



**Breakaway  
Research**

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**Grant Craighead** | Research Manager  
grant.craighead@breakawayinvestmentgroup.com

**Gavin Wendt** | Research Analyst  
gavin.wendt@breakawayinvestmentgroup.com

### Company Information

ASX Code	STX
Share Price	A\$0.21
Ord Shares	496.87m
Options	31.3m
<b>Market Cap</b>	<b>A\$104.3m</b>
Cash	A\$4.0m
Debt	A\$ Nil
<b>Enterprise Value</b>	<b>A\$100.3m</b>

### Directors

Chairman	Tim Clifton
Managing Director	David Wrench
Executive Director	Ben Thomas
Non-executive Director	Simon Ashton
Non-executive Director	Tim Goyder
Non-executive Director	Eytan Uliel

### Substantial Shareholders

Board & Management	14.1%
M.H. Carnegie & Co	11.3%

### Company Details

Address	Level 9, 71 Walker Street, North Sydney NSW 2060
Phone	+612 8261 1000
Web	www.strikeenergy.com.au

### 1 Year Price Chart



Source: Bloomberg

# Strike Energy (STX)

*One of the best-value exposures to the Cooper Basin's emerging shale gas potential, boasting a revitalised board and management team*

## Recommendation: Speculative Buy

### Key Points:

- **Recent board and corporate overhaul resulted in focus firmly upon its key Cooper Basin and Eagle Ford Shale unconventional assets**
- **Immediate focus is on examining the 'unconventional' resource potential of the Cooper Basin, which so far remains untapped**
- **By far the best value play in terms of Cooper Basin exposure, with a huge acreage position of more than 16,000 sq km**
- **The company is not far behind its large-cap peers in terms of activity or technical understanding with regards to the Basin**
- **The company's Eagle Ford Shale asset has huge potential with drilling expected to commence mid-year**
- **A recently announced \$20 million placement to institutional investors sees the company in a strong position to fund its Cooper Basin and Eagle Ford Shale projects**

*Strike Energy is going through a rebuilding phase as it refocuses market attention away from its traditional USA 'conventional' oil plays and instead towards its large acreage position in Australia's prolific Cooper Basin. The company represents probably the best value exposure to what is sure to be an active period of unconventional exploration activity during 2012.*

### Company Overview

Strike Energy (ASX: STX) is a junior energy play that is looking to firmly re-establish its credibility by refocusing its immediate exploration and appraisal programs on Australia's Cooper Basin. The company's key strengths are its rebuilt board and management team, which have adopted a measured and conservative approach to its ongoing exploration and appraisal activities. This is particularly important with respect to the unconventional energy sector in Australia, which is a virtually brand new challenge for industry participants in this country.

Whilst unconventional energy has been enormously successful in the USA over recent years, there are marked differences between the industry there and the fledgling industry here. These include significant demarcations in respect of geology, technical know-how and infrastructure. Importantly, Strike Energy's management is well aware of these challenges. Strike Energy has assembled a strong management and technical team that aim to close the enormous value gap between it and its Cooper Basin unconventional energy peers, most of which have market values of \$1bn or more. Strike represents by far the best-value Cooper Basin 'unconventional' exposure.



## **Investment Review**

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*Strike has undergone a major change of operational focus*

Strike's revamped board and management team have focused the company's near-term activities on the company's vast Cooper Basin acreage position. The rationale is clear, as Strike is by any measure far-and-away the cheapest of all ASX-listed Cooper Basin-focused unconventional energy plays. This is despite the fact that the company's acreage position is as large as its peers. So there is undoubtedly a real opportunity here for a substantial share market re-rating.

*Strike maintains an enviable Cooper acreage position*

The company also has unconventional acreage positions within the Eagle Ford Shale and the Permian Basin in the USA, and the company will benefit from substantial drilling activity by other operators in the vicinity of these assets currently underway. Both unconventional plays represent exciting exploration and development targets and will be tested in the second half of 2012.

*Strike is maintaining a measured and focused approach*

Following a recently announced \$20 million placement to institutional investors, Strike is well funded to progress its Cooper Basin and Eagle Ford Shale programs. That the placement was heavily oversubscribed demonstrates the strong levels of interest in Strike and the view amongst institutional investors that we may soon see the company's share price momentum catch-up to its industry peers.

*Differences between USA and Australian shale industries*

Several things really stood out from our recent meeting with Strike Energy Managing Director David Wrench. Firstly and most significantly, he is a pragmatist and is under no illusions with respect to the challenges facing the embryonic unconventional energy sector here in Australia. Whilst the enormous success of the shale energy industry in the USA so far has helped raise the profile of what's possible here in Australia, there are vast geological and infrastructure differences.

*Strike team applying the lessons learnt in shale in the USA*

The USA unconventional industry benefits from superior geology that in many situations provides more valuable liquids-rich shales; boasts a magnificent infrastructure network that's comprised of abundant pipelines and storage facilities; and possesses a vast knowledge base and technical expertise accumulated over many decades from getting to understand the various reservoir types and finding the most efficient means of getting them to flow at the most productive rates possible.

*More than 16,000 sq km of permits & applications*

The Strike Energy team is aware of the potential of the unconventional energy space in Australia, but is applying the lessons learnt over many years of operation in the USA in determining their approach. As a result, the company has chosen projects within specific locations of the onshore Cooper Basin of South Australia, for very good reason. Firstly, the proximity of essential energy infrastructure; secondly, proximity to energy markets; thirdly, lower cost exploration and production from shallower reservoir targets; and fourthly, the potential to find liquids-rich hydrocarbons.

*Unconventional energy proven on Strike's acreage*

Strike maintains one of the largest exposures to the Cooper Basin, with more than 4 million net acres (more than 16,000 sq km) of permits and applications, with substantial unconventional (coal and shale) potential and a 6.1 TCF prospective resource base. The company's permit areas are situated across the southern flanks of the Cooper Basin, which is less thermally mature than the centre of the basin, meaning that gas is likely to be liquids-rich, i.e. more valuable. The unconventional formations within the company's permit areas are also comparatively shallow, meaning significantly lower drilling costs. A number of conventional wells have been drilled in Strike's permit areas, so the existence of hydrocarbon-bearing shales, coals and sands is proven. The focus is now shifting to proving the existence, quantum and recoverability of underlying liquids and gases.



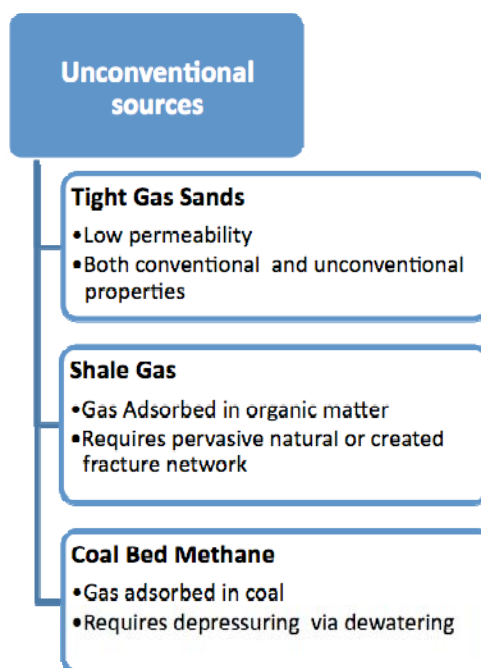
## **Understanding unconventional energy**

### **What is unconventional oil and gas?**

Unconventional energy can be broadly defined as oil or natural gas which cannot be economically exploited using conventional vertical wells. Unconventional reservoirs tend to hold continuous gas and oil accumulations over large areas; however due to low permeability, flow rates are significantly lower than conventional gas reservoirs and as such have typically been overlooked as commercial sources of natural gas.

The major difference from typical 'conventional' petroleum reservoirs is that they are continuous in nature and are not bounded by sealing mechanisms in the same way a traditional reservoir is. They are in fact more analogous with coal deposits. Shale gas reservoirs typically have very large in-place volumes and in many instances have acted as the hydrocarbon source rock for conventional reservoirs.

Technologies developed during the 1990s, such as horizontal drilling and fracture stimulation, have revolutionised the natural gas industry by opening up huge and previously uneconomic unconventional gas reservoirs.



Source: Breakaway Research

### **Unconventional Sources**

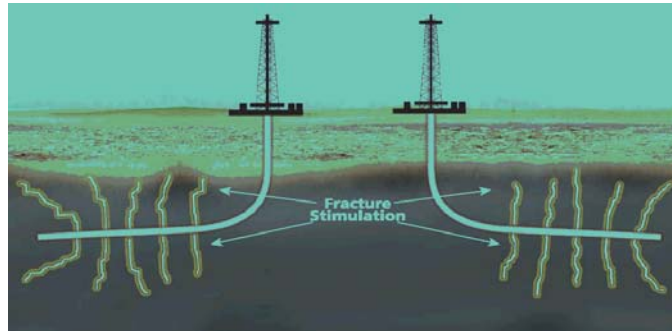
#### **Shale**

Shale is an organically-rich sedimentary rock with ultra-low permeability, which until recently was overlooked as a commercially-viable source of natural gas and oil. The challenge of extracting energy from shale is often compared to releasing gas from a rock as impermeable as concrete. Unlike conventional gas reservoirs that rely on geological traps to hold the gas in place, shale is both the source and reservoir of the gas. The process of bringing a well to completion is generally short-lived, taking only 70 to 100 days for a single well, after which the well can be in production for 20 to 40 years.



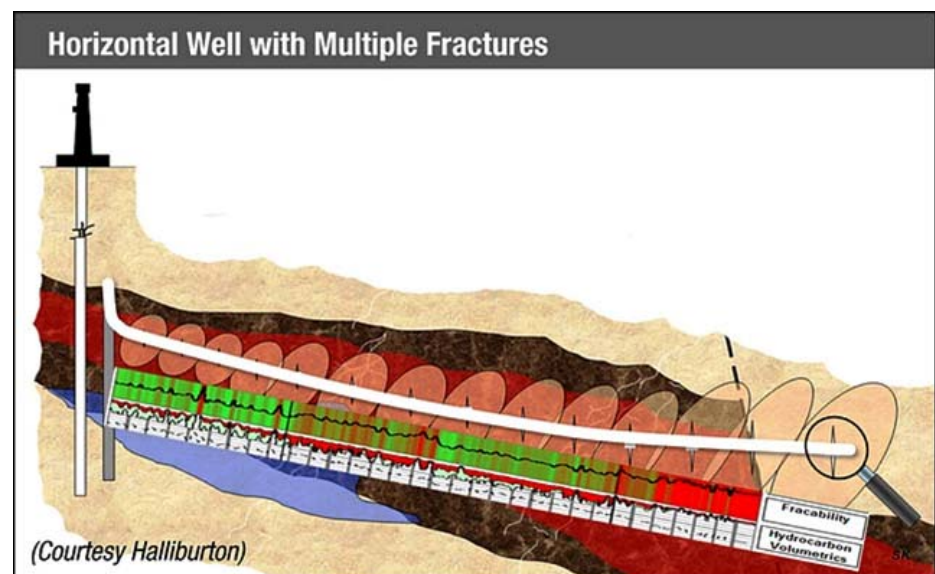
The process for a single horizontal well typically includes four to eight weeks to prepare the site for drilling, four or five weeks of rig work, including casing and cementing and moving all associated auxiliary equipment off the well site before fracturing operations commence, and two to five days for the entire multi-stage fracturing operation.

### Fracture Stimulation and Horizontal Drilling



Source: Schlumberger

Sometimes the weight of overlying rock and movements in the earth's crust form natural fractures in the shale. When these natural fractures occur, economic volumes of gas may be recovered without fracturing the shale. Usually, however, the shale needs to be fracture stimulated to create economic gas flow rates. To fracture shale, fluid is injected at high rates along with a 'proppant' (such as light sand) to keep these fractures open and allow for the flow of gas (when the fluid is extracted).

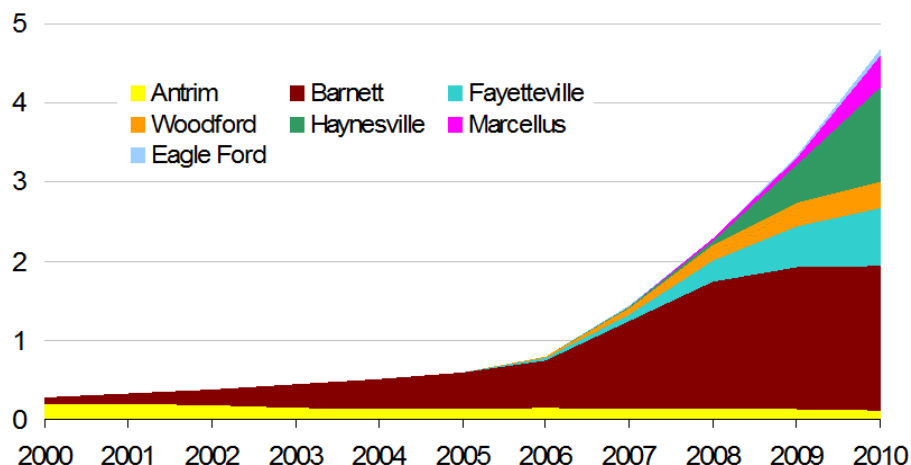


In estimating the total world shale gas resource, the International Energy Agency (IEA) started with Rogner's 1997 study, which suggested a total resource endowment of 16,110 TCF. But the IEA took into account that development of these resources requires access to sophisticated equipment and large volumes of water. As such the IEA assumed that 40% of Rogner's resource would become recoverable, thus giving the world a recoverable resource estimate of 6,350 TCF.



The biggest story on the US energy scene in modern times has without doubt been the evolution of shale gas. Natural gas production in the United States was flat from about 1995 to 2005, standing at about 2 TCF per month. But over the last five years, production started increasing to around 2.3 TCF per month – and the entire increase is attributable to shale gas, which now contributes around 20% of domestic US gas production. This is remarkable considering shale gas accounted for just 2% just a few years ago.

annual shale gas production  
trillion cubic feet



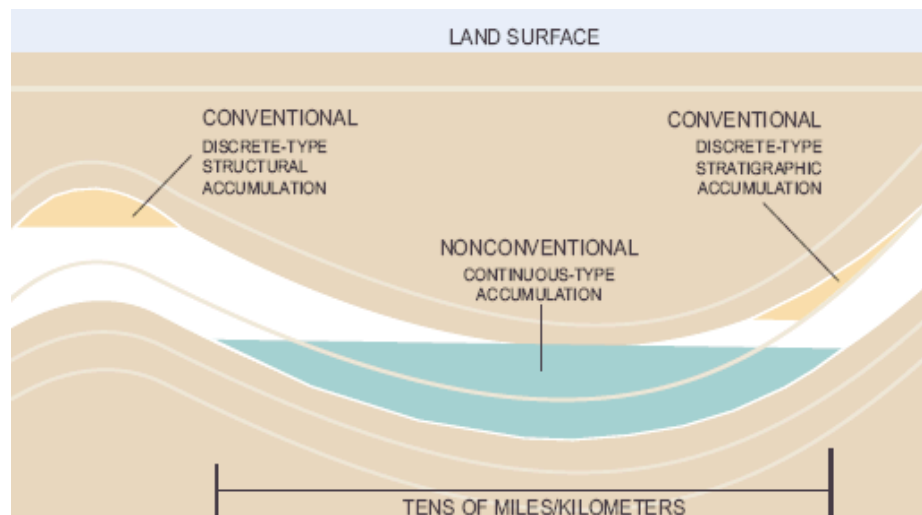
Source: Schlumberger

The downside of shales however is that their physical characteristics make them relatively poor reservoirs and whilst they historically have been known to contain hydrocarbons, it is only with the modern evolution of extraction technology that it has become possible to commercially produce hydrocarbons from them. The key has been advances in drilling technology that have allowed long, horizontal wells to be drilled and relatively poor reservoirs to be stimulated, enabling recovery of the vast hydrocarbon volumes that are in-place.

### Tight Gas Sands

Tight gas sands reservoirs hold continuous gas accumulations over large areas but, due to their low permeability, have low gas flow rates. The key to produce gas economically from these sand reservoirs is horizontal drilling and hydraulic fracturing. Generally, horizontal wells can produce up to four times as much as vertical wells, but only cost around three times as much to drill.

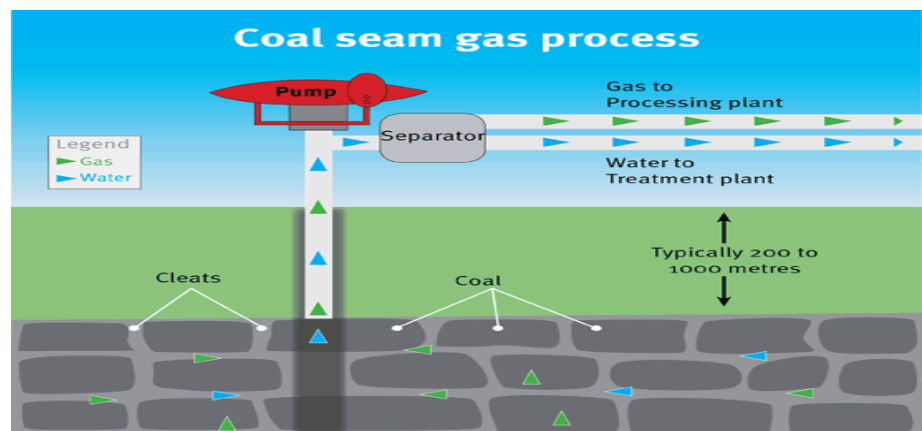
Tight gas sands account for over 33% of the USA's natural gas supply; while in Canada tight gas production has been rising rapidly and is estimated to have exceeded 1,942 Bcf. In most other countries, however, tight gas production and resources are not reported separately from conventional sources. The Energy Information Agency estimates that the US has 310 TCF in technically recoverable tight gas resources.



Source: National Petroleum Council

### **Coal Bed Methane (Coal Seam Gas)**

Methane (the primary component of natural gas) is a by-product of coalification; the process whereby organic material is turned into coal and then matures into higher-ranked coals. When coals increase in rank, water, carbon dioxide and methane are released; drying the coal and making it shrink. This shrinking forms vertical fractures in the coal, to where some of the gas and water produced then migrates. This process makes coal a unique type of reservoir rock, as it is both the hydrocarbon source and the reservoir, unlike conventional gas sources.



When mining for coal, operators commonly drill coal-degasification wells to liberate the gas to improve mine safety for when the coal is subsequently extracted. But when the coal in the seam is either too deep or the coal is of too poor quality to extract economically, it is sometimes commercially viable to extract just the gas instead. The first reported coal seam degasification was carried out in England in the 1800s, but it was not until 1931 in the US that a well (a CBM well) was drilled purely to extract natural gas.

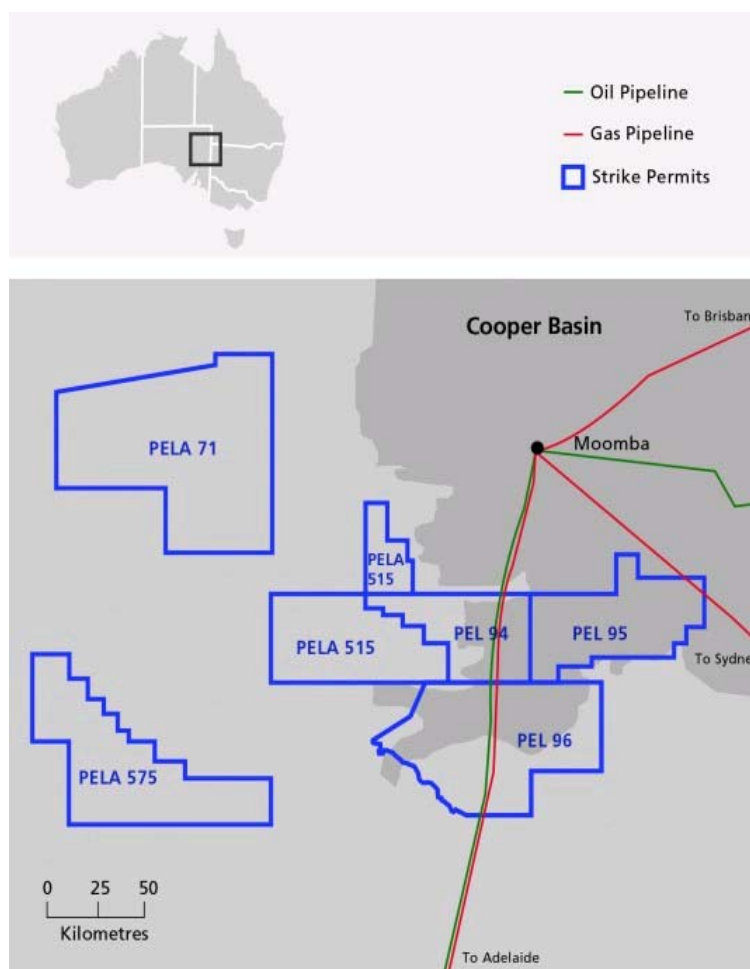
CBM is produced in a number of countries worldwide; notably in the US, Canada, Australia, India and China. Commercial levels of CBM production did not start in the US until the 1980s, and during the 1990s production quickly ramped up. There are vast CSG resources spread across Australia's many coal basins and has been commercially produced in Queensland for more than 15 years, currently supplying about 17% of Queensland's electricity needs. Gas-fired power stations create less than half the greenhouse gas emissions of equivalent sized coal fired power station.



## Project Review

### Cooper Basin

Strike Energy maintains one of the largest exposures to the Cooper Basin, with more than 4 million net acres of permits and applications, with substantial unconventional (coal and shale) potential and a 6.1 TCF prospective resource base. As the map below shows, the company's permit areas are situated across the southern flanks of the Cooper Basin, which is less thermally mature than the centre of the basin, meaning that gas is likely to be liquids-rich with lower CO<sub>2</sub> content.



Source: Strike Energy

The unconventional formations within the company's permit areas are also comparatively shallow, translating to significantly lower drilling costs. A number of conventional wells have been drilled in Strike's permit areas, so the existence of hydrocarbon-bearing shales, coals and sands is proven. The focus is now shifting to proving the existence, quantum and recoverability of underlying liquids and gases.

The Cooper Basin is a world class hydrocarbon producing region which has been extensively explored. Whilst there are prospective energy-bearing shales scattered around most parts of Australia, the keys to commerciality are pipeline access to both domestic and commercial end-users, as well as production infrastructure.

The Cooper Basin is the ideal location, because it boasts abundant existing infrastructure, having served as Australia's largest onshore source of oil and gas since the 1960s, producing more than 5 TCF. It lies proximal to the more heavily-populated regions of southern and southeastern Australia.



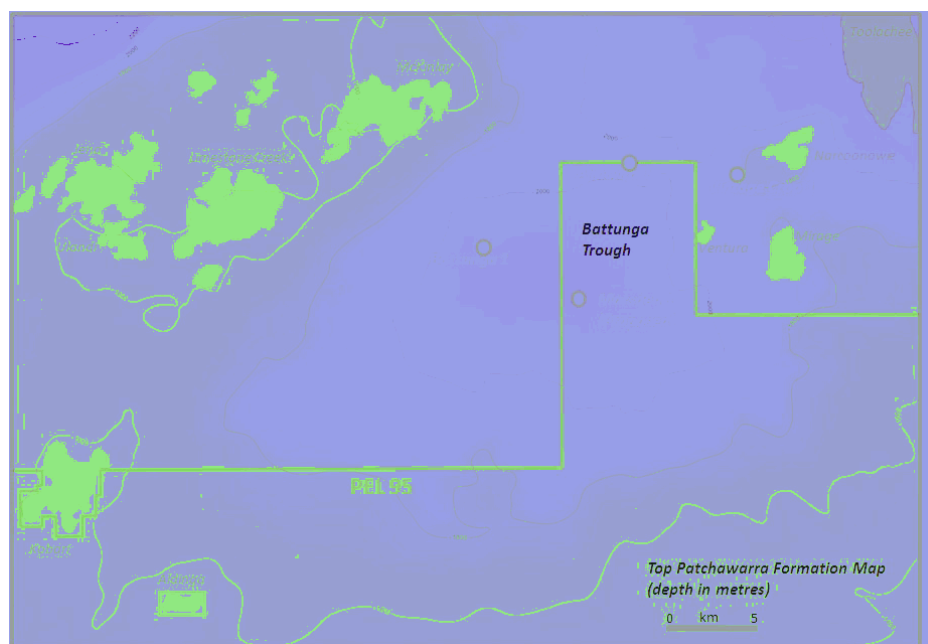
### Strike Energy Cooper Basin Licences

Permit	Interest	Operator	Net Area (km <sup>2</sup> )	Comments
PEL 94	35%	Beach Energy	631	Unconventional potential - one well planned Q2 2012 (Davenport 1)
PEL 95	50%	Beach Energy	1,291	Unconventional potential - one well currently drilling (Marsden 1)
PEL 96	66.70%	Strike Energy	2,707	High unconventional potential
PELA 71	75%	Strike Energy	4,609	Conventional potential - Native title process underway
PELA 515	100%	Strike Energy	3,038	Conventional potential - Native title process underway
PELA 575	100%	Strike Energy	3,804	Conventional potential - Native title process underway

Source: Strike Energy

*Four target troughs have been identified*

Strike Energy recently completed a detailed analysis of the unconventional potential of PEL 94, 95 and 96, located on the southern flank of the Cooper Basin. Four target troughs have been identified within the permits and have been assessed as containing a prospective gas resource of 12.3 TCF and a prospective liquids resource of 112MMbbls (6 TCF and 50MMbbls net to Strike). There is now very strong interest in the Cooper Basin’s unconventional potential, comprising the recovery of gas and liquids from shale, coal and sand formations. Thick inter-bedded shales, coals and sands are known to exist throughout the Cooper Basin in the Toolachee, Roseneath, Epsilon, Murtaree and Patchawarra formations. Furthermore, advances in horizontal drilling and extraction technologies means that previously trapped hydrocarbons can now be commercially recovered.



Source: Strike Energy

The concept has now been significantly de-risked as a result of the successful drilling of the first Cooper Basin wells specifically targeting unconventional formations. Beach Energy (ASX: BPT) (the operator of Strike’s PELs 94 and 95) has reported a 2 TCF contingent resource on the basis of its Holdfast #1 and Encounter #1 unconventional well results; whilst Senex Energy (ASX: SXY) (also a partner in PEL 94) has reported continuous liquids-rich gas from its Vintage Crop #1 well, less than 3km from Strike’s PEL 95. Senex has just announced completion of its second unconventional well, Sasanof #1, just to the north of Strike’s permit area.





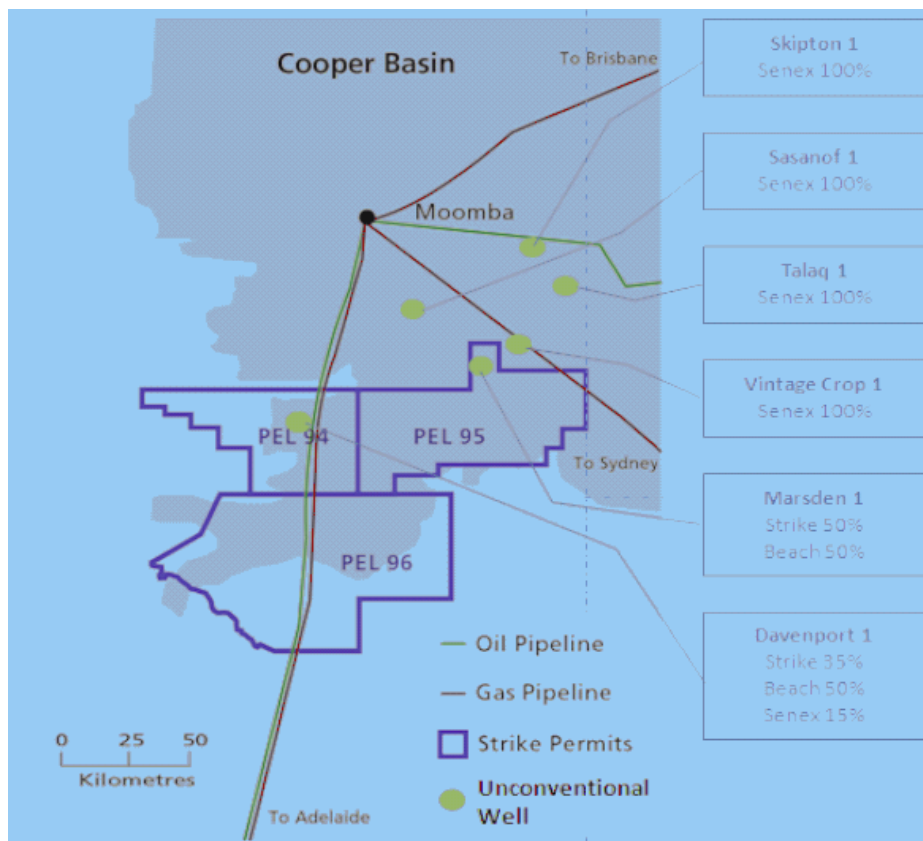
Beach Energy is the operator of PEL 95 (Strike 50%, Beach 50%), where the Marsden 1 well commenced drilling on 22 February. **Marsden 1 is one of a series of wells being drilled over the coming months, specifically focused on evaluating the potential of the Southern Cooper Basin gas and liquids unconventional fairway.** Marsden 1 will be followed back-to-back by Strike's second unconventional evaluation well, Davenport 1, which will test the Permian sections within PEL 94 (Strike 35%).

*Strike has a planned two-well exploration program*

Strike has a planned two-well unconventional exploration program for H1 2012, with one vertical evaluation well to be drilled in each of PEL 94 and PEL 95. The wells are expected to confirm the presence of gases and liquids and form the basis for future exploration and development activity. **The wells are just the first step in helping to unlock the value of the company's Cooper Basin assets. Well data will be used to confirm the company's resource model and to develop a follow-on evaluation and development program.**

*The first well is Marsden 1*

The Marsden 1 well is anticipated to intersect 700 metres - 800 metres of Permian sediments, including the Toolachee, Roseneath, Epsilon and Murteree formations, along with the Patchawarra.



Source: Strike Energy

Neighbour Senex Energy is also advancing an active unconventional program within the adjacent PEL 516 (Senex 100%). Following on from its successful Vintage Crop 1 that recorded the presence of liquids-rich gas just 10km from Strike's Marsden 1 location, Senex has just completed drilling and coring of the Sasanof 1 evaluation well. The well will be followed during the coming months by two other unconventional evaluation wells, Skipton 1 and Talaq 1, with all three wells being fracture stimulated and flow-tested. Strike will benefit from Senex's work, which is expected to demonstrate the prospectivity of a large section of the Southern Cooper Basin and the effectiveness of fracture stimulation upon Cooper Basin shales.



Now let's examine the value equation with respect to Strike Energy, which underlines the real opportunity that presents itself for investors. The table below is a snapshot of the some of the key ASX companies with Cooper Basin unconventional exposure and it highlights the stark differential in market values between Strike and those of its peers. What the table also doesn't reflect is the substantial technical and commercial knowledge base that Strike has accumulated through its Eagle Ford Shale and Permian Basin projects in the USA.

	Santos	Beach	Senex	Drillsearch	Icon	Strike
<b>Cooper Basin permit area (net)</b>	~30,000 sq km	~18,000 sq km	~25,653 sq km	~23,000 sq km	~2,580 sq km	~16,000 sq km
<b>Unconventional prospective area (net)</b>	Not clear	~4,998 sq km (PELs 218, ATP 855P, 94, 95 SACB)	~3,435 sq km (PELs 90, 516)	~4,079 sq km (PELs 91, 106, 107, 513, 940)	~668 sq km (ATP 855P)	~4,629 sq km (PELs 94, 95, 96)
<b>Unconventional wells completed</b>	2 vertical (Moomba 185, 191)	2 vertical (Holdfast & Encounter)	1 vertical (Vintage Crop)	Nil	Nil	Nil
<b>Unconventional wells confirmed for 2012</b>	1 horizontal	5 vertical 2 horizontal	3 vertical (Sasanof, Skipton, Talaq)	Nil	1 horizontal (with BPT)	2 vertical (with BPT) (Marsden, Davenport)
<b>Unconventional contingent resource</b>	2.3 TCF	2 TCF	Nil	Nil	Nil	Nil (6 TCF prospective)
<b>Enterprise Value</b>	~\$13b	~\$1.6b	~\$1.0b	~\$460m	~\$110m	~\$100m
<b>EV / net unconventional sq km</b>	N/A	\$320,000 \$1,300/ac	\$290,000 \$1,200/ac	\$113,000 \$460/ac	\$165,000 \$670/ac	\$20,500 \$85/ac
<b>Comment</b>	Deep basin dry gas play	Deep basin dry gas play	Southern Flank wet gas play	Unconventional JV with BG Group	Small Cooper Basin acreage	Southern Flank wet gas play

Source: Breakaway Research

*A comparison based on recent transactions shows that Cooper is significantly undervalued*

What's interesting from the comparison table is that even the companies with the heftiest market valuations are only modestly advanced compared to Strike's current status. The Cooper Basin is still very much in its infancy as far as unconventional appraisal drilling is concerned, with Strike's planned activity for 2012 placing it amongst the front-runners in the basin – and therefore one of the most undervalued Cooper Basin exposures available to investors.

**If we analyse recent corporate transactions in the Cooper Basin, we also get a clear picture of Strike Energy's undervalued status.** For example Beach Energy's takeover of ASX-listed Adelaide Energy implied a valuation of \$675/acre, whilst BG Group's 60% farm-in to Drillsearch's ATP 940P implied a \$340/acre valuation. If we apply a valuation to Strike equivalent to just one-fifth that of Drillsearch's valuation (i.e. \$68/acre) we derive a theoretical valuation of \$272 million – a multiple of almost 3 times its current market value. **And this excludes Strike's Eagle Ford Shale and other assets.**



**If we apply a similar valuation to Drillsearch, i.e. \$340/acre, Strike Energy's implied value is a whopping \$1.36b!** We're not suggesting that Strike should presently be valued at such lofty levels, but the differential between companies with much larger market values and that of Strike is stark. The company clearly presents itself as the value play in the Australian unconventional space.



Source: Bigcharts

*Strike has a lot more share price upside ahead of it when compared to its peers*

It's also worthwhile comparing the share market performances of the key Cooper Basin unconventional players over the past 12 months. As the chart below demonstrates, Strike Energy has a lot more upside ahead of it compared to its peers Senex and Drillsearch (up around 180%) and Beach Energy (up 70%). Senex is perhaps the most relevant comparison because it is a pure unconventional exploration play and its Cooper Basin permits are adjacent to Strike's, whereas Beach and Drillsearch are producing companies.

*Strike holds a major position in the hugely prospective Eagle Ford Shale in the US*

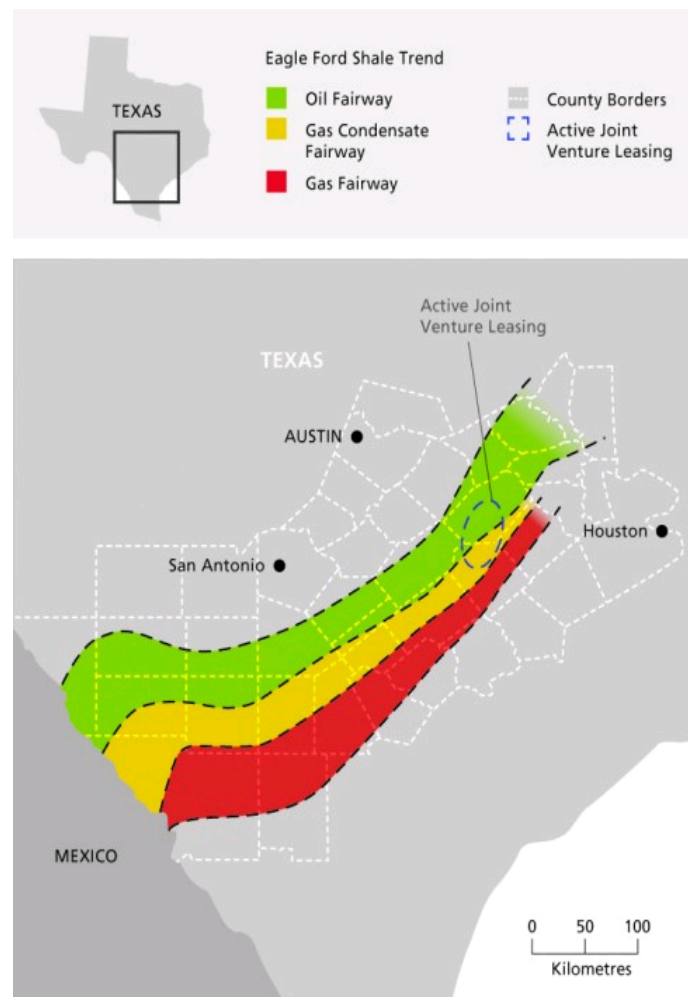
Now let's briefly turn our attention to Strike's international assets, which are located in the US state of Texas, the nation's most established hydrocarbon-producing state. Strike has a 27.5% working interest in the Eagle Landing Joint Venture, with more than 8,500 net acres within the hugely prospective Eagle Ford Shale and 1,875 net acres within the Permian Basin, along with conventional producing and exploration assets targeting the Wilcox sands.

The Eagle Ford Shale is commonly considered one of the best resource plays in North America. Wells drilled into the Eagle Ford Shale are showing strong initial production rates and ultimate recovery of hydrocarbons per well within a cost structure that makes the play commercially attractive. The added benefit with the Eagle Ford Shale is that a high proportion of the hydrocarbons produced are condensate liquids (or light oil), which attracts a significant premium over gas at current prices.

Over the last few years other gas shale plays, the Fayetteville, Woodford, Marcellus and the Haynesville, have become major development areas. Each has been subject to significant investment by both international and US-based upstream oil and gas companies such as Shell, BP, Norske Hydro, Repsol, British Gas, Anadarko, Petrohawk and Chesapeake. Over more recent times BHP Billiton has invested almost US\$17 billion in two acquisitions and plans to spend another US\$50 billion over the next decade.



The logic behind these transactions is that huge resource bases are being acquired and unlike offshore developments where the majority of capital is committed prior to production, investment in the resource plays such as the Eagle Ford Shale can be scaled to match demand and commodity prices with a relatively short lead time. The USA is the largest energy market in the world and infrastructure is well developed, which is one of the keys as to why shale liquids and gas is economically viable there.



The acreage values of Eagle Ford Shale have increased significantly, with a number of large acquisitions completed at US\$15k - \$25k/acre valuations. **Strike's strategy is to prove-up the technical and commercial potential of its Eagle Ford Shale and to achieve a similar re-rating of its acreage position.** A major evaluation program is now underway to assess the productivity of the company's Eagle Ford Shale, which will form the basis for future development drilling that is likely to commence in mid-2012. Strike clearly has little current market value assigned to its Eagle Ford acreage position. However, using the look through value of Sanchez Energy's (NYSE: SN) 'Marquis area' Eagle Ford acreage, which is in the immediate vicinity of Strike's, this implies a current market value of Strike's acreage of over \$50 million.



## ***Breakaway View***

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Strike Energy represents a stand-out investment opportunity in the unconventional energy space. We believe the share price is likely to be driven by both strong news flow and the likely success from its initial appraisal well drilling program. In turn this will lead to a steady re-rating based on simple comparisons with its more expensive sector peers. The company is also hugely attractive from a corporate perspective.

## ***Board of Directors***

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### ***Non-Executive Chairman***

**Tim Clifton** has more than 40 years' mining and corporate experience as a geologist and company director. Tim has a long association with Strike Energy and is now a substantial shareholder. He was appointed to the Board on 13 August 2008 and appointed Chairman on 19 August 2010.

### ***Managing Director***

**David Wrench** has a Bachelor of Engineering (Mining) from the University of Sydney. He has worked in Australia and North America with Macquarie Bank, Credit Suisse and Chase Manhattan Bank, gaining commercial experience in the precious metals, base metals and energy markets segments. David was a co-founder and Director of coal seam gas pioneer CH4 Gas Limited and has been a Director of a number of private resource companies. David was appointed to the Board on 29 October 1998 and assumed the role of Managing Director on 1 October 2011.

### ***Executive Director***

**Ben Thomas** joined Strike in mid-2010 and presently serves as the Company's President of US Operations. His elevation to the Board reflects Ben's strong technical capabilities and experience, but also the importance of the USA assets to Strike's growth strategy. Prior to joining Strike, Ben has over 40 years upstream petroleum sector experience, including management, engineering and marketing roles with Mobil Oil Corporation, Superior Oil Company, Mark Producing, Edisto Resources and Hall-Houston Oil Company. Ben was appointed a Director on 29 September 2011.

### ***Non - Executive Director***

**Simon Ashton** has over 30 years experience in the Australian and international petroleum and resources industries. He spent over 20 years with WMC Limited (WMC), holding various positions in the nickel, coal and petroleum divisions. Amongst other things, Simon established WMC's USA petroleum subsidiary, Greenhill Petroleum, where he served as Senior Vice President in Houston, Texas. Simon co-founded Strike Energy in 1997 and served as Managing Director until 30 September 2011.

### ***Non - Executive Director***

**Tim Goyder** has over 30 years experience in the natural resources industry. He has been involved in the formation and management of a number of publicly listed companies and is currently the Chairman of Chalice Gold Mines Limited and Liontown Resources Limited, and a Director of Uranium Equities Limited. Tim was appointed a Director on 19 August 2010. He is also a substantial shareholder of Strike Energy.

### ***Non - Executive Director***

**Eytan Uliel** is the Chief Commercial Officer of Dart Energy Limited. He offers Strike the benefit of his extensive corporate finance expertise and international commercial experience within the oil and gas sector. Prior to joining Dart Energy, Eytan held senior investment banking roles in Australia and Asia. He has served on a number of public company boards, including the Australian coal seam gas pioneer, CH4 Gas Limited. Eytan was appointed a Director on 29 September 2011.



### **Analyst Verification**

We, Grant Craighead and Gavin Wendt, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

### **Disclosure**

Breakaway Investment Group (AFSL 290093) may receive corporate advisory fees, consultancy fees and commissions on sale and purchase of the shares of Strike Energy and may hold direct and indirect shares in the company. It has also received a commission on the preparation of this research note.

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#### **Breakaway Investment Group**

AFSL 290093 ABN 84127962387

T+61292621363

F+61292792727

PO Box H116 Australia Square

Sydney, NSW 2001

Suite 505, 35 Lime Street,

Sydney, NSW 2000