

15 April 2008

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

By e-Lodgement

Dear Sir/Madam

OPERATIONAL UPDATE

SUGARKANE PROJECT

London AIM market listed Empyrean Energy plc has released further information regarding a well known as "TCEI JV Block A-3 well", which is located on land adjacent to the Sugarloaf Joint Venture. A copy of the Empyrean release follows this update. The TCEI JV Block A-3 well referred to in the release is located approximately 6km south of the Sugarloaf-1 well, and has produced gas and condensate on test at commercial rates from the Austin Chalk without reservoir stimulation. The well is believed to be within the 'Sugarkane' gas-condensate field and is the first appraisal well to be flow tested.

Whilst Aurora has no interest in Sugarloaf Block A or the TCEI JV Block A-3 well (as referenced in the Empyrean Energy plc release), the results form part of the ongoing appraisal of this field.

Aurora has interests in three joint ventures in the Sugakane Field with combined gross acreage exceeding 45,700 acres (17,600 net acres).

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, Longhorn and Ipanema projects was compiled from information provided by Texas Crude Energy Inc. Information on all the above mentioned projects was 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.

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Empyrean Energy PLC
14 April 2008

Empyrean Energy PLC
("Empyrean" or the "Company"; Ticker: (EME))

Sugarloaf Block A, Texas USA

- Empyrean confirms significant discovery at the Sugarloaf Project area.
- First well tested from five drilled to date (Sugarloaf Blocks A & B) flows commercial quantities of gas and condensate on test.
- Four further wells which have all encountered hydrocarbon shows whilst drilling are yet to be tested.

Empyrean, the AIM listed energy company with exploration and production assets in Germany and USA today announces the following initial test results from its TCEI JV Block A-3 well on Block A at the Sugarloaf Project in Texas:

Initial flow testing of the TCEI JV Block A-3 well has recorded flow rates using 12/64" choke close to 1.9 mmcfepd (million cubic feet gas per day) with over 460 bcpd (barrels of condensate per day) and 75 bwpd (barrels of water per day - normal under these circumstances) with a FTP (Flow Tubing Pressure) of almost 4000 psi. On the present day prices for condensate and gas whilst converting the condensate to a gas equivalent, the equivalent gas flow rate exceeds (using a 10:1 conversion) 6.5 mmcfepd (million cubic feet gas equivalent per day).

This open hole test has been conducted without stimulation and is testing the vertical pay section in the upper part of the Cretaceous Austin Chalk reported in our announcement of 15 November 2007 (peak readings 350 units - 10 times background levels). The drilling of this well ceased 2,700 feet short of the proposed length as significant gas shows and flares whilst drilling were encountered prompting the operator to prepare the well for an open hole flow test, to see if the well would flow without stimulation, as reported in our announcement of 11 January 2008.

Much work is now being conducted to correlate these early results with that of a similar field in the region to help establish best practice for completions moving forward on this substantial and significant gas condensate discovery. The Brookeland Field in Tyler County is one such field and early comparisons are very favorable. A typical well drilled by one of the operators in the Brookeland Field has an approximate equivalent rate of 1.4 mmcfepd per thousand feet of horizontal (comparing favorably to Empyrean's TCEI JV Block A-3 well at approximately 2.4 mmcfepd per thousand feet of horizontal). The typical well for one operator at the Brookeland Field has approximately 12,000 feet of horizontal with average initial rates of over 16 mmcfepd.

Commenting today, Empyrean Executive Director Tom Kelly said "The importance of this comparison is that Empyrean's TCEI JV Block A-3 well has approximately 2800 feet of horizontal and a much higher

equivalent production rate per thousand feet of horizontal well indicating that at the Sugarloaf Project there is every chance that better production rates may be able to be gained by increasing the length of the horizontal portion of the wells."

After some 20 hours of flow testing the TCEI JV Block A-3 well has been shut in to conduct pressure measurements and other reservoir data measurements as part of the normal engineering procedures to measure the parameters of this discovery. Further testing will be required to confirm the extent of the reservoir and the field deliverability. At this early stage there is no clear indication on the time it will take to determine these important factors.

Empyrean has a 7.5 % working interest in the TCEI JV Block A-3 well and further announcements will follow as significant developments come to hand.

Tom Kelly added "This is terrific news for Empyrean and our shareholders. The initial recorded flow rates are excellent using a choke that was not fully opened and the pressure is high. Much is being learnt from this well and the comparison with Brookeland that should see many of our future wells flowing even better than this one. After a very patient wait Empyrean's shareholders are being rewarded with being part of a major discovery. This is the first flow test from 5 drilled wells that have all encountered hydrocarbon shows whilst drilling on this project's extended area. We still have 4 already drilled wells to test which is very exciting. More importantly, this first well tested has confirmed a significant gas/condensate discovery, and with oil fetching over US\$100 a barrel the economics are even more attractive."

The information contained in this announcement was completed and reviewed by the Technical Director of Empyrean Energy Plc, Mr Frank Brophy BSc (Hons) who has over 40 years experience as a petroleum geologist.