



OFFER DOCUMENT FOR PRO-RATA ENTITLEMENT RIGHTS ISSUE

For a pro rata non-renounceable entitlement issue to Eligible Shareholders of up to 61,772,736 New Shares (subject to rounding) on the basis of 1 New Share for every 5 existing shares held by Eligible Shareholders on the Record Date at an issue price of \$0.0225 per New Share to raise approximately \$1.4 million (before costs) (“Offer”).

The Offer opens on 10 September 2015 and closes at 5.00pm (Sydney time) on 22 September 2015 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for New Shares by Eligible Holders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with the Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders’ Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

The Entitlement Offer is not underwritten.

IMPORTANT NOTICE

This Offer Document is provided for information purposes and is not a prospectus, product disclosure statement or other form of disclosure document. This Offer Document is dated 31 August 2015. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this document.

This document is important and requires your immediate attention. It should be read in its entirety. In particular, Shareholders should refer to the risk factors set out in section 4 of this document.

If you are unsure as to how to deal with this Offer, you should seek independent financial, taxation or other professional advice.

KEY STATISTICS

Offer price for New Shares	\$0.0225 per share
Maximum New Shares to be issued	Up to 61,772,736
Entitlement	1 New Share for every existing 5 Shares
Maximum gross proceeds of issue	Up to \$1,389,887
Record Date	7.00pm (Sydney time) 7 September 2015
Offer Closes	5.00pm (Sydney time) on 22 September 2015

KEY DATES

The following are key indicative dates relating to the Offer that you need to be aware of:

Event	Date
Announcement of Offer	31-Aug-2015
Cleansing Notice, lodgement of Appendix 3B and Offer Document lodged with ASX	31-Aug-2015
Notice sent to Shareholders	01-Sep-2015
Ex-date	03-Sep-2015
Record Date	07-Sep-2015
Offer Document and Acceptance Form despatched to Eligible Shareholder and lodged with the ASX	10-Sep-2015
Last day to extend the Offer Closing Date	17-Sep-2015
Closing Date for acceptances	22-Sep-2015
New Shares are quoted on a deferred settlement basis	23-Sep-2015
Notify ASX of any under subscriptions and shortfall	25-Sep-2015
Despatch of holding statements	30-Sep-2015
Normal trading for New Shares commences	30-Sep-2015

Note: This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 (Cth) and ASX Listing Rules, Empire Energy reserves the right to vary the dates and times in connection with the Rights Issue, including the Closing Date, without prior notice.

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CHAIRMAN'S LETTER

Dear Shareholder

On behalf of Empire Energy Group Limited ("**Empire**" or the "**Company**") I am pleased to invite you to participate in a 1 for 5 non-renounceable pro-rata rights issue of new Empire ordinary shares ("**New Shares**") of up to 61,772,736 New Shares (subject to rounding) at an offer price of \$0.0225 per New Share ("**Offer**") to raise approximately \$1.4 million. New Shares issued under the Offer will rank equally with existing Empire shares.

The Company intends to apply the net proceeds of the Offer in accordance with the Company's view to enhancing operating returns. At the time of the issue, the Company intends to utilise the funds raised in conjunction with existing credit facilities to provide equity for the acquisition of distressed USA oil and gas assets that would be considered small, but bolt-on opportunities for the Company's existing operations; for the continuation of ongoing work programs in the Northern Territory until the proposed Farm-in agreement is completed, for general working capital purposes and to finance expenses of the Offer. The Rights Issue is not underwritten.

All shareholders with a registered address in Australia and New Zealand as at the Record Date are eligible to participate in the Rights Issue.

How to take up the offer

Eligible Shareholders should read and refer to the instructions and information contained within the Offer Document in its entirety and have regard to the timetable on page 9 for the timing of specific actions. A personalised Entitlement and Acceptance Form accompanies the Offer Document. You should read and refer to the instructions and information in their entirety and have regard to the timing in that letter for specific actions.

It is important to note that the Offer closes at 5.00pm (Sydney time) on Tuesday, 22 September 2015.

If you are unsure about any aspects of the Offer or its merits, we would encourage you to consult your financial, taxation or professional adviser.

On behalf of the Board of Empire, I invite you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours Sincerely



Bruce McLeod
Chairman

IMPORTANT INFORMATION

This Offer Document is for a rights issue of continuously quoted securities (as defined in the Corps Act) of Empire Energy Group Limited (“**Empire**” or the “**Company**”) and is provided for information purposes. This Information in this Offer Document is not intended to be comprehensive and should be read in conjunction with the more detailed information release by Empire under its continuous disclosure obligations.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as having been authorised by the Company in connection with the Offer.

Neither the Company nor any other person warrants the future performance of Empire nor any return on any investment made under this Offer Document, except as required by law and then only to the extent so required.

The Offer Document is not a prospectus under the Corps Act 2001 (Cth) (“**Corps Act**”) and has not been lodged or registered with ASIC. You should read the Offer Document carefully and in its entirety before deciding whether to invest in New Shares. In particular you should consider the risk factors as described in Section 4 - ‘Key Risks’.

Regular reporting and disclosure

The Company is a disclosing entity for the purposes of the Corps Act and is therefore obligated to regular reporting and disclosure requirements under the Corps Act and ASX Listing Rules. These obligations (subject to certain limited exceptions) require the Company to notify ASX of information of events and matters as they arise in relation to the Company’s operations and financial status which a reasonable person would expect to have a material effect on the price or value of the Company’s securities. All announcements made by the Company are available on the ASX website www.asx.com.au under the Company’s ASX code **EEG**.

Disclaimer

Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer. Announcements made by the Company to the ASX are available from ASX website at www.asx.com.au. The information in this Offer Document does not constitute a securities recommendation or financial product advice.

Before applying for New Shares you should consider whether such an investment, and the information contained in this Offer Document, are appropriate to your particular

needs, and considering your individual risk profile for speculative investments, investment objectives and individual financial circumstances.

Investors should note that past Share price performance of the Company provides no guidance as to its future Share price performance.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Eligible Shareholders

The Rights Issue is non-renounceable and is available to all Eligible Shareholders who are Shareholders with a registered address in Australia or New Zealand and who are registered as holders of Shares as at the Record Date (as detailed in the timetable on page 9).

The New Shares being offered to residents of New Zealand under this Offer Document are offered in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Offer Document is not an investment statement or prospectus under New Zealand law and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Other Foreign jurisdictions and restrictions on the distribution of this Offer Document

This Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside Australia or New Zealand. The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws. Neither this Offer Document nor the accompanying Entitlement and Acceptance Form will be sent or passed to persons outside Australia or New Zealand.

Notice to nominees and custodians

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations. In particular, the Offer has not been, and will not be, registered under the US *Securities Act* or the securities laws of any state of the United States

and is not being made in the United States or to persons resident in the United States. Without limitation, neither this Offer Document nor the accompanying Entitlement and Acceptance Form may be sent to investors in the United States.

Privacy

Empire collects information about each applicant provided on the Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful to administer the applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each applicant agrees that the Company may use the information provided by an applicant on the Entitlement Acceptance Form for the purposes set out in this section and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application. An applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Requests for access to such information must be made in writing to the Company's registered office.

Cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw the application once it has been accepted. In addition, Entitlements will not be traded on ASX nor can they be transferred.

Governing Law

The Offer Document, the Rights Issue, Shortfall Offer and the contracts formed on acceptance of the Entitlement and Acceptance Form are governed by the laws applicable in New South Wales, Australia.

Forward looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and its management.

The Company cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law. These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4 of this Offer Document.

1. KEY OFFER TERMS AND DATES

1.1 Offer terms

Terms	
Issue price	\$0.0225
Entitlement	1 New Share for every 5 Shares held
Record Date	7 September 2015
Discount to the last closing price before the announcement of the rights issue	20%
Discount to the 30 day VWAP before the announcement of the rights issue	20.5%
Approximate number of New Shares to be issued	61,772,736
Amount to be raised	\$1,389,887
Approximate number of Shares following the Rights	370,636,418

1.2 Indicative Timetable

Event	Date
Announcement of Offer	31-Aug-2015
Cleansing Notice, lodgement of Appendix 3B and Offer Document lodged with ASX	31-Aug-2015
Notice sent to Shareholders	01-Sep-2015
Ex-date	03-Sep-2015
Record Date	07-Sep-2015
Offer Document and Acceptance Form despatched to Eligible Shareholder and lodged with the ASX	10-Sep-2015
Last day to extend the Offer Closing Date	17-Sep-2015
Closing Date for acceptances	22-Sep-2015
New Shares are quoted on a deferred settlement basis	23-Sep-2015
Notify ASX of any under subscriptions and shortfall	25-Sep-2015
Despatch of holding statement & deferred settlement ends	30-Sep-2015
Normal trading for New Shares commences	30-Sep-2015

Note: This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 (Cth) and ASX Listing Rules, Empire reserves the right to vary the dates and times in connection with the Rights Issue, including the Closing Date, without prior notice.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of 1 New Share for every 5 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.0225 per Share. Fractional entitlements will be rounded up to the nearest whole number.

The Offer includes a Top-Up Facility and the right of Directors in their discretion to place any Shortfall Shares to existing Shareholders or Professional Investors and Sophisticated Investors within 120 days of the Close of the Offer. See Sections 2.4 and 2.5 for further details regarding the Top-Up Facility and the Shortfall Shares.

Based on the capital structure of the Company as set out in Section 2.8 of this Offer Document, a maximum of approximately 61.8 million New Shares will be issued pursuant to this Offer to raise up to approximately \$1.4 million.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application Moneys (without interest) within 28 days of giving such notice of withdrawal.

2.2 Purpose of the Offer and intended use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$1.4 million (before the payment of costs associated with the Offer which are estimated to be ~\$50,000 (exclusive of GST)).

The Company intends to apply the net proceeds of the Offer in accordance with the Company's view to enhancing operating returns. At the time of the issue, the Company intends to utilise the funds raised in conjunction with existing credit facilities as follows:

- provide equity for the acquisition of distressed USA oil and gas assets that would be considered bolt-on opportunities for the Company's existing operations;
- continuation of ongoing work programs in the Northern Territory until the proposed Farm-in agreement is completed;
- general working capital purposes; and
- finance expenses of the Offer.

The above statement is a statement of current intentions as at the date of this Offer Document. Intervening events and new circumstances have the potential to affect

the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

2.3 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 3 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for additional New Shares under the Top-Up Facility in addition to your Entitlement by following the instructions set out in Section 3.1(c). The Top-Up Facility is described in Section 2.4 below.

Details of eligibility to participate in the Offer is provided on page 6.

2.4 Application Under Top-Up Facility

Under the Top-Up Facility, Eligible Shareholders will be entitled to apply for additional New Shares in excess of their Entitlement, at the same price as New Shares under the Offer.

Eligible Shareholders wishing to subscribe for additional New Shares under the Top-Up Facility must apply for the additional New Shares at the same time as they apply for New Shares under their Entitlement by completing the appropriate section of their Entitlement and Acceptance Form. There is no limit on the number of additional New Shares that Eligible Shareholder may apply for under the Top-Up Facility, however, applications under the Top-Up Facility will only be satisfied to the extent that there is a Shortfall under the Offer.

In addition, no additional New Shares will be issued to any Eligible Shareholders if, in the view of the Directors, to do so would increase the Eligible Shareholders voting power in contravention of the takeover prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold). The Company expressly disclaims any responsibility for ensuring that you do not breach section 606 of the Corporations Act as a result of applying for any additional New Shares.

It is an express term of the Offer that applicants for additional New Shares will be bound to accept a lesser number of additional New Shares allocated to them than applied for if so allocated.

If you do not receive all of the additional New Shares you applied for, any excess Application Monies will be returned to you (without interest).

The issue of additional New Shares under the Top-Up Facility is at the discretion of the Directors.

Should such applications exceed the Shares available, a scale-back will be applied in a manner determined by the Directors. The Directors reserve the right to allot to an Applicant a lesser number of additional New Shares than the number for which the Applicant applies, or to reject an application for additional New Shares.

2.5 Shortfall

The Directors reserve the right to issue the Shortfall after allocating New Shares under the Top-Up Facility at their discretion within 120 days after the close of the Offer.

The issue price of any Shares offered pursuant to the Shortfall Offer shall be not less than \$0.0225, being the price at which the Entitlements have been offered to Eligible Shareholders pursuant to this Offer Document.

The Company does not guarantee that there will be any Shortfall.

The Shortfall will be allocated at the discretion of the Directors and subject to the Listing Rules, the Corps Act and any other applicable law. The Shortfall will be allocated as soon as possible after the close of the Offer and in any event, within 120 days of the close of the Offer. In allocating the Shortfall, the Company will have regard to the desirability of maintaining a diverse share register. The Company reserves the right to allot to an applicant a lesser number of the Shortfall than the number for which the applicant applies, or to reject an application for Shortfall Shares, or to not allot some or all of the Shortfall Shares and will do so, if necessary, to ensure that no Shareholder acquires a voting power in the Company in contravention of the takeover prohibition in section 606 of the Corporations Act

2.6 Allocation of any shortfall

As a result of the arrangements described above in Sections 2.4 and 2.5, if eligible Shareholders do not take up their prorata entitlements under the Entitlement Offer the resulting shortfall will be allocated:

- Firstly, to Eligible Shareholders who apply to take up Additional New Shares in accordance with the terms of the Shortfall Facility; and
- next, to Professional Investors and Sophisticated Investors within 120 days of the Close of the Offer.

2.7 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX (or any other exchange) and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse, you will receive no benefit and your equity interest in the Company will be diluted.

2.8 Effect on Capital Structure

If the Rights Issue under this Rights Issue Offer Document is fully subscribed the capital structure of the Company will be as follows:

Contributed Equity	Number of Shares	\$
Ordinary shares on issue prior to Rights issue (i)	308,863,682	\$73,683,238
New Shares to be issued under this Rights Issue Offer Document*	61,772,736	\$1,389,887
Issued Share capital of the Company in the event in the Offer is fully subscribed	370,636,418	\$75,073,125

(i) It is assumed that no existing Options or Performance Rights are exercised and that no further Shares are issued the Company on or before the Record Date.

*This number of New Shares may vary slightly due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.

The Company will raise approximately \$1.4 million (before costs) under the Rights Issue and the costs of the Rights Issue are estimated to be approximately \$50,000.

The Company has the following options and Performance Rights on issue:

Number of Options	Exercise Price \$AUD	Expiry Date
1,500,000	\$0.18	31 December 2015
4,500,000	\$0.17	31 December 2015
4,250,000	\$0.12	26 February 2016
3,500,000	\$0.15	31 December 2016
1,500,000	\$0.17	31 December 2016
1,500,000	\$0.18	31 December 2016
16,750,000		

Performance Rights

2,500,000	- Unquoted Performance Rights subject to preconditions being met.
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The Options and Performance Rights on issue carry no right to participate in the Rights Issue unless the Options and Performance Rights are exercised before the Record Date.

2.9 Dilution and effect of the Capital Raising on net tangible assets

The effect of the Capital Raising, if fully subscribed, will result in a dilution of net tangible assets of approximately 14% being, on the estimated, unaudited pre-tax net tangible assets per Share as at 30 June 2015, \$0.13.

The impact of the Offer on a Shareholder's shareholding will be subject to that Shareholders take-up of New Shares under their Entitlement or Additional New Shares under the Top-Up Offer, for instance:

- Shareholders who do not take up their full pro-rata Entitlement under the Offer will have their percentage shareholding in the Company diluted following the issue of New Shares under the Offer.
- Shareholders who take up their full Entitlement under the Offer will maintain their percentage shareholding.
- Shareholders who take up their full pro rata Entitlement under the Offer and receive Additional New Shares under the Top-Up Offer, will increase their percentage shareholding in the Company to the extent they receive Additional New Shares under the Top-Up Offer.

2.10 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corps Act and its Shares are securities quoted on the ASX.

The highest, lowest and last market sale prices of the Shares on the ASX during the three months immediately preceding the date of release of this Offer Document are set out below.

Share Price over past 3 months	Date	Price
High	21-Aug-2015	\$0.036
Low	28-Jul-2015	\$0.020
Day prior to announcement of Offer	28-Aug-2015	\$0.028

2.11 Effect of the Offer on control and voting power in the Company

The Company has lodged with the ASX a notice in accordance with section 708AA of the Corporations Act which sets out, amongst other things, the effect of the Offer on the control of the Company. This notice may be viewed on the websites of the Company and the ASX.

Having regard to:

- the composition of the Company Share Register; and
- the terms of the Offer (including the Top-Up Offer),

the Company does not believe that any person will increase their percentage shareholding in the Company pursuant to the Offer in a way that will have a material impact on the control of the Company. In any event:

- no Additional New Shares under the Top-Up Offer; or
- no New Shares under the Shortfall,

will be issued to any Eligible Shareholders if, in the view of the Directors, to do so would increase the Eligible Shareholders voting power in contravention of the takeover prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold).

The Company expressly disclaims any responsibility for ensuring that you do not breach section 606 of the Corporations Act as a result of applying for any Additional New Shares. Based on the holdings of Shareholders as set out in the Company's Share Register at the date of this Offer Document, no Shareholder following a take up of under the Offer has the capacity to increase its relevant interest to more than 20% of the Company's issued capital.

2.12 Director intentions

Each director of the Company has shown their support for the Entitlement Offer by indicating that they intend to subscribe for all of their Entitlements under the Offer.

2.13 Directors interests and participation

Each Director's direct and indirect interest in the Securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below:

Director	Shares	New Shares Entitlement
B W McLeod (Executive Chairman)	Direct Interest: 165,239 Indirect Interest: 7,073,126	Direct Interest: 33,048 Indirect Interest: 1,414,625
D H Sutton	Direct Interest: 438,301 Indirect Interest: 194,999	Direct Interest: 87,660 Indirect Interest: 39,000
K A Torpey	Direct Interest: 118,055 Indirect Interest: 2,073,394	Direct Interest: 23,611 Indirect Interest: 414,679

2.14 Offer document and section 708AA of the Corps Act

This Offer Document is issued pursuant to section 708AA of the Corporations Act and applicable ASIC Class Order 08/35 without disclosure to investors under Part 6D.2 of the Corporations Act.

Accordingly, neither this Offer Document nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Offer will be prepared. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus.

Pursuant to the conditions imposed on the Company by section 708AA of the Corporations Act, the Company provided ASX with a notice that complied with the

requirements of section 708AA(7) on 31 August 2015. In addition to certain minor and technical matters that notice was required to:

- set out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - o assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - o the rights and liabilities attaching to the New Shares; and
- state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

2.15 Rights attaching to Shares

Shares issued pursuant to the Offer will be fully paid and rank equally with all other issued Shares including in respect of dividends.

The rights attaching to Shares are set out in the Company's constitution and are regulated by the Corps Act, the ASX Listing Rules and general law.

2.16 Issue and despatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules. The expected dates for issue of New Shares offered by this Offer Document and despatch of holding statements is expected to occur on the dates specified in the Timetable. New Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

The expected dates for issue of New Shares offered by this Offer Document and despatch of holding statements is expected to occur on the dates specified in the Timetable. New Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application Moneys will be held by the Company in trust for the Applicants in a separate bank account as required by the Corps Act. The Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

2.17 ASX quotation

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made within 7 days after the date of this Offer Document. If approval is not obtained from ASX before the expiration of 3 months after the date of this Offer Document (or such period as varied by the ASIC) the Company will not issue any New Shares and will repay all Application Moneys for the New Shares within the time prescribed under the Corps Act, without interest.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits, (if any), of the Company or the New Shares now offered for subscription.

2.18 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

2.19 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

2.20 Withdrawal of the Offer

The Company reserves the right to withdraw the Offer at any time before the issue of Shares in which case the Company will refund any Application Moneys received by it in accordance with the Corps Act and will do so without interest being paid to applicants.

2.21 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company at:

Telephone: (within Australia) (02) 9251 1846
(New Zealand callers) +61 2 9251 1846
(outside Australia) +61 2 9251 1846
Email: info@empiregp.net

2.22 Information availability

Shareholders can obtain a copy of this Offer Document on the Company's website at www.empireenergygroup.net or by calling the Company Secretary on +61 2 9251 1846. Persons who access the electronic version of this Offer Document should ensure that they download and read the entire Offer Document and the other relevant information to which it refers.

The electronic version of this Offer Document provided on the Company's website and the ASX website will not include an Entitlement and Acceptance Form. Shareholders will be able to download a copy of their Entitlement and Acceptance Form from the Computershare Investor Centre www.computershare.com.au then click on Investor Centre.

2.23 Past Performance

Investors should note that the past Share price performance provides no guidance as to future Share price performance.

2.24 Consents

Clifford Chance have provided, and not withdrawn, their consent to be named in this Offer Document or taken responsibility for, or makes any statements, representations or undertakings in, this Offer Document.

In particular, Clifford Chance and their related body corporate, directors, employees, representatives or agents:

- Have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Offer Document;
- Do not make, or purport to make, any statement in this Offer Document, and there is no statement in this Offer Document which is based on any statement by them; and
- To the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representations regarding, and takes no responsibility for, any part of this Offer Document.

2.25 Governing law

This Offer Document and the contracts formed on acceptance of the Entitlement and Acceptance Form are governed by the laws applicable in New South Wales. Each Applicant submits to the non-exclusive jurisdiction of the courts of New South Wales

3. ACTION REQUIRED BY SHAREHOLDERS

3.1 How to Accept the Offer

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

Other than by way of an application for Additional New Shares under the Top Up Offer, your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for your maximum Entitlement.

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

(a) If you wish to accept your Entitlement in full:

- (i) Pay via Bpay by following the instructions set out in the Entitlement and Acceptance Form;

OR

- (ii) Complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
- (iii) Attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or

(b) If you only wish to accept part of your Entitlement:

- (iv) Pay via Bpay by following the instructions set out in the Entitlement and Acceptance Form;

OR

- (v) Fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
- (ii) Attach your cheque for the appropriate Application Moneys (\$0.0225 per New Share); or

(c) If you wish to accept your full Entitlement and apply for Additional Shares under the Top-Up Facility:

- (vi) Pay via Bpay by following the instructions set out in the Entitlement and Acceptance Form for your Entitlement plus the Additional New Shares you wish to apply for under the Top-Up Offer;

OR

- (vii) Complete the Entitlement and Acceptance Form including filling in the number of New Shares under the Top-Up Facility you wish to apply for in the Top-Up Facility section on the Entitlement and Acceptance Form; and
- (viii) Attach your cheque for the appropriate Application Moneys (at \$0.0225 per New Share) for your Entitlement plus the Additional Shares you wish to apply for under the Top-Up Facility; or
- (d) If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything. In that case, New Shares not accepted by the Closing Date will become New Shares offered under the Top-Up Offer or the Shortfall Offer and you will receive no benefit.

Your completed Entitlement and Acceptance Form and payment must reach the Company no later than 5:00pm (Sydney time) on the Closing Date. You do not need to return your Entitlement and Acceptance Form if you have made payment via Bpay.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

3.2 Implications of an acceptance

A completed and lodged Entitlement and Acceptance Form or paying any Application Monies by Bpay constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By returning a completed Entitlement and Acceptance Form or paying any Application Moneys by Bpay, you will be taken to have represented and warranted that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, read them both in their entirety, agree to all terms and conditions in this Offer Document and agreed to be bound by the terms of the Offer;
- (b) you have acted in accordance with the terms of the Offer detailed in this Offer Document;
- (c) on behalf of yourself and each person on whose account you are acting that the law in your place of residence and/or where you have been given the Offer Document and Entitlement and Acceptance Form, does not

prohibit you from being given the Offer Document and Entitlement and Acceptance Form;

- (d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry using the contact details set out in the Entitlement and Acceptance Form;
- (g) declare that you are the current registered holder of Shares and are resident in Australia or New Zealand, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (h) acknowledge that the information contained in, or accompany, the Offer Document and Entitlement and Acceptance Form is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (i) acknowledge that the New Shares have not, and will not be, registered, qualified or otherwise permitted to be offered or sold to the public under the securities law in any other jurisdictions outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws, in particular the US Securities Act;
- (j) you declare that you are an Eligible Shareholder; and
- (k) you acknowledge that once the Entitlement and Acceptance Form is returned, or a Bpay payment instruction is given in relation to any Application Moneys, the Application may not be varied or withdrawn except as required by law.

3.3 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Empire Energy Group Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm (Sydney time) on the Closing Date.

3.4 Payment by BPAY

For payment by Bpay, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via Bpay if you are the holder of an account with an Australian financial institution that supports Bpay transactions. Please note that should you choose to pay by Bpay:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Moneys.

It is your responsibility to ensure that your Bpay payment is received by the share registry by no later than 5:00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

If you do not wish to accept any of your Entitlement

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. In that case, shares not accepted by the Closing Date will become Shortfall Shares.

4. KEY RISKS

4.1 Risk Factors

An investment in New Shares should be regarded as speculative. Any investment in Empire involves general risks associated with an investment in shares quoted by ASX. There are also a number of other risk factors, both specific to Empire and of a general nature, which may affect the future operating and financial performance of Empire and the value of an investment in Empire.

Eligible Shareholders should consider these risk factors and should consult their stockbroker, accountant, lawyer or other professional adviser before deciding whether to subscribe for New Shares under the Offer.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed:

Economic conditions

Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, international economic conditions and employment rates amongst others are outside the Company's control and have the potential to have an adverse impact on the Company and its operations.

Stock Market Fluctuations

There are risks associated with any investment in a company listed on the ASX. The value of Shares may rise above or fall below the current share price depending on the financial and operating performance of the Company and external factors over which the Company and Directors have no control.

These factors include:

- Economic conditions in Australia, the USA and other overseas regions which may have a negative impact on equity capital markets;
- Changing investor sentiment in the local and international stock markets;
- Changes in domestic or international fiscal, monetary, regulatory and other government policies; and
- Developments in general conditions in the markets in which the Company operates and which may impact on the future value and pricing of shares.

Regulatory and Sovereign Risks

The Company is exposed to any changes in the regulatory conditions and sovereign risks under which it operates in Australia and the USA. Such changes can include for instance, changes in:

- Title and tenure;
- Taxation laws and policies;
- Accounting laws, policies, standards and practices; and
- Environmental laws and regulations that may impact upon the operation and processes of the Company

Credit Risk

The Company is exposed to the risk that a counterparty to a certain type of financial instrument will fail to discharge an obligation (eg to pay cash or sell shares to the Company) and cause the Company to incur a financial loss.

Currency Risks

The Company's major operations are outside of Australia and as such are denominated in foreign currency. Results of the Company are exposed to the fluctuations in the rate of exchange between the Australian dollar and the USA currency. The Company's financials are reported in US dollars.

Force Majeure

There are some risks which cannot be prevented by the Company that could impact upon the business of the Company. These risks include earthquakes, storm damage, sabotage and war. The Company has mitigated some of these risks by taking out appropriate insurance cover where reasonably possible.

4.2 Company Specific Risks

Oil and Gas prices

Continued oil and gas price fluctuations may impact on the Company's profitability, assets and future development.

Environmental Risks

Environmental laws and regulations in Australia and the USA may affect the operations of the Company. The laws and regulations set various standards which regulate certain aspects of health and environmental quality, provide penalties or other remedies for any violation of standards and, in certain circumstances, impose obligations to undertake remedial action in current locations where operations are conducted.

Reliance on key personnel

The responsibility for overseeing day to day operations and the strategic management of the Company is concentrated amongst a small number of key personnel. While it is not currently anticipated, one or any number of these key personnel may cease employment with the Company. The loss of any such key

employees of the Company could have the potential to have a detrimental impact on the Company until the skills that are lost are adequately replaced. A change in the individuals which make up the Board of the Company could have the potential to have a detrimental impact on the Company.

Uncertainty of development of projects and exploration

Development activities and exploration are speculative, involve many risks and may be unsuccessful. The Company's ability to sustain or increase its levels of production in the long term is dependent on the success of exploration and development projects.

5. GLOSSARY

Appendix 3B means the document to be prepared by the Company in accordance with Appendix 3B of the ASX Listing Rules in respect of the Offer and lodged by the Company with ASX.

Applicant refers to a person who submits an Entitlement and Acceptance Form.

Application refers to the submission of an Entitlement and Acceptance Form.

Application Moneys means moneys received from Applicants in respect of their Applications.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of directors of the Company from time to time.

Business Day means a day upon which ASX is open for trading in securities and trading banks in Sydney, New South Wales are open for general banking business.

Capital Raising means the Offer and the Placement.

Closing Date means 5.00pm Sydney time Tuesday 22 September 2015.

Company means Empire Energy Group Limited (ACN 002 148 361).

Corps Act means the Corporations Act 2001 (Cth) as amended.

Directors means the directors of the Company.

Despatch Date means Thursday 10 September 2015.

Eligible Shareholder means a Shareholder with a registered address in Australia or New Zealand whose details appear on the Company's register of Shareholders as at the Record Date.

Empire means Empire Energy Group Limited (ACN 002 148 361).

Entitlement means the entitlement to subscribe for one (1) Share for every five (5) Shares held by an Eligible Shareholder on the Record Date and Entitlements has a corresponding meaning.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

In-eligible Shareholder means a Shareholder with a registered address outside of Australia and New Zealand.

Listing Rules means the Listing Rules of the ASX.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer means the renounceable pro rata offer of New Shares at an issue price of \$0.0225 each on the basis of one (1) New Share for every five (5) Shares held on the Record Date including the Top-Up Facility and Shortfall pursuant to this Offer Document.

Offer Document means this Offer Document dated Monday 31 August 2015.

Professional Investor has the meaning given in the Corps Act.

Record Date means Monday 7 September 2015.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shortfall means those Shares under the Offer attributable to Entitlements not taken up by Eligible Shareholders and to those that would otherwise have been available to Ineligible Shareholders.

Shortfall Offer means any offer for the Shortfall as described in Section 2.5.

Shareholder means a holder of Shares.

Sophisticated Investor has the meaning given in section 708(8) of the Corps Act.

Timetable means the timetable set out in the Offer Document.

Top-Up Facility means a facility whereby Eligible Shareholders may apply for additional New Shares in excess of their Entitlement.

6. CORPORATE DIRECTORY

Directors

B W McLeod (Executive Chairman)
D H Sutton
K A Torpey

Registered Offices

Australian Office

Level 7
151 Macquarie Street
Sydney NSW 2000

US Office

380 Southpointe Boulevard
Suite 130
Canonsburg PA 15317

Auditors

Nexia Australia
Level 16,1 Market Street
Sydney NSW 2000

US Auditors

Schneider Downs & Co. Inc
One PPG Place, Suite 1700
Pittsburgh PA 15222

Share Registry

Computershare Investor Services Pty
Limited
Level 3
60 Carrington Street
Sydney NSW 2000
Telephone: 1300 85 05 05

Company Secretary

R V Ryan

Australian Solicitors

Clifford Chance
Level 16
1 O'Connell Street
Sydney NSW 2000

US Solicitors

K&L Gates LLP
K&L Gates Center
210 Sixth Avenue
Pittsburgh PA 15222-2613

Stock Exchange Listings

Australia

Australian Securities Exchange
(Home Exchange Sydney, NSW)
ASX Code: **EEG** - Ordinary Shares

United States of America

New York OTCQX Market:
Code: **EEGNY**
OTC#: 452869103

Sponsor: Bank of New York
1 ADR for 20 Ordinary shares

www.empireenergygroup.net