



EMPIRE ENERGY GROUP LIMITED

**Australian Office**

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14 December 2016

Dear Optionholder,

**RE: UNDERWRITTEN RENOUCEABLE PRO-RATA ENTITLEMENT OFFER**

On 14 December 2016, Empire Energy Group Limited (“Empire” or the “Company”) announced a renounceable pro-rata entitlement offer of 764,090,529 new fully paid ordinary shares (“New Shares”) on the basis of eleven (11) New Shares for every five (5) shares held by eligible shareholders (Existing Shares) at an offer price of \$0.008 per New Share, to raise up to approximately \$6,112,730 (before costs) (“Entitlement Offer”). The Offer is fully Underwritten.

Only holders of shares in the Company with a registered address in Australia or New Zealand as at 7:00pm Sydney time on 20 December 2016 (“Record Date”) will be eligible to participate in the Entitlement Offer (“Eligible Shareholders”).

The purpose of this letter is to give you notice that if you wish to participate in the Offer with respect to your options, you must exercise your options before the Record Date by delivering an option exercise notice together with the correct monies to the Company by no later than the Record Date. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date. If you do not wish to participate in the Offer (in respect of your options) you do not need to take any action.

You will need to check that your options are currently exercisable under the terms of your granted options and exercise your options into shares, before you can participate in the Entitlement Offer.

Before exercising your options, you are encouraged to consult your professional adviser. Relevant factors that you may wish to consider when deciding whether to exercise your options include:

- The current trading price of Company shares relative to the exercise price of your options.
- The Entitlement Offer does not in any way change the terms of your options.
- If your address is outside of Australia or New Zealand any shares you acquire as a result of exercising your options will not be eligible to participate in the Entitlement Offer.

Details of the Entitlement Offer are set out in the Company’s announcement dated 14 December 2016 and the Offer Booklet also lodged with the ASX on 14 December 2016. The Offer Booklet will be sent to Eligible Shareholders together with a personalised Entitlement and Acceptance form on 23 December 2016. A copy of the Offer Booklet will also be available for review on ASX’s website ([www.asx.com.au](http://www.asx.com.au)) and on the Company’s website ([www.empireenergygroup.net](http://www.empireenergygroup.net)) once lodged with ASX.

An indicative timetable for the Offer is as follows:

#### Indicative Timetable

<b>Event</b>	<b>Date</b>
Announcement of Offer	<b>14-Dec-2016</b>
Cleansing Notice, lodgement of Appendix 3B and Offer Document lodged with ASX	<b>14-Dec-2016</b>
Notice sent to Shareholders	<b>15-Dec-2016</b>
Ex-date	<b>19-Dec-2016</b>
Record Date	<b>20-Dec-2016</b>
Offer Document and Acceptance Form despatched to Eligible Shareholder and lodged with the ASX	<b>23-Dec-2016</b>
Rights trading ends	<b>13-Jan-2017</b>
Last day to extend the Offer Closing Date	<b>17-Jan-2017</b>
Closing Date for acceptances	<b>20-Jan-2017</b>
Notify ASX of any under subscriptions	<b>23-Jan-2017</b>
Allotment of New Shares	<b>27-Jan-2017</b>
Despatch of holding statement	<b>30-Jan-2017</b>
Normal trading for New Shares commences	<b>30-Jan-2017</b>

**Note:** This timetable is indicative only and subject to change. Subject to the Corporations Act 2001 (Cth) and ASX Listing Rules, Empire reserves the right to vary the dates and times in connection with the Rights Issue, including the Closing Date, without prior notice.

For further information, please contact your professional adviser or the Company Secretary on 02 9251 1846.

Kind Regards



R Ryan  
Secretary