

**ASX RELEASE**

3 November 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 on 31 October 2008 operations commenced to unload the Kowalik - 1H well. As at 6am Texas time on 2 November 2008 the well was still cleaning up and was flowing gas, condensate, drilling and completion fluids. Once the well is fully unloaded, which may require a second chemical wash to remove mud from the well bore, the fully stabilised production rate will be advised.

**Weston - 1H**

Eureka has also been advised by TCEI that the Weston - 1H well spudded on 2 November 2008. At 6am the well was drilling ahead at a depth of 392 feet.

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 four wells in the adjacent acreage and in which the Kowalik - 1H well has been drilled. The well design continues to build upon the knowledge gained from recent operations and offset data.

The well is planned to take approximately 65 days.

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](http://www.eurekaenergy.com.au).

Yours faithfully  
EUREKA ENERGY LIMITED

Graham Dowland  
Chairman