

27 September 2021

Empire Energy Group - Production resuming and \$5.4m in tax rebates

Empire Energy Group (EEG) – SPECULATIVE BUY, TP \$1.14

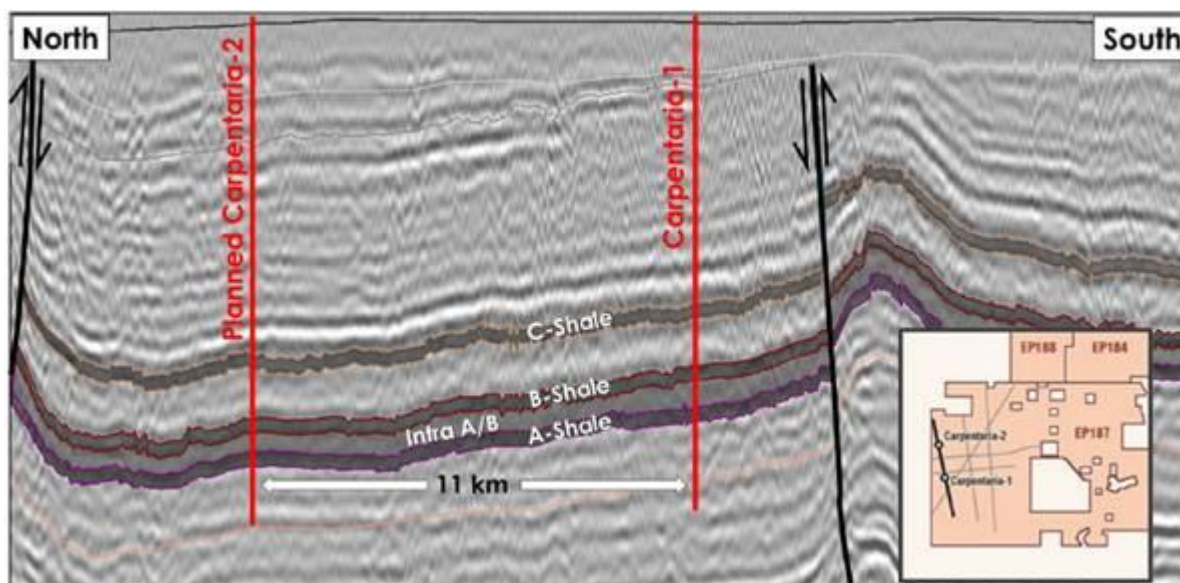
Cash and Carpentaria

EEG has announced that it has received a refundable R&D tax offset of \$5.4m, leaving the company with \$31.1m in cash as it begins its next exploration program. Production testing will resume at Carpentaria-1 ahead of drilling of Carpentaria-2H and further seismic. EEG is hoping to materially increase its contingent resource by better defining the reservoir between the Carpentaria-1 and Carpentaria-2 wells. We maintain our SPECULATIVE BUY rating and \$1.14ps price target.

Planned works

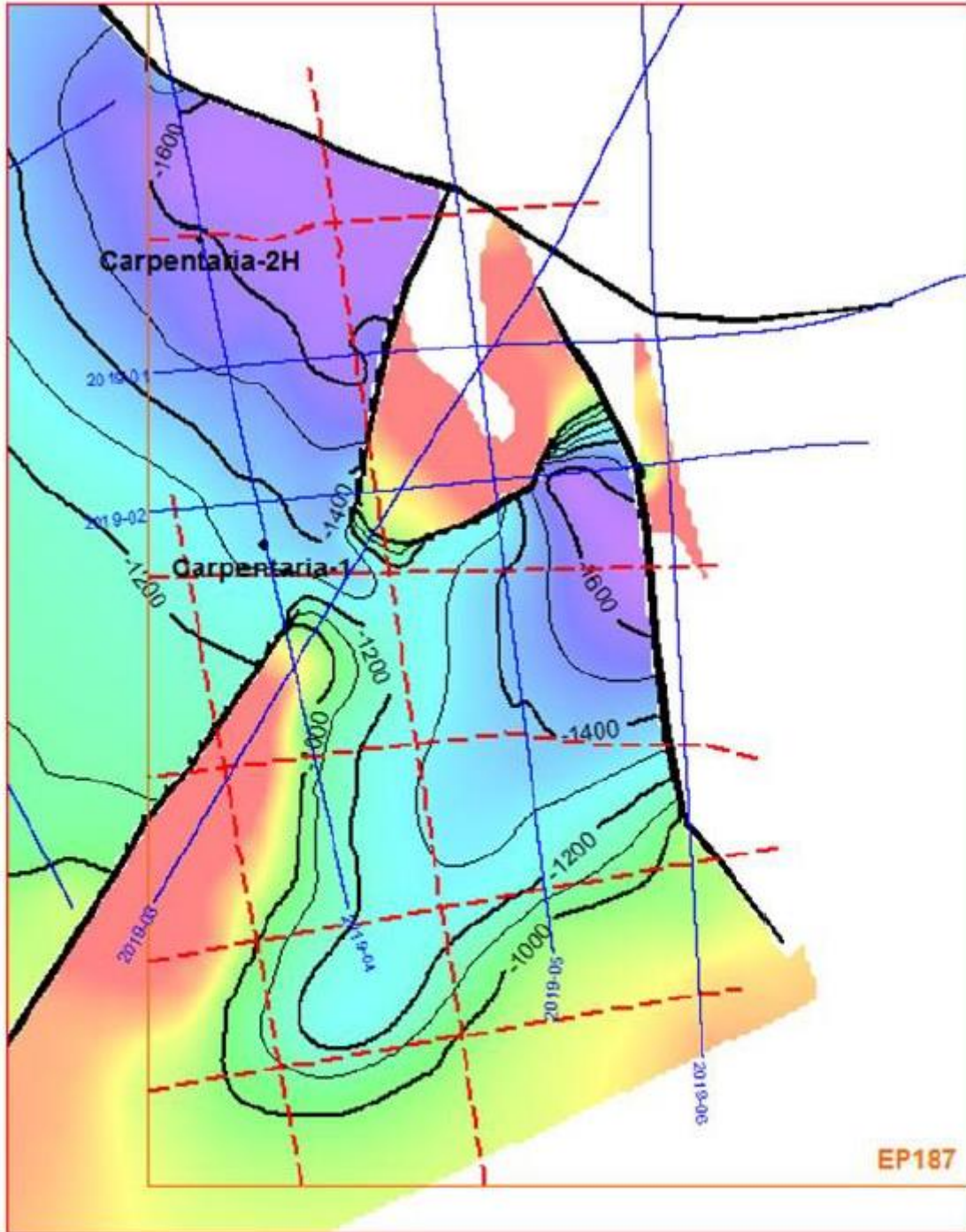
- Extended production testing at Carpentaria-1 to better identify the higher producing shale formations in the Velkerri. Additionally an enhanced artificial lift system will be tested.
- Drilling, completion and production testing of Carpentaria-2H expected to commence in late October and be completed by May 2022. Drilling and civil construction costs are expected to be \$8.6m net of government grants.
- 165km of 2D seismic to better identify the opportunities in the south of EP187. This is scheduled to take place in 4QCY21 and is expected to cost \$1m net of government grants.

Carpentaria well profiles and locations



Source: EEG

EP187 seismic survey locations



Base Velkerri B-Shale Metres Below Ground Level
0 5 10 15 20 25km

— 2019 Broadmere 2D Seismic Survey

- - - Planned 2021 Charlotte 2D Seismic Survey



Source: EEG

Disclosures

Analyst(s) own shares in the following stock(s) mentioned in this report: EEG

Corporate disclosure: Morgans Corporate Limited was Joint Lead Manager to the Placement of Shares in Empire Energy Group Limited and received fees in this regard.