



ASX:EEG

Chairman's Address to the 2021 AGM

27 May 2021



Level 19, 20 Bond Street
Sydney NSW 2000

Ladies and Gentlemen,

By any measure this has been an exciting year, with major developments for Empire Energy through a period of volatile economic conditions and oil prices.

Recent events in the Australian energy markets highlight the critical role for gas in stabilising the electricity system, its dependent industries and consumers. The power failures this last week at Callide in Queensland and inter alia Liddell in New South Wales impacting many households and putting at risk the Tomago Aluminium Smelter make this all too clear.

The Beetaloo and McArthur Basins now loom as critical factors in the changing national power system and Empire is moving towards becoming a key contributor as a producer of gas and liquids in the Beetaloo Sub-basin in the Northern Territory. To this end, during the year the Company has expanded its:

- Gas and liquid resources;
- Capital base and team; and
- Leases in the Beetaloo.

This progress has been reinforced by:

- Announced developments including plans of our neighbours Santos and Origin;
- Australian Government policies for a gas fired economic recovery and funding commitments to expand and underpin the programs of Empire and others in the Beetaloo Sub-basin; and
- Encouragement for these steps by the Northern Territory and Australian Governments through plans for infrastructure to bring gas to markets in Asia and the Southern States while supporting petrochemical manufacturing ambitions in Darwin.

Having regard for the complexities and leadership in the shale gas industry and the implications for developers and the wider economy, the Empire team engaged world class operators in Schlumberger, Halliburton and inGauge Energy for the drilling of the Carpentaria-1 well and testing of the gas and liquid bearing Velkerri shale.

Lessons learned from a fragmented approach to gas field development, particularly in Queensland, have focused our attention on the potential for aggregation and scale in the Beetaloo and greater McArthur Basin. This led us to what we consider will be the transformational acquisition of Pangaea Resources and EMG Northern Territory with its 14.3 million acres of prospective leases near those of Empire and prospective and contingent resources which in addition to those of Empire's resources total 42 TCF of gas and 791 million barrels of liquids.

Beyond the exploration and development plans for the Empire and Pangaea properties, with their proximity to gas pipelines, the objective of the Company is to bring these elements together in the next 3 years and move into sustainable production of gas and liquids and cashflows. Managing Director, Alex Underwood, will expand on this in his presentation.

Meanwhile, we continue to place major importance on our contribution through environmental and social responsibilities, particularly through all our dealings with Northern Territory and Australian governments, contractors, and more particularly pastoralists and traditional owners with whom we work continually on our plans and their best interests.

Let me thank our retired Board colleague and fellow shareholder John Gerahty for his real contribution to bringing the Company to its present position. I also welcome to the Board Lou Rozman whose wide experience in resources development includes gas projects in the Bowen Basin in Queensland.

Further to the completion of the Pangaea Resources transaction after this meeting, we look forward to Paul Fudge and Jacqui Clarke, with their considerable experience in the industry in Australia, joining our Board.

We wouldn't be appreciating the substance and position of Empire today and anticipating its growth ahead without the skills and application of Alex Underwood and his team. Your Board thanks them and all our shareholders for their commitment to our progress and achievements to date.

This ASX release has been authorised by the Managing Director.

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