

The Company Announcement Officer
 Australian Stock Exchange Ltd
 via electronic lodgement

Southern Cooper Project – Independent Confirmation of Prospective Resource Potential

Strike Oil advises of continued progress in the evaluation of its Southern Cooper Project (PEL 96 permit) in South Australia, where Strike Oil is the operator and holds a 66.7% interest:

- Coal Seam Gas (CSG) Prospective Resource - independent review completed
- Tenders out for drilling
- Drilling planned for November/December 2009

CSG Prospective Resource - Independent review

An independent review of the CSG potential of PEL 96 has recently been completed with technical experts MBA Petroleum Consultants of Brisbane (MBA) confirming Strike Oil's Prospective CSG Resource in PEL 96, as tabulated below:

PEL 96 - PROSPECTIVE CSG RESOURCES

		Best Estimate	High Estimate
Total Joint Venture	Gas in Place (Pj)	7,425	18,562
	Prospective Resources (Pj)	3,712	9,281
Strike Oil Share	Gas in Place (Pj)	4,950	12,375
	Prospective Resources (Pj)	2,475	6,188

Pj = Petajoules

These Prospective CSG Resources are estimates of the un-risked potential in PEL 96. Prospective Resources under the SPE PRMS classification are as yet undiscovered and as such carry exploration risk.

Whilst previous petroleum drilling and interpretation of seismic surveys have confirmed the presence of thick and extensive coal seams, key attributes remain to be confirmed including gas content, gas composition and permeability, each of which are to be tested in the company's forthcoming drilling program.



OUR STRENGTHS

- Producer/explorer with strong cash flow
- Portfolio of large scale new energy supply options
- Experienced team
- Track record of discoveries
- Building on success

Further information:

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A successful drilling campaign may increase confidence that a substantial portion of the Prospective Resources can be realised which with sufficient volume may support significant power generation and LNG export development options, two examples of which are outlined below:

Development Option	Output	Required Gas p.a.	Required Gas Resource – 25 Year Life
Power Generation	200 – 250 MW	17 Pj	425 Pj
LNG Export *	1.6 Mt pa	96 Pj	2400 Pj

Note: * Equivalent to scale of Gladstone LNG project, proposed by Arrow Energy/LNG Limited

The Southern Cooper Project is traversed by Epic Energy's Moomba to Adelaide gas pipeline which is "open access" and has 55 Pj per annum (150 Terajoules per day) spare capacity. The pipeline together with other infrastructure in the area provides easy access to the eastern states gas market.

Underground Coal Gasification currently forms a secondary target. The potential of this resource will be evaluated after the drilling program when further data on the coals is obtained.

Tenders out for drilling – Planned to commence November/December 2009

The next stage of evaluation of the Southern Cooper Project will be the drilling of three wells which have been designed with the assistance of MBA to core the coal bearing formations to enable further analytical tests to evaluate their CSG potential.

Tenders have been called for drilling and associated services and a decision on the selected drilling rig will be made in the next two to three weeks.

This drilling program is scheduled to commence in November or December 2009, subject to regulatory approval.

Participants in the PEL 96 joint venture are:

- 66.7%: Strike Oil Limited (Operator)
- 33.3%: Australian Gasfields Limited (subsidiary of Energy World Corporation Limited)

Simon Ashton
MANAGING DIRECTOR

Southern Cooper Project (PEL 96)
location – Epic Energy's Moomba to Adelaide
gas pipeline traverses the permit

