

The Company Announcement Officer ASX Ltd
via electronic lodgement

FY16 R&D CLAIM - ATO AGREEMENT

Strike Energy Limited (**Strike** or The **Company** – ASX:STX) provides an update to the market regarding the FY16 R&D claim.

As per the Company's announcement on 23 April 2019, Strike has appealed the FY16 negative finding by Innovation and Science Australia (**ISA**) to the Administrative Appeals Tribunal (**AAT**). While the Company is confident in its position with the AAT matter, the process is expected to be protracted out for at least the next 18 months.

In parallel, the Company has been engaging with the Australian Tax Office (**ATO**) to reach an agreement on a suitable payment plan for any FY16 R&D tax liability should that arise as a result of either the ISA's finding or the ultimate finding following appeal to the AAT.

The in-principle agreement reached with the ATO is as follows:

- **any FY16 R&D tax liability will be deferred until the matters currently before the AAT (including any subsequent appeal by the parties), are finally determined; (Estimated 18 months or longer.)**
- ***IF* the final determination is that the Company has a FY16 R&D tax liability, the Company will then repay the amount of the liability as follows:**
 - 30% of liability payable within 120 days of the final determination
 - 20% of liability payable within 180 days of the final determination
 - 20% of liability payable within 360 days of the final determination
 - 15% of liability payable within 450 days of the final determination
 - 15% of liability payable within 600 days of the final determination

As security for any potential tax liability the Company may have, the Company will grant the ATO a general security over the assets of the Company.

The in-principle agreement with the ATO is subject to the execution of final binding documentation. This agreement will give the company sufficient time and opportunity to reverse the decision before having to realise any repayment

For clarity:

- **the above arrangement applies only in respect to the FY16 R&D registration; and**
- **the Company has not received any tax refund of any amount for the FY18 claim period and is not required to repay any monies as a result of the FY18 R&D review, announced on 21 May 2019.**

ASX Announcement



4th June 2019

ENDS

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