



28 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 BE CASED FOR PRODUCTION TESTING**

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

- **Gilbert Freeman 2 well reached total depth on 25 May 2008**
- **Mudlog gas shows in primary objective confirmed by wireline logs**
- **Well will be cased for production testing**
- **Rig to move to Gilbert Freeman 3 location, targeting additional field reserves**
- **Rayburn production and field activities on course**

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### **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 reached total depth of 12,200 feet (3,719 metres) on the 25 May (Texas Time) two days ahead of schedule. Wireline logging operations are currently being completed. The well encountered a number of encouraging mud log shows and wireline logs have indicated the well has intersected a similar high quality pay section to that encountered in the nearby wells. Gilbert Freeman 2 will now be cased for testing.

The well is located 2,330 feet (710 metres) from the Gilbert Freeman 1 well and targeted 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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### Gilbert Freeman 3

The Operator has indicated that once the production casing has been set in Gilbert Freeman 2 the rig will be moved to Gilbert Freeman 3, the next location in the drilling program, which is targeted to test for additional field reserves. Gilbert Freeman 3 will be the seventh well drilled in the Rayburn project area.

### Rayburn Production

The Duncan 1 and 2 wells and the Gilbert Freeman 1 well continue to perform to expectation producing at a rate of approximately 24 million cubic feet of gas and 600 barrels of condensate per day.

### Other Rayburn Field Activities

Other field activities are progressing as planned.

- **Hlavinka Duncan 1**  
Production testing of the well is continuing.
- **Duncan 3**  
The well is being prepared for testing which is scheduled to commence in approximately three weeks.

Strike Oil's Technical Director, Jim Durrant, commenting on the latest drilling result stated that:-

*"The initial results from Gilbert Freeman 2 look extremely encouraging and are in line with our expectations. The Operator's decision to immediately move the rig to a new location, to test for additional field reserves, indicates there is still considerable upside to the Rayburn Project."*

Yours faithfully



JIM DURRANT  
Technical Director

*Further information:*

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