Strike Energy Limited
Quarterly Report

Q1 - 2018

Jaws Project March 2018

Key Highlights Q1 2018

Jaws-1 Progress

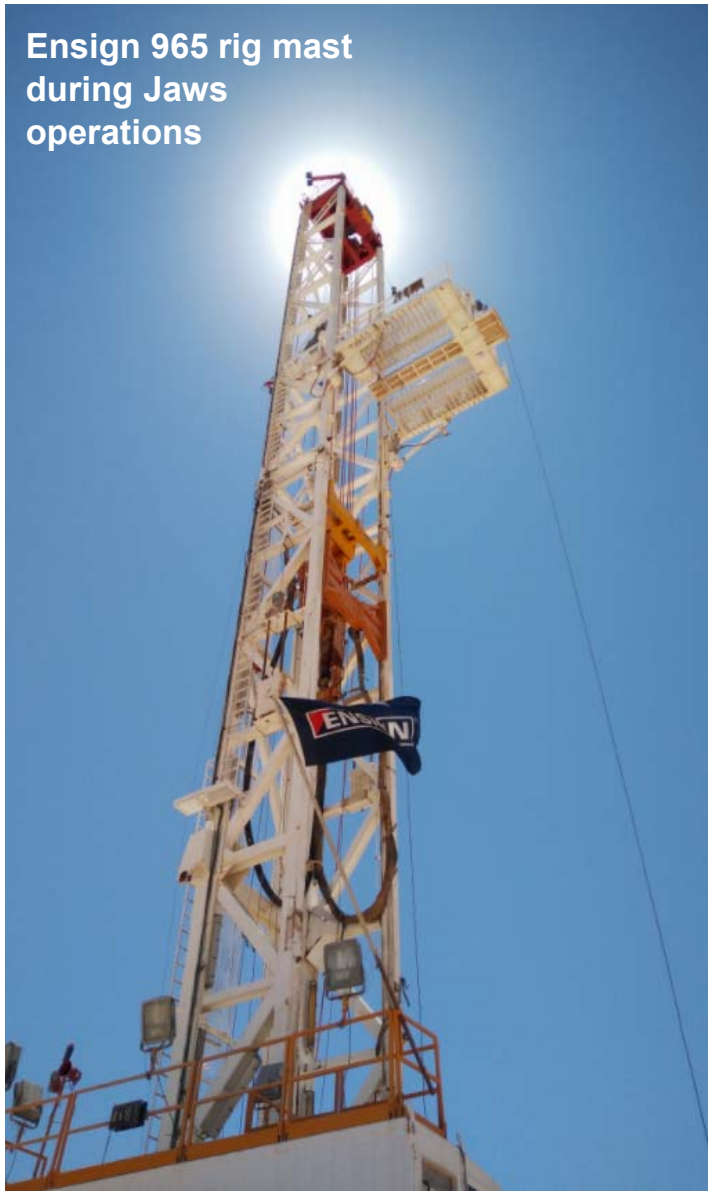
- Jaws-1 vertical well complete.
- Jaws-1 horizontal well continuing with alternate execution model. Drilling of new 8.5” sidetrack underway.
- Cores and other subsurface data captured, and in process of being tested and analysed.

West Erregulla Acquisition

- Strike to acquire a 50% interest in and operatorship of EP469 within the highly prospective Perth Basin, subject to obtaining regulatory approvals.
- EP469 contains a top tier highly analogous prospect to the recently tested and history making Waitsia discovery (16km from the prospect).
- Strike will sole fund one exploration well and associated costs.

Orora Gas Sales Agreement

- Revised agreement for the delivery of 45PJ of gas under terms that are consistent with the new development strategy for the Southern Cooper Basin Gas Project.

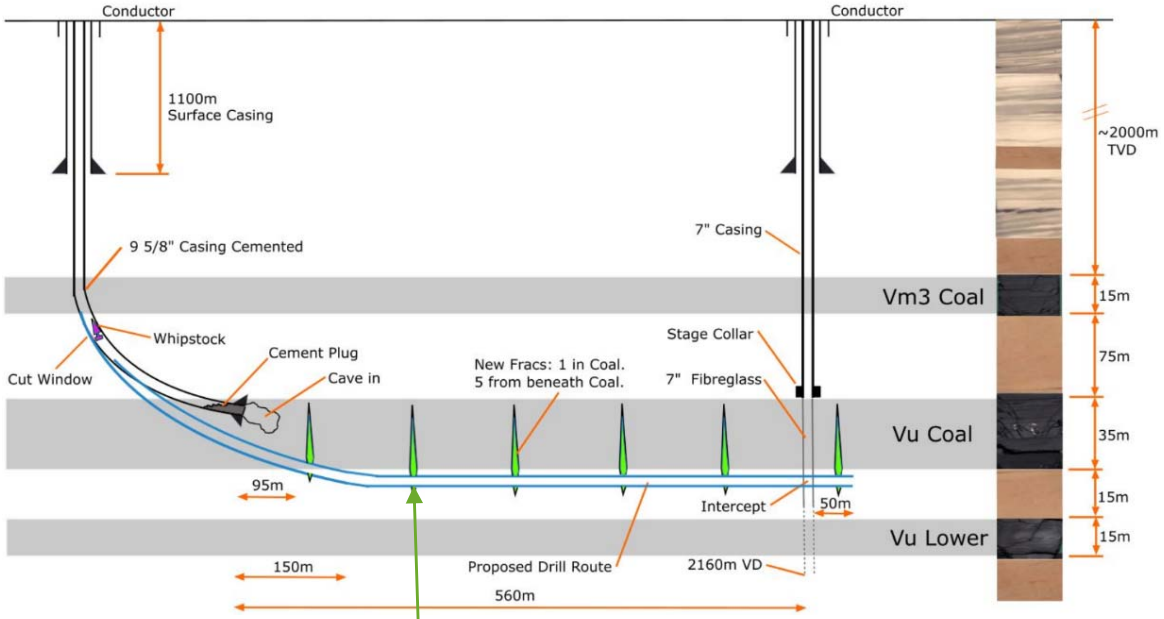


Ensign 965 rig mast during Jaws operations

Jaws Progress Update

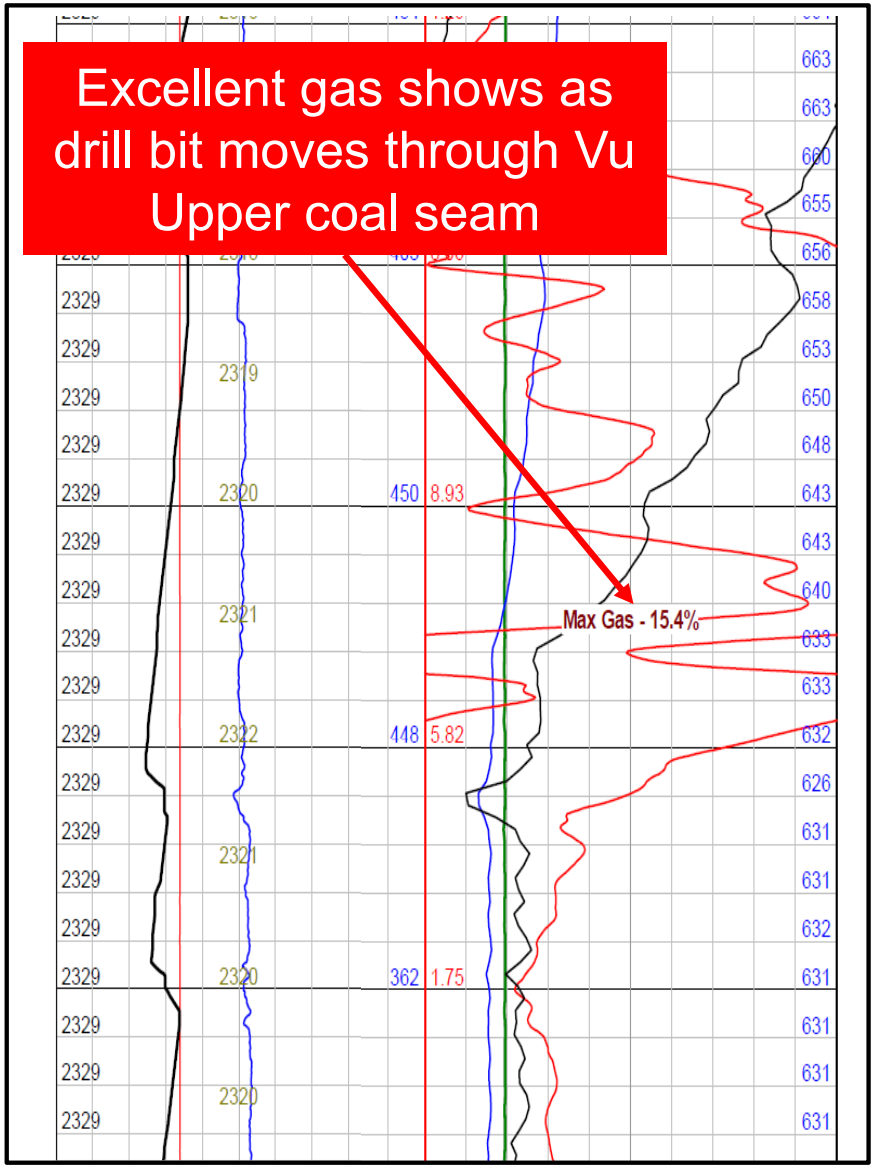
HALLIBURTON

- Original Jaws-1 horizontal path altered to new horizon (siltstone interburden).
- “Pump on” date now targeted for June.
- Revised plan consistent with original commercial objectives; still expecting to test the commerciality of the Vu Upper coal.



Indirect Vertical Fracture Completion

Jaws Progress Update



Coal cuttings from Vu Upper

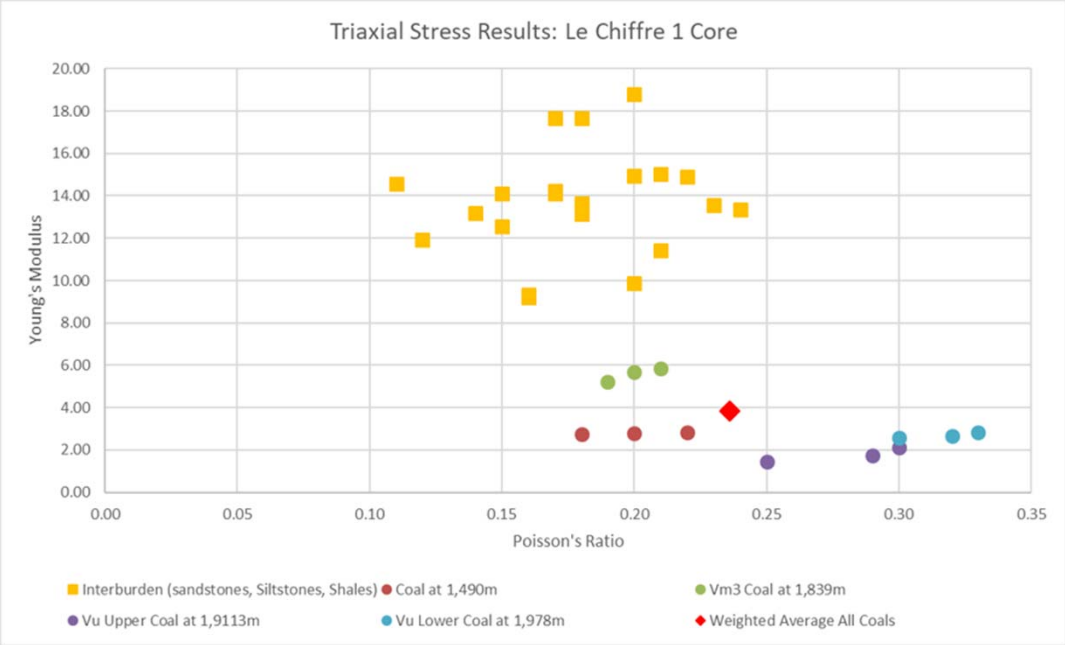
- Vitrinite bands within cutting shows cleat development and spacing. Approximately 2mm in width and depth.

Indirect Vertical Fracture Completion

"The most efficient rock for propagating an induced hydraulic fracture are rock layers that have a low Poisson's ratio and a relatively high Young's Modulus. You choose a rock layer for efficient fracture propagation, and then use a fracture simulator to design enough net fracturing pressure for the fracture to grow in height connecting to the target coal seams…. The target does not have to be reservoir rock; low porosity sands or siltstones that have the correct mechanical properties can be very efficient entry point to accessing coal seams. …perforate where the fracture would want to be, and let the fracture conductivity connect to the reservoir"

SPE 107985

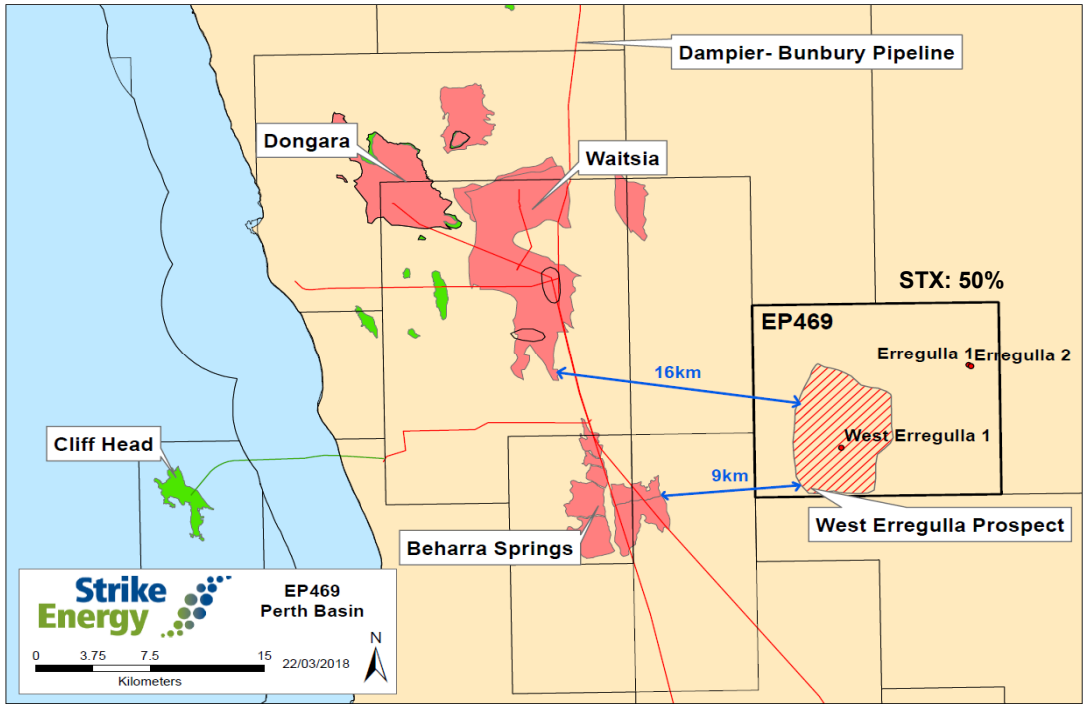
Olsen T.N., Bratton T.R.,Donald A., Koepsell R., Tanner K. Schlumberger

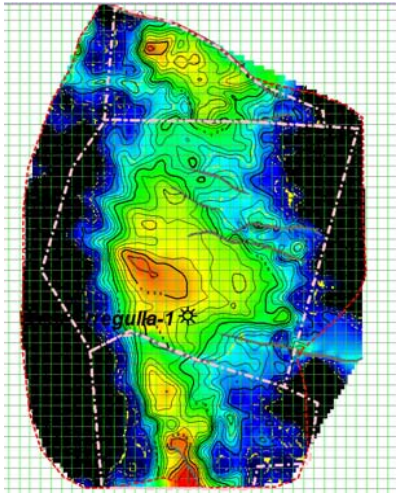


(above) A plot of triaxial stress tests from the coals and interburden in the Le Chiffre cores. These indicate **the appropriate conditions for implementing IVFC are met** through the relationship of the interburden and Vu Upper coal.

West Erregulla Gas Project Acquisition Update

- Transfer documentation submitted to regulator for approval.
- Discussions with regulator underway for proposed drilling of West Erregulla-2.
- Subsequent technical work on the West Erregulla conventional target continues to improve confidence levels of the interpretation.
- Recent access to open source neighbouring seismic studies and well logs has aided calibration and confidence of both direct hydrocarbon indicators and required porosity inversion at depth.
- Strike looks forward to updating the market on its exciting new project at transaction completion.



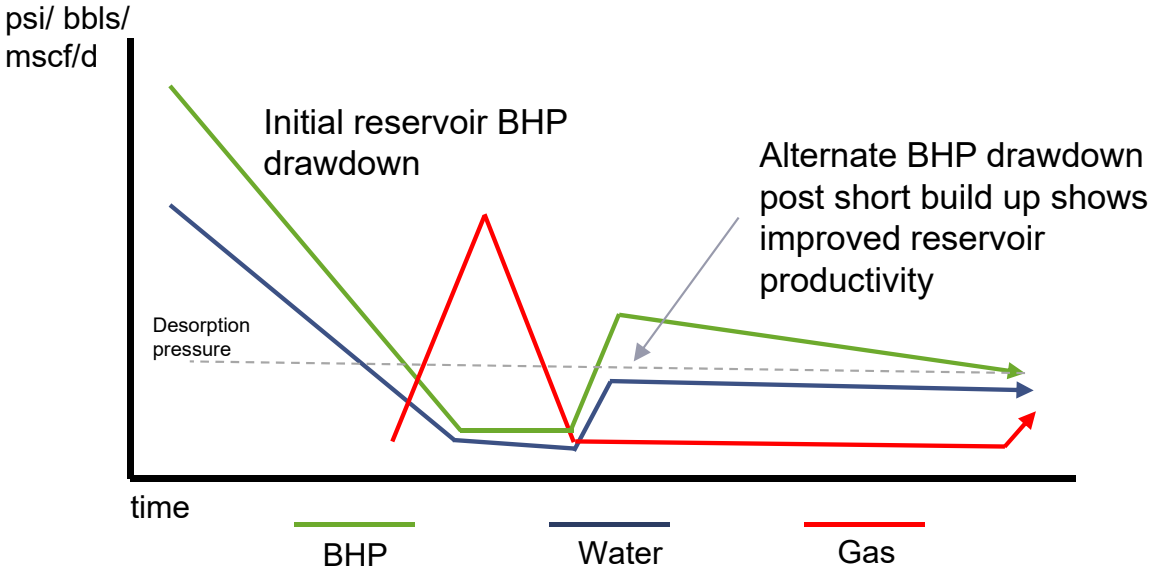


- West Erregulla target comprises three fault blocks.
- Existing well on structure in central fault block drilled into Dongara formation has confirmed polarity for hydrocarbons/water.
- New probabilistic modelling confirms standalone development size of West Erregulla.

KHC: Kingia High Cliff sands which are the same reservoir as Waitsia.

Klebb Operations Update

Klebb 1 Production/BHP Illustration



Well	Planned Q2/18 Activity
Klebb 1	Continue Vu Lower production test with new drawdown profile
Klebb 2	Pressure build up to restore productivity then new drawdown
Klebb 3	No activity planned, equipment has been redeployed to Jaws Project
Klebb 4	Microseismic monitoring well for Jaws Project stimulation

Rate of change of BHP

- Initial drawdown was completed with positive gas response.
- Due to lack of downhole gauge; speed of drawdown in final weeks was too high.
- The rate of change of the pressure inside the reservoir affected the productivity. This can be seen on the illustration to the left by the terminal decline in water production.
- Allowing short build up restored productivity, which was seen immediately in a return to good water production (no permanent deterioration in reservoir permeability observed).
- Rate of change in drawdown now controlled by reservoir with water flat or declining bringing the BHP down naturally.
- Initial gas response has been recorded.
- Strike will respond with pump speed so as to ensure the trajectory of BHP is not affected as the majority of the movable water is removed.

Finance & Commercial Update

Board of Directors

John Poynton (Chairman)
Jody Rowe
Andrew Seaton
Stuart Nicholls (MD)
Tim Goyder

Corporate / Registered Office

Unit 1 31-35 George St,
Thebarton Adelaide SA 5031

T: +61 (08) 7099 7464
E: strike@strikeenergy.com.au
W: www.strikeenergy.com.au

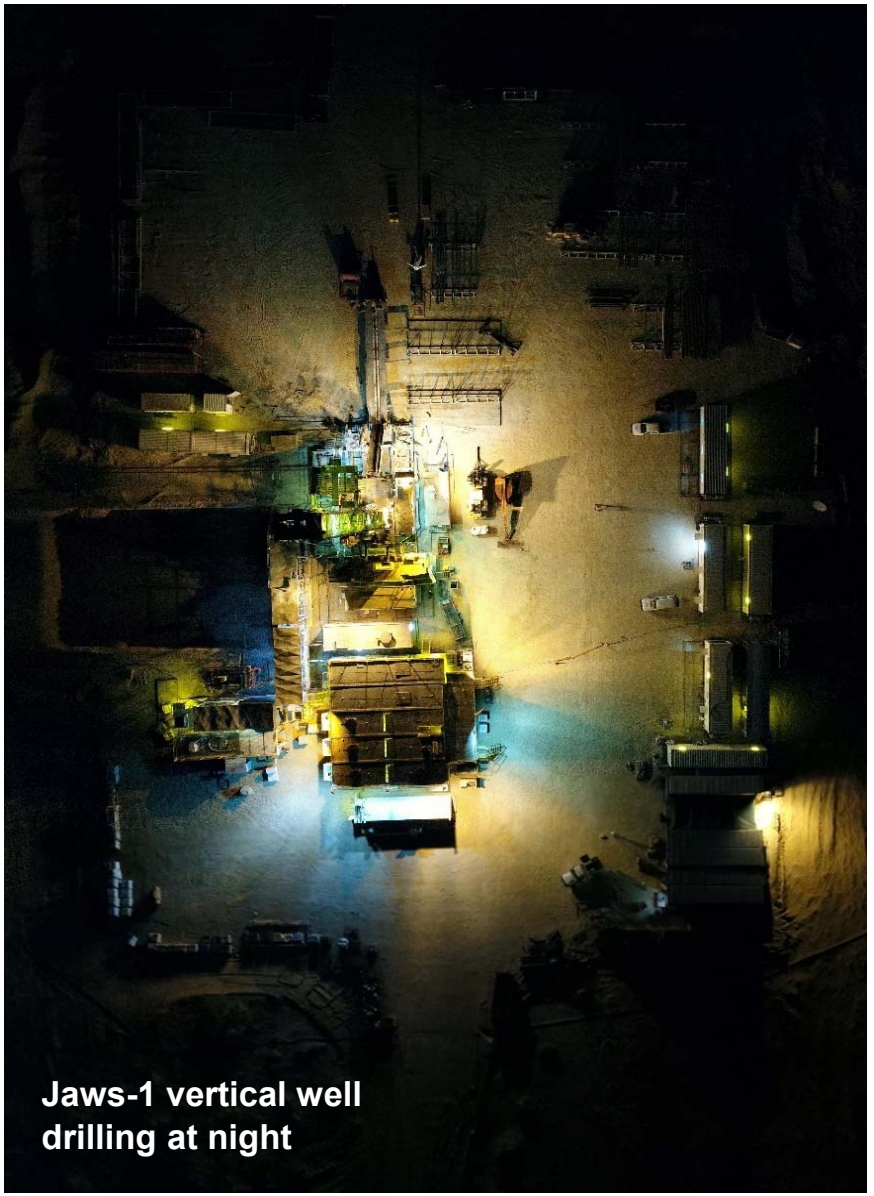
Securities Exchange

ASX: STX

Securities on Issue

Shares: 1,094,640,299
Options: 23,200,000
Performance Rights 6,749,999

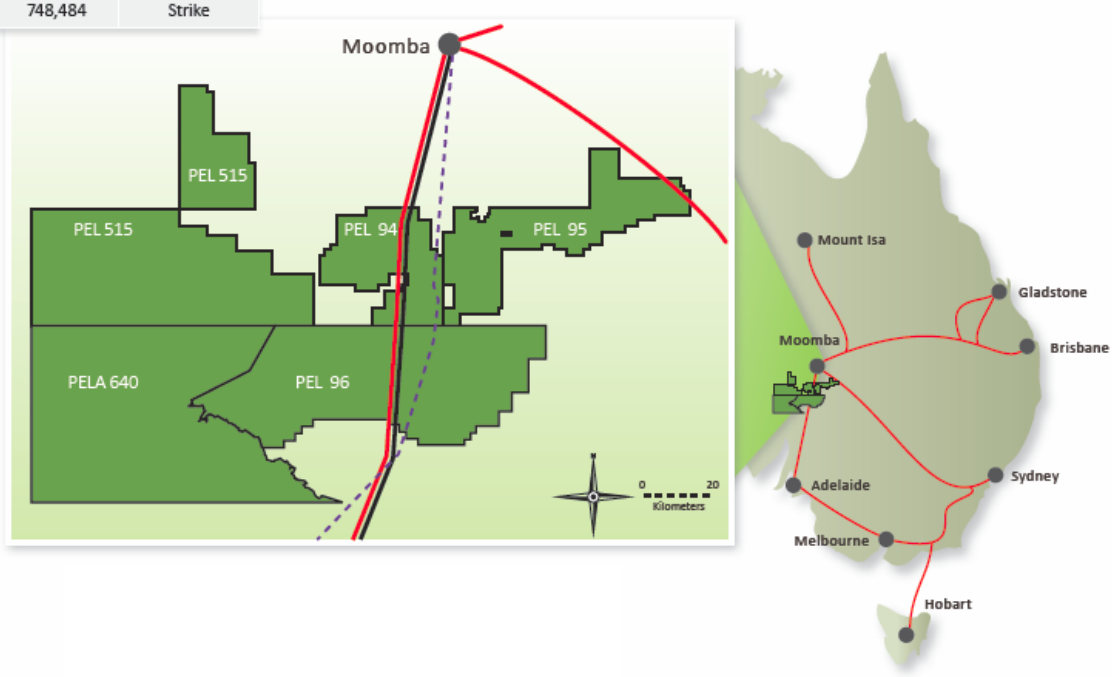
- Spend for the quarter on operations was $7.6 mln and was centered around the execution of the Jaws-1 Project wells.
- Measures to stabilise the Jaws-1 formation and sidetrack drilling will result in longer than expected rig time.
- Strike has sufficient remaining funds to complete the execution of the Jaws-1 Project.
- **The Company completed the quarter with $6.6mln of cash on hand and undrawn facilities at 31st of March 2018.**



Jaws-1 vertical well drilling at night

Strike Energy Limited: License Information

Permit	STX Working Interest	STX Net Acres	Operator
PEL 96	66.67%	443,880	Strike
PEL 95	50%	160,248	Beach Energy
PEL 94	35%	77,925	Beach Energy
PELA 640	100%	850,786	Strike
PEL 515	100%	748,484	Strike



Competent Persons Statement

The information in this report that relates to appraisal results 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.

Igesi 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. T. Cortis has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

STRIKE ENERGY LIMITED

ABN	**Quarter ended ("current quarter")**
59 078 012 745	**31 March 2018**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(7,240)	(11,598)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(1,248)	(3,616)
	(e) administration and corporate costs	(477)	(2,025)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	60	137
1.5	Interest and other costs of finance paid	(29)	(151)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	3,697
1.8	Other (provide details if material)	1,301	4,160
1.9	**Net cash from / (used in) operating activities**	**(7,633)**	**(9,396)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	807	227
2.6	**Net cash from / (used in) investing activities**	**807**	**227**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	9,100
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	10	(475)
3.5	Proceeds from borrowings	2,972	2,972
3.6	Repayment of borrowings	-	(3,199)
3.7	Transaction costs related to loans and borrowings	1	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(12)	31
3.10	**Net cash from / (used in) financing activities**	**2,971**	**8,429**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,972	4,863
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,633)	(9,396)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	807	227
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,971	8,429
4.5	Effect of movement in exchange rates on cash held	30	24
4.6	**Cash and cash equivalents at end of period**	**4,147**	**4,147**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,882	5,710
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (share of JV bank accounts)	2,265	2,262
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,147**	**7,972**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	167
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	7,900	5,472
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Lender	Interest Rate	Secured/Unsecured	Balance Outstanding at Quarter End	
Orica Australia Pty Ltd	5.80%	Unsecured – convertible note	A$2,500,000	
Commonwealth Bank of Australia	BBSY plus 4.55%	Secured against R&D refund from ATO	A$5,400,000	

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	5,431
9.2	Development	-
9.3	Production	-
9.4	Staff costs	1,200
9.5	Administration and corporate costs	275
9.6	Other (provide details if material)	(1,317)
9.7	**Total estimated cash outflows**	**5,589**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: .....26 April 2018.....

(~~Director~~/Company secretary)

Print name: .....Justin Ferravant.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.