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

By e-Lodgement

SUGARLOAF AMI OPERATIONS UPDATE

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

Kowalik #1R

Aurora has been advised by the Operator that the Kowalik #1R well was spudded on 9th July 2010 and the well is presently at a depth of 5,996 ft having run and set surface casing.

The Kowalik #1R well is the first Sugarloaf well where Aurora will contribute to costs and derive revenue on a post farmout basis. Because of Aurora's increased working interest in the original Kowalik well the company will hold an 11.46% working interest in the Kowalik #1R well.

The Kowalik #1R well is the first of up to 8 wells that are anticipated to be drilled this calendar year within the Sugarloaf AMI on a post farmout basis.

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.