

## ASX RELEASE

22 October 2008

### UPDATE ON OPERATIONS AT KOWALIK - 1H

Eureka Energy Limited (“Eureka”) is pleased to provide the market with an update on operations at the Kowalik-1H well within the Sugarloaf AML, which is part of the Sugarkane Gas and Condensate Field.

#### **Kowalik - 1H**

Eureka has been advised by the operator, Texas Crude Energy Inc (“TCEI”), that at 06:00hrs on the 21/10/08 (US CST) the well had reached a measured depth of 16,483 ft, which equates to approximately 4,600 ft of horizontal section within the Austin Chalk.

The well has again continued to produce gas whilst drilling, with further significant gas flares resulting from the last section of the well. Gas readings regularly in excess of 2,000 units have continued to be measured.

Whilst encouraging the commercial significance of these gas shows and flares will not be known until the well has been flow tested.

The horizontal section is targeting the upper part of the Austin Chalk that has been reported as successfully producing gas and condensate in 3 wells in the adjacent acreage.

The Joint Venture has elected to call Total Depth at this point and a wiper trip has been carried out in preparation for completion of the well. These operations are expected to take 7 – 10 days before the well will be flow tested.

Eureka has a 12.5% working interest in the Sugarloaf AML. 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 is available on our website at [www.eurekaenergy.com.au](http://www.eurekaenergy.com.au).

Yours faithfully  
EUREKA ENERGY LIMITED

Graham Dowland  
Chairman