STRIKE
RESOURCES LIMITED

26 May 2008

MARKET ANNOUNCEMENT

High Iron Grades Averaging 64.7% Fe Confirm Potential of Paulsens East Project

Diversified international minerals company Strike Resources Limited (ASX: SRK) is pleased to report results from a recently conducted rock chip sampling programme within its 75% owned Paulsens East Project tenements, located approximately 140 kilometres west of Tom Price in the Pilbara region of Western Australia.

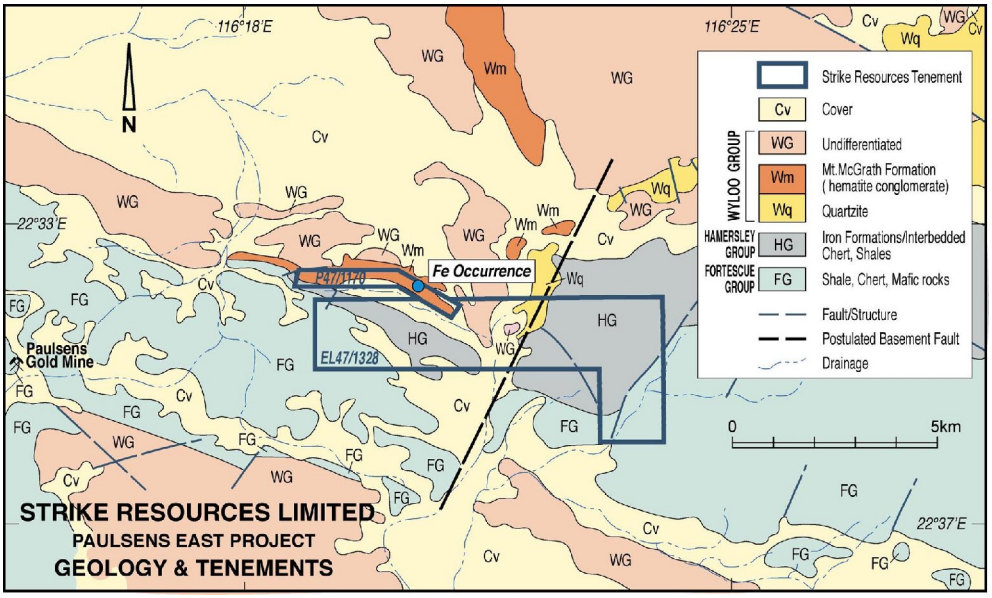
HIGHLIGHTS

- **Average iron grade of 64.7% Fe from 55 rock chip samples collected from the Paulsens East Project in April 2008.**
- **Highest returned grade of 67.67% Fe.**
- **3,000 metre RC drilling programme scheduled to commence in May 2008 to determine the grade and extent of mineralisation and delineate a resource for mining.**
- **Consulting Engineering Group to be engaged shortly to conduct a Scoping Study for the development of mining operations and transportation of ore by road to a regional port.**
- **High grade nature of ore supports a potential DSO lump and fine product capitalising on high prices for premium grade iron ore**
- **Subject to satisfactory completion of drilling and Scoping Study, Strike is targeting a one million tonne per annum mining operation from the Paulsens East Project commencing as early as February 2009.**

Paulsens East Project

The Paulsens East tenements cover a total area of 19.64 square kilometres and are located approximately 140 kilometres west of Tom Price (close to bitumised road) and eight kilometres east-northeast of the Paulsens Gold mine in the northwest of Western Australia.

A map outlining these tenements and the area of high-grade hematite conglomerate mineralisation is shown below:



The Company has recently conducted mapping and sampling over Prospecting Licence PL 47/1170 which has confirmed the presence of high-grade hematite mineralisation.

This mineralisation occurs as a ridge rising up to approximately 60 metres above the valley floor, extending over a strike length of approximately 3,000 metres and varying in width from 6 to 12 metres in a single and continuous outcrop. The mineralisation occurs as a hematite conglomerate in hematite matrix. The hematite outcrop is shown in the picture below:

Profile view: A section of Hematite Ridge

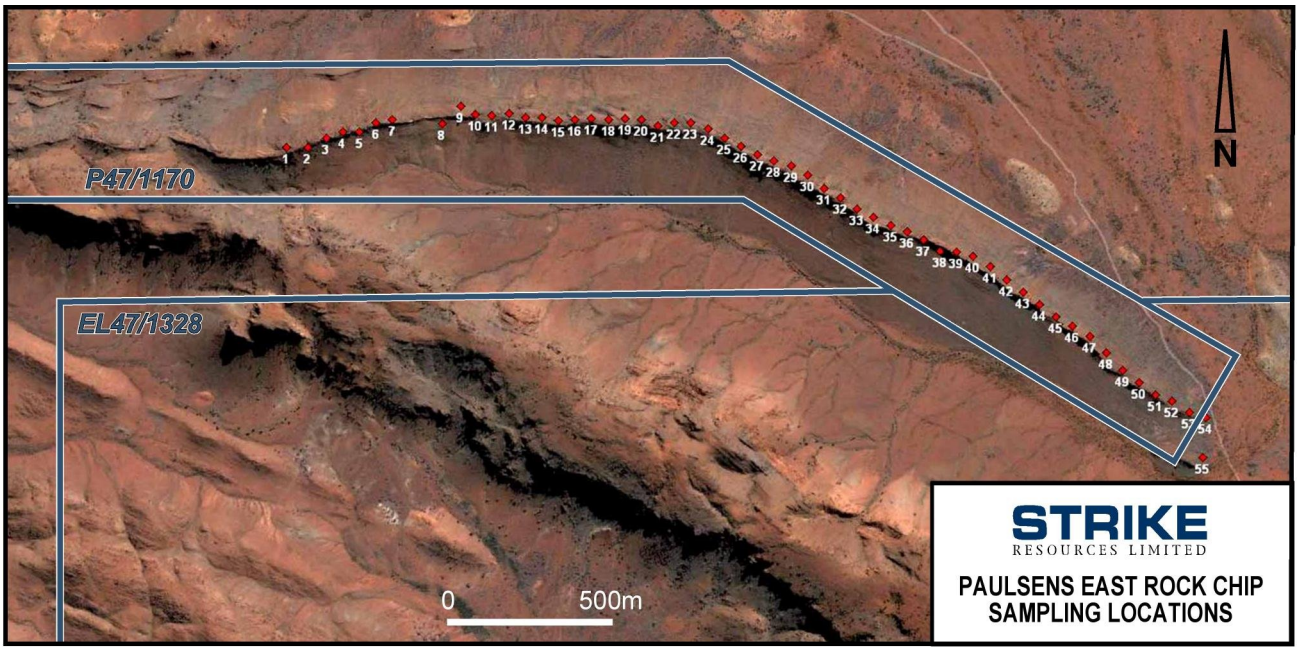
Rock Chip Sampling

The Company has recently completed a rock chip sampling programme along the length of the hematite ridge. **Surface samples were collected at 50 metre intervals and returned an average iron grade of 64.7% Fe**, with one sample returning **67.67% Fe.**

Table 1 annexed to this announcement provides further details on the results of this recent sampling programme

This closed spaced sampling program was undertaken to further delineate the high grade mineralisation present along the ridge and to assist in the outline of a proposed drilling program to support a mining operation from such area.

Previous exploratory drilling results completed in December 2006 returned high-grade intersections in areas averaging 65.15% Fe from 14 to 16 metres and 63.4% Fe from 18 to 22 metres.



Drilling Programme

As a follow-up to the initial drilling campaign and the success of the recently completed rock chip sampling programme, the Company is pleased to advise that it will shortly commence a 3,000 metre RC drilling campaign.

This drilling programme, which is scheduled to commence before the end of the month, will focus on delineating the extent of mineralisation and the grade of the iron ore deposit.

The programme will involve drilling 60 to 80 near horizontal holes over the length of the 3,000 metre outcrop.

Project Management and Scoping Study

The Company is encouraged by these early exploration results and based on it now having sufficient confidence in the Paulsens East Project has undertaken the following:

(1) It has engaged a Project Manager to lead the development of this project to production;

(2) It has commenced environmental and heritage studies to obtain the grant of a Mining Lease for the project;

(3) It is in the process of engaging a Consulting Engineering Group to conduct a Scoping Study to support a 1.0 million tonne per annum mining operation.

Proposed Mining Operation

Subject to satisfactory completion of this current drilling programme and the completion of the various studies referred to above, Strike is targeting a one million tonne per annum mining operation from the Paulsens East Project commencing as early as February 2009 with delivery of iron trucked to the shipping ports of either Onslow or Dampier.

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About Strike Resources Limited

Strike Resources Limited is an Australian based mineral exploration and development company with a diversified asset portfolio including hematite and magnetite iron ore projects in Peru, hematite and minerals sands projects in Australia and a thermal coal project in Indonesia.

Strike is rapidly accelerating the development of its Peruvian iron ore assets to take advantage of skyrocketing demand from steel mills around the world and is set to join the ranks of the world's iron ore producers in 2009 when production commences at its Cuzco Project in Peru.

The information in this market announcement that relates to exploration results has been compiled by Mr Hem Shanker Madan who is a Member of The Australian Institute of Mining and Metallurgy. Mr Madan is the Managing Director of the Company. Mr Madan has in excess of 5 years experience which is relevant to the style of mineralisation under consideration and qualifies as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code)." Mr Madan consents to the inclusion in this market announcement of the matters based on his information in the form and context in which it appears.

Table 1 **ANNEXURE**

Sample No	Easting	Northing	RL	Description	Fe %	SiO2 %	Al2O3 %
1	430430	7504755	350	Hematite Conglomerate	64.93	3.98	1.28
2	430495	7504755	353	Hematite Conglomerate	63.68	5.78	1.13
3	430550	7504782	346	Hematite Conglomerate	61.82	5.34	3.06
4	430600	7504800	339	Hematite Conglomerate	63.93	4.34	1.86
5	430650	7504800	331	Hematite Conglomerate	61.06	8.39	0.85
6	430700	7504828	320	Hematite Conglomerate	56.46	17.04	1.2
7	430750	7504838	320	Hematite Conglomerate	57.83	13.85	1.74
8	430900	7504825	306	Hematite Conglomerate	63.62	7.02	0.68
9	430955	7504880	309	Hematite/Silica Conglomerate	38.86	41.26	1.42
10	431000	7504855	310	Hematite Conglomerate	65.7	3.59	1.23
11	431050	7504850	312	Hematite Conglomerate	66.05	3.65	1.11
12	431100	7504857	311	Hematite Conglomerate	63.47	4.26	2.84
13	431150	7504843	320	Hematite Conglomerate	63.06	4.29	2.7
14	431200	7504843	323	Hematite Conglomerate	63.63	3.52	1.96
15	431250	7504835	312	Hematite Conglomerate	64.14	3.56	2.7
16	431300	7504839	317	Hematite Conglomerate	63.91	3.91	2.14
17	431350	7504842	307	Hematite Conglomerate	65.93	2.36	1.45
18	431400	7504837	320	Hematite Conglomerate	66.04	2.43	1.66
19	431450	7504841	319	Hematite Conglomerate	67.67	1.71	0.98
20	431500	7504838	316	Hematite Conglomerate	66.62	1.93	1.41
21	431550	7504821	302	Hematite Conglomerate	67.38	1.8	0.88
22	431600	7504830	314	Hematite Conglomerate	65.14	3.15	2
23	431650	7504828	315	Hematite Conglomerate	65.81	2.13	1.79
24	431700	7504810	314	Hematite Conglomerate	67.45	1.46	0.99
25	431750	7504783	315	Hematite Conglomerate	66.27	2.33	1.49
26	431800	7504757	320	Hematite Conglomerate	67.18	1.64	1.16
27	431850	7504732	318	Hematite Conglomerate	64.89	2.97	2.32
28	431900	7504716	317	Hematite Conglomerate	66.51	1.99	1.38
29	431950	7504700	312	Hematite Conglomerate	66.81	1.99	1.42
30	432000	7504670	314	Hematite Conglomerate	66.15	2.21	1.45
31	432050	7504630	308	Hematite Conglomerate	66.49	1.65	1.39
32	432100	7504604	307	Hematite Conglomerate	66.56	1.85	1.38
33	432150	7504570	317	Hematite Conglomerate	66.17	1.8	1.56
34	432200	7504544	313	Hematite Conglomerate	65.41	2.42	1.71
35	432250	7504520	316	Hematite Conglomerate	65.91	2.36	1.56
36	432300	7504502	312	Hematite Conglomerate	65.98	2.04	1.57
37	432350	7504476	300	Hematite Conglomerate	66.7	1.95	1.38
38	432400	7504444	292	Hematite Conglomerate	65.51	2.99	1.63
39	432450	7504438	292	Hematite Conglomerate	66.36	2.47	1.43
40	432500	7504428	302	Hematite Conglomerate	60.64	9.21	1.86
41	432550	7504395	303	Hematite Conglomerate	65.25	2.69	2.1
42	432600	7504356	294	Hematite Conglomerate	64.83	2.57	2.22
43	432650	7504318	279	Hematite Conglomerate	65.35	2.04	1.45
44	432700	7504282	285	Hematite Conglomerate	67.16	1.84	1.16
45	432750	7504245	283	Hematite Conglomerate	66.13	2.13	1.51
46	432800	7504216	282	Hematite Conglomerate	66.84	1.73	1.32
47	432850	7504187	278	Hematite Conglomerate	66.5	1.92	1.19
48	432900	7504135	265	Hematite Conglomerate	65.56	2.39	1.79
49	432950	7504085	257	Hematite Conglomerate	65.22	2.8	2.05
50	433000	7504046	260	Hematite Conglomerate	67.14	1.72	1.36
51	433050	7504011	260	Hematite Conglomerate	66.32	1.87	1.6
52	433100	7503992	261	Hematite Conglomerate	66.73	1.79	1.49
53	433150	7503957	256	Hematite Conglomerate	66.24	2.2	1.59
54	433200	7503943	248	Hematite Conglomerate	66.18	2.35	1.54
55	433192	7503820	260	Hematite Conglomerate	66.86	2.13	1.22