

22nd February 2010

Company Announcements Platform
Australian Stock Exchange
Level 4
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SYDNEY NSW 2000

By e-Lodgement

SUGARKANE GAS AND CONDENSATE FIELD OPERATIONS UPDATE

Aurora Oil & Gas Limited ("Aurora") is pleased to provide the following update on operations at the Sugarloaf Area of Mutual Interest ("AMI") within the Sugarkane Gas & Condensate Field, Texas.

Morgan #1H

Aurora has been advised by the Operator that the multi-stage fracture stimulation operation on the Morgan #1H well commenced on 16 April 2010. The fracture stimulation design is similar to that recently successfully applied to the Kennedy #1H and Weston #1H wells. Following completion of this operation the well will be flowed directly to sales.

Easley #1H

The previously advised fracture stimulation on the Easley #1 has now been re-scheduled to commence following the conclusion of the Morgan #1 frac later this month.

Rancho Grande #1H

After reaching a Total Depth of 16,957 ft with a horizontal lateral of approximately 5,000 ft, production casing has now been run and cemented in preparation for a multi-stage fracture stimulation program which has been scheduled to commence following the conclusion of the Easley #1 frac during May 2010. As with the other Sugarloaf AMI wells, Rancho Grande #1H will be cleaned up and produced directly into sales upon conclusion of that operation.

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)

Aurora also participates as a 50% WI holder in a larger area made up of an additional ~ 27,000 acres within the Sugarkane Field adjacent to Sugarloaf. Aurora is the only listed participant in these areas which are also subject to farmout to Hilcorp for the drilling, stimulation and tie in of a further 4 new wells (please refer to earlier releases).

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.