ASX Announcement

24 October 2018

The Company Announcement Officer ASX Ltd
via electronic lodgement

SUCCESSFUL $13 MILLION CAPITAL RAISING AND ANNOUNCEMENT OF SHARE PURCHASE PLAN

Strike Energy Limited (**Strike Energy** or the **Company**) (ASX:STX) is pleased to announce that it has received binding commitments from international and local institutional and professional investors to successfully raise gross proceeds of $13 million by way of a placement of new fully paid ordinary shares (**Placement**). The Company welcomes the continued support from existing shareholders noting their strong participation in the Placement, including the backing of major shareholder and former Chairman Mark Carnegie.

Following settlement of the Placement on or about 30 October 2018, Strike Energy will have satisfied the capital raising condition as set out in the takeover implementation deed dated 22 October 2018 in relation to the recommended takeover offer for UIL Energy (**UIL Energy Offer**) (refer to Strike Energy's ASX announcement of 22 October 2018).

The Company is also pleased to announce a Share Purchase Plan to raise up to $5 million (**SPP**), providing all existing eligible shareholders of Strike Energy with the opportunity to apply for discounted shares at the same issue price as participants in the Placement.

PLACEMENT DETAILS

The Company will issue 113,043,500 new fully paid ordinary shares at an issue price of $0.115 to international and local institutional and professional investors to raise gross proceeds of $13 million.

The new shares will be placed within the Company's 15% placement capacity under ASX Listing Rule 7.1 and without disclosure in accordance with Chapter 6D of the Corporates Act. The Placement is not subject to shareholder approval and the new shares will rank equally with the Company's existing fully paid ordinary shares. The Placement shares are expected to be issued on or about 30 October 2018.

SPP DETAILS

The SPP will involve the issue of up to 43,478,261 new fully paid ordinary shares at an issue price of $0.115 to raise gross proceeds of up to $5 million. The issue price represents a 19.8% discount to the 5-day volume weighted average price (**VWAP**) of Strike Energy shares traded on the ASX immediately prior to the Record Date.

Each individual who was registered as a Strike Energy shareholder with a registered address in Australia or New Zealand as at 7.00 pm (Sydney time) on 23 October 2018 (**Record Date**) will be eligible to participate in the SPP. Eligible Strike Energy shareholders will be able to subscribe for up to $15,000 in new fully paid ordinary shares without incurring brokerage or other transaction costs.

If total applications for the SPP exceed $5 million, Strike Energy reserves the right to close the SPP early, and increase the size of the SPP or scale back applications in its absolute and sole discretion.

Eligible Strike Energy shareholders are therefore encouraged to submit their applications for the SPP early.

USE OF PROCEEDS

The capital raised pursuant to the Placement and SPP will be used to support drilling of the West Erregulla-2 well at the West Erregulla Project in the Perth Basin and to complete the piloting activities of the Jaws wells at the Southern Cooper Basin Gas Project.

In the event Strike Energy reaches compulsory acquisition under the UIL Energy Offer, capital raised pursuant to the Placement and SPP will be used to support progression of UIL Energy's existing permit work commitments, provided sufficient capital is raised to first meet the Company's own commitments. It is important to note that neither the Placement nor the SPP are conditional on the UIL Energy Offer.

INDICATIVE TIMETABLE

The table below shows the key events of the currently anticipated timetable for the Placement, SPP and UIL Energy Offer.

Event	Date
Settlement and issue of the Placement shares	30 October 2018
Despatch of the UIL Energy target's statement	9 November 2018
SPP closing date	16 November 2018
Issue of SPP shares	26 November 2018
Closing of the UIL Energy Offer (unless extended)	30 November 2018

Strike Energy's Managing Director, Stuart Nicholls, said:

"*Strike Energy is now in a strong position to execute drilling of the West Erregulla-2 well in the Perth Basin in early 2019, targeting a material conventional gas reservoir similar in nature to the neighbouring Waitsia gas field.*

Strike is also funded to see Jaws-1 through the production testing phase towards the declaration of commercial success at the Southern Cooper Basin Gas Project.

Receipt of binding commitments as part of the Placement is a strong endorsement of Strike Energy's strategy of delivering on a successful production test at Jaws and building a meaningful Perth Basin operated business. This is a significant milestone in the context of the proposed acquisition of UIL Energy.

I would like to thank all new and existing shareholders alike for their continued support, and their participation in the Placement and the upcoming SPP."

ADVISERS

Hunter Capital acted as the manager and Vahoca acted as a facilitator for the Placement.

Strike Energy is being advised by **Azure Capital** as financial adviser and **Allen & Overy** as legal adviser.

Investor and Media Contacts

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