STRIKE
RESOURCES LIMITED

Friday, 18 July 2008

MARKET ANNOUNCEMENT

UPDATE - STRIKE´S INTEREST IN PERUVIAN IRON ORE ASSETS

Peruvian Judiciary confirms inapplicability of "judicial precautionary measure" to Strike´s right to exercise its options to move to 51% direct interest in flagship Peruvian iron ore assets.

Strike is pleased to announce that it has been informed by Apurimac Ferrum S.A. (**AF**) that the Peruvian Judiciary has formally notified AF that the judicial precautionary measure (**JPM**) requested by D&C Group is inapplicable to, and does not affect in any manner whatsoever, the exercise of the options effected by Strike on 29 May 2008 to purchase an additional 38.5% interest in AF (**Options**).

As stated by Strike in its market announcement on 2 June, exercising the Options gives Strike a 51% direct interest in AF.

As previously announced, Strike also holds a 70% shareholding in Iron Associates Corporation (**IAC**) which it acquired from MAPSA and its shareholders in February 2007 (**IAC Transaction**). IAC´s sole asset is a 24.5% shareholding in AF. Strike´s indirect holding in AF, through IAC, equates to a 17.15% interest in AF. In this regard, Strike has also been informed by AF that the IAC Transaction has been temporarily suspended by the JPM, however, Strike continues to hold the majority of AF through its 51% direct interest in that company.

In its market announcement dated 18 June 2008 Strike stated that, to the best of its knowledge, D&C had failed to commence arbitration which, under the AF Shareholders Agreement, is the appropriate forum to conclusively deal with the substance of its claims (namely that the IAC Transaction violates the AF Shareholders Agreement and that Strike's exercise of the Options is invalid). Strike confirms that, as at the date of this announcement, it has still not even been served with an arbitration request filed by D&C.

As announced on 18 June 2008 and in the absence of any definitive action by D&C, Strike has filed its own arbitration request seeking a final declaration that the IAC Transaction remains valid and binding on the parties and, accordingly, reaffirming its additional 17.15% interest in AF through IAC, and a final declaration as to the validity of the exercise of the Options.

Strike is awaiting confirmation of the formation of the arbitration panel of three (3) members, who will then set a timetable for the future conduct of this action.

For further information:

John Stephenson
Chairman
T **|** (08) 9214 9700
E **|** jstephenson@strikeresources.com.au

Shanker Madan
Managing Director
T | (08) 9214 9700
E | smadan@strikeresources.com.au