

## 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, 01/05/13, 01/09/16

### Name of entity

Empire Energy Group Limited

### ABN

29 002 148 361

### Quarter ended ("current quarter")

September 2017

Consolidated statement of cash flows	Current quarter \$US	Year to date (9 months) \$US
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,596,194	12,803,876
1.2 Payments for		
(a) exploration & evaluation	(144,328)	(728,111)
(b) development	(609,662)	(1,216,105)
(c) production	(1,472,164)	(4,949,738)
(d) staff costs	(188,221)	(523,104)
(e) administration and corporate costs	(745,856)	(2,447,266)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	793	2,280
1.5 Interest and other costs of finance paid	(747,473)	(2,198,331)
1.6 Income taxes paid	(23,735)	(203,325)
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(334,452)</b>	<b>540,176</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(58,758)	(138,678)
(b) tenements (see item 10)	-	
(c) investments	-	
(d) other non-current assets	-	(9,810)

Consolidated statement of cash flows		Current quarter \$US	Year to date (9 months) \$US
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	(232,274)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(58,758)</b>	<b>(380,762)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	4,449,130
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(346,854)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(35,679)	(3,394,324)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(35,679)</b>	<b>707,952</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,945,038	640,669
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(334,452)	540,176
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(58,758)	(380,762)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(35,679)	707,952
4.5	Effect of movement in exchange rates on cash held	27,877	35,991
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,544,026</b>	<b>1,544,026</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US	Previous quarter \$US
5.1 Bank balances	870,028	70,726
5.2 Call deposits	673,998	1,874,312
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,544,026</b>	<b>1,945,038</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$US
6.1 Aggregate amount of payments to these parties included in item 1.2	72,510
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Fees paid to Eastern & Pacific Capital Pty Ltd for which B Mcleod is a Director.  
Non-Executive Directors fees and superannuation guarantee levy payments.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$US
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$US</b>	<b>Amount drawn at quarter end \$US</b>
8.1 Loan facilities	200 million	38.2 million
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


The company has in place a \$200 million credit facility with Macquarie Bank Limited which matures in February 2019. The Facility is secured against oil and gas assets held by the Company's US subsidiaries. Average cost of drawn funds on the facility is LIBOR + 6.5%.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$US</b>
9.1 Exploration and evaluation	800,000
9.2 Development	-
9.3 Production	1,700,000
9.4 Staff costs	220,000
9.5 Administration and corporate costs	580,000
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>3,300,000</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to attached schedule.		
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Director/Company secretary)

Date: 30 October 2017

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

**Q10. Changes in tenements**

**Changes to Lease holdings 1 July 2017 through to 30 September 2017**

<u>State</u>	<u>Minerals</u>	<u>Operator</u>	<u>Empire ID</u>	<u>WI</u>	<u>NRI</u>	<u>Acres</u>	<u>Maturity</u>	<u>Status</u>	<u>Formation</u>
OK	O&G	Empire Energy (MidCon) LLC	350710029	1.00	0.8125	160.0	8/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310030032A	1.00	0.8750	50.0	20/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310030032B	1.00	0.8750	0.0	30/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090525	1.00	0.8488	30.0	2/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090526	1.00	0.8488	6.7	3/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090527	1.00	0.8488	11.5	6/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090528	1.00	0.8488	13.2	12/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090529	1.00	0.8488	15.6	20/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090530	1.00	0.8488	17.5	13/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090531	1.00	0.8488	8.4	27/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090534	1.00	0.8488	14.8	14/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090549	1.00	0.8750	86.5	2/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090550	1.00	0.8750	33.6	26/09/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090551	1.00	0.8750	141.8	27/09/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310690150	1.00	0.8750	24.7	25/07/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310690151	1.00	0.8750	22.0	1/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310690152	1.00	0.8750	124.0	21/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310690154	1.00	0.8750	61.3	7/09/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310990589	1.00	0.8750	69.3	13/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310990590	1.00	0.8750	50.4	16/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310990591	1.00	0.8750	143.3	15/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	311170584	1.00	0.8750	64.5	2/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	311170585	1.00	0.8750	78.9	2/08/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	311170586	1.00	0.8750	41.5	7/08/2017	Expired	All Horizons

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NY	O&G	Empire Energy E&P, LLC	311170588	1.00	0.8750	29.4	8/08/2017	Expired	All Horizons
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**Additional interests purchased in existing leases 1 July 2017 to 30 September 2017**

State	Minerals	Operator	Empire ID	Original WI	Original NRI	Additional WI Purchased	Additional NRI Purchased	New WI	New NRI	Acres	Maturity	Status	Formation
KS	O&G	Empire Energy E&P, LLC	150090002	0.90	0.7650	0.05	0.0472	0.96	0.8121	110	12/04/1944	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090003	0.90	0.7650	0.03	0.0236	0.93	0.7885	160	23/09/1978	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090004	0.90	0.7650	0.03	0.0236	0.93	0.7885	60	10/07/1965	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090005	0.90	0.7650	0.03	0.0236	0.93	0.7885	160	19/06/1948	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090006	0.90	0.7300	0.03	0.0226	0.93	0.7527	320	7/04/1995	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090007	0.90	0.7650	0.03	0.0236	0.93	0.7885	160	17/09/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090008	0.90	0.7650	0.03	0.0236	0.93	0.7885	160	17/09/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090010	0.90	0.6370	0.03	0.0196	0.93	0.6567	140	9/02/1984	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090011	0.90	0.6917	0.03	0.0213	0.93	0.7130	42	9/02/1984	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090012	0.71	0.5987	0.08	0.0699	0.79	0.6686	160	10/05/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090013	0.90	0.7650	0.03	0.0236	0.93	0.7885	80	11/06/2006	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090014	0.90	0.7650	0.03	0.0236	0.93	0.7885	-	11/06/2006	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090016	0.90	0.7634	0.03	0.0235	0.93	0.7869	40	22/05/1938	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150090017	0.90	0.7171	0.03	0.0221	0.93	0.7393	80	1/05/1953	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150330001	0.90	0.7319	0.03	0.0228	0.93	0.7547	-	19/11/1993	HBP, Producing	6,359 feet and above or the base of Viola and above, whichever is greater
KS	O&G	Empire Energy E&P, LLC	150330002	0.90	0.7319	0.03	0.0228	0.93	0.7547	160	9/09/1995	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150330003	0.90	0.7319	0.03	0.0228	0.93	0.7547	-	20/08/1995	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150330004	0.90	0.7319	0.03	0.0228	0.93	0.7547	-	16/09/1995	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150330005	0.90	0.7171	0.03	0.0221	0.93	0.7393	160	6/07/1985	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150330006	0.90	0.7171	0.03	0.0221	0.93	0.7393	320	22/06/1985	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150330007	0.90	0.7171	0.03	0.0221	0.93	0.7393	160	22/06/1985	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150330008	0.90	0.7171	0.03	0.0221	0.93	0.7393	160	6/07/1985	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150330009	0.90	0.7171	0.03	0.0221	0.93	0.7393	120	22/06/1985	HBP, Producing	All Horizons

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KS	O&G	Empire Energy E&P, LLC	150510001	0.90	0.7634	0.03	0.0235	0.93	0.7869	100	23/03/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510002	0.90	0.7634	0.03	0.0235	0.93	0.7869	160	23/03/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510003	0.90	0.7634	0.03	0.0235	0.93	0.7869	160	28/03/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510004	0.90	0.7634	0.03	0.0235	0.93	0.7869	160	28/03/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510005	0.90	0.7634	0.03	0.0235	0.93	0.7869	160	23/03/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510006	0.90	0.7634	0.03	0.0235	0.93	0.7869	80	23/03/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510007	0.90	0.7634	0.03	0.0235	0.93	0.7869	160	2/04/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510015	0.90	0.7415	0.03	0.0229	0.93	0.7644	70	4/04/1946	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510016	0.90	0.7119	0.03	0.0220	0.93	0.7339	160	26/07/1971	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510017	0.90	0.7025	0.03	0.0217	0.93	0.7241	75	14/12/1981	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510018	0.90	0.7119	0.03	0.0220	0.93	0.7339	146	29/04/1971	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150650001	0.71	0.5611	0.08	0.0655	0.79	0.6267	160	3/09/1952	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150650002	0.90	0.7087	0.03	0.0219	0.93	0.7306	160	3/02/1954	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	150970001	0.69	0.5758	0.08	0.0699	0.77	0.6457	80	19/04/1965	HBP, Producing	All Horizons
KS	O&G	Vess Oil Corporation	151350001	0.24	0.1994	0.00	0.0003	0.24	0.1997	160	26/03/1987	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151450001	0.90	0.7503	0.03	0.0231	0.93	0.7734	160	19/06/1949	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151510001	0.90	0.7634	0.03	0.0235	0.93	0.7869	160	21/03/1950	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151550001	0.90	0.6268	0.03	0.0193	0.93	0.6461	80	30/03/1937	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151630002	0.90	0.7634	0.03	0.0235	0.93	0.7869	160	6/04/1946	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151630003	0.90	0.7634	0.03	0.0235	0.93	0.7869	160	30/04/1952	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151630004	0.90	0.7650	0.03	0.0236	0.93	0.7885	160	25/11/1988	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151650001	0.90	0.7156	0.03	0.0221	0.93	0.7376	160	24/10/1970	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670001	0.56	0.4774	0.06	0.0544	0.63	0.5318	20	20/03/1933	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670003	0.56	0.4774	0.06	0.0544	0.63	0.5318	-	20/03/1933	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670004	0.56	0.4774	0.06	0.0544	0.63	0.5318	-	20/03/1933	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670005	0.71	0.5987	0.08	0.0699	0.79	0.6686	80	3/06/1934	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670006	0.35	0.2993	0.04	0.0350	0.39	0.3343	80	10/05/1928	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670010	0.71	0.5987	0.08	0.0699	0.79	0.6686	160	10/08/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670011	0.71	0.5987	0.08	0.0699	0.79	0.6686	-	6/12/1945	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670012	0.90	0.7634	0.02	0.0235	0.92	0.7869	160	16/02/1945	HBP, Producing	All Horizons

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KS	O&G	Empire Energy E&P, LLC	151670018	0.90	0.7650	0.03	0.0236	0.93	0.7885	200	30/10/1973	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670019	0.90	0.7650	0.03	0.0236	0.93	0.7885	240	30/03/1989	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670028	0.90	0.7650	0.03	0.0236	0.93	0.7885	160	14/09/1992	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850002	0.90	0.7634	0.03	0.0235	0.93	0.7869	70	29/05/1952	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850003	0.90	0.7634	0.03	0.0235	0.93	0.7869	70	5/02/1947	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850007	0.90	0.7634	0.03	0.0235	0.93	0.7869	80	19/05/1946	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850008	0.90	0.7634	0.03	0.0235	0.93	0.7869	160	14/06/1946	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850009	0.71	0.5884	0.08	0.0687	0.79	0.6571	160	6/10/1949	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850011	0.90	0.7171	0.03	0.0221	0.93	0.7393	160	2/03/1991	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850012	0.90	0.7171	0.03	0.0221	0.93	0.7393	160	9/04/1986	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850013	0.90	0.7169	0.03	0.0221	0.93	0.7390	160	24/02/1991	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850014	0.90	0.7169	0.03	0.0221	0.93	0.7390	-	24/02/1991	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850015	0.90	0.7169	0.03	0.0221	0.93	0.7390	-	24/02/1991	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850016	0.90	0.7169	0.03	0.0221	0.93	0.7390	-	24/02/1991	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850017	0.90	0.7169	0.03	0.0221	0.93	0.7390	40	8/03/1991	HBP, Producing	All Horizons
KS	O&G	Empire Energy E&P, LLC	151850018	0.93	0.7650	0.03	0.0236	0.95	0.7885	80	30/06/2002	HBP, Producing	All Horizons

**Note:** For a full list of petroleum tenements held by the Company and its subsidiaries please refer to the ASX Announcement dated 17 March 2017 titled 'Petroleum Tenements'.