



STRIKE ENERGY LIMITED

ACN 078 012 745

11 November 2016

OFFER MEMORANDUM

For a pro-rata non-renounceable one (1) for fourteen (14) rights issue of up to approximately 64.3 million New Shares at an issue price of \$0.07 per New Share, to raise up to approximately \$4.5 million.

The Rights Issue is fully underwritten

CLOSING DATE: 5.00pm Sydney time on Monday, 5 December 2016

IMPORTANT NOTICE

This is an important document and requires immediate attention. It should be read in its entirety. If you do not understand it, or are in doubt as to how to act, you should consult your financial or other professional adviser.

LEAD MANAGER AND UNDERWRITER



TAYLOR COLLISON

LEGAL ADVISORS



PiperAlderman

CORPORATE DIRECTORY

Directors	Mr Mark Carnegie (Chairman) Mr Simon Ashton (Non-Executive Director) Mr Brendan Ostwald (Non-Executive Director) Ms Jody Rowe (Non-Executive Director) Mr David Baker (Managing Director)
Chief Financial Officer and Company Secretary	Mr Sean McGuinness
Registered Office	120B Underwood Street Paddington, NSW 2021 P: +61 (0) 2 9195 5600 F: +61 (0) 2 8003 9282
Underwriter*	Taylor Collison Level 10, 167 Macquarie Street Sydney NSW 2000
Share Registry*	Boardroom Pty Limited Level 12, Grosvenor Place 225 George Street Sydney NSW 2000
Lawyers	Piper Alderman Level 16, 70 Franklin Street Adelaide, SA 5000
Website	http://www.strikeenergy.com.au

*These parties are included for information purposes and have not been involved in the preparation of this Offer Memorandum.

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IMPORTANT NOTICES

Reliance on Offer Memorandum

This Offer Memorandum has been prepared in accordance with section 708AA of the Corporations Act, as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73, which relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. The level of disclosure in this Offer Memorandum is therefore considerably less than that required in a prospectus and this Offer Memorandum does not contain all of the information which an investor may require to make an informed investment decision.

In deciding whether or not to accept the Offer, you should rely on your own knowledge of Strike Energy, disclosures made by Strike Energy to ASX (which are available on the ASX website at www.asx.com.au using the Company's code STX) and the advice of your professional adviser.

Forward looking statements

This Offer Memorandum includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, the risk factors out in section 7 of this Offer Memorandum and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

No offer outside Australia and New Zealand

No offer is made by this Offer Memorandum in any jurisdiction other than Australia and New Zealand. This Offer Memorandum and accompanying Acceptance Form does not constitute an offer of Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer. Where this Offer Memorandum has been dispatched to persons domiciled in a country other than Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Offer, the Offer Memorandum and accompanying Acceptance Form are provided for information purposes only and any such persons should inform themselves of and abide by any such restrictions. For the avoidance of doubt, the Offer and the New Shares will not be registered under the U.S. Securities Act and New Shares may not be offered or sold in the United States to, or for the account or benefit of, a U.S. Person (as defined in the US Securities Act) nor will Shares be offered to any person outside of Australia and New Zealand.

The New Shares being offered under this Offer Memorandum are being offered to Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This Offer Memorandum is not an investment statement or prospectus under New Zealand law.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Memorandum. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Except as required by law, and only to the extent so required, neither Strike Energy, nor any other person, warrants the future performance of Strike Energy or any return on any investment made under the Offer.

None of Strike Energy's advisers nor any of their respective affiliates or related bodies corporate nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Offer Memorandum and they do not take any responsibility for the information set out in this Offer Memorandum or any action taken by Shareholders on the basis of such information.

To the maximum extent permitted by law, Strike Energy's advisers and their respective affiliates or related bodies corporate and any of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by Shareholders as a result of participation in the Offer.

None of Strike Energy's advisers nor any of their respective affiliates or related bodies corporate nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether Shareholders should participate in the Offer, nor do they make any representations or warranties to you concerning the Offer, or any information contained in the Offer Memorandum. The information in this Offer Memorandum remains subject to change without notice.

Investment Risks

There are a number of risk factors that could potentially impact on Strike Energy and its operations. Please refer to the risks outlined in Section 7 of this Offer Memorandum for further details.

Defined terms

Expressions used in this Offer Memorandum with an upper case initial letter have defined meanings which are set out at the end of this Offer Memorandum.

Queries

If you have not received a personalised Acceptance Form or have any queries on how to complete the Acceptance Form, please contact the Share Registry on:

- Telephone (within Australia): 1300 737 760
- International: +61 2 9290 9600

KEY DATES

The indicative timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement of Rights Issue – Offer Memorandum, ASX Appendix 3B and Cleansing Notice lodged with ASX	Friday 11 November 2016
Notice to Shareholders – notice of Offer sent to Shareholders containing information required by Appendix 3B	Thursday 17 November 2016
Ex date – the date on which Shares commence trading without the entitlement to participate in the Offer	Friday 18 November 2016
Record Date – the date for determining entitlements of Shareholders to participate in the Offer	7pm (Sydney time) on Monday 21 November 2016
Offer Memorandum sent to Shareholders – despatch of Offer Memorandum and Acceptance Forms – Offer opens for acceptance	Wednesday 23 November 2016
Closing Date – the last day for receipt of Acceptance Forms or BPAY payment	5pm (Sydney time) on Monday 5 December 2016
Deferred settlement trading commences – New Shares commence quotation on ASX on deferred settlement basis	Tuesday 6 December 2016
Notification of under subscriptions to ASX	Thursday 8 December 2016
Issue date – allotment of New Shares Deferred settlement trading ends	Monday 12 December 2016
Expected commencement of normal trading in New Shares on ASX	Tuesday 13 December 2016
Despatch of holding statements to Shareholders who accepted the Offer	Wednesday 14 December 2016

This timetable is indicative only. Subject to the ASX Listing Rules and the terms of the Underwriting Agreement, the Directors reserve the right to vary the dates for the Offer at their discretion. Should this occur, the variation will have a consequential effect on the anticipated date of issue and normal trading of the New Shares.

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the directors of Strike Energy Limited, I am pleased to present an opportunity to participate in a fully underwritten pro-rata non-renounceable rights issue at an issue price of \$0.07 (7 cents) per New Share, to raise up to approximately \$4.5 million (before costs and expenses).

The Company intends to use the net proceeds of the Rights Issue to fund continued field operations and commercial initiatives for its majority owned and operated PEL 96 project, with the objective of driving the following key, near term value catalysts:

1. Building and sustaining gas flow rates from continued pilot production testing at the Klebb wells;
2. Reserve certification and development planning activities to support an initial gas processing Final Investment Decision; and
3. Application and grant of a Production Retention Licence within PEL 96, opening up potential alternative commercialisation and funding options.

The benefits that are projected to flow from the achievement of these near term value catalysts in terms of meeting Strike Energy's strategic objectives are outlined in Strike Energy's investor presentation lodged with ASX on 11 November 2016, a copy of which is available on the ASX website at www.asx.com.au, using Strike Energy's code STX.

The Rights Issue offers you the right to take up one (1) New Share for every fourteen (14) Shares you hold as at 7pm Sydney time on Monday 21 November 2016 at an issue price of \$0.07 (7 cents) per New Share. In addition, Strike Energy is offering Eligible Shareholders the opportunity to apply for New Shares in excess of their Entitlement under a 'Top-Up Facility' at the same issue price as the Entitlement.

The Rights Issue provides you with an opportunity to increase your investment in Strike Energy at an attractive price. The issue price of the New Shares represents a discount of approximately:

- 21.3% to the closing price of Strike's shares on 10 November 2016;
- 26.8% to the 30 day volume weighted average price of Strike's shares prior to 11 November 2016; and
- 21.8% to the 10 day volume weighted average price of Strike's shares prior to 11 November 2016.

Taylor Collison Limited has agreed to underwrite the Rights Issue in full. This will ensure that at least \$4.5 million (before costs and expenses) is raised under the Rights Issue, subject to the terms of the Underwriting Agreement.

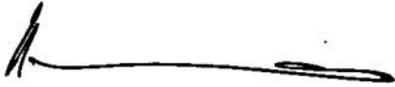
My fellow Directors and I are pleased to offer Shareholders the opportunity to participate in this capital raising and commend the Rights Issue to you as an opportunity to further participate in Strike Energy's future growth. Directors, Simon Ashton, Brendan Ostwald and Jody Rowe have committed to take up all or part of their respective entitlements. In addition, David Baker and certain investment funds connected to me have entered into sub-underwriting agreements with the Underwriter to partially sub-underwrite the Rights Issue. The combined sub-underwriting commitment is up to

\$1,524,375 or approximately 34% of the Rights Issue, and may be partially satisfied by subscribing for their respective entitlements under the Rights Issue.

You are encouraged to read this Offer Memorandum and the accompanying Acceptance Form fully. If you have any questions about the Offer, you should consult your stockbroker or other professional adviser.

On behalf of the Directors, I thank you for your ongoing support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Carnegie', with a long horizontal flourish extending to the right.

Mark Carnegie
Chairman

KEY QUESTIONS REGARDING THE OFFER

What is the Offer?	The Offer is an offer to Eligible Shareholders of 1 New Share for every 14 held at a price of \$0.07 (7 cents) per New Share	Section 1.1
Who can participate in the Offer	Only Shareholders with a registered address in Australia or New Zealand at the Record Date may participate.	Section 1.4
What is the issue price?	The price for each New Share is \$0.07 (7 cents)	Section 1.1
Do I have to subscribe for my full Entitlement?	No, you can subscribe for all or part of your Entitlement.	Section 1.2
Can I subscribe for more than my Entitlement?	Yes, if you take up your Entitlement in full, you can apply for additional New Shares under the Top-Up Facility. The allocation of additional New Shares applied for under the Top-Up Facility will be subject to the Shortfall (if any) that exists.	Section 1.2 and 1.3
What are the terms of the New Shares	The New Shares will rank equally with all existing Shares.	Section 1.1
What is the purpose of the Offer?	<p>Proceeds from the Offer will be used to fund, in part, the following in respect to PEL 96:</p> <ul style="list-style-type: none"> the continuation of field operations, including flow testing of the Klebb pilot wells to achieve commercial flows; development planning activities, including well planning and demonstration gas processing facility; and engagement with industry partners to fund initial development within a proposed Petroleum Retention Licence (PRL), to be carved out from PEL 96 	Section 2.1
Is the Offer underwritten?	Yes, the Offer is underwritten in full by Taylor Collison Limited, subject to the terms of the Underwriting Agreement.	Section 5
What are the risks associated	An investment in Strike Energy involves	Section 7

with applying for New Shares under the Offer?	<p>general risks associated with an investment in the share market, including that the price of New Shares may rise or fall.</p> <p>There are also a number of risks both specific to Strike Energy and of a general nature which may affect the value of Shares in Strike Energy or the future operational or financial performance of Strike Energy.</p>	
What are my options?	<p>You may:</p> <ul style="list-style-type: none"> (a) subscribe for all of your Entitlement and, if you do so, you may apply for a nominated number of New Shares in excess of your Entitlement under the Top-Up Facility; (b) subscribe for part of your Entitlement and allow the balance of your Entitlement to lapse; (c) allow all your Entitlement to lapse. 	Section 1.2
How do I accept my Entitlement	<p>Eligible Shareholders can accept the Offer by completing and returning an Acceptance Form with the required application monies, or by submitting payment of the application monies through BPAY.</p>	Section 3
Can I sell my Entitlement?	<p>No, the Offer is non-renounceable and Entitlements cannot be traded.</p>	Section 2.5
How can I obtain further information	<p>You should seek advice from your financial or professional adviser if you are unsure whether to apply for New Shares under the Offer.</p>	

1. DETAILS OF THE OFFER

1.1 The Offer

Strike Energy offers Shareholders the opportunity to subscribe for New Shares under a pro-rata non-renounceable Rights Issue. Each Shareholder is entitled to subscribe for one (1) New Share for every fourteen (14) Shares held by that Shareholder as at the Record Date at an issue price of \$0.07 (7 cents) per New Share.

The issue price of the New Shares represents a discount of approximately:

- 21.3% to the closing price of Strike's shares on 10 November 2016;
- 26.8% to the 30 day volume weighted average price of Strike's shares prior to 11 November 2016; and
- 21.8% to the 10 day volume weighted average price of Strike's shares prior to 11 November 2016.

Shareholders should be aware that the market price of Shares may rise and fall between the date of this Offer Memorandum and the date of issue of the New Shares. Accordingly, the price paid per New Share under the Offer may be either higher or lower than the market price of Shares at the date the New Shares are issued. The highest price for Strike Energy Shares on the ASX in the 12 months preceding the date of this Offer Memorandum was \$0.15 on 23 November 2015 and the lowest was \$0.082 on 4 November 2016.

The New Shares will be fully paid and will rank equally in all respects with Strike Energy's existing Shares on issue.

Strike Energy has applied to the ASX for quotation of the New Shares.

If a Shareholder becomes entitled to a fraction of a Share, the entitlement will be rounded to the nearest whole number.

1.2 What is my Entitlement?

The number of New Shares which you are entitled to subscribe for under the Offer (**Entitlement**) is shown in the accompanying Acceptance Form.

You may:

- (a) subscribe for all of your Entitlement and, if you do so, you may apply for a nominated number of New Shares in excess of your Entitlement under the Top-Up Facility (refer section 1.3);
- (b) subscribe for part of your Entitlement and allow the balance of your Entitlement to lapse;
- (c) allow all your Entitlement to lapse.

If you choose not to accept all of your Entitlement under the Offer, your shareholding in Strike Energy will be diluted.

Detailed instructions on how to accept all or part of your Entitlement are set out in section 3. All applications, once received, are irrevocable.

Excluded Shareholders may not take any of the steps described above. Refer to sections 1.6 for information relating to Excluded Shareholders.

1.3 Top-Up Facility

If you wish to accept your Entitlement in full and apply for additional New Shares under the Top-Up Facility in the manner detailed in section 3.2.

New Shares will only be issued under the Top-Up Facility if the Offer is undersubscribed, and will only be issued to the extent necessary to make up any shortfall in subscriptions. If Strike Energy receives applications for New Shares under the Top-Up Facility that would result in the Offer being oversubscribed, then the Company will not accept such oversubscriptions and will reject or scale back applications at its absolute discretion.

Subject to the terms of the Underwriting Agreement, the Directors reserve the right to reject any application for New Shares under the Top-Up Facility or to allot a lesser number of New Shares than the number applied for under the Top-Up Facility. Application monies received but not applied towards subscriptions for additional New Shares under the Top-Up Facility will be refunded as soon as practicable. No interest will be paid on application monies held and returned.

Strike Energy will not issue New Shares under the Top-Up Facility where Strike Energy is aware that to do so would result in a breach of the Corporations Act or the ASX Listing Rules. Shareholders wishing to apply for additional New Shares under the Top-Up Facility must consider whether the issue of the New Shares applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances (including the existence of any associates).

Directors and related parties of the Company are not eligible to apply for any New Shares under the Top-Up Facility.

1.4 Opening and closing dates

The Offer opens for receipt of acceptances on Wednesday 23 November 2016. The closing date and time for acceptances and payments is 5:00pm Sydney time on Monday 5 December 2016, subject to any variation of the closing date by the Directors in accordance with the ASX Listing Rules and the terms of the Underwriting Agreement.

1.5 Who is entitled to participate in the Offer?

Each Shareholder with a registered address in Australia or New Zealand, who is registered as the holder of Shares at 7pm Sydney time on Monday 21 November 2016 is entitled to participate in the Offer in respect of the number of Shares for which that Shareholder is then registered as the holder.

Existing Option holders may only participate in the Offer in respect of the Shares to be issued on exercise of the Options held by them if they exercise their Options prior to the Record Date and are registered as the holder of the underlying Shares on the Record Date.

1.6 Offer not made to Excluded Shareholders

Strike Energy has decided that it is unreasonable to make the Offer to shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of Shareholders in such places, the number and value of the New Shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions. The number of Shares held by shareholders who have registered addresses in countries outside of Australia and New Zealand as at close of trading on 9 November 2016 was 20,109,759 Shares.

This Offer Memorandum does not constitute an offer to Excluded Shareholders and the Offer Memorandum will not be sent to Excluded Shareholders.

Shareholders holding Shares on behalf of persons who are residents outside of Australia or New Zealand are responsible for ensuring that subscribing for the New Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Acceptance Form will constitute a representation that there has been no breach of such regulations. Where the Offer Memorandum has been dispatched to Shareholders domiciled in a country outside Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Offer, the Offer Memorandum and accompanying Acceptance Form are provided for information purposes only.

For the avoidance of doubt, the Offer and the New Shares will not be registered under the US Securities Act and New Shares may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. Person (as defined in the US Securities Act).

1.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Acceptance Form once it has been submitted or once you have paid the application monies by BPAY.

1.8 Brokerage Fees and Stamp Duty

No brokerage fees are payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Offer.

1.9 Stamping Fees

A stamping fee of 1% (plus any GST) of the value of successful applications pursuant to an Acceptance Form or BPAY application will be payable to brokers by the Underwriter, subject to the following conditions:

- (a) the stamping fee will be limited to \$250 in respect of any one Entitlement and Acceptance Form;
- (b) where an Eligible Shareholder lodges more than one Acceptance Form, the fee is only payable on one Acceptance Form;
- (c) if an individual is applying on behalf of more than one beneficial holder, a list of beneficial holders must be provided in order to receive up to the maximum amount of \$250 per beneficial holder;

- (d) stamping fees will only be paid to participating organisations of the ASX (being those entities recognised as full service brokers or non-advisory brokers by ASX); and
- (e) stamping fees will only be paid on Acceptance Forms where a stamping fee claim form and schedule is submitted to the Share Registry by no later than 5.00pm (Sydney time) on 9 December 2016. The stamping fee will not be paid if the stamping fee claim form and schedule is received after 5.00pm (Sydney time) on 9 December 2016.

2. FURTHER INFORMATION IN RELATION TO THE OFFER

2.1 Use of funds raised from the Offer

The Company intends to use the funds raised from the Offer (to the extent they are sufficient) as follows:

Use of Proceeds	Amount
Continuation of field operations, including flow testing of the Klebb pilot wells to achieve commercial flows	\$3.2 million
Conduct development planning activities, including well planning and demonstration gas processing facility	\$1.0 million
Engage with industry partners to fund initial development within a proposed new Petroleum Retention Licence (PRL), to be carved out from PEL 96	
Transaction costs	\$0.3 million

The Company's announcements in relation to its projects are available on the ASX website at www.asx.com.au, using the Company's code STX.

2.2 Issue of New Shares

Strike Energy has applied to ASX for quotation of the New Shares being offered pursuant to this Offer Memorandum.

Strike Energy expects that New Shares will be issued and allotted by no later than Monday 12 December 2016. New Shares will only be issued after permission for their quotation on ASX has been granted.

If you apply for additional New Shares under the Top-Up Facility then, subject to the Company's discretion to scale back your allocation of such additional New Shares (in whole or in part), it is expected you will be issued those additional New Shares by Monday 12 December 2016.

Underwritten Shares will be issued in accordance with the Underwriting Agreement and, in any event, no later than 15 Business Days after the Closing Date, so as to comply with the exception to Listing Rule 7.1 and 10.11 for shares issued under an underwriting agreement to an underwriter or sub-underwriter of a pro rata offer of shares.

2.3 No nominee for Excluded Shareholders

No nominee has been appointed for Excluded Shareholders under section 615 of the Corporations Act. As such, Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act.

Based on the Company's share register as of the date of this Offer Memorandum, no Shareholder would exceed the 20% voting power threshold if they were to take up their full pro-rata entitlement and no other Shareholder participated in the Rights Issue and the underwriting was terminated.

Investors that may be at risk of exceeding the 20% voting power threshold in section 606 as a result of application for New Shares under the Top-Up Facility should seek professional advice before applying for additional New Shares.

2.4 Underwriting and Shareholder Support

The Offer is underwritten in full by Taylor Collison Limited. Accordingly, the Offer will raise at least \$4.5 million (before costs and expenses of the Offer), subject to the terms of the Underwriting Agreement.

Further details of the underwriting, including a summary of the material terms of the Underwriting Agreement, are set out in section 5.

As at the date of this Offer Memorandum, the Underwriter does not hold any securities in Strike Energy and is not a related party of Strike Energy within the meaning of the Corporations Act.

Director David Baker and two investment funds connected with Chairman Mark Carnegie, have entered into agreements with the Underwriter to partially sub-underwrite the Rights Issue. The combined sub-underwriting commitment is up to \$1,524,375 or approximately 34% of the Rights Issue, and may be partially satisfied by subscribing for their respective Entitlements under the Rights Issue. See section 5.2 for further details.

Neither the Underwriter nor any sub-underwriter will exceed 20% voting power as a result of the Offer.

2.5 Non-Renounceable Offer

The Offer is non-renounceable. This means that your right to subscribe for New Shares under the Offer is not transferable. Any Entitlements not taken up by Shareholders will be dealt with in accordance with section 4 of this Offer Memorandum.

3. HOW TO ACCEPT THE OFFER

3.1 How to take up all or part of your Entitlement

To subscribe for all or part of your Entitlement, please:

- (a) complete the accompanying Acceptance Form in respect of that part of your Entitlement you wish to accept according to the instructions on that form; and
- (b) forward the completed form together with payment of the appropriate application monies (at 7 cents per New Share subscribed for) to the Company's Share Registry in

the manner provided in section 3.4 **by no later than 5.00pm Sydney time on 5 December 2016** (or such later date as the Directors advise).

Alternatively, if you wish to apply via BPAY, you do not need to return the Acceptance Form, you simply need to make payment in accordance with the instructions on the accompanying Acceptance Form, for the number of New Shares you wish to apply for, multiplied by the issue price of 7 cents.

Acceptances will not be valid if they are received after the Closing Date.

Please note that all applications, once received, are irrevocable, except as permitted by law.

3.2 How to apply for additional New Shares under the Top-Up Facility

If you wish to accept your Entitlement in full and apply for additional New Shares under the Top-Up Facility, complete the Acceptance Form and also fill in the number of additional New Shares you wish to apply for in the space provided on the Acceptance Form. You must make payment for the appropriate application monies as set out in section 3.4.

Alternatively, if you wish to apply for your full Entitlement and additional New Shares under the Top-Up Facility via BPAY, you do not need to return the Acceptance Form, you simply need to make payment in accordance with the instructions on the accompanying Acceptance Form, for the total number of New Shares you wish to apply for, multiplied by the issue price of 7 cents.

Please refer to section 1.3 for further details in relation to the issue of New Shares under the Top-Up Facility.

3.3 Lapse of Entitlement

If you decide not to accept all or part of your Entitlement, or fail to do so by the Closing Date, your Entitlement will lapse.

3.4 Payment

Payment must be made with your acceptance **by 5.00pm Sydney time on 5 December 2016**, or such later date as the Directors advise, and must be in Australian currency and made by:

- (a) cheque drawn on and payable at any Australian bank;
- (b) bank draft drawn on and payable at any Australian bank;
- (c) money order drawn in Australian currency; or
- (d) BPAY.

Your Acceptance Forms, together with your cheque or a bank draft or money order for the appropriate application monies (at 7 cents per New Share subscribed for) must be sent to Strike Energy's Share Registry, Boardroom Pty Limited, at:

By Post:

Strike Energy Limited
C/-Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

so that they reach the registry **by no later than 5.00pm Sydney time on 5 December 2016**, or such later date as the Directors advise.

Alternatively, if you wish to pay by BPAY, you do not need to return the Acceptance Form, you simply need to follow the instructions on the Acceptance Form. Different financial institutions may implement earlier cut off times with regards to electronic payment, so please take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by the Closing Date.

Acceptances will not be valid if they are received after the Closing Date.

Your Cheque, money order or bank draft must be made payable to 'Strike Energy Limited Rights Issue' and crossed 'Not Negotiable'. Cash payments will not be accepted and receipts for payment will not be provided.

Strike Energy will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back the Directors may determine to implement in respect of New Shares applied for under the Top-Up Facility. Amounts received by Strike Energy in excess of your Entitlement may be treated as an application to apply for as many additional New Shares under the Top-Up Facility as that excess amount will pay for in full.

3.5 Effect of making Application

By returning an Acceptance Form or lodging an Acceptance Form with your stockbroker or otherwise arranging for payment for your New Shares through BPAY in accordance with the instructions on the Acceptance Form, you will be deemed to have:

- (a) represented that you are a Shareholder;
- (b) acknowledged that you have fully read and understood both this Offer Memorandum and the Acceptance Form in their entirety, you have acted in accordance with the terms of the Offer detailed in this Offer Memorandum and you agree to all of the terms and conditions as detailed in this Offer Memorandum and the Acceptance Form;
- (c) agreed to be bound by the terms of Company's constitution;
- (d) authorised the Company to register you as the holder of the New Shares allotted to you, including any New Shares allotted to you under the Top-Up Facility;
- (e) declared that all of the details and statements in the Acceptance Form are complete and accurate;
- (f) declared that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Acceptance Form;

- (g) acknowledged that once the Company receives your Acceptance Form or any payment of application monies via BPAY you may not withdraw your application except as allowed by law;
- (h) agreed to apply for and be issued up to the number of New Shares and any additional New Shares applied for under the Top-Up Facility specified in the Acceptance Form, or for which you have submitted payment of any application monies via BPAY, at the issue price of \$0.07 per New Share;
- (i) authorised the Company, its Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares and any additional New Shares applied for under the Top-Up Facility to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Acceptance Form;
- (j) declared that you were a registered holder(s) at the Record Date of the Shares indicated in the Acceptance Form as being held by you on the Record Date;
- (k) represented and warranted that you are a resident of Australia or New Zealand;
- (l) acknowledged that the information contained in this Offer Memorandum and your Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (m) acknowledged that this Offer Memorandum is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (n) acknowledged that investments in the Company are subject to risk, including the risks outlined in section 7;
- (o) acknowledged that none of the Company or its related bodies corporate, affiliates or directors, officers, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (p) agreed to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Offer and your holding of Shares on the Record Date;
- (q) authorised the Company to correct any errors in your Acceptance Form or other form provided by you;
- (r) represented and warranted that the law of any place does not prohibit you from being given this Offer Memorandum and the Acceptance Form, nor does it prohibit you from making an application for New Shares including any additional New Shares under the To-Up Facility;
- (s) represented and warranted that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Acceptance Form is resident in Australia or New Zealand, and you have not sent this Offer Memorandum, the

Entitlement and Acceptance Form or any information relating to the Offer to any person who is not a resident of Australia and New Zealand; and

- (t) acknowledged that New Shares have not been, and will not be, registered under the U.S. Securities Act and that New Shares may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. Person (as defined in the US Securities Act) nor will Shares be offered to any person outside of Australia and New Zealand.

4. SHORTFALL SHARES

A Shortfall under the Offer may arise if applications received for New Shares under the Offer from Eligible Shareholders, including additional New Shares under the Top-Up Facility (if any) are less than the number of New Shares offered.

If there is any Shortfall, the Underwriter's underwriting obligations take effect subject to the terms of the Underwriting Agreement, as summarized in section 5.

If the New Shares comprising the Shortfall (Shortfall Shares) are not acquired in accordance with the Underwriting Agreement because, for instance, the Underwriting Agreement has been terminated, then the Directors reserve the right to issue the Shortfall Shares in their absolute and sole discretion. Any Shortfall Shares so issued will, in accordance with the ASX Listing Rules, be issued within 3 months after the Closing Date and will be issued at a price that is not less than the issue price of the New Shares under the Offer.

5. UNDERWRITING

5.1 Underwritten amount

Pursuant to an Underwriting Agreement dated 11 November 2016 between the Company and the Underwriter (Taylor Collison), the Underwriter has agreed to underwrite of the Offer, namely 64,309,353 New Shares. This means that, unless the Underwriting Agreement is terminated, the Offer will raise at least \$4.5m before costs and expenses of the Rights Issue.

5.2 Sub-underwriting

The Underwriter has the right under the terms of the Underwriting Agreement to engage sub-underwriters on such terms and conditions as it determines in its absolute discretion. The Underwriter is responsible for paying any sub-underwriting fees. The Underwriter's engagement as underwriter under the Underwriting Agreement is not conditional on the appointment or continued appointment of sub-underwriters.

Director, David Baker and MHC Fund Services A Pty Ltd and MHC Fund Services B Pty Ltd, trustees of investment funds in which Chairman, Mark Carnegie is invested, and which are managed by a company ultimately controlled by Mr Carnegie (**Carnegie Funds**), (**Related Sub-Underwriters**) have entered into agreements with the Underwriter to partially sub-underwrite the Rights Issue, as follows:

- (a) the Carnegie Funds have agreed to sub-underwrite in total a maximum of \$1 million; and
- (b) David Baker has agreed to sub-underwrite a maximum of \$524,375.

The amount to be sub-underwritten by the Related Sub-Underwriters may be partially satisfied by taking up their respective Entitlements under the Offer.

Shareholder approval will not be sought for these sub-underwriting arrangements. Under Chapter 2E of the Corporations Act, the giving of a financial benefit to a related party requires shareholder approval unless an exception applies. The issue of New Shares to the Related Sub-Underwriters constitutes or may constitute the giving of a financial benefit to a related party, on the basis that David Baker is a Director and Mr Carnegie controls the manager of, and is a significant investor in, the Carnegie Funds. However, because the Related Sub-Underwriters are participating on the same basis as all other non-related sub-underwriters, the Directors (other than Mr Carnegie and Mr Baker) consider that the exception in section 210 of the Corporations Act applies (to the extent Chapter 2E in fact applies). That exception provides that shareholder approval is not required for the giving of a financial benefit on terms that:

- (a) would be reasonable in the circumstances if the company and related party were dealing at arm's length; or
- (b) are less favourable to the related party than the terms referred to in (a) above.

Further, Shareholder approval will not be sought for the purposes of Listing Rule 10.11 to the extent it would apply, as the issue of Shortfall Shares to the Related Sub-Underwriters as Sub-underwriters will come within Exception 2 of Listing Rule 10.12 (which provides that shareholder approval is not required to issue securities to a related party where the entity receives the securities under an underwriting agreement in relation to a pro-rata issue and the terms of the underwriting were included in the offer documents sent to shareholders).

5.3 Fees

Under the terms of the Underwriting Agreement, the Underwriter will receive a fee for providing the underwriting service of a cash amount equal to 4% (exclusive of any GST) of the amount raised under the Offer. The Underwriter will be responsible for any fees payable to Sub-underwriters. A 3% sub-underwriting fee is payable by the Underwriter to the Carnegie Funds and Mr David Baker.

As Lead Manager to the Offer, the Underwriter will also receive a management fee of 2% (exclusive of any GST) of the gross proceeds raised under the Offer.

The Underwriter will also be entitled to reimbursement of reasonable costs, professional fees and expenses of and incidental to the Rights Issue which are incurred by the Underwriter.

5.4 Covenants

The obligations of the Underwriter under the Underwriting Agreement are subject to the Company giving the Underwriter written notice of any Shortfall, receiving approval from the ASX for quotation of the New Shares, the Underwriter's satisfaction with the due diligence process and results undertaken in the context of the Rights Issue, and customary confirmations about the Company's compliance with the Underwriting Agreement and regulatory requirements.

The Company has given warranties, covenants and indemnities in favour of the Underwriter which are usual for agreements of this kind.

5.5 Termination Rights

The Underwriter may immediately terminate its obligations under the Underwriting Agreement without cost or liability to itself by providing written notice to the Company if any of the events set out below occur before the issue of all of the New Shares, provided that in the case of the events described in (i) to (bb) a materiality threshold is satisfied.

The termination events are as follows:

- (a) **change to Share terms and constituent documents:** the terms of the Shares or any other securities of the Company or the constitution of the Company are modified or repealed or the Company proposes any such modification or repeal without the prior consent of the Underwriter (such consent not to be unreasonably withheld);
- (b) **misleading statement in the Offer documents:** a material statement in a document relating to the Offer (including this Offer Memorandum) is found to be untrue, misleading or deceptive;
- (c) **breach of constitution:** the Company breaches its constitution which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (d) **breach of law or regulation:** the Company or a subsidiary of the Company or any Officer of the Company or a Related Body Corporate of the Company contravenes any provision of the Corporations Act, the Listing Rules or any other legislation which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (e) **insolvency:** an insolvency event occurs in relation to the Company or a subsidiary of the Company;
- (f) **Offer and Offer documents withdrawn:** at any time after the date of the Underwriting Agreement, the Company withdraws the Offer or a document relating to the Offer;
- (g) **no quotation:** approval for the quotation of all of the New Shares on the ASX is refused, not granted or granted subject to any condition, other than certain standard conditions, which is unacceptable to the Underwriter (acting reasonably) or is subsequently withdrawn;
- (h) **quotation on the ASX:** approval for quotation of the New Shares is not given by ASX within three months or such other period agreed by the Underwriter after the date of the Underwriting Agreement or the ASX makes a statement to any person that official quotation will not be granted;
- (i) **changes in prospects of the Company:** any adverse change occurs in the condition, financial position or prospects of the Company or a Related Body Corporate that is, in the Underwriter's reasonable opinion, material;
- (j) **Prescribed Occurrence:** a Prescribed Occurrence (as defined in the Corporations Act) occurs in relation to the Company or a subsidiary which is not otherwise permitted or required by the Underwriting Agreement and which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;

- (k) **breach of the Underwriting Agreement:** the Company or a subsidiary breaches a material provision of the Underwriting Agreement (including, but not limited to, representations, warranties or undertakings) that, in the Underwriter's reasonable opinion, is material.
- (l) **breach of laws:** the Company contravenes any applicable laws in relation to the Offer, the constitution of the Company or any of the Listing Rules which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (m) **Timetable not met:** there are certain delays in the timetable for the Offer in relation to events which are wholly within the control of the Company;
- (n) **officers:** any officer of the Company or a subsidiary is charged with or convicted of any criminal offence involving fraudulent or dishonest conduct or becomes a bankrupt or resigns or is removed, or steps are taken to achieve such an outcome;
- (o) **unapproved alteration of capital:** the Company alters, or announces an intention to alter, its capital structure or its constitution without the prior consent of the Underwriter (such consent not to be unreasonably withheld) which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (p) **unapproved Encumbrances:** the Company or a subsidiary gives security (other than certain permitted encumbrances) in favour of any person who is not a security holder at the date of the Underwriting Agreement which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (q) **false or misleading information given to the Underwriter:** any information that is, in the Underwriter's reasonable opinion, material that was supplied at any time by or on behalf of the Company to the Underwriter in respect of the Company or a subsidiary or the Offer is or becomes misleading or deceptive or contains a material omission;
- (r) **Company offers Shareholders refund:** any circumstance arises after the documents for the Offer are issued that results in the Company repaying, or offering to repay, any monies the Company receives from applicants or New Shares, or offering one or more applicants an opportunity to withdraw their Acceptance Form(s);
- (s) **commencement of hostilities:** an outbreak of hostilities not presently existing or an escalation of hostilities occurs (whether war has been declared or not) or a terrorist act is committed involving certain jurisdictions which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (t) **changes of law:** a government agency adopts or announces any change in any applicable laws or governmental policies which would, in the Underwriter's reasonable opinion, materially and adversely affect the Company or the Offer;
- (u) **Shares:** any securities that have been issued by the Company are suspended from quotation on ASX or are the subject of an ASX statement to the effect that the securities will be suspended or cease to be quoted, not being as a result of a request by the Company to suspend the securities with the prior approval of the Underwriter or a trading halt;

- (v) **significant change to management or board:** there is a significant change to the composition of the senior executives of the Company or of its board of Directors without the approval of the Underwriter (which approval may not be unreasonably withheld);
- (w) **interest rate increase:** at any time after the date of the Underwriting Agreement, the indicator rate for bonds issued by the Commonwealth of Australia, which have a tenor of either three or ten years, rises 1.0% or more;
- (x) **conduct defective:** any of the making of the Offer, the issue of the Offer Documents or the distribution of the Offer Documents constitutes misleading or deceptive conduct;
- (y) **Defective Notice required but not issued:** the Underwriter reasonably forms the view that a notice under section 708AA(10)(c) of the Corporations Act is required and the Company fails to provide such notice to the ASX;
- (z) **judgment:** a judgment in an amount exceeding \$250,000 is obtained against the Company or any Related Body Corporate of the Company and is not set aside or satisfied within five Business Days; and
- (aa) **movement in the S&P / ASX 200 Index:** the S&P / ASX 200 Index is at any time up to the day notice of Shortfall is provided to the Underwriter 7.5% or less of the level that Index attained at the close of trading on the business day before the date of the Underwriting Agreement.
- (bb) **movement in oil price:** the West Texas Intermediate oil price (WTI) is at any time up to the day the notice of Shortfall is provided to the Underwriter US\$40 or less.

6. EFFECT OF THE OFFER

6.1 Effect on capital structure

The capital structure of the Company as at the date of this Offer Memorandum is summarised below:

Listed securities	Number		
Shares	900,330,946		
Unlisted securities	Number	Expiry/vesting date	Exercise Price
Performance Rights	15,800,000	30/10/18	N/A
	450,000	30/10/18	N/A
	1,700,000	30/10/18	N/A
Total	17,950,000		
Options	7,000,000	18/11/16	20 cents
	1,000,000	01/11/17	20 cents

	3,000,000	08/12/16	20 cents
	200,000	10/04/18	18 cents
Total	11,200,000		

If any of the Performance Rights vest or Options are exercised prior to the Record Date this will impact the maximum number of Shares to be issued under the Rights Issue.

Assuming that the Offer is fully subscribed and/or underwritten, no existing Performance Rights vest and no Options are exercised, and without taking into account the impact of rounding, the capital structure following completion of the Offer will be as shown in the table above, however the number of Shares on issue will increase by 64,309,353 Shares from 900,330,946 to 964,640,299 Shares.

6.2 Effect on control

The potential effect the Offer will have on the control of Strike's undiluted share capital will depend on the extent Shareholders take up their Entitlements.

- (a) if all Eligible Shareholders take up their Entitlements in full the Offer will have no effect on the control of Strike.
- (b) the proportional interests in Strike of those Eligible Shareholders who do not take up their Entitlement in the Offer will be diluted by those other Eligible Shareholders who take up some, or all of their Entitlement, or take up all of their Entitlement and apply for and are allotted New Shares under the Top-Up Facility, and by any participation in the Shortfall by the Underwriter and any Sub-underwriters;
- (c) the proportional interests in Strike of Excluded Shareholders (who are ineligible to participate in the Offer) will be diluted because those Excluded Shareholders are not entitled to participate in the Offer;
- (d) based on the Company's share register as at 9 November 2016, no Shareholder in the Company would have voting power of 20% or more if they were to take up their full Entitlement and no other Shareholder participated in the Offer and the underwriting was terminated;
- (e) if no New Shares are taken up by Eligible Shareholders under the Offer, the voting power in Strike of the Underwriter could increase from 0% to a maximum of 6.6% if no sub-underwriting occurs (e.g if Sub-underwriters fail to fulfil their sub-underwriting commitments); or
- (f) the voting power in Strike of Strike's largest shareholders, MHC Fund Services A Pty Ltd and MHC Fund Services B Pty Ltd, trustees of investment funds in which Chairman, Mark Carnegie is invested, and which are managed by a company ultimately controlled by Mr Carnegie, could increase from 7.2% to a maximum of 8.2%, if they subscribe for their full entitlements and no other New Shares are taken up by Eligible Shareholders under the Offer and they subscribe for the shares sub-underwritten by them as part of the full underwriting of the Rights Issue.

As no Shareholder, Underwriter or Sub-underwriter will obtain or exceed voting power of 20% as a result of the Offer, Strike does not consider there will be any consequences for any change in voting power that results from the Offer.

7. RISKS

7.1 General

The New Shares should be considered speculative because of the nature of the Company's business. There are numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which New Shares will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. The summary is not exhaustive and potential investors should examine the contents of this Offer Memorandum and the Company's previous announcements and reports and consult their professional advisors before deciding whether to take up New Shares under the Offer.

7.2 Company operations

The operations of the Company may be affected by various factors, including failure to locate or identify Petroleum Resources and Petroleum Reserves, failure to achieve predicted well production flow rates, operational and technical difficulties encountered in production, difficulties in gaining government or regulatory approvals, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated reservoir problems which may affect field production performance, adverse weather conditions, industrial and environmental accidents, force majeure events by suppliers, product processes and pipeline transporters, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, commodities, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful development and/or production of its project and prospect interests.

7.3 Petroleum Reserves and Petroleum Resources

Estimates of Petroleum Reserves and Petroleum Resources are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may change significantly when new information or techniques become available. In addition, by their nature, Petroleum Reserves and Petroleum Resources estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change.

This may result in alterations to development and commercial flow plans, which may, in turn, either benefit or adversely affect the Company's operations, financial position, viability and Share price.

7.4 Gas price volatility and exchange rate

If the Company achieves success leading to gas production (which may not occur), the revenue it may derive through the sale of gas exposes the potential income of the Company

to gas price risks. Gas prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, material levels of current and near-term expenditures are or will be incurred in United States dollars while, the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets

7.5 Contractual Risk

The Company has a number of agreements in place, including joint venture agreements, gas supply agreements and service contracts.

The ability of the Company to achieve its objectives will, to an extent, depend on the performance of the counterparties and their obligations under those agreements. If a counterparty defaults in the performance of its obligations, or wishes to enforce its rights or make a claim against the Company, it may be necessary for the Company to seek or defend legal remedies including through a court action.

Legal action can be costly and there can be no guarantee that a legal remedy would ultimately be granted to the Company on the appropriate terms (if at all). Any such claim or action against the Company may impact adversely on the Company's operations, viability, financial performance and financial position.

Further, the Company is unable to predict the risk of:

- (a) financial failure or default of the contractor or any other third party to a contract for which the Company is a party, or
- (b) insolvency or other managerial failure by any of the operators and contractors used by the Company in its activities, or
- (c) insolvency or other managerial failure by any of the other service providers used by the Company or operators for any activity; or
- (d) mechanical, other operating or commercial failure by contractors or of the contractors' equipment or services, which are used by or provided to the Company; or
- (e) circumstances changing from that contemplated upon entry into the contract with the relevant third party, which could make it difficult, impossible or not commercially feasible to achieve contractual outcomes or adhere to contractual objectives that were dependent upon a set of circumstances or events occurring, or which could trigger a right in the hands of a third party, and which may impact adversely on the Company's operations, viability, financial performance and financial position.

7.6 Litigation risks

The Company is exposed to possible litigation risks including, without limitation, title claims, tenure disputes, environmental claims, occupational health and safety claims and employee and other industrial claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may

impact adversely on the Company's operations, viability, financial performance and financial position.

7.7 Underwriting risks

The Underwriting Agreement entered into between the Company and the Underwriter is subject to certain terms and conditions, the key terms of which are summarised in section 5. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the Underwriting Agreement. In addition, there is a risk that the Company or the Underwriter may breach the Underwriting Agreement, which may result in the Underwriter (and Sub-underwriters) not providing the underwritten funds required in accordance with the Underwriting Agreement.

If the Underwriting Agreement is terminated or breached and the Offer does not proceed or does not raise the funds required for the Company to meet its stated objectives, the Company will need to find alternative financing to meet its funding requirements. There is no guarantee that alternative funding could be sourced, either at all or on satisfactory terms. Termination of the Underwriting Agreement could materially adversely affect the Company's business and financial position.

7.8 General Economic Climate

Factors such as inflation, currency fluctuation, interest rates, government legislation or intervention, levels of taxation, industrial disruption, natural disasters, social upheaval or war in Australia or elsewhere and supply and demand have an impact on operating costs, commodity prices, revenues and stock market prices and returns to shareholders. The Company's future revenues and the market price for its listed securities may be affected by these factors, as well as by fluctuations in the price of gas, which are beyond the Company's control.

7.9 Political and Regulatory

The possibility exists that new legislation and/or new regulations may be adopted that adversely affect the Company's current and proposed operations or cost structure.

7.10 Key Management

The Company is dependent on a skilled team to undertake the business of the Company. The current board and management team have specialist skills and the Company may be adversely affected if any of the Directors or management team leave the Company, as the Company may find it difficult to secure suitable replacements within a reasonable period of time or at all. Further, the Company may incur additional expenses to recruit, train and retain personnel should they be available.

Consequently, the production and development programs and the management of the Company could be affected by the lack of suitable Directors, managers, employees or staff.

7.11 Tenure and Title

The petroleum licences held by the Company are subject to periodic renewal. There are no guarantees that those tenements or interests will be renewed or that the Company will be granted further or additional rights or tenements required for the conduct of operations. If a tenement is not renewed for any reason, the Company may suffer significant damage through the loss of the opportunity to develop that tenement.

7.12 Dilution

Shareholders that do not accept their Entitlements in full will have their Shareholding diluted, but only to a small extent.

7.13 Tax issues

There may be tax implications arising from the acquisition of New Shares and any subsequent disposal of New Shares. Tax liabilities are the responsibility of individual investors and all investors should carefully consider the tax implications and obtain advice from a qualified professional advisor if required. The Company will not be responsible for any tax or related penalties.

7.14 Share market Conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities in general and oil and gas stocks in particular.

7.15 Environmental Risks

The operations and proposed activities of the Company are subject to both Australian Federal and State laws and regulations concerning the environment. As with most development or production operations, the Company's activities are expected to have an impact on the environment, particularly if advanced development or production proceeds

It is the Company's practice to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Nevertheless, there are certain risks inherent in the Company's activities such as accidental leakages or spills, or other unforeseen circumstances which could subject the Company to extensive liability.

7.16 Unforeseen Expenditure

Expenditure may need to be incurred that has not been taken into account by the Company. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the financial position of the Company.

7.17 Forward looking statement

This Offer Memorandum includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

7.18 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares. Potential investors should consider that

investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

8. ADDITIONAL INFORMATION

8.1 Reliance on Offer Memorandum

This Offer Memorandum has been prepared in accordance with section 708AA of the Corporations Act, as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73. In general terms, section 708AA relates to rights issues by certain companies that do not require the provision of a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Memorandum is considerably less than the level of disclosure required in a prospectus.

In deciding whether or not to accept the Offer, you should rely on your own knowledge of Strike Energy, refer to disclosures made by Strike Energy to ASX (which are available for inspection on the ASX website at www.asx.com.au and on Strike Energy's website at www.strikeenergy.com.au) and seek the advice of your professional adviser.

8.2 Directors Discretion

The Directors may, subject to the terms of the Underwriting Agreement, make determinations in any manner they think fit in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offer whether generally or in relation to any Shareholder. Any determinations by the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.

The Directors reserve the right, at their discretion, to vary, suspend or cancel the Offer at any time, subject to the Corporations Act, Listing Rules and the Underwriting Agreement. Any variation, suspension or cancellation will be binding on Shareholders. If the Offer is cancelled, any application monies received by Strike Energy will be refunded in accordance with the Corporations Act, without interest, as soon as reasonably practicable after the cancellation.

8.3 Further information

If you have any questions about the Offer, please contact either:

- (a) Strike Energy's Share Registry, Boardroom Pty Limited, on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia); or
- (b) your stockbroker or professional adviser.

8.4 Governing law

This Offer Memorandum, the Offer and the contracts formed on acceptance of valid applications to subscribe for New Shares pursuant to the Offer, including under the Top-Up Facility are governed by the law of New South Wales, Australia. Each Shareholder who has applied to subscribe for New Shares in accordance with this Offer Memorandum submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

9. DEFINED TERMS

In this Offer Memorandum, the following words have the following meanings unless the context requires otherwise:

Acceptance Form	the personalised form accompanying this Offer Memorandum.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the securities exchange operated by ASX Limited (as the context requires).
ASX Listing Rules	the official listing rules of ASX.
Business Day	has the same meaning as in the ASX Listing Rules.
Closing Date	the last date for accepting the Offer, being 5.00pm Sydney time on Monday 5 December 2016, or such later date determined by the Directors in accordance with the ASX Listing Rules and the terms of the Underwriting Agreement.
Company	Strike Energy Limited (ACN 078 012 745).
Corporations Act	Corporations Act 2001 (Cth).
Directors	the directors of Strike Energy.
Entitlement	the entitlement of each Shareholder under the Offer, determined based on the ratio of 1 New Share for every 14 Shares held on the Record Date.
Excluded Shareholder	a registered holder of Shares on the Record Date with a registered address in a country outside of either Australia or New Zealand.
New Shares	Shares to be issued pursuant to the Offer, including (as the context requires) the shortfall from the Offer issued or to be issued under the Top-Up Facility or pursuant to the Underwriting Agreement.
Offer	the offer made pursuant to this Offer Memorandum of one New Share for every fourteen Shares held by a Shareholder on the Record Date.
Offer Memorandum	this Offer Memorandum dated 11 November 2016 under which the Offer is being made.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with the terms of the Offer.
Option	an option to subscribe for a Share.
PEL 96	Petroleum Exploration Licence No. 96 granted under the

Petroleum and Geothermal Energy Act 2000 (SA).

Performance Right	a Performance Right granted under the Strike Energy Employee Performance Rights Plan.
Petroleum Reserve	those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Petroleum Reserves must satisfy four criteria, being that they must be discovered, recoverable, commercial and remaining based on the development project(s) applied.
Petroleum Resources	all quantities of petroleum (recoverable and unrecoverable) naturally occurring on or within the earth's crust, discovered and undiscovered, plus those quantities already produced. It includes all types of petroleum whether currently considered conventional or unconventional.
Strike Energy or Strike	Strike Energy Limited ACN 078 012 745
Record Date	7pm Sydney time on Monday 21 November 2016
Related Body Corporate	has the meaning given in the Corporations Act.
Rights Issue	the rights issue described in this Offer Memorandum
Share	a fully paid ordinary share in the capital of Strike Energy.
Share Registry	Boardroom Pty Limited.
Shareholder	a registered holder of Shares with a registered address in either Australia or New Zealand as at the Record Date.
Shortfall	those New Shares not accepted under the Offer, including under the Top-Up Facility.
Shortfall Shares	those New Shares not taken up by Eligible Shareholders under the Offer or the Top-Up Facility, and (as the context requires) not issued in accordance with the Underwriting Agreement.
Sub-underwriter	any sub-underwriter that enters into a sub-underwriting agreement with the Underwriter in relation to the Offer.
Top-Up Facility	the facility described in section 1.3 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.
Underwriter or Taylor Collison	Taylor Collison Limited
Underwriting Agreement	the agreement of that name made between the Company

and the Underwriter dated 11 November 2016.

Underwritten Shares

up to 64,309,353 New Shares (without taking into account the impact of rounding)

US Securities Act

U.S. Securities Act of 1933, as amended