

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

GULF COAST OPERATIONS UPDATE

Strike Energy Limited (ASX: STX) is pleased to provide an update on its US Onshore Gulf Coast operational activities.

Steindorf-1 Production Testing

Production testing of its onshore Steindorf-1 well in the Gulf Coast, USA, has been completed and analysis of results is ongoing.

Gas flows achieved from production testing programme of four separate zones within Steindorf-1, whilst significant, are, on current indications, considered to be below commercial rates. However, the operator is continuing to evaluate results from one of the four horizons tested and as a consequence a decision on whether to extend testing or to plug and abandon the well is yet to be made.

Whilst disappointing, the results achieved in Steindorf-1 provide encouraging indicators and information to be applied in the current six well drilling programme, now underway at Sadie-1.

The production testing results will provide valuable information to be integrated with seismic data to assist in predicting reservoir quality on future targets as the Joint Venture continues to build on its knowledge and understanding of the "Wilcox Hydrocarbon Trend" and the untapped potential that this trend offers.

Sadie-1 Drilling Ahead

The Sadie-1 exploration well is targeting a prospective gas resource of 15-20 billion cubic feet (Bcf) in the Homeplace prospect, Wilcox Formation. Strike holds a 40% working interest.

The well, which spudded on 18 February, is currently drilling ahead at 2,370 feet (723 metres). The proposed total depth is 12,500 feet (3,881 metres) and it is expected to take approximately a further 35 days to drill.

OUR STRENGTHS

- High margin producer
- Multiple large scale growth options
- Experienced team
- Long term track record of success

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ASX Announcement



Strike Energy Limited

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Drilling success holds the potential to provide a significant addition to the Company's reserve inventory. Sadie-1 is the first well in a six well drilling programme targeting Wilcox Formation Plays of the type that lead to past gas/condensate discoveries at Rayburn, Mesquite and Louise. Weekly updates on drilling progress will be provided.

Yours faithfully

A handwritten signature in black ink, appearing to read "Simon Ashton", with a long, wavy horizontal line extending from the end.

SIMON ASHTON
Managing Director

Further information:

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