strike energy

Annual Report

for the financial year ended 30 June 2022

Contents

Important Notices

Precinct Development

The proposed Precinct development, including siting Project Haber within the Precinct area, will be contingent on, among other things, successfully re-zoning the land for the intended renewable and industrial uses and obtaining all other required regulatory approvals, licences and authorisations.

Project Haber

The successful development of Project Haber is contingent on, among other things, the outcomes of FEED on Project Haber, the proving up of sufficient gas reserves at South Erregulla, access to finance and (where required) equity participation, finalising urea offtake agreements, and obtaining all requisite regulatory and stakeholder permits, approvals and authorisations.

The concept, feasibility and pre-FEED studies prepared by TechnipFMC on Project Haber to date (as referenced in ASX announcement dated 15th December 2021 titled Project Haber Update) have been undertaken to determine the potential viability of Project Haber and to reach a decision to proceed with more definitive studies, and as such are indicative in nature only. The studies are based on low-level technical and economic assessments and are insufficient to provide full assurance of an economic development case at this stage or provide certainty that the conclusions of the studies will be realised and that the development of Project Haber will be commercially viable.

Future Statements

Statements contained in this Report are or may be forward looking statements. All statements in this Report regarding the outcomes of preliminary and definitive feasibility studies, projections and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Strike. Actual results, performance, actions and developments of Strike Energy may differ materially from those expressed or implied by the forward-looking statements in this Report. Such forward-looking statements speak only as of the date of this Report. Refer to the 'Summary of Key Risks' section of the release titled " Equity Raising and Corporate Update April 2021" released to ASX on 15 April 2021 for a summary of certain general, Strike specific and acquisition specific risk factors that may affect Strike. There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in the aforementioned ASX release. Investors should consider the forward looking statements contained in this Report in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Strike and any of its affiliates and their directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this document to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Strike since the date of this Report.

Strike Energy Limited (ASX:STX) aspires to be Australia's lowest cost and lowest carbon producer of urea, and a substantial supplier of competitive, low cost natural gas. These outcomes will be delivered through Strike's vertically integrated strategy, which will take the Company's low cost, low impurity natural gas endowment from the Perth Basin, combine it with the best-in-class manufacturing technology, and power it with the Mid West's abundant supplies of renewable energy.

Chairman's Letter

Dear Shareholders,

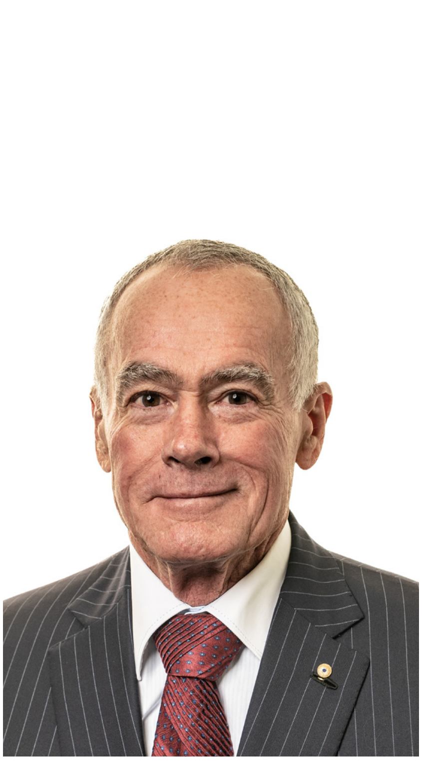
Each year I look back on Strike's activities, and I feel immensely proud of the Company's progress and achievements and how the Company continues to adapt to a rapidly changing energy and global landscape. As I reflect upon this year just completed, I am energised, given we have delivered the foundations required to realise our exciting vertically integrated manufacturing strategy in the year ahead, as both Project Haber and our initial domestic gas projects reach critical milestones.

Strike's primary goal has not changed and we continue to build an Australian gas, clean energy and manufacturing powerhouse, leveraging the talent of our people, our unique culture and our natural resource endowment to create a business that will play an important role in both the energy and food security of Australia. This year we delivered a number of important milestones in the industrialisation of Strike's business which will drive the Company's transformation over the coming years. These include the definition of several material independently certified gas reserves across our portfolio, critical pre-FID Haber milestones and the discovery, appraisal and development commitment at the Walyering gas field which are expected to lead to the Company's first cashflows in early calendar year 2023.

In the year under review, we successfully discovered the South Erregulla gas field via the South Erregulla-1 well, which sits within Strike's wholly owned acreage in the Perth Basin. South Erregulla is to provide the gas feedstock to supply Project Haber, Strike's proposed multi-billion dollar 1.4mtpa urea manufacturing facility. The success of South Erregulla demonstrates Strike's exceptional geoscience credentials as well as best in class drilling performance. It also provides Strike with a high degree of confidence that it has the gas resources sufficient to supply Project Haber for at least 15 years, thereby allowing Strike to progress with FEED (front end engineering and design) for the facility, the Koch Fertilizers offtake agreement, financing and potential equity sell down of the project.

Over the last year the thematic for fertiliser has intensified with global gas feedstock shortages, pricing and conflict forcing the shutdown or mothballing of a large portion of the world's urea supplies, and resulting in an extended period of elevated pricing. This fertiliser environment is, however, helpful for the Company as an emerging urea producer as it shines a light on Australia's supply chain weakness and the need for domestic capabilities to manufacture critical agricultural commodities.

Through the acquisition of the Kingia Plains farm which completed post year-end, we launched the Mid West Low Carbon Manufacturing Precinct (**'the Precinct'**). The acquisition of these 3,500 hectares of freehold farming land in the Three Springs Shire holds Strike's 100% owned South Erregulla gas discoveries and carbon sequestration reservoirs and possesses world class wind potential. Due to the subsurface benefit and ability for Strike to exercise greater control over the strategic direction of Project Haber, Strike formally relocated Project Haber to The Precinct. Relocating Project Haber to the Precinct allows for a material reduction in Haber's capital expenditure, streamlining of project approvals, as well as maximising the integration of renewable energy so as to enable Project Haber to manufacture some of the lowest carbon urea in global circulation, a huge environmental benefit that can be passed on to Australia's farmers through Strike's vertically integrated strategic direction.



Also during the year, Strike announced an Inferred Resource Statement for its Mid-West Geothermal Power Project[1]. Geothermal plays an important role in Strike's long term sustainability commitments and may ultimately faciliate the Company offsetting or substituting some of its Scope 3 emissions. The Inferred Resource statement supports a mid-case estimate equivalent to 226 MWe of power generation for 30 years[2]. The booking of this independently certified inferred resource for our proposed zero carbon Mid-West Geothermal Power Project is the first of a series of exciting milestones to come in proving a commercial development at what the Company believes is a truly unique and highly complementary baseload renewable energy asset.

We appreciate the support of all our shareholders which ensures that we remain in a sound financial position. The discipline and resourcefulness of the Strike management team has been on display throughout the period under review, meaning our capital has got us further and has been deployed across a wider number of activities than had been planned at the time of procuring it. Nothing highlights this more than the successful discovery, appraisal and now final investment decision for the Walyering gas field where the vast majority of these activities were outside the April 2021 proposed capital program and associated raising.

Walyering's fast to market and low cost (~$14.4m gross, $7.9m STX share) development will see the Company achieve first cash flows in early calendar year 2023 and leapfrog ahead of the West Erregulla development, due to its streamlined environmental profile. West Erregulla, which also has seen significant upgrades over the last financial year, now represents an exciting growth option for Strike to build out its domestic gas business, where we see an increasingly more attractive market as the WA gas price rises in line with the global gas thematic.

It has been very rewarding to watch Strike's strategic vision take shape. We continue to set the bar high and this past year demonstrates our delivery against our ambitious vision. I would like to thank my fellow Directors for their commitment and support. Special thanks to Stuart Nicholls, our Managing Director and his leadership team for the energy, creativity and discipline they bring to our Company. The success that Strike has enjoyed this year has been achieved through the great work of our staff, suppliers, and contractors.

Finally, thank you to our shareholders, many of whom have supported Strike for a long time. With your support we continue to build an Australian company we can all be proud of.

I look forward to reporting to you in 12 months' time about another year of achievement and progress as we transition from explorer to producer to emerging climate-aware manufacturer

Yours sincerely,

John Poynton AO

Chairman – Strike Energy Limited

[1] *The Mid West Geothermal Power Project remains subject to, among other things, grant of the Company's application for a Geothermal Exploration Permit.*

[2] *Refer ASX announcement titled "Mid-West Geothermal Power Project Inferred Resource Statement" dated 5 May 2022 for information relating to the Inferred Resource Estimate.*

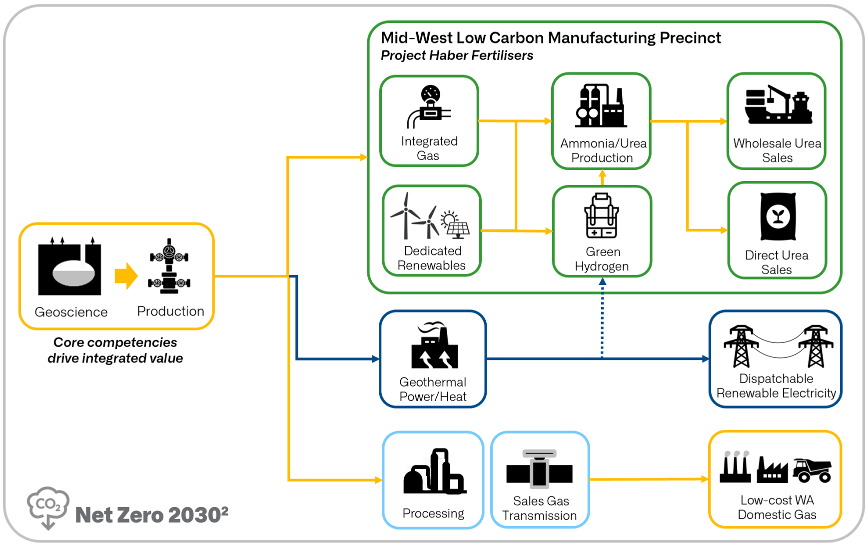
Managing Director's Report

Dear Shareholders,

The last 12 months has seen Strike make substantial progress on its strategy to become a fully integrated energy, renewable power and fertiliser business. Central to our strategy is the advancement of Project Haber, which achieved several important milestones, including:

- securing gas supply via the successful drilling and flow testing of South Erregulla 1;
- agreeing terms with Koch Fertilizer as offtaker for 100% of production from Project Haber[1];
- creating a pathway for the integration of renewable energy into Project Haber through the establishment of the Mid West Low Carbon Manufacturing Precinct; and
- completing Project Haber's FEED tender .

Project Haber is central to Strike's strategy. It will maximise the value of Strike's abundant low-cost natural gas, help us minimise our carbon footprint, and develop new domestic supply of lower-carbon urea at a time when Australia's farmers are experiencing high prices caused by limited supply of increasingly expensive imports.



Health, Safety, Environment and Community

I am pleased to report that we did not register any lost time injuries during the year. The Strike team successfully drilled four wells and undertook five flow tests with no lost time injuries, which is a testament to the team's commitment to safety, and reflects our Company's relentless focus on safety. The diligence of our people and integrity of our safety systems have allowed us to maintain our top quartile safety record.

We continue to adhere to the highest environmental standards. We feel privileged to be operating in Western Australia, which has high environmental standards that we plan to meet or exceed.

I would like to thank the hundreds of people in the Mid West region of Western Australia who have engaged with us as part of our community consultation programs. We have been rewarded with great relationships and support for our activities. Through the Greater Erregulla project, Project Haber and our proposed Mid West geothermal project, we are building an important business for the region that has the potential to create hundreds of jobs and generate business opportunities for decades to come.

[1] *Refer ASX announcement titled "Strike and Koch Fertilizer agree to Urea Offtake Term Sheet" dated 19 May 2022. Offtake is subject to negotiation and executive of a definitive binding offtake agreement.*

[2] *Refer to ASX announcement entitled "Strike Commits to Net Zero 2030" dated 14 May 2021 for the assumptions and source information on which Strike's Net Zero Plan is based.*

Project Haber

By moving downstream from gas and into fertiliser production we will create enormous value for our shareholders, as well as our local communities and Western Australia more broadly. Fertiliser manufacturing provides us with the opportunity to generate strong returns for decades to come, maximising our natural gas endowment. Many aspects of the strategic decision to make Project Haber the focus of Strike's commercialisation strategy are illustrated below.

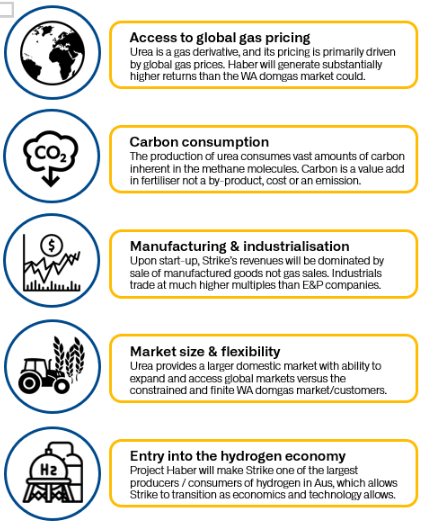
The strategic importance of Project Haber became apparent during the year with the volatility in global energy and fertiliser markets. High global energy prices, in particular gas prices, saw urea manufacturing disrupted and some facilities permanently shut down. The application of urea fertiliser to Australia's broadacre farming increased by 19% last year, during a time when Australia's last domestic source of supply is due to be shutdown at the end of 2022.

With access to low cost Perth Basin gas, Project Haber will produce some of the world's lowest cost urea fertiliser with an accompanying low carbon footprint.

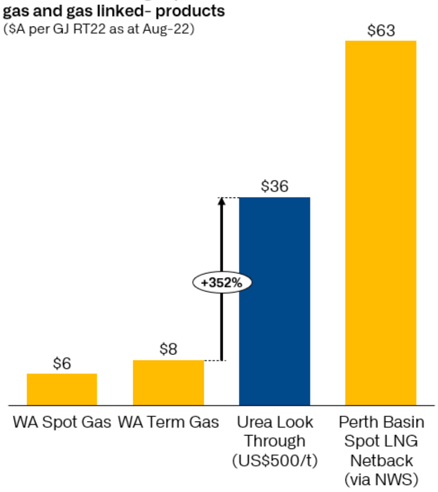
The announcement of the Mid West Low Carbon Manufacturing Precinct will utilise the freehold land Strike acquired in September 2022 to create a low carbon integrated energy and industrial manufacturing centre[3]. With the acquisition of the land and establishment of the Precinct, the decision was taken to relocate Project Haber's potential urea production facility to this strategic location. The benefits of the co-location include:

- Capital cost reduction of ~AUD$85m with the removal of the requirement for a 105km Haber-Geraldton gas pipeline;
- Integration of up to 170MW of onsite renewable energy to produce some of the lowest carbon urea fertiliser in the global market;
- Displacement of 5-10TJ/d (terajoules per day) of gas consumption through integration of behind-the-meter dedicated onsite renewable power;
- More than 1,500 hectares of carbon farming and offset opportunities; and
- Streamlining environmental approvals and de-risking land access arrangements for the integrated development.

What are the benefits of moving down the value chain into fertilisers?



Realised effective gas prices for Perth Basin gas and gas linked- products
($A per GJ RT22 as at Aug-22)



Source: Compiled using information from GasTrading Spot Market – Forecast v Actual: http://www.gastrading.com.au/spot-market/historical-prices-and-volume, Strike analysis and Project Haber model.

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[3] *Refer to Important Notices as they relate to the Precinct on page (i) of this Report.*

Walyering Gas Field Development

The Walyering development is an exciting fast-to-market project with a final investment decision (FID) taken just nine months after the successful appraisal of the Walyering-5 and Walyering-6 wells. Strike's application of 3D seismic over the historic Walyering discoveries enabled a new geophysical interpretation of the acreage that allowed the field to be brought back online. The high-quality nature of the gas, with low CO_2 and impurities, has meant limited onsite infrastructure investment is required for the development of the field. At a cost of ~$14.4m gross (Strike's share ~$7.9m), this is a low capital intensity development. The timing of the Walyering development coincides with a tightening of Western Australia's domestic gas market. The Walyering development represents an important milestone for Strike as it will serve to generate the Company's maiden cashflows. Production is planned to commence in Q1/ calendar year 2023 and is forecast to deliver a gross cashflow of between $50 million to $75 million per annum, with an estimated free cash flow yield of greater than 90 per cent[4].

West Erregulla Gas Field Development

The past year has seen several important milestones achieved for the West Erregulla Development. The release of the interim maiden Resources and Reserves in October 2021[5], followed by a 41 per cent Reserves upgrade in July 2022[6], demonstrated the significant volume of domestic energy that can be produced from West Erregulla's development. Environmental approval remains a critical precursor to FID, and the project continues to move forward in preparation for that milestone. The re-entry and completion of West Erregulla 3 was also undertaken during the year with an exceptional 90 mmscfd (million standard cubic feet per day) peak instantaneous flow rate achieved and 84 mmscfd of stabilised production.

Corporate

After the end of the reporting period (in September 2022), Strike raised $30 million (pre-costs) to support the construction of the Walyering gas field development, settle the Precinct acquisition and in turn submit critical approvals documents for Project Haber. The capital was raised by way of a placement to institutional and sophisticated investors and the raising sets us on a path to our first cashflow from the Walyering development, which is expected to bring gas to market in calendar year 2023.

During the reporting period and post year-end, Strike also secured an additional $10 million in secured debt facility and a commitment to a further $10 million secured debt facility with Macquarie Bank Limited ("Macquarie") to cover pre-development and development costs across its portfolio of high-quality Perth Basin gas projects[7]. The facilities have provided Strike with the capital required to continue to progress its journey to becoming a significant Western Australia's gas producer with Macquarie agreeing to extend repayment for the existing $13 million of drawn debt by a further year to November 2023.

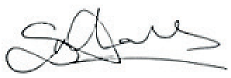
The support of investors and financiers for Strike underlines the strong commercial credentials of our projects.

Conclusion

This last year has been a year of tremendous achievement, resulting in the discovery of several new gas fields one of which has already moved into development and will bring the Company into cashflow in early 2023. Strike has also delivered several of the key foundation blocks necessary to become a vertically integrated urea manufacturer delivering low carbon fertiliser to Australia's farms and a major source of jobs and income for WA's Mid West Region.

We can only do this with the support of our shareholders, our people and our communities. I'd like to thank all of you for your support during the year. I would also like to thank Strike's executive team and Board for their unity and vision that is inspiring us all to become Australia's first fully integrated energy, fertiliser manufacturing and renewables business.

Yours sincerely,



Stuart Nicholls

Managing Director and Chief Executive Officer

[4] Refer ASX announcement titled 'Euroz Hartleys Quarterly Energy Series' released 23 August 2022.

[5] Refer ASX announcement 'Strike delivers maiden Perth Basin gas reserve' dated 11 October 2021.

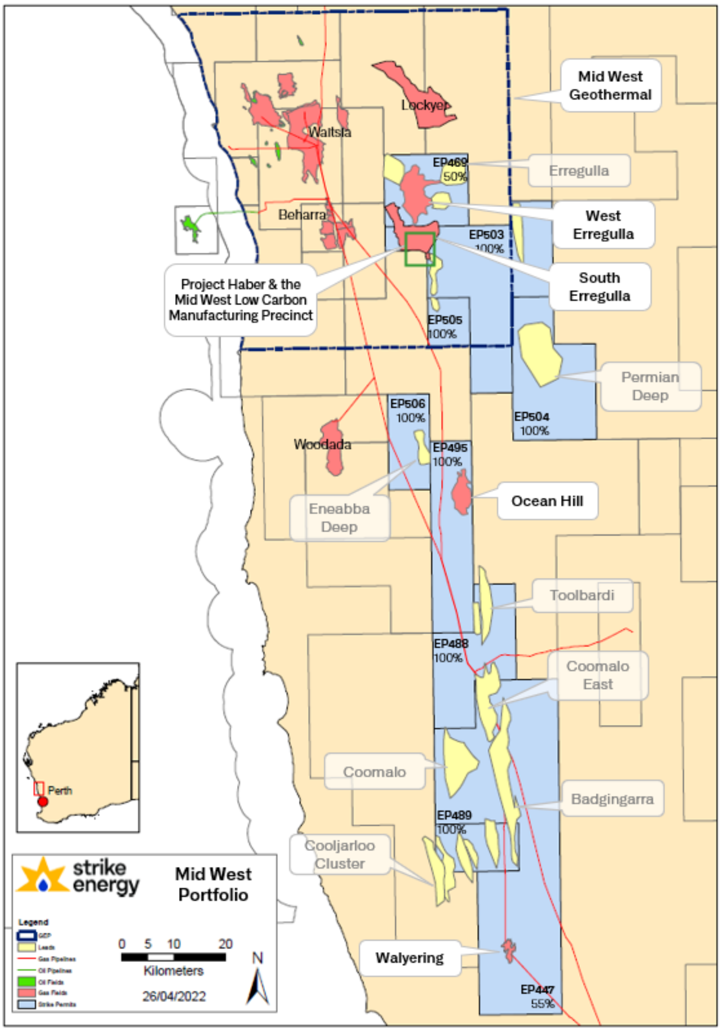
[6] Refer ASX announcement 'West Erregulla Reserves Upgraded by 41%' dated 27 July 2022.

[7] Committed facility, as at 20 September 2022, remains subject to execution of definitive documentation and satisfaction of customary conditions precedent to draw down of that facility.

Permits and Activities

Perth Basin

The Perth Basin, in which Strike's gas and geothermal acreage is located, is emerging as Australia's new energy powerhouse. With an abundance of clean, low cost gas and the potential for what Strike believes to be substantial geothermal energy resources, the Perth Basin is well positioned to supply industrial feedstock, baseload zero carbon and high calorific value energy to the Western Australian market. This is all located close to major energy transmission infrastructure that is connected to WA's major population centre in the South West, and will soon be directly connected via a gas pipeline to Western Australia's Goldfields region. The Perth Basin is also emerging as a potential hydrogen hub. Gas is a critical enabler to Western Australia's burgeoning hydrogen Industry,, and Strike's proposed urea manufacturing facility could prove to be a future demand sink for both blue and green hydrogen produced throughout the Mid West, and, in time, a consumer of an estimated 1 million tonnes of CO_2 per annum.



Project Haber[1]

Project Haber is Strike's proposed fully integrated 1.4mtpa (million tonne per annum) low carbon urea project based at the edge of the West Australian Wheatbelt in the Mid West region. Through the integration of Strike's adjacent low impurity natural gas, application of global best-in-class ammonia technology, domestication of fertiliser supply and incorporation of green hydrogen, Strike is aiming to develop a low carbon urea product to support the abatement of Australia's agricultural emissions. Project Haber's urea will support Australia's farmers by improving the availability of nitrogen-based fertiliser and removing expensive supply chain costs, ultimately delivering low cost and low carbon fertiliser to farms across the country. Co-located with Strike's Mid West Low Carbon Manufacturing Precinct, Project Haber is expected to result in the abatement of between 650,000 and 795,000 tonnes of CO_2 per year[2]. This represents a 50-60 per cent reduction in the carbon footprint of Australian urea fertilisers as compared to 2019 levels.

The strategic significance of Project Haber has been recognised at State and Federal levels of Government. Project Haber was awarded Lead Agency Status by the State Government of Western Australia and, at a Federal Government level, Major Project Status. The award was based on the opportunity that Project Haber offers to advance Australia's downstream manufacturing industry and support the integration of low carbon technologies and renewable hydrogen. Major Project Status will provide the Project with the services of

[1] *Refer to Important Notices as they relate to Project Haber on page (i) of this Report.*

[2] *Refer ASX announcement titled "Project Haber to deliver further benefits as Pre-FEED completes" dated 20 September 2021.*

the Federal Major Project Facilitation Agency to streamline approvals processes and support the profile of the project when looking to attract export credit agency like financing.

Current Status

During the year, Technip Energies completed Project Haber's pre-FEED (front-end engineering design) study, which resulted in the adoption of Haldor Topsoe's SynCOR Autothermal Reformer technology to minimise the carbon intensity of the produced urea. Another significant outcome from pre-FEED included a reduction in the gas feedstock requirements by ~7 per cent to 73TJ/d and 350PJ for up to 15 years.

Following pre-FEED, Strike commenced FEED early works including progression of the environmental assessments. The project team issued the FEED Basis of Design, which is an important precursor to awarding the FEED contract. The FEED tender process continued to advance with commercial and technical discussions underway. The project team issued the Owner's Engineering tender and upon conclusion awarded it to Wood, who will support the Company through its engineering and construction programs.

During the period, Strike also announced that it completed its competitive fertiliser offtake process by agreeing to a non-binding term sheet and exclusive negotiation period with Koch Fertilizer. Once finalised, the offtake would cover 100 per cent of the 1.4mtpa urea production capacity of Project Haber for a period of up to 15 years. The award to Koch Fertilizer creates the foundations for an exciting and transformational period, at the conclusion of which Strike will have completed its journey to becoming a fully vertically integrated manufacturer of high energy intensive and low carbon emission products. Securing Koch Fertilizer as Strike's sole offtake partner will give Project Haber a high degree of creditworthiness and financial security.

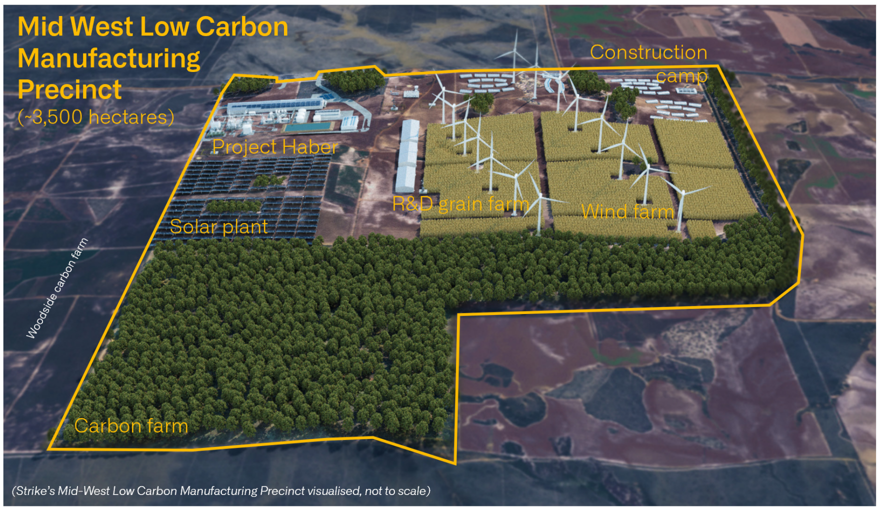
Mid West Low Carbon Manufacturing Precinct

In September 2022, Strike has acquired 3,500 hectares (35km^2) of freehold farming land in the Shire of Three Springs in the Mid West of Western Australia to house our Mid West Low Carbon Manufacturing Precinct. This land holds substantial strategic value for reducing the cost and carbon intensity of Project Haber's nitrogen-based fertilisers, and for the development of renewables-driven manufacturing in Western Australia. The land possesses several natural resources and assets, including the South Erregulla Kingia and Wagina low impurity gas fields, 103m of excellent Jurassic aged carbon sequestration sandstone reservoir[3], and some of Australia's best wind resources. The Precinct provides the following opportunities for Strike:

1. Industrial envelope for Project Haber, its operations and construction camp with surplus land for possible expansion;
2. Potential integration of 100MW of tier one developable wind resource;
3. Potential integration of 1MWh per 3ha of land for solar power generation;
4. Potential Research & Development grain farm for fertiliser product testing; and
5. 1,500ha of potential revegetation and carbon farming / offset land.

The Precinct is being established so that other proponents may join Strike in the expansion of the sites' renewable resources.

The majority of the net Haber emissions are associated with power and heat generation for the plant's utilities. An additional estimated



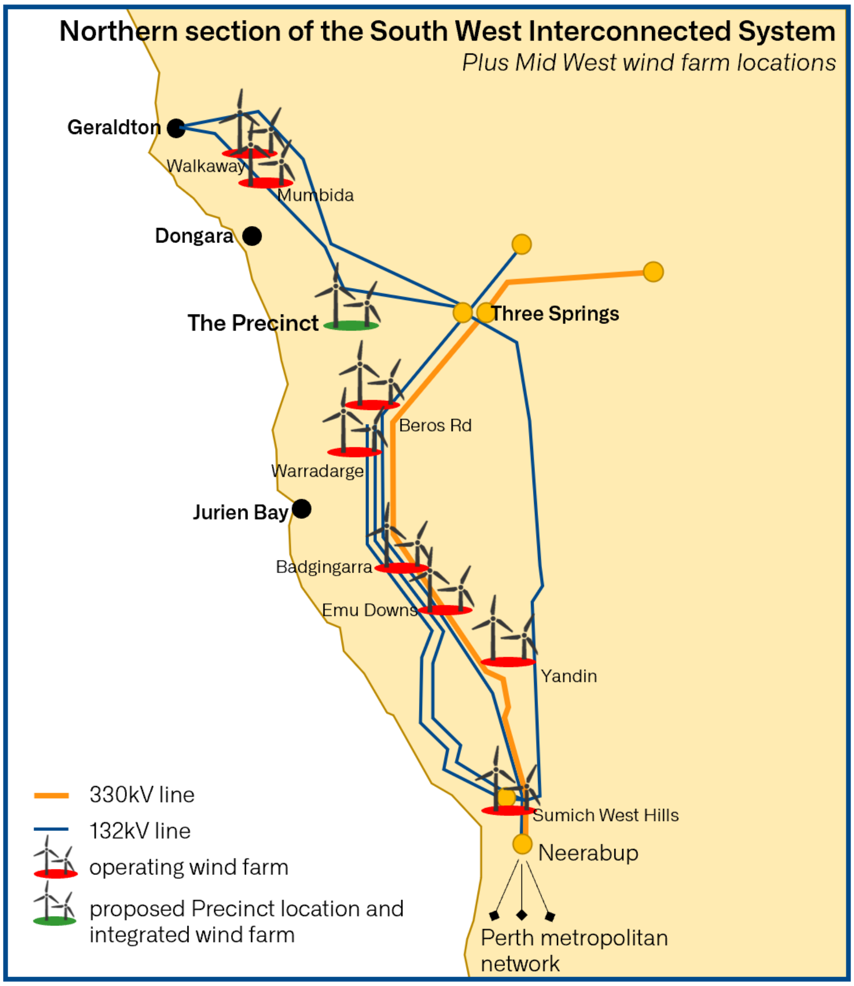
(Strike's Mid-West Low Carbon Manufacturing Precinct visualised, not to scale)

[3] *Refer ASX Announcement dated 7th of March 2022 titled "South Erregulla Unlocks Project Haber".*

126ktpa of CO_2 can be removed through the integration of dedicated renewable energy (resulting in a 60 per cent carbon reduction against base)[4]. Integration of this dedicated renewable energy is facilitated by Strike's acquisition of freehold land for Project Haber and the subsequent advancemen of the Precinct.

On top of this renewable integration, Project Haber at the Precinct allows Strike to remove other potential emissions associated with gas transmission and piping the South Erregulla gas to Geraldton. The substitution of the plant's utilities-associated gas consumption of 5-10TJ/d with the Precinct's planned dedicated renewable electricity reduces the final emissions profile of the urea produced (based on Strike's analysis) to an estimated 0.38 tonnes of CO_2 per tonne of urea. Achieving this carbon profile will make Project Haber's urea one of the lowest carbon urea fertilisers available in the global market.

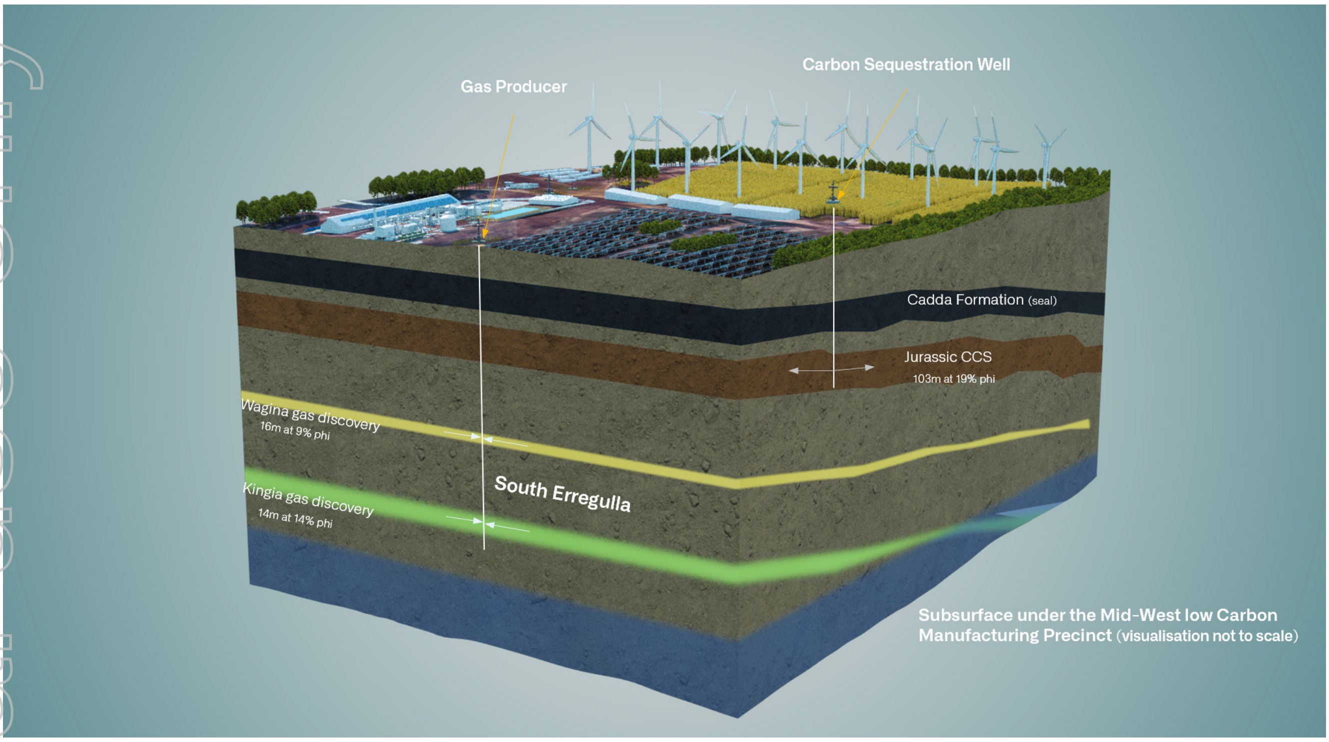
A further future positive economic benefit of the substitution of the fuel gas for onsite, behind-the-meter renewables is an increase in the final margin per tonne of urea by approximately five per cent. The substitution also liberates gas supplies for further manufacturing allocation or other trading opportunities. Through the relocation of Project Haber to the Precinct, the construction of the 105km Haber-Geraldton gas pipeline will no longer be required. This will reduce Project Haber's capital costs by approximately ~AUD$85 million and eliminate the potentially lengthy process of obtaining pipeline licences and associated access agreements.



South Erregulla

The Kingia and Wagina gas discoveries combine to give Strike the resource confidence necessary to proceed with and execute the Project Haber engineering, offtake and environmental approvals. The South Erregulla 1 Kingia Sandstone flow test achieved one of the highest sustained flow rates in Perth Basin history with 78mmscfd on 78/64" choke with FTHP (flowing tubing head pressure) of 2,590psi over a 5-hour test. The peak gas rate recorded was 80mmscfd, which was constrained by the well testing equipment. No sand or formation water has been observed during the test to date and the gas stream produced from the Kingia Sandstone was a low impurity dry gas which is in line with gas compositions from the Greater Erregulla region.

[4] *Refer ASX announcement dated 7 June 2022 titled "Strike Launches Mid West Low Carbon Manufacturing Precinct".*



Subsurface under the Mid-West low Carbon Manufacturing Precinct (visualisation not to scale)

Walyering

In late 2021, results from the Walyering-5 well exceeded expectations and confirmed the presence of a high quality, low CO_2, conventional gas accumulation at the Walyering gas field. These results encouraged the EP447 Joint Venture to commit to the drilling of Walyering 6 which was completed in May 2022. Both Walyering wells performed strongly when put on test with Walyering 5 producing at 75 mmscfd with 8 bbls of condensate per mmscf and Walyering 6 at 35 mmscfd with 10 bbls of condensate per mmscf.

The combined results of drilling and testing at Walyering provided a clear path to a fast to market and low capital cost development due to its characteristics including:

1. Gas specification being better than pipeline (current estimate of 1mmscf = 1.19TJ);
2. Near zero impurities in measured gas samples (H2S, Nitrogen & CO_2);
3. Gas field being located on freehold farming land;
4. Co-location with compressor station 3 of the Parmelia Gas Pipeline, which links the field to WA's industrial gas market; and
5. Reservoir pressures measured at five times operating pressure of Parmelia Gas Pipeline.

The simple composition profile of the Walyering gas accumulation means minimal processing infrastructure downstream of the wellhead is needed before the gas enters the Parmelia Gas Pipeline. Following the end of the reporting period, in August 2022 after the completion of FEED with Momentum Engineering and achieving primary environmental approvals, the EP447 Joint Venture took a final investment decision (FID) and sanctioned the Walyering gas field for development.

The development at Walyering is estimated to deliver first gas sales in Q1/ calendar year 2023 and includes upstream infrastructure to support 33 TJ/d of gas production into the Parmelia Gas Pipeline and up to 300 bblsd of condensate production. The upstream facility will be powered with renewable energy and supported by 108 solar panels and battery storage. The development was costed at ~$14.4m (~$7.9m Strike share) and Strike has secured a further $10m of development funding from Macquarie Bank Limited to cover its share of the construction costs. Operating costs for the development are estimated to be low with variable costs of $0.22 GJ

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and fixed costs of $2.7m p.a. which is reflective of the high quality of the gas stream and simplicity of the development opportunity.

Strike expects to announce gas and condensate contracts in the coming months which will underpin the commencement of production operations for Strike and first cashflows for the business starting in 2023.

Ocean Hill

With the success at Walyering, Ocean Hill now represents a similar high quality, fast to market and low development cost opportunity. Strike is currently completing the land access and environmental permitting required for Ocean Hill to acquire 3D seismic and follow on with appraisal drilling. Ocean Hill currently has an independently certified 360 bcf of 2C contingent resources[5] covering the field after its discovery in 1991. Similarly to Walyering, Ocean Hill was poorly appraised and tested and with the new information and knowledge from the Walyering drilling campaign, Strike identifies Ocean Hill as its next target for appraisal activities in the Basin.

Eneabba Deep

Strike won EP506 in the WA onshore exploration bid round in 2021. Strike is closing out final approvals to acquire new 2D seismic over the Eneabba Deep structure in late 2022 which may support the drilling of a future exploration well. This current mapped lead sits adjacent to the Eneabba old mineral sands and now rare earths mine which has sanctioned the construction of a rare earth refinery at that location. This infrastructure is energy intensive and as such, the Eneabba Deep lead may provide a pathway for a localised gas development to support ongoing refining operations at the new rare earth Eneabba facility.

West Erregulla

The West Erregulla 87TJ/d Phase 1 development remains in its environmental permitting process with the Western Australian Environmental Protection Authority (EPA). Both the mid- and upstream submissions were released for public comment in late Q2 / calendar year 2022, which will then be followed by an EPA decision in the following quarter enabling Ministerial endorsement thereafter. At this stage, the environmental permits are on the critical path for the development at West Erregulla, and the procurement and financing processes have been re-phased to accommodate the later than expected delivery of these critical regulatory approvals. Strike currently expects that gas production would be brought online in late calendar year 2024 as a result of these environmental approvals process delays.

Perth Basin Geothermal

Strike's Mid West Geothermal Power Project's Inferred Resource was independently assessed by Monteverde Energy Consultants and endorsed by EarthConnect Consultants. The mid-case estimate of 203PJe of net electrical energy, equivalent to 226MWe of power generation for 30 years[6], is assessed to be present in the acreage that Strike has applied for conversion to a Geothermal Exploration Permit.

The booking of this independently certified inferred resource for Strike's proposed zero carbon Mid West Geothermal Power Project is the first of a series of exciting milestones to come in proving a commercial development of this unique and highly complementary renewable asset.

Strike was awarded a $2 million grant from the WA Government Clean Energy Future Fund to support the preparation and execution of the drilling of Future State-1, Strike's planned physical test of the potential of the Mid West Geothermal Power Project. Success at this project could provide Strike with 226MWe of base load, dispatchable zero carbon electricity on a 24/7 basis, to integrate into its planned and growing power consumption across its domestic gas and downstream fertiliser and ammonia facilities. This integration will support Strike's Net Zero 2030 target and drive down the associated carbon of its products thereby increasing their global competitiveness.

[5] *Refer ASX Announcement 'Exploration Portfolio Update' dated 17 February 2021. Strike confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all the material assumptions and technical parameters underpinning the estimate in that announcement continue to apply.*

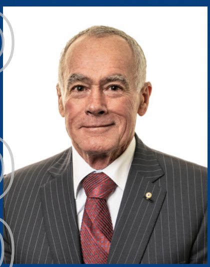
[6] *Refer ASX Announcement 'Mid-West Geothermal Power Project Inferred Resource Statement' dated 5 May 2022 for key assumptions on which the abovementioned estimates are based. Strike is not aware of any new information that materially affects the information included in that announcement. All material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.*

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 2022.

Information about the Directors

The directors of the Company during the year ended 30 June 2022 and up to the date of this report are:



John Poynton Chairman (Non-Executive), AO Cit WA FAIM Sf FIN

Mr Poynton is Chair of Poynton Stavrianou. He is Deputy Chair of Sapien Cyber Limited and a Board Member of the Future Fund Board of Guardians. From 2014 to 2018 Mr Poynton was Chair of Giving West and Chair of the Council of Christ Church Grammar School. He has previously served as the Chairman, Deputy Chairman 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 Chair on 10 April 2017

Stephen Bizzell Non-Executive Director, B.Comm, MAICD, SA FIN

Mr Bizzell is the Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners Pty Ltd. Mr Bizzell is currently serving as a Non-executive Director of ASX listed Armour Energy Ltd and Renascor Resources Ltd, and he is also the Chairman of Laneway Resources Ltd and MAAS Group Holdings Ltd.

Mr Bizzell was an Executive Director of Arrow Energy Ltd from 1999 until its acquisition in 2010 by Shell and PetroChina for $3.5 billion. He was instrumental in Arrow's corporate and commercial success and its growth from a junior explorer to a large integrated energy company. He was a founding director of Bow Energy Ltd until its $550 million takeover and was also a founding director of Stanmore Coal Ltd until its recent $250 million takeover.

Mr Bizzell qualified as a Chartered Accountant and early in his career was employed in the Corporate Finance division of Ernst & Young and the Corporate Tax division of Coopers & Lybrand. He has had considerable experience and success in the fields of corporate restructuring, debt and equity financing, and mergers and acquisitions. Mr Bizzell has over 25 years' corporate finance and public company management experience in the resources sector in Australia and Canada with various public companies.

Mr Bizzell was appointed to the Board as a Non-Executive Director on 31 December 2018.

Mary Hackett Non-Executive Director

Ms Hackett has an extensive career in the resource sector, spanning more than 30 years, with senior executive roles in Brown & Root, Woodside, and General Electric. Her most recent executive role being CEO of General Electric Oil & Gas for Australasia.

Ms Hackett is currently a Non-Executive Director for Sapien Cyber Ltd, Chair of Future Energy Exports Cooperative Research Centre, and Board Director and Chair of the Finance committee with Clean Marine Fuel Institute. Ms Hackett was also a Non-Executive Director and Chair of the ESS (Environment, Social and Safety) committee with Northern Star Resources.

A Graduate of AICD and Fellow of Engineers Australia, Ms Hackett holds an honours degree in Mechanical Engineering from University College Galway, Ireland.

Ms Hackett was appointed to the Board as a Non-Executive Director on 27 October 2020.

Stuart Nicholls Managing Director and Chief Executive Officer

Mr Nicholls has led the transformation of Strike Energy from its exploration roots into one of Australia's major emerging domestic gas producers. Mr Nicholls has a broad ranging background across the energy landscape that included time in the up and downstreams at Royal Dutch Shell. His experience includes time within Finance, Commercial, Joint Ventures, Economics, Global Strategy and Exploration; primarily from within Royal Dutch Shell's gas businesses. He has a key focus on the transition of our energy system and his previous experience also includes six years with the Australian Army in senior leadership positions.

He has worked in Australia, The Netherlands, Myanmar and Malaysia in both a corporate and operational capacity and holds a Bachelor of Commerce (Finance and Accounting) from UWA.

Mr Nicholls joined Strike as Chief Executive Officer on 10 April 2017 and was appointed to the Board as Managing Director on 18 August 2017.

Neville Power Non-Executive Director and Deputy Chairman

Mr Power has over 30 years' experience in the mining, steel, and construction industries with a record of performance on the delivery of major infrastructure projects. He is currently a Non-Executive Director of APM Human Services International Ltd and Genesis Minerals Ltd.

From 2011 to 2018, Mr Power was Managing Director and Chief Executive Officer, Fortescue Metals Group Ltd, one of the world's largest, lowest cost producers of iron ore. During his time Fortescue more than quadrupled its production to over 170 million tonnes per annum and positioned itself as the lowest cost supplier of seaborne iron ore to China.

Before joining Fortescue, Mr Power held Chief Executive positions at Thiess and the Smorgon Steel Group adding to his extensive background in the mining, steel and construction industries. In 2016, Mr Power was named WA Business Leader of the Year. He also has a long history in agribusiness and aviation holding both fixed wing and rotary pilot licenses.

Mr Power was appointed to the Board on 25 September 2019.

Andrew Seaton Non-Executive Director, BE (Chem) Hons, Grad Dip Bus Admin, GAICD

Mr Seaton has over 30 years' business experience across a range of finance, engineering, project management, investment banking and senior executive roles.

Mr Seaton was previously CFO of Santos Limited, Australia's largest producer of domestic natural gas and a key supplier of LNG into Asia. During his time with Santos, the company expanded its LNG portfolio to include interests in Darwin LNG, PNG LNG, and Gladstone LNG. Prior to this, he worked in investment banking with Merrill Lynch in Melbourne and New York across a broad range of advisory, M&A, equity and debt capital markets transactions, and with NAB in corporate and institutional banking. His early career included process engineering and project management roles across upstream oil and gas and petrochemicals.

Mr Seaton is currently the Managing Director of Australian Naval Infrastructure, and a Non-Executive Director of Homestart Finance Ltd, Hydrocarbon Dynamics Ltd and Rex Minerals Ltd.

Mr Seaton was appointed to the Board as a Non-executive Director on 18 August 2017.

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 financial year are as follows:

Director	Company	Period of Directorship
John Poynton	Crown Resorts Limited	Resigned 28 February 2021
Stephen Bizzell	Armour Energy Limited	Current
	Laneway Resources Limited	Current
	MAAS Group Holdings Limited	Current
	Renascor Resources Limited	Current
	Stanmore Coal Limited	Resigned 18 May 2020
Mary Hackett	Northern Star Resources Limited	Resigned 22 August 2022
Stuart Nicholls	-	-
Neville Power	APM Human Services International Limited	Current
	Genesis Minerals Limited	Current
Andrew Seaton	Hydrocarbon Dynamics Limited	Current
	Rex Minerals Limited	Current

Directors Meetings

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

	Board of Directors		Audit and Risk		Nomination and Remuneration		ESS Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr J Poynton	11	11	0	0	3	3	0	0
Mr S Bizzell	11	11	4	4	3	3	0	0
Mr S Nicholls	11	11	0	0	0	0	0	0
Mr A Seaton	11	11	4	4	3	3	0	0
Mr N Power	11	9[(i)]	0	0	0	0	2	2
Ms M Hackett	11	11	4	4	0	0	2	2

[(i)] *Mr Power took a leave of absence from 23 February 2022 to 27 April 2022.*

Reserves and Resources

Strike recognised its maiden 2P reserves from its Perth Basin assets.

Strike's 2P reserves were 42 million barrels of oil equivalent (MMboe), representing maiden reserves in its Perth Basin assets. The increase to 2P reserves was driven by the West Erregulla field conversion of 36 MMboe resources to reserves in September 2021 based on appraisal drilling and further extended upon drilling of West Erregulla 3. The Walyering field delivered a further 6MMboe through the re-classification from prospective resources to reserves.

2C contingent resources reduced to 74MMboe, 55% lower compared to the prior year mainly due to re-classification of West Erregulla resources to reserves and revised mapping following appraisal drilling. This was partially offset by the addition of Walyering 2C contingent resources included in the FY22 total for the first time.

Reserves (Strike Share)

2P Reserves	Gas (PJ)	Condensate (MMbbl)	Total (MMboe)
West Erregulla	211	–	36
Walyering	30	0.3	6
Total	241	0.3	42

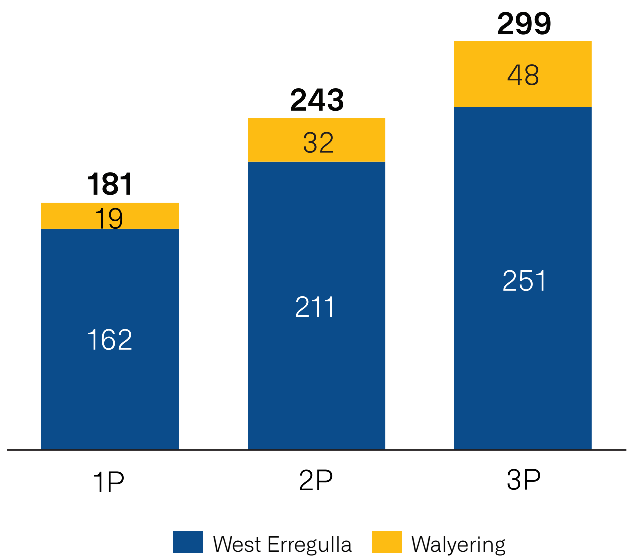
** Barrels of oil equivalent (boe) and petajoule (PJ) of gas are calculated on a 171,940 boe per PJ energy equivalence basis. The ratio does not reflect the relative commercial value of gas and oil-condensate.*

PJ – Petajoule; MMboe – million barrels of oil equivalent; MMbbl – million barrels

FY22 Reserves Reconciliation (all products MMboe)

2P Reserves	FY21	Production	Acquisition/ Divestment	Exploration/ Appraisal	Contingent Resources to Reserves	Total Revisions	FY22
West Erregulla	–	–	–	–	36	36	36
Walyering	–	–	–	6	–	6	6
Total	–	–	–	6	36	42	42

1P, 2P & 3P Reserves (PJ)



PJ, condensate included at conversion of 1 mmboe to 6.12 PJ.
Excludes South Erregulla as at this date.

Contingent Resources (Strike Share)

2C Contingent Resources	Gas (PJ)	Condensate (MMbbl)	Total (MMboe)
West Erregulla	15	–	3
Walyering	18	0.17	3
Ocean Hill	389	1.2	68
Total	422	1	74

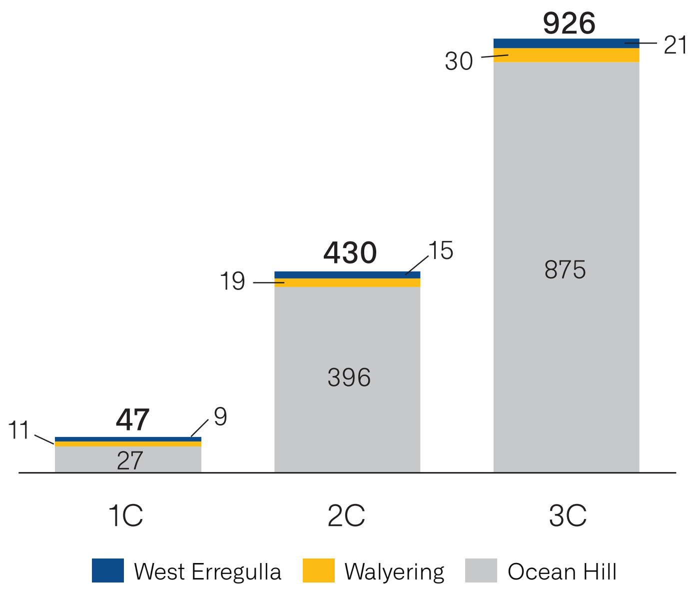
Barrels of oil equivalent (boe) and petajoule (PJ) of gas are calculated on a 171,940 boe per PJ energy equivalence basis. The ratio does not reflect the relative commercial value of gas and oil-condensate.

PJ – Petajoule; MMboe – million barrels of oil equivalent; MMbbl – million barrels

FY22 Contingent Resource Reconciliation (all products MMboe)

2C Contingent Resources	FY21	Acquisition/ Divestment	Exploration/ Appraisal	Contingent Resources to Reserves	Other	Total Revisions	FY22
West Erregulla	99	–	(60)	(36)	–	(96)	3
Walyering	–	–	3	–	–	3	3
Ocean Hill	68	–	–	–	–	–	68
Total	167	–	(57)	(36)	–	(93)	74

1C, 2C & 3C Contingent Resources (PJ)



PJ, condensate included at conversion of 1 mmboe to 6.12 PJ.
Excludes South Erregulla as at this date.

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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 2018, 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 2022 is based on information compiled or reviewed by Mr Andrew Farley who holds a B.Sc in Geology, and is a member of the Society of Petroleum Engineers. Mr Farley is the Exploration Manager of the Group and has worked in the petroleum industry as a practicing geologist for more than 20 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

The Group's net assets decreased by $21 million (15%) predominantly due to the fair value measurement of the Group's investment in equity instruments under current market conditions at 30 June 2022, combined with the loss made during the year. Total liabilities increased by $15.9 million compared to the prior year mainly due to an increase in borrowings and other liabilities to fund exploration and appraisal activity, as well as the advancement of Project Haber.

The Group recognised a non-cash impairment charge of $0.2 million after reviewing the recoverability of the Cooper Basin assets.

Climate change

The Group recognises the growing interest of our stakeholders in relation to the potential risks and opportunities posed to our business, and the broader sector, as a result of climate change and the anticipated global transition towards a lower carbon economy.

Key climate-related risks and opportunities relevant to our business include:

- The transition to a low carbon economy, such as the increased uncertainty, time and cost associated with regulatory bodies granting approvals/licences, the ongoing decarbonisation of energy markets, decreased demand for fossil fuels in some markets, reduced life of assets, changing government regulation and climate change policies at State and Federal levels, inability to attract and retain top talent, and changing community sentiment towards fossil fuel intensive projects.
- We believe this transition into a lower carbon economy also gives rise to opportunities for our gas focused portfolio. Natural gas is viewed as a key element to supporting society's sustainable energy transition.
- The physical impacts of climate change, including the increased frequency and severity of extreme weather events and chronic changes to weather patterns, which have the potential to impact demand for energy and the resilience of our assets and supporting infrastructure.

The Board has adopted the Taskforce on Climate-related Financial Disclosures' (TCFD) Recommendations as a framework for guiding our climate-related risk management and disclosures which is included in the Sustainability Report.

External Influences

External influences, such as the geopolitical unrest in Eastern Europe and the COVID-19 pandemic, have presented significant challenges throughout the Australian economy and energy sector. There were no material impacts on the Financial Report as at 30 June 2022 however the Company will continue to monitor any future consequences due to the potential uncertainty in the medium to long term.

Remuneration Report

The remuneration report outlines the remuneration outcomes and activities for the Company's key management personnel (KMP) for FY22.

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 2022 and up to the date of this report.

Non-executive Directors

John Poynton	Chairman and non-executive director
Stephen Bizzell	Non-executive director
Mary Hackett	Non-executive director
Neville Power	Deputy chairman and non-executive director
Andrew Seaton	Non-executive director

Executive Officers

Stuart Nicholls	Chief Executive Officer and Managing Director
Anthony Crispin Collier	Chief Development and Marketing Officer (appointed 1 July 2021)
Kevin Craig	Chief Operating Officer
Justin Ferravant	Chief Financial Officer and Company Secretary
Lucy Gauvin	General Counsel

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), long-term incentives (LTI) and discretionary cash bonuses. 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 $800,000 (FY21: $800,000) may be applied to pay the non-executive Directors of the Company as approved by shareholders in November 2019. Effective 1 March 2022, the base fee paid to the Directors is $100,000 (FY21: $80,000) and the Chairman's fee is $180,000 (FY21: $150,000) per annum exclusive of superannuation. Additional fees for committee chairs and members are $15,000 and $10,000 per annum exclusive of superannuation (FY21: $10,000 and $5,000 respectively). The fee structure set in 2022 is comparable and has been based on other peer entities with a similar market capitalisation.

Executive officer 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. The Company engaged a third party during the year to compare remuneration with data attained from industry relevant peers or industry associations.

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. The Nomination and Remuneration Committee will recommend to the Board the amount, if any, of the variable remuneration to be paid. Payments can be made either in cash or through the award of equity instruments in the Company.

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, financial performance, and an element of board discretion. 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 the STIP?	The STIP motivates staff and executives for their contribution to the Company's performance.
How is the STIP aligned with shareholder interests?	The STIP sets safety and environmental, operational, and cost targets to enhance shareholder value.
How is the STIP awarded?	The award can be paid in cash or non-cash as approved by the Board. The non-cash award is delivered in the form of performance rights.
When do the performance rights vest?	The STIP is awarded after the financial year and once the Board has assessed the performance of the Company. The FY22 performance rights vest 30 days from issue. Employees maintain the performance rights on the condition of remaining in 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 is the performance period?	The STIP operates over a 1-year 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 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.
What was the result of the FY22 STIP?	The Board awarded a performance score of 101% for the FY22 STIP. This score was then applied to the target levels.

The result for the FY22 STIP was 101% with the following outcomes:

Measure	Performance
Safety & Environmental	Achieved zero lost time injuries and met environmental and safety expectations during a high level of drilling activity and covid restrictions.
Domestic Gas Business	Full satisfaction of objectives including successful delivery of South Erregulla exploration well, continual improvement of drilling execution and execution of new gas contract. Exceeded expectations with the conversion of Walyering gas discovery to 2P reserves.
Net Zero 2030 Developments	Met target expectations with the establishment of Strike's low carbon manufacturing precinct, exclusive negotiations for offtake with major fertiliser distributor, and progressing geothermal with independent resource certification.
Cost Management & Commercial	Beat corporate cost challenges and met commercial targets.
Board Discretionary	The Board recognised the achievements during the year to successfully redrill West Erregulla 3 and progress the Walyering gas project to a low-cost, deliverable project to market.

The FY23 STIP scorecard and relative target weightings are:

Measure	Weighting	Rationale
Safety & Environmental	10%	Managing health, safety and environmental as a critical business activity.
Cost Management	5%	Management of costs to execute the Company's objectives.
Domestic Gas Business	35%	Moving the Company into first gas production. Meeting key project milestones to build reserves and support further project development.
Net Zero 2030 Developments	35%	Progressing low carbon intensity fertilizer, low carbon manufacturing precinct and geothermal opportunities to build towards the Company's Net Zero 2030 target.
Board Discretionary	15%	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 ("ESIP" or "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.

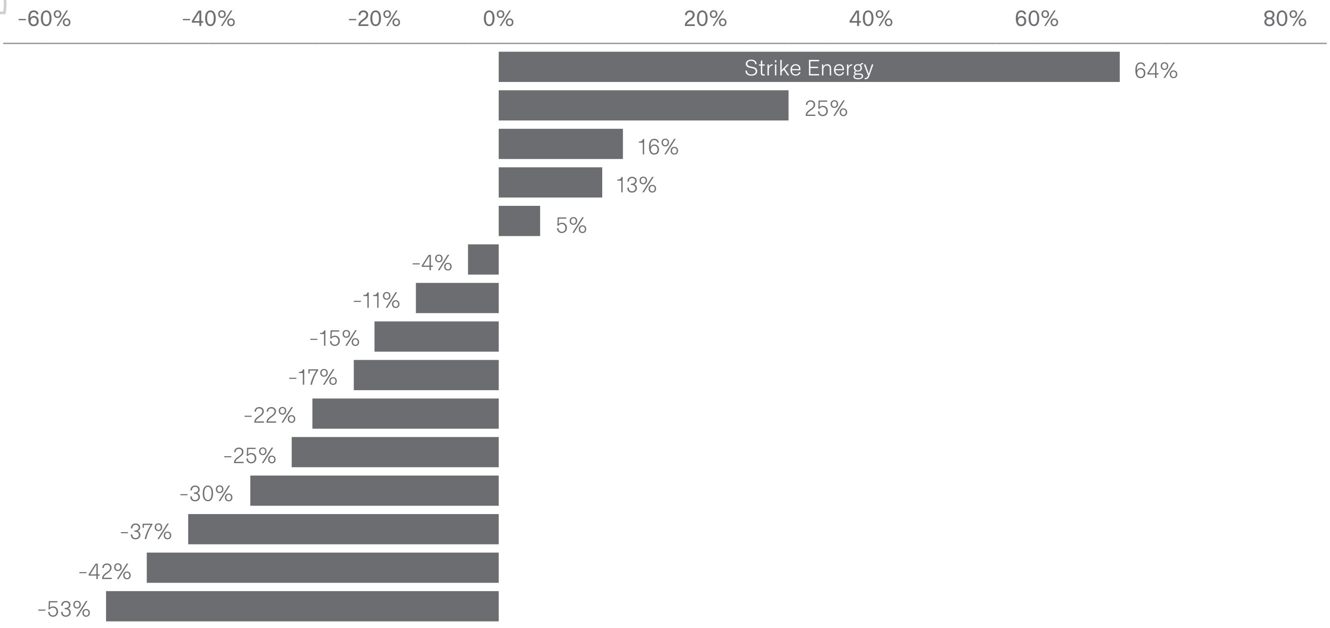
The key features of the LTIP are set out in the following table:

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.
How is the LTIP awarded?	Performance rights will be granted to Executive KMP, 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 FY22 tranche (FY22 LTIP) will be tested for vesting on 30 June 2024. 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% Executive KMP 50-60%
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 FY22 relative TSR comparative group consists of 14 ASX listed entities: Australis Oil & Gas Limited, Buru Energy Limited, Byron Energy Limited, Carnarvon Petroleum Limited, Comet Ridge Limited, Cooper Energy Limited, Cue Energy Resources Limited, Empire Energy Group Limited, Galilee Energy Limited, Horizon Oil Limited, Karoon Energy Limited, Otto Energy Limited, Senex Energy Limited, and Warrego Energy Limited. The FY22 group composition reflected the Company's existing energy focus. The FY23 relative TSR comparative group removes Australis Oil & Gas Limited, Buru Energy Limited, Cue Energy Resources Limited, Galilee Energy Limited, Otto Energy Limited, and Senex Energy Limited. To align to the Company's focus of resource commercialisation and industrial project development, the FY23 relative TSR comparative group adds Beach Energy Limited, Bellevue Gold Limited, Gold Road Resources Limited, Grange Resources Limited, Hazer Group Limited, Liontown Resources Limited, Mount Gibson Iron Limited, Neometals Limited, New Hope Corporation Limited, Vulcan Energy Resources Limited, and Westgold Resources Limited. The group will be reviewed for relevance and amended annually as appropriate.
Did any LTIP vest during FY22?	Yes, the FY20 LTIP tranche was tested for vesting on 30 June 2022. The Company's share price attained a compound annual growth rate of 64% p.a., which exceeded the highest performance hurdle for the relative component and achieved the 50% performance hurdle for the absolute component. The Board determined a combined vesting of 75%.

The FY20 LTIP tranche was tested for vesting during FY22 with the following outcomes:

The chart shows the compound annual growth rate (CAGR) of each of the relative peer companies over the FY20 LTIP period from 1 July 2019 to 30 June 2022. The FY20 LTIP relative peer group included 14 companies. Strike outperformed all the relative peer group over the three-year measurement period with a CAGR of 64% p.a. and achieved a relative TSR percentile rank of 100%. The absolute TSR vesting was 50% based on the FY20 LTIP hurdles. This combined vesting outcome of the absolute and relative TSR was 75%.

Strike CAGR Share Price Performance versus FY20 Applicable Peer Group
July 2019 to June 2022



Source: ASX
Note: Peer group companies ATS, BYE, BRU, COE, COI, CTP, CVN, FAR, GLL, HZN, KAR, OEL, SXY, & WGO.

The FY22 and FY23 performance measures are detailed below:

At grant date the FY22 LTIP absolute performance measures and vesting conditions are below. These performance measures and vesting conditions are also used for the FY23 absolute TSR:

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

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 7.3.

Remuneration details of key management personnel

$ Year ended 30 June 2022	Year	Salary and fees	Superannuation	Cash Bonus	Non-monetary	Long Service Leave	Share-based payments[ii]	Total	% of total at risk remuneration
Non-executive directors									
S Bizzell	**2022**	**100,000**	**10,000**	–	–	–	–	**110,000**	–
	2021	90,000	8,550	–	–	–	102,955	201,505	–
M Hackett	**2022**	**105,000**	**10,500**				–	**115,500**	–
	2021	57,750	5,486	–	–	–	617,117	680,353	–
N Power	**2022**	**75,058**	**7,506**	–	–		–	**82,564**	–
	2021	80,134	7,613	–	–	–	–	87,747	–
J Poynton	**2022**	**188,833**	–	–	–	–	–	**188,833**	–
	2021	171,400	3,800	–	–	–	512,995	688,195	–
A Seaton	**2022**	**105,000**	**10,500**	–	–	–	–	**115,500**	–
	2021	90,135	8,563	–	–	–	289,310	388,008	–
Executive officers				–	–	–			
A Collier[i]	**2022**	**377,610**	**23,568**	**300,000**	**3,262**	**655**	**217,963**	**923,058**	**56%**
	2021	–	–	–	–	–	–	–	–
K Craig	**2022**	**354,214**	**23,568**	–	**3,262**	**1,264**	**205,947**	**588,255**	**35%**
	2021	82,269	5,424	–	559	599	64,694	153,545	42%
J Ferravant	**2022**	**351,432**	**23,568**	–	–	**11,873**	**365,630**	**752,503**	**49%**
	2021	328,306	21,694	50,000	–	7,976	409,374	817,350	56%
L Gauvin	**2022**	**279,946**	**23,568**	–	–	**8,764**	**331,880**	**644,158**	**52%**
	2021	281,409	24,161	–	–	10,224	280,330	596,124	47%
S Nicholls	**2022**	**606,432**	**23,568**	–	**3,262**	**17,793**		**1,301,077**	**50%**
	2021	558,306	21,694	–	2,371	29,730	971,247	1,583,348	61%
Total	**2022**	**2,543,525**	**156,346**	**300,000**	**9,786**	**40,349**	**1,771,442**	**4,821,448**	–
	2021	1,739,709	106,984	50,000	2,930	48,529	3,248,022	5,196,175	–

(i) *Appointed 1 July 2021.*

(ii) *Remuneration includes a portion of the notional value of equity compensation granted or outstanding during the year in accordance with Australian Accounting Standards. Share options are valued based on the Black Scholes model. Performance rights issued during the period under the long-term incentive plan have been valued on a Monte Carlo Simulation. 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. Includes performance rights for financial year 2022 granted but not yet issued.*

Other than disclosed above, KMP did not receive any additional remuneration 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 14 November 2019, both share options and performance rights can be granted to eligible employees for no consideration.

The following table summarises the share-based payments granted, expired, and exercised to executive officers in the current financial year.

Name	Grant Date	Balance at 1 July 2021	Granted	Expired	Forfeited[iii]	Exercised	Balance at 30 June 2022
A Collier	15/11/2021	–	615,541[i]	–	–	–	615,541
	24/08/2021	–	785,590[ii]	–	–	–	785,590
Total		**–**	**1,401,131**	**–**	**–**	**–**	**1,401,131**
Total ($)			**$248,699**				
K Craig	27/07/2020	78,446	–	–	–	(78,446)	–
	15/11/2021		562,631[i]	–	–		562,631
	24/08/2021		744,119(ii)	–	–		744,119
Total		**78,446**	**1,306,750**	**–**	**–**	**(78,446)**	**1,306,750**
Total ($)			**$234,041**			**$(25,566)**	
J Ferravant	14/12/2018	1,244,516	–	–	–	(1,244,516)	–
	16/08/2019	2,818,965	–	–	–	–	2,818,965
	16/12/2019	685,168	–	–	–	(685,168)	–
	1/07/2020	967,296	–	–	–		967,296
	27/07/2020	314,130	–	–	–	(314,130)	–
	15/11/2021	–	644,420[i]	–	–	–	644,420
	24/08/2021	–	744,119[ii]	–	–	–	744,119
Total		**6,030,075**	**1,388,539**	**–**	**–**	**(2,243,814)**	**5,174,800**
Total ($)			**$240,167**			**$(317,644)**	
L Gauvin	16/08/2019	1,551,724	–	–	–	–	1,551,724
	16/12/2019	400,534	–	–	–	(400,534)	–
	1/07/2020	471,216	–	–	–	–	471,216
	27/07/2020	274,253	–	–	–	(274,253)	–
	15/11/2021	–	425,802[i]	–	–	–	425,802
	24/08/2021	–	604,526[ii]	–	–	–	604,526
Total		**2,697,727**	**1,030,328**	**–**	**–**	**(674,787)**	**3,053,268**
Total ($)			**$187,793**			**$(176,335)**	
S Nicholls	17/05/2018	2,500,000	–	–	–	–	2,500,000
	14/12/2018	2,273,089	–	–	–	(2,273,089)	–
	16/08/2019	5,172,414	–	–	–	–	5,172,414

Name	Grant Date	Balance at 1 July 2021	Granted	Expired	Forfeited[iii]	Exercised	Balance at 30 June 2022
	16/12/2019	1,135,421	–	–	–	(1,135,421)	–
	1/07/2020	2,671,580	–	–	–	–	2,671,580
	27/07/2020	520,558	–	–	(520,558)	–	–
	15/11/2021	–	1,779,687[i]	–	–	–	1,779,687
	24/08/2021	–	1,253,254[ii]	–	–	–	1,253,254
Total		**14,273,062**	**3,032,941**	**–**	**(520,558)**	**(3,408,510)**	**13,376,935**
Total ($)			**$456,498**		**$(113,100)**	**$(368,110)**	

[i] FY22 LTIP performance rights which will be tested for vesting on 30 June 2024.

[ii] FY22 STIP performance rights granted but not yet issued.

[iii] Performance rights granted in FY21 were voluntarily forfeited in FY22 as announced in October 2021.

Key management personnel equity holdings

Name	Balance at 1 July 2021	Granted	Purchased	Sold	Exercised	Balance at 30 June 2022
Non-executive directors						
S Bizzell	10,756,452	–	–		5,000,000	15,756,452
M Hackett	307,000	–	294,117	–	–	601,117
N Power	13,612,885	–	4,000,000	–	–	17,612,885
J Poynton	8,500,001	–	499,999	–	5,591,080	14,591,080
A Seaton	630,434	–	–	–	–	630,434
Executive officers						
A Collier	–	–	1,649,475	(683,404)	–	966,071
K Craig	–	–	–	–	78,446	78,446
J Ferravant	3,039,359	–	–	–	3,243,814	6,283,173
L Gauvin	2,076,424	–	–	(508,816)	674,787	2,242,395
S Nicholls	2,927,247	–	126,285	–	3,408,510	6,462,042
Total	**41,849,802**	**–**	**6,569,876**	**(1,192,220)**	**17,996,637**	**65,224,095**

Key management personnel option holdings

Name	Balance at 1 July 2021	Granted	Purchased	Expired	Exercised	Balance at 30 June 2022
Non-executive directors						
S Bizzell	5,000,000	–	–	–	(5,000,000)	–
M Hackett	5,000,000	–	–	–	–	5,000,000
N Power	6,000,000	–	–	–	–	6,000,000
J Poynton	7,000,000	–	–	–	(5,591,080)	1,408,920
A Seaton	5,000,000	–	–	–	–	5,000,000

Name	Balance at 1 July 2021	Granted	Purchased	Expired	Exercised	Balance at 30 June 2022
Executive officers						
A Collier	–	–	–	–	–	–
K Craig	1,000,000	–	–	–	–	1,000,000
J Ferravant	1,000,000	–	–	–	(1,000,000)	–
L Gauvin	–	–	–	–	–	–
S Nicholls	3,000,000	–	–	–	–	3,000,000
Total	**33,000,000**	**–**	**–**	**–**	**(11,591,080)**	**21,408,920**

Key management personnel performance rights holdings

Name	Balance at 1 July 2021	Granted	Purchased	Expired / Forfeited	Exercised	Balance at 30 June 2022
Executive officers						
A Collier	–	1,401,131	–	–	–	1,401,131
K Craig	78,446	1,306,750			(78,446)	1,306,750
J Ferravant	6,030,075	1,388,539	–	–	(2,243,814)	5,174,800
L Gauvin	2,697,727	1,030,328			(674,787)	3,053,268
S Nicholls	14,273,062	3,032,941		(520,558)	(3,408,510)	13,376,935
Total	**23,079,310**	**8,159,689**	**–**	**(520,558)**	**(6,405,557)**	**24,312,884**

Key terms of employment contracts

Name	Term of agreement	Total fixed remuneration[i]	Variable remuneration	Notice period	Termination entitlement
A Collier	Full time – permanent	$401,178	Eligible to participate in the ESIP in STIP and LTIP as determined by the board	3 months	12 months of total fixed remuneration if terminates for redundancy
K Craig	Full time – permanent	$380,000	Eligible to participate in the ESIP in STIP and LTIP as determined by the board	3 months	12 months of total fixed remuneration if terminates for redundancy
J Ferravant	Full time – permanent	$380,000	Eligible to participate in the ESIP in STIP and LTIP as determined by the board	3 months	12 months of total fixed remuneration if terminates for redundancy
L Gauvin	Part time – permanent	$308,714[ii]	Eligible to participate in the ESIP in STIP and LTIP as determined by the board	3 months	12 months of total fixed remuneration if terminates for redundancy
S Nicholls	Full time – permanent	$640,000	Eligible for an annual incentive award pursuant to the STIP and also a LTIP incentive award up to 100% of total fixed remuneration as determined by the board	3 months	12 months of total fixed remuneration if terminates for redundancy. Entitled to payment on satisfactory completion of 6 month non-compete.

[i] *Including superannuation.*

[ii] *Employed on part time basis.*

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 (i)	Expiry date	Fair Value	Exercise price	Number
Options – 31 Jul 2020 (viii)	31 Jul 2022	$0.118	$0.15	6,408,920
Options – 14 Nov 2019	25 Sep 2022	$0.089	$0.35	6,000,000
Options – 31 Jul 2020	31 Jul 2022	$0.100	$0.23	3,000,000
Options – 1 Dec 2020	31 Jul 2022	$0.123	$0.35	5,000,000
Options – 7 Apr 2021	31 Jul 2022	$0.095	$0.35	1,000,000
			Total	**21,408,920**

Instrument/Grant date	Expiry date	Fair Value	Exercise price	Number
Milestone Performance rights (ii)	NA	$0.076	Nil	2,500,000
FY20 LTIP Performance rights (iii)	30 Sep 2022	$0.149	Nil	9,543,103
FY21 LTIP Performance rights (iv)	30 Sep 2023	$0.129	Nil	1,438,512
FY21 LTIP Performance rights (iv)	30 Sep 2023	$0.205	Nil	2,671,580
FY22 LTIP Performance rights (v)	30 Sep 2024	$0.008	Nil	4,028,081
FY22 STIP Performance rights (vi)	3 Dec 2022	$0.259	Nil	2,878,354
FY22 STIP Performance rights (vi)	3 Mar 2023	$0.259	Nil	1,253,254
			Total	**24,312,884**

(i) *Vest from the grant date except for the options granted on 7 April 2021 which vested on 6 October 2021*

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

(iii) *FY20 LTIP performance rights which will be tested for vesting as at 30 June 2022.*

(iv) *FY21 LTIP performance rights which will be tested for vesting as at 30 June 2023.*

(v) *FY22 LTIP performance rights which will be tested for vesting as at 30 June 2024.*

(vi) *FY22 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 2022 as a result of the exercise of options or performance rights.

Original Security	Issue Date	Number of Shares Issued
Performance Rights	20 July 2021	5,738,728
Performance Rights	22 October 2021	666,829
Options	3 June 2022	5,000,000
Options	29 June 2022	7,591,080
	Total	**17,996,637**

Transactions with key management personnel

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

- $171 (2021: $1,071) was paid to Mulloway Pty Ltd (a director related entity via Mr J Poynton) for travel and other expenses.
- $7,380 (2021: Nil) was paid to Azure Helicopters (a director related entity of Mr J Poynton) for hiring transport to operations.
- $14,800 (2021: $700) was paid to Myube Investments Pty Ltd (a director related entity of Mr N Power) for rental expense.
- $9,975 (2021: $16,863) was paid to Prime Flight Unit Trust (a director related entity of Mr N Power) for hiring transport to operations.
- $352 (2021: Nil) was paid to A Seaton for travel and other expenses.

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.

Historical Group performance

The table below summarises the Group's earnings and movements in shareholder wealth for the five years to 30 June 2022:

	2022	2021	2020	2019	2018
Sales Revenue $'000	–	–	–	–	–
Net profit/(loss) after tax $'000	(15,733)	6,780	(97,406)	(2,668)	2,157
Share price at start of year $	$0.320	$0.210	$0.060	$0.145	$0.06
Share price at end of year $	$0.255	$0.320	$0.210	$0.060	$0.145
Basic profit/(loss) per share (cents)	(0.77)	0.38	(0.06)	(0.21)	0.20
Diluted profit/(loss) per share (cents)	(0.77)	0.37	(0.06)	(0.21)	0.20
Market capitalisation ($ million)	519.6	645.2	358.3	92.6	158.7

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 or 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 2022 (2021: Nil).

Corporate Governance Statement

A copy of the Company's Corporate Governance Statement is available at www.strikeenergy.com.au/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 31.

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

Subsequent to 30 June 2022, Strike released the maiden reserves and resources report for the Walyering gas field independently certified by RISC advisory. The Walyering gas field was also sanctioned for development.

Tranche C of the Macquarie debt facility was committed subsequent to 30 June 2022.

In September 2022, Strike raised $30 million in capital to fund the Walyering and West Erregulla gas projects, secure the acquisition of freehold farming land and undertake seismic activities.

With the exception of the above, there have been no other events subsequent to 30 June 2022 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.289(2) of the Corporations Act 2001.

On behalf of the Directors,

Stuart Nicholls
Managing Director and Chief Executive Officer

23 September 2022

Auditor's Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Strike Energy Limited
Level 2, 66 Kings Park Road
West Perth WA 6005

23 September 2022

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 2022, 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 faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

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 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 2; 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

Perth, Western Australia

23 September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022 $'000	Note	30 June 2022	30 June 2021
Other income	2.2	4,064	14,622
Total income		**4,064**	**14,622**
Operating and administration expenses	2.2	(15,449)	(13,218)
Profit/(Loss) before financing and impairment		**(11,385)**	**1,404**
Finance income	5.2	22	147
Finance expenses	5.2	(4,085)	(2,157)
Net finance expenses		**(4,063)**	**(2,010)**
Impairment of exploration and evaluation assets	4.1	(235)	(1,956)
Loss before income tax		**(15,683)**	**(2,562)**
Income tax/(expense)benefit	2.3	(50)	9,342
(Loss)/Profit for the year from continuing operations		**(15,733)**	**6,780**
Other Comprehensive Income, Net of Income Tax			
Items that will not be reclassified subsequently to profit or loss			
Fair value (loss) on investments in equity instruments designated at FVTOCI		(11,614)	(562)
Other comprehensive (loss) for the year net of income tax		(11,614)	(562)
Total comprehensive (loss)/income for the year		**(27,347)**	**6,218**
Total comprehensive (loss)/income attributable to Strike shareholders		**(27,347)**	**6,218**
(Loss)/profit per share From continuing operations			
- Basic (cents per share)	2.4	(0.77)	0.38
- Diluted (cents per share)	2.4	(0.77)	0.37

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2022 $'000	Note	30 June 2022	30 June 2021
Cash and cash equivalents	3.1	13,905	74,724
Trade and other receivables	3.2	2,119	2,609
Other assets	3.4	692	874
Total current assets		**16,716**	**78,207**
Right of use assets	8.2	111	189
Exploration and evaluation assets	4.1	129,106	73,118
Property, plant and equipment		421	219
Intangible assets	3.5	1,628	2,000
Investment in Equity Instruments	3.6	10,264	10,350
Other assets	3.4	500	–
Total non-current assets		**142,030**	**85,876**
Total assets		**158,746**	**164,083**
Trade and other payables	3.3	(8,372)	(8,457)
Employee benefits	7.2	(512)	(393)
Provisions	4.2	(1,752)	(1,165)
Other liabilities	5.5	–	(1,000)
Lease liabilities		(118)	–
Total current liabilities		**(10,754)**	**(11,015)**
Trade and other payables	3.3	(950)	–
Employee benefits	7.2	(188)	(155)
Provisions	4.2	(5,153)	(3,741)
Borrowings	5.1	(18,291)	(5,769)
Other liabilities	5.5	(6,485)	(5,000)
Lease liabilities		(51)	(278)
Total non-current liabilities		**(31,118)**	**(14,943)**
Total liabilities		**(41,872)**	**(25,958)**
Net assets		**116,874**	**138,125**
Equity			
Issued capital	5.3	301,339	297,960
Reserves	5.3	3,836	12,733
Accumulated losses		(188,301)	(172,568)
Total equity		**116,874**	**138,125**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022 $'000	Issued Capital	Investment Revaluation Reserve	Share Based Payment Reserve	Accumulated Losses	Total Equity
Balance at 1 July 2020	**211,978**	**-**	**4,379**	**(179,348)**	**37,009**
Profit/(Loss) for the year	-	-	-	6,780	6,780
Other comprehensive income / (loss) for the year		(562)	-	-	(562)
Total comprehensive income/(loss) for the year	-	(562)	-	6,780	6,218
Recognition of share-based payments	-		9,088	-	9,088
Transfer of options exercised	172		(172)	-	-
Issue of ordinary shares during the year	88,294		-	-	88,294
Share issue costs	(2,484)		-	-	(2,484)
Balance at 30 June 2021	**297,960**	**(562)**	**13,295**	**(172,568)**	**138,125**
Balance at 1 July 2021	**297,960**	**(562)**	**13,295**	**(172,568)**	**138,125**
Profit/(Loss) for the year	-	-	-	(15,733)	(15,733)
Other comprehensive income / (loss) for the year		(11,614)	-	-	(11,614)
Total comprehensive income/(loss) for the year	-	(11,614)	-	(15,733)	(27,347)
Recognition of share-based payments	-	-	4,206	-	4,206
Shares issued on exercise of share-based payments	3,379	-	(1,489)	-	1,890
Share issue costs	-		-	-	-
Balance at 30 June 2022	**301,339**	**(12,176)**	**16,012**	**(188,301)**	**116,874**

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

Consolidated Statement of Cash Flows

For the year ended $'000	Note	30 June 2022	30 June 2021
Cash flows from operating activities			
Interest received		22	150
Interest paid		(369)	(20)
Net receipts from joint operations recoveries		3,115	2,668
Payments to suppliers and employees		(13,518)	(8,604)
Other receipts		1,050	–
R&D refund		509	8,784
Net cash (used in)/provided by operating activities	**3.1**	**(9,191)**	**2,978**
Cash flows from investing activities			
Payments for exploration, evaluation, expenditure assets		(52,946)	(31,751)
Government grants received		1,800	50
Advances received		–	1,000
Payments of deposits		(500)	(494)
Payments for equity instruments designated as FVTOCI	3.6	(11,739)	(10,681)
Proceeds from disposal of property, plant and equipment		–	3
Payments made for property, plant and equipment		(391)	(45)
Net cash (used in) investing activities		**(63,776)**	**(41,918)**
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		1,889	86,294
Payment of share issue costs		–	(2,484)
Payment of lease liability		(108)	(172)
Proceeds from borrowings		10,500	8,400
Term deposit (deposit)/ maturity		(33)	31
Net cash provided by financing activities		**12,248**	**92,069**
Net (decrease)/increase in cash and cash equivalents		**(60,719)**	**53,129**
Cash and cash equivalents at the beginning of the year		74,724	21,565
Effects of exchange rate changes on the balances of cash held in foreign currencies		**(100)**	**30**
Cash and cash equivalents at the end of the year	**3.1**	**13,905**	**74,724**

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

Notes to the financial statements
for the year ended 30 June 2022

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 2022 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 23 September 2022.

The nature of the operational and principal activities of the Group are described in the Directors Report.

The address of the registered office of the Company is Level 2/66 Kings Park Road, West Perth WA 6005.

1.2 Statement of Compliance

The Group's Financial Statements as at and for the year ended 30 June 2022:

- 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");
- 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 2016/191;
- Include 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; 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 2021. 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 2022, the Group generated a net loss after income tax of $15,733,000 (2021: net profit after income tax $6,780,000), had a net cash outflow from operating activities of $9,191,000 (2021: $2,978,000 inflow), and a net cash outflow from investing activities of $63,776,000 (2021: $41,918,000 outflow). As at 30 June 2022, the Group had a net current asset surplus position of $5,962,000 (2021: $67,192,000) and cash reserves of $13,905,000 (2021: $74,724,000). Additionally, as disclosed in note 8.4 of the consolidated financial statements, subsequent to year-end the Group raised $30,000,000 (pre-costs) through a share placement.

During the year, the Group deployed its working capital into continued exploration activities at its Walyering, West and South Erregulla gas projects, progressing various studies associated with the Walyering and West Erregulla gas projects to allow their continued progress towards Final Investment Decision (FID), as well as progressing studies associated with Project Haber and the mid-west low carbon manufacturing precinct, and other general corporate activities.

Subsequent to year end, the Group and its Joint Venture partner made FID with respect to the Walyering gas project. As disclosed in note 5.4, Tranche C of the Macquarie Facility is now available for drawdown.

The Directors have prepared a cash flow forecast for the period ending 30 November 2023, which is based on current cash resources, and available undrawn borrowings facilities, and reflects the Group's key objectives in that timeframe, which include the development, and commencement of gas sales at the Walyering gas project.

The cash flow forecast assumes that the joint venture partner in the Walyering gas project fund their share of the gross development costs, with first gas sales occurring in Q1 calendar year 2023. Additionally, the cash flow forecast assumes that the Group extends the maturity, or refinances, its existing borrowings which mature in November 2023, and also potentially disposes of its investments.

The forecast also assumes expenditure on committed programs only, with deferral of suspended permits and permits for which applications for suspension have been lodged, and the reduction of discretionary expenditure, including but not limited to any significant expenditure related to Project Haber, and the mid-west low carbon manufacturing precinct. Additionally, the cash flow forecast assumes that EPA approval with respect to the West Erregulla project is received in calendar year 2022 or Q1 calendar year 2023, after which FID could be made, however the cash flow forecast does not assume that development activities at West Erregulla commence in the period ending 30 November 2023. Should FID be made with respect to West Erregulla, development activities will only be undertaken once any additional funding required for development, be that in the form of debt or equity, or a combination of both, has been secured.

Based upon the Board approved cash flow forecast, the Directors believe that the current cash and other liquid resources available to the Group will be sufficient to meet the planned operating costs, planned exploration, evaluation and development expenditure and to pay its debts as and when they fall due for the 12 months from the date of signing this report.

Additionally, given the stage of the Group's operations, and recent successful capital raising and debt financing activities, the Directors believe there is a reasonable expectation that the Group will be able to either extend the maturity of, or refinance, its existing borrowings prior to maturity in November 2023.

The Directors believe that the going concern basis of preparation is therefore appropriate.

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	
2.2	Cost recoveries from JV partners
2.3	Income tax
4.1	Exploration and evaluation assets (including distinguishing between Exploration and evaluation assets and Development Assets)
4.2	Restoration obligations and other provisions
5.3	Option valuation
5.5	Government grants

The Board and management have considered the impact of external influences, such as the geopolitical unrest in Eastern Europe and the COVID-19 pandemic, on the Group's operations and financial performance and have noted that Strike may be exposed to risks, such as supply chain disruptions, inflation and volatile commodity prices.

In preparing the consolidated financial report, management has considered the impact of COVID-19 and the Russia-Ukraine war on the various balances and accounting estimates in the financial report, including the carrying values of exploration and evaluation assets. Management determined that there was no significant impact on these balances and accounting estimates.

Whilst the Russia-Ukraine war and the COVID-19 pandemic have presented significant challenges throughout the Australian economy and energy sector this year, the Company remains well positioned to execute its strategy due to the domestic nature of the business. There were no material impacts on the Financial Report as at 30 June 2022. The Company will continue to monitor any future consequences due to the potential uncertainty in the medium to long term.

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.

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 the Board (the chief operating decision maker as defined by AASB 8 Operating Segments) 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 2022	30 June 2021
(a) Other income		
Cost recoveries from JV partners[i]	3,115	2,668
Other[ii]	949	11,954
Total Income	**4,064**	**14,622**

[i] *In line with the joint operating agreements, the Group, as JV operator, charges the joint arrangements with all costs incurred in carrying out the operations, including labour and overhead costs. Payments recovered through the joint venture partners relating to labour and overhead costs are recognised as other income.*

[ii] *Other income in FY22 related to external receipts. Other income in FY21 related to unearned revenue due to the termination of gas prepayment and option agreements relating to the Southern Cooper Basin Gas Project.*

(b) Operating and administration expenses		
Depreciation and amortisation	(560)	(96)
Employee benefits expense	(5,838)	(4,728)
Share-based payments expense	(2,514)	(4,319)
Corporate expenses	(1,477)	(1,398)
Legal fees	(411)	(582)
Consulting fees	(3,475)	(952)
Office costs	(40)	(35)
Other	(1,134)	(1,108)
Total Operating and administration expenses	**(15,449)**	**(13,218)**

Other income associated with joint venture arrangements

In line with the joint operating agreements, the Group, as JV operator, charges the joint arrangements for all costs incurred in carrying out the operations. The Group recognises labour and overhead expenditures that are recoverable from external joint venture partners as "cost recoveries from JV partners" in other income. Only the Group's share of exploration expenditure incurred is capitalised into the respective area of interest.

2.3 Income tax

For the year ended $'000	30 June 2022	30 June 2021
Income tax recognised in the statement of comprehensive income		
Tax benefit/(expense) comprises:		
Current tax benefit in respect of the current year	14,172	7,949
Eligible R&D (expense)/refund	(50)	9,342
Deferred tax expense relating to the origination and reversal of temporary differences	(8,616)	(8,299)
Deferred tax (expense)/benefit not brought to account	(5,556)	350
Total income tax (expense)/benefit) relating to continuing operations	**(50)**	**9,342**

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 the year ended $'000	30 June 2022	30 June 2021
Reconciliation of effective tax rate		
Loss from continuing operations before income tax	(15,683)	(2,562)
Income tax benefit calculated at 25% (2021: 26%)	3,921	666
Effect of income and expenditure that is either not assessable or deductible	(1,269)	(1,808)
Effect of tax concessions (research and development and other allowances)	(50)	9,342
Effect of deferred tax arising from equity	2,904	792
Effect of deferred tax (expense)/benefit not brought to account	(5,556)	350
Income tax (expense)/benefit at 30 June 2022	**(50)**	**9,342**

The tax rate used in the above reconciliation is the corporate tax rate of 25% payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax balances

For the year ended 30 June 2022

$'000	Opening balance	Impact of tax rate changes & under/over	Recognised in profit or loss	Recognised in equity	Closing balance
Temporary differences					
Exploration and evaluation assets	(16,308)	(627)	(12,134)	-	(27,815)
Borrowings	93	(4)	(10)	-	79
Other	23	(1)	364	-	386
Provisions	1,418	(55)	538	-	1,901
Deferred income	1,300	(50)	-	-	1,250
Property, plant and equipment	(9)	-	(27)		(36)
Temporary differences	(13,843)	517	(11,269)	-	(24,235)
Investment revaluation reserve	146	(6)	-	2,904	3,044
Business capital expenditure (Section 40-880)	1,000	(38)	56	(306)	712
Total temporary differences	**(12,337)**	**473**	**(11,213)**	**2,598**	**(20,479)**
Unused tax losses and credits					
Revenue	21,129	(783)	14,172	-	34,518
Revenue subject to available fraction	14,759	(568)	-	-	14,191
Capital in nature	11,384	(439)	-	-	10,945
Capital in nature subject to available fraction	301	(12)	-	-	289
Total unused tax losses/credits	**47,453**	**(1,802)**	**14,172**	**-**	**59,943**
Deferred tax Assets/(Liabilities)	**23,551**	**(878)**	**2,959**	**2,598**	**28,230**

For the year ended 30 June 2021

$'000	Opening balance	Impact of tax rate changes & under/over	Recognised in profit or loss	Recognised in equity	Closing balance
Temporary differences					
Exploration and evaluation assets	(6,466)	(643)	(9,199)	–	(16,308)
Accrued interest income	(1)	–	1	–	–
Borrowings	–	–	93	–	93
Other	1	30	(8)	–	23
Provisions	356	655	407	–	1,418
Deferred income	1,375	(75)	–	–	1,300
Property, plant and equipment	–	–	(9)		(9)
Temporary differences	**(4,735)**	**(33)**	**(8,715)**	–	**(13,483)**
Investment revaluation reserve	–	–	–	146	146
Business capital expenditure (Section 40-880)	773	(42)	(40)	309	1,000
Total temporary differences	**(3,962)**	**(75)**	**(8,755)**	**455**	**(12,337)**
Unused tax losses and credits					
Revenue	19,485	(6,305)	7,949	–	21,129
Revenue subject to available fraction	15,611	(852)	–	–	14,759
Capital in nature	12,040	(656)	–	–	11,384
Capital in nature subject to available fraction	318	(17)	–	–	301
Total unused tax losses/credits	**47,454**	**(7,830)**	**7,949**	–	**47,573**
Deferred tax Assets/(Liabilities)	**31,134**	**(7,232)**	**(806)**	**455**	**23,551**

Income tax recognised directly in equity

There were no current and deferred amounts charged/(credited) directly to equity during the period (2021: Nil).

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 2022	30 June 2021
Tax losses – revenue	34,518	21,129
Tax losses – revenue subject to available fraction	14,191	14,759
	48,709	35,888
Temporary differences (deferred tax asset)	7,372	3,980
Temporary differences (deferred tax liability)	(27,851)	(16,317)
Net unrecognised deferred tax assets	**28,230**	**23,551**

The Group has gross tax losses arising in Australia of $196,236,420 (2021: $139,434,437). The Group has capital losses arising in Australia of $44,939,969 (2021: $44,939,969).

Under the tax consolidation regime, the available fraction rule is applied to tax losses held by an entity joining a consolidated tax group. The available fraction limits the annual rate at which transferred losses may be claimed by the head company.

The Group has recognised a deferred tax asset in relation to these losses to the extent necessary to offset deferred tax liabilities. No net deferred tax assets have been recognised as at 30 June 2022 (2021: nil), as a result of it not currently being deemed probable that sufficient taxable profits will be generated by the Group to utilise those unrecognised deferred tax assets. The ability to recover these deferred tax assets will be assessed at each reporting date.

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.

Sales tax, value added tax and goods and services tax

All amounts (excluding 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 and in particular R&D. 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 2022	30 June 2021
Profit/(loss) used in the calculation of basic earnings per share from continuing operations	(15,733)	6,780
Earnings used in calculating basic and diluted earnings per share	**(15,733)**	**6,780**
Number of shares ('000)	2,037,696	2,016,116
Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	2,032,461	1,772,518
Diluted profit/(loss) per share:		
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	2,032,461	1,818,613
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)	67,700	12,000
Basic earnings per share (cents per share)	(0.77)	0.38
Diluted earnings per share (cents per share)	(0.77)	0.37

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 year (2021: Nil)

Section 3: Working Capital Management

3.1 Cash and cash equivalents

As at $'000	30 June 2022	30 June 2021
Cash and cash equivalents(i)	13,905	74,724
	13,905	**74,724**

(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 2022	30 June 2021
Reconciliation of net profit after tax to net cash flows from operations:		
Profit/(loss) for the period	(15,733)	6,780
Adjustments to reconcile profit after tax to net cash flow:		
Depreciation and amortisation	560	96
Share-based payments expense	2,514	4,319
Restoration Unwind	525	82
Impairment expense	235	1,956
Exploration expense	1	489
Debt costs	2,684	1,864
Other Expense	–	6
Lease depreciation	78	146
Interest/Foreign exchange capitalized	(932)	(30)
Investing items – Grants received	–	350
Unearned Revenue	–	(12,277)
Profit/(loss) from sale of PPE	–	3
(Increase)/ decrease in trade and other receivables	2,058	(674)
Increase/ (decrease) in trade and other payables	(1,333)	(130)
Increase/ (decrease) in employee benefits	152	(2)
Net cash provided by operating activities	**(9,191)**	**2,978**

Reconciliation of liabilities arising from financing activities

For the year $'000	Lease Liability	Macquarie[i]	Total
Balances at beginning of year	**278**	**9,134**	**9,412**
Financing cash flows	(109)	10,500	10,391
Non-cash changes	–	1,248	1,248
Balance at end of year	**169**	**20,882**	**21,051**

[i] *Refer to note 5.1 for details.*

3.2 Trade and other receivables

As at $'000	30 June 2022	30 June 2021
Current		
GST receivable	354	351
Other receivables – joint venture recoveries	1,765	1,699
Other receivables – R&D refund	–	559
Total trade and other receivables (current)	**2,119**	**2,609**
Total trade and other receivables	**2,119**	**2,609**

Trade and other receivables are initially recognised at fair value, which is generally equivalent to cost. Trade and other receivables are non-interest bearing.

The Group measures a provision at an amount equal to lifetime expected credit losses, estimated by reference to past experience and relevant forward-looking factors. The Group writes off a receivable when there is objective evidence that the debtor is in significant financial difficulty and there is no realistic prospect of recovery, for example, when a debtor enters bankruptcy or financial reorganisation. No material impairment existed at balance date (2021: Nil). There were no amounts that were past due at balance date (2021: Nil).

3.3 Trade and other payables

As at $'000	30 June 2022	30 June 2021
Trade payables	3,402	3,145
Accruals and other payables[i]	5,920	5,312
Total trade and other payables	**9,322**	**8,457**
Total trade and other payables (current)	**8,372**	**8,457**
Total trade and other payables (non-current)	**950**[i]	–

[i] *Includes accrued $950,000 management fee under the AGIG early works agreement detailed in Note 4.1. The amount is payable by the Company through the future tariff should the development of West Erregulla occur or become due and payable by the Company if the early works agreement is cancelled.*

Trade and other payables are initially recognised at fair value, are non-interest bearing and are normally settled within 30 days (2021: 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 assets

As at $'000	30 June 2022	30 June 2021
Current		
Advances[i]	25	35
Security Deposits[ii]	204	664
Prepayments	463	175
	692	874
Non-Current		
Security Deposits[ii]	500	–

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

[i] *Advances represent payments made to the operations of the Group's joint arrangements, which will be used for exploration and evaluations activities in the future.*

[ii] *Security deposits relate to cash provided to secure leasing and project obligations. The weighted average interest is 0% (2021: 0.17%).*

3.5 Intangible Assets – Geothermal Title

As at $'000	30 June 2022	30 June 2021
Balance at 1 July 2021	**2,000**	–
Additions[i]	–	2,000
Amortisation	(372)	
Balance at 30 June 2022	**1,628**	**2,000**
Cost	2,000	2,000

[i] *Represents finite life intangible assets relating to the first tranche consideration for the acquisition of Mid West Geothermal Power Pty Ltd on 20 May 2021. The intangible asset has a useful life of 6 years in line with the term of the Geothermal Exploration Permit (GEP).*

Contingent consideration in connection with the purchase of individual assets outside of business combinations is recognised as a financial liability only when the consideration is contingent upon future events that are beyond Strike's control. In cases where the payment of contingent consideration is within Strike's control, the liability is recognised only as from the date when a non-contingent obligation arises. Contingent consideration linked to the purchase of individual assets primarily relates to future contingent payments based on the results of future Geothermal exploration activity. Once a non-contingent obligation arises the amounts payable under the contingent consideration arrangement will be capitalised as part of the asset cost as they are considered an incremental cost of the asset and therefore directly related to the initial asset.

Changes in the fair value of financial assets and financial liabilities from contingent consideration are recognised as other operating income or other operating expenses, except for changes due to interest rate fluctuations and the effect from unwinding discounts. Interest rate effects from unwinding of discounts as well as changes due to interest rate fluctuations are recognised in financial income or financial expenses.

In accordance with AASB138 Intangible Assets, the Group capitalises amounts paid for the acquisition of identifiable intangible assets where it is considered that there is a probability of future economic benefit. These assets, classified as finite life intangible assets, are carried in the balance sheet at the fair value of consideration paid less accumulated amortisation and impairment charges. Intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives.

Where indicators of impairment exist for intangible assets, in the absence of quoted market prices, estimates are made regarding the present value of future post-tax cash flows. These estimates require management judgement and assumptions and are subject to risk and uncertainty that may be beyond the control of the Group; hence, there is a possibility that changes in circumstances will materially alter projections, which may impact the recoverable amount of assets at each reporting date. The estimates are made from the perspective of a market participant and include prices, future production volumes, operating costs, tax attributes and discount rates

3.6 Investment in Equity Instruments

As at $'000	30 June 2022	30 June 2021
Equity instruments at fair value through OCI – shares in listed companies		
Balance at beginning of year	**10,350**	–
Acquisition of shares in listed companies	11,528	10,912
Disposals of shares in listed companies	–	–
Revaluations to fair value	(11,614)	(562)
Balance at end of year[i]	**10,264**	**10,350**

[i] *Strike purchased shares in Warrego Energy Limited during the year ended 30 June 2021 and 30 June 2022. Strike became a substantial shareholder of Warrego Energy Limited on 16 July 2021 to increase its economic interest in the West Erregulla Project.*

Upon initial recognition, the Group can elect to irrevocably classify its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed equity investments under this category.

The Company categorises the fair value measurement of the investment in equity instruments as level 1 because the inputs were derived from quoted prices for that financial instrument.

Section 4: Resource Assets

4.1 Exploration and evaluation assets

For the year ended $'000	30 June 2022	30 June 2021
Balance at beginning of year	**73,118**	**37,671**
Additions	54,749	35,570
Change in restoration provision[i]	1,474	1,833
Impairment	(235)	(1,956)
Balance at end of year	**129,106**	**73,118**

[i] *Refer to note 4.2 for more detail.*

Impairment charge

During the financial year, the Group recognised a $0.2 million impairment charge (2021: $2 million) for its Cooper Basin assets upon deciding to discontinue the Jaws pilot testing.

Early works agreement

In 2021, Strike entered into the early works agreement (EWA) with Australian Gas Infrastructure Group (AGIG) for the West Erregulla Phase 1 gas development project. Strike provides AGIG with security payments for its share of costs associated with the services completed under the EWA, which includes various work streams and studies associated with advancing the West Erregulla project towards making a potential final development decision. Upon execution of the services agreements, the security payments will subsequently be refunded and rolled into the fixed processing fee. In the event of termination, the security payments will be utilised to reimburse AGIG for the cost incurred through to the date of termination, and the underlying assets, including related intellectual property will be transferred to the Company from AGIG. As at 30 June 2022, Strike made $9.1 million in security cash payments.

The security cash payments and the management fee detailed in Note 3.3 have been recognised as exploration and evaluation expenditure.

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.

Exploration and evaluation expenditure that are capitalised may include costs of licence acquisitions, technical services and studies, seismic acquisitions, exploration drilling and testing, directly attributable overhead and administration expenses and, if applicable, the estimated costs of retiring the assets. Any costs incurred prior to the acquisition of the legal rights to explore an area are expensed as incurred.

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.

Upon approval for commercial development of an area of interest, the accumulated expenditure for that area of interest is transferred to developments assets.

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. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

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.

Each potential or recognised area of interest is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs.

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. This assessment requires management to make certain estimates and apply judgement in determining assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. Where a potential impairment is indicated, assessment is performed using a fair value less costs to dispose method to determine the recoverable amount for each area of interest to which the exploration and evaluation expenditure is attributed.

4.2 Restoration obligations and other provisions

As at $'000	Restoration and rehabilitation	Total
Balance at beginning of year	**4,906**	**4,906**
Provisions made during the year[i]	1,474	1,474
Provisions used during the year	–	–
Restoration Unwind	525	525
Balance at end of year	**6,905**	**6,905**
Current	1,752	1,752
Non-current	5,153	5,153
Total provisions at 30 June 2022[ii]	**6,905**	**6,905**

[i] *During the year ended 30 June 2022, Strike commenced exploration activities for its Walyering and South Erregulla gas projects. As a result, Strike recognised the restoration provision for Walyering ($1 million) and South Erregulla ($0.9 million). The future inflation rate and discount rate estimates were revised to the average rate over the last 3 years, which resulted in a -$0.5 million downward revision for West Erregulla. In the current year, an upward estimate revision of $0.1 million was made for the Cooper Basin assets in line with the estimate by DEMS.*

[ii] *On 16 August 2021, Strike entered into a share sale and purchase agreement for the sale of its subsidiary Strike Energy 96 Pty Ltd, which holds Strike's interest in the Cooper Basin permit PEL96 (Klebb & Jaws). The PEL96 restoration provision was included and reflected within Strike's FY21 Annual Report. During the year, all parties agreed to terminate the share sale and purchase agreement. The provision for Strike's interest in PEL96 is included in the table above.*

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 within exploration and evaluation assets.

Key judgements and estimates

In most instances, the removal of assets will occur many years in the future, which is expected to be up to 20 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.

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 2022	30 June 2021
Macquarie Facility (i)	20,882	9,134
Capitalised Debt Costs	(2,591)	(3,365)
Total non-current borrowings	**18,291**	**5,769**

(i) *Includes accrued interest of $0.18 million (2021: $0.28 million).*

During the year ended 30 June 2021, the Group obtained a new debt facility of up to $28 million which consisted of two tranches (tranche A: $13 million, tranche B: $15 million) of which only the Tranche A was available for drawdown as at 30 June 2021.

On 23 June 2022, the Group entered into an agreement with the lender (Macquarie Bank Limited) and extended the repayment date of Tranche A from 12 November 2022 to 10 November 2023.

Additionally, Tranche B, which had not previously been available for drawn down was amended, creating Tranche B1 and B2, additionally Tranche C was created. Further details with respect to Tranches A, B and C are outlined in the table below. Tranche C of $10 million was not available to be drawn at 30 June 2022.

	30 June 2022 and 2021	**30 June 2022**		
$000's except per share information	**Tranche A**	**Tranche B1**	**Tranche B2**	**Tranche C[v]**
Facility limit	13,000	7,700[ii]	2,300[ii]	10,000
Amount drawn @ 30 June 2022	13,000	7,700	–	–
Amount undrawn @ 30 June 2022	–	–	2,300	–
Maturity date	10 November 2023 [i]	10 November 2023	10 November 2023	10 November 2023
Interest rate	11% + bank bill swap rate	11% + bank bill swap rate	11% + bank bill swap rate	11% + bank bill swap rate
Options issued to lender to subscribe for Strike ordinary shares (note 5.3)	35,000,000 options at an exercise price of 29 cents	20,700,000 options at an exercise price of 34 cents[iii]		–
Options expiry date	13 May 2023	22 December 2024		–
Establishment cost	4,800	1,692		–
Opening at 30 June 2021	3,365	–		–
Closing at 30 June 2022	913	1,678		–
Security	The loan facility is secured over the shares in and assets of Strike West Pty Ltd, including its interest in EP469, and by guarantees from Strike West Pty Ltd's holding entities.	The loan facility is secured over the shares in and assets of Strike West Pty Ltd and Strike South West Pty Ltd, including its interest in EP469 and EP447, and by guarantees from Strike West Pty Ltd's holding entities		The loan facility is secured over the shares in and assets of Strike South West Pty Ltd, including its interest in EP447, and by guarantees from its holding entities
Use of funds (2)	The proceeds from the loan are to be used for appraisal drilling and long lead items for the development of the West Erregulla Phase 1 Project.	To support and fund the re-entry of the West Erregulla-3 well and the drilling and testing of the West Erregulla-5 well	To support and fund the drilling and testing of the Walyering-6 well.	To fund the development of the Walyering gas field.
Effective interest rate[iv]	32%	27%		–

[i] On 23 June 2023, the repayment date for Tranche A was extended to 10 November 2023 (2021: 12 November 2022)

[ii] The Group may by notice to the Lender request the reallocation of amounts from one Facility B Sub-Tranche Commitment to the other Facility B Sub-Tranche Commitment. Any such reallocation will be at the Lender's absolute discretion.

[iii] As part of the terms for Tranche B, Strike issued 20.7 million options to Macquarie to subscribe to ordinary shares in Strike. Refer to Note 5.3 for additional details.

[iv] Fees related to the debt facility, including non-cash costs such as the fair value of the issued options, were included in the calculation of the effective interest rate.

[v] Tranche C was not available to be drawn as at 30 June 2022.

All Tranches are subject to covenants that are customary for facilities of this nature. As at the date of this report, the Group has satisfied and continues to comply with all debt covenant requirements.

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.

Borrowing costs are expensed during the exploration stage in line with the Group's accounting policy. However, when a project moves into the development stage, the share of the borrowing costs as it relates to the development of the qualifying assets will be capitalised

5.2 Net finance expenses

For the year ended $'000	30 June 2022	30 June 2021
Interest income on cash and cash equivalents	22	147
Total finance income	**22**	**147**
Interest expense on financial liabilities	(3,857)	(1,684)
Interest expense on lease liability	(11)	(14)
Finance transaction costs and fees	(217)	(459)
Total finance expense	**(4,085)**	**(2,157)**

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.

5.3 Equity and reserves

Share Capital

	Number of shares ('000)		Issued capital ($'000)	
For the year ended	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Balance at beginning of year	**2,016,116**	**1,706,248**	**297,960**	**211,978**
Placements/exercise of options and performance rights during the period, net of transaction costs	21,580	303,707	3,379	83,982
MWGP acquisition transaction	-	6,161	-	2,000
Balance at end of year	**2,037,696**	**2,016,116**	**301,339**	**297,960**

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

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	Weighted average fair value at grant date
Options	23 Jun 2022	23 Jun 2022	22 Dec 2024	$0.34	20,700,000	$0.082
					20,700,000	

Performance rights Issued	Date granted	Date exercisable	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
FY22 LTIP(i)(iii)	15 Nov 2021	30 Jun 2024	30 Sep 2024	Nil	4,028,081	$0.075
FY22 STIP(ii)	24 Aug 2021	4 Sep 2022	3 Dec 2022	Nil	6,448,362	$0.258
FY22 STIP(ii)	24 Aug 2021	4 Dec 2022	3 Mar 2023	Nil	1,253,254	$0.258
					11,729,697	

(i) *FY22 LTIP performance rights which will be tested on 30 June 2024*
(ii) *FY22 STIP performance rights granted but not yet issued.*
(iii) *FY22 LTIP vesting conditions below:*

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%

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	Weighted average fair value at grant date
Performance Rights	Nil	520,558	$0.326
		520,558	

Instruments outstanding

The balance of share options and performance rights on issue as at 30 June 2022 is as follows:

Instrument[ii]	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Options[i]	14 Nov 2019	25 Sep 2022	$0.35	6,000,000	$0.089
Options[i]	31 Jul 2020	31 Jul 2022	$0.15	8,908,920	$0.118
Options[i]	31 Jul 2020	31 Jul 2022	$0.23	3,000,000	$0.100
Options[i]	13 Nov 2020	13 May 2023	$0.29	35,000,000	$0.136
Options[i]	1 Dec 2020	31 Jul 2022	$0.35	5,000,000	$0.116
Options[ii]	7 Apr 2021	31 Jul 2022	$0.35	1,000,000	$0.095
Options[i]	23 Jun 2022	22 Dec 2024	$0.34	20,700,000	$0.082
				79,608,920	

[i] *Vest from grant date.*

[ii] *Share options outstanding at 30 June 2022 had a weighted average remaining contractual life of 388 days.*

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Performance Rights	17 May 2018	N/A	Nil	2,500,000	$0.076
Performance Rights	16 Aug 2019	30 Sep 2022	Nil	9,543,103	$0.124
Performance Rights	1 Jul 2020	30 Sep 2023	Nil	1,438,512	$0.129
Performance Rights	1 Dec 2020	30 Sep 2021	Nil	2,671,580	$0.205
Performance Rights	15 Nov 2021	30 Sep 2024	Nil	4,028,081	$0.075
Performance Rights[ii]	24 Aug 2021	3 Dec 2022	Nil	6,448,362	$0.258
Performance Rights[ii]	24 Aug 2021	3 Mar 2023	Nil	1,253,254	$0.258
				27,882,892	

[i] *Performance rights outstanding at 30 June 2022 had a weighted average remaining contractual life 265 days.*

[ii] *FY22 STIP performance rights granted but not yet issued as at 30 June 2022.*

The fair value of the options granted during the period is estimated as at the date of grant using a Black Scholes pricing model considering 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. Performance rights issued during the period under the short-term incentive plan have been valued using the 5-day VWAP leading up to the end of each financial year.

The following table lists the inputs used to value instruments issued during the year ended 30 June 2022:

	23 Jun 2022	15 Nov 2021	24 Aug 2021	24 Aug 2021
Instrument	**Options**	**Performance Rights**	**Performance Rights**	**Performance Rights**
Number	20,700,000	4,028,081	6,448,362	1,253,254
Expiry date	22 Dec 2024	30 Sep 2024	3 Dec 2022	3 Mar 2023
Dividend yield	Nil%	Nil%	Nil%	Nil%
Expected volatility	69.9%	82.93%	N/A	N/A
Risk-free interest rate	2.9%	0.97%	N/A	N/A
Expected life of instruments (years)	2.5	3	0.25	0.25
Share price at grant date	$0.240	$0.165	$0.275	$0.275

Instruments exercised during the financial year

The following tables outlines details of the instruments exercised during the financial year (2021: 11,782,908):

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Performance Rights	14 Dec 2018	30 Sep 2021	N/A	3,517,605	$0.119
Performance Rights	16 Dec 2019	30 Sep 2021	N/A	3,709,701	$0.126
Performance Rights	27 Jul 2020	22 Oct 2021	N/A	1,761,279	$0.034
				8,988,585	

[i] *Performance rights exercised during the period had an average weighted share price of $0.28*

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Options	31 Jul 2020	31 Jul 2022	$0.150	5,000,000	$0.12
Options	31 Jul 2020	31 Jul 2022	$0.150	7,591,080	$0.15
				12,591,080	

[ii] *Options exercised during the period had an average weighted share price of $0.25*

Change in instruments on issue

	Performance Rights		Options	
For the year ended	**30 June 2022**	**30 June 2021**	**30 June 2022**	**30 June 2021**
Balance at beginning of year	**25,662,338**	**29,969,851**	**71,500,000**	**36,091,250**
Grants during the year	11,729,697	7,606,288	20,700,000	44,000,000
Cancelled/forfeited during the year	(520,558)	(130,893)	-	-
Expired during the year	-	-	-	-
Exercised during the year	(8,988,585)	(11,782,908)	(12,591,080)	(8,591,250)
Balance at end of year	**27,882,892**	**25,662,338**	**79,608,920**	**71,500,000**
Instruments exercisable at end of year	-	-	79,608,920	70,500,000

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.

5.4 Financial risk management

Overview

This note presents information about the Group's exposure to market risk, credit risk and liquidity risk, climate change 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. During the year ended 30 June 2022, the Company did not enter into such contracts.

Interest rate risk

The Group's interest rate may arise 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 has long-term borrowings of $20.9 million as at 30 June 2022.

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 2022					
Fixed rate instruments					
Lease Liability	(169)	(57)	(61)	(51)	-
Borrowings	(20,882)	-	-	(20,882)	-
Total fixed rate instruments	**(21,051)**	**(57)**	**(61)**	**(20,933)**	**-**
Floating rate instruments					
Cash and cash equivalents	13,905	13,905	-	-	-
Total floating rate instruments	**13,905**	**13,905**	**-**	**-**	**-**
30 June 2021					
Fixed rate instruments					
Lease Liability	(278)	(53)	(55)	(118)	(52)
Borrowings	(9,134)	-	-	(9,134)	-
Capitalised Debt Costs	3,365			3,365	
Total fixed rate instruments	**(6,047)**	**(53)**	**(55)**	**(5,887)**	**(52)**
Floating rate instruments					
Cash and cash equivalents	74,724	74,724	-	-	-
Total floating rate instruments	**74,724**	**74,724**	**-**	**-**	**-**

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 2022	30 June 2021
200 basis point parallel increase in interest rates	278	1,494
200 basis point parallel decrease in interest rates	278	1,494

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.

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 2022						
Financial liabilities						
Trade and other payables	–	9,322	2,993	409	–	5,920
Lease Liability	5%	169	9	19	89	52
Borrowings	30.1%(i)	20,882	–	–	–	20,882
Total financial liabilities		**30,373**	**3,002**	**428**	**89**	**26,854**
30 June 2021						
Financial liabilities						
Trade and other payables	–	8,457	3,145	5,312	–	–
Lease Liability	5%	278	9	27	73	169
Borrowings	11.02%(i)	9,134	–	–	–	9,134
Total financial liabilities		**17,869**	**3,154**	**5,339**	**73**	**9,303**

(i) *The draw down on loan bears interest at variable market rates (11% + bank bill swap rate) and the maturity date is 12 November 2023. The establishment cost of the facility amounted to $6.4 million. As at 30 June 2022, this establishment cost was amortised to $2.6 million as noted in the table above. The 30.1% rate above represents the weighted average effective interest rate of Tranche A and Tranche B of the Macquarie debt facility.*

Climate change risk

Key climate-related risks and opportunities relevant to our business include:

- The transition to a low carbon economy, such as the increased uncertainty, time and cost associated with regulatory bodies granting approvals/licences, the ongoing decarbonisation of energy markets, decreased demand for fossil fuels in some markets, reduced life of assets, changing government regulation and climate change policies at State and Federal levels, inability to attract and retain top talent, and changing community sentiment towards fossil fuel intensive projects. We believe this transition into a lower carbon economy also gives rise to opportunities for our gas focused portfolio. Natural gas is viewed as a key element to supporting society's sustainable energy transition.

  The physical impacts of climate change, including the increased frequency and severity of extreme weather events and chronic changes to weather patterns, which have the potential to impact demand for energy and the resilience of our assets and supporting infrastructure.

The Company's TCFD-compliant information is described in the Sustainability Report.

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).

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 above 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 2022	30 June 2021
Unearned revenue – gas prepayment agreements	5,000	5,000
Payment in advance – deposit[i]	-	1,000
Government grants[ii]	1,485	
Total other liabilities	**6,485**	**6,000**
Current	-	1,000
Non-Current	6,485	5,000

[i] *Transfer from Talon in advance for the Walyering Joint Venture. Joint Venture finalised upon title transfer.*

[ii] *Government grants received where eligible expenditure has not been incurred and offset against the related expenditure.*

Unearned revenue represents amounts received under the terms of a gas prepayment agreement pertaining to the future delivery of gas from the Group's West Erregulla Project, which is conditional on FID. Unearned revenue will be released to the profit or loss on a systematic basis when production begins, or when agreements become non-refundable in line with the underlying contracts.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

In accordance with AASB120 Accounting for Government Grants and Disclosure of Government Assistance, the Group capitalised grants received as deferred income at initial recognition. The subsequent treatment by the Group included the assessment and quantification of the grant amounts for which Strike has borne the cost and met the conditional requirements. These amounts were deemed to be eligible costs and were deducted from the liability account and applied against the related expenditure originally incurred.

During the year, Strike received $1.8 million in government grants for Project Haber and South Erregulla as part of the Supply Chain Resilience Initiative and Exploration Incentive Scheme (EIS) respectively. As at 30 June 2022, Strike had deducted $0.3 million eligible expenditure with $1.5 million remaining as capitalised government grants.

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 and principle place of business	Percentage interest held (%)	
		30 June 2022	30 June 2021
Strike Energy Limited (Parent Company)[i] **Controlled entities[i]:**			
Strike Energy South Australia Pty Ltd	Australia	100	100
Strike Energy 96 Holdings Pty Ltd	Australia	100	100
Strike Energy 95 Holdings Pty Ltd	Australia	100	100
Strike Energy 94 Holdings Pty Ltd	Australia	100	100
Strike Energy Cooper Holdings Pty Ltd	Australia	100	100
Strike Energy 96 Pty Ltd	Australia	100	100
Strike Energy 95 Pty Ltd	Australia	100	100
Strike Energy 94 Pty Ltd	Australia	100	100
Strike Energy Cooper Pty Ltd	Australia	100	100
Strike Energy Holdings Pty Ltd	Australia	100	100
Strike West Holdings Pty Ltd	Australia	100	100
Strike West Pty Ltd	Australia	100	100
Strike North West Pty Ltd	Australia	100	100
Strike South West Pty Ltd	Australia	100	100
Oceanhill Pty Ltd	Australia	100	100
Mid West Geothermal Power Pty Ltd	Australia	100	100
Strike Energy Industrial Holdings Pty Ltd[ii]	Australia	100	–
Strike Energy Urea Holdings Pty Ltd[ii]	Australia	100	–
Project Haber Holding Co Pty Ltd[ii]	Australia	100	–
Project Haber Pty Ltd[ii]	Australia	100	–
Strike South Pty Ltd[ii]	Australia	100	–

[i] *These entities are not required to prepare or lodge audited accounts in Australia. Reflect indirect ownership interest.*

[ii] *These entities were registered during the year.*

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.

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 operations are listed below. These assets and liabilities are included in the consolidated financial report in their respective asset classes.

As at $'000	30 June 2022	30 June 2021
Current assets		
Cash and cash equivalents	1,750	1,205
Trade and other receivables	3,882	3,316
Other financial assets	161	137
Total current assets	**5,793**	**4,658**
Non-current assets		
Exploration and evaluation assets	67,007	46,082
Total non-current assets	**67,007**	**46,082**
Share of total assets of joint arrangements	72,800	50,740
Current liabilities		
Trade and other payables	(4,874)	(4,845)
Total current liabilities	**(4,874)**	**(4,845)**
Share of total liabilities of joint arrangements	(4,874)	(4,845)
Share of net assets of joint arrangements	67,926	45,896
Profit or loss from continuing operations		
Impairment of exploration and evaluation assets	(80)	(2,143)
Share of profit or loss of joint arrangements	(80)	(2,143)

JO Commitments for expenditure

For the year ended/As at $'000	30 June 2022	30 June 2021
Permit commitments		
Less than one year	500	3,960
Between one and five years	8,000	–
Greater than five years	–	–
Total	**8,500**	**3,960**

6.3 Parent entity disclosures

For the year ended/As at $'000	30 June 2022	30 June 2021
Assets		
Current assets	**16,612**	**77,872**
Non-current assets	115,294	70,545
Total assets	**131,906**	**148,417**
Liabilities		
Current liabilities	(6,895)	(5,760)
Non-current liabilities	(2,611)	(1,155)
Total liabilities	**(9,506)**	**(6,915)**
Net assets	**122,400**	**141,502**
Equity		
Issued capital	301,339	297,960
Share-based payments reserve	16,012	13,295
Other reserves	(12,176)	(562)
Accumulated losses	(182,775)	(169,191)
Total equity	**122,400**	**141,502**
Profit/(loss) for the year	**(13,584)**	**(4,240)**

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.

6.4 Interest in petroleum permits and mineral tenements

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

		Percentage interest held (%)	
Permit	**Operator**	**30 June 2022**	**30 June 2021**
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
Perth Basin – Australia			
EP469[ii]	Strike West Pty Ltd	50	50
EP447[iii]	Strike South West Pty Ltd	55	100
EP488	Strike North West Pty Ltd	100	100
EP489	Strike North West Pty Ltd	100	100
EP495	Strike North West Pty Ltd	100	100
EP503	Strike North West Pty Ltd	100	100
EP504	Strike North West Pty Ltd	100	100
EP505	Strike North West Pty Ltd	100	100
EP506	Strike North West Pty Ltd	100	100

[i] *Indicates petroleum permits subject to joint operating arrangements which undertake a combination of exploration, evaluation and oil and gas production activities.*

[ii] *Indicates petroleum permits subject to joint operating arrangements which undertake exploration and evaluation activities.*

[iii] *Transfer of 45% interest in EP477 to Talon Petroleum Ltd in FY22.*

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:

- $171 (2021: $1,071) was paid to Mulloway Pty Ltd (a director related entity via Mr J Poynton) for travel and other expenses.
- $7,380 (2021: Nil) was paid to Azure Helicopters (a director related entity of Mr J Poynton) for hiring transport to operations.
- $14,800 (2021: $700) was paid to Myube Investments Pty Ltd (a director related entity of Mr N Power) for rental expense.
- $9,975 (2021: $16,863) was paid to Prime Flight Unit Trust (a director related entity of Mr N Power) for hiring transport to operations.
- $352 (2021: Nil) was paid to A Seaton for travel and other expenses.

Transactions with other related parties

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

The Company advanced $12,037,628 for the working capital requirements of its Australian subsidiaries (2021: $22,120,424). 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 operations totalling $7,069,132 (2021: $6,337,655).

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

- Loan receivables totalling $127,551,413 before impairment (2021: $115,513,784) from subsidiaries: and
- Trade receivables totalling $3,484,529 (2021: $3,553,710) from joint arrangements
- Trade payables totalling $5,000,000 (2021: 5,000,000) 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.

Parent entity

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

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/As at	30 June 2022	30 June 2021
Short-term employee benefits	2,853,311	2,094,500
Post-employment benefits	196,695	268,048
Share-based payments	1,771,441	3,636,730
Total	**4,821,447**	**5,999,279**

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

For the year ended/As at $'000	30 June 2022	30 June 2021
Provision for annual leave	512	393
Provision for long service leave	188	155
Total employee benefits	**700**	**548**
Current	512	393
Non-current	188	155

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 high quality corporate 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 14 November 2019, both share options and performance rights can be granted to eligible employees for no consideration. Typically, awards are granted up to a three-year period with 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

Section 8: Other

8.1 Commitments for expenditure

The group has certain obligations to perform minimum exploration work and amounts pursuant to the terms of grant of petroleum exploration permits in order to maintain rights of tenure.

For the year ended/As at $'000	30 June 2022	30 June 2021
Permit commitments		
Less than one year	16,582	9,969
Between one and five years	141,450	157,300
Greater than five years	–	–
Total	**158,032**	**167,269**

8.2 Leases

The Company holds an office lease in Perth which expires 31 December 2023.

Right-of-use Assets

$'000	Buildings	Total
Cost		
Balance at beginning of year	**261**	**261**
Addition	–	–
Balance at end of year	**261**	**261**
Accumulated Depreciation		
Balance at beginning of year	**(72)**	**(72)**
Charge for the year	(78)	(78)
Balance at end of year	**(111)**	**(111)**
Carrying Amount		
Balance at beginning of year	**189**	**189**
Balance at end of year	**111**	**111**

Amounts recognised in profit and loss

$'000	30 June 2022	30 June 2021
Depreciation on right of use assets	(78)	(146)
Interest expense on lease liabilities	(11)	(14)
Expense relating to variable lease payments not included in the measurement of lease liability	(97)	(123)

The total cash outflow for leases in the year ended 30 June 2022, including short-term leases and low-value leases, amounted to $0.1 million.

A maturity analysis of the future undiscounted payments in respect of the Group's lease liabilities is presented in the table below.

$'000	30 June 2022
Within one year	
Between one and five years	118
More than five years	51
Total	**169**

8.3 Contingencies

Litigation and legal proceedings

As at 30 June 2022, Strike is not subject to contingencies arising from litigations and legal proceedings.

8.4 Subsequent events

Subsequent to 30 June 2022, Strike released the maiden reserves and resources report for the Walyering gas field independently certified by RISC advisory. Following release of this maiden reserves and resources report, on 19 July 2022, the Joint Venture sanctioned the Walyering gas field for development. This does not have any impact on the amounts reflected in the financial statements.

Tranche C of the Macquarie debt facility was committed subsequent to 30 June 2022.

In September 2022, Strike raised $30 million in capital to fund the Walyering and West Erregulla gas projects, secure the acquisition of freehold farming land and undertake seismic activities.

With the exception of the above, there have been no other events subsequent to 30 June 2022 that would require accrual or disclosure in the consolidated financial statements.

8.5 Remuneration of auditors

For the year ended/As at $	30 June 2022	30 June 2021
Amounts received/receivable by Deloitte Touche Tohmatsu (Aus) for:		
Audit or review of the financial report of the Group	163,900	99,000
Other assurance services	–	35,000
Tax consulting services	5,000	–
Advisory and other	82,920	63,580
Total	**251,820**	**197,580**

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 adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

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

At the date of authorisation of the financial report, the Directors do not anticipate the Standards and Interpretations that were issued but not yet effective will have a material impact on the financial report of the Group in the year or period of initial application.

- Insurance Contracts - AASB 17 Insurance Contracts and AASB 2020-5 Amendments to Australian Accounting Standards
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - AASB 2014-10
- Amendments to Australian Accounting Standards Effective Date of Amendments to AASB 10 and AASB 128 - AASB 2015-10 Amendments to Australian Accounting Standards
- Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections - AASB 2017-5 Amendments to Australian Accounting Standards
- Classification of Liabilities as Current or Non-current - AASB 2020-1 Amendments to Australian Accounting Standards
- Classification of Liabilities as Current or Non-current - Deferral of Effective Date - AASB 2020-6 Amendments to Australian Accounting Standards
- Annual Improvements 2018-2020 and Other Amendments - AASB 2020-3 Amendments to Australian Accounting Standards
- Disclosure of Accounting Policies and Definition of Accounting Estimates - AASB 2021-2 Amendments

  to Australian Accounting Standards
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – AASB 2021-5 Amendments to Australian Accounting Standards
- Initial Application of AASB 17 and AASB 9 – Comparative Information – AASB 2022-1 Amendments to Australian Accounting Standards

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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 2022, 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:

- giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- 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 & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

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.

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Exploration and evaluation assets	
As at 30 June 2022, the carrying value of exploration and evaluation assets totals $129,106,000, including additions of $54,749,000 made during the year as disclosed in Note 4.1. As at 30 June 2022, the exploration and evaluation assets relate solely to the Perth Basin. Judgement is applied in determining the treatment of exploration and evaluation expenditure, including whether the conditions for capitalisation are satisfied.	Our procedures associated with exploration and exploration expenditure included, but were not limited to: • Evaluating the design and implementation of processes and controls associated with the capitalisation of exploration and evaluation expenditure; and • Testing on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of the relevant accounting standards.
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 program 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 associated with assessing the recoverability of exploration and evaluation assets included, but were not limited to: • Evaluation the design and implementation of processes and controls in respect of assessing the recoverability of exploration and evaluation assets; • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Holding discussions with management as to the status of ongoing exploration programs in the respective areas of interest; and • Assessing whether any facts or circumstances existed to suggest impairment testing was required.
The timing of when assets are transferred from exploration and evaluation to property, plant and equipment often involves significant judgement due to the assessment of technical feasibility and commercial viability being unique for each project / area of interest.	Our procedures associated with assessing the classification of exploration and evaluation assets included, but were not limited to: • Assessing whether any exploration projects / areas of interest had reached a stage that demonstrated technical feasibility and commercial viability based on amongst other things review of board of directors minutes, investor presentations released by the Company and corporate budgets; and • Assessing the nature and status of work programs associated with exploration projects to identify whether they indicate that a final investment decision has been made. We also assessed the appropriateness of the disclosures in Note 4.1 and 1.3 to the financial statements.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Refinancing and liquidity	

On 23 June 2022, the Group entered into an agreement with respect to its existing secured facility which included a number of amendments, the key elements of which are:
• The maturity date of Tranche A was extended from 12 November 2022 to 10 November 2023;
• Tranche B, which had not previously been available for drawdown was amended, creating Tranches B1 and B2, with a combined facility limit of $10 million, and a maturity date of 10 November 2023;
• Tranche C, which was subject to the satisfaction of conditions precedent as at 30 June 2022, was created, with a facility limit of $10 million, and a maturity date of 10 November 2023; and
• 20,700,000 options were granted to the lender on drawdown of Tranche B, with a further 20,700,000 options to be granted to the lender on drawdown of Tranche C.
Further details with respect to Tranches A, B and C are included in Note 5.1.
The impact of the refinancing includes a number of significant estimates and judgments, including:
• determining whether the terms of Facility A are substantially different under the amending agreement, and therefore whether this results in an extinguishment of the original Tranche A;
• determining the fair value of the options granted to the lender in association with the facility; and
• considering the impact of the maturity date of the facility on the appropriateness of the going concern assumption, and related financial statement disclosures.
	In respect to the accounting for the amending agreement our procedures included, but were not limited to:
	• Reviewing the terms of the secured facility agreement entered into during the 2021 financial year, and the amending agreement executed on 23 June 2022;
	• Assessing whether the terms of Tranche A are substantially different under the amending agreement, and therefore whether this results in an extinguishment of the original Tranche A; and
	• Assessing the fair value of the options granted to the lender for reasonableness, and ensuring that the fair value is appropriately reflected in the effective interest rate of the applicable Tranche.
	In respect to considering the impact of the amending agreement on the Group's liquidity our procedures included, but were not limited to:
	• Verifying that the conditions precedent associated with Tranche C have been satisfied subsequent to year-end, and therefore that the Tranche is available for drawdown by the Group;
	• Assessing the impact of the refinancing on the Group's forecast liquidity, including:
	    ◦ Understanding the process that the Group undertakes to develop its cash flow forecast;
	    ◦ Evaluating historical accuracy of the going concern forecast assumptions by comparing budgets to actual performance;
	    ◦ Challenging the assumptions applied in the forecast, and where possible, corroborating the assumptions to external sources;
	    ◦ Performing sensitivity analysis on key assumptions and assessing any potential impact on the Group's going concern assessment;
	    ◦ Challenging management on whether the Group will be successful in either extending the maturity of, or refinancing, its existing borrowings prior to their maturity in November 2023; and
	    ◦ Reviewing covenant calculations, as at 30 June 2022, and for the forecast twelve month period post balance date, which included assessing potential non-compliance.
	We also assessed the appropriateness of the disclosures in Notes 1.3 and 5.1 to the financial statements.

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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 2022, 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 skepticism 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 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.

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- 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, actions taken to eliminate threats or safeguards applied.

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 18 to 29 of the Directors' Report for the year ended 30 June 2022**.**

In our opinion, the Remuneration Report of Strike Energy Limited, for the year ended 30 June 2022, 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

DNewman

David Newman
Partner
Chartered Accountants
Perth, 23 September 2022

Additional Securities Exchange Information

As at 1 September 2022

1. Number of holders of equity securities

2,056,762,373 fully paid ordinary shares are held by 12,082 shareholders.
61,700,000 unlisted options, 17,086,535 performance rights and 12 unlisted performance shares are held by 44 security holders.

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 Ranges	Number of shares
1-1,000	56,942
1,001-5,000	8,160,713
5,001-10,000	14,222,573
10,001-100,000	211,792,064
> 100,001	1,822,530,081
Holder of less than a marketable parcel	13,154

4. Substantial shareholders

There were no substantial shareholders as at 1 September 2022.

5. The 20 largest holders of quoted equity securities as at 1 September 2022

Investor Id	Balance as at 1 September 2022	%
CITICORP NOMINEES PTY LIMITED	100,314,241	4.877%
MHC FUND SERVICES PTY LTD	70,709,878	3.438%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	69,836,607	3.395%
BRAZIL FARMING PTY LTD	53,384,082	2.596%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS>	44,939,674	2.185%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	41,507,448	2.018%
MR TIMOTHY RUPERT BARR GOYDER	26,070,000	1.268%
BNP PARIBAS NOMS PTY LTD <DRP>	23,115,549	1.124%
CALM HOLDINGS PTY LTD	23,000,000	1.118%
COOGEE RESOURCES PTY LTD	20,000,000	0.972%
ROOKHARP CAPITAL PTY LTD	16,744,009	0.814%
GREMAR HOLDINGS PTY LTD	16,650,000	0.810%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	16,620,972	0.808%
MR GARRY NOEL BUNGEY & MRS VIVIENNE ALICE NOLA BUNGEY	16,500,000	0.802%
HAZARDOUS INVESTMENTS PTY LTD	16,000,000	0.778%
SENESCHAL (WA) PTY LTD	15,000,000	0.729%
MR GREGORY ROBERT HACKSHAW	13,000,000	0.632%
QUATRI PTY LTD	12,500,000	0.608%
NATIONAL NOMINEES LIMITED	12,244,830	0.595%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	12,232,993	0.595%

Corporate Directory

DIRECTORS

Chairman
John Poynton

Managing Director
Stuart Nicholls

Non-Executive Director & Deputy Chairman
Neville Power

Non-Executive Director
Stephen Bizzell

Non-Executive Director
Mary Hackett

Non-Executive Director
Andrew Seaton

Company Secretary
Justin Ferravant

CONTACT US

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Registered mailing address

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West Perth, WA 6005

SHARE REGISTRY

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Sydney, NSW 2000

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Sydney NSW 2001

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Facsimile: (+61) 2 9279 0664

Email: enquiries@boardroomlimited.com.au

Website: www.boardroomlimited.com.au

AUDITORS

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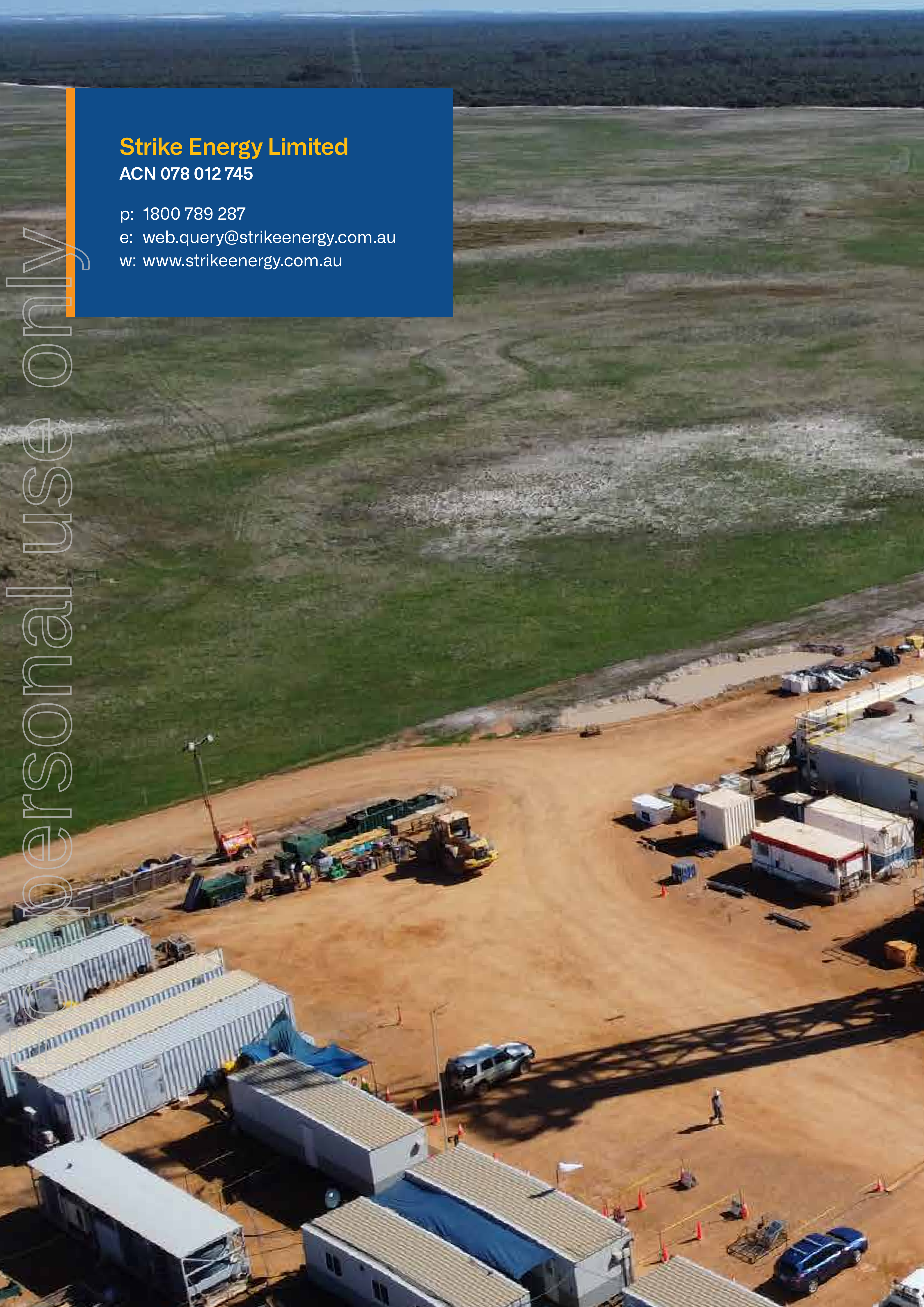
Perth, WA 6000

STOCK EXCHANGE LISTING

Australian Securities Exchange
Code: STX



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