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ASX Announcement – NT Fracking Inquiry Update

13 December 2017

NORTHERN TERRITORY FRACKING INQUIRY UPDATE

The Directors of Empire Energy Group Limited (“Empire” or the “Company”) are pleased to provide shareholders an update on the release of the Draft Final Report by the Northern Territory Government Scientific Inquiry into Hydraulic Fracking (the “**Report**”).

The Company has ~14.6 million acres in the McArthur & Beetaloo Basins, Northern Territory, both of which are considered highly prospective for large shale oil and gas resources.

Justice Pepper, who headed the Inquiry noted that “The work of the Inquiry is to identify and assess the environmental, social, cultural and economic risks associated with hydraulic fracturing for any onshore shale gas in the Northern Territory, and to make recommendations to mitigate those risks, where possible. The Report details the work and the findings of the Inquiry to date.”

The overall conclusion of the Report is that risk is inherent in all development and that an onshore shale gas industry in the Northern Territory is no exception. However, if the recommendations made in the draft Report are adopted and implemented in full, those risks may be mitigated or reduced - and in many cases eliminated altogether - to acceptable levels having regard to the totality of the evidence.

Key items outlined in the Report included:

- Recommendations to mitigate to acceptable levels the identified risks associated with onshore shale gas development in the NT if the moratorium is lifted. These risks have been analysed having regard to the current available scientific evidence. If insufficient data exists to analyse risk or to implement appropriate mitigation measures this information should be obtained;
- Land that is environmentally, socially and culturally appropriate for use for shale gas development should be released;
- Recommendations were provided to mitigate risks identified during the Inquiry relating to water, land, air, public health, Aboriginal people and their culture, and the unique social and economic conditions of the Territory;

- For the development of shale gas resources, world leading engineering standards for the construction, maintenance and decommissioning of all onshore shale gas wells and for the extraction of shale gas by hydraulic fracturing should be mandated;
- The introduction of comprehensive monitoring and reporting of all aspects of onshore shale gas operations with real-time public scrutiny of the resulting data;
- From a Government management prospective, there should be separation between the agency responsible for promoting any onshore shale gas resource and the agency responsible for its regulation; and
- The current regulatory framework governing onshore shale gas development in the NT should be strengthened, with transparency and accountability of decision-making to ensure compliance and enforcement.

Fracking Inquiry Draft Final Report

The full Report can be found on the scientific inquiry website at the following link: <https://frackinginquiry.nt.gov.au/inquiry-reports/draft-final-report>.

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 ~14.6 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 a major Proterozoic depo-centre that forms one segment of a series of extensive prolific hydrocarbon basins similar to those extending through Oman, Siberia and Southern China and which contain resources of billions of barrels of oil equivalent.