ANNUAL REPORT

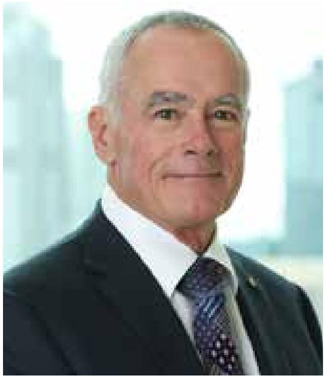
for the financial year ended
30 June 2018

Strike Energy

CONTENTS

STRIKE ENERGY LIMITED (ASX:STX) IS AN AUSTRALIAN BASED, INDEPENDENT OIL AND GAS EXPLORATION AND PRODUCTION COMPANY. THE COMPANY IS FOCUSED ON THE DEVELOPMENT OF SUBSTANTIAL GAS RESOURCES IN THE SOUTHERN COOPER BASIN AND PERTH BASIN TO MEET AUSTRALIA'S GROWING GAS MARKET DEMAND.

CHAIRMAN'S LETTER



John Poynton AO
Chairman
Strike Energy Limited

Dear Shareholders,

The last financial year has been a significant one for Strike with the implementation of Strike's refreshed strategy and execution of its 'Jaws' project in the Cooper Basin from the new Adelaide headquarters.

During the year, there were significant developments with the Australian east coast energy shortage. In particular, several key political and industry decisions were taken on how gas may be positioned within the energy system in the long-term. These have included the roll out of the Australian Domestic Gas Security Mechanism, the National Energy Guarantee proposal, repeal of the hydraulic stimulation moratorium in the Northern Territory and the decision not to proceed with the West-East Gas Pipeline. The common theme across these decisions is both government and industry attempting to secure the future gas supply for the highly constrained domestic market.

Strike sees the role of gas in the energy system increasing in importance as an immediate and effective way of reducing Australia's carbon intensity. However, the eastern states of Australia find themselves in a position where the shortage of gas supply has impacted upon the perception of its reliability and competitiveness. This is due to several compounding issues which include the over-construction of LNG export facilities with contracted volumes, natural field decline and the lack of credible new development options. This lack of new and material gas supply highlights the strategic importance of Strike's flagship project in the southern Cooper Basin, being one of only a handful of projects currently undergoing appraisal for near term development.

Over the last 12 months we have observed decreasing confidence in the future of Queensland gas resources as write downs and project feasibility studies have yielded non-commercial projects. The concerns around the erosion of these future contingent resources has been exacerbated by the notifications of the impending curtailment of production from the offshore Victorian gas fields due to their natural decline. The growing support from industrial gas users for import terminals is likely to lock the eastern States into LNG netback pricing. This emerging market dynamic plays to Strike's opportunity set and means that the stage is set for the Southern Cooper Basin Gas Project (SCBGP) to make a potentially transformational impact. Success at Strike's appraisal project, Jaws-1, should enable the rapid commercialisation of this major resource.

Building on last year's forensic sub-surface review, the Jaws project was conceptualised from the 'rocks up' and designed to incorporate the five years of learnings that Strike had built since beginning its exploration and appraisal activities in the SCBGP. In partnership with major oil field service provider, Halliburton, Strike was able to execute the Jaws wells effectively, achieving several Australian drilling milestones along the way. Strike has since embarked on a period of pilot testing the Jaws wells and remains confident of its long-held ambition of being the first company to commercialise a deep coal seam resource.

During the year Strike re-entered Western Australia with its West Erregulla acquisition. Strike made this move after several months of technical due diligence which revealed a major conventional gas resource akin to the adjacent Waitsia gas field. Strike and its new joint venture partner Warrego Energy Pty Ltd, look forward to drilling this exciting prospect in the first quarter of 2019.

In summary, whilst not without challenges, it has been a good year for Strike. The hard work and unrelenting efforts of the Strike management and execution teams have set the company up for a transformational period ahead. I acknowledge with gratitude the efforts of all involved, including those of our contractors.

To you my fellow shareholders, I extend my sincere appreciation for your ongoing support. My fellow Board members and I are looking forward to the future with confidence and hope that we can deliver significant value over the balance of the 2019 financial year.

Yours sincerely,

John Poynton AO
Chairman
Strike Energy Limited

MANAGING DIRECTOR'S REPORT

Stuart Nicholls
Managing Director
Strike Energy Limited

During the financial year Strike has achieved several commercial, financial and operational objectives. The majority of activities were centered around taking major steps towards commercialisation of the Southern Cooper Basin Gas Project (SCBGP) with the remainder covering the acquisition and evaluation of Strike's newest asset and Perth Basin entry in the form of West Erregulla.

SOUTHERN COOPER BASIN GAS PROJECT

Strike reduced the level of uncertainty in the subsurface to declare technical success and commit to further appraisal studies. The decision to progress the project culminated in Strike raising $8.6 million (net of transaction costs) to execute the Jaws-1 project. As at the end of this reporting period Strike has successfully prepared, procured, constructed and commissioned the Jaws project wells and production piloting has commenced.

The Jaws project saw the deployment of new and innovative drilling technology in the form of advanced horizontal/directional drilling and cutting-edge stimulation techniques. Throughout the delivery of Jaws, Strike has achieved several Australian drilling and stimulation records, which include the deepest horizontal vertical intercept in Australian drilling history and also the deployment of the first indirect vertical fracture stimulation executed in Australia. Strike's achievement in the delivery of the Jaws wells, particularly after hole stabilisation issues mid-way through the drilling campaign, is a testament to the quality of the new execution team that has been put together.

During the campaign Strike gathered and collected abundant confirmatory and valuable subsurface data. Some of the major data samples included pressure cores of the Patchawarra coal seams which showed results of gas contents as expected, microseismic and tiltmeter information which confirmed volumes of stimulated rock and drainage areas of over 140 acres and deployment of around 1 million pounds of proppant into the formation. Through the refinement of the reservoir models of the SCBGP coals and the Jaws-1 production system, Strike is confident that the two in combination should meet the project's primary objective of producing gas at commercial thresholds in order to book a reserve. This activity will come as a result of piloting activities slated for the following financial year.

Commercially, Strike progressed the renegotiation of the Orora Gas Sales Agreement which had reached its end date but was renegotiated at new terms to commercially support the SCBGP. The new terms included a total contract quantity of 45 PJ over a 10 year term which would see Strike deliver important volumes of gas to Orora, one of its foundation customers.

MANAGING DIRECTOR'S REPORT CONTINUED...

PERTH BASIN ENTRY – WEST ERREGULLA

During Q1/2018 and as a result of several opportunity screening activities, Strike agreed to terms with Warrego Energy Pty Ltd to enter the north Perth Basin block EP469 as operator (and holder of 50% equity). Strike agreed with Warrego to pay $600,000 and carry the joint venture for the upcoming well with its associated G&G and G&A works to a capped value of $11 million.

Strike completed its evaluation of the 3D seismic over the block to conclude that West Erregulla contained a Waitsia-like deep Kingia-High Cliff conventional gas target that presented prospective volumes sufficient for a major standalone development. The prospect was both geologically and geophysically supported with significant quantitative interpretation conducted by ex-Shell geophysicists at Igesi Consulting.

West Erregulla is adjacent to the Waitsia development and surrounded by abundant gas infrastructure which includes the major gas transmission pipelines of Western Australia. With the conventional nature and nearly co-located infrastructure, West Erregulla represents a very near term, high value development opportunity should the drilling of the exploration well in Q1/2019 be a success.

Strike's well delivery timeline is currently on track for drilling activities to take place in the first quarter of 2019 and the outcome of this well will represent one of the two major milestones Strike is looking to achieve over the next financial year. The acquisition of this project means that Strike is now diversified between both conventional and unconventional hydrocarbons within multiple basins and across west and eastern Australian markets.

FINANCING

In August 2018, Strike raised $2.9 million (net of transaction costs) through a share placement to support the piloting activities of the Jaws wells at the SCBGP and long lead items for the West Erregulla-2 well in the Perth Basin.

HEALTH, SAFETY AND THE ENVIRONMENT

During the execution of the Jaws project Strike did not register any lost time incidents, which is a signal of the culture within Strike that the safety of its employees, contractors and all personnel involved in its business is of paramount importance.

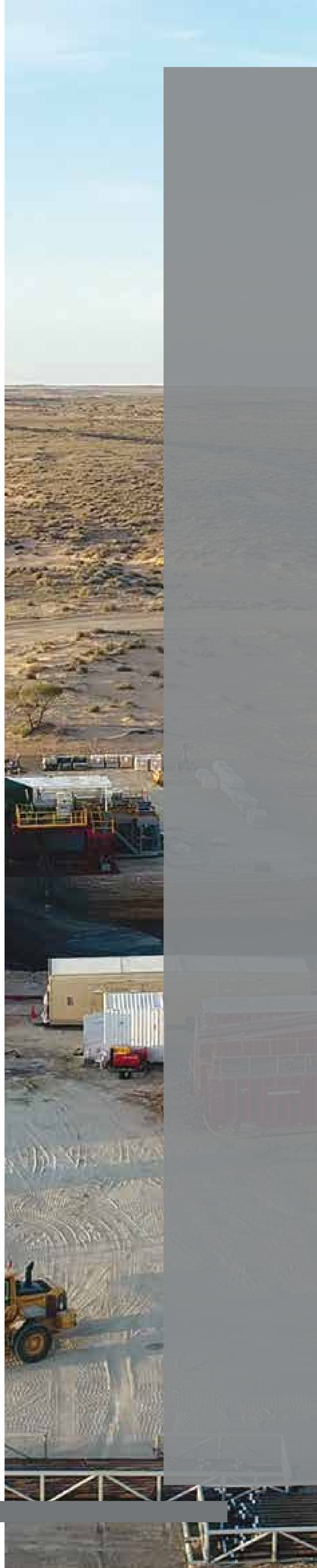
Throughout Strike's operations it spent considerable resources to ensure that safety was at the highest agenda item in all of its decision making and contractors' execution. Strike's management team and key personnel continually monitor its operations to ensure compliance with its safety policies and all relevant laws and regulations.

Not only is safety to people front of mind and the normal course of business but also safety and protection of the environment in which Strike operates. Strike ensures strict adherence to its environmental policies as well as the relevant laws and regulations under which it operates.

Strike thanks all stakeholders for their continued involvement and is extremely appreciative of its loyal shareholders and looks forward to rewarding with good production and exploration results throughout the remainder of 2018 and into 2019.

Yours sincerely,

Stuart Nicholls
Managing Director
Strike Energy Limited



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 2018.

Information about the Directors
The directors of the Company during the year ended 30 June 2018 and up to the date of this report are:

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

Mr Poynton is Chairman of Jindalee Partners and SC8 Limited. He is a Board Member of the Future Fund Board of Guardians, a Director of Crown Resorts Ltd and the Security Research Institute Advisory Board. He is also the Chairman of Council of Christ Church Grammar School and Giving West. 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 Chairman on 10 April 2017.

TIM GOYDER DIRECTOR (NON-EXECUTIVE)

Mr Goyder is an experienced investor with a strong track record of successful investment and value creation in the Australian and international mining and energy sectors. He has a thorough understanding of the Australian and global equities markets, exploration for and development of resource projects, commercial negotiation and corporate M&A. He is a major long-term shareholder of Strike and is a major shareholder and founding director of a number of ASX-listed and TSX-listed emerging resource companies based in Perth, Western Australia.
Mr Goyder was appointed to the Board as a Non-Executive Director on 10 April 2017.

STUART NICHOLLS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr Nicholls is an energy industry professional having worked across both the up and downstream assets at Royal Dutch Shell. He has experience within finance commercial joint ventures, economics, strategy and exploration primarily from within Royal Dutch Shell's gas businesses. He has a deep knowledge of the energy system and 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.
He holds a Bachelor of Commerce (Finance and Accounting). 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.

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

Ms Rowe's previous work experience includes senior commercial roles in Australia and the United Kingdom working with organisations such as BG Group-QGC, Santos, Rio Tinto and Barrick Gold with particular focus on mega projects such as GLNG and QCLNG and large-scale mining operations. Ms Rowe is a member of the senior leadership team of the Coal Seam Gas Safer Together group and the Mining Industry Participation Office for the South Australian government. Ms Rowe is a director and shareholder of iPIPE Pty Ltd and also performs humanitarian work as a board member for Sight for All. In addition to her public boards and private equity Ms Rowe is the Chief Executive Officer of Rowe Advisory working within the oil and gas, mining, industrial, construction, food and agriculture industries. Ms Rowe was appointed to the Board as a Non-Executive Director on 30 June 2014.

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

Mr Seaton has over 30 years' experience in the resources sector encompassing a broad range of finance, strategy, commercial, investment banking, engineering and project management roles. He has a deep understanding of domestic Australian gas markets and global LNG industry dynamics having worked with Santos Ltd for 12 years, including 6 years as Chief Financial Officer. His prior experience includes advisory, mergers and acquisitions, equity and debt capital markets transactions with Merrill Lynch working in Australia and New York. Mr Seaton was appointed to the Board as a Non-Executive Director on 18 August 2017.

DIRECTORS' REPORT CONTINUED...

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

Simon Ashton **Resigned 18 August 2017**
Brendan Ostwald **Resigned 18 August 2017**

COMPANY SECRETARY

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

Matthew Montano resigned from the position as Company Secretary on 31 August 2017.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

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

Director	Company	Period of Directorship
T Goyder	Chalice Gold Mines Ltd	2005 to present
	Liontown Resources Ltd	November 2006 to present
	DevEx Resources Ltd (formerly Uranium Equities)	March 2002 to present
	PhosEnergy Ltd	July 2013 to present
J Poynton	Orbital Corporation Limited	17 March 2015 to 12 April 2017

DIRECTORS' MEETINGS

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

	Board of Directors		Nomination and Remuneration Committee		Audit and Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr J Poynton	8	8	4	4	-	-
Mr S Ashton	1	1	-	-	-	-
Mr B Ostwald	1	1	-	-	-	-
Mr T Goyder	8	8	2	2	-	-
Mr S Nicholls	8	8	-	-	-	-
Ms J Rowe	8	7	-	-	4	4
Mr A Seaton	7	7	2	2	4	4

RESERVES AND RESOURCES

Contingent resources (2C) were 23 million of barrels of oil equivalent (MMboe) at the end of June 2018. 2C increased by 6 MMboe with the acquisition of 50% interest in EP469 (Perth Basin).

CONTINGENT RESOURCES (STRIKE SHARE)

All projects by product	Gas (MMcf)		Total (Mboe)
Contingent resources (2C)	139,088		23,181
All projects by region	**Perth Basin (Mboe)**	**Cooper Basin (Mboe)**	**Total (Mboe)**
Contingent resources (2C)	5,917	17,265	23,181
2C Contingent resources annual reconciliation	**Perth Basin Gas (MMcf)**	**Cooper Basin Gas (MMcf)**	**Total (Mboe)**
30 June 2017		103,588	17,265
Revision to previous estimates		-	-
Extensions and discoveries		-	-
Acquisitions and divestments	35,500	-	5,917
30 June 2018	**35,500**	**103,588**	**23,181**

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

MMcf – Million cubic feet; Mboe - Thousand barrels of oil equivalent.

OIL AND GAS RESERVES ESTIMATION PROCESS

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

The information in this report that relates to oil and gas reserve estimates at 30 June 2018 is based on information compiled or reviewed by Andrew Farley who holds a B.Sc in Geology, and is a member of the Society of Petroleum Engineers. Mr Farley is the Geoscience Manager of the Group and has worked in the petroleum industry as a practicing geologist for over 16 years. Mr Farley has consented to the inclusion in this report of matters based on his information in the form and context in which it appears.

OPERATING AND FINANCIAL REVIEW

OPERATING ACTIVITES

The principal activities of the Group continue to be exploration and evaluation of gas resources. The Southern Cooper Basin Gas Project accounted for the predominant portion of capital expenditure during the year with the drilling of the Jaws-1 appraisal well in PEL96. The Jaws-1 well involved drilling a vertical intercept and Australia's longest horizontal well with the placement of seven stimulation stages to maximise communication with the reservoir. The operation of the well commenced subsequent to the year-end.

Consistent with the Group's strategy to focus its exploration and evaluation activity in Australia, Strike acquired a 50% interest in EP469 in the Perth Basin (Western Australia) in June 2018. Strike commenced preparations to drill a conventional gas exploration well in West Erregulla in the first quarter of 2019.

The Group continues to hold a 35% interest in the PEL 94 joint venture and a 50% interest in the PEL 95 joint venture which are operated by Beach Energy Limited. In addition, the Group holds a 100% interest in PEL 515 and PELA 640.

OPERATING RESULTS FOR THE YEAR

The profit after tax from its continuing operations decreased by $2.3 million to $2.2 million. This is mainly due to a decrease in the Group's income tax benefit received, from the AusIndustry Research and Development Incentive Scheme, by $2.6 million compared to the prior year.

CHANGES IN FINANCIAL POSITION

The Group's net assets increased by 22% to $63 million predominantly through growth capex partially offset by higher borrowings and trade payables. Strike undertook an equity raising to fund its share of the Jaws-1 program in September 2017. The share placement provided $8.6 million (net of transaction costs) to execute the appraisal well and continue operations in the southern Cooper Basin.

DIRECTORS' REPORT CONTINUED...

HISTORICAL GROUP PERFORMANCE

The table below summarises the Group's earnings and movements in shareholder wealth for the five years to 30 June 2018:

	2018 $'000	2017 $'000	2016 $'000	2015 $'000	2014 $'000
Sales Revenue	-	697	1,492	2,696	4,268
Net profit/(loss) after tax	2,157	(4,320)	4,327	(9,725)	(26,179)
	$	$	$	$	$
Share price at start of year	$0.06	$0.115	$0.13	$0.15	$0.07
Share price at end of year	$0.145	$0.06	$0.115	$0.13	$0.15
Basic profit/(loss) per share (cents)	0.20	(0.46)	0.51	(1.17)	(3.59)
Diluted profit/(loss) per share (cents)	0.20	(0.46)	0.51	(1.17)	(3.59)
Market capitalisation (million)	158.7	57.9	103.5	108.3	125.0

REMUNERATION REPORT

The remuneration report outlines the remuneration outcomes and activities for the Company's key management personnel (KMP) for FY18.

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 2018 and up to the date of this report.

Non-executive Directors

John Poynton Chairman and non-executive director

Tim Goyder Non-executive director

Jody Rowe Non-executive director

Andrew Seaton Non-executive director (appointed 18 August 2017)

Executive Officers

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

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

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

Simon Ashton Non-executive director (resigned 18 August 2017)

Brendan Ostwald Non-executive director (resigned 18 August 2017)

Matthew Montano Company Secretary (resigned 31 August 2017)

REMUNERATION POLICY

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

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

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

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

REMUNERATION STRUCTURE

Non-executive director remuneration

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

An aggregate cash remuneration of $400,000 may be applied to pay the non-executive Directors of the Company and remains unchanged since approved by shareholders in 2012. During FY18, the base fee paid to the Directors ranged between $45,600 and $50,400. From 1 July 2018, the company has aligned non-executive Directors with a base fee of $50,400 plus superannuation. The Chairman of the Board is entitled to an incremental fee of $17,100 per annum. The committee chairs are each paid an additional fee of $4,000 per annum. This fee structure is comparable and has been based on other peer entities with a similar market capitalisation.

Executive 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. This process consists of a review of both the Company's and individual's performance, a comparison of current and proposed remuneration with data attained from industry relevant peers or industry associations and advice or input from external parties.

Variable remuneration – short term incentive

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

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

PLAN FEATURE	DETAILS
WHAT IS THE OBJECTIVE OF STIP?	The STIP motivates staff and executives for their contribution to the Company's performance. The STIP is also designed to retain staff over the vesting period of the award.
HOW IS THE STIP ALIGNED WITH SHAREHOLDER INTERESTS?	The STIP sets safety, operational milestones and cost targets to enhance shareholder value.
HOW IS THE STIP AWARDED?	The award is non-cash and is delivered in the form of performance rights.
WHEN DO THE PERFORMANCE RIGHTS VEST?	The performance rights are granted after the financial year has closed and once the Board has assessed the performance of the Company. The performance rights vest on 1 July the following year. Employees maintain the performance rights on the condition of remaining employment with the Company until the vesting date, unless otherwise approved by the Board.
WHAT IS THE AWARD OPPORTUNITY (% OF BASE REMUNERATION)	At the target level (1 x multiplier) the award opportunity is: Managing Director and Senior Management 50% Other Staff 10%–25%
WHAT IS THE PERFORMANCE PERIOD?	The Board approved the FY18 STIP to operate over the performance period of 1 July 2017 to 30 June 2018. The FY19 STIP will operate over a 12 month period from 1 July 2018.
WHAT SHARE PRICE IS USED TO CALCULATE THE NUMBER OF PERFORMANCE RIGHTS?	The closing share price as at 30 June of the relevant financial year is used to calculate the number of performance rights to be granted.
HOW ARE THE PERFORMANCE MEASURES SET?	The Board has set a scorecard to measure the Company's performance which is broken into four 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.

In FY19, the STIP scorecard and relative target weightings are:

Measure	Weighting	Rationale
Safety	20%	Managing health and safety performance is a critical business activity.
Key operational milestones	40%	Reliable operations and achieving commercial gas flow rates at the Southern Cooper Basin Gas Project to underpin a reserve booking.
Exploration drilling	10%	Achieving drilling outcomes at West Erregulla
Cost Management	20%	Working towards efficient operations and execution programs.
Board Discretionary	10%	The Board recognises exceptional performance not covered by the metrics in the scorecard.

Variable remuneration – long term incentive

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

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

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

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

The key features of the LTIP for FY18 and FY19 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 EXISTING LTIP IN PLACE FOR FY18?	Shareholders approved a milestone based LTIP for the Managing Director on 17 May 2018 to award 2,500,000 performance rights on declaring a reserve at the PEL96 Southern Cooper Basin Gas Project.
DID ANY LTIP VEST DURING FY18?	The PEL96 Jaws-1 pilot testing is ongoing and the milestone is yet to be achieved. As such no LTIP performance rights vested during FY18.
WHAT IS THE FY19 LTIP MEASURE?	The LTIP implemented from FY19 is based on total shareholder returns (TSR) over a three-year period commencing from 1 July 2018.
HOW IS THE FY19 LTIP AWARDED?	Performance rights will be granted which vest dependent on the achievement of TSR hurdles. The 5 day VWAP leading up to the end of each financial year will be applied to calculate the number of performance rights to be issued at face value.
WHAT IS THE PERFORMANCE PERIOD?	A performance period of three years is considered appropriate to allow for the long-term nature of the exploration and evaluation activities. The FY19 LTIP will be tested for vesting on 30 June 2021. There is no re-testing after completion of each performance period.
WHO IS ELIGIBLE AND WHAT IS THE MAXIMUM AWARD OPPORTUNITY?	Executive KMP are eligible for the FY19 LTIP with the following maximum award opportunity as a percentage of fixed remuneration: Managing Director 100% CFO & Company Secretary 60%
WHAT HAPPENS WHEN AN EXECUTIVE KMP LEAVES THE COMPANY?	The performance rights lapse upon ceasing employment unless otherwise determined by the Board.
WHAT ARE THE PERFORMANCE MEASURES?	The FY19 LTIP consists of two equally weighted measures considering the absolute TSR and relative TSR of the Company against a comparative group of Australian exploration and production companies. The relative TSR comparative group consists of 12 ASX listed entities with a range of market capitalisation. The group will be reviewed for relevance and amended annually as appropriate.

FY19 TSR PERFORMANCE MEASURES AND HURDLES

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 61nd to 75th percentile > 76th percentile and above	0 60% 61% to 99% 100%

REMUNERATION CONSULTANT

From time to time, the Nomination and Remuneration Committee may engage advisors to assist in the continual evolution and development of the Group's remuneration policies and framework. Ernst & Young performed an evaluation of executive incentives for the Nomination and Remuneration Committee at a cost of $7,725 during the year.

SHARES ISSUED ON EXERCISE OF REMUNERATION OF OPTIONS OR PERFORMANCE RIGHTS

No Director or KMP exercised options or performance rights during the year ended 30 June 2018 (2017: Nil).

REMUNERATION DETAILS OF KEY MANAGEMENT PERSONNEL

$ FY18	Salary and fees	Cash bonus	Non-monetary(iii)	Superannuation benefits	Termination benefits	Share-based payments(ii)	Total	% of total at risk
Non-executive directors								
S Ashton(i)	5,516	-	993	524	-	-	7,033	-
T Goyder	50,400	-	7,944	-	-	80,500	138,844	58%
B Ostwald(i)	7,600	-	993	-	-	-	8,593	-
J Poynton	57,260	-	7,944	5,439	-	112,700	183,343	61%
J Rowe	47,578	-	7,944	-	-	84,000	139,522	60%
A Seaton	48,913	-	6,951	4,646	-	53,000	113,510	47%
Executive officers								
J Ferravant	205,126	-	6,951	17,460	-	73,913	303,450	24%
M Montano(i)	43,333	-	993	4,116	35,712	-	84,154	-
S Nicholls	275,042	25,000	7,944	24,958	-	240,000	572,944	46%
Total	**740,768**	**25,000**	**48,657**	**57,143**	**35,712**	**644,113**	**1,551,393**	**-**

(i) These KMP resigned during the financial year.

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

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

$ FY17	Salary and fees	Cash bonus	Non-monetary(ii)	Superannuation benefits	Termination benefits	Share-based payments	Total	% of total at risk
S Ashton	45,297	-	4,020	4,303	-	-	53,620	-
M Carnegie	52,250	-	3,350	-	-	-	55,600	-
T Goyder	11,620	-	1,005	-	-	-	12,625	-
B Ostwald	45,600	-	4,020	-	-	-	49,620	-
J Poynton	13,202	-	1,005	1,254	-	-	15,461	-
J Rowe	49,596	-	4,020	-	-	-	53,616	-
Executive officers								
D Baker	408,124	5,000	7,520	17,226	-	43,265	481,135	10%
S McGuinness(i)	195,496	6,000	17,918	13,227	-	(196,192)	36,449	-
M Montano	124,147	-	5,010	9,808	-	-	138,965	-
S Nicholls	62,404	-	1,005	4,904	-	24,000	92,313	26%
C Thompson	328,342	6,000	18,210	18,558	190,125	59,890	621,125	11%
D Wrench(i)	209,032	12,500	14,722	4,904	-	(718,303)	(477,145)	-
Total	**1,545,110**	**29,500**	**81,805**	**74,184**	**190,125**	**(787,340)**	**1,133,384**	**-**

(i) The net credit to the share-based payments expense relates to forfeiture of performance rights arising from changes in KMP.
(ii) Non-monetary amounts consist of directors and officers liability insurance allocated to each KMP based on length of service throughout the year and car parking.

Other than disclosed above, no key management personnel received additional payment as part of his or her consideration for agreeing to hold their position.

EMPLOYEE SHARE INCENTIVE PLAN

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

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

Name	Instrument/Grant date	Number granted	Number vested	Number lapsed	Fair value	Exercise price	Expiry date
J Ferravant	Options - 21 Aug 2017	1,000,000	-	-	$0.016	$0.15	21 Apr 2020
J Ferravant	Performance rights - 8 Dec 2017	797,414	-	-	$0.145	Nil	30 Sep 2019
S Nicholls	Performance rights - 8 Dec 2017	689,655	-	-	$0.145	Nil	30 Sep 2019
S Nicholls	Performance rights - 17 May 2018	2,500,000	-	-	$ 0.076	Nil	NA

The following table summarises the value of share-based payment instruments that lapsed during the current financial year as a result of cessation of employment.

Name	Instrument/Number of instruments	Fair value	Exercise price	Value at lapse date
C Thompson	Options - 500,000	$0.103	$0.199	$51,250
C Thompson	Options - 500,000	$0.105	$0.199	$52,350
C Thompson	Performance rights - 1,666,667	$0.065	Nil	$108,333
C Thompson	Performance rights - 1,666,667	$0.030	Nil	$50,000
C Thompson	Performance rights - 1,666,666	$0.015	Nil	$25,000
C Thompson	Performance rights - 250,000	$0.071	Nil	$17,750
C Thompson	Performance rights - 250,000	$0.047	Nil	$11,750
C Thompson	Performance rights - 250,000	$0.034	Nil	$8,500

KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

Name	Balance at 1 July 2017	Granted	Purchased	Sold	Net other change	Balance at 30 June 2018
Non-executive directors						
S Ashton(i)	10,485,096	-	-	-	-	10,485,096
T Goyder	35,892,858	-	607,412	-	-	36,500,270
B Ostwald(i)	-	-	-	-	-	-
J Poynton	2,000,000	-	3,000,000	-	-	5,000,000
J Rowe	849,550	-	-	-	-	849,550
A Seaton	-	-	500,000	-	-	500,000
Executive officers						
J Ferravant	-	-	-	-	-	-
M Montano(i)	379,842	-	-	-	-	379,842
S Nicholls	-	-	325,000	-	-	325,000
Total	**49,607,346**	**-**	**4,432,412**	**-**	**-**	**54,039,758**

(i) These KMP resigned during the financial year.

KEY MANAGEMENT PERSONNEL OPTION HOLDINGS

Name	Balance at 1 July 2017	Granted	Purchased	Expired	Net other change	Balance at 30 June 2018
Non-executive directors						
T Goyder	-	5,000,000	-	-	-	5,000,000
J Poynton	-	7,000,000	-	-	-	7,000,000
J Rowe	-	5,000,000	-	-	-	5,000,000
A Seaton	-	5,000,000	-	-	-	5,000,000
Executive officers						
J Ferravant	-	1,000,000	-	-	-	1,000,000
S Nicholls	2,000,000	-	-	-	-	2,000,000
Total	**2,000,000**	**23,000,000**	**-**	**-**	**-**	**25,000,000**

KEY MANAGEMENT PERSONNEL PERFORMANCE RIGHTS HOLDINGS

Name	Balance at 1 July 2017	Granted	Purchased	Expired	Net other change	Balance at 30 June 2018
Executive officers						
J Ferravant	-	797,414	-	-	-	797,414
S Nicholls	-	3,189,655	-	-	-	3,189,655
Total	**-**	**3,987,069**	**-**	**-**	**-**	**3,987,069**

KEY TERMS OF EMPLOYMENT CONTRACTS

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

Term of agreement – no fixed term.

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

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

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

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

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

Term of agreement – no fixed term.

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

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

Termination notice periods – By either party on 4 weeks' notice, or by the Company on summary notice for cause, or by Mr Ferravant on summary notice for redundancy where there is or will be a material reduction in Mr Ferravant's authority, status or responsibilities or where Mr Ferravant ceases to report directly to the Chief Executive Officer or Managing Director.

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

SHARES UNDER OPTION OR PERFORMANCE RIGHTS

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

Instrument/Grant date	Expiry date	Fair Value	Exercise price	Number
Options - 7 Apr 2017(i)	7 Apr 2020	$0.012	$0.12	2,000,000
Options - 21 Aug 2017(i)	21 Aug 2020	$0.016	$0.15	13,000,000
Options - 16 Nov 2017(i)	16 Nov 2020	$0.011	$0.15	5,000,000
Options - 17 May 2018(i)	17 May 2021	$0.017	$0.15	5,000,000
			Total	**25,000,000**
Performance rights - 17 May 2018(ii)	-	$0.076	Nil	2,500,000
Performance rights – 8 Dec 2017(iii)	30 Sep 2019	$0.145	Nil	1,487,069
			Total	**3,987,069**

(i) Vest from the grant date.
(ii) Vest upon satisfaction of milestone objective of recognising a 2P reserve at the Southern Cooper Basin Gas Project.
(iii) Vest on 1 July 2019

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.

There have been no shares issued during the year ended or since 30 June 2018 as a result of the exercise of options or performance rights.

INDEMNIFICATION OF OFFICERS AND AUDITORS

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

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

DIVIDENDS

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

CORPORATE GOVERNANCE STATEMENT

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

ENVIRONMENTAL REGULATIONS

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

NON-AUDIT SERVICES

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

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

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

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

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 19.

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

In August 2018, Strike raised $2.9 million (net of transaction costs) through a share placement to support the piloting activities of the Jaws wells at the SCBGP and long lead items for the West Erregulla-2 well in the Perth Basin.

With the exception of the above, there has been no other events subsequent to 30 June 2018 that would require accrual or disclosure in the consolidated financial statements.

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

On behalf of the Directors

Stuart Nicholls

Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

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

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

19 September 2018

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

Dear Board Members

Auditor's Independence Declaration to Strike Energy Limited

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

As lead audit partner for the audit of the financial report of Strike Energy Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Darren Hall
Partner
Chartered Accountants

DIRECTORS' DECLARATION

The Directors declare that:

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

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

c) In the Directors' opinion, the financial statements and notes thereto are in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 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
Adelaide, South Australia
19 September 2018

FINANCIAL REPORT

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED

$'000	*Note*	30 June 2018	30 June 2017
Other income	2.2	2,306	1,231
Total Revenue		**2,306**	**1,231**
Operating and administration expenses	2.2	(3,511)	(2,936)
Loss from operating activities		**(1,205)**	**(1,705)**
Financial income		51	65
Financial expenses		(386)	(279)
Net financial costs	5.2	**(335)**	**(214)**
Loss before income tax		**(1,540)**	**(1,919)**
Income tax benefit	2.3	3,697	6,334
Profit for the period from continuing operations		**2,157**	**4,415**
Loss for the period from discontinued operations	6.3	-	**(8,735)**
Profit/(loss) for the period attributable to Strike shareholders		**2,157**	**(4,320)**
Other comprehensive income/(loss), net of income tax		-	-
Total comprehensive income/(loss) for the period		**2,157**	**(4,320)**
Total comprehensive income/(loss) attributable to Strike shareholders		**2,157**	**(4,320)**
Profit/(Loss) per share			
From continuing and discontinued operations			
- Basic (cents per share)	2.4	0.20	(0.46)
- Diluted (cents per share)	2.4	0.20	(0.46)
From continuing operations			
- Basic (cents per share)		0.20	0.47
- Diluted (cents per share)		0.20	0.47

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

$'000	*Note*	30 June 2018	30 June 2017
Cash and cash equivalents	3.1	2,973	4,863
Trade and other receivables	3.2	572	417
Other financial assets	3.4	206	104
Total current assets		**3,751**	**5,384**
Other financial assets	3.4	31	33
Exploration and evaluation assets	4.1	84,108	66,946
Property, plant and equipment		88	139
Total non-current assets		**84,227**	**67,118**
Total assets		**87,978**	**72,502**
Trade and other payables	3.3	(2,703)	(1,004)
Employee benefits	7.2	(169)	(97)
Provisions	4.3	(53)	(12)
Borrowings	5.1	(5,265)	(3,158)
Total current liabilities		**(8,190)**	**(4,271)**
Employee benefits	7.2	(54)	(28)
Provisions	4.3	(1,889)	-
Borrowings	5.1	(2,442)	(2,500)
Other liabilities	5.5	(12,277)	(14,100)
Total non-current liabilities		**(16,662)**	**(16,628)**
Total liabilities		**(24,852)**	**(20,899)**
Net assets		**63,126**	**51,603**
Equity			
Issued capital	5.3	140,897	132,272
Reserves		1,503	762
Accumulated losses		(79,274)	(81,431)
Total equity		**63,126**	**51,603**

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

FINANCIAL REPORT CONTINUED...

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED

$'000	Issued Capital	Total Reserves	Accumulated Losses	Total Equity
Balance at 1 July 2016	**128,122**	**(5,466)**	**(81,037)**	**41,619**
Profit/(Loss) for the period	-	-	(4,320)	(4,320)
Total comprehensive income/(loss) for the period	-	-	**(4,320)**	**(4,320)**
Recognition of share-based payments	-	(771)	-	(771)
Transfer of foreign currency translation reserve to profit or loss on disposal of foreign operations	-	10,925	-	10,925
Transfer of share-based payments reserve to accumulated losses	-	(3,926)	3,926	-
Issue of ordinary shares during the period	4,502	-	-	4,502
Share issue costs	(352)	-	-	(352)
Balance at 30 June 2017	132,272	762	(81,431)	51,603
Balance at 1 July 2017	**132,272**	**762**	**(81,431)**	**51,603**
Profit/(Loss) for the period	-	-	2,157	2,157
Total comprehensive income/(loss) for the period	-	-	**2,157**	**2,157**
Recognition of share-based payments	-	1,022	-	1,022
Forfeiture of Performance Rights/Options	-	(281)	-	(281)
Issue of ordinary shares during the period	9,100	-	-	9,100
Share issue costs	(475)	-	-	(475)
Balance at 30 June 2018	**140,897**	**1,503**	**(79,274)**	**63,126**

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 2018	30 June 2017 (Restated)
Cash flows from operating activities			
Receipts from customers		3	903
R&D refund		3,697	6,334
Interest received		165	70
Interest paid		(237)	(308)
Net receipts from joint venture recoveries		2,007	1,120
Payments to suppliers and employees		(3,290)	(4,749)
Net cash provided by/(used in) operating activities	**3.1**	**2,345**	**3,370**
Cash flows from investing activities			
Payments for exploration, evaluation expenditure and oil and gas production assets		(15,192)	(10,455)
Grants		435	2,000
Refund/(Payment) of security deposits		(134)	(42)
Recoveries/(Advances) made to JV Participants		308	(308)
Payments made for acquisitions		(409)	-
Proceeds from sale of non-current assets		-	69
Payments for property, plant and equipment		-	(28)
Net cash provided by/(used in) investing activities		**(14,992)**	**(8,764)**
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		9,100	4,502
Payment of share issue costs		(475)	(352)
Proceeds from borrowings		5,265	3,199
Repayment of borrowings		(3,199)	(4,113)
Payment of borrowing costs		(2)	(109)
Term deposit maturity		43	-
Net cash provided by/(used in) financing activities		**10,732**	**3,127**
Net increase/(decrease) in cash and cash equivalents		**(1,915)**	**(2,267)**
Cash and cash equivalents at the beginning of the period		**4,863**	**7,214**
Effects of exchange rate changes on the balances of cash held in foreign currencies		25	(84)
Cash and cash equivalents at the end of the period	**3.1**	**2,973**	**4,863**

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

NOTES TO THE FINANCIAL STATEMENTS

SECTION 1: BASIS OF PREPARATION

1.1 CORPORATE INFORMATION

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

The financial report of Strike as at and for the year ended 30 June 2018 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 19 September 2018.

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

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

1.2 STATEMENT OF COMPLIANCE

The Group's Financial Statements as at and for the year ended 30 June 2018:

- is a general purpose financial report;
- is prepared on a going concern basis (discussed further in Note 1.3);
- has been prepared in accordance with the Corporations Act 2001;
- has been prepared in accordance with accounting standards and interpretations in this report, which encompass the:
  - Australian Accounting Standards ("AASBs") and other authoritative pronouncements of the Australian Accounting Standards Board.
  - International Financial Reporting Standards and Interpretations ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- has been prepared under the historical cost convention except for derivatives which are measured at fair value. The methods used to measure fair values are discussed further in note 5.4;
- is presented in Australian Dollars ("AUD"), which is both the Company's and the Group's presentation currency. Amounts are rounded to the nearest thousand dollars, unless otherwise stated, in accordance with ASIC (Rounding in Financial/Directors' Reports) Instrument 191;
- includes significant accounting policies in the notes to the Financial Statements that summarise the recognition and measurement basis used and are relevant to the understanding of the Financial Statements;
- presents reclassified comparative information where required for consistency with the current year's presentation;
- adopts all new and amended standards and interpretations issued by the relevant bodies (listed above), that are mandatory for application beginning on or after 1 July 2017. 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 2018 the Group incurred a net loss before income tax of $1,540,000 (2017: net loss before income tax $1,919,000), had a net cash inflow from operating activities of $2,345,000, which included an R&D refund of $3,697,000 (2017: $3,370,000, which included an R&D refund of $6,334,000) and a net cash outflow from investing activities of $14,992,000 (2017: $8,764,000). As at 30 June 2018, the Group had a net current asset deficiency position of $4,439,000 (2017: net current asset surplus $1,113,000) and cash reserves of $2,973,000 (2017: $4,863,000).

During August 2018, the Group raised $2,880,000 (net of transaction costs) through a placement in order to continue the piloting activities of the Jaws wells at the SCBGP.

As detailed in Note 5.1, the Group has a banking facility which provides pre-funding for eligible R&D expenditure. The facility is due for repayment in November 2018 and is expected to be funded from the proceeds of the Group's 2018 R&D refund. If receipt of the R&D refund for 2018 were to be delayed, there would be a misalignment with the repayment timelines of the CBA facility and the Group will either need to renegotiate the terms of the CBA facility, refinance the facility or raise additional funds.

In addition, during the year the Group acquired a 50% equity interest in the north Perth Basin block EP469 as operator. One of the key terms of the contract is the Group is required to carry the joint venture for the commitment well with its associated G&G and G&A works to a capped value of $11,000,000. The Group has 24 months to execute this obligation but is currently aiming for delivery within the next financial year. In order for the Group to meet its aspirations on EP469 over the next twelve months, the Group is dependent upon either asset sales or a capital raising activity to occur prior to 2019. Should the Group be unable to achieve the required asset sales or capital raise, the planned EP469 expenditure would be deferred or postponed.

At the date of signing this report, the Directors have reasonable grounds to believe that the Group will achieve the above and that it is therefore appropriate to prepare the financial report on the going concern basis.

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

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

1.4 USE OF ESTIMATES AND JUDGEMENTS

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

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

Note	
2.3	Income Tax
4.1	Exploration and evaluation assets
4.3	Restoration obligations and other provisions

1.5 FOREIGN CURRENCIES

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

1.6 RECLASSIFICATION OF COMPARATIVE INFORMATION

Certain elements of the information presented for comparative purposes have been revised to conform with the current period presentation. The Group has historically shown total salaries paid within Employment benefits expense and a cost recovery from the PEL 96 joint venture in Other income for salaries relating to the PEL 96 project. For 30 June 2018 cost recoveries from the Group's 66.667% ownership interest in PEL 96 have been netted with Employment benefits expense within the Operating and administration expenses category in the Consolidated Statement of Profit and Loss and Other Comprehensive Income. Cost recoveries now reflect only recoveries from external joint venture partners. For the comparative period (Year Ended 30 June 2017) an amount of $2.46m has been reclassified from Other income to Employment benefits expense within Operating and administrative expenses. This adjustment does not have an impact on the Profit for the period.

FINANCIAL REPORT CONTINUED...

SECTION 2: FINANCIAL PERFORMANCE

2.1 SEGMENT REPORTING

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

The Group divested of all US assets from 1 January 2017. Prior to this date the Group had two reportable segments, Australia and the United States, managed by geographical location. The US segment has been reflected as a discontinued impact of the US segment within the comparative Financial Statements and is included in Note 6.3 "Discontinued Operations".

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 2018	30 June 2017
(a) Other income		
Cost recoveries	1,777	1,204
Other	529	27
Total Revenue	**2,306**	**1,231**
(b) Operating and administration expenses		
Depreciation – property, plant and equipment	(51)	(55)
Employee benefits expense	(1,456)	(1,941)
Share-based payments expense	(741)	771
Corporate expenses	(617)	(555)
Legal fees	(58)	(190)
Consulting fees	(60)	(450)
Office costs	(66)	(163)
Other	(462)	(353)
Total Operating and administration expenses	**(3,511)**	**(2,936)**

2.3 INCOME TAX

For the year ended $'000	30 June 2018	30 June 2017
Income tax recognised in the statement of comprehensive income		
Tax benefit/(expense) comprises:		
Current tax benefit/(expense) in respect of the current year	648	326
Eligible R&D refund	3,697	6,334
Deferred tax expenses relating to the origination and reversal of temporary differences	(4,880)	(1,984)
Deferred tax benefit not previously brought to account	4,232	1,658
Total income tax benefit/(expense) relating to continuing operations	**3,697**	**6,334**

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 2018	30 June 2017
Reconciliation of effective tax rate		
Profit/(Loss) from continuing operations before income tax	**(1,540)**	**(1,919)**
Income tax benefit/(expense) calculated at 30%	462	576
Effect of income and expenditure that is either not assessable or deductible	(225)	226
Effect of tax concessions (research and development and other allowances)	(910)	3,764
Effect of deferred tax arising from equity	138	110
Effect of deferred tax expense not brought to account	4,232	1,658
Income tax benefit at 30 June 2018	**3,697**	**6,334**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Deferred tax balances

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

For the year $'000	Not recognised (opening balance)	Recog in profit or loss	Recog in equity	Liquidation of subsidiary	Other taxable income/ (deductions)	Not recognised (closing balance)
30 June 2017						
Temporary differences						
Exploration and evaluation assets	(17,510)	(2,574)	-	-	-	(20,084)
Oil and gas production assets	9,205	-	-	(9,205)	-	-
Accrued interest income	(2)	2	-	-	-	-
Prepayments	360	-	-	(360)	-	-
Accruals	41	(1)	-	-	-	40
Derivatives	8	-	-	(8)	-	-
Provisions	135	(12)	-	(82)	-	41
Deferred income (PACE grant)	-	600	-	-	-	600
Temporary differences	**(7,763)**	**(1,985)**	**-**	**(9,655)**	**-**	**(19,403)**
Business capital expenditure (Section 40-880)	247	1	(4)	-	-	244
Total temporary differences	**(7,516)**	**(1,984)**	**(4)**	**(9,655)**	**-**	**(19,159)**
Unused tax losses and credits						
- Revenue	7,939	304	-	(4,297)	-	3,968
- Revenue subject to available fraction	16,923	-	-	-	-	16,923
- Capital in nature	10,438	-	-	-	4,197	14,635
- Capital in nature subject to available fraction	347	-	-	-	-	347
- Capital in nature excess percentage depletion	2,674	-	-	(2,674)	-	-
Total unused tax losses/credits	**38,321**	**304**	**-**	**(6,971)**	**4,197**	**35,873**
Deferred tax Assets/(Liabilities)	**30,805**	**(1,680)**	**(4)**	**(16,626)**	**4,197**	**16,714**

Income tax recognised directly in equity

There were no current and deferred amounts charged/(credited) directly to equity during the period (2017: 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 2018	30 June 2017
Tax losses – revenue	4,637	3,968
Tax losses - revenue subject to available fraction	16,923	16,923
Tax losses - capital in nature	14,635	14,635
Tax losses - capital in nature subject to available fraction	347	347
	36,542	35,873
Temporary differences (deferred tax asset)	346	925
Temporary differences (deferred tax liability)	(24,381)	(20,084)
Net unrecognised deferred tax assets	**12,507**	**16,714**

The Group has gross tax losses arising in Australia of $71,865,129 (2017: $69,564,488). The Group has capital losses arising in Australia of $49,939,969 (2017: $49,939,969).

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

The Company and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 July 2013. The accounting policy in relation to this legislation is set out in note 6.4 (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 (including cash flows) are shown exclusive of sales tax and goods and services tax ("GST") to the extent the taxes are reclaimable, except for receivables and payables that are stated inclusive of sales tax and GST.

Key judgement and estimates

Income taxes

The Group's US operations were disposed of and all US companies were liquidated in the previous financial year. As a result, the Group no longer has income tax in multiple jurisdictions. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Current tax liabilities and assets are recognised at the amount expected to be paid to or recovered from the taxation authorities.

Realisation of deferred tax assets

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

2.4 EARNINGS PER SHARE

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

As at/for the year ended ($'000)	30 June 2018	30 June 2017
Profit (loss) from discontinued operations used in the calculation of earnings per share	-	(8,735)
Profit (loss) used in the calculation of basic earnings per share from continuing operations	2,157	4,415
Earnings used in calculating basic and diluted earnings per share	**2,157**	**(4,320)**
Number of shares ('000)	1,094,640	964,640
Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	1,062,942	936,098
Diluted profit/(loss) per share:		
The number of instruments which are potential ordinary shares that are not dilutive and hence not used in the valuation of the diluted earnings per share ('000)	26,000	16,750
Basic earnings per share (cents per share)	0.20	(0.46)
Diluted earnings per share (cents per share)	0.20	(0.46)

Recognition and measurement

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

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

2.5 DIVIDENDS

No dividends have been declared or paid during the period.

SECTION 3: WORKING CAPITAL MANAGEMENT

3.1 CASH AND CASH EQUIVALENTS

As at $'000	30 June 2018	30 June 2017
Cash and cash equivalents(i)	2,973	4,863
	2,973	**4,863**

(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 2018	30 June 2017
Reconciliation of net profit after tax to net cash flows from operations:		
Profit/(loss) for the period	2,157	(4,320)
Adjustments to reconcile profit after tax to net cash flow:		
Depreciation and amortisation	51	109
Share-based payments expense	741	(771)
Loss on sale of oil and gas production assets and liquidation of US companies	-	8,284
Interest/Foreign exchange Capitalized	31	105
Investing items – Grants received	(435)	-
Change in trade and other receivables	928	207
Change in trade and other payables	(1,244)	(199)
Change in provisions and employee benefits	116	(45)
Net cash provided by operating activities	**2,345**	**3,370**

Reconciliation of liabilities arising from financing activities

For the year $'000	CBA Facility	Orica	Total
Balance as at 1 July 2017	3,158	2,500	5,658
Financing cash flows	2,107	-	2,107
Non-cash changes:			
Impact of loan amendment	-	(177)	(177)
Balance at 30 June 2018	**5,265**	**2,323**	**7,588**

3.2 TRADE AND OTHER RECEIVABLES

As at $'000	30 June 2018	30 June 2017
Current		
GST receivable	210	-
Other receivables	362	417
	572	**417**

Trade and other receivables are initially recognised at fair value, which in practice is equivalent to cost, less any impairment losses. Trade receivables and other receivables are non-interest bearing and the average credit period is 60 days (2017: 60 days). All amounts were collected within the average credit period. An allowance is made when there is objective evidence that a receivable is impaired. There was no evidence that impairment existed at balance date (2017: Nil). There were no amounts that were past due but not considered to be impaired at balance date (2017: Nil).

3.3 TRADE AND OTHER PAYABLES

As at $'000	30 June 2018	30 June 2017
Trade payables	1,060	421
Accruals and other payables	1,643	583
Total trade and other payables	**2,703**	**1,004**
Current	2,703	1,004
Non-current	-	-

Trade and other payables are initially recognised at fair value, are non-interest bearing and are normally settled within 30 days (2017: 30 days). The carrying amounts of trade and other payables are considered to approximate their fair values due to their short-term nature.

3.4 OTHER FINANCIAL ASSETS

As at $'000	30 June 2018	30 June 2017
Current		
Advances(i)	11	3
Security deposits(ii)	143	50
Prepayments	52	51
	206	**104**
Non-current		
Security deposits(ii)	31	33
	31	**33**

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

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

(ii) Security deposits relate to cash provided to secure certain leasing obligations. The weighted average interest was 2.3% (2017: 2.24%).

SECTION 4: RESOURCE ASSETS

4.1 EXPLORATION AND EVALUATION ASSETS

For the year $'000	30 June 2018	30 June 2017
Opening Balance	**66,946**	**58,365**
Additions	14,561	8,581
Provision for restoration	1,942	-
Acquisition of joint venture interests	659	-
Closing Balance	**84,108**	**66,946**

Impairment charge

During the financial year, the Group did not recognise an impairment charge (2017: Nil).

Recognition and measurement

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

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

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

Key judgements and estimates

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

4.2 OIL AND GAS PRODUCTION ASSETS

The Group's oil and gas production assets were disposed of during the previous financial year.

For the year $'000	30 June 2018	30 June 2017
Balance at 1 July	**-**	**817**
Amortisation of oil and gas production assets	-	(55)
Disposal	-	(749)
Foreign exchange movement	-	(13)
Balance at 30 June	**-**	**-**

Recognition and measurement

(a) Oil and gas production assets

Oil and gas production assets include previously capitalised exploration and evaluation expenditure, pre-production and ongoing development expenditure to develop reserves for production in an area of interest.

Costs associated with commissioning new assets are capitalised until they are capable of operating in the manner intended by management. Costs incurred after the commencement of production to expand or replace plant and equipment are capitalised to the extent they are expected to give rise to a future economic benefit.

When an area of interest is abandoned, or the Directors decide that it is not commercially viable or technically feasible, any accumulated costs in respect of that area 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, to the extent that they will not be recoverable in the future.

(b) Depreciation and depletion of oil and gas production assets

Depreciation of oil and gas production assets are calculated over the estimated economic useful lives of the surface assets. Depletion of sub-surface assets is performed on a units of production basis which recognises cost proportionally to the depletion of the economically proved developed and undeveloped recoverable reserves. Depreciation and depletion commence on commercial production of an area of interest.

(c) Impairment of assets

Oil and gas production assets are assessed for impairment on cash-generating unit ("CGU") basis. A CGU is the smallest grouping of assets that generates independent cash inflows, which the Company represents as oil and gas fields in geographic locations. CGUs may become impaired if the carrying amount exceeds the recoverable amount which is the greater of its fair value less costs of disposal and its value-in-use. Impairment charges are recognised in the profit or loss component of the statement of comprehensive income.

In determining the recoverable amount of assets under the value-in-use, estimates are made regarding the present value of future cash flows using asset-specific discount rates. There was no impairment charge recognised in the current year (2017: Nil).

Key judgements and estimates

The depletion calculation requires estimates of future development costs of sub-surface assets and 2P reserves. The estimates may change from period to period depending on technical and economic assessments.

In determining the recoverable amount of assets for impairment testing, estimates regarding the present value of future cash flows using asset-specific discount rates. For oil and gas assets, expected future cash flows are based on reserves, future production profiles, commodity prices, foreign exchange rates, operating costs and any future development costs necessary to produce reserves. Estimates of future commodity prices are based on market consensus prices where available.

4.3 RESTORATION OBLIGATIONS AND OTHER PROVISIONS

As at $'000	Restructuring	Restoration and rehabilitation	Total
Balance at 1 July 2017	**12**	**-**	**12**
Provisions made during the year	-	1,942	1,942
Provisions used during the year	(12)	-	(12)
Balance at 30 June 2018	**-**	**1,942**	**1,942**
Current	-	53	53
Non-current	-	1,889	1,889
Total provisions at 30 June 2018	**-**	**1,942**	**1,942**
Current	12	-	12
Non-current	-	-	-
Total provisions at 30 June 2017	**12**	**-**	**12**

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.

Restructuring

A provision for business closure and rationalisation is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Future operating costs are not provided for.

Key judgements and estimates

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

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

FINANCIAL REPORT CONTINUED...

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 2018	30 June 2017
CBA Facility (a)[i]	5,265	3,158
Orica Facility[ii]	-	-
Total current borrowings	**5,265**	**3,158**
Orica Facility[ii]	2,442	2,500
Total non-current borrowings	**2,442**	**2,500**
(a) CBA Facility	5,265	3,199
Debt issuance costs	-	(41)
Carrying amount	**5,265**	**3,158**

Recognition and measurement

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

(i) On 30 January 2018, the Group established a new facility with the Commonwealth Bank of Australia (CBA) (the FY18 CBA Facility) to provide pre-funding for eligible R&D expenditure to be incurred up to 30 November 2018. The FY18 CBA Facility has a limit of $5.4 million, which can be drawn down after the related eligible R&D expenditure incurred is validated by the Group's R&D advisors in accordance with the prescribed ATO guidelines and requirements. The FY18 CBA Facility is collateralised in full from the proceeds of the Company's 2018 R&D refund and is secured by a charge over the assets of the Company. Interest accrues at BBSY (for the relevant maturity) plus 4.55%. The fair value of the CBA facility is estimated to be $5.265 million and the valuation is classified as level 2 (refer Note 5.4 for description).

(ii) The terms and conditions of the Orica Facility were amended on 21 September 2017 along with the terms of the related Gas Sales Agreement. The loan maturity was extended to 31 December 2021 and the loan will accrue interest at 5.8% from 15 July 2018. The principal and accrued interest may be convertible into the Company's ordinary shares in whole or in part at Orica's election after 1 September 2018 subject to the Company's share price being 20 cents or greater. The conversion price is the weighted average price for Strike shares for the previous 30 days of trading. The fair value of the Orica Facility is estimated to be $2.442 million and the valuation is classified as level 2 (refer Note 5.4 for description.) The Gas Sales Agreement was amended to reduce the maximum volume of the contract from 250PJ to 64PJ and to increase the price on the remaining volume.

5.2 NET FINANCE COSTS

For the year ended $'000	30 June 2018	30 June 2017
Interest income on cash and cash equivalents	51	65
Financial income	**51**	**65**
Interest expense on financial liabilities	(339)	(188)
Financing transaction costs and fees	(47)	(91)
Financial expenses	**(386)**	**(279)**

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

For the year ended	Number of shares (No'000)		Issued capital ($'000)	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
Balance at beginning of year	964,640	900,331	132,272	128,122
Rights issues during the period, net of transaction costs	-	64,309	-	4,150
Placements during the period, net of transaction costs	130,000	-	8,625	-
Balance at end of year	**1,094,640**	**964,640**	**140,897**	**132,272**

The Company issued 130 million shares at an issue price of 7 cents per share raising $9.1 million (before costs) in September 2017.

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.

Foreign currency translation reserve

Exchange differences relating to the translation from the functional currencies of the Group's foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

During the 2017 financial year, all of the Group's US production assets were disposed of. The exchange differences in the foreign currency translation reserve were recognised in the statement of comprehensive income as a component of the profit or loss as part of the gain or loss on the sale.

5.4 FINANCIAL RISK MANAGEMENT

Overview

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

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

Market risk

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

Foreign exchange risk

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

Certain subsidiaries within the Group are exposed to foreign exchange risk on purchases denominated in currencies other than Australian dollars. Transactions in foreign currencies predominantly impact exploration and evaluation assets.

Interest rate risk

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

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

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

As at $'000	Total	6 months or less	6 to 12 months	1 to 2 years	2 to 5 years
30 June 2018					
Fixed rate instruments					
Other financial assets	174	107	36	31	-
Borrowings – CBA Facility	(5,265)	(5,265)	-	-	-
Borrowings – Orica Facility	(2,500)	-	-	-	(2,500)
Total fixed rate instruments	**(7,591)**	**(5,158)**	**36**	**31**	**(2,500)**
Floating rate instruments					
Cash and cash equivalents	2,973	2,973	-	-	-
Total floating rate instruments	**2,973**	**2,973**	**-**	**-**	**-**
30 June 2017					
Fixed rate instruments					
Other financial assets	86	35	51	-	-
Borrowings – Orica Facility	(2,500)	-	-	(2,500)	-
Borrowings – CBA Facility	(3,158)	(3,158)	-	-	-
Total fixed rate instruments	**(5,572)**	**(3,123)**	**51**	**(2,500)**	**-**
Floating rate instruments					
Cash and cash equivalents	4,863	4,863	-	-	-
Total floating rate instruments	**4,863**	**4,863**	**-**	**-**	**-**

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 2018	30 June 2017
200 basis point parallel increase in interest rates	59	97
200 basis point parallel decrease in interest rates	(59)	(97)

Commodity and other price risk

During the financial year ended 30 June 2017, the Group's US operations were disposed of and as such there is no longer a commodity and price risk that would impact the Group.

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 2018						
Financial liabilities						
Trade and other payables		2,704	1,060	1,644	-	-
Borrowings	6.57%	7,765	-	-	5,265	2,500
Total financial liabilities		10,469	1,060	1,644	5,265	2,500
Total		**10,469**	**1,060**	**1,644**	**5,265**	**2,500**
30 June 2017						
Financial liabilities						
Trade and other payables		1,004	421	583	-	-
Borrowings	3.34%	5,808	-	53	3,255	2,500
Total non-derivative financial liabilities		**6,812**	**421**	**636**	**3,255**	**2,500**
Total		**6,812**	**421**	**636**	**3,255**	**2,500**

Fair value measurements

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

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

Determination of fair values

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

(a) 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 2018	30 June 2017
Unearned revenue – gas prepayment agreements	12,277	12,100
Deferred income - unapplied PACE grant	-	2,000
Total other liabilities	**12,277**	**14,100**
Current	-	-
Non-current	**12,277**	**14,100**

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

Deferred income or unapplied PACE grant represents amounts received under the South Australia State Government's Plan for Accelerating Exploration (PACE Grant) that was applied to eligible exploration and evaluation expenditure.

SECTION 6: GROUP AND RELATED PARTY INFORMATION

6.1 INVESTMENTS IN SUBSIDIARIES

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

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

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

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

Name	Country of incorporation	Percentage interest held (%) 30 June 2018	30 June 2017
Strike Energy Limited (Parent Company) Controlled Entities:			
Strike Energy South Australia Pty Ltd[(i)]	Australia	100	100
Strike Energy 96 Holdings Pty Ltd[(i)(ii)]	Australia	100	100
Strike Energy 95 Holdings Pty Ltd[(i)(ii)]	Australia	100	100
Strike Energy 94 Holdings Pty Ltd[(i)(ii)]	Australia	100	100
Strike Energy Cooper Holdings Pty Ltd[(i)(ii)]	Australia	100	100
Strike Energy 96 Pty Ltd[(i)(ii)]	Australia	100	100
Strike Energy 95 Pty Ltd[(i)(ii)]	Australia	100	100
Strike Energy 94 Pty Ltd[(i)(ii)]	Australia	100	100
Strike Energy Cooper Pty Ltd[(i)(ii)]	Australia	100	100
Strike Energy Usa Holdings Pty Ltd[(i)]	Australia	100	100
Strike Energy Holdings Pty Ltd[(i)]	Australia	100	100
Strike West Holdings Pty Ltd[(i)(ii)(iii)]	Australia	100	100
Strike West Pty Ltd[(i)(ii)(iv)]	Australia	100	-

(i) These entities are not required to prepare or lodge audited accounts in Australia.
(ii) Reflects indirect ownership interest.
(iii) Name changed from A.C.N. 616 395 398 Pty Ltd to Strike West Holdings Pty Ltd on 15 March 2018.
(iv) Entity incorporated on 22 March 2018

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 6.5.

FINANCIAL REPORT CONTINUED...

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

As at $'000	30 June 2018	30 June 2017
Current assets		
Cash and cash equivalents	1,007	1,239
Trade and other receivables	553	310
Other financial assets	140	50
	1,700	**1,599**
Non-current assets		
Other financial assets	-	33
Exploration and evaluation assets	82,046	65,924
	82,046	**65,957**
Share of total assets of joint arrangements	**83,746**	**67,556**
Current liabilities		
Trade and other payables	(1,807)	(398)
Restoration provision	(53)	-
	(1,860)	**(398)**
Non-current liabilities		
Restoration provision	(1,889)	-
	(1,889)	**-**
Share of total liabilities of joint arrangements	**(3,749)**	**(398)**
Share of net assets of joint arrangements	**79,997**	**67,157**

6.3 DISCONTINUED OPERATIONS

The Group disposed of all US assets in the 2017 period.

As at $'000	30 June 2018	30 June 2017
Profit for the year from discontinued operations		
Revenue	-	697
Cost of sales	-	(244)
Other income	-	31
Gain on sale of oil and gas production assets	-	2,595
Loss on sale of oil and gas production assets (foreign currency translation reserve)	-	(10,879)
Loss on liquidation of US companies (foreign currency translation reserve)	-	(46)
Expenses	-	(889)
Profit/(loss) before tax	-	(8,735)
Attributable income tax expense	-	-
Profit/(loss) for the year from discontinued operations (attributable to owners of the company)	**-**	**(8,735)**
Net cash inflows/(outflows) from operating activities		
Net cash inflows/(outflows) from investing activities	-	(376)
Net cash inflows/(outflows) from financing activities	-	296
Net cash inflows/(outflows)	-	179
Net cash inflows/(outflows)	**-**	**99**

6.4 PARENT ENTITY DISCLOSURES

The Group disposed of all US assets in the 2017 period.

For the year ended/As at $'000	30 June 2018	30 June 2017
Assets		
Current assets	2,252	3,870
Non-current assets(i)	52,536	90,564
Total assets	**54,788**	**94,434**
Liabilities		
Current liabilities	(7,011)	(4,070)
Non-current liabilities	(2,674)	(2,529)
Total liabilities	**(9,685)**	**(6,599)**
Net assets	**45,103**	**87,835**
Equity		
Issued capital	140,897	132,272
Share-based payments reserve	1,502	762
Accumulated losses	(97,296)	(45,199)
Total equity	**45,103**	**87,835**
Profit/(Loss) for the year	(50,097)	(4,320)
Other comprehensive income/(loss)		-

(i) Decrease due to the write-off of intercompany loans with the liquidations of Strike Energy USA Holdings Pty Ltd

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.

6.5 INTEREST IN PETROLEUM PERMITS AND MINERAL TENEMENTS

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

Permit	Operator	Percentage interest held (%)	
		30 June 2018	30 June 2017
Cooper-Eromanga Basin – Australia			
PEL 94(ii)	Beach Energy Limited	35%	35%
PEL 95(ii)	Beach Energy Limited	50%	50%
PPL 210 (i)	Beach Energy Limited	50%	50%
PEL 96(ii)	Strike Energy Limited	66.667%	66.667%
PEL 515	Strike Energy Limited	100%	100%
PELA 640	Strike Energy Limited	100%	100%
EP469(ii)	Strike West Pty Ltd	50%	-

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

6.6 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 ventures

Details of interests in joint operations are disclosed in note 6.5.

Transactions with key management personnel

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

- $5,055 (2017: $1,369) was paid/payable to Mulloway Pty Ltd (a director related entity via Mr J Poynton) for travel and other expenses;
- $44,274 (2017: $118,388) was paid/payable to M H Carneigie & Co (a director related entity via Mr M Carnegie) for commercial office space;
- $27,741 (2017: $Nil) was paid/payable to Ostwald Bros Pty Ltd (a director related entity via Mr B Ostwald) for construction services;
- $1,525 (2017: $4,994) was paid/payable to Challenger Geological Services Pty Ltd (a director related entity via Mr S Ashton) for geological sample analysis, handling and storage;
- $20,900 (2017: $Nil) was paid/payable to Revesco Aviation Pty Ltd (a director related entity of Mr J Poynton) for aviation services.

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.

Transactions with other related parties

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

The Company advanced $15,412,488 (2017: $10,340,072) for the working capital requirements of its Australian subsidiaries. No interest is charged on loans or advances by the Company to its Australian subsidiaries.

The Company provided management services to its subsidiaries and joint ventures totalling $4,501,234 (2017: $3,506,289).

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

- Loan receivables totalling $53,578,215 (2017: $41,234,943) from subsidiaries; and
- Trade receivables totalling $229,722 (2017: $321,532) from joint arrangements.

All amounts advanced to related parties are unsecured.

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

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

Parent entity

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

SECTION 7: EMPLOYEE MATTERS

7.1 KEY MANAGEMENT PERSONNEL COMPENSATION

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

For the year ended $'000	30 June 2018	30 June 2017
Short-term employee benefits	814	1,656
Post-employment benefits	57	74
Other long-term benefits	-	-
Termination benefits	36	190
Share-based payments	644	(787)
Total	**1,551**	**1,133**

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

7.2 EMPLOYEE BENEFITS

As at $'000	30 June 2018	30 June 2017
Provision for annual leave	169	71
Provision for long service leave	54	28
Provision for redundancy payout		26
Total employee benefits	**223**	**125**
Current	169	97
Non-current	54	28

Recognition and measurement

(a) Superannuation obligations

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

(b) Short-term employee benefits

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

(c) Other long-term employee benefits

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

(d) Termination benefits

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

(e) Incentive compensation plans

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

7.3 EMPLOYEE SHARE OWNERSHIP PLANS

Employee share incentive plan - share-based payments reserve

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

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

Instrument issued	Date granted	Date exercisable	Expiry date	Exercise price of instrument	Number of instruments	Fair value at grant date
Options	21 Aug 2017	21 Aug 2017	21 Aug 2020	$0.150	13,000,000	$0.016
Options	16 Nov 2017	16 Nov 2017	16 Nov 2020	$0.150	7,000,000	$0.011
Options	17 May 2018	17 May 2018	17 May 2021	$0.150	5,000,000	$0.017
Performance Rights	17 May 2018	Milestone based	N/A	Nil	2,500,000	$0.076
Performance Rights	8 Dec 2017	1 Jul 2019	30 Sep 2019	Nil	6,369,953	$0.145
					33,869,953	

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

Instrument expired/forfeited	Exercise price of instrument	Number of instruments	Fair value at grant date
Options	$0.1993	500,000	$0.103
Options	$0.1993	500,000	$0.105
Options	$0.1793	200,000	$0.044
Performance rights	Nil	1,666,667	$0.065
Performance rights	Nil	1,666,667	$0.030
Performance rights	Nil	1,666,666	$0.015
Performance rights	Nil	250,000	$0.071
Performance rights	Nil	250,000	$0.047
Performance rights	Nil	250,000	$0.034
Performance rights	Nil	50,000	$0.037
		7,000,000	

Instruments outstanding

The balance of share options and performance rights on issue as at 30 June 2018 is as follows:

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Fair value at grant date
Options	7 Apr 2017	7 Apr 2020	$0.120	2,000,000	$0.012
Options(i)	1 Jun 2017	1 Jun 2020	$0.150	1,000,000	$0.003
Options(i)	21 Aug 2017	21 Aug 2020	$0.150	13,000,000	$0.016
Options(i)	16 Nov 2017	16 Nov 2020	$0.150	7,000,000	$0.011
Options(i)	17 May 2018	17 May 2021	$0.150	5,000,000	$0.017
Performance rights	30 Oct 2014	30 Oct 2018	Nil	2,033,333	$0.071
Performance rights	30 Oct 2014	30 Oct 2018	Nil	2,033,333	$0.047
Performance rights	30 Oct 2014	30 Oct 2018	Nil	2,033,333	$0.034
Performance rights	7 Aug 2015	30 Oct 2018	Nil	150,000	$0.094
Performance rights	7 Aug 2015	30 Oct 2018	Nil	150,000	$0.056
Performance rights	7 Aug 2015	30 Oct 2018	Nil	150,000	$0.036
Performance rights	23 May 2016	30 Oct 2018	Nil	66,667	$0.065
Performance rights	23 May 2016	30 Oct 2018	Nil	66,667	$0.030
Performance rights	23 May 2016	30 Oct 2018	Nil	66,667	$0.015
Performance rights	17 May 2018	N/A	Nil	2,500,000	$0.076
Performance rights(ii)	8 Dec 2017	30 Sep 2019	Nil	6,369,953	$0.145
				43,619,953	

(i) Vests from grant date.
(ii) Share price determined at 30 June 2018 for accounting of FY18 STIP.

The fair value of the options granted during the period is estimated as at the date of grant using a Black Scholes pricing model taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs used to value instruments issued during the year ended 30 June 2018:

	21 August 2017	16 November 2017	17 May 2018	7 Dec 2017	17 May 2018
Instrument	Options	Options	Options	Performance Rights	Performance Rights
Number	13,000,000	7,000,000	5,000,000	6,369,953	2,500,000
Expiry date	21 Aug 2020	16 Nov 2020	17 May 2021	30 Sep 2019	N/A
Dividend yield	Nil%	Nil%	Nil%	Nil%	Nil%
Expected volatility	59.25%	60.13%	59.27%	N/A	N/A
Risk-free interest rate	1.95%	2.06%	2.24%	N/A	N/A
Expected life of instruments (years)	1.5	1.5	1.5	1	1
Share price at grant date	$0.075	$0.061	0.076	0.145	0.076

Instruments exercised during the financial year

There were no options or performance rights exercised during the financial year (2017: Nil).

Change in instruments on issue

For the year ended	Number of instruments	
	30 June 2018	30 June 2017
Balance at beginning of year		
- Options	4,200,000	11,200,000
- Performance rights	12,550,000	28,950,000
Options granted during the year	25,000,000	3,000,000
Performance rights granted during the year	8,869,953	-
Options cancelled/forfeited during the year	(1,000,000)	(3,000,000)
Performance rights cancelled/forfeited during the year	(5,800,000)	(16,400,000)
Options expired during the year	(200,000)	(7,000,000)
Performance rights expired during the year	-	-
Exercised during the year	-	-
Balance at end of year		
- Options	28,000,000	4,200,000
- Performance rights	15,619,953	12,550,000
Options exercisable at end of year	28,000,000	4,200,000

Recognition and measurement

Share-based remuneration benefits are provided to employees via a variety of schemes which are further set out in note 7.3.

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 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. 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

As at $'000	30 June 2018	30 June 2017
Permit and lease commitments		
Less than one year	13,306	373
Between one and five years	7,522	6,554
Total	**20,828**	**6,927**

The FY17 commitments relate to the Group's permits and the Group's estimated minimum share of expenditure commitments made to the South Australian Authorities.

During FY18, Strike acquired a 50% interest in and operatorship of Exploration Permit EP469 located in the Perth Basin. In consideration for the interest Strike has agreed to the following:

1. Cash consideration of $350,000 at completion;
2. Deferred cash consideration of $250,000 prior to commencement of operations and no later than 1 January, 2019 and
3. Strike will solely fund the cost of drilling and completing one well within the permit and carrying out related geological, geophysical and administration costs up to a maximum expenditure amount of $11 million, within 24 months of commencement of the joint arrangement.
4. Transaction costs associated with the acquisition were $59,418.

8.2 OPERATING LEASES

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

As at $'000	30 June 2018	30 June 2017
Less than one year	123	76
Between one and five years	226	15
More than five years	-	-
Total	**349**	**91**

During the year ended 30 June 2018, $38,062 (2017: $134,000) was recognised as an expense in the profit or loss component of the statement of comprehensive income in respect of operating leases.

Recognition and measurement

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

8.3 CONTINGENCIES

Litigation and legal proceedings

There are no litigation or legal proceeding pending with the Group.

8.4 SUBSEQUENT EVENTS

In August 2018, Strike raised $2.9 million (net of transaction costs) through a share placement to support the piloting activities of the Jaws wells at the SCBGP and long lead items for the West Erregulla-2 well in the Perth Basin.

FINANCIAL REPORT CONTINUED...

8.5 REMUNERATION OF AUDITORS

For the year ended $	30 June 2018	30 June 2017
Amounts received/receivable by Deloitte Touche Tohmatsu (Aus) for:		
Audit or review of the financial report of the Group	104,236	100,343
Total audit remuneration	**104,236**	**100,343**

8.6 ACCOUNTING POLICIES

New and revised standards and interpretations

(a) Adoption of new and revised accounting standards

In the current year, the Group has applied a number of amendments to accounting standards issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2017, and therefore relevant for the current year end. The initial adoption of each of the amendments to AASB has not had a material impact on the amounts reported in these consolidated financial statements.

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

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

Standard/Interpretation	Effective for the annual reporting period beginning on	Expected to be initially applied in the financial year ending
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 9: 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15: 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15', and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15'	1 January 2018	30 June 2019

AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of lessees and lessors. The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short team leases and lease of low value assets. AASB 16 applies to annual periods beginning on or after 1 January 2019. The Group will apply AASB 16 in the financial year beginning 1 July 2019. At 30 June 2018 the group had non-cancellable undiscounted operating lease commitments of $0.35 million. These commitments will require recognition of a right-of-use (ROU) asset and an associated liability on the Consolidated Statement of Financial Position.

AASB 9 and 15 are not expected to have a material impact on the financial report of the Group in the year or period of initial application. initial application.

Deloitte.

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

Report on the Audit of the Financial Report

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 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of their financial performance for the year then ended; and

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

Basis for Opinion

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1.3 in the financial report which indicates that for the year ended 30 June 2018 the consolidated entity incurred a net loss before tax of $1,540,000 and had a net cash inflow from operating activities of $2,345,000 and a net cash outflow from investing activities of $14,992,000. As at 30 June 2018, the consolidated entity has a net current asset deficiency position of $4,439,000.
These conditions, along with other matters as set forth in Note 1.3, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

INDEPENDENT AUDITOR'S REPORT

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Key Audit Matters

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

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Exploration and evaluation assets *Refer to Note 4.1.* Exploration and evaluations assets of \$84.108m relate to costs incurred where there is expected future activity but no approved development plan. The exploration and evaluation assets relate to the Southern Cooper Basin Gas Project and the Perth Basin Project. Assessment of the carrying value of exploration and evaluation assets requires significant judgement, including the Group's intention and ability to proceed with a future work programme to realise value from the prospective resource, the likelihood of licence renewal or extension, and the success of exploration and appraisal activities including drilling and geological and geophysical analysis.	Our procedures included, but were not limited to: • assessing the latest status and future appraisal plans on each licence with operational staff and Group management; • evaluating evidence such as budgets, field exploration plans, contracts for future drilling and exploration activities to verify that management's intention to continue exploration efforts is supported by funding commitments; • evaluating management's assessment of whether there were any indicators of impairment as per the applicable accounting standards, and • assessing the status of each project and the key metrics associated with commercial viability to ensure the treatment, as an exploration and evaluation asset is appropriate. We also assessed the appropriateness of the disclosures in Note 4.1 to the financial statements.

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 2018, 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 has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 17 of the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Strike Energy Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Darren Hall
Partner
Chartered Accountants
Adelaide, 19 September 2018

ADDITIONAL SECURITIES INFORMATION

AS AT 31 AUGUST 2018

1. Number of holders of equity securities

1,123,511,727 fully paid ordinary shares are held by 4,120 individual shareholders.
37,250,000 unlisted options and performance rights are held by 11 individuals.

2. Voting rights

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

3. Distribution of shareholdings

Holdings	Number of shares
< 1,000	19,215
1,001 to 5,000	1,189,351
5,001 to 10,000	3,916,136
10,001 to 100,000	84,432,253
> 100,001	1,033,954,772
Holder of less than a marketable parcel	336

4. Substantial shareholders

Name	% Interest
MHC Fund Services Pty Ltd	6.183

The above shareholdings are disclosed pursuant to section 671B (3) of the Corporations Act 2001 but the relevant interests shown do not necessarily represent the beneficial interest in the share capital of the Company or parties concerned.

EXCHANGE

5. The 20 largest holders of quoted equity securities

Shareholder	Number of shares	% Held
MHC FUND SERVICES A PTY LTD	69,467,632	6.183%
J P MORGAN NOMINEES AUSTRALIA LIMITED	39,781,585	3.541%
MR TIMOTHY RUPERT BARR GOYDER	35,892,858	3.195%
CALM HOLDINGS PTY LTD	25,668,597	2.285%
ORICA INVESTMENTS PTY LTD	20,833,333	1.854%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,277,003	1.805%
GREMAR HOLDINGS PTY LTD	19,456,419	1.732%
CITICORP NOMINEES PTY LIMITED	18,781,527	1.672%
BNP PARIBAS NOMINEES PTY LTD	16,795,168	1.495%
HAZARDOUS INVESTMENTS PTY LTD	14,995,130	1.335%
MR STEWART ROBERT HOSKEN	12,650,000	1.126%
RAYNESFORD INVESTMENTS PTY LTD	12,428,571	1.106%
BNP PARIBAS NOMS (NZ) LTD	11,678,130	1.039%
MR GARRY NOEL BUNGEY & MRS VIVIENNE ALICE NOLA BUNGEY	10,000,000	0.890%
MR GRANT CHARLES DUFF	10,000,000	0.890%
S & Y ASHTON NOMINEES PTY LTD	9,833,276	0.875%
MR GREG HACKSHAW	9,730,714	0.866%
RAEJAN PTY LTD	9,600,000	0.854%
NATIONAL NOMINEES LIMITED	9,000,047	0.801%
MR MARK CHRISTOPHER JOBLING	8,000,000	0.712%

CORPORATE DIRECTORY

DIRECTORS

CHAIRMAN
John Poynton

MANAGING DIRECTOR
Stuart Nicholls

NON-EXECUTIVE DIRECTOR
Jody Rowe

NON-EXECUTIVE DIRECTOR
Tim Goyder

NON-EXECUTIVE DIRECTOR
Andrew Seaton

COMPANY SECRETARY
Justin Ferravant

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AUSTRALIAN SECURITIES EXCHANGE
Code: STX

FRANKFURT AND MUNICH STOCK EXCHANGES
Code: RJN

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