

The Company Announcement Officer ASX Ltd
via electronic lodgement

UIL ENERGY AQUISITION, JAWS AND SPP UPDATE

Highlights

- **UIL Energy's Independent Expert has deemed the Offer to be FAIR and REASONABLE, and as a result, UIL Energy's Board of Directors unanimously recommend that UIL Energy shareholders ACCEPT the Offer (in the absence of a superior proposal) and will now accept the offer for their own holdings.**
- **Jaws wells now producing continuous gas flows from both well heads.**
- **SPP offer period extended to 7pm AEST on 30 November 2018.**
- **Strike Energy's Board & Management have accepted their SPP entitlements.**

UIL ENERGY ACQUISITION UPDATE

Strike Energy Limited (**Strike Energy** or the **Company**) (ASX:STX) is pleased to announce that UIL Energy Limited (**UIL Energy**) has completed the despatch of the Target's Statement in relation to Strike Energy's recommended takeover offer for UIL Energy (**Offer**) (refer to Strike Energy's ASX announcement of 22 October 2018 for further information about the Offer).

The Target's Statement contains UIL Energy's formal response to the Offer, including detailed reasons for the UIL Energy Directors' unanimous recommendation that UIL Energy shareholders **ACCEPT** the Offer (in the absence of a superior proposal). The Target's Statement also includes an Independent Expert's Report, which concluded that the Offer is **FAIR AND REASONABLE** to UIL Energy shareholders.

The UIL Energy Directors intend to **ACCEPT** the Offer (in the absence of a superior proposal) in respect to all shares they hold or control by 15 November 2018, being 21 days after despatch of the Bidder's Statement. The UIL Energy Directors collectively hold approximately 25% of UIL Energy's ordinary shares, which will take total acceptances of the Offer to more than 30%.

UIL Energy shareholders may accept the Offer at any time up until 7.00 pm (Sydney time) on 30 November 2018 (unless the offer period is extended). To accept the UIL Energy Offer please follow the instructions in the Bidder's Statement and the Acceptance Form.

JAWS UPDATE

The Jaws depressurisation has continued with gas flows from each well head moving from intermittent major pulses to a continuous flow (25-50 mscf/d) with regular bursts every few minutes (up to 100 mscf/d) occurring throughout the day.

In late October Jaws experienced a brief period of downtime following an earthing fault that caused a loss of power, with the on-site team acting swiftly to recommence production and continue the methodology of

a slow and steady drawdown. Strike Energy has since caught up to the bottom hole pressure recorded prior to the outage and continued the drawdown with the reservoir response continuing as expected. Water production has returned to previous levels and has since remained stable. Strike Energy continues to see good productivity from the coals as gas flows continue to build.

SPP UPDATE

Further to the announcement of a Share Purchase Plan (**SPP**) on 24 October 2018, SPP acceptance forms and offer booklets have been either posted or emailed to all eligible Strike Energy shareholders based on the individual elected communication preference.

Strike Energy has received several notifications from shareholders that offer booklets have not arrived. As such if you have not received your SPP acceptance form, please either check your spam / junk mail inbox for an email notification (noting the documents were sent from companies@boardroomlimited.com.au), or contact the Registry on 1300 737 760 from within Australia or (+61) 2 9290 9600 from outside Australia between 8.15am and 5.30pm (Sydney time) Monday to Friday while the SPP remains open.

As a result of the delays in receipt of the SPP offer booklets, the Strike Energy Board of Directors have decided to extend the closing date for the SPP to 7.00pm (Sydney time) on 30 November 2018 to coincide with closure of the Offer. Under the SPP, eligible shareholders are invited to subscribe for up to \$15,000 of Strike Energy shares at a subscription price of \$0.115. Eligible Strike Energy shareholders are encouraged to submit their applications for the SPP as soon as possible.

The application form enclosed with the original SPP offer booklet remains valid, notwithstanding that it refers to the old closing date of the SPP, and Strike Energy shareholders who have already applied for shares under the SPP are not required to re-submit their application forms unless they wish to subscribe for additional shares up to the maximum amount of \$15,000.

Strike Energy's Board and Management have applied for their entitlements under the rules of the SPP.

Strike Energy's Managing Director said:

"Strike Energy is very pleased that the UIL Energy bid has been deemed fair and reasonable by UIL Energy's independent expert. Strike Energy now looks forward to the UIL Energy Directors accepting the offer (absent a superior proposal) as Strike Energy moves towards the bid becoming unconditional.

Strike Energy has also been working extremely hard to maintain uptime at the Jaws pilot as we progress towards the objective of Commercial Success. Jaws continues to trend in a positive direction and we look forward to updating the market as further progress is achieved."

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