



28 April 2017

### Prospective Resources - North Erregulla Deep Prospect

- **Prospective resource estimate (mid-case) for the North Erregulla Deep prospect of 55 bcf gas and 3.55 mmbbls oil (Table 1).**
- **Single vertical well at North Erregulla Deep expected to test both the shallow oil and deep gas potential of the Lockyer North Erregulla trend.**
- **Drilling North Erregulla Deep or Lockyer Deep is anticipated to commence in Q4 subject to partner and regulatory approval and funding.**

Perth Basin domestic gas producer Empire Oil & Gas NL (Empire, ASX: EGO) is pleased to announce an initial prospective resource estimate for the North Erregulla Deep prospect (Table 1).

**Table 1: North Erregulla Deep unrisks Prospective Resources - gross basis<sup>1</sup> (Valmap April 2017)**

	Primary gas targets (Bcf)			Secondary oil targets (MMbbl)		
	Low	Mid	High	Low	Mid	High
Total	15	55	256	0.98	3.55	8.76

#### Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development projects 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.

Commenting on the exploration prospect, Chief Executive Officer Ken Aitken said:

*"We are excited about the North Erregulla Deep target due to the size of the potential oil and gas volumes and ability to test both the primary and secondary objectives with a single vertical well. We expect to drill the highest impact prospect in late Q4 2017 subject to partner and regulatory approval and funding."*

Empire has finalised its deterministic assessment of the prospective resources of the North Erregulla Deep prospect, situated in EP368/EP426<sup>1</sup> and located on the southern end of the Lockyer-North Erregulla structural trend (Figure 1). 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.

North Erregulla Deep prospective oil resources (Figure 2) 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 gas 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 1). A single vertical well at the North Erregulla Deep location will penetrate both the shallow oil and deep gas targets (Figure 3).

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Figure 1: North Erregulla Deep / Lockyer Deep – Prospective Resources – Primary Gas Target

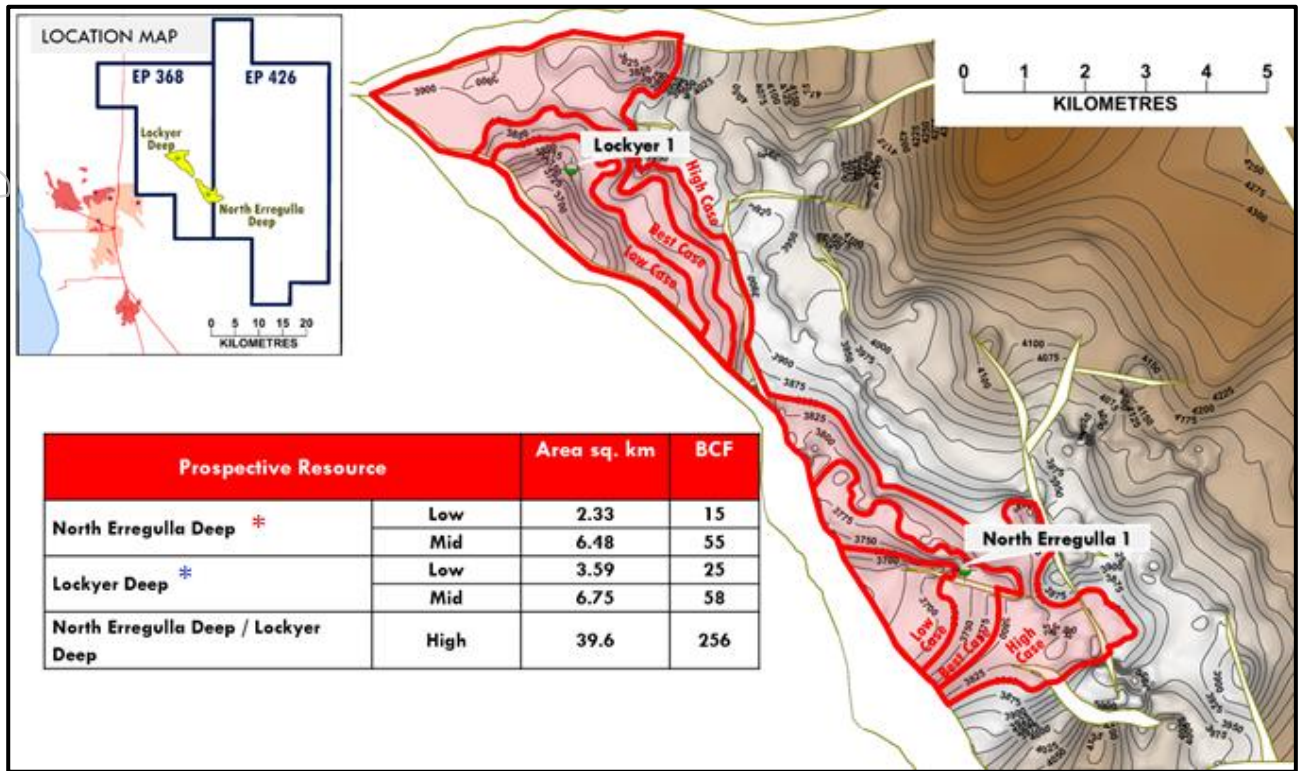
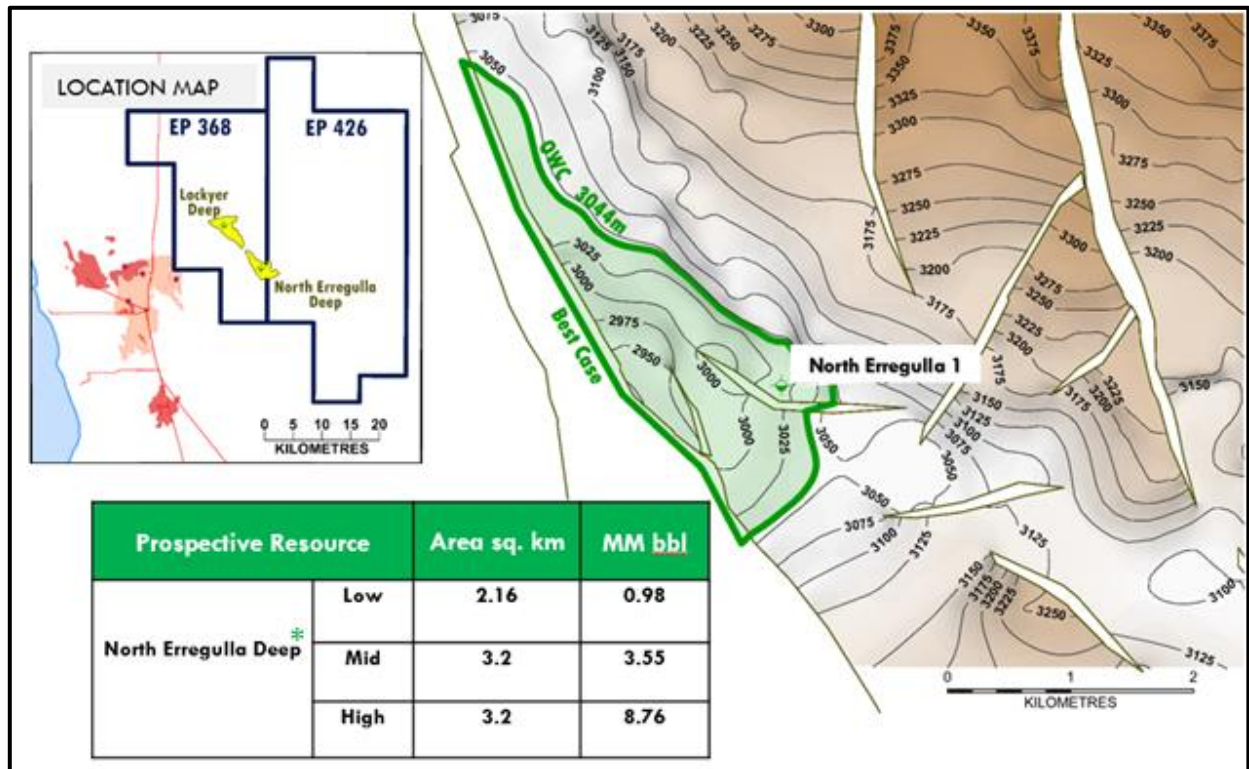


Figure 2: North Erregulla Deep – Prospective Resources – Secondary Oil Target

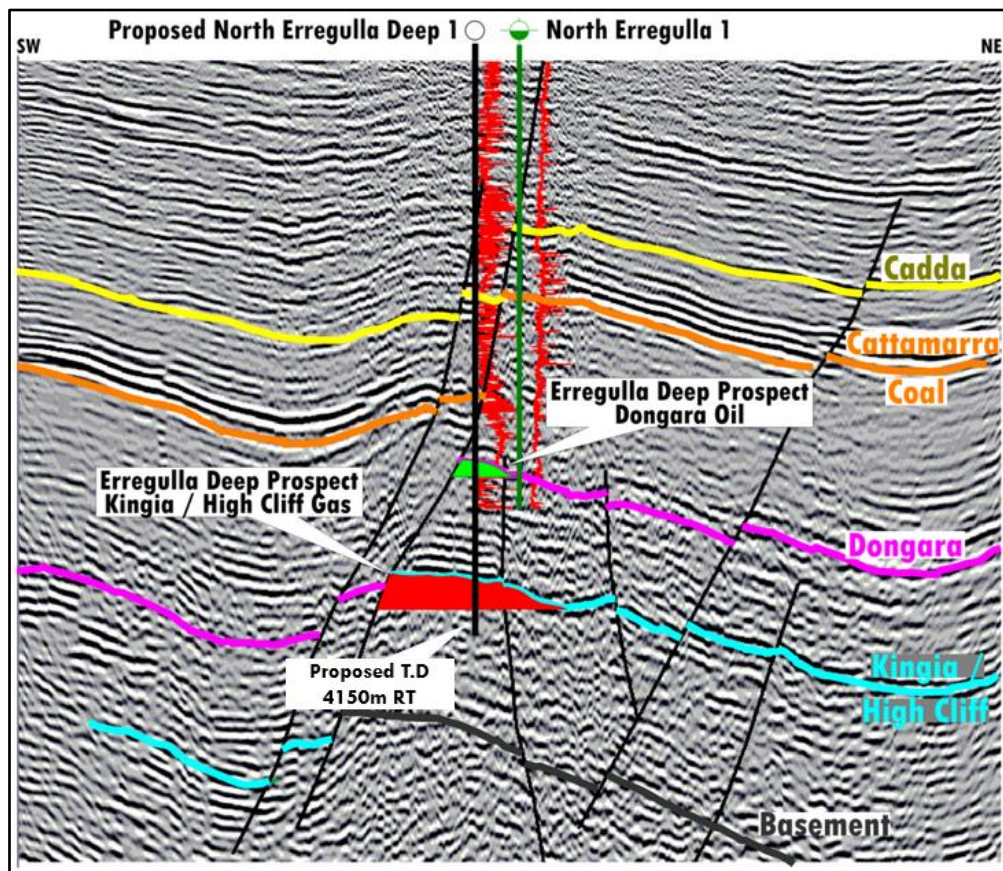


- \* Possibility of success (North Erregulla Deep primary gas target) 19%
- \* Possibility of success (Lockyer Deep gas target) 20%
- \* Possibility of success (North Erregulla Dongara/Wagina secondary oil target) 20%

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Figure 3: North Erregulla Deep Seismic Section and Proposed North Erregulla Deep Well Trajectory Relative to North Erregulla-1



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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 km<sup>2</sup>, 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.

### Resources

All prospective resources presented in this report are prepared as at 28 April 2017 (Reference: EGO ASX release of 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.

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EP 368	Empire Oil Company (WA) Limited* Westtranch Holdings Pty Ltd	80% 20%
EP 426	Empire Oil Company (WA) Limited* Westtranch Holdings Pty Ltd	77.78% 22.22%