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Centralised Company Announcements Platform
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Debt Re-finance funds Williston Basin Bakken drilling and Sandwash Basin well program

Highlights:

- ❖ **Debt facility increased from \$US15m to \$US20m and term extended to fund 2012 Sandwash Basin and non-operated Bakken well programs;**
- ❖ **Well completion operations involving multi-stage hydraulic fracture stimulation operations in progress on second horizontal Bakken oil well and well permitting initiated for first operated Bakken oil well to be drilled in Dunn Co, North Dakota, USA;**
- ❖ **Preparing to initiate 2012 Sandwash Basin Niobrara oil well program in July, with re-recompletions in existing wells located in Colorado and Wyoming, USA.**

Emerald Oil & Gas NL (ASX: EMR, EMRO) is pleased to advise that its \$15 million debt facility with a private US company has been increased to \$20m and the term has been extended from August 2012 to November 2012. The increased debt facility will be used to fund the Company's share of the 2012 Sandwash Basin well program in Colorado and Wyoming, USA and non-operated participation interests in Bakken wells in North Dakota, USA.

The Halliday 2-15-22H well, in which the Company's wholly owned subsidiary holds a 7.5% working interest, was successfully drilled and cased to total depth and completion operations involving 24 stage hydraulic fracture stimulation treatment are now underway. The well was drilled as a horizontal Bakken oil producer with a 10,000 foot horizontal section.

The Company is planning to commence its 2012 Sandwash Basin well program in July with hydraulic fracture stimulation treatments in existing Niobrara shale oil wells.

Debt Re-finance

Emerald's recent acquisition of its Williston Basin assets was funded through a \$US15 million debt facility from a private US company. The loan was fully secured by Emerald's Dunn Co and Green River Basin assets, with interest in the form of a small overriding royalty on the Dunn County leases.

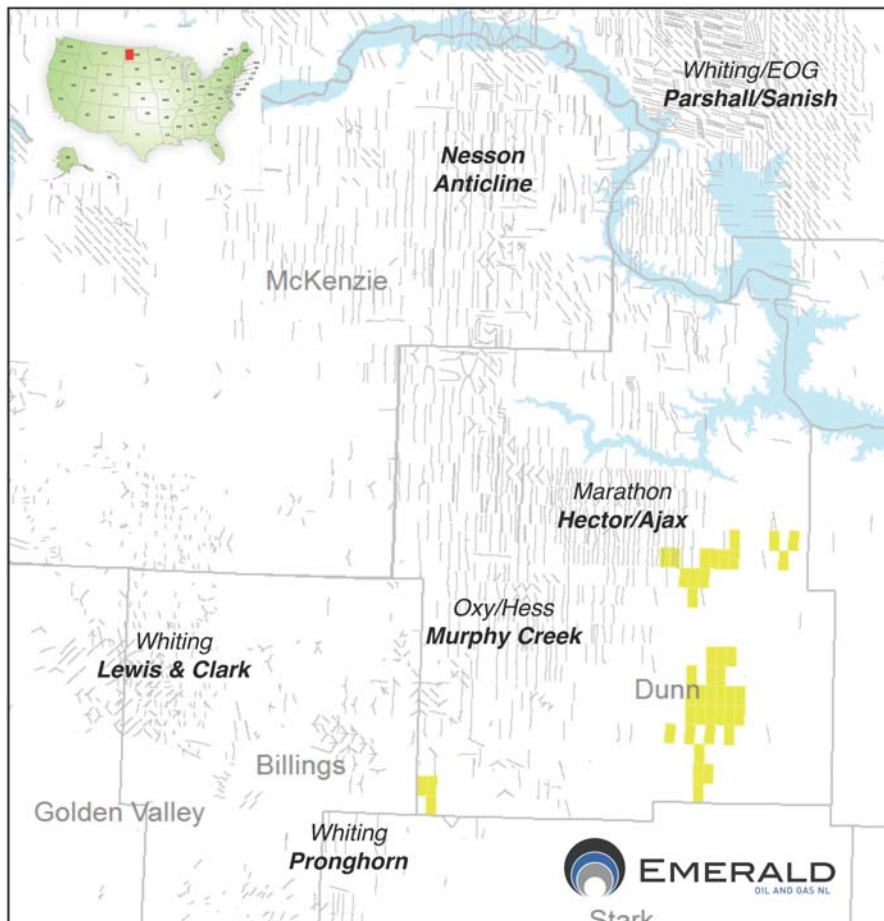
The debt facility has now been amended to increase the available finance to \$US20million and to extend the term by 3 months to late November 2012. A small overriding royalty on the Company's Green River Basin leases has been awarded and up to 46m EMR shares will be issued as consideration for this.

The increased debt facility will be used to fund the Company's share of the Sandwash Basin Niobrara shale oil activities and non-operated Bakken oil wells in Dunn Co. Future drilling expenditure, including the Company's operated Bakken drilling program in Dunn Co (planned for around year end) and repayment of the loan, are expected to be funded through US capital markets at the US subsidiary level.

Bakken Oil Development Drilling activity

Emerald currently holds approximately 10,600 net lease acres in the Williston Basin Bakken Shale oil play located in North Dakota, USA.

Emerald's lease holding is spread across 46 1280-acre Drilling Spacing Units (DSUs) with working interests in individual DSUs varying between 1.5% and 75% for a total of 8 net DSUs.

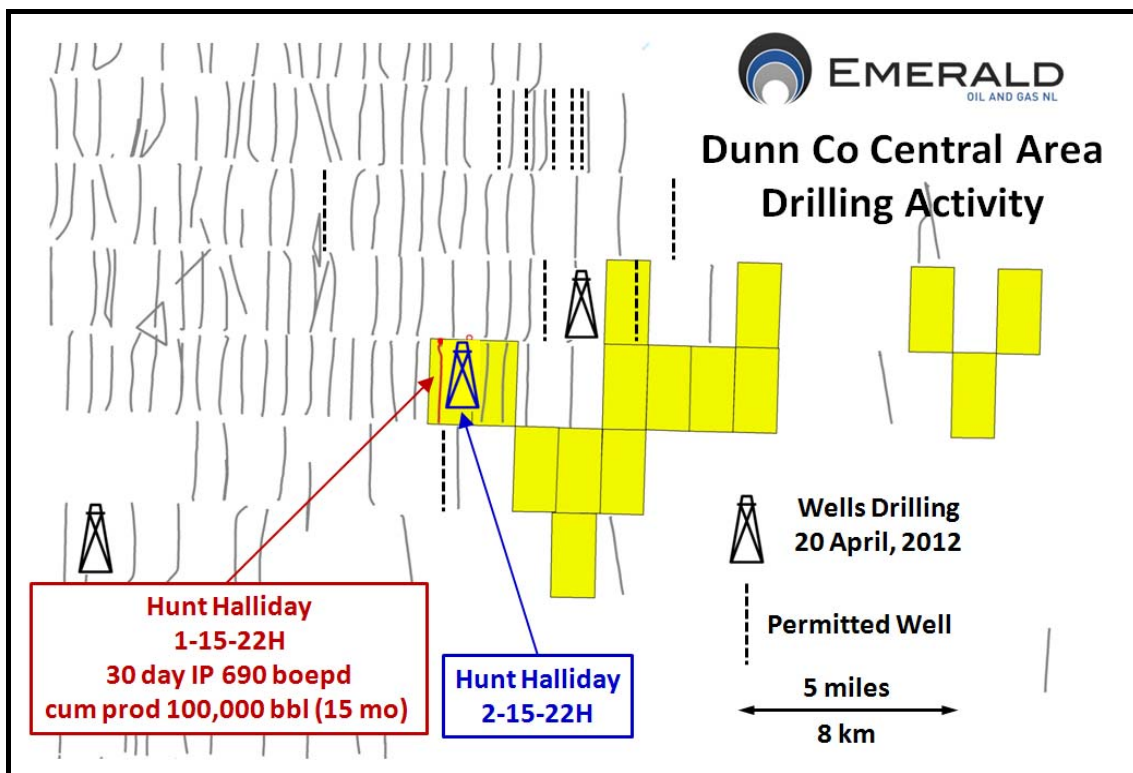


Williston Basin, North Dakota

The Hunt Halliday 2-15-22H well was successfully drilled and cased to its planned total depth in April/May. Completion of the 10,000 ft horizontal section, with a 24 stage fracture stimulation treatment, is currently in progress. The Company's total contribution to completed well costs is estimated to be \$US615,000.

The Hunt Halliday 2-15-22H is the second well in the DSU and production performance from the recently drilled well is expected to be similar to the adjacent Halliday 1-15-22H oil well. Halliday 1-15-22H production over the first 30 days averaged 640 BOPD and 300 MCFD (690 BOEPD) and the well has produced over 100,000 BO and 50 MMCFG in its first 15 months of production. Based on production decline performance to date, the Halliday 1-15-22H well's Expected Ultimate Recovery (EUR) is anticipated to exceed 570,000 barrels of oil and 430 million cubic feet of gas.

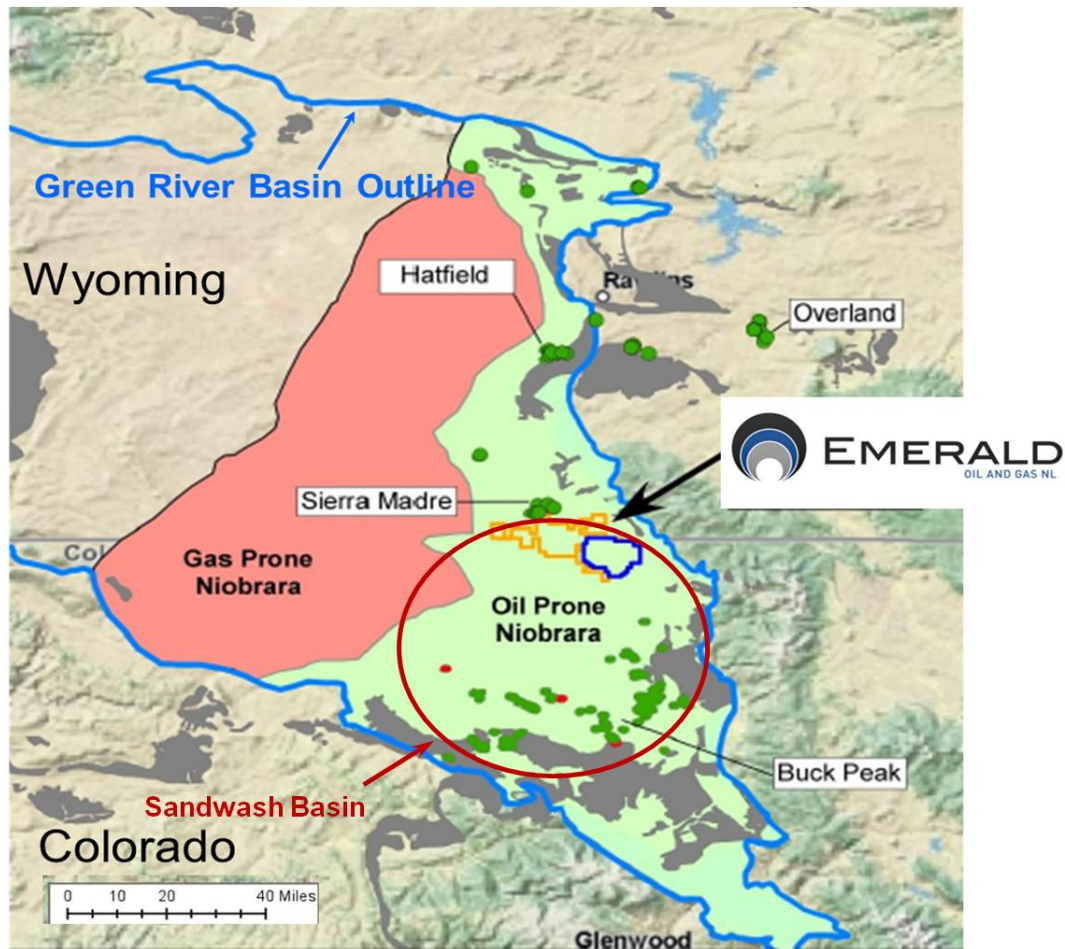
Active drilling programs driven by several operators in the area are also extending the proved area in a south-easterly direction across Emerald's acreage. The Company expects to receive another authorisation for expenditure (AFE) for a currently permitted well in another of its nearby DSUs within the next few weeks.



In addition to the non-operated wells, Emerald's US subsidiary, Emerald Oil Inc, recently initiated the permitting process for its first operated well, which is expected to be drilled around the end of the year.

Sandwash Basin 2012 well program to commence in July

Plans are underway to commence the 2012 Sandwash Basin Niobrara work program in July, with hydraulic fracture stimulation treatments in several of the Company's existing wells. The well program will focus on re-entering existing wellbores, including the 3 vertical appraisal wells drilled during 2011, to apply hydraulic fracture stimulations and/or horizontal laterals with multi-stage fracture treatments demonstrated to be effective in the area and possibly drilling additional vertical and/or horizontal wells.



Several competitors in an area some 25 miles to the south of EMR's Niobrara shale oil acreage in the Sandwash Basin clearly demonstrated the potential of the Sandwash Basin Niobrara shale oil play in 2011 by successfully applying particular well designs and fracture stimulation treatments, which resulted in sustained oil production rates of several hundred barrels of oil per day from both vertical wells and horizontal laterals. The 2012 Green River Basin Joint Venture (GRBJV) work program will focus on re-entering existing wells and applying drilling and completion techniques which have been demonstrated to be successful in wells offsetting GRBJV acreage to the South.

Key objectives of the 2012 GRBJV work program will be to establish commercial oil production from GRBJV wells and to gain further experience with various well completion techniques before planning a development drilling program for 2013⁺.

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About Emerald Oil & Gas NL

Emerald Oil & Gas NL (ASX: EMR, EMRO) was listed on the ASX in June 2006. Emerald Oil & Gas NL is a petroleum exploration and production company based in Perth, Australia. The Company holds interests in exploration and production operations in the USA (North Dakota, Colorado, Wyoming, Kentucky and Texas) and offshore Western Australia. Emerald's main focus is to develop a substantial position as an active, operating company in the Williston Basin Bakken and Three Forks shale oil play located in North Dakota and Montana and to develop its large non-operated acreage holding in the Sandwash Basin Niobrara Shale Oil play located in the Green River Basin area of NW Colorado and SW Wyoming. Emerald plans to build its 100% owned US subsidiary into an active, operating US oil company focused on unconventional resource plays in the Rocky Mountain region.

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.

Competent Persons Statement

Information in this report that relates to Hydrocarbon Reserves and or Resources is based on information compiled by Mr Mike Krzus, Chief Executive Officer and Managing Director of Emerald Oil and Gas NL, who has consented to the inclusion of that information in the form and context in which it appears. Mr Krzus has 29 years experience in petroleum engineering and the petroleum industry, both in Australia and internationally. He holds a Bachelor of Science Petroleum Engineering from Tulsa University and a Diploma of Oil and Gas Technology from the British Columbia Institute of Technology.