

# ASX Announcement

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30 January 2008

Strike Oil Limited  
ABN 59 078 012 745

The Company Announcement Officer  
Australian Stock Exchange Ltd  
via electronic lodgement

## RAYBURN PROJECT

### OUTSTANDING TEST RESULTS AND OPERATIONS UPDATE

Strike Oil is pleased to provide the following report on its Gulf Coast production activities and development drilling.

- **Duncan 1 well, stabilised flow rates of 10.1 million cubic feet of gas per day and 260 barrels of light gravity condensate from the gas.**
- **The Rayburn Project has been formally designated as the Cypress Eagle Field.**
- **Duncan 2 and Gilbert-Freeman 1 production facilities and flow lines being installed to allow production testing this quarter, as pipelines are completed.**
- **Revenue could rise to \$2 million per month by mid 2008.**
- **Hlavinka-Duncan 1 well redrill (the Hlavinka-Duncan 1-R) will commence drilling in early February.**

### **RAYBURN PROJECT – WHARTON COUNTY**

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

#### **Duncan 1**

The following flow rates were reported to the local regulator, the Texas Rail Road Commission (TRRC), on the 29 January, 2008 (Texas Time). The Middle Wilcox Formation interval is currently flowing at a stabilised rate of 10.1 million cubic feet per day and 260 barrels of condensate per day, through a 12.5/64 inch choke. Tubing head pressure is 6,700 psi.

Based upon these results a new field discovery has been formalised with the TRRC and the field will be known as the Cypress Eagle Field.

Gross revenues from this well at the above rates equates to around AUD\$100,000 per day (based upon US\$7 per mcf for the gas and US\$85 per barrel for oil). This result coupled with production from the Mesquite Project and further wells on Rayburn suggest that net revenues to Strike Oil could be of the order of \$2 million per month by mid 2008.



### 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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### Duncan 2 and Gilbert Freeman 1 Production Facilities

Production facilities and flowlines are now being installed so that test gas from these wells can be transported to sales immediately. These production facilities should be in place during the current quarter. Once these facilities are in place this will accelerate the time it takes for further planned development wells to be tied in for production.

### Hlavinka-Duncan 1 Redrill

The Hlavinka-Duncan 1 redrill (Hlavinka-Duncan 1-R) is due to spud in early February following the completion of extensions to the existing pad. The well is located 9,700 feet (2,957 metres) north east of the Duncan 1 well and is programmed to a total depth of 12,600 feet.

The well will be evaluating both the new substantial gas zone penetrated in the initial Hlavinka Duncan 1 well at the Cook Mountain Formation and the primary objective Middle Wilcox zones penetrated in Duncan 1, Duncan 2 and Gilbert Freeman 1 wells.

Changes will be made to the casing programme to allow for the evaluation and protection of the potential pay sands within the Cook Mountain Formation prior to drilling the primary objective.

Strike Oil's Managing Director, Simon Ashton, commenting on the results stated that:-

*"The stabilised gas flow from the Duncan 1 well coupled with the drilling results from the other wells is very encouraging. The current drilling is focussed on achieving early cash flow. Reserves will be established progressively as the ongoing development drilling programme advances in the field. Three and possibly four additional development wells are planned to be drilled before the end of June 2008."*

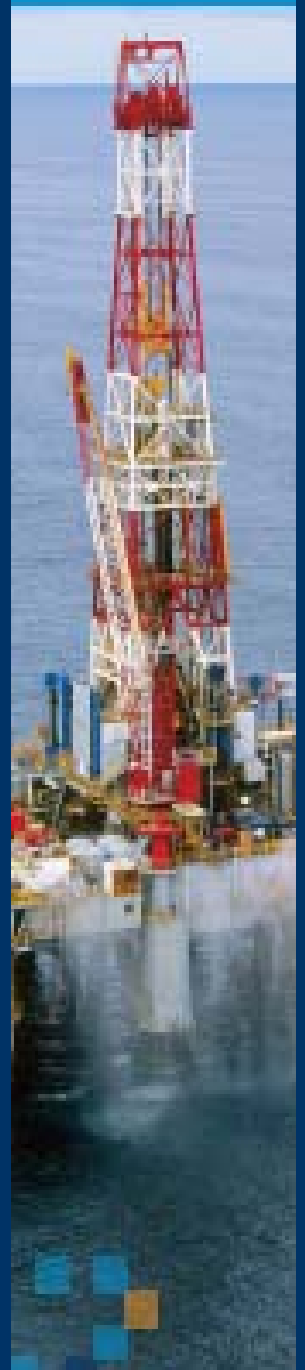
Yours faithfully

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

**SIMON ASHTON**  
Managing Director

*Further information:*

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