

ASX:EEG

Beetaloo Acquisition Completion

16 August 2021



Level 19, 20 Bond Street
Sydney NSW 2000

Empire Energy Group Limited (“Empire” or the “Company”) is pleased to announce the completion of the acquisition of Pangaea (NT) Pty Limited’s (“Pangaea”) and EMG Northern Territory Holdings Pty Limited’s (“EMG NT”) 100% interests in EP167, EP168, EP169, EP198 and EP305, located onshore in the Northern Territory’s Beetaloo Sub-basin (the “Tenements”).

The acquisition of the Tenements was announced to ASX on 14 April 2021 and was subject to the satisfaction of various conditions precedent which have now been satisfied. The transaction terms are summarised at Appendix A and a map detailing Empire’s new enlarged tenement holdings is at Appendix B.

Comments from Managing Director Alex Underwood:

“The formal completion of the acquisition of the Pangaea / EMG Northern Territory assets represents a significant milestone in the history of our Company. We now look forward to getting on the ground working with all stakeholders in these new areas with a strong focus on accelerating them through to production and cash flow, in an environmentally and socially responsible manner, for the benefit of all Northern Territorians and Australians.

On behalf of our Board, I would like to welcome Paul Fudge from Pangaea and The Energy & Minerals Group as shareholders of Empire, and Mr Fudge and Ms Jacqui Clarke to our board. I believe their experience and relationships will be invaluable to the Company as we continue to execute our strategy.

Global gas market dynamics appear increasingly favourable to producers of gas, particularly those supplying gas to Australia’s East Coast and LNG into Asia. The Beetaloo Sub-basin with its low CO₂ composition is well positioned to meet this forecast demand and to support the development of a downstream manufacturing industry in Darwin.

The growing economies to Australia’s north are looking to gas as the fuel for their rapidly expanding energy demands, particularly to energise their hard-to-electrify sectors, particularly manufacturing, and to provide a modern lifestyle for their citizens as their economies develop. Gas is critical to satisfying their energy needs while reducing aggregate GHG emissions.

Reinforcing these trends, Royal Dutch Shell forecasts 65% of the growth in natural gas demand to 2040 will come from non-power sectors such as marine bunkering, heavy manufacturing and road transport. These are areas in which renewables presently do not compete. Beetaloo gas has a bright future and Empire is playing an important role in developing this world class basin.”

APPENDIX A – SUMMARY TRANSACTION TERMS

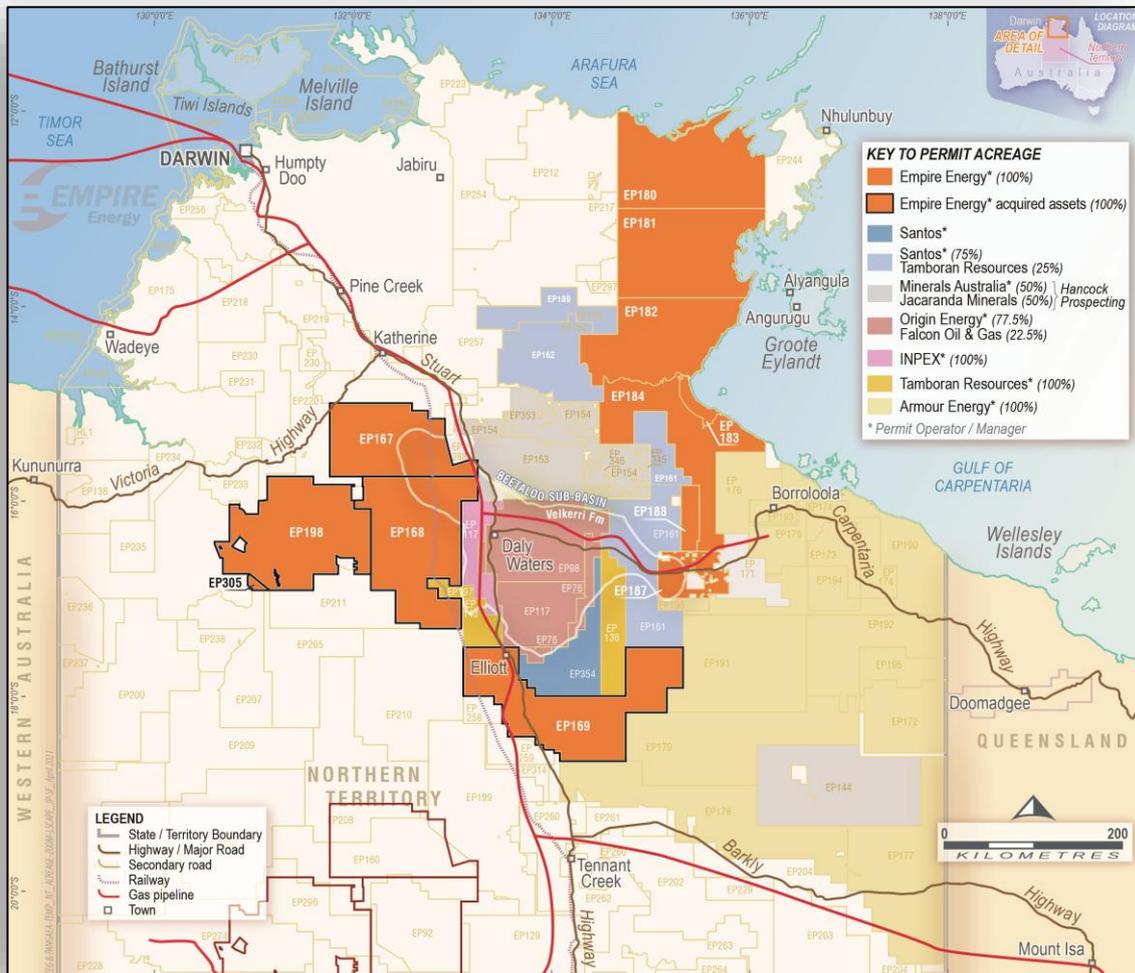
Party	Cash	Shares (12 month escrow)	Shares (24 month escrow)	Shares (un-escrowed)	Total Shares	Options ¹
Pangaea	\$5,000,000	55,000,000	49,894,868 ²	15,000,000	119,894,868 ²	8,000,000
EMG	\$1,060,606	11,666,667	14,848,485	3,181,818	29,696,970	1,696,970

Note:

1. Each option has an exercise price of \$0.70 and expires in 3 years
2. Pangaea has the right to call for the issue of an additional 20,105,132 shares, where such issue would not result in Pangaea and its associates exceeding a voting power of more than 20% in the Company.

Stamp duty of \$3.4m has been paid to the Territory Revenue Office and closing adjustments of \$0.2m have been paid to Pangaea and EMG. Empire has also issued 2,000,000 ordinary shares to its financial advisor, amicaa Advisors Pty Limited for advisory services provided in relation to the acquisition in lieu of cash.

APPENDIX B – KEY TENEMENT HOLDINGS IN BEETALOO / MCARTHUR BASINS



This ASX release has been authorised by the Managing Director.

For queries about this release, please contact:

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