

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

CONCLUSION OF OILFIELD ASSESSMENT AND NEGOTIATIONS

Strike Energy ("Strike") advises that it has completed its technical and commercial evaluation of the Cadlao Oilfield, located in the Philippines. Strike has concluded that mutually acceptable farm-in terms cannot be reached with Blade Petroleum Limited, holder of the Cadlao interest, and therefore will not be progressing this further.

Strike will continue to evaluate new business opportunities while maximising the outstanding growth potential of its existing US Onshore Gulf Coast assets and joint venture arrangements. It is also pressing ahead with an aggressive exploration program at its Australian coal seam gas project in the Southern Cooper Basin.

Drilling is expected to get underway at both the US assets and the Southern Cooper Basin project in April 2010. Production testing of Strike's new Gulf Coast gas discovery at the Louise Prospect is also expected to take place in April.

Yours faithfully

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

SIMON ASHTON
Managing Director

Further information:

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OUR STRENGTHS

- High margin producer
- Multiple large scale growth options
- Experienced team
- Long term track record of success

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