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PROJECTS UPDATE

STRIKE WINS ENVIRONMENT AWARD

Strike Oil is pleased to announce the following operational updates from activities in the USA and Australia.

USA

Mesquite Project, Gulf Coast, Texas

The zone in the Shefcik 1 well that had been shut in during the testing of shallower zones has been successfully brought back on production. The current co-mingled rate from the well is around 7 million cubic feet per day of gas and 180 barrels of oil condensate per day.

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

Current sales from the Mesquite Prospect now total around 13 million cubic feet of gas per day and 275 barrels of condensate per day.

Strike Oil has a 26.25% Working Interest in the Mesquite Project and approximately 20% Net Revenue Interest.

Drilling

At the Cypress Webernick 2 well, the 7^{5/8} inch liner has been set at 10,500 feet (3,200 metres) and preparations are underway to drill on through the primary objectives of the well.

The specifics of the current well are as follows:-

Well Name:	Cypress Webernick No 2
Location:	Mesquite Project, Jackson County, Texas
Spud Date:	22 March 2006 (Texas time)
Objective:	Wilcox Formation sands
Status:	10 May 2006 (Texas local time): Preparing to drill ahead after running 7 ^{5/8} inch liner to 10,500 (3,200 metres).
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, has completed the Gukithi 2-D seismic survey.

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

STRIKE WINS APPEA ENVIRONMENT AWARD

Strike Oil was announced as the winner of an Australian Petroleum Production and Exploration Association's (APPEA) environment award at the annual APPEA conference on Monday.

Strike Oil was recognised in the 'exploration' category, for its efforts to eliminate many of the environmental risks while it worked in the eco-sensitive Exmouth Gulf in Western Australia during the drilling of the Cooper 1 well in 2004-05.

Strike Oil's Managing Director Simon Ashton commented that:-

The company recognises the protection of the environment is of paramount importance in all its areas of operation but working in the Exmouth Gulf and adjacent to the Ningaloo Marine Park required even greater planning and diligence. This award is due recognition by our peers and a testimony to the effort by the team at Strike, its advisers and the previous operator, Victoria Petroleum.

Yours faithfully



SIMON ASHTON
Managing Director - Strike Oil Limited

Further information:

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