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18 April 2007

Australian Stock Exchange Ltd
Via Electronic Lodgement

WEEKLY OPERATIONS UPDATE

Strike Oil is pleased to announce the following update on drilling activities in the USA.

HIGHLIGHTS

- **Continuing to drill through the main objective section in the McGall 1 well, Gulf Coast, Texas, 200 Bcf prospect.**

Gulf Coast, Texas

McGall 1 well: Flint Prospect, Fort Bend County

(Strike Oil, 25% Working Interest. Operator, Cypress E&P Corporation)

Current depth is 16,035 feet (4887 metres) measured depth and continuing to drill through the main objective section. Current operation on 18 April 2007 (17 April, Texas Time) is pulling out of the hole to change the bottom hole assembly.

The main objective section will be further evaluated by wireline logging after the well has reached total depth. Total depth is expected to be reached within the next week.

Proposed total depth is 16,500 feet (5,030 metres) measured depth.

The well is targeting a large gas prospect in the order of 200 billion cubic feet of gas potential in the Wilcox Formation.

Rayburn Prospect, Wharton County

(Strike Oil, 25% Working Interest. Operator, Cypress E&P Corporation)

Site preparation is underway for the drilling of the Rayburn Prospect. The exploration well will spud on the completion of drilling at McGall 1. The Rayburn Prospect has potential for 500 billion cubic feet gas in the Wilcox Formation, including the same horizons currently producing at the Mesquite Prospect.

Strike Oil will report its Weekly Operations Updates each Wednesday, unless otherwise warranted, while drilling operations are in progress.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Simon Ashton', with a stylized flourish at the end.

SIMON ASHTON
Managing Director - Strike Oil Limited

Further information:

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