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

By e-Lodgement

SUGARKANE GAS & CONSENSATE FIELD

SUGARLOAF AND LONGHORN AMI OPERATIONS UPDATE

Aurora Oil & Gas ("Aurora") is pleased to provide the following update to the market on operations within the Sugarkane Gas & Condensate Field, Texas.

Sugarloaf AMI

Morgan #1H – Operations on this well are now complete and the rig has demobilised from the location. The well was drilled to a Total Depth of 17,015 ft and production casing has now been run and cemented across approximately 5,000 ft of reservoir section. This well is now ready for fracture stimulation.

Rancho Grande #1H – This well was spudded on 25th March and the most recent operation has been to run and cement the surface casing string at a depth of 6,005 ft. Thereafter the well will be drilled vertically to the top of the reservoir before the trajectory is built to horizontal through the reservoir section.

Longhorn AMI

The drilling rig has now mobilised from the Morgan #1H location and is presently rigging up at the wellsite of the first of three farmin wells to be drilled by Hilcorp within the Longhorn AMI acreage. Aurora is the only Australian ASX listed participant in the Longhorn AMI and holds a pre-farmout working interest of 50% in approximately 24,000 gross acres.

ASX participants in the Sugarloaf AMI are:

Aurora (ASX:AUT) – 20% (pre-farmout)
Adelphi (ASX:ADI) – 20% (pre-farmout)
Eureka (ASX:EKA) – 12.5% (pre-farmout)

As well as the Sugarloaf and Longhorn AMIs Aurora also participates as an 80% (pre-farmout) WI holder in the Ipanema AMI with 4,400 acres which is also within the Sugarkane Field and is adjacent to the Sugarloaf AMI.

Yours sincerely

AURORA OIL & GAS LIMITED

Jon Stewart

Executive Chairman

Technical information contained in this report in relation to the Sugarloaf project and Sugarkane field was compiled by Aurora from information provided by the project operator 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.