

# Strategic Placement to fund Strike's next phase of growth

22 July 2025



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This Presentation is dated 22 July 2025 and has been prepared by Strike Energy Limited (ASX:STX) (**Strike**) in relation to (i) the two-tranche placement of its proposed issue of fully paid ordinary shares in Strike (**Shares**) to Carnarvon Energy Limited (**Carnarvon**) to raise up to A\$88 million (before costs) (**Strategic Placement**) and (ii) an offer of Shares to eligible shareholders under a non-underwritten share purchase plan to raise up to A\$10 million (before costs), with Board discretion to accept oversubscriptions of up to \$5 million (**SPP**). Tranche 2 of the Strategic Placement and the SPP are subject to shareholder approvals.

This Presentation has been authorised for release to ASX by the board of directors of Strike (**Board**).

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Refer to Appendix A “Key Risks” for a summary of the potential risks associated with Strike, the industry in which Strike operates and an investment in Shares.

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## References to working capital

Where this Presentation includes references to ‘working capital’ in relation to the use of proceeds of the Placement, the Company will hold this component of the offer proceeds to apply to such general corporate and site operating costs and working capital requirements as may arise from time to time. Strike typically applies its working capital to satisfying expenditures in respect of suppliers, contractors and other vendors. The particular working capital uses of the proceeds from the Strategic Placement and the SPP will ultimately be determined by the prevailing operational and financial conditions of Strike.



# I. Strategic Placement overview



## Strategic Placement to fund development of Strike's core assets with South Erregulla on track for first production by 1 October 2026 and Strike targeting West Erregulla FID for 2H 2026

<b>Strategic Placement</b>	<ul style="list-style-type: none"> <li>A\$85-88m strategic placement in Strike Energy Limited by Carnarvon Energy Limited via a two-tranche equity investment (<b>Strategic Placement</b>), at an issue price of A\$0.12 per Share (<b>Issue Price</b>), with tranche 2 being subject to Strike shareholder approval</li> <li>Non-underwritten Share Purchase Plan (of up to A\$30,000 per shareholder) at the Issue Price to raise up to A\$10m (<b>SPP</b>) (with the ability to accept oversubscriptions for up to an additional A\$5 million at the Board's discretion) – subject to shareholder approval<sup>1</sup></li> </ul>
<b>Purpose of the Strategic Placement</b>	<ul style="list-style-type: none"> <li><b>Delivery of Strike's strategy</b> – Strike remains focused on executing its strategy to deliver reliable and flexible energy solutions that support WA's energy transition</li> <li><b>Development of core, cash generating projects</b> – Strategic Placement allows Strike to fund its core projects at West Erregulla, South Erregulla and Walyering, which are expected to generate sustainable operational cashflows</li> <li><b>Funding certainty</b> – Strategic Placement sufficient to fund Strike's development plan whilst providing contingency and flexibility to deploy capital to the highest return opportunities within Strike's portfolio<sup>2</sup></li> <li><b>Access to existing financing</b> – Strategic Placement facilitates access to remaining Macquarie facilities<sup>3</sup></li> <li><b>Australia's future energy security</b> – Investment strengthens Strike's capacity to support Western Australia's energy transition through successful delivery of its tier-1 portfolio</li> </ul>
<b>Project updates</b>	<ul style="list-style-type: none"> <li><b>West Erregulla</b> – Strike is focused on progressing work towards a targeted upstream and downstream FID in 2H 2026 to align with the 2026 Reserve Capacity Cycle process for the 2028-29 Capacity Year to preserve downstream optionality</li> <li><b>South Erregulla</b> – Strike remains on track to deliver WA's first fully integrated gas-to-power infrastructure, with construction advancing inline with targeted completion date of 1 October 2026</li> <li><b>Walyering</b> – Walyering cashflow generative, targeting extension of production profile via Walyering West near-field exploration well</li> </ul>

1. Further information regarding the SPP will be provided in a SPP Booklet to be dispatched to shareholders in due course.

2. Assuming completion of Tranche 2 of the Placement. Refer to the "Key Risks" contained in Appendix A, and specifically the risk under the sub-headings "Full completion", "Completion of the South Erregulla 85MW Project" and "Additional future operating and capital cost requirements".

3. Refer slide 8 for further information on conditions to drawdown and availability of Macquarie facilities and "Key Risks" contained in Appendix A.

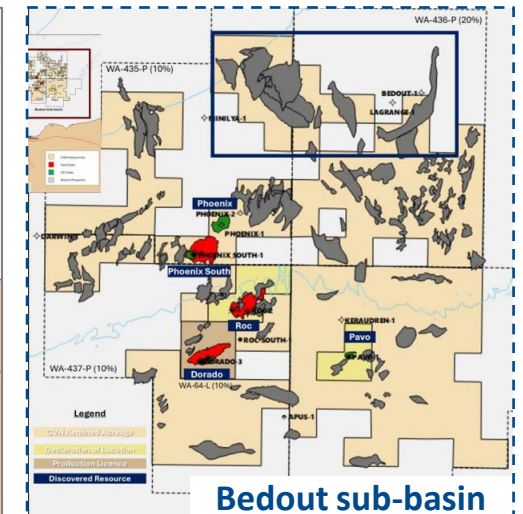
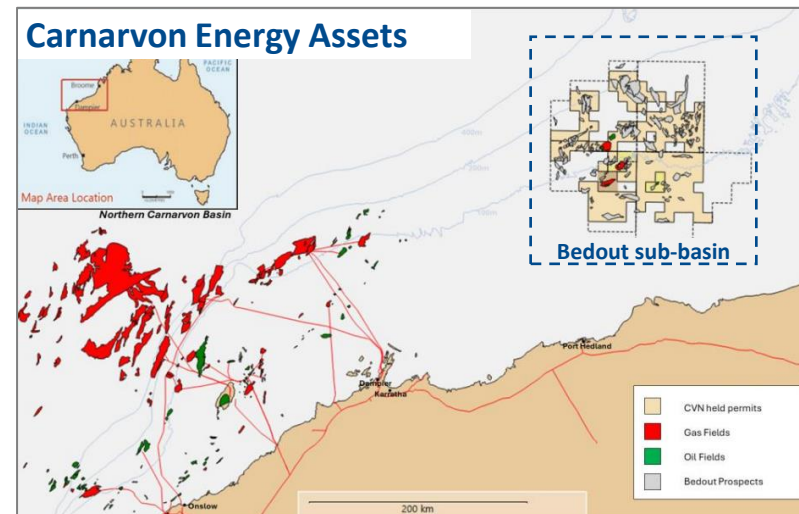


## Strategic rationale

- ✓ **Funding certainty** – Carnarvon’s strategic investment provides funding certainty for Strike to unlock the value of its high-quality Perth Basin asset portfolio
- ✓ **Attractive end markets** – The strategic investment provides Carnarvon significant exposure to WA’s domestic gas and electricity markets. Carnarvon believes there will be an increasing reliance on gas to support Western Australia’s industry growth and energy transition as aging coal-fired electricity generation assets are gradually retired
- ✓ **Securing Australia’s Energy Future** – Investment in Strike is aligned with Carnarvon’s efforts to advance Australia’s future energy security
- ✓ **Strategic positioning** – Strike’s high-quality Perth Basin portfolio is uniquely positioned to capitalise on WA’s energy transition, with the opportunity to deliver critical infrastructure to aid Australia’s energy security

## About Carnarvon Energy

- Carnarvon is an Australian oil and gas exploration company, with interests in the Dorado & Pavo fields in the Bedout sub-basin, Australia’s largest undeveloped offshore oil resources
- Actively exploring one of Australia’s most prospective oil and gas basins with the next well expected in mid-2026
- Following the Dorado JV Operator’s recent decision to delay the Dorado development, the Carnarvon Board has been assessing value accretive opportunities for shareholders – this investment marks the conclusion of their Strategic Review and Carnarvon will cease to progress their previously announced potential capital return
- Following the transaction Carnarvon will maintain a strong balance sheet with at least A\$96 million in cash whilst maintaining the ability to fund development of its own portfolio, including the Dorado liquids project and exploration drilling planned for the Bedout Sub-basin



## Proceeds sufficient to fund Strike's defined development plan

Funding sources	A\$m	Notes
Placement proceeds (Tranche 1)	52	Tranche 1 placement of approximately 430 million new Shares under Strike's available ASX LR 7.1 placement capacity
Placement proceeds (Tranche 2)	34 - 36	Tranche 2 placement, conditional upon the receipt of Strike shareholder approval <sup>1</sup>
Share Purchase Plan (SPP)	0 - 10 <sup>2</sup>	SPP provided to eligible shareholders to acquire up to A\$30,000 of Shares at the Issue Price, subject to shareholder approval
Macquarie financing facilities	143	Inclusive of Asset Financing Facility (Tranche A / B) and Corporate Financing Facility (Tranche A2 / B1 / B2 / C) <sup>3</sup>
Available cash (30-June-2025)	41	Cash on balance sheet as at 30 June 2025
<b>Total sources</b>	<b>270 - 282</b>	

### Funding uses

Completion of South Erregulla 85MW Project <sup>4</sup>	123	Completion of South Erregulla power plant development including delivery of upstream, generators, switchyard and transmission line
South Erregulla 15MW Expansion Project <sup>3</sup>	5	15MW expansion of South Erregulla (generators expected to be delivered under a Power Purchase Agreement / lease agreement) <sup>5</sup>
Upstream Field Development for West Erregulla	68	Strike estimated cost (STX share) to deliver first gas at West Erregulla (scope includes 2 wells, 2 work overs and upstream gathering network) <sup>6</sup>
Walpyring West Well <sup>3</sup>	18	Walpyring West-1 well targeting extension of production profile, plus tie in (on success) to the existing production facility
Ocean Hill Exploration Well <sup>3</sup>	15	Ocean Hill-2 exploration well to commence appraisal campaign
Working Capital and General Corporate Purposes	41 - 53	Funds to provide contingency for defined development projects and flexibility to deploy capital to the highest return opportunities within Strike's portfolio
<b>Total uses</b>	<b>270 - 282</b>	

1. Size of Tranche 2 is dependent on level of subscriptions under SPP and election by Carnarvon to top up its Tranche 2 Placement. Refer to Annexure A of Strike's ASX announcement titled 'Strategic Investment by Carnarvon Energy' dated 22 July 2025 for details of the Subscription Agreement.

2. The Strike Board reserves the discretion to accept oversubscriptions under the SPP up to an additional A\$5m. Refer to the "Full completion" risk on slide 19 for further information.

3. Refer slide 8 for further information on conditions to drawdown and availability of Macquarie facilities and to "Key Risks" at the end of this presentation, including "Debt Financing" Risk.

4. If Strike is required to finance the Western Power scope upfront, the total Capital Expenditure is estimated at A\$29 million which will be funded via this Placement and usage of Proceeds prioritized to core projects; South Erregulla, West Erregulla and Walpyring.

5. Refer to the "Completion of the South Erregulla 85MW Project" risk on slide 19 for further information.

6. Estimated cost is Strike estimate and is subject to change following completion of engineering and other pre-FID activities and finalisation of field development plan and requisite Joint Venture agreements.

## Pro-forma capital structure

	Shares (m)	Cash (A\$m)
Cash as at 30 June 2025	2,868	41
Strategic Placement (assuming Tranche 2 approved by shareholders and Carnarvon maximum election)	733	88
<b>Pro-forma (pre-SPP)</b>	<b>3,601</b>	<b>129</b>
SPP (assuming fully subscribed)	83	10 <sup>1</sup>
<b>Pro-forma (total)</b>	<b>3,684</b>	<b>139</b>
Macquarie Facility (drawn)	-	74
Macquarie Facility (undrawn)	-	143
<b>Total Liquidity</b>		<b>282</b>

**A\$139m**

Cash and cash equivalents

**A\$143m**

Debt capacity

**A\$282m**

Total capital capacity

### Total Capital Capacity

- As at 30 June 2025, Strike's total capital capacity is comprised of its A\$41 million cash balance, A\$88 million in undrawn committed debt facilities and A\$55 million in uncommitted facilities with Macquarie Bank. Following completion of the Strategic Placement Strike will have total capital capacity of up to A\$282 million

### Macquarie Financing Facilities

- The Macquarie Debt Facilities are inclusive of Tranche A (A\$13.9 million drawn of A\$49 million committed ) and B (A\$15 million, uncommitted) of an Asset Financing Facility and Tranche A1 (A\$60 million fully drawn), A2, B1, B2 and C of a Financing Facility, subject to the following conditions:

Tranche	Use	Conditions
Tranche A2 (\$13 million)	South Erregulla and general working capital	Drawdown is subject to customary legal and financial CPs associated with the project, expected to be satisfied in September
Tranche B1 (\$17 million)	South Erregulla and general working capital	Subject to customary legal and financial CPs following completion of the placement
Tranche B2 (\$23 million)	West Erregulla	Conditional on reaching an upstream FID at the asset
Tranche C (\$40 million)	West Erregulla (subject to Macquarie credit approval)	Facility establishment is subject to credit approval. Drawdown is subject to an upstream FID decision and other conditions customary for a facility of this kind and as determined by Macquarie credit.

1. The Strike Board reserves the discretion to accept oversubscriptions under the SPP up to an additional A\$5m. Refer to the "Full completion" risk on slide 19 for further information.



<b>Strategic Placement structure and size</b>	<ul style="list-style-type: none"> <li>• Carnarvon Energy Limited to invest approximately A\$85-88 million to acquire approximately 712-733 million Shares in a two-tranche placement, representing up to 19.9% of Strike's issued shares, comprising: <ul style="list-style-type: none"> <li>– Tranche 1 to raise approximately A\$52 million through the issue of approximately 430 million new Shares under Strike's available placement capacity pursuant to ASX Listing Rule 7.1 (<b>Tranche 1</b>); and</li> <li>– Tranche 2 to raise approximately A\$34-36 million through the issue of approximately 282-303 million new Shares which is conditional on receipt of shareholder approval to be sought at a General Meeting, expected to be held on or around 11 September 2025 (<b>Tranche 2</b>). The number of shares issued to Carnarvon under Tranche 2 will be dependent on Strike shareholder take-up of the Share Purchase Plan (see details below)</li> </ul> </li> <li>• New shares issued under the offer will rank equally with existing shares on issue</li> </ul>
<b>Share Purchase Plan</b>	<ul style="list-style-type: none"> <li>• In addition to the Strategic Placement, the Company intends to undertake a non-underwritten share purchase plan to eligible shareholders to raise up to A\$10m (<b>SPP</b>), conditional upon the receipt of shareholder approval to be sought at a General Meeting, expected to be held on or around 11 September 2025</li> <li>• The SPP is to be conducted at A\$0.12 per share, equivalent to the Issue Price</li> <li>• Strike has the ability to accept oversubscriptions to the SPP up to an additional A\$5 million at the Strike Board's discretion</li> <li>• Carnarvon has the right, but not the obligation, to be issued such number of additional Shares at the Issue Price after the issue of Shares under the SPP to result in Carnarvon's interest in Strike being 19.9%</li> </ul>
<b>Issue Price</b>	<ul style="list-style-type: none"> <li>• Placement price of A\$0.12 per new Share issued under the Strategic Placement and SPP represents a 19.7% discount to Strike's 10-day VWAP of A\$0.149 per share</li> </ul>
<b>Use of funds</b>	<ul style="list-style-type: none"> <li>• Refer to Use of Proceeds on Slide 7</li> </ul>
<b>Subscription Agreement</b>	<ul style="list-style-type: none"> <li>• Strike and Carnarvon have entered into a subscription agreement pursuant to which Carnarvon agrees to subscribe for the Shares under Tranche 1 and Trance 2 (<b>Subscription Agreement</b>).</li> <li>• The key terms of the Subscription Agreement are summarised in Annexure A of Strike's ASX announcement titled 'Strategic Investment by Carnarvon Energy' dated 22 July 2025.</li> </ul>

Event	Indicative Date <sup>1</sup>
<b>Placement</b>	
Announcement of the Strategic Placement	Pre-market Tuesday, 22 July 2025
Settlement of New Shares under Tranche 1 of the Placement	Tuesday, 29 July 2025
Extraordinary General Meeting	Thursday, 11 September 2025
Settlement of New Shares under Tranche 2 of the Placement <sup>2</sup>	Thursday, 25 September 2025
<b>Share Purchase Plan</b>	
Record Date for eligibility to participate in SPP	5pm AEST Monday, 21 July 2025
Dispatch SPP Offer Documents and SPP offer open date	Friday, 8 August 2025
Extraordinary General Meeting	Thursday, 11 September 2025
SPP closing date	Thursday, 18 September 2025
Announcement of SPP participation and results and Issue of New Shares	Thursday, 25 September 2025

1. All dates are indicative and subject to change.

2. Issue of New Shares under Tranche 2 of the Placement, if approved by shareholders, will occur immediately after the issue of New Shares under the SPP.



## II. Company Update





## Key Highlights for Quarter ending 30 June 2024

**A\$18.3m**  
(-1% vs prior period)  
Total Sales Revenue

**A\$7.38**  
(-2% vs prior period)  
Avg. Realised Gas Price  
(per GJ)

**A\$105.28**  
(-12% vs prior period)  
Avg. Realised Condensate  
Price (per bbl)

**A\$3.3m**  
(-56% vs prior period)  
Exploration & App.  
Expenditure

**A\$23m**  
(+118% vs prior period)  
Development Expenditure

**A\$76.2m**  
(+242% vs prior period)  
Available Liquidity as of  
30 June 2025

## Commentary

- Total sales and average realised prices down due to FX
- A total of 2.3 PJe was produced at ~25 TJ per day in line with firm offtake agreements with no change quarter on quarter

- Development expenditure includes:
  - A\$21.2 million at South Erregulla Peaking Power Plant
  - A\$1.7 million at Walyering relating to compression installation
- Exploration expenditure primarily relates to Natta 3D seismic survey

- As at 30 June 2025 Available Liquidity includes A\$41.1 million cash and A\$35.1 million of available undrawn debt
- Remaining ~A\$108 million of Total Capital Capacity is subject to conditions of the Macquarie Facility described on Slide 8

*Full details of activities in Q4 and FY25 will be included in Strike's Q4 FY25 Quarterly Results to be released 30 July 2025*

## Progressing toward FID

- **Upstream development funded** – Strategic Placement along with Macquarie Facilities funds upstream development<sup>1</sup>
- **Equity lifting**– Strike expects to equity lift its share of the West Erregulla raw gas to its downstream solution
- **Targeting FID in 2H CY2026** – Strike is progressing work towards a targeted upstream and downstream FID to align with the 2026 Capacity Reserve Cycle process for the 2028-29 Capacity Year
- **Downstream processing flexibility** – Strike is progressing work on the downstream solution, discussions ongoing with potential infrastructure partners, positioning itself as a partner of choice for Government and strategic stakeholders in support of WA's energy transition
- **Seismic data acquired** – West Erregulla and Erregulla Deep Natta 3D seismic processing and interpretation is expected to be complete in Q4 CY2025

## Downstream optionality

### Development optionality

- Strike is focused on an expansion of its integrated gas-to-power strategy with West Erregulla reserves whilst retaining flexibility to pursue a hybrid solution or dedicated gas processing through 3<sup>rd</sup> party gas processing infrastructure
- Downstream development will be sized appropriately for Strike's equity share of upstream gas flow from the West Erregulla field to maximise value of gas resource whilst mitigating operational and market risks

### Downstream funding opportunities:

- Strike is currently engaged in discussions with a range of potential infrastructure partners regarding the development of a gas-fired powerplant and associated mid-stream infrastructure
- Processing facilities are intended to be funded under a 'Build Own Operate' (BOO) model where an infrastructure partner funds upfront capital expenditure in exchange for a life of asset toll

1. Based on Strike cost estimate for an FID scope of work including 2 wells, 2 workovers, engineering and network gathering construction and is subject to change following completion of engineering and other pre-FID activities and finalisation of field development plan and requisite Joint Venture agreements. Refer to Slide 8 for details on Macquarie Facilities and Appendix A: Key Risks at the end of this presentation.

## Strike is delivering critical energy infrastructure



**Construction on track for  
1 October 2026 online**

- Construction is advancing in line with targeted completion date of 1 October 2026
- As part of the Strategic Placement, Strike has undertaken an internal review of the capital budget and increased its capital allocation by A\$13 million (~10%, including contingency) for existing Strike owned and operated scope items compared to FID budget
- Western Power scope and costs – including a switchyard, network connection and associated network improvements – have been revised to meet updated design requirements, with connection and network costs increasing from ~A\$6.6 million to ~A\$34 million<sup>1</sup>
- Discussions remain ongoing to fund additional capital expenditure for the revised Western Power scope through a deferred payment arrangement, with options including a tariff arrangement (which Strike currently estimates could result in a ~15-30% increase in the estimated operating costs (A\$1-2 million increase per year) over the 20-25 year useful life of the project<sup>1</sup>)
- If Strike is required to finance the revised Western Power scope upfront, the total capital expenditure is estimated at A\$29 million which will be funded via the Strategic Placement
- Expansion of the South Erregulla power plant by 15MW is targeted for completion by 1 October 2027 to align with the 2027/8 capacity year. Expansion FID is targeted for November 2025 (subject to award of capacity credits and NAQ, to be determined in November 2025)<sup>2</sup>
- A total of ~A\$5 million (including contingency) is required to expand the facility, with the generators expected to be delivered under a Power Purchase Agreement / lease agreement

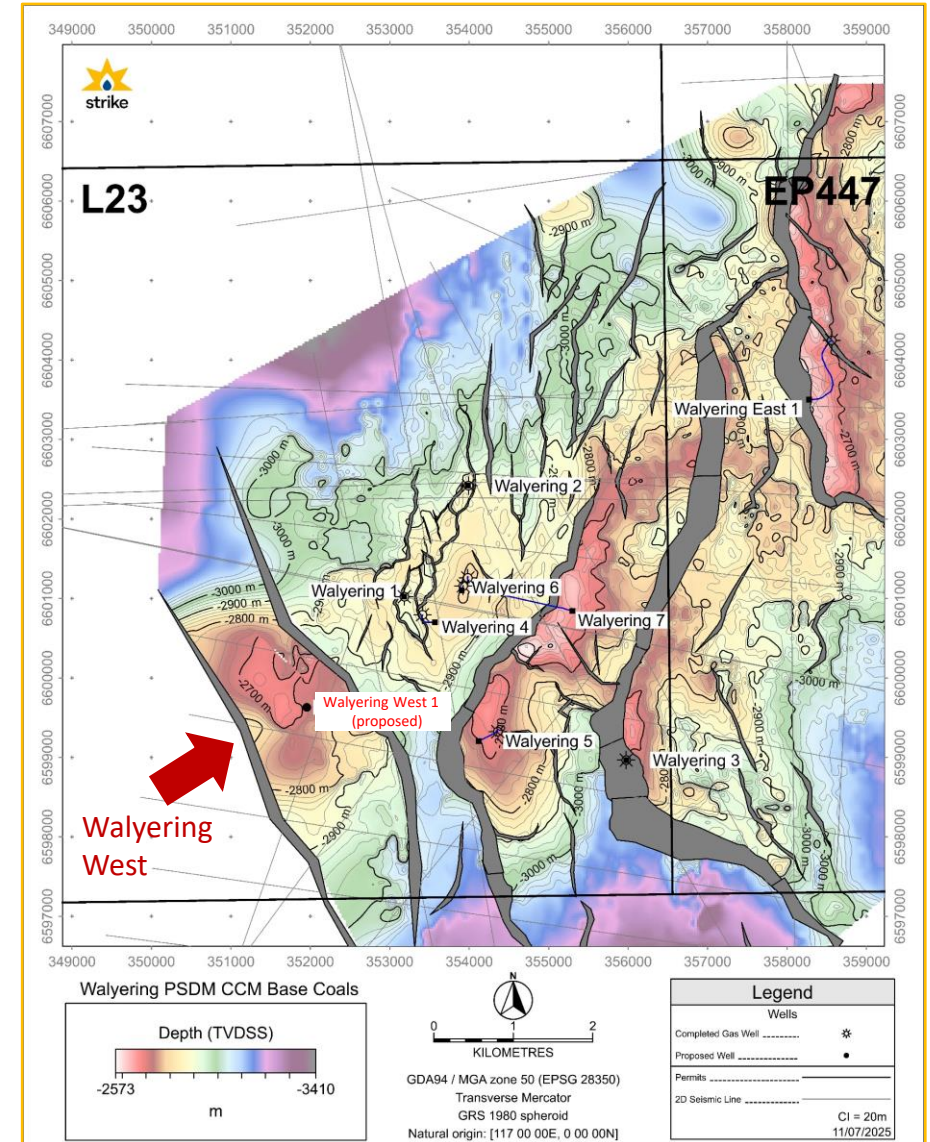
1. Refer to "Exploration, drilling and production" Risk on Slide 20 and "Completion of the South Erregulla 85 MW Project" Risk on Slide 19.  
2. Refer to "Debt Financing" Risk on Slide 22.



## Cashflow generative – focus on life extension

- Walyering continues to produce material cashflow with total FY25 revenue of A\$72.7 million at an average production cost of A\$0.60/GJ
- Walyering is undergoing field decline customary for projects of this nature, however, performance from Walyering 7 has been below expectations
- Independent Annual Reserves Review for end of year reporting is ongoing with results expected to be finalised prior to release of Strike's Annual Report – based on preliminary work, Strike expects the review will result in a Reserves downgrade for the Walyering field and does not expect to add Reserves from the recent Walyering East exploration well in this review<sup>1,2</sup>
- Compression is being added to the project to mitigate near-term production declines and maintain steady-state production to meet firm gas supply agreements<sup>2</sup>
- To mitigate the risk of shortfall under firm gas supply agreements, a Near-Field Exploration well is proposed at Walyering West with the aim to add reserves and extend the production profile of the Walyering project relative to revised expectations<sup>2,3</sup>
- The Walyering West prospect offers a proximal, geologically analogous target to the proven productivity of the Walyering-5 well
- On success, Walyering West presents a low cost and fast to market tie-in (~A\$15m well costs + ~A\$3m tie in)
- Strike has commenced procurement of required long lead items and approvals

1. Walyering East Reserves addition and development to be considered on success of and in conjunction with a potential Walyering East development.  
 2. Refer to "Exploration, Drilling and Production" Risk on Slide 20.  
 3. Refer to "Debt Financing" Risk on Slide 22.



## Strike's exploration portfolio offers long-term growth and value creation

- Strategic Placement positions Strike to advance appraisal at Ocean Hill as the final step in its capital allocation sequence, following confirmation of funding for priority developments<sup>1</sup>
- Ocean Hill 2 will target the Cadda and CCM formations where gas was discovered in 1991. The discovery is considered analogous to Walyering
- The Ocean Hill 1 discovery encountered gas sands over a 700m gross interval where suboptimal drilling and testing meant the project has remained dormant until 2024 when Strike acquired new 3D seismic
- Ocean Hill Independent Resources Update currently being prepared by RISC Advisory will consider results of new 3D seismic interpretation completed during FY25
- If Ocean Hill 2 is successful, Strike will seek to pursue a further appraisal drilling campaign before taking any development decision, with remaining appraisal wells to be funded out of operating cashflows

>3,000 km<sup>2</sup> of acreage and more than 25 prospects and leads across Permian & Jurassic acreage

- ✓ Strike remains committed to the disciplined, phased development of its significant Perth Basin resource base
- ✓ Ocean Hill appraisal to proceed as the final stage of capital allocation, following full coverage of development project requirements
- ✓ On success, Ocean Hill presents a low cost, fast to market development opportunity given the likelihood of low CO<sub>2</sub> gas and its proximity to the Dampier to Bunbury Natural Gas Pipeline
- ✓ Ongoing exploration and appraisal activity will be structured to preserve balance sheet strength and meet licence obligations
- ✓ Exploration portfolio supports long-term optionality for Strike's gas-to-power and processing infrastructure, remaining central to future value realisation

1. Refer to "Debt Financing" Risk on Slide 22.





## Positioning Strike for the next phase of growth

**As Western Australia's newest domestic gas producer, Strike is generating revenue and implementing a fully integrated gas-to-power strategy unlocking higher-margin opportunities**

### Reasons to Invest

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- ✓ **High-quality, Strategic Asset Base** - Tier-one gas resources with a clear line of sight to market, located within the primary electricity grid of WA
- ✓ **Generating Low Cost Cashflows** - Low-cost operator with FY25 average direct gas production cost of ~A\$0.60/GJ
- ✓ **Multiple Value Pathways** - Downstream optionality through integrated gas-to-power and processing infrastructure
- ✓ **Proven Project Developer** - Walyering is the first WA greenfield gas project in over 10 years, progressing from discovery to production in 21 months
- ✓ **Major Resource Holder** - Operator of four discovered and independently certified gas fields in the Perth Basin with 82% success rate for drilling
- ✓ **Core Projects Funded** – Funded to deliver on Strike's strategy



Appendix

A

Key risks



## OFFER SPECIFIC RISKS

### Full completion and Use of Proceeds

- In this Appendix A, references to the Strategic Placement and the SPP are “the Offer”. Tranche 2 of the Placement is subject to and conditional on receipt of shareholder approval which will be sought at a General Meeting of the Company. In addition, the SPP is also subject to shareholder approval which will be sought at a General Meeting of the Company and is not underwritten. As such, there is no guarantee that the intended amount of up to A\$36 million will be raised under Tranche 2 of the Placement, or the amount of up to A\$10 million (or an additional A\$5 million, if the Board decides to accept oversubscriptions) will be raised under the SPP. If the proceeds raised from the Offer are less than is targeted to be raised, Strike will need to review its proposed use of funds set out on slide 7 of this presentation (including whether to scale back or defer investment, including the proposed drilling of the exploration well Ocean Hill and the South Erregulla 15MW Expansion Project) as well as consider alternative funding options. The Subscription Agreement entered into with Carnarvon for the Placement contains a customary restriction on the use of the Proceeds of the Strategic Placement, requiring that Strike prioritise expenditure on its cash generating and near-term cash generating assets, being the 85MW South Erregulla Power Project, West Erregulla and Walyering. If Tranche 2 of the Placement does not complete, Strike will be required to prioritise use of the proceeds of the Offer in accordance with that priority of usage restriction. It is possible that the funds raised from the Offer may be insufficient to meet the minimum working capital requirements required to progress the West Erregulla upstream field development, in which case, Strike may need to defer the development or otherwise seek additional funding (see ‘Additional future operating and capital cost requirements’ risk factor).

### Speculative investment

- The Shares to be issued pursuant to the Offer carry no guarantee with respect to the payment of any future dividends, returns of capital or the market value of Shares. Potential investors should consider that the investment in Strike is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to the Offer. The last trading price of Shares on ASX prior to the date of this presentation is not a reliable indicator as to the potential trading price of Shares following completion of the Offer.

### Dilution

- Shareholders who do not participate in the SPP will have their percentage or proportional security holding in Strike diluted (in addition to the dilution that will occur due to the Placement).
- In addition, investors may be diluted by future capital raisings undertaken by Strike. Shares may be issued to raise proceeds for working capital, growth, acquisitions, to repay debt or for any other reason, which may, under certain circumstances, dilute the value of shareholders’ interests. Strike will only look to raise equity if it believes that the benefit to investors of the proposed transaction is greater than the impact caused by the dilution associated with a capital raising.

## COMPANY AND INDUSTRY RISKS

### Completion of the South Erregulla 85MW Project

Strike is targeting first production at South Erregulla by 1 October 2026. The operational and financial performance of the South Erregulla Project is dependent on the successful development of the South Erregulla 85MW Project.

There are a number of risks and uncertainties that are associated with the development of the South Erregulla Project that are largely beyond the control of Strike, including:

- the outcome of the ongoing discussions on a deferred payment arrangement for the Western Power scope of work (refer to slide 14 for further detail);
- failure to achieve and operate (and continue to operate) at the designed power generation capacity of 85MW;
- the performance and production from the South Erregulla-1 well, which may impact on the production performance of the South Erregulla 85MW Project. This risk could be mitigated through the drilling of a further South Erregulla well or procurement of gas via a connection to the Dampier to Bunbury Natural Gas Pipeline;
- failures of third-party operated infrastructure (including, for example, electricity grid infrastructure) on which Strike relies for the successful operation of the South Erregulla Project;
- escalation in operating or capital costs for the development of the South Erregulla Project;
- future capital requirements exceeding those forecast in Strike’s budget;
- slippage in the development or pre-production schedule as a result of delays in obtaining, or a failure to obtain or maintain necessary government permits or approvals, shortages of or delays in the procurement of materials, or other items necessary for ongoing development, delays in the negotiation of key contracts or the engagement of personnel or delays caused by seasonal weather patterns;
- unforeseen geological, physical, environmental, engineering, construction or economic conditions or challenges that make ongoing development impossible, economically unfeasible or unattractive; and
- unanticipated natural disasters, accidents, political opposition, litigation, outbreaks of disease, pandemics or continuation of the same or other events associated with development or operation of the South Erregulla Project.

### Commodity prices and electricity demand and pricing

- Strike’s business is heavily dependent on prevailing market prices for its products, primarily uncontracted gas volumes, crude oil price and electricity demand and pricing. Changes in the gas price for uncontracted gas volumes, crude oil price and electricity demand and price will impact revenue, cash flows, profitability, and ability to service its debts.



## COMPANY AND INDUSTRY RISKS

### Exploration, drilling and production

- Gas exploration is a speculative endeavour with an associated risk of discovery to find any gas in commercial quantities and a risk of development. No assurances can be given that funds spent on exploration will result in discoveries that will be commercially viable. Future exploration activities, including drilling and seismic acquisition, may result in changes in current prospectivity perceptions of individual prospects, leads and permits. It may even lead to a relinquishment of the permit, or a portion of the permit.
- Gas drilling activities are subject to numerous risks, many of which are beyond Strike's direct control. Drilling activities may be curtailed, delayed or cancelled as a result of weather conditions, unexpected geological conditions, mechanical difficulties, conditions which could result in damage to plant or equipment or the environment, delays in government or regulatory approvals, availability of the necessary technical equipment and appropriately skilled and experienced technicians. Drilling may result in wells that, whilst encountering gas, may not achieve commercially viable results.
- Gas projects may be exposed to low side reserve outcomes, cost overruns, and production decrease or stoppage, which may be the result of facility shut-downs, mechanical or technical failure and other unforeseen events. Refer to Slide 14 for more information regarding the South Erregulla cost re-forecasting and potential deferred payment arrangements for the Western Power scope of work for the South Erregulla Project. Refer to Slide 15 for more information regarding the expected production decline and reserves downgrade for the Walyering field.
- A significant poor development outcome or failure to maintain production profiles could result in Strike lowering reserve and production forecasts, loss of revenue and additional operating costs to restore production, and potentially an adverse impact on the financial position of Strike. In some instances, a loss of production may incur significant capital expenditure, which could require Strike to seek additional funding.
- There is a risk that the mitigation measures currently being implemented to address the accelerated production decline and expected downgrade of reserves at the Walyering field may not succeed in maintaining or extending gas production to the levels required to meet Strike's firm gas supply commitments, and that any delay in implementation of mitigation measures from what is forecast (including compression) could also contribute to supply shortfall under firm gas supply commitments. This includes the risk that no or insufficient additional gas will be produced from the planned near-field exploration well at Walyering West. Refer to slide 15 for further detail. Any further remedial measures or sourcing of alternative gas supply would require additional capital expenditure and could impact Strike's capacity to fund other projects or its operations and its financial position.

### Estimates

- Underground gas reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid at a certain point in time may alter significantly or become uncertain when new gas reservoir information becomes available through additional drilling or reservoir engineering over the life of the field. As reserve and resource estimates change, development and production plans may be altered in a way that may affect Strike's operations and/or financial results.
- Additionally, gas reserves and resources assume that Strike continues to be entitled to production licences over the fields and that the fields will be produced until the economic limit of production is reached. If any production licences for fields are not granted, renewed or are cancelled, estimated oil and gas reserves and resources may be materially impacted.

### Electricity Generation

The South Erregulla 85MW and 15MW Expansion Projects, together with any future midstream or downstream electricity generation projects that Strike may pursue ("Electricity Generation Projects") involve the development and construction of infrastructure for the production of electricity from Strike's gas assets. Historically Strike has not been a participant in the electricity generation industry, and so will be exposed to risks of a new and different nature to those associated with a petroleum exploration and development company with upstream assets and activities only. These electricity-industry specific risks relating to the Electricity Generation Projects include:

- legal and regulatory risks that are specific to electricity generation and transmission, including the prospect of changes in laws and regulations (including as a result of decarbonisation policies);
- electricity market and contract risks, including the price for which Strike will be able to sell its electricity from time to time and the risk of not being able to discharge contractual or regulatory supply obligations that Strike commits to or assumes in connection with the sale of electricity;
- electricity buyer risks, including counterparty default;
- the risk that development and construction costs for Strike's electricity production facilities will exceed budget. New power generation plants under construction are exposed to risks associated with the project not being completed on time, on budget or in accordance with specifications. Increased costs and/or timing delays may delay or reduce the expected cash flows on a project and consequently impact Strike's operating and financial results at the Electricity Generation Projects;
- the risk that operating costs for Strike's electricity production facilities will be more than anticipated;
- the financial and operating performance of the Electricity Generation Projects will depend on the reliability of Strike's equipment and facilities. If these do not operate as intended and suffer outages or significant damage, electricity production is likely to be impacted which may result in adverse financial consequences for Strike;
- the financial viability of the Electricity Generation Projects may rely on the availability of third party infrastructure, meaning any failure in, for example, transmission, distribution and pipeline infrastructure, could adversely impact the ability of Strike to generate and deliver electricity, and have adverse financial consequences;
- the Electricity Generation Projects will rely on continuity of supply of various inputs, including upstream gas-supply. If the South Erregulla-1 well underperforms and mitigation through gas from other sources is not available, gas may not be available in the volumes required to operate in a financial viable manner. Strike anticipates procuring gas from third parties - if the price of the gas required to be procured from any third party is higher than forecast, the feasibility of the Electricity Generation Projects will be adversely affected; and
- power production consists of a diverse collection of operations and sequences, which can be complex to control. There is a risk that key business systems may be adversely affected by a number of factors, including an inability to operate, lack of support to maintain systems, damage, equipment faults, power failure, communication system failure, computer viruses, misuse by employees or contractors, external malicious interventions such as hacking, fire, natural disasters or weather interventions. Any failure of key business systems may materially impair the operation of the Electricity Generation Projects and consequently adversely affect Strike's financial and operating performance.



## COMPANY AND INDUSTRY RISKS

### Operations

- Industry operating risks include fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in substantial losses to Strike due to injury or loss of life, damage to or destruction of property, natural resources, or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties or suspension of operations. Damages occurring to third parties as a result of such risks may give rise to claims against Strike.
- Industrial disputes, work stoppages and occupational safety incidents involving Strike's employees or contractors, natural disasters and extreme weather events, inadequate supply chain performance, deliberate acts of destruction, the inherent uncertainty in reserves estimates, failure of IT and other systems, cyber security disruption, environmental impacts, all contribute towards operational risk, which may have an adverse impact on Strike's profitability and results of its operations.

### Land access risk

- Land access is critical to the operations of Strike. Immediate and continuing access to land within licence and permit areas cannot in all cases be guaranteed as Strike may be required to obtain the consent of the owners and occupiers of the relevant land or surrounding land. Compensation may be required to be paid to the owners and occupiers for Strike to carry out exploration activities.
- Various aspects of Strike's future performance and profitability are dependent on the outcome of future negotiations with third parties and maintenance of land access arrangements for projects under development or operational. In addition to the outcome of negotiations on land access arrangements, future negotiation with the government is expected in respect of licence renewals, developing related infrastructure and work obligations and security for rehabilitation of areas of operation within Strike's tenements.
- Potential claims by community members and stakeholders, who may have concerns over the social or environmental impacts of oil and gas operations or the distribution of oil and gas royalties and access to petroleum-related benefits, have the potential to affect land access or cause community unrest and activism, which may diminish Strike's reputation.

### Environment

- Strike's exploration, appraisal, development and production activities may be delayed or may be unsuccessful owing to state, national and international environmental laws and regulations. Gas exploration, development and production can be potentially environmentally hazardous giving rise to substantial costs for environmental rehabilitation, damage control, and losses. Strike's operations will be subject to environmental controls relating to hazardous operations and the discharge of waste. The legal framework governing this area is complex and constantly developing. There is a risk the environmental regulations may become more onerous, making Strike's operations more expensive or causing delays. Non-governmental activists' activities may adversely affect gas exploitation activities, and those activists may successfully lobby for enhanced or altered regulations that impact or prevent exploration or exploitation activities (including conventional gas exploration).

### Legislative and regulatory risk

- Strike will operate in industries subject to extensive national and local laws and regulations. Non-compliance can lead to regulatory or legal actions and can impact the status of licenses or operatorship. Retention of licences can also be impacted when government development expectations are not met.
- Changes in government policy, the fiscal regime, regulatory regime or the legislative framework could impact Strike's business, results from operations, asset valuation or financial condition and performance. The possible extent of such changes that may affect Strike's business activities cannot be predicted with any certainty. The effects of any such actions may result in, amongst other things, delays or the prevention of Strike being able to execute certain activities, increased costs (whether in the nature of capital or operating expenses), taxes (direct and indirect), domestic market obligations, or reduced revenue. Companies in the energy and industrials sectors may be subject to paying direct and indirect taxes, royalties and other imposts in addition to normal company taxes. Strike's profitability may be affected by changes in government taxation and royalty policies or in the interpretation or application of such policies. In addition to changes in existing tax laws, risk is also embedded in the interpretation or application of existing tax laws, especially where specific guidance is unavailable or has not been tested in the relevant tax jurisdiction. Strike may also be forced to surrender or sell certain of its assets if required to do so by regulatory authorities, whether on a temporary or permanent basis.

### Joint venture risk

- Strike is currently, and may in the future, be party to joint venture or joint operating agreements for a number of the licences, leases and permits in which it holds interests of less than 100%. Subject to any sole risk development rights that may exist in the relevant joint venture agreement, Strike may require the agreement of other joint venturers to proceed with an exploration, appraisal or development project. Where sole risk development rights are exercisable by a party to a joint venture or joint operating agreement, Strike may not, for whatever reason, be in a position to participate and in those circumstances Strike may not benefit wholly or at all from development activities which are undertaken by a counterparty exercising its sole development rights.
- Strike's joint venture partners may have economic or other business interests or goals that are inconsistent with the business interest or goals of Strike and may be in a position to take actions contrary to Strike's objectives or interests. Where a joint venture partner does not act in the best interests of the joint venture, there is underperformance by the joint venture management team or where the interests of joint venture partners do not align with Strike, this may adversely affect Strike's business, financial condition or results of operations.
- Strike's target date for taking an upstream FID at West Erregulla referenced in Slide 13 remains subject to the approval of its joint venture partner's and there is no guarantee that approval will be forthcoming or that agreement can be reached on acceptable terms and on a timely basis. Refer to "Counterparty and credit risk" on Slide 22.

### Acquisitions and divestments

- Strike will from time to time evaluate acquisitions and divestment opportunities across its range of assets and businesses, and engage in confidential negotiations with third parties with respect to these opportunities. However, neither of the opportunities nor the negotiations will be disclosed publicly until such time as the prospects of transacting are sufficiently certain, and Strike has determined the impact of the potential transaction would be material to the price of Strike Shares. Any acquisitions or divestments may lead to changes in future capital and operating expenditure obligations which may impact on Strike's funding requirements.

## COMPANY AND INDUSTRY RISKS

### Counterparty and credit risk

- A dispute, or a breakdown in the relationship, between Strike and governments, regulators, its joint venturers, suppliers or customers, a failure to reach a suitable arrangement with a particular joint venturer, supplier or customer, the failure of a joint venturer, supplier or customer to pay or otherwise satisfy its contractual obligations (including as a result of insolvency, financial stress) or termination of an existing arrangement by a particular counterparty, could have an adverse effect on the reputation and/or the financial performance of Strike.
- Strike's relationship with its lending bank is particularly important. If Strike's financial position deteriorates materially, and Strike's lending bank is unwilling to grant covenant waivers or amendments to Strike's existing financing facilities then the potential resulting debt covenant breaches may affect Strike's ability to finance its business.
- Strike may also be adversely affected if a counterparty seeks to amend the terms (including pricing) of an existing contract, whether in anticipation of a potential breach of contract by such counterparty or otherwise. A breakdown in the relationship with a counterparty as a consequence of these or other factors may also adversely affect Strike's future business prospects with that counterparty.

### Personnel

- The operating and financial performance of Strike is in part dependent on its ability to retain and attract key personnel. Whilst Strike will make every reasonable effort to retain key personnel, there can be no guarantee that it will be able to retain its management team. There is also a risk that, in the current or future market conditions, Strike may need to pay a higher than expected cost to acquire or retain the necessary labour.

### Cyber security

- The integrity, availability and reliability of data within Strike's information technology systems may be subject to intentional or unintentional disruption. Given the increasing level of sophistication and scope for potential cyberattacks, these attacks may lead to significant breaches of security that could jeopardise the sensitive information and financial transactions of Strike (from a cyber perspective) and property and environmental damage (from a physical perspective).

### Insurance coverage

- Strike will seek to maintain appropriate policies of insurance that are consistent with those customarily carried by similar organisations in the energy sector. Any future increase in the cost of such insurance policies, or an inability to fully replace, renew or claim against insurance policies could adversely affect Strike's business, financial position and operational results. Additionally, there is no assurance that Strike's insurance coverage will be sufficient to compensate it against all losses it may suffer as a result of an incident affecting its assets. There are certain types of risks that are not covered by insurance because they are either uninsurable or not economically insurable, including acts of war, acts of terrorism, civil unrest and business disruption caused. If such events were to occur, Strike may have to bear the costs of any uninsured risk or uninsured amount and this could have a material adverse effect on the business, financial position and operational results.

### Additional future operating and capital cost requirements

- As noted above, Strike's expenditure needs in connection with the intended use of proceeds for the Offer may not be satisfied by the proceeds of the Offer alone and future financing may be required to fully fund those activities (in addition to the proceeds from the Offer).
- Strike's future funding may also need to be supported by external project financing, however there is no certainty Strike will be able to secure such financing on appropriate terms. Additionally, unexpected changes to future cost profiles (including as a result of a tightening labour and supply market) or projected cash flows (including as a result of production delays) could result in Strike's cash requirements being over and above its available liquidity. To the extent that Strike's cash reserves and debt facilities are insufficient to meet its commitments for ongoing operations and capital expenditure, Strike may need to seek additional debt or equity funding, sell assets or defer capital expenditure.
- Any future additional equity financing may be dilutive to Strike shareholders, be undertaken at lower prices than the prevailing market price (or the price under the Offer) or involve restrictive covenants which limit Strike's operations and business strategy. Strike may undertake additional offerings of securities in the future. The increase in the number of shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of any such issue of additional Shares, the voting power of Strike's existing shareholders may be diluted.
- There can be no assurances Strike will be able to obtain project financing funding on reasonable terms or at all. Any such failure to obtain project financing funding on reasonable terms may result in a loss of business opportunity and excessive funding costs. This may have a material adverse impact on Strike and the price of Shares.

### Debt financing

- Strike currently has \$162 million of secured debt financing facilities with Macquarie Bank (\$88 million undrawn) to cover predevelopment and development costs across its portfolio of gas and power projects and a further uncommitted \$55 million facility to fund the South Erregulla power development. Security has also been provided over the Precinct land for \$6 million to Rabo Bank Australia.
- Further draw down on the Macquarie Financing Facility (see slide 8 for further detail) will increase Strike's financial leverage compared with its current position. As well as increased interest payments and debt servicing costs, with higher levels of debt Strike may have less financial flexibility to invest into growth opportunities or adapt to unexpected operational challenges or adverse market conditions.
- Draw down on the Macquarie Financing Facility is subject to customary conditions precedent, and the use and application of funds is, in some cases (including in respect of some of the proposed or anticipated uses set out in this document or in Strike's business plan), subject to consent from Macquarie Bank. Strike expects consents to be forthcoming and conditions precedent to draw down to be satisfied, but if this is not the case then Strike's ability to give effect to its business plan will be impaired and result in adverse financial consequences.
- There is a risk Strike fails to comply with the debt facility covenants (including due to an inability to generate sufficient cash flows). Failing to comply with the debt facility covenants could lead to an event of default and repayment obligation together with enforcement of the security granted for the facilities and, as a result, loss of control and ownership of the secured assets.

## GENERAL RISKS

### Risks associated with an investment in equity capital

- There are general risks associated with any investments in equity capital. Securities listed on a securities exchange, and in particular securities of oil and gas exploration and extraction entities, have experienced volatile price and volume fluctuations that have often been unrelated to the operating performance of such companies. The trading price of Strike shares may experience fluctuations with movements in equity capital markets in Australia and internationally, and may be influenced by a number of factors, some of which are specific to Strike, and some of which may affect listed entities generally (and may be unrelated to the Strike's operating performance). This may result in the price of Strike shares being more or less than the issue price of Shares under the Offer.
- Generally applicable factors which may affect the market price of shares include: general movements in Australian and international securities markets; investor sentiment; Australian and international economic conditions and outlook; changes in interest rates and the rate of inflation; commodity prices; changes in government regulation and policies; announcement of new technologies; outbreaks of disease, pandemics or continuation of the same; and geo-political instability, including international hostilities and acts of terrorism.
- No assurances can be given that the Shares will trade at or above their issue price under the Offer. None of Strike, its Board or any other person guarantees the market performance of the Shares. A decrease in the trading price of Shares may make Strike a target of takeover offers from other entities. In these circumstances, there can be no guarantee as to the price that Strike shareholders may be offered for their Strike shares. The overall success of third party offers to acquire all or a portion of Strike's issued capital is dependent on a number of factors outside the control of Strike.

### Liquidity risk

- There can be no guarantee that there will continue to be an active market for Strike shares or that the price of Strike shares will increase. There may be relatively few buyers or sellers of Strike shares on ASX at any given time. This may affect the volatility of the market price of Strike shares. It may also affect the prevailing market price at which shareholders are able to sell their Strike shares. This may result in shareholders receiving a market price for their Strike shares that is less or more than the price paid under the Offer.

### Litigation and disputes

- Strike is subject to litigation and investigation risks. All industries, including the oil and gas exploration and extraction industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which Strike is or may become subject could have a material effect on its financial position, results of operations or Strike's activities. As at the date of this presentation, Strike is not aware of any litigation being undertaken or of any disputes that could have a material effect on its financial position, results of operations or Strike's activities.

### Taxation

- Changes to income tax (including capital gains tax), GST, duty, greenhouse gas emission taxes, royalties, rulings or determinations by the Commissioner of Taxation or any other applicable taxation legislation or policies in the jurisdictions where Strike operates may adversely affect Strike's financial profitability, net assets and cash flow. In particular, both the level and basis of taxation may change. Additionally, changes in taxation law, including changes in the interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in Strike or the holding and disposal of Strike shares.

### International conflict

- The ongoing military action in Eastern Europe and the Middle East creates uncertainty about the potential impact on financial markets and the global economy. The conflicts may contribute to increased short to medium-term market volatility, as well as increases in global energy prices. Refer to the 'Commodity prices' risk above for further information on how changes in commodity prices may impact Strike.

### Unknown risks

- Additional risks and uncertainties not currently known to Strike may also have a material adverse effect on Strike's financial and operational performance and the information set out in this presentation regarding the key operational and investment risks does not purport to be, nor should it be construed as representing, an exhaustive list of the risks. The above risks, and others not specifically referred to above, may in the future materially impact the financial performance of Strike and the value of Strike shares (including the Shares).





**strike**