



New US Initiatives to Deliver Imminent Re-rating

July 2011

## New Initiatives

- **Positions secured in two of the fastest developing onshore oil and gas plays**
  - **Eagle Ford Shale:** Multi-million barrel discoveries on developing trend
  - **Wilcox Slope:** Onshore testing of the Deep Wilcox trend that hosts giant offshore oil fields

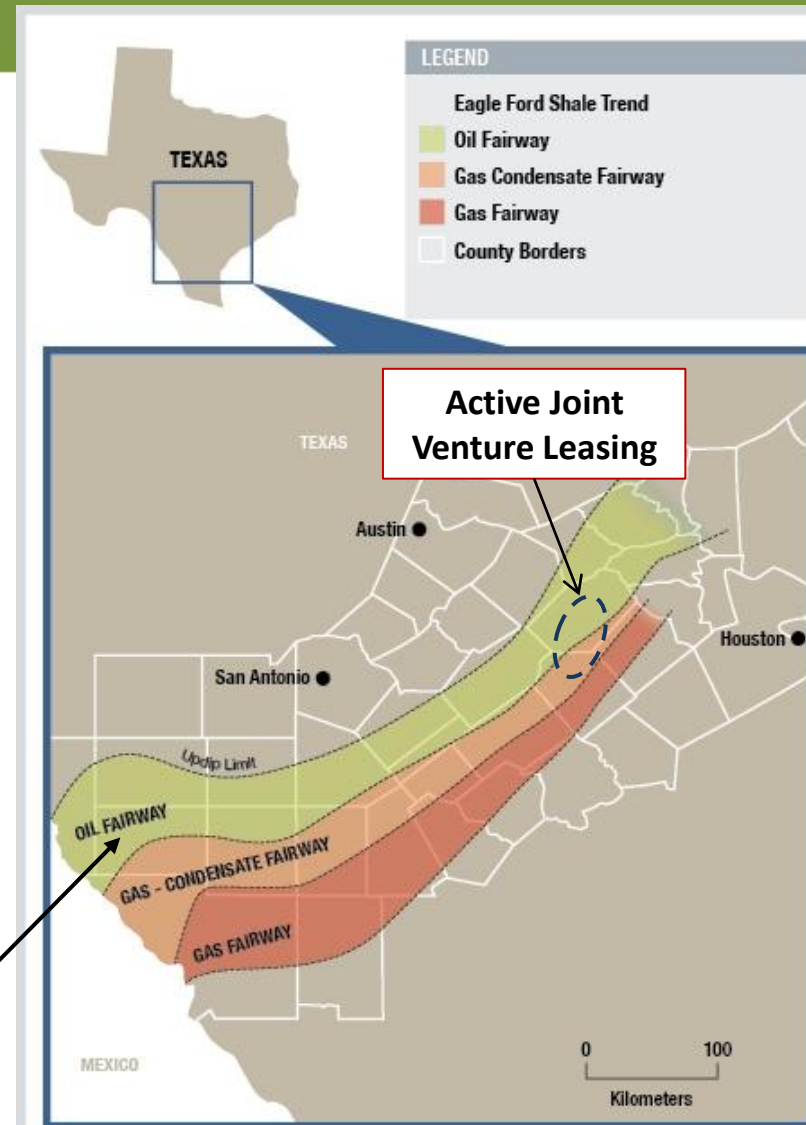
## Existing Business

Wilcox Shelf exploration and production

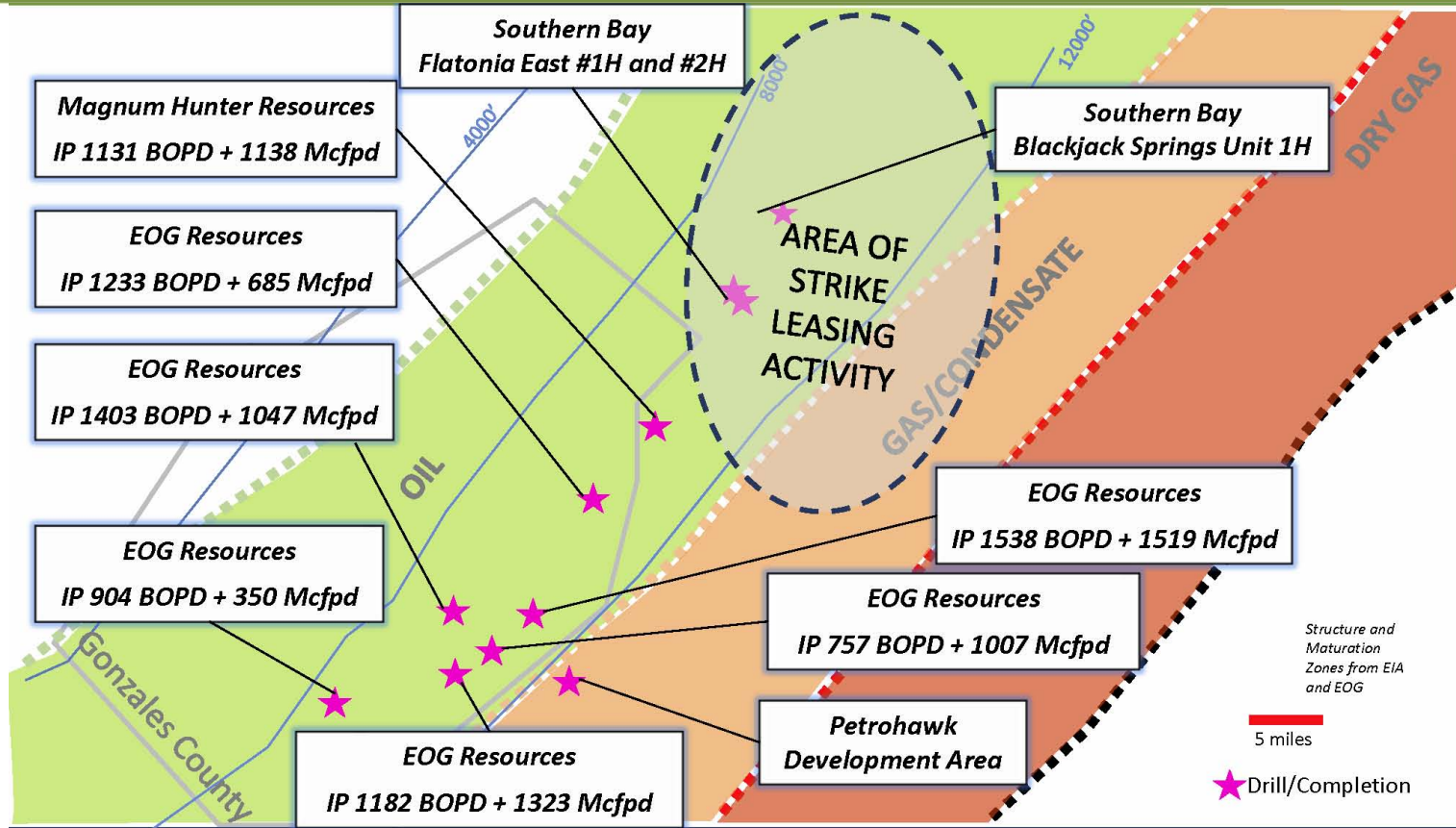
- One producing field and discovery awaiting testing
- 240 Bcfe in prospect inventory



- Strike holds a 27.5% Joint Venture interest
- 18,000 acres secured – leasing ongoing [4,950 acres net to Strike]
- Focus on the oil fairway
- Eagle Ford Shale developing as the largest oil field discovery in USA since Prudhoe Bay



**Oil rich fairway targeted for leasing**

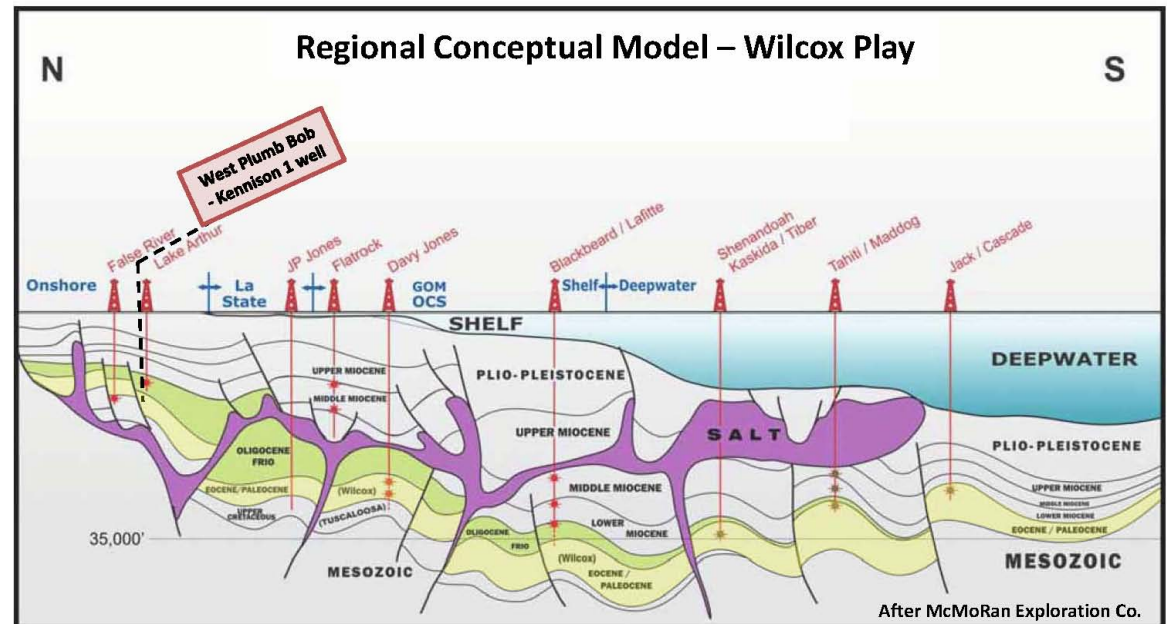


- On trend with high rate discovery wells; EOG, Petrohawk and Magnum Hunter
- Adjacent to Southern Bay wells: current fracking and testing (Fayette County)

ON TREND FROM DISCOVERY WELLS

- Based upon Eagle Ford Shale results to date (oil window) estimated ultimate recoveries, 0.45 to 1.0 million barrels of oil equivalent (boe) per 160 acres
- Potential in current leased area 50-112 million boe (14-30 million boe net to Strike)
- Capable of delivering Enterprise Values between \$10,000-\$70,000/acre (\$50-\$345 million) based upon “ASX” peer comparison and US transactions
- Up to five times growth in market capitalisation on nearby developments and successful exploration

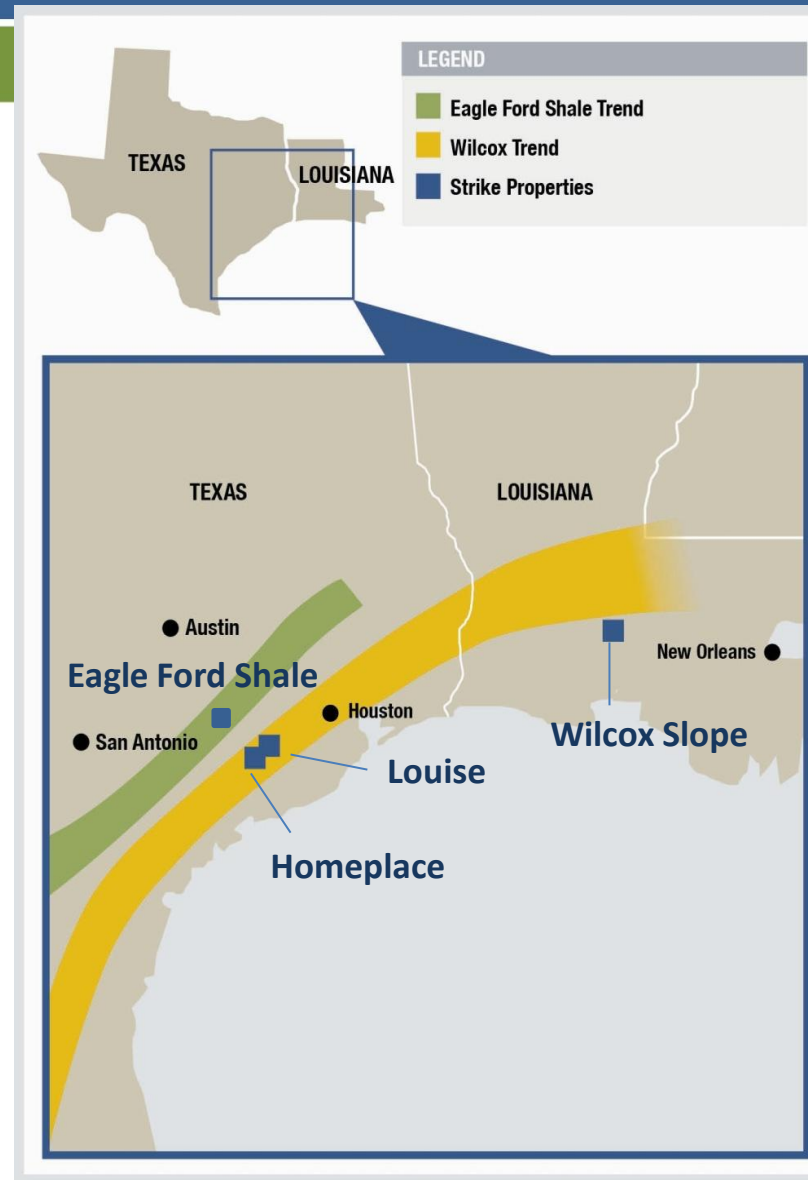
- New exploration frontier following proven deep Wilcox trend: host to giant oilfields in offshore Gulf of Mexico
- Recent large discoveries (McMoRan example Davy Jones) confirm trend extends into shallow water/onshore
- 10% in 37,000 acres onshore and updip from McMoRan secured
- Large, high quality liquids rich conventional targets



LARGE SCALE OPPORTUNITY UPDIP FROM RECENT DISCOVERY

Drilling within weeks

- Numerous targets from 3D seismic
- First prospect 680 Bcfe – Kennison 1 on West Plumb Bob prospect
- Well to spud August 2011
- Large land position (St Landry Canyon JV) in frontier exploration opportunity in one of the world's most prolific hydrocarbon basins



## Wilcox Play, Texas

- Exploring Wilcox Shelf, Texas, for past five years
- Four discoveries: Drilling success twice industry success rate
  - Two sold after three years; returning **\$70 million** in production and sale proceeds
  - One on production (Louise)
  - One to be flow tested in August (Homeplace)
- Prospect inventory in place: Target potential 240 Bcfe



## Wilcox Play, Texas

### Louise

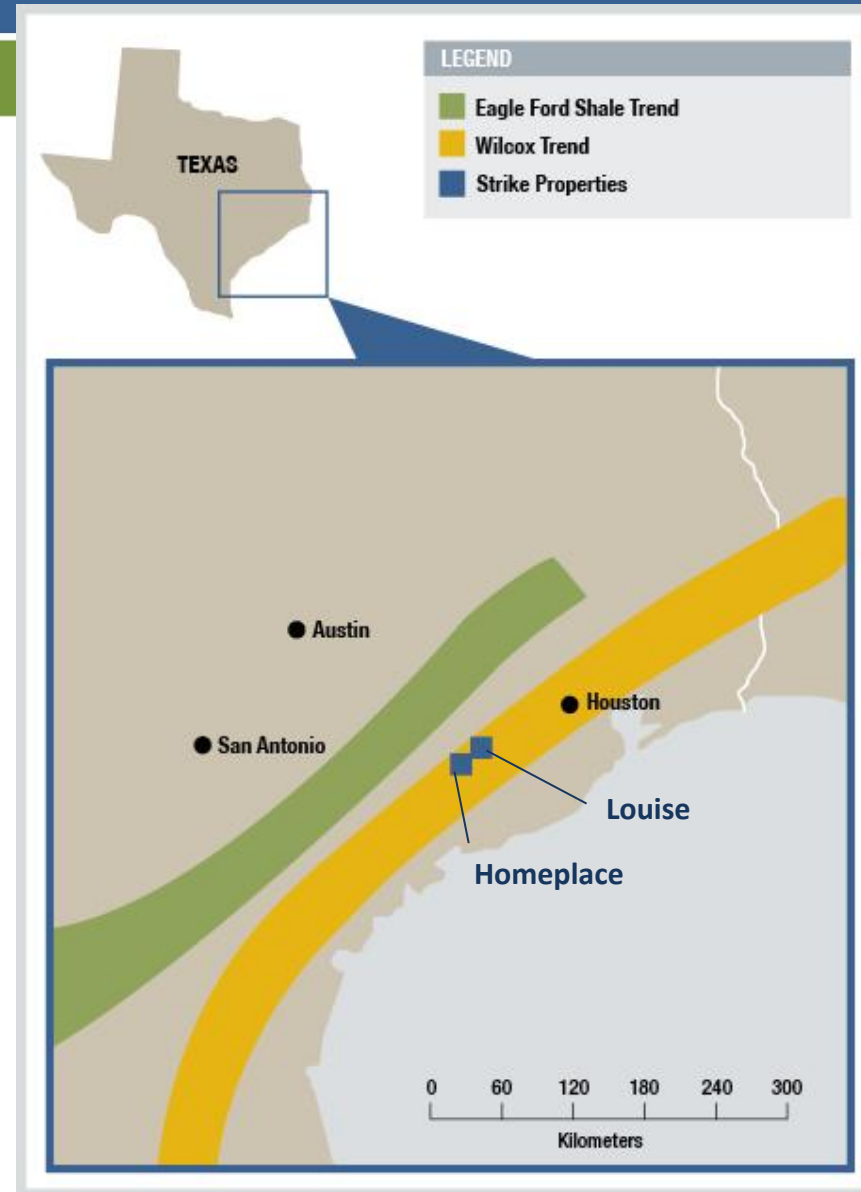
- Gardner Duncan 1 (40% STX)
- 20 Bcf potential
- Producing 5mmcfe (liquids rich) since April 2010
- Annual Revenue to STX ~ \$5 million

### Homeplace

- Sadie 1 (40% STX)
- 20 Bcf potential
- Planned testing/production August 2011
- Similar scale to Louise

### New Prospect Drilling

- Fourth quarter 2011



Large scale growth opportunities supported by production

PRODUCTION	STX	Area (Acres)		Gross Potential	Status
	WI	Gross	Net		
<b>Louise (Gardner Duncan 1)</b>	40%	1,280	512	20 Bcfe	<ul style="list-style-type: none"> <li>Producing</li> <li>STX share 5 MMcfed</li> </ul>
<b>Homeplace (Sadie 1)</b>	40%	640	256	20 Bcfe	<ul style="list-style-type: none"> <li>Production third quarter</li> <li>Expect equivalent to Louise</li> </ul>
<b>EXPLORATION</b>					
<b>Texas Eagle Ford Shale</b> <ul style="list-style-type: none"> <li>Eagle Landing JV</li> </ul>	27.5%	18,000	4,950	112 million Boe	<ul style="list-style-type: none"> <li>Active leasing</li> </ul>
<b>Louisiana Wilcox</b> <ul style="list-style-type: none"> <li>St Landry Canyon JV</li> </ul>	10%	37,000	3,700	680 Bcfe (plus others)	<ul style="list-style-type: none"> <li>Drilling August, 2011</li> </ul>
<b>Texas Wilcox</b> <ul style="list-style-type: none"> <li>Eaglewood JV</li> </ul>	40%	12,000	4,800	Multiple 10-50 Bcfe prospects	<ul style="list-style-type: none"> <li>Drilling second half 2011</li> </ul>
<b>Totals</b>		<b>68,920</b>	<b>14,218</b>		

Experienced US based team with strong industry relationships developed over > 25 years

- Increasing exposure to large scale opportunities in the NWS (North West Shelf) Super Basin – Applications lodged
  - Three year window of opportunity as multiple permit reductions fall due
- Expanding exposure to unconventional shale oil-shale gas opportunities in selected onshore Australian Basins
- Existing large Cooper acreage position enables a strategy of joint venturing, property trading and new applications to be pursued

## Southern Cooper Basin

- Vast unconventional gas and liquids potential plus conventional oil

## Carnarvon Basin

- Conventional oil and gas in the shallow water

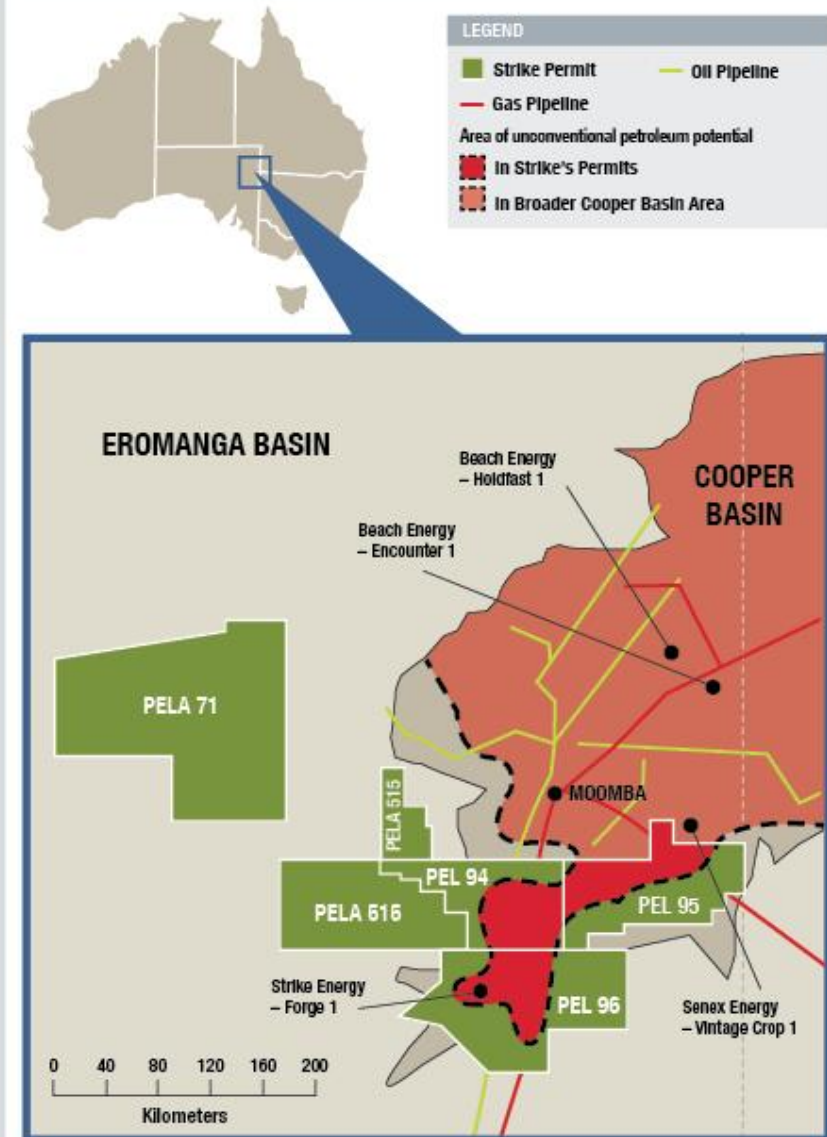
## Kingston Lignite Resource

- Potential for world class coal gasification project to produce methanol and/or urea



## Southern Cooper Basin

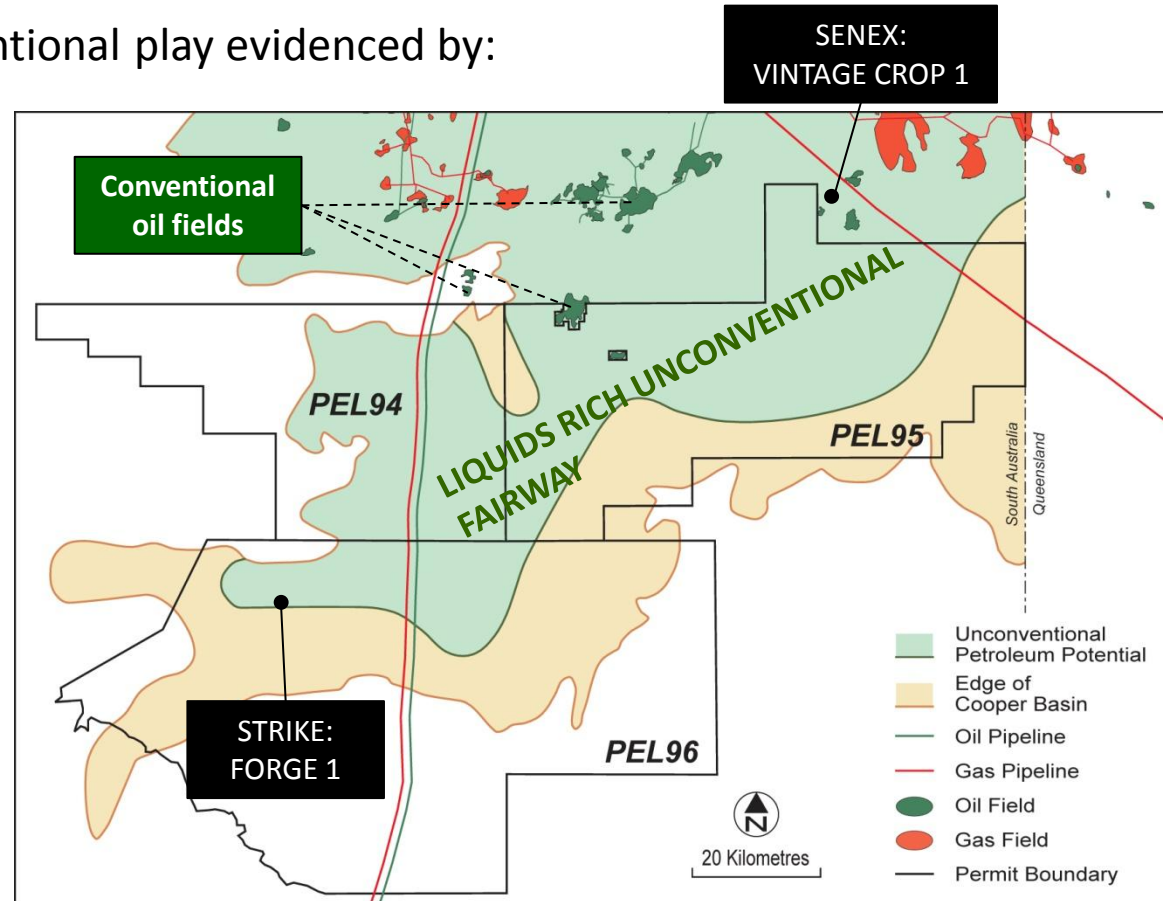
- New exploration frontier emerging – Vast unconventional gas and liquids potential identified
- Active competitor evaluation of Permian Coal Measures and associated shales underway - Beach, Senex, Santos, Drillsearch
- Large land position held: PEL's 94 (35%), 95 (50%) and 96 (66<sup>2</sup>/<sub>3</sub>%) covering key formations
- Drilling in all three permits planned for late 2011/early 2012



Southern Cooper – Liquids rich unconventional fairway?

➤ Extensive “liquids rich” unconventional play evidenced by:

- Permian shales and coals in “oil generation window”
- Presence of conventional oil fields
- Preliminary results from Senex, Vintage Crop 1 well (3kms from PEL 95)  
[Presence of liquids and heavy gases up to pentane in shales and coals]
- Strike’s Forge 1 well (PEL 96)  
[Presence of heavy gases up to butane in coals]

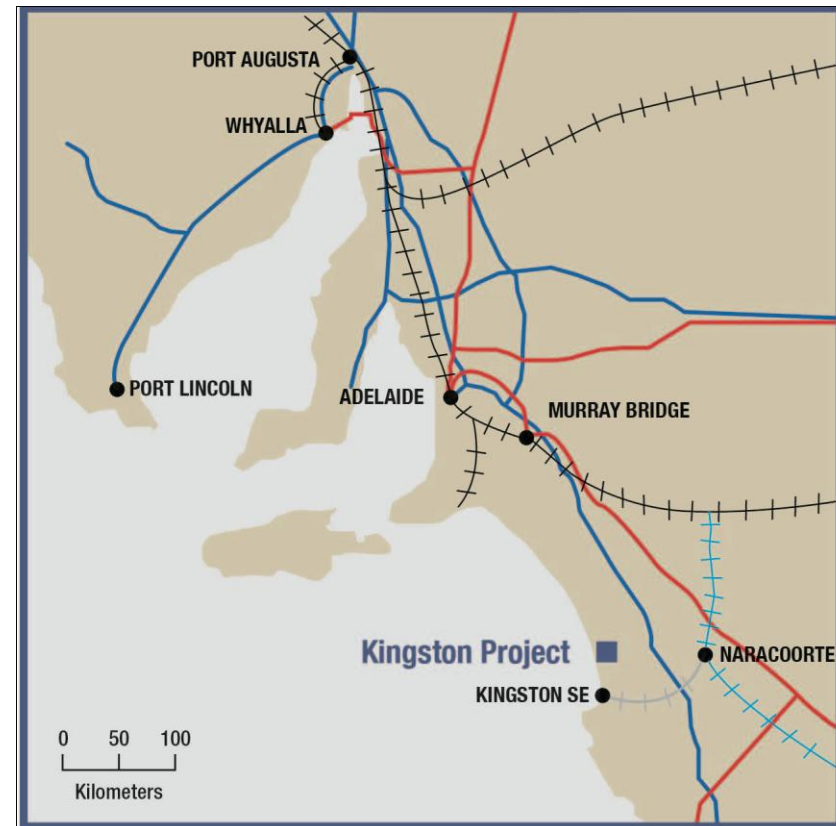


800,000 acres of potential in Strike’s PEL’s 94, 95 and 96

## Kingston Lignite Deposit – Surface coal gasification

### Kingston – STX: 100% and Operator

- 578 Million tonnes JORC compliant lignite resource - open pittable
- Gas equivalent - 3.35 to 4.85 Tcf
- Comprehensive semi industrial scale gasification test work - completed
- High quality “Syngas” at indicative natural gas equivalent price (capital + operating) between \$3.50 to \$5.50/GJ
- Close proximity to major infrastructure and markets
- Feasibility stage



Kingston – The scale of the opportunity

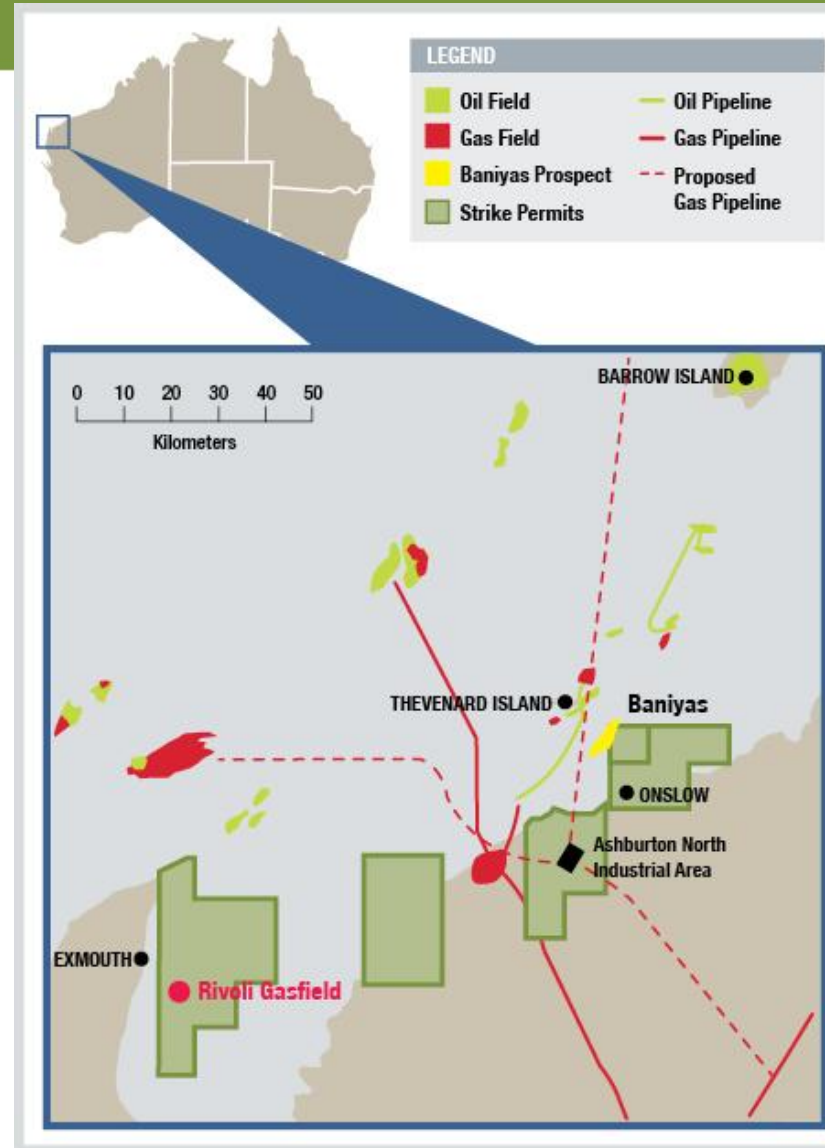
Example – World scale Urea Project : 1.7 million tonnes/annum

	Urea Price	Revenue	Potential Project Life Revenue
	\$/tonne	\$/annum	25 years
	300	\$510 million	\$12.8 billion
	350	\$595 million	\$14.9 billion
<b>Current Price</b> →	400	\$680 million	\$17.0 billion
	450	\$765 million	\$19.1 billion
<b>2008 Peak Price</b> →	500	\$850 million	\$21.3 billion



Carnarvon Basin

- Large, shallow water, acreage position
- Targeting oil and high value WA domestic gas markets
- Larger scale prospects under review - applications lodged
- Farmouts and trades under evaluation



EXPLORATION	STX	Area (sq kms)		Gross Potential	Status
	WI	Gross	Net		
<b>COOPER BASIN REGION</b>					
• Unconventional, CSG, shale gas	35-100%	8,444	4,630	Multi TGF Gas	<ul style="list-style-type: none"> <li>• PEL's 94, 95 &amp; 96 drilling end 2011/early 2012</li> <li>• Senex Vintage Crop 1 testing on PEL 95 boundary</li> </ul>
• Conventional, oil	35-100%	25,160 (incl. 8,444 above)	19,809	Multi 0.5-5 million barrel prospects	<ul style="list-style-type: none"> <li>• PEL 95 drilling as above</li> <li>• Applications being processed through Native Title</li> </ul>
<b>KINGSTON LIGNITE</b>					
• Unconventional, coal gasification	100%	1,216	1,216	578 million tones JORC compliant Scope for world scale 2 million tonne/annum urea plant	<ul style="list-style-type: none"> <li>• Project opportunity being documented</li> <li>• Partners/trade pursuit</li> </ul>
<b>CARNARVON BASIN</b>					
• Conventional, oil and gas	20-61%	2,290	1,087	Multi 1-10 million boe prospects	<ul style="list-style-type: none"> <li>• Large scale prospect evaluation</li> <li>• Partner/trade pursuit</li> </ul>
<b>TOTAL</b>		<b>28,666</b>	<b>22,112</b>		

## Strike near term program summary

### Exploration

### 3 to 12 Month Program

#### Texas - Eagle Ford Shale

- Eagle Landing JV

- Leasing ongoing
- 1 well – 4<sup>th</sup> quarter 2011

#### Louisiana - Wilcox

- St Landry Canyon

- 1 well – 3<sup>rd</sup> quarter 2011

#### Texas - Wilcox

- Eaglewood JV

- Homeplace production start – 3<sup>rd</sup> quarter 2011
- Leasing ongoing
- 2 wells – 4<sup>th</sup> quarter 2011

#### Australian Projects

- 3 wells – end 2011 early 2012

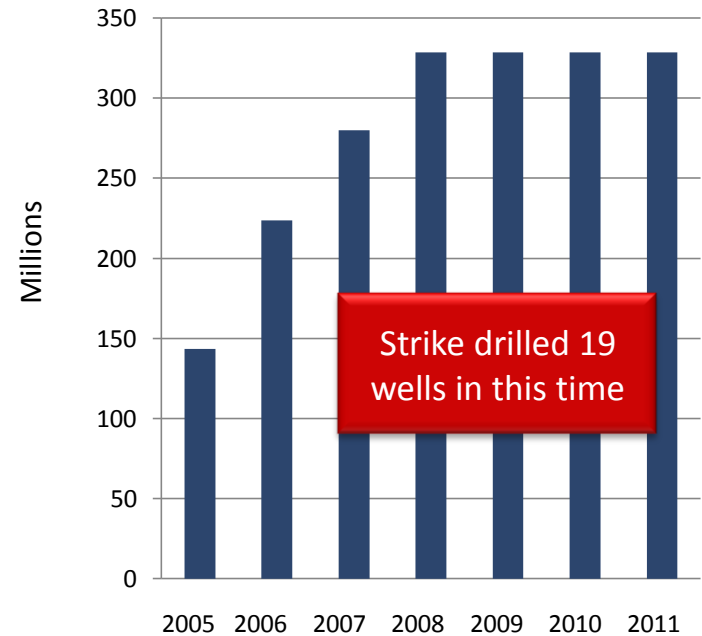
All projects also strongly influenced by adjacent acreage activities

### As at 1 July 2011

Shares on issue (ASX: STX)	million	328.6
Options on issue	million	14.8
Current share price	A\$	0.15
Market capitalisation	A\$ million	49.3
Debt	A\$ million	Nil

- Top 20 shareholders own 30%
- Over 3,137 shareholders
- Monthly turnover of > 8.4m shares
- Annual revenue ~ \$5 million

**Strike Energy Limited (STX)  
Shares on Issue**



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#### JORC COMPLIANCE STATEMENT – KINGSTON LIGNITE RESOURCE

The Kingston lignite coal resources presented in this report are located at Kingston South Australia and have been classified and reported in accordance with the JORC code.

The JORC resource estimate is comprised of 523.5 million tonnes of Measured Resources and 54.8 million tonnes of Indicated Resources; a total of 578.3 million tonnes.

The information in this presentation that relates to coal resources is based on information compiled by Mr Charles Parbury, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Parbury is a senior geologist with McElroy Bryan Geological Services Pty Ltd. Mr Parbury has sufficient experience which is relevant to the style and mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC code). This expertise has been acquired principally through exploration and evaluation assignments at operating coal mines and for coal exploration areas in Australia's major coal basins. Mr Parbury consents to the inclusion of this statement in the report of the matters based on his information in the form and context in which it appears.