

REGISTERED OFFICE

EMERALD OIL & GAS NL
SUITE 2, 12 PARLIAMENT PLACE
WEST PERTH WA 6005

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
All Correspondence to: PO BOX 535, APPLECROSS WA 6953
Tel (08) 9315 2333 Fax (08) 9315 2233
EMAIL: registrar@securitytransfer.com.au

30 July 2012

Dear Option Holder

**OPTIONS (ASX : EMRO) TO ACQUIRE EMERALD OIL & GAS NL SHARES AT 5 CENTS PER SHARE
EXPIRE ON 31 AUGUST 2012**

We are writing to you as a registered holder of 31 AUGUST 2012 options in EMERALD OIL & GAS NL ("the Company") to remind you that the options will expire at 5:00pm (WST) on 31 AUGUST 2012.

Your option holding may be exercised in whole or in part by payment of 5 cents for each option by no later than 31 AUGUST 2012. If payment is not received by 5:00pm (WST) on 31 AUGUST 2012 the options will lapse and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

- a) Exercise the options on or before 31 AUGUST 2012.
- b) Sell your options. Quotation of the options will cease at the close of trading on 24 AUGUST 2012.
- c) Do nothing (ie, allow your options to expire). If you do not exercise or sell your options they will expire on 31 AUGUST 2012 and your right to subscribe for ordinary shares in EMERALD OIL & GAS NL at 5 cents per share will lapse.

There is no obligation on option holders to exercise their options. However, under paragraph 6.1 of Appendix 6A of the Australian Stock Exchange (**ASX**) Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The market sale price of ordinary shares in EMERALD OIL & GAS NL on the ASX was 1.5 cents on 27 July 2012, being the last trading day prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- the highest market sale price of ordinary shares on ASX was 3 cents on 1 May 2012; and
- the lowest market sale price of ordinary shares on ASX was 1.4 cents on 19 July 2012.

If you wish to exercise your options then you must complete your "Notice of Exercise of Options" form included with this notice and forward it together with payment of 5 cents per option exercised to be received no later than 5:00pm (WST) on **31 AUGUST 2012** to the Company's share registry, being:

Security Transfer Registrars Pty Ltd

PO Box 535
APPLECROSS WA 6953

OR 770 Canning Highway
APPLECROSS WA 6953

Cheques should be made payable to "EMERALD OIL & GAS NL" in Australian dollars only and should be crossed "Not negotiable".

If you have any further questions please do not hesitate to contact our Registry on telephone (08) 9315 2333, facsimile (08) 9315 2233, or e-mail registrar@securitytransfer.com.au.

Yours faithfully,



Morgan Barron
COMPANY SECRETARY