



ASX Announcement

22 July 2015

EMERALD TO EARN ROYALTY INTEREST FROM OIL AND GAS LEASES

The Board of Emerald Resources NL (**EMR** or **Company**) wishes to advise that Kentucky Energy Partners, LLC (KEP), a partnership between EMR (75%) and Slone Production, LLC (Slone Production) (25%), has entered into an assignment of oil and gas leases with Slone Energy, LLC (Slone Energy), a company associated with Slone Production, for the various oil and gas interests located in Magoffin County, Kentucky (Leases), to Slone Energy (Agreement).

KEP has assigned the various oil and gas interests, including existing fixtures, casing and pipelines utilized on and for the Leases for a nominal consideration in return for EMR retaining a 5% overriding royalty interest in all gas production from the Leases (Royalty Interest).

The Royalty Interest will continue over any new oil and gas lease acquired by Slone Energy where that new oil and gas lease is in respect of any part of an area that was the subject of the Leases that may be relinquished, surrendered or not renewed.

EMR will receive quarterly reports from Slone Energy setting out the product recovered and sold and the royalty payable for that period.

EMR Managing Director, Morgan Hart said, "This Agreement incentivises Slone Energy to enhance the production profile of the existing and proposed wells on these Leases and enables EMR shareholders to be better placed to earn a return on their investment via the Royalty Interest."

He added "We are continuing to actively analyse more significant opportunities in the energy and broader resources sector with a view to enhancing EMR shareholder value."

For further information, please contact;

MORGAN HART
Managing Director