

ASX RELEASE

29 October 2008

UPDATE ON OPERATIONS AT SUGARLOAF

Eureka Energy Limited ("Eureka") is pleased to provide the market with an update on operations within the Sugarloaf AMI, 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 22:30hrs on the 25/10/08 (US CST) the Kowalik - 1H well had been completed and the Patterson #130 rig was released and commenced demobilization to the next drilling location. Once the well site has been cleared preparations will commence for the production test of Kowalik - 1H, which is anticipated to commence within the next 3 days and the results will be announced as soon as possible thereafter. The location has been tied into production and export facilities so that when the test is complete the production can be immediately switched to sales.

Weston - 1H

Eureka has also been advised by TCEI that the next well to be drilled within the Sugarloaf AMI will be the Weston - 1H well. The wellsite is located approximately 1.5km to the east of the Kennedy - 1H well and it is designed with a 6000 ft horizontal section drilled to the south east.

The well is targeting the upper chalk interval that has been reported to have successfully produced gas and condensate in three wells in the adjacent acreage and gave positive indications while drilling in the Kowalik - 1H well. The well design continues to build upon the knowledge gained from recent operations and offset data.

The well is planned to take 65 days from spud which is anticipated within the next week

Eureka has a 12.5% working interest in the Sugarloaf AMI. 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.

Yours faithfully
EUREKA ENERGY LIMITED

Graham Dowland
Chairman