



eureka energy^{LTD.}

ABN 46 116 829 139

2008

SHARE PURCHASE PLAN OFFER

This document is not a prospectus.

It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the new Shares offered by this document

This document is important and requires your immediate attention.

It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

This Offer opens at 9.00am (WDST) on 17 December 2008 and closes at 5:00pm (WDST) on 30 January 2009

Valid acceptances must be received before the offer closes. Please read the Terms and Conditions in this document regarding the acceptance of the Offer

16 December 2008

Dear Shareholder

EUREKA ENERGY LIMITED SHARE PURCHASE PLAN

On 16 December 2008 Eureka Energy Limited (Eureka) announced a placement of 25 million ordinary shares at \$0.04 per share to professional and sophisticated investors to raise up to \$1 million before the costs of the issue (Placement). The placement of the first tranche of 12 million ordinary shares at \$0.04 per share to raise up to \$480,000 before the costs of the issue has now been agreed. Subject to the approval of shareholders at a general meeting to be held on 22 January 2009, up to a further 13 million ordinary shares are proposed to be issued in the second tranche of the Placement. The Board of Directors are pleased to offer eligible shareholders the opportunity to participate in a Share Purchase Plan (SPP) to acquire additional shares in Eureka at the same issue price of \$0.04 per share as that paid by investors under the Placement.

Participation in the SPP is optional and is open to all registered shareholders at 5.00pm (WDST) on Friday, 12 December 2008 (record date) whose registered address is in Australia or New Zealand (Eligible Shareholder). The offer to acquire shares under the SPP is non-renounceable and therefore Eligible Shareholders may not transfer their rights to subscribe for shares under the SPP.

Eureka has absolute discretion as to the amount raised through the SPP, including the right to scale back if applications totalling in excess of \$500,000 (12.5 million shares) are received.

The proceeds from the SPP 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.

Key terms of the SPP include:

- Eligible Shareholders entitled to purchase up to \$5,000 of shares
- Offer price of \$0.04 per share
- No brokerage or transaction costs
- The SPP will open at 9.00am (WDST) on Wednesday 17 December 2008
- Applications and full payment for shares must be received before the close of the offer at 5.00pm (WDST) on Friday, 30 January 2009

How to apply

The Terms and Conditions of the SPP which are enclosed with this letter should be read carefully. If you wish to participate in the SPP, please complete and return the Application Form, together with your cheque made payable to "Eureka Energy Ltd - Application Account" and crossed "Not Negotiable" for the amount payable by you in Australian dollars, to Computershare Investor Services Pty Ltd (by delivery or by post) by no later than **5.00pm (WDST) on Friday 30 January 2009** at:



By delivery:

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
PERTH
WA 6000

By Post:

Computershare Investor Services Pty Ltd
GPO Box D182
PERTH
WA 6840

If you have any questions in relation to the SPP or about any of the enclosed documents, please contact:

Computershare Investor Services Pty Ltd

Telephone: 1300 55 70 10 (within Australia)
+61 (0)8 9323 2000 (outside Australia)

Facsimile: +61 (0)8 9323 2033

Email: web.queries@computershare.com.au

Yours sincerely,

Graham Dowland
Chairman

NOT FOR RELEASE INTO THE UNITED STATES OR TO US PERSONS OR IN ANY JURISDICTION WHERE THIS DOCUMENTATION DOES NOT COMPLY WITH THE RELEVANT REGULATIONS

TERMS AND CONDITIONS

Share Purchase Plan (SPP or Offer)

Key Dates

Event	Date
Record Date	Friday, 12 December 2008
Offer opens	Wednesday, 17 December 2008
Offer closes	Friday, 30 January 2009
Allotment Date	Friday, 6 February 2009
Dispatch of holding statements	On or around 11 February 2009

Eligibility to participate in SPP

You are eligible to participate in the SPP if you were registered as a holder of Eureka Energy Limited (Eureka) shares at 5.00pm (WDST) on Friday, 12 December 2008 with a registered address in Australia or New Zealand (Eligible Shareholder).

Participation in the SPP is optional. The Offer to each Eligible Shareholder is made on the same terms and conditions.

- **Single holders**
If you are the only registered holder of a holding of Eureka shares (Shares), but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply for one maximum parcel of Shares.
- **Joint holders**
If you are registered with one or more other persons as the joint holders of a holding of Shares, that joint holding is considered to be a single registered holding for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only apply for one maximum parcel of Shares.
- **Trustees and nominees**
If you are expressly noted on Eureka's share register as a trustee or nominee holding Shares on account for a named beneficiary then you may apply for one maximum parcel of Shares for each such beneficiary. If the Eureka share register does not record a named beneficiary in respect of your trustee or nominee holding,

the rules for multiple single holdings will apply.

In order to comply with relevant securities laws, a trustee or nominee holding Shares for the benefit of a US Person (as defined in the Securities Act) may not apply for Shares under this Offer.

Offer price

The offer price for each Eureka Share under the SPP is \$0.04 being:

- the same price per Share paid by investors under the recent Placement; and
- at least 80% of the average market price of ordinary shares calculated over the last 5 trading days ending on 10 December 2008; and
- a 13% discount to volume weighted average Share price (VWAP) for the last 5 trading days ending on 10 December 2008 and a 20% discount to closing price on 10 December 2008.

You should note that the Eureka share price may rise or fall between the date of this Offer and the date when Shares are allotted and issued to you under the SPP. This means that the price you pay for the new shares under the SPP may be either higher or lower than the market price of Eureka's Shares at the time they are allotted and issued to you. Eureka recommends that before making the decision to accept this offer, you should refer to the current market price of Eureka Shares which can be found in the financial pages of major Australian metropolitan newspapers, or on the Australian Securities Exchange (ASX) website at www.asx.com.au (ASX code: EKA).

Entitlement

The Offer under the SPP is made in accordance with Australian Securities and Investments Commission (ASIC) Class Order [02/831].

In order to comply with the relief issued by ASIC, the maximum value of new shares each eligible shareholder (irrespective of the size of their shareholding) may apply for under this Plan or similar arrangements is \$5,000 over any twelve month period. *This limit will apply even if you receive more than one offer from the Company (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts).* However, if you act as trustee or nominee in respect of more than

one beneficiary, you may apply for up to \$5,000 of new shares for each occasion that you are separately recorded as trustee or nominee for a different beneficiary. The Company reserves the right to reject any application for new shares where it believes this requirement has not been complied with.

The maximum value of Shares for which you can apply is \$5,000. There is no minimum value of Shares which can be applied for. The number of Shares to be issued to you will be calculated by dividing the value of the Shares you apply for by the offer price of \$0.04 per Share, then rounding up to the nearest whole number of Shares.

For example, in the absence of scale back, if you apply for \$3,000 of Shares at an offer price of \$0.04 per share, you will be allotted 75,000 Shares.

You may apply for any value of Shares up to a maximum of \$5,000 (125,000 Shares).

Applications may be scaled back

The Offer of Shares under the SPP is being made without the prior approval of Shareholders in accordance with Listing Rule 7.2 Exception 15. This exception restricts the number of Shares that can be issued under the SPP without prior Shareholder approval to 30% or less of the number of fully paid ordinary shares already on issue. The maximum number of Shares that can be issued by Eureka under the SPP is 24.723 million.

Eureka retains absolute discretion as to the amount raised through the SPP. The directors of Eureka reserve the right to scale back if applications in excess of 12.5 million Shares (\$500,000) are received. If applications are scaled back each applicant will be treated equally and scaled back on a pro rata basis, based on the size of their application. In the event that the scaled back number of Shares does not represent a whole number, Shares allotted to you will be rounded up to the nearest whole number. The difference in purchase price will be refunded by Eureka, without interest, following allotment.

Non-renounceable offer

The Offer is non-renounceable and therefore Eligible Shareholders may not transfer their rights to subscribe for Shares under the SPP.

Participation costs

No brokerage, commission or other participation costs are payable by you in respect of the acquisition of Shares under the SPP.

Rights attaching to Shares

The Shares allotted under the SPP will rank equally and carry the same rights as existing Eureka fully paid ordinary Shares.

Application

If you are an Eligible Shareholder under the terms and conditions of the SPP and wish to participate in the offer you must complete the enclosed Application Form and return it, together with your cheque made payable to "Eureka Energy Ltd - Application Account" and crossed "Not Negotiable" for the amount payable by you in Australian dollars. The Application Form should be returned to Computershare Investor Services Pty Ltd (by delivery or by post) by no later than **5.00pm (WDST) on Friday 30 January 2009** at:

By delivery:

Level 2,
45 St Georges Terrace
PERTH
WA 6000

By post:

GPO Box D182
PERTH
WA 6840

Allotment

Shares are expected to be allotted under the SPP on or around Friday, 6 February 2009. Eureka will apply for these Shares to be listed for quotation on the ASX.

Holding statements in respect of the Eureka Shares allotted to you are expected to be despatched on or around 11 February 2009.

Alteration of terms and conditions

Eureka reserves the right to waive strict compliance with any provision of these terms and conditions, to amend or vary these terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all Eligible Shareholders even when Eureka does not notify you of that event. Eureka may make determinations in any manner that it thinks fit, including in relation to any disputes or anomalies in connection with or by reason of the operation of the SPP. Any determinations will be conclusive and binding.

Governing law

This Offer is governed by the law in force in Western Australia.

Acknowledgements

Participation in the SPP is entirely optional and Eureka does not make any recommendation or give any advice regarding whether eligible shareholders should participate in the SPP. You should consult your professional adviser in relation to this offer and your participation in the SPP.

By accepting an offer under the SPP, you acknowledge and agree that:

- you have read, understood and agree to be bound by the terms and conditions of the SPP;
- the aggregate of the application price for the new shares the subject of the application and any other shares and interests in the class applied for by you under the SPP or a similar arrangement in the 12 months prior to the application for new shares under the Plan does not exceed \$5,000;
- you agree to be bound by the constitution of the Company.

Further information

If you have any questions in respect of the SPP, please contact our Share Registry, Computershare Investor Services Pty Limited on:

Telephone: 1300 55 70 10 (within Australia)

Telephone: +61 (0)8 9323 2000 (outside Australia)

Eureka Energy Limited
 ABN 46 116 829 139

Please return completed form to:
 Computershare Investor Services Pty Limited
 GPO BOX D182 Perth
 Western Australia 6840 Australia
 Enquiries (within Australia) 1300 557 010
 (outside Australia) 61 3 9415 4000
 Facsimile 61 08 9323 2033
 web.queries@computershare.com.au
 www.computershare.com



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 SAM
 MR JOHN SAMPLE
 FLAT 123
 SAMPLE STREET
 SAMPLE STREET
 SAMPLE STREET
 SAMPLETOWN VIC 3030

Securityholder Reference Number (SRN)



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Entitlement Number:
 Record Date: 12 December 2008
 Offer Closes: 5pm WDST 30 January 2009
 Price per Shares: A\$0.04

SHARE PURCHASE PLAN APPLICATION FORM

IMPORTANT:

This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this form please consult a professional adviser. Pursuant to the terms and conditions of the Eureka Energy Limited Share Purchase Plan ("SPP") contained in the letter to Eureka Energy Limited shareholders dated 16 December 2008, Eureka Energy Limited is offering eligible shareholders the opportunity to purchase Shares up to a maximum value of A\$5,000 per eligible shareholder.

By making your payment, you agree to be bound by the Constitution of Eureka Energy Limited and agree that the submission of this payment constitutes an irrevocable offer to you by Eureka Energy Limited to subscribe for Eureka Energy Limited Shares on the terms of the SPP. In addition, by submitting this Application Slip you certify that the aggregate of the application price paid by you for:

- the Shares the subject of this Application Slip; and
- any other shares and interests in the class applied for by you under the Share Purchase Plan or any similar arrangement in the 12 months prior to the date of submission of this Application Slip, does not exceed \$5,000.00.

METHOD OF ACCEPTANCE

Your cheque, Bank Draft or Money Order should be in Australian dollars and drawn on an Australian bank made payable to 'Eureka Energy Limited – Application Account' for the relevant amount and crossed 'Not Negotiable'. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected.

Your application slip and cheque, Bank Draft or money order must be received by the share registry before the close of the offer 5pm WDST 30 January 2009. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. New Zealand holders will need to affix the appropriate postage. Your Application Slip should be returned in the envelope provided or delivered to Computershare Investor Services Pty Limited ("CIS") at the address shown on the reverse of this form. Refer overleaf for instructions.

Eureka Energy Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Eureka Energy Limited will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates. Eureka Energy Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible shareholders even where Eureka Energy Limited does not notify you of that event. The directors reserve the right to make amendments to this form where appropriate.

This offer is non-renounceable - No Signature is required
Return Application Slip and Cheque, Bank Draft or Money Order in the envelope provided
Applications can only be accepted in the name printed on this form

E K A

S P R M

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Eureka Energy Limited
 ABN 46 116 829 139

Please see overleaf for Payment Options



Entitlement Number: <xxxxxxxx>

I/We wish to purchase shares:

Maximum 125,000 shares or \$5,000 or

SELECTED AMOUNT - PLEASE COMPLETE
 Shares at A\$0.04 per share

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

Payment Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

Make your cheque or bank draft payable to Eureka Energy Limited – Application Account

Enter your contact details

Contact Name

Telephone Number - Business Hours / After Hours
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Instructions

Payment Details

Make your cheque, bank draft or money order payable to Eureka Energy Limited – Application Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank. Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected.

Complete cheque details in the boxes provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Share Purchase Plan Application Slip where indicated. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

Lodgement of Application

Application Slips must be received by CIS Perth by no later than 5pm WDST 30 January 2009. You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the Share Purchase Plan. A reply paid envelope is enclosed for shareholders in Australia. New Zealand holders will need to affix the appropriate postage.

Return the Application Slip with cheque(s) attached:



**Eureka Energy Limited
Computershare Investor Services Pty Limited
GPO BOX D182 Perth
Western Australia 6840**

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 557 010.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 557 010 or visit www.computershare.com (certificated/issuer sponsored holders only).

CHES holders must contact their Controlling Participant to notify a change of address.

