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ASX Announcement

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JOINT OPERATING AGREEMENT – GOVE COUNTY, KANSAS

The Directors of the Company are pleased to announce that it has entered into a Joint Operating Agreement (“JOA”) in relation to the development of the Company’s land tract of 4,160 gross acres in Gove County, Kansas.

Empire has entered into a 50/50 JOA with Palomino Petroleum to develop a portion of this acreage. Although a number of successful wells have been drilled in Gove County the targets are generally structurally complex. As such to reduce development risk the Company has entered into the JOA with Palomino who have been highly successful drilling in this region. Successful completion of the initial well may serve to confirm a number of additional prospects in the area. New 3D seismic information gathered from two separate shoots conducted by both the Company and Palomino indicate the presence of a geologic structure which has a high probability of yielding multiple well locations.

An initial well location has been identified through a coordinated effort by the geologic staff of both Empire and Palomino. The proposed well has a projected total depth of 4,850’. Each well under the JOA will earn an assignment of 10 acres. The primary target pay zones are the Lansing-Kansas City, Johnson and the Morrow sands, with the secondary targets being the Marmaton and the Fort Scott formations.

The well is expected to be spudded by the end of August 2015. Completed well and storage costs (which will be built to expand for at least 5 to 6 wells) will be around \$440,000 with dry hole costs of \$180,000. Based on the targeted formations these wells should allow attractive rates of return even in the current lower price environment. Subject to the success of the first well an additional 5 locations have been identified and a total program of up to 20 wells subject to the JOA.

Palomino has extensive operating in experience in NW Kansas, and is one of the larger oil producing companies in Kansas. Formed in 1969 in addition to its successful production operations Palomino operates six drilling rigs. Utilizing its own equipment Palomino will assume responsibility for drilling and completion of the well at market competitive costs. Once the well is completed Empire will assume responsibility for ongoing production operations.

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), Central Kansas Uplift and Oklahoma. Current normalised production is around 1,250Boe/d. The Company also holds Exploration Licences and Applications over 14.6 million acres in the McArthur Basin, Northern Territory, Australia, which is considered highly 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\$41.2m of the debt facility currently drawn.