STRIKE ENERGY LIMITED

QUARTERLY REPORT

For the period ending 31 December 2016

Key Highlights

Southern Cooper Basin Gas Operations

- Exceptional pilot operating performance with 98% uptime
- Re-initiation of gas desorption was achieved within the estimated 1-4 month timeframe
- Targeting commercial gas flow rates in Q2 2017
- No reportable safety or environmental issues

Organisation and Management Team

- Strengthened capability with reduced overhead

Financial Position Strengthened

- $4.5 million capital raising
- $3.6 million R&D facility ($2.3 million undrawn)
- US asset sale reducing net debt
- Significant operating and organisational cost savings of ~$1 million per annum
- Cash balance of $7.2 million at quarter end
- $6.0 million SA PACE GAS Grant application submitted

Managing Director's Report

I am pleased to report a positive and productive quarter for Strike Energy.

Production Testing

Production testing continued during the quarter with a focus on uninterrupted water production from the Klebb wells. The beam pump on Klebb 1 recorded 99% availability with exceptionally high up-time also achieved for the jet pumps on Klebb 2 (98%) and Klebb 3 (99%).

Post completion of the quarter, Klebb 3 re-initiated gas flow, affirming our confidence of achieving commercial flow rates from the current pilot configuration. This has been achieved within the 1-4 month time frame projected in our last quarterly report.

We expect to build upon this success, maintaining high availability, reducing well pressures through uninterrupted de-watering and increasing gas production to commercial rates in Q2, 2017. Additional pilot enhancements will be implemented with the near-term deployment of beam pumps in the Klebb 2 and 3 wells to ensure that future peak gas flows are not constrained by the mechanical limitations of the jet pumps.

The distributed power project was also successfully completed with annualised savings of $250,000. This project has delivered 100% standby generation, which provides redundancy and allows maintenance to be completed without interrupting production at the pilot.

Management Changes

We are pleased to welcome Matthew Montano as our new CFO and Company Secretary. Matthew assumed the CFO role early in the New Year, with a transition period to the role of Company Secretary alongside our outgoing CFO, Sean McGuinness, who leaves us with our best wishes after 3 years of dedicated service.

Detailed later in this report are a number of initiatives that have been implemented to strengthen and align our Corporate, Engineering and Operations teams. Annualised savings of over $700,000 have been achieved whilst significantly enhancing our depth of experience across key functional areas.

US Operations & Asset Disposal

At the end of the quarter, we announced the final divestment of our US operating assets. The completion of this withdrawal from the US will allow management to focus entirely on the Group's key assets in the Southern Cooper Basin. The US asset sales reduced net debt by $US2.4 million and eliminated any future financial obligations in connection with these assets.

Finance and Commercial

During the quarter, our $4.5 million pro-rata underwritten non-renounceable rights issue was over-subscribed. We thank our shareholders for this continued support.

Our funding capacity was further enhanced by the establishment of a new $3.6 million R&D facility for eligible expenditure during the current financial year. A drawdown of $1.32 million was made in December, 2016.

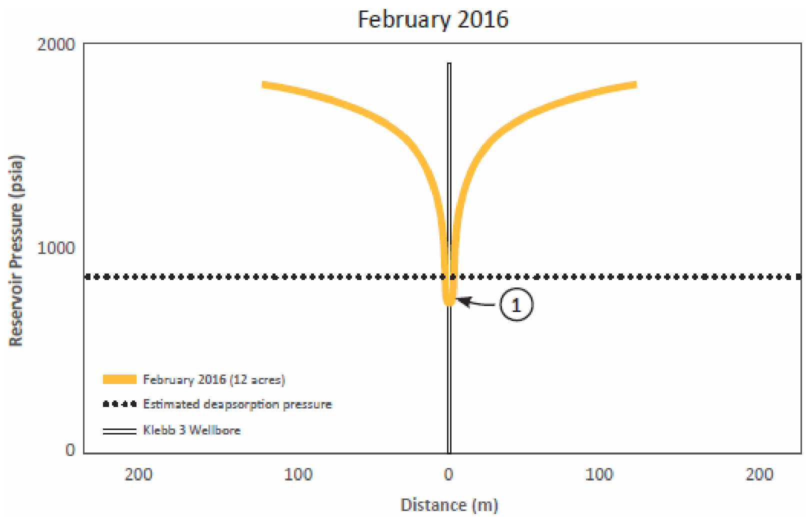
The PEL 96 Joint Venture agreed to the upgrading of the Phase One Area to a Production Retention Licence and the formal regulatory application for conversion. This will provide Strike with additional funding options.

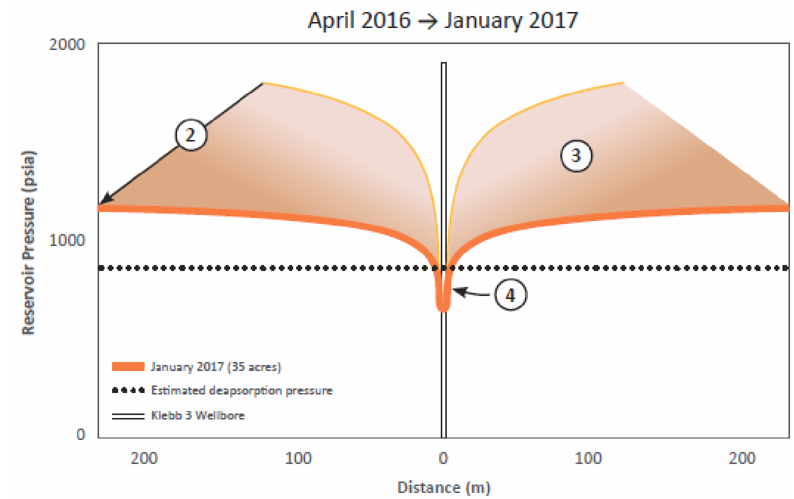
We also submitted our application for grant funding under South Australia's GAS PACE Grant Program to stimulate upstream supply into South Australian energy and gas feedstock markets. The announcement of successful applications is expected in February.

East Coast Gas Markets

Continued tightening in East Coast gas markets presents an extraordinary market opportunity for Strike's Southern Cooper Basin Gas Project (SCBGP). We are confident that we have the right team and resources in place to capitalise on that opportunity.

David Baker, Managing Director





Southern Cooper Basin Gas Project Highlights

- Re-initiation of gas desorption from Klebb 3 within the estimated 1-4 month period
- Testing continued to track to plan with average 98% uptime for Klebb 1, 2 and 3
- Phase 2 of site distributed power project completed

The re-initiation of gas flows from Klebb 3 following quarter end confirms that the pilot is tracking to plan. We expect to build on this through the current and subsequent quarters, to confirm key pilot test outcomes, as further dewatering is achieved.

The completion of the distributed power project delivered improvement in well up-time as well as significant fuel and generator rental savings exceeding $250,000 per annum.

No reportable safety incidents occurred during the period.

Historic Klebb 3 Performance

In February 2016 we observed our prior peak gas flows from Klebb 3, with this gas coming from a relatively small area around the well (1) which was below the critical desorption pressure. Mechanical issues with the previous jet pump configuration limited our ability to build a material drainage area below the critical desorption pressure.

Current Klebb 3 Performance

The de-watering effort conducted since April 2016 (2) has increased the drainage area of Klebb 3 by approximately three times. Average reservoir pressure within the Klebb 3 drainage area has been reduced by an estimated 30% over the past 9 months (3). We are extremely pleased with this performance, supporting our confidence in our ability to successfully dewater the reservoir across a large drainage area.

(4) The recent re-initiation of gas desorption from Klebb 3 was realised at an estimated pressure slightly lower than observed in February 2016. This re-initiation of gas flows occurred approximately 3 months into the 1-4 month estimate provided in the September 2016 Quarterly.

Strike Energy

Quarterly Well Performance

The Klebb 1 beam-pump maintained its steady operation, with 99% uptime and consistent flowing pressure allowing the gas rate to slowly increase and the flare build from sporadic to continuous.

The performance of Klebb 2 has been consistent with uptime of 98% supporting the de-watering effort.

The continuous de-watering effort and maintenance of 99% uptime for Klebb 3 during the quarter has resulted in renewed gas desorption.

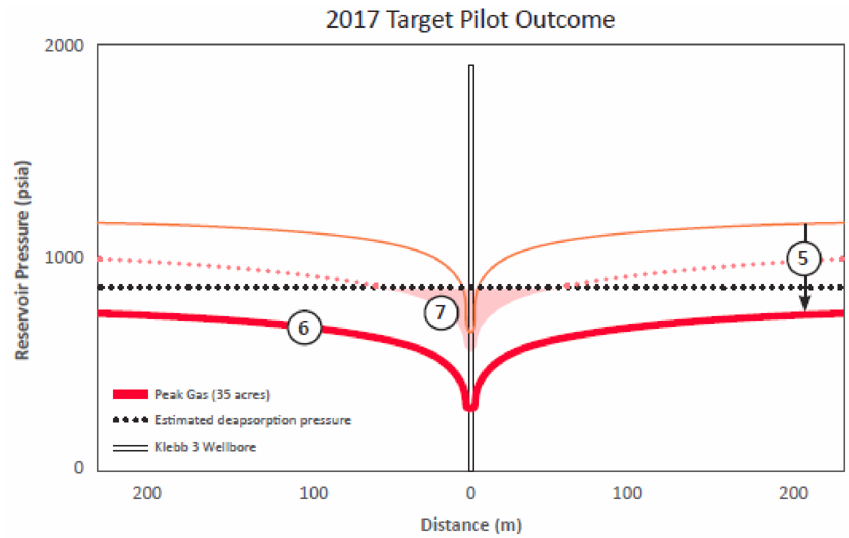
This re-initiation of gas desorption from Klebb 3, the most productive of the four wells in the Klebb pilot, is particularly encouraging. History matching of this new data supports management's previous estimates of gas content and saturation for the coal and the commercial potential of the resource.

Performance issues have continued to affect the Klebb 4 ESP and the well was shut-in during December awaiting a vendor technician inspection and recommendation. The possibility of wireline intervention to reinstate the pump is currently being investigated, but this is not impacting the core objectives of the pilot.

Forecast Klebb 3 Performance

Completion of the ongoing 'heavy lifting' to de-water and de-pressure the expanded Klebb 3 drainage area is a key goal over the coming months. As the reservoir pressure is gradually reduced below the critical desorption pressure 5 over a progressively larger area, gas flows will increase.

The revised jet-pump set-up has already delivered a multi-fold benefit in the rate of dewatering. However, to ensure our ability to continue to build to peak gas flow for the current wells, we are procuring additional beam-pumps.



This beam-pump equipment will be delivered in the June Quarter, with the current plan requiring one week of downtime to convert each well. The final timing of any well workover, if required to progress from commercial to peak gas flows, will be dictated by individual well performance once all surface preparation works are complete.

Our history matched model of Klebb 3 performance has been re-run for the current drainage area and indicates peak gas flows 6 should be achieved later in Q3 2017.

Along the path to achieving peak gas flows from the Klebb 3 pilot, we expect to achieve gas flow results 7 that conclusively demonstrate the underlying reservoir parameters and confirm our ability to successfully commercialise the resource. We are confident that if pumping performance and uptime is maintained and we can continue to lower bottom-hole pressure, proof of concept should be achieved in Q2 2017.

Management Update: Team Strengthened

During the quarter, a review of the Company's organisational capability and engagement model with key personnel was conducted. The Company's focus in this review has been to strengthen the management team as we move closer to commercialisation of the SCBGP.

Management's continual focus on cost efficiencies has realised cost savings of $1.0 million on an annual basis through a combination of restructuring staff from contract to employee roles and efficiencies in exploration expenditure.

The key changes to the team are:

Corporate Team

On 12 January, 2017 Matthew Montano joined Strike as **Chief Financial Officer**, assuming the role of **Company Secretary** on 30 January, 2017. Matthew is a senior finance professional with extensive experience in financial management across ASX listed, multinational and private companies. Matthew replaces Sean McGuinness, who made an invaluable contribution to the Group in his three years of service. Strike's Management and the Board wholeheartedly thank Sean for his contribution and wish him well in his future endeavours.

Lorna Clarke joined Strike as **Commercial Manager** in December 2016. Lorna has extensive international and domestic oil and gas experience in management, strategy development, planning, commercial, finance, business analysis and joint venture management. Lorna's most recent full time position was as General Manager Commercial & Joint Ventures at Drillsearch, until its' merger with Beach.

As previously announced, Tony Papinczak has been appointed as **Strategic Technical Advisor**. Tony has a wealth of experience in upstream coal seam gas development, having held senior positions in Origin's CSG team and lead the project management of in field infrastructure layout for the APLNG Project and associated production facilities.

The addition of Debbie Braimoh as **Principal Reservoir Engineer** occurred in the September quarter. Debbie has 18 years of international and domestic experience in the conventional and unconventional oil and gas projects with companies including AGL, Bow Energy and Exxon Mobil.

Operations Team

Our Adelaide based Engineering group has been actively involved in the SCBGP since mid-2014 designing, fabricating, constructing and supporting the ongoing operation of the existing facilities and Klebb field Operations personnel. With many of the team having been dedicated to Strike for the last 2 years we have directly employed our Adelaide based engineers under the supervision of **Engineering Team Leader**, Karel Meeuwissen.

The Adelaide Engineering team has also been significantly enhanced by the addition of Tanja Stefanovic, an experienced process engineer with over 30 years in engineering and management spanning the chemical, hydrocarbon and water industries. Tanja will directly manage the external design and procurement of the Demonstration Facility.

The Engineering and Operations groups will continue to work under the guidance of **Operations Manager**, Pax Barkla, who will relocate to our Adelaide office in the coming months.

US Operations: Asset Disposal and Operations Update

US Asset Disposal

During the December quarter, the Group entered into agreements to dispose of its interest in the Louise and Permian Basin project areas separately to third parties.

Under the terms of these agreements, the purchaser of the Permian Basin area is to pay consideration of $US175,000 (which is to be used to reduce the principal under the BlueRock facility), and the purchaser of the Louise project area would assume in full the remaining obligations under the BlueRock facility. The transactions settled in January 2017 with a gain on sale of $US2.0 million prior to closing costs to be recognised in the income statement.

The Company has now fully divested its working interest in all of its US production assets, and only continues to hold residual historic royalty rights interests in the Permian Basin, Eagle Ford Shale and Eagle Landing Joint Ventures.

No new exploration and/or field development activities occurred during the quarter and the Company has no plans to make further investments in these projects.

US Production

During the quarter, Strike produced oil and gas from the remaining two independent assets prior to their disposal on 31 December 2016. Total oil production for the quarter was 1,999 bbls, down 10% on the prior quarter and gas production was 50,104 Mcf, down 8% on the prior quarter.

The Eagle Landing Joint Venture (Strike 40% WI) produced 48,313 Mcf of gas and 812 bbls of oil net to Strike during the quarter, down 6% for gas and down 13% for oil on the previous quarter. The decrease in production for the quarter is a result of short term underperformance of the well and minor equipment failures which has now been rectified.

The MB Clearfork Project (Strike 25% WI) produces oil from 20 conventional Permian Basin wells in Martin County, Texas. During the quarter, the MB Clearfork Project produced 1,815 Mcf of gas and 1,157 bbls of oil net to Strike, down 27% for gas and up 39% for oil from the previous quarter. The significant reduction in gas production for the quarter is due to various equipment issues from the prior period, as well as timing differences arising from production held as inventory and sales. The significant increase in oil production during the month is due to intermittent pumping of one of the wells that was previously turned off.

Average realised prices during the quarter were US$46.02/Bbl, up 10% from US$41.67/Bbl in the previous quarter for oil and US$3.25/Mcf, up 22% from US$2.67/Mcf for gas in the previous quarter.

Finance and Commercial Update

Corporate Office

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Registered Office

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Paddington NSW 2021
T: 61 2 9195 5600

Securities Exchange

ASX: STX

Securities on Issue

Shares: 964,640,299
Options: 1,200,000
Performance Rights: 17,950,000

Analyst Coverage

Firm	**Analyst**
Taylor Collison	Andrew Phillips
Euroz	Jon Bishop
Bell Potter	Peter Arden

During the December quarter, the Company continued to advance a number of its financial and commercial initiatives.

Key Highlights include:

- $4.5 million fully underwritten one (1) for fourteen (14) non-renounceable pro rata rights issue closed over-subscribed.
- Established a new 2017 R&D Facility for funding of up to $3.6 million in respect of its current financial year eligible R&D activities and expenditure. The Company made a drawdown of $1.3 million in December.
- The Company submitted an application for funding under the South Australian Government's $24 million PACE GAS Grant Program to accelerate investment in gas projects in South Australia through targeted, competitive grants. The application is currently under review with the announcement of successful applications expected mid-February.
- Completed the sale of the US production assets, reducing current indebtedness by ~US $2.4 million whilst also divesting all future restoration and rehabilitation obligations. The Company retains various royalty and override interests.

The Company completed the quarter with $7.2 million of cash on hand.

Eastern Australia Gas Market: Substantial Opportunity

Market Setting for Strike's Southern Cooper Basin Gas Project

Strike is progressing commercialisation of its SCBGP in the context of a changing gas and electricity market which we expect to underpin attractive pricing as well as strong demand and support for gas from the SCBGP. Whilst there has been considerable commentary on the energy market for South and East Coast Australia from various perspectives and stakeholders, there is a growing consensus amongst government, regulators, industry and market analysts that the market faces a shortage of gas supply by 2018/9.

In summary:

- **Structural change in demand:** The LNG projects in Queensland have more than tripled demand for East Coast gas over recent years. These projects are underpinned by long term supply commitments from dedicated coal seam gas fields but with evidence of performance issues at some of these integrated gas fields, the unprecedented demand from these projects is diverting gas supply away from the domestic market. On the generation side, the decommissioning of brown coal fired plants and new wind and solar generation are not able to fully achieve commitments to reduce Australia's carbon emissions through. New gas generation will be required to facilitate the phase out of emissions intensive coal power.
- **Insufficient supply response:** Concerns over the supply response are driven by several factors, including:
    - Declining 2P Reserves and production rates from major gas basins (particularly traditional sources of supply to South Australia).
    - Constrained balance sheets of many of the holders of large gas Resources is delaying and impeding new investment required to convert those Resources into Reserves.
    - Opposition from stakeholders (including State governments) to new unconventional gas developments on the East Coast.
    - A general lack of significant new gas projects capable of adding material uncontracted gas to market, a concern given the lead time to develop new projects.
- **Impact on the market:** These supply/demand dynamics have resulted in a consensus view of rising gas prices, reflected in wholesale spot markets and anecdotal reports from major industrial gas users that availability of forward (term) commitment for gas supply from 2018 is a multiple of historic long term pricing ($8-10/GJ). This uncertain supply and rising cost of gas (and electricity) is a major issue for industrial users (particularly in South Australia) – evidenced by commentary from industry participants that it will impact growth plans and viability of existing businesses.

The Southern Cooper Basin Gas Project has the potential to transform domestic supply dynamics, especially in South Australia, where the long-term cost of transporting gas from the field to market should be no more than $0.50/GJ.

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Such statements relate to future events and expectations and as such involve known and unknown risk and uncertainties, many of which are outside the control of Strike Energy Limited. Actual results, actions and developments may differ materially from those expressed or implied by the statements in this presentation.

Subject to any continuing obligations under applicable law and the Listing Rules of ASX Limited, Strike Energy Limited does not undertake any obligation to publicly update or revise any of the forward looking statements in this presentation or any changes in events, conditions or circumstances on which any such statement is based.

Contingent Resource Estimate

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

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

The table below summarises the Contingent Resource Estimates.

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

1. Contingent Resource Estimates have been prepared in accordance with the Petroleum Resources Management System "PRMS". Contingent Resource Estimates are those quantities of gas (produced gas less carbon dioxide and fuel gas) that are recoverable from known accumulations but which are not yet considered commercially recoverable.

2. 1C, 2C and 3C estimates in this table are P90, P50 and P10 respectively for each well and have been summed arithmetically

3. Net to Strike's 66.7% interest in PEL 96

Competent Persons Statement

The information in this presentation that relates to the PEL 96, PEL 95 and PEL 94 contingent resources estimate has been taken from the independent reports as prepared by DeGolyer and MacNaughton, a leading independent international petroleum industry consultancy firm, and has been reviewed by Mr Chris Thompson (Chief Operating Officer of the Company). All other reported resource and or reserves information in this presentation is based on, and fairly represents, information prepared by, or under the supervision of Mr Thompson.

Mr Thompson holds a Graduate Diploma in Reservoir Evaluation and Management and Bachelor of Science Degree in Geology. He is a member of the Society of Petroleum Engineers and has worked in the petroleum industry as a practicing reservoir engineer for over 20 years. Mr Thompson is a qualified petroleum reserves and resources evaluator within the meaning of the ASX Listing Rules and consents to the inclusion in this release of the resource and or reserves information in the form and context in which that information is presented.

About DeGolyer and MacNaughton

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

While not yet commercial, these results confirm that the coals will be capable of substantial gas production rates and highly economic per well recoveries as the reservoir pressure is reduced at increasing distances from the wells.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

STRIKE ENERGY LIMITED

ABN	**Quarter ended ("current quarter")**
59 078 012 745	**31 December 2016**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	340	655
1.2	Payments for		
	(a) exploration & evaluation	(2,044)	(5,827)
	(b) development	-	-
	(c) production	(139)	(746)
	(d) staff costs	(833)	(1,685)
	(e) administration and corporate costs	(138)	(476)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	41
1.5	Interest and other costs of finance paid	(78)	(236)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	6,334
1.8	Other (provide details if material)	324	612
1.9	**Net cash from / (used in) operating activities**	**(2,557)**	**1,328**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(6)	(12)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	1	1
	(b) tenements (see item 10)	43	43
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**38**	**32**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	4,502	4,502
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(325)	(325)
3.5	Proceeds from borrowings	1,320	1,320
3.6	Repayment of borrowings	(83)	(4,113)
3.7	Transaction costs related to loans and borrowings	(86)	(86)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**5,328**	**1,298**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,391	7,214
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,557)	(1,328)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	38	32
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,328	1,298
4.5	Effect of movement in exchange rates on cash held	5	(11)
4.6	**Cash and cash equivalents at end of period**	**7,205**	**7,205**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	2,325	2,555
5.2	Call deposits	3,500	1,000
5.3	Bank overdrafts	-	-
5.4	Other – Share of JV bank accounts	1,380	836
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**7,205**	**4,391**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	204
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

In addition to the respective salary and fee payments made to Directors in item 6.1, during the quarter, the Group also made payments to M H Carnegie & Co Pty Ltd (a director related entity via Mr M Carnegie) under the terms of an office leasing agreement ($29,242).

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	9,459	3,827
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

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

Lender	Interest rate	Secured/Unsecured	Balance Outstanding at Quarter end
BlueRock Energy Capital	9.5%	Secured – limited to US Production Assets only	US$ 2,425,651
Orica Australia Pty Ltd	Interest Free	Unsecured	A$ 2,500,000
Commonwealth Bank of Australia	6.085%	Secured against R&D refund from ATO	A$ 1,320,000
Ricoh Australia Pty Ltd	11%	Secured against asset only	A$ 6,808

For further details on the Company's financing facilities, please refer to the 30 June 2016 Annual Report.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	3,230
9.2	Development	-
9.3	Production	-
9.4	Staff costs	686
9.5	Administration and corporate costs	193
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**4,109**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	USA	Eagle Ford JV area	27.5%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Compliance statement

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

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

Sign here: .... Date: 31 January 2017

Matthew Montano

Print name: ....

Notes

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

Appendix A – Petroleum permit and joint venture interests

Australia

Permit / Joint Venture	**Location**	**Registered Holder**	**Involvement**	**% Interest**
PEL 96	Southern Cooper Basin	Strike Energy 96 Pty Limited	Operator	66.667
PELA 640	Southern Cooper Basin	Strike Energy Cooper Pty Limited	Operator	100.00
PEL 515	Cooper Basin	Strike Energy Cooper Pty Limited	Operator	100.00
PEL 94	Southern Cooper Basin	Strike Energy 94 Pty Limited	Participant	35.00
PEL 95	Southern Cooper Basin	Strike Energy 95 Pty Limited	Participant	50.00
PPL 210	Southern Cooper Basin	Strike Energy 95 Pty Limited	Participant	50.00

United States

Permit / Joint Venture	**Location**	**Registered Holder**	**Involvement**	**% Interest**
Eagle Landing Joint Venture	Texas	Strike Energy Eagle Ford LLC*	Participant	0%
Permian Basin	Texas	Strike Energy Permian Basin LLC**	Participant	25%
Eaglewood Joint Venture	Texas	Strike Energy Wilcox LLC**	Participant	40%

* On 1 October 2016, all participants to the Eagle Ford Shale joint venture entered into an agreement to sell the Bigham production asset to a third party group. Under the terms of the agreement, the purchaser will acquire 100% of the working interest from each of the parties.

** As announced on 30 December 2016, the Group entered into agreements to dispose its interest separately in the Louise and Permian Basin project areas to third parties. Under the terms of these agreements, the purchaser of the Permian Basin area is to pay consideration of US $175,000 (which is to be used to reduce the principal under the BlueRock facility), and the purchaser of the Louise project areas would assume in full the remaining obligations under the BlueRock facility. As announced on 13 January both transactions are now completed with Strike Energy Limited not holding any further interest in US production assets.