



9 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 the progress of its drilling and exploration activities at the Rayburn Project in the Gulf Coast, Texas.

- **Gilbert Freeman 3 successfully cased and awaiting testing**
- **Drilling programme advances with 8th well due to spud next week**
- **Duncan 3 well testing continues at promising initial production rates**
- **Company revenues forecast to exceed \$4 million for July**

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 has been successfully cased and suspended. The rig was released at 06.00 hours on 5 July 2008 (Texas Time). Testing of the several potential production zones identified in the Upper and Middle Wilcox Formation is expected during the next 60 days.

Hlavinka Gas Unit 1-1

The rig is currently being moved from Gilbert Freeman 3 to the Hlavinka Gas Unit 1-1 site. The well will be the eighth well on the structure and is expected to spud within the next week.



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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WELL TESTING**Duncan 3**

The testing of Duncan 3 is continuing and is expected to stabilize within the production range of the other successful Rayburn wells.

Gilbert Freeman 2

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

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

"Strike Oil's revenues are forecast to exceed \$4 million for July as a consequence of the increased production at Rayburn and the high oil and gas prices received. With two wells awaiting testing at Rayburn and four to six new development and exploration wells to be drilled in the Gulf Coast before the end of 2008 we should see revenues increase during the year providing oil and gas prices do not decrease substantially below current levels."

Yours faithfully



SIMON ASHTON
Managing Director

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