

The Company Announcement Officer
ASX Ltd
via electronic lodgement

Executive Employment Agreement

Strike Energy Limited (ASX:STX) ("Company" or "Strike") advises that it has entered into an Executive Employment Agreement with its new Managing Director, Mr David Baker. The Board of Strike considers the remuneration and fee arrangements in the agreement with Mr David Baker reflect industry remuneration standards.

KEY TERMS OF AGREEMENT

Below is a summary of the key terms of the new Executive Employment Contract with Mr David Baker (effective 9 September 2016).

- **Total fixed remuneration:** \$470,850 per annum (comprising base salary of \$430,000 and superannuation of \$40,850), 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 Baker 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 Baker can terminate the agreement upon 3 months' notice. Strike can immediately terminate the agreement at any time for cause (ie. serious, wilful or persistent misconduct by 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 Mr Baker's reasonable opinion, a material reduction in Mr Baker's authority, status or responsibilities, or if Mr Baker's reporting line is changed such that he no longer reports to the Board, Mr Baker can terminate the agreement for redundancy and, subject to Mr Baker entering into a deed of release with Strike, Strike will pay Mr Baker an amount equal to 12 months of fixed remuneration.
- **Non-compete:** The Company has the discretion to impose a non-compete period of up to a maximum of 6 months following cessation of employment. At the end of the non-compete period, Mr Baker will be paid an amount equal to his fixed remuneration for the non-compete period, unless Strike considers that Mr Baker has breached his restraint or confidentiality obligations.

Yours faithfully
Sean McGuinness Chief Financial Officer & Company Secretary