



## EMPIRE OIL & GAS NL

### ASX RELEASE

**ABN** 55 063 613 730  
**ASX Code** EGO

Ground Floor  
229 Stirling Highway  
CLAREMONT 6010  
WESTERN AUSTRALIA

**Tel:** + 61 8 9286 4600  
**Fax:** + 61 8 9284 6588  
**Email:**  
admin@empireoil.com.au  
**Web:**  
www.empireoil.com.au

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### Red Gully North-1 Remediation Update

- **Enerdrill Rig-1 mobilised to Red Gully North-1 site and currently rigging up**
- **Other equipment is being mobilised to site and operations are expected to commence 12-13 November**
- **Remedial cementing workover and test is planned to take approximately 30 days**
- **Project cost unchanged**

Perth Basin domestic gas producer, Empire Oil & Gas NL (Empire, ASX:EGO) is pleased to provide the following update on the Red Gully North-1 (RGN-1) project.

#### Planning and Approvals

Enerdrill Rig-1, the rig contracted by Empire to carry out the remedial cementing workover, is now at the RGN-1 location and is being rigged up in readiness for the workover operations to begin. This is the same rig used for the well completion in March 2016.

The long lead equipment for the remedial cementing and re-completion of RGN-1 has also been received and is being transferred to the wellsite.

All technical, safety and environmental approvals have been received from the Department of Mines and Petroleum.

#### Workover Cost and Economics

As previously advised to the ASX on 14 October 2016, final detailed engineering and operational planning is now complete. Based on the results of the diagnostic testing the project cost for the workover and well test is estimated to be A\$2.9 million including A\$0.45 million spent to date on long lead equipment, diagnostic testing and planning. The project is economically positive given the contingent reserve of 7.5 PJ, potential high condensate yields and the requirement of only a short, low cost 4 km pipeline tie back to the Red Gully Processing Facility.

Empire CEO Ken Aitken said: *"The project planning approvals and equipment mobilisation have progressed efficiently. Empire is now looking forward to a successful remedial cementing workover and test on RGN-1 so that, upon success, we can commercialise the gas volumes in the Red Gully North well".*

A weekly update on the workover progress will be provided throughout the operation.

– ENDS –



**For further information, contact:**

Ken Aitken  
Chief Executive Officer  
Empire Oil & Gas NL  
Telephone: +61 8 9286 4600  
[www.empireoil.com.au](http://www.empireoil.com.au)

Cameron Morse  
  
FTI Consulting  
Telephone: +61 8 9485 8888

**About Empire Oil & Gas**

Empire Oil & Gas NL ('Empire' or the 'Company') is an onshore conventional gas and condensate producer and explorer listed on the Australian Securities Exchange (ASX: EGO) with key assets in the Perth Basin in Western Australia.

The Company's producing assets at Red Gully are less than 150 kms from the city of Perth where there is a strong gas market. Since commencing operations in 2013, the 100% owned Red Gully Processing Facility has produced and delivered over 8,350 Terajoules (TJ) of gas. Gas produced to date has been contracted to Alcoa of Australia (Alcoa) and delivered through the Dampier to Bunbury Natural Gas Pipeline (DBNGP), which runs close to the Red Gully Processing Facility (RGPF). Condensate is transported via road to BP.

Empire is the holder of the largest net onshore acreage in the highly prospective Perth Basin with its production licenses and permits covering more than 9,000 km<sup>2</sup>, representing 48% of the currently granted acreage in the onshore Perth Basin. Close to pipeline infrastructure and with rapid commercialisation opportunities, the Company has significant exploration potential in an underexplored, proven petroleum basin.

Empire's vision is to sustainably grow the business into a mid-tier exploration and production company. Empire's strategy is to be the Perth Basin operator of choice, safely supplying WA domestic gas by growing the Red Gully production hub, delivering reserves and production growth by drilling material quality exploration prospects in the high profit margin onshore Perth Basin and, enabling Empire to attract quality farm-in partners to assist in accelerating growth plans.