



23 July 2008

Strike Oil Limited
ABN 59 078 012 745

The Company Announcement Officer
Australian Stock Exchange Ltd
via electronic lodgement

RAYBURN PROJECT

SUCCESSFUL DUNCAN 3 TEST RESULTS LIFT PRODUCTION

Strike Oil is pleased to announce successful flow test results from its Duncan 3 well which have significantly increased production at the Rayburn Project in the Gulf Coast, Texas.

- **Duncan 3 outstanding flow rate adds 10 million cubic feet gas and 234 barrels oil-condensate per day.**
- **Gross production from Strike Oil's projects in the Gulf Coast (Rayburn and Mesquite combined) at 38 million cubic feet of gas and 900 barrels of oil-condensate per day.**
- **Strike Oil's net production 8.8 million cubic feet of gas and 214 barrels of oil-condensate per day.**
- **Hlavinka Gas Unit 1-1, intermediate casing set prior to drilling ahead.**

RAYBURN PROJECT – WHARTON COUNTY

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

WELL TESTING

Duncan 3

The flow testing of Duncan 3 has been completed. The following information will be reported to the Texas Railroad Commission, the state regulatory body, on Wednesday, Texas time.

Gas Rate:	10.1 million cubic feet per day
Oil-Condensate Rate:	234 barrels per day
Flowing Tube Pressure:	5,984 psia
Choke Size:	17/64 inch

Two further wells, Gilbert Freeman 2 and 3, are awaiting facilities installation prior to testing commencing.



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

Strike Oil Limited
Level 9, Wesfarmers House
40 The Esplanade
Perth WA 6000
Tel: 08 6464 0400
www.strikeoil.com.au

DRILLING UPDATE

Hlavinka Gas Unit 1-1

The well has reached a depth of 7,214 ft (2,199 metres) after setting the 9 5/8 inch intermediate casing at 7,130 (2,173 metres) as planned.

Proposed total depth of the well is 12,200 feet (3,719 metres). The well is expected to take 30 to 35 days from spud (10 July 2008) to reach total depth.

The well, which is targeting Wilcox objectives, is located approximately 9,270 feet (2,825 metres) northeast of the initial discovery well, Duncan 1 and is expected to extend the Rayburn Field boundaries.

MANAGING DIRECTOR'S COMMENTS

Strike Oil's Managing Director, Simon Ashton, commenting on the test results and the increase in production, stated:

"This further outstanding result at Rayburn from Duncan 3 has lifted the gross production from the Rayburn and Mesquite Projects to over 38 million cubic feet of gas per day and 900 barrels of condensate per day.

Strike Oil's net production from its Gulf Coast projects is now 8.8 million cubic feet of gas and 214 barrels of oil-condensate per day.

With the two wells waiting testing, the current well drilling and the ongoing Gulf Coast drilling program, production will continue to grow from this very exciting program".

Yours faithfully

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

SIMON ASHTON
Managing Director

Further information:

Strike Oil Limited
Simon Ashton - Managing Director
T: 08 6464 0400
E: strike@strikeoil.com.au

