

ASX:EEG

**Beetaloo Cooperative Drilling
Program Grants Approved**

8 July 2021



Level 19, 20 Bond Street
Sydney NSW 2000

Beetaloo Cooperative Drilling Program Grants Approved

Highlights:

- **The Federal Government has approved up to \$21 million in grant funding to Empire under the *Beetaloo Cooperative Drilling Program***
- **The funding will support the drilling and flow testing of up to 3 fracture stimulated horizontal appraisal wells in Empire's 100% owned EP187 tenement, additional seismic acquisition and other associated costs**
- **Empire's planning for its first fracture stimulated horizontal appraisal well later this year is well advanced and fully funded**
- **Empire expects to commence drilling its first horizontal appraisal well, which will benefit from the grant funding, in Q4 this year (subject to NT Government approvals which are well advanced)**
- **The program will continue under the mutually agreed exploration agreement with the full and informed consent of traditional owners**

Comments from Managing Director Alex Underwood:

"We welcome the award of Federal Government grants to support our planned exploration and appraisal in the Beetaloo Sub-basin. This funding will accelerate our activities and enable a rapid commercialisation strategy.

Our planning for further seismic acquisition and the drilling and completion of our first horizontal well, which will benefit from this grant funding, is progressing well. The NT Government approval process is well advanced and our subsurface and operational teams are carrying out preparatory engineering and drilling design works to prepare for this next phase of our field programs.

Critical technical data gained from the ongoing flow testing of our vertical Carpentaria-1 will soon be analysed to assess gas composition (dry gas vs liquid hydrocarbons) and zonal contribution (i.e. how each of the four zones we have fracture stimulated in the Middle Velkerri shale is contributing to total production).

This data will inform our approach to drilling the horizontal well in Q4 2021, particularly which zone to land the horizontal section in, and how to fracture stimulate that well to maximise production."

About the Beetaloo Cooperative Drilling Program

The *Beetaloo Cooperative Drilling Program* (“the Program”) was announced by the Australian Government earlier this year as part of its *Gas-fired Recovery Strategy*.

The Program has been implemented to encourage explorers to accelerate their work programs with a view to accelerating initial commercial production from the Beetaloo Sub-basin. This would increase gas supply for Australian households and businesses.

The Program provides for \$50 million of funding towards exploration activity that is carried out by the end of 2022. The maximum amount of grant funding under the Program is \$7.5 million per well, capped at 25% of the cost of each well and three wells per venture. Activities that support drilling such as seismic acquisition and flow testing are eligible under the Program.

Empire is the first company to have received approvals for grant funding under the Program.

Australian Federal Minister for Resources and Water, Hon Keith Pitt MP, released a media statement yesterday in relation to the approvals which can be found at Appendix A.

Relevance to Empire Energy

The grant funding received by Empire will have material positive impacts for Empire including:

- Offsetting 25% of eligible expenditure which may include additional seismic acquisition, the drilling of up to three horizontal wells in 2021 and 2022, the fracture stimulation and completion of those wells, and the flow testing of those wells; and
- The three wells to be drilled using grant funding under the Program may become commercial production wells in future. This is aligned with Empire’s rapid commercialisation strategy focused on accessing existing pipeline infrastructure (subject to further NT Government regulatory implementation and award of production licenses).

Empire will update shareholders as the formal documentation of the grants progresses.

On 23 June 2021, the Australian Senate referred an inquiry into oil and gas exploration and production in the Beetaloo Basin to the Senate Environment and Communications References Committee, with the following term of reference: “Oil and gas exploration and production in the Beetaloo Basin, with particular reference to the Industry Research and Development (Beetaloo Cooperative Drilling Program) Instrument 2021, which provides public money for oil and gas corporations.”

Empire has made a submission to the Senate inquiry which will be put on public record in due course. Empire will update shareholders as the inquiry progresses.



Carpentaria-1 located in EP187 during vertical fracture stimulation operations

This ASX release has been authorised by the Managing Director.

For queries about this release, please contact:

Alex Underwood, Managing Director

Ph: (02) 9251 1846

info@empiregp.net

APPENDIX A – FEDERAL GOVERNMENT PRESS RELEASE: “GRANTS TO HELP SPEED UP BEETALOO DRILLING PROGRAM”



THE HON KEITH PITT MP
Minister for Resources and Water
Member for Hinkler

MEDIA RELEASE

7 July 2021

GRANTS TO HELP SPEED UP BEETALOO DRILLING PROGRAM

The Coalition Government has announced the first grants under the \$50 million Beetaloo Cooperative Drilling Program to help accelerate development of gas projects in the Northern Territory.

Minister for Resources and Water Keith Pitt has said the three grants to Imperial Oil and Gas would provide up to \$21 million to support three new exploration wells in the company’s EP187 exploration zone in the basin’s east.

Under the Beetaloo Cooperative Drilling Program, grants of up to \$7.5 million per well are available to applicants. Further grants are expected to be announced in the coming months.

“The Beetaloo Sub-basin is potentially a world-class gas resource which could create thousands of jobs and help bolster supplies of gas for the domestic market and for exports around the world,” Minister Pitt said.

“The Coalition Government announced the new strategic basin plan for the Beetaloo Sub-basin in December, with the aim of speeding up investment, exploration and development to unlock jobs and resources under the gas-fired recovery program.

“Grants under the Beetaloo Cooperative Drilling Program are expected to deliver several additional exploration wells by 2022 and bring forward at least \$150 million in private investment in the basin.”

Minister Pitt said development in the Beetaloo Sub-basin could transform the Northern Territory economy and generate up to 6,000 jobs, mostly in the Territory, by 2040.

“Only the Coalition Government can be trusted to bring jobs and opportunity to the Territory” Minister Pitt added.

“The Labor Party have shoved the drilling program legislation off to a Senate Committee where the Greens have pledged to wreck the gas industry by any means at their disposal.

“As the leader of the Greens Mr Adam Bandt has made clear – Labor and the Greens will seek to rule in coalition to destroy the gas industry, destroy the resources sector and run our economy into the ground”.

For more information, visit the [Unlocking the Beetaloo: The Beetaloo Strategic Basin Plan](#) report on the Department of Industry, Science, Energy and Resources website.

ENDS

Media contact:

Matt Dunstan 0411 535 072

Marnie Hobson 0407 090 230