



Level 2, 16 Altona Street

West Perth WA 6005

Ph: 08 9482 0500

Fax: 08 9482 0505

Email: info@emeraldoilandgas.com
www.emeraldoilandgas.com

30 August 2007

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

VALENTINE 1 EXPLORATION WELL UPDATE

Please find attached a release on the progress of the Canning Basin exploration programme with the drilling of the Valentine-1 exploration well.

For more information please contact:

Emerald Oil & Gas NL

Tel: +618 9482 0510

www.emeraldoilandgas.com

info@emeraldoilandgas.com

JOHN HANNAFORD

Executive Director – Finance

jhannaford@emeraldoilandgas.com

BOB BERVEN

Executive Director – Technical

bberven@emeraldoilandgas.com

**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):	ARC Energy Limited - 38.95% (Operator) Empire Oil and Gas NL - 14.8% 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

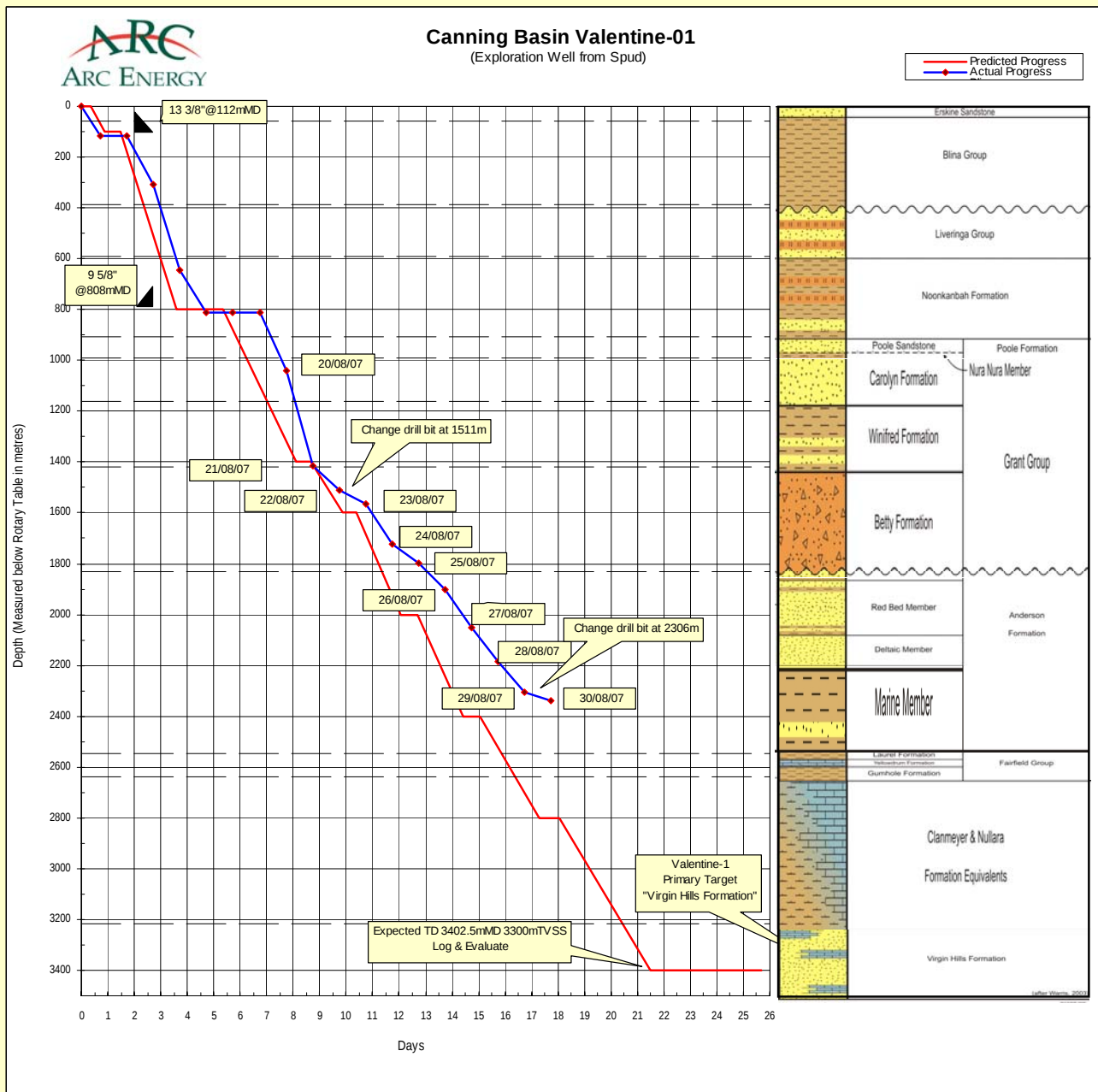
DATE: 30/08/2007

Planned TD: 3407.5mMD / 3300m TVSS

Drill Floor Elevation: 18.1m amsl

Summary @06:00hrs WST

Drilling 8 1/2" hole at 2340m.



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.