



5 May 2008

Strike Oil Limited
ABN 59 078 012 745

The Company Announcement Officer
Australian Stock Exchange Ltd
via electronic lodgement

RAYBURN PROJECT - OPERATIONAL UPDATE

DUNCAN 2 DOUBLES FIELD PRODUCTION

Strike Oil is pleased to announce the following results at the Rayburn Project in the Gulf Coast Texas:

- **Duncan 2 ST tested at stabilised flow rates of 10 million cubic feet (mmcf) of gas per day and 224 barrels of condensate.**
- **Duncan 1 well continues to produce at 10 million cubic feet (mmcf) of gas per day and 260 barrels of condensate.**
- **Rayburn Project production rate effectively doubled.**
- **High gas and oil prices of greater than US\$10 per thousand cubic feet (mcf) and US\$100 per barrel persist.**

RAYBURN PROJECT – WHARTON COUNTY

(Strike Oil 22.8% Working Interest; Operator Cypress E&P Corporation)

Duncan 2 ST Testing Update

The following flow rates were reported to the local regulator, the Texas Rail Road Commission (TRRC), on the 2 May 2008 (Texas Time). The Middle Wilcox Formation interval is recorded as flowing at a stabilised rate of 10 million cubic feet per day of gas and 224 barrels of condensate per day through a 16/64 inch choke with a flowing tubing pressure of 6,734 psi (pounds per square inch).

The Duncan 2 well production coupled with the Duncan 1 well effectively doubles the field's production to around 20 million cubic feet per day and 480 barrels of condensate.



Our Strengths

- Producer/Explorer with strong cash flow
- Track record of discoveries
- Geographically diverse portfolio
- Highly experienced team
- Strong experienced partners
- Innovative approach to E&P

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Based upon current gas and oil prices this equates to combined gross revenue from both wells (to the 100% interest) of around US\$8 million per month. Strike Oil's Working Interest share is US\$1.8 million per month.

Other Rayburn Field Activities

Other field activities are progressing as planned.

- **Duncan 1**
Ongoing production at around 10 mmcf/d of gas and 260 bbls of condensate
- **Gilbert Freeman 1**
Ongoing testing of the Middle Wilcox
- **Duncan 3**
Preparations underway for completion and testing of the Middle Wilcox
- **Hlavinka Duncan 1**
Ongoing testing of a shallow secondary target
- **Gilbert Freeman 2**
Well spudded on 3 May and targeting the Middle Wilcox

Strike Oil's Managing Director, Simon Ashton, commenting on the results stated that:-

"This additional outstanding result coupled with the ongoing testing and drilling expectations has resulted in us revising our company mid year (end June 2008) target revenues to Strike Oil to the order of A\$3 to \$4 million per month".

Yours faithfully

A handwritten signature in black ink, appearing to read "Simon Ashton".

SIMON ASHTON
Managing Director

Further information:

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