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4 July 2007

Australian Stock Exchange Ltd
Via Electronic Lodgement

OPERATIONS UPDATE

Strike Oil announces the following update on activities in the USA.

Gulf Coast, Texas

Rayburn Prospect, Duncan 1 well, Wharton County
(Strike Oil: 22.8% working interest. Operator: Cypress E&P Corporation)

The Duncan 1 well is being drilled to test the Rayburn Prospect in Wharton County, Texas.

At the time of reporting (3 July 2007, Texas time) the well was drilling ahead at a depth of 15,105 feet (4,604 metres). At current drilling rates the deep target objectives are likely to be intersected within a week.

Zones of interest with elevated gas readings were drilled during this reporting period and will be evaluated by wire-line logging after the well has reached total depth, around 16,500 feet (5,030 metres). These zones of interest are in addition to the potential pay zone previously reported in the shallow Wilcox section and which is now secured behind casing for flow testing at the completion of the well.

The Rayburn Prospect has potential for 500 billion cubic feet gas in the Wilcox Formation, including the same horizons currently producing at the Mesquite Prospect.

Colorado

Florence Project, Fremont County
(Strike Oil: 39% working interest. Operator: Comet Ridge USA Inc.)

Strike Oil has been advised by the operator that acquisition of the Florence 3D seismic survey is continuing with approximately 85% of the survey acquired.

The operator has also advised that the shows in the nearby Mountain Petroleum Corporation West Florence 1 well will be tested later this month. Furthermore, Comet Ridge has stated that the announced gas shows and interpreted pay from wireline logs in the Muddy and Dakota Sands in this well add considerable exploration potential to the approximately 7,500 acres (30 square kilometres) controlled by the Comet Ridge operated joint venture in which Strike Oil has a 39% interest. Refer to the attached ASX release made by Comet Ridge on 4 July 2007 for more details.

Strike Oil will make weekly Operations reports each Wednesday, unless otherwise warranted, while operations are in progress.

Yours faithfully

SIMON ASHTON
Managing Director - Strike Oil Limited

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By Electronic Lodgement

Operations Update
Florence Project, Colorado, USA

Highlights

- **Florence 3D seismic survey ~85% complete**
- **Strong oil and gas indications and interpreted gas pay zones reported**

The directors of Comet Ridge Limited advise that completion of the 8 square mile three-dimensional (3D) seismic survey being acquired over the Florence project in Fremont County, Colorado (Figure 1) has been delayed by a week or so due to summer thunderstorms and wind. The survey is approximately 85% complete.

Strong wind noise impacts the sensitive seismic recording instruments to such an extent that recording becomes impractical. The focus of the acquisition crew is to acquire good quality data so progress of the survey has been slower than expected. The completed survey will cover a significant part of the old Florence oil field and will overlap a smaller survey shot by the Company's US partners in 2004. The seismic data is expected to provide a critical sub-surface view of fracture patterns that control oil production from the target Pierre and Niobrara Formations and also insight into deeper potential reservoirs.

Once acquisition is complete, the new data will be processed and merged with the existing data for interpretation and prospect generation. Drilling is expected to commence in the 4th quarter of 2007.

Pay Reported in Competitor Well

ASX announcements made by a number of Australian competitors, advise that the Mountain Petroleum Corporation, West Florence-1 well, drilled approximately 2 miles (3 kilometres) west of Comet Ridge's acreage (Figure 2), will be production tested in late July.

ABOUT COMET RIDGE

Comet Ridge is an Australian-listed oil and gas explorer transitioning to producer with projects in the USA & Australia

The Company's strategy is to capture meaningful interests and, via operatorship, control of large acreage positions covering high potential impact oil and gas opportunities, in both mature fields and in proven, but overlooked, basins

Comet Ridge is capitalising on its local experience in the USA through development of its Pacific Northwest & Rocky Mountain projects

Comet Ridge is also advancing a number of key projects in Australia

USA
Pacific Northwest
• Grays Harbor (COI: 100%)
• Cedar Creek/Vader (40%)
Rocky Mountains
• Tow Creek (37.5%)
• Bear River (33.75%)
• Florence (39%)

AUSTRALIA
Queensland
• Mahalo (40%)
• Galilee Basin (100%)
New South Wales
• Gunnedah Basin (20 – 25 %)

ASX Listed: .... 19 April 04
Shares on issue: .... 104 million
Unlisted options: .... 8 million
Top 20: 44%
Directors: 12%

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Casing was run in the hole to 1,956 metres (6,417 feet) following "good" mud log gas shows in the Muddy J and underlying Dakota sands. The show interval is reported to be 53 metres (174 feet) thick and wire line logs indicate 7.6 metres (25 feet) of net gas pay with "fair to good" porosity.

Additional oil shows were observed in the Codell Formation sand and over "large gross intervals in the secondary target Niobrara Formation and the Pierre Shale."

The gas shows and logged pay in the Muddy J and Dakota sands add considerable exploration potential to the approximately 7,500 acres (30 sq km) controlled by Comet Ridge and its joint venture partners. Mountain Petroleum estimates prospective gas resources of between 100 and 200 BCF in the Muddy J and Dakota sands and an additional 15 million barrels of oil in the shallower Codell, Niobrara and Pierre Formations. The presence of extensive Niobrara and Pierre Formation oil shows, which are Comet Ridge's main targets, is very encouraging.

Comet Ridge is operator of the project with a 39% working interest.

ANDREW LYDYARD
Managing Director
Comet Ridge Limited

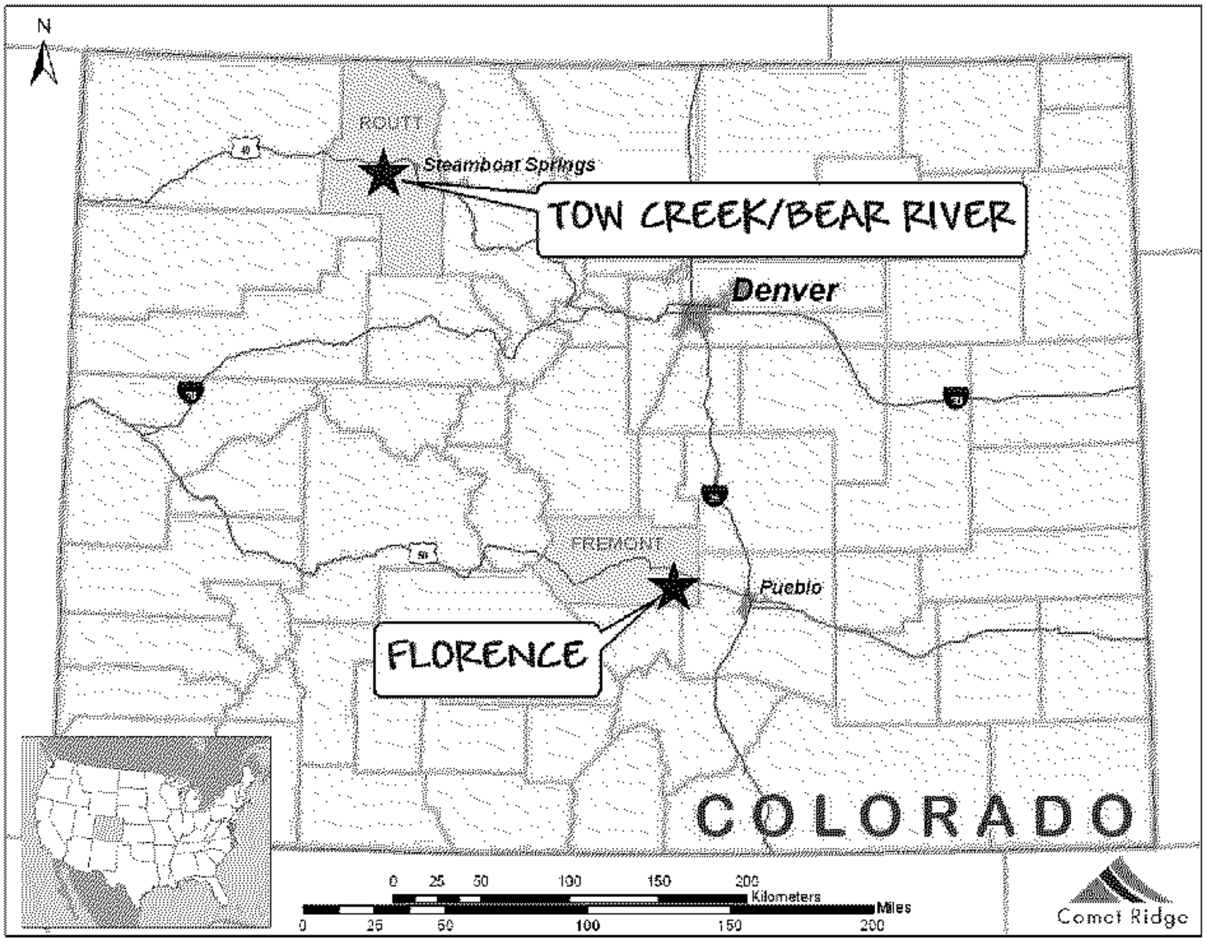

Figure 1 – Location of Florence and Tow Creek Projects, Colorado

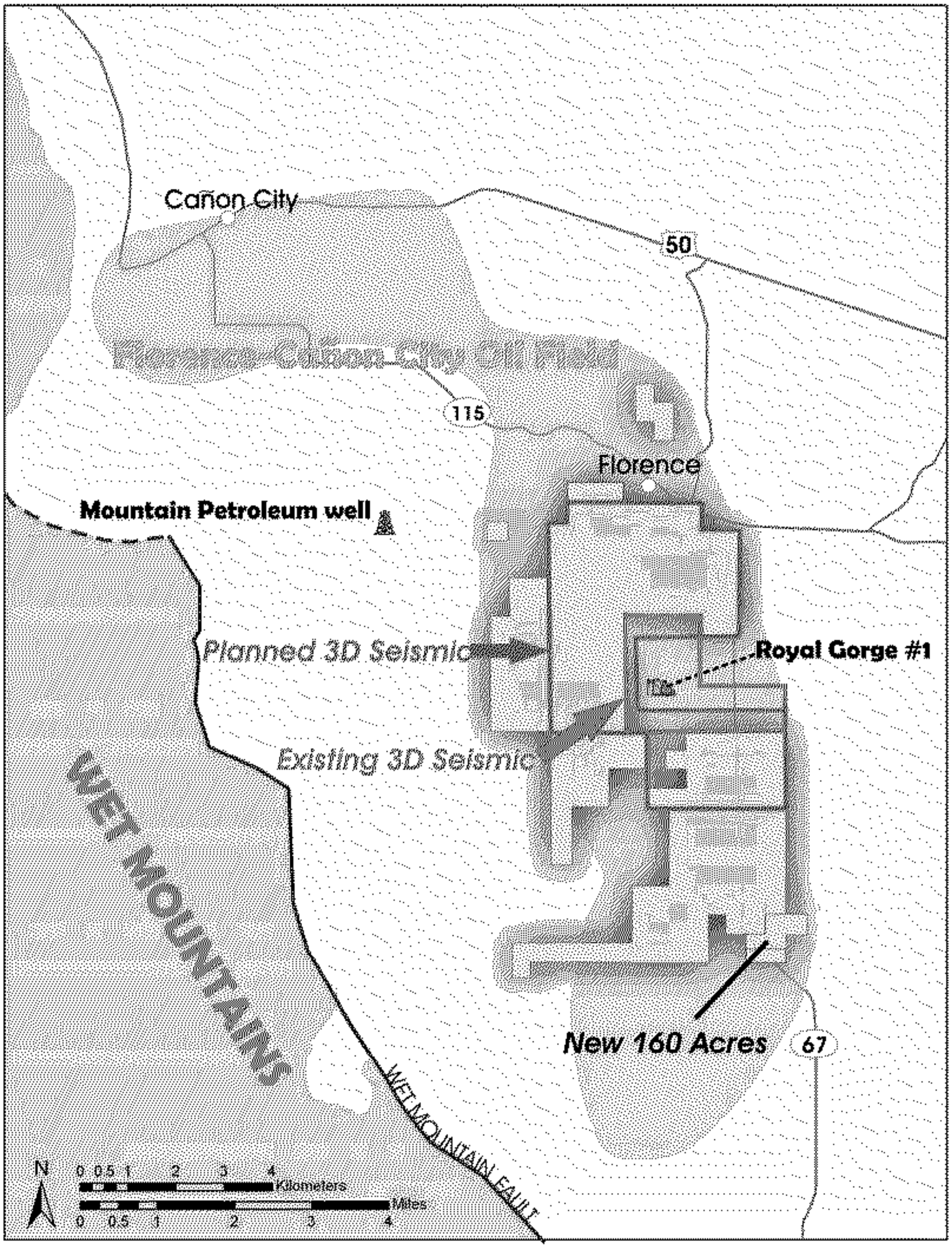

Figure 2. Location Map showing Comet Ridge leasehold position over the Florence oil field, the outline of the 3D seismic survey and the location of the Mountain Petroleum West Florence-1 well.