

EMPIRE OIL & GAS NL

Quarterly Report March 2017



Stable revenues and new light oil play discovered at RGN-1

Perth Basin domestic gas producer Empire Oil and Gas NL (“Empire”, ASX: EGO) is pleased to provide its Quarterly activities report for the quarter ending 31 March 2017.

Production

- Average daily gas production of 6.2 TJ/day for the quarter (down from 6.5 TJ/day in previous quarter).
- Average plant uptime of 94.7% (down from 97.3% in previous quarter)
- Gingin West-1 well intervention planning underway to increase field production in the June quarter.

Exploration

- Volatile oil discovery at Red Gully North-1 (“RGN-1”) produced approximately 400bopd of light oil from the C sand during testing, opening up a new oil play in EP389.
- RGN-1 reservoir fluid study and resource assessment indicated an initial contingent resource (2C) estimate of 200,000 bbls from an oil in place estimate of 570,000 bbls.
- Extended RGN-1 well test planned for Q3 2017 to determine stable hydrocarbon and water flow rates as well as the gas flow potential of the upper D sand zone.
- Farm-out discussions continued to progress to an advanced stage, aiming to contribute funding toward high impact exploration activities.
- Black Cormorant 2D Seismic Acquisition Application lodged and planning commenced.

Finance and Corporate

- Revenue of A\$4.3m (down from A\$4.5m in previous quarter).
- Cash at quarter end of A\$2.2m (down A\$0.9m) primarily due to capital expenditure for RGN-1.

Commenting on the quarter, Chief Executive Officer Ken Aitken said:

“Empire continued to perform well operationally during the March Quarter with steady production, and positive profit and operating cash flow. With this as a solid foundation, our exploration program has been gathering momentum with farm-in discussions advancing and planning well underway to drill our company transforming targets later in the year.”

About Empire Oil & Gas NL

ASX code: EGO

Cash on hand (quarter end): A\$2.2m down primarily due to capital expenditure on Red Gully North-1.

Market capitalisation (quarter end): A\$22m

Share price range in quarter: A\$0.21 to A\$0.35

Empire Oil & Gas is an Australian energy company focussed on exploration and production opportunities in the onshore Perth Basin.

Empire owns and operates the Red Gully field which has been in production since mid-2013.

Empire holds around 40% of the highly prospective onshore Perth Basin. The Perth Basin has excellent infrastructure and a strong gas market.

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Production

Quarterly Sales	March Quarter 2017	December Quarter 2016	FY16/17 YTD
Red Gully Facility (100%)			
Gas sales (TJ)			
Gas sales for the quarter	556.6	595.5	1745.2
Cumulative RGPF gas sales ¹	9,510	8,954	
Condensate sales (bbl)			
Condensate sales for the quarter	14,439	16,824	48,968
Cumulative RGPF condensate sales ¹	366,824	352,385	
Plant Performance			
Average plant run time (% of total hours))	91.0	97.3	91.1
Average plant run time (% ,excluding planned downtime)	94.7	98.7	95.4
Average daily gas sales (TJ per day)	6.2	6.5	6.4
Average daily condensate sales (bbl per day)	160.4	182.9	178.6

¹ Cumulative RGPF sales represent total volumes delivered from the commencement of RGPF operations in 2013 to the end of March 2017 quarter.

Production and Safety Performance

There were two Medical Treatment Incidents (MTI's) and no Lost Time Injuries (LTI's) recorded during the March quarter.

Total gas delivered to Alcoa during the March quarter was 556.6 TJ, 6.5% lower than the December quarter, with an average daily gas production rate of 6.2 TJ/day. The decrease in gas production rate was due to the natural decline from the Red Gully-1 ("RG-1") well as well as Red Gully Production Facility ("RGPF") downtime associated with the produced water handling upgrade project and a slickline intervention programme on Gingin West 1.

Total condensate delivered to BP during the March quarter was 14,439 bbl, 14.2% lower than the December quarter, with an average daily condensate production rate of 160.4 bbls/day. The decrease in condensate production was due to the natural decline from the RG-1 well, downtime at the RGPF for the produced water handling upgrade project and a slickline intervention programme on Gingin West 1, and a decline in the B sand condensate to gas ratio which is common for gas/condensate reservoirs.

The RGPF plan run time of 91% is lower this quarter due to the produced water handling upgrade project. The RGPF uptime (excluding planned outages) for the March quarter was 94.7%. Unplanned downtime for the quarter was 112 hours primarily due to: -

- Export gas flow meter failure.
- GGW-1 slickline work.
- Condensate flash drum high water level trips.
- Produced water handling upgrade project free water knock out drum live commissioning trips.
- Methanol pump failure.

Gingin West-1

The Gingin West-1 (GGW1) well has 2P remaining reserves of 0.18 PJ of gas and 9,400 bbls of condensate. The well has been shut-in since the June quarter of 2014 due to higher flow rates and pressures from the RG-1 well. An attempt to resume GGW1 production in Q3 2015 was unsuccessful due to the continued high flowing wellhead pressure from RG-1 suppressing flow in the shared production flowline. The GGW1 reservoir had previously produced 2-3 TJ/day at high condensate yields and approximately 50 bwpd.

Empire mobilised a wireline unit in the March quarter to determine if the well could be induced to flow via swabbing. Problems with the wireline swabbing equipment reduced the efficiency of wellbore water and condensate removal, impacting the ability to resume production from GGW1. Empire is planning to re-perforate the well followed by a coiled tubing nitrogen lift of GGW1 in the 1st half of May to maximise the potential of resuming production from GGW1. It is anticipated that GGW1 will flow for up to 3 months based on the remaining reserve. The reduced flowing wellhead pressure on RG-1 should allow GGW1 to flow simultaneously and increase field gas and condensate production.

Produced water handling upgrade project

In late March the RG-1 well started to produce formation water. The water-gas-ratio has continued to increase gradually and over the quarter increased from a rate of 9 bbls/MMscf to 13.0 bbls/MMscf. Current water production is approximately 85 bwpd.

Empire initiated the RGPF produced water handling upgrade project during the September 2016 quarter and work continued throughout the March quarter. The project has increased the RGPF produced water handling capacity from 50 bbls to 500 bbls of formation water per day which is the maximum modelled water rate expected from the Red Gully area wells. An additional separator was successfully installed and commissioned during the quarter and an additional evaporation pond is also required to store the additional produced water. This awaits DMP environmental approval which is expected in the June quarter. Overall this upgrade has diverted formation water away from the RGPF condensate stabilisation heater which has allowed the condensate heater to operate more efficiently. It has also allowed the heater to provide better stabilised Red Gully condensate throughout the winter months.

Operating costs

Stabilised condensate Reid Vapour Pressure (“RVP”) testing equipment was commissioned at the RGPF operations laboratory during the March quarter. The RVP equipment will allow Empire to significantly reduce its reliance on outsourced RGPF stabilised condensate RVP testing. This change is expected to generate net operating cost savings of A\$150,000 per annum.

Wellhead compressor project

Reservoir and geological production modelling has indicated that a wellhead compressor is required in early Q3 CY17 to maintain field gas production levels into the next financial year. The installation of the wellhead compressor at the RGPF will also enable Empire to maximise ultimate hydrocarbon recovery from RG-1, as noted in the Independent Reserves Report prepared by Valmap Pty Ltd (refer to ASX announcement dated 6 September 2016).

Several wellhead compressor project activities commenced in the March quarter including:

- Detailed project execution planning including facility engineering and long lead equipment identification;
- Identification of available second-hand compressor packages to reduce capital expenditure; and
- Engagement with regulatory agencies for necessary project approvals.

The RGPF wellhead compressor project capital expenditure is estimated to be A\$2.5m and is expected to be operational in early Q3 CY17.

EXPLORATION

Red Gully North-1 Contingent Resources and forward plan

Empire has completed a reservoir fluid study and volumetric assessment of the C sand which flowed oil and gas on test. The C sand flowed oil at 409 bpd with associated gas at 1.29 mm scf/d. The flow was accompanied by 734 bpd of water. The origin of the water is not clear and no obvious oil water contact in the tested interval was observed on the wireline logs.

The reservoir fluid study and resource assessment of the RGN-1 discovery indicated an initial 2C contingent resource estimate of 200,000bbls from an oil in place estimate of 570,000bbls (Table 2 and Figure 1). Laboratory analysis of the samples taken during the test revealed oil with an extremely high shrinkage factor which has led to a lower than anticipated contingent resource volume for the mapped C sand structure. The upcoming extended well test, which is expected to be cash flow positive, is expected to reduce this uncertainty and provide a better understanding of the upside oil volumes and commercial potential of the volatile oil discovery.

¹ **Table 2: Contingent Resource: Volatile oil C sand (bbls)**

	1C	2C	3C
Overall oil in place	160,000	570,000	1,070,000
Recoverable Resource	60,000	200,000	360,000

The upper D sand was also interpreted to be gas bearing from the data acquired during drilling but failed to flow gas in the initial tests. Empire is investigating the use of two artificial lift techniques in order to recover completion brine lost into the upper D sand which could potentially enable the zone to flow gas. A successful test would provide Empire the ability to book gas reserves on the D sand. Empire presently carries a contingent resource of 1.67 Bcf (1C), 3.1 Bcf (2C) and 4.3 Bcf (3C) for the upper D sand.

¹ As announced in ASX Release 21 April 2017.

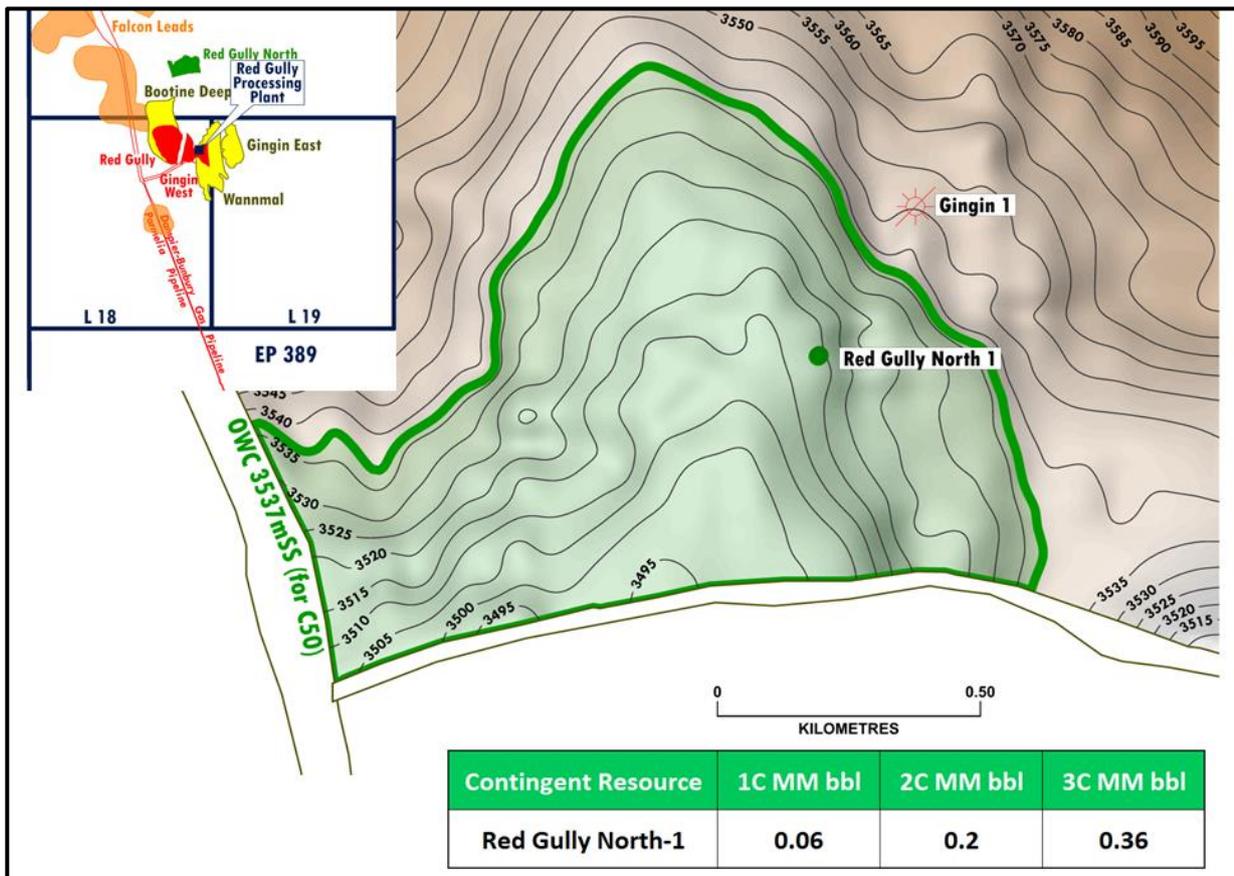


Figure 1: Red Gully North-1 Contingent Resource- C sand.

Planning is underway to conduct an extended well test of RGN-1 in Q3 2017 subject to regulatory approvals. The objectives of the extended well test are to:

- Determine stable hydrocarbon and water flow rates of the C sand over 90 days.
- Further understand oil shrinkage to reduce uncertainty of total oil and associated gas recovery.
- Determine upper D sand gas zone flow potential under artificial lift.
- Determine commerciality of oil and gas production and convert contingent resources to reserves.

EP 368 / EP 426

Empire has finalised its deterministic assessment of the prospective resources of the North Erregulla Deep prospect situation in EP368 / EP426, located on the southern end of the Lockyer-North Erregulla structural trend (Figure 2). Lockyer Deep and North Erregulla Deep are both high quality prospects and while Lockyer Deep has been approved by the EP 368 joint venture as the Year 2 commitment well. North Erregulla Deep could offer a good alternate location to test the Lockyer-North Erregulla trend based on the results of our recent technical review. Empire expects to commence access discussions with the landowners for the drilling of the commitment well in the June 2017 quarter.

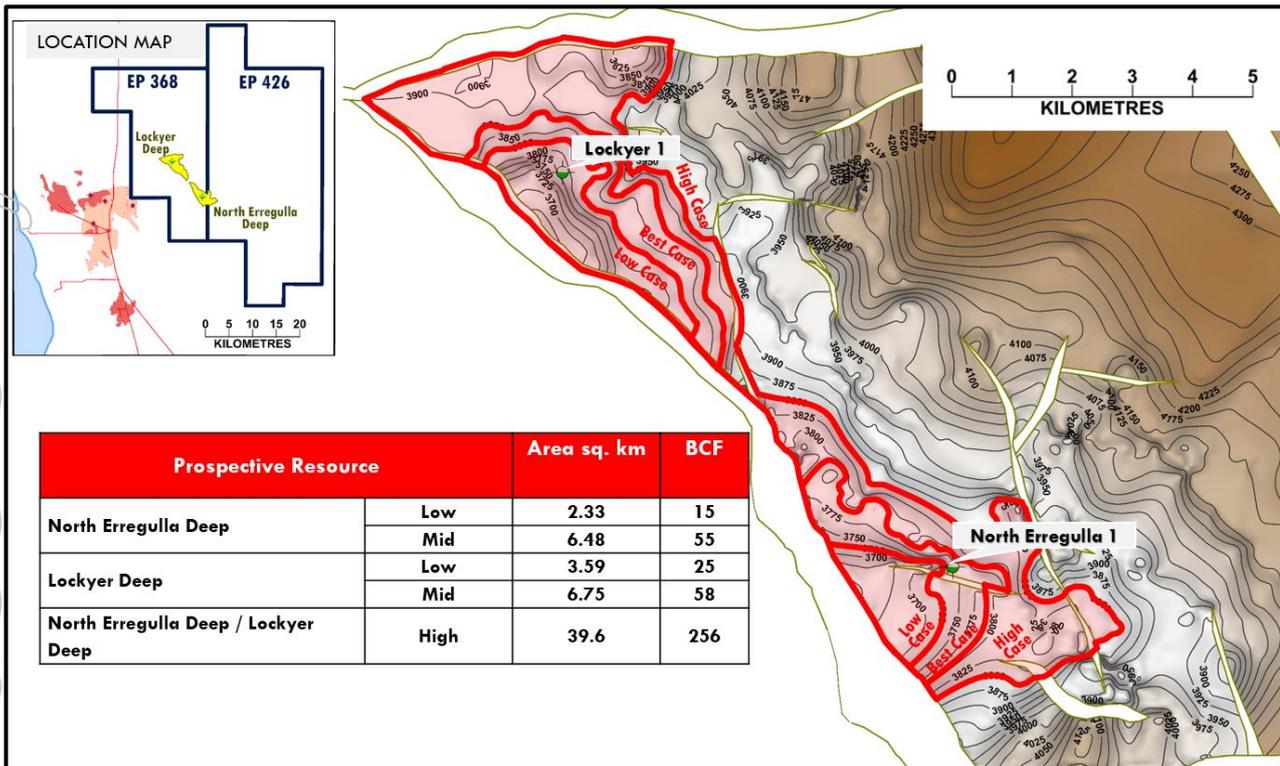


Figure 2: North Erregulla Deep / Lockyer Deep – Prospective Resources – Primary Gas Target

North Erregulla Deep prospective oil resources (Figure 3) for the shallower Dongara/Wagina secondary target are estimated at 0.98 mm bbls (low case), 3.55 mm bbls (mid case), 8.76 mm bbls (high case). This is in addition to the estimated Prospective Resources of 15 bcf (low case), 55 bcf (best/mid case), 256 bcf (high case) assigned for the deeper primary Kingia and High Cliff gas target (Figure 2). A single vertical well at the North Erregulla Deep location will penetrate both the shallow oil and deep gas targets (Figure 4).

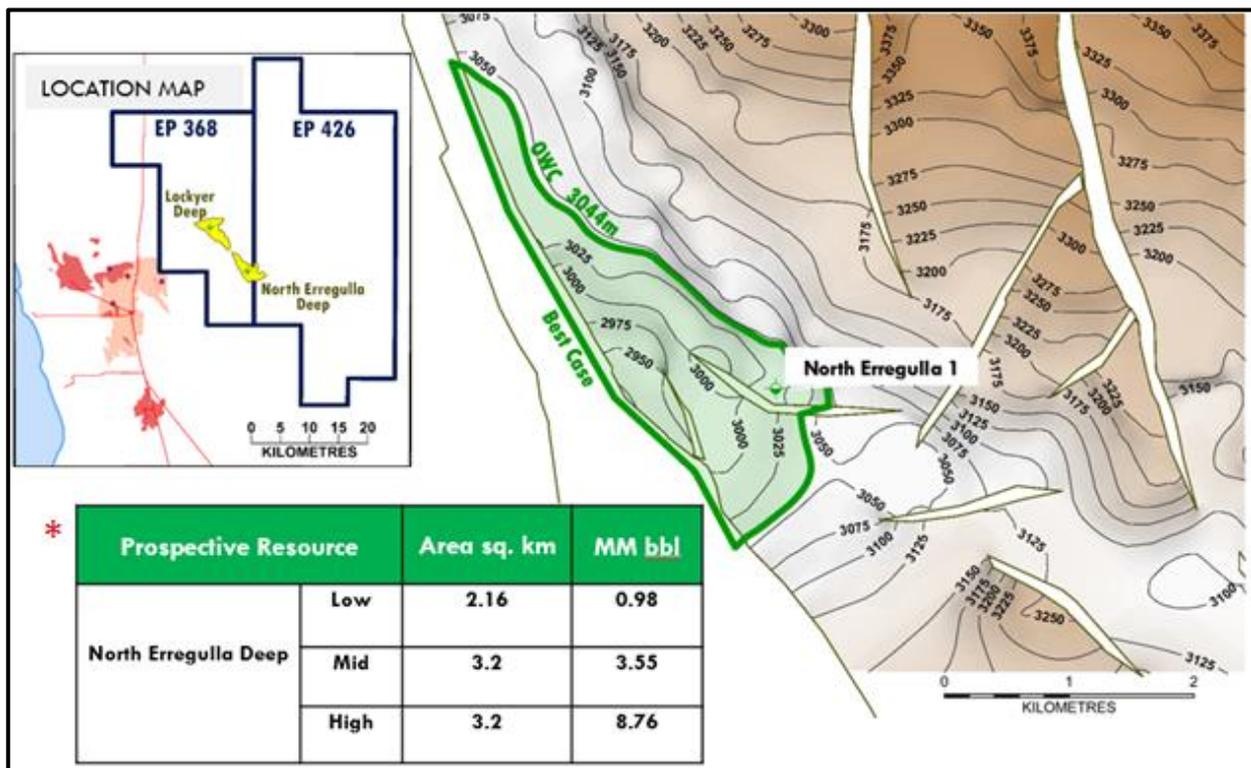


Figure 3: North Erregulla Deep – Prospective Resources – Secondary Oil Target

* As announced in ASX Released 28 April 2017.

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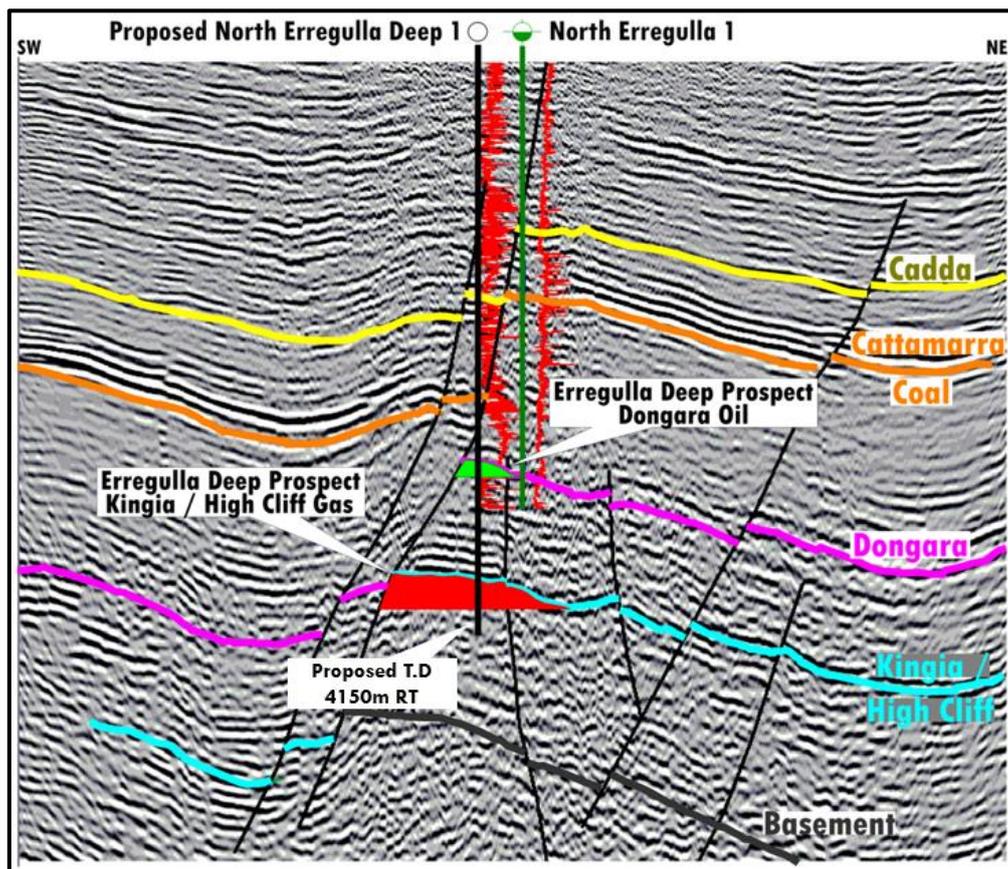


Figure 4: North Erregulla Deep Seismic Section and Proposed North Erregulla Deep-1 Well Trajectory Relative to North Erregulla-1.

2017 Drilling Planning

Following the completion of the geological basis of design for the upcoming proposed exploration wells, Lockyer Deep or North Erregulla Deep in EP 368 and Raven-1 in EP 432, drilling engineering is planned to commence Q2 2017. It should be noted that the Year 2 commitment well for EP 368 falls due on 29 June 2017. Based on the proposed timeline for drilling this well the joint venture has agreed to seek regulatory approval for an extension to allow time to plan, finance and drill a well.

The 2017 drilling program planning has commenced with the tendering of the drilling rig and well management services. Empire are evaluating options for back to back drilling (subject to funding) of the EP368 and EP432 exploration wells to reduce campaign drilling costs.

Farm-out Process

Work has been progressing on funding the 2017 exploration drilling and 2018 seismic activity via a farm-out. Empire has progressed discussions with a number of interested parties and two of these are well advanced. As mentioned in the Exploration Update presentation released 7 April 2017, given the persisting challenging conditions in the Australian oil and gas market, the board will maintain a disciplined approach to achieve the right balance to ensure shareholder value is maximised.

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Acreage Evaluation

Empire is waiting advice from the regulator on our renewal application for EP 389. The renewal application required a statutory relinquishment, which will be excised from the southern portion of the permit where no leads were identified following the Black Swan Airborne Geophysical Survey. The central and northern portion of EP 389, which surrounds the Red Gully production licences and RGPF, will be retained as part of the renewed permit, pending successful renewal. It is the central and north portion of EP 389 that contain the leads identified on the Black Swan Airborne Geophysical Survey, acquired by Empire in 2015.

Empire progressed planning of a 2D seismic survey (the Black Cormorant Seismic Survey) to mature leads identified by the Black Swan Airborne Geophysical Survey into prospects for future drilling. The Black Cormorant 2D Seismic Survey will focus initially on maturing leads identified in EP 389 and EP 432. It is planned to acquire the survey in EP 389 in March/April 2018, subject to land access, government approvals and funding.

Should the leads to be targeted by the planned Black Cormorant 2D seismic survey in EP 389 mature to drillable prospects, the commercialisation of any discovery would be enhanced due to the proximity to the RGPF (Figure 5).

An application has been made for the surrender/relinquish most of EP 440. The permit was identified as a secondary focus area and subsequent work has confirmed that it has low prospectivity. If possible a portion of the permit may be retained to assist in access/logistics for the acquisition of the Black Cormorant 2D Seismic Survey.

Empire is planning to undertake the Black Cormorant 2D Seismic Survey in late Q1 2018, subject to regulatory approval and funding.

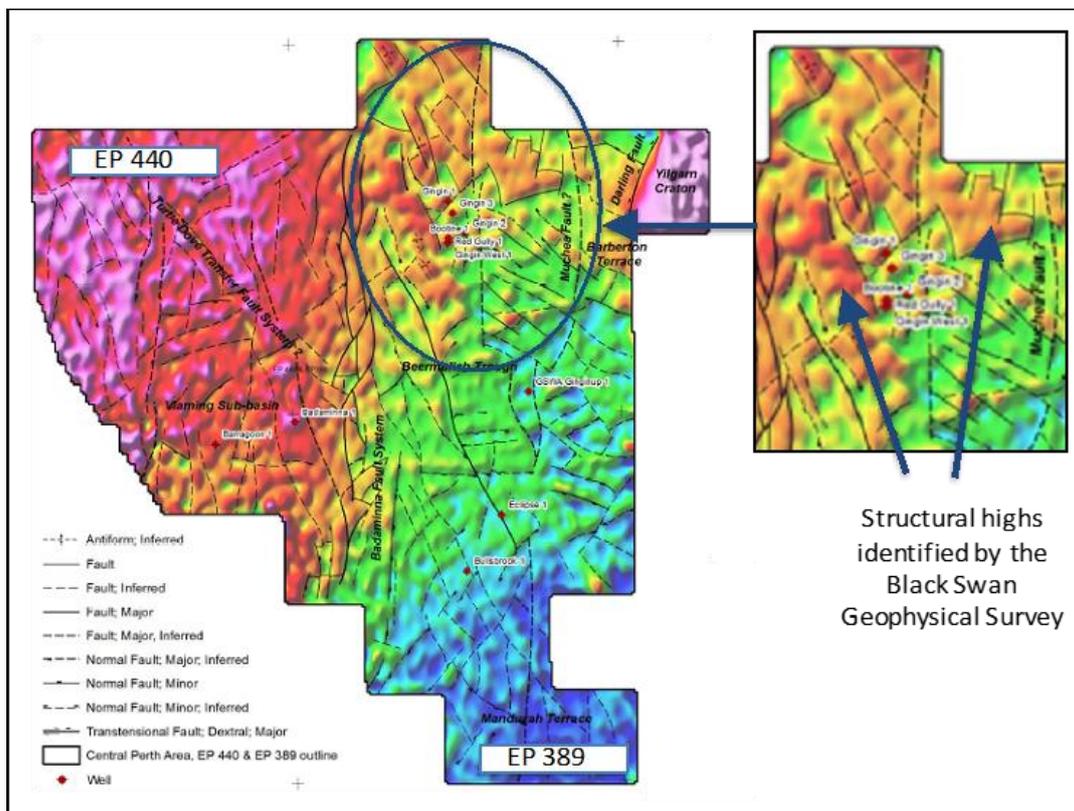


Figure 5: Red Gully project location (Black Swan survey, January 2016)

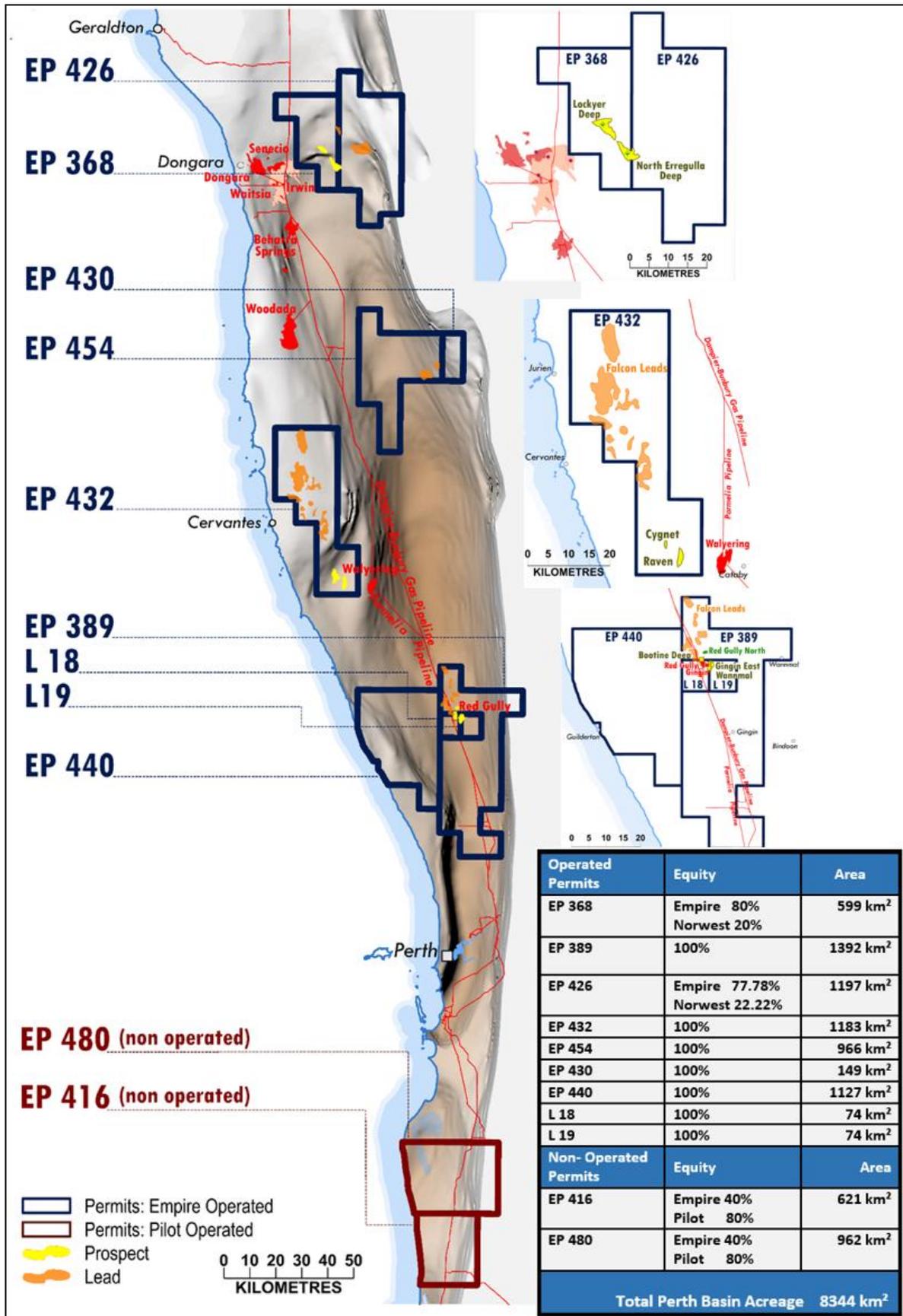


Figure 6: Overview of Empire’s Perth Basin petroleum interests

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Finance and Corporate

Cash flow

Empire ended the quarter with A\$2.2m cash at bank, a decrease of A\$0.9m from the 31 December 2016 balance primarily due to capital expenditure on RGN-1.

During the March 2017 quarter A\$4.4m in gas and condensate receipts were received against A\$2.4m in exploration and evaluation costs for RGN-1, A\$1.1m in production costs, A\$0.5m in staff costs and A\$0.3m in administration costs.

Expected cash outflows for the June 2017 quarter will increase due to a forecast A\$1.8m in one-off capital costs related the RGPF wellhead compressor project.

Cash receipts for the June 2017 quarter are expected to increase, offsetting the majority of the one-off capital cost items and maintaining Empire's current cash balance.

Red Gully revenue

Sales Revenue	March Quarter Q3 FY17	December Quarter Q2 FY17	Quarter on Quarter change
	\$m	\$m	%
Gas	3.5	3.7	-7%
Condensate	0.8	0.7	6%
Total	4.3	4.5	-4%

Gas revenue was down 7% for the quarter to A\$3.5m as a result of an increase in planned and unplanned downtime.

Condensate revenue increased by 6% to A\$0.8m due to a recovery in the oil price.

Half yearly results

Empire released its financial results for the half-year ended 31 December 2016, which saw Empire deliver another profitable result with 1H FY17 revenue of \$8.7m, EBITDAX of 0.4m and profit after tax of \$0.4m.

Settlement of legal proceedings

Empire has agreed to settle its claim with some of the former directors of Empire in relation to its claim that they used Empire funds, on the advice of their lawyers, to pursue defamation proceedings against certain Empire shareholders. Empire has settled the matter on commercial terms on the basis that, having regard to likely future costs in pursuing the claims to trial and the enforcement period afterwards, it is in the interest of Empire shareholders as a whole to resolve this legacy issue. As part of this settlement, the parties have agreed that there will be no future claims between Empire and the former Directors.

Community relations

Empire actively supports the local community around Gingin and is a proud sponsor of the Gingin Football Club and the Gingin Aquatic Centre. The Gingin Football Club is currently farming a section of Empire's land with the funds raised assisting with improving club facilities.

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Issued capital

No new shares were issued during the quarter. Table 3 shows the Company's issued capital at quarter end.

Table 3: Issued Capital as at 31 March 2017

Capital type	Number issued
Ordinary Shares	102,404,989
All Options	17,073,059
Listed Options	7,853,059
Unlisted Options	9,220,000

Ken Aitken

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Empire Oil & Gas NL

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About Empire Oil & Gas

Empire Oil & Gas NL ('Empire' or the 'Company') is an onshore conventional gas and condensate producer and explorer listed on the Australian Securities Exchange (ASX: EGO) with key assets in the Perth Basin in Western Australia.

The Company's producing assets at Red Gully are less than 150 kms from the city of Perth where there is a strong gas market. Since commencing operations in 2013, the 100% owned Red Gully Processing Facility has produced and delivered over 9,500 Terajoules (TJ) of gas. Gas produced to date has been contracted to Alcoa of Australia (Alcoa) and delivered through the Dampier to Bunbury Natural Gas Pipeline (DBNGP), which runs close to the Red Gully Processing Facility (RGPF). Condensate is transported via road to BP.

Empire is the holder of the largest net onshore acreage in the highly prospective Perth Basin with its production licenses and permits covering more than 8,000 km², representing approximately 40% of the currently granted acreage in the onshore Perth Basin. Close to pipeline infrastructure and with rapid commercialisation opportunities, the Company has significant exploration potential in an underexplored, proven petroleum basin.

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

Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Resources

All contingent and prospective resources presented in this report are prepared as at 21 April 2017 and 28 April 2017 (Reference: EGO ASX releases of 21 April 2017 and 28 April 2017). The estimates of contingent and prospective resources included in this

announcement have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS and have been prepared using deterministic methods.

Empire is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters underpinning the estimates in this presentation continue to apply and have not materially changed.

Qualifications and consent

The preparation of the Reserve update report as of 1 July 2016 was undertaken by Mr Ian Paton, Valmap Pty Ltd. Mr Paton has over 30 years of Australian and International experience in the Upstream Petroleum business. This experience includes extensive work in asset evaluation, reserve assessment, due diligence in acquisitions and preparation of assessment reports. Mr Paton is a current Member of the SPE and holds B.Sc. Hons (geophysics), M.Pet.Eng Western Australia University and MBA South Australia University.

The estimates of reserves presented in this assessment fairly represents the information and supporting documentation prepared by Mr Paton who is a competent petroleum and resources evaluator and has consented to the inclusion of such information in this announcement in the form and context in which it appears. Mr Paton is a part-time Geoscience and Engineering consultant to Empire Oil and Gas.

Forward Looking Statements

This report has been prepared by Empire Oil and Gas NL ("EGO") for general information purposes only. This report may contain certain forward-looking statements which have not been based solely on historical facts but rather on EGO's current expectations about future events and a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside the control of EGO and its Directors, Officers and Advisers. Due care and attention has been taken in the preparation of this report. However, the information contained in this report (other than as specifically stated) has not been independently verified for EGO or its Directors and Officers, nor has it been audited. Accordingly, the Company does not warrant or represent that the information contained in this report is accurate or complete. To the fullest extent permitted by law, no liability, however arising, will be accepted by EGO or its Directors, Officers or Advisers, for the fairness, accuracy or completeness of the information contained in the report. The Company is not under any obligation to update the information contained in this report.

Table of Abbreviations

Table of Abbreviations	
A\$	Australian Dollars
Bopd or Bpd	Barrels of oil per day
Bwpd	Barrels of water per day
Bbls	Barrels of oil
Bcf	Billion cubic feet
DMP	Department of Environmental Protection
EGO	Empire Oil and Gas
Km	Kilometres
Km²	Square kilometres
m	Millions
PJ	Petajoules
Scf/d	Standard cubic feet per day
TJ or TJ/d	Terrajoules or Terrajoules per day
MMscf	Million standard cubic feet
MMbbls	Million barrels of oil
2D	Two dimensional seismic data
MTI	Medical treatment injury
LTI	Lost time injury
GGW1	Gingin West 1
RGN	Red Gully North
RGN-1	Red Gully North-1
RGPF	Red Gully Processing facility
RVP	Reid Vapour Pressure

Appendix 1: Petroleum Tenements – Interests

Table 4: Tenement Schedule – 31 March 2017

Licence No.	Production and Pipeline Licence Holders	Equity Held	Changes Q1 2017
L 18	Empire Oil Company (WA) Limited	100%	No change
L 19	Empire Oil Company (WA) Limited	100%	No change
PL 96	Empire Oil Company (WA) Limited	100%	No change

Permit No.	Exploration Permit Holders	Equity Held	Changes Q1 2017
EP 389	Empire Oil Company (WA) Limited	100%	Renewal application submitted, subject to statutory relinquishment of acreage
EP 426	Empire Oil Company (WA) Limited* West ranch Holdings Pty Ltd	77.78% 22.22%	No Change
EP 368	Empire Oil Company (WA) Limited* West ranch Holdings Pty Ltd	80% 20%	No Change
EP 432	Empire Oil Company (WA) Limited	100%	No Change
EP 454	Empire Oil Company (WA) Limited	100%	No Change
EP 430	Empire Oil Company (WA) Limited	100%	No change
EP 416	Empire Oil Company (WA) Limited Pilot Energy Limited*	40% 60%	No change
EP 440	Empire Oil Company (WA) Limited	100%	Application for surrender / partial surrender submitted
EP 480	Empire Oil Company (WA) Limited Pilot Energy Limited*	40% 60%	No change

* Denotes permit operator of joint venture

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

EMPIRE OIL & GAS NL

ABN

55 063 613 730

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,372	13,062
1.2 Payments for		
(a) exploration & evaluation	(2,444)	(5,051)
(b) development	0	0
(c) production	(1,052)	(4,073)
(d) staff costs	(488)	(1,505)
(e) administration and corporate costs	(301)	(1,542)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	10	30
1.5 Interest and other costs of finance paid	(254)	(509)
1.6 Income taxes paid	0	0
1.7 Research and development refunds	198	198
1.8 Other (provide details if material)	0	(15)
1.9 Net cash from / (used in) operating activities	41	595

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(955)	(1,532)
(b) tenements (see item 10)	0	0
(c) investments	0	0
(d) other non-current assets	0	0

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	0	0
	(b) tenements (see item 10)	0	150
	(c) investments	0	0
	(d) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	(955)	(1,382)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	0	0
3.2	Proceeds from issue of convertible notes	0	0
3.3	Proceeds from exercise of share options	0	0
3.4	Transaction costs related to issues of shares, convertible notes or options	0	0
3.5	Proceeds from borrowings	0	15,100
3.6	Repayment of borrowings	0	(14,921)
3.7	Transaction costs related to loans and borrowings	0	(142)
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	0	37

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,103	2,939
4.2	Net cash from / (used in) operating activities (item 1.9 above)	41	595
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(955)	(1,382)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	37
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	2,189	2,189

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5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,189	3,103
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,189	3,103

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	(81)
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors fees

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	15,100	15,100
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Mineral Resources have provided a secured revolving working capital facility to Empire at an interest rate of BBSW(MID) + 5% per annum.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	671
9.2 Development	0
9.3 Production	1,837
9.4 Staff costs	451
9.5 Administration and corporate costs	633
9.6 Other (Capital Projects)	1,857
9.7 Total estimated cash outflows	5,449

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to the Petroleum Tenements table included at the back of the 31 March 2017 Quarterly Activities Report.		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		Refer to the Petroleum Tenements table included at the back of the 31 March 2017 Quarterly Activities Report.		

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Compliance statement

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



Sign here:
(Director/Company secretary)

Date:28 April 2017.....

Print name: Rachel Rees.....

Notes

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

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