



EMPIRE OIL & GAS NL

ACN 55 063 613 730

SUITES 7 & 8

154 HAMPDEN ROAD

NEDLANDS 6009 WESTERN AUSTRALIA

TELEPHONE 61 8 6389 2687

FACSIMILE 61 8 9386 6812

EMAIL info@empireoil.com.au

WEBSITE www.empireoil.com.au

30 August 2007

ASX Limited
Company Announcements Office
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

**RE: EP 104/R1 CANNING BASIN, WESTERN AUSTRALIA – UPDATE ON THE
VALENTINE-1 WELL**

Please find attached a release on the progress of the Empire Oil & Gas N.L. Canning Basin exploration programme with the drilling of the Valentine-1 exploration well.

Regards

J L CRAIG MARSHALL
Managing Director

VALENTINE-1 DRILLING REPORT CANNING BASIN, WESTERN AUSTRALIA

Date:	30 August 2007	
Permit:	R1	
Well Location:	Lat : 17° 08' 23.46"S Long : 123° 42' 32.40"E	
Directional offset to target:	0 metres	
Elevation:	Ground Level is 12.4mAMSL Rotary Table is 18.1mAMSL	
Prognosed Depths (measured KB):	Top primary objective	Total depth
	3,222 metres	3,407 metres
Prognosed drilling time:	25 days	
Spud Date:	1230 hrs, WST 12 August 2007	
Present Depth:	2,340mMD	
Time of Reporting:	0600 hrs, WST 30 August 2007	
Operations Since Last Report:	Drilled 8 ½" hole from 1,566 to 2,340mMD	
Current Operations:	Drilling ahead in 8 1/2" hole at 2,340mMD	
Hydrocarbon indications:	Elevated gas levels above background gas levels were detected over a 2 to 3 metre interval at approximately 2,250mMD whilst drilling interbedded Claystone and dense well cemented sandstones of the marine member of the Anderson Formation. The significance of these gas readings will be determined once the well has reached total depth and wireline logging has been completed	
Participants in the well (post earning):	Empire Oil and Gas NL - 14.8% ARC Energy Limited - 38.95% (Operator) Emerald Oil & Gas NL - 12.75% Pancontinental Oil & Gas NL - 10.0% Phoenix Resources PLC - 10.0% First Australian Resources Limited - 8.0% Indigo Oil Pty Ltd - 5.5%	
Comment:	N/A	

Canning Basin Valentine - 1

Spud Date: 12:30hrs 12th August 2007

General Well Data

DATE: 30/08/2007

Planned TD: 3407.5mMD / 3300m TVSS

Drill Floor Elevation: 18.1m amsl

Summary @06:00hrs WST

Drilling 8 1/2" hole at 2340m.

