

11 August 2020

Highlights

Empire Energy Group Limited (“Empire” or the “Company”) is pleased to announce that it has executed a Rig Services Contract with Schlumberger for the drilling of the Carpentaria-1 well in EP187 for spudding in the coming weeks.

Highlights include:

- **Expected mid-September 2020 spud date for the vertical Carpentaria-1 Beetaloo Sub-basin well, with civil works in preparation for drilling to start this month**
- **Carpentaria-1 will further appraise Empire’s EP187 shale gas and liquids prospectivity**
- **Schlumberger Land Rigs (“SLR”) 183 rig has been contracted to drill Carpentaria-1**
- **The SLR 183 rig has been selected following a rigorous tender process**
- **Schlumberger Land Rigs has more than 50 years of international drilling experience, employing more than 2,600 people globally with a fleet of drilling and workover rigs**

Execution of Rig Services Contract

Following detailed commercial and technical due diligence of suitable drilling rigs in Australia and a competitive tender process, Empire has selected and engaged the Schlumberger Land Rigs 183 rig to drill, case, and suspend the Carpentaria-1 well in Northern Territory permit EP187. Of the candidate list, Rig 183 was determined to be the most commercially efficient to operate and mobilise with a strong track record of recent performance drilling similar wells onshore Australia and an experienced crew.

The vertical Carpentaria-1 well will be drilled to a planned depth of ~2,900 metres to allow Empire’s technical team to fully evaluate the targeted Velkerri Shale and Kyalla Shale. The well’s design allows for future re-entry, fracture stimulation and flow testing, which is expected to commence after the coming northern Australian wet season. The drilling and testing of the vertical Carpentaria-1 well is the precursor to a planned multi-staged fracture stimulated and tested horizontal section which may be drilled from the same wellbore.

Comments from Managing Director Alex Underwood:

The execution of the drilling contract with Schlumberger represents a key milestone as we unlock the world-class potential of our Northern Territory shale oil and gas resource. Schlumberger is one of the world’s leading oilfield services providers with the global reach, technological know-how and professional approach required to execute our upcoming drilling program safely and successfully. Empire will be only the second company to drill a well in the Northern Territory’s onshore Beetaloo Basin since the lifting of the moratorium in 2018 (after Origin Energy which recently drilled Kyalla 117). This is a testament to the hard work of our team and the relationships we have built with key stakeholders across the Northern Territory. We intend to be a long-term contributor to the Northern Territory economy and to that end I am pleased that we have contracted with local businesses for key elements of the program including the upcoming civil construction works.

We look forward to demonstrating the potential of our properties as we progress our work programs.

The objectives of the well are as follows:

- To assess and prove the depth and thickness of the productive target shales (Kyalla and Velkerri) in Empire’s EP187 permit;
- To understand rock properties, hydrocarbon content, formation permeability and reservoir pressure as they relate to the ability of the shales to produce;
- To gather data to be used for hydraulic stimulation planning and execution;
- To ‘high-grade’ the target shales, for vertical hydraulic stimulation and testing and future horizontal well placement and extended production testing planning; and
- To refine the seismic interpretation and further determine prospective hydrocarbon resource estimates.

Empire has received all necessary approvals to commence preparatory civil works in the field. Initial work is expected to commence on or about 17 August 2020 with water bore drilling, Carpentaria-1 well pad site preparation and upgrading of the access to the well pad. As a Northern Territory focused company, Empire has solely contracted Northern Territory businesses and personnel to complete all civil works.

After completion of the civil work program, Empire expects to spud Carpentaria-1 well in mid-September 2020.

Empire has a COVID-19 management policy in place to mitigate the risk of COVID-19 transmission among its employees, contractors and local communities, and will adhere to the Northern Territory Chief Medical Officer’s guidance and rulings throughout the drilling campaign.



Schlumberger Land Rigs 183



Set out below are some key attributes of the SLR rig 183 including:

- **Automated Cyber Base Drilling Rig.** Rig 183 has a high level of automation with integrated control systems being responsible for the safety, reliability, and performance monitoring of drilling; and
- **1200 Horsepower Telescopic Double with 400,000lbm Hook Load Capacity.** Rig 183 has the capacity of drilling beyond the planned total depth for Carpentaria-1 with spare operational capability should it be required.

This ASX release has been authorised by the Empire Board of Directors.

For queries about this release, please contact:

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