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## ASX Announcement – Drilling Update

**16 June 2011**

### **Development Well Drilling Program – Update**

#### **First 2 wells to be Completed for Production**

Empire Energy Group Limited (Empire Energy) is pleased to announce the following update on its 2011 drilling program:

#### **Boxberger-Solomon #14 - Completion**

The completion procedure for the Boxberger-Solomon #14 development well in Russell County, Kansas is expected to commence on June 16, 2011. Perforations are targeting 51 feet of Lansing-Kansas City formations and Reagan Sands pay zones over an interval of 267 feet. Flow lines are currently being laid. Flow rates are expected to be announced in the next 2 to 3 days.

Empire has a 70.7% working interest in this well.

#### **CL Newcomer #9 – TD reached & well to be completed**

The CL Newcomer #9 development well in Russell County, Kansas was spudded on June 9, 2011 and has reached a total depth of 3,340 feet. Logs have shown pay zones over the targeted formations, namely the Lansing-Kansas City, Shawnee Group and Reagan Sands. Flow lines are being laid and a completion rig is expected on location within the next 2 to 4 days.

Empire has a 90.13% working interest in this well.

#### **Drilling Program**

The first stage of the drilling program consisted of 3 wells with a further 7 wells in the planning stage. However, due to delays in approvals for well 3, the drilling rig has moved off location and is expected to return in around 14 days.

#### **The Central Kansas Uplift**

Historically, Kansas has been a very prolific oil and gas producing state with cumulative production exceeding 6.1 billion barrels of oil (BBO) and 37.5 trillion cubic feet of gas. Current yearly production is approximately 33 million barrels of oil and 342 billion cubic feet of gas from over 60,000 wells. The most prolific oil reservoirs are the Arbuckle (Ordovician) and Lansing-Kansas City (Pennsylvanian)

formations particularly from fields located on the Central Kansas Uplift (CKU). Arbuckle reservoirs have produced over 2 BBO statewide. Of the 31 counties in which the Arbuckle has been productive, over 70% of the production has come from 10 counties situated on the Central Kansas Uplift in which Empire Energy operates.

Empire Energy's initial focus in the Central Kansas Uplift will be to drill low risk development wells. At the same time the objective is to delineate additional prospects and to convert probable reserves to reserve 1P category.

### **About Empire Energy Group Limited**

In early 2007, the Company established Empire Energy USA, LLC and currently holds around 96% of its issued capital. Empire Energy USA is an oil and natural gas producer and also operates a small oil and gas field service operation. It has operations in Appalachia (New York and Pennsylvania) and the Central Kansas Uplift (Kansas).

Empire Energy implemented a US\$100 million credit facility with Macquarie Bank Limited in early 2008 for the sole purpose of acquiring and developing oil and gas assets in the USA. This facility has been increased to US\$150 million.

For more information:

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