

3 December 2009

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

By e-Lodgement

Dear Sir/Madam,

Aurora Oil & Gas ("Aurora") advises that it has cancelled the US\$10 million loan facility with BOS International (BOSI) that was entered into in August 2006. An initial drawdown of US\$3.25million has been repaid in full.

The BOSI facility was established for the development of gas reserves at the Flour Bluff Field in Corpus Christie, Texas. Aurora's continued focus on its significant gas and condensate discovery Sugarkane, also located in Texas, has resulted in a lower priority for allocation of capital to Flour Bluff. The Board has determined that these circumstances, together with the recent completion of a successful farm out to Hilcorp Energy for a substantial carried work program at Sugarkane, no longer justifies the continued payment of costs associated with carrying the BOSI facility and accordingly the loan has been repaid from cash reserves.

Having repaid the facility, Aurora remains adequately financed to meet its current commitments.

Yours sincerely
AURORA OIL & GAS LIMITED

Jon Stewart
Executive Chairman