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2 February 2015

EMPIRE ENERGY GROUP & RAYA GROUP FORMALISE USA MID-CONTINENT OIL & GAS PROJECT JOINT VENTURE

Raya Group Limited (ASX:RYG) is pleased to advise that its US based subsidiary has executed formal documents in relation to the Joint Venture with the USA subsidiary of Empire Energy Group Limited (ASX:EEG). As previously announced the agreements allow the parties to jointly identify, acquire and develop oil and gas leases in an exclusive Area of Mutual Interest (AMI) in Northern Oklahoma.

Both Companies are to contribute oil and gas leases within the AMI on a 50/50 basis with +7,000 mainly contiguous net acres leased as of today's date. Leases are being acquired with a 3 year primary term and 2 year bonus term with 100% Working Interest and ~81.25% Net Revenue Interest under competitive commercial terms.

The companies are proposing to undertake a low cost vertical well program targeting known oil and gas producing horizons in the area including the Mississippi Lime and Wilcox formations. Funding for the proposed wells is to be shared equally on a 50/50 basis. With current oil and gas production from both formations and ongoing development occurring in the immediate area, information on the JV leases and surrounding production data has been submitted to an Independent Expert for the preparation of an initial Reserve Report for the Project.

Managing Director of Raya, Mr. Daniel Lanskey commented "We are excited about formalising our JV with Empire Energy in Northern Oklahoma. Empire, as the Operator, has a highly experienced, professional Mid-Continent oil and gas team based in Wichita about 50 mins drive from our Project area. The current weakness in the oil price has allowed us to acquire leases at competitive prices with initial primary terms of 3 years. Many industry analysts and experts are of the view that the current downturn in the commodity pricing may be short term. The acquisition of this Project acreage and JV with Empire positions us to move into development mode in the latter part of 2015. We are planning a low cost, low risk vertical well development plan which has the potential to deliver attractive project returns over the near term and into the future".

By Order of the Board

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