

Aurelian Oil & Gas PLC

Development of relationship with Romgaz: farm-out of interests in Slovakia, Poland and Romania

- > Romgaz joining Aurelian in projects in Slovakia and Poland
- > First time that Romgaz has participated in exploration outside Romania for many years
- > Romgaz entering the Bacau concession in Romania
- > Romgaz and Aurelian to collaborate on next tender round concessions in Romania

Aurelian Oil and Gas PLC (“Aurelian” or “the Company”) announces that, after five years of successful joint ventures in Romania with the state gas company SNGN Romgaz S.A. (“Romgaz”), Aurelian and Romgaz are strengthening their relationship both outside and inside Romania.

Romgaz is joining Aurelian in projects in Slovakia and Poland. This will be the first time for many years that Romgaz has participated in exploration outside Romania.

In Slovakia, Romgaz will earn a 25% interest in Aurelian’s three licences Svidnik, Medzilaborce and Snina by paying a 50% share of the US\$5 million seismic programme which will start within the next couple of weeks. Romgaz is therefore effectively participating on the same terms as JKK Oil & Gas plc (“JKK”), whose farm-in was announced on 7 April. Participating interests after the farm-out will be Aurelian (operator) 50%, JKK 25% and Romgaz 25%.

In Poland, Romgaz will earn a 15% interest from Aurelian and a 15% interest from GB Petroleum plc (“GB”) in the Cybinka and Torzym concessions awarded in February 2008. The concessions, located in the west of Poland, adjacent to the Polish border, are prospective for oil in the Zechstein and 3D seismic is planned for 2009. Romgaz will pay a 45% share of the cost of this survey. The participating interests after the farm-in will be Aurelian (Operator) 35%, GB 25%, Romgaz 30% and Avobone Poland B.V. 10%.

Within Romania, Romgaz will earn a 40% interest in the Bacau concession by paying 66.67% of the Lileci-1 well, expected to spud around 1 August. This is a 2,900 metre well to test Sarmatian horizons adjacent to Romgaz’s large Roman-Secueni gasfield. After the farm-in, participating interests will be Aurelian (Operator) 41%, Romgaz 40% and Europa Oil & Gas plc 19%.

Aurelian and Romgaz have also agreed to work together to evaluate the next tender round of concessions to be offered by the National Agency for Mineral Resources, with a view to applying together. This round is expected around the end of 2008.

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 over 30 years’ experience in the oil exploration and production industry. He has consented to the inclusion herein of such technical information and opinions.

Michael Seymour, Aurelian’s Managing Director, and Francisc Toth, Romgaz’s Managing Director commented: “Aurelian and Romgaz are delighted to have extended their relationship in this way. Over the five years we have been working together, the cooperation between us has been excellent. Romgaz is pleased to be entering into these new partnerships in Slovakia and Poland, and Aurelian is pleased to have been selected by Romgaz as a potential partner for future Romanian collaboration.

We much look forward to working even more closely together and to the obvious benefits this will bring.”

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