



**EMPIRE ENERGY GROUP LIMITED**  
 Level 7, 151 Macquarie Street  
 Sydney NSW 2000  
 T: 02 9251 1846  
 F: 02 9251 0244  
 (ASX: EEG)

## ASX Announcement

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### CONTINUING STRONG RESULTS FROM KANSAS PRODUCTION ENHANCEMENT PROGRAM

Empire Energy Group Limited (“Empire” or the “Company”) is pleased to advise that the Kansas Production Enhancement Program (“the Program”) has continued to generate strong results. The total production rates achieved from the program have continued to increase as new wells have been brought online.

The investment the Company has made in the Program has already paid out, with total estimated net revenues exceeding total capital investment, despite recent oil price weakness.

The results are summarised in the table below:

Well Name	Working Interest (%)	Net Revenue Interest (%)	Net Capital Investment	Gross Production Rate (BOPD)	Net Revenue Interest Production Rate (BOPD)	Gross Cumulative Production (barrels)	Net Revenue Interest Cumulative Production (barrels)
Carmichael A #15	93%	79%	\$ 14,296	3	2.5	340	268
Kollman #15 - Stage 1	84%	71%	\$ 14,142	-	-	-	-
Carm-Koll WU #3	93%	79%	\$ 12,215	-	-	110	87
Carmichael A #16	93%	79%	\$ 62,643	32	25	2,104	1,667
Kirkman #2	91%	77%	\$ 48,759	15	12	2,237	1,730
Helmerts Unit #1	86%	73%	\$ 41,972	12	9	1,791	1,306
Kollman #15 - Stage 2	84%	71%	\$ 15,912	16	11	966	690
Siefkes A #13	78%	66%	\$ 45,137	45	30	1,560	1,031
Siefkes #12	89%	77%	\$ 10,694	1	1	78	60
<b>TOTAL</b>			<b>\$ 265,771</b>	<b>124</b>	<b>90</b>	<b>9,186</b>	<b>6,838</b>

The current net revenue interest (“NRI”) production rate of the work to date net to Empire (after all royalties) is 90 barrels of oil per day (“BOPD”).

Under the terms of Empire’s new credit facility with Macquarie Bank Limited, it is entitled to spend up to US\$440,000 on the Program, of which approximately US\$265,000 has been invested to date.

The Company has a substantial inventory of additional well workover and recompletion candidates in Kansas which it can invest in under the Program.

However, further capital investment in the Program has been deferred while the Company evaluates indicative proposals received to acquire part or all of its US assets as described further below.

## **UPDATE ON US ASSET SALE PROCESS**

In recent market updates (including at the Company's EGM on 6 February 2019), the Company's new leadership detailed its strategy for wealth creation for shareholders, which is to reduce debt through the sale of US assets in order to focus on the substantial value creation potential of the Northern Territory assets.

Over recent months, the Company has been actively engaged in discussions with numerous Australian and US oil and gas companies that are interested in acquiring its US assets.

The Company has received several indicative proposals from potential acquirers for part or all of the US assets, which the directors are considering. Consistent with ASX guidance, the Company has not disclosed these proposals to the market given their conditional and confidential terms.

Discussions are continuing with these parties and others. However, it is important to be aware that all proposals received to date are incomplete, subject to conditions, not binding and there is no certainty that any of the proposals will lead to a transaction.

If a proposal is developed that the Board considers to be in the best interests of shareholders, and if a proposal progresses to a point where a transaction on acceptable terms to the company is likely to eventuate, the company will advise the market in accordance with its continuous disclosure obligations.

## **ABOUT EMPIRE ENERGY GROUP LIMITED**

Empire Energy is a conventional oil and natural gas producer with operations in Appalachia (New York and Pennsylvania) and the MidCon (Kansas and Oklahoma).

The Company has over 14.5 million acres in the McArthur & Beetaloo Basins, Northern Territory, both of which are considered highly prospective for large shale oil and gas resources. Work undertaken by the Company over the past 5 years demonstrates that the Central Trough of the McArthur Basin, of which the Company holds around 80%, is highly prospective, with key similarities to those extending through Oman, Siberia and Southern China and which contain resources of billions of barrels of oil equivalent.