



Media Release

15 January 2014

Gas Supply Option Agreement

Attached is a copy of an announcement made by Strike Energy Limited today.

ENDS

15 January 2014

The Company Announcement Officer
ASX Ltd
via electronic lodgement

STRIKE SIGNS NEW GAS SUPPLY OPTION AGREEMENT

- **STRIKE ENERGY AND ORORA SIGN A GAS SUPPLY OPTION AGREEMENT FOR 30PJ OF GAS**
 - **THE AGREEMENT FOLLOWS THE SUCCESSFUL APPRAISAL DRILLING PROGRAM IN STRIKE'S SOUTHERN COOPER BASIN GAS PROJECT**
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Strike Energy Limited (ASX:STX) ("Strike") is pleased to advise that the company has entered into a Gas Supply Option Agreement for 30PJ of gas with Orora Limited (ASX:ORA) ("Orora"), the recently demerged Australasian and Packaging Distribution division of Amcor Limited. The gas is to be produced by Strike from its Southern Cooper Basin Gas Project (the "Project") centered on the substantial gas resource identified within permit PEL 96.

The Option Agreement has the following key elements:

- Strike has granted an option to Orora for the supply of 30PJ of gas, to be delivered at 3PJ per annum, at a fixed price over a 10 year term from 2017, the expected commencement of production from the Project.
- Orora has agreed to pay an option fee to Strike, conditional only upon the PEL 96 joint venture proceeding with a pilot production test project.
- Orora can then exercise the option when a decision is made by the PEL 96 joint venture to proceed with development of the Project.
- Strike will use the option fee to accelerate the PEL 96 work program following the recent confirmation of a substantial, continuous gas resource directly under the Moomba to Adelaide gas pipeline.

ASX Announcement



The Option Agreement complements the foundation contract with Orica, announced in July 2013 with the signing of a binding term sheet for the supply of up to 150PJ of gas over a 20 year period.

MANAGING DIRECTOR QUOTE

"The Orora Gas Supply Option Agreement is another important milestone in the rapid commercialisation of our substantial gas resource in the Southern Cooper Basin and follows our successful appraisal drilling program completed in December 2013.

This agreement and our foundation gas sales agreement with Orica demonstrate that Strike is well positioned to play an important part in the gas supply solution required to meet increasing uncontracted demand for gas in Eastern Australia.

Yours faithfully

A handwritten signature in black ink, appearing to read "DW", followed by a horizontal line.

DAVID WRENCH
Managing Director

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