

The Company Announcement Officer
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via electronic lodgement

STRIKE OIL ADDS NEW US GULF COAST ACREAGE, ACCELERATES EXPLORATION

Strike Oil ("Strike" or "the Company") advises of substantial progress in accelerating and expanding its US Gulf Coast activities.

- **Field production has been brought up to 25 mmcf of gas and 520 barrels of oil-condensate per day or 3,020 barrels of oil equivalent (boe) per day (Strike's share 5.75 mmcf, 125 barrels per day or 700 boe per day).**
- **A new onshore Gulf Coast exploration joint venture has been entered into with drilling to commence in December 2009.**
- **The first well in a new round of drilling by Strike's existing Eaglewood Joint Venture is due to spud in January/February 2010.**
- **Strike is now set to participate in up to 10 wells in the US for 2010.**

Production Update

Production at both the Mesquite and Rayburn projects has now been brought up to 25 mmcf of gas and 520 barrels of oil-condensate per day following the September-October cut back in production due to maintenance downtime and low prices.

Strike's share of this production is 5.75 mmcf and 125 barrels per day (or 700 barrels of oil equivalent per day), providing gross revenue at current prices of approximately \$1 million per month.

New Exploration Joint Venture Signed

Strike has entered into a second (i.e. in addition to the Eaglewood Joint Venture in Texas) joint venture agreement with Houston based private entity, Texana Resources Partners Ltd (Texana), to participate in further low risk exploration opportunities in the onshore Gulf Coast region.



OUR STRENGTHS

High margin producer

Multiple large scale growth options

Experienced team

Long term track record of success

Strike has previously worked with Texana as a fellow participant in the Eaglewood Joint Venture. Strike will invest alongside Texana in a specific area of the onshore Gulf Coast in Louisiana.

The first well in the program, where Strike has the opportunity to earn a minimum 12% working interest, is likely to commence in December 2009 with the potential for up to three additional wells in 2010. This program coupled with the Eaglewood Joint Venture drilling could see Strike participate in up to ten wells in calendar year 2010.

The program has many similar characteristics to the Eaglewood Joint Venture with the potential for very rapid commercialisation of discoveries and early payout.

Eaglewood Joint Venture Drilling

The first well in a new round of drilling by the Eaglewood Joint Venture is due to commence in late January/February 2010. This marks the recommencement after a break of around 12 months in the successful Wilcox Formation drilling program, which resulted in the Mesquite and Rayburn discoveries (delivering a combined estimated ultimate recovery of 71 Bcf of gas).

The new drilling program will take advantage of improved oil and gas prices and very competitive drilling costs, which have dropped substantially in the last 12 months. Strike will have a 30% interest in this drilling.

Details on the individual prospects will be released closer to spud dates.

Strike's Managing Director, Simon Ashton, commenting on the new deal said:

"The addition of a new joint venture with Texana will expand our current profitable US business and expose the Company to an increased inventory of high quality gas exploration prospects. It is Strike Oil's strategy to continue to pursue additional joint ventures as a mechanism for accelerated growth in the US"

Yours faithfully

A handwritten signature in black ink, appearing to read "Simon Ashton".

SIMON ASHTON
Managing Director

Further information:

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