

STRIKE ENERGY LIMITED

# QUARTERLY REPORT

For the period ending 30 June 2016



	Key Achievements
<b>Southern Cooper Basin Gas Project</b>	<ul style="list-style-type: none"><li>✓ Klebb pilot upgrade – construction and commissioning successfully completed</li><li>✓ Klebb 3 - substantial increase in productivity</li><li>✓ Klebb 4 ESP performing well – step change in operating control</li><li>✓ Encouraging initial evaluation of shallow Epsilon coal</li></ul>
<b>Strong Funding and Commercial Position</b>	<ul style="list-style-type: none"><li>✓ Completion of \$6.7 million capital raising</li><li>✓ Adelaide Brighton to join Strike’s gas customer group</li><li>✓ Cash on hand of \$ 7.2 million at quarter end with funding in hand to advance the SCBGP project</li></ul>
<b>Eastern Australian Gas Market</b>	<ul style="list-style-type: none"><li>✓ Market prices move substantially higher</li></ul>





**I am pleased to report on another active quarter for Strike. Our focus during the June quarter was on completing a major upgrade of the production capacity of the Klebb pilot, including the completion and commissioning of Klebb 4.**

This program builds on the results of our production testing to date, which has established a consistent gas production ramp up profile characterised by progressive increases in gas flow rates that have previously been constrained principally by the mechanical capacity of the pump systems.

The objective of the upgrade program, now successfully completed, is to address these engineering constraints and significantly improve our understanding of the ultimate gas production potential of the reservoir.

We have seen a substantial improvement in productivity at Klebb 3 following the pump upgrade indicating the potential for a higher peak gas flow rate and EUR to be achieved from this well. We intend to replicate this upgrade at Klebb 2 during August.

The commissioning and operation of the electric submersible pump (ESP) at Klebb 4, completed post quarter end, has been successful. The pump is operating stably and we are in the process of working to achieve a gradual reduction in reservoir pressure. Consistent with the early performance of the other Klebb wells, gas flows at surface have been observed.

The real time down hole pressure and rate data we obtain from the ESP has been a revelation that has allowed more precise operating control as the well approaches critical pressure transition points.

The demonstrated combination of stable production performance, improved data flow and operating control at Klebb 4 has validated the fracture stimulation / ESP completion as a feasible and effective development pathway for the project.

**Critically, the upgrades and the addition of a fourth well mean that the Klebb pilot now has substantially higher water production capacity and continued, stable operation will accelerate reservoir pressure reduction.**

During the quarter we also commenced the first dynamic test of the shallow potential of the Southern Cooper Basin Gas Project (SCBGP) at Le Chiffre 1. Preliminary analysis of the results obtained post quarter end provide encouragement to further evaluate the shallow gas resource potential in PEL 96.

**Sharp increases in gas prices in Eastern Australia during June and July underline the structural shift in gas market dynamics that has developed as the Queensland LNG export facilities ramp up. Strike's SCBGP is one of the few, large scale gas resources with direct access to all Eastern Australian markets.**

In the quarter, Strike advanced another key pre-development initiative for the SCBGP with the completion of commercial negotiations for the sale of gas to be produced from the planned Demonstration Facility in PEL 96 to Adelaide Brighton Cement Limited, a subsidiary of Adelaide Brighton Limited (ASX:ABC) (Adelaide Brighton). It is intended that gas sales to Adelaide Brighton will be on an interruptible basis during the first six months of operation of the Demonstration Facility.

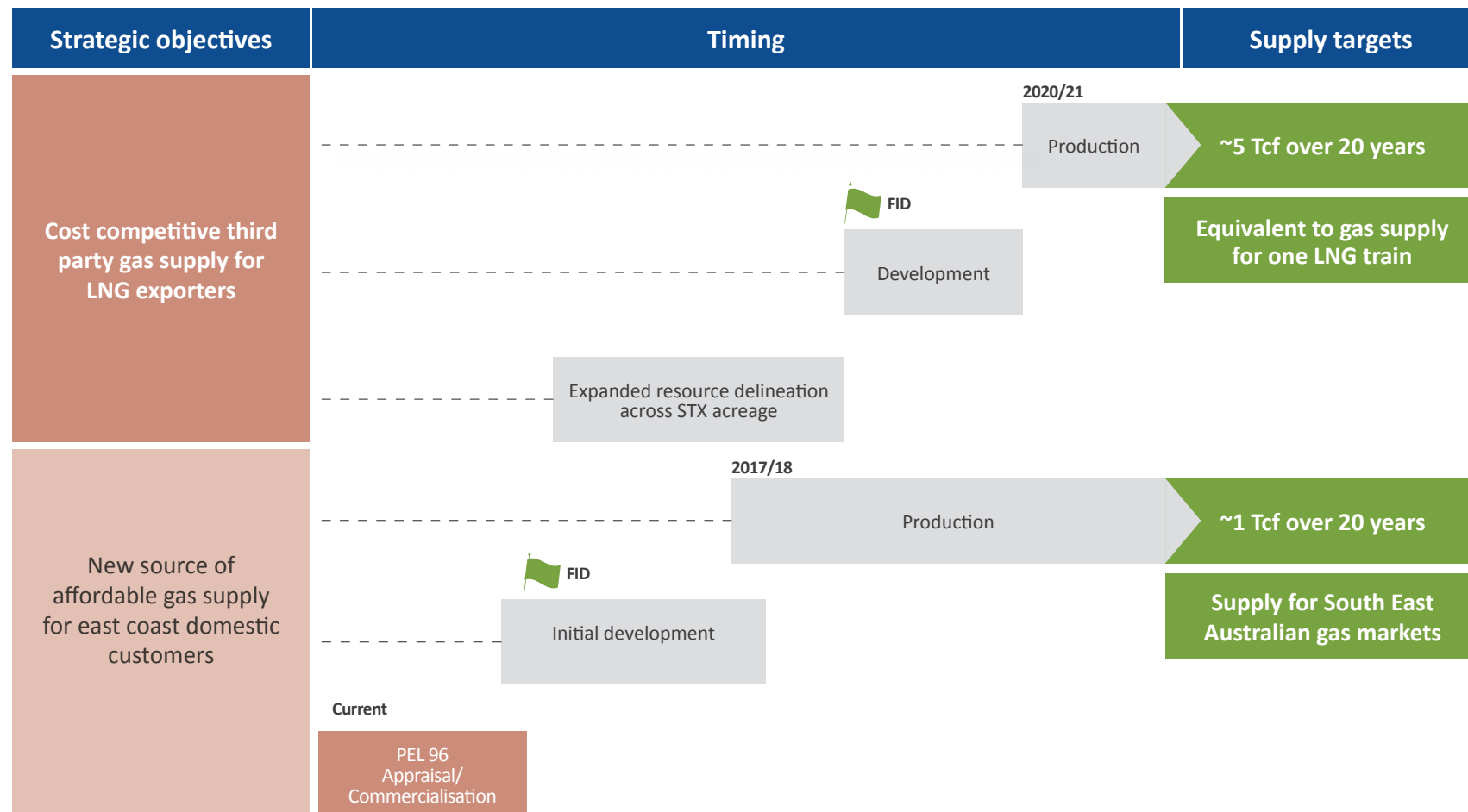
The offtake agreement to be finalised between the parties reflecting the agreed, indicative Term Sheet will help facilitate the early development of gas processing capacity in PEL 96 – a key milestone towards the rapid commercialisation of the SCBGP.

Successful commissioning of the Demonstration Facility will de-risk and accelerate the development of a project designed to supply our foundation contracts with Orica, Orora and Brickworks. We are delighted to welcome Adelaide Brighton to our gas customer group and appreciate their willingness to support the development of a major new gas supply for Eastern Australian gas markets.

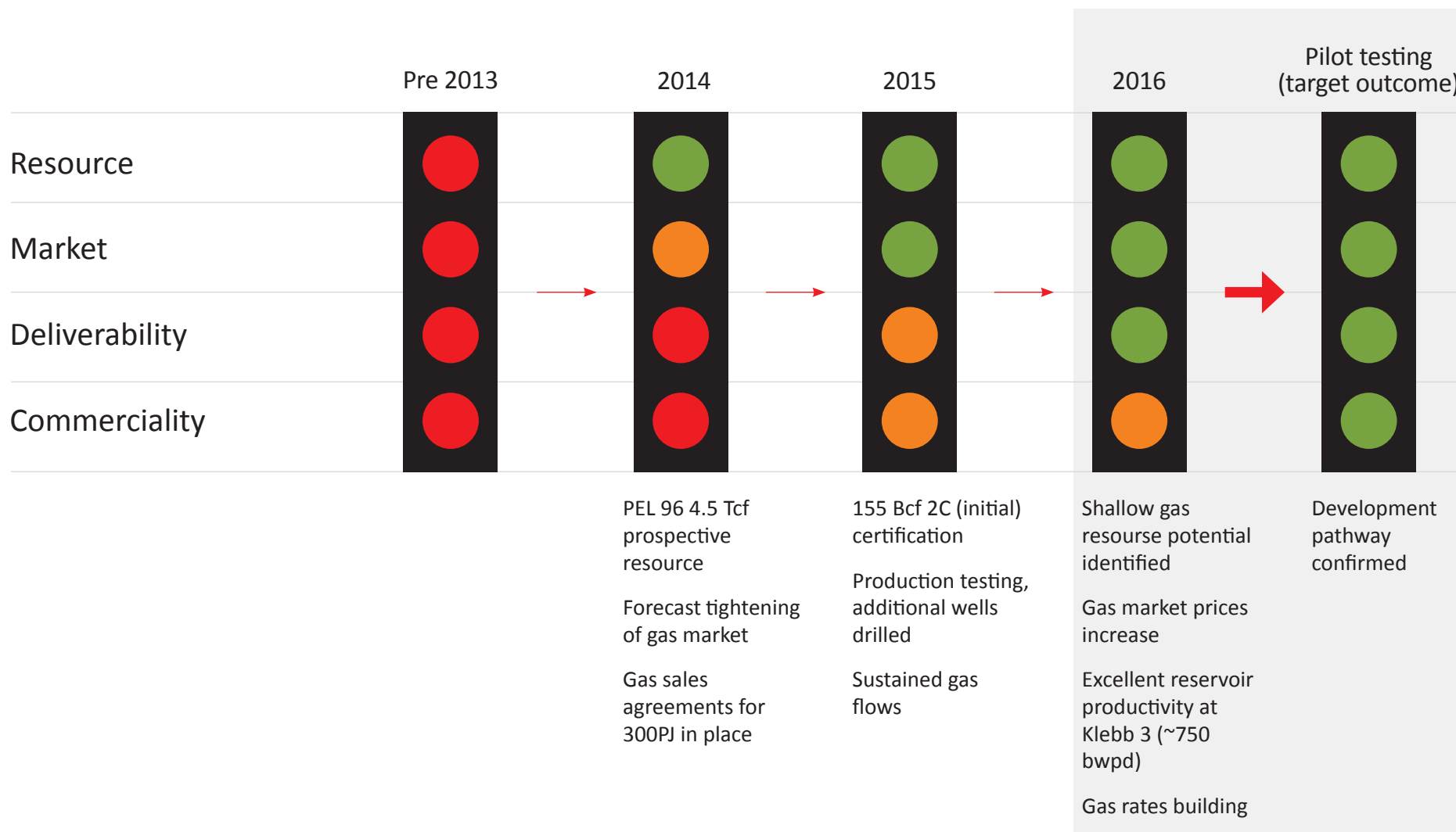
**At the end of the Quarter the Group had cash on hand of \$7.2 million.**



# Southern Cooper Basin Gas Project: Strike's Strategic Objectives



**Strike is positioning the Southern Cooper Gas Project as a long-life resource for domestic and export gas supply.**



**Strike's Southern Cooper Basin Gas Project has enormous leverage to commercialisation**

## Klebb pilot highlights

- **A very active quarter with a complex work program being safely and successfully completed**
- **Commissioning of the Klebb facility pump upgrade including the workover of Klebb 1 and 3 – with a significant improvement in Klebb 3 productivity noted**
- **Klebb 4 fracture stimulation completed, with the ESP completion operations commencing and being commissioned immediately following the quarter end**
- **Plug back of Le Chiffre 1 to prepare for the first test of the shallow Epsilon coal at 1,575 m.**

The quarter has been particularly active with a series of operations including the commissioning of the Klebb facility upgrade; the workover of Klebb 1 and Klebb 3; the fracture stimulation, completion and installation of an ESP in Klebb 4, with commissioning shortly after the quarter end; and the plug-back of Le Chiffre 1 to test the shallower Epsilon Formation coal. Importantly, all operations were completed with no reportable safety incidents.

In the prior quarters, rapid increases in gas rates have been observed from both Klebb 2 and Klebb 3 when water production is maintained above a threshold rate of between 400 – 450 bwpd. Recent well performance suggests that Klebb 2 and 3 are just starting to return to conditions achieved prior to the upgrade work and current operations are therefore focussed on reliability and maximising well up-time.

The upgrade of Klebb surface pump equipment is now complete and Klebb 3 has been worked-over to install a larger jet-pump completion assembly. The combination of these two upgrades has been particularly pleasing as it has facilitated a significant increase in the performance of Klebb 3 with the well now producing over 750 bwpd up from around 450 bwpd. The larger jet-pump assembly, is expected to significantly increase the gas rate at which the pump capacity begins to constrain gas flow.

The noted improvement in the productivity of Klebb 3 is also significant in the context of the maximum potential of both gas flow rate and gas recovery. Internal modelling suggests that the observed productivity improvement could result in a peak gas flow rate 25%-50% higher than would previously have been expected, with the potential of doubling recovery on a per well basis. The success of Klebb 3 has

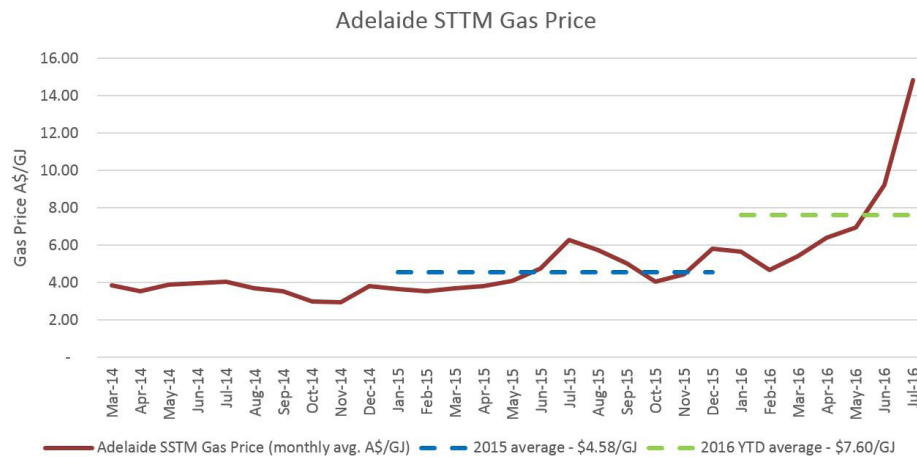
been such that we now intend to install a second high-pressure surface pump and workover Klebb 2 with the same completion as the revised Klebb 3.

The Klebb 4 ESP completion has now been run and commissioned. This pump type facilitates gas and water separation in the well, eliminating jet pump capacity constraints. The ESP has been very reliable to date and provides a step change in terms of real time data, operability and our ability to react to flowing conditions. The well is being conservatively managed as we drop the fluid column (and therefore containing pressure) in a controlled fashion. We have been able to apply lessons learned from Klebb 1 to Klebb 4 from both a (surface) design and operability standpoint and we expect this to assist in managing the transition from water to combined water-gas flows.

With tie-in now complete, Klebb 4 is contributing to the ongoing testing activities at Klebb, accelerating the growth of the existing low pressure zone at Klebb. The well marks a change in pumping strategy, one which will play a key role in future development programs.

During the quarter, we commenced the first dynamic testing of the shallow potential of the Southern Cooper Basin Gas Project. Operations commenced at Le Chiffre 1 to plug-back the completed interval, perforate and conduct a diagnostic fracture injection test of an Epsilon Formation coal at a depth of approximately 1,575 m. Preliminary analysis of the test results has shown that the formation is clearly permeable with additional work now planned to further evaluate the potential of the substantial shallow gas resource within PEL 96.

## Eastern Australian Gas Market



Source: AEMO STTM Price and Withdrawals data

East coast gas supply for long term industrial and manufacturing consumption has continued to tighten, highlighting the urgent need for the timely development of new gas supply from resources located close to existing gas pipeline infrastructure. The recent volatility in spot gas markets in Sydney, Brisbane and Adelaide, driven by a cold snap and the start-up of the fifth of Queensland’s six LNG export trains, has seen wholesale gas prices approaching \$30 a gigajoule at the end of the June quarter.

Wholesale prices have since rebalanced but at levels that confirm a sharply rising spot price trend. Strike’s SCBGP is ideally located to deliver competitively priced gas at scale into all major East Coast gas hubs, and is the closest to the Adelaide market of all existing and potential gas resources.

The SCBGP is uniquely positioned to provide reliable gas supply for power generation to help stabilise the South Australian electricity market over the medium term.

## Adelaide Brighton - Gas Offtake

Commercial negotiations with Adelaide Brighton were completed for the sale of processed gas at a new delivery point on the Moomba to Adelaide Pipeline within PEL 96 and in close proximity to the proposed site for the Demonstration Facility. The commercial terms for the sale and purchase of this gas are contained in a non-binding term sheet with Adelaide Brighton. Gas will initially be sold on an interruptible basis during the demonstration phase (expected to be six months from the commencement of production from the Demonstration Facility) with the potential to convert to a firm supply arrangement as production ramps up.

Strike and Adelaide Brighton expect to finalise a fully termed Gas Sales Agreement in advance of a final investment decision to proceed with the Demonstration Facility.



## US Exploration and Evaluation Activities

The Company continues to hold its interests in the Permian Basin, Eagle Ford Shale and Eagle Landing Joint Ventures with no new exploration and/or field development activities occurring during the quarter.

The Company has no plans to make further investments in these projects

## US Production

Strike currently produces oil and gas from three independent assets. Total oil production for the quarter was 2,717 bbls, down 22% on the prior quarter and gas production was 59,615 Mcf, down 2% on the prior quarter.

The Eagle Landing Joint Venture (Strike 40% WI) produced 56,625 Mcf of gas and 1,060 bbls of oil net to Strike during the quarter, down 2% for gas and down 8% for oil on the previous quarter. The decrease in production for the quarter is a result of the well's natural production decline and some lost production due to minor operational issues which have been subsequently rectified.

The MB Clearfork Project (Strike 25% WI) produces oil from 20 conventional Permian Basin wells in Martin County, Texas. During the quarter, the MB Clearfork Project produced 2,741 Mcf of gas and 1,166 bbls of oil net to Strike, being flat for gas and down 36% for oil from the previous quarter. The significant reduction in oil production for the quarter is due to wells being shut in, and some equipment failures during the quarter.

The Eagle Ford shale project (Strike 27.5% WI) produces oil and gas from the Bigham 1H well in Fayette County, Texas. The well produced 249 Mcf of gas and 491 bbls of oil net to Strike during the quarter, down 45% for gas and down 7% for oil on the previous quarter. The decrease in gas production for the quarter arose primarily as a result of minor compressor gas-lift issues and a gasket issue which has now been rectified.

Average realised prices during the quarter were US\$37.91/Bbl, up 25% from US\$27.76/Bbl in the previous quarter for oil and US\$2.25/Mcf, up 14% from US\$1.94/Mcf for gas in the previous quarter.

	JUN QTR 2016	MAR QTR 2016	QUARTERLY CHANGE
<b>EAGLE LANDING JOINT VENTURE</b>			
Gas (Mcf)	56,625	57,747	(2%)
Oil (Bbl)	1,060	1,150	(8%)
Total Revenue (USD'000)	167	140	19%
<b>PERMIAN BASIN – MB CLEARFORK PROJECT</b>			
Gas (Mcf)	2,741	2,745	0%
Oil (Bbl)	1,166	1,817	(36%)
Total Revenue (USD'000)	51	60	(15%)
<b>EAGLE FORD SHALE – BIGHAM 1H</b>			
Gas (Mcf)	249	455	(45%)
Oil (Bbl)	491	527	(7%)
Total Revenue (USD'000)	19	15	27%
<b>TOTAL</b>			
Gas (Mcf)	59,615	60,947	(2%)
Oil (Bbl)	2,717	3,494	(22%)
Total Revenue (USD'000)	237	215	10%
Total Revenue (AUD'000)	317	297	7%

Based on industry convention energy equivalence 6 Mcf of gas = 1 Bbl of oil



## Corporate Office

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## Registered Office

120B Underwood Street  
Paddington NSW 2021  
T: +61 2 9397 1420

## Securities Exchange

ASX : STX

## Securities on Issue

Shares: 900,330,946  
Options: 11,200,000  
Performance Rights: 28,950,000

## Analyst Coverage

Firm	Analyst
Euroz	Jon Bishop
Red Leaf Securities	Andrew Williams
Bell Potter	Peter Arden

**During the June quarter, the Company continued to advance a number of its financial and commercial initiatives in support of the appraisal and accelerated development and commercialisation of SCBGP.**

On 7 April 2016 the Company announced the successful completion a \$6.7 million capital raising (prior to issuance costs by way of a private placement (Placement) to sophisticated and professional investors (including Directors (or entities associated with Directors) of the Company).

The Placement shares were issued in two tranches as follows: -

- 65,300,000 fully paid ordinary shares (Tranche 1 Placement Shares) at \$0.10 per share to sophisticated and professional investors within the Company's 15% placement capacity under ASX Listing Rule 7.1. The Tranche 1 Placement Shares were issued for trading on 14 April 2016.
- 1,700,000 fully paid ordinary shares (Tranche 2 Placement Shares) at \$0.10 per share to Directors (or entities associated with Directors) of the Company which were approved by shareholders on 26 May 2016 and were subsequently issued for trading on 27 May 2016.

Following the end of the quarter, the Company completed its submissions to Aus-Industry and received the necessary approvals to enable the lodgement of its FY 16 R&D claim with the ATO. It is estimated that a rebate of approximately \$6.3 million will be received which will be applied to repay in full the \$4.0 million FY 15 Macquarie facility.

**The Company completed the quarter with \$7.2 million of cash on hand is well positioned to continue its' field operations and activities to accelerate the commercialisation of the SCBGP.**



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## Contingent Resource Estimate

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

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

The table below summarises the Contingent Resource Estimates.

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

1. Contingent Resource Estimates have been prepared in accordance with the Petroleum Resources Management System “PRMS”. Contingent Resource Estimates are those quantities of gas (produced gas less carbon dioxide and fuel gas) that are recoverable from known accumulations but which are not yet considered commercially recoverable.
2. 1C, 2C and 3C estimates in this table are P90, P50 and P10 respectively for each well and have been summed arithmetically
3. Net to Strike’s 66.7% interest in PEL 96

### Competent Persons Statement

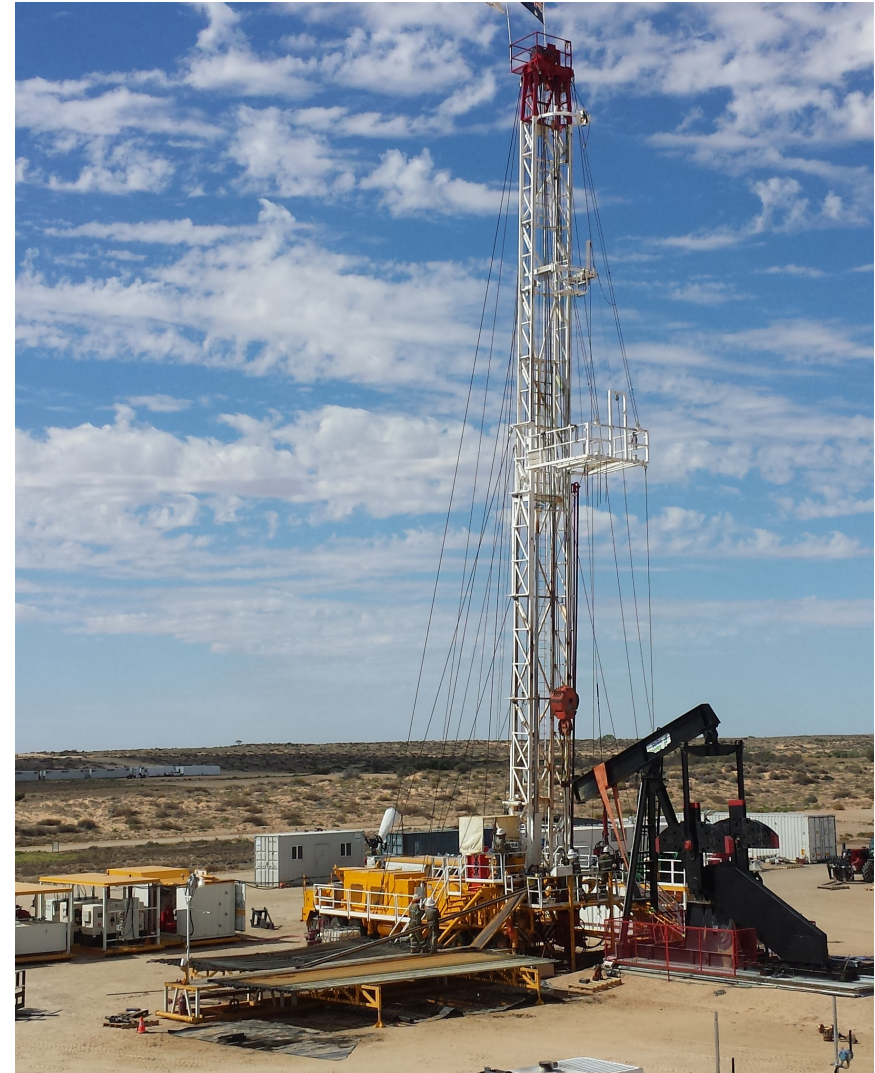
*The information in this presentation that relates to the PEL 96, PEL 95 and PEL 94 contingent resources estimate has been taken from the independent reports as prepared by DeGolyer and MacNaughton, a leading independent international petroleum industry consultancy firm, and has been reviewed by Mr Chris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

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

### About DeGolyer and MacNaughton

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

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



# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

**STRIKE ENERGY LIMITED**

ABN

**59 078 012 745**

Quarter ended ("current quarter")

**30 June 2016**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	284	1,590
1.2 Payments for (a) exploration & evaluation	(3,216)	(14,288)
(b) development	-	(11)
(c) production (1)	(161)	(1,489)
(d) administration	(667)	(3,018)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (2)	137	9,131
<b>Net operating cash flows</b>	<b>(3,623)</b>	<b>(8,085)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(40)	(118)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) (3)	(8)	279
<b>Net investing cash flows</b>	<b>(48)</b>	<b>161</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(3,671)</b>	<b>(7,924)</b>

(1) Production payments on a YTD basis include prepayments made under an existing gas transmission agreement for the Group's US assets totalling \$US 338K.

(2) Other operating cash flows on a YTD basis includes the receipt of \$8.5m from the ATO as a result of eligible R&D activities undertaken during this FY15 year.

(3) Other investing cash flows in the current quarter and on a YTD basis includes the receipt of \$287k cash that was released from security deposits (that was used to collateralise existing bank guarantees relating to the West Perth office lease) net of the collateralisation of new bank guarantees (\$8k) that occurred during the quarter.

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(3,671)	(7,924)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options (net of costs) (1)	6,317	6,317
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (2)	360	4,000
1.17	Repayment of borrowings	(12)	(6,129)
1.18	Dividends paid	-	-
1.19	Other:		
	a. Interest and other cost of financing paid	(190)	(904)
	b. Interest & other items of a similar nature received	23	97
	<b>Net financing cash flows</b>	<b>6,498</b>	<b>3,381</b>
	<b>Net decrease in cash held</b>	<b>2,827</b>	<b>(4,543)</b>
1.20	Cash at beginning of quarter/year to date	4,369	11,694
1.21	Exchange rate adjustments to item 1.20	18	63
1.22	<b>Cash at end of quarter</b>	<b>7,214</b>	<b>7,214</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2 (a)	271
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	(a) In addition to the respective salary and fee payments made to Directors, during the quarter, the Group also made payments to M H Carnegie & Co Pty Ltd (a director related entity via Mr M Carnegie) under the terms of an office leasing agreement (\$46,050).	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

**Financing facilities available**

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities (2) (3) (4)	9,889	9,889
3.2	Credit standby arrangements	-	-

(1) During the quarter the Company successfully completed a \$6.7 million private placement (prior to issue costs) that resulted in the issuance of an addition 67 million new shares in the Company. For details of this placement reference should be made to the Company ASX announcement dated 7 April 2016.

(2) The Group continues to be a party to the Macquarie Facility on the terms and conditions as disclosed in the half year financial report for the period ended 31 December 2015. During the current quarter, the Company drew down an additional \$360k (with total drawings YTD being \$4 million) while also entering into amendment to reduce the interest rate on the Macquarie Facility to 11.5%.

(3) The Group continues to be a party to the Orica Facility on the terms and conditions as disclosed in the 2015 Annual financial report.

(4) The Group continues to be a party to the BlueRock Facility on the terms and conditions as disclosed in the half year financial report for the period ended 31 December 2015. During the quarter the Group entered into a further amendment to the BlueRock Facility to extend through to 31 December 2016 the current concessional arrangements pertaining to the repayment profile and interest rate applicable to the facility.

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	3,670
4.2	Development	-
4.3	Production	673
4.4	Administration	947
<b>Total</b>		<b>5,290</b>

*The above estimated cash outflows for the next quarter do not take into account the benefit of cash inflows from the sale of production or forward gas sales prepayment agreements, cash inflows associated with the Company's FY 16 R&D claim and the effect of other cash flow positive activities.*

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
<b>5.1 Cash on hand and at bank</b>	3,555	1,677
<b>5.2 Deposits at call</b>	3,300	-
<b>5.3 Bank overdraft</b>	-	-
<b>5.4 Other – Share of JV bank accounts</b>	359	2,692
<b>Total: cash at end of quarter (item 1.22)</b>	<b>7,214</b>	<b>4,369</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Refer to appendix A		
6.2	Interests in mining tenements acquired or increased	N/A		

*For further details on the Company's petroleum permits and joint ventures, please refer to Appendix A.*

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities (1)</b>	900,330,946	900,330,946		
7.4 Changes during quarter (a) Increases through issues (1) (b) Decreases through returns of capital, buy-backs	67,000,000	67,000,000	10 cents	10 cents
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<b>Exercise price</b>	<b>Expiry date</b>
	7,000,000		20 cents	18 Nov 2016
	1,000,000		20 cents	01 Nov 2017
	3,000,000		20 cents	18 Nov 2018
	200,000		18 cents	10 Apr 2018
(2) 1,700,000			- cents	30 Oct 2018
(3) 26,800,000			- cents	30 Oct 2018
(4) 450,000			- cents	30 Oct 2018
7.8 Issued during quarter	(2) 1,700,000		- cents	30 Oct 2018
7.9 Exercised during quarter				
7.10 Expired during quarter	(5) 1,700,000		- cents	14 May 2016
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

(1) During the quarter the Company successfully completed a \$6.7 million private placement (prior to issue costs) that resulted in the issuance of an addition 67 million new shares in the Company. For details of this placement reference should be made to the Company ASX announcement dated 7 April 2016.

(2) Reflects 1,700,000 performance rights that were issued under the terms of the Company's Employee Share Incentive Plan - for details of this award, reference should be made to the Company's ASX announcement dated 26 May 2016.

(3) Reflects performance rights issued under the Company's Employee Share Incentive Plan net of awards forfeited during the current financial year - for terms and conditions of these awards, reference should be made to the Group's Annual Financial Report for the year ended 30 June 2015.

(4) Reflects 450,000 performance rights that were issued under the terms of the Company's Employee Share Incentive Plan - for details of this award, reference should be made to the Company's ASX announcement dated 14 August 2015.

(5) Reflects 1,700,000 performance rights issued under the terms of the Company's Employee Share that expired under the terms and conditions of their issuance per the Company's ASX announcement dated 18 May 2016.

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
Company Secretary

Date: 28 July 2016

Print name: .....  
Sean McGuinness

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+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity quarterly report

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#### Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

*Appendix A – Petroleum permit and joint venture interests*

**Australia**

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

**United States**

<b>Permit / Joint Venture</b>	<b>Location</b>	<b>Registered Holder</b>	<b>Involvement</b>	<b>% Interest</b>
Eagle Landing Joint Venture	Texas	Strike Energy Eagle Ford LLC	Participant	27.5
Permian Basin	Texas	Strike Energy Permian Basin LLC	Participant	25.0
Eaglewood Joint Venture	Texas	Strike Energy Wilcox LLC	Participant	40.0

During the quarter ended 30 June 2016 the participants to the Eagle Landing joint venture entered into an agreement to relinquish in full the undeveloped exploration acreage that was due to expire under the terms of the existing land holder agreements over the next 18-month period. As a result of this agreement it is expected that 422 acres will be relinquished in the September 2016 quarter. After this relinquishment the Company will continue to hold a 27.5% interest in the Bingham production unit which the joint venture will continue to operate.

+ See chapter 19 for defined terms.