



EMPIRE OIL & GAS NL

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ABN 55 063 613 730
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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

Red Gully-1 Well Update

Perth Basin domestic gas producer, Empire Oil & Gas NL ("**Empire**", ASX:EGO) advises that it is continuing the process to bring its Red Gully-1 well back to production following the completion of the pressure survey for the 2017 Reserves review announced to the ASX on 16 August 2017.

Red Gully-1 well production was shut-in in order to conduct a planned static pressure survey to provide data for the 2017 reserves assessment. When the well was re-opened to flow it was observed that liquid was held up in the production tubing, preventing the well from flowing at the expected rate.

Over a period of 10 days, condensate, gas and water have been produced from the well, but ultimately at insufficient rates to restore normal flow conditions. Despite increasing pressure and flowrates, the observed trends indicate that the well was unlikely to "clean-up" without additional assistance.

Planning is now underway for a nitrogen gas lift to remove the liquid in the production tubing. It is a standard industry procedure to use nitrogen, conveyed via coil tubing, to restore production to pre shut-in conditions. The well has therefore been shut-in to conserve gas and enable plant maintenance prior to commencing the nitrogen gas lift operation, which is expected to be completed by the end of the month.

Empire CEO Angus Walker said: "The Red Gully well is clearly an important asset for Empire, and bringing it back online quickly and economically following the pressure survey is a priority."

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For further information, please contact:

Angus Walker
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 10,000 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 produced is transported via road to BP.

EGO is the holder of the largest net onshore acreage in the highly prospective onshore Perth Basin with its production licenses and permits covering more than 8000 km² 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 a 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.