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24 July 2012

ASX RELEASE

**QUARTERLY ACTIVITIES SUMMARY FOR
THE QUARTER ENDED 30 JUNE 2012**

During the reporting period Aurora Oil & Gas Ltd ("Aurora" or "Company") (ASX:AUT TSX:AEF) has continued the substantial development program of its Eagle Ford assets in the Sugarkane Gas and Condensate Field in South Texas. These activities have generated a number of corporate, operational and production highlights, which are summarised below:

- During the reporting period, Aurora concluded the purchase of an additional 6% working interest in the Sugarloaf AMI. Aurora will begin to report production and earnings associated with this acquisition effective 1 July, 2012.
- By the end of the reporting quarter Aurora had successfully purchased 75% of the issued shares of Eureka Energy Limited (ASX:EKA) ("Eureka"). Subsequent to quarter end ownership has increased to 98.3% and compulsory acquisition has commenced for the remainder. This acquisition further increases Aurora's working interest in the Sugarloaf AMI by an additional 6.25%. Eureka's portfolio also includes acreage in other Eagle Ford acreage on trend to the north east of the Sugarkane Field. Aurora will report production and earnings associated with these interests and assets effective 1 July, 2012.
- Revenue from oil and gas sales was approximately \$58 million for the quarter (\$42 million after royalties) of which 95% were generated from liquids.
- The cash balance at the end of the quarter was approximately \$112 million and the Company's revolver borrowing base of \$85 million remains undrawn.
- During the quarter a total of 35 gross new wells were drilled and cased, 38 gross (9.3 net) wells were put on production and 1 well was being well tested at quarter end.
- At quarter end there were 128 gross wells on production including 4 farmout wells (25.9 net), 148 gross wells drilled and 13 new wells underway.
- Aurora's total quarterly production was:
 - 835 mmscf of rich gas,
 - 527,030 bbls of light/medium oil, and
 - 42,440 bbls of condensate.

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Net to Aurora, after royalties and processing, total production was estimated at:

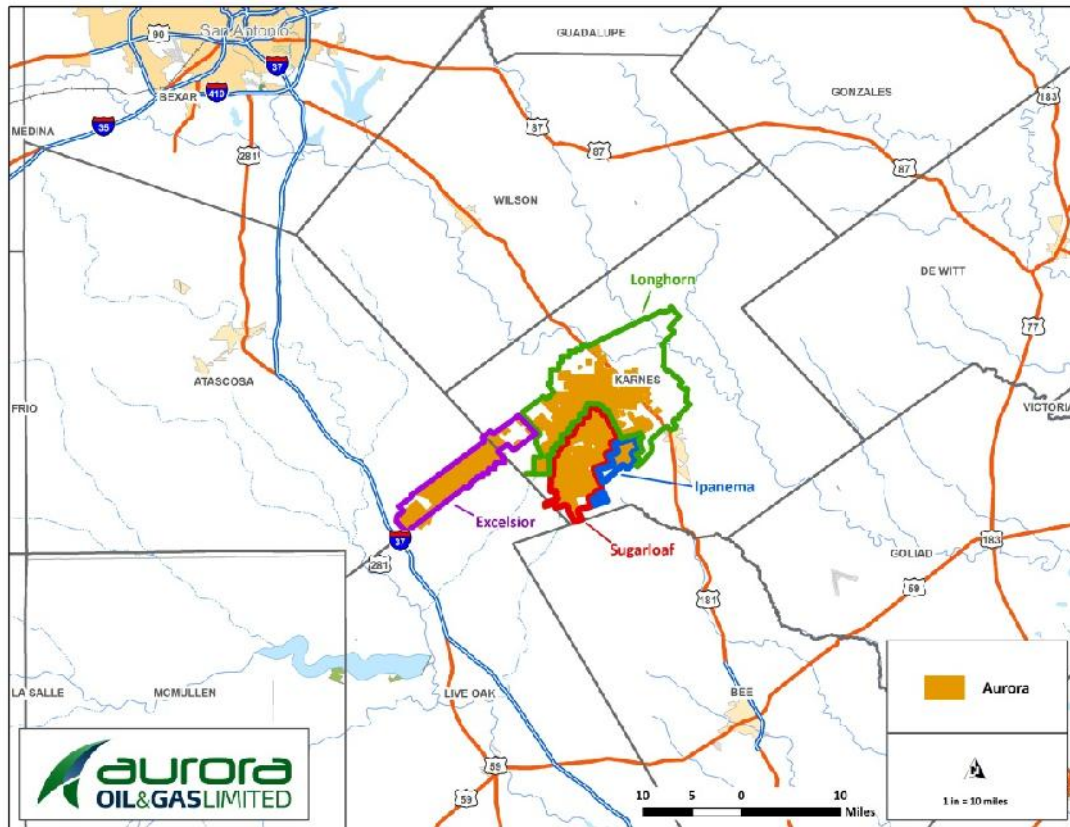
- 467 mmscf of gas,
- 387,203 bbls of light/medium oil,
- 31,456 bbls of condensate and
- 62,978 bbls of NGLs,

This quarterly production equates to 559,436 boe, an increase of 75% over the previous quarter.

- Average gross Aurora production rates during the quarter were 8,364 boe/d including NGL's. Net to Aurora, after royalties and including NGL's, average production was 6,148 boe/d.
- June 2012 average gross production estimated at approximately 9,250 boe/d (including NGL's) and net production, after royalties, at approximately 6,800 boe/d. These figures do not include any allocation from the two acquisitions referred to above.
- Construction commenced on three central processing facilities within the Sugarloaf AMI and these facilities are now well progressed. Start-up dates are expected on all three sites by the end of the 3rd quarter.
- Aurora presently estimates that over 75% of its Sugarkane Field acreage is now held by production ("HBP").
- During the reporting quarter the Harvest 3 Rivers Pipeline became operational and Aurora now sells the majority of its crude and condensate into that line via contracts which are currently equivalent to approximately WTI plus \$6.
- Aurora announced that it was admitted to the S&P/ASX 100 Index after the close of markets on June 15, 2012.

Sugarkane Field – Eagle Ford Shale

Aurora's primary asset is its interest in the Sugarkane Field in South Texas which is located in the core area of the Eagle Ford shale trend. Aurora participates in approximately 77,000 highly contiguous gross acres. The Operator of all of these interests is Marathon Oil EF LLC, a wholly owned subsidiary of Marathon Oil Corporation (NYSE: MRO) ("Marathon").



At the end of the reporting period the Company had a net position of approximately 17,700 acres within four adjacent Areas of Mutual Interest (“AMIs”). The levels of participation within those AMI’s are outlined in the table below and are shown on the map above. (NOTE: this figure includes the acquired 6% WI acquisition within Sugarloaf AMI but does not include the increased acreage position associated with the Eureka acquisition. Eureka owns a 6.25% Working Interest in the Sugarloaf AMI, equivalent to approximately 1,500 additional net acres.) .

AMI	Working Interest	Gross Acreage	Net Acreage
Sugarloaf	21.8%	24,200	5,300
Longhorn	31.9%	28,200	9,000
Ipanema	36.4%	4,400	1,600
Excelsior	9.1%	19,900	1,800
Total		76,700	17,700

Note: Acreage rounded to the nearest 100 acres.

Drilling activity within Aurora’s acreage continues to be driven by the expiry profile of its substantial lease position. Aurora presently estimates that over 75% of its leased acreage position is now HBP and anticipates that the majority of the balance will be HBP at the end of Q3 2012. As the HBP program nears completion emphasis will move to pad drilling with multiple wells to be drilled from the same surface location. This is expected to generate Capex and Opex efficiency savings. A number of rigs have now commenced pad drilling operations including those drilling the spacing pilot program wells (discussed below).

For the week ending 29 June 2012 the rig count in the Eagle Ford shale trend was estimated at approximately 250 with a number of operators indicating further growth plans for the area. At the end of the reporting period Marathon had 20 rigs operating in the Eagle Ford of which 13 are located in the Sugarkane Field.

Operations

There were between 10 and 13 rigs drilling on Aurora's Sugarkane acreage during the reporting quarter and a total of 35 wells were drilled and 38 put on production. The following table provides an activity status within the Sugarkane Field as at the end of the quarter.

	Sugarloaf	Longhorn	Ipanema	Excelsior	Total
Farmout Wells					
Producing	0	3	1	0	4.0
Post Farmout Wells					
Producing	28	58.5	3.5	34	124.0
Wells on Test	0	0	0	1	1.0
Stimulation Underway	4	2	0	1	7.0
Awaiting Stimulation	6	1	0	5	12.0
Drilling	3	6	0	4	13.0
Total	41	70.5	4.5	45	161.0

In addition, a variety of well intervention operations were undertaken on a number of wells in which Aurora has an interest. Operations carried out included tubing change outs and repairs as well as gas lift and pump installations.

Below is a summary of new well activities carried out within each AMI during the quarter. Where wells straddle AMI boundaries a blended working interest is generated and this figure is shown in the table below.

Well	Working Interest	Activities carried out during the 2nd Quarter			
		Spudded	Cased	Fracced	Producing
Medina Jonas B1H	31.86%				√
Medina Jonas C1H	31.86%				√
Egbert 1H	31.86%				√
Medina Trial 1H	31.86%				√
Hartman 1H	31.86%				√
Ted Butler 1H	31.86%				√
Kimble Gilley 1H	15.78%				√
Zaekse Eckols 1H	31.86%			√	√
Medina Hoffman 1H	30.32%			√	√
Jauer Peck 1H	31.86%			√	√
Mohr Hons 1H	31.86%			√	√

Well	Working Interest	Activities carried out during the 2nd Quarter			
		Spudded	Cased	Fracced	Producing
Jauer 1H	31.86%			√	√
Hedkte Anzaluda 1H	31.86%			√	√
Hedkte Henke 1H	31.86%			√	√
Mohr Moczygemba 1H	31.86%			√	√
Forister Janysek 1H	31.86%			√	√
Brysch Jonas B 1H	31.67%			√	√
Brysch Adams 1H	15.78%			√	√
Adams Tipton 1H	15.78%			√	√
R. May A 1H	9.14%			√	√
Giese Henke 1H	7.03%			√	√
Hierholzer Henke 1H	8.55%			√	√
Brysch Jonas C 1H	26.31%		√	√	√
Miller Ridout 1H	21.91%		√	√	√
Witte Mikkelson 1H	21.91%		√	√	√
Carter Holm 1H	30.73%		√	√	√
Tipton Jonas 1H	23.90%		√	√	√
Children Weston 1H	16.02%	√	Well abandoned after drilling difficulties		
Children Weston 2H	16.02%		√	√	√
Brown Dupnik A1H	17.32%		√	√	√
Olsen Esse 1H	15.78%		√	√	√
Olsen Esse 2H	15.78%		√	√	√
Gesbach Pawelek 1H	9.14%		√	√	√
Henke Wilhelm B 1H	9.14%		√	√	√
Franke Johnson 3H	29.85%	√	√	√	
Imperial 1H+	16.87%	√	√	√	
St Germaine Imperial 1H+	16.45%	√	√	√	
Imperial 2H+	16.87%	√	√	√	
St Germaine Imperial 2H+	16.44%	√	√	√	
Forshage Howell 1H+	15.87%	√	√	√	
Forshage Howell 2H+	15.87%	√	√	√	
Richard Butler A2H+	31.86%	√	√	√	
Richard Butler A1H+	31.86%	√	√	√	
Richard Butler A4H+	31.86%	√	√	√	
Franke Johnson 2H	29.85%	√	√	√	√
Spahn Mikkelson 1H	21.91%	√	√	√	√
Tina Butler 1H	31.86%	√	√	√	√
May Ryan C1H	31.86%	√	√	√	√
R. May A2H	9.14%	√	√	√	√
May Chapman 1H	5.77%	√	√	√	√
Forshage Howell 3H+	15.87%	√	√		
Davila 2H	16.27%	√	√		
Davila 1H	16.27%	√	√		
Davila Graham 1H	16.27%	√	√		

Well	Working Interest	Activities carried out during the 2nd Quarter			
		Spudded	Cased	Fracced	Producing
R. May A3H	9.14%	√	√		
Retzloff Chapman 1H	9.14%	√	√		
Foushee 1H	9.14%	√	√		
May Chapman 2H	5.77%	√	√		
Retzloff Chapman 2H	9.14%	√	√		
R. May A5H	9.14%	√	√		
Foushee Henke 1H	9.14%	√	√		
Retzloff Chapman 3H	9.14%	√	√		
Rippstein Mikkelson 4H	31.86%	√	√		
Mikkelson Witte 2H	31.86%	√	√		
Kempe Lebauch 1H	31.86%	√	√		
Spahn Mikkelson 2H	31.86%	√	√		
Wright-Keathley 1H	6.14%	√	√		
Luna 2H	15.78%	√			
Witte Mikkelson 2H	31.86%	√			
Richard Butler A3H+	31.86%	√			
Culberson Patteson 1H	14.46%	√			
Turnbull 3 7H	31.86%	√			
Schroeder Chapman 3H	4.52%	√			

+ Pad Drilling/Spacing Pilot Program

Forward Drilling Schedule

In late 2011 Aurora advised its provisional 2012 drilling schedule consisting of 158 new wells (35 net wells). This provisional schedule is fixed with a greater degree of certainty for each forthcoming quarter although actual outcomes will always be dependent upon a number of operational variables. 2012 has seen a period of rapid operational growth and the Operator has demonstrated its considerable commitment and capability to bring additional rigs and frac crews into the area. With the addition of the recent Sugarloaf and Eureka acquisitions Aurora now estimates it will drill 41 net wells during 2012.

In Q2 2012 Aurora participated in spudding 35 new wells and the present schedule anticipates 48 gross (12.2 net) wells will be spudded during Q3 2012. This estimate includes the additional working interests associated with the recent Sugarloaf and Eureka acquisitions.

The Q3 drilling schedule includes finalising the last of the wells contributing to the initial spacing pilot program. In phase 1 of this program, 11 horizontal wells will be drilled to investigate closer positioning of horizontal wellbores. These wells will target a separation of 500 ft in the gas condensate window and 350 ft in the volatile oil window. A 12th horizontal well will be drilled in the Excelsior AML which will have 4 vertical observation wells drilled adjacent to it. The vertical wells will be used for micro seismic and pressure decline monitoring. A significant amount of logging and production surveillance will be carried out on the pilot wells and it is anticipated that the 2013 development drilling program will be influenced by the results. At the time of writing, significant progress has been made on phase 1 of the pilot programme under which 11 wells have been drilled, 6 have commenced well test, 2 are awaiting well test, 1 is currently being fracture stimulated and 2 are cased and awaiting fracture stimulation.

Production

During the reporting period a total of 38 new gross (9.3 net) wells were brought on production. For the majority of the period there were between 2 and 4 stimulation crews active on the Marathon operated acreage. At the time of writing this report 7 additional new gross wells have commenced production or well test during July 2012.

Well	BOE (bbls)	
	Gross	Net
April	203,560	149,575
May	279,401	205,297
June	278,176	204,563
Total	761,137	559,435
Daily Rate	8,364	6,148

In the June quarter Aurora produced a total of 835 mmscf of rich gas, 527,030 bbls of light/medium oil and 42,440 bbls of condensate before royalties and before stripping out of NGL's. After these adjustments the Company's net production, post royalties, during the quarter is estimated as:

Gas:	467 mmscf
Oil:	387,203 bbls
Condensate:	31,456 bbls
NGLs:	62,978 bbls

This equates to a quarterly average production rate of approximately 8,364 gross boe/d and 6,148 boe/d after royalties and including NGL's.

During the reporting quarter the following wells reached the production milestones of either 30 or 60 days production.

Well	Days	Working Interest	Total Gas Production (mscf)	Total Oil & Condensate Production (bbls)	Average Daily Equivalent Oil Rate (boe/d)*
Sugarloaf AMI					
Pfiever Bell 1H	30	10.75%	16,287	14,550	575
Kimble Gilley 1H	30	15.78%	9,538	20,784	746
Adams Tipton 1H	30	15.78%	19,856	18,577	730
Brysch Adams 1H	30	15.78%	24,442	20,079	805
Children Weston 2H	30	16.02%	78,237	21,197	1,165
Olson Esse 1H	30	15.78%	104,285	8,383	859
Olson Esse 2H	30	15.78%	92,815	10,356	861
Pfiever Bell 1H	60	10.75%	28,280	26,428	466
Kimble Gilley 1H	60	15.78%	36,511	35,695	647
Adams Tipton 1H	60	15.78%	36,549	30,890	503
Brysch Adams 1H	60	15.78%	43,817	35,167	611
Longhorn AMI					
Hedtke Anzaldua 1H	30	31.86%	13,149	18,674	696
Medina Jonas C1H	30	31.86%	17,086	19,903	758
Medina Hoffman 1H	30	30.32%	14,080	19,076	714
Medina Jonas B1H	30	31.86%	9,206	10,882	414
Medina Trial 1H	30	31.86%	12,414	20,113	739
Jauer 1H	30	31.86%	6,613	19,950	702
Zaeske Eckols 1H	30	31.86%	27,554	16,589	706
Forister Janysek 1H	30	31.86%	13,449	14,191	548
Miller Ridout 1H	30	21.91%	39,262	27,549	1,136
Jauer Peck 1H	30	31.86%	2,267	23,046	781
Witte Mikkelson 1H	30	21.91%	34,433	22,637	946
Egbert 1H	30	31.86%	26,360	25,072	982
Hartman 1H	30	31.86%	21,041	29,214	1,091
Ted Butler 1H	30	31.86%	16,612	18,440	720

Well	Days	Working Interest	Total Gas Production (mscf)	Total Oil & Condensate Production (bbls)	Average Daily Equivalent Oil Rate (boe/d)*
Longhorn AMI (continued)					
Brown Dupnik A1H	30	17.32%	20,797	17,103	686
Tipton Jonas 1H	30	23.90%	16,474	15,102	595
Carter Holm 1H	30	30.73%	20,986	17,570	702
Mohr Hons 1H	30	31.86%	17,892	17,280	675
Mohr Moczygemba 1H	30	31.86%	15,175	13,574	537
Brysch Jonas B1H	30	31.67%	12,160	23,590	854
Brysch Jonas C1H	30	26.31%	16,186	11,683	479
Spahn Mikkelson 1H	30	21.91%	20,207	14,186	585
Tina Butler 1H	30	31.86%	17,564	17,773	690
Hedtke Anzaldua 1H	60	31.86%	36,228	50,749	502
Medina Jonas C1H	60	31.86%	30,866	35,273	589
Medina Hoffman 1H	60	30.32%	30,227	34,505	604
Medina Jonas B1H	60	31.86%	18,761	20,762	382
Medina Trial 1H	60	31.86%	32,858	34,687	599
Jauer 1H	60	31.86%	21,905	35,411	600
Zaeske Eckols 1H	60	31.86%	49,779	27,929	501
Forister Janysek 1H	60	31.86%	24,808	23,058	359
Miller Ridout 1H	60	21.91%	76,920	46,018	825
Jauer Peck 1H	60	31.86%	16,974	35,599	500
Witte Mikkelson 1H	60	21.91%	61,356	40,203	735
Egbert 1H	60	31.86%	47,930	42,188	690
Hartman 1H	60	31.86%	39,167	50,482	950
Ted Butler 1H	60	31.86%	29,208	32,436	523
Hedtke Henke 1H	60	31.86%	28,072	30,594	501
Rippstein Rafter 1H	60	31.86%	16,208	29,025	438
Rippstein Goddhardt 1H	60	31.86%	23,026	34,158	559
May Ryan B 1H	60	31.86%	15,168	23,406	401
Egbert Miller 1H	60	20.84%	54,971	37,775	688
May Ryan A 1H	60	31.86%	16,266	20,339	304
Vajdos Foegelle 1H	60	31.86%	34,656	33,626	614
Medina Jonas 1H	60	31.86%	24,346	36,440	551
Mikkleson Witte 1H	60	31.86%	100,110	51,895	1,070
Smith Mellick 1H	60	31.86%	24,774	29,212	450
Martinez Henke 1H	60	31.86%	22,490	35,073	492
Forister A 1H	60	31.86%	20,711	26,401	461
Forister B 1H	60	31.86%	19,401	31,444	458
Beam Meyer 1H	60	31.86%	18,022	22,444	362
Holland Opeilia 1H	60	30.17%	22,614	29,359	478
Salge Kinkler 1H	60	31.86%	28,470	39,725	647
Sprencl Peck 1H	60	31.86%	23,751	30,646	439
Salge Busselman 1H	60	31.86%	30,403	42,289	663

Well	Days	Working Interest	Total Gas Production (mscf)	Total Oil & Condensate Production (bbls)	Average Daily Equivalent Oil Rate (boe/d)*
Excelsior AMI					
Giese 1H	30	9.14%	9,547	10,444	401
Day Lyssy 1H	30	9.14%	11,239	8,581	348
Henke Wilhelm A1H	30	9.14%	10,594	13,616	513
Gersbach Pawelek 1H	30	9.14%	6,576	9,320	347
Giese Henke 1H	30	7.03%	12,449	10,288	412
Hierholzer Henke 1H	30	8.55%	13,749	10,610	430
Henke Wilhelm B1H	30	9.14%	11,145	9,020	363
Giese 1H	60	9.14%	15,179	17,392	263
Day Lyssy 1H	60	9.14%	16,208	13,489	191
Henke Wilhelm A1H	60	9.14%	20,221	24,790	426
Gersbach Pawelek 1H	60	9.14%	13,192	15,459	241
Deatley Hollub 1H	60	9.14%	15,430	19,727	283
Deatley Griffen 1H	60	9.14%	17,237	17,547	282
Stewart Finlay 1H	60	9.14%	11,539	18,516	270

*The equivalent barrels per day production rate has been calculated on a simple 6:1 ratio in compliance with Canadian securities laws under National Instrument 51 - 101.

Note the cumulative production volumes quoted in this table are the actual volumes of oil and rich gas, as recorded at the time, produced during the 1st 30 or 60 day period from the well being brought on line. The production rate is the average achieved during the periods when the well was flowing during the 30 or 60 day period, the figure is calculated from the rich gas and liquids produced at the wellhead and does not account for subsequent treatment, i.e. NGL yield is not considered in these figures.

Sugarloaf Acquisition Reserves Report

Aurora has had a reserves report estimate prepared on the 6% WI Sugarloaf interests acquired on 29 June. The report has been generated by Ryder Scott, with an effective date of 31 December 2011 using the same forecast prices and costs as used in the Aurora year end reserves report. The first table below shows the gross reserve estimates, *i.e.* before royalty deductions, and the second shows the net reserve estimates, *i.e.* post royalty deductions. The report was prepared in accordance with the Canadian National Instrument 51 – 101 Standards of Disclosure for Oil and Gas Activities. The reserve figures generated for the report were as follows:-

Reserves Category	Light and Medium Oil (Mbbbls)		NGLs and Condensate (Mbbbls)		Natural Gas (MMscf)		BOE (Mbbbls)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved Developed Producing	96	72	250	187	802	599	480	359
Proved Undeveloped	866	643	4,403	3,269	13,261	9,852	7,479	5,554
Total Proved (1P)	962	715	4,652	3,456	14,063	10,451	7,958	5,913
Probable	153	113	629	468	1,946	1,446	1,106	822
Proved + Probable (2P)	1,116	828	5,281	3,924	16,009	11,897	9,065	6,735
Possible	0	0	2,667	1,973	16,717	12,371	5,453	4,035
Proved + Probable + Possible (3P)²	1,116	828	7,948	5,897	32,726	24,268	14,518	10,770

By way of comparison, the reserves attributable to Aurora's interest in the Sugarkane Field without including the additional Sugarloaf Acquisition working interests and effective 31 December 2011, as previously announced on 20 March 2012, are provided in the following tables.

Reserves Category	Light and Medium Oil (Mbbbls)		NGLs and Condensate (Mbbbls)		Natural Gas (MMscf)		BOE (Mbbbls)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved Developed Producing	2,126	1,531	1,516	1,102	6,325	4,586	4,697	3,397
Proved Developed Not Producing	700	516	106	78	908	670	957	706
Proved Undeveloped	27,525	20,209	29,027	21,261	109,064	79,982	74,730	54,801
Total Proved (1P)	30,352	22,256	30,649	22,441	116,296	85,238	80,383	58,903
Probable	4,561	3,345	4,329	3,169	16,861	12,359	11,700	8,575
Proved + Probable (2P)	34,913	25,601	34,977	25,610	133,157	97,597	92,083	67,478
Possible	0	0	15,676	11,550	98,264	72,391	32,053	23,614
Proved + Probable + Possible (3P)²	34,913	25,601	50,654	37,160	231,421	169,988	124,137	91,092

Equity Placement

In May 2012, Aurora undertook a A\$120 million underwritten equity placement of 33.8 million shares at AUD\$3.55 and CAD\$3.55 to institutional and sophisticated investors based in Canada and Australia. In addition, a further 1.137 million shares were placed to certain Directors in June at the same price raising an additional AUD\$4 million, following shareholder approval of such placement.



ASX Cash Flow report – “Appendix 5B”

Attached is the required ASX quarterly cash flow report for the quarter ended 30 June, 2012. Appendix 5B to the Australian Stock Exchange Listing Rules reports the actual cash receipts and cash expenditures that occurred during the quarter. Aurora is required to file this prescribed report within one month of the end of each quarter. Aurora estimates that its quarterly financial results and MD & A prepared in accordance with the Canadian securities legislation requirements will be filed on 9 August 2012.

Cash on hand at 30 June 2012 totalled \$112 million. Cash receipts during the quarter from oil & gas sales totalled \$41 million with total revenue from oil and gas for the quarter of \$58 million.

Regional Eagle Ford Shale activity

The Eagle Ford shale is accepted as the one of the premier shale plays in the USA. High liquids content, strong well performance (particularly in the core of the trend) and significant regional infrastructure drive attractive economics.

As a result activity levels continue to increase with in excess of 250 rigs now reportedly operating on the trend. Companies participating in the Eagle Ford continue to announce a range of results that conform to a broadly economic trend but with superior economics through Live Oak, Karnes and DeWitt counties. Significant levels of corporate activity also continue with resultant consolidation.

There are also a number of major new infrastructure projects that are underway or have been announced. These include oil and gas pipelines, refinery upgrades and service companies opening local operations bases.

About Aurora

Aurora is an Australian and Toronto listed oil and gas company active exclusively in the over pressured liquids rich region of the Eagle Ford Shale in Texas, United States. The Company is engaged in the development and production of oil, condensate and natural gas in Karnes, Live Oak and Atascosa counties in South Texas. Aurora participates in approximately 77,000 highly contiguous gross acres in the heart of the trend, including over 17,700 net acres within the liquids rich zones of the Eagle Ford.

Technical information contained in this report in relation to the 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 19 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.

Cautionary and Forward Looking Statements

The Company may present petroleum and natural gas production and reserve volumes in barrel of oil equivalent ("boe") amounts. For purposes of computing such units, a conversion rate of 6,000 cubic feet of natural gas to one barrel of oil equivalent (6:1) is used. The conversion ratio of 6:1 is based on an energy equivalency conversion method which is primarily applicable at the burner tip and does not represent value equivalence at the wellhead. Readers are cautioned that boe figures may be misleading, particularly if used in isolation.

Numbers in the tables above may not add due to rounding.

Statements in this press release which reflect management's expectations relating to, among other things, target dates, Aurora's expected drilling program and the ability to fund development are forward-looking statements, and can generally be identified by words such as "will", "expects", "intends", "believes", "estimates", "anticipates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that some or all of the reserves described can be profitably produced in the future. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include risks related to: exploration, development and production; oil and gas prices, markets and marketing; acquisitions and dispositions; competition; additional funding requirements; reserve estimates being inherently uncertain; incorrect assessments of the value of acquisitions and exploration and development programs; environmental concerns; availability of, and access to, drilling equipment; reliance on key personnel; title to assets; expiration of licences and leases; credit risk; hedging activities; litigation; government policy and legislative changes; unforeseen expenses; negative operating cash flow; contractual risk; and management of growth. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this document. Such assumptions include, but are not limited to, general economic, market and business conditions and corporate strategy. Accordingly, investors are cautioned not to place undue reliance on such statements.

All of the forward-looking information in this press release is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Aurora disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

AURORA OIL & GAS LTD

ABN

90 008 787 988

Quarter ended ("current quarter")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (6 Months) \$US'000
1.1 Receipts from product sales and related debtors	41,088	60,144
1.2 Payments for (a) exploration & evaluation	-	-
(b) development	-	-
(c) production:		
- well and infrastructure costs	(63,675)	(90,879)
- operating costs	(6,020)	(8,920)
- royalties	(10,735)	(15,166)
(d) administration	(4,256)	(7,759)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	152	193
1.5 Interest and other costs of finance paid	-	(121)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material):		
(a) hedge settlement –gain/(loss)	(312)	(312)
(b) realised foreign exchange gain	1,167	1,167
Net Operating Cash Flows	(42,591)	(61,653)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(76,324)	(76,735)
(c) other fixed assets	(257)	(751)
(d) leasehold, well and infrastructure assets	(96,146)	(96,146)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	63
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(172,727)	(173,569)
1.13 Total operating and investing cash flows (carried forward)	(215,318)	(235,222)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(215,318)	(235,222)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	120,138	120,138
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	197,104
1.17	Repayment of borrowings	-	(30,000)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	Issue Costs	(4,991)	(5,047)
	Borrowing Costs	(411)	(7,430)
	Net financing cash flows	114,736	274,765
	Net (decrease) / increase in cash held	(100,582)	39,543
1.20	Cash at beginning of quarter/year to date	210,369	70,246
1.21	Exchange rate adjustments to item 1.20	1,771	1,769
1.22	Cash at end of quarter	111,558	111,558

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(383)
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Director salaries and fees. All payments are on normal contractual terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$US'000	Amount used \$US'000
3.1	Loan facilities		
	a) Senior unsecured notes	200,000	200,000
3.2	Credit standby arrangements		
	b) Senior secured revolving credit facility	85,000	-
<p>a) On February 8, 2012 Aurora USA Oil and Gas Inc. ("Aurora USA"), a wholly owned subsidiary of the Company, issued an aggregate principal amount of US\$200,000,000 of senior unsecured notes, at a coupon of 9.875% due February 2017 at an issue price of 98.552% of their face value, resulting in net proceeds of approximately \$192 million after deduction of the original discount and commissions.</p> <p>b) In 2011, Aurora USA, entered into a credit facility with a syndicate of banks for a US\$300 million senior secured revolving credit facility, with an initial \$85 million borrowing base available. Funds are available on a revolving basis at a margin of between 2 and 4 per cent over the floating LIBOR rate.. The Facility ("Facility") contains negative and affirmative covenants and matures on November 7, 2016. The funding under the Facility will be provided over the next five years with availability determined relative to a borrowing base calculated by reference to proved reserves. The Facility is designed for the borrowing base to increase with Aurora's increased reserves, subject to and in accordance with the terms of the credit agreement.</p>			

Estimated cash outflows for next quarter

		\$US'000
4.1	Exploration and evaluation	-
4.2	Development	-
4.3	Production	70,000
4.4	Administration	3,500
Total		73,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$US'000	Previous quarter \$US'000
5.1	Cash on hand and at bank	111,422	210,233
5.2	Deposits at call	136	137
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		111,558	210,369

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	n/a		
6.2	Interests in mining tenements acquired or increased	Sugarloaf AMI Working interest	15.80%	21.80%*

* As at 30 June 2012 Aurora Oil and Gas Limited held 75.03% investment interest in ASX listed Eureka Energy Limited (“Eureka”) as a result of an on-market takeover (the “Eureka Acquisition”). Under the Eureka Offer, Aurora acquired 98.3% of the outstanding ordinary shares of Eureka as at July 6, 2012 and has commenced compulsory acquisition procedures under Australian corporate legislation to acquire the remaining 1.7% before the end of third quarter 2012. Upon acquisition of 100% of Eureka, Aurora’s WI in Sugarloaf AMI will increase to 28.05%.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents) AUS=Australian Dollar C\$ = Canadian Dollar	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	-	-	-
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	+Ordinary securities	446,595,778	Various	Fully Paid
7.4	Changes during quarter			
	(a) Increases through issues			
	Placement	16,940,435	AU\$3.55	Fully Paid
	Placement	18,000,000	C\$3.55	Fully Paid
	Option exercise			
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	+Convertible debt securities <i>(description)</i>	-	-	-
7.6	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through securities matured, converted	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	Options	2,250,000	-	A\$1.60 – A\$2.10	9 Nov 2015
	Options	1,500,000	-	A\$3.28 – A\$5.58	30 May 2016
	Options	300,000	-	A\$3.76	30 Sep 2015
	Options	350,000	-	A\$4.10	30 Sep 2016
	Options	350,000	-	A\$4.45	30 Sep 2017
	Options	250,000	-	A\$3.00	30 Apr 2015
	Options	250,000	-	A\$3.50	30 Apr 2016
	Options	250,000	-	A\$4.00	30 Apr 2017
7.8	Issued during quarter				
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Performance Rights	2,538,574		Nil	Various
7.12	Performance rights plan	-	-	-	
	Change during quarter				
	(a) Increase through issue	348,574		Nil	01 Jan 2015
	(b) Exercised during the quarter	-	-	-	-
	(c) Lapsed during the quarter	-	-	-	-
7.13	Special Warrants	-	-	-	-
7.14	Changes during the quarter				
	(a) Increase through special warrants issue	-	-	-	-
	(b) Decrease through securities matured, converted	-	-	-	-
7.12	Debentures <i>(totals only)</i>	-	-	-	-
7.13	Unsecured notes <i>(totals only)</i>	200,000,000	-	US\$0.98552	February 2017

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.



Sign here: _____
(~~Director~~/Company secretary)

Date: 24 July 2012

Print name: Julie Foster

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.