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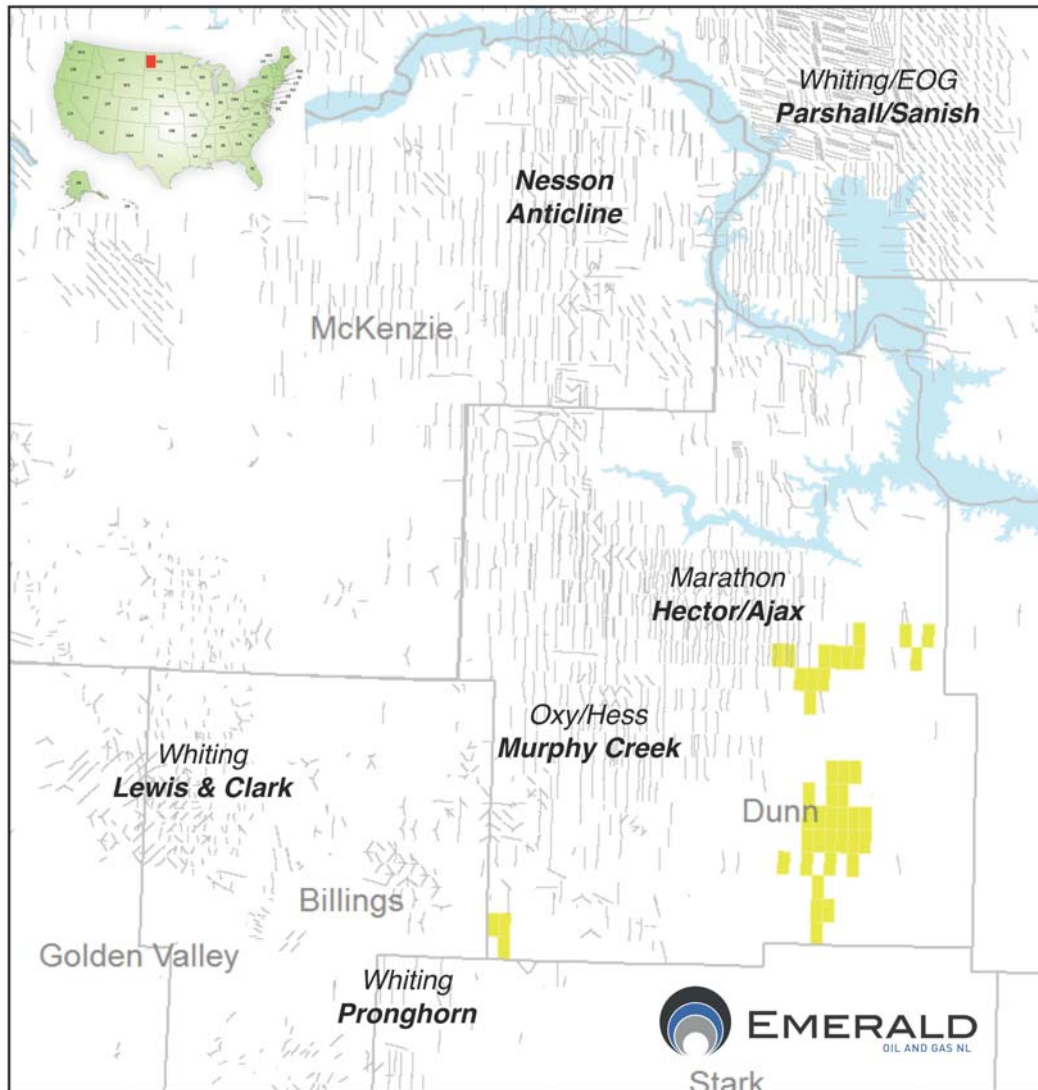
## **Emerald Acquires Bakken/Three Forks Shale Oil Assets in Williston Basin, North Dakota**

### **Highlights:**

- ❖ **10,500 net lease acres and initial oil production located in Dunn Co, North Dakota acquired for \$US11.85 million;**
- ❖ **Acreage located in highly productive Williston Basin Bakken and Three Forks shale oil plays;**
- ❖ **Bakken and Three Forks development drilling program involving 43 Drilling Spacing Units with up to 7 potential oil wells per DSU;**
- ❖ **Acquisition financed through secured debt facility with a private US investor at USA subsidiary level;**
- ❖ **Significant step in Emerald's US shale strategy to grow through value accretive shale acquisitions;**
- ❖ **Substantial long term development drilling program planned;**

Emerald Oil & Gas NL (ASX: EMR, EMRO) is pleased to announce execution of a Purchase Agreement with North Plains Energy LLC, to acquire approximately 10,500 net lease acres, including a 7.5% WI in a producing Middle Bakken oil well located on the acreage. The assets, located in highly prolific Williston Basin in Dunn County, North Dakota, USA, were purchased by Emerald's USA subsidiary Emerald Oil & Gas USA Inc, from North Plains Energy LLC for \$US11.85 million, fully funded by a secured debt facility from a private US investor at the USA subsidiary level.

The transaction provides Emerald with immediate access to a producing oil well, and a large acreage holding in highly prospective lease areas adjacent to and including proven shale oil production.

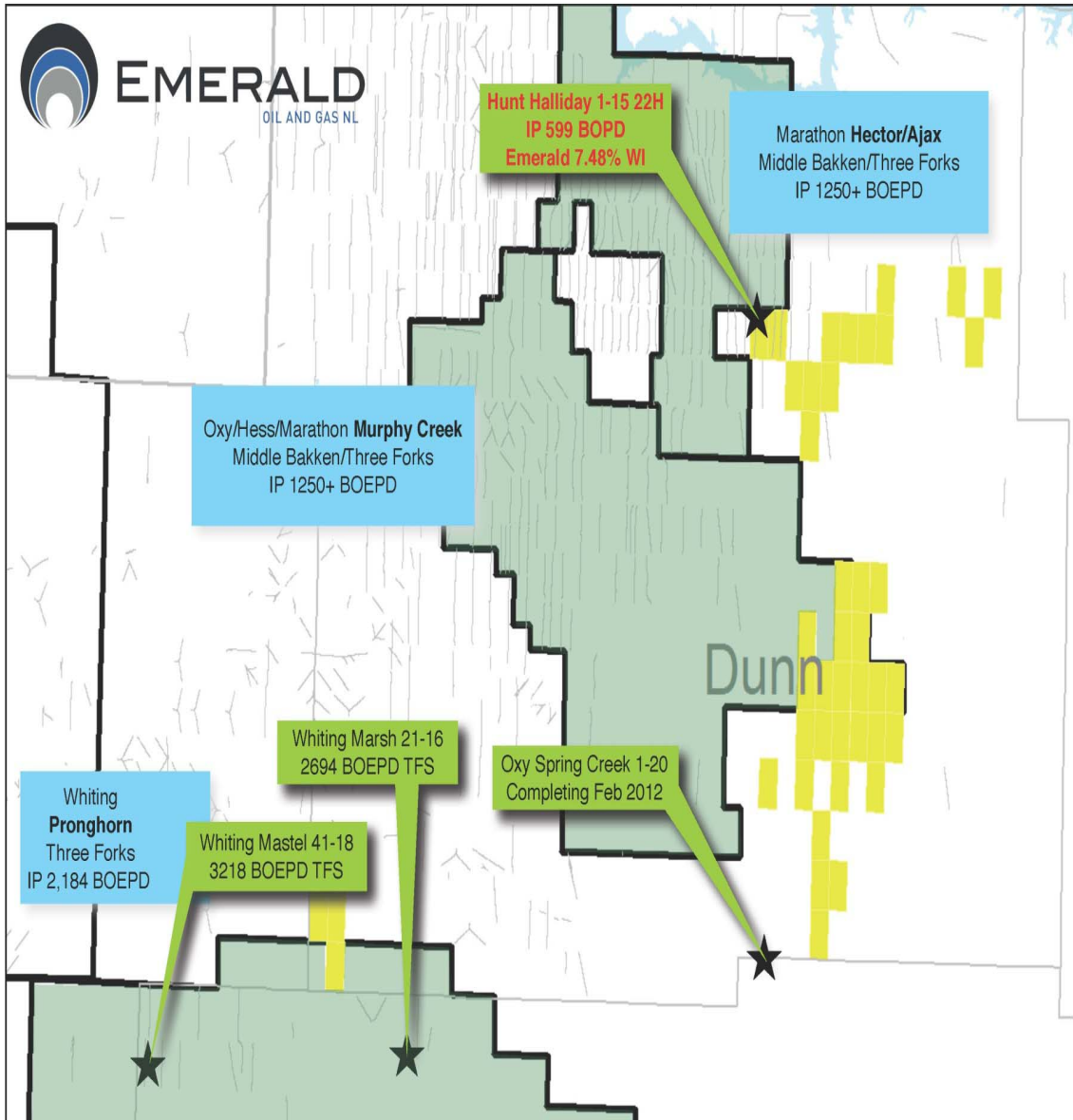


## Williston Basin, North Dakota, USA

The lease acreage is spread over three areas in Dunn Co, North Dakota - Central, South Central and Southwest. All of these areas are prospective for oil in both Middle Bakken and Three Forks formations. Public well permitting information shows the dominant operators near these three areas to be expanding their drilling activity from nearby proved, producing areas toward our newly acquired leases. The Central and Southwest areas are immediately adjacent to proved Middle Bakken and Three Forks fields with immediately offsetting producing wells.

Acreage in and adjacent to proved producing areas in the Williston Basin Bakken/Three Forks play routinely trades at several thousand dollars per acre.

Some of Emerald's Central Dunn area acreage is already within the proved producing area, with Emerald holding a 7.48% WI in a producing oil well which demonstrated 30 day initial production rate (IP) of 640 barrels of oil per day (bopd) from the Middle Bakken in early 2011 and is currently producing more than 300 bopd (23<sup>+</sup> bopd net to EMR). The operator recently permitted a second oil development well in the DSU, which the Company expects will be drilled in Q2/3 2012.



## Emerald Williston Basin Lease Acreage – Dunn County, North Dakota

Emerald's total lease holding comprises approximately 10,500 net acres, in 45 drilling spacing units (DSUs) of 1280 acres, with Emerald's working interests in individual DSUs varying between 1.5% and 75% for a total of 8 net DSUs. Each 1280 ac DSU can potentially be drilled out with up to 4 middle Bakken wells and 3 Three Forks wells per DSU, for a total of 7 development wells per DSU.

Emerald will operate 14 DSUs holding approximately 66% of its net acreage, with non-operated DSUs operated by large US shale operators such as Hunt, Hess, Marathon, Oxy and others. This provides Emerald with the ability to control the drilling program on the majority of its acreage, while participating in wells with some of the most experienced operators in Williston Basin.

Emerald currently has no firm drilling obligations, but is now in the process of assessing potential value adding drilling opportunities.

Unlike the appraisal wells drilled in Emerald's GRB holdings in Colorado last year, all wells will be oil development wells designed and drilled as long horizontal oil producers completed with multi-stage fracs involving up to 30 individual fracture stimulation treatments along the length of the horizontal well. Individual wells cost approximately \$US8 million per well to drill and complete.

### **Debt facility with private US company**

The acquisition is being funded through a \$15 million debt facility from a private US company and provides Emerald with a significant funding platform to proceed with its stated US shale acquisition strategy. Interest is in the form of a small overriding royalty on the Dunn County leases. Term of the loan is 6 months and it is fully secured by Emerald's Dunn Co and Green River Basin assets. It is expected to be repaid with the proceeds of other US funding arrangements.

### **Significant Step in US Shale Strategy**

Emerald directors consider this acquisition a significant step in the implementation of the Company's US Shale strategy announced in October, 2011.

This strategy involves growing EMR shareholder value by establishing it's wholly owned US subsidiary as an active US shale player, selectively pursuing value accretive shale acquisitions and accessing US capital markets to fund these acquisitions and related drilling programs. Large scale future funding for both acquisitions and development drilling will continue to be sourced in the US through Emerald's US subsidiary.

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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 (Colorado, Wyoming, Kentucky and Texas) and offshore Western Australia. Emerald's main focus is its large Green River Basin acreage holding over the Niobrara Continuous Shale Oil accumulation in Colorado and Wyoming. Emerald plans to use its position in the Green River Basin as a foundation on which to build a 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