



13 June 2012

Dear Shareholders

## **SECOND SUPPLEMENTARY TARGET'S STATEMENT**

This document is a supplementary target's statement given under section 644 and 647 of the Corporations Act 2001 (Cth) (**Corporations Act**) by Eureka Energy Limited ACN 116 829 139 (**Eureka**). It is the second supplementary target's statement (**Second Supplementary Target's Statement**) issued by Eureka in relation to the on-market takeover bid for all the ordinary shares in Eureka by Aurora Oil & Gas Limited ACN 008 787 988 (**Aurora**).

This Supplementary Target's Statement supplements, and should be read together with, Eureka's first supplementary target's statement dated 8 June 2012 (**First Supplementary Target's Statement**) and Eureka's target's statement dated 14 May 2012 (**Target's Statement**).

Unless otherwise defined in this Second Supplementary Target's Statement, capitalised terms in this Second Supplementary Target's Statement have the same meaning as defined in the Target's Statement. This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement or the First Supplementary Target's Statement.

### **Key points**

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

### **Offer Price will not be increased**

By announcement dated 12 June 2012, Aurora declared the Offer Price of \$0.45 per 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 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 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 Shares in the near term after the conclusion of the Offer Period; and
- (d) the potential implications of minority ownership which may arise by Aurora acquiring a majority, but not all of the 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 you **ACCEPT** the Offer.

The Directors intend to accept the Offer in respect of their Shares.

To accept the Offer, you 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 you to obtain regular advice from your 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.

## Other notices

### 1. Consents

The following persons have given and have not, before the date of this Second Supplementary Target's Statement withdrawn their consent:

- (a) to be named in this Second Supplementary Target's Statement in the form and content in which they are named; and
- (b) for the inclusion of other statements in this Second Supplementary Target's Statement which are based on or referable to statements made by those persons, in the form and context in which they appear:

<b>Name of Person</b>	<b>Capacity</b>	<b>Reports or Statement</b>
Ian McCubbing	Directors	Statements made by, or statements based on the statements made by, the Directors
Bill Bloking		
Mark Wilson		
Hardy Bowen	Legal advisor to Eureka	N/A
Azure Capital Limited	Corporate advisor to Eureka	N/A

Each of the persons named above:

- (a) does not make, or purport to make, any statement in this Second Supplementary Target's Statement other than those statements referred to above as consented to by that person; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Second Supplementary Target's Statement other than as described in this paragraph with the person's consent.

## 2. ASIC and ASX Disclaimer

A copy of this Second Supplementary Target's Statement was lodged with ASIC and ASX on 13 June 2012. Neither ASIC or ASX nor any of their respective officers take any responsibility for the content of this Second Supplementary Target's Statement.

## 3. No Account of Personal Circumstances

The recommendations of the Directors contained in this Second Supplementary Target's Statement do not take into account the individual investment objectives, financial situation or particular needs of each Shareholder. You may wish to seek independent professional advice before making a decision as to whether to accept or reject the Offer.

The Directors encourage you to read this Second Supplementary Target's Statement and the Target's Statement carefully and if you have any questions in relation to your position as a Shareholder, please call Eureka's information line on 1800 882 147 (within Australia) and +61 2 8280 7924 (outside Australia) between 8.30am and 7.30pm (Sydney time), Monday to Friday.

## 4. Forward-looking Statements

This Second Supplementary Target's Statement contains various forward-looking statements. Statements other than statements of historical fact may be forward-looking statements. Shareholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Eureka. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement.

The forward-looking statements in this Second Supplementary Target's Statement on behalf of Eureka only reflect views held as at the date of this Second Supplementary Target's Statement.

None of Eureka, its officers, any person named in this Second Supplementary Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any results, values, performances or achievements expressed or implied in any forward-looking statement, except to the extent required by law. Shareholders should not place undue reliance on any such statement.

### **Authorisation**

Dated: 13 June 2012

A handwritten signature in dark ink, appearing to read 'M. Wilson', followed by a long, sweeping horizontal line that extends to the right.

Mark Wilson, a director of Eureka authorised to sign this Supplementary Target's Statement pursuant to a resolution passed at a meeting of the Directors held on 13 June 2012.