

Strategic Investment by Carnarvon Energy

- Carnarvon Energy to make a strategic investment in Strike of up to A\$88 million¹ via a two-tranche equity investment
- Strike will undertake a non-underwritten Share Purchase Plan of up to A\$10 million²
- Strategic Placement to fund development of Strike's core assets with South Erregulla on track for first production by 1 October 2026 and Strike targeting West Erregulla upstream FID in 2H 2026

Strike Energy Limited (ASX:STX) (**Strike**, the **Company**) is pleased to announce that it has entered a subscription agreement with Carnarvon Energy Limited (ASX:CVN) (**Carnarvon**), whereby Carnarvon will make a strategic investment of up to A\$88 million¹ to acquire up to a 19.9% interest in Strike through a two-tranche placement (**Strategic Placement**), with tranche 2 being subject to Strike shareholder approval. Subject to shareholder approval, Strike will also undertake a non-underwritten Share Purchase Plan to raise up to A\$10 million (**SPP**) with the ability to accept oversubscriptions for up to an additional A\$5 million at the Board's discretion.

Purpose of the Strategic Placement

The Strategic Placement will provide Strike with the funding and flexibility to execute on the following objectives:

- **Delivery of Strike's strategy:** Strike remains focused on executing its strategic direction to deliver reliable and flexible energy solutions that support WA's energy transition;
- **Development of core, cash generating projects:** Strategic Placement allows Strike to fund its core projects at West Erregulla, South Erregulla and Walyering, which are expected to generate sustainable operational cashflows;
- **Funding certainty:** Strategic Placement sufficient to fund Strike's development plan whilst providing contingency and flexibility to deploy capital to the highest return opportunities within Strike's portfolio;
- **Access to existing financing:** Strategic Placement facilitates access to remaining Macquarie facilities³; and
- **Australia's future energy security:** Investment strengthens Strike's capacity to support Western Australia's energy transition through successful delivery of its tier-1 portfolio.

Strike Chair, John Poynton, said:

"We welcome Carnarvon as a strategic partner and Strike's largest shareholder.

Strike has a unique asset base with significant potential and Carnarvon's investment provides the financial capacity and flexibility to realise this potential. Strike remains focused on executing its revised strategy and remains well placed to support Western Australia's energy transition through the development of its high-quality Perth Basin assets."

About Carnarvon

Carnarvon is an Australian oil and gas exploration company, with interests in Australia's largest undeveloped offshore oil resources including the Dorado & Pavo fields in the Bedout sub-basin, located offshore Western Australia. Carnarvon is actively exploring one of Australia's most prospective oil and gas basins with the next well expected in mid-2026.

¹ Assumes the SPP contemporaneously announced by Strike is fully subscribed for the full \$10 million and Carnarvon elects to subscribe for the number of shares required to attain a 19.9% shareholding in Strike after completion of the SPP.

² The Board of Strike may accept oversubscriptions for up to an additional A\$5 million at the Board's discretion.

³ Subject to a positive Final Investment Decision at West Erregulla and achieving the other conditions precedent as set out in the Facility Agreement and as determined by Macquarie credit approvals.

Following the Dorado JV Operator's recent decision to delay the Dorado development, the Carnarvon Board has been assessing value accretive opportunities for shareholders – this investment marks the conclusion of their Strategic Review and Carnarvon will cease to progress their previously announced potential capital return.

Following the Strategic Placement Carnarvon will maintain a strong balance sheet with at least A\$96 million in cash whilst maintaining the ability to fund development of its own portfolio, including the Dorado liquids project and exploration drilling planned for the Bedout Sub-basin.

Placement and SPP

Carnarvon will invest between A\$85 million and A\$88 million to acquire up to between approximately 712 million to 733 million fully paid ordinary shares in Strike (**Shares**) in a two-tranche placement, representing up to 19.9% of Strike's issued fully paid ordinary share capital on a non diluted basis, comprising:

- **Tranche 1:** to raise approximately A\$52 million through the issue of approximately 430 million new Shares under Strike's available placement capacity; and
- **Tranche 2:** to raise between approximately A\$34 million and A\$36 million through the issue of up to between approximately 282 million and 303 million new Shares⁴, dependent on Strike shareholder participation in the SPP (see details below). Tranche 2 is conditional on shareholder approval to be sought at an extraordinary general meeting, expected to be held in mid-September 2025 (**General Meeting**).

The Strategic Placement will be conducted at a price of A\$0.12 per Share (**Issue Price**), which represents a 19.7% discount to Strike's 10-day WVAP of approximately A\$0.149 per Share.

A summary of the material terms of the subscription agreement between Strike and Carnarvon (**Subscription Agreement**) for the Strategic Placement is provided in Annexure A.

In addition to the Strategic Placement, the Company intends (subject to shareholder approval at the General Meeting) to undertake a non-underwritten SPP to eligible shareholders (of up to A\$30,000 per shareholder) to raise up to A\$10 million at the Issue Price, with the ability to accept oversubscriptions for up to an additional A\$5 million at the Board's discretion.

Carnarvon has the right, but not the obligation, to subscribe for such number of shares at the Issue Price to account for dilution from the SPP but not resulting in Carnarvon's position exceeding 19.9%.

Indicative timetable

Event	Indicative Date
Placement	
Announcement of the Strategic Placement	Tuesday, 22 July 2025
Settlement of New Shares under Tranche 1 of the Placement	Tuesday, 29 July 2025
Strike Extraordinary General Meeting to approve Tranche 2	Thursday, 11 September 2025
Settlement of New Shares under Tranche 2 of the Placement ⁵	Thursday, 25 September 2025
Share Purchase Plan	
Record Date for eligibility to participate in SPP	5pm AEST Monday, 21 July 2025
Dispatch SPP Offer Documents and SPP offer open date	Friday, 8 August 2025
Strike Extraordinary General Meeting to approve SPP	Thursday, 11 September 2025
SPP closing date	Thursday, 18 September 2025
Announcement of SPP participation and results and Issue of New Shares	Thursday, 25 September 2025

⁴ Assumes the SPP contemporaneously announced by Strike is fully subscribed for the full \$10 million and Carnarvon elects to subscribe for the number of shares required to attain a 19.9% shareholding in Strike after completion of the SPP. If Strike elects to upsize the SPP by an additional A\$5 million, Carnarvon may be issued up to approximately 313 million new Shares in Tranche 2 for approximately \$38 million.

⁵ Issue of New Shares under Tranche 2 of the Placement, if approved by shareholders, will occur immediately after the issue of New Shares under the SPP.

The above timetable is indicative only and dates and times are subject to change without notice. All dates and times refer to AEST.

Advisers

Strike has appointed Macquarie Capital (Australia) Limited as its financial adviser and King & Wood Mallesons as its legal adviser.

In light of this transaction, Strike's Q4 FY25 quarterly report will now be released on the 30th of July.

This announcement is authorised for release by the Board of Strike Energy Limited.

Ends

Company & Media Contact

Emma Alexander

Investor Relations & Corporate Manager

Strike Energy Limited

+61 419 877 137

emma.alexander@strikeenergy.com.au

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Forward-looking statements and forecasts

This announcement contains forward looking statements about Strike. Often, but not always, forward looking statements can be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements in this announcement regarding intent, belief, expectations, plans, strategies and objectives of management, indications of and guidance on synergies, future earnings or financial position or performance, future acquisitions, anticipated production rates or construction commencement dates, costs or production outputs for each of Strike and the future operation of Strike. Strike does not make any representation or warranty as to the currency, accuracy, reliability or completeness of any forward-looking statements contained in this announcement.

Any such forward looking statements are based on assumptions, qualifications and contingencies which are subject to change and which may ultimately prove to be materially incorrect, as are statements about market and industry trends, which are based on interpretations of current market conditions. Investors should consider any forward-looking statements contained in this announcement in light of such matters (and their inherent uncertainty) and not place reliance on such statements. Forward looking statements are not guarantees or predictions of future performance and may involve significant elements of subjective judgment, assumptions as to future events that may not be correct, known and unknown risks, uncertainties and other factors, many of which are outside the control of Strike. Any forward-looking statements are based on information available to Strike as at the date of this announcement. There can be no assurance that actual outcomes will not differ materially from the forward-looking statements included in this announcement. Investors should consider the forward-looking statements contained in this announcement in light of the risk factors included in Appendix A “Risks” of the presentation titled “Strategic Placement to fund Strike’s next phase of growth” released to ASX on 22 July 2025. To the maximum extent permitted by law (including the ASX Listing Rules), Strike and its directors, officers, employees, advisers, agents and other intermediaries disclaim any obligation or undertaking to provide any additional or updated information, whether as a result of new information, future events or results or otherwise (including to reflect any change in expectations or assumptions).

Nothing in this announcement will, under any circumstances (including by reason of this announcement remaining available and not being superseded or replaced by any other announcement or publication with respect to Strike or any other matter the subject matter of this announcement), create an implication that there has been no change in the affairs of Strike since the date of this announcement.

Annexure A: Summary of the Subscription Agreement

The key terms of the Subscription Agreement are as follows:

Key term	Summary
Subscription	<p>Carnarvon will subscribe for, and Strike will issue, up to 743,508,746 fully-paid ordinary shares in the capital of Strike (Shares) at the issue price of A\$0.12 (Issue Price) by way of a two-tranche placement representing up to 19.9% of Strike's issued shares, comprising:</p> <ul style="list-style-type: none"> a first tranche placement to raise approximately A\$52 million (before costs) from the issue of 430,157,416 Shares (Tranche 1 Placement Shares) issued at the Issue Price per Share under the Company's placement capacity under ASX Listing Rule 7.1 (Tranche 1 Placement); and a second tranche placement to raise up to approximately A\$38 million (before costs) from the issue of up to 313,351,330 Shares (Tranche 2 Placement Shares), assuming the SPP is upsized to A\$15 million and fully subscribed, to be issued at the Issue Price per Share, subject to Strike obtaining shareholder approval under ASX Listing Rule 7.1 (Tranche 2 Placement), <p>subject to adjustments to ensure Carnarvon's ownership in the Company does not exceed 19.9%. Carnarvon has the right to reduce the number of Tranche 2 Placement Shares to the number of Shares that would have resulted in Carnarvon's interest in the Company being 19.9% immediately after the issue of the Tranche 1 Placement Shares.</p>
Conditions Precedent for Tranche 2	The completion of Tranche 2 is conditional on Strike shareholder approval.
Board nominee	Subject to (among other things) Carnarvon's relevant interest remaining above 10% (and not falling below 10% for two consecutive months), Carnarvon has the right to nominate one of its directors to join the Board of Strike as a non-executive director.
Participation right	<p>Subject to various exceptions for certain types of Share issues, Carnarvon is granted a right to have a reasonable opportunity to participate in any offer of Strike Shares for cash consideration, on terms no less favourable than other proposed subscribers.</p> <p>The participation right will cease if (among other things), Carnarvon ceases to have a relevant interest in Shares comprising at least 10% for two consecutive months, or Carnarvon disposes of any Shares.</p>
Standstill	<p>Until 12 months after completion of the Tranche 1 Placement, Carnarvon will be subject to standstill restrictions prohibiting Carnarvon from (amongst other things), acquiring Strike securities or other economic interests, entering into consortium arrangements, as well as proposing resolutions to be considered at general meetings of the Company.</p> <p>The standstill will lift in certain circumstances, including upon control transactions being proposed for Strike.</p> <p>If Strike shareholders do not approve the issue of the Tranche 2 Placement Shares at the General Meeting, the standstill restriction in relation to the acquisition of Shares will not apply for a period of 2 months, allowing Carnarvon to purchase Shares on market to "top-up" to a relevant interest of 19.9%.</p>
Escrow	<p>The Shares issued to Carnarvon under the Placement will be subject to voluntary escrow until 12-months after completion of the Tranche 1 Placement. During the escrow period, Carnarvon cannot dispose of or otherwise deal with any of the Placement Shares.</p> <p>The escrow will be lifted in limited circumstances, including (among other things) if the Strike board recommends a takeover bid or the shareholders of Strike approve a scheme of arrangement.</p>

Key term	Summary
Fundamental Matters	Subject to various exceptions, Strike will require consent from Carnarvon (such consent not to be unreasonably withheld, conditioned or delayed) to undertake certain “Fundamental Matters” that could adversely impact Carnarvon’s investment in Strike. The Fundamental Matters restriction terminates on the earlier of 12-months after the issue of the Tranche 1 Placement Shares and Strike waiving the standstill and escrow restrictions applicable to Carnarvon.
Use of Funds	Strike and Carnarvon have agreed the use of the funds raised under the Strategic Placement.
Warranties	Customary warranties are provided by Strike and Carnarvon for an agreement of the kind of the Subscription Agreement.

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