

CEO's Corner invites Captains of Industry in the Oil & Gas space to comment on issues of relevance. Empire Energy has been striking all the right chords in the Beetaloo Sub-basin and Managing Director/CEO Alex Underwood shares his company vision with us.

Comments from readers are welcome and can be sent to: editorial@pesa.com.au



Fortune Favours the Bold is our Mantra When it Comes to Fracking

Alex Underwood

DURING my five years at the helm of Empire Energy, I've periodically been asked why I left the relative sanctuary of the banking sector to sail into the choppy seas of unconventional drilling in frontier territories of Australia and elsewhere.

I tell people that as a father raising kids aged 8, 7 and 3, I would not be able to do this job without the support of my loving family and wife Melissa, which has emboldened me to enjoy the exciting journey we are on at Empire.

I also enjoyed previous roles as a resources investment banker at Macquarie Group and Commonwealth Bank, both of which offered something of a comfort zone. It was as an account manager for Empire at Macquarie that my interest in US shale was piqued as the company was focussed on acreage it was sitting on in the Marcellus shale, which was coming into prominence circa 2008.

I had come to know (former Empire Energy chairman) Bruce McLeod well who had seen that shale had a huge future. Bruce and Empire director John Warburton tapped into this potential – striving to replicate the success of US shales in Australia – and had walked into the Northern Territory Geological Survey and snapped up a large acreage position in the Beetaloo and the McArthur at a time when the geology of both basins was not well understood and less than five percent of the NT land mass was leased for petroleum exploration.

Still on the banking side of the fence, I had become intrigued by the pioneering and enterprising nature of the industry and unconventional plays in particular. So, when Bruce offered me the chance to become CEO of Empire subsidiary Imperial Oil & Gas, working in tandem with Empire Energy to unlock gas value in a portfolio of assets located in the Top End and the USA, I found the opportunity irresistible.

Empire had been one of the first to lease out acreage in the NT and my

background as an investor and lender to Empire and others was enough for me to take a punt, jump out of finance and into the abyss of a whole new adventure. At the time the moratorium on fracking was coming to an end and in the Top End the final report of the fracking inquiry had found that provided unconventional drilling was adequately regulated and responsibly executed, it could be carried out safely.

Sadly, Bruce is no longer with us, but his legacy lives on and it was the influence and inspiration of two of my forebears that played a key role in my decision to jump ship.

My grandfather and great grandfather, Frank Espie snr and jnr, had pioneering roles to play in the Australian resources industry. The former ran Western Mining's operations at Kalgoorlie and the latter built the Panguna Copper Mine in the Bougainville region of Papua New Guinea.

I guess it's in our genes, but I'd never forgotten what my grandfather and great grandfather did, which was why I took the leap in early 2018. And even though we at Empire are pretty small in comparison to some of our global peers, it's still ground breaking and there is a sense of purpose within our small, hard-working team fuelled by the belief that we can be very successful. Not only to shareholders, but also making a material impact on our country's economy and its energy security overall.

The reality is we need more gas and we need a lot of it. We all endured the stresses when prices were low and activist activities also curtailed development. Supplies were challenged then and still are, as proven in markets today.

But we as a team are excited to be a potential part of the solution Australia faces as an economy. Our vision is to emerge as a major gas supplier to the east coast and to the petrochemical hub envisaged for Darwin Harbour. We believe we have enormous capacity to help alleviate costs for Australian households and in the manufacturing sector and longer-term in the gas export market to Asia. ▀