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Australian Stock Exchange Limited

ASX and Media Release
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Tatu 2 – Progress Report No. 2

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

The well has been drilled and cased to 243 meters. This completes the first of three drilling phases. The second phase will be drilled with oil based mud to a planned depth of 800 meters into the Calumbi Formation.

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 in Attachment 1.

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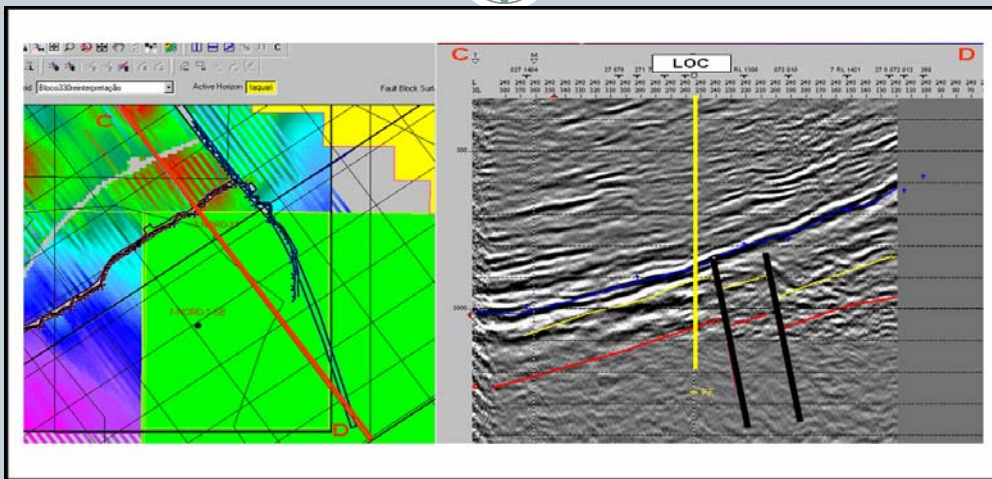
In accordance with ASX Rules, the geological information of this release has been reviewed and approved by Mr John Weston, Executive Director of Eromanga Hydrocarbons NL, BSc (Hons) and MSc Geology. Mr Weston is a member of the Society of Petroleum Engineers and has more than 30 years of relevant experience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

Tatu Appraisal Well NNW-SSE In-line



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

