



EMPIRE ENERGY GROUP LIMITED
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Exercise of Options

24 December 2012

EXERCISE OF OPTIONS AT \$0.165

The Directors are pleased to announce that Empire Energy Group Limited (the “Company”) has been notified that Macquarie Bank Limited will exercise 6,666,666 options at \$0.165 (“Options”). The maturity date of the Options is 22 December 2012. The exercise of the Options will raise a total of A\$1,100,000.

Macquarie Bank Limited have also advised that they will not be exercising a further 6,666,666 options exercisable at \$0.18 also expiring on 22 December 2012 and these options will therefore lapse.

After the exercise of the Options, Macquarie Bank will increase its shareholding in the Company from 15.76% to 17.6%.

ABOUT EMPIRE ENERGY GROUP LIMITED

In early 2007, the Company established Empire Energy USA, LLC and currently holds around 96% of its issued capital. Empire Energy USA is an oil and natural gas producer with operations in Appalachia (New York and Pennsylvania) and the Central Kansas Uplift (Kansas). Total combined 2P reserves are estimated at 14.8 million Boe.

The Company holds approximately 220,000 acres of Marcellus Shale and 180,000 acres of Utica Shale in western New York State and Pennsylvania. In addition, the Company has Exploration Licence Applications over 14.6 million acres in the McArthur Basin, Northern Territory, Australia, which is considered prospective for oil and gas shale.

Empire Energy implemented a US\$100 million credit facility with Macquarie Bank Limited in early 2008 for the sole purpose of acquiring and developing oil and gas assets in the USA. This facility has been increased to US\$150 million with around US\$50m of the debt facility currently drawn.