



EMPIRE ENERGY GROUP LIMITED
Level 7, 151 Macquarie Street
Sydney NSW 2000
T: 02 9251 1846
F: 02 9251 0244
(ASX: EEG)

ASX Announcement – Drilling Update

10 June 2011

Development Well Drilling Program - Update

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

Boxberger-Solomon #14 well reached target depth

The Boxberger-Solomon #14 development well in Russell County, Kansas reached target depth at 3,350 feet on 9 June 2011. Logs have been run which show the well has successfully intersected oil pay-zones over the Lansing and Reagan Sands. A completion rig is expected to be on location tomorrow.

Empire has a 70.7% working interest in this well.

CL Newcomer #9 well spudded

The CL Newcomer #9 development well in Russell County, Kansas was spudded on 9 June 2011 and has currently reached a depth of 519 feet. The target zones are the Arbuckle, Lansing and Reagan Sands at a depth up to 3,500 feet.

Empire has a 90.13% working interest in this well.

The first stage of the drilling program consists of 3 wells with a further 7 wells in the planning stage.

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.

About Empire Energy Group Limited

In early 2007, the Company established Empire Energy USA, LLC and currently holds around 92% 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:

Bruce McLeod
Executive Chairman
Empire Energy Group Limited
+61 2 9251 1846