

ASX Announcement

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2 July 2008

Strike Oil Limited
ABN 59 078 012 745

The Company Announcement Officer
Australian Stock Exchange Ltd
via electronic lodgement

RAYBURN PROJECT - OPERATIONS UPDATE

Strike Oil is pleased to announce significant progress in its drilling and exploration activities at the Rayburn Project in the Gulf Coast, Texas.

- **Gilbert Freeman 3 to be cased for production testing of Upper and Middle Wilcox**
- **Eighth well, Hlavinka Gas Unit 1-1, to commence after rig release from Gilbert Freeman 3**
- **Duncan 3 production testing commenced; initial test results comparable with other producing wells**

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, reached final depth of 12,100 feet (3,688 metres) on 29 June 2008.

Elevated gas readings were recorded over several intervals within the Upper and Middle Wilcox formation. Wireline logs confirm the presence of gas. The partners have agreed to set casing and to test the producibility of the zones.

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.



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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Drilling Programme

The partners in the Rayburn project have agreed to immediately drill another well on the structure. The Hlavinka Gas Unit 1-1 will be drilled immediately after the rig is released from Gilbert Freeman 3.

The well will be the eighth well on the structure. Details of the well will be released at the time of spud which is expected within the next two weeks.

Well Testing

The testing of Duncan 3 has commenced with all test gas and condensate being produced to sales. Testing will take several weeks to complete. Results to date have been comparable to other successful wells currently producing in the Rayburn project.

A date for the commencement of testing of the Gilbert Freeman 2 well has yet to be scheduled.

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

"Duncan 3 is expected to match the production of other successful Rayburn wells and to substantially increase the total Rayburn field sales.

The combination of the very encouraging early test results at Duncan 3, the shows and completion approval of the Gilbert Freeman 3 well and the commitment to immediately drill another well on the Rayburn Project, all demonstrate the ongoing success of the Rayburn Project and provide confidence to proceed with continuous drilling."

Yours faithfully

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

SIMON ASHTON
Managing Director

Further information:

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