



EMPIRE ENERGY GROUP LIMITED
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(ASX: EEG)

ASX Announcement – Registration of US Prospectus

9 July 2014

ASX WAIVER IN RELATION TO LISTING RULE 11.4 - DISPOSAL OF A MAJOR ASSET

Empire Energy Group Limited (Empire or the Company) has been granted a waiver by the ASX to the extent necessary to permit the Company, without seeking shareholder approval, to issue up to a 20% interest in new shares to new investors in its 100% owned subsidiary, Imperial Resources, LLC which in turn owns 100% of the USA operating assets, Empire Energy USA, LLC (hereafter jointly referred to as “EEUSA”). It is proposed that any new shares in EEUSA would be issued by means of an initial public offering (‘IPO’) on the NASDAQ Capital Market. The waiver has been granted pursuant to certain conditions being met, including that any new shares in EEUSA are to be issued to new shareholders through a ‘book build’ process.

Background

The ultimate objective of the Company is to provide the US operations a new and reliable source of equity capital and promote greater value creation for current and new shareholders once the IPO has been completed. Whilst the Company has significant credit facilities in place, to develop its business strategy, the shortfall of ‘top up’ equity has meant the Company has not been able to finalise a series of bolt-on acquisitions, crucial to the Company’s growth and development. Further, the proposed listing on a US stock exchange will also provide the Company the ability, if required, to offer shares in consideration for an asset acquisition.

In order for EEUSA to undertake the IPO, EEUSA has filed a Registration Statement, or Form S-1, with the US Securities and Exchange Commission (‘SEC’) in connection with an initial public offering of securities in the United States with a listing on the NASDAQ Capital Market. The Form S-1 remains subject to completion and ongoing amendments. Once the Form S-1 registration is received from the SEC, the Company will then make a decision on the appropriate time to implement an equity raising program.

Empire Energy Group Limited will continue to maintain its listing on the ASX.

ABOUT EMPIRE ENERGY GROUP LIMITED

In early 2007, the Company established Empire Energy USA, LLC a wholly owned subsidiary. Empire Energy USA is an oil and natural gas producer with operations in Appalachia (New York and Pennsylvania) and the Central Kansas Uplift (Kansas). Current production is around 1,350Boe/d.

The Company holds approximately 214,000 net acres of Marcellus Shale and 136,000 net 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 holds a US\$200 million credit facility with Macquarie Bank Limited, which can be utilised for the acquisition and development of oil and gas assets in the USA. This facility has around US\$41m of the debt facility currently drawn.