

Eromanga Hydrocarbons NL

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Company Announcements Office
Australian Stock Exchange Limited

ASX and Media Release
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Extended Production Test Update Block 330, Sergipe Alagoas Basin, Brazil

Eromanga Hydrocarbons NL (ASX: ERH, ERHO and ERHCA) is pleased to advise production of 3306 Bbls of oil from the 1-PACA-1 well (previously PTA-3) ⁱ since flow testing operations commenced on 1 October 2008. Eromanga has a 40% share of this production with oil sold through a Petrosynergy facility at a price based on Brent.

Flow rates have been up to 66 Bbl/day of crude oil after water separation. The average for the last month has been 60 Bbl/day of oil with an improving trend for the oil/water cut. Crude production is now limited by pump capacity. The Joint Venture will increase capacity by 20% over the weekend to better understand the full potential of the reservoir now the formation has been cleaned-up.

Eromanga previously announced 2P reserves for the structure of 16 mm Bbl of oil (recoverable, 100% basis).

Commenting on the announcement, Phil Galloway CEO of Eromanga Hydrocarbons said:

“The steady production provides an important validation of the reservoir at Block 330. This well was drilled in 1960 and recompleted by the Joint Venture in March 2008. We would expect higher production from a properly completed new well.

The flow test gives us confidence to drill a second appraisal/production well on the structure in early 2009. This second location has been selected up-dip from 1-PACA-1. Environmental permitting is well-advanced and site preparation is underway.

Drilling at Block 330 is low cost with shallow reservoir depths and excellent site access. As a result, the payback time for each appraisal/production well should be approximately 15 months at today's oil price. Because of the large reserves, we can expect production from Block 330 to continue for over a decade. The key now is to quickly complete the well testing and appraisal phase and then ramp-up production to material levels”

Phil Galloway

Chief Executive Officer

Enquiries: Please call Phil Galloway

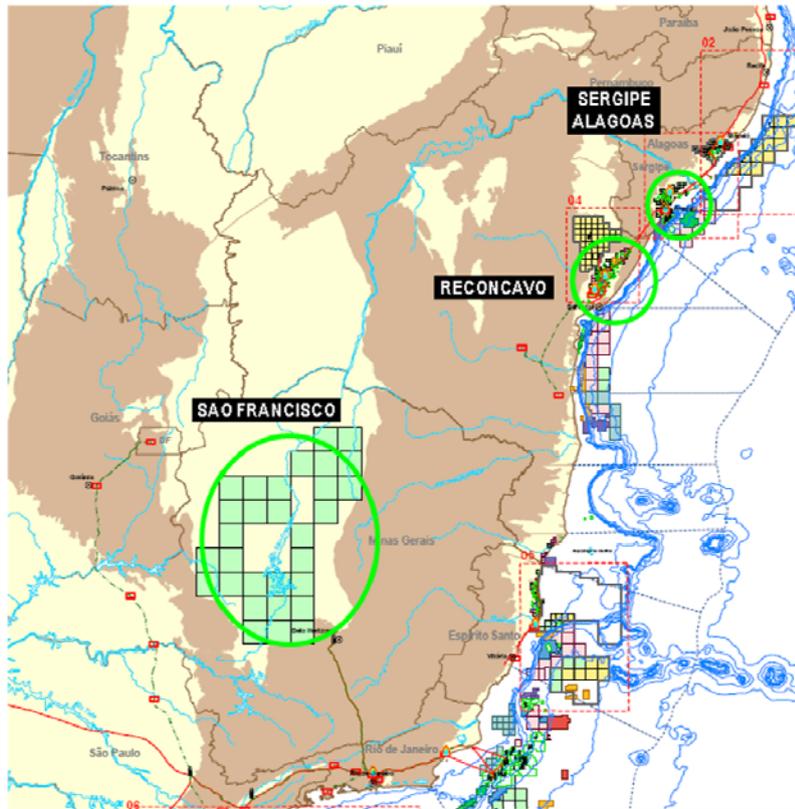
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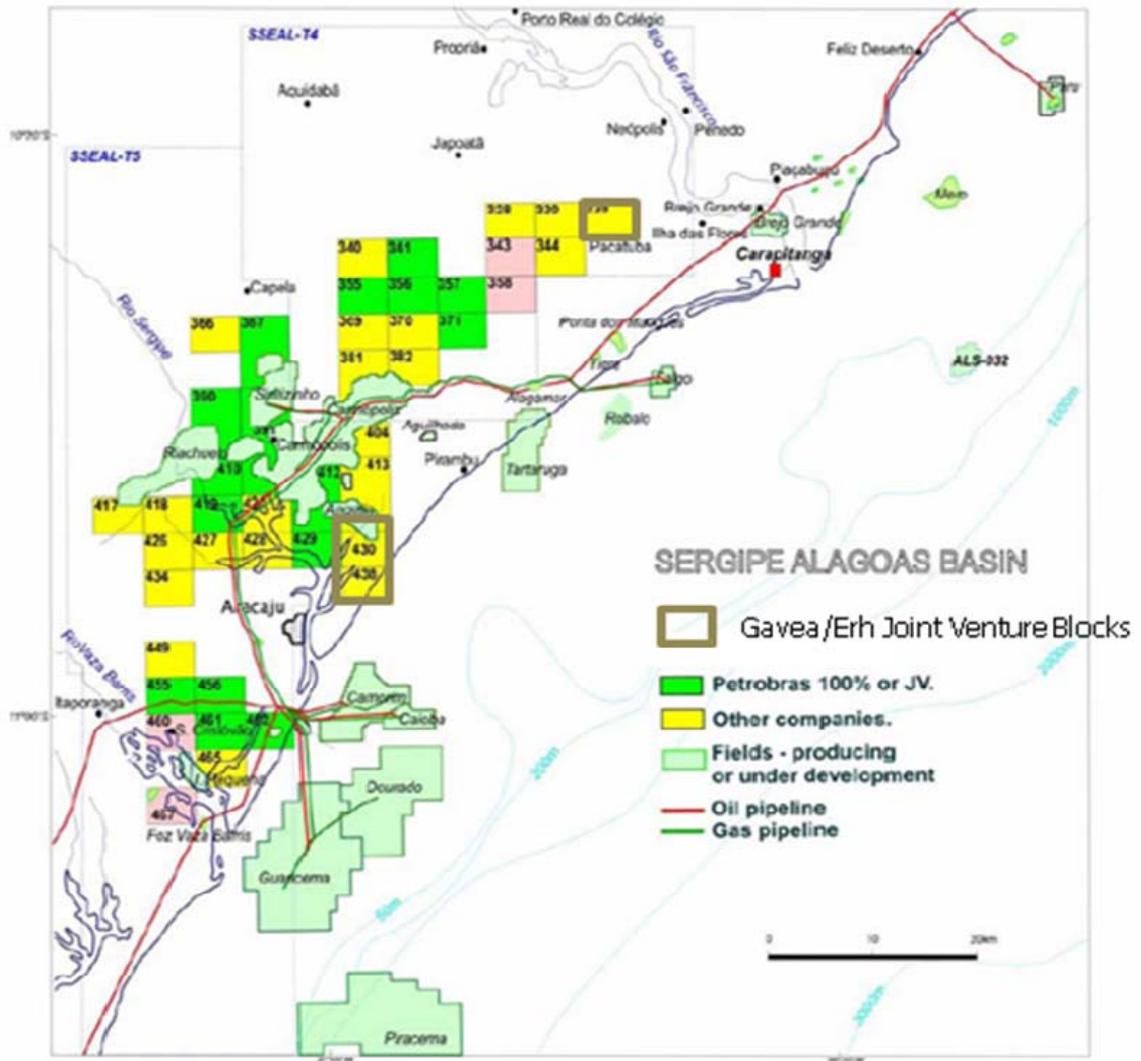
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In accordance with ASX Rules, the information of this release has been reviewed and approved by Mr John Weston, Executive Director of Eromanga Hydrocarbons NL, BSc (Hons) and MSc Geology. Mr Weston is a member of the Society of Petroleum Engineers 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.

Figure 1 – Locations of Sergipe Alagoas Basin



**Figure 2 – Location of Gavea/ERH JV Blocks
Sergipe Alagoas Basin**



ⁱ Well 1-PACA-1 was previously named PTA-3 with the ANP requesting the name change to fit with the nomenclature system for producing wells.