



ASX RELEASE

13 JUNE 2012

The Company Announcements Office, ASX Limited

For immediate release to the market

On Market Takeover Bid for Eureka Energy Limited ACN 116 829 139 – Update on Aurora's takeover offer

Highlights

- **Aurora has stated it will not increase its offer price of A\$0.45 per Eureka share**
- **The Eureka directors remain of the unanimous view that Aurora's offer undervalues Eureka**
- **As at 10:56am (WST), Eureka estimates that Aurora has acquired a 33% stake in Eureka**
- **The Eureka directors unanimously recommend that you ACCEPT Aurora's offer**

Offer price will not be increased

Eureka Energy Limited (ASX: EKA, "Eureka" or the "Company") advises shareholders of the recent announcement made by Aurora Oil & Gas Limited (ASX: AUT, "Aurora") whereby Aurora declared the offer price of \$0.45 per Eureka share as final. The effect of this declaration is that Aurora cannot increase the offer price for the remainder of the offer period.

Directors' recommendation

Whilst the directors remain of the unanimous view that Aurora's offer of \$0.45 per Eureka share undervalues Eureka, the directors now believe it is reasonable to accept the offer for the following reasons:

- a) Aurora's declaration that the offer price of \$0.45 per Eureka share is final;
- b) Eureka estimates that as at 10:56am today (Wednesday 13th June 2012), the level of acceptances of the offer have increased Aurora's relevant interest in Eureka to approximately 33%, which is a substantial holding;
- c) implications of the current market conditions on the trading of Eureka shares in the near term after the conclusion of the offer period; and

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- d) the potential implications of minority ownership which may arise by Aurora acquiring a majority, but not all of Eureka's shares (see section 2.3 of Eureka's Target's Statement dated 14 May 2012 for further detail).

Given these changes in circumstances, the majority of the board has changed its recommendation and now unanimously recommends that shareholders **ACCEPT** the offer.

The directors intend to accept the offer in respect of their Eureka shares.

To accept the offer, shareholders should carefully follow the instructions in section 2 of Aurora's Bidder's Statement dated 30 April 2012. Aurora's offer period is set to expire at **4:00pm (AEST) on 15 June 2012**. Under the Corporations Act, Aurora is now prohibited from extending the offer period unless Aurora's voting power in Eureka increases to more than 50% or another party lodges a bidder's statement or announces a takeover bid for Eureka. Further detail regarding these exceptions is included in Eureka's first supplementary Target's Statement, dated 8 June 2012.

Maintain vigilant watch

As the offer is an on-market offer, there is the potential for important developments regarding the offer to occur during the remainder of the offer period. The directors encourage shareholders to obtain regular advice from their financial advisor regarding the offer and maintain a vigilant watch for ASX announcements from Eureka and Aurora until the end of the offer period. Shareholders are encouraged to check for announcements from Eureka and Aurora on at least a daily basis.

Supplementary Target's Statement

In accordance with the requirements of sections 644 and 647 of the Corporations Act, Eureka will prepare a supplementary Target's Statement regarding the statements made in this announcement and will send Aurora, ASIC and ASX a copy of the supplementary Target's Statement as soon as practicable.

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