

ASX RELEASE

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Weston-1H – Initial Production Rate

Eureka Energy Limited (“Eureka”) is pleased to provide the market with the following update on operations at the Weston-1H well.

Eureka has been advised by the Operator, Hilcorp Energy (“Hilcorp”), that following a successful fracture stimulation of 3,000 ft of horizontal section, the Weston-1H well continues to clean up to sales. The average production rate over the first five days was 5.68 million cubic feet of gas per day (“mmscf/d”) and 414 bbls of condensate (“bcpd”) per day. Flow back of the fracture fluids started at rates of 1,000 bbls of water per day (“bwpd”), decreasing to 500 bwpd over the same period. This initial production rate corresponds to an equivalent gas rate of 10.65 mmscfe/d on a 12:1 conversion ratio and before providing for any uplift associated with high calorific gas.

Whilst these initial rates are encouraging and continue to further demonstrate the viability of the field, the following points should be noted:-

- This is an initial production rate during clean up and may not be indicative of a short or long term production profile.
- The well still has considerable fluids to recover from the fracture stimulation operations.
- The well is currently producing through the 7" production casing. A smaller diameter production tubing string will be installed in due course which should allow higher production rates.
- Geological factors have generated the dry gas, condensate rich gas or oil reservoirs observed to date across the trend. These same influences will vary the gas to condensate ratio observed across the Aurora acreage. The Weston-1H results broadly conform to expectation but a population of wells within the area will better define these variations.
- The gas produced to date from the field has had a high calorific value and has commanded a 25% uplift on dry gas pricing.

As further results become available from the ongoing work program across the Sugarloaf Area of Mutual Interest Eureka will in due course move away from reporting an ‘Initial Production Rate’ to reporting the average rate over the initial 30 days of production. This approach has greater technical validity and provides a sound basis from which to commence the extrapolation of decline curves as more production data is acquired.

ASX participants in the Sugarloaf AMI are:

Aurora (ASX:AUT) – 20% (pre-farmout)
Adelphi (ASX:ADI) – 20% (pre-farmout)
Eureka (ASX:EKA) – 12.5% (pre-farmout)

Yours sincerely
EUREKA ENERGY LIMITED

Graham Dowland
Chairman