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18 May 2009

**AURELIAN OIL & GAS PLC
(the "Company")**

Proposed Conditional placing of up to 96,760,347 new Ordinary Shares to raise approximately £11.6 million (before commissions and expenses) and other matters

Aurelian Oil & Gas PLC, the AIM listed independent oil and gas exploration and production company focused on the re-emerging Central and Eastern European oil and gas markets, today announces that it is seeking to place up to 96,760,347 new ordinary shares ("**Ordinary Shares**") of five pence each (the "**Placing Shares**") at 12 pence per share (the "**Placing Price**") by way of a conditional placing to raise approximately £11.6 million (approximately £11.1 million after commissions and expenses) (the "**Placing**").

Jefferies International Limited ("**Jefferies**") and Tristone Capital Limited ("**Tristone**") are acting as joint bookrunners and joint managers in connection with the Placing.

Summary of the Proposed Placing:

- Conditional Placing of up to 96,760,347 new Ordinary Shares at a placing price of 12 pence each to raise approximately £11.6 million (approximately £11.1 million after commissions and expenses).
- Expected Net proceeds of the Placing together with the cash the Company will receive from its operating activities, to be used to fulfil a number of near term work commitments and strengthen the working capital position of the Group.
- The Placing Shares would represent approximately 41.64 percent of the Company's issued ordinary share capital immediately following admission of the Placing Shares to trading on the AIM market of the London Stock Exchange ("**Admission**").

As part of the Placing, the following directors of the Company will subscribe for the Placing Shares shown opposite their names below:

Name of Director	Number of Placing Shares to be subscribed for
Miles Donnelly	2,000,000
John Lippitt	83,333
Malcolm Pattinson	200,000
David Prior	1,250,000
Michael Seymour	400,000



A circular, containing a notice of an extraordinary general meeting (the "**General Meeting**") of the Company convened for 11.00 a.m. on 12 June 2009, (the "**Circular**") will be sent to shareholders of the Company, outlining the terms of the Placing and seeking shareholder approval, required in connection with the Placing.

Application is being made for Admission and, subject to the requisite shareholder approval for the Placing being obtained at the General Meeting, it is expected that Admission will become effective on 15 June 2009.

The Placing is conditional upon, inter alia, Admission becoming effective and the passing of the resolutions (without amendment) at the General Meeting granting, inter alia, approval to disapply statutory pre-emption rights and to grant the Directors authority to allot the Placing Shares. The Placing is also conditional on the placing agreement made between the Company, Jefferies and Tristone not being terminated. The Placing is not underwritten.

The estimated net proceeds of the Placing will be used to fund all operations other than the Polish Siekierki development through to the summer of 2010. As a result of the intended withdrawal of Canamens from the Siekierki project (announced today), the next stage on that project will commence when the current negotiations for a replacement partner are concluded.

The Company will also seek shareholder approval to adopt new articles of association at the General Meeting so that the Company's articles will be consistent with provisions of the Companies Act 2006 which have come into force or which will come into force shortly.

Appointment of Director:

The Board has resolved to appoint Mr Nicholas Coats as a director of the Company. Subject to obtaining various necessary regulatory and other consents, he will join upon completion of the Placing. Mr Coats is an investment manager with Merrill Lynch. Before joining Merrill Lynch in 1997 he was with Mercury Asset Management and prior to that was with Rowe and Pitman. Mr Coats was recommended for appointment by Lord Sainsbury of Preston Candover KG who currently holds a 4.49% interest in the Company and after the placing will hold 18.92 %.

David Prior comments :- "It is very reassuring in these turbulent times in the markets that we are able to arrange this proposed placing which will enable us to continue to develop our exploration programmes in Poland, Slovakia, Romania and Bulgaria and to give us breathing space to negotiate a suitable replacement for Canamens in funding the next stage of our Siekierki project."

18 May 2009

Enquiries:

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**Notes to Editors:**

Aurelian Oil & Gas PLC, was founded in December 2002, by Managing Director, Michael Seymour and is focused on the re-emerging Central and Eastern European oil and gas markets, the oldest producing oil province in the world.

The Company has developed a diversified portfolio throughout the region. Currently Aurelian has a wide portfolio of concessions in Poland (18), Slovakia (3), Romania (4) and Bulgaria (2), and a range of production, appraisal and exploration projects.

Aurelian's near-term focus is to establish substantial production from existing assets while continuing to assess and identify future dynamic exploration programmes across the region.



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This announcement contains (or may contain) certain forward-looking statements with respect to certain of Aurelian's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. Aurelian cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include statements regarding or which make assumptions in respect of the effect that the proposed placing of shares will have on the working capital of the Company and its subsidiaries. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in the price of oil or changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future explorations, acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond Aurelian's control. As a result, Aurelian's actual future results may differ materially from the plans, goals, and expectations set forth in Aurelian's forward-looking statements. Any forward-looking statements made in this announcement by or on behalf of Aurelian speak only as of the date they are made. Except as required by the Financial Services Authority (the "FSA"), the London Stock Exchange or applicable law, Aurelian expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in Aurelian's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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The distribution of this announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company, Jefferies or Tristone that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company, Jefferies and Tristone to inform themselves about, and to observe such restrictions.

The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares.

This announcement is not for distribution directly or indirectly in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Canada, Australia or Japan or any jurisdiction into which the same would be unlawful. This announcement is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration. No public offering of securities will be made in the United States by Aurelian in connection with the Placing.

This announcement does not constitute or form part of an offer or solicitation to purchase or subscribe for shares in the capital of Aurelian in Canada, Australia or Japan or any jurisdiction in which such an offer or solicitation is unlawful. No public offering of securities of the Company will be made in connection with the Placing in the United Kingdom or elsewhere.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is unlawful.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.