

4 January 2012

## Aurelian Oil & Gas PLC ("Aurelian" or "the Company")

### Award of two new Polish licences

Aurelian, the European focused E&P Company, is pleased to announce that it has been awarded two new licences by the Ministry of Environment in Poland.

- **Award of New Concession in our Polish Carpathians Core Area**
  - Awarded 100% of the "Wetlina" concession in south-eastern part of Polish Carpathians, covering an area of 446km<sup>2</sup>;
  - Close to Aurelian's highly prospective Bieszczady concession in Poland, where the Company is currently testing the Niebieszczany-1 well, and adjacent to Aurelian's Snina concession on the Slovakian side of the border;
  - Undeveloped Wetlina gas discovery is within concession and two further structures identified with potential in-place resource estimated at 40 BCF and 25 MMBBL; and
  - Work programme consists of studies in Year 1 and 14.3km 2D seismic acquisition in Years 2-3
- **Award of New Concession in our Polish Permian Basin Core Area**
  - Awarded 100% of the "Prusice" concession in central Poland in the South Permian Basin, covering areas of 758km<sup>2</sup>; and
  - "Prusice" concession, adjacent to San Leon's Winsko licence, is believed to be prospective for the emerging Carboniferous Shale gas play.
  - Work programme consists of studies in Year 1 and 100km 2D seismic acquisition in Years 2-3.

### John Smallwood, Exploration Director said:

*"These awards enhance our portfolio in each of our two Core Areas with attractive prospects to mature with low cost work programs and risk profiles. The presence of hydrocarbons is well-established both regionally and locally within each of the new concessions. In addition, our 100% equity position gives us control over the execution of the exploration programmes. Prusice also gives us low cost entry to an emerging shale gas play which aligns well with our technical and operational expertise. We will be looking to bring partners into both blocks to fund the work programs."*

### Enquiries:

<b>Aurelian</b>	Rowen Bainbridge, CEO	020 7245 4999
<b>Ambrian Partners Limited</b>	<b>Nominated adviser</b> Richard Morrison Jen Boorer	020 7634 4856
<b>Oriel Securities</b>	<b>Joint broker</b> David Arch Ashton Clanfield	020 7710 7600
<b>Macquarie Capital (Europe) Limited</b>	<b>Joint broker</b> Paul Connolly John Dwyer	020 3037 2000

### **Award of New Concession in our Polish Carpathians Core Area**

Aurelian has been awarded a 100% interest in the "Wetlina" concession which lies in the south-eastern part of the Polish Carpathians and is close to the Bieszczady permit, in which Aurelian is a partner, and the Aurelian-operated Snina concession on the Slovakian side of the border. It covers parts of concession blocks 477 and 478. The concession consists largely of the Silesian Nappe structure of the Carpathian Fold and Thrust belt, an area in which hydrocarbon production has been prolific in the Bieszczady concession, where the Niebieszczany-1 well is currently well testing.

The new Wetlina concession has an area of 446.29km<sup>2</sup> and includes the Wetlina gas field. This field was discovered in 1965-1970 with gas reservoirs in sandstones of the Oligocene Krosno and Menilite Formations. A gas inflow, composed of >99% methane, of 41 Nm<sup>3</sup>/min (2 MMscf/d) was measured at 2,025-2,075 metres MD in well Wetlina-6, although the field was not developed. Two additional prospects have been identified within the new concession from preliminary analysis of historical data. These two structures, both interpreted to contain the Ciężkowice and Upper Istebna sandstones at depths less than 2,000 metres, have potential in-place resources estimated as 40BCF and 25MMBL respectively.

The work program consists of studies in Year 1 including reprocessing and interpretation, followed by a 14.3km 2D seismic option to go into Years 2 & 3.

Interests in Wetlina are Aurelian Oil & Gas Poland Sp. z o.o. (100% & Operator).

### **Award of New Concession in our Polish Permian Basin Core Area**

Aurelian has also been awarded a 100% interest in the "Prusice" concession in central Poland in the South Permian Basin, covering an area of 758.1 km<sup>2</sup>. It covers parts of concession blocks 286, 287, 306 & 307.

The "Prusice" concession, adjacent to San Leon's Winsko licence, is believed to be prospective for the emerging Carboniferous Shale gas play. The Lower Carboniferous in this area is expected to consist of interlayered black shales of marine origin and fine to medium coarse sandstones ("culm facies"). These shales within the Lower Carboniferous are considered to have provided the main gas charge for the many nearby fields reservoirs in the overlying Rotliegendes. Wells such as the nearby 1978 Siciny IG1 established the presence of hundreds of metres of Carboniferous section locally. On "Prusice" the target is a sequence of Carboniferous Westphalian deposits within troughs lying discordantly on Namurian "culm" beds, at relatively low levels of tectonic deformation.

In addition to the Carboniferous shale gas play there may also be some conventional prospectivity within the southern "Prusice" concession area at Rotliegendes – Basal Zechstein Limestone (PZ1) level, which the work program will evaluate. The Lower and Upper Rotliegendes deposits are represented locally by volcanic and sedimentary rocks up to 300 metres in thickness.

The work programme consists of studies in Year 1 and 100km 2D seismic acquisition in Years 2-3.

Interests in Prusice are Aurelian Oil & Gas Poland Sp. z o.o. (100% & Operator).

*The technical information and opinions contained in this announcement have been reviewed by Dr. John Smallwood BA (Cantab), MA, PhD (Cantab), FGS, C. Geol, Aurelian's Exploration Director who has 18 years of post-graduate experience in geoscience research, oil exploration and production. He has reviewed and consented to the inclusion herein of such technical information and opinions.*