

22 November 2006

Company Announcements Platform
Australian Stock Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By e-Lodgement

Dear Sir/Madam

SUGARLOAF-1 WEEKLY PROGRESS REPORT

Aurora Oil and Gas Limited advises that at 6am Texas time on 21 November 2006, the Sugarloaf-1 exploration well located in the onshore Gulf Coast Basin was drilling ahead in 6-1/2 inch hole at 20,105 feet (6,130 metres).

Since the last report released on 17 November 2006, the well has continued to drill in the primary target of the Sugarloaf-1 well.

Drilling is continuing towards the proposed total depth of 21,000 feet (6,400 metres) expected to be reached in late November assuming trouble free drilling.

ASX releases will continue to be made routinely every Wednesday unless there are material matters which require an earlier release.

Participants in the Sugarloaf-1 well are:

Aurora Oil & Gas Limited ¹	20.0%
Texas Crude Energy Inc (Operator) et al ²	41.5%
Eureka Energy Ltd	12.5%
Adelphi Energy Ltd	20.0%
Empyrean Energy plc	6.0%

¹ Through its wholly-owned US subsidiary Sugarloaf Oil & Gas LP

² Includes other US private companies / investors

Further details of the Sugarloaf Prospect and associated farm-in terms are summarised on our website at www.auroraog.com.au, where a brief review of the US gas market and fiscal terms can also be found.

Yours sincerely

AURORA OIL & GAS LIMITED

Alex Neuling

COMPANY SECRETARY

This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Aurora that its expectations, estimates and forecast outcomes will be achieved.

Information contained in this report concerning the background to the Sugarloaf Prospect was compiled from information provided by Texas Crude Energy Inc and reviewed by P D Allchurch, BSc, FAIMM, MPESA, who has had more than 35 years experience in the practice of geology and more than 5 years experience in petroleum geology. Mr Allchurch has consented to the inclusion in this report of the matters based on this information in the form and context in which it appears.