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Via Electronic Lodgement

PROJECTS UPDATE

Strike Oil announces the following operational updates from activities in the USA and Australia.

USA

Mesquite Project, Gulf Coast, Texas

Operations continue to bring back on production the zone in the Shefcik 1 well that was producing at 7.1 million cubic feet per day of gas and 170 barrels of oil condensate prior to being shut in while further testing of shallower reservoirs took place. At the conclusion of these operations the combined producing zones will be brought on production.

Further testing of the Webernick 1 well is planned to proceed in the next month.

Drilling

At the Cypress Webernick 2 well, drilling is continuing in the sidetrack at 10,381 feet (3,164 metres) prior to setting the 7^{5/8} inch liner before drilling on through the primary objectives of the well.

The specifics of the current well are as follows:-

Cypress Webernich 2 Well

Well Name:	Cypress Webernich No 2
Location:	Mesquite Project, Jackson County, Texas
Spud Date:	22 March 2006 (Texas time)
Objective:	Wilcox Formation sands
	Status: On the 3 May 2006 (Texas local time). Sidetracking the well from 10,381 feet (3,164 metres) prior to running 7 ^{5/8} inch liner.
Proposed Total Depth:	12,300 feet (3,749 metres)
Strike Oil Working Interest:	26.25%
Operator:	Cypress E&P Corporation

AUSTRALIA

ATP 633-P Cooper Basin, South West Queensland

The Operator of ATP-633P, Beach Petroleum, is currently carrying out the Gukithi 2-D seismic survey.

Strike Oil has the option to take up to 15% Working Interest in this permit.

Yours faithfully



SIMON ASHTON
Managing Director - Strike Oil Limited

Further information:

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