



**EMPEROR ENERGY**  
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31<sup>st</sup> October 2019

ASX Market Announcements  
ASX Limited 20 Bridge Street  
Sydney NSW 2000

## **September 2019 Quarterly Activities Report**

### **Highlights**

- Non-Binding Memorandum of understanding executed with APA Group to progress development of gas delivery pipelines and gas processing plant for the Judith Gas Field.
- Progress continues with the process of identifying and securing a suitable Farm-In Partner for the exploration/appraisal and subsequent development of the Judith Gas Field
- Resource Statement announced 11<sup>th</sup> July 2019 for the Judith Structure within the 100% Emperor Energy owned Permit VIC/P47:
  - 2C Contingent Gas Resource of **150 Bcf**
  - P50 Unrisked Prospective Gas Resource of **1.226 Tcf**
- Dynamic Modelling Results for the Judith Structure were also announced 11<sup>th</sup> July 2019:
  - A Four (4) well development model indicated an **80 MMscf/d** production rate can be maintained for 32 years
  - Gas production modelled at **29Bcf/year** with 934 Bcf of Raw Gas produced across 32 Years
  - Simulated flow rates are of sufficient capacity to supply a plant of equivalent capacity to the existing onshore gas processing plant at Orbost.
- Sale agreement executed to sell offshore Retention Lease, Cyrano R3/R1 for \$325,000.
- Consolidation of the Company's ordinary shares and listed options completed on a one (1) for fifteen (15) basis.

### **Emperor Energy Executes Memorandum of Understanding with APA Group**

On 16<sup>th</sup> October Emperor Energy Limited (Emperor) announced that Emperor Energy and APA Group (ASX:APA) had entered into a non-binding Memorandum of Understanding (MOU) to agree the scope and commercial framework for the provision of midstream infrastructure and services related to gas that will potentially be produced from the Judith Gas Field in the 100% Emperor Energy owned VIC/P47 Permit in the offshore Gippsland Basin, Victoria.



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The MOU will direct and facilitate the negotiation of definitive Transaction Documents whilst providing a path for agreement on an initial work plan to finalise and execute the Transaction Documents.

Emperor Energy and APA have been in regular confidential discussions relating to the Judith Gas Field for more than 12 months. APA have been regularly updated on the detailed studies of the Judith Gas Field completed by Emperor and the subsequent Judith Gas Field Resource Statements. APA have recently completed desk top due diligence in relation to the Judith Gas Field.

Emperor Energy considers the establishment of an MOU with APA ([www.apa.com.au](http://www.apa.com.au)) to be a major milestone in progressing the development of the Judith Gas Field.

Emperor Energy continues to liaise with potential Exploration and Production Partners for the drilling of the Judith 2 Exploration and Appraisal Well.

## **Judith Gas Field Farm-In Partner Progress**

As previously advised on 26th September and 16th October Emperor Energy continues to progress with the process of identifying and securing a suitable Farm-In Partner for the exploration/appraisal and subsequent development of the Judith Gas Field. Strong interest has been shown by a range of quality upstream industry participants.

Discussions have progressed under confidentiality agreements with a significant number of parties who have now received Management and Technical Presentations and are accessing the Data Room.

Emperor Energy is pleased by the level of industry response and engagement, and whilst no transaction can be guaranteed, Emperor Energy is confident that a suitable Farm-in Partner can be obtained to facilitate the drilling of a well to target the large Prospective Resources associated with the Judith Gas Field. The well is planned to be located up-dip on the Judith structure from the original Judith-1 discovery well drilled by Shell in 1989.

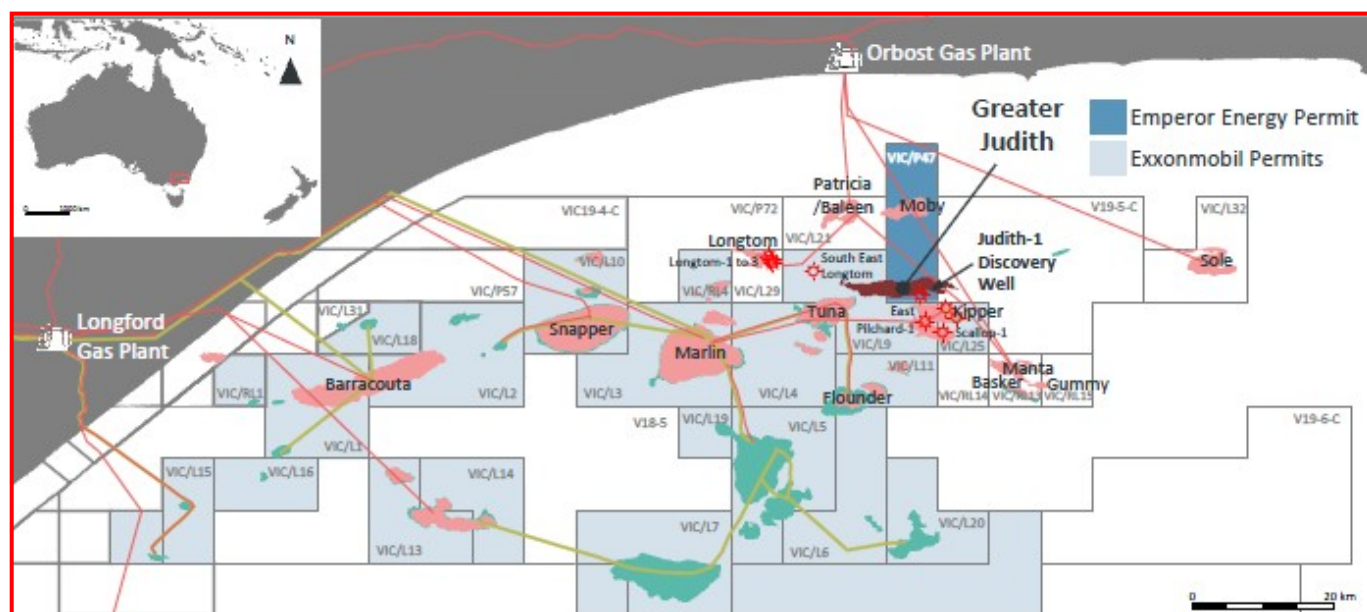
## **Independent Resource Statement - Judith Gas Field**

On 11<sup>th</sup> July 2019 Emperor Energy announced that Geological Consultants 3D-GEO had completed an Independent Resource Statement for the Judith Gas Field within the 100% Emperor Energy owned VIC/P47 Exploration Permit located in the offshore Gippsland Basin, Victoria. See Figure 1 below.

3D-GEO apportioned Contingent and Prospective Resources in accordance with the Society of Petroleum Engineers' internationally recognised Petroleum Resources Management System (SPE-PRMS 2018). The results are provided in Table 1 below.



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**Figure 1: Location of 100% Emperor Energy owned VIC/P47 offshore Gippsland Basin showing regional permits along with oil and gas fields**

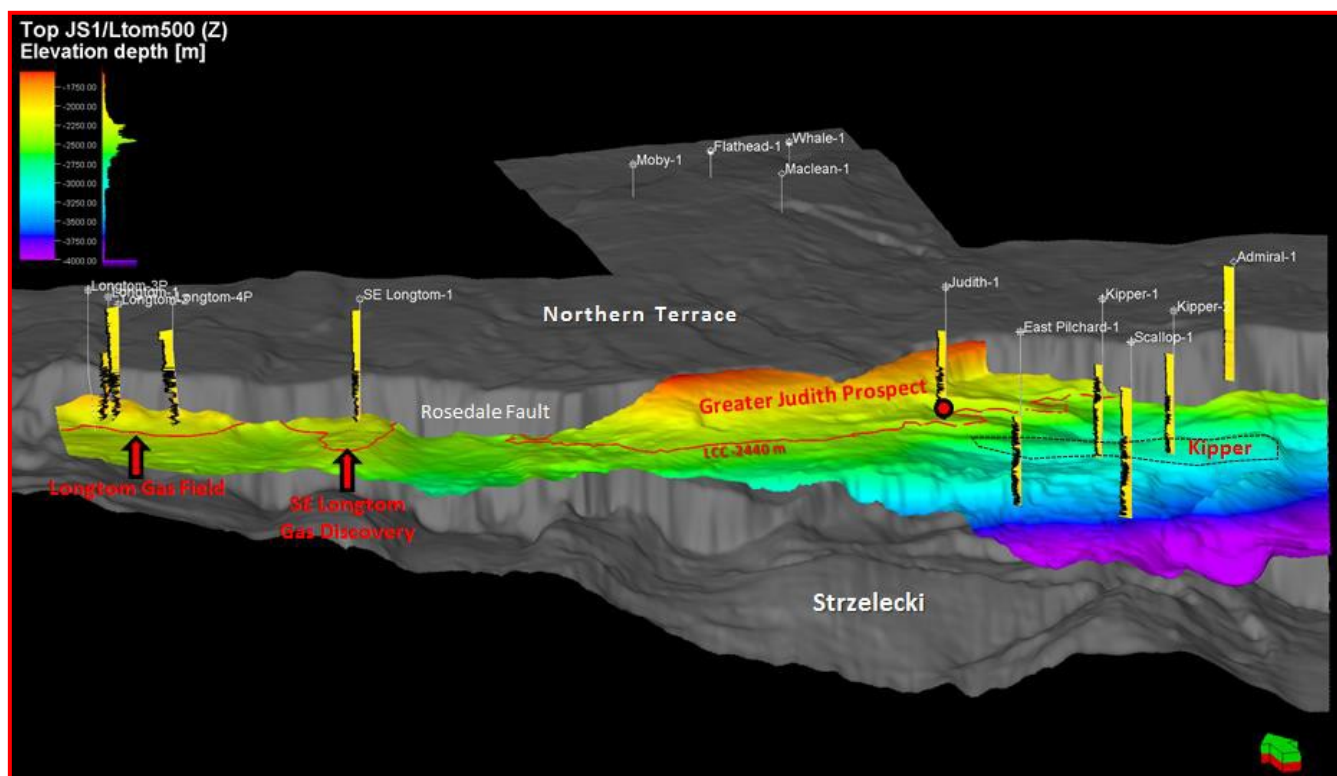
Judith Gas Discovery		Contingent Resources		
		Low Estimate 1C	Best Estimate 2C	High Estimate 3C
GIIP	Bcf	180	278	386
Sales gas	Bcf	97	150	209
Condensate	MMbbl	1.4	2.2	3.2

Greater Judith Area		Unrisked Prospective Resources		
		P90	P50	P10
Judith Deep	Bcf	38	62	92
West	Bcf	83	127	176
Central	Bcf	37	333	628
North	Bcf	29	166	315
North East	Bcf	49	279	494
North West	Bcf	15	102	226
South	Bcf	14	157	565
<b>Total</b>	<b>Bcf</b>	<b>265</b>	<b>1226</b>	<b>2496</b>

**Table 1: Summary of Contingent and Prospective Resources for Judith area of VIC/P47 (3D-GEO, July 2019)**



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**Figure 2: Judith Gas Sand 1 Depth Model from Longtom Gas Field across to the Greater Judith Structure indicating shape and scale of the Judith Structure**

## Dynamic Modelling and Production Simulation

Using data from the Judith1 Well along with Seismic interpretation of the Judith Structure, 3D-GEO initially constructed and populated a static geological model in Schlumberger's Petrel software to extract the Gross Rock Volumes to be used across the Greater Judith Structure. This model was used for the Resource Evaluation.

Although the seismic interpretation and 3D modelling does not indicate clear compartmentalisation between the Judith-1 well and the northern culminations of the structure, 3D-GEO took a conservative approach to the resource assessment and generated a series of separate fault blocks, with individual reservoir gas water contacts.

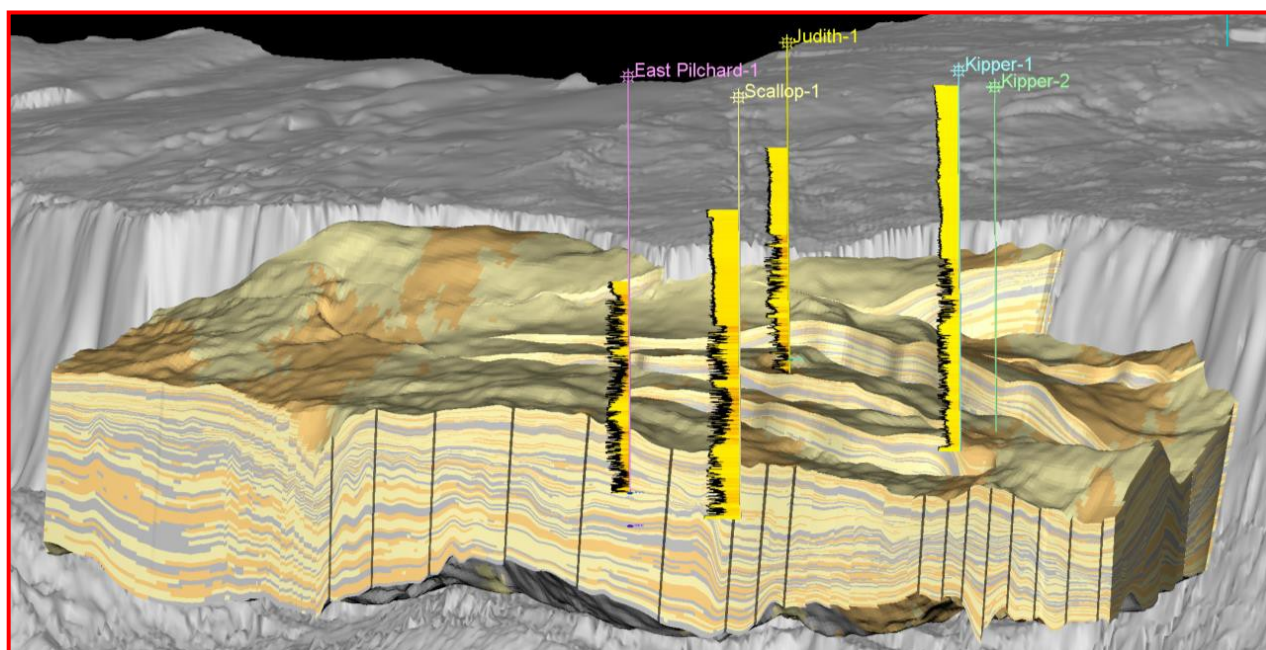
3D-GEO then built a dynamic simulation model using the separate compartments with a gas column height of 450m in each compartment. This model was used to estimate potential well deliverability, potential production history and estimate recovery factors. The unconstrained gas flow rate for a single well with multiple gas sands producing was approximately 44 MMcf/d.

A four well development was modelled over a 35-year production life with gas production limited to 80 MMscf/d. This production constraint was applied to provide an analogue comparison with the capacity of current onshore gas processing infrastructure at Orbest owned and operated by others. The 80 MMscf/d production plateau was maintained for 32 years with a gas production of 29Bcf /year. Total gas production over the 32-year plateau period was 934 Bcf of Raw Gas.

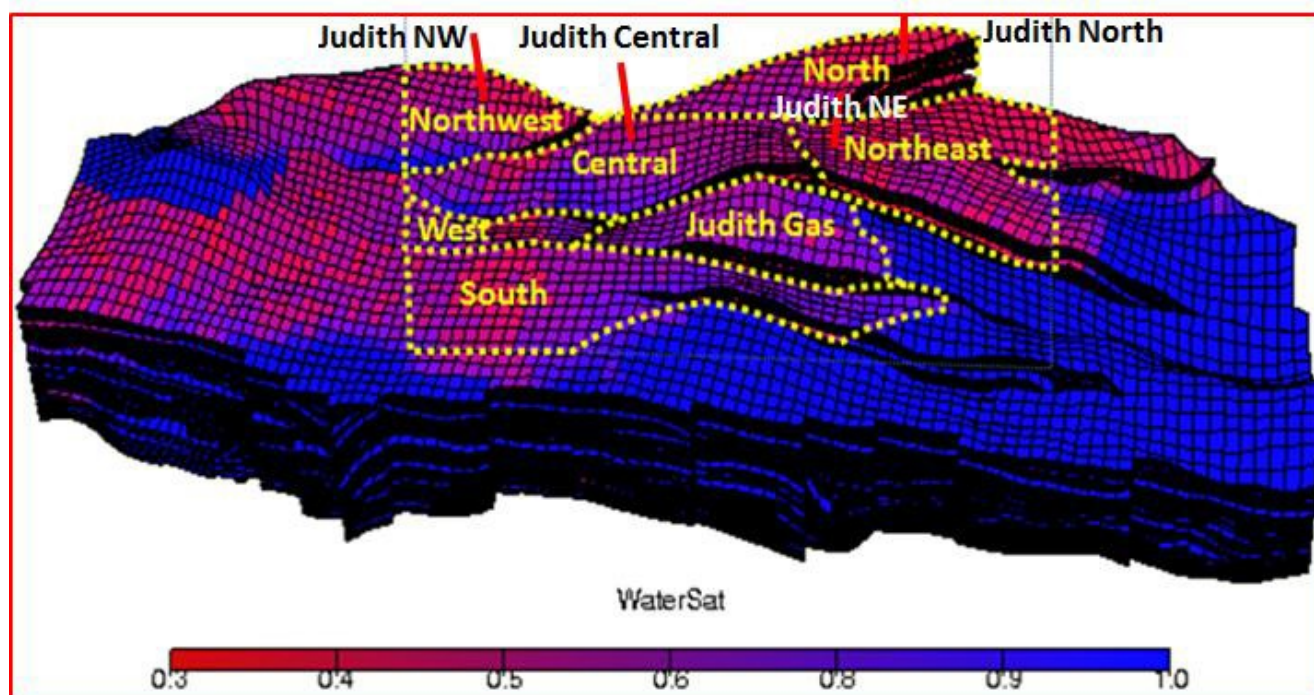




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**Figure 3: Greater Judith Static Model**



**Figure 4: Greater Judith Dynamic Model with Compartments and Four Well Model**



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## Sale of Cyrano (R3/R1)

On 16<sup>th</sup> September 2019 Emperor Energy Limited (ASX: EMP) announced that it had entered into a sale agreement to sell its offshore Retention Lease, Cyrano R3/R1.

The terms of the agreement are:

Purchaser: Emco Capital Pty Ltd (A.C.N. 074 681 075)

Purchase price: \$325,000

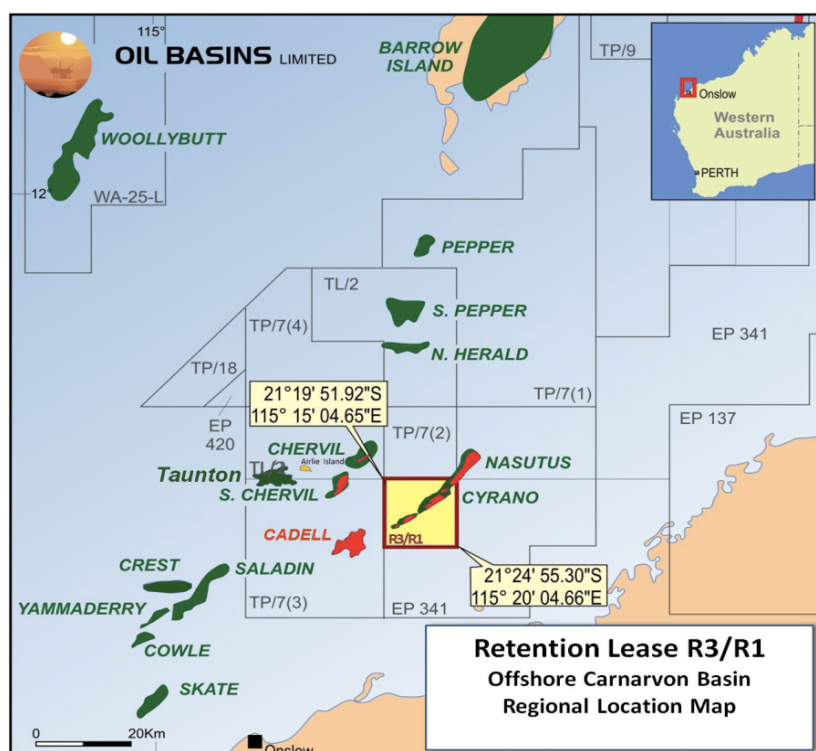
Settlement date: 31 December 2019

Royalty: A Royalty of \$0.50 per Barrel of Oil Equivalent of Petroleum Products produced and recovered from the Title Area.

Option to acquire Royalty: Emco Capital Pty Ltd may acquire the Royalty from EMP at any time within 48 months from the date of Settlement for a purchase price of \$1,500,000.00.

## About Cyrano (R3/R1)

- Cyrano has Contingent Resource (2C) of 3.01 MMbbl of oil
- Additional Prospective Resources (P50) estimated at 0.928 MMbbl
- EMP is Operator and holds 100% of R3/R1
- Permit Area – 81 km<sup>2</sup>
- The Cyrano Oil Field was discovered in 2003
- The field is defined by 4 vintage wells and 3D seismic
- The field is located in 17 m of water.
- Productive reservoirs commence at 600 m depth.
- Permit renewed for 5 years in early 2017





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## Completion of Share Consolidation

On 19<sup>th</sup> August 2019 Emperor Energy advised that a consolidation of the company's ordinary shares and listed options had been completed. The consolidation was approved by shareholders at the General meeting of the company held on 7 August 2019, on a one (1) for fifteen (15) basis.

At the time of the announcement the total number of ordinary shares on issue had been reduced from 1,134,459,728 to 75,630,927. The total number of listed options on issue had been reduced from 634,651,398 to 42,310,165.

New holding statements were dispatched to shareholders to advise them of their shareholding on a post consolidation basis.

## Finance

At the end of the quarter, 30<sup>th</sup> September 2019, the Emperor Energy Limited cash balance was \$104,209. A summary of the cash flow for the quarter are attached in the Appendix 5B.

Emperor Energy has capacity to raise further capital under ASX listing rules 7.1 and 7.1A.

## Tenement holding summary

Below is a list of the tenements held by Emperor Energy Limited as at 30 June 2019:

<b>Petroleum Tenement</b>	<b>Location</b>	<b>Beneficial Percentage held</b>
Vic/P47	Victoria	100% / Operator
Cyrano R3/R1	Western Australia	100% / Operator
Backreef Area	Western Australia	100% / Operator

We thank shareholders and our team for their ongoing support and welcome any questions they may have.

Yours faithfully

**Carl Dumbrell**

**Company Secretary**

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**Corporate Directory**

**Board of Directors**

Carl Dumbrell  
Nigel Harvey  
Malcolm King  
Phil McNamara

**Company Secretary**

Carl Dumbrell

**Geological Consultant**

Geoff Geary

**Registered office & Principle place of business**

Level 32, 1 Market Street  
Sydney NSW 2000

**Mailing Address**

GPO Box 5360  
Sydney NSW 2001

**Auditors**

Deloitte  
550 Bourke Street  
Melbourne Vic 3000

**Lawyers**

Hopgood Ganim  
Level 27, Allendale Square  
77 St Georges Tce, Perth WA 6000

**Share Registry**

Automic Pty Ltd ACN 152 260 814 Trading as Automic Registry Services  
Level 5, 126 Phillip Street  
Sydney NSW 2000  
Phone: 1300 288 664 Overseas callers: +61 2 9698 5414  
Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

**Capital Structure**

The company currently has issued capital (as at 31<sup>st</sup> October 2019) of:

Ordinary fully paid shares	(ASX: EMP)	77,408,370
Options expiring 31 <sup>st</sup> March 2020 (Ex \$0.075)	(ASX: EMPOC)	44,087,608





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**Top 20 Shareholders – ASX: EMP**

<b>Position</b>	<b>Holder Name</b>	<b>Holding</b>	<b>%</b>
1	Citicorp Nominees Pty Limited	6,924,243	8.95%
2	Scintilla Strategic Investments Limited	5,400,000	6.98%
3	Mr Martin Rowney	3,500,000	4.52%
4	Sama Zaraah Pty Ltd	3,257,000	4.21%
5	Daniel J Peters	3,064,197	3.96%
6	Bond Street Custodians Limited	2,916,474	3.77%
7	Mr Craig Graeme Chapman	2,266,667	2.93%
8	The Australian Special Opportunity Fund Lp	2,222,223	2.87%
9	Slade Technologies Pty Ltd	1,833,334	2.37%
10	Littlejohn Embrey Engineering Pty Ltd	1,798,973	2.32%
11	Mr Carl Francis Dumbrell	1,466,667	1.89%
12	Harness Pty Ltd	1,341,667	1.73%
13	Tomlin Sales Pty Ltd	1,280,000	1.65%
14	Buduci Fond Pty Ltd	1,271,175	1.64%
15	Mr Mark Stephen O'leary	1,200,000	1.55%
16	Mr Nishant Kumar Misra	1,144,445	1.48%
17	Arlam Pty Ltd	1,134,541	1.47%
18	Mr Craig John Pontey	1,111,112	1.44%
19	Mr Paul Anthony Evans	1,100,000	1.42%
20	Mr Gavin Jeremy Dunhill	1,066,667	1.38%

**Appendix**

**ASX** – Australian Securities Exchange Limited

**Bcf** – Billion cubic feet

**MMcf/d** - Million Cubic Feet per Day

**Tcf** – Trillion Cubic Feet

**P50** – P50 is defined as 50% of estimates exceed the P50 estimate

**2C** - Best estimate of contingent resources