

ASX RELEASE

6 August 2008

SUGARLOAF OPERATIONS UPDATE

Eureka Energy Limited ("Eureka") is pleased to provide the market with an update on operations within the Sugarloaf Area of Mutual Interest ("AMI").

Kowalik-1H

Eureka has been advised by the operator, Texas Crude Energy Inc ("TCEI"), that as of 06:00hrs 05/08/08 (US CST) the Kowalik-1H well had reached a depth of 9,823ft and was drilling ahead.

This vertical section of the well will be drilled as a pilot hole down to approximately 12,000 ft through the chalk. This will then be logged, plugged back and the well sidetracked to the top of the chalk before casing is run prior to drilling the horizontal section. The well is planned to have a 6,000ft horizontal section and is targeting the upper pay interval that has been reported as successfully producing gas and condensate in three wells in the adjacent acreage. The Joint Venture is working towards this being the first in a continuous sequence of 4 wells.

Eureka has a 12.5% working interest in the Sugarloaf Joint Venture which has recently increased to approximately 23,161 acres under lease. Other ASX listed participants in the Sugarloaf JV, and their respective working interests are:

Aurora Oil & Gas Limited	20%
Adelphi Energy Limited	20%

Further information on Eureka and its projects are available on our website at www.eurekaenergy.com.au.

Yours faithfully
EUREKA ENERGY LIMITED

Graham Dowland
Chairman

Information contained in this report concerning the Sugarloaf project was compiled from information provided by Texas Crude Energy Inc. Information on the project was reviewed by P D Allchurch, BSc, FAIMM, MPESA, who has had 40 years experience in the practice of geology and more than 5 years experience in petroleum geology. Mr Allchurch has consented to the inclusion in this report of the matters based on this information in the form and context in which it appears. Mr Allchurch holds shares in Eureka Energy Limited.