



NOTICE OF ANNUAL GENERAL MEETING

**An Annual General Meeting of
Empire Energy Group Limited
ABN 29 002 148 361
to be held on Tuesday, 30 May 2023 at 9.00 am (AEST)**

Level 2, 259 George Street, Sydney NSW 2000

IMPORTANT INFORMATION

This document is important. Please read it carefully and if you require assistance, consult your legal or financial adviser.

Dear Shareholder,

I am pleased to invite you to attend an Annual General Meeting (**AGM**) of Empire Energy Group Limited (the **Company**) to be held at Level 2, 259 George Street, Sydney NSW 2000.

Shareholders can vote by proxy by completing the enclosed Proxy Form and returning it in person, by fax or in the envelope provided. Instructions on how to appoint a proxy are detailed on the Proxy Form.

Proxies must be received no later than **9:00 am (AEST) on Sunday, 28 May 2023** to be valid for the AGM.

In the event that the Company is required to make alternative arrangements for the AGM, we will lodge an ASX announcement and update our website.

Please read the Notice of Meeting and accompanying Explanatory Statement carefully before deciding how to vote.

Yours faithfully,

Paul Espie, AO
Non-Executive Chairman

**NOTICE OF ANNUAL GENERAL MEETING
EMPIRE ENERGY GROUP LIMITED (ABN 29 002 148 361)**

Notice is hereby given that an AGM of the members of Empire Energy Group Limited ABN 29 002 148 361 (**Company**) will be held at the offices at the time and date listed below to consider and vote on the resolutions specified in this notice.

Time and date of meeting: 9.00 am (AEST) on Tuesday, 30 May 2023

Place of meeting: Level 2
259 George Street
Sydney NSW

The business to be considered at the AGM is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Statement, which contains information in relation to the following resolutions. If you are in any doubt as to how you should vote on the proposals set out in this Notice of Meeting, you should consult your financial or other professional adviser.

AGENDA

1. ORDINARY BUSINESS

1.1. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 31 December 2022.

Note: No resolution is required for this item of business.

1.2. Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding Ordinary Resolution:

"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2022."

Note: The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Remuneration Report, which forms part of the Directors' Report, is included in the Company's 2022 Annual Report.

2. SPECIAL BUSINESS

2.1. Resolution 2: Re-election of Mr Peter Cleary as a Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That Mr Cleary, having retired from office as a Director of the Company by rotation in accordance with ASX Listing Rule 14.4 and Articles 50.1 and 50.3 of the Constitution and, being eligible for re-election, be elected as a Director of the Company.”

Information about Mr Cleary and his election is included in the Explanatory Statement.

2.2. Resolution 3: Re-election of Mr Louis Rozman as a Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That Mr Rozman, having retired from office as a Director of the Company by rotation in accordance with Article 50.1 of the Constitution and, being eligible for re-election, be elected as a Director of the Company.”

Information about Mr Rozman and his election is included in the Explanatory Statement.

2.3. Resolution 4: Grant of Performance Rights to Managing Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant of 1,878,144 Performance Rights under the EEG Limited Rights Plan to the Managing Director, Mr Alexander Underwood, for the purposes of granting a long term incentive under the EEG Limited Rights Plan, and otherwise on the terms and conditions set out in the Explanatory Statement.”

2.4. Resolution 5: Grant of Director Fee Restricted Rights to Mr Paul Espie AO

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant Director Fee Restricted Rights to the value of A\$99,452 (in lieu of cash payment for annual director fees) with each Director Fee Restricted Right to be issued at a value equal to the VWAP of Shares in each respective quarter of service, under the EEG Limited Rights Plan to Mr Paul Espie AO in-lieu of director fees on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

2.5. Resolution 6: Grant of Director Fee Restricted Rights to Mr Peter Cleary

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant Director Fee Restricted Rights to the value of A\$82,876 (in lieu of cash payment for annual director fees) with each Director Fee Restricted Right to be issued at a value equal to the VWAP of Shares in each respective quarter of service, under the EEG Limited Rights Plan to Mr Peter Cleary in-lieu of director fees on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

2.6. Resolution 7: Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“That the Company have the additional capacity to issue Equity Securities of up to 10% of its issued capital, as provided for in ASX Listing Rule 7.1A and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

As a Special Resolution, the above resolution requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by remote communication, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

3. OTHER BUSINESS

To consider any other business that might be legally brought before the AGM.

4. VOTING EXCLUSIONS

4.1. Voting Exclusion Statements

Resolution 1 (Adoption of Remuneration Report)	<p>A vote on Resolution 1 must not be cast by or on behalf of a KMP of the Company or a Closely Related Party of such member (regardless of the capacity in which the vote is cast), unless the vote is cast as a proxy for a person permitted to vote on Resolution 1:</p> <ul style="list-style-type: none">• in accordance with a direction as to how to vote on the Proxy Form; or• by the Chair pursuant to an express authorisation to exercise the proxy even though it is connected with the remuneration of a KMP.
Resolution 2 (Re-election of Mr Cleary as a Director)	<p>There are no voting exclusions on this Resolution.</p>
Resolution 3 (Re-election of Mr Rozman as a Director)	<p>There are no voting exclusions on this Resolution.</p>
Resolution 4 (Grant of Performance Rights to Managing Director)	<p>The Company will disregard any votes cast in favour of Resolution 4 by or on behalf a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the EEG Limited Rights Plan or an Associate of those persons, in this case being Mr Underwood and his Associates.</p>
Resolution 5 (Grant of Director Fee Restricted Rights to Mr Paul Espie AO)	<p>The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the EEG Limited Rights Plan or an Associate of those persons, in this case being Mr Espie AO and his Associates.</p>
Resolution 6 (Grant of Director Fee Restricted Rights to Mr Peter Cleary)	<p>The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.2 who is eligible to participate in the EEG Limited Rights Plan or an Associate of those persons, in this case being Mr Cleary and his Associates.</p>
Resolution 7 (Approval of 10% Placement Facility)	<p>The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares) or an Associate of those persons.</p> <p>In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the issue of Equity Securities (if any). On that basis, no existing Shareholders are currently excluded from voting.</p>

However, the Company need not disregard a vote cast in favour of **Resolutions 4 to 7 (inclusive)**, if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met;
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given to the beneficiary to the holder to vote in that way.

4.2. Voting Prohibitions for Resolutions 4 to 6 (inclusive)

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment on Resolutions 4 to 6 (inclusive) if:

- the proxy is either a KMP of the Company or a Closely Related Party of such member; and
 - the appointment does not specify the way the proxy is to vote on the Resolution,
- however, the above prohibition does not apply if:
- the proxy is the Chair; and
 - the appointment expressly authorises the Chair to exercise the proxy even though it is connected with the remuneration of a KMP.

4.3. Chair's voting intentions

The Chair intends to vote any undirected proxies in favour of all Resolutions.

This Notice of Meeting is accompanied by an Explanatory Statement to Shareholders which explains the purpose of the AGM and the Resolutions to be considered at the Meeting.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the AGM are those who are registered Shareholders as at 9.00 am (AEST) on Sunday, 28 May 2023.

How to Vote

You may vote by attending the Meeting in person, by proxy or corporate representative.

Voting in Person

To vote in person, attend the AGM on the date and place as set out in this Notice of Meeting.

Voting by Proxy

A Shareholder entitled to vote at the Meeting is entitled to appoint a proxy. A proxy need not be a Shareholder.

The appointment of one or more proxies will not preclude a Shareholder from being present and voting at the AGM.

To vote by proxy, please complete and sign the Proxy Form enclosed within this Notice of Meeting, so that it is received no later than 9.00 am (AEST) on Sunday, 28 May 2023, being at least 48 hours prior to the Meeting. Proxy Forms received later than this time will be invalid.

If you wish to appoint two proxies, a second open Proxy Form can be obtained from the Company's share registry or you may copy the Proxy Form provided. Both forms should be completed with the nominated number of voting rights each proxy is appointed to exercise. If you appoint two proxies and the appointment does not specify the number of votes the proxies may exercise, each proxy may exercise one half of the Shareholder's votes.

Hand deliveries	Postal address
Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford VIC 3067	Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001

Alternatively, you can fax your Proxy Form so that it is received no later than 9.00 am (AEST) on Sunday, 28 May 2023 on the fax number listed below.

Fax Number: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Similarly, a Shareholder who wishes to appoint their proxy electronically through www.investorvote.com.au (or www.intermediaryonline.com for relevant intermediaries who participate in the Intermediary Online service) must do so by no later than 9.00 am (AEST) on Sunday, 28 May 2023.

Your Proxy Form is Enclosed

This is an important document. Please read it carefully. If you are unable to attend the AGM, please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

Votes of Members

On a show of hands, each Shareholder present in person or by proxy (or, in the case of a body corporate, by a representative) at the AGM shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) at the AGM shall have one vote for each Share held provided that all Shares are fully paid.

The Chair intends to put all Resolutions to a poll.

By Order of the Board of Directors
Ben Johnston
Company Secretary
28 April 2023

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for shareholders of Empire Energy Group Limited (**Company**) in connection with the business to be transacted at the AGM to be held at 9.00 am (AEST) on Tuesday, 30 May 2023 at Level 2, 259 George Street, Sydney NSW 2000 and contains explanatory and other information for Shareholders in relation to the resolutions set out in the attached Notice of Meeting.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the proposed Resolutions.

The Directors intend to cast all votes controlled by them and any undirected proxies they hold in favour of **Resolutions 2 to 7** to the extent that they are not precluded from voting on a Resolution.

Unless an individual Director is conflicted, the Directors recommend that Shareholders vote in favour of each Resolution. Further, it is noted that:

- Mr Cleary abstains from making any recommendation that Shareholders vote in favour of Resolutions 2 and 6;
- Mr Rozman abstains from making any recommendation that Shareholders vote in favour of Resolution 3;
- Mr Espie AO abstains from making any recommendation that Shareholders vote in favour of Resolution 5; and
- Mr Underwood abstains from making any recommendation that Shareholders vote in favour of Resolution 4.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional advisers.

Financial Statements

The Financial Report, Directors' Report and Auditor's Report for the Company for the financial year ended 31 December 2022 (**2022 Financial Year**) will be laid before the AGM.

There is no requirement for Shareholders to approve these reports.

The AGM provides a forum for Shareholders to ask questions and make comments on the Company's reports and accounts and on the management, business and operations of the Company.

In addition, Shareholders will be allowed a reasonable opportunity at the AGM to ask questions of the Auditor (or the Auditor's representative) relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company for the preparation of the financial statements; and
- the Auditor's independence in relation to the above items.

Shareholders may view the Company's annual financial report on the Company's website www.empireenergygroup.net.

Resolution 1: Adoption of Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to vote at the Company's AGM. The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's FY2022 Annual Report which is available from the Company's website www.empireenergygroup.net.

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
- sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
- explains the difference between the bases for remunerating Non-Executive Directors and senior executives, including the Managing Director.

Under the Corporations Act, if at least 25% of the votes cast on a resolution to adopt the Remuneration Report are voted against in two consecutive AGMs, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting, at which all Directors (other than the Managing Director) who were in office at the date of the approval of the applicable Directors' Report must stand for re-election.

Subject to the voting exclusions set out in the Notice of Meeting, the Chair proposes to vote any undirected proxies in favour of Resolution 1.

Resolution 2: Re-election of Mr Cleary as a Director

At the AGM, Mr Cleary will retire in accordance with ASX Listing Rule 14.4 and Articles 50.1 and 50.3 of the Constitution. Being eligible, Mr Cleary will offer himself for re-election at the AGM.

Mr Cleary was first elected to the Board on 14 July 2020 and is Chair of the Remuneration Committee and a member of the Audit & Risk Committee.

The biography, including qualifications, skills and experience of Mr Cleary, is set out below.

Mr Peter Cleary

Mr Cleary is currently a Senior Consultant with Diamond Gas International, Mitsubishi Corporation's LNG marketing and business development subsidiary, as well as Shinka Management, a group that advises on the application of Japanese productivity practices to clients in 26 countries.

Mr Cleary held two key roles in the Leadership Team at Santos from 2010 to 2015, first as Vice President of Strategy and Corporate Development and then as Vice President of LNG Markets and Eastern Australia Commercial.

Prior to joining Santos, Mr Cleary enjoyed a 24-year career with BP, where he held management positions in Australia, Indonesia, Korea, Hong Kong, Abu Dhabi and the United Kingdom.

While an executive with BP, he was the President of North West Shelf Australia LNG, the LNG marketing company for the North West Shelf Joint Venture (**NWSV**). During this time, the NWSV delivered the first cargo of LNG into China. He developed relationships with LNG buyers and governments in all external markets, particularly China, Japan and Korea, as well as with the Australian and Western Australian Governments.

Mr Cleary earned a Bachelor of Commerce and LLB from the University of Melbourne. He is currently a member of the Executive Committee of the Australia Japan Business Co-operation Committee and the Australia Korea Business Council. He is a former Chair and Fellow of the Australian Institute of Energy – SA Branch. He previously held positions as a Board member of the Australian Petroleum Production & Exploration Association (APPEA), the Australia China Council and the Australia Japan Foundation. He is a Graduate of the Australian Institute of Company Directors.

The Chair proposes to cast any undirected proxies in favour of Resolution 2.

Resolution 3: Re-election of Mr Louis Rozman as a Director

At the AGM, Mr Rozman will retire in accordance with Article 50.1 of the Constitution. Being eligible, Mr Rozman will offer himself for re-election at the AGM.

Mr Rozman was first elected to the Board on 11 March 2021 and is a member of the Remuneration Committee and Technical Committee.

The biography, including qualifications, skills and experience of Mr Rozman, is set out below.

Mr Louis Rozman

B.Eng, MGeoSc

Mr Rozman has had a distinguished career in the natural resources sector across operations, development and project financing. His experience includes construction, project management, joint ventures and project financing including private equity.

He has held numerous senior management positions in the industry. His experience as Chief Executive Officer of CH4 Gas Limited (**CH4**), a successful Queensland coal seam gas developer and producer, is of direct relevance to Empire's growth plans. CH4 was one of the first companies to commercialise a Queensland coal seam methane project. CH4 merged with Arrow Energy in 2006, and the enlarged business was later acquired by Royal Dutch Shell and PetroChina for >A\$3 billion.

Mr Rozman is a mining engineer and executive with 40 years of experience in operating and constructing projects in Africa, Australia and Papua New Guinea. Mr Rozman was the Chief Operating Officer of AurionGold Limited and was instrumental in the growth and development of its predecessor, Delta Gold Limited.

Mr Rozman was a founding partner and director of Pacific Road Capital Management overseeing several of its key natural resources projects.

Mr Rozman is a Fellow of the Australian Institute of Company Directors, the Australasian Institute of Mining and Metallurgy (**AusIMM**) and a Chartered Professional (Management). He has a Bachelor of Engineering (Mining) degree from the University of Sydney and a Master in Geoscience (Mineral Economics) from Macquarie University.

The Chair proposes to cast any undirected proxies in favour of Resolution 3.

Resolution 4: Grant of Performance Rights to Managing Director

Resolution 4 seeks Shareholder approval for the purpose of Listing Rule 10.14 for the proposed grant of a total of 1,878,144 Performance Rights to the Company's Managing Director, Mr Alexander Underwood. The grant of the Performance Rights will occur under the EEGLRP, which was approved by Shareholders at the Company's annual general meeting in 2022.

It is the policy of the Board that the interests of the Managing Director should be aligned with the interests of Shareholders to the greatest extent possible. The Managing Director's remuneration package is comprised of:

- (a) cash base salary;
- (b) eligibility for short term incentives to be paid if the predetermined annual KPIs are achieved; and
- (c) eligibility to participate in a long term incentive plan primarily tied to total Shareholder returns.

1. Summary of the Performance Rights

The purpose of the grant of the Performance Rights that are the subject of this Resolution 4 is to provide the Managing Director with appropriate long term incentives as part of his remuneration package while preserving the Company's cash in the current environment.

In recognition of current market conditions, the Company's need to preserve its cash balances, and the desirability of further aligning the Managing Director's interests with those of Shareholders, the Remuneration Committee recommended to the Board (excluding the Managing Director) that the Managing Director should be awarded, amongst other incentives, a long term incentive for the 2023 financial year of a total of 1,878,144 Performance Rights (subject to Shareholder approval). The Board endorsed this recommendation of the Remuneration Committee.

Tranche 1 of the Performance Rights (which comprises the majority of the Performance Rights proposed to be issued to the Managing Director) will vest proportionately in accordance with Absolute Total Shareholder Return (**ATSR**) over the Measurement Period (defined below). Performance Rights to be issued to the Managing Director which are tied to Total Shareholder Return (**TSR**) will only vest in full if the ATSR exceeds 30% per annum compounded over the Measurement Period.

If Shareholder approval is not provided for the grant of the Performance Rights, the Board has the discretion to pay the Managing Director's long term incentive in cash.

2. ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that, subject to a number of limited exceptions, a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the listed company;
- (b) an associate of a director of the Company; or
- (c) a person whose relationship with the Company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Given that Mr Underwood is the Managing Director of the Company, the proposed grant of the Performance Rights falls under ASX Listing Rule 10.14. The proposed grant of the Performance Rights does not meet any of the exceptions to ASX Listing Rule 10.14; hence the proposed grant requires the approval of Shareholders. Accordingly, Resolution 4 seeks Shareholder approval for purposes of ASX Listing Rule 10.14.

If Resolution 4 is passed, the Company will be able to proceed with the issue of these Performance Rights to Mr Underwood.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Underwood. In such circumstances, the Company intends to compensate the Managing Director from the Company's cash reserves.

3. Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act provides that a public company must not, without the approval of the company's members, give a financial benefit to a related party, unless it falls within a specified exception in the Corporations Act.

Mr Underwood is a related party of the Company for the purposes of section 228(2)(a) of the Corporations Act as he is a Director. The grant of the Performance Rights will therefore constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Corporations Act.

Section 211 of the Corporations Act provides an exemption to the restrictions in Chapter 2E of the Corporations Act on the giving of financial benefits to related parties, if the financial benefit is the provision of remuneration to the related party as an officer or employee of the public company

and the remuneration is reasonable given the circumstances of the public company and the officer or employee (including the responsibilities involved in the office or employment).

If Resolution 4 is approved, the Performance Rights proposed to be granted to Mr Underwood will be granted for the sole purpose of remunerating him for his services as the Managing Director of the Company.

It is therefore the view of the Board (excluding Mr Underwood) that the terms of the financial benefit, being the grant of the Performance Rights, in conjunction with other components of Mr Underwood's remuneration, comprises reasonable remuneration having regard to the Company's and Mr Underwood's circumstances (including his responsibilities as Managing Director). The proposed issue of the Performance Rights would therefore fall within the exemption to the financial benefit restrictions, pursuant to section 211 of the Corporations Act and Shareholder approval is therefore not required for the purposes of the Corporations Act.

4. Material terms of the Performance Rights

The material terms of the Performance Rights, as well as details of the approach taken to calculate the number of Performance Rights to be granted, are set out below.

Aspect	Details
Number of Performance Rights	<p>The Managing Director will be issued 1,878,144 Performance Rights across two tranches.</p> <p>The number of Performance Rights when added to the other remuneration elements produces a total remuneration package that, in the opinion of the Board and professional external remuneration advice, is market competitive and reasonable given the Company's circumstances.</p> <p>(Tranche 1) = Stretch Long Term Incentive (LTI) Value ÷ Performance Right Value</p> <p>Number of Performance Rights</p> <p>= A\$430,000 x 65% x 75% x 2 = A\$419,250</p> <p>= A\$419,250 ÷ A\$0.26043</p> <p>= 1,609,838</p> <p>(Tranche 2) = A\$430,000 x 65% x 25% = A\$69,875</p> <p>Number of Performance Rights</p> <p>= A\$69,875 ÷ A\$0.26043</p> <p>= 268,306</p> <p>Share Price = A\$0.26043 (being the volume weighted average price of Shares in the 2022 Financial Year (the 2022 VWAP)).</p> <p>Stretch LTI Value = A\$ calculated by first estimating the Target LTI Value by multiplying the Base Package of A\$430,000 by the Target LTI of 65%, multiplied by the vesting percentage for the two scaled tranches (weighting of 75% on TSR and 25% on binary milestones). Stretch LTI Value is achieved by multiplying the Target LTI Value by 2, since Stretch is double that of Target (50% vesting at Target).</p>

Aspect	Details																					
	As 100% of Performance Rights to be granted will only vest when stretch performance goals are achieved it is expected that a lesser percentage will actually vest unless exceptional performance outcomes occur. The Target is 50% vesting for scaled conditions.																					
Exercise Period	If the Performance Rights are vested prior to the Expiry Date, they can be exercised within 15 years from the date of grant. If not exercised within the term, the Performance Rights will lapse.																					
Terms & conditions	The Performance Rights offered will be subject to the Vesting Conditions (summarised below). The conditions are intended to be challenging and linked to growth in Shareholder value. The Performance Rights are subject to the terms and conditions of the EEGLRP, which include those aspects legally required, as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Performance Rights on termination of employment.																					
Amount payable on grant	No amount will be payable by the Managing Director for the grant of the Performance Rights.																					
Exercise price	No amount will be payable by the Managing Director to exercise a Performance Right that has vested.																					
Vesting and exercise of Performance Rights	Following the satisfaction of the Vesting Conditions (summarised below), the Performance Rights may be exercised by Mr Underwood by submitting a 'Notice of Exercise'. Once exercised, the value of the Performance Rights that vest will be evaluated and will be paid by way of an issue of Restricted Shares (defined below). Performance Rights will lapse if not exercised prior to the end of their Exercise Period (set out above).																					
Measurement Period	The Measurement Period will be the three financial years from 1 January 2023 to 31 December 2025. If the Measurement Period Modifier applies, the Measurement Period will end on 31 December 2026.																					
Expiry Date	The end of the applicable Measurement Period, being no later than 31 December 2026.																					
Vesting Conditions	<p>In order for Performance Rights to vest, the performance conditions must be satisfied. The proposed grant will be subject to:</p> <ul style="list-style-type: none"> Tranche 1: Absolute Total Shareholder Return (ATSR), Tranche 2: A determination by the Board at the end of the 2025 financial year that during the three year measurement period, material value has been added to the Company's assets through delivering on the Company's strategy including exploration results and increasing resources. <p>The vesting of the Tranche 1 Performance Rights will be determined by reference to the following scale:</p> <table border="1"> <thead> <tr> <th>Performance Level</th> <th>Company's ATSR</th> <th>% of Stretch/ Grant/ Tranche/ Maximum Vesting</th> </tr> </thead> <tbody> <tr> <td>Stretch</td> <td>≥30% per annum</td> <td>100%</td> </tr> <tr> <td>Between Target and Stretch</td> <td>>15 & < 30% per annum</td> <td>Pro-rata</td> </tr> <tr> <td>Target</td> <td>15% per annum</td> <td>50%</td> </tr> <tr> <td>Between Threshold and Target</td> <td>>10% & < 15% per annum</td> <td>Pro-rata</td> </tr> <tr> <td>Threshold</td> <td>= 10% per annum</td> <td>25%</td> </tr> <tr> <td>Below Threshold</td> <td>< 10% per annum</td> <td>0%</td> </tr> </tbody> </table>	Performance Level	Company's ATSR	% of Stretch/ Grant/ Tranche/ Maximum Vesting	Stretch	≥30% per annum	100%	Between Target and Stretch	>15 & < 30% per annum	Pro-rata	Target	15% per annum	50%	Between Threshold and Target	>10% & < 15% per annum	Pro-rata	Threshold	= 10% per annum	25%	Below Threshold	< 10% per annum	0%
Performance Level	Company's ATSR	% of Stretch/ Grant/ Tranche/ Maximum Vesting																				
Stretch	≥30% per annum	100%																				
Between Target and Stretch	>15 & < 30% per annum	Pro-rata																				
Target	15% per annum	50%																				
Between Threshold and Target	>10% & < 15% per annum	Pro-rata																				
Threshold	= 10% per annum	25%																				
Below Threshold	< 10% per annum	0%																				

Aspect	Details
	<p>The base price against which ATSR will be assessed is A\$0.26043 per Share, being the volume weighted average price of the Company's ASX listed securities in the 2022 financial year.</p> <p>The Board retains discretion to modify vesting in the case that the circumstances that prevailed over the Measurement Period materially differ from those expected at the time the vesting scale was determined, which is intended to be used when the application of the vesting scale would lead to an outcome that may be viewed as inappropriate.</p>
Gate	<p>A 'Gate' of no major health, safety or environmental incidents occurring during the measurement period applies to the proposed grant. A Gate is a performance hurdle which must be satisfied before any Performance Rights can vest.</p>
Measurement Period Modifier	<p>The EEGLRP Rules allow for the Measurement Period to be extended by 12 months, if Mr Underwood is still employed, and nil vesting occurred at the first test. The start of the Measurement Period would not be affected by this, and modification of the Measurement Period can only apply to vesting scales that are expressed on an annualised basis, which ensures the adjustment does not make vesting easier (i.e. will not apply to milestone conditions, only TSR). The Measurement Period would be extended from three years to four years. The purpose of this feature is to address short term anomalies that arise at the relevant calculation points, and to motivate management to strive for improvement if the LTI fails to vest at the end of the Measurement Period.</p>
Disposal Restrictions	<p>Performance Rights may not be disposed of at any time, but can be exercised following vesting, at any time before the end of their Exercise Period. Shares acquired on exercise of vested Performance Rights (Restricted Shares) may be subject to Specified Disposal Restrictions (set out below), as well as restrictions or prohibitions imposed by:</p> <ul style="list-style-type: none"> • the Company's securities trading policy; and • the insider trading provisions in the Corporations Act.
Specified Disposal Restrictions	<p>No specified disposal restrictions will apply to the Performance Rights, or the Restricted Shares that may be issued on exercise of the Performance Rights.</p>
Disposal Restriction release at taxing point	<p>In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Restricted Shares have not ceased to apply, then disposal restrictions, other than those arising under the Corporations Act, will cease to apply to 50% of such Restricted Shares.</p>
Cessation of employment	<p>On termination of Mr Underwood's employment, a portion of Performance Rights granted in the financial year in which the termination occurs will be forfeited. The proportion that will be forfeited will be equal to the remainder of the financial year following the termination as a proportion of the full financial year. This provision recognises that grants of Performance Rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the Performance Rights will not have been earned.</p> <p>If Performance Rights vest subsequent to a termination of employment and their value is less than the Share price at the date of the termination, then such Performance Rights will be settled in cash on exercise.</p> <p>If Mr Underwood is no longer employed by or otherwise engaged with the Company or any of its subsidiaries and holds unvested Performance Rights, those Performance Rights will be automatically exercised on the earlier of the end of the Exercise Period of the Performance Rights and one month following the date when Mr Underwood has ceased to hold unvested Performance Rights.</p>
Change of control of the Company	<p>In the event of a change of control, a portion of Performance Rights granted in the financial year in which the change of control occurs will be forfeited. The proportion</p>

Aspect	Details
	<p>is that which the remainder of the financial year following the change of control represents as a proportion of the full financial year.</p> <p>Unvested Performance Rights will vest in the same proportion as the Share price has increased since the beginning of the Measurement Period. Remaining Performance Rights will either lapse or some or all may vest at the Board's discretion.</p> <p>In relation to Restricted Shares that have been issued on exercise of Performance Rights, the Company's securities trading policy and the Corporations Act would continue to apply. Restricted Shares are unaffected by a change of control event.</p>
Major return of capital	The EEGLRP contains provisions that provide for vesting in the proportion of capital returned to Shareholders, or in the proportion that the Share price increased over the Measurement Period, with Board discretion regarding the remainder of the capital.
Voting and dividend rights	The Performance Rights do not carry voting or dividend entitlements. Restricted Shares will rank equally in all respects with other Shares then on issue (save for any Disposal Restrictions imposed on the Restricted Shares), including voting and dividend rights.
Lapse and forfeiture of Performance Rights	Performance Rights will lapse if the Vesting Conditions are not satisfied within the Measurement Period, subject to modification of the Measurement Period, or if they are not exercised prior to the end of the Exercise Period.
Fraud, gross misconduct etc.	In the event that the Board forms the opinion that Mr Underwood has committed an act of fraud, defalcation or gross misconduct in relation to the Company, Mr Underwood will forfeit all unvested Performance Rights.
Competition and other actions that may harm the Company	<p>If Mr Underwood engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Performance Rights held by Mr Underwood will lapse and be forfeited, unless otherwise determined by the Board.</p> <p>If Mr Underwood either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Performance Rights will lapse and be forfeited, unless otherwise determined by the Board.</p>
Issue or acquisition of Shares	Restricted Shares may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the EEGLRP.
Cost and administration	The Company will pay all costs of issuing and acquiring Restricted Shares for the purposes of satisfying vested Performance Rights which are exercised, as well as any brokerage on acquisitions of such Restricted Shares for this purpose and all costs of administering the EEGLRP.
Hedging	The Company prohibits the hedging of Performance Rights by Mr Underwood.
Other terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP. The full terms of the EEGLRP are summarised in Appendix A.

5. Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with ASX Listing Rule 10.15, the following information is provided:

- (a) The Performance Rights are proposed to be issued to Mr Underwood, who is the current Managing Director of the Company.
- (b) Mr Underwood is a Director and therefore Resolution 4 is required for the purpose of ASX Listing Rule 10.14.1.

- (c) A total of 1,878,144 Performance Rights are proposed to be issued to Mr Underwood.
- (d) Mr Underwood's current total annual remuneration is as follows:

Base salary	Bonus payments	Non-monetary benefits	Super contributions	Share / option-based payments	Total remuneration
A\$406,432	A\$129,600	A\$6,043	A\$24,430	A\$147,342 (As approved in 2022 AGM and EGM – 1,451,409 Performance Rights; and 509,198 Restricted Rights) There was no cash paid for these securities.	A\$713,847

During 2022 Financial Year, external benchmarking was undertaken as a result of which the Managing Director's fixed pay was increased by 10.5% to A\$475,000 (including superannuation), eligibility for short term incentives and long-term incentives in accordance with the EEGLRP, commencing 1 January 2023, to align his fixed pay with the median of market benchmarks.

The independently assessed value of the proposed Performance Rights to be awarded to Mr Underwood subject to Resolution 4 is A\$37,832. This indication of value is based on a hypothetical grant date of 11 April 2023 using a weighted probability approach.

- (e) Mr Underwood has previously been issued with total amounts of the following securities under the EEGLRP. No price was payable by Mr Underwood for any of the following securities:
- 3,690,276 Unvested Performance Rights;
 - 1,504,347 Vested Performance Rights;
 - 1,586,579 Restricted Rights; and
 - 1,000,000 Service Rights.
- (f) A summary of the material terms of the Performance Rights is set out in Section 4 above.
- (g) The Company uses Performance Rights because they create alignment between executives and ordinary Shareholders but do not provide the executives with the full benefits of Share ownership (such as dividend and voting rights) unless and until the Performance Right vests.
- (h) The Performance Rights will be granted for nil cash consideration. The Company's methodology for calculating the number of, and value attributed to, the Performance Rights is set out in Section 4 above.
- (i) The Performance Rights are proposed to be granted within three years of the Meeting.
- (j) The key terms of the EEGLRP are summarised in Appendix A.
- (k) No loans will be made in connection with the grant of the Performance Rights.
- (l) A voting exclusion statement is included in the Notice of Meeting for Resolution 4.

Details of the Performance Rights and any other Equity Securities issued under the EEGLRP (including the Equity Securities the subject of Resolutions 4 to 6) will be published in the annual report of the Company relating to the period in which they are issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EEGLRP after this Resolution 4 is approved and who were not named in this Notice will not participate until Shareholder approval is obtained.

Resolution 5: Grant of Director Fee Restricted Rights to Mr Espie AO

The Company is proposing to issue Restricted Rights to Mr Paul Espie AO in lieu of Director's fees under the employee incentive scheme, defining them as the Director Fee Restricted Rights.

1. ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the Company;
- (b) an associate of a director of the Company; or
- (c) a person whose relationship with the Company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Director Fee Restricted Rights to Mr Espie AO, a Director, falls within ASX Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under ASX Listing Rule 10.14. Resolution 5 seeks the required Shareholder approval to the issue of the Director Fee Restricted Rights under and for the purposes of ASX Listing Rule 10.14.

If Resolution 5 is passed, the Company will be able to proceed with the issue of these Director Fee Restricted Rights to Mr Espie AO.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Director Fee Restricted Rights and will compensate Mr Espie AO instead from its cash reserves.

The grant of these Director Fee Restricted Rights will occur under the EEGLRP. The EEGLRP was approved by Shareholders at the Company's annual general meeting in 2022.

2. Chapter 2E of the Corporations Act

Mr Espie AO is a related party of the Company for the purposes of section 228(2) Corporations Act as he is a Director. Therefore, the grant of the Director Fee Restricted Rights will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) Corporations Act.

Section 211 of the Corporations Act provides an exemption to the restrictions in Chapter 2E on the giving of financial benefits to related parties, if the financial benefit is remuneration to an officer or employee of a public company and the remuneration is reasonable given the circumstances of the public company and the officer or employee (including the responsibilities involved in the office or employment).

It is the view of the Board (other than Mr Espie AO) that the terms of the financial benefit, being the grant of the Director Fee Restricted Rights in lieu of Director's fees, in conjunction with other components of Mr Espie AO's remuneration as a Director, comprises reasonable remuneration having regard to the Company's and Mr Espie AO's circumstances (including his responsibilities as a Director), and would therefore fall within an exemption set out in section 211 of the Corporations Act. Shareholder approval is therefore not required for the purposes of the Corporations Act.

3. Summary of the Director Fee Restricted Rights under Resolution 5

A summary of the terms of the Director Fee Restricted Rights is included in the table below.

Aspect	Details																				
Number of Director Fee Restricted Rights	<p>The Director Fee Restricted Rights proposed to be issued shall be calculated in accordance with the VWAP of Shares in each respective quarter (i.e. 3 monthly) of service, based on the relevant deferred Chairman's fees for each period, subject to the maximum amount of the Director Fee Restricted Rights described in the paragraph below. The value the entity attributes to the Director Fee Restricted Rights and its basis is \$99,452 in lieu of cash payment for annual director fees and is calculated as follows:</p> <table border="1"> <thead> <tr> <th>Calc. Period</th> <th>Q3 2022</th> <th>Q4 2022</th> <th>Q1 2023</th> <th>Q2 2023</th> </tr> </thead> <tbody> <tr> <td>\$A Remuneration</td> <td>A\$24,863</td> <td>A\$24,863</td> <td>A\$24,863</td> <td>A\$24,863</td> </tr> <tr> <td>VWAP over Period</td> <td>\$0.253</td> <td>\$0.196</td> <td>\$0.178</td> <td>\$X</td> </tr> <tr> <td>No. of Director Fee Restricted Rights (each period)</td> <td>98,273</td> <td>126,852</td> <td>139,680</td> <td> [\$24,863/\$X] If \$0.14 then 177,592 (the maximum amount to be issued for this period) </td> </tr> </tbody> </table> <p>The maximum number of Director Fee Restricted Rights the Company proposes to be issued to Mr Espie AO is 542,397. The calculation of the Director Fee Restricted Rights owing to Mr Espie AO for Q2 2023 will be calculated using the formula above to a maximum of 177,592.</p>	Calc. Period	Q3 2022	Q4 2022	Q1 2023	Q2 2023	\$A Remuneration	A\$24,863	A\$24,863	A\$24,863	A\$24,863	VWAP over Period	\$0.253	\$0.196	\$0.178	\$X	No. of Director Fee Restricted Rights (each period)	98,273	126,852	139,680	[\$24,863/\$X] If \$0.14 then 177,592 (the maximum amount to be issued for this period)
Calc. Period	Q3 2022	Q4 2022	Q1 2023	Q2 2023																	
\$A Remuneration	A\$24,863	A\$24,863	A\$24,863	A\$24,863																	
VWAP over Period	\$0.253	\$0.196	\$0.178	\$X																	
No. of Director Fee Restricted Rights (each period)	98,273	126,852	139,680	[\$24,863/\$X] If \$0.14 then 177,592 (the maximum amount to be issued for this period)																	
Exercise Period	Director Fee Restricted Rights, once vested, can be exercised within 15 years of the date of the grant and will lapse if not exercised within that period. On exercise, each Director Fee Restricted Right will convert into one Share.																				
Terms & Conditions	The Director Fee Restricted Rights are subject to Vesting Conditions (summarised below). The Director Fee Restricted Rights are subject to the terms and conditions of the EEGLRP, which include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.																				
Amount payable on grant	No amount will be payable by Mr Espie AO for the Director Fee Restricted Rights as they are being granted in lieu of Director's fees.																				
Exercise Price	No amount will be payable by Mr Espie AO to exercise a Director Fee Restricted Right that has vested.																				

Vesting and Exercise of Director Fee Restricted Rights	Following the satisfaction of the Vesting Conditions, the Director Fee Restricted Rights may be exercised by Mr Espie AO submitting a Notice of Exercise. Once exercised, the value of Director Fee Restricted Rights that vest will be evaluated and will be paid by way of an issue of Restricted Shares (including Restricted Shares). Director Fee Restricted Rights will lapse if not exercised prior to the elapsing of the Exercise Period.
Vesting Conditions	The Director Fee Restricted Rights will be issued in lieu of cash for which Mr Espie AO has provided services as a director of the Company. The Director Fee Restricted Rights do not have a vesting period and can be exercised following their issue subject to the EEGLRP and the terms regarding Cessation of Employment below.
Disposal Restrictions	The Director Fee Restricted Rights may not be disposed of at any time, but can be exercised following vesting, up to the end of their Exercise Period. Shares acquired on exercise of vested Director Fee Restricted Rights (Restricted Shares) will be subject to disposal restrictions until all of the following cease to restrict disposals: <ul style="list-style-type: none"> a) the Company's share trading policy, b) the Corporations Act insider trading provisions, and c) Specified Disposal Restriction of one (1) year from their date of issue.
Disposal Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Restricted Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporations Act, will cease to apply to 50% of the Restricted Shares.
Change of Control of the Company	In the event of a change of control, 100% of unvested Director Fee Restricted Rights will vest. In relation to Restricted Shares that have resulted from the vesting of Director Fee Restricted Rights, the Specified Disposal Restriction will also be lifted. Restrictions under the Company's securities trading policy and the Corporations Act will continue to apply. Director Fee Restricted Rights are unaffected by a change of control event.
Voting and Dividend Rights	Director Fee Restricted Rights do not carry voting or dividend entitlements. Restricted Shares issued on exercise of Director Fee Restricted Rights will rank equally in all respects with Shares then on issue, including voting and dividend rights.
Lapse and Forfeiture of Director Fee Restricted Rights	Director Fee Restricted Rights will lapse if the Vesting Conditions are not satisfied (subject to the above exceptions), or if they are not exercised prior to the end of the Exercise Period.
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that Mr Espie AO has committed an act of fraud, defalcation or gross misconduct in relation to the Company, Mr Espie AO will forfeit all unvested Director Fee Restricted Rights.
Issue or Acquisition of Shares	Restricted Shares may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the EEGLRP.
Cost and Administration	The Company will pay all costs of issuing and acquiring Restricted Shares for the purposes of satisfying vested Director Fee Restricted Rights which are exercised, as well as any brokerage on acquisitions of such Restricted Shares for this purpose and all costs of administering the EEGLRP.
Other terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP. The terms of the EEGLRP are summarised in Appendix A of this Explanatory Statement.
Hedging	The Company prohibits the hedging of Director Fee Restricted Rights by Mr Espie AO.

4. Specific Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following details regarding the proposed grants of Director Fee Restricted Rights to Mr Espie AO are provided:

- (a) The Director Fee Restricted Rights the subject of this Resolution 5 will (if this Resolution is approved by Shareholders) be granted to Mr Paul Espie AO, who is the Chairman and a Non-Executive Director.
- (b) Mr Espie AO is a Director and therefore Resolution 5 is required for the purpose of ASX Listing Rule 10.14.1.
- (c) It is proposed that Mr Espie AO will be granted the Director Fee Restricted Rights to the value of \$99,452. The number of those Director Fee Restricted Rights is calculated based on the first row in the Summary of Terms Table above in Section 3 but no more than 542,397.
- (d) Mr Espie AO's total annual remuneration for the financial year ended 31 December 2022 was as follows:

Director's fees	Bonus payments	Non-monetary benefits	Super contributions	Share / option-based Payments	Total remuneration
Nil	Nil	Nil	Nil	A\$54,382	A\$54,382

In 2022 Mr Espie AO received Director Fees as Restricted Rights in lieu of a cash payment for the period 1 July 2021 to 30 June 2022. Director Fees for the period 1 July 2022 to 31 March 2023 have accrued and not yet been paid.

Mr Espie AO is currently remunerated for his services as the Non-Executive Chairman at a rate of A\$99,452 per annum (including superannuation), to be paid in cash or securities.

Mr Espie AO has previously been issued 733,169 Restricted Rights under the EEGLRP for the period 1 July 2019 to 30 June 2022. These were issued in lieu of cash for director fees. No cash was paid for these securities.

The value the Company attributes to the proposed Director Fee Restricted Rights to be awarded to Mr Espie subject to Resolution 5 is based on an independently assessed valuation of A\$78,030. This indication of value is based on a hypothetical grant date of 11 April 2023 using a weighted probability approach.

- (e) The material terms of issue of the Director Fee Restricted Rights and the relevant terms of the EEGLRP are summarised in the Summary of Terms Table above in Section 3. The Board considers that Director Fee Restricted Rights are an appropriate form of financial benefit, on the basis that:
 - (i) the Director Fee Restricted Rights will only vest upon the relevant period of service as a director being completed and the underlying Shares will only be issued upon exercise of the vested Director Fee Restricted Rights (as opposed to issuing Shares upfront, which would then require cancellation in the event the period of service a director is not completed);
 - (ii) the issue of the Director Fee Restricted Rights that can be exercised at a later date allows the Directors to manage the taxation impact of the issues; and

- (iii) the issue of the Director Fee Restricted Rights in lieu of cash helps to preserve cash resources of the Company.
- (f) The key terms of the EEGLRP are summarised in Appendix A of this Explanatory Statement.
- (g) The Director Fee Restricted Rights will be granted within three years of the AGM.
- (h) The Director Fee Restricted Rights will be granted for nil consideration (though in lieu of cash consideration).
- (i) No loans will be made in connection with the grant of the Director Fee Restricted Rights.
- (j) The issue is intended to remunerate Mr Espie AO through the issue of securities instead of cash.
- (k) A voting exclusion statement is included in the Notice of Meeting for Resolution 5.

Details of the Director Fee Restricted Rights and any other Equity Securities issued under the EEGLRP (including the Equity Securities the subject of Resolutions 4 to 6) will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EEGLRP after this Resolution is approved and who are not named in the Notice of Meeting will not participate until Shareholder approval is obtained.

Resolution 6: Grant of Director Fee Restricted Rights to Mr Cleary

The Company proposes to issue Restricted Rights to Mr Peter Cleary in lieu of Director's fees under the employee incentive scheme, defining them as the Director Fee Restricted Rights.

1. ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme:

- (a) a director of the Company;
- (b) an associate of a director of the Company; or
- (c) a person whose relationship with the Company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of Director Fee Restricted Rights to Mr Cleary falls within ASX Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under ASX Listing Rule 10.14. Resolution 6 seeks the required shareholder approval to the issue of Director Fee Restricted Rights to Mr Cleary under and for the purposes of ASX Listing Rule 10.14.

If Resolution 6 is passed, the Company will be able to proceed with the issue of these Director Fee Restricted Rights to Mr Cleary.

If Resolution 6 is not passed, the Company will not be able to proceed with the Issue of the Director Fee Restricted Rights and will compensate Mr Cleary instead from its cash reserves.

The grant of these Director Fee Restricted Rights will occur under the EEGLRP. The EEGLRP was approved by Shareholders at the Company's annual general meeting in 2022.

2. Chapter 2E of the Corporations Act

Mr Cleary is a related party of the Company for the purposes of section 228(2) of the Corporations Act as he is a Director. Therefore, the grant of the Director Fee Restricted Rights will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Corporations Act.

Section 211 of the Corporations Act provides an exemption to the restrictions in Chapter 2E on the giving of financial benefits to related parties, if the financial benefit is remuneration to an officer or employee of a public company and the remuneration is reasonable given the circumstances of the public company and the officer or employee (including the responsibilities involved in the office or employment).

It is the view of the Board (other than Mr Cleary) that the terms of the financial benefit, being the grant of the Director Fee Restricted Rights in lieu of Director's fees, in conjunction with other components of Mr Cleary's remuneration as a Director, comprises reasonable remuneration having regard to the Company's and Mr Cleary's circumstances (including his responsibilities as a Director), and would therefore fall within an exemption set out in section 211 of the Corporations Act. Shareholder approval is therefore not required for the purposes of the Corporations Act.

3. Summary of the Director Fee Restricted Rights under Resolution 6

A summary of the terms of the Director Fee Restricted Rights is included in the table below.

Aspect	Details				
Number of Director Fee Restricted Rights	The Director Fee Restricted Rights proposed to be issued shall be calculated in accordance with the VWAP of Shares in each respective quarter (i.e. 3 monthly) of service, based on the relevant deferred Non-Executive Director's fees for each period, subject to the maximum amount of the Director Fee Restricted Rights described in the paragraph below. The value the entity attributes to the Director Fee Restricted Rights and its basis is \$82,876 in lieu of cash payment for annual director fees and is calculated, as follows:				
	Calc. Period	Q3 2022	Q4 2022	Q1 2023	Q3 2023
	\$A Remuneration	A\$20,719	A\$20,719	A\$20,719	A\$20,719
	VWAP over Period	\$0.253	\$0.196	\$0.178	\$X
	No. of Director Fee Restricted Rights (each period)	81,893	105,709	116,399	\$20,719/\$X] <i>If \$0.14, then 147,992 (the maximum amount to be issued for this period)</i>

	The maximum number of Director Fee Restricted Rights the Company proposes to be issued to Mr Cleary is 451,993. The calculation of the Director Fee Restricted Rights owing to Mr Cleary for Q2 2023 will be calculated using the formula above to a maximum of 147,992.
Exercise Period	Director Fee Restricted Rights, once vested, can be exercised within 15 years of the date of the right and will lapse if not exercised within that period. On exercise, each Director Fee Restricted Right will convert into one Share.
Terms & Conditions	The Director Fee Restricted Rights are subject to Vesting Conditions (summarised below). The Director Fee Restricted Rights are subject to the terms and conditions of the EEGLRP, which include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.
Amount payable on grant	No amount will be payable by Mr Cleary for the Director Fee Restricted Rights as they are being granted in lieu of Director's fees.
Exercise Price	No amount will be payable by Mr Cleary to exercise a Director Fee Restricted Right that has vested.
Vesting and Exercise of Director Fee Restricted Rights	Following the satisfaction of the Vesting Conditions, the Director Fee Restricted Rights may be exercised by Mr Cleary submitting a Notice of Exercise. Once exercised, the value of Director Fee Restricted Rights that vest will be evaluated and will be paid by way of an issue of Restricted Shares (including Restricted Shares). Director Fee Restricted Rights will lapse if not exercised prior to the elapsing of the Exercise Period.
Vesting Conditions	The Director Fee Restricted Rights will be issued in lieu of cash for which Mr Cleary has provided services as a director of the Company. The Director Fee Restricted Rights do not have a vesting period and can be exercised following their issue., subject to the EEGLPR and the terms regarding Cessation of Employment, below.
Disposal Restrictions	The Director Fee Restricted Rights may not be disposed of at any time, but can be exercised following vesting, up to the end of their Exercise Period. Shares acquired on exercise of vested Director Fee Restricted Rights (Restricted Shares) will be subject to disposal restrictions until all of the following cease to restrict disposals: <ul style="list-style-type: none"> a) the Company's share trading policy, b) the Corporations Act insider trading provisions, and c) Specified Disposal Restriction of one (1) year from their date of issue.
Disposal Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Restricted Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporations Act, will cease to apply to 50% of the Restricted Shares.
Change of Control of the Company	In the event of a change of control, 100% of unvested Director Fee Restricted Rights will vest. In relation to Restricted Shares that have resulted from the vesting of Director Fee Restricted Rights, the Specified Disposal Restriction will also be lifted. Restrictions under the Company's securities trading policy and the Corporations Act will continue to apply. Director Fee Restricted Rights are unaffected by a change of control event.
Voting and Dividend Rights	Director Fee Restricted Rights do not carry voting or dividend entitlements. Restricted Shares issued on exercise of Director Fee Restricted Rights will rank equally in all respects with Shares then on issue, including voting and dividend rights.
Lapse and Forfeiture of Director Fee Restricted Rights	Director Fee Restricted Rights will lapse if the Vesting Conditions are not satisfied (subject to the above exceptions), or if they are not exercised prior to the end of the Exercise Period.

Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that Mr Cleary has committed an act of fraud, defalcation or gross misconduct in relation to the Company, Mr Cleary will forfeit all unvested Director Fee Restricted Rights.
Issue or Acquisition of Shares	Restricted Shares may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the EEGLRP.
Cost and Administration	The Company will pay all costs of issuing and acquiring Restricted Shares for the purposes of satisfying vested Director Fee Restricted Rights which are exercised, as well as any brokerage on acquisitions of such Shares for this purpose and all costs of administering the EEGLRP.
Other terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP. The terms of the EEGLRP are summarised in Appendix A of this Explanatory Statement.
Hedging	The Company prohibits the hedging of Director Fee Restricted Rights by Mr Cleary.

4. Specific Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following details regarding the proposed grants of Director Fee Restricted Rights to Mr Cleary are provided:

- (a) The Director Fee Restricted Rights the subject of this Resolution 6 will (if this Resolution is approved by Shareholders) be granted to Mr Peter Cleary, who is a Non-Executive Director.
- (b) Mr Cleary is a Director and therefore Resolution 6 is required for the purpose of ASX Listing Rule 10.14.1.
- (c) It is proposed that Mr Cleary will be granted the Director Fee Restricted Rights to the value of \$82,876. The number of those Director Fee Restricted Right is calculated based on the first row of the Summary of Terms Table above in Section 3 but no more than 451,993.
- (d) Mr Cleary's total annual remuneration for the financial year ended 31 December 2022 was as follows:

Director's fees	Bonus payments	Non-monetary benefits	Super contributions	Share / option-based Payments	Total remuneration
Nil	Nil	Nil	Nil	A\$36,255	A\$36,255

In 2022, Mr Cleary received Director Fees as Restricted Rights in lieu of cash payment for the period 1 July 2021 to 30 June 2022. Director Fees for the period 1 July 2022 to 31 March 2023 have accrued and not yet been paid.

Mr Cleary has previously been issued 328,943 Restricted Rights for the period 25 May 2020 to 30 June 2022 under the EEGLRP. These were issued in lieu of cash for Director fees. No cash was paid for these securities.

Mr Cleary is currently remunerated for his services as the Non-Executive Director, Chair of the Remuneration Committee and Member of the Audit & Risk Committee at a rate of A\$82,876 per annum (including superannuation). Mr Cleary has elected to take his Director fees in Director Fee Restricted Rights in lieu of cash if approved at the AGM.

The value the Company attributes to the proposed Director Fee Restricted Rights to be awarded to Mr Cleary subject to Resolution 6 is based on an independently assessed valuation of A\$65,024. This indication of value is based on a hypothetical grant date of 11 April 2023 using a weighted probability approach.

- (e) The material terms of issue of the Director Fee Restricted Rights and the relevant terms of the EEGLRP are summarised in the Summary of Terms Table above in Section 3. The Board considers that Director Fee Restricted Rights are an appropriate form of financial benefit, on the basis that:
 - (i) the Director Fee Restricted Rights will only vest upon the relevant period of service as a director being completed and the underlying Shares will only be issued upon exercise of the vested Director Fee Restricted Rights (as opposed to issuing Shares upfront, which would then require cancellation in the event the period of service a director is not completed);
 - (ii) the issue of the Director Fee Restricted Rights that can be exercised at a later date allows the Directors to manage the taxation impact of the issues; and
 - (iii) the issue of the Director Fee Restricted Rights in lieu of cash helps to preserve cash resources of the Company.
- (f) The key terms of the EEGLRP are summarised in Appendix A of this Explanatory Statement.
- (g) The Director Fee Restricted Rights will be granted within three years of the AGM.
- (h) The Director Fee Restricted Rights will be granted for nil consideration (though in lieu of cash consideration).
- (i) No loans will be made in connection with the grant of the Director Fee Restricted Rights.
- (j) The issue is intended to remunerate Mr Cleary through the issue of securities instead of cash.
- (k) A voting exclusion statement is included in the Notice of Meeting for Resolution 6.

Details of the Director Fee Restricted Rights and any other Equity Securities issued under the EEGLRP (including the Equity Securities the subject of Resolutions 4 to 6) will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EEGLRP after this Resolution is approved and who are not named in the Notice of Meeting will not participate until Shareholder approval is obtained.

Resolution 7: Approval of 10% Placement Facility

1. General

ASX Listing Rule 7.1A enables an eligible entity to seek shareholder approval to issue up to 10% of its issued share capital over a 12-month period after the annual meeting at which the approval is sought (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of A\$300 million or less. The Company is, at the date of this Notice of Meeting, an eligible entity.

The Company is now seeking Shareholder approval by way of a Special Resolution to have the ability to issue securities under the 10% Placement Facility. The exact number of securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see below for further details).

Description of ASX Listing Rule 7.1A

(a) **Shareholder approval:**

The ability to issue Equity Securities (such as Shares) under the 10% Placement Facility is subject to Shareholder approval by way of a Special Resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by remote communication, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

(b) **Equity Securities:**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company and must be issued for cash consideration. The Company currently has only one quoted class of Equity Securities, being Shares.

(c) **Formula for calculating 10% Placement Facility:**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period (defined below), a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 (other than exception 9, 16 or 17);
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities (including convertible notes and options) within ASX Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under ASX Listing Rules 7.1 or 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement within ASX Listing Rule 7.2 exception 16 where:

- the agreement was entered into before the commencement of the relevant period; or
- the agreement or issue was approved, or taken under these rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period with approval under ASX Listing Rule 7.1 or 7.4. This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 17 where the issue is subsequently approved under ASX Listing Rule 7.1;
- plus the number of partly paid ordinary securities that became fully paid in the relevant period; and
- less the number of fully paid ordinary securities cancelled in the relevant period.

Note, that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where this issue or agreement has not subsequently been approved by the holders of its ordinary securities under ASX Listing Rule 7.4.

relevant period means the 12 month period immediately preceding the date of issue or agreement.

(d) **ASX Listing Rule 7.1 and ASX Listing Rule 7.1A:**

If approved, Resolution 7 will allow the Board to issue up to an additional 10% of the Company's issued capital during the 10% Placement Period (defined in section (f) below). This is in addition to the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

If Resolution 7 is not approved, the Company will not be able to access the additional 10% capacity to issue Equity Securities up to a combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further Shareholder approval and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section (c) above).

At the date of this Notice of Meeting, the Company has 773,121,148 Shares on issue. At present, the Company has capacity to issue 115,968,172 Equity Securities under its placement capacity under ASX Listing Rule 7.1. The Company also has capacity to issue an additional 77,312,114 Equity Securities under its placement capacity under ASX Listing Rule 7.1A until 30 May 2023 being 12 months after the date of the annual general meeting at which ASX Listing Rule 7.1A capacity approval was obtained.

(e) **Minimum Issue Price:**

The Equity Securities issued under ASX Listing Rule 7.1A must be issued for cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the relevant class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period:**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the next annual general meeting, if less than 12 months; or
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

2. **Specific information required by ASX Listing Rule 7.3A**

- (a) The Company may seek to issue Shares under the 10% Placement Facility for the purpose of raising funds to use towards general working capital requirements, ongoing business development activities and/or the acquisition of new business assets or investments (including expenses associated with such acquisition)
- (b) If Resolution 7 is approved by Shareholders and the Company issues Shares under its 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - (i) the market price for the Company's Shares may be significantly lower on the date of the issue of the Shares than on the date of the AGM; and
 - (ii) the Shares issued under the 10% Placement Facility may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date,

which may have an effect on the amount of funds raised by the issue of the Shares.

The table below shows the dilution of existing Shareholders on the market price of Shares as at 11 April 2023, and the current number of Shares for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue 11 April 2023. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a

- pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable A in ASX Listing Rule 7.1.A.2		Dilution		
		A\$0.075 50% decrease in Issue Price	A\$0.15 Issue Price	A\$0.30 100% increase in Issue Price
Current Variable A	10% Voting Dilution	77,312,114	77,312,114	77,312,114
	Funds Raised	A\$5,798,408	A\$11,596,817	A\$23,193,634
50% increase in current Variable A	10% Voting Dilution	115,968,171	115,968,171	115,968,171
	Funds Raised	A\$8,697,612	A\$17,395,225	A\$34,790,451
100% increase in current Variable A	10% Voting Dilution	154,624,228	154,624,228	154,624,228
	Funds Raised	A\$11,596,817	A\$23,193,634	A\$46,387,268

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Shares available under the 10% Placement Facility.
 - The Shares on issue are 773,121,148 Shares, being the number of Shares as at 11 April 2023.
 - None of the Options that the Company currently has on issue (or will issue if all of the Resolutions in this Notice of Meeting are approved) are exercised into Shares or Shares before the date of the issue of the Shares under the 10% Placement Facility.
 - The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 - The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
 - The issue of Shares under the 10% Placement Facility consists only of Shares.
 - The issue price is A\$0.15, being the closing price of the Shares on ASX on 6 April 2023.
- (c) The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing Shareholders can participate;

- (ii) the effect the issue of Shares might have on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (d) The Company obtained Shareholder approval under ASX Listing Rule 7.1A at last year's Annual General Meeting. It has not utilised the placement capacity of ASX Listing Rule 7.1A in the 12-month period preceding the date of the 2022 annual general meeting at which approval was obtained.

Glossary

In the Notice of Meeting and this Explanatory Statement the following defined terms have the following meanings:

A\$ means the lawful currency of the Commonwealth of Australia.

Annual General Meeting or **AGM** or **Meeting** means the annual general meeting convened by the Notice of Meeting.

Associate has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 961) or the exchange operated by it (as the context dictates).

ASX Listing Rules means the listing rules of the ASX.

Auditor means the Company's auditor from time to time (being Nexia Sydney Audit Pty Ltd as at the date of the Notice of Meeting).

Auditor's Report means the Auditor's report on the Financial Report.

Board means the board of Directors of the Company.

Chair means the person chairing the AGM.

Closely Related Party has the meaning given to that term in section 9 of the Corporations Act.

Company means Empire Energy Group Limited (ABN 29 002 148 361).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Directors' Report means the directors' report included in the Company's annual report for the financial year ended 31 December 2022.

EEGLRP means Empire Energy Group Limited Rights Plan.

Empire Energy Group Limited Rights Plan or **EEG Limited Rights Plan** or **EEGLRP** means the employee incentive plan of the same name approved by Shareholders at the annual general meeting in 2022.

Equity Security has the meaning given to that term in ASX Listing Rule 19.12.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act for the Company for the financial year ended 31 December 2022.

KMP has the meaning given to the term "key management personnel" in section 9 of the Corporations Act.

Non-Executive Directors means all Directors other than the Managing Director, Mr Alexander Underwood.

Notice of Meeting means the notice of meeting that accompanies this Explanatory Statement, including the Proxy Form.

Ordinary Resolution means a resolution that can only be passed if more than 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Proxy or Proxy Form means the proxy form attached to the Notice of Meeting.

Remuneration Report means the remuneration report included with the Company's annual report for the financial year ended 31 December 2021.

Resolution means a resolution proposed in the Notice of Meeting.

Section means a section of this Explanatory Statement.

Share means an ordinary share in the capital of the Company that is fully paid or credited as fully paid (as the case may be).

Shareholder means a registered holder of Shares in the Company.

Special Resolution means the resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Trading Day has the meaning given to it in ASX Listing Rule 19.12.

TSR means total shareholder return.

VWAP means the volume weighted average market closing price, with respects to the price of Shares.

APPENDIX A – Empire Energy Group Limited Rights Plan (EEGLRP) Summary of Terms

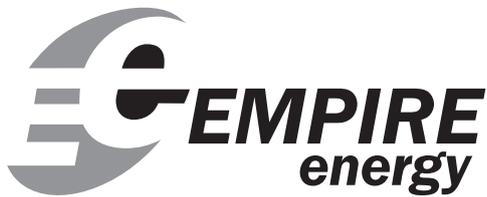
SUMMARY OF TERMS

The following is a summary of the key terms of the EEGLRP.

Aspect	Details
Instrument	<p>The EEGLRP uses indeterminate Rights which are entitlements to the value of Shares (ordinary fully paid EEG shares) which may be satisfied either in cash and/or in Shares. Generally, it is expected that vested Rights will be satisfied in Shares. The price to exercise the Rights is nil, however vesting is performance tested. The value that will be realised is then a function of performance against indicators (Vesting Conditions) and the Share price at the time of vesting.</p> <p>No loans are provided under the Plan.</p> <p>The EEGLRP allows for three kinds of Rights which may be appropriate forms of remuneration under various circumstances, being;</p> <ul style="list-style-type: none"> • Performance Rights which vest when performance conditions have been satisfied; • Service Rights which vest after the completion of a period of service; and • Restricted Rights which relate to amounts of deferred payments already earned and which are not subject to vesting conditions.
Eligibility	<p>Selected employees and directors as nominated by the Board are eligible to participate. Current directors being Mr Alexander Underwood, Mr Paul Espie AO, Mr Peter Cleary, Mr Paul Fudge (Ms Jacqui Clarke his alternate), Mr Louis Rozman and Professor John Warburton will be eligible to participate in the EEGLRP. In addition to the aforementioned persons, participants will be employees, and consultants of the Company and its subsidiaries.</p>
Term	<p>Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. (Note: the Term of Rights is separate to the Measurement Period for Vesting of Rights which is described below).</p>
Terms & Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the EEGLRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensure the plan operates as intended. All Service Rights offered will be subject to Vesting Conditions. The terms and conditions of the EEGLRP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.</p>
Number of Rights	<p>The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's Base Package, relevant market practices and the relevant policies of the Company regarding their remuneration.</p>
Vesting	<p>Service Rights and Restricted Rights may also be used from time to time to retain key talent, to defer remuneration should the need arise, or to settle previously accrued remuneration entitlements. Upon the satisfaction of the Vesting Conditions, and exercise of vested Rights by the Participant, Rights will be converted into Shares. As part of an Invitation the Board may specify whether vested Rights are automatically exercised upon vesting, or must be exercised manually by the Participant.</p> <p>Under some limited circumstances the Board may exercise its discretion to award the value of vested Rights in the form of cash, such as following a termination of employment. No exercise price is required to convert the Rights into Shares. In the case of Restricted Rights, exercise will be automatic 90 days following grant.</p>
Measurement Period	<p>The Measurement Period for Performance Rights may be determined by the Board as part of each Invitation, but for long term incentive purposes it is intended to be three</p>

Aspect	Details
	years (starting from the beginning of the financial year in which a grant is made) with no vesting prior to performance being tested at the end of the three years between the start of the financial year in which the grant is made, and the end of the third financial year. Different Measurement Periods may be applied when warranted. The life of the Rights may differ from the Measurement Period and be shorter when shareholder approval for grants cannot be obtained until after the beginning of the Measurement Period.
Vesting Conditions	Vesting Conditions are to be determined by the Board as part of each offer, however, for the purposes of long-term incentive, the conditions selected are intended to create alignment with the experiences and expectations of shareholders over the Measurement Period. Initially Vesting Conditions will be related to TSR and possibly strategic milestones.
Gates	A gate is a condition that may apply to a grant if specified in the Invitation, and if not met, will turn off the opportunity for Rights to vest.
Measurement Period Extender	The EEGLRP Rules allow for the Measurement Period to be extended by 12 months, if the Participant is still employed, and nil vesting occurred at the first test. The start of the measurement period would not be affected by this, and modification of the Measurement Period can only apply to vesting scales that are expressed on an annualised basis, which ensures the adjustment does not make vesting easier. The Measurement Period would typically be extended from 3 years to 4 years. The purpose of this feature is to address short-term anomalies that arise at the relevant calculation points, and to motivate management to strive for improvement if the LTI fails to vest at the end of 3 years. This is not the same as re-testing.
Exercise and Exercise Price	In the case of manual exercise, Participants may submit an exercise notice at any time between the Vesting Date and the elapsing of the Term of the Rights, otherwise they will lapse at the end of their Term. The exercise price is nil.
Cessation of Employment	<p>The treatment of Service Rights will be specified in Invitations and will relate to the purpose of such a grant.</p> <p>If Service Rights vest subsequent to a termination of employment and their value is less than the Share Price at the date of the termination, then such Rights will be settled in cash on exercise.</p> <p>If a Participant is no longer employed by or otherwise engaged with any Group Company and holds unvested Rights those Rights will be automatically exercised on the earlier of the end of the Term of the Rights and one month following the date when the Participant has ceased to hold unvested Rights.</p>
Change of Control of the Company	<p>In relation to Restricted Shares that have resulted from the vesting of Rights, dealing restrictions, if any, specified in the Invitation would also be lifted, though the Company's securities trading policy and the Corporations Act would continue to apply. Restricted Rights are unaffected by a Change of Control event.</p> <p>All unvested Service Rights will vest.</p> <p>Restricted Rights will be unaffected by a Change of Control, as they are fully vested at grant.</p>
Major Return of Capital	The EEGLRP contains provisions that provide for vesting in the proportion of capital returned to shareholders, or in the proportion that the Share price increased over the Measurement Period, with Board discretion regarding the remainder.
Disposal Restriction / Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporation Act, will cease to apply to 50% of such Restricted Shares.

Aspect	Details
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Rights.
Competition and Other Actions that May Harm the Company	<p>If a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board.</p> <p>If a Participant either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board.</p>
Voting and Dividend Rights	Rights do not carry voting or dividend entitlements. Shares issued when Rights vest carry all entitlements of Shares, including voting and dividend rights.
No Transfer of Rights	Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.
Specified Disposal Restrictions	Invitations may include disposal restrictions that apply for a specified period to Restricted Shares. The Board will decide whether to include such conditions and the period for which they will apply.
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the EEGLRP, in accordance with the ASX Listing Rules.
Variation of Terms and Conditions	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the EEGLRP. This includes varying the number of Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.
Issue or Acquisition of Shares	Shares allocated to a Participant when Rights vest under the EEGLRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the EEGLRP.
Other Terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP.
Hedging	The Company prohibits the hedging of Rights or Shares subject to dealing restrictions by Participants.
Lapse and Forfeiture of Rights	Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period, subject to retesting, or if the Rights are not exercised within their term.



ABN 29 002 148 361

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

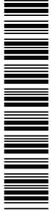


Online:

www.investorcentre.com/contact

EEG

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Empire Energy Group Limited Annual General Meeting

The Empire Energy Group Limited Annual General Meeting will be held on Tuesday, 30 May 2023 at 9:00am (AEST). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 9:00am (AEST) on Sunday, 28 May 2023.



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Level 2, 259 George Street, Sydney, NSW 2000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



ABN 29 002 148 361

EEG

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (AEST) on Sunday, 28 May 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Empire Energy Group Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Empire Energy Group Limited to be held at Level 2, 259 George Street, Sydney, NSW 2000 on Tuesday, 30 May 2023 at 9:00am (AEST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4, 5 and 6 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Peter Cleary as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Louis Rozman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Grant of Performance Rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Grant of Director Fee Restricted Rights to Mr Paul Espie AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Grant of Director Fee Restricted Rights to Mr Peter Cleary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 Securityholder 2 Securityholder 3 / /
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

Update your communication details (Optional)

Mobile Number Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically





ABN 29 002 148 361

EEGRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Empire Energy Group Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Empire Energy Group Limited