

The Company Announcement Officer ASX Ltd
via electronic lodgement

FY16 R&D APPEAL

Strike Energy Limited (**Strike** or the **Company** – ASX:STX) advises that it has lodged an application with the Administrative Appeals Tribunal (**AAT**) to review the post-registration negative finding by Innovation and Science Australia (ISA) of the Company's Research and Development (R&D) registration for the financial year ended 30 June 2016.

The Company has also lodged a Request for Stay Order with the AAT to stay the operation or implementation of the decision made by ISA pending the outcome of the AAT's review of that decision.

Strike Managing Director, Mr Stuart Nicholls, said;

"It is extremely disappointing that the Federal Government is conducting retrospective reviews of grants that have been issued some years ago. Retrospective action of this type raises the spectre of sovereign risk in the eyes of investors. This particular case is counter to the Government's stated aim of encouraging the discovery and development of new supplies of natural gas into the east coast of Australia. Without new supply the deepening energy crisis is likely to become more pervasive and result in further destruction of jobs in secondary industries which are reliant on the sustainable supply of affordable gas.

Based on opinions from the industry and academic experts, Strike is extremely confident of its position and the validity of its activities as compliant R&D. Strike will vigorously fight the finding of the ISA through the full appeals process and intends to deploy all resources it has at its disposal to do so."

ENDS

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