

The Company Announcement Officer
Australian Securities Exchange Ltd
via electronic lodgement

TEXAS DRILLING UPDATE

Strike Energy (ASX: STX) provides the following update on its drilling operations in the USA.

TEXAS

Muegge 1 well

The Muegge 1 well (Strike WI 30%) on the Homestead prospect has reached its total depth of 4,160 metres (13,650 feet). Gas shows were encountered in the Wilcox formation. The interpretation of mud log and wireline log data is inconclusive. The well is now being suspended pending further evaluation.

Steindorf 1 well

A decision is yet to be made on the timing of the drilling of the Steindorf 1 well (Strike WI 30%) on the Deerslayer prospect, however it is anticipated to spud this quarter.

Background on Strike Energy Limited

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 approximately 600 barrels of oil equivalent per day from its interest in three 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. It also controls a large "above ground" coal gasification project in South Australia.

Yours faithfully



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OUR STRENGTHS

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

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