

The Company Announcement Officer
ASX Ltd
via electronic lodgement

EXECUTIVE DIRECTOR AGREEMENTS

Strike Energy Limited (ASX:STX) ("Company" or "Strike") advises that it has entered into a new Executive Employment Agreement with Mr David Wrench (Managing Director) and a Consultancy Agreement in relation to Mr David Baker (Executive Director- Commercial). The Board of Strike considers the remuneration and fee arrangements in the agreements with Mr David Wrench and Mr David Baker, respectively, to reflect industry standard and, in the case of Mr Baker, arm's length terms.

DAVID WRENCH (MANAGING DIRECTOR)

Below is a summary of the key terms of the new Executive Employment Contract with Mr David Wrench (effective 1 July 2014).

- **Total fixed remuneration:** \$440,738 per annum (comprising base salary of \$402,500 and superannuation of \$38,238), subject to review from time to time.
- **Variable remuneration:** Eligibility to be considered for an annual incentive award of up to 100% of his total fixed remuneration if the Board determines Mr Wrench has satisfied his key performance indicators, and subject to any required shareholder approvals. Any incentive awards will be governed by the rules of Strike's applicable short-term incentive program or long-term incentive program.
- **Termination:** Either Strike or Mr Wrench can terminate upon 3 months' notice. Strike can terminate at any time for cause (ie. serious, wilful or persistent misconduct by Mr Wrench). If there has been (or will be as a result of the planned sale or transfer of some or all of the assets of any business of Strike), in Mr Wrench's reasonable opinion, a material reduction in Mr Wrench's authority, status or responsibilities, or if Mr Wrench's reporting line is changed such that he no longer reports to the Board, Mr Wrench can terminate the agreement for redundancy and, subject to Mr Wrench entering into a deed of release with Strike, Strike will pay Mr Wrench an amount equal to 12 months of fixed remuneration.
- **Non-compete:** Maximum 6 month period (as may be notified by Strike to Mr Wrench) following cessation of employment. At the end of the non-compete period, Mr Wrench will be paid an amount equal to his fixed remuneration for the non-compete period, unless Strike considers that Mr Wrench has breached his restraint or confidentiality obligations.

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DAVID BAKER (EXECUTIVE DIRECTOR – COMMERCIAL)

Strike has entered into a Consultancy Agreement with a boutique advisory company controlled by Mr David Baker (the "Contractor") under which Mr Baker will provide services to Strike. The Consultancy Agreement, together with a standard-form Director's letter of appointment which provides for an annual director's fee of \$45,600 including superannuation (effective 1 July 2014), formalises the arrangements under which he will act as Executive Director – Commercial.

Below is a summary of the key terms of the Consultancy Agreement.

- **Provider of services:** The Contractor must procure that the services are provided by Mr Baker except as approved by the Strike Board.
- **Services:** The services to be provided include the provision of commercial and strategic advice to assist Strike in the conduct of its business activities. Strike can at any time reduce the scope of the services.
- **Fees:** A\$1,450 per day plus 10% GST and payable in each calendar month in which the services are provided. No fee is payable for services performed on weekends.
- **Term and termination:** Initial term of 12 months from 1 July 2014. Either Strike or the Contractor can terminate the agreement upon 3 months' notice. Deemed 12 month extensions if no termination notice is given by the end of the 9th month in each 12 month period. Separately, Strike can terminate the agreement at any time if Mr Baker ceases to be actively engaged in providing the services or for cause (eg. serious or wilful misconduct by the Contractor or Mr Baker). If there has been (or will be as a result of the planned sale or transfer of some or all of the assets of any business of Strike), in the Contractor's reasonable opinion, a material reduction by Strike in the scope of the services, the Contractor can terminate the agreement by notice and, subject to the Contractor and Mr Baker entering into a deed of release with Strike, Strike will pay the Contractor an amount equal to 12 calendar months of fees.



Yours faithfully
SEAN MCGUINNESS
Chief Financial Officer & Company Secretary