

Non-cash impairment of Cooper Basin Assets expected in 2020 annual results

Strike Energy Limited (“Strike”, the “Company” - ASX: STX) has conducted a detailed review of its Cooper Basin assets as part of its impairment testing in accordance with Accounting Standards AASB 6 (Exploration for and Evaluation of Mineral Resources).

The Company has assessed that, subject to audit, it will apply a non-cash pre-tax impairment as at 30 June 2020 of ~\$91 million to fully impair its assets in the Cooper Basin.

Currently there is no substantive activity or expenditure planned for the Aldinga oil production well or Marsden 1 exploration well in PEL95 or for the Davenport 1 well in PEL94.

The Jaws project in PEL96 will continue to be piloted for the immediate future, however in accordance with the AASB 6, it is assessed to be unlikely to recover its carrying value in full, taking into account current and expected longer term market conditions and the results of the pilot test to date.

The accounting impairment is expected to be formalised in the Company’s 2020 full year results later in the year. All ongoing Jaws pilot project costs will be expensed.

The Company plans to retain its interest in the permits and to continue pilot testing the Jaws Project at PEL96, which remains an important step in the research and development activities being carried on in respect of that project. In addition, Strike holds PEL515 in the Cooper Basin as prospective future oil exploration acreage.

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