



ENEABBA GAS LIMITED

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5 May 2009

The Manager
Company Announcements Office
ASX Ltd
4th Floor, 20 Bridge Street
SYDNEY, NSW 2000

Dear Sir

ENTITLEMENT OFFER TO HOLDERS OF 30 JUNE 2009 OPTIONS (ENBO)

In recognition of support from and loyalty of the holders of the June 2009 options (ENBO class) ("Existing Optionholders"), the directors of Eneabba Gas Limited (ASX:ENB) have resolved, subject to shareholder approval, to undertake an offer of a new class of options to the Existing Optionholders. The ENBO class of options forms part of the original securities offered to investors under the Company's initial public offer in 2006 and most of the Existing Optionholders have not only held these options since that time but are also continuing to hold ordinary shares from that time.

Subject to shareholder approval, the offer of new options will be on the basis of 1 new option for every 3 ENBO class options. The new options will have an expiry date of 30 June 2012, an exercise price of 20 cents and an issue price of 1 cent each. The offer will be made to Existing Optionholders who are on the option register as at the close of business on 30 June 2009. The timing of a shareholders meeting to approve this offer will be announced in due course.

Yours faithfully

Mark Babidge
Managing Director