



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

18 November 2016

Red Gully North-1 Remediation Update

- **Enerdrill Rig-1 mobilised to the Red Gully North-1 site and successfully rigged up**
- **Remedial workover started on schedule – Sunday, 13 November 2016**
- **Currently removing original completion**

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.

Progress

The Enerdrill Rig 1 has been mobilised to the RGN-1 site, rigged up and operationally accepted by Empire. The production tubing has been cut and removed from the wellbore. A work string has been run into the well to remove the packers in the original completion. The initial attempt was unsuccessful and the work string has been removed from the well. The work string has been adjusted and is currently being rerun.

Participants

Empire Oil and Gas 100%

Forward Plan/Next Steps

The plan is to remove the upper completion assembly, install cement packers / retainers and perform remedial cement operations.

Location/History

RGN-1 is situated in EP389 approximately four kilometres to the north of the Company's Red Gully Production Facility. RGN-1 was drilled in November/December 2015 and discovered 53 m of moveable gas and condensate. In March/April 2016 RGN-1 was successfully completed, however, the test results on the Upper D and C sands were compromised by a nearby water production zone due to a shale washout-affected cement bond.

The RGN-1 remedial cementing workover and test is designed to isolate the water zone connecting with the Upper D and C sand hydrocarbon zones. A new well completion is then planned which will be followed by the individual testing of the Upper D and C sands. The workover is being performed by Enerdrill Rig -1, and the total workover and test program is expected to take approximately 30 days.

– ENDS –



For further information, contact:

Ken Aitken
Chief Executive Officer
Empire Oil & Gas NL
Telephone: +61 8 9286 4600
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 8,000 km², representing 46% 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.