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27 January 2010

AURELIAN OIL & GAS PLC (THE "COMPANY" OR "AURELIAN")

PLACING UPDATE

Further to the announcement made on 18 January 2010, Aurelian is pleased to announce that it has priced its proposed placing at 32 pence per share which will raise gross proceeds of approximately €39 million through the issue of 106,433,438 new ordinary shares (the "**Placing Shares**") (the "**Placing**") conditional on the approval of shareholders at a General Meeting to be held on 3 February 2010, the receipt of signed placing letters from the proposed placees and admission of the Placing Shares to trading on AIM ("**Admission**"). The Placing has not been underwritten.

The price of 32 pence per Placing Share represents a discount of 7.2% to Aurelian's closing share price on 26 January 2010 of 34.5 pence per Aurelian share. The Placing Shares to be issued represent approximately 31.35% of Aurelian's issued ordinary share capital as enlarged by the Placing.

Application will be 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 or around 4 February 2010.

The expected net proceeds of the Placing together with €12 million of existing cash will be used to fund the first Siekierki well and up to seven exploration and appraisal wells in the next two years, targeting assets with an expected monetary value ("**EMV**") of €1.2 billion.

The Placing has received strong support from investors and as a result has been upsized to approximately €39 million from the originally announced €32 million. The additional funding will be used to accelerate the Company's exploration and development activities in its core areas which were previously scheduled for 2012 and beyond.

As part of the Placing the following directors of the Company will subscribe for the number of Placing Shares shown below.

Name of Director	Number of Placing Shares
Rowen Bainbridge	203,125
David Prior	218,750
Mark Reid	203,125
Michael Seymour	125,000
David Walker	62,500

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Kulczyk Investments SA ("**Kulczyk Investments**") has also indicated that it will subscribe for 16,374,375 Placing Shares at the Placing Price which equates to a value of approximately €6 million. Until 18 May 2009, Kulczyk Investments' interest in Aurelian's share capital exceeded 10%, which makes Kulczyk Investments 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 Kulczyk Investments, the directors of Aurelian consider, having consulted with its nominated adviser (Ambrian Partners Limited), that the terms of Kulczyk Investments' participation in the Placing are fair and reasonable insofar as its shareholders are concerned. The Placing Shares to be issued to Kulczyk Investments together with its current shareholding represent approximately 10.1% of Aurelian's issued ordinary share capital as enlarged by the Placing.

The shareholders and directors with significant shareholdings listed below, representing approximately 47.28% of the current issued share capital, have submitted non-binding letters of intent ("**LOI**") to the Company giving their support to the Placing and outlining their current intention to vote in favour at the General Meeting of such resolutions as are necessary for the Placing to take place.

Name of Shareholder	Number of Securities to Which the LOIs Relate	Interest (%)
Lord Sainsbury of Preston Candover KG	43,960,718	18.86%
Palo Alto Global Energy Master Fund L.P.	27,787,778	11.92%
Kulczyk Investments S.A.	17,897,639	7.68%
Contessa Properties Limited	10,665,000	4.58%
Michael Seymour and Family	7,427,627	3.19%
David Prior	2,162,595	0.93%
Miles Donnelly	280,485	0.12%

Rowen Bainbridge, CEO of Aurelian, commented:

"We are delighted with the response that we have received to the Placing. We have been given a stamp of approval by some of the most informed investors in the oil and gas industry, endorsing both our strategy and the portfolio of assets that we operate.

We have an extensive work programme with the drill bit and these funds will provide us with the ability to deliver this, eliminating any previously perceived funding risks surrounding the Company."

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RULE 2.10

Pursuant to Rule 2.10 of the Code, the Company would like to confirm that as at today's date the issued share capital consists of 233,061,811 ordinary shares of 5 pence each. Accordingly, the number of ordinary shares carrying voting rights is 233,061,811. The ISIN reference number for these securities is GB00B15S8C31.

ENQUIRIES

Aurelian Oil & Gas PLC 020 7629 7986
Rowen Bainbridge, CEO
Mark Reid, CFO

Macquarie Capital (Europe) Limited 020 3037 2000
Sole Bookrunner, Joint Financial Adviser and Broker
John Dwyer
Paul Connolly

Jefferies International Limited 020 7029 8000
Joint Financial Adviser and Broker
Jack Pryde
Richard Kent

Ambrian Partners Limited 020 7634 4856
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Nick Elwes
Simon Whitehead

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NOTES TO EDITORS

Aurelian is an AIM listed independent oil and gas exploration and production company focused on the established hydrocarbon provinces in Poland, Slovakia, Bulgaria and Romania, 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.

Aurelian 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 previously been little investment in seismic and drilling technology.

Aurelian's strategy, as announced on 26 October 2009, is to focus its exploration, appraisal and development activities on two "Core Areas" the Rotliegendes and Zechstein Plays in Central and Western Poland; and the Carpathian Thrust Fold belt in Southern Poland, Slovakia and Western Romania. Aurelian's objective is to convert its extensive appraisal and exploration portfolio into proven reserves and production, creating a balanced portfolio by 2011.

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registered dealer or unless an exemption from prospectus and dealer registration requirements is available.

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Any indication in this Announcement of the price at which ordinary shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

This Announcement does not constitute a recommendation regarding the Placing. 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.

The Placing Shares will not be admitted to trading on any stock exchange other than the AIM Market of the London Stock Exchange plc.

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DEALING DISCLOSURE REQUIREMENTS

Under the provisions of Rule 8.3 of the Code, if any person is, or becomes, “interested” (directly or indirectly) in 1% or more of any class of “relevant securities” of the Company, all “dealings” in any “relevant securities” of the Company (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by no later than 3:30pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which the offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the “offer period” otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an “interest” in “relevant securities” of the Company, they will be deemed to be a single person for the purpose of Rule 8.3.

Under the provisions of Rule 8.1 of the Code, all “dealings” in “relevant securities” of the Company by the Company or by any of its respective ‘associates’, must be disclosed by no later than 12:00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel’s website at www.thetakeoverpanel.org.uk.

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can be found on the Takeover Panel’s website. If you are in any doubt as to whether or not you are required to disclose a “dealing” under Rule 8, you should consult the Takeover Panel.

If you are in any doubt as to the application of Rule 8 to you, please contact an independent financial advisor authorised under the Financial Services and Markets Act 2000, consult the Takeover Panel’s website at [ww.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk) or contact the Takeover Panel on telephone number +44 20 7638 0129; fax +44 20 7236 7013.