



EMPIRE ENERGY GROUP LIMITED
Level 7, 151 Macquarie Street
Sydney NSW 2000
T: 02 9251 1846
F: 02 9251 0244
(ASX: EEG)

ASX Announcement

17 June 2013

IMPERIAL OIL & GAS SIGNS MCARTHUR BASIN EXPLORATION AGREEMENT FOR AREA EP(A) 184, ONSHORE NORTHERN TERRITORY

Empire Energy Group Limited (ASX:EEG) is pleased to announce that on 14th June 2013 an Exploration Agreement was reached and signed by 100% owned subsidiary Imperial Oil & Gas ('Imperial'), Aboriginal Native Title Claimants and the Northern Land Council in its petroleum exploration area EP(A) 184. EP(A) 184 covers 11,220 km² (2.8 million acres) of the highly petroleum prospective Urapunga region in the central trough of the McArthur Basin south of the Roper River. The principal target is unconventional and conventional oil & gas sourced from Palaeo-Proterozoic age black carbonaceous shales of the Barney Creek and equivalent formations. In 2012 3.3 million cubic feet of gas per day was produced from the Glyde-1 well drilled into these black shales in the acreage immediately to the east of and contiguous with EP(A) 184.

Given the Native Title Claimants have now signed the Exploration Agreement the relevant Northern Territory government authorities are required also to complete their formalities and endorse the proposed exploration programme prior to permit grant.

Grant of the exploration permit is expected to take place in July 2013 after which Imperial will commence its exploration activities.

Imperial has for some months been planning and preparing for its exploration operations in the region. This has been made possible by the excellent relations that Imperial continues to forge with Aboriginal native title claimants and traditional landowners. Accordingly soon after the permit is officially granted Imperial will initiate comprehensive geological field studies including outcrop sampling and analysis of the target black shale and associated formations in area EP(A) 184.

Contemporaneously 2D seismic data will be acquired across the northern part of EP(A) 184. This is essential to characterise the subsurface basin architecture and constrain the depth and thickness of the target black shale formations. All this new data will be integrated with the proprietary results from an ongoing comprehensive basin modelling and analytical study being undertaken for Imperial by the expert Adelaide University Shale Research Group in combination with AusMec Geosciences of Brisbane. All data will be fully and carefully utilised for optimising the location and design for a number of exploration wells to be drilled in the area by Imperial in 2014.

Successful grant of an exploration permit over area EP(A) 184 is the first from Imperial's seven application areas that collectively cover 59,172km² (14.6 million acres) of petroleum prospective acreage. Substantial

progress has been achieved to date in negotiating access to the other areas. Imperial anticipates being in a position to report on its achievements in those areas in due course.

Location & Petroleum Geological Setting of EP(A) 184 and adjacent application areas.



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\$49m of the debt facility currently drawn.