

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Strike Oil Limited

ABN

59 078 012 745

Quarter ended ("current quarter")

30 September 2007

### Consolidated statement of cash flows

	Current quarter \$A '000	Year to date 3 months \$A '000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	1,726	1,726
1.2 Payments for (a) exploration and evaluation	(2,401)	(2,401)
(b) development	(282)	(282)
(c) production	(280)	(280)
(d) administration	(805)	(805)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	69	69
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Overhead recovery from joint venture operations	281	281
<b>Net Operating Cash Flows</b>	<b>(1,692)</b>	<b>(1,692)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	(86)	(86)
(b) equity investments	-	-
(c) other fixed assets	(12)	(12)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(98)</b>	<b>(98)</b>
1.13 Total operating and investing cash flows (carried forward)	(1,790)	(1,790)

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1.13	Total operating and investing cash flows (brought forward)	(1,790)	(1,790)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	52	52
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Transaction costs on share issues	(1)	(1)
	<b>Net financing cash flows</b>	<b>51</b>	<b>51</b>
	<b>Net increase (decrease) in cash held</b>	<b>(1,739)</b>	<b>(1,739)</b>
1.20	Cash at beginning of quarter/year to date	5,860	5,860
1.21	Exchange rate adjustments to item 1.20	(49)	(49)
1.22	<b>Cash at end of quarter</b>	<b>4,072</b>	<b>4,072</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	172
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

N/A

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

In October the company successfully raised \$10.05 million through an entitlements issue. The funds will be used to finance the group's 2007/8 US drilling programme.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,400
4.2 Development	4,000
<b>Total</b>	<b>6,400</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,048	878
5.2 Deposits at call	2,998	4,939
5.3 Bank overdraft	-	-
5.4 Share of cash in joint venture bank accounts	26	43
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,072</b>	<b>5,860</b>

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**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	WA-340P, Carnarvon Basin, Australia	Permit relinquished	40%	-
6.2	Interests in mining tenements acquired or increased	WA-261P, Carnarvon Basin, Australia	Increase in joint venture interest	~16.2%	~19.9%
		Florence, Colorado, USA	Small increases in joint venture interests	39%	39%

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b>			
7.2	<i>(description)</i> Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	280,421,430	280,421,430	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b>			
	<i>(description)</i>			

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	15,000,000 1,475,000 725,000 2,000,000 100,000 850,000 1,000,000 50,000		<i>Exercise price</i> 16 cents 20 cents 20 cents 35 cents 40 cents 40 cents 40 cents 40 cents	<i>Expiry date</i> 23 June 2009 9 June 2008 15 Nov 2008 31 Dec 2008 31 Dec 2008 8 November 2009 1 June 2010 22 June 2010
7.8	Issued during quarter	-		<i>Exercise price</i> -	<i>Expiry date</i> -
7.9	Exercised during quarter	46,027 405,000 80,000		<i>Exercise price</i> 3 cents 8 cents 23 cents	<i>Expiry date</i> 2 August 2007 2 August 2007 2 August 2007
7.10	Expired during quarter	70,000 1,610,000 1,026,130 887,500		<i>Exercise price</i> 23 cents 33 cents 38 cents 30 cents	<i>Expiry date</i> 2 August 2007 2 August 2007 2 August 2007 24 August 2007
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

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## **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 October 2007  
Director

Print name: Simon Ashton

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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