



EMPIRE OIL & GAS NL

6 June 2016

The Manager
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ASX RELEASE

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Empire to refinance ERM debt and welcomes new funding partner, Viburnum

- Empire has executed a non-binding term sheet to secure approximately A\$15m in funding to refinance the ERM Power debt obligation maturing in August 2016
- Empire welcomes Viburnum Funds Pty Ltd as a new funding partner
- New funding package comprises a secured loan facility and unlisted options

Oil and gas producer Empire Oil and Gas NL (“**Empire**”, ASX: EGO) is pleased to announce that it has executed a non-binding term sheet with Viburnum Funds Pty Ltd (“**Viburnum**”), for Viburnum to provide a A\$15m secured loan facility. If completed, the funds provided under the loan will be used to repay Empire’s existing loan obligation to ERM Power Ltd (“**ERM**”) due to mature in August 2016. The key terms of the proposed financing are contained in Appendix A.

Empire is delighted to welcome Viburnum, a specialist advisor and investment manager with expertise in strategic equity investments based in Perth, Australia. Viburnum manages a number of funds for family offices, institutional investors and other third party investors.

Tony Iannello, Non-Executive Chairman of Empire, said: “*The funding partnership with Viburnum represents a strong endorsement of the strategy and growth prospects of Empire. The partnership will allow Empire to further grow its operations and assess strategic opportunities in the Perth Basin.*”

Craig Coleman, Executive Chairman of Viburnum, added: “*Viburnum is very pleased to provide its support to Empire. We view Empire as an exciting investment opportunity within the highly strategic Perth Basin, given the experience of its team and strength of its existing operations. We look forward to helping Empire achieve its long-term growth potential.*”

Vesparum Capital is acting as financial adviser to Empire on the transaction.

The funding package remains subject to final documentation and due diligence.

Yours sincerely
For Empire Oil & Gas NL

Rachel Rees
Company Secretary and Chief Financial Officer



Appendix A

Key terms of the non-binding term sheet:

Principal sum	A\$15m
Term	2 years
Security	Specific security agreement over the Red Gully Processing Facility, existing production reserves, customer contracts and operating licenses
Conditions Precedent	Standard for a loan facility of this nature, including due diligence satisfactory to the Investor in its absolute discretion.
Interest rate	8.0% per annum
Interest payments	Quarterly in arrears
Voluntary prepayment	Empire will have the right to repay the facility any time throughout the term
Additional options	Upon completion and drawdown Viburnum will receive 10m unlisted options with an exercise price of A\$0.40 and 4.5m unlisted options with an exercise price of A\$0.50, both expiring 4 years after their date of issue

For further information, please contact:

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About Empire Oil & Gas

Empire Oil & Gas NL ('Empire' or the 'Company') is an onshore conventional gas and condensate producer and explorer listed on the Australian Securities Exchange (ASX: EGO) with key assets in the Perth Basin in Western Australia. The Company's producing assets at Red Gully are less than 150kms from the city of Perth where there is a strong gas market. Since commencing operations in 2013, the 100% owned Red Gully Processing Facility has produced and delivered over 6,500 Terajoules (TJ) of gas. Gas produced to date has been contracted to Alcoa and delivered through the Dampier to Bunbury Natural Gas Pipeline (DBNGP), which lies next to the Processing Facility. Condensate produced is transported via road to BP.

EGO is the holder of the largest net acreage in the highly prospective Perth Basin with its production licenses and permits covering more than 10,000km², representing 48% of the currently granted acreage in the Perth Basin. Close to pipeline infrastructure and with rapid commercialisation opportunities, the Company has significant exploration potential in an underexplored, proven petroleum system.

Empire's vision is to sustainably grow the business into a mid-tier exploration and production company. Empire's strategy is to be the Perth Basin operator of choice, safely supplying WA domestic gas by growing the Red Gully production hub, delivering reserves and production growth by drilling material quality exploration prospects in the high profit margin onshore Perth Basin, enabling Empire to attract quality farm-in partners to assist in accelerating growth plans.