



Company Announcements Office  
Australian Stock Exchange Limited

**ASX and Media Release**  
Monday 12 October 2009

## Tatu 2 – Progress Report No. 11

Eromanga Hydrocarbons NL (ASX: ERH, ERHOA, ERHCA) is pleased to provide the following update on Tatu 2 at Block 430, on-shore Sergipe Alagoas Basin, Brazil:

- **Drilling completed at 1216m. This is above the oil/water contact**

The well has been drilled to 1216m with continued oil shows. Rather than drill down to an oil/water contact, the Joint Venture decided to finish drilling at this depth. Stopping drilling above the oil/water contact is expected to give the best prospect of completing the Basement section of the well for production. The well can be deepened if encouraging flow rates are achieved from the Basement.

Oil shows have so far been recorded from 1,048m and core recovered from each of the three reservoir intervals has been oil soaked as described in more detail below.

- **Logging operations completed and hole to be cased.**

Logging operations were completed by Halliburton at the weekend. Initial evaluation indicates three potential reservoir zones that will be flow tested once the well is cased later this week.

The three intervals broadly align with the Cored sections as described below.

The single Drill Stem Test (DST) that was run at the end of last week was determined by subsequent logs to be over a small interval with poor reservoir characteristics. Drilling fluid was recovered in the DST and the Joint Venture concluded that a fracturing operation will be required in that interval before more flow tests are conducted.

- **Summary of cored intervals**

- a. Core # 1 “Upper Carbonates”. Description from CWA, the independent well site geology company that is providing strip logs and core descriptions :

**Depth interval 1050m to 1068m, 18m 100% recovered, Monday 28th September, 2009. Saturated with dark brown oil over the intervals 1050m to 1053.52m (3.52m) and 1061.32m to 1064.83m (3.51m) or 7.02m in all**

**b. Core # 2 “Lower Carbonates”. Description from CWA Log:**

**Depth interval 1120m to 1138m, 18m 100% recovered, Thursday, 1st October, 2009**

**Saturated with light to dark brown oil over the intervals 1125.34m to 1128.04 (2.7m)**

**c. Core # 3 “Basement” and “Basement Wash”. Description from CWA Log:**

**Depth interval 1173m to 1183m, 10m 100% recovered, Sunday, 4th October, 2009, described as follows:**

- 1173-1173.6m (0.6m): shale, immediate yellow cut (40%), oil bleeding from 30% of the core.**
- 1174.8-1176.6m (1.8m): shale and phyllite, immediate yellow cut, oil bleeding from 10% of the interval.**
- 1177.2-1179.9m: phyllite with immediate yellow cut, oil bleeding from 40% of the interval.**

Eromanga is a 40% participant in Block 430. UBX, the operator, holds 60%. Further details on Tatu 2 and the Gavea Joint Venture are provided below.

Phil Galloway

Chief Executive Officer

**(w) +613 9867 7828**

**(m) +61 (0)413 640 120**

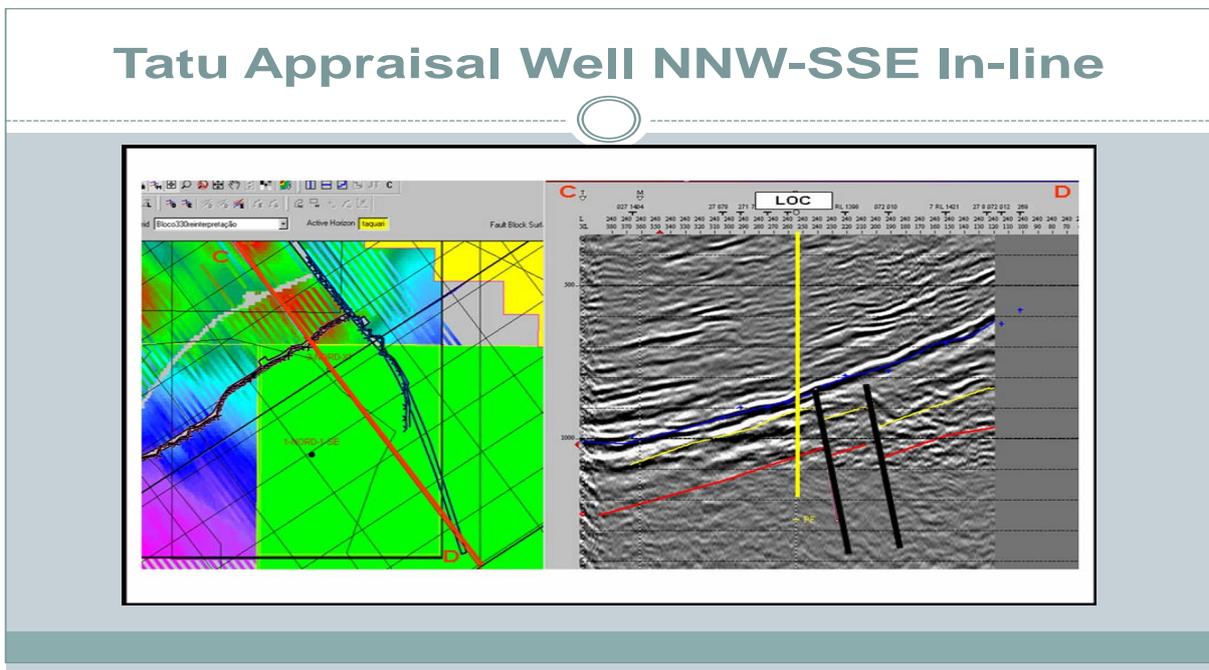
**pgalloway@erohydro.com**

*In accordance with ASX Rules, the geological information of this release has been reviewed and approved by Mr John Weston, Executive Director of Eromanga Hydrocarbons NL, BSc (Hons) and MSc Geology. Mr Weston is a member of the Society of Petroleum Engineers and has more than 30 years of relevant experience within the industry and consents to the information in the form and context in which it appears.*

## About TATU 2

TATU 2 is the first appraisal well on Block 430 following the Gavea Joint Venture's discovery at TATU 1 which tested oil in two zones within fractured limestone of the Muribeca Fm and registered over 50m of oil shows within fractured basement. TATU 2 is up-dip on the Block 430 structure which has been interpreted from 3D seismic (Figure 1).

**Figure 1 – 3D Seismic interpretation of Block 430 Structure**



The TATU 2 well is expected to have a Terminal Depth ("TD") of ca. 1240 meters, but may extend to ca. 1300 if encouraging oil shows are encountered in fractured basement. The well will investigate four potential reservoir zones as shown in Table 1.

**Table 1 - Tatu 2 Potential Reservoir Zones**

Prognosed Target Depth meters below rotary table (mbrt)	Interval	Comment
From 810 to 1010	Turbidite sands of the Calumbi Formation	Secondary reservoir target
1060 to 1160	Muribeca Formation, which includes the Oiterinhas and Ibura Members	Primary reservoir target Fractured limestones
1175	'Basement wash' section that immediately overlies basement	Secondary reservoir target Equivalent to the Carmopolis Member of the Muribeca Fm (conglomeratic sands) that are the main reservoir section in the Carmopolis field.
1190 to 1240+	Fractured basement of the Traipu Fm	Primary reservoir target Quartz-mica schists

The drilling programme has been designed to minimise reservoir damage by using a judicious casing programme, oil-based and optimally weighted drilling fluids and open-hole testing.

**About the Gavea Joint Venture**

Eromanga holds a 40% interest in the Harpia Oil Field (previously Block 330) and Block 430 in the Sergipe Alagoas Basin, onshore Brazil. UBX holds the remaining 60% of the Blocks and is the operator. Production commenced from the Harpia Oil Field in October 2008.

The Sergipe Alagoas Basin is one of Brazil’s most important on-shore producing areas and has been in production since the 1960s. Block 430 is on the flanks of the Carmopolis field, Brazil’s largest on-shore discovery (Figure 2)

**Figure 2 - Location of Block 430**

