

ASX Announcement



14 September 2016

The Company Announcement Officer ASX Ltd
via electronic lodgement

Good Oil Conference presentation – September 2016

Please find attached a presentation to be given today by Mr Christopher Thompson (Chief Operating Officer) at the Good Oil conference being held at the Hyatt Regency, Perth (WA) on the 13th and 14th September 2016.

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 2016



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	900,330,946
Options/Performance Rights	40,150,000
Market Capitalisation	\$94.5 million (8 September 2016)
Cash at 30 June 2016	\$7.2 million
Net Exploration Acres (2015/16)	2.3 million Acres

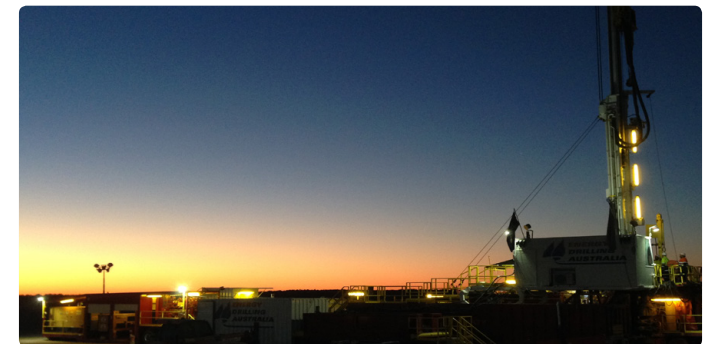




Tightening gas market driving Eastern Australian gas price increases

Solid operational progress towards key goals is positioning the project for successful development

Potential for substantial value creation from future production and resource optionality

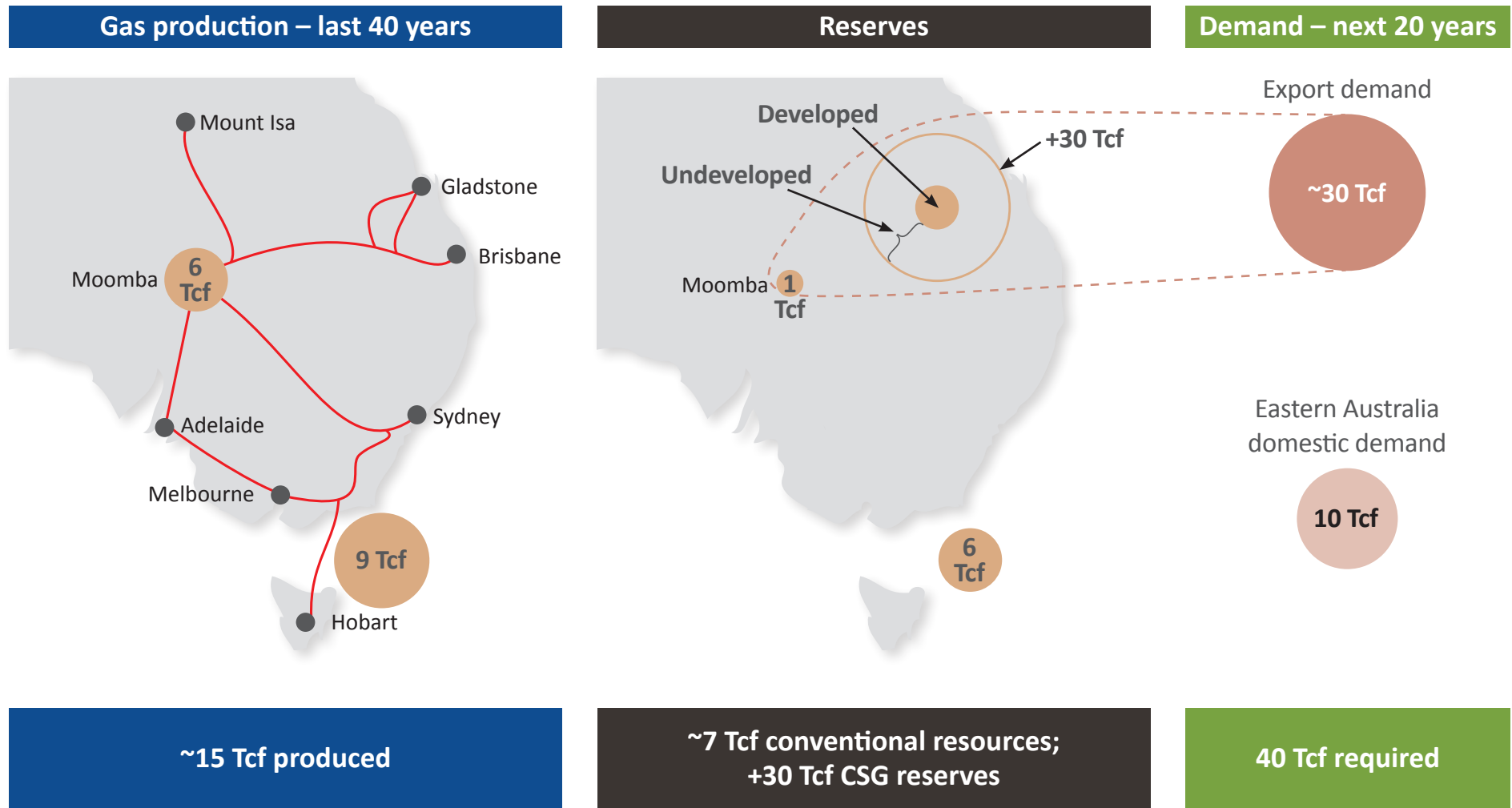




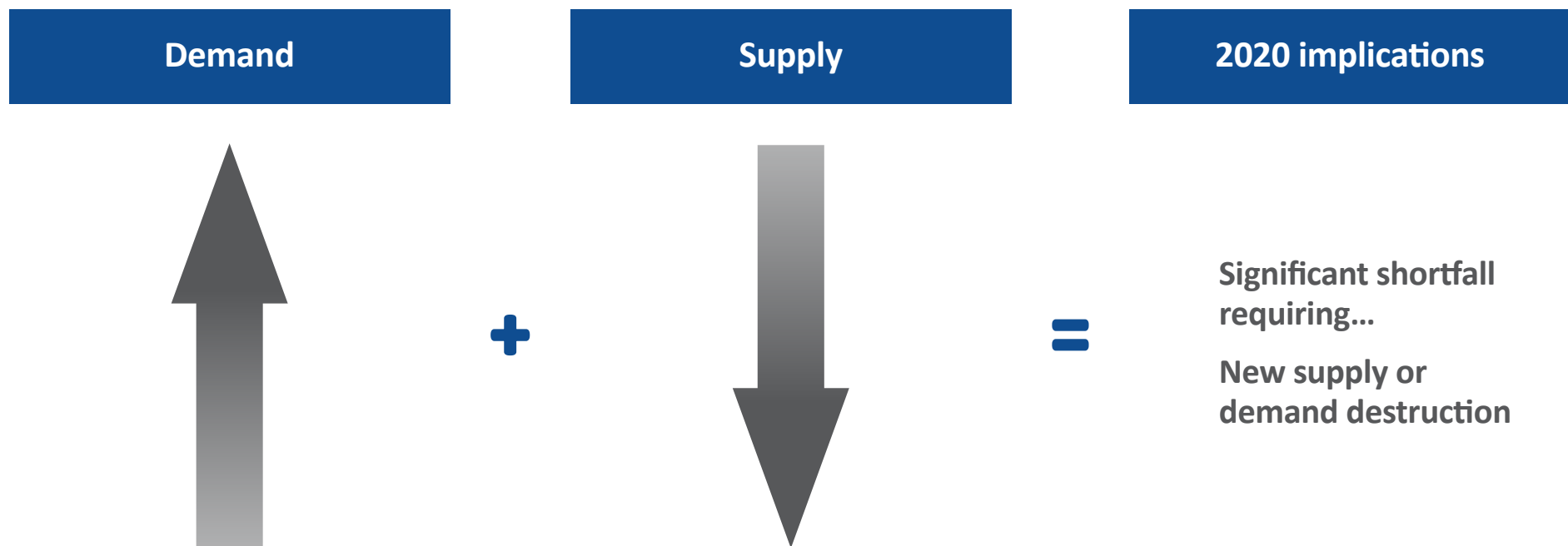
Eastern Australian Gas Market

Eastern Australian Gas Market: 20 year outlook

Australia's east coast gas demand has historically been supplied from conventional reserves in the Cooper Basin (SA) and the Gippsland Basin in Bass Strait. These reserves are in decline. Substantial new CSG resources have been developed in Queensland, however these gas fields and the majority of existing Cooper Basin reserves have been committed to export markets. The domestic market is still 'short' gas and new supply options are needed to meet forecast demand.



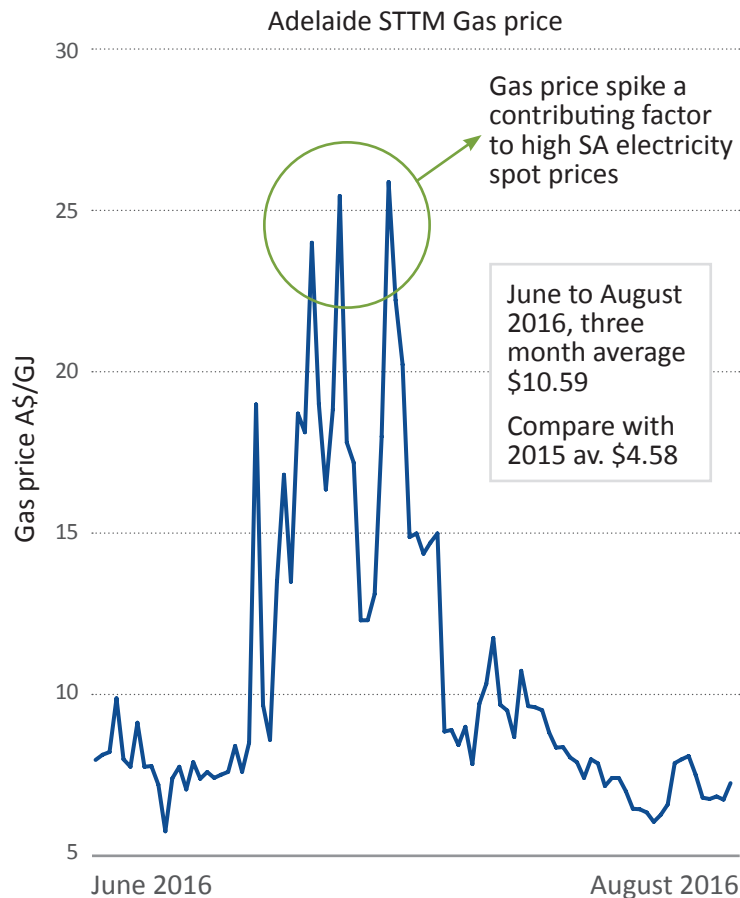
In the past two-years there has been nearly 3,000PJ* of downgrades to Eastern Australian onshore reserves and contingent resources. Low oil prices are exacerbating the supply outlook with minimal current investment in exploration or appraisal. In long-standing hydrocarbon basins, production is not being replaced.



Eastern Australian gas market – new supply urgently needed

*Credit Suisse – East Coast Gas Market (1 Sep 2016)

Market gas pricing



Industry response

Collective industry intent to facilitate new gas supply into the Eastern Australian gas market.



Adelaide Brighton Ltd

Government response



Energy market changes to increase competition and drive down costs

Jay Weatherill
September 8, 2016

"...The Government will also commit \$24million towards a program to incentivise companies to extract more gas and supply it to the local market.

This will increase the supply of gas into the energy market, with South Australian energy generators, industry and households having first offering..."

Increasing gas prices have created the impetus for policy and industry initiatives to promote affordable new sources of gas supply

Gas demand	~40 Tcf over twenty years; LNG the dominant gas buyer
Supply tightening	Supply tightness emerging and likely to worsen by 2020
Gas prices	Domestic gas prices already reflecting changing market dynamics
Cost Curve	Eastern States gas market cost curve is very steep
Stakeholder response	SA Government and industry promoting new affordable supply options

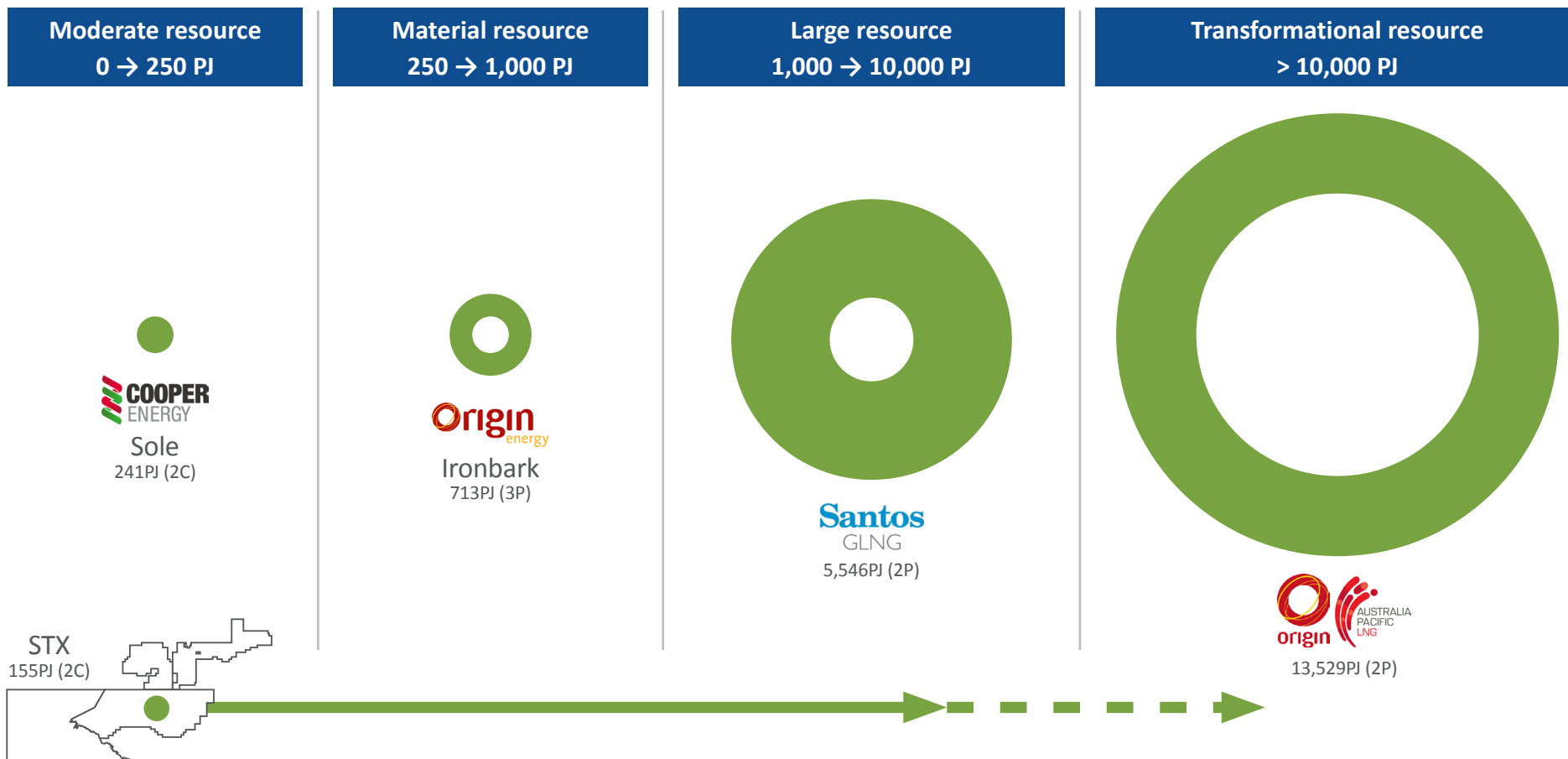
New gas supply is urgently needed to avoid further demand destruction that could result in long-term economic damage



Southern Cooper Basin Gas Project

Southern Cooper Basin Gas Project: Scale of STX resource

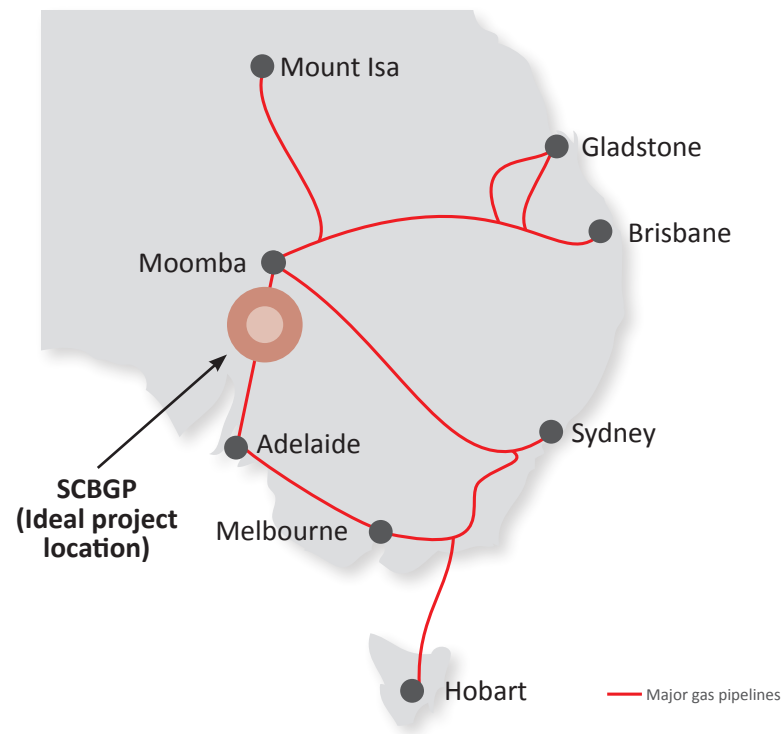
In a market characterised by demand increases, reserve downgrades and supply challenges, Strike is ideally positioned with a long-life multi-Tcf prospective resource, with transformational potential. The advanced stage of appraisal together with the scale and location of the resource provides Strike with an enormous market opportunity.



Strike's initial contingent resource has the potential to become a transformational multi-Tcf resource, creating enormous value for all stakeholders – Government, industry partners, customers and shareholders

Southern Cooper Basin Gas Project: Strategic objectives

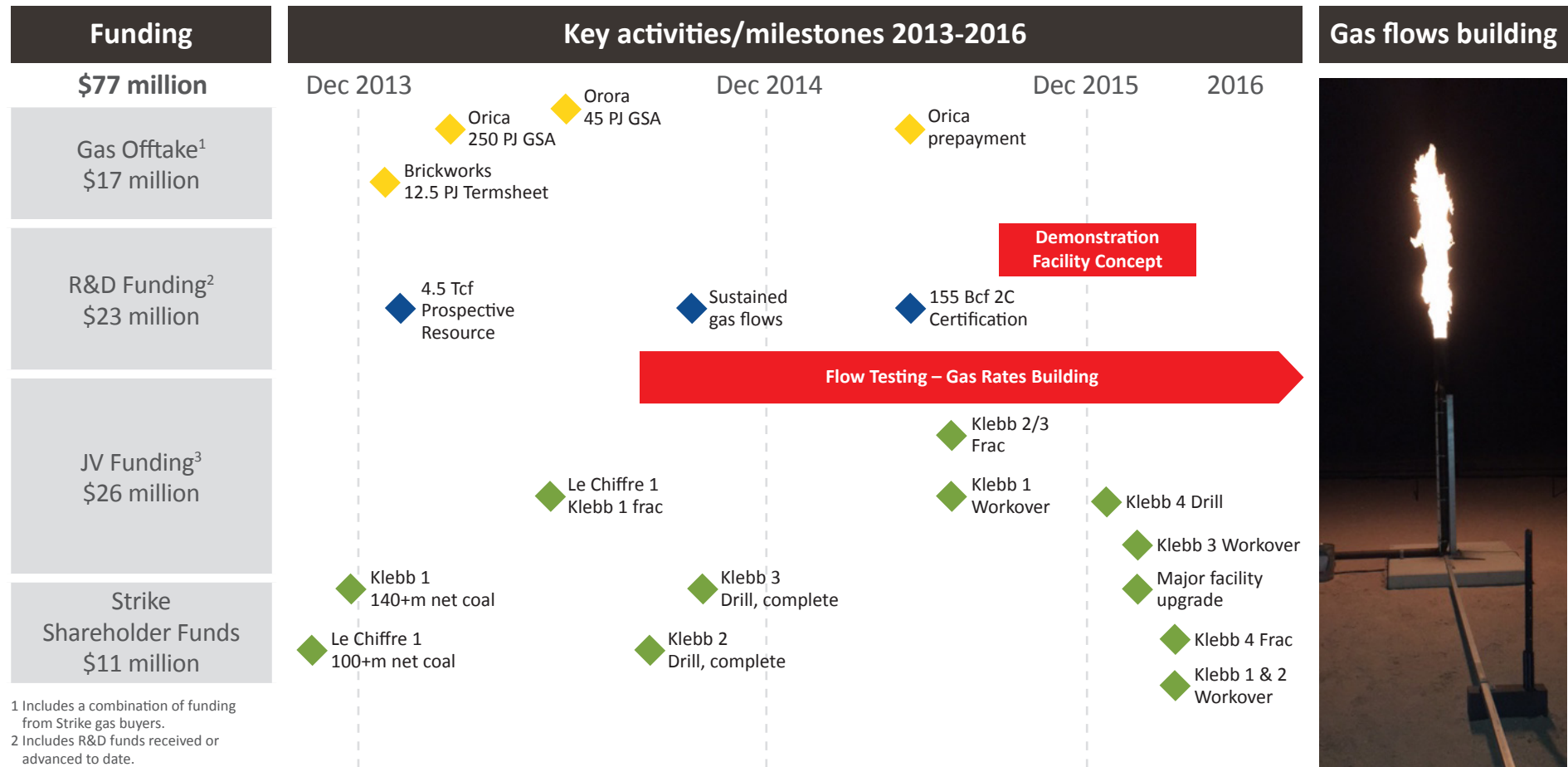
Strike's Southern Cooper Basin Gas Project (SCBGP) is the most advanced onshore gas supply opportunity with the materiality to mitigate forecast supply shortfall. The Company's strategic objectives are focused on both near-term and medium-term supply responses to current and expected market dynamics.



Strategic objectives		Supply targets
Short term New source of affordable gas supply for east coast domestic customers		>1 Tcf over 20 years
Medium term Cost competitive third party gas supply for LNG exporters		up to 5 Tcf over 20 years

Strike's near-term strategic objective is to provide critical new 'domestic' gas supply

In less than three years, Strike has used a disciplined approach to rapidly progress from a large multi-Tcf resource discovery, to technical feasibility and towards commercial feasibility. This substantial progress has materially de-risked the project. The strategic significance of the resource allowed Strike to mobilise innovative funding solutions.



1 Includes a combination of funding from Strike gas buyers.
 2 Includes R&D funds received or advanced to date.
 3 PEL 96 JV Partner.

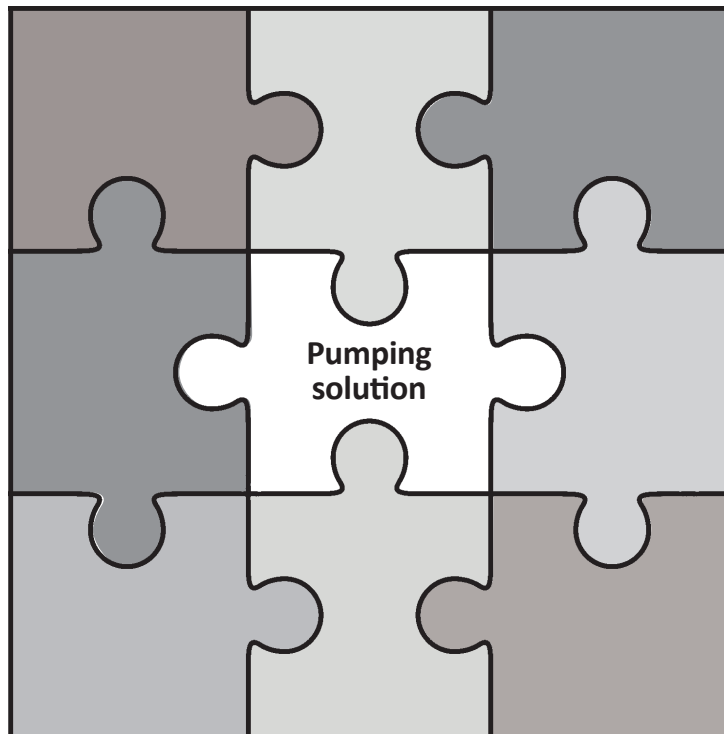
Strike's SCBGP is the most advanced large-scale new Eastern Australia gas supply opportunity

The appraisal and testing activities to date reinforce Strike’s strong confidence in the commercial potential of future development wells.

Reservoir properties	Net Coal	Gas Content	Deliverability	Gas Recovery (EUR)	
Observations	Discovery of up to 145m of net coal at 1,450-2,000m First target zone Patchawarra coals Laterally extensive coals	Patchawarra coals	Deliverability (demonstrated by water rates – dewatering phase) Potential for high gas flow rates (development wells)	High recovery expected based on known parameters	
Implications CBM success factors	High (+++) net effective coal thickness Low well capex	High gas content High gas saturation	High per well recovery potential	High per well recovery potential	Favourable reservoir characteristics

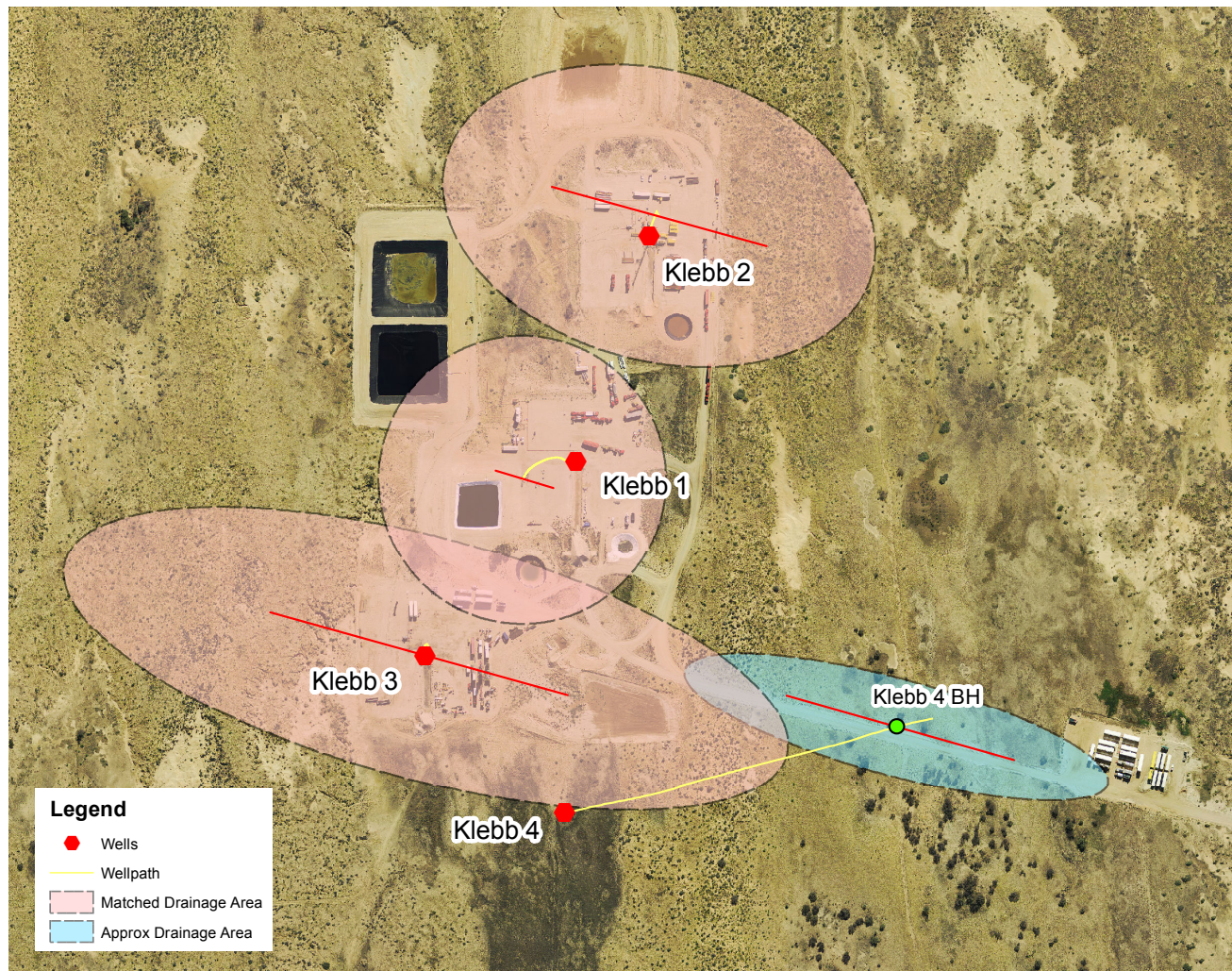
An understanding of the reservoir is emerging that is very exciting

An understanding of the reservoir has emerged that is very favourable. The focus of current testing is to establish threshold gas flows that confirm the commercial potential of the resource. The primary technical milestone of this phase (dewatering) is to reduce the average reservoir pressure below the critical desorption pressure (CDP).



Current actions
Testing three different pumping types. Multiple configuration options for each different pumping set-up. Real time field measurement capability driving iterative approach.
Status and near-term expectations
Gas flows continuing to build. Achievement of threshold well performance will provide high confidence in future development outcomes.
Follow-on activities
Period of analysis, review and future planning to determine the optimal development approach.

With an increasing confidence in the reservoir, the focus is now on resolving key engineering elements for development



Observations

Drainage areas are expanding

Dewatering task is finite

Increasing interference (drainage area overlap) supports increasing gas flows

Deliverability of the reservoir increasingly understood (+++ very positive)

Reliable, stable pumping will drive the desired result



Tightening gas market driving Eastern Australian gas price increases

Solid operational progress towards key goals is positioning the project for successful development

Potential for substantial value creation from future production and resource optionality



This presentation does not constitute an offer, invitation or recommendation to subscribe for, or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment.

Reliance should not be placed on the information or opinions contained in this presentation. This presentation does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Any decision to purchase or subscribe for any shares in Strike Energy Limited should only be made after making independent enquiries and seeking appropriate financial advice.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, Strike Energy Limited and its affiliates and related bodies corporate, and their respective officers, directors, employees and agents disclaim liability (including without limitation, any liability arising from fault or negligence) for any loss arising from any use of or reliance on this presentation or its contents or otherwise arising in connection with it.

Statements contained in this presentation, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, production levels or rates, oil and gas prices, reserves, potential growth of Strike Energy Limited, industry growth or other projections and any estimated company earnings are or may be forward looking statements.

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.

Subject to any continuing obligations under applicable law and the Listing Rules of ASX Limited, Strike Energy Limited does not undertake any obligation to publicly update or revise any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such statement is based.

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, PEL 95 and PEL 94 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.

While not yet commercial, these results confirm that the coals will be capable of substantial gas production rates and highly economic per well recoveries as the reservoir pressure is reduced at increasing distances from the wells.

