



EMPIRE ENERGY GROUP LIMITED  
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(ASX: EEG)  
[www.empireenergygroup.net](http://www.empireenergygroup.net)

## ASX Announcement

4 May 2011

### SHARE PURCHASE PLAN DOCUMENTS

Please find attached offer documents for participation in the Company's Share Purchase Plan as dispatched to shareholders.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'D.L. Hughes', is positioned above the printed name.

D L Hughes  
Secretary



Dear Shareholder

### **INVITATION TO PARTICIPATE IN THE SHARE PURCHASE PLAN**

The Directors of Empire Energy Group Limited ("EEG") recently announced a private placement of 110 million fully paid ordinary shares at \$0.12 per share to sophisticated and professional investors. The issue to be completed in two tranches will raise \$13.2 million before costs.

Tranche 1 involved the issue of 22 million shares pursuant to EEG's, 15% placement capacity as provided for under Listing Rule 7.1. Tranche 2 will be for the remaining 88 million shares and will be subject to shareholder approval at the Company's Annual General Meeting scheduled for 17 May 2011.

Funds raised from these placements will be utilised to fund the equity component of the acquisition cost of oil and gas assets in the United States, conduct development and exploration drilling on oil and oil shale prospects, net debt restructure and for working capital purposes.

The Board has resolved to provide shareholders with the opportunity to subscribe for shares on the same terms as the private placements through their participation in an EEG Share Purchase Plan ("Plan"). Shareholders are now invited to participate in the EEG Share Purchase Plan.

The Plan provides eligible registered holders of the Company's shares with the opportunity to purchase up to A\$10,000 worth of additional shares in EEG at an 18.36% discount to the weighted average market price over the five ASX trading days immediately preceding the announcement date 15 April 2011 on which the Company's shares traded.

### **UTILISATION OF FUNDS RECEIVED**

Funds raised will be utilised to meet the following Company objectives:

- Accelerate the Company's plans to reach production targets set for 2012 and 2015 through the aggregation of oil and gas producing assets
- Conduct development drilling on the Company's oil prospects in Kansas
- Conduct Exploration drilling in the Company's oil shale prospects in Appalachia and Williston Basin
- Net debt restructure
- Working capital purposes including the cost of the issue

### **THE PLAN**

Shares purchased under the Plan will not attract brokerage, stamp duty or other transaction costs.

All eligible shareholders will receive the same offer irrespective of the number of shares currently held.

The right to participate in the Plan is available exclusively to Australian and New Zealand shareholders who are registered as holders of fully paid ordinary shares in EEG at 7.00pm (Sydney time) on 14 April 2011 ("the Record Date"). The Plan is not conditional upon shareholders taking up any minimum number of new shares. Participation in the Plan is entirely voluntary. If you do not participate in the offer you will retain your existing shareholding.

The offer is non renounceable and therefore cannot be assigned to any other party. The Plan is established pursuant to the Australian Securities and Investments Commission Class Order 09/425 and the ASX Listing Rules.

The Board of Directors has determined that the aggregate number of shares that will be issued under the Plan will not exceed 16,666,666 fully paid ordinary shares.

Should applications from eligible holders for participation in the Plan in aggregate exceed the cap, the Board of Directors will scale back applications on a pro rata basis. Excess subscription monies will be refunded (without interest).

Shares will be issued under the Plan at \$0.12 which is equivalent to the weighted average market price of all ordinary shares in EEG traded during the ordinary course of trading on the ASX Limited ("ASX") during the five days on which shares were traded immediately preceding the announcement to the ASX of the offer on 15 April 2011, less a discount of 18.36%. In calculating the number of shares to be issued at this price the Company will round-down to the next whole share.

Shares issued under this Plan will rank equally in all respects from the date of allotment with the existing fully paid ordinary shares on issue.

The shares subscribed for under this offer will be allotted as soon as practical after the offers closing date of 27 May 2011 and in any case no later than 6 June 2011 (if the offer period is not extended).

Application will also be made for the shares to be granted official quotation on the official list of Australian Securities Exchange.

To participate in this offer please carefully read the attached terms and conditions of the Plan, complete the application form that accompanies the offer, return the form with your cheque representing the number of shares applied for made payable to "Empire Energy Group Limited" to the Company at the address set out on the application form or by BPAY to the EEG trust account details which are disclosed on the acceptance form.

Included for your information in the accompanying schedule of terms and conditions is a table of recent market prices together with a schedule of recent ASX Announcements. In deciding whether to take up the enclosed offer of shares, you should seek your own independent financial and taxation advice in respect of the offer.

If you have any questions or concerns in relation to the Plan, you should contact your professional adviser or the offer information line on 1300 567 968 (within Australia) or 03 9415 4283 (outside Australia).

Yours sincerely  
B W McLeod  
Executive Chairman



**EMPIRE ENERGY GROUP LIMITED**  
(ABN 29 002 148 361)

**SHARE PURCHASE PLAN  
TERMS AND CONDITIONS**

**1. INTRODUCTION**

Eligible holders have the opportunity to participate in the Empire Energy Group Limited ("EEG") Share Purchase Plan ("Plan") by subscribing for up to A\$10,000 of new fully paid ordinary shares ("New Shares") in EEG without incurring brokerage, commission, stamp duty or other transaction costs.

The Plan is established pursuant to the Australian Securities & Investments Commission Class Order 09/425 and the ASX Listing Rules. That instrument grants relief from the requirement to prepare a prospectus for the offer of New Shares under the Plan.

Participation in the Plan is optional and is subject to the terms and conditions set out below. By accepting the offer to purchase New Shares under the Plan, each holder agrees to be bound by the terms and conditions below and EEG constitution.

The total number of fully paid ordinary shares to be issued under the Plan is capped at a maximum number of 16,666,666 shares. Under the Plan should applications exceed the cap of 16,666,666 shares a scale back, as described below will apply.

The Plan is governed by the laws in force in NSW. By accepting the offer under the Plan, a holder submits to the non exclusive jurisdiction of the courts of NSW.

All references to amounts in the Plan are Australian dollars.

**2. ELIGIBLE HOLDERS**

Participation in the Plan is open for acceptance only by persons who, as at 7.00pm (Sydney time) on 14 April 2011 ("Record Date"), were registered as a holder of fully paid ordinary shares in EEG whose registered address is in Australia or New Zealand.

The board of directors of EEG ("Board") has determined that it is unlawful or impractical for it to make offers under the Plan to the extremely small number of holders involved who reside or, whose addresses are, outside those jurisdictions.

### **3. ELIGIBILITY FOR PARTICIPATION**

Offers made under the Plan are non-renounceable. This means that a holder cannot transfer their right to purchase New Shares under the Plan to anyone else. New Shares will be issued only to the registered holder to whom they are offered.

The offer under the Plan will be open to eligible members of the Company, who irrespective of their shareholding will be given the opportunity to purchase additional tranches of shares up to a maximum of \$10,000 worth at a purchase price of \$0.12 per share as follows:

	<b>No. of shares</b>	<b>Amount subscribed</b>
Minimum subscription	4,166	\$500
	20,833	\$2,500
	41,666	\$5,000
	62,500	\$7,500
Maximum subscription	83,333	\$10,000

The following rules apply to participation by eligible holders:

#### *Sole Holders*

Unless a holder is a Custodian (defined below), each sole holder is entitled to apply for up to a maximum amount of A\$10,000 of New Shares (irrespective of whether the sole holder receives multiple offers under the Plan, for example, due to multiple registered holdings), subject to the sole holder certifying that the total of the application price for the following does not exceed A\$10,000:

- (a) the New Shares the subject of the application; and
- (b) any other fully paid ordinary EEG share:
  - (i) Issued to the sole holder; and
  - (ii) Which the sole holder has instructed a custodian to acquire on their behalf; and
  - (iii) Issued to a custodian as a result of an instruction given by the sole holder to the custodian to apply for shares on their behalf,

under the Plan or any similar arrangement in the 12 months before the application (EEG has not conducted a share purchase plan or similar Plan in the prior 12 months).

By completing and submitting the personalised acceptance form (referred to below) which accompanies the Plan, a sole holder certifies the above.

### *Joint Holders*

Unless a holder is a Custodian (defined below), if a holder is recorded with one or more other persons as the joint holder of EEG shares, the joint holding is considered a single registered holding for the purpose of the Plan. Joint holders are entitled to participate in respect of that single holding and may apply for up to a maximum amount of A\$10,000 New Share (irrespective of whether the holder and the other person or persons receive multiple offers under the Plan, for example, due to multiple identical registered holdings), subject to joint holders certifying that the total of the application price for the following does not exceed A\$10,000:

- (a) the New Shares the subject of the application; and
- (b) any other fully paid ordinary EEG share:
  - (i) Issued to the joint holder; and
  - (ii) Which the joint holder has instructed a custodian to acquire on their behalf; and
  - (iii) Issued to a custodian as a result of an instruction given by the joint holder to the custodian to apply for shares on their behalf,

under the Plan or any similar arrangement in the 12 months before the application (EEG has not conducted a share purchase plan or similar Plan in the prior 12 months).

By completing and submitting the personalised acceptance form (referred to below) which accompanies the Plan, a joint holder certifies the above.

### *Custodians and Nominees*

Eligible holders who hold EEG shares as custodian or nominee ("Custodian") for one or more persons on the Record Date ("Beneficiaries") may apply for up to a maximum amount of A\$10,000 New Shares in respect of each Beneficiary subject to the Custodian:

- (a) Certifying to EEG that the Custodian is an eligible holder of EEG shares on behalf of one or more Beneficiaries and, provide the following details:
  - (i) the number of Beneficiaries instructing the Custodian to participate;
  - (ii) the name and address of each participating Beneficiary;
  - (iii) in respect of each participating Beneficiary:

(A) the number of fully paid ordinary EEG shares that the Custodian holds on their behalf; and

(B) the number or the dollar amount of New Shares they have instructed the Custodian to apply for on their behalf;

(b) undertaking not to, in respect of the Plan or other similar plan, accept on behalf of any Beneficiary, in any consecutive 12 month period, EEG shares with an aggregate application price which exceeds A\$10,000.

By completing and submitting the personalised acceptance form (referred to below) which accompanies this offer, a Custodian certifies the above, if a Custodian requires more than one personalised acceptance from to provide the above information, the Custodian should contact EEG and make that request.

It is at the discretion of the Custodian whether to extend the offer to their Beneficiaries.

#### **4. HOW TO APPLY FOR NEW SHARES**

The offer to participate in the Plan opens on 4 May 2011.

An offer to participate in the Plan may be accepted by a registered holder only by completing and returning the personalised acceptance form provided by EEG, together with the appropriate payment for the amount to which the acceptance relates, **by no later than 5pm (Sydney time) on the offer closing date, 27 May 2011** ("Closing Date"). Acceptances received after that time will not be accepted.

Payment may be made either by cheque in Australian dollars drawn on an Australian bank made payable to EEG, or by BPAY to the EEG trust account details of which are disclosed on the application form.

If one or more acceptance forms are received from a registered holder in relation to shares with a value greater than A\$10,000, the holder will be issued with the maximum number of shares permitted by the Plan. The difference between the subscription moneys received from such holder, and the number of New Shares allocated to the holder multiplied by the offer price, will be refunded to the holder by cheque, without payment of any interest, as soon as possible following allotment.

If a registered holder subscribes for an amount which is not exactly divisible by the issue price for the shares, in calculating the number of shares to be issued, all fractional entitlements will be rounded down to the nearest whole number. EEG will not refund any resulting small excess in subscription monies which will be deemed to form part of the aggregate subscription prices of the shares.

Notwithstanding any other provision of these terms and conditions, the Board may, in its sole discretion, reject any application form that it considers the applicant is not an eligible member or has not otherwise complied with the terms of the Plan or for any other reason. If the application is refused, the application monies received will be refunded without interest.

If a cheque does not clear, the holder's application will not be accepted and the holder will be deemed to agree to be responsible for any dishonour fees or other costs incurred. In relation to the dishonoured cheque, the cheque will not be represented.

Once submitted, applications for New Shares under the Plan cannot be withdrawn or amended.

Shareholders should consult their taxation or investment advisers to clarify the financial and taxation implication for them of subscribing for shares under the Plan.

## **5. ISSUE PRICE**

New Shares will be issued under the Plan at a discount to the weighted average market price of ordinary shares in EEG traded during the ordinary course of trading on the ASX Limited ("ASX") during the five days on which shares were traded immediately preceding the Announcement day of the offer on 15 April 2011 less a discount of 18.36%. On this basis the issue price will be A\$0.12 a share. In calculating the number of New Shares to be issued at this price, EEG will round-down to the next whole share.

As EEG share price may increase or decrease between the date the offer is made under the Plan and the date when the shares are allotted and issued to the holder under the Plan, the price paid by a holder for the shares may be higher or lower than EEG share price at the time of the offer or at the time the new shares are issued and allotted to the holder.

Annexure I tables the EEG share price on the ASX during the period immediately preceding the announcement.

The current trading price of EEG can be monitored via the ASX website, [www.asx.com.au](http://www.asx.com.au) by entering the share code EEG.

## **6. SCALE BACK**

The Board has determined that the aggregate maximum number of ordinary fully paid EEG shares that will be issued under the Plan will not exceed 16,666,666 shares.

Should applications from eligible holders for participation in the Plan in aggregate exceed that limit, the Board will scale back applications on a pro rata basis, to the extent that the Board sees fit.



The difference between the subscription moneys received from each registered holder, and the number of new Shares allocated to each holder multiplied by the offer price will be refunded to each holder by cheque, without payment of any interest, as soon as possible following allotment.

## **7. ISSUE OF SHARES**

EEG will issue New Shares pursuant to an offer under the Plan as soon as reasonably practicable after the Closing Date and will promptly apply for those shares to be quoted on the ASX.

EEG will, within the period required by the ASX Listing Rules, send each participant a holding statement in respect of any shares issued under the Plan.

Shares issued under the Plan will rank equally with all other ordinary shares in EEG and will therefore carry the same voting rights, dividend rights and other entitlements as those shares from the date of issue.

## **8. PURPOSE OF ISSUE**

As previously stated funds raised will be utilised to fund the equity component of the acquisition cost of oil and gas assets in the United States, conduct development and exploration drilling on oil and oil shale prospects, net debt restructure and for working capital purposes.

## **9. CONTINUOUS DISCLOSURE**

Company announcements which have been lodged with the ASX Limited ("ASX") in the last three months are tabled in Annexure I which is attached to this document. Information is available through the ASX website which is [www.asx.com.au](http://www.asx.com.au) or copies can be provided to shareholders by contacting the offer information line on 1300 567 968 (within Australia) or 03 9415 4283 (outside Australia).

## **10. AMENDMENT OF THE PLAN**

The Board will have absolute discretion to:

- Amend, suspend or terminate the Plan at anytime (including without limitation by extending the closing date)
- Delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of their powers or discretions under the Plan or these terms
- The terms are governed by and constructed in accordance with the laws for the time being in force in the state of New South Wales.

## **11. ADMINISTRATION AND DISPUTE RESOLUTION**

The Plan will be administered by the Board or a committee of the Board with the objective to facilitate maximum participation consistent with compliance with ASIC Class Order Co 09/425 and all applicable laws and efficient administration practices.

The Board will have absolute discretion to:

- Determine appropriate procedures for the administration of the Plan
- Resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these terms; and
- Reserves the right to waive compliance with any provision of these terms and conditions.

## **12. NOTICES**

Notices and statements to participating shareholders may be given in any manner determined by EEG.

## ANNEXURE I

### ASX Announcements

Schedule of ASX Announcement lodged within the last 3 months.

<b>Date</b>	<b>Announcement</b>
10 January 2011	Acquisition update and drilling programme
31 January 2011	ASX Quarterly Activities Report
31 January 2011	Appendix 5B Quarterly Cashflow Statement
1 February 2011	Broker Presentation
4 February 2011	Response to ASX Price Query
17 February 2011	Change of Director's Interest Notice
21 February 2011	Notice of General Meeting / Proxy Form
2 March 2011	December 2010 Acquisition – Preferential Rights
16 March 2011	Reserves Update
23 March 2011	Results of General Meeting
1 April 2011	December 2010 Annual Report
4 April 2011	Appendix 3B – New Issue Announcement
13 April 2011	Trading Halt
13 April 2011	Appendix 3Y – Change of Directors Interest Notice
15 April 2011	Completion of Capital Raising
15 April 2011	Cleansing Statement

### Share Trading Price

Schedule of recent market prices for EEG.

<b>Date</b>	<b>High</b>	<b>Low</b>	<b>Close</b>
14 April 2011	Trading halt		
13 April 2011	Trading halt		
12 April 2011	\$0.15	\$0.135	\$0.145
11 April 2011	\$0.15	\$0.145	\$0.145
8 April 2011	\$0.15	\$0.15	\$0.15
7 April 2011	\$0.17	\$0.16	\$0.16
6 April 2011	\$0.155	\$0.15	\$0.15
5 April 2011	\$0.165	\$0.155	\$0.155
4 April 2011	\$0.165	\$0.155	\$0.16
1 April 2011	\$0.155	\$0.15	\$0.155



ABN 29 002 148 361

**For all enquiries:**

Phone:  
(within Australia) 1300 567 968  
(outside Australia) 61 3 9415 4283



000001 000 EEG  
MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

**Make your payment:**



See over for details of the Offer and how to make your payment

## Share Purchase Plan Application Form

**Your payment must be received by 5:00pm (AEST) Friday 27 May 2011**

This is an important document that requires your immediate attention.

It can only be used in relation to the securityholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of Empire Energy Group Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Empire Energy Group Limited securities on the terms of the Share Purchase Plan (SPP).

In addition, by submitting the slip below you certify that the aggregate of the application price paid by you for:

- the securities the subject of the slip below; and
- any other securities and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of the slip below does not exceed A\$10,000.

Empire Energy Group Limited may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Empire Energy Group Limited will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Empire Energy Group Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all eligible securityholders even where Empire Energy Group Limited does not notify you of that event.

### Step 1: Registration Name

Please check the details provided and update your address via [www.investorcentre.com](http://www.investorcentre.com) if any of the details are incorrect.

### Step 2: Make Your Payment

Note that securities may be purchased subject to the minimum value and not exceeding the maximum value. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

**BPAY®:** See overleaf. Do not return the slip with BPAY payment.

**By Mail:** Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque or bank draft payable in Australian dollars to Empire Energy Group Limited. The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

**Turn over for details of the Offer →**


Empire Energy Group Limited Share Purchase Plan Application Form  
Payment must be received by 5:00pm (AEST) Friday 27 May 2011

© Registered to BPAY Pty Ltd ABN 69 079 137 518

# Share Purchase Plan Application Form

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## STEP 1 Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

Registration Name: MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000


Entitlement No: 00005856

Offer Details: Record date: **7:00pm (AEST) Thursday 14 April 2011**

Minimum value available to purchase:

Maximum value available to purchase:

## STEP 2 Make Your Payment

	Billor Code: 165399 Ref No: 1234 5678 9123 4567 89
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Contact your financial institution to make your payment from your cheque or savings account.

### Pay by Mail:

Make your cheque, money order or bank draft payable to Empire Energy Group Limited.

Return your cheque with the below slip to:  
**Computershare Investor Services Pty Limited**  
GPO BOX 253 Sydney New South Wales 2001 Australia

## Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email [privacy@computershare.com.au](mailto:privacy@computershare.com.au)

## Purchase Details (choose one option)

\$500 worth of securities OR  \$2,500 worth of securities OR  \$5,000 worth of securities  
 \$7,500 worth of securities OR  \$10,000 worth of securities



Entitlement No: 00005856

Payment must be received by 5:00pm (AEST) Friday 27 May 2011

MR SAM SAMPLE  
123 SAMPLE STREET  
SAMPLETOWN VIC 3000

## Contact Details

Contact Name \_\_\_\_\_ Daytime Telephone \_\_\_\_\_

## Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+0000000001-2054+15