

For personal use only

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

GAS SALES COMMENCE FROM NEW TEXAS DISCOVERY

HIGHLIGHTS

- Gas sales commence from the Gardner Duncan 1 well, Louise prospect.
- New three well programme targeting 350 Bcf gas underway on Homestead and Pathfinder prospects.

Strike Energy Limited ("Strike") is pleased to announce the following update of its active US operations.

Louise Project Gas Sales Commence

The discovery well on the Louise prospect (Strike WI 30%), the Gardner Duncan 1 well, is now flowing to sales at commercial rates. Once stable flow rates have been obtained an update of well testing will be announced.

As previously released Strike anticipates the well flowing at similar production rates to adjacent wells which recorded initial production rates of between 2 and 5 MMcf of gas per day.

The new drilling information from the successful well is being incorporated with existing data to determine future possible development drilling locations.

Exploration Drilling

The Muegge 1 well (Strike WI: 30%) on the Homestead prospect in Wharton County Texas is at a depth of 7,740 feet (2,359 metres) and is expected to reach a proposed total depth of 14,000 feet (4,267 metres) in 35-40 days.

The Homestead prospect is located in the Wilcox trend onshore Texas where Strike has experienced three successes (the Mesquite, Rayburn and Louise discoveries) from five exploration wells to date.

The Muegge 1 well is the first of a three well program in the Gulf Coast to evaluate 350 Bcf of prospective resources in the Wilcox trend.

OUR STRENGTHS

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

Strike Energy Limited

Level 9, Wesfarmers House
40 The Esplanade
Perth WA 6000

T: 61 8 6103 0999

F: 61 8 6103 0990

E: strike@strikeenergy.com.au

www.strikeenergy.com.au

ASX Announcement



Strike Energy Limited

ABN 59 078 012 745

10 May 2010

The next well, the Starnes 1 well on the Pathfinder prospect is scheduled to commence in the coming week.

Strike's Managing Director, Simon Ashton commenting on the new discovery said:

"The new production from the Louise discovery is another milestone for Strike representing its third discovery in Texas and is expected to substantially increase the Company's reserves in the US.

In addition, the exciting new three well exploration programme which is targeting 350 Bcf gas on the Homestead, Pathfinder and Deerslayer prospects during the next 2 to 3 months creates an excellent opportunity for the Company to grow its production to new significant levels."

Yours faithfully

A handwritten signature in black ink, appearing to be "Simon Ashton", written over a wavy line.

SIMON ASHTON
Managing Director

Further information:

Strike Energy Limited
Simon Ashton – Managing Director
T: 61 8 6103 0999
E: strike@strikeenergy.com.au