Annual Report

for the financial year
ended 30 June 2021

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Information regarding Resource Estimates

Information in this Annual Report relating to the Prospective Resource Estimate for South Erregulla is set out in ASX Announcement dated 17 February 2020 entitled 'Exploration Portfolio Update' and is an aggregate of Strike Energy Limited's 100% equity interest in EP 503 and Strikes 50% equity interest in EP 469.

Strike Energy Limited confirms that it is not aware of any new information or data that materially affects the information included in the referenced announcement and that all the material assumptions and technical parameters underpinning that announcement continues to apply.

Important Notices

Forward looking statements

Statements contained in this Annual Report, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Strike Energy Limited, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'budget', 'outlook', 'schedule', 'estimate', 'target', 'guidance' 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Forward looking statements including all statements in this document regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Strike Energy Limited. Actual results, performance, actions and developments of Strike Energy Limited may differ materially from those expressed or implied by the forward-looking statements in this Annual Report. Such forward-looking statements speak only as of the date of this document. Refer to the 'Summary of Key Risks' section of the release titled " Equity Raising and Corporate Update April 2021" released to ASX on 15 April 2021 for a summary of certain general, Strike Energy Limited specific and acquisition specific risk factors that may affect Strike Energy. There can be no assurance that actual outcomes will not differ materially from these statements. Investors should consider the forward looking statements contained in this Annual Report in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Strike Energy Limited and any of its affiliates and their directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this document to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this Annual Report will under any circumstances create an implication that there has been no change in the affairs of Strike Energy Limited since the date of this document.

Project Haber studies

The successful development of Project Haber is contingent on, among other things, the proving up of sufficient gas reserves at South Erregulla, the outcomes of FEED on Project Haber, access to finance and (where required) equity participation, securing urea offtake agreements, and obtaining all requisite regulatory and stakeholder permits, approvals and authorisations.

The concept, feasibility and pre-FEED studies prepared by TechnipFMC on Project Haber to date have been undertaken to determine the potential viability of Project Haber and to reach a decision to proceed with more definitive studies, and as such are indicative in nature only. The studies are based on low-level technical and economic assessments and are insufficient to provide full assurance of an economic development case at this stage or provide certainty that the conclusions of the studies will be realised and that the development of Project Haber will be commercially viable. The results of the study should not be considered a profit forecast or production forecast.

Strike Energy Limited (ASX:STX) aspires to be Australia's lowest-cost onshore energy producer, and a globally competitive urea manufacturer with net-zero carbon emissions by 2030 based on its access to Perth Basin gas and geothermal resources.

Chairman's Letter

Dear Shareholders,

Each year I look back on Strike Energy's achievements, and I feel proud of the Company's progress, but even more excited about what we have in front of us.

Strike Energy Limited (**Strike** or the **Company**) is building an Australian gas, clean energy and manufacturing powerhouse, leveraging the talent of our people and our natural resources to create a business that will leave an energy legacy for decades.

This year we made three key strategic decisions to set Strike up for long term success.

First, we launched Project Haber[1], a urea manufacturing project planned for Geraldton, in Western Australia's Mid West Region. Project Haber is a 1.4 million tonnes per annum ammonia to urea plant that will consume a substantial approximate 628 PJ of gas from our Perth Basin assets to provide low-carbon, competitively-priced urea fertiliser to Australian farmers – who currently import almost all of their urea requirements from overseas.

Project Haber will be integrated with our gas production projects. It will also have the capacity to both produce and absorb green hydrogen, which will make it one of the world's lowest-emissions urea manufacturing facility. Importantly, Project Haber will enable the storage of carbon from our gas resources as well as providing hundreds of regional manufacturing jobs.

Our second major commitment was the acquisition of 100 per cent of the Perth Basin's geothermal energy rights. Through the discovery and appraisal work on our Perth Basin gas assets, our geotechnical team identified the opportunity to harness hot water from the same geological horizons we have targeted for gas production, and bring it to surface to exchange its heat for the creation of power generation.

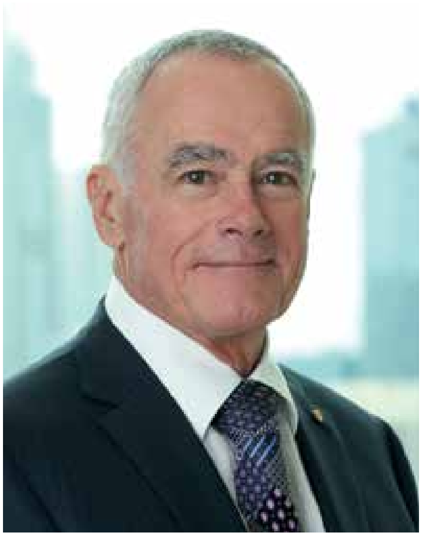
We have more work to do to de-risk the project, however, we are genuinely excited about the prospect of accessing dispatchable, clean energy in quantities sufficient to power Project Haber's electrolyser and to be fed into Western Australia's co-located South West Electricity Grid as a new source of sustainable, low-emissions energy.

Finally, early in 2021 the Company announced it had set the ambitious target of achieving Net-Zero Scope 1 & 2 carbon emissions by 2030, and its aspiration to become Australia's first integrated energy and manufacturing business to deliver full Scope 3 offsets.[2]

Our decisions on Project Haber, and geothermal, will be key enablers for us to meet this target. Climate change is an issue that all Australian businesses need to deal with, and we are absolutely committed to being a leader in our industry and part of the overall solution. The Company has formed an ESS committee and the FY21 climate change disclosures have been informed by the Taskforce for Climate Financial Disclosures Recommendations.

During the year we exited our activities at the Jaws Project in the Cooper Basin. This was an ambitious project seeking to demonstrate the feasibility of producing gas from deep coal seams. The project generated significant

[1] *Refer to Important Notices as they relate to Project Haber on page (i) of this Report.*
[2] *Refer to ASX announcement released 6 May 2021 titled "Project Haber Carbon & Economic Impact".*



technical information, but ultimately did not prove to be economic. The exit of this asset allowed us to focus all of our energies and resources on the exciting opportunities in the Mid West, and as a consequence we have formally re-located our headquarters to Perth.

We appreciate the support of our existing and new shareholders in ensuring we remain in a sound financial position to realise this vision. We raised $85 million in new capital during the financial year, which will fund our Greater Erregulla Gas Project development, the advancement of Project Haber, Mid West Geothermal testing and development, and our broader Perth Basin gas opportunities. We also secured an up to $28 million bridging finance facility with Macquarie Bank Limited, which validates the robustness of the activities we have embarked on.

Ms Jody Rowe retired after six and a half years on the Board. Ms Rowe helped lead our Company's diversification across two major gas basins in Australia. Ms Rowe was a valuable member of the Board and of our Audit and Risk Committee.

In October we welcomed Ms Mary Hackett to our Board of Directors. Mary Hackett brings 30 years of experience in the resources sector, with a strong technical background. She has held senior leadership positions at some of the industry's most recognised organisations, including Brown and Root, General Electric and Woodside Energy Ltd. Ms Hackett will chair the Company's newly founded Environment, Social and Sustainability Sub-Committee of the Board. We also strengthened our Management Team with key appointments, including Mr Crispin Collier as Chief Development Officer and Mr Kevin Craig as Chief Operating Officer.

Through all of this, the Company continued to focus on creating value for shareholders by advancing our Greater Erregulla gas development, including further appraisal of West Erregulla, acquiring ~140km of valuable seismic and planning our next drilling campaign at our 100% owned South Erregulla permits, and continuing exploration and commercial activity at our other assets, such as Walyering.

We completed a new development agreement with our Joint Venture Partner in EP469, to advance the West Erregulla Phase One gas development, which should bring foundation cashflows into the Company and provide a solid base in which to grow from.

It has been a very rewarding year for everyone involved in Strike. We continue to set the bar high for both our strategic ambitions and our performance. I would like to thank my fellow Directors for their commitment and support. Special thanks to Stuart Nicholls, our Managing Director, and his leadership team for the energy, creativity and discipline they bring to our Company. Our staff, suppliers and contractors have all contributed to a successful year, and they should know that their efforts are appreciated.

Finally, thank you to our shareholders, many of whom have been on the journey with Strike for a long time. Together we are building a great Australian business, and I look forward to reporting to you in 12 months time about another year of achievement and progress.

Yours sincerely,

John Poynton AO
Chairman

Managing Director's Report

Dear Shareholders,

The last year has seen Strike position itself as an industry pace setter with our strategy to become a fully integrated energy, renewable power and fertiliser business. We believe in maximising the value of Australia's natural resources for the benefit of our shareholders, and our community. Strike is committed to a long-term sustainable net zero energy strategy and achieving this target (Scope 1 & 2) by as early as 2030.

Core to Strike's culture is consistent and sustained delivery, which is why we continue to push the Company in every sphere of its activities. This approach, backed by the rigorous assessment of opportunities and a disciplined approach to planning and execution, has driven us further this year with the expansion of our development portfolio into fertiliser manufacturing and clean energy development. At the same time, we consolidated our solid foundation by progressing the Greater Erregulla Gas development, building our financial strength, and establishing a benchmark for future environmental performance that will make us sustainable into the future.

During the year we successfully navigated the health risks posed by COVID-19. We implemented rigorous health protocols at our offices and operations. Our operational activities experienced minimal disruption from the WA Government's COVID-19 travel restrictions, which is testament to the performance of the team.

The highlights from the last twelve months are outlined below:

Health, Safety, Environment and Community

We have strong safety systems in place, and we foster a safety culture based on care for each other and encouraging people to speak up if they have safety concerns.

This year, we recorded **zero** lost time injuries and three recordable incidents across our operations. Our people and systems proved effective to safely manage the over-pressures encountered at the West Erregulla 3 well.

We continue to adhere to the highest environmental standards. We managed our three well appraisal campaign without a reportable environmental incident. Our team on the ground also worked closely with landholders and other stakeholders to design our seismic programs in a way that minimises the impact on the land and the farming operations that we co-exist with.

We feel privileged to be operating in Western Australia, which has high environmental standards that we plan to meet or exceed.

I would like to thank the hundreds of people in the Mid West who have engaged with us as part of our community consultation programs. We have been rewarded with great relationships in these communities.

Through the Greater Erregulla project, Project Haber and our Mid West geothermal project we are building an important business for the region, that has the potential to create hundreds of jobs and generate business opportunities for decades to come.

Greater Erregulla Gas Development

The foundation of Strike's near-term future is our unrivalled position in Western Australia's Perth Basin. Our Greater Erregulla strategy includes the West Erregulla development, which we consolidated this year with a three well appraisal program, formalisation of our joint venture

arrangements for the West Erregulla Phase One development, conversion of our gas supply option with CSBP Limited to a firm offtake agreement, and progression of the West Erregulla gas processing plant with Australian Gas Infrastructure Group (AGIG). Our Greater Erregulla strategy also includes South Erregulla, our 100% owned acreage adjacent West Erregulla. The South Erregulla prospect has the potential to eclipse West Erregulla for size and further establish the Perth Basin as Australia's premium onshore gas location. Strike intends to drill the South Erregulla-1 well in late 2021 to prove this potential. Further details are outlined in the Operational Review section.

Project Haber[1]

Project Haber was launched publicly in January 2021, and is the key to Strike's strategy of becoming an integrated low carbon gas, clean energy and fertiliser manufacturing business.

Project Haber is a proposed 1.4 million tonnes per annum urea fertiliser manufacturing facility in Geraldton, located in Western Australia's Mid West Region, where Strike has been awarded an option to lease 60ha of industrial land by Development WA. The Project will use approximately 628 PJ of raw gas produced from our Greater Erregulla Development as feedstock to produce fertiliser that would replace Australia's reliance on more than approximately $1 billion of fertiliser imports annually.

As part of the production process, Project Haber will also generate green hydrogen, and will be capable of consuming hydrogen from proposed and potential green hydrogen developments slated across the Mid West Region.

As a key offtaker for Greater Erregulla raw gas, Project Haber has the potential to add significant value to Strike's gas developments in the Mid West region. This value will be captured in Western Australia, and has been quantified by ACIL Allen in their economic impact assessment and study of the project, which estimated that on success Project Haber could deliver[2]:

- Approximately $8.4 billion of Gross Domestic Product (GDP).
- Average Gross Regional Product – in the Mid West – of approximately $230 million per annum, equivalent to a 3.8% p.a. boost to the local economy.
- Approximately 1,135 full time jobs during the construction phase and an average of 283 jobs in the Mid West region for 30 years.
- Commonwealth taxation revenue of approximately $144 million per year of operations.
- a reduction in Australia's urea fertiliser CO_2e footprint by 50-60% from a 2019 base, equivalent to 650-795,000 tonnes of CO_2e p.a.

In May we closed expressions of interest for fertiliser offtake from Project Haber, which was oversubscribed by 250% of the proposed plant's capacity. A subsequent second round offtake process closed with 4.75 mtpa of firm offers, and we are now shortlisting parties to proceed to binding agreements.

Strike plans to undertake a competitive process to seek interest from equity partners to support the capital requirements of the project, with Strike expecting to retain a substantial interest.

[1] *Refer to Important Notices as they relate to Project Haber on page (i) of this Report.*

[2] *Refer to ASX announcement released 6 May 2021 titled "Project Haber Carbon & Economic Impact".*

Perth Basin Geothermal

During our exploration and appraisal work in the Perth Basin we recognised the geothermal energy potential of the region's Permian sandstones. In April we acted on that knowledge with the acquisition of Mid West Geothermal Power Pty Ltd, which included rights to all of the Perth Basin's geothermal acreage. Our assessment is that the Perth Basin contains geothermal resources that could support up to 350 megawatts of zero carbon and renewable energy for 30 years[3]. Geothermal energy is reliable, dispatchable and is a perfect complement to Strike's gas development activities. A success case for our geothermal investment would lead to a material reduction in Western Australia's carbon intensity, and will be a significant contributor to our goal of becoming an integrated gas, clean energy and fertiliser manufacturing business in Western Australia.

WA Gas Market

Our assessment of the WA domestic Gas Market, released in 2020, noted that a challenged global LNG market, combined with the collapse of oil prices triggered by the COVID-19 pandemic, would act as a drag on the approval of major WA LNG Projects and this has proven to be the case to date. These projects are important for generating growth, and backfill, for WA's domestic gas supply.

During the year we continued to see under-investment in the critical activities to sustain WA's domestic gas supplies, including exploration and appraisal drilling, and of course investment decisions on major projects in the North West of the state. Demand for gas as a transition fuel is expected to continue to grow, as miners switch out of diesel and into gas for their power generation or build hybrid plants integrating gas with solar and other renewable technology to reduce their carbon emissions.

The Australian energy market regulator, AEMO, forecasts that more than half of the WA domestic gas requirement will come out of contract by the mid-2020s. With the North West Shelf going into decline, and gas demand forecast to steadily increase, Greater Erregulla's supply of low cost, high quality gas – which is close to infrastructure and markets - will be necessary to mitigate the looming shortfall.

During the year APA Group announced that it would build the Northern Goldfield Interconnector (NGI) - a pipeline connecting the Perth Basin to WA's Goldfields, providing Strike with direct access to a major industrial market. We have since entered into a non-binding Memorandum of Understanding with a Goldfields downstream project developer for a proposed 5 year 15-20 TJ/day gas supply agreement commencing in 2024, which would supply a greenfield mineral processing and production facility, transported via APA's NGI.

Net Zero by 2030[4]

As a leading Australian energy business, we are embracing the opportunity to display leadership on carbon emissions. Under our commitment we have pledged to be net zero against our Scope 1 & 2 emissions by 2030 and have announced our aspiration to become Australia's first integrated energy company to deliver full Scope 3 offsets. Our integrated energy and downstream strategy, incorporating the Greater Erregulla Gas, Project Haber and Perth Basin Geothermal is key to Strike becoming Australia's first net-zero energy company across Scope 1, 2 and 3 emissions.

We believe the pursuit of this target and aspiration are at the core of the Company's identity and will translate into meaningful shareholder value. The Board will set short, medium and long term targets to measure our progress against our 2030 goal, and we will report on our performance against these to shareholders.

Corporate

This year we raised $85 million in capital to support the construction of Phase One of the West Erregulla project, development activities for Project Haber and Perth Basin Geothermal, and exploration at South Erregulla and Walyering.

Completed through a combination of a placement to institutional investors and an over-subscribed Share Purchase Plan, the raising sets us on a path to FID for West Erregulla and our first cashflow from its development, which is expected to bring gas to market in 2023.

We also secured a facility with Macquarie Bank for up to $28 million which provides us with bridging finance pending the securing of senior project financing for the West Erregulla Phase One development.

The support of investors and financiers for Strike underlines the strong commercial credentials of our projects.

[3] Forecast energy generation is a Strike internal forecast based on modelling from the recently acquired Mid West Geothermal Power Pty Ltd. This modelling takes into account all publicly available subsurface data from the Permian formations in the North Perth Basin, and remains subject to geothermal specific exploration and appraisal results. Refer to the Important Notices as they relate to forward looking statements on page (i) of this Report.

[4] Refer to Important Notices on page (i) of this report and to ASX announcement released 6 May 2021 titled "Project Haber Carbon & Economic Impact".

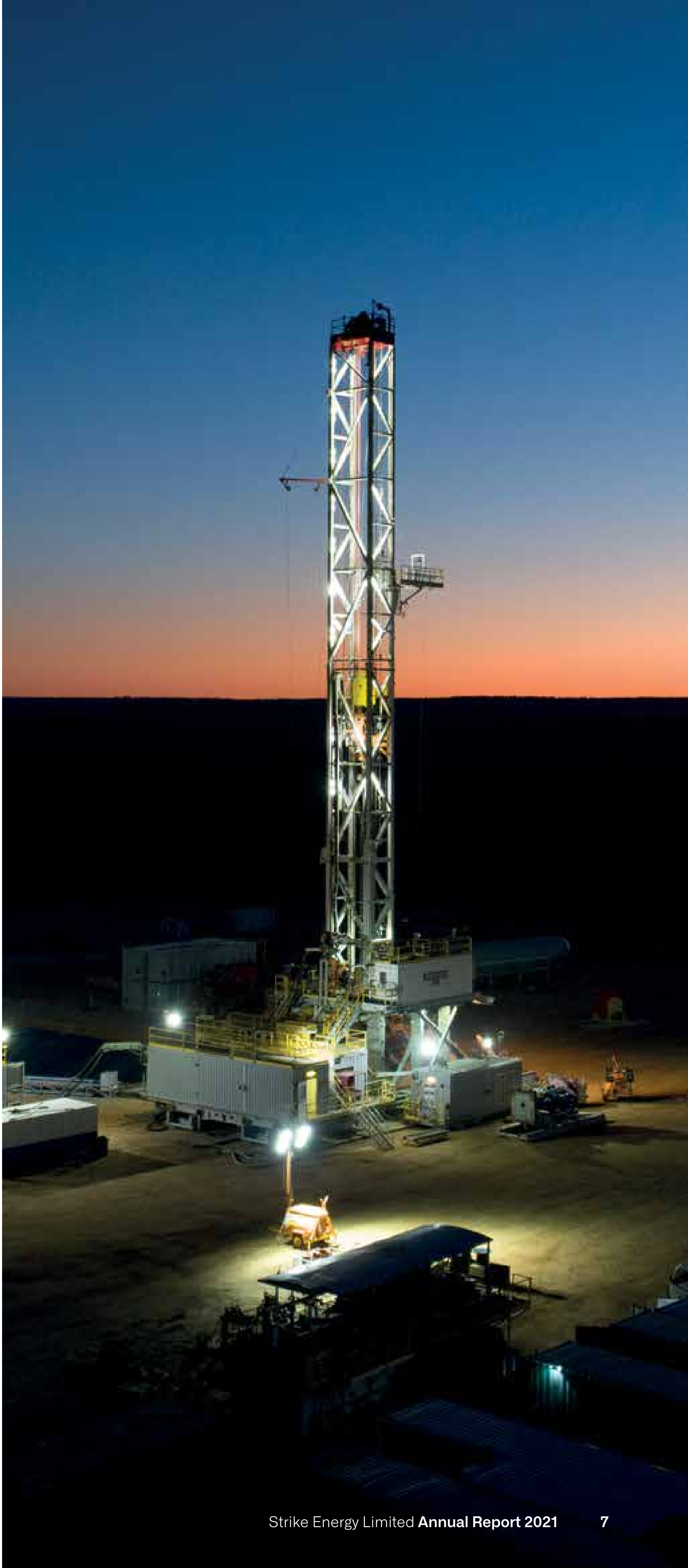
Conclusion

The progress we have made this year sets us on a trajectory to achieve our major milestone of first gas in 2023. We are building momentum to become the urea manufacturer for Australia's farmers, a significant economic contributor to WA's Mid West Region, and a net zero carbon energy business by 2030. We have the right assets and people to deliver our vision of 50 years of low-cost, low carbon energy and industry from Western Australia's Mid West Region.

We can only do this with the support of our shareholders, our people and the communities in which we operate. I'd like to thank all of you for your support during the year. I would also like to thank Strike's executive team and Board for their unity and vision that is inspiring us to become Australia's first fully integrated energy, fertiliser manufacturing and renewables business.

Yours sincerely,

Stuart Nicholls
Managing Director and
Chief Executive Officer

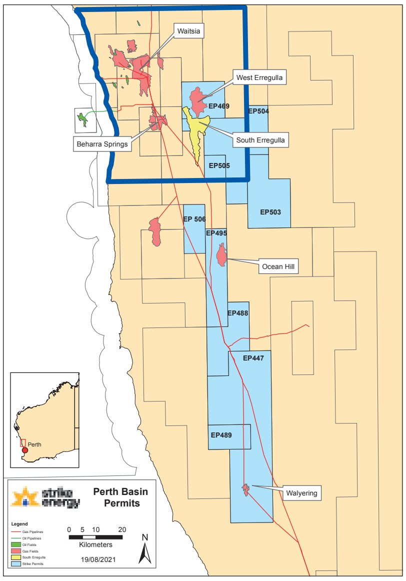


Permits and Activities

Perth Basin

The Perth Basin, in which Strike's gas and geothermal acreage is located, is emerging as Australia's new energy powerhouse. With an abundance of clean, low-cost gas and the potential for what Strike believes to be substantial geothermal energy resources, the Perth Basin is well positioned to supply industrial feedstock, baseload zero carbon and high calorific value energy supplies to the Western Australian market. This is all located close to major energy transmission infrastructure that is connected to WA's major population centre in the South West, and will soon be directly connected via a gas pipeline to Western Australia's Goldfields region.

The Perth Basin is also emerging as a potential hydrogen hub. Gas is a critical enabler to Western Australia's hydrogen industry, and Strike's proposed urea manufacturing facility[1] could prove to be a future demand sink for both blue and green hydrogen produced throughout the Mid West, and in time a consumer of an estimated 1 million tonnes of CO_2 per annum, aggregate of Strike and third party services.



Project Haber[1]

Strike is advancing Project Haber, a compelling development opportunity for a 1.4mtpa urea fertiliser production facility to be built near Geraldton in Western Australia's Mid West Region. Project Haber aims to reduce Australia's reliance on more than $1 billion of fertiliser imports each year and, by providing a locally produced urea, reducing Australia's agricultural carbon intensity.

Project Haber will utilise modern ammonia and gas processing technology, high quality nearby conventional gas, and dedicated green hydrogen inputs to manufacture our fertiliser. The net result of the commencement of Project Haber operations is, based on feasibility and pre-FEED studies completed by Technip Energies to date, expected to result in the abatement of between 650,000 and 795,000 tonnes of CO_2e per year. This is a 50-60% reduction in the carbon footprint of Australian urea fertilisers base lined against 2019.[2]

Current Status

Project Haber is nearing completion of the pre-FEED stage, with design work being carried out by Technip Energies. The indicative project timeline has FEED studies completed in 2022 and the EPC phase starting in early 2023.

Strike has executed a Co-operation Agreement with the Mid West Ports Authority to progress access to the Geraldton Port and associated facilities for urea shipping. We have also entered into a Memorandum of Understanding (MOU) with AGIG to source up to 8GL p/a of water supply from their proposed Mid West desalination plant at Oakajee.

In May 2021 Strike closed expressions of interest for fertiliser offtake from Project Haber, which was oversubscribed by 250% of the proposed plant's capacity. Subsequently, Strike has undertaken the second round of the urea offtake process with 4.75 mtpa of firm proposals with attractive pricing formulas received, well in excess of Project Haber's planned annual production of 1.4 mtpa of urea. The offers received were for up to 15 years in length, which supports the future bankability of the proposed development.

Strike plans to undertake a competitive process to seek interest from equity partners to fund the capital requirement of the project, with Strike expecting to retain a substantial interest.

[1] Refer to Important Notices as they relate to Project Haber and forward looking statements on page (i) of this Report.

[2] Refer ASX announcement on 6 May 2021 titled "Project Haber Carbon & Economic Impact" and to Important Notices as they relate to Project Haber and forward looking statements on page (i) of this Report.

Project economics

Project Haber will provide a value adding opportunity for approximately 628 PJ of Strike's gas over a 20-year time frame. It will also create over a thousand jobs in construction and hundreds of long-term jobs during operations. With continued green hydrogen developments planned for the Mid West Region, Project Haber is well placed to provide a demand sink that would further enable this industry. Based on current spot prices and exchange rates, the annual revenue from Project Haber (1.4mt) would be approximately $800 million[3], and based on the strong long term urea pricing forecast by several publications, Strike expects revenues to meet or exceed that revenue amount over the lifetime of the plant.

Economic benefits

An economic impact assessment study by independent analysts ACIL Allen[4] revealed that Project Haber would have a greater economic impact for WA than Burrup Hub LNG and Domestic Gas facilities combined, because the value created by the project would stay in Australia.

Over the life of Project Haber, ACIL Allen estimated it would deliver:

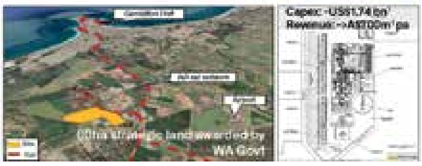
- Approximately $8.4 billion of Gross Domestic Product (GDP).
- Average Gross Regional Product – in the Mid West – of approximately $230 million per annum, equivalent to a 3.8% p.a. boost to the local economy.
- Approximately 1,135 full time jobs during the construction phase and an average of 283 jobs in the Mid West region for 30 years.
- Commonwealth taxation revenue of approximately $144 million per year of operations.
- A reduction in Australia's urea fertiliser CO_2e footprint by 50-60% from a 2019 base, equivalent to 650-795,000 tonnes of CO_2e p.a., positioning Australia as one of the lowest carbon-intensive urea producing regions globally.

Fertiliser Market

Currently, Australia imports almost all of its 2.1mtpa of urea fertiliser consumption. Natural gas is the key input into urea manufacturing, representing about 70% of the cost of production. Rising East Coast gas prices have restricted the ability of East Coast manufacturing to supply Australia's urea requirements. As a result, Australia has become dependent on imported urea from the Middle East, Russia and China to feed growing demand from agricultural sector.

Australian nitrogenous fertiliser consumption has increased by 67% over the past decade due to global population growth and the constant search for higher yields from our farmers. Project Haber will primarily focus on meeting the needs of Australian farmers, with surplus product to be made available to international markets.

The location of the Project in Geraldton positions it close to Western Australia's wheatbelt region where 30-40% of Australia's total nitrogen consumption occurs. Currently more than 260,000 tonnes per annum of fertiliser is imported through the Port of Geraldton, which could be replaced by production from Project Haber.



International urea pricing has moved to 6-year highs, driven by strong summer month Henry Hub and European gas prices, which has seen natural gas feedstock diverted from ammonia and urea plants and into electricity markets. Long term urea price forecasts have been driven up by high long term gas price forecasts and investment in global food security off the back of COVID-19, which in turn has increased urea demand.

[3] *Calculated at FOB Middle East Granular spot price of US$450/ton and USD:AUD exchange rate of A$0.72 as at 19 August 2021.*

[4] *Refer to Important Notices on page (i) of this Report and to ASX announcement on 6 May 2021 titled "Project Haber Carbon & Economic Impact".*

Greater Erregulla

Strike has a number of high value gas development and exploration opportunities it is pursuing at West Erregulla (EP469) and South Erregulla (EP503) as part of the Greater Erregulla Development Plan.

West Erregulla is a gas discovery owned by the EP469 Joint Venture. Strike (50%, Operator) is currently completing three appraisal wells following the initial 2019 discovery well, West Erregulla 2.

Phase 1 of Strike's Greater Erregulla Development Plan will see 80 TJ/day of West Erregulla gas being brought to market by the EP469 Joint Venture in 2023, via a gas plant to be built, owned and operated by Australian Gas Infrastructure Group.

Phase 2 of the Plan may see up to ~300 TJ/day (cumulative) brought to market via West Erregulla and Strike's 100% owned South Erregulla (EP503), which will undergo exploration drilling in late 2021 targeting a P50 estimate of 1.6 Tcf of in place conventional Prospective Resource[5].

Approval and procurement activities for drilling the South Erregulla 1 exploration well have commenced in anticipation of spudding this well in late 2021.

West Erregulla

Strike and its joint venture partner are developing West Erregulla to supply WA's domestic gas market.

West Erregulla was founded by the West Erregulla 2 well, drilled in 2019. Since that discovery Strike has:

- Engaged Australian Gas Infrastructure Group as the preferred proponent to build, own and operate an 80 TJ/day gas plant to connect to the Dampier-Bunbury Gas Pipeline;
- Converted its gas supply option with Wesfarmers' subsidiary CSBP Ltd to a firm offtake agreement for 100 PJ of gas at 25TJ/day;
- Progressed environmental approvals for the project; and
- Undertaken further appraisal drilling of the West Erregulla field (details below).

Appraisal Drilling

The EP469 Joint Venture has undertaken an appraisal drilling program at West Erregulla during the financial year. In January 2021 Strike suspended operations at the West Erregulla 3 (WE3) well after encountering over pressured gas in the Carynginia shale. This gas was encountered at pressures not seen before in the Perth Basin and had the potential to exceed the well's design tolerances.

The gas flowing from WE3 had a similar make up to that discovered in West Erregulla 2. Combined with the high pressure encountered, the discovery bodes well for an ultimately successful outcome for WE3. The Joint Venture intends to finalise the engineering design to return to and safely complete the WE3 well.

Following WE3, the drill rig moved to the West Erregulla 4 well (WE4) with the well reaching total depth (TD) in Holmwood Shale in April 2021. WE4 encountered 26m of net pay in the Kingia formation and was subsequently well tested at 35mmscf/day.

WE5 was drilled immediately after WE4, reaching TD in June 2021. The well encountered 32m of net pay in the Kingia formation and was subsequently flow tested. The flow testing program was impaired due to an ineffective completion and formation of reservoir skin and flowed at 5 mmscf/d and minimal associated fluid. At the time of writing this report, Strike was planning and preparing for a recompletion to retest the WE5 well

All wells are planned to be completed as future producers to support the Phase 1 development.

[5] *Refer to the Important Notices on page 27 of this Report for Resource Estimate information.* ***Prospective resource estimate cautionary statement****: The estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are un-risked and have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.*

Perth Basin Geothermal

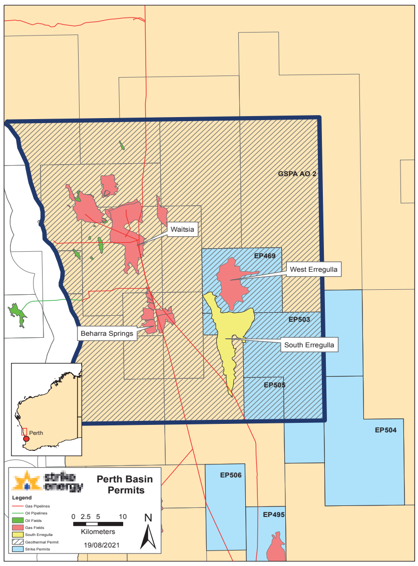
Strike's exploration success in the Perth Basin has accelerated our understanding of the potential for geothermal energy resources to provide clean, dispatchable power to the southwest of Western Australia.

Geothermal has the potential to be the cheapest form of synchronous, reliable, dispatchable renewable electricity – with the added benefit of zero carbon emissions.

The Permian Sandstones, which house the recent major gas discoveries in the Perth Basin, are also home to reservoirs of hot water that have the potential to be harnessed to deliver reliable, clean energy. Strike has, through its acquisition of Mid West Geothermal Power Pty Ltd earlier this year, acquired 100% of the existing geothermal rights in the Perth Basin[6], covering ~3,500Km^2, and is currently evaluating potential targets for a pilot program to test the geothermal potential.

Our modelling shows that non-gas bearing, water-wet sandstones in the play have the potential to flow water at 175°C, which could support up to 350 MW of power generation for approximately 30 years[7], reducing the State's carbon emissions by approximately 2 million tonnes per annum through displacement of coal fired power. On success this would be WA's only dispatchable renewable power source.

Geothermal and gas exploration and production are naturally complementary businesses. Strike's



knowledge of the Perth Basin's geology, its drilling expertise in the Basin, and our integrated gas to manufacturing model creates a perfect environment for us to add geothermal energy into our business.

Walyering

Walyering is a potential fast-to-market opportunity based on a conventional gas discovery in the Cattamarra Coal Measures. The play has supported other regional commercial gas projects such as Gin Gin and Red Gully. Strike has completed a farm out agreement with Talon Energy for a 45% participating interest in exchange for a $6 million free-carry in an appraisal well targeting the Walyering structure.

The nearby Walyering-1 discovery contained high purity gas with a high liquids content. The strategic location, near major industrial gas users and primary gas transmission lines, creates an opportunity for a local, fast-to-market and low-cost development.

Strike and Talon have formed an unincorporated Joint Venture in EP447 (Walyering) to progress the appraisal, and if warranted, develop the Walyering wet-gas discovery. The next step for this project is the spud of the Walyering 5 appraisal well, to be spud in late Q3 2021.

Drilling

Strike has completed the well design and identification of a proposed well location in preparation for the upcoming appraisal drilling in Q3 2021.

Approvals and procurement activities are well advanced and the civil works including road access and well site pad preparation will commence shortly.

[6] *Mid West Geothermal Power Pty Ltd is the holder of Geothermal Special Prospecting Authority GSPA 2 AO in respect of 51 blocks which overlap with Strike's Greater Erregulla permits. The GSPA will entitle Strike, through its newly acquired subsidiary, to apply for a geothermal exploration permit for up to 50% of the GSPA area*

[7] *Forecast energy generation is a Strike internal forecast based on modelling from the recently acquired Mid West Geothermal Power Pty Ltd. This modelling takes into account all publicly available subsurface data from the Permian formations in the North Perth Basin, and remains subject to geothermal specific exploration and appraisal results. Refer to the Important Notices as they relate to forward looking statements on page (i) of this Report.*

Strike – FY21 TCFD Disclosures

Introduction to the Taskforce on Climate-related Financial Disclosures' Recommendations

Our FY21 climate change disclosures have been informed by the Taskforce on Climate-related Financial Disclosures' (TCFD) Recommendations. We recognise that achieving full alignment with the TCFD Recommendations is a journey, and as such, we expect our disclosures to continue to evolve over the coming years.

The table below summarises Strike's approach to responding to the TCFD Recommendations.

Recommended disclosures	FY21 level of alignment	Next steps
Governance: The organisation's governance around climate-related risks and opportunities.		
Describe the board's oversight of climate-related risks and opportunities.	✔	Review and monitor Board level engagement on climate-related issues on an annual basis.
Describe management's role in assessing and managing climate-related risks and opportunities.	✔	Review and monitor Executive level engagement on climate-related issues on an annual basis.
Strategy: The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	✔	On an annual basis, or more frequently if required, reassess the completeness of the identified climate-related risks to and opportunities for Strike, including transition and physical risks as well as opportunities stemming from the transition to a low carbon economy.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	✔	Aligned with the above, reassess the risk levels, potential business impacts, strategic responses and mitigating activities for the climate-related risks and opportunities.
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Analysis to date has included an assessment of a single blended scenario reflecting projected demand for natural gas in our key market, which is the Western Australian domestic market.	Continue to evolve our approach to using climate-related scenarios which are relevant to our business and key markets to enable assessment of the appropriateness of our strategy and mitigating activities.
Risk Management: The processes used by the organisation to identify, assess, and manage climate-related risks.		
Describe the organisation's processes for identifying and assessing climate-related risks.	✔	We will continue to disclose our approach in our annual disclosures.
Describe the organisation's processes for managing climate-related risks.	✔	We will continue to disclose our approach in our annual disclosures.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	In FY21, we undertook an inaugural standalone assessment of our climate-related risks and opportunities aligned with the TCFD framework.	Moving forwards, a review of Strike's climate-related risks and opportunities will be integrated into the Company's overall risk review, which takes place on a semi-annual basis.

Recommended disclosures	FY21 level of alignment	Next steps
Metrics and Targets: The metrics and targets used to assess and manage relevant climate-related risks and opportunities.		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Given that we are still in the exploration / early development phases of our projects, we are in the process of developing specific metrics.	Specific metrics to assist in accomplishing this goal and addressing other climate-related risks and opportunities will be designed with consideration of the outcomes of key activities to be undertaken in FY22.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Given that we are still in the exploration / early development phases of our projects, the calculation of Scope 1, 2 and 3 emissions data is not yet relevant. However, we have forecasted the emissions that we expect to generate from our operations and our planned abatement activities. These will be disclosed in future years.	We will continue to monitor our need to calculate and disclose our emissions data based on the stage of our projects.
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	✔ In FY21, we set an ambitious Net Zero by 2030 goal.	We will regularly monitor and report on progress towards this target.

Key: ✔ Recommendation addressed

Strike's business strategy – our resilience in a low carbon future

Our business strategy has been strongly informed by an acknowledgement of the risks and opportunities associated with climate change. This is exemplified in the integrated approach to energy across our value chain. Through our diversified collection of focussed Mid West assets, Strike has the right ingredients to deliver 50 years of low-cost, low carbon energy and manufactured goods to Western Australia and beyond. We aspire to be Australia's lowest-cost onshore energy producer, and a globally competitive urea manufacturer, with net-zero carbon emissions by 2030[1]. In doing this, we'll provide Australian jobs, support Australia's farmers, and accelerate the nation's transition to a lower-carbon future.

For example, in Western Australia's Perth Basin we are executing our Greater Erregulla development strategy, where we will develop and deliver competitive natural gas to Western Australia's industrial gas users and consumers. This gas will also be leveraged for additional value add through Project Haber[1], our proposed 1.4mtpa urea fertiliser production development planned for Geraldton, in Western Australia's Mid West. This location enables advantageous access to Western Australia's wheatbelt region where approximately 30% of Australia's total urea consumption occurs, as well as to the Geraldton Port for broader distribution both nationally and abroad. Project Haber, which leverages lower carbon intensive natural gas from the Perth Basin as well as small quantities of green hydrogen, is set to play a significant role in meeting our Net Zero 2030 strategy. This will also be complemented by our project to develop the Perth Basin's unique geothermal resources, to supply dispatchable green power to Western Australia and secure a position as one of the nation's only 24/7 365 per annum sources of industrial scale, zero carbon energy.

[1] Refer to ASX announcement released 6 May 2021 titled "Project Haber Carbon & Economic Impact".
[2] Refer to Important Notices as they relate to Project Haber on page (i) of this Report.

We acknowledge that climate change and the transition to a low carbon economy will plausibly impact the demand, and increase the cost of use should carbon be priced in the broader economy for fossil fuels such as natural gas. Based on our analysis to date, which has included the assessment of a single blended scenario, we understand that natural gas will continue to be in demand, particularly as a feedstock to support the transition to a low carbon economy in our key West Australian domestic energy, chemicals and nitrogen based fertiliser market/(s) which underwrite our development strategy and projects. We intend to continue to evolve our approach to using climate-related scenarios which are relevant to our business and key markets to enable assessment of the appropriateness of our strategy and mitigating activities.

Strike's governance around climate-related risks and opportunities

Board-level oversight

The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices and the operation of the Company. This includes providing input into the final approval of management's development of corporate strategy and performance objectives, reviewing and ratifying systems of risk management, and approving and monitoring the process of major capital, exploration and development expenditure.

Strike has identified climate change as a key business risk as the Company is exposed to various transition and physical climate-related risks and opportunities.

The complete Board reviews the outputs of the Environmental, Social and Sustainability Committee and Audit & Risk Committee to ensure they adequately reflect the business landscape. The Board also conducts an annual strategic review which captures changes in scientific outcomes of climate monitoring and capital markets, as well as societal pressures on carbon intensive businesses. As a result of this monitoring, the Board augments Strike's strategy to reflect the changing landscape.

Environmental, Social and Sustainability Committee

The Environmental, Social and Sustainability (ESS) Committee, which is comprised of representatives from the Board, is responsible for assisting the Board with its oversight, monitoring and review of the Company's performance and management of climate-related risks and opportunities informed by the TCFD Recommendations, particularly as they relate to the Company's strategic priorities. This includes long term strategic goals, such as the Company's commitment to net zero scope 1 and 2 emissions by 2030, Company culture, social impact and environmental footprint.

Audit and Risk Committee

The Audit and Risk Committee are responsible for ensuring the climate-related risks that are rated as 'high', considering both likelihood and financial impact, at the ESS Committee are reflected in the Company's corporate risk register to enable attention and action from the Audit and Risk Committee members prior to reporting this information to the full board.

Executive Leadership Team

Strike's Executive Leadership Team is responsible for executing the Board's strategic recommendations. This includes actions to operationalise the monitoring of key climate information, including that from capital markets and the latest climate science, and synthesising this information into business recommendations for the Board to consider in line with their strategic direction on the Company's climate change objectives.

The Executive Leadership Team has disciplines in financial, operational, societal and community engagement, which inform and influence the recommendations to the Board in relation to the Company's climate change objectives, which are integrated into the broader corporate strategy.

Strike's climate-related risks and opportunities

As noted above, climate-related risks and opportunities directly inform our business strategy. The following tables outline key climate-related risks and opportunities that have the potential to impact our business over the short, medium and long term[1].

In line with the TCFD Recommendations, climate-related risks have been categorised as either transition, which relate to changes in policy and legal obligations, technological innovation, changing market demand for products and services and changing stakeholder expectations, or physical, which relate to the physical impacts of climate change (both acute and chronic).

Key aspects of our climate-related risk and opportunity assessment

Time horizons: *short term is where the potential risk or opportunity has been potential to occur in the next 1 to 5 years, medium term is between 5 to 10 years, and long term is 10 plus years.*

Risk level: *this has been considered on a qualitative basis based on a combination of impact and likelihood of the risk or opportunity occurring.*

Cost of management: *this has been considered on a per annum basis, where low is $5 million or less per annum; medium is between $5 million to $10 million per annum; and high is $10 million plus per annum.*

[1] *Refer to Important Notices on page (i) of this report as they relate to forward looking statements and Project Haber.*

Table 1 Climate-related Risks

Risk	Description	Type
1. Introduction of additional carbon pricing legislation	The introduction of more stringent carbon pricing mechanisms could impact the attractiveness of our natural gas product to industrial customers and increase preferencing towards alternative energy sources, such as renewable energy. Given that our net zero emissions commitment relies on carbon offsets up until 2025, more stringent carbon pricing legislation could also drive up the cost of purchasing carbon offsets over this period.	**Transition:** Policy; Technology **Risk level:** Medium
2. Acceleration of national and state-based climate objectives, including net zero commitments and increased environmental regulation both federally and through West Australia's EPA approval process	Delivering on our Greater Erregulla natural gas development strategy is underpinned by our ability to obtain necessary approvals in a timely manner. While we have already publicly committed to a net zero by 2030 target for the Scope 1 and 2 emissions generated by our business, the introduction of additional legislation that mandates a shorter timeframe for achieving net zero or makes it increasingly challenging for natural gas projects to receive approvals, could make it more costly and impact our ability to deliver on our strategic objectives, including providing an affordable source of lower-carbon energy for Project Haber. In addition, there is a risk that this acceleration also leads to increased related environmental regulation driving up costs of delivering projects.	**Transition:** Policy **Risk level:** High
3. Enhanced shareholder activism, including class action, and disclosure expectations	Increased focus on climate change, and particularly the activities of companies operating in the fossil fuel energy value chain, leads to enhanced shareholder activism, including class action, and disclosure expectations.	**Transition:** Policy; Legal; Reputation **Risk level:** Medium
4. Natural gas demand	We recognise that each individual market participant is working through their own carbon reduction strategy. This will drive some participants to natural gas, while others will transition away over this period. A decline in the projected demand for natural gas by industrial customers, which currently represents a significant percentage of Strike's expected customer base for the Greater Erregulla asset outside of our own Project Haber, due to changes in customer behaviours and climate-related regulation has the potential to lead to decreased revenue.	**Transition:** Market; Technology; Policy **Risk level:** Low
5. Public perception towards gas industry	Failure to proactively identify and implement acting on climate-related risks, and to effectively communicate how our Company's strategy is aligned to a low carbon future, may lead to negative media attention and increased public activism, creating an inability for the Company to progress our projects as we would like to. This also has the potential to negatively impact our ability to attract and retain talented employees as well as capital market participants due to a perception of facilitating the continuation or development of higher fossil-intensive sources of energy. In addition, there is also the risk of landholders deciding to withhold land that will be used to produce fossil fuels.	**Transition:** Reputation **Risk level:** Medium

Potential impact to business	Strategic planning, risk mitigation and opportunities
May impact the cost competitiveness of gas compared to alternative energy sources and in turn impact revenue expected from Greater Erregulla (refer below for the potential upside for the Perth-Basin geothermal project in this scenario). **Time horizon:** Short Term **Cost of management per annum:** Low	We model the pricing for carbon abatement schemes as part of our strategic planning process. Our pricing assumptions are informed by market prices and forecasts in Australia, Europe and North America. Our upstream supplier agreement for our natural gas project will require the supplier to be responsible for purchasing carbon offsets to net the emissions generated from this project. This will be relevant for the first couple of years of this project until Project Haber is operational, at which point this project is expected to generate sufficient offsets to cover emissions associated with the gas project. These plans assist to mitigate our exposure to increased costs associated with carbon pricing legislation.
May result in increased costs associated with selecting more capital intensive plant with lower greenhouse gas emissions and obtaining the necessary approvals for new gas projects, and may result in a loss of expected revenue if there are significant delays. **Time horizon:** Short-Medium Term **Cost of management per annum:** Low	We are working to accelerate the development of this resource as well as other discovered natural gas resources within our portfolio as soon as possible to reduce the risk of our project approvals being tied up in increased uncertainty as a result of changing net zero commitments and timelines. In addition to this, our diversified and integrated approach to the energy value chain, and in particular, our current proposed development of the Perth Basin's geothermal resources means that, if successful, we will be well placed to supply dispatchable green power to WA by mid-decade in an environment where this energy source is increasingly in demand, especially if there is a ramp up in national and state-based climate objectives. We also review recent energy projects on a regular basis to inform our understanding of any changes to environmental regulation, and look to adopt best practice in our operations.
May result in costly legal fees as well as increased disclosure costs. **Time horizon:** Short-Medium Term **Cost of management per annum:** Low	Our strategy is focused on delivering low-cost, low-emissions energy and manufacturing to Western Australia. Our three main projects – Greater Erregulla, Project Haber and the Perth Basin's geothermal resources – all have a clear role to play in the energy transition. In addition, we have taken a proactive approach to setting a net zero emissions target for our scope 1 and 2 emissions, and have committed to aligning our climate disclosures with the TCFD Recommendations as a further signal of our focus on this topic.
May result in losses of revenue if we are unable to find alternative market/s for our natural gas (refer to the potential upside for Perth Basin geothermal project in this scenario). **Time horizon:** Short-Medium Term **Cost of management per annum:** High	As noted above, we are investing in zero carbon energy via our geothermal project, which is complementary to our gas production (same land, horizons) in order for Strike to be able to offer in the future a blended, low carbon, low cost energy product to high energy consuming industrial customers. Our diversified and integrated approach to the entire energy value chain includes a mixture of existing, future and developing technologies all with own cost of carbon profiles. We continue to undertake scenario analysis as part of our business-as-usual processes to examine and evaluate possible future events that could impact the demand profile of our products.
May impact our ability to have projects approved and to realise revenue potential. **Time horizon:** Short Term **Cost of management per annum:** Medium	Our differentiating strategic approach to a long term, low carbon energy business can be identified as a best in class due to our unique investment in fertiliser, hydrogen and geothermal. We are continuing to work on our communications approach to ensure this strategy is well understood by all key stakeholders. This strategic approach informs our talent strategy, which seeks to connect Strike Energy as a future provider of low carbon, low cost energy with the time horizons that people are looking to invest their careers in.

Table 1 Climate-related Risks continued

Risk	Description	Type
6. Financial institutions and Investor perception towards gas industry	Failure to proactively identify and act on climate-related risks, and to effectively communicate how our Company's strategy is aligned to a low carbon future, may lead to negative sentiments towards our projects. This also has the potential to negatively impact our ability to attract competitively priced funding to sustain the and grow the business.	**Transition:** Reputation **Risk level:** Medium
7. Rising insurance costs	Insurance concerns regarding climate-related issues may impact/limit our ability to access insurance for Greater Erregulla.	**Transition:** Policy; Legal **Risk level:** high
8. Increased societal awareness and pressure for further action on climate change	As the physical impacts of climate change become more pronounced and visible, this is making the issue of climate change a more pressing and immediate concern to members of the general public. This heightened concern may lead to increased pressure exerted on governments to stop existing fossil fuel activities from occurring and prevent the approval of new projects/activities.	**Physical:** Acute and Chronic **Transition:** Policy and Reputation **Risk level:** High
9. Increased frequency and severity of extreme weather events	Increased cyclonic activity in Mid West Australia where our key projects are located has the potential to reduce access to land and development work. Further, changes to weather patterns have the potential to lead to increased frequency and severity of bushfires and flooding events in remote locations where our assets are located.	**Physical:** Acute and Chronic **Risk level:** Medium
10. Increased scarcity of water resources	Increased chronic weather patterns in Western Australia have the potential to impact the availability of water supplies required for our Greater Erregulla project due to the depletion of the Mid West aquifer. Changes to rainfall patterns also have the potential to impact demand for our fertiliser products from Project Haber.	**Physical:** Chronic **Risk level:** High

Potential impact to business	Strategic planning, risk mitigation and opportunities
May impact our ability to have projects funded and to realise revenue potential. **Time horizon:** Short Term **Cost of management per annum:** Low	We have consistent and timely engagement with all key stakeholders to ensure articulation of Strike's long term strategy is well understood. This includes with Financial institutions and Investors.
A withdrawal or reduction in insurance options may limit our growth opportunities and lead to increased costs. **Time horizon:** Short-Term **Cost of management per annum:** Low	We have consistent and timely engagement with all key stakeholders to ensure articulation of Strike's long-term strategy is well understood. This includes engagement with insurance providers.
May impact our ability to deliver on our revenue projections **Time horizon:** Medium Term **Cost of management per annum:** Low	Our 2030 net zero emissions target demonstrates our desire to be an active participant in carbon reducing activities in the intervening period, which is reinforced by our corporate strategy.
May impact timetable for delivering revenue generating projects, and in due course, ability to deliver on production forecasts. **Time horizon:** Medium term **Cost of management per annum:** Low	With an increase in severe weather reliable, low carbon energy will become even more valuable (gas or blended geothermal/gas product). We continue our business-as-usual management of personnel and take these risks into account in relation to operational/development considerations. We also take the increased frequency and severity of extreme weather events into consideration when planning developments. This includes informing decisions with the latest climate science.
Increased need for desalinated water may lead to increased costs as well as decreased demand for our fertiliser products. **Time horizon:** Short term **Cost of management per annum:** Medium	In anticipation of increased water availability issues, Strike is currently working with a third party to develop desalination technology to reduce dependence on the aquifer.

Table 2 Climate-related Opportunities

Opportunity	Description	Type
1. The opportunity to increase revenue resulting from increased demand for low emissions products	The transition to a global low carbon economy is driving increased demand for low carbon energy sources and products. Our business strategy is centred on developing an integrated series of energy and fertiliser products that are well positioned for the future demand of industrial customers, which are both low cost and low carbon. For example, our Greater Erregulla gas project has a significantly lower CO_2 emissions footprint compared to natural gas sourced from other locations. We expect this to be a superior product for industrial customers looking for options to transition to lower emissions energy sources without significant investment in overhauling their current processes/technology and displacing thermal fuel. Over time, we also expect to be able to offset the scope 3 emissions associated with our gas project as a result of the expected surplus carbon offsets that will be generated by Project Haber.	**Transition:** Products and Services; Market; Energy Sources **Opportunity level:** Medium-High
2. The opportunity to increase revenue through access to new and emerging markets	In line with the growth in low carbon products and the increased demand for fertilisers as a result of climate change, our fertiliser project - Project Haber - will enable us to supply competitive urea fertiliser to Australian farmers by initially maximising value and cash flow from existing gas investments through value-add processing. Over time, we plan to transition to either green or blue hydrogen, further improving the carbon intensity of our urea fertiliser product. In addition, our Perth-Basin geothermal project, if successful, will enable us to supply sustainable baseload power to industrial customers, thereby supporting them on their own low carbon strategies.	**Transition:** Products and Services; Market; Energy Sources; Resource Efficiency **Opportunity level:** Medium-High
3. The opportunity to reduce our cost of capital/debt through accessing sustainability-linked finance	Opportunities exist to leverage our differentiating strategic offer to access a deeper and wider investor and financing universe aligned with the shift to sustainable finance.	**Transition:** Products and Services; Market; Energy Sources **Opportunity level:** Medium-High

Potential impact to business	Strategic planning to realise the opportunities
May promote increased revenue opportunities for all aspects of our business. **Time horizon:** Short-Medium Term **Additional cost to realise opportunity outside of current business strategic plan:** Nil	Our strategy continues to be informed by our understanding of how a low carbon future will inform market demand for different products. An acceleration in the transition to a global low carbon economy may, for example, support an accelerated or larger scale development of the Mid West geothermal power opportunity.
May lead to increased revenue opportunities from our fertiliser and geothermal opportunities **Time horizon:** Short-Medium Term **Additional cost to realise opportunity outside of current business strategic plan:** Nil	We have a well-resourced technology and development team that is positioned to scan processing changes in the energy and fertiliser industries on an ongoing basis.
May lead to new investor/financing opportunities and potentially decreased cost of capital/debt **Time horizon:** Short-Medium Term **Additional cost to realise opportunity outside of current business strategic plan:** <$5 million	Articulation of a granular and actionable pathway to net zero. Targeting an aggressive and ambitious 2030 commitment facilitates Strike's positioning as a leader in this space. Strike's Management Team and broader workforce have remuneration linked to key milestones relating to the delivery of Project Haber in order to incentivise the successful and timely delivery of this critical, value-adding and carbon-reducing project. Further, the remaining expected tenure of Strike's Management Team means there are sufficient years of future service to ensure accountability of Management in relation to these commitments.

Strike's approach to identifying, assessing and managing climate-related risks

In FY21, we undertook an inaugural standalone assessment of our climate-related risks and opportunities aligned with the TCFD framework. Moving forwards, a review of Strike's climate-related risks and opportunities will be integrated into the company's overall risk review, which takes place on a semi-annual basis.

Strike's metrics and targets used to assess and manage relevant climate-related risks and opportunities

Strike's Environmental Policy reflects our commitment to conducting all of our activities in a manner which is responsible and consistent with the principles of Sustainable Development. This includes a key obligation to set environmental targets which are regularly monitored, audited and reported on.

In 2021, Strike announced our core commitment to an ambitious net zero Scope 1 and 2 emissions by 2030[1] target. This target is dependent on the successful delivery of Project Haber prior to 2030. Project Haber as contemplated is a 1.4 million tonne per annum urea fertiliser facility utilising best in class modern ammonia manufacturing processes and integrating small quantities of green hydrogen initially. Strike's Board of Directors believe that the pursuit of this net zero target is at the core of our identity, and as such our Nomination and Remuneration Committee are in the process of setting short, medium and long-term targets to measure progress towards this goal. Design of more explicit metrics will need to be informed by the outcomes of key activities over the coming financial year, such as the FEED on Project Haber and surveys conducted of our Mid West geothermal assets. We will endeavour to disclose these metrics in future reporting periods, as appropriate.

To help ensure these targets are realised, Strike intends to tie core targets to employee incentives. At present, as mentioned above, Strike places 30% of the Executive Leadership Team's remuneration against key milestones in the delivery of Project Haber and geothermal in order to incentivise the successful and timely delivery of these critical, value-adding and carbon-reducing project for the sustainability of the Company. In addition to this, our Corporate Scorecard ensures that there is alignment of goals across the organisation by linking employee KPIs to these milestones. As further climate-related targets are developed, we intend to continue to embed these in our Corporate Scorecard to reflect the fundamental importance of these risks and opportunities to our business.

[1] *Refer to ASX announcement released 6 May 2021 titled "Project Haber Carbon & Economic Impact".*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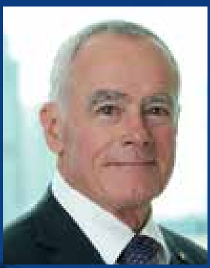
Directors' Report

The directors present their report for Strike Energy Limited ("Strike" or "the Company") on the consolidated accounts for the financial year ended 30 June 2021.

Information about the Directors

The directors of the Company during the year ended 30 June 2021 and up to the date of this report are:



John Poynton Chairman (Non-Executive), AO Cit WA FAIM Sf FIN

Mr Poynton is Chair of Poynton Stavrianou. He is Deputy Chair of Sapien Cyber Limited and a Board Member of the Future Fund Board of Guardians. From 2014 to 2018 Mr Poynton was Chair of Giving West and Chair of the Council of Christ Church Grammar School. 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 Chair on 10 April 2017.

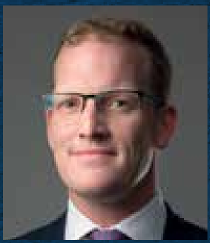
Neville Power Non-Executive Director and Deputy Chairman

Mr Power is the Chairman of Perth Airport, the Foundation for the WA Museum, and the Royal Flying Doctor Service Federation Board. From March 2020 to May 2021, the Prime Minister, the Hon Scott Morrison, appointed Mr Power to lead an expert advisory board, the National COVID-19 Coordination Commission(NCCC). The Commission had two key roles: to help minimise and mitigate the impact of the COVID-19 on jobs and businesses, and to facilitate the fastest possible recovery of the Australian economy and communities.

From 2011 to 2018, Mr Power was Managing Director and Chief Executive Officer, Fortescue Metals Group Ltd, one of the world's largest, lowest cost producers of iron ore. During his time Fortescue more than quadrupled its production to over 170 million tonnes per annum and positioned itself as the lowest cost supplier of seaborne iron ore to China.

Before joining Fortescue, Mr Power held Chief Executive positions at Thiess and the Smorgon Steel Group adding to his extensive background in the mining, steel and construction industries. In 2016 Mr Power was named WA Business Leader of the Year. He also has a long history in agribusiness and aviation holding both fixed wing and rotary pilot licenses.

Mr Power was appointed to the Board on 25 September 2019.



Stuart Nicholls Managing Director and Chief Executive Officer

Mr Nicholls has led the transformation of Strike Energy from its exploration roots into one of Australia's major emerging domestic gas producers. Mr Nicholls has a broad ranging background across the energy landscape that included time in the up and downstreams at Royal Dutch Shell. His experience includes time within Finance, Commercial, Joint Ventures, Economics, Global Strategy and Exploration; primarily from within Royal Dutch Shell's gas businesses. He has a key focus on the transition of our energy system and his 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 and holds a Bachelor of Commerce (Finance and Accounting) from UWA.

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.

Stephen Bizzell Non-Executive Director, B.Comm, MAICD, SA FIN

Mr Bizzell is the Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners Pty Ltd. He is also Chairman of MAAS Group Holdings Ltd and Laneway Resources Ltd and a non-executive director of Armour Energy Ltd, Challenger Energy Group Plc and Renascor Resources Ltd.

Mr Bizzell was an Executive Director of Arrow Energy Ltd from 1999 until its acquisition in 2010 by Shell and PetroChina for $3.5 billion. He was instrumental in Arrow's corporate and commercial success and its growth from a junior explorer to a large integrated energy company.

He was a founding director of Bow Energy Ltd until its $550 million takeover and was also a founding director of Stanmore Coal Ltd until its recent $250 million takeover.

Mr Bizzell qualified as a Chartered Accountant and early in his career was employed in the Corporate Finance division of Ernst & Young and the Corporate Tax division of Coopers & Lybrand. He has had considerable experience and success in the fields of corporate restructuring, debt and equity financing, and mergers and acquisitions.

Mr Bizzell has over 25 years' corporate finance and public company management experience in the resources sector in Australia and Canada with various public companies.

Mr Bizzell was appointed to the Board as a Non-Executive Director on 31 December 2018.

Andrew Seaton Non-Executive Director, BE (Chem) Hons, Grad Dip Bus Admin, GAICD

Mr Seaton has over 30 years' business experience across a range of finance, engineering, project management, investment banking and senior executive roles.

Mr Seaton was previously Chief Financial Officer of Santos Limited, Australia's largest producer of domestic natural gas and a key supplier of LNG into Asia. During his time with Santos, the company expanded its LNG portfolio to include interests in Darwin LNG, PNG LNG and Gladstone LNG. Prior to this he worked in investment banking with Merrill Lynch in Melbourne and New York across a broad range of advisory, M&A, equity and debt capital markets transactions, and with NAB in corporate and institutional banking. His early career included process engineering and project management roles across upstream oil and gas and petrochemicals.

Mr Seaton is currently the Managing Director of Australian Naval Infrastructure, and a Non-Executive Director of Cavpower Pty Ltd, Homestart Finance Ltd and Hydrocarbon Dynamics Ltd.

Mr Seaton was appointed to the Board as a Non-Executive Director on 18 August 2017.

Mary Hackett Non-Executive Director

Ms Hackett has an extensive career in the resource sector, spanning more than 30 years, with senior executive roles in Brown & Root, Woodside, and General Electric. Her most recent executive role being CEO of General Electric Oil & Gas for Australasia.

Ms Hackett is currently Non-Executive Director and Chair of the ESS (Environment, Social and Safety) committee with Northern Star Resources, Non-Executive Director for Sapien Cyber Ltd, Chair of Future Energy Exports Cooperative Research Centre, and Board Director and Chair of the Finance committee with Clean Marine Fuel Institute.

A Graduate of AICD and Fellow of Engineers Australia, Ms Hackett holds an honours degree in Mechanical Engineering from University College Galway, Ireland.

Ms Hackett was appointed to the Board as a Non-Executive Director on 27 October 2020.

Jody Rowe

Jody Rowe, resigned 1 December 2020. At the date of resignation Ms Rowe was 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 Non-Executive Director on 30 June 2014 and resigned from the Board on 1 December 2020.

Company Secretary

Justin Ferravant, a member of CPA Australia, has held the position of Company Secretary from 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 financial year are as follows:

Director	Company	Period of Directorship
John Poynton	Crown Resorts Limited	Resigned 28 February 2021
Stephen Bizzell	Armour Energy Limited	Current
	Laneway Resources Limited	Current
	Renascor Resources Limited	Current
	MAAS Group Holdings Limited	Current
	Challenger Energy Group Plc	Current
	Stanmore Coal Limited	Resigned 18 May 2020
	UIL Energy Limited	Acquired by Strike 14 December 2018
Mary Hackett	Northern Star Resources Limited	Current
Stuart Nicholls	–	–
Neville Power	–	–
Jody Rowe	–	–
Andrew Seaton	Hydrocarbon Dynamics Limited	Current

Directors Meetings

The Board met eleven times during the year. Three Nomination and Remuneration Committee meetings, four Audit and Risk Committee meetings, and one Environmental Social and Sustainability committee meetings were held. The number of meetings attended by each director during the financial year was:

	Board of Directors		Audit and Risk		Nomination and Remuneration		ESS Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Mr J Poynton	11	11	0	0	3	3	0	0
Mr S Bizzell	11	11	4	4	3	3	0	0
Mr S Nicholls	11	11	0	0	0	0	0	0
Mr A Seaton	11	11	4	4	0	0	0	0
Ms J Rowe	4	4	1	1	0	0	0	0
Mr N Power	11	6(i)	0	0	0	0	1	1
Ms M Hackett	7	7	3	3	0	0	1	1

(i) Mr Power was absent from a number of directors' meetings and abstained from voting on various resolutions during the reporting period due to perceived conflict of interests in connection with his role as Chair of the National Covid-19 Coordination Commission.

Reserves and Resources

Contingent resources (2C Strike share) were 166 million barrels of oil equivalent (mmboe) at the end of June 2021. 2C Contingent Resources decreased by 17 mmboe due to the write down of the Company's Jaws project in PEL 96 during the reporting period.

Contingent Resources (Strike Share)

All projects by product	Gas (bcf)	Condensate (mmbbl)	Total (mmboe)
Contingent resources (2C)	989	1.0	166

All projects by region (mmboe)	Perth Basin	Cooper Basin	Total
Contingent resources (2C)	166	0	166

** 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.*

bcf – billion cubic feet; mmboe – million barrels of oil equivalent; mmbbl – million barrels.

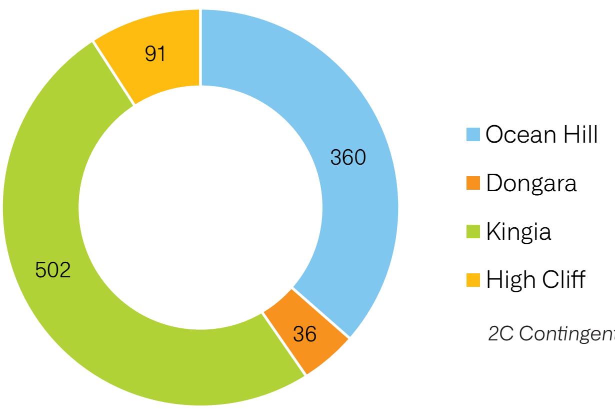
2C Contingent resources annual reconciliation	Perth Basin Condensate (mmbbl)	Perth Basin Gas (bcf)	Cooper Basin Gas (bcf)	Total (mmboe)
30 June 2020	**1**	**989**	**104**	**183**
Revision to previous estimates	–	–	(104)	(17)
Extensions and discoveries	–	–	–	–
Acquisitions and divestments	–	–	–	–
30 June 2021	**1**	**989**	**–**	**166**

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 2018, published by the Society of Petroleum Engineers (SPE PRMS).

The information in this report that relates to oil and gas contingent resource estimates as at 30 June 2021 is based on information compiled or reviewed by Mr Andrew Farley who holds a B.Sc in Geology, and is a member of the Society of Petroleum Engineers. Mr Farley is the Exploration Manager of the Group and has worked in the petroleum industry as a practicing geologist for more than 19 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.

2C Contingent gas resource by formation



2C Contingent Resource (bcf), Strike share

Operating and Financial Review

Operating activities

The principal activities of the Group are exploration and evaluation of gas resources. Strike holds exploration acreage in both the Perth and Cooper Basins.

Exploration activities focused on the Perth Basin, with the West Erregulla Appraisal drilling campaign (West Erregulla 3, 4, 5) moving the field towards development. EP 503 was granted in January over the South Erregulla structure and planning and approvals for the Maior 2D seismic campaign completed. Exploration permits EP 504, 505, and 506 were also granted during FY21 giving the Company significant running room in the Permian dry gas fairway. The Group progressed the South Erregulla 1 and Walyering 5 planning, procurement and approvals during FY21 ready to commence drilling in Q4 2021.

In the Cooper Basin, the Group wound up piloting activities at the Jaws project in January 2021. On 16 August 2021, Strike entered into a binding share sale and purchase agreement for the sale of its subsidiary Strike Energy 96 Pty Ltd, which holds Strike's interest in Cooper Basin permit PEL96 (Klebb & Jaws).

Strike advanced its Project Haber, a 1.4mtpa urea fertiliser production facility with the completion of the feasibility study and working through the pre-FEED phase of the project.

The Company acquired Mid West Geothermal Power to leverage the geothermal energy potential of the Perth Basin's Permian sandstones.

Operating results for the year

The Group recognised a non-cash impairment charge of $2 million after reviewing the recoverability of the Cooper Basin assets.

Changes in financial position

The Group's net assets increased by 273% to $138 million predominantly due to an increase in its cash balance and exploration and evaluation assets. Strike raised equity of $82.5 million (net of transaction costs) over the period and finished the financial year with a cash balance of $74.7 million to fund its share of West Erregulla planned operations.

Total liabilities increased by $5.8 million compared to the prior year mainly due to borrowings.

Climate change

The Group recognises the growing interest of our stakeholders in relation to the potential risks and opportunities posed to our business, and the broader sector, as a result of climate change and the anticipated global transition towards a lower carbon economy.

Key climate-related risks and opportunities relevant to our business include:

- The transition to a low carbon economy, such as the increased uncertainty, time and cost associated with regulatory bodies granting approvals/licences, the ongoing decarbonisation of energy markets, decreased demand for fossil fuels in some markets, reduced life of assets, changing government regulation and climate change policies at State and Federal levels, inability to attract and retain top talent, and changing community sentiment towards fossil fuel intensive projects.
- We believe this transition into a lower carbon economy also gives rise to opportunities for our gas focused portfolio. Natural gas is viewed as a key element to supporting society's sustainable energy transition.
- The physical impacts of climate change, including the increased frequency and severity of extreme weather events and chronic changes to weather patterns, which have the potential to impact demand for energy and the resilience of our assets and supporting infrastructure.

The Board has adopted the Taskforce on Climate-related Financial Disclosures' (TCFD) Recommendations as a framework for guiding our climate-related risk management and disclosures included in this report.

COVID-19

The COVID-19 pandemic has presented significant challenges throughout the Australian economy and energy sector. There were no material impacts of COVID-19 on the Financial Report as at 30 June 2021, however the Company will continue to monitor any future consequences due to the potential uncertainty in the medium to long term.

Remuneration Report

The remuneration report outlines the remuneration outcomes and activities for the Company's key management personnel (KMP) for FY21.

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 2021 and up to the date of this report.

Non-executive Directors

John Poynton	Chairman and non-executive director
Stephen Bizzell	Non-executive director
Mary Hackett	Non-executive director (appointed 27 October 2020)
Neville Power	Non-executive director
Jody Rowe	Non-executive director (resigned 1 December 2020)
Andrew Seaton	Non-executive director

Executive Officers

Stuart Nicholls	Chief Executive Officer and Managing Director
Pax Barkla	Chief Operating Officer (until 30 April 2021)
Kevin Craig	Chief Operating Officer (appointed 6 April 2021)
Justin Ferravant	Chief Financial Officer and Company Secretary
Lucy Gauvin	General Counsel

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), long-term incentives (LTI) and discretionary cash bonuses. 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 $800,000 (FY20: $800,000) may be applied to pay the non-executive Directors of the Company as approved by shareholders in November 2019. The base fee paid to the Directors was $80,000 (FY20: $80,000) and the Chairman's fee was $150,000 (FY20: $150,000) per annum exclusive of superannuation. Additional fees for committee chairs and members are $10,000 and $5,000 per annum exclusive of superannuation, respectively, remain unchanged compared to the prior year. 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. The Nomination and Remuneration Committee will recommend to the Board the amount, if any, of the variable remuneration to be paid. Payments can be made either in cash or through the award of equity instruments in the Company.

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, financial performance, and an element of board discretion. 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 the STIP?	The STIP motivates staff and executives for their contribution to the Company's performance.
How is the STIP aligned with shareholder interests?	The STIP sets safety and environmental, operational and cost targets to enhance shareholder value.
How is the STIP awarded?	The award can be paid in cash or non-cash and delivered in the form of performance rights unless approved by the Board.
When do the performance rights vest?	The performance rights are awarded after the financial year and once the Board has assessed the performance of the Company. The FY21 performance rights vest 30 days from issue. Employees maintain the performance rights on the condition of remaining in 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 STIP operates over a 1-year period from 1 July.
What share price is used to calculate the number of performance rights?	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.
How are the performance measures set?	The Board has set a scorecard to measure the Company's performance which is broken into 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.
What was the result of the FY21 STIP?	The Board awarded a performance score of 58.5%for the FY21 STIP. This score was then applied to the target levels.

The result for the FY21 STIP was 58.5% with the following outcomes:

Measure	Performance
Safety	Achieved zero lost time injuries during three-well campaign in the Perth Basin and shut-down of Cooper Basin. Further improvement required in reducing recordable incidents.
Perth Basin Exploration & Appraisal	Met baseline targets towards recognising maiden reserve and conducted seismic over South Erregulla.
West Erregulla Development Milestone	Progress towards West Erregulla FID and demonstrated improvement of well delivery with reduced rig time from WE3 to WE5. Partial achievement of well delivery objectives with WE3 and delayed final investment decision to FY22.
Cost Management & Commercial	Met corporate cost and commercial targets to deliver strategic goals.
Board Discretionary	Recognition of the strategic importance of Project Haber and Net Zero 2030 target to develop the Company's markets for gas and low carbon initiatives. Successful settlement of research and development claim.

The FY22 STIP scorecard and relative target weightings are:

Measure	Weighting	Rationale
Safety	10%	Managing health and safety as a critical business activity.
Domestic Gas Business	35%	Meeting key project milestones to develop West Erregulla and successfully drill the Company's maiden well at South Erregulla and other exploration targets.
Net Zero 2030 Developments	30%	Progressing geothermal, low carbon intensity fertiliser to build towards the Company's Net Zero 2030 target.
Cost Management	15%	Management of costs to execute the Company's objectives.
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 executive KMP 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 ("ESIP" or "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.

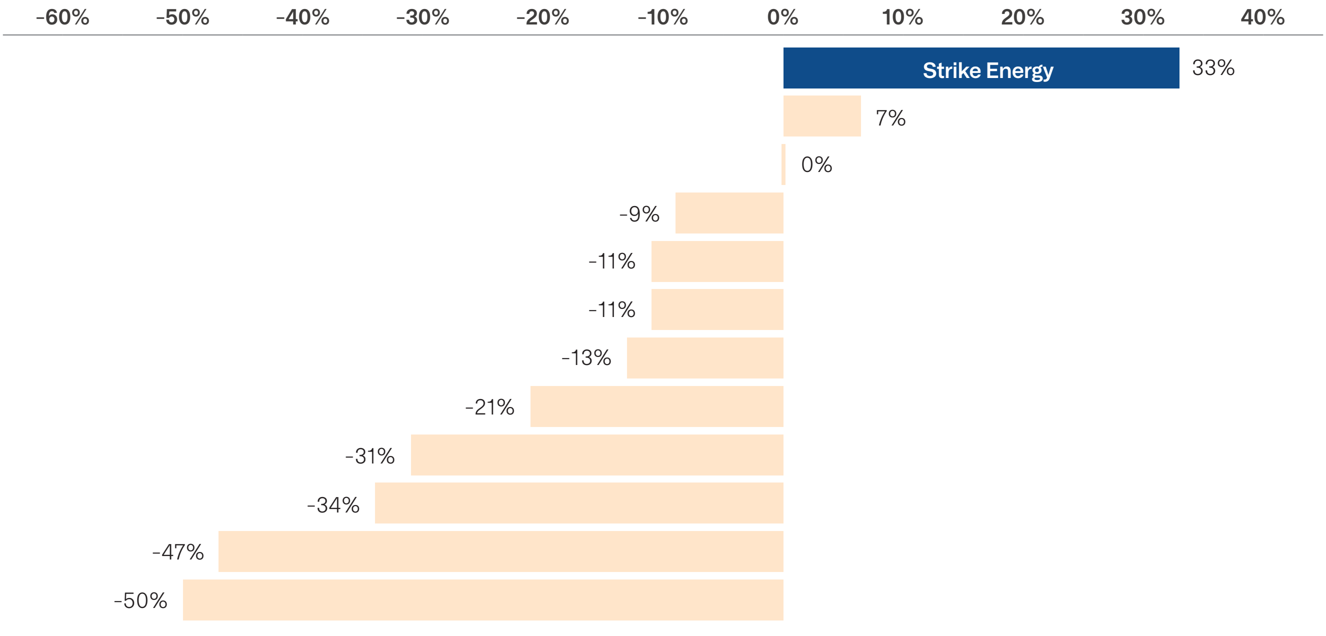
Where a recipient ceases employment prior to the required vesting conditions being met, the instruments are forfeited unless otherwise determined by the Board. Instruments that have already vested automatically expire 90 days after the date of cessation of employment by a recipient unless otherwise determined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

The key features of the LTIP 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 LTIP in place?	A LTIP based on total shareholder returns (TSR) was implemented from 1 July 2018. LTIP tranches are granted on an annual basis.
How is the LTIP awarded?	Performance rights will be granted to Executive KMP, 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 FY21 tranche (FY21 LTIP) will be tested for vesting on 30 June 2023. 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 LTIP with the following maximum award opportunity as a percentage of fixed remuneration: Managing Director 100% Executive KMP 50-60%
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 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 FY21 relative TSR comparative group consists of 14 ASX listed entities: Australis Oil & Gas Limited, Buru Energy Limited, Byron Energy Limited, Carnarvon Petroleum Limited, Comet Ridge Limited, Cooper Energy Limited, Cue Energy Resources Limited, Empire Energy Group Limited, Galilee Energy Limited, Horizon Oil Limited, Karoon Energy Limited, Otto Energy Limited, Senex Energy Limited, and Warrego Energy Limited. The FY22 relative TSR comparative group remains the same. The group will be reviewed for relevance and amended annually as appropriate.
Did any LTIP vest during FY21?	Yes, the FY19 LTIP tranche was tested for vesting on 30 June 2021. The Company's share price attained a compound annual growth rate of 33%p.a., which exceeded the highest TSR performance hurdles set for both the absolute and relative components. The Board determined vesting of the maximum level of 100%.

The chart shows the compound annual growth rate (CAGR) of each of the relative peer companies over the FY19 LTIP period from 1 July 2018 to 30 June 2021. The FY19 LTIP relative peer group included 11 companies. Strike outperformed all the relative peer group over the three-year measurement period with a CAGR of 33%p.a. and achieved a relative TSR percentile rank of 100%.This resulted in a vesting outcome of 100%.

Strike CAGR Share Price Performance versus FY19 Applicable Peer Group
1 July 2018 to 30 June 2021



Source: ASX
Note: Peer group companies AJQ, BLU, BPT, BRU, COE, COI, GLL, KEY, LKO, OEL, SXY.

At grant date the FY21 LTIP absolute performance measures and vesting conditions are below. These performance measures and vesting conditions are also used for the FY22 absolute TSR:

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

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 7.3.

Remuneration details of key management personnel

$ Year ended 30 June 2021	Year	Salary and fees	Superannuation	Cash Bonus	Non-monetary	Long Service Leave	Termination benefits	Share-based payments[v]	Total	% of total at risk remuneration
Non-executive directors										
S Bizzell	**2021**	**90,000**	**8,550**	**-**	**-**	**-**	**-**	**102,955**	**201,505**	**-**
	2020	76,350	7,253	-	-	-	-	296,469	380,072	78%
M Hackett[i]	**2021**	**57,750**	**5,486**	**-**	**-**	**-**	**-**	**617,117**	**680,353**	**-**
	2020	-	-	-	-	-	-	-	-	-
N Power	**2021**	**80,134**	**7,613**	**-**	**-**	**-**	**-**	**-**	**87,747**	**-**
	2020	61,231	5,817	-	-	-	-	539,513	606,561	89%
J Poynton	**2021**	**171,400**	**3,800**	**-**	**-**	**-**	**-**	**512,995[vii]**	**688,195**	**-**
	2020	136,875	13,003	-	-	-	-	-	149,878	-
J Rowe[ii]	**2021**	**35,771**	**3,398**	**-**	**-**	**-**	**-**	**102,955[vii]**	**142,124**	**-**
	2020	76,350	7,253	-	-	-	-	-	83,603	-
A Seaton	**2021**	**90,135**	**8,563**	**-**	**-**	**-**	**-**	**289,310[vii]**	**388,008**	**-**
	2020	82,100	7,799	-	-	-	-	-	89,899	-
Executive officers										
P Barkla[iii]	**2021**	**266,091**	**18,798**	**-**	**-**	**(21,237)[vi]**	**111,575**	**285,754[vii]**	**660,981**	**43%**
	2020	303,590	26,204	-	-	9,861	-	109,963	449,618	24%
K Craig[iv]	**2021**	**82,269**	**5,424**	**-**	**559**	**599**	**-**	**64,694**	**153,545**	**42%**
	2020	-	-	-	-	-	-	-	-	-
J Ferravant	**2021**	**328,306**	**21,694**	**50,000**	**-**	**7,976**	**-**	**409,374[vii]**	**817,350**	**56%**
	2020	313,229	21,461	-	-	2,444	-	250,095	587,229	43%
L Gauvin	**2021**	**281,409**	**24,161**	**-**	**-**	**10,224**	**-**	**280,330**	**596,124**	**47%**
	2020	185,531	17,820	-	-	3,772	-	215,564	422,687	51%
S Nicholls	**2021**	**558,306**	**21,694**	**-**	**2,371**	**29,730**	**-**	**971,247**	**1,583,348**	**61%**
	2020	512,330	21,003	-	-	14,015	-	421,680	969,028	44%
Total	**2021**	**2,041,571**	**129,181**	**50,000**	**2,930**	**27,292**	**111,575**	**3,636,731**	**5,999,280**	**-**
	2020	1,747,586	127,613	-	-	30,092	-	1,833,284	3,738,575	-

(i) Appointed 27 October 2020.

(ii) Resigned 1 December 2020.

(iii) Employment ceased on 30 April 2021

(iv) Employment commenced on 6 April 2021

(v) Remuneration includes a portion of the notional value of equity compensation granted or outstanding during the year in accordance with Australian Accounting Standards. Share options are valued based on the Black Scholes model. Performance rights issued during the period under the long-term incentive plan have been valued on a Monte Carlo Simulation. 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.

Includes performance rights for financial year 2021 granted but not yet issued.

(vi) Reversal of provision for long service leave upon cessation of employment. Long service entitlements were not accessed as employment cessation occurred prior to satisfaction of legislated employment service period.

(vii) Figures include the following valuation adjustments due to options modifications arising from expiry date extension to 31 July 2022:

KMP	Options	Adjustment ($)	Original Grant Date	Original Expiry Date
Stephen Bizzell	5,000,000	102,955	16 Aug 2019	17 May 2021
John Poynton	7,000,000	512,995	21 Aug 2017	21 Aug 2020
Jody Rowe	5,000,000	102,955	17 May 2018	17 May 2021
Andrew Seaton	5,000,000	289,310	16 Nov 2017	16 Nov 2020
Pax Barkla	1,000,000	57,862	16 Nov 2017	16 Nov 2020
Justin Ferravant	1,000,000	73,285	21 Aug 2017	21 Aug 2020

Other than disclosed above, KMP did not receive any additional remuneration 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 14 November 2019, both share options and performance rights can be granted to eligible employees for no consideration.

The following table summarises the share-based payments granted, expired and exercised to executive officers in the current financial year.

Name	Grant Date	Balance at 1 July 2020	Granted	Expired	Forfeited[iii]	Exercised	Balance at 30 June 2021
P Barkla	9/05/2019	1,293,103	–	–	–	(1,293,103)	–
	16/12/2019	667,555	–	–	–	(667,555)	–
	1/07/2020	–	785,359	–	(130,893)	(654,466)	–
	27/07/2020	–	213,223	–	–	(213,223)	–
Total		**1,960,658**	**998,582**	**–**	**(130,893)**	**(2,828,347)**	**–**
Total ($)			**$ 172,315**	**–**	**$(16,885)**	**$(393,459)**	**–**
K Craig	27/07/2020	–	78,446[ii]	–	–	–	78,446
Total		**–**	**78,446**	**–**	**–**	**–**	**78,446**
Total ($)			**$25,566**	**–**	**–**	**–**	**–**
J Ferravant	14/12/2018	1,244,516	–	–	–	–	1,244,516
	9/05/2019	1,293,103	–	–	–	(1,293,103)	–
	16/08/2019	2,818,965	–	–	–	–	2,818,965
	16/12/2019	685,168	–	–	–	–	685,168
	1/07/2020	–	967,296[i]	–	–	–	967,296
	27/07/2020	–	314,130[ii]	–	–	–	314,130
Total		**6,041,752**	**1,281,426**	**–**	**–**	**(1,293,103)**	**6,030,075**
Total ($)			**$ 227,156**	**–**	**–**	**$(93,103)**	**–**
L Gauvin	9/05/2019	931,034	–	–	–	(931,034)	–
	16/08/2019	1,551,724	–	–	–	–	1,551,724
	16/12/2019	400,534	–	–	–	–	400,534
	1/07/2020	–	471,216[i]	–	–	–	471,216
	27/07/2020	–	274,253[ii]	–	–	–	274,253
Total		**2,883,292**	**745,469**	**–**	**–**	**(931,034)**	**2,697,727**
Total ($)			**$150,166**	**–**	**–**	**$ (67,034)**	
S Nicholls	17/05/2018	2,500,000	–	–	–	–	2,500,000
	14/12/2018	2,273,089	–	–	–	–	2,273,089
	9/05/2019	1,551,724	–	–	–	(1,551,724)	–
	16/08/2019	5,172,414	–	–	–	–	5,172,414
	16/12/2019	1,135,421	–	–	–	–	1,135,421
	1/12/2020	–	2,671,580[i]	–	–	–	2,671,580
	27/07/2020	–	520,558[ii]	–	–	–	520,558
Total		**12,632,648**	**3,192,138**	**–**	**–**	**(1,551,724)**	**14,273,062**
Total ($)			**$717,324**	**–**	**–**	**$ (111,724)**	**–**

(i) FY21 LTIP performance rights which will be tested for vesting on 30 June 2023.

(ii) FY21 STIP performance rights granted but not yet issued.

(iii) Performance rights granted in prior years were forfeited in FY21 as a result of cessation of employment.

Key management personnel equity holdings

Name	Balance at 1 July 2020	Granted	Purchased	Sold	Exercised	Balance at 30 June 2021
Non-executive directors						
S Bizzell	10,392,702	–	–	–	363,750	10,756,452
M Hackett	–	–	307,000	–	–	307,000
N Power	12,612,885	–	1,000,000	–	–	13,612,885
J Poynton	8,500,001	–	–	–	–	8,500,001
J Rowe(i)	979,984	–	–	–	2,500,000	3,479,984
A Seaton	630,434	–	–	–	–	630,434
Executive officers						
P Barkla(ii)	1,166,352	–	67,238	(346,158)	2,828,347	3,715,779
K Craig	–	–	–	–	–	–
J Ferravant	1,679,018	–	67,238	–	1,293,103	3,039,359
L Gauvin	1,574,138	–	–	(428,748)	931,034	2,076,424
S Nicholls	1,275,523	–	100,000	–	1,551,724	2,927,247
Total	**38,811,037**	–	**1,541,476**	**(774,906)**	**9,467,958**	**49,045,565**

(i) *Includes full year movements and balances (resignation on 1 December 2020).*

(ii) *Includes full year movements and balances (employment cessation on 30 April 2021).*

Key management personnel option holdings

Name	Balance at 1 July 2020	Granted	Purchased	Expired	Exercised	Balance at 30 June 2021
Non-executive directors						
S Bizzell	5,363,750	–	–	–	(363,750)	5,000,000
M Hackett	–	5,000,000	–	–	–	5,000,000
N Power	6,000,000	–	–	–	–	6,000,000
J Poynton	7,000,000	–	–	–	–	7,000,000
J Rowe	5,000,000	–	–	–	(2,500,000)	2,500,000
A Seaton	5,000,000	–	–	–	–	5,000,000
Executive officers						
P Barkla	1,000,000	–	–	–	–	1,000,000
K Craig	–	1,000,000	–	–	–	1,000,000
J Ferravant	1,000,000	–	–	–	–	1,000,000
L Gauvin	–	–	–	–	–	–
S Nicholls	–	3,000,000	–	–	–	3,000,000
Total	**30,363,750**	**9,000,000**	–	–	**(2,863,750)**	**36,500,000**

Key management personnel performance rights holdings

Name	Balance at 1 July 2020	Granted	Purchased	Expired / Forfeited	Exercised	Balance at 30 June 2021
Executive officers						
P Barkla	1,960,658	998,582	-	(130,893)	(2,828,347)	-
K Craig	-	78,446	-	-	-	78,446
J Ferravant	6,041,752	1,281,426	-	-	(1,293,103)	6,030,075
L Gauvin	2,883,292	745,469	-	-	(931,034)	2,697,727
S Nicholls	12,632,648	3,192,138	-	-	(1,551,724)	14,273,062
Total	**23,518,350**	**6,296,061**	-	**(130,893)**	**(6,604,208)**	**23,079,310**

Key terms of employment contracts

Name	Term of agreement	Total fixed remuneration(i)	Variable remuneration	Notice period	Termination entitlement
K Craig	Full time - permanent	$366,694	Eligible to participate in the ESIP in STIP and LTIP as determined by the board	3 months	12 months of total fixed remuneration if terminates for redundancy
J Ferravant	Full time - permanent	$350,000	Eligible to participate in the ESIP in STIP and LTIP as determined by the board	3 months	12 months of total fixed remuneration if terminates for redundancy
L Gauvin	Part time - permanent	$277,141(ii)	Eligible to participate in the ESIP in STIP and LTIP as determined by the board	3 months	12 months of total fixed remuneration if terminates for redundancy
S Nicholls	Full time - permanent	$580,000	Eligible for an annual incentive award pursuant to the STIP and also a LTIP incentive award up to 100% of total fixed remuneration as determined by the board	3 months	12 months of total fixed remuneration if terminates for redundancy. Entitled to payment on satisfactory completion of 6 month non-compete.

(i) *Including superannuation.*

(ii) *Employed on part time basis.*

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[(i)]	Expiry date	Fair Value	Exercise price	Number
Options - 31 Jul 2020[(viii)]	31 Jul 2022	$0.118	$0.15	21,500,000
Options – 14 Nov 2019	25 Sep 2022	$0.089	$0.35	6,000,000
Options - 31 Jul 2020	31 Jul 2022	$0.100	$0.23	3,000,000
Options - 1 Dec 2020	31 Jul 2022	$0.123	$0.35	5,000,000
Options - 7 Apr 2021	31 Jul 2022	$0.095	$0.35	1,000,000
			Total	**36,500,000**

Instrument/Grant date	Expiry date	Fair Value	Exercise price	Number
Milestone Performance rights[(ii)]	NA	$0.076	Nil	2,500,000
FY19 LTIP Performance rights[(iii)]	30 Sep 2021	$0.053	Nil	3,517,605
FY20 LTIP Performance rights[(iv)]	30 Sep 2022	$0.149	Nil	9,543,103
FY20 STIP Performance rights[(v)]	30 Sep 2021	$0.217	Nil	2,221,123
FY21 LTIP Performance rights[(vi)]	30 Sep 2023	$0.129	Nil	1,438,512
FY21 LTIP Performance rights [(vi)]	30 Sep 2023	$0.205	Nil	2,671,580
FY21 STIP Performance rights[(vii)]	21 Nov 2022	$0.326	Nil	666,829
FY21 STIP Performance rights[(vii)]	22 Dec 2022	$0.326	Nil	520,558
			Total	**23,079,310**

(i) Vest from the grant date except for the options granted on 7 April 2021 which vest on 6 October 2021.
(ii) Vest upon satisfaction of milestone objective of recognising a 2P reserve at the Southern Cooper Basin Gas Project.
(iii) FY19 LTIP performance rights vested on 1 July 2021 and tested as at 30 June 2021.
(iv) FY20 LTIP performance rights which will be tested for vesting as at 30 June 2022.
(v) FY20 STIP performance rights issued on 20 July 2021.
(vi) FY21 LTIP performance rights which will be tested for vesting as at 30 June 2023.
(vii) FY21 STIP performance rights granted but not yet issued.
(viii) A number of options granted to KMP in prior years had an original expiry date during FY21. During the year, the expiry date for these options was extended to 31 July 2022. The change in expiry date is considered a modification under AASB 2 Share-based Payment. As the modification resulted in an increase in the fair value of the options, the increase was required to be recognised immediately in the statement of profit or loss as the options had previously vested. These are the options referred to in footnote (vii) in the FY21 remuneration table above.

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.

The following shares were issued during the year ended or since 30 June 2021 as a result of the exercise of options or performance rights.

Original Security	Issue Date	Number of Shares Issued
Performance Rights	6 August 2020	5,068,964
Options	5 January 2021	363,750
Options	6 January 2021	1,000,000
Options	26 April 2021	2,500,000
Performance Rights	3 May 2021	1,535,244

Transactions with key management personnel

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

- $1,071 (2020: $427) was paid to Mulloway Pty Ltd (a director related entity via Mr J Poynton) for travel and other expenses.
- $37,100 (2020: $6,095) was paid to Bizzell Capital (a director related entity via Mr S Bizzell) for share placement services.
- $6,000 (2020: $14,000) was paid to 66 KPR (a director related entity of Mr N Power) for rental expense.
- $700 (2020: Nil) was paid to Myube Investments Pty Ltd (a director related entity of Mr N Power) for rental expense.
- $16,863 (2020: Nil) was paid to Prime Flight Unit Trust (a director related entity of Mr N Power) for hiring transport.

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.

Historical Group performance

The table below summarises the Group's earnings and movements in shareholder wealth for the five years to 30 June 2021:

	2021	2020	2019	2018	2017
Sales Revenue ($'000)	–	–	–	–	697
Net profit/(loss) after tax ($'000)	6,780	(97,406)	(2,668)	2,157	(4,320)
Share price at start of year ($)	$0.210	$0.060	$0.145	$0.06	$0.115
Share price at end of year ($)	$0.320	$0.210	$0.060	$0.145	$0.06
Basic profit/(loss) per share (cents)	0.38	(0.06)	(0.21)	0.20	(0.46)
Diluted profit/(loss) per share (cents)	0.37	(0.06)	(0.21)	0.20	(0.46)
Market capitalisation ($ million)	645.2	358.3	92.6	158.7	57.9

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 or 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 2021 (2020: Nil).

Corporate Governance Statement

A copy of the Company's Corporate Governance Statement is available at www.strikeenergy.com.au/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 82.

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

Strike became a substantial shareholder of Warrego Energy on 16 July 2021 to increase its economic interest in the West Erregulla Project.

On 16 August 2021, Strike entered into a binding share sale and purchase agreement for the sale of its subsidiary Strike Energy 96 Pty Ltd, which holds Strike's interest in Cooper Basin permit PEL96 (Klebb & Jaws). Strike expects the sale of Strike Energy 96 Pty Ltd in FY22 to result in an accounting pre-tax gain with the transfer of the $1.66 million in rehabilitation provisions. The exploration and evaluation asset has been fully impaired.

There have been no other events subsequent to 30 June 2021 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.289(2) of the Corporations Act 2001.

On behalf of the Directors,

Stuart Nicholls
Managing Director and Chief Executive Officer

17 September 2021

Auditor's Declaration

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

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

17 September 2021

The Board of Directors
Strike Energy Limited
Level 2, 66 Kings Park Road
WEST PERTH WA 2005

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 2021, 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;

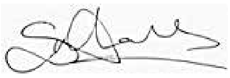
b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and give a true and fair view of the financial position and performance of the consolidated entity;

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
Perth, Western Australia

17 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended $'000	Note	30 June 2021	30 June 2020
Other income	2.2	14,622	2,005
Total Revenue		**14,622**	**2,005**
Operating and administration expenses	2.2	(13,218)	(8,207)
Profit/(Loss) before financing and impairment		**1,404**	**(6,202)**
Financial income	5.2	147	180
Financial expenses	5.2	(2,157)	(90)
Net financial costs		**(2,010)**	**90**
Impairment of exploration and evaluation assets	4.1	(1,956)	(91,294)
Loss before income tax		**(2,562)**	**(97,406)**
Income tax benefit	2.3	9,342	-
Profit/(Loss) for the year from continuing operations		**6,780**	**(97,406)**
Other Comprehensive Income, Net of Income Tax			
Items that will not be reclassified subsequently to profit or loss			
Fair value gains/(loss) on investments in equity instruments designated at FVTOCI		**(562)**	-
Other comprehensive income/(loss) for the year net of income tax		**(562)**	-
Total comprehensive income/(loss) for the year		**6,218**	**(97,406)**
Total comprehensive income/(loss) attributable to Strike shareholders		6,218	(97,406)
Profit/(Loss) per share			
From continuing operations			
- Basic (cents per share)	2.4	0.38	(0.06)
- Diluted (cents per share)	2.4	0.37	(0.06)

The consolidated statement of profit or loss and other 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 2021	30 June 2020
Cash and cash equivalents	3.1	74,724	21,565
Inventory		-	18
Trade and other receivables	3.2	2,609	369
Other assets	3.4	874	363
Total current assets		**78,207**	**22,315**
Right of use assets	8.2	189	256
Exploration and evaluation assets	4.1	73,118	37,671
Property, plant and equipment		219	275
Intangible assets	3.5	2,000	-
Investment in Equity Instruments	3.6	10,350	-
Total non-current assets		**85,876**	**38,202**
Total assets		**164,083**	**60,517**
Trade and other payables	3.3	(8,457)	(1,970)
Employee benefits	7.2	(393)	(387)
Provisions	4.2	(1,165)	(537)
Other liabilities	5.5	(1,000)	-
Total current liabilities		**(11,015)**	**(2,894)**
Employee benefits	7.2	(155)	(161)
Provisions	4.2	(3,741)	(2,805)
Borrowings	5.1	(5,769)	-
Other liabilities	5.5	(5,000)	(17,277)
Lease liabilities		(278)	(371)
Total non-current liabilities		**(14,943)**	**(20,614)**
Total liabilities		**(25,958)**	**(23,508)**
Net assets		**138,125**	**37,009**
Equity			
Issued capital	5.3	297,960	211,978
Reserves	5.3	12,733	4,379
Accumulated losses		(172,568)	(179,348)
Total equity		**138,125**	**37,009**

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

Consolidated Statement of Changes in Equity

For the year ended $'000	Issued Capital	Investment Revaluation Reserves	Share Based Payment Reserve	Accumulated Losses	Total Equity
Balance at 1 July 2019	**179,419**	**-**	**2,319**	**(81,942)**	**99,796**
Profit/(Loss) for the year	-	-	-	(97,406)	(97,406)
Total comprehensive income/(loss) for the year	-	-	-	(97,406)	(97,406)
Recognition of share-based payments	-	-	2,108	-	2,108
Transfer of options exercised	48	-	(48)	-	-
Issue of ordinary shares during the year	33,953	-	-	-	33,953
Share issue costs	(1,442)	-	-	-	(1,442)
Balance at 30 June 2020	**211,978**	**-**	**4,379**	**(179,348)**	**37,009**
Balance at 1 July 2020	**211,978**	**-**	**4,379**	**(179,348)**	**37,009**
Profit/(Loss) for the year	-	-	-	6,780	6,780
Other comprehensive income / (loss) for the year		(562)	-	-	(562)
Total comprehensive income/(loss) for the year	-	(562)	-	6,780	6,218
Recognition of share-based payments	-		9,088	-	9,088
Transfer of options exercised	172		(172)	-	-
Issue of ordinary shares during the year	88,294		-	-	88,294
Share issue costs	(2,484)		-	-	(2,484)
Balance at 30 June 2021	**297,960**	**(562)**	**13,295**	**(172,568)**	**138,125**

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 2021	30 June 2020
Cash flows from operating activities			
Interest received		150	186
Interest paid		(20)	(48)
Net receipts from joint operations recoveries		2,668	1,950
Payments to suppliers and employees		(8,604)	(5,028)
R&D refund		8,784	-
Net cash provided by/(used in) operating activities	**3.1**	**2,978**	**(2,940)**
Cash flows from investing activities			
Payments for exploration, evaluation, expenditure assets		(31,751)	(16,595)
Grants		50	-
Advances received		1,000	-
Payments of deposits		(494)	-
Payments for equity instruments designated as FVTOCI		(10,681)	-
Proceeds from disposal property, plant and equipment		3	-
Payments made for property, plant and equipment		(45)	(200)
Net cash provided by/(used in) investing activities		**(41,918)**	**(16,795)**
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company		86,294	31,453
Payment of share issue costs		(2,484)	(1,442)
Payment of lease liability		(172)	(24)
Proceeds from borrowings		8,400	-
Term deposit maturity/(deposit)		31	(37)
Net cash provided by/(used in) financing activities		**92,069**	**29,950**
Net increase/(decrease) in cash and cash equivalents		**53,129**	**10,215**
Cash and cash equivalents at the beginning of the year		21,565	11,351
Effects of exchange rate changes on the balances of cash held in foreign currencies		**30**	**(1)**
Cash and cash equivalents at the end of the year	**3.1**	**74,724**	**21,565**

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

Notes to the financial statements
for the year ended 30 June 2021

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.

The financial report of Strike as at and for the year ended 30 June 2021 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 17 September 2021.

The nature of the operational and principal activities of the Group are described in the Directors Report.

The address of the registered office of the Company is Level 2/66 Kings Park Road, West Perth WA 6005.

1.2 Statement of Compliance

The Group's Financial Statements as at and for the year ended 30 June 2021:

- 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");
- is presented in Australian Dollars ("AUD"), which is both the Company's and the Group's functional currency. Amounts are rounded to the nearest thousand dollars, unless otherwise stated, in accordance with ASIC (Rounding in Financial/ Directors' Reports) Instrument 2016/191;
- 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;
- 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 2020. 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 2021 the Group generated a net profit after income tax of $6,780,000 (2020: net loss after income tax $97,406,000), had a net cash inflow from operating activities of $2,978,000 (2020: $2,940,000 outflow), and a net cash outflow from investing activities of $41,918,000 (2020: $16,795,000 outflow). As at 30 June 2021, the Group had a net current asset surplus position of $67,192,000 (2020: $19,421,000) and cash reserves of $74,724,000 (2020: $21,565,000).

The going concern cashflow forecast assumes that project financing for the West Erregula gas project is procured by December 2021 to enable the development and construction of the project. In the unlikely event that project financing is not secured by December 2021, the Group will reduce discretionary expenditure until such time as the project financing is secured.

Based upon the Board approved cash flow forecast, the Directors believe that the current cash and other liquid resources available to the Group will be sufficient to meet the planned operating costs, planned exploration, evaluation and development expenditure and to pay its debts as and when they fall due for the 12 months from the date of signing this report.

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 (including distinguishing between Exploration and evaluation assets and Development Assets)*
4.2	*Restoration obligations and other provisions*
5.3	*Option Valuation*

The Board and management have considered the impact of COVID-19 on the consolidated entity's operations and financial performance and have noted that this has not had a significant impact to date and Strike's business has been resilient.

In preparing the consolidated financial report, management has considered the impact of COVID-19 on the various balances and accounting estimates in the financial report, including the carrying values of exploration and evaluation assets. Management determined that there was no significant impact of COVID-19 on these balances and accounting estimates.

Whilst the COVID-19 pandemic has presented significant challenges throughout the Australian economy and energy sector this year, the Company remains well positioned to execute its strategy. There were no material impacts on the Financial Report as at 30 June 2021. The Company will continue to monitor any future consequences due to the potential uncertainty in the medium to long term.

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.

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 the Board (the chief operating decision maker as defined by AASB 8 Operating Segments) 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.

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 2021	30 June 2020
(a) Other income		
Cost recoveries from JV partners	2,668	1,950
Other(i)	11,954	55
Total Revenue	**14,622**	**2,005**
(b) Operating and administration expenses		
Depreciation – property, plant and equipment	(96)	(106)
Employee benefits expense	(4,728)	(2,888)
Share-based payments expense	(4,319)	(2,108)
Corporate expenses	(1,398)	(1,362)
Legal fees	(582)	(277)
Consulting fees	(952)	(895)
Office costs	(35)	(38)
Other	(1,108)	(533)
Total Operating and administration expenses	**(13,218)**	**(8,207)**

(i) Refer to Note 5.5 for details

2.3 Income tax

For the year ended $'000	30 June 2021	30 June 2020
Income tax recognised in the statement of comprehensive income		
Tax benefit/(expense) comprises:		
Current tax benefit/(expense) in respect of the current year	7,949	5,612
Eligible R&D refund	9,342	-
Deferred tax benefit/(expense) relating to the origination and reversal of temporary differences	(8,299)	20,952
Deferred tax benefit/(expense) not brought to account	350	(26,564)
Total income tax benefit/(expense) relating to continuing operations	**9,342**	-

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 2021	30 June 2020
Reconciliation of effective tax rate		
Profit/(Loss) from continuing operations before income tax	**(2,562)**	**(97,406)**
Income tax benefit/(expense) calculated at 26% (2020: 27.5%)	666	26,787
Effect of income and expenditure that is either not assessable or deductible	(1,808)	(619)
Effect of tax concessions (research and development and other allowances)	9,342	-
Effect of deferred tax arising from equity	792	396
Effect of deferred tax benefit not brought to account	350	(26,564)
Income tax benefit at 30 June 2021	**9,342**	-

The tax rate used in the above reconciliation is the corporate tax rate of 26% payable by Australian corporate entities on taxable profits under Australian tax law.

Deferred tax balances

For the year ended 30 June 2021

$'000	Opening balance	Impact of tax rate changes & under/over	Recognised in profit or loss	Recognised in equity	Closing balance
Temporary differences					
Exploration and evaluation assets	(6,466)	(643)	(9,199)	–	(16,308)
Accrued interest income	(1)	–	1	–	–
Borrowings	–	–	93	–	93
Other	1	30	(8)	–	23
Provisions	356	655	407	–	1,418
Deferred income	1,375	(75)	–	–	1,300
Property, plant and equipment	–	–	(9)		(9)
Temporary differences	**(4,735)**	**(33)**	**(8,715)**	**–**	**(13,483)**
Investment revaluation reserve	–	–	–	146	146
Business capital expenditure (Section 40-880)	773	(42)	(40)	309	1,000
Total temporary differences	**(3,962)**	**(75)**	**(8,755)**	**455**	**(12,337)**
Unused tax losses and credits					
Revenue	19,485	(6,305)	7,949	–	21,129
Revenue subject to available fraction	15,611	(852)	–	–	14,759
Capital in nature	12,040	(656)	–	–	11,384
Capital in nature subject to available fraction	318	(17)	–	–	301
Total unused tax losses/credits	**47,454**	**(7,830)**	**7,949**	**–**	**47,573**
Deferred tax Assets/(Liabilities)	**31,134**	**(7,232)**	**(806)**	**455**	**23,551**

For the year ended 30 June 2020

$'000	Opening balance	Impact of tax rate changes & under/over	Recognised in profit or loss	Recognised in equity	Closing balance
Temporary differences					
Exploration and evaluation assets	(26,998)	(18)	20,550	–	(6,466)
Accrued interest income	(3)	–	2	–	(1)
Other	–	–	1	–	1
Provisions	93	–	263	–	356
Deferred income	1,375	–	–	–	1,375
Temporary differences	**(25,533)**	**(18)**	**20,816**	**–**	**(4,735)**
Business capital expenditure (Section 40-880)	657	(20)	(19)	155	774
Total temporary differences	**(24,876)**	**(38)**	**20,797**	**155**	**(3,962)**
Unused tax losses and credits					
Revenue	13,856	17	5,612	–	19,485
Revenue subject to available fraction	15,611	–	–	–	15,611
Capital in nature	12,040	–	–	–	12,040
Capital in nature subject to available fraction	318	–	–	–	318
Total unused tax losses/credits	**41,825**	**17**	**5,612**	**–**	**47,454**
Deferred tax Assets/(Liabilities)	**4,591**	**(21)**	**26,409**	**155**	**31,134**

Income tax recognised directly in equity

There were no current and deferred amounts charged/(credited) directly to equity during the period (2020: 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 2021	30 June 2020
Tax losses – revenue	21,129	19,485
Tax losses – revenue subject to available fraction	14,759	15,611
	35,888	**35,096**
Temporary differences (deferred tax asset)	3,980	2,505
Temporary differences (deferred tax liability)	(16,317)	(6,467)
Net unrecognised deferred tax assets	**23,551**	**31,134**

The Group has gross tax losses arising in Australia of $139,434,437 (2020: $127,265,988). The Group has capital losses arising in Australia of $44,939,969 (2020: $44,939,969).

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 6.3(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 (excluding 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

There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and in particular R&D. 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 2021	30 June 2020
Profit/(loss) used in the calculation of basic earnings per share from continuing operations	6,780	(97,406)
Earnings used in calculating basic and diluted earnings per share	**6,780**	**(97,406)**
Number of shares ('000)	2,016,116	1,706,248
Weighted average number of ordinary shares used in calculating basic earnings per share ('000)	1,772,518	1,651,691
Diluted profit/(loss) per share:		
Weighted average number of ordinary shares used in calculating diluted earnings per share ('000)	1,818,613	1,681,098
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)	12,000	6,000
Basic earnings per share (cents per share)	0.38	(0.06)
Diluted earnings per share (cents per share)	0.37	(0.06)

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 year (2020: Nil)

Section 3: Working Capital Management

3.1 Cash and cash equivalents

As at $'000	30 June 2021	30 June 2020
Cash and cash equivalents(i)	74,724	21,565
	74,724	**21,565**

(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 2021	30 June 2020
Reconciliation of net profit after tax to net cash flows from operations:		
Profit/(loss) for the period	6,780	(97,406)
Adjustments to reconcile profit after tax to net cash flow:		
Depreciation and amortisation	96	106
Share-based payments expense	4,319	2,108
Restoration Unwind	82	(33)
Impairment expense	1,956	91,294
Exploration expense	489	-
Debt costs	1,864	-
Other Expense	6	1
Lease depreciation	146	139
Interest/Foreign exchange capitalized	(30)	47
Investing items – Grants received	350	-
Unearned Revenue	(12,277)	-
Profit/(loss) from sale of PPE	3	-
(Increase)/ decrease in trade and other receivables	(674)	315
Increase/ (decrease) in trade and other payables	(130)	242
Increase/ (decrease) in employee benefits	(2)	247
Net cash provided by operating activities	**2,978**	**(2,940)**

Reconciliation of liabilities arising from financing activities

For the year $'000	Lease Liability	Orica[i]	Total
Balances at 1 July 2020	–	–	–
Financing cash flows	–	8,400	8,400
Non-cash changes	278	734	1,012
Balance at 30 June 2021	**278**	**9,134**	**9,412**

(i) Refer to note 5.1 for details.

3.2 Trade and other receivables

As at $'000	30 June 2021	30 June 2020
Current		
GST receivable	351	164
Other receivables	2,258	205
	2,609	**369**

Trade and other receivables are initially recognised at fair value, which in practice is equivalent to cost, less any impairment losses. Trade and other receivables are non-interest bearing.

The Group measures a provision at an amount equal to lifetime expected credit losses, estimated by reference to past experience and relevant forward-looking factors. The Group writes off a receivable when there is objective evidence that the debtor is in significant financial difficulty and there is no realistic prospect of recovery, for example, when a debtor enters bankruptcy or financial reorganisation. There was no evidence that impairment existed at balance date (2020: Nil). There were no amounts that were past due but not considered to be impaired at balance date (2020: Nil).

3.3 Trade and other payables

As at $'000	30 June 2021	30 June 2020
Trade payables	3,145	1,795
Accruals and other payables[i]	5,312	175
Total trade and other payables (current)	**8,457**	**1,970**

(i) Accrued costs under the AGIG early works agreement to be rolled into the tariff or paid if the agreement is cancelled.

Trade and other payables are initially recognised at fair value, are non-interest bearing and are normally settled within 30 days (2020: 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 assets

As at $'000	30 June 2021	30 June 2020
Current		
Advances[i]	35	17
Security Deposits[ii]	664	202
Prepayments	175	144
	874	**363**

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

(ii) Security deposits relate to cash provided to secure leasing and project obligations. The weighted average interest is 0.17% (2020: 1.11%).

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

3.5 Intangible Assets – Geothermal Title

As at $'000	30 June 2021	30 June 2020
Balance at 1 July 2020	–	–
Additions[i]	2,000	–
Balance at 30 June 2021	**2,000**	–
Cost	2,000	–

(i) Additions represent finite life intangible assets relating to the first tranche consideration for the acquisition of Mid West Geothermal Power Pty Ltd on 20 May 2021. The intangible asset has a useful life of 6 years in line with the term of the expected Geothermal Exploration Permit (GEP).

Contingent consideration in connection with the purchase of individual assets outside of business combinations is recognised as a financial liability only when the consideration is contingent upon future events that are beyond Strike's control. In cases where the payment of contingent consideration is within Strike's control, the liability is recognised only as from the date when a non-contingent obligation arises. Contingent consideration linked to the purchase of individual assets primarily relates to future contingent payments based on the results of future geothermal exploration activity. Once a non-continent obligation arises the amounts payable under the contingent consideration arrangement will be capitalised as part of the asset cost as they are considered an incremental cost of the asset and therefore directly related to the initial asset.

Changes in the fair value of financial assets and financial liabilities from contingent consideration are recognised as other operating income or other operating expenses, except for changes due to interest rate fluctuations and the effect from unwinding discounts. Interest rate effects from unwinding of discounts as well as changes due to interest rate fluctuations are recognised in financial income or financial expenses.

In accordance with AASB138 Intangible Assets, the Group capitalises amounts paid for the acquisition of identifiable intangible assets where it is considered that there is a probability of future economic benefit. These assets, classified as finite life intangible assets, are carried in the balance sheet at the fair value of consideration paid less accumulated amortisation and impairment charges. Intangible assets with finite useful lives are amortised on a straight-line basis over their useful lives.

Where indicators of impairment exist for intangible assets, in the absence of quoted market prices, estimates are made regarding the present value of future post-tax cash flows. These estimates require management judgement and assumptions and are subject to risk and uncertainty that may be beyond the control of the Group; hence, there is a possibility that changes in circumstances will materially alter projections, which may impact the recoverable amount of assets at each reporting date. The estimates are made from the perspective of a market participant and include prices, future production volumes, operating costs, tax attributes and discount rates.

3.6 Investment in Equity Instruments

As at $'000	30 June 2021	30 June 2020
Equity instruments at fair value through OCI – shares in listed companies		
Balance at 1 July 2020	–	–
Acquisition of shares in listed companies	10,912	–
Disposals of shares in listed companies	–	–
Revaluations to fair value	(562)	–
Balance at 30 June 2021	**10,350**	–

Upon initial recognition, the Group can elect to irrevocably classify its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed equity investments under this category.

Section 4: Resource Assets

4.1 Exploration and evaluation assets

For the year ended $'000	30 June 2021	30 June 2020
Opening balance	**37,671**	**113,987**
Additions	35,570	14,582
Change in restoration provision	1,833	396
Acquisition of joint operation interests	–	–
Impairment	(1,956)	(91,294)
Closing Balance	**73,118**	**37,671**

Impairment charge

During the financial year, the Group recognised a $2 million impairment charge (2020: $91.3 million) for its Cooper Basin assets upon deciding to discontinue the Jaws pilot testing.

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.

Exploration and evaluation expenditure that are capitalised may include costs of licence acquisitions, technical services and studies, seismic acquisitions, exploration drilling and testing, directly attributable overhead and administration expenses and, if applicable, the estimated costs of retiring the assets. Any costs incurred prior to the acquisition of the legal rights to explore an area are expensed as incurred.

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.

Upon approval for commercial development of an area of interest, the accumulated expenditure for that area of interest is transferred to developments assets.

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. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Key judgement 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 Restoration obligations and other provisions

As at $'000	Legal Fees	Restoration and rehabilitation	Total
Balance at 1 July 2020	**351**	**2,991**	**3,342**
Provisions made during the year	-	1,864	1,864
Provisions used during the year	(351)	(31)	(382)
Restoration Unwind	-	82	82
Balance at 30 June 2021	-	**4,906**	**4,906**
Current	-	1,165	1,165
Non-current	-	3,741	3,741
Total provisions at 30 June 2021	-	**4,906**	**4,906**

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.

Key judgement 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.

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 within exploration and evaluation assets.

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 2021**	**30 June 2020**
Macquarie Facility(i)	9,134	-
Capitalised Debt Costs(ii)	(3,365)	
Total non-current borrowings	**5,769**	-

(i) Includes accrued interest of $0.28 million.

(ii) Issue of 35 million options to Macquarie to subscribe for Strike ordinary shares at an exercise price of 29 cents. The amount is being capitalised to the balance sheet over the vesting period and amortised to the profit and loss over the life of the facility, being 24 months from the initial utilisation date of 13 November 2020.

During the year, the Group obtained a new debt facility of up to $28 million (tranche 1: $13 million, tranche 2: $15 million) (2020: nil).The first tranche of $13 million was available for draw down during the year. The second tranche of $15 million is not available to be drawn at 30 June 2021 or at the date of this report as it still subject to further milestones and conditions. The loan facility is secured over the shares in and assets of Strike West Pty Ltd, including its interest in the EP469 asset, and by guarantees from Strike West Pty Ltd's holding entities. The facility will be repaid in the event project financing is secured over Strike West Pty Ltd's interest in the EP469 assets.

The draw down on loan bears interest at variable market rates (11% + bank bill swap rate) and the maturity date is 12 November 2022. The establishment cost of the facility amounted to $4.8 milllion. As at 30 June 2021, this establishment cost was amortised to $3.4 million as noted in the table above. The proceeds from the loan are to be used for appraisal drilling and long lead items for the development of the West Erregulla Phase 1 Project. As part of the establishment costs, Strike has issued Macquarie 35 million options to subscribe for Strike ordinary shares at an exercise price of 29 cents. The table in Note 5.4 details the Group's remaining contractual maturity in relation to borrowings above. This table has been drawn up based on the undiscounted cash flows of the borrowings, based on the earliest date on which the Group can be required to pay. To the extent that the interest flows are at a variable rate, the undiscounted amount is derived from interest rate applicable at the end of the reporting period. The tables include both interest and principal cash flows.

As at the date of this report, the Group has satisfied and continues to comply with the debt covenant requirements.

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.

5.2 Net finance costs

For the year ended $'000	30 June 2021	30 June 2020
Interest income on cash and cash equivalents	147	180
Financial income	**147**	**180**
Interest expense on financial liabilities	(280)	(75)
Lease liability expense	(14)	(12)
Financing transaction costs and fees	(1,863)	(3)
Financial expenses	**(2,157)**	**(90)**

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

	Number of shares ('000)		Issued capital ($'000)	
For the year ended	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Balance at beginning of year	**1,706,248**	**1,544,087**	**211,978**	**179,419**
Placements/exercise of options and performance rights during the period, net of transaction costs	303,707	150,049	83,982	30,059
Orica debt conversion	–	12,112	–	2,500
MWGP acquisition transaction	6,161	–	2,000	
Balance at end of year	**2,016,116**	**1,706,248**	**297,960**	**211,978**

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.

Options and performance rights reserve

Options Issued	Date granted	Date exercisable	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Options	13 Nov 2020	13 Nov 2020	13 May 2023	$0.29	35,000,000	$0.136
Options	31 Jul 2020	31 Jul 2020	31 July 2022	$0.23	3,000,000	$0.100
Options	1 Dec 2020	1 Dec 2020	31 July 2022	$0.35	5,000,000	$0.123
Options	7 Apr 2021	6 Oct 2021	31 July 2022	$0.35	1,000,000	$0.095
					44,000,00	

Performance rights Issued	Date granted	Date exercisable	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
FY21 LTIP(i)	1 Jul 2020	30 Jun 2023	30 Sep 2023	Nil	2,223,871	$0.129
FY21 LTIP(i)	1 Dec 2020	30 Jun 2023	30 Sep 2023	Nil	2,671,580	$0.205
FY21 STIP(ii)	12 Feb 2021	1 Mar 2021	13 May 2021	Nil	52,034	$0.300
FY21 STIP(ii)	28 Feb 2021	1 Mar 2021	28 May 2021	Nil	97,910	$0.300
FY21 STIP(ii)	30 Apr 2021	1 May 2021	31 Jul 2021	Nil	279,056	$0.330
FY21 STIP(ii)	27 Jul 2020	22 Sep 2021	21 Nov 2021	Nil	1,761,279	$0.326
FY21 STIP(ii)	27 Jul 2020	22 Dec 2021	20 Feb 2022	Nil	520,558	$0.326
					7,606,288	

(i) FY21 LTIP performance rights which will be tested on 30 June 2023.

(ii) FY21 STIP performance rights granted but not yet issued.

(iii) FY21 LTIP vesting conditions below:

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

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	Weighted average fair value at grant date
Performance Rights	Nil	130,893	$0.129
		130,893	

Instruments outstanding

The balance of share options and performance rights on issue as at 30 June 2021 is as follows:

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Options(i)	14 Nov 2019	25 Sep 2022	$0.35	6,000,000	$0.089
Options(i)	31 Jul 2020	31 Jul 2022	$0.15	21,500,000	$0.118
Options(i)	31 Jul 2020	31 Jul 2022	$0.23	3,000,000	$0.100
Options(i)	13 Nov 2020	13 May 2023	$0.29	35,000,000	$0.136
Options(i)	1 Dec 2020	31 Jul 2022	$0.35	5,000,000	$0.123
Options(ii)	7 Apr 2021	31 Jul 2022	$0.35	1,000,000	$0.095
				71,500,000	

(i) Vest from grant date.

(ii) Vests on 6 October 2021.

(iii) Share options outstanding at 30 June 2021 had a weighted average remaining contractual life of 541 days.

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Performance Rights	17 May 2018	N/A	Nil	2,500,000	$0.076
Performance Rights	14 Dec 2018	30 Sep 2021	Nil	3,517,605	$0.054
Performance Rights	16 Dec 2019	30 Sep 2021	Nil	3,709,701	$0.217
Performance Rights	16 Aug 2019	30 Sep 2022	Nil	9,543,103	$0.149
Performance Rights	1 Jul 2020	30 Sep 2023	Nil	1,438,512	$0.129
Performance Rights	1 Dec 2020	30 Sep 2021	Nil	2,671,580	$0.205
Performance Rights	27 Jul 2020	21 Nov 2021	Nil	1,761,279	$0.326
Performance Rights	27 Jul 2020	20 Feb 2022	Nil	520,558	$0.326
				25,662,338	

(i) Performance rights outstanding at 30 June 2021 had a weighted average remaining contractual life 342 days.

The fair value of the options granted during the period is estimated as at the date of grant using a Black Scholes pricing model considering the terms and conditions upon which the instruments were granted. Performance rights issued during the period under the long-term incentive plan have been valued on a Monte Carlo Simulation.

The following table lists the inputs used to value instruments issued during the year ended 30 June 2021:

	13 Nov 2020	31 Jul 2020	1 Dec 2020	7 Apr 2021	1 Jul 2020	1 Dec 2020	12 Feb 2021	28 Feb 2021	30 Apr 2021	27 Jul 2020	27 Jul 2020
Instrument	Options	Options	Options	Options	Performance Rights	Performance Rights	Performance Rights	Performance Rights	Performance Rights	Performance Rights	Performance Rights
Number	35,000,000	3,000,000	5,000,000	1,000,000	2,223,871	2,671,580	52,034	97,910	279,056	1,761,279	520,558
Expiry date	13 May 2023	31 Jul 2022	31 Jul 2022	31 Jul 2022	30 Sep 2023	30 Sep 2023	13 May 2021	28 May 2021	31 Jul 2021	21 Nov 2021	20 Feb 2022
Dividend yield	Nil%	Nil%	Nil%	Nil%	Nil%	Nil%	Nil%	Nil%	Nil%	Nil%	Nil%
Expected volatility	101.3%	106.2%	109.42%	69.1%	87.8%	85.9%	N/A	N/A	N/A	N/A	N/A
Risk-free interest rate	0.12%	0.30%	0.09%	0.08%	0.25%	0.12%	N/A	N/A	N/A	N/A	N/A
Expected life of instruments (years)	3	2	2	2	3	3	1	1	1	1	1
Share price at grant date	$0.25	$0.195	$0.27	$0.33	$0.205	$0.27	0.30	0.31	0.375	$0.195	$0.195

(i) Given the appreciation of the share price since the beginning of July 2020, higher vesting conditions have been set for the absolute TSR for FY21 Tranche of the LTIP. Where a vesting condition changes during the year that is not beneficial to the employee, this is accounted for as if the modification has not occurred in line with AASB 2. FY21 LTIP are valued at the original vesting conditions on grant date 1 July 2020.

Instruments exercised during the financial year

The following tables outlines details of the instruments exercised during the financial year (2020: 6,644,044):

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Performance Rights	15 Nov 2019	30 Sep 2020	N/A	9,164,057	$0.237
Performance Rights	16 Dec 2019	30 Sep 2021	N/A	681,167	$0.018
Performance Rights	12 Feb 2021	13 May 2021	N/A	52,034	$0.001
Performance Rights	28 Feb 2021	28 May 2021	N/A	97,910	$0.003
Performance Rights	30 Apr 2021	30 Jul 2021	N/A	279,056	$0.009
Performance Rights	16 Dec 2019	30 Sep 2021	N/A	854,218	$0.028
Performance Rights	1 Jul 2020	30 Sep 2023	N/A	654,466	$0.021
				11,782,908	

(i) Performance rights exercised during the period had an average weighted share price of $0.32.

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Options	21 Aug 2017	21 Aug 2020	$0.150	5,000,000	$0.113
Options	27 Dec 2018	31 Dec 2020	$0.155	1,091,250	$0.036
Options	31 Jul 2020	31 Jul 2022	$0.150	2,500,000	$0.100
				8,591,250	

(i) Options exercised during the period had an average weighted share price of $0.25.

Change in instruments on issue

	Performance Rights		Options	
For the year ended	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Balance at beginning of year	**29,969,851**	**22,659,039**	**36,091,250**	**46,190,029**
Grants during the year	7,606,288	14,788,189	44,000,000	11,000,000
Cancelled/forfeited during the year	(130,893)	-	-	(17,098,779)
Expired during the year	-	(833,333)	-	(2,000,000)
Exercised during the year	(11,782,908)	(6,644,044)	(8,591,250)	(2,000,000)
Balance at end of year	**25,662,338**	**29,969,851**	**71,500,000**	**36,091,250**
Instruments exercisable at end of year	-	-	70,500,000	30,091,250

Recognition and measurement

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 Company categorises the fair value measurement of the investment in equity instruments as level 1 because the inputs were derived from quoted prices for that financial instrument.

5.4 Financial risk management

Overview

This note presents information about the Group's exposure to market risk, credit risk and liquidity risk, climate change 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.

Interest rate risk

The Group's interest rate may arise 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 has long-term borrowings of $9.1 million as at 30 June 2021.

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 2021					
Fixed rate instruments					
Lease Liability	278	53	55	118	52
Borrowings	(9,134)	-	-	(9,134)	-
Capitalised Debt Costs	3,365			3,365	
Total fixed rate instruments	**(5,491)**	**53**	**55**	**(5,651)**	**52**
Floating rate instruments					
Cash and cash equivalents	74,724	74,724	-	-	-
Total floating rate instruments	**74,724**	**74,724**	**-**	**-**	**-**
30 June 2020					
Fixed rate instruments					
Lease Liability	371	93	76	76	126
Total fixed rate instruments	**371**	**93**	**76**	**76**	**126**
Floating rate instruments					
Cash and cash equivalents	21,565	21,565	-	-	-
Total floating rate instruments	**21,565**	**21,565**	**-**	**-**	**-**

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 2021	30 June 2020
200 basis point parallel increase in interest rates	1,494	431
200 basis point parallel decrease in interest rates	1,494	(431)

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 2021						
Financial liabilities						
Trade and other payables	–	8,457	3,145	5,312	–	–
Lease Liability	5%	278	9	27	73	169
Borrowings	11.02%(i)	9,134	–	–	–	9,134
Total financial liabilities		**17,869**	**3,154**	**5,339**	**73**	**9,303**
30 June 2020						
Financial liabilities						
Trade and other payables	–	1,970	1,795	175	–	–
Lease Liability	5%	371	15	47	132	177
Total financial liabilities		**2,341**	**1,810**	**222**	**132**	**177**

(i) *The draw down on loan bears interest at variable market rates (11% + bank bill swap rate) and the maturity date is 12 November 2022. The establishment cost of the facility amounted to $4.8 million. As at 30 June 2021, this establishment cost was amortised to $3.4 million as noted in the table above. The 11.02% interest rate in the table above excludes the amortisation of the establishment cost.*

Climate change risk

Key climate-related risks and opportunities relevant to our business include:

- The transition to a low carbon economy, such as the increased uncertainty, time and cost associated with regulatory bodies granting approvals/licences, the ongoing decarbonisation of energy markets, decreased demand for fossil fuels in some markets, reduced life of assets, changing government regulation and climate change policies at State and Federal levels, inability to attract and retain top talent, and changing community sentiment towards fossil fuel intensive projects. We believe this transition into a lower carbon economy also gives rise to opportunities for our gas focused portfolio. Natural gas is viewed as a key element to supporting society's sustainable energy transition.

- The physical impacts of climate change, including the increased frequency and severity of extreme weather events and chronic changes to weather patterns, which have the potential to impact demand for energy and the resilience of our assets and supporting infrastructure.

The Company's TCFD are described in this report.

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 above methods. Where applicable, further information regarding the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

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 2021	30 June 2020
Unearned revenue – gas prepayment agreements	5,000	17,277
Payment in advance – deposit[(i)]	1,000	
Total other liabilities	**6,000**	**17,277**
Current	1,000	–
Non-Current	5,000	17,277

(i) Transfer from Talon in advance for the Walyering Joint Venture. Joint Venture finalised upon title transfer.

Unearned revenue represents amounts received under the terms of a gas prepayment agreement pertaining to the future delivery of gas from the Group's West Erregulla Project, which is conditional on FID. Unearned revenue will be released to the profit or loss on a systematic basis when production begins, or when agreements become non-refundable in line with the underlying contracts. Gas prepayment and option agreements relating to the Southern Cooper Basin Gas Project were terminated during the year resulting in releasing $12,277,000 of unearned revenue to the profit and loss.

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 and principle place of business	Percentage interest held (%) 30 June 2021	Percentage interest held (%) 30 June 2020
Strike Energy Limited (Parent Company)[(i)]			
Controlled entities[(i)]:			
Strike Energy South Australia Pty Ltd	Australia	**100**	100
Strike Energy 96 Holdings Pty Ltd	Australia	**100**	100
Strike Energy 95 Holdings Pty Ltd	Australia	**100**	100
Strike Energy 94 Holdings Pty Ltd	Australia	**100**	100
Strike Energy Cooper Holdings Pty Ltd	Australia	**100**	100
Strike Energy 96 Pty Ltd[(ii)]	Australia	**100**	100
Strike Energy 95 Pty Ltd	Australia	**100**	100
Strike Energy 94 Pty Ltd	Australia	**100**	100
Strike Energy Cooper Pty Ltd	Australia	**100**	100
Strike Energy Holdings Pty Ltd	Australia	**100**	100
Strike West Holdings Pty Ltd	Australia	**100**	100
Strike West Pty Ltd	Australia	**100**	100
Strike North West Pty Ltd	Australia	**100**	100
Strike South West Pty Ltd	Australia	**100**	100
Oceanhill Pty Ltd	Australia	**100**	100
Mid West Geothermal Power Pty Ltd[(iii)]	Australia	**100**	-

(i) These entities are not required to prepare or lodge audited accounts in Australia. Reflect indirect ownership interest

(ii) Refer to subsequent events Note 8.4 for details regarding the sale of Strike Energy 96 Pty Ltd

(iii) Acquired 20 May 2021

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 6.4.

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

As at $'000	30 June 2021	30 June 2020
Current assets		
Cash and cash equivalents	1,205	2,630
Trade and other receivables	3,316	542
Other financial assets	137	151
	4,658	**3,323**
Non-current assets		
Other assets	-	151
Exploration and evaluation assets	46,082	15,405
	46,082	**15,556**
Share of total assets of joint arrangements	**18,879**	**95,358**
Current liabilities		
Trade and other payables	(4,845)	(1,569)
Restoration provision	(1,165)	(186)
	(6,010)	**(1,755)**
Non-current liabilities		
Restoration provision	(3,741)	(2,805)
	(3,741)	**(2,805)**
Share of total liabilities of joint arrangements	**(9,751)**	**(4,560)**
Share of net assets of joint arrangements	**40,989**	**14,319**
Profit or loss from continuing operations		
Impairment of exploration and evaluation assets	(2,143)	(89,148)
Share of profit or loss of joint arrangements	**(2,143)**	**(89,148)**

JV Commitments for expenditure

For the year ended/As at $'000	30 June 2021	30 June 2020
Permit commitments		
Less than one year	3,960	–
Between one and five years	–	13,402
Greater than five years	–	–
Total	**3,960**	**13,402**

6.3 Parent entity disclosures

For the year ended/As at $'000	30 June 2021	30 June 2020
Assets		
Current assets	77,872	22,200
Non-current assets	70,545	30,954
Total assets	**148,417**	**53,154**
Liabilities		
Current liabilities	(5,760)	(1,409)
Non-current liabilities	(1,155)	(338)
Total liabilities	**(6,915)**	**(1,747)**
Net assets	**141,502**	**51,407**
Equity		
Issue capital	297,960	211,978
Share-based payments reserve	13,295	4,379
Other reserves	(562)	–
Accumulated losses	(169,191)	(164,950)
Total equity	**141,502**	**51,407**
Profit/(loss) for the year	**(4,240)**	**(65,248)**

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.

6.4 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 2021	30 June 2020
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)(iv)]	Strike Energy Limited	**66.667**	66.667
PEL 515	Strike Energy Limited	**100**	100
PELA 640	Strike Energy Limited	**100**	100
Perth Basin - Australia			
EP469 [(ii)]	Strike West Pty Ltd	**50**	50
EP447 [(iii)]	Strike South West Pty Ltd	**100**	100
EP488	Strike North West Pty Ltd	**100**	100
EP489	Strike North West Pty Ltd	**100**	100
EP495	Strike North West Pty Ltd	**100**	100
EP503	Strike North West Pty Ltd	**100**	100
EP504	Strike North West Pty Ltd	**100**	100
EP505	Strike North West Pty Ltd	**100**	100
EP506	Strike North West Pty Ltd	**100**	100

(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.

(iii) The transfer of the 45% farmin interest in EP447 to Talon Energy Ltd was registered subsequent to the reporting period, on 10 September 2021.

(iv) Refer to subsequent events Note 8.4 for details regarding the sale of Strike Energy 96 Pty Ltd.

6.5 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 arrangements

Details of interests in joint operations are disclosed in note 6.4.

Transactions with key management personnel

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

- $1,071 (2020: $427) was paid to Mulloway Pty Ltd (a director related entity via Mr J Poynton) for travel and other expenses;
- $37,100 (2020: $6,095) was paid to Bizzell Capital (a director related entity via Mr S Bizzell) for share placement services;
- $6,000 (2020: $14,000) was paid to 66 KPR (a director related entity of Mr N Power) for rental expense.
- $700 (2020: Nil) was paid to Myube Investments Pty Ltd (a director related entity of Mr N Power) for rental expense.
- $16,863 (2020: Nil) was paid to Prime Flight Unit Trust (a director related entity of Mr N Power) for hiring transport.

Transactions with other related parties

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

The Company advanced $22,120,424 (2020: $12,344,183) 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 operations totalling $6,337,655 (2020: $4,817,304).

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

- Loan receivables totalling $115,513,784 before impairment (2020: $93,393,360) from subsidiaries: and
- Trade receivables totalling $3,553,710 (2020: $3,058,414) from joint arrangements
- Trade payables totalling $5,000,000 (2020: 5,000,000) to subsidiaries.

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/As at	30 June 2021	30 June 2020
Short-term employee benefits	2,094,500	1,747,586
Post-employment benefits	268,048	157,706
Share-based payments	3,636,730	1,833,284
Total	**5,999,279**	**3,738,576**

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

For the year ended/As at $'000	30 June 2021	30 June 2020
Provision for annual leave	393	387
Provision for long service leave	155	161
Total employee benefits	**548**	**548**
Current	393	387
Non-current	155	161

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 14 November 2019, both share options and performance rights can be granted to eligible employees for no consideration. Typically, awards are granted up to a three-year period with 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.

Recognition and measurement

Share-based remuneration benefits are provided to employees via a variety of schemes which are further set out in note 5.3 Equity and reserves.

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 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

The group has certain obligations to perform minimum exploration work and amounts pursuant to the terms of grant of petroleum exploration permits in order to maintain rights of tenure.

For the year ended/As at $'000	30 June 2021	30 June 2020
Permit commitments		
Less than one year	9,969	6,732
Between one and five years	157,300	54,002
Greater than five years	–	8,000
Total	**167,269**	**68,734**

8.2 Leases

The Company holds an office lease in Perth which expires 31 December 2023. The Adelaide office lease expired on 30 April 2021.

Right-of-use Assets

$'000	Buildings	Total
Cost		
At 1 July 2020	395	395
Additions	79	79
Lease expiry – Adelaide office	(213)	(213)
At 30 June 2021	**261**	**261**
Accumulated Depreciation		
At 1 July 2020	(139)	(139)
Charge for the year	(146)	(146)
Lease expiry – Adelaide office	213	213
At 30 June 2021	**(72)**	**(72)**
Carrying Amount		
At 1 July 2020	256	256
At 30 June 2021	**189**	**189**

Amounts recognised in profit and loss

For the year ended/As at $'000	30 June 2021	30 June 2020
Depreciation on right of use assets	(146)	(139)
Interest expense on lease liabilities	(14)	(14)
Expense relating to variable lease payments not included in the measurement of lease liability	(123)	(64)

The total cash outflow for leases in the year ended 30 June 2021, including short-term leases and low-value leases, amounted to $0.3 million.

A maturity analysis of the future undiscounted payments in respect of the Group's lease liabilities is presented in the table below.

$'000	30 June 2021
Within one year	118
Between one and five years	183
More than five years	-
Total	**301**

8.3 Contingencies

Litigation and legal proceedings

As at 30 June 2021, Strike is not subject to contingencies arising from litigations and legal proceedings.

8.4 Subsequent events

Strike became a substantial shareholder of Warrego Energy on 16 July 2021 to increase its economic interest in the West Erregulla Project. Subsequent to 30 June 2021, Strike Energy purchased 47,312,610 shares in Warrego Energy Ltd for a total consideration of $11.47 million.

On 16 August 2021, Strike entered into a binding share sale and purchase agreement for the sale of its subsidiary Strike Energy 96 Pty Ltd, which holds Strike's interest in Cooper Basin permit PEL96 (Klebb & Jaws). Strike expects the sale of Strike Energy 96 Pty Ltd in FY22 to result in an accounting pre-tax gain with the transfer of the $1.66 million in rehabilitation provisions. The exploration and evaluation asset has been fully impaired.

With the exception of the above, there have been no other events subsequent to 30 June 2021 that would require accrual or disclosure in the consolidated financial statements.

8.5 Remuneration of auditors

For the year ended/As at $'000	30 June 2021	30 June 2020
Amounts received/receivable by Deloitte Touche Tohmatsu (Aus) for:		
Audit or review of the financial report of the Group	99,000	83,100
Other assurance services	35,000	-
Advisory and other	63,580	-
Total	**197,580**	**83,100**

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 adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2020.

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

At the date of authorisation of the financial report, the Directors do not anticipate the Standards and Interpretations that were issued but not yet effective will have a material impact on the financial report of the Group in the year or period of 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

Opinion

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 2021, 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:

- Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

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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.

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 $73,118,000 relate to costs incurred where there is expected future activity but no approved development plan. As at 30 June 2021, the exploration and evaluation assets relate solely to the Perth Basin, with the Southern Cooper Basin Gas Project assets fully impaired as at 30 June 2021. 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 program 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: • Obtaining an understanding of management's process for assessing the recoverability of exploration and evaluation assets; • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Holding discussions with management as to the status of ongoing exploration programs in the respective areas of interest; • Assessing whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Testing on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of the relevant accounting standards; and • Assessing whether any facts or circumstances existed to suggest impairment testing was required. 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 2021, 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.

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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 have no realistic alternative but to do so.

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 skepticism 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.

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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, actions taken to eliminate threats or safeguards applied.

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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 29 to 41 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Strike Energy Limited, for the year ended 30 June 2021, 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, 17 September 2021

Additional Securities Exchange Information

As at 31 August 2021

1. Number of holders of equity securities

2,023,343,766 fully paid ordinary shares are held by 9,942 individual shareholders.

89,414,474 unlisted options and performance rights are held by 39 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 Ranges	Number of shares
Holders of less than a marketable parcel	12,000
1-1,000	50,884
1,001-5,000	6,085,102
5,001-10,000	11,371,755
10,001-100,000	178,315,602
> 100,001	1,827,520,423

4. Substantial shareholders

There were no substantial shareholders as at 31 August 2021.

5. The 20 largest holders of quoted equity securities as at 31 August 2021

Investor	Number of shares	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	118,328,821	5.85%
CITICORP NOMINEES PTY LIMITED	96,457,928	4.77%
MHC FUND SERVICES A PTY LTD	72,945,893	3.61%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	57,574,351	2.85%
BRAZIL FARMING PTY LTD	47,768,697	2.36%
NATIONAL NOMINEES LIMITED	37,417,015	1.85%
MR TIMOTHY RUPERT BARR GOYDER	36,940,668	1.83%
BNP PARIBAS NOMS (NZ) LTD	23,489,807	1.16%
GREMAR HOLDINGS PTY LTD	22,441,189	1.11%
CALM HOLDINGS PTY LTD	22,000,000	1.09%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,744,809	1.03%
COOGEE RESOURCES PTY LTD	20,000,000	0.99%
BNP PARIBAS NOMINEES PTY LTD	16,941,596	0.84%
MR GARRY BUNGEY & MRS VIVIENNE BUNGEY	16,500,000	0.82%
ROOKHARP CAPITAL PTY LIMITED	15,500,000	0.77%
HAZARDOUS INVESTMENTS PTY LTD	15,200,000	0.75%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	13,929,455	0.69%
MR GREG HACKSHAW	13,730,714	0.68%
SENESCHAL (WA) PTY LTD	12,588,890	0.62%
QUATRI PTY LTD	12,000,000	0.59%

Corporate Directory

DIRECTORS

Chairman
John Poynton

Managing Director
Stuart Nicholls

Non-Executive Director & Deputy Chairman
Neville Power

Non-Executive Director
Stephen Bizzell

Non-Executive Director
Mary Hackett

Non-Executive Director
Andrew Seaton

Company Secretary
Justin Ferravant

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