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Australian Stock Exchange Ltd
Via Electronic Lodgement

Quarterly Report, Period Ending September 2005

Please find attached Strike Oil Limited's Quarterly Report for the period ending September 2005.

SIMON ASHTON
Managing Director

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QUARTERLY REPORT

FOR THE PERIOD ENDING SEPTEMBER 2005

HIGHLIGHTS

- Expansion of Gulf Coast, Texas gas exploration drilling to include six wells, five planned to be drilled by the end of December 2005.
- Interests acquired in four previously producing oilfields in Colorado, USA.
- Seismic program in nine permits in the Carnarvon Basin advanced with acquisition due to commence next quarter.
- Cooper Basin native title agreements progressing.
- Two wells, Gats 1 (Carnarvon Basin) and Jabber et al 1 (Gulf Coast) were drilled with no significant hydrocarbons penetrated.
- A Share Purchase Plan (SPP) initiated, the proceeds of which to be applied primarily to the expansion of activities in the USA.

SIGNIFICANT PROJECT ACTIVITIES

AUSTRALIA

- ***CARNARVON BASIN***

In WA-261-P (Strike Oil 16.2%) the Gats 1 well operated by Apache Energy was drilled to a depth of 860 metres. No significant hydrocarbons were penetrated and the well was plugged and abandoned. The Hestia 1 well which it was anticipated would be drilled after Gats 1 has been deferred until the new technical results from the Gats 1 well have been interpreted and their implications to the Hestia prospect assessed. The Hestia 1 well is now planned for first quarter 2006.

In EP 403 (Strike Oil 10%) the Gargoyle 1 well (previously named Hector 1) planned to be drilled during this year is undergoing further technical review.

Reprocessing of pre-existing seismic in many permits has been initiated to improve the data quality and assist in the recognition of new prospects and leads.

Seismic program planning is well advanced with seismic acquisition expected to commence next quarter in permits TP/6, EP 342, EP 325, EP 424, TP18, EP420, TP/19, EP 421 and WA-340-P.

This seismic acquisition coupled with the new reprocessed data is expected to mature existing prospects and leads and to develop new prospects for drilling in the 2006 year and onwards. The current high graded prospects are listed below:

Prospect	Permit	Strike Oil Interest	Oil Potential (Millions bbls Recoverable)
Hestia	WA-261-P	16.2%	20
Baniyas	EP 424	40%	60
Whalebone	EP 325	40%*	40
Sharp Peak	TP/19	90%	80
North Santo-Grond	TP/6	100%	3 to 100

* Increasing to 44.5% following redistribution of interests.

Note: Strike Oil has high equities in all of these leads and prospects and will be Operator of all these permits with the exception of WA-261-P. Strike Oil will be considering taking partners in selected permits.

- ***COOPER EROMANGA BASINS***

Progress is being made with respect to Native Title agreements for PELA 71, PELA 96 and ATP 633-P. In ATP 633 P operator, Beach Petroleum, has advised that finalisation of a Native Title Agreement is imminent. Seismic is proposed for the next quarter.

- ***KINGSTON ENERGY PROJECT***

Strike Oil formed Kingston Energy Pty Ltd as a wholly owned subsidiary with the intention of transferring the Kingston petroleum and coal exploration permits into this new entity to provide future funding flexibility.

Evaluation of the potential of this significant energy resource commenced.

USA

- ***GULF COAST, TEXAS PROJECTS***

Strike Oil has significantly expanded its involvement in the Gulf Coast, Texas program with Operator Cypress E&P Corporation with a commitment to drill a further six wells, five of which are planned to be drilled before the end of the next quarter. Any success in these wells will provide early cash flow for Strike Oil at a time of high gas prices in the USA.

The first well of the program, the Jabber et al 1 on the Keepsake A Prospect commenced on 1 July 2005 and was drilled to a depth of 13,300 feet on 29 July. No significant hydrocarbons were penetrated in the well. The well bore has been left in a state which will enable it to be re entered if evaluation of the new data gathered justifies such action.

Two other wells the Sorrel 1 and the Lyman Gas Unit 1 spudded subsequent to the end of the quarter and are drilling ahead.

- **ROCKY MOUNTAINS PROJECTS**

Strike Oil has secured its first property in the Rocky Mountains Joint Venture with Comet Ridge Limited and A.J. Lucas Group, namely the Tow Creek Oil Project. Strike exercised its option to participate in the evaluation of 35 square kilometres (8,700 acres) of leases over parts and around four historic oil fields which have produced oil from the Niobrara Formation on the Tow Creek anticline in Routt County, Colorado. Strike is party to the Rocky Mountains Area of Mutual Interest (AMI) arrangement with Comet Ridge Limited ("Comet") and A.J. Lucas Group ("Lucas") which has been formed to seek out specific opportunities in selected states of the Rocky Mountains.

Strike will be acquiring a 25% interest in the leases for a total cost of around US\$285,000 plus funding its prorata share of two wells to be drilled in second quarter 2006.

Comet will be the operator of this project which was targeted for acquisition because the reservoir characteristics of the Niobrara Formation lend themselves to the specialised directional (sub horizontal) drilling capabilities provided by Lucas the other party to the AMI and that considerable oil is believed to remain untapped on the leases acquired.

Detailed geological, geophysical and reservoir engineering evaluation will be carried out prior to selection of drilling locations.

CASH FLOW ASSETS

Strike Oil continues its efforts to evaluate and secure early cash flow projects in Australia and overseas. This work will continue and will be focussed on production acquisitions, appraisal, and development opportunities.

CORPORATE

COMET RIDGE LIMITED

Comet Ridge Limited (10% owned by Strike Oil Limited) has expanded its area of activity to include the USA. Additionally the Company sold its minority interest in the Tipton West Pilot in Queensland to the operator of the project Arrow Energy NL for \$12.5 million consideration. Further information on Comet Ridge can be obtained from the web site www.cometridge.com.au.

OPTIONS ISSUE

The Board of Strike Oil resolved to seek approval to offer 1,000,000 unlisted incentive options with a 35 cents exercise price to each of Messrs Ashton and Durrant, the Managing Director and Executive Technical Director respectively. The options will expire on 31 December 2008 and will vest when the Strike Oil's closing share price, as quoted on the ASX, is at or above 35 cents for a period of 20 consecutive trading days. The above issue of options is subject to shareholder approval to be sought at the 2005 Annual General Meeting.

SHARE PURCHASE PLAN (SPP)

The Board of Directors of Strike Oil approved the introduction of a Share Purchase Plan ("SPP") during the quarter. The SPP entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$5,000 worth of ordinary fully paid shares in the Company free of all brokerage and commissions. The subscription price for each share being \$0.11, which represents a discount of approximately 15% of the volume weighted average trading price of the Company's shares on ASX during the 5 trading days immediately prior to date of the announcement of the issue. The issue will be limited to 43,048,419 million shares (subject to rounding) resulting in total subscriptions of \$4,735,326. This reflects the ASX requirements that shares issued pursuant to a SPP cannot exceed 30% of the Company's issued capital. Funds raised under the SPP will enable Strike Oil to participate fully in new drilling opportunities announced in Texas and Colorado in the USA and maintain the active program in Australia.

The combination of expanded activity in the USA coupled with the Australian program (refer attached table) provides shareholders with exceptional exposure for a junior oil and gas exploration company.

FINANCIAL

At the end of the quarter Strike Oil had \$6.4million in cash reserves (not including the proceeds from the SPP).

For further information contact:

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