

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Empire Energy Group Limited

ABN

29 002 148 361

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US	Year to date (9 months) \$US
1.1 Receipts from product sales and related debtors	4,719,447	14,818,447
1.2 Payments for (a) exploration & evaluation	(155,375)	(466,665)
(b) development	(369,832)	(1,540,992)
(c) production	(2,091,900)	(6,313,962)
(d) administration	(770,377)	(2,748,595)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	134	745
1.5 Interest and other costs of finance paid	(663,609)	(1,937,518)
1.6 Income taxes paid	(32,557)	(570,405)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	635,931	1,241,055
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(86,309)	(513,432)
(b) equity investments	-	-
(c) other fixed assets	526	(84,925)
1.9 Proceeds from sale of: (a) prospects	-	197,615
(b) equity investments	43,773	205,980
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	(150,240)	(724,755)
Net investing cash flows	(192,250)	(919,517)
1.13 Total operating and investing cash flows (carried forward)	443,681	321,538

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1.13	Total operating and investing cash flows (brought forward)	443,681	321,538
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	544,371	544,371
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	492,580
1.17	Repayment of borrowings	(970,777)	(2,478,651)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(426,406)	(1,441,700)
	Net increase (decrease) in cash held	17,275	(1,120,162)
1.20	Cash at beginning of quarter/year to date	1,928,609	3,092,915
1.21	Exchange rate adjustments to item 1.20	(24,610)	(51,479)
1.22	Cash at end of quarter	1,921,274	1,921,274

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$US	
1.23	Aggregate amount of payments to the parties included in item 1.2	80,357
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

- Consultant fees paid to EnergyCap Pty Ltd for which B W McLeod is a Director
- Non-Executive Directors fees and superannuation guarantee levy payments

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$US	Amount used \$US
3.1 Loan facilities	200 Million	40.3 Million
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$US
4.1 Exploration and evaluation	150,000
4.2 Development	0
4.3 Production	2,000,000
4.4 Administration	800,000
Total	2,950,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US	Previous quarter \$US
5.1 Cash on hand and at bank	10,201	201,455
5.2 Deposits at call	1,911,073	1,727,154
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,921,274	1,928,609

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Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Nil	Nil		
7.2				
	Nil	Nil		
	Nil	Nil		
7.3	344,313,877	308,863,682		
7.4				
	35,450,195*	Nil		
	Nil	Nil		
7.5	Nil	Nil		

* Official quotation of these securities on the ASX occurred on 2 October 2015.

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil	Nil Nil		
7.7	Options (description and conversion factor)	16,750,000	Nil	<i>Exercise price</i> <i>Refer to attached schedule</i>	<i>Expiry date</i>
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	Debentures (totals only)	Nil	Nil		
7.12	Unsecured notes (totals only)	Nil	Nil		
7.13	Performance Rights	2,500,000	Nil		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 28 October 2015
 (Company secretary)

Print name: Rachel Ryan

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

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- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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7.7 Options

Total Number	Number quoted	Original Exercise Price \$AUD	Adjusted exercise price* \$AUD	Expiry Date
1,500,000	Nil	\$0.18	\$0.179	31 December 2015
4,500,000	Nil	\$0.17	\$0.169	31 December 2015
4,250,000	Nil	\$0.12	\$0.119	26 February 2016
3,500,000	Nil	\$0.15	\$0.149	31 December 2016
1,500,000	Nil	\$0.17	\$0.169	31 December 2016
1,500,000	Nil	\$0.18	\$0.179	31 December 2016
<u>16,750,000</u>				

*Option exercise prices have been adjusted following a Rights Issue undertaken during the quarter pursuant to the terms and conditions of the options and ASX Listing Rule 6.22.

7.13 Performance Rights

2,500,000 Unquoted Performance Rights subject to preconditions being met.

+ See chapter 19 for defined terms.