

ASX Announcement



16 November 2017

The Company Announcement Officer ASX Ltd
via electronic lodgement

CHAIRMAN'S ADDRESS AND AGM PRESENTATION

Please find attached the following items to be presented at Strike Energy Limited's Annual General Meeting to be held at 11.00 am today in Adelaide.

- Chairman's address; and
- Managing Director and Chief Executive Officer's 2017 Annual General Meeting presentation

Yours faithfully

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

Justin Ferravant
Chief Financial Officer & Company Secretary

STRIKE ENERGY LIMITED
CHAIRMAN'S ADDRESS ANNUAL GENERAL MEETING
16 NOVEMBER 2017

Ladies and Gentlemen,

Following significant changes to the board and management of Strike during 2017, we believe that the company now has the requisite expertise to commercialise our major resource.

Constrained supply and rising demand in the east coast gas market have created a highly prospective environment for Strike. Federal and State Government concerns around energy security have resulted in the threat of legislative imposts regarding the allocation of exports but ironically the exploration moratoria which could ease the problem, are still in place.

This dynamic highlights the fact that the Southern Cooper Basin Gas Project (SCBGP) is one of only a handful of credible gas opportunities in the east coast energy system that can transform the supply-side equation. Strike is rapidly progressing its major project to enable gas to be an affordable, abundant and reliable source of energy.

Earlier in the year, Strike simplified its portfolio by selling its United States (US) assets. This has led to a renewed focus on the SCBGP and Strike's role as an industry leader in deep coal seam gas in Australia.

The SCBGP is a premier upstream project in a gas-starved landscape. Its value driven by the resource's location and density. The appeal of the SCBGP is further cemented by the pro-development legislative environment in South Australia and its close proximity to major infrastructure for both processing of raw gas and transport to market.

Earlier this year, Strike was awarded \$2 million by the South Australian Government under Round 1 of its PACE Program. This funding has enabled us to achieve our Technical Success milestone more rapidly than would have otherwise been the case. We are most grateful for this expression of support. We are hoping that the Government will appreciate the strategic importance of our asset when assessing the next round of awardees.

Over the balance of this year, Strike looks forward to achieving our long-held ambition of commercialising our strategically valuable resource. The Jaws Project will benefit from the reservoir knowledge gained from the wells we have drilled to date as well as implementation of the best US onshore technologies. Our aim is to book a reserve and trigger a Final Investment Decision on an initial 50 TJ/day of production during calendar 2018.

I acknowledge with appreciation, the hard work and dedication of the entire Strike team as well as our contractors during this period of change and renewal.

To you our loyal shareholders, I extend a particular thanks for your patience and support. Rest assured that my fellow directors and I remain totally focussed on delivering value to you.

John Poynton AO

Chairman – Strike Energy Limited

STRIKE ENERGY LIMITED 2017 ANNUAL GENERAL MEETING

Adelaide, 16 November 2017

Adelaide, 16 November 2017

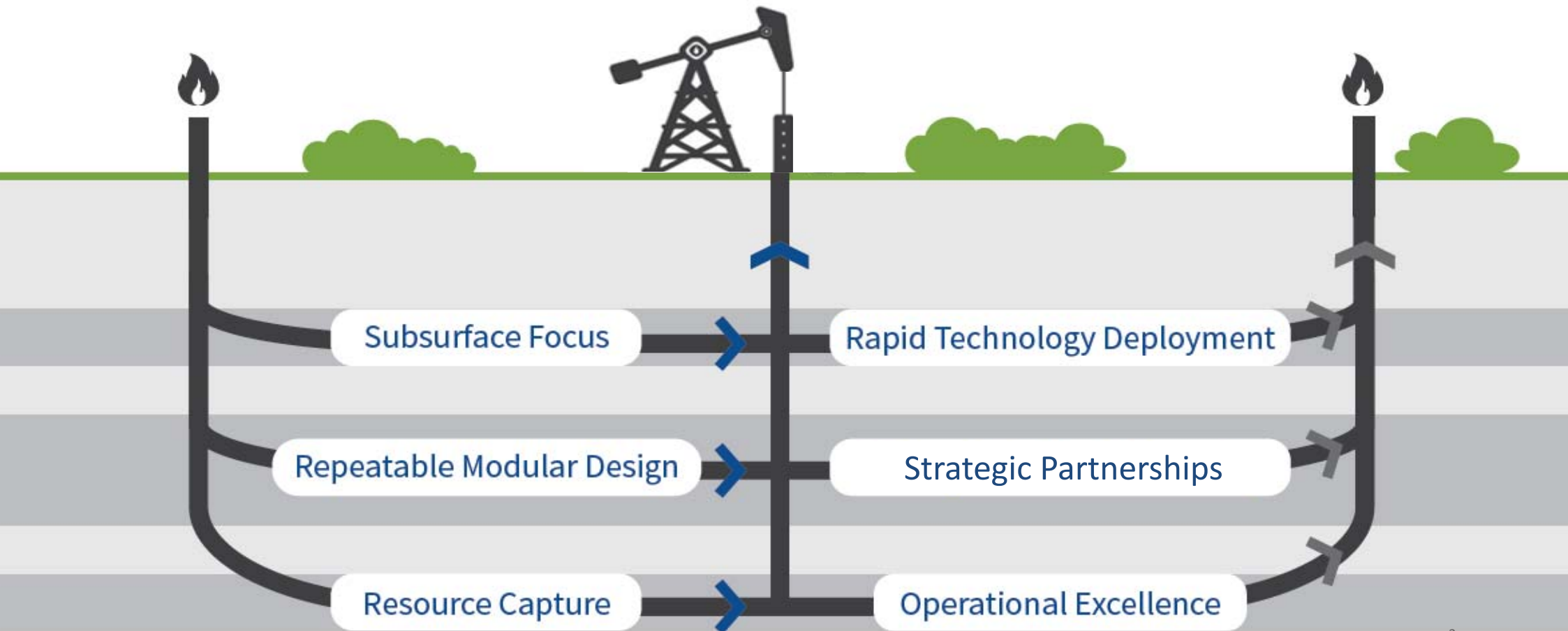
Managing Director's Presentation





Vision & Strategy

“Strike Energy will focus on delivering material gas production from its extensive deep coal seam assets, in order to drive major value creation by 2020.”



Strike's SCBGP is one of the largest accessible undeveloped onshore East Australian gas resources

- The SCBGP is a premium investment in the East Coast gas thematic, which is driven by:
 1. External validation of the prolific and producible nature of the resource (4+ TCF in PEL96)
 2. High class resource density (8.55 BCF/ km² in VU Upper alone)
 3. Favourable long term price environment (\$8-12 GJ)
 4. Top quartile cost of supply of greenfield volumes
 5. Proximity to major infrastructure (Moomba to Adelaide Pipeline and Moomba Gas Plant)
 6. Pro-development and supportive legislative environment in S.A.
 7. Minimal non-technical risk

Flare at K3 August



Technical Success

- Strike declared Technical Success and the producibility of the Vu Upper coal seam in the Klebb area. Gas content of the Vu Upper coal was defined at 6.1 – 6.0m³/t.

Continuous Operations

- Over 150 days of continuous operations without major disruption. One of Strike's longest and sustained periods of gas production.

Orica Gas Sales Agreement

- Strike negotiated a revised gas sales agreement for 64PJ at improved terms subject to its Phase 1 FID.
- Orica agreed to extend the repayment date of the \$2.5 million loan from 2018 to 2021.

Jaws Project

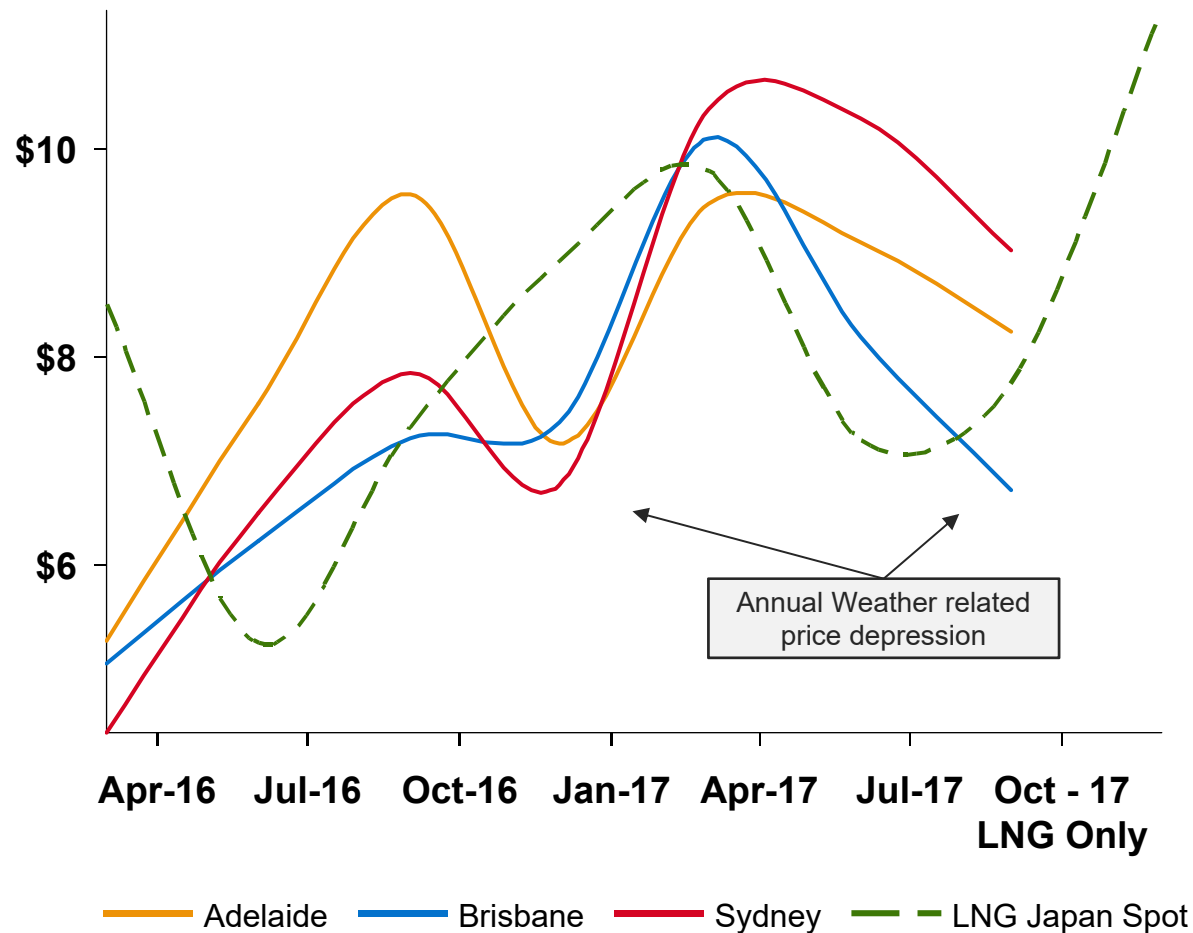
- Strike has sited, designed and begun procurement for Jaws-1
- Strike successfully secured \$9.1 million following an oversubscribed capital raising event that, together with R&D incentives, underpins the drilling and completion of Jaws 1 Vertical & Horizontal wells.

Corporate & Organisation

- Relocated Strike head office to Adelaide supported by a \$0.99 million grant from SA Government Economic Attraction Fund.
- Refreshed Board of Directors & Management team
- US assets divested in Q1/2017
- PACE Round 1 grant of \$2 million



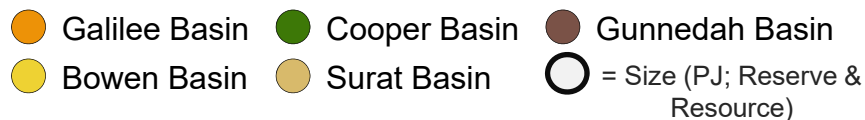
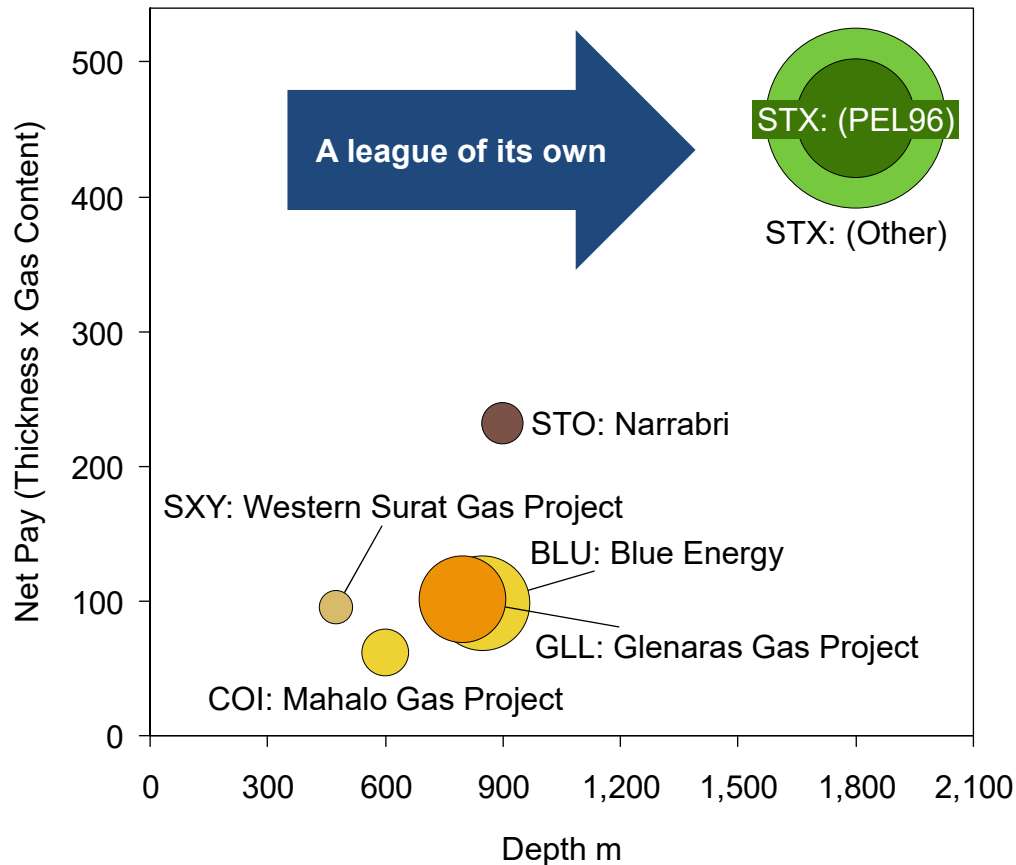
Quarterly Gas Price AU \$ per Gigajoule



This figure shows average daily ex ante gas prices by quarter for each STTM hub
Source: AER website, AMEO
LNG Price: Statistics from the Ministry of Economy, Trade & Industry - Japan

- Recent Australian Domestic Gas Security Mechanism threats have seen LNG producers curtail exports and divert agreed volumes back into domestic market.
- LNG prices have reached 10 month highs of US\$9.35 per mmBtu (or AU\$11.49 per GJ) and may see liquefaction companies attempt to capture favourable market conditions in the medium term.
- Long term major new supplies are the only lever that can guarantee a sustainable price reduction for East Coast gas prices.

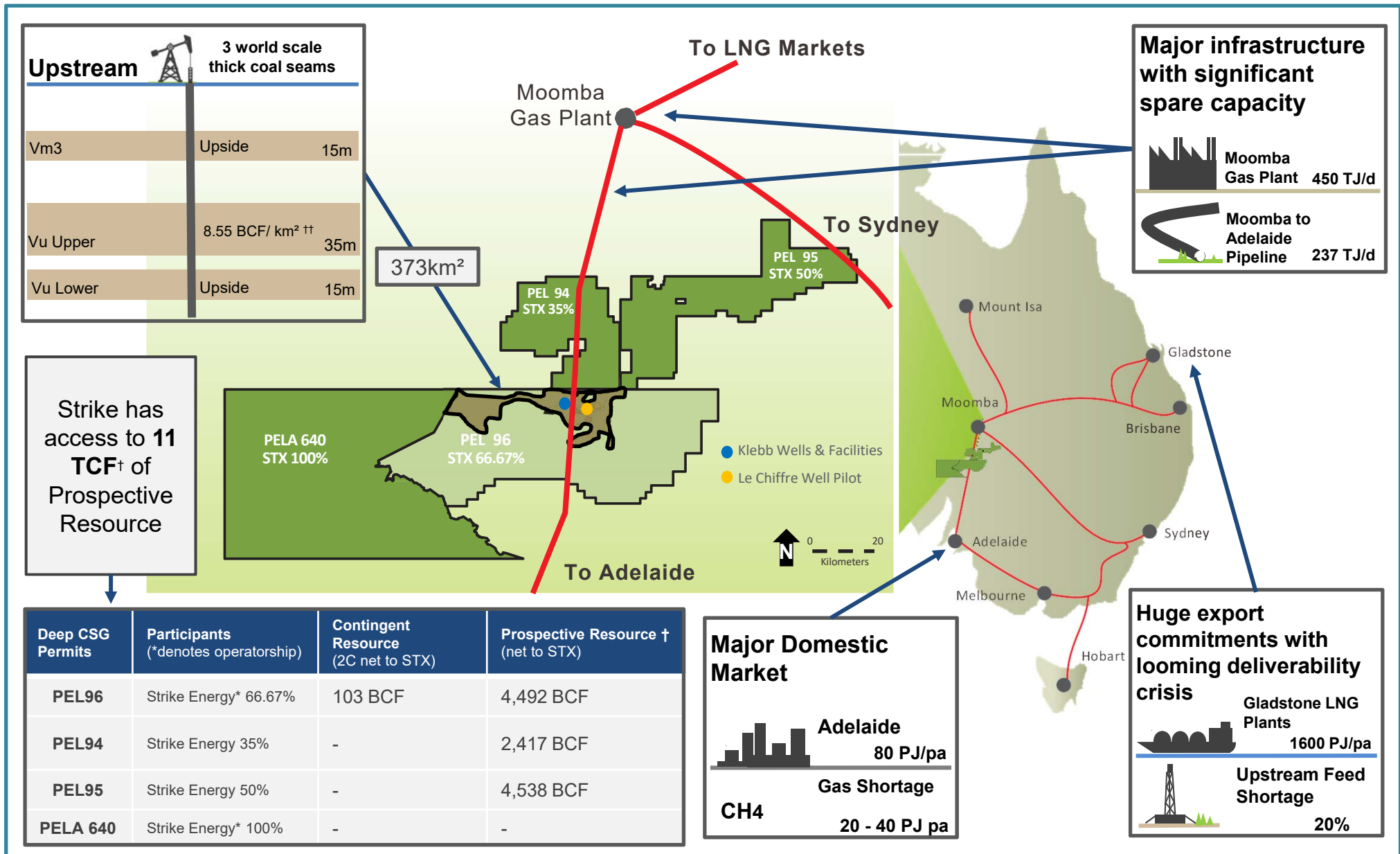
Net Pay vs Depth for Coal Seam Gas Projects in Appraisal & Development



- Very few Final Investment Decisions on new projects to supply into East Coast during 2017.
- COE: Sole Gas Project (24 PJ's pa) the most material but still some years away.
- Northern Territory & Victoria continues to uphold hydraulic fracturing bans.
- Victoria also maintains a moratorium on all onshore drilling until 2020 and a ban on CSG.
- Land access and environmental issues continue to impede development of new gas projects in New South Wales.
- Political activism in Queensland to reduce drilling in South West.

Strike's Southern Cooper Basin Gas Project has unrestricted access to its entire resource

Strike primed to influence east coast energy market



†The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Prospective Resource shows Recoverable sales gas, net to Strike as of 1 February 2014.

††Resource Density of 8.55BCF / km² is Raw Gas

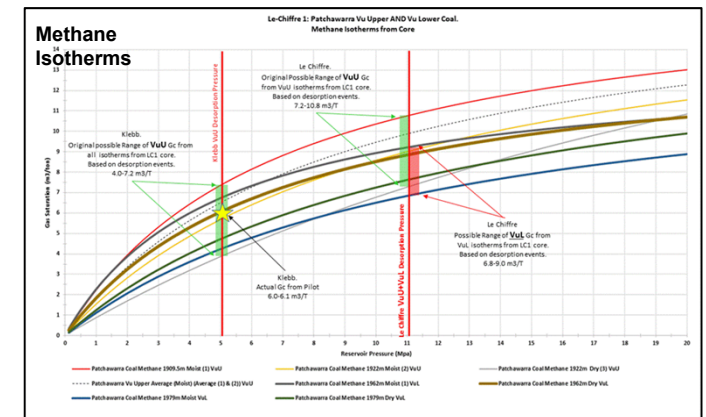
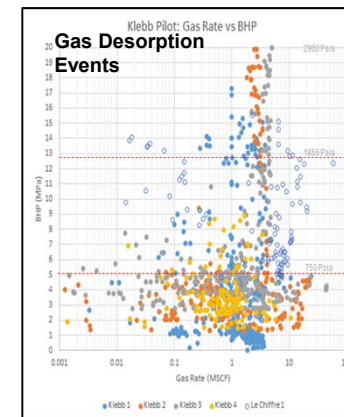
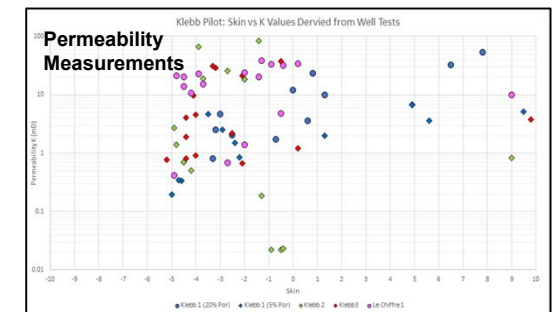
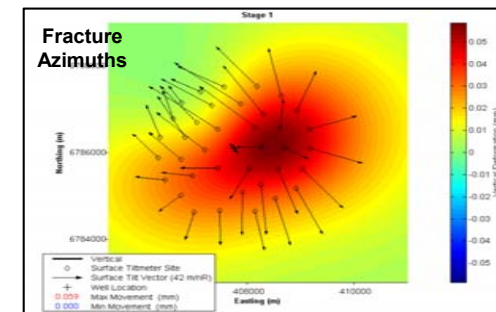
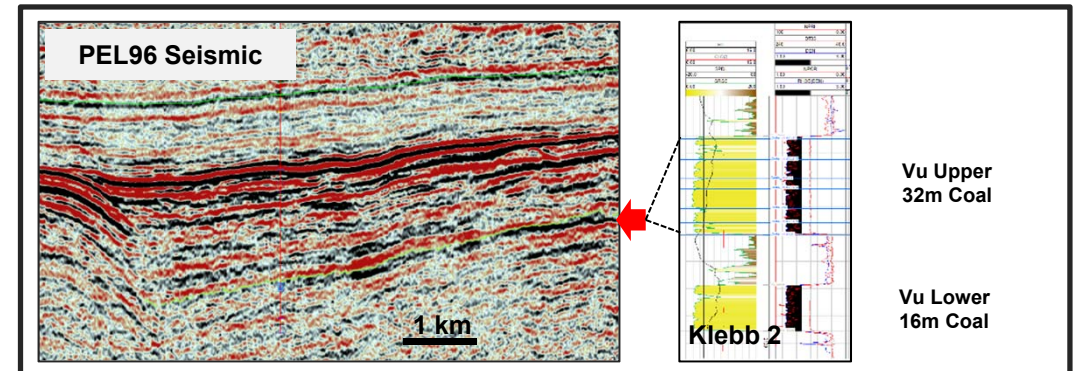
Additional ingredients for success



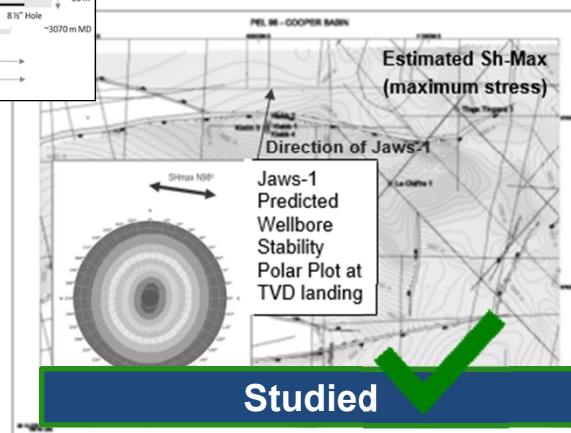
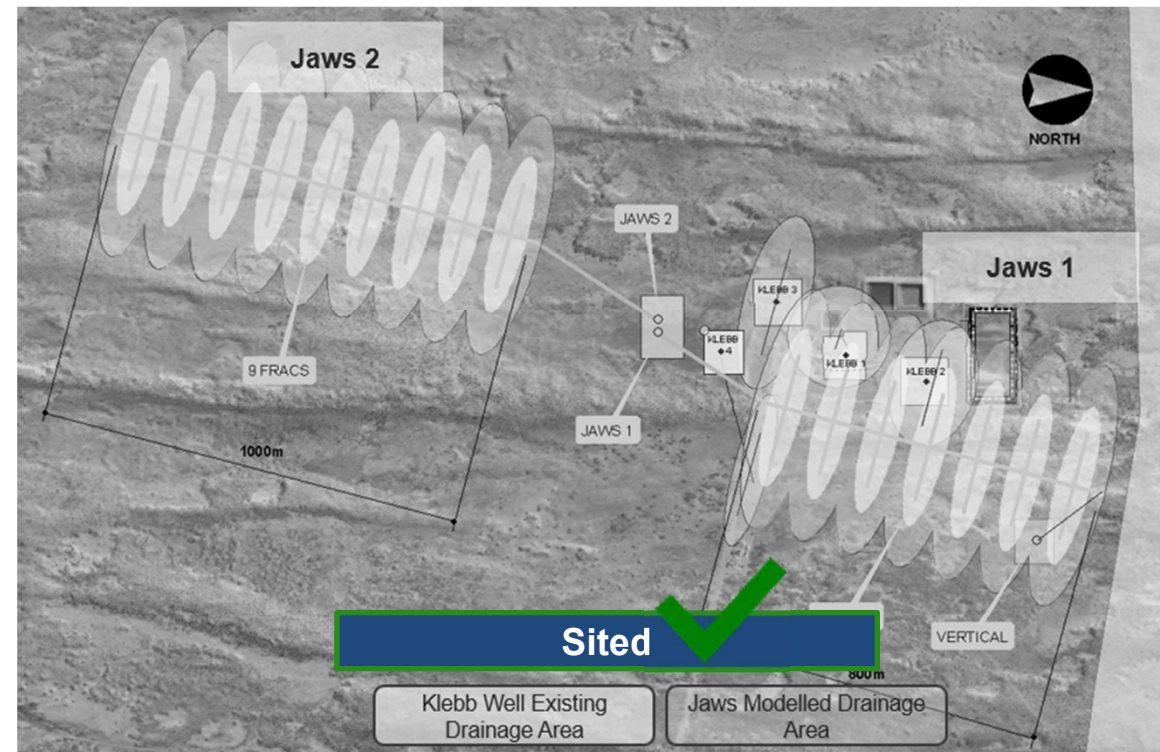
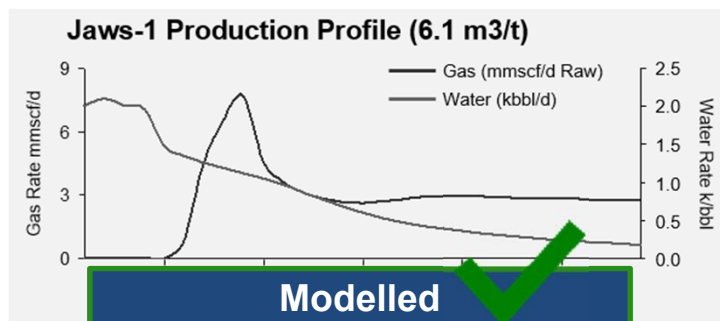
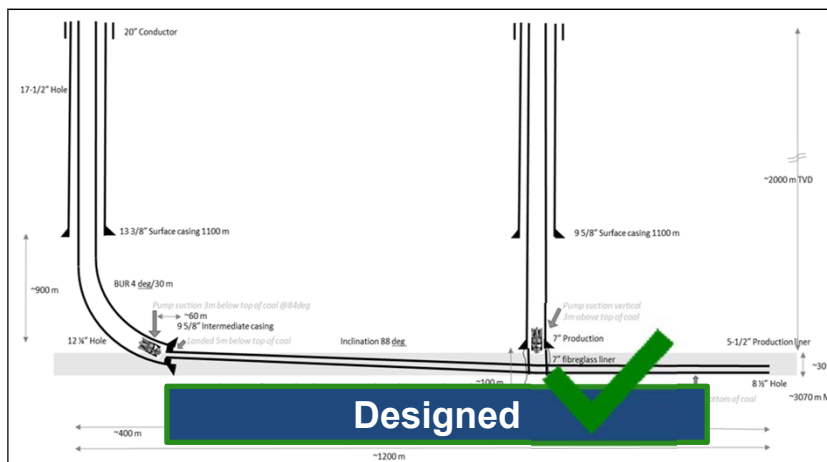
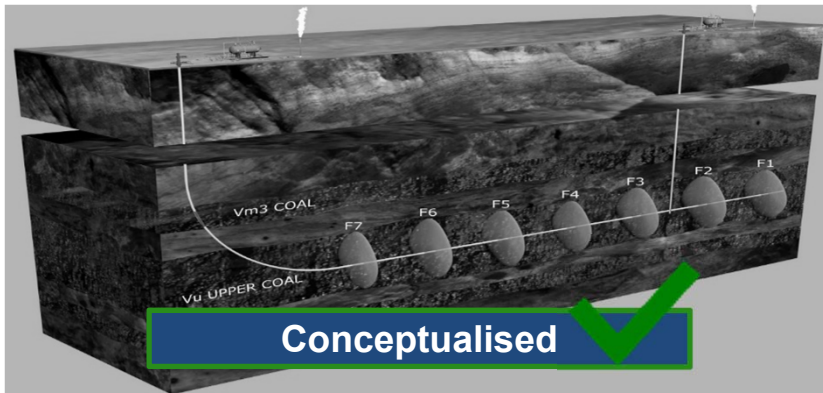
Prolific resource



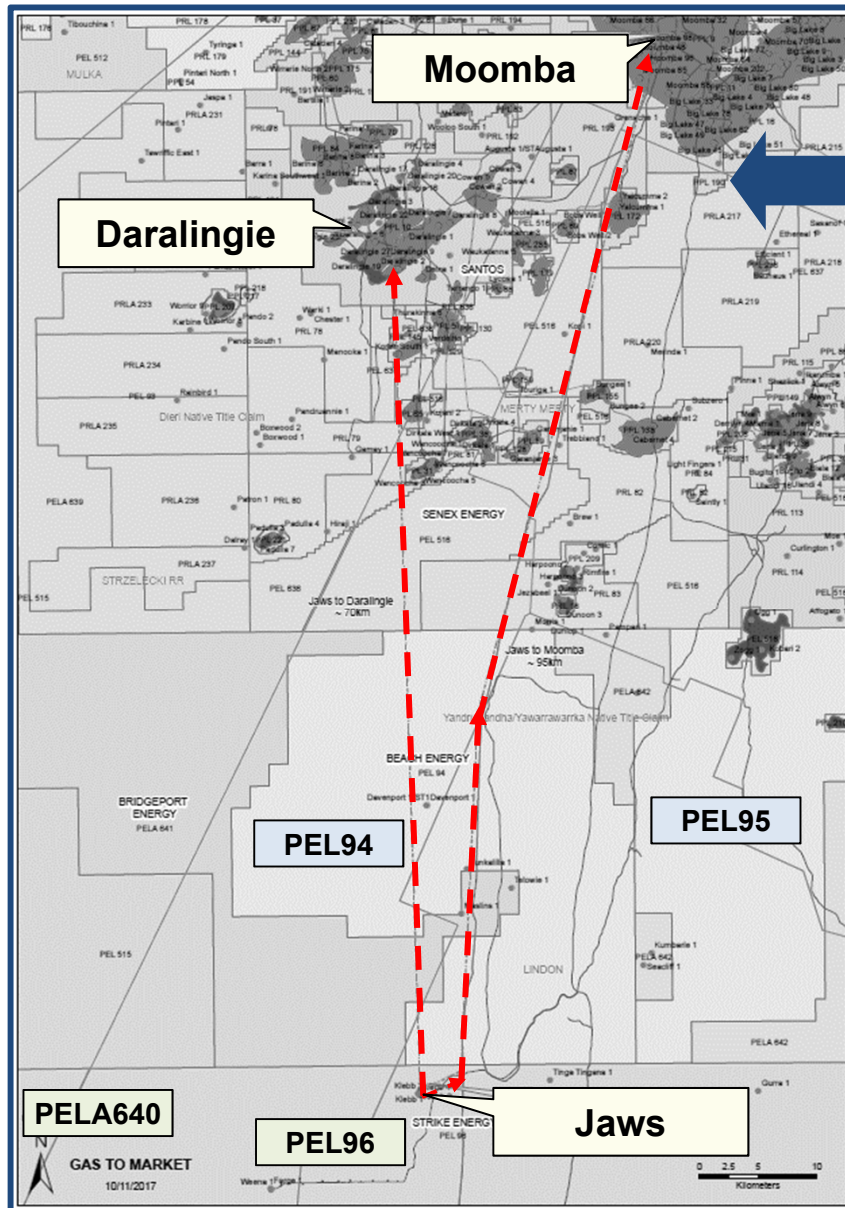
Significant Reserve



Jaws progress



Deep CSG Path to Market - Midstream Concept Studies



Concept 1: Pipe Gas to Moomba Gas Plant

Considerations

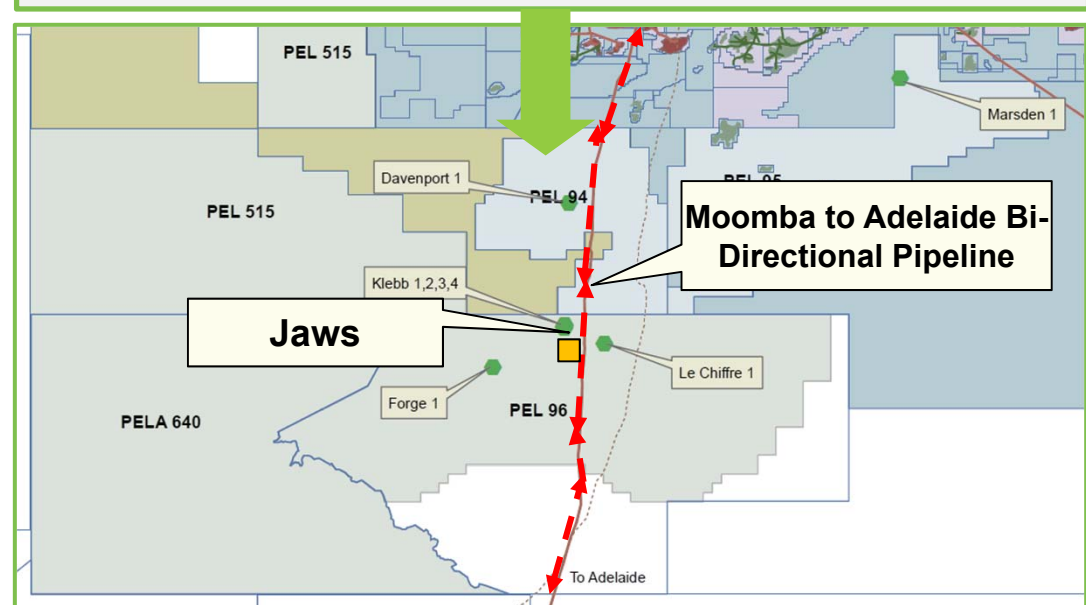
- Infrastructure: How much pre-treatment?
- Route: Daralingie or Moomba (along MAPS)?
- Size of pipeline and compression?

Concept 2: Onsite Treatment & MAPS

Considerations

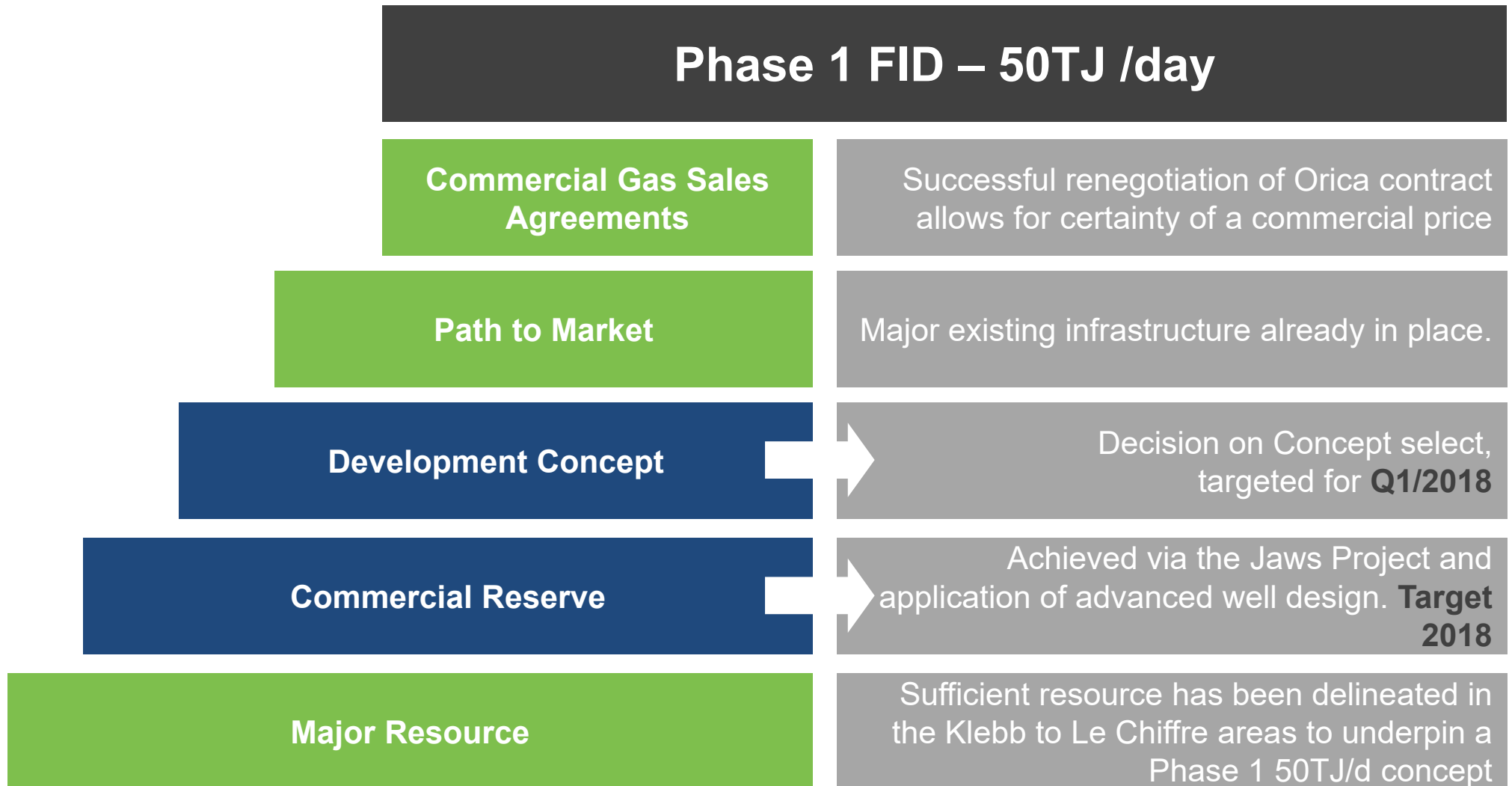
- Size of Processing and Scalability?
- Technology Selection?
- Speed & Schedule?

*MAPS: Moomba to Adelaide Pipeline System

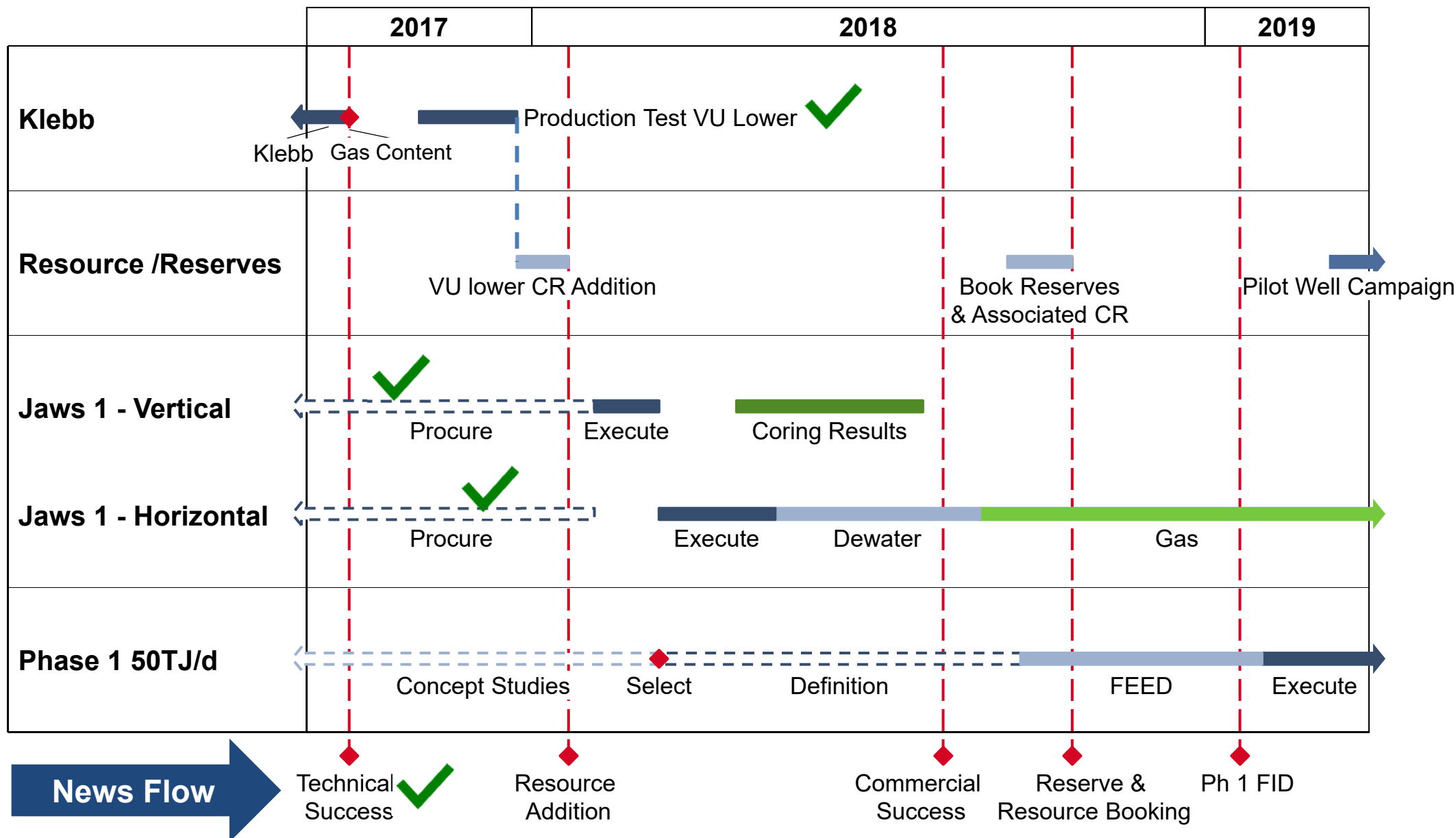


■ Processing Infrastructure

Building blocks required for FID



Project Timeline – All major programs on track

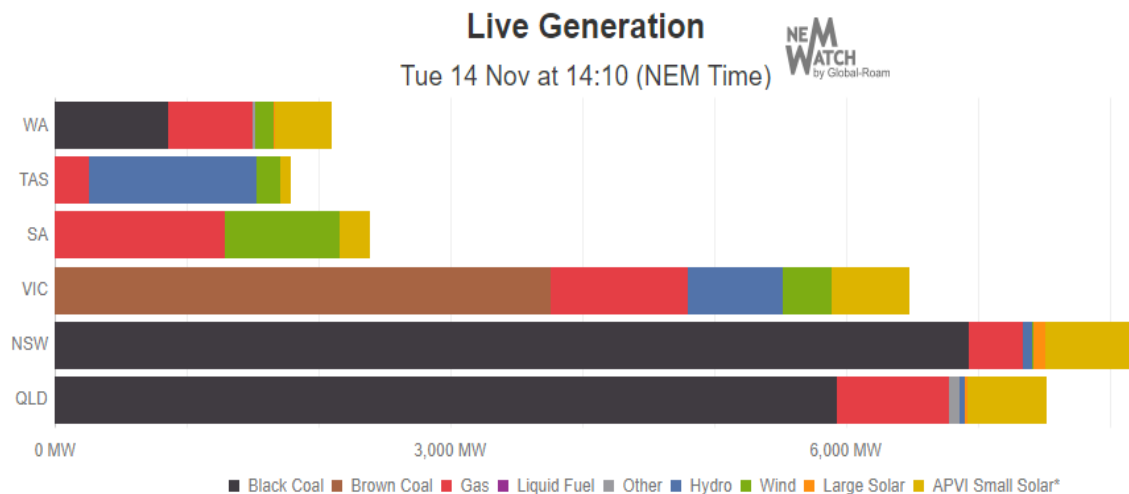


*All timelines are indicative and subject long lead and rig procurement, funding, successful execution of Jaws, and reservoir performance metrics

Investment in Gas is a Social Imperative

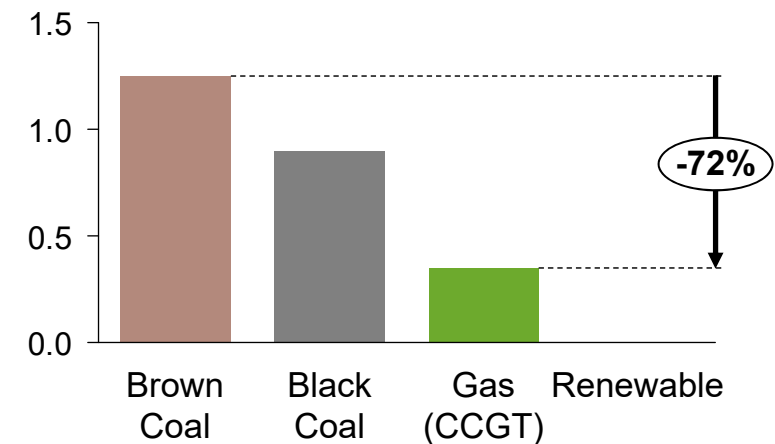
Natural gas should be the cornerstone to facilitate Australia's energy transition to a low carbon world.

- Tuesday (14th Nov) the East Coast was producing **63%** of its electricity from black and brown coal.
- Brown coal has a 72% higher CO₂ intensity than that of gas for power generation and black coal is 61% higher.
- The National Energy Guarantee will not be realisable without a significant increase in natural gas exploration and development.
- Strike must succeed to make gas more affordable, abundant and reliable which is in the national interest



Source: ReNew Economy

Emissions Intensity of Various Fuel Types for Electricity Generation (CO₂e/MWh)



Source: Santos

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Contingent Resource Estimate

DeGolyer and MacNaughton was engaged by Strike to undertake an Independent Review of the gas resource in PEL 96 based on the data and information acquired to date by Strike from the drilling and flow testing programs carried out at the Le Chiffre 1 and Klebb 1, Klebb 2 and Klebb 3 wells.

DeGolyer and MacNaughton has estimated a contingent gas resource on a probabilistic basis for the initial zones that have been flow tested within the Le Chiffre 1 and Klebb 1 wells. As these zones only represent a portion of the net coal encountered at these locations, successful flow testing of additional zones will enable an increased contingent resource to be booked.

The table below summarises the Contingent Resource Estimates.

	Contingent Gas Resource Estimates – PEL 96 ¹		
Well	1C ²	2C ²	3C ²
Productive area (acres)	2,171	2,938	3,931
Le Chiffre 1 – Patchawarra Vu Upper and Vu Lower zones (bcf)	62.9	93.2	132.4
Klebb 1 – Patchawarra Vu Upper zone 9 (bcf)	42.1	62.2	93.3
Total Gross Contingent Resource (bcf)	105.00	155.4	225.7

1. Contingent Resource Estimates have been prepared in accordance with the Petroleum Resources Management System "PRMS". Contingent Resource Estimates are those quantities of gas (produced gas less carbon dioxide and fuel gas) that are recoverable from known accumulations but which are not yet considered commercially recoverable.
2. 1C, 2C and 3C estimates in this table are P90, P50 and P10 respectively for each well and have been summed arithmetically
3. Net to Strike's 66.7% interest in PEL 96

Competent Persons Statement

Oil and Gas Reserves Estimation Process

The information in this report that relates to oil and gas resource estimates at 01 June 2017 is based on information compiled or reviewed by Mr A.Farley who holds a B.Sc in Geology and is a member of the Society of Petroleum Engineers. Mr A.Farley is Manager Geoscience for the Group and has worked in the petroleum industry as a practicing geologist for over 15 years. Mr A. Farley has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.

Technical validation Review

Igessi Consulting

Tony Cortis (M.Sc. Geology) who brings over 28 years of industry experience with Shell International. He has extensive technical and delivery experience in all three Unconventional Resource play types: tight clastic, shale and coal bed reservoirs. He has actively worked on CBM projects in the Bowser Basin, the Western Canada Sedimentary Basin and in the Ordos Basin of China.

Mr Cortis consents to the inclusion of his findings and information with relation to his evaluation of the activities and estimates at PEL96.

DeGoyler MacNaughton

The information contained in this release pertaining to the PEL 96 contingent resources estimate is based on, and fairly represents, information prepared under the supervision of Mr Paul Szatkowski, Senior Vice President of DeGoyler and MacNaughton. Mr Szatkowski holds a Bachelor of Science degree in petroleum Engineering from Texas A&M, has in excess of 40 years of relevant experience in the estimate of reserves and contingent resources and is a member of the International Society of Petroleum Engineer and the American Association of Petroleum Geologists. Mr Szatkowski is a qualified petroleum reserves and reservoir evaluator within the meaning of the ASX Listing Rules and consents to the inclusion of the contingent resource estimate related information in the form and context in which that information is presented.