



EMPIRE OIL & GAS NL

ASX RELEASE

ABN 55 063 613 730
ASX Code EGO

Ground Floor
229 Stirling Highway
CLAREMONT 6010
WESTERN AUSTRALIA

Tel: + 61 8 9286 4600
Fax: + 61 8 9284 6588
Email: admin@empireoil.com.au
Web: www.empireoil.com.au

19 July 2017

Empire appoints new CEO

The Board of Perth Basin domestic oil and gas producer Empire Oil & Gas NL (Empire, ASX:EGO) is pleased to announce the appointment of Mr Angus Walker as Chief Executive Officer of the Company.

Mr Walker possesses extensive experience in the Oil and Gas sector specifically and the broader Energy sector in general, including significant commercial, strategic and capital markets expertise, as well as operational experience.

This includes roles as Head of Energy, Asia Pacific, Canaccord Genuity Group Ltd, where he provided corporate advisory and equity capital markets services to domestic and international corporations throughout the Asia Pacific region, and positions with Bell Potter Securities, Patersons Securities, Ernst & Young and Shell Australia Ltd.

Mr Walker has been assisting the Board and management with a thorough review of strategy and the actions required to rebuild value in Empire.

Current CEO, Mr Ken Aitken, will step down immediately but will be available to assist Mr Walker with the management transition. The Board wishes to thank Ken for his significant contribution to Empire.

Mr Tony Iannello, Chairman of Empire Oil and Gas, said: "I would like to thank Ken for his efforts over the past three years. When Ken joined the Company the Red Gully Production Facility was struggling and our exploration program needed a revamp. Ken and his team fixed the plant's performance so its production and operational uptime are optimised, generating important revenue for the business; improved operational efficiency to enhance profit margin; increased our focus and exposure on the North Perth Basin and progressed several exciting prospects in our exploration permits to drill-ready status."

"The Company's next phase of development is focused on the exploration of these high impact, drill-ready prospects. It is crucial that we attract funding to drill, appraise and develop the Company's extensive suite of Perth Basin assets and Mr Walker has the demonstrated skills to achieve this important goal, supported by Empire's highly experienced exploration and technical team."

"I am delighted that Angus has expressed his confidence in the Company's future success by accepting this key leadership role with a remuneration structure that is predominantly performance based. I and the rest of the Board are looking forward to working closely with him."

Angus Walker said: "I am pleased to take up this exciting opportunity. Empire Oil and Gas' assets are strategically placed in the increasingly important Perth Basin area. There are extensive opportunities for us to grow our production and partner with strategic industry participants to leverage value for all shareholders."

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Mr Walker commences immediately and Mr Aitken will be available to ensure a smooth CEO transition.

Key terms of Mr Walker's Employment Service Agreement are attached.

CHIEF EXECUTIVE OFFICER

Employment Terms

Name	Mr Angus Walker
Position	Chief Executive Officer
Start Date	19 July 2017
Term	<p>Fixed term, ending on the later of the 3 year anniversary of the Start Date and 19 July 2020, unless the employment is terminated earlier.</p> <p>The term may be extended for 2 additional 1 year terms, subject to the agreement of the Board.</p>
Remuneration – Base Salary	\$350,000 plus superannuation, reviewed annually
Remuneration – Short Term Incentives	Up to 100% of the Base Salary of the executive for the relevant fiscal year, payable at the discretion of the Board, having regard for the achievement of annual KPIs set from time to time.
Remuneration – Long Term Incentives	100% of base pay with the ability to reach 188% (based on a set of performance criteria) of the Base Salary in the form of cash share rights issued under the 'Empire Oil & Gas NL's Employee Cash Share Plan' Vesting of Performance Rights will be linked to the compound annual growth rate (CAGR) in share price as determined by the Board.
Relocation Costs	Relocation costs have been agreed to be capped at \$25,000 and these costs will be paid via way of Empire Oil and Gas equity with a market value being determined by a 60 day VWAP being: 30 day VWAP prior to the Annual Results and the 30 day VWAP 30 post the Annual Results.
Termination	<p>The Company may terminate the executive's engagement:</p> <ul style="list-style-type: none"> • 'for cause' with immediate effect. On such termination, the executive will only be entitled to receive short term incentives which have been determined, and long term incentives which have vested, as at the date of termination; • without cause' by giving 6 months' notice. On such termination, the executive will be entitled to 6 months' Base Salary and a pro-rated proportion of Incentives that have been earned or vested in the ordinary course up to date of termination. If the termination relates to a fundamental change in role or responsibilities the employee may be entitled to an additional severance payment of three months' salary.

The executive may terminate his engagement by giving 6 months' notice. On such termination, the executive will be entitled to a pro-rated proportion of

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Incentives that have been earned or vested in the ordinary course up to date on which notice of termination is given.

Restraints	If the Company terminates the executive 'for cause', the executive will, for the period of 6 months from the date of termination, be restrained from competing with any business carried on by the Company or soliciting employees or contractors away from the Company in the Restraint Area being the Perth Basin.
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For further information contact:

Tony Iannello
Chairman
Empire Oil & Gas NL
Telephone: +61 8 9286 4600
www.empireoil.com.au

Cameron Morse
FTI Consulting
Telephone: +61 8 9485 8888

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 8,950 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 46% 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 the 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.

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