

EMPIRE COMPLETES \$46.8 MILLION CAPITAL RAISE CORNERSTONED BY BRYAN SHEFFIELD AND LIBERTY ENERGY

- **Commitments received from existing and new institutional and sophisticated investors for a strongly supported two-tranche placement to raise \$39 million**
- **Bryan Sheffield and Liberty Energy Inc (NYSE: LBRT) (“Liberty Energy”) have demonstrated their support for Empire with each investing US\$5 million (~A\$7.7 million) in the placement**
- **Daly Waters, a subsidiary of Formentera Partners (a US based private equity firm founded by Bryan Sheffield) and Liberty Energy have each independently acquired a 2.25% royalty interest in EP187 for US\$2.5 million (~A\$3.9 million) raising an additional US\$5 million (~A\$7.7 million).**
- **Empire is now funded to drill a 3km fracture stimulated horizontal pilot development well in EP187 and to further progress engineering and preparation for installation of Carpentaria Pilot Project surface facilities**
- **Empire anticipates commencement of commercial production and gas sales in 2025**
- **Empire Directors have demonstrated their continuing support for Empire by committing to invest an additional \$325,000 (subject to shareholder approval)**

Comments from Managing Director Alex Underwood:

"The Empire team is delighted to have received the support of key US strategic investors in the Beetaloo Basin, alongside investments from new and existing institutional and sophisticated investors under the placement.

Bryan Sheffield and his team have an outstanding track record of value creation in the US shale sector, and they have made significant investments across the Beetaloo Basin. The strategic alignment being created through Bryan's further investments announced today will be of material value to Empire's shareholders.

Liberty Energy is one of the largest providers of hydraulic fracture stimulation services in the US shale market and they will soon be sending a large frac spread to Australia to service the nascent Beetaloo Basin. Liberty also offers industry leading subsurface engineering services to help their customers 'spiral up' from data to value. Working with Liberty will facilitate improved well productivity and cost efficiency as we move from the exploration phase into the production phase.

We are grateful to Bryan and his team, the Liberty team and existing and new shareholders who have participated in this raise for their support.

The Beetaloo Basin is rapidly approaching a key inflection point which I believe will create substantial value for shareholders. We are now well funded to drill, stimulate and flow test our first pilot development well and to progress our field development plans as we aim to commence gas sales in 2025 into the undersupplied Northern Territory market."

Two-Tranche Placement

Empire Energy Group Limited ("Empire") is pleased to announce that it has received binding firm commitments to raise \$39 million (before costs) via a strongly supported two-tranche placement of new fully paid ordinary shares ("Shares") to institutional and sophisticated investors at \$0.16 per Share ("Placement").

Blue Ocean Equities Pty Limited and Morgans Corporate Limited acted as the Joint Lead Managers for the Placement.

Sheffield Holdings LP and Liberty Energy have provided cornerstone support, with each investing US\$5 million in the Placement.

Empire Directors have also demonstrated their continuing support for Empire by committing to invest an additional \$325,000 (subject to shareholder approval).

Placement Details

Empire will issue a total of 243,750,000 Shares at an issue price of \$0.16 per Share to raise \$39 million (before costs) under the Placement. The issue price represents a discount of:

- 13.5% to Empire's closing share price on Friday 12 April 2024; and
- 9.3% to the 15-day VWAP prior to the trading halt.

The Shares will be issued in two tranches. The first tranche of 193,321,700 Shares will be issued under the Company's existing placement capacity under Listing Rules 7.1 and 7.1A ("Tranche 1"). It is anticipated that settlement of Tranche 1 will occur on Wednesday 24 April 2024 with the Shares being allotted on Friday 26 April 2024.

The second tranche will be subject to shareholder approval at the Company's Annual General Meeting, which is scheduled to occur on or around Tuesday 28 May 2024 and, if approved, will result in the issuance of 50,428,301 Shares ("Tranche 2"). The settlement of Tranche 2 is anticipated to occur on or around Monday 3 June 2024 and allotment is anticipated to occur on or about Wednesday 5 June 2024.

Sale of EP187 Royalty Interests to Daly Waters and Liberty

Empire has also sold 2.25% overriding royalty interests ("ORRI") over the 110,000 acre Carpentaria Project within EP187 on a net-back basis (same formula as NT Government royalty) for US\$2.5 million in cash to each of Daly Waters Royalty, LP and Liberty Energy Australia Pty Limited. Funds raised under the royalty transaction will be applied to the development of the Carpentaria Pilot Project in EP187 and for working capital.

All of Empire's other Northern Territory exploration permits remain free of royalties other than to the Northern Territory Government and traditional owners.

Sources and Uses of Proceeds

The table below details Empire's sources and uses of proceeds following completion of the Placement and ORRI.

	US\$	A\$
Sources of Funds		
Placement	\$25 million	\$39 million
ORRI	\$5 million	\$7.8 million
R&D Debt Funding (under existing Macquarie facility)	\$9.9 million	\$15.4 million
Existing Cash on Hand	\$6.0 million	\$9.3 million
Total Sources of Funds	\$45.9 million	\$71.5 million
Uses of Funds		
Carpentaria Gas Plant & Other Infield Infrastructure	\$5.3 million	\$8.3 million
Drilling, Fracture Stimulation and Flow Testing of C-5H	\$23.2 million	\$36.1 million
Working Capital, Transaction Costs, Capex Overrun Contingency and Environmental Bonding	\$17.4 million	\$27.1 million
Total Uses of Funds	\$45.9 million	\$71.5 million

APPENDIX A KEY ORRI TERMS

Purchasers	Daly Waters Royalty, LP (50%) Liberty Energy Australia Pty Limited (50%)
Seller	Imperial Oil & Gas Pty Ltd, a wholly owned subsidiary of Empire Energy Group Limited
Total Sale Consideration	US\$2.5 million in cash from each Purchaser, totalling US\$5 million
Overriding Royalty	2.25% to each Purchaser, totalling 4.5%
Assets	EP187 on a net-back basis (<i>substantially the same formula as NT Government royalty but with a 30% cap on net-back deductions</i>)
Completion Date	Tuesday 16 April 2024

This ASX release has been authorised by the Managing Director

For queries about this release, please contact:

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