



4 June 2008

Strike Oil Limited
ABN 59 078 012 745

The Company Announcement Officer
Australian Stock Exchange Ltd
via electronic lodgement



RAYBURN PROJECT - OPERATIONAL UPDATE

PREPARING TO DRILL SEVENTH WELL IN HIGHLY SUCCESSFUL RAYBURN PROGRAM

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

- **Gilbert Freeman 3 expected to spud by end of week**
- **Gilbert Freeman 2 cased for production testing**
- **Hlavinka Duncan 1R shallow gas flow test results**
- **Duncan 3 testing on schedule**

RAYBURN PROJECT – WHARTON COUNTY

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

Gilbert Freeman 3 Expected to Spud by end of week

Gilbert Freeman 3, the seventh well in the Rayburn drilling program, is expected to spud on the 7th of June. It is estimated that the well will take approximately 30 days to reach a total depth of 12,200 feet (3,719 metres). The Gilbert Freeman 3 is targeting additional field reserves in multiple objectives in the Middle Wilcox Formation.

Gilbert Freeman 3 is located approximately 2,099 ft (640 metres) west southwest of Gilbert Freeman 1 and 2,500 ft (762 metres) west northwest of the Duncan 1 well, the initial discovery well in the area.

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 2 Cased for production testing

The Gilbert Freeman 2 well has now been cased for production testing. The drilling rig was released at 18:00 hours 1st June 2008 (Texas time) and is now being moved to the Gilbert Freeman 3 location.

Testing of this well is scheduled to commence following the testing of Duncan 3 with the exact timing subject to the installation of pipelines and production facilities so that the well can be tested to sales.

Hlavinka Duncan 1R Shallow gas flow test results

As previously reported, the Middle Wilcox sand in the Hlavinka Duncan 1R well was found to be of good quality but wireline logs run at total depth indicated the sand to be water wet.

However, wireline logs and sidewall cores indicated intervals within the shallower formations above the Wilcox formation appeared to contain hydrocarbons. The partners agreed to set production casing to test these secondary intervals.

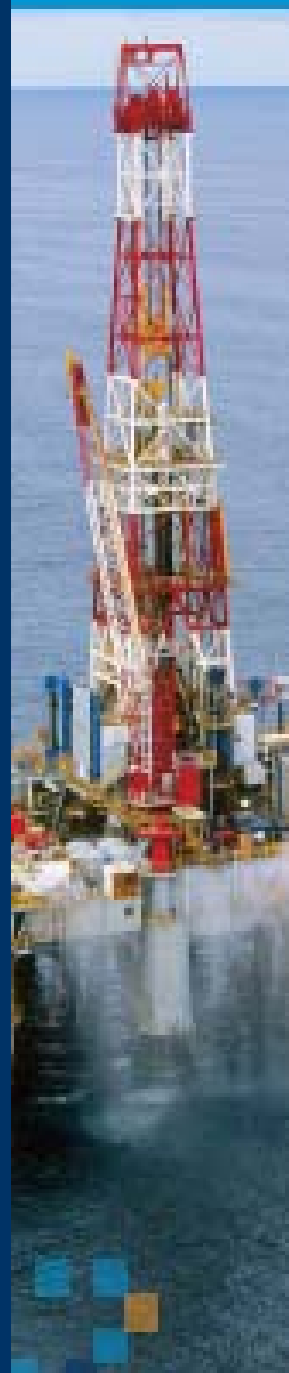
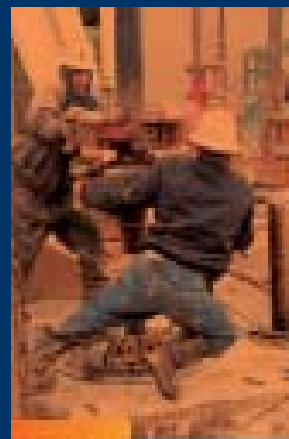
The following flow rate was reported to the local regulator, the Texas Rail Road Commission (TRRC), on the 31 May 2008 (Texas Time). One of the shallow intervals is recorded as flowing at a stabilised rate of 44 thousand cubic feet per day of gas per day through a 17/64 inch choke with a flowing tubing pressure of 701 psia (pounds per square inch absolute). No condensate was recovered.

Duncan 3 testing on schedule

Duncan 3 will be the next well in the program to be tested. Preparations to test the well are on schedule and is expected to commence in approximately three weeks.

Rayburn Production

The Duncan 1 and 2 wells and the Gilbert Freeman 1 well continue to perform to expectation during the past week producing at a combined rate of approximately 22 million cubic feet of gas and 620 barrels of condensate per day.



Strike Oil's Managing Director, Simon Ashton, commenting on the latest drilling and testing results stated that:

“The results of the Gilbert Freeman 2 well to date have been very pleasing as they support our most recent interpretation of the field structure. Gilbert Freeman 3 is targeting additional field reserves and the results will add considerably to our knowledge.

While the results from the test of one of the shallow gas zones in Hlavinka Duncan 1R were disappointing they have no bearing on the excellent results we are achieving from the Wilcox Formation.”

Yours faithfully



SIMON ASHTON
Executive Director

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