

ASX RELEASE**15 July 2010****SUGARLOAF AMI OPERATIONS UPDATE**

Eureka Energy Limited ("Eureka") is pleased to provide the following update on operations at the Sugarloaf Area of Mutual Interest ("AMI") within the Sugarkane Gas & Condensate Field, Texas.

Kowalik-1R

Eureka has been advised by the Operator that the Kowalik-1R well was spudded on 9th July 2010 and the well is presently at a depth of 5,996 ft having run and set surface casing.

The Kowalik-1R well is the first Sugarloaf well where Eureka will contribute to costs and derive revenue on a post farmout basis. Because of Eureka's increased working interest in the original Kowalik well the company will hold a 7.16% working interest in the Kowalik-1R well.

The Kowalik-1R well is the first of up to 8 wells that are anticipated to be drilled this calendar year within the Sugarloaf AMI on a post farmout basis.

ASX participants in the Sugarloaf AMI are:

- Aurora (ASX:AUT) – 10% (post farmout)
- Adelphi (ASX:ADI) – 10% (post farmout)
- Eureka (ASX:EKA) – 6.25% (post farmout)

Yours sincerely

EUREKA ENERGY LIMITED



Ian McCubbing
Chairman