



EMPIRE OIL & GAS NL

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Empire Oil and Gas weekly drilling update: Red Gully North-1

Oil and gas producer, Empire Oil and Gas NL (ASX: EGO), provides the following update for the Red Gully North-1 (RGN-1) exploration well.

Progress

The RGN-1 well has been drilled to a final total depth (TD) of 4410m.

Since last reported on 8 December, 920m of new 8 ½" hole has been drilled to a total depth of 4410m. Indications of hydrocarbons were recorded while drilling (mudlogs and logging while drilling) and included elevated gas readings over multiple sands within the well's primary objective interval, the Jurassic aged Cattamarra Coal Measure. These preliminary indications are considered encouraging, based on the drilling data currently available. Their significance will now be evaluated by running a full suite of wireline logs, in the 8 ½" hole section, over all zones of interest.

Participants

Empire Oil & Gas 100%.

Forward Plan/Next Steps

Run a full suite of wireline logs and evaluate, prior to making a decision to run and cement in the hole the 7" casing to TD. If a decision is made to run and cement 7" casing in the well, RGN-1 will then be suspended and Enerdrill Rig 3 released, prior to planning a future completion and test program for the well utilising a smaller and less expensive rig.

Location / Proposed Depth

RGN-1 was spudded on 17 November 2015 and is located in EP 389, approximately four kilometres to the north of the Company's Red Gully Processing Facility. The well's proximity to the Red Gully Processing facility will allow for a fast tie-back and commercialisation of the well if successful.

RGN-1 is being drilled by the Enerdrill Rig 3 and based on current progress is expected to take a total of 36 days.



Yours sincerely

For Empire Oil & Gas NL

A handwritten signature in black ink that reads "Ken Aitken".

Ken Aitken

Chief Executive Officer

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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 150kms 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 5,000 Terajoules (TJ) of gas. Gas produced to date has been contracted to Alcoa and delivered through the Dampier to Bunbury Natural Gas Pipeline (DBNGP), which lies next to the Processing Facility. Condensate produced is transported via road to BP.

EGO is the holder of the largest net acreage in the highly prospective Perth Basin with its production licenses and permits covering more than 10,000km², representing 48% of the currently granted acreage in the Perth Basin. Close to pipeline infrastructure and with rapid commercialisation opportunities, the Company has significant exploration potential in an underexplored, proven petroleum system.

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, enabling Empire to attract quality farm-in partners to assist in accelerating growth plans.