

ASX:EEG

Successful Capital Raising

26th August 2020



Empire successfully raises A\$10 million via a Placement

Highlights:

- **Commitments received from existing and new institutional and sophisticated investors for a well-supported A\$10 million Placement**
- **Empire is now fully funded to execute drilling Carpentaria-1 in the Beetaloo Basin in the Northern Territory to begin in September 2020, and fracture stimulation and flow testing planned for Q2 2021 (subject to regulatory approval)**
- **Empire Directors have demonstrated their support for Empire by committing to exercise 6,187,500 options at A\$0.30 per share to raise an additional A\$1.86 million**
- **Pro forma cash at bank of over A\$20 million on completion of the Placement and Director option exercise**

Empire Energy Group Limited (“**Empire**”) is pleased to announce that gross proceeds of A\$10 million at A\$0.30 per share has been raised through an unconditional single-tranche placement to institutional and sophisticated investors (“**Placement**”).

Morgans Corporate Limited and Blue Ocean Equities Pty Limited were the Joint Lead Managers for the Placement.

Use of Funds

Funds raised under the Placement will be applied to Empire’s Northern Territory exploration and development program including the imminent drilling of the Carpentaria-1 well.

Empire has started work in preparation for drilling the Carpentaria-1 well in EP187 including upgrading the access track, construction of the well pad and water bore drilling. These civil works are wholly being conducted by Northern Territory based companies and personnel. After completion of the civil works program, Empire expects to commence drilling the Carpentaria-1 well in mid-September 2020.

The balance of the funds raised under the Placement are intended to be used for a planned vertical fracture stimulation of the Velkerri Shale in the Carpentaria-1 well in Q2 2021 (subject to regulatory approvals which are ongoing) as well as working capital.

Comments from Managing Director Alex Underwood:

“We are pleased with the strong level of support for this capital raising from existing and new sophisticated and institutional shareholders. Empire is now well funded to progress its planned work programs across its extensive holdings in the Beetaloo and McArthur Basins.

The Northern Territory election result last weekend demonstrated that there is now bipartisan support for our industry in the Northern Territory Parliament. Empire is proud of its track record of responsible exploration, community engagement and capital investment which is supporting job creation and the broader Northern Territory economy.

Empire is playing a key role in unlocking the value of the Northern Territory’s emerging Beetaloo and McArthur Basins through measured capital investment in our properties, which we believe can create substantial value for our shareholders, broad and sustainable economic benefits to the people of the Northern Territory, and energy security for Australia and the broader region.”

Placement Structure and Pricing

In light of extremely strong demand for the Placement, the Company elected to accept oversubscriptions of A\$3 million over the initial target of A\$7 million. The additional A\$3 million raised will ensure that the Company is fully funded for the vertical fracture stimulation and flow testing of Carpentaria-1, which is targeted to commence in Q2 2021, subject to regulatory approvals.

Empire has issued 33,333,334 new Shares in the Company at an issue price of A\$0.30 per Share which represents a discount of:

- 11.8% to the last traded price of A\$0.340;
- 12.4% to the 5-day VWAP of A\$0.342; and
- 8.7% to the 15-day VWAP of A\$0.329

Shareholder approval is not required as Empire will issue 6,427,242 shares under its ASX Listing Rule 7.1 capacity and 26,906,092 shares under its ASX Listing Rule 7.1A capacity. All Shares issued under the Placement will rank pari passu with the existing ordinary shares on issue.

Indicative Placement and Options Expiry Timetable

Event	Date
Settlement of Placement	Thursday, 3 rd September
Allotment and Trading of New Shares	Friday 4 th September
September 2020 Option Expiry Date	Saturday, 26 th September
October 2020 Option Expiry Date	Monday, 26 th October

Option holders who hold options exercisable at 30c per share expiring in September 2020 and October 2020 can contact the Company for option exercise forms and settlement instructions.

Water bore drilling underway at the
Carpentaria-1 well site



Following the release of this announcement, Empire requests that the ASX reinstate trading in its shares.

This ASX release has been authorised by the Empire Board of Directors.

For queries about this release, please contact:

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