



SUBSTANTIAL LEVERAGE TO THE UNCONVENTIONAL OIL & GAS SECTOR

EUROPE & NORTH AMERICA INVESTOR ROADSHOW
MARCH 2012

SECTOR EXPOSURE

Major exposure to the ‘booming’ unconventional oil & gas sector – a ‘game changer’ in global energy supply

QUALITY ASSETS

Large positions within highly sought after unconventional oil and gas plays – Cooper Basin (Australia) and Eagle Ford Shale (USA)

HIGH ACTIVITY

Drilling activity at each unconventional play during 2012. Expected to significantly de-risk the assets and be a catalyst for re-rating

NEW TEAM

New leadership team with extensive commercial, technical and unconventional sector experience

ATTRACTIVE VALUE

Potential to benefit from near-term activity and a substantial re-rating of asset values in line with peers

COMPANY SNAPSHOT (5 March 2012)

Corporate office	Sydney, Australia
US operations base	Houston, USA
Key management	David Wrench – Managing Director Ben Thomas – President, USA Andrew Dimsey – GM, Australia Andrew Hooper-Nguyen – CFO/CCO
Listing	ASX (ticker STX)
Market capitalization	A\$82 million
Issued shares	496,872,605
Unlisted options	36,385,000
Major shareholders	Board & management 14.1% MH Carnegie & Co 11.3%
Production (FY 2010/11)	1,300 Mmcfe
Revenue (FY 2010/11)	A\$8.3 million
1P reserves (31 Dec 2011)	4 Bcf + 325 Mbbl

COMPANY STRATEGY

HIGH IMPACT



Early stage exploration, which if successful, will result in rapid commercialization and have a major impact on shareholder value

LIQUIDS RICH



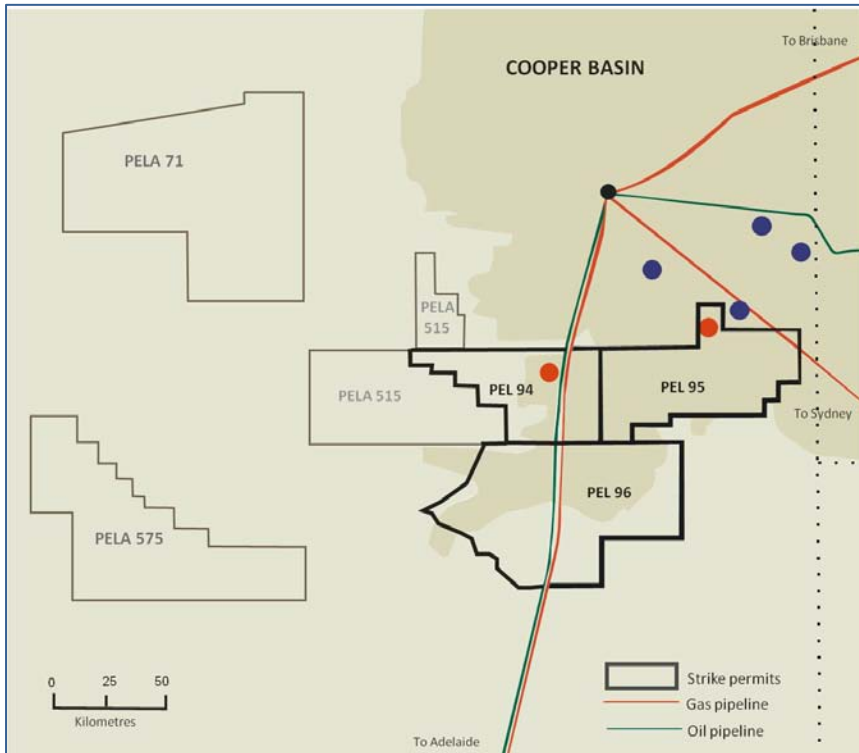
Seek superior economics across the commodity cycle through oil, condensate and wet gas exploration and development

PARTNERSHIPS



Partner with high-caliber operators and leverage extensive industry relationships to source quality opportunities

COOPER BASIN, AUSTRALIA



16,000 km² / 4 million acres (net) of permits and applications with unconventional / conventional potential

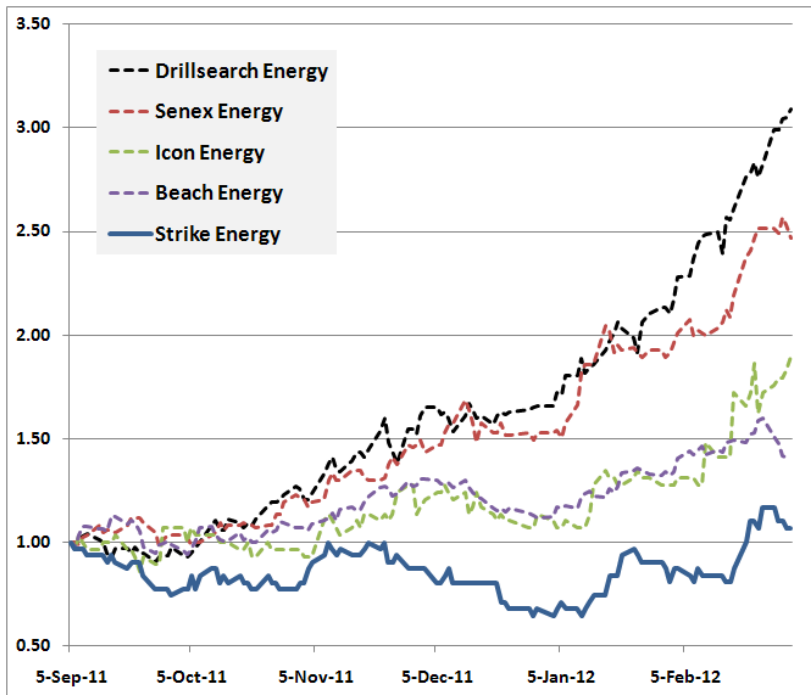
EAGLE FORD SHALE, USA



31,000 (gross) / 8,500 (net) acres of Eagle Ford Shale focused on the preferred gas/condensate fairway

COOPER BASIN – LISTED PEERS

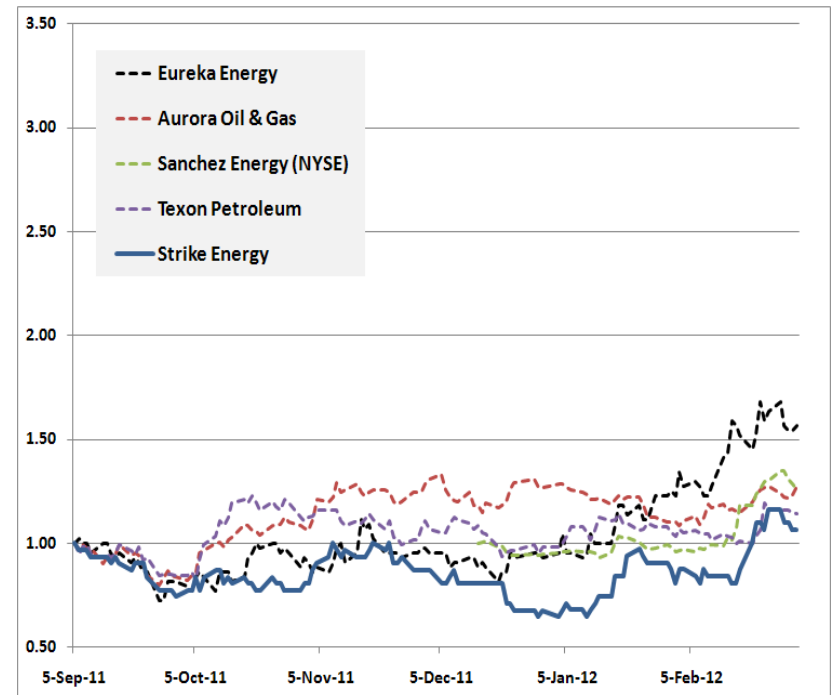
6 MONTH SHARE PRICE PERFORMANCE (rebased)



ASX listed peers have all experienced substantial re-ratings based on Cooper Basin unconventional exposure

EAGLE FORD SHALE – LISTED PEERS

6 MONTH SHARE PRICE PERFORMANCE (rebased)

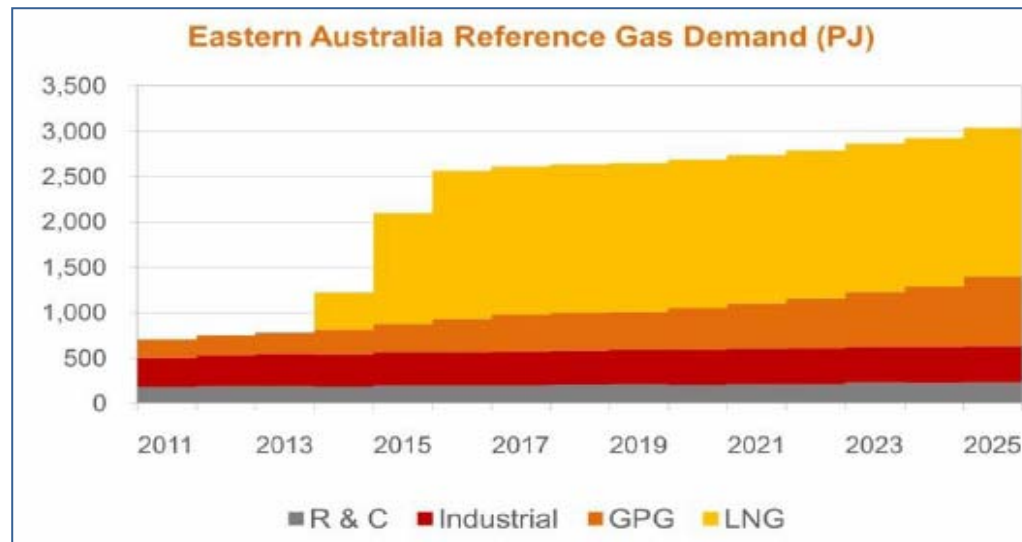


ASX listed peers have all performed well based on their Eagle Ford Shale exposure

COOPER BASIN

Australia’s most prospective unconventional oil and gas play

- Proven hydrocarbon system with 50 years of exploration and production
- Eastern Australia gas markets accessed via existing infrastructure with available capacity
- East coast gas demand to triple by 2016 (+1.7 Tcf pa) from LNG projects under construction
- Gas prices forecast to increase to A\$6-9/GJ
- Active unconventional exploration and development programs by multiple operators in 2012

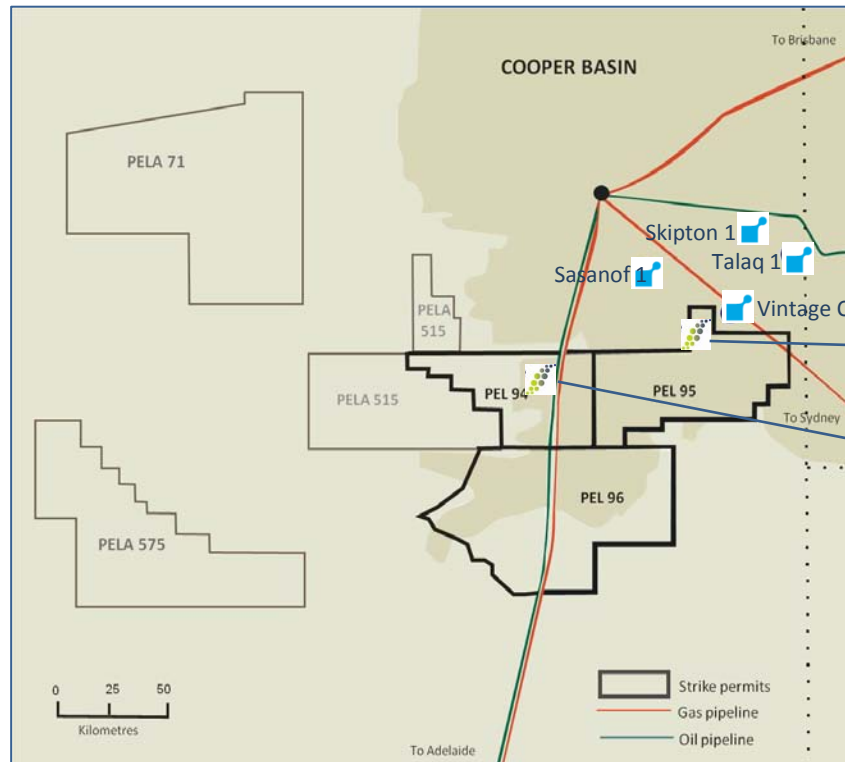


Source – Beach Energy / Core Energy Group 2011

STRIKE'S ASSET

16,000 km² / 4 million acres (net) of Cooper Basin permits and applications

- Large permit interests (average 71%) and operator of four permits
- Extensive coal and shale formations within key Southern Flank permits – PELs 95, 94
- Thick and relatively shallow coal formations within PEL 96



Marsden 1

Unconventional evaluation well
Strike 50% / Beach 50%
Spudded late February 2012

Davenport 1

Unconventional evaluation well
Strike 35% / Beach 50% / Senex 15%
To spud March/April 2012



Strike unconventional wells



Senex unconventional wells

POTENTIAL

+

2012 ACTIVITY

=

VALUE UPSIDE



Prospective unconventional gas resource of over 6 Tcf (net)

- Permit positions & potential resources similar to larger peers. Wet gas potential
- Commercialisation opportunities presented by rising east coast gas demand / prices



Unconventional drilling program underway

- Marsden 1 (spudded February) & Davenport 1 to test Toolachee, REM & Patchawarra
- Senex Energy drilling three unconventional wells adjacent to Strike’s acreage



Potential re-rating in line with peers and Cooper Basin transactions

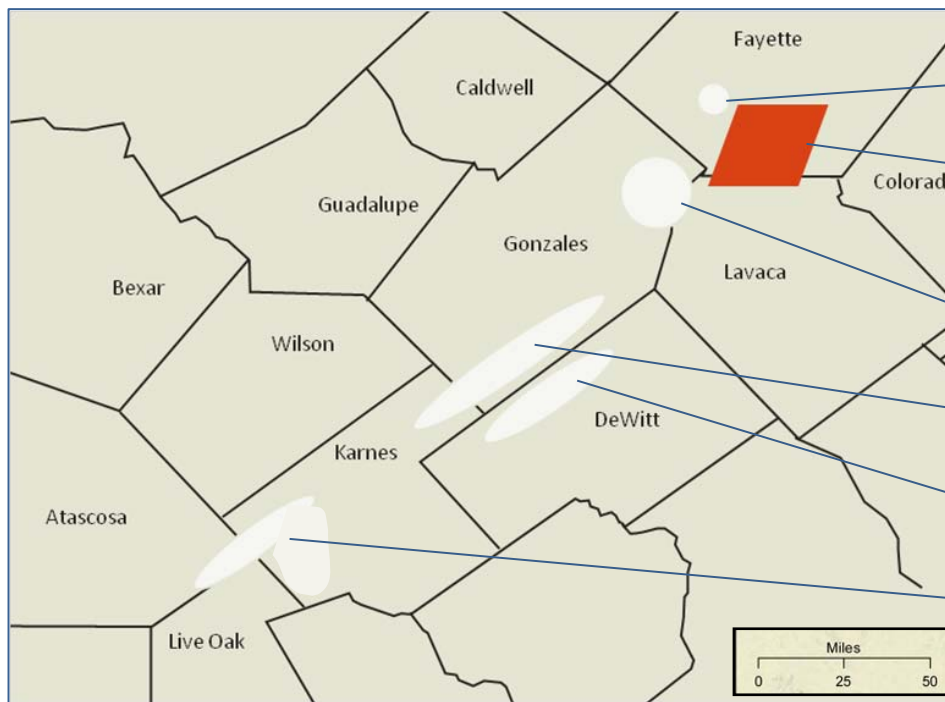
- Beach Energy bid for Adelaide Energy at A\$0.47 / Mcf of resource (November 2011)
- BG Group A\$130 million farmin to Drillsearch’s ATP 940P (July 2011)

*Strike’s 2012 activity seeks to confirm the existence of extensive liquids-rich coals & shales within its Cooper Basin permits. Applying a simplistic 2012 “success case” of A\$0.10 / Mcf results in a potential value of over **A\$600m***

EAGLE FORD

The USA’s most sought-after unconventional play

- Superior economics due to high productivity and liquids content (generally > 90% of revenue)
- EUR (expected ultimate recovery) 500–1,000 Mboe within the preferred condensate fairway
- Intense interest from international oil and gas majors – Marathon, BHP, CNOOC etc

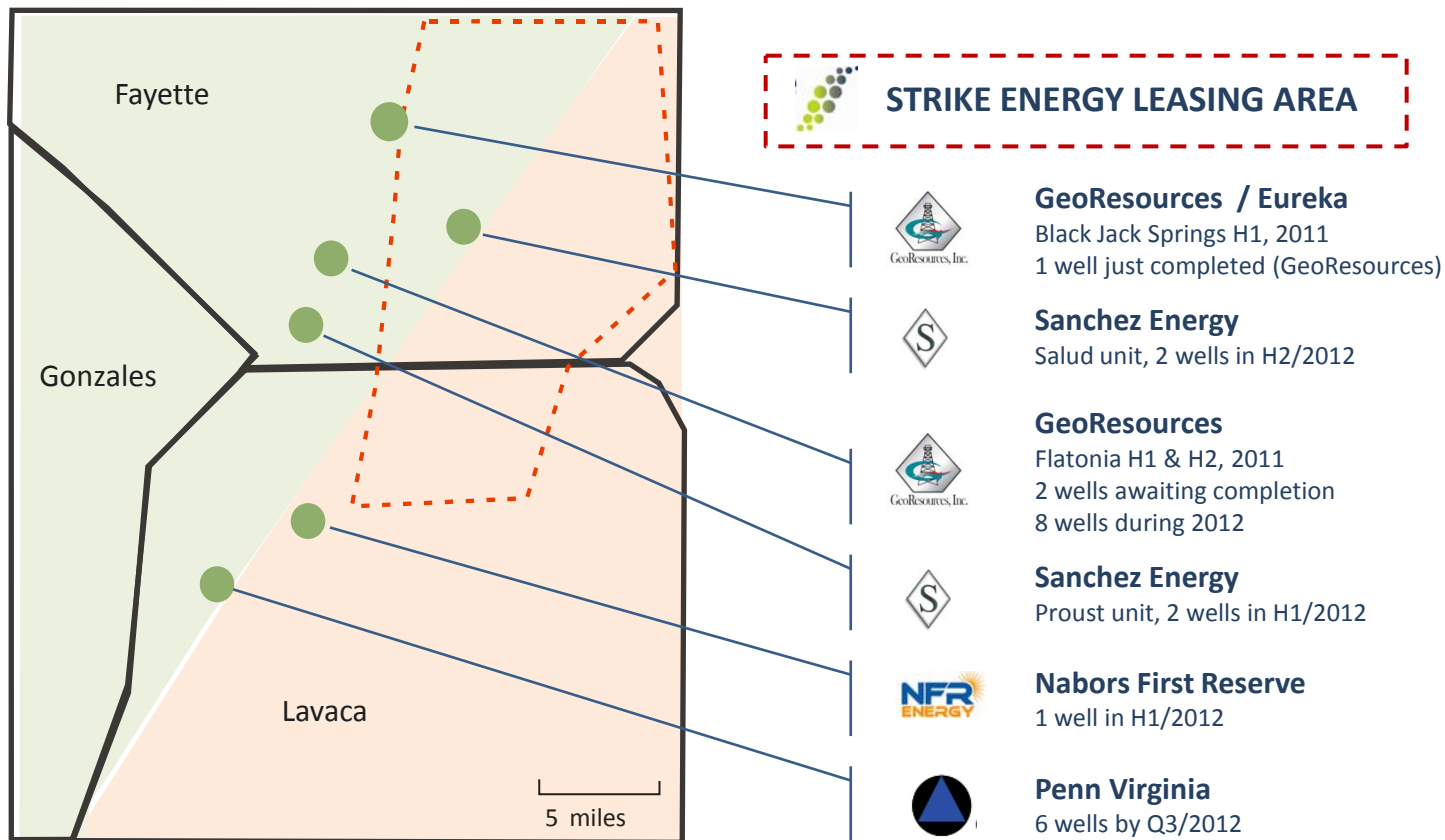


	GeoResources – Black Jack Springs
	Eureka Energy – Pan de Azucar
	STRIKE ENERGY – Eagle Landing JV
	Sanchez Energy – Marquis
	Magnum Hunter
	Penn Virginia
	EOG Resources
	BHP (Petrohawk) – Blackhawk
	Aurora Energy – Sugarkane
	Eureka Energy – Sugarloaf

STRIKE'S ASSET

Over 31,000 (gross) / 8,500 (net) acres of Eagle Ford Shale leases

- Third largest holding by an ASX company after BHP Billiton (Petrohawk) and Aurora
- Focused on the preferred gas/condensate (wet gas) fairway in Lavaca and Fayette counties



POTENTIAL



Gas/condensate fairway recognized as having the best economics

- Approximately 70 (net) well locations at 120 acre spacing
- Access to services and pipeline infrastructure for rapid commercialization



2012 ACTIVITY



First production well planned in mid-2012

- Drilling to prove-up the productivity of Strike’s gas/condensate acreage
- Other operators to drill > 15 wells in the vicinity of Strike’s acreage during 2012



VALUE UPSIDE



Potential re-rating in line with peers and Eagle Ford Shale transactions

- Eagle Ford Shale acreage acquisitions at US\$15,000 – 30,000/acre
- Currently valued at US\$5,500/ac or US\$48m based on Sanchez Energy share price

*Strike’s 2012 activity seeks to confirm technical & commercial potential by demonstrating economic production rates. Applying a simplistic 2012 “success case” of US\$15,000/acre results in a potential value of over **US\$125m***

CARNARVON**Carnarvon Basin, Western Australia**

- Exploration permits with multiple prospects
- WA460P estimated to include **20% of the 13.5 Tcf Paltar prospect** – to be drilled by Shell in H2/2012 (at no cost to Strike)

PRODUCTION

~US\$4 million of
cashflow in 2012

Permian Basin – 7,500 (gross) / 1,875 (net) acres in Martin County, Texas

- US\$1.5 million forecast 2012 gross operating cashflow
- Conventional reserves 437,000 Boe (net) and production 30 Boe/day (net)
- Huge unconventional resource potential from the Lower Clearfork Shale Formation

Eaglewood JV – Wilcox Formation, Texas

- US\$2.5 million forecast 2012 gross operating cashflow
- Conventional reserves 4 Bcf + 50,000 Bbl (net) & production 1.6 Mmcf + 40 Bbl/day (net)

Strike's focus is upon its key unconventional assets – the Cooper Basin and Eagle Ford Shale – but its other assets provide reserves, cashflow and substantial option value

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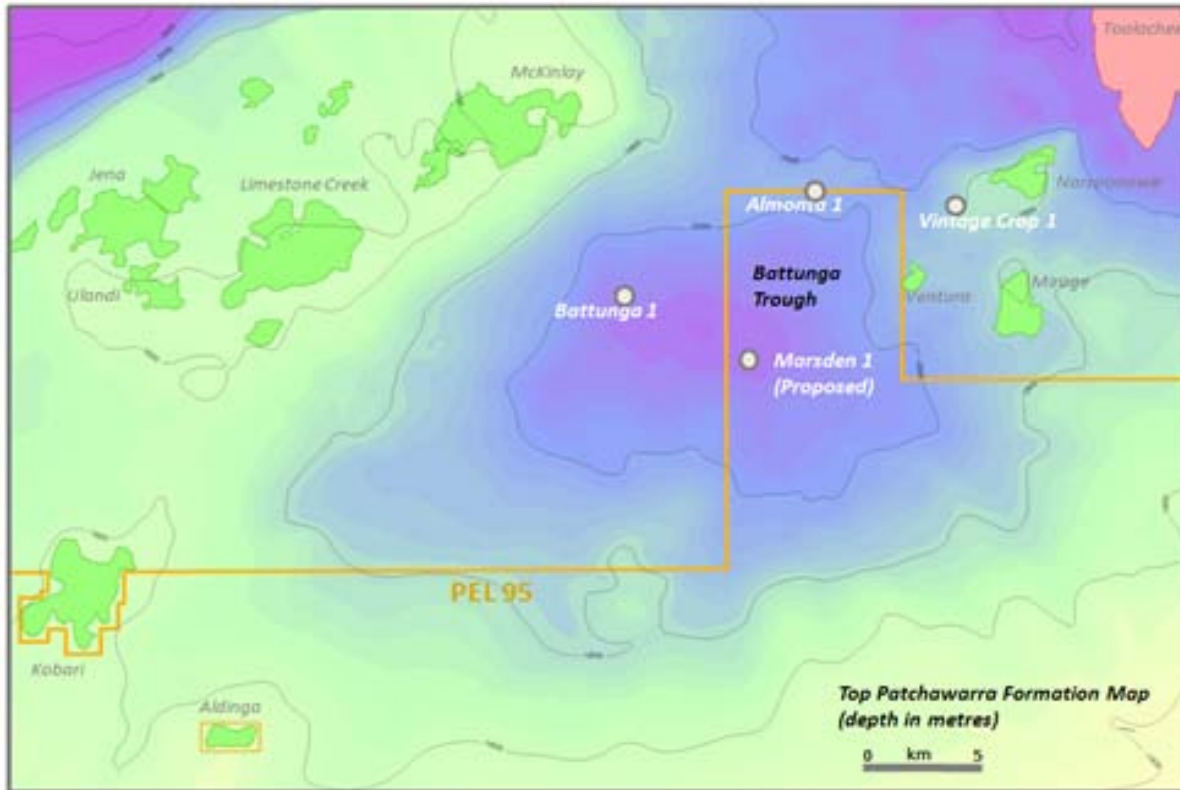
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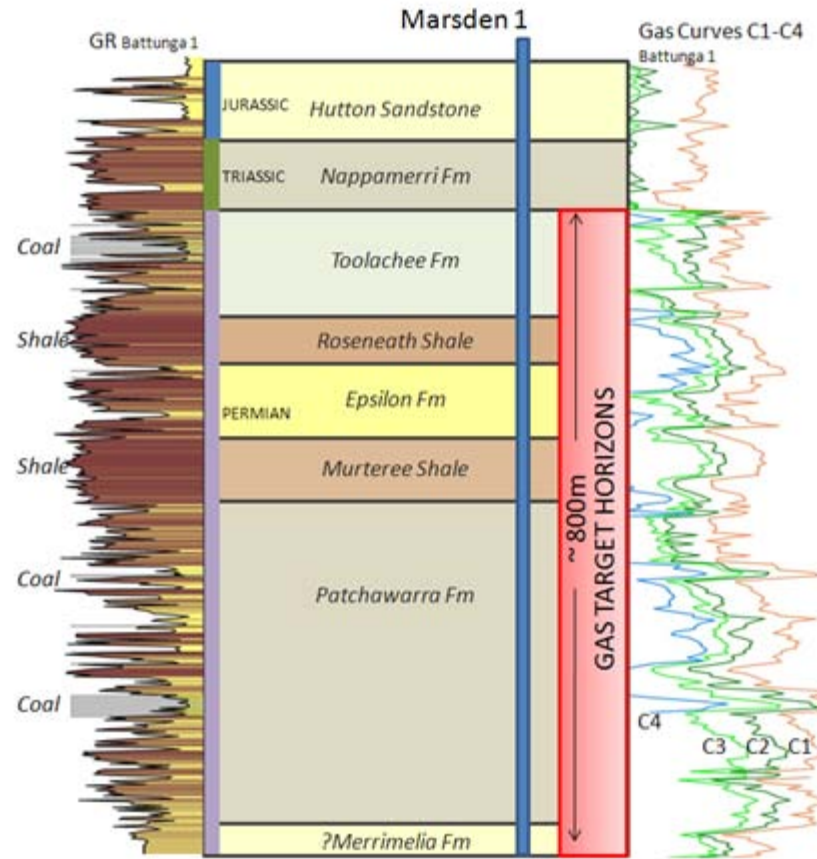
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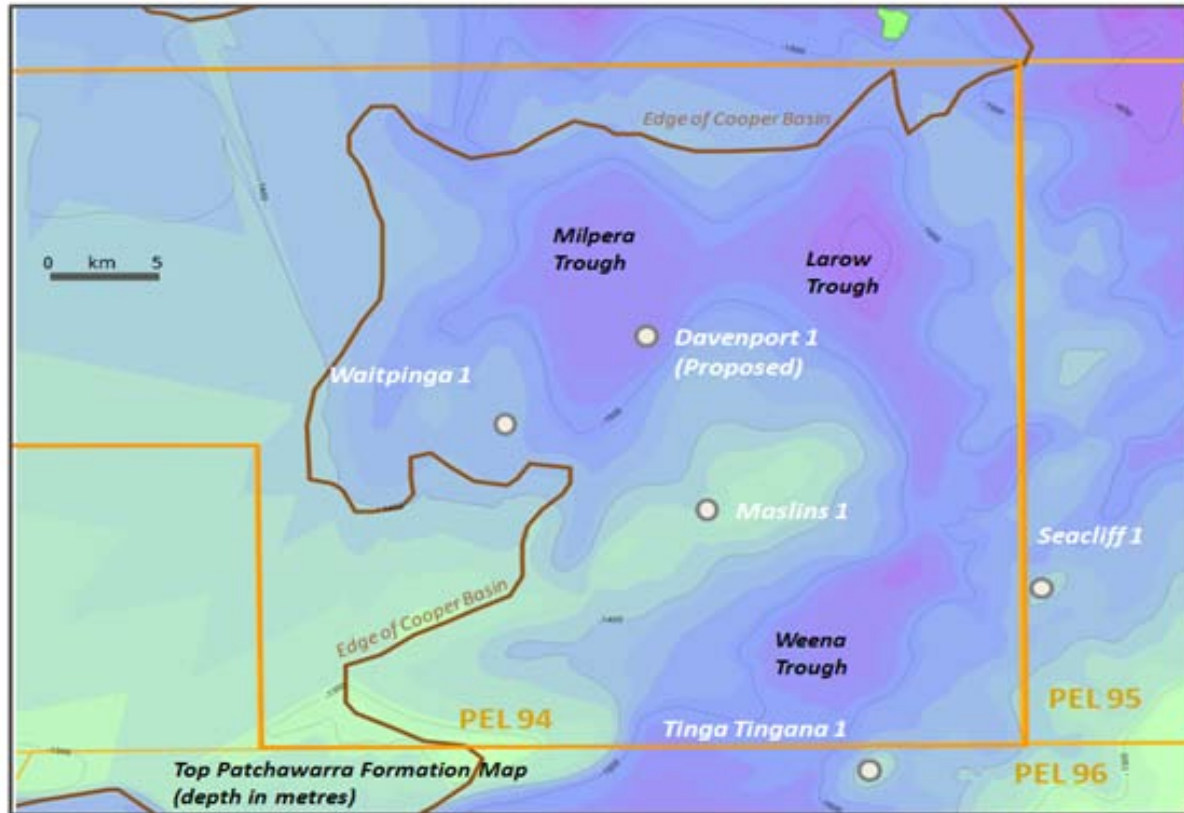


Ensign 918 drilling Marsden 1

Marsden 1 spudded on 22 February 2012 and is testing the Permian coals and shales within the Battunga Trough in PEL 95 (Strike 50%). The well is approximately 10km from Senex Energy’s successful Vintage Crop 1 and 6.5km from the Battunga 1 conventional well



Marsden 1 is targeting the Toolachee; Roseneath, Epsilon & Murteree (together 'REM'); and Patchawarra formations, which will be extensively logged and cored. The target formations and gas shows are evident in mudlogs from the nearby Battunga 1 conventional well



Davenport 1 will follow immediately from Marsden 1 and will test the Permian coals and shales within the Milpera Trough in PEL 95 (Strike 35%). Like Marsden 1, the well will be extensively logged and cored

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