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ASX Announcement

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NORTHERN TERRITORY OPERATIONS UPDATE

Empire Energy Group Limited (“Empire” or the “Company”) is pleased to provide shareholders an update on its Northern Territory operations.

EP187 2019 2D SEISMIC PROGRAM

Empire recently submitted its revised EP187 2D Seismic Environment Management Plan (“EMP”) for Northern Territory Government assessment.

EMPs are the key regulatory approval requests for upstream oil and gas work program activity in the Northern Territory.

The revised EMP has been submitted in accordance with the new regulations implemented by the Northern Territory Government earlier this year.

Empire anticipates that the submitted EMP will be accepted for formal assessment in the coming weeks.

Subject to regulatory approvals, Empire will mobilise a seismic crew into the area in Q3 2019. The seismic acquisition phase will be approximately 3 weeks, followed by processing and interpretation of approximately 2 months.

Empire has sought tenders from several seismic companies. The total cost of the program, including acquisition, processing and interpretation, is expected to be ~A\$1,300,000 – A\$1,500,000. The seismic program is fully funded from existing cash reserves.

The seismic program will provide valuable technical information including the thickness, depth and lateral extent of petroleum bearing formations including the Velkerri Shale within EP187 which will inform prospective resource volumetrics and future exploration drilling locations.

BEETALOO AND MCARTHUR BASIN MAJOR WORK PROGRAMS

Following a period of regulatory implementation which commenced after the Northern Territory Government announced that the fracking moratorium would be lifted in April 2018, major operators are well advanced in preparations to recommence industry activity in the second half of 2019.

Santos' major focus area for appraisal activities is its EP161 tenement located immediately adjacent and to the West of Empire's EP187 tenement. Seismic data available on open file has been analysed by Empire and it demonstrates that the Velkerri Shale extends from Santos' tenement into Empire's tenement at depths and thicknesses which are suitable for petroleum development. Consequently, Santos' appraisal activities will directly inform the potential of EP187.

Further, Empire's 2019 EP187 2D seismic program will demonstrate the extension of the Velkerri Shale and other prospective petroleum formations into EP187.

In April 2019, the Northern Territory Department of Environment and Natural Resources ("DENR") announced that it had accepted Santos' EP161 2019 drilling Environment Management Plan for assessment. The Santos EMP contemplates the drilling of 2 horizontal wells in 2019 which will test the Velkerri Shale. One of the wells, Inacumba-1, will be in close proximity (approximately 30 km) to EP187.

In a 2019 First Quarter Activities Report, Santos stated that it was on track to commence drilling the first well of the program in Q3 2019.

In May 2019, DENR announced that it had accepted an EMP submitted by Origin Energy for the drilling and hydraulic stimulation of a well to test the liquids-rich Kyalla Formation for assessment.

Origin has indicated that this well would be the first well in a two well program planned for 2019. The second well will target the liquids-rich portion of the Velkerri Shale as detailed in Origin's March 2019 Quarterly Production Report.

Both Santos and Origin's 2019 drilling programs will be of direct value to Empire by demonstrating the production potential of the shale formations of the world class Beetaloo and McArthur Basins.

NORTHERN TERRITORY REGULATORY IMPLEMENTATION

When the Northern Territory Government announced that it would lift the fracking moratorium in April 2018, it accepted all 135 recommendations of the Independent Scientific Inquiry into Hydraulic Fracturing in the Northern Territory ("the Inquiry").

The recommendations are being implemented in a staged manner in order to facilitate the commencement of industry activities in 2019 (such as seismic in Empire's EP187 tenement and the drilling and fracture stimulation of horizontal wells in Origin and Santos' tenements). Further regulatory implementation is ongoing.

One of the recommendations of the Inquiry was to implement Reserved Blocks, which are areas deemed by the Inquiry to be inconsistent with petroleum exploration.

Such areas detailed in the Final Report of the Inquiry include towns, areas of high ecological and cultural significance (“Sites of Cultural Significance” or “SOCS”), Indigenous Protected Areas (“IPAs”) and National Parks.

The Northern Territory Government has released a consultation paper for public comment which contains areas of proposed Reserved Blocks. No final decisions regarding the implementation of Reserved Blocks have been made by the Northern Territory Government.

Empire’s EP187 tenement does not contain any proposed Reserved Blocks and as such exploration activities are expected to progress on schedule. EP187 is the principal focus of Empire’s near term work programs as detailed above.

Portions of Empire’s EP184 tenement contain the Limmen National Park which has been detailed as a proposed Reserved Block. Empire has previously carried out work programs in the Limmen National Park portion of EP184 (including drilling in 2014) safely and responsibly. Empire has always complied fully with all Government regulations and approvals and Traditional Owner consents and has remediated the work program areas to a world-class standard.

Portions of Empire’s EP(A)180, EP(A)181, EP(A)182 and EP(A)183 are detailed in the Northern Territory Government consultation paper as being proposed Reserved Blocks due to being either IPAs or SOCS. The Northern Territory Government’s consultation paper specifically notes that Traditional Owners have the right of self-determination over the economic development of their land. This approach is entirely consistent with Empire’s historical approach to Traditional Owner negotiations since it was one of the first oil and gas companies to apply for petroleum tenements in the McArthur Basin in 2010. Empire respects these Traditional Owner land rights and will continue to work respectfully with Traditional Owners through the Northern Land Council to seek Traditional Owner consents.

Empire has a long and successful track record of negotiating successful standing agreements with Traditional Owners on Aboriginal Land. Since 2010, Empire has conducted 26 On Country meetings with Traditional Owners, the vast majority of whom have been supportive of Empire carrying out exploration activities. Furthermore, Empire was one of the first companies to be awarded an Exploration Permit on Aboriginal Land (EP187).

The process of consultation and negotiation regarding potential Reserved Blocks between Empire, Traditional Owners through the Northern Land Council and the Northern Territory Government is expected to take several months.

The Company will update shareholders as negotiations progress over the coming months.

ABOUT EMPIRE ENERGY GROUP LIMITED

Empire Energy is a conventional oil and natural gas producer with operations in Appalachia (New York and Pennsylvania) and the MidCon (Kansas and Oklahoma).

The Company has over 14.5 million acres in the McArthur & Beetaloo Basins, Northern Territory, both of which are considered highly prospective for large shale oil and gas resources. Work undertaken by the Company since 2010 demonstrates that the Central Trough of the McArthur Basin, of which the Company holds around 80%, is highly prospective, with key similarities to those extending through Oman, Siberia and Southern China and which contain resources of billions of barrels of oil equivalent.