

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Empire Energy Group Limited

ABN

29 002 148 361

Quarter ended ("current quarter")

March 2017

Consolidated statement of cash flows	Current quarter \$US	Year to date (3 months) \$US
1. Cash flows from operating activities		
1.1 Receipts from customers	5,387,628	5,387,628
1.2 Payments for		
(a) exploration & evaluation	(272,567)	(272,567)
(b) development	(295,509)	(295,509)
(c) production	(1,810,225)	(1,810,225)
(d) staff costs	(194,644)	(194,644)
(e) administration and corporate costs	(766,388)	(766,388)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	569	569
1.5 Interest and other costs of finance paid	(723,043)	(723,043)
1.6 Income taxes paid	(105,731)	(105,731)
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,220,090	1,220,090

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(15,120)	(15,120)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	(9,706)	(9,706)

Consolidated statement of cash flows		Current quarter \$US	Year to date (3 months) \$US
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(24,826)	(24,826)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,838,756	2,838,756
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(198,771)	(198,771)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(3,146,438)	(3,146,438)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(506,453)	(506,453)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	640,669	640,669
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,220,090	1,220,090
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24,826)	(24,826)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(506,453)	(506,453)
4.5	Effect of movement in exchange rates on cash held	6,051	6,051
4.6	Cash and cash equivalents at end of period	1,335,531	1,335,531

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US	Previous quarter \$US
5.1 Bank balances	638,759	19,753
5.2 Call deposits	659,124	613,871
5.3 Bank overdrafts	37,648	7,045
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,335,531	640,669

6. Payments to directors of the entity and their associates	Current quarter \$US
6.1 Aggregate amount of payments to these parties included in item 1.2	100,529
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Consultant fees paid to EnergyCap Pty Ltd for which B Mcleod is a Director. Non-Executive Directors fees and superannuation guarantee levy payments.

7. Payments to related entities of the entity and their associates	Current quarter \$US
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$US	Amount drawn at quarter end \$US
8.1 Loan facilities	200 million	38.5 million
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The company has in place a \$200 million credit facility with Macquarie Bank Limited which matures in February 2019. The Facility is secured against oil and gas assets held by the Company's US subsidiaries. Average cost of drawn funds on the facility is LIBOR + 6.5%.

9. Estimated cash outflows for next quarter	\$US
9.1 Exploration and evaluation	800,000
9.2 Development	-
9.3 Production	1,800,000
9.4 Staff costs	220,000
9.5 Administration and corporate costs	580,000
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	3,400,000

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Refer to attached schedule.			
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 28 April 2017

Print name: Rachel Ryan

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Q10. Changes in tenements

Changes to Lease holdings 1 January 2017 through to 31 March 2017

<u>State</u>	<u>Minerals</u>	<u>Operator</u>	<u>Empire ID</u>	<u>NRI</u>	<u>WI</u>	<u>Acres</u>	<u>Maturity</u>	<u>Status</u>	<u>Formation</u>
NY	O&G	Empire Energy E&P, LLC	310090463	0.8488	1.00	103.50	3/01/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090498	0.8488	1.00	62.20	9/01/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090508	0.8488	1.00	141.10	12/01/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090505	0.8488	1.00	131.55	6/02/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090506	0.8488	1.00	57.60	13/02/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090507	0.8488	1.00	37.58	26/02/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090510	0.8488	1.00	25.80	12/03/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090512	0.8488	1.00	34.02	13/03/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090511	0.8488	1.00	57.50	13/03/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090509	0.8488	1.00	28.75	16/03/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310090513	0.8488	1.00	66.62	19/03/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	310990398	0.8488	1.00	2.30	22/03/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	311170047	0.8488	0.50	39.36	20/01/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	311170470	0.8488	0.50	96.19	23/01/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	311170475	0.8488	1.00	164.05	15/03/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	311170476	0.8488	1.00	40.13	16/03/2017	Expired	All Horizons
NY	O&G	Empire Energy E&P, LLC	311170477	0.8488	1.00	53.64	20/03/2017	Expired	All Horizons

Note: For a full list of petroleum tenements held by the Company and its subsidiaries please refer to the ASX Announcement dated 17 March 2017 titled 'Petroleum Tenements'.