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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**

*Easley #1H* – Aurora has been advised by the Operator, Hilcorp, that the rig up of the fracture stimulation equipment has commenced for the planned Easley #1H well fracture operations. It is expected to take approximately two weeks to stimulate approximately 3,000 ft of horizontal liner in a number of stages. The fracture stimulation design is similar to that recently successfully applied to the Kennedy #1H and Weston #1H wells. The well will be flowed to sales during cleanup.

*Morgan #1H* – The well was drilled to a Total Depth of 17,015 ft and production casing has been run and cemented across approximately 5,000 ft of reservoir section. This well is to be fracture stimulated soon after the completion of fracture stimulation operations on the Easley #1H well.

*Rancho Grande #1H* – This well was spudded on 25 March 2010 and as at 12 April had been drilled to a Total Depth of 16,957 ft. The length of the horizontal lateral drilled within the target reservoir is approximately 5,000 ft. The forward plan is to run and cement casing in the well followed by fracture stimulation in due course. As per the other Sugarloaf AMI wells, Rancho Grande #1H will be cleaned up and produced directly into sales upon conclusion of that operation.

#### **Longhorn AMI**

*Turnbull #1H* - This well was spudded on 1<sup>st</sup> April and to date has been drilled to a total depth of 13,535 ft. The well path has built angle and is currently drilling along the horizontal section within the reservoir.

The Turnbull #1H well is the first of three horizontal 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.