

Aurelian Oil & Gas PLC

(“Aurelian” or “the Company”)

Operational Update

Aurelian, the European focused E&P Company, is pleased to provide the following operational update.

Highlights

- **First Polish multi frac horizontal well (Trzek-2) and pilot Processing Facility on track**
 - Trzek-2 currently setting casing at 3400 m with reservoir top predicted at 3700 m
 - Processing Facility - Environmental and Construction planning and permitting process on schedule to enable first gas by the end of 2011
- **October spud date for first high impact well in Carpathian Thrust Fold Belt Core Area**
 - Bieszczady well spudding late October targeting up to 100 mmbbls (gross) of oil
 - Results expected in Q1 2011 with aim to de-risk similar sized, on trend, prospects
 - Additional 300km of 2D seismic survey commencing later in September taking block coverage to approximately 40%
- **First of two well drilling programme spuds in B1- Golitza, Bulgaria**
 - Operator JKC has spudded the first of a two well exploration programme targeting two 20-30 bcf prospects (gross) at 1800 m and 800 m.
 - Results from both prospects, identified using first 3D in Bulgaria, expected in Q4
 - Depending on success of this initial two well programme, a third similar sized prospect may also be drilled in 2011
- **Update on three seismic surveys on Polish Core Areas**
 - **Southern Permian Basin** – 220 km² of 3D in Cybinka/ Torzym, targeting 100mmbbls (gross) of leads completed ahead of schedule and below budget. 80 km of 2D in Kalisz detailing a 24 bcf (gross) lead completed on schedule and on budget.
 - **Carpathian Thrust Fold Belt** – Contract signed for 136 km of 2D in East Karpaty commencing October. Survey seeking to confirm a 236 mmbbls (net to Aurelian) drillable prospect.
- **Appraisal of Voitinel/Solca trend in Romania**
 - Mean gross GIIP estimated at 273 bcf. High case revised up to 415 bcf from 400 bcf
 - Further, as yet un-quantified GIIP, identified in prospects highlighted in recently acquired 60 km of 2D and analysis of well results from adjacent Romgaz concession
- **200 km of 2D seismic acquired across Bacau and Cujejdiu in Romania**
 - Early interpretation of Cujejdiu 2D identifies three 50-100 mmbbls (gross) oil leads. Bacau seismic targeting 147 bcf (gross) of leads, still being interpreted
- **Slovakia licences renewed for up to four years and 150 km 2D Seismic survey commenced**
 - Three Slovakian licences renewed up to 31 July 2014, enabling Aurelian to carry out comprehensive exploration programme covering 450 km of new 2D seismic and up to three exploration wells
 - 150km 2D seismic survey now commenced targeting leads including the 408 bcf (net to Aurelian) identified in current Competent Persons Report (“CPR”) together with others totalling 750 bcf (gross).

Rowen Bainbridge, Chief Executive commented:

"We are pleased to provide this Operational Update, which demonstrates that Aurelian continues to execute its strategy satisfactorily, and in line with the key milestones published in October 2009.

Our key Polish projects at the Siekierki Tight Gas reservoir and the Bieszczady Carpathian oil prospect are both progressing well and we look forward to results from the Siekierki Trzek-2 well in Q4 of this year and from the first Bieszczady well in Q1 of next year. Our two well exploration programme in Bulgaria has also commenced and results of these wells will be available before the year end. Furthermore, the extensive seismic programme ongoing throughout our Central European portfolio will enable us to further develop and expand our prospect inventory.

The Company's Interim Results will be issued at the end of this month and I look forward to providing further updates then."

9th September 2010

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Poland

Siekierki - drilling update on first Polish multi frac horizontal well (Trzek-2)

In our Siekierki Tight Gas project, the Trzek-2 well is currently setting intermediate casing at 3400m. The top of the reservoir is predicted around 3700m and a further announcement is planned in the coming weeks after the reservoir has been cored and logged.

Siekierki - Pilot Plant Processing Facilities remain on track

Work on the development of the pilot plant and flow lines is on schedule to allow first gas before the end of 2011. Progress through the Planning Approval Process continues with the target of obtaining a Construction Permit from the Local Authority by year end which would allow site construction to start early in 2011. Design work for the plant and orders for long lead items continues in parallel. It is expected that a contract for the critical long lead nitrogen rejection unit will be placed shortly.

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

October spud for first well in Carpathian Thrust Fold Belt Core Area targeting up to 100 mmbbls of oil

The Bieszczady partner group has agreed to target a mid/late October spud date for this the first of a three well programme in its Bieszczady block in the Carpathian Thrust Fold Belt. The well will target an oil prospect of up to 100 million barrels and results are expected in Q1 2011. A number of reservoirs, all of which are proven producers in the region, are being targeted by this well and the primary prospect will be drilled to a maximum depth of around 4800 m. There are several other similar sized prospects on trend which would be derisked in the event of a successful outcome of this first well. Using existing 2D seismic data which covers approximately 20% of the block area, prospects totalling up to 680 million barrels of unrisks prospective resources have been mapped.

A further 300 km of 2D seismic will be acquired on the licence, starting later this month taking block coverage to approximately 40%. This survey will be shot to the north and east of the existing 2D covered area and interpreted in Q1/Q2 2011.

Interests in Bieszczady are Polskie Gornictwo Naftowe i Gazownictwo (51%) (Operator), Energia Bieszczady Sp. z o.o. (25%) (a 100% subsidiary of Aurelian Oil and Gas Poland Sp. z o.o.) and Eurogas Polska Sp. z o.o. (24%).

Update on three seismic surveys in Polish Core Areas

Cybinka/Torzyn - 220km² of 3D. The 3D acquisition programme on these two adjacent licences was completed ahead of schedule on 16th of August 2010 and below budgeted cost. The survey, which will be interpreted during Q2 2011, will help delineate leads which management believes could total approximately 100 mmbbls (gross) of unrisks prospective resources, and which straddles equally the two licences in the proven Zechstein Reef play of Aurelian's Permian Basin Core Area. Both blocks may contain analogues to one of the largest oilfields in the Central Lowlands of Poland, the Lubiatow complex, which is currently being developed with reserves quoted at 54 million barrels of oil and 194 bcf of gas.

Kalisz - 80 km of 2D. Good progress has also been made on the Kalisz licence with this 2D survey completing on schedule and on budget on Saturday 4th September. The Kalisz licence is located on a Rotliegendes trend which lies south east of Aurelian's Siekierki structure and contains a number of producing fields with much higher well productivity than Siekierki. Aurelian has already reprocessed existing 2D seismic data and acquired a further 250 km of 2D seismic in 2008. The current 80 km 2D survey, which will be interpreted in Q4 2010, is designed to detail a lead Stawiszyn identified by the 2008 survey. In the Gaffney Cline Associates ("GCA") CPR of December 2009, 24 bcf of prospective resources was allocated to Stawiszyn.

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 S.A. (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 S.A. (30%).

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%).

Karpaty East - 136 km of 2D. Aurelian has signed a contract with Geofizyka Krakow to acquire 136 km of 2D seismic in its Karpaty East licence with the acquisition expected to commence late October. This licence area is located in the Polish part of the North Carpathian Thrust Belt. Oil and gas fields have been discovered in sandstone reservoirs of mainly Eocene and Oligocene age. The area of the survey lies to the south west of an oil discovery by RWE. A structure Mszana Dolna, containing two prospects in overlapping thrust sheets has been defined using reprocessed seismic. Both prospects could be targeted by one well and the CPR estimates a mid case prospective oil resource of 236 mmbbls – net to Aurelian post Strategic Partnership with PGNiG. This 136 km 2D survey, which will be interpreted in Q2 2011, is designed to firm up the prospect size and a drilling location for H2 2011.

Interests in Karpaty East are Aurelian Oil and Gas Poland Sp. z o.o. (80%) (Operator), Polskie Gornictwo Naftowe i Gazownictwo (20%).

Bulgaria

First well spuds in two well back to back drilling programme

JKX Bulgaria Ltd (JKX) has spudded the first of two wells testing amplitude-supported gas prospects at its B1-Golitza licence onshore Bulgaria. These wells are the first two to be drilled in Bulgaria based upon the interpretation of 3D seismic. The Staro Oryahovo South ('SOS'), R-1 well will be drilled to a TD of 1800 m to test a submarine fan target of Eocene age in the Kamchia Basin, south west of Varna, Bulgaria. The well will test a resource estimated by the Operator at between 20-30 bcf (gross). Drilling is planned to complete by the end of September at which time the rig will move to the Shkorpilovtci South West R2 location, 5km to the south. At this second location the well will test a turbidite channel complex, also of Eocene age, and has a planned TD of 800 m. Expected resources at this second target are also estimated at 20-30 bcf. Depending on the success of this initial two well programme a third, similar sized prospect, the Oryahovo Palaeocene Prospect could be de-risked and drilled in 2011. This prospect would be testing sands which are thought to be analogous with the productive level in the offshore Galata gas field.

The percentages in the block are JKX (Bulgaria) Limited 40% (Operator), Balkan Explorers (Bulgaria) Limited (a 100% subsidiary of Aurelian Oil and Gas PLC) 30% and Sorgenia E&P Bulgaria EOOD 30%.

Romania

Brodina Concession - ongoing Appraisal of Voitinel/Solca trend

Aurelian has now reprocessed available seismic data, incorporated the Voitinel-1 test results, reviewed the Paltinu-102/103 well tests results from Romgaz's adjacent concession and undertaken an initial review of the 60 km of 2D acquired in June/July. As a consequence, Aurelian's assessment of GIIP levels for the overall Voitinel/Solca trend has been refined to establish a mean gross GIIP of 273 bcf with its high case increasing to 415 bcf from the previously reported 400 bcf. Furthermore, the recently acquired 60 km of 2D has also identified a new prospect to the west of the Voitinel well and the information from the Paltinu-102/103 wells also indicates further potential GIIP upside, neither of which has been quantified or reflected in the above GIIP estimates. Further updates will be made on this in the coming months.

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%).

Bacau 2D seismic survey completed targeting leads of 147bcf of gas-in-place

The 70km, 2D seismic survey (44km on Bacau North and 26km on Bacau/Lilieci) on three prospective areas within the northern and central areas of the Block has been acquired and is currently being processed. As a result of reviewing the overthrust area of the block for the first time, the Company has identified additional leads which the survey has targeted. This survey will be interpreted by the end of October 2010 and it is hoped that it will further define prospects for drilling in the future.

Early interpretation of Cujeidui 2D identifies three potential 50-100 mmbbls oil leads

A preliminary review of the 130 km of 2D seismic survey acquired in June and July this year has identified three potential 50-100 mmbbls (gross) oil leads. Although more work is required to further define these leads into drillable prospects, Aurelian is very encouraged with these early indications on this block which is on trend with, and only 50 km from, the 750 mmbbls Moinesti field to the south. Prior to this recent survey, gas leads amounting to approximately 92 bcf had been identified on the licence together with a number of further leads including opportunities for further Sarmatian biogenic gas on the Moldavian Platform and oil and gas in the poorly explored East Carpathian thrust belt.

Interests in the Bacau North block are Aurelian Oil & Gas (Romania) SRL 41.0% (Operator), S.N.G.N. Romgaz S.A. 40.0% and Europa Oil & Gas SRL 19.0%.

Interests in the Bacau Lilieci block are Aurelian Oil & Gas (Romania) SRL 60.0% (Operator), S.N.G.N. Romgaz S.A. 40.0%.

Interests in the Cujeidui block are Aurelian Oil & Gas (Romania) SRL 45.0% (Operator), S.N.G.N. Romgaz S.A. 37.50% and Europa Oil & Gas srl 17.5%.

Slovakia

Aurelian obtains four year renewal to its three Slovakian licenses

Aurelian has obtained approval from the relevant authorities to renew its three Slovakian licences (Svidnik, Medzilaborce and Snina) which cover 2,442 km², for up to a further four years to 31st July 2014. This renewal now enables the Company to properly plan an extensive exploration programme including 450 km of 2D seismic and no fewer than three exploration wells in the coming two to three years.

Aurelian commences 150 km 2D seismic survey

Aurelian has just commenced a 150km 2D seismic survey focusing on a number of leads that were identified with its 2008/2009, 261 km 2D survey shot over its three licence areas. These leads include the 408 bcf (net to Aurelian) mid case prospective gas resource identified in the current CPR together with others totalling 750 bcf (gross). The current 2D programme is expected to mature one of these prospects or leads for drilling in the second half of 2011.

Interests are Aurelian Oil and Gas Slovakia S.R.O. (50%) (Operator), JKC Oil and Gas PLC (25%) and S.N.G.N Romgaz S.A. (25%).

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
CPR	the Competent Person's Report on Aurelian's assets dated December 2009
GIIP	Gas Initially In Place
mmbbls	million barrels
m	meters