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ASX Announcement

21 August 2013

EP184 GRANTED - MCARTHUR BASIN, ONSHORE, NORTHERN TERRITORY

Empire Energy Group Limited (ASX:EEG) is pleased to announce that The Minister for Mines and Energy has formally granted Exploration Permit EP184 to its 100% owned subsidiary Imperial Oil & Gas Pty Ltd. Grant of EP184 follows the signing of an Exploration Agreement by Imperial, Aboriginal Native Title Claimants and the Northern Land Council on 14th June 2013. EP184 is located in the highly petroleum prospective central trough of the McArthur Basin south of the Roper River.

The permit is granted for an initial period of five years over which Imperial Oil & Gas Pty Ltd will be required to meet a number of minimum work requirements including:

- Geological and Geophysical Studies
- Seismic
- Drilling of a test well
- Drilling of a horizontal well

Exploration Permit EP 184

The successful grant of EP184 is the first from Imperial's seven application areas that collectively cover 59,172km² (14.6 million acres) of petroleum prospective acreage.

The Permit grant now allows for the commencement of on-ground petroleum exploration activities over the 11,210 km² (2.8 million acre) License.

Exploration Targets

The principal targets for EP184 is unconventional and conventional oil & gas sourced from Palaeo-Proterozoic age black carbonaceous shales of the Barney Creek and equivalent formations.

Over the past 15 months the Company has undertaken a comprehensive analysis of existing regional core. Close to 900 individual core samples have been analysed and results for TOC%, T_{max} , R_o , S1, S2, porosity and other measurements are now being correlated. Supported by the results from the Glyde-1 well, located immediately to the east and contiguous with EP184, (drilled in 2012 the well produced 3.3 million cubic feet of gas per day from the same black shales) analysis of the core results, along with previous analytical work undertaken by others, a significant petroleum system has been generated by the Barney Creek and other equivalent black shale formations. Preliminary results of these studies are expected to be available in the short term.

Exploration Program

For some months, the Company has been preparing for the implementation of its exploration operations in the region. Due to the delay in the issue of the licence, the proposed seismic program will now commence in the early stages of the 2014 dry season. This initial seismic program is to undertake approximately 156km of 2D seismic data to confirm:

- the geological structure and sedimentary sequence architecture of the McArthur Basin in the northern part of EP184.
- depth and thickness detail of the target black shale formations. This data can then be input into the 3D geological model constructed by the Company.
- the 4 way closed structures identified during the 3D mapping program. As these structures are targets for conventional petroleum traps they are considered prime locations for initial exploration wells proposed to be drilled in 2014.

Progress for Grant of remaining Leases

EP184 is the first lease to be granted from Imperial's seven application areas that collectively cover 59,172km² (14.6 million acres) of conventional and unconventional petroleum prospective acreage. Substantial positive progress has been achieved to date in engaging with the Traditional Aboriginal Landowners on the remaining Aboriginal Land leases, to areas north and south of EP184. The Company will report on that progress 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 a Exploration Licence and 6 Applications over 14.6 million acres in the McArthur Basin, Northern Territory, Australia, which is considered prospective for both conventional and unconventional petroleum systems.

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.