



14 August 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 provide the following update of its testing and drilling activities at the Rayburn Project in the Gulf Coast, Texas.

- **Gilbert Freeman 2: testing continues to deliver gas and condensate according to expectations**
- **Rayburn production targets being maintained**
- **Hlavinka Gas Unit 1-1: liner set and drilling towards objective**

RAYBURN PROJECT – WHARTON COUNTY
(Strike Oil 22.8% Working Interest; Operator Cypress E&P Corporation)

WELL TESTING

Gilbert Freeman 2

Testing of the Gilbert Freeman 2 well continued during the week. Cleanup of the well is still in progress. Gas and condensate rates continue to be in line with expectation and comparable to other successful wells currently producing in the Rayburn project.

All test gas and condensate is being sold.

Gilbert Freeman 3

The Gilbert Freeman 3 well is awaiting facilities installation prior to testing being scheduled.



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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PRODUCTION

Rayburn production from the other wells continues to be maintained at expected levels and is being enhanced by the flow from Gilbert Freeman 2.

DRILLING UPDATE

Hlavinka Gas Unit 1-1

The 7 5/8 inch liner has been successfully set between 6,799-7,913 feet (2,072-2,411 metres) as planned. The well is currently drilling ahead at a depth of 8,230 feet (2,509 metres) towards the objective section which should take 1-2 weeks to reach.

Proposed total depth of the well is 12,200 feet (3,719 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 and is appraising the Rayburn Field boundaries.

Yours faithfully



SIMON ASHTON
Managing Director

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