For personal use only

ANNUAL REPORT

for the financial year ended
30 June 2019



Strike Energy

For personal use only

CONTENTS

Chairman's Letter 3

Managing Director's Report 4

Directors' Report 7

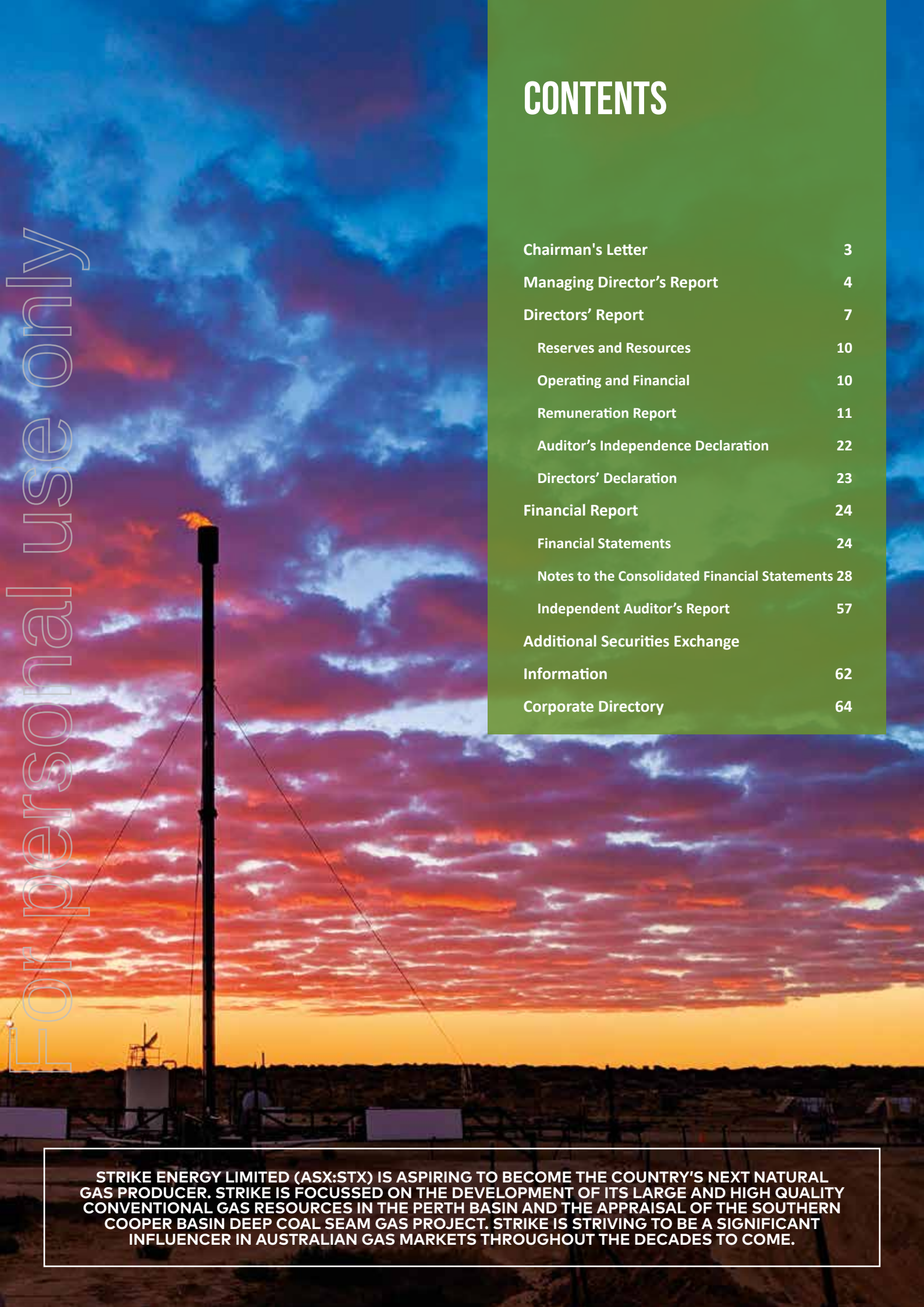
- Reserves and Resources 10
- Operating and Financial 10
- Remuneration Report 11
- Auditor's Independence Declaration 22
- Directors' Declaration 23

Financial Report 24

- Financial Statements 24
- Notes to the Consolidated Financial Statements 28
- Independent Auditor's Report 57

Additional Securities Exchange Information 62

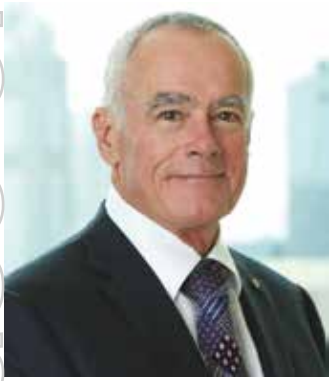
Corporate Directory 64



STRIKE ENERGY LIMITED (ASX:STX) IS ASPIRING TO BECOME THE COUNTRY'S NEXT NATURAL GAS PRODUCER. STRIKE IS FOCUSSED ON THE DEVELOPMENT OF ITS LARGE AND HIGH QUALITY CONVENTIONAL GAS RESOURCES IN THE PERTH BASIN AND THE APPRAISAL OF THE SOUTHERN COOPER BASIN DEEP COAL SEAM GAS PROJECT. STRIKE IS STRIVING TO BE A SIGNIFICANT INFLUENCER IN AUSTRALIAN GAS MARKETS THROUGHOUT THE DECADES TO COME.

CHAIRMAN'S LETTER

For personal use only



John Poynton AO
Chairman
Strike Energy Limited

The board and management of Strike spent the 2019 financial year positioning the Company for exploration success in the Southern Cooper Basin in South Australia and the Perth Basin in Western Australia.

As outlined in the Managing Director's Report below, after a frustrating technical setback in early 2019, the Jaws project in South Australia was brought back on line and is being carefully managed to maximise the chances of it becoming a producer of commercial quantities of gas. With historically high gas prices in the east coast markets continuing to reflect constrained supply, any success at Jaws has the propensity to positively impact the supply dynamics.

After acquiring a 50% interest in EP469 in the Perth Basin, Western Australia in 2018, and identifying a prospective resource fairway in the Basin, Strike quickly consolidated its position in the Perth Basin by acquiring substantial additional acreage over that fairway via the takeover of ASX-listed UIL Energy Ltd.

Both of these actions are testament to the risk tolerant ethos of the Company and its willingness to back a credible scientific thesis regarding the likely presence of hydrocarbons at extreme depths. For a company with a modest market capitalisation and negligible cash flows, the stakes were high.

As you are aware, post balance date, the West Erregulla-2 well has proved to be an unprecedented success with an attendant substantial uplift in the value of the company.

With our partners, Warrego Energy Limited, Strike is working towards booking a contingent resource at West Erregulla.

Buoyed by this success, Strike will conduct 3D seismic surveys on 100% company-owned acreage in the Perth Basin.

I acknowledge with thanks the hard work and dedication of Strike's board members, management and staff and add my sincere thanks to our loyal shareholders for your support again this year.

Yours sincerely



John Poynton AO
Chairman
Strike Energy Limited

For personal use only

MANAGING DIRECTOR'S REPORT



Stuart Nicholls
Managing Director
Strike Energy Limited

The last reporting period has seen the foundation stones set for Strike's success post the financial year balance date. These preparatory activities have seen Strike achieving success in its first exploration well in the Perth Basin at West Erregulla-2 (EP469) and bringing online the Jaws production pilot in the Southern Cooper Basin.

Southern Cooper Basin Gas Project

In August 2018, and following the successful drilling of the Jaws Project wells, Strike completed and brought online the Jaws pilot in order to appraise the Southern Cooper Basin Patchawarra coal which was deemed prospective as an ultra-deep coal seam gas project via the Company's Klebb pilot that had been running for several years. Strike then began a process of dewatering approximately a square kilometer of coal that Jaws was in communication with. Water rates peaked at 1,450 barrels of water per day (bwpd) and have slowly declined to ~350 bwpd at present.

During the first drawdown and production test, Strike discovered an inflection point between the water and gas in the reservoir, where at approximately 225 psi wellbore pressure the pressure drive was sufficiently strong enough to bring a material volume of coal below its desorption pressure (~750 psi) and initiate the release of sustained and measurable gas. In the first attempt of this drawdown profile, the sudden transition of the coal into its desorption window caused a substantial release of gas and with it came a large body of proppant from one of the indirect vertical fractures, which ultimately resulted in a workover event. The workover was carried out in February 2019 and the wells were brought back online. Since this time the reservoir has been carefully managed, taking into account the lessons learned, in order to reinitiate the gas desorption but in a more gradual fashion. This has meant Strike has held the reservoir at approximately 250 psi for two months after a new 6-month drawdown profile. Strike believes that this process of a slower and steadier drawdown will not only allow more coal to be brought into communication with the wellbore but also mitigate the risk that any sudden change in differential pressures between the wellbore and reservoir could result in further solids entering the wellbore and enabling production to be sustained as more of the reservoir is brought within its desorption pressure window.

Strike is continuing to aspire to the project's primary objective of producing gas at commercial thresholds in order to book a reserve, which necessitates further piloting activities for the current financial year. Should Strike be successful, this would result in the Company having major uncontracted gas projects on both the east and west coasts. This would be a unique position for an emerging company and points to the attractive portfolio of Strike at this time.



For personal use only

MANAGING DIRECTOR'S REPORT CONTINUED...

For personal use only

PERTH BASIN

Operationally, and in respect to the Perth Basin, the financial year was spent preparing, procuring and delivering the West Erregulla-2 well in EP469. The well was sited in order to interrogate the deep Waitsia-like Permian gas sands in the Kingia and High Cliff formations. Prior to drilling, an additional target in the Wagina sandstone, analogous to the neighbouring Beharra Springs gas fields, was identified albeit with a much lower pre-drill probability of success. The West Erregulla-2 exploration well spudded on 3 June 2019.

Ultimately (and after the financial year), material conventional gas discoveries were made across all three of the main sandstone targets in the Wagina (10.2m of net reservoir)[1], Kingia (58m of net pay at 12.6% average porosity)[2] and High Cliff (10m of net pay at 10.3% average porosity)[3], with the results exceeding Strike's expectations. At the time of writing this report Strike was preparing to flow test the Kingia formation to generate a resource booking at West Erregulla.

The subsurface results are paradigm breaking in terms of the industry's understanding of the deep Permian plays of the Perth Basin. To find such thick, excellent quality reservoirs at depths of 4,200-4,940m is counter to the traditional thinking within this Basin over the past 60 years.

The discoveries at West Erregulla represent the beginning of what Strike believes is a strategic resource position across the North Perth Basin. The Wagina and Kingia High Cliff are believed to be pervasive into the Dandaragan trough. As such, Strike's applications for 100% owned adjoining permits to West Erregulla represent a highly prospective area for follow on exploration following this initial success.

The West Erregulla-2 well is now the deepest well ever drilled onshore in Australia, having been drilled down to 5,100m. The success of the West Erregulla campaign points to the Company's excellent geotechnical abilities and coupled with Jaws (deepest and longest horizontal well in Australia), is evidence of Strike's ability to execute technically challenging drilling and completions activities. These behaviours and achievements represent the core capabilities of the Company as an emerging top tier Australian upstream energy company.

Corporately, Strike acquired UIL Energy via an all script transaction. The transaction resulted in Strike becoming one of the largest acreage holders in the Perth Basin. The transaction was completed in 26 days, which shows the compelling nature of putting the two companies together. Most importantly, Strike is now in possession of not only the recipe for success in the Permian plays of the North Perth Basin but significant additional and highly prospective adjoining acreage. This sets the foundation for a series of exploration successes along the trend that will leverage Strike into being a much larger company.

FINANCING

Over the course of the last financial year Strike raised $27.1 million (net of transaction costs) to fund the completion of the drilling at Jaws, the Jaws production piloting campaign and also the drilling of the West Erregulla-2 well where it was required to free carry the first $11 million to complete its farm-in to EP469.

Strike also paid down the $5.3 million debt facility provided to it from The Commonwealth Bank of Australia and commenced proceedings against AusIndustry (Innovation and Science Australia) relating to the payment of the Company's R&D claim for the 2015/16 FY and the withholding of the Company's R&D claim from Jaws for the 17/18 FY. Strike is confident of its position and intends to continue the Administrative Appeals Tribunal processes required in order to close out these matters.

HEALTH, SAFETY AND THE ENVIRONMENT

During the execution of the West Erregulla-2 well and Jaws production pilot, Strike did not register any lost time incidents, which is a window into the culture at Strike that the safety of its employees, contractors and all personnel involved in its business is of paramount importance. There have not been any Lost Time Incidents recorded under the current Board and Management team since they assumed their positions at Strike in April 2017.

Throughout Strike's operations it has spent considerable time and resources to ensure that safety is the highest agenda item in all of its operational decision making. This included the design, procurement and execution of Australia's deepest onshore well. Strike's management team and key personnel continually monitor its operations and regularly attend site to ensure compliance with its safety policies and all relevant laws and regulations and reinforce the importance of safety to the site personnel.

Strike is extremely cognisant of the environment in which it operates and continually monitors its impact on the surrounding environment with a focus to minimise its environmental footprint. Strike ensures strict adherence to its environmental policies as well as the relevant laws and regulations under which it operates.

Strike thanks all stakeholders for their continued support and is extremely appreciative of its loyal shareholders. 2019 has been a year of high achievement for the Company and it looks forward to continuing this trend well into the future.

Yours sincerely



Stuart Nicholls
Managing Director
Strike Energy Limited

[1] Refer ASX announcements dated 1 August 2019.

[2] Refer ASX announcement dated 27 August 2019 and 11 September 2019.

[3] Refer ASX announcement dated 6 September 2019.

DIRECTORS' REPORT

The directors present their report for Strike Energy Limited (Strike or Company) on the consolidated accounts for the financial year ended 30 June 2019.

Information about the Directors

The directors of the Company during the year ended 30 June 2019 and up to the date of this report are:

JOHN POYNTON CHAIRMAN (NON-EXECUTIVE), AO; CITWA; B COM; HON D COM; SF FIN; FAICD; FAIM

Mr Poynton is Chair of Jindalee Partners and Sapien Cyber Limited. He is a Board Member of the Future Fund Board of Guardians and a Director of Crown Resorts Limited. He has previously served as the Chair, Deputy Chair or Non-Executive Director of a number of ASX listed companies, Federal Government boards, education institutions and not-for-profit enterprises. Mr Poynton is an Officer in the General Division of the Order of Australia and is a past recipient of a WA Citizen of the Year award in the industry and commerce category. He holds a Bachelor of Commerce and an honorary Doctor of Commerce from the University of Western Australia. Mr Poynton was appointed to the Board as Chairman on 10 April 2017.

STUART NICHOLLS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr Nicholls is an energy industry professional having worked in both the up and downstream. Mr Nicholls has spent most of his time at Royal Dutch Shell within finance, commercial joint ventures, economics, strategy and exploration. Mr Nicholls joined Strike as Chief Executive Officer on 10 April 2017 and quickly went about rebuilding the company's Cooper Basin position and took the company into Western Australia where it has executed several transactions to build its highly attractive operated positions within the Perth Basin. Mr Nicholls has extensive knowledge across global gas markets and his previous experience also includes six years with the Australian Army in senior leadership positions. Mr Nicholls has worked in Australia, The Netherlands, Myanmar and Malaysia in both a corporate and operational capacity. He holds a Bachelor of Commerce (Finance and Accounting). Mr Nicholls was appointed to the Board as Managing Director on 18 August 2017.

STEPHEN BIZZELL DIRECTOR (NON-EXECUTIVE)

Mr Bizzell was appointed to the Board as a Non-Executive Director on 31 December 2018. He is Chairman of boutique corporate advisory and funds management group, Bizzell Capital Partners Pty Ltd. He is currently also a director of ASX listed Armour Energy Ltd, Stanmore Coal Ltd, Renascor Resources Ltd and Laneway Resources Ltd. Mr Bizzell was previously an Executive Director of Arrow Energy Ltd from 1999 until its $3.5 billion acquisition by Shell and PetroChina in 2010. Mr Bizzell was a co-founder and Non-Executive Director of Bow Energy Limited until its takeover by Arrow Energy Ltd in January 2012 for approximately $550 million. He qualified as a Chartered Accountant, has considerable experience and success in the fields of corporate restructuring, debt and equity financing, and mergers and acquisitions and has over 25 years' corporate finance and public company management experience.

JODY ROWE DIRECTOR (NON-EXECUTIVE), DIP ACC; DIP FM; MAICD; MCIP

Ms Rowe's previous work experience includes senior commercial roles in Australia and the United Kingdom working with organisations such as BG Group-(Shell) QGC, Santos and Rio Tinto Mining with particular focus on mega projects such as GLNG and QCLNG and large-scale mining operations. Ms Rowe is a Director and member of the senior leaders' group of Safer Together group, an Oil and Gas Industry Association and also performs humanitarian work as a board member for Sight for All. In addition to her public boards, advisory boards and private equity Ms Rowe is the Chief Executive Officer of Rowe Advisory working within the oil and gas, mining, industrial, construction and agriculture industries. Ms Rowe was appointed to the Board as a Non-Executive Director on 30 June 2014.

ANDREW SEATON DIRECTOR (NON-EXECUTIVE), BE (CHEM) HONS; GRAD DIP BUS ADMIN; GAICD

Mr Seaton is an experienced energy executive with a background in finance, project management and investment banking. Mr Seaton was a senior executive with Santos Limited for twelve years, the last six of which he served as Chief Financial Officer. Prior to joining Santos, Mr. Seaton worked in investment banking with Merrill Lynch in Melbourne and New York. His early career included 10 years as a process engineer and project manager working across a range of upstream oil and gas projects and operating plants. Mr Seaton was appointed to the Board as a Non-Executive Director on 18 August 2017.

The following individuals held the office of Director during the financial year and are no longer on the Board:

TIM GOYDER

Resigned 31 December 2018

For personal use only



For personal use only

For personal use only



DIRECTORS' REPORT CONTINUED...

The following individuals held the office of Director during the financial year and are no longer on the Board:

Tim Goyder **Resigned 31 December 2018**

COMPANY SECRETARY

Justin Ferravant, a member of CPA Australia, has held the position of Company Secretary from 31 August 2017.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by Directors in the three years immediately before the end of the financial year are as follows:

Director	Company	Period of Directorship
J Poynton	Crown Resorts Limited	Current
	Orbital Corporation Limited	Resigned 12 April 2017
S Bizzell	Armour Energy Limited	Current
	Laneway Resources Limited	Current
	Renascor Resources Limited	Current
	Stanmore Coal Limited	Current
	Diversa Limited	Resigned 6 October 2016
	UIL Energy Limited	Acquired by Strike 14 December 2018

DIRECTORS' MEETINGS

The Board met ten times during the year. Three Nomination and Remuneration Committee meetings and four Audit and Risk Committee meetings were held. The number of meetings attended by each director during the financial year was:

	Board of Directors		Nomination and Remuneration Committee		Audit and Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr J Poynton	10	10	3	3	-	-
Mr S Nicholls	10	10	-	-	-	-
Mr S Bizzell	4	4	-	-	-	-
Mr T Goyder	6	5	-	-	-	-
Ms J Rowe	10	10	-	-	4	4
Mr A Seaton	10	10	3	3	4	4

RESERVES AND RESOURCES

Contingent resources (2C) were 84 million barrels of oil equivalent (mmboe) at the end of June 2019. 2C increased by 61 mmboe with the acquisition of UIL Energy which included gas and condensate 2C in the Perth Basin.

CONTINGENT RESOURCES (STRIKE SHARE)

All projects by product	Gas (bcf)	Condensate (mmbbl)	Total (mmboe)
Contingent resources (2C)	499	1	84

All projects by region (mmboe)	Perth Basin	Cooper Basin	Total
Contingent resources (2C)	67	17	84

2C Contingent resources annual reconciliation	Perth Basin Condensate (mmbbl)	Perth Basin Gas (bcf)	Cooper Basin Gas (bcf)	Total (mmboe)
30 June 2018	**-**	**36**	**104**	**23**
Revision to previous estimates	-	-	-	-
Extensions and discoveries	-	-	-	-
Acquisitions and divestments	1	360	-	61
30 June 2019	**1**	**396**	**104**	**84**

*Barrels of oil equivalent (boe) and cubic feet of gas equivalent (cfe) are calculated on an industry standard 6:1 energy equivalence basis. The ratio does not reflect the relative commercial value of gas and oil-condensate.

bcf – billion cubic feet; mmboe - million barrels of oil equivalent; mmbbl - million barrels

OIL AND GAS RESERVES ESTIMATION PROCESS

Strike estimates and reports its petroleum resources in accordance with the definitions and guidelines of the Petroleum Resources Management System 2007, published by the Society of Petroleum Engineers (SPE PRMS).

The information in this report that relates to oil and gas contingent resource estimates at 30 June 2019 is based on information compiled or reviewed by Andrew Farley who holds a B.Sc in Geology, and is a member of the Society of Petroleum Engineers. Mr Farley is the Geoscience Manager of the Group and has worked in the petroleum industry as a practicing geologist for over 17 years. Mr Farley has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.

OPERATING AND FINANCIAL REVIEW

OPERATING ACTIVITES

The principal activities of the Group are exploration and evaluation of gas resources. Strike holds exploration acreage in both the Perth and Cooper Basins and was active in both areas during the year.

The Jaws Project wells in the Southern Cooper Basin Gas Project were completed and commenced dewatering in the first half of the year. The gradual drawdown of bottom hole pressure has been maintained to ensure stable desorption past the wellbore.

Consistent with the Group's strategy to acquire a 50% interest in EP469 in the Perth Basin (Western Australia), drilling commenced on the exploration well West Erregulla-2 in the last quarter of 2019 and has subsequently announced significant gas discoveries in the Wagina, Kingia and High Cliff formations.

The Group completed the acquisition of UIL Energy Ltd with extensive acreage in the Perth Basin and adjacent to West Erregulla. The merged group creates a large-scale operator in the Perth Basin with operational synergies and exposure to exploration acreage interests fully held by Strike.

OPERATING RESULTS FOR THE YEAR

The Group's profit after tax decreased to a $2.7 million loss mainly due to no income tax benefit received from the AusIndustry Research and Development Incentive Scheme, compared to $3.7 million received in the prior year.

CHANGES IN FINANCIAL POSITION

The Group's net assets increased by 58% to $99.8 million predominantly through the acquisition of UIL Energy Ltd, spend on growth capex of Jaws-1 operations and the drilling of West Erregulla-2. Strike raised equity of $27.1 million (net of transaction

For personal use only

costs) over the period and finished the financial year with a cash balance of $11.4 million to fund the remaining West Erregulla-2 drilling and planned operations.

HISTORICAL GROUP PERFORMANCE

The table below summarises the Group's earnings and movements in shareholder wealth for the five years to 30 June 2019:

	2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000
Sales Revenue	-	-	697	1,492	2,696
Net profit/(loss) after tax	(2,668)	2,157	(4,320)	4,327	(9,725)
	$	$	$	$	$
Share price at start of year	$0.145	$0.06	$0.115	$0.13	$0.15
Share price at end of year	$0.060	$0.145	$0.06	$0.115	$0.13
Basic profit/(loss) per share (cents)	(0.21)	0.20	(0.46)	0.51	(1.17)
Diluted profit/(loss) per share (cents)	(0.21)	0.20	(0.46)	0.51	(1.17)
Market capitalisation (million)	92.6	158.7	57.9	103.5	108.3

REMUNERATION REPORT

The remuneration report outlines the remuneration outcomes and activities for the Company's key management personnel (KMP) for FY19.

For the purposes of this report, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly.

KEY MANAGEMENT PERSONNEL

The following persons currently act as Directors and other KMP of the Group. Except as noted, the named persons held their current position during the year ended 30 June 2019 and up to the date of this report.

Non-executive Directors

John Poynton Chairman and non-executive director

Jody Rowe Non-executive director

Andrew Seaton Non-executive director

Stephen Bizzell Non-executive director (appointed 31 December 2018)

Executive Directors

Stuart Nicholls Chief Executive Officer (appointed 17 April 2017) and Managing Director (appointed 18 August 2017)

Justin Ferravant Chief Financial Officer (appointed 21 August 2017) and Company Secretary (appointed 31 August 2017)

The following persons were KMP during the financial year but did not hold office at the date of this report:

Tim Goyder Non-executive director (resigned 31 December 2018)

For personal use only

For personal use only

REMUNERATION POLICY

The Company's remuneration policy is designed to ensure that the level and form of compensation achieves certain objectives including:

- Attracting and retaining talented, qualified and effective personnel,
- Motivating their short-term and long-term performance; and
- Aligning their interests with those of the Company's shareholders.

The Nomination and Remuneration Committee and ultimately the Board are responsible for determining and reviewing remuneration arrangements for the Directors and senior management.

Generally, compensation is provided by the Company to its executive directors and senior management by way of base salary, superannuation, short term incentives (STI) and long-term incentives (LTI). The overall objective is to ensure maximum stakeholder benefit from the retention of a high quality and high performing executive team.

REMUNERATION STRUCTURE

Non-executive director remuneration

In line with corporate governance principles, non-executive directors are remunerated by way of fees and superannuation and may, from time to time and subject to obtaining all requisite shareholder approvals, be issued with securities as part of their remuneration where it is considered appropriate to do so and as a means of aligning their interests with shareholders. Non-executive directors do not receive retirement benefits (other than in the form of superannuation) or bonuses, nor do they participate in any incentive programs.

An aggregate cash remuneration of $400,000 may be applied to pay the non-executive Directors of the Company and remains unchanged since approved by shareholders in 2012. During FY19, the base fee paid to the Directors was $50,400 plus superannuation. The Chairman of the Board is entitled to an incremental fee of $17,100 per annum. The committee chairs are each paid an additional fee of $4,000 per annum. This fee structure is comparable and has been based on other peer entities with a similar market capitalisation.

Executive director remuneration

The Group aims to reward senior management with a level and mix of remuneration commensurate with their position and responsibilities to ensure consistency with the remuneration objectives identified above. The Group has entered into standard contracts of employment with its senior management. Remuneration under these contracts consists of fixed and variable remuneration.

Fixed remuneration

Fixed remuneration is reviewed annually by the Nomination and Remuneration Committee with recommendations made to the Board. This process consists of a review of both the Company's and individual's performance, a comparison of current and proposed remuneration with data attained from industry relevant peers or industry associations and advice or input from external parties.

For personal use only

Variable remuneration – short term incentive

The objective of the STI program (STIP) is to link the achievement of the Group's short-term performance objectives with the remuneration received by senior management and employees charged with achieving those measures.

STI payments are dependent on the extent to which performance measures are met. These measures consist of a variety of criteria focusing in the areas of safety, exploration, development performance and targets, and financial performance. These measures were selected as they represent the key drivers for the short-term success of the business and provide a framework for delivering longer term value.

PLAN FEATURE	DETAILS
WHAT IS THE OBJECTIVE OF STIP?	The STIP motivates staff and executives for their contribution to the Company's performance. The STIP is also designed to retain staff over the vesting period of the award.
HOW IS THE STIP ALIGNED WITH SHAREHOLDER INTERESTS?	The STIP sets safety, operational milestones and cost targets to enhance shareholder value.
HOW IS THE STIP AWARDED?	The award is non-cash and delivered in the form of performance rights unless approved by the Board.
WHEN DO THE PERFORMANCE RIGHTS VEST?	The performance rights are granted after the financial year has closed and once the Board has assessed the performance of the Company. The performance rights vest on 1 July the following year. Employees maintain the performance rights on the condition of remaining employment with the Company until the vesting date, unless otherwise approved by the Board.
WHAT IS THE AWARD OPPORTUNITY (% OF BASE REMUNERATION)	At the target level (1 x multiplier) the award opportunity is: Managing Director and Senior Management 50% Other Staff 10%-25%
WHAT WAS THE RESULT OF THE FY19 STIP?	The Board awarded a performance score of 60% for the FY19 STIP. This score was then applied to the target levels.
WHAT IS THE PERFORMANCE PERIOD?	The STIP operates over a 12-month period from 1 July.
WHAT SHARE PRICE IS USED TO CALCULATE THE NUMBER OF PERFORMANCE RIGHTS?	The 5-day VWAP leading up to the end of each financial year will be applied to calculate the number of performance rights to be issued at face value.
HOW ARE THE PERFORMANCE MEASURES SET?	The Board has set a scorecard to measure the Company's performance which is broken into three core components that the Board believes are key to delivering the Company's strategy over the year. The performance measures are assigned a base level of performance (minimum score is 0%). The STIP awards performance that exceeds the base level such that the target levels (1x multiplier) are set to be challenging. A maximum award opportunity (1.5x multiplier) is a stretch target and is only expected to be awarded for outstanding delivery. The safety component includes a metric that is only awarded if there are no lost time injuries throughout the year. There is also a discretionary component which allows the Board to assign an award for performance not considered in the scorecard. All staff share the same scorecard and there is no individual performance weighting.

The result for the FY19 STIP was 60% with the following outcomes:

Measure	Performance
Safety	Exceeded health and safety targets.
Key operational milestones	SCBGP reserve booking not yet achieved.
Exploration drilling	Achieved target milestone for drilling West Erregulla.
Cost Management	Partial achievement.
Board Discretionary	Full award recognising success under volatile market conditions.

The FY20 STIP scorecard and relative target weightings are:

Measure	Weighting	Rationale
Safety	20%	Managing the health and safety matters as a critical business activity.
Key gas milestones	60%	Booking of additional resources and reserves across the company's portfolio.
Cost Management	10%	Working towards efficient operations and execution programmes.
Board Discretionary	10%	The Board recognises exceptional performance not covered by the metrics in the scorecard.

Variable remuneration – long term incentive

The objective of the LTI program (LTIP) is to reward executive KMP in a manner that aligns remuneration with the creation of shareholder wealth. LTI grants to senior management are delivered in the form of either share options or performance rights under the Company's Employee Share Incentive Plan ("the Plan").

Instruments granted under the Plan are at the discretion of the Board and are based on recommendations provided by the Nomination and Remuneration Committee.

Where a recipient ceases employment prior to the required vesting conditions being met, the instruments are forfeited unless otherwise determined by the Board. Instruments that have already vested automatically expire 90 days after the date of cessation of employment by a recipient unless otherwise determined by the Board.

The Company's Security Trading policy prohibits speculative trading in the Company's securities or hedging of options granted under the Plan. Prohibited hedging practices include put/call arrangements over "in-the-money" options to hedge against a future drop in share price. The Board considers such hedging to be against the spirit of the Plan and inconsistent with shareholder objectives. Further information on the Plan is set out under note 7.

For personal use only

For personal use only

The key features of the LTIP are set out in the following table:

PLAN FEATURE	DETAILS
WHAT IS THE PURPOSE OF THE LTIP?	The LTIP is intended to incentivise Executive KMP for achieving increases in the Company's long-term value.
WHAT IS THE LTIP IN PLACE?	A LTIP based on total shareholder returns (TSR) was implemented from 1 July 2018. LTIP tranches are granted on an annual basis.
WHAT IS THE LTIP MEASURE?	The LTIP implemented from FY19 is based on TSR over a three-year period commencing from 1 July 2018.
HOW IS THE LTIP AWARDED?	Performance rights will be granted which vest dependent on the achievement of TSR hurdles. The 5-day VWAP leading up to the end of each financial year will be applied to calculate the number of performance rights to be issued at face value.
WHAT IS THE PERFORMANCE PERIOD?	A performance period of three years is considered appropriate to allow for the long-term nature of the exploration and evaluation activities. The first tranche (FY19 LTIP) will be tested for vesting on 30 June 2021. There is no re-testing after completion of each performance period.
WHO IS ELIGIBLE AND WHAT IS THE MAXIMUM AWARD OPPORTUNITY?	Executive KMP are eligible for the LTIP with the following maximum award opportunity as a percentage of fixed remuneration: Managing Director 100% CFO & Company Secretary 60%
WHAT HAPPENS WHEN AN EXECUTIVE KMP LEAVES THE COMPANY?	The performance rights lapse upon ceasing employment unless otherwise determined by the Board.
WHAT ARE THE PERFORMANCE MEASURES?	The LTIP consists of two equally weighted measures considering the absolute TSR and relative TSR of the Company against a comparative group of Australian exploration and production companies. The relative TSR comparative group consists of 12 ASX listed entities with a range of market capitalisation. The group will be reviewed for relevance and amended annually as appropriate.
DID ANY LTIP VEST DURING FY19?	No LTIP performance rights vested during FY19. The first LTIP tranche will be tested for vesting on 30 June 2021.

TSR Performance Measures and Hurdles

The FY19 LTI TSR performance measures and hurdles are:

Measure	Weighting	Definition	Hurdles	Vesting Percentage
Absolute TSR	50%	The Company's absolute TSR calculated as at the vesting date.	Below 10% p.a. 10% to < 15% p.a. 15% to <20% p.a. 20% to < 25% p.a. Above 25% p.a.	0 25% 50% 75% 100%
Relative TSR	50%	The Company achieves a TSR relative to a comparator group of companies from the ASX200 Energy Index over a three-year performance period.	Below 60th percentile 60th percentile 61st to 75th percentile > 76th percentile and above	0 60% 61% to 99% 100%

Given the appreciation of the share price since the beginning of July 2019, higher hurdles have been set for the absolute TSR for the FY20 tranche of the LTIP:

Measure	Weighting	Definition	Hurdles	Vesting Percentage
Absolute TSR	50%	The Company's absolute TSR calculated as at the vesting date.	Below 50% p.a. 50% to < 60% p.a. 60% to <70% p.a. 70% to < 75% p.a. Above 75% p.a.	0 25% 50% 75% 100%

REMUNERATION DETAILS OF KEY MANAGEMENT PERSONNEL

$ Year ended 30 June 2019	Salary and fees	Superan-nuation	Cash Bonus	Non-monetary (iv)	Termination benefits	Share-based payments(iii)	Total	% of total at risk remuneration
Non-executive directors								
S Bizzell(i)	25,200	2,394	-	6,666	-	-	34,260	-
T Goyder(ii)	25,200	1,197	-	6,666	-	-	33,063	-
J Poynton	67,500	6,413	-	13,332	-	-	87,245	-
J Rowe	51,183	3,591	-	13,332	-	-	68,106	-
A Seaton	58,400	5,548	-	13,332	-	-	77,280	-
Executive officers								
J Ferravant	253,219	20,531	-	13,332	-	117,486(v)	404,568	29%
S Nicholls	273,973	28,271	50,000	13,332	-	135,499(v)	501,075	37%
Total	**754,675**	**67,945**	**50,000**	**79,992**	**-**	**252,985**	**1,205,597**	**-**

(i) Appointed 31 December 2018.

(ii) Resigned 31 December 2018.

(iii) Remuneration includes a portion of the notional value of equity compensation granted or outstanding during the year in accordance with Australian Accounting Standards. The fair value of equity instruments which do not vest during the reporting period are determined as at the grant date and are progressively expensed over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the rights vest.

(iv) Non-monetary amounts consist of directors and officers' liability insurance allocated to each KMP based on length of service throughout the year.

(v) Includes performance rights for financial year 2019 granted but not yet issued.

For personal use only

For personal use only

$ Year ended 30 June 2018	Salary and fees	Superan-nuation	Cash Bonus	Non-monetary (iii)	Termination benefits	Share-based payments (ii)	Total	% of total at risk remuneration
Non-executive directors								
S Ashton(i)	5,516	524	-	993	-	-	7,033	-
T Goyder	50,400	-	-	7,944	-	80,500	138,844	58%
B Ostwald(i)	7,600	-	-	993	-	-	8,593	-
J Poynton	57,260	5,439	-	7,944	-	112,700	183,343	61%
J Rowe	47,578	-	-	7,944	-	84,000	139,522	60%
A Seaton	48,913	4,646	-	6,951	-	53,000	113,510	47%
Executive officers								
J Ferravant	205,126	17,460	-	6,951	-	73,913	303,450	24%
M Montano	43,333	4,116	-	993	35,712	-	84,154	-
S Nicholls	275,042	24,958	25,000	7,944	-	240,000	572,944	46%
Total	**740,768**	**57,143**	**25,000**	**48,657**	**35,712**	**644,113**	**1,551,393**	**-**

(i) These KMP resigned during the financial year.
(ii) Remuneration includes a portion of the notional value of equity compensation granted or outstanding during the year in accordance with Australian Accounting Standards. The fair value of equity instruments which do not vest during the reporting period are determined as at the grant date and are progressively expensed over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the rights vest.

(iii) Non-monetary amounts consist of directors and officers' liability insurance allocated to each KMP based on length of service throughout the year.

Other than disclosed above, KMP did not receive any additional payments as part of his or her consideration for agreeing to hold their position.

EMPLOYEE SHARE INCENTIVE PLAN

The Group operates an employee share incentive plan ("the Plan") to which executive directors, senior management, employees and contractors or associated entities are able to participate. Under the terms of the Plan which was last approved by the Shareholders of the Company on 11 November 2016, both share options and performance rights can be granted to eligible employees for no consideration.

The following table summarises the grants of share-based payment instruments made to executive officers in the current financial year.

Name	Instrument	Number granted	Number vested	% of grant vested	% of grant forfeited	Expiry date
J Ferravant	FY19 LTIP performance rights(i)	1,244,516	-	-	-	30 Sep 2021
J Ferravant	FY19 STIP performance rights(ii)	1,293,103	-	-	-	30 Sep 2020
S Nicholls	FY19 LTIP performance rights (i)	2,273,089	-	-	-	30 Sep 2021
S Nicholls	FY19 STIP performance rights (ii)	1,551,724	-	-	-	30 Sep 2020

(i) FY19 LTIP performance rights which will be tested on 30 June 2021.

(ii) FY19 STIP performance rights granted but not yet issued.

There were no KMP share-based payment instruments that lapsed during the current financial year as a result of cessation of employment.

DIRECTORS' REPORT CONTINUED...

KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

Name	Balance at 1 July 2018	Granted	Purchased	Sold	Net other change	Balance at 30 June 2019
Non-executive directors						
S Bizzell	-	-	-	-	7,315,779[(i)]	7,315,779
J Poynton	5,000,000	-	260,868	-	-	5,260,868
J Rowe	849,550	-	130,434	-	-	979,984
A Seaton	500,000	-	130,434	-	-	630,434
Executive officers						
J Ferravant	-	-	307,690	-	-	307,690
S Nicholls	325,000	-	130,434	-	-	455,434
Total	**6,674,550**	**-**	**959,860**	**-**	**7,315,779**	**14,950,189**

(i) Includes fully paid ordinary shares issued as part of the UIL Energy Ltd offer.

KEY MANAGEMENT PERSONNEL OPTION HOLDINGS

Name	Balance at 1 July 2018	Granted	Expired	Net other change	Balance at 30 June 2019
Non-executive directors					
S Bizzell	-	-	-	363,750[(i)]	363,750
J Poynton	7,000,000	-	-	-	7,000,000
J Rowe	5,000,000	-	-	-	5,000,000
A Seaton	5,000,000	-	-	-	5,000,000
Executive officers					
J Ferravant	1,000,000	-	-	-	1,000,000
S Nicholls	2,000,000	-	-	-	2,000,000
Total	**20,000,000**	**-**	**-**	**363,750**	**20,363,750**

(i) Includes options issued as part of the UIL Energy Ltd offer.

For personal use only

For personal use only

KEY MANAGEMENT PERSONNEL PERFORMANCE RIGHTS HOLDINGS

Name	Balance at 1 July 2018	Granted	Expired	Net other change	Balance at 30 June 2019
Executive officers					
J Ferravant	797,414	2,537,619	-	-	3,335,033
S Nicholls	3,189,655	3,824,813	-	-	7,014,468
Total	**3,987,069**	**6,362,432**	-	-	**10,349,501**

KEY TERMS OF EMPLOYMENT CONTRACTS

S Nicholls, Chief Executive Officer (appointed 10 April 2017) and Managing Director (appointed 18 August 2017)

Term of agreement – no fixed term.

Total fixed remuneration – Salary inclusive of superannuation of $300,000 effective 10 April 2017.

Variable remuneration - Eligible to be considered for an annual incentive award pursuant to the STIP and also a long-term incentive award of up to 100% of his total fixed remuneration pursuant to the LTIP, as determined by the Board.

Termination notice periods – By either party on 3 months' notice, or by the Company on summary notice for cause. If there has been (or will be as a result of the planned sale or transfer of some or all of the assets of any business), in Mr Nicholls' reasonable opinion, a material reduction in Mr Nicholls' authority, status or responsibilities or where Mr Nicholls ceases to report to the Board, Mr Nicholls can terminate the agreement for redundancy.

Termination payments – Payment of accrued but unpaid remuneration and leave entitlements as at termination, payment in lieu of any notice period (if the Company so elects), payment of an amount equal to 12 months of his total fixed remuneration less applicable tax in circumstances where Mr Nicholls terminates for redundancy (which is inclusive of payment in lieu of a notice period and any statutory redundancy pay). If the Company elects to impose a non-compete period (being a period of up to six months) on Mr Nicholls, he is entitled to payment for the relevant non-compete period calculated by reference to his total fixed remuneration as at termination of his employment subject to satisfaction of the non-compete obligations.

J Ferravant, Chief Financial Officer (appointed 21 August 2017) and Company Secretary (appointed 31 August 2017)

Term of agreement – no fixed term.

Total fixed remuneration – Salary inclusive of superannuation of $273,750 effective 21 August 2017.

Variable remuneration – Eligible to participate in the EIP in STIP and LTIP as determined by the Board.

Termination notice periods – By either party on 3 months' notice, or by the Company on summary notice for cause, or by Mr Ferravant on summary notice for redundancy where there is or will be a material reduction in Mr Ferravant's authority, status or responsibilities or where Mr Ferravant ceases to report directly to the Chief Executive Officer or Managing Director.

Termination payments – Payment of accrued but unpaid remuneration and leave entitlements as at termination, payment in lieu of any notice period (if the Company so elects), payment of an amount equal to 12 months of his total fixed remuneration less applicable tax in circumstances where Mr Ferravant terminates for redundancy (which is inclusive of payment in lieu of a notice period and any statutory redundancy pay). Mr Ferravant is also subject to a 6 month non-compete period following termination of employment.

SHARES UNDER OPTION OR PERFORMANCE RIGHTS

Details of unissued shares or interests under options or performance rights to KMP as at the date of this report are:

Instrument/Grant date	Expiry date	Fair Value	Exercise price	Number
Options - 7 Apr 2017[(i)]	7 Apr 2020	$0.012	$0.120	2,000,000
Options - 21 Aug 2017[(i)]	21 Aug 2020	$0.016	$0.150	7,000,000
Options - 16 Nov 2017[(i)]	16 Nov 2020	$0.011	$0.150	5,000,000
Options - 17 May 2018[(i)]	17 May 2021	$0.017	$0.150	5,000,000
Options - 16 Aug 2019[(i)]	17 May 2021	$0.010	$0.150	5,000,000
Options - 27 Dec 2018[(i)]	31 Dec 2020	$0.007	$0.155	363,750
			Total	**24,363,750**
Milestone Performance rights [(ii)]	NA	$0.076	Nil	2,500,000
FY19 LTIP Performance rights [(iii)]	30 September 2021	$0.053	Nil	3,517,605
FY19 STIP Performance rights [(iv)]	30 September 2020	$0.072	Nil	2,844,827
			Total	**8,862,432**

(i) Vest from the grant date.

(ii) Vest upon satisfaction of milestone objective of recognising a 2P reserve at the Southern Cooper Basin Gas Project.

(iii) FY19 LTIP performance rights which will be tested on 30 June 2021.

(iv) FY19 STIP performance rights granted but not yet issued.

The holders of options and performance rights do not have any rights, by virtue of these instruments, to participate in any share issues or interest issue of the Company or of any other body corporate or registered scheme.

The following shares were issued during the year ended or since 30 June 2019 as a result of the exercise of options or performance rights.

Original Security	Issue Date	Number of Shares Issued
Performance Rights	23 July 2019	1,487,069

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

During the year, the following were paid/payable to key management personnel and their related entities:

- $7,714 (2018: $5,055) was paid/payable to Mulloway Pty Ltd (a director related entity via Mr J Poynton) for travel and other expenses;
- $8,113 (2018: $Nil) was paid/payable to Jindalee Partners (a director related entity of Mr J Poynton) for share placement services;
- $29,500 (2018: $Nil) was paid/payable to Bizzell Capital Partners (a director related entity of Mr S Bizzell) for share placement services;
- $11,000 (2018: $Nil) was paid/payable to 66 KPR (a director related entity of Mr J Poynton) for rental expense.

All transactions with related parties have been at arms-length and on standard commercial terms. There were no other transactions or balances with key management personnel other than in the ordinary course of business.

For personal use only

For personal use only

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company paid premiums in respect of a contract insuring the Directors of the Company, the Company Secretary and all executive officers of the Company and of any related body corporate against a liability incurred as a Director, Company Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as an officer or auditor.

DIVIDENDS

There was no dividend paid to the holders of fully paid ordinary shares in the financial year ended 30 June 2019 (2018: Nil).

CORPORATE GOVERNANCE STATEMENT

A copy of the Company's Corporate Governance Statement is available at http://www.strikeenergy.com.au/about-strike-energy/corporate-governance/

ENVIRONMENTAL REGULATIONS

The Group is subject to environmental regulations under State and Territory laws where it holds exploration permits and tenements. The Group is not aware of any breaches of these laws.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 8.5 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 8.5 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit and Risk committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the audits; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethics Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 22.

ROUNDING OF AMOUNTS

The Company and Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that legislative instrument, amounts in the Directors' Report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

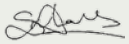
SUBSEQUENT EVENTS

On 11 September 2019, Orica Australia Pty Ltd converted $2.5 million debt into Strike ordinary shares.

There have been no other events subsequent to 30 June 2019 that would require accrual or disclosure in the consolidated financial statements.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors



Stuart Nicholls
Managing Director

Deloitte Touche Tohmatsu
ABN 74 490 121 060
11 Waymouth Street
Adelaide, SA, 5000
Australia

Phone: +61 8 8407 7000
www.deloitte.com.au

For personal use only

24 September 2019

The Board of Directors
Strike Energy Limited
1/31-35 George Street
THEBARTON SA 5031

Dear Board Members

Auditor's Independence Declaration to Strike Energy Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Strike Energy Limited.

As lead audit partner for the audit of the financial report of Strike Energy Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Darren Hall
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte Network.

For personal use only

DIRECTORS' DECLARATION

The Directors declare that:

a. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

b. In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity;

c. In the Directors' opinion, the financial statements and notes thereto are in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1; and

d. The Directors have been given the declarations required by s.295A of the Corporations Act.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001.*

On behalf of the Directors



Stuart Nicholls
Managing Director
Adelaide, South Australia
24 September 2019

FINANCIAL REPORT

For personal use only

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED

$'000	*Note*	30 June 2019	30 June 2018
Other income	2.2	1,207	2,306
Total Revenue		**1,207**	**2,306**
Operating and administration expenses	2.2	(3,465)	(3,511)
Loss from operating activities		**(2,258)**	**(1,205)**
Financial income	5.2	82	51
Financial expenses	5.2	(492)	(386)
Net financial costs		**(410)**	**(335)**
Loss before income tax		**(2,668)**	**(1,540)**
Income tax benefit	2.3	-	3,697
Profit for the period from		**(2,668)**	**2,157**
Total comprehensive income/(loss) for the period		**(2,668)**	**2,157**
Total comprehensive income/(loss) attributable to Strike shareholders		**(2,668)**	**2,157**
Profit/(Loss) per share			
From continuing operations			
- Basic (cents per share)	2.4	(0.21)	0.20
- Diluted (cents per share)	2.4	(0.21)	0.20

The consolidated statement of comprehensive income should be read in conjunction with the notes to the financial statements.



For personal use only

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

$'000	*Note*	30 June 2019	30 June 2018
Cash and cash equivalents	3.1	11,351	2,973
Inventory		18	-
Trade and other receivables	3.2	1,587	572
Other financial assets	3.4	224	206
Total current assets		**13,180**	**3,751**
Other financial assets	3.4	-	31
Exploration and evaluation assets	4.1	113,987	84,108
Property, plant and equipment		181	88
Total non-current assets		**114,168**	**84,227**
Total assets		**127,348**	**87,978**
Trade and other payables	3.3	(4,888)	(2,703)
Employee benefits	7.2	(230)	(169)
Provisions	4.2	(462)	(53)
Borrowings	5.1	-	(5,265)
Total current liabilities		**(5,580)**	**(8,190)**
Employee benefits	7.2	(71)	(54)
Provisions	4.2	(2,166)	(1,889)
Borrowings	5.1	(2,458)	(2,442)
Other liabilities	5.5	(17,277)	(12,277)
Total non-current liabilities		**(21,972)**	**(16,662)**
Total liabilities		**(27,552)**	**(24,852)**
Net assets		**99,796**	**63,126**
Equity			
Issued capital	5.3	179,419	140,897
Reserves	5.3	2,319	1,503
Accumulated losses		(81,942)	(79,274)
Total equity		**99,796**	**63,126**

The consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

FINANCIAL REPORT CONTINUED...

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED

$'000	Issued Capital	Total Reserves	Accumulated Losses	Total Equity
Balance at 1 July 2017	**132,272**	**762**	**(81,431)**	**51,603**
Profit/(Loss) for the period	-	-	2,157	2,157
Total comprehensive income/(loss) for the period	**-**	**-**	**2,157**	**2,157**
Recognition of share-based payments	-	1,022	-	1,022
Forfeiture of Performance Rights/Options	-	(281)	-	(281)
Issue of ordinary shares during the period	9,100	-	-	9,100
Share issue costs	(475)	-	-	(475)
Balance at 30 June 2018	**140,897**	**1,503**	**(79,274)**	**63,126**
Balance at 1 July 2018	**140,897**	**1,503**	**(79,274)**	**63,126**
Profit/(Loss) for the period	-	-	(2,668)	(2,668)
Total comprehensive income/(loss) for the period	**-**	**-**	**(2,668)**	**(2,668)**
Recognition of share-based payments	-	816	-	816
Forfeiture of Performance Rights/Options	-	-	-	-
Issue of ordinary shares during the period	40,276	-	-	40,276
Share issue costs	(1,754)	-	-	(1,754)
Balance at 30 June 2019	**179,419**	**2,319**	**(81,942)**	**99,796**

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

For personal use only

For personal use only

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED

$'000	Note	30 June 2019	30 June 2018
Cash flows from operating activities			
Receipts from customers		-	3
R&D refund		-	3,697
Interest received		82	165
Interest paid		(496)	(237)
Net receipts from joint venture recoveries		1,099	(2,007)
Payments to suppliers and employees		(2,618)	(3,290)
Net cash provided by/(used in) operating activities	3.1	**(1,933)**	**2,345**
Cash flows from investing activities			
Payments for exploration, evaluation expenditure assets		(15,612)	(15,192)
Grants		107	435
Refund/(Payment) of security deposits		-	(134)
Recoveries/(Advances) made to JV Participants		-	308
Payments made for acquisitions		(860)	(409)
Payments for property, plant and equipment		(149)	-
Net cash provided by/(used in) investing activities		**(16,514)**	**(14,992)**
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		28,811	9,100
Payment of share issue costs		(1,723)	(475)
Proceeds from GSA Option		5,000	-
Proceeds from borrowings		-	5,265
Repayment of borrowings		(5,265)	(3,199)
Payment of borrowing costs		-	(2)
Term deposit maturity		10	43
Net cash provided by/(used in) financing activities		**26,833**	**10,732**
Net increase/(decrease) in cash and cash equivalents		**8,386**	**(1,915)**
Cash and cash equivalents at the beginning of the period		**2,973**	**4,863**
Effects of exchange rate changes on the balances of cash held in foreign currencies		(8)	25
Cash and cash equivalents at the end of the period	**3.1**	**11,351**	**2,973**

The consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

SECTION 1: BASIS OF PREPARATION

1.1 CORPORATE INFORMATION

Strike Energy Limited (the "Company", "Strike" or "Parent") is a for profit company limited by shares and incorporated and domiciled in Australia. The Company's shares are publicly traded on the Australian Securities Exchange.

The financial report of Strike as at and for the year ended 30 June 2019 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in joint arrangements. The financial report was approved by the Board of Directors (the "Directors") on 24 September 2019.

The Group is principally engaged in the exploration and development of oil and gas resources in Australia.

The address of the registered office of the Company is Unit 1, 31-35 George Street, Thebarton, SA 5031, Australia, with effect from 1 September 2017.

1.2 STATEMENT OF COMPLIANCE

The Group's Financial Statements as at and for the year ended 30 June 2019:

- is a general purpose financial report;
- is prepared on a going concern basis (discussed further in Note 1.3);
- has been prepared in accordance with the Corporations Act 2001;
- has been prepared in accordance with accounting standards and interpretations in this report, which encompass the:
  - Australian Accounting Standards ("AASBs") and other authoritative pronouncements of the Australian Accounting Standards Board.
  - International Financial Reporting Standards and Interpretations ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- has been prepared under the historical cost convention except for derivatives which are measured at fair value. The methods used to measure fair values are discussed further in note 5.4;
- is presented in Australian Dollars ("AUD"), which is both the Company's and the Group's functional currency. Amounts are rounded to the nearest thousand dollars, unless otherwise stated, in accordance with ASIC (Rounding in Financial/Directors' Reports) Instrument 191;
- includes significant accounting policies in the notes to the Financial Statements that summarise the recognition and measurement basis used and are relevant to the understanding of the Financial Statements;
- presents reclassified comparative information where required for consistency with the current year's presentation;
- adopts all new and amended standards and interpretations issued by the relevant bodies (listed above), that are mandatory for application beginning on or after 1 July 2018. None had a significant impact on the Financial Statements.
- has not early adopted any standards and interpretations that have been issued or amended but are not yet effective.

1.3 GOING CONCERN

The consolidated financial statements have been prepared on the going concern basis, which assumes that the Group will be able to realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

For the year ended 30 June 2019 the Group incurred a net loss before income tax of $2,668,000 (2018: net loss before income tax $1,540,000), had a net cash outflow from operating activities of $1,933,000 (2018: $2,345,000 inflow), which included an R&D refund of $3,697,000 and a net cash outflow from investing activities of $16,514,000 (2018: $14,992,000). As at 30 June 2019, the Group had a net current asset surplus position of $7,600,000 (2018: net current asset deficiency $4,439,000) and cash reserves of $11,351,000 (2018: $2,973,000).

For personal use only

The Group will be required to raise further funds before May 2020 to pay their anticipated operating costs, planned exploration expenditure, pay their debts as and when they fall due and payable and carry out further exploration activities for maintaining key permits PEL96 and EP469.

Should the Group's appeal against Innovation Science Australia's ("ISA") finding in relation to the FY16 R&D claim be unsuccessful, a payment plan arrangement has been agreed such that repayment will commence within 120 days of the determination. A determination that the FY16 R&D claim is non-compliant could potentially trigger a review of Strike's other tax Incentive claims, with the potential risk of an adverse finding in relation to those claims. The Group would be dependent on their ability to successfully raise further funds in order to fund the ATO repayments (refer to Note 8.3).

At the date of signing this report, the Directors have reasonable grounds to believe that the Group will be able to raise further funds and that it is appropriate to prepare the financial report on the going concern basis.

Should the Group be unable to raise the further funding referred to above, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

1.4 USE OF ESTIMATES AND JUDGEMENTS

The Group has identified a number of critical accounting policies under which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions. This may materially affect financial results and the carrying amount of assets and liabilities to be reported in the next and future periods. These estimates and underlying assumptions are reviewed on an ongoing basis.

Additional information relating to these critical accounting policies is embedded within the following notes:

Note	
2.3	Income tax
2.3	Research and development
4.1	Exploration and evaluation assets
4.2	Restoration obligations and other provisions

1.5 FOREIGN CURRENCIES

The functional and presentation currency is in Australian dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency of the respective entities at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency of the respective entities at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency of the respective entities at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in the statement of comprehensive income as a component of the profit or loss.

For personal use only

SECTION 2: FINANCIAL PERFORMANCE

2.1 SEGMENT REPORTING

For management purposes the Group has one reportable segment being Exploration and Evaluation activity in Australia. This sole segment is reported to Group's management for the purposes of resource allocation and assessment of performance. Reference should be made to the Consolidated Financial Statements for the financial position and performance of the sole segment.

2.2 OTHER INCOME AND EXPENSES

The following is an analysis of the Group's revenue and expenses from continuing operations.

For the year ended $'000	30 June 2019	30 June 2018
(a) Other income		
Cost recoveries	1,099	1,777
Other	108	529
Total Revenue	**1,207**	**2,306**
(b) Operating and administration expenses		
Depreciation – property, plant and equipment	(56)	(51)
Employee benefits expense	(963)	(1,456)
Share-based payments expense	(754)	(741)
Corporate expenses	(623)	(617)
Legal fees	(143)	(58)
Consulting fees	(469)	(60)
Office costs	(27)	(66)
Other	(430)	(462)
Total Operating and administration expenses	**(3,465)**	**(3,511)**

2.3 INCOME TAX

For the year ended $'000	30 June 2019	30 June 2018
Income tax recognised in the statement of comprehensive income		
Tax benefit/(expense) comprises:		
Current tax benefit/(expense) in respect of the current year	5,382	648
Eligible R&D refund (Refer to note 8.3)	-	3,697
Deferred tax expenses relating to the origination and reversal of temporary differences	(4,385)	(4,880)
Deferred tax benefit not previously brought to account	(997)	4,232
Total income tax benefit/(expense) relating to continuing operations	**-**	**3,697**

The prima facie income tax expense on pre-tax accounting profit/(loss) from continuing operations reconciles to the income tax expense in the financial statements as follows:

For personal use only

For the year ended $'000	30 June 2019	30 June 2018
Reconciliation of effective tax rate		
Profit/(Loss) from continuing operations before income tax	**(2,668)**	**(1,540)**
Income tax benefit/(expense) calculated at 27.5% (2018: 30%)	733	462
Effect of income and expenditure that is either not assessable or deductible	(210)	(225)
Effect of tax concessions (research and development and other allowances)	-	(910)
Effect of deferred tax arising from equity	474	138
Effect of deferred tax expense not brought to account	(997)	4,232
Income tax benefit at 30 June 2019	**-**	**3,697**

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax balances

For the year $'000	Not recognised (opening balance)	Impact of tax rate changes & under/over	Acquisitions	Recognised in profit or loss	Recognised in equity	Not recognised (closing balance)
30 June 2019 **Temporary differences**						
Exploration and evaluation assets	(24,380)	2,032	-	(4,649)	-	(26,997)
Accrued interest income	(1)	-	-	(2)	-	(3)
Borrowings	16	(1)	-	(15)	-	-
Accruals	25	(2)	-	(23)	-	-
Provisions	67	(6)	-	31	-	92
Deferred income	-	-	-	1,375	-	1,375
Temporary differences	**(24,273)**	**2,023**	**-**	**(3,283)**	**-**	**(25,533)**
Business capital expenditure (Section 40-880)	238	-	146	(39)	312	657
Total temporary differences	**(24,035)**	**2,023**	**146**	**(3,322)**	**312**	**(24,876)**
Unused tax losses and credits						
- Revenue	4,637	3,837	-	5,382	-	13,856
- Revenue subject to available fraction	16,923	(1,410)	98	-	-	15,611
- Capital in nature	14,635	(1,220)	-	(1,375)	-	12,040
- Capital in nature subject to available fraction	347	(29)	-	-	-	318
- Capital in nature excess percentage depletion	-	-	-	-	-	-
Total unused tax losses/credits	**36,542**	**1,178**	**98**	**4,007**	**-**	**41,825**
Deferred tax Assets/(Liabilities)	**12,507**	**3,201**	**244**	**685**	**312**	**16,949**

For personal use only

For the year $'000	Not recognised (opening balance)	Impact of tax rate changes & under/over	Acquisitions	Recognised in profit or loss	Recognised in equity	Not recognised (closing balance)
30 June 2018						
Temporary differences						
Exploration and evaluation assets	(20,083)	-	-	(4,297)	-	(24,380)
Accrued interest income	(1)	-	-	-	-	(1)
Borrowings	-	-	-	16	-	16
Accruals	40	-	-	(15)	-	25
Provisions	41	-	-	26	-	67
Deferred income (PACE grant)	600	-	-	(600)	-	-
Temporary differences	(19,403)	-	-	(4,870)	-	(24,273)
Business capital expenditure (Section 40-880)	244	-	-	(10)	4	238
Total temporary differences	**(19,159)**	**-**	**-**	**(4,880)**	**4**	**(24,035)**
Unused tax losses and credits						
- Revenue	3,968	-	-	669	-	4,637
- Revenue subject to available fraction	16,923	-	-	-	-	16,923
- Capital in nature	14,635	-	-	-	-	14,635
- Capital in nature subject to available fraction	347	-	-	-	-	347
- Capital in nature excess percentage depletion	-	-	-	-	-	-
Total unused tax losses/(credits)	35,873	-	-	669	-	36,542
Deferred tax Assets/(Liabilities)	16,714	-	-	(4,211)	4	12,507

Income tax recognised directly in equity

There were no current and deferred amounts charged/(credited) directly to equity during the period (2018: Nil).

For personal use only

Net unrecognised deferred tax assets

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

As at $'000	30 June 2019	30 June 2018
Tax losses – revenue	13,856	4,637
Tax losses - revenue subject to available fraction	15,611	16,923
Tax losses - capital in nature	12,040	14,635
Tax losses - capital in nature subject to available fraction	318	347
	41,825	**36,542**
Temporary differences (deferred tax asset)	2,125	346
Temporary differences (deferred tax liability)	(27,001)	(24,381)
Net unrecognised deferred tax assets	**16,949**	**12,507**

The Group has gross tax losses arising in Australia of $106,793,468 (2018: $87,223,624). The Group has capital losses arising in Australia of $44,939,969 (2018:$ 49,939,969)

The Group has recognised a deferred tax asset in relation to these losses to the extent necessary to offset deferred tax liabilities.

The Company and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 July 2013. The accounting policy in relation to this legislation is set out in note 6.3 (b).

(a) Income tax expense

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except in relation to items recognised directly in equity.

Current tax is the amount of income tax payable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

The Company and all of its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Strike Energy Limited is the head entity in the tax-consolidated group. The head entity and the controlled entities in the tax-consolidated group continue to account for their own current and deferred tax amounts. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

The Company and the other entities in the tax-consolidated group have entered into a tax funding agreement and a tax sharing agreement.

(b) Research and development tax incentives

To the extent that research and development costs are eligible activities under the "Research and Development Tax Incentive" program, a refundable tax offset is available for companies with annual turnover of less than $20 million. The Company recognises refundable tax offsets in the financial year as an income tax benefit in the statement of comprehensive income as a component of the profit or loss, resulting from the monetisation of available tax losses that otherwise would have been carried forward (refer to note 8.3).

For personal use only

Sales tax, value added tax and goods and services tax

All amounts (including cash flows) are shown exclusive of sales tax and goods and services tax ("GST") to the extent the taxes are reclaimable, except for receivables and payables that are stated inclusive of sales tax and GST.

Key judgement and estimates

Income taxes

There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognised at the amount expected to be paid to or recovered from the taxation authorities.

Realisation of deferred tax assets

The Group assesses the recoverability of deferred tax assets with reference to estimates of future taxable income. To the extent that actual taxable income differs from management's estimate of future taxable income, the value of recognised deferred tax assets may be affected. Deferred tax assets have been recognised to offset deferred tax liabilities to the extent that the deferred tax assets and liabilities are expected to be realised in the same jurisdiction and reporting period. Deferred tax assets have also been recognised based on management's best estimate of the recoverability of these assets against future taxable income. Deferred income tax assets and liabilities in the same jurisdiction are offset in the statement of financial position only to the extent that there is a legally enforceable right to offset current tax assets and current tax liabilities and the deferred balances relate to taxes levied by the same taxing authority and are expected either to be settled on a net basis or realised simultaneously.

2.4 EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculations of basic and diluted earnings per share are as follows:

As at/for the year ended ($'000)	30 June 2019	30 June 2018
Profit (loss) used in the calculation of basic earnings per share from continuing operations	(2,668)	2,157
Earnings used in calculating basic and diluted earnings per share	**(2,668)**	**2,157**
Number of shares ('000)	1,544,087	1,094,640
Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	1,272,931	1,062,942
Diluted profit/(loss) per share:		
The number of instruments which are potential ordinary shares that are not dilutive and hence not used in the valuation of the diluted earnings per share ('000)	46,190	26,000
Basic earnings per share (cents per share)	(0.21)	0.20
Diluted earnings per share (cents per share)	(0.21)	0.20

For personal use only

For personal use only

Recognition and measurement

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

Diluted earnings per share adjusts the amount used in the determination of the basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share from continuing operations.

2.5 DIVIDENDS

No dividends have been declared or paid during the period (2018:Nil)



SECTION 3: WORKING CAPITAL MANAGEMENT

3.1 CASH AND CASH EQUIVALENTS

As at $'000	30 June 2019	30 June 2018
Cash and cash equivalents [(i)]	11,351	2,973
	11,351	**2,973**

(i) Cash at bank earns interest at floating rates based on daily deposit rates.

Recognition and measurement

Cash and cash equivalents comprise of cash on hand and highly liquid cash deposits with short-term maturities and are readily convertible to known amounts of cash with insignificant risk of change in value. The Group considers that the carrying value of cash and cash equivalents approximate fair value due to their short term to maturity.

Cash flow reconciliation

$'000	30 June 2019	30 June 2018
Reconciliation of net profit after tax to net cash flows from operations:		
Profit/(loss) for the period	(2,668)	2,157
Adjustments to reconcile profit after tax to net cash flow:		
Depreciation and amortisation	56	51
Share-based payments expense	754	741
Restoration Unwind	89	-
Other expense	114	-
Interest/Foreign exchange Capitalized	7	31
Investing items – Grants received	(107)	(435)
Change in trade and other receivables	(381)	928
Change in trade and other payables	47	(1,244)
Change in provisions and employee benefits	156	116
Net cash provided by operating activities	**(1,933)**	**2,345**

Reconciliation of liabilities arising from financing activities

For the year $'000	CBA Facility	Orica	Total
Balance as at 1 July 2018	**5,265**	**2,323**	**7,588**
Financing cash flows	(5,265)	-	(5,265)
Non-cash changes:			
Impact of loan amendment	-	-	-
Balance at 30 June 2019	**-**	**2,323**	**2,323**

For personal use only

3.2 TRADE AND OTHER RECEIVABLES

As at $'000	30 June 2019	30 June 2018
Current		
GST receivable	206	210
Other receivables	1,381	362
	1,587	**572**

Trade and other receivables are initially recognised at fair value, which in practice is equivalent to cost, less any impairment losses. Trade and other receivables are non-interest bearing. An allowance is made when there is objective evidence that a receivable is impaired. There was no evidence that impairment existed at balance date (2018: Nil). There were no amounts that were past due but not considered to be impaired at balance date (2018: Nil).

3.3 TRADE AND OTHER PAYABLES

As at $'000	30 June 2019	30 June 2018
Trade payables	3,271	1,060
Accruals and other payables	1,617	1,643
Total trade and other payables (current)	**4,888**	**2,703**

Trade and other payables are initially recognised at fair value, are non-interest bearing and are normally settled within 30 days (2018: 30 days). The carrying amounts of trade and other payables are considered to approximate their fair values due to their short-term nature.

3.4 OTHER FINANCIAL ASSETS

As at $'000	30 June 2019	30 June 2018
Current		
Advances [(i)]	10	11
Security deposits [(ii)]	164	143
Prepayments	50	52
	224	**206**
Non-current		
Security deposits [(ii)]	-	31
	-	**31**

Other financial assets are initially recognised at fair value, which in practice is equivalent to cost, less any impairment losses. The fair value of Other Financial Assets approximates their carrying value.

(i) Advances represent payments made to the operators of certain of the Group's joint arrangements, which will be used for exploration and evaluation activities in the future.

(ii) Security deposits relate to cash provided to secure certain leasing obligations. The weighted average interest was 2.65% (2018: 2.3%)

For personal use only

SECTION 4: RESOURCE ASSETS

4.1 EXPLORATION AND EVALUATION ASSETS

For the year ended $'000	30 June 2019	30 June 2018
Opening Balance	**84,108**	**66,946**
Additions	16,881	14,561
Change in restoration provision	597	1,942
Acquisition of joint venture interests	12,401	659
Closing Balance	**113,987**	**84,108**

During FY19, Strike acquired a 100% interest of UIL Energy Ltd with consideration consisting of:

1. Cash consideration of $13,162 for UIL Energy 24 cent options;
2. 117,879,113 ($11,434,274) Strike Energy fully paid ordinary shares for 224,320,005 UIL Energy Ltd fully paid ordinary shares; and
3. 12,156,156 ($23,097) Strike Milestone Options for 24,903,372 UIL Convertible Redeemable Preference Shares; and
4. 4,942,604 ($31,023) Strike 10.3 cent Options for 11,521,036 UIL 5 cent options; and
5. 1,091,250 ($8,229) Strike 15.5c Options for 2,250,000 UIL 7.5 cent options
6. Total consideration for acquisition $11,509,785

The acquisition was accounted for on an asset acquisition basis and each asset and liability was assigned a carrying amount based on relative fair values. Strike gained 92.01% relevant interest in UIL Energy Ltd as a result of acceptances under the offer on 14 December 2018. The compulsory acquisition was completed on 4 January 2019.

Impairment charge

During the financial year, the Group did not recognise an impairment charge (2018: Nil).

Recognition and measurement

Exploration and evaluation expenditure recognised is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest, or where activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

The carrying amounts of the Group's non-financial assets are reviewed at least annually to determine whether there is any indication of impairment. Exploration and evaluation assets are reviewed for indicators of impairment including expiry of tenure over the licence, planned expenditure over an interest, forward looking assessments of geo-technical and/or commercially viable quantities of hydrocarbons, and discontinued activities in a specific area. Once an indicator of impairment exists, a formal estimate of the recoverable amount is made. This may result in a write down of the carrying value of the area of interest. Accumulated costs in relation to an abandoned area of interest are written off in full in the statement of comprehensive income as a component of the profit or loss in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are tested for impairment and the balance is transferred to oil and gas production assets.

Key judgements and estimates

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the statement of comprehensive income.

For personal use only

4.2 RESTORATION OBLIGATIONS AND OTHER PROVISIONS

As at $'000	Restoration and rehabilitation
Balance at 1 July 2018	**1,942**
Provisions made during the year	650
Provisions used during the year	(53)
Restoration Unwind	89
Balance at 30 June 2019	**2,628**
Current	462
Non-current	2,166
Total provisions at 30 June 2019	**2,628**

Recognition and measurement

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Rehabilitation

Rehabilitation obligations arise for future removal and environmental restoration costs of exploration and evaluation, and production activities. The cost to abandon wells, remove facilities and rehabilitate affected areas is based on the extent of work required under current legal requirements. Provisions for the cost of each rehabilitation are recognised at the time that the environmental disturbance occurs and capitalised as part of the associated asset cost.

Rehabilitation provisions are initially measured at the expected value of future cash flows required to rehabilitate the relevant site, discounted to their present value. The value of the provision is progressively increased over time as the effect of discounting unwinds. Costs capitalised as part of the asset are expensed as depreciation or depletion once the asset reaches commercial production.

At each reporting date, the rehabilitation liability is re-measured to account for any new obligations, updated cost estimates, changes to the estimated lives of the associated operational assets, new regulatory requirements and revisions to discount rates. Changes to the rehabilitation liability are added or deducted from the related rehabilitation asset.

Key judgements and estimates

In most instances, the removal of assets will occur many years in the future. The estimate of future removal and rehabilitation costs therefore requires management to make judgements regarding the removal date, future environmental legislation and the extent of restoration activities required.

These uncertainties may result in future actual expenditure differing from the amounts currently provided.

For personal use only

SECTION 5: CAPITAL STRUCTURE

CAPITAL MANAGEMENT

The Group maintains an acceptable capital base to promote the confidence of the Group's financiers, creditors and partners and to sustain the future development of the business and safeguard its ability to continue as a going concern.

5.1 BORROWINGS

As at $'000	30 June 2019	30 June 2018
CBA Facility [(i)]	-	5,265
Total current borrowings	**-**	**5,265**
Orica Facility [(ii)]	2,458	2,442
Total non-current borrowings	**2,458**	**2,442**

Recognition and measurement

Borrowings are interest bearing and are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(i) The FY18 CBA Facility has been repaid in full.

(ii) The terms and conditions of the Orica Facility were amended on 21 September 2017 along with the terms of the related Gas Sales Agreement. The loan maturity was extended to 31 December 2021 and the loan will accrue interest at 5.8% from 15 July 2018. The principal and accrued interest may be convertible into the Company's ordinary shares in whole or in part at Orica's election after 1 September 2018 subject to the Company's share price being 20 cents or greater. The conversion price is the weighted average price for Strike shares for the previous 30 days of trading. The fair value of the Orica Facility is estimated to be $2.458 million and the valuation is classified as level 2 (refer Note 5.4 for description.) The Gas Sales Agreement was amended to reduce the maximum volume of the contract from 250PJ to 64PJ and to increase the price on the remaining volume.

5.2 NET FINANCE COSTS

For the year ended $'000	30 June 2019	30 June 2018
Interest income on cash and cash equivalents	82	51
Financial income	**82**	**51**
Interest expense on financial liabilities	(470)	(339)
Financing transaction costs and fees	(22)	(47)
Financial expenses	**(492)**	**(386)**

Recognition and measurement

Interest income is recognised as it accrues using the effective interest method.

Finance costs are expensed as incurred, except where they relate to the financing of construction or development of qualifying assets.

For personal use only

For personal use only

5.3 EQUITY AND RESERVES

Share capital

For the year ended	Number of shares (No'000)		Issued capital ($'000)	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Balance at beginning of year	**1,094,640**	**964,640**	**140,897**	**132,272**
Placements during the period, net of transaction costs	331,568	130,000	27,088	8,625
UIL transaction, net of transaction costs (Refer to note 4.1)	117,879	-	11,434	-
Balance at end of year	**1,544,087**	**1,094,640**	**179,419**	**140,897**

All issued ordinary shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. All shares rank equally with regards to the Group's residual assets in the event of a wind-up.

Recognition and measurement

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Options and performance rights reserve

A series of options were issued through the year for consideration of the acquisition of UIL Energy Ltd shares. In addition, both employee share options and performance rights are accounted for in the equity reserve.

The following tables outline details of the instruments granted during the financial year:

Options Issued	Date granted	Date exercisable	Expiry date	Exercise price of instrument	Number of instruments	Fair value at grant date
Options[(i)]	28 Nov 2018	Milestone based	31 Dec 2019	Nil	12,156,175	$0.002
Options[(i)]	28 Nov 2018	28 Nov 2018	31 Dec 2019	$0.103	4,942,604	$0.006
Options[(i)]	28 Nov 2018	28 Nov 2018	31 Dec 2020	$0.155	1,091,250	$0.007
					18,190,029	

(i) Granted as consideration for UIL Energy options and convertible redeemable preference shares.

Performance rights Issued	Date granted	Date exercisable	Expiry date	Exercise price of instrument	Number of instruments	Fair value at grant date
FY19 LTIP[(i)]	14 Dec 2018	30 Jun 2021	30 Sep 2021	Nil	3,517,605	$0.043
FY19 STIP[(ii)]	9 May 2019	1 Jul 2020	30 Sep 2020	Nil	9,511,956	$0.058
					13,029,561	

(i) FY19 LTIP performance rights which will be tested on 30 June 2021.

(ii) FY STIP performance rights granted but not yet issued.

The following tables outline details of the instruments expired or forfeited during the financial year:

Instrument expired/forfeited	Exercise price of instrument	Number of instruments	Fair value at grant date
Performance rights	Nil	1,833,333	$0.071
Performance rights	Nil	1,833,333	$0.047
Performance rights	Nil	1,833,333	$0.034
Performance rights	Nil	96,168	$0.145
Performance rights	Nil	46,409	$0.145
		5,642,576	

FINANCIAL REPORT CONTINUED...

Instruments outstanding

The balance of share options and performance rights on issue as at 30 June 2019 is as follows:

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Fair value at grant date
Options (i)	7 Apr 2017	7 Apr 2020	$0.120	2,000,000	$0.012
Options (i)	1 Jun 2017	1 Jun 2020	$0.150	1,000,000	$0.003
Options (i)	21 Aug 2017	21 Aug 2020	$0.150	13,000,000	$0.016
Options (i)	16 Nov 2017	16 Nov 2020	$0.150	7,000,000	$0.011
Options (i)	17 May 2018	17 May 2021	$0.150	5,000,000	$0.017
Options	28 Nov 2018	31 Dec 2019	Nil	12,156,175	$0.002
Options (i)	28 Nov 2018	31 Dec 2019	$0.103	4,942,604	$0.006
Options (i)	28 Nov 2018	30 Dec 2020	$0.155	1,091,250	$0.007
				46,190,029	

(i) Vests from grant date.

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Fair value at grant date
Performance rights	30 Oct 2014	30 Oct 2019	Nil	200,000	$0.071
Performance rights	30 Oct 2014	30 Oct 2019	Nil	200,000	$0.047
Performance rights	30 Oct 2014	30 Oct 2019	Nil	200,000	$0.034
Performance rights	23 May 2016	30 Oct 2019	Nil	66,667	$0.065
Performance rights	23 May 2016	30 Oct 2019	Nil	66,667	$0.030
Performance rights	23 May 2016	30 Oct 2019	Nil	66,666	$0.015
Performance rights	07 Aug 2015	30 Oct 2019	Nil	150,000	$0.094
Performance rights	07 Aug 2015	30 Oct 2019	Nil	150,000	$0.056
Performance rights	07 Aug 2015	30 Oct 2019	Nil	150,000	$0.036
Performance rights	17 May 2018	N/A	Nil	2,500,000	$0.076
Performance rights	08 Dec 2017	30 Sep 2019	Nil	6,227,377	$0.145
Performance rights	14 Dec 2018	30 Sep 2021	Nil	3,517,605	$0.043
Performance rights	9 May 2019	30 Sep 2020	Nil	9,511,956	$0.058
				23,006,938	

The fair value of the options granted during the period is estimated as at the date of grant using a Black Scholes pricing model taking into account the terms and conditions upon which the instruments were granted. Performance rights issued during the period under the long term incentive plan have been valued on a Monte Carlo Simulation.

For personal use only

The following table lists the inputs used to value instruments issued during the year ended 30 June 2019:

	28 November 2018	28 November 2018	28 November 2018	14 December 2018	9 May 2019
Instrument	Options	Options	Options	Performance Rights	Performance Rights
Number	12,156,156	4,942,604	1,091,250	3,517,605	9,511,956
Expiry date	31 Dec 2019	16 Nov 2020	17 May 2021	30 Sept 2021	30 Sept 2020
Dividend yield	Nil%	Nil%	Nil%	Nil%	Nil%
Expected volatility	-	75%	75%	65.6%	N/A
Risk-free interest rate	-	0.5%	0.5%	1.98%	N/A
Expected life of instruments (years)	-	1.25	2.25	3.0	1
Share price at grant date	-	$0.097	$0.097	$0.090	$0.058
Probability of Milestone success	3.3%	-	-	-	-

Instruments exercised during the financial year

There were no options or performance rights exercised during the financial year (2018: Nil).

Change in instruments on issue

For the year ended Number	Performance Rights		Options	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Balance at beginning of year	**15,619,953**	**12,550,000**	**28,000,000**	**4,200,000**
Grants during the year	3,517,605	8,869,953	18,190,029	25,000,000
Cancelled/forfeited during the year	(142,576)	(5,800,000)	-	(1,000,000)
Expired during the year	(5,500,000)	-	-	(200,000)
Exercised during the year	-	-	-	-
Balance at end of year	**13,494,982**	**15,619,953**	**46,190,029**	**28,000,000**
Instruments exercisable at end of year	-	-	34,033,854	28,000,000

Recognition and measurement

The fair value at grant date is determined using a pricing model that takes into account the exercise price, the term of the instrument, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the instrument.

The fair value of the options and performance rights granted is measured to reflect the expected market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and production targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At the end of each reporting period, the Group revises its estimates of the number of options and performance rights that are expected to become exercisable.

For personal use only

5.4 FINANCIAL RISK MANAGEMENT

Overview

This note presents information about the Group's exposure to market risk, credit risk and liquidity risk, and, where applicable, the Group's objectives, policies and procedures for managing these risks.

Exposure to market, credit and liquidity risks arises in the normal course of the Group's business. The Directors and management of the Group have overall responsibility for the establishment and oversight of the Group's risk management framework. The Directors have established policies that identify risks faced by the Group and procedures to mitigate those risks. Monthly consolidated reports are prepared for the Directors, who ensure compliance with the Group's risk management policies and procedures.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices will affect the Group's cash flows or the fair value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Foreign exchange risk

Foreign exchange risk exposures exist on purchases and cash that are denominated in foreign currencies. These transactions are primarily denominated in USD. When considered appropriate, the Group may enter into forward exchange contracts to hedge foreign exchange risk arising from specific transactions.



For personal use only

For personal use only

Interest rate risk

The Group's interest rate risk arises from long-term borrowings at both fixed and floating rates and deposits which earn interest at floating rates. Borrowings and deposits at floating rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group's primary exposure is to fixed rate borrowings in Australia.

Interest rate risk on borrowings is partially offset by the Group as it has a component of its cash deposits in both floating and fixed rate accounts. The following table sets out the Group's interest rate risk re-pricing profile:

As at $'000	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years
30 June 2019 **Fixed rate instruments**					
Other financial assets	224	224	-	-	-
Borrowings – Orica Facility	(2,500)	-	-	-	(2,500)
Total fixed rate instruments	(2,276)	224	-	-	(2,500)
Floating rate instruments					
Cash and cash equivalents	11,351	11,351	-	-	-
Total floating rate instruments	**11,351**	**11,351**	**-**	**-**	**-**
30 June 2018 **Fixed rate instruments**					
Other financial assets	174	107	36	31	-
Borrowings – CBA Facility	(5,265)	(5,265)	-	-	-
Borrowings – Orica Facility	(2,500)	-	-	-	(2,500)
Total fixed rate instruments	**(7,591)**	**(5,158)**	**36**	**31**	**(2,500)**
Floating rate instruments					
Cash and cash equivalents	**2,973**	**2,973**	**-**	**-**	**-**
Total floating rate instruments	**2,973**	**2,973**	**-**	**-**	**-**

SENSITIVITY TO INTEREST RATE RISK

Fair value sensitivity analysis

An increase or decrease in interest rates of 200 basis points at the reporting date would negatively or positively impact both the statement of financial position and the profit or loss component of the statement of comprehensive income by the amounts shown, based on the assets and liabilities held at the reporting date and a one year time frame. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for comparative periods.

For the year ended $'000	30 June 2019	30 June 2018
200 basis point parallel increase in interest rates	227	59
200 basis point parallel decrease in interest rates	(227)	(59)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables from customers and cash deposits with financial institutions.

Other receivables consist primarily of cash calls receivable from joint arrangement partners for which the Company does not consider to represent a significant credit risk exposure to the Group.

The Group limits credit risk on its cash deposits by only transacting with high credit-rated Australian financial institutions.

For personal use only

Liquidity risk

Liquidity risk is the risk that the Group will not meet its contractual obligations as they fall due. The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities as and when they fall due and comply with covenants under both normal and stressed conditions.

The Group evaluates its liquidity requirements on an on-going basis and ensures that it has sufficient cash to meet expected operating expenses including the servicing of its financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following table sets out contractual cash flows for all financial liabilities.

As at $'000	Weighted average effective interest rate	Total	1 month or less	1 to 3 months	3 months to 1 year	1 to 5 years
30 June 2019 **Financial liabilities**						
Trade and other payables		4,888	3,271	1,617	-	-
Borrowings	5.80%	2,500	-	-	-	2,500
Total financial liabilities		7,388	3,271	1,617	-	2,500
Total		**7,388**	**3,271**	**1,617**	**-**	**2,500**
30 June 2018 **Financial liabilities**						
Trade and other payables		2,704	1,060	1,644	-	-
Borrowings	6.57%	7,765	-	-	5,265	2,500
Total financial liabilities		10,469	1,060	1,644	5,265	2,500
Total		**10,469**	**1,060**	**1,644**	**5,265**	**2,500**

Fair value measurements

The fair value measurements included with these financial statements are grouped into the following levels based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for a similar asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For personal use only

Determination of fair values

A number of the Group's accounting policies and associated disclosures require the determination of fair values for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Borrowings

The fair value of borrowings, which is determined for disclosure purposes, is calculated by discounting the future contractual cash flows at the current market interest rates that are available for similar financial instruments.

5.5 OTHER LIABILITIES

As at $'000	30 June 2019	30 June 2018
Unearned revenue – gas prepayment agreements	17,277	12,277
Total other liabilities	**17,277**	**12,277**

Unearned revenue represents amounts received under the terms of various innovative gas prepayment and option agreements pertaining to the future delivery of gas from the Group's Southern Cooper Basin Gas Project and West Erregulla Project.



SECTION 6: GROUP AND RELATED PARTY INFORMATION

6.1 INVESTMENTS IN SUBSIDIARIES

The Financial Statements of the Group include the consolidation of Strike Energy Limited and its subsidiaries being entities controlled by the parent entity. Control exists where the Group is:

- is exposed to or has rights to variable returns in an investment; and
- has the ability to affect those returns through its power to direct the activities of the entity.

The ability to approve the operating and capital budget of a subsidiary and the ability to appoint key management personnel are decisions that demonstrate that the Group has the existing rights to direct the relevant activities of a subsidiary. Where the Group's interest is less than 100 per cent, the interest attributable to the outside shareholders is reflected in non-controlling interests.

In preparing the Financial Statements the effects of all intragroup balances and transactions have been eliminated.

Name	Country of incorporation	Percentage interest held (%)	
		30 June 2019	30 June 2018
Strike Energy Limited (Parent Company) Controlled Entities:			
Strike Energy South Australia Pty Ltd [(i)]	Australia	100	100
Strike Energy 96 Holdings Pty Ltd[(i) (ii)]	Australia	100	100
Strike Energy 95 Holdings Pty Ltd[(i) (ii)]	Australia	100	100
Strike Energy 94 Holdings Pty Ltd[(i) (ii)]	Australia	100	100
Strike Energy Cooper Holdings Pty Ltd[(i) (ii)]	Australia	100	100
Strike Energy 96 Pty Ltd[(i) (ii)]	Australia	100	100
Strike Energy 95 Pty Ltd[(i) (ii)]	Australia	100	100
Strike Energy 94 Pty Ltd[(i) (ii)]	Australia	100	100
Strike Energy Cooper Pty Ltd [(i) (ii)]	Australia	100	100
Strike Energy Holdings Pty Ltd [(i)]	Australia	100	100
Strike West Holdings Pty Ltd [(i) (ii)]	Australia	100	100
Strike West Pty Ltd [(i) (ii)]	Australia	100	100
UIL Energy Pty Ltd[(i) (ii)]	Australia	100	-
Ocean Hill Pty Ltd [(i) (ii)]	Australia	100	-
Cape Range Energy Pty Ltd [(i) (ii)]	Australia	100	-
PB Energy No 1 Pty Ltd [(i) (ii)]	Australia	100	-
UIL Canning Basin Pty Ltd [(i) (ii)]	Australia	100	-

(i) These entities are not required to prepare or lodge audited accounts in Australia.

(ii) Reflects indirect ownership interest.

6.2 INTEREST IN JOINT ARRANGEMENTS

Joint arrangements are those arrangements in which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Joint arrangements are classified as either joint operations or joint venture, based on the contractual rights and obligations between the parties to the arrangement.

Joint operations: In a joint operation the Group has rights to the assets and obligations for the liabilities relating to the arrangement. This includes situations in which the parties benefit from the joint activity through the sharing of output, rather than by receiving a share of results of trading. Interests in joint operations are reported in the Financial Statements by including the Group's proportionate share of assets employed in the arrangement, the share of liabilities incurred in relation to the arrangement and the share of any revenue or expenses earned or incurred.

For personal use only

Joint ventures: A joint venture is a joint arrangement in which the parties that share joint control have rights to the net assets of the arrangement. A separate vehicle, not the parties, will have the rights to the assets and obligations to the liabilities relating to the arrangement. More than an insignificant amount of output is sold to third parties, which indicates the joint venture is not dependent on the parties to the arrangement for funding. Joint ventures are accounted for using the equity accounting method.

Details relating to the Group's interests in petroleum permits and mineral tenements which are subject to joint arrangements are detailed in note 6.4.

The Group's interests in assets and liabilities that are subject to joint arrangements are listed below. These assets and liabilities are included in the consolidated financial report in their respective asset classes.

As at $'000	30 June 2019	30 June 2018
Current assets		
Cash and cash equivalents	661	1,007
Trade and other receivables	979	553
Other financial assets	164	140
	1,804	**1,700**
Non-current assets		
Exploration and evaluation assets	93,554	82,046
	93,554	**82,046**
Share of total assets of joint arrangements	**95,358**	**83,746**
Current liabilities		
Trade and other payables	(2,465)	(1,807)
Restoration provision	(462)	(53)
	(2,927)	**(1,860)**
Non-current liabilities		
Restoration provision	(2,166)	(1,889)
	(2,166)	**(1,889)**
Share of total liabilities of joint arrangements	**(5,093)**	**(3,749)**
Share of net assets of joint arrangements	**90,266**	**79,997**

For personal use only

6.3 PARENT ENTITY DISCLOSURES

For the year ended/As at $'000	30 June 2019	30 June 2018
Assets		
Current assets	12,389	2,252
Non-current assets	77,314	52,536
Total assets	**89,703**	**54,788**
Liabilities		
Current liabilities	(4,961)	(7,011)
Non-current liabilities	(2,706)	(2,674)
Total liabilities	(7,667)	**(9,685)**
Net assets	**82,036**	**45,103**
Equity		
Issued capital	179,419	140,897
Share-based payments reserve	2,319	1,502
Accumulated losses	(99,702)	(97,296)
Total equity	**82,036**	**45,103**
Profit/(Loss) for the year	(2,406)	(50,097)

The Company has provided no guarantees to the debts of its subsidiaries.

The financial information for the Company entity has been prepared on the same basis as that applied by the Group, except as set out below:

(a) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial information of the Company. Dividends received from associates are recognised in the statement of comprehensive income as a component of profit or loss, rather than being deducted from the carrying amount of these investments.

(b) Effect of tax consolidation

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group, are accounted for by the Company rather than by the members of the tax-consolidated group themselves.

For personal use only

6.4 INTEREST IN PETROLEUM PERMITS AND MINERAL TENEMENTS

The Group is a participant in the following petroleum permits and mineral tenements and properties:

Permit	Operator	Percentage interest held (%)	
		30 June 2019	30 June 2018
Cooper-Eromanga Basin – Australia			
PEL 94[ii]	Beach Energy Limited	35%	35%
PEL 95[ii]	Beach Energy Limited	50%	50%
PPL 210 [i]	Beach Energy Limited	50%	50%
PEL 96[ii]	Strike Energy Limited	66.667%	66.667%
PEL 515	Strike Energy Limited	100%	100%
PELA 640	Strike Energy Limited	100%	100%
EP469[ii]	Strike West Pty Ltd	50%	50%
EP447	Strike West Pty Ltd	100%	-
EP447 (Waylering)	Strike West Pty Ltd	100%	-
EP488	Strike West Pty Ltd	100%	-
EP489	Strike West Pty Ltd	100%	-
EP485	Strike West Pty Ltd	100%	-
EPA-82	Strike West Pty Ltd	100%	-
EPA-98	Strike West Pty Ltd	100%	-
EPA-99	Strike West Pty Ltd	100%	-

(i) Indicates petroleum permits subject to joint venture arrangements which undertake a combination of exploration, evaluation and oil and gas production activities.

(ii) Indicates petroleum permits subject to joint venture arrangements which undertake exploration and evaluation activities.

6.5 RELATED PARTY TRANSACTIONS

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 6.1.

Equity interests in associates and joint arrangements

Details of interests in joint operations are disclosed in note 6.4.

Transactions with key management personnel

During the year, the following were paid/payable to key management personnel and their related entities:

- $7,714 (2018: $5,055) was paid/payable to Mulloway Pty Ltd (a director related entity via Mr J Poynton) for travel and other expenses;
- $8,113 (2018: $Nil) was paid/payable to Jindalee Partners (a director related entity of Mr J Poynton) for share placement services;
- $29,500 (2018: $Nil) was paid/payable to Bizzell Capital Partners (a director related entity of Mr S Bizzell) for share placement services;
- $11,000 (2018: $Nil) was paid/payable to 66 KPR (a director related entity of Mr J Poynton) for rental expense.

All transactions with related parties have been at arms-length and on standard commercial terms. There were no other transactions or balances with key management personnel other than in the ordinary course of business.

For personal use only

For personal use only

Transactions with other related parties

During the financial year, the following transactions occurred between the Company and its related parties:

The Company advanced $17,479,991 (2018: $15,412,488) for the working capital requirements of its Australian subsidiaries. No interest is charged on loans or advances by the Company to its Australian subsidiaries.

The Company provided management services to its subsidiaries and joint ventures totalling $5,025,244 (2018: $4,501,234).

The following balances arose from transactions between the Company and its related parties and are outstanding at reporting date:

- Loan receivables totalling $81,049,178 (2018: $53,578,215) from subsidiaries; and
- Trade receivables totalling $1,538,800 (2018: $229,722) from joint arrangements.
- Trade payables totalling $5,000,000 (2018: $0) to subsidiaries.

All amounts advanced to related parties are unsecured.

Amounts outstanding will be settled unless it is considered that the related party will be unable to repay the amounts, in which case, a bad debt is recognised. No guarantees have been received.

Transactions between the Company and its related parties were eliminated in the preparation of the consolidated financial statements of the Group.

Parent entity

The parent and ultimate parent entity in the Group is Strike Energy Limited. Strike Energy Limited was incorporated in Australia.



For personal use only

SECTION 7: EMPLOYEE MATTERS

7.1 KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of the Group is set out below:

For the year ended $'000	30 June 2019	30 June 2018
Short-term employee benefits	885	814
Post-employment benefits	68	57
Termination benefits	-	36
Share-based payments	253	644
Total	**1,206**	**1,551**

Other details of remuneration of key management personnel are provided in the remuneration report which forms part of the Directors' Report to shareholders

7.2 EMPLOYEE BENEFITS

As at $'000	30 June 2019	30 June 2018
Provision for annual leave	230	169
Provision for long service leave	71	54
Total employee benefits	**301**	**223**
Current	230	169
Non-current	71	54

For personal use only

RECOGNITION AND MEASUREMENT

(a) Superannuation obligations

A defined contribution superannuation plan is a plan under which the employee and the Group pay fixed contributions to a separate entity. The Group has no legal or constructive obligation to pay further contributions in relation to an employee's service in the current and prior years. The contributions are recognised in the statement of comprehensive income as a component of the profit or loss as and when they fall due.

(b) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed in the statement of comprehensive income as a component of the profit or loss as the related services are provided. A provision is recognised for the amount expected to be paid under short-term cash bonus plans and outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

(c) Other long-term employee benefits

The liability for long service leave for which settlement can be deferred beyond 12 months from the balance date is measured as the present value of expected future payments to be made in respect of services provided by employees. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(d) Termination benefits

Termination benefits are recognised as an expense when the Group is committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

(e) Incentive compensation plans

The Group recognises a liability and associated expense for incentive compensation plans based on a formula that takes into consideration certain threshold targets and the associated measures of profitability. The Group recognises a provision when it is contractually obligated or when there is a past practice that has created a constructive obligation to its employees.

7.3 EMPLOYEE SHARE OWNERSHIP PLANS

Employee share incentive plan - share-based payments reserve

Under the terms of the employee share incentive plan (the Plan) which was last approved by the Shareholders of the Company on 11 November 2016, both share options and performance rights can be granted to eligible employees for no consideration. Typically, awards are granted for a two to three year period, with a number of vesting conditions attached. Entitlements under these awards vest as soon as the associated vesting conditions have been met. Awards cannot be settled in cash. Awards under the plan carry no dividend or voting rights.

Recognition and measurement

Share-based remuneration benefits are provided to employees via a variety of schemes which are further set out in note 5.3 Equity and reserves.

The fair values of the options or performance rights granted under these various schemes are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at the grant date and recognised over the period during which the employees become unconditionally entitled to the options or performance rights.

The employee benefits expense recognised in each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income as a component of profit or loss, with a corresponding adjustment to equity.

For personal use only

SECTION 8: OTHER

8.1 COMMITMENTS FOR EXPENDITURE

As at $'000	30 June 2019	30 June 2018
Permit and lease commitments		
Less than one year	11,573	13,306
Between one and five years	50,773	7,522
Total	**62,346**	**20,828**

8.2 OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

As at $'000	30 June 2019	30 June 2018
Less than one year	134	123
Between one and five years	134	226
More than five years	-	-
Total	**268**	**349**

During the year ended 30 June 2019, $187,662 (2018: $38,062) was recognised as an expense in the profit or loss component of the statement of comprehensive income in respect of operating leases.

Recognition and measurement

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases are recognised in the statement of comprehensive income as a component of the profit or loss on a straight-line basis over the term of the lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Where a leased asset is used for exploration and evaluation purposes the cost of the lease is included within the exploration and evaluation asset.

8.3 CONTINGENCIES

Litigation and legal proceedings

Innovation and Science Australia (ISA) carried out an internal review of Strike's FY16 registration and FY18 R&D pre-registration under the Industry Research and Development Act 1986 (Cth) and has denied the claims for those years. Strike has appealed the decisions to the Administrative Appeals Tribunal (AAT). The Company received $6,333,638 for the FY16 R&D tax incentive.

While Strike is confident its claims are compliant, the AAT process is expected to be protracted. To ensure the Company does not become obliged to repay to the Australian Taxation Office (ATO) any of the FY16 R&D tax incentive pending the outcome of the appeal, the Company has reached an in-principle agreement with the ATO to defer payment on account of the FY16 R&D tax incentive until after determination of the AAT appeal and when it is known whether or not Strike in fact has a liability to repay any of that incentive. As security for any potential tax liability the Company may have, the Company will grant the ATO a general security over the assets of the Company. This agreement will give the Company sufficient time and opportunity to reverse the decision before having to realise any repayment. The agreement with the ATO is subject to execution of definitive documentation.

There was no refund received from the ATO for FY18 R&D and the claim remains as a pre-registration with ISA until the AAT matter is resolved. A successful AAT outcome will allow Strike to process its $6,680,730 FY18 claim with the ATO.

A determination that the FY16 R&D claim is non-compliant could potentially trigger a review of Strike's other tax incentive claims, with the potential risk of an adverse finding in relation to those claims.

8.4 SUBSEQUENT EVENTS

On 11 September 2019, Orica Australia Pty Ltd converted $2.5 million debt into Strike ordinary shares.

With the exception of the above, there have been no other events subsequent to 30 June 2019 that would require accrual or disclosure in the consolidated financial statements.

8.5 REMUNERATION OF AUDITORS

For the year ended $	30 June 2019	30 June 2018
Amounts received/receivable by Deloitte Touche Tohmatsu (Aus) for:		
Audit or review of the financial report of the Group	89,000	104,236
Non-audit services (Review management reporting tools)	125,600	-
Total remuneration	**214,600**	**104,236**

8.6 ACCOUNTING POLICIES

New and revised standards and interpretations

(a) Adoption of new and revised accounting standards

In the current year, the Group has applied a number of amendments to accounting standards issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2018, and therefore relevant for the current year end. The initial adoption of each of the amendments to AASB has not had a material impact on the amounts reported in these consolidated financial statements.

(b) Standards and interpretations not yet effective and not adopted early by the Group

At the date of authorisation of the financial report, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for the annual reporting period beginning on	Expected to be initially applied in the financial year ending
AASB 16 'Leases'	1 January 2019	30 June 2020

AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of lessees and lessors. The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short team leases and lease of low value assets. AASB 16 applies to annual periods beginning on or after 1 January 2019. The Group will apply AASB 16 in the financial year beginning 1 July 2019. At 30 June 2019 the group had non-cancellable undiscounted operating lease commitments of $0.27 million. These commitments will require recognition of a right-of-use (ROU) asset and an associated liability on the Consolidated Statement of Financial Position.

For personal use only

Deloitte Touche Tohmatsu
ABN 74 490 121 060
11 Waymouth Street
Adelaide, SA, 5000
Australia

Phone: +61 8 8407 7000
www.deloitte.com.au

For personal use only

Independent Auditor's Report to the Members of Strike Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Strike Energy Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of their financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.3 in the financial report, which indicates that the Group incurred a net loss before tax of $2,667,000 and had a net cash outflow from operating activities of $1,933,000 and a net cash outflow from investing activities of $16,514,000 during the year ended 30 June 2019. As stated in Note 1.3, these conditions, along with other matters as set forth in Note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte Network.

Deloitte.

For personal use only

Our procedures in relation to going concern included, but were not limited to:

- Inquiring of management and the directors in relation to events and conditions that may impact the assessment on the Group's ability to continue as a going concern;
- Challenging the assumptions contained in management's cash flow forecast in relation to the Group's ability to continue as a going concern; and
- Assessing the adequacy of the disclosure related to going concern in Note 1.3.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Exploration and evaluation assets *Refer to Note 4.1.* Exploration and evaluations assets of $113,987,000 relate to costs incurred where there is expected future activity but no approved development plan. The exploration and evaluation assets relate to the Southern Cooper Basin Gas Project and the Perth Basin Projects. Assessment of the carrying value of exploration and evaluation assets requires significant judgement, including the Group's intention and ability to proceed with a future work programme to realise value from the prospective resource, the likelihood of licence renewal or extension, and the success of exploration and appraisal activities including drilling and geological and geophysical analysis.	Our procedures included, but were not limited to: • assessing the status and future appraisal plans on each licence with operational staff and Group management; • evaluating budgets, field exploration plans, contracts for future drilling and exploration activities to verify that management's intention to continue exploration efforts is supported by funding commitments; • evaluating management's assessment of whether there were any indicators of impairment as required by the relevant accounting standards; and • assessing the status of each project and the key metrics associated with commercial viability to ensure the treatment, as an exploration and evaluation asset is appropriate. We also assessed the appropriateness of the disclosures in Note 4.1 to the financial statements.
Contingent liabilities *Refer to Note 8.3* The Group is appealing Innovation and Science Australia's (ISA) negative finding with respect to the Group's FY16 R&D claim of $6,334,000, via the Administrative Appeals Tribunal (AAT). In addition, the Group reached an agreement with the Australian Tax Office (ATO) on a suitable payment plan for any FY16 R&D tax liability, should that arise as a result of the appeal to the AAT. Management has exercised significant judgement in respect to the classification of the claim as a contingent liability as at 30 June 2019.	Our procedures included, but were not limited to: • holding discussions with the Board and Management regarding their confidence of a favourable outcome; • engaging with the Group's external legal advisors; • engaging with Group's R&D tax advisors • consulting with our internal experts in R&D tax incentives; • assessing whether the status of the claim meets the definition of a liability or a contingent liability in accordance with Australian Accounting Standards. We also assessed the appropriateness of the disclosures in Note 8.3 to the financial statements.

Deloitte.

For personal use only

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to

Deloitte.

For personal use only

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 20 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Strike Energy Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Darren Hall
Partner
Chartered Accountants
Adelaide, 24 September 2019

For personal use only

THIS PAGE IS INTENTIONALLY BLANK

ADDITIONAL SECURITIES INFORMATION

For personal use only

AS AT 31 AUGUST 2019

1. Number of holders of equity securities

1,552,490,866 fully paid ordinary shares are held by 5,790 individual shareholders.

57,241,692 unlisted options and performance rights are held by 335 individuals.

2. Voting rights

In accordance with the Company's constitution, on a show of hands every shareholder present in person or by a proxy, attorney or representative of a shareholder has one vote and on a poll every shareholder present in person or by a proxy, attorney or representative has in respect of fully paid shares, one vote for every share held. No class of option holder has a right to vote, however the shares issued upon exercise of options will rank pari passu with the existing issued fully paid ordinary shares.

3. Distribution of shareholdings

Holdings	Number of shares
< 1,000	45,053
1,001 to 5,000	2,222,936
5,001 to 10,000	5,508,098
10,001 to 100,000	114,793,697
> 100,001	1,429,920,766
Holder of less than a marketable parcel	316

4. Substantial shareholders

There were no substantial shareholders as at 31 August 2019.

EXCHANGE

For personal use only

5. The 20 largest holders of quoted equity securities

Shareholder	Number of Shares	% held
MHC FUND SERVICES A PTY LTD	72,945,893	4.70%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	50,071,120	3.23%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	39,178,007	2.52%
CITICORP NOMINEES PTY LIMITED	36,282,758	2.34%
MR TIMOTHY RUPERT BARR GOYDER	34,892,858	2.25%
CALM HOLDINGS PTY LTD	25,000,000	1.61%
ROOKHARP CAPITAL PTY LIMITED	23,000,000	1.48%
NATIONAL NOMINEES LIMITED	21,156,461	1.36%
ORICA INVESTMENTS PTY LTD	20,833,333	1.34%
GREMAR HOLDINGS PTY LTD	19,357,143	1.25%
YERKIN TATICHEV	17,391,304	1.12%
BNP PARIBAS NOMS (NZ) LTD	16,058,714	1.03%
MR GARRY NOEL BUNGEY & MRS VIVIENNE ALICE NOLA BUNGEY	16,000,000	1.03%
HAZARDOUS INVESTMENTS PTY LTD	15,833,592	1.02%
MR STEWART ROBERT HOSKEN	13,250,000	0.85%
RAYNESFORD INVESTMENTS PTY LTD	12,428,571	0.80%
GREEN LITE ELECTRICAL SERVICES PTY LTD	11,000,000	0.71%
RAEJAN PTY LTD	10,000,000	0.64%
MR GREG HACKSHAW	9,998,138	0.64%
S & Y ASHTON NOMINEES PTY LTD	9,833,276	0.63%

For personal use only

CORPORATE DIRECTORY

DIRECTORS

CHAIRMAN
John Poynton

MANAGING DIRECTOR
Stuart Nicholls

NON-EXECUTIVE DIRECTOR
Jody Rowe

NON-EXECUTIVE DIRECTOR
Stephen Bizzell

NON-EXECUTIVE DIRECTOR
Andrew Seaton

COMPANY SECRETARY
Justin Ferravant

REGISTERED OFFICE
Unit 1, 31-35 George Street,
Thebarton, South Australia 5031

PO Box 639
Torrensville Plaza, SA 5031

Telephone: (+61) 8 7099 7400
Facsimile: (+61) 2 8003 9282

Email: web.query@strikeenergy.com.au
Internet: www.strikeenergy.com.au

SHARE REGISTRY

BOARDROOM PTY LIMITED
Level 12, Grosvenor Place
225 George Street
Sydney, NSW 2000

GPO Box 3993
Sydney NSW 2001

Telephone: 1300 737 760 (Australia)
Telephone: (+61) 2 9290 9600 (International)
Facsimile: (+61) 2 9279 0664

Email: enquiries@boardroomlimited.com.au
Internet: www.boardroomlimited.com.au

AUDITORS

DELOITTE TOUCHE TOHMATSU
Level 17
11 Waymouth Street
Adelaide, SA 5000

STOCK EXCHANGE LISTING

AUSTRALIAN SECURITIES EXCHANGE
Code: STX

FRANKFURT AND MUNICH STOCK EXCHANGES
Code: RJN

For personal use only

THIS PAGE IS INTENTIONALLY BLANK

For personal use only



STRIKE ENERGY LIMITED

ACN 078 012 745

p: (+61) 8 7099 7400
e: web.query@strikeenergy.com.au
w: www.strikeenergy.com.au