

**Management's Exploration Update
July 2008**

Kodiak is currently drilling multiple targets in several different areas at Hercules, including the Golden Mile, Lucky Strike, Seven of Nine, Derek Lee and Yellow Brick Road veins. As of July 18, we have five drills working, and we have plans to increase to as many as eight drills in the immediate future. We understand shareholders are anxiously awaiting news, but we are still waiting on final assay results for many samples. In addition, our regional exploration program is proceeding robustly, with initial stripping having been started on over six standalone gold targets. Recently, five other new gold targets have been generated that require follow up exploration; research and development remains ongoing. Following a program of sampling and mapping, these targets are planned to be drilled for their economic potential.

As we drill new and deeper portions of the Golden Mile, it is crucial that we have all data in hand to model the geologic interpretation, vein correlation, and other crucial information. For our new targets like the Lucky Strike vein structure, which is located parallel to the Golden Mile, this new data is providing our first indication of vein orientation and dip. With new information being developed daily in multiple areas simultaneously, it is crucial that we have as much information in hand as possible to confirm our interpretation and verify our models prior to releasing data. We plan to release news soon and look forward to the remainder of the Hercules drilling program and the district exploration campaign with great enthusiasm. Thank you for your patience and continued support of Kodiak Exploration Limited.