



EMPEROR ENERGY
L I M I T E D

7 May 2019

Charlotte Hope
Listings Compliance (Sydney)
By email: ListingsComplianceSydney@asx.com.au

Dear Charlotte,

EMP Appendix 5B Query

We refer to your letter dated 3 May 2019 requiring response to Appendix 5B query under the listing rule 18.7. Our response to your queries are set out below:

1. Does EMP expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

Yes, EMP expects that it will continue to have negative operating cash flows for the time being. The principal activities of the entity consist primarily of investment in selected exploration, production and development opportunities in the upstream oil and gas sector.

2. Has EMP taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

EMP does not have any production income and in order to continue to fund its operations and further explore and develop the entity's tenements it proposes to raise further capital through additional equity capital or debt funding.

We refer to the Quarterly Report for 31 March 2019 in which the company said "Emperor Energy has capacity to raise capital under ASX listing rules 7.1 and 7.1A. Emperor Energy intends to re-capitalise the company to undertake the next 12 months program."

EMP is confident of a successful capital raise.

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3. Does EMP expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, EMP expects to be able to continue its operations and meet its business objectives. These will be achieved through the proposed steps in the answer to question 2 above.

4. Please confirm that EMP is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.

We confirm that the EMP is complying with Listing rule 3.1 and that there is no information about its financial condition that has not been released to the market in accordance with the Listing Rule 3.1.

5. Please confirm that EMP's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of EMP with delegated authority from the board to respond to ASX on disclosure matters.

We confirm that the responses to the above questions have been authorised and approved by the board.

Should you have any queries about any of the above responses, please contact us.

Kind regards,

Carl Dumbrell
Company secretary

EMP - Response to 5b 07-05-19.docx

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3 May 2019

Mr Carl Dumbrell
Company Secretary
Emperor Energy Limited
Level 32, 1 Market Street
Sydney, NSW, 2000
By email: carl4cdtl@gmail.com

Dear Mr Dumbrell

Emperor Energy Limited ('EMP'): Appendix 5B Query

ASX refers to EMP's Appendix 5B quarterly report for the period ended 31 March 2019 lodged with ASX Market Announcements Platform on 30 April 2019 (the 'Appendix 5B').

ASX notes that EMP has reported:

- negative net operating cash flows for the quarter of \$4,102;
- cash at the end of the quarter of \$192,425; and
- estimated cash outflows for the next quarter of \$176,000.

It is possible to conclude, based on the information in the Appendix 5B that if EMP were to continue to expend cash at the rate indicated by the Appendix 5B, EMP may not have sufficient cash to continue funding its operations.

In view of that, ASX asks EMP to respond separately to each of the following questions and requests for information:

1. Does EMP expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has EMP taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does EMP expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that EMP is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that EMP's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of EMP with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9.30 AM AEST Wednesday, 8 May 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in EMP's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EMP's obligation is to

disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to EMP’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that EMP’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in EMP’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Charlotte Hope
Senior Adviser, Listings Compliance (Sydney)