



24<sup>th</sup> May 2010

Aurelian Oil & Gas PLC

(*"Aurelian" or "the Company"*)

## **Romania and Bulgaria Operations Update**

### **Highlights:**

- **Successful fracture of Voitinel-1 with 1650 sand showing a stabilised flow rate of 2.5mscf/d – a 67% improvement on the rate at October 2009**
- **Voitinel structure could now have the potential to produce up to 6Bcf per well at an average rate of 2.5 million scf/d for the first year**
- **Rig arrived on-site at Climauti-1 well, Romania – drilling expected to commence this week**
- **LOI signed with Weatherford Drilling for two well, "back to back", drilling programme on B1 Golitza licence, Bulgaria – first well spuds Q3 2010, second well Q4 2010**

### **Romania**

#### **Ongoing Appraisal of Voitinel/Solca trend - Result of Fracture Stimulation of 1650 sand**

Aurelian is pleased to announce the results of the initial fracture stimulation of the 1650 sand in Voitinel-1 well in the Brodina Block in Romania

The Voitinel/Solca trend was discovered by Aurelian in October 2009 and the Company is now undertaking a two stage appraisal process in order to implement a successful commercial development of the trend which could have up to 400 bcf of gas in place. The fracture stimulation of the 1650 sand is the first stage of this appraisal process and it seeks to establish that the sand has connected volumes of gas and can sustain long term flow rates sufficient to make a full field development commercial. The second stage of the appraisal process is to establish that the estimated absolute volume of gas in place is reasonable. This will be carried out through the testing of the 1400 sand next month, re-mapping of the structure to incorporate the results of the Voitinel-1 well, the acquisition of 60km of 2D seismic in the second half of 2010 and the drilling of further appraisal wells on the trend.

The specific objective of the 1650 fracture stimulation was to penetrate past 'near wellbore' barriers identified in October 2009 that were constraining connected gas volumes and that had caused flow rates to decline from 3.0 million scf/d to 1.5 million scf/d after three days. The fracture has now successfully achieved this objective with the well recently having flow tested at a stabilised rate of 2.5 million scf/d after three days, a 67% improvement on the October 2009 rate. The fracture treatment has also significantly increased the connected volumes/effective drainage area of the well and it is now believed that wells on the Voitinel structure have the potential to produce up to 6 bcf of gas at an average rate of 2.5 million scf/d for the first year. The 1650 sand has now been shut in for a pressure build up and further updates will be made as appropriate.

These initial appraisal results further increase our confidence that a combination of fracture stimulation and high angle wells can be used to implement a successful commercial development of the Voitinel/Solca Trend.

The next step in the overall appraisal process will be to mobilise equipment and recomplete to the 1400 sand which was also encountered by Voitinel-1. This sand will then be tested with results expected in June 2010.



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

### **Climauti-1 Well, Suceava Block**

Aurelian is pleased to announce that the Dafora F100 drilling unit has arrived on site, and, that the 'rigging up' process is progressing well despite heavy rain in the region. The expectation is that the rig will be ready for acceptance testing on Monday 24th May 2010 with the well spud following later in the week.

The rig will drill to a target depth of 600m to evaluate two Sarmatian sands identified on seismic. The well is potentially targeting approximately 2 bcf of recoverable gas reserves and if successful will be tied back to Aurelian's Bilca Gas Processing Facilities. The gas from the Climauti-1 well would increase Aurelian's forecast production by approximately 18% over the expected seven year life of the well.

Interests in the Suceava Block are held by Aurelian Oil & Gas (Romania) SRL (50%) and Regal Petroleum PLC (50%).

## **Bulgaria**

### **Rig secured for two well drilling programme on B1- Golitza in Bulgaria**

Aurelian is pleased to announce that JKX (Bulgaria) Limited ("JKX") the operator of the B1-Golitza licence has signed a Letter of Intent with Weatherford Drilling International (BVI) Limited for the supply of a CCC-500 drilling unit for the 'back to back' drilling of a two well programme on B1 Golitza. It is expected that the two wells will spud mid Q3 and early/mid Q4 2010 respectively.

The first well in the programme ('SOS'), will test a potential 20-30 bcf prospect at 1,500 metres, up dip of the depleted Stary Oryahovo gas field, discovered in the 1960s. Results of this well are expected in early October 2010. The second well ('S54') will also be testing a potential 20-30 bcf prospect at a depth of 600m with results expected by the end of Q4 2010.

Interests in the B1-Golitza block are held by JKX (Bulgaria) Limited (40%), Balkan Explorers (Bulgaria) Limited (a 100% subsidiary of Aurelian Oil and Gas PLC) (30%) and Sorigenia International B.V. (30%).



Rowen Bainbridge, Chief Executive commented:

***"Our activities in Romania are progressing in line with the plans we outlined earlier in the year. The successful fracture of the 1650 sand in Voitinel-1 is the first stage in appraising the commercial development of the Voitinel/Solca trend which could have up to 400 bcf of gas in place. We are now preparing for stage two of the appraisal process and are mobilising equipment for a test, next month, of the 1400 sand in Voitinel-1.***

***In Suceava the Climauti-1 well is expected to spud imminently and we look forward to the results from this well next month.***

***In Bulgaria, we have secured a drilling unit from Weatherford for our two wells on B1-Golitza in Q3 and Q4 of 2010. This enables us to look forward with some certainty to results from this exciting programme in the second half of this year.***

***I look forward to providing further progress reports on these activities in the coming months".***

*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.*

## **GLOSSARY**

bcf	billon cubic feet of gas
m	meters
scf/d	standard cubic feet of gas per day

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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.