



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

ASX Announcement – Fracking in NY State

18 December 2014

FRACKING BAN IN NEW YORK STATE

Having missed 6 to 8 years of the shale boom and in a case of populist pandering, New York Governor Cuomo announced on Wednesday that high volume hydraulic fracturing be prohibited in New York State. This decision comes after a recommendation based on the long awaited Health Report that fracking be banned due to health concerns and oil and gas production would have limited economic benefits to the people of New York State.

Bruce McLeod, Executive Chairman notes *“while this decision is very disappointing for the Company it is important to note that the Marcellus and Utica acreage held by the Company was a “free” upside on existing acreage, recorded in the Company’s books at zero cost, being acquired as part of a previous acquisition of producing assets. The decision is a negative for all energy companies operating in New York State. It is expected that the industry will closely review the grounds on which the decision has been made, especially as in part of the announcement, the Department of Environment stated they could see very little economic benefit accruing to the State if fracking was allowed. New York is the only USA State that has substantial oil and gas resources that has now banned fracking”.*

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).

The Company holds approximately 232,000 net acres of Marcellus Shale and 148,000 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\$42m of the debt facility currently drawn.