



ABN 59 078 012 745

STRIKE OIL LIMITED
Level 9, Wesfarmers House
40 The Esplanade
Perth Western Australia 6000

Phone: 61 8 6464 0400
Facsimile: 61 8 6464 0401
Email: strike@strikeoil.com.au
www.strikeoil.com.au

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Australian Stock Exchange Ltd
Via Electronic Lodgement

FEASIBILITY OF RIVOLI GAS FIELD DEVELOPMENT UNDER REVIEW

Strike Oil, Operator of Carnarvon Basin Permit EP325, is pleased to announce:

The Commonwealth of Australia, represented by the Department of Defence, has commissioned Strike Oil (Strike) to undertake a Front End Engineering Design (FEED) Study to investigate the feasibility of supplying gas from the Rivoli Gas Field, located 7 km southeast of the town of Exmouth, to fuel power generation for the Defence Communication Station located north of the town (see map below). If approved for development, Strike Oil will manage and operate the project and first gas sales would be anticipated some time in 2009.

As envisaged, the project will provide around 8 PJ (petajoules) of gas over a period of 20 years and will replace the diesel fuel currently used to generate power for the Station. As a remote power project, the gas price would need to be sufficient to underwrite the development and operating costs as well as be competitive with the current delivered price of diesel.

Commenting on the project, Strike's Technical Director, Jim Durrant, said:

"The establishment of Production Infrastructure in this permit will provide an incentive for further exploration drilling of nearby oil and gas prospects and herald a renewed focus and a new round of activity over all of Strike's extensive Carnarvon Basin acreage. Strike's prospective permits in the area contain numerous prospects, including the Baniyas Prospect, with upside potential to 60 million barrels of oil or over 100 BCF of gas, which have been developed for a new drilling campaign being put together for the second half of next year. To this end, Strike is looking at lining up a number of prospects and a drilling program to underwrite the importation of a smaller offshore drilling unit more appropriate to the shallow water areas of Strike's acreage, than the large and expensive deep water rigs currently drilling in the region".

The Rivoli Gas Field, in Western Australia Permit EP325, is located in the Carnarvon Basin on the Australian North West Shelf.

Permit EP325 working interests are as follows:

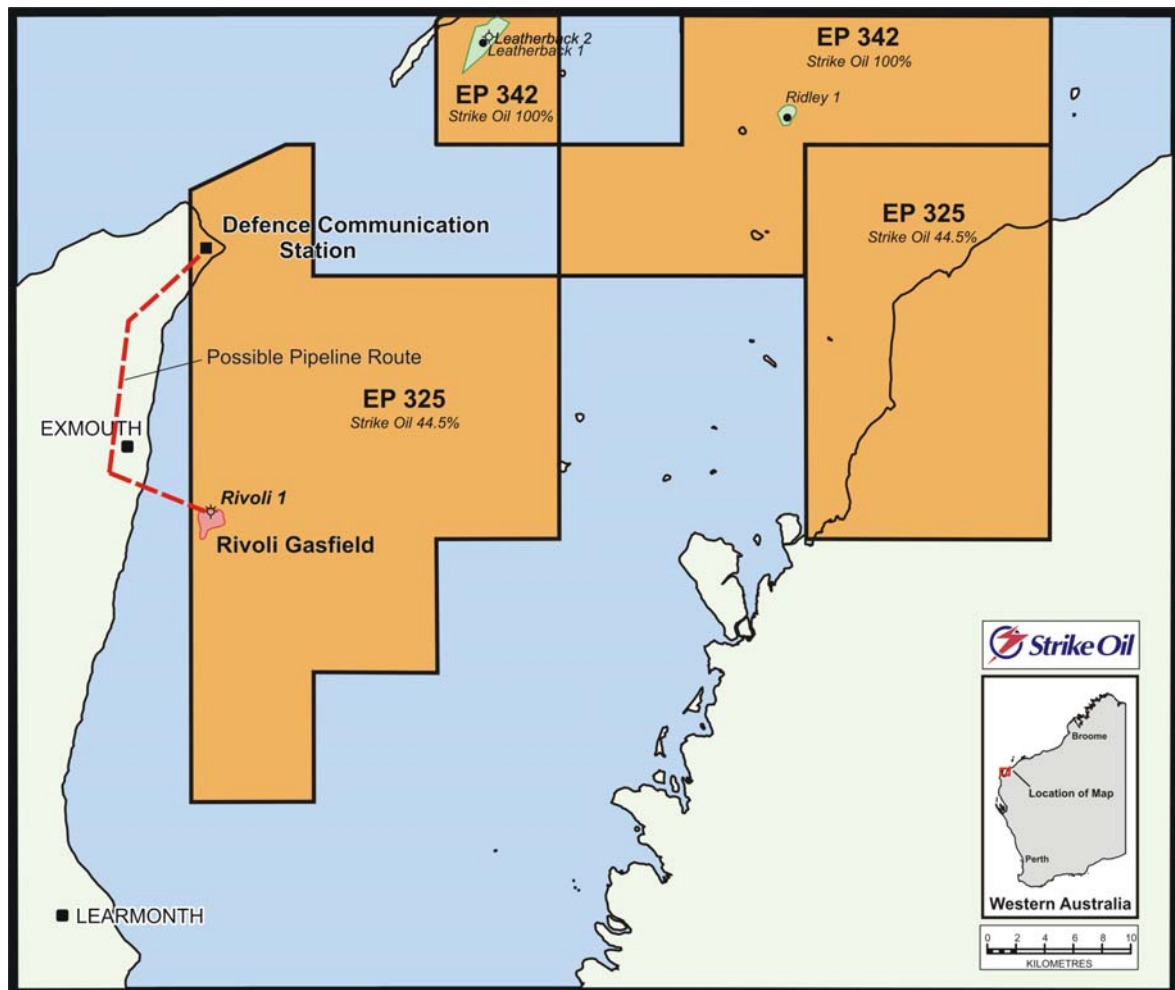
Strike Oil: 44.5% (Operator)

Victoria Petroleum: 36.1%

Bow Energy: 11.1%

Advent Energy: 8.3%

PROPOSED RIVOLI GAS FIELD DEVELOPMENT



Yours faithfully

SIMON ASHTON
Managing Director - Strike Oil Limited

Further information:

Strike Oil Limited
Jim Durrant – Technical Director
T: 08 6464 0400
E: strike@strikeoil.com.au