

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

ACTIVITIES UPDATE

Strike Energy Limited ("Strike" or "Company") provides the following update on its activities.

Cadlao Project, Offshore Philippines

Following completion of its due diligence investigation of the Cadlao oilfield, the Company has advised Blade Petroleum Limited ("Blade") that Strike will not exercise its right to acquire Blade as announced to ASX on 16 December 2009.

The due diligence studies undertaken by Strike confirmed the Cadlao oilfield as an attractive opportunity but concluded that it is an opportunity most appropriately pursued by Strike through a conventional farm-in arrangement.

Strike and Blade have agreed to continue discussions to determine a satisfactory farm-in arrangement. These discussions will be run in parallel with ongoing technical and commercial evaluation of the Cadlao opportunity.

USA Onshore Gulf Coast

The Gardner Duncan 1 gas discovery well on the Louise Prospect has been successfully cased in preparation for testing. Activity is now underway to install production facilities and negotiate a sales contract prior to testing the well to sales. Gas sales are anticipated to commence in four to six weeks. Typical flow rates in nearby analogue wells are in the range of two to five million cubic feet (MMcf) of gas per day.

Preparations are underway to commence drilling of the next exploration well, on a Gulf Coast 100 Bcf scale prospect, which could spud before the end of March. Further information on this prospect will be provided closer to spud date.

Southern Cooper Basin Coal Seam Gas (CSG) Drilling

Drilling at the Southern Cooper CSG Project has been further delayed by unusually high rainfall and flooding in the Moomba region, which has delayed completion of roadworks to the selected drill site.

OUR STRENGTHS

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

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ASX Announcement



Strike Energy Limited

ABN 59 078 012 745

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Roadworks may recommence within one to two weeks, dependent on further rainfall. It is expected that drilling could start within a month of recommencement of roadworks.

Background on Strike Energy

Strike is an active ASX-listed oil and gas exploration and development company with high-margin production from its proven reserves and substantial growth potential from its highly prospective exploration acreage in Australia and USA.

In USA, the Company currently produces approximately 700 barrels of oil equivalent per day from its interest in two fields in Texas and is undertaking an ongoing exploration program to expand this successful position.

In Australia, the Company holds an extensive strategic ground position in the Southern Cooper Basin, for coal seam gas and conventional prospects and in the Carnarvon Basin for shallow water oil and gas prospects.

Yours faithfully

SIMON ASHTON
Managing Director

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