



Suite 2, 12 Parliament Place
West Perth WA 6005
Ph: +618 9482 0510
Fax: +618 9482 0505
Email: info@emeraldoilandgas.com
www.emeraldoilandgas.com

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

Emerald signs LOI for Potential New Shale Oil Production Asset Acquisitions; Update on Operated Bakken Drilling Program Plans

Highlights:

- ❖ **Non-binding LOI signed with a private US company to acquire approximately 9000⁺ net lease acres with Bakken and Three Forks oil production, reserves and active development drilling program, located in the Williston Basin in North Dakota and Montana, USA;**
- ❖ **Aggregate financing of the proposed transactions is approximately US\$150m, subject to due diligence and negotiation of purchase and sale agreements and funding arrangements;**
- ❖ **Transactions expected to be fully funded through Emerald's US subsidiary from private capital markets;**
- ❖ **Emerald operated Bakken/Three Forks drilling program in Dunn County planned to commence around year end;**
- ❖ **Delivering significant progress with Emerald's US shale strategy to become an active US shale oil company and grow through value accretive US oil shale acquisitions.**

LOI Signed for Potential Williston Basin Acquisition

Emerald Oil & Gas NL (ASX: EMR, EMRO) is pleased to advise that the Company has signed a non-binding Letter of Intent (LOI) with a private US company to acquire approximately 9000⁺ net lease acres with production, reserves and an active non-operated development drilling program in the Williston Basin Bakken/Three Forks shale oil play, located in North Dakota and Montana, USA. Any potential transactions would be subject to negotiating and executing purchase and sale agreements and securing funding from private capital markets through Emerald's wholly owned US subsidiary, Emerald Oil & Gas USA Holdings Inc. Discussions are ongoing regarding specific terms and further information will be provided as appropriate. Upon successful completion, aggregate financing, inclusive of a component for refinancing, would be approximately \$US150 million.

Subject to execution of purchase and sale agreements and funding arrangements, this transaction would be Emerald's largest dealing to date as part of its US oil shale growth strategy and would provide the Company with immediate access to substantial oil production and cash flow.

These acquisitions would be the third group of US shale transactions by the Company, following its recent Williston Basin acquisition of 10,500 net acres in Dunn County, North Dakota for \$US11.85 million, as announced on 22 February, 2012 and the acquisition of its Green River Basin assets in May 2011. Other US oil shale acquisition opportunities are also currently being considered.

The new potential acquisitions would significantly expand Emerald's acreage holding in the Williston Basin Bakken/Three Forks shale oil play and are complimentary to its Williston Basin Bakken/Three Forks position in Dunn County, ND, where planning is now underway to commence an operated Bakken/Three Forks drilling program in late 2012 or early 2013.

Emerald Operated Bakken/Three Forks Drilling Program in Dunn County

Emerald's US subsidiary is now in the process of building the necessary internal operating capability to successfully run a single rig continuous drilling program commencing around end 2012 or early 2013. The Company intends to leverage its Transition Services agreement with North Plains Energy, under which North Plains will provide operating support during 2012, up to and including contract drilling of initial wells on behalf of Emerald, if appropriate.

Emerald holds interests in 45 drilling spacing units (DSUs) of 1,280 acres in Dunn County and expects to operate approximately 14 DSUs holding approximately 66% of its net acreage. Emerald's working interests in individual DSUs varies between 1.5% and 75% for a total of 8 net DSUs. Each 1,280 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.

The Company's non-operated DSUs in Dunn County are operated by large, experienced 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 net acreage, while benefiting from the experience of some of the most seasoned operators in Williston Basin.

Significant Progress on US Shale Strategy

Emerald's US Shale strategy, initially announced in October, 2011, involves growing EMR shareholder value by establishing its wholly owned US subsidiary as an active US oil shale company, selectively pursuing value accretive oil shale acquisitions and accessing US capital markets to fund these acquisitions and related drilling programs. Emerald Directors are particularly pleased with the rapid progress being made on both the transformation of Emerald's US subsidiary into to an active, operating, US shale company and the quality of the acquisition opportunities, both of which represent significant milestones in the Company's growth strategy, consistent with internal planning timetables.

For more information please contact:

Emerald Oil & Gas NL

Tel: +618 9482 0510

MIKE KRZUS

Managing Director

mkrzus@emeraldoilandgas.com

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 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