

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

EAGLE FORD SHALE – INCREASES STRIKE’S EXPOSURE TO OIL

Strike securing large Eagle Ford shale position

- Strike is securing a 27.5% joint venture interest in leases covering approximately 8,500 acres along the Eagle Ford shale play in Texas, USA.
- The acreage is situated primarily within the oil window of the Eagle Ford.
- Strike’s net acreage position is approximately 2,300 acres, which based upon reported Eagle Ford shale recoveries, has a target potential of 7 to 14 million barrels of oil equivalent.
- Lease acquisition activities by the Joint Venture are expected to continue for several months.

Strike Energy (ASX: STX) is pleased to announce that it is securing a substantial position in the Eagle Ford shale play in onshore Texas.

In the last two to three years the Eagle Ford shale play in Texas has emerged as one of the most attractive gas and oil shale plays in North America.

Strike has taken a 27.5% position in the Eagle Ford shale play through a joint venture (“Eagle Ford Joint Venture”) with four Texas-based oil and gas exploration and production companies. Agreement has been reached and final documentation is being prepared.

Leasing activities by the operating partner in the newly formed joint venture have been progressing for some time. The total acreage under lease currently stands at approximately 8,500 acres, with Strike’s net position about 2,300 acres.

OUR STRENGTHS

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

Strike Energy Limited
Ground Floor, 10 Ord Street
West Perth WA 6005

T: 61 8 6103 0999
F: 61 8 6103 0990
E: strike@strikeenergy.com.au
www.strikeenergy.com.au

Leasing activities are expected to be ongoing for several months. The exact location of the area where lease acquisition is taking place will remain confidential until all of the targeted leases are secured because of the competitive nature of these activities. Once the final leasing position has been established a drilling program will be planned.

The leasing is focussed within the interpreted oil fairway where drilling by other operators has resulted in published projected recoveries in the range of 450,000 to 1,000,000 barrels of oil equivalent per well based on 160 acre spacing. Similar recoveries, if extended onto leases secured by the Eagle Ford Joint Venture to date, provide a target potential of 7 to 14 million barrels oil equivalent from Strike's current net acre position.

This Eagle Ford shale play is located northwest of Strike's existing production and exploration activities focussed on the gas and condensate rich Wilcox trend.

The Eagle Ford shale opportunity provides Strike with exposure to one of the most significant new oil and gas discoveries in the USA for the past 40 years. Together with the production and exploration activities on the Wilcox trend, the Eagle Ford Joint Venture provides the Company with exceptional potential for growth.

Strike managing director Simon Ashton commenting on the new initiative said:

"This new Eagle Ford Joint Venture is a key strategic move for Strike not only in expanding its Texas position but also providing greater exposure to oil."

Yours faithfully



SIMON ASHTON
Managing Director

Further information:

Strike Energy Limited

Simon Ashton – Managing Director

T: 61 8 6103 0999

E: strike@strikeenergy.com.au