

The Company Announcement Officer  
ASX Ltd  
*via electronic lodgement*

## INVESTOR PRESENTATION

Please find attached an Investor Presentation providing an update on the Company's activities associated with the rapid development and commercialisation of its Southern Cooper Basin Gas Project.

In addition, Mr David Wrench, will be presenting at the Energy Users Association of Australia – NSW Energy Forum to be held at the Rydges World Square in Sydney on 4 June 2014. A copy of this presentation is available on the Strike Energy Limited website.

Yours faithfully

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

SEAN MCGUINNESS  
Chief Financial Officer & Company Secretary

*Further information:*

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# STRIKE ENERGY LIMITED

## Investor Presentation

June 2014



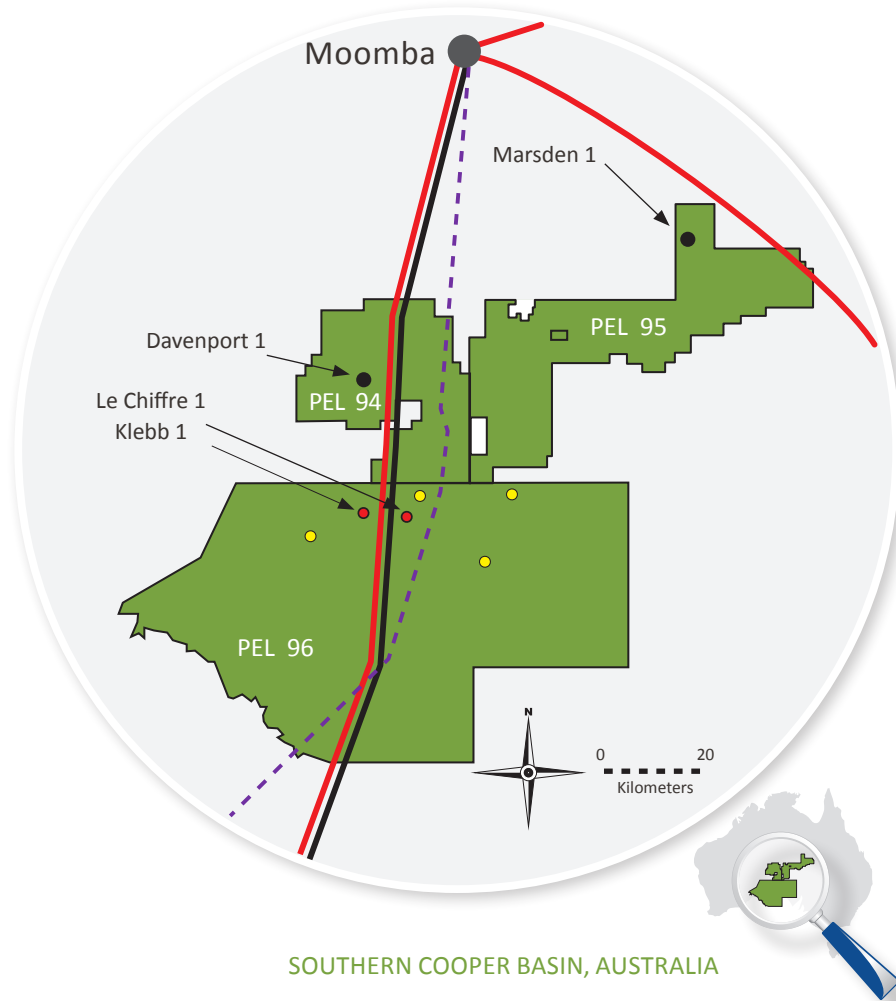
## Company Overview: Corporate



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.

<b>Listing</b>	ASX (ticker STX)		
<b>Issued Shares</b>	833,330,946		
<b>Options/ Performance Rights</b>	21,900,000		
<b>Market Capitalisation</b>	\$100.0 million (2 June 2014)		
<b>Production (2012/13)</b>	100,698 boe		
<b>Revenue (2012/13)</b>	\$4.6 million		
<b>Analyst Coverage</b>	<b>Firm</b> Bell Potter Blackswan Equities Ord Minnett Wilson HTM RBC Capital Lonsec	<b>Analyst</b> Di Brookman Michael Eidne John Young James Redfern Andrew Williams Tim Gerrard	

## Australia, Southern Cooper Basin



## USA, Texas

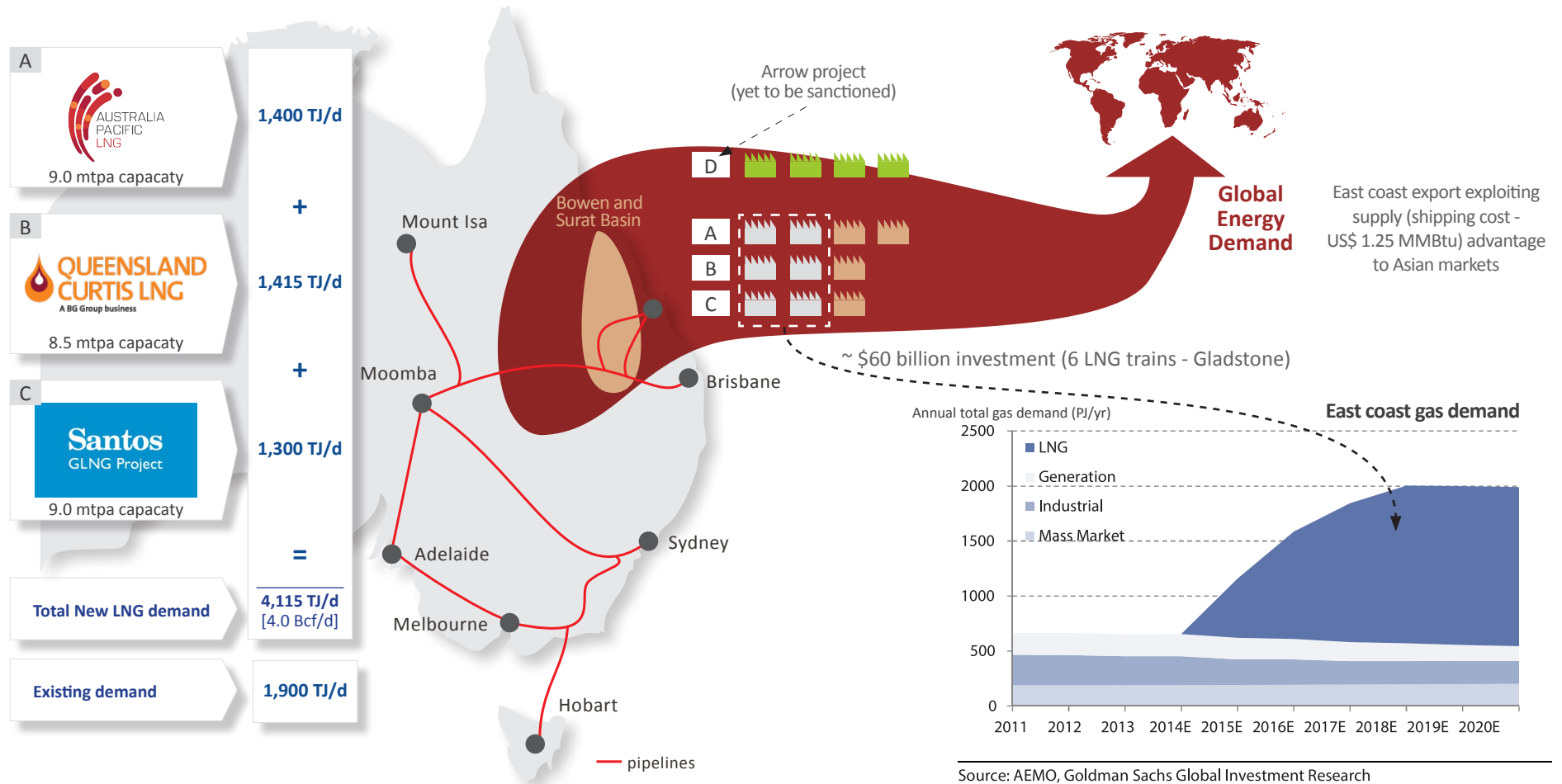


# **SOUTHERN COOPER BASIN GAS PROJECT**



# Australian east coast gas demand

Historically, Australia's east coast gas demand approximated 650 -> 750 PJ/annum, was over supplied and characterised by low pricing (A\$2-\$3/GJ) and low liquids upside. The maturation of significant coal seam gas (CSG) reserves in the Bowen and Surat Basins were the enabler of a massive investment program, commencing in 2011, involving an initial 6 LNG trains at Gladstone, Queensland. This investment is unlocking onshore gas resources by connecting these resources to global energy demand.



**Substantial east coast LNG investment driving onshore gas demand increase of ~ 4.0 Bcf/d**

# Changing market dynamics



All three LNG projects are likely to be short gas. Moreover, there is increasing uncertainty as to the deliverability, rate and cost of a significant component of 'equity' gas outside of the core CSG sweet spots.

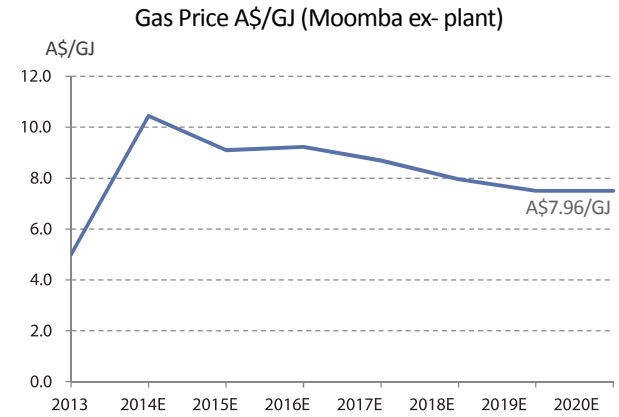
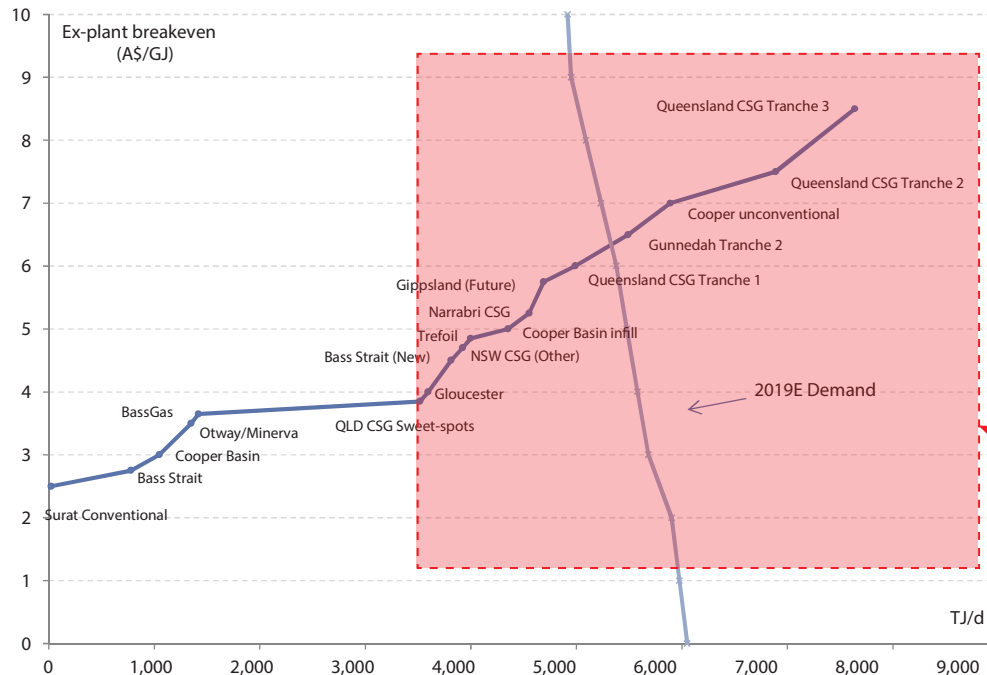
## SUPPLY

Significant cost 'tiering' emerging across LNG JV equity gas reserves. There is significant displacement potential from competitive third party supply.

## PRICING

Onshore gas reserves now linked to oil-indexed LNG price. New gas supply contracts largely governed by a LNG netback pricing model.

Forecasts for the East Coast gas cost curve in 2019E



Source: AEMO, Goldman Sachs Global Investment Research

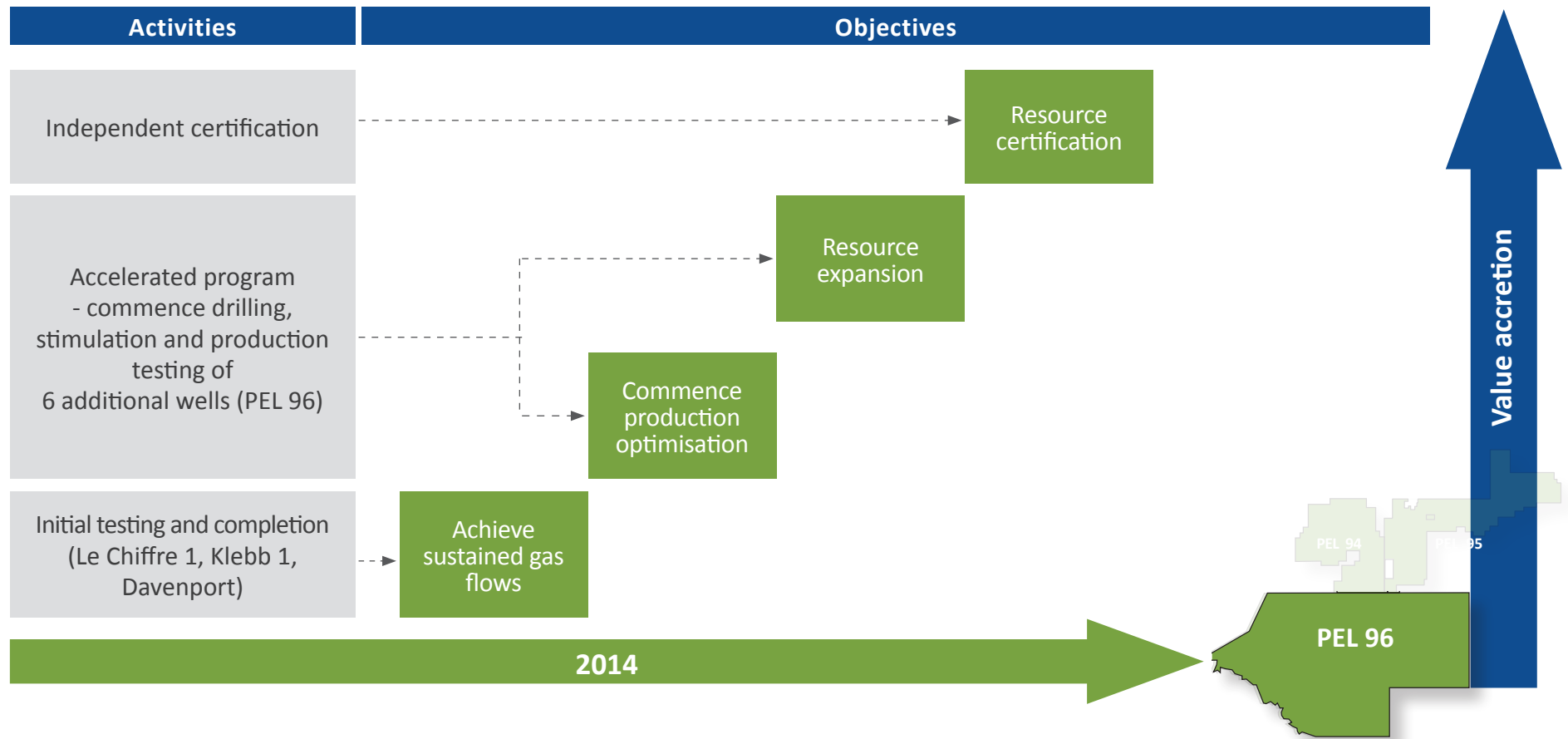
**Strike comment:**  
- significant project, deliverability, rate and cost uncertainty creating opportunity for new competitive third party supply

Source: Goldman Sachs Global Investment Research

Eastern Australia onshore gas reserves now connected to oil-indexed contracted LNG

# The opportunity

Strike’s successful appraisal program (PEL 96) together with recent funding initiatives have positioned the Company to accelerate a focussed commercialisation program centred on the PEL 96 permit. The fully funded 2014 activities have the objective to position this large prospective resource as a significant supply solution to east coast gas markets.



Potential for significant value uplift as rapid commercialisation program achieves key 2014 objectives





Strike's appraisal drilling confirms presence of world scale gas resource

- 4.5 Tcf prospective resource (PEL 96 net to Strike) directly under Moomba to Adelaide Gas Pipeline (MAPS)

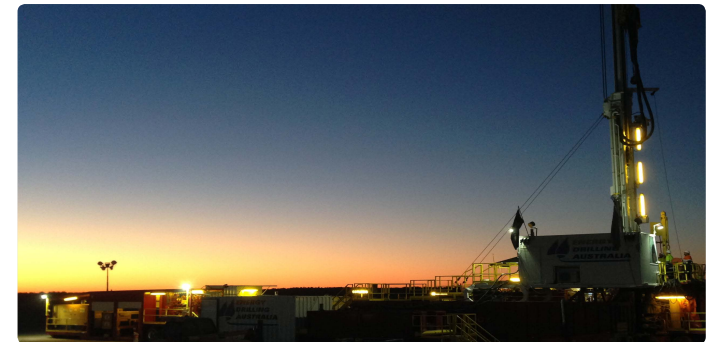
Strike's 'gas saturated coals' - high resource concentration

Well capex of ~\$3.5 million - compelling economics

Commercialisation program positioning Strike as 'frontrunner' for new gas supply

Clear path to market established

- foundation customer supporting project development
- innovative offtake agreements with domestic gas users
- Phase One Area resource could supply up to 25% of NSW demand
- plan to unlock the potential of the entire resource



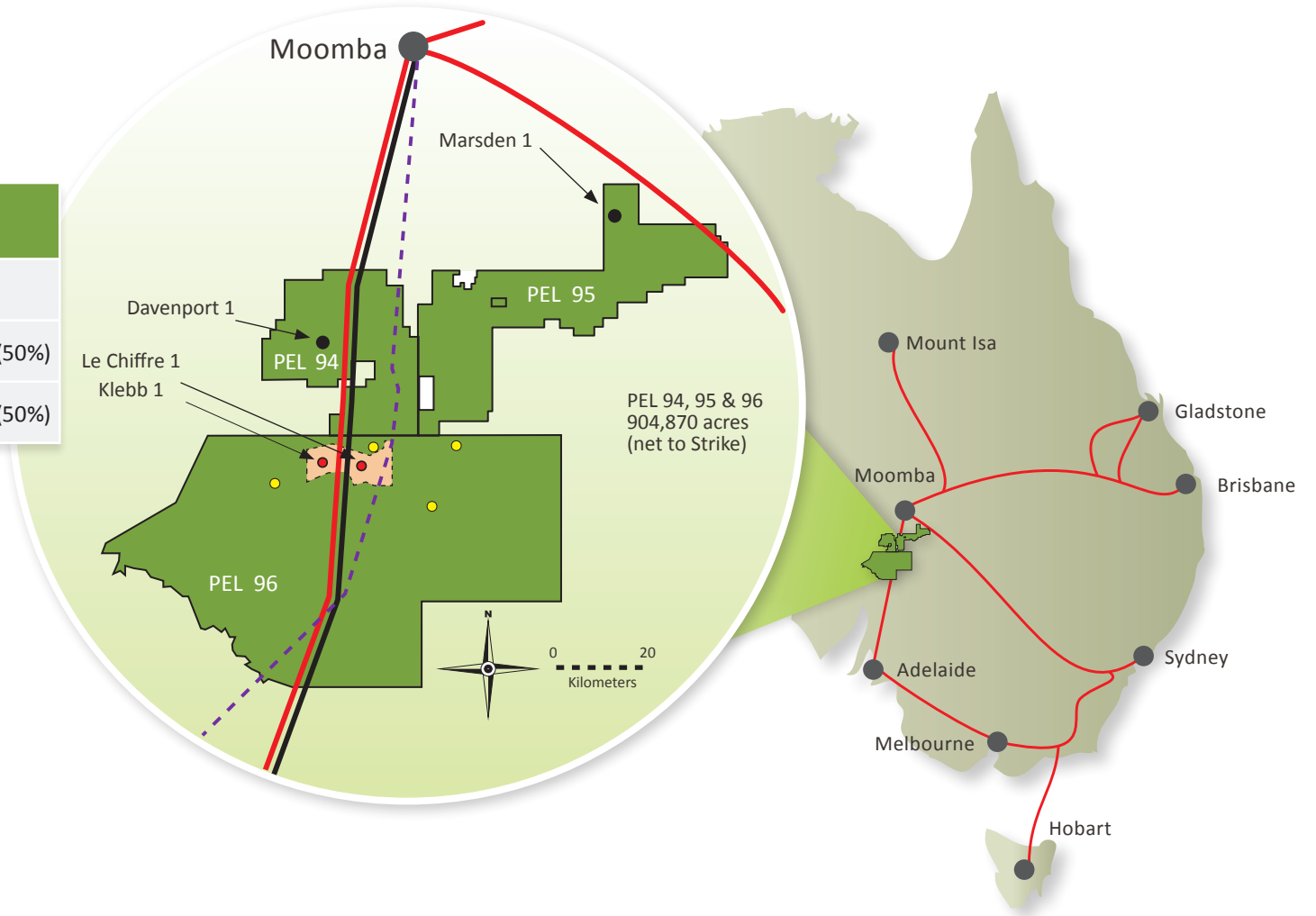
Appraisal drilling results confirm transformational potential of Strike's Gas Project

# Southern Cooper Basin Gas Project: Favourable location



Strike's PEL 94, 95 and 96 permits are ideally located with direct access to infrastructure connecting to Eastern Australian gas markets.

Permit	STX working interest	Operator
96	66.67%	Strike
95	50%	Beach Energy (50%)
94	35%	Beach Energy (50%)



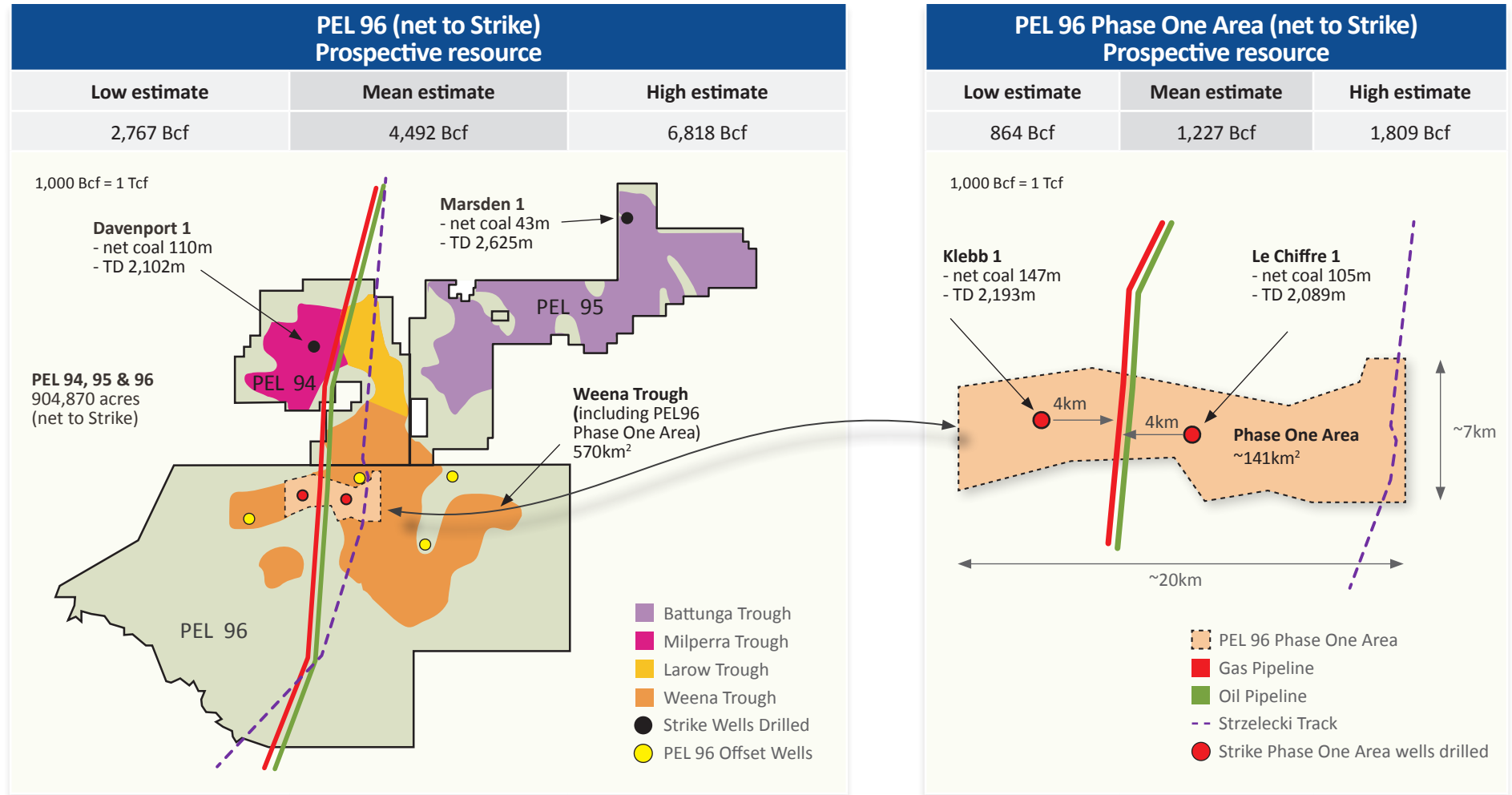
- Strike Phase One Area wells drilled
- Strike Wells Drilled
- PEL 96 Offset Wells
- PEL 96 Phase One Area
- Gas Pipeline
- Oil Pipeline
- - Strzelecki Track

Strike has control of planning, timing and execution of activities in PEL 96

# Southern Cooper Basin Gas Project: Resource upgrade



Following appraisal drilling, the mean estimate of the prospective resource within Strike's PEL 96 permit increased to 4.5 Tcf (Phase One Area 1.25 Tcf). This resource is located directly beneath the Moomba to Adelaide Pipeline System (MAPS).

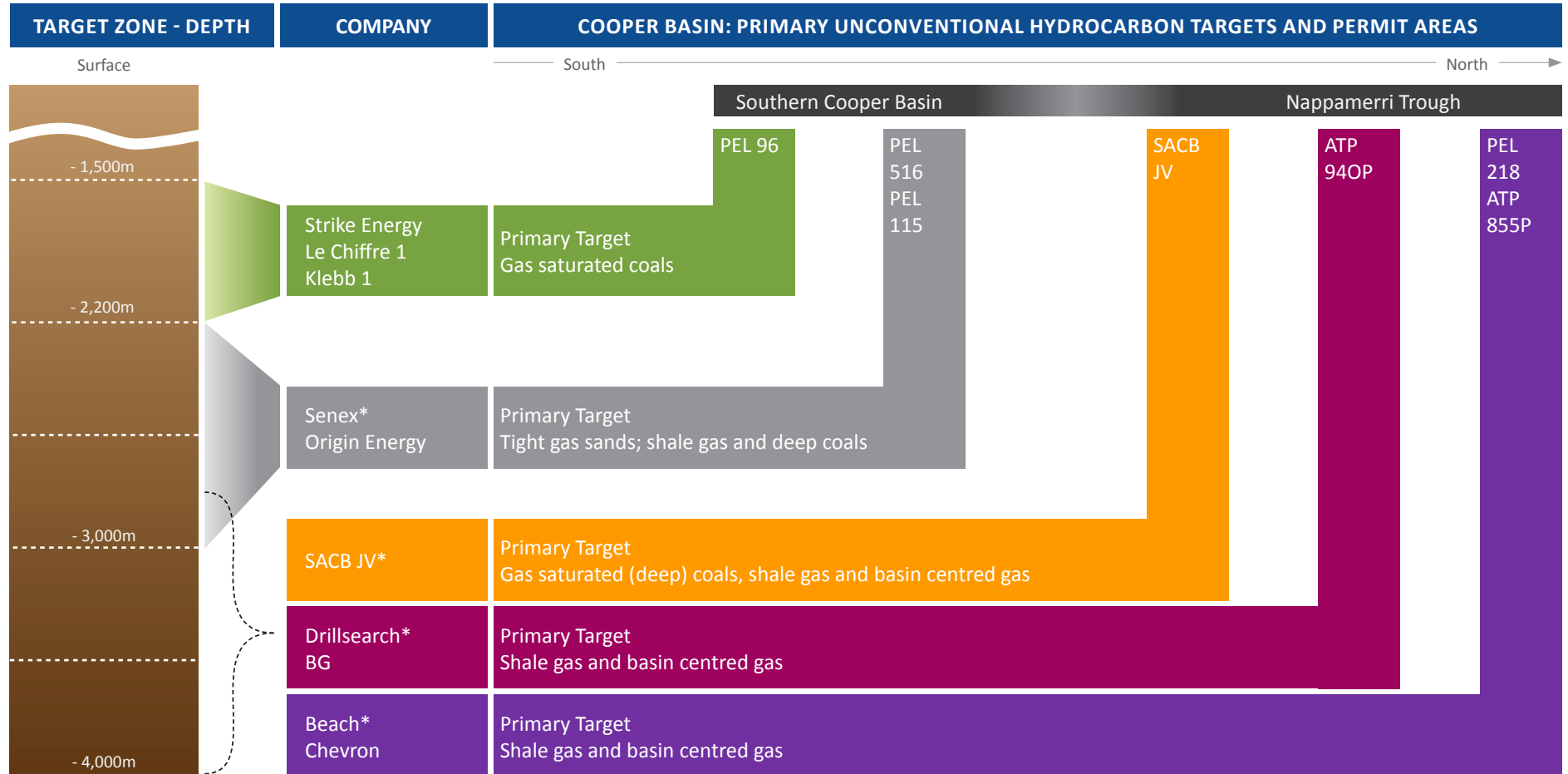


4.5 Tcf prospective resource (PEL 96)

# Southern Cooper Basin Gas Project: Target interval at optimal depth



Strike’s appraisal program has confirmed the presence of thick, dry/gas saturated coals. The target interval at Le Chiffre 1 and Klebb 1 is in the optimal gas generation window at a relatively shallow depth. This delivers significant well cost advantages compared to deeper unconventional Cooper Basin activity.



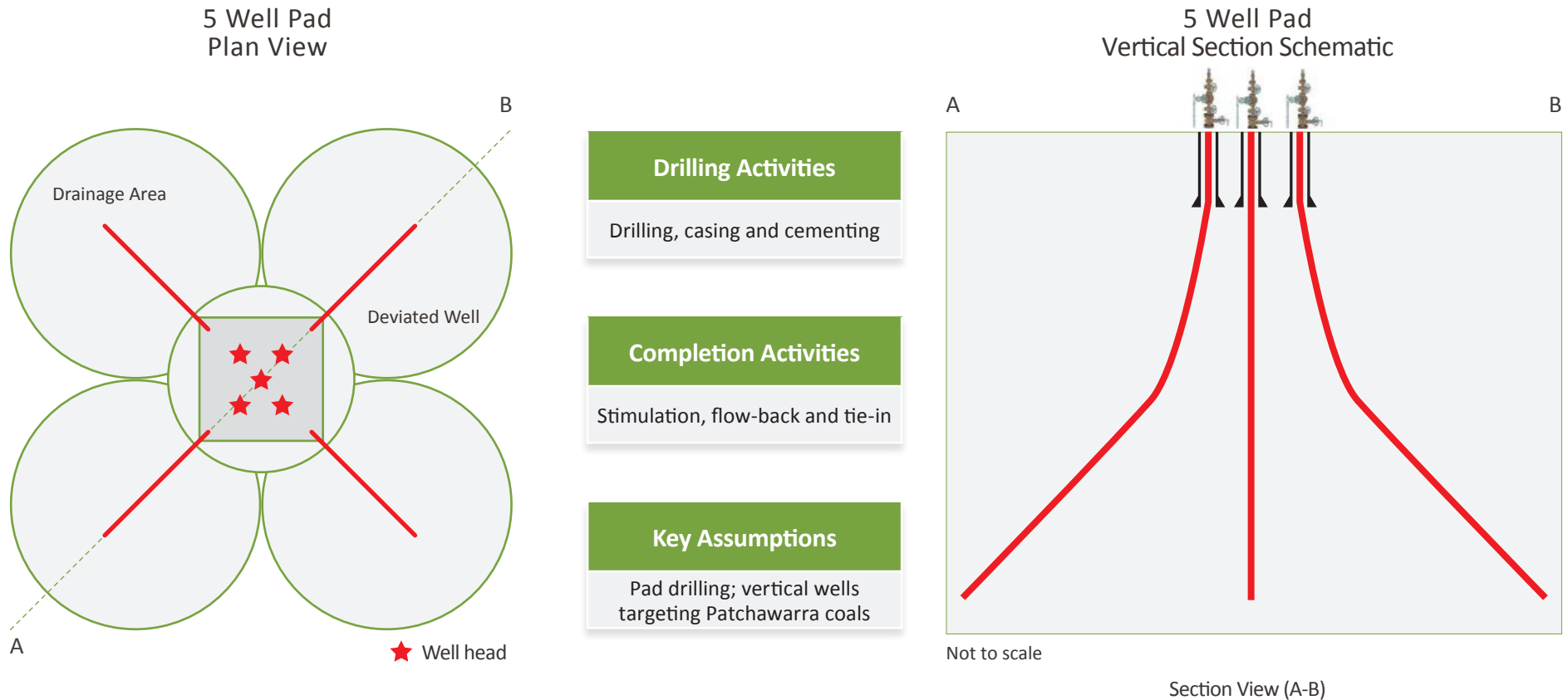
\*Approximations only of target zone depth and permit areas

Strike’s relatively shallow target horizon delivers significant well cost advantages

# Southern Cooper Basin Gas Project: Well drilling and completion costs



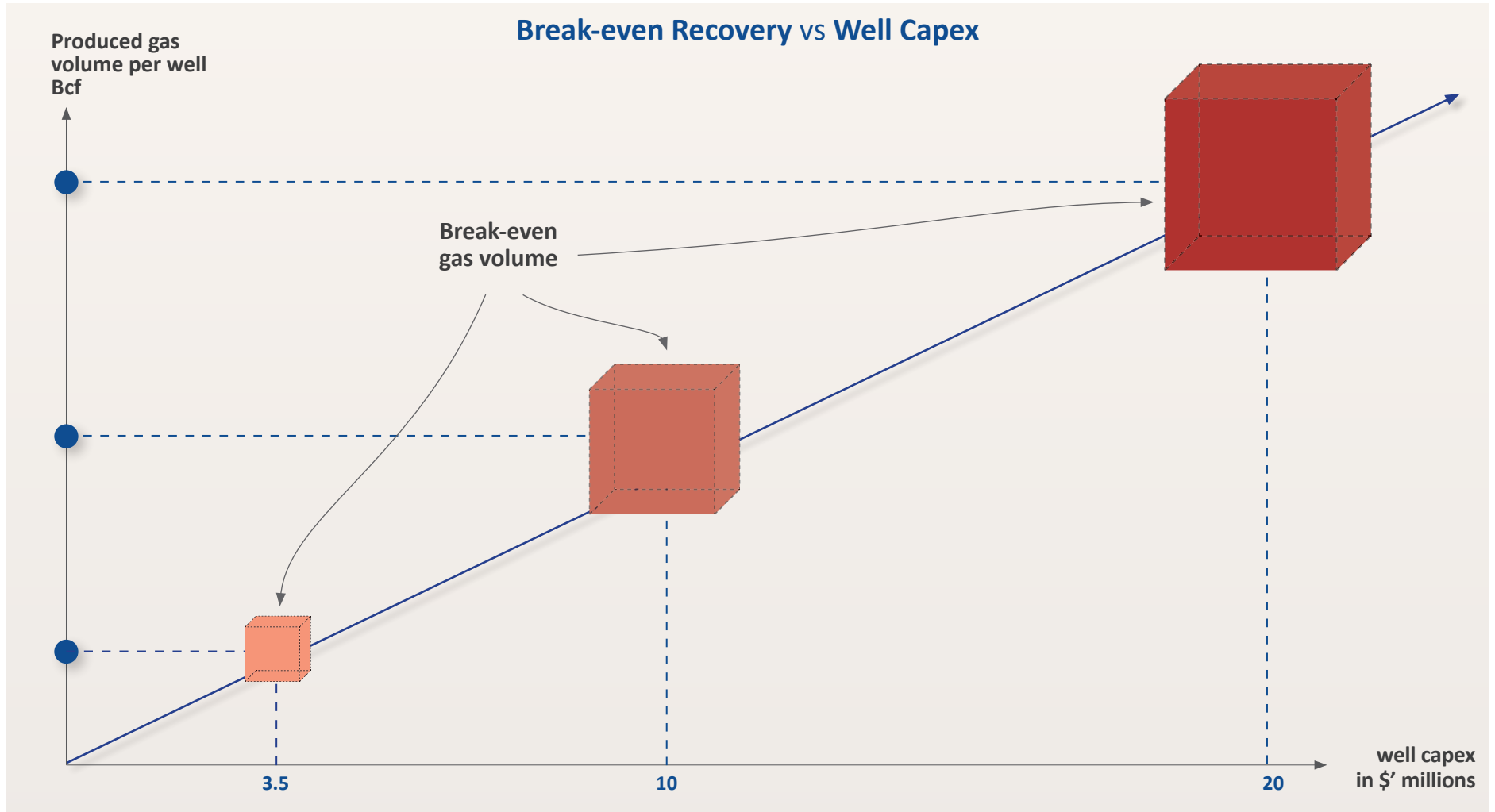
Strike has completed an independent review of production well drilling and completion costs based on actual results achieved during the recent drilling program and firm third party tender quotes for the upcoming production testing program. The review has confirmed completed vertical production well costs of between \$3.2 and \$3.6 million per well are achievable.



Simple, cost effective production drilling

Strike's Southern Cooper Basin Gas Project will require modest recoveries per well to achieve break-even





Well capex is the primary driver of play economics .  
Low well costs drive favourable economics even at modest sales gas volumes.

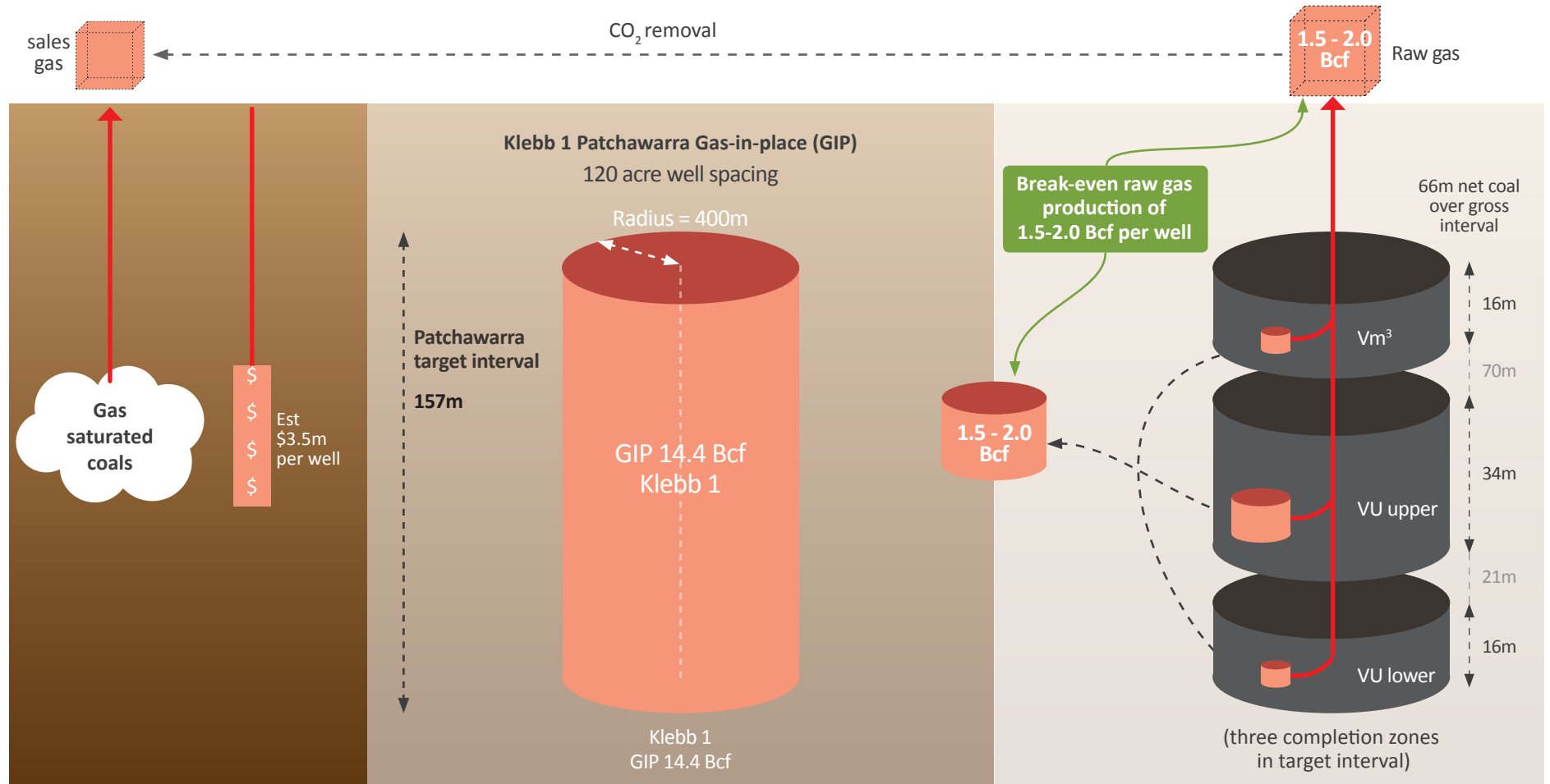




# Southern Cooper Basin Gas Project: PEL 96 Phase One Area economics



Based on a \$6/GJ price for sales gas delivered into MAPS pipeline and drilling and completion costs of \$3.5 million per well Strike needs to recover 1.5 - 2.0 Bcf of raw gas to break-even.

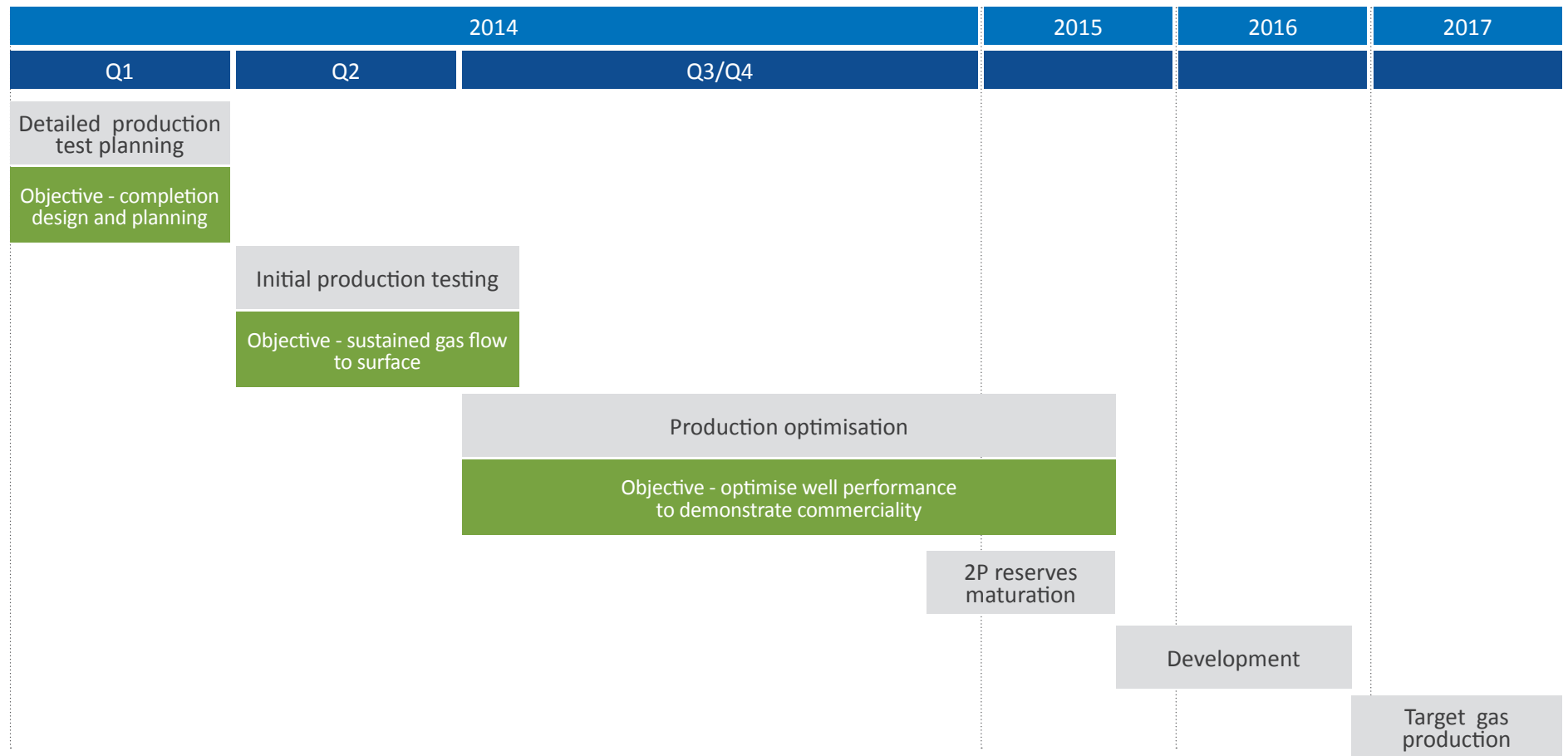


A favourable combination of high resource concentration, modest well capex and the absence of dewatering costs indicate that Strike's dry/ gas saturated coals are potentially in the sweet spot for gas play economics

# Southern Cooper Basin Gas Project: Rapid commercialisation program



To date, unconventional appraisal in the Cooper basin has been characterised by high costs, slow progress and long-dated commerciality. The drivers of these outcomes have included target zone depths, pressures, temperatures and associated technical complexities and geological uncertainties. In contrast, Strike’s relatively low cost and rapid commercialisation program is on track to supply gas to east coast markets in 2017.

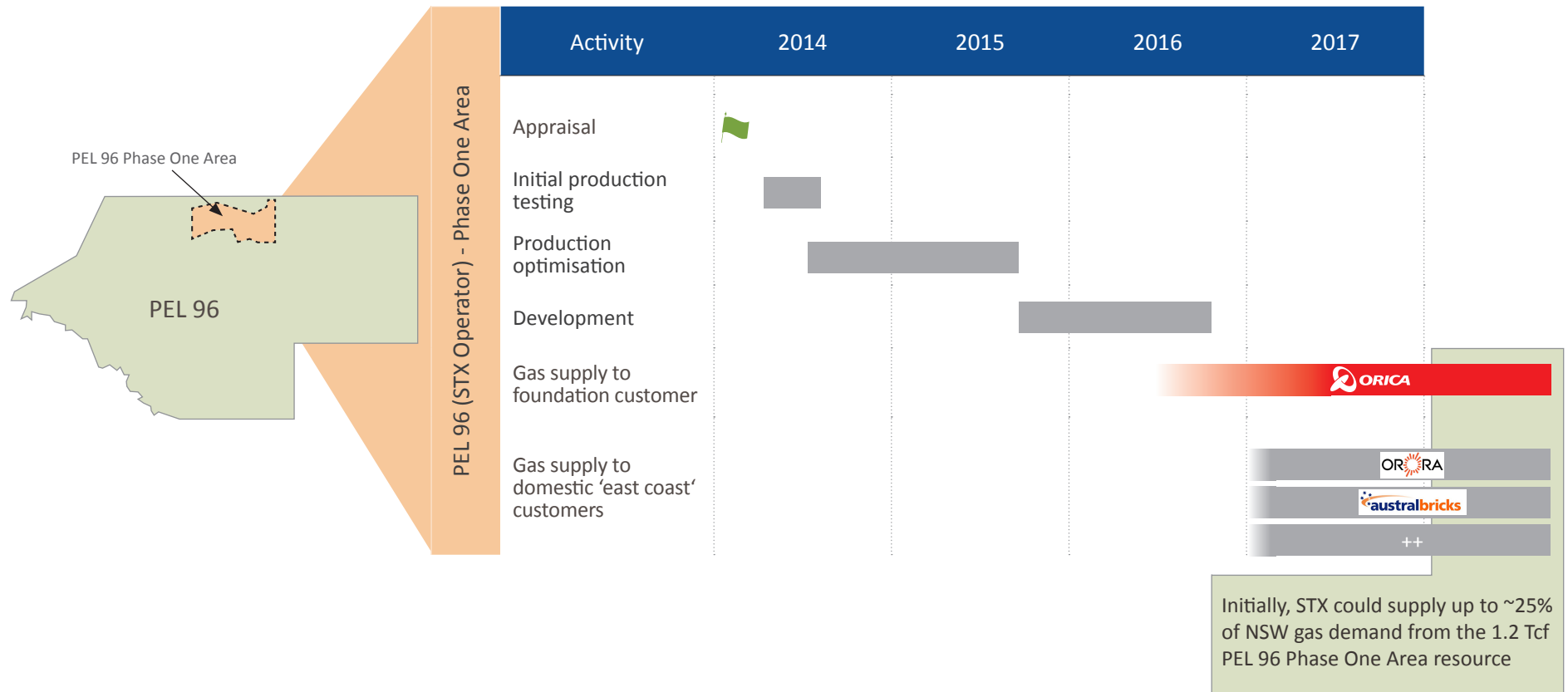


Strike’s Gas Project positioned as ‘frontrunner’ for new gas supply

# Southern Cooper Basin Gas Project: PEL 96 Phase One Area path to market



The production testing and development timing for the PEL 96 Phase One Area positions Strike as the ‘frontrunner’ to meet the forecast east coast gas shortage. The 1.2 Tcf prospective resource in the PEL 96 Phase One Area could supply up to ~25% of NSW gas demand. A clear path to market has been established.

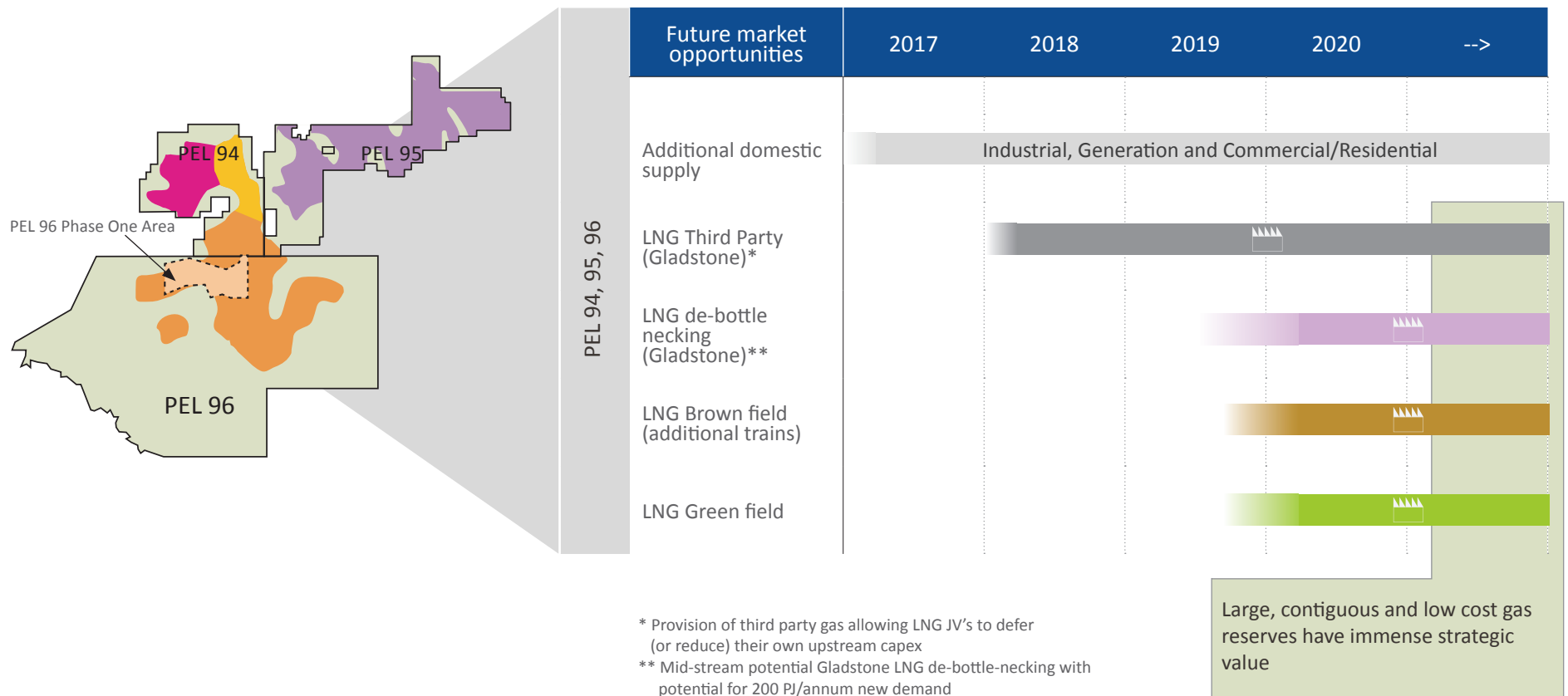


Clear path to market established with Orica as foundation customer

# Southern Cooper Basin Gas Project: Potential to deliver enormous value



Subject to early reserves maturation in the PEL 96 Phase One Area, Strike will pursue a monetisation path to fully capture the value of the large, contiguous and favourably located multi-Tcf gas resource present across PEL 94, 95 and 96.



Plan to unlock the potential of the entire resource

World-scale resource —————> market demand

Appraisal program successfully completed

Production testing next step in project development

Potentially compelling economics

Rapid commercialisation program —————> key milestones in 2014

Established path to market

Successful commercialisation will deliver enormous value

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### COMPETENT PERSONS STATEMENT

The reported resource and or reserves in this presentation are based on information compiled by Mr C Thompson. Mr. Thompson is the General Manager of Strike's Cooper Basin Project and has consented to the inclusion of the resource and or reserves information in this report.

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.