

18th June 2010

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

By e-Lodgement

AURORA TO RAISE A\$41 MILLION FROM PLACEMENT AND SHARE PURCHASE PLAN

- **s708 Placement to institutional and sophisticated investors to raise A\$35 million**
- **Fully underwritten Share Purchase Plan (“SPP”) to raise A\$6 million to be offered to shareholders**

The proceeds raised will primarily be used to:

- fund the Company’s share of further drilling costs associated with its position within the Sugarkane Field located in the Eagle Ford shale trend in Texas (3 joint ventures being Sugarloaf, Longhorn and Ipanema);
- potential acquisition of additional acreage; and
- general working capital.

Placement

Aurora Oil & Gas Limited (ASX:AUT) (“Company” or “Aurora”) is pleased to announce the placement of 46.67 million shares at \$0.75 per share to raise gross proceeds of \$35,000,000 (“Placement”). The new shares will rank equally with existing fully paid ordinary shares.

Euroz Securities Limited acted as Lead Manager to the Placement.

The Placement will be made in two tranches:

- Tranche one comprising the placement of 33 million shares to raise \$24.75 million, to be issued immediately under the Company’s available 15% capacity under Australian Securities Exchange Limited (**ASX**) Listing Rule 7.1, and
- Tranche two comprising the placement of 13.67 million shares to raise \$10.25 million, subject to shareholder approval at a general meeting to be held on or around Monday, 26 July 2010.

Executive Chairman of Aurora Jon Stewart commented “We are appreciative of the very strong support for this Placement and welcome a number of new institutional shareholders. We are also hopeful that existing shareholders will support the SPP”.

“This capital raising significantly strengthens our balance sheet and fully funds us for the drilling program we have outlined and further provides Aurora with the financial flexibility to meet further acceleration in drilling should that eventuate”.

“The results of our drilling program in the Sugarkane Field to date have been pleasing and with the decision by the operator Hilcorp Energy to accelerate drilling, Aurora could have up to 50 wells on production by the end of 2011”.

“Over time we have sought to de-risk Aurora’s participation in what will be a major field development, yet maintain a conservatively funded project interest with very significant value upside. Today’s announcement is a further significant step in this regard and we expect it to be important to the continued creation of value for all shareholders. We look forward to a busy and successful period ahead offering a constant flow of news.”

Fully Underwritten Share Purchase Plan

In conjunction with the Placement, Aurora will be offering eligible shareholders the opportunity to acquire additional shares in the Company under a share purchase plan (“SPP”). Shares under the SPP will be offered at \$0.75 per share, being the same issue price offered pursuant to the Placement.

The SPP is fully underwritten by Blackswan Equities Limited

Shareholders with a registered address in Australia or New Zealand at 5.00pm (WST) on 11 June 2010 (Record Date) will have the opportunity to subscribe for up to A\$15,000 worth of new fully paid ordinary shares at \$0.75 per share in the Company without incurring any brokerage or other transaction costs. Specific details & terms will be contained in the SPP Offer documentation that is currently being prepared for mailing to eligible shareholders.

Yours sincerely

AURORA OIL & GAS LIMITED

Jon Stewart
Executive Chairman