

Aurelian Oil & Gas PLC

Trzek-1, Poland

Highlights:

- > Commenced 299 sq kms 3D seismic survey over the Siekierki trend
- > Seismic expected to be completed in 2008 and provide locations for further drilling
- > Integration of the Trzek-1 data into current seismic mapping confirms large volumetric potential of the gas in this structural trend
- > Intention is to carry out long term well test to prove commerciality of the field
- > A process facility will be installed and tied back to local infrastructure allowing gas sales from September 2009
- > Several approaches have already been received from potential buyers of the gas and discussions are progressing

Aurelian Oil and Gas PLC ("Aurelian" or "the Company"), on behalf of Energia Zachod Sp. z o.o, its 90% owned Polish subsidiary, announces an update of its operations on its Siekierki project, Poznan East concessions, Poland, following the drilling and testing of Trzek-1.

After equipment audit and parameter testing, the 299 sq kms 3D seismic survey across the Siekierki trend commenced on 4 February. Geofizyka Krakow is the contractor. The acquisition, processing and interpretation of the 3D seismic data will be completed during 2008 and will provide locations for further drilling.

Integration of the Trzek-1 well data into the current seismic mapping confirms the large volumetric potential of the gas in the Siekierki structural trend which was reported on in the Company's AIM admission document dated 22 August 2006 and which extends across some 25 kms.

As previously announced on 19 November 2007, Trzek-1 flowed gas on test after fracture stimulation at rates up to 215,000 m³/d (7.6 MMscf/d) and at a stabilized flow rate of 71,000 m³/d (2.5 MMscf/d). The Rotliegendes reservoir contains an 89 metre gas column. Although the sand is of relatively low permeability, reservoirs of similar permeability are commonly developed both in Germany and in North America using a combination of horizontal drilling and fracture technology, both of which are available in the region. The testing results of Trzek-1 in vertical hole demonstrate that the reservoir is producible and support the interpretation that the gas columns also seen in the 1970s/1980s wells on the Siekierki structural trend are similarly producible.

It is now intended to carry out a long term test of Trzek-1 to prove commerciality of the field. A process facility will be installed and tied into the local infrastructure to allow gas sales from September 2009. Simultaneously, planning approvals will be obtained to allow the plant to be expanded to accommodate a full field development. Initial sales from the long term test and the first horizontal well are likely to be around 60 million m³/year (or 2 Bscf/yr), with the total flow rate to increase substantially as further horizontal wells are added from early 2010. The adjacent Poznan City and its environs are serviced by a number of pipelines which have the capacity to take the entire potential production from the full development of the Siekierki/Trzek accumulation. The nearest appropriate tie-in point is only 4 kms from Trzek-1.

Aurelian has already received several approaches from potential buyers of the gas, who have also expressed interest in owning and installing the required facilities and pipeline. Discussions are progressing and the selection of a buyer will be announced once finalised.

Energia Zachod Sp. z o.o is a 90% subsidiary of Aurelian, with the remaining 10% held by Avobone S.A.

