



13 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

ANOTHER PRODUCER AT RAYBURN

Strike Oil is pleased to announce an update of activities at the Rayburn Project in the Gulf Coast, Texas.

- **Gilbert Freeman 1 well flowed at 3.8 million cubic feet per of gas and 126 barrels of condensate per day.**
- **Rayburn Project now producing around 24 million cubic feet and 600 barrels of condensate per day.**
- **Gilbert Freeman 2 well preparing to log at 7,900 feet (2,408 metres) prior to setting casing.**

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

RAYBURN PROJECT – WHARTON COUNTY

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

Gilbert Freeman 1 Testing Update

The following flow results were reported to the local regulator, Texas Rail Road Commission (TRRC) on the 12 May, 2008 (Texas time). The well tested at a stabilised rate of 3.8 million cubic feet of gas per day and 126 barrels of condensate per day with a flowing tubing pressure of 4,679 psi (pounds per square inch) through a 12/64 inch choke.

The Gilbert Freeman 1 well, coupled with the production from the Duncan 1 and 2 wells, gives a total field production of around 24 million cubic feet per day of gas and 600 barrels of condensate from the three wells. The production from Gilbert Freeman 1 is being sold into the existing facilities.

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Gilbert Freeman 2 Drilling Update

The Gilbert Freeman 2 well spudded on the 3 May and has drilled ahead to 7,900 feet (2,408 meters). Current operations on the 12 May (Texas Time) are preparing to run wireline logs prior to setting 9 5/8 inch casing in preparation to drilling ahead to the primary Middle Wilcox Formation objective. The well is programmed to a total depth of 12,200 feet (3,719 meters).

Gas shows have been recorded in drill cuttings and mud logs in the Cook Mountain Formation, a secondary objective. The significance of these shows will be further evaluated by wireline logs.

The well is located 2,330 feet (710 metres) from the Gilbert Freeman 1 well and is primarily targeting the same Middle Wilcox sands that are now on production from the Duncan 1, 2 and Gilbert Freeman 1 wells.

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

"Another substantial flow rate at Rayburn from the Gilbert Freeman 1 well demonstrates the continuing success of the drilling and testing program to date. The drilling program is ongoing and we now look forward to the test results from the Duncan 3 well and drilling results from the Gilbert Freeman 2 well in the Middle Wilcox over the next few weeks."

Yours faithfully

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

SIMON ASHTON
Managing Director

Further information:

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