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Via Electronic Lodgement

WEEKLY OPERATIONS UPDATE

Strike Oil is pleased to announce the following update on drilling activities in the USA and Australia.

HIGHLIGHTS

- **Preparing to run 7-5/8 inch casing liner prior to drilling ahead into the main objectives in the McGall 1 well, Gulf Coast, Texas, 200 Bcf prospect.**
- **First Cooper-Eromanga Basin well, Kewarra 1, SW Queensland preparing to spud today.**

Gulf Coast, Texas

McGall 1 well: Flint Prospect, Fort Bend County

(Strike Oil, 25% Working Interest. Operator, Cypress E&P Corporation)

Current operation on 28 March 2007 (27 March, Texas Time) was conditioning the hole prior to running the planned 7-5/8th inch casing liner to the current drilled depth of 14,445 feet (4,403 metres) before drilling ahead into the primary targets.

Initial interpretation of the wireline logs run to the current depth indicates that the high gas readings recorded while drilling the shallow intervals are non-reservoir rock formations overlaying the main objectives.

The high gas readings and associated high pressures in the shallower section above the main objectives are encouraging for the deeper primary targets which are productive in the nearby wells.

Drilling is expected to recommence at the beginning of next week once the 7-5/8 inch liner has been set.

Proposed total depth is 16,500 feet (5,030 metres) measured depth.

The well is targeting a large gas prospect in the order of 200 billion cubic feet of gas potential in the Wilcox Formation.

Cooper-Eromanga Basin, Queensland

Kewarra 1: ATP633P

(Strike Oil: 15.00% Working Interest. Operator: Beach Petroleum, 85% Working Interest)

Strike Oil has been advised by the operator that the Kewarra 1 well is expected to spud today, Wednesday 28 March 2007.

The well has multiple targets including the Hutton and Patchawarra sands with a potential for around 0.7 million barrels of recoverable oil and is programmed to drill to 1600 m.

Strike Oil will report its Weekly Operations Updates each Wednesday, unless otherwise warranted, while drilling operations are in progress.

Yours faithfully,



SIMON ASHTON
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