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Centralised Company Announcements Platform
Australian Stock Exchange
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Drilling commences on Lake Alice Gas Unit #1 Well
NW Alice Project, Texas

Highlights:

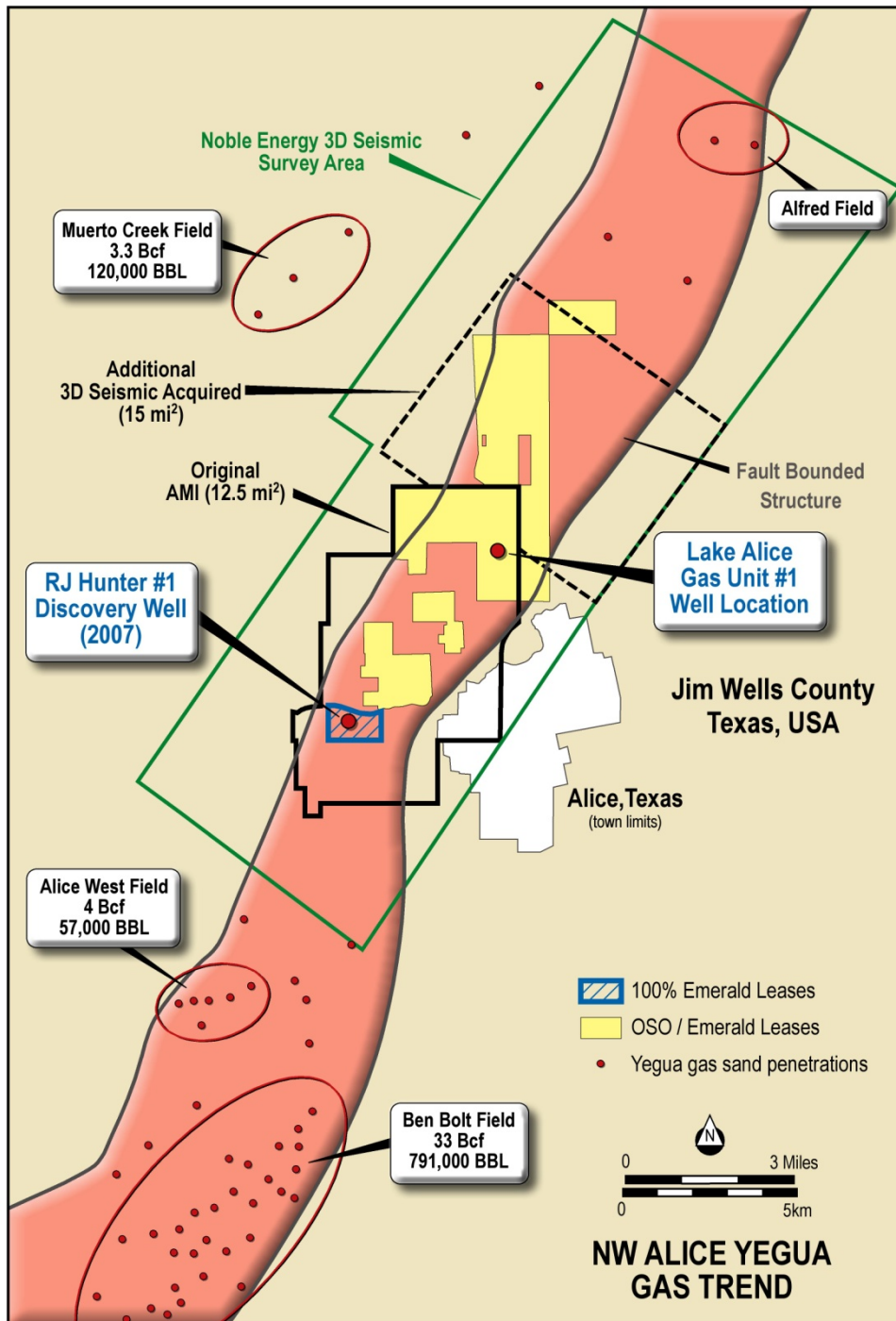
- ❖ **Drilling operations have commenced on Emerald's Lake Alice Gas Unit #1 well at its NW Alice Project, in Jim Wells County, Texas, targeting 2 Yegua sands expected to contain 2 Bcf gas and 50,000 Bbl condensate each, as well as shallow gas sands in the large gas bearing structure discovered by the RJ Hunter #1 well drilled in 2007 (Possible reserves in the order of 100Bcf gas and 2.5 million barrels oil)**

Emerald is pleased to announce that drilling operations have commenced on its Lake Alice Gas Unit #1 well in Jim Wells County, Texas. Emerald holds a 35% Working Interest in the well, with the remaining 65% held by Oso Exploration Co (Operator).

The Lake Alice Gas Unit #1 well is targeting the same gas bearing Yegua sands intersected in the RJ Hunter #1 gas/condensate discovery well drilled in 2007. Both sands are expected to contain gas with a condensate/gas ratio of 20 to 40 bbl/MMscf. Producing gas is also expected to be encountered in shallower sands.

Emerald holds a 35% Working Interest in approximately 3700 acres of oil and gas leases and has access to 27 square miles of high quality 3D seismic data over the gas bearing NW Alice structure near the town of Alice in Jim Wells County, Texas. This provides ample lease acreage for follow-up drilling, with several drilling locations already identified from 3D seismic.

Using well data from the RJ Hunter well and offset well data, P3 reserves in the original 12.5 mi² Northwest Alice Area of Mutual Interest (AMI) were estimated at approximately 100 BCF gas and 2.5 million barrels of condensate.



NW Alice project area, current lease holdings and 3D survey area.

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About Emerald Oil & Gas NL

Emerald Oil & Gas NL (ASX: EMR), listed on the ASX in June 2006, is an oil and gas exploration and production company with project interests in Kentucky 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 near term objective is to achieve production and cashflow to achieve an operating cash surplus from current assets, while seeking high impact opportunities in the energy sector.

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.