

# Strike's Acquisition of Talon Becomes Effective

- Strike's compelling acquisition of Talon Energy by way of Scheme of Arrangement is now effective.
- The acquisition has both strategic and financial benefits and is earnings accretive, where material operational and corporate synergies can be realised. Post the implementation of the transaction Strike will have:
  - an aggregate of 1,022 PJ of Perth Basin conventional 2P Reserves and 2C Resources<sup>1</sup>; and
  - 100% of the free cash flow generated from the Walyering gas field.
- Eligible Talon shareholders will receive 0.4828 new Strike shares for each Talon share held.

Strike Energy Limited (ASX: STX) (**Strike** or **the Company**) is pleased to announce its acquisition of Talon Energy Limited (ASX:TPD) (**Talon**) by way of a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (**Scheme**) is now effective following lodgement with the Australian Securities and Investment Commission of a copy of the orders of the Federal Court of Australia approving the Scheme. Further details regarding the Scheme taking effect can be found in Talon's announcement released to ASX 14 December 2023.

Talon shareholders who hold shares in Talon at the record date of the Scheme (being 7:00pm (Perth time) on Monday, 18 December 2023) (**Talon Scheme Shareholders**) will receive 0.4828 new Strike shares for every 1 Talon share held, in accordance with the terms of the Scheme (**Scheme Consideration**).<sup>2</sup>

It is expected that the Scheme will be implemented, and the Scheme Consideration will be issued, on Wednesday, 27 December 2023.

## **Strike Energy Limited Chair, John Poynton AO, said:**

*"This is a great outcome for Strike. The combined company will have an enlarged balance sheet, additional net income and an excellent platform to deliver superior shareholder returns through the outstanding growth opportunities in the Perth Basin."*

<sup>1</sup> Refer to Important Notices about reserves and resources estimates at the end of this announcement.

<sup>2</sup> Other than Ineligible Foreign Shareholders (being those Talon shareholders whose address is shown in the Talon Share Register (as at the Record Date) as being in a place outside of Australia and its external territories, Germany, Hong Kong, New Zealand and the United Kingdom, other than any Talon shareholder in respect of whom Strike reasonably determines (at its sole and absolute discretion) that it is lawful and not unduly onerous to issue that Talon shareholder with new Strike shares when the Scheme becomes effective) or Cash Out Shareholders (being those Talon shareholders (other than Ineligible Foreign Shareholders) who, based on their holding of Talon shares on the Record Date, would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) of new Strike shares (assessed by reference to the last traded price of Strike shares on ASX on the trading day prior to the Record Date), who will receive their respective pro rata proportion of the net sale proceeds of the new Strike shares to which they would otherwise be entitled under the Scheme in accordance with the sale nominee process. Refer to section 5.8 of the Scheme Booklet for more details.



The remaining dates for implementation of the Scheme and other key dates are set out below\*:

Event	Indicative Timing
Suspension of trading of Talon shares on ASX	Close of trading on 14 December 2023
Trading in new Strike shares issued as Scheme Consideration to commence on a deferred settlement basis	15 December 2023
Record Date for determining entitlements to the Scheme Consideration	7:00pm (Perth time) on 18 December 2023
Implementation Date for the issue of Scheme Consideration to Talon Scheme Shareholders (excluding Ineligible Foreign Shareholders and Cash Out Shareholders)	27 December 2023
Trading in new Strike shares issued as Scheme Consideration to commence on a normal (T+2) basis	28 December 2023
Termination of official quotation of Talon shares on ASX	5.00pm (Perth time) on 28 December 2023 (or as otherwise determined by ASX)

\*All dates are indicative only and subject to change.

DLA Piper are acting as legal advisors to Strike.

This announcement is authorised for release by the Managing Director and Chief Executive Officer in accordance with the Company's Continuous Disclosure Policy.

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### Important Notices

#### Reserves and resources estimates

Information in this announcement relating to the Reserve and Resource Estimates for:

- The West Erregulla Project is set out in the ASX announcement dated 27th July 2022 entitled "West Erregulla Reserves Upgraded by 41%". Strike equity interest is 50% and Warrego equity interest is 50%.
- The South Erregulla Project is set out in ASX announcement dated 18th October 2022 entitled "Independent Certification of South Erregulla Wagina Gas Discovery". Strike equity interest is 100%.
- The Walyering Reserve and Resource Estimate is set out in ASX announcement dated 21 July 2022 entitled "Independent Certification of Walyering Reserves". Strike equity interest is 55%.
- The Ocean Hill 2C Contingent Resource is set out in ASX announcement dated 10 October 2022 entitled "Independent Certification of Ocean Hill Gas Resource". Strike equity interest is 100%.



- The Erregulla Deep & Southwest Erregulla 2U prospective Resource is set out in ASX announcement dated 16 December 2022 entitled “Strike to test Southwest Erregulla and Erregulla Deep Prospective Resource”. Strike equity interest is 50%.
- The South Erregulla Contingent CO2 Storage Resource Estimate is set out in ASX announcement dated 15th June 2023 entitled “South Erregulla Update”.
- The Mid-West Geothermal Project inferred resource is set out in ASX announcement dated 5th May 2022 titled "Mid West Geothermal Power Project Inferred Resource Statement".
- The Gurvantes XXXV contingent and prospective resources estimates are set out in the Talon Energy ASX announcements dated 9 November 2022 entitled ‘Maiden Contingent CSG Resource Estimate – Gurvantes XXXV’ and 18 August 2021 entitled ‘Gurvantes XXXV Maiden Prospective Resource’;
- The Condor prospective resources estimate is set out in the Talon Energy ASX announcement dated 17 March 2021 entitled ‘Maiden Best (P50) Resource of 408 Bcf at Condor’; and
- The L7 prospective resources estimate is set out in the Talon Energy ASX announcement dated 27 March 2023 entitled ‘L7 Perth Basin Volumes Update’.

This reserves and resources estimates must, therefore, be read in conjunction with the full text of the ASX releases referred to. The Reserves and Resources are unrisks.

Strike is unaware of any new information that materially impacts the information in these releases and confirms that all the material assumptions and technical parameters underpinning the estimates in the above releases continue to apply and have not materially changed. Whilst Strike has received new data from the drilling of the South Erregulla 2 and 3 wells, as at the date of this announcement, that data has not been processed or analysed and, as such, Strike is not able to confirm or advise the effect of that information on the South Erregulla reserve and resource estimates as set out in the ASX announcement dated 18 October 2022 entitled "Independent Certification of South Erregulla Wagina Gas Discovery".

The information regarding Talon’s petroleum estimates in this announcement has been sourced using publicly available information and has not been independently verified by Strike. Strike has undertaken only limited due diligence in relation to Talon and its projects and may not be aware of all the material information, assumptions, facts and circumstances. Accordingly, Strike does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. While Strike has conducted due diligence on the proposed transaction, Talon and its projects, Strike is unable to verify the accuracy or completeness of the information provided, and there is no assurance that this due diligence was conclusive and that all material issues and risks in relation to the proposed transaction, Talon and its projects have been identified. Receipt of new, additional or updated information, assumptions or modifying factors may change Talon’s petroleum estimates and other forward-looking statements concerning Talon and its projects in this announcement. To the extent that this information is incomplete, incorrect, inaccurate or misleading, there is a risk that the profitability and future results of the operations of Strike following the transaction may differ (including in a materially adverse way) from Strike’s expectations as reflected in this document, or that additional liabilities may emerge.