

ASX RELEASE

31 December 2008

UPDATE ON OPERATIONS AT WESTON - 1H

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

Weston - 1H

Eureka has been advised by the Operator, Texas Crude Energy Inc ("TCEI"), that the production casing has now been run and cemented at a depth of 12,250 ft. Preparations are presently underway to commence drilling the final hole section, which will be steered horizontally through the Austin Chalk.

The well is targeting the upper chalk interval which has produced gas and condensate in three wells in the adjacent acreage and at the Kowalik - 1H well. The well design continues to build upon the knowledge gained from recent operations and offset data.

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