

24 February 2010

Aurelian Oil & Gas PLC

("Aurelian" or "the Company")

Operational update

Aurelian, the Central European focused E&P Company, is pleased to provide the following operational update on its core areas of activity, key projects and corporate developments.

Highlights

- **Signing of key contracts in Siekierki Tight Gas Project in Poland** – signing of key Engineering, Procurement and Construction Management services ("EPCM") and Drilling contracts, firms-up June 2010 spud date for first horizontal well
- **Significant potential upgrade to Romanian Voitinel appraisal asset** - potential upgrade in Voitinel trend GIIP from 50-100bcf to 400bcf
- **18% increase in Romanian forecast production** – April 2010 spud date for Climauti-1 well expected to increase forecast Bilca production by 18% over next seven years
- **Increased 2009 production volume and revenue** – 2009 total production volumes and revenues expected to be 956.5MMscf/2.62MMscf/d and €3.0 million respectively (2008: 516.5MMscf/1.42MMscf/d and €1.9 million)
- **Additional prospective leads identified in Slovakia** – Recent seismic processing and interpretation has identified further prospective leads in addition to the Smilno gas exploration prospect which was assessed at an Expected Monetary Value ("EMV") of €136 million, in the Company's 15th December 2009 Competent Person's Report produced by Gaffney Cline & Associates. Additional seismic is planned for 2010 with drilling planned for 2011.
- **Up-scaled €39 million Equity Placing accelerates exploration activities** – recent up-scaled €39 million Equity Placing allows the Company to accelerate Polish Permian Basin exploration activities to Q3 2010 with 2D seismic planned to firm up leads in gas prone Kalisz block and 3D seismic to be used in oil prone Cybinka and Torzym blocks.
- **Management changes** - Chris Brown joins as Director of Exploration from Suncor Energy on 1st March 2010 taking over this key role from Michael Seymour. From 1st May 2010, Michael will work part-time with the Company as an Executive Director in the role of Adviser on Government and Partner Relations.

Rowen Bainbridge, Chief Executive commented:

"In October 2009 we set out a new strategy and a series of milestones against which we could be measured. This Operational Update records steady progress against all the targets we set out. We have refocused the Company on Core Areas, added technical and operating capability at the Board and Executive levels and, through our successful €39 million capital raise, removed the financing risk that was depressing our share price. We have advanced all of our projects and, with the significant upgrade in GIIP estimate to 400 bcf on our Voitinel trend, continue with our excellent exploration track record in the region.

2010 is the year of opportunity for Aurelian as we aim to deliver on our flagship Siekierki Tight Gas Project and drill our first of many high impact Carpathian exploration wells".

Aurelian, the Central European focused E&P Company, is pleased to provide the following operational update on its core areas of activity, key projects and corporate developments.

Poland

EPCM contract signed for Siekierki project

Aurelian, is delighted to announce that it has awarded an EPCM contract for the appraisal phase of its Siekierki tight gas project in Poland to the Warsaw office of ILF Consulting Engineers ("ILF"). The contract was awarded through Aurelian's 90% owned Polish subsidiary Energia Zachód Sp. Z o.o. ("Energia Zachód" or "EZ"), which holds and is operator of the Exploration licence. The EPCM contract covers 3 flowlines, a 'Pilot' Central Production Facility to treat the gas to sales quality, an export line with pressure reduction and metering station and tie-in to the high pressure gas network. The facility will be designed to produce and treat up to 11MMscf/d during the initial Pilot phase with these facilities being upgraded during full field development to a processing capacity of up to 106 MMscf/d.

ILF carried out a review of the export options for Siekierki gas in Q3 2009. The project scope was subsequently defined in Q4 to allow ILF to provide a fully manned project team from 4th January 2010. Work is on schedule to prepare an Environmental Impact Assessment for submission to the Authorities and this is the first step in a series of approvals that will lead to the award of the Construction Permit in October 2010. First gas sales should commence in the second half of 2011 after completion of the first two Siekierki horizontal wells and construction of the Pilot Facility.

ILF has its main offices in Innsbruck and Munich, more than thirty subsidiary offices worldwide and permanent staff of over 1600. All ILF-companies are certified to ISO 9001.

Signing of Nafta Piła Drilling Contract and June 2010 spud date advised for first Siekierki horizontal well

As announced on 24th November 2009 a Commitment Letter had been signed with Nafta Piła to provide a 2000 HP rig to drill two appraisal wells in the Siekierki tight gas project in Poland. The contracted 2000 HP rig is currently working in Slovakia on contract to OMV and is expected to return in time to allow Trzek-2 to commence in June 2010. Energia Zachód has now negotiated and will sign today a final Contract with Nafta Piła which includes an additional clause providing Energia Zachód with the right to utilise another Nafta Piła rig, a 1600HP unit, to drill the vertical pilot hole for Trzek-2 in the event that the contracted 2000HP rig is delayed in Slovakia. This is a very strong mitigant to any risk of delay in spudding this first well.

The drilling location selected for the first horizontal appraisal well is 2km to the southeast of Aurelian's Trzek-1 well, which was drilled, fraced and tested gas at 7.5MMscfd in 2007. In Trzek-2, a vertical pilot will be drilled through the reservoir to obtain core and log data and a horizontal well sidetracked up to 1500m back towards Trzek-1. A wellsite has been contracted and it is expected that approval to drill will be obtained from the Mines Department in March 2010.

The Siekierki project is located in the Poznan licences which are 100% held by Energia Zachod a company owned 90% by Aurelian and 10% by Avobone N.V. Energia Zachod is operator of the Siekierki project.

Romania

Romania – Appraisal of Voitinel/ increase in GIIP estimates from 50-100bcf up to 400bcf

Aurelian is pleased to announce that it is planning to appraise the Voitinel-1 gas discovery, drilled and successfully tested last year in the Brodina Concession in Northern Romania. Aurelian now believes that the Voitinel trend could hold up to 400bcf of Gas in Place, a significant increase from its previous estimate of 50-100bcf. However, the ultimate volume of gas recoverable will be dependent on the results of the fracking and testing in April 2010 together with a further appraisal wells in 2010 and 2011. These activities are detailed more fully below.

On 17th November 2009, Aurelian announced that Voitinel-1 had tested gas from a sand between 1,653 and 1,672 metres ("the 1650 sand") and that another sand between 1,400 and 1,425 metres ("the 1400 sand") appeared to be gas bearing. Post test analysis of the 1650 sand data indicates the well to be in contact with a substantial volume of gas but flow boundaries are noted near the well bore and these limit the flow rate. One of the objectives of appraisal will be to determine whether these barriers (probably faulting related to the formation of the structure) are localised or pervasive throughout the structure and whether techniques such as high angle drilling and fracture stimulation can overcome them.

As the first step in appraisal it has therefore been decided to fracture stimulate and flow test the 1650 sand to determine whether the flow rate can be improved. Equipment will be mobilised to site in March 2010 to carry out this work. The stimulation, subsequent flow test and monitoring of the recovery in reservoir pressure will take about 4 weeks. Thereafter it is planned to mobilise a rig to site to recompleat the well and allow the 1400 sand to be tested.

Re-mapping of the Voitinel structure to incorporate the well data including reprocessing and depth migration of the seismic is underway at present. This should then allow an appraisal well to spud in Q3 2010.

In the southern part of the Brodina concession a second structure called Solca extends into the Moldova Nord concession held by Romgaz, one of the joint venture partners in Brodina. In the Moldova Nord concession, Romgaz has completed the drilling of the Paltinu-102 well on the Solca trend close to the Brodina concession boundary in January 2010. Romgaz has informed Aurelian that it had encountered gas shows and plans to test four sands in this well. It is likely that this will commence in April and take some weeks to complete. Another well, Paltinu-103 has commenced drilling to the east of Paltinu-102. As both wells are less than 1km from the Brodina/Moldova Nord concession boundary, it is clear that if Paltinu-102 and 103 test gas and either or both accumulations extend into Brodina, the results would be significant for Aurelian and its partners. Given the above, it is expected that discussions will begin between Aurelian and Romgaz as respective operators regarding co-operation between the Brodina and Moldova Nord groups to jointly develop these common exploration and development projects.

Based upon the above explanation and planned activities, Aurelian believes that the wider Voitinel structural trend could have gas-in-place volumes as great as 400bcf.

Interests in the Brodina block are Aurelian Oil & Gas (Romania) SRL 33.75% (Operator), S.N.G.N. Romgaz S.A. 37.50% and Europa Oil & Gas srl 28.75%.

Suceava Block - Climauti-1 Well and 2009 Bilca Production Update

Climauti-1 is to be drilled in April 2010 as a commitment well in the Suceava Block with a view to increasing Aurelian's forecast production from the Bilca processing plant by an average of 18% over the 7 year expected life of the well. Annual production from the well is estimated at 6million cubic metres/212MMscf in each of the first two years, declining gradually to 1 million cubic metres/35.3MMscf by the end of the seventh year.

The Climauti-1 Well is located 8 km from the Bilca Gas Processing Facilities through which the gas from the well will be processed. The well will be drilled to a depth of 600m to evaluate the Sarmatian sands which is the producing reservoir in the Bilca group of fields. Climauti-1 is expected to spud in April and when finished later in the month, the rig will move to Voitinel to carry out the test on the 1400 sand.

Aurelian's 2009 total production volumes and revenues are expected to be 956.5MMscf/2.62MMscf/d and €3.0 million respectively (2008: 516.5MMscf/1.42MMscf/d and €1.9 million)

Interests in the Suceava Block are Aurelian Oil & Gas (Romania) SRL 50% (Operator), Regal Petroleum plc 50%.

Bulgaria;

The Company is planning to make an announcement in March 2010 regarding its ongoing activities in Bulgaria.

Slovakia

Seismic identifies additional prospective leads

Seismic processing and interpretation continues on Aurelian's three licence areas and is highlighting additional prospective leads in addition to the Smilno gas exploration prospect which was assessed at an EMV of €136 million, in the Company's 15th December 2009 Competent Person's Report produced by Gaffney Cline & Associates.

Additional seismic is planned for 2010 with drilling planned for 2011.

Interests are Aurelian Oil and Gas Poland S.R.O. (50%) (Operator), Jkx Oil and Gas plc (25%) and S.N.G.N Romgaz (25%).

Corporate

Additional proceeds from up-scaled €39m Capital Raise to be used to accelerate attractive Permian Basin exploration activities

In addition to being funded to drill 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, Aurelian's recent up-scaled Equity Placing, has also enabled it to accelerate its exciting exploration activities in its Kalisz, Cybinka and Torzym licences in the Permian Basin of North West Poland.

Kalisz - The Kalisz block is located along the same trend of the Rotliegendes currently being exploited by PGNiG/FX Energy in their Fences concession which lies immediately south of Aurelian's Poznan East and North blocks. PGNiG/FX Energy have a number of discoveries which, although much smaller than Aurelian's Siekierki structure, do exhibit attractive porosity and permeability characteristics. Existing seismic on the Kalisz block has identified an interesting gas lead, Stawizyn which appears to be similar in nature to the above mentioned discoveries made by PGNiG/FX Energy and this proposed additional seismic will better define this lead for drilling in late 2011/early 2012.

Interests in Kalisz are Aurelian Oil and Gas Poland Sp. z.o.o. (50%) (Operator), GB Petroleum Limited (40%) and Avobone Poland B.V. (10%).

Cybinka/Torzym – 3D seismic will be obtained on these two oil prone blocks in Q3 2010. Both blocks are close to the largest oilfield in the Central Lowlands of Poland, the Lubiatow complex, currently being developed with reserves quoted at 60 million barrels of oil and 271 bcf of gas. Lubiatow's oil and gas is in Zechstein carbonates deposited as downslope wedges along the front of the Main Dolomite barrier reef. These reservoirs are being explored using seismic attribute work obtained from 3D surveys. Two smaller fields of an identical nature, Sulecin and Kamien Maly, are located to the immediate north of the Cybinka and Torzym concessions and the reef front passes through the middle of Aurelian's blocks. Drilling at Cybinka and Torzym is expected late 2011/early 2012.

Interests are as follows;

Cybinka – Aurelian Oil and Gas Poland Sp. z.o.o. (35%) (Operator), GB Petroleum Limited (25%), Avobone Poland B.V. (10%) and S.N.G.N Romgaz (30%)

Torzym - Aurelian Oil and Gas Poland Sp. z.o.o. (35%) (Operator), GB Petroleum Limited (25%), Avobone Poland B.V. (10%) and S.N.G.N Romgaz (30%)

Management changes

The Company is pleased to report that as of 1st March 2010, Chris Brown joins as Director of Exploration. As part Aurelian's continuing evolution, Chris, who was previously Exploration Director for North Africa and the Near East at Suncor Energy, will be responsible for all of the Company's exploration activities, taking over the role from Michael Seymour. From 1st May 2010, Michael will work part-time with the Company as an Executive Director in the role of Adviser on Government and Partner Relations.

The technical information and opinions contained in this announcement have been reviewed by Roy Hartley B.Sc (Hons) (Imperial College), FEI, FGS, C. Eng, Aurelian's Operations Director who has 40 years of experience in the oil exploration and production industry. He has consented to the inclusion herein of such technical information and opinions.

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GLOSSARY

bcf	billon cubic feet of gas
HP	horse power
m	meters
mscf	thousand standard cubic feet of gas
MMscf	million standard cubic feet
MMscf/d	million standard cubic feet of gas per day