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The Company Announcement Officer
Australian Securities Exchange Ltd
via *electronic lodgement*

ENCOURAGING EARLY RESULTS IN SOUTHERN COOPER COAL SEAM GAS EXPLORATION

Highlights

- 15 metre gassy coal seam cored in first objective of Forge 1 well.
- Gas evidenced from mud logs, gas bleeding from coal cores and early stage gas desorption tests.
- 224 metres of coring planned to total depth of 1,505 metres.

Strike Energy is pleased to announce that the Epsilon coal which was the first objective in its Forge 1 well in the Southern Cooper Basin has been successfully cored and encouraging gas readings have been recorded.

A 15 metre coal seam has been cored between 1,311 and 1,326 metres. Gas has been recorded from mud logs while coring and gas has been observed bleeding from the coal cores. Core samples continue to desorb gas in the wellsite laboratory.

The well is currently at a depth of 1,351 metres. The Patchawarra coals which are the second objective in the well are prognosed to occur at approximately 1,400 metres.

Coring commenced at 1,281 metres. A total of 224 metres of core will be cut prior to reaching a planned total depth of 1,505 metres.

Evaluation of permeabilities will take place after the coring of the Patchawarra coals. The gas desorption tests and further analytical tests will continue in Brisbane after the end of the well.

The Forge 1 well is the first well in the Southern Cooper to target specifically coal seam gas potential. The prospective gas resource potential of the Permian age coal measures in PEL 96 is estimated at 3,700 to 9,300 petajoules, or approximately 3.7 to 9.3 trillion cubic feet (Tcf) (100%).

OUR STRENGTHS

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

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The well is located 16 kilometres west of the open access Moomba to Adelaide gas pipeline which has spare capacity due to the declining production of natural gas from the Cooper Basin.

The interest holders in PEL 96 are:

Strike Energy (Operator)	66 $\frac{2}{3}$ %
Australian Gas Fields*	33 $\frac{1}{3}$ %

*A wholly-owned subsidiary of Energy World Corporation) ASX: EWC

Commenting on the results, Strike Energy's Managing Director, Simon Ashton, said:

"The Forge 1 well is a pioneering well for the CSG business in the Cooper Basin and for South Australia where there is a growing demand for new energy resources. This new information will provide a leap in understanding of the CSG potential and is extremely exciting at this early stage of the programme.

"The intersection of 15 metres of massive clean coal seam is a very positive outcome and supports one of the key inputs to our prospective multi Tcf resource potential".

Background on Strike Energy

Strike is an active ASX-listed oil and gas exploration and development company with high-margin production from its proven reserves and substantial growth potential from its highly prospective exploration acreage in Australia and the USA.

In the USA, the Company currently produces approximately 600 barrels of oil equivalent per day from its interest in three fields in Texas and is undertaking an ongoing exploration programme to expand this successful position.

In Australia, the Company holds an extensive strategic ground position in the Southern Cooper Basin, for coal seam gas and conventional prospects and in the Carnarvon Basin for shallow water oil and gas prospects.

Yours faithfully

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

SIMON ASHTON
Managing Director

Further information:

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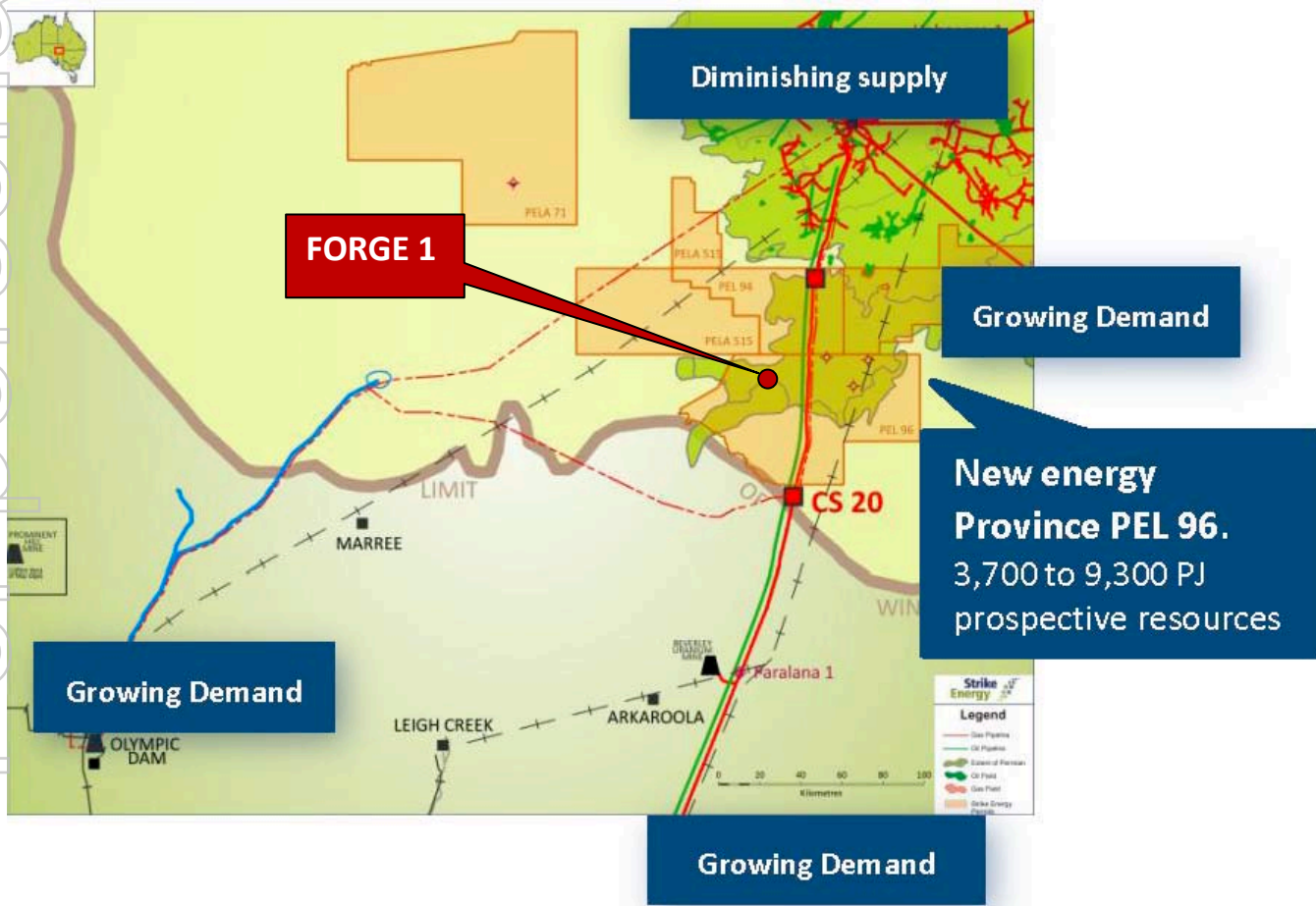
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Strike's Southern Cooper Project

STRIKE'S PROJECT LOCATED AT ENERGY HUB WITH BROAD MARKET ACCESS



STRIKE'S DOMINANT COMPETITIVE POSITION