



EMPIRE OIL & GAS NL

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1 December 2010

The Manager
ASX
Company Announcements Office
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

RE: **EP 389 FARMIN WITH COTTESLOE OIL & GAS PTY LTD**

Please find the summary of the EP 389 Farmin with Cottesloe Oil & Gas Pty Ltd.

Regards

J L CRAIG MARSHALL
Managing Director
EMPIRE OIL & GAS N.L.



STOCK EXCHANGE RELEASE

1 December 2010

EP 389 FARMIN WITH COTTESLOE OIL AND GAS PTY LTD

Empire Oil Company (WA) Limited ("Empire") has settled the terms of the Cottesloe Oil and Gas Pty Ltd ("Cottesloe") Farmin into EP 389 and has provided an extension of time until 7 December 2010 to complete and execute a comprehensive Farmin Agreement.

The terms of the Farmin are where Cottesloe will fund 50% of the costs of drilling the Red Gully-1 well and 50% of the costs of completing and testing the Red Gully-1 well to earn a 25% interest in EP 389. Cottesloe will reimburse 25% of the costs of drilling the Gingin West-1 well from production from Gingin West-1 to Empire.

Empire has agreed to farmout to Cottesloe a 16.15% interest where Cottesloe will fund 32.30% of Empire's share of the well costs. Empire will contribute 36.45% of the well cost, retaining a 52.60% interest in the Permit. Empire's reimbursement of the Gingin West-1 production from Cottesloe is in the amount of \$1,695,750.

Sun Biomedical Limited have entered into agreement to acquire Cottesloe. Sun Biomedical Limited will release those terms in due course.

For further information, please contact:

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