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25th November 2014

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY
NSW 2000

New Investor Presentation

Please find attached an Empire Oil & Gas (ASX: EGO) ASX announcement on a new Investor Presentation.

Yours sincerely

Ken Aitken
Chief Executive Officer

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Investor Presentation

25 November 2014

Building a NEW Empire in the Perth Basin



EMPIRE OIL & GAS NL



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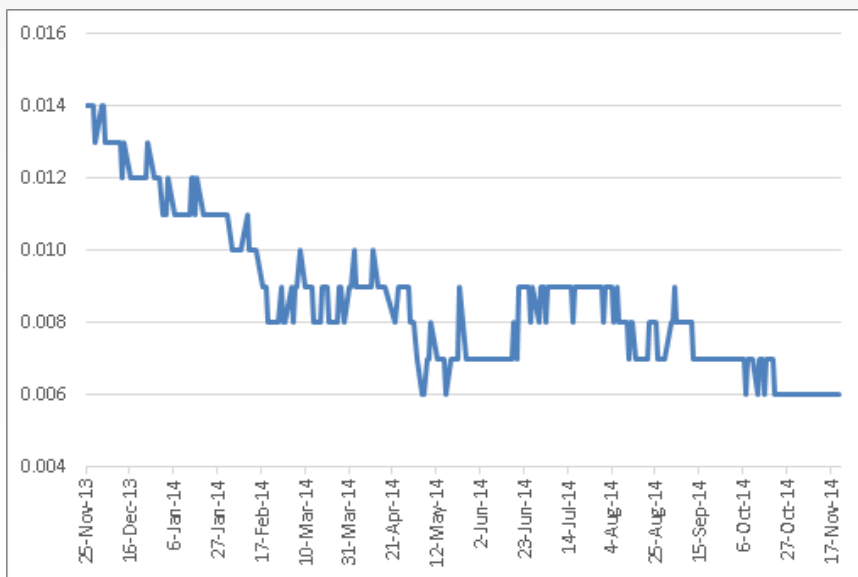
- This presentation has been prepared by Empire Oil and Gas NL [EGO] for general information purposes only. The presentation is not and should not be considered as an offer or invitation to subscribe for or purchase any securities in EGO, or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in EGO will be entered into on the basis of this presentation. This presentation may contain certain forward-looking statements which have not been based solely on historical facts but rather on EGO's current expectations about future events and a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside the control of EGO and its Directors, Officers and Advisers. Due care and attention has been taken in the preparation of this presentation.
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- Unless otherwise indicated, the statements contained in this Investor Presentation about both the EP 389 Joint Venture and Empire's reserves and contingent resources estimates have been compiled in accordance with the definitions and guidelines in the 2007 SPE PRMS. This information is based on, and fairly represents, information and supporting documentation prepared by Mr Ian Paton, who has consented to the inclusion of this information in the form and context in which it appears in this report. Mr Paton holds degrees in Geophysics (BSc (Hons)) and Petroleum Engineering (MPet Eng) and has over 35 years of experience as a specialist geophysicist with extensive experience in petroleum field exploration and development, and he is also a qualified petroleum reserves and resources evaluator and member of the Society of Petroleum Engineers. Mr Paton is a consultant to Empire Oil and Gas NL. Prospective Resource estimates have been provided by Milton Schmedje who holds a degree in Geology (BSc Hons), and who has 30 years experience as a petroleum geologist and is a member of the American Association of Petroleum Geologists (AAPG).



Corporate Overview



ASX Code	EGO
Shares on Issue	6,294,307,442
Options on Issue (Expire 30 Nov 2014)	140,000,000
Share Price (@ 21 Nov 2014)	\$0.006
Market Capitalisation	\$37.7M
12-month range (closing price)	\$0.014 – \$0.006
Debt ¹	\$3.75M



Key Assets

Red Gully Gas & Condensate Plant:

- Production: ~ 8TJ/day plus ~ 360 barrels of condensate/day

Exploration acreage in Perth Basin:

- 11 permits: total acreage ~12,000 sqkm²

Board & Management

Tony Iannello, *Non-Executive Chairman*

Over 30 years of banking and energy experience

Ken Aitken, *Chief Executive Officer*

Over 30 years experience in oil and gas including senior roles with Origin, Mitsui, Apache and New Standard Energy

Brett Heading, *Non-Executive Director*

Specialised in corporate law for over 25 years

Stuart Brown, *Non-Executive Director*

Petroleum geologist with over 30 years experience in Australia and overseas

Tim Spencer, *Chief Financial Officer & Company Secretary*

Over 20 years finance, accounting and governance experience in the resources industry

Milton Schmedje, *Exploration Manager*

Petroleum geologist with over 30 years experience in Australia

¹ Debt represents the outstanding principle under the ERM Credit Facility at 31 October 2014 which was \$3.0 million. A further \$0.75 million was drawn down during November, increasing the outstanding principle to \$3.75 million. Interest accrues on the loan at an arms-length commercial rate. In addition, at 31 October 2014, Empire owes approximately \$8.4 million in gas to Alcoa under the pre-paid sales agreement.

² Includes ERM's EP 467 as part of the proposed transaction. Information represents all granted Exploration and Production Licences in the Perth Basin as per Encom-GP Info Petroleum Permits of Australia 2014.



Outline



1. Strategy
2. ERM Transaction
3. Production
4. Exploration
5. Catalysts & Summary



1. Strategy



Empire's Strategy for Success



Experience

- Highly experienced management and board
- Significant Perth Basin exploration and production experience

Production a key point of difference

- Red Gully field in production for more than 12 months
- 11PJ¹ of 2P reserves as of 1 October 2014

Unlocking highly prospective exploration acreage

- Focus on conventional high margin onshore Perth Basin oil and gas plays
- Empire to hold approximately 50%² of Perth Basin acreage post ERM deal
- Aggressive exploration drive planned, subject to funding

Perth Basin business drivers

- Strong WA gas market
- Close to Dampier to Bunbury Gas Pipeline with retail and mining customer potential
- Recent AWE discovery adjacent to Empire's North Perth Basin permits
- Unconventional gas prospects provide significant long term value potential

¹ As assessed in the Independent Expert Report dated 3 November 2014, attached to the Empire Oil & Gas NL – 2014 AGM Notice of Meeting

² Information represents all granted Exploration and Production Licences in the Perth Basin as per Encom-GP Info Petroleum Permits of Australia 2014.



2. ERM Transaction



ERM Deal – Summary



What's being purchased from ERM:

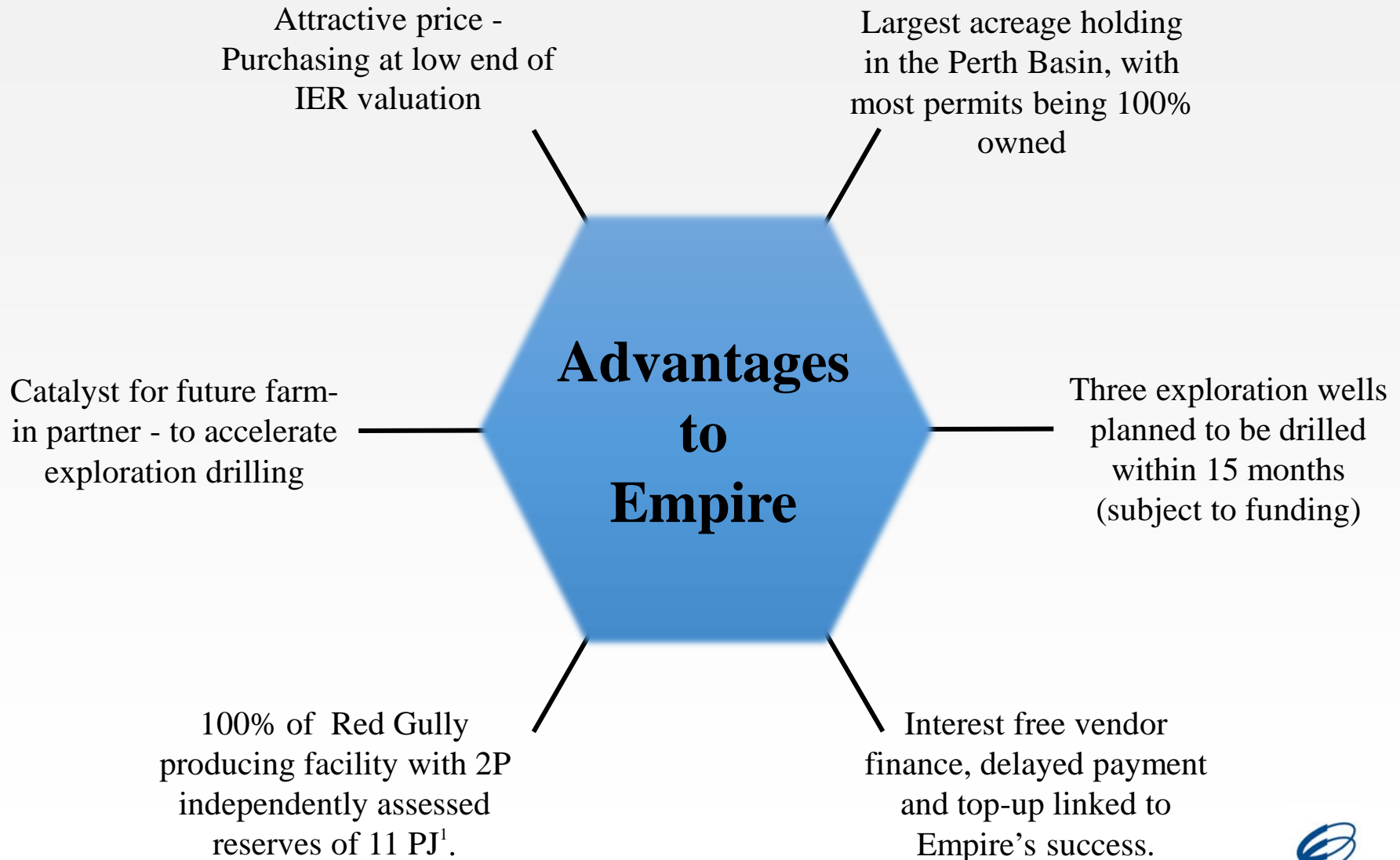
- Interests in Perth Basin tenements including the flagship Red Gully project
- Production licences associated with the Red Gully project
- All plant and equipment
- Interests in Cattamarra Farms Pty Ltd



Details of Transaction:

- Purchase price of \$15.1 million
- ERM providing vendor finance to cover purchase
- Repayable on the sale of the Red Gully Plant or 31 August 2016 whichever is earliest, or earlier by Empire giving 120 days notice
- Interest free rate on vendor finance
- Top up mechanism based on improvement in Empire share price over 0.8 cents, capped at 70% of any increase
- ERM to lift interest to 19.99% subject to maximum equity placement and subscription of \$7.5 million. Proceeds used to repay credit facility
 - If the VWAP is 0.6 cents no additional cash received through placement
 - If the VWAP is 0.8 cents then approximately \$1.4 million is raised
- Issue price 12.5% discount to 10 day VWAP to 11 December.

ERM Deal - Delivers significant advantages



Independent Expert – Transaction opined to be fair and reasonable



Valuation¹ Summary:

EP 389 & Red Gully represent significant value:

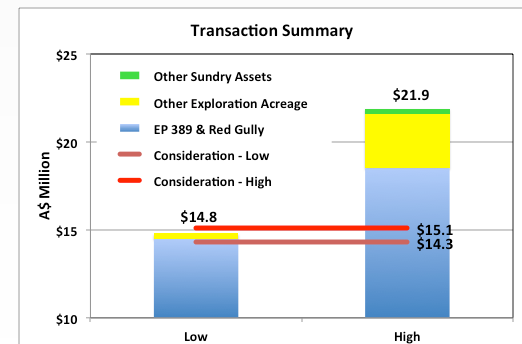
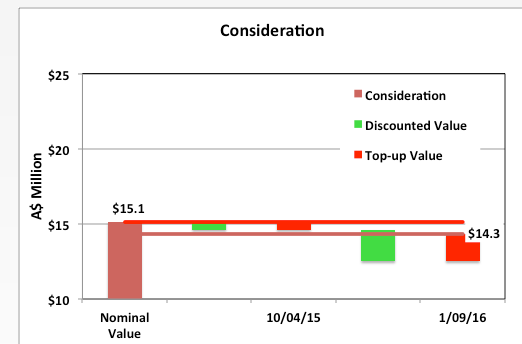
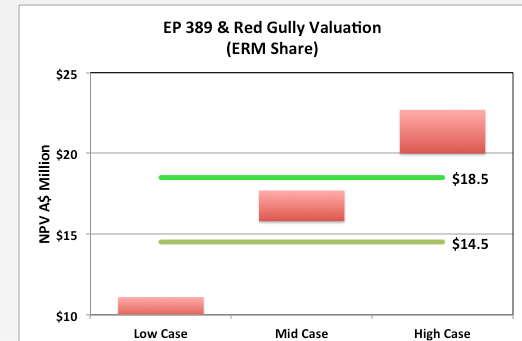
- Low, mid and high case volumes provide value ranging from \$9.8 to \$22.7 million
- Assessed market value \$14.5 to \$18.5 million.

Interest free vendor finance with nominal value of \$15.1 million:

- Discounted value at 10.5% per annum
- Black-Scholes option pricing model to value Top-up mechanism
- Repayment valued between \$14.3 and \$15.1 million.

Total transaction assessed to be at the low end of the market value range:

- Total transaction valued at \$14.8 to \$21.9 million
- Transaction assessed to be at 3.5% to 31% discount to total asset value.

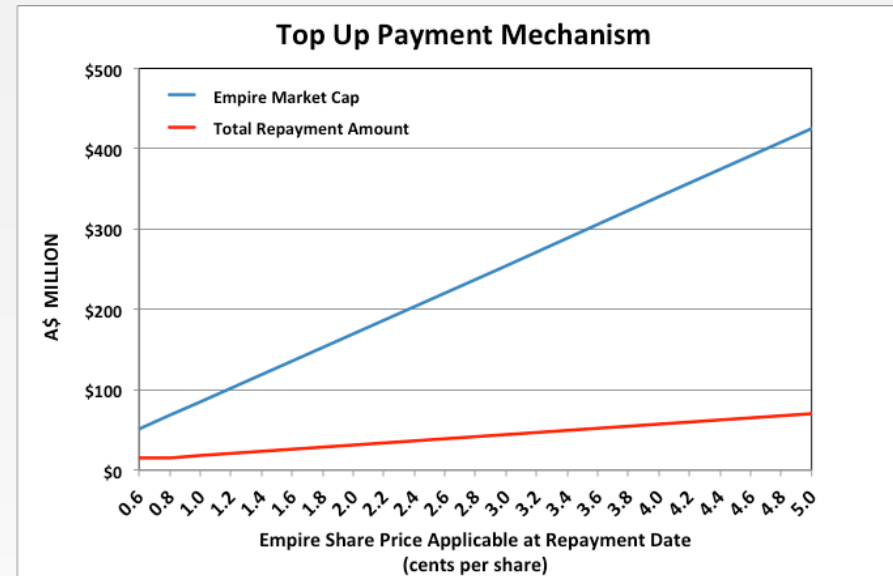


Demystifying top up payment



The top up mechanism is based on future share price appreciation until interest free vendor finance is repaid.

- No top up if share price ≤ 0.8 cents per share
- Top up escalates at 70% of increased share price above 0.8 cents per share;
- A 100% increase in share price (1.6 cps) would result in a total repayment of \$25.7 million
- This requires an equivalent Market cap of ~ \$136 million¹
- A Black-Scholes option pricing model based on a spot price of 0.65 cents and an assumed volatility of 50% values the top up at \$0.6 to \$1.8 million



Potential options available to Empire for repayment include:

- Debt finance against proven reserves or the Red Gully plant
- Sale and lease of plant
- Further equity raising

Independent Expert – Assessed reserves and resources

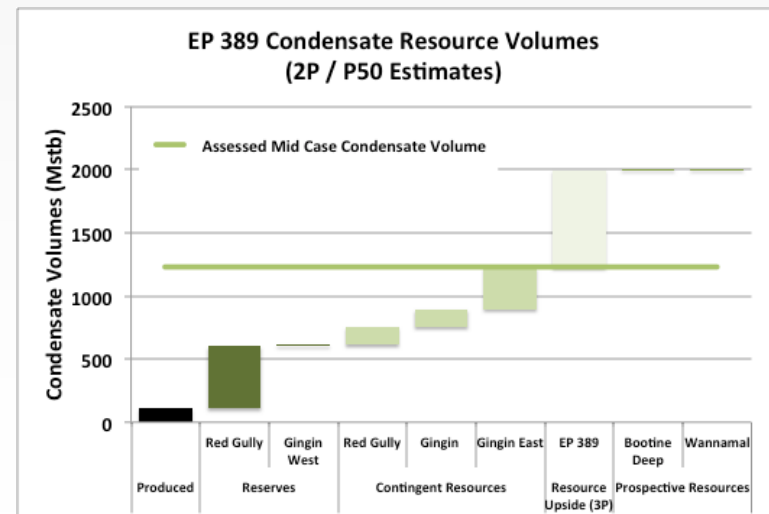
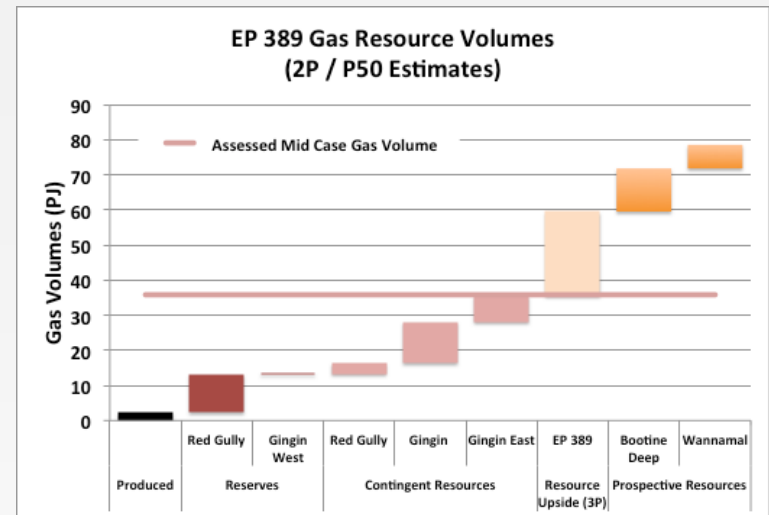


Independent resource assessment:

- Initial subsurface model updated by material balance assessment
- Red Gully reserves and contingent resources in line with previous estimates
- Remaining production life of 9 – 21 years at current production rates
- Additional 2PJ can be realised through facility upgrade

Empire's plans for further reserve assessments:

- Red Gully-1 B sands will have produced for 6 months in mid December and continues to produce at stable rates
- Empire plan a third party independent reserve study using pressure data from Red Gully-1 in December 2014
- This information is expected to be available in late January 2015.



3. Production



Red Gully Production - Gas/Condensate + LPG

Red Gully



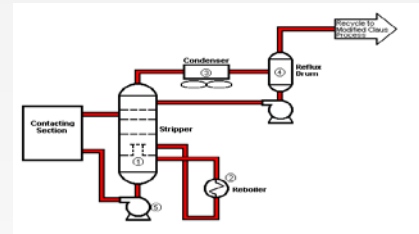
Condensate to BP
Kwinana



Gas Transported
Via DBP pipeline
to Alcoa



Potential to increase
production capacity
and add LPG
stripping



Production

- Red Gully-1 well producing ~ 8TJ/day since B Sand online
- Gingin West-1, back-up well
- Legacy issues being addressed
- Plant uptime improved to over 96% (excluding planned downtime)
- Space for plant expansion

Condensate

- Condensate sales contract with BP
- Closest oil/gas facility to City of Perth
- Lower transportation costs
- 150km all bitumen road to BP Kwinana refinery
- ~ 360 barrels of condensate per day

Gas Export

- JV own ~ 2km pipeline connecting to DBP
- Long term relationship with gas customer Alcoa
- 1st tranche of gas repaying Alcoa prepayment
- Expected to be repaid September/October 2015 based on current plant and well performance
- Pipeline provides access to multiple customers and strong gas market.

Production Hub Potential

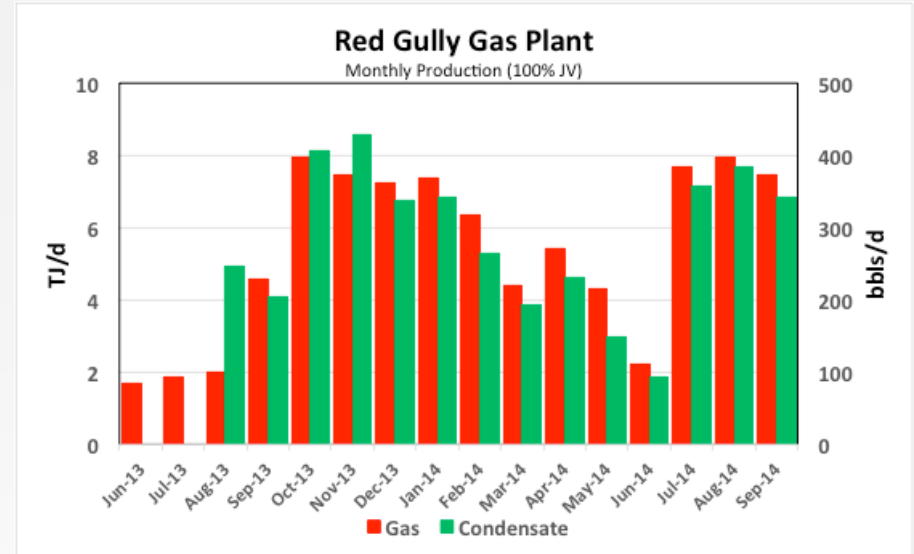
- 4 prospects within 4 km radius
- Plant not initially designed to process LPG
- 12 tonnes of LPG (Autogas Propane/Butane) value not being realised
- Local auto gas market in Perth
- Feasibility study being progressed. Potential new revenue stream.

Empire's production performance



Over 12 months of Red Gully production:

- Commissioning completed in September 2013
- Initial production from Red Gully-1 D Sands
- Declining production and increasing water cut and flow instability
- Red Gully-1 B Sands successfully perforated and tested in June 2014
- Stable production over the September 2014 Quarter
- Cash received from condensate sales for 12 months ended September 2014 of \$7.6 million (Empire share)



Future sales:

- Gas sales up to September/October 2015 expected to extinguish Alcoa pre-payment
- From then, gas sales plus condensate sales (assuming 100% ownership) expected to produce cash revenue of approx. \$25 million per annum*

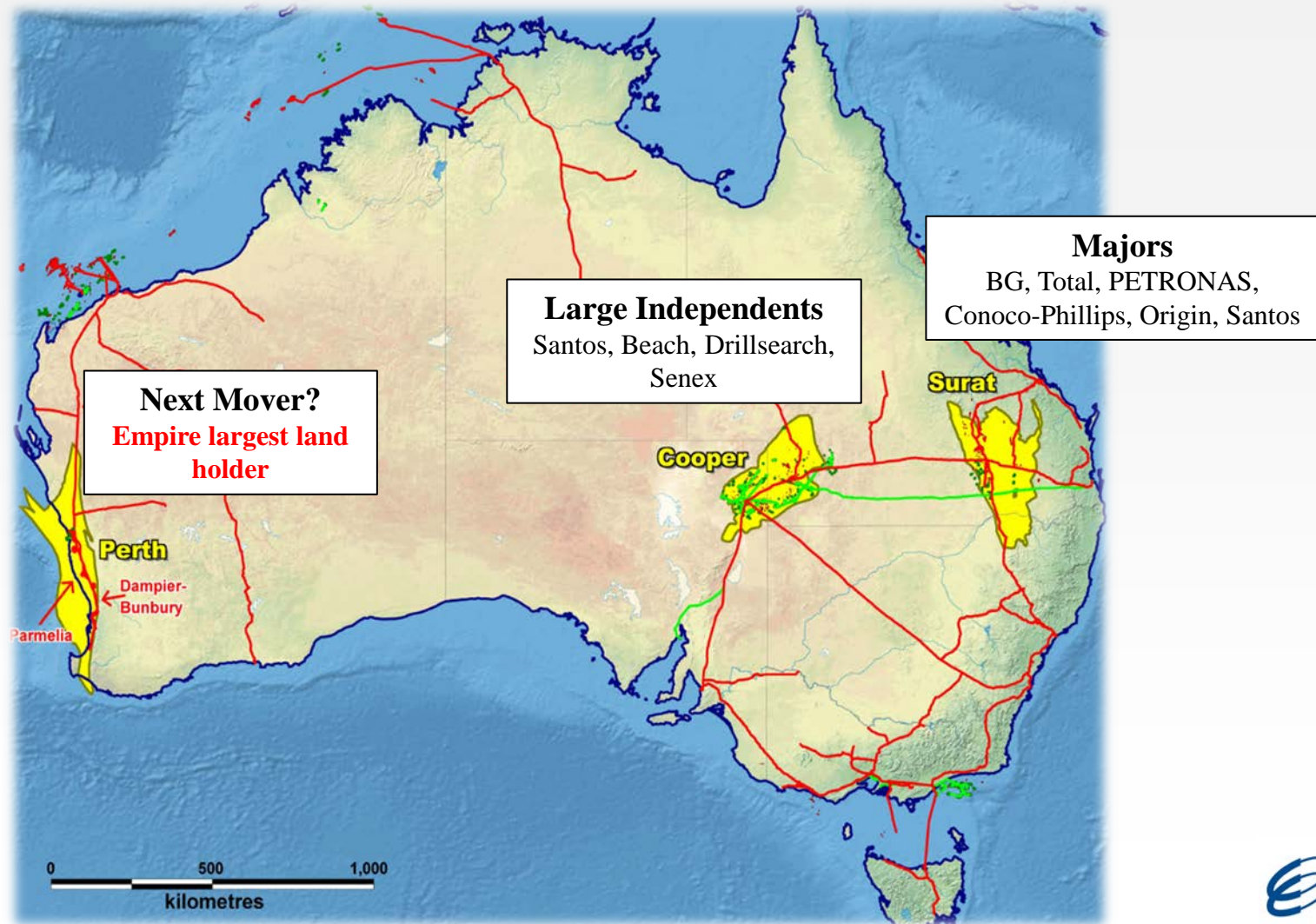
* Assumes Brent benchmark condensate price of \$85 USD/bbl; and exchange rate of \$1 AUD = \$0.87 USD

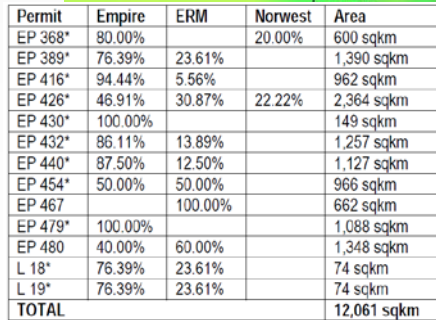
4. Exploration



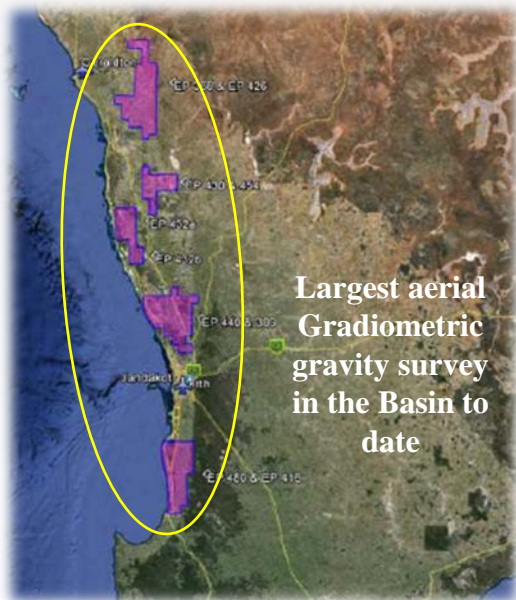
Australia's three major onshore Petroleum Basins

Prolific hydrocarbon basins located close to well developed infrastructure and markets



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Building the prospect inventory

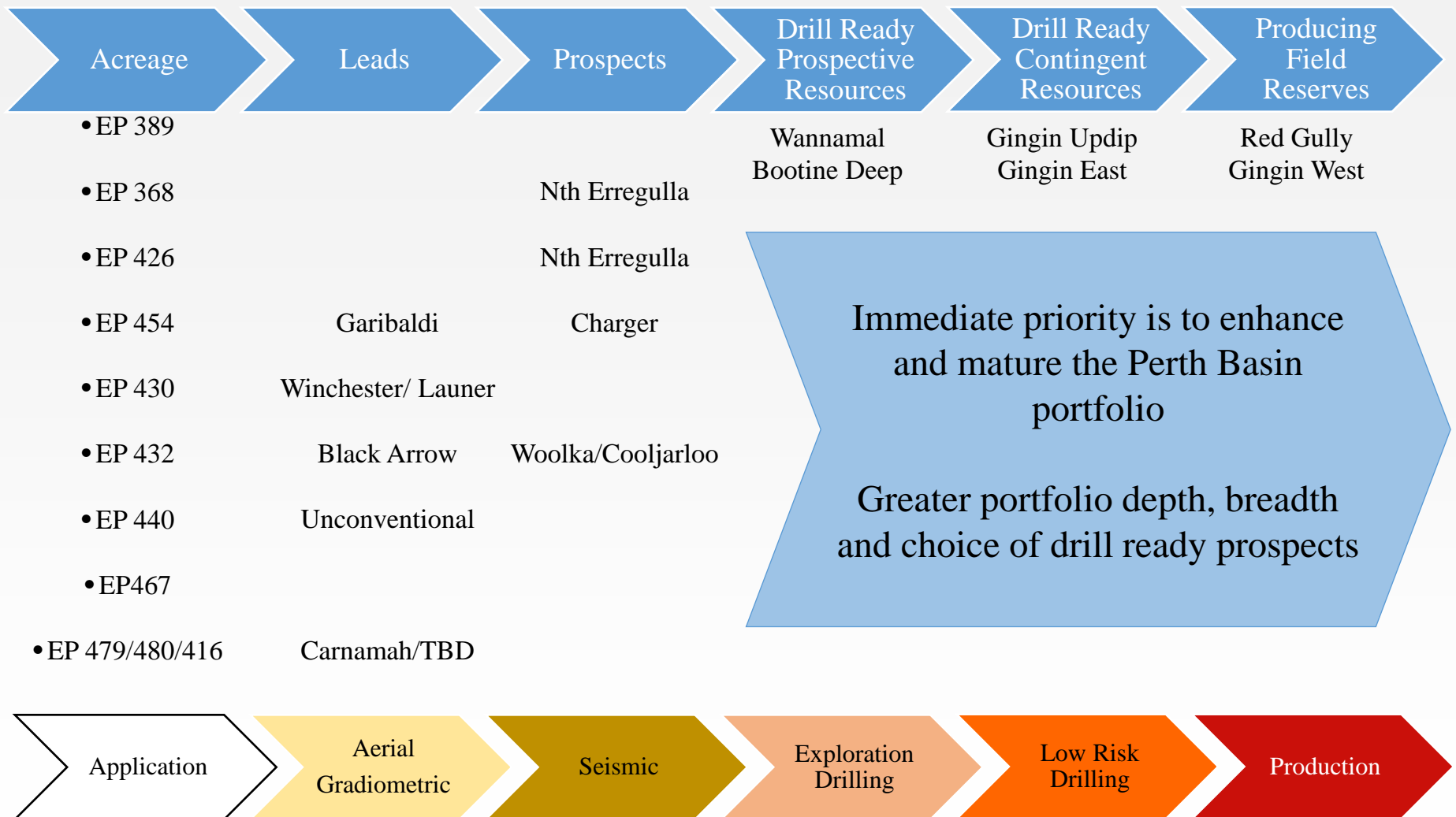


- Outside of those areas with existing 3D seismic, there is insufficient sub-surface image data available to support risk covered drilling
- Urgent need to improve sub-surface imaging over large area of under explored acreage
- Large scale 2D or 3D seismic is capital intensive, and
 - Requires long lead times
 - Comprehensive environmental approvals
 - Land owner access agreements
- Airborne gradiometric surveying is
 - Cheaper
 - Faster
 - Lower environmental and landowner impact

Most efficient means to:

- Accelerate and enhance exploration of all Empire acreage, and
- Building a rich lead and prospect inventory

Leads and prospects inventory 'funnel'



EP 389 - Near field exploration potential

Four high quality exploration prospects

3D seismic coverage

Close proximity to existing facilities

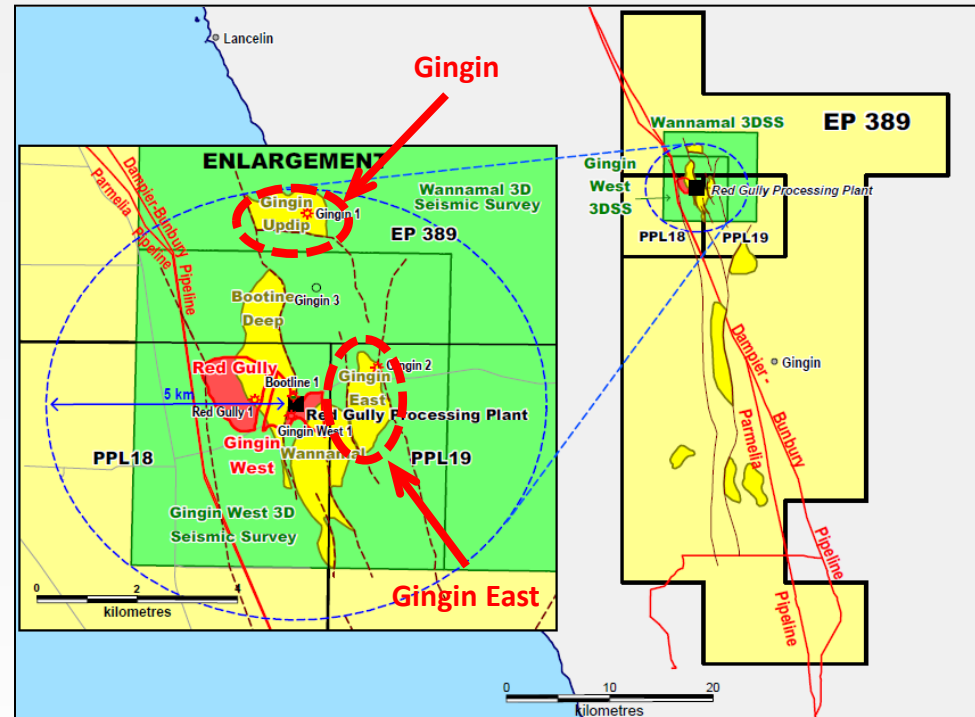
Low cost development potential

Gingin

- Updip of existing Gingin-1 discovery
- Empire's preferred prospect
- 2C Contingent gas resources – 16.7 Bcf*
- 2C Contingent condensate resources – 184 KBBL*

Gingin East

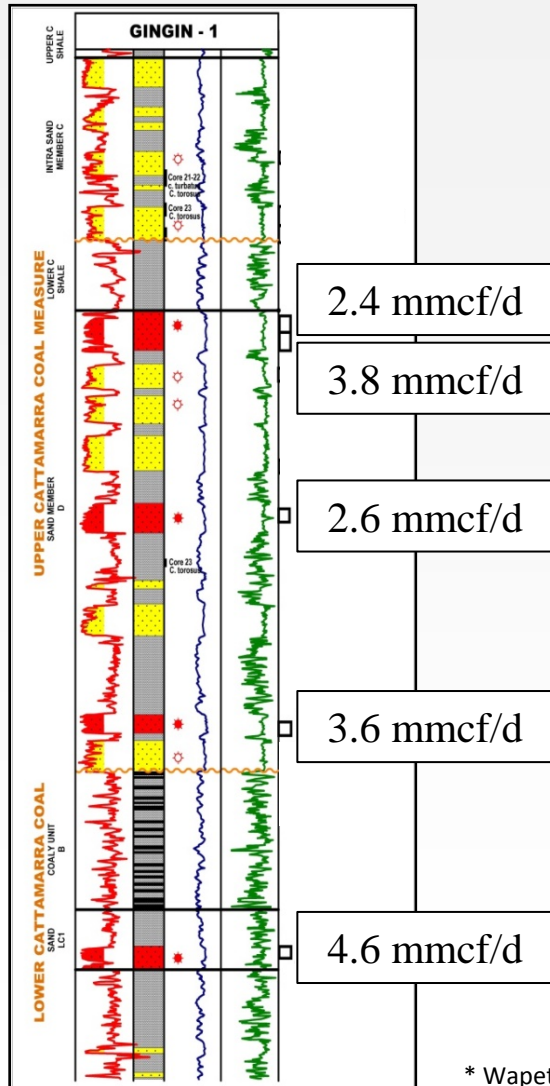
- Gas encountered in Gingin-2
 - 2C Contingent gas resources – 11.1 Bcf*
 - 2C Contingent condensate resources – 498 KBBL*
-
- Bootine Deep and Wannamal prospects provide further exploration upside



Gingin Updip - a low risk exploration target



Historic proven flow rates*



Gingin-1

- 1960's discovery
- Old well, drilled with heavy mud and old technology
- Used poor engineering practices and poor completion

BUT
Combined total flow
16.6 mmcf/d

Planned well to be drilled 470m from Gingin-1

- With modern technology additional potential exists
- Further sand perforations likely to yield additional commercial flow rates

* Wapet Well Test Report - 1964

AWE's recent large Perth Basin discovery

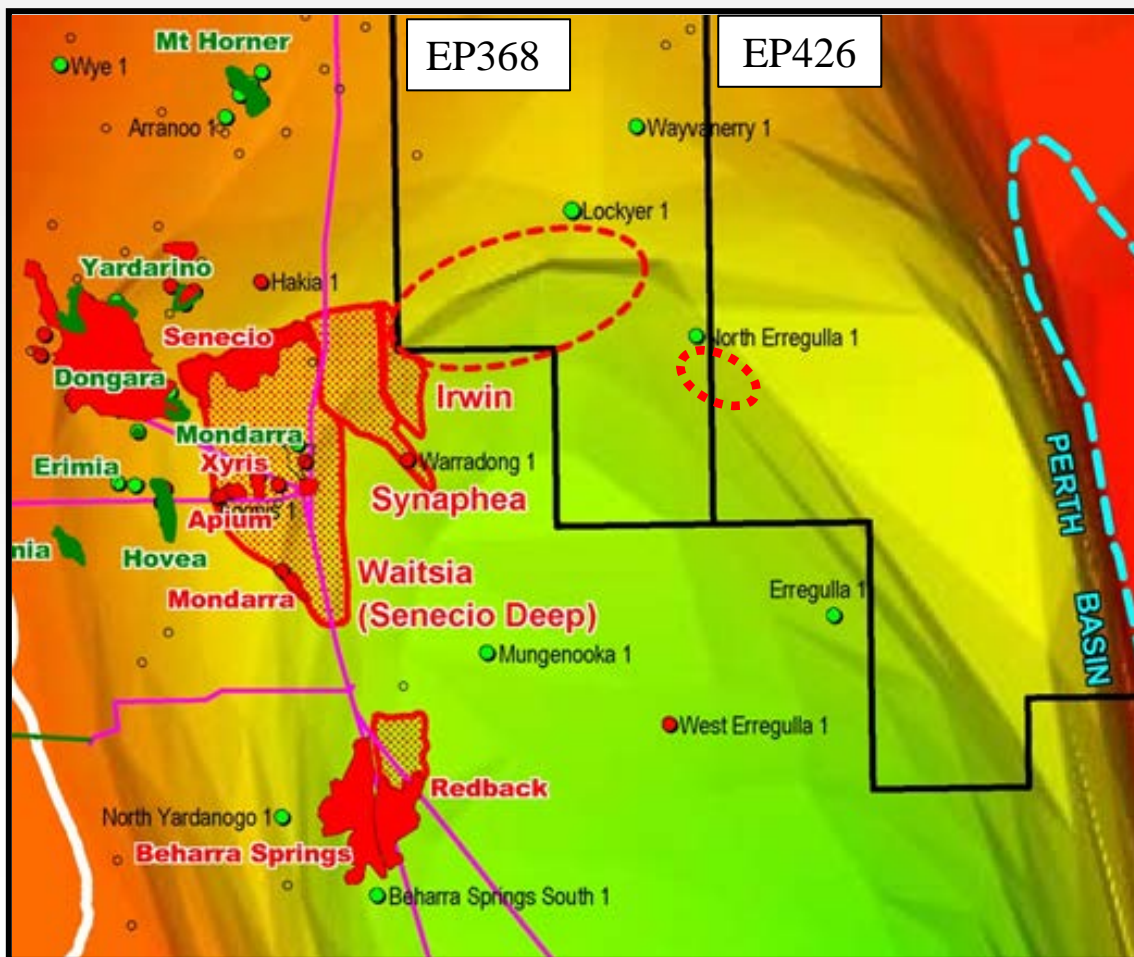


AWE Senecio/Waitsia*

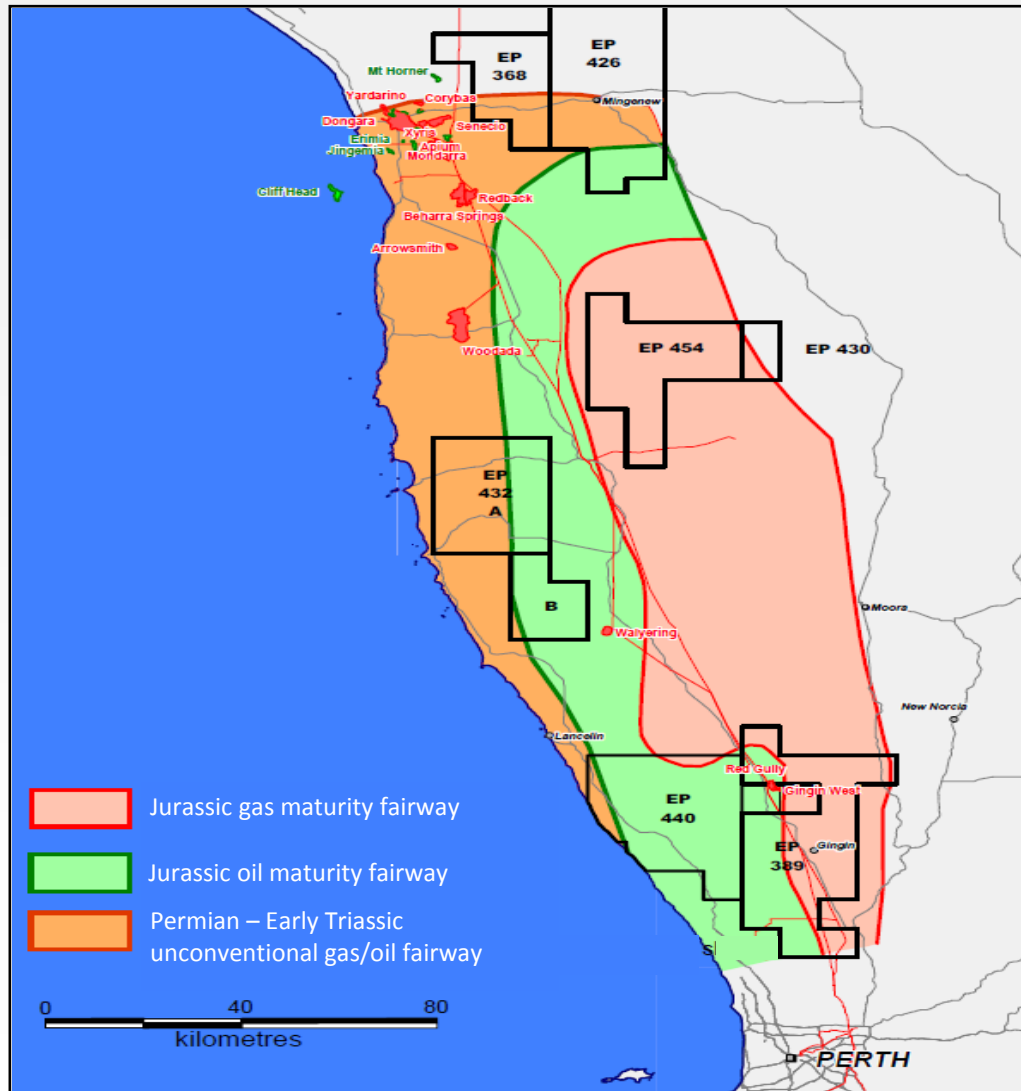
- Reported to be the largest gas discovery in the Perth Basin since the 1960's
- Initial 2C Contingent Recoverable Resources – 360 Bcf
- Additional Prospective Recoverable Resources – 420 Bcf
- Additional drilling (Irwin-1) planned for 1H 2015

Empire

- Assessing potential play extension into EP368
- Positive implications for Nth Erregulla prospect (EP 368/426)



Emerging unconventional potential in Empire acreage

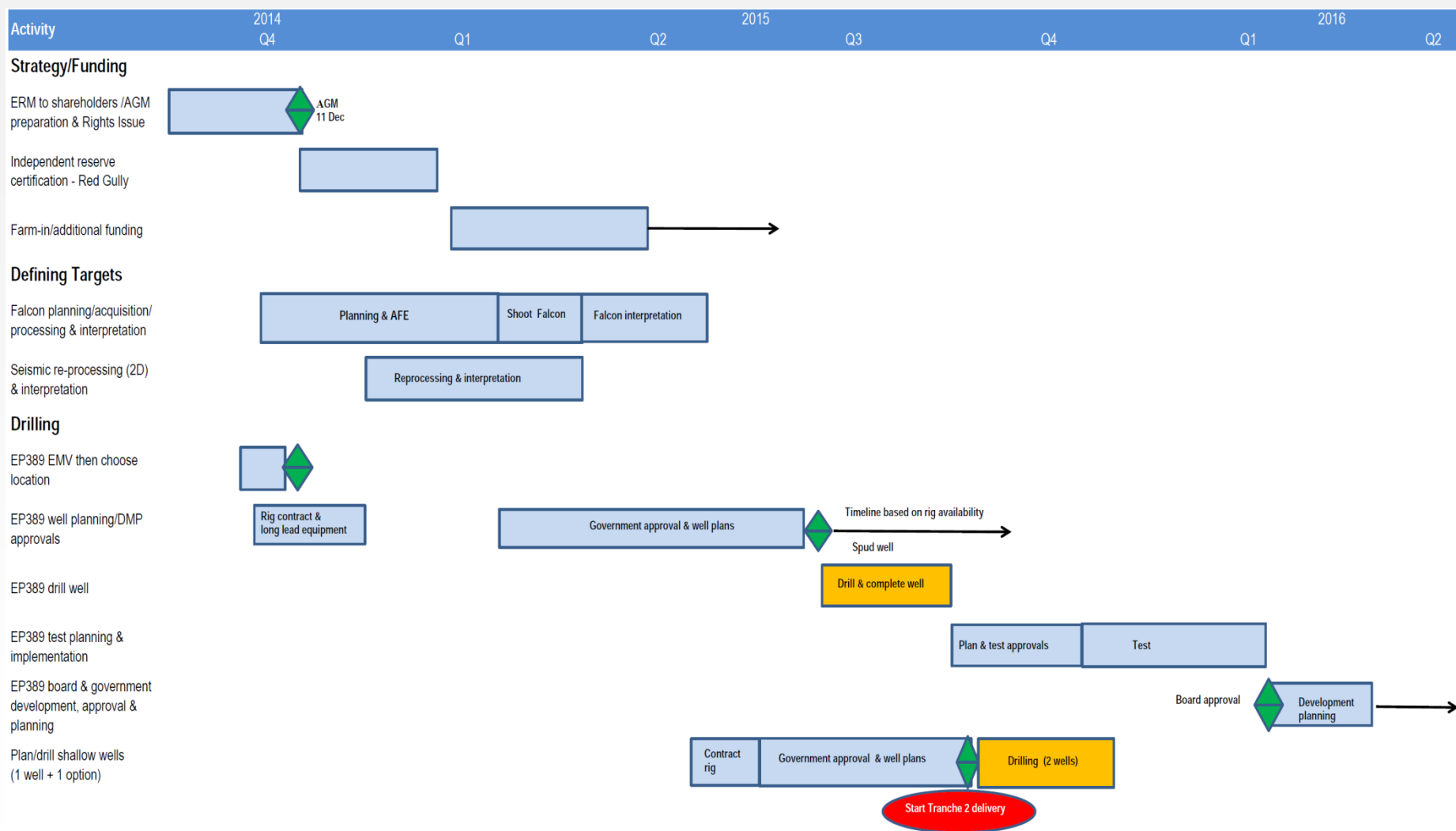


- Empire holds extensive acreage with unconventional resource potential
- AWE hold permits between Empire's EP 432, 389 & 440 and EP's 368 & 426
- Recent drilling in AWE's adjacent acreage has confirmed the unconventional potential of the Perth basin
- AWE has undertaken an independent technical assessment of unconventional potential
- Gross unconventional resources in AWE's adjacent acreage are estimated at 11.1 TCF and 31MMbbls*
- The AWE identified fairways are likely to extend into Empire's acreage

5. Catalysts & Summary



Key catalysts



ERM Transaction - a catalyst to unlock value



If transaction is NOT approved:

- Empire will remain funding constrained and ERM's repayment is required by 30 June 2015
- ERM support for the rights issue may not be as strong
- Reduced ability to attract quality farm-in partners or investors
- Need to find additional funding or reduce exploration program
- Risks loss of permits if exploration program not carried out



Rights Issue after ERM transaction provides immediate capacity to drive exploration



- Rights Issue of \$10 million at same price of placement to ERM

Use of funds (1 st half 2015)	
	Full rights subscription of \$10 million
Sub-surface imaging & 2D/3D re-processing	\$4 million
Planning & long lead equipment for EP 389 well	\$2 million
Stamp duty and petroleum registration costs on ERM transaction	\$0.5 million
Working capital (Red Gully and other)	\$3.5 million
	\$10 million ✓

(Drilling to be funded via debt finance, Red Gully plant sale, farmin, investor placement or equity raising).



Summary – Why Invest in Empire



- Major player in the under-explored Perth Basin
- Highly prospective tenements
- Operator with production at Red Gully
- Red Gully provides new production hub potential
- Experienced Board and Management Team
- Supportive major shareholder
- ERM deal allows Empire to drive value through exploration