



Ground Floor, 20 Kings Park Road
West Perth WA 6005
Ph: 08 9389 2111
Fax: 08 9389 2199
Email: info@emeraldoilandgas.com
www.emeraldoilandgas.com

30 October 2013

Company Announcements Platform
Australian Securities Exchange

QUARTERLY ACTIVITIES AND CASHFLOW REPORT
September 30, 2013

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

Yours sincerely,

A handwritten signature in black ink, appearing to read "G. Smith".

Graeme Smith
Secretary

For personal use only

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 September 2013

ASX Release

30 October 2013

EMERALD OIL & GAS NL

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

Contact:

GRAEME SMITH

Company Secretary
graeme@dwcorporate.com

E-MAIL:

info@emeraldoilandgas.com

WEBSITE:

www.emeraldoilandgas.com

Directors/Officers:

Jeremy Shervington – Chairman
Tim Kestell – Director
Peter Pynes – Director
Ross Williams – Director

Issued Capital (30 Sept 13):

943,651,304 Shares (EMR)
167,600,000 Unlisted options

Market Capitalisation (30 Jun 13):

Undiluted ~\$11.3m (@ 1.2 cents)

Cash on hand (30 September 13)

\$171,000

ASX Code:

EMR

Highlights

- ❖ Subsequent to the end of the quarter, a takeover offer was received for 30% of each share held by shareholders at 1.4 cents per share.
- ❖ Canning basin tenements divested for \$50,000 cash and 4 million Key shares.
- ❖ Directors Tim Kestell, Peter Pynes and Ross Williams join the Board.
- ❖ Messrs Krzus, Rudisill, DiCosta and Bosio resign as directors.
- ❖ Current gas production rates of approximately 450Mcf/d from the Appalachian Gas Project.
- ❖ Holding in Emerald Oil & Gas Inc (NYSE:EOX) worth \$13.5 million (\$15 million at 29 October 2013).
- ❖ Approximately \$171,000 cash balance.

Projects

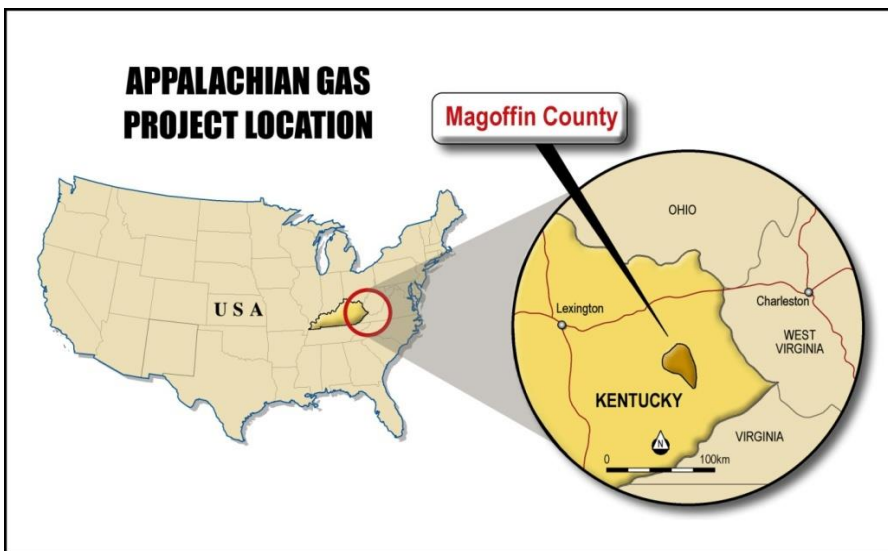
Appalachian Gas - Magoffin County, Kentucky

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

Highlights:

- ❖ **Current gas production rates of approximately 450Mcf/d and are expected to increase to 800Mcf/d with the connection of additional existing gas wells.**

LOCATION



Emerald's Appalachian gas operations are operated through Kentucky Energy Partners ("KEP"), a company 75% owned by Emerald. KEP currently holds 1,200 lease acres with 12 existing wells potentially capable of gas production, an 8 mile long gas gathering pipeline.

The operator has informed Emerald that KEP's current sour gas production is approximately 450 Mcfd. Now that compression facilities are in place, KEP's sour gas production is expected to increase up to 800 Mcfd with the connection of additional existing gas wells.

Over 2,000 Mcfd wellhead production potential has been identified to date from flow tests on KEP wells.

Cash Position

At 30 September 2013 the Group had \$171,000 cash on hand.

Bidders Statement Received

On 14 October 2013, the Company received a Bidders Statement from Confederate Capital Pty Ltd which offered 1.4 cents for 30% of each share in Emerald.

On 29 October 2013, the Company was advised that the Bidder's Statement and a Supplementary Bidder's Statement had been sent to Emerald shareholders.

The Company is currently preparing the Target Statement to be sent to shareholders.

Board Changes

Tim Kestell, Ross Williams and Peter Pynes joined the Board.

Mike Krazus, McAndrew Rudisill, Davide Bosio and Dino DiCosta resigned as directors

Implementation Deed Terminated

During the quarter, the Company entered into an Implementation Deed with Ochre Group Holdings (ASX:OGH) for a Scheme of Arrangement. Following a re-appraisal of their respective objectives, both OGH and EMR mutually agreed to terminate the deed and not to proceed with the proposed scheme of arrangement.

Public Announcements

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

Date	Headline
30-Oct-2013	Notice of Annual General Meeting / Proxy Form
29-Oct-13	Change in Substantial Holding
29-Oct-13	Supplementary Bidder's Statement
29-Oct-13	Bidder's Statement
18-Oct-13	Cancellation of a Requisition of a Meeting of Members
14-Oct-13	Receipt of Bidder's Statement
11-Oct-13	Initial Director's Interest Notice - Kestell and Pynes
11-Oct-13	Final Director's Interest Notice M Krzus
11-Oct-13	Board Changes
8-Oct-13	Notice of Requisition of Meeting of Members
8-Oct-13	Proposed Scheme of Arrangement
8-Oct-13	OGH: Termination of Proposed Scheme of Arrangement
4-Oct-13	Change in substantial holding
4-Oct-13	Initial Director's Interest Notice

Date	Headline
4-Oct-13	Final Director's Interest Notice * 3
4-Oct-13	Appointment of Director
3-Oct-13	Change in substantial holding
3-Oct-13	Directors Resignation
2-Oct-13	Change in substantial holding
1-Oct-13	Conditions of Proportional Takeover Offer
1-Oct-13	Takeover Offer Received
30-Sep-13	Full Year Statutory Accounts
27-Sep-13	Notice of Requisition of a Meeting of Members
25-Sep-13	Ceasing to be a substantial holder
23-Sep-13	Becoming a substantial holder
2-Aug-13	Reinstatement to Official Quotation
2-Aug-13	OGH: Scheme of Arrangement to Merge with EMR
2-Aug-13	Implementation Deed for Merger with Ochre Group Holdings
1-Aug-13	Request for Extension of Suspension
31-Jul-13	June Quarterly Activities & Cashflow Report
30-Jul-13	Suspension from Official Quotation
29-Jul-13	KEY: Acquisition of Participating Interests - EP104 & R1
29-Jul-13	Sale of Participating Interests
26-Jul-13	Trading Halt Request
26-Jul-13	Trading Halt

For more information please contact:

Jeremy Shervington
Chairman

Tel: +618 9389 2111

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.

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 September 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	44	44
1.2 Payments for (a) exploration & evaluation	(20)	(20)
(b) development	(58)	(58)
(c) production	-	-
(d) administration	(256)	(256)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(288)	(288)
Cash flows related to investing activities		
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	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(288)	(288)

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(288)	(288)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue transaction costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(288)	(288)
1.20	Cash at beginning of quarter/year to date	404	404
1.21	Exchange rate adjustments to item 1.20	6	6
1.22	Cash at end of quarter	122	122

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	126
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

--

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

--

+ See chapter 19 for defined terms.

For personal use only

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	20
4.3 Production	-
4.4 Administration	100
Total	120

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	122	404
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	122	404

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			-

+ See chapter 19 for defined terms.

For personal use only

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 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	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 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	117,600,000	-	<i>Exercise price</i> 5 cents	<i>Expiry date</i> 30 April 2014
	50,000,000	-	5 cents	28 June 2014
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

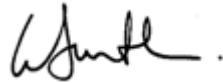
+ See chapter 19 for defined terms.

For personal use only

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:



(Secretary)

Date: 30 October 2013

Print name:

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.

== == == == ==

+ See chapter 19 for defined terms.

For personal use only