Strike Oil

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Australian Stock Exchange Ltd
Via Electronic Lodgement

2006 PROGRAM UPDATE

Strike Oil is pleased to announce that significant recent advancements are being made in its four core areas of activity which will result in a very active 2006 drilling year of between 12 and 20 wells drilled.

The likely number of wells by core area and significant recent achievements contributing to this program are summarized:-

Gulf Coast Texas, USA
- Gas discovery at the Shefcik 1 well which is completed for production and currently awaiting testing.
- The nearby adjacent Webernick 1 well is currently drilling the primary objectives.
- 5 to 10 wells planned in 2006.

Rocky Mountains, USA
- Increased interest from 25% to 37.5% in the Tow Creek, oil redevelopment project.
- Additional leasing in progress.
- 2 to 3 wells planned in 2006.

Carnarvon Basin, Australia
- Major new seismic acquisition completed in nine separate permits.
- 3 to 4 wells planned in 2006.

Cooper Eromanga Basin, Australia
- Farmout of two South Australian permits.
- Native Title progress.
- 2 to 3 wells planned in 2006.

The above activities will pave the way for the 2006 drilling program to take place across a spectrum of prospects with varying risk profiles from development wells to higher risk/reward exploration wells.

Please refer to the attached "Shareholder Update".

Yours faithfully

SIMON ASHTON
Managing Director - Strike Oil Limited

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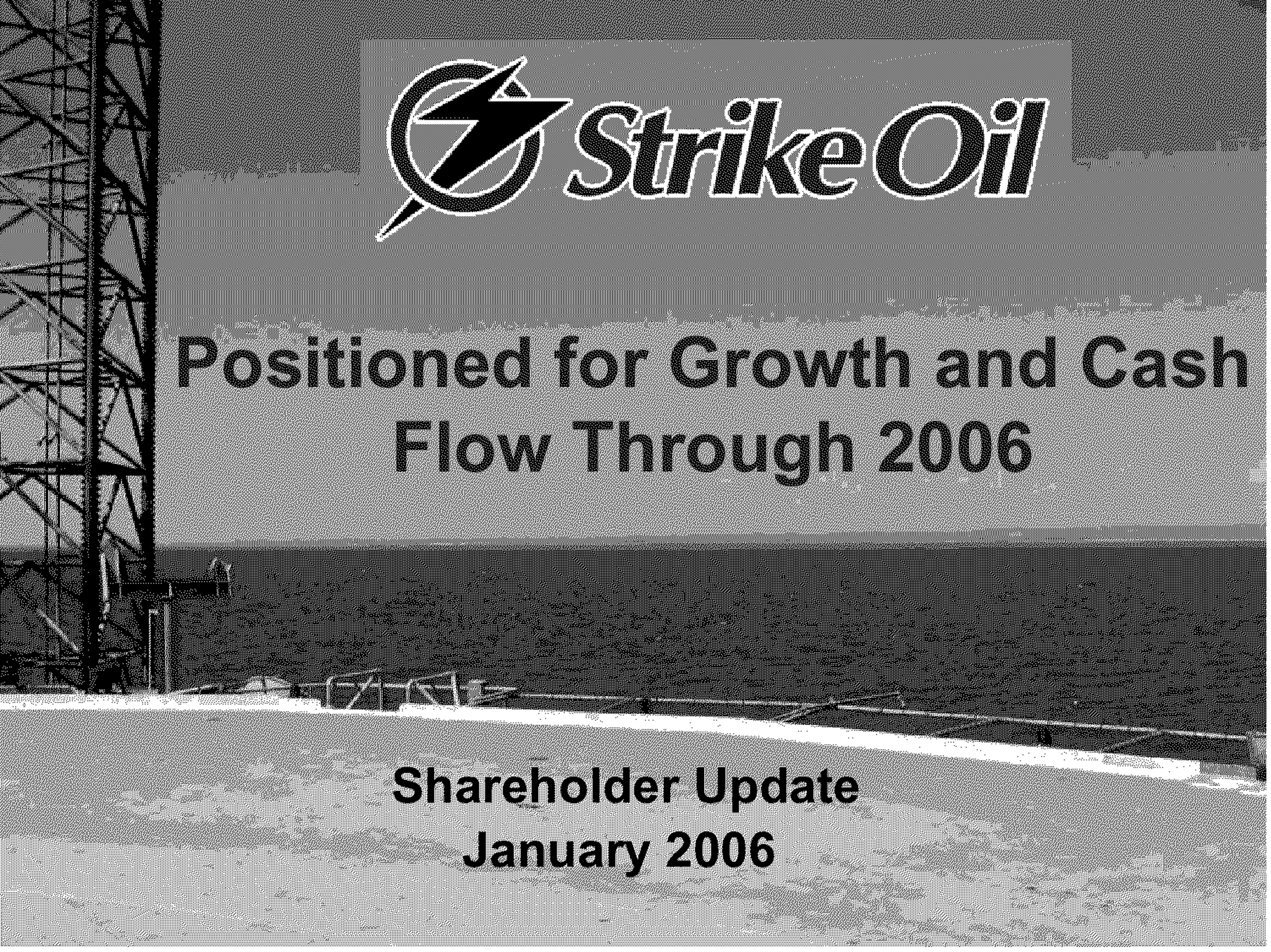
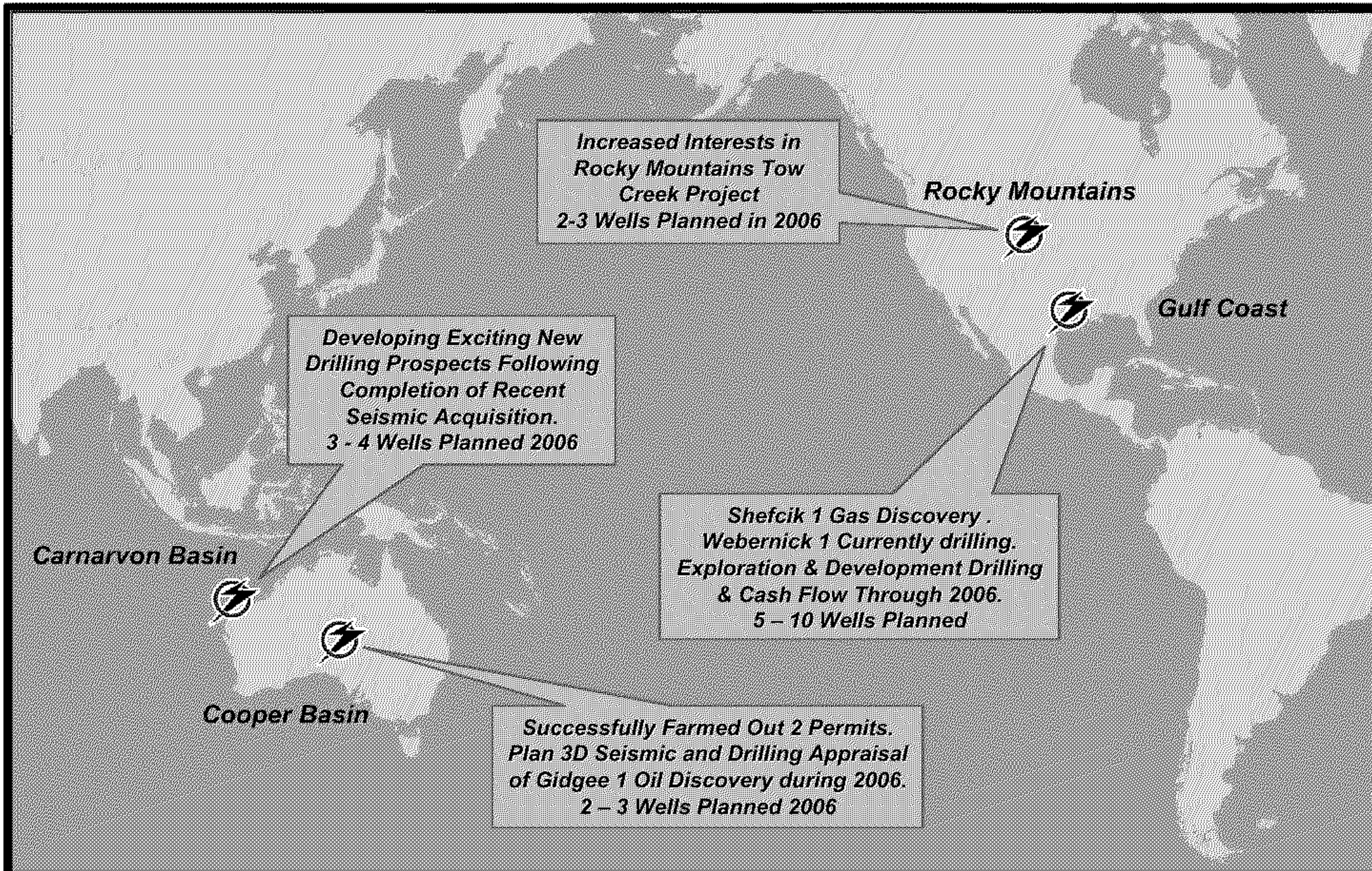

Strike Oil
Positioned for Growth and Cash Flow Through 2006
Shareholder Update
January 2006

Strike Oil — Recent Activities and 2006 Planned Drilling



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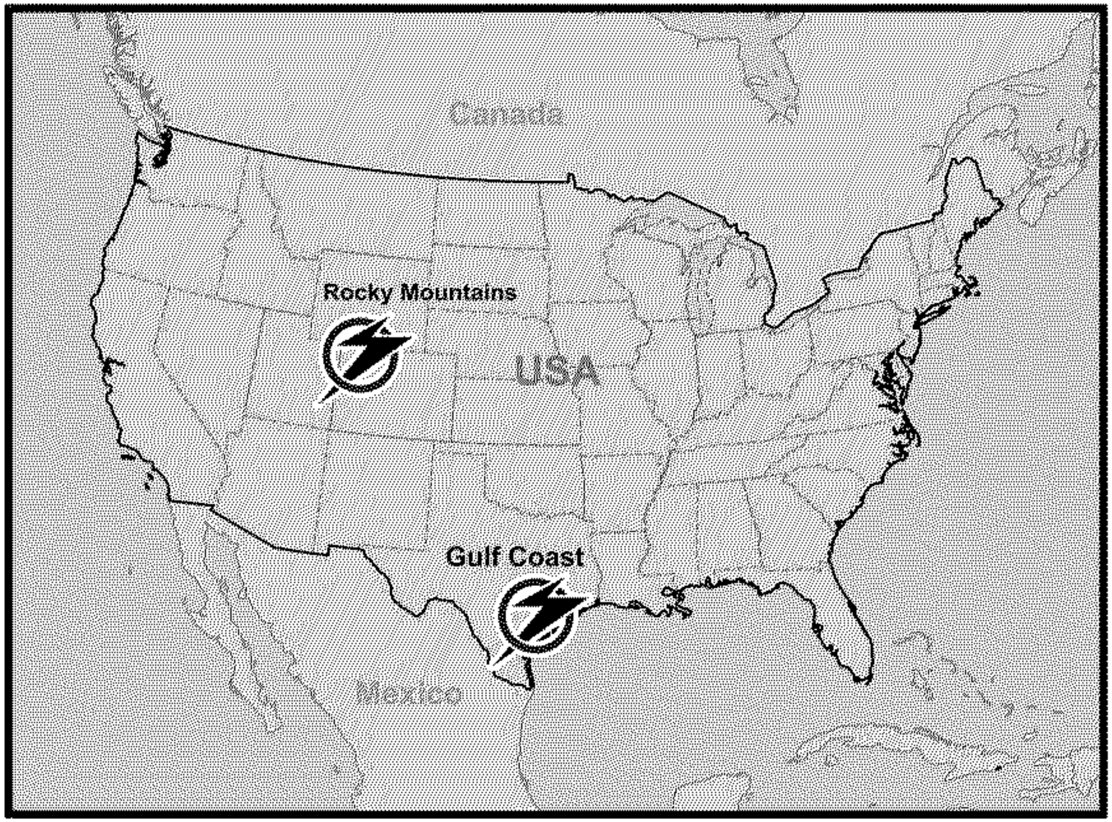
USA Current Activities



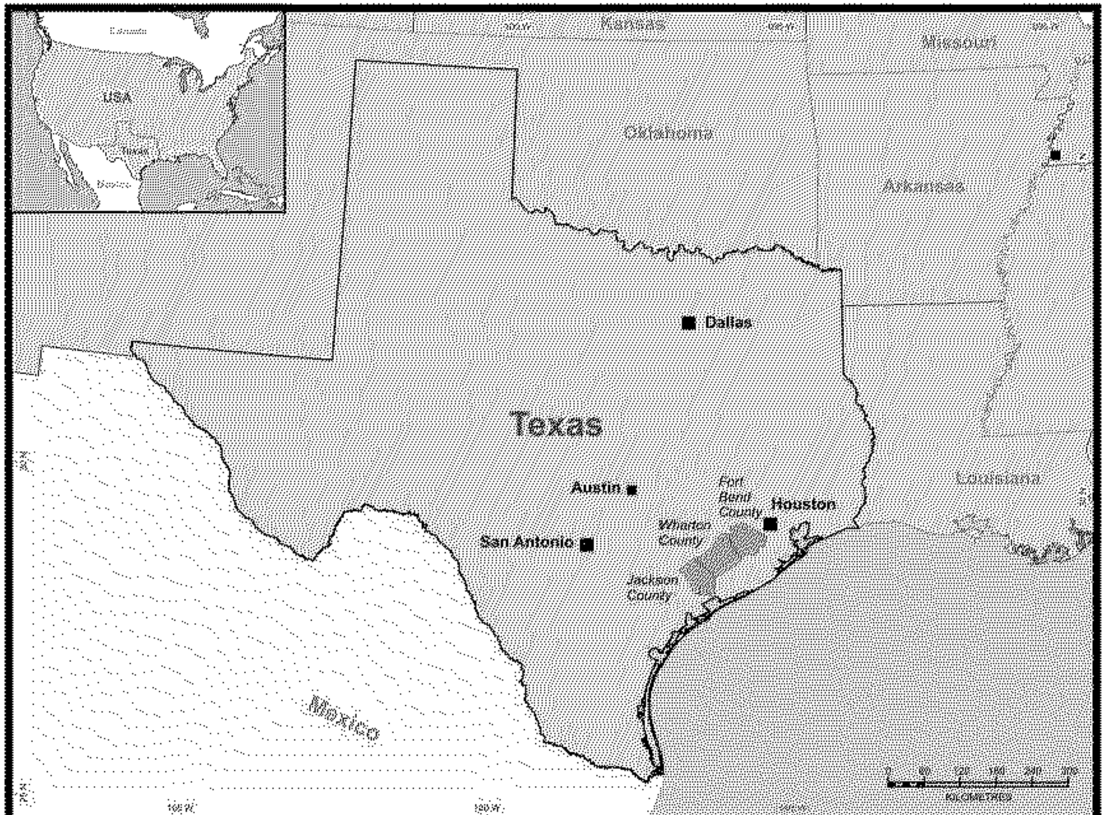
Gulf Coast Texas (onshore)

- Shefcik No 1 gas discovery
- Completion/development underway
- Production target March 2006
- Webernick No 1 drilling ahead

Rocky Mountains

- Expansion of position

USA – Gulf Coast, Texas



- Gas focus
- Operator, Cypress E&P
- Working Interests 10-26%
- Competitive technology
  3-D seismic, AVO analysis
- Ongoing drilling (5-10 wells)

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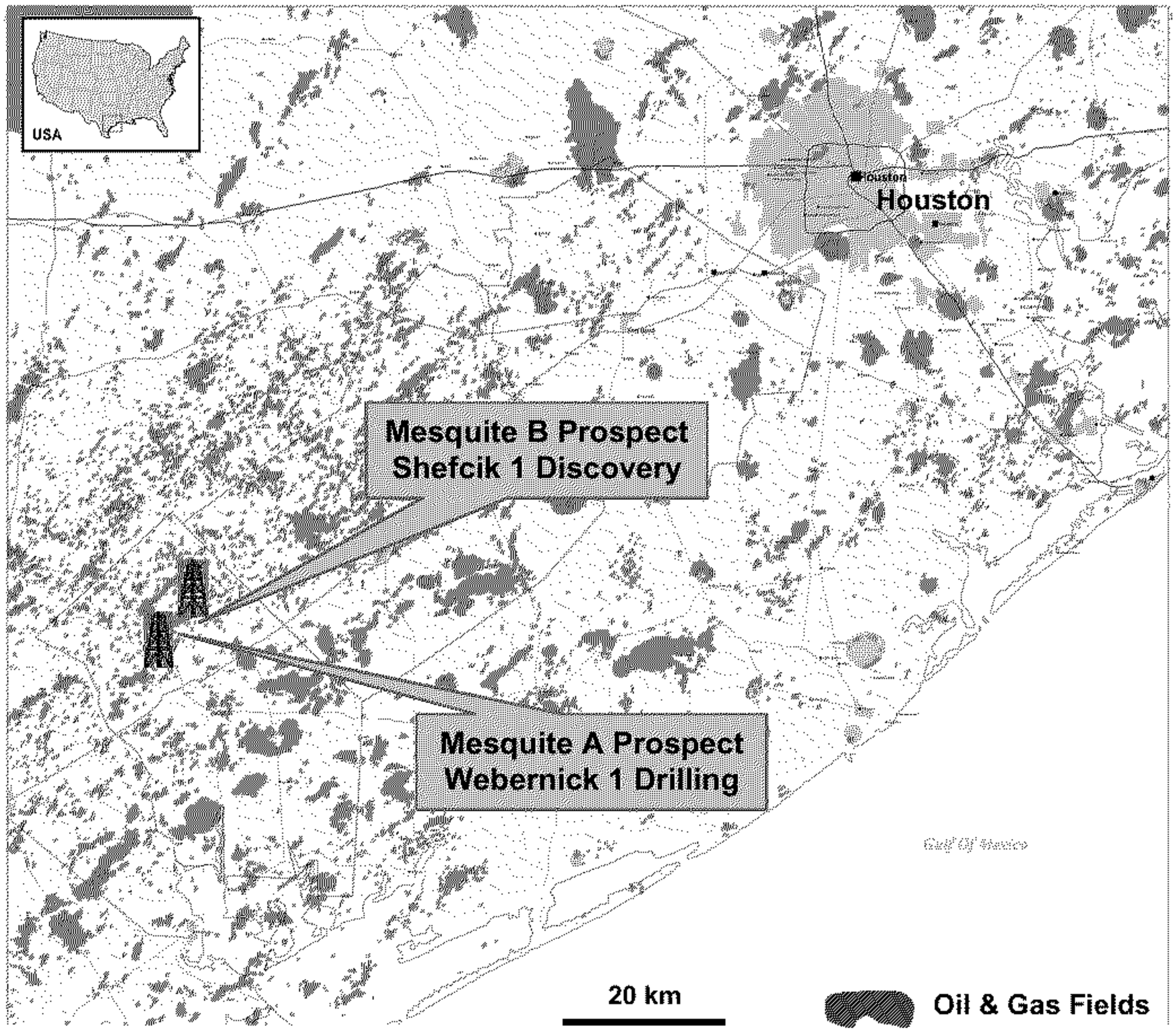
Shefcik No 1 Discovery



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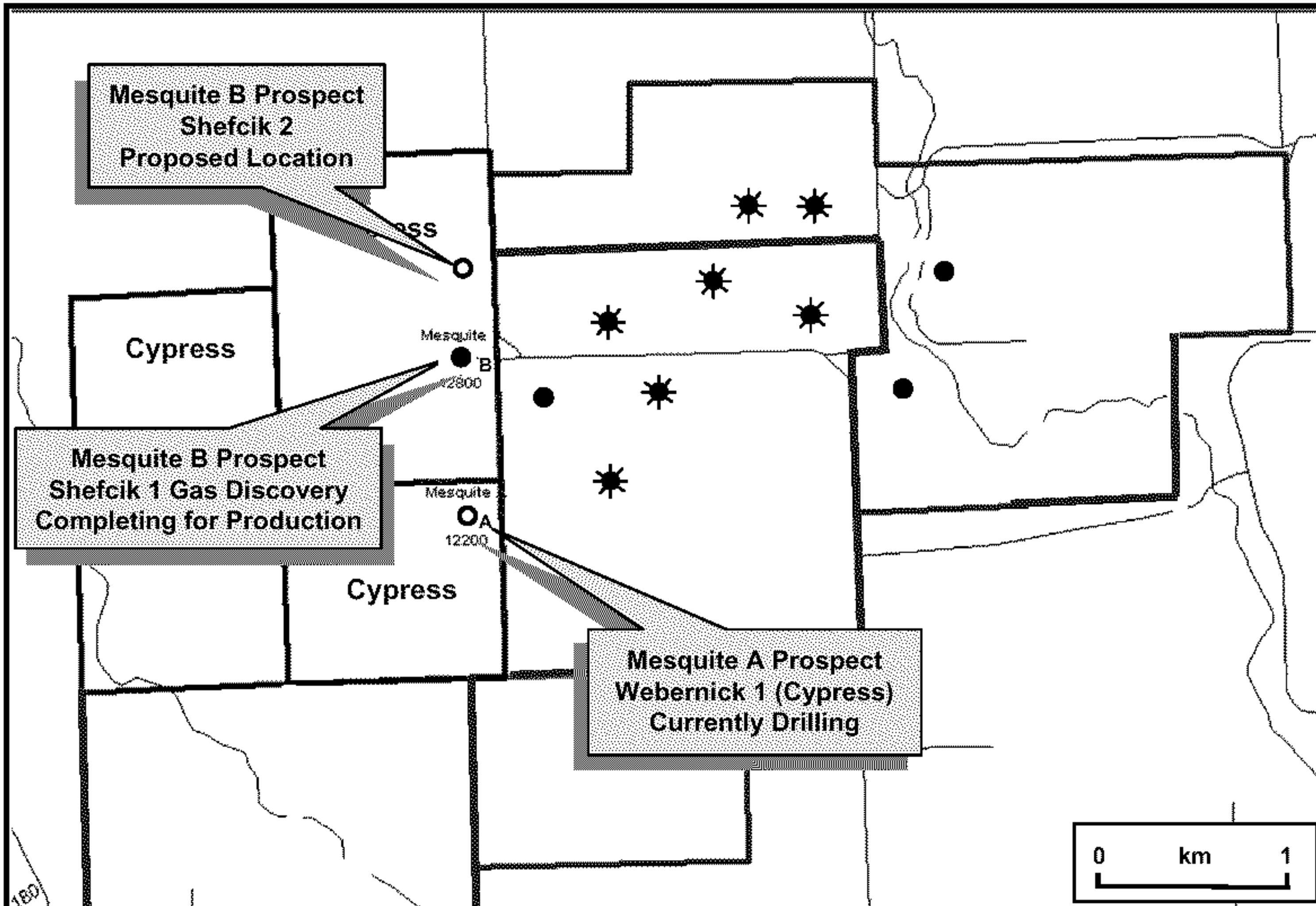
Shefick 1 Gas Discovery

- Strike Oil 26.25% Working Interest
- Mesquite B prospect estimate 10-15 billion cubic feet (Potential for 20 barrels of condensate oil / million cubic feet)
- First production planned for March 2006
- Offset production testing on same structure documented at 5.4-16.9 million cubic feet/day and around 100-300 barrels of condensate oil per day
- Assuming 5 wells at 3 million cubic feet/day Potential net revenues in excess of AUS$1 million per month

Strike Oil — Mesquite Prospect Drilling Activity



* Strike Oil has 26.25% interest in Cypress areas

Gas Producing Well

Proposed / Drilling well

Gas Discovery Currently Completing

Mesquite Prospect Drilling (Strike Oil 26.25%)

	MESQUITE B Shefcik 1	MESQUITE A Webernick 1
Spud Date:	2/11/05	7/12/05
Current Status:	Completing for production	Drilling at 11,000 feet
Gas Potential: (Wilcox fm)	10-15 Bcf	15-20 Bcf

Shefcik 2 to spud after Webernick 1.

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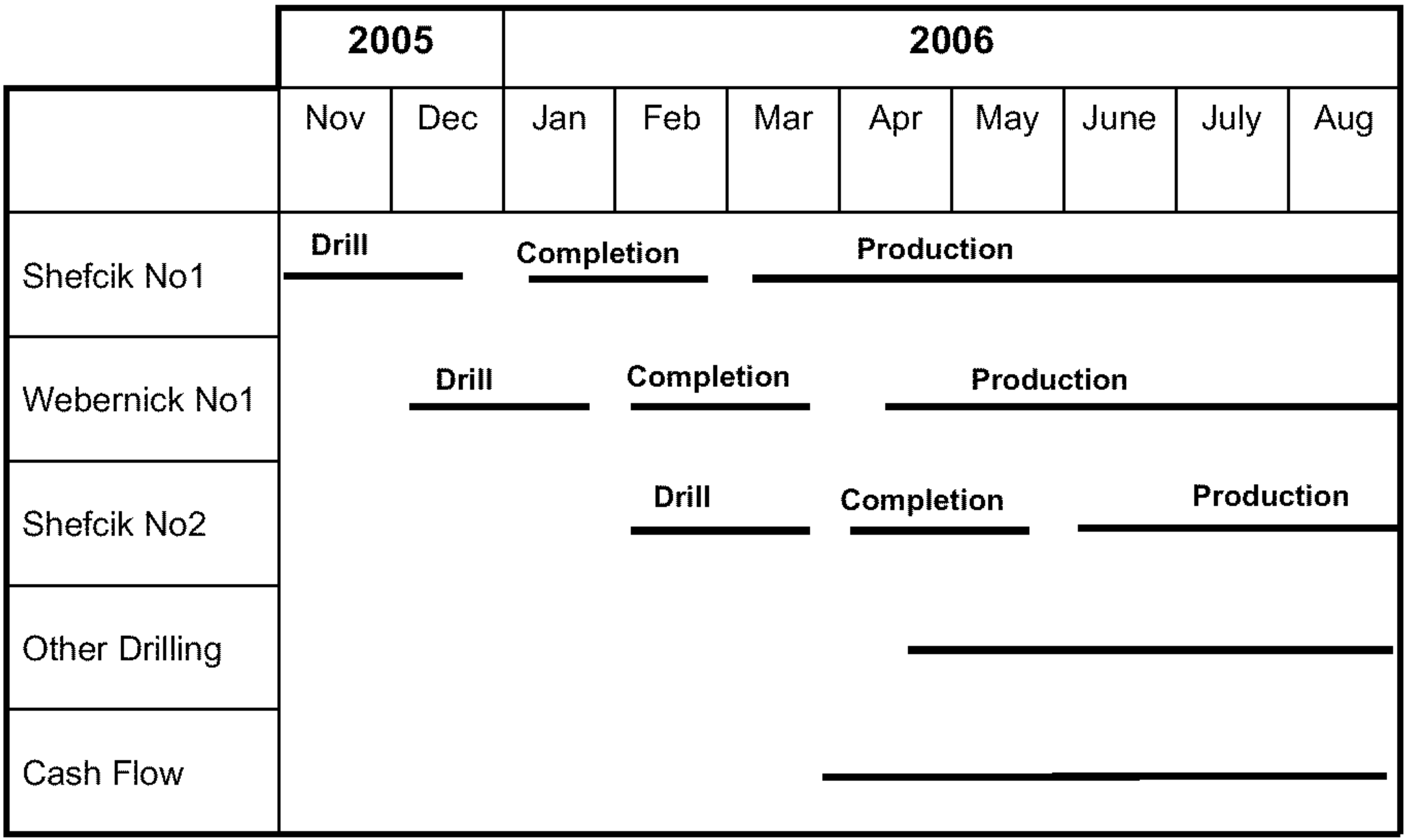
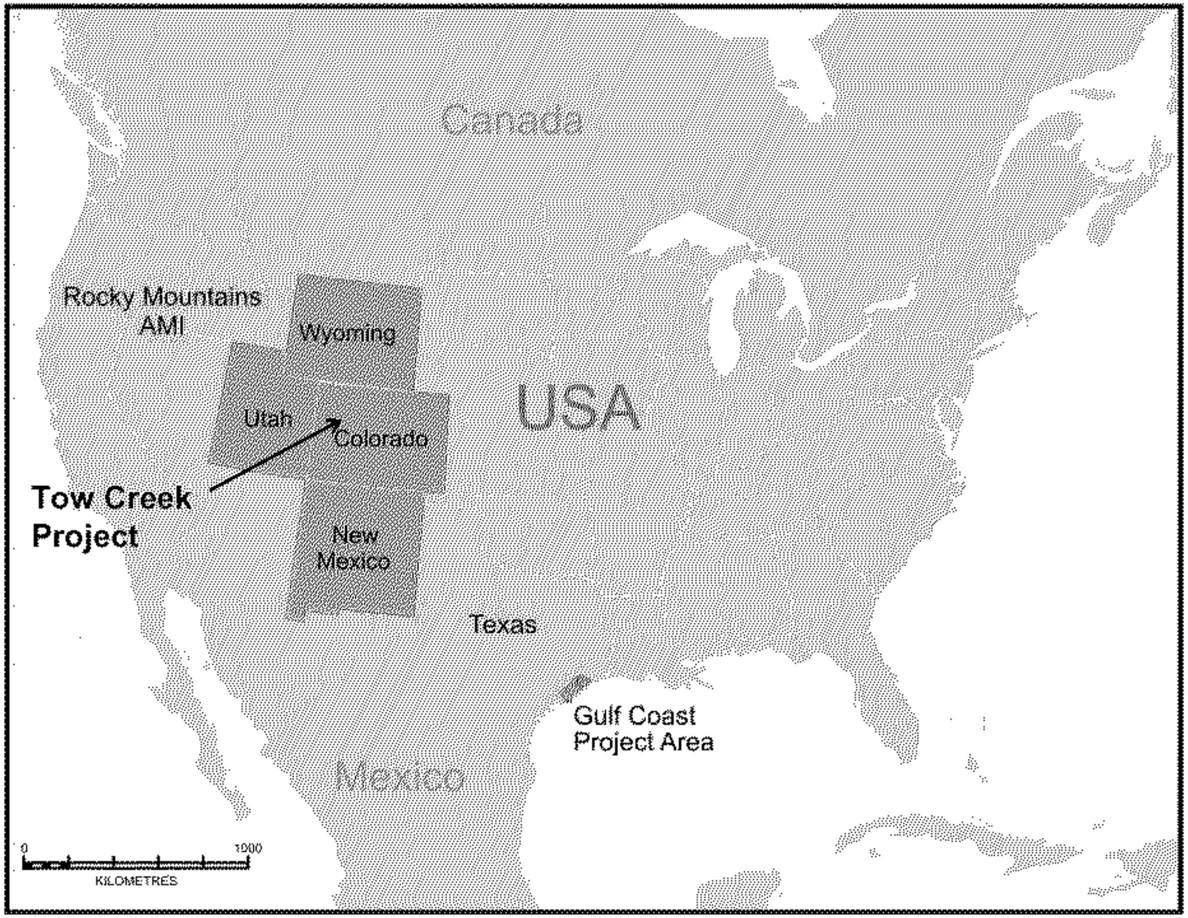
Indicative Timing



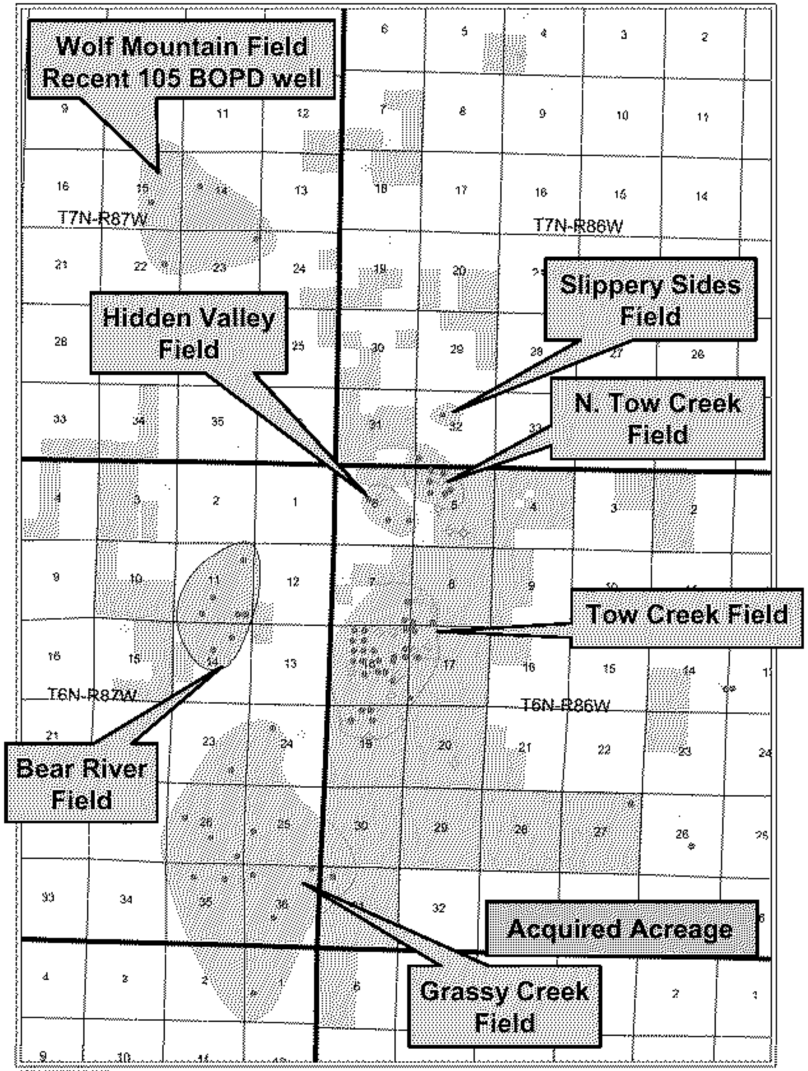
USA – Rocky Mountains



- Oil and gas focus
- Operator, Comet Ridge*
- Interests 20-40%
- Competitive technology
- Initial project secured
- Additional leasing underway
- Drilling 2006 (2-3 wells)

* Strike Oil Limited holds 10% interest in Comet Ridge Limited

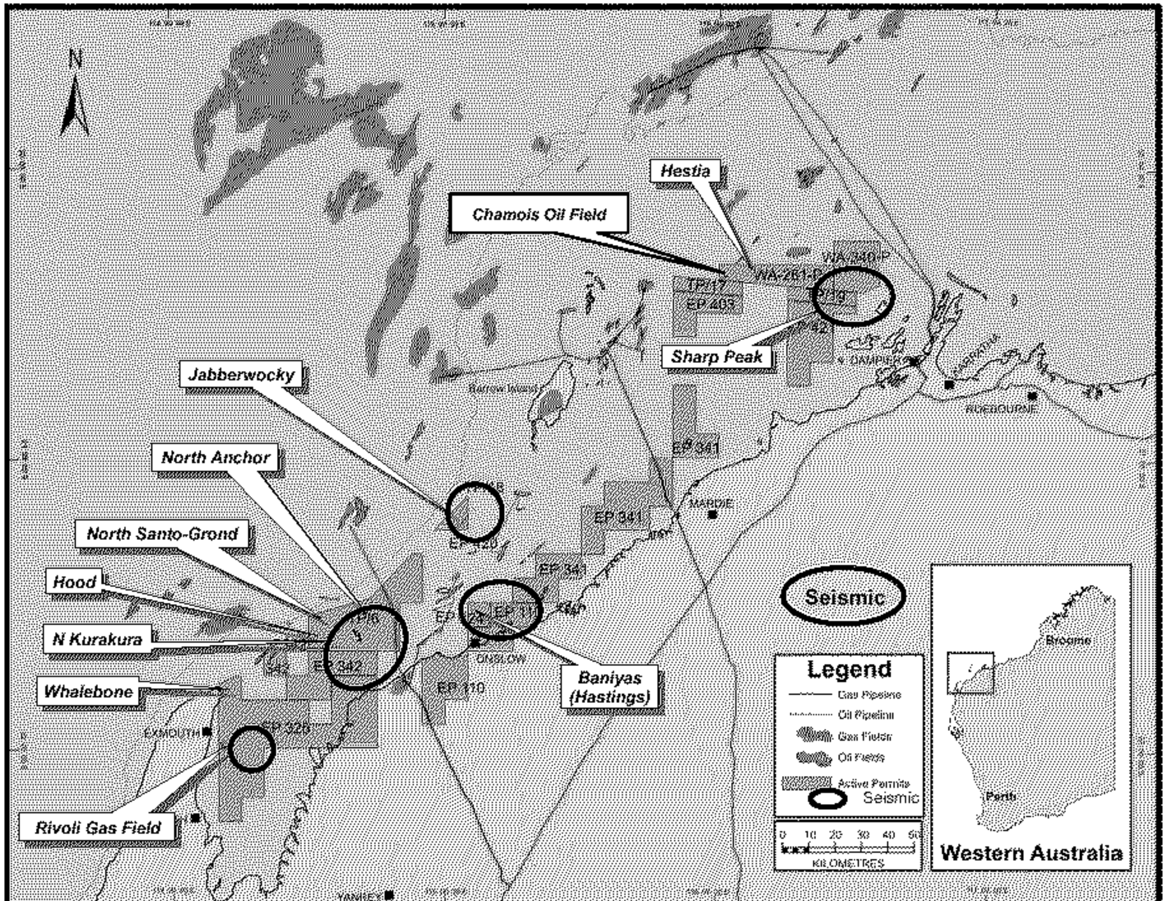
Strike Oil Tow Creek Oil Project - Colorado



Tow Creek Acreage Acquisition Showing Niobrara Oilfields

- Redevelopment opportunity (horizontal drilling)
- Increased Working Interest from 25% to 37.5%
- Historically (vertical wells)
  - Reserves 50,000 - 500,000 bbl/well
  - Production 100 - 500bpd/well
- Gross potential 1 - 2 million barrels
- Drilling 2006 (2-3wells)

Strike Oil Carnarvon Basin Activities



- Seismic acquisition completed
- High grading current prospects and developing new prospects
- Scope to farm down
- Drilling 2006 (3-4 wells)

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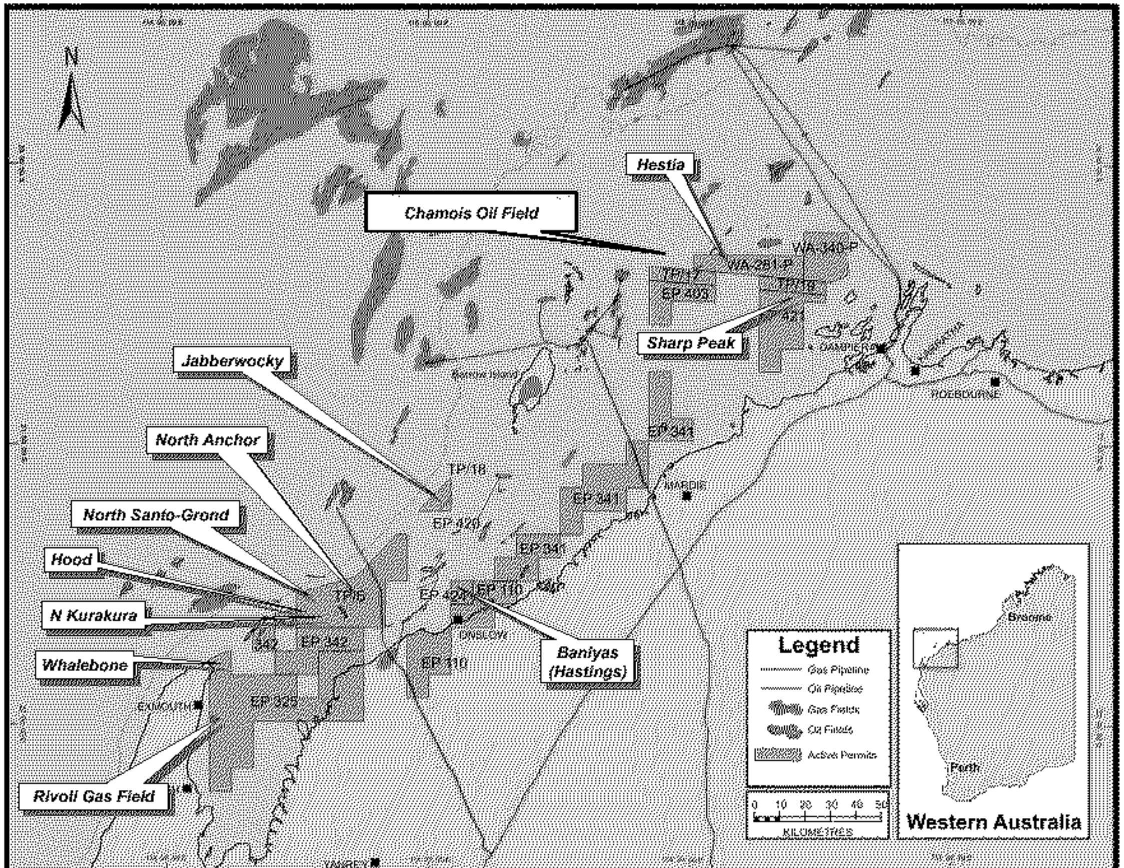
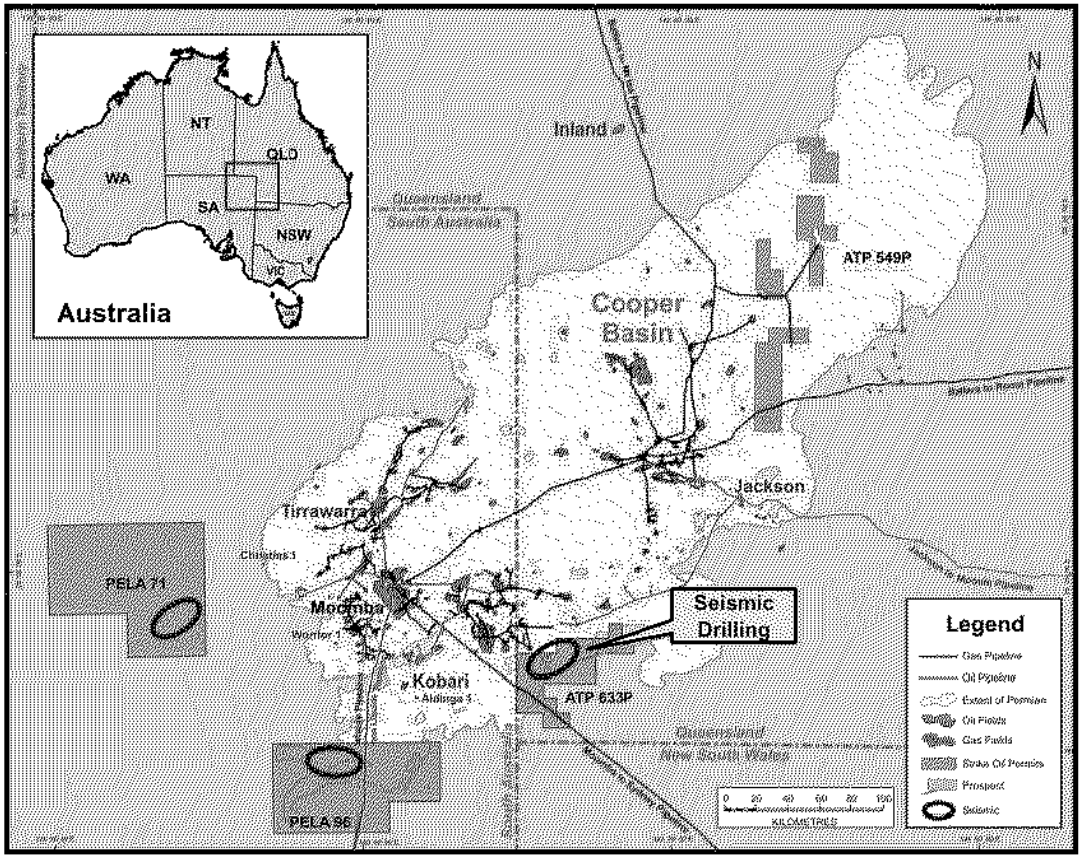
Carnarvon Basin Indicative Prospect Potentials



Prospect List (Part)	Recoverable Oil Potentials Million Barrels	Strike Interest
Baniyas	60	40%
Whalebone	40	44.45%
North Santo –Grond	3-100	100%
Sharp Peak	80	90%
Hestia	20	16.2%

Cooper/Eromanga Basin Activities



ATP 633P

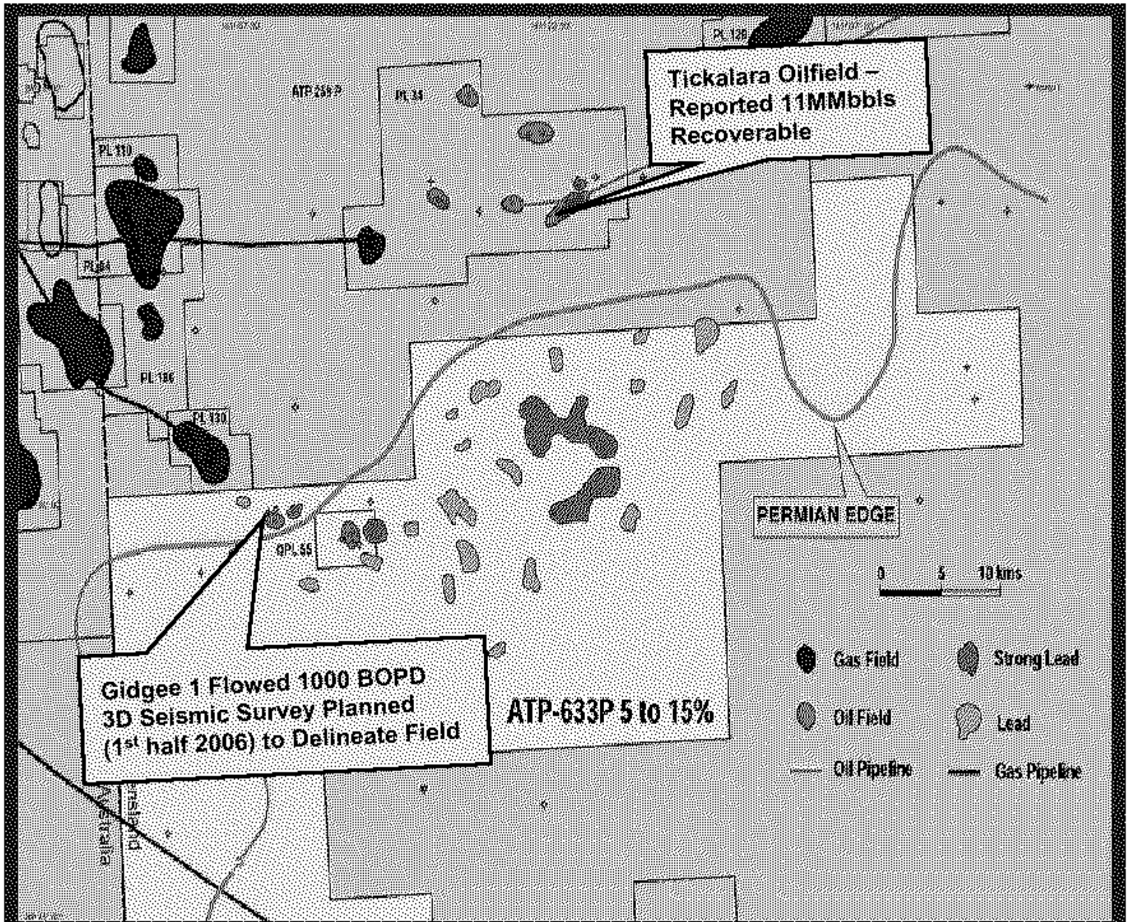
- 3D/2D Seismic and drilling 2006

PELA 71 and PELA 96 Farmout to Advent Energy *

- Funding Total $2.2 million to earn 25% in each permit
- Strike reducing to 50% in PELA71
- Strike reducing to $41^{2}/_{3}$% in PELA96

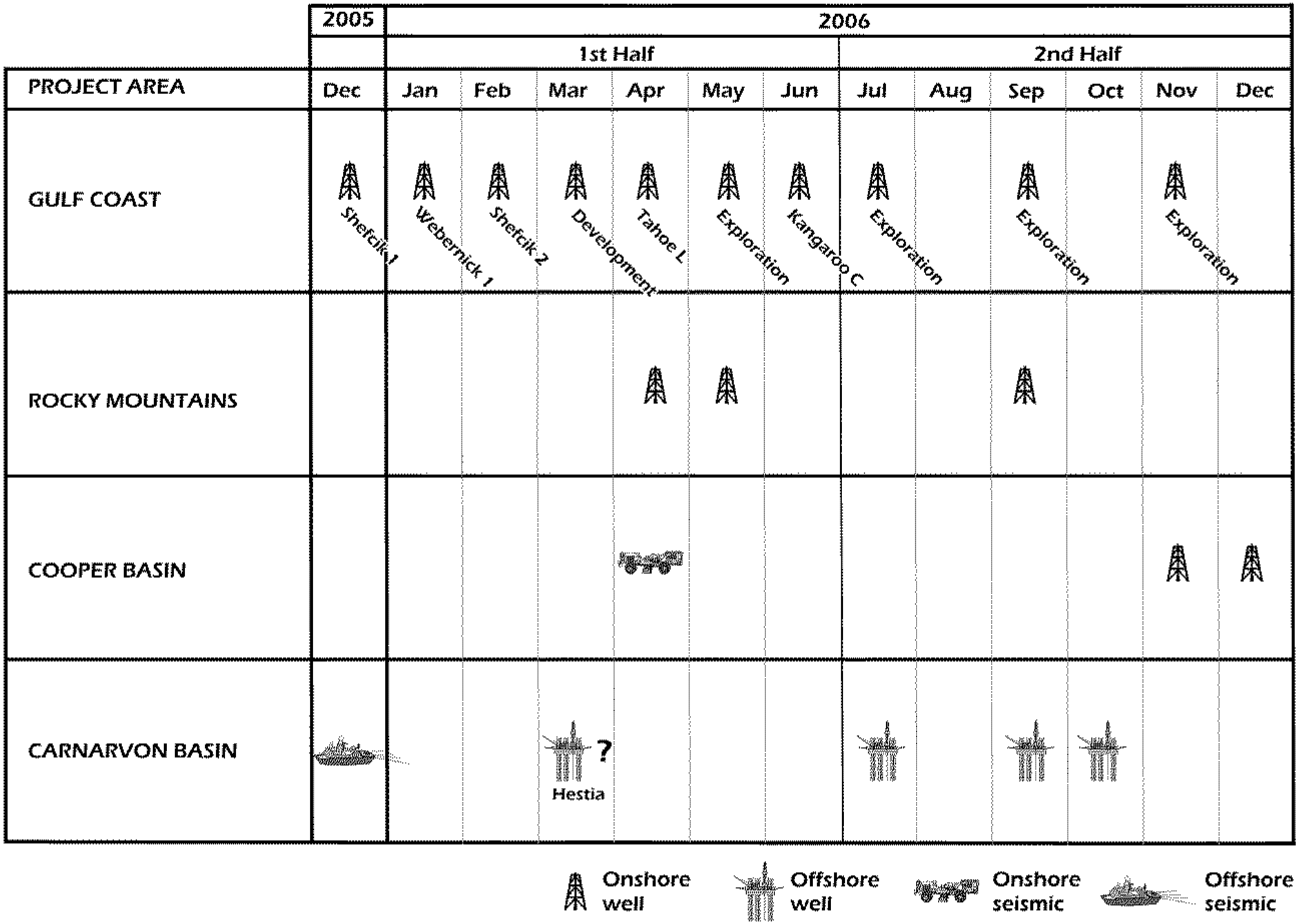
  * Conditional on Advent Energy Public Listing

ATP 633P - Prospects and Leads



- Native Title Agreement signed by all parties
- Follow Up Gidgee Oil Discovery and other prospects
  - 3D and 2D Seismic 1st half 2006
  - Drilling 2nd Half 2006

Provisional Forward Program



Strike Oil — Summary

- Significant Gas Discovery, Texas
- Continue to develop and drill meaningful prospects
- Potential cash flows in March 2006

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