Aurelian Oil & Gas PLC
(“Aurelian” or the “Company”)

Preliminary Results for the year ended 31 December 2006

Aurelian Oil & Gas the exploration and production company focused on Central Europe, is pleased to announce its maiden preliminary results since listing on AIM on 22 August 2006.

2006 - Highlights - a transformational year

- First gas sales achieved from Bilca development, Romania
- Farm in to Suceava Block, Romania, earning 50% interest and operatorship
  - seismic completed identifying a number of prospects and leading to the first well, Dornesti-1, in Q2 2007
- Heads of agreement signed with Eurogas to earn 25% interest in Bieszczady Blocks, Southeast Poland
- Awarded three new licences in Slovakia, Aurelian 100%
  - existing data being re-processed and seismic being prepared for early 2008
- Raised € 62.8 million during the year through private placements and AIM Listing
- Cash balances of €56.5 million at the year end

2007 - up to eight wells planned in the next twelve months

Romania:

- Increased participation in the Company’s three concessions in Romania (Brodina, Cuejdiu and Bacau)
- ▪ Five to six wells to be drilled
- ▪ Radauti East-1 expected to spud in April, Arbore-1 prospect following back to back
- ▪ First wells to be drilled on Cuejdiu (Boistea-1) and Bacau (Schineni-1) Blocks planned for Q3
- ▪ Additional seismic to be acquired over the Voitinel structure for possible drilling early 2008
- ▪ Dornesti-1 to be drilled in the Suceava concession in Q2

Poland:

- Trzek-1 well, Poznan East Block, spudded in March
- New 2D seismic to be acquired over the Bieszczady Blocks

Bulgaria:

- Golitza-1, Bulgaria, expected to spud in early April

Slovakia:

- Reprocessing old data, with further seismic work expected to commence early 2008

Michael Seymour, Managing Director of Aurelian, commented:

"2006 was a transformational year for Aurelian. We have further strengthened our management team and have raised €62.8 million through private placements and our AIM listing to cover our work programme through to 2009 when production revenues should be sufficient to fund the ongoing programme.

We have been able to use the team's expertise to expand our portfolio of interests across our area of focus, including three permits in Slovakia for the first time. We are also delighted to have achieved gas sales from our Bilca development in Romania providing the Company's first cash in-flow.

The year ahead promises to be very exciting and we hope rewarding for our shareholders. We are planning to drill up to eight wells in the next 12 months and have already spudded the Trzek - 1 well in Poland with two other wells, Radauti East - 1 in Romania and Golitza - 1 in Bulgaria both expected to spud this month.

Aurelian has a clear focus and it is the Board's intention to develop the Company into a significant oil and gas producer by the end of the decade."

2 April 2007

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CHAIRMAN'S REVIEW

Introduction

In the year under review, Aurelian has been transformed from a small privately owned cash-constrained exploration company into a well-financed AIM listed PLC with a rounded portfolio of projects and an ambitious exploration drilling programme aimed at increasing our gas reserves. The work required to accomplish this transformation has been enormous and we are very grateful to our staff and advisers for the efforts well beyond the line of normal duty that they have dedicated to our affairs.

Period under review

The raising of equity of €62.8 million net of costs during the year, the AIM listing, the securing of new concessions in Slovakia, Poland and Romania, and the development of our gas discoveries in Romania, not to mention the establishment of our new offices in London and Bucharest and the purchase completed in January 2007 of Millennium International Resources Corporation, have all been major achievements.

In anticipation of a growing aversion to oil & gas exploration risk in capital markets, we resolved in January 2005 to obtain funding to secure the future development of the company. We started with the conversion of our convertible loan stock as a precursor to raising €34 million in February 2006 from five institutional investors. This was followed by a further placing and a rights issue securing an additional €12 million in the run-up to the listing of our shares on AIM in August when we raised a further €19 million. The support that we continue to receive from our major institutional shareholders is a source of great encouragement to us.

After listing at 55 pence, the share price at 30 March was 53 pence. Whilst this price level is largely a function of the current market which attributes little value to exploration assets, it is disappointing and, we believe, significantly undervalues the assets of the company. We all hope that exploration success will bring about a transformation.

The capital we have raised has enabled us to initiate an ambitious exploration programme and should carry us through to 2009 without reverting to the market for further funding. By then, we expect to have sufficient production revenue to fund our continuing exploration programme.

The two major problems being experienced today by oil and gas companies worldwide are a shortage of rigs and equipment and a shortage of experienced manpower to develop and manage the programmes. Aurelian finds itself in a fortunate position in both respects. The countries of Central Europe, unlike those in other parts of the world, have maintained many of their state-owned service companies largely intact. Today, rigs are still available for work within the region and, because of the long history of production, the levels of personnel skills and competence are high. Aurelian has been able to build up a good management team in its country offices supported from the UK by consultants and service providers, almost all of whom have been working in the region since the Berlin Wall came down in 1989. While other companies are suffering from a shortage of effective technical manpower, Aurelian is in excellent shape.

2006 Financial results

Although revenues from gas sales commenced in the last quarter of 2006, Aurelian has also been concentrating on maturing its exploration prospects to be ready for the 2007 drilling campaign, which is now getting under way. The company recorded an accounting loss for the year of €2.3 million, and a net cash outflow of €1.3 million on operating activities.

The company is well funded with €56.5 million in cash at 31 December 2006. These resources will finance the exploration programme through to a time when production revenue will fund the ongoing programme from 2009 onwards.

Management changes

2006 has also seen our UK-based management team strengthened and we have been very pleased to welcome Roy Hartley as Operations Director, Ivan Inchenko as Exploration Manager and Sami Sardar as Financial Controller. These new members of the team bring a wealth of experience and greatly strengthen our ability to carry out the ambitious programmes planned for the coming years. We are now fully staffed to manage and direct our present level of activity to best advantage.

During the year we have also welcomed David Prior to the Board as non-executive deputy Chairman, and Guy Elliott and Paul Hilton as non-executive directors. All have made important contributions to our operations for which we are grateful, as we are to all our staff, both in London under the management of Michael Seymour and Frank Jackson, and in our country offices under the supervision of our excellent country managers.

We would also like to thank Miles Donnelly who left our Board during the year for his invaluable contribution during his time with Aurelian towards development of the company through its formative years.

It is intended that David Prior will take over the Chairmanship of your company at the end of the 2007 Annual General Meeting. I shall remain on the Board as a non-executive Director. I am sure that David will provide the strong leadership the company will require through the coming period which promises to be extremely busy as the exploration programme swings into full gear.

Outlook

The accession of Bulgaria and Romania to the European Union has vindicated Michael Seymour's vision in selecting this region for Aurelian’s area of focus. The structure of state control over prices and competitors is gradually being dismantled in favour of the freer type of business environment to which we have become accustomed in Western Europe and we have a head-start over the numerous companies that are beginning to show interest in the search for hydrocarbons within this area.

We anticipate the stock market becoming more risk-averse during 2007, giving restricted value to exploration assets and providing only limited funding for further exploration. We believe this will create opportunities for the better funded companies such as Aurelian to acquire assets at attractive prices.

It is the Board’s present intention to develop Aurelian into a significant oil and gas producer by the end of the decade, growing both through exploration successes, and by acquisition of assets within our geographical area of focus, thereby achieving material growth in underlying values.

A.J.Lippitt C.B.
Chairman

MANAGING DIRECTORS REPORT

Area of focus and objective

Aurelian started life in 2002 in Central Europe and the region remains our focus today. Many of the countries within the region are now members of the EU. Romania and Poland are two of the world's oldest oil producers, but several other countries within the region also have long oil histories and, having been under Soviet domination for much of recent times, are now developing their domestic production with the application of modern exploration, seismic and drilling technologies. Central Europe in general, and the rim of the Carpathian Mountains in particular, have potential for significant new discoveries.

We are therefore focussing on proven oil and gas basins in countries not too far from home where we feel comfortable with the local legal and fiscal regimes. With expanding economies and increasing energy requirements, local markets for indigenous oil and gas in Central Europe can be assured, especially as any local production will reduce the dependency on the almost monopolistic source of supplies from Gazprom and areas east. Central Europe has the potential for substantial new reserves which should be very profitable because of the strong local hunger for energy.

Development of the asset portfolio

During 2006 and since the year-end, we have expanded our portfolio. In Romania, we have farmed in as operator to the Suceava Block next to Brodina. Our 50% is being earned from Regal Petroleum by our paying for seismic and a shallow well. The seismic is completed and the interpretation is identifying leads, one of which (Dornesti) we expect to drill in the second quarter of 2007. In January 2007, we bought our partner, Millennium International Resources and added 5% to our interest in the, Brodina, Cuejdiu and Bacau concessions. The deal also increases our interest in the Bilca gas fields by 5% to 33.75%.

We have been active too in the heart of the Carpathians on both sides of the Slovak/Polish border. We were awarded three large licences on the Slovakian side and are acquiring and reprocessing existing data. We should be ready to acquire seismic campaign in early 2008. Over the border in Poland heads of agreement have been signed with Eurogas for us to acquire a 25% interest in the Bieszczady Blocks. Aurelian will pay Eurogas' 25% share of the first €10 million of the work programme which should include 500 kms of new 2-D seismic and at least one well.

We are continuing to seek out opportunities to expand our portfolio of assets within Central Europe.

All this has been happening while we have been developing our Bilca gas reserves. I am delighted that we have been able to bring these discoveries on line in good time.

Poland - Poznan East – The Zechstein/Rotliegendes fairway stretches from the UK sector of the North Sea, through the Dutch sector, Germany and into Poland. It is one of the world's most prolific gas reservoirs, containing the giant Groningen gas field in Holland and the Hewitt, Leman and Sole fields in the UK sector of the Southern North Sea. The Polish part of the basin is still relatively undeveloped.

The Poznan East blocks are dominated by the Siekierki structure, which is a Rotliegendes play. The block was tested in the 1970's by Polish Oil & Gas with four wells, all of which encountered gas, but were not able to be tested at the time at commercial volumes. The current well, called Trzek-1, is appraising the structure using standard drilling and other techniques such as are applied today in evaluating the Rotliegendes in the North Sea. The target depth is below 3,000 metres.

Bieszczady - The Polish Carpathians lie in the middle of the productive trend which follows the rim of the mountain belt from Austria in the west, through the Czech and Slovak Republics, Poland and then into the Ukraine and Romania. The Bieszczady blocks therefore complement Aurelian's existing concessions along the trend of the old Carpathian oilfields which have been producing since the 1850s. The 2.4 tcf Przemysl gas field lies immediately to the northeast. There are several mainly very shallow small fields within the blocks, although these are not part of our concessions. Only six modern seismic lines exist which demonstrate the presence of much deeper structures, potentially capable of significant reserves. New 2D seismic will define these structures for drilling.

Slovakia - Aurelian currently holds a 100% interest in the three licences which are located in the Carpathian mountain belt and are contiguous to the Bieszczady blocks. The licences cover an area of approximately 2,480 square kilometres. Wells drilled in the late 1970s encountered good shows of oil and gas, but there has been little activity since. Aurelian is currently reprocessing the old data and will acquire new seismic work. We may seek a partner to share the exploration risk.

Romania - The country has historically been a prolific producer of hydrocarbons and, at the start of the last century, it was the second largest producer in the world. Today however Romania still has to import 30% of its gas needs, a proportion which is reducing as more domestic production is brought on stream.

Concession EIII-1 Brodina (Aurelian 33.75%*) – The first three wells were brought into production in October 2006. Other seismic amplitude anomalies on the block point to further exploration upside. The Radauti East exploration well is about to be drilled and Arbore should follow. Seismic will be acquired in 2007 over the Voitinel structure which could be drilled in late 2007 or early 2008.

Concession EIII-3 Cuejdiu (Aurelian 33.75%*) and Concession EIII-4 Bacau (Aurelian 52.5%*) – There are multiple prospects with gas potential in these blocks. The first wells on each block (Boistea-1 in Cuejdiu and Schineni-1 in Bacau) will be drilled in the third quarter of 2007.

Concession EIV-1 Suceava (Aurelian 50.0%*) – Aurelian acquired 160 km of 2D seismic in 2006 and now plans to drill Dornesti at the end of the second quarter. Further seismic may also be acquired.

Bulgaria – Aurelian's licences, B-Golitza and B1-Golitza, cover 3,965 sq kms. The main part of B-Golitza has potential in deep relatively untested Mesozoic structures, one of which (Golitza-1) is about to be drilled. B1-Golitza contains relatively lower risk shallow gas prospects along the Black Sea coastal margin to the east of which gas is currently being produced from the Galata field. Aurelian's participating interest in these two licences is 50%, with JKX Bulgaria Limited as operator holding the balance.

Summary

Five or six exploration wells in Romania starting in April, the deep well being drilled in Poland and the Golitza-1 well in Bulgaria spudding in April will provide a busy year for our staff and an extremely exciting and, we hope, rewarding one for our shareholders.

Finally, I would like to record my thanks to John Lippitt who has been our Chairman since the Company's inception nearly five years ago, but is now stepping back to make way for David Prior. John has been a tower of support to all of us through the more difficult times as well as the good ones and it is reassuring that he will remain on the Board to provide us with the benefit of his good judgment and humour.

Michael Seymour
Managing Director

* - % share post acquisition of Millennium International Resources

Consolidated income statement

	Notes	Year to 31 Dec 2006 €'000	Period to 31 Dec 2005 €'000
Revenue		380	-
Cost of sales		(159)	-
Gross profit		221	-
Administrative expenses		(2,936)	(875)
Share-based payment costs		(229)	(21)
Exploration costs written off		(406)	(429)
Operating loss		(3,350)	(1,325)
Finance income		1,365	83
Finance expense		(304)	(137)
Loss on ordinary activities before taxation		(2,289)	(1,379)
Taxation on ordinary activities		-	-
Loss for the period after taxation		(2,289)	(1,379)
Loss attributable to minority interests		(16)	(2)
Loss attributable to equity shareholders		(2,273)	(1,377)
		(2,289)	(1,379)

	Notes	Year to 31 Dec 2006 Euro cents	Period to 31 Dec 2005 Euro cents
Loss per share – basic loss per 5p ordinary share	2	2.14	N/A
Loss per share – basic loss per 25p ordinary share	2	N/A	21.13

Statement of recognised gains and losses

	Year to 31 Dec 2006 €'000	Period to 31 Dec 2005 €'000
Loss for the period	(2,289)	(1,379)
Foreign currency translation gain/(loss)	868	(6)
Total loss recognised	(1,421)	(1,385)
Loss attributable to minority interests	(6)	(2)
Loss attributable to equity shareholders	(1,415)	(1,383)
	(1,421)	(1,385)

Balance Sheet
As at 31 December 2006

	31 Dec 06 €'000	31 Dec 05 €'000
Non current assets		
Intangible	9,382	3,543
Tangible	5,852	4,011
Investments	-	-
	15,234	7,554
Current assets		
Trade and other receivables	1,493	1,427
Cash and cash equivalents	56,495	4,612
	57,988	6,039
Total assets	73,222	13,593
Current liabilities	(1,090)	(1,228)
Non current liabilities	(6,656)	(8,439)
Net assets	65,476	3,926
Capital and reserves		
Called up equity share capital	9,798	2,328
Share premium account	58,495	3,233
Equity share options reserve	268	39
Exchange translation reserve	946	78
Other reserves	3	3
Retained earnings	(4,026)	(1,753)
	65,484	3,928
Minority interest in equity	(8)	(2)
Total equity attributable to the company's equity shareholders	65,476	3,926

Consolidated cash flow statement

	Notes	Year to 31 Dec 06 €'000	Period to 31 Dec 05 €'000
Cash flows from operating activities			
Cash expended on operations	4	(2,421)	(809)
Finance income		1,289	83
Finance expense		(146)	(137)
Net cash used in operating activities		(1,278)	(863)
Cash flows from investing activities			
Purchase of tangible non current assets	5	(2,427)	(1,081)
Purchase of intangible non current assets		(6,163)	(548)
Net cash used in investing activities		(8,590)	(1,629)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		64,913	-
Ordinary share issue costs		(4,605)	(9)
Issue of convertible loan stock		-	2,216
Long-term borrowings introduced		791	3,496
Net cash flows from financing activities		61,099	5,703
Translation difference		652	-
Increase in cash and cash equivalents in the period		51,883	3,211
Cash and cash equivalents at 1 January/1 December		4,612	1,401
Cash and cash equivalents at 31 December	6	56,495	4,612

Notes to the preliminary accounts

1. Basis of accounting and presentation of financial information

The unaudited results have been prepared applying accounting policies which are consistent with those adopted for the accounts for the 13 month period ended 31 December 2005. The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. However, this announcement does not in itself contain sufficient information to comply with IFRS. The Company expects to publish full financial statements that comply with IFRS later this month.

The unaudited financial information does not constitute statutory financial statements as defined in s.240 of the Companies Act 1985. The financial information for the year ended 31 December 2006 has been extracted from the unaudited accounts of Aurelian Oil & Gas PLC which will be delivered to the Registrar of Companies in due course. The financial information for the 13 month period ended 31 December 2005 has been extracted from the audited accounts of Aurelian Oil & Gas PLC which have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s.237(2) or (3) Companies Act 1985.

2. Earnings per share

	Year to 31 Dec 06 €'000	Period to 31 Dec 05 €'000
Earnings for the purposes of basic earnings per share (loss for the period attributable to equity shareholders)	(2,273)	(1,377)

	Year to 31 Dec 2006	Period to 31 Dec 2005
Basic weighted average number of shares	106,111,525	6,519,362

	Year to 31 Dec 2006 Euro cents	Period to 31 Dec 2005 Euro cents
Loss per 5p share in Euro Cents	2.14	N/A
Loss per 25p share in Euro Cents	N/A	21.13

3. Events after the balance sheet date

In January 2007 Aurelian Oil & Gas PLC ("Aurelian") entered into an agreement with Ascent Resources plc ("Ascent") for Aurelian's Romanian subsidiary to acquire the share capital of Ascent's wholly owned subsidiary, Millennium International Resources Corporation Limited ("Millennium"). Millennium's sole assets comprise its 5% interests in the Bilca gas fields and the Brodina, Cuejdiu and Bacau concessions in Romania, where Aurelian is already a co-venture partner and operator. The acquisition of Millennium will increase Aurelian's effective share in the Bilca fields, and the Brodina and Cuejdiu concessions to 33.75%, and in the Bacau concession to 52.5%.

The consideration is a cash payment of €2 million excluding costs.

4. Cash flow from operating activities

Reconciliation of operating profit to net cash flow from operating activities	Year to 31 Dec 06 €'000	Period to 31 Dec 05 €'000
Operating loss for the period	(3,350)	(1,325)
Adjustments for:		
Expensing of exploration costs	406	429
Depreciation, depletion and amortisation	315	6
Exchange differences	31	(14)
(Increase) in trade and other receivables	(8)	(904)
(Decrease)/increase in trade and other payables	(44)	978
Share based payments	229	21
Cash (expended on) operations	(2,421)	(809)

5. Cash flow - purchase of tangible non-current assets

During the year the Group acquired tangible non-current assets with an aggregate cost of €2,471,331 of which €44,633 was acquired by means of finance leases. Cash payments of €2,426,698 were made to purchase tangible non-current assets.

6. Cash and cash equivalents

	31 Dec 06 €'000	31 Dec 05 €'000
Represented by:		
Cash at bank	56,495	4,612

7. Copies of this announcement are available for collection from Aurelian's office at 13/14 Hanover Street, London W1S 1YH