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15th August 2011

ASX RELEASE

**EAGLE FORD SHALE - SUGARKANE FIELD OPERATIONS AND PRODUCTION
UPDATE**

Aurora Oil & Gas Limited ("Aurora") is pleased to provide the following update on operations and production within the Sugarkane Gas & Condensate Field, Texas.

Aurora participates in 4 separate Areas of Mutual Interest ("AMI") within the Sugarkane Field and has different working interest and net acreage positions in each of these areas as detailed below.

AMI	Working Interest	Gross Acreage	Net Acreage
Sugarloaf	15.7%	23,550	3,700
Longhorn	31.9%	28,280	9,020
Ipanema	36.4%	4,600	1,670
Excelsior	9.1%	20,180	1,840
Total		76,600	16,230

Key status points:-

- There are presently 45 wells on production, 5 wells waiting on or being stimulated and 5 wells being drilled in which Aurora holds an interest.
- Net production to Aurora during July is estimated at 75,000 boe, a 22% increase on June.
- Aurora net production is presently 2,820 boe/d (78% oil and NGL).

Production Data

The following well has been on production for a period of 30 or 60 days and Aurora is pleased to provide the market with an update on produced volumes during that period:-

Well	Working Interest	Total Gas Production (mmscf)	Total Condensate Production (bbls)	Average Daily Equivalent Oil Rate (boe/d)*
Best Huth #1H – 30 day	28.73%	21.8	19,661	777
Jordan #1H – 30 day	15.78%	33.6	22,984	953
Davenport #1H – 30 day	24.31%	28.8	21,977	893
Kellner Jonas #1H – 30 day	9.14%	9.1	11,160	423
Chapman Rothe #1H – 60 day	9.14%	30.0	25,230	504
Chapman Pfiel #1H – 60 day	9.14%	26.2	25,302	495

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Henke A #1H – 60 day	9.14%	20.4	21,359	413
Henke B #1H – 60 day	9.14%	45.1	34,001	692
Hierholzer Retzloff – 60 day	9.14%	17.0	19,404	370
Hierholzer Seewald – 60 day	9.14%	20.8	23,145	447

*The equivalent barrels per day production rate has been calculated on a simple 6:1 ratio in compliance with Canadian securities laws under National Instrument 51 - 101.

Note that the HiWay fraced wells, the Chapman Pfiel #1H and the Chapman Rothe #1H wells continue to outperform the adjacent control wells the Hierholzer Retzloff #1H and Hierholzer Seewald #1H.

Operations

The following wells have commenced production since the last operational update and Aurora will provide further details when the wells have achieved 30 and 60 day production milestones.

Well	Working Interest	Date of 1 st Production
Pfiefer #1H	15.8%	28/07/11
Turnbull #5H	31.9%	20/07/11
Turnbull #6H	26.4%	20/07/11
Best Fenner #1H	15.8%	27/07/11
Esse Smith A #1H	9.14%	04/08/11
Esse Smith B #1H	9.14%	02/08/11
Hollub #1H	9.14%	17/07/11
Chapman Schroder #1H	9.14%	26/07/11
Carpenter Thompson #1H	9.14%	11/07/11

Early production data from the Esse Smith A and B wells and the Chapman Schroder wells is encouraging and together with the data from the Henke B #1H well is establishing an area of higher production rates within the Excelsior AMI acreage.

In addition the following operations have taken place

Brysch Jonas #1H (15.8% WI) – The Brysch Jonas #1H well has been fracture stimulated and will shortly be cleaned up to sales.

Yosko Borgfield #1H (23.8% WI) - The Yosko Borgfield #1H well was spudded on the 15th July 2011 and reached a total depth of 18,625ft on 25th July 2011. Casing has been run and cemented and the fracture stimulation of this well is underway.

DeAtley May A #1H (9.14% WI) - The DeAtley May A #1H well was spudded on the 22nd June 2011 and reached a total depth of 15,760ft on 3rd July 2011. Casing has been run and cemented and the fracture stimulation of this well is underway.

DeAtley May B #1H (9.14% WI) - The DeAtley May B #1H well was spudded on the 8th July 2011 and reached a total depth of 16,321ft on 21st July 2011. Casing has been run and cemented and this well is awaiting fracture stimulation.

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Kellner McMahon #1H (15.8% WI) - The Kellner McMahon #1H was spudded on the 20th July 2011 and reached a total depth of 15,960ft on 4th August 2011. Casing has been run and cemented and this well is awaiting fracture stimulation.

Griffin DeAtley #1H (9.14% WI) - The Griffin DeAtley #1H well spudded on 1st August 2011 and is presently drilling ahead.

Rippstein Mikkelson #1H (31.9% WI) - The Rippstein Mikkelson #1H well spudded on 19th July 2011 and is presently drilling ahead.

Scheele #1H (31.9% WI) - The Scheele #1H well spudded on 27th July 2011 and is presently drilling ahead.

Chapman Rogers #1H (31.9% WI) - The Chapman Rogers #1H well spudded on 30th July 2011 and is presently drilling ahead.

Scheele Huth #1H (31.9% WI) - The Scheele Huth #1H well spudded on 8th August 2011 and is presently drilling ahead.

Other ASX participants in the Sugarloaf AMI only are:

AWE (ASX:AWE) – 10%

Eureka (ASX:EKA) – 6.25%

About Aurora

Aurora is an Australian and Toronto listed oil and gas company active exclusively in the over pressured liquids rich region of the Eagle Ford Shale in Texas, United States. The Company is engaged in the development and production of oil, condensate and natural gas in Karnes, Live Oak and Atascosa counties in South Texas. Aurora participates in over 76,600 highly contiguous gross acres in the heart of the trend, including over 16,230 net acres within the liquids rich zones of the Eagle Ford. Aurora is funded for and expects to participate in approximately 60 new development wells during 2011.

Technical information contained in this report in relation to the 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.

Cautionary Statements

The Company may present petroleum and natural gas production and reserve volumes in barrel of oil equivalent ("boe") amounts. For purposes of computing such units, a conversion rate of 6,000 cubic feet of natural gas to one barrel of oil equivalent (6:1) is used. The conversion ratio of 6:1 is based on an energy equivalency conversion method which is primarily applicable at the burner tip and does not represent value equivalence at the wellhead. Readers are cautioned that boe figures may be misleading, particularly if used in isolation.

Statements in this press release regarding which reflect management's expectations relating to, among other things, target dates, Aurora's expected drilling program and the ability to fund development are forward-looking statements, and can generally be identified by words such as "will", "expects", "intends", "believes", "estimates", "anticipates" or similar expressions. In addition, any statements that refer to expectations,

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projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this document. Such assumptions include, but are not limited to, general economic, market and business conditions and corporate strategy. Accordingly, investors are cautioned not to place undue reliance on such statements.

All of the forward-looking information in this press release is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Aurora disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law.

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