FINANCIAL REPORT

FOR THE HALF-YEAR

ENDED 31 DECEMBER 2023

Walyering Gas Field

ACN 078 012 745

Contents

Important Notices

Reserve and Resource Information

Unless otherwise stated, information in this report that relates to the Reserve and Resource Estimates for:

- the West Erregulla Project is set out in the ASX announcement dated 27 July 2022 entitled "West Erregulla Reserves Upgraded by 41%". Strike equity interest is 50% and Warrego Energy (EP469) Pty Ltd equity interest is 50%.
- the Ocean Hill 2C Contingent Resource is set out in ASX announcement dated 10 October 2022 entitled "Independent Certification of Ocean Hill Gas Resource". Strike equity interest is 100%.
- the Erregulla Deep & Southwest Erregulla prospective Resource is set out in ASX announcement dated 16 December 2022 entitled "Strike to test Southwest Erregulla and Erregulla Deep Prospective Resource". Strike equity interest is 50%.
- the South Erregulla Contingent CO2 Storage Resource Estimate is set out in ASX announcement dated 15 June 2023 entitled "South Erregulla Update".

The reserves and resources estimates must be read in conjunction with the full text of the ASX releases referred to. The Reserves and Resources are unrisked.

Strike is unaware of any new information that materially impacts the information in these releases and confirms that all the material assumptions and technical parameters underpinning the estimates in the above releases continue to apply and have not materially changed.

Forward looking statements

Statements contained in this Interim Financial Report, including but not limited to those regarding the possible or assumed future costs, projected timeframes, performance, dividends, returns, revenue, exchange rates, potential growth of Strike, industry growth, commodity or price forecasts, or other projections and any estimated company earnings are or may be forward looking statements. Forward looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'budget', 'outlook', 'schedule', 'estimate', 'target', 'guidance' 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. Forward looking statements including all statements in this document regarding the outcomes of preliminary and definitive feasibility studies, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of Strike. Actual results, performance, actions and developments of Strike may differ materially from those expressed or implied by the forward-looking statements in this Interim Financial Report. Such forward-looking statements speak only as of the date of this document. Refer to the risk factors set out in Talon Energy Limited's Scheme Booklet dated 3 November 2023 in relation to the acquisition by Strike Energy (through its wholly owned subsidiary) of all of the issued shares in Talon Energy by way of scheme of arrangement pursuant to Part 5.1 of the *Corporations Act 2001* (Cth) for a summary of certain general, Strike Energy specific and acquisition specific risk factors that may affect Strike Energy. There can be no assurance that actual outcomes will not differ materially from these statements. Investors should consider the forward looking statements contained in this Interim Financial Report in light of those disclosures. To the maximum extent permitted by law (including the ASX Listing Rules), Strike and any of its affiliates and their directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information in this document to reflect any change in expectations or assumptions; do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence). Nothing in this Interim Financial Report will under any circumstances create an implication that there has been no change in the affairs of Strike since the date of this document.

Directors' Report

The Board of Directors (the "Board" or the "Directors") of Strike Energy Limited (the "Company" or "Strike") and its subsidiaries (together referred to as the "Group") submit their report for the half-year period ended 31 December 2023.

HIGHLIGHTS AND SUMMARY OF ACTIVITIES

Walyering

- Walyering gas field (L23) development completed construction and commenced production within the first quarter, producing a total of 1.1 PJe of gas and condensate (net to Strike) and generating $8.13 million in revenue net to Strike.
- Strike and Alinta Energy WA Pty Ltd entered into a firm 100% take or pay gas sales agreement for a total of 3.4 PJ over ~2 years from February 2024.
- Nameplate capacity reached and exceeded with 34 TJ/d and 275 bbls/d of condensate.
- The Walyering-7 well was sanctioned for drilling with the objective of increasing Reserves and, on success, tie into the Walyering facility.
- Completed the acquisition of JV partner, Talon Energy Limited to consolidate 100% Strike ownership of the Walyering gas field in L23 and surrounding exploration acreage in EP447.

West Erregulla

- Progressed discussions with Hancock Energy around the joint development of the West Erregulla gas field, with early alignment around midstream infrastructure and timelines targeting first gas production by late 2026.

South Erregulla

- Completed the appraisal drilling campaign at South Erregulla 2 & 3 which, along with recent flow testing results, will inform a reserves and project development update.
- Appraisal of the potential CO_2 storage capacity at South Erregulla observed over 75m of net reservoir with a maximum porosity of 24%.
- Progressed activities in preparedness for a potential 40-55TJ/d development, subject to the outcome of the SE-2 & 3 appraisal results, including securing:
  - firm gas sales agreements for a total of ~41 PJ to support the bankability of the potential development;
  - South Erregulla Production License L24 (100% STX); and
  - Part IV primary environmental approval.

Strike has had an active and successful first half of the financial year, having completed and brought online its maiden domestic gas development at Walyering on 25 September 2023, as well as completing an appraisal drilling program at the 100% owned and operated South Erregulla gas field. Strike bolstered its position as one of the leading companies in the Perth Basin through the acquisition of Talon Energy Limited ("Talon Energy") which was successfully implemented prior to the end of the reporting period. Strike finished the reporting period:

- as a gas producer with net revenue of $8.1m;
- as 100% owner and operator of the producing Walyering gas field and surrounding exploration acreage post the acquisition of Talon Energy via Scheme of Arrangement;
- having completed the appraisal drilling program at South Erregulla on time and within budget;
- well-funded with $114 million in cash and undrawn debt facilities[1] and a further $80 million[2] in an uncommitted South Erregulla development facility; and
- with near-term exploration and appraisal drilling opportunities across two fully funded, procured and planned drilling campaigns targeting Walyering and Erregulla Deep.

[1] Inclusive of cash balance reported as at 31 December 2023.
[2] Uncommitted facility remains subject to lender credit approval.

Directors' Report

Walyering (L23 & EP447: STX 55% until 27 December 2023, then 100%)

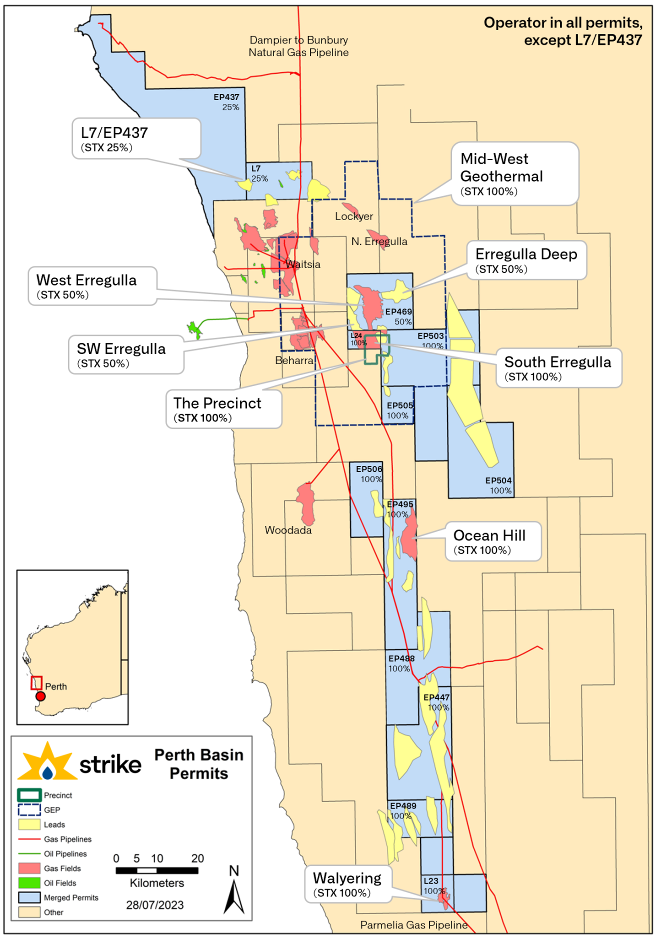
Walyering is Strike's maiden producing asset, currently delivering ~25 TJ/d of natural gas into the Parmelia gas pipeline.

Strike is now focussed on further appraising the field through Walyering 7, which is expected to spud in Q4 FY24, with the aim of increasing reserves.

The Walyering gas plant has a nameplate capacity of 33 TJ/d and preliminary design studies are being undertaken to increase the nameplate capacity to 40-50 TJ/d.

Strike completed construction of the Walyering gas field (L23) development and commenced production on 25 September 2023. The final cost of the development, including the well completions, facility construction and commissioning costs was $30 million gross, $16.5 million net to Strike.

Over the period, a gross total of 1.95 PJe of gas and condensate was sold by the L23/EP447 JV yielding gross revenue of $14.8 million ($8.1 million net to Strike). Total gross production costs to date have averaged $0.51/GJ. As production rates increase this is expected to reduce on a per gigajoule basis.



As detailed in the Q2 FY24 Quarterly Report released to the ASX on 29 January 2024, Strike has completed reprocessing of the Walyering 3D seismic, which has substantially improved the resolution of the field and nearby prospects. In light of this new information, Strike has engaged RISC to review the independent certification of the Walyering Reserves and Resources.

In January, in line with the aim of increasing gas marketing activities, Strike announced that it had entered into a firm 100% take or pay gas sales agreement for a total of 3.4 PJ delivered into the Parmelia Gas Pipeline over ~2 years starting in February 2024.

West Erregulla (EP469: STX 50%)

Strike owns 50% and operates the Permian aged West Erregulla gas field in Joint Venture with Warrego Energy (EP469) Pty Ltd, a wholly owned subsidiary of Hancock Energy (50%).

The current focus is on working to progress the joint development of an 87 TJ/d gas plant, targeting FID in H2 CY2024. There is early alignment with Hancock Energy around midstream infrastructure and timelines, with first gas being targeted in CY2026.

During the half, the West Erregulla upstream development Part IV environmental EPA report and recommendation was made public, along with the Australian Gas Infrastructure Group (AGIG) midstream 87 TJ/d development EPA report and recommendation. These reports are the subject of appeals, with WA Ministerial determination expected within the first half of CY2024.

Strike's Reserve and Resource position across West Erregulla (EP469) is captured below:

Directors' Report

West Erregulla Net Gas Reserves & Resources (PJ) (net to Strike's 50%)[3]						
	1P	2P	3P	1C	2C	3C
Net Reserves	162	211	251	-	-	-
Net Contingent Resources	-	-	-	9	15	21

EP469 also contains two near field exploration targets, Erregulla Deep and Southwest Erregulla, which are currently scheduled to be drilled in May 2024 and 2H/CY2024 respectively. Strike's share of the drilling expenses at Erregulla Deep and Southwest Erregulla are fully funded through existing cash and revenue streams.

The Prospective Resources for the two EP469 drill targets are listed below:

Prospective Resources (net to Strike's 50%)			
Southwest Erregulla	**Low Estimate 1U**	**Best Estimate 2U**	**High Estimate 3U**
OGIP (bcf)	140	192	245
Net Sales Gas (PJ)	99	136	177
Erregulla Deep			
OGIP (bcf)	149	196	246
Net Sales Gas (PJ)	105	139	178
Total Net Sales Gas (PJ)	**203**	**275**	**354**

Prospective Resource Cautionary Statement:
The above estimated quantities of petroleum that may potentially be recovered by the application of a future exploration and development project(s) relate to undiscovered accumulations. These estimates are un-risked, probabilistically determined, and have both an associated risk of discovery (POS 42% for Erregulla Deep and 54% for Southwest Erregulla) and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Volumes are stated net to Strike (50% equity share). For further information on the Resource Estimate, refer to Important Notices at the beginning of this Report.

South Erregulla (L24 & EP503: STX 100%)

South Erregulla is Strike's 100% owned and operated Permian gas field where the discovery well, South Erregulla-1, led to the appraisal of the field via the drilling of South Erregulla-2 (SE-2) and South Erregulla-3 (SE-3).

During the reporting period, Strike drilled and completed appraisal wells SE-2 and 3 on time and within budget with positive drill results (as summarised in the table below) confirming the continuity of the Kingia reservoir to the West and the North and supporting well testing. On well test, post the reporting period, SE-2 produced formation water and gas to surface. At SE-3, Strike was unable to initiate flow. Refer to the subsequent events section of this report below for further information in this regard. As at the date of this report, Strike is carrying out further testing and analysis of the well test results and is looking to mobilise additional equipment to conduct further flow testing operations.

The well test results will feed into an independently certified review and update of the Reserves and Resources within L24. Strike will then use the updated Reserves and Resources to determine the optimal development pathway for the South Erregulla resource.

[3] Refer Important Notices on page (i) of this report for information relating to Reserves and Resource. Reserves and Resources are un-risked.

Directors' Report

South Erregulla Exploration & Appraisal Drilling Results					
Well	**Max Porosity**	**Average Porosity**	**Net Pay**	**Reservoir Pressure**	**Max Rate on Test**
South Erregulla-1	20.2%	13.3%	14m	6,800 psi	80 mmscfd
South Erregulla-2	18%	11%	16m	6,730 psi	Gas and Water flowed at rates too small to measure
South Erregulla-3	16.4%	10.2%	13m	6,746 psi	No Flow

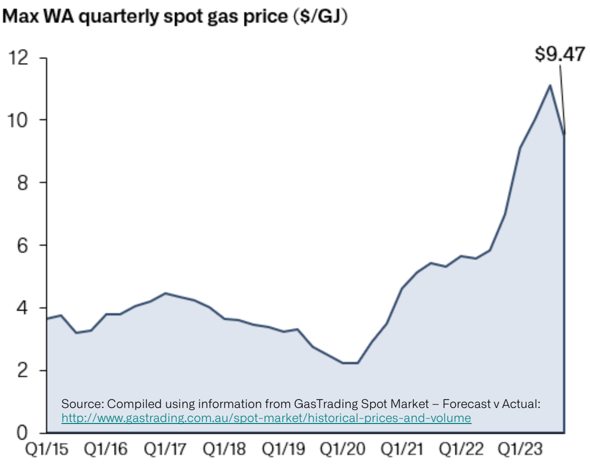
Pending the results from the SE-2 and 3 appraisal drilling program, Strike progressed activities during the reporting period in preparedness for taking a final investment decision on a potential 40-55 TJ/d development to be located on Strike's 100% owned 3,500 ha Precinct above the gas field. These activities included:

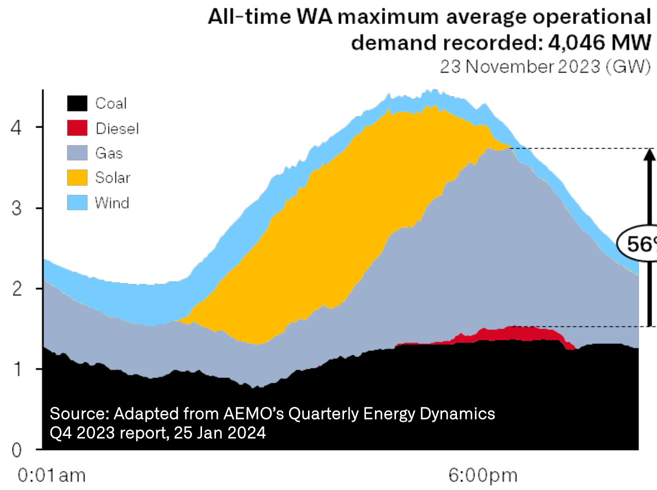
- securing the grant of production licence L24 and primary environmental approval under Part IV of the Environmental Protection Act 1986 (WA).
- securing firm gas sales agreements with tier-1 customers for a total of ~41 PJ to support the bankability of the potential development;
- continued engagement with Enerflex on a modular 40 TJ/d plant focussed on cost and schedule optimisation;
- engagement with AGIG to provide a build/own/operate (BOO) export pipeline solution as part of a competitive tender process, which led to AGIG investigating a bundled gas processing plant and export pipeline for the treatment and transportation of South Erregulla gas production under a BOO model.

As noted above, further work on the optimal development pathway for South Erregulla will be informed by a full Reserves and Resource review for South Erregulla, which will be conducted post the results of the well testing at SE-2 and 3.

WA Energy Market

Spot gas market prices reached a maximum price of $11.59/GJ during the half and the average spot price has remained above $9/GJ. This spot gas price is the highest observed in Western Australia since 2010. During the half, Perth (via the South West Interconnected System) set a new all-time maximum average operational demand record of 4,046 MW on 23 November 2023, which supersedes the previous high set in 2016 (by 800 MW) and reflects the increase in electricity demand across the economy. During peak electricity demand on this day, gas made up 56% of the total fuel source at around 6:00pm in the evening. The quarter's cost for electricity in Western Australia averaged $98.35 MWh. This price was the highest in the nation for the period.



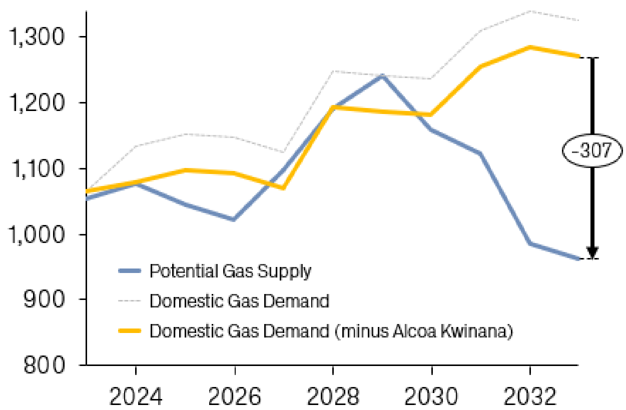


Directors' Report

In December 2023, the Australian Energy Market Operator (AEMO) released the Western Australian Gas Statement of Opportunities 2023 (GSOO 2023), which highlighted the Western Australian domestic gas market is projected to be in deficit between 2024 and 2029, with potential supply from committed and expected projects up to 11 per cent below forecast demand and supply >300 TJ/d short from the 2030s.

Demand from gas powered generation in the South West Interconnected System is forecast to grow from 208 TJ/day in 2023 to a peak of 351 TJ/day in 2032, as anticipated coal powered generation retirements take place. Subsequent to the release of the GSOO 2023, Alcoa announced that, after a review of the competitiveness of its 60-year-old Kwinana Alumina refinery, it would cease production in September 2024. The closure of this plant will reduce daily gas demand from Q4 CY24 by ~55 TJ/d or 3-5% of the total market. The effect on the AEMO forecasts is a reduction from a market in deficit to one in a delicate balance going in and out of deficit at various times until 2030.

Potential WA Gas Supply & Demand Forecast GSOO 2023 (TJ/d)



During the half, Strike contributed evidence to the Western Australian Government's Economics and Industry Standing Committee with respect to their inquiry into the Western Australian Domestic Gas Policy. Commentary to date from the Western Australian Government has been supportive of building an investment climate for the Perth Basin to arrest any possible supply deficit through the acceleration of, and increasing the size of, the proposed developments. This aligns with recent commentary from the Premier, Hon Roger Cook MLA, reported in The West Australian on 11 January 2024, which highlighted that a decision on lifting Western Australia's ban on the export of onshore gas is expected by the middle of the year.

Projects

Low Carbon Precinct (100% STX)

Strike's Low Carbon Mid-West Precinct ("the Precinct") is a 3,500 ha strategic land holding with work ongoing to transform the agricultural land to an industrial hub.

The South Erregulla appraisal wells successfully appraised the Precinct's CO_2 storage resource in the Jurassic Sandstones within the Cattamarra Coal Measures. SE3 intersected 75m of potential storage reservoir with a maximum of 29% porosity and an average of 19%.

During the half, the Petroleum Amendment Bill 2023 was introduced to the Western Australian Parliament. The Bill proposes amendments to the *Petroleum and Geothermal Energy Resources Act 1967* (WA), the *Petroleum Pipelines Act 1969* (WA) and *Petroleum (Submerged Lands) Act 1982* (WA) to, among other things, enable the transport and geological storage of greenhouse gases and permit the exploration and production of prescribed regulated substances, such as naturally occurring hydrogen, in Western Australia. The introduction of this Bill supports the work Strike has done to date on proving up its 4.8mt contingent CO2 storage resource[4] in order to take advantage of potential carbon capture storage opportunities at the Precinct.

Strike continued wind data gathering with its LiDAR sensors at the 3,500ha Precinct. During the half the Western Australian Government announced $700 million of funding for transmission upgrades. Notably $575 million has been allocated to increasing capacity of the network's northern section. This will involve upgrading the current mix of 132 kV and 330 kV lines to unlock the transmission capacity in the Mid-West region.

The proposed Low Carbon Mid-West Precinct development will be contingent on, among other things, successfully re-zoning the land for the intended renewable and industrial uses, obtaining all other required regulatory approvals, licences and authorisations and, in the case of the renewable uses, securing renewables developer(s) on terms acceptable to Strike.

[4] Refer Important Notices on page (i) of this report for information relating to the Resource.

Directors' Report

Exploration & Appraisal

Ocean Hill (EP495: STX 100%)

During the reporting period, Strike successfully prepared to shoot the ~270 sq km Ocean Hill 3D seismic campaign, with acquisition having commenced post the end of the half. This high-resolution dataset will be used to site a future appraisal well.

Similar to Walyering, Ocean Hill is adjacent (~6 km) to a pipeline compressor station. In this case, it is Compressor Station-8 of the Dampier to Bunbury Natural Gas Pipeline, which is connected to both the LNG projects in the North and the industrial gas markets of Western Australia in the South, providing multiple potential commercialisation pathways.

Ocean Hill is firming as a material and valuable low-cost option for Strike's gas business as the expected low impurity, wet hydrocarbon stream is likely to require minimal capital in order to commence commercial production. A replica of the recently commissioned Walyering gas plant would be the most likely development pathway subject to appraisal drilling success.

Tathra Terrace – Arrino and Kadathinni (EP503 and EP504: STX 100%)

During the half year, Strike continued to progress work over the large Arrino and Kadathinni prospects to the east of West and South Erregulla. This work primarily involved securing land access agreements for the planned 480 line km 2D seismic survey targeting acquisition in Q2 CY2024[5].

Eneabba Deep (EP506: STX 100%)

Strike has identified two structures across the Jurassic and Permian sequences in the recently acquired Eneabba Deep seismic in the 100% owned and operated EP506. Work is ongoing to progress these to drill ready subject to rig slot availability.

Corporate

During the half, Strike paid down $6.7 million of its drawn debt with Macquarie Bank and finished the half year with a liquidity position of ~$114 million ($67 million of cash and $47 million of committed, undrawn debt facilities), plus an uncommitted $80 million contingent debt facility for a potential South Erregulla domestic gas development.[6].

Transaction with Talon Energy Limited

During the reporting period, Strike and Talon Energy entered into a binding Scheme Implementation Deed under which Strike acquired all the issued shares in Talon Energy by way of Scheme of Arrangement, which became effective on 14 December 2023 and was implemented on 27 December 2023. Eligible Talon Energy shareholders received 0.4828 new Strike shares for each Talon Energy share held.

The acquisition is earnings and cashflow accretive for Strike and will provide a solid foundation for future exploration and development activities across its highly attractive Perth Basin assets. Post the transaction completing:

- Strike commenced a review on the non-operated Talon Energy assets in L7 Mount Horner and EP437 where the drilling of two wells is expected to occur during 2024.
- The Condor acquisition agreement expired where Strike exercised its rights to terminate the agreement with Macallum Energy.

[5] Subject to land access and approvals.

[6] Uncommitted facility remains subject to lender credit approval.

Directors' Report

Significant changes in the state of affairs

Except as disclosed in the Directors' Report, and subsequent events (refer to note 24 in the Notes to the Condensed Consolidated Financial Statements), there have been no significant changes in the state of affairs of the Group during the current reporting period.

Auditor's independence declaration

The Company has obtained an independence declaration from our auditors, Deloitte Touche Tohmatsu, which follows the Directors' Report.

Subsequent events

In January, Strike announced that it had entered into a firm 100% take or pay gas sales agreement for a total of 3.4 PJ delivered into the Parmelia Gas Pipeline from Strike's Walyering Project over ~2 years starting in February 2024.

Strike's South Erregulla 2 and 3 wells were perforated for well testing post-balance date. At SE-2, Strike announced on 20 February 2024 that gas and formation water had been produced to surface with samples of both collected, and that Strike was looking to mobilise additional equipment to conduct further flow testing operations. At SE-3, after not achieving an initial flow, the well was shut-in and a steady increase in tubing head pressure and an associated temperature drop was subsequently observed, where bleed offs of pressure/ gas were detected as hydrocarbons. Subsequent testing observed fluid levels ~250m from the surface. Strike announced on 13 February 2024 that a possible gas-water contact had been encountered at its South Erregulla 3 well and that fluid and gas sample analysis would be conducted. Strike further announced on 20 February 2024 that approximately 431 psi of well head pressure had been observed to have built up in the SE-3 well head and was continuing to rise, indicating some form of a pressure response from the primary formation in that well.

The names and details of the Company's Directors and Officers who were in office during or since the end of the half-year period and until the date of this report are outlined below. All Directors and Officers were in office for this entire period, unless otherwise indicated:

- Mr John Poynton AO — Chairman (non-executive)
- Mr Stephen Bizzell — Director (non-executive)
- Ms Mary Hackett — Director (non-executive)
- Ms Jillian Hoffmann — Director (non-executive)
- Mr Stuart Nicholls — Managing Director and Chief Executive Officer
- Mr Neville Power — Director (non-executive)
- Mr Andrew Seaton — Director (non-executive)
- Mr Justin Ferravant — Company Secretary

On behalf of the Directors

Stuart Nicholls, Managing Director

Perth, Western Australia, 28 February 2024

Deloitte Touche
Tohmatsu
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28 February 2024

The Board of Directors
Strike Energy Limited
Level 1, 40 Kings Park Road
WEST PERTH WA 6005

Dear Board Members

Strike Energy Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Strike Energy Limited.

As lead audit partner for the review of the financial report of Strike Energy Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

DNewman

David Newman
Partner
Chartered Accountants

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Independent Auditor's Review Report to the Members of Strike Energy Limited

Conclusion

We have reviewed the half-year financial report of Strike Energy Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, and the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 11 to 28.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Deloitte.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

DNewman

David Newman
Partner
Chartered Accountants
Perth, 28 February 2024

Directors' Declaration

The Directors declare that:

In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and give a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors

Stuart Nicholls

Managing Director

Perth, Western Australia

28 February 2024

Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the half-year period ended 31 December 2023

$'000	**Note**	**31 Dec 2023**	**31 Dec 2022**
Revenue from gas and oil sales	**7(a)**	8,125	-
Cost of sales	**8 (a)**	(3,588)	-
Gross Profit		**4,537**	-
Other income	**7(b)**	1,962	1,391
Operating and administration expenses	**8(b)**	(7,573)	(8,770)
Fair value movement on derivative financial liability		-	(587)
Loss before financing and impairment		**(1,074)**	**(7,966)**
Finance income	**9**	2,180	9
Finance expense	**9**	(8,755)	(2,569)
Net finance expense		**(6,575)**	**(2,560)**
Impairment reversal/(impairment) of exploration assets	**13**	231	(490)
Loss before income tax		**(7,418)**	**(11,016)**
Income tax benefit	**10**	18,377	1,621
Profit/(Loss) for the period		**10,959**	**(9,395)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Fair value gains on investments in equity instruments designated at FVOCI		-	17,042
Other comprehensive income for the period, net of income tax		-	**17,042**
Total comprehensive income attributable to owners of the Company		**10,959**	**7,647**
Earnings/ (Loss) per share			
From continuing and discontinued operations			
- **Basic (cents per share)**	**21**	**0.43**	**(0.44)**
- **Diluted (cents per share)**	**21**	**0.41**	**(0.44)**

The Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the notes to the condensed consolidated financial statement.

Condensed Consolidated Statement of Financial Position

As at 31 December 2023

$'000	Note	31 Dec 2023	30 Jun 2023
Cash and cash equivalents		66,784	129,039
Inventory		15	-
Trade and other receivables	11	11,672	1,015
Other assets	12	1,971	852
Investment in equity instruments		276	-
Total current assets		**80,718**	**130,906**
Right of use asset		854	1,389
Exploration and evaluation assets	13	202,400	136,932
Oil and gas assets	14	163,590	43,525
Property, plant and equipment	15	50,022	15,624
Intangible assets		1,127	1,295
Deferred tax asset	10	18,377	-
Other assets	12	9,009	12,203
Total non-current assets		**445,379**	**210,968**
Total assets		**526,097**	**341,874**
Trade and other payables	16	(20,497)	(5,863)
Employee benefits		(668)	(598)
Provisions	17	(2,621)	(2,540)
Borrowings	18	(11,984)	(13,560)
Other financial liabilities		(1,184)	-
Lease liabilities		(249)	(258)
Total current liabilities		**(37,203)**	**(22,819)**
Employee benefits		(270)	(258)
Provisions	17	(16,365)	(9,469)
Borrowings	18	(12,260)	(14,789)
Other liabilities		(4,331)	(5,574)
Lease liabilities		(2,005)	(2,119)
Total non-current liabilities		**(35,231)**	**(32,209)**
Total liabilities		**(72,434)**	**(55,028)**
Net assets		**453,663**	**286,846**
Equity			
Issued capital	19	605,582	450,893
Reserves	20	34,965	33,795
Accumulated losses		(186,884)	(197,842)
Total equity		**453,663**	**286,846**

The condensed consolidated statement of financial position should be read in conjunction with the notes to the condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half-year period ended 31 December 2023

$'000	Issued Capital	Total Reserves	Accumulated Losses	Total Equity
Balance at 1 Jul 2022	**301,339**	**3,836**	**(188,301)**	**116,874**
Loss for the period	-	-	(9,395)	(9,395)
Other comprehensive income for the period	-	17,042	-	17,042
Total comprehensive income / (loss) for the period	**-**	**17,042**	**(9,395)**	**7,647**
Issue of ordinary shares during the period	43,260	(1,057)	-	42,203
Recognition of share-based payments	-	4,564	-	4,564
Share issue costs	(1,200)	-	-	(1,200)
Balance at 31 Dec 2022	**343,399**	**24,385**	**(197,696)**	**170,088**
Balance at 1 Jul 2023	**450,893**	**33,796**	**(197,843)**	**286,846**
Profit for the period	-	-	10,959	10,959
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**10,959**	**10,959**
Issue of ordinary shares during the period	154,689	-	-	154,689
Recognition of share-based payments	-	1,169	-	1,169
Share issue costs	-	-	-	-
Balance at 31 Dec 2023	**605,582**	**34,965**	**(186,884)**	**453,663**

The condensed consolidated statement of changes in equity should be read in conjunction with the notes to the condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the half-year period ended 31 December 2023

$'000		31 Dec 2023	31 Dec 2022
Cash flows from operating activities			
Other receipts		-	59
Receipts from customers		3,057	-
Interest received		2,107	9
Interest paid		(1,483)	(1,544)
Net receipts from joint venture recoveries		1,460	1,421
Payments to suppliers and employees		(8,728)	(4,164)
Net cash used in operating activities		**(3,587)**	**(4,219)**
Cash flows from investing activities			
Payments for exploration and evaluation expenditure assets		(39,847)	(22,735)
Payments for oil and gas assets	**14**	(8,587)	(4,779)
Payments for property, plant and equipment	**15**	(182)	(13,857)
Proceeds from government grants		-	40
Net cash acquired related to asset acquisition	**6**	1,605	-
Net cash used in investing activities		**(47,011)**	**(41,331)**
Cash flows from financing activities			
Proceeds from issue of equity instruments		-	32,026
Payment of share issue costs		-	(1,200)
Proceeds from borrowings		-	11,550
Advances made to JV partners		(3,607)	-
Repayment of borrowings		(6,670)	-
Payment of borrowing costs		(786)	(219)
Security deposit payment		(142)	(631)
Payment of lease liabilities		(373)	(57)
Net cash (used)/provided by financing activities		**(11,578)**	**41,469**
Net decrease in cash and cash equivalents		**(62,176)**	**(4,081)**
Cash and cash equivalents at the beginning of the period		**129,039**	**13,905**
Effects of exchange rate changes on the balance of cash held in foreign currencies		**(79)**	(102)
Cash and cash equivalents at the end of the period		**66,784**	**9,722**

The condensed consolidated statement of cash flows should be read in conjunction with the notes to the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

1. Reporting entity

Strike Energy Limited (the "Company") is a for profit company limited by shares and incorporated and domiciled in Australia. The Company's shares are publicly traded on the Australian Securities Exchange.

The condensed consolidated financial statements of the Company as at and for the half-year period ended 31 December 2023 comprises of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates, joint ventures, and joint operations.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

The address of the registered office of the Company is Level 1/40 Kings Park Road, West Perth, WA 6005, Australia.

2. Basis of preparation

2.1 Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with the Corporations Act and *AASB 134 Interim Financial Reporting*. The condensed consolidated financial statements also comply with International Financial Reporting Standards and Interpretations ("IFRS") as issued by the International Accounting Standards Board ("IASB") where relevant. The disclosures required in these condensed consolidated financial statements are less extensive than the disclosure requirements for annual financial statements. The condensed consolidated financial statements should be read in conjunction with the annual financial report of the Group for the year ended 30 June 2023.

The condensed consolidated financial statements comprise the Condensed Statements of Profit and Loss and Other Comprehensive Income, Financial Position, Changes in Equity and Cash Flows as well as the relevant notes to the condensed consolidated financial statements.

2.2 Basis of measurement

The condensed consolidated financial statements have been prepared under the historical cost convention.

2.3 Presentation currency

These condensed consolidated financial statements are presented in Australian Dollars ("AUD"), which is the Group's functional currency.

2.4 Rounding of amounts

The Company and Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that legislative instrument, amounts in the condensed consolidated financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

2.5 Accounting policies and recently issued accounting pronouncements

Other than those disclosed below, the accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in the annual financial statements for the year ended 30 June 2023.

2.5.1 Revenue

Revenue from contracts with customers is recognised at the point in time when control of the natural gas or liquids is transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. This is generally when the product is transferred to the delivery point specified in the individual customer contract. The Company's performance obligations are considered to relate only to the sale of the natural gas or liquids, with each GJ of natural gas and each barrel of liquid considered to be a separate performance obligation under the contractual arrangements in place.

The Company has concluded that it is the principal in all of its revenue arrangements since it controls the goods before transferring them to the customer. Under the terms of the relevant joint operating arrangements the Company is entitled to its participating share in the natural gas or liquids based on the Company's entitlement interest. Revenue from contracts with customers is recognised based on the actual volumes sold to customers. The Company's sales of natural gas are predominantly based on contracted prices, while liquids transactions are priced based on market prices.

Invoices are typically paid on 14 to 30 day terms.

2.5.2 Oil and Gas – Production Assets

Oil and gas assets are carried at cost including past exploration and evaluation costs, the cost of development of wells and ongoing costs to develop reserves for production and expansion. Any restoration assets arising as a result of recognition of a restoration provision is also included in the carrying amount of oil and gas assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income as incurred.

Oil and gas assets are amortised on the units of production basis using the latest approved estimate of proved and probable (2P) reserves and future development cost estimates. Amortisation is charged only once production has commenced. No amortisation is charged on areas under development where production has not commenced.

2.5.3 Property, plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation on property plant and equipment is calculated at between 7.5% and 37.5% per annum using the straight-line method over the assets' estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjusted if appropriate.

2.5.4 Asset Acquisition

On 27 December 2023, the Company acquired Talon Energy Limited as part of a Scheme of Arrangement. The Directors have elected to apply the optional concentration test allowed under AASB 3 *Business Combinations* (AASB 3) to determine whether the transaction can be accounted for as an asset acquisition. As substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset, being the oil & gas assets, and the related well asset associated with the

Walyering gas project, the Directors have determined it is appropriate to account for the transaction as an asset acquisition. Refer to note 6 for the impact on the financial statements.

3. Financial risk management

Exposure to market risk (including currency risk, interest rate risk and commodity prices risk), credit risk, liquidity risk and climate change risk arises in the normal course of the Group's business. During the half-year ended 31 December 2023, the Group continued to apply the risk management objectives and policies as disclosed in the annual financial report for the year ended 30 June 2023.

4. Use of estimates and judgements

The preparation of these condensed consolidated financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key assumptions concerning the future and other key sources of uncertainty in respect of estimates at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial reporting period are consistent to those as disclosed in the annual financial report for the year ended 30 June 2023.

Notes to the Condensed Consolidated Financial Statements
For the half-year period ended 31 December 2023

5. Segment reporting

AASB 8 Operating Segments ("AASB 8") requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM") in order to allocate resources to the segment and to assess its performance.

The Group's CODM includes the Board of Directors of the Company, the Managing Director, and the Chief Financial Officer. Information reported to the Group's CODM for the purposes of resource allocation and assessment of performance currently focuses on the Group's producing and exploration and development activities in Australia.

The Group has identified its operating segments to be Producing Assets and Other (includes exploration and corporate costs). Prior to the commencement of production of Walyering the Group had one reportable segment, being the Exploration and Development of Oil & Gas in Western Australia.

The following table presents revenue and segment results for reportable segments:

	Producing Assets $'000s	Exploration and Corporate $'000s	Consolidated $'000s
For the half-year ended 31 December 2023			
Revenue from gas and oil sales	8,125	-	8,125
Other income	-	4,143	4,143
Total Revenue	**8,125**	**4,143**	**12,268**
Segment result before interest, tax, depreciation, amortisation and impairment	5,944	(2,815)	3,129
Depreciation and Amortisation	(1,856)	(167)	(2,023)
Impairment reversal	-	231	231
Finance Costs	(241)	(8,514)	(8,755)
Profit/(loss) before tax	**3,847**	**(11,265)**	**(7,418)**
Income Tax			18,377
Net profit after tax			**10,959**
Segment Assets	**200,353**	**322,681**	**523,034**
Segment Liabilities	**15,975**	**56,458**	**72,433**

	Producing Assets $'000s	Exploration and Corporate (i) $'000s	Consolidated $'000s
For the half-year ended 31 December 2022			
Revenue from gas and oil sales	-	-	-
Other income	-	1,400	1,400
Total Revenue	-	**1,400**	**1,400**
Segment result before interest, tax, depreciation, amortisation and impairment	-	(7,631)	(7,631)
Depreciation and Amortisation	-	(326)	(326)
Impairment reversal (Impairment)	-	(490)	(490)
Finance Costs	-	(2,569)	(2,569)
Loss before tax	-	**(11,016)**	**(11,016)**
Income Tax			1,621
Loss after tax			**(9,395)**
Segment Assets	-	**217,161**	**217,161**
Segment Liabilities	-	**47,073**	**47,073**

(i) Assets under construction (development assets) related to Walyering development are included under Exploration and Corporate for the half year ended 31 December 2022.

6. Asset Acquisition

During the reporting period, Strike through its wholly owned subsidiary, Strike West Holdings Pty Ltd acquired all the issued shares in Talon Energy Limited ("Talon Energy") by way of Scheme of Arrangement. This was implemented on 27 December 2023. Eligible Talon Energy shareholders received 0.4828 new Strike shares for each Talon Energy share held. 322,267,983 new Strike shares were issued at a value of $0.48, being the closing Strike share price on the acquisition date for total non-cash consideration of $154.7 million.

The Directors elected to apply the optional concentration test allowed under AASB 3 *Business Combinations*. In accordance with the concentration test, substantially all of the value of the gross assets acquired is concentrated in one single identifiable asset, being the oil and gas assets, and the property, plant and equipment associated with the well infrastructure, which cannot be physically removed and used separately from the oil and gas assets. Consequently, the acquisition of the net assets meets the definition of, and has been accounted for, as an asset acquisition. When an asset acquisition does not constitute a business combination, no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under *AASB 112 Income Taxes* is applied. No goodwill arises on the acquisition and transactions costs of the acquisition are included in the capitalised cost of the asset.

Details of the purchase consideration and net assets acquired are as follows:

Net assets acquired	**Note**	**AUD $'000s**
Cash and cash equivalents		1,605
Trade and other receivables		4,309
Investments		276
Prepayments		197
Security deposit		6
Exploration and evaluation assets		10,645
Property, plant and equipment - producing assets		15,782
Oil and gas assets		131,949
Trade and other payables		(2,839)
Borrowings		(3,623)
Provisions		(21)
Restoration liabilities		(3,597)
Net identifiable assets acquired		**154,689**
Purchase consideration		
Share issue	**19**	**154,689**
Cash flows on acquisition		
Net cash acquired on acquisition		1,605

Notes to the Condensed Consolidated Financial Statements
For the half-year period ended 31 December 2023

7. Revenue

For the half-year period ended $'000	31 Dec 2023	31 Dec 2022
(a) Revenue		
Gas sales	7,357	-
Condensate sales	768	-
Total sales revenue	**8,125**	-
(b) Other Income		
Cost recoveries	1,460	1,433
Other	502	(42)
Total other income	**1,962**	**1,391**

8. Expenses

For the half-year period ended $'000	31 Dec 2023	31 Dec 2022
(a) Cost of sales		
Production expenses	(541)	-
Royalties	(655)	-
Transportation and processing	(536)	-
Depreciation of property, plant and equipment – production assets	(689)	-
Amortisation and depletion of oil and gas properties	(1,167)	-
Total cost of sales	**(3,588)**	-
(b) Operating and administration expenses		
Depreciation – property, plant and equipment – corporate assets	(335)	(326)
Employee benefits expense	(2,282)	(2,048)
Share-based payments expense	(1,168)	(3,056)
Corporate expenses	(1,156)	(489)
Legal fees	(260)	(306)
Consulting fees	(1,068)	(1,550)
Office costs	(40)	(14)
Other	(1,264)	(488)
Loss on onerous contracts / leases	-	(175)
Loss on share swaps	-	(318)
Total operating and administration costs	**(7,573)**	**(8,770)**

Notes to the Condensed Consolidated Financial Statements
For the half-year period ended 31 December 2023

9. Net finance expense

For the half-year period ended $'000	31 Dec 2023	31 Dec 2022
Interest income on cash and cash equivalents	2,180	9
Finance income	**2,180**	**9**
Interest expense on financial liabilities	(3,686)	(1,606)
Lease interest expense	(72)	(3)
Financing costs and bank charges	(4,997)	(960)
Finance expense	**(8,755)**	**(2,569)**

10. Income tax

For the half-year period ended $'000	31 Dec 2023	31 Dec 2022
Reconciliation of effective tax rate		
Loss from continuing operations	**(7,418)**	**(11,016)**
Income tax benefit calculated at 30% (2022: 25%)	2,225	2,754
Effect of income and expenditure that is either not assessable or deductible in determining taxable profit	(2,512)	(1,054)
Recognition of prior year tax losses (i)	18,664	1,621
Effect of deferred tax arising from equity	-	(4,365)
Effect of deferred tax expense not brought to account	-	2,665
Income tax benefit	**18,377**	**1,621**

(i) Historically, the Company has not recognised a net deferred tax asset given the stage of its operations, being exploration and development activities, with no producing fields, and consequently it was not deemed probable that sufficient taxable profit would be generated to utilise a net DTA.

Due to the commencement of commercial production at Walyering, the Company has reviewed its future probable taxable profits to determine the level of tax losses that are now considered recoverable. The forecast takes into account the sales contracts the group currently has in place which include fixed volumes and prices, as well as some uncontracted volumes at a spot price over the next 5 years on a 3P production basis.

As a result, the company has recognised $62.2 million of prior year tax losses as recoverable and recorded a deferred tax asset of $18.7 million at a tax rate of 30%.

Notes to the Condensed Consolidated Financial Statements
For the half-year period ended 31 December 2023

11. Trade and other receivables

As at $'000	31 Dec 2023	30 June 2023
Current		
Trade Debtors (i)	4,681	-
Unbilled income (ii)	4,870	-
GST receivable	1,751	786
Other receivables – joint venture recoveries	370	229
	11,672	**1,015**

(i) Trade debtors are non-interest bearing and generally have 15-30 day terms. Trade debtors are initially recognised at the transaction price as defined by AASB 15 Revenue from Contracts with Customers and subsequently carried at amortised cost less any allowances for expected credit loss.
(ii) Unbilled income relates to products provided but not invoiced as of balance date. These amounts are typically invoiced within 10 business days following the month end date.

12. Other assets

As at $'000	31 Dec 2023	30 June 2023
Current		
Advances	213	210
Security deposits	171	170
Prepayments	1,587	472
	1,971	**852**
Non-Current		
Security deposits	807	666
Lease Receivable	719	-
Capitalised debt costs	7,483	11,537
	9,009	**12,203**

13. Exploration and evaluation assets

For the half-year period ended $'000	Total
Balance at beginning of period	**136,932**
Additions	52,408
Change in restoration provision	2,184
Addition as a result of asset acquisition (III)	10,645
Impairment reversal(IV)	231
Balance at end of period	**202,400**

(iii) On 27 December 2023, Strike completed the acquisition of Talon Energy Limited. Exploration and evaluation assets of $10.6 million were recognised as part of the acquisition. Refer to Note 6 for further information.
(iv) During the half year, the Group recognised a $0.231 million impairment reversal related change in rehabilitation assumption for its Cooper Basin assets.

Notes to the Condensed Consolidated Financial Statements
For the half-year period ended 31 December 2023

14. Oil and gas assets

For the half-year period ended $'000	Total
Assets in development	
Balance at beginning of period	**43,525**
Additions	7,587
Transfers to property, plant and equipment(i)	(19,290)
Addition as a result of asset acquisition (ii)	131,949
Change in restoration provision	986
Depletion and amortisation	(1,167)
Balance at end of period	**163,590**

(i) Upon completion of the Walyering gas processing facility and on commencement of commercial production on 1 October 2023, the physical assets related to production assets were transferred to Property, Plant and Equipment, with the remaining subsurface oil and gas properties associated with Walyering project remaining in Oil and Gas Properties. Commercial production was declared effective 25 September 2023, aligned with the commencement of steady state production. Depreciation of oil and gas assets commenced effective this date.

(ii) On 27 December 2023, Strike completed the acquisition of Talon Energy Limited. Oil and gas properties of $132 million was recognised as part of the acquisition. Refer to Note 6 for further information.

15. Property, plant and equipment

$'000	Production Assets	Corporate Assets	Total PP&E
	31 Dec 2023	**31 Dec 2023**	**31 Dec 2023**
Balance at beginning of period	-	15,624	**15,624**
Additions	-	182	182
Transfers from oil & gas properties(iii)	19,290	-	19,290
Addition as a result of asset acquisition (iv)	15,782	-	15,782
Depreciation	(689)	(167)	(856)
Carrying amount at the end of period	**34,383**	**15,639**	**50,022**

(iii) Relates to surface production assets that were transferred out of oil and gas properties (assets in development) when production commenced at the Walyering gas processing facility. Refer note 14 for further information with respect to the commencement of commercial production at the Walyering gas processing facility. Depreciation of the related property, plant and equipment associated with the Walyering gas processing facility commenced effective the date of commercial production.

(iv) Recognition of 45% share of Walyering production assets upon acquisition of Talon Energy Limited completed on 27 December 2023. Refer to Note 6 for further information.

Notes to the Condensed Consolidated Financial Statements
For the half-year period ended 31 December 2023

16. Trade and other payables

As at **$'000**	**31 Dec 2023**	**30 June 2023**
Current		
Trade payables	8,831	492
Accruals and other payables	11,666	5,371
	20,497	**5,863**

17. Provisions

As at **$'000**	**31 Dec 2023**	**30 June 2023**
Current		
Restoration Provision(i)	2,621	2,540
	2,621	**2,540**
Non-Current		
Restoration Provision(i)	16,365	9,469
	16,365	**9,469**

(i) The estimated future obligations include the costs of removing facilities, abandoning wells, and restoring the affected areas and is the best estimate of the present value of the future expenditure required to settle the restoration obligation at the reporting date, based on current legal requirements. During the period, the restoration provision was updated for the Walyering gas processing facility and the incremental interest acquired in Walyering as part of the asset acquisition (refer to Note 6), and other appraisal wells at South Erregulla.

18. Borrowings

As at **$'000**	**31 Dec 2023**	**30 June 2023**
Macquarie facility – principal	19,580	26,250
Macquarie facility – interest payable	238	230
Macquarie facility - capitalised debt costs	(1,574)	(4,131)
Rabobank facility	6,000	6,000
Total borrowings	**24,244**	**28,349**
Total borrowings (current)	11,984	13,560
Total borrowings (non-current)	12,260	14,789

Notes to the Condensed Consolidated Financial Statements
For the half-year period ended 31 December 2023

19. Issued capital

	Number of shares (No'000)		Issued capital ($'000)	
For the period ended	**31 Dec 2023**	**30 June 2023**	**31 Dec 2023**	**30 June 2023**
Balance at beginning of period	2,531,552	2,037,696	450,893	301,339
Placements during the period, net of transaction costs	-	210,127	-	49,072
Issue of new shares (i)	330,674	-	154,689	-
SPA transaction for Warrego share transfers	-	149,177	-	53,099
Script consideration for Warrego off-market takeover bid acceptances	-	134,551	-	47,383
Balance at end of period	**2,862,226**	**2,531,551**	**605,582**	**450,893**

(i) During the period, new shares were issued for the acquisition of Talon Energy Limited, completed on 27 December 2023, through an exchange ratio of 0.4828 Strike share for 1 Talon Energy share. A total of 322,267,983 Strike were issued in relation to the acquisition. Please refer to note 6 for further details.

All issued ordinary shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. All shares rank equally with regards to the Group's residual assets in the event of a wind-up.

20. Reserves

As at **$'000**	**31 Dec 2023**	**30 June 2023**
Share-based payments reserve	34,965	33,796
	34,965	**33,796**

Share-based payments reserve

Under the terms of the Employee Share Incentive Plan (the Plan) which was last approved by the Shareholders of the Company on 24 November 2022, both share options and performance rights can be granted to eligible employees for no consideration. Awards are granted up to a three-year period with vesting conditions attached. Entitlements under these awards vest as soon as the associated vesting conditions have been met. Awards cannot be settled in cash. Awards under the plan carry no dividend or voting rights.

Change in instruments on issue

For the half-year period ended 31 December 2023	**Number of instruments**
Balance at beginning of period	
- Options	**110,800,000**
Options granted during the period	5,000,000
Options exercised/forfeited during the period	-
Balance at end of period	**115,800,000**
- Performance rights	**20,433,617**
Performance rights granted during the period	3,696,425
Performance rights exercised/forfeited during the period	(8,406,159)
Balance at end of period	**15,723,883**

Notes to the Condensed Consolidated Financial Statements
For the half-year period ended 31 December 2023

Instruments outstanding

The balance of share options and performance rights on issue as at 31 December 2023 is as follows:

Instrument	Date granted	Expiry date	Exercise price of instrument	Number of instruments	Weighted average fair value at grant date
Options	23 Sep 2022	22 Dec 2024	$0.317	20,700,000	$0.073
Options	23 Nov 2022	22 Nov 2025	$0.400	28,000,000	$0.087
Options	26 Apr 2023	26 May 2025	$0.400	62,100,000	$0.200
Options	23 Nov 2023	31 Mar 2026	$0.600	5,000,000	$0.260
Total Options				**115,800,000**	
Performance rights	17 May 2018	N/A	Nil	2,500,000	$0.076
Performance rights	15 Nov 2021	30 Sep 2024	Nil	4,028,081	$0.075
Performance rights	5 Sep 2022	30 Sep 2025	Nil	3,011,111	$0.137
Performance rights	24 Nov 2022	30 Sep 2025	Nil	2,488,266	$0.132
Performance rights	27 July 2023	30 Sep 2026	Nil	2,155,605	$0.270
Performance rights	23 Nov 2023	30 Sep 2026	Nil	1,540,820	$0.238
Total Performance Rights				**15,723,883**	

Dividends

No dividends have been declared or paid during the period.

21. Earnings per share

The profit and weighted average number of ordinary shares used in the calculations of basic and diluted earnings per share are as follows:

As at/for the half-year period ended	31 Dec 2023	31 Dec 2022
Net profit/(loss) for the period (in $'000)	10,959	(9,395)
Earnings used in calculating basic and diluted earnings per share (in $'000)	**10,959**	**(9,395)**
Number of shares (No '000)	2,862,226	2,223,928
Weighted average number of ordinary shares used in calculating basic earnings per share (No '000)	2,576,366	2,134,905
Diluted earnings per share:		
The weighted average number of ordinary shares used in calculating diluted earnings per share (No '000)	2,576,366	2,134,905
The number of instruments which are potential ordinary shares that are not dilutive and hence not used in the valuation of the diluted earnings per share (No '000)	110,800	104,400
Basic earnings per share (cents per share)	0.43	(0.44)
Diluted earnings per share (cents per share)	0.41	(0.44)

22. Fair value of financial instruments

The fair value representing the mark-to-market of a financial asset or a financial liability is the amount at which the asset could be exchanged or liability settled in an orderly transaction between market participants.

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables, other financial assets and derivative financial instruments approximate to their carrying values, as a result of their short maturity or because they carry floating rates of interest.

Fair values are categorised levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

23. Contingencies and commitments

Litigation and legal proceedings

As at 31 December 2023, Strike is not subject to contingencies arising from litigations and legal proceedings.

24. Subsequent events

In January, Strike announced that it had entered into a firm 100% take or pay gas sales agreement for a total of 3.4 PJ delivered into the Parmelia Gas Pipeline from Strike's Walyering Project over ~2 years starting in February 2024.

Strike's South Erregulla 2 and 3 wells were perforated for well testing post-balance date. At SE-2, Strike announced on 20 February 2024 that gas and formation water had been produced to surface with samples of both collected, and that Strike was looking to mobilise additional equipment to conduct further flow testing operations. At SE-3, after not achieving an initial flow, the well was shut-in and a steady increase in tubing head pressure and an associated temperature drop was subsequently observed, where bleed offs of pressure/ gas were detected as hydrocarbons. Subsequent testing observed fluid levels ~250m from the surface. Strike announced on 13 February 2024 that a possible gas-water contact had been encountered at its South Erregulla 3 well and that fluid and gas sample analysis would be conducted. Strike further announced on 20 February 2024 that approximately 431 psi of well head pressure had been observed to have built up in the SE-3 well head and was continuing to rise, indicating some form of a pressure response from the primary formation in that well.

CORPORATE DIRECTORY

Directors
John Poynton AO (Chair)
Stephen Bizzell (Non-Executive Director)
Mary Hackett (Non-Executive Director)
Jill Hoffmann (Non-Executive Director)
Stuart Nicholls (Managing Director)
Neville Power (Deputy Chair & Non-Executive Director)
Andrew Seaton (Non-Executive Director)

Company Secretary
Justin Ferravant

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Stock Exchange Listing
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