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Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at 2.00 pm on Wednesday, 25 November 2009 (WST) at Level 31, 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, solicitor 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 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of the Company will be held at 2.00 pm on Wednesday, 25 November 2009 (WST) at Level 31, 77 St Georges Terrace, Perth, Western Australia ("Meeting").

The Proxy Form forms part of this Notice of Annual General Meeting ("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 5.00 pm on Monday, 23 November 2009 (WST).

AGENDA

Financial Statements and Reports

To receive and consider the annual financial report of the Company and its controlled entities for the financial year ended 30 June 2009 together with the directors' report in relation to that financial year and the auditor's report on the financial report.

1. Remuneration Report

"That the Remuneration Report of the Company and the entities it controlled during the year ended 30 June 2009 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

2. Re-election of Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Graham Dowland who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

Details of Mr Dowland's experience and qualifications are provided in the Company's 2009 Annual Report.

3. Election of Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Timothy Grice, having been appointed as a Non-Executive Director of the Company since the last Annual General Meeting, be re-elected as a Director of the Company."

Details of Mr Grice's experience and qualifications are provided in the Company's 2009 Annual Report.

4. Ratification of Previous Issue of Shares

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That pursuant to and in accordance with Listing rule 7.4 of the Listing Rules of the Australian Securities Exchange and for all purposes, Shareholders approve and ratify the allotment and issue of 17,250,000 fully paid ordinary shares in the Capital of the Company at an issue price of 3.8 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 4 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).

By Order of the Board



Julie Foster
Company Secretary
19 October 2009

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2009 Annual General 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 resolutions in the accompanying Notice of Annual General Meeting.

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

Financial Statements and Reports

The Corporations Act 2001 (Cth) requires the financial statements, directors' report and independent audit report of the Company for the financial year ended 30 June 2009 to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company's Annual Report which is available from the Company's website (www.eurekaenergy.com.au).

The Chair will provide Shareholders with the opportunity to ask questions and make comments on the financial statements and reports.

A representative from the Company's auditor, BDO Kendalls Audit and Assurance (WA) Pty Ltd, will be present at the meeting and Shareholders will have an opportunity to ask the auditors representative questions in relation to:

- the conduct of the audit;
- the preparation and content of the independent auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Resolution 1 - Remuneration Report

Shareholders are entitled to vote on the question of whether the Remuneration Report as contained in the Annual Report for the year ended 30 June 2009 is to be adopted.

Shareholders should note that Resolution 1 is an "advisory only" resolution which does not bind the Company.

Following consideration of the Remuneration Report, the Chair will give Shareholders a reasonable opportunity to ask about, or make comments on, the Remuneration Report.

Resolution 2 - Re - Election of Director

In accordance with Listing Rule 14.4 and clause 13.2 of the Constitution, at every Annual General Meeting, one third of the Directors (or if the number of Directors is not a multiple of 3, then such number as is appropriate to ensure that no Director other than an alternate Director or the Managing Director holds office for more than 3 years) for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement).

In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

Mr Graham Dowland retires by rotation at this meeting and, being eligible, offers himself for re-election.

The Directors, excluding Mr Dowland, recommend that Shareholders vote in favour of this resolution.

Resolution 3 – Re - Election of Director

Mr Timothy Grice was appointed as a non-executive Director on 8 May 2009 to fill a casual vacancy. In accordance with clause 13.4 of the Constitution any Director so appointed holds office only until the following general meeting and then is eligible for re-election.

Mr Timothy Grice, being eligible, offers himself for re-election.

The Directors, excluding Mr Grice, recommend shareholders approve this resolution.

Resolution 4 – Ratification of Previous Issue of Shares

On 8 October 2009 the Company announced an agreement to place up to 17,250,000 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 4, the Company seeks approval from Shareholders for, and ratification of, the previous issue of equity securities set out below:

Resolution 4.-Ratification of Previous Issue of Shares (continued)

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

- 17,250,000 Shares have been issued and allotted since the announcement on 8 October 2009 and prior to the date of this Meeting. These Shares were issued at an issue price of 3.8 cents each to raise \$655,500 (before associated costs). They comprise approximately 15% of the Company's pre-placement share capital.
- The Shares have been allotted and issued to Professional Investor and Sophisticated Investor clients of Bell Potter Securities Limited (None of whom are related parties).
- The Shares have been issued on the same terms as pre-existing fully paid ordinary shares and rank equally with those Shares.
- The funds raised from the issue are intended to be applied to working capital.

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends that Shareholders vote in favour of Resolution 4 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.

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 |
| Board | board of Directors |
| Chair | Mr Graham Dowland or such other person appointed chairman in accordance with the Constitution |
| Company | Eureka Energy Limited ABN 46 116 829 139 |
| Constitution | constitution of the Company |
| Corporations Act | <i>Corporations Act 2001 (Cth)</i> |
| Director | director of the Company |
| Remuneration Report | the section of the Directors' report contained in the Annual Report entitled "Remuneration Report" |
| Share | fully paid ordinary share in the capital of the Company |
| Shareholder | a holder of a Share |
| WST | Australian Western Standard 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 _____

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

votes in the Company, hereby appoint ² _____

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 2.00 pm on Wednesday, 25 November 2009 (WST) at Level 31, 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 RESOLUTIONS

The proxy is to vote for or against or abstain from voting on the Resolutions referred to in the Notice as follows:

| | | For | Against | Abstain |
|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | To adopt the Remuneration Report for the year ended 30 June 2009 (non-binding resolution). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Director – Graham Dowland | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Election of Director – Timothy Grice | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Ratification of Previous Issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

OR

In relation to these Resolutions, if the Chairman is to be your proxy and you do **not** wish to direct your proxy how to vote on the Resolution, please place a mark in this box.

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of these resolutions and votes cast by him 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 Chairman of the meeting will not cast your votes on these resolutions and your votes will not be counted in computing the required majority if a poll is called on these resolutions. The Chairman intends to vote in favour of these resolutions.

IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO RESOLUTIONS 1 to 4 YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO RESOLUTIONS 1 to 4 WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

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

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

¹Insert name and address of shareholder

Contact Daytime Telephone

²Insert name and address of proxy

Date

*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).