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6 October 2006

Australian Stock Exchange Ltd
Via Electronic Lodgement

TOW CREEK OPERATIONAL UPDATE

The Operator, Comet Ridge Limited released the following Operational Update on the Tow Creek project in the Rocky Mountains region of the USA (see attached).

Strike Oil Limited has a 37.5% Working Interest in the Tow Creek project.

Strike Oil Limited does have an 8.9% shareholding in Comet Ridge Limited.

Yours faithfully

SIMON ASHTON
Managing Director - Strike Oil Limited

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**COMET RIDGE LIMITED
ASX ANNOUNCEMENT
7 October 2006**

The Company Announcements Officer
Australian Stock Exchange Limited Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

**TOW CREEK PROJECT, ROUTT COUNTY, COLORADO
OPERATIONAL UPDATE**

The Directors of Comet Ridge Limited (ASX Code: COI) are pleased to provide the following operational update for the Coal View Unit 31-4 well on the Tow Creek prospect in Routt County, Colorado.

A "spudder" rig (see photo) moved on location on 28 September 2006 and drilled a 36 inch hole to 60 feet (17m) where 20 inch surface casing was set.

Comet Ridge USA has all requisite permits and surface use agreements in place and is now waiting on a full size rig to drill the well. The Company is in the process of evaluating expressions of interest from three separate drilling contractors who have indicated that they can provide suitable drilling equipment within a month.

The well will be drilled vertically to a measured depth of 3,785 feet (1,154m). The well will then be directionally drilled to 4,900 feet (1,493m) and at which point 7" intermediate casing will be set. The well will continue to be directionally drilled due south reaching thirty-eight degrees from vertical to a total measured depth of 6,600 feet (2,011m). The bottom hole location will be approximately 1,500 feet (457m) from the surface location.

The well is designed to test three separate reservoir intervals in the Cretaceous Niobrara Formation on the eastern flank of the Tow Creek anticline. The directional design of the well bore is to maximize the probability of encountering essentially vertical fractures in each of the horizons (see figure 1). The well will be drilled with a special aerated drilling mud system designed to minimize hole problems and also to limit the amount of mud lost into the anticipated fractures.

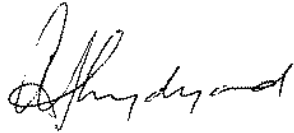
The well is targeting reserves between 200,000 and 400,000 barrels of recoverable oil with upside potential in excess of 500,000 barrels of oil. The well will be drilled a short distance away from a well that initially flowed over 50 BOPD from the uppermost (lower quality) reservoir target but did not penetrate the second and third horizons. These reservoirs are a little unusual in that the reservoir drive mechanism is gravity drainage. This fact means that the 31-4 well can, in a success case, capture a significant volume of oil stored further up structure from it.

Comet Ridge is using pre-existing roads and an old well location thus saving capital dollars and minimizing the impact of the drilling operation on the environment.

Further announcements will be made once a rig has been secured and operations re-commence.

Comet Ridge USA Inc is the operator of the well with a 37.5% working interest. Its partners are Colorado Strike Corporation (a wholly owned subsidiary of Perth based and ASX listed Strike Oil Limited (ASX Code: STX) with 37.5% and a privately held US exploration company which holds the remaining 25%.

Yours sincerely



ANDREW LYDYARD
Managing Director
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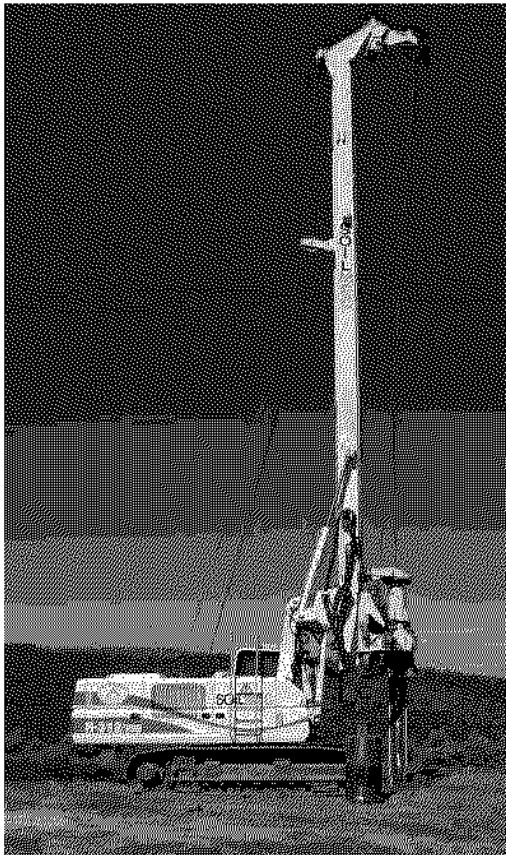


Photo: "Spudder" Rig on
Coal View Unit 31-4 Location

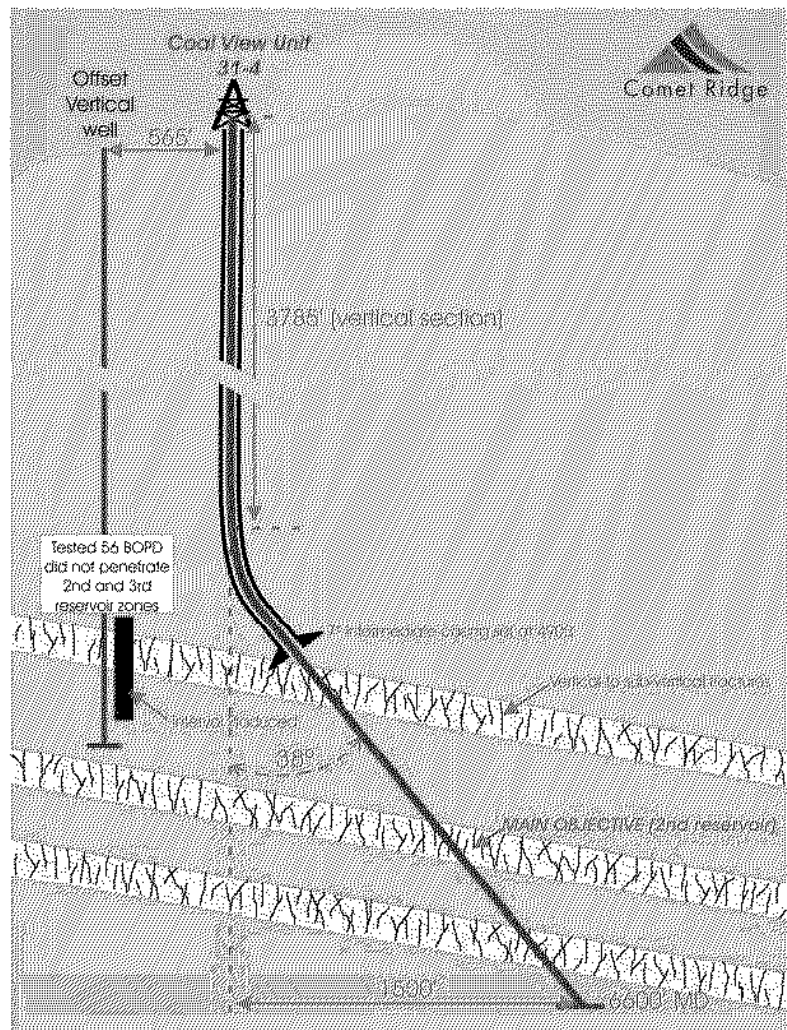


Figure 1: Coal View Unit 31-4 – Subsurface Schematic