



EMPEROR ENERGY
LIMITED

23 April 2018

ASX Market Announcements

Australian Stock Exchange Limited

10th Floor, 20 Bond Street

Sydney NSW 2000

March 2018 Quarterly Activities Report

Highlights

- **Vic/P47 Permit Renewed for 5 years / P50 unrisked Gas-in-Place estimated at 1.8 Tcf**
- **Petrophysical Studies of Judith-1 well completed including comparison to Longtom wells**
- **Reservoir Engineering commenced / Certified Resource Statement scheduled for Q3 2018**
- **Unmarketable parcel sale facility completed / Shareholders reduced from circa 2000 to 600**

Vic/P47 Permit Renewal

On 22 February 2018, Emperor Energy Limited (EMP) advised that the National Offshore Petroleum Titles Administrator (NOPTA) for the Commonwealth–Victoria Offshore Petroleum Joint Authority, offered EMP a grant of renewal of the Vic/P47 Permit located in the Gippsland Basin, Bass Strait, Victoria. EMP accepted this Offer and the Grant has been completed.

Vic/P47 is held 100% by EMP and is located within close proximity of the Kipper Gas Field operated by Esso Australia (ExxonMobil). On 10th August 2017 EMP announced that the outcomes of seismic reprocessing and subsequent analysis completed during 2017 had resulted in a significant increase in the Gas-in-Place Estimate for the Judith Structure within Vic P47.

The **P50 unrisked Gas-in-Place** within the Judith and Judith North structures is estimated at **1.8 Trillion cubic feet (Tcf)** with the **P50 unrisked Gas Recoverable** estimated at **1.17 Tcf**.

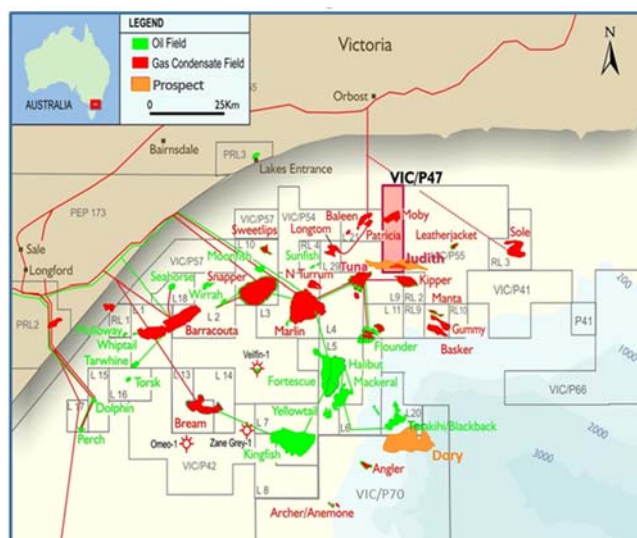


Figure 1: Location of Vic/P47 offshore Gippsland Basin showing permits and oil and gas fields



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Vic/P47 Petro-physics Study Completed

On 26 March 2018, the company released the results of the Petrophysical Study completed by Consulting Petrophysicist Angie Cernovkis. The work included a detailed interpretation of the Judith-1 gas discovery (drilled by Shell in 1989) together with a petrophysical comparison with wells drilled on the Longtom Gas Field.

The results of the study highlighted:

- **Four (4) reservoirs with gas pay** defined in the Kipper Shale and Admiral formations of the Emperor Sub Group at Judith-1 between 2392 – 2843 m in a gross interval of 451 m
- **Net Reservoir Thickness** (gas + water sands) of 234m with **net gas pay** (in gas sands) of 162m
- **Average Porosity** in gas pay reservoirs of 13 - 14.9%
- **Average Permeabilities** in gas pay reservoirs of 0.7 - 1.9 millidarcies (md)
- **Average Gas Saturations** for gas sands vary from 39.9 - 45.4%
- **Lowest-Known-Gas (LKG)** picked in four reservoirs suggesting that Gas-Water-Contacts are either at or down-dip of Judith-1
- **Judith-1 drilled through a major fault** some 50 m above the upper gas sand
- **Fluid flow from the fault zone** accessing reservoirs has likely caused local diagenetic degradation of reservoir sands close to the fault lowering porosity and permeability. Better reservoir properties are expected away from the fault to the north
- **Gas Reservoirs in the Longtom wells** restricted to the lower part of the Admiral Formation
- **Gas Reservoirs at Judith-1** found in two formations: the Admiral Formation and the overlying Kipper Shale as shown in Figure 4
- **Evaluation suggests that Depth-of-Burial** is the major factor controlling reservoir degradation
- **Improved gas reservoir characteristics** “*as good as, if not better than*” the Longtom wells are expected to be developed up-dip of Judith-1
- **Longtom Analogue suggests that Judith-1 gas reservoirs are likely to be sufficiently developed over the Judith structure to be commercially productive particularly where horizontal drilling is employed in development wells as at the Longtom Gas Field.**
- **Well correlation between Longtom-2 and Judith-1** suggests potential for additional reservoir development below Total Depth (TD) of Judith-1
 - **This includes the interval that flowed at 13.6 MMscf/d from DST-1 at Longtom-2 and is shown below in Figure 4.**



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Reservoir Engineering Commenced Leading to Prospective Resource Statement

The Company has engaged Consultants 3D-Geo Limited to progress with Reservoir Engineering studies over the Greater Judith Structure. This will involve refining the seismic interpretation and depth mapping across the Judith structure for the four (4) Gas Pay Reservoirs as determined by the Petrophysical Studies.

Following completion of the mapping, a detailed Static Model will be developed using discreet reservoir characteristics of the four reservoir units leading to recalculation of Gas Volumetrics. A Dynamic Model testing various production scenarios will then be built leading to establishment of Recovery Factors and calculation of Prospective and Contingent Resources.

The Company then intends to have a Resource Statement containing a combination of both Contingent and Prospective Resources certified by a respected Industry Resource Certifier and released to the Market in Q3 2018.

In parallel with this work the Company intends to progress with scoping study costings of Field Development for production with a view to establishing partners for financing, gas delivery and off-take of gas.

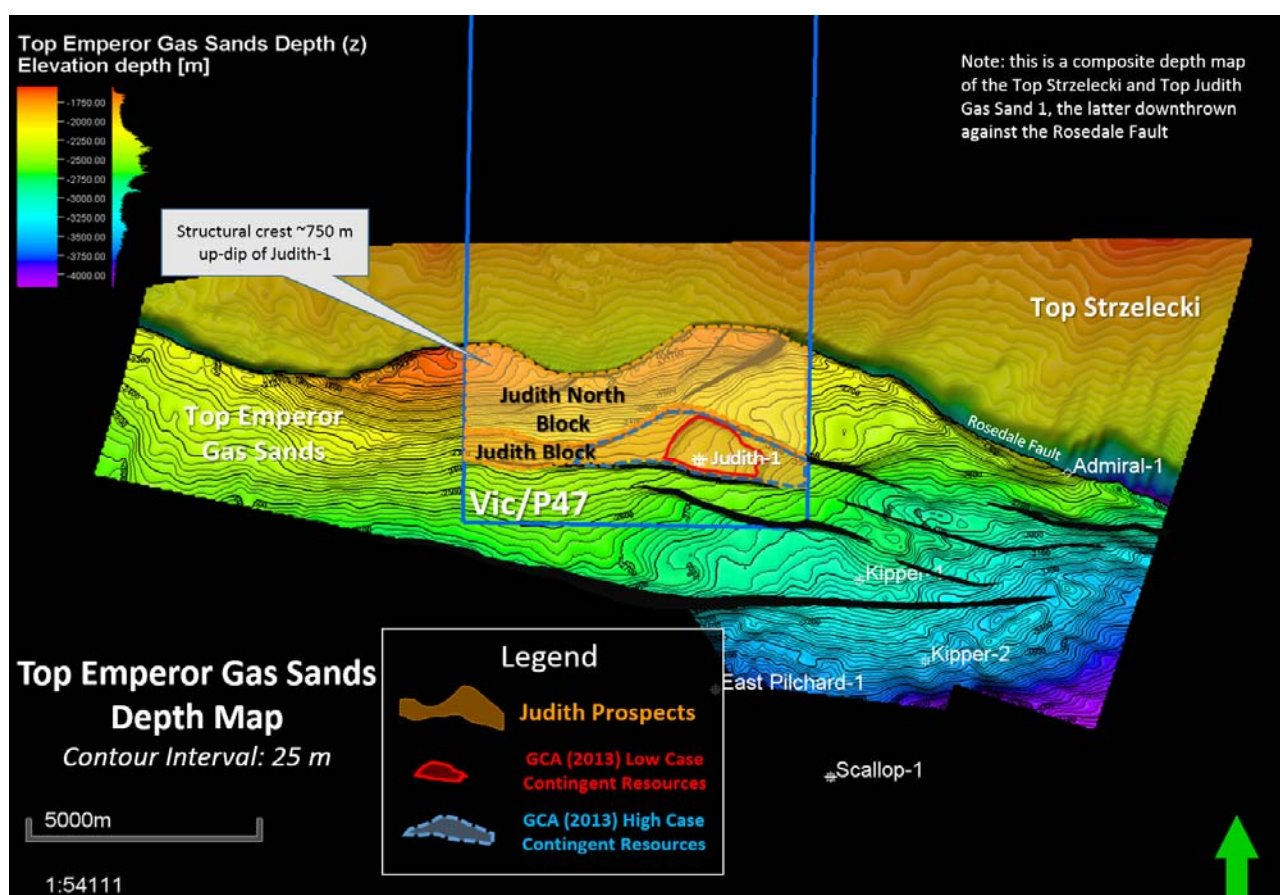


Figure 2: Top Emperor Gas Sands from reprocessed 3D seismic data showing location of Judith-1 drilled structurally down-dip close to or at gas – water contact. The Judith North Block structural crest is shown 750m up-dip of Judith-1



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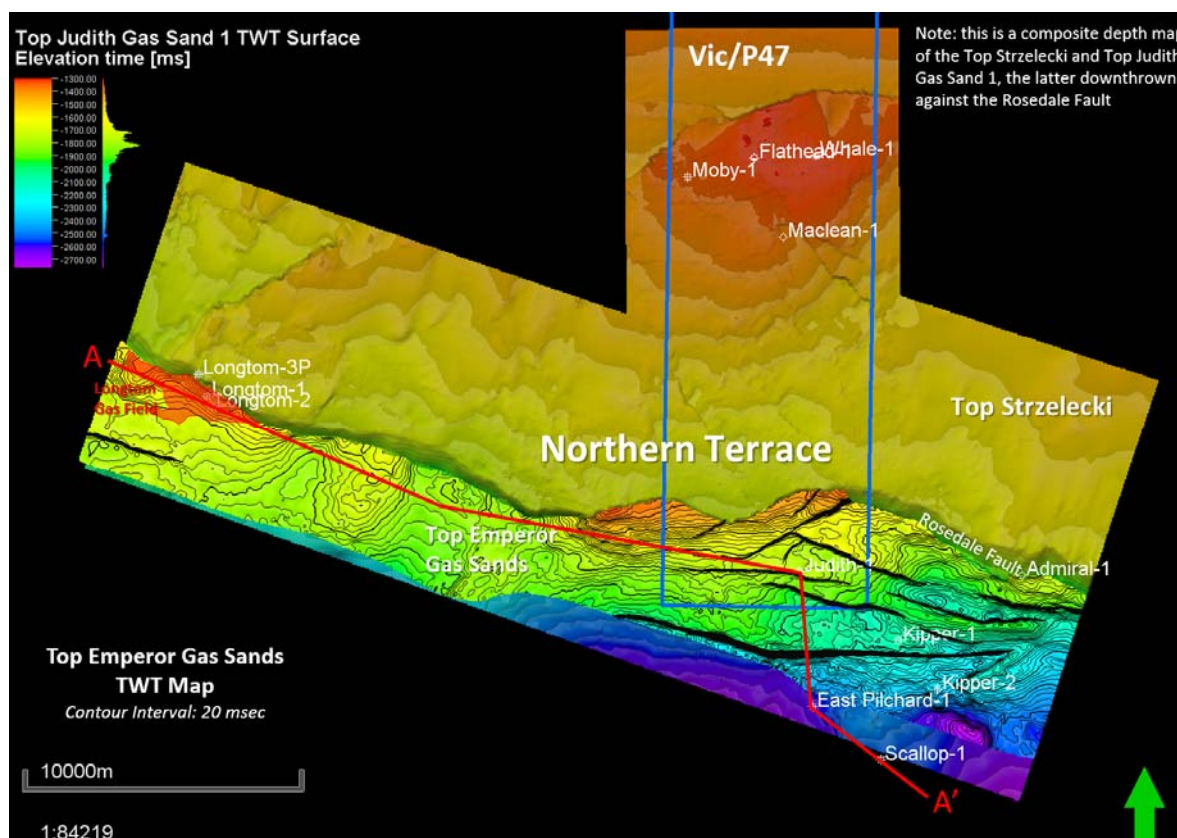


Figure 3. Vic/P47 location map showing regional 'Top Emperor Gas Sands' interpretation

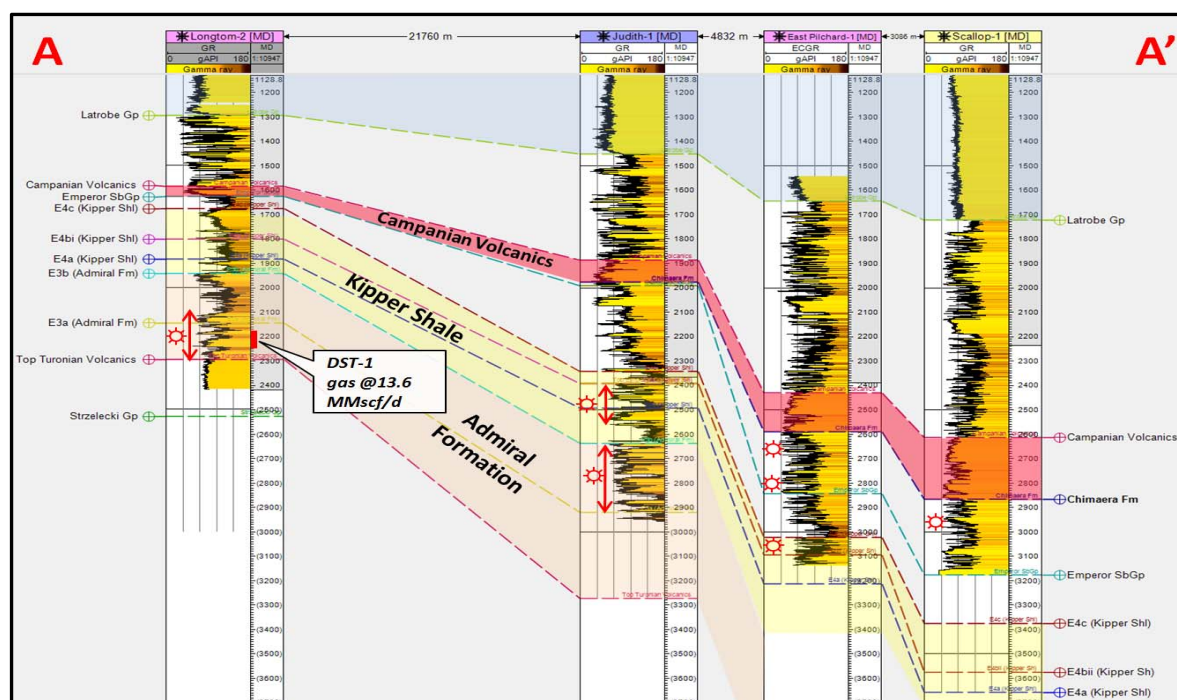


Figure 4. Well cross-section A – A': Longtom-2, Judith 1, East Pilchard-1 and Scallop-1 showing correlated position of the high gas flow section of the Longtom 2 well.

Unmarketable parcels sale facility

On 20 February 2018 the company completed its unmarketable parcel sale facility for the sale of ordinary shares for holders who hold less than a marketable parcel (defined in the ASX Listing Rules as a parcel of securities with a market value of not less than \$500) (“Less Than Marketable Parcel”) (“Facility”).

This offer applied to shareholders who at 7:00pm (AEST) on 4 January 2018 (“**Record Date**”) were holders of shares in EMP with a market value of less than \$500 based on the issue price of EMP shares trading on ASX of \$0.003 per share on the Record Date (166,666 shares).

EMP offered this Facility as it provides the following benefits:

- Holders of a Less Than Marketable Parcel have the opportunity to sell their shares without incurring any brokerage or handling costs which, in proportion to the value of their holding, may otherwise render a sale unattractive or uneconomical; and
- The Company’s expenses and administration involved in maintaining shareholdings of less than a marketable parcel is reduced.

As at the Record Date, the Company had approximately 2,000 shareholders of which approximately 1,732 hold a Less Than Marketable Parcel of shares that in aggregate represent approximately 3.07% of all issued shares.

The company has sold 18,922,547 shares on the market, reducing the company’s shareholders by 1,238 to a current total of 569 holders.

Finance

At the end of the quarter, 31 March 2018, Emperor Energy Limited cash balance was \$774,180. A summary of the cash flow for the quarter are attached in the Appendix 5B.

Legal

The company completed settlement with the Kimberley Land Council in March 2018 for \$70,000. The company has finalised a deed of release with its former Chairman for \$50,000.

Tenement holding summary

Below is a list of the tenements held by Emperor Energy Limited as at 31 March 2018:

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

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

Yours faithfully



Carl Dumbrell
Company Secretary

Corporate Directory

Board of Directors

Carl Dumbrell
Vaz Hovanessian
Justyn Peters

Company Secretary

Carl Dumbrell

Geological Consultant

Geoff Geary

Registered office

Level 4, 100 Albert Road
South Melbourne Vic 3205

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



EMPEROR ENERGY LIMITED

Share Registry

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Level 3, 50 Holt Street

Surry Hills NSW 2010

Phone: 1300 288 664

Overseas callers: +61 2 9698 5414

Facsimile: +61 2 8583 3040

Capital Structure

The company currently has issued capital (as at 31 March 2018) of:

| | | |
|--|--------------|-------------|
| Ordinary fully paid shares | (ASX: EMP) | 865,857,730 |
| Options expiring 31 March 2020 (Ex \$0.005) | (ASX: EMPOC) | 518,051,398 |
| Options expiring 17 November 2018 (Ex \$0.046) | (ASX: EMPAA) | 6,700,000 |

Top 20 Shareholders – 20 April 2018

| Position | Holder Name | Holding | % |
|----------|--|-------------|--------|
| 1 | Jojo Enterprises Pty Ltd | 107,920,358 | 12.46% |
| 2 | Citicorp Nominees Pty Limited | 82,292,825 | 9.50% |
| 3 | Raxigi Pty Ltd | 79,421,287 | 9.17% |
| 4 | Sama Zaraah Pty Ltd | 48,855,000 | 5.64% |
| 5 | Bond Street Custodians Limited | 48,247,101 | 5.57% |
| 6 | Scintilla Strategic Investments Limited | 40,000,000 | 4.62% |
| 7 | Daniel J Peters | 25,962,954 | 3.00% |
| 8 | Merrill Lynch (Australia) Nominees Pty Ltd | 23,968,096 | 2.77% |
| 9 | Philip McNamara | 15,000,000 | 1.73% |
| 10 | Lilyfield Holdings Pty Ltd | 12,600,000 | 1.46% |
| 11 | Colin R Searl & Cynda Searl | 12,410,000 | 1.43% |
| 12 | BNP Paribas Nominees Pty Ltd | 10,615,971 | 1.23% |
| 13 | HSBC Custody Nominees (Australia) Limited | 10,000,000 | 1.15% |
| 14 | ACEC Superannuation Fund Pty Ltd | 10,000,000 | 1.15% |
| 15 | Matthew Steven Klein | 10,000,000 | 1.15% |
| 16 | David Joel Webb | 6,700,000 | 0.77% |
| 17 | V & R Brizzi | 6,193,986 | 0.72% |
| 18 | Barrie Ernest Laws | 5,600,000 | 0.65% |
| 19 | Paul Stanley Harris | 5,446,941 | 0.63% |
| 20 | Quid Capital Pty Ltd | 5,359,023 | 0.62% |

For further information contact:

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