



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

ASX Announcement – Drilling program 2012

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Empire Energy Group Limited (Empire Energy) is pleased to provide an update on the 2012 drilling and work over programs.

Appalachia Work over Program – 2012

The Lantz #7 well has now been put on pump and is producing at over 50 Bbls/d.

The Lantz #7 well was targeted for potential behind pipe oil production from the Bass Island Trend formation. For the first 2 to 3 months the well has flowed under natural formation pressure producing an average around 80 Bbls/d, although there were days when the well was taken off line due to storage constraints.

The Bass Island Trend formations are fractured carbonate reservoirs of relatively high porosity. The Bass Island Trend runs SW-NE through Chautauqua, Cattaraugus and Erie Counties, New York State, where a large portion of the Company's oil and gas leases are held. Historically, the formation has been a known oil producer, but has been difficult to target. New 3D seismic technology has improved the opportunity to target these formations.

The Company has commenced a program to review all 2,000+ wells for further behind pipe Bass Island formation oil production.

Kansas Development Well Drilling Program – 2012

Wells 1 to 3

Results of the first three wells are as follows:

Well Name	Formation	County, KS	WI	Status
Siefkes #12	Lansing/Arbuckle	Stafford County	50.7%	Flow rates at 24.5 Bbl/d
Krankenbergs 8-19	Arbuckle	Stafford County	88.3%	Flow rates 6.1 Bbl/d
Kirkman #2	Lansing/Arbuckle	Stafford County	92.6%	Completion underway

Completion difficulties were encountered with the Krankenberg 8-19 in the Arbuckle formation. Up-hole formations in the Kansas City- Lansing formations will be targeted.

The third well, Kirkman #2 was spudded 30 April 2012. Total depth has been achieved and completion commenced this week.

Drilling Program

Empire proposes to drill at least 10 development wells in the Central Kansas Uplift Region over 2012.

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 96% of its issued capital. Empire Energy USA is an oil and natural gas producer with operations in Appalachia (New York and Pennsylvania) and the Central Kansas Uplift (Kansas). In addition it holds approximately 400,000 acres of Marcellus and Utica shale formations in New York State USA.

A 100% owned subsidiary Imperial Oil & Gas holds 14.5 million acres of potential shale formation in the Northern Territory, Australia.

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