



eureka energy LTD.

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Notice of General Meeting

A General Meeting of the Company will be held at 10.00am on Thursday, 22 January 2009 (WDST) at Level 20, 77 St Georges Terrace, Perth, Western Australia.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, stockbroker or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9440 2640.

EUREKA ENERGY LIMITED

ABN 46 116 829 139

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Eureka Energy Limited (“Eureka”) will be held at 10.00am on Thursday, 22 January 2009 (WDST) at Level 20, 77 St Georges Terrace, Perth Western Australia (“Meeting”).

The attached Proxy Form forms part of this Notice of General Meeting (“Notice”).

Please note terms used in the resolution contained in this Notice have the same meaning as set out in the glossary of the Explanatory Statement accompanying this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 5pm on Tuesday, 20 January 2009 (WDST).

AGENDA

Resolution 1 Ratification of previous issue of Shares

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That pursuant to and in accordance with Listing Rule 7.4 of the Listing Rules of Australian Securities Exchange and for all other purposes, Shareholders approve and ratify the allotment and issue of up to 12,000,000 fully paid ordinary shares in the capital of the Company at an issue price of 4 cents each on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion statement

For the purposes of Listing Rule 7.5, the Company will disregard any votes cast on resolution 1 by any person who participated in the issue and any of their associates, unless it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

Resolution 2 Approval for the issue of Shares

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

“That pursuant to and in accordance with Listing Rule 7.1 of the Listing Rules of Australian Securities Exchange and for all other purposes, Shareholders approve the allotment and issue of up to 13,000,000 fully paid ordinary shares in the capital of the Company at an issue price of 4 cents each on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

Voting exclusion statement

For the purposes of Listing Rule 7.3.8, the Company will disregard any votes cast on resolution 2 by any person who may participate in the proposed issue and any of their associates, unless it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

Resolution 3 Approval for the issue of shortfall Shares pursuant to Share Purchase Plan

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That pursuant to and in accordance with Listing Rule 7.1 of the Listing Rules of Australian Securities Exchange Limited and for all other purposes, the Company be authorised to allot and issue up to 12,500,000 fully paid ordinary shares in the capital of the Company at 4 cents each to the extent of any shortfall arising under the Share Purchase Plan in the manner as described in the Explanatory Statement accompanying this Notice of Meeting."

Voting exclusion statement

For the purposes of Listing Rule 7.3.8, the Company will disregard any votes cast on resolution 3 by any person who may participate in the proposed issue and any of their associates, unless it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides).

By Order of the Board



Julie Foster
Company Secretary
16 December 2008

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolution in the accompanying Notice. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

This Explanatory Statement should be read in conjunction with the Notice. Capitalised terms in the Explanatory Statement are defined in the Glossary.

Resolution 1 – Ratification of previous issue of Shares

On 16 December 2008 the Company announced an intention to place up to 12,000,000 new Shares to Professional and Sophisticated Investors.

Listing Rule 7.1 imposes a limit on the number of equity securities (e.g. shares or options to subscribe for shares) which a company can issue without shareholder approval. In general terms, the limit is that a company may not, without shareholder approval, issue in any 12 month period, equity securities which are more than 15% of:

- the number of fully paid ordinary shares on issue 12 months before the issue; plus
- the number of fully paid ordinary shares issued in that 12 months under an exception contained in Listing Rule 7.2 or with shareholder approval.

Equity securities which are issued under an exception contained in Listing Rule 7.2 or with Shareholder approval do not reduce the number of Shares that may be issued by the Company under Listing Rule 7.1. Shareholder approval can be obtained either before or after the equity securities are issued.

Listing Rule 7.4 states that an issue by a company of equity securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 when made and the company's members subsequently approve it. Under Resolution 1, the Company seeks approval from Shareholders for, and ratification of, the previous issue of equity securities set out below:

Listing Rule 7.5 requires the following information to be given to Shareholders:

- 12,000,000 Shares are expected to be issued and allotted on, or before, 22 December 2008 and prior to the date of this Meeting. These Shares will be issued at an issue price of 4 cents each to raise approximately \$480,000 (before associated costs). They comprise approximately 15% of the Company's pre-placement share capital.
- The Shares will be allotted and issued to Professional Investor and Sophisticated Investor clients of Bell Potter Securities Limited (None of whom are related parties).
- The Shares will be issued on the same terms as pre-existing fully paid ordinary shares and rank equally with those Shares.
- The proceeds from the capital raisings will primarily be used to meet operating costs at the Sugarloaf project in Texas. Having pre-paid drilling costs for the Kowalik - 1H well and the current Weston - 1H well, Eureka seeks additional working capital to contribute to the planned and possible completion operations for each of these wells.

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends that Shareholders vote in favour of Resolution 1 as it allows the Company to retain the flexibility to issue the maximum number of equity securities permitted under Listing Rule 7.1 without Shareholder approval.

Resolution 2 – Approval for issue of Shares

Listing Rule 7.1 imposes a limit on the number of equity securities (e.g. shares or options to subscribe for shares) which a company can issue without shareholder approval. In general terms, the limit is that a company may not, without shareholder approval, issue in any 12 month period, equity securities which are more than 15% of:

- the number of fully paid ordinary shares on issue 12 months before the issue; plus
- the number of fully paid ordinary shares issued in that 12 months under an exception contained in Listing Rule 7.2 or with shareholder approval.

Shareholder approval under Listing Rule 7.1 is sought to ensure that the proposed issue of Shares by the Company pursuant to resolution 2 does not result in the Company being in breach of Listing Rule 7.1, and to provide the company with flexibility to make future issues of securities during the next 12 month period without first having to obtain approval of its shareholders.

Listing Rule 7.3 requires the following information to be given to Shareholders:

- Up to 13,000,000 Shares are proposed to be issued and allotted no later than three months after the date of Shareholder approval. These Shares will be issued at an issue price of 4 cents each to raise up to \$520,000 (before associated costs).
- The Shares will be allotted to Professional Investor and Sophisticated Investor clients of Bell Potter Securities Limited (None of whom are related parties).
- The Shares will be issued on the same terms as pre-existing fully paid ordinary shares and rank equally with those Shares.
- The proceeds from the capital raisings will primarily be used to meet operating costs at the Sugarloaf project in Texas. Having pre-paid drilling costs for the Kowalik - 1H well and the current Weston - 1H well, Eureka seeks additional working capital to contribute to the planned and possible completion operations for each of these wells.

Resolution 3 – Approval for the issue of Shortfall Shares pursuant to Share Purchase Plan

Enclosed with this Notice of Meeting is a letter to Shareholders setting out the terms of the Company's 2008 Share Purchase Plan (SPP). Under the terms of the SPP, the anticipated maximum number of shares to be issued by the Company is 12,500,000. It is possible that applications from eligible Shareholders will amount to less than the maximum permitted and for this reason the Company requests approval for the issue of shares to the extent of any shortfall between the maximum number of shares permitted under the SPP and the shares issued to eligible subscribers (Shortfall).

Listing Rule 7.1 imposes a limit on the number of equity securities (e.g. shares or options to subscribe for shares) which a company can issue without shareholder approval. In general terms, the limit is that a company may not, without shareholder approval, issue in any 12 month period, equity securities which are more than 15% of:

- the number of fully paid ordinary shares on issue 12 months before the issue; plus
- the number of fully paid ordinary shares issued in that 12 months under an exception contained in Listing Rule 7.2 or with shareholder approval.

Equity securities which are issued under an exception contained in Listing Rule 7.2 or with Shareholder approval do not reduce the number of shares that may be issued by the Company under Listing Rule 7.1.

ASX Listing Rule 7.2 Exception 15 allows a Company to issue shares under a Share Purchase Plan without shareholder approval. Shares issued as a result of any shortfall under the SPP will reduce the 15% allowed to be issued by the Company. For this reason shareholder approval at this time negates the requirement to ratify any such issue at the next general meeting. As the actual number of Shares which

may be issued as a result of any Shortfall under the SPP is not yet known, approval is sought for the maximum anticipated number of Shares which could be issued.

The Board believes that the approval of this issue is beneficial for the Company. The Board recommends that Shareholders vote in favour of Resolution 3 as it allows the Company to retain the flexibility to issue the maximum number of equity securities permitted under Listing Rule 7.1 without Shareholder Approval.

ASX Listing Rule 7.3 requires that the following information be provided to shareholders:

- The maximum number of securities to be issued represents the shortfall, if any, between the maximum number of shares permitted to be issued under the terms of the SPP and the actual number of shares issued to eligible shareholders. The maximum number of securities that may be issued is 12,500,000 Shares;
- The securities will be issued no later than three months after the date of shareholder approval.
- The securities will be issued at 4 cents per Share;
- The allottees to the Shortfall will be Professional Investors and Sophisticated Investors determined at the discretion of the Board of Directors (None of whom are related parties).
- The Shares will be issued on the same terms as existing fully paid ordinary shares and will rank equally with those shares.
- The proceeds from the capital raisings will primarily be used to meet operating costs at the Sugarloaf project in Texas. Having pre-paid drilling costs for the Kowalik – 1H well and the current Weston – 1H well, Eureka seeks additional working capital to contribute to the planned and possible completion operations for each of these wells.

Glossary

In this Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited
Board	The Board of Directors
Chair or Chairman	Mr Graham Dowland or such other person appointed chairman in accordance with the Constitution
Company	Eureka Energy Limited ABN 46 116 829 139
Constitution	The constitution of the Company
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Director	A director of the Company
Explanatory Statement	The information attached to the Notice, which provides information to Shareholders about the resolutions contained in the Notice
Listing Rules	The listing rules of ASX
Meeting or General Meeting	The general meeting convened by the Notice
Notice	The notice of meeting which accompanies this Explanatory Statement
Professional Investor	As defined in s9 of the Corporations Act
Share	Fully paid ordinary share in the capital of the Company
Shareholder	A holder of a Share
Shortfall	The extent to which the actual number of Shares issued to eligible Shareholders under the Share Purchase Plan falls short of the maximum number of shares available for issue.
Sophisticated Investor	An investor meeting the criteria set out in s708(8) of the Corporations Act or eligible to participate under s708(10)
WDST	Australian Western Daylight Saving Time

EUREKA ENERGY LIMITED

ABN 46 116 829 139

PROXY FORM

The Company Secretary
Eureka Energy Limited

By delivery:

Level 20, 77 St Georges Terrace
PERTH WA 6000

By post:

GPO Box 2530
PERTH WA 6001

By facsimile:

+61 8 9440 2699

I/We

¹

of ²

being a Shareholder/Shareholders of the Company and entitled to _____

votes in the Company, hereby appoint ³ _____

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 10.00 am on 22 January 2008 (WDST) at Level 20, 77 St Georges Terrace, Perth, Western Australia and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes this proxy is authorised to exercise is * []% of the Shareholder's votes*/ [] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

INSTRUCTIONS AS TO VOTING ON THE RESOLUTION

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Ratification of previous issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for issue of Shortfall Shares pursuant to Share Purchase Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of the Resolutions 1 to 3, please place a mark in this box..

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 1 to 3 and that votes cast by the Chair of the meeting other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your vote on Resolutions 1 to 3 and your vote will not be counted in calculating the required majority if a poll is called.

The Chairman intends to vote in favour of the Resolution in relation to undirected proxies.

Authorised signature/s This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name of shareholder ²Insert address of shareholder ³ Insert name and address of proxy *Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a person or a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that meeting, the representative of the corporation to attend the meeting must produce the appropriate Certificate of Appointment of Representation prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders must sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 20, 77 St Georges Terrace, Perth, WA, 6000, or by post to PO Box 2530, Perth, WA, 6001 or Facsimile (08) 9440 2699 if faxed from within Australia or +618 9440 2699 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).