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## NORTHERN TERRITORY GOVERNMENT APPROVALS GRANTED FOR THE DRILLING OF EMPIRE'S FIRST WELL IN EP187

Empire Energy Group Limited ("Empire" or the "Company") is pleased to advise shareholders that it has received Northern Territory Government approvals for the drilling of Carpentaria-1, to be located in EP187.

With formal Northern Territory Government approvals for the drilling of Carpentaria-1 now in place, Empire can finalise the well design and carry out formal tendering with service providers.

Once that process is complete, Empire will inform shareholders of its final investment decision regarding the drilling of Carpentaria-1 and the start date of the drilling program.

Empire is one of the first companies active in the McArthur and Beetaloo Basins to be granted Northern Territory Government approvals for drilling under the new regulatory framework.

Carpentaria-1 is a planned vertical well to be located in EP187, to appraise the Velkerri and Kyalla Shales. The prognosed depth of the well is ~2,900m.

The recent 2D seismic program carried out by Empire shows the top of the Velkerri Shale to be at approximately 2,200m depth and to be 600m thick, and the shallower Kyalla Shale located at a depth of approximately 1,200m at the Carpentaria-1 well location.

Empire's technical team has been working closely with its Well Engineering and Project Management consultants, InGauge Energy<sup>1</sup>, to finalise the well engineering design of Carpentaria-1.

The most likely well design incorporates an extensive formation evaluation program including coring which will provide valuable technical information regarding hydrocarbon composition and content, and rock mechanical properties of the Velkerri and Kyalla Shales in EP187.

This data will inform Empire regarding the likely recoverable volumes of hydrocarbons in its EP187 Phase 1 Work Program Area (see Figure 1) which extends across 160km2 and the hydrocarbon composition of the Velkerri and Kyalla Shales (crude oil vs natural gas liquids vs dry gas). Mechanical rock properties

<sup>&</sup>lt;sup>1</sup> www.ingauge.com.au

information will focus the key target formations for design of future fracture stimulation programs which are critical for flow testing and ultimately commercial hydrocarbon production.

The well design being considered would allow the well to be suspended for future re-entry and evaluation work. Further evaluation would most likely involve a vertical fracture stimulation of the Velkerri Shale similar to the fracture stimulation recently successfully carried out by Santos on its Tanumbirini-1 well in EP161 adjoining EP187 (see Figure 1) followed by the drilling and fracture stimulation of a horizontal well section to carry out an extended production test.

Additional evaluation activities on Carpentaria-1 after the initial drilling program would be subject to a separate Northern Territory Government approval process which has already commenced.

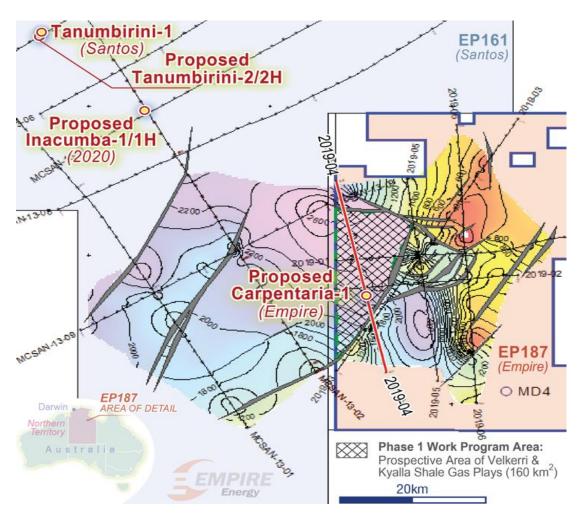


FIGURE 1. PROPOSED CARPENTARIA-1 WELL LOCATION IN EP 187 CORE WORK PROGRAM AREA

This ASX release has been authorised by the Managing Director of Empire Energy Group Limited.

For any queries about this announcement, please contact:

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## **ABOUT EMPIRE ENERGY GROUP LIMITED**

Empire Energy holds over 14.5 million acres of highly prospective exploration tenements in the McArthur & Beetaloo Basins, Northern Territory. Work undertaken by the Company since 2010 demonstrates that the Eastern depositional Trough of the McArthur Basin, of which the Company holds around 80% has very considerable conventional and unconventional hydrocarbon potential. The Beetaloo sub-Basin, in which Empire holds a substantial position, has independently assessed world class hydrocarbon volumes in place with a major ramp up in industry activity underway to appraise substantial discoveries already made by major Australian oil and gas operators.

Empire Energy is an experienced conventional oil and natural gas producer with operations in the Appalachia region (New York and Pennsylvania). Empire has been successfully developing and producing oil and gas since 2006.