

6<sup>th</sup> July 2010

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

**By e-Lodgement**

## SUGARLOAF AMI PRODUCTION UPDATE

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

### Production Update

The following well has reached the 30 day production milestone:-

	Fractured Horizontal Length (ft)	Total Gas Production (mmscf)	Total Condensate Production (bbls)	Average Daily Equivalent Gas Rate (mmscfe/d)*
Rancho Grande #1H	4900	85	31,200	16.2

\* The equivalent gas rates have been calculated to reflect value using a 12:1 conversion ratio for condensate and a 25% uplift on gas equivalent volumes due to the high calorific value of the produced gas.

As was reported on the 8<sup>th</sup> June 2010, this well is being operated on a restricted choke as part of the optimization of decline rates and ultimate recovery.

ASX participants in the Sugarloaf AMI are:

- Aurora (ASX:AUT) – 10% (post farmout)
- Adelphi (ASX:ADI) – 10% (post farmout)
- Eureka (ASX:EKA) – 6.25% (post farmout)

Aurora also participates in a larger area made up of an additional ~ 29,000 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.