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ASX Announcement – Oil flows from Appalachia Program

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WELL WORKOVER PROGRAM APPALACHIA

Empire Energy Group Limited (Empire) is pleased to announce it has achieved oil production from the first well in a planned work over program of existing wells as part of a review of the Company's extensive land and production assets in northern Appalachia.

A work over of an existing well penetrating the Bass Island Trend formation was targeted for oil production. After 4 days the well has continued to flow averaging over 80 Bbls/day with no water production. Reservoir pressure continues to increase with the well flowing under natural pressure. Onsite oil storage facilities are currently being up-graded.

The Bass Island Trend formations are fractured carbonate reservoirs of relatively high porosity. The Bass Island Trend runs SW-NE through Chautauqua, Cattaraugus and Erie Counties, New York State, where a large portion of the Company's oil and gas leases are held. Historically, the formation has been a known oil producer, but has been difficult to target. New 3D seismic technology has improved the opportunity to target these formations.

The Company has commenced a program to review all 2,000+ wells producing mainly from the Clinton/Media and Queenston formation which lie between the Marcellus (above) and Utica (below) Shale formations, covering +300,000 acres in Pennsylvania and New York States.

APPALACHIAN OPERATIONS

The Company controls in excess of 300,000 acres in Appalachia (Pennsylvania and New York), operating over 2,100 wells. Appalachian gross production is around 7,000 Mcf/day and 7 Bbl/d. The Company also holds ~220,000 acres of potential oil bearing Marcellus Shales formation and ~190,000 acres of potential wet and dry gas Utica Shale formation.

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 with operations in Appalachia (New York and Pennsylvania) and the Central Kansas Uplift (Kansas). Kansas gross production is around 755 Bbls/d.

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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