

The Company Announcement Officer ASX Ltd

via electronic lodgement

EXECUTION OF NEW GAS SALES AGREEMENT WITH ORICA

Strike Energy Limited (**Strike** - ASX:STX) is pleased to announce the execution of a new Gas Sales Agreement (**New GSA**) with Orica International Pte Ltd (**Orica**) for the supply of up to 64PJ of gas from Strike's Southern Cooper Basin Gas Project (**SCBGP**) in PEL96 (Strike 66.67% and Operator, Energy World Corporation 33.33%).

On 17 August 2017, Strike announced that it had entered into a binding term sheet with Orica for the negotiation of a new Gas Sales Agreement to replace the existing gas sales agreement entered into in 2014 for the supply of up to 250PJ. The New GSA is the result of those negotiations, the key terms of which are as detailed in Strike's 17 August 2017 ASX announcement.

As part of the renegotiation of the Gas Sales Agreement, the existing loan agreement with Orica has been varied to extend the date for repayment of the \$2.5 million loan made by Orica in 2013 from 15 July 2018 to 31 December 2021, to accrue interest on the loan from 15 July 2018 and to provide Orica with the right to convert the loan into Strike ordinary shares in whole or in part at any time after 1 September 2018 until the maturity date, at a conversion price that is equal to the 30-day volume weighted average price but not less than 20 cents. The conversion will not be subject to shareholder approval.

Managing Director, Stuart Nicholls commented:

"The renegotiation and signing of this new agreement with our foundation customer is a clear indication that Strike is delivering against its revised strategy released on 1st June 2017, and progressing toward commercial development of the Southern Cooper Basin Gas Project.

The renegotiation of the offtake agreement is evidence that the external environment is changing dramatically around Strike and that forward gas demand continues to grow with supply tightening. The development of the Southern Cooper Basin Gas Project will provide a critical supply of gas into the East Coast market at a time of significant need."

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