



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

ASX Announcement

10 April 2017

UPDATE – PROGRESS WITH COMPLETION OF UNDERWRITTEN SHARE ISSUE

Following the announcement of the Company's rights issue on 14 December 2016, the Company is pleased to announce that the Underwriter has confirmed that the commitment of the shortfall outstanding has been finalised and that the balance of the shortfall funds will be received by the Company shortly.

On 2 March 2017, the Company advised the market that a SGX Catalyst listed shareholder ("**New Shareholder**") was to invest \$1.5 million following release of the Company's audited accounts. The Underwriter has informed the Company that the Sponsor for the New Shareholder is now seeking clearance from the SGX to complete the \$1.5 million investment. The Company has been advised by the Underwriter that timing of receipt of the required clearance from SGX will be confirmed in the next few days.

The Company has been advised by the Underwriter that as soon as practicable after SGX clearance is received, the \$1.5 million will be deposited into an escrow account held by the Company's Singapore lawyer pending the Company's shareholders approving the placement for \$1.5 million at the Company's Annual General Meeting to be held prior to the end of May 2017. The Escrow Agreement for the control of the \$1.5 million was entered into on 20 March 2017.

The Company has received \$297,000 on 6 April 2017 from the Underwriter and has been advised by the Underwriter that the same sub underwriter is to forward further committed funds of \$153,000 next week. The remaining \$267,480 of the shortfall will be met by the Underwriter offsetting underwriting fees of \$113,700 in exchange for shares and a further \$153,780 is expected to be received from the Underwriter in cash next week. These tranches of shares will be placed under Listing Rule 7.1 as soon as practicable after funds are received.

The Company continues to hold the view that the Underwriter remains liable in respect of the shortfall under the Underwriting Agreement and will work with the Underwriter to ensure that the shortfall is placed as soon as possible.

The Company will inform the market in due course when the final tranche(s) of shortfall shares are issued.

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.