



EMPIRE OIL & GAS NL

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15 November 2007

Australian Securities Exchange Limited
Company Announcements Office
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

**RE: EP 104/R1 CANNING BASIN, WESTERN AUSTRALIA – STOKES BAY-1 WELL
TESTING RESUMES**

Please find details of the Stokes Bay-1 well testing.

Yours faithfully

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

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STOCK EXCHANGE RELEASE

15 November 2007

EP 104/R1 CANNING BASIN, WESTERN AUSTRALIA - STOKES BAY-1 WELL TESTING RESUMES

Empire Oil & Gas N.L. advises that the EP104/R1 Joint Venture has re-commenced testing operations at the Stokes Bay-1 well at 09:45 Hrs on 14 November, 2007.

Testing operations are utilising a specialised testing crew that is more cost efficient than having the Century Rig 18 on location, and this small crew is also more able to access the Stokes Bay location should the wet season be early.

At completion of the initial test flow using Rig 18, the well was shut in and down hole pressure measurements taken. Interpretation of these pressure measurements together with surface shut in pressures provided encouragement that the well will flow and cleanup so that the nature of the reservoir fluid can be determined. Because of the vugular and cavernous nature of the porosity in the section and the amount of drilling fluid and lost circulation material lost to the formation, the well may take some time to flow and to clean up. Wells in similar formations can take several days of flow before definitive reservoir fluids are observed.

Following initial setup and pressure testing of the wellhead, the first attempt to flow the fluids in the well to surface has not been successful and will require assistance to commence flow. The mobilisation of swabbing and other specialised equipment to the wellsite will now take place to get the well to flow and assist with the cleanup of the well.

Participants in Stokes Bay 1 (post earning) are:

Empire Oil and Gas NL	14.80%
ARC Energy Limited	38.95% (Operator)
Emerald Oil & Gas NL	12.75%
Pancontinental Oil & Gas	10.00%
Phoenix Resources PLC	10.00%
First Australian Resources Limited	8.00%
Indigo Oil	5.50%

For further information, please contact:

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