

\$153m Domestic Gas Financing Package

- \$153 million domestic gas financing package agreed with Macquarie Bank Limited which includes:
 - Refinancing of the existing \$33 million of drawn and undrawn debt.
 - \$40 million of committed new pre-development debt to support the South Erregulla drilling and appraisal activities.
 - \$80 million uncommitted facility for the Erregulla domestic gas development.
 - New facilities demonstrate the lowering of debt costs as Strike moves into production and reduces its project risk profiles.
-

Strike Energy Limited (Strike – ASX: STX) is pleased to announce that it has agreed a \$153 million financing package with Macquarie Bank Limited (“Macquarie”) to cover pre-development and development costs across its high-quality Walyering and Erregulla domestic gas projects in the Perth Basin. The facilities are to provide Strike with the capital required to close out its journey to first gas production at Walyering and then onward to becoming a significant Western Australian gas producer via the Erregulla domestic gas project. Provision of the facilities is subject to execution of the definitive financing documentation.

Strike’s Chief Executive Officer & Managing Director Stuart Nicholls said:

“This financing package provides an attractive pathway for Strike to accelerate into a material domestic gas producer in WA, at a time of rising prices and reducing supply. The lowering of the Company’s cost of capital as it evolves is indicative of the increasing value of our underlying resource base and the excellent relationship between Strike and Macquarie.”

The financing package is divided into three separate allocations:

- Refinancing of the existing \$33 million drawn and undrawn debt into a new term facility at a 6% coupon plus bank bill swap rate and a 2.5-year tenor with a period of capitalising interest. The refinanced facility will remain secured by Strike’s West Erregulla and Walyering assets and will rank behind joint venture cross security. The refinancing will be contingent upon grant of a Production Licence for Walyering and satisfaction of other customary conditions by 31 March 2023 with a condition subsequent that compression at Walyering is approved by the EP447 Joint Venture by June 2023.
- A \$40 million facility to support the appraisal drilling of two wells into the South Erregulla gas field with the target of converting the existing 2C Contingent Resources to 2P Reserves. The facility has a 24-month tenor, capitalising interest and a 11% coupon plus bank bill swap rate. The facility will be provided by way of two \$20 million tranches with the first tranche available for drawdown upon financial close of the refinanced facility. Drawdown of the second tranche will be conditional upon production commencement

at Walyering and Strike maintaining liquidity levels in line with liquidity levels as at the date of commitment to the finance package. The facility will be secured by the South Erregulla asset.

- A \$80 million Erregulla domestic gas development facility, which is currently uncommitted and remains subject to Macquarie approval. The South Erregulla drilling facility above is able to be refinanced in and on top of this funding. This facility would have a similar cost to the Walyering Facility with a 4-year tenor post project completion.

As part of the establishment cost of the \$40 million South Erregulla drilling facility, Strike has agreed to issue Macquarie with 82.80 million options to subscribe for fully paid Strike ordinary shares exercisable at 36.3 cents (representing a 15% premium to the 30-day VWAP at the time of commitment) by 31 January 2023. These options are being issued without shareholder approval, will vest pro rata on drawdown of the drilling facility with final vesting on the expiry of the facility's availability period (30 June 2024), and will expire on 22 May 2025. The options will lapse if they expire unexercised or if the conditions precedent to drawing on the South Erregulla drilling facility are not satisfied and the facility is cancelled as a result.

The facilities will be provided subject to substantively the same covenants and undertakings as the existing facilities.

This announcement is authorised by Stuart Nicholls, Managing Director & Chief Executive Officer of Strike in accordance with the Company's Continuous Disclosure Policy.

Company Contact

Stuart Nicholls

CEO & Managing Director

Email: stuart.nicholls@strikeenergy.com.au

Media Contacts

Paul Ryan (Citadel-MAGNUS)

P: 0409 296 511

E: pryan@citadelmagnus.com