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PANDURA PROJECT DRILLING CONTRACT SIGNED

Emerald Oil & Gas NL ("Emerald") is hereby announces that the operator of the Pandura Prospect, Daytona Energy Corporation (TSX Venture: DTE) has signed a drilling contract with Pioneer Drilling Co (PDC-Amex) to drill the Kathleen Marie #2 well in Webb County, Texas. This well will be drilled to 8,500 feet to test prospective Wilcox age sands and is expected to spud in late August 2007.

Emerald is pleased that drilling at the Pandura project, located in Webb County USA, will soon be under way, with a reputable drilling contractor. Pioneer Drilling will drill the well through open-hole logging on turnkey contract basis. This approach reduces the mechanical drilling risk to the partners in the well, and at the same time, is significantly less expensive than our estimated costs to drill on day rate basis at the beginning of 2007.

Emerald will have earn a 15% working interest in the well by paying 21.18% of the dry hole cost and 15.75% of the completion costs of the first well on the project.

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About the Pandura Project

The Pandura prospect is located in the centre of the Lobo Gas Trend in Webb County, Texas, near the US / Mexican border. It lies within the Maria H. Llanos gas field. The Kathleen Marie #2 well is a “step-out development well” rather than an exploratory well. The main target of this test is the “6400 sand” which is probably stratigraphically equivalent to what is usually termed the “Lobo 1 Sand”. Secondary targets include Lobo 3 and Lobo 6 sand packages as well as the underlying Navarro Sand.

The Maria H. Llanos gas field, discovered in 1976, lies adjacent to the Rio Grande River and extends across the river into Mexico. It lies adjacent to the Laredo field which has produced 740BCF of gas and 4MMB condensate since its discovery in 1976. On the Mexican side, Pemex is still developing their Pandura, Corindon, and Oasis gas fields which produce from both the Lobo and deeper Navarro sands. These fields were discovered in 1972 and were the precursor to Lobo discoveries on the US side in 1973. Production from the adjacent Mexican fields is reported to be over 300BCF with individual well flow rates ranging from <1 to over 10 MMCF gas per day.

The Company’s independent expert, Marv Ginzel gave the Kathleen Marie #2 well a greater than 80% probability of success in the Company’s March 2006 prospectus. The Lobo Gas Trend itself is a proven play that has been developed continually from its discovery on the Mexican side of the border in 1970 and its first discovery on the US side in l973. A first successful well will lead to further development of the gas accumulation and could entail as many as seven additional wells based on the current accepted spacing. Total reserves for the primary 6400 Sand could exceed 13 BCF of gas. Should secondary targets be present, reserves could exceed 20 BCF of gas.

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.

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.