



Ground Floor, 20 Kings Park Road  
West Perth WA 6005  
Ph: 08 9389 2111  
Fax: 08 9389 2199  
Email: [info@emeraldoilandgas.com](mailto:info@emeraldoilandgas.com)  
[www.emeraldoilandgas.com](http://www.emeraldoilandgas.com)

31 July 2013

Company Announcements Platform  
Australian Securities Exchange

**QUARTERLY ACTIVITIES AND CASHFLOW REPORT**  
**June 30, 2013**

Please find attached the Quarterly Activities Report and Appendix 5B Quarterly Cashflow Report for the quarter ended June 30, 2013.

Yours sincerely,

A handwritten signature in black ink, appearing to read "M Krzus". The signature is fluid and cursive, with the first letter "M" being particularly large and stylized.

**MIKE KRZUS**  
**Director**  
***mkrzus@emeraldoilandgas.com***

## ASX Release

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**31 July 2013**

**EMERALD OIL & GAS NL**

Ground Floor, 20 Kings Park Road  
West Perth WA 6005  
Ph: 08 9389 2111  
Fax: 08 9389 2199

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Contact:

**MIKE KRZUS**

Director

[mkrzus@emeraldoilandgas.com](mailto:mkrzus@emeraldoilandgas.com)

**GRAEME SMITH**

Company Secretary

[graeme@dwcorporate.com](mailto:graeme@dwcorporate.com)

**E-MAIL:**

[info@emeraldoilandgas.com](mailto:info@emeraldoilandgas.com)

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**WEBSITE:**

[www.emeraldoilandgas.com](http://www.emeraldoilandgas.com)

**Directors/Officers:**

Jeremy Shervington – Chairman

Mike Krzus – Director

McAndrew Rudisill – Director

Davide Bosio - Director

Dino DiCosta - Director

**Issued Capital (30 Jun 13):**

943,651,304 Shares (EMR)

167,600,000 Unlisted options

**Market Capitalisation (30 Jun 13):**

Undiluted ~\$5.7m (@ 0.6 cents)

**Cash on hand (30 Jun 13)**

\$404,000

**ASX Code:**

EMR

## QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 June 2013

### Highlights

- ❖ Shareholders voted against resolution for in specie distribution of Emerald Oil Inc (EOX) shares to eligible shareholders on a pro rata basis.
- ❖ Canning basin tenements to be divested for cash and shares.
- ❖ Approximately \$404,000 cash balance.

# Projects

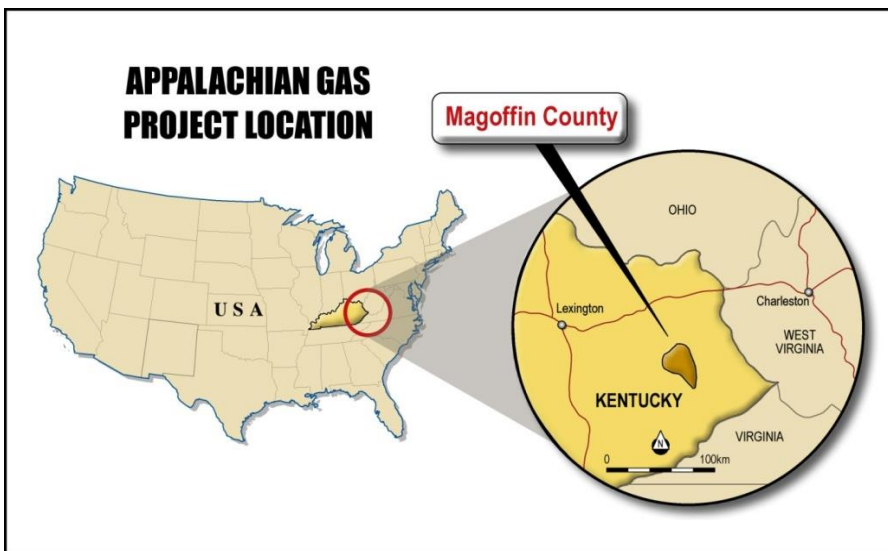
## Appalachian Gas - Magoffin County, Kentucky

*(Emerald 75% Equity Interest in Kentucky Energy Partners LLC)*

### Highlights:

- ❖ **Current gas production rates of approximately 340Mcf/d and are expected to rise significantly with the installation of a compressor, which is currently being installed.**

### LOCATION



Emerald's Appalachian gas operations are operated through Kentucky Energy Partners, a company 75% owned by Emerald. KEP currently holds 2,500 lease acres with 29 existing wells potentially capable of gas production, an 8 mile long gas gathering pipeline and gas conditioning/compression facilities.

Over 2 MMcf/d wellhead production potential has been identified to date from flow tests on KEP wells.

Sour gas sales are approximately 340 Mcfd. KEP sour gas production is expected to increase to between 500 and 1000 Mcfd from the connected wells with compression currently being installed.

## **Canning Basin – Western Australia**

*(Emerald 75% Equity Interest in Kentucky Energy Partners LLC)*

As announced to ASX on 29 July 2013, the Company has entered into a conditional agreement with Key Petroleum Limited to divest its Canning interests for a mixture of cash and shares.

The consideration to be paid for these interests by Key Petroleum consists of –

- (i) \$50,000 cash, and
- (ii) the issue of 4 million ordinary fully paid shares in Key Petroleum Limited to Emerald (or its nominee) at an issue price based on the 5 day VWAP of Key shares over the 5 days preceding the completion date, which is expected to be the 15 August 2013.

The transfer of the above registered interests is conditional upon standard approval by the Department of Mines and Petroleum.

## **Corporate**

### **Cash Position**

At 30 June 2013 the Group had \$404,000 cash on hand.

### **Shareholding in Emerald Oil Inc (EOX)**

On 24 May 2013, the Company held a General Meeting of Shareholders to vote on whether or not to have an in specie distribution of Emerald Oil Inc (EOX) shares to eligible shareholders on a pro rata basis.

The resolution put to shareholders was rejected.

### **Public Announcements**

The Company made the following announcements during the quarter and up to the date of this quarterly report:

<b>Date</b>	<b>Headline</b>
26/07/2013	Trading Halt Request
26/07/2013	Trading Halt
24/05/2013	Results of Meeting
30/04/2013	Quarterly Activities & Cashflow Report
26/04/2013	Notice of General Meeting & Proxy form

For more information please contact:

**MIKE KRZUS**  
**Director**

Tel: +618 9389 2111  
[mkrzus@emeraldoilandgas.com](mailto:mkrzus@emeraldoilandgas.com)

### **About Emerald Oil & Gas NL**

Emerald Oil & Gas NL (ASX: EMR) 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's major asset consists of a substantial equity interest in Emerald Oil Inc (NYSE:EOX), an active Williston Basin operating company listed on the New York Stock Exchange. In addition, Emerald holds exploration and production interests in Kentucky, USA and Canning Basin, Western Australia.

*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.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

**Emerald Oil & Gas NL**

ABN

009 795 046

Quarter ended ("current quarter")

30 June 2013

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	16	100
1.2 Payments for (a) exploration & evaluation	-	(1,684)
(b) development	(50)	(183)
(c) production	-	-
(d) administration	(120)	(1,764)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	12
1.5 Interest and other costs of finance paid	-	(36)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(151)</b>	<b>(3,555)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	2,333
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>2,333</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(151)</b>	<b>(1,222)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(151)	(1,222)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	1
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	1,875
1.17	Repayment of borrowings	-	(363)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue transaction costs	-	(103)
	<b>Net financing cash flows</b>	-	1,410
	<b>Net increase (decrease) in cash held</b>	(151)	188
1.20	Cash at beginning of quarter/year to date	581	504
1.21	Exchange rate adjustments to item 1.20	(26)	(288)
1.22	<b>Cash at end of quarter</b>	404	404

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	82
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount above includes payments to directors and to companies associated with the directors for this quarter.

Payments to Jeremy Shervington Legal Practice relate to the provision of legal services on commercial terms.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	-
4.2	Development	40
4.3	Production	-
4.4	Administration	100
<b>Total</b>		<b>140</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	404	581
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>404</b>	<b>581</b>

**Changes in interests in mining tenements**

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed			
6.2 Interests in mining tenements acquired or increased			

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+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	943,651,304	943,651,304		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	117,600,000 50,000,000	- -	<i>Exercise price</i> 5 cents 5 cents	<i>Expiry date</i> 30 April 2014 28 June 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter	5,000,000		10 cent	31 March 2013
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director)

Date: 31 July 2013

Print name:

**Mike Krzus**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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