

EMPIRE ENERGY RECEIVES \$15.6 MILLION R&D TAX OFFSET

- **\$15.6 million R&D Tax Offset received in cash**
- **Current cash balance is now \$29.3 million**
- **Empire anticipates that it is fully funded to progress to EP187 Carpentaria Pilot Project (“Pilot Project”) Final Investment Decision (“FID”)**

Comments from Managing Director Alex Underwood:

"The Empire team is pleased to have received this R&D tax offset as it positions us to focus on completing the Pilot Project FID process.

We are making material progress on the Pilot Project, advancing:

- (i) Field Development Planning, including identifying locations for and the design of development wells and surface facilities;
- (ii) Pipeline access negotiations;
- (iii) A formal gas sales marketing process;
- (iv) Regulatory and indigenous approvals; and
- (v) Planning for project financing.

Empire's focus is on funding the Pilot Project in a manner that minimizes dilution of shareholder's interests in the Company. To that end, Empire is discussing potential debt options with lenders and has commenced discussions with parties interested in acquiring a direct working interest in the project in exchange for funding development activities.

We look forward to updating shareholders as these value accretive initiatives progress."

Research and Development Tax Offset

The R&D Tax Incentive scheme is designed to encourage companies to undertake R&D activities and pioneer innovation in Australia. The scheme entitles companies with an aggregate global turnover of less than \$20 million to access a refundable tax offset of 43.5% of eligible expenditure on eligible R&D activities.

Empire's eligible activities for the year ended 31 December 2022 encompassed research and development related to:

- (i) the fracture stimulation and flow testing of Carpentaria-2H; and
- (ii) the drilling and fracture stimulation of Carpentaria-3H.

Empire has received an R&D Tax Offset for FY22 of \$15.6 million in cash following finalisation of its 2022 Australian tax return.

Proceeds from the R&D Tax Offset will be applied to:

- (i) repayment of all or part of the Facility A (Revolving Credit Facility) with Macquarie Bank;
- (ii) advancement of the Pilot Project FID process;
- (iii) purchase of long lead items in relation to the Pilot Project; and
- (iv) additional working capital.

Deloitte Tax Services advised Empire in relation to the preparation of the Research & Development Tax Incentive application.

This ASX release has been authorised by the Managing Director

For queries about this release, please contact:

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