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27 August 2007

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

PANDURA PROSPECT SPUDS FIRST WELL

Emerald Oil & Gas NL ("Emerald") is pleased to announce the spudding of the Kathleen Marie # 2 well at the Pandura prospect in Texas, USA.

PANDURA PROSPECT
WEBB COUNTY, TEXAS

(Emerald earning 15% Working interest, Operator: Daytona Energy Corporation.)

Progress report on the Kathleen Marie #2 well as at 6.00 am 26 August 2007 (Texas time).

Current Depth: 400 feet. Well spudded 9.00 pm on 25 August 2007.

Operation: Drilling 12 1/4 inch hole to 1,000 feet where 9 5/8 inch casing will be set.

The primary target Lobo 6400 sand is anticipated at 6,400 feet. Secondary target Lobo and Navarro sands at varying depths. Proposed total depth is 8,500 feet.

Emerald Interest: Emerald will have 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.

About Pandura Prospect: 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. **Total potential resources are estimated at 20 BCF of gas.**

For more information please contact:

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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.