

29th June 2011

Aurelian Oil & Gas PLC

("Aurelian" or "the Company")

Polish Operational and Romania Corporate Update

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

Highlights

- **First Siekierki South-West well, Krzesinki-1, spudded on 24th June 2011**
 - Target depth of 4,150 metres expected to be reached in early Q4 2011
 - Targeting mid case of 44bcf net to Aurelian
 - Well on trend with conventional producing fields and at present horizontal drilling and fracking are not planned

- **Completion of disposal of Romanian non-core interests generates initial payment of €6.85 million plus future upside potential**
 - Consideration made up of €6.85 million initial proceeds, plus future potential payments depending on ongoing exploration success of Aurelian Oil & Gas Romania SRL
 - Deal structure also adjusts up and down depending on future gas prices and final production achieved from the Bilca and Climauti Gas Project Areas
 - Disposal allows Aurelian's resources to be redirected towards Romanian Carpathian Thrust Fold Belt Core Area

First Siekierki South-West well, Krzesinki-1, spudded on 24th June 2011

Krzesinki-1, the fourth well to be drilled in the Greater Siekierki appraisal programme, spudded on 24th June 2011. It will test a structural high 6 kilometres south west of the core area where Trzek-1, 2 and 3 have been drilled. The structure lies on trend and to the north of a number of conventional Rotliegendes fields developed by PGNiG and FX Energy in the licence to the south. It is therefore possible that a discovery could be developed without any requirement for the fracking technology which was utilised in the core area. The well is expected to take three months to reach target depth of 4,150 metres and is targeting mid case net resources to Aurelian of 44bcf with an upside case of 465bcf.

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

Completion of the disposal of Romanian non-core interests

Following the Company's announcement of 4th February 2011 advising of the strategic review of its Romanian business and the reorganization and refocusing of its Romania operations on its Carpathian Fold Belt Core Area, the Company is pleased to announce that all regulatory and third party approvals have now been received allowing the completion of the disposal of Aurelian Oil and Gas Romania SRL ("AOGR"). AOGR holds Aurelian's non-core Romanian interests in the Bilca Gas Project Area of the Brodina Concession, the Suceava Concession, and the Bacau North Areas (A and B) of the Bacau Concession.

The purchaser of AOGR is Raffles Energy Netherlands B.V., a subsidiary of the Raffles Energy Group, a private equity investor that has a significant focus in natural resources, energy projects and commodities trading.

As well as enabling Aurelian to redirect resources to focus on its Romanian Carpathian Thrust Fold Belt Core Area, the Company will receive an initial payment of €6.85 million made up of a 'base' cash consideration of €5.3 million plus a further cash consideration of €1.55 million relating to final working capital and other completion adjustments. The consideration mechanism also provides Aurelian with exposure to future exploration success in AOGR by way of a deferred cash consideration structure whereby payments will be made, starting on first production, for each discovery equating to €50,000 for each Bcf of gas discovered (AOGR's share) and €300,000 for each million barrels of oil discovered (AOGR's share) based on the volumes of proved and probable reserves approved in the relevant Field Development Plans. The deal structure also provides for further adjustments (up and down) to the 'base' consideration depending on future gas prices and final production achieved from the Bilca and Climauti Gas Project Areas.

In the year ended 31 December 2010, AOGR achieved net turnover of approximately RON 10.80m (€2.56m) and a loss before tax of approximately RON 10.97m (€2.61m) under Romanian GAAP.

Interests in the Bilca Gas Project Area are Aurelian Oil & Gas (Romania) SRL 62.5% and S.N.G.N. Romgaz S.A. 37.5%.

Interests in the Suceava Concession are Aurelian Oil & Gas (Romania) SRL 50%, Regal Petroleum PLC 50%.

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

Interests in the Bacau North Area (B) are Aurelian Oil & Gas (Romania) SRL 60.0%, S.N.G.N. Romgaz S.A. 40.0%.

