

ASX Announcement



Strike Energy Limited

ABN 59 078 012 745

26 March 2010

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

SOUTH AUSTRALIAN BASIN SYMPOSIUM PRESENTATION

Find attached a presentation on Strike Energy's Cooper Basin activities to be made at the "South Australian Basin Symposium" in Adelaide today.

Yours faithfully

A handwritten signature in black ink, appearing to read "Simon Ashton".

SIMON ASHTON
Managing Director

Further information:

Strike Energy Limited

Simon Ashton – Managing Director

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OUR STRENGTHS

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

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**SOUTHERN COOPER - SOUTH AUSTRALIA'S
EMERGING ENERGY PROVINCE**

**South Australian Basins
Symposium**
26 March 2010

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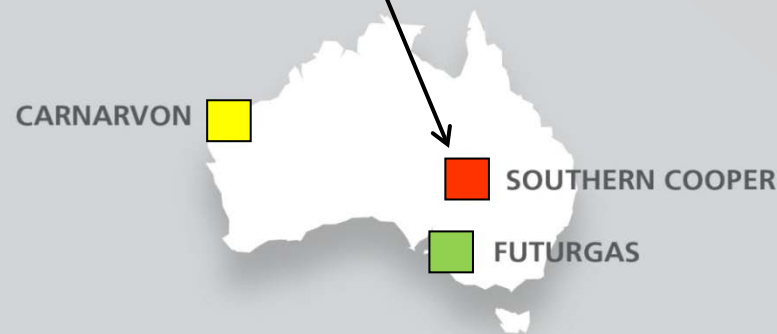
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Multiple growth assets

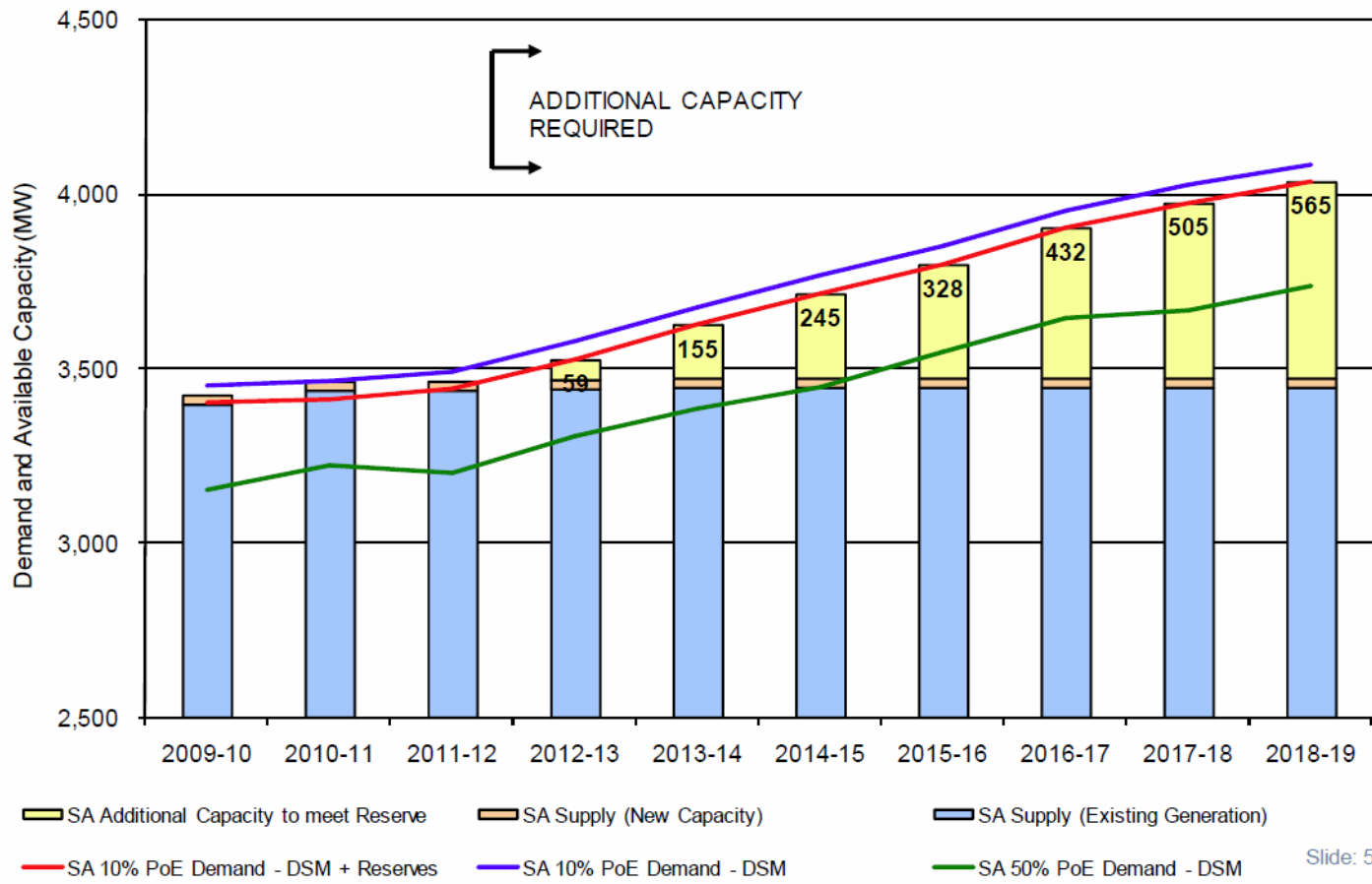
“Strike Energy is a high margin gas and oil-condensate producer, active in some of the world’s most productive basins, with major growth potential across a range of new energy opportunities.”

Presentation focus
“Emerging energy province”



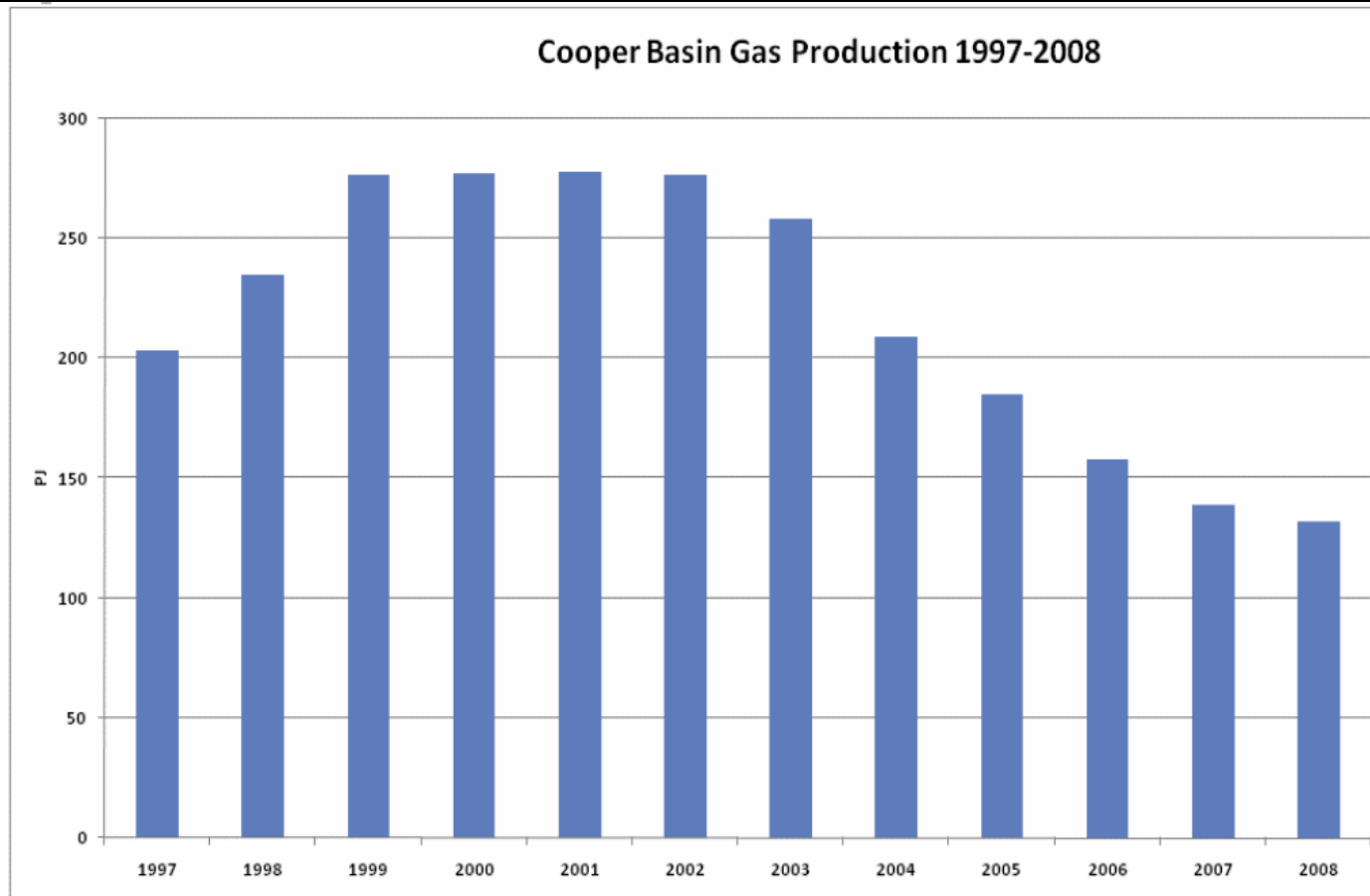
South Australia's demand for electricity is growing

CAN SOUTH AUSTRALIA GAS FEED THIS GROWTH?



Courtesy ESIPC/AEMO

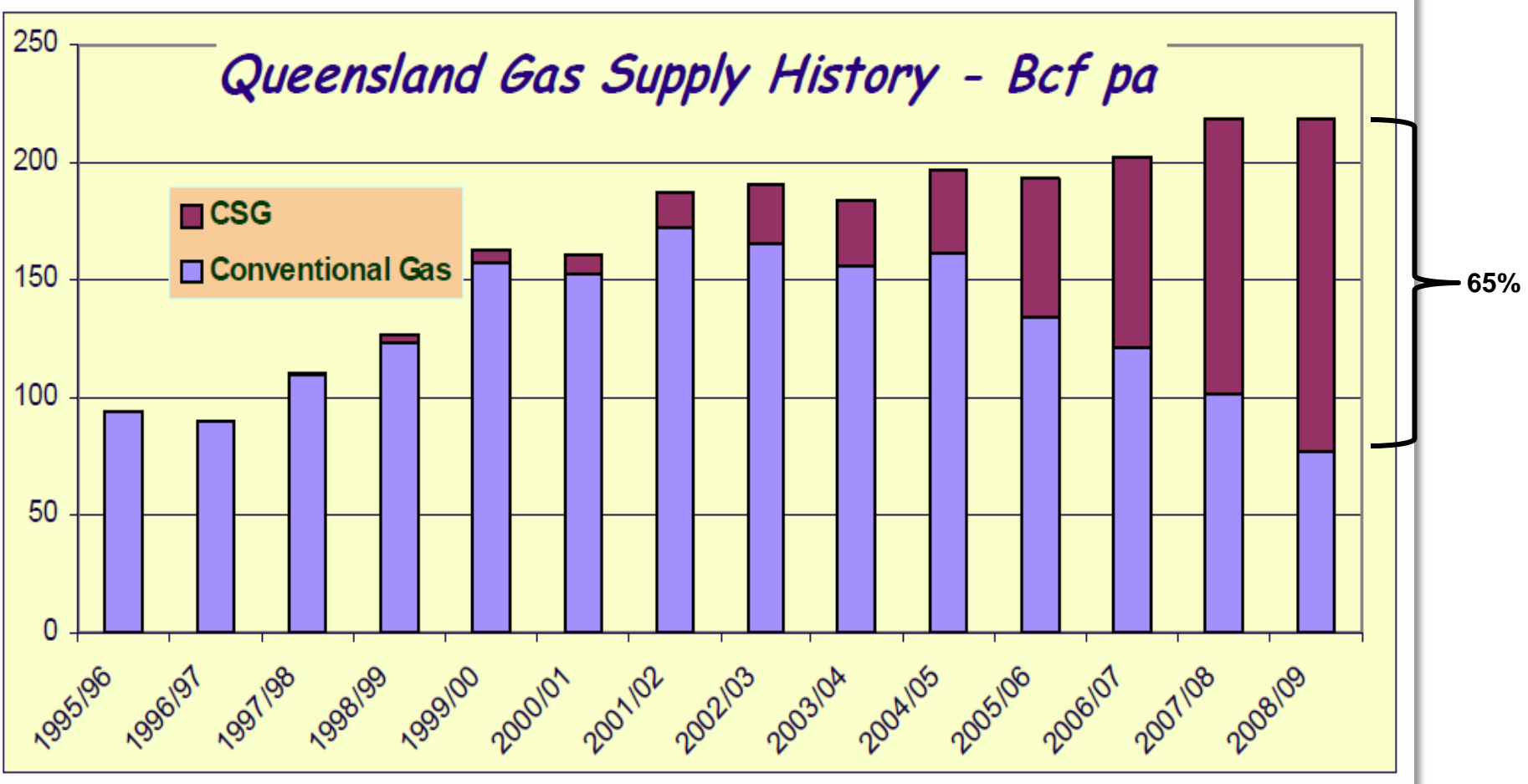
Historic gas supply from the Cooper Basin is diminishing



Source: EnergyQuest

Courtesy ESIPC/AEMO

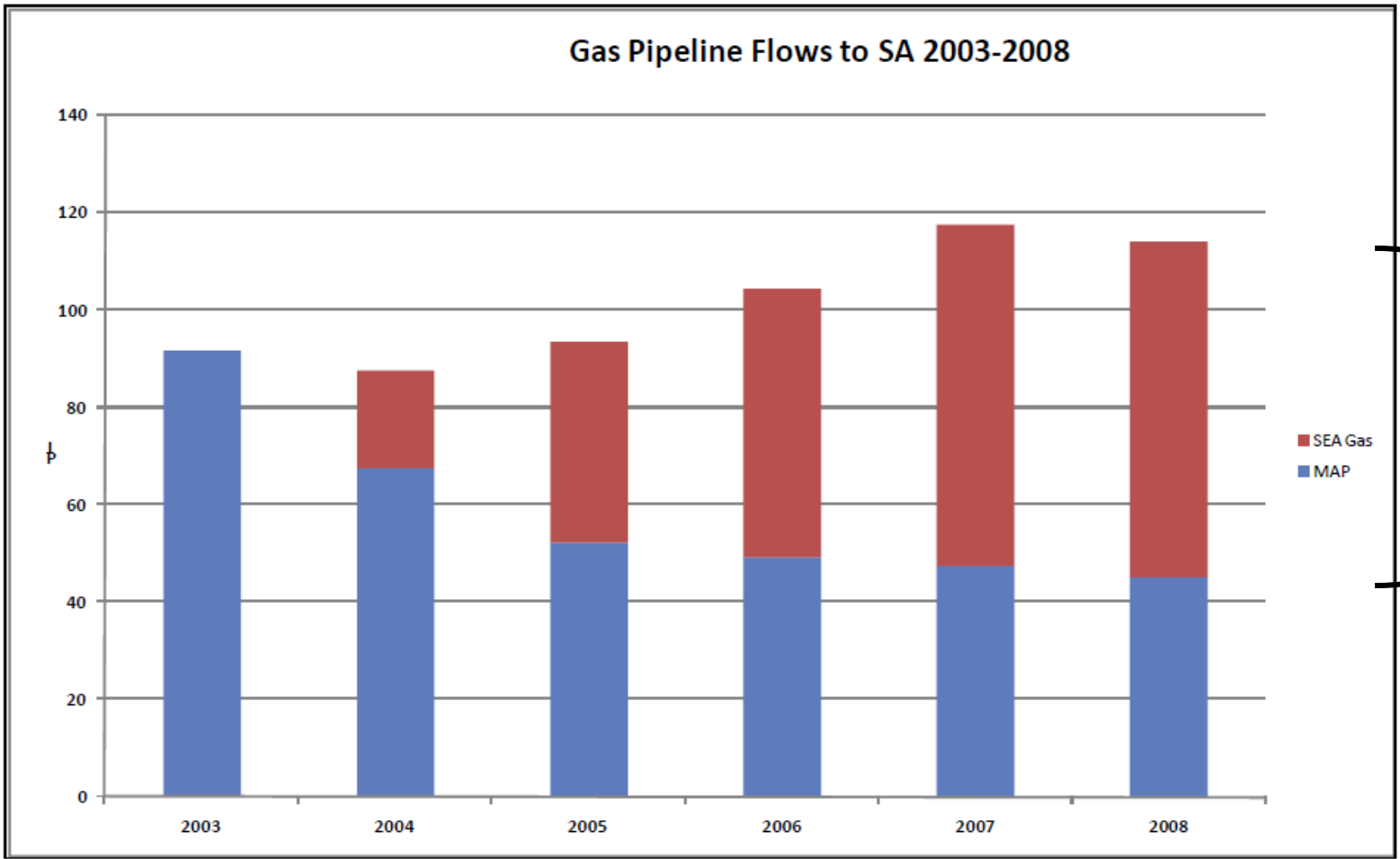
Queensland's Solution: exploit Coal Seam Gas (CSG)



Courtesy StockAnalysis



South Australia's increasing reliance on imported gas!



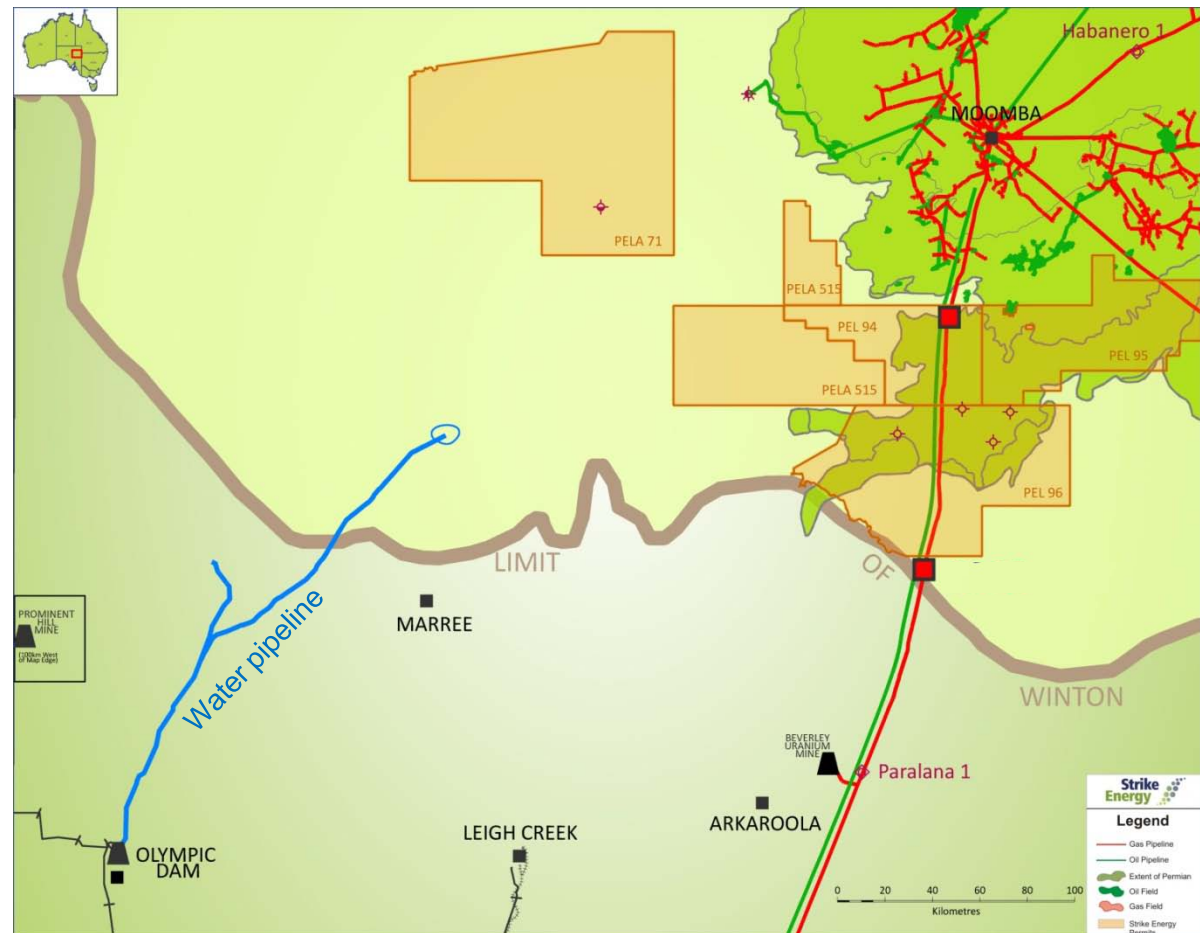
Courtesy ESIPC/AEMO

“Given the size of South Australia’s mineral assets, any delays to these projects caused by inadequate power supply wouldn’t just be a local concern, it would have a medium-to-long-term-impact on the performance of the national economy.”

Mike Rann, Premier SA

The next possible gas supply for South Australia?

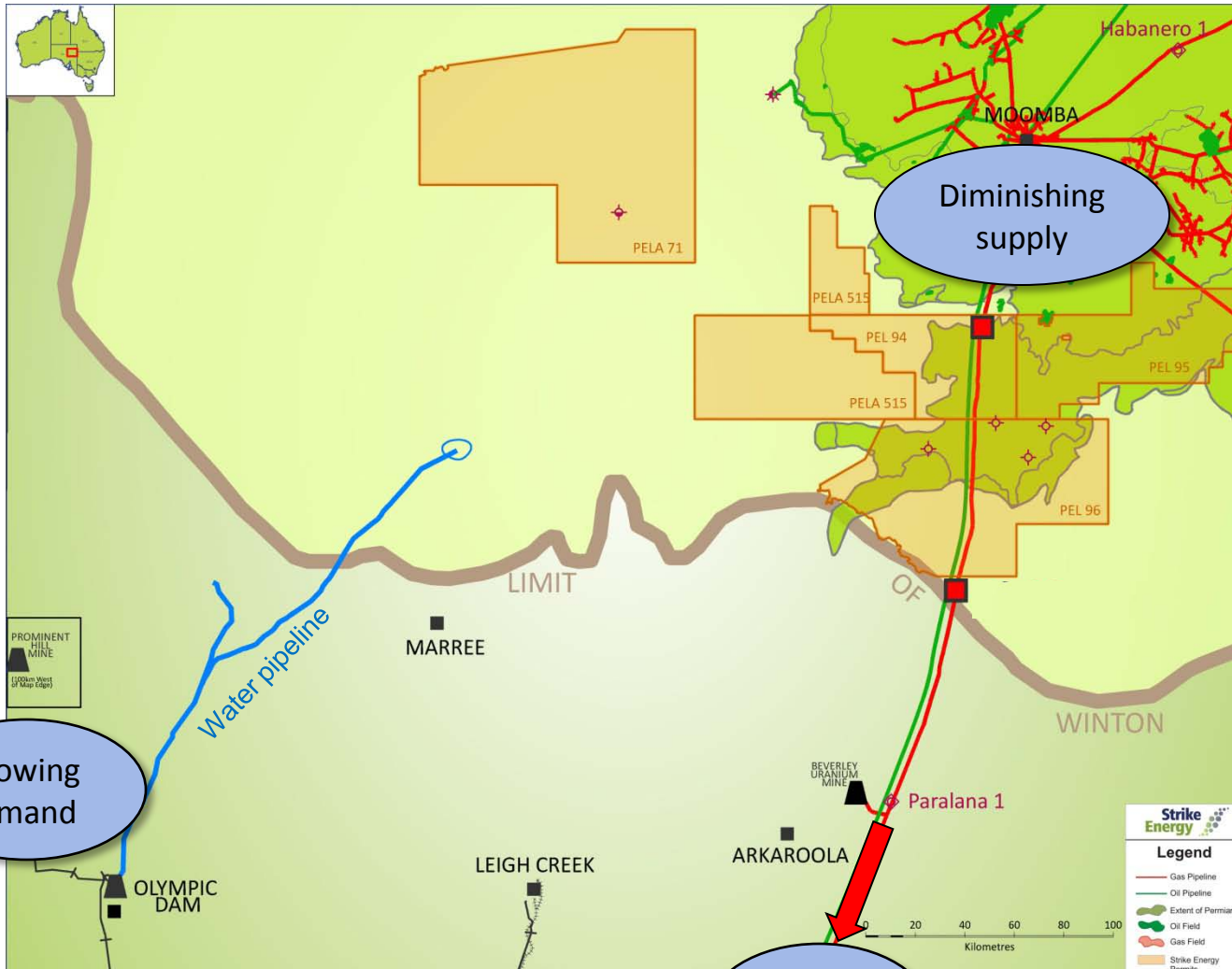
- Strike has built a strategic position in Southern Cooper Basin
- Since 1997 Strike has built up > 17,000 km² in Southern Cooper
 - PELA 71 75%*
 - PEL 96 66.67%*
 - PEL 94 30%
 - PEL 95 50%
 - PPL 210 50%
 - PELA 515 100%*
- Strike now has dominant position in Southern Cooper



* Operator

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Located in the corridor between supply and demand



Diminishing supply

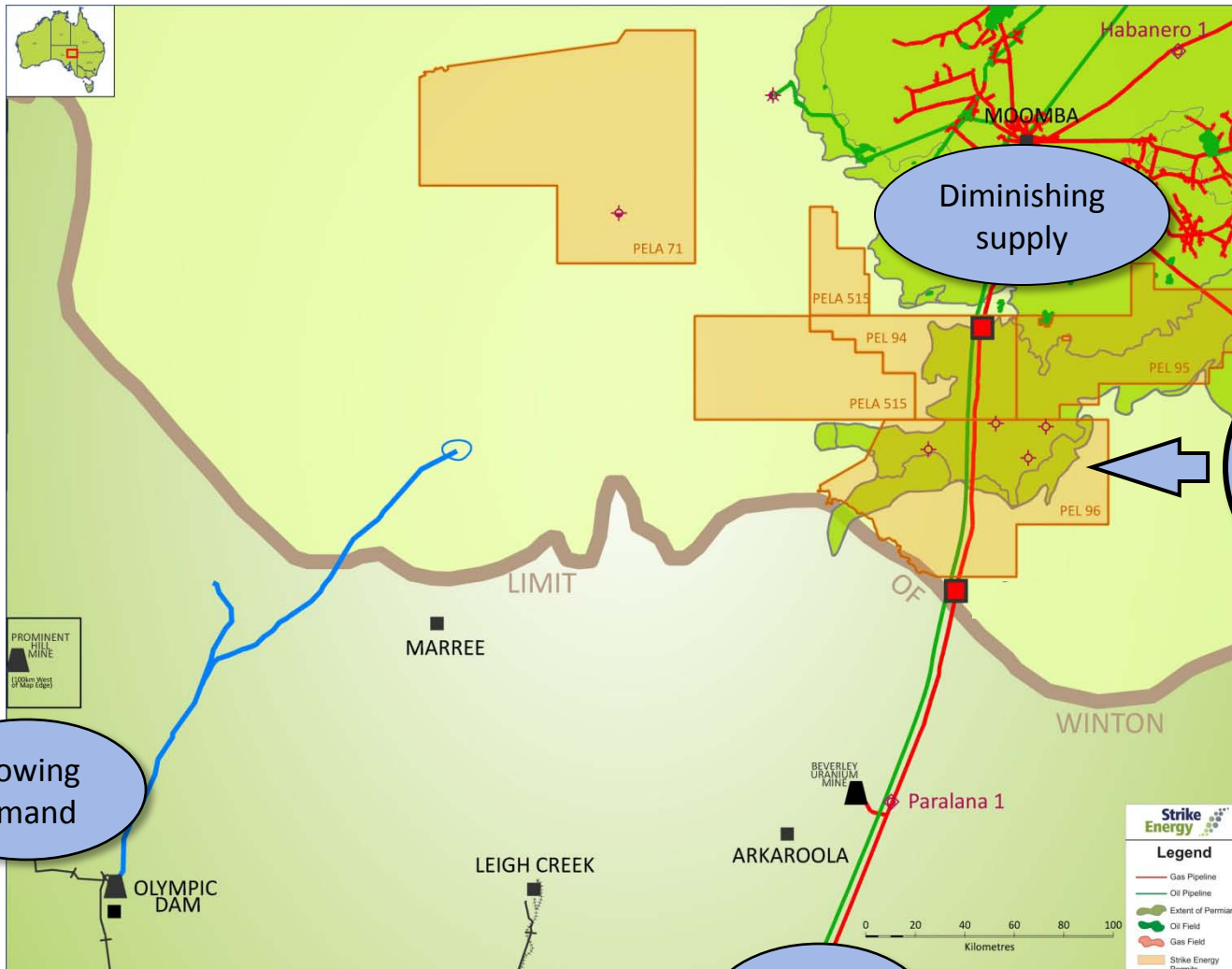
Growing demand

Growing demand

Growing demand

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Scope to replace South Australia's traditional gas supply



Diminishing supply

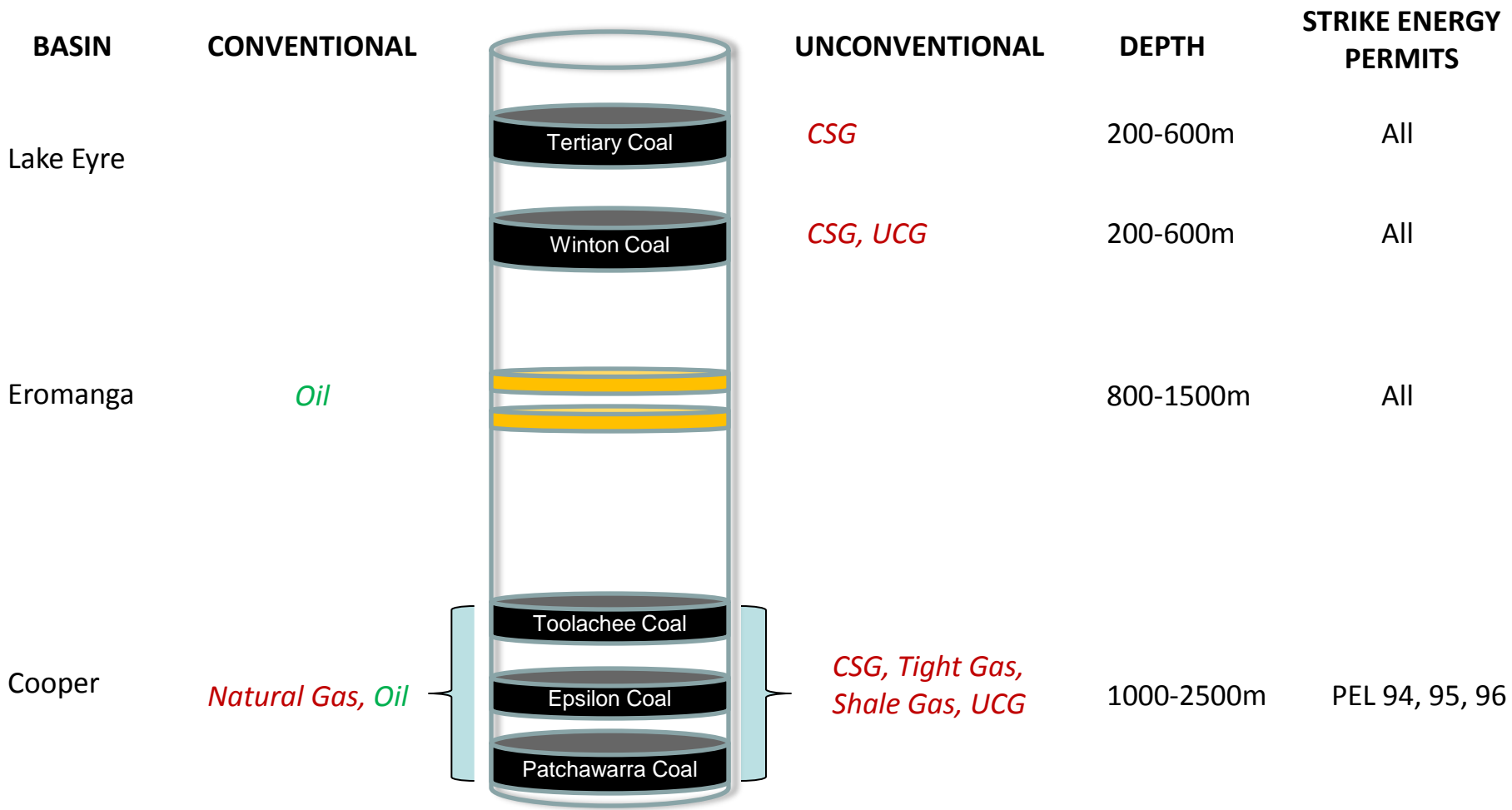
New energy province?
PEL 96
• 3,700 to 9,300 PJ prospective gas resource

Growing demand

Growing demand

Multiple resource opportunities including “unconventional”

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$$\text{OGIP/Volume Resource} \times \text{Recovery Factor} = \text{Reserves}$$

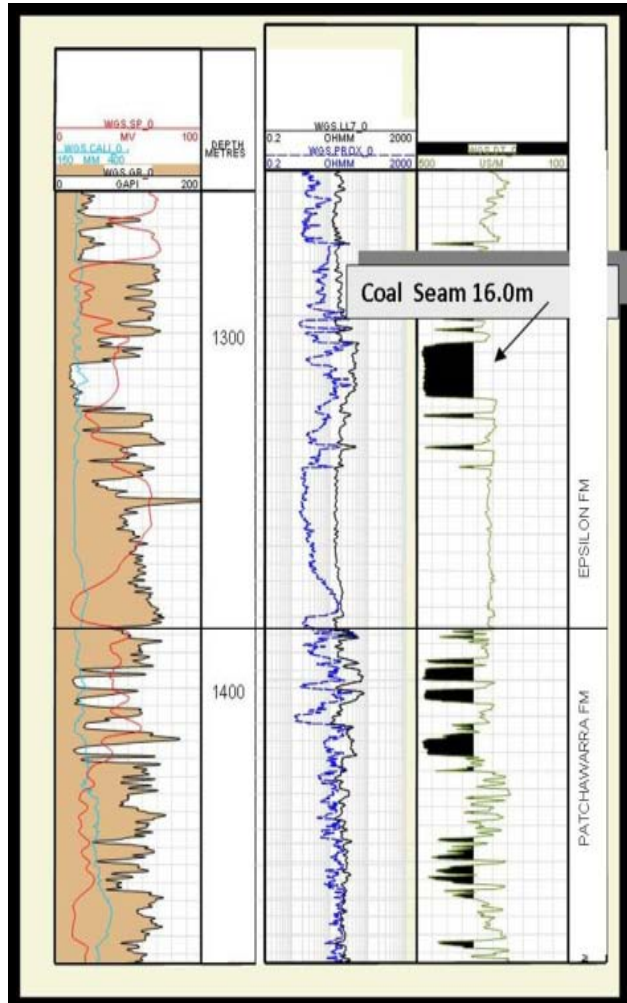
$$\text{Coal Volume} \times \text{Gas Content} \times \text{Permeability} \times \text{Ability to Produce Resource} \times \text{Economic Factors} = \text{Value}$$



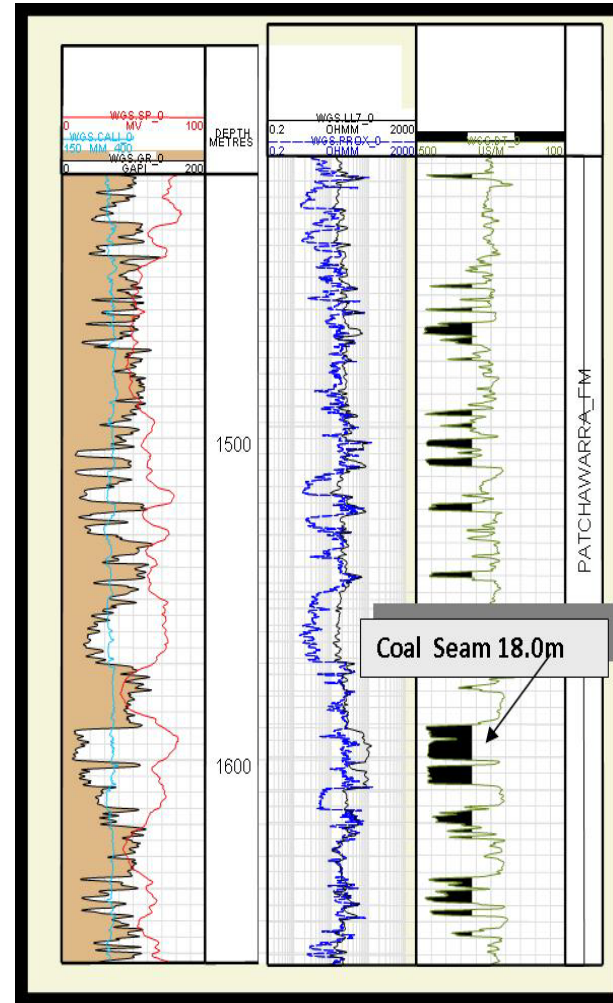
Coal volume: Individual seams up to 18 metres thick on “highs”

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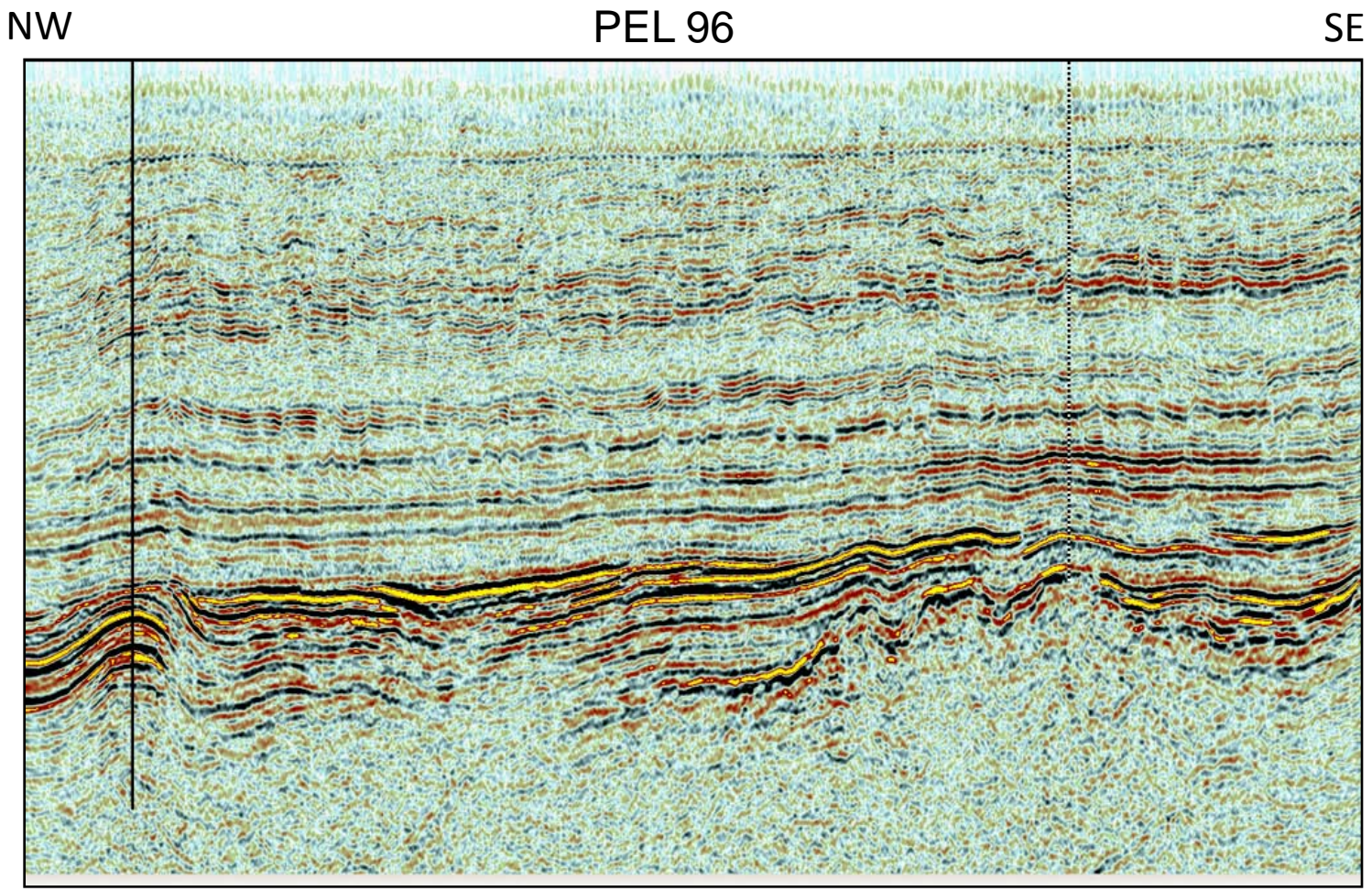
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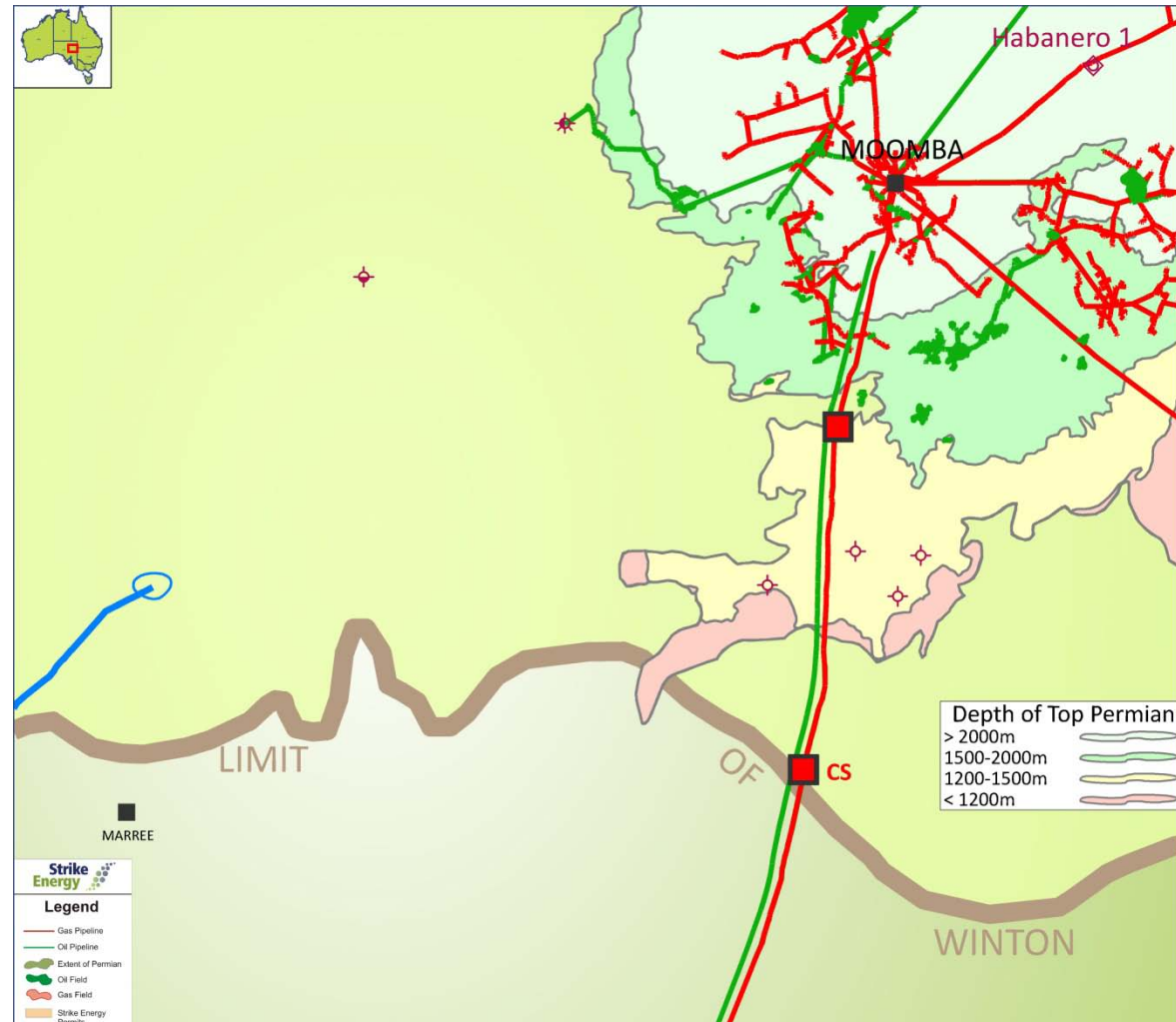


Coal volume: multiple Permian coal seams in “lows”



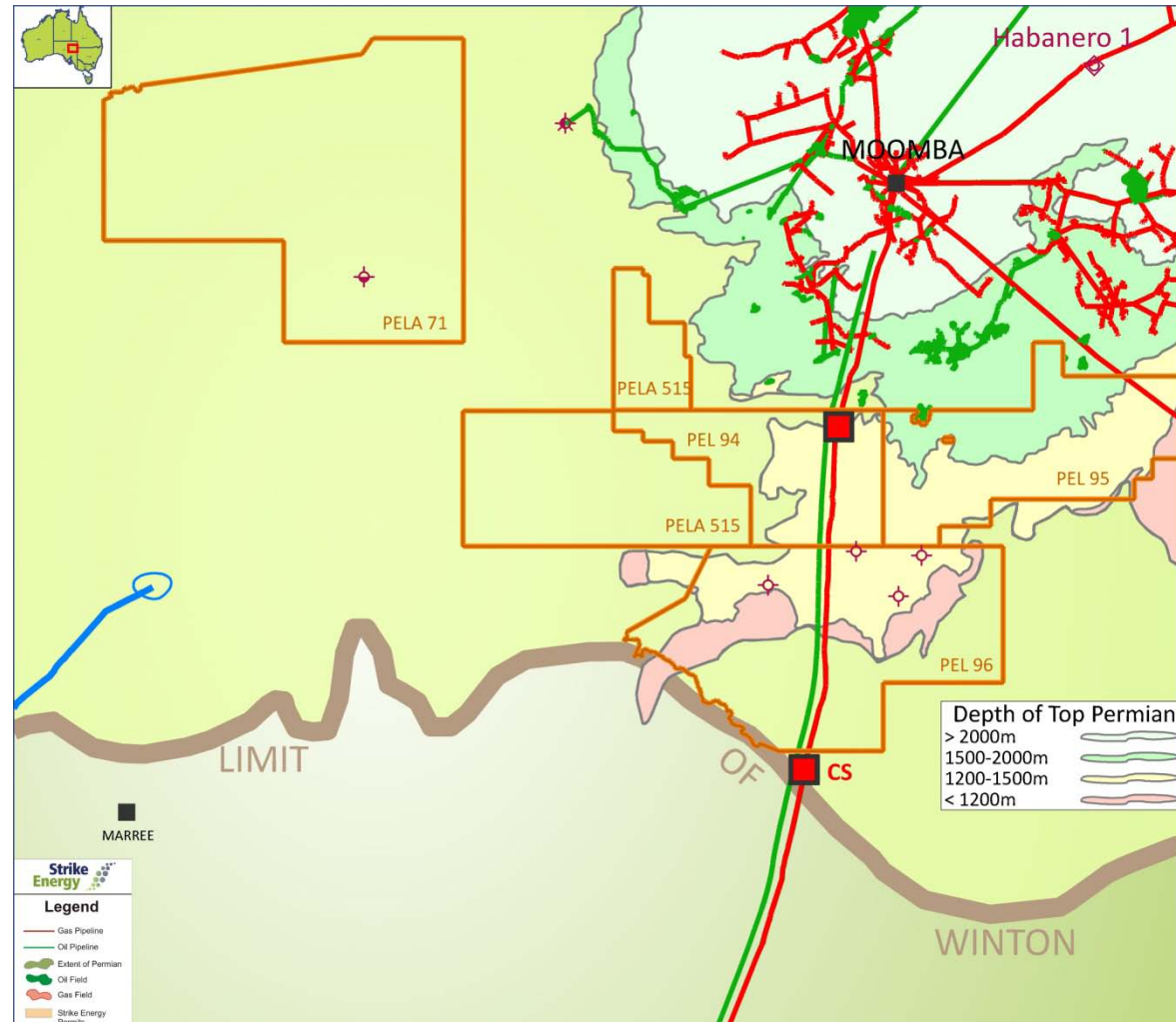
Coal volume: very large prospective CSG resource

- Shallowest Permian Coals in the Cooper Basin (1000m+)



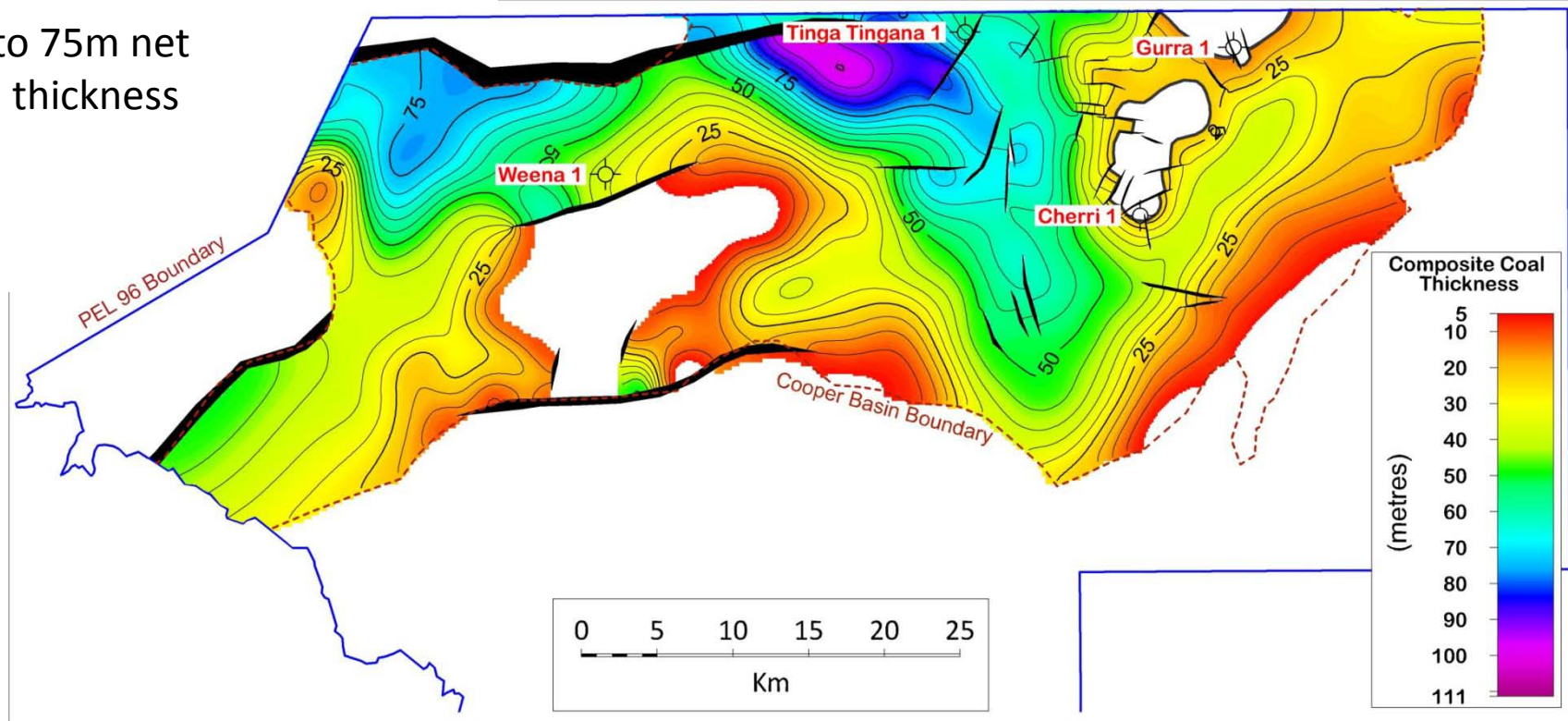
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- PEL 96 has 1,450km² of coal above 1,500m



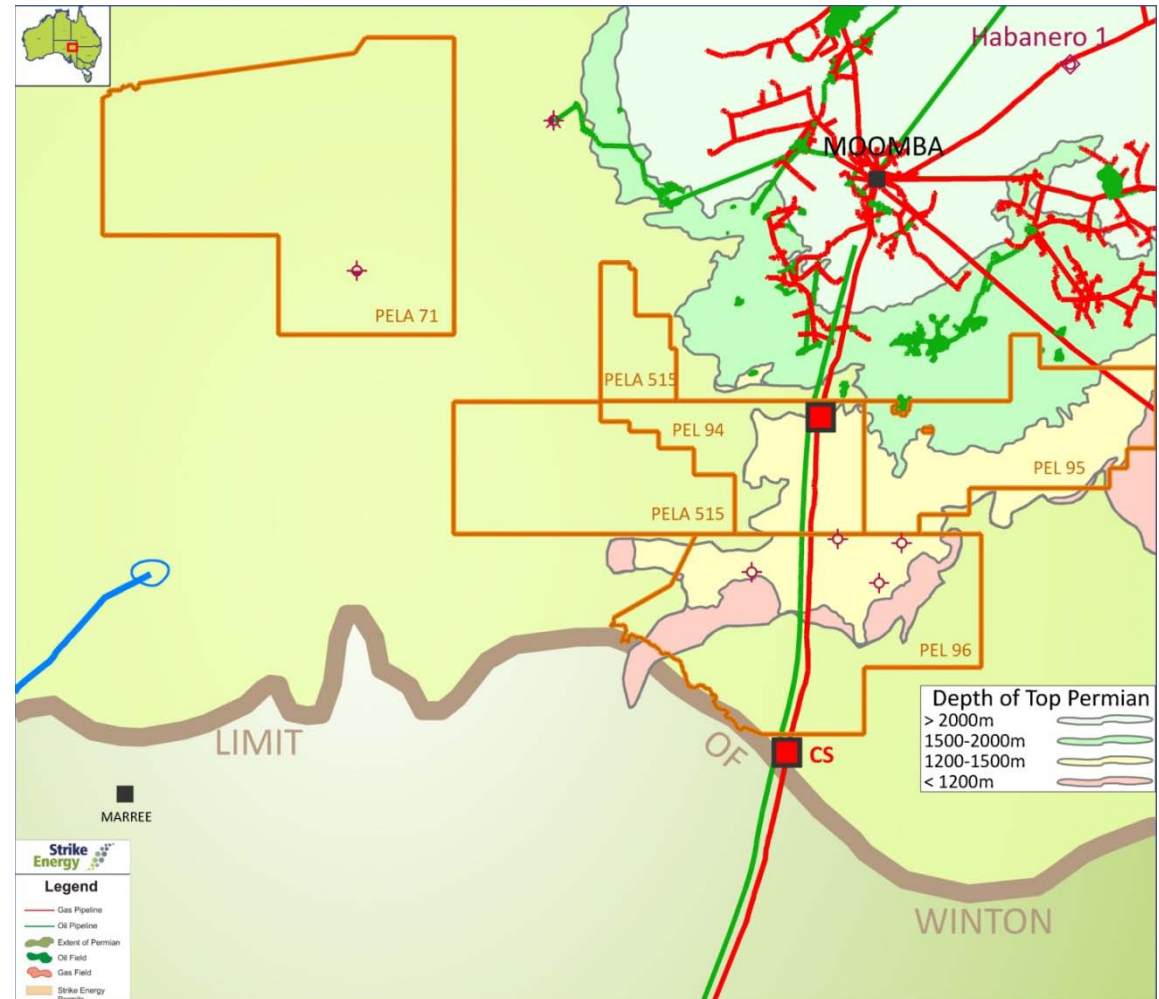
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- Up to 75m net coal thickness



Coal volume: very large prospective CSG resource

- Shallowest Permian Coals in the Cooper Basin (1000m+)
- PEL 96 has 1,450km² of coal above 1,500m
- Up to 75m net coal thickness
- Estimated gas in place 7,400-18,600 PJ
- Prospective Resource 3,700-9,300 PJ



We have established coal volume

OGIP/Volume Resource

X

Recovery Factor

=

Reserves

Coal Volume

X

Gas Content

X

Permeability

X

Ability to
Produce
Resource

X

Economic
Factors

=

Value



Huge

Courtesy NSAI

We have established coal volume

OGIP/Volume Resource

X

Recovery Factor

=

Reserves

Coal Volume

X

Gas Content

X

Permeability

X

Ability to
Produce
Resource

X

Economic
Factors

=

Value



Huge



To be determined by
coring programme



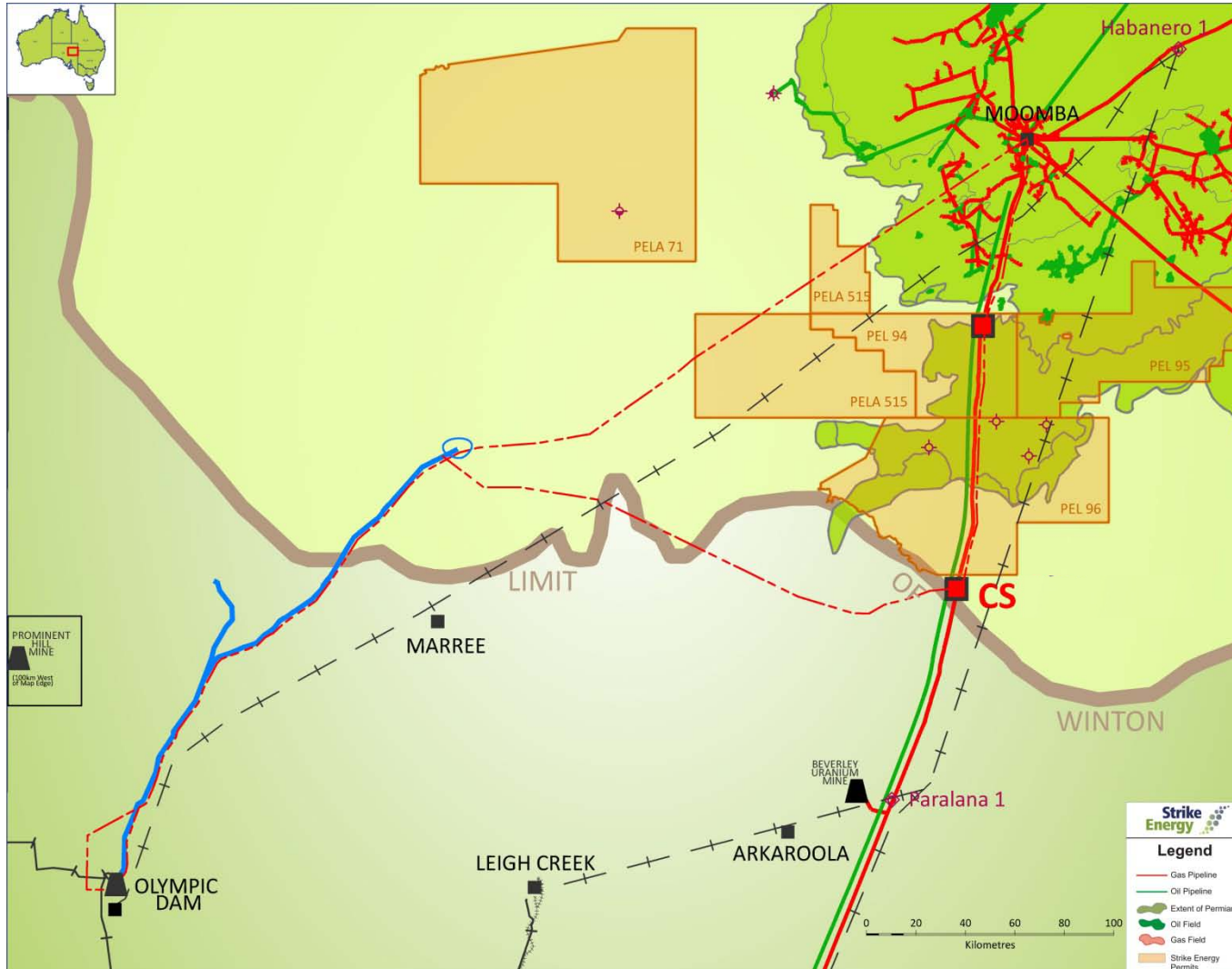
To be
confirmed
by pilot



Courtesy NSAI

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Economic factors: future extensions to electricity grid

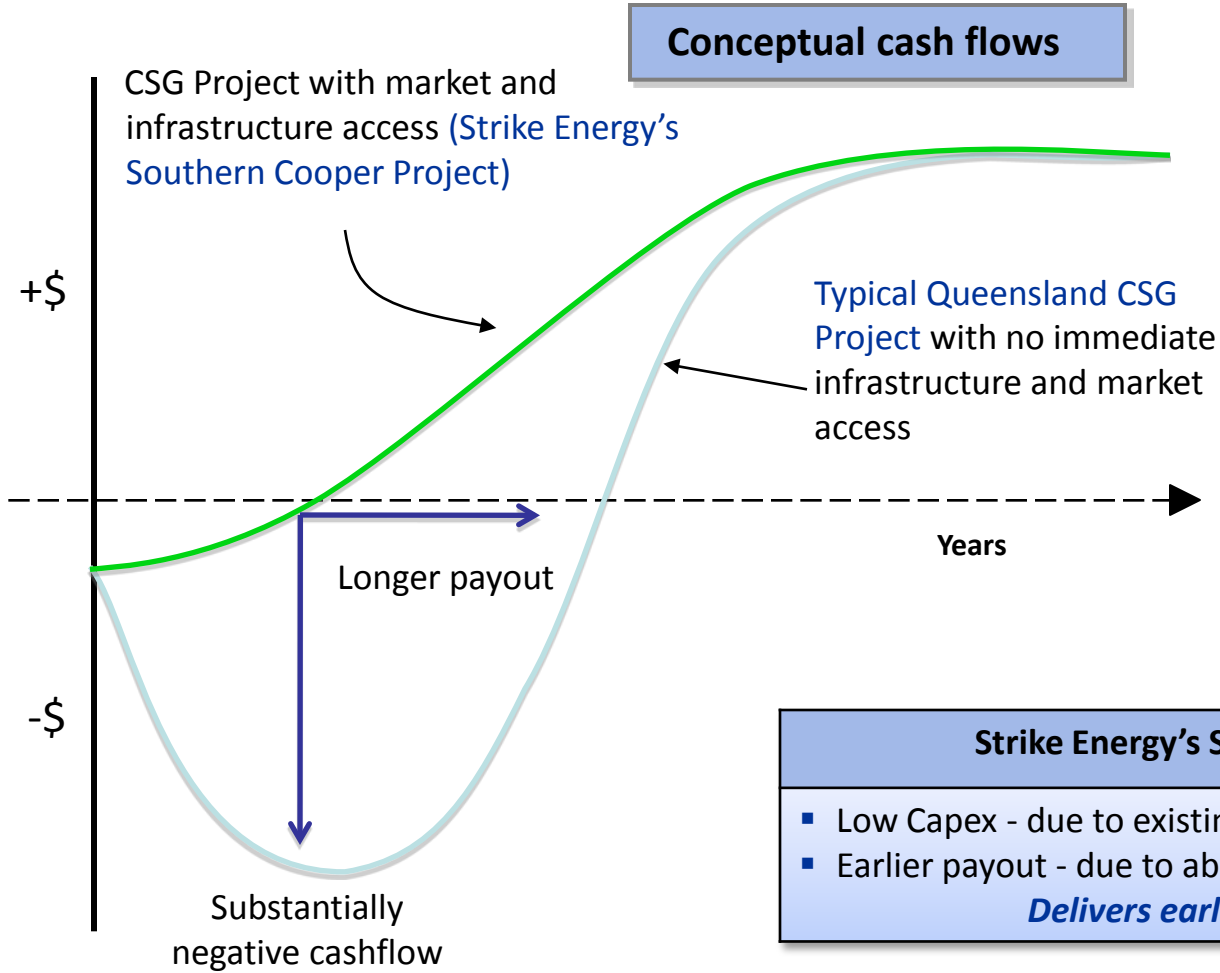


- Existing liquids pipeline
- Existing gas pipeline
- Existing water pipeline
- - - Gas pipeline options considered by BHPBilliton
- CS** Compressor Station
- + + + Powerline options considered by Geodynamics

Strike Energy

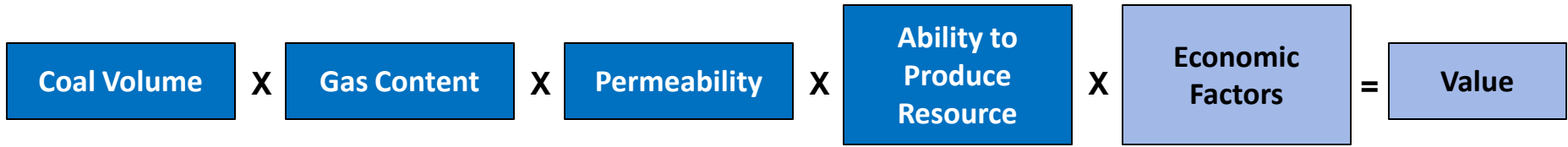
Legend

- Gas Pipeline
- Oil Pipeline
- Water Pipeline
- Extent of Permian
- Oil Field
- Gas Field
- Strike Energy Permits



Epic Energy Pipeline - Compressor station adjacent to PEL 96
Photo courtesy of Epic Energy

- #### Strike Energy's Southern Cooper Project
- Low Capex - due to existing pipeline access
 - Earlier payout - due to ability to access domestic gas market
- Delivers earlier positive cashflow*



Huge



To be determined by coring programme



To be confirmed by pilot



Competitive Position

Courtesy NSAI

2-4 Appraisal Core Holes

- Concentrate on Permian coals
- Seismic and well control
- Close to Epic gas pipeline
- Different structural settings
- Spacing close enough for reserves certification
- Accessible from Strzelecki Track



Drilling programme needed to take into account:

- Drilling under Petroleum and Geothermal Act and Regulations
- Drilling through proven hydrocarbon bearing formations (elsewhere in the basin)
- Using mineral style rig
 - UDR 1200
 - BOPs x 2



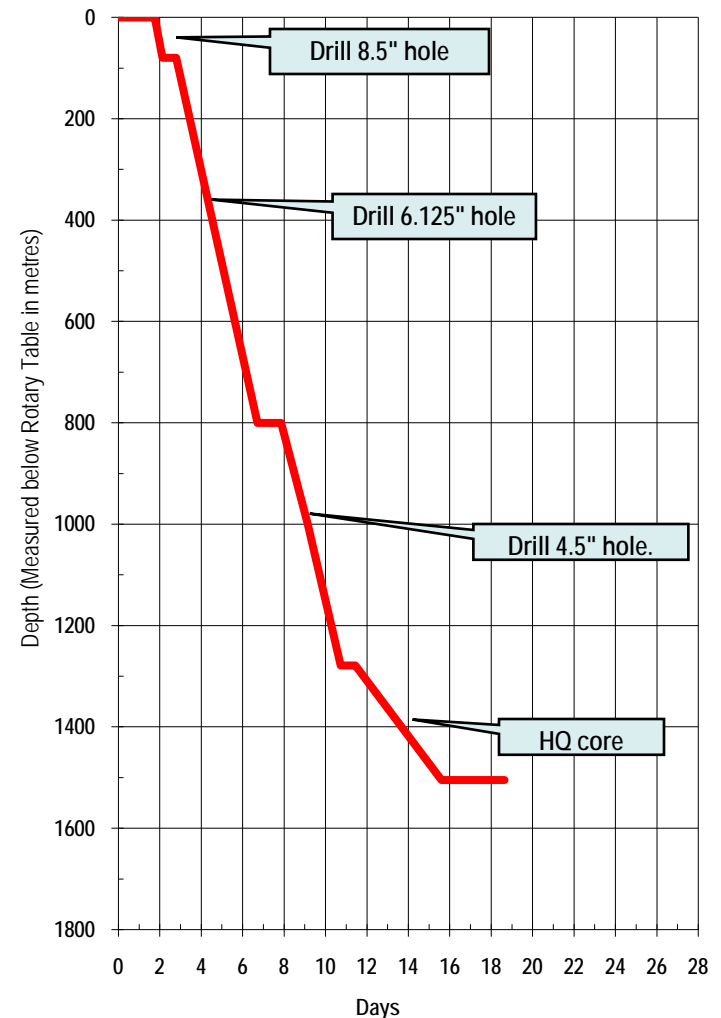
Courtesy of Major Drilling

Coring programme: schedule

Drilling programme

- Surface casing at approx. 80m
- Case to approx. 800 m
- Drill to top of Permian
- Continuous HQ core Permian section
- Mud logging from surface
- Wireline logs from surface

Drilling commencement mid 2010 subject to access after flooding



Coring programme: evaluation

On site

- Chip samples of Tertiary and Winton Coal
- Continuous cores (Permian coals)
- Gas desorption samples all coals >2m
- Wireline logs including Tertiary and Winton Coal
- Drillstem tests for permeability/deliverability

Post drill

- Gas content
- Isotherm
- Coal analysis for UCG
- Geomechanical testing of seals for UCG
- Timeframe 3-6 months



Courtesy of Weatherford

Moving to pilot design and implementation in 2011

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