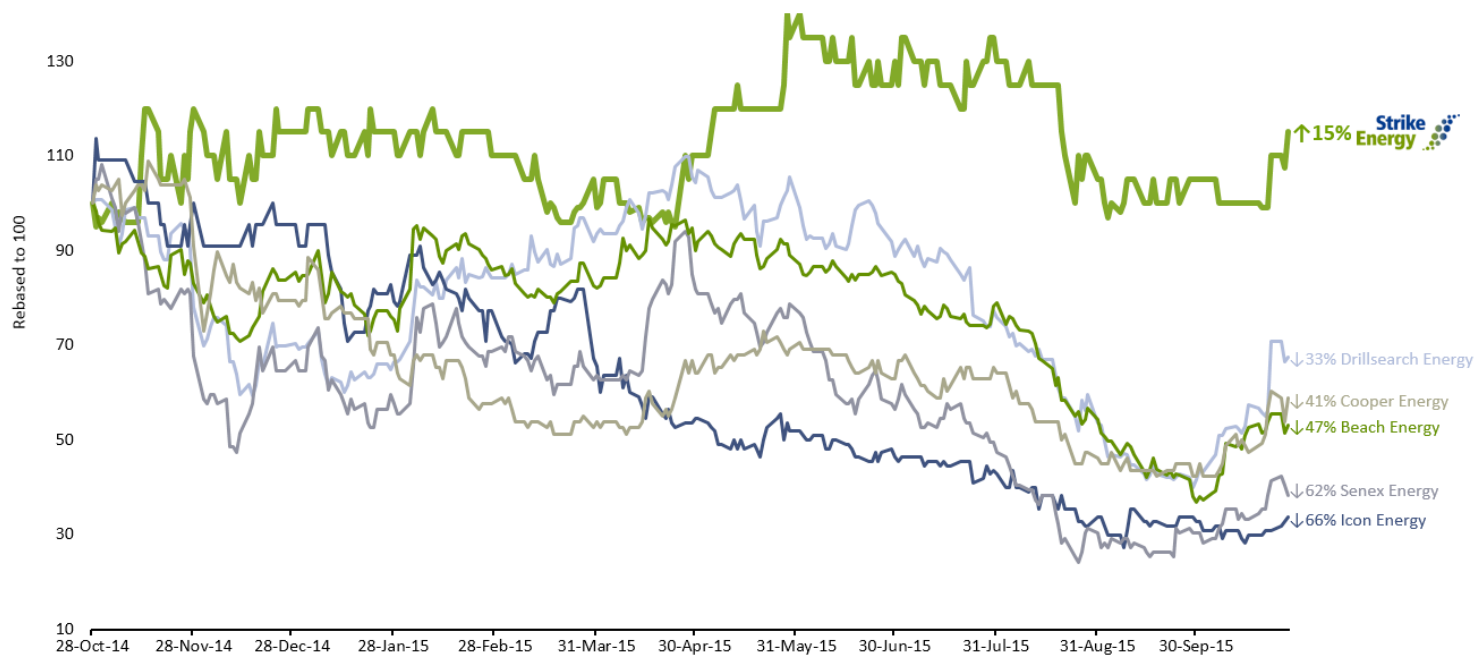
2015 ACHIEVEMENTS

- Technical proof of concept
 - Sustained gas flows



2016 GOALS

- Commercial proof of concept
 - Commercial gas flows
 - Reserve certification
 - Commence pre-development activities



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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.

	Contingent Gas Resource Estimates - PEL 96 ¹		
Well	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.

