



Aurelian Oil & Gas Plc

(‘Aurelian’ or ‘the Company’)

Agreement for sale of gas from Siekierki field

Aurelian is pleased to announce that, through its 90% owned subsidiary, Energia Zachód Sp. Z o.o. (“EZ”), it has entered into an agreement with Kulczyk Investments SA (“KI”) for the sale of gas produced from EZ’s Siekierki field, Poland.

The Heads of Terms agreement (“the Agreement”) provides for the sale and purchase of gas produced from test wells during an initial 6-month period (“the Start Up Phase”) and for the subsequent execution of a fully-termed agreement (“FTA”) which will implement the commercial terms stipulated by the Agreement in advance of the production phase of the project. The FTA will run for an initial term of 10 years.

The Agreement, and subsequent execution of the FTA, is subject to the satisfaction of certain conditions precedent including, inter alia:

- receipt of all necessary licenses, permits, concessions and approvals required to produce, transport and deliver natural gas into the Polish gas transmission systems; and
- confirmation that the test results from wells to be drilled in 2010 and other feasibility studies justify development of the project.

The Agreement provides for all necessary terms and conditions for the sale of natural gas during the 6-month Start Up Phase at the best price available for such gas on the Polish market less a small discount. Furthermore, the Agreement provides for a detailed scheme for pricing of relevant gas products to be offered by EZ to KI in subsequent phases of development of the Siekierki field and includes “Take or Pay” provisions that help underpin the project cash flows.

Under the Agreement prices will be set by reference to the published PGNiG S.A tariff price for system high methane gas fuel (E-39,5 MJ/m³) which is currently PLN0.91/cm. At today’s exchange rate of US\$0.35825 = PLN1.00, a tariff of PLN0.91/cm converts to a Polish Market Gas price of US\$9.328/mcf.

Aurelian Oil and Gas PLC engaged Tony Way, Executive Director of The Energy Contract Company, to provide independent advice and a fairness opinion during the negotiation of the Agreement with KI.

Until 18th May 2009, Kulczyk Investments interest in Aurelian’s share capital exceeded 10%, which makes KI a related party to Aurelian for the purposes of Rule 13 of the AIM Rules for Companies. With the exception of Dariusz Mioduski, who is a director of KI, the directors of Aurelian consider, having consulted with its nominated adviser, that the terms of the Siekierki gas sales and purchase agreement with KI are fair and reasonable insofar as its

shareholders are concerned.

Rowen Bainbridge, Chief Executive Officer of Aurelian said:

“The conclusion of an agreement for the sale of our gas from Siekierki is a major milestone in the development of one of our most important assets and will enable us to proceed with the initial drilling program and to finalise our options for financing the full development. We are now focused on delivering first gas to our customer under the agreement in 2011”

Dariusz Mioduski, Chief Executive Officer of Kulczyk Investments said:

“The Agreement is one of the key elements in the strategy underlying our investment in Aurelian. In the broader context, our presence in Aurelian Oil and Gas is consistent with Kulczyk Investments long-term strategy which assumes strengthening our position in the oil and gas sector, both in Poland and on international markets.”

Enquiries

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Notes to Editors:

Aurelian Oil & Gas Plc, is a European focused E&P Company whose core purpose is to create shareholder value through the capture, evaluation, exploration, appraisal and development of onshore hydrocarbon resources and the application of conventional technologies to underexplored proven hydrocarbon systems. It was founded in December 2002, by Michael Seymour to focus on the established oil provinces in the central European countries of the former CIS where there had been little investment in seismic and drilling technology during the previous 20 years. The Company has since developed rapidly from a pure exploration company into its present position with a wide portfolio of concessions in Poland (14), Slovakia (3), Romania (4) and Bulgaria (2), and a range of production, appraisal and exploration projects.

Kulczyk Investments is an international investment company, with Polish roots, focused on the development of global investment opportunities, in the emerging markets. The company's strategic industries include: oil & gas, mineral resources, infrastructure, power generation, as well as power and gas distribution and trading. KI has significant holdings in automobile marketing, with a strategic partner Volkswagen-Audi, and in brewing, as a significant shareholder of international brewing company SAB Miller. The company also holds a concession to construct and operate a stretch of the East - West motorway in Western Poland, which is the largest concession based on investment project in Poland carried out in public-private partnership. The total value of KI's investments to date is approximately US\$3 billion. Headquarters: Luxembourg; offices: Warsaw, London, Kyiv, Dubai. CEO: Dariusz Mioduski.