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Announcement

31 May 2016

CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING

Good morning ladies and gentleman and welcome to Empire Energy's 2016 Annual General Meeting. On behalf of the Board of Directors, I thank you for your attendance today and for your continued support of the Company.

With continuing declines in both oil and gas prices, 2015 was a difficult year. However, with hedging in place there was not one month where the Company did not generate positive cash, paid interest and continued to repay principle on debt. This has also continued into 2016 where the US operations are running to budget with a target EBITDAX of over US\$4 million expected to be achieved, much in line with 2015.

However the decline in prices has led to capital preservation programs and a halt to any drilling. As discussed at last year's meeting, declines in the commodity cycle do present other opportunities. For example, in mid-2015 Empire was able to identify assets in Kansas's most prolific oil County. The Company was able to enter into a deferred payment arrangement. But with settlement due mid-February 2016, at a time when the oil market was reaching exhaustion levels and prices at 17 year lows the Company did not have the equity required and the banks were not advancing debt financing for non-producing assets. With these assets, including 78 square miles of high resolution 3D seismic and a significant number of highly attractive targets identified after Empire took over operatorship in August 2015, the Company was able to arrange the assignment of its interest to another party while remaining the operator and having the opportunity to buy into the project once capital becomes available.

The most disappointing and unfortunate events that have occurred since the last general meeting relate to the Company's Northern Territory assets. The first event was the very sad passing of Mr Aubrey McClendon the founder and head of operations at American Energy Partners, LP our Farmout partner. Mr McClendon was one of the great personalities and operators in the North American oil and gas industry. The industry has lost one of the founders of the unconventional shale evolution, an individual who will be remembered as an industry icon. The Farmout Agreement is now held by the McClendon Estate and is subject to the process of the Estate restructuring.

However, on a positive note, the American Energy Partners team, considered one of leading global unconventional oil and gas teams, has over an 18 month period reviewed all available data concluding that the McArthur Basin formations are very similar to the Marcellus and Utica formations. The potential for the McArthur Basin is very significant. Imperial's southern acreage is the priority target for the Farmout with an expected +1.2Tcf natural gas resource in the Velkerri and Kyalla shales, which is straddled by both a gas

pipeline and an all-weather road. The Barney Creek shale which lies below the Vekkerri and Kyalla is not included in the potential volumes calculations.

The second disappointing issue to deal with is the fallout of political uncertainty related to shale resource development in the Northern Territory. The Company is now experiencing political expediency in two regions, New York State and the Northern Territory. The science of shale fracking is well known with hundreds of thousands of unconventional shale wells being drilled and completed in the USA over the past 10 years.

Under the Farmout, it was proposed that a 470km 2D seismic program and the drilling of 2 wells was to be undertaken over 2016. This has now been deferred until after the Northern Territory election in late August 2016 following the Northern Territory Labour Party's announcement of a potential fracking moratorium in the Northern Territory.

In Australia the problem that is commonly incurred is that shale and coal seam gas ("CSG") extraction are lumped together by those outside the industry and especially in political circles. The differences between natural gas production from shale and CSG is significantly different. Shale extraction is environmentally cleaner and safer due to its depth below the surface and it producing little or no water.

As stated by the Democratic Governor of Colorado, John Hickenlooper in a recently published book – ***Based on experience and science, I recognized that fracking was one of our very best and safest extraction techniques. Fracking is good for the country's energy supply, our national security, our economy, and our environment.***

Fortunately the fraudulent activities of the anti-fracking movement, or "fractivists", in the USA are slowly being uncovered, for example, the fractivists secret funding of University researchers to produce predetermined conclusions, or for "experts" to provide opinions when they have not examined the evidence, are all being caught out as real research achieves scientific conclusions and outcomes and/or court cases expose the fraud of the "experts".

With science clearly winning the day as far as shale production is concerned, the emphasis of fractivists and other radicals is to now direct their extreme activities towards mid-stream operations. Again, ultimately science and good government will show these activists initiatives here will also fail.

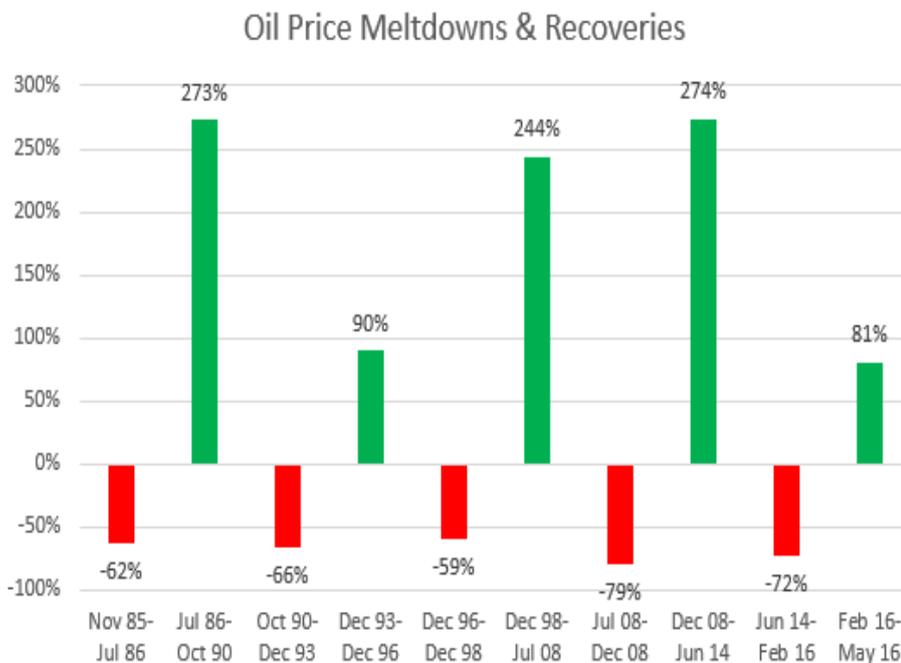
In New York State many believe it will only be a matter of time before the health report, on which the fracking ban was implemented, is shown to be a gross misrepresentation of facts. The Company continues to enlarge its land position in Western NY State with the acquisition of conventional wells holding acreage being accumulated at minimal cost. The Company holds a combined 450,000 acres of Utica and Marcellus potential resource.

In the Northern Territory the chorus for "review", "science", and "time" seems incongruous with the science that is available throughout the USA and other countries as they move towards the huge benefits of unconventional production of shale resources. The recent Lazarus Senate Hearings clearly demonstrate how non-scientists are running the Australian agenda, with science and experience being secondary to rumour and hearsay.

In an attempt to provide a better understanding of what is happening in the shale industry the Company has produced a simple presentation, firstly, identifying examples of how scientific research and court cases are overcoming extremist fiction in relation to the safety and benefits of shale development. Examples show

how unbiased scientific research and/or evidence under oath are slowly highlighting the prevailing fraud pedalled by fractivists. Secondly, a section shows the significant differences between shale and CSG extraction and how shale development, based on science, and controlled appropriately is an environmentally safe extraction technique. A copy of that presentation is available on the Company's web site.

In terms of future growth, with around 95% of its oil and 78% of its gas production hedged through to December 2017 and 2018 respectively, the Company is reviewing alternative or complimentary capital structures to enable growth in underlying production. The ultimate objective is to expand the operational base in the current industry down turn. As shown below, the oil market displays significant volatility and it is clear that this is the time to increase assets.



In terms of the Company's share price I cannot offer any explanation. At the year end the accounts did show a non-cash impairment in asset value due to the decline in oil prices, but this will be written back as oil prices increase. In relation to oil in the ground, as D&C costs have reduced significantly positive write backs are likely in the short term. For example, in Oklahoma in 2014 a Mississippi Lime well D&C cost was around \$550,000. Today it's around \$400,000. What was uneconomic in 2015 is economic today at \$50/Bbl oil. However, in terms of share price and equity capital, I believe the energy sector will begin to re-emerge from its current slumber over the next few months as global supply and demand turns 'demand positive' and oil in storage is reduced.

Thank you for your attendance.

Bruce McLeod
Chairman & CEO



EMPIRE ENERGY GROUP LIMITED



Annual General Meeting

May 2016

“for astute investors the best thing for oil prices, is oil prices!”



Disclaimer & Confidentiality



Important Notice and Disclaimer

The purpose of this document is to provide general information about Empire Energy Group Limited (“Empire”), a listed Australian public company, and its wholly owned subsidiary Imperial Oil & Gas Pty Ltd (“Imperial”). The document does contain certain statements which may constitute “forward-looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

Confidentiality

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Corporate Snap-Shot



ASX:EEG

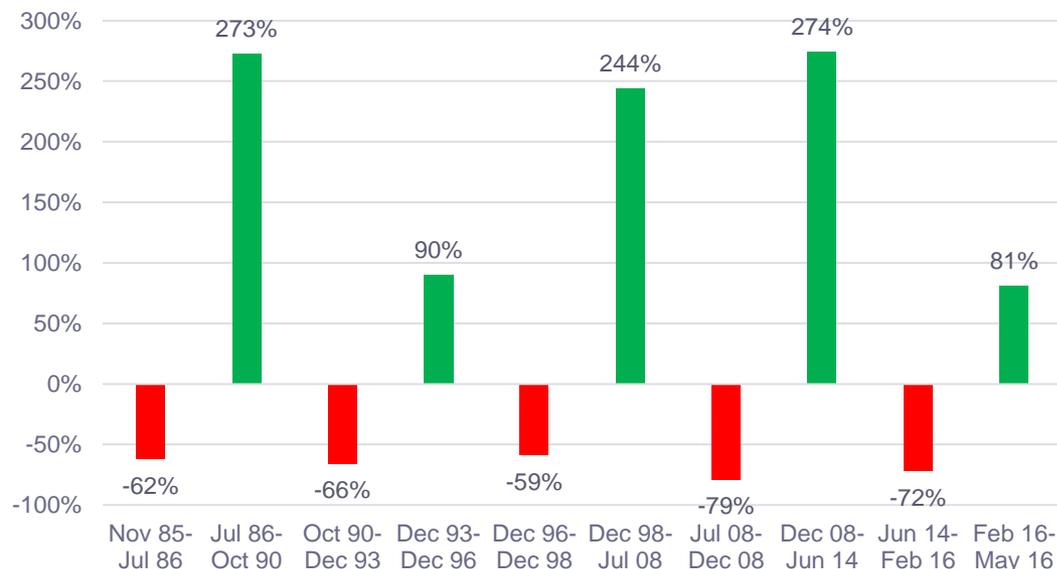
OTC-QX:EEGNY

- Share Price = A\$0.015
- Mkt Cap = A\$5.3mm
- EV = US\$36mm
- Debt = US\$40mm
- Cash = US\$.75mm
- Unrealised Hedges = US\$8mm
- EBITDA = US\$3.6mm
- EV/2P = US\$2.80/Boe
- Interest coverage = 2.0x
- 2P PV10(incl hedges) = US\$55mm (3/16)

- Shares issued = 344 mm
- Av volume = 240,000/d
- Options issued = 6.5 mm
- Shareholders:

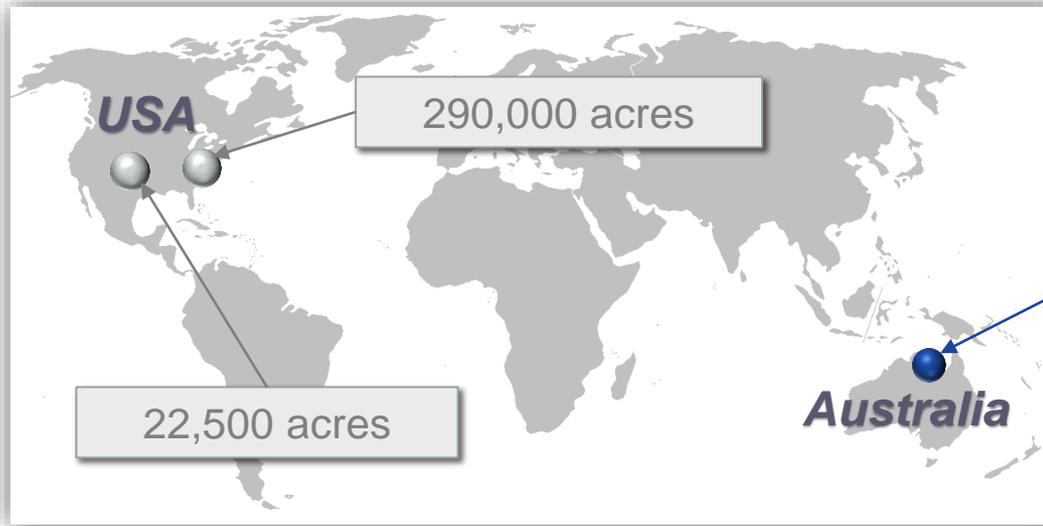
Macquarie Bank	15.6%
Chiefly Portfolios	3.6%
Insiders	4.6%
Total Shareholders	~2,789

Oil Price Meltdowns & Recoveries





Operations -Snap Shot



Australia



14.6mm acres

Conventional & unconventional
oil & gas exploration

Prospective P(50) (unrisked)
1,847 MMBoe (~12 Tcfe)

US\$175 million farm-out with
American Energy Partners,
Oklahoma City, USA

Prospective Resource – ‘Those quantities of petroleum estimated, as at a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and chance of development.’

USA



Conventional oil & gas production

- NY, PA, KS, OK - 2P ~12.7 MMBoe

Potential Unconventional development*

- NY - 3P ~93 MMBoe

* NY State position is that fracking has been banned. Under future Governance this may change. Also current State guidelines concerning the use of frack energizers is unclear, as such propane gel fracks, nitrogen foam fracks etc may be acceptable.

Objectives



Reserves, production and cash flow

Operating Mid-Con & Appalachia

- Production efficiencies & seeking new market opportunities for Appalachia natural gas
- Hedging oil to Dec 2017 and gas to Dec 2019
- New York shale assets – increase Held by Production acreage

Evaluate / acquire 'conventional' oil-weighted acquisitions

Acquisitions Mid Con & Appalachia

- Emphasis on projects (land & production) with low-risk vertical drilling
- Producing oil/gas assets along with infrastructure at marked down values
- Target assets with immediate benefits through effective in-house operational management
- Build inventory of low risk acreage, PDNP, PUD and resource play 2P
- Growth focus in regions of current operation (no additional G&A)

World Scale Shale Project in Australia

Farm-out signed with American Energy Partners

- Farmout Documents completed December 22, 2015
- Farmout (80%) valued at US\$75 mm (2 x US\$7.5mm direct + US\$60mm Stage 1 funding)
- Stage 2 Project Funding of US\$100 mm
- Completion deferred – NTLF announcement on NT fracking & AEP ownership

Headwinds & Solutions

Closed Australian resource equity markets for small caps

- Reserve based valuation – low prices eliminates head room & development asset value
- Negotiations with PE partner for Joint Asset Aggregation Program
- Existing Credit Facility with \$160 mm+ availability extended for 3 years to February 2019

USA - Asset Overview



• FOCUS

- Conventional, long-lived, predictable assets
- Low risk development NOT exploration
- Reduction Lease Op Expenses (2016):
 - LOE+Taxes (Appalachia) ~\$2.10/Mcf
 - LOE+Taxes (Mid-Con) ~\$23.00/Bbl
- Continued hedging program
- Utilize US\$200mm credit facility

• GROWTH - Conventional Drilling

- Mid-Con
 - >100 net oil & gas locations
 - Av F&D cost ~ \$8.75/Boe
 - D&C cost ~ \$400,000(av)
 - Option – Butler Co >100 net oil locations
- Appalachia
 - >50 net NY oil & gas locations
 - Av F&D cost ~ \$6.00/Boe
 - D&C cost ~ \$110,000(av)

EV/2P = US\$2.80/Boe
~1,176Boe/d (~60% oil by value)



★ Corporate Office – Canonsburg, PA

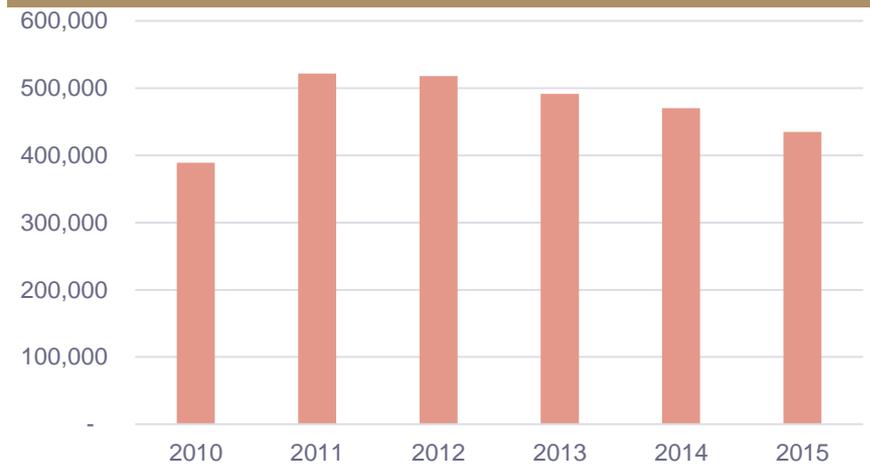


Assets & Operations

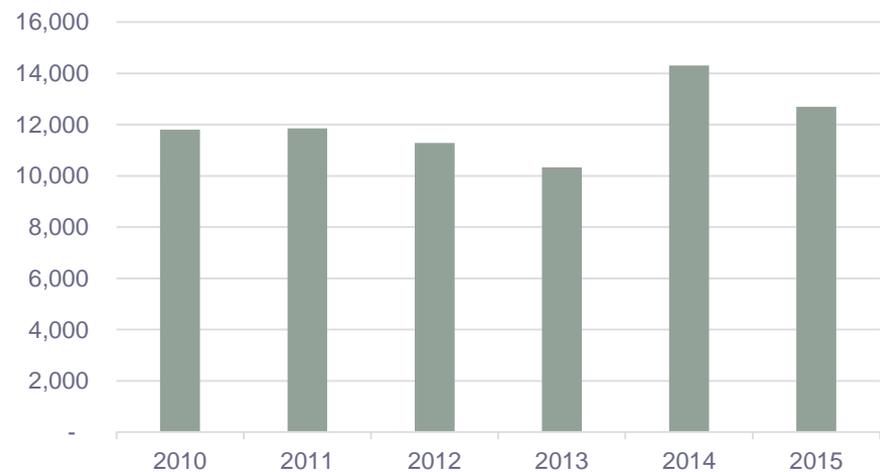
Annual Cash Flow - US\$M



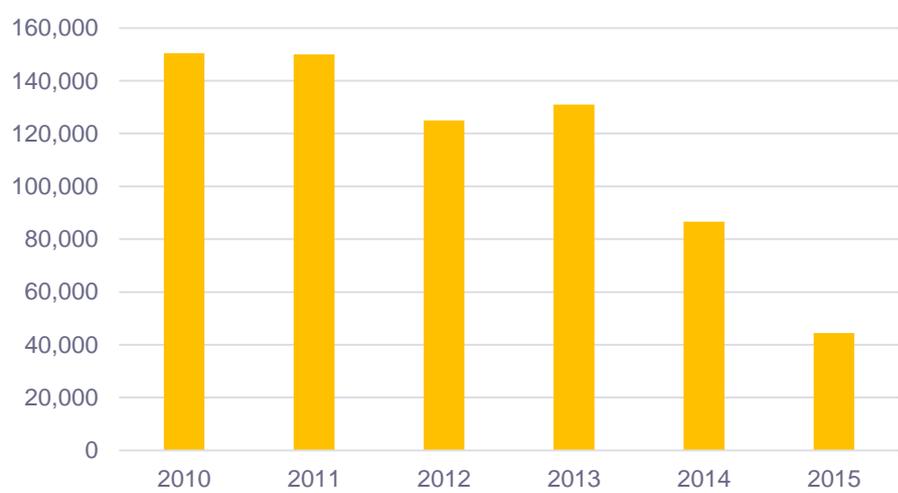
Annual Production - Boe



Reserves – 2P (Mboe)



PV10 – 2P (US\$M)

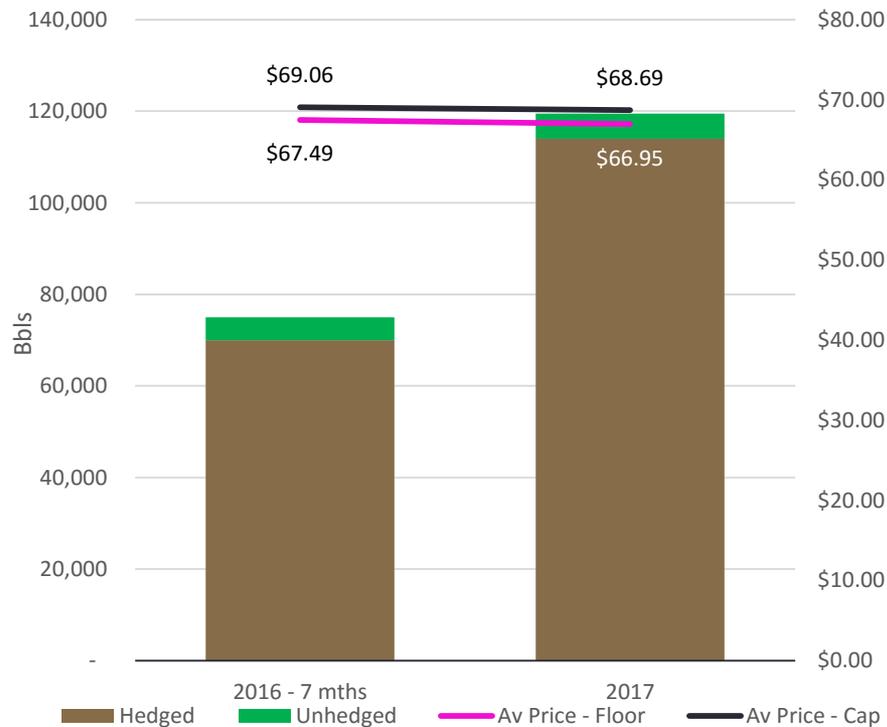


Hedging - Existing PDP Production

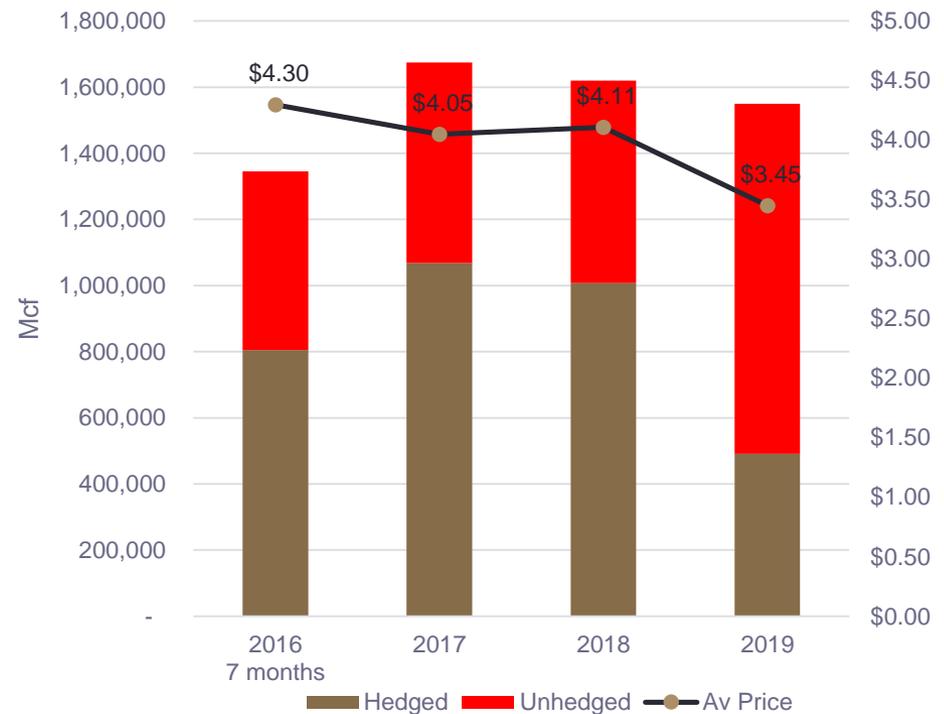


Disciplined Risk Reduction - approx 95% oil production hedged through 2017 and 78% gas production to 2018. Market-to-market gain of ~\$8mm at 5/2016

Hedging - Oil Swaps/Collars



Hedging - Natural Gas



Price upside exposure retained:
~0.9 MMBoe hedged compared to 2P = 12.6 MMBoe

USA & Australia - Reserves / Resources

Empire Energy Group Reserves & Resources*

Reserves - As of Jan 1, 2016	Oil (Mbbbls)	Gas (MMcft)	MBoe	Gross Wells	Capex US\$M	PV0 US\$M	PV10 US\$M
Region (Reserves) - USA							
Proved Developed Producing	1,253	23,422	5,157	2,233	\$0	\$53,152	\$22,875
Proved Developed Non-producing	0	0	0	0	\$0	\$0	\$0
Proved Behind Pipe	0	38	6	0	\$30	\$47	\$8
Proved Undeveloped	771	98	787	36	\$7,741	\$17,017	\$5,652
Total 1P	2,024	23,558	5,950	2,269	\$7,771	\$70,216	\$28,535
Probable	2,774	23,851	6,749	131	\$60,960	\$101,999	\$15,963
Total 2P	4,798	47,409	12,700	2,400	\$68,731	\$172,215	\$44,498
Possible	180	3,820	817	16	\$4,922	\$11,069	\$2,397
Possible - NY Shale	90,740	12,460	92,817				
Total 3P	95,718	63,689	106,333	2,416	\$73,653	\$183,284	\$46,895
Prospective Resource New York Shale P(50)	203,500	1,221,000	407,000				
Prospective Resource P(50) - Australia (NT)	198,000	9,891,000	1,846,500				
Total Reserves & Resources	497,218	11,175,689	2,359,833				

* Please refer to reserve disclosures at the end of this presentation

** Prospective Resource P(50) - unrisks, is the estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

DEVELOPMENT PROGRAM

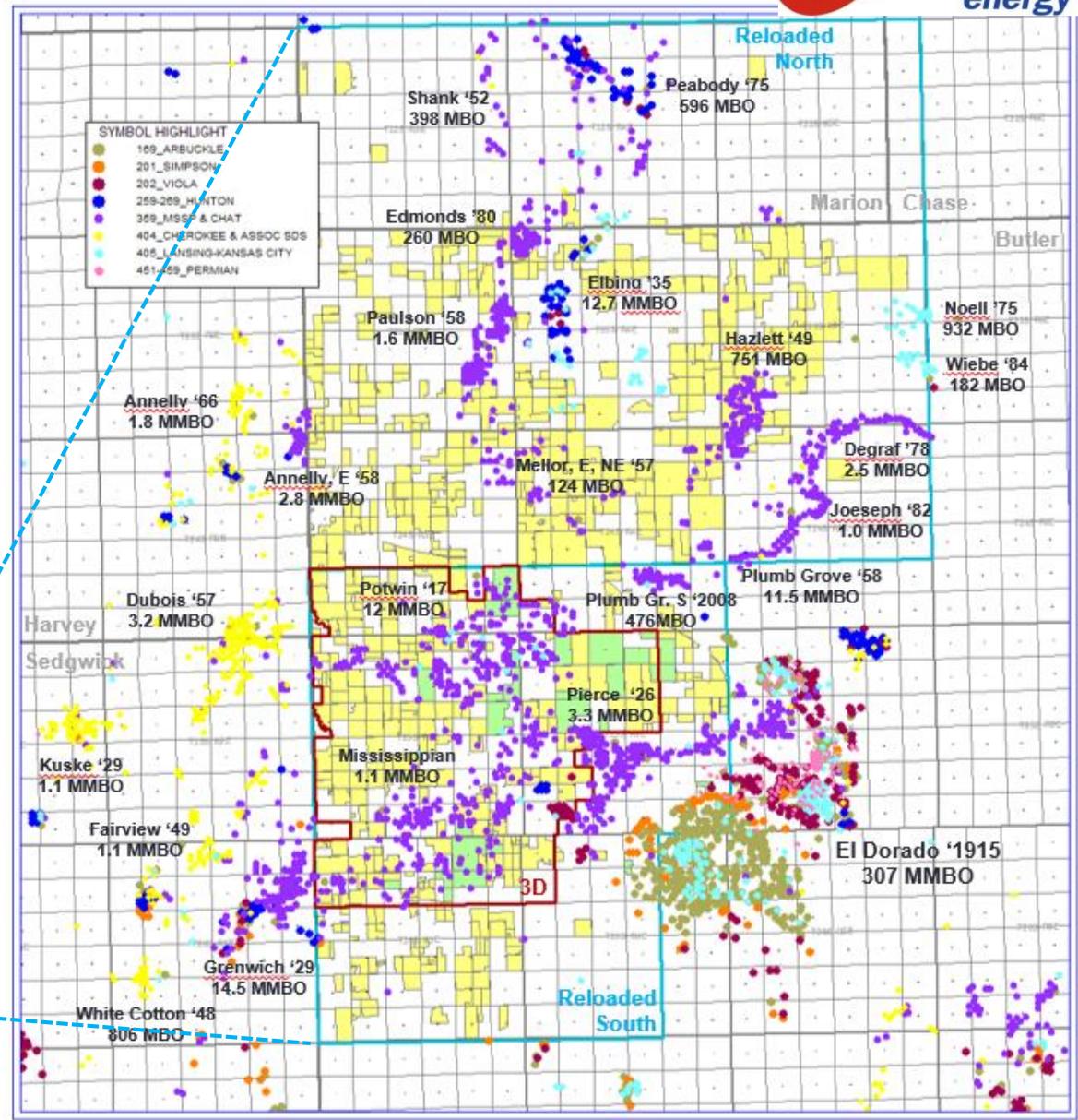
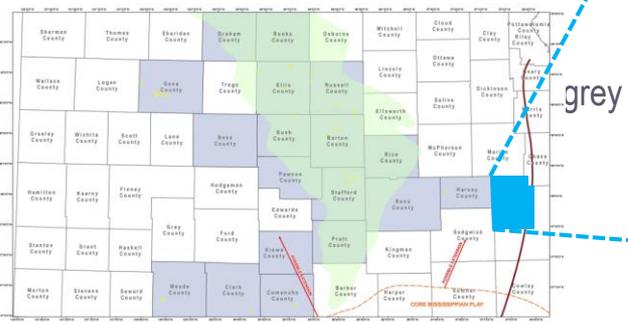
Butler Co, Kansas, USA



Kansas – Butler County



- Empire Operator
 - Identified opportunity in mid 2015
 - Empire rights to buy-in over 2016
 - 70,500 net acres (expiring 2017 to 2019)
 - HBP acreage in green
 - Leased acreage in yellow
 - 3D Seismic – 78sqm (red outline)
 - Map shows field oil gross cumms
 - Butler Co has produced ~625 MMboe
- Up to 30 new target fields identified from 3D interpretation
- New Vertical Wells
 - Miss. Wells D&C ~\$250,000
 - Hunton/Viola D&C ~\$450,000
- Location (map below)

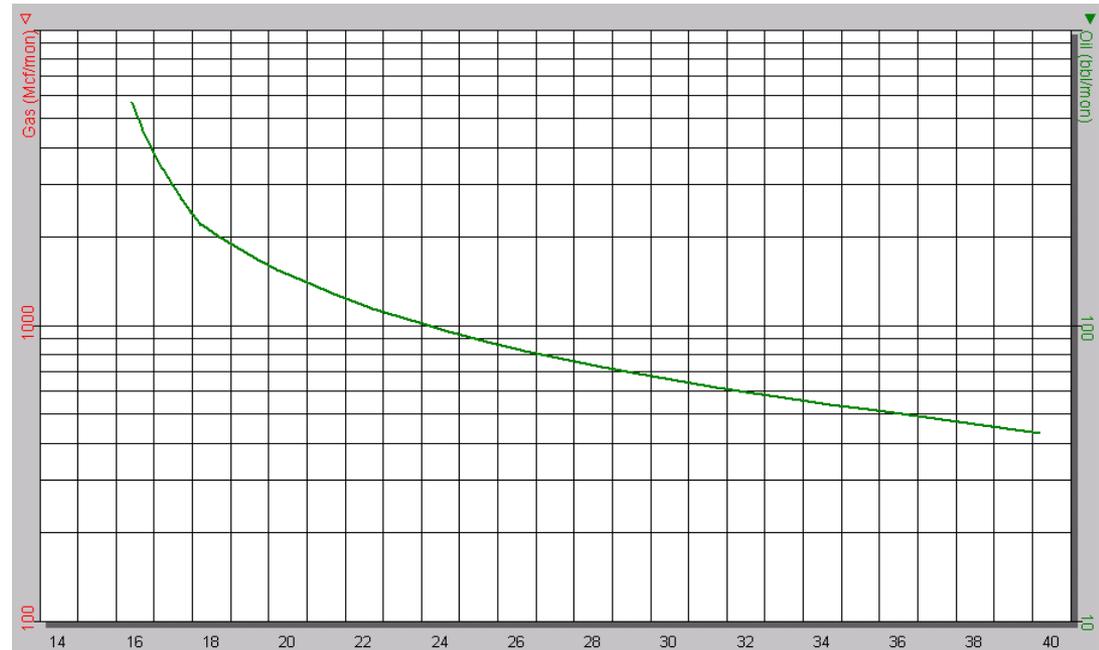




Expected Returns

- Av Gross EUR = ~30 MBoe
- Locations > 150 gross
- D&C Cost = ~\$275,000/well
- Dry Well = ~\$120,000/well
- F&D Costs = ~\$9.20/Bbl
- Year 1:
 - Gross Production = 4.8 MBbl
 - LOE ~\$1,250/month, \$4.20/Bbl
 - Taxes ~\$0/Bbl
 - ~100% oil by volume

Standard Type Curve
Vertical Well – Gross EUR 30 MBbl – Flat \$50/Bbl



Well Cost (D&C) = \$275,000

NYMEX (flat) *	IRR	Payback	PV10
\$40.00	20.4%	3.9yrs	\$68M
\$50.00	42.2%	2.5yrs	\$199M
\$55.00	54.9%	2.1yrs	\$264M
\$60.00	68.9%	1.9yrs	\$329M

* Differential oil = WTI - \$4.25/Bbl

DEVELOPMENT PROGRAM

Kay Co, Oklahoma, USA

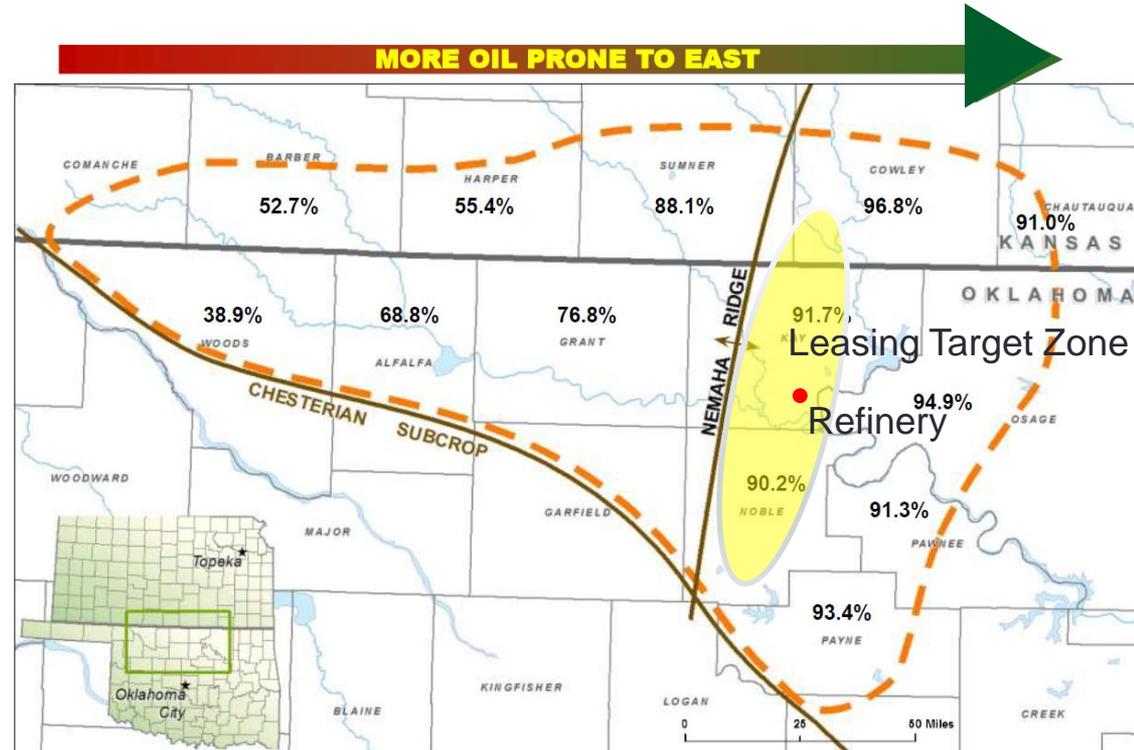


Associated Press

Oklahoma Joint Venture



- Empire Operator (50% WI)
- Vertical, fracked wells
- Locations ~200 gross
- Net 2P = 5.0MMBoe
- Net 2P PV10 = US\$27mm (1/2016)
- ~10,000 gross acres
- Initial Target = Mississippian Lime
- Other Targets = Multiple Formations

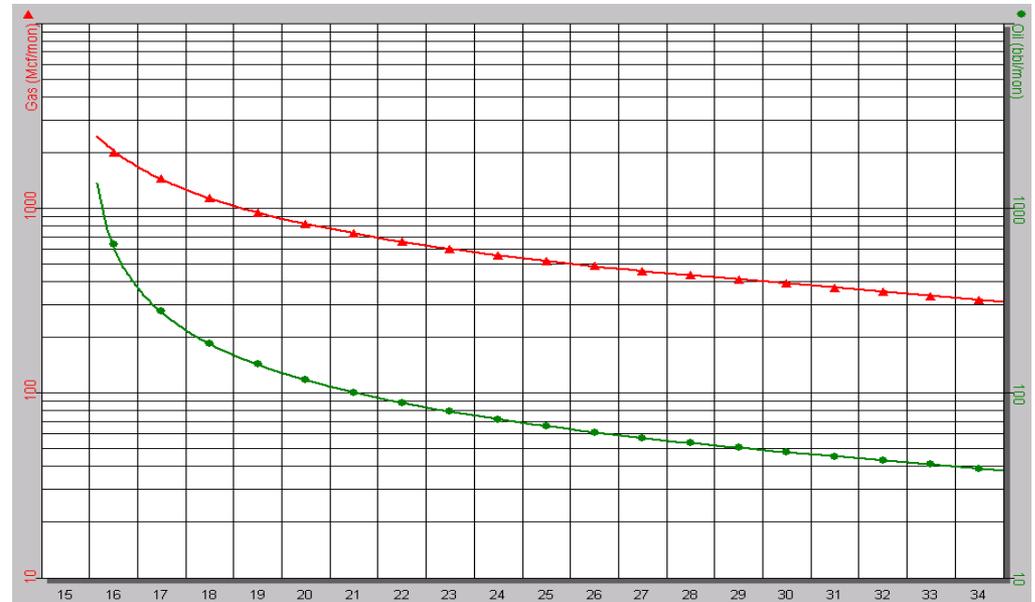




Expected Returns

- Av Gross EUR = ~60 Mboe
 - ~30,000Bbl
 - ~200,000Mcf Natgas/Ngls
- D&C Cost = ~\$450,000/well
 - Recent quote D&C ~\$375,000/well
- Dry Well = ~\$190,000/well
- F&D Costs = ~\$11.60/Boe
- Year 1:
 - Gross Production ~ 12MBoe
 - LOE \$4,200/month, or ~\$5.40/Boe
 - Taxes ~\$0.90/Boe
 - ~87% liquids by value

Standard Type Curve
Vertical Well – Gross EUR 60 MBOE – Flat \$50/Bbl



Well Cost (D&C) = \$450,000

NYMEX (flat) *	IRR	Payback	PV10
\$40.00	9.6%	6.7yrs	\$0M
\$50.00	20.6%	3.5yrs	\$129M
\$55.00	27.2%	2.8yrs	\$196M
\$60.00	34.7%	2.3yrs	\$263M

* Differential Oil = WTI - \$1.50/00/Bbl
Gas = HH + 25%/Mcf

DEVELOPMENT PROGRAM

McARTHUR BASIN, NT, AUSTRALIA

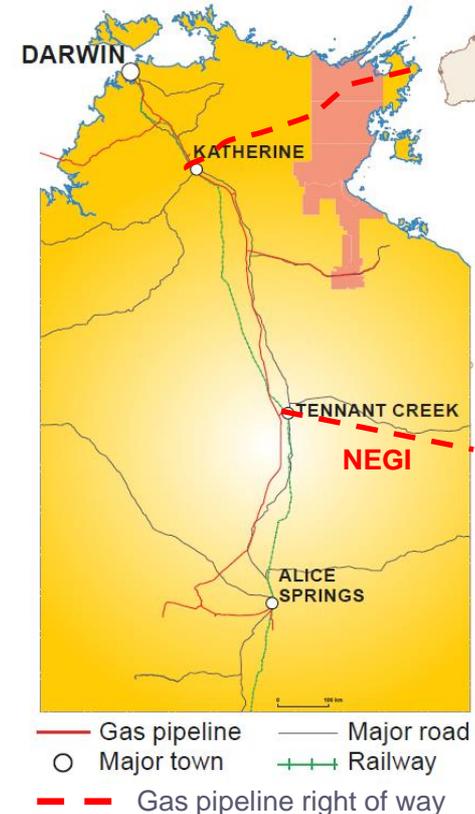
Global Scale Shale Project



Overview - McArthur Basin Opportunity



- Imperial tenements (100% working interest):
 - Covers 14.6 MM acres of Mid-Proterozoic organic rich sedimentary rocks
 - 75% of the highly prospective Central Trough of the onshore McArthur Basin
 - P(50) unrisks Prospective Resource of 1,846 MMBoe or 11 Tcfe over ~3.5 MM acres
 - Existing gas pipeline across the southern portion of the tenements
 - Approved gas pipeline easement across the northern tenements
 - Two EP's awarded
- **Early commercialization opportunity exists:**
 - **Velkerri Formation, EP 187 with existing pipeline;**
 - **newly approved North East Gas Interconnector (NEGI), pipeline to east coast LNG and domestic gas markets**



Existing Farm-out with AELP - 80% WI



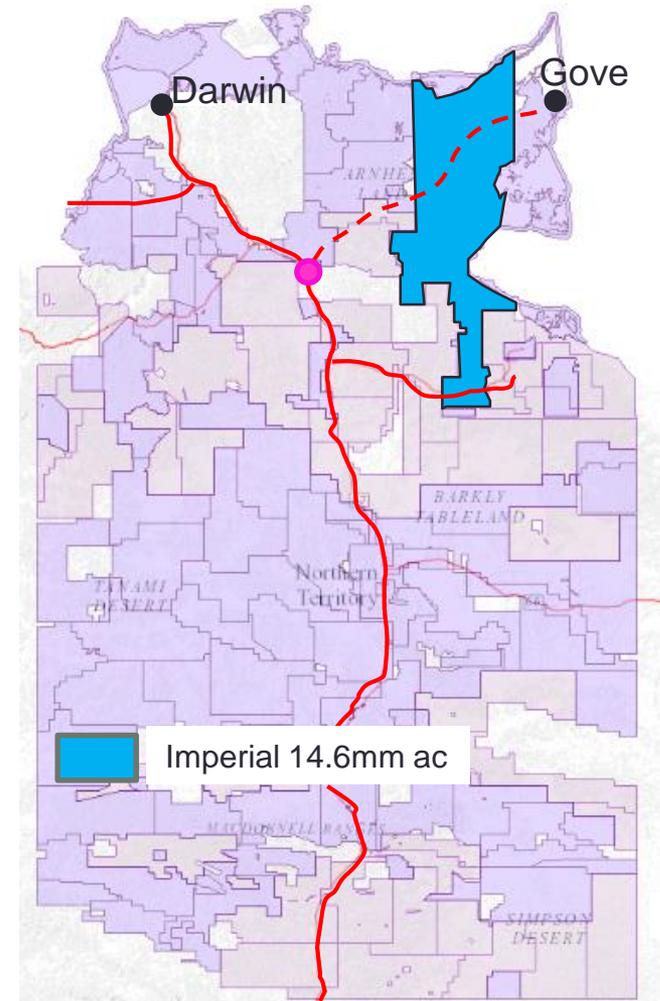
- American Energy Partners (“AELP”)– one the USA’s leading shale development and production groups prior to the untimely passing of its Founder Mr Aubrey McClendon (Refer to note below)
- Upfront Consideration – US\$7.5MM covers costs incurred to date
- Performance Bonus – Second payment of US\$7.5MM on finalisation of remaining leases
- Phase One Expenditure - US\$60MM staged over 3 years
- Minimal NT Government work commitments – To be meet over the 3 year period
- Project Financing – Partner to arrange US\$100MM for Imperial’s second stage project financing
- Off-ramp expenditure opportunities - After each year, ongoing expenditure decision to be made
- Leases – Assigned on Upfront Consideration, retention rights proportional to capital spent
- Key AELP team members have worked on the McArthur Basin project for over 15 months
- Farmout progress also delayed due to NT Labour Party stating that if elected in August 2016 they may introduce a fracking moratorium

Sadly, the founder and owner of the privately owned AELP, Mr Aubrey K. McClendon passed away in March 2016. AELP have announced that they will shut down USA operations over the US summer period. The international projects being undertaken by AELP, which included the Northern Territory project, are owned by the Estate of Mr McClendon. Over the short term, AELP and the Estate will continue to work through the legalities of the Estate restructuring.

What AEP brings to the Project

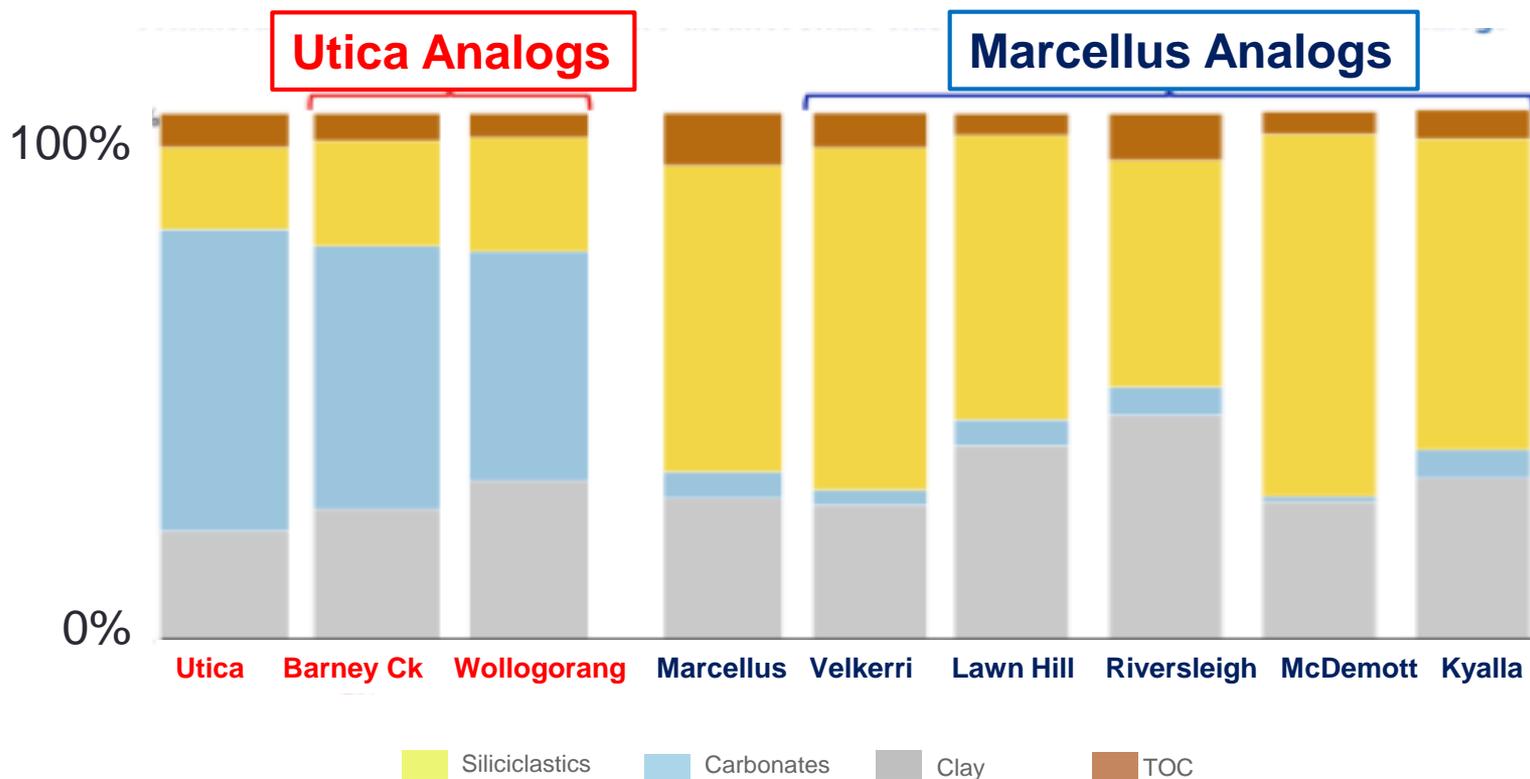
Global scale project needs 'best in industry' expertise

- Conventional & Unconventional resource development
 - Exploration / appraisal to full field production
- Targeting and drill optimization
 - Identifying best interval/s for cost effective production
- D & C techniques optimized across US Shale plays
 - Proven designs & processes focused on subsurface conditions
 - Air drilling techniques perfected in many USA shale basins
 - Proven perforating, fracturing, production & facility design strategies validated by production results across USA basins
- Value engineering
 - Experienced subsurface and operations teams, executive management with a strong track record of success having 'cracked the code' on multiple US plays
 - Nimble and flexible approach combined with standard operating procedures proven to minimize 'Non Productive Time'



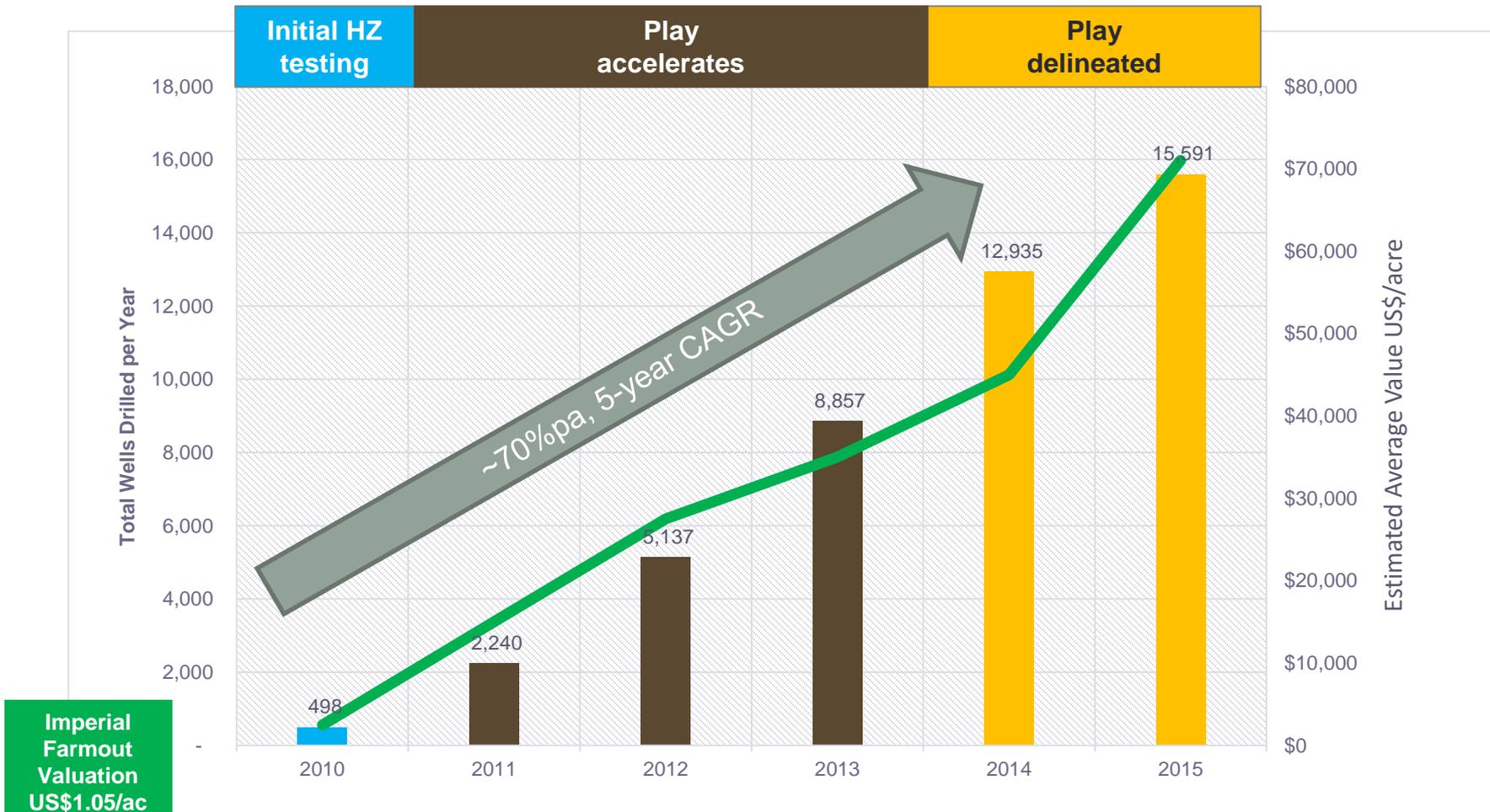
The Seven Shale Mineralogy

A mineralogical analysis reveals two distinct shale classics with clearly identified US analogs



Potential for substantial returns¹

Example: Eagle Ford Shale



Sources: IHS, Woodmac Research, Press Releases, AEP

¹ Transactions adjusted for PDP value of \$30,000/Boe

Resource Estimate*



- Empire WI = 100%
- Royalties = ~12%
- **Independent Prospective Resource estimate considered to be conservative:**
 - Total av. thickness of Velkerri & Barney Creek Shale assumed ~100m, but in some sections up to +600m thick
 - Geological discount factor of 50% to 75% to take account of variation in rock quality and lack of data
 - No inclusion of conventional reservoirs in underlying or overlying formations
- **Barney Creek is the primarily target and is the only formation in McArthur Basin that has delivered commercial quantities of natural gas in wells drilled to date**

Estimated Prospective Resources (Unrisked) - MMBOE

IDENTIFIED		AREA **	P90	P50	P10
Barney Creek Formation	Bcf	2,982,000	3,304	8,699	20,172
	MMBO		66	174	403
Velkerri Formation	Bcf	628,000	383	1,192	3,086
	MMBO		8	24	62
Tawallah Formation	MMBO	2,000,000	N/a	N/a	N/a
TOTAL COMBINED	MMBOE	5,610,000	689	1,847	4,341

**Based on P10 calculations

Conversion Factor 6:1 for Bcf to MMBoe

* The estimate of Prospective Resources must be read in conjunction with the cautionary statement on page 4

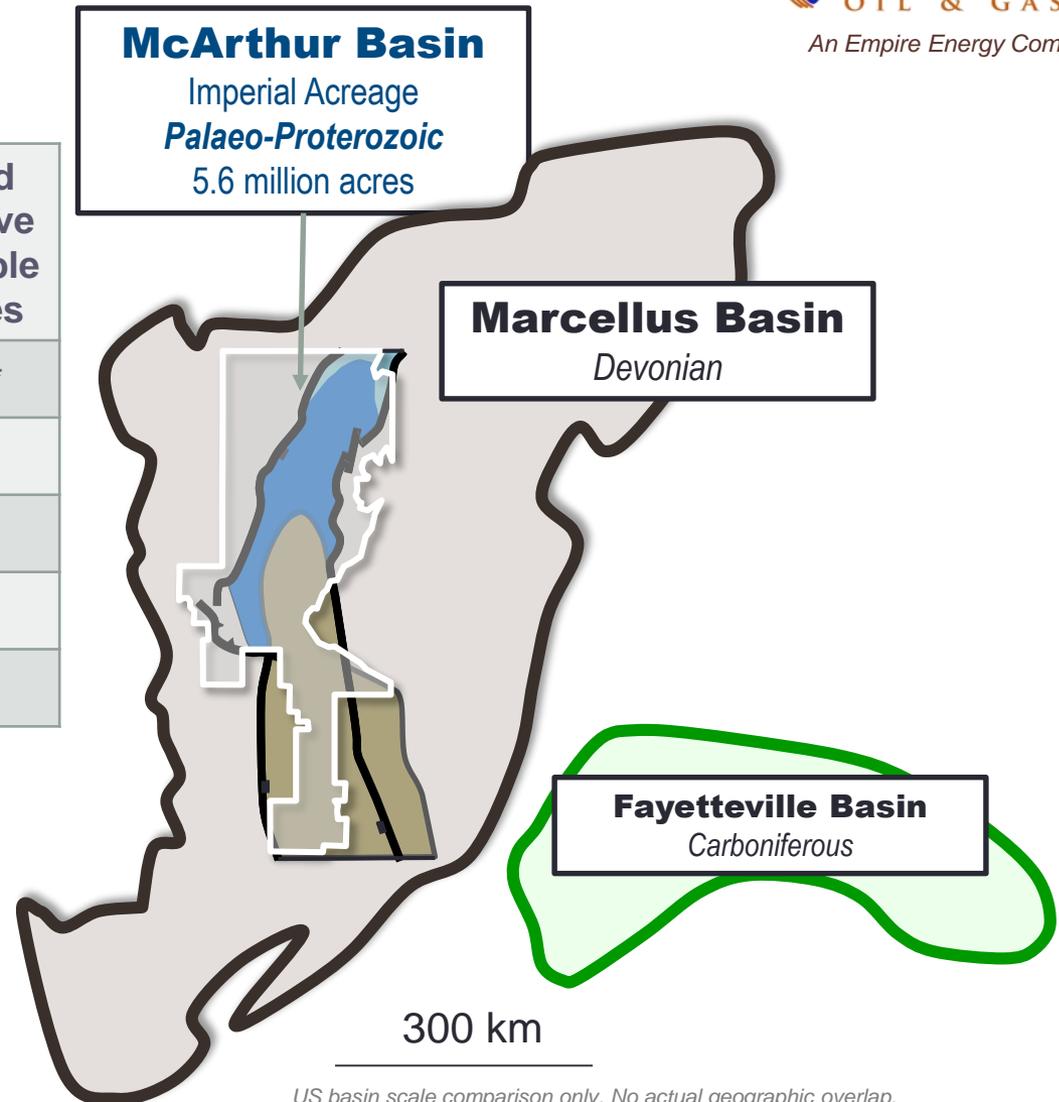
Imperial's World Class Resource



Basin	Prospective (million ac)	Un-risked Prospective Recoverable Resources
McArthur P10	5.6 mm	24 Tcfe *
Marcellus	66 mm	262 Tcfe
Fayetteville	6.0 mm	42 Tcf
Barnett	3.2 mm	44 Tcf
Haynesville	5.8 mm	75 Tcf

*Barney Creek & Velkerri Formations only.

*Considered conservative estimates as resources based on ~150m shale formations, whereas in some regions shales up to 600m.

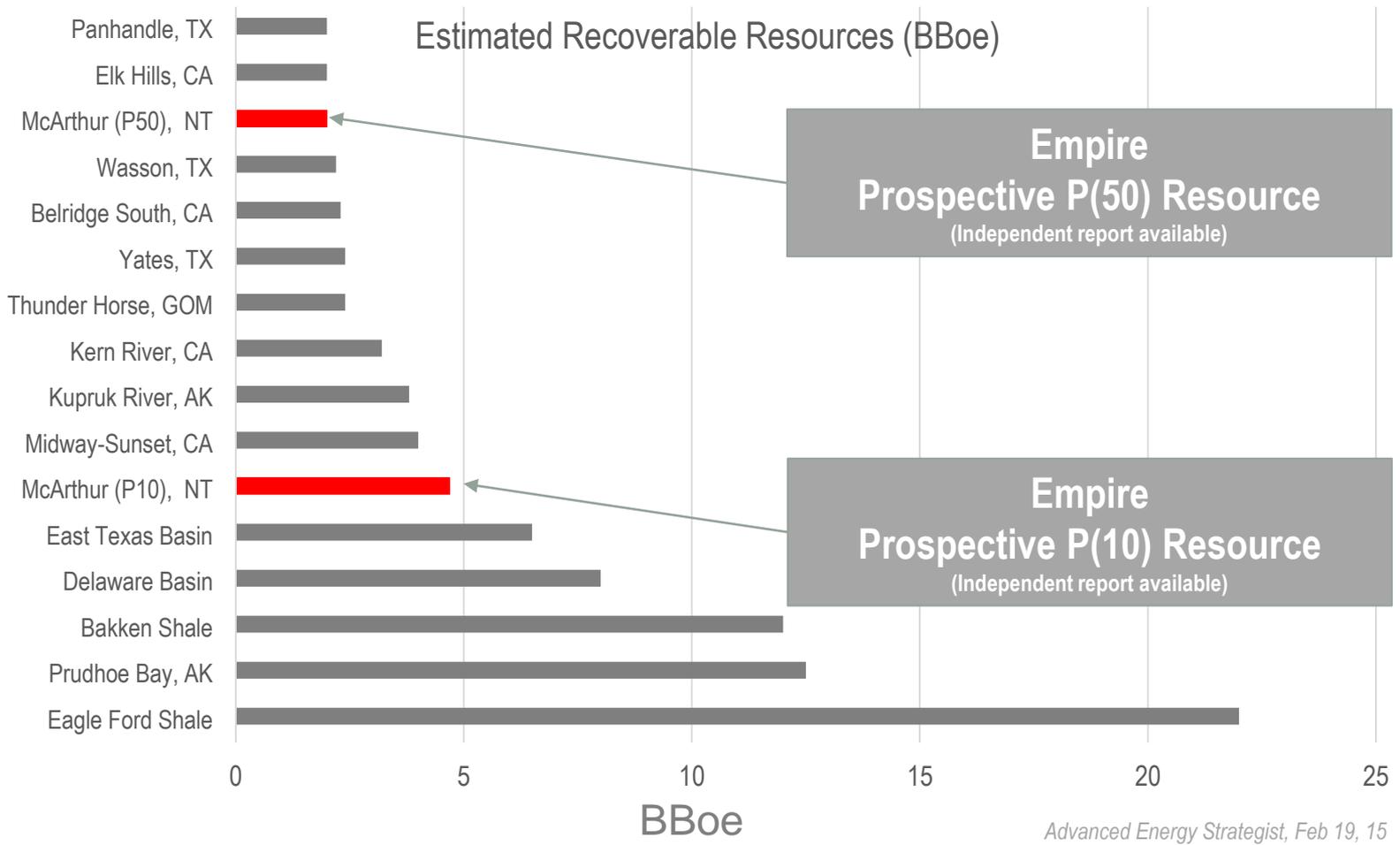


US basin scale comparison only. No actual geographic overlap.

Modified after Modern Shale Gas Development in the US; a Primer. US Department of Energy April 2009

“Prospective Resource”– This estimate of prospective petroleum resources must be read in conjunction with the cautionary statement on page 4.

Comparison with other USA fields



Advanced Energy Strategist, Feb 19, 15

* The estimate of Prospective Resources must be read in conjunction with the cautionary statement on page 4.

Early, cost effective commercialisation



World Class Velkerri Shale Formation



An Empire Energy Company

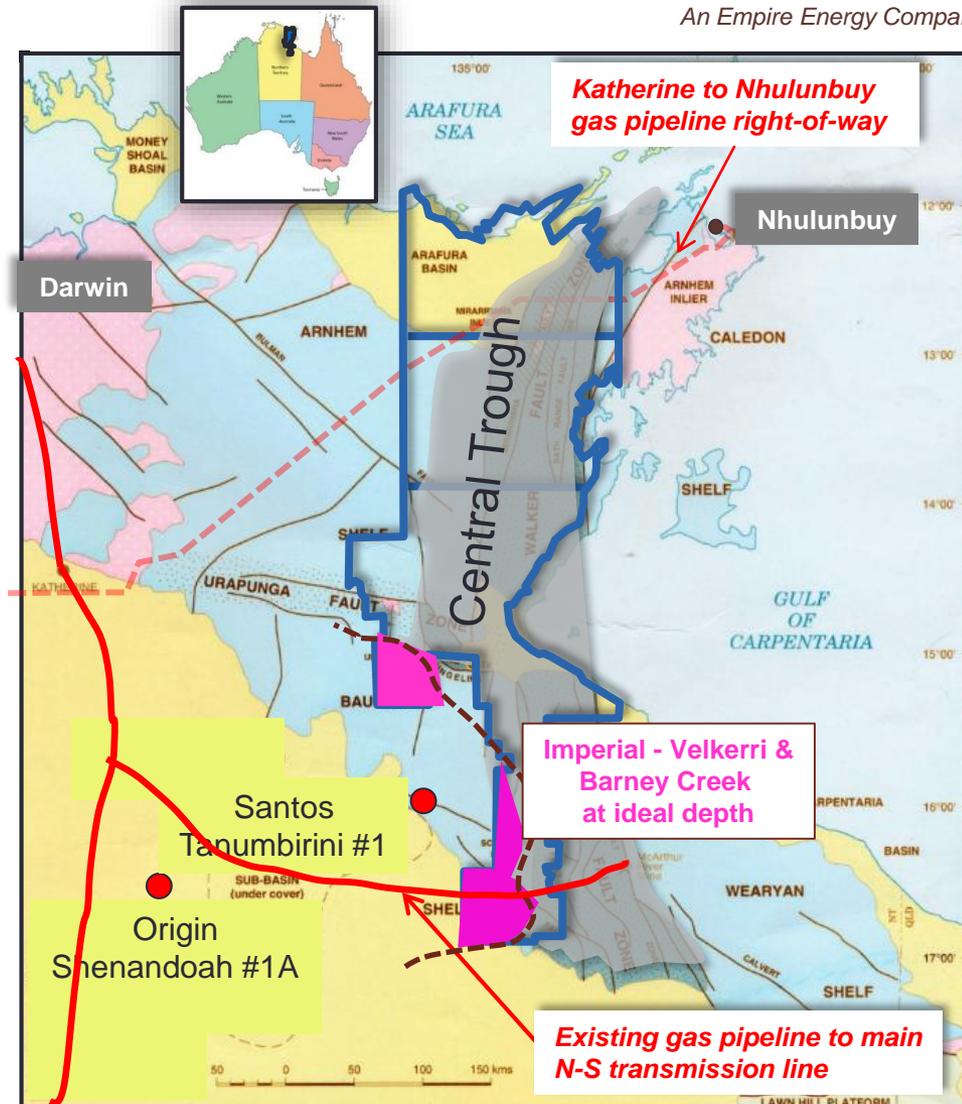
“Tanumbirini #1 - The best shale well I have seen”

Aubrey McClendon, AEP

Metric	Marcellus	Velkerri* ¹ (Mid-Velkerri)
Region	Appalachia - NE USA	Beetaloo/McArthur
Primary Hydrocarbon	Dry Gas	Dry Gas
Organic Carbon	3-10%	2-10%
Ro	0.8-3.0%	1.1-1.8%
Thickness (m)	15-50m	150-500m
Porosity	6-8%	6-8%
Water Risk	No	No
Pressure Gradient (psi/ft)	0.4-0.6	0.5-0.7
Hydrocarbon Stage	Yes	Yes
Stacked Play	No	Yes
TVD (m)	2,000-3,500	1,500-4,000
Frackability (1-clay)%	65%	65%
Gas in Place (Bcf/sqm)	260	780
Entry Cost/ac (\$A)	\$5,000-\$30,000	~\$1.00

* Wells drilled in the Beetaloo Basin including Tanumbirini #1

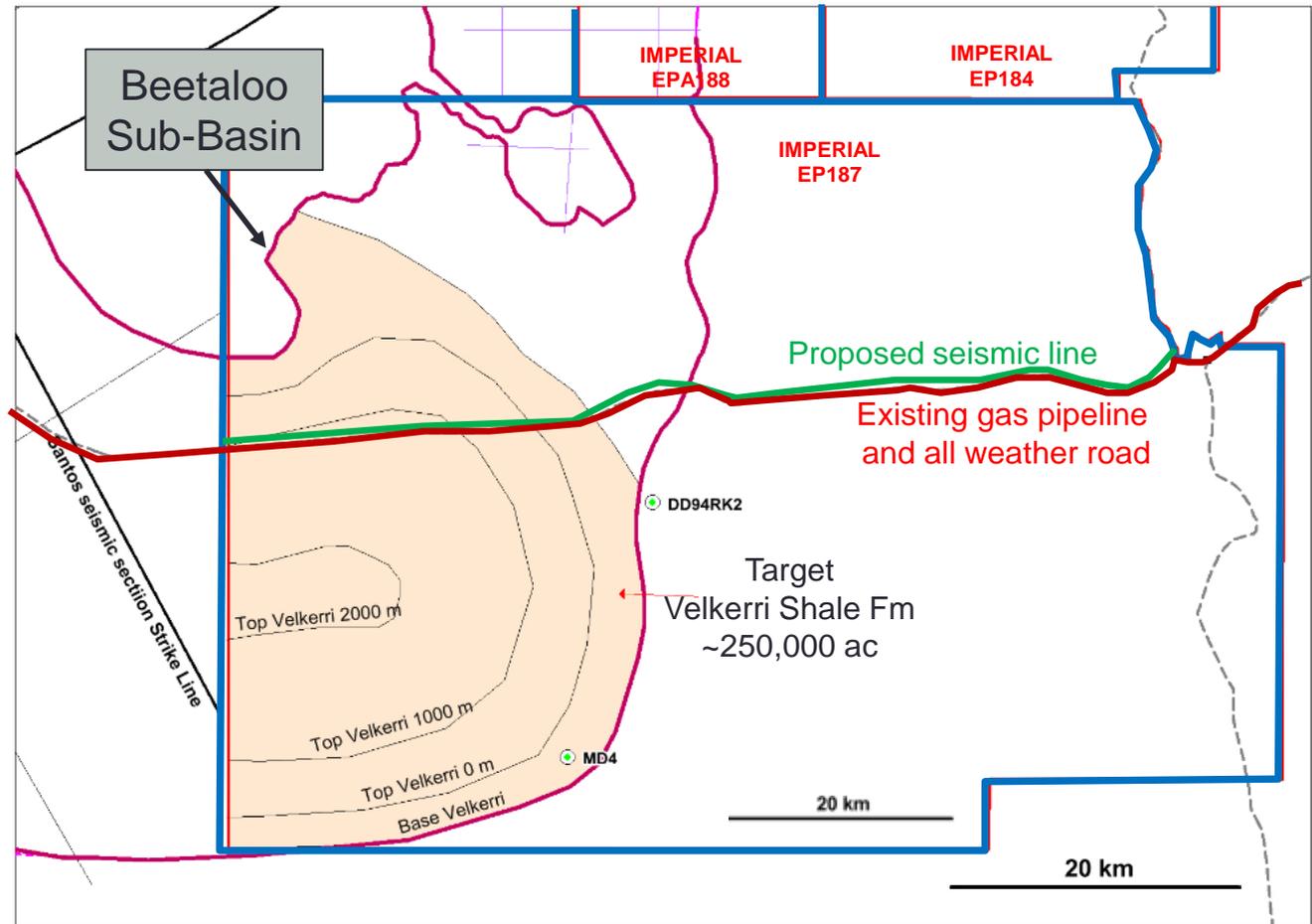
¹ Chromograph indicates dry gas ~94% methane & <0.5% CO₂



Initial commercialisation prospect

Prospective Resource P(50) = 1.1Tcf + 24MMBO, or
P(10) = 3.1Tcf + 62MMBO*

- Imperial holds ~250,000ac
- Seismic to confirm basin architecture
- Velkerri ~500m thick, & Mid Velkerri carbonaceous unit ~150m thick (resource report averaged 100m)
- Stratigraphic wells to confirm depth, source rock petrophysics and optimise well design
- Appraisal/production wells
- Resource of the size to undertake proprietary downstream project (Urea or Methanol)?



* The estimate of Prospective Resources must be read in conjunction with the cautionary statement on page 4

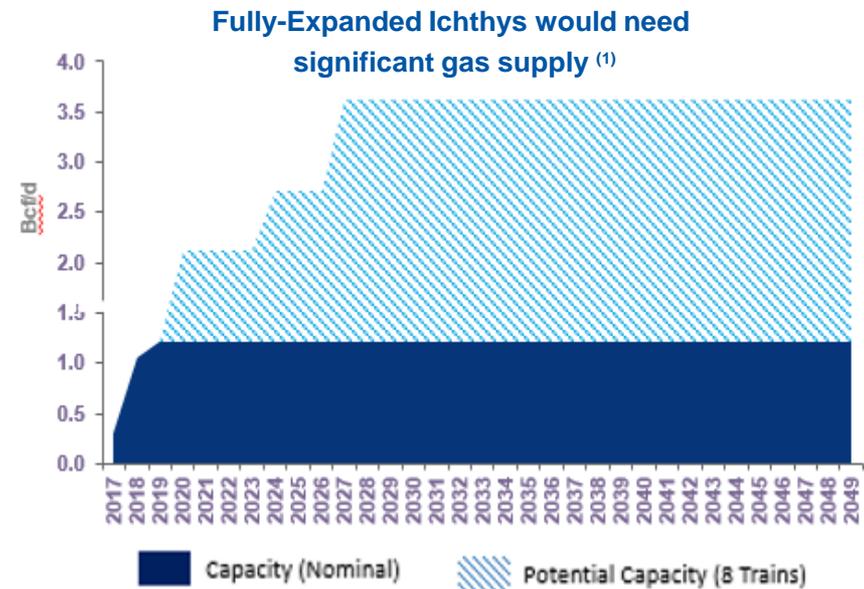
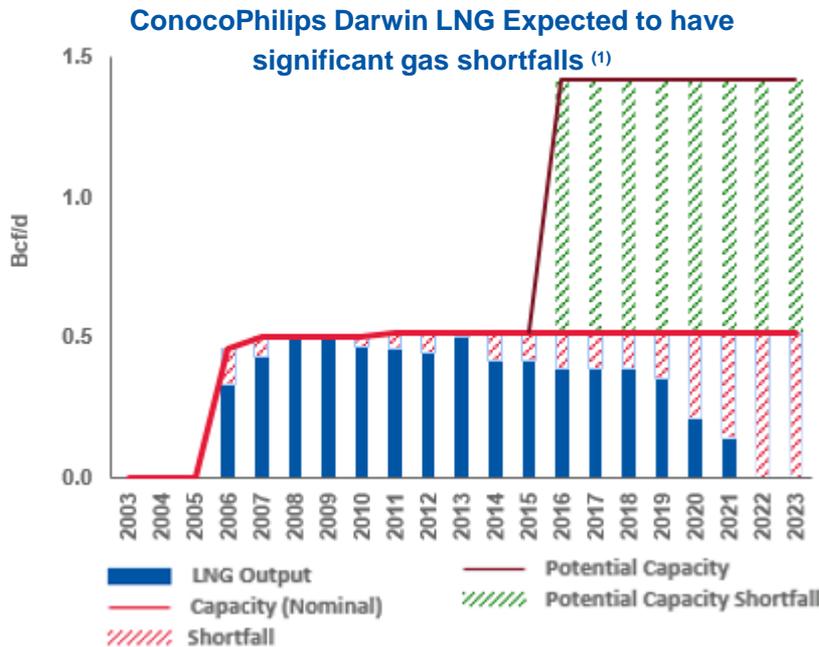
Robust Commercial Opportunity for NT Gas



Darwin ~500km from potential operating gas fields

...with existing pipeline / right-of-way access, NT gas is optimally positioned to be the onshore supply source for Northern LNG needs, such as.....

- The expected gas shortfall from the Bayu Undan field supplying ConocoPhilips Darwin LNG plant
- The new Icthyus LNG plant and its proposed/required expansion
- New natural gas process plants, that is ammonia/urea and methanol



(1) Converted to Bcf/d by a factor of 6.95mtpa to 1.0Bcf/d

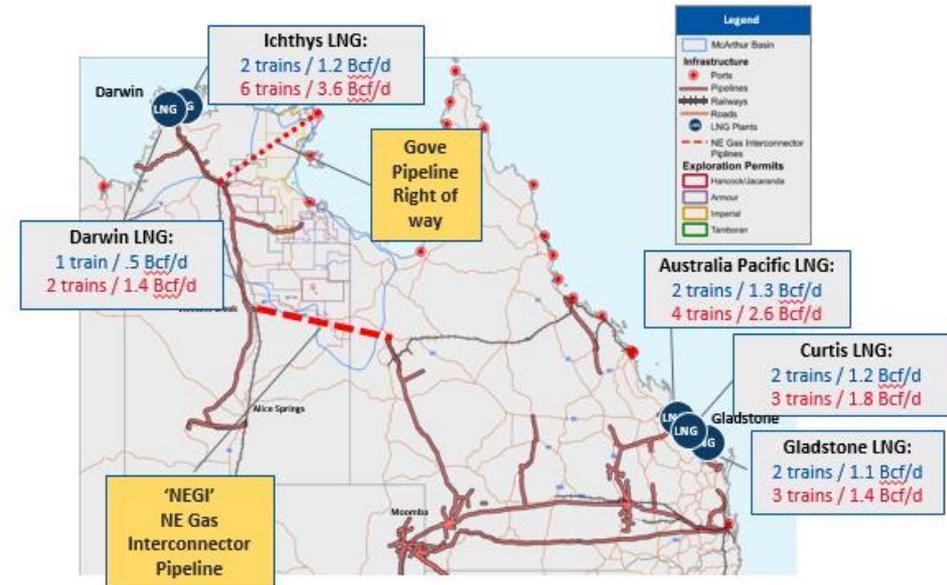
East Coast Demand for NT Shale Gas

Existing Large Scale Markets

- Australian pipeline infrastructure divides the country:
 - Northern Territory: Amadeus/Darwin pipeline network running from Alice Springs to Darwin carrying conventional production
 - Eastern Australia: onshore conventional/CSG sources supplies power, industrial, residential & LNG
- New NT gas production would be:
 - sold locally to mines and power plants
 - **Imperial's EP187, drill ready - gas pipeline connecting to the Amadeus/Darwin pipeline**
 - **When NEGI pipeline completed, NT gas can be directed to Gladstone LNG plants, expected to suffer from CSG production shortfalls as well as forecast domestic gas supply shortfall**
- Larger quantities of gas would necessitate the construction of an ~500 mile pipeline to Darwin for LNG processing (1.0 Bcf/d pipeline would cost roughly \$1.5Bn, and could be expanded to 2.0 - 3.0 Bcf/d with compression).



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LNG Plants Online or Coming Online

Plant	Status	Operator	Capacity
COP's Darwin	Online	ConocoPhillips	0.5 Bcf/d
QCLNG	Online	BG GROUP	1.2 Bcf/d
GLNG	Online	Santos	1.1 Bcf/d
APLNG	Online	INPEX	1.3 Bcf/d
Inpex's Ichthys	Q2 2017	INPEX	1.2 Bcf/d
Total			5.3 Bcf/d

East Australia - the Next Major Leg of Demand



Eastern Australia represents the largest domestic gas consumption market on the continent

.....the Eastern market is quickly transitioning into a more globally-linked network, driven by the completion of the three new Gladstone LNG export projects

Plant	Status	Operator	Capacity
QCLNG	Online	BG GROUP	1.2 Bcf/d
GLNG	Online	Santos	1.3 Bcf/d
APLNG	Q4 2015	AUSTRALIA PACIFIC LNG	1.1 Bcf/d

- This massive build out of LNG export capacity is expected to drive the market into a substantial gas shortfall
- Impact already being felt through rapidly increasing domestic gas prices in the East

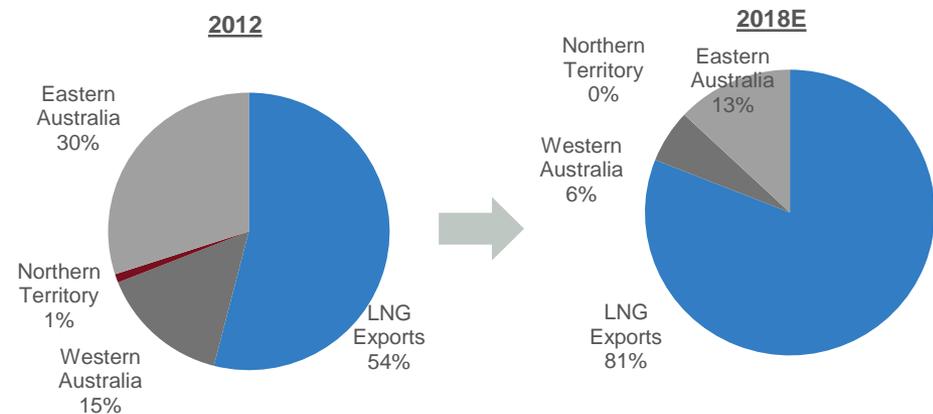
Construction of the NEGI pipeline will allow NT gas to access the heavily undersupplied Gladstone LNG projects in Eastern Australia

.....the NEGI pipeline is planned to be constructed by 2018 to link Northern Territory shale gas to the major growing demand market in the East.....

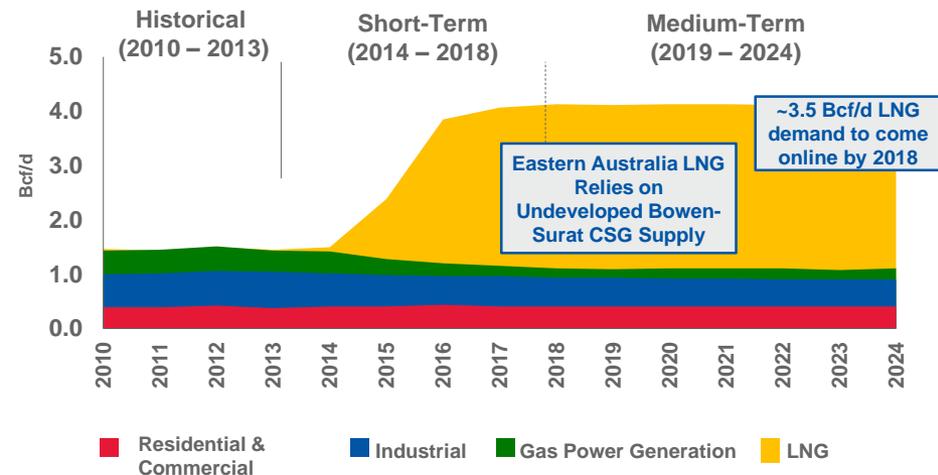
- Abundant shale gas resources will provide some feed gas to Gladstone LNG export facilities
- Will help the domestic market by providing affordable gas for consumption

Will this supply domestic consumption?

Rapid Transition to LNG Demand in Eastern Australia



Annual Eastern Australia Gas Consumption Will Skyrocket with LNG (1)



(1) Source: Australian Energy Market Operator (AEMO)

The dilemma for Eastern Australian Gas

East Coast demand for Natural Gas



Forecasts are for a significant shortfall of natural gas supply for East Coast domestic demand

“Sydney building an LNG Import terminal”

- This may seem preposterous
- Deloitte’s US and Australian oil and gas leaders believe the idea fits perfectly within the realms of possibility
- Gas assets in Northern Territory to be connected to the East Coast by the NEGI pipeline
- Queensland and NEGI can’t mitigate the east coast energy crisis alone
- Deloitte’s believe it will now take around 14 years from applying for a license to producing first gas in Queensland and up to \$100 million would be spent in the process

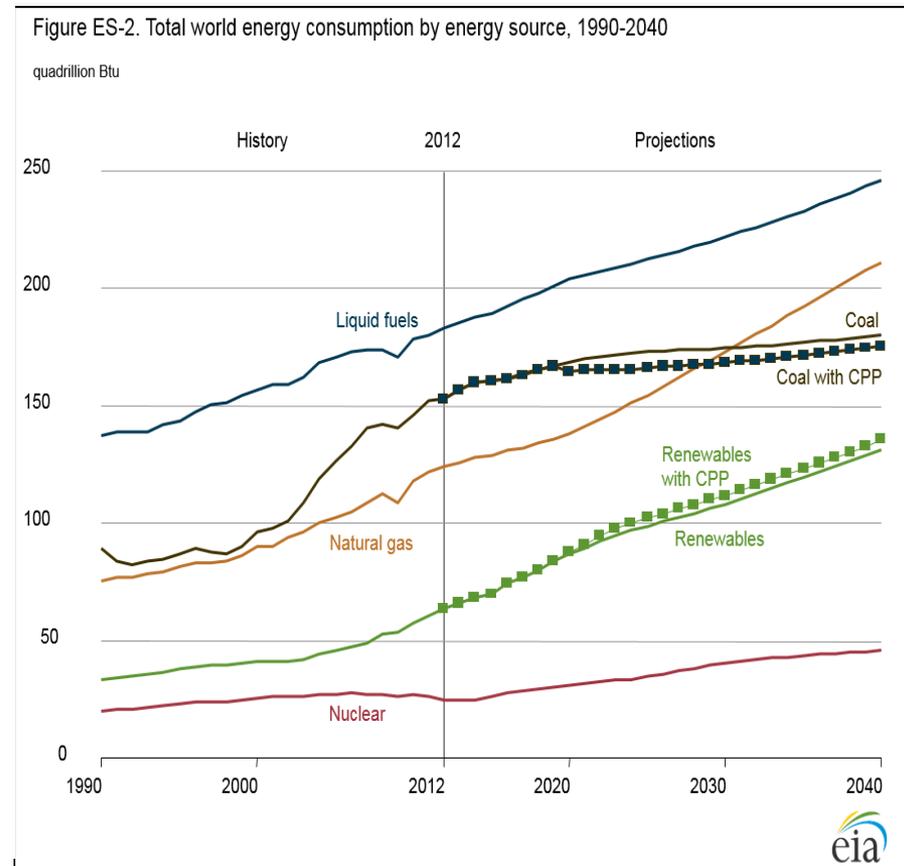
World demand for shale gas



Australia's neighbours to drive growth in world energy demand

- World energy consumption expected to increase by 48% over next 3 decades
- Developing Asia accounts for >50% of projected increase in demand
- Out to 2040 electricity will remain a minor fuel for transportation other than for rail
- Demand for liquids is expected to rise from 90mmBbls/d to 121mmBbls/d in 2030
- Gas demand is expected to grow at 1.9%pa
- India is seeking large long term gas contracts

Natural gas the big winner in future energy mix



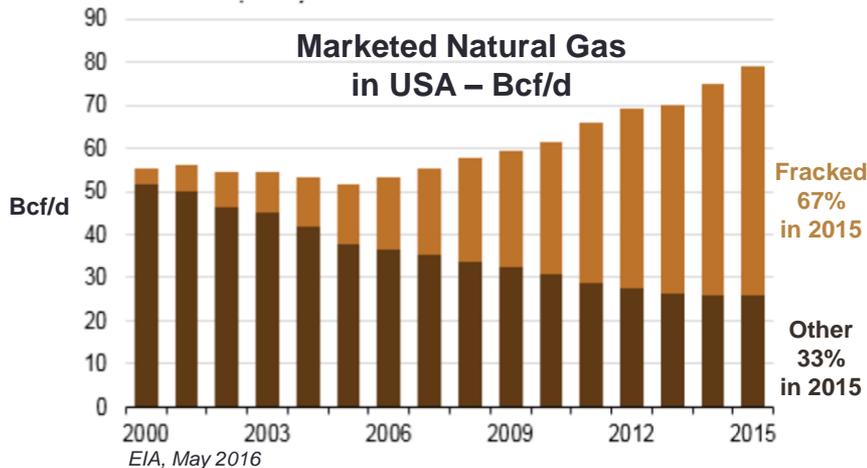
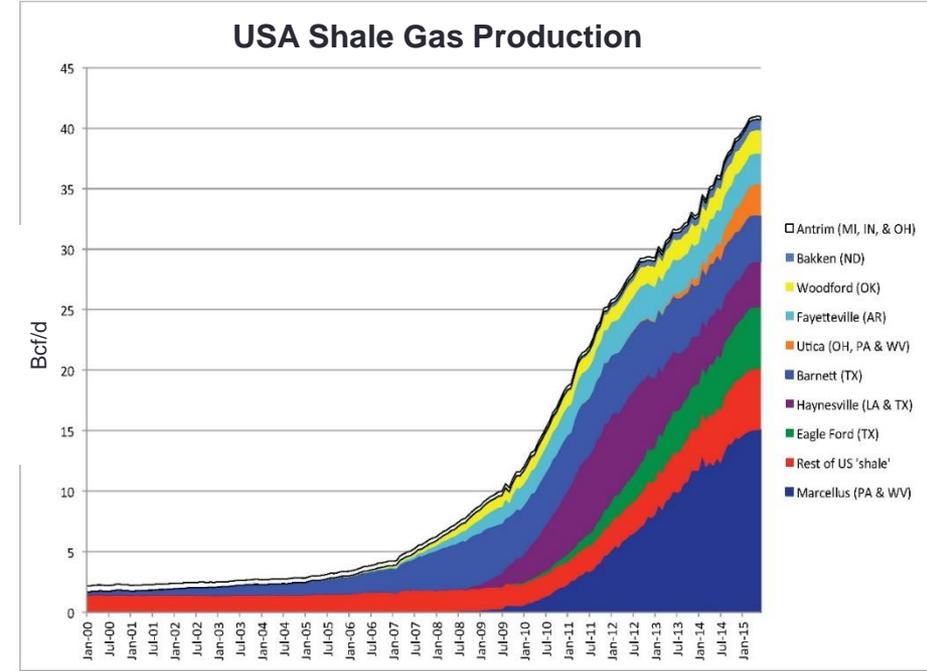
Australian Shale Gas Development

Can it parallel the transformation of the USA economy?



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- Australian infrastructure is lacking
- USA technology available to take advantage
- Australian shale gas will not be as cheap as in USA
- Leading practices and a transparent regulatory systems will minimise impact
- High quality baseline surveys and monitoring
- Effort by all stakeholders to ensure shale gas resources can be effectively managed



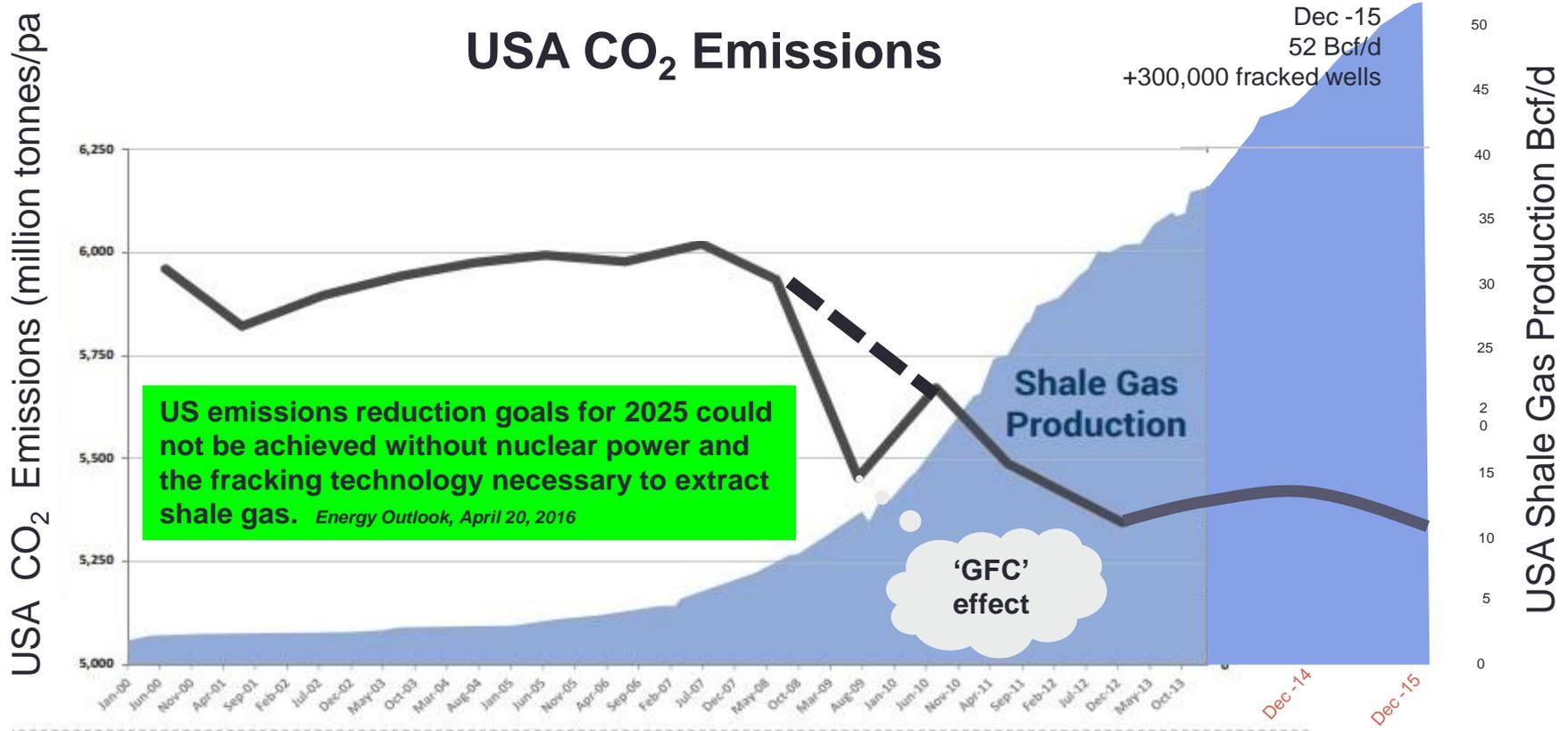
- From 2009 to 2016 natgas prices in the USA have dropped from \$10 to ~\$2.00/mcf
- Shale now provides +67% of USA natgas
- Shale gas is rapidly replacing coal for electricity generation

Shale gas

Decarbonising the world



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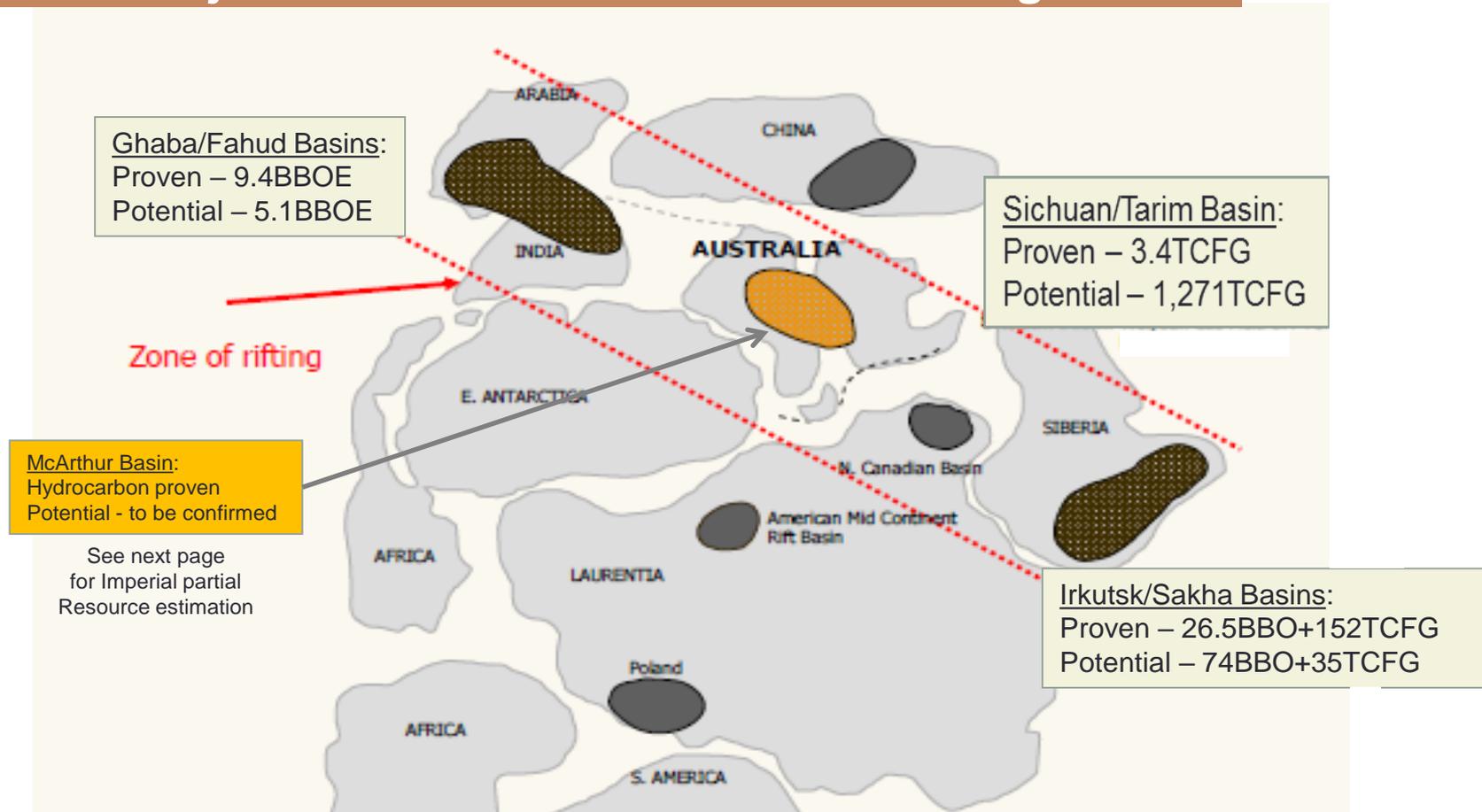
Energy in Depth Oct, 27 2015 & EIA May 2016, Monthly Energy Review

Geology & Depositional Setting



McArthur Basin Palaeogeography

Compared to Major Mid-Proterozoic Petroleum Producing Basins



Ancient Petroleum Systems

Central Trough Multiple -Stacked Targets.....

Proterozoic laminated black organic sulphurous carbonaceous silt & mudstone petroleum source rocks

Shale	Velkerri	Barney Creek	Tawallah
Age	Meso	Palaeo	Palaeo
Pressured	Over	Over	Over
TOC	Up to 7.5%	Up to 10%	Up to 7%
Gas	Free Flowing	Free Flowing	Not Known
Reservoir	Sandstone beneath	Dolomite beneath	Dolomite & Sandstone beneath
Deposition	Marine anoxic	Basinal marine anoxic	Marine anoxic - lacustrine
Thickness	<800m	<1,000m	<600m

- Proven petroleum system
 - Strong liquids potential
 - Known gas composition C1 77%, C2 11%, C3 11%, C4 0.6%, C5 0.2%, CO2 <1%

Velkerri

• 1.43 Billion yr old



Barney Creek

• 1.64 Billion yr old



Tawallah

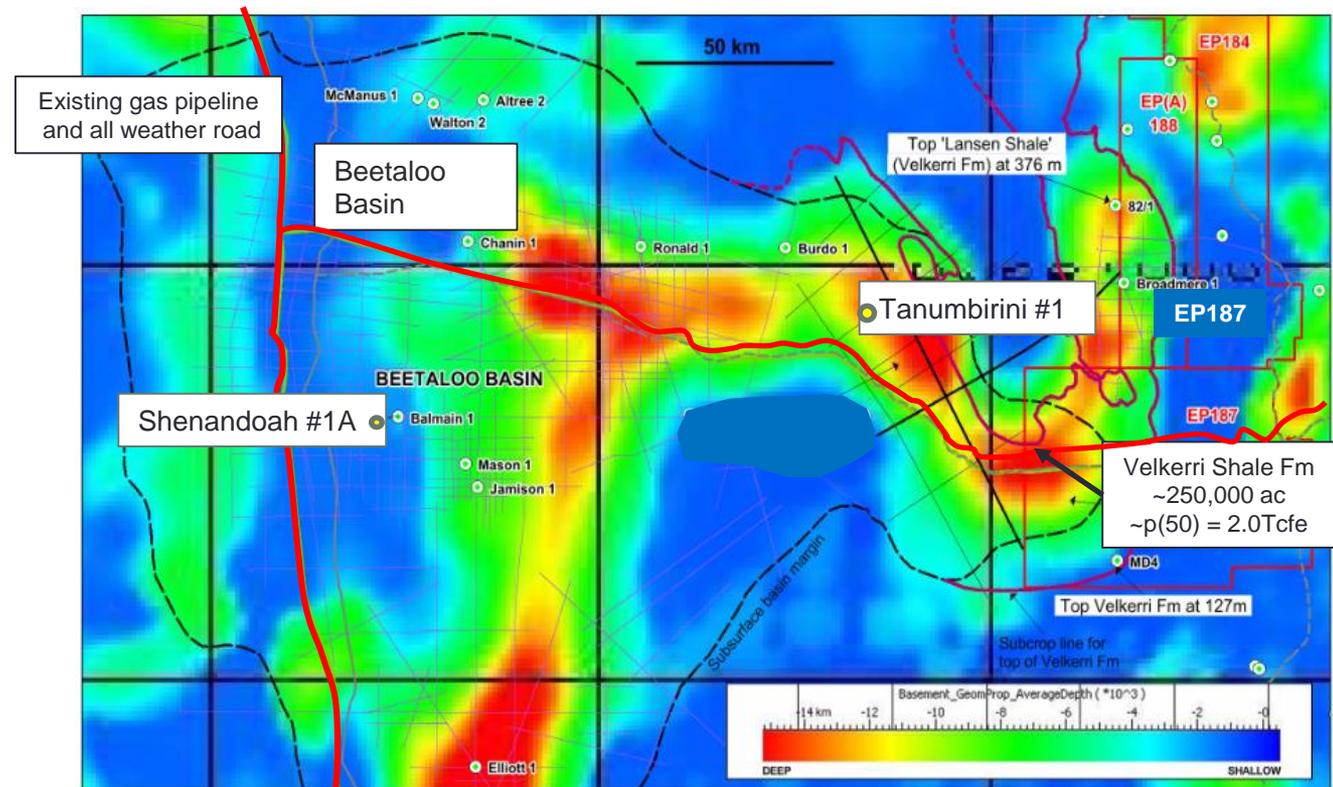
• 1.72 Billion yr old



Structure – Beetaloo Sub Basin

Prospective Resource P(50)* = 1.2Tcf + 174MMBO, or ~2.0Tcfe

- Gravity data is indicative of the Velkerri Formation
- Tanumbirini #1 drilled at deepest point in Beetaloo Sub-Basin TD ~12,000ft



Final Average Depth to Basement from Gravity (from: Ailleres, Armit and Betts, 2014)
With location of historic seismic lines (blue), Santos seismic lines (black- not yet open-file), and drillholes.

Compiled: Rod Dawney, AUSMEC Geoscience, 21 May 2015

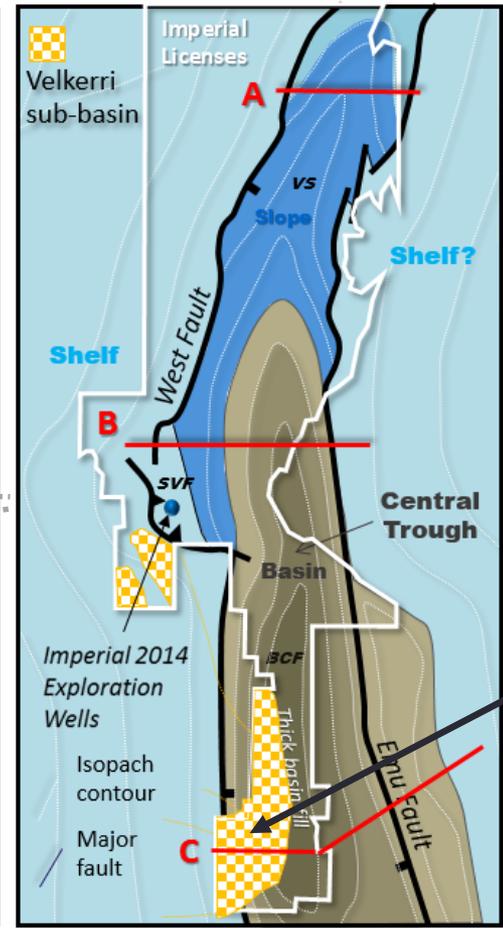
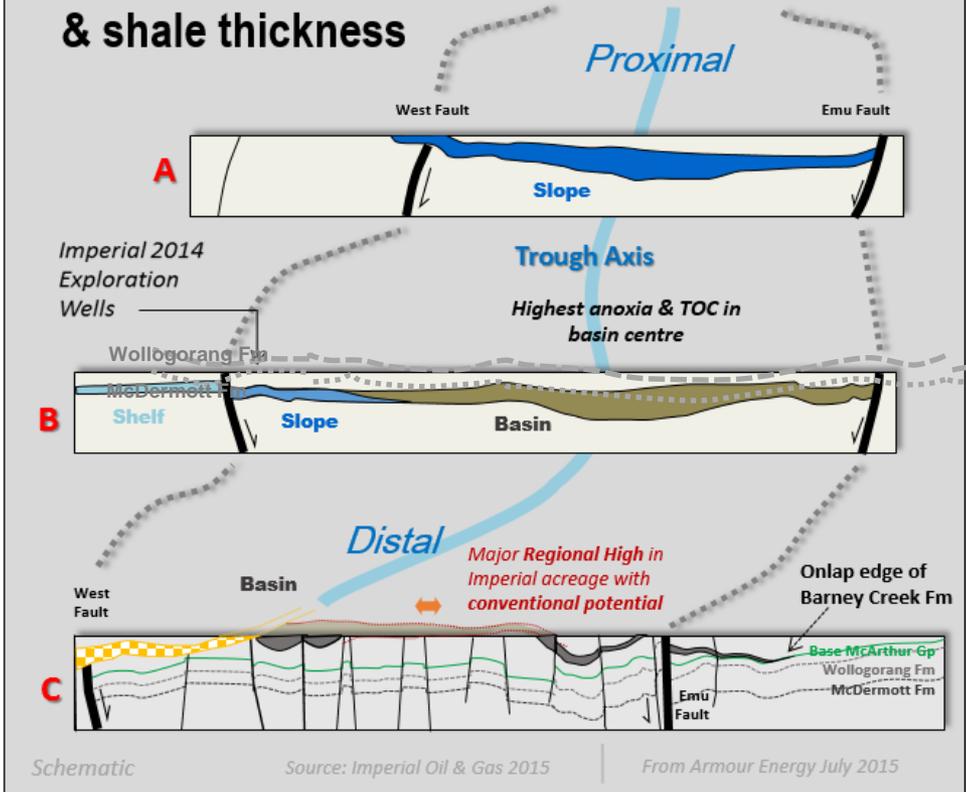
* The estimate of Prospective Resources must be read in conjunction with the cautionary statement on page 4

Imperial has the ingredients

Organic Carbon Preservation in restricted anoxic trough

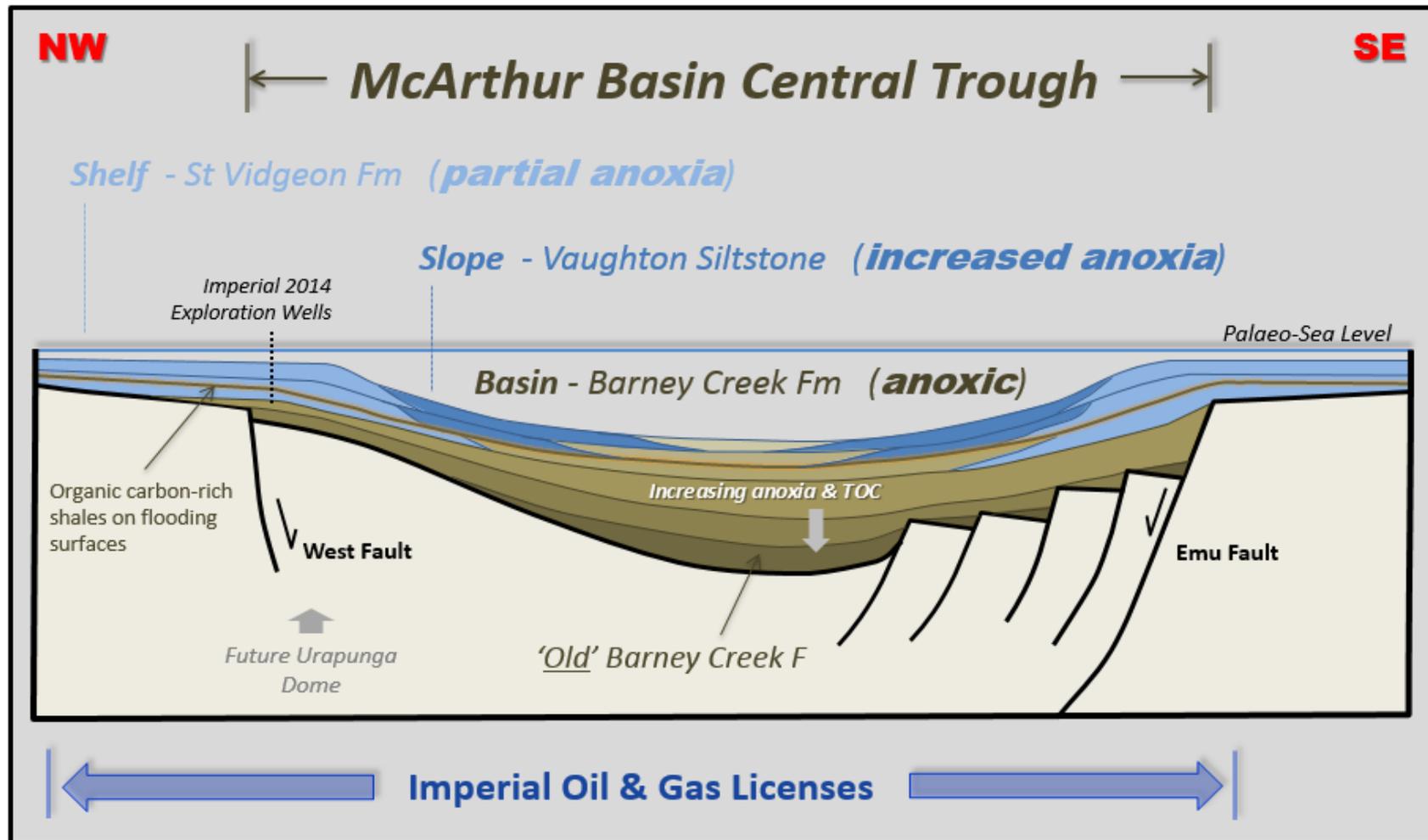


Imperial acreage has the depo-centre with the greatest predicted TOC preservation & shale thickness



Potential drill ready commercial resource adjacent to existing pipeline

McArthur Trough Structure



Management



Key Management



Bruce W. McLeod *Chairman & CEO*

- Founded Empire Energy in 2006
- 25 years experience in financing resource and property projects in Australasia/Asia/USA
- Prior, Executive Director for BA Australia Limited a subsidiary of Bank of America, responsible for the financial and capital markets operations
- B.Sc (Maths), B.Com, M.Com (Econ), University of Auckland

Robert Gustafson *Consultant*

- In depth Financial Accounting, including SEC reporting with Wheeling Pittsburgh Steel
- Prior extensive accounting experience with T.W. Phillips Gas, Columbia Energy Services, Equitable Resources Energy Company and Gulf Oil Inc.
- B.Sc. Accounting, Rider University

Susan Gasper *Controller*

- Joined Empire Energy as Accounting Manager in 2009. Experienced in acquisitions, integration of new software, liaison and financial statements for reviews and audits, all reporting.
- 12 years audit experience, previously Schneider Downs, Pittsburgh working on oil & gas clients, non-profits and profit corporations
- Consultant MDS Energy, a oil & gas corporation. Trained staff on accounting processes.

Denise Cox *Senior Geologist*

- Exploration and development geoscientist specializing in the application of technology to carbonate reservoirs and unconventional resources. Strong leadership in project design, implementation, technical evaluation and maximizing economic value.
- 1984 to 2004 with Marathon Oil Inc., resigning as Advanced Senior Geologist. Based in Denver and Houston worked throughout the Mid-Con and Gulf regions. Received 13 Marathon Oil Company Excellence Awards
- M.S. Geology, University of Colorado; Association for Women Geologists Scholarship, B.S. Geology (Honors), State University of New York, Binghamton, NY



Key Management (cont.)

<p>Allen C. Boyer, SVP Operations</p>	<ul style="list-style-type: none"> • Extensive experience in all operational aspects of the oil and gas industry, including well site activities, leasing and land agreements, pipeline and compressor construction. • Previous experience with US Energy Exploration, EOG Resources Appalachia, Inc., Rochester & Pittsburgh Coal Company (Fortune 500 Company), Canyon Natural Gas Inc., Turm Oil, Inc., and Peoples Natural Gas Company.
<p>Jim Farthing, VP Mid-Con Region</p>	<ul style="list-style-type: none"> • From 1979 to 2012 with Conoco-Phillips in North America. • Retired - 2012 as Ops Manager Conoco-Phillips L48 E&P Central Region/Gulf Coast. • 20 years in a supervisory capacity operating shallow low pressure wells in Kansas, deep high pressure wells (18000' / 13000# BHP) in Texas, gathering systems, pipelines, booster stations, water floods and associated facilities and plants.
<p>Tim Hull, VP Appalachia Region</p>	<ul style="list-style-type: none"> • Involved in all aspects of the oil and gas exploration, production and transportation sector in North Eastern USA for over 25 years. • District Manager for Range Resources LLC., responsible for day to day management of all New York State oil and gas operations. Prior gained experience as a lease operator in 1983 working for Envirogas, Dest Exploration, Chautauqua Energy and Berea Oil & Gas
<p>David Hale, Geologist & Geophysicist</p>	<ul style="list-style-type: none"> • From 2005 lead geologist and manager of geosciences for Kansas assets held by Empire Energy. • Developed prospects, designed and supervised 3-D seismic acquisition, interpreted seismic and incorporated geological models to develop prospects.



Key Management (Australia)

Dr John Warburton Director – Imperial Oil & Gas

- Over 30 years of technical and leadership experience in leading E&P companies including BP and LASMO-Eni.
- Sits on Advisory Board of Centre for Integrated Petroleum Engineering & Geoscience, Leeds University, UK
- Dr Warburton's expertise covers the Middle East, Kazakhstan, Azerbaijan, North & West Africa, Pakistan, Europe, Australia, New Zealand, PNG, China, Korea and Japan
- He has published 28 internationally recognized technical articles

Geoff Hokin Exploration & Operations

- 12 years experience as a geologist in the unconventional gas and coal sectors, with various geological roles including Armour Energy, Metgasco and Arrow Energy
- Mr Hokin has a background in Geological and Geophysical Exploration and Basin Setting Analysis and has had extensive geological and business experience in other operations
- Background in Aboriginal Culture and Traditions
- Works with team of field geologists, 3D mapping geologists, cultural liaison officers and traditional owners throughout the Company's Northern Territory Tenements

Rachel Ryan Co. Secretary

- Appointed Joint Company Secretary July 2010 and assumed role of Company Secretary July 2013
- Over 8 years experience with public listed resource companies including overseas dual listed Companies
- Extensive experience in corporate transactions, ASX Listing Rules and corporate governance

Reserves Information



Notes to Reserves

- The scope of the Reserve Studies reviewed basic information to prepare estimates of the reserves and contingent resources.
- The quantities presented are estimated reserves and resources of oil and natural gas that geologic and engineering data demonstrate are "In-Place", and can be recovered from known reservoirs.
- Oil prices are based on NYMEX West Texas Intermediate (WTI) as at December 31, 2015.
- Gas prices are based on NYMEX Henry Hub (HH) as at December 31, 2015. .
- Prices were adjusted for any pricing differential from field prices due to adjustments for location, quality and gravity, against the NYMEX price. This pricing differential was held constant to the economic limit of the properties.
- All costs are held constant throughout the lives of the properties.
- The probabilistic method was used to calculate P50 reserves.
- The deterministic method was used to calculate 1P, 2P & 3P reserves.
- The reference point used for the purpose of measuring and assessing the estimated petroleum reserves is the wellhead.
- "PV0" Net revenue is calculated net of royalties, production taxes, lease operating expenses, and capital expenditures but before Federal Income Taxes.
- "PV10" is defined as the discounted Net Revenues of the company's reserves using a 10% discount factor.
- "1P Reserves" or "Proved Reserves" are defined as Reserves which have a 90% probability that the actual quantities recovered will equal or exceed the estimate.
- "Probable Reserves" are defined as Reserves that should have at least a 50% probability that the actual quantities recovered will equal or exceed the estimate.
- "Possible Reserves" are defined as Reserves that should have at least a 10% probability that the actual quantities recovered will equal or exceed the estimate.
- Prospective Resource P(50) - unrisks, is the estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
- "Bbl" is defined as a barrel of oil.
- "Boe" is defined as a barrel of oil equivalent, using the ratio of 6 Mcf of Natural Gas to 1 Bbl of Crude Oil. This is based on energy conversion and does not reflect the current economic difference between the value of 1 Mcf of Natural Gas and 1 Bbl of Crude Oil.
- "M" is defined as a thousand.
- "MM" is defined as a million.
- "MMBoe" is defined as a million barrels of oil equivalent.
- "Mcf" is defined as a thousand cubic feet of gas.
- All volumes presented are net volumes and have had subtracted associated royalty burdens.
- Utica shale gas potential resources have only been calculated for the region where drill data is available. Very few wells have been drilled into the Utica in Western NY and NW Pennsylvania. Estimates for GIP have been made were the few existing wells have been drilled. Empire holds additional acreage outside the current potential resource region. It is expected that as with shale characteristics, the shale formations will continue within the remaining acreage. The potential GIP should increase if more data was available.

Qualified petroleum reserves and resources evaluators

The information in this report which relates to the Company's reserves is based on, and fairly represents, information and supporting documentation prepared by or under the supervision of the following qualified petroleum reserves and resources evaluators, all of whom are licensed professional petroleum engineers, geologists or other geoscientists with over five years' experience and are qualified in accordance with the requirements of Listing Rule 5.42:

Name	Organisation	Qualifications	Professional Organisation
Allen Barron	Ralph E Davis Associates, Inc	BSc	SPE
John P Dick	Pinnacle Energy Services, LLC	BPE	SPE
Wal Muir	Muir and Associate P/L	BSc,MBA	PESA

* SPE: Society of Petroleum Engineers

*PESA: Petroleum Exploration Society of Australia

None of the above evaluators or their employers have any interest in Empire Energy E&P, LLC or the properties reported herein. The evaluators mentioned above consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.