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## ASX Announcement –Drilling Update – Nth Dakota

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### **JOINT VENTURE (EMPIRE WI =35%) - EXPLORATION WELL DRILLING PROGRAM EXPLORATION WELL 2 – KOK #15-1**

The second well in the current drilling program is within 100ft of TD. On core and log analysis to date it has been decided to run production casing and complete the well targeting oil in both the Bluell and Sherwood Formations.

The first well in the drilling program, the Neshem #26-1 is still waiting on completion.

### **WILLISTON BASIN – NORTH DAKOTA**

The Canyon Shoreline Project is located on the northeast flank of the U.S. portion of the Williston Basin just east of the Nesson Anticline. The project targets the Sherwood Member of the Mission Canyon as the primary objective, and the Bluell Member as a secondary objective. Both of these members produce from stratigraphic traps associated with porosity and permeability development closely tied to the depositional facies and early diagenetic fabric found along the carbonate shorelines associated with the progradational parasequence sets of the Mission Canyon.

The initial prospect in the Shoreline Project, the Berthold Prospect, targets the "island crest" or "pisolite" facies. Through extensive subsurface mapping combined with core examination from many of the surrounding wells, this prospect has been developed as being on trend with an established fairway of production and directly offsetting a well that has produced 120,00 barrels of oil from the Sherwood. Within the fairway in the project area, wells in the Sherwood have been highly productive. Approximately 150 wells have produced greater than 19 million barrels of oil for an average of 129,000 barrels per well. With drilling depths of 6,500 feet to 8,000 feet and completed well costs of \$1,200,000, the economics of the Berthold Prospect are excellent.

Based upon production histories of trend wells, we anticipate reserves of 179,000 barrels of oil, an initial rate of 100 BO/d, and a 10 month payout with a 10% discounted return on investment of 4.29x.

### **ABOUT EMPIRE ENERGY GROUP**

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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