

1 August 2018

Ms Kimberley Brown  
Principal Adviser, Listings Compliance (Sydney)  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**BY EMAIL:** [Kimberley.Brown@asx.com.au](mailto:Kimberley.Brown@asx.com.au)

Dear Ms Brown

### **Strike Energy Limited (Strike) – Appendix 5B Query**

We refer to your letter dated 27 July 2018 regarding Strike's quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform on 19 July 2018. Strike's responses to the queries in your letter are as follows:

1. *Does Strike expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

Strike is a gas exploration and appraisal company and, as such, expects its operating cash flows to remain negative until it has completed the exploration, appraisal and development phases of its projects and is in a position to generate revenue from gas production.

2. *Has Strike taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

As outlined in Strike's June 2018 Quarterly Report, Strike has entered advanced discussions regarding procurement of finance to fund operations for the balance of 2018, including the Jaws piloting project and the West Erregulla drilling program.

Given the near-term development potential of both its Southern Cooper Basin Gas Project and its newly acquired West Erregulla Gas Project in the Perth Basin, and Strike's track record of securing finance as and when required to fund its activities, Strike is confident these discussions will prove successful and that it will secure the requisite funding, and in the timeframe required.

3. *Does Strike expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

Yes, Strike expects to be able to continue its operations and to meet its business objectives on the basis that it will be able to successfully raise the necessary finance as and when required, as outlined in the response to question 2 above.

4. *Please provide any other information that Strike considers may be relevant to ASX forming an opinion whether Strike is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).*

For the reasons outlined in the response to question 2 above, Strike is confident it can raise the finance it requires as and when needed.

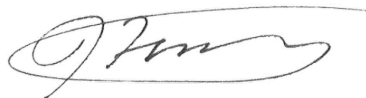
5. *Please confirm that Strike is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.*

Confirmed.

6. *Please confirm that Strike's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board of directors or an officer of Strike with delegated authority from the board to response to ASX on disclosure matters.*

Confirmed.

Yours faithfully



Justin Ferravant  
Company Secretary & Chief Financial Officer  
Strike Energy Limited



27 July 2018

Mr Justin Ferravant  
Chief Financial Officer and Company Secretary  
Strike Energy Limited  
Unit 1/ 31-35 George St, Thebarton  
South Australia 5031

By email:

Dear Mr Ferravant

**Strike Energy Limited (the “Entity”): Appendix 5B Query**

I refer to the Entity’s Appendix 5B quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform on 19 July 2018 (the “Appendix 5B”).

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$3,449,000
- cash at the end of the quarter of \$2,972,000; and
- estimated cash outflows for the next quarter of \$3,358,000.

It is possible to conclude, based on the information in the Appendix 5B that if the Entity were to continue to expend cash at the rate indicated by the Appendix 5B, the Entity may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Entity to respond separately to each of the following questions and requests for information:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that the Entity is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

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6. Please confirm that the Entity's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

### **When and where to send your response**

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9:30 am AEST on Thursday, 2 August 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Entity's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

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You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

*[Sent electronically without signature]*

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**Kimberley Brown**

Principal Adviser, Listings Compliance (Sydney)