



ASX RELEASE

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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 cannot increase its offer price of A\$0.45 per Eureka share or extend the offer period past 4:00pm (AEST) on 15 June 2012 (apart from limited exceptions)**
- **Shareholders are encouraged to obtain regular advice from their financial advisor and maintain a vigilant watch for ASX announcements by Eureka and Aurora**
- **The directors remain of the unanimous view that the Offer undervalues Eureka**
- **Two directors continue to recommend that you REJECT the Offer**
- **One director now recommends that you ACCEPT the Offer in the absence of a superior offer**

Offer price and offer period

Eureka Energy Limited (ASX: EKA, "Eureka" or the "Company") advises shareholders that the current offer period for the A\$0.45 per share on-market cash offer for the Company announced on 30 April 2012 ("Offer") by Aurora Oil & Gas Limited (ASX: AUT, "Aurora") 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 or increasing the offer price of A\$0.45 per share 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 will be included in a supplementary target's statement.

Directors' recommendation

The directors remain of the unanimous view expressed in Eureka's target's statement dated 14 May 2012 that the Offer, which values the equity of Eureka at approximately \$107 million (on an undiluted basis) undervalues Eureka.

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Two of the three directors of Eureka, Mr Ian McCubbing and Mr Bill Bloking, continue to recommend that shareholders reject the Offer on the basis that it undervalues Eureka.

Whilst Mr Wilson remains of the view that the Offer undervalues Eureka, he believes it is reasonable to accept the Offer absent a superior offer for the following reasons:

Page | 2

- a) the ongoing efforts undertaken by the directors and their commercial advisor to secure a superior proposal have not been successful to date.
- b) current market conditions;
- 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

Accordingly, Mr Wilson intends to accept the Offer in respect of his Eureka shares, absent a superior offer.

The Directors' recommendations and intentions are given as at the date of this announcement. The Directors reserve the right to change their recommendations and intentions should new circumstances arise. In particular, Mr McCubbing and Mr Bloking will reconsider and may change their recommendation and intentions based on the level of acceptances of the Offer between today's date and the end of the offer period.

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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ENDS

