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

By e-Lodgement

SUGARKANE FIELD OPERATIONS UPDATE

Aurora Oil & Gas Limited ("Aurora") is pleased to provide the following update on operations at the Sugarloaf, Longhorn and Ipamena Areas of Mutual Interest ("AMI") within the Sugarkane Gas & Condensate Field, Texas. Across Aurora's three AMIs within Sugarkane there are now 8 wells on production, one well drilled and fraced awaiting production, one well being fraced, three wells drilled and awaiting frac and one well currently drilling for a total of 14 wells.

Sugarloaf AMI (AUT 10% Working Interest)

Luna #1H

As reported previously, this well was drilled to a depth of 17,370 ft, providing approximately 5,000 ft of horizontal section within the reservoir. The well will be fracture stimulated in due course, in a similar fashion to the other Aurora wells within the Eagle Ford Shale trend. This is the second post farmout well within the Sugarloaf AMI in which Aurora has participated.

May #1H

This well has now been drilled and cemented at a final depth of 17,550 ft, providing approximately 5,000 ft of horizontal section within the reservoir. The well will be fracture stimulated in due course, in a similar fashion to the other Aurora wells within the Eagle Ford Shale trend. This is the third post farmout well within the Sugarloaf AMI in which Aurora has participated.

Urrutia #1H

The fourth post farmout well within the Sugarloaf AMI, Urrutia #1H, has now been drilled to a final depth of 17,411 ft. Preparations are presently underway to run and cement casing which will secure approximately 5,000 ft of horizontal section within the reservoir. Again this well will be fracture stimulated in a similar fashion to the other Aurora wells within the Eagle Ford Shale trend.

Direct Assets #1H

The fifth post farmout well within the Sugarloaf AMI, Direct Assets #1H, was spudded on the 30th September 2010 and is presently starting to drill the horizontal section of the well.

Kowalik #1R

The fracture stimulation of the Kowalik #1R well was suspended having completed 14 fracture stimulation stages following difficulties in gaining access into the well at a depth of approximately 7,500 ft. Further investigation has revealed damage to the casing although pressure integrity has been maintained. A remedial repair is planned for the damaged casing and then the well will be produced to sales from the existing 14 stages. Aurora will provide the market with an update when the well has cleaned up.

Ipanema AMI (AUT 30% Working Interest)

Patino #1H

Fracture stimulation activities have commenced on the Patino #1H well within the Ipanema AMI. This is the last farmin operation that is funded by Hilcorp Energy under the terms of our farmout agreement as outlined in earlier announcements. Aurora will provide the market with an update when the well has cleaned up.

Longhorn AMI (AUT 25% Working Interest)

The Turnbull #2 and Turnbull #3 wells are both now producing to sales together with Turnbull #1. Aurora anticipates releasing 30 day production totals for both wells in the coming weeks.

In its forthcoming quarterly report, Aurora will provide quarterly production details for each producing well.

ASX participants in the Sugarloaf AMI are:

Aurora (ASX:AUT) – 10% (post farmout)

AWE (ASX:AWE) – 10% (post farmout)

Eureka (ASX:EKA) – 6.25% (post farmout)

Aurora is the sole ASX participant in the Longhorn AMI (25% post farmout) and the Ipanema AMI (30% post farmout).

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.