



21 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

GILBERT FREEMAN 2 TO DRILL OBJECTIVE IN COMING WEEKS

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

- **Gilbert Freeman 2 well intermediate casing and liner set**
- **Gilbert Freeman 2 well to drill the primary objective in next 1 - 2 weeks**
- **Rayburn production continues at rates near 24 million cubic feet and 600 barrels of condensate per day**

RAYBURN PROJECT – WHARTON COUNTY

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

Gilbert Freeman 2 Drilling Update

The Gilbert Freeman 2 well on the 20 May (Texas Time) was preparing to drill ahead at 9,000 feet (2,743 metres). The well is expected to drill the primary Middle Wilcox Formation objective in the next 1–2 weeks. The well is programmed to a total depth of 12,200 feet (3,719 metres).

During the past week the 9 5/8 inch casing was set at 7,900 feet and a 7 5/8 inch liner was set over the interval 7,575-9,000 feet (2,309-2,743 metres) as planned.

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.

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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Rayburn Production

The Duncan 1 and 2 wells and the Gilbert Freeman 1 well continue to produce at a total near 24 million cubic feet of gas and 600 barrels of condensate per day.

Yours faithfully



SIMON ASHTON
Managing Director

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