



# NOTICE OF ANNUAL GENERAL MEETING

*An Annual General Meeting of  
Empire Energy Group Limited  
ABN 29 002 148 361  
will be held at  
Level 16, 1 Market Street,  
Sydney NSW 2000  
On Thursday, 30 May 2019 at 11.00am*

## **IMPORTANT INFORMATION**

This document is important. Please read it carefully and if you require assistance, consult your legal or financial adviser.

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## **NOTICE OF ANNUAL GENERAL MEETING EMPIRE ENERGY GROUP LIMITED**

Notice is hereby given that an Annual General Meeting of the members of Empire Energy Group Limited ABN 29 002 148 361 ("**Company**") will be held at the offices of Nexia Australia, Level 16, 1 Market Street, Sydney, NSW 2000 at the time and date listed below to consider and vote on the resolutions specified in this notice.

**Time and date of meeting:** 11.00am on Thursday, 30 May 2019  
**Place of meeting:** Level 16, 1 Market Street, Sydney NSW

The business to be considered at the Annual General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Statement, which contains information in relation to the following resolutions. If you are in any doubt as to how you should vote on the proposals set out in this Notice of Meeting, you should consult your financial or other professional adviser.

### **AGENDA**

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#### **1. ORDINARY BUSINESS**

##### **1.1 Financial Report, Directors' Report and Auditor's Report**

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 31 December 2018.

Note: No resolution is required for this item of business.

##### **1.2 Resolution 1: Adoption of remuneration report**

To consider and, if thought fit, to pass with or without amendment the following resolution as a non-binding resolution:

*"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 31 December 2018."*

The vote on Resolution 1 is advisory only and does not bind the directors of the Company.

**Note:** The remuneration report, which forms part of the directors' report is set out in the Company's 2018 annual report.

##### **Voting exclusion statement**

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) any member of the key management personnel, details of whose remuneration are included in the remuneration report (**Key Management Personnel**);
- (b) a closely related party of Key Management Personnel; and
- (c) a member of the Key Management Personnel at the date of the meeting acting as proxy.

However, a person described in paragraph (a), (b) or (c) above may cast a vote on the Resolution 1 if:

- (a) the vote is cast by such person as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form; or
- (b) the vote is cast by the Chair of the Meeting as proxy for a person who is permitted to vote, either in accordance with an express direction specified on the proxy form to vote or as the proxy decides even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on Resolution 1, the Chair will vote any proxies which do not indicate on their proxy form the way the Chair must vote, in favour of Resolution 1.

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### **1.3 Resolution 2: Re-election of Mr. David Sutton as a Director**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That Mr. David Sutton, having retired from office as a Director of the Company in accordance with ASX Listing Rules 14.4 and 14.5 and Article 50.1 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**No voting exclusion statement applies to this resolution**

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### **1.4 Resolution 3: Re-election of Mr. Alexander Underwood as a Director**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That Mr. Alexander Underwood, having been appointed as a Director of the Company in accordance with Article 48.2 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**No voting exclusion statement applies to this resolution**

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### **1.5 Resolution 4: Re-election of Mr. John Gerahty as a Director**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That Mr. John Gerahty, having been appointed as a Non-Executive Director of the Company in accordance with Article 48.2 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**No voting exclusion statement applies to this resolution**

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### **1.6 Resolution 5: Re-election of Mr. Paul Espie AO as a Director**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That Mr. Paul Espie AO, having been appointed as a Non-Executive Director of the Company in accordance with Article 48.2 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**No voting exclusion statement applies to this resolution**

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### **1.7 Resolution 6: Re-election of Professor John Warburton as a Director**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That Professor John Warburton, having been appointed as a Non-Executive Director of the Company in accordance with Article 48.2 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

**No voting exclusion statement applies to this resolution**

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### **1.8 Resolution 7: Ratify issue of securities**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the past issue of 6,000,000 unlisted options to certain sophisticated and professional investors on the terms and conditions set out in the Explanatory Statement."*

#### **Voting exclusion statement**

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of any person who participated in the issue and any of their Associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
  - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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## **2. SPECIAL BUSINESS**

### **2.1 Resolution 8: Fees for Non-executive Directors**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 10.17 and Article 53 of the Company's constitution, the maximum aggregate of directors' fees that may be paid to the Company's Non-Executive Directors per annum be increased to A\$400,000."*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution 8:

- (a) By, or on behalf of, any Director or any of their associates;
- (b) a member of the Key Management Personnel at the date of the meeting acting as proxy; or
- (c) a closely related party of Key Management Personnel.

However, the Company need not disregard a vote on Resolution 8 if:

- (a) the vote is cast by such person as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form; or
  - (b) the vote is cast by the Chair of the Meeting as proxy for a person who is permitted to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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## **2.2 Resolution 9: Approval of Rights Plan**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholders approve the Rights Plan, and the grant of rights and issue of Shares on vesting of rights under the Rights Plan on the terms and conditions set out in the Explanatory Memorandum".*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution 9:

- (a) by, or on behalf of, any Director (except one who is ineligible to participate under the Rights Plan in relation to the Company) or any of their associates;
- (b) a member of the Key Management Personnel at the date of the meeting acting as proxy; or
- (c) a closely related party of Key Management Personnel.

However, the Company need not disregard a vote on Resolution 9 if:

- (a) the vote is cast by such person as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form; or
  - (b) the vote is cast by the Chair of the Meeting as proxy for a person who is permitted to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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## **2.3 Resolution 10: Grant of Performance Rights to Managing Director - LTI**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant of Performance Rights to the Managing Director, Mr. Alexander Underwood, for the purposes of long term incentive (LTI), under the Company's Rights Plan as set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution 10:

- (a) by, or on behalf of, Mr. Alexander Underwood or any of his associates (regardless of the capacity in which the vote is cast); or
- (b) a member of the Key Management Personnel at the date of the meeting acting as proxy; or
- (c) a closely related party of Key Management Personnel.

However, the Company need not disregard a vote on Resolution 10 if:

- (a) the vote is cast by such person as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form; or
  - (b) the vote is cast by the Chair of the Meeting as proxy for a person who is permitted to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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## **2.4 Resolution 11: Grant of Service Rights to Managing Director**

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant of Service Rights to the Managing Director, Mr. Alexander Underwood, for the purposes of compensating him for the loss of approximately A\$200,000 in deferred equity-linked compensation from his previous employer that resulted from his joining EEG, under the Company's Rights Plan as set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution 10:

- (a) by, or on behalf of, Mr. Alexander Underwood or any of his associates (regardless of the capacity in which the vote is cast); or
- (b) a member of the Key Management Personnel at the date of the meeting acting as proxy; or
- (c) a closely related party of Key Management Personnel.

However, the Company need not disregard a vote on Resolution 10 if:

- (a) the vote is cast by such person as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form; or
  - (b) the vote is cast by the Chair of the Meeting as proxy for a person who is permitted to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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## **2.5 Resolution 12: Consolidation of shares**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purposes of section 254H of the Corporations Act and for all other purposes, approval is given for the Company to consolidate its share capital through the conversion of every ten fully paid ordinary shares in the Company into one fully paid ordinary share in the Company and that any resulting fractions of a share be rounded up to the next whole number of shares."*

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## **3. OTHER BUSINESS**

To transact any other business that might be legally brought before the Annual General Meeting.

**By Order of the Board of Directors  
J Rockett  
Secretary  
DATED 1 MAY 2019**

This Notice of Meeting is accompanied by an explanatory statement to Shareholders which explains the purpose of the Annual General Meeting and the resolutions to be considered at that meeting.

### **Voting Eligibility**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders as at 7.00pm (Sydney time) on Tuesday 28 May 2019.

### **How to Vote**

You may vote by attending the meeting in person, by proxy or corporate representative.

### **Voting in Person**

To vote in person, attend the Annual General Meeting on the date and place as set out in this Notice of Meeting.

### **Voting by Proxy**

To vote by proxy, please complete and sign the Proxy Form enclosed within this Notice of Meeting, so that it is received no later than 11:00am (AEST) on Tuesday, 28 May 2019, being 48 hours prior to the Meeting. Proxy forms received later than this time will be invalid. Two proxy forms accompany this Notice of Meeting.

The Chair of the Meeting ("**Chair**") intends to vote all undirected proxies in favour of all resolutions.

### **Green Proxy Form**

The green proxy form accompanying this Notice of Meeting is a pre-completed form appointing the Chair of the meeting as your proxy and is completed to direct the Chair of the meeting to vote all undirected proxies in favour of all resolutions.

If you wish to support the Board's recommendation and would like to appoint a representative of the Board as your proxy, then you may simply use the green proxy form.

### **White Proxy Form**

Alternatively, you may complete the white proxy form accompanying this Notice of Meeting, which is an open form, by appointing up to two proxies to attend and vote on your behalf or by appointing the Chair as your proxy.

If you wish to appoint two proxies, a second open proxy form can be obtained from the Company's share registry or you may copy the proxy form provided. Both forms should be completed with the nominated number of voting rights each proxy is appointed to exercise. If you appoint two proxies and the appointment does not specify the number of votes the proxies may exercise, each proxy may exercise one half of the shareholder's votes.

### **Hand deliveries:**

Computershare Investor  
Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067

### **Postal address:**

Computershare Investor  
Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001

Alternatively, you can fax your proxy form so that it is received no later than 11:00am (AEST) on Tuesday, 28 May 2019 on the fax number listed below.

Fax Number: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)



Similarly, a shareholder who wishes to appoint their proxy electronically through [www.investorvote.com.au](http://www.investorvote.com.au) (or [www.intermediaryonline.com](http://www.intermediaryonline.com) for relevant intermediaries who participate in the Intermediary Online service) must do so by no later than 11:00am (AEST) on Tuesday, 28 May 2019.

### **Your Proxy Form is Enclosed**

This is an important document. Please read it carefully. If you are unable to attend the Annual General Meeting please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

### **Votes of Members**

On a show of hands, each Shareholder present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting shall have one vote for each share held provided that all shares are fully paid.

## **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for shareholders of Empire Energy Group Limited ("**Company**") in connection with the business to be transacted at the Annual General Meeting to be held at 11.00am on Thursday 30 May 2019 at Level 16, 1 Market Street, Sydney and contains explanatory and other information for Shareholders in relation to the resolutions set out in the attached Notice of Meeting.

**The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the proposed resolutions.**

The Directors recommend that Shareholders vote in favour of Resolutions 7, 9 and 12 and intend to cast all votes controlled by them and any undirected proxies they hold in favour of the Resolutions.

The Directors, other than Mr. Sutton, recommend that Shareholders vote in favour of Resolution 2.

The Directors, other than Mr. Underwood, recommend that Shareholders vote in favour of Resolution 3.

The Directors, other than Mr. Gerahty, recommend that Shareholders vote in favour of Resolution 4.

The Directors, other than Mr. Espie, recommend that Shareholders vote in favour of Resolution 5.

The Directors, other than Mr. Warburton, recommend that Shareholders vote in favour of Resolution 6.

Managing Director, Mr. Underwood, recommends that Shareholders vote in favour of Resolution 8.

The Directors, other than Mr. Underwood, recommend that Shareholders vote in Favour of Resolution 10.

The Directors, other than Mr. Underwood, recommend that Shareholders vote in Favour of Resolution 11.

If you are in doubt about what to do in relation to the resolutions, you should consult your financial or other professional adviser.

### **Resolutions**

None of the resolutions are inter-conditional. Accordingly, if Shareholders do not approve one of the Resolutions, other Resolutions may still be approved by Shareholders.

All resolutions are ordinary resolutions, which require a simple majority of votes cast (in person, by proxy or, in the case of a body corporate Shareholder, by corporate representative) by Shareholders entitled to vote on the Resolution.

### **Financial Statements**

The financial report, Directors' report and auditor's report for the Company for the financial year ended 31 December 2018 will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve these reports.

The Annual General Meeting provides a forum for Shareholders to ask questions and make comments on the Company's reports and accounts and on the management, business and operations of the Company.

In addition, Shareholders will be allowed a reasonable opportunity at the Annual General Meeting to ask questions of the auditor (or the auditor's representative) relevant to:

- the conduct of the audit;
- the content of the auditor's report;
- the accounting policies adopted by the Company for the preparation of the financial statements; and
- the auditor's independence in relation to the above items.

Shareholders may view the Company's annual financial report on the Company's website [www.empireenergygroup.net](http://www.empireenergygroup.net).

### **Resolution 1: Adoption of Remuneration Report**

Pursuant to section 250R(2) of the Corporations Act 2001(Cth) ("**Corporations Act**") a resolution that the remuneration report be adopted must be put to vote at the Company's AGM. The vote on this Resolution is advisory only and does not bind the Directors or Company. The remuneration report is set out in the Company's FY2018 Annual Report which is available from the Company's website [www.empireenergygroup.net](http://www.empireenergygroup.net).

The remuneration report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
- sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
- explains the difference between the bases for remunerating non-executive Directors and senior executives, including the Chief Executive Officer.

If Resolution 1 receives a 'no' vote of 25% or more of votes cast at the Meeting, then:

- if comments are made on the report at the Annual General Meeting, the Company will seek to include a report on actions taken by the Board in connection with the Company's remuneration policy in the Company's next annual report or, if no action is proposed, the Board's reasons for this position; and
- if, at the Company's 2020 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to Shareholders a resolution proposing that a General Meeting (**Spill Meeting**) be called to consider the election of directors of the Company (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2020 Annual General Meeting. For a Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The Board will take the outcome of the vote, even if it receives a less than 25% 'no' vote into consideration when reviewing the Company's remuneration policy. A 'no' vote of 25% or more was not received at the Company's 2018 Annual General Meeting.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 1.

### **Resolution 2: Re-election of Mr. David Sutton as a Director**

At the Annual General Meeting, Mr. David Sutton will retire in accordance with ASX Listing Rule 14.5 and Article 50.1 of the Company's constitution.

Being eligible, Mr Sutton will offer himself for re-election at the AGM.

Mr Sutton has many years' experience as a director of companies involved in share broking and investment banking in Australia and Hong Kong.

He is executive chairman of APC Securities Pty Ltd, a boutique financial services company focusing on the global resource sector.

Prior to his current role he was a partner and director of several ASX participant firms and a member of the Stock Exchange of Melbourne and subsequently Australian Securities Exchange Limited.

Apart from Empire Energy he has been a director of several ASX listed resource companies including Silver Mines Limited. He has also been a director of a number of private mineral exploration companies.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 2.

### **Resolution 3: Re-election of Mr. Alexander Underwood as a Director**

Mr. Underwood was appointed as a Director of the Company on 30 August 2018 in accordance with Article 48.1 of the Company's constitution.

A Director appointed under Article 48.1 will hold office until the next AGM when the Director may be re-elected.

As such, Mr. Underwood offers himself for re-election as a Director of the Company.

Mr. Underwood has nearly 15 years of specialist upstream oil and gas investing and financing experience. Previously, he spent 2 years with the Commonwealth Bank of Australia, Singapore as Director in the Natural Resources Division and 9 years with Macquarie Bank in Sydney and Singapore as Associate Director in the Energy Markets Division. Mr. Underwood commenced his career at BHP Billiton Petroleum in Perth and Melbourne. Mr. Underwood holds Bachelor Degrees in Commerce (Accounting) (Honours) and Laws (Certificate of Specialisation in Corporate and Commercial Law).

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 3.

### **Resolution 4: Re-election of Mr. John Gerahty as a Director**

Mr. John Gerahty was appointed as a Non-Executive Director of the Company on 8 November 2018 in accordance with Article 48.1 of the Company's constitution.

A Director appointed under Article 48.1 will hold office until the next AGM when the Director may be re-elected.

As such, Mr. Gerahty offers himself for re-election as a Director of the Company.

Mr. Gerahty is a former investment banker and company director with wide experience in business and commerce. Mr. Gerahty was a Founding Director of Macquarie Bank and has served as a director of a considerable number of publicly listed companies, including roles as Chairman of AFP Group PLC and MPI Mines Ltd. Mr. Gerahty is currently Chairman of Associated Media Investments Pty Ltd (the majority shareholder in the Hardie Grant Pty Ltd publishing group) and an associated company AMI Advertising Media Pty Ltd. Mr. Gerahty is also a Director of Kaplan Partners Pty Ltd and Kaplan Funds Management Pty Ltd, as well as his family owned Liangrove group companies. Mr. Gerahty was formerly a Director (and Chairman) of the Sydney Swans, a Director of Cricket NSW, and a Trustee of the SCG Trust.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 4.

## **Resolution 5: Re-election of Mr. Paul Espie AO as a Director**

Mr. Paul Espie AO was appointed as a Non-Executive Director of the Company on 8 November 2018 in accordance with Article 48.1 of the Company's constitution.

A Director appointed under Article 48.1 will hold office until the next AGM when the Director may be re-elected.

As such, Mr. Espie offers himself for re-election as a Director of the Company.

Mr. Espie was awarded the Order of Australia for distinguished service to the mining and infrastructure sectors through financial advisory roles, to public policy development and reform, and to not-for-profit organisations.

Mr. Espie was the founding principal of Pacific Road Capital, a manager of private equity funds investing in the resources sector internationally, in 2006. Mr. Espie was Chairman of Oxiana Limited during the development of the Sepon copper/gold project in Laos (2000 to 2003) and prior to that Chairman of Cobar Mines Pty Ltd after a management buy-out in 1993. Mr. Espie was previously responsible for Bank of America operations in Australia, New Zealand and Papua New Guinea and Chairman of the Australian Infrastructure Fund. Mr. Espie is a Director of Aurelia Metals Limited, a Fellow of the Australian Institute of Company Directors, Trustee of the Australian Institute of Mining & Metallurgy, Educational Endowment Fund, and a Director of the Menzies Research Centre.

The Chairman of the Meeting has a conflict on this resolution. To this end, Mr Underwood (or in his absence Professor Warburton) will act as Chairman of the Meeting for this Resolution and propose to cast any undirected proxies in favour of Resolution 5.

## **Resolution 6: Re-election of Professor John Warburton as a Director**

Professor John Warburton was appointed as a Non-Executive Director of the Company on 6 February 2019 in accordance with Article 48.1 of the Company's constitution.

A Director appointed under Article 48.1 will hold office until the next AGM when the Director may be re-elected.

As such, Professor John Warburton offers himself for re-election as a Director of the Company.

Professor Warburton was appointed to the board of Empire Energy in February 2019. Professor Warburton has 35 years of professional oil and gas experience in operated and non-operated conventional and unconventional petroleum discovery, development and in new business delivery.

During his career John has worked in Western Europe, West Africa, Central Asia, Middle East, Pakistan, Papua New Guinea and throughout the Asia Pacific Region including Australia and New Zealand. He has resided as an expatriate in a number of these regions where his values demand continuous focus on people, safety, cultural heritage and environment.

Professor Warburton's career includes 14 years of senior technical and leadership roles at BP. He was Executive General Manager for Exploration & New Business at Eni in Pakistan, and until March 2018 John was Chief of Geoscience & Exploration Excellence at Oil Search Ltd.

Professor Warburton has been a Director of Empire's wholly owned Northern Territory subsidiary, Imperial Oil & Gas Pty Limited ("**Imperial**"), since 2011 and was its Chief Executive Officer from 2011 to 2014. He continues to serve as a Non-Executive Director of Imperial.

Professor Warburton is a Non-Executive Director of ASX listed Senex Energy Limited where he also serves on the People & Remuneration Committee. Senex operates conventional oil and gas production and exploration activities onshore South Australia in the Cooper Basin and Coal Seam Gas developments in the Queensland Surat Basin.

Professor Warburton is a Visiting Professor in the School of Earth & Environment at Leeds University UK where he has also served for eight years on the External Advisory Board of 'Petroleum Leeds', the centre for excellence in Petroleum Engineering & Geoscience.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 6.

### **Resolution 7: Ratify past issue of securities**

The Company is seeking subsequent Shareholder approval under Resolution 7 for the issue of Unlisted Options pursuant to ASX Listing Rule 7.4 so that such Shares are not taken into account in determining the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without the need to obtain further Shareholder approval.

Under ASX Listing Rule 7.1, a listed company may (in general terms) only issue new Equity Securities up to 15% of its capital (calculated on a rolling 12-month basis). The issue of the securities subject to Resolution 7 were made within the ASX Listing Rule 7.1 placement capacity.

The allottees of the Unlisted Options were professional and/or sophisticated investors (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act.

ASX Listing Rule 7.4 allows for subsequent shareholder approval of issues of equity securities for the purposes of Listing Rule 7.1 if the Company did not breach the ASX Listing Rule 7.1 placement limit at the time of issue and the holders of ordinary shares subsequently approve the issue. The Company is now seeking approval for the issue of these securities in the manner provided by ASX Listing Rule 7.4.

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided in relation to the securities the subject of the ratification:

Unlisted Options in relation to Resolution 7:

Date of issue	26 October 2018
Number of securities issued	6,000,000
Terms of Securities	To acquire fully paid ordinary shares, exercisable at A\$0.03 per share and expiring on 26 October 2020
Names of persons who received securities or basis on which those persons were determined	Granted to certain sophisticated and professional investors.
Issue Price of Securities	Nil
Use of funds raised	Any funds raised as a result of the options being exercised is anticipated to be used for the following purposes:  - a sustainable capital structure for the business and provide capital to commence exploration activities in the Northern Territory; and - to provide growth capital for the Company's US business and for general working capital.  The allottee under Resolution 7 was not a related party of the Company.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 7.

## Resolution 8: Fees for Non-Executive Directors

In accordance with Listing Rule 10.17, the limit on total aggregate remuneration that may be paid to non-executive directors is fixed by ordinary resolution of a general meeting of shareholders.

The Board is asking shareholders to increase the maximum amount of fees that may be paid to non-executive directors to A\$400,000.

The proposed new maximum amount takes into account changes in the number and responsibilities of the Company's non-executive directors, as well as a change to the Company's fee structure for non-executive directors, while providing flexibility for future growth of the Company.

The aggregate maximum remuneration that can be paid to non-executive directors of the Company has not changed for many years. Independent advice given to the Company indicates that the remuneration currently being paid to the Company's non-executive directors is significantly below market practice for similar ASX-listed companies.

If the Resolution is approved by Shareholders, the Board does not initially intend to remunerate non-executive directors to the full extent allowable under the new limit.

The Board does not intend to put another director fee remuneration resolution to members at next year's annual general meeting.

Listing Rule 10.17 requires the Company to advise of the increase in the total aggregate amount of fees payable to all of its non-executive directors. The total fees paid to the Company's non-executive directors in FY18 was US\$78,507. For the majority of the FY18 financial year, the Company had only two non-executive directors, whereas now it has four non-executive directors.

Despite extensive searches of internal Company records and the results of General Meetings dating back to 1998 (prior to which electronic records are no longer available), the Company is not able to determine the amount of the total aggregate amount of fees payable to all of its non-executive directors. Consequently, it is unable to calculate the increase in the total aggregate amount of fees payable to all of its non-executive directors. Based on historical fees actually paid to non-executive directors, the Company estimates that the total aggregate amount of fees payable to non-executive directors is approximately A\$150,000. Therefore, solely for the purposes of satisfying this Listing Rule 10.17, based on an assumed existing total aggregate of fees payable to all of its non-executive directors of A\$150,000, the amount of the increase of directors fees payable to all of its non-executive directors is assumed to be an amount of A\$250,000.

In the preceding three years as at 15 April 2019, the following securities have been issued to the Company's non-executive Directors under Listing Rule 10.11 or 10.14 with the approval of shareholders.

<b>Issue date</b>	<b>Issued to</b>	<b>Securities issued and terms of securities</b>
18 June 2018	David Sutton	2,000,000 unlisted options exercisable at A\$0.03 per share and expiring on 30 December 2022
18 June 2018	Linda Tang	2,000,000 unlisted options exercisable at A\$0.03 per share and expiring on 30 December 2022

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 8.

## Resolution 9: Approval of Rights Plan

### BACKGROUND

The Company is seeking the approval of shareholders in respect of the adoption of the newly established Empire Energy Group Limited Rights Plan (**Plan or EEGLRP**) and, given it is newly established, approval is being sought for the first time in respect of the Plan. If Resolution 9 is passed the only rights plan that the Company will have will be the Plan. Further, as it is newly established, no securities have yet to be issued under the Plan.

The Board encourages equity holdings in the Company by its directors, employees and consultants to align their interests with those of the Company's shareholders. Consistent with this philosophy, the Board proposes to introduce the Plan.

The Plan provides the opportunity for eligible directors, employees and consultants to acquire a Right to the value of a share in the Company (**Right**) which may be settled in shares including Restricted Shares, or the equivalent cash value if so determined by the Board in its sole discretion, and thereby:

- (a) allow non-executive directors to sacrifice Board fees into grants of Restricted Rights;
- (b) provide a strategic, value-based reward for such persons that make a key contribution to the long-term success of the Company;
- (c) incentivise such persons to remain in their employment long-term;
- (d) attract persons with experience and ability to seek employment with the Company;
- (e) facilitate the Company settling remuneration in part in the form of equity, including Service Rights, when appropriate; and
- (f) foster loyalty between the Company and its employees.

Ultimately, the Plan creates a stronger link between the performance and reward of directors, employees and consultants and enables such persons to have a greater share in the future growth and profitability of the Company, with the objective of increasing shareholder value.

ASIC Class Order 14/1000 will generally apply to issues that result from the operation of the Plan, unless another form of relief can be relied upon. The Class Order contains a limit on new issues of 5% of the Company's issued capital, over a rolling 3 year period.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 9.

### SUMMARY OF TERMS

The following is a summary of the key terms of the Plan.

Aspect	Details
Instrument	<p>The EEGLRP uses indeterminate Rights which are entitlements to the value of Shares (ordinary fully paid EEG shares) which may be satisfied either in cash and/or in Shares. Generally, it is expected that vested Rights will be satisfied in Shares. The price to exercise the Rights is nil, however vesting is performance tested. The value that will be realised is then a function of performance against indicators (Vesting Conditions) and the Share price at the time of vesting.</p> <p>No loans are provided under the Plan.</p> <p>The EEGLRP allows for three kinds of Rights which may be appropriate forms of remuneration under various circumstances, being;</p> <ul style="list-style-type: none"><li>• Performance Rights which vest when performance conditions have been satisfied,</li><li>• Service Rights which vest after the completion of a period of service, and</li></ul>



	<ul style="list-style-type: none"> <li>Restricted Rights which relate to amounts of deferred payments already earned and which are not subject to vesting conditions.</li> </ul>
Eligibility	Selected employees and directors as nominated by the Board are eligible to participate. Current directors being Mr Alexander Underwood, Mr Paul Espie, Mr John Warburton and Mr David Sutton will be eligible to participate in the Plan. Mr John Gerahty has indicated to the Board that he does not wish to be eligible to participate in the Plan and will therefore be ineligible. In addition to the aforementioned persons, participants will be employees, and consultants of the Company and its subsidiaries.
Term	Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. (Note: the Term of Rights is separate to the Measurement Period for Vesting of Rights which is described below).
Terms & Conditions	The Board has the discretion to set the terms and conditions on which it will offer Rights under the EEGLRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Performance and Service Rights offered will be subject to Vesting Conditions and in the case of Performance Rights the conditions are intended to be challenging and linked to growth in shareholder value. The terms and conditions of the EEGLRP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.
Number of Rights	The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's Base Package, relevant market practices and the relevant policies of the Company regarding their remuneration.
Vesting	<p>Performance Rights will be the form of Right that will be used for LTI and they will vest based on Company performance. Service Rights and Restricted Rights may also be used from time to time to retain key talent, to defer remuneration should the need arise, or to settle previously accrued remuneration entitlements. Upon the satisfaction of the Vesting Conditions, and exercise of vested Rights by the Participant, Rights will be converted into Shares. As part of an Invitation the Board may specify whether vested Rights are automatically exercised upon vesting, or must be exercised manually by the Participant.</p> <p>Under some limited circumstances the Board may exercise its discretion to award the value of vested Rights in the form of cash, such as following a termination of employment. No exercise price is required to convert the Rights into Shares. In the case of Restricted Rights, exercise will be automatic 90 days following grant.</p>
Measurement Period	The Measurement Period may be determined by the Board as part of each Invitation, but for long term incentive purposes it is intended to be three years (starting from the beginning of the financial year in which a grant is made) with no vesting prior to performance being tested at the end of the three years between the start of the financial year in which the grant is made, and the end of the third financial year. Different Measurement Periods may be applied when warranted. The life of the Rights may differ from the Measurement Period and be shorter when shareholder approval for grants cannot be obtained until after the beginning of the Measurement Period.
Vesting Conditions	Vesting Conditions are to be determined by the Board as part of each offer, however, for the purposes of long-term incentive, the conditions selected are intended to create alignment with the experiences and expectations of shareholders over the Measurement Period. Initially Vesting Conditions will be related to

	TSR and possibly strategic milestones.
Gates	A gate is a condition that may apply to a grant if specified in the Invitation, and if not met, will turn off the opportunity for Rights to vest.
Measurement Period Extender	The EEGLRP Rules allow for the Measurement Period to be extended by 12 months, if the Participant is still employed, and nil vesting occurred at the first test. The start of the measurement period would not be affected by this, and modification of the Measurement Period can only apply to vesting scales that are expressed on an annualised basis, which ensures the adjustment does not make vesting easier. The Measurement Period would typically be extended from 3 years to 4 years. The purpose of this feature is to address short-term anomalies that arise at the relevant calculation points, and to motivate management to strive for improvement if the LTI fails to vest at the end of 3 years. This is not the same as re-testing.
Exercise and Exercise Price	In the case of manual exercise, Participants may submit an exercise notice at any time between the Vesting Date and the elapsing of the Term of the Rights, otherwise they will lapse at the end of their Term. The exercise price is nil.
Cessation of Employment	On termination of employment a portion of Performance Rights granted in the financial year in which the termination occurs will be forfeited. The proportion is that which the remainder of the financial year following the termination represents of the full financial year. This provision recognises that grants of Performance Rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the Performance Rights will not have been earned. The treatment of Service Rights will be specified in Invitations and will relate to the purpose of such a grant. If Performance or Service Rights vest subsequent to a termination of employment and their value is less than the Share Price at the date of the termination, then such Rights will be settled in cash on exercise. Restricted Rights are fully vested at grant and are not impacted by termination of employment. If a Participant is no longer employed by or otherwise engaged with any Group Company and holds unvested Rights those Rights will be automatically exercised on the earlier of the end of the Term of the Rights and one month following the date when the Participant has ceased to hold unvested Rights.
Change of Control of the Company	In the event of a Change of Control a portion of Performance Rights granted in the financial year in which the Change of Control occurs will be forfeited. The proportion is that which the remainder of the financial year following the Change of Control represents of the full financial year. Unvested Performance Rights would vest in the same proportion as the Share price has increased since the beginning of the Measurement Period. Remaining Performance Rights would either lapse or some or all may vest at the Board's discretion. In relation to Restricted Shares that have resulted from the vesting of Rights, dealing restrictions, if any, specified in the Invitation would also be lifted, though the Company's securities trading policy and the Corporations Act would continue to apply. Restricted Rights are unaffected by a Change of Control event. All unvested Service Rights will vest. Restricted Rights will be unaffected by a Change of Control, as they are fully vested at grant.
Major Return of Capital	The EEGLRP contains provisions that provide for vesting in the proportion of capital returned to shareholders, or in the proportion that the Share price increased over the Measurement Period, with Board discretion regarding the remainder.
Disposal Restriction	In the event that a taxing point arises in relation to Restricted

Release at Taxing Point	Shares and the disposal restrictions applicable to such Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporation Act, will cease to apply to 50% of such Restricted Shares.
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Rights.
Competition and Other Actions that May Harm the Company	If a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board. If a Participant either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board.
Voting and Dividend Rights	Rights do not carry voting or dividend entitlements. Shares issued when Rights vest carry all entitlements of Shares, including voting and dividend rights.
No Transfer of Rights	Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.
Specified Disposal Restrictions	Invitations may include disposal restrictions that apply for a specified period to Restricted Shares. The Board will decide whether to include such conditions and the period for which they will apply.
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the EEGLRP, in accordance with the ASX Listing Rules.
Variation of Term and Conditions	To the extent permitted by the Listing Rules, the Board retains the discretion to vary the terms and conditions of the EEGLRP. This includes varying the number of Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.
Issue or Acquisition of Shares	Shares allocated to a Participant when Rights vest under the EEGLRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the EEGLRP.
Other Terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP.
Hedging	The Company prohibits the hedging of Rights or Shares subject to dealing restrictions by Participants.
Lapse and Forfeiture of Rights	Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period, subject to retesting, or if the Rights are not exercised within their term.

### **Resolution 10: Grant of Performance Rights to Managing Director – LTI**

Under Resolution 10, the Company is seeking the approval of shareholders for the proposed grant of Performance Rights to the Managing Director, Mr. Alexander Underwood, under the Company's Rights Plan. Resolution 10 does not relate to any person other than Mr Alexander Underwood.

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a director under an employee incentive scheme when the Rights may be settled by a new issue of Shares.

As mentioned above, no securities have yet to be issued under the Plan. As such, for the purposes of Listing Rule 10.15A.4 no persons have received securities under the Plan as this Meeting is the first approval of the Plan.

ASX Listing Rule 10.15.4A requires the names of persons referred to in ASX Listing Rule 10.14 entitled to participate in the Rights Plan to be included. Those persons are Mr Alexander Underwood, Mr Paul Espie, Professor John Warburton and Mr David Sutton.

For the purposes of Listing Rule 10.15A.5, only Mr Underwood is granted Performance Rights under the Plan for the purposes of the approval under Resolution 10.

No loans are provided to Mr Underwood in connection with the Performance Rights.

If shareholder approval is obtained, it is intended that the equity awards will be granted to Mr. Underwood in 2019, and in any case within 12 months of the Meeting.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 10.

The terms of the proposed grant are outlined in the following table:

Aspect	Details
Instrument	EEG is seeking Shareholder approval for a grant of Performance Rights (which are Indeterminate Rights) under the EEG Limited Rights Plan. Performance Rights may vest if performance conditions are satisfied.
Term	Performance Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. The proposed grant will be subject to manual exercise of Rights. (Note: the Term of Rights is separate to the Measurement Period for Vesting of Rights which is described below).
Terms & Conditions	The Board has the discretion to set the terms and conditions on which it will offer Rights under the EEGLRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Performance and Service Rights offered will be subject to Vesting Conditions and in the case of Performance Rights the conditions are intended to be challenging and linked to growth in shareholder value. The terms and conditions of the EEGLRP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.
Number of Performance Rights	<p>The MD will be invited to apply for a total of 31,500,000 Performance Rights on a pre-consolidation basis, in the 2019 financial year. The number of Performance Rights when added to the other remuneration elements will produce a total remuneration package that is market competitive and reasonable given the Company's circumstances. No loans are provided to the MD in connection with these 31,500,000 Performance Rights.</p> <p>The number of Performance Rights was calculated by applying the following formula on the assumption that Resolution 12 (Consolidation of shares) is not passed:</p> $\begin{aligned} \text{Number of Performance Rights} &= \text{Stretch LTI Value} \div \text{Right Value} \\ &= \text{A\$630,000} \div \text{A\$0.020} \\ &= 31,500,000 \end{aligned}$ <p>Where</p> $\text{Performance Right Value} = \text{Share Price} - (\text{Annual Dividend} \times \text{Measurement Period in Years})$

	<p>= A\$0.020 - (A\$0 x 3)</p> <p>= A\$0.020</p> <p>Share Price           A\$0.020 (as agreed with MD for this purpose, despite being higher than the current Share Price, on a pre-consolidation basis)</p> <p>Stretch LTI Value       = A\$ calculated by multiplying the Base Package of A\$400,000 by the Target LTI of 60%, multiplied by 1.5 to recognise the lack of an LTI grant in 2018 (pro-rata) and divided by the Target vesting percentage for scaled tranches (50% for the TSR tranche), assuming a weighting of 75% on TSR and 25% on the binary milestone condition.</p> <p>If Resolution 12 (Consolidation of shares) is passed then the Number of Performance Rights would be determined as follows:</p> <p>Number of Rights       = Stretch LTI Value ÷ Right Value</p> <p>                                  = A\$630,000 ÷ A\$0.20</p> <p>                                  = 3,150,000</p> <p><b>As 100% of Performance Rights to be granted will only vest when stretch performance goals are achieved it is expected that a lesser percentage will actually vest unless exceptional performance outcomes occur. The Target is 50% vesting for scaled conditions.</b></p> <p>The maximum number of Rights to be granted to all persons subject to Shareholder approval for the purposes of Resolution 10 and Resolution 11 is 41,500,000 on a pre-consolidation basis if Resolution 12 is not approved by Shareholders, or 4,150,000 on a post-consolidation basis if Resolution 12 is approved by Shareholders.</p>
Amount payable for Performance Rights	No amount will be payable by the Managing Director for the Performance Rights as they are part of the intended total remuneration package for the 2019 financial year.
Term	Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. (Note: the Term of Rights is separate to the Measurement Period for Vesting of Rights which is described below).
Exercise Price	No amount will be payable by the Participant to exercise a Performance Right that has vested.
Vesting and Exercise of Performance Rights	Following the satisfaction of the Vesting Conditions, the Rights may be exercised by submitting a Notice of Exercise. Once exercised, the value of Rights that vest will be evaluated and will be paid in Shares (including Restricted Shares). Rights will lapse if not exercised prior to the elapsing of the Term.
Measurement Period	The Measurement Period will be the three financial years from 2019 to the end of 2021, subject to the Measurement Period Modifier which may in some circumstances increase the Measurement Period to four years.
Vesting Conditions	<p>In order for Performance Rights to vest, the performance conditions must be satisfied.</p> <p>The proposed grant will be subject to:</p> <ul style="list-style-type: none"> <li>• Tranche 1: Absolute Total Shareholder Return (ATSR),</li> <li>• Tranche 2: a determination by the Board at the end of the 2021 financial year that during the 3 year measurement period, material value has been added to the Company's assets through delivering on the Company's strategy including exploration results, increasing</li> </ul>

	<p>reserves, operating cash flow and production rates.</p> <p>The vesting of the Tranche 1 ATSR Performance Rights will be determined by reference to the following scale:</p> <table border="1"> <thead> <tr> <th>Performance Level</th> <th>Company's Absolute TSR</th> <th>% of Stretch/ Grant/ Tranche/ Maximum Vesting</th> </tr> </thead> <tbody> <tr> <td>Stretch</td> <td>≥40% per annum</td> <td>100%</td> </tr> <tr> <td>Between Target and Stretch</td> <td>&gt;25 &amp; &lt; 40% per annum</td> <td>Pro-rata</td> </tr> <tr> <td><b>Target</b></td> <td><b>25% per annum</b></td> <td><b>50%</b></td> </tr> <tr> <td>Between Threshold and Target</td> <td>&gt;10% &amp; &lt; 25% per annum</td> <td>Pro-rata</td> </tr> <tr> <td>Threshold</td> <td>= 10% per annum</td> <td>25%</td> </tr> <tr> <td>Below Threshold</td> <td>&lt; 10% per annum</td> <td>0%</td> </tr> </tbody> </table> <p>The Board retains discretion to modify vesting in the case that the circumstances that prevailed over the Measurement Period materially differed from those expected at the time the vesting scale was determined, which is intended to be used when the application of the vesting scale would lead to an outcome that may be viewed as inappropriate.</p>	Performance Level	Company's Absolute TSR	% of Stretch/ Grant/ Tranche/ Maximum Vesting	Stretch	≥40% per annum	100%	Between Target and Stretch	>25 & < 40% per annum	Pro-rata	<b>Target</b>	<b>25% per annum</b>	<b>50%</b>	Between Threshold and Target	>10% & < 25% per annum	Pro-rata	Threshold	= 10% per annum	25%	Below Threshold	< 10% per annum	0%
Performance Level	Company's Absolute TSR	% of Stretch/ Grant/ Tranche/ Maximum Vesting																				
Stretch	≥40% per annum	100%																				
Between Target and Stretch	>25 & < 40% per annum	Pro-rata																				
<b>Target</b>	<b>25% per annum</b>	<b>50%</b>																				
Between Threshold and Target	>10% & < 25% per annum	Pro-rata																				
Threshold	= 10% per annum	25%																				
Below Threshold	< 10% per annum	0%																				
Gate	A Gate of no major Health, Safety or Environmental (HSE) incidents occurring during the Measurement Period applies to the proposed grant.																					
Measurement Period Modifier	The EEGLRP Rules allow for the Measurement Period to be extended by 12 months, if the Participant is still employed, and nil vesting occurred at the first test. The start of the measurement period would not be affected by this, and modification of the Measurement Period can only apply to vesting scales that are expressed on an annualised basis, which ensures the adjustment does not make vesting easier (i.e. will not apply to milestone conditions, only TSR). The Measurement Period would be extended from 3 years to 4 years. The purpose of this feature is to address short-term anomalies that arise at the relevant calculation points, and to motivate management to strive for improvement if the LTI fails to vest at the end of 3 years.																					
Disposal Restrictions	<p>Rights may not be disposed of at any time, but can be exercised following vesting, up to the end of their Term. Shares acquired on exercise of vested Rights (Restricted Shares) will be subject to disposal restrictions until all of the following cease to restrict disposals:</p> <ul style="list-style-type: none"> <li>a) the Company's share trading policy,</li> <li>b) the Corporations Act insider trading provisions, and</li> <li>c) Specified Disposal Restrictions, if any (as outlined in an Invitation).</li> </ul>																					
Specified Disposal Restrictions	No Specified Disposal Restriction additional to the above are intended to apply to this grant of Performance Rights, or the Restricted Shares that may flow from it, in respect of prior year LTI grants.																					
Disposal Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporation Act, will cease to apply to 50% of such Restricted Shares.																					
Cessation of Employment	<p>On termination of employment a portion of Performance Rights granted in the financial year in which the termination occurs will be forfeited. The proportion is that which the remainder of the financial year following the termination represents of the full financial year. This provision recognises that grants of Performance Rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the Performance Rights will not have been earned.</p> <p>The treatment of Service Rights will be specified in Invitations and will relate to the purpose of such a grant.</p> <p>If Performance or Service Rights vest subsequent to a termination of employment and their value is less than the Share Price at the date of the</p>																					

	<p>termination, then such Rights will be settled in cash on exercise.</p> <p>Restricted Rights are fully vested at grant and are not impacted by termination of employment.</p> <p>If a Participant is no longer employed by or otherwise engaged with any Group Company and holds unvested Rights those Rights will be automatically exercised on the earlier of the end of the Term of the Rights and one month following the date when the Participant has ceased to hold unvested Rights.</p>
Change of Control of the Company	<p>In the event of a Change of Control a portion of Performance Rights granted in the financial year in which the Change of Control occurs will be forfeited. The proportion is that which the remainder of the financial year following the Change of Control represents of the full financial year.</p> <p>Unvested Performance Rights would vest in the same proportion as the share price has increased since the beginning of the Measurement Period. Remaining Performance Rights would either lapse or some or all may vest at the Board's discretion.</p> <p>In relation to Restricted Shares that have resulted from the vesting of Rights, Specified Disposal Restrictions, if any, specified in the Invitation would also be lifted, though the Company's securities trading policy and the Corporations Act would continue to apply. Restricted Rights are unaffected by a Change of Control event.</p>
Major Return of Capital	<p>The EEGLRP contains provisions that provide for vesting in the proportion of capital returned to shareholders, or in the proportion that the Share price increased over the Measurement Period, with Board discretion regarding the remainder.</p>
Voting and Dividend Rights	<p>Rights do not carry voting or dividend entitlements. Shares issued when Rights vest carry all entitlements of Shares, including voting and dividend rights.</p>
Lapse and Forfeiture of Performance Rights	<p>Performance Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period, subject to modification of the Measurement Period, or if they are not exercised prior to the elapsing of the associated Term.</p>
Fraud, Gross Misconduct etc.	<p>In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Rights.</p>
Competition and Other Actions that May Harm the Company	<p>If a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board.</p> <p>If a Participant either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board.</p>
Issue or Acquisition of Shares	<p>Shares allocated to a Participant when Performance Rights vest and which are exercised under the EEGLRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.</p>
Cost and Administration	<p>The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying vested Performance Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the EEGLRP.</p>
Other Terms of the EEGLRP	<p>The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP.</p>

Hedging	The Company prohibits the hedging of Performance Rights by Participants.
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### **Resolution 11: Grant of Service Rights to Managing Director**

The Company is seeking the approval of shareholders for the proposed grant of Service Rights to the Managing Director, Mr. Alexander Underwood, under the Company's Rights Plan. This grant is to compensate the MD for the loss of deferred performance-based equity remuneration at his previous place of employment that resulted from his taking up a position with Empire Energy Group Limited (an approximate value of A\$200,000). In order to ensure that shareholders obtain value from this arrangement, it is proposed to service test the Rights for 3 years.

Details of the approach taken to calculate the number of Service Rights to be granted are set out below. Subject to shareholder approval, the Service Rights will be granted under the Company's Rights Plan.

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a director under an employee incentive scheme when the Rights may be settled by a new issue of Shares.

As mentioned above, no securities have yet to be issued under the Plan. As such, for the purposes of Listing Rule 10.15A.4 no persons have received securities under the Plan as this Meeting is the first approval of the Plan.

ASX Listing Rule 10.15.4A requires the names of persons referred to in ASX Listing Rule 10.14 entitled to participate in the Rights Plan to be included. Those persons are Mr Alexander Underwood, Mr Paul Espie, Professor John Warburton and Mr David Sutton.

For the purposes of Listing Rule 10.15A.5, only Mr Underwood is granted Service Rights under the Plan for the purposes of the approval under Resolution 11.

No loans are provided to Mr Underwood in connection with the Service Rights.

If shareholder approval is obtained, it is intended that the Service Rights will be granted to Mr. Underwood in 2019, and in any case within 12 months of the Meeting.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 11.

The terms of the proposed grant to Mr Alexander Underwood are outlined in the following table:

<b>Aspect</b>	<b>Details</b>
Instrument	EEG is seeking Shareholder approval for a grant of Service Rights being the right to acquire ordinary shares in the Company for a zero exercise price (which are referred to as Indeterminate Rights) under the EEG Limited Rights Plan. Service Rights are subject to service based vesting conditions.
Term	Service Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. The proposed grant will be subject to manual exercise of Rights. (Note: the Term of Rights is separate to the Measurement Period for Vesting of Rights which is described below).
Terms & Conditions	The Board has the discretion to set the terms and conditions on which it will offer Rights under the EEGLRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Service Rights offered will be subject to Vesting Conditions. The terms and conditions of the EEGLRP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.



Number of Service Rights	<p>The MD will be invited to apply for a total of 10,000,000 Service Rights on a pre-consolidation basis, in the 2019 financial year. The number of Service Rights is intended to equal the approximately A\$200,000 of value foregone by the MD when he joined the Company.</p> <p>The number of Service Rights was calculated by applying the following formula:</p> $\begin{aligned} \text{Number of Rights} &= \text{Foregone Value} \div \text{Right Value} \\ &= \text{A\$200,000} \div \text{A\$0.02} \\ &= 10,000,000 \end{aligned}$ <p>Where</p> $\begin{aligned} \text{Right Value} &= \text{Share Price} - (\text{Annual Dividend} \times \text{Measurement Period in Years}) \\ &= \text{A\$0.02} - (\text{A\$0} \times 3) \\ &= \text{A\$0.02} \end{aligned}$ <p>Share Price           A\$0.02 (as agreed with MD for this purpose, despite being higher than the current Share Price, on a pre-consolidation basis)</p> <p>If Resolution 12 (Consolidation of shares) is approved, the Right Value in the formula above will be A\$0.20 and the Number of Rights will be 1,000,000.</p> <p>The maximum number of Rights to be granted to all persons subject to Shareholder approval for the purposes of Resolution 10 and Resolution 11 is 41,500,000 on a pre-consolidation basis if Resolution 12 is not approved by Shareholders, or 4,150,000 on a post-consolidation basis if Resolution 12 is approved by Shareholders.</p>
Amount payable for Service Rights	No amount will be payable by the MD for the Service Rights as they are compensation for the loss of existing entitlements.
Term	Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. (Note: the Term of Rights is separate to the Measurement Period for Vesting of Rights which is described below).
Exercise Price	No amount will be payable by the MD to exercise a Service Right that has vested.
Vesting and Exercise of Service Rights	Following the satisfaction of the Vesting Conditions, the Rights may be exercised by submitting a Notice of Exercise. Once exercised, the value of Rights that vest will be evaluated and will be paid in Shares (including Restricted Shares). Rights will lapse if not exercised prior to the elapsing of the Term.
Measurement Period	The Measurement Period will be the three financial years from 1 September 2018 to the end of August 2021.
Vesting Conditions	In order for Service Rights to vest, the MD must be employed by a Group Company for the whole of the Measurement Period (subject to the Plan Rules and Cessation of Employment, below).
Disposal Restrictions	<p>Rights may not be disposed of at any time, but can be exercised following vesting, up to the end of their Term. Shares acquired on exercise of vested Rights (Restricted Shares) will be subject to disposal restrictions until all of the following cease to restrict disposals:</p> <ul style="list-style-type: none"> <li>a) the Company's share trading policy,</li> <li>b) the Corporations Act insider trading provisions, and</li> <li>c) Specified Disposal Restrictions, if any (as outlined in an Invitation).</li> </ul>

Disposal Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporation Act, will cease to apply to 50% of such Restricted Shares.
Cessation of Employment	<p>In the case of a termination by the Company for cause, all unvested Service Rights will lapse.</p> <p>In the case of a termination by the Company for reasons other than cause, the Board has determined to exercise its discretion to determine that the service condition has been fulfilled at the end of the Measurement Period i.e. no forfeiture will apply.</p> <p>In the case of the MD voluntarily terminating, Service Rights will be pro-rata forfeiture reflecting the portion of the Measurement Period remaining, at the date of termination.</p> <p>If the MD is no longer employed by or otherwise engaged with any Group Company and holds unvested Rights those Rights will be automatically exercised on the earlier of the end of the Term of the Rights and one month following the date when the MD has ceased to hold unvested Rights.</p>
Change of Control of the Company	<p>In the event of a Change of Control, 100% of unvested Service Rights will vest.</p> <p>In relation to Restricted Shares that have resulted from the vesting of Rights, Specified Disposal Restrictions, if any, specified in the Invitation would also be lifted, though the Company's securities trading policy and the Corporations Act would continue to apply. Restricted Rights are unaffected by a Change of Control event.</p>
Voting and Dividend Rights	Rights do not carry voting or dividend entitlements. Shares issued when Rights vest carry all entitlements of Shares, including voting and dividend rights.
Lapse and Forfeiture of Service Rights	Service Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period, or if they are not exercised prior to the elapsing of the associated Term.
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that the MD has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the MD will forfeit all unvested Rights.
Competition and Other Actions that May Harm the Company	<p>If the MD engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Rights held by the MD will lapse and be forfeited, unless otherwise determined by the Board.</p> <p>If the MD either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Rights held by the MD will lapse and be forfeited, unless otherwise determined by the Board.</p>
Issue or Acquisition of Shares	Shares allocated to the MD when Rights vest and which are exercised under the EEGLRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying vested Performance Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the EEGLRP.
Other Terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP.
Hedging	The Company prohibits the hedging of Rights by the MD.

## **Resolution 12: Consolidation of shares**

### **Background**

Section 254H of the Corporations Act provides that a company may convert all or any of its shares into a larger or smaller number of shares by resolution passed at a general meeting. In accordance with section 254H(2) of the Corporations Act and Appendix 7A of the ASX Listing Rules, the Consolidation will take effect on the Consolidation Date. If Resolution 12 is passed, the Company will lodge a copy of the resolution with ASIC within 1 month of it being passed in accordance with section 254H(4) of the Corporations Act.

### **Effect of Share Consolidation**

As at the date of this Notice, the Company has 2,313,084,176 shares quoted on the ASX, 553,000,000 unlisted options exercisable at various prices and 2,500,000 unquoted performance rights. Subject to Resolution 12 being passed, the number of Shares on issue will be reduced from 2,313,084,176 Shares to approximately 231,308,418 Shares (depending on the number of Shares issued as a result of rounding). On the Consolidation Date, all holding statements for Shares will cease to have any effect, except as evidence of an entitlement to a certain number of post-Consolidation Shares. After the Share Consolidation becomes effective, the Company will arrange for new holding statements to be issued to Shareholders.

Where the Consolidation results in a fraction of a Share being held by a Shareholder, that fraction of a Share will be rounded up to the nearest whole Share.

The Share Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

### **Reasons for the Share Consolidation**

The Company has a very large number of Shares on issue (2,313,084,176 as at the date of this Notice) due to historical equity-based capital raisings and corporate transactions. This large number of Shares may create a negative perception associated with a low Share Price (A\$0.016 as at the time of preparing this Notice). The Share Consolidation will result in a more appropriate and effective capital structure for the Company and potentially, a Share Price that is more appealing to a wider range of investors within Australia and globally, particularly institutional investors.

### **Taxation consequences of Share Consolidation**

It is not expected that any taxation consequences will arise for Shareholders arising from the Share Consolidation. However, Shareholders are advised to seek their own tax advice on the effect of the Share Consolidation, and neither the Company, nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation consequences arising from the Share Consolidation.

### **Reorganisation of Unlisted Options**

As at the date of this Notice, the Company has 553,000,000 unlisted Options on issue. Under the terms of each tranche of unlisted Options, if the Company reorganises its share capital in any way (including a consolidation), the number of Shares issued on conversion will be adjusted to reflect the re-organised capital, such that the holders of the unlisted Options will not receive a benefit that the holders of Shares do not received, and vice versa.

### **Reorganisation of Performance Rights**

As at the date of this Notice, the Company has 2,500,000 unlisted Performance Rights on issue. Under the terms of the Performance Rights, if the Company reorganises its share capital in any way (including a consolidation), the number of Shares issued on conversion will be adjusted to reflect the re-organised capital, such that the holders of the Performance Rights will not receive a benefit that the holders of Shares do not received, and vice versa.

## Key dates

If approved by Shareholders, the proposed Share Consolidation will take effect on the Consolidation Date (or such other subsequent date that is notified to the ASX by the Company). The following is an indicative timetable (subject to change) of the key events:

<b>Key Event</b>	<b>Indicative Date</b>
Company announces Consolidation and sends out Notice of Meeting	1 May 2019
Annual General Meeting	30 May 2019
Notification to ASX that Share Consolidation is approved	30 May 2019
Last day for trading in pre-consolidated securities	31 May 2019
Trading in the consolidated securities on a deferred settlement basis commences	3 June 2019
Last day to register transfers on a pre-consolidation basis	4 June 2019
First day for the Company to register securities on a post-consolidation basis and first day for issue of holding statements	5 June 2019
Issue date. Deferred settlement trading ends Last day for the Company to register securities on a post-consolidation basis and last day for issue of holding statements	12 June 2019
Normal (T+2) trading starts	13 June 2019

## **Glossary**

In the Notice of Meeting and this Explanatory Statement the following defined terms have the following meanings:

**Annual General Meeting** means the annual general meeting convened by the Notice of Meeting.

**Associate** has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

**ASX** means Australian Securities Exchange.

**ASX Listing Rules** means the Listing Rules of the ASX.

**Australian Dollar** or **A\$** means the lawful currency of the Commonwealth of Australia.

**Board** means the board of Directors of the Company.

**Business Day** has the meaning given to that term in the ASX Listing Rules.

**Company** means Empire Energy Group Limited (ABN 29 002 148 361).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means each of the directors of the Company.

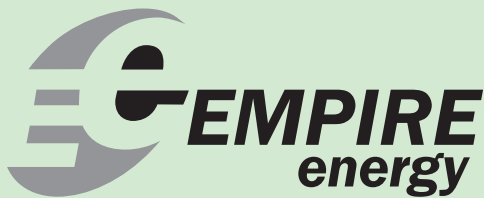
**Dollar, \$** or **US\$** means the lawful currency of the United States of America.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Notice of Meeting** means the notice of meeting that accompanies this Explanatory Statement.

**Share** means an ordinary share in the capital of the Company that is fully paid or credited as fully paid (as the case may be).

**Shareholder** means a registered holder of Shares in the Company.



ABN 29 002 148 361

EEG

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Lodge your vote:**

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www.investorvote.com.au

**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) www.intermediaryonline.com

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000



**Proxy Form**

**XX**

<p><b>Vote and view the annual report online</b></p> <ul style="list-style-type: none"> <li>• Go to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> or scan the QR Code with your mobile device.</li> <li>• Follow the instructions on the secure website to vote.</li> </ul>	
<p><b>Your access information that you will need to vote:</b></p> <p><b>Control Number: 999999</b></p> <p><b>SRN/HIN: I9999999999      PIN: 99999</b></p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

**For your vote to be effective it must be received by 11.00am (AEST) on Tuesday, 28 May 2019**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions for Postal Forms**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

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 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Empire Energy Group Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Empire Energy Group Limited to be held at the offices of Nexia Australia, Level 16, 1 Market Street, Sydney, NSW on Thursday, 30 May 2019 at 11.00am (AEST) and at any adjournment or postponement of that Meeting.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Item 1	Adoption of remuneration report	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 9	Approval of Rights Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Re-election of Mr David Sutton as a Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 10	Grant of Performance Rights to Managing Director - LTI	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Mr Alexander Underwood as a Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 11	Grant of Service Rights to Managing Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Mr John Gerahty as a Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 12	Consolidation of shares	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Re-election of Mr Paul Espie AO as a Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Item 6	Re-election of Professor John Warburton as a Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Item 7	Ratify issue of securities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Item 8	Fees for Non-executive Directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

## SIGN Signature of Securityholder(s) *This section must be completed.*

<b>Individual or Securityholder 1</b>	<b>Securityholder 2</b>	<b>Securityholder 3</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name \_\_\_\_\_ Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_



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## Proxy Form

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- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 11.00am (AEST) on Tuesday, 28 May 2019**

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**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

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Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

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I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Empire Energy Group Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Empire Energy Group Limited to be held at the offices of Nexia Australia, Level 16, 1 Market Street, Sydney, NSW on Thursday, 30 May 2019 at 11.00am (AEST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 8, 9, 10 & 11 (except where I/we have indicated a different voting intention below) even though Items 1, 8, 9, 10 & 11 are connected directly or indirectly with the remuneration of a member of key management personnel, which may include the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 8, 9, 10 & 11 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Item 1	Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 9	Approval of Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Re-election of Mr David Sutton as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 10	Grant of Performance Rights to Managing Director - LTI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Re-election of Mr Alexander Underwood as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 11	Grant of Service Rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Mr John Gerahty as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Item 12	Consolidation of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Item 6	Re-election of Professor John Warburton as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Item 7	Ratify issue of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Item 8	Fees for Non-executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_