

# Strike Energy Limited

## Equity Raising & Corporate Update

April 2021



*Paving the way to becoming Australia's first integrated energy, power & fertiliser developer*

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## Additional important notices

Please refer to page 42 for additional important notices relevant to this document.

## Assets

A core of high quality, low cost energy projects

## Strategy

An integrated, low carbon, value adding strategy

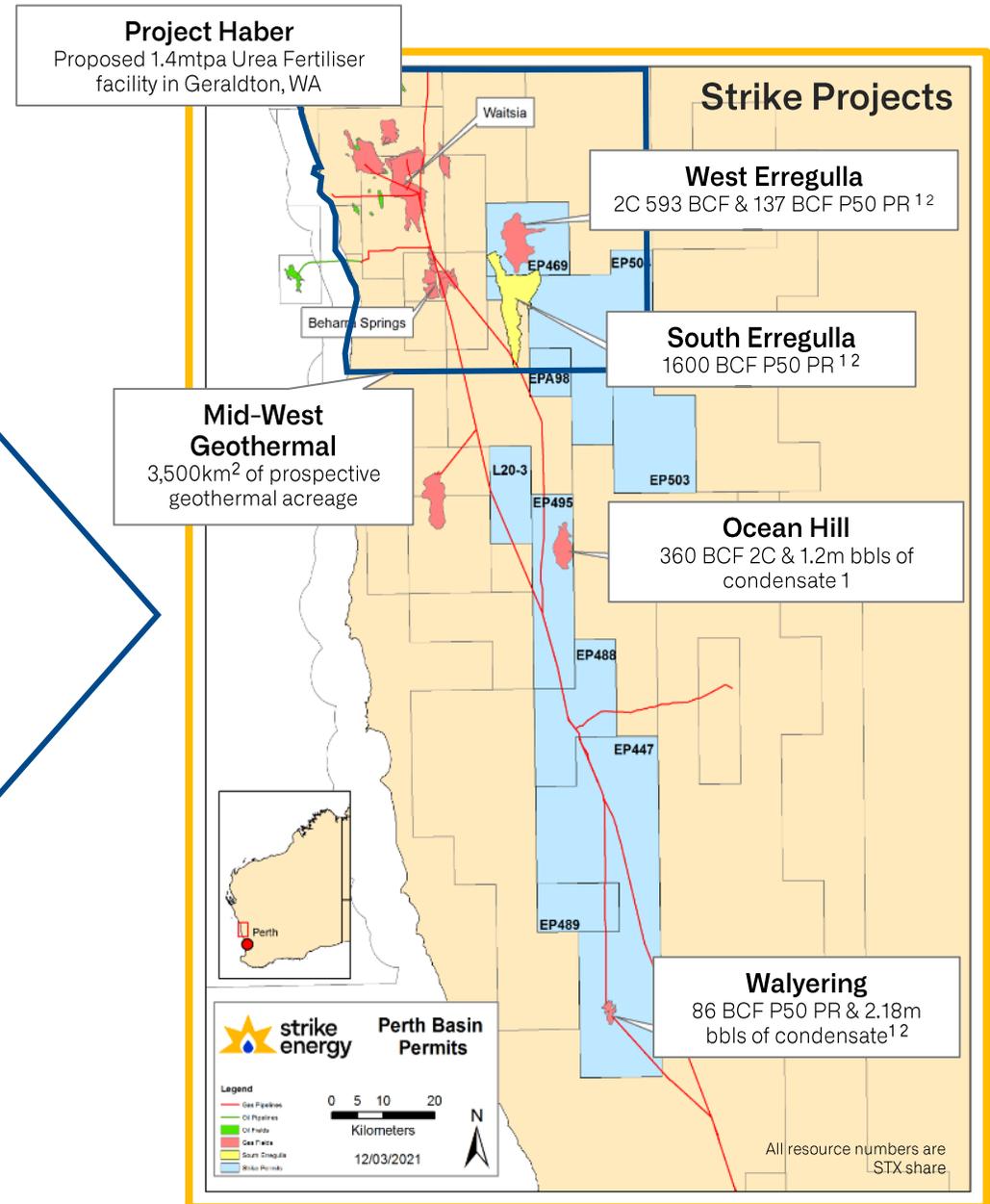
## Board & Management

A local, dedicated, high energy team

## Jurisdiction

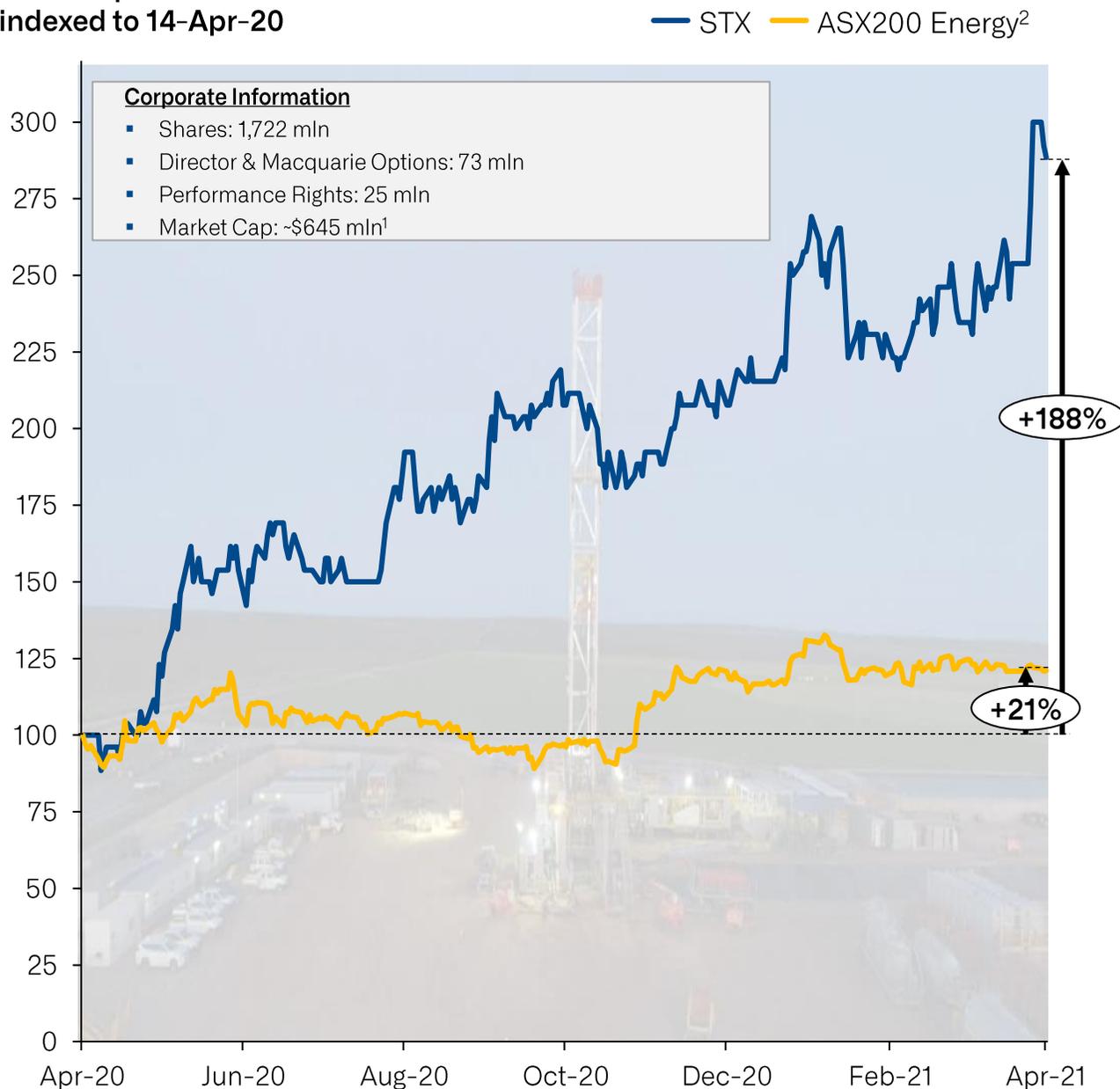
A concentrated footprint in a world class resources region of WA

Strike has the right ingredients to deliver its vision of 50 years of low cost, low carbon energy and industry from WA's Mid West



<sup>1</sup> Refer to the Important Notices on page 42 for Resource Estimate information. <sup>2</sup> **Prospective resource (PR) estimate cautionary statement:** The estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are un-risked and have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

## Relative performance indexed to 14-Apr-20



## Board of Directors



**Non-Exec Chairman**  
**John Poynton AO Cit WA**  
 Australian Business Leader  
 Governance & Finance



**Non-Exec D. Chairman**  
**Nev Power**  
 Ex FMG MD  
 Mining & Infrastructure Leader



**Non-Exec Director**  
**Mary Hackett**  
 Ex WPL & GE O&G CEO  
 Development & Project Delivery



**Non-Exec Director**  
**Andrew Seaton**  
 Ex CFO Santos  
 Finance & Commercial

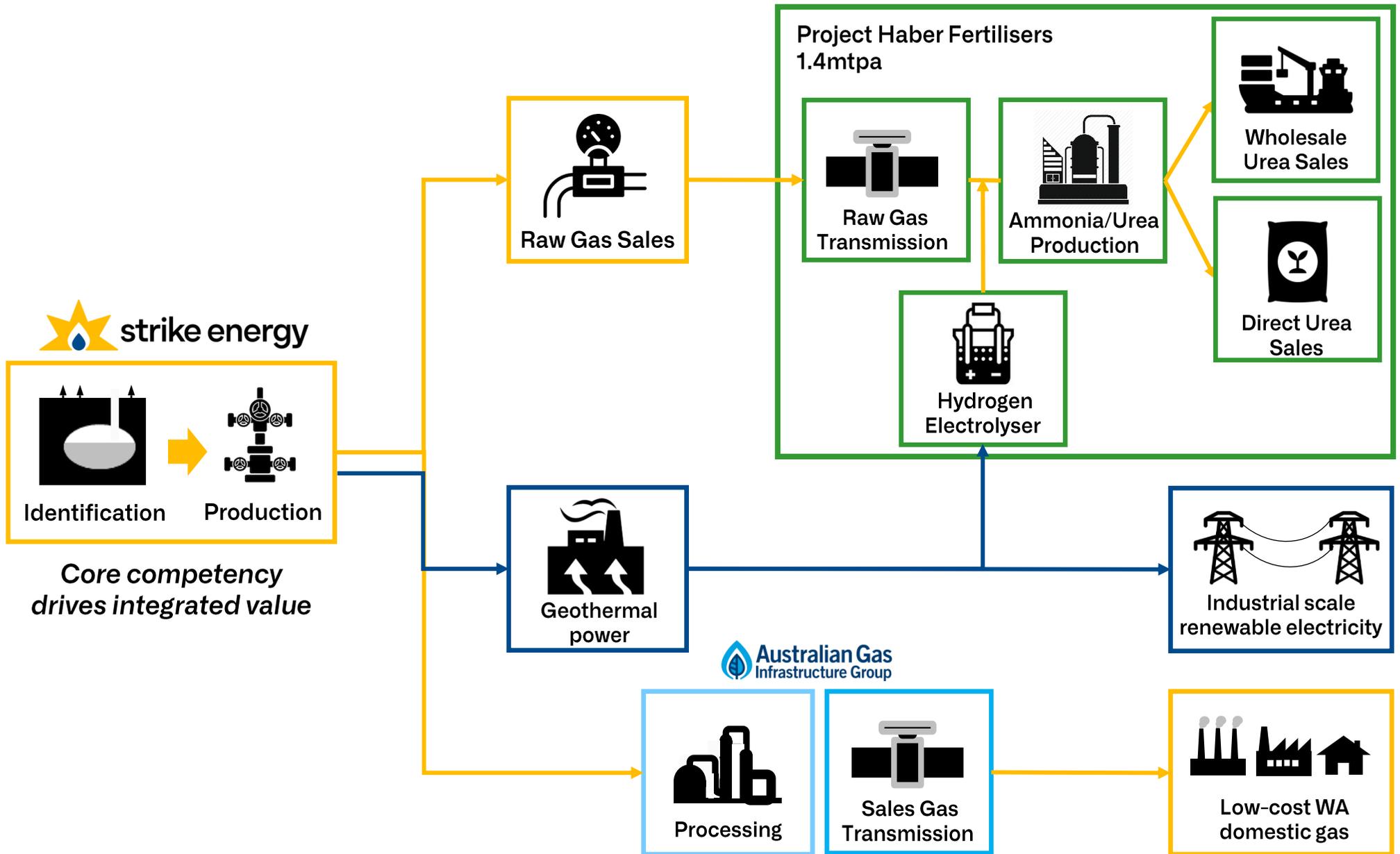


**Non-Exec Director**  
**Stephen Bizzell**  
 Energy & Finance Executive  
 Exploration & Management



**Managing Director**  
**Stuart Nicholls**  
 Ex Shell International  
 Upstream & Commercial

<sup>1</sup> Calculated based on the closing share price on 14 April 2021 of \$0.375  
<sup>2</sup> ASX200 Energy is calculated using S&P/ASX200 Energy Accumulated Index data



## Strike Development



**MD & CEO**

**Stuart Nicholls**  
(ex-Shell)

**Project Haber**

**Mid-West Geothermal**

**New Development Projects**

## Strike Corporate & Marketing



**CFO**

**Justin Ferravant**  
(ex-Santos & Origin)



**GC**

**Lucy Gauvin**  
(ex-Partner Piper Alderman)

## Strike Exploration & Production



**COO**

**Kevin Craig**  
(ex-Shell & Upstream PS)

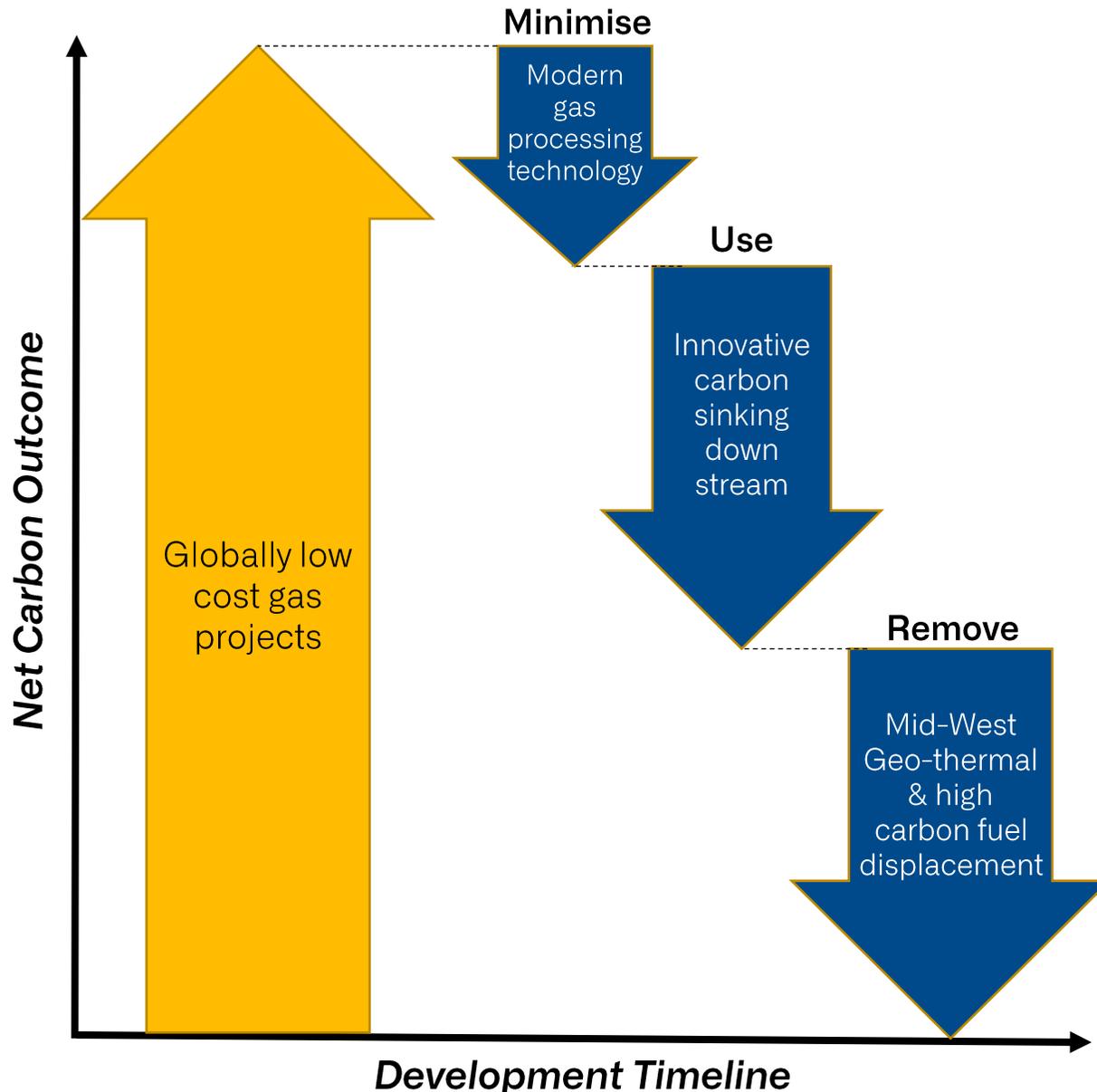
**Gas Production**

**Gas Development**

**Gas Exploration**

Strike's management team are the right combination of ambition, energy, diligence and competence to deliver Strike's suite of integrated energy and fertiliser projects

# Strike's three step approach to carbon



## A successful Strike, is a low carbon WA

- Strike aspires to drive the energy transition for WA through an innovative ground up approach; using technology, products and complementary renewable energy to force its carbon emissions to zero.
- With the contemporary nature of Strike's business, we have the opportunity to build our carbon strategy within our foundations so as to be a value driver versus an after thought cost.
- Via amplifying Strike's low cost gas and prospective geothermal resources<sup>1</sup>, Strike can move to use its own carbon in value adding downstream manufacturing.
- Strike can also provide low cost gas as a competitively priced alternative to traditional carbon intense energy sources, thereby supporting 3rd parties' carbon displacement.

1. Strike has entered into a non-binding term sheet for the acquisition of 100% of the geothermal rights in the Perth Basin via the acquisition of all the issued shares in Mid West Geothermal Power Pty Ltd. Acquisition remains subject to confirmatory due diligence, execution of definitive documentation and completion of the acquisition. Refer ASX announcement dated 1 April 2021 titled "Strike moves to integrate gas, renewables and manufacturing" for further details.

## Upstream portfolio events



April '21

**Strike**

## Downstream portfolio events



1. Timeline represents the anticipated series of events for the remainder of calendar year 2021 and cannot be used as an accurate timescale. Refer to the Summary of Key Risks on pages 43 to 47 as they apply to the above events. 2. Geothermal tenure and targeted resource booking remain contingent on completion of the acquisition of Mid West Geothermal Power Pty Ltd. Refer footnote on page 7 for further details.

# Equity Raising



## Equity Raising Overview

- Equity raising of c. \$75 million via an institutional placement and up to a further \$5 million under a share purchase plan (with discretion to accept oversubscriptions)
- Proceeds to be used to deliver WE Ph1 gas project construction, gas resource addition in the Erregulla region, geothermal testing and progressing the Project Haber fertiliser development
- Consistent with Strike's strategy to deliver 50 years of low cost and low carbon energy and manufacturing from Strike's assets in the Mid-West of WA

## West Erregulla Gas Project

- 80 TJ/d joint development with JVP Warrego Energy
- Development materially de-risked via appraisal drilling results (announced 8<sup>th</sup> April 2021)
- AGIG to BOO gas plant and short pipeline into WA transmission network
- Targeting FID<sup>1</sup> mid-2021
- First gas estimated<sup>1</sup> end 2022 to 1H 2023

## Growth & Downstream Development

- South Erregulla gas resource addition
- Project Haber; proposed 1.4mtpa urea fertiliser pre-FID activities
- Testing and demonstration of Perth Basin geothermal potential<sup>2</sup>
- Other gas exploration/appraisal drilling and seismic activities

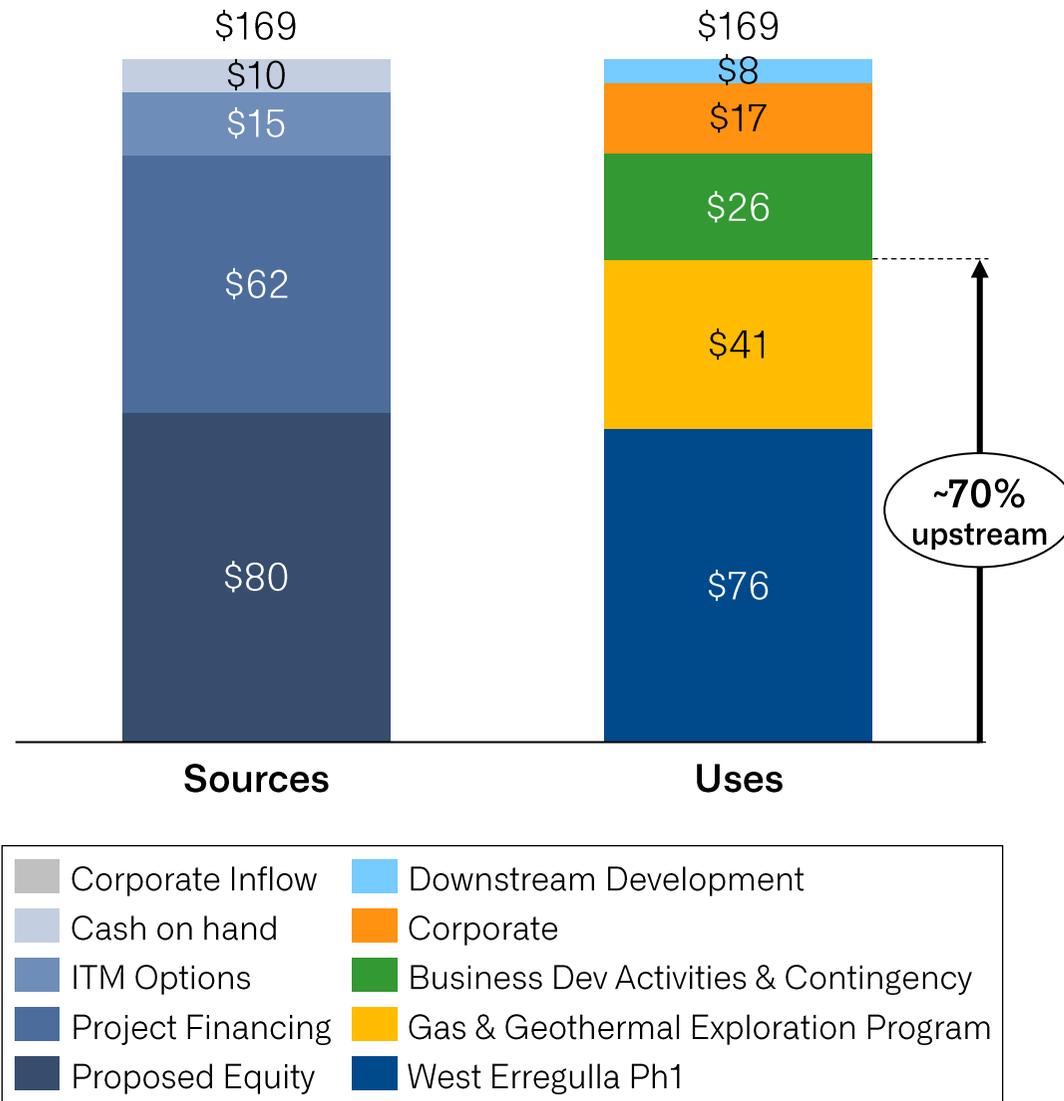
## Strengthening of balance sheet to transform the company

- Equity provides funding certainty to commit to West Erregulla FID capital program which will deliver maiden revenues
- Strike and JVP Warrego currently in advanced discussions with several major lending institutions to facilitate project financing
- Pro-forma cash to increase from ~\$10m to ~\$90m (before transaction costs from the equity raise)<sup>3</sup>

1. Refer to the Summary of Key Risks on page 43 to 47 as they apply to the West Erregulla development. 2. Contingent on completion of the acquisition of Mid West Geothermal Power Pty Ltd. Refer footnote on page 7 for further details. 3. Calculated based on cash at hand as at 1 March 2021 and assumes the placement and share purchase plan are each fully subscribed.

## Sources & Uses of Funds<sup>1</sup>

CY 2021- First Gas A\$m



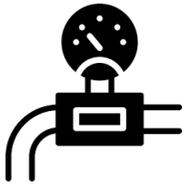
With a c. \$80m equity injection (before transaction costs) Strike will be funded to deliver a suite of potentially transformational Perth Basin outcomes:

1. Project financing and in turn delivery of **'First Gas'** from West Erregulla
2. Proving up the potentially significant **South Erregulla** gas resources
3. Appraisal of the Perth Basin wet-gas Jurassic play at **Walyering**
4. Pre-FID **Project Haber** milestones
5. Subsurface geotechnical work, engineering and preparation for the **Mid-West Geothermal** pilot<sup>2</sup>
6. Critical 2D & 3D seismic campaigns to delineate the **next wave of gas and geothermal resource**<sup>2</sup> addition

1. Calculated based on cash at hand as at 1 March 2021. Proposed Equity amount of ~\$80m is shown before transaction costs and assumes the placement and share purchase plan are fully subscribed.  
 2. Contingent on completion of the acquisition of Mid West Geothermal Power Pty Ltd. Refer to footnote on page 7 for further details.

Strike's existing funds on hand are dedicated to the West Erregulla appraisal campaign. Additional funding is required in order to maintain the cadence of delivery of Strike's vision in producing low cost and low carbon energy and products.

## Gas delivery



- Facilitate earliest possible first gas from the low-cost Greater Erregulla Ph1 at the West Erregulla gas development:
  - Fund early long lead item procurement for upstream and midstream construction; and
  - Provide equity component to unlock Project Financing

## Upstream

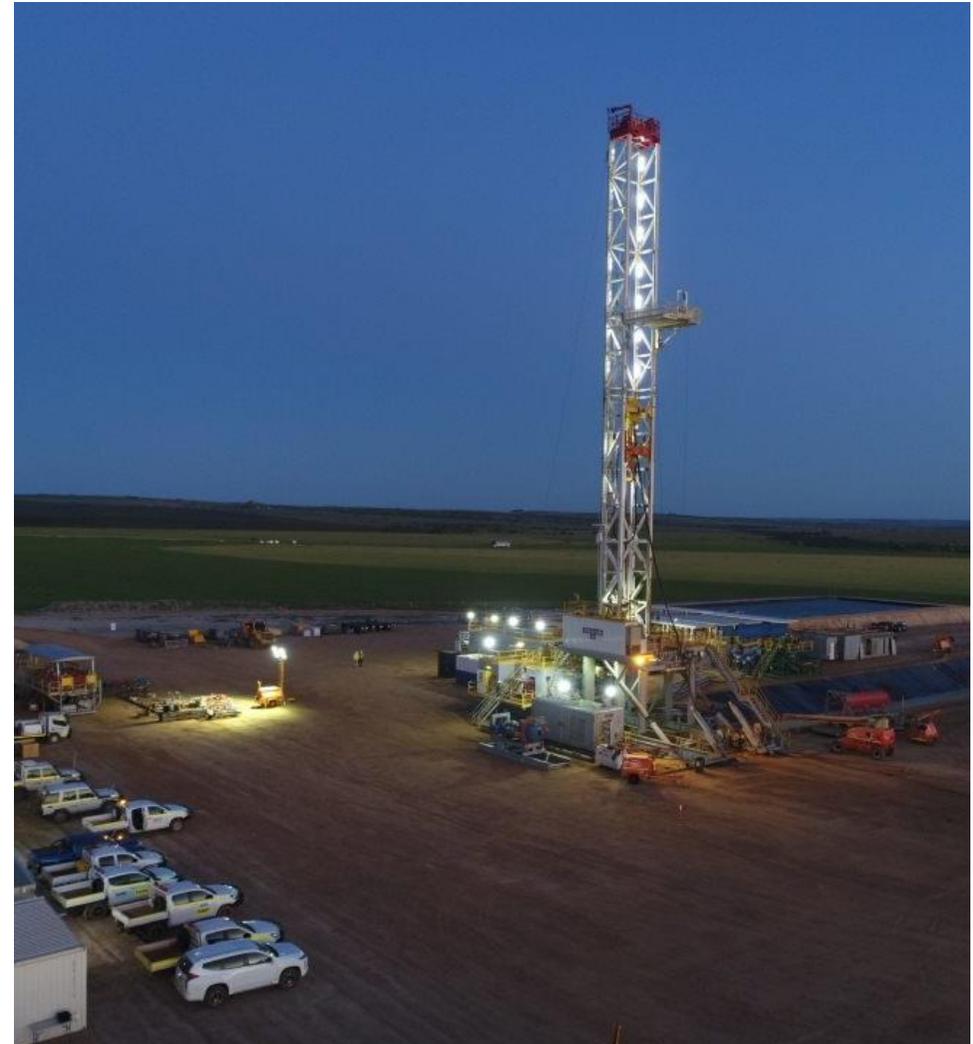


- Undertakings required to lock in Strike's highly valuable 2021 drilling slots on the sought-after Ensign 970
- Commitments required for long lead procurement for South Erregulla/Walyering drilling campaign

## Downstream



- Costs which are being incurred in the progression of engineering and offtake for the development of Project
- Immediate costs for studies and preparation of various government grant applications (manufacturing, hydrogen and clean energy)



## Strike is raising c. A\$80 million via a Placement and SPP

Placement Structure	<ul style="list-style-type: none"> <li>Single tranche Placement to sophisticated, professional and other institutional investors pursuant to ASX Listing Rule 7.1 (“Placement”)</li> <li>New shares will rank pari passu with existing shares</li> </ul>
Placement Size	<ul style="list-style-type: none"> <li>c. A\$75 million</li> <li>Single tranche placement of approximately 250 million shares will be issued, representing approximately 14.5% of issued capital</li> </ul>
Placement Price	<ul style="list-style-type: none"> <li>Fixed Placement price of A\$0.30 per new share (the “Price”)</li> <li>The Price represents a 20.0% discount to the last closing price of A\$0.375 per share prior to the Placement, a 18.9% discount to the 5-day trading VWAP and a 9.4% discount to the 30-day trading VWAP</li> </ul>
Share Purchase Plan	<ul style="list-style-type: none"> <li>Eligible Strike shareholders as at a record date of 14 April 2021 to have opportunity to participate in a non-underwritten share purchase plan (“SPP”)</li> <li>SPP up to A\$30,000 per shareholder, at same price as the Placement (A\$0.30), targeting a maximum of A\$5 million with discretion to accept oversubscriptions</li> <li>Further details of the SPP to be released shortly</li> </ul>
Syndicate	<ul style="list-style-type: none"> <li>Euroz Hartleys Securities Limited and UBS AG, Australia Branch are acting as Joint Lead Managers and Joint Bookrunners to the Placement</li> </ul>

### Indicative Placement Timetable

Event	Date
Trading halt and Placement process	Thursday, 15 April 2021
Announcement of completion of Placement	Monday, 19 April 2021
Settlement of new shares issued under the Placement	Friday, 23 April 2021
Allotment & trading of new shares issued under the Placement	Monday, 26 April 2021

### Pro-Forma Capital Structure<sup>1</sup>

	Ordinary Shares (millions)	Cash (A\$m)
Existing Strike issued share capital	1,722.3	\$10 <sup>2</sup>
Placement shares to be issued	250.0	\$75
SPP shares to be issued	16.7	\$5
<b>Total</b>	<b>1,989.0</b>	<b>\$90</b>

1. Assuming the Placement and SPP are fully subscribed.  
 2. Based on cash at hand as at 1 March 2021.

# Strike's Gas Projects



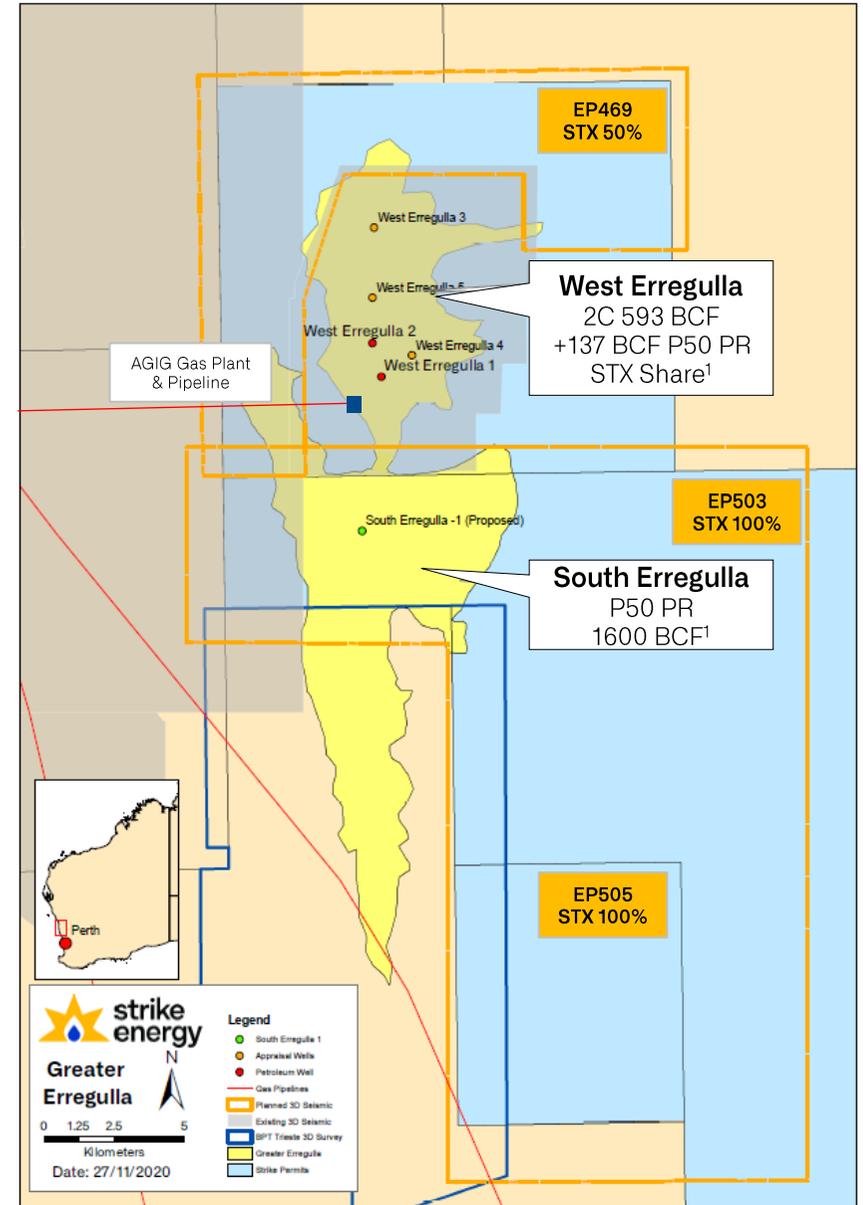
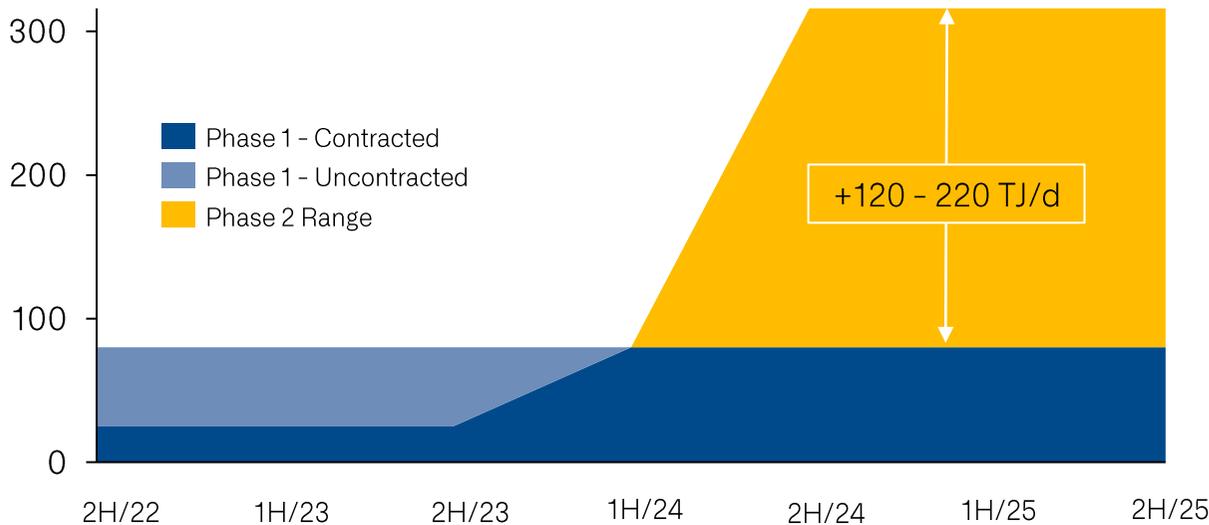
## Phase 1

- 80 TJ/d sales gas joint development with JVP Warrego
- AGIG to build, own and operate gas plant

## Phase 2

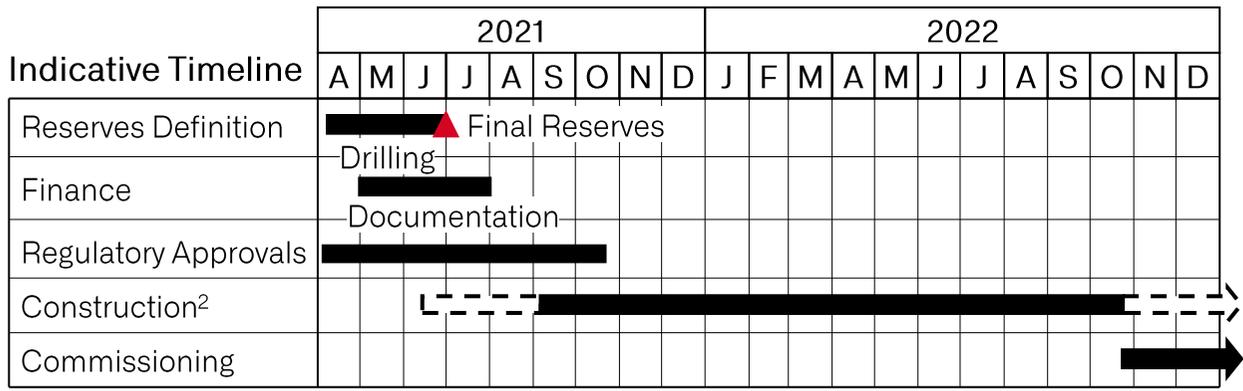
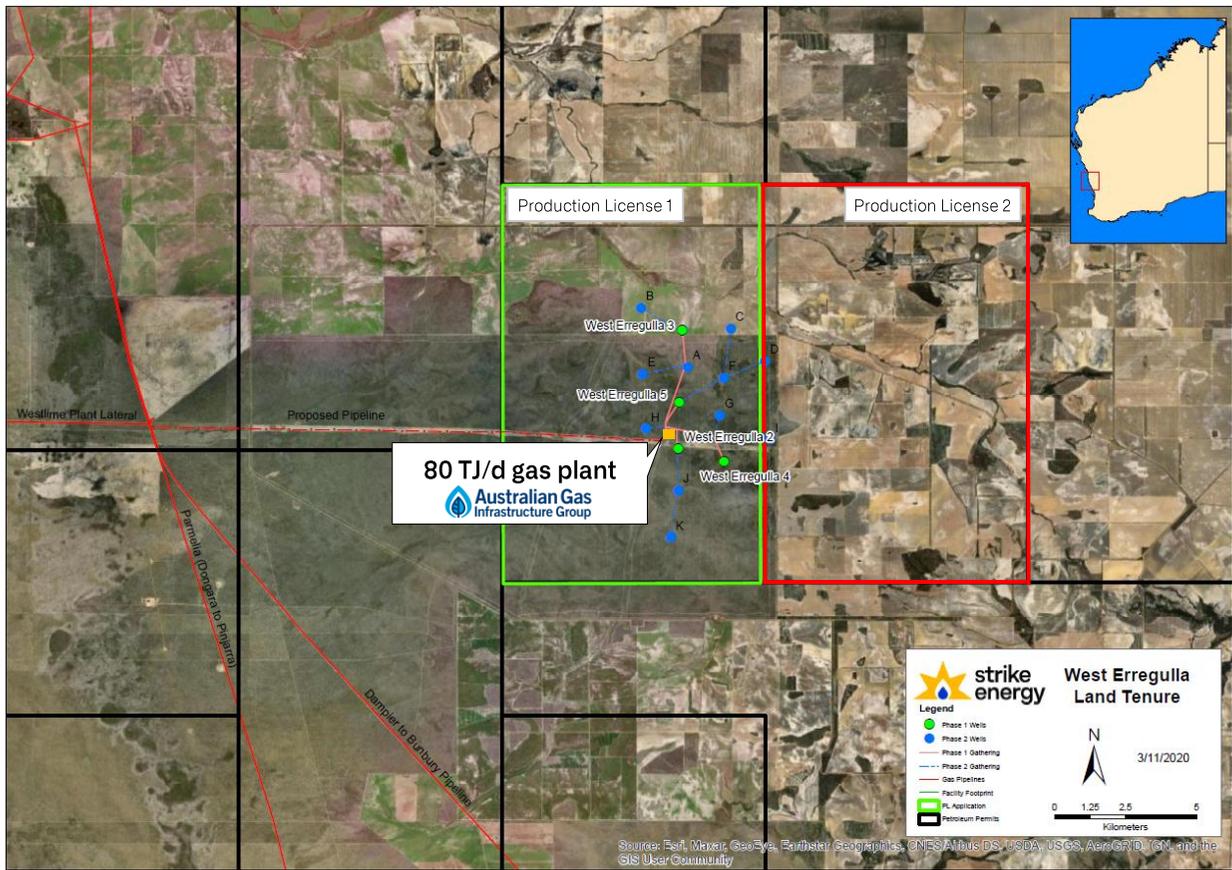
- To be optimally sized to support resource footprint of the Greater Erregulla region
- AGIG export pipeline sized for a maximum of 316 TJ/d
- Target to deliver gas during mid-decade predicted shortfall
- Processing expansion sizing dependent upon near field exploration success and West Erregulla production data

Greater Erregulla Production Phases (TJ/d by year)<sup>2</sup>



<sup>1</sup> Refer to the Important Notices on page 42 for Resource Estimate information. **Prospective resource estimate cautionary statement:** The estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are un-risked and have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

<sup>2</sup> Size and timing of Phase 2 is indicative only and remains subject to, among other things, further appraisal results, booking of sufficient reserves, access to infrastructure, regulatory and stakeholder approvals. Refer to Summary of Key Risks as they relate to the Greater Erregulla project on pages 43 to 47.



FID Window<sup>3</sup>

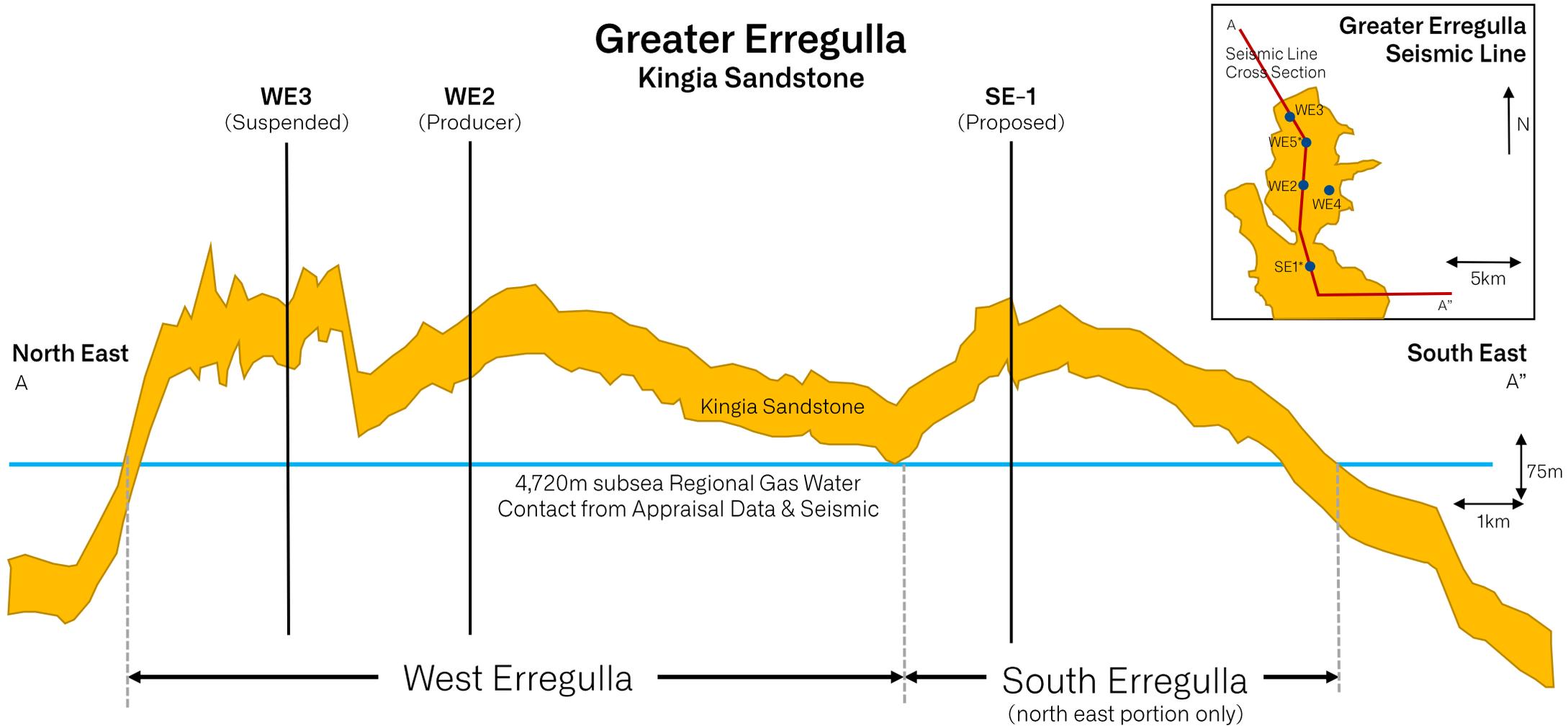
- West Erregulla joint development with JVP Warrego progressing towards FID, slated for the mid part of 2021, with final regulatory approvals expected to drive construction start.
- Phase 1 will bring 80 TJ/d online with 100% of the foundation gas sold from 2024 to CSBP-Wesfarmers and Alcoa for >10 years.
- AGIG to build and operate gas plant on long term tolling contract at a competitive tariff that is reflective of Strike's low-cost gas.
- First gas is estimated in the window of end-22 to 1H23.<sup>1</sup>

1. Timing dependent on construction start, commissioning and potential for construction delays. 2. Includes pre-construction works and long lead procurement. 3. See footnote on FID and FID timing on page 17.

## West Erregulla Gas Project

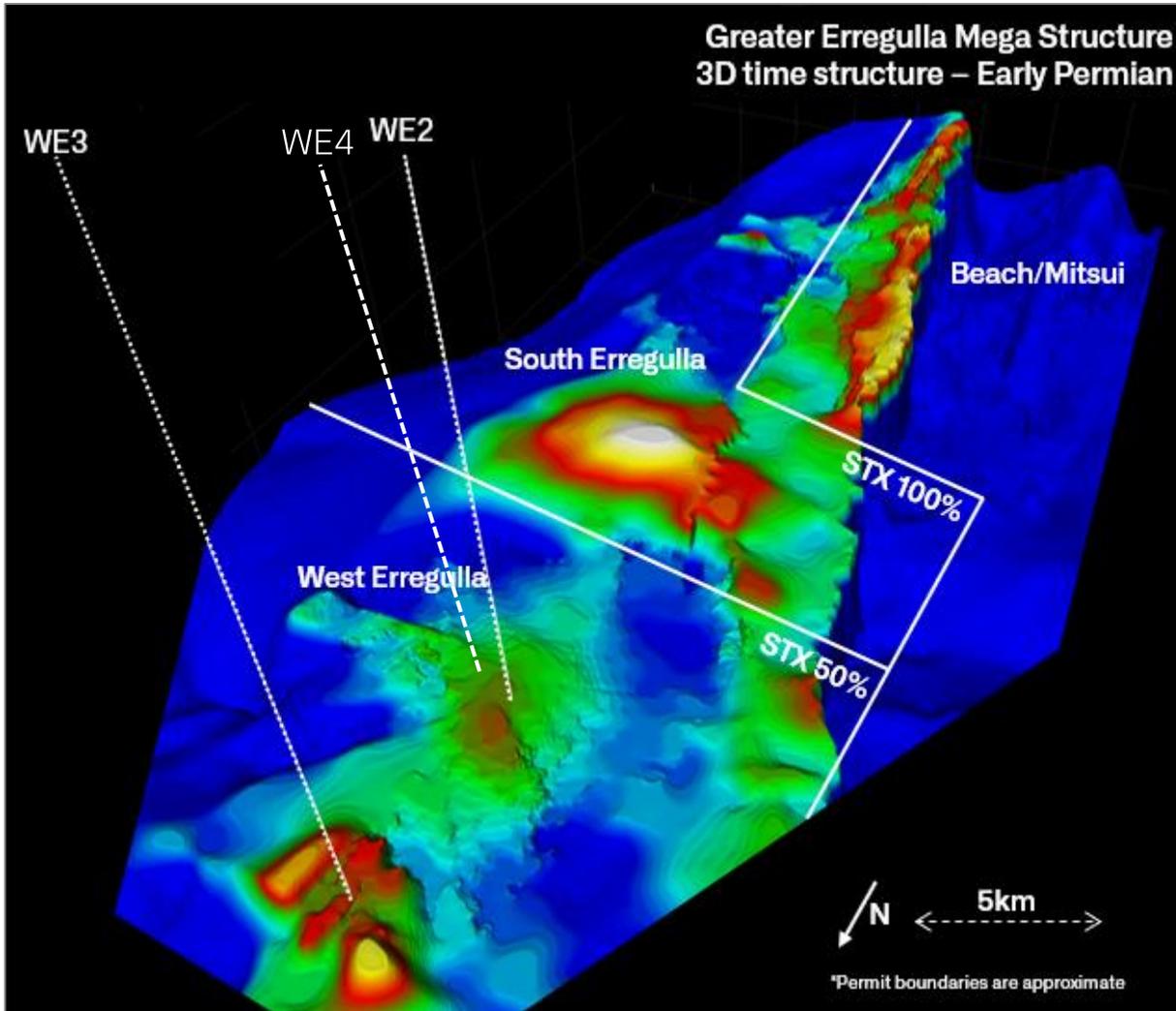
Sufficient Resources & Reserves	✓	Resources Confirmed Reserves Pending
Environmental Approvals	✓	Submission imminent with recent precedent
Foundation Gas Sales <sup>2</sup>	✓	 
Development Plan	✓	 BOO 80 TJ/d
Pre-Development Funding	✓	 MACQUARIE up to \$28m Pre-Development facility plus equity raising proceeds
Project Financing	✓	Initial Term Sheets Equity pending
Final Investment Decision	<b>Target FID Window<sup>1</sup> Jun-Oct 21</b>	

1. FID and timing of FID subject to, among other things, booking of sufficient reserves, execution of infrastructure documentation and midstream-FID, JV processes, debt procurement, and regulatory approvals. Refer to the Summary of Key Risks on pages 43 to 47 as they relate to the West Erregulla development. 2. Strike and Warrego have agreed a gas balancing arrangement in respect of their respective foundation gas sales agreements. Refer to the ASX announcement titled "West Erregulla JV Alignment" dated 8th Oct 2020.



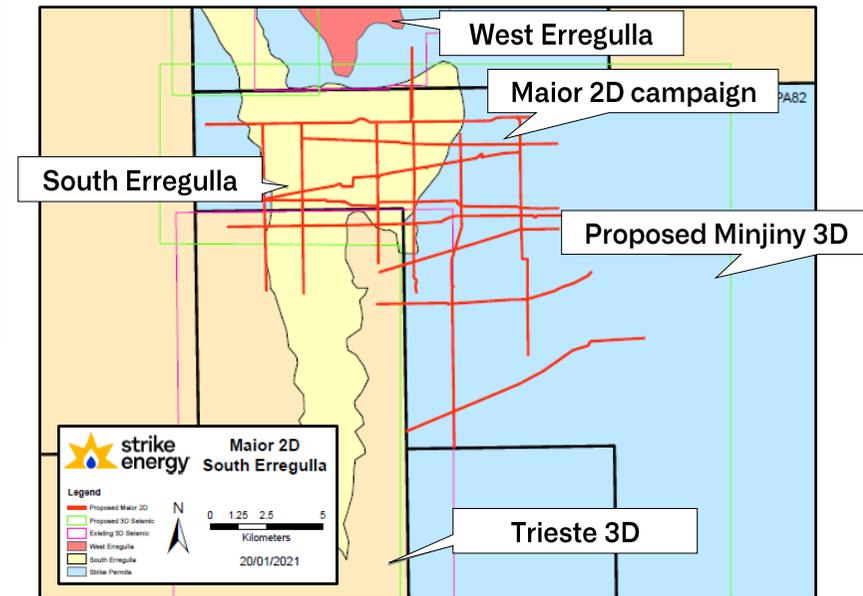
**Appraisal drilling and seismic indicates a gas filled mega structure lying above the gas water contact in the Erregulla region**

# A strong candidate for Greater Erregulla Ph2



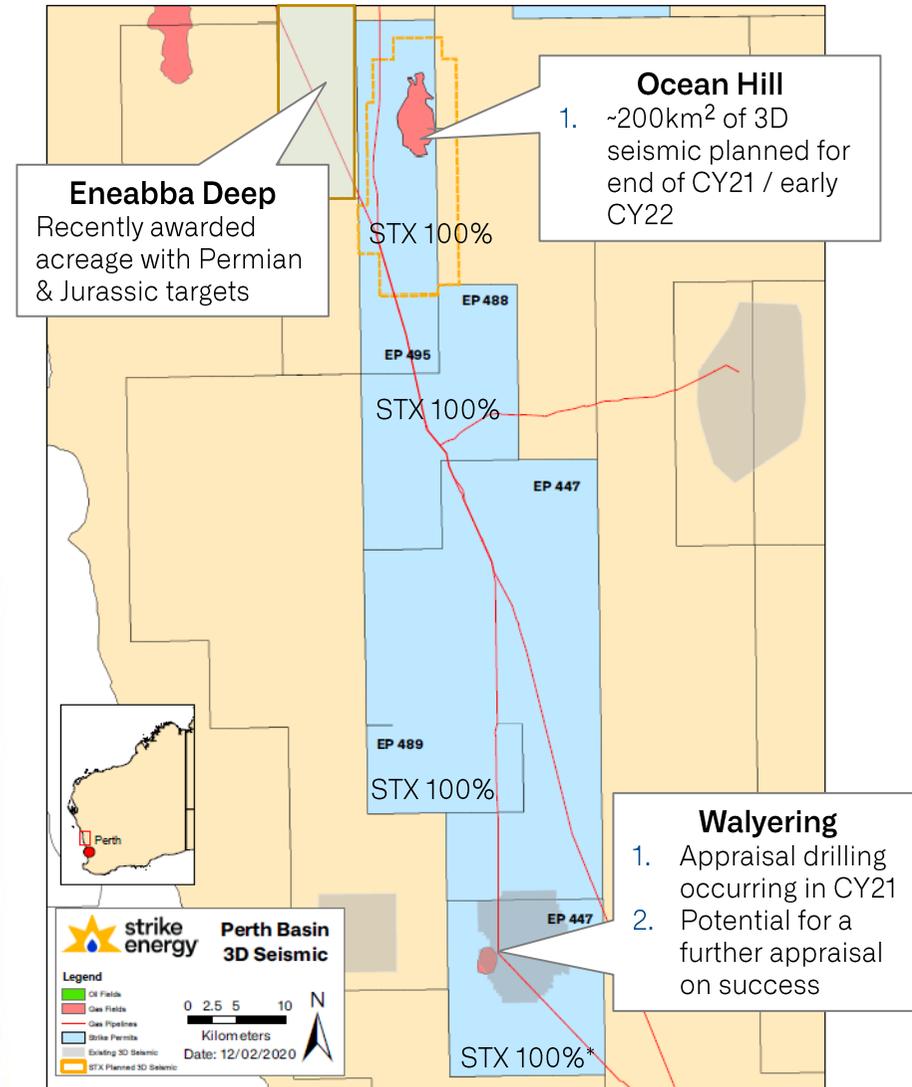
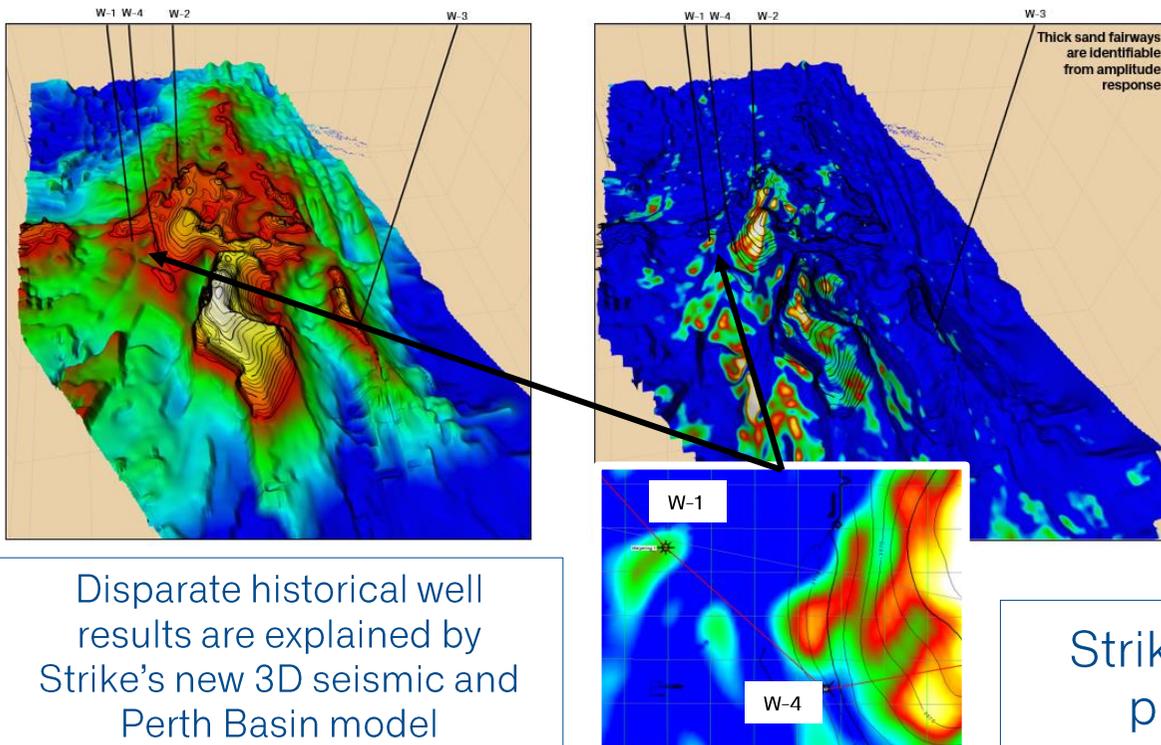
- WE Appraisal has further improved SE POS
- Strike's current interpretation yields a POS of 57%<sup>1</sup> driven by:
  1. South Erregulla being the regional high
  2. Appearing connected to West Erregulla and is therefore likely co-charged
  3. Has appreciable amplitude blooms (diagnostic of hydrocarbons & porosity)
  4. WE4 appraisal results confirming thickening of Kingia to South and East
  5. 100% of penetrations of the Kingia have been successful
- Rig 970 secured for CY21 drilling
- Maior 2D seismic program to be acquired in 1H/21

South Erregulla (SE) Conventional Gas Prospective Resource OGIIIP (TCF) <sup>1</sup>			
Strike Share	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
100%	0.63	1.60	2.12



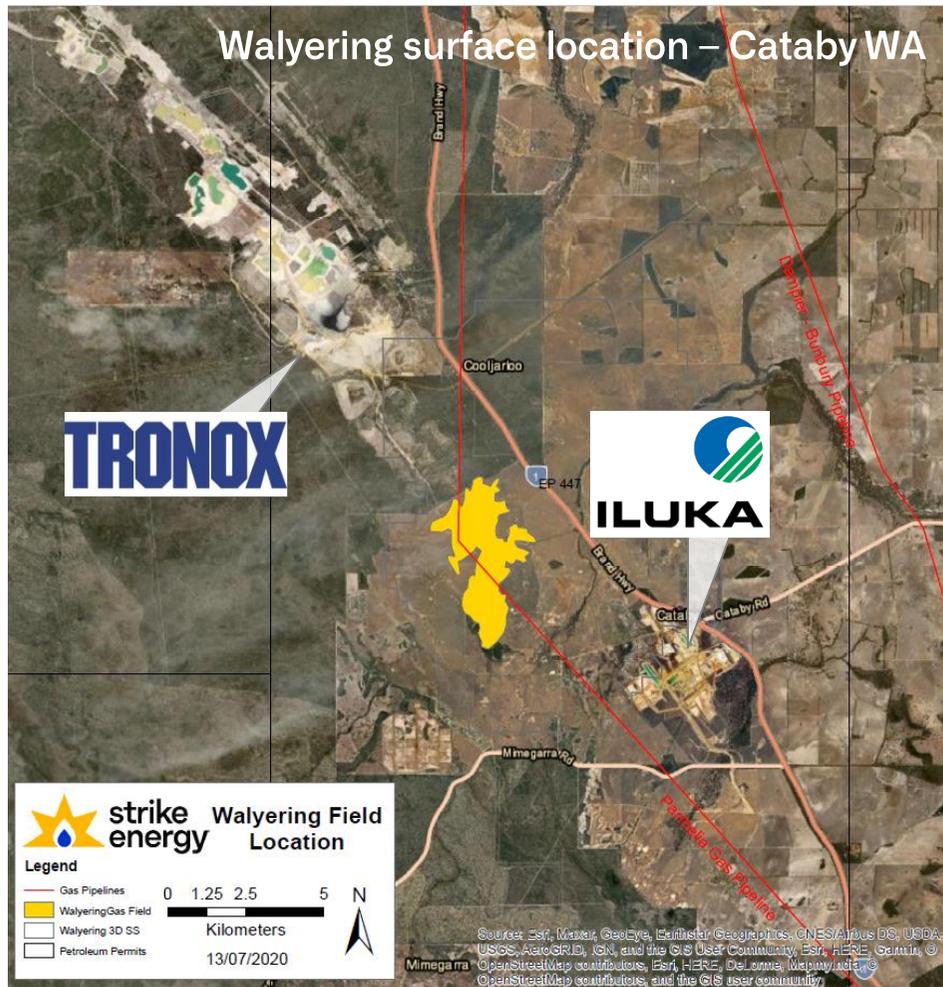
<sup>1</sup> Refer to the Important Notices on page 42 for Resource Estimate information. <sup>2</sup>Prospective resource estimate cautionary statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are un-risked and have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

- The Walyering conventional gas discovery was made in the Cattamarra Coal Measures (at 3,400m SS) and flowed ~14 TJ/d
- The play has supported other commercial gas projects at Gin-Gin and Red Gully.
- Post 3D seismic, Walyering represents a high confidence wet-gas target. Strike is progressing appraisal drilling in CY21 via farm out of a 45% non-operated interest to Talon Petroleum in exchange for a \$6m free carry.



\* On completion of the farm-in by Talon, Strike will retain a 55% operating interest in Walyering

Strike owns 1,853 km<sup>2</sup> of acreage in the play which will revalue on success



- Industrial energy consumers Tronox and Iluka have mineral sands mines within 4 km of the interpreted field boundary.
- Walyering-1 gas stream was 99% methane with no major impurities also with high liquids content. Minimal processing required.
- Strategically advantaged in its location being situated between WA’s two primary domestic gas transmission lines
- Strike is building out a demand of local Mid-West customers in order to deliver energy over the shortest distance and reduce transmission.

Nearby customers and high-quality gas with low processing needs, makes for a potential localised, low cost, fast to market development.

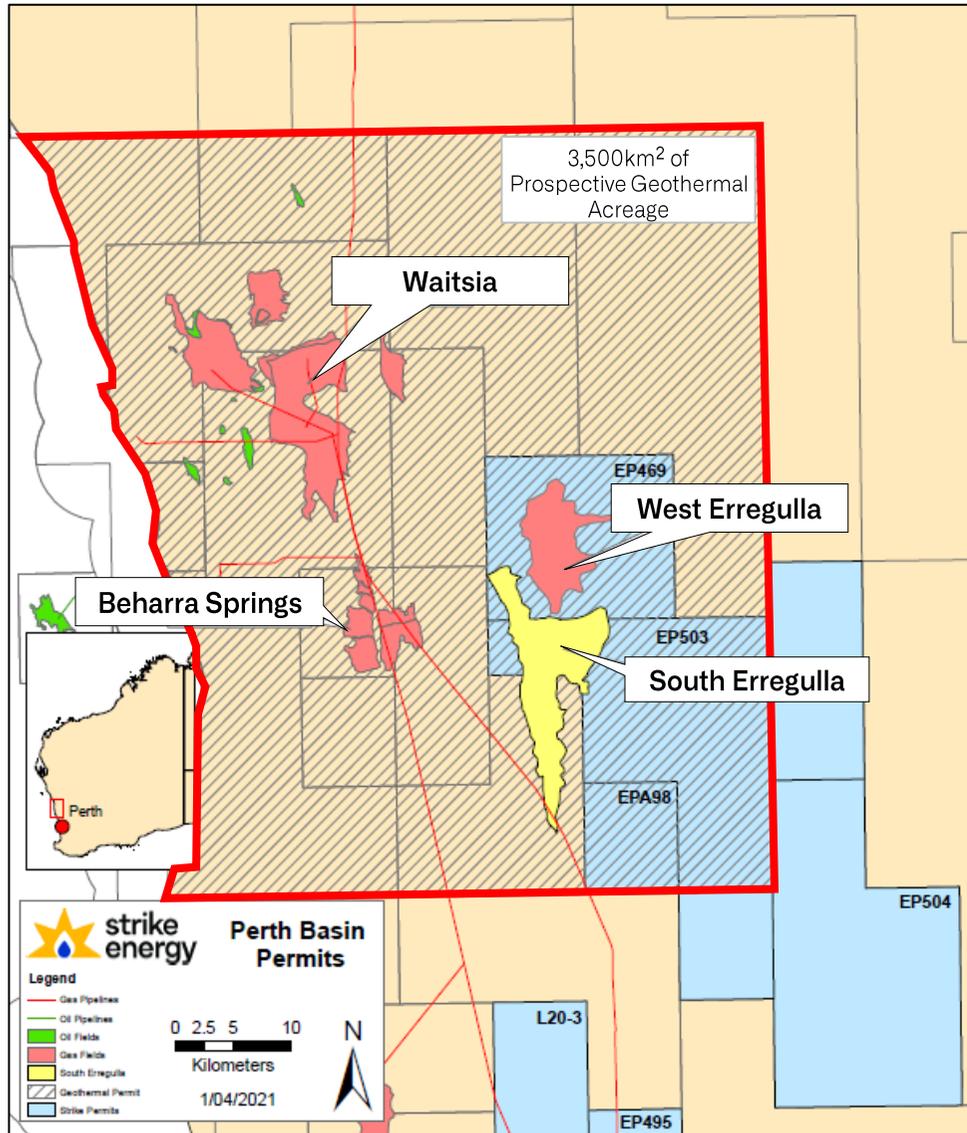
## Walyering Conventional Wet Gas Prospective Resource<sup>1</sup>

Pre-farm out Strike Share (100%)	Low (P90)	Best (P50)	High (P10)
<b>Gas</b> (OGIIP bcf)	48	86	142
<b>Condensate</b> (STOIIP mmbbls)	1.22	2.18	3.61

<sup>1</sup> Refer to the Important Notices on page 42 for Resource Estimate information. **Prospective resource estimate cautionary statement:** The estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are un-risked and have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

# Mid-West Geothermal Project

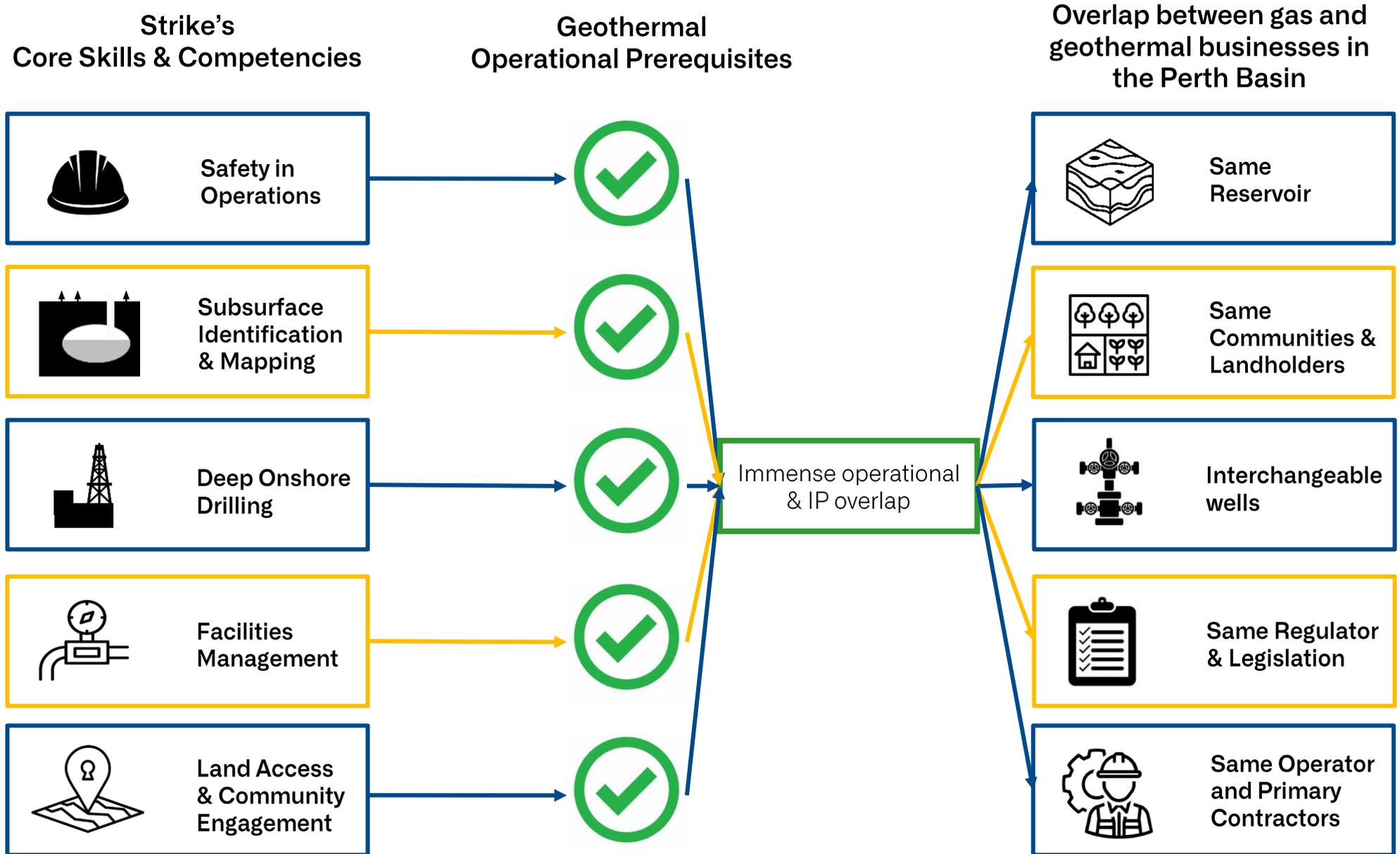




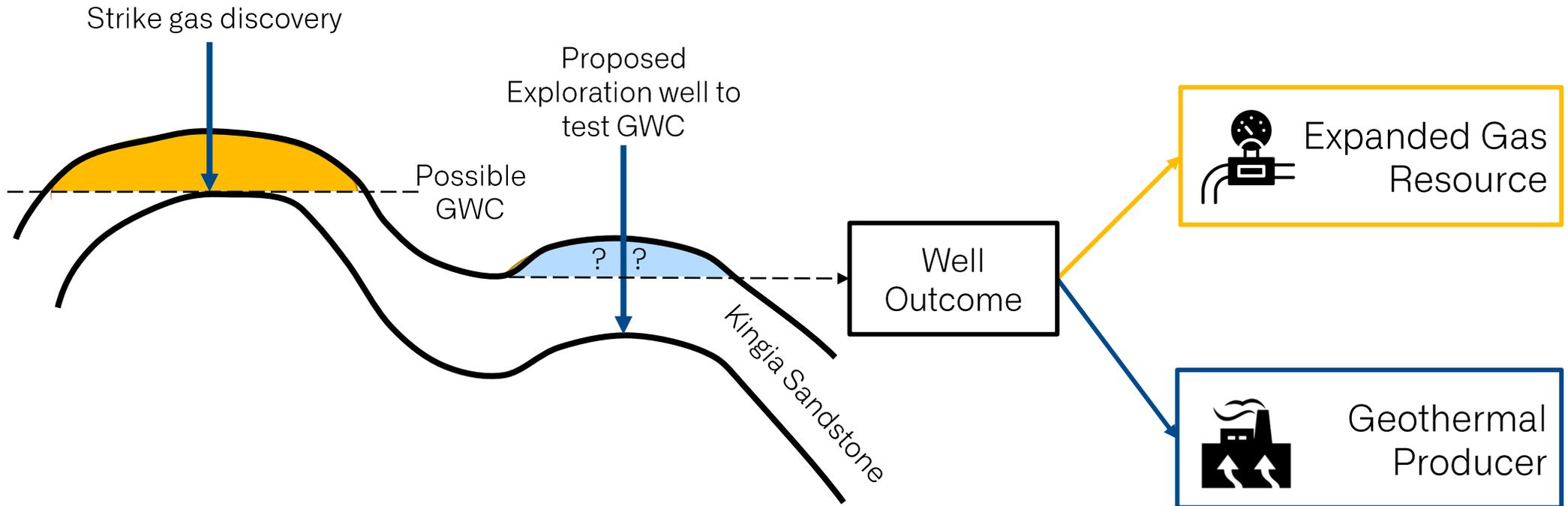
**More than 500km<sup>2</sup> of already mapped resource**

- Strike has agreed terms to secure 100% of the existing geothermal rights in the Perth Basin.<sup>1</sup>
- Overlaps Strike’s gas acreage and that of Beach & Mitsui.
- The Permian sandstones (Kingia etc.) are the primary geothermal reservoirs.
- Strike’s reservoir modeling from the Permian Fairway shows that equivalent quality non-gas bearing, water wet sandstones:
  - could flow >13,000 bbls of water per day unassisted.
  - have bottom hole temperatures of >175°.
- Strike modelling suggests the Perth Basin geothermal acreage could support up to 350 MW of power, with >500km<sup>2</sup> of potential resource already mapped.
- On success would produce WA’s only baseload renewable power.

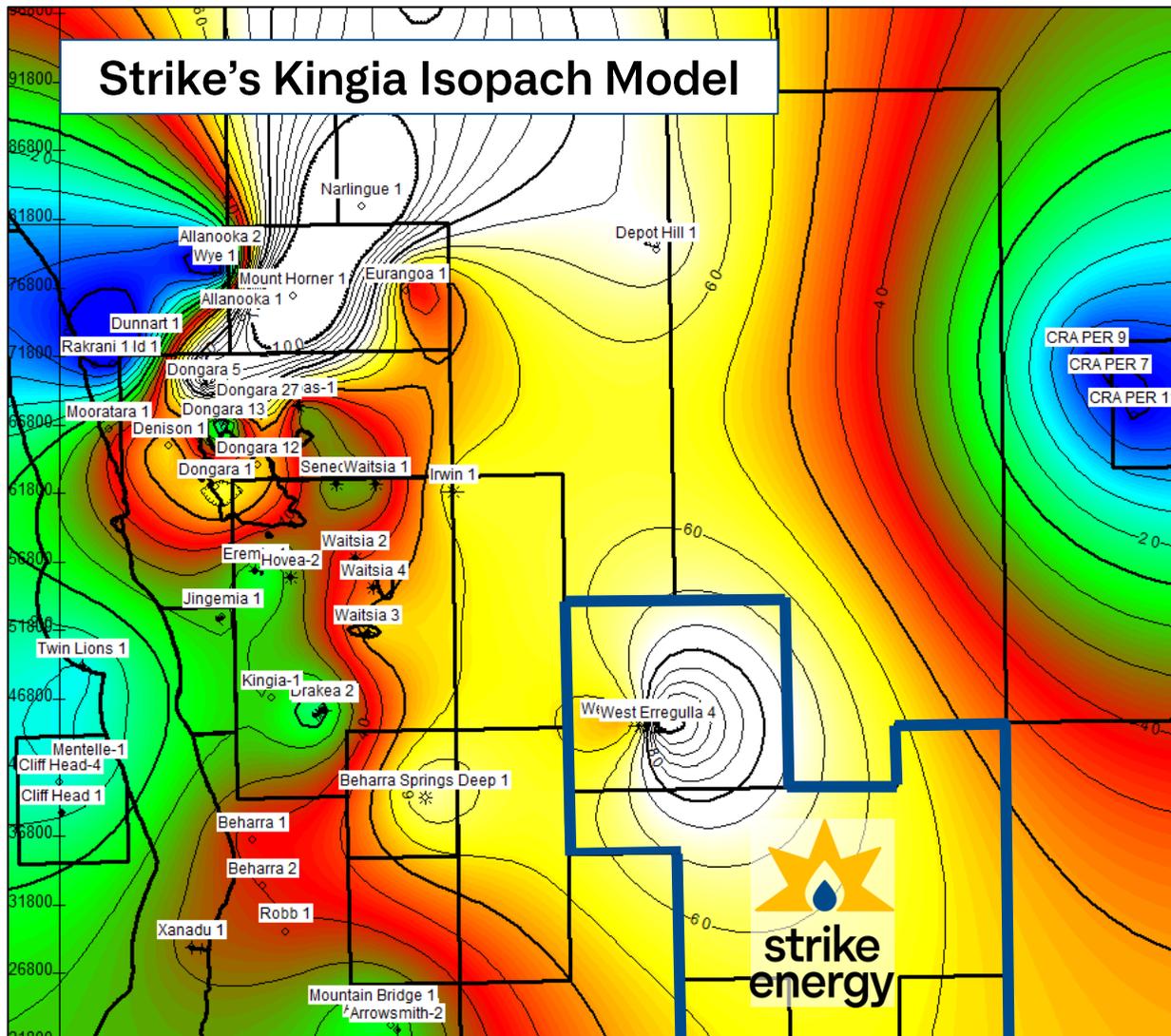
1. Strike has entered into a non-binding term sheet for the acquisition of 100% of the geothermal rights in the Perth Basin via the acquisition of all the issued shares in Mid West Geothermal Power Pty Ltd. Acquisition remains subject to confirmatory due diligence, execution of definitive documentation and completion of the acquisition. Refer ASX announcement dated 1 April 2021 titled “Strike moves to integrate gas, renewables and manufacturing” for further details.



## Strike's Permian Acreage



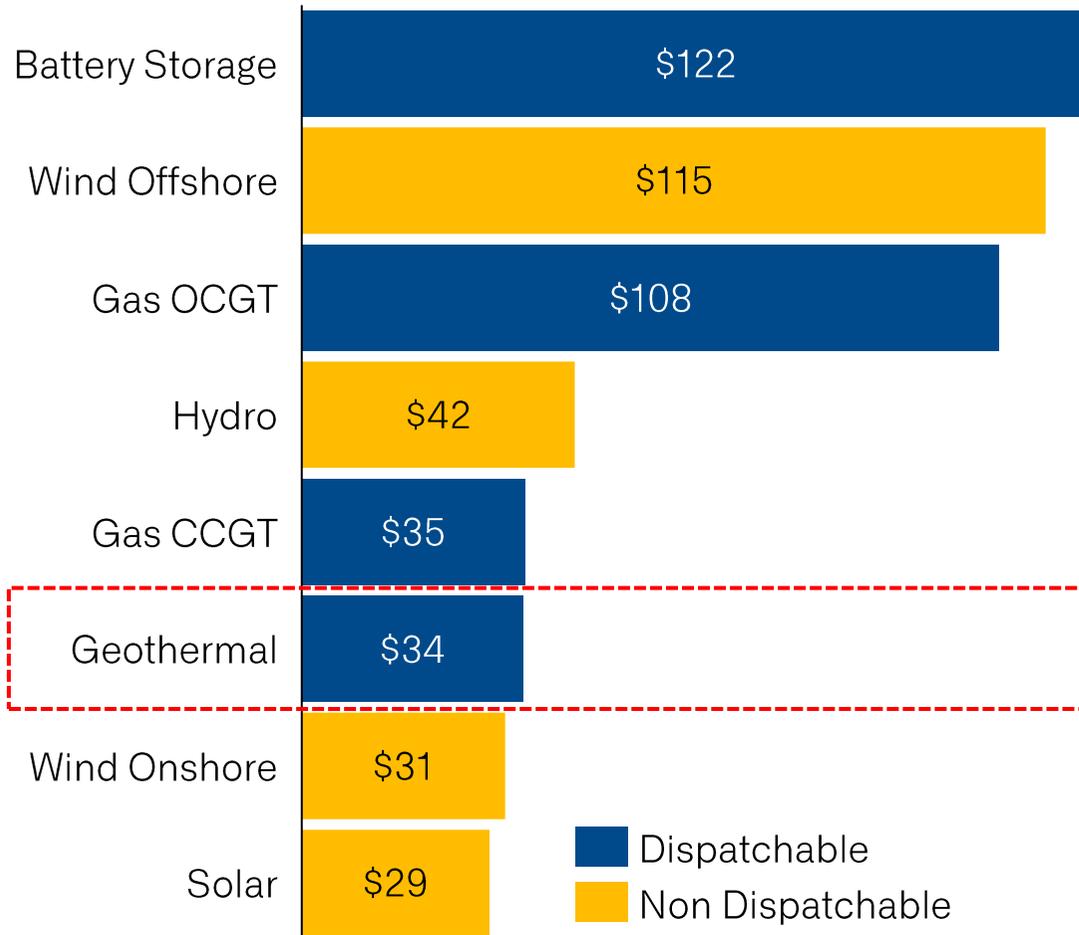
**The Kingia can be both a conventional gas reservoir and host to hot water wet sands, which can be used for geothermal purposes. Having dual interests is a natural hedge to all of Strike's drilling activity**



- Strike's gas appraisal program is providing frontier results for the Kingia sandstones in the Perth Basin which benefits both its gas and geothermal projects.
- Strike's gas and potential geothermal interests lie over the areas of the thickest Kingia sands.
- Ongoing sedimentology work provides confidence in the regional pervasive nature of the Kingia porosity zones.
- Mapping of the Kingia on and off structure provides both future gas targets and areas of geothermal prospectivity.

**Isopach modelling serves multiple uses in mapping sands for potential gas bearing structures and also regional geothermal resources**

## United States: levelised cost of electricity and levelised cost of storage for new resources entering service in 2026 (2020 US dollars per mega-watt-hour)



- Geothermal energy is currently the **ONLY** renewable base load energy.
- In countries with a diverse energy system (like the US as seen on the left), Geothermal energy is **cheapest** form of dispatchable /baseload electricity.
- Mid-West geothermal potential could be the long-awaited answer to support shutting down of WA's base load coal electricity generation fleet, which still produces ~40% of the State's electricity.
- Strike estimates this could reduce the State's carbon footprint by ~3 million tonnes of CO<sub>2</sub> per annum.

## ***Companies have tried geothermal in Australia, why is this different?***

- Geothermal in Australia has often been trialed in remote areas where there is no industrial electricity demand
- Australian geothermal trials have only ever been in 'hot dry rocks' where access to water and technical challenges have presented themselves early on.
- Geothermal target and geology have been bespoke where little industry expertise has been developed to deal with the subsurface conditions encountered.

## ***Why hasn't a Perth Basin geothermal project been proposed?***

- Drilling of the deep Kingia-High Cliff sands in the Permian of the Basin has only occurred within the last 5 years. This is very new data.
- Focus on the Perth Basin has been around the large gas fields and not the geothermal potential. New analogues in Canada have proven hot-wet aquifers can be developed.
- The Perth Basin has never had the scale of activity required to bring drilling costs down to present viable economics.

Strike's proposed Mid-West geothermal project has access to new data and new technology which may allow it to succeed where others have not

# Project Haber: Urea Fertiliser Development



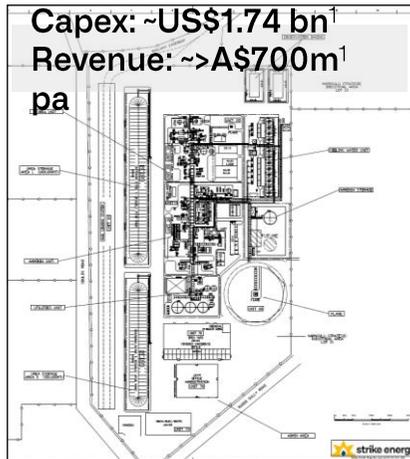
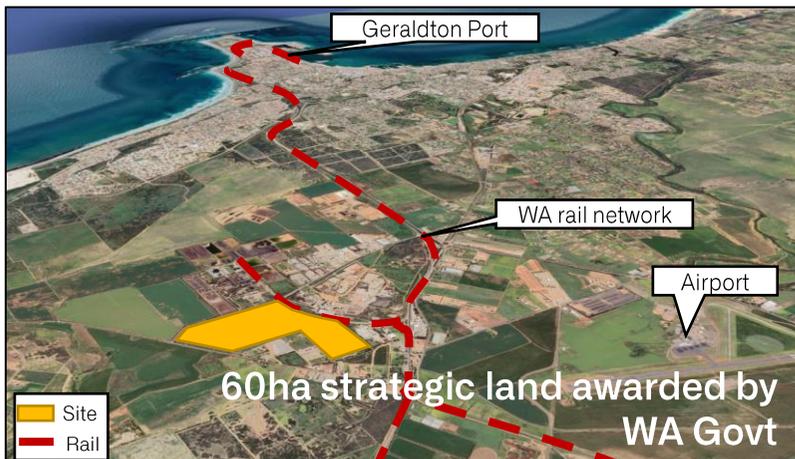


### Project Haber could:

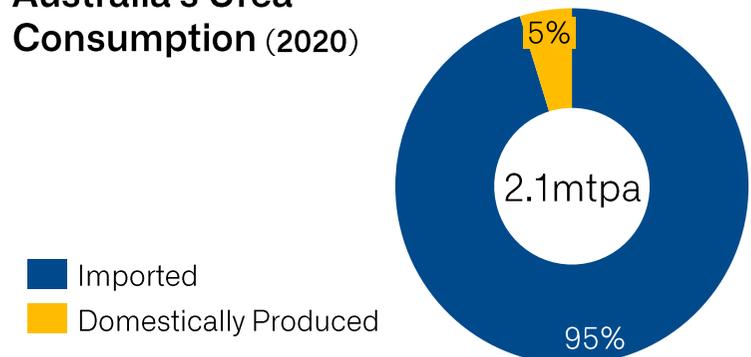
- Displace more than \$1 billion of urea imports (10% from China)
- Secure Australia's supply of this critical commodity
- Reduce the cost of farming in Australia and make Australian cereals more competitive
- Reduce the carbon intensity of Australian farming
- Generate some of the world's first green fertiliser via hydrogen electrolysis

### Benefits to Strike:

- Generate internal gas demand (86 TJ/d equivalent to 628 PJ over 20-years<sup>1</sup>)
- Provide Strike superior integrated returns than otherwise could be generated in the WA gas market

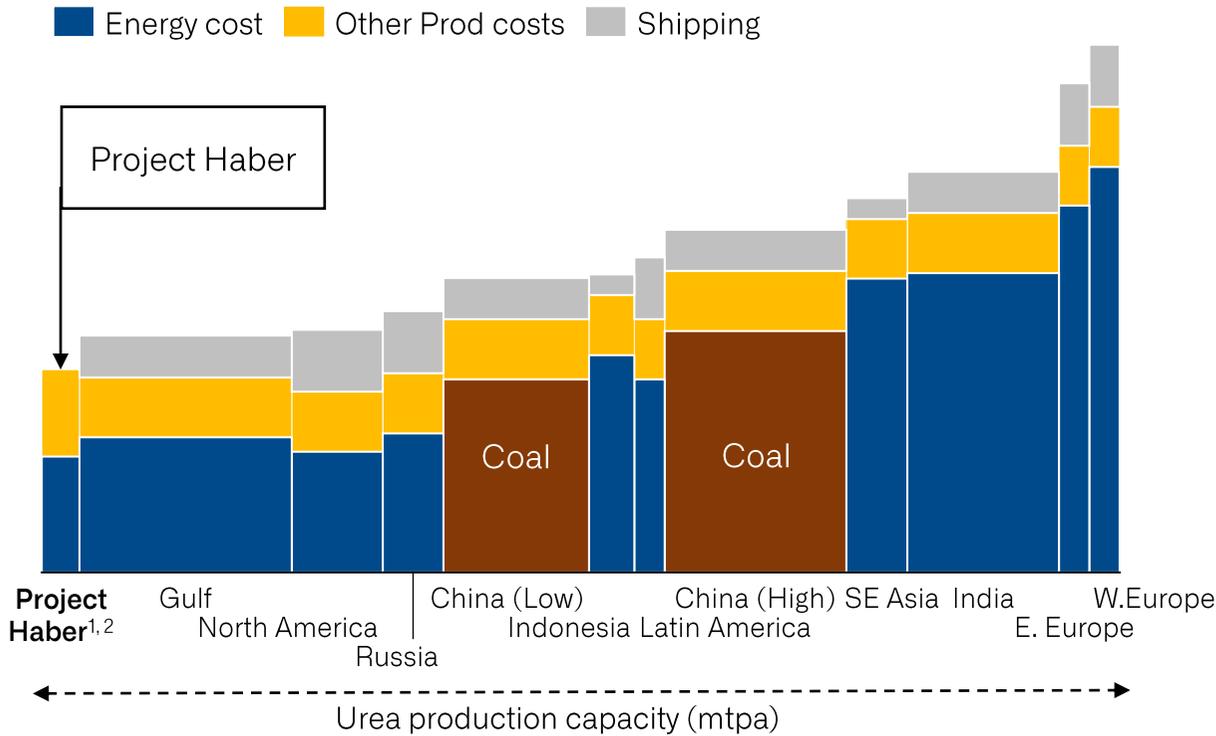


### Australia's Urea Consumption (2020)

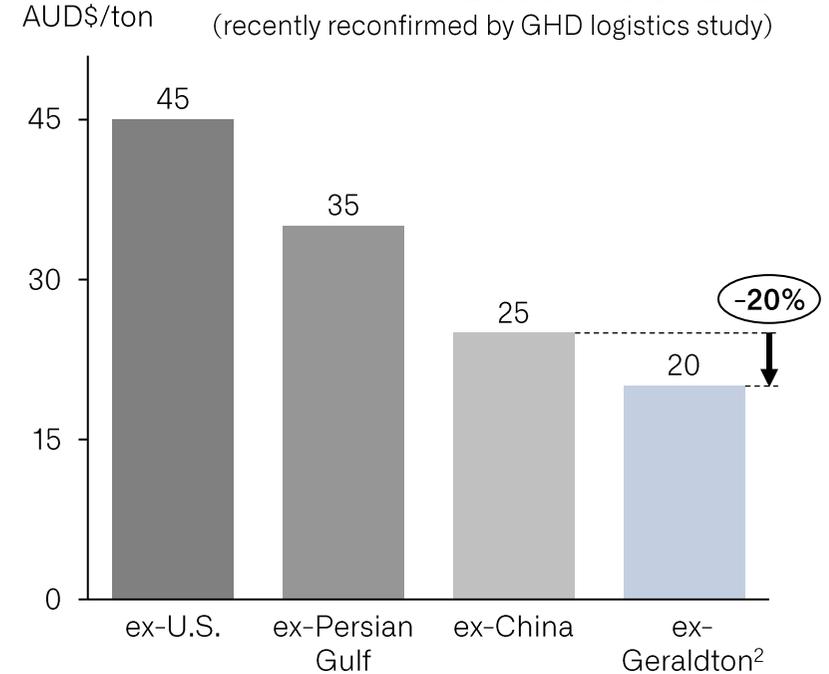


<sup>1</sup> Source: Strike Energy New Urea Plant Study, prepared by TechnipFMC dated 22 December 2020. Refer to the Additional Important Notices on page 42 for information regarding the Project Haber scoping and technical studies completed to date. Also refer to the Summary of Key Risks on pages 43-47 as they apply to the development of Project Haber.

## A\$/t urea cash cost delivered Western Australia



## A\$/t shipping delivered to South Australia



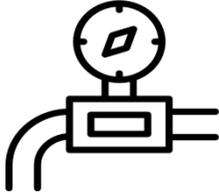
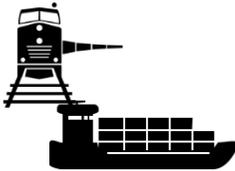
- Greater Erregulla gas expected to be a more competitive energy feedstock than ~75% of the global urea market<sup>2</sup>
- Shipping urea ex-Geraldton to SA & VIC expected to be 20% to 50% cheaper vs international import competitors

**Project Haber may land urea more competitively around Australia than importing from the major international competitors**

Sources: CF Fertilisers, Strike Energy analysis. Based on 2018 inputs costs of energy. Henry Hub -US\$3.10/mmbtu.

1 x-axis for Project Haber not to scale and is for illustrative purposes

2 Refer to the Additional Important Notices on page 42 for information regarding the Project Haber scoping and technical studies completed to date. Also refer to the Summary of Key Risks on pages 43 to 47 as they apply to the development of Project Haber.

<p><b>Gas supply</b></p>		<ul style="list-style-type: none"> <li>▪ Access to more than 20 years of globally competitively priced gas<sup>1</sup></li> </ul>	
<p><b>Local Customers</b></p>		<ul style="list-style-type: none"> <li>▪ Excellent 'at the gate' demand in WA Wheatbelt</li> <li>▪ Close proximity to customers reduces handling and transport costs and carbon</li> </ul>	
<p><b>Proximity to gas fields</b></p>		<ul style="list-style-type: none"> <li>▪ Within 100km of the source of the gas to ensure lowest delivered cost of supply</li> </ul>	
<p><b>Utilities &amp; Labour</b></p>		<ul style="list-style-type: none"> <li>▪ Potential access to regional renewable power</li> <li>▪ Access to skilled workers required for plant operations (300 FTE's) from local population</li> </ul>	
<p><b>Path to market</b></p>		<ul style="list-style-type: none"> <li>▪ Geraldton port access</li> <li>▪ State rail and road access</li> </ul>	

1. Subject to further drilling and other appraisal results throughout the Greater Erregulla region and converting of sufficient reserves.

## Offtake

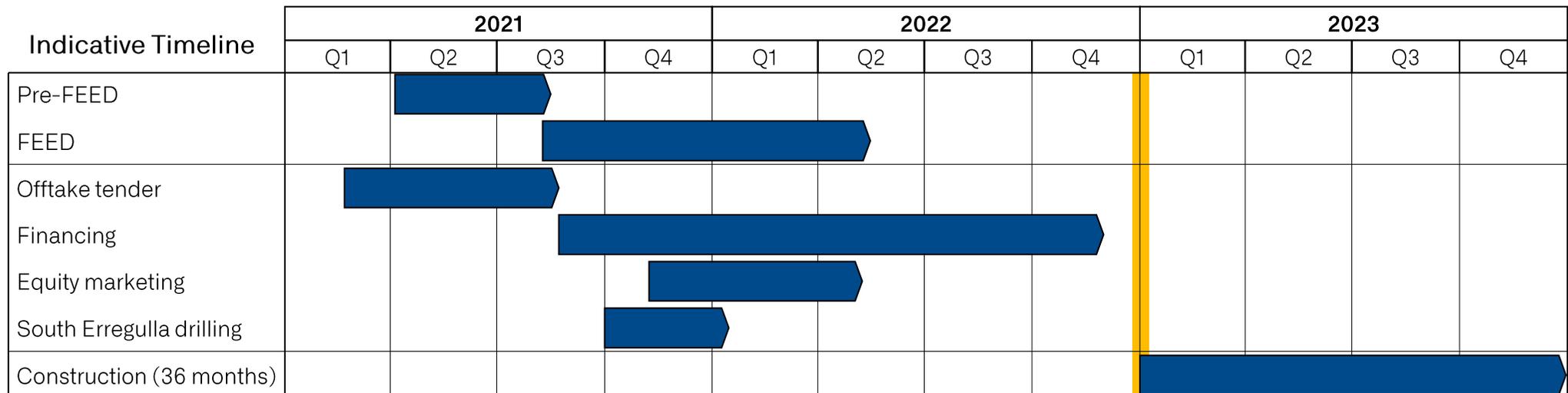
- Expressions of Interest for Project Haber 1.4 mtpa urea offtake is already heavily oversubscribed by both Australian and international buyers.
- Current expressions for long term offtake varying between 3 to 10 years exceed Project Haber proposed 1.4 mtpa supply. More than 12 buyers have participated in the process to date with further expressions of interest currently being received.

## Equity & Finance

- Strike will be seeking, through a competitive process, from Q4 2021 equity partners to fund the capital requirement of the project. Strike expects to retain at least a 30% carried interest in the plant.
- Strike's gas supply to underpin international competitiveness of Project Haber fertiliser offtake.
- Strong interest already shown from several existing parties, domestic banks and infrastructure investors

## Government support

- Strike has received excellent support from all levels of Government for Project Haber due to the broad range of potential economic benefits
- Both State and Federal government agencies have been identified to provide assistance in targeted funding and support with discussions progressing



# Strike's gas endowment is Australia's hydrogen enabler




20ktpa of green ammonia



Clean Energy Innovation Park



Badgingarra Renewable Hydrogen Project



Up to 5,000MW of capacity planned



**Project Haber:**  
Proposed dedicated 10MW electrolyser  
2% of total H2 input

**Oakajee Development:**  
Renewables park and future proponents green infrastructure



Arrowsmith Hydrogen Project

**Project Haber is an enabler to the Mid-West green hydrogen vision by being the largest hydrogen and ammonia customer in Australia. Potential for Haber to be supported by Strike's geothermal resources<sup>1</sup> and some of the 900 MW of local renewable energy**

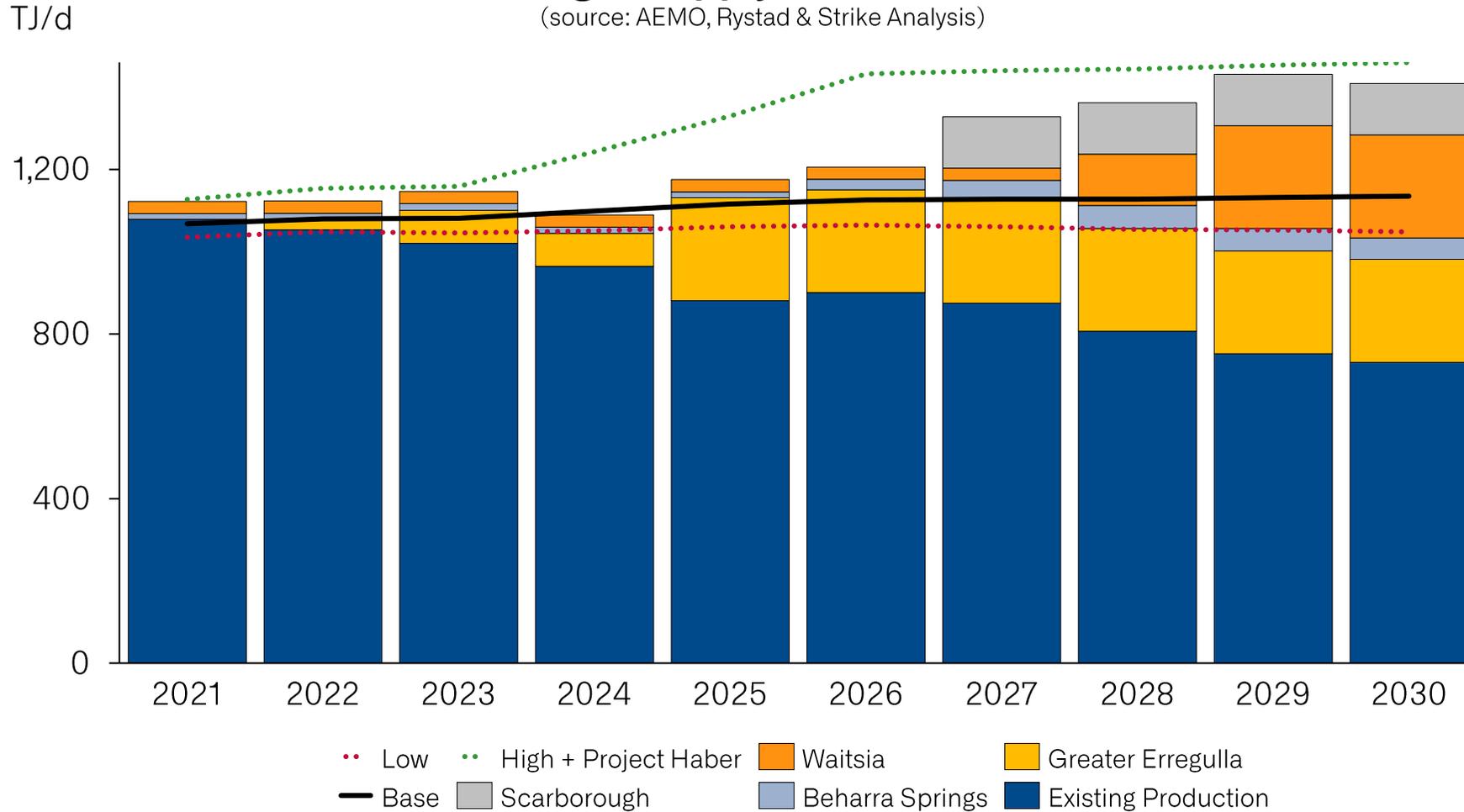
1. Refer footnote on page 23.

# The WA Gas Landscape



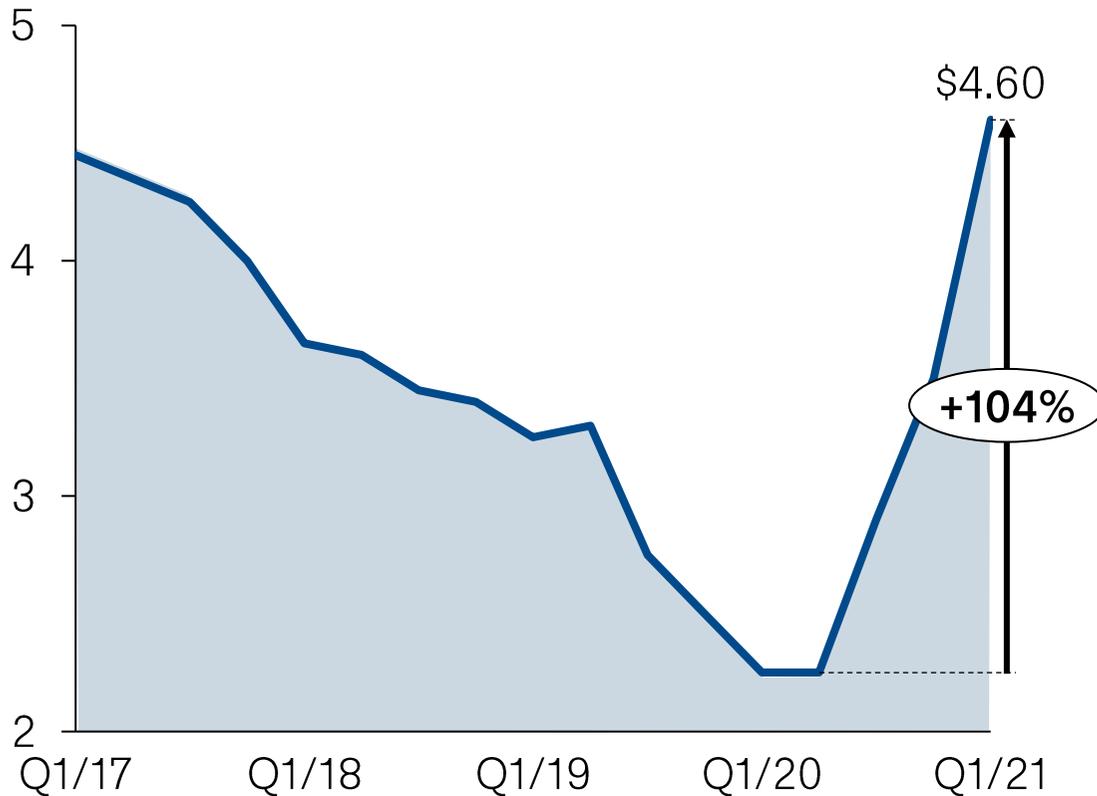
## WA domgas supply/demand balance

(source: AEMO, Rystad & Strike Analysis)



It is now widely accepted that the WA domestic gas market will be short supply in the late 2020's. Without accelerated development of the Perth Basin, Strike believes this shortage could emerge sooner

WA Spot Gas Price (\$/GJ)



Reserves replacement not occurring

+

Looming undersupply

+

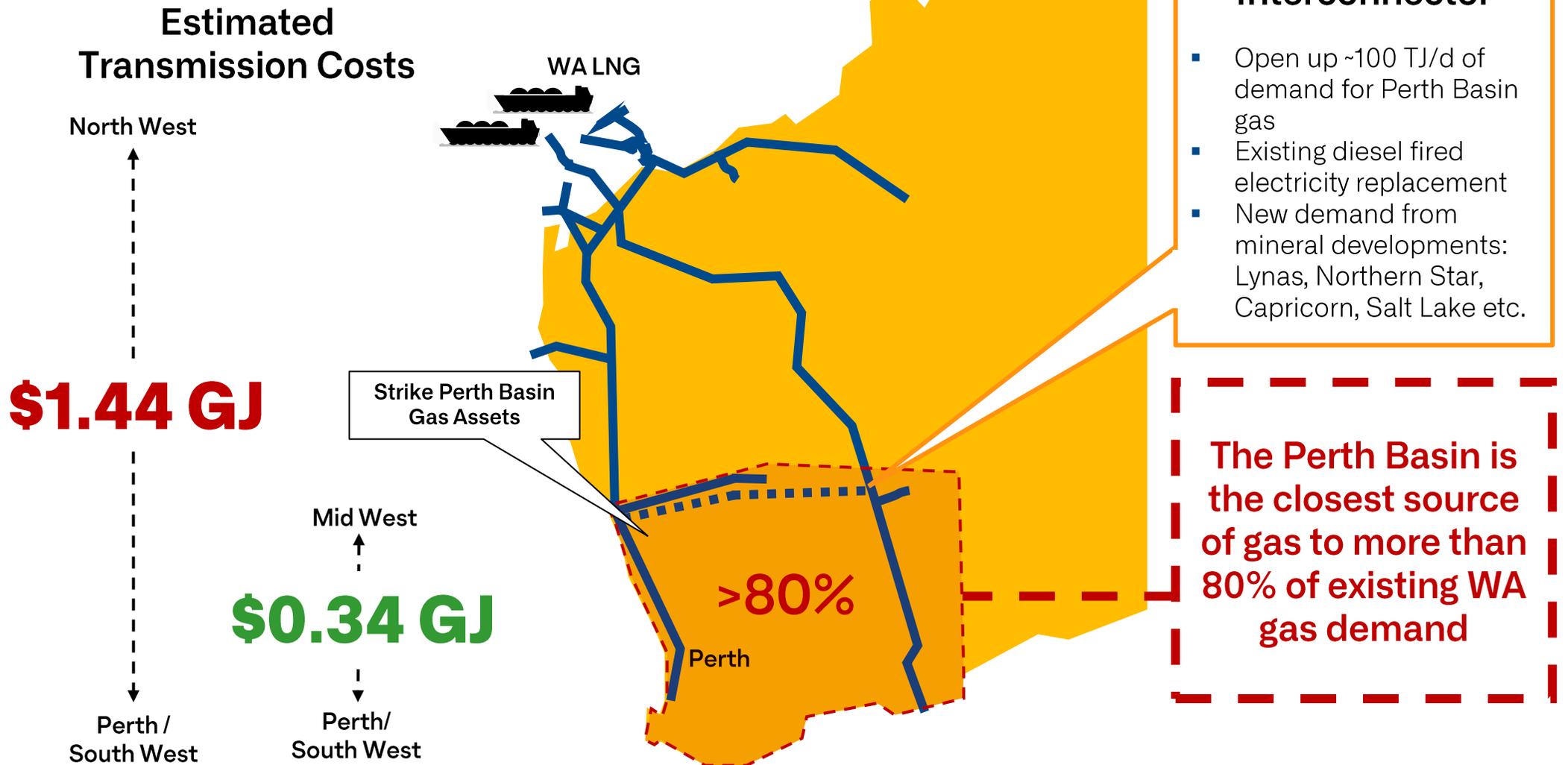
Uncontracted gas demand rising

=

Rising Price Environment

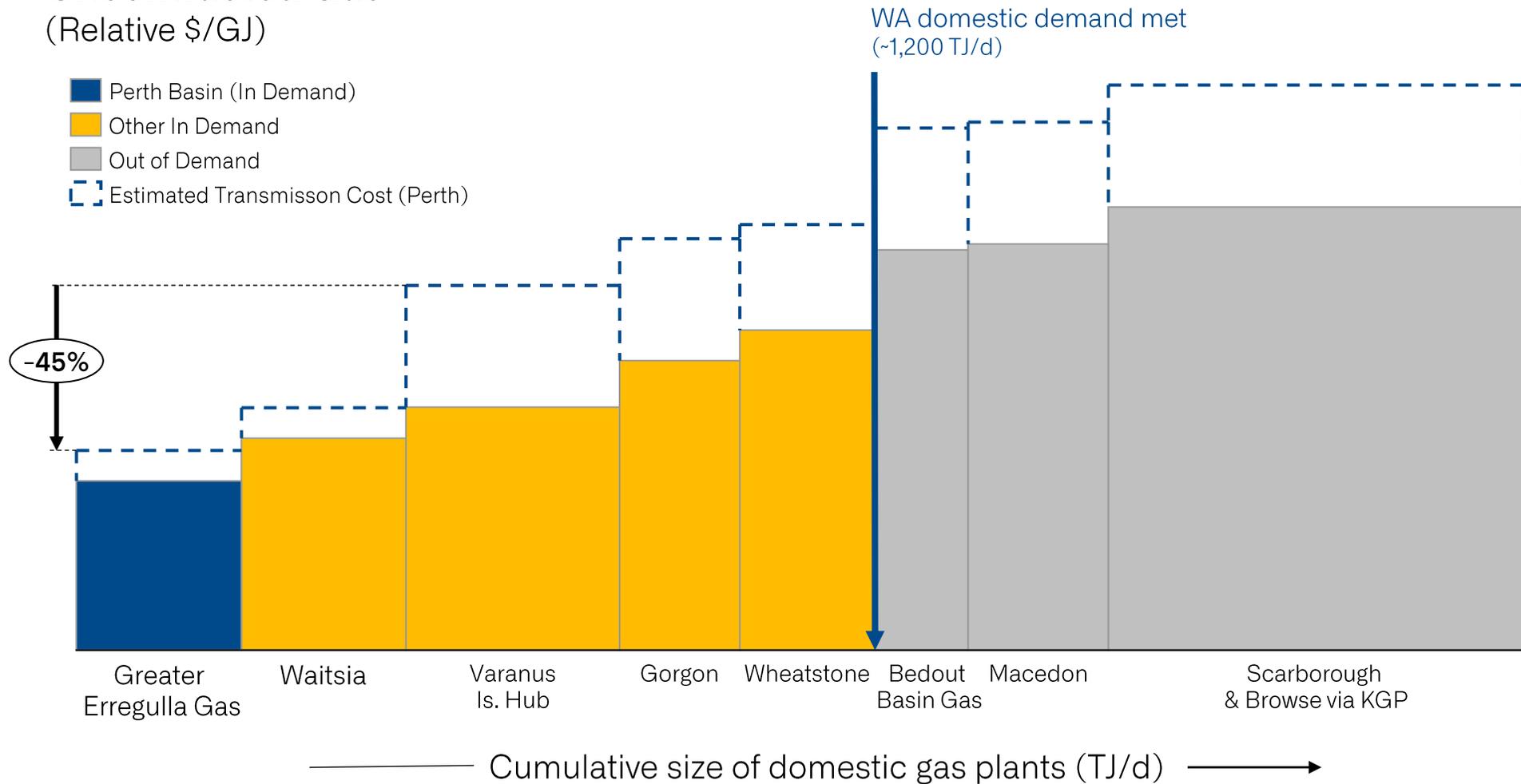
**WA's spot gas price has gone vertical after the events of 2020**

## Perth Basin customers benefit from a material transportation cost advantage



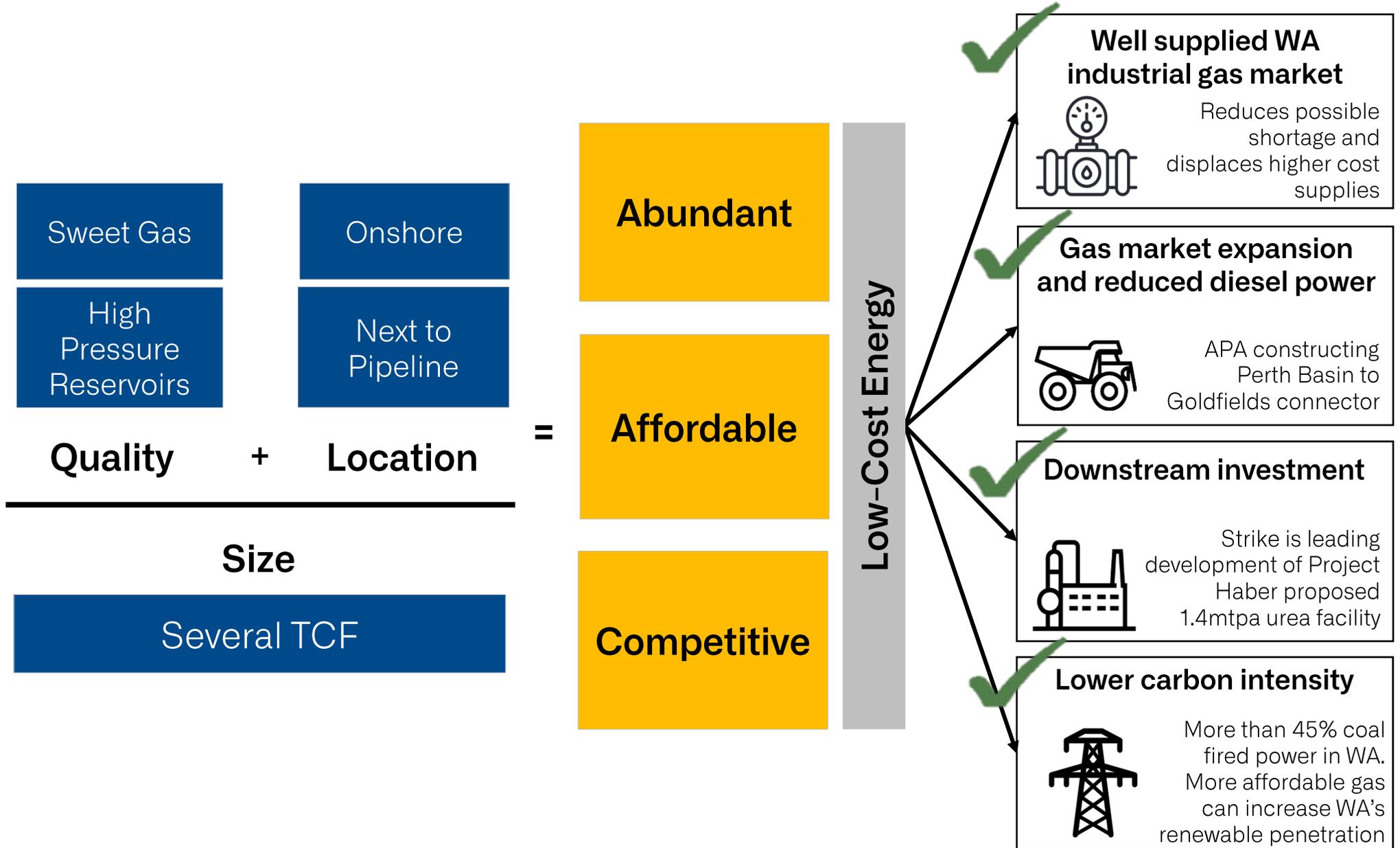
## Estimated Forward Breakeven Cost of Supply for Uncontracted Gas<sup>1</sup>

(Relative \$/GJ)



**Size, quality and location to market, coupled with onshore costs base, makes Perth Basin Permian gas supply very low cost.**

<sup>1</sup>Source of External Cost Benchmarking: Rystad Energy Consulting Ucube Upstream Database  
 Perth Basin conventional Permian gas costs and facility sizes are internal estimates  
 Domestic gas facility size source: AEMO Gas Bulletin Board WA  
 Estimated transmission costs are via AGIG DBNGP: Five-year plan Dampier to Bunbury Natural Gas Pipeline 2021-25 draft plan [https://www.dbp.net.au/wp-content/uploads/2019/05/AGIG-DBP-Draft-Plan-2021-2025\\_Web.pdf](https://www.dbp.net.au/wp-content/uploads/2019/05/AGIG-DBP-Draft-Plan-2021-2025_Web.pdf)



# **Additional Important Notices, Summary of Key Risks and Foreign Offer Restrictions**



## No new information regarding Resource Estimates

Information in this presentation relating to:

- the 2C Contingent Resource Estimate and Prospective Resource Estimate for the West Erregulla Project is set out in the ASX announcement dated 11 November 2019 entitled “West Erregulla Resource Statement”. Strike Energy interest is 50%;
- The Prospective Resource Estimate for South Erregulla is set out in the ASX announcement dated 17 February 2020 entitled “Exploration Portfolio Update” and is an aggregate of Strike’s 100% equity interest in EP 503 and, to a relatively marginal extent, Strike’s 50% equity interest in EP 469.
- The Oceanhill 2C Contingent Resource is sourced from the ASX Announcement of Greenrock Energy Limited (ASX:GRK) dated 4 October 2013 titled “Ocean Hill Independent Resource Certification”. Strike Energy’s equity interest is 100%; and
- The Walyering Prospective Resource Estimate is set out in ASX announcement dated 9 June 2020 entitled “Greater Erregulla and Walyering Update”. Strike Energy’s equity interest is 100%.

The above announcements are available to view on Strike Energy’s website at [www.strikeenergy.com.au](http://www.strikeenergy.com.au). Strike Energy confirms it is not aware of any new information or data that materially affects the information included in the referenced announcements and that all the material assumptions and technical parameters underpinning the estimates in those announcements continue to apply.

## Project Haber studies

The concept and feasibility study prepared by TechnipFM referred to in this document has been undertaken to determine the potential viability of Project Haber and to reach a decision to proceed with more definitive studies, and as such are indicative in nature only. The study is based on low-level technical and economic assessments and is insufficient to provide assurance of an economic development case at this stage or provide certainty that the conclusions of the study will be realised. The results of the study should not be considered a profit forecast or production forecast.

## Forward looking statements

Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Strike Energy, the outcome of the Offer and the use of proceeds, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward looking statements can generally be identified by the use of words such as ‘project’, ‘foresee’, ‘plan’, ‘expect’, ‘budget’, ‘outlook’, ‘schedule’, ‘estimate’, ‘target’, ‘guidance’, ‘aim’, ‘intend’, ‘anticipate’, ‘believe’, ‘estimate’, ‘may’, ‘should’, ‘will’ or similar expressions. Forward looking statements including all statements in this presentation regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Strike Energy. Actual results, performance, actions and developments of Strike Energy may differ materially from those

expressed or implied by the forward-looking statements in this document. Such forward-looking statements speak only as of the date of this document. Refer to the ‘Summary of Key Risks’ section of this document for a summary of certain general, Strike Energy specific and acquisition specific risk factors that may affect Strike Energy. There can be no assurance that actual outcomes will not differ materially from these statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this document. Investors should consider the forward looking statements contained in this document in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Strike Energy and any of its affiliates and their directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this document to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Strike Energy since the date of this document.

## Past performance

Past performance is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Strike Energy performance including future share price performance.

## Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated. The information contained in this document may not necessarily be in statutory format. Amounts, totals and change percentages are calculated on whole numbers and not the rounded amounts presented. The financial information (to reflect the funds raised under the Offer) provided in this document is for illustrative purposes only and is not represented as being indicative of Strike Energy’s views on its future financial condition and/or performance.

## Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document (including in charts, graphs or tables in the document) are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

## Diagrams, maps and data in charts, graphs and tables

Diagrams and maps appearing in this document are illustrative only and may not be drawn to scale. Unless otherwise indicated, all data contained in charts, graphs and tables is based on information current as at 14 April 2021.

## Authorisation of release

Release of this market announcement is authorised by the Board of Directors of Strike Energy Limited.

You should be aware that there are risks involved with participating in the Offer and/or holding Strike Energy shares. Certain of these risks are specific to an investment in Strike Energy and certain others are specific to investing in and holding New Shares under the Offer. The occurrence of these risks may have an adverse impact on Strike Energy's business, results of operations, financial condition and performance or the price of Shares. The risks detailed below may change after the date of this document. The risks set out in this section are not exhaustive. Other risks may materially affect the future performance of Strike Energy and the value of the New Shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Strike Energy's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Strike Energy or any other person.

Risk	Description
<b>Coronavirus (COVID-19)</b>	<p>There continues to be considerable uncertainty as to the duration and further impact of COVID-19 pandemic on the global and Australian economies, including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions. The impact of some or all of these factors could cause significant disruption to Strike Energy's operations and financial performance. A suspension of business operations will affect Strike Energy's overall operations and Strike Energy's operating results and quarantining of Strike Energy employees may affect Strike Energy's overall operations and Strike Energy's operating results. A continuation or escalation of the COVID-19 pandemic could also materially affect the ability of Strike Energy's suppliers to provide products and services and threaten their ability to continue trading. If either Strike Energy or its joint venturers are unable to source spare parts for machinery and operations or other products and services, including personnel, then Strike Energy and the joint venturers may need to suspend certain operations on a temporary or a prolonged basis. These factors are beyond Strike Energy's control and could have an adverse effect on the overall business sentiment and environment, causing material uncertainties in the regions where Strike Energy conducts its business, causing Strike Energy's business to suffer in ways that cannot be predicted with any reasonable certainty, and which may materially adversely impact Strike Energy's business, financial condition and results of operations.</p>
<b>Commodity prices</b>	<p>Strike Energy's business is heavily dependent on prevailing market prices for its products, currently primarily gas but which will include, subject to successful implementation of the Project Haber strategy, urea and related products. Changes in the prices of these commodities will impact the Group's revenue, cash flows, profitability, and ability to service its debts.</p>
<b>Future operating and capital cost requirements</b>	<p>Development of each of the Perth Basin, Project Haber and proposed geothermal projects will require significant capital and operating expenditure, which will need to be supported by external project financing, however there is no certainty Strike Energy 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) could result in Strike Energy's cash requirements being over and above its available liquidity. To the extent that the Strike Energy Group's cash reserves and debt facilities are insufficient to meet its requirements for ongoing operations and capital expenditure, Strike Energy may need to seek additional debt or equity funding, sell assets or defer capital expenditure. Any such failure to obtain project financing funding on reasonable terms may result in a loss of business opportunity and excessive funding costs, including dilution to existing shareholders if equity funding is pursued.</p>

# Summary of Key Risks Continued....

Risk	Description
Project analysis	<p>Strike Energy has undertaken technical, financial, operational, business and other analysis in respect of the Perth Basin, Project Haber and proposed geothermal energy projects in order to determine its readiness to proceed from a technical, commercial and economic perspective. It is possible that the analysis undertaken by Strike Energy and the best estimate assumptions made by Strike Energy draw conclusions and forecasts which are inaccurate or which are not realised in due course (whether because of flawed methodology, misinterpretation of economic circumstances, supervening events or otherwise). To the extent that the actual results achieved by the Perth Basin, Project Haber and proposed geothermal energy projects are weaker than those indicated by Strike Energy's analysis, there is a risk that this may have an adverse impact on the financial position, financial performance and/or share price of Strike Energy.</p>
Exploration, Drilling & Production	<p>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.</p> <p>Gas drilling activities are subject to numerous risks, many of which are beyond Strike Energy'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.</p> <p>Development and production of gas projects may be exposed to low side reserve outcomes, cost overruns, production decrease or stoppage, which may be the result of facility shut-downs, mechanical or technical failure and other unforeseen events. A significant poor development outcome or failure to maintain production could result in Strike Energy lowering reserve and production forecasts, loss of revenue and additional operating costs to restore production. In some instances, a loss of production may incur significant capital expenditure, which could require Strike Energy to seek additional funding.</p>
Operating	<p>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 Energy 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 Energy.</p> <p>Industrial disputes, work stoppages and accidents involving Strike Energy 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 a material adverse impact on Strike Energy's profitability and results of operations.</p>

Risk	Description
<b>Ability to exploit successful discoveries</b>	<p>It may not always be possible for Strike Energy to participate in the exploitation of successful discoveries made in any areas in which Strike Energy has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to exploitation or further exploitation may require the participation and/or support of other companies including joint venturers whose interests and objectives may not be the same as Strike Energy. Material delays or failures to successfully complete Strike Energy's development activities may have a material adverse effect on the operating performance of Strike Energy or its future prospects.</p>
<b>Estimates</b>	<p>Underground gas reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which 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 the Group's operations and/or financial results. Additionally, gas reserves and resources assume that the Group 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.</p>
<b>Land access and Native Title risk</b>	<p>Land access is critical to the operations of Strike Energy. Immediate and continuing access to land within Strike Energy's licence and permit areas cannot in all cases be guaranteed as Strike Energy 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 by Strike Energy in order for Strike Energy to carry out exploration activities.</p> <p>In addition, Strike Energy operate in a number of areas within Australia that are or may become subject to claims or applications for native title determinations. These claims and applications have the potential to introduce delays in the granting of petroleum licences and other permits and consequently to have an effect on the timing and cost of exploration, development and production licences, as well as in respect of such operating costs associated with such licences.</p> <p>Various aspects of Strike Energy's future performance and profitability are dependent on the outcome of future negotiations with third parties. In addition to the outcome of negotiations on land access arrangements and native title issues, 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 with Strike Energy's tenements.</p>
<b>Environmental</b>	<p>Strike Energy'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 and the implementation of the Project Haber and proposed geothermal energy strategies can be potentially environmentally hazardous giving rise to substantial costs for environmental rehabilitation, damage control, and losses. Strike Energy'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 that the environmental regulations may become more onerous, making Strike Energy's operations more expensive or causing delays. Non-governmental activists activities may adversely affect gas exploitation activities, whether or not such activities involve fracking, and may successfully lobby for enhanced or altered regulations that impact or prevent exploration or exploitation activities.</p>

Risk	Description
Legislative and regulatory risk	<p>Strike Energy operates 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 the Group's business, results from operations, asset valuation or financial condition and performance. The possible extent of such changes that may affect the Group'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 the Group being able to execute certain activities, increased costs (whether in the nature of capital or operating expenses), taxes (direct and indirect), or domestic market obligations. 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. The Group'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. The Group may also be forced to surrender or sell certain of its assets if required to do so by regulatory authorities, whether on a temporary basis or permanent basis.</p>
Climate change	<p>The Group is exposed to a number of climate change-related risks. Material climate-related risks include: changes in demand for products due to regulatory and technological changes (transitional risk); increases in operating costs of assets due to carbon-pricing policies or other market mechanisms; physical damage to assets or interruption to operations from climatic changes and extreme weather events; restrictions on capital deployment to carbon intensive industries; and reputational damage driven by stakeholder activism and changing societal expectations. The occurrence of any of these risks could result in asset impairment, lost revenue and damage to brand value, amongst other things.</p>
Joint venture risk	<p>Strike Energy is currently, and may in the future become a party to joint venture or joint operating agreements for the licences, leases and permits in which it holds interests. Subject to any sole risk development rights which may exist in the joint venture agreement, Strike Energy may require the agreement of other joint venturers to proceed with an exploration or development project.</p> <p>Strike Energy's joint venture partners may have economic or other business interests or goals that are inconsistent with the business interest or goals of Strike Energy and may be in a position to take actions contrary to Strike Energy'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 Energy, this may adversely affect Strike Energy's business, financial condition or results of operations.</p>
Counterparty and credit risk	<p>A dispute, or a breakdown in the relationship, between Strike Energy and its joint venturers, suppliers or customers, a failure to reach a suitable arrangement with a particular joint venturer, supplier or customer, or 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 the impacts of COVID-19), could have an adverse effect on the reputation and/or the financial performance of Strike Energy. Strike Energy's relationships with its lending banks are particularly important. If Strike Energy's financial position deteriorates materially, and such banks are unwilling to grant covenant waivers or amendments to Strike Energy's financing facilities then the potential resulting debt covenant breaches may affect Strike Energy's ability to finance its business. Strike Energy 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.</p>

Risk	Description
Reliance on third party infrastructure	As is common in the energy and industrial sectors, Strike Energy relies on access to properly maintained operating infrastructure and shared facilities that, in some circumstances, may not be directly controlled by Strike Energy in order to deliver its production to the market. There can be no guarantee that Strike Energy will be able to maintain or obtain access to relevant infrastructure on commercially acceptable terms. Any delay or failure to access or properly maintain operating infrastructure or shared facilities may have a material adverse effect on the operating and financial performance of Strike Energy.
Acquisitions and divestments	Strike Energy from time to time evaluates acquisition and divestment opportunities across its range of assets and businesses, and engages 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 Energy has determined the impact of the potential transaction would be material to the price of Strike shares. Any acquisition and divestment opportunity could lead to a change in the sources of Strike Energy's earnings and result in variability of earnings over time. Any acquisitions or divestments may also lead to changes in future capital and operating expenditure obligations which may impact on Strike Energy's funding requirements.
Personnel	The operating and financial performance of Strike Energy is in part dependent on its ability to retain and attract key personnel. Whilst Strike Energy makes every reasonable effort to retain key employees, there can be no guarantee that it will be able to retain its management team. There is also a risk that Strike Energy may need to pay a higher than expected cost to acquire or retain the necessary labour.
West Erregulla Development risks	The proposed development of the 80TJ/day Phase 1 of the West Erregulla Project is contingent upon, among other things, booking sufficient reserves to underpin a bankable development, finalising access to third party processing infrastructure, securing project financing on terms acceptable to Strike Energy, procurement of contractors for the construction of the upstream development, securing all requisite approvals, permits, licences and clearances from regulatory and other stakeholders on terms and conditions acceptable to Strike Energy and its joint venture partner, and Strike Energy's joint venture partner being willing and able to take an investment decision on the Project. Timing of the development is, in turn, dependent on the time required to secure the foregoing with the potential for delay where Strike Energy is not in a position to control the timeline or mitigate delay.
General risks associated with investments in equity capital	<p>Investors should be aware that there are risks associated with any investments in equity capital. The value of the new Strike shares issued pursuant to the Offer may rise above or fall below the offer price, depending on the financial position and operating performance of Strike Energy as well as prevailing market conditions. Further, the price at which the new Strike shares trade on the ASX may be affected by several factors unrelated to the financial and operating performance of Strike Energy and over which Strike Energy and the Directors have limited or have no control. These external factors include:</p> <ul style="list-style-type: none"> <li>• the impact of COVID-19, including on health of workforce, the industry, customers, supply chains and travel and other restrictions;</li> <li>• economic conditions and outlook in Australia and overseas;</li> <li>• changes in interest rates and the rate of inflation;</li> <li>• investor sentiment in the local and international stock markets and the relevant commodities markets;</li> <li>• changes in fiscal, monetary, regulatory and other government policies;</li> <li>• changes in government legislation and policies, including tax laws;</li> <li>• the development of new technologies and displacement of existing technologies; and</li> <li>• geo-political conditions such as acts or threats of terrorism or military conflicts.</li> </ul>

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