

The Company Announcement Officer ASX Ltd
via *electronic lodgement*

SOUTHERN COOPER BASIN GAS PROJECT OPERATIONS UPDATE

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 66.67% and Operator, Energy World Corporation (ASX:EWC) 33.33%).

A presentation on the testing program can be viewed via the following link ([Click Here](#)).

Klebb Production Test Update

Production testing has continued during May with a series of pump and well configuration trials undertaken to confirm pump operating limits and optimum operating modes.

The response of the wells continues to track in line with previous production experience. Pleasingly, Klebb 3 productivity has improved with water production currently in excess of 550 bwpd.

Klebb 4 completion and testing plan

The Klebb 4 fracture stimulation and electric submersible pump ("ESP") installation is on track to be completed in June.

A fracture stimulation to place 500,000lbs of proppant will be pumped in the Vu Upper seam. The frac design is based on the successful frac previously pumped in the same seam at Le Chiffre 1. Once the frac has been pumped the ESP and control systems will be installed and commissioned with production testing commencing in early July.

Water production capacity from the four Klebb wells will approach 2,000 bwpd, almost doubling the overall dewatering rate of the Klebb pilot to date. This will significantly accelerate pressure reduction around the wells and, accordingly, the volume of coal contributing to gas production.

Yours faithfully

A handwritten signature in black ink, appearing to read "DWrench".

DAVID WRENCH
Managing Director