



EMPIRE OIL & GAS NL

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Red Gully North-1 completion/testing update

- Completion accomplished ahead of schedule and within budget;
- Testing programme expected to start later this week and take approximately 9 days;
- Successful test results will enable conversion of the Red Gully North-1 contingent resources into recoverable reserves and rapid commercialisation of the discovery.

Perth Basin domestic gas producer Empire Oil and Gas NL ("**Empire**", ASX: EGO) is pleased to provide the following update on the completion and testing programme currently underway at its 100% owned Red Gully North-1 ("**RGN-1**") discovery.

Progress

Following perforation the wellbore was cleaned out prior to running the completion. The zonal isolation completion was then successfully run and pressure tested. The well was circulated to inhibited completion brine and the Christmas tree was installed and tested successfully. On Tuesday 5 April 2016, at 0700hrs the rig was off hire and the rig equipment was demobilised from site. The completion was successfully accomplished ahead of schedule and within budget.

Planned Activity/Forward Programme

Testing equipment is expected to be mobilised on Wednesday 6 April and installed by the end of the week. The testing programme is expected to run for a further 9 days. Successful test results will enable conversion of the Red Gully North-1 contingent resources into recoverable reserves and rapid commercialisation of the discovery.

Background

Following successful drilling operations, RGN-1 was suspended on 29 December 2015. RGN-1 is located in EP 389, approximately 4km to the north of the Empire's 100% owned Red Gully Processing Facility. RGN-1's proximity to the Red Gully Processing facility will allow for a fast tie-back and commercialisation of the well after a successful completion and test programme.

Yours sincerely

For Empire Oil & Gas NL

Ken Aitken
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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 6,000 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.