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29 July 2011

Centralised Company Announcements Platform
Australian Stock Exchange
10th floor, 20 Bond Street
Sydney NSW 2000

QUARTERLY ACTIVITIES AND CASHFLOW REPORT
JUNE 30, 2011

Please find attached the Quarterly Activities Report and Appendix 5B Quarterly Cashflow Report for the quarter ended June 30, 2011.

Yours sincerely,

A handwritten signature in black ink that reads "Mike Krzus". The signature is written in a cursive, flowing style.

MIKE KRZUS
Chief Executive Officer
mkrzus@emeraldoilandgas.com

ASX Release

29 July 2011

EMERALD OIL & GAS NL

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Contact:

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MORGAN BARRON

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WEBSITE:

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Directors/Officers:

Jeremy Shervington – Non Exec Chairman
Mike Krzus – Managing Director
John Hannaford – Non Exec Director
Laurie Shervington – Alternate Director

Issued Capital (29 Jul 11):

785,309,196 Shares (EMR)
78,744,568 Listed options (EMRO)
184,261,115 Unlisted options

Market Capitalisation (29 Jul 11):

Undiluted \$37m (@ 4.7 cents)

Cash on hand (30 Jun 11)

\$8.4m

ASX Codes:

EMR, EMRO

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 JUNE 2011

Highlights

USA

- ❖ ***Green River Basin Shale Oil, Colorado/Wyoming***
 - Drilling operations commenced on 3 well Niobrara Shale Oil appraisal program
- ❖ ***Appalachian Gas, Kentucky***
 - Sour gas conditioning and compression commissioned, gas production to be increased with additional gas well hook-ups

AUSTRALIA

- ❖ ***Canning Basin, Western Australia***
 - Seeking farm-in partner for 100% exploration permits

CORPORATE

- ❖ ***Green River Basin Shale Oil***
 - Transaction completed to acquire New Frontier Energy Inc's 45% interest in assets including over 60,000 net lease acres prospective for Niobrara shale oil and CBM, existing CBM production and an 18 mile gas gathering pipeline for a consideration of \$US10m cash and issue of 125 million shares to NFE.

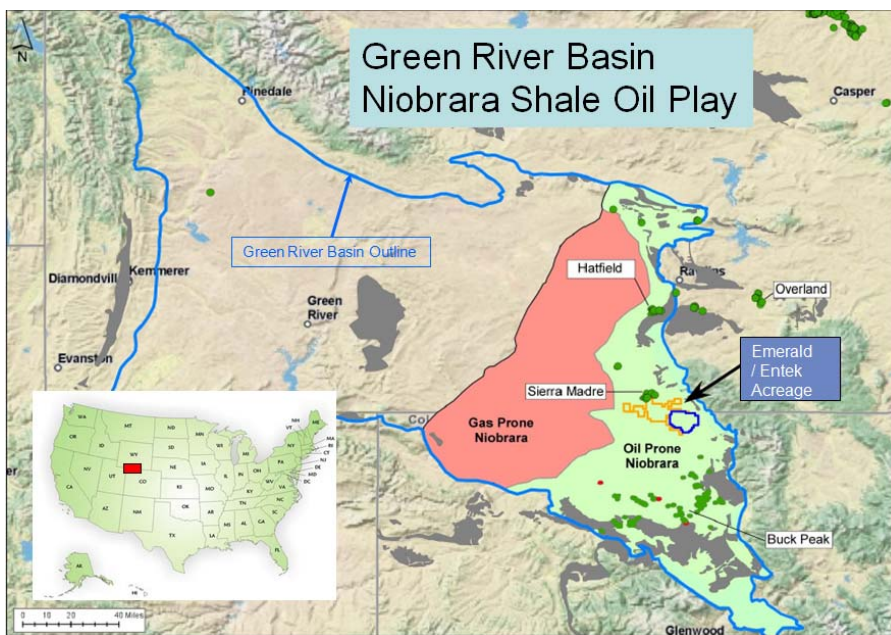
USA Projects

Green River Basin - Colorado/Wyoming USA (Emerald 45% Interest)

Highlights:

- ❖ Transaction closed to acquire 45% interest in the Green River Basin JV with assets including over 60,000 net lease acres (30,000 acres net EMR) prospective for Niobrara shale oil and CBM, existing CBM production and 18 mile gas gathering pipeline for consideration of \$US10m cash and 125 million EMR shares.

During the quarter, Emerald closed a transaction with US listed public oil and gas company New Frontier Energy Inc (US OTCBB:NFEI) to acquire 100% of New Frontier's interest in the Green River Basin JV for a consideration comprising \$US10,000,000 in cash and 125,000,000 EMR ordinary shares. The Green River Basin JV holds approximately 80,000 gross acres and over 60,000 net acres of highly prospective Niobrara Shale formation, a partially developed Coal Bed Methane field and an 18 mile long gas gathering pipeline. Emerald now holds a 45% working interest in the GRBJV, with Entek Energy (ASX: ETE) holding the remaining 55% and operates the Joint Venture.



In early July, Emerald and Entek commenced drilling the first well of a 3 well Niobrara shale oil appraisal drilling program. The first well, Battle Mountain 14-10L, was selected from 7 currently permitted well locations. Subsequent wells in the program will be located based on initial drilling results, local operating constraints and field operational considerations.

The wells in the 2011 appraisal program will be drilled vertically to intersect multiple reservoirs in the Niobrara Shale Oil section which can be up to 1,100 ft thick in the area. The wells will penetrate the brittle bench reservoirs within the Niobrara section as well as significant natural fracturing seen in previous wells within the Green River Basin and in particular in and around the Company's acreage holding. The fractured igneous intrusives unique in this area are also being targeted. The Company's Focus Ranch 12-1 which was

tested at cumulative rate of 240 BOPD and 2.75 MMcfd gas has already provided indications of the production potential from igneous intrusives in the area.

The primary objectives of the 2011 vertical well appraisal program are to:

1. assess reservoir performance of individual reservoir intervals and establish production from the Niobrara Shale Oil section;
2. identify the most prospective Niobrara intervals to target with both vertical and horizontal wells in 2012 as part of the continued appraisal and development program; and
3. gather technical information necessary to design and execute effective fracture stimulation treatments for the different reservoir rock types.

As multiple reservoir sections are expected to be intersected, individual reservoir sections will be selected and separately fraced and then flow tested to determine optimal stimulation treatments, with several frac treatments possible in each well. The operating team in Denver is working closely with Halliburton to design fracture stimulation treatments for at least one interval in each well this year with frac treatments scheduled from August. Initial flow test results are not expected to be available for several weeks, but regular operational updates on the drilling program will be provided as appropriate.



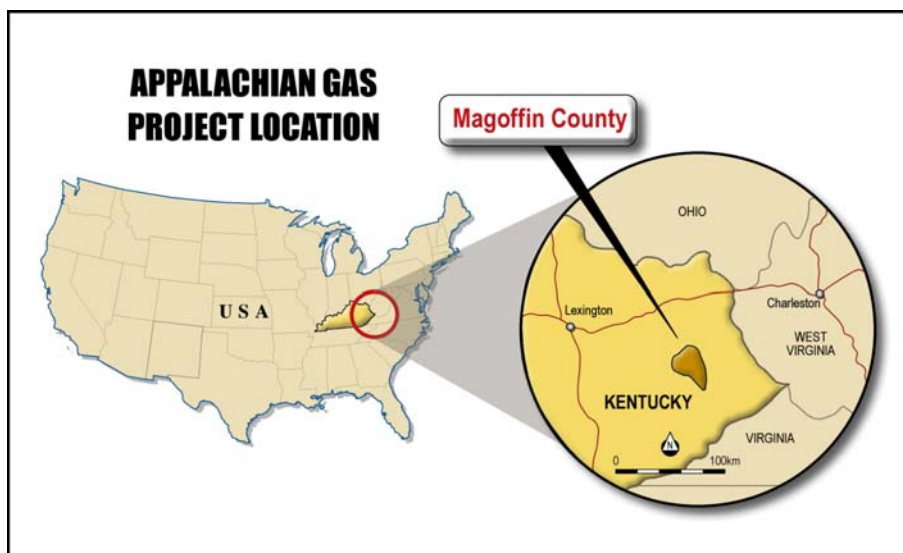
Battle Mountain 14-10L Appraisal Well Drill site

Appalachian Gas - Magoffin County, Kentucky
(Emerald 75% Equity Interest in Kentucky Energy Partners LLC)

Highlights:

- ❖ Sour gas production commenced through new KEP gas conditioning facilities

LOCATION



Emerald's Appalachian gas operations are operated through Kentucky Energy Partners, a company 75% owned by Emerald. KEP currently holds 2500 lease acres with 29 existing wells potentially capable of gas production, an 8 mile long gas gathering pipeline and gas conditioning/compression facilities.

Sour gas treatment to remove H₂S from the gas stream and compression was installed and commissioned in late June, allowing both sweet and sour gas production from KEP wells in the area. Gas production is currently approximately 225 Mcfd.



Beetree Gas Compression and Sales Gas Treatment Facilities

Over 2 MMcfd wellhead production potential has been identified to date from flow tests on KEP wells. Wells will be selectively hooked up to the gas production system to increase production over the summer/autumn operating season.

North West Alice, Jim Wells County, Texas
(Emerald 35% Working Interest; Operator: OSO Exploration)

Emerald holds a 35% Working Interest in approximately 2500 acres of oil and gas leases and 27 square miles of high quality 3D seismic data over the gas bearing NW Alice structure near the town of Alice in Jim Wells County, Texas. Operator review of the seismic data has identified potential shallow gas and oil plays, which are currently being assessed for potential drilling.

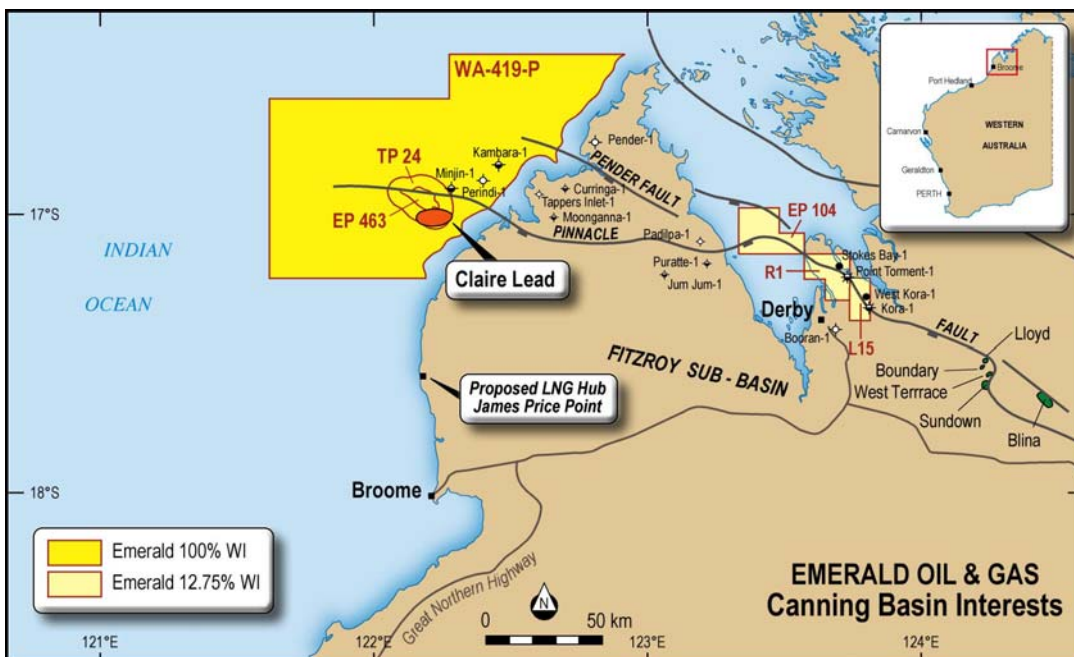
NOXXE LLC, Harris County and Galveston County, Texas
(Emerald 31.5% Equity Interest)

Emerald is still pursuing its lawsuit against NOXXE.

Australian Projects

EP463 & TP24 (Lacepede Islands) AND WA-419-P (Offshore) Canning Basin, WA
(Emerald 100% Working Interest, Operator)

Emerald is seeking to farm out a portion its 100% interest in the Claire lead and permit areas in anticipation of new seismic acquisition in 2012. The Company is also in discussion with the Western Australia Department of Mines and Petroleum regarding potential variation to the work commitment programs over the exploration permits to focus future activity on the area around the Claire lead.



Corporate

At 30 June 2011 the Group had \$8,385,000 cash on hand.

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

Date	Headline
25/07/2011	Updated Emerald Investor Roadshow Presentation
21/07/2011	Entek - Niobrara Shale Oil Project Appraisal Program Update
19/07/2011	Commencement of GRB Niobrara Shale Oil Appraisal Program
19/07/2011	ETE: Entek Commences 2011 Niobrara Shale Oil Program in GRB
13/07/2011	EMR Investor Presentation
6/07/2011	Change in substantial holding
30/06/2011	Change in substantial holding
30/06/2011	Change in substantial holding
29/06/2011	SECONDARY TRADING NOTICE PURSUANT TO S708A(5)
29/06/2011	Appendix 3B
14/06/2011	Becoming a substantial holder
2/06/2011	Ceasing to be a substantial holder
1/06/2011	Revised Appendix 3B
31/05/2011	SECONDARY TRADING NOTICE PURSUANT TO SECTION 708A(5)
31/05/2011	Appendix 3B
11/05/2011	APPENDIX 3Y CHANGE OF DIRECTORS INTEREST NOTICE
6/05/2011	Becoming a substantial holder
5/05/2011	EMR Secures U.S. Investment Banking Advisory Services
2/05/2011	SECONDARY TRADING NOTICE PURSUANT TO SECTION 708A(5)
2/05/2011	Emerald completes transaction to acquire GRB Assets
2/05/2011	APPENDIX 3B - ISSUE OF UNDERWRITING OPTIONS
2/05/2011	Quarterly Activities and Cashflow Report 31 March 2011
29/4/2011	Becoming a substantial holder
29/4/2011	Becoming a substantial holder
29/4/2011	Becoming a substantial holder
20/04/2011	Appendix 3B – Exercise of Options
20/04/2011	Appendix 3B - Placement
7/04/2011	Change of Director`s Interest Notice
1/04/2011	Results of Meeting
1/04/2011	Emerald Green River Basin Presentation

For more information please contact:

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Managing Director

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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 holds interests in exploration and production operations in the USA (Colorado, Wyoming, Kentucky and Texas) and offshore Western Australia. Emerald's main focus is its large Green River Basin acreage holding over the Niobrara Continuous Shale Oil accumulation in Colorado and Wyoming. Emerald plans to use its position in the Green River Basin as a foundation on which to build a company focused on unconventional resource plays in the Rocky Mountain region.

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

Name of entity

Emerald Oil & Gas NL

ABN

009 795 046

Quarter ended ("current quarter")

30 June 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	38	144
1.2 Payments for:		
(a) exploration and evaluation	(228)	(1,016)
(b) development	(103)	(298)
(c) production	(29)	(41)
(d) administration	(281)	(1,396)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	59	76
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- R&D rebate	-	18
- US legal expenses	(223)	(464)
Net Operating Cash Flows	(767)	(2,977)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(9,113)	(9,113)
(c) other fixed assets	(30)	(285)
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)		
Unsolicited return of NOXXE equity contributions	-	633
Net investing cash flows	(9,143)	(8,765)
1.13 Total operating and investing cash flows (carried forward)	(9,910)	(11,742)

1.13	Total operating and investing cash flows (brought forward)	(9,910)	(11,742)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	18,750	21,500
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 - Capital Raising Costs	(1,358)	(1,549)
1.20	Other - Subscriptions received	-	-
	Net financing cash flows	17,392	19,951
	Net increase (decrease) in cash held	7,482	8,209
1.20	Cash at beginning of quarter/year to date	862	172
1.21	Exchange rate adjustments to item 1.20	41	4
1.22	Cash at end of quarter	8,385	8,385

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	182
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

The amount above includes payments to directors and to companies associated with John Hannaford and Jeremy Shervington for this quarter and previous quarters.

Payments to Ventnor Capital, a company associated with John Hannaford relate to the provision of consulting fees, company secretarial services, accounting and bookkeeping, and the provision serviced offices on commercial terms.

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

N/A

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	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,750
4.2 Development	1,250
4.3 Production	100
4.4 Administration	250
Total	4,350

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	8,385	862
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,385	862

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	Various Colorado and Wyoming Leases	Joint Venture partner, non operator	Nil	45%

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 (cents)	Amount paid up per security (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	785,309,196	785,309,196		
7.4 Changes during quarter (a) Increases through issues (b) Increases through conversion of options (c) Release from escrow (d) Decreases through returns of capital, buy-backs	375,000,000 140,000,000 5,432	375,000,000 140,000,000 5,432	\$0.05 Nil ⁽¹⁾ \$0.05	\$0.05 N/A \$0.05
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>	5,000,000 11,661,115 78,744,568 117,600,000 50,000,000	- - 78,744,568 - -	<i>Exercise price</i> \$0.10 \$0.10 \$0.05 \$0.05 \$0.05	<i>Expiry date</i> 31/03/14 30/06/12 31/08/12 30/04/12 20/06/12
7.8 Issued during quarter	117,600,000 50,000,000	- -	\$0.05 \$0.05	30/04/12 20/06/12
7.9 Exercised during quarter	5,432	5,432	\$0.05	31/08/12
7.10 Expired during quarter	2,000,000	-	\$0.25	31/05/11
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

(1) Securities issued as consideration for assets and services

(2) 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 4).

2 This statement does ~~does not~~* give a true and fair view of the matters disclosed.



Sign here:

Date: 29 July 2011

(Director)

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: Cash Flow Statements* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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