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Announcement

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CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING

Ladies and gentlemen

Good morning, it is with pleasure that I welcome you here today for the Empire Energy Group Limited 2013 AGM.

This morning I would like to review Company progress over 2012 and outline how the corporate strategy continues to provide a sound foundation for future growth. Revenue and EBITDAX remained steady compared to the previous period which proves that the business model for the Company is working well. This is expected to continue over 2013 and beyond.

The business we have built today is a growth diversified, cost balanced business incorporating steady cash producing assets, short term development opportunities and a major, potentially world class, exploration play. The strong core cashflow business in the US is allowing the Company to continue to pay down existing debt ahead of schedule, develop a highly skilled operating base which ensures a strong infrastructure to expand producing operations.

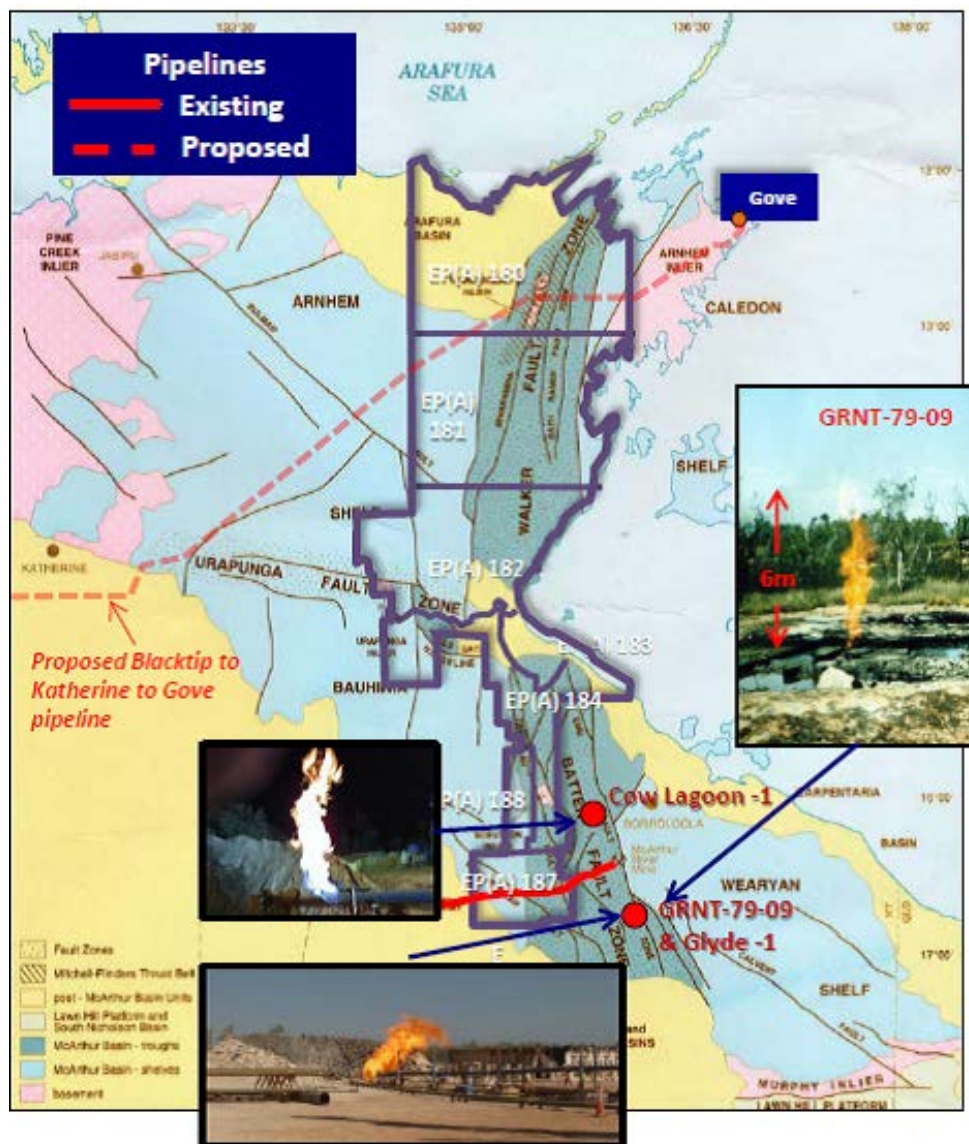
The Company continues to pursue the selective acquisition of producing assets in the US, with a focus on the Mid-con region. Over 2012 a small acquisition was completed while a number of additional acquisitions were bid on. In some cases the offers accepted, but unfortunately, at this stage, for several reasons they have failed to complete. While this is disappointing to all stakeholders, the Company remains committed to its basic metrics for targeted acquisitions.

In the Northern Territory the Company continues to negotiate the grant of permits over its 7 exploration licence applications covering 14.6 million acres of prospective shale oil and gas acreage.

Through ongoing field work an increasingly positive relationship is being developed between the Company, the Traditional Owners and the Northern Land Council. This enabled an initial environmental field reconnaissance program to be undertaken in late 2012 to ensure once

exploration licences were issued the Company would be in a position to immediately commence its defined exploration programs in its northern tenements.

Today I am very pleased to announce that late last week we were able to sign our joint Exploration and Production Agreement with the Traditional Owners covering a portion of EPA 184. Unfortunately, a group of the Traditional Owners were involved in a period of mourning and it has been agreed that their signing will now take place in mid June 2013.



The future, however is why you are all here to today, so to highlight:

- Existing operations are expected to maintain current levels of production and revenues. The company is consistently looking for increased production and efficiencies. Earnings for 2013, based on current commodity prices, are expected to be in line with 2012.

- Accretive, production focused acquisitions are one of the cornerstone to the Company's earnings growth. Two potential acquisitions remain in the negotiation phase. If successful, they are expected to be funded internally and should add significantly to earnings with little in additional G&A costs.
- Over 2013 the Company will seek to drill at least seven wells in Kansas, undertake polymer treatments on 2 to 4 wells and continue the current rework program. The new wells will initially target the Arbuckle and then the formations above. One issue that some shareholders have raised is the lack of information in relation to well production. Due to the nature of the Central Kansas Uplift, where there may be as many as 10 producing formations for each well, it is difficult to provide a meaningful production measurement, as generally, each formation is produced one after the other. The Company is looking at ways to ensure a more meaningful measure of the success of each well which can then be related to shareholders, as opposed to only providing initial production rates.
- The most disappointing aspect of the Company's development has been the inability to develop its major shale holdings in New York State. The continual 'kicking of the can down the road' and the inability of the NY State Government to make a positive decision about the development of the State's significant oil and gas resources brings continued despair to many in the Central and Western part of the State. While NY City and the bureaucracy bask in tax holder bailouts, new jobs and development capital in the remainder of the State are a rare occurrence. Currently, there is no known timetable provided by the DEC in terms of finalising a decision for fracking guidelines.
- The Company's 14.6 million acre holding in the Northern Territory continues to raise considerable interest. As a point to note, on rudimentary basis, the volumetric shale contained in the Company's holdings in the McArthur Basin is similar in volume to the entire Marcellus Basin, now regarded as the world's largest gas basin. As work progresses with the Adelaide University Shale Research Unit and 3D modelling of the McArthur Basin nears completion, a number of potential conventional and unconventional hydrocarbon targets have been identified. The Company is currently compiling this research and modelling into a data package for financiers and potential joint venture partners. As noted previously, relationships with the Traditional Owners of the McArthur Basin and their advisors continue to develop, into what we see as being long term working partnerships. With the expected granting of EPA 184, a geological and seismic program will be well underway prior to the commencement of the wet season in October 2013. The Company continues to work with the NLC to ensure the remaining tenements are finalised over 2013.

The most important aspect for all shareholders is the effect the share market is having on the Company's share price. At current levels, the share price is trading at a substantial discount to the value of the producing assets of the Company, suggesting no value on the significant unconventional assets the company holds. Management continue to seek avenues to undertake a program to rectify this anomaly.

Lastly, I would like to thank all those who have assisted the Company over the past 12 months, including management, employees, the Company's Bankers and advisors. In addition, I would also like to thank shareholders whose patience over the past months has been very supportive.

Thankyou.

Bruce McLeod
Chairman & CEO