

The Company Announcement Officer
Australian Securities Exchange
via *electronic lodgement*

Strong financial performance provides platform for growth

Strike Oil Limited announces its unaudited financial results for the 2009 financial year.

- \$41.2 million total revenue
- Oil and gas revenue up 128% to \$36.4 million
- Gross margin maintained at 60%
- \$24.5 million EBITDAX¹
- \$10.2 million net profit
- \$22.3 million annual operating cashflow
- \$13.3 million cash on hand at 30 June 2009

The company will release its full audited financial statements by the end of September.

The higher revenue reflected a 196% increase in gas production to 3.33 billion cubic feet (Bcf) (2008: 1.13 Bcf), and a 206% increase in oil production to 81,836 barrels (2008: 26,726 barrels), following the Company's highly successful 2008 exploration programme in its core US onshore Gulf Coast business.

Revenue protection

The Company has acted to secure its future revenues through a put option structure whereby it will receive a minimum US\$3.00/Mcf on forecast production for the period to June 2010. This provides a guaranteed floor price without limiting participation in future price increases.

Onshore Gulf Coast Reserves

An assessment of gas reserves at the Company's onshore US Gulf Coast operations completed as at 30 June 2009 resulted in a 17% increase in the Estimated Ultimate Recovery (EUR) of gas. This increase has more than replaced production for the six months to June 2009. The Company's reserves at 30 June 2009 were 7.47 Bcf and 170,000 barrels of oil.

Growth opportunities

"The Company's strong financial performance in 2008/9 has provided a solid platform to develop the growth projects within our asset portfolio," said Simon Ashton, the Company's managing director.

¹ EBITDAX is calculated as earnings before interest, income tax, depreciation, amortisation, exploration and restoration expenses.



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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These growth projects include the US exploration drilling programme which is scheduled to commence in November 2009, where the Company will continue its focus on high quality onshore Gulf Coast targets within its existing joint venture areas, with the possibility of expansion of the activities into new areas.

Mr Ashton added "In Australia we have several large projects advancing to critical stages of evaluation in new emerging plays including coal seam gas (CSG), coal to liquids (CTL) and underground coal gasification (UCG) in addition to our conventional plays".

In South Australia, Strike Oil has interests in two potentially state significant energy projects.

In the Southern Cooper Basin the Company is targeting start-up of drilling before the end of the calendar year to test the vast potential CSG resource in the PEL 96 permit (Strike Oil 66.7% owner, operator). The project features extensive thick coal seams in close proximity to Epic Energy's Moomba to Adelaide gas pipeline. Evaluation of the UCG potential in the permit is also proceeding.

The Company is also advancing its FuturGas Project (Strike Oil 100%) with the objective of producing ultra clean diesel and the potential for power, ammonia and methanol production. Low cost combustion and gasification trials conducted during the year have continued to deliver very promising results.

In the Carnarvon Basin, offshore Western Australia, the Company is close to extending the acreage of its Banyas prospect (Strike Oil 40%, operator) and progress is being made on securing a market for the Rivoli Gas field offshore from Exmouth.

"The 2010 financial year is shaping up to be significant for the Company. Strike Oil has an exciting and diverse range of growth options ahead of it and is in a sound financial position to advance these projects," Mr Ashton said.



Simon Ashton
MANAGING DIRECTOR

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