STRIKE
RESOURCES LIMITED

14 March 2008

ASX Limited
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

Attention: Mr Ben Donovan
Senior Adviser, Issuers (Perth)
By Email: ben.donovan@asx.com.au

Dear Mr Donovan,

RESPONSE TO ASX RE 54% PRICE INCREASE

We refer to ASX's query on the 54% increase in the price of the Company's listed shares (**SRK**) from \$1.495 on 25 February to \$2.30 on 13 March 2008 and respond as follows:

1. *Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?*

Yes.

(a) The Company has, over the past several months, conducted detailed negotiations with certain parties for:

(i) the potential sale of all or part of the Company's iron ore interests in Peru; and/or

(ii) a potential investment into the Company's iron ore projects in Peru.

The size or quantum of such transaction is significant and, if finalised, would value the Company's interests in these iron ore projects at an amount substantially greater than the Company's current fully diluted market capitalisation of A\$254 million (at the last traded price of \$2.38 as at 13 March 2008).

(b) The Company is also currently in preliminary discussions with steel mills in China and Japan in relation to these mills securing iron ore off-take agreements from the Company. No final agreement has been reached between the Company and any of these parties. There is no assurance that a final agreement will be reached between the parties on terms satisfactory to all parties.

(the "**Information**")

2. *If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?*

No.

The discussions and negotiations are confidential and are on-going. No final agreement has been reached between the parties. There is no assurance that a final agreement will be reached between the parties on terms satisfactory to all parties.

3. *Is there any other explanation that the Company may have for the 54% increase in its share price over the above period?*

The Company advises of the following matters:

(a) On 13 February 2008, the Company presented at BBY's inaugural Dubai conference as part of a programme introducing Australian iron ore, gold and petroleum/gas companies to fund managers. BBY is an Australian firm with a global reach with offices in Sydney, Melbourne and London and has US investment bank Jefferies & Co Inc as an equity partner. BBY's core businesses include corporate finance, research, sales and trading and asset management.

(b) On 18 February 2008, it was reported that Brazilian mining group Vale (formerly CVRD) had reached agreement with Japanese and Korean steelmakers for a 65% increase in iron ore prices. This has been reported as being substantially higher than the increase expected by many observers and as setting a benchmark for contracts between other miners and customers during 2008. This has caused positive market sentiment generally for companies in the iron ore sector in Australia;

(c) There was a feature article on Strike in the March 2008 edition of Australia's Paydirt Magazine titled "Iron clad future for Strike in Peru." This edition was included in materials provided to delegates attending the 11th Annual Global Iron Ore & Steel Conference held in Perth on 11 to 14 March 2008;

(d) On 12 and 13 March 2008, the Company completed investor presentations in New York organised by BBY.

4. *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1 concerning the Company's continuous disclosure obligations.*

ASX Listing Rule 3.1 requires that when the Company is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of its securities, the Company must immediately tell ASX that information. Listing Rule 3.1A provides for certain exceptions to Listing Rule 3.1.

In the circumstances of the Company, the Company considered the discussions and negotiations with parties referred to in the Company's response to Question (1) above were within the Listing Rule 3.1A exceptions in that:

(a) a reasonable person would not (given the current status of the discussions and negotiations) expect the Information to be disclosed;

(b) the Information was confidential;

(c) The Information concerns an incomplete proposal or negotiation.

The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1 concerning the Company's continuous disclosure obligations.

Yours Faithfully,

Victor Ho
Executive Director and Company Secretary

ASX
AUSTRALIAN SECURITIES EXCHANGE

ASX Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box D187
Perth WA 6840

Telephone 61 (08) 9224 0025
Facsimile 61 (08) 9221 2020
Internet http://www.asx.com.au

13 March 2008

Mr Victor Ho
Company Secretary
Strike Resources Limited
Level 14
The Forrest Centre
221 St Georges Terrace
PERTH WA 6000

By Facsimile: (08) 9322 1515

Dear Victor,

Strike Resources Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from $1.495 on 25 February 2008 to $2.30 today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on **facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 7.30 a.m. WST tomorrow Friday 14 March 2008.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Ben Donovan
Senior Adviser, Issuers (Perth)

Direct Line: (08) 9224 0025