

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

DRILLING PROGRESS REPORT – DEERSLAYER, ONSHORE TEXAS

Highlights

- **Drilling progress on 200 Bcf Deerslayer prospect (Strike 30%)**
- **Steindorf 1 well drilling ahead at 7,620 feet (2,322 metres)**
- **Potential to deliver a five-fold increase in Strike's USA onshore gas and condensate reserves**
- **Ongoing programme that has resulted in three discoveries to date**

Strike Energy Limited (ASX: STX) is pleased to provide an update to investors and shareholders on drilling progress at the Steindorf-1 exploration well, onshore Gulf Coast in Texas, USA.

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.

The well, which spudded on 15 September, is currently drilling ahead at 7,620 feet (2,322 metres).

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

Strike intends to provide weekly updates on drilling progress.

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

The Steindorf 1 well is part of an ongoing exploration program targeting conventional gas/condensate prospects. 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.

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

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 shallow "open pittable" coal resource in South Australia and is evaluating it as a potential feed source for a proposed coal gasification project.

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
T: 61 8 6103 0999
E: strike@strikeenergy.com.au

ASX Announcement



Strike Energy Limited

ABN 59 078 012 745

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Figure 1:



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