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Centralised Company Announcements Platform  
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## **Drilling commenced on Williston Basin Bakken Oil Well in Dunn Co, North Dakota**

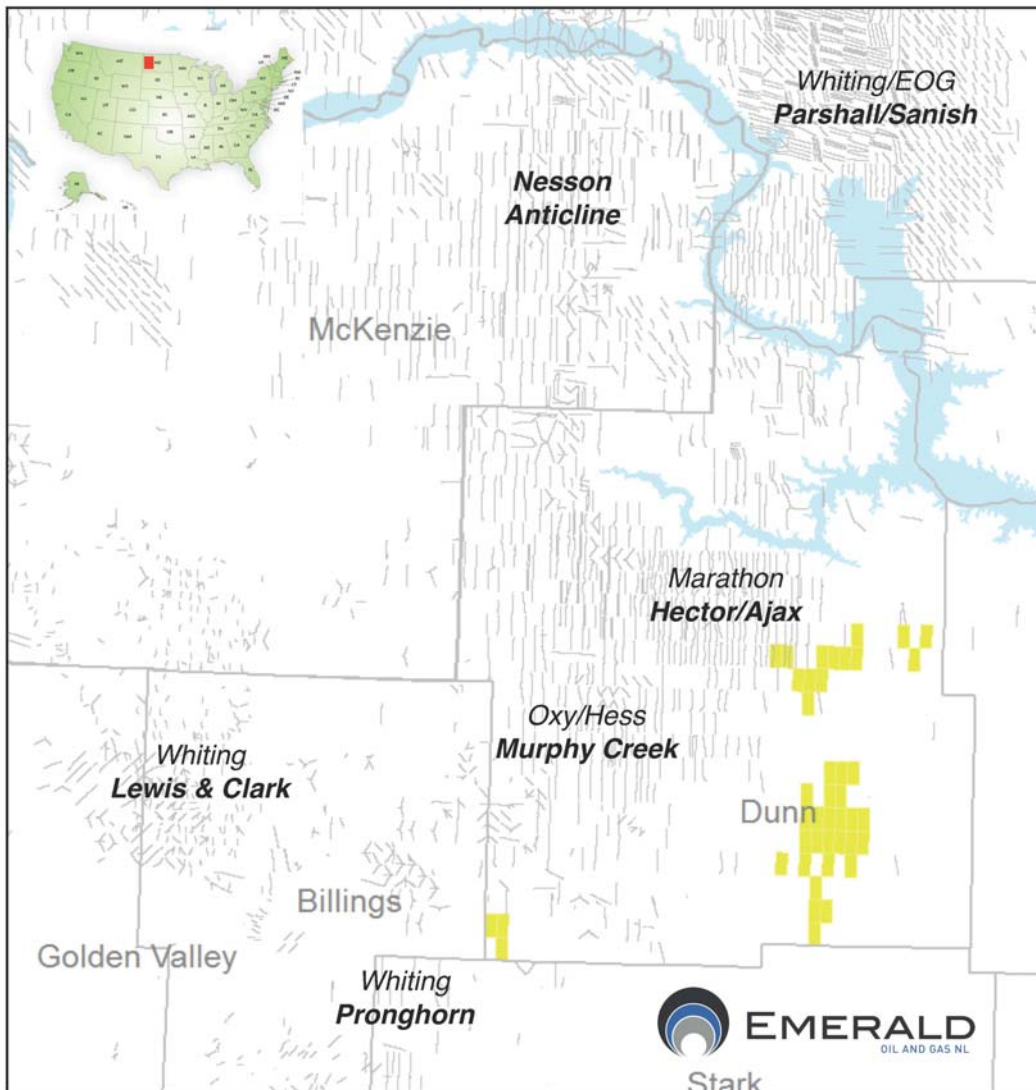
### **Highlights:**

- ❖ **Drilling operations commenced on second horizontal Bakken oil well in recently acquired Dunn Co acreage in Williston Basin, North Dakota, USA;**
- ❖ **Emerald planning its first operated Bakken oil well in Dunn County for around year end.**

Emerald Oil & Gas NL (ASX: EMR, EMRO) is pleased to advise that the Company has elected to participate in the Halliday 2-15-22H oil well, with a 7.5% Working Interest (WI). The well will be drilled as a horizontal Bakken oil producer and will be completed with multi-stage hydraulic fracture treatments. Drilling operations on Hunt Halliday 2-15-22H commenced 17 April 2012 and the well is anticipated to be completed by the end of Q2 2012. Emerald's contribution to completed well costs will be \$US615,000.

On 22 February 2012, Emerald announced its acquisition of approximately 10,500 net lease acres in Dunn County, North Dakota, USA, located in the Williston Basin Bakken shale oil play. The acquisition included a 7.5% WI in a producing Middle Bakken oil well located on the acreage.

With further subsequent lease acquisitions, Emerald's total lease holding currently comprises approximately 10,600 net acres, in 46 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.



## Williston Basin, North Dakota, USA

### Hunt Halliday 2-15-22H well

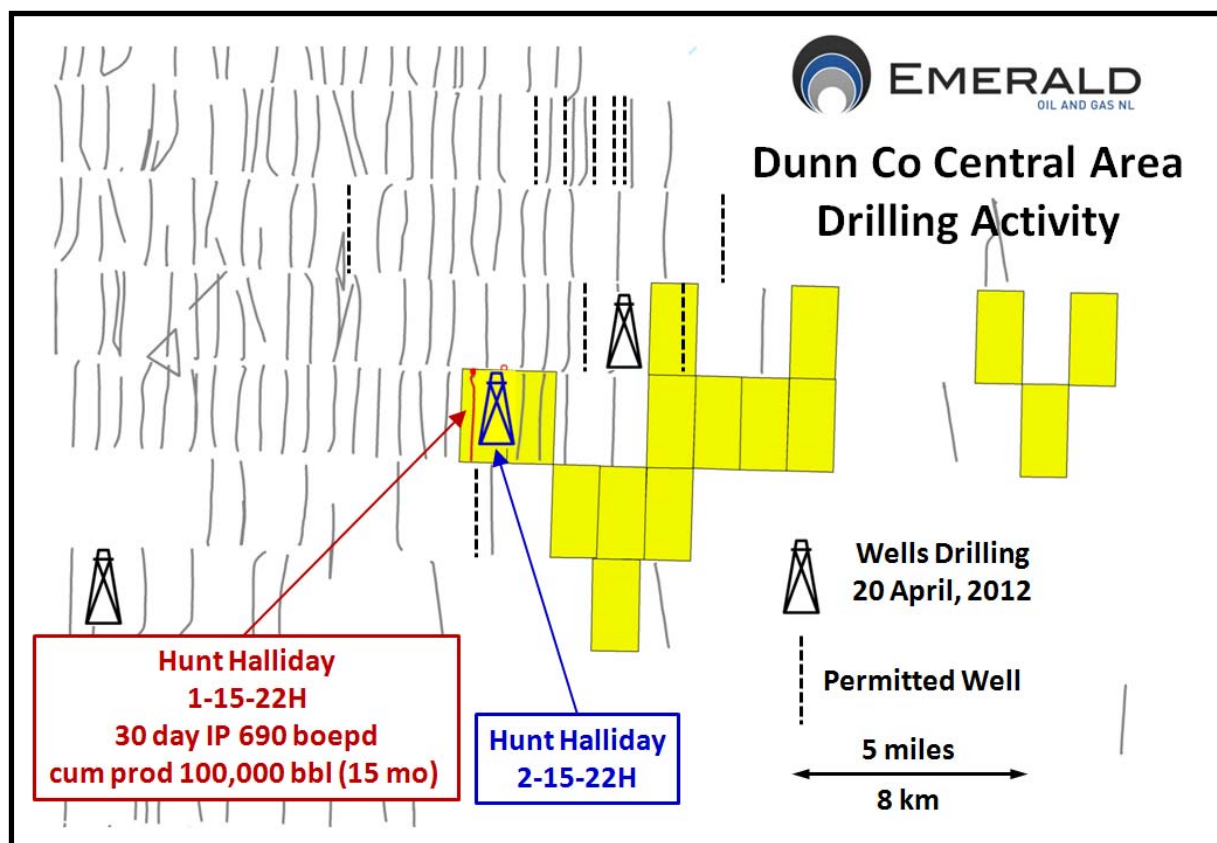
The Hunt Halliday 2-15-22H is the second well in the Drilling Spacing Unit (DSU) operated by Hunt Oil Company, which holds the producing Halliday 1-15-22H oil well, in which the Company also owns a 7.5% WI.

The Halliday 1-15-22H was drilled and completed in late December 2010 as a Middle Bakken producer with a 10,581' horizontal lateral and modern 21 stage frac. The well commenced production with a 24-hour IP rate of 1567 BOPD and 500 MCFD. 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 well's Expected Ultimate Recovery (EUR) is anticipated to exceed 570,000 barrels of oil and 430 million cubic feet of gas. This production performance confirms both the effectiveness of the well completion design used by Hunt in this area and the productivity of the Middle Bakken reservoir in this area. Emerald expects the second Halliday 2 well performance will be similar to the Halliday 1-15-22H in terms of initial producing rate and recoverable reserves.

Additional upside in the Halliday unit exists with 2 additional Middle Bakken locations as well as 2-3 potential Three Forks locations available as down spacing drilling opportunities.

Active drilling programs driven by several operators in the area are also extending the proved area in a southeasterly 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 months.



### First operated well planned for end 2012

Emerald's US subsidiary, Emerald Oil Inc, is currently working with North Plains Energy under its Transition Services Agreement to plan Emerald's first operated Bakken well, which is expected to be drilled around the end of year. Under the agreement, North Plains will provide operating support during 2012, up to and including contract drilling of initial wells on behalf of Emerald. Emerald intends to use this first well to build its internal operating capability to be able to commence a single rig continuous drilling program on its operated Dunn Co acreage in early 2013.

Emerald holds interests in 46 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 vary between 1.5% and 75% for a total of 8 net DSUs. Each 1,280 acre 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.

All wells will be 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 horizontal laterals extending over 10,000+ ft. Individual wells cost approximately \$US8 million per well to drill and complete.

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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.