



EMPIRE ENERGY GROUP LIMITED
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Announcement

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DEFERMENT OF CLOSING OF AEP FARMOUT

The Directors of Empire Energy Group Limited (the 'Company') provide an update to the market that the proposed Farmout with AEGP Pty Ltd, a wholly owned entity of American Energy Partners, LP ('AEP') did not close on the expected date of April 20, 2016. The Company and AEP remain in discussion in terms of satisfying the Conditions Precedent and how to resolve the commercial and political risk of operating in the Northern Territory following the recent announcement of a potential fracking ban. The proposed work programs of around A\$35 million including seismic acquisition and drilling of up to 2 wells over 2016 is likely to be deferred.

ABOUT EMPIRE ENERGY GROUP LIMITED

Empire Energy is a conventional oil and natural gas producer with operations in Appalachia (New York and Pennsylvania) and the MidCon (Kansas and Oklahoma). The Company has ~14.6 million acres in the McArthur & Beetaloo Basins, Northern Territory, both of which are considered highly prospective for large shale oil and gas resources. Work undertaken by the Company over the past 5 years demonstrates that the Central Trough of the McArthur Basin, (of which the Company holds around 80%), is a major Proterozoic depo-centre that forms one segment of a series of extensive prolific hydrocarbon basins similar to those extending through Oman, Siberia and Southern China and which contain resources of billions of barrels of oil equivalent.