

Strike secures \$28 million bank facility

- Bank facility of up to \$28 million to finance Strike's pre-development expenditure at West Erregulla in the Perth Basin.
- Facility to cover appraisal drilling costs and allow Strike to secure long lead items for the West Erregulla Phase 1 gas plant construction.

Strike Energy Limited (Strike - ASX: STX) is pleased to announce it has finalised terms with Macquarie Bank Limited ("Macquarie") for a \$28 million secured debt facility to cover appraisal drilling and long lead items for the development of the West Erregulla Phase 1 Project.

The facility is intended to provide Strike with bridging finance pending it securing senior Project Financing for the West Erregulla Phase 1 development.

The facility is broken up into two tranches, with the first tranche of \$13 million committed, subject to definitive documentation and limited other conditions, and the second tranche of \$15 million subject to certain drilling milestones and further lender conditions and approvals.

The two-year facility has minimal obligations on Strike to draw down the funds and includes capitalising interest where all outstanding funds are to be repaid on maturity in 2022. The facility contains appropriate and non-restrictive covenants and was obtained through a competitive process resulting in attractive terms and pricing.

As part of the establishment cost of the facility, Strike will issue Macquarie with 35 million options to subscribe for Strike ordinary shares at an exercise price of 29 cents (a 15% premium to the 30-day VWAP at the time of commitment). These options will be issued at the financial close of the initial tranche, will not be subject to shareholder approval, and will expire 30 months after issue. The facility is to be secured against the assets of Strike Energy Limited and will rank behind any joint venture cross security requirements.

Strike Energy Managing Director & CEO Stuart Nicholls, said:

"This facility, in conjunction with the expected R&D returns and existing cash on hand provides strength and flexibility to Strike's balance sheet. The timing of the funding is important as it allows Strike to secure its financing requirements over a period of heightened operational expenditure during a seasonal slowdown in capital markets. The facility enables acceleration of long lead procurement for the West Erregulla gas plant and frees up Strike to fund preparatory work for activity across a suite of Strike's other Perth Basin assets, notably at South Erregulla and Walyering."

This announcement is authorised by Stuart Nicholls, Managing Director & Chief Executive Officer of Strike in accordance with the Company's Continuous Disclosure Policy.

Company Contact

Stuart Nicholls

Managing Director & CEO

Email: stuart.nicholls@strikeenergy.com.au

Investor & Media Contacts

Paul Ryan (Citadel-MAGNUS)

Phone: 0409 296 511

Email: pryan@citadelmagnus.com