



Level 7, 151 Macquarie Street  
Sydney NSW 2000  
Ph: 9251 1846  
Fax: 9251 0244  
(ASX: EEG)  
(OTCQX: EEGNY)  
[www.empireenergygroup.net](http://www.empireenergygroup.net)

## Quarterly Report – For the period ending 30 September 2014

30 October 2014

### HIGHLIGHTS FOR 3<sup>rd</sup> QUARTER

- Estimated revenues for the period were US\$5.8 million (2Q2014: US\$7.0 million).
- Unaudited Field EBITDAX of US\$3.5 million (2Q2014: US\$4.8 million).
- Gross production
  - Oil: 61,831 Bbl (2Q2014: 61,863) -0.05%
  - Gas: 590,510 Mcf (2Q2014: 575,799) +2.6%
- Estimated Group EBITDAX was US\$2.0 million (2Q2014: US\$3.21 million).
- In Kansas two proved undeveloped wells were completed. Eight additional wells are scheduled over the next six months.
- In Appalachia twelve oil wells were drilled and completed in Allegany County, New York.
- The Company is continuing due diligence and evaluation on potential acquisition opportunities.
- The drilling program in the McArthur Basin, Northern Territory, conducted through July to September 2014 confirmed that the St Vidgeon Formation contains carbonaceous black shale. Calculations indicate the original TOC content of the St Vidgeon organic shale encountered was in the order of up to 3.85%.
- The St Vidgeon Formation provides a further 197,684 acres of high priority targets zones to the existing 3,223,984 acres of high priority targets zones already identified.

### OPERATING REVIEW

#### A. EMPIRE ENERGY USA, LLC (100%)

The Company's operations are based in the Central Kansas (oil) and in the Appalachian Basin (gas).

- For year to date the Company's EBITDAX is \$7.9 million, which is approximately \$1.7 million behind budget. Reasons for deviation from budget are:

- 12 completed oil and gas wells drilled in NY State remained shut-in over most of 2014 while a natural gas pipeline is approved and connected to a takeaway pipeline, causing a reduction in net earnings of around \$1.0 million.
- Although the Company has around 70% of oil production hedged at \$90/Bbl, recent oil price declines have had a negative effect on earnings in the period under review.
- Gas pipeline shut-in over the past quarter meant lower volumes of gas transported.

## **Financials:**

Description – US\$	30/09/2014 3 months to	30/09/2013 3 months to	30/09/2014 Year-to-Date	30/09/2013 Year-to-Date
<b><u>Net Revenue:</u></b>				
Oil Sales	3,218,341	3,506,320	10,169,390	10,586,967
Natural Gas Sales	2,355,731	2,594,594	7,195,685	7,925,292
Working Interest	6,773	6,578	18,103	19,180
Net Admin Income	123,756	108,678	377,701	319,237
Other Income	57,617	70,468	872,777	238,814
<b>Total Revenue</b>	<b>5,762,218</b>	<b>6,286,638</b>	<b>18,633,656</b>	<b>19,089,490</b>
<b><u>Production costs:</u></b>				
Lease operating expenses - Oil	981,839	818,446	2,924,291	2,471,862
Lease operating expenses - Gas	914,073	743,099	2,547,330	2,139,883
Taxes - Oil	166,958	182,508	462,104	511,676
Taxes - Natural Gas	180,856	167,030	441,947	476,868
<b>Total</b>	<b>2,243,726</b>	<b>1,911,083</b>	<b>6,375,672</b>	<b>5,600,289</b>
<b>Field EBITDAX</b>	<b>3,518,492</b>	<b>4,375,555</b>	<b>12,257,984</b>	<b>13,489,201</b>
<b><u>Less:</u></b>				
Inventory adjustment	162,344	(36,731)	208,941	(104,837)
Nonrecurring expenses	433,263	497,732	1,484,154	1,265,838
Field Overhead	180,000	180,000	540,000	540,000
<b>Total</b>	<b>775,607</b>	<b>641,001</b>	<b>2,233,095</b>	<b>1,701,001</b>
<b>Operating EBITDAX</b>	<b>2,742,885</b>	<b>3,734,554</b>	<b>10,024,889</b>	<b>11,788,200</b>
<b><u>Operating Margin</u></b>				
<b><u>Less:</u></b>				
Field G & A	174,428	194,236	498,492	592,735
Corporate G & A	510,194	353,650	1,363,757	1,107,289
Delay rental payments	48,753	73,017	251,494	256,567
Land Overhead & Non-leasing costs	282	75,154	1,730	216,473
<b>Total</b>	<b>733,657</b>	<b>696,057</b>	<b>2,115,473</b>	<b>2,173,064</b>
<b>EBITDAX</b>	<b>2,009,228</b>	<b>3,038,497</b>	<b>7,909,416</b>	<b>9,615,136</b>

## Exploration/Acquisition Expenses:

Description – US\$	30/09/2014 3 months to	30/09/2013 3 months to	30/09/2014 Year-to-Date	30/09/2013 Year-to-Date
<b>Less:</b>				
Geological Services	3,838	22,125	33,534	37,725
Acquisition related expenses	43,170	77,767	621,749	136,630
Dry hole expenses	396,866	1,811	442,091	27,869
Total	443,874	101,703	1,097,374	202,224
<b>EBITDA</b>	1,565,354	2,936,794	6,812,042	9,412,912

Estimates have been made for the last 2 production months of the quarter under review due to customer payment/invoice cycles. As such, there may be changes to production, revenues and operating ratios for the previous quarter as final production statements are received.

## Production Statistics

The table summarises Operating Statistics with a brief description of field operations for the last quarter.

Description – US\$	30/09/2014 3 months to	30/09/2013 3 months to	30/09/2014 Year-to-Date	30/09/2013 Year-to-Date
<b>Gross Production:</b>				
Oil (Bbls)	61,831	61,237	184,901	194,786
Natural gas (Mcf)	590,510	634,518	1,775,665	1,888,191
<b>Net Production by Region:</b>				
<b>Oil (Bbls)</b>				
Appalachia	1,152	1,118	2,406	2,980
Mid-Con	37,025	38,236	114,729	121,612
Total Oil	38,177	39,354	117,135	124,592
<b>Weighted Avg Sales Price (\$/Bbl)</b>				
Before Hedge	\$89.23	\$100.47	\$93.29	\$90.87
After Hedge	\$84.30	\$89.10	\$86.82	\$84.97
<b>Natural gas (\$/Mcf)</b>				
Appalachia	445,099	481,995	1,363,794	1,453,492
Mid-Con	6,306	5,393	16,058	9,699
Total Natural Gas	451,405	487,388	1,379,852	1,463,191
<b>Weighted Avg Sales Price (\$/Mcf)</b>				
Before Hedge	\$3.85	\$3.63	\$4.22	\$3.83
After Hedge	\$5.23	\$5.34	\$5.23	\$5.43

Description – US\$	30/09/2014 3 months to	30/09/2013 3 months to	30/09/2014 Year-to-Date	30/09/2013 Year-to-Date
<b><u>Oil Equivalent (Boe):</u></b>				
Appalachia	75,335	81,451	229,705	245,229
Mid-Con	38,076	39,134	117,405	123,229
Total Boe	113,411	120,585	347,110	368,458
<b>Boe/d</b>	1,233	1,311	1,271	1,350
<b><u>Weighted Avg Sales Price (\$/Boe)</u></b>				
Before Hedge	\$45.38	\$47.47	\$48.27	\$45.95
After Hedge	\$49.21	\$50.65	\$50.08	\$50.29
<b><u>Lifting Costs (incl. taxes):</u></b>				
Oil - Midcon (\$/Bbl)	\$30.09	\$25.43	\$28.91	\$23.95
Natural gas - Appalachian (\$/Mcf)	\$2.43	\$1.87	\$2.17	\$1.79
Oil Equivalent (\$/BOE)	\$19.78	\$15.85	\$18.37	\$15.20

## **Operations Overview – USA**

### **1. Appalachia (Western New York and Pennsylvania):**

Twelve shallow oil wells have been completed on the Eddy lease in Allegany NY. Pipeline ROW was obtained with connecting pipeline completed. The compressor station and connection to National Fuel Gas is expected to be completed in mid to late November.

A seismic shoot has been scheduled for Clymer Township to determine potential locations for Bass Island oil wells.

Empire's service rig has been working to keep the wells in compliance with DEC regulations. Numerous casing and tubing repairs have been made over the summer.

A new GIS mapping program has been brought online. It allows sections of pipeline that need to be updated to be recognized, speeds the location of outside excavating projects that are close to Empire facilities and maps the leases held by Empire. National Fuel Gas has completed major repairs on their pipeline system, the maintenance work over the period of review affected approximately 1/3rd of our production.

Evaluation programs continue for the acquisition of both open acreage and existing production.

### **2. Mid-Continental (Kansas):**

Production volumes from existing wells was up slightly over the quarter and is trending slightly upward for the year.

Operations have concentrated on regulatory mandated remedial type work during the third quarter to alleviate possible future violations with the Kansas Corporation Commission (KCC), the State regulatory agency.

Several production enhancement type projects have been identified and are currently in the planning stages.

The Driscoll Heirs #31-6 well was drilled and completed and operations are currently finalizing the last stages to bring it on line. The well was testing at rates between 14 and 21 BOPD.

The Drake #4-9 was drilled and completed with test results of between 65 and 80 BOPD. Surface equipment is currently being installed.

An additional 5 wells have been approved for drilling with 4 of them already permitted and staked. A rig will be moving in to begin drilling the last week of October.

We were the successful purchaser of a 160 acre tract of land with an existing well. An isolation test was performed, open perforations were shut off and the well was put on the pump. Included in the same purchase were two additional 160 acre tracts. Seismic 3D will be shot over the entire area to identify potential drilling locations.

An aggressive search and evaluation program continues in the Mid-Continent for the acquisition of both open acreage and existing production. Currently properties in Eastern Kansas, Oklahoma and Texas are being considered.

### **Net Earnings:**

Unaudited earnings for the period are shown below:

Description – US\$	30/09/2014 3 months to	30/09/2013 3 months to	30/09/2014 Year-to-Date	30/09/2013 Year-to-Date
<b>EBITDA</b>	1,565,354	2,936,794	6,812,042	9,412,912
Dep, Depl, Amort & ARO	1,395,904	1,418,800	4,093,004	4,772,441
Interest	492,036	537,384	1,499,223	1,679,528
State taxes	3,975	3,772	5,930	4,918
	1,891,915	1,959,956	5,598,157	6,456,887
<b>Earnings before Tax</b>	(326,561)	976,838	1,213,885	2,956,025
EBITDA/Interest (times)	3.18	5.46	4.54	5.60

### **Capital Expenditure:**

Description – US\$	30/09/2014 3 months to	30/09/2013 3 months to	30/09/2014 Year-to-Date	30/09/2013 Year-to-Date
<b>Capital Expenditures</b>				
Acquisition Capital/(Disposals)	14,054	2,250	(1,251,996)	2,750
New Wells - IDC	595,654	406,445	1,509,766	980,510
New Wells - Capital	213,484	124,065	537,639	435,310
Undeveloped Leases	15,376	105,095	154,624	311,697
Capital Expenditures	838,568	637,855	950,033	1,730,267

## **Credit Facilities:**

Net debt repaid over the quarter was US\$1.3 million (2Q2014: \$1.6 million).

At the end of the quarter the Company had US\$42.4 million drawn at an average cost of LIBOR + 4.35%. Empire Energy retains Credit Facility availability of ~US\$156 million, which can be utilized for acquisitions and development drilling subject to normal energy borrowing base requirements.

	Drawdown End of Qtr US\$M	Interest Rate LIBOR+	Interest Qtr US\$M	Interest YTD US\$M
Term	\$39,458	4.50%		
Revolver	\$3,000	2.50%		
	\$42,458	4.35%	\$1,300	\$3,300

## **Hedging:**

A hedging policy has been implemented by the Company with the underlying objective to ensure the cash flows are protected over the period the Credit Facility is drawn for the funding of a defined set of assets. Hedge contracts are a component of Empire's Credit Facility and no cash margins are required if contracts are outside the marked to market price for each commodity hedged.

The following table summarizes current hedging in place based on NYMEX – Henry Hub and WTI Contracts:

Year	Est. Net mmBtu	Hedged mmBtu	%	Average \$/mmBtu	Est. Net Bbl	Hedged Bbl	%	Average \$/Bbl
2014	462,500	333,453	72.1%	\$5.93	35,265	26,280	74.5%	\$90.00
2015	1,790,000	1,166,000	65.1%	\$5.45	133,280	98,160	73.6%	\$90.00
2016	1,730,000	1,200,000	69.4%	\$4.43	126,000	42,000	33.3%	\$85.67
2017	1,675,000	570,000	34.0%	\$4.57	119,500	39,600	33.1%	\$85.23
2018	1,620,000	510,000	31.5%	\$4.75				
Total	7,277,500	3,779,453	51.9%	\$5.02	414,045	206,040	49.8%	\$88.20

## **B. IMPERIAL OIL & GAS PTY LTD (100%):**

The Company's wholly owned subsidiary, Imperial Oil & Gas Pty Ltd ('Imperial') holds petroleum exploration permits in the Northern Territory comprising a total of 14,600,000 acres (or 59,172km<sup>2</sup>) and covering approximately 75% of the petroleum-prospective central trough of the onshore McArthur Basin in the Northern Territory, Australia.

## **McArthur Basin Project Progress:**

The Company's policy is to expense all exploration costs. Current quarter actual and accrued expenses:

Description – US\$	3 months to 30/09/2014	3 months to 30/09/2013	Year-to-Date 30/09/2014	Year-to-Date 30/09/2013
Exploration Expenses - NT	1,377,781	191,806	1,829,878	1,098,435

## **Tenements**

Negotiations continue for land access and tenement grant on EP(A)183, 182, 181 and 180. The Northern Land Council (NLC) has completed the necessary ethnographic surveys across these tenements to progress to final agreements with the Traditional Owners. A lack of resources within the NLC has previously delayed the progress of these tenement applications to final agreement and recent changes to the legal team within the NLC has seen the NLC appoint a new legal representative to negotiate on behalf of the Traditional Owners with Imperial.

Advice received from the Traditional Owners of this land clearly indicates support for the Company exploration program and to finalise the legal agreements.

EP(A) 187 has been approved by the full council of the NLC under ALRA and tenement grant is currently pending from the NT Department of Mines and Energy. Ongoing regular communication with the Northern Territory Minister for Mines & Energy and key Mines and Energy Department personnel indicate that grant of EP(A)187 will likely occur within the next quarter.

## **Hydrocarbon Targets – Drilling program 2014**

The target shale formations within EP184 St Vidgeon region which covers part of the petroleum-prospective McArthur Basin in the Northern Territory have been proven to be present in outcrop and at shallow depth allowing for drilling to obtain core samples for Source Rock Analysis (SRA), mineralogical and geochemical analysis. The quality of core samples recovered to date indicates petroleum source rocks are present with an effective top-seal and significant micro-fracturing and jointing present to improve the potential for hydrocarbon generation and effective migration within the formation.

The exploration wells drilled into the shale-bearing formations were to confirm the presence of petroleum source rocks as predicted by Imperial's studies. The objective was to acquire samples from below the projected zone of near-surface oxidation for Source Rock, Mineralogical and Geochemical Analysis. The results defined the source rock potential within this uplifted western margin block of the McArthur Basin thereby expanding the area of the central McArthur Basin acreage that contains petroleum source rocks.

## **Key Outcomes of Drilling Program**

- The drilling program conducted through July to September 2014 confirmed that the St Vidgeon Formation contains carbonaceous black shale.
- Initial geochemical analysis data coupled with Imperial's mapping of shale depositional environments has provided evidence that the St Vidgeon Formation black shales were deposited in a near basin margin shallow shelf environment. Furthermore they have the lithofacies and geochemistry consistent with Imperial's view that the St Vidgeon Formation shales are a stratigraphic correlative of the Barney Creek Formation to the south, that they are likely to extend throughout the central trough of the basin and hence have the potential to contain/and or have generated hydrocarbons within Imperial's acreage.
- The results of the initial Source Rock Analysis demonstrate the presence of organic carbonaceous material in sapropelic black shale, ranging from 1.0-1.5 % Total Organic Carbon (TOC) in core samples. RockEval pyrolysis results indicate that this organic material is 'mature' to 'over mature', and represents the residual inert organic material remaining following petroleum generation and migration.
- The level of TOC (1.0-1.5 %) is very significant because it quantifies the proportion of residual or 'dead' carbon and indicates that there were originally significant concentrations of petroleum-generating organic material even in the shallow marginal shelf regions of the basin where Imperial's exploration wells were drilled. This is encouraging for exploration deeper in the basin centre within Imperial's acreage where the shale deposits are predicted to be substantially thicker.
- Research by Espitalie et al (1985), Raiswell & Berner (1987), Jarvie et al (2005) provides a means of recalculating the average amount of TOC that was present in the shales prior to oil and gas maturation and expulsion. Such calculations indicate the original TOC content of the St Vidgeon organic shale encountered within Imperial's exploration wells may have been in the order of up to 3.85%.
- Under this premise, and based on the geochemical analyses of the St Vidgeon samples, it can be assumed that the shale samples from cores in well BCF-SC-04 before hydrocarbon migration, contained a mean TOC of 2.55% to 2.85% in that well.
- The 2014 drilling program has provided Imperial with an understanding of the wide variations in observed weathering depth and intensity throughout the western part of the region. IOG had estimated the depth of oxidation to be about 50m, however, in places it was in excess of 120m due to localized faulting and palaeo-karst profile development. Weathering has the potential to degrade the organic carbon component in any prospective source rock horizon and can make it difficult to select



samples for representative Source Rock Analysis. This knowledge will be used for planning future drilling programs.

- The lithologies observed above and below the black shale horizons are considered capable of providing effective top and base seals for hydrocarbons deeper in the basin, for both shale and conventional petroleum reservoirs.
- Geochemical and mineralogical analysis and modelling of depositional environments in the St Vidgeon and Barney Creek Formations have confirmed that both formations were indeed deposited under the sulphate reducing euxinic (oxygen deprived) conditions that prevailed during Palaeo-Proterozoic times. This provides strong support for the presence of thicker black shale zones in the deeper anoxic segments of the basin within Imperial's acreage. Such thickening of the shales in deeper portions of the basin is consistent with the finding of earlier research by Crick, I. H., Boreham, C. J., Cook, A.C., & Powell. T.G. (1988) and now provides targets for a seismic program in the next phase of exploration.
- Geophysical Wireline data also confirmed:
  - The presence of distinctive shale intervals that contain petroleum generating organic carbon can be correlated between a number of the drilled exploration holes. Such intervals might turn-out to be basin-wide lithological markers that can help for the first time to constrain the fine scale depositional architecture within the shale formations of the McArthur Basin.
  - A particular 18.5 m zone of interest that correlates with the black shale in that hole
  - A number of other shallower zones of black shale (currently within the weathered zone) that are likely to represent additional potential source rocks deeper in the basin, increasing the shale net pay thickness considerably.

### **Ongoing Exploration program**

Imperial Oil & Gas has developed plans to undertake the following:

- In the 2015 drilling season Imperial will step-out from the shallow basin margin locations drilled to date to drill to greater depths in the basin where the prospective shale intervals are predicted to be thicker. Within this deeper trough of the McArthur basin the aim will be to gather fresh samples from the key shale target zones both to constrain stratigraphy and quantify the distribution of shale quality.
- Undertake further detailed Geological Field Mapping and shale sampling in key areas, with the objective of defining high potential zones, prospects and leads within the basin.
- Imperial's Lead & Prospect Inventory includes initial drilling targets in areas proximal to existing live oil and gas finds and to existing gas pipeline infrastructure and/or right of ways. Such targets will be further quantified and ranked as 2015 drilling candidates.
- Ongoing hydrology and mapping studies will continue.

## C. EMPIRE ENERGY GROUP LIMITED

Empire Energy Group Limited's head office is located in Sydney, Australia. Operating costs cover all Group overhead, including the costs of listing on both the Australian Securities Exchange and the OTCQX Exchange, New York, USA.

Description – US\$	3 months to 30/09/2014	3 months to 30/09/2013	Year-to-Date 30/09/2014	Year-to-Date 30/09/2013
Revenue	30,128	39,044	117,313	117,661
Less Expenses:				
Consultants	76,580	101,897	239,688	277,638
Directors/Employment Costs	87,776	85,856	261,909	247,814
Listing Expenses	74,337	16,564	126,626	87,228
G&A	130,705	179,050	423,010	512,404
<b>EBITDAX – Head office (EEG)</b>	<b>(339,270)</b>	<b>(344,323)</b>	<b>(933,920)</b>	<b>(1,007,423)</b>
<b>EBITDAX – (EEUS)</b>	<b>2,009,228</b>	<b>3,038,497</b>	<b>7,910,561</b>	<b>9,615,136</b>
<b>EBITDAX – GROUP</b>	<b>1,669,958</b>	<b>2,694,174</b>	<b>6,976,641</b>	<b>8,607,307</b>

## ABOUT EMPIRE ENERGY GROUP LIMITED

In early 2007, the Company established Empire Energy USA, LLC a wholly owned subsidiary. Empire Energy USA is an oil and natural gas producer with operations in Appalachia (New York and Pennsylvania) and the Central Kansas Uplift (Kansas). Current production is around 1,350Boe/d.

The Company holds approximately 232,000 net acres of Marcellus Shale and 148,000 net acres of Utica Shale in western New York State and Pennsylvania. In addition, the Company has Exploration Licence Applications over 14.6 million acres in the McArthur Basin, Northern Territory, Australia, which is considered prospective for oil and gas shale.

Empire Energy holds a US\$200 million credit facility with Macquarie Bank Limited, which can be utilised for the acquisition and development of oil and gas assets in the USA. This facility has around US\$42.4m of the debt facility currently drawn.

For more information:  
Bruce McLeod  
Executive Chairman  
+61 2 9251 1846

## Financial Terminology

Statements in this announcement may make reference to the terms “EBITDAX”, Field EBITDAX, “field netback” or “netback”, “cash flow” and “payout ratio”, which are non-IFRS financial measures that do not have any standardised meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies. Investors should be cautioned that these measures should not be construed as an alternative to net income calculated in accordance with IFRS. Management believes that these measures provide useful information to investors and management since these terms reflect the quality of production, the level of profitability, the ability to drive growth through the funding of future capital expenditures and sustainability of either debt repayment programs or distribution to shareholders. However, management have attempted to ensure these non-IFRS measures are consistent with reporting by other similar E&P companies so useful production and financial comparisons can be made.

### Note regarding Barrel of Oil Equivalent

Empire Energy has adopted the standard of 6 Mcf to 1 Bbl when converting natural gas to Boe. Boe may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf to 1 Bbl is based on energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of six to one, utilizing a Boe conversion ratio of 6 Mcf to 1 Bbl would be misleading as an indication of value.

### Note Regarding Forward- Looking Statements

Certain statements made and information contained in this press release are forward-looking statements and forward looking information (collectively referred to as “forward-looking statements”) within the meaning of Australian securities laws. All statements other than statements of historic fact are forward-looking statements.

## Glossary

<b>Bbl</b>	- One barrel of crude oil, 42 US gallons liquid volume
<b>Boe</b>	- Barrel of oil equivalent, determined using the ratio of six Mcf of natural gas to one Bbl of crude oil, condensate or natural gas liquids
<b>Delay Rentals</b>	- Payments made to Lessor to maintain leases
<b>GIP</b>	- Gas in place
<b>HBP</b>	- Held by production
<b>Mcf</b>	One thousand cubic feet (natural gas volumetric measurement)
<b>M or MM</b>	M = Thousand, MM = Million
<b>NRI</b>	- Net revenue interest
<b>PDNP</b>	- Proved developed non producing
<b>PDP</b>	- Proved, developed producing well
<b>PV10</b>	- Pre-tax value of a cash flow stream, over a defined time period, discounted at 10%
<b>Royalty</b>	- Funds received by the landowner for the production of oil or gas, free of costs, except taxes
<b>ROW</b>	- Right of way
<b>Tcf</b>	- Trillion cubic feet
<b>TOC</b>	- Total organic content
<b>WI</b>	- Working interest

## Changes to Lease holdings 1 January 2014 through 30 September 2014

### Expired

<u>State</u>	<u>Type</u>	<u>Operator</u>	<u>Empire ID</u>	<u>WI</u>	<u>NRI</u>	<u>Acres</u>	<u>Maturity</u>	<u>Status</u>	<u>Formation</u>
NY	O&G	Empire Energy E&P, LLC	310990324	1.00	0.8438	152.3	25/05/2014	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310990325	1.00	0.8438	51.5	25/05/2014	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310110614	1.00	0.8750	266.7	28/08/2014	Expired	All Horizons
PA	O&G	Empire Energy E&P, LLC	370310038	1.00	0.8750	35	25/09/2014	Expired	Elk
KS	O&G	Empire Energy E&P, LLC	150630019	1.00	0.8500	320	10/05/2014	Expired	All Horizons
KS	O&G	Empire Energy E&P, LLC	150630020	1.00	0.8500	-	10/05/2014	Expired	All Horizons
KS	O&G	Empire Energy E&P, LLC	150630021B	1.00	0.8650	160	31/05/2014	Expired	All Horizons
KS	O&G	Empire Energy E&P, LLC	150650003	1.00	0.8750	80	12/04/2014	Expired	All Horizons
KS	O&G	Empire Energy E&P, LLC	150650004	1.00	0.8750	-	12/04/2014	Expired	All Horizons
KS	O&G	Empire Energy E&P, LLC	150650005	1.00	0.8750	-	12/04/2014	Expired	All Horizons
KS	Farmout	Empire Energy E&P, LLC	150790006	0.90	0.7425	280	22/05/2014	Expired	All Horizons, Except Mississippian
KS	Farmout	Empire Energy E&P, LLC	150790007	0.90	0.7425	80	22/05/2014	Expired	All Horizons, Except Mississippian
KS	Farmout	Empire Energy E&P, LLC	150790008	0.90	0.7425	80	22/05/2014	Expired	All Horizons, Except Mississippian
KS	Farmout	Empire Energy E&P, LLC	150790009	0.90	0.7425	120	22/05/2014	Expired	All Horizons, Except Mississippian
KS	O&G	Empire Energy E&P, LLC	151510004	0.99	0.8126	68	5/06/2014	Expired	All Horizons
KS	O&G	Empire Energy E&P, LLC	151650002	1.00	0.8750	160	27/04/2014	Expired	All Horizons

### New

<u>State</u>	<u>Type</u>	<u>Operator</u>	<u>Empire ID</u>		<u>NRI</u>	<u>Acres</u>	<u>Maturity</u>	<u>Status</u>	<u>Formation</u>
NY	O&G	Empire Energy E&P, LLC	310990617	1.00	0.8438	209.8	26/05/2019	Leased, DelayRental	All Horizons
NY	O&G	Empire Energy E&P, LLC	310990619	1.00	0.8750	184.4	4/06/2019	Leased, DelayRental	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090554	1.00	0.8750	143	N/A	HBP	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090555	1.00	0.8750	151	N/A	HBP	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090556	1.00	0.8750	42	N/A	HBP	All Horizons
NY	O&G	Empire Energy E&P, LLC	3140132413	1.00	0.8750	110	N/A	HBP	All Horizons
NY	O&G	Empire Energy E&P, LLC	310030031	1.00	0.8750	25	31/07/2016	Leased, DelayRental	All Horizons
NY	O&G	Empire Energy E&P, LLC	310030032	1.00	0.8750	50	20/08/2017	Leased, DelayRental Mineral Deed -	All Horizons
NY	O&G	Empire Energy E&P, LLC	310030033	1.00	N/A	16	N/A	Owned	All Horizons
KS	O&G	Empire Energy E&P, LLC	150510020	1.00	0.8750	320	24/02/2015	Leased, Paid Up	All Horizons
KS	O&G	Empire Energy E&P, LLC	151650003	1.00	0.8750	160	24/02/2015	Leased, Paid Up	All Horizons
KS	O&G	Empire Energy E&P, LLC	151670029	1.00	0.8750	80	5/02/2015	Leased, Paid Up	All Horizons

**NOTE:** For a full list of petroleum tenements held by the Company and its subsidiaries please refer to the ASX Announcement dated 3 February 2014 titled 'Petroleum Tenements'.