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Centralised Company Announcements Platform
Australian Stock Exchange
10th floor, 20 Bond Street
Sydney NSW 2000

PLACEMENT TO RAISE \$3.015 MILLION

Highlights

- ❖ **\$3.015 million placement to sophisticated investors**
- ❖ **Funds to be applied to Canning Basin and USA drilling and exploration activities**

Emerald Oil & Gas NL ("Emerald") is pleased to announce that it has agreed to a placement to raise up to \$3.015 million to provide additional funds for upcoming drilling activities in the USA and Canning Basin, WA.

Details of the placement

Under the placement the Company has agreed to the issue of up to 16.75 million shares at \$0.18 each with a free attaching 1 for 2 listed option, to clients of Capital Investment Partners Pty Ltd.

The placement will be completed in two tranches:

- placement of 4,000,000 shares at \$0.18 and 2,000,000 options to raise \$720,000 (within the 15% share issue capacity) - expected to take place on or about 21 May 2007.
- placement of 12,750,000 shares at \$0.18 and 6,375,000 options to raise \$2,295,000 - subject to shareholder approval.

A notice of extraordinary general meeting will be dispatched as soon as the requisite regulatory approvals have been obtained. The meeting is expected to take place in late June 2007. A prospectus will also be issued within the next week.

Use of proceeds

The funds will enable Emerald to progress its active upcoming exploration programs in USA and Australia, as follows:

Project	Location	Timing
Greenbush – Egeberg #1 well (oil)	Nth Dakota, USA	Drilling now
Hope – first well	Texas, USA	June
EP104 – Valentine well	Canning Basin, WA	July
R1 – Stokes Bay well	Canning Basin, WA	July
NW Alice – seismic acquisition, further drilling	Texas, USA	June / July

The company is currently reviewing a number of additional high quality exploration projects in the USA for possible participation.

The Board and management of Emerald welcome the introduction of institutional investors to Emerald which is a strong endorsement of the Company's US and Australian exploration and development strategy.

About Emerald Oil & Gas NL

Emerald Oil & Gas NL (ASX: EMR; EMRO) was listed on the ASX in June 2006, raising \$4 million. Emerald is an oil and gas exploration and production company with project interests in North Dakota and Texas in the USA and in the Canning Basin of Western Australia. Emerald's focus is on conventional reservoir targets for oil and gas prospects and its primary objective is to achieve near term production and cashflow to build shareholder value and provide funds to fuel further growth. Emerald's strategy is to take modest but meaningful positions in low risk exploration projects that can be swiftly brought into production.

For more information please contact:

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Information in this announcement pertaining to exploration potential was compiled by Robert Berven, Emerald Oil & Gas NL's Technical Director who is a Member of the Australasian Institute of Mining and Metallurgy and the American Association of Petroleum Geologists CPG # 2498.

Statements regarding Emerald's plans with respect to its petroleum properties are forward-looking statements. There can be no assurance that Emerald's plans for development of its petroleum properties will proceed as currently expected. There can be no assurance that Emerald will be able to confirm the presence of additional petroleum deposits, that any discovery will prove to be economic or that an oil or gas field will successfully be developed on any of Emerald's petroleum properties.