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Australian Stock Exchange Ltd
Via Electronic Lodgement

**SHAREHOLDER UPDATE
MARCH 2006**

Please find attached a copy of a Shareholder presentation providing Shareholders with an update on Strike Oil Limited's "Operations Status and Planned Drilling Program 2006".

A copy of this presentation is available at the ASX and can be viewed on the Company's website www.strikeoil.com.au under the heading "Shareholder Presentations".

Yours faithfully

SIMON ASHTON
Managing Director - Strike Oil Limited

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Operations Status and Planned Drilling Program 2006

**Shareholder Update
March 2006**

Production revenues have commenced

Development and Exploration activities expanded in the Gulf Coast, Texas

Rocky Mountains drilling to commence next quarter

Australian exploration drilling second half 2006

\$10 million Rights Issue Closes 28 March 2006

Carnarvon Basin



Cooper Basin



Rocky Mountains

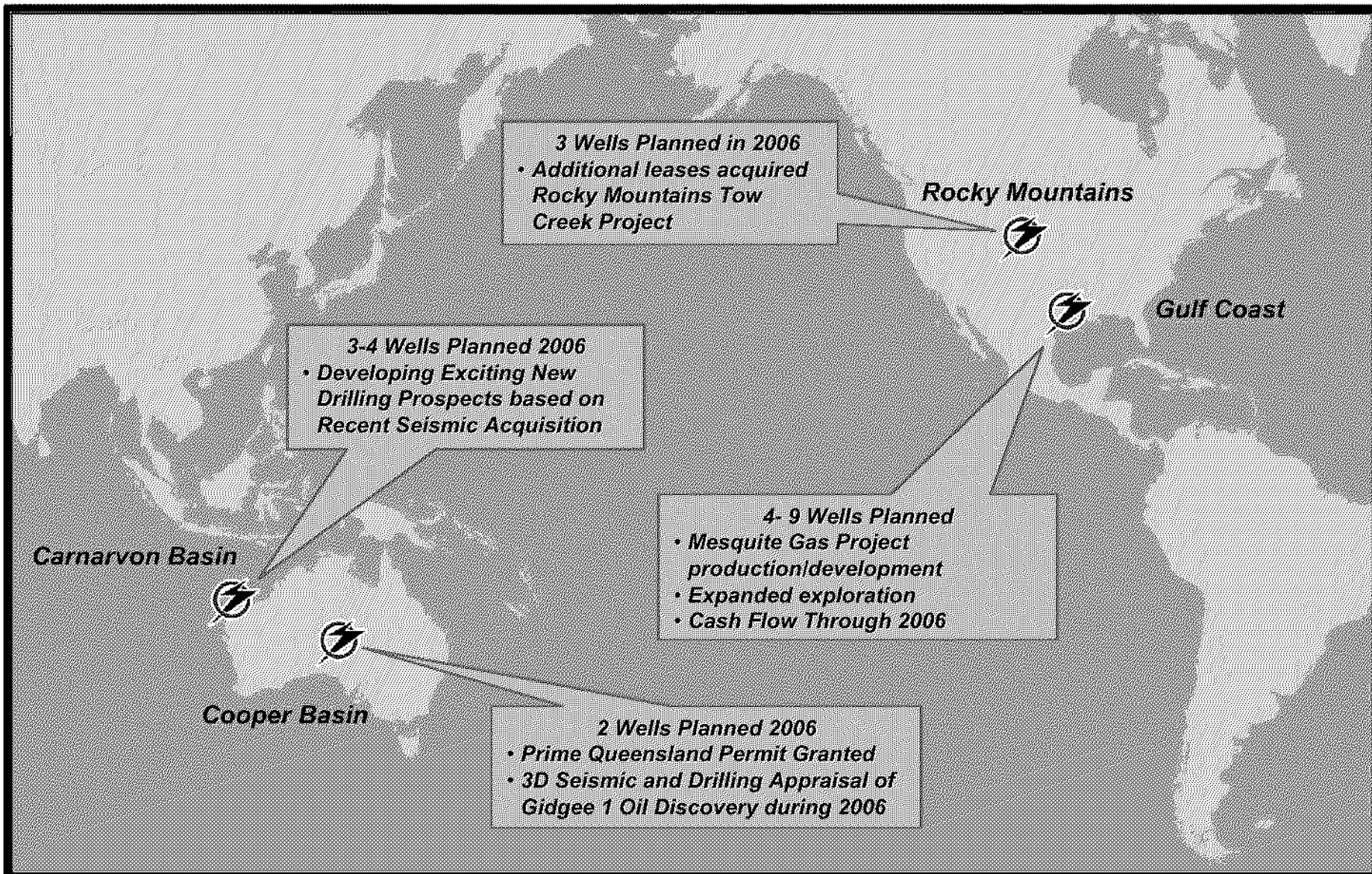


Gulf Coast





Recent Activities and 2006 Planned Drilling



Activities Focus

- In proven petroleum regions
 - Australia: Oil focus
 - USA: Oil and gas
- With proximity to infrastructure
- With market access
- In high product price environment
- With competitive technical advantages

Carnarvon Basin



Cooper Basin

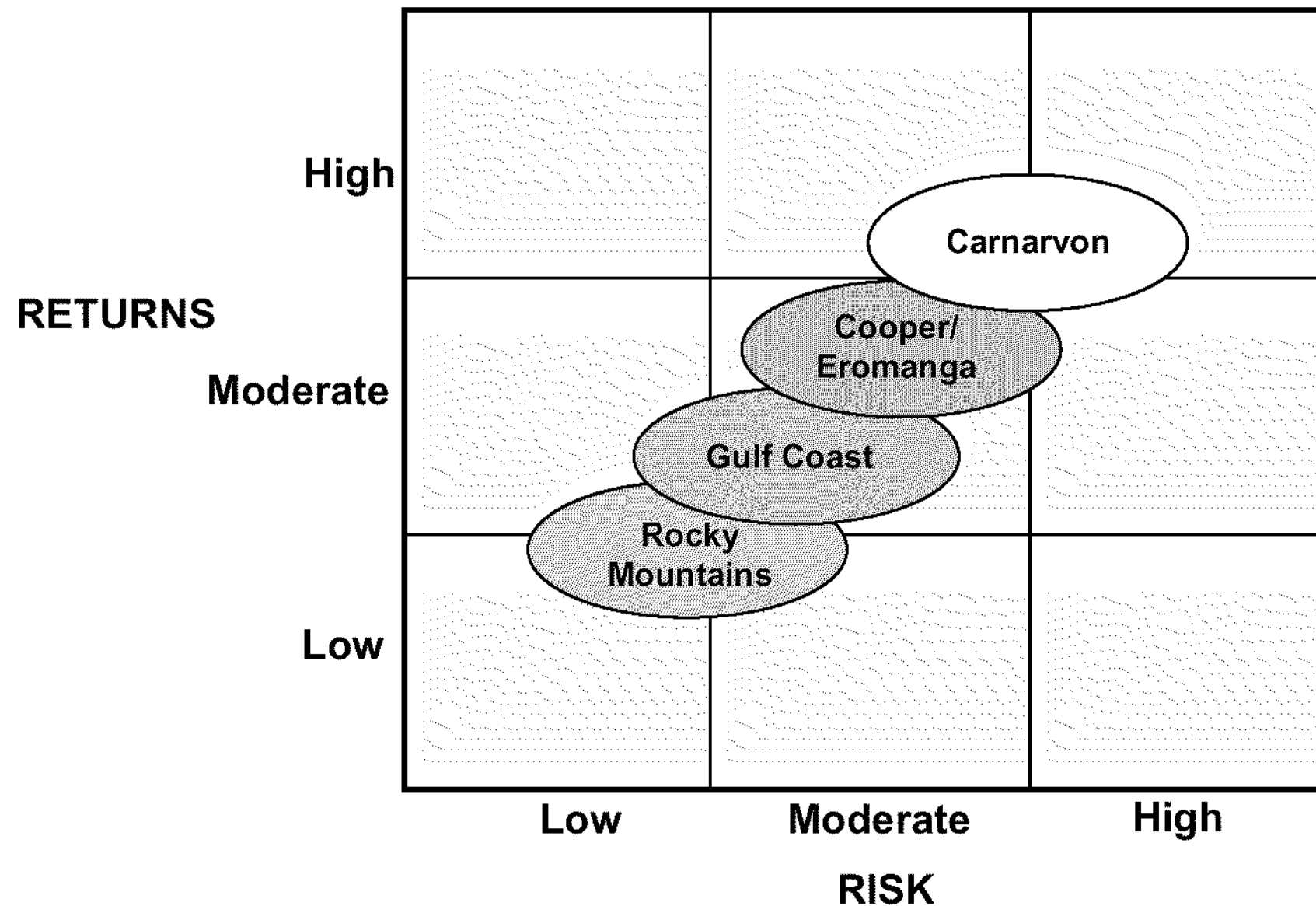


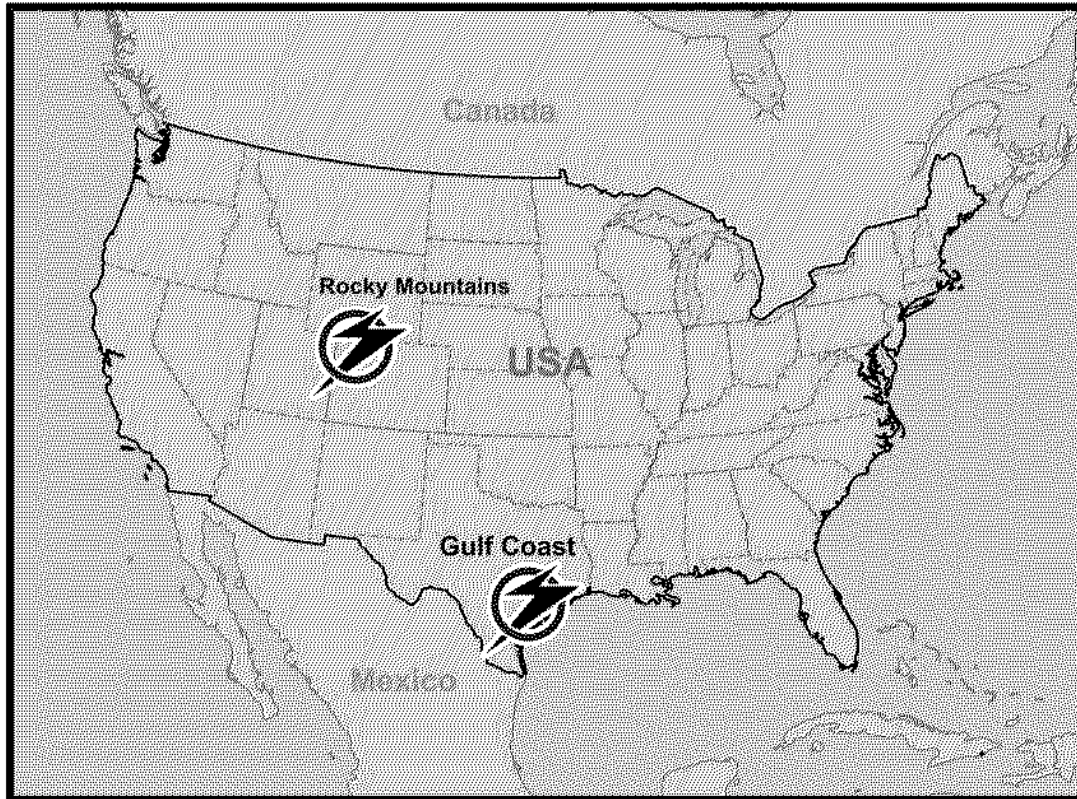
Rocky Mountains



Gulf Coast







Rocky Mountains

- **Operator, Comet Ridge Ltd**
- **Oil and gas focus**
- **3 wells planned**

Gulf Coast, Texas

- **Operator, Cypress E&P**
- **Gas focus**
- **4-9 wells planned**

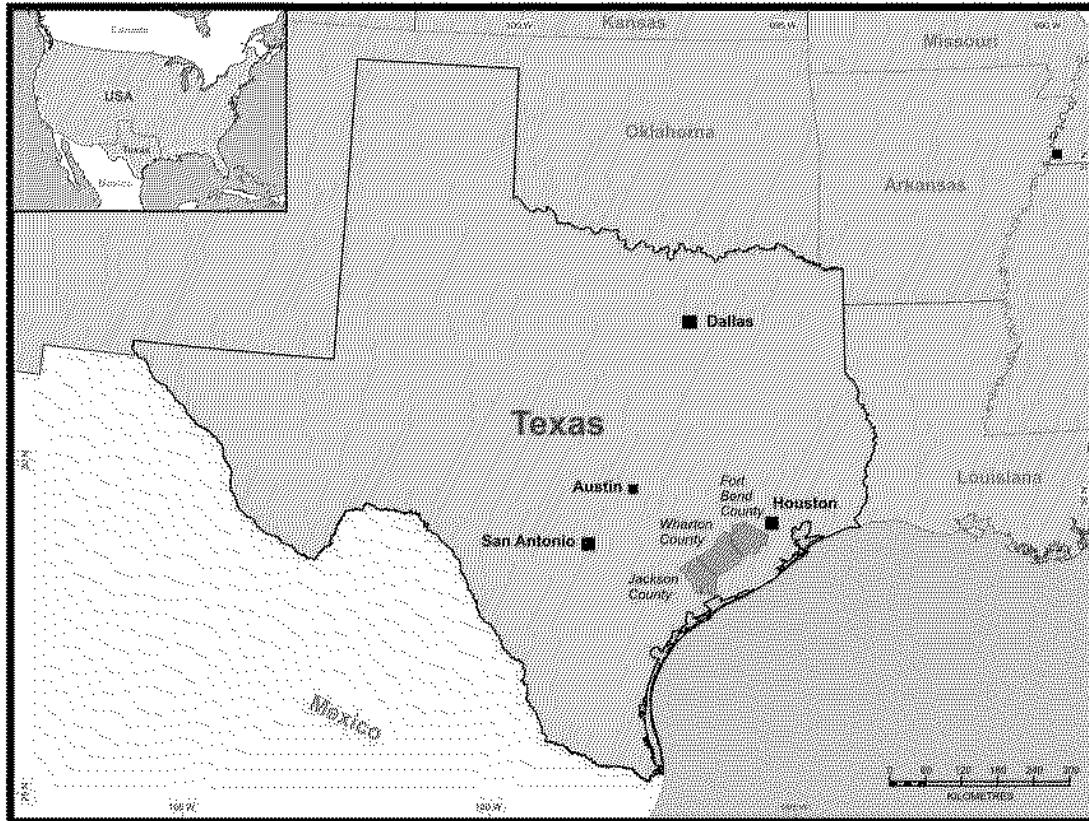
- **Entered United States in June 2005**

- **7 wells drilled to date**
 - **3 “Discoveries”**
 - **26.25% working interest**
 - **Risk AUD\$ 4.5 million**

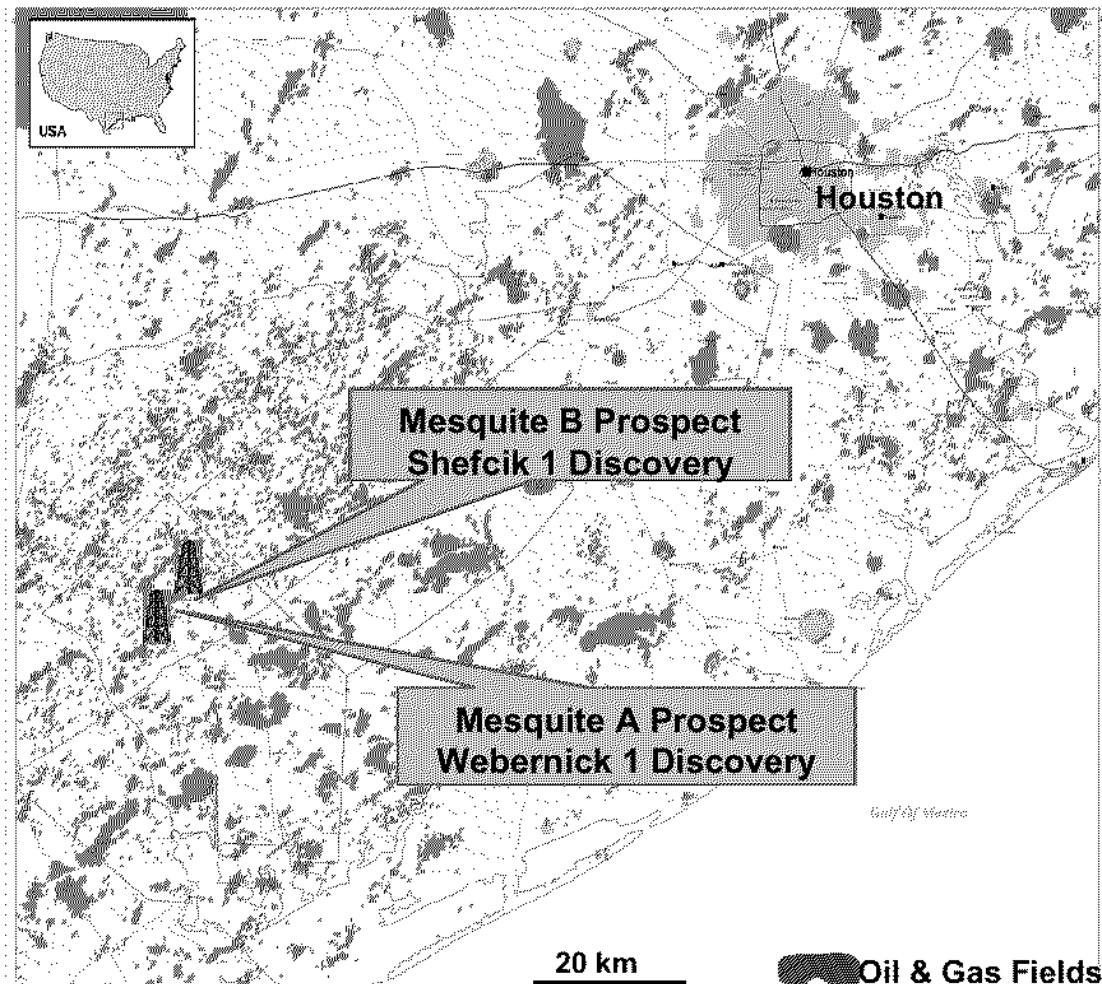
 - **4 “Dusters”**
 - **10% working interest**
 - **Risk AUD\$ 0.9 million**

- **First production February 2006**
 - **First well**
 - **Gas 7.1 million cubic feet per day
(Facilities Constrained)**
 - **Condensate, 170 barrels per day**

- **Less than 60 days from discovery to first sales**



- **Eaglewood Participation Agreement**
- **Operator, Cypress E&P**
- **Working Interests up to 25%**
- **Competitive technology
3-D seismic, AVO analysis**
- **Ongoing drilling (4-9 wells)**



Shefcik 1

Interim production test

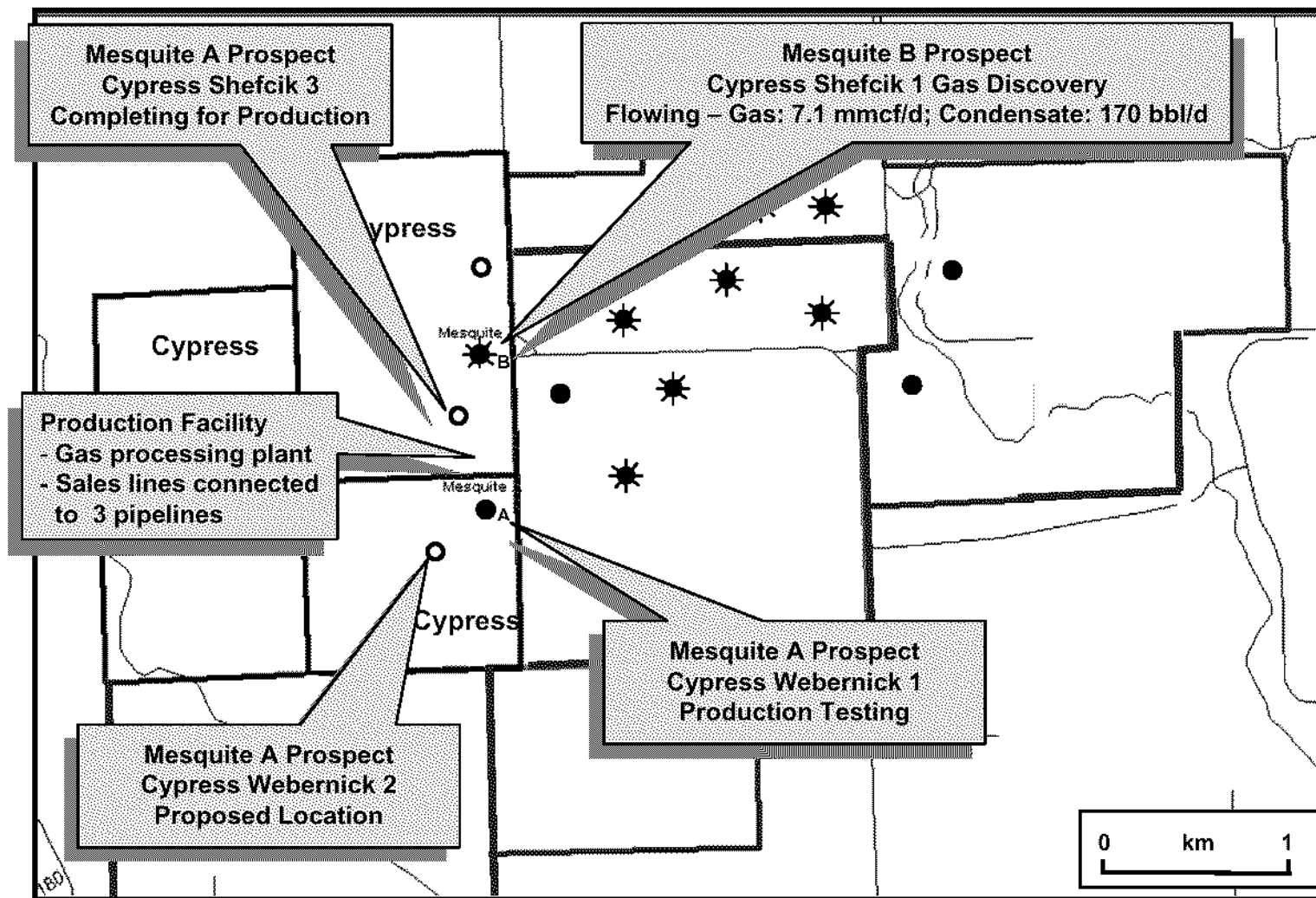
Gas -	7.1million cubic feet per day (constrained)
Condensate	170 barrels per day

Webernich 1

Currently testing.

Mesquite Project (Mesquite A and B combined)

- **Gross potential 30 billion cubic feet (Potential for initial 20 barrels of condensate oil / million cubic feet declining with reservoir pressure)**
- **Strike Oil 26.25% Working Interest (20-21% Net Revenue Interest)**
- **Shefcik 1 interim test, Gas: 7.1 million cubic feet per day, Condensate 170barrels per day (equivalent to Strike Oil gross revenue AUS\$16,000 per day at US\$7 per mcf, US\$60 per barrel and AUS\$=0.75 US\$)**
- **Webernck 1 and Shefcik 3 awaiting further production testing (drilling and evaluation results similar to Shefcik 1)**
- **Webernck 2 due to spud after Shefcik 3**

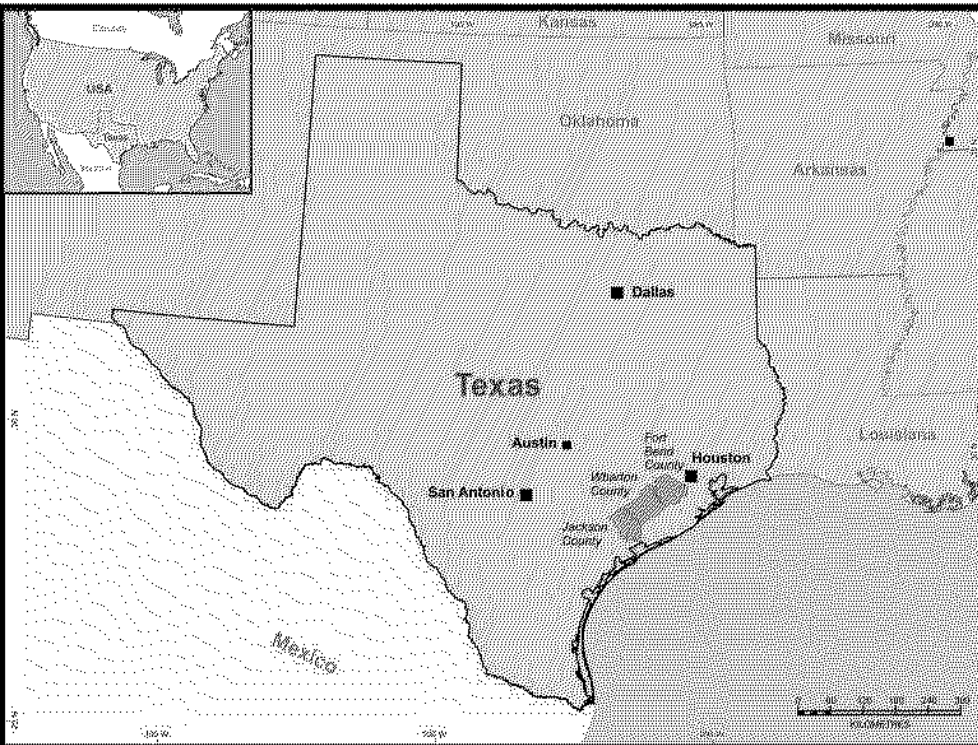


* Strike Oil has 26.25% interest in Cypress areas

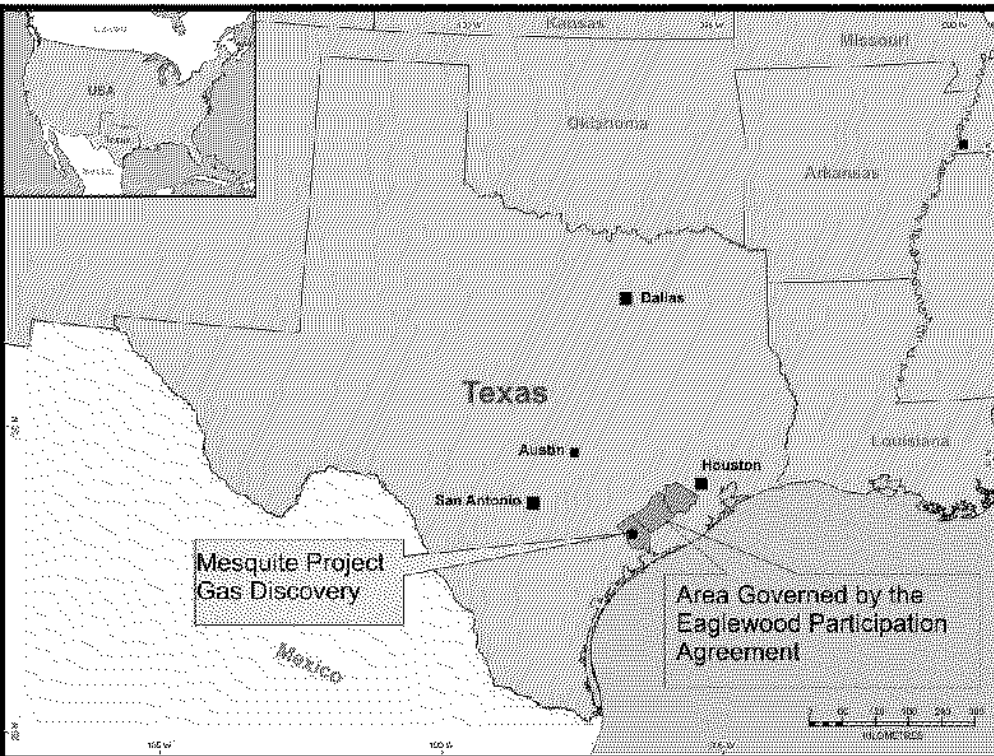
 Gas Producing Well
  Proposed / Drilling well
 Gas Discovery Currently Completing



Mesquite Project Production Capacity



- 3 to 4 wells on production by June 2006
- Production processing facilities
 - Capacity 17 to 20 million cubic feet/day (mmcf/d)
 - To be expanded
- Sales capacity
 - 8 mmcf increasing to 13 mmcf by mid March 2006
 - 30 mmcf by April 2006
- A further 1 to 4 development wells in 2006

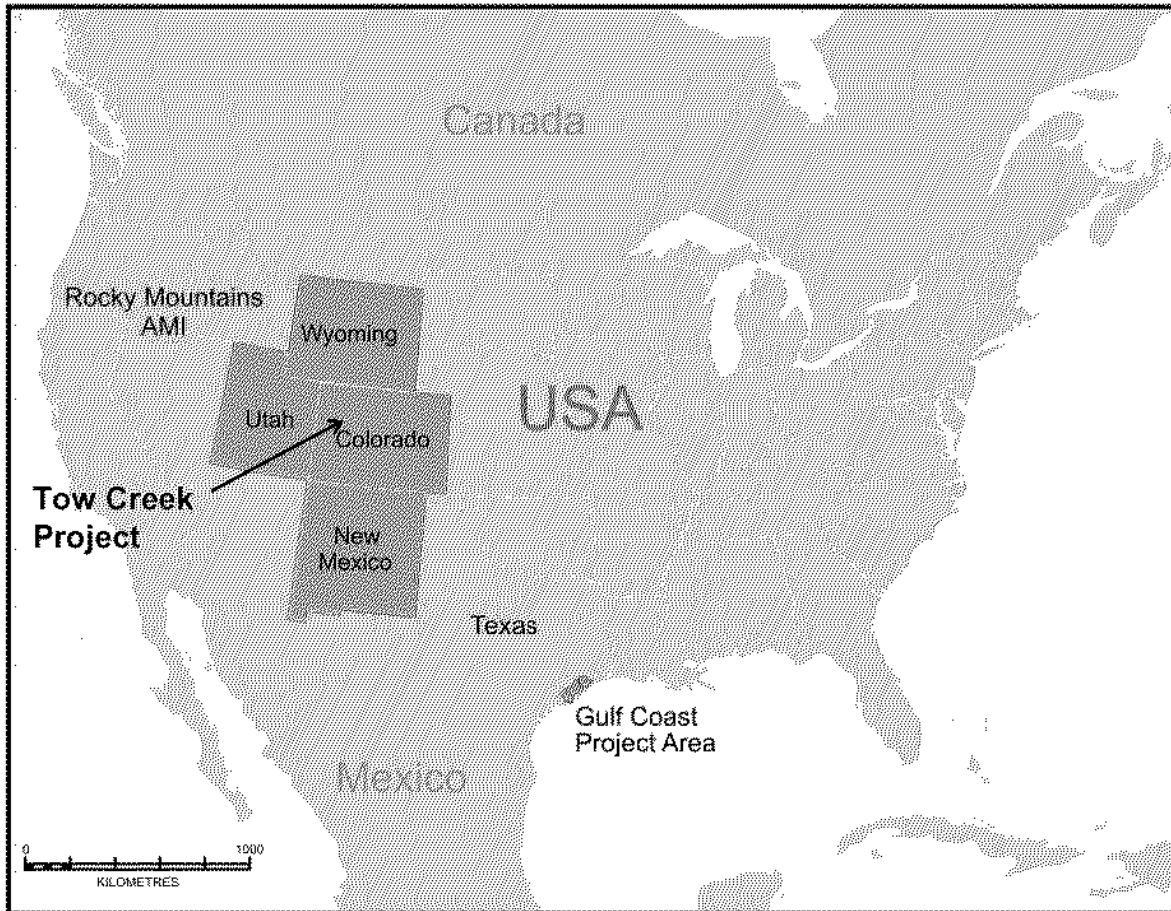


- **Eaglewood Participation Agreement**
- Increased interest from 10 to 25%
- **3 to 5 exploration wells by December 2006**
- **Additional Wilcox prospects (similar to Mesquite) being leased**



Indicative Timing

	2005		2006							
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug
Shefcik 1	Drill		Testing		Production					
Webernich 1	Drill		Testing		Production					
Shefcik 3			Drill		Testing		Production			
Webernich 2					Drill		Testing		Production	
Other Drilling										
Cash Flow										

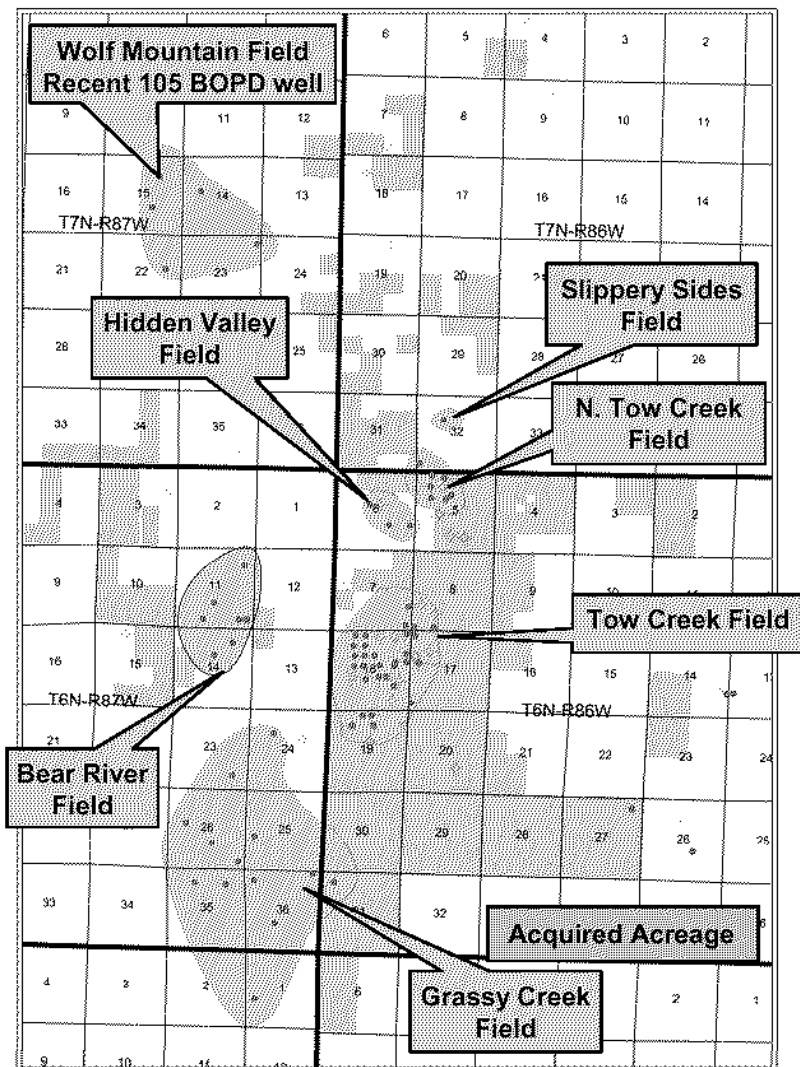


- Oil and gas focus
- Operator, Comet Ridge*
- Interests 20-40%
- Competitive technology
- Initial project secured
- Additional leasing underway
- Drilling 2006 (3 wells)

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

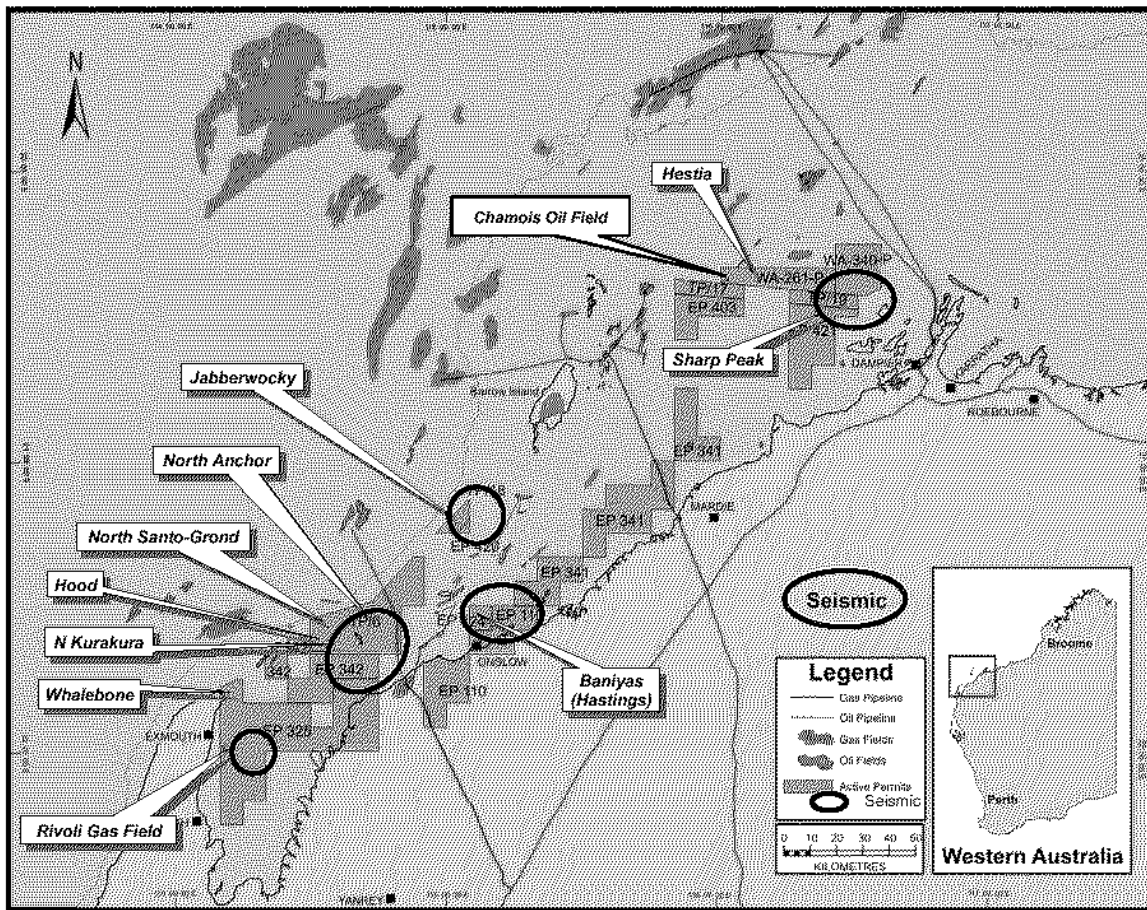


Tow Creek Oil Project - Colorado



- 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 (3wells)

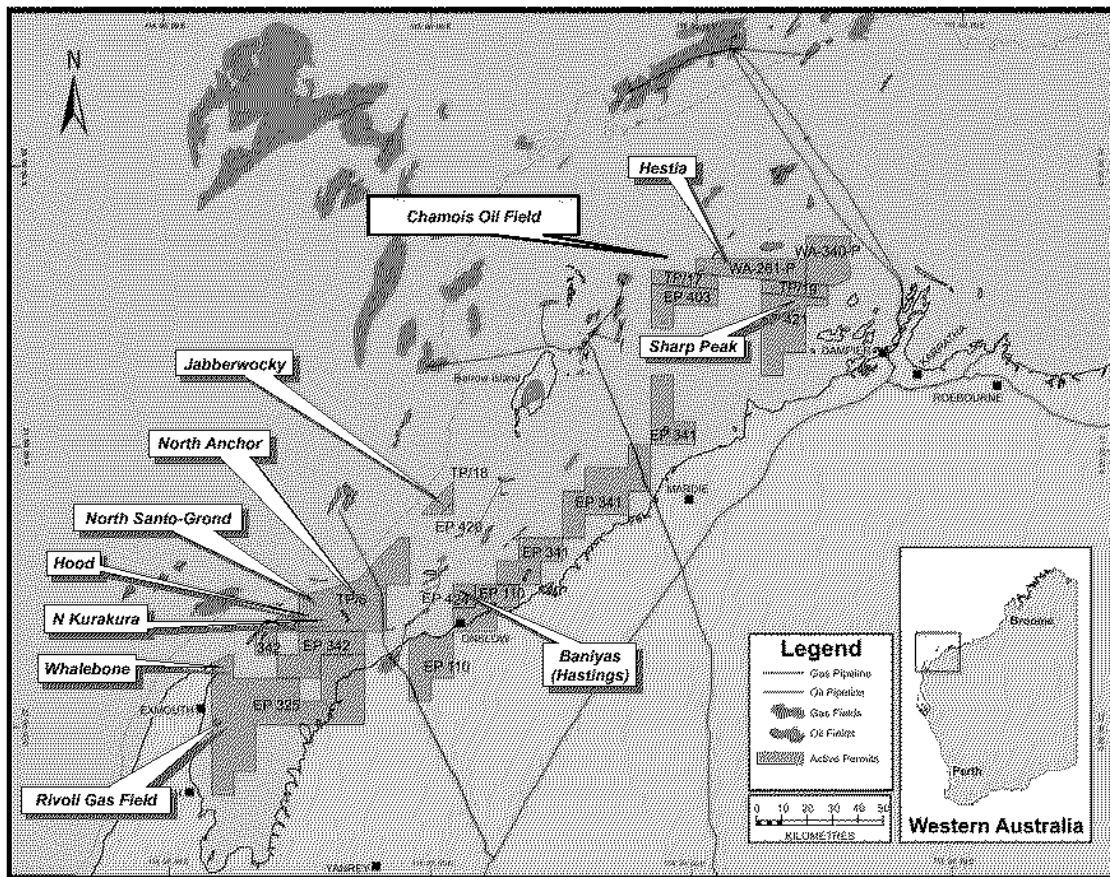
Tow Creek Acreage Acquisition Showing Niobrara Oilfields



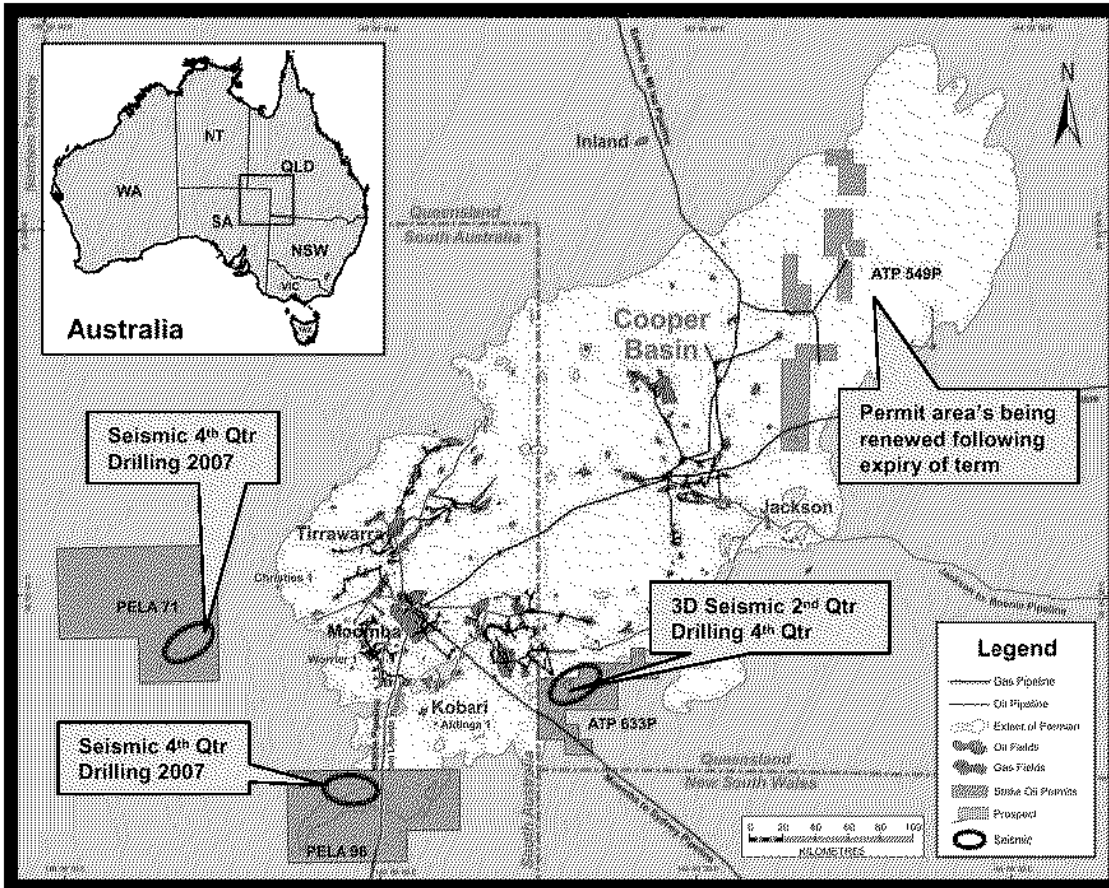
- **Seismic acquisition completed**
- **High grading current prospects and developing new prospects**
- **Scope to farm down**
- **Drilling 2006 (3-4 wells)**



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%



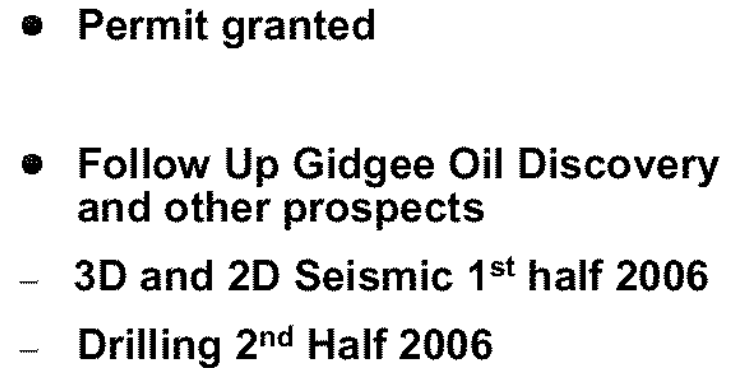
ATP 633P

- 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 41²/₃% in PELA96

* Conditional on Advent Energy Public Listing



- **Permit granted**
- **Follow Up Gidgee Oil Discovery and other prospects**
 - **3D and 2D Seismic 1st half 2006**
 - **Drilling 2nd Half 2006**

STRIKE OIL'S PROVISIONAL FORWARD PROGRAMME

		2005	2006											
			1st Half						2nd Half					
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
GULF COAST	Exploration													
	Development	 Sheficik 1	 Webernick 1							 ?		 ?		 ?
ROCKY MOUNTAINS														
COOPER BASIN														
CARNARVON BASIN							 ? Hestia							



Onshore well



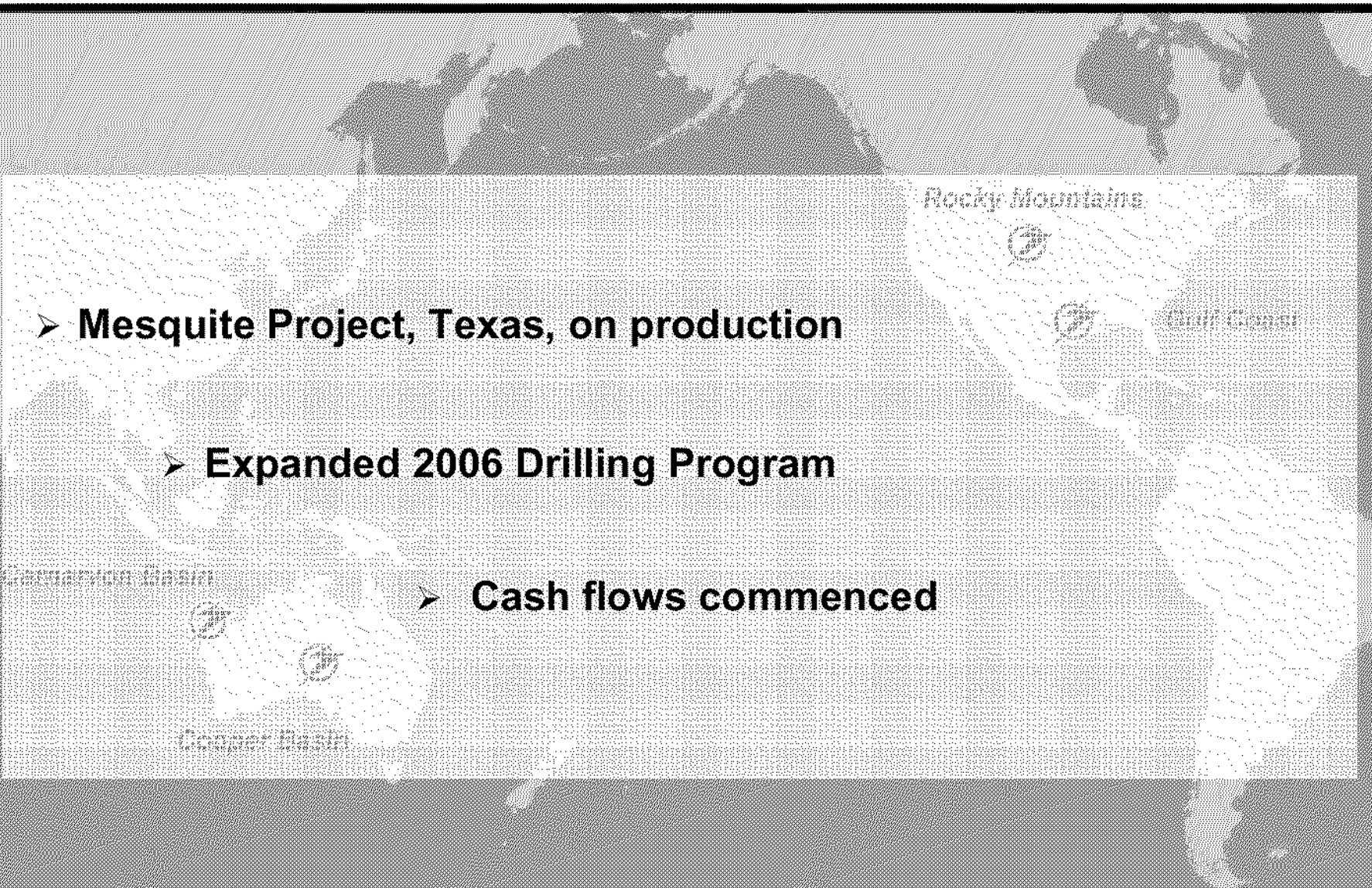
Offshore well



Onshore seismic



Offshore seismic

- 
- **Mesquite Project, Texas, on production**
 - **Expanded 2006 Drilling Program**
 - **Cash flows commenced**

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