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ASX Announcement – Drilling Update

30 June 2011

DEVELOPMENT WELL DRILLING PROGRAM COMPLETION PROGRESS – DEVELOPMENT WELLS 1 & 2

Empire Energy Group Limited (Empire Energy) is pleased to announce the following update on its 2011 drilling program:

Boxberger-Solomon #14 - Completion

A formation with an above expected water flow rate was squeezed off, resulting in a delay in the completion process, now expected to be by the end of this week. Flow lines have been laid.

Empire has a 70.7% working interest in this well.

C L Newcomer #9 – Completion

Due to the delay on the Boxberger-Solomon #14, the completion rig has not yet moved to the CL Newcomer #9 well in Russell County, Kansas. Flow lines are being laid with the completion rig expected to move onto the location by the weekend.

Empire has a 90.13% working interest in this well.

DRILLING PROGRAM - DEVELOPMENT WELLS 3 & 4

Within the next 7 days a drilling rig has been confirmed to be on location for development wells 3 & 4 of the Empire Energy E&P 2011 drilling program. The 2 wells are the Carmichael/Kollman West Unit #4 and the Kollman #15, both in the Bemis-Shutts Field, Ellis County, Kansas. Additional detail will be released as soon as the rig is on location.

The Central Kansas Uplift

Historically, Kansas has been a very prolific oil and gas producing state with cumulative production exceeding 6.1 billion barrels of oil (BBO) and 37.5 trillion cubic feet of gas. Current yearly production is approximately 33 million barrels of oil and 342 billion cubic feet of gas from over 60,000 wells. The

most prolific oil reservoirs are the Arbuckle (Ordovician) and Lansing-Kansas City (Pennsylvanian) formations particularly from fields located on the Central Kansas Uplift (CKU). Arbuckle reservoirs have produced over 2 BBO statewide. Of the 31 counties in which the Arbuckle has been productive, over 70% of the production has come from 10 counties situated on the Central Kansas Uplift in which Empire Energy operates.

Empire Energy's initial focus in the Central Kansas Uplift will be to drill low risk development wells. At the same time the objective is to delineate additional prospects and to convert probable reserves to reserve 1P category.

MARCELLUS & UTICA SHALE DEVELOPMENT OPPORTUNITIES

Empire Energy frequently receives news article and reports on Industry developments relating to the industry in which the Company's operates, especially with regards to the Marcellus and Utica Shale opportunities in New York State. Where these articles are particularly relevant to the Company's operations a copy of these articles may be uploaded to the Company's website in the Investor Information section under the tab titled Research and Media. For the interest of investors the Company has today uploaded a report titled 'The Economic Opportunities of Shale Energy Development'. Please refer to www.empireenergygroup.net.

About Empire Energy Group Limited

In early 2007, the Company established Empire Energy USA, LLC and currently holds around 96% of its issued capital. Empire Energy USA is an oil and natural gas producer and also operates a small oil and gas field service operation. It has operations in Appalachia (New York and Pennsylvania) and the Central Kansas Uplift (Kansas).

Empire Energy implemented a US\$100 million credit facility with Macquarie Bank Limited in early 2008 for the sole purpose of acquiring and developing oil and gas assets in the USA. This facility has been increased to US\$150 million.

For more information:

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