



Emerald Oil & Gas NL

**Investor Presentation
July, 2011**

Disclaimer

This presentation contains forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectation reflected in the statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially to those stated, including but not limited to: product price fluctuations, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions, project delay or advancement, approvals and cost estimates. Investors should undertake their own analysis and obtain independent advice before investing in Emerald shares. All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated.

Emerald Oil and Gas - Summary

Exchange /Ticker:	EMR
Recent Stock Price:	\$0.048
Issued Shares:	785m
Market Cap:	\$38m
Cash:	\$8.5m
Debt:	None

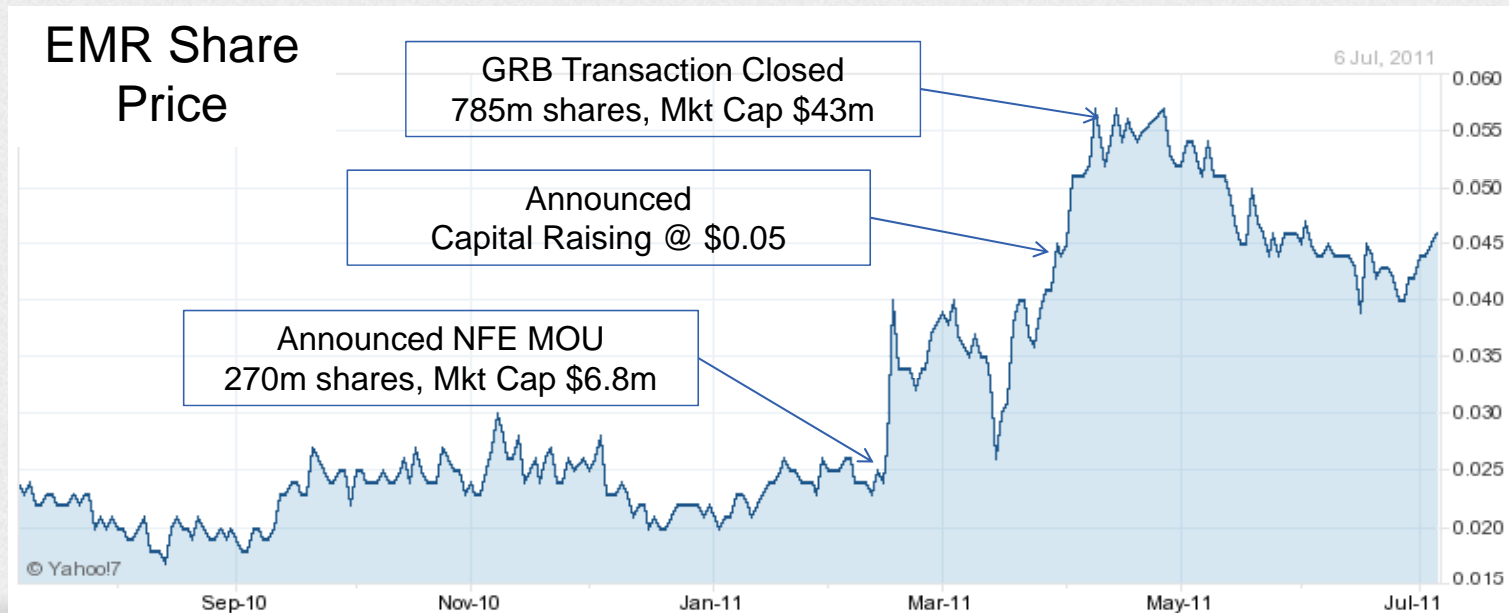
Assets/Projects:

- 1. Green River Basin Shale Oil & CBM (USA : Colorado/Wyoming)**
45% interest in GRBJV - 60,000 net lease acres covering Niobrara Shale Oil play, 500Mcf/d CBM production, 29 km gas gathering pipeline & gas production facilities
- 2. Appalachian Gas (USA : Kentucky)**
75% interest in KEP – 2500 net lease acres, 29 existing wells, 200Mcf/d gas production, 13 km gas gathering pipeline, gas conditioning facilities
- 3. NW Alice Onshore GOM Exploration (USA : Texas)**
35% interest in 2500 net lease acres covered by 55 mi² 3D seismic survey
- 4. Canning Basin Offshore Exploration (Australia : WA)**
100% interest in 9600 km² offshore exploration permits

EMR Green River Basin (GRB) Acquisition

Acquired 45% interest in GRBJV from New Frontier Energy Inc for \$10m cash and 125m EMR shares:

- Approx 60,000 net acres mineral leases
- Niobrara shale oil play, CBM and conventional gas
- Existing gas production from partially developed CBM field
- 18 mile pipeline to gas sales point
- Entek Energy Ltd (ETE) holding corresponding 55% interest and operator
- **Transaction closed 2 May 2011**

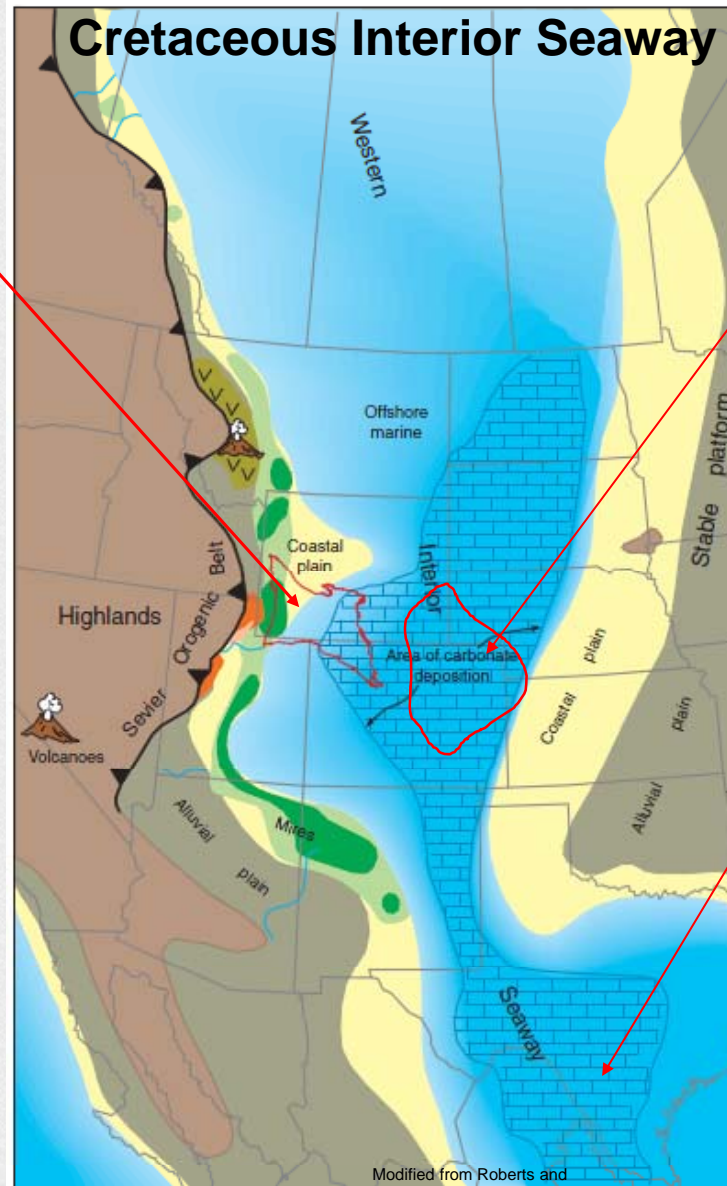


Niobrara Oil Shale Players

Green River Basin



Cretaceous Interior Seaway



DJ Basin



Eagleford Shale



Modified from Roberts and Kirschbaum 1995

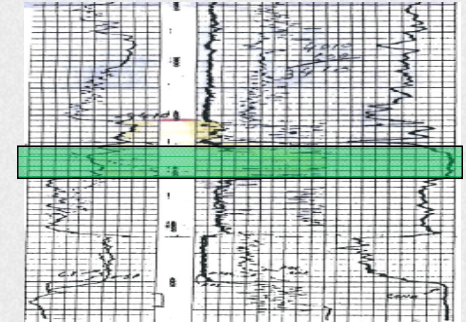
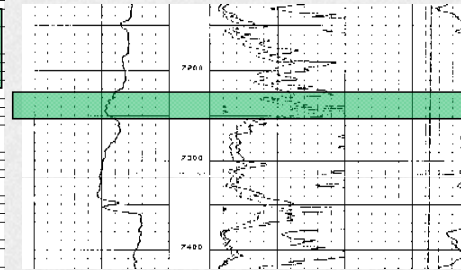
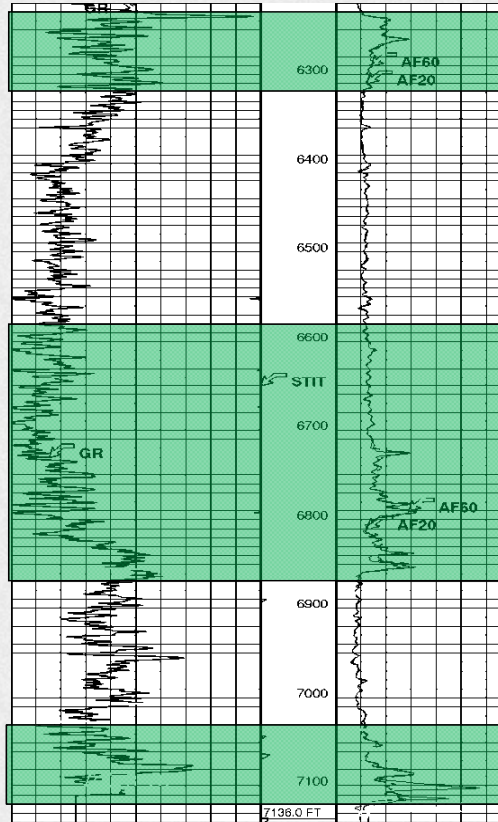
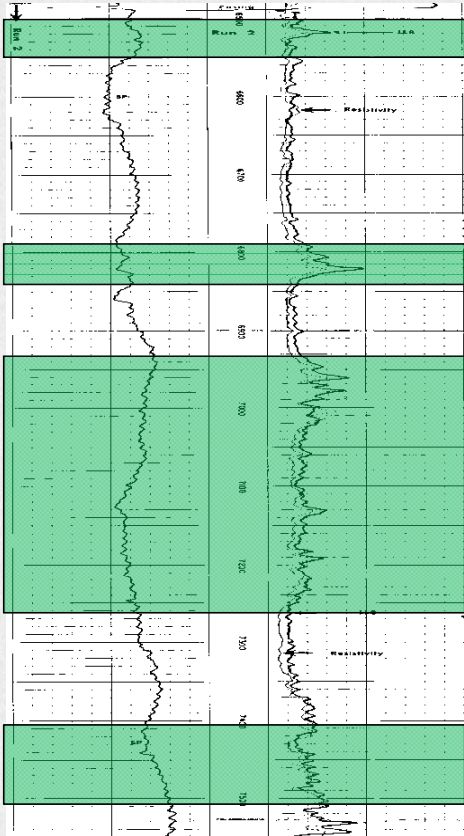
Comparison of Shale Oil Pays

Buck Peak Field Nolan #1
IP 480 BOPD Drilled with
air completed open hole
Recovered > 1.3 MMBO

Slater Dome Field
Green River Basin
ENTEK GRB, LLC
Robidoux 13-15T

D J Basin, Blake #33-1
IP 47 BOPD Jake 2-01
offset well

Eagle Ford Shale



DJ Basin 20-30' of Pay

EFS ~ 20-30' of Pay

Resource Play	TVD Range (ft)	Thickness (ft)	Oil Gravity	Porosity (%)	Oil Sat. (%)	TOC (%)	OOIP / 640 (MMBO)	EUR / 640 (MMBO)
Middle Bakken(1)	8,500' to 10,500'	140'	42	5	75%	6-20%	5	0.5
Eagle Ford (2)	8,000' to 14,000'	250'	45	8	72%	4.50%	30	1.57
Niobrara (DJ Basin) (3)	2,000' to 8,000'	150' to 350'	39	6	50%	2.79%	40	1.6
Niobrara (GRB)	4,000' to 9,000'	800' to 1200'	38 to 44	7.5	58%	2.69% Avg Cuttings	40* to 90**	1.7* to 3.4**

(1) From USGS Paper 1653
 (2) From Venoco corporate presentation
 (3) From various published presentations

* Single bench OOIP * 4% recovery
 ** All 3 benches and fractures OOIP ** 12% recovery

Green River Basin 300-500' Of Potential Pay

Oil Pay Zones

Niobrara Shale Oil Play Evolution

DJ Basin

- Vertical wells 10 to 50 bopd
- EOG horizontal well (Jake 2-01H) late 2009 – IP 1500 bopd, 150,000 bbl oil in 6 months to “prove” the play
- Several horizontal wells drilled during 2010
- Land grab through 2010
- Prospective Niobrara oil acreage now scarce in the DJ Basin
- \$4800/ac + carry
CNOOC’s Chesapeake acquisition Feb 2011



Green River Basin

- Vertical wells 10 to 500 bopd
- Target Niobrara oil benches 2x to 5x thicker than DJ + fractured intrusives
- Horizontal wells to be drilled to “prove” the play
- Increasing acreage competition as attention turns from DJ Basin to GRB
- \$1300 per acre paid in Fed land sale Feb 2011

Green River Basin Niobrara Shale Oil

➤ GRBJV

- 55% Entek Energy (Operator)
- 45% Emerald
- 80,000 Gross acres, 60,000 Net
- Niobrara oil and gas
- CBM 500Mcf/d + conventional gas
- 29 km gas gathering pipeline
- Production infrastructure

➤ Niobrara Shale Oil play

800 to 1200 ft Niobrara oil section
multiple reservoirs

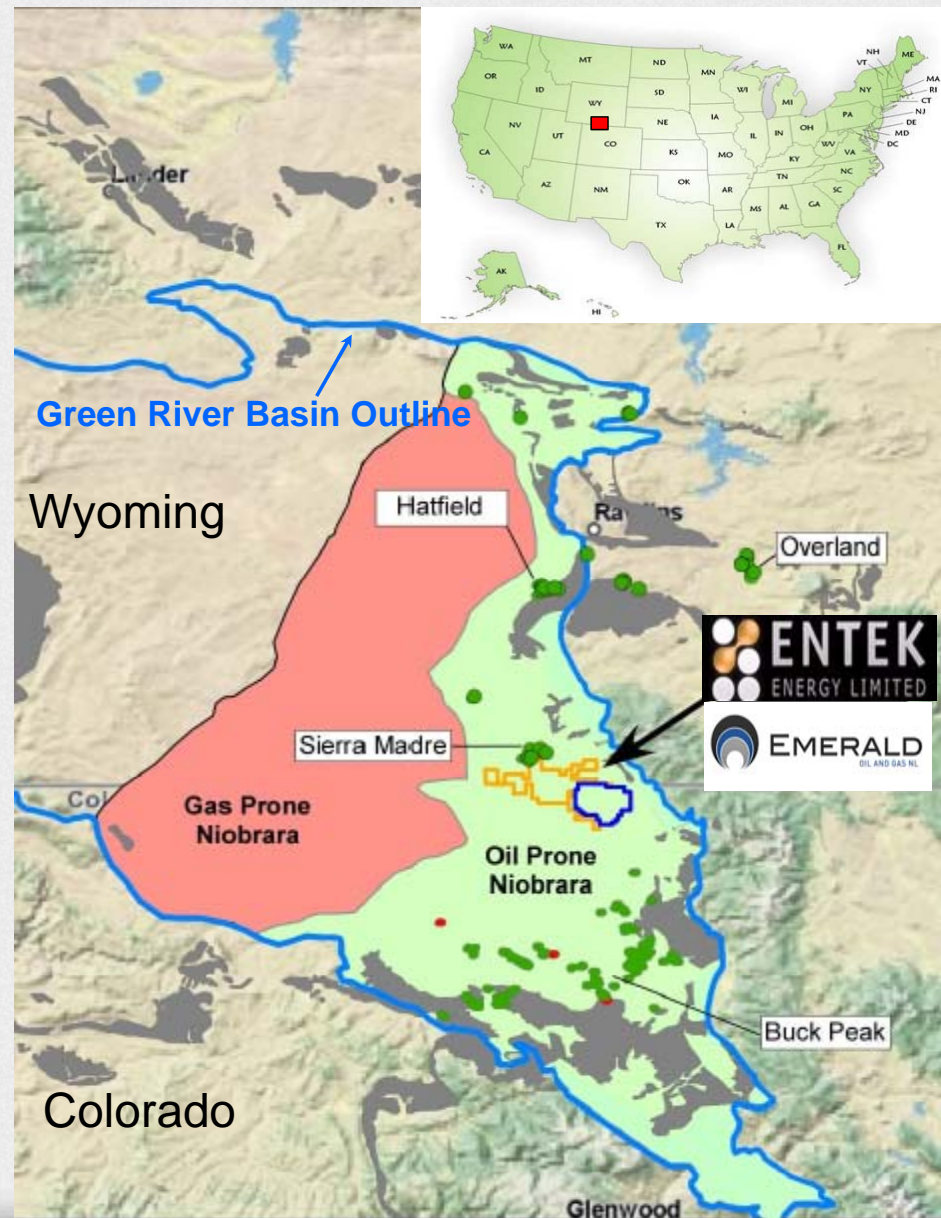
- 3 Niobrara “benches”
- Igneous intrusives

➤ 2011 Drilling Program

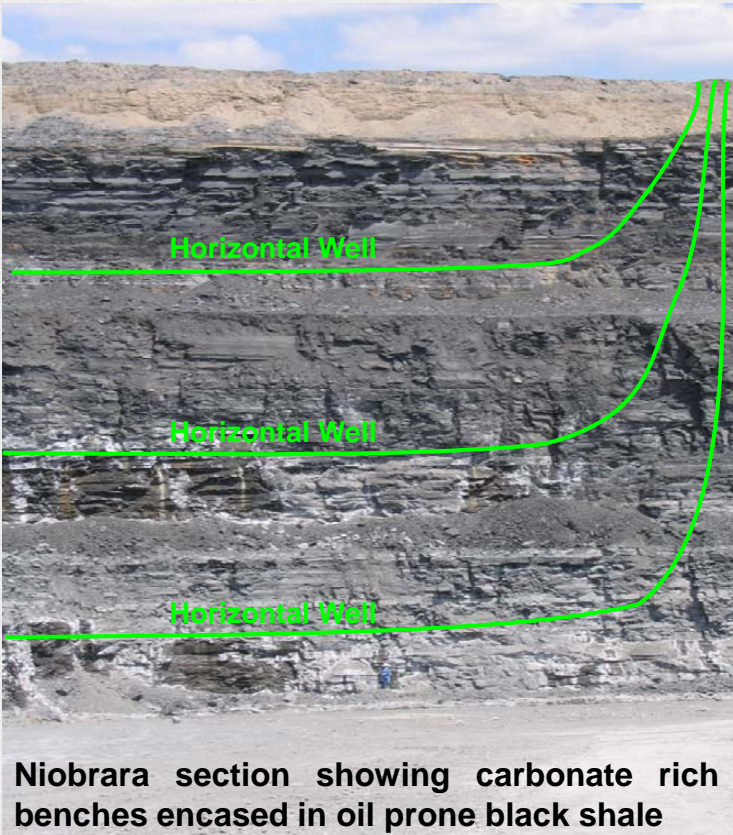
3 vertical Niobrara appraisal wells
Multiple zone, frac stimulations

Objectives:

- Gather technical data for horizontal wells in 2012
- Establish Niobrara oil production



Development Potential and Key Uncertainties



Prospectivity Summary

- CBM, Niobrara oil & gas, conventional oil & gas
- 3 Self sourcing hydrocarbon systems in oil window
- Multiple oil zones in 1100 ft thick Niobrara section
 - 4 “benches” + fractured intrusives
- Oil and Gas/condensate flows obtained from Niobrara shale intervals and Frontier sand
- Indicative Development Potential : 250 to 500 wells assuming 160 to 320 acre horizontal well spacing



Naturally fractured igneous intrusives

Key Development Issues - 2011 Appraisal Program)

- Which oil zones to target for development? Horizontal wells? Vertical wells?
- Frac designs? – Niobrara benches, intrusives, Frontier sands
- Reservoir fluids? – black oil, volatile oil, gas/condensate
- Reservoir performance?

2011 Niobrara Activity Plans

Appraise Niobrara resource, prepare for development drilling & oil production

Objectives:

- Gather technical data to design horizontal wells in 2012
- Assess Niobrara production potential
- Acquire additional acreage

Appraisal Wells:

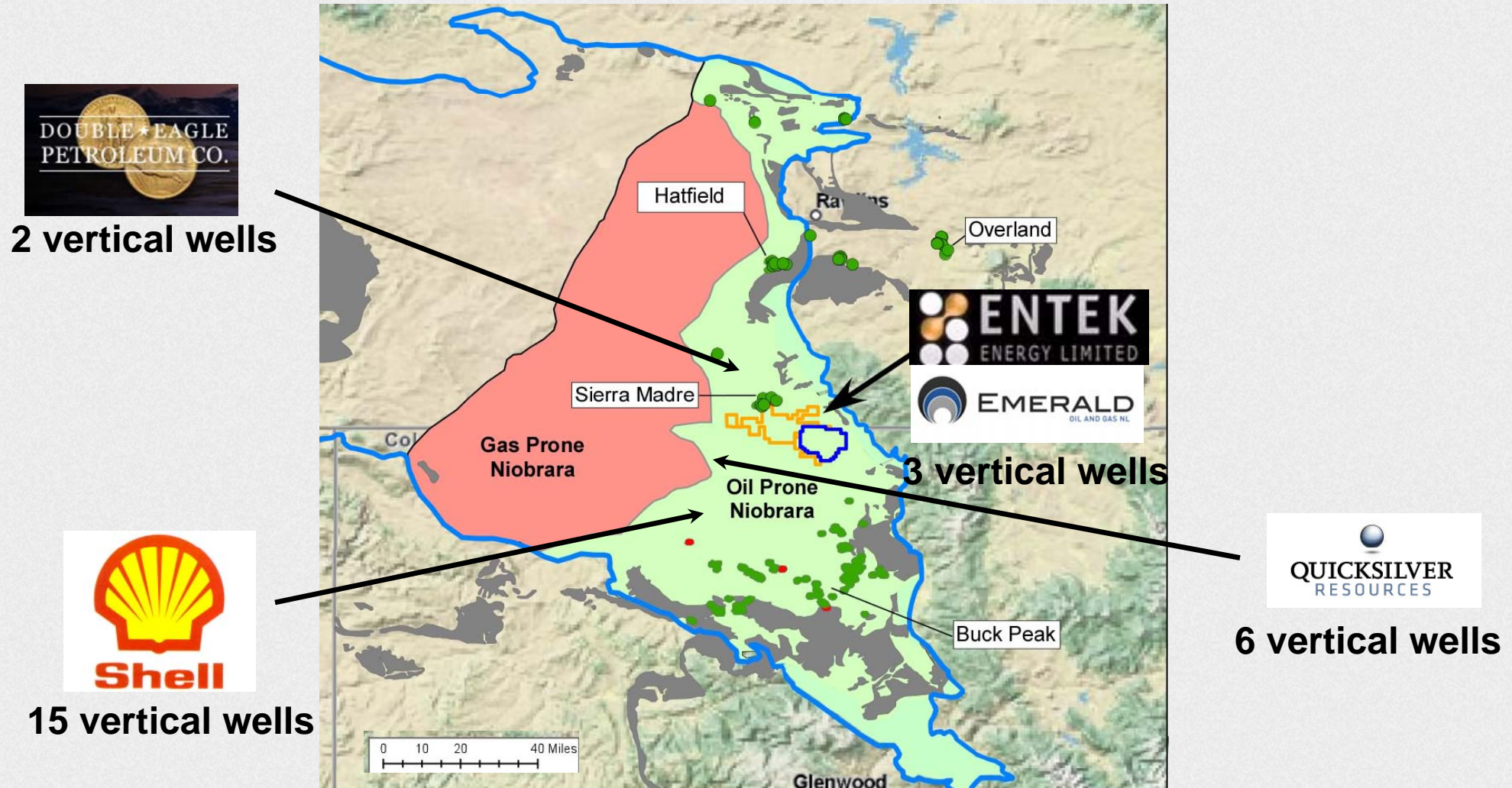
- 3 vertical Niobrara wells
- Frac & test up to 3 zones per well
- Trial different frac treatments
- Flow tests to assess individual reservoir performance
- Comingled production

Production Infrastructure:

- Gas gathering lines
- Central production facilities
- Gas treatment plant



GRB 2011 Niobrara Drilling Activity



GRB drilling success highly likely to drive acreage value up in 2011

18 Month GRBJV Capital Requirement

2011 (July – Dec)	Total GRBJV	EMR (45%)
3 Vertical Niobrara wells	\$6.5	\$2.9
Production infrastructure	\$2.0	\$1.0
New acreage acquisition	<u>\$3.0</u>	<u>\$1.4</u>
	\$11.5	\$5.2
 2012 (indicative only)		
New acreage acquisition	\$3.0	\$1.4
Seismic	\$3.0	\$1.4
Vertical appraisal/Horiz devel wells	\$24.0	\$10.8
CBM Well Workovers	\$0.5	\$0.2
Production Infrastructure	<u>\$5.0</u>	<u>\$2.3</u>
	\$35.5	\$16.1
 Total 18 Month GRBJV Program	\$50.0	\$22.5

Premium Shale Oil Acreage Valuations In US Capital Markets

- Investors willing to assign strong valuations for undeveloped resource acreage in high profile shale oil plays (Niobrara, Bakken, Eagleford, Permian, Utica)
- Institutions willing to pay \$/acre premium based on intangible acreage value and future reserves to fund drilling and additional acreage acquisition (blind pool financing)
- Valuations range from \$2000-\$4000 EV/Acre in US markets

ASX Listed US Shale Players Valuation

8 July 2011

	EMR	ETE	SGY	SSN	SEA	EKA	TXN	AUT
Shale Play	Niobrara	Niobrara	Kreyenhagen	Bakken/ Niobrara	Bakken/ Niobrara	Eagleford	Eagleford	Eagleford
Location	GRB	GRB	San Joaquin	Williston/ GRB & DJ	Williston/ DJ	Texas	Texas	Texas
Net Acres	27,000	33,000	10,000	35,200	23,600	6,236	5,900	15,600
Share Price	0.045	0.18	0.09	0.14	0.85	0.29	0.64	3.30
Shares	785	511	345	1732	277	237	243	410
Mkt Cap	35.3	91.9	31.1	242.5	235.2	68.7	155.2	1352.6
EV	27.3	71.9 *	22.1	183.5	215.2	58.7	141.2	1277.6
EV/Acre	\$1,013	\$1,301	\$2,208	\$5,212	\$9,119	\$9,418	\$23,937	\$81,896

* Niobrara EV only

Immediate Plans

Work closely with ETE as partner in the GRBJV

- Agree strategy to deliver max value from current assets
- Consolidate and expand GRB position with additional acreage
- Develop & execute 2011 field activity program
- Plan 2012 horizontal/vertical development program

Explore cooperative value synergies with ETE

- Company interests and capital requirements aligned in GRBJV
- Increase asset value through development drilling
- Maximise value of future dealings with combined 100% interest
- Access premium valuation opportunities in global capital markets