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Australian Stock Exchange Ltd
Via Electronic Lodgement

QUARTERLY ACTIVITIES REPORT – PERIOD ENDED 30 JUNE 2007

Please find attached Strike Oil Limited's Quarterly Activities Report for the period ended 30 June 2007.

Yours faithfully

SIMON ASHTON
Managing Director

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QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2007

HIGHLIGHTS

- Successful drilling of the Duncan 1 well on the Rayburn prospect, onshore Gulf Coast, Texas, establishes promising gas pay zones in both Middle and Lower Wilcox objectives;
- Completion of 3D seismic survey and increased working interest in the Florence prospect, Fremont County, Colorado;
- Rivoli gas project development evaluation renews focus on the Carnarvon Basin assets;
- Annual revenues for 2006/7 of \$8.6 million from Texas gas and oil condensate sales (2005/6: \$3.6 million).

Subsequent to quarter end

- Operations to test the Duncan 1 well at the Rayburn prospect commenced;
- Commissioned to undertake Front End Engineering Design (FEED) studies to investigate the feasibility of supplying gas from the Rivoli gas field to the Department of Defence.

SIGNIFICANT PROJECT ACTIVITIES

PRODUCTION ACTIVITIES

USA

- **Rayburn Project, Gulf Coast, Texas**

The successful drilling of the Duncan 1 well in the Rayburn Prospect in Wharton County, Texas, established a number of promising gas pay zones in the Wilcox Formation.

Confirmation of the discovery through production testing will provide the Company with a second producing asset, increased revenues and two out of three exploration success rate in its Wilcox Formation, Texas Gulf Coast deep drilling programme.

Further development wells may be drilled later in 2007.

- **Bear River, Colorado**

Production from the Peltier 11-12 well at 5-10 bbl/d has been significantly lower than expected. Investigations continued throughout the quarter to determine whether the low rates are indicative of the nature of the reservoir or are being caused by problems associated with the completion of the well.

PRODUCTION REVENUE

Total revenue from Texas gas and oil condensate sales for the 2006/7 year was \$8.6 million, up from \$3.6 million in 2005/6. Gross daily production from the Company's Mesquite project at the end of the quarter was 6.2 million cubic feet gas per day and 85 barrels of oil condensate per day which contributed the bulk of the \$1.75 million revenue for the quarter.

Production (Strike Oil WI)	June Quarter	March Quarter	Movement (%)
Gas (MMcf)	156.9	202.6	(22.6)
Oil (Bbl)	2,608	3,775	(30.9)

Revenue (Strike Oil WI)	June Quarter	March Quarter	Movement
	(\$'000)	(\$'000)	(%)
Gas	1,543	1,798	(14.2)
Oil	213	256	(16.8)
Total	1,756	2,054	(14.5)

Total revenue from Texas gas and oil condensate sales for the 2006/07 year was \$8.6 million.

EXPLORATION ACTIVITIES

USA

- ***Gulf Coast, Texas Projects***

Activities in the Gulf Coast program continued to be focussed on the drilling of large Wilcox Formation prospects.

Duncan 1 (Rayburn Prospect, Wharton County): Wireline logs indicated the presence of gas pay in both the Middle Wilcox and Lower Wilcox sections. The reserves potential of the pay zones in this well, and over the larger associated structure, will be determined by the planned production testing program and further development drilling. Strike Oil has a 22.8% working interest in the Rayburn prospect, having reduced its interest from 25% during the quarter.

McGall 1 (Flint Prospect, Fort Bend County): Interpretation of drilling and wireline data indicated a substantial gas column in a secondary objective within the Wilcox Formation. Due to the close proximity of water-bearing sands to the gas pay zone, the risks of communicating with the water-bearing sands during the required stimulation was considered to be high. This led to the decision not to complete the well at the time. Significant potential remains on adjacent fault blocks and the prospect remains on the operator's inventory for consideration as locations for future wells. Strike Oil has a 25% working interest in the Flint prospect.

Prospect Generation: A number of prospects have been generated from the 3D seismic data reprocessed during the quarter. Leasing on these prospects is underway. Strike Oil has a 25% Working Interest in these new prospects.

- ***Rocky Mountains Projects***

Unseasonable weather and a shortage of equipment caused delays to some projects during the quarter.

Florence Project (Fremont County): Acquisition of the eight square mile (13 square kilometres) 3D seismic survey did not start until late May due to delays in obtaining permits and a suitable contractor. The survey was approximately 85% complete by the end of the quarter; it is expected to be completed in mid July. The survey covers a significant part of the old Florence oil field and overlaps a smaller 3D survey acquired by one of the Company's partners in 2004. At least one highly profitable well (in which Strike Oil has no interest) was located by this earlier survey. Once acquisition has been completed, the data will be processed and merged with the existing data for interpretation and prospect generation. Drilling is expected to commence in the last calendar quarter of 2007. Strike Oil increased its working interest in the Florence project from 26% to 39% during the quarter.

Coal View Unit 31-4 (Tow Creek Prospect, Routt County): Drilling of a sidetrack hole is planned to commence in the next quarter. Oil and gas shows were encountered across a 245 foot (75 metre) thick fractured interval in the Niobrara formation in the original hole. The sidetrack will be drilled around part of the work string that became irretrievably stuck during completion operations. If similar shows and fracturing are encountered in the sidetrack hole the well will be completed and flow tested. Strike Oil has a 37.5% working interest in the Tow Creek project.

Peltier 11-12 (Bear River Prospect): Investigation as to the cause of low oil flow rates continued during the quarter. Remedial operations to test possible plugged perforations are planned for early July. Strike Oil has a 33.75% working Interest in the Bear River project.

AUSTRALIA

- ***Carnarvon Basin***

Plans for drilling in the Company's Carnarvon Basin permits remained on hold due to the unavailability of a suitable rig. In the meantime, the Company continued the process of obtaining environmental approval from regulatory authorities for a future drilling programme. Investigation into alternative drilling rig options also continued.

Subsequent to the end of the quarter, the Company announced that the Commonwealth of Australia, represented by the Department of Defence, had commissioned Strike Oil to undertake a front end engineering design, or FEED study, to investigate the feasibility of supplying gas from the Rivoli gas field, located 7 km southeast of the town of Exmouth in exploration permit EP-325, to fuel power generation for the Defence Communication Station located north of the town. If approved for development, Strike Oil will manage and operate the project, with first gas sales anticipated in 2009.

Further technical evaluation of the Baniyas prospect in EP-424 was undertaken in an attempt to identify the nature of the fluids in the mapped trap. Work to date suggests the prospect could contain either oil, gas or both. The possibility of gas in this prospect will not deter drilling as the potential domestic gas shortage in

Western Australia and the rising price of sales gas are making smaller near shore, shallow water, gas prospects more attractive to drill.

During the quarter the Company relinquished its interests in exploration permits TP/17, TP/18 and EP-420 as it considered they contain no prospects of viable size.

- ***Cooper Eromanga Basins***

Processing of the data collected during the Gukithi 2D seismic survey continued during the quarter. Once processing and interpretation of the data has been completed it is expected the operator, Beach Petroleum, will recommend at least one exploration well to be drilled before the end of March 2008.

In permits PELA 71 and PELA 96, located in South Australia, work is still progressing to finalise Native Title agreements.

- ***Kingston Energy Project***

Strike Oil's wholly owned subsidiary Kingston Energy Pty Ltd has commissioned a scoping study as a precursor to a pre-feasibility study to investigate potential commercial development options, including gasification, for the Kingston lignite deposit in South Australia.

Coal resources for the Kingston lignite deposit (EL3385) have been estimated in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). The Kingston deposit, contains 578.3 million tonnes (Mt) to a depth of 80 metres. Of this total resource, 523.5 Mt are Measured Resource and 54.8 Mt are Indicated Resource. Additional quantities of lignite are known to exist from more sparsely drilled boreholes but do not fall within the JORC guidelines for reporting coal resources.

DRILLING SCHEDULE AND PROSPECT INVENTORY

Strike Oil continues to build an inventory of prospects and leads in Australia and the USA.

The Company plans to participate in the drilling of at least five more wells before the end of calendar year 2007. The drilling programme for the second half of the 2007/08 financial year is more fluid but the Company anticipates it will maintain an active drilling campaign. The prospects and leads inventory will continue to be upgraded with time to provide the best chance for success and risk management.

The provisional drilling schedule to mid 2008 is attached. Note: proposed drilling timings are susceptible to change due to rig availability, climatic conditions, joint venture and regulatory approvals and operator schedules.

HEALTH SAFETY AND ENVIRONMENT

The Company did not register any safety or environmental incidents during the quarter.

CORPORATE

During the quarter the Company announced the resignation of Ms Gillian Swaby as Company Secretary with effect from 30 June 2007. This was part of a planned transition. Mr Tony Brazier, the Company's Chief Financial Officer, has been appointed Company Secretary.

Ms Swaby was Company Secretary of Strike Oil from its inception in May 1997, and the Board expresses its gratitude for the significant contribution Ms Swaby has made to the Company's growth and expansion.

NEXT QUARTER ACTIVITIES

- **Complete and test the Duncan 1 well on the Rayburn prospect, Texas.**
- **Commence production from the Duncan 1 well.**
- **Drill further wells on the Rayburn prospect.**
- **Re-enter and test the Coal View Unit 31-4 well at Tow Creek, Colorado.**
- **Conduct remedial treatment on the Peltier 11-12 oil well at Bear River, Colorado in an endeavour to increase flow rate.**
- **Complete acquisition and processing of the 3D seismic over the Florence prospect, Colorado in preparation for drilling in the fourth quarter.**
- **Complete FEED study for Rivoli gas field, Carnarvon Basin.**
- **Conduct Scoping Study and commence Pre-feasibility Study of Kingston gasification project.**

The information that relates to the Kingston lignite resources in this quarterly report is based on information compiled by Charles Parbury, consulting geologist of McElroy Bryan Geological Services, who is a member of the Australasian Institute of Mining and Metallurgy. Charles Parbury has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify him as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Charles Parbury has consented to the inclusion of the matters based on his information in the form and context in which it appears in this quarterly report.

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PROVISIONAL DRILLING SCHEDULE

Note: Timing of all activities subject to equipment availability, weather conditions, joint venture and regulatory approvals.

PROJECT AREA	Calendar Year			
	2007		2008	
	July to September	October to December	January to March	April to June
GULF COAST USA	 	 		
ROCKY MOUNTAINS USA				
COOPER EROMANGA				
CARNARVON BASIN				