

Strike Energy Limited
Shareholders

30th June 2020

Strike Energy Limited – Notice of Meeting

Dear Shareholders,

I refer to the attached notice of the forthcoming General Meeting of Strike shareholders, to be held on 31 July 2020.

At the General Meeting, Strike's Board of Directors will seek your approval to reorganise and realign the Company's option incentives for its Directors and Management.

COVID-19 related weakness in Strike's share price in recent months has led to the options issued as an incentive to Managing Director Stuart Nicholls in 2017, expiring with no value. Mr Nicholls has continued to work diligently to add value for Strike shareholders, and the Board wishes to ensure he continues to have the appropriate incentives to drive Company performance, through the grant of a new tranche of options.

The Board also wishes to re-align the expiry date of the options issued to Directors with the expected delivery date of 'first gas' from West Erregulla in early 2022. The significant proceeds to be received from the exercise of these Management and Director options will assist with the funding required during commissioning of the project.

The Board continues to be excited by the prospects for the Company, particularly given the upcoming drilling of the appraisal wells and the proposed Phase 1 Final Investment Decision for the West Erregulla Project.

We look forward to your support at the General Meeting.

Yours sincerely



John Poynton AO
Chairman



Strike Energy Limited
(ACN 078 012 745)

NOTICE OF GENERAL MEETING
AND EXPLANATORY STATEMENT

General Meeting to be held at the Playford Hotel, 120 North Terrace, Adelaide, South Australia on 31 July 2020 commencing at 10.30 am (Adelaide time)

This Notice of Meeting and Explanatory Statement should be read in its entirety.
If you are in doubt as to how to vote, you should seek advice from your accountant,
solicitor, or other professional adviser without delay.

**NOTICE OF GENERAL MEETING
STRIKE ENERGY LIMITED
ACN 078 012 745**

Notice is hereby given that a Meeting of Shareholders of Strike Energy Limited ACN 078 012 745 (**Company**) will be held at The Playford Hotel, 120 North Terrace, Adelaide on **Friday, 31 July 2020** commencing at **10.30am (Adelaide time)**.

Further details of each Resolution to be considered at the Meeting are set out in the Explanatory Statement. Definitions of capitalised terms used in the Notice of Meeting and Explanatory Statement are set out in the Glossary in Section 5 of the Explanatory Statement.

Resolution 1 – Amend the terms of all Relevant Options held by Directors and members of Key Management Personnel

“That, for the purposes of section 208 of the Corporations Act 2001 (Cth) (to the extent relevant) and ASX Listing Rule 6.23.3 and for all other purposes, the amendment to the terms of the Relevant Options as described in the Explanatory Statement, is approved with immediate effect.”

Voting exclusion:

The company will disregard any votes cast on this Resolution by or on behalf of Mr John Poynton, Mr Stephen Bizzell, Ms Jody Rowe, Mr Andrew Seaton, Mr Justin Ferravant and Mr Pax Barkla (each being a person who holds an Option the subject of the Resolution) and any of their respective associates.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a vote must not be cast (in any capacity) by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by any such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on the resolution as described above; or
- (b) the person is the chair of the meeting voting an undirected proxy which expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 - Grant of Options to or for the benefit of Mr Stuart Nicholls, Managing Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary**

resolution:

“That, for the purposes of section 208 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.14 and for all other purposes, the grant to Managing Director, Stuart Nicholls or his nominee, of 3,000,000 Options, with an exercise price of \$0.23, in accordance with the Employee Share Incentive Plan (ESIP) and otherwise on the terms and conditions set out in the Explanatory Statement, is approved.”

Voting exclusion:

The company will disregard any votes cast on this Resolution by or on behalf of Mr John Poynton, Mr Stuart Nicholls, Mr Nev Power, Ms Jody Rowe, Mr Stephen Bizzell and Mr Andrew Seaton (each being a Director who is eligible to participate in the Company’s Employee Share Incentive Plan), and any of their respective associates.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, a vote must not be cast (in any capacity) by, or on behalf of, a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member. However, a vote may be cast by any such person if:

- (a) the person is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on the resolution as described above; or
- (b) the person is the chair of the meeting voting an undirected proxy which expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

By order of the Board



Justin Ferravant
Company Secretary
Strike Energy Limited
30 June 2020

IMPORTANT NOTES FOR SHAREHOLDERS

These notes and the Explanatory Statement form part of the Notice of Meeting.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it. Section 5 of the Explanatory Statement contains definitions of capitalised terms used in this Notice of Meeting and the Explanatory Statement.

Required majorities

All the Resolutions are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the Resolution.

Voting on all proposed Resolutions at the Meeting will be conducted by poll.

How to vote

You may vote by attending the Meeting in person or by proxy, attorney or authorised representative.

Vote in person

To vote in person, attend the Meeting on the date and at the place set out in the Notice of Meeting.

Proxies

All Shareholders who are entitled to attend and vote at the Meeting have the right to appoint a proxy to attend and vote for them. The proxy may be, but need not be, a Shareholder and can be an individual or body corporate. Shareholders holding two or more Shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion, each proxy may exercise half of the votes.

To vote by proxy, please complete and return the proxy form enclosed with this Notice of Meeting as soon as possible and in accordance with the instructions on the proxy form.

To be effective, a completed proxy form must be received by no later than 48 hours prior to the commencement of the Meeting. Proxy forms received later than this time will be invalid.

Where the proxy form is executed under power of attorney, the power of attorney (or a certified copy of the authority) must be lodged in the same way as the proxy form.

Corporate representatives

A body corporate may appoint an individual as its representative to attend and vote at the Meeting and exercise any other powers the body corporate can exercise at the Meeting. The appointment, which must comply with section 250D of the Corporations Act, may be a standing one. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Voting entitlements

The Directors have determined that, for the purpose of voting at the Meeting, Shareholders are those persons who are the registered holders of the Company's Shares at 6.30pm (Adelaide time) on **29 July 2020**.

EXPLANATORY STATEMENT

1. INTRODUCTION

1.1 Purpose

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting.

This Explanatory Statement should be read in full and in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary in Section 5 of this Explanatory Statement. You should consult with your professional advisers if you have any questions in relation to how to vote on the Resolutions.

1.2 Resolutions and recommendations

There are two Resolutions to be considered at the Meeting.

Certain voting exclusions are imposed by the Corporations Act and the Listing Rules in relation to the Resolutions as detailed in the accompanying Notice of Meeting. The Directors intend to vote in favour of each Resolution (subject to any applicable voting exclusions) and (other than where a Director declines to make a recommendation with respect to a Resolution by virtue of having a material personal interest in the outcome of that Resolution), recommend that Shareholders vote in favour of each Resolution.

2. Resolution 1 – Amendment of the terms of all Relevant Options held by Directors and members of Key Management Personnel

2.1 Background

A total of 24,000,000 unlisted options are currently held by Non-Executive Directors (**NEDs**) and Executives and were granted as a means of attracting and retaining high calibre personnel to Board and management (**Relevant Options**). The details of those Relevant Options are set out in the table below.

Position	Number	Exercise Price	Grant Date	Expiry Date
John Poynton (NED)	7,000,000	\$0.15	21/08/2017	21/08/2020
Stephen Bizzell (NED)	5,000,000	\$0.15	16/08/2019	17/05/2021
Jody Rowe (NED)	5,000,000	\$0.15	17/05/2018	17/05/2021
Andrew Seaton (NED)	5,000,000	\$0.15	16/11/2017	16/11/2020
Justin Ferravant (CFO and Company Secretary)	1,000,000	\$0.15	21/08/2017	21/08/2020
Pax Barkla (COO)	1,000,000	\$0.15	16/11/2017	16/11/2020
TOTAL	24,000,000			

The Relevant Options were intended to provide long term incentives to the relevant directors and executives to utilise their skills and experience towards achieving commercialisation of the Company's projects and increased value for shareholders. A number of the Relevant Options are due to expire shortly.

2.2 Proposed amendments to the terms of the Relevant Options

The Company is proposing to amend the terms of the Relevant Options to extend the expiry date of all

Relevant Options to 31 July 2022 subject to receiving Shareholder approval (**Proposed Amendments**).

The proposed expiry date of 31 July 2022 has been selected so as to maximise incentivisation and to encourage the holders of the Relevant Options to work towards the delivery of first gas from Strike's flagship West Erregulla Project in 2022, which is a significant milestone for the Company.

Further, due to the collapse in equity capital markets resulting from the COVID-19 pandemic, value expectations on all companies have softened and asset values have reduced. As a result, the Relevant Options no longer provide the incentives that they were intended to provide to the Non-Executive Directors and Executives who hold them.

The Company is seeking Shareholder approval to the Proposed Amendments pursuant to a single resolution (rather than a separate and distinct resolution for each holder of Relevant Options) as it is the Company's intention that the Proposed Amendments be interdependent and conditional upon one another, such that the amendments are made to all of the Relevant Options on an 'all or nothing' basis. This will ensure consistency in the terms of the Relevant Options.

It is in the Shareholders' interests to approve the Proposed Amendments as it will ensure that the Non-Executive Directors and relevant Executives remain motivated and are not disadvantaged by factors beyond their control. The Proposed Amendments will also ensure that the terms of the Relevant Options are correctly aligned with the current strategy and objectives of the Company.

2.3 ASX Waiver

ASX Listing Rule 6.23.3 provides that a change which has the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise cannot be made.

The Company sought, and on 15 June 2020 was granted, a waiver of ASX Listing Rule 6.23.3 to permit the Company to make the Proposed Amendments without contravening ASX Listing Rule 6.23.3 (subject to Shareholders approving the Proposed Amendments).

2.4 Section 208 of the Corporations Act

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Section 299(3) provides examples of giving a financial benefit. These include (among other things), giving or providing the related party finance or property, issuing securities or granting an option, or taking up or releasing an obligation of the related party. The term 'financial benefit' is interpreted broadly and payment of money is not an essential component – the conferring of a financial advantage alone will suffice.

The Board is of the view that the Proposed Amendments confers a financial advantage on the relevant directors in terms of the extended period for exercise of the Relevant Options and in turn the period to realise the financial benefit that the Relevant Options may provide if the market value of the Company's Shares exceed the exercise price of the Relevant Options. For this reason, Shareholder approval is sought in regards to the Proposed Amendments.

It is noted that Justin Ferravant, Chief Financial Officer, and Pax Barkla, Chief Operating Officer, are not related parties of the Company and, as such, Shareholder Approval is not being sought for the purposes of section 208 of the Corporations Act to the Proposed Amendments to the terms of their respective Relevant Options.

2.5 Further information

In accordance with the requirements of section 219 of the Corporations Act and for all other purposes, the following information is provided in relation to the Proposed Amendments to be made to the Relevant Options held by the Non-Executive Directors of the Company :

(a) Related parties

The Proposed Amendments would permit financial benefits to be given to the following related parties, all of whom are Non-Executive Directors of the Company:

Mr John Poynton
Mr Stephen Bizzell
Ms Jody Rowe
Mr Andrew Seaton

(b) Nature of the financial benefit

The nature of the financial benefit proposed to be given to the Non-Executive Directors listed above is an extension of the expiry date for each of their Relevant Options to 31 July 2022.

(c) Valuation of Relevant Options

The Directors have had the fair value of the Relevant Options calculated assuming Shareholder approval is granted and taking into account the Proposed Amendments, using a Black-Scholes model.

The assumptions underlying the Black-Scholes model used in calculating the value of the Relevant Options (taking the Proposed Amendments into account) were as follows:

- Share price = \$0.205 per Share
- Expected life = 2 years
- Risk-free rate (r) = 0.3%
- Expected share volatility (q)* = 97.7%
- Dividend yield = 0%

Using this method of valuation, the Company has determined a preliminary value per Relevant Option (after taking the Proposed Amendments into account) of \$0.12 per Relevant Option, and the expected total financial benefit of the Proposed Amendments to the Non-Executive Directors of \$784,407

(d) Effect of grant of Options

As at the date of this Notice of Meeting, the Company has the following equity securities on issue. See the Company's Appendix 3B released to ASX on 21 January 2020 for further information.

Type of security	Number on issue
Shares	1,706,248,377
Options	36,091,250 (exercisable into 36,091,250 Shares)
Performance Rights	24,724,765 (exercisable into 24,724,765 Shares)

If Resolution 1 is approved and the Proposed Amendments are made, and without taking into account the issue of securities the subject of Resolution 2, there will be no change to the current number of equity securities on issue.

If any of the Relevant Options are exercised the effect would be to dilute the shareholding of existing Shareholders.

As at the date of this Notice of Meeting, on a fully diluted basis (i.e. assuming all of the existing options and Performance Rights on issue are exercised and no other securities are issued, including pursuant to Resolution 2), the Company has an equivalent of a maximum of 1,767,064,392 Shares. The issue of up to 22,000,000 Shares upon the exercise of the Relevant Options held by the Non-Executive Directors would result in a dilution of approximately 1.25% (i.e. 22,000,000 Shares expressed as a percentage of the expanded Share capital of 1,767,064,392).

(e) *Individual security holdings*

The equity securities in the Company currently held directly and indirectly by the Non-Executive Directors who hold the Relevant Options as at the date of this Notice of Meeting are set out below.

Director	Shares	Number of other Securities held as at date of this Notice of Meeting	Percentage of Share capital on a fully diluted basis as at date of this Notice of Meeting
Mr John Poynton	8,500,001	7,000,000 options exercisable at \$0.15 and expiring 21 August 2020	0.88% (approx.)
Mr Stephen Bizzell	10,392,702	5,000,000 options exercisable at \$.015 and expiring 17 May 2021 363,750 options exercisable at \$0.155 and expiring 31 December 2020	0.89% (approx.)
Ms Jody Rowe	979,984	5,000,000 options exercisable at \$0.15 and expiring 17 May 2021	0.34% (approx.)
Mr Andrew Seaton	630,434	5,000,000 options exercisable at \$0.15 and expiring 16 November 2020	0.32% (approx.)

(f) *Other aspects of the Non-Executive Directors' remuneration packages*

Each of the Non-Executive Directors who hold the Relevant Options are entitled to an annual director's fee (inclusive of committee fees), which is set out below (excluding superannuation).

Director	Annual fee
Mr John Poynton	\$160,000
Mr Stephen Bizzell	\$85,000
Ms Jody Rowe	\$85,000
Mr Andrew Seaton	\$90,000

(g) *Rationale and Recommendation*

The Proposed Amendments were approved by the Board (subject to obtaining Shareholder approval):

- to ensure that the terms of the Relevant Options are aligned with the current strategy and objectives of the Company (specifically, delivery of first gas from the Company's flagship West Erregulla project in 2022); and
- to maximise incentivisation and encourage the relevant directors and executives to utilise their skills and experience towards achieving commercialisation of the Company's projects and increased value for shareholders.

Each Non-Executive Director that holds Relevant Options has a material personal interest in Resolution 1 and therefore declines to make any recommendation to Shareholders with respect to how to vote on the resolution.

Mr Stuart Nicholls, CEO and Managing Director, considers the Proposed Amendments appropriate in the circumstances for the reasons outlined above, and recommends that Shareholders vote in favour of Resolution 1.

If Shareholders approve Resolution 1, the Proposed Amendments will be made to each of the Relevant Options with immediate effect.

If Shareholders do not approve Resolution 1, the Proposed Amendments will not take effect and the terms of the Relevant Options will remain as set out in paragraph 2.1 above.

(h) *Effect on earnings and other*

There will be an immediate effect on the Company's earnings subsequent to the grant of the Options in that the Company will likely recognise a share-based payment expense in the Company's profit and loss statement of approximately \$1,120,786.

The opportunity costs, taxation consequences (such as fringe benefits tax) and benefits foregone by the Company is nil.

3. Resolution 2 – Issue of Options to or for the benefit of Managing Director, Mr Stuart Nicholls

3.1 Background

In consideration for Mr Nicholls' service to the Company and the Board and subject to obtaining Shareholder approval, the Board approved the grant to Mr Nicholls (or his nominee) of 3,000,000 Options to subscribe for Shares with an exercise price of \$0.23 and expiring on 31 July 2022 in accordance with and pursuant to the ESIP which was approved by Shareholders at the Company's 2019 Annual General Meeting (AGM). The rationale for the grant of the Options to Mr Nicholls is detailed in paragraph 3.6(f) below.

3.2 Terms and conditions of Options

The Options proposed to be granted will have an exercise price of \$0.23, will expire on 31 July 2022 and will otherwise be granted in accordance with the terms and conditions of the ESIP, which was summarised in the Notice of Meeting for the Company's AGM held on 14 November 2019, and subsequently approved by Shareholders at that meeting.

3.3 A copy of the complete rules of the ESIP is available upon request by contacting the Company Secretary, Mr Justin Ferravant, at the Company's offices. Chapter 2E of the Corporations Act

The grant of Options to Managing Director, Mr Nicholls, constitutes the giving of a financial benefit to a related party for the purpose of section 208 of the Corporations Act (explained in section 2.4 above), as a Director is a related party of the Company. Consequently, the grant of the Options to Mr Nicholls (or his nominee) requires shareholder approval for the purposes of section 208 of the Corporations Act, unless an exception applies.

The grant of the Options to Mr Nicholls might be said to fall within one of the exceptions in sections 210 to 217 (eg. reasonable remuneration of an officer or director), however, your Directors (other than Mr Nicholls who has a material personal interest in Resolution 2) consider it prudent to seek Shareholder approval nonetheless under the Corporations Act.

3.4 Listing Rule 10.14

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party unless an exception in Listing Rule 10.12 applies. As noted above, each of the Directors are a related party of the Company.

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of its Shareholders:

- (a) a Director;
- (b) an associate of a Director; or
- (c) a person whose relationship with the Company or a person referred to in (a) or (b) above is such that, in ASX's opinion, the acquisition should be approved by Shareholders.

One of the exceptions to Listing Rule 10.11 (being Listing Rule 10.12, Exception 8) is that the relevant equity securities are issued under an employee incentive scheme with ordinary shareholder approval under Listing Rule 10.14.

As noted above, any Options granted to Mr Nicholls will be pursuant to the ESIP. Accordingly, the Company seeks Shareholder approval to the potential award of Options to Mr Nicholls under ASX Listing Rule 10.14.

In accordance with Listing Rule 7.2, Exception 13(b), the Options (and Shares issued upon exercise of the Options) if and to the extent awarded, will not be counted towards any future calculation of the Company's 15% annual placement capacity under Listing Rule 7.1 or, in circumstances where Listing Rule 7.1A applies, of the Company's 10% annual placement capacity under Listing Rule 7.1A.

For the purposes of Listing Rule 7.2, Exception 13(b):

- (a) a summary of the material terms of the ESIP is set out in Schedule 1 to this Explanatory Statement;
- (b) 11,983,022 securities have been issued under the ESIP since it was last approved by Shareholders at the Company's 2019 Annual Meeting;
- (c) the maximum number of Options to be issued is 3,000,000 Options; and

- (d) a voting exclusion statement is set out in the Notice of Meeting to which this Explanatory Statement is annexed.

3.5 Information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the grant of the Options to Mr Nicholls:

- (a) The Options the subject of Resolution 2 (if and to the extent granted) will be granted to Managing Director, Mr Stuart Nicholls (or his nominee).
- (b) Mr Nicholls is a Director of the Company and therefore falls within Listing Rule 10.14.1.
- (c) The maximum number of Options to be issued is 3,000,000 Options.
- (d) Details of Mr Nicholls current total remuneration package are set out in section 3.6(e).
- (e) Mr Nicholls has not been issued with any securities under the ESIP since it was last approved by Shareholders at the Company's 2019 Annual Meeting.
- (f) Each Option is to be granted in accordance with the terms of the ESIP and is an option to subscribe for a fully paid ordinary share in the capital of the Company, on the same terms and conditions as the Company's existing Shares. The terms of the Options are set out in Section 3.2.
- (g) The purpose of the grant of Options to Mr Nicholls is set out in section 3.6(f).
- (h) The value that the Company attributes to the Options is set out in section 3.6(b).
- (i) The Options will be granted as soon as practicable and, in any event, no later than 3 years after the date of the Meeting.
- (j) The Options will be granted for nil cash consideration, and as such no funds will be raised from the grant of the Options. The exercise price of each Option is \$0.23.
- (k) A summary of the material terms of the ESIP are set out in Schedule 1 to this Explanatory Statement. A copy of the complete rules of the ESIP is available upon request by contacting the Company Secretary, Mr Justin Ferravant, at the Company's offices.
- (l) The Company confirms that no loan has been made to Mr Nicholls in relation to the grant of the Options.
- (m) Details of any securities issued under the ESIP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the ESIP after and who are not named in the resolution will not participate until approval is obtained under Listing Rule 10.14.
- (n) A voting exclusion statement is set out in Notice of Meeting.

Approval pursuant to Listing Rule 7.1 is not required for the grant of the Options to Mr Nicholls (or his nominee) as Shareholder approval is being obtained under Listing Rule 10.14. Accordingly, and as noted above, the grant of the Options will not use up the Company's 15% annual placement capacity under Listing Rule 7.1.

3.6 Further Information

The following additional disclosures are made for the purposes of Chapter 2E of the Corporations Act and for all other purposes.

- (a) *Nature of financial benefit*

The proposed financial benefit to be given is the grant of Options (and the consequent issue of Shares upon the exercise of the Options) to or for the benefit of Mr Nicholls for nil consideration, other than the payment of the \$0.23 exercise price upon exercise.

(b) *Valuation of Options*

The Directors have had the fair value of the Options to be awarded calculated on a preliminary basis using a Black-Scholes model. The actual value of the Options will however be determined on a similar basis as at the actual date of the grant.

The assumptions underlying the Black-Scholes model used in calculating the preliminary value of the Options were as follows:

- Share price = \$0.205 per Share
- Expected life = 2 years
- Risk-free rate (r) = 0.3%
- Expected share volatility (q)* = 97.7%
- Dividend yield = 0%

Using this method of valuation, the Company has determined a preliminary value per Option of \$0.10 per Option.

The expected total financial benefit of the Options to be issued to or for the benefit of Mr Nicholls is \$309,417.

(c) *Effect of grant of Options*

As at the date of this Notice of Meeting, the Company has the following equity securities on issue. See the Company's Appendix 3B released to ASX on 21 January 2020 for further information.

Type of security	Number on issue
Shares	1,706,248,377
Options	36,091,250 (exercisable into 36,091,250 Shares)
Performance Rights	24,724,765 (exercisable into 24,724,765 Shares)

If Resolution 2 is approved and the Options are granted, the Company will have on issue an additional 3,000,000 Options.

If any of the Options to be granted to or for the benefit of Mr Nicholls are exercised the effect would be to dilute the shareholding of existing Shareholders.

As at the date of this Notice of Meeting, on a fully diluted basis (i.e. assuming all of the existing options and Performance Rights on issue are exercised and no other securities are issued), the Company has an equivalent of a maximum of 1,767,064,392 Shares. The issue of up to 3,000,000 Shares upon the exercise of the Options to be issued to or for the benefit of Mr Nicholls would result

* The volatility assumption is representative of the level of uncertainty expected in the movements of the Company's Share price over the life of the Options.

in a dilution of approximately 0.17% (i.e. 3,000,000 Shares expressed as a percentage of the expanded Share capital of 1,767,064,392).

(d) *Individual security holdings*

The equity securities in the Company currently held directly and indirectly by Mr Nicholls as at the date of this Notice of Meeting are set out below.

Director	Shares	Number of other Securities held as at date of this Notice of Meeting	Percentage of Share capital on a fully diluted basis as at date of this Notice of Meeting
Mr Stuart Nicholls	1,275,523	11,497,227 unlisted performance rights	0.72% (approx.)

(e) *Other aspects of remuneration packages*

The Company aims to award senior management with a level and mix of remuneration commensurate with their position and responsibilities to ensure consistency with the Company's remuneration objectives. The Company has entered into a standard contract of employment with Mr Nicholls, which provides for both fixed and variable remuneration.

Mr Nicholls, as an Executive Director, is entitled to an annual salary of \$558,997 (excluding superannuation). In addition to fixed remuneration, Mr Nicholls is eligible to participate in the short-term and long-term incentives plans up to 75% and 100% respectively, of his fixed remuneration, as outlined in the Remuneration Report for the financial year ending 30 June 2019.

(f) *Rationale and Recommendation*

The Options proposed to be granted to or for the benefit of Managing Director, Mr Nicholls, (per Resolution 2) were approved for grant by the Board (subject to obtaining Shareholder approval):

- as a means of retaining as Managing Director a person of the calibre and with the skills and experience that Mr Nicholls has; and
- to incentivise Mr Nicholls to work towards, and to reward him for, achieving increases in the Company's value as determined by the market price of Shares. For this reason, the exercise price is set at a 12% premium to the share price as at 1 June 2020.

For the reasons set out above, the Board (other than Mr Nicholls who has a material personal interest in the outcome of Resolution 2) consider the grant of the Options appropriate in the circumstances and recommend Shareholders vote in favour of Resolution 2.

If Resolution 2 is passed, the Company will be able to proceed with the grant of Options to Mr Nicholls. The Company proposes to grant the Options as soon as practicable and, in any event, no later than 3 years after the date of the Meeting.

If Resolution 2 is not passed, the Company will not be able to proceed with the grant of Options to Mr Nicholls.

(g) *Effect on earnings and other*

There will be an immediate effect on the Company's earnings subsequent to the grant of the Options in that the Company will likely recognise a share-based payment expense in the Company's profit and loss statement of approximately \$298,792 per annum.

The opportunity costs, taxation consequences (such as fringe benefits tax) and benefits foregone by the Company is nil.

4. Important Information for Shareholders

Please note the Chair will not vote any undirected proxies in favour of Resolutions 1 or 2 unless the Shareholder expressly authorizes the Chair to exercise the proxy even though it is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly so authorise the Chair. The Chair intends to vote undirected proxies where such authorization is given in favour of Resolutions 1 or 2.

Alternatively, if you appoint the Chair of the meeting as your proxy, you may direct the Chair to vote for, against or abstain from voting on the Resolution by marking the appropriate box on the proxy form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolutions 1 or 2 a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the ASX Listing Rules).

5. DEFINITIONS

In this Explanatory Statement:

Associate has the meaning given to that term in sections 11 to 17 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as appropriate.

Board means the Board of Directors of the Company.

Closely Related Party of a member of Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or Strike means Strike Energy Limited (ACN 078 012 745).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

ESIP means the Company's Employee Share Incentive Plan.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting of the Shareholders convened for the purposes of considering the Resolutions.

Notice of Meeting means the notice convening the Meeting accompanying this Explanatory Statement.

Option means an option to subscribe for a Share on the terms and conditions set out in section 3.2 of the Explanatory Statement.

Performance Right means an entitlement to subscribe for a Share for nil consideration, subject to the satisfaction of any applicable exercise conditions.

Proposed Amendments has the meaning in section 2.2 of the Explanatory Statement.

Related Bodies Corporate has the meaning provided under section 9 of the Corporations Act.

Relevant Options has the meaning in section 2.1 of the Explanatory Statement.

Remuneration Report means the remuneration report of the Company contained in the Annual Report for the Company for the year ended 30 June 2019.

Resolution means a resolution to be considered at the Meeting as set out in the notice of Meeting.

Section means a section of this Explanatory Statement.

Share means a fully paid ordinary share in the equity capital of the Company.

Shareholder means a holder of Shares.

SCHEDULE 1

SUMMARY OF EMPLOYEE SHARE INCENTIVE PLAN

Participants	<p>Pursuant to the ESIP, the Board may offer Incentive Securities to each Eligible Person, being defined as a director or an employee (whether full-time, part-time or casual) of the Company or of an associated body corporate of the Company or any person who the Board determines is to be treated as an eligible person from time to time having regard to regulatory constraints under the Corporations Act, ASIC policy or any other law applicable to the Company.</p> <p>In determining whether an Eligible Person is entitled to participate in the ESIP and be offered Incentive Securities, the Board must consider (among other criteria), the seniority and position of the Eligible Person within the Company, the Eligible Person's length of service, the potential contribution of the Eligible Person to the growth of the Company, and any other matters which the Board considers relevant.</p>
Offers	<p>Each offer of Incentive Securities will state (among other things):</p> <ul style="list-style-type: none"> • the name and address of the Eligible Person to whom the offer is made; • that the Eligible Person to whom the offer is addressed may accept the whole or any lesser number of Incentive Securities offered; • the minimum number of Incentive Securities and any multiple of such minimum or any other number which may be accepted; • the exercise conditions (if any) applicable to the Incentive Securities; • the period or periods during which the Incentive Securities or any of them may be exercised, and their expiry date (which must not be, in the case of Options, more than 5 years after the issue date and, in the case of Performance Rights, not more than 90 days after the vesting date of Performance Rights or such other date as determined by the Board at the time of offer); and • any other matters which the Board may determine from time to time having regard to regulatory constraints under the Corporations Act, ASIC policy or any other law applicable to the Company. <p>No consideration is payable by an Eligible Person for the grant of Incentive Securities, unless the Board decides otherwise. Subject to approval by the Board in its absolute discretion, an Eligible Person may nominate another person or entity to be the holder of Incentive Securities. An Eligible Person must ensure that their permitted nominee (if any) complies with the ESIP.</p>
Shares upon exercise	<p>Each issued Incentive Security entitles the holder upon exercise to one Share (subject to the satisfaction or waiver of any exercise conditions), which will rank equally with all other Shares. The maximum number of Incentive Securities that may be issued under the ESIP will be determined by the Board from time to time in its discretion having regard to regulatory constraints under the Corporations Act, ASIC policy or any other law applicable to the Company.</p>
Exercise price	<p>The exercise price of an Option shall be such a price as is determined by the Board when it resolves to offer the Option, provided that the exercise price shall not be less than the weighted average sale price on ASX of Shares during the five consecutive Trading Days prior to the date of the Board resolution.</p> <p>Alternatively, the holder of Options may elect not to be required to provide payment of the exercise price for the number of Options but that on exercise of those Options the Company will transfer or allot to the holder that number of Shares equal in value to the positive difference between the then market value of the Shares at the time of exercise (calculated by reference to the 5 day volume weighted price of Shares on the ASX prior to the exercise date) and the Exercise Price that would otherwise be payable to exercise those Options (with the number of Shares rounded down to the nearest whole Share).</p> <p>Performance Rights have no exercise price.</p>
Not transferable	<p>Incentive Securities held by or for the benefit of an Eligible Person are not transferable, except in the case of death of the Eligible Person.</p>
Quotation	<p>Quotation of the Incentive Securities on the ASX will not be sought. However, the Company will apply to the ASX for official quotation of the Shares issued on the exercise of Incentive Securities.</p>
Exercise conditions	<p>An Incentive Security may only be exercised after any exercise conditions imposed by the Board on exercise are satisfied. The Board can reduce, waive or vary (provided such variation is not adverse to the holder) any exercise conditions at any time.</p> <p>An Incentive Security will become immediately exercisable, however:</p> <ul style="list-style-type: none"> • during a takeover Bid Period (as defined in the Corporations Act); or • within 30 days after a "Change of Control Event" has occurred (defined to be "a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or them the ability, in general meeting, to replace all or a majority of the Board or the Board determines that this has occurred"); or • on an application under section 411 of the Corporations Act, within 30 days after a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company. <p>If an Incentive Security is not exercised within the period specified above, then the Incentive Security will lapse immediately.</p>

<p>Lapsing</p>	<p>An Incentive Security not validly exercised on or before its expiry date will automatically lapse.</p> <p>Unless otherwise determined by the Board, an Incentive Security in respect of which any exercise conditions have yet to be satisfied will also lapse in the following circumstances:</p> <ul style="list-style-type: none"> • where the relevant Eligible Person ceases to be an Eligible Person (other than due to retirement, total and permanent disablement, redundancy or death), the Incentive Security will automatically lapse; or • where the relevant Eligible Person ceases to be an Eligible Person due to retirement, total and permanent disablement, redundancy or death, the Incentive Security will be exercisable within 3 months or such longer period as the Board determines, subject to the Board in its absolute discretion reducing, waiving or varying (provided such variation is not adverse to the holder) the exercise conditions so that the Incentive Securities may be exercised, after which any unexercised Incentive Securities will automatically lapse. <p>Unless otherwise determined by the Board, an Incentive Security in respect of which all of the exercise conditions have been satisfied will lapse in the following circumstances:</p> <ul style="list-style-type: none"> • where the holder ceases to be an Eligible Person (other than due to retirement, total and permanent disablement, redundancy or death), the Incentive Security may be exercised within 3 months after that date (or such longer period as the Board determines) and will then automatically lapse; or • where the holder ceases to be an Eligible Person due to retirement, total and permanent disablement, redundancy or death, the Incentive Security may be exercised at any time prior to its expiry date.
<p>Corporate actions</p>	<ul style="list-style-type: none"> • (New issues) Incentive Security holders are not entitled to participate in any new issue of securities to existing holders of Shares. However, the Company must give Incentive Security holders prior notice of new issues before the applicable record date, in accordance with the Listing Rules. • (Bonus issues) If there is a bonus issue to the holders of Shares and an Incentive Security is not exercised before the record date for the bonus issue, the number of Shares over which an Incentive Security is exercisable will be increased by the number of Shares the Incentive Security holder would have received if the Incentive Security had been exercised before the record date for the bonus issue. • (Pro rata issues and reorganisations) If there is a pro rata issue to the holders of Shares or a reorganisation of the capital of the Company, the exercise price of an Option or (if applicable) the rights of an Incentive Security holder will be changed to the extent necessary to comply with the Listing Rules.
<p>Amendments</p>	<p>The Board may, subject to the Listing Rules, alter, delete or add to the rules of the ESIP at any time. However, if any amendment would adversely affect the rights of ESIP participants, the Board must obtain the consent of participants who between them hold not less than 75% of the total number of Incentive Securities issued and held under the ESIP.</p>



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am ACDT on Wednesday 29 July 2020.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/stxgm2020>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am ACDT on Wednesday 29 July 2020**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/stxgm2020>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Strike Energy Limited

ACN 078 012 745

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Strike Energy Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **the Playford Adelaide, 120 North Terrace, Adelaide on Friday, 31 July, 2020 at 10:30am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Amend the terms of all Relevant Options held by Directors and members of Key Management Personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Grant of Options to or for the benefit of Mr Stuart Nicholls, Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2020