



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

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South Perth Basin Farmout to Pilot Energy Complete

- Empire has completed the farmout of its South Perth Basin Permits EP 480 and EP 416 following the renewal of EP 416 by the Regulator.
- EP 416 has been renewed for a five year term with modest firm commitments (surface geochemical survey and geological and geophysical studies to further de-risk the Leschenault prospect).
- Empire still retains a material (non-operated) 40% interest in both South Perth Basin Permits.
- Empire will be fully carried for two years on all non-field based activity from 1 September 2015.
- The farmout allows Empire to focus efforts on its higher ranked permits in the proven North Perth Basin.

Perth Basin domestic gas producer Empire Oil and Gas NL (Empire, ASX: EGO) is pleased to advise the finalisation of the terms relating to the farmout to Pilot Energy Limited (Pilot, ASX: PGY), announced to the ASX on 1 September 2015.

As previously advised, Pilot will earn 60% equity in Empire's South Perth Basin permits EP 416 and EP 480 for a total cash consideration of \$450,000, payable in three equal tranches and subject to regulatory approval. The first two tranche payments have already been received by Empire.

Final Regulatory approval for the renewal of EP 416 has been received from the West Australian Department of Mines & Petroleum, allowing the completion of all stages of the farmout. This triggers the final \$150,000 tranche payment, which now becomes payable to Empire.

The joint venture will now decide on timelines to conduct an appropriate work program. Empire will retain a 40% non-operated interest in both EP 480 and EP 416 and will be free carried until 31 August 2017 through all non-field based work in the permits. Both permits are located in Empire's secondary focus area of the South Perth Basin. The joint venture will now progress the large Leschenault gas prospect. This Farmout was undertaken to allow Empire's resources to be directed to its primary focus area in the highly prospective North Perth Basin.

– ENDS –

For further information, contact:

Ken Aitken
Chief Executive Officer
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 NL

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 7,800 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 9,000 km², representing 48% 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.