

30 April 2008

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

By e-Lodgement

Dear Sir/Madam

QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2008

OPERATING

Activity has continued across the portfolio. An outline update of each of our projects is provided below.

Sugarkane Gas Condensate Field

The Sugarkane Gas Condensate Field is a new Austin Chalk discovery in Texas, USA and the Company has built a substantial acreage position over the field under three separate but contiguous leasehold joint ventures, known as Sugarloaf, Longhorn and Ipanema. In total the Company has interests in over 45,700 acres and holds 17,600 acres net. As field appraisal continues we believe that this significant land position will be very valuable to our shareholders. The Company and the operator of our land positions believe the Sugarkane field extends to over 200,000 acres, although recent activity by competitor companies may indicate that the total areal extent could be greater still. Significant leasing has also been undertaken recently by competitor companies on trend to the north but by our determinations outside of the Sugarkane area. Proposed drilling on this acreage will not be of importance to our program because of distinct and important geological differences.

During the reporting period, the Company focused on gaining a greater understanding of the field and locating an analogue field for both performance indicators and exploitation techniques. With this information we have taken an active role in the preparation for the next phase in field operations. During March, the Company issued a technical presentation on the Sugarkane field, which explained some of our recent findings and broadly outlined the next steps. The key points from the presentation are outlined in this report.

Concurrently with these activities, competitor companies have been busy and recent announcements have demonstrated both a consistency in reservoir attributes and commercial flow rates that are exceptional by conventional Austin Chalk standards. As well as those competitors associated with the original discovery of this field, other well established regional Austin Chalk specialists have been securing acreage and permitting wells either adjacent to or nearby our joint venture areas. Along a similar time frame to your Company's planned drilling in 2008, we expect a number of other wells will be drilled and this will in due course provide additional sources of information, from these new entrants. This endorsement of the potential of the field by local operators reinforces our views regarding the potential of the Sugarkane field.

The Company is aware that despite the strong positive indications from all the results and activity within the Sugarkane field, the next step must be for us to achieve commercial production within the areas where we hold an interest. This will be the focus of efforts in the coming months and Aurora is funded to achieve these objectives.

Technical presentation – released 17/03/08

The following key points were made by the presentation

1. The Sugarkane gas condensate field is not a traditional Austin Chalk Play. The chalk matrix quality has to date been better than on average, this would mean that there is more gas and condensate present in the field and that it may be more mobile.
2. Another relatively unique characteristic of the Sugarkane field is that the gas and condensate is highly pressured.

The combination of points 1 & 2 would lead to higher production rates than traditional chalk, which is supported by the two production rates recorded to date on the leaseholds adjacent to the Sugarloaf joint venture. It should be noted that the chalk quality will vary and that there will inevitably be a statistical variation in well performance. As production data is gathered from each new well, the field's overall economic position will be clearer.

3. The gas produced has to date been condensate rich. One vertical well within the field has been producing for over 15 months and the condensate ratio on that well has been repeated by the two more recent flows from additional offset wells within the field. The condensate rates, if maintained across the field, add significantly to the fields economics and valuation.
4. One of the keys to higher production rates and greater recovery per well is encountering naturally existing fractures as they connect the well to a bigger area and allow more chalk to contribute to flow another will be more effective stimulation.
5. Using seismic and geological data a targeting methodology is being developed which has been verified by the drilling results to date. This approach will be used when locating future wells.
6. An analogue field to the Sugarkane field has been found, which has similar reservoir characteristics and is currently being developed. Studies of this field have contributed to a greater understanding of the development techniques that may be applicable to our field.
7. This new knowledge is being incorporated into the planning for the next drilling operations across our acreage.
8. The information recently learned has indicated the drilling and completion operations undertaken within our Kennedy #1 well were not ideal. Whilst the JV intends to fracture Kennedy #1 in the very near future, we remain cautious as to whether the results will be representative of the expectations from future wells drilled with our 'new knowledge'.

The table below summarises the Company's acreage position within the Sugarkane gas condensate field.

AMI Name	Gross acreage held	Aurora interest	Net acreage held
Sugarloaf	22,199	20%	4,440
Longhorn	18,992	50%	9,496
Ipanema	4,530	80%	3,624
Total	45,721		17,560

Sugarloaf AMI (20% Working Interest) Texas, USA

Within this leasehold, there have been no major operational activities over the reporting period. The operator has gained access to processed 3D data that partially covers the Sugarloaf area.

It is likely that the next well location will be within the Sugarloaf AMI and an announcement will be made once details have been confirmed. Drilling is expected to commence in July and it is Aurora's strong preference, subject to the usual operating issues, to drill several wells in close succession.

Sugarloaf - 1 Well

No further operational activity has taken place on this well within the reporting period. Interpretation of the fracture stimulation operations on the deepest chalk zone, undertaken in the previous quarter, leads us to believe it to have connected below the Austin Chalk formation. This remains the most likely explanation of the results observed. However, the cause of this effect is now felt to be a poor cement bond in the annulus. Attempts to cure this at the time with cement squeeze operations are not believed to have been successful.

No decision has yet been made as to whether to attempt further remedial cement operations on Sugarloaf 1 to allow further testing of the deeper zones.

Kennedy-1H Well

During the reporting period, preparations have been carried out to allow this well to be perforated and fractured. When operations were suspended in December a 4 ½" liner had been cemented in place across the horizontal open hole with a tie back into the 7" production casing.

A small workover rig carried out a clean out operation and a cement bond log was run with a tractor across the liner section to aid in the placement of perforations and stimulations.

The stimulation program is being prepared and is expected to commence around mid May. A more detailed announcement on operations is expected in the near future.

Future wells

The Sugarloaf JV is in discussions on the location and operational design of a new well within the AMI. The operator is likely to broadly adopt the working practices from the analog field.

Longhorn & Ipanema AMIs, Texas (50% Working interest in Longhorn and 80% Working Interest in Ipanema)

The Longhorn and Ipanema AMIs represent significant value to the Company's shareholders. They lie within the Sugarkane field boundaries as defined on seismic and geologically, adjacent to Sugarloaf and between it and competitor company acreage within the overall Sugarkane area. There has not been any recent Austin Chalk well drilled on this acreage, although there is one vertical well in Longhorn with logged pay and another immediately adjacent to Ipanema with logged pay. Competitor companies have permitted and may have commenced drilling wells within the Sugarkane area further to the north of the discovery wells and our Longhorn acreage.

Flour Bluff Gas Project, Gulf Coast, Texas (AUT Working Interest 20% to 24.1667%)

Gas production from the project continued to be shut in until mid January due to third party pipeline shut downs for repairs and maintenance. Production recommenced at 2.8mmcf/d plus 35 bopd. Average production for March was just above this level.

The operator is intending to seek permission from authorities for a 3D seismic acquisition over the West Flour Bluff Field which lies beneath a military base. It is considered that 3D seismic would provide greater certainty to the next stage of development drilling at Flour Bluff and could identify additional reserve potential. Once approval has been received we expect to receive a detailed proposal from the operator and an estimate of cost. A decision to participate in any such program would follow.

New development drilling directed at existing reserves could add significantly to production levels and is expected to commence once the current and proposed appraisal programs at the Company's (and operator's) Sugarkane interests are established. Flour Bluff remains a valuable asset of the company with proven reserves, funding for development available and a secure land position.

Elixir Petroleum Limited - (AUT shareholding 14.9%)

Elixir is an internationally focused upstream oil and gas company listed on both the ASX and AIM Markets with a diversified portfolio of interests across the exploration, appraisal, development and production lifecycle.

Elixir's business strategy is to acquire interests in exploration opportunities with high impact potential, work up prospects and ultimately farm out to industry to drill; typically on a full carry basis. Complementing this exploration strategy is the addition of lower risk oil and gas development projects with appraisal upside located in the shallow waters of the Gulf of Mexico. These US projects demonstrate an extremely short cycle time to production and provide cashflow sustainability for the Elixir Group.

Elixir Highlights to 31 March 2008

- Quarterly production revenue from High Island 268-A of US\$2.38 million
- Pompano Well #1 intersected commercial gas pay and was completed as a producer
- Pompano JV elected to commence drilling the Pompano Well #2 immediately following the completion of the Well #1
- Farmed into and assumed operatorship of highly prospective Block SL-4 offshore Sierra Leone, West Africa
- Commenced 1,222 sq km 3D seismic data acquisition programme over Block SL-4
- Farm out activities continue on several UK North Sea licences

North Belridge Oil Development Project, California (16.25% interest in 10 Well Program)

The North Belridge discovery is a stratigraphic trap at a depth of 9,800 feet in the Monterey Shale Formation in the southern part of the San Joaquin Basin, California and has an estimated potential P50 reserve of 60 million barrels of recoverable oil and 40 billion cubic feet of gas. The discovery is approximately 3,500 acres in area and was defined by three wells and a seismic amplitude anomaly that is similar to that seen within the nearby North Shafter Field.

North Belridge is a substantial oil discovery in a low permeability diatomite reservoir underlain by a high permeability water bearing layer. The development challenge is to perfect a reservoir stimulation (fracture stimulation) in the horizontal portion of the well, so as to achieve high oil production rates without producing the underlying water.

Management considers that North Belridge remains an attractive opportunity to participate in the development of a significant on-shore oil discovery.

CORPORATE

At 31 March 2008 the Company had cash reserves of approximately \$17.5 million.

On 14 April 2008 the Company was pleased to announce the appointment of Mr Ian Lusted to the board as Technical Director.

QUARTERLY CASH FLOW REPORT FOR THE PERIOD ENDED 31 MARCH 2008

Please find attached the Company's Appendix 5B for the period to 31 March 2008.

Yours sincerely

AURORA OIL & GAS LIMITED

Jon Stewart
EXECUTIVE CHAIRMAN

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.

Technical information contained in this report in relation to the Sugarloaf, Longhorn, Ipanema, North Belridge, Flour Bluff High Island and Pompano projects was compiled by Aurora from information provided by the project operators and reviewed by I L Lusted, BSc (Hons), SPE , a Director of Aurora who has had more than 15 years experience in the practice of petroleum engineering. Mr Lusted consents to the inclusion in this report of the information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

AURORA OIL & GAS LIMITED

ABN

90 008 787 988

Quarter ended ("current quarter")

31 March 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	195	678
1.2 Payments for		
(a) exploration and evaluation	(1,199)	(5,214)
(b) development	(439)	(439)
(c) production	(282)	(687)
(d) administration	(507)	(1,365)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	173	476
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(2,059)	(6,551)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	(60)
(c) other fixed assets	-	(4)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(64)
1.13 Total operating and investing cash flows (carried forward)	(2,059)	(6,615)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,059)	(6,615)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	228	20,653
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other		
	Loan Establishment Costs	-	(30)
	Issue Costs	(20)	(1,077)
	Net financing cash flows	208	19,546
	Net increase (decrease) in cash held	(1,851)	12,931
1.20	Cash at beginning of quarter/year to date	19,332	4,550
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	17,481	17,481

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(195)
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments include:
Directors' fees, bonus payment, consulting fees and serviced office rental. All payments are on normal commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	10,900	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,000
4.2 Development	1,500
Total	3,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,088	1,118
5.2 Deposits at call	16,393	18,214
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	17,481	19,332

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A	-	-	-
6.2 Interests in mining tenements acquired or increased		-	-	Various

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	202,474,962	202,474,962	Various	Fully Paid
7.4 Changes during quarter				
(a) Increases through issues				
Placement	-	-	-	-
Option Exercise	1,200,000	-	\$0.19	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		
7.7 Options (i)			<i>Exercise price</i>	<i>Expiry date</i>
Consolidation Options	8,000,000	-	\$0.19	22 Feb 2010
Loan Options	2,990,000	-	\$0.19	28 Apr 2010
Director Options	1,000,000	-	\$0.29	28 Apr 2010
Consultant Options	1,833,000	-	\$0.29	28 Apr 2010
Note Conversion Options	4,285,714	-	\$0.24	28 Apr 2010
Incentive Options	500,000	-	\$0.50	30 Mar 2011
Incentive Options	3,000,000	-	\$0.69	31 Jan 2009
Consultant Options	1,000,000	-	\$0.59	30 Sept 2010
Consultant Options	1,000,000	-	\$0.69	30 Sept 2010
	23,608,714			
7.8 Issued during quarter	-	-	-	-
Upon exercise each option entitles the holder to one ordinary share which will rank pari passu in all respects with the Company's then issued shares.				
7.9 Exercised during quarter				
Performance options	1,200,000	1,200,000	\$0.19	28 Feb 2008
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-	-	-
7.12 Unsecured notes <i>(totals only)</i>	-	-	-	-


+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



..... Date: 30 April 2008

(~~Director~~/Company secretary)

Print name:

ALEX NEULING

+ See chapter 19 for defined terms.