

The Company Announcement Officer ASX Ltd
via electronic lodgement

SOUTHERN COOPER BASIN GAS PROJECT OPERATIONS UPDATE

- **Klebb 2 and 3 frac program successfully completed**
- **Early flows at Klebb 2 very encouraging**

Strike Energy Limited (ASX:STX) ("Strike") is pleased to provide an update on operations at its Southern Cooper Basin Gas Project in PEL 96 (Strike 66.7% and Operator, Energy World Corporation (ASX:EWC) 33.3%).

Program Status

The workovers of the Klebb wells required for the Phase 3 flow test program have progressed well with flow testing of Klebb 2 underway following completion of the frac program and installation of pumping infrastructure.

The frac at Klebb 3 has been successfully pumped and the well is currently being completed for recommencement of flow testing by the end of July.

At Klebb 1, all downhole equipment has been installed and the assembly of the beam pump at surface is well underway with commissioning currently scheduled by 1 August.

The table below summarises the fracture stimulation treatments that have now been pumped in the Patchawarra Vu Upper zone at each of the three Klebb wells.

Well	Zone	Net Pay	Fluid	Proppant
Klebb 1*	Patchawarra Vu Upper	35m	460 bbls	59,500 lbs
Klebb 2	Patchawarra Vu Upper	35m	1,803 bbls	125,800 lbs
Klebb 3	Patchawarra Vu Upper	34m	1,780 bbls	104,000 lbs

* Completed in June 2014

The Klebb 2 and 3 fracs are approximately two to three times the size of the original Klebb 1 frac and are designed to substantially increase the productivity of these wells. Flow testing of the three wells together will accelerate reservoir pressure reduction around Klebb 1 allowing the full productive potential of the reservoir to be validly tested over coming months. The fracture stimulation program has been completed within budget with pleasing improvements in design, execution and costs achieved.

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The early flow back results at Klebb 2 are encouraging and confirm that well productivity has been substantially increased following the fracture stimulation treatment with gas flows to surface already achieved.

Managing Directors Comment

“The completion of the Klebb 2 and 3 fracs brings our tally of successful results to 6 of 6 stages pumped in the Patchawarra coals. We have improved design, execution and cost on each stage pumped and our flow testing to date has shown that productivity of the coals respond positively to fracture stimulation.”

Flow testing of all three Klebb wells will be underway over coming weeks and is on target to demonstrate the commercial potential of our multi Tcf gas resource.”

Yours faithfully



DAVID WRENCH
Managing Director



Klebb location

Klebb 3

Klebb 1

Klebb 2