



26 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

Strike Oil is pleased to announce that its activities at the Rayburn Project in the Gulf Coast, Texas are progressing as planned.

- **Gilbert Freeman 3 liner set**
- **Duncan 3 scheduled to test this week**
- **Rayburn production maintained**

RAYBURN PROJECT – WHARTON COUNTY

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

Drilling Update

Gilbert Freeman 3

Gilbert Freeman 3, the seventh well in the Rayburn drilling program, is currently (Wednesday, Texas time) drilling ahead in 6 1/2 inch hole at a depth of 9,795 feet (2,986 metres).

Proposed total depth is 12,200 feet (3,719 metres) which is expected to be reached during the next week.

During the past week, an 8 1/2 inch hole section was drilled between 7,820-9,000 (2,384-2,743 metres) and wireline logs were run over the interval as planned. A 7 5/8 inch liner was then set over the interval 7,492-9,000 feet (2,283-2,743 metres) as planned.

The Gilbert Freeman 3 well is targeting additional field reserves in multiple objectives in the Middle Wilcox Formation.

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

Well Testing

Plans for testing of the Duncan 3 and Gilbert Freeman 2 wells remain on schedule with the testing of Duncan 3 due to commence this week and to be completed over a period of several weeks.

Production

Average daily production for the past week from the Duncan 1 and 2 wells and the Gilbert Freeman 1 well was maintained at a combined rate of approximately 24 million cubic feet of gas and 640 barrels of condensate per day.

Yours faithfully



SIMON ASHTON
Managing Director

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