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

VALENTINE 1 UPDATE; STOKES BAY 1 EXPLORATION WELL SPUDS

Please find attached an update on the Valentine-1 and Stokes Bay-1 exploration wells.

The Stokes Bay 1 well is planned as a test of the extent and reservoir development of the gas accumulation intersected by the Point Torment-1 well and will be drilled as a deviated well with a total depth of approximately 2,500 metres. Point Torment 1 was drilled in 1992 and subsequently flowed gas at a rate of up to 4.3 million cubic feet of gas per day from the Carboniferous aged Anderson Formation sandstones. Subsequent tests of these sands produced ambiguous information on potential volumes and reservoir quality and the Stokes Bay 1 well is designed to provide a definitive test of the reservoir quality and extent of the accumulation.

The Valentine 1 well intersected very strong gas shows and indications of porosity in the Anderson and Laurel Formations downdip from the target interval in the Stokes Bay 1 well. This is a very positive indication for Stokes Bay -1 which is targeted to intersect these objectives some 100 meters updip from the Valentine 1 intersection.

For more information please contact:

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STOKES BAY-1 DRILLING REPORT
CANNING BASIN, WESTERN AUSTRALIA

Date:	4th October 2007
Permit:	R1
Well Location:	Lat : 17° 08' 23.46"S Long : 123° 42' 32.40"E
Directional offset to target:	1024 metres
Elevation:	Ground Level is 12.4mAMSL Rotary Table is 18.1mAMSL
Proposed Total Depth (measured KB):	2505 metres
Prognosed drilling time:	15 days
Spud Date:	0930 hrs, WST 3 October 2007
Present Depth at 0600 hrs:	1226 mMD
Time of Reporting:	0600 hrs, WST 4th October 2007
Operations Since Last Report:	Electric wireline logging operations on Valentine-1 was completed at 23:30 hrs on 28th September. Cement plugs were set to abandon the Valentine-1 borehole and enable a sidetrack of the well to the Stokes Bay-01 target location. The rig was released from Valentine-1 at 18:00 hrs on 30th September. A kick off cement plug was then set with top at 906mMD at the base of the Noonkanbah Formation. Valentine-1 was sidetracked as Stokes Bay-1 at 0930 hrs on 3 October from 975mMD.
Current Operations:	Drilling ahead in 8 ½" hole at 1226mMD
Hydrocarbon indications:	None
Comment:	
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%

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.