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

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## **Aurora Finalises US\$10 Million Project Finance Facility**

Aurora Oil and Gas Limited (ASX: AUT) is pleased to announce that it has finalised its US\$10 million loan facility with BOS International ("BOSI"). Documentation has been completed and an initial drawdown of US\$3.25 million has been made available to Aurora under the Facility.

The 7 year Loan Facility is secured against the proven reserves of the Company's interest in the Flour Bluff Gas Development Project located near Corpus Christi, Texas. The funding cost is linked to a market competitive margin over LIBOR, with the first repayment due in December 2008. There is no shares or options component payable to the Financier to obtain this facility which has been provided on what Aurora considers to be commercially attractive terms. The majority of the Loan funds are earmarked for the full development of Aurora's gas reserves at Flour Bluff with a minimum of US\$3.25 million available to the Company to apply to its other projects. More specific commercial details are subject to confidentiality.

Aurora Oil & Gas Executive Chairman Jon Stewart commented that "Completion of this Project Finance Facility represents another significant advance for Aurora and we look forward to a long term working relationship with BOS International. Stage 2 development drilling at Flour Bluff, expected to commence in October, and all subsequent development activities there are now financed. Aurora intends to apply its capital resources, some of the debt funds and a growing cashflow towards taking its other projects to a similar status whereupon project debt could be introduced."

Yours sincerely  
**AURORA OIL & GAS**

Alex Neuling  
**COMPANY SECRETARY**

***This report contains some references to forward looking assumptions, estimates and outcomes. These are uncertain by nature and no assurance can be given by Aurora that its expectations, estimates and forecast outcomes will be achieved.***