

23<sup>rd</sup> November 2010

Company Announcements Platform  
Australian Stock Exchange  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

**By e-Lodgement**

**COMPANY PRESENTATION MATERIAL**

Please find attached two presentations to be delivered at Aurora's Annual General Meeting by Jon Stewart, Executive Chairman and Ian Lusted, Technical Director at 11.30am WST today.

For Aurora Oil & Gas Limited

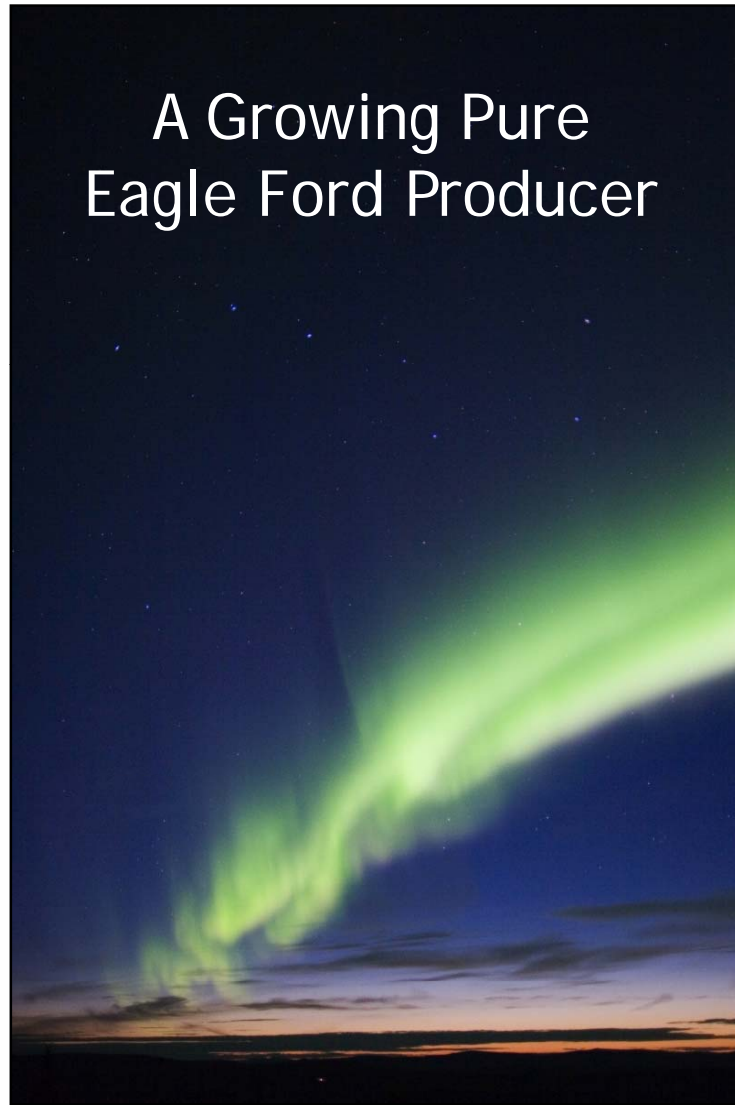
Julie Foster  
Company Secretary

*(Data referencing activities in adjacent acreage has been sourced from publically available information)*

Technical information contained in this report in relation to the Sugarloaf project and Sugarkane field was compiled by Aurora from information provided by the project operator and reviewed by I L Lusted, BSc (Hons), SPE, a Director of Aurora who has had more than 15 years experience in the practice of petroleum engineering. Mr Lusted consents to the inclusion in this report of the information in the form and context in which it appears.

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AGM  
23 November, 2010  
Corporate

## Company Profile - (ASX:AUT)

- Following AGM shareholder approval today - 339m fully diluted
- Current cash US\$100m - nil debt
- Management & Board - approx. 10% owners
- Focussed onshore USA in south east Texas Eagle Ford shale / Austin Chalk - **Sugarkane Gas & Condensate Field**
- Participate in approx 55,000 acres within Sugarkane Field adjacent to and nearby numerous major companies in the Eagle Ford trend
- Low risk development assets with a drilling inventory in excess of 650 well locations and very significant production growth profile
- Active drilling program delivering best in trend results
- Maiden Independent Reserves Report - **33.2 million barrels + 138 BCF** with **NPV(10) of US\$986m (3P)** before corporate tax

## 2010 Year in Reflection

### Corporate

- Fastest growing oil and gas company in the ASX 300
- Share price increase from \$0.125 to \$0.77 over the year to 30 June 2010 - currently trading around **\$1.52**
- Market capitalisation increased from \$25m to \$195m at 30 June 2010 - currently **\$500m**
- Cash position increased from ~ \$11m at 30 June 2009 to \$28m at 30 June 2010 - currently **\$100m**
- AUT conservatively funded for significant growth via acquisition and development drilling
- Additional Board appointments add experience and depth in Australia and internationally
- Strengthened broking support and analyst coverage
- Growing list of Australian and international institutional investors

## 2010 Year in Reflection cont.

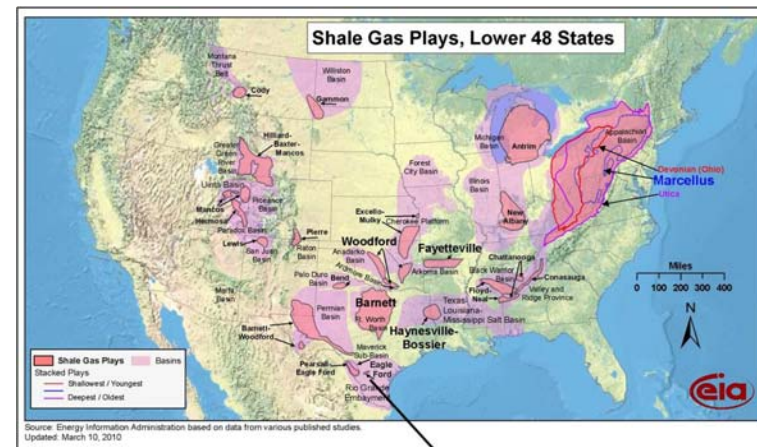
### Operational

- Successful farmout to Hilcorp delivered a portfolio of wells on production with successful results
- An exciting exploration/appraisal project has transitioned to a large low risk development project
- Having a large efficient Operator has removed project execution risk
- Reserves position established with initial 56mmboe of 3P net to AUT
- Development drilling program commenced delivering best in trend results
- Currently 2 rigs operating and one full time frac crew with acceleration to occur though 2011
- Project infrastructure being developed

## Increasing Global Focus On Eagle Ford

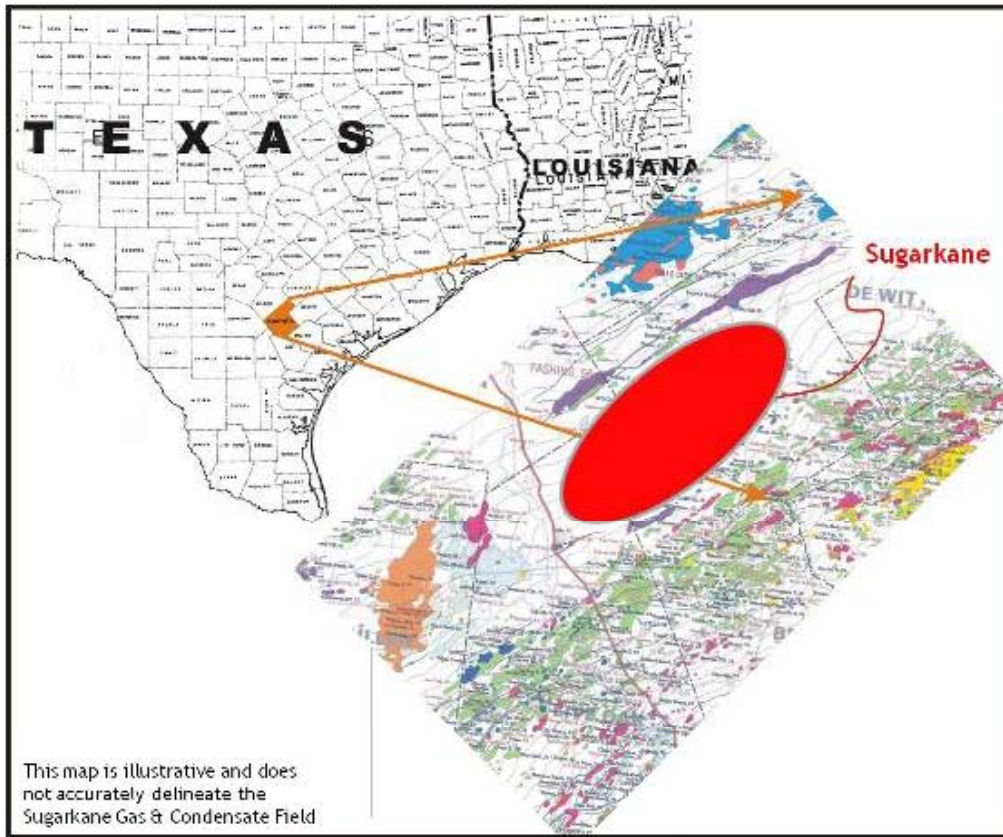
- The Texas Eagle Ford shale is currently the most active oil and gas A&D market in USA with \$5.5 billion of deals since June 2010

- Liquids rich
- Large long life resources
- Onshore
- Midstream infrastructure in place and expanding
- Proximate to markets

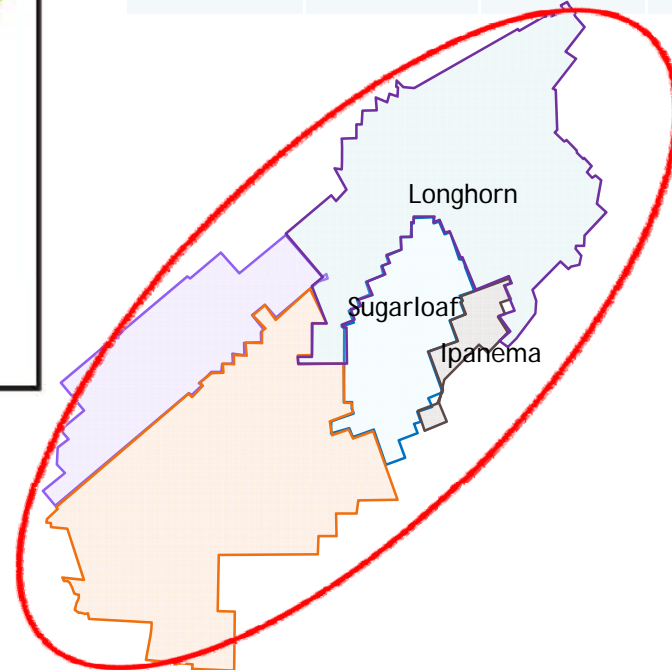


- North American companies biased to gas seeking oil and condensate
- Internationals looking for resource security and shale experience
- Other than AUT, no pure listed Eagle Ford player larger than \$500m
  - predominantly larger and diversified participants
  - plan to seek a dual listing on a major North American exchange

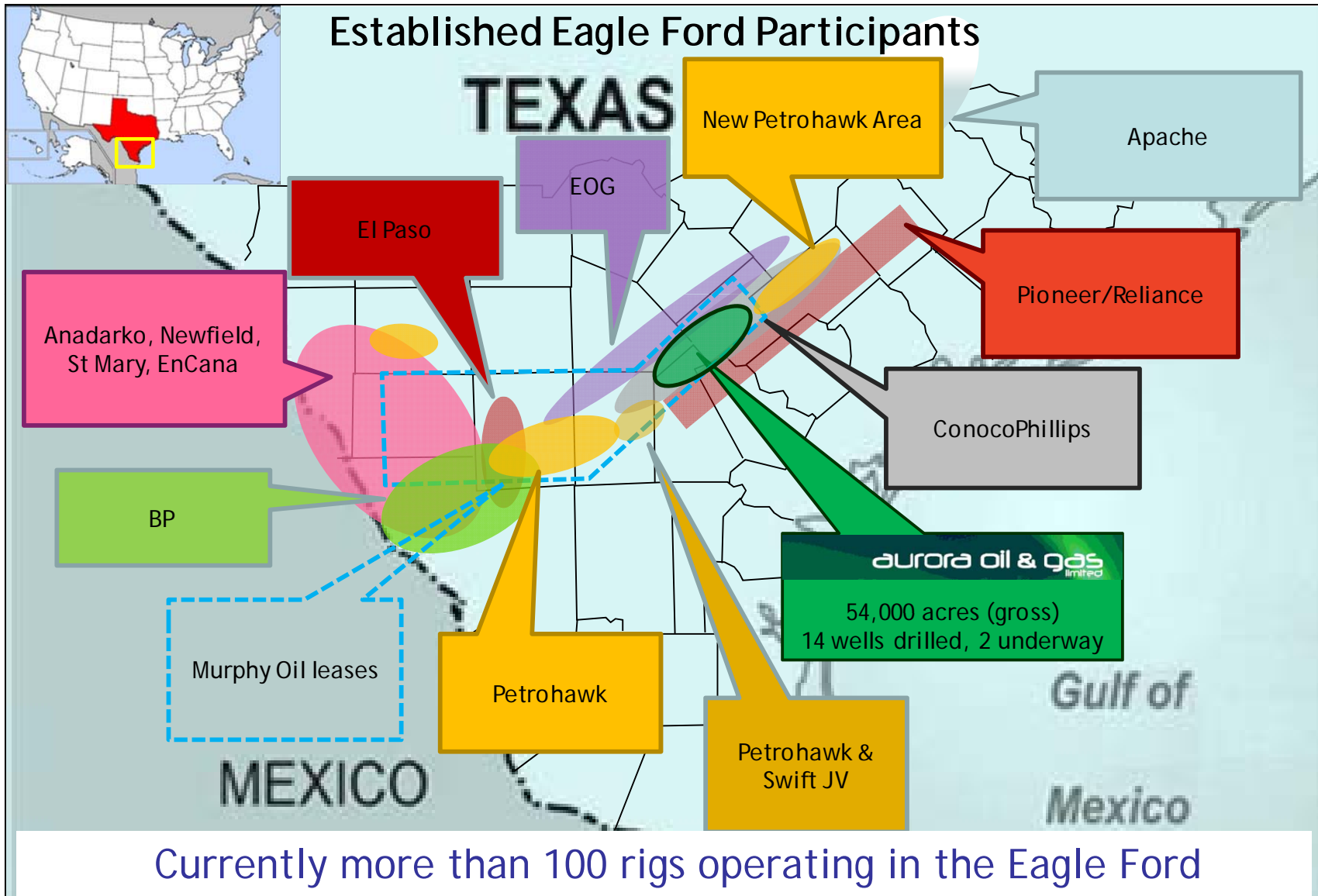
## Sugarkane Gas and Condensate Field - AMI's



AMI	AUT Interest % Post farmout	Acreage Gross Approx	Acreage Net Approx (Post farmout)
Sugarloaf	10	24,151	2,455
Longhorn	25	26,792	6,698
Ipanema	30	4,580	1,374
Total		55,523	10,527

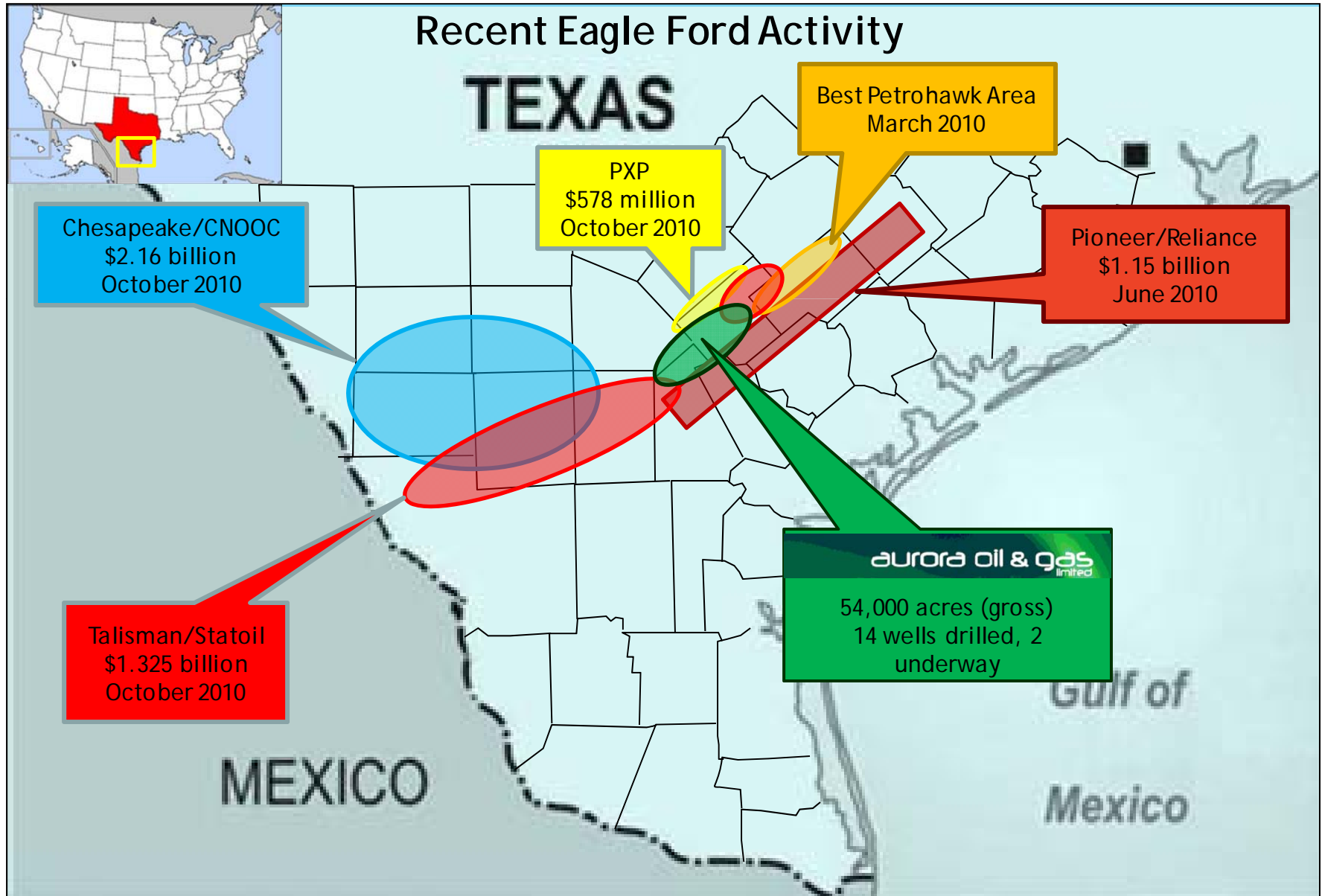


This diagram is an indicative pictorial representation of Joint Venture areas within the Sugarkane Gas & Condensate Field and is not intended to be definitive schematically, to scale or reference owners of mineral rights.



Currently more than 100 rigs operating in the Eagle Ford





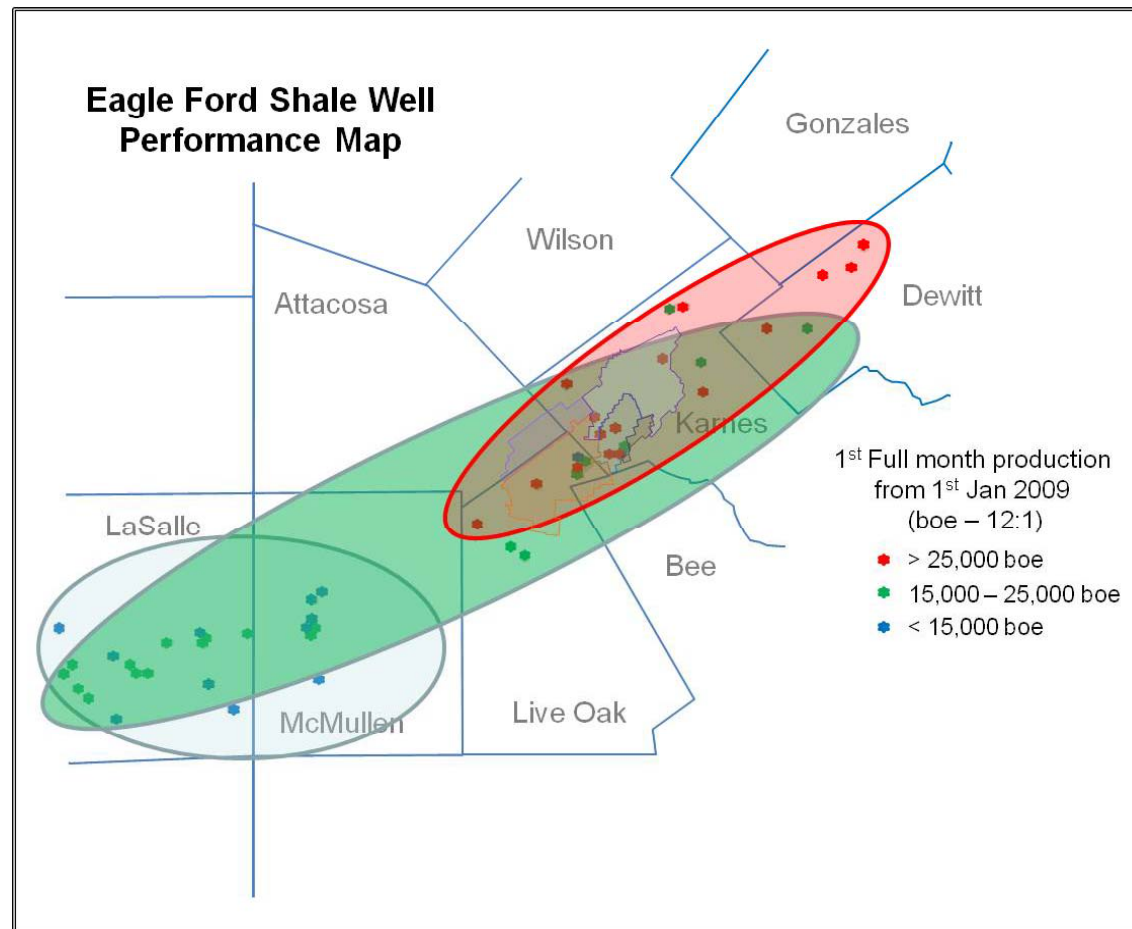
MEXICO

Gulf of Mexico

## \$5.5 billion in Eagle Ford Transactions Since June 2010?

- Large acreage positions require significant \$ commitments to hold acreage let alone develop
  - Acreage with slower well payback periods requires significantly more upfront capital
- Some landowners and smaller participants taking profits
- Some players having to sell down particularly those with portfolios weighted to gas due to expiring gas hedge books, problematic debt ratios etc
- Headline valuation metrics on \$/acre are misleading and fail to differentiate acreage quality -
  - liquids ratio,
  - Productivity
  - well payback
  - drilling commitments
  - access to infrastructure
  - contiguous nature of acreage

## The Best Wells in the Eagle Ford Are in or Adjacent to Sugarkane



Acquisitions under review by AUT are within the sweet spot and must be accretive to AUT in reserves and NPV

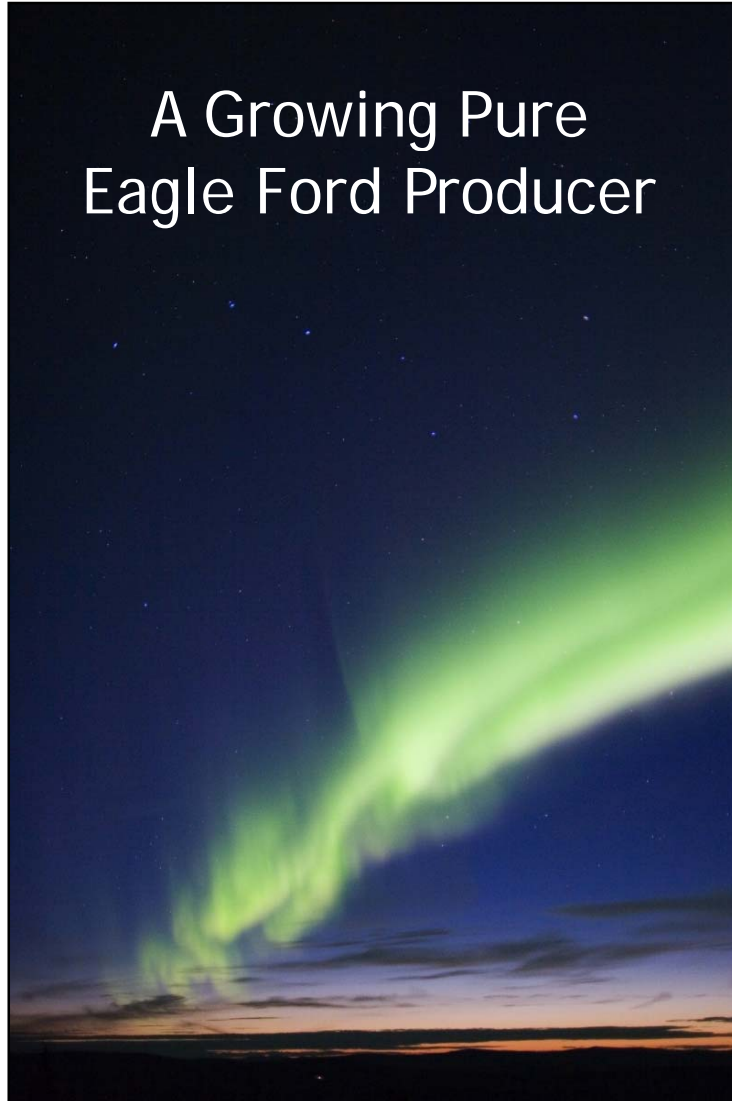
## Value Drivers

- **Transition of Possible Reserves to Proven & Probable (2P)**
  - 6 wells on production for current NSAI reserves report
  - Plan for 50-60 wells on production by end 2011
  - Onshore high liquids content
- **Outperformance of Wells**
  - Current well performance and improvements to completions expected to generate improved production, decline rates and ultimate recoveries compared to initial estimates made by NSAI
- **Potential for Tighter Well Spacing**
  - Last NSAI development plan for calculation of reserves assumed ~80 acre spacing
  - Recovery factors based on this plan remain low in percentage terms
  - Considerable potential for tighter spacing increasing total recoverable reserves
- **Leverage to Increasing Oil Prices**
  - More than 80% of forecast revenues is from liquids
- **Acquisition Opportunities**
  - No "giveaways" in our focused areas of interest within Eagle Ford
  - Aurora has identified potential acquisition opportunities within its area of interest in the Eagle Ford shale and is considering a number of small, value accretive acquisitions, focused upon increasing and consolidating acreage in proximity to its existing Sugarkane Field interests

## Aurora: Rapidly Transitioning

- **Quality Asset / Significant Size**
  - Positioned in one of the premier North American shale plays
  - Pure investment opportunity in to sweet spot within the Eagle Ford
- **Strong Economics**
  - Strong technical merit, high liquids ratio, good flow rates
  - High leverage to oil price - low reliance on gas prices
  - Fast well payback timeframes and majority of development paid out of cashflow
- **Development Under Way**
  - Large, competent US Operator experienced with large onshore assets
  - 60 wells expected by 31 Dec 2011
- **Significant Valuation Upside Via Active Drilling Program**
  - Initial 3P reserves of 56mmboe - drilling program to transition 3P reserves to 2P by end 2011
  - Production and reserves growth will lead to continued valuation growth
- **Potential for Growth through Acquisitions**
  - Acquisition opportunities within its area of interest in the Eagle Ford shale - targeting a number of small, value accretive acquisitions, to increase and consolidate nearby acreage
- **Sound Balance Sheet**
  - \$100 million cash, no debt

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23 November, 2010  
AGM  
Operations Update

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## Operational Summary - 23 November 2010 (ASX:AUT)

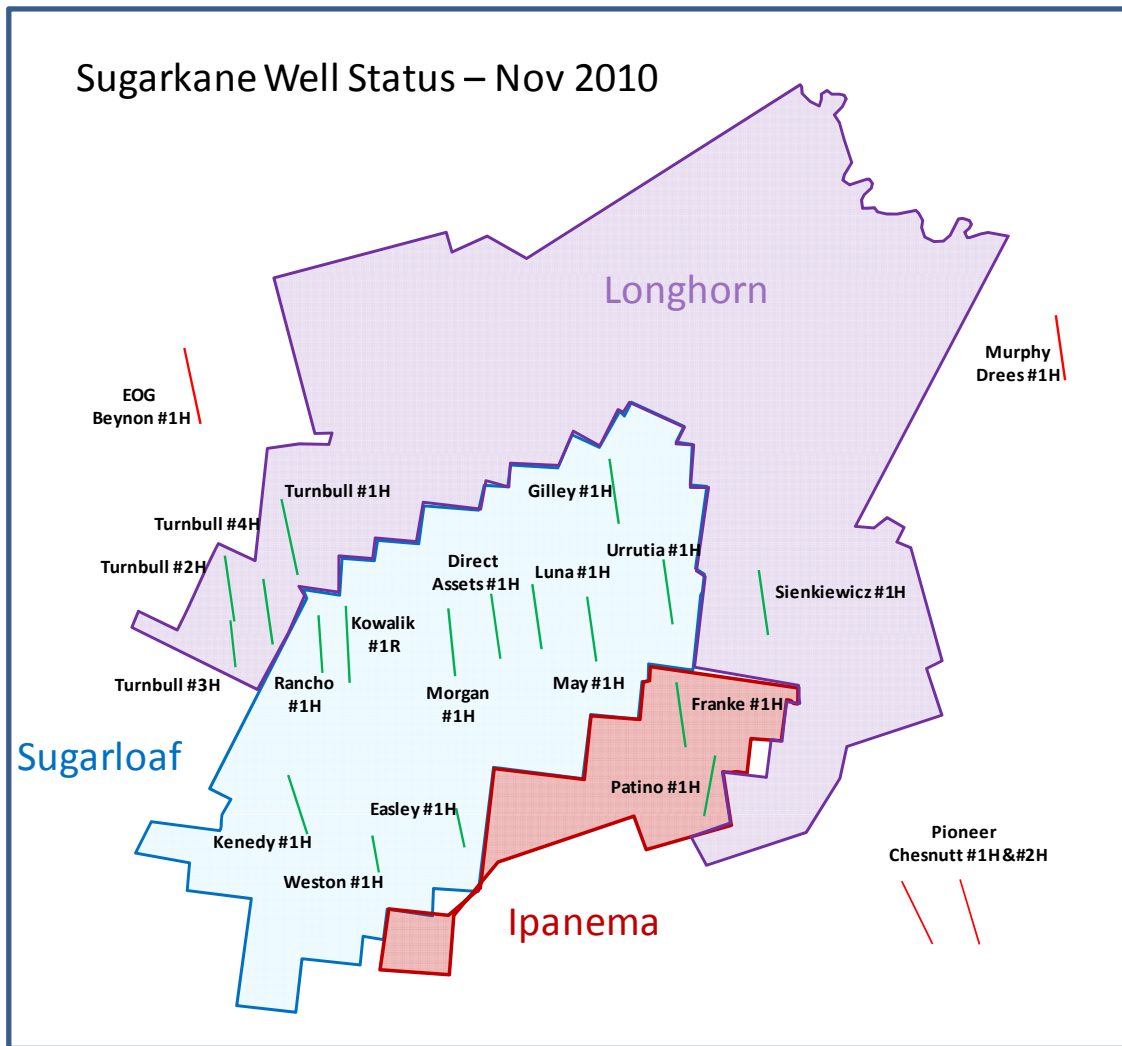
- 2 rigs drilling full time in acreage, 3<sup>rd</sup> rig contracted for Q1 2011 and 4<sup>th</sup> rig planned later during 2011.
- 1 frac crew full time, supplemented by part time 2<sup>nd</sup> crew. 2<sup>nd</sup> full time fracture crew scheduled for Q1 2011.
- 11 wells producing to sales, 1 fracture stimulation underway, 1 well undergoing workover, 3 wells cased and awaiting fracture stimulation, 2 new wells spudded.
- Average total field production over the last 7 days from wells where Aurora has an interest\* was 6,500 boe/d (6:1).
- Approximately 18 wells drilled and 14 wells on production by 31/12/10
- Plan to drill a further 40 wells during calendar 2011
- Several infrastructure projects underway, including low pressure rich gas pipeline and commissioning of oil pipeline.

\* Includes farmin wells where Aurora will receive revenues post cost recovery by Hilcorp.



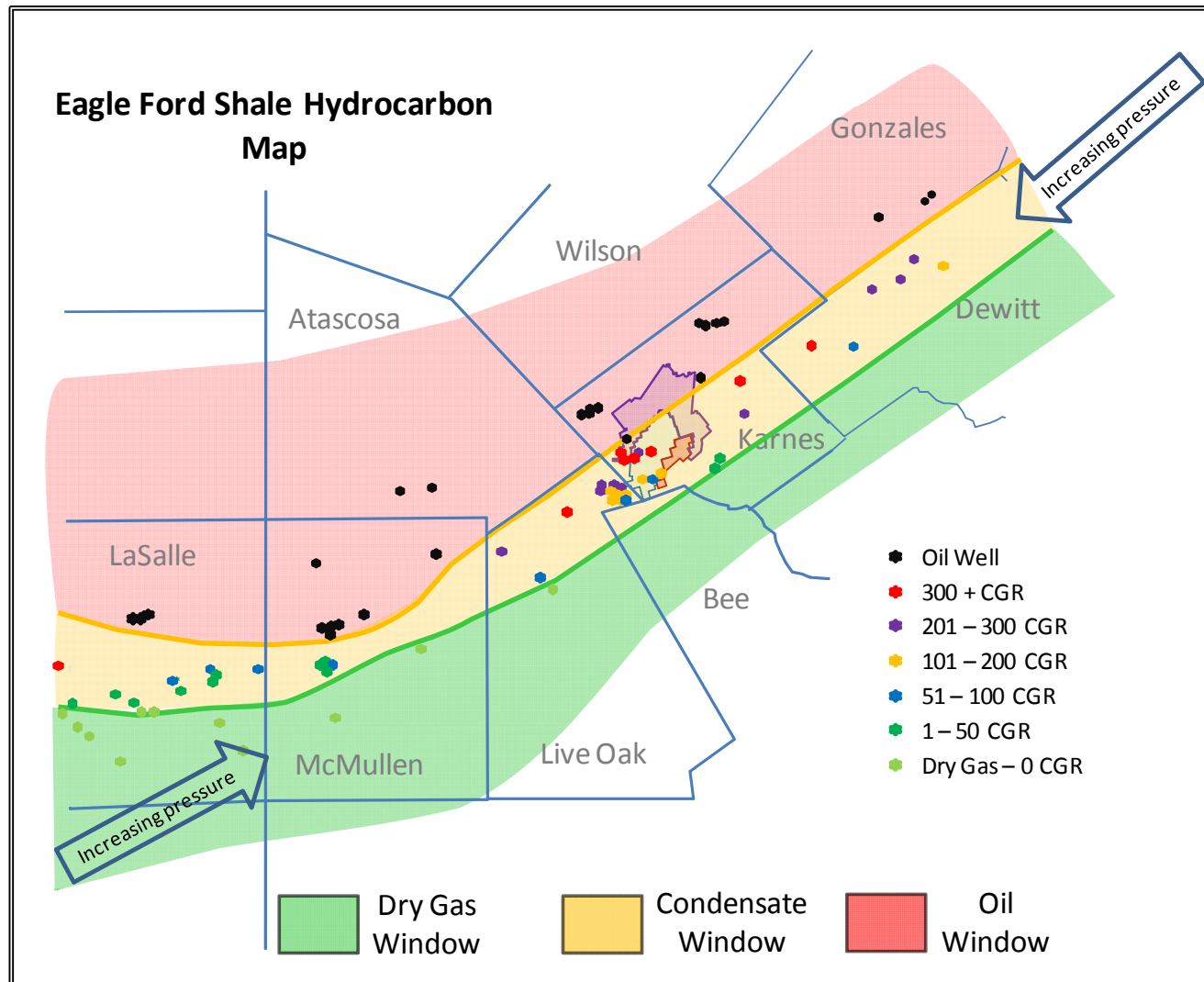
## Aurora Well Status – 23 November 2010

AMI	Sugarloaf (10% WI)	Longhorn (25% WI)	Ipanema (30% WI)	Total
<b>Farmout Wells</b>				
Producing	5	3	1	9
<b>Post Farmout Wells</b>				
Producing	2	0	0	2
Fracced	1	0	0	1
Fraccing	1	0	0	1
Drilled and Cased	1	1	1	3
Drilling	1	1	0	2
<b>Total</b>	<b>11</b>	<b>5</b>	<b>2</b>	<b>18</b>

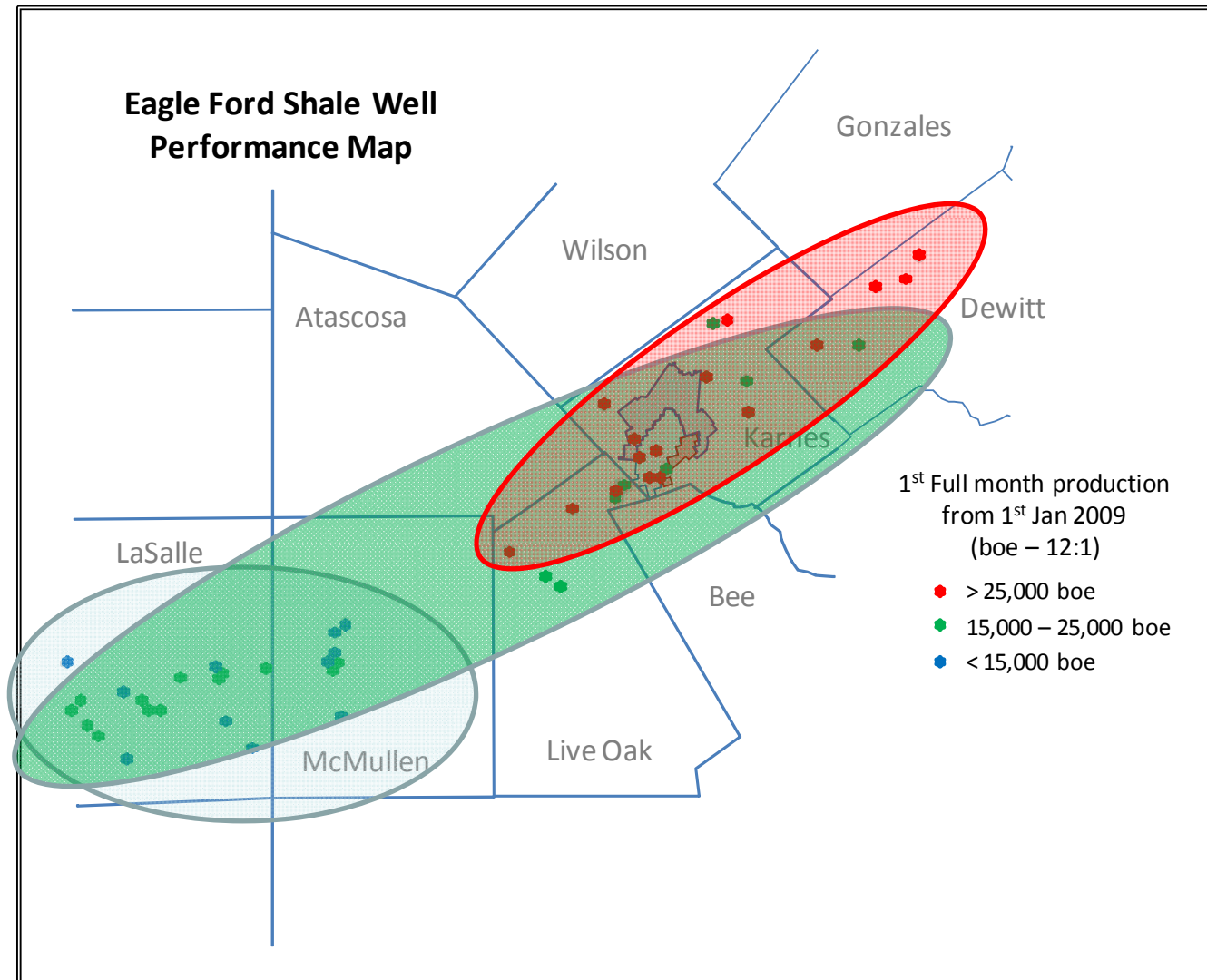


- Well locations in green
- Highly contiguous acreage position excellent for development
- Drilling locations dictated by lease expiry schedule which runs through 2014
- On existing drilling schedule anticipate land 'held by production' by mid 2012 – well ahead of requirements

## Sugarkane is Located in the Trend Sweet Spot



## The Best Wells in the Eagle Ford Are in or Adjacent to Sugarkane



## Maiden Independent Reserves Certification<sup>1</sup> - as at 1 July 2010

(All figures are net to Aurora post royalties)

AMI	Proven		Probable		Possible		Total (3P)	
	mmbbl	bcf	mmbbl	bcf	mmbbl	bcf	mmbbl	bcf
Sugarloaf	0.83	6.14	1.85	12.03	5.45	30.35	8.13	48.53
Longhorn	0.69	2.17	0.84	3.19	19.97	46.64	21.49	52.00
Ipanema	0.00	0.00	0.11	1.40	3.47	36.09	3.58	37.50
<b>Total</b>	<b>1.52</b>	<b>8.3</b>	<b>2.79</b>	<b>16.6</b>	<b>28.89</b>	<b>113.1</b>	<b>33.21</b>	<b>138.0</b>
<b>NPV10 Calculation (pre tax)</b>								
US\$mm	\$70		\$120		\$796		\$986	
AUD\$/Share	\$3.23 <sup>2</sup>							

Prepared by Netherland, Sewell & Associates, Inc ("NSAI")<sup>1</sup>, a leading international firm of petroleum engineers.

**Aurora expects that the accelerated drilling program will convert the majority of its 3P reserves to 2P before end 2011**

<sup>1</sup> In accordance with the definitions and guidelines set forth in the 2007 Petroleum Resource Management System approved by the Society of Petroleum Engineers.

<sup>2</sup> NPV10 pre tax number (plus AUT pro forma 30 September cash balance) divided by fully diluted capital as at 30 September and converted at AUD\$ : US\$ exchange rate of 0.90.

## NSAI Reserves Report

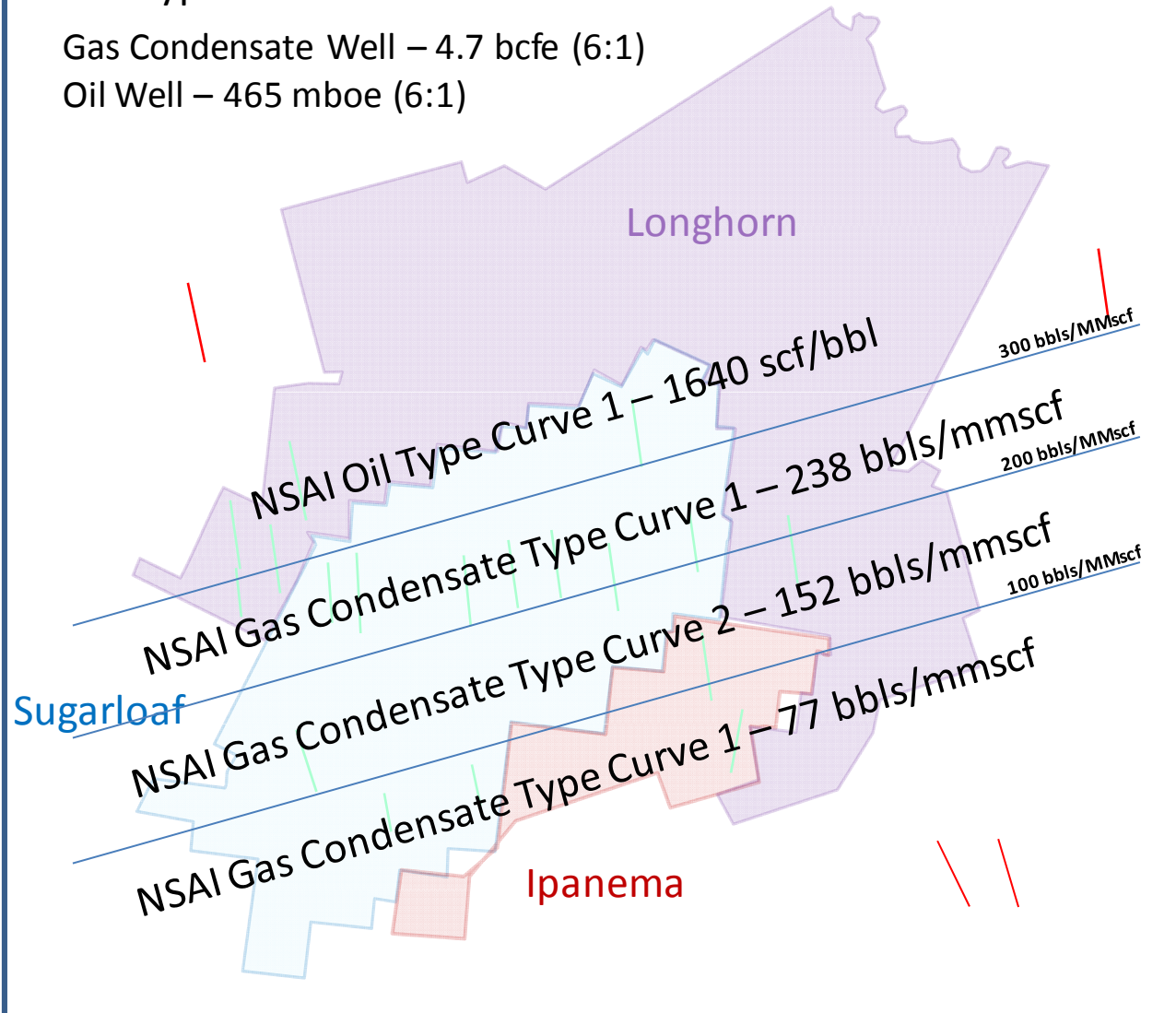
- Wells drilled on average 80 acre spacing
- Gas Wells recover 4.7 Bcfe
- Oil Wells recover 465 mboe
- Well cost \$6.7m to drill, complete and tie-in
- Oil and Gas prices forward NYMEX strip curve on 01/07/10
- 668 wells to fully develop field
- 6 PUD locations and 10 Probable locations allocated to each producing well.
- Possible well production profile identical to proved profile, ie Possible reserves simply represent areal extent of field on a proved profile.
- Drilling program complete by 2018
- Maximum net production to Aurora 20,000 boe/d in 2017
- Maximum project cash requirement \$40million late 2011, cash flow (including after capex) generative thereafter.

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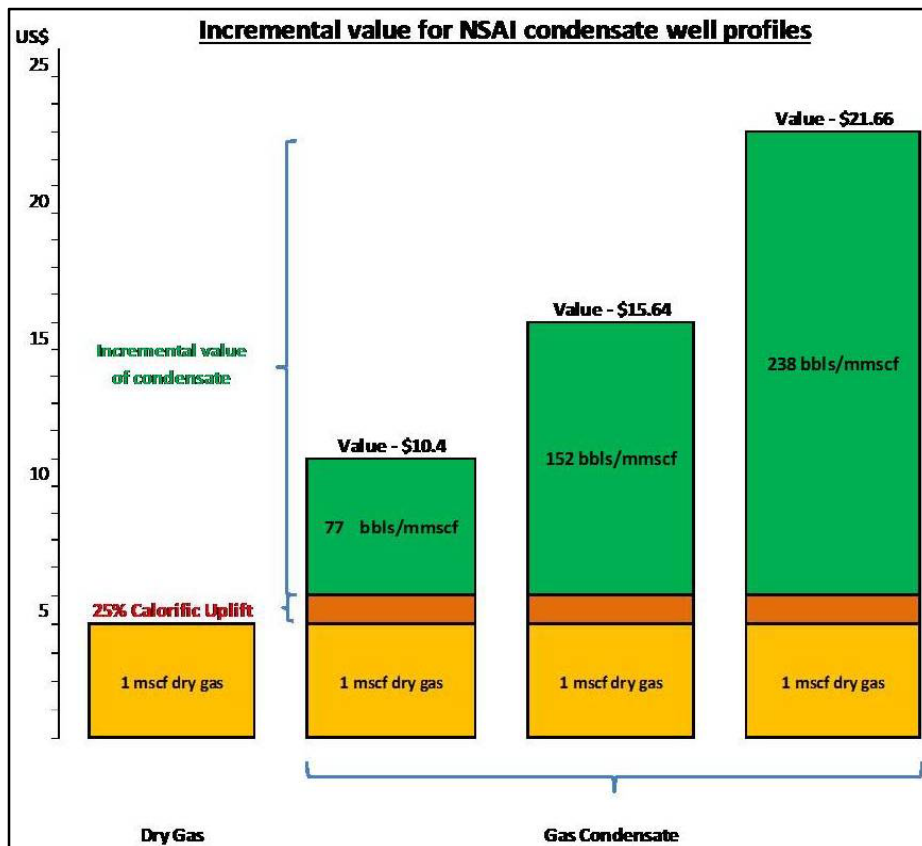
## NSAI Type Curves

Gas Condensate Well – 4.7 bcfe (6:1)

Oil Well – 465 mboe (6:1)



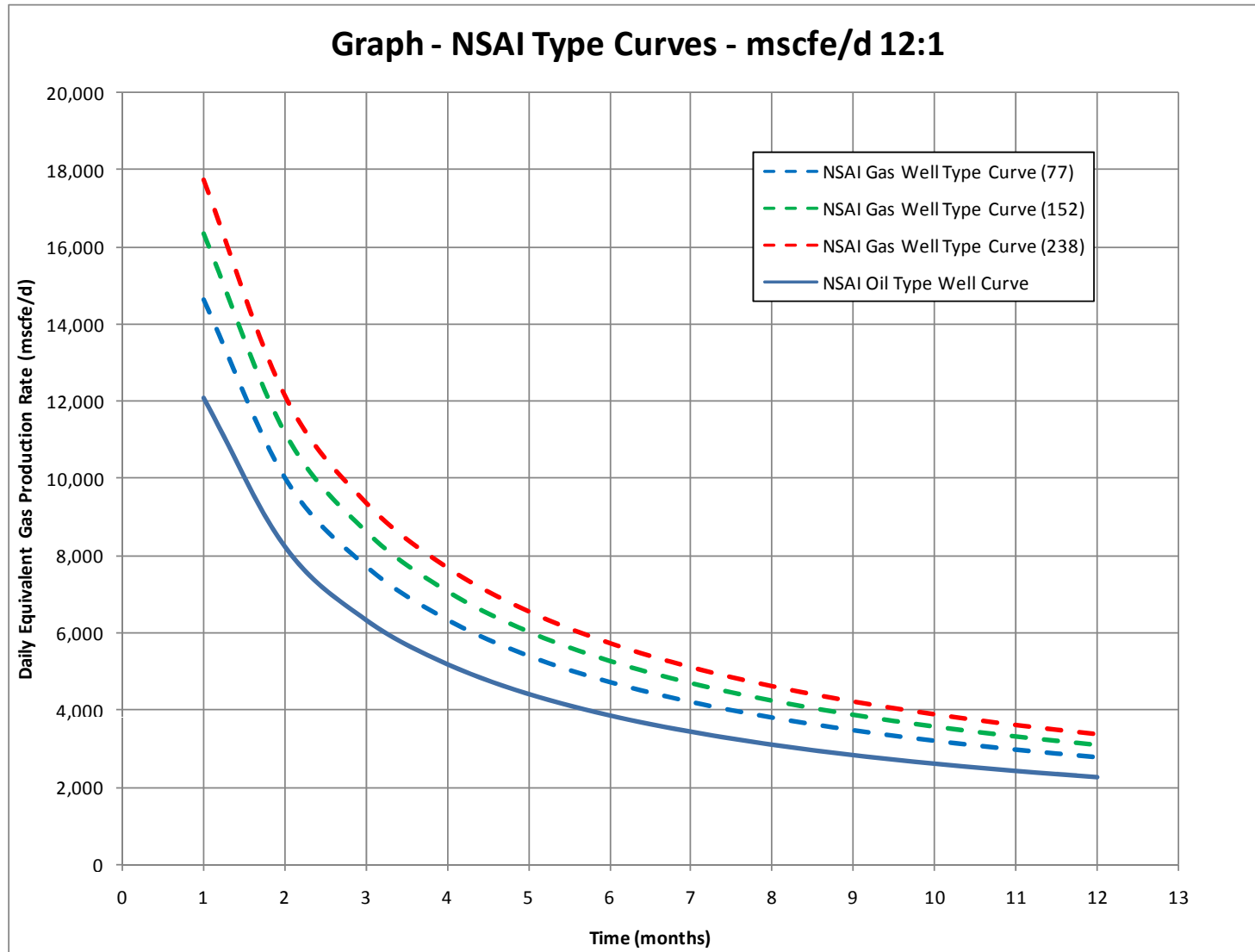
## Liquids Content & Productivity are the Economic Drivers

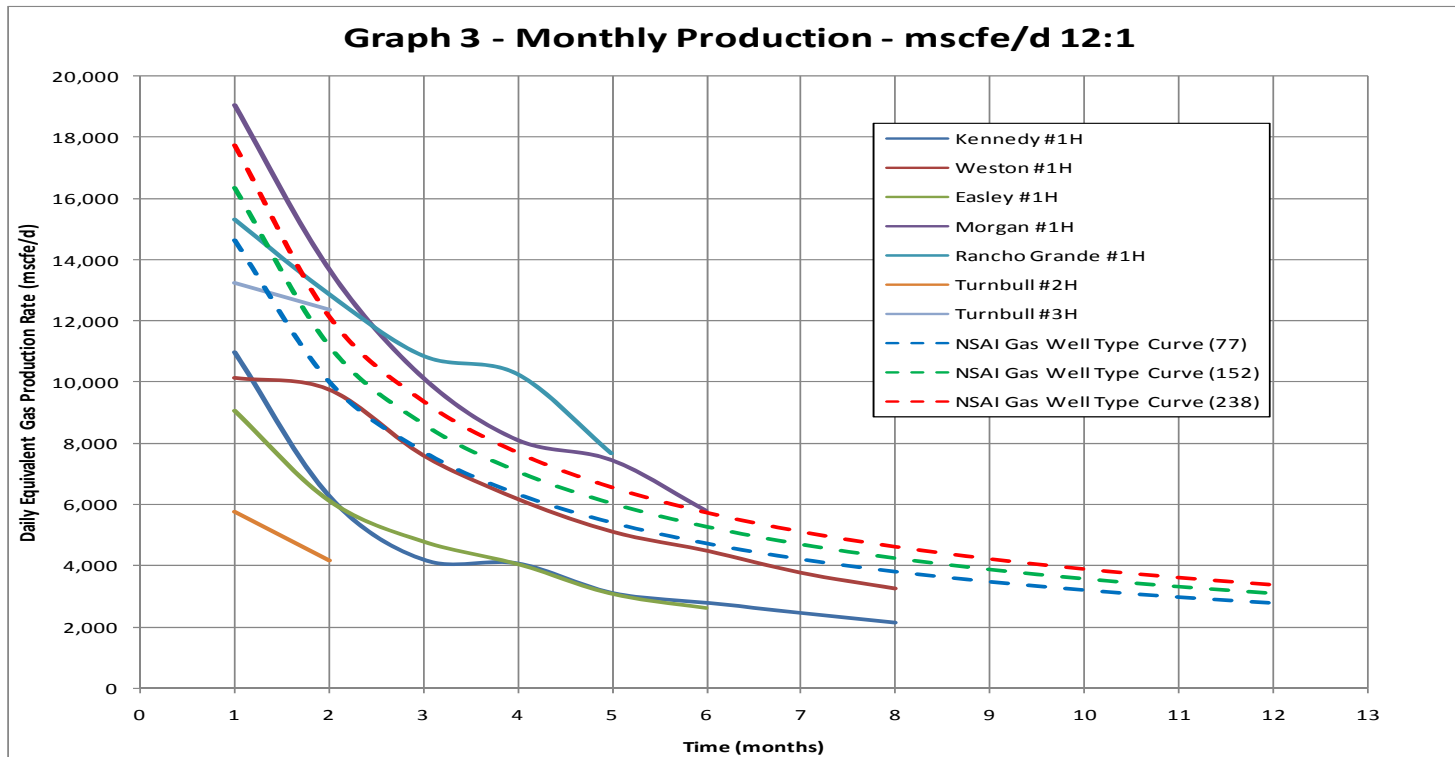


- 1,000 scf gas ~ \$4 revenue,
- NSAI type curves generate \$10.4 - \$21.66 per 1,000 scf of produced gas due to high liquids content

- Liquids are more valuable
- The relative energy differential (BTU) for Oil/Gas is approx 6:1 but oil and gas prices in the US have decoupled - currently >20x
- Aurora wells have ranged from 60 to 400 bbls/mmscf condensate ratio, with average of 200+
- Majority of acreage is gas shale but this is a liquids play.
- ~80% of revenue is based on liquid sales.







- The Kennedy, Weston and Easley wells have the shortest horizontal length and the earliest fracture stimulation design.
- Morgan was the first full length well with a full stimulation and is above type curve.
- Rancho Grande shows improved (flatter) decline curve with restricted choke production.
- Early data on Turnbull #3 shows continued improvement in fracture stimulation design and restricted choke production.
- Turnbull #2 flow has been severely restricted due to the presence of H<sub>2</sub>S.

- Extra slides

## Sugarkane Gas and Condensate Field - Technical

- Sugarkane field consists of a high quality Austin Chalk reservoir directly overlaying an organic rich and calcareous regional Eagle Ford shale.
- The field has been delineated by more than 40 wells with consistent reservoir and hydrocarbons from all penetrations.

	<b>AUT Acreage</b>	<b>Regional Eagle Ford</b>
Depth (ft)	12,000 – 13,000	6,000 – 14,000
Porosity (%)	6% – 10%	2% – 12%
Pressure (psi/ft)	0.76 – 0.80	0.43 – 0.80
Condensate Ratio (bbls/mmscf)	50 - 400	0 – 400+*
Total Organic Content (%)	2% - 6.6%	2% - 6.6%
GIIP/640 acres (Bcfe)	120 -250	100 – 300

\* Across the regional Eagle Ford trend there are dry gas, condensate rich gas and oil prone zones, the origins of which are linked to depth and pressure at time of maturation (hydrocarbon generation). AUT's acreage is largely within a condensate rich gas area and has a variable condensate ratio trend across it. Some acreage is within the oil leg (over-pressured) of the Trend. On a cash sales basis condensate and oil are considerably more valuable than comparative BTU gas production.

## Drilling Program & Initial Results

Well	AMI	AUT % Post Farmout	IP Gas mmcf/d	IP Cond. b/d	30 Day average mmcf/d	30 Day average b/d	30 Day average mmcfe/d*	
Kennedy 1H	Sugarloaf	10%	4.39	1,132	3.05	661	11.7	
Weston 1H	Sugarloaf	10.64%	5.68	414	5.49	388	11.5	
Morgan 1H	Sugarloaf	10%	5.16	2,046	3.65	1,283	19.97	
Easley 1H	Sugarloaf	10.64%	6.81	780	4.20	407	10.13	
Rancho G. 1H	Sugarloaf	10%	3.19	1,170	2.83	1,040	16.2	
Turnbull 1H	Longhorn	25%	1.53	893	1.27	720	853**	
Turnbull 2H	Longhorn	25%	1.12	526	1.24	378	5.78	
Turnbull 3H	Longhorn	25%	1.65	629	2.44	901	13.26	
Kowalik 1HR	Sugarloaf	11.46%	Fraced, requires completion of remedial work before flowback					
Patino 1H	Ipanema	30%	4.08	553				
May 1H	Sugarloaf	10%	1.93	634				

## 2010 Production to Date

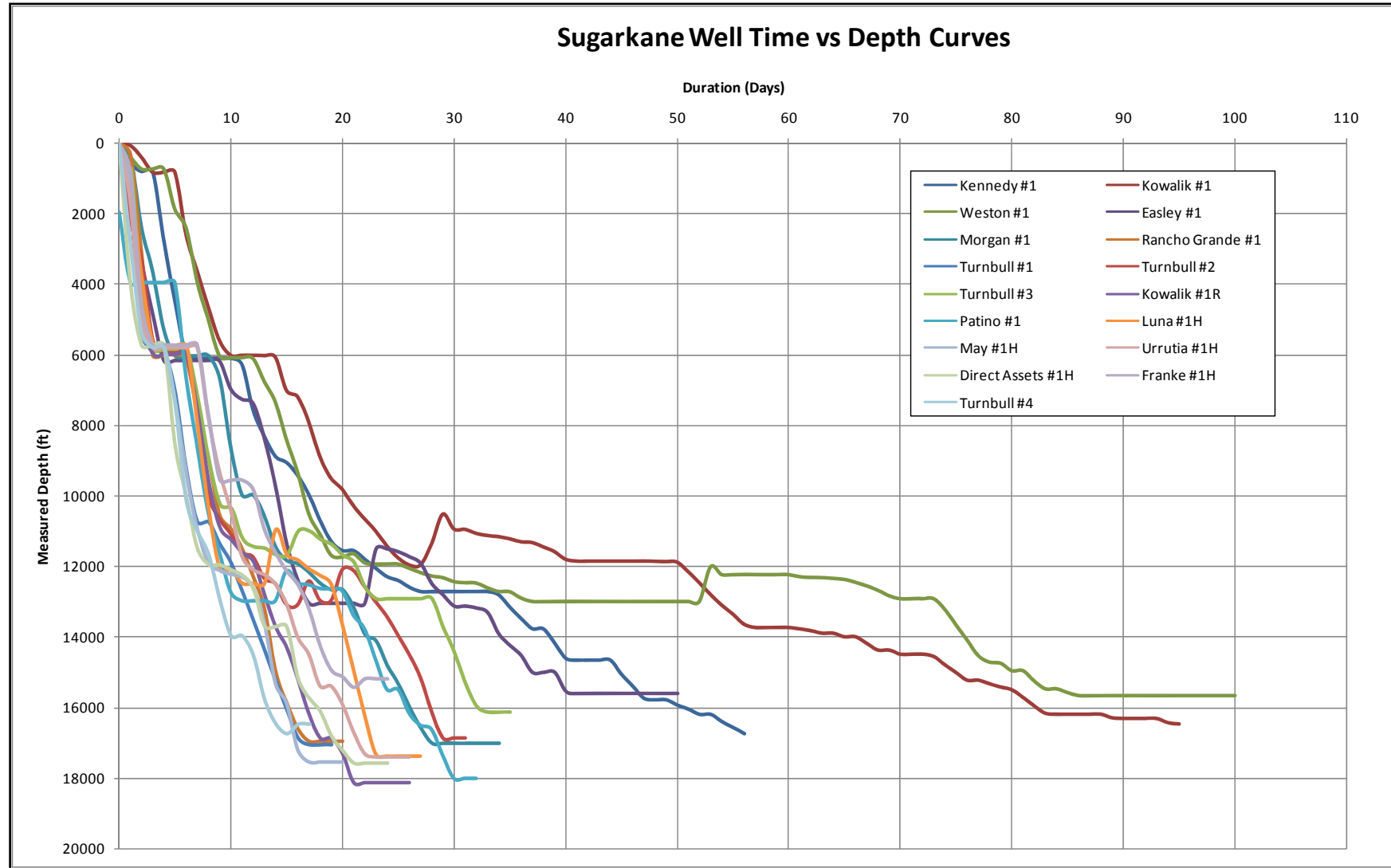
Well	AUT % Post Farmout	Horiz. length feet	60 Day total mmcf	60 Day total bc	60 Day average mmcf/d	60 Day average bc/d	60 Day average mmcfe/d*
Kennedy 1H	10%	2,200	148	30,825	2.47	514	9.26
Weston 1H	10.64%	3,000	342	21,351	5.70	356	11.40
Morgan 1H	10%	4,400	201	65,200	3.35	1,087	17.2
Easley 1H	10.46%	2,750	221	19,600	3.68	327	8.5
Rancho G 1H	10%	4,900	163	57,000	2.72	950	14.9
Turnbull 1H	25%	3,980	64	35,910	1.07	608	720**
Turnbull 2H	25%	5,133	65	19,550	1.08	326	440**
Turnbull 3H	25%	3,760	147	51,810	2.45	864	1,120**



Weston 1H

\* Equivalent gas rate calculated on a 12:1 conversion of condensate and a 25% uplift to gas rate based on calorific value. \*\* BOE calculated on same basis

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Continued improvement in drilling times.