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31 July, 2009

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

QUARTERLY ACTIVITIES AND CASHFLOW REPORT – JUNE 30, 2009

Please find attached the Quarterly Activities Report and Appendix 5B Quarterly Cashflow Report for the quarter ended June 30, 2009.

Yours sincerely,

MIKE KRZUS
Chief Executive Officer
mkrzus@emeraldoilandgas.com

ASX Release

31 July 2009

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Directors/Officers:
Jeremy Shervington - Chairman
John Hannaford - Director
Bob Berven – Director
Mike Krzus – CEO / COO

Issued Capital:
115,481,534 Shares (EMR)
6,486,639 Unlisted options

Market Capitalisation:
Undiluted $5.6m (@ 4.9 cents)

Cash on hand 30.06.09
$2.55 million

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 JUNE 2009

Highlights

USA

- ***Appalachian Basin Gas Development Project***, Kentucky – 8 well recompletion program progressing, with first income received for April production from 2 wells, 4 wells currently on production and the remaining wells expected to be placed on production in Q3.

  New agreements signed improving commercial terms for 8 well recompletion program and securing access to up to 100+ additional shut gas wells for re-work under similar terms. Subsurface studies underway to select wells for extensive well re-work program.

  West Virginia – well completion planning underway for 2 wells drilled to date. Negotiations and technical studies ongoing for the Big Sandy Area Gas Development involving an extensive well deepening program (potentially 100+ shallow, shut in gas wells available). Commencement of well deepening program and production system commissioning likely in the first half of 2010.

- ***NW Alice Project,*** Jim Wells County, Texas. Preparation for 2nd well, planned in late Q3/early Q4 2009.

- ***Greenbush Project,*** Ward & Renville Counties, North Dakota. No further activity likely following unsuccessful completion of horizontal Bakken well by Encore.

Canning Basin WA

- ***EP104 JV, Stokes Bay #1*** well – Awaiting advice in relation to forward plan from Buru (Operator) - no further activity anticipated until mid 2010.

Corporate

- Andy Padman, geophysicist with 35 years industry experience retained as Exploration and Sub-surface Studies Manager.

USA Projects

Appalachian Gas, Kentucky and West Virginia
(Emerald earning 80% Working Interests; Operator: P&J Resources Inc)

OVERVIEW

During the quarter Emerald progressed its Appalachian gas development projects under extreme winter weather and unusually wet spring conditions. Most well sites were inaccessible until late June due to sustained wet weather, however as of July, road conditions are permitting access to well sites and intense activity is underway to catch up on planned well operations and field activities.

Status as at the date of this report:

Kentucky

- 8 gas well re-completion program progressing in Magoffin County, Kentucky.
- Slow progress due to weather conditions.
- Well activity resuming since end June with access to sites.
- First gas production commenced in April and income recently received from first 2 wells on production.
- 4 wells now producing approximately 100 Mscfd gas per well with production rates currently limited by constraints of wellhead equipment, the remaining 4 wells expected to be put on production during Q3.
- New agreements finalized with P&J Resources to improve commercial terms for the current 8 well completion program and to re-complete up to 100+ shut in gas wells in Magoffin County, Kentucky, with free access to gathering system to point of sale.
- Sub-surface studies underway to inventorise multiple zone gas resources in area and guide future well re-completion activities under the new agreements.

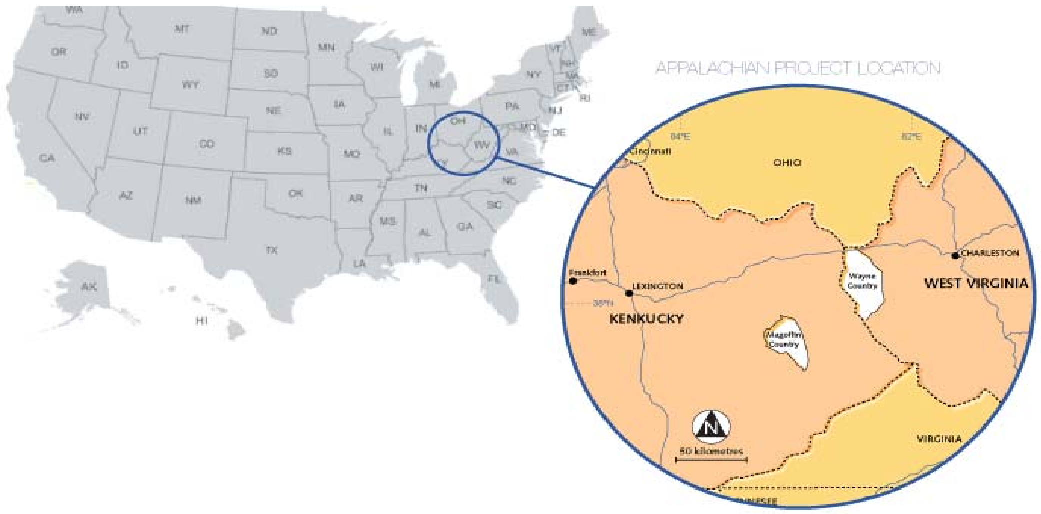
West Virginia

- Completion and testing program being planned for 2 gas wells in Wayne County, West Virginia in late 2009
- Currently negotiating access to up to 100+ old Berea gas wells with a view to deepening these to produce gas from virtually untapped Devonian Shales around the Big Sandy Gathering System, a 10 MMscfd gas production system currently nearing completion, in which Emerald is securing interests.

Corporate

- US Corporate Consolidation to 100% ownership of entity holding the Appalachian project.

LOCATION



P&J Resources' acreage is located in Magoffin County, Kentucky and Wayne County, West Virginia.

OPERATIONS

Kentucky - Magoffin County

Well activity was severely constrained during Q2, 2009 with roads impassable for most of this time due to unusually heavy rainfall. This resulted in only 3 wells being phased into production during the quarter, with the last well only producing for the final 2 weeks of June. With improved weather from July, the well completion program is continuing with the operations for the remaining 5 wells expected to be completed and all 8 wells expected to be placed on production during Q3, 2009.

Total Production during Q2 is estimated at approximately 12MMcf gas. No production optimisation activity was possible during the quarter due to restricted well access.

Four wells are currently producing approximately 400 Mscfd gas in total. Individual well production is limited by the constraints of wellhead equipment and the wells are expected to be capable of significantly higher production rates – this will be addressed in ongoing production optimisation activities. All 8 wells produce sweet gas from the Big Six or the Clinton (lying directly underneath the Big Six) formations and have been stimulated with fracture treatments.

Note all production figures above are gross production. Under the new agreements described below, Emerald retains a 100% working interest and an 81.25% revenue interest, until well costs are recovered.

Initial Well Recompletion Program Increased From 6 to 8 Wells

Agreements recently concluded with P&J Resources (Operator) increase the initial well re-completion program from 6 to 8 wells under more favourable commercial terms. Emerald is farming in to the additional wells by paying 100% of the re-completion costs for an 80%

working interest. In addition, Emerald will receive 100% of the working interest revenue less a 1/16th overriding royalty until well completion costs are recovered, before reverting to its 80% working interest.

As part of the new deal, 2 new wells (net) were added. Under the agreements, wells may be substituted or exchanged for other wells in the event of an unsatisfactory recompletion operation or at Emerald's request if it is not satisfied with a well for other reasons. This right provides significant operational risk protection for Emerald and has been exercised twice to date. One of the original 6 wells, Timothy Franklin 1, was replaced by GV Joseph 6, as it is closer and more easily tied in to the BTU gathering system. Also, the John Montgomery 2 well is being replaced with GV Joseph 11, due to casing being erroneously set too high in JM2, due to faulty well log data.

Existing Well Re-work Program

In addition, as part of this new agreement, Emerald has secured access to up to 100+ existing gas wells on P&J's acreage in Magoffin County for recompletion under similar commercial terms. Detailed sub-surface studies are underway to identify areas of P&J's acreage with high production potential and individual wells will be targeted accordingly.

Under the new agreements, Emerald's wells are tied in to BTU Energy's gathering system, which connects to the Jefferson Gas LLC gas pipeline. Emerald has been granted free access to the gathering system. BTU Energy then sells the gas on Emerald's behalf under a gas sales agreement between BTU and Jefferson.

Gas from Emerald's wells is currently dehydrated prior to sale though a small dehydration installation located at the Jefferson pipeline tap. However, plans are underway to commission the dehydration unit of an Amine plant designed to process 5 MMscfd and jointly owned by Emerald and P&J (50/50). This gas processing capacity will be required to handle expected increased volumes as production is optimized from the current 8 wells and as additional gas production comes on line from future Emerald wells recompleted under recently concluded agreements with P&J.

The initial 8 wells produce only sweet gas from currently completed zones, therefore gas treatment to remove sulphur is not required. However, multiple pay zones exist in all the wells in this area, some containing gas with H_2S and this will require sulphur removal through the amine plant when produced. It is intended to complete these sour gas zones and produce them comingled with currently producing zones later. Sour gas timing will depend on prioritized well recompletion opportunities presented by the sub-surface studies currently underway. The amine (sulphur removal) unit of the gas plant is partly completed and not yet operational. Timing for commissioning of the amine unit will be guided by sour gas production processing requirements.

The objective of the above existing well program is to rapidly increase Emerald's Appalachian production base and revenue stream at a fraction of the cost of trying to achieve the same by drilling new wells. However, new wells may also be drilled to secure additional reserves under an existing drilling agreement with P&J and to more effectively develop gas reserves in high productivity areas identified in the studies.

West Virginia - Wayne County

Completions and fracture stimulations for the two wells drilled in Wayne County, West Virginia in 2008 were planned to be executed during the quarter. However, poor road conditions due to heavy rain prevented movement of necessary equipment and management focus on consolidating activities in Kentucky resulted in this West Virginia activities being deferred. Drilling activity on third well, Ferguson #4 has also been deferred, pending area development plans.

Big Sandy Area Development Planning

The Big Sandy area gas development represents a substantial growth opportunity for Emerald. It involves integrated beneficial interests across the upstream value chain, from gas wells and associated reserves through the gas gathering infrastructure to the gas sales point.

When complete, the Big Sandy production system will consist of gas wells, gas gathering system including a gas plant and a 10" pipeline, sales gas compression and a trunkline tap into the El Paso Gas Trunkline. An engineering review of the production system is planned to be completed by end 2009. This will define initial gas compression requirements and initial well volumes required to reliably start up the production system. These initial gas requirements will drive well activities in 2010.

Initial scoping estimates suggest 5 to 7 gas wells may be needed to provide sufficient production volumes and pressure to commission the new production system and achieve initial steady state operations. This gas is expected to come from the recently drilled Emerald wells above, a number of wells from the Well Deepening program below and/or acquisition of new gas well interests in the area.

Emerald is currently commencing sub-surface studies similar to those in Kentucky to inventorise the resource potential of the area and target future well activity. Gas in the largely untapped Devonian Shale in the immediate area of the new gathering system is expected to provide initial production, with deeper, sour gas potential to follow.

Emerald is working to consolidate commercial arrangements for its ownership interests in the Big Sandy 10" pipeline and associated gas production system (system design capacity 10 MMscfd) evolving from previous MOUs with various parties.

The activity above is expected to result in a comprehensive area gas development plan being developed during Q4 2009 and Q1 2010, when field operations are generally not possible due to weather. Well operations and production system activities would be expected to commence around Q2 2010 (weather permitting) possibly leading to stable initial production by around mid-2010.

Well Deepening Program

P&J has offered up to 100+ existing, shut-in gas wells, previously drilled and cased to the Berea formation (~1800 feet), for Emerald to deepen through the Devonian Shale (~2600 feet). Discussions are underway to secure this opportunity on similar terms to the Kentucky re-work wells.

As with the Kentucky existing well re-work program, the objective is to rapidly build a substantial production base at a fraction of the cost of drilling new wells.

Appalachian Drilling Plans

Emerald has a drilling agreement in place with P&J covering both Kentucky and West Virginia areas. However, the intention now is to concentrate efforts on maximizing production in the short term through existing well projects to demonstrate production potential and establish a secure revenue stream. Further drilling will be guided by this outcome, with the ongoing sub-surface studies providing the technical insight required to optimally locate new wells. This approach will allow time for US gas prices to improve before committing further drilling expenditure.

North West Alice, Jim Wells County, Texas
(Emerald 14% Working Interest; Operator: Noble Energy Inc.)

The Operator, Noble Energy, has completed processing and interpretation of the 3D seismic data covering the large, 100 Bcf anticlinal structure discovered by the RJ Hunter well in March 2007. It has also acquired some additional leases in the Area of Mutual Interest (AMI) to consolidate the position of the joint venture. Noble has identified three new drilling locations within the AMI area and is in the final stages of securing rights to further acreage around its preferred location before issuing an AFE to drill the well. The well will likely be drilled in late September or October, 2009.

New Projects – USA

The Company continues to review and assess new oil and gas exploration project opportunities in the USA which have been sourced through current partners and other industry participants.

Australian Projects

EP104/R1, Canning Basin WA
(Emerald 12.75% Working Interest; Operator: Arc Energy Ltd)

The Stokes Bay well was drilled in October, 2007 in the EP 104/R1 Permits located in the Canning Basin, near the town of Derby, Western Australia. The well was suspended after large volumes of drilling mud were lost in what is believed to be a cavernous reef system in the Nullara Formation. Since then, two attempts were made by the Operator, Buru Energy Limited, to induce flow in the well and to obtain a gas sample. Both attempts failed, however wellhead pressures of around 1200 psi and gas accumulation in the well bore re-occurred after each attempt.

Emerald is currently awaiting advice from operator Buru Energy regarding further well activities to determine if the Stokes Bay well is a potentially commercial gas discovery. Emerald intends to work with Buru and other joint venture participants during 2009 to clarify a way forward for this potential gas discovery.

EPA 4/05-6 Canning Basin, WA
(Emerald 100% Working Interest and operator)

Emerald's application EPA 4/05-6 lies immediately to the west of the EP104 permits and, is currently proceeding through the Native Title process. The permit covers a significant extension of the Pinnacle Fault to the west of the EP104/R1 permit and includes several structures similar to that intersected at Stokes Bay mapped from existing seismic data.

EP463 & TP24 (Lacepede Islands) AND WA-419-P (Offshore) Canning Basin, WA
(Emerald 100% Working interest, Operator)

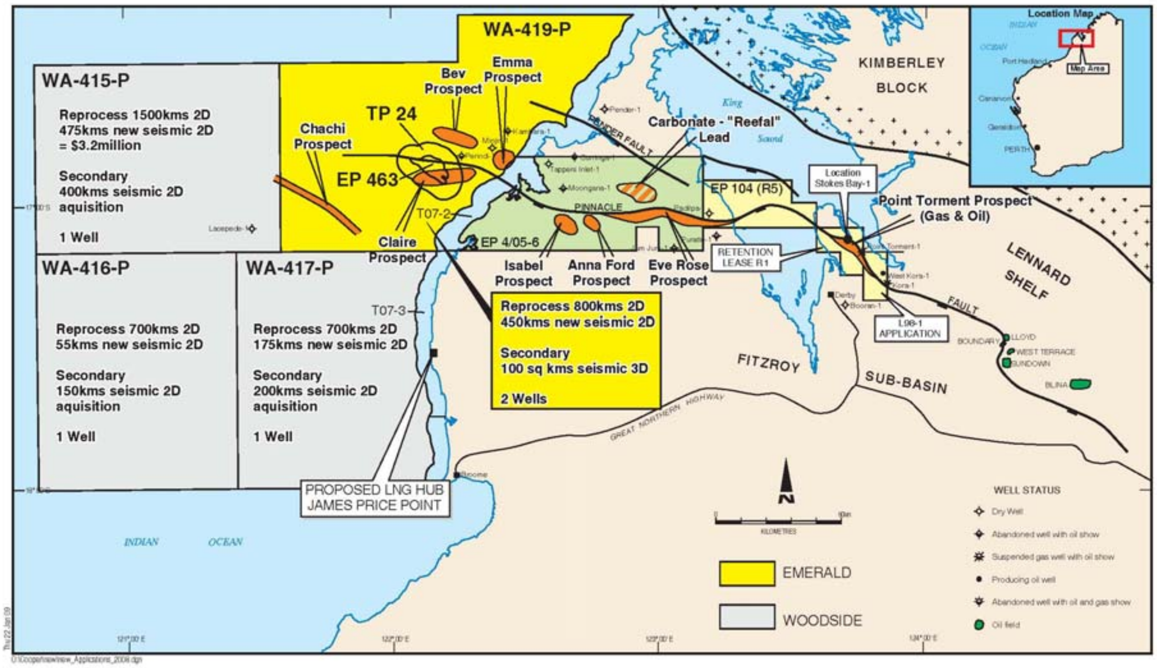
During the quarter, Emerald progressed in-house work to characterise leads and prospects in its strategic holdings along the structurally significant Pinnacle Fault zone and its projection offshore. The Pinnacle Fault is a key structural element between the Fitzroy Sub-Basin and the Lennard Shelf. It is believed to be the conduit for oil and gas migration from the Fitzroy Sub-Basin into structural and stratigraphical traps on the adjacent Lennard Shelf to the north.

In view of the successful discovery of porous Devonian "reefal" reservoir rocks in the Stokes Bay 1 well at EP104/R1, Emerald believes there is significant potential to discover several similar prospects along the western extension of the Pinnacle Fault (see map below).

FIGURE 1

CANNING BASIN

GRANT OF OFFSHORE RELEASE AREAS, STATE AND FEDERAL



Canning Basin showing Emerald's EP104 / R1 (pale yellow, Emerald 12.75%) and EPA 4/05-6 (green, Emerald 100%) interests, and mapped prospects and leads. The new EP 463 / TP 24 (Lacapede Islands) and WA-419-P blocks (Emerald 100%) are shown in yellow. The main feature on all leases is the Pinnacle Fault, the conduit for much of the previous hydrocarbon production on the Lennard Shelf portion of the Canning Basin.

Emeralds current tenement holdings in the Canning Basin are:

Exploration Permit / Retention Licence / Applications	Emerald Net Working Interest	Permit Size (approx sq km)
EP 104 (R5)	12.75%	700
Retention Lease R1	12.75%	290
Application L98-1 (option)	12.75%	200
Application EP 4/05-6	100%	4,600
EP463	100%	200
TP24	100%	400
WA-419-P	100%	8,000
Total		14,390

Corporate

During the quarter, Emerald retained Mr. Andy Padman as Exploration and Subsurface Studies Manager. Mr. Padman is a highly experienced explorationist with over 35 years gas and oil exploration experience in US, UK, Indonesia and Australia, including 16 years with Exxon. Mr. Padman has extensive experience in the Canning Basin, gained from his tenure at Arc Energy. Emerald is pleased to have secured the services Mr. Padman and welcomes him to the executive team.

At 30 June 2009 the consolidated entity had $2.55 million cash on hand.

The Company made the following announcements during the quarter and up to the date of this quarterly report:

Date	Headline
29/05/2009	Appendix 3B - Unlisted Options
20/05/2009	Additional NW Alice Interest Acquired
11/05/2009	Results of Meeting
08/05/2009	Change of Director`s Interest Notice
30/04/2009	Quarterly Activities and Cashflow Report
06/04/2009	Notice of General Meeting/Proxy Form
03/04/2009	FIRST GAS PRODUCTION IN KENTUCKY

For more information please contact:

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About Emerald Oil & Gas NL

Emerald Oil & Gas NL (ASX: EMR) was listed on the ASX in June 2006. Emerald is an oil and gas exploration and production company with project interests in Kentucky, West Virginia, North Dakota and Texas in the USA and in the Canning Basin of Western Australia. Emerald's focus is on both conventional and non-conventional reservoir targets for oil and gas prospects. 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 exploration projects that can be swiftly brought into production.

Information in this report 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.

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Emerald Oil & Gas NL

ABN	Quarter ended ("current quarter")
009 795 046	30 June 2009

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (12 months) $A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors		
1.2	Payments for:		
	(a) exploration and evaluation	(646)	(1,549)
	(b) development	(324)	(1,599)
	(c) production		
	(d) administration	(175)	(1,174)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	47	337
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(1,098)	(3,985)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	(8)	(166)
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of:		
	(a) prospects	-	1,298
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(9)	1,132
1.13	Total operating and investing cash flows (carried forward)	(1,108)	(2,853)

1.13	Total operating and investing cash flows (brought forward)	(1,108)	(2,853)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - Capital Raising Costs		
1.20	Other		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,108)	(2,853)
1.20	Cash at beginning of quarter/year to date	3,662	5,407
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,554	2,554

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	154
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

The amount above includes payments to directors and to companies associated with John Hannaford and Jeremy Shervington for this quarter and previous quarters.
The payments to Ventnor Capital, accompany associated with John Hannaford relate to the provision of consulting fees, company secretarial services, accounting and bookkeeping, secretarial services and the provision office accommodation on commercial terms.
The payments to Jeremy Shervington Legal Practice relate to the provision of legal services on commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	600
4.2	Development	100
4.3	Production	-
4.4	Administration	200
	Total	900

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	2,554	3,662
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,554	3,662

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	115,481,534	115,481,534		
7.4	Changes during quarter (a) Increases through issues (b) Increases through conversion of options (c) Release from escrow (d) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7	**Options** *(description and conversion factor)*	 661,638 2,000,000 1,500,000 325,000 2,000,000 5,000,000	 - - - - -	*Exercise price* 17.68 cents 30 cents 25 cents 25 cents 25 cents 10 cents	*Exercise date* 23/01/11 31/12/09 28/02/10 31/12/09 31/05/11 31/03/14
7.8	Issued during quarter	5,000,000	-	10 cents	31/03/14
7.9	Exercised during quarter	-	-		
7.10	Expired during quarter	-	-		
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does /~~does not~~* give a true and fair view of the matters disclosed.

Sign here: (Director) Date: 31 July 2009

Print name: John Hannaford

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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