

ASX:EEG

**Beetaloo Cooperative Drilling Program
Update**

23 February 2022



Level 19, 20 Bond Street
Sydney NSW 2000

Replacement Beetaloo Drilling Grant Agreements Executed

- **Empire’s wholly owned subsidiary, Imperial Oil & Gas Pty Limited, has executed three new grant agreements with the Australian Government under the *Beetaloo Cooperative Drilling Program* on materially similar terms to the previous agreements**
- **Total grant funding of up to \$19.4 million will be provided by the Australian Government**
- **All work program approvals required for the proposed activities are in place**

Empire Energy Group Limited (“Empire”) is pleased to provide shareholders an update regarding grants awarded under the Australian Government’s *Beetaloo Cooperative Drilling Program*.

Beetaloo Drilling Grant Agreements Executed

Empire’s wholly owned subsidiary, Imperial Oil & Gas Pty Limited (“Imperial”), has executed grant agreements with the Australian Government totalling up to \$19.4 million which will offset 25% of the cost of seismic acquisition and the drilling, fracture stimulation and flow testing of three horizontal appraisal wells in its 100% owned EP187 tenement, located in the Beetaloo Sub-basin, Northern Territory.

The new grant agreements replace previous grant agreements which became void as a result of a decision of the Federal Court of Australia which found, inter alia, that the instrument under which the *Beetaloo Cooperative Drilling Program* was formed and the decision to approve funding to Imperial (the “Approval Decision”) were valid.

The grant agreements are on materially similar terms to those entered into previously and reported to shareholders on 10 September 2021. Activities already carried out by Imperial in EP187 in accordance with the original approval decision including the Charlotte 2D seismic survey and the drilling of Carpentaria-2H are eligible for grant funding in accordance with the Approval Decision.

Key Grant Terms

Grant 1 – 25% of the cost of (i) Charlotte 2D seismic acquisition; (ii) the drilling, fracture stimulation and flow testing of the Carpentaria-2H horizontal appraisal well (excluding the cost of the first 12 fracture stimulation stages and associated cost of horizontal section drilling¹); and (iii) well design, fracture stimulation design, procurement, consumables, access track construction, well pad construction, evaporation pond construction, rig mobilisation and fracture stimulation spread mobilisation (collectively “associated activities”), capped at a total grant amount of \$6.5 million.

Grant 2 – 25% of the cost of drilling, fracture stimulation and flow testing of the Carpentaria-3 horizontal appraisal well and associated activities, capped at a total grant amount of \$6.8 million.

Grant 3 – 25% of the cost of drilling, fracture stimulation and flow testing of the Carpentaria-4 horizontal appraisal well and associated activities, capped at a total grant amount of \$6.0 million.

Subject to appraisal success and the future award of production licenses, these wells may become future production wells, consistent with Empire’s rapid commercialisation strategy.

This ASX release has been authorised by the Managing Director

For queries about this release, please contact:

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¹ The drilling and fracture stimulation of a horizontal appraisal well section is an existing work program commitment which was previously planned to be drilled from the Carpentaria-1 vertical well so these elements of the Carpentaria-2 work program were executed from the scope of the grant agreement