

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

EXTENSIVE DRILLING PROGRAM SET TO START ON GULF COAST, TEXAS

Highlights

- Two rigs contracted for a new three-well exploration program
- Drilling scheduled to commence within one week
- Combined prospectivity of three new wells is up to 350 Bcf
- US drilling program on track for up to ten wells in 2010, offering investors significant exposure to exploration in proven world-class petroleum province

Strike Energy Limited (ASX:STK) is pleased to announce that the Eaglewood Joint Venture (Strike 30%) is due to commence a significant drilling program in the onshore Gulf Coast, Texas.

Details of the first three wells are set out below:

Prospect	First Well	Estimated Drill Start
Homestead	Muegge No 1	Early April
Pathfinder	Starnes No 1	Mid April
Deerslayer	(To Be Announced)	June/July

Total Prospective Resource 350 Bcf (Recoverable)

Two drilling rigs have been contracted to drill the first two prospects simultaneously.

All prospects are in the Wilcox trend onshore Texas where Strike has experienced three successes (the Mesquite, Rayburn and Louise discoveries) from five exploration wells to date.

All prospects are conventional onshore Gulf Coast opportunities which have been selected as commercially attractive at gas prices in the \$3 to \$4/mcf price environment indicating their robust economic nature.

In addition to the three new exploration wells, the Eaglewood Joint Venture is preparing to drill several other prospects as part of the program for 2010.

OUR STRENGTHS

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

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Louise Production Facilities

The installation of production facilities at the recent Louise gas discovery is nearing completion with the finalisation of tie-in arrangements to nearby pipeline infrastructure.

Production testing and sales of gas will commence once the pipeline infrastructure has been installed.

Strike Managing Director Simon Ashton said the Company was about to embark on an extensive exploration program which offered investors substantial upside.

“The recent successful Louise discovery, where the initial well is expected to produce between two to five million cubic feet (MMcf) of gas per day, highlights the substantial potential of the onshore Gulf Coast prospects,” Mr Ashton said.

“Now Strike is pushing to expand its Gulf Coast business with an aggressive exploration drilling program that includes three new wells which will be drilled or commenced by June 2010 as part of an overall ten well programme in 2010.

“Our 30 per cent stake in the next three prospects represents in the order of 100 Bcf of gas to Strike, which is a ten-fold increase on our current reserve position and confirms the significance of this opportunity to the Company.”

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 the USA.

In the USA, the Company currently produces gas and oil-condensate 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

Further information:

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