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ASX Announcement – Drilling Update

8 July 2011

DEVELOPMENT WELL DRILLING PROGRAM – UPDATE DEVELOPMENT WELLS 1 TO 4

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

Boxberger-Solomon #14 - Completion

Completion for the Boxberger-Solomon #14 in Russell County, Kansas, is expected to be finalised over the next few days.

Empire has a 70.7% working interest in this well.

C L Newcomer #9 – Completion

A completion rig has been moved onto the CL Newcomer #9 well location, Russell County, Kansas.

Empire has a 90.13% working interest in this well.

Kollman #15 – Drilling

The drilling rig arrived on location on 6 July 2011, drilling has commenced and has reached 508 feet. The Kollman #15 is in the Bemis-Shutts Field, Ellis County, Kansas.

Empire has a 86.0% working interest in this well.

Carmichael/Kollman West Unit #4 – Drilling is expected in 1 week

The drilling rig will move to this location once the Kollman #15 well has been drilled. The Carmichael/Kollman West Unit #4 is in the Bemis-Shutts Field, Ellis County, Kansas.

Empire has a 90.13% working interest in this well.

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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