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## **EMPIRE ENERGY GROUP & RAYA GROUP JOINT VENTURE USA MID-CONTINENT OIL & GAS PROJECT**

Raya Group Limited (ASX:RYG) is pleased to advise that its US based subsidiary has executed a Letter of Intent (LOI) with the USA subsidiary of Empire Energy Group Limited (ASX:EEG) to jointly identify, acquire and develop oil and gas leases in an exclusive Area of Mutual Interest (AMI) in Northern Oklahoma.

The LOI is non-binding with both parties working towards finalising the Joint Venture Agreement (JVA) and Joint Operating Agreement (JOA) prior to 31 December 2014. Empire will be the designated operator of the JV.

Both Companies are to contribute oil and gas leases within the AMI on a 50/50 basis with approximately 4,000 gross acres leased and with an initial target of up to 6,400 acres in the original project area. Leases are being acquired with a 3 year primary term and 2 year bonus term with 100% Working Interest and ~81.25% Net Revenue Interest under competitive commercial terms. A number of the Empire leases are contiguous with the Raya leases.

There is current oil and gas production in offsetting leases from both formations and subject to final agreements, drilling is expected to commence within the first quarter of 2015. The companies are proposing to undertake a low cost vertical well program targeting known oil and gas producing horizons in the area including the Mississippi Lime and Wilcox formations. Funding for the proposed wells is to be shared equally on a 50/50 basis.

Executive Chairman of Raya, Mr. Athan Lekkas commented "*The proposed Joint Venture with Empire Energy is another key step forward in our pursuit of near term revenue assets in the USA. Our Area of Mutual Interest is targeting oil and gas leases within the highly productive oil fields of Northern Oklahoma. Empire has a highly skilled professional team located at their Mid-Con regional office about an hour's drive from the project area and is already a licensed oil and gas Operator within the State of Oklahoma. The current weakness in the oil price is allowing us to acquire leases at competitive prices which combined with a vertical well development plan would indicate a great opportunity to deliver attractive project returns over the near term and into the future*".

A further update will be released to the market once final agreements have been executed.

By Order of the Board

For Raya Group Media Enquiries

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