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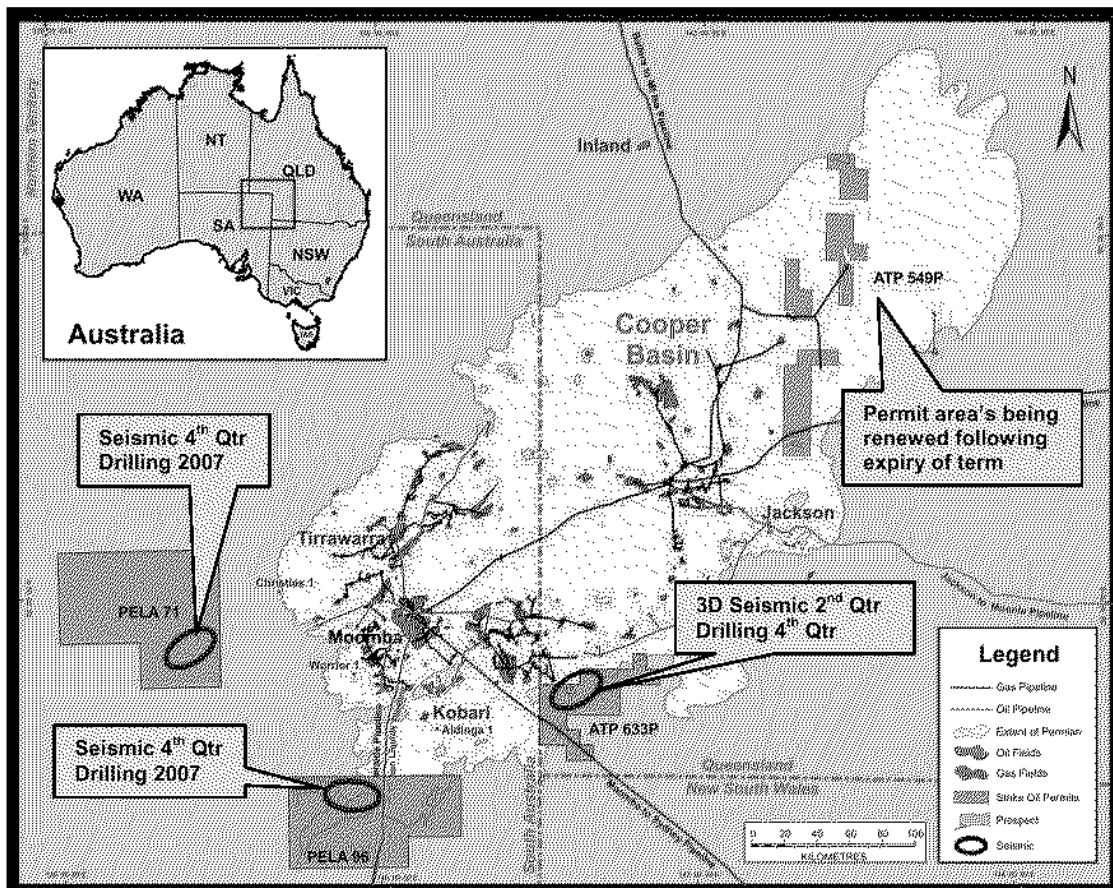
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COOPER BASIN PERMIT AWARDED

MARKS START OF STRIKES COOPER/EROMANGA BASIN EXPLORATION PROGRAM

Beach Petroleum have announced that they have been awarded Cooper Basin permit ATP633P in Southwest Queensland after an 8 year delay through Native Title issues.

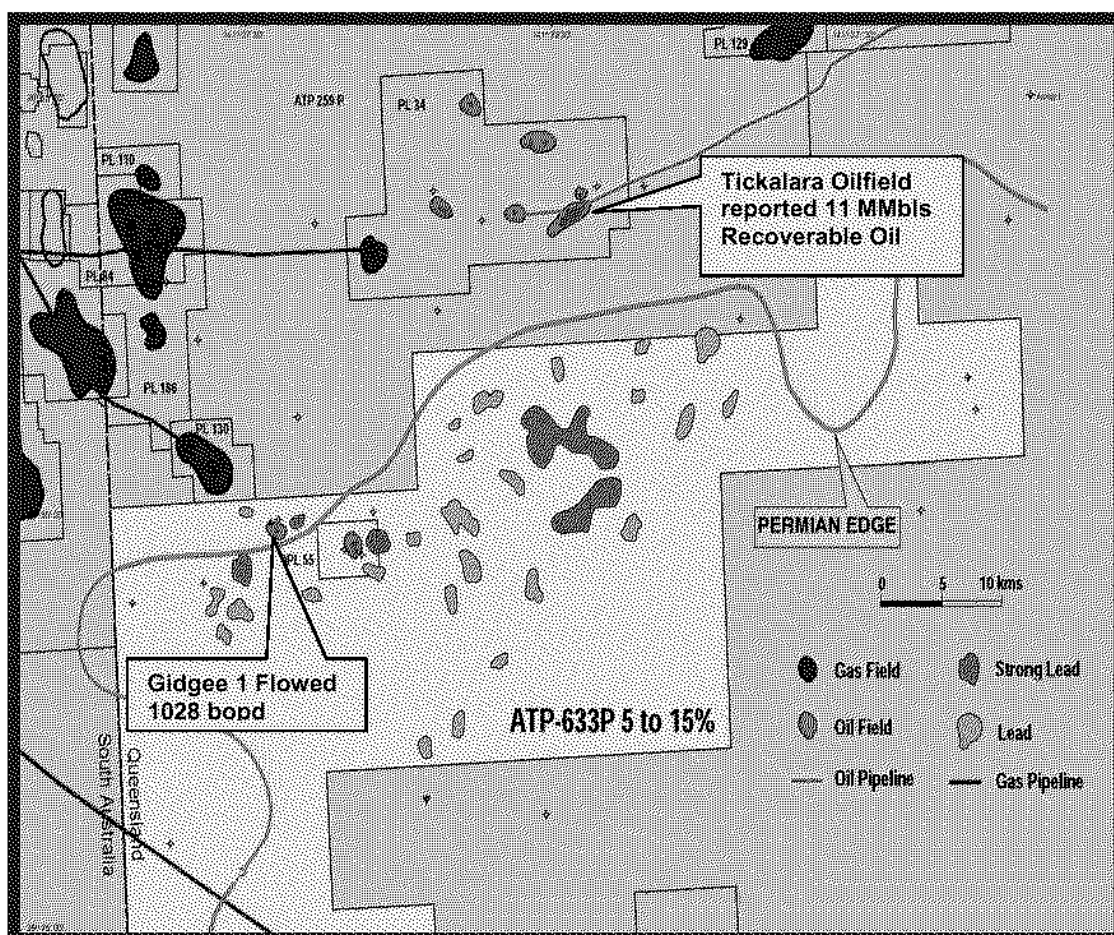
Strike Oil has an agreement with Beach by which it becomes entitled to a 15% Working Interest in this highly regarded permit. ATP633P was the most highly bid permit in the first round Queensland Cooper Basin bidding, following the expiry of the permits previously held by Santos some 10 years ago.



ATP633P contains numerous prospects of significant size, including the Gidgee Oil Discovery near the Munro Oil Field Production Licence which is still held by a Santos Consortium. Gidgee 1 flow tested 1028 barrels of oil per day but was abandoned by Santos, during a period of low oil prices, when the well encountered production problems and follow up drilling was disappointing. It is anticipated that a 3D Seismic survey will be acquired in the second quarter of this year to more accurately define the Gidgee Oil Field before drilling, what is considered, a low risk follow up well around the end of this year.

The main prospects in the permit are immediately south and immediately up-dip of a complex of oilfields which are connected to the "Jackson to Moonie" oil pipeline (see attached map). The Tickalara Oilfield, within this complex, is reported to have contained more than 11 million barrels of recoverable oil.

ATP633P is the first of Strike Oil's areas in the Cooper/Eromanga Basin area to be awarded following resolution of Native Title. It is anticipated that both permits PELA71 and PELA96 (See attached map) will also be awarded around the middle of this year, with Seismic Acquisition being planned for around the end of the year, to be followed by drilling in 2007. Reprocessing of earlier seismic data has already been initiated in these two areas which are the subject of a farm-in deal with Advent Energy. Advent will earn a 25% interest in both areas by funding the first \$2.2 million dollar of expenditure, with Strike Oil retaining a 50% interest in PELA71 and a 41.67% interest in PELA96.



In PELA71 Strike Oil expects to focus on the area around the Mulapula 1 well, drilled in 1986 by Delhi and Santos, which recovered oil on test from the Namur Formation prior to the plugging and failure of the testing equipment. The test was not repeated because the accumulation was deemed to be too small at a time of much lower oil prices. Strike Oil's evaluation of the prospect has indicated a potential 5m oil column in the Mulapula well, with significant up-dip potential, which will be further evaluated by modern seismic acquisition technology prior to drilling. Additional, potentially larger structures along trend, will also be detailed by modern seismic.

PELA96 is a large area to the south of the central Cooper Basin Permian Trough which is previously lightly explored using old technologies. The area is up-dip from oil discoveries and oil shows in wells to the north and positioned to trap oil moving out of the Cooper Basin. The Weena Trough, in the centre of the permit, contains Permian sediments similar to the Cooper Basin Sediments and has the potential to source oil from these similar sediments. The area also has an enormous resource of relatively shallow Permian Coals with Coal Seam Methane potential. Such a gas resource could be easily delivered to Adelaide and the South East area through the "Moomba to Adelaide" gas pipeline which runs through the centre of the permit.

Strike Oil also has up to 15% interest in ATP549P in the Queensland Cooper Basin. This Permit has good potential for gas discoveries in the Northern areas and Oil discoveries in the southern areas. It is currently being renewed following expiry of the original term.

Strike Oil now expects the Cooper/Eromanga basin area to become a new additional Active Core Area with significant early cash flow potential which will supplement its current Texas Gulf of Mexico, US Rocky Mountains and Carnarvon Basin Core Areas.

Yours faithfully



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