

The Company Announcement Officer ASX Ltd
via electronic lodgement

STRIKE COMPLETES PLACEMENT

Highlights

- **Strike completes \$12 million share placement**
- **Strike fully funded across its portfolio of high value opportunities**

Strike Energy Limited (ASX:STX) (**Strike or Company**) is pleased to announce that it has completed a share placement raising approximately \$12 million (before costs).

This placement follows the announcement on 29 May 2019 of the grant of an option to CSBP Limited (**CSBP**), a significant Western Australian industrial gas user, for up to 100PJ of gas from West Erregulla contingent on the success of West Erregulla. CSBP is to pay Strike \$5 million for the grant of the contingent option (**Option Fee**).

With the placement proceeds and the Option fee, Strike is now fully funded for the drilling and completion of the West Erregulla-2 well, on track to spud on 31 May 2019, and the continuation of the Jaws Project pilot test.

Managing Director, Stuart Nicholls commented:

"The strong support for this capital raising, together with the securing of a significant Western Australian industrial gas user as a potential customer, is an endorsement of Strike's asset portfolio and significant news flow anticipated to come from West Erregulla 2 and the Jaws appraisal wells. Should Strike have positive results at either or both projects, the Company is likely to take the transformational step required to becoming a true mid-cap natural gas company in Australia. The next 60 to 90 days will be pivotal in the Company's history and we look forward to rewarding all shareholders, old and new for their long-term support".

Placement Details

The Company will issue approximately 184,615,385 fully paid ordinary shares at \$0.065 per share to professional and sophisticated investors, including approximately 4.6 million Director participation shares subject to shareholder approval. The shares have been placed within the Company's 15% placement capacity under ASX Listing Rule 7.1 and without disclosure in accordance with Chapter 6D of the Corporations Act.

Directors, Messrs John Poynton AO and Stephen Bizzell, both participated in the placement for a total of \$300,000 (4,615,385 fully paid ordinary shares). The issue of the placement shares to Messrs Poynton and Bizzell will be subject to shareholder approval for the purposes of ASX Listing Rule 10.11. The Company will convene a General Meeting of shareholders to seek that approval as soon as is practicable. The placement is not otherwise subject to shareholder approval.

The capital raised will be used to fund:

- drilling and completion of the West Erregulla 2 well;
- ongoing operation of the Jaws Project pilot test;
- repayment of the remaining CBA facility;
- seismic preparation activities across the Company's Southern Cooper Basin and other Perth Basin projects, with the objective of re-loading Strike's prospect funnel; and
- general working capital.

Petra Capital acted as Lead Manager for the Placement. The Placement is expected to settle on 5 June 2019 with the Placement shares expected to be issued and to commence trading on the ASX on 6 June 2019.

Investor and Media Contacts

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