

ASX RELEASE

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SUGARKANE GAS & CONDENSATE FIELD WORK PROGRAM

Eureka Energy (“Eureka”) is pleased to provide the market with an update on preparations within the Sugarloaf Area of Mutual Interest (“AMI”) for the first phase of the farm-in work program as outlined in our announcement dated 6th October 2009 and our more recently announced quarterly report.

The detailed planning for the fracture stimulation of each of the three horizontal wells has now been completed. Texas Crude Energy Inc (“TCEI”) intends to carry out ‘multi-staged’ fracture stimulations along the horizontal section of each of the three wells. Each stage will be individually hydraulically stimulated using a design that has proved effective elsewhere in the play. This fractured stage is then isolated and the process repeated further up the liner. At Kowalik-1H, where it was not possible to recover the slotted liner, the slotted section will be stimulated with a single larger treatment and the conventional solid section of the liner will be treated in a similar fashion to the other two wells. Once treated, each well will be brought on line to sales.

All three wells have now been prepared with the production tubing being pulled at Kennedy-1H and Kowalik-1H with the horizontal liners of all three wells presently being washed out and clean water left behind ahead of the stimulations.

At Weston, production facilities are being installed, including a pipeline connection to the Kennedy-1H location to utilise the existing tie-in to a major export gas pipeline.

Progress thus far and availability of equipment indicates that the likely start of the fracture operations will be during December. It is estimated that the stimulation at each well will take approximately 10 - 14 days. A further announcement will be made when these operations commence.

Yours sincerely
EUREKA ENERGY LIMITED

Graham Dowland
Chairman