



NOTICE OF ANNUAL GENERAL MEETING

**An Annual General Meeting of
Empire Energy Group Limited
ABN 29 002 148 361
to be held on Thursday, 27 May 2021 at 11.30 am (AEST)**

Boardroom 1, Level 19,
20 Bond Street, Sydney NSW 2000

IMPORTANT INFORMATION

This document is important. Please read it carefully
and if you require assistance, consult your legal or
financial adviser.

Dear Shareholder,

I am pleased to invite you to attend an Annual General Meeting (**AGM**) of Empire Energy Group Limited (the **Company**) to be held at Boardroom 1, Level 19, 20 Bond Street, Sydney NSW 2000.

Shareholders can vote by proxy by completing the enclosed Proxy Form and returning it in person, by fax or in the envelope provided. Instructions on how to appoint a proxy are detailed on the Proxy Form.

Proxies must be received no later than **11:30 am (AEST) on Tuesday, 25 May 2021** to be valid for the AGM.

In the event that the Company is required to make alternative arrangements for the AGM, we will lodge an ASX announcement and update our website.

Please read the Notice of Meeting and accompanying Explanatory Statement carefully before deciding how to vote.

Yours faithfully,

Paul Espie, AO
Non-Executive Chairman

**NOTICE OF ANNUAL GENERAL MEETING
EMPIRE ENERGY GROUP LIMITED (ABN 29 002 148 361)**

Notice is hereby given that an AGM of the members of Empire Energy Group Limited ABN 29 002 148 361 ("**Company**") will be held at the offices at the time and date listed below to consider and vote on the resolutions specified in this notice.

Time and date of meeting: 11.30 am (AEST) on Thursday, 27 May 2021

Place of meeting: Boardroom 1, Level 19,
20 Bond Street, Sydney NSW

The business to be considered at the AGM is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Statement, which contains information in relation to the following resolutions. If you are in any doubt as to how you should vote on the proposals set out in this Notice of Meeting, you should consult your financial or other professional adviser.

AGENDA

1. ORDINARY BUSINESS

1.1. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 31 December 2020.

Note: No resolution is required for this item of business.

1.2. Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding resolution:

"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 31 December 2020."

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Note: The Remuneration Report, which forms part of the Directors' Report, is included in the Company's Annual Report.

2. SPECIAL BUSINESS

2.1. Resolution 2: Election of Mr Louis Rozman as a Director

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That Mr Rozman, having retired from office as a Director of the Company in accordance with ASX Listing Rule 14.4 and Article 48.2 of the Company’s constitution and, being eligible, offers himself for election, be elected as a Director of the Company.”

Information about Mr Rozman and his election is included in the Explanatory Statement.

2.2. Resolution 3: Re-election of Mr Paul Espie AO as a Director

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That Mr Espie AO, having retired from office as a Director of the Company in accordance with ASX Listing Rule 14.5 and Article 50.1 of the Company’s constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”

Information about Mr Espie AO and his re-election is included in the Explanatory Statement.

2.3. Resolution 4: Ratify previous issue of Restricted Rights

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the past issue of 455,820 Restricted Rights on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

2.4. Resolution 5: Ratify previous grant of Restricted Rights to US Employees

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the past issue of 1,044,000 Restricted Rights on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

2.5. Resolution 6: Ratify previous issue of Shares under ASX Listing Rule 7.1

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the past issue of 33,333,334 fully paid ordinary shares issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

2.6. Resolution 7: Ratify previous issue of Tranche 1 Placement Shares issued under ASX Listing Rule 7.1

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the past issue of 37,164,056 Shares at an issue price of \$0.30 per Share under ASX Listing Rule 7.1, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

2.7. Resolution 8: Ratification of Tranche 1 Placement Shares issued under ASX Listing Rule 7.1A

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the past issue of 2,154,773 Shares at an issue price of \$0.30 per Share under ASX Listing Rule 7.1A, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

2.8. Resolution 9: Approve the issue of Tranche 2 Placement Shares

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 60,681,171 Shares at an issue price of \$0.30, on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

2.9. Resolution 10: Approval of issue of Shares to Peter Cleary

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Peter Cleary, a Director, (or his nominee(s)) of a total of 340,000 Shares (at an issue price of \$0.30 per Share), on the terms and conditions set out in the Explanatory Statement.”

2.10. Resolution 11: Approval of issue of Shares to Paul Espie AO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Paul Espie AO, a Director, (or his nominee(s)) of a total of 3,333,333 Shares (at an issue price of \$0.30 per Share), on the terms and conditions set out in the Explanatory Statement.”

2.11. Resolution 12: Approval of issue of Shares Louis Rozman

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Mr Louis Rozman, a Director, (or his nominee(s)) of a total of 167,000 Shares (at an issue price of \$0.30 per Share), on the terms and conditions set out in the Explanatory Statement.”

2.12. Resolution 13: Approval of issue of Shares to John Warburton

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue to Professor John Warburton, a Director, (or his nominee(s)) of a total of 100,000 Shares (at an issue price of \$0.30 per Share), on the terms and conditions set out in the Explanatory Statement.”

2.13. Resolution 14: Grant of Restricted Rights to Managing Director

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant of 327,381 Restricted Rights under the EEG Limited Rights Plan to the Managing Director, Mr. Alexander Underwood, in lieu of cash, to recognise the STI achievements as described in the Explanatory Statement accompanying this Notice of Meeting.”

2.14. Resolution 15: Grant of Service Rights to Professor Warburton

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the issue of 600,000 Service Rights under the EEG Limited Rights Plan to Professor John Warburton on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

2.15. Resolution 16: Grant of Director Fee Restricted Rights to Mr Espie AO

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant Director Fee Restricted Rights under the EEG Limited Rights Plan to Mr. Paul Espie AO in-lieu of director fees on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

2.16. Resolution 17: Grant of Director Fee Restricted Rights to Mr Cleary

To consider and, if thought fit, to pass with or without amendment the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the grant Director Fee Restricted Rights under the EEG Limited Rights Plan to Mr. Peter Cleary in-lieu of director fees on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."

2.17. Resolution 18: Approval of 10% Placement Facility

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That the Company have the additional capacity to issue equity securities of up to 10% of its issued capital, as provided for in ASX Listing Rule 7.1A and as set out in the Explanatory Statement accompanying this Notice of Meeting."

As a special resolution, the above resolution requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by remote communication, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

2.18. Resolution 19: Spill Resolution (Conditional on Resolution 1)

If 25% or more of votes cast on Resolution 1 are against the adoption of the Remuneration Report, to consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

"That, for the purposes of section 250V of the Corporations Act and for all other purposes, Shareholders approve

- (a) an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days of the passing of this Resolution;*
- (b) all of the Directors who were Directors when the Resolution to make the Directors' Report for the year ended 31 December 2020 was passed (other than the Managing Director), and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.*

This Resolution will only be put to the AGM if at least 25% of the votes validly cast on Resolution 1 are against the Resolution. If you do not want a Spill Meeting to take place, you should vote against Resolution 19. If you want a Spill Meeting to take place, you should vote for Resolution 19.

3. VOTING EXCLUSIONS

3.1. Voting Exclusion Statements

Resolution 1 (Adoption of Remuneration Report)	A vote on Resolution 1 must not be cast: <ul style="list-style-type: none">(a) by or on behalf of a KMP or a Closely Related Party of such member (regardless of the capacity in which the vote is cast); or(b) by a person appointed as a proxy, where that person is either a KMP or a Closely Related Party of a KMP, unless the vote is cast as a proxy for a person permitted to vote on Resolution 1:(c) in accordance with a direction as to how to vote on the Proxy Form; or(d) by the Chair pursuant to an express authorisation to exercise the proxy even though it is connected with the remuneration of a KMP.
Resolution 2 (Election of Mr Louis Rozman as a Director)	There are no voting exclusions on this Resolution.
Resolution 3 (Re-election of Mr Paul Espie AO as a Director)	There are no voting exclusions on this Resolution.

Resolution 4 (Ratify previous issue of Restricted Rights)	The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Dr Alex Bruce, Mr Ben Johnston, Ms Kylie Arizabaleta and Mr Charles Dack, or an Associate of those persons or is a counterparty of the agreement being approved. These securities were agreed to be issued at year-end as short term performance reward.
Resolution 5 (Ratify previous grant of Restricted Rights to US Employees)	The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of US employees, or an Associate of those persons or is a counterparty of the agreement being approved. These securities were agreed to be issued at year-end as short term performance reward.
Resolution 6 (Ratify previous issue of Shares)	The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who participated in the issue, or an Associate of those persons.
Resolution 7 (Ratify previous issue of Tranche 1 Placement Shares issued under ASX Listing Rule 7.1)	The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of a person who participated in the Tranche 1 Placement, or an Associate of those persons.
Resolution 8 (Ratify previous issue of Tranche 1 Placement Shares issued under ASX Listing Rule 7.1A)	The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of a person who participated in the Tranche 1 Placement, or an Associate of those persons.
Resolution 9 (Approve the issue of Tranche 2 Placement Shares)	The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the issue of the Tranche 2 Placement Shares (except a benefit solely in the capacity of a holder of Shares) or an Associate of those persons.
Resolution 10 (Approval of issue of Shares to Mr Peter Cleary)	The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of Mr Peter Cleary or any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of Shares) or an Associate of those persons.
Resolution 11 (Approval of issue of Shares to Mr Paul Espie AO)	The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of Mr Paul Espie AO or any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of Shares) or an Associate of those persons.
Resolution 12 (Approval of issue of Shares to Mr Louis Rozman)	The Company will disregard any votes cast in favour of Resolution 12 by or on behalf of Mr Louis Rozman or any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of Shares) or an Associate of those persons.
Resolution 13 (Approval of issue of Shares to Professor John Warburton)	The Company will disregard any votes cast in favour of Resolution 13 by or on behalf of Professor John Warburton or any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of Shares) or an Associate of those persons.
Resolution 14 (Grant of Performance Rights to Managing Director)	The Company will disregard any votes cast in favour of Resolution 14 by or on behalf a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.2 who is eligible to participate in the EEG Limited Rights Plan or an Associate of those persons.

Resolution 15 (Grant of Service Rights to Professor Warburton)	The Company will disregard any votes cast in favour of Resolution 15 by or on behalf a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.2 who is eligible to participate in the EEG Limited Rights Plan or an Associate of those persons.
Resolution 16 (Grant of Director Fee Restricted Rights to Mr Espie AO)	The Company will disregard any votes cast in favour of Resolution 16 by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.2 who is eligible to participate in the EEG Limited Rights Plan or an Associate of those persons.
Resolution 17 (Grant of Director Fee Restricted Rights to Mr Peter Cleary)	The Company will disregard any votes cast in favour of Resolution 17 by or on behalf of a person referred to in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.2 who is eligible to participate in the EEG Limited Rights Plan or an Associate of those persons.
Resolution 18 (Approval of 10% Placement Facility)	In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the issue of equity securities (if any). On that basis, no existing Shareholders are currently excluded from voting.
Resolution 19 (Spill Resolution)	<p>A vote on Resolution 19 must not be cast:</p> <ul style="list-style-type: none"> (a) by or on behalf of a KMP or a Closely Related Party of such member (regardless of the capacity in which the vote is cast); or (b) by a person appointed as a proxy, where that person is either a KMP or a Closely Related Party of a KMP, unless the vote is cast as a proxy for a person permitted to vote on Resolution 19: (c) in accordance with a direction as to how to vote on the Proxy Form; or (d) by the Chair pursuant to an express authorisation to exercise the proxy even though it is connected with the remuneration of a KMP.

However, the Company need not disregard a vote cast in favour of **Resolutions 4 – 18**, if it is cast by:

1. a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
2. the Chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
3. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met;
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and

- b. the holder votes on the Resolution in accordance with directions given to the beneficiary to the holder to vote in that way.

3.2. Voting Prohibitions for Resolutions 14 to 17 (inclusive) and 19

A vote on Resolutions 14 to 17 (inclusive) or 19 must not be cast:

- (a) by or on behalf of a KMP or a Closely Related Party of such member (regardless of the capacity in which the vote is cast); or
- (b) by a person appointed as a proxy, where that person is either a KMP or a Closely Related Party of a KMP,

unless the vote is cast as a proxy for a person permitted to vote on Resolutions 14 to 17 (inclusive) or 19:

- (c) in accordance with a direction as to how to vote on the Proxy Form; or
- (d) by the Chair pursuant to an express authorisation to exercise the proxy even though it is connected with the remuneration of a KMP.

3.3. Chair's voting intentions

The Chair intends to vote any undirected proxies in favour of all Resolutions other than Resolution 19, which the Chair intends to vote against.

4. OTHER BUSINESS

To transact any other business that might be legally brought before the AGM.

By Order of the Board of Directors

Andrew Phillips

Company Secretary

26 April 2021

This Notice of Meeting is accompanied by an explanatory statement to Shareholders which explains the purpose of the AGM and the resolutions to be considered at that meeting.

Voting Eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the AGM are those who are registered Shareholders as at 7.00 pm (AEST) on Tuesday, 25 May 2021.

How to Vote

You may vote by attending the meeting virtually, in person, by proxy or corporate representative.

Voting in Person

To vote in person, attend the AGM on the date and place as set out in this Notice of Meeting.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed within this Notice of Meeting, so that it is received no later than 11.30 am (AEST) on Tuesday, 25 May 2021, being at least 48 hours prior to the Meeting. Proxy forms received later than this time will be invalid. Two proxy forms accompany this Notice of Meeting.

Green Proxy Form

The green proxy form accompanying this Notice of Meeting is a pre-completed form appointing the Chair of the Meeting as your proxy and is completed to direct the Chair of the Meeting to vote all undirected proxies in favour of each resolution, other than Resolution 19 which is completed to direct the Chair of the Meeting to vote all undirected proxies against that resolution.

If you wish to support the Board's recommendation and would like to appoint a representative of the Board as your proxy, then you may simply use the green proxy form.

White Proxy Form

Alternatively, you may complete the white proxy form accompanying this Notice of Meeting, which is an open form, by appointing up to two proxies to attend and vote on your behalf or by appointing the Chair as your proxy.

If you wish to appoint two proxies, a second open proxy form can be obtained from the Company's share registry or you may copy the proxy form provided. Both forms should be completed with the nominated number of voting rights each proxy is appointed to exercise. If you appoint two proxies and the appointment does not specify the number of votes the proxies may exercise, each proxy may exercise one half of the Shareholder's votes.

Hand deliveries	Postal address
Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford VIC 3067	Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001

Alternatively, you can fax your proxy form so that it is received no later than 11.30 am (AEST) on Tuesday, 25 May 2021 on the fax number listed below.

Fax Number: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Similarly, a Shareholder who wishes to appoint their proxy electronically through www.investorvote.com.au (or www.intermediaryonline.com for relevant intermediaries who participate in the Intermediary Online service) must do so by no later than 11.30 am (AEST) on Tuesday, 25 May 2021.

Your Proxy Form is Enclosed

This is an important document. Please read it carefully. If you are unable to attend the AGM please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

Votes of Members

On a show of hands, each Shareholder present in person or by proxy (or, in the case of a body corporate, by a representative) at the AGM shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) at the AGM shall have one vote for each share held provided that all shares are fully paid.

The Chair of the Meeting intends to put all resolutions to a poll.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for shareholders of Empire Energy Group Limited (“**Company**”) in connection with the business to be transacted at the AGM to be held at 11.30 am (AEST) on Thursday, 27 May 2021 at Boardroom 1, Level 19, 20 Bond Street, Sydney, NSW and contains explanatory and other information for Shareholders in relation to the resolutions set out in the attached Notice of Meeting.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the proposed Resolutions.

The Directors intend to cast all votes controlled by them and any undirected proxies they hold: in favour of **Resolutions 2 – 18** and against **Resolution 19**, to the extent they are not precluded from voting on a Resolution.

Unless an individual Director is conflicted, the Directors recommend that Shareholders vote in favour of each Resolution, except for Resolution 19 which the Directors recommend that Shareholders vote **against**. Further it is noted that:

- Mr Rozman abstains from making any recommendation that Shareholders vote in favour of Resolutions 2 and 12;
- Mr. Espie AO abstains from making any recommendation that Shareholders vote in favour of Resolution 3, 11 and 16;
- Prof. Warburton, abstains from making any recommendation that Shareholders vote in favour of Resolutions 13 and 15;
- Mr Cleary abstains from making any recommendation that Shareholders vote in favour of Resolutions 10 and 17; and
- Mr. Underwood abstains from making any recommendation that Shareholders vote in favour of Resolutions 4, 5, and 14.

If you are in doubt about what to do in relation to the resolutions, you should consult your financial or other professional adviser.

Financial Statements

The financial report, Directors’ Report and Auditor’s report for the Company for the financial year ended 31 December 2020 will be laid before the AGM.

There is no requirement for Shareholders to approve these reports.

The AGM provides a forum for Shareholders to ask questions and make comments on the Company’s reports and accounts and on the management, business and operations of the Company.

In addition, Shareholders will be allowed a reasonable opportunity at the AGM to ask questions of the Auditor (or the Auditor’s representative) relevant to:

- the conduct of the audit;
- the content of the Auditor’s report;

- the accounting policies adopted by the Company for the preparation of the financial statements; and
- the Auditor's independence in relation to the above items.

Shareholders may view the Company's annual financial report on the Company's website www.empireenergygroup.net.

Resolution 1: Adoption of Remuneration Report

Pursuant to section 250R(2) of the Corporations Act, a resolution that the Remuneration Report be adopted must be put to vote at the Company's AGM. The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's FY2020 Annual Report which is available from the Company's website www.empireenergygroup.net.

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
- sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
- explains the difference between the bases for remunerating Non-Executive Directors and senior executives, including the Managing Director.

Under the Corporations Act, if at least 25% of the votes cast on a resolution to adopt the Remuneration Report (**Strike**) are voted against in two consecutive AGMs, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting, at which all Directors (other than the Managing Director) who were in office at the date of the approval of the applicable Directors' Report must stand for re-election (**Spill Resolution**).

The Company's Remuneration Report received a first Strike at the 2020 annual general meeting. If the Remuneration Report receives a Strike at the AGM, Resolution 21 (Spill Resolution) will be voted on at the AGM. Accordingly, please note that a 'no' vote of 25% or more on Resolution 1 may result in the re-election of the Board. Refer to the section of the Explanatory Statement relating to Resolution 19 for further details.

Subject to the voting exclusions set out in the Notice of Meeting, the Chair of the meeting proposes to vote any undirected proxies in favour of Resolution 1.

Resolution 2: Election of Mr Louis Rozman as a Director

At the Annual General Meeting, Mr Louis Rozman will retire in accordance with ASX Listing Rule 14.4 and Article 48.2 of the Company's constitution. Being eligible, Mr Rozman will offer himself for election at the AGM. Mr Rozman was appointed on 11 March 2021.

The biography, including qualifications, skills and experience of Mr Rozman is set out below.

Mr Louis Rozman

B.Eng, MGeoSc

Mr Rozman has had a distinguished career in the natural resources sector across operations, development and project financing. His experience includes construction, project management, joint ventures and project financing including private equity.

He has held numerous senior management positions in the industry. His experience as Chief Executive Officer of CH4 Gas Limited ("**CH4**") a successful Queensland coal seam gas developer and producer, is of direct relevance to Empire's growth plans. CH4 was one of the first companies to commercialise a Queensland coal seam methane project. CH4 merged with Arrow Energy in 2006, and the enlarged business was later acquired by Royal Dutch Shell and PetroChina for >A\$3 billion.

Mr Rozman is a mining engineer and executive with 40 years' experience in operating and constructing projects in Africa, Australia and Papua New Guinea. Mr Rozman was the Chief Operating Officer of AurionGold Limited and was instrumental in the growth and development of its predecessor, Delta Gold Limited.

Mr Rozman was a founding partner and director of Pacific Road Capital Management overseeing several of its key natural resources projects.

Mr Rozman is a Fellow of the Australian Institute of Company Directors, the Australasian Institute of Mining and Metallurgy ("**AusIMM**") and a Chartered Professional (Management). He is the Chairman of the VALMIN Code Committee for the AusIMM and Australian Institute of Geoscientists. He has a Bachelor of Engineering (Mining) degree from the University of Sydney and a Masters in Geoscience (Mineral Economics) from Macquarie University.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 2.

Resolution 3: Re-election of Mr Paul Espie AO as a Director

At the AGM, Mr Paul Espie AO will retire in accordance with ASX Listing Rule 14.5 and Article 50.1 of the Company's constitution. Being eligible, Mr Espie will offer himself for re-election at the AGM. Mr Espie was first appointed to the board of the Company on 8 November 2018.

The biography, including qualifications, skills and experience of Mr Espie is set out below.

Mr Paul Espie AO

Mr Espie was awarded the Order of Australia in 2018 for distinguished service to the mining and infrastructure sectors through financial advisory roles, to public policy development and reform, and to not-for-profit organisations.

Mr Espie was the founding principal of Pacific Road Capital, a manager of private equity funds investing in the resources sector internationally, in 2006. Mr Espie was Chairman of Oxiana Limited during the development of the Sepon copper/gold project in Laos (2000 to 2003) and prior to that Chairman of Cobar Mines Pty Ltd after a management buy-out in 1993. Mr Espie was previously responsible for Bank of America operations in Australia, New Zealand and Papua New

Guinea and Chairman of the Australian Infrastructure Fund. Mr Espie is a Fellow of the Australian Institute of Company Directors, Trustee of the Australian Institute of Mining & Metallurgy, Educational Endowment Fund, and a Director of the Menzies Research Centre.

Subject to the voting exclusions set out in the Notice of the AGM, the Chair of the meeting proposes to cast any undirected proxies in favour of Resolution 3.

Resolutions 4, 5, 6, 7 and 8: Ratification of previous issues

The Company is seeking Shareholder approval under Resolutions 4, 5, 6, 7 and 8 to ratify the prior issue of Shares and Rights pursuant to ASX Listing Rule 7.4.

1. ASX Listing Rules 7.1 and 7.1A

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this by 15% limit by an extra 10% to 25%.

The securities subject to Resolution 6, 7 and 8, used all of the 15% limit in ASX Listing Rule 7.1 and 10% limit in ASX Listing Rule 7.1A, reducing the Company's capacity to issue further equity securities without shareholder approval under ASX Listing Rules 7.1 and 7.1A for the 12 month period following each relevant issue date(s).

2. ASX Listing Rule 7.4

ASX Listing Rule 7.4 allows for a company to ratify an issue of equity securities issued under its placement capacity under ASX Listing Rules 7.1 or 7.1A if the Company did not breach the ASX Listing Rules 7.1 or 7.1A placement limit at the time of issue and the holders of ordinary shares subsequently approve the issue. The Company is now seeking approval for the issue of these securities in the manner provided by ASX Listing Rule 7.4.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1 and 7.1A. To that end, for Resolutions 4, 5, 6, 7 and 8, the Company seeks approval to each relevant Issue under and for the purposes of ASX Listing Rule 7.4.

3. Specific Information required by ASX Listing Rule 14.1A

For each of Resolutions 6, 7 and 8, if each respective Resolution **is passed**, then each relevant issue will be **excluded** in calculating the Company's 15% limit in ASX Listing Rule 7.1 or the Company's 10% limit in ASX Listing Rule 7.1A (as applicable), **effectively increasing the number** of equity securities it can issue without shareholder approval over the 12 months period following from each respective issue date.

For each of Resolutions 6, 7 and 8, if each respective Resolution is **not passed**, then each relevant issue will **continue to be included** in calculating the Company's 15% limit in ASX Listing Rule 7.1 or the Company's 10% limit in ASX Listing Rule 7.1A (as applicable), **effectively decreasing** the number of equity securities it can issue without shareholder approval over the 12 months period following from each respective issue date.

The allottees of the Shares and Rights were professional and/or sophisticated investors (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act or employees (excluding the Managing Director) in the case of the Performance, Restricted and Service Rights.

4. Specific Information required by ASX Listing Rule 7.5

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 4, 5, 6, 7 and 8, as set out below:

Restricted Rights issued in relation to Resolution 4:	
Date of issue	23 December 2020
Number and type of securities issued	455,820 Restricted Rights issued under ASX Listing Rule 7.1
Terms of Securities issued	<p>Each Restricted Right is able to be converted to Shares on a 1:1 basis, subject to vesting conditions.</p> <ul style="list-style-type: none"> • 129,850 Restricted Rights are subject to a 3 month vesting period. These Restricted Rights were elected to be taken in lieu of cash; and • 325,970 Restricted Rights are subject to a 12 month vesting period. <p>All terms other than vesting period are standard as set out in Appendix A.</p>
Persons who received securities or basis on which those persons were determined	<p>The Restricted Rights were issued to the following Senior Executives of the Company:</p> <ul style="list-style-type: none"> • Dr Alex Bruce; • Mr Ben Johnston; • Ms Kylie Arizabaleta; and • Mr Charles Dack, <p>according to seniority as an incentive for short term performance thereby increasing the alignment between their interests and that of Shareholders.</p>
Summary of any other material terms of the agreement	The Restricted Rights were issued under the EEGLRP, a summary of which is set out at Appendix A of this Explanatory Statement.
Issue Price of Securities	Nil
Purpose of the Issue	The Restricted Rights were issued to reward senior management for performance over the 2020 financial year or in lieu of a discretionary cash short term incentive payment.
Use of funds raised	No funds were raised by the issuance.
Voting Exclusion Statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

Restricted Rights issued in relation to Resolution 5:	
Date of issue	23 December 2020
Number and type of securities issued	1,044,000 Restricted Rights issued under ASX Listing Rule 7.1
Material Terms of Securities	<p>Each Restricted Right is able to be converted to Shares on a 1:1 basis, subject to vesting conditions.</p> <ul style="list-style-type: none"> 1,044,000 Restricted Rights are subject to a 12 month vesting period. <p>All terms other than vesting period are standard as set out in Appendix A.</p>
Persons who received securities or basis on which those persons were determined	The aggregated Restricted Rights were issued to US employees. None of the individuals who received these Restricted Rights are ASX Listing Rule 10.1 parties.
Summary of any other material terms of the agreement	The Restricted Rights were issued under the EEGLRP, a summary of which is set out at Appendix A of this Explanatory Statement.
Issue Price of Securities	Nil
Purpose of the Issue	The Restricted Rights were issued as a one-off reward to US employees for performance over the 2020 financial year
Use of funds raised	No funds were raised from the issuance.
Voting Exclusion Statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

Shares issued in relation to Resolution 6:	
Date of issue	3 September 2020
Number and type of securities issued	33,333,334 Shares issued under ASX Listing Rule 7.1
Terms of Securities	<p>On 26 August 2020, the Company announced the successful completion of capital raising through an unconditional single-tranche placement to institutional and sophisticated investors to raise gross proceeds of A\$10 million. This represented approximately 12.6% of the shares on issue (on a pre-placement basis), and were issued pursuant to its existing capacity under ASX Listing Rule 7.1.</p> <p>The Shares are fully paid and rank equally in all respects with all other Shares.</p>
Names of persons who received securities or basis on which those persons were determined	Institutional and sophisticated investors were approached by professional brokers on the basis of their clients' investment strategy and prior relationships. Many were existing Shareholders. None of the above Shareholders meet the criteria described in Section 7.4 of Guidance Note 21, to determine that disclosure of any of the above investors would be considered material and warrant disclosure due to the relationship and/or quantity of Shares purchased.
Issue Price per Security	\$0.30 per Share
Use of funds raised	Funds raised from the placement were used to progress exploration activities in the Company's 100% owned

	<p>EP187 tenement in the Beetaloo Basin including the drilling of the Company's first exploration well in EP187 targeting the Velkerri Shale.</p> <p>The balance of the funds raised are being used for working capital.</p>
Voting Exclusion Statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

Shares issued in relation to Resolutions 7 and 8:	
Date of issue	22 April 2021
Number and type of securities issued	37,164,056 Shares issued under ASX Listing Rule 7.1 2,154,773 Shares issued under ASX Listing Rule 7.1A
Terms of Securities	<p>On 16 April 2021, the Company announced the successful completion of a capital raising through a two-tranche placement to institutional and sophisticated investors to raise gross proceeds of A\$30 million. This represented approximately 30.8% of the Shares on issue (on a pre-placement basis).</p> <p>The Company completed tranche 1 of the placement by issuing a total of 39,318,829 Shares on 22 April 2021. Of the Shares issued (i) 37,164,056 were issued pursuant to the Company's existing capacity under ASX Listing Rule 7.1 and (ii) 2,154,773 Shares were issued under the Company's existing capacity under ASX Listing Rule 7.1A.</p> <p>The Shares are fully paid and rank equally in all respects with all Shares.</p>
Names of persons who received securities or basis on which those persons were determined	Institutional and sophisticated investors were approached by professional brokers on the basis of their clients' investment strategy and prior relationships. Many were existing Shareholders. None of the above Shareholders meet the criteria described in Section 7.4 of Guidance Note 21, to determine that disclosure of any of the above investors would be considered material and warrant disclosure due to the relationship and/or quantity of Shares purchased.
Issue Price per Security	\$0.30 per Share
Use of funds raised	Funds from the placement will be used to fund transaction costs pursuant to the acquisition of Pangaea Resources, exploration and appraisal drilling costs, provide working capital and costs associated with the placement and the acquisition.
Voting Exclusion Statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

Subject to the voting exclusions set out in the Notice of the AGM, the Chair of the meeting proposes to cast any undirected proxies in favour of Resolution 4, 5, 6, 7 and 8.

Resolution 9: Approval of issue of Tranche 2 Placement Shares

On 16 April 2021, the Company announced the successful completion of a capital raising through a two-tranche placement to professional and sophisticated investors to raise gross proceeds of A\$30 million. This represented approximately 30.8% of the Shares on issue (on a pre-placement basis).

Tranche 1 of the placement completed on 22 April 2021, with a total of 39,318,829 Shares issued. A further 60,681,171 Shares are proposed to be issued under tranche 2 of the placement (being the subject of Resolution 9).

1. ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The effect of passing Resolution 9 will be to allow the Directors to issue the Shares the subject of tranche 2 of the placement during the period of 3 months after the AGM (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

If Resolution 9 is not passed, the Directors will not be able to issue the tranche 2 shares and as such Empire will not raise the tranche 2 monies.

2. Specific Information required by ASX Listing Rule 7.3

In accordance with the requirements of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 9, as set out below:

Shares to be issued in relation to Resolution 9 :	
Proposed date of issue	On or around 1 June 2021 (indicative), but in any event no later than 3 months after the date of the AGM (or such later date to the extent permitted by ASX).
Number and type of securities to be issued	60,681,171 Shares
Terms of Securities	The Shares are fully paid and rank equally in all respects with all existing Shares.
Names of persons who received securities or basis on which those persons were determined	The Shares will be issued to institutional and sophisticated investors who were approached by professional brokers on the basis of their clients' investment strategy and prior relationships. Many were existing Shareholders. None of the above Shareholders meet the criteria described in Section 7.2 of Guidance Note 21, to determine that disclosure of any of the above investors would be considered material and warrant disclosure due to the relationship and/or quantity of Shares to be issued.
Issue Price per Security	\$0.30 per Share.

Use of funds raised	Funds from the placement will be used to fund transaction costs pursuant to the acquisition of Pangaea Resources, exploration and appraisal drilling costs, provide working capital and costs associated with the placement and the acquisition.
Voting Exclusion Statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the Resolution.

Resolutions 10 to 13: Approval of issue of Shares to be purchased by Directors in the proposed placement of Shares to Non-Executive Directors

It is proposed that 3,940,333 Shares be issued to the Non-Executive Directors (or persons or entities associated with them) to raise a total of \$1,182,100, subject to Shareholder approval. The price to be paid by the Non-Executive Directors in respect of the Shares is \$0.30 per Share (i.e. the same offer price paid by independent third party investors in the two-tranche placement as announced by the Company to ASX on 16 April 2021).

If approved, the following Shares will be issued:

- **Resolution 10:** Mr Peter Cleary, a Director (or his nominee), to be issued 340,000 Shares for \$102,000;
- **Resolution 11:** Mr Paul Espie AO, a Director (or his nominee), to be issued 3,333,333 Shares for \$999,999.90;
- **Resolution 12:** Mr Louis Rozman, a Director (or his nominee), to be issued 167,000 Shares for \$50,100; and
- **Resolution 13:** Professor John Warburton (or his nominee), to be issued 100,000 Shares for \$30,000.

Each of the above relevant persons are Related Parties of the Company by virtue of being Directors. Shares to be issued to the Non-Executive Directors will be on exactly the same terms as Shares issued to participants in the two-tranche placement announced to ASX on 16 April 2021 including the offer price to be paid.

A summary of the two-tranche placement is set out at Resolutions 7 to 9 above.

Shareholder approval for the issue of Shares to the Non-Executive Directors is in accordance with ASX Listing Rule 10.11.

1. Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Shares constitutes giving a financial benefit. The Directors are Related Parties of the Company.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Shares to be issued because the Shares are being issued on arm's length terms on the basis that they are being issued on exactly the same terms as Shares issued to investors (who are not Related Parties) under two-tranche placement as announced to ASX on 16 April 2021.

Accordingly, Resolutions 10 to 13 seek approval under ASX Listing Rule 10.11, but not Chapter 2E.

2. ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at the time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the Company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of Shares to Non-Executive Directors falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. The proposed issue of Shares therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11. Resolutions 10 to 13 seek the required Shareholder approval for the purposes of ASX Listing Rule 10.11.

If Resolutions 10 to 13 are passed, the Company will be able to proceed with the issue of Shares to Non-Executive Directors in whole or in part (depending on whether all or just some of the Resolutions are passed) and so the Company will be able to proceed with issuing Shares to the relevant Non-Executive Directors to which the successful Resolution(s) relate.

To the extent that Resolutions 10 to 13 are not passed, the Company will not be able to proceed with the issue of Shares to Non-Executive Directors in whole or in part (depending on whether all

or just some of the Resolutions are defeated) and so the Company will not be able to proceed with issuing Shares to the relevant Non-Executive Directors to which the defeated Resolution(s) relate.

3. Information required by ASX Listing Rule 10.13

The following information is provided in relation to the proposed issue of Shares to Non-Executive Directors in accordance with ASX Listing Rule 10.13:

- **Resolution 10:** Subject to Shareholder approval, Mr Peter Cleary, a Director (or his nominee), will be issued 340,000 Shares at the Offer Price;
- **Resolution 11:** Subject to Shareholder approval Mr Paul Espie AO, a Director (or his nominee), will be issued 3,333,333 Shares at the Offer Price;
- **Resolution 12:** Subject to Shareholder approval, Mr Louis Rozman, a Director (or his nominee), will be issued 167,000 Shares at the Offer Price; and
- **Resolution 13:** Subject to Shareholder approval, Professor John Warburton (or his nominee), will be issued 100,000 Shares at the Offer Price.

The individuals referred to above are Related Parties of the Company by virtue of being Directors and so fall within ASX Listing Rule 10.11.1.

Shares to be issued to the Non-Executive Directors will be fully paid ordinary shares and rank equally in all respects with the Company's other Shares on issue.

If approved by Shareholders, Shares to be issued to the Non-Executive Directors will be issued on or around 10th June 2021 and will not be issued any later than 1 month after the date of the AGM.

Funds raised will be used for working capital.

Resolutions 14: Grant of Restricted Rights to Managing Director

Resolution 14 seek Shareholder approval for the purposes of ASX Listing Rule 10.14 for the proposed grant of 327,381 Restricted Rights to the Company's Managing Director, Mr Alexander Underwood. The grant of the Restricted Rights will occur under the "**Empire Energy Group Limited Rights Plan**" or "**EEGLRP**". The EEGLRP was approved by Shareholders at the Company's 2019 AGM.

1. Summary of the Restricted Rights

The purpose of the grant of the Restricted Rights the subject of this Resolution 14 is to pay the Managing Director the equity component of the earned short-term incentive bonus provided for under his remuneration package while preserving the Company's cash.

In 2020, the Remuneration Committee established a series of Key Performance Indicators against which the Managing Director's performance for the 2020 Financial Year would be assessed. These included tests of operational health and safety performance, environmental

and social engagement, Northern Territory work program performance, funding, total asset and balance sheet performance in the 2020 Financial Year.

The Remuneration Committee assessed the Managing Director's performance against the Key Performance Indicators and formed the view that the Managing Director had achieved a high level of performance having regard for the alignment of the Managing Director's interests with those of shareholders.

In recognition of current market conditions, the Company's need to preserve its cash balances, and the desirability of further aligning the Managing Director's interests with those of shareholders, the Remuneration Committee formed the view that the payment of the short term incentive payment fully in cash to the Managing Director would not be appropriate.

Therefore, the Remuneration Committee recommended to the Board (excluding the Managing Director) that the Managing Director should be awarded a Short-Term Incentive for performance against 2020 Key Performance Indicators of \$220,000 of which \$110,000 was paid in cash and \$110,000 would be paid in Restricted Rights (subject to shareholder approval). The Board endorsed that view.

If shareholder approval is not granted for the awarded of Restricted Rights to the Managing Director, the Board has the discretion to pay the Managing Director's 2020 Short Term Incentive payment in cash.

Details of the approach taken to calculate the number of Restricted Rights to be granted are set out below.

Aspect	Details
Number of Restricted Rights	<p>Subject to shareholder approval, Mr Underwood will be issued a total of 327,381 Restricted Rights in the 2021 financial year to compensate him for actual performance against pre-determined 2020 Key Performance Indicators. The number of Restricted Rights reflects the Remuneration Committee and the Board's evaluation (excluding Mr Underwood) of Mr Underwood's execution of the Company's publicly-stated strategy, in particular:</p> <ol style="list-style-type: none"> 1. operational health and safety performance across the Company's operations; 2. environmental and social engagement with external stakeholders, particularly associated with the Northern Territory works program; and 3. management of the company's balance sheet. <p>The number of Restricted Rights was calculated by applying the following formula:</p> <p>Number of Rights = Foregone Value ÷ Right Value = A\$110,000 ÷ A\$0.336 = 327,381</p> <p>Right Value = Share Price – (Annual Dividend x Measurement Period in Years) = A\$0.336 - (A\$0 x 3)</p> <p>Share Price A\$0.336 (being the volume weighted average price of Shares in the 2020 Financial Year (the 2020 VWAP)).</p> <p>The maximum number of Restricted Rights to be granted is 327,381, subject to Shareholder approval.</p>

Aspect	Details
Term	Restricted Rights will have a term of 15 years and if not exercised within the term the Restricted Rights will lapse. On exercise, each Restricted Right will convert to one ordinary share.
Terms & Conditions	The Restricted Rights are subject to Vesting Conditions (summarised below). The Restricted Rights are subject to the terms and conditions of the EEGLRP, which include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to Shareholders and the treatment of Rights on termination of employment.
Amount payable on grant	No amount will be payable by Mr Underwood for the Restricted Rights as they are being granted in lieu of a cash payment of his short-term incentive bonus.
Exercise Price	No amount will be payable by Mr Underwood to exercise a Restricted Right that has vested.
Vesting and Exercise of Restricted Rights	Following the satisfaction of the Vesting Conditions, the Rights may be exercised by Mr Underwood submitting a Notice of Exercise. Once exercised, the value of Restricted Rights that vest will be evaluated and will be paid by way of an issue of Restricted Shares. The Restricted Rights will lapse if not exercised prior to the end of the Term.
Vesting Conditions	The Restricted Rights will vest ninety (90) days from their date of grant (subject to the EEGLRP and the terms regarding Cessation of Employment, below).
Disposal Restrictions	The Restricted Rights may not be disposed of at any time, but can be exercised at any time following vesting before the end of the Term. Shares acquired on exercise of vested Restricted Rights (" Restricted Shares ") will be subject to disposal restrictions until all of the following cease to restrict disposals: <ul style="list-style-type: none"> a) the Company's share trading policy, b) the Corporations Act insider trading provisions, and c) temporary Specified Disposal Restriction of one (1) year from their date of issue.
Specified Disposal Restrictions	No Specified Disposal Restriction additional to the above are intended to apply to this grant of Restricted Rights, or the Restricted Shares that may be issued on exercise of a Restricted Right.
Disposal Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to the Restricted Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporation Act, will cease to apply to 50% of such Restricted Shares.
Cessation of Employment	In the case of a termination by the Company for cause, any unvested Restricted Rights will lapse. In the case of a termination by the Company for reasons other than cause, the Board has determined to exercise its discretion to determine that the service condition has been fulfilled at the end of the Measurement Period i.e. no forfeiture may apply. In the case of voluntary termination of employment by Mr Underwood, all unvested Restricted Rights will immediately vest. If Mr Underwood is no longer employed by or otherwise engaged with any Group Company and holds unvested Restricted Rights, those Restricted Rights will be automatically exercised on the earlier of the end of the Term and one month following the date when Mr Underwood has ceased to hold unvested Rights.
Change of Control of the Company	In the event of a change of control, 100% of unvested Restricted Rights will vest. In relation to Restricted Shares that have resulted from the vesting of Restricted Rights, restrictions in the Company's securities trading policy and the Corporations Act will continue to apply. Restricted Rights are unaffected by a change of control event.

Aspect	Details
Voting and Dividend Rights	Restricted Rights do not carry voting or dividend entitlements. Restricted Shares issued on exercise of Restricted Rights will rank equally in all respects with Shares then on issue, including voting and dividend rights.
Lapse and Forfeiture of Restricted Rights	Restricted Rights will lapse if the Vesting Conditions are not satisfied within the prescribed Measurement Period (subject to the above exceptions), or if they are not exercised prior to the end of the Term.
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that Mr Underwood has committed an act of fraud, defalcation or gross misconduct in relation to the Company, Mr Underwood will forfeit all unvested Restricted Rights.
Competition and Other Actions that May Harm the Company	If Mr Underwood engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Restricted Rights held by Mr Underwood will lapse and be forfeited, unless otherwise determined by the Board. If Mr Underwood either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Restricted Rights held by Mr Underwood will lapse and be forfeited, unless otherwise determined by the Board.
Issue or Acquisition of Shares	Restricted Shares may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the EEGLRP.
Cost and Administration	The Company will pay all costs of issuing and acquiring Restricted Shares for the purposes of satisfying vested Restricted Rights which are exercised, as well as any brokerage on acquisitions of such Restricted Shares for this purpose and all costs of administering the EEGLRP.
Other terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP. The terms of the EEGLRP are summarised in Appendix A of this Explanatory Statement.
Hedging	The Company prohibits the hedging of Restricted Rights by Mr Underwood.

2. ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company;
- an associate of a director of the Company; or
- a person whose relationship with the Company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue falls within ASX Listing Rule 10.14.1 and therefore requires the approval of shareholders under ASX Listing Rule 10.14.

Resolution 14 seeks the required Shareholder approval for the issue of the Restricted Rights for the purposes of ASX Listing Rule 10.14.

If Resolution 14 is passed, the Company will be able to proceed with the issue these Restricted Rights (Resolution 14).

If Resolution 14 is not passed, the Company will not be able to proceed with the issue of the Restricted Rights and the Company intends to instead to compensate the Managing Director from the Company's cash reserves.

It is the policy of the Board that the interests of the Managing Director should be aligned with the interests of Shareholders to the greatest extent possible. The Managing Director's remuneration package is comprised of a cash base salary, and eligibility for short term incentives to be paid if pre-determined annual key performance indicators ("KPIs") are achieved. Short term incentives may be payable in equity securities or cash. Given the Company's need to preserve its cash balances, and to further align the interests of the Managing Director with those of Shareholders, payment of short-term incentives to the Managing Director for his performance against 2020 Financial Year KPIs are comprised of a combination of cash and equity securities (subject to Shareholder approval).

3. Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act provides that a public company must not, without the approval of the company's members, give a financial benefit to a related party, unless it falls within a specified exception in the Corporations Act.

Mr Underwood is a related party of the Company for the purposes of section 228(2) Corporations Act as he is a Director. Therefore, the grant of the Restricted Rights will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) Corporations Act.

Section 211 of the Corporations Act provides an exemption to the restrictions in Chapter 2E on the giving of financial benefits to related parties, if the financial benefit is remuneration to an officer or employee of a public company and the remuneration is reasonable given the circumstances of the public company and the officer or employee (including the responsibilities involved in the office or employment).

It is the view of the Board (other than Mr Underwood) that the terms of the financial benefit, being the grant of the Restricted Rights, in conjunction with other components of Mr Underwood's remuneration, comprises reasonable remuneration having regard to the Company's and Mr Underwood's circumstances (including his responsibilities as Managing Director), and would therefore fall within the exemption set out in section 211 of the Corporations Act. The Restricted Rights will (if Resolution 14 is approved) be granted to Mr Underwood for the sole purpose of remunerating him for his services as the Managing Director of the Company.

4. Specific Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following details regarding the proposed grants of the Restricted Rights to Mr Underwood are provided:

1. The Restricted Rights the subject of Resolution 14 will be granted to Mr Alexander Underwood, who is the current Managing Director of the Company.

2. Mr Underwood is a Director and therefore Resolution 14 is required for the purpose of ASX Listing Rule 10.14.1.
3. A total of 327,381 Restricted Rights are proposed to be issued to Mr Underwood.
4. Mr Underwood's total remuneration in 2020 was as follows:

Base salary	Bonus payments*	Non-monetary benefits	Super contributions	Share / option-based payments	Total remuneration
A\$369,469	nil	A\$35,195	A\$20,531	A\$374,398 (As approved in 2020 AGM - 1,427,089 Performance Rights; and 750,000 Restricted Rights) There was no cash paid for these securities.	A\$799,593

Mr Underwood's remuneration package comprises a total base salary including superannuation of A\$390,000 and eligibility for short term incentives and long-term incentives in accordance with the EEGLRP.

The terms of Mr Underwood's employment contract have not changed since the end of the 2019 Financial Year.

5. A summary of the material terms of the Restricted Rights are set out above under Section 1.
6. The Company uses Restricted Rights because they create alignment between executives and ordinary Shareholders but do not provide the executives with the full benefits of Share ownership (such as dividend and voting rights) unless and until the Restrict Right vests.
7. The Restricted Rights will be granted for nil cash consideration. The Company's methodology for calculating the number of, and value attributed to, the Restricted Rights is set out above under Section 1.
8. The key terms of the EEGLRP are summarised at Appendix A of this Explanatory Statement.
9. The Restricted Rights will be granted within one month of the AGM.
10. The Restricted Rights will be granted for nil consideration, though in lieu of cash consideration.
11. No loans will be made in connection with the grant of the Restricted Rights.
12. A voting exclusion statement is included in this Notice of Meeting for Resolution 14.

Details of the Restricted Rights and any other Equity Securities issued under the EEGLRP (including the Equity Securities the subject of Resolutions 14 to 17) will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EEGLRP after this Resolution is approved and who are not named in the Notice of Meeting will not participate until Shareholder approval is obtained.

Resolution 15: Grant of Service Rights to Professor Warburton

The Company proposes to issue 600,000 Service Rights to Professor John Warburton based on the terms of a project consultancy service contract entered into between the Company and Professor Warburton (“**Consultancy Contract**”). The proposed issue would occur under the employee incentive scheme “**Empire Energy Group Limited Rights Plan**” or “**EEGLRP**” approved at the 2019 AGM.

1. ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company;
- an associate of a director of the Company; or
- a person whose relationship with the Company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX’s opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue falls within ASX Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under ASX Listing Rule 10.14.

Resolution 15 seeks the required Shareholder approval to the Issue under and for the purposes of ASX Listing Rule 10.14.

If Resolution 15 is passed, the Company will be able to proceed with the issue these Service Rights.

If Resolution 15 is not passed, the Company will not be able to proceed with the issue of Service Rights and will compensate him instead from its cash reserves.

2. Specific Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following details regarding the proposed grants of Equity Securities to Professor Warburton are provided:

1. The Service Rights the subject of this Resolution 15 will (if this Resolution is approved by Shareholders) be granted to Professor John Warburton, who is a Non-Executive Director.
2. Professor Warburton is a Director and therefore Resolution 15 is required for the purpose of ASX Listing Rule 10.14.1.
3. It is proposed that 600,000 Service Rights to be granted to Professor Warburton subject to the terms and conditions described in the table of terms of the Service Rights shown below in Section 4.
4. Professor Warburton has not previously been granted or issued any securities under the EEGLRP.
5. The material terms of issue of the Service Rights and the relevant terms of the EEGLRP are summarised in the Terms of the Service Rights table below in Section 4. Each of the Service Rights will have a deemed issue price of \$0.336 (being the VWAP of EEG securities

during the 2020 financial year). The Service Rights have a deemed value of \$216,000 as calculated as the number of Service Rights (600,000) multiplied by the 2020 VWAP (\$0.336 per Share).

6. The key terms of the EEGLRP is summarised in Appendix A of this Notice of Meeting.
7. The Service Rights will be granted within one (1) month of the AGM.
8. The Service Rights will be granted for nil consideration, though in lieu of cash consideration.
9. No loans will be made in connection with the grant of the Service Rights.
10. Professor Warburton's remuneration in 2020 as a Non-Executive Director was as follows:

Cash Salary and Fees	Bonus payments*	Non-monetary benefits	Super contributions	Share / option-based Payments	Total remuneration
A\$50,000	Nil	Nil	A\$3,359	A\$186,000	A\$239,359

Professor Warburton is currently remunerated for his services as a non-executive director at approximately A\$50,000 per annum, excluding superannuation.

11. Details of the Service Rights and any other Equity Securities issued under the EEGLRP (including the Equity Securities the subject of Resolutions 14 to 17) will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.
12. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EEGLRP after this Resolution is approved and who are not named in the Notice of Meeting will not participate until Shareholder approval is obtained.
13. A voting exclusion statement is included in the Notice for Resolution 15.

Professor Warburton has played a key role in the Company since 2011. He was one of the first people in the oil and gas industry to realise the potential of the Beetaloo and McArthur Basins for shale petroleum development, which enabled the Company to acquire its tenement holdings in the Northern Territory in 2011.

Professor Warburton also provides technical services to the Company under the terms of a Consultancy Contract with the Company. This work includes technical studies, Northern Territory government and stakeholder relations work, and consultation with Traditional Owners in the areas in which the Company operates. Professor Warburton has attended 26 On Country meetings across the Company's Northern Territory work program areas since 2011 and has excellent working relationships with Traditional Owners and stakeholders across the Northern Territory.

Professor Warburton's income as a contractor of technical services in 2020 was A\$186,000 by way of share-based payments.

The Service Rights to be issued to Professor Warburton form part of his remuneration under his Consultancy Contract. It is the view of the Board (excluding Professor Warburton) that it is desirable and appropriate for part of his remuneration under the Consultancy Contract to be in Service Rights, as it reduces the amount of cash the Company is spending on his services and increases the alignment of his interests with the interests of shareholders.

3. Chapter 2E of the Corporations Act

Professor Warburton is a related party of the Company for the purposes of section 228(2) Corporations Act as he is a Director. Therefore, the grant of the Service Rights will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) Corporations Act.

Section 211 of the Corporations Act provides an exemption to the restrictions in Chapter 2E on the giving of financial benefits to related parties, if the financial benefit is remuneration to an officer or employee of a public company and the remuneration is reasonable given the circumstances of the public company and the officer or employee (including the responsibilities involved in the office or employment).

It is the view of the Board (other than Professor Warburton) that the terms of the financial benefit, being the grant of the Service Rights as part of his Consultancy Contract, in conjunction with other components of Professor Warburton's remuneration as a Director, comprises reasonable remuneration having regard to the Company's and Professor Warburton's circumstances (including his responsibilities as a Director), and would therefore fall within an exemption set out in section 211 of the Corporations Act. The Service Rights will (if Resolution 17 is approved) be granted to Professor Warburton for the sole purpose of remunerating him for his services as a Director of the Company.

4. Summary of the Service Rights under Resolution 15

A summary of the terms of the Service Rights is included in the table below.

Aspect	Details
Number of Service Rights	Professor Warburton will be issued 600,000 Service Rights. The Service Rights, in the opinion of the Board, are market competitive and reasonable based on Professor Warburton's demonstrable skills and experience to provide the various services required under the terms of the Consultancy Agreement.
Term	The Service Rights will have a term of 15 years and if not exercised within the Term the Service Rights will lapse. On exercise, each Service Right will convert to one ordinary share.
Terms & Conditions	The Service Rights are subject to the terms and conditions of the EEGLRP, which include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Service Rights on termination of employment.
Amount payable for Service Rights	No amount will be payable by Professor Warburton for the Service Rights as they are part of the intended total remuneration package for the 2021 financial year.
Exercise Price	No amount will be payable by Professor Warburton to exercise a Service Right that has vested.
Vesting and Exercise of Service Rights	Following the satisfaction of the Vesting Conditions, the Service Rights may be exercised by Professor Warburton submitting a Notice of Exercise. Once exercised, the value of Service Rights that vest will be evaluated and will be paid by way of an issue of Restricted Shares. The Service Rights will lapse if not exercised prior to the end of the Term.

Disposal Restrictions	<p>Service Rights may not be disposed of at any time, but can be exercised following vesting, up to the end of their Term. Shares acquired on exercise of vested Service Rights ("Restricted Shares") will be subject to disposal restrictions until all of the following cease to restrict disposals:</p> <ul style="list-style-type: none"> a) the Company's share trading policy, b) the Corporations Act insider trading provisions, and c) Specified Disposal Restrictions, if any (as outlined below).
Specified Disposal Restrictions	No Specified Disposal Restriction additional to the above are intended to apply to this grant of Service Rights, or the Restricted Shares that may be issued on exercise of a Service Right.
Disposal Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to the Restricted Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporations Act, will cease to apply to 50% of such Restricted Shares.
Cessation of Employment	<p>On termination of employment, a portion of Service Rights granted in the financial year in which the termination occurs will be forfeited. The proportion is that which the remainder of the financial year following the termination represents as a proportion of the full financial year. This provision recognises that grants of Service Rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the Service Rights will not have been earned.</p> <p>If the Service Rights vest subsequent to a termination of Professor Warburton's engagement and their value is less than the Share Price at the date of the termination, the Service Rights may be settled in cash on exercise.</p> <p>If Professor Warburton is no longer employed by or otherwise engaged with any Group Company and holds unvested Service Rights, those Service Rights will be automatically exercised on the earlier of the end of the Term and one month following the date when Professor Warburton has ceased to hold unvested Service Rights.</p>
Change of Control of the Company	<p>In the event of a change of control, a portion of Service Rights granted in the financial year in which the change of control occurs will be forfeited. The proportion is that which the remainder of the financial year following the change of control represents as a proportion of the full financial year.</p> <p>In relation to a Restricted Share that is issued on exercise of a Service Right, the Specified Disposal Restrictions will also be lifted. Restrictions under the Company's securities trading policy and the Corporations Act will continue to apply. Service Rights are unaffected by a change of control event.</p>
Major Return of Capital	The EEGLRP contains provisions that provide for vesting in the proportion of capital returned to shareholders, or in the proportion that the Company's Share price increased over the Measurement Period, with Board discretion regarding the remainder.
Voting and Dividend Rights	Service Rights do not carry voting or dividend entitlements. Restricted Shares issued on exercise of a Service Right will rank equally in all respects with other Shares then on issue, including with respect to voting and dividend rights.
Lapse and Forfeiture of Service Rights	Service Rights will lapse if the prescribed Vesting Conditions are not satisfied within the Measurement Period, subject to modification of the Measurement Period, or if they are not exercised prior to the end of the Term.
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that Professor Warburton has committed an act of fraud, defalcation or gross misconduct in relation to the Company, Professor Warburton will forfeit all unvested Service Rights.

Competition and Other Actions that May Harm the Company	<p>If Professor Warburton engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Service Rights held by Professor Warburton will lapse and be forfeited, unless otherwise determined by the Board.</p> <p>If Professor Warburton either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Service Rights held by Professor Warburton will lapse and be forfeited, unless otherwise determined by the Board.</p>
Issue or Acquisition of Shares	Restricted Shares may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Restricted Shares for the purposes of satisfying vested Service Rights which are exercised, as well as any brokerage on acquisitions of such Shares for this purpose and all costs of administering the EEGLRP.
Other terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP. The terms of the EEGLRP are summarised in Appendix A of this Explanatory Statement.
Hedging	The Company prohibits the hedging of Restricted Rights by Mr Warburton.

Resolution 16: Grant of Director Fee Restricted Rights to Mr Espie AO

The Company is proposing to issue Restricted Rights to Mr Paul Espie AO in lieu of Director's fees under the employee incentive scheme, defining them as the Director Fee Restricted Rights.

1. ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company;
- an associate of a director of the Company; or
- a person whose relationship with the Company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue falls within ASX Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under ASX Listing Rule 10.14.

Resolution 16 seeks the required shareholder approval to the Issue under and for the purposes of ASX Listing Rule 10.14.

If Resolution 16 is passed, the Company will be able to proceed with the issue these Director Fee Restricted Rights.

If Resolution 16 is not passed, the Company will not be able to proceed with the Issue and will compensate Mr Espie AO instead from its cash reserves.

The grant of these Director Fee Restricted Rights will occur under the Company's employee incentive plan, the “**Empire Energy Group Limited Rights Plan**” or “**EEGLRP**”. The EEGLRP was approved by Shareholders at the Company's 2019 AGM.

2. Specific Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following details regarding the proposed grants of Director Fee Restricted Rights to Mr Espie AO are provided:

1. The Director Fee Restricted Rights the subject of this Resolution 16 will (if this Resolution is approved by Shareholders) be granted to Mr Paul Espie, who is the Chairman and Non-Executive Director.
2. Mr Espie is a Director and therefore Resolution 16 is required for the purpose of ASX Listing Rule 10.14.1.
3. The number of Director Fee Restricted Rights to be granted to Mr Espie is set out in the table of Summary of Terms Table below in Section 4.
4. Mr Espie's remuneration in 2020 was follows:

Director's fees	Bonus payments*	Non-monetary benefits	Super contributions	Share / option-based Payments	Total remuneration
Nil	Nil	Nil	Nil	A\$83,623	A\$83,623

In 2020 Mr Espie AO received Director Fees as Restricted Rights in lieu of a cash payment for the period 1 July 2019 to 31 December 2020.

Mr Espie AO is currently remunerated for his services as the Non-Executive Chairman at a rate of A\$75,000 per annum, to be paid in cash or securities.

Mr Espie has previously been issued 269,753 Restricted Rights for the period 1 July 2019 to 30 June 2020. These were issued in lieu of cash for director fees. No cash was paid for these securities.

5. The material terms of issue of the Director Fee Restricted Rights and the relevant terms of the EEGLRP are summarised in the Summary of Terms Table below in Section 4.
6. The key terms of the EEGLRP is summarised in Appendix A of this Explanatory Statement.
7. The Director Fee Restricted Rights will be granted within one month of the AGM.
8. The Director Fee Restricted Rights will be granted for nil consideration (though in lieu of cash consideration).
9. No loans will be made in connection with the grant of the Director Fee Restricted Rights.
10. The issue is intended to remunerate the Mr Espie AO through the issue of securities instead of cash.
11. A voting exclusion statement is included in the Notice for Resolution 16.

Details of the Director Fee Restricted Rights and any other Equity Securities issued under the EEGLRP (including the Equity Securities the subject of Resolutions 14 to 17) will be published in

the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EEGLRP after this Resolution is approved and who are not named in the Notice of Meeting will not participate until Shareholder approval is obtained.

3. Chapter 2E of the Corporations Act

Mr Espie is a related party of the Company for the purposes of section 228(2) Corporations Act as he is a Director. Therefore, the grant of the Director Fee Restricted Rights will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) Corporations Act.

Section 211 of the Corporations Act provides an exemption to the restrictions in Chapter 2E on the giving of financial benefits to related parties, if the financial benefit is remuneration to an officer or employee of a public company and the remuneration is reasonable given the circumstances of the public company and the officer or employee (including the responsibilities involved in the office or employment).

It is the view of the Board (other than Mr Espie) that the terms of the financial benefit, being the grant of the Director Fee Restricted Rights in lieu of Director's fees, in conjunction with other components of Mr Espie's remuneration as a Director, comprises reasonable remuneration having regard to the Company's and Mr Espie's circumstances (including his responsibilities as a Director), and would therefore fall within an exemption set out in section 211 of the Corporations Act.

4. Summary of the Director Fee Restricted Rights under Resolution 16

A summary of the terms of the Director Fee Restricted Rights is included in the table below.

Aspect	Details																				
Number of Director Fee Restricted Rights	<p>The Director Fee Restricted Rights proposed to be issued shall be calculated in accordance with the VWAP of the Company's Shares in each respective quarter (i.e. 3 monthly) of service, based on the relevant deferred Chairman's fees for each period. The value the entity attributes to the Director Fee Restricted Rights and its basis is \$75,000 in lieu of cash payment for annual director fees and is calculated as follows:</p> <table border="1"> <thead> <tr> <th>Calc. Period</th> <th>Q3 2020</th> <th>Q4 2020</th> <th>Q1 2021</th> <th>Q2 2021</th> </tr> </thead> <tbody> <tr> <td>\$A Remuneration</td> <td>A\$18,750</td> <td>A\$18,750</td> <td>A\$18,750</td> <td>A\$18,750</td> </tr> <tr> <td>VWAP over Period</td> <td>\$0.315</td> <td>\$0.383</td> <td>\$0.348</td> <td>\$X</td> </tr> <tr> <td>No. of Director Fee Restricted Rights (each period)</td> <td>59,524</td> <td>48,956</td> <td>53,879</td> <td> <p>[\$18,750/\$X] If \$0.35, then 53,571</p> </td> </tr> </tbody> </table>	Calc. Period	Q3 2020	Q4 2020	Q1 2021	Q2 2021	\$A Remuneration	A\$18,750	A\$18,750	A\$18,750	A\$18,750	VWAP over Period	\$0.315	\$0.383	\$0.348	\$X	No. of Director Fee Restricted Rights (each period)	59,524	48,956	53,879	<p>[\$18,750/\$X] If \$0.35, then 53,571</p>
Calc. Period	Q3 2020	Q4 2020	Q1 2021	Q2 2021																	
\$A Remuneration	A\$18,750	A\$18,750	A\$18,750	A\$18,750																	
VWAP over Period	\$0.315	\$0.383	\$0.348	\$X																	
No. of Director Fee Restricted Rights (each period)	59,524	48,956	53,879	<p>[\$18,750/\$X] If \$0.35, then 53,571</p>																	
Term	Director Fee Restricted Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. On exercise, each Director Fee Restricted Right will convert into one ordinary share.																				
Terms & Conditions	The Director Fee Restricted Rights are subject to Vesting Conditions (summarised below). The Director Fee Restricted Rights are subject to the terms and conditions of																				

	the EEGLRP, which include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.
Amount payable on grant	No amount will be payable by the Mr Espie for the Director Fee Restricted Rights as they are being granted in lieu of Director's fees.
Exercise Price	No amount will be payable by Mr Espie to exercise a Director Fee Restricted Right that has vested.
Vesting and Exercise of Director Fee Restricted Rights	Following the satisfaction of the Vesting Conditions, the Director Fee Restricted Rights may be exercised by Mr Espie submitting a Notice of Exercise. Once exercised, the value of Director Fee Restricted Rights that vest will be evaluated and will be paid by way of an issue of Restricted Shares (including Restricted Shares). Director Fee Restricted Rights will lapse if not exercised prior to the elapsing of the Term.
Vesting Conditions	In order for Director Fee Restricted Rights to vest, the Measurement Period is ninety (90) days (subject to the EEGLRP and the terms regarding Cessation of Employment, below).
Disposal Restrictions	The Director Fee Restricted Rights may not be disposed of at any time, but can be exercised following vesting, up to the end of their Term. Shares acquired on exercise of vested Director Fee Restricted Rights (" Restricted Shares ") will be subject to disposal restrictions until all of the following cease to restrict disposals: <ul style="list-style-type: none"> a) the Company's share trading policy, b) the Corporations Act insider trading provisions, and c) Specified Disposal Restriction of one (1) year from their date of issue.
Disposal Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Restricted Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporations Act, will cease to apply to 50% of the Restricted Shares.
Change of Control of the Company	In the event of a change of control, 100% of unvested Director Fee Restricted Rights will vest. In relation to Restricted Shares that have resulted from the vesting of Director Fee Restricted Rights, the Specified Disposal Restriction will also be lifted. Restriction under the Company's securities trading policy and the Corporations Act will continue to apply. Director Fee Restricted Rights are unaffected by a change of control event.
Voting and Dividend Rights	Director Fee Restricted Rights do not carry voting or dividend entitlements. Restricted Shares issued on exercise of Director Fee Restricted Rights will rank equally in all respects with Shares then on issue, including voting and dividend rights.
Lapse and Forfeiture of Director Fee Restricted Rights	Director Fee Restricted Rights will lapse if the Vesting Conditions are not satisfied (subject to the above exceptions), or if they are not exercised prior to the end of the Term.
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that Mr Espie AO has committed an act of fraud, defalcation or gross misconduct in relation to the Company, Mr Espie will forfeit all unvested Director Fee Restricted Rights.
Issue or Acquisition of Shares	Restricted Shares may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Restricted Shares for the purposes of satisfying vested Director Fee Restricted Rights which are exercised, as well as any brokerage on acquisitions of such Restricted Shares for this purpose and all costs of administering the EEGLRP.

Other terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP. The terms of the EEGLRP are summarised in Appendix A of this Explanatory Statement.
Hedging	The Company prohibits the hedging of Director Fee Restricted Rights by Mr Espie AO.

Resolution 17: Grant of Director Fee Restricted Rights to Mr Cleary

The Company proposes to issue Restricted Rights to Mr Peter Cleary in lieu of Director's fees under the employee incentive scheme, defining them as the Director Fee Restricted Rights.

1. ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- a director of the Company;
- an associate of a director of the Company; or
- a person whose relationship with the Company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Issue falls within ASX Listing Rule 10.14.1 above and therefore requires the approval of Shareholders under ASX Listing Rule 10.14.

Resolution 17 seeks the required shareholder approval to the Issue under and for the purposes of ASX Listing Rule 10.14.

If Resolution 17 is passed, the Company will be able to proceed with the issue these Director Fee Restricted Rights.

If Resolution 17 is not passed, the Company will not be able to proceed with the Issue and will compensate Mr Cleary instead from its cash reserves.

The grant of these Director Fee Restricted Rights will occur under the Company's employee incentive plan, the "Empire Energy Group Limited Rights Plan" or "EEGLRP". The EEGLRP was approved by Shareholders at the Company's 2019 AGM.

2. Specific Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following details regarding the proposed grants of Director Fee Restricted Rights to Mr Cleary are provided:

1. The Director Fee Restricted Rights the subject of this Resolution 17 will (if this Resolution is approved by Shareholders) be granted to Mr Peter Cleary, who is a Non-Executive Director.
2. Mr Cleary is a Director and therefore Resolution 17 is required for the purpose of ASX Listing Rule 10.14.1.

3. The number of Director Fee Restricted Rights to be granted to Mr Cleary is set out in the table of Summary of Terms Table below in Section 4.
4. Mr Cleary's remuneration in 2020 was follows:

Director's fees	Bonus payments*	Non-monetary benefits	Super contributions	Share / option-based Payments	Total remuneration
\$30,137	Nil	Nil	Nil	Nil	\$30,137

In 2020 Mr Cleary elected to take his Director Fees in Restricted Rights in lieu of a cash. The \$30,137 was accrued and not paid.

Mr Cleary is currently remunerated for his services as the Non-Executive Director at a rate of A\$50,000 per annum. Mr Cleary has elected to take his Director fees in Director Fee Restricted Rights in lieu of cash if approved at this AGM.

5. Mr Cleary has not previously been granted securities under the EEGLRP.
6. The material terms of issue of the Director Fee Restricted Rights and the relevant terms of the EEGLRP are summarised in the Summary of Terms Table below in Section 4.
7. The key terms of the EEGLRP is summarised in Appendix A of this Explanatory Statement.
8. The Director Fee Restricted Rights will be granted within one month of the AGM.
9. The Director Fee Restricted Rights will be granted for nil consideration (though in lieu of cash consideration).
10. No loans will be made in connection with the grant of the Director Fee Restricted Rights.
11. The issue is intended to remunerate the Mr Cleary through the issue of securities instead of cash.
12. A voting exclusion statement is included in the Notice of Meeting for Resolution 17.

Details of the Director Fee Restricted Rights and any other Equity Securities issued under the EEGLRP (including the Equity Securities the subject of Resolutions 14 to 17 will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the EEGLRP after this Resolution is approved and who are not named in the Notice of Meeting will not participate until Shareholder approval is obtained.

3. Chapter 2E of the Corporations Act

Mr Cleary is a related party of the Company for the purposes of section 228(2) of the Corporations Act as he is a Director. Therefore, the grant of the Director Fee Restricted Rights will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Corporations Act.

Section 211 of the Corporations Act provides an exemption to the restrictions in Chapter 2E on the giving of financial benefits to related parties, if the financial benefit is remuneration to an officer or employee of a public company and the remuneration is reasonable given the circumstances of

the public company and the officer or employee (including the responsibilities involved in the office or employment).

It is the view of the Board (other than Mr Cleary) that the terms of the financial benefit, being the grant of the Director Fee Restricted Rights in lieu of Director's fees, in conjunction with other components of Mr Cleary's remuneration as a Director, comprises reasonable remuneration having regard to the Company's and Mr Cleary's circumstances (including his responsibilities as a Director), and would therefore fall within an exemption set out in section 211 of the Corporations Act.

4. Summary of the Director Fee Restricted Rights under Resolution 17

A summary of the terms of the Director Fee Restricted Rights is included in the table below.

Aspect	Details					
Number of Director Fee Restricted Rights	The Director Fee Restricted Rights proposed to be issued shall be calculated in accordance with the VWAP of the Company's Shares in each respective quarter (i.e. 3 monthly) of service, based on the relevant deferred Non-Executive Director's fees for each period. The value the entity attributes to the Director Fee Restricted Rights and its basis is \$50,000 in lieu of cash payment for annual director fees and is calculated, as follows:					
	Calc. Period	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q3 2021
	\$A Remuneration	A\$5,000	A\$12,500	A\$12,500	A\$12,500	A\$12,500
	VWAP over Period	\$0.25	\$0.315	\$0.383	\$0.348	\$X
	No. of Director Fee Restricted Rights (each period)	20,000	39,683	32,637	35,919	[\$12,500/\$X] If \$0.35, then 35,714
Term	Director Fee Restricted Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. On exercise, each Director Fee Restricted Right will convert into one ordinary share.					
Terms & Conditions	The Director Fee Restricted Rights are subject to Vesting Conditions (summarised below). The Director Fee Restricted Rights are subject to the terms and conditions of the EEGLRP, which include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.					
Amount payable on grant	No amount will be payable by the Mr Cleary for the Director Fee Restricted Rights as they are being granted in lieu of Director's fees.					
Exercise Price	No amount will be payable by Mr Cleary to exercise a Director Fee Restricted Right that has vested.					
Vesting and Exercise of Director Fee Restricted Rights	Following the satisfaction of the Vesting Conditions, the Director Fee Restricted Rights may be exercised by Mr Cleary submitting a Notice of Exercise. Once exercised, the value of Director Fee Restricted Rights that vest will be evaluated and will be paid by way of an issue of Restricted Shares (including Restricted Shares). Director Fee Restricted Rights will lapse if not exercised prior to the elapsing of the Term.					

Vesting Conditions	In order for Director Fee Restricted Rights to vest, the Measurement Period is ninety (90) days (subject to the EEGLRP and the terms regarding Cessation of Employment, below).
Disposal Restrictions	The Director Fee Restricted Rights may not be disposed of at any time, but can be exercised following vesting, up to the end of their Term. Shares acquired on exercise of vested Director Fee Restricted Rights (" Restricted Shares ") will be subject to disposal restrictions until all of the following cease to restrict disposals: <ul style="list-style-type: none"> d) the Company's share trading policy, e) the Corporations Act insider trading provisions, and f) Specified Disposal Restriction of one (1) year from their date of issue.
Disposal Restriction Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Restricted Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporations Act, will cease to apply to 50% of the Restricted Shares.
Change of Control of the Company	In the event of a change of control, 100% of unvested Director Fee Restricted Rights will vest. In relation to Restricted Shares that have resulted from the vesting of Director Fee Restricted Rights, the Specified Disposal Restriction will also be lifted. Restriction under the Company's securities trading policy and the Corporations Act will continue to apply. Director Fee Restricted Rights are unaffected by a change of control event.
Voting and Dividend Rights	Director Fee Restricted Rights do not carry voting or dividend entitlements. Restricted Shares issued on exercise of Director Fee Restricted Rights will rank equally in all respects with Shares then on issue, including voting and dividend rights.
Lapse and Forfeiture of Director Fee Restricted Rights	Director Fee Restricted Rights will lapse if the Vesting Conditions are not satisfied (subject to the above exceptions), or if they are not exercised prior to the end of the Term.
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that Mr Cleary has committed an act of fraud, defalcation or gross misconduct in relation to the Company, Mr Cleary will forfeit all unvested Director Fee Restricted Rights.
Issue or Acquisition of Shares	Restricted Shares may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Restricted Shares for the purposes of satisfying vested Director Fee Restricted Rights which are exercised, as well as any brokerage on acquisitions of such Shares for this purpose and all costs of administering the EEGLRP.
Other terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP. The terms of the EEGLRP are summarised in Appendix A of this Explanatory Statement.
Hedging	The Company prohibits the hedging of Director Fee Restricted Rights by Mr Cleary.

Resolution 18: Approval of 10% Placement Facility

1. General

ASX Listing Rule 7.1A enables an eligible entity to seek shareholder approval issue up to 10% of its issued share capital over a 12-month period after the annual meeting at which the approval is sought ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the

purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of A\$300 million or less. The Company is, at the date of this Notice of Meeting, an eligible entity.

The Company is now seeking Shareholder approval by way of a Special Resolution to have the ability to issue securities under the 10% Placement Facility. The exact number of securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see below for further details).

Description of ASX Listing Rule 7.1A

(a) **Shareholder approval:**

The ability to issue equity securities (such as Shares) under the 10% Placement Facility is subject to Shareholder approval by way of a Special Resolution at an annual general meeting. This means it requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by remote communication, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

(b) **Equity Securities:**

Any equity securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company and must be issued for cash consideration. The Company currently has only one quoted class of Equity Securities, being Shares.

(c) **Formula for calculating 10% Placement Facility:**

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 10% Placement Period (defined below), a number of equity securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in ASX Listing Rule 7.2 (other than exception 9, 16 or 17);

- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities (including convertible notes and options) within ASX Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under ASX Listing Rules 7.1 or 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement within ASX Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under these rules to have been approved, under ASX Listing Rule 7.1 or ASX Listing Rule 7.4.
- plus the number of fully paid ordinary securities issued in the relevant period with approval under ASX Listing Rule 7.1 or 7.4. This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 17 where the issue is subsequently approved under ASX Listing Rule 7.1;
- plus the number of partly paid ordinary securities that became fully paid in the relevant period.;
- less the number of fully paid ordinary securities cancelled in the relevant period.

Note, that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the relevant period where this issue or agreement has not subsequently been approved by the holders of its ordinary securities under ASX Listing Rule 7.4.

relevant period means the 12 month period immediately preceding the date of issue or agreement.

(d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A:

- (i) If approved, Resolution 18 will allow the Board to issue up to an additional 10% of the Company's issued capital during the 10% Placement Period (defined in section (f) below). This is in addition to the Company's 15% annual placement capacity under ASX Listing Rule 7.1.
- (ii) If Resolution 18 is not approved, the Company will not be able to access the additional 10% capacity to issue equity securities up to a combined 25% limit in ASX Listing Rule 7.1 and 7.1A without any further shareholder approval and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in ASX Listing Rule 7.1.
- (iii) The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity

securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section (c) above).

- (iv) At the date of this Notice of Meeting, the Company has 363,260,813 Shares on issue. At present, the Company has a capacity to issue no Equity Securities under its placement capacity under ASX Listing Rule 7.1.

(e) **Minimum Issue Price:**

The Equity Securities issued under ASX Listing Rule 7.1A must be issued for cash consideration per security which is not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in the relevant class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the equity securities are issued.

(f) **10% Placement Period:**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (ii) the time and date of the next annual general meeting, if less than 12 months; or
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

2. **Specific information required by ASX Listing Rule 7.3A**

- (a) The Company may seek to issue Shares under the 10% Placement Facility for the purpose of raising funds to use towards general working capital requirements, ongoing business development activities and/or the acquisition of new business assets or investments (including expenses associated with such acquisition)
- (b) If Resolution 20 is approved by Shareholders and the Company issues Shares under its 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the table below. There is a risk that:
 - (i) the market price for the Company's Shares may be significantly lower on the date of the issue of the Shares than on the date of the AGM; and
 - (ii) the Shares issued under the 10% Placement Facility may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date,

which may have an effect on the amount of funds raised by the issue of the Shares.

The table below shows the dilution of existing Shareholders on the market price of Shares as at 21 April, 2021, and the current number of Shares for variable "A"

calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The table also shows: 72,652,162

- (i) two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of Shares the Company has on issue 21 April; 2021. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable A in ASX Listing Rule 7.1.A.2		Dilution		
		A\$0.170 50% decrease in Issue Price	A\$0.340 Issue Price	A\$0.510 100% increase in Issue Price
Current Variable A	10% Voting Dilution	36,326,081	36,326,081	36,326,081
	Funds Raised	A\$6,175,434	A\$12,350,868	A\$18,526,301
50% increase in current Variable A	10% Voting Dilution	54,489,122	54,489,122	54,489,122
	Funds Raised	A\$9,263,151	A\$18,526,01	A\$27,789,452
100% increase in current Variable A	10% Voting Dilution	72,652,162	72,652,162	72,652,162
	Funds Raised	A\$12,350,867	A\$24,701,735	A\$37,052,603

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Shares available under the 10% Placement Facility.
- The Shares on issue are 363,260,813 Shares, being the number of Shares as at 21 April 2021.
- None of the Options that the Company currently has on issue (or will issue if all of the Resolutions in this Notice of Meeting are approved) are exercised into Shares or Shares before the date of the issue of the Shares under the 10% Placement Facility.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder’s holding at the date of the Annual Meeting.
- The table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
- The issue of Shares under the 10% Placement Facility consists only of Shares.
- The issue price is A\$0.340, being the closing price of the Shares on ASX on 21 April 2021.

- (c) The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing Shareholders can participate;
- (ii) the effect the issue of Shares might have on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (d) The Company obtained Shareholder approval under ASX Listing Rule 7.1A at last year's Annual General Meeting. It has utilised the placement capacity of 7.1A in the 12-month period preceding the date of the Annual General Meeting.

- On 3rd September 2020, 26,906,092 fully paid ordinary shares at \$0.30 were issued under this capacity to institutional and sophisticated investors.
September 2020 Placement

- Total 7.1A shares issued: 26,906,092 (10% of shares on issue as at the 2020 Annual General Meeting)
- Total 7.1A shares issued to substantial shareholders: Elphinstone Holdings Pty Limited 5,400,000
- Total funds raised: \$8,071,828
- Use of funds: drilling of Carpentaria-1 and working capital
- Funds have been used

- On 16th April 2021, 2,154,773 fully paid ordinary shares at \$0.30 were issued under this capacity to institutional and sophisticated investors.

- Total 7.1A shares issued: 2,154,773 (1% of shares on issue as at the 2020 Annual General Meeting)
- Total 7.1A shares issued to substantial shareholders: Elphinstone Holdings Pty Limited: Elphinstone Holdings Pty Limited 711,075 and Global Energy and Resources Development Limited 86,191
- Total funds raised: \$646,432
- Use of funds: the funds will be used for fracture stimulated horizontal appraisal drilling, to acquire the Pangaea Resources' Betaloo Basin assets and working capital
- Funds remain on the Empire balance sheet in full

Resolution 19: Spill Resolution (Conditional Resolution)

As discussed above at Resolution 1, in accordance with section 250V of the Corporations Act, if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, the Company must put to vote at the second annual general meeting a

resolution (**Spill Resolution**) on whether all Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report received a first Strike at the 2020 annual general meeting. If Resolution 1 receives a 'no' vote of 25% or more at the AGM, this will constitute a second Strike and Resolution 19 will be voted on.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene another general meeting within 90 days of the Meeting (**Spill Meeting**). All of the Directors who were in office when the resolution to approve the Directors' Report for the financial year ended 31 December 2020 was passed, other than the Managing Director, (**Spilled Directors**) will cease to hold office immediately before the end of the Spill Meeting, but may stand for reappointment. Shareholders will vote on the reappointment of Spilled Directors and/or election of new Directors at the Spill Meeting.

In accordance with section 250X of the Corporations Act, if there would be fewer than 3 Directors after the Spill Meeting, two positions will be filled by Directors or Spilled Directors who have the highest percentage of votes favouring appointment.

Recommendation: The Board recommends that Shareholders vote against this Resolution 19.

Resolution 19 is an ordinary resolution.

The Chairperson intends to exercise all available proxies against Resolution 19.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 19, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

A voting exclusion statement is included in the Notice of Meeting for Resolution 19.

Glossary

In the Notice of Meeting and this Explanatory Statement the following defined terms have the following meanings:

AGM means annual general meeting.

Annual General Meeting means the annual general meeting convened by the Notice of Meeting.

Associate has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 961) or the exchange operated by it (as the context dictates).

ASX Listing Rules means the Listing Rules of the ASX.

Auditor means the Company's auditor from time to time (being Nexia Sydney Audit Pty Ltd as at the date of the Notice of Meeting).

Auditor's Report means the Auditor's report on the Financial Report.

Australian Dollar or **A\$** means the lawful currency of the Commonwealth of Australia.

Board means the board of Directors of the Company.

Business Day has the meaning given to that term in the ASX Listing Rules.

Closely Related Party has the meaning given to that term in section 9 of the Corporations Act.

Chair means the person chairing the AGM.

Company means Empire Energy Group Limited (ABN 29 002 148 361).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Directors' Report means the directors' report included in the Company's annual report for the financial year ended 31 December 2020.

Empire Energy Group Limited Rights Plan or **EEGLRP** means the employee incentive plan of the same name approved by Shareholders at the 2019 AGM.

Equity Security has the meaning given to that term in ASX Listing Rule 19.12.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act for the Company.

Key Management Personnel or **KMP** has the meaning given to the term "key management personnel" in section 9 of the Corporations Act.

Non-Executive Directors means all Directors other than the Managing Director, Mr Alexander Underwood.

Notice of Meeting means the notice of meeting that accompanies this Explanatory Statement, including the Proxy Form.

Offer Price means \$0.30 per Share

Ordinary Resolution means a resolution that can only be passed if more than 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Proxy or **Proxy Form** means the proxy form attached to the Notice of Meeting.

Related Parties means the definition as set out at Chapter 19 of the ASX Listing Rules.

Remuneration Report means the remuneration report included with the Company's annual report for the financial year ended 31 December 2020.

Resolution means a resolution proposed in the Notice of Meeting.

Section means a section of this Explanatory S.

Share means an ordinary share in the capital of the Company that is fully paid or credited as fully paid (as the case may be).

Shareholder means a registered holder of Shares in the Company.

Special Resolution means the resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Trading Day has the meaning given to it in ASX Listing Rule 19.12.

TSR means total shareholder return.

VWAP means the volume weighted average market closing price, with respects to the price of Shares.

APPENDIX A – Empire Energy Group Limited Rights Plan (EEGLRP) Summary of Terms

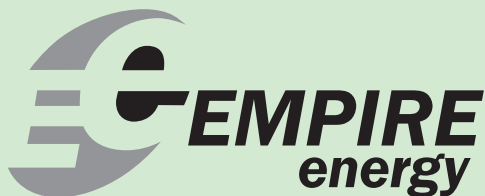
SUMMARY OF TERMS

The following is a summary of the key terms of the Plan.

Aspect	Details
Instrument	<p>The EEGLRP uses indeterminate Rights which are entitlements to the value of Shares (ordinary fully paid EEG shares) which may be satisfied either in cash and/or in Shares. Generally, it is expected that vested Rights will be satisfied in Shares. The price to exercise the Rights is nil, however vesting is performance tested. The value that will be realised is then a function of performance against indicators (Vesting Conditions) and the Share price at the time of vesting.</p> <p>No loans are provided under the Plan.</p> <p>The EEGLRP allows for three kinds of Rights which may be appropriate forms of remuneration under various circumstances, being;</p> <ul style="list-style-type: none"> • Performance Rights which vest when performance conditions have been satisfied, • Service Rights which vest after the completion of a period of service, and • Restricted Rights which relate to amounts of deferred payments already earned and which are not subject to vesting conditions.
Eligibility	<p>Selected employees and directors as nominated by the Board are eligible to participate. Current directors being Mr Alexander Underwood, Mr Paul Espie AO, Mr Peter Cleary, Mr Louis Rozman and Professor John Warburton will be eligible to participate in the Plan. In addition to the aforementioned persons, participants will be employees, and consultants of the Company and its subsidiaries.</p>
Term	<p>Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. (Note: the Term of Rights is separate to the Measurement Period for Vesting of Rights which is described below).</p>
Terms & Conditions	<p>The Board has the discretion to set the terms and conditions on which it will offer Rights under the EEGLRP, including the Vesting Conditions and modification of the terms and conditions as appropriate to ensuring the plan operates as intended. All Service Rights offered will be subject to Vesting Conditions. The terms and conditions of the EEGLRP include those aspects legally required as well as a method for calculating the appropriate number to vest in the circumstances of a change of control, a major return of capital to shareholders and the treatment of Rights on termination of employment.</p>
Number of Rights	<p>The number of Rights to be offered will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's Base Package, relevant market practices and the relevant policies of the Company regarding their remuneration.</p>
Vesting	<p>Service Rights and Restricted Rights may also be used from time to time to retain key talent, to defer remuneration should the need arise, or to settle previously accrued remuneration entitlements. Upon the satisfaction of the Vesting Conditions, and exercise of vested Rights by the Participant, Rights will be converted into Shares. As part of an Invitation the Board may specify whether vested Rights are automatically exercised upon vesting, or must be exercised manually by the Participant.</p> <p>Under some limited circumstances the Board may exercise its discretion to award the value of vested Rights in the form of cash, such as following a termination of employment. No exercise price is required to convert the Rights into Shares. In the case of Restricted Rights, exercise will be automatic 90 days following grant.</p>
Measurement Period	<p>The Measurement Period for Performance Rights may be determined by the Board as part of each Invitation, but for long term incentive purposes it is intended to be three years (starting from the beginning of the financial year in which a grant is</p>

Aspect	Details
	made) with no vesting prior to performance being tested at the end of the three years between the start of the financial year in which the grant is made, and the end of the third financial year. Different Measurement Periods may be applied when warranted. The life of the Rights may differ from the Measurement Period and be shorter when shareholder approval for grants cannot be obtained until after the beginning of the Measurement Period.
Vesting Conditions	Vesting Conditions are to be determined by the Board as part of each offer, however, for the purposes of long-term incentive, the conditions selected are intended to create alignment with the experiences and expectations of shareholders over the Measurement Period. Initially Vesting Conditions will be related to TSR and possibly strategic milestones.
Gates	A gate is a condition that may apply to a grant if specified in the Invitation, and if not met, will turn off the opportunity for Rights to vest.
Measurement Period Extender	The EEGLRP Rules allow for the Measurement Period to be extended by 12 months, if the Participant is still employed, and nil vesting occurred at the first test. The start of the measurement period would not be affected by this, and modification of the Measurement Period can only apply to vesting scales that are expressed on an annualised basis, which ensures the adjustment does not make vesting easier. The Measurement Period would typically be extended from 3 years to 4 years. The purpose of this feature is to address short-term anomalies that arise at the relevant calculation points, and to motivate management to strive for improvement if the LTI fails to vest at the end of 3 years. This is not the same as re-testing.
Exercise and Exercise Price	In the case of manual exercise, Participants may submit an exercise notice at any time between the Vesting Date and the elapsing of the Term of the Rights, otherwise they will lapse at the end of their Term. The exercise price is nil.
Cessation of Employment	<p>The treatment of Service Rights will be specified in Invitations and will relate to the purpose of such a grant.</p> <p>If Service Rights vest subsequent to a termination of employment and their value is less than the Share Price at the date of the termination, then such Rights will be settled in cash on exercise.</p> <p>If a Participant is no longer employed by or otherwise engaged with any Group Company and holds unvested Rights those Rights will be automatically exercised on the earlier of the end of the Term of the Rights and one month following the date when the Participant has ceased to hold unvested Rights.</p>
Change of Control of the Company	<p>In relation to Restricted Shares that have resulted from the vesting of Rights, dealing restrictions, if any, specified in the Invitation would also be lifted, though the Company's securities trading policy and the Corporations Act would continue to apply. Restricted Rights are unaffected by a Change of Control event.</p> <p>All unvested Service Rights will vest.</p> <p>Restricted Rights will be unaffected by a Change of Control, as they are fully vested at grant.</p>
Major Return of Capital	The EEGLRP contains provisions that provide for vesting in the proportion of capital returned to shareholders, or in the proportion that the Share price increased over the Measurement Period, with Board discretion regarding the remainder.
Disposal Restriction / Release at Taxing Point	In the event that a taxing point arises in relation to Restricted Shares and the disposal restrictions applicable to such Shares have not ceased to apply then disposal restrictions, other than those arising under the Corporation Act, will cease to apply to 50% of such Restricted Shares.

Aspect	Details
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Participant will forfeit all unvested Rights.
Competition and Other Actions that May Harm the Company	<p>If a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board.</p> <p>If a Participant either directly or indirectly competes with the Company including becoming an employee of a competitor, supplier or customer, without the prior written consent of the Company, all unvested Rights held by the Participant will lapse and be forfeited, unless otherwise determined by the Board.</p>
Voting and Dividend Rights	Rights do not carry voting or dividend entitlements. Shares issued when Rights vest carry all entitlements of Shares, including voting and dividend rights.
No Transfer of Rights	Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.
Specified Disposal Restrictions	Invitations may include disposal restrictions that apply for a specified period to Restricted Shares. The Board will decide whether to include such conditions and the period for which they will apply.
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the EEGLRP, in accordance with the ASX Listing Rules.
Variation of Term and Conditions	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the EEGLRP. This includes varying the number of Rights to which a Participant is entitled upon a reorganisation of the capital of the Company.
Issue or Acquisition of Shares	Shares allocated to a Participant when Rights vest under the EEGLRP may be issued by the Company or acquired on or off market by the Company or its nominee. The nominee may be a trust, the purpose of which is to facilitate the operation of the plan.
Cost and Administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the EEGLRP.
Other Terms of the EEGLRP	The EEGLRP also contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the EEGLRP.
Hedging	The Company prohibits the hedging of Rights or Shares subject to dealing restrictions by Participants.
Lapse and Forfeiture of Rights	Rights will lapse if the prescribed Vesting Conditions are not satisfied within the prescribed Measurement Period, subject to testing, or if the Rights are not exercised within their term.



ABN 29 002 148 361

EEG

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone

1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.30 am (AEST) on Tuesday, 25 May 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is:



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999 I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Empire Energy Group Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Empire Energy Group Limited to be held at Boardroom 1, Level 19, 20 Bond Street, Sydney NSW 2000 on Thursday, 27 May 2021 at 11.30 am (AEST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4, 5, 10 to 17 and 19 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4, 5, 10 to 17 and 19 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. **The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 19 where the Chairman of the Meeting intends to vote against.**

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4, 5, 10 to 17 and 19 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1 Adoption of Remuneration Report	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Approval of issue of Shares to Paul Espie AO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Mr Louis Rozman as a Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of issue of Shares to Louis Rozman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Paul Espie AO as a Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval of issue of Shares to John Warburton	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratify previous issue of Restricted Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Grant of Restricted Rights to Managing Director	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratify previous grant of Restricted Rights to US Employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Grant of Service Rights to Professor Warburton	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratify previous issue of Shares under ASX Listing Rule 7.1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Grant of Director Fee Restricted Rights to Mr Espie AO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratify previous issue of Tranche 1 Placement Shares issued under ASX Listing Rule 7.1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Grant of Director Fee Restricted Rights to Mr Cleary	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Ratification of Tranche 1 Placement Shares issued under ASX Listing Rule 7.1A	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18 Approval of 10% Placement Facility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approve the issue of Tranche 2 Placement Shares	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19 Spill Resolution (Conditional on Resolution 1)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10 Approval of issue of Shares to Peter Cleary	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 19 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____ Date ____/____/____





ABN 29 002 148 361

EEG

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 855 080 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11.30 am (AEST) on Tuesday, 25 May 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

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Online:

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Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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I ND

Proxy Form

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the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Empire Energy Group Limited to be held at Boardroom 1, Level 19, 20 Bond Street, Sydney NSW 2000 on Thursday, 27 May 2021 at 11.30 am (AEST) and at any adjournment or postponement of that meeting.

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2 Election of Mr Louis Rozman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Approval of issue of Shares Louis Rozman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Paul Espie AO as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval of issue of Shares to John Warburton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratify previous issue of Restricted Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Grant of Restricted Rights to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratify previous grant of Restricted Rights to US Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Grant of Service Rights to Professor Warburton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratify previous issue of Shares under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Grant of Director Fee Restricted Rights to Mr Espie AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Ratify previous issue of Tranche 1 Placement Shares issued under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Grant of Director Fee Restricted Rights to Mr Cleary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Ratification of Tranche 1 Placement Shares issued under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approve the issue of Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19 Spill Resolution (Conditional on Resolution 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval of issue of Shares to Peter Cleary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 19 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

<p>Individual or Securityholder 1</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Sole Director and Sole Company Secretary</p>	<p>Securityholder 2</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Director</p>	<p>Securityholder 3</p> <div style="border: 1px solid black; height: 25px; width: 100%;"></div> <p>Director/Company Secretary</p>
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Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____