



EMPIRE ENERGY GROUP

ACHIEVING SIGNIFICANCE IN THE OIL & GAS INDUSTRY

THE 9TH ANNUAL
excellence
IN OIL AND GAS
THE EAST COAST'S PREMIERE INVESTMENT EVENT

11 – 12 MARCH 2014
HILTON HOTEL
SYDNEY



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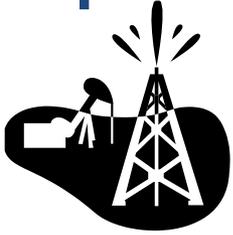
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Competent Person Report

For Empire Energy, the information in this presentation which relates to reserves is based on information compiled by Ralph E Davis Associates Inc, Houston, Texas and LaRoche Petroleum Consultants, Dallas, Texas who are certified professional engineers with over five years experience. Neither Ralph E Davis Associates Inc., and LaRoche Petroleum Consultants nor any of the their employees have any interest in Empire Energy or the properties reported herein.

Empire Energy



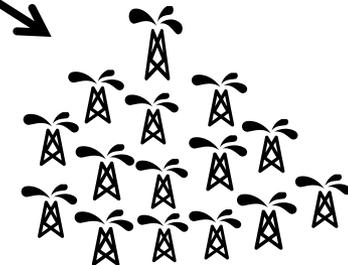
**Growing E&P
Company with accretive
acquisitions in pipeline**



**Low Production Risk,
Generates Consistent,
Positive Cashflow**



**Strong Management
Team**



**Multi Tcf / MMBbl
Shale Assets in
Northern Territory &
New York State**

Corporate Snap-Shot



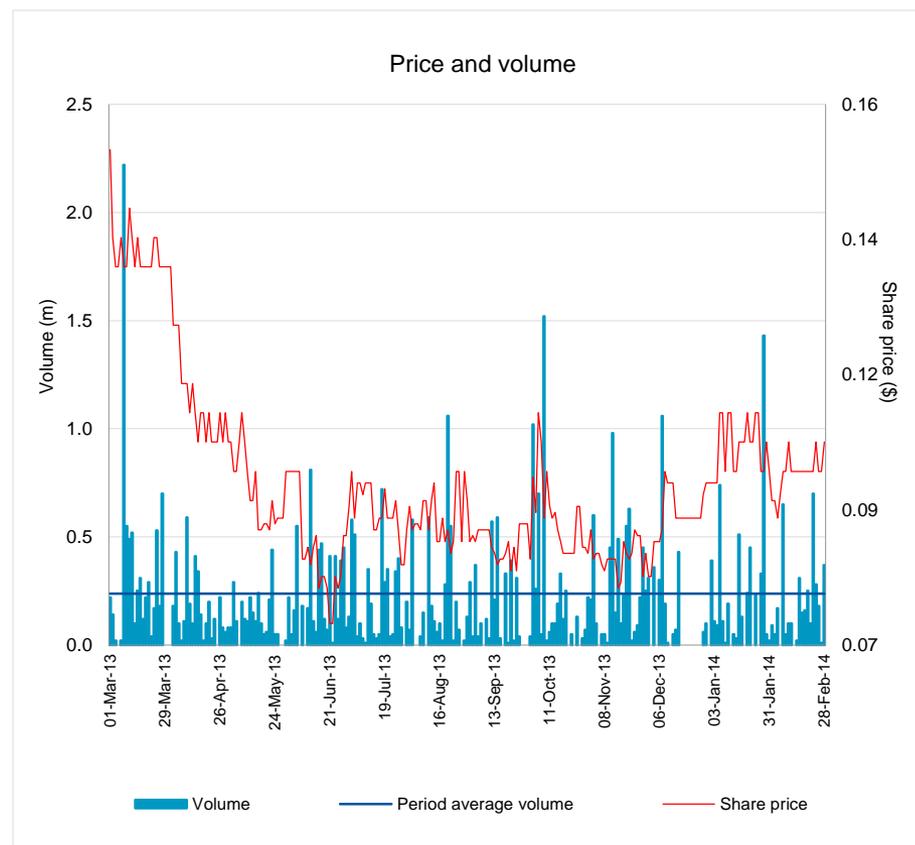
• ASX:EEG OTC-QX:EEGNY

- Share Price = US\$0.09
- Mkt Cap = US\$28mm
- Debt = US\$41mm
- Cash = US\$ 3mm
- EV = US\$66mm
- GP EBITDAX = US\$11.0mm
- EBITDAX/Int. = +6.0x
- Shares issued = 308 mm
- Options issued = 18 mm

• Shareholders:

Macquarie Bank	17.4%
HSBC Custody Noms.	5.3%
WYT Noms.	3.4%
Imperial Investments	2.2%
Insiders	3.3%
Total Shareholders	~3,000
Av. Daily Volume (360 days)	240,000

Share price and volumes over the past year



USA Operations

Appalachian Basin

- Conventional oil & gas
- ~2,000 operating wells
- ~99% working interest
- -1,000Boe/d
- 225,000 gross acres Marcellus
- 190,000 gross acres Utica Shale
- Operator

Mid-Continental

- Conventional oil & gas
- ~250 operating wells
- Arbuckle / Lansing Kansas City / Mississippian
- ~450Boe/d
- 24,000 gross acres
- ~96% working interest
- Operator

Head Quarters

- Pittsburgh, PA





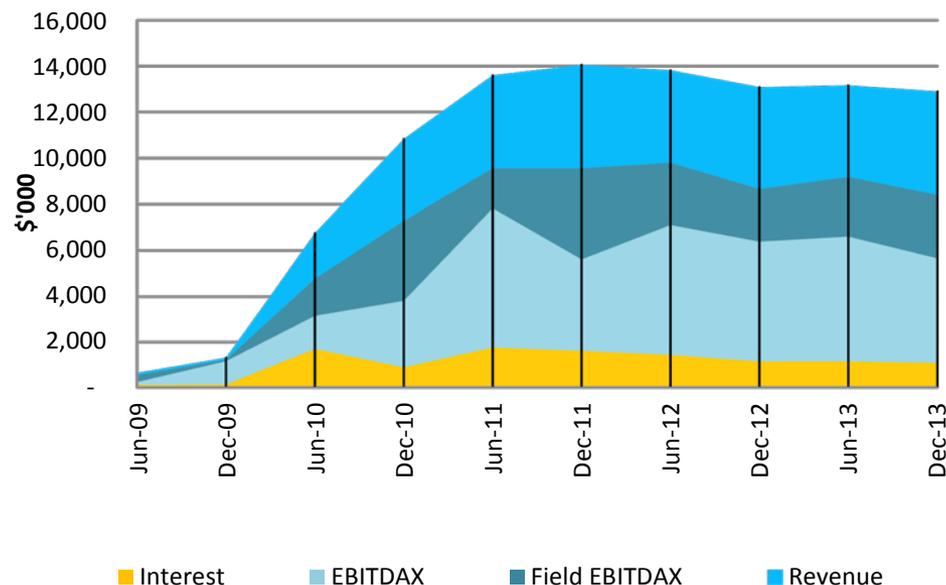
Operations Outlook

- Address the significant differential between market & asset value
- Continue accretive US growth strategy – target PDP oil/gas assets
- Exploration program in highly prospective McArthur Basin, NT
- Active leasing programs adjacent to existing US assets
- Ongoing drilling programs in Mid-Con and Appalachia
- Preparation for lifting of NY Fracking moratorium
- Credit Facility availability - US\$109mm
- Seek access to US capital markets

Summary of Operations – US Assets

- First 12 months (FTM)
 - Revenue = \$25 million
 - EBITDAX = \$12.5 million
- Oil/Gas Revenue 60%/40%
- Production = 1,450 Boe/d
- R/P = 16.3 years

Op. Cashflow - Six Monthly

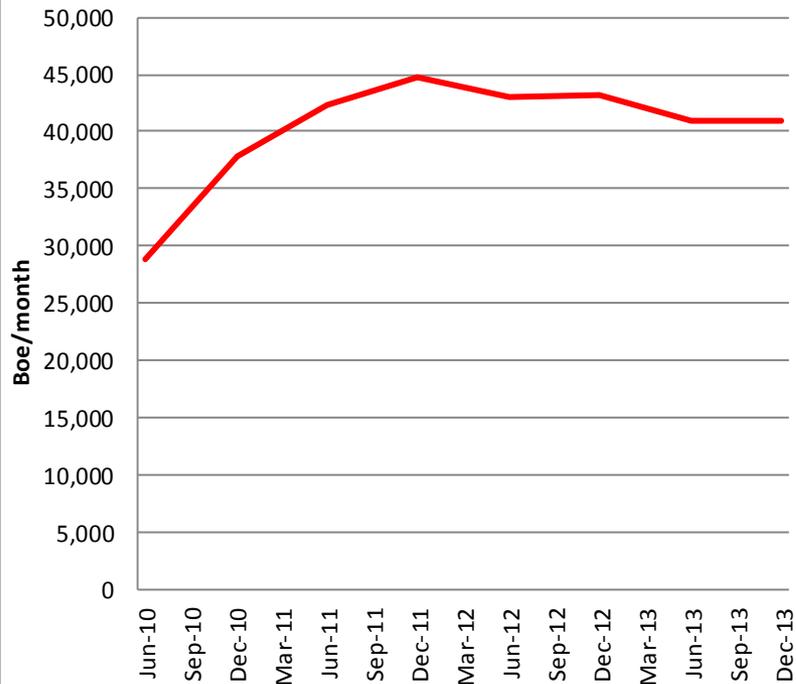


- +2,250 wells in Appalachia & Mid-Con = low production risk
- Active Hedging (component of financing facility) = low cash flow risk

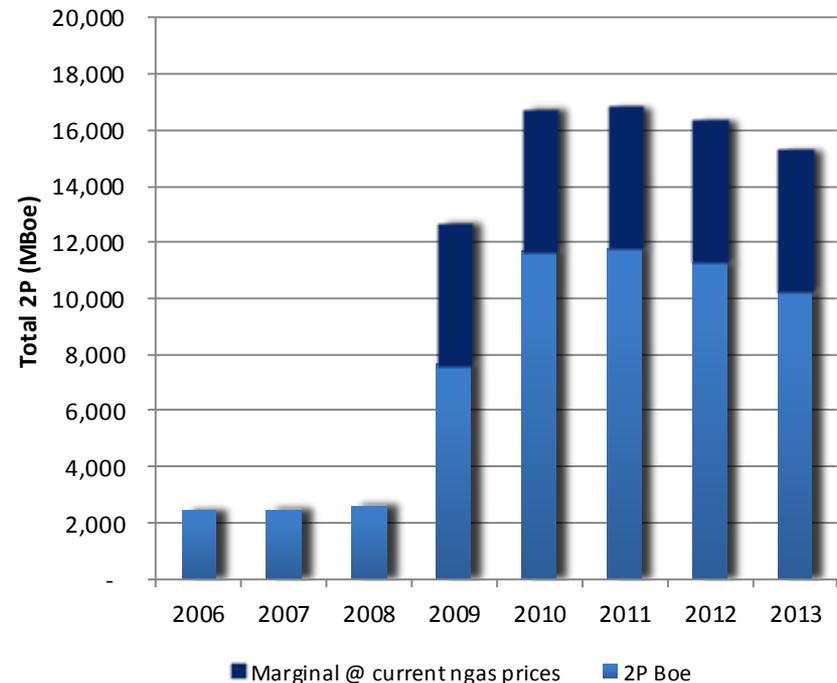
Operations – US Assets



Production - Boe/mth



Reserves - 2P MBoe



* Reserves have been updated as at December 1, 2013 by Ralph E Davis Associates, Inc., Houston TX (Appalachian assets) and LaRoche Petroleum Consultants Ltd, Dallas, TX (Kansas Assets)



Production Valuation – US Assets

Current	Benchmark	EV	EV/1P BOE	EV/PV10	EV/EBITDAX	EV/Production
	Current EV	\$66,000				
GHS MicroCap	Average (1)		\$26.00	193.0%	6.40	\$103,507
	Median (1)		\$22.00	157.0%	5.20	\$101,777
	For comparative purposes use the Average of benchmark multiples		\$24.00	175.0%	5.80	\$102,642
Empire as at Dec 13	1P MBoe		8,377			
	PV10 \$M			\$95,000		
	EBITDAX \$M				\$12,500	
	Boe/d					1,450
	Implied EV/Benchmark \$M	\$147,157	\$201,048	\$166,250	\$72,500	\$148,831
Current Implied Valuation	Existing Net Debt	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000
	Implied Market Cap \$M	\$109,157	\$163,048	\$128,250	\$34,500	\$110,831
	Current Market Cap	\$28,000				
	Value discount to market	-74%				

(1) For Micro-Cap Companies refer to Appendix 1



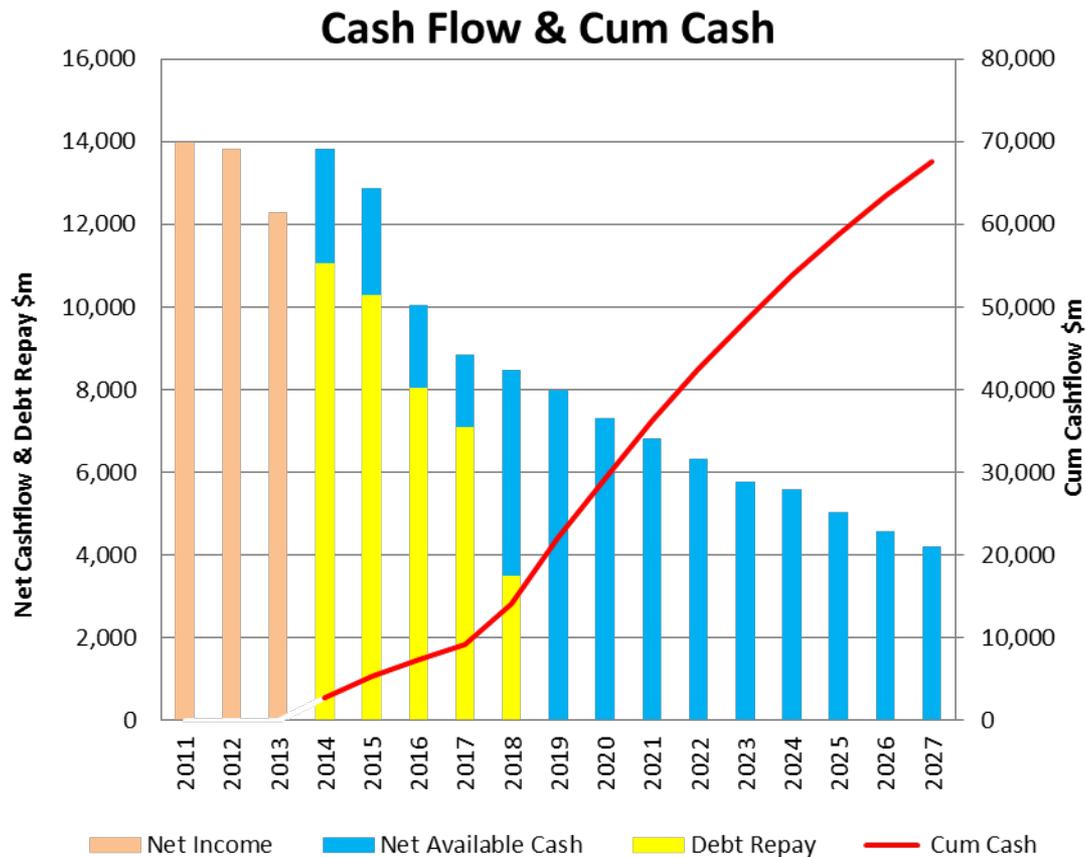
Financial Valuation – US Assets

Current	Benchmark	EV	EV/TTM EBITDAX	EV/Net Debt	Net Debt/Mkt Cap	Net Debt/TTM EBITDAX	TTM EBITDAX/Interest
	Current EV	\$66,000					
GHS MicroCap	Average (1)		17.60	2.21	103%	2.80	
	Median (1)		6.30	2.98	37%	2.80	
	For comparative purposes use Average benchmark multiples		11.95	2.60	70%	2.80	
As at Dec 13	TTM EBITDAX \$M		\$12,500				
	Net Debt \$M			\$38,000	\$38,000	\$38,000	
	Interest \$M						\$1,850
	Implied EV \$M	\$100,822	\$149,375	\$98,626	\$92,286	\$63,000	
	Net Debt/Mkt Cap				136%		
	Net Debt/TTM EBITDAX					3.04	
	TTM EBITDAX/Interest						6.76
Current Implied Valuation	Existing Net Debt \$M	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000	
	Implied Market Cap \$M	\$62,822	\$111,375	\$60,626	\$54,286	\$25,000	
	Current Mkt Cap	\$28,000					
	Value discount to market	-55%					

(1) For Micro-Cap Companies refer to Appendix 1



US Model - Cash Generation



• Assumptions:

- Existing PDP & PDNP wells only
- 80% net cash for debt repayment
- Current - \$40 mm debt
- Net Income (14 yrs) = \$107 mm
- Based on Eco. Reserve Models
- Based on SEC pricing

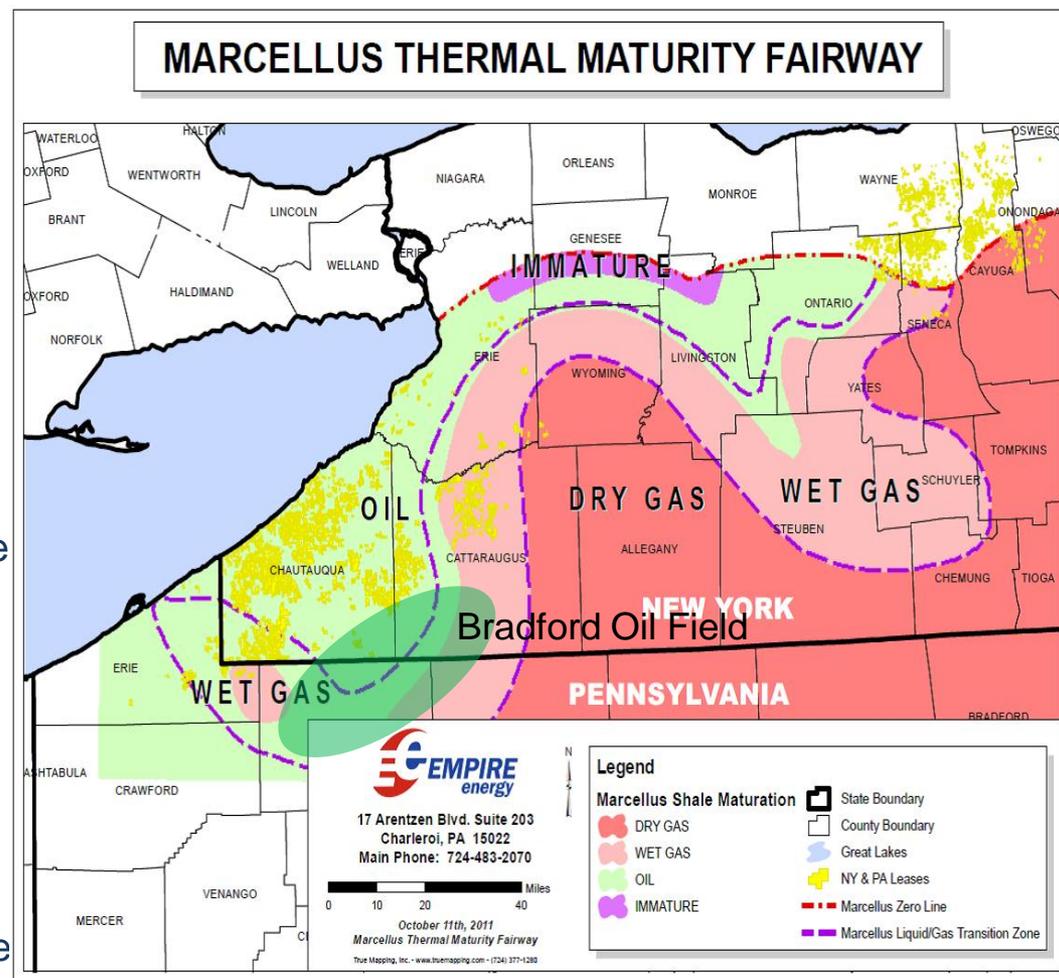
• Aggregation Targets

- Continue to identify additional PDP heavy assets
- Strong competition

Unconventional: Marcellus Shale – NY/PA



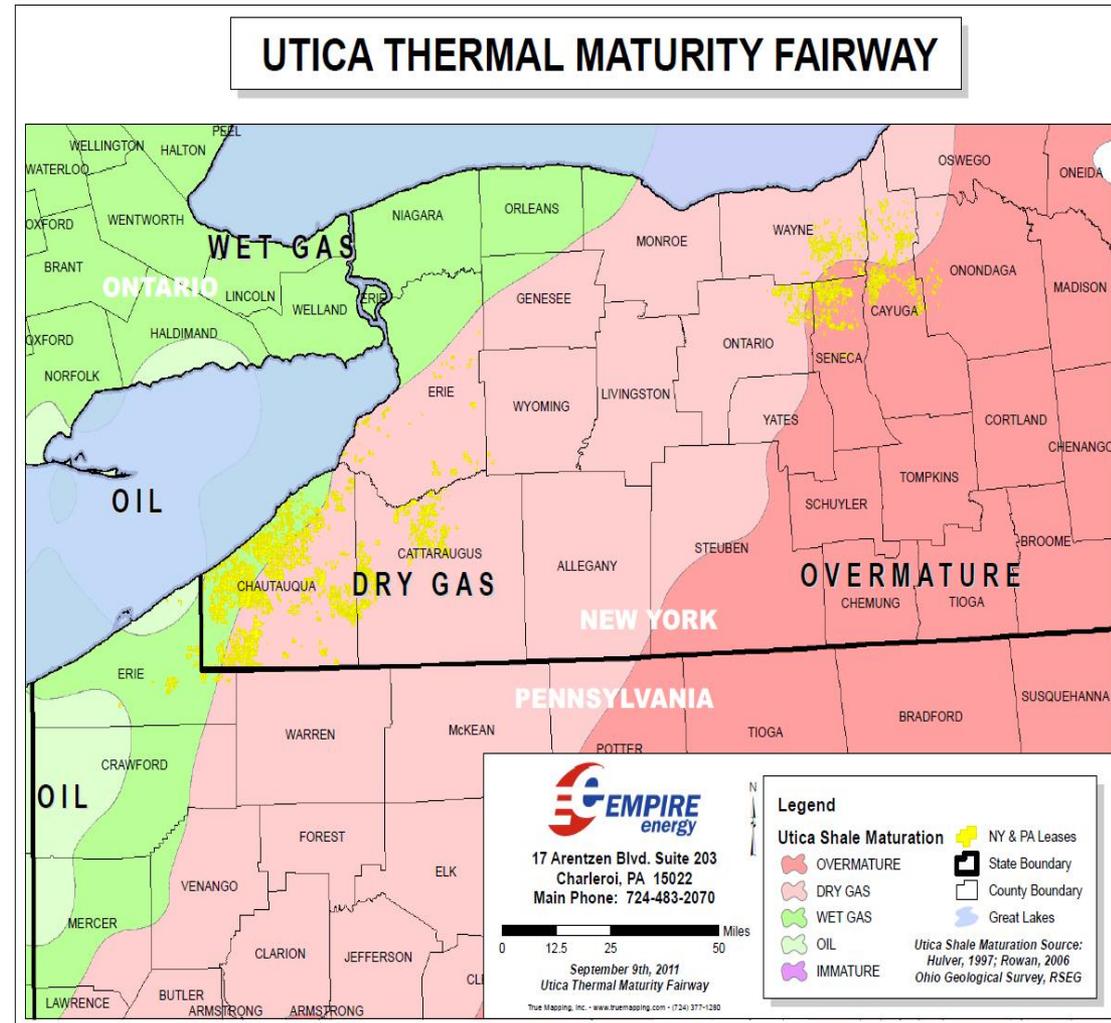
- ~224,000 gross acres
 - WI = 99%
 - ~89% of acreage HBP
 - Minimal holding costs
 - Majority leases in oil/wet gas zone
 - Adjacent to the Bradford Oil Field, one of the world's first giant oil fields of ~750MMBoe
- Possible Reserves +90 MMBbls recoverable
 - Assumed 3% recovery factor
 - Based on 100,000 acres
- Fracking Moratorium currently in place in NY State



Unconventional: Utica Shale - NY/PA



- Utica higher carbonate/less clay than Marcellus
 - ~190,000 gross acres
 - ~50% of leases HBP
 - Minimal holding costs
 - Leases across all maturation zones
 - Thickness = 200-300ft
- Resource(P50) = 1.2 Tcf
 - Unrisked
 - Based on 100,000 ac
- Fracking Moratorium currently in place in NY State





US Shale Acreage Valuation

The majority of acreage is 'Held by Production' providing free option land value

Marcellus & Utica Assets are primarily in New York State which is subject to a fracking moratorium

	Total Acres	Acres Valued	Value		
Assumed Value/ac**			\$1,000	\$5,000	\$10,000
Marcellus	224,000	150,000	\$150,000	\$750,000	\$1,500,000
Utica	198,000	125,000	\$125,000	\$625,000	\$1,250,000
Total Acres	422,000	275,000			
% acreage valued		65%			
Total Shale Value \$M			\$275,000	\$1,375,000	\$2,750,000

And.....

Assets in balance sheet at zero cost

	Risked			
Risky Value \$M	75%	\$206,250	\$1,031,250	\$2,062,500
	50%	\$137,500	\$687,500	\$1,375,000
	25%	\$68,750	\$343,750	\$687,500
	0%	\$0	\$0	\$0
Risky Value/share	75%	\$0.66	\$3.32	\$6.64
	50%	\$0.44	\$2.21	\$4.43
	25%	\$0.22	\$1.11	\$2.21
	0%	\$0.00	\$0.00	\$0.00
Shares on Issue (M)*		310,500	310,500	310,500

* Assumes 2.5 mm performance shares exercised

** Values are for indications only and are based on Marcellus & Utica sales in PA & OH



Reserves

	Oil (Mbbls)	Gas (MMcf)	Boe (Mbbls)	Undiscounted cashflow	NPV at 10%
Reserves As of Jan 1, 2014				US\$M	US\$M
Proved Developed Producing	2,341	31,627	7,612	\$190,799	\$87,098
Proved Developed Non-producing	243	31	243	\$17,271	\$7,529
Proved Behind Pipe	0	152	25	\$211	\$42
Proved Undeveloped	427	130	449	\$23,814	\$12,784
Proved Undeveloped(1)	0	21,714	3,619	\$0	\$0
Total 1P	3,011	53,654	11,948	\$232,095	\$107,453
Total 1P Adjusted (1)	3,011	31,940	8,329	\$232,095	\$107,453
Probable	645	7,651	1,920	\$61,132	\$21,823
Total 2P	3,656	39,591	10,249	\$293,227	\$129,276
Possible - Conventional	403	4,858	1,213	\$37,388	\$13,096
Possible - Unconventional(2)	90,740	12,600	92,840	\$0	\$0
Total 3P	94,799	57,049	104,302	\$330,615	\$142,372
2C - Unconventional(2) (Risky)	0	134,900	22,483		
3P + 2C	94,799	191,949	126,785		

(1) Proved Undeveloped marginally economic at \$4.50 to \$5.00/mcf not included in 1P

(2) Fracking moratorium in place in NY State and economics not calculated

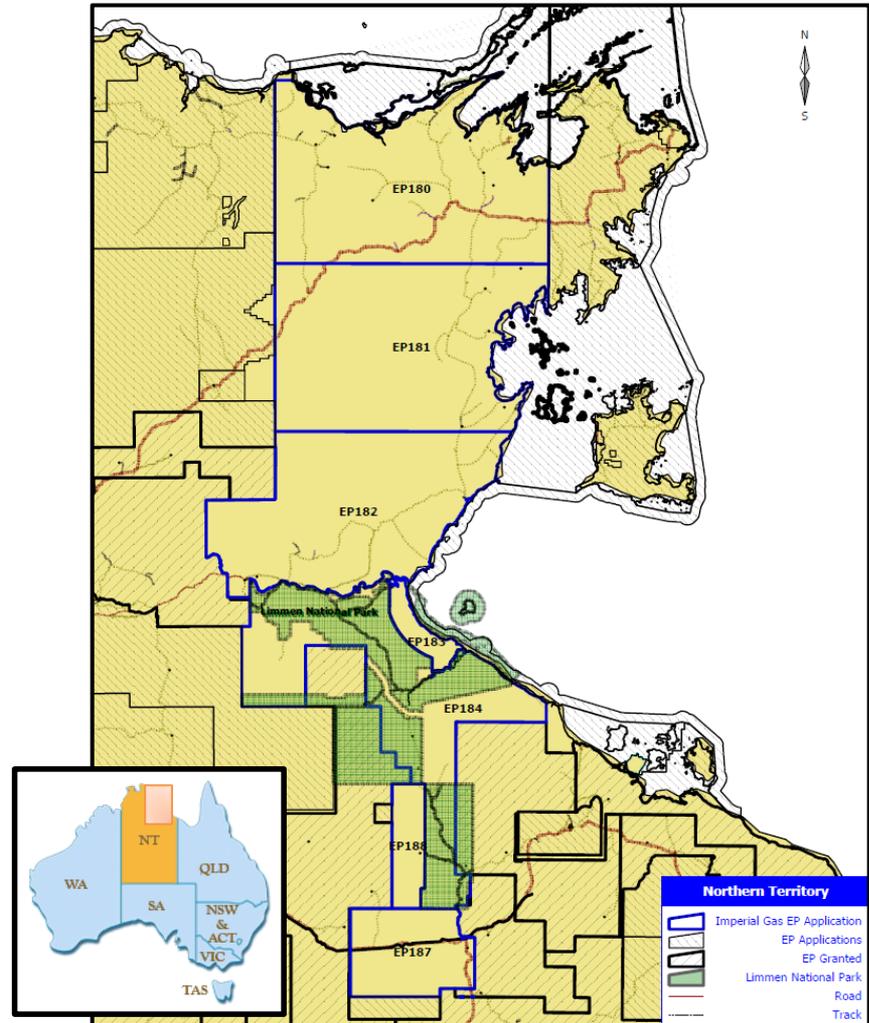
Reserves calculated by RE Davis Associates, Inc and LaRoche Petroleum Consultants, Inc



Australian Operations

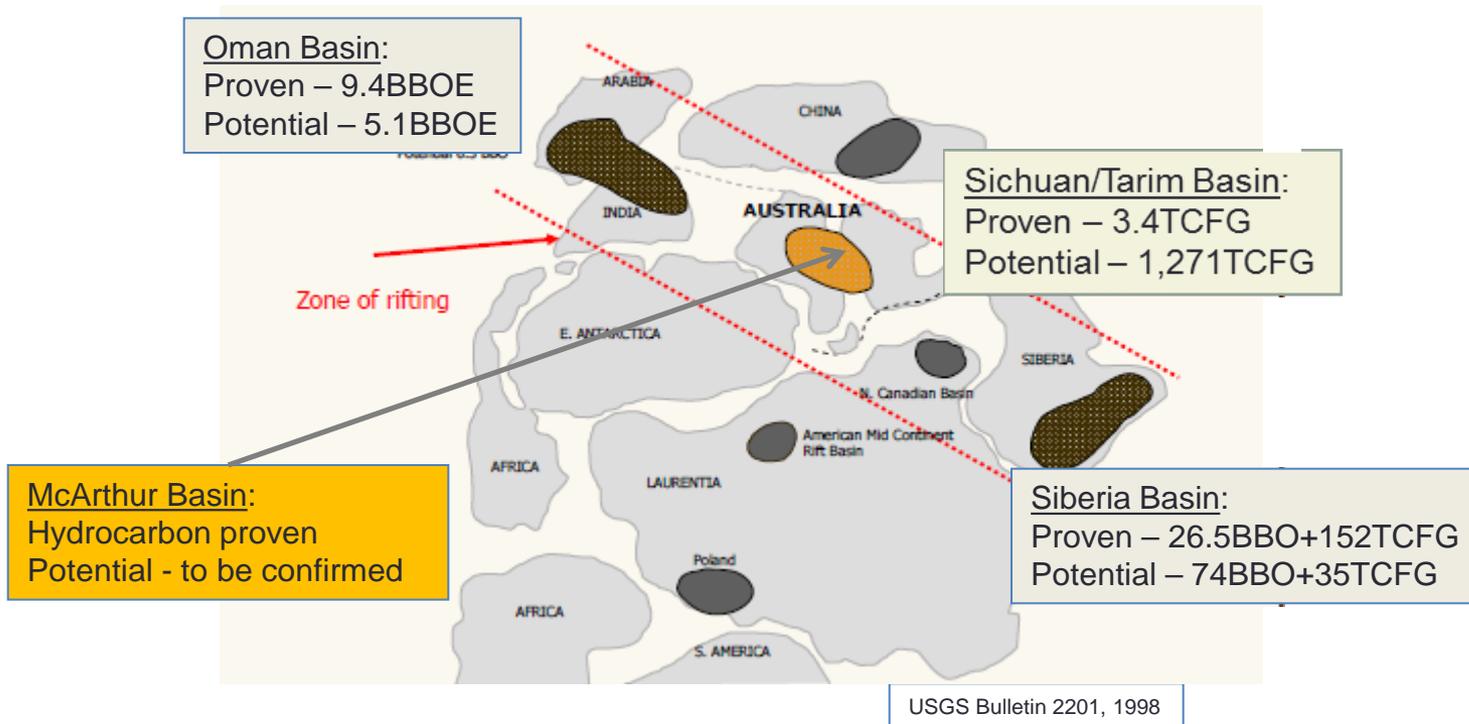


- Tenements cover 14.6 million acres
- Barney Creek Shale Trough ~10mm ac
- Proven hydrocarbon system
- 100% ownership
- EP 184 & 187 granted
- Remainder EPA's in 2014
- Strong liquids potential
- Exploration program for 2014





McArthur Basin Compared to Major Proterozoic Petroleum Producing Basins





McArthur Basin - Geology



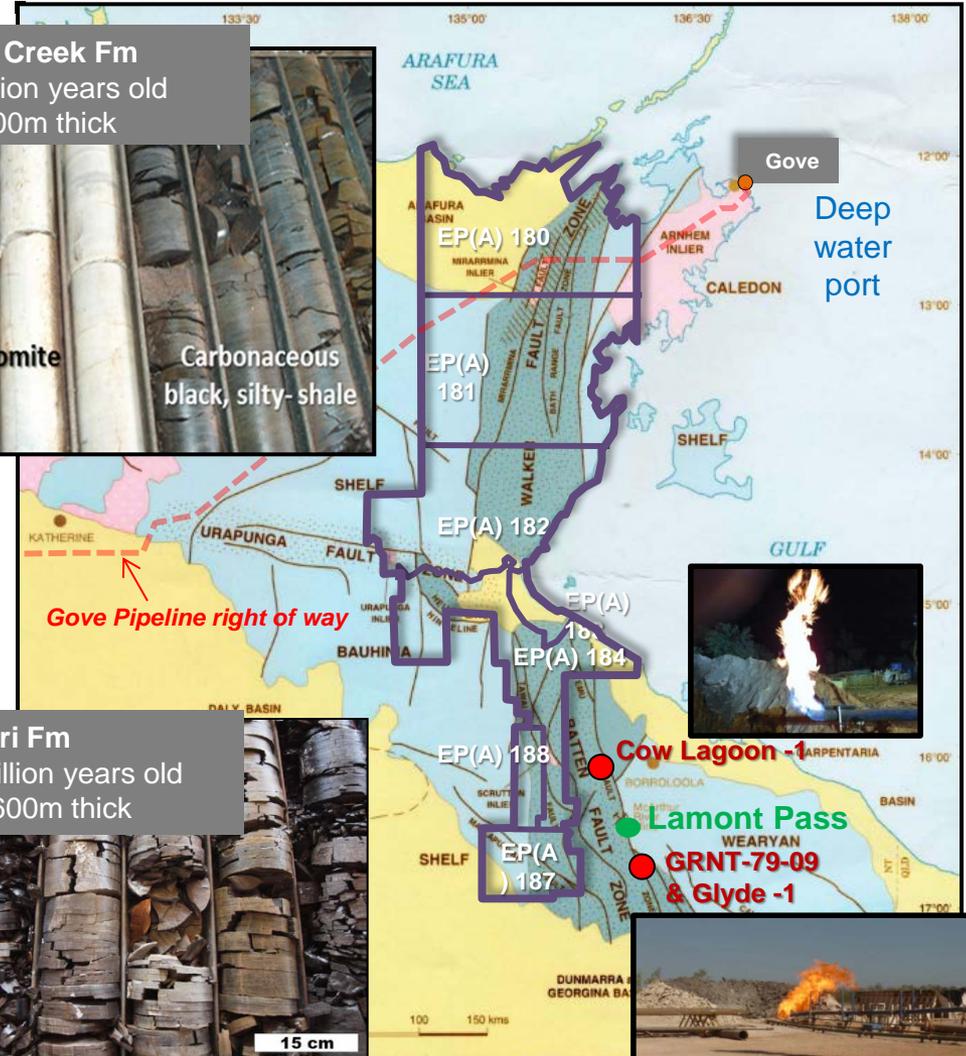
Proven petroleum systems

- Thick organic marine shales
- High TOC's +7.0% (Cooper Basin 2-3%)
- Low CO₂ levels (Glyde/Cow Lagoon)
- Over-pressured (source & seal)
- Free flowing gas from adjoining (lower) dolomites
- Velkerri Shales
 - Up to 600m thick
 - Dry Gas window
- Barney Creek Shales
 - Up to 900m thick
 - Liquids(Oil)/Wet gas window
 - Confirmed Barney Creek extension to north portion of McArthur Basin
 - Estimated 9 to 10 mm ac in tenements

- Barney Creek Fm
- 1.64 Billion years old
- Up to 900m thick



- Velkerri Fm
- 1.43 Billion years old
- Up to 600m thick





Outcomes

- McArthur Basin is Frontier Exploration

- 3D mapping of the Basin constructed from extensive data base:

- Mineral wells core reviewed
- Petroleum wells core reviewed
- 200 core samples analysed
- Thermal maturity mapped
- Regional shales studied for 30+ years

- Calculation of prospective hydrocarbons based on work by Crick et. al. (liquids/wet gas):

- Velkerri - bbl/ha = 124,000 (Crick)
- Barney Ck - bbl/ha = 105,000 (Crick)

- Based on Crick et. el. and recent work, potential resource calculations:

- Velkerri P10 = 202 MMBoe
- Barney Ck P10 = 2,100 MMBoe

- Comparatives (recoverable resources):

- Bakken (active)* = 3,590 MMBoe
- Eagle Ford (oil zone)* = 3,350 MMBoe
- Marcellus (active)* = 178 Tcf

* MBA Petroleum Consultant (2012)



Program – 2014/15

- Common Risk Segment Profiles developed for all tenements
- Identified ~22 coring targets and 26 four-way dip closed anticlineal structures
- 2 large scale previously unidentified sub-basins defined
- Low cost vertical (core) wells to test:
 - Unconventional Valkerri and Barney Creek Shale
 - Conventional targets (generally lying beneath shale formations)
- Continuing negotiations with Traditional Owners



Frontier Exploration - Land Valuation



Year	Operators with farm-in partners	Partner	Partner WI	State	Basin	Commitment \$A mm	Gross - Ac (mm)	Partner Net - Ac (mm)	Partner A\$/ac
2010	Buru Energy	Mitsubishi	50.0%	WA	Canning	\$152	14.2	7.1	\$21.41
2011	Falcon Oil & Gas	Hess	62.5%	NT	Beetaloo	\$97	6.2	3.9	\$24.91
2011	New Standard	ConocoPhillips	75.0%	WA	Canning	\$113	11.1	8.3	\$13.57
2013	Petrofrontier	Statoil	68.0%	NT	S. Georgina	\$172	12.2	8.3	\$20.73
2013	Cental Petroleum	Santos	70.0%	NT	Amadeus	\$150	19.8	13.8	\$10.84
2013	Cental Petroleum	Total	68.0%	NT	S. Georgina	\$152	6.0	4.1	\$37.25
2013	Tamboran	Santos	75.0%	NT	McArthur	\$71	6.2	4.7	\$15.27
2013	New Standard	PetroChina	29.0%	WA	Canning	\$29	12.2	3.5	\$8.20
Total						\$936	87.9	53.7	\$17.42
NT averages						\$642	50.0	35.0	\$18.34

Year	Listed NT Operators	Partner	WI	State	Basin	EV \$ mm	Gross - Ac (mm)	Net - Ac (mm)	A\$/ac
2014	Armour Energy (1)	n/a	91%	NT/Qld /Vic	McArthur / Nicholson / Otway	\$26	14.5	13.2	\$1.97
2014	Empire Energy (2)	n/a	100%	NT	McArthur	\$5	14.6	14.6	\$0.34

(1) Armour Energy holds 100% WI in NT and Qld Basins (12.5 mm ac). Mkt Cap \$35mm

(2) Empire Energy assumed EV = \$5mm allocated to Aust assets. Outstanding EV = \$64mm allocated to US Assets

Risked Land Valuation



Value - \$/Ac	\$1.00	\$2.50	\$5.00	\$7.50
75%	\$0.04	\$0.09	\$0.18	\$0.27
50%	\$0.02	\$0.06	\$0.12	\$0.18
25%	\$0.01	\$0.03	\$0.06	\$0.09
0%	\$0.00	\$0.00	\$0.00	\$0.00
Shares on Issue (M)	308,000	308,000	308,000	308,000



US Operations – 6 monthly EBITDA

Description	Jun-10	Dec-10	Jun-11	Dec-11	Jun-12	Dec-12	Jun-13	Dec-13 (2)
Net Production:								
Oil Production - Bbls	414	55,657	88,331	90,467	92,495	90,426	84,235	84,235
Gas Production - Mcf	1,037,346	1,029,016	992,909	1,065,380	992,825	1,011,993	966,361	966,361
Empire Production - Boe	173,305	227,160	253,816	268,030	257,926	259,092	245,313	245,313
Total Revenue: \$US	6,743,026	10,969,102	13,490,076	14,001,758	13,792,545	13,346,728	13,164,738	12,246,370
Production Taxes	220,145	390,028	661,476	506,920	676,873	656,436	633,963	606,983
Production Costs	2,300,922	3,385,641	3,105,653	3,588,544	3,336,951	3,335,404	3,349,211	2,969,105
Other Operating Costs	95,675	309,286	1,109,673	1,100,717	1,195,446	1,420,199	1,359,324	990,927
Operating EBITDAX	4,126,285	6,884,147	8,613,275	8,805,577	8,824,503	7,934,689	7,822,240	7,679,355
Operating Margin	61%	63%	64%	63%	64%	59%	59%	63%
Field G & A	247,724	300,392	261,528	252,034	303,282	288,178	398,203	493,192
Corp G&A, Land & Leasing	1,099,018	1,935,347	1,418,270	1,499,950	1,174,972	1,180,146	809,821	1,519,089
EBITDAX - Per Production Date	2,779,543	4,648,407	6,933,477	7,053,593	7,346,249	6,466,365	6,614,216	5,667,074
	41%	42%	51%	50%	53%	48%	50%	46%
Price per unit (before hedging):								
Sales -Oil (\$/Bbl)	\$71.59	\$79.66	\$92.91	\$86.79	\$85.65	\$84.53	\$88.70	\$92.29
Sales - Natural gas (\$/Mcf)	\$4.97	\$4.36	\$4.47	\$3.96	\$2.08	\$3.26	\$3.94	\$3.80
Reconciliation to Group Statutory Accounts:								
EBITDAX - Per Production Date	2,779,543	4,648,407	6,933,477	7,053,593	7,346,249	6,466,365		
EBITDAX - Per EEUSA statutory accounts (1)	29,535,312	5,000,202	8,844,853	6,393,246	7,029,461	7,114,900		
Net HQ Income/(Expenses)	84,112	-1,167,806	-1,017,706	-738,446	-772,573	-408,790		
EBITDAX - Per Consol statutory accounts	29,619,424	3,832,396	7,827,147	5,654,800	6,256,888	6,706,110		
Interest Expense	-1,483,776	-1,332,047	-1,964,295	-1,617,149	-1,308,972	-1,418,678		
Non-cash items (Depn, IDC, Depletion, Amort)	-5,875,764	-3,562,727	-4,526,695	-5,189,493	-6,467,413	-5,793,335		
Taxable Income	22,259,884	-1,062,378	1,336,157	-1,151,842	-1,519,497	-505,903		

(1) Includes asset sales of \$23.5MM in June 2010 and \$1.1MM in June 2011 (2) Unaudited

Appendix 1

Code	Company	Mkt Cap \$MM	EV \$MM	EV/Mkt Cap \$MM
AXAS	Abraxas Petroleum Corp.	\$297	\$409	1.38
BPZ	BPZ Resources Inc.	\$232	\$366	1.58
CPE	Callon Petroleum Company	\$272	\$407	1.50
DBLE	Double Eagle Petroleum Company	\$25	\$107	4.28
END	Endeavour International Corporation	\$310	\$1,163	3.75
EPS-T	Epsilon Energy Limited (Canada)	\$186	\$220	1.18
FXEN	FX Energy Inc.	\$192	\$217	1.13
HDY	Hyperdynamics Corporation	\$128	\$86	0.67
HNR	Harvest Natural Resources Inc.	\$173	\$369	2.13
JONE	Jones Energy Inc.	\$774	\$1,653	2.14
PQ	PetroQuest Energy Inc.	\$244	\$660	2.70
USEG	US Energy Corp.	\$93	\$94	1.01
WRES	Warren Resources Inc.	\$245	\$330	1.35
ZAZA	ZaZa Energy Corporation	\$103	\$210	2.04
	Average	\$234	\$449	1.92
	Median	\$212	\$348	1.64
Empire	Empire Energy Group Limited	\$28	\$66	2.36

Source: Bloomberg, Thomson Company Data - Global Hunter Securities



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