



EMPIRE ENERGY GROUP LIMITED
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(ASX: EEG)
(OTC: EEGNY)

ASX Announcement – USA Listing

27 October 2011

LISTING ON OTC-QX EXCHANGE

The Directors wish to announce that a Form 211 was filed by a US market maker and approved by FINRA, thereby allowing the market maker to commence making a market in the Company's ADR's (on a 20:1 basis). The ADR is expected to be subsequently upgraded and listed on the OTC-QX, the premium tier of the United States OTC Market. Trading on the OTC-QX platform is expected to commence early next week.

Casimir Capital LP, a full service natural resource international investment bank has acted as the Company's sponsor or PAL (Principle American Liaison) for listing on the OTC-QX.

Standard & Poor's is to initiate Equity Research Coverage on the Company at the start of next week. Through Standard & Poor's these frequently updated reports will be made available to thousands of institutional investors, 85,000 North American brokers and 24 million retail investors.

Attached to this announcement is a 2 page briefing note on the Company's commencement of trading on the OTC-QX. The OTC website is www.otcmarkets.com and the Company's code is EEGNY.

ABOUT OTC-QX EXCHANGE

OTC-QX is one of three OTC Markets Group platforms which in total trade over 10,000 securities with an aggregate market capitalisation exceeding US\$10 trillion. Over US\$144 billion in total volume of securities were traded on the OTC platform in 2010, making it the 3rd most attractive market in the USA after the NYSE and NASDAQ.

The OTC-QX platform gives the Company convenient access to the US market at a time when the Company is looking to expand its E&P operations. Ultimately the Company sees the OTC-QX as a springboard to one of the major USA exchanges.

The OTC-QX platform enables operating companies to provide the maximum amount of information and transparency to investors, by reporting on a 'country of origin' financial reporting basis. This will enable the Company to develop an investor equity base in the USA, the country of existing operations and where expected growth will occur, but without needing to meet the costly requirements of Sarbines-Oxley Reporting.

Companies listed on the OTC-QX include BG Group Plc, Gasprom Neft, Eastern Star Gas Ltd, Repsol YPF, SA, Oz Minerals Ltd, BASF SE, Air France-KLM, Zurich Financial Services Ltd

ABOUT EMPIRE ENERGY GROUP LIMITED

In early 2007, the Company established Empire Energy USA, LLC and currently holds around 95% 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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OTC-QX - Briefing Note, October 27, 2011

Empire Energy Group Limited (“**Empire**”) is listed on the Australian Securities Exchange (**ASX:EEG**) and following approval by FINRA, a US market maker will commence making a market in the Company’s ADR’s (on a 20:1 basis) on the New York OTC-QX (**OTC:EEGNY**). Empire is an E&P company with oil and gas production in Kansas, Pennsylvania and New York, plus holds ~305,000 acres in Western NY & PA States.

Company Details

Share Price:	A\$0.13
ADR Price:	US\$2.69
Shares on issue:	278.2 mm
Options on issue:	40.2 mm
Market Cap:	\$36.2mm
EV	\$87.8mm
PV10(2P) (@ 7/2011)	\$207mm
Cash & liquids:	\$10.2 mm
EBITDA(2012)/Share:	6.4cps

Investment Highlights

Current Production:	~1,470 Boe/d (36% oil)
Target (2012):	~2,500 Boe/d (45% oil)
Current Reserves: (KS, NY, PA)	3P = 18.2mmBoe 2P = 16.8mmBoe PDP = 9.6mmBoe
EV/2P:	\$4.65/Boe
Est. Revenue (2012)	\$30.0 mm
Est. EBITDA (2012)	\$17.7 mm
Est. EBITDA (2011):	\$13.5 mm
EV/EBITDA (2012)	4.40x

Reserves & Resources – Ralph E Davis Associates LLC, Houston, TX & LaRoche Petroleum Consultants Ltd, Dallas, TX.

Empire operations - an oil and gas exploration and production Company operating onshore, slow decline oil and gas projects in the USA, currently operating around 2,000 wells. Producing regions:

1. Mid Continent - Central Kansas Uplift, **KS** - (oil) - ~488Bbl/d (net) with lifting costs of \$21/Bbl;
2. Appalachia (conventional gas), **PA & NY** - ~5,900Mcf/d (net) with lifting costs of \$2.35/Mcf;
3. Work over and development drilling opportunities in regions of current operations;
4. Exploration drilling program in Williston Basin, **ND** – 2 wells drilled and being completed (35% WI);
5. +72% of existing production hedged to Dec 2015 at \$90/Bbl and \$5.90/Mcf.

Empire Growth Strategy:

1. Acquire onshore, long life oil & gas production through utilisation of existing US\$150mm credit facility.
2. Increase reserves through drill-bit within existing properties.
3. Develop new partnerships and working interest relationships to acquire assets to ensure critical mass.

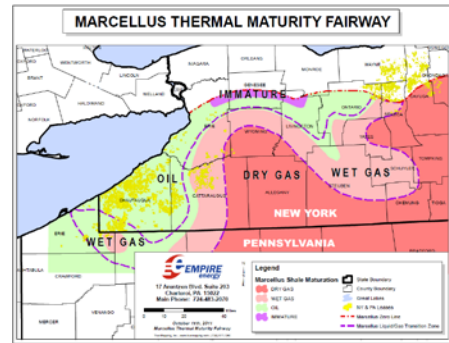
Empire Upside - developing a portfolio of low cost and low historic exploration maturity projects, with potentially large upside. Areas of significant potential production and value upside include (see back page):

1. ~305,000 acres in Western NY and PA with potential Marcellus & Utica Shale oil & liquids (WI ~ 90%);
2. ~14 million acres of early stage exploration for oil and gas bearing shale in the McArthur Basin, Australia (WI 100%).

Empire business model - to operate all assets, while (i) continue to seek growth through acquisition of long life, slow decline oil and gas production (focus on oil); (ii) continue a development oil drilling program targeting existing PUD locations; (iii) seek rework opportunities in existing developed oil and gas fields; (iv) utilisation of US\$150 mm Bank credit facility currently drawn to US\$62 mm with average funding cost 4.7% pa; (v) at nominal additional cost, build a portfolio of longer term development and exploration opportunities; (vi) continue to develop a streamlined field and operational management reporting system.

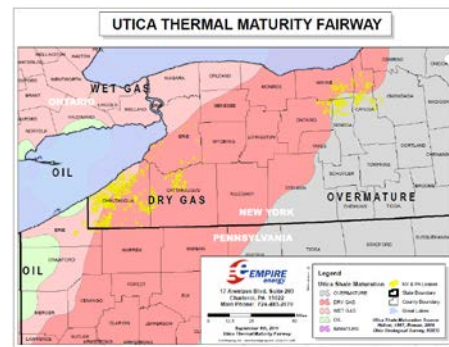
Marcellus Shale

- ❑ Current hydraulic fracturing moratorium
- ❑ Acreage in the wet gas/oil transition zone
- ❑ ~220,000 gross acres
- ❑ Reserves/Resource based on 100,000 acres
- ❑ Gas – Resources P50 = 49.5Bcf
- ❑ Oil - Poss/Resources = 70.3 MMBbls (3% rf)
- ❑ Marcellus PA dry gas acreage sales (directly to south) in +\$5,000/ac



Utica Shale

- ❑ Current hydraulic fracturing moratorium
- ❑ Acreage in the wet gas/dry gas transition zone
- ❑ ~190,000 gross acres
- ❑ Shale thickness 150ft to 300ft
- ❑ Reserves/Resource based on 18,000 acres
- ❑ Gas – P50 = 5 Tcf (GIP) (expected 20% rec)
- ❑ Recent Ohio Utica farm-in by Hess Corporation at \$6,000/ac (NPV basis) plus A further 85,000 acres at \$8,800/ac
- ❑ Valuation of Ohio Utica shale up to \$15k/ac



McArthur Basin - Shale Licence Applications

- ❑ Northern Territory, Australia
- ❑ Low historic exploration maturity
- ❑ Carbonaceous black, silty-shale with bitumen from mineral core drilling
- ❑ 14.6 million gross acres (compared to Marcellus Basin 61 million acres)
- ❑ Target - organic rich black oil and gas shales of the Barney Creek Formation of Palaeo- and Meso-Proterozoic age
- ❑ Shale thickness up to 4,000ft
- ❑ Traditional Landowner Agreements being negotiated
- ❑ Mitsubishi, CNOOC, Hess, BG, CoP recently farmed into shale projects



The purpose of this presentation is to provide general information about Empire Energy Group Limited ("Empire Energy"). The presentation contains certain statements which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

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In accordance with Chapter 5 of the ASX Listing Rules, all reserves and resources have been calculated by Ralph E Davis Associates Inc, Petroleum Consultants of Houston, Texas and LaRoche Petroleum Consultants Ltd, Dallas, Texas.