

The Company Announcement Officer, ASX Ltd
via electronic lodgement

PERMIAN BASIN UPDATE

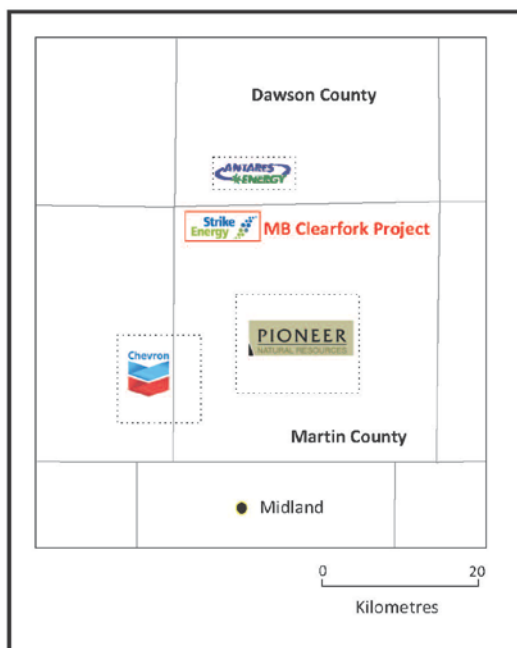
- First Permian Basin oil infill well has spudded
- Well to also test the Lower Clearfork Shale

Strike Energy Limited is pleased to announce the spudding of the MB Clearfork Unit #16 infill well in the Permian Basin, Texas. The well is expected to increase Strike's conventional oil production and will also test the Lower Clearfork Shale.

MB CLEARFORK PROJECT

Strike has a 25% interest in the MB Clearfork Project, a joint venture with leading Houston-based operator, Torch Energy Advisors. The MB Clearfork Project is located in Martin County, Texas. It comprises 7,500 contiguous acres (1,875 acres net to Strike) in the Permian Basin, the USA's most prolific oil producing region and a rapidly emerging oil shale play.

Map 1 – MB Clearfork Project, Permian Basin



OUR STRENGTHS

- Quality Assets
- Experienced Team
- Major Growth Potential

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The MB Clearfork Project currently produces conventional oil at approximately 100 Bbl/day (~25 Bbl/day net to Strike) from the Middle Clearfork Formation.

Underlying the Middle Clearfork Formation is the undeveloped Lower Clearfork Shale, which has been independently assessed to contain original-oil-in-place (OOIP) of 1.35 billion barrels of oil across the project area (~330 million barrels net to Strike).

MB CLEARFORK UNIT #16 WELL

The MB Clearfork Unit #16 infill well spudded on 21 July. The well is being drilled to a total planned depth of ~8,100 feet (~2,500 metres) to log and obtain sidewall cores from the Lower Clearfork Shale. This information will be used to assess the production potential of the Lower Clearfork Shale.

Strike expects that the MB Clearfork Unit #16 well will then be cased and completed as a conventional production well within the Middle Clearfork Formation at a depth of approximately 7,300 feet (~2,225 metres).

Total drilling operations are expected to take 10 to 15 days.

Yours faithfully

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

DAVID WRENCH
Managing Director

Further information:

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