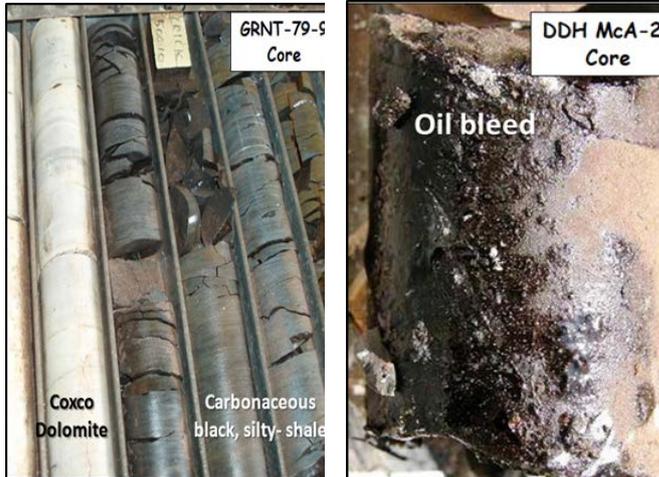


Barney Creek Formation

Lithofacies	Carbonaceous black silty dolomitic shale
Depth	Outcrop to 4,000m
Thickness	500 – 1,000m
TOC	0.4 – 10.4%
S1+S2	5-70 kg/ton
Maturity	Immature up to Gas



Key Uncertainties & Risk

Being a frontier basin the regional extent, quality, and thermal maturity of the gas shales must be adequately constrained. Potential gas & oil-prone sweet spots are yet to be delineated. The *Australian Shale Research Group* at the University of Adelaide has analysed 650 Proterozoic shale samples to characterize the nature and distribution of hydrocarbons in the Southern portion of Imperial's license areas. This work will be integrated with a Basin Geo-modelling study that commenced in late 2012.

Land access and permit grant in six of the seven permit applications requires approval of the Traditional Aboriginal Landowners given they are in Aboriginal Freehold Land.

On 14th June 2013 an Exploration Agreement was signed by Imperial, Aboriginal Native Title Claimants and the Northern Land Council in area EP(A) 184 which covers 11,220 km² (2.8 million acres) of the highly petroleum prospective McArthur Basin central trough.

Substantial progress has been achieved to date in negotiating access to the other areas and Imperial anticipates announcing the progress of negotiations over the remainder of 2013.

Exploration Work Programme

During December 2012 Imperial undertook a field reconnaissance program in areas EP(A) 180, 181 & 182. Senior Traditional Owners participated in the program with objectives to quantify access & logistics for seismic and drilling operations, undertake water quality and flora & fauna studies and inspect key rock outcrops.

Imperial's McArthur Basin acreage is strategically located for potential gas sales. In the event of gas discovery, depending on the scale of resource, the Gove Refinery is just 80km to the east of EPA 180 and the 'Gas to Gove' pipeline runs through 2 of the Company's tenements. This would replace diverted gas quotas for use in Darwin, or for overseas export. In addition, Imperial has initiated discussions with mining companies in the area to pursue local gas provision opportunities. Any liquids produced would be trucked to Darwin.

Exploration Strategy

3 distinct exploration corridors

- Spread risk (geological & market)
- Define resource density
- Leverage infrastructure & customer

Rigorous technical focus

- Segments with organic enrichment
- Oil vs gas maturity
- Basin fill sequence architecture
- Chronostratigraphy of shale targets
- Basin structure & shale thickness/depth
- Reservoir deliverability

Extended well test

- Determine production sustainability
- Reduce carbon footprint (no flaring)
- EWT gas to local consumers
- MOUs being finalised
- Judicious first step toward supply

Strong indigenous focus

- Training & jobs
- Cultural heritage & Art
- Environment & water

More information on **Imperial Oil & Gas Pty Ltd** and its Parent **Empire Energy Group Limited** (ASX: EEG) can be found at
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