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The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

STRONG DRILLING PROGRESS AT DEERSLAYER PROSPECT, ONSHORE TEXAS

Strike Energy Limited (ASX: STX) is pleased to advise that drilling of the potentially lucrative Steindorf 1 well at the Deerslayer prospect located onshore in the Gulf Coast in Texas, USA is progressing on schedule and expected to hit the target zone within three to four weeks.

Strike has a 30% stake in the well, which was spudded on 15 September and has the potential to deliver a five-fold increase in the Company's gas and condensate reserves.

Steindorf 1 is currently setting 9 5/8 inch casing at 10,100 feet (3,078 metres). The well has a proposed total depth of 14,500 feet (4,420 metres).

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 where it has achieved a 1 in 2 success rate.

OUR STRENGTHS

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

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ASX Announcement



Strike Energy Limited

ABN 59 078 012 745

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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:

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Figure 1:

