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Australian Stock Exchange Ltd
Via Electronic Lodgement

GULF COAST UPDATE

Strike Oil is pleased to announce that the well testing, and drilling on the Mesquite Project are progressing favourably.

Well Testing

The first commercial test has been achieved on the Shefcik 3 well. This result coupled with the commercial tests on the Shefcik 1 and Webernich 1 wells has now confirmed all of the first 3 wells will flow at commercial rates. The final flow rates for each well will not be known until the remaining zones are tested.

Daily production rates of test gas being sold are in the range of 2 to 7 million cubic feet per day depending upon the individual zone being tested

Drilling

The fourth well in the program, the Webernich 2 well, has spudded and was drilling ahead at 3,875 feet (1,181 metres) as of 29 March 2006.

The specifics of the current well are as follows:-

Webernicks 2 Well

Well Name:	Cypress Webernicks No 2
Location:	Mesquite Project, Jackson County, Texas
Spud Date:	22 March 2006 (Texas time)
Objective:	Wilcox Formation sands
Status:	On the 29 March 2006 (Texas local time). The well was drilling ahead at 3,875 feet (1,181 metres)
Proposed Total Depth:	12,300 feet (3,749 metres)
Strike Oil Working Interest:	26.25%
Operator:	Cypress E&P Corporation

Yours faithfully



SIMON ASHTON
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Further information:

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