

# Empire Energy Group Ltd (EEGNY) οτcox

**GICS Sector:** Energy  
**Sub-Industry:** Oil & Gas Exploration & Production

**Summary:** This oil and gas exploration and production company is focused on onshore long-life oil and gas fields, primarily in the United States.

## Key Stock Statistics

Source S &amp; P, company reports, Vickers

<b>Price as of Apr 16, 2014</b>	\$1.97	<b>Trailing 12-Month P/E</b>	NM	<b>Yield (%)</b>	Nil
<b>52-Wk Range</b>	\$2.28–1.36	<b>Tangible Book Val/Share</b>	\$3.20	<b>Total Shares Outstg. (M)</b>	308.9
<b>Trailing 12-Month EPS</b>	\$-0.07	<b>\$10K Invested 5 Yrs Ago</b>	NA	<b>Market Capitalization(B)</b>	\$0.030
<b>Dividend Rate/Share</b>	Nil	<b>Beta</b>	1.78	<b>Institutional Ownership (%)</b>	NA

## Corporate Information

**Investor Contact**  
**Telephone** 61 2 9251 1846.  
**Email** info@empiregp.net

**Company Address** 151 Macquarie Street, Level 7, Sydney, New South Wales, Australia 2000.

**Website** <http://www.empireenergygroup.net>

## Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2013	--	13.50	--	--	25.90
2012	--	13.70	--	--	26.64
2011	--	15.47	--	--	28.00
2010	--	--	--	--	12.90
2009	--	1.26	--	--	9.77
2008	--	0.65	--	--	0.95

## Earnings Per ADS (\$)

2013	--	-0.03	--	--	-0.07
2012	--	-0.02	--	--	-0.02
2011	--	0.05	--	--	-0.13
2010	--	-0.12	--	--	0.49
2009	--	-0.18	--	--	1.10
2008	--	1.16	--	--	0.82

Fiscal year ended Dec. 31. Next earnings report expected: NA

## Dividend Data

No cash dividends have been paid.

## Price Performance

S&P Financial Writer **Fred Rassi**

## Operational Review Apr 17, 2014

### Income Statement Analysis & Financial Review

Revenue from continuing operations for the year ended December 31, 2013 was US\$25,886,370 vs. US\$26,643,095 in the prior year, falling 3% year over year. Pretax income was US\$25,929, vs. pretax loss last year of US\$2,025,400. Income taxes were US\$1,064,704, against US\$1,821,823 (benefit), and for the Fiscal Year, net income was a loss of US\$1,118,831 (US\$0.07 per ADR) vs. a loss of US\$220,723 in 2012 (US\$0.02 per ADR).

### Key Operating Information

For future growth, the company stated that it continues to bid on production focused acquisitions in the US, especially where they are accretive to existing operations. However, the ability to raise equity has hindered the acquisition process, although the acquisitions are strongly cash flow focused, it is difficult to finance acquisitions utilising 100% debt. The company continues to work closely with its Bankers with the underlying objective of increasing production in existing regions of operation.

### Recent Developments

On January 28, 2014, the company reported highlights in its December 2013 Quarterly Report: Estimated oil & gas net revenue for the period US\$6.1 million (Q3'13: US\$6.2 million); Unaudited Field EBITDAX of US\$4.2 million (Q3'13: US\$4.3 million); gross oil production: 83,264 Bbls (Q3'13: 62,361) +33.5%; gross gas production: 616,300 Mcf (Q3'13: 630,114) -2.2; US\$817,505 in debt was repaid and cash on hand is US\$2.3 million.

On November 11, 2013, EEGNY announced an Exploration Agreement was reached between 100% owned subsidiary Imperial Oil & Gas and the Traditional Landowners of the Mambaliya-Rrumburriya-Wuyaliya Aboriginal Land Trust in Imperial's petroleum exploration area E (A) 187. Following the grant of EP 184 on August 21, 2013 EP(A) 187 is the second petroleum exploration agreement to be successfully negotiated by Imperial.

On October 30, 2013, the company reported highlights in its September 30, 2013 Quarterly Report including the following: Estimated oil & gas net revenue for the period US\$6.2 million (Q2'13: US\$6.8 million); Unaudited Field EBITDAX of US\$4.3 million (Q2'13: US\$4.7 million); gross oil production: 62,361 Bbls (Q2'13: 66,123) -5.7%; gross gas production: 630,114 Mcf (Q2'13: 653,772) -3.6%; Estimated Group EBITDAX was US\$2.57 million (Q2'13: US\$3.22 million); Approximately US\$3.3 million in debt was repaid and cash on hand is US\$3.2 million.

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## Business Summary April 17, 2014

Empire Energy Group Limited (EEGY) is an oil and gas exploration and production (E&P) company focused on onshore long-life oil and gas fields, primarily in the United States. The company, which is based in Australia, targets producing oil and gas assets with attaching low cost, low risk development acreage. The business strategy is to operate all assets. The target is for Empire to reach a production milestone of over 2,500 Boe/day by 2012, and then up to of 10,000 Boe/day by 2015.

In addition to production assets, the company is undertaking an exploration and development program of its extensive oil and gas shale opportunities in New York and Pennsylvania in the United States and the Northern Territory, Australia. The company is also participating in a joint venture seeking conventional oil reservoirs in the Williston Basin, North Dakota.

The company's subsidiary, Empire Energy USA LLC has operations in Appalachia (New York and Pennsylvania) and the Central Kansas Uplift (Kansas).

Empire's primary objective in the United States is to build onshore oil and gas production and reserves through the acquisition of oil and gas producing properties and development leases from both mid-cap E&P companies and private operators. A specific focus is on stable, long-life producing assets with upside potential from other underdeveloped multi-level oil and gas bearing formations, enhanced oil recovery projects, development drilling and exploration opportunities.

In the Central Kansas Uplift, Empire holds interests in 18,000 gross acres, spanning 16 central Kansas counties. There are 254 operating wells on Empire's acreage in Kansas, and 99% of the properties are operated by the company. Well depths range from approximately 3,200 feet to 4,000 feet. A 10-well drilling program is being conducted in 2011 in the Central Kansas Uplift region.

Empire's initial focus in the Central Kansas Uplift will be to drill low-risk development wells. At the same time, the objective is to delineate additional prospects and to convert probable reserves to reserve 1P category.

In Appalachia, Empire holds interests in some 310,000 gross acres, spanning nine counties in New York and four counties in Pennsylvania. There are approximately 1,800 operating wells on Empire's acreage in this region, and 98% of the properties are operated by the company. Well depths range from approximately 3,000 feet to 4,000 feet.

In 2010, Empire sold 5,897 acres of Marcellus and Utica shale in Pennsylvania. The company is continuing geological and engineering studies on its 300,000-plus acres held in western New York and northern Pennsylvania.

The company holds interests in 17,000 gross acres in the Williston Basin, North Dakota. The company holds a 35% working interest in a two-well drilling program

commenced in September 2011.

In early 2010, Empire identified the MacArthur Basin in Australia as having attractive potential for shale oil and gas and has secured five exploration license applications in the MacArthur Basin, Northern Territory. As of September 2011, landowner negotiations continued for the 14.6 million acres of shale formations secured onshore in the MacArthur Basin.

On September 9, 2013, the company announced has completed the buy back of 40,000 Units in Empire Energy USA LLC (EEUSA) representing 3.6% of total units and warrants on issue. The effective date of this transaction is January 1, 2013. EEUSA is now a 100% owned subsidiary of the company subject to the exercise of warrants, equivalent to 10% of the total issued capital of EEUSA, by Macquarie Bank Limited on or before February 2016. The company has agreed to issue to Commonwealth Energy Assets LLC (CEA) the following consideration: 4,000,000 fully paid ordinary shares in the issued capital of Empire Energy Group Limited and 2,500,000 Performance Rights over fully paid ordinary shares in the company.

On August 26, 2013, Empire Energy announced that the Onshore McArthur Basin, Northern Territory Velkerri and Barney Creek Formation shales are in the oil, oil/condensate hydrocarbon window.

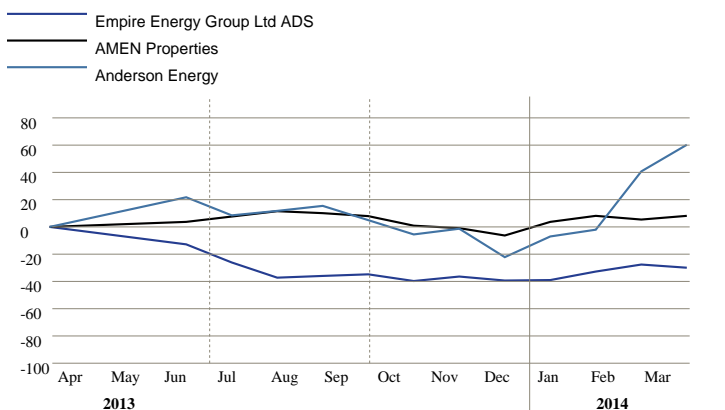
August 21, 2013, the company announced that agreement was signed with the Traditional Owners for EPA184 in the McArthur Basin, Northern Territory. The tenement is the first of the company's seven tenements to be granted.

On July 31, 2013, the company announced that David Hughes resigned as company Secretary effective today. Rachel Ryan has been Joint Secretary remains in the role of Secretary.

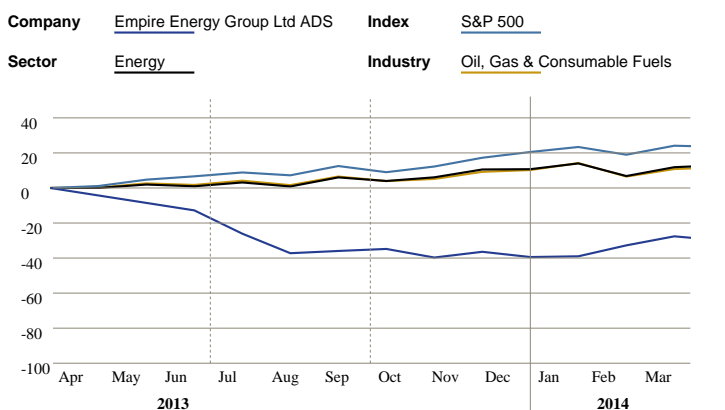
On June 24, 2012, EEGNY announced that after over 2 years of negotiation with a NY State Utility Company, it has been able to acquire approximately 100 miles of gas pipelines and gathering networks in Chautauqua County, NY.

On June 17, 2013, Empire Energy announced that an Exploration Agreement was reached and signed by 100% owned subsidiary Imperial Oil & Gas, Aboriginal Native Title Claimants and the Northern Land Council in its petroleum exploration area EP(A) 184.

## Peer Comparison Chart - 1 Year



## Company vs Market Comparison Chart - 1 Year



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## Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	-2.63	22.62	78.70	NM
Net Income	NM	NM	NM	NM

## Ratio Analysis (Annual Avg.)

Net Margin (%)	NM	NM	24.01	18.82
% LT Debt to Capitalization	0.11	0.10	0.14	1.25
Return on Equity (%)	NM	NM	10.23	3.76

## Company Financials Fiscal Year Ended Dec. 31

Per ADS Data (\$)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tangible Book Value	3.20	3.24	3.31	3.93	3.52	1.85	2.19	1.73	1.58	0.84
Cash Flow	0.26	0.31	0.29	0.86	1.53	0.86	-0.39	-0.33	-0.26	-0.13
Earnings	-0.07	-0.02	-0.13	0.49	1.10	0.82	-0.43	-0.39	-0.26	-0.13
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	3.17	6.10	4.06	NA	NA	NA	NA	NA	NA	NA
Prices:Low	1.36	2.15	1.94	NA	NA	NA	NA	NA	NA	NA
P/E Ratio:High	NM	NM	NM	NA	NA	NA	NA	NA	NA	NA
P/E Ratio:Low	NM	NM	NM	NA	NA	NA	NA	NA	NA	NA

## Income Statement Analysis (M \$)

Revenue	25.9	26.6	28.0	12.9	9.77	0.95	1.07	0.87	Nil	Nil
Operating Income	10.6	11.4	12.6	3.51	2.43	0.08	NA	NA	NA	NA
Depreciation	5.03	4.75	5.01	3.00	3.80	0.19	0.26	0.28	Nil	Nil
Interest Expense	3.48	7.27	7.09	1.71	1.87	0.44	0.92	0.75	0.30	0.15
Pretax Income	0.03	-2.03	0.18	-1.03	18.1	4.56	-2.43	-1.94	-0.89	-0.41
Effective Tax Rate	NM	NM	NM	NM	39.4%	NM	NM	NM	NM	NM
Net Income	-1.12	-0.22	-1.57	4.00	9.75	4.56	-2.43	-1.94	-0.89	-0.41

## Bal Sheet & Other Financial Data (M \$)

Cash	2.32	6.19	4.45	2.69	4.01	6.81	14.0	0.87	1.92	0.10
Current Assets	10.7	16.4	15.8	9.37	32.0	7.05	14.4	1.09	1.98	0.11
Total Assets	112	120	123	118	87.2	14.1	21.5	17.9	13.3	6.28
Current Liabilities	47.4	55.7	59.4	75.5	55.5	2.80	7.77	8.51	6.00	3.69
Long Term Debt	0.06	0.04	0.07	0.07	0.06	Nil	1.68	0.02	Nil	Nil
Common Equity	49.4	49.5	48.3	33.1	29.8	11.3	12.0	9.40	7.26	2.59
Total Capital	56.7	58.2	57.7	36.0	31.9	13.7	16.1	9.42	7.26	2.59
Capital Expenditures	3.25	0.62	0.48	Nil	0.80	0.01	Nil	0.03	Nil	Nil
<b>Cash Flow</b>	<b>3.91</b>	<b>4.53</b>	<b>3.44</b>	<b>7.00</b>	<b>13.5</b>	<b>4.74</b>	<b>-2.17</b>	<b>-1.66</b>	<b>-0.89</b>	<b>-0.41</b>
Current Ratio	0.2	0.3	0.3	0.1	0.6	2.5	1.9	0.1	0.3	NM
% Long Term Debt of Capitalization	0.1	0.1	0.1	0.2	0.2	Nil	10.4	0.2	Nil	Nil
% Net Income of Revenue	NM	NM	NM	31.0	99.8	NM	NM	NM	NM	NM
% Return on Assets	NM	NM	NM	NM	18.4	31.1	NM	NM	NM	NM
% Return on Equity	NM	NM	NM	NM	45.0	46.7	NM	NM	NM	NM

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. Prior to 2010 (6 mos.) years ended June 30 of the following calendar year. Q2 results are reported on a six month basis. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

## Quantitative Evaluations

**Relative Strength Rank** **95/STRONG**

95

Lowest=1

Highest=99

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## Corporate Information

### List of Officers

B.W. McLeod Chrmn & CEO  
 K. Arizabaleta CFO & Cntrl  
 R.V. Ryan Secy & COO

### List of Board Members

B.W. McLeod  
 D.H. Sutton  
 K.A. Torpey

**Founded** 1981

**Employees (#)** NA

**Stockholders** 3037

**Transfer Agents** Computershare Investor Services Pty Limited

**Auditor** Nexia Court & Co.

### Subsidiaries

Empire Energy E&P, LLC  
 Empire Energy USA LLC  
 Imperial Oil and Gas Pty Ltd

## Corporate History

INCORPORATED in New South Wales (Australia) May 14, 1981, as Jason Mining Limited; name changed to Jason Mining NL Apr. 2, 1996, to Imperial Mining NL Dec. 4, 1996, to Imperial One International Limited Mar. 29, 2000, to Imperial One Limited May 22, 2000, to Imperial Corporation Limited June 15, 2006, and to Empire Energy Group Limited Mar. 23, 2011.

## Company Management Bios

### B.W. McLeod Chrmn & CEO

Mr. Bruce William McLeod, BSc (Maths), M. Comm.(Econ) has been Executive Chairman and Chief Executive Officer at Empire Energy Group Ltd since 1997. Mr. McLeod serves as Chairman and Chief Executive Officer of Empire Energy (USA), LLC. Mr. McLeod has extensive experience in the Australian Corporate and Resource Capital markets. Over 20 years, he has been involved in raising debt and equity capital for a number of property projects and companies, as well as the takeover and rationalisation of listed and unlisted companies. From 1983 to 1987, he served at BA Australia Ltd, a subsidiary of Bank of America Inc, where he ultimately served as an Executive Director of BA Australia Ltd., responsible for the financial and capital markets operations. He worked in the securities broking industry in New Zealand before moving to Australia. Mr. McLeod serves as the Chairman at Mayan Iron Corporation Limited. He has been a Director at Empire Energy Group since May 21, 1996 and Mayan since April 2009. He served as a Non-Executive Director of Bemax Resources Ltd from October 2000 to July 2008 and as a Director of Carnegie Wave Energy Limited from November 1, 1996 to May 6, 2011, Earth Heat Resources Ltd. from February 6, 2008 to January 22, 2010 and Vector Resources Ltd. until February 24, 2009. He served as an Executive Director of Bremer Park Ltd from March 2, 1998 to November 4, 2005. He served as a Director of iCash Payment Systems Ltd. from May 26, 2004 to May 23, 2005.

### K. Arizabaleta CFO & Cntrl

Ms. Kylie Arizabaleta, B.Bus (Acct) (Fin) has been a Financial Controller of Empire Energy Group Limited since March 5, 2012. Before joining Empire Energy Group Limited, Ms. Arizabaleta worked in the public practice as an External Auditor and holds over 8 years' experience.

### R.V. Ryan Secy & COO

Ms. Rachel V. Ryan has been Company Secretary of Empire Energy Group Limited since March 5, 2012 and serves as General Manager of Operations. Ms. Ryan served as Joint Company Secretary at Empire Energy Group Limited from July 21, 2010 to February 3, 2012. She served at Empire Energy's corporate finances division since 2006. She served as the General Manager of Finance at Empire Energy Group Limited until February 2012.

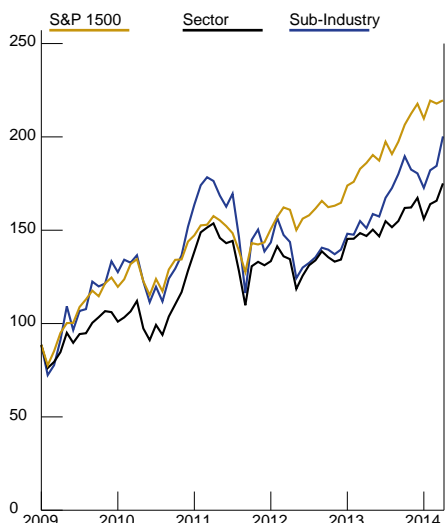
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## Stock Performance

Based on S&P 1500 Indexes  
 Month-End Price Performance as of 2/28/14



Note: All Sectors & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

## Sub-Industry Outlook

Our fundamental outlook for the oil & gas exploration & production (E&P) sub-industry for the next 12 months is positive. U.S. E&Ps are emphasizing crude oil and natural gas liquids (NGL) production. For our coverage universe in 2014, Capital IQ consensus estimates for 2014 suggest a median increase of 22% of crude oil production, and a median increase of 13% in NGL production, versus 2013 levels. This compares to more subdued natural gas production, which is expected to show a decline of 2.2% in 2014. Our coverage universe is also anticipated to generate 2014 cash from operations amounting to 92% of projected capital spending, which we interpret to mean that companies will tap into credit facilities in order to pursue their organic growth plans. We remain cautious on U.S. natural gas, and see the recent shift towards liquids production continuing in 2014.

The U.S. Energy Information Administration (EIA) estimates that global oil demand grew by 1.23 million barrels per day (MMb/d) in 2013, to 90.38 MMb/d, and, as of March 2014, saw growth of 1.22 MMb/d in 2014, to 91.60 MMb/d, and 1.37 MMb/d in 2015, to 92.97 MMb/d. The EIA estimates that global oil supply grew by 0.51 MMb/d in 2013, to 90.33 MMb/d, and forecasts supply growth of 1.34 MMb/d in 2014 and 1.33 MMb/d in 2015.

Global supply growth, mainly stemming from North America, is expected to outpace higher global demand in 2014 and 2015. As of March 2014, using S&P Capital IQ estimates based on data from IHS Global Insight, West Texas Intermediate (WTI) spot oil prices were projected to average \$98.16/bbl. in 2014 and \$89.60 in 2015. The price differential for WTI versus Brent narrowed to under \$2/bbl. in 2013, but the spread has been very volatile and stood near \$6/bbl. in late March.

For U.S. natural gas, we look for low prices to depress U.S. gas drilling activity. According to the EIA, after growing 1.2% in 2013, respectively, natural gas production is expected to rise 2.4% in 2014 and 1.1% in 2015. Natural gas working inventories, as of March 21, 2014, had fallen about 51% below the five-year average, on sustained cold weather in the Northeast over the winter. As of March 2014, based on data from IHS Global Insight, S&P Capital IQ expected Henry Hub spot prices to average \$4.44 per million Btu in 2014 and \$4.14 per million Btu in 2015.

Year to date to March 22, the S&P Oil & Gas Exploration & Production Index was up 1.4%, versus a 1.2% gain in the S&P 1500 Composite Index. In 2013, the sub-industry index was up 27%, while the 1500 advanced 30.1%.

--S. Glickman, CFA

## Sub-Industry: Oil & Gas Exploration & Production Peer Group\*: Based on market capitalization within GICS Sub-Industry

	Stock Symbol	Stk Mkt Cap (M)	Recent Stk (\$)	52 Wk H/L (\$)	Beta	Yield (%)	P/E Ratio	Fair Val Calc(\$)	Quality Ranking	S&P IQ %ile	Ret on Rev (%)	LTD to Cap (%)
<b>Empire Energy Group Ltd ADS</b>	<b>EEGY</b>	<b>30</b>	<b>1.96</b>	<b>2.28/1.36</b>	<b>1.78</b>	<b>Nil</b>	<b>NM</b>	<b>NA</b>	<b>NR</b>	<b>NA</b>	<b>NM</b>	<b>0.1</b>
AMEN Properties	AMEN	29	565.00	745.00/500.00	0.39	9.2	NM	NA	C	67	23.1	NA
Anderson Energy	AXLC	33	0.19	0.24/0.10	NA	Nil	NM	NA	NR	NA	NM	75.9
Blacksands Petroleum	BSPE	35	1.95	3.50/0.90	1.27	Nil	NM	NA	NR	NA	NM	NA
Dejour Energy	DEJ	37	0.25	0.31/0.09	1.66	Nil	NM	NA	NR	8	NM	NA
HKN Inc	HKNI	27	68.01	90.00/62.00	0.90	Nil	NM	NA	C	34	NM	NA
Hyperdynamics Corp	HDY	33	1.57	7.00/1.13	2.13	Nil	NM	NA	C	1	NA	NA
Infinity Energy Resources	IFNY	31	1.45	3.75/0.95	2.16	Nil	NM	NA	C	3	NA	NA
Marine Petrol Tr	MARPS	33	16.44	18.00/13.00	0.32	9.0	11	NA	NR	32	99.7	NA
New Zealand Energy	NZC	29	0.17	0.47/0.15	NA	Nil	NM	NA	NR	NA	NM	NA
Pyramid Oil	PDO	28	5.92	7.15/3.77	1.17	Nil	NM	NA	B-	62	NM	NA
Sonde Resources	SOQ	25	0.45	1.34/0.41	1.68	Nil	NM	NA	NR	1	84.0	NA
Tengasco Inc	TGC	31	0.51	0.71/0.35	1.33	Nil	10	NA	B-	4	18.8	9.3
Touchstone Exploration	TCHSF	25	0.18	0.24/0.14	NA	Nil	9	NA	NR	NA	NM	24.4
Whiting USA Trust I	WHX	35	2.55	9.57/2.32	0.92	83.8	1	NA	NR	50	96.9	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

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## S&P Analyst Research Notes and other Company News

### April 4, 2014

Empire Energy Group Limited reported audited consolidated earnings and production results for the year ended Dec. 31, 2013. For the year, the company reported gross oil production of 256,300 (MBbls) and gross natural gas production of 2,515,990 (MMcf) compared to gross oil production of 286,600 (MBbls) and gross natural gas production of 2,600,690 (MMcf) produced in the same period last year. Net oil production was 164,530 (MBbls) and net natural gas production was 1,930,530 (MMcf) compared to net oil production of 183,630 (MBbls) and net natural gas production of 2,004,940 (MMcf) produced in the same period last year. Net production was 486,280 (MBoe) against 517,780 (MBoe) produced last year. For the year, the company reported revenue from continuing operations of \$25,886,370 compared to \$26,643,095 reported in the same period last year. Profit before income tax expense from continuing operations was \$25,929 against loss before income tax expense from continuing operations of \$2,025,400 reported last year. Loss after income tax from continuing operations was \$1,038,775 against \$203,577 reported last year. Loss attributable to equity holders of the company was \$1,118,831 or 0.37 cents per diluted share against \$220,723 or 0.08 cents per diluted share reported last year. Net cash flows from operating activities was \$7,524,091 against \$12,104,639 reported last year. Payments for oil and gas assets were \$2,100,482 against \$3,588,626 and payments for property, plant and equipment were 1,152,845 against \$616,688 reported last year.

### September 13, 2013

Empire Energy Group Limited reported consolidated earnings results for the six months ended June 30, 2013. For the period, the company reported net revenue of USD 13,150,000 compared to USD 13,791,000 a year ago. Field EBITDAX was USD 9,167,000 compared to USD 9,777,000 a year ago. Operating EBITDAX was USD 7,992,000 compared to USD 8,582,000 a year ago. EBITDAX was USD 5,843,000 compared to USD 6,269,000 a year ago. EBITDA was USD 5,222,000 compared to USD 5,825,000 a year ago. EBIT was USD 1,859,000 compared to USD 885,000 a year ago. Net earnings were USD 711,000 compared to net loss of USD 441,000 a year ago. Revenue from continuing operations was USD 13,457,198 compared to USD 13,730,272 a year ago. Profit before income tax expense from continuing operations was USD 489,256 compared to loss before income tax expense from continuing operations of USD 1,519,497 a year ago. Loss after income tax expense from continuing operations was USD 356,562 compared to USD 342,780 a year ago. Loss attributable to equity holders of the company was USD 436,618 or 0.14 cents per basic and diluted share compared to USD 343,783 or 0.12 cents per basic and diluted share a year ago. Net cash flows from operating activities were USD 3,043,018 compared to USD 6,239,686 a year ago. Payments for oil and gas assets were USD 690,361 compared to USD 1,617,767 a year ago. Payments for property, plant and equipment was USD 319,671 compared to USD 358,400 a year ago. For the period, the company reported net oil production of 84.37 MBbls compared to 99.65 MBbls a year ago. Natural gas production was 965.20 MBbls compared to 992.83 MBbls a year ago. Net daily production was 1,355 Boe/d compared to 1,465 Boe/d a year ago.



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## Glossary

### Quantitative Evaluations

The quantitative evaluations covered in this report and described below are derived from proprietary arithmetic models. The quantitative model focuses on a shorter-term horizon and is designed to capture current information such as performance, market conditions and certain risk factors. The objectives and inputs to the model are static and should be viewed as reflective of current trends and market conditions at the time of each update and may take a shorter-term view of a company than the qualitative report on the same company.

### S&P Capital IQ Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's Quality Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

### S&P Capital IQ Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following:

- 5-Stock is significantly undervalued
- 4-Stock is moderately undervalued
- 3-Stock is fairly valued
- 2-Stock is modestly overvalued
- 1-Stock is significantly overvalued

### S&P Capital IQ Fair Value Calculation

The Fair Value formula uses forward EPS estimates to calculate a company's projected return on equity. A stock's "Fair Value" is then derived by comparing its current valuation relative to the company's projected ROE relative to historical valuations versus ROE for the company, industry, and a benchmark index.

### Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

### Funds From Operations (FFO)

A financial measure used by Real Estate Investment Trust's to reflect their operating performance. As reported by co. based on NAREIT definition.

### Volatility

Rates the volatility of the stock's price over the past year.

### Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P Capital IQ's models apply special technical methods and formulas to identify and project price trends for the stock.

### Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

### Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard and Poor's in collaboration with Morgan Stanley Capital International (MSCI). Under the GICS structure, companies are classified in one of 154 sub-industries, which are grouped into 68 industries, 24 industry groups, and 10 economic sectors (consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, telecom services, and utilities). This four-tier structure accommodates companies across the world and facilitates sector analysis and investing.

### Exchange Type

ASE - American Stock Exchange; AU - Australia Stock Exchange; BB - Bulletin Board; NGM - Nasdaq Global Market; NNM - Nasdaq Global Select Market; NSC - Nasdaq Capital Market; NYS - New York Stock Exchange; OTN - Other OTC (Over the Counter); OTC - Over the Counter; QB - OTCQB; QX - OTCQX; TS - Toronto Stock Exchange; TXV - TSX Venture Exchange; NEX - NEX Exchange.

**Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).**

**Empire Energy Group Ltd (EEGN) OTCQX**

**GICS Sector:** Energy  
**Sub-Industry:** Oil & Gas Exploration & Production

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Ranking	North America	Asia	Europe	Global
Buy	36.4%	34.4%	37.1%	36.3%
Hold	54.1%	59.2%	41.3%	52.5%
Sell	9.5%	6.4%	21.6%	11.2%
Total	100%	100%	100%	100%

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**Summary:** This oil and gas exploration and production company is focused on onshore long-life oil and gas fields, primarily in the United States.

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# Empire Energy Group Ltd (EEGN) OTCQX

**GICS Sector:** Energy

**Sub-Industry:** Oil & Gas Exploration & Production

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