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

**EP 104/R1 CANNING BASIN,
TESTING THE STOKES BAY-1 WELL**

Please find attached the initial results of the testing of the Nullara Formation from the Stokes Bay-1 well.

It appears that the fluids currently being recovered are part of the 12,000 barrels of drilling fluids lost into the Nullara formation during the drilling operations.

The Company will advise when formation fluids have been identified flowing from the well over the next few days.

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STOKES BAY-1 DRILLING REPORT CANNING BASIN, WESTERN AUSTRALIA

Date:	5 November 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	
Spud Date:	0930 hrs, WST 3 rd October 2007	
Present Depth at 0600 hrs:	2777m MD	
Time of Reporting:	0600 hrs, WST 5 November 2007	
Operations Since Last Report:	<p>Since the last report on 1 November, production tubing has been run in the well and a production flow test commenced at 17:00 hours on Sunday 4 November.</p> <p>The well has been flowing at relatively steady rates of some 3,000 to 4,000 barrels of fluid per day at a well head pressure of some 30 psi. Fluids recovered to date appear from salinity and density measurements to be drilling mud and associated fluids.</p>	
Current Operations:	Running flow test	
Hydrocarbon indications:	No hydrocarbons have been observed to date	
Comment:	In excess of 12,000 barrels of drilling fluids were lost during drilling and completion and approximately 2,400 barrels have been recovered. The test will be continued until formation fluids are identified.	
Participants in the Permit (post earning):	ARC Energy Limited Empire Oil and Gas NL Emerald Oil & Gas NL Pancontinental Oil & Gas NL Phoenix Resources PLC First Australian Resources Limited Indigo Oil Pty Ltd	38.95% (Operator) 14.80% 12.75% 10.00% 10.00% 8.00% 5.50%

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.