

9th August 2011

Aurelian Oil & Gas PLC

(“Aurelian” or “the Company”)

Polish Operational Update

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

Highlights:

- **Drilling ends at Niebieszczany-1, the first of a three well programme in Bieszczady. Two intervals totalling 60 metres to be put on flow test. Follow up well planned for H1 2012.**
 - The operator PGNiG and the Bieszczady partner group have decided to end drilling at 4,219 metres due to high pressure in reservoir.
 - 60 metres of formation that has already produced oil, condensate and gas in earlier drill stem tests will now be put on flow test for up to 14 days.
 - Follow up well in H1 2012 to be designed for high pressures enabling partners to reach original Niebieszczany-1 primary target areas containing up to 100 million barrels (gross) of oil as well as potentially appraising 60 metre test zone.
 - Aurelian cost exposure on drilling and proposed test, limited to €3.5m due to fixed cost turnkey contract.

- **Second Siekierki Multi-Fraced Horizontal Well (“MFHW”) Trzek-3 fracing operations ongoing.**
 - Currently working on final frac of six frac programme.
 - Operations currently on budget with no material mechanical issues.
 - 14 – 21 day stabilised flow test expected to commence mid-August.

- **First Siekierki South-West well, Krzesinki-1, at 2,007 metres.**
 - Current depth 2,007 metres. Target depth of 4,150 metres expected to be reached early Q4 2011.
 - Targeting mid case of 44bcf net to Aurelian.
 - Well on trend with conventional producing fields and at present horizontal drilling and fracing are not planned.

Rowen Bainbridge, Chief Executive commented:

"Whilst the primary targets on Niebieszczany-1 were not reached, we are encouraged that the operator, PGNiG, is about to commence the flow testing of 60 metres of formation that has already produced oil, condensate and gas in earlier short term tests. We look forward to the results of these flow tests and to better understand their implications for the design of the follow up well in 2012 and for the potential commercialisation strategy for Niebieszczany-1.

The frac operations in Trzek-3 are almost complete and we look forward to commencing the stabilised flow test later this month. We are also making good progress on our Krzesinki-1 well and look forward to reaching target depth early in Q4 2011. Krzesinki-1 is an exciting prospect which, if successful, could add significant conventional gas to the existing 346 bcf (net to Aurelian) in the Siekierki Tight Gas Project."

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Drilling ends at Niebieszczany-1, the first of a three well programme in Bieszczady. Two intervals totalling 60 metres to be put on flow test. Follow up well planned for H1 2012.

As a result of high encountered reservoir pressures, the operator PGNiG and the Bieszczady partner group have decided to end drilling the Niebieszczany-1 well at 4,219 metres. Niebieszczany-1, the first of a three well programme in the Bieszczady block in the Carpathian Thrust Fold Belt, was originally aiming to test its main targets at between 4,300 to 4,800 metres.

Significant gas and oil shows were encountered during drilling in what appear to be multiple stacked accumulations within interbedded sandstones and shales of the Krosno Formation. The partner group is now preparing to carry out flow tests on two separate 30 metre intervals encountered within the Krosno Formation, the first at 3,827 – 3,857 metres in the open hole section and the second at 3,662 – 3,692 metres inside 7” casing. Oil, condensate and gas have already been recovered from short term drill stem tests in both of these intervals. A follow up well is planned for H1 2012 and this will be designed to deal with the high pressures encountered on Niebieszczany-1, thus enabling the partners to reach the original Niebieszczany-1 primary targets of up to 100 million barrels (gross) of oil. A number of other similar sized prospects on trend would be derisked in the event of a successful outcome of this follow up well.

It is planned to flow test the 60 metres of formation for up to 14 days and then carry out a pressure build up test for up to a further 28 days. A further update will be provided when these results are available. The proposed follow up well would also be used to potentially appraise the 60 metres of formation to be tested should the proposed flow tests indicate commerciality.

Cost exposure to this well has been mitigated as the drilling contract is fixed price with allowable variations where costs are incurred due to higher than expected overpressures. At present Aurelian’s share of the cost to complete the well, including the current test programme, is estimated at €3.5million.

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%).

Second Siekierki Multi-Fraced Horizontal Well (“MFHW”) Trzek-3 fracking operations ongoing.

Fracking operations are currently ongoing at the second Siekierki MFHW, Trzek-3. To date five fracs have been completed on budget and without material mechanical issues and the final frac, in a programme of six, is currently in progress.

After completing the planned six fracs, the well will be cleaned up, a Memory Production Log will be run and then a 14-21 day stabilised flow test will commence in mid August.

Trzek-3 is targeting a separate high in the Siekierki structure with a recoverable resource estimated at between 16 and 28bcf.

