



17 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 spudding of the eighth well in the successful drilling program at the Rayburn Project in the Gulf Coast, Texas.

- **Hlavinka Gas Unit 1-1 spudded; targeting the Wilcox**
- **Duncan 3 flow testing continues as planned**
- **Company revenues on track for \$4 million in July**

RAYBURN PROJECT – WHARTON COUNTY

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

DRILLING UPDATE

Hlavinka Gas Unit 1-1

The Hlavinka Gas Unit 1-1 well, the eighth well in the Rayburn Project was spudded on 10 July 2008 (Texas time). The 13 3/8 inch casing has been set at 2,615 feet (797 metres) as planned. Current operation is drilling ahead at 3,945 feet (1,172 metres).

The well, which is targeting Wilcox objectives, is located approximately 9,270 feet (2,825 metres) northeast of the initial discovery well, Duncan 1, which is currently producing around 10 million cubic feet per day of gas and 260 barrels of condensate per day from the Middle Wilcox.

Proposed total depth is 12,200 feet (3,719 metres). The well is expected to take 30 to 35 days to reach total depth.

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 flow testing of Duncan 3 is continuing as planned and should be completed this month.

COMPANY REVENUES

The company's producing wells are continuing to perform as expected and with the additional current sales of test gas and condensate from the Duncan 3 well the company's revenues are on track to achieve \$4 million this month.

Strike Oil's Managing Director, Simon Ashton, commenting on the new well stated that:

"The Hlavinka Gas Unit 1 well, which is the eighth well in our highly successful drilling program at the Rayburn Project, is being drilled to further develop the Wilcox section, and if successful, will extend the field boundaries".

Yours faithfully



SIMON ASHTON
Managing Director

Further information:

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