

14 March 2007

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

By e-Lodgement

Operations Report

Ipanema & Longhorn Projects

Aurora Oil & Gas Limited (ASX: AUT, "Company" or "Aurora") has been advised by project Operator Texas Crude Energy Inc. ("TCEI") that the land acquisition programs for Longhorn and Ipanema are continuing and have progressed well since our last report.

At Longhorn almost 9,000 acres has been secured to date, a further approximately 5,000 acres is currently verbally committed to lease and 4,000 acres subject to negotiation. At Ipanema total leased net acres in the Prospect exceed 6,000 acres. Aurora considers that the land package secured to date represents an excellent strategic holding relative to our overall targeted areas.

The initial objective of these joint ventures is directed at securing additional onshore Texas leasehold acreage within specific regions identified by TCEI as prospective. The targeted areas of interest have been identified based on considerable analysis including 2D seismic and existing well data. TCEI has spent in excess of 12 years collating and analysing data to this end and from this work has discovered several oil and gas fields.

West Black Lake - Dolores Well Update

Aurora has been advised by the Operator that field preparations are underway ahead of the imminent arrival of a rig to undertake the proposed program which will involve the fracture-stimulation of the full reservoir section by first casing and perforating that section and then pumping the fracture treatment.

North Belridge 26-2H Well Update

Aurora has not yet been advised by the Operator of a rescheduled date for the reservoir stimulation operations at the North Belridge 26-2H well. This information will be advised as soon as available.

Yours sincerely
AURORA OIL & GAS

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 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. Mr Allchurch holds shares in Aurora Oil and Gas Limited.