



CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING

Ladies and Gentlemen,

The world's major economies are transitioning to sources of energy with lower carbon emission intensity. According to the Australian Clean Energy Regulator, Australia achieved its 2020 renewable energy target of 33,000 GWh in September 2019, more than a year ahead of schedule.

Against this backdrop, natural gas is playing an increasingly important role in the overall energy mix. Natural gas-fired power generates approximately half of the carbon emissions of coal.

Gas is the natural partner for renewable energy. It is the best solution we have to the problem of intermittency. It is the key that will allow us to unlock the full potential of wind and solar, allowing renewables to become a larger part of our energy mix.

Furthermore, natural gas is a critical feed stock for a myriad of products including fertilisers, plastics, building materials and a range of household items.

Demand for LNG, particularly in the growing economies of Asia, is forecast to increase for decades, as the Managing Director will detail in his presentation. Australia is well placed to satisfy this demand given its strategic location and endowment of resource wealth.

Natural gas production in Australia has increased by more than 10 per cent a year in Australia since 2008 to meet the growing demand for domestic gas use and the energy consumption markets of Asia.

In 2019, Australia overtook Qatar to become the world's largest exporter of LNG, shipping 77.5 million tonnes with an export value of \$49 billion. Natural gas is now Australia's third largest export commodity behind iron ore and coal. The Ichthys LNG project, operated by Inpex and based in Darwin, played a major role in increases in LNG exports from Australia in 2019.

The politics that have restrained the development of gas deposits in Northern NSW and parts of Victoria means that new gas discoveries in the Beetaloo and McArthur Basins will become an even more important part of the country's energy future.

Gas bearing shales in the Beetaloo and McArthur Basins were identified as far back as the 1980's. But the technology was not available to extract oil and gas from shale formations commercially.

The development of hydraulic fracturing coupled with horizontal drilling in the US in the early 2000's was a gamechanger.

Empire's former CEO, Bruce McLeod, played a founding role in the emergence of the Beetaloo and McArthur Basins in their current form. He mandated Professor John Warburton, who is now a member of our Board, to identify shale basins in this part of the world in 2010.

John identified the Beetaloo and McArthur Basins as having large scale, attractive geology, and potential. As a result of this, Empire Energy staked a 14.5 million acre holding across the Beetaloo and McArthur Basins which now forms the core asset of our company.

Since Empire staked its ground, significant players have made substantial investments in the Beetaloo Basin, near our holdings, moving the basin from the exploration phase and into the appraisal phase. Empire's shareholders stand to benefit from further success by our neighbours as they improve the understanding of the basin and progress it towards commercialisation.

Empire is now carrying out its task of identifying and detailing the shale structures and preparing for further exploration and development.

The building up of the team in the last two years provides us now with the potential to build upon our existing assets and seize the opportunities to realise their potential.

This ASX release has been approved by the Managing Director

For queries about this release, please contact:

Alex Underwood, Managing Director

Ph: (02) 9251 1846

info@empiregp.net