

The Company Announcement Officer  
Australian Securities Exchange Ltd  
via electronic lodgement

## DRILLING COMMENCES AT DEERSLAYER, TEXAS

### Potential to deliver 5 to 10 fold increase in Strike's reserves

#### Highlights

- Drilling started on 200 Bcf Deerslayer prospect (Strike 30%)
- Steindorf 1 well drilling ahead at 2,357 feet (718 metres)
- Ongoing programme that has resulted in 3 discoveries to date

Strike Energy Limited (ASX: STX) advises that the Steindorf 1 exploration well, to test the Deerslayer prospect, Texas, USA (see figure), spudded on 16 September and is currently drilling ahead at 2,357 feet (718 metres).

Steindorf 1 has a proposed total depth of 14,500 feet (4,420 metres) and is expected to take 40 days to drill.

The well is targeting a prospective gas resource of 200 billion cubic feet (Bcf) in the Deerslayer prospect, Wilcox Formation. Strike holds a 30% working interest.

Drilling success holds the **potential to deliver a 5 to 10 fold increase to the Company's reserve inventory.**

The Steindorf 1 well is part of an ongoing exploration program targeting conventional gas/condensate prospects developed and secured in joint venture with Texas based Cypress E&P.

The **joint venture partners have achieved a 1 in 2 success rate in exploration drilling of similar "Wilcox Plays"** in the onshore Gulf Coast. Strike has a share of production from three gas/condensate fields (Rayburn, Mesquite and Louise discoveries) made from this exploration programme.

**Strike Energy's Managing Director, Simon Ashton** commented:

*"Deerslayer is a game changing opportunity for Strike....it is one of the largest Wilcox Formation targets we have drilled..... it lies in a region that has already yielded discoveries for the joint venture."*

#### OUR STRENGTHS

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

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## Company Background

Strike is an active ASX-listed oil and gas exploration and development Company with high-margin gas/condensate production. The Company has substantial growth potential from its exploration acreage in both Australia and the USA.

In the USA, the Company produces approximately 570 barrels of oil equivalent per day from interests in three fields in Texas and is undertaking an ongoing exploration program to expand this position.

In Australia, the Company holds an extensive and strategic ground position in the Southern Cooper Basin, for coal seam gas and conventional targets as well as shallow water, oil and gas prospects in the Carnarvon Basin. It also controls a large "open pitable" coal resource in South Australia and is evaluating it as a potential feed source for coal gasification.

Yours faithfully

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

**SIMON ASHTON**  
Managing Director

*Further information:*

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# ASX Announcement



Strike Energy Limited

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Figure 1:



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