



ASX:EEG

Empire Energy – Leading the Development of the Beetaloo Basin



Investor Presentation August 2021

Corporate Snapshot



Capital Structure

	Current	Pro-forma
Shares on issue ¹	447.9m	597.0m
Share price	\$0.275	\$0.275
Market cap	\$123.2m	\$164.2m
Net (debt ²) / cash	~\$30.7m ³	~\$20.0m ³
Enterprise value	~\$92.5m	~\$144.2m
Cash at bank	~\$39.1m	~\$28.4m

ASX Share Price



Pro-forma Top Shareholders

Pangaea Resources (NT) Pty Limited ⁴	20.0%
Elphinstone Holdings Pty Limited	8.9%
Global Energy and Resources	5.4%
Energy and Minerals Group	5.0%
Macquarie Bank Limited	4.4%
Board of Directors ⁵	2.0%



1. Empire has 18.4m unlisted options on issue with an average exercise price of <A\$0.32 per share. In addition, there are 13.9m Share Rights on issue to members of the management team and Board. Most of the Share Rights have performance hurdles tied to total shareholder return.

2. Empire has a US\$7.5 million debt facility (drawn to US\$6.125 million) with Macquarie Bank maturing in September 2024 which is secured against the Company's USA gas production assets. Under new management, total debt has been reduced by over 80% since 2018. Net debt excludes a US\$343,602 loan which has been approved and received under the US Paycheck Protection Program which is expected to be forgiven.

3. Pro-forma net cash after transaction costs of ~\$11m comprising: cash consideration \$6.1m, stamp duty \$3.4m and professional services fees ~\$1.2m

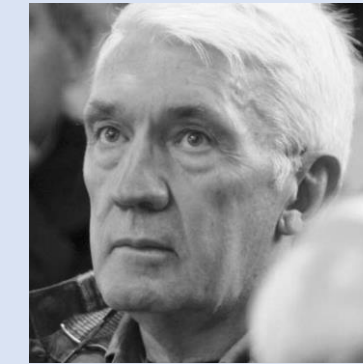
4. Pangaea consideration includes 140m shares in total, which will be issued subject to Pangaea not holding an interest of more than 20% in Empire's ordinary shares at any point in time. It is expected that 119,394,868 shares will be issued to Pangaea at completion, with 20,605,132 being unissued

5. Board shareholding excludes options and MD Rights

Empire's Board of Directors



Pangaea Representatives



Paul Espie AO

Chairman & Non-Executive Director

- Founding principal of Pacific Road Capital, a resources investing manager of private equity funds
- Former Chairman of Oxiana Ltd during the development of the Sepon copper/gold project in Laos
- Former Chairman of Cobar Mines Pty Limited after a management buyout
- Former Head of Bank of America operations in Australia, New Zealand and PNG

Alex Underwood

Managing Director

- Associate Director Energy Markets Division of Macquarie Bank Limited (Sydney and Singapore)
- Director Natural Resources Division of Commonwealth Bank of Australia (Singapore)
- Financial Analyst BHP Billiton Petroleum (Perth)
- Experience investing debt and equity in the upstream oil and gas sector and identification of value creation opportunities for upstream oil and gas development / production assets

Peter Cleary

Non-Executive Director

- Distinguished 29-year career representing Santos, the North West Shelf Venturers and BP in Asia. His executive career was in LNG, pipeline gas and chemicals operations
- Member of the Executive Committee of the Australia Japan Business Co-operation Committee and the Australia Korea Business Council

Louis Rozman

Non-Executive Director

- Former Managing Director of CH4 Gas which merged with Arrow Energy and later acquired by PetroChina and Shell
- Founding principal of Pacific Road Capital, a resources investing manager of private equity funds
- Former Chief Operating Officer of AurionGold Limited
- Chairman of the VALMIN Code Committee for the AusIMM and Australian Institute of Geoscientists

Prof. John Warburton

Non-Executive Director

- Highly regarded petroleum geoscientist experienced in big fields
- 30 years technical & leadership experience in leading E&P companies including BP, LASMO-Eni and Oil Search
- Previously Chief of Geoscience & Exploration Excellence for Oil Search
- Non-Executive Director of Senex Energy

Paul Fudge

Non-Executive Director

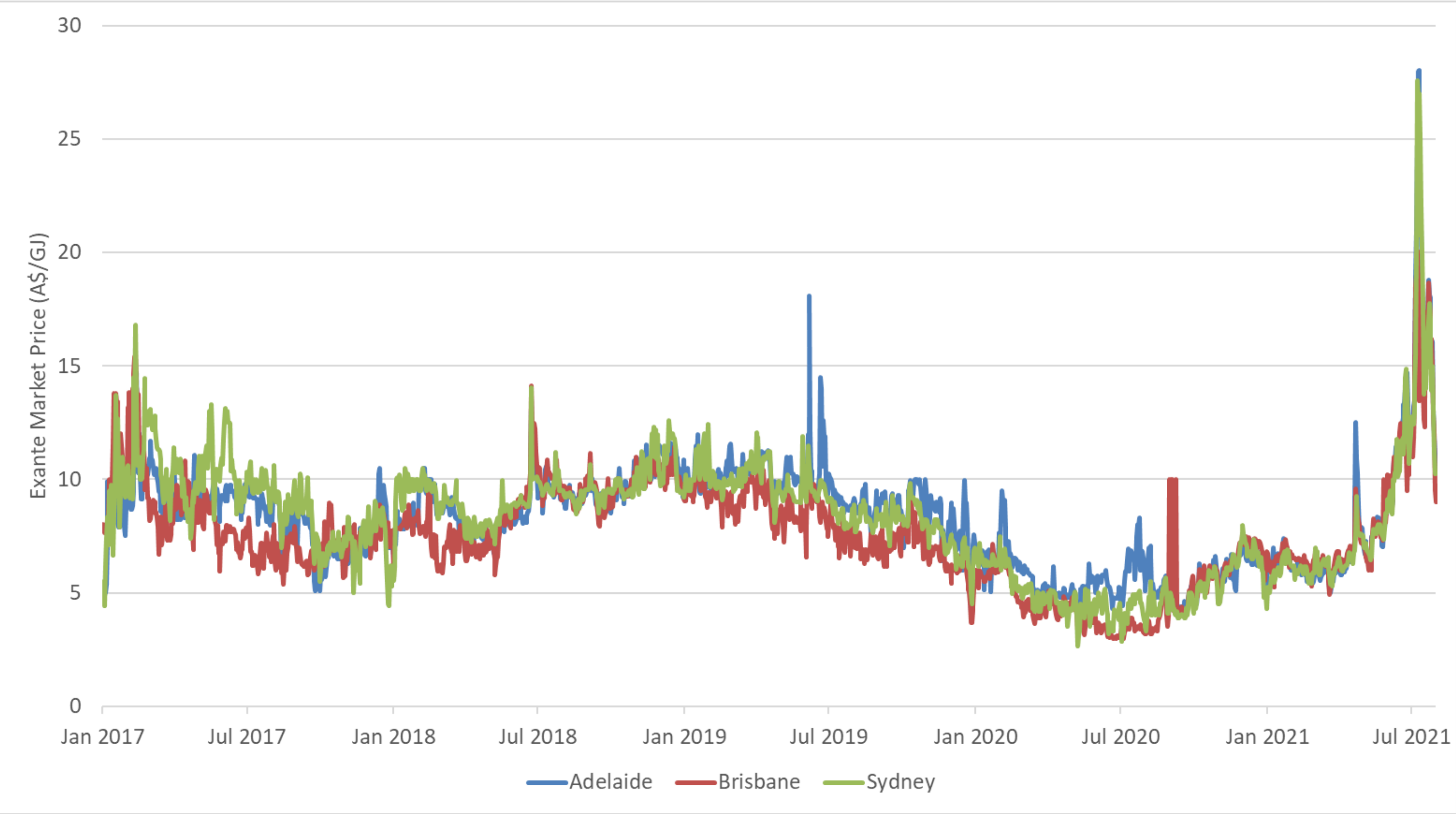
- Controlling shareholder of Pangaea
- Significant investment experience in onshore Australian oil & gas, including being an early mover in the Queensland Coal Seam Gas industry and in the Beetaloo Sub-Basin
- Paul brings significant business and investment experience to the Board of Empire

Jacqui Clarke

Alternate Director

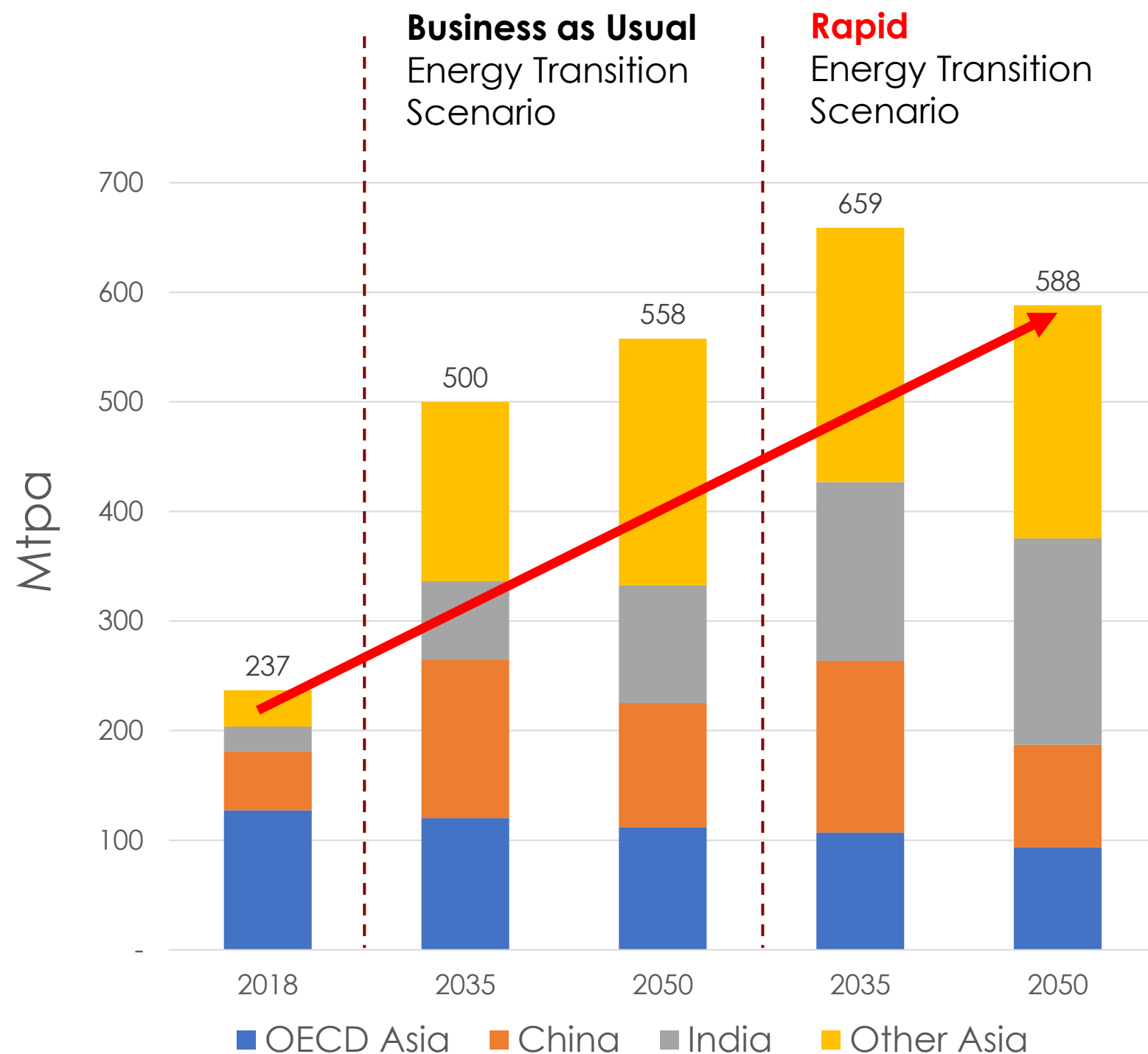
- 30 years professional services experience, with over 15 years as a Partner at Deloitte.
- Jacqui is a Chartered Accountant and Fellow of the Institute of Chartered Accountants, Graduate of AICD (Australian Institute of Company Directors), Chartered Tax Advisor and Justice of the Peace

East coast gas prices rising strongly



Gas running strong - Asian LNG demand increasing dramatically

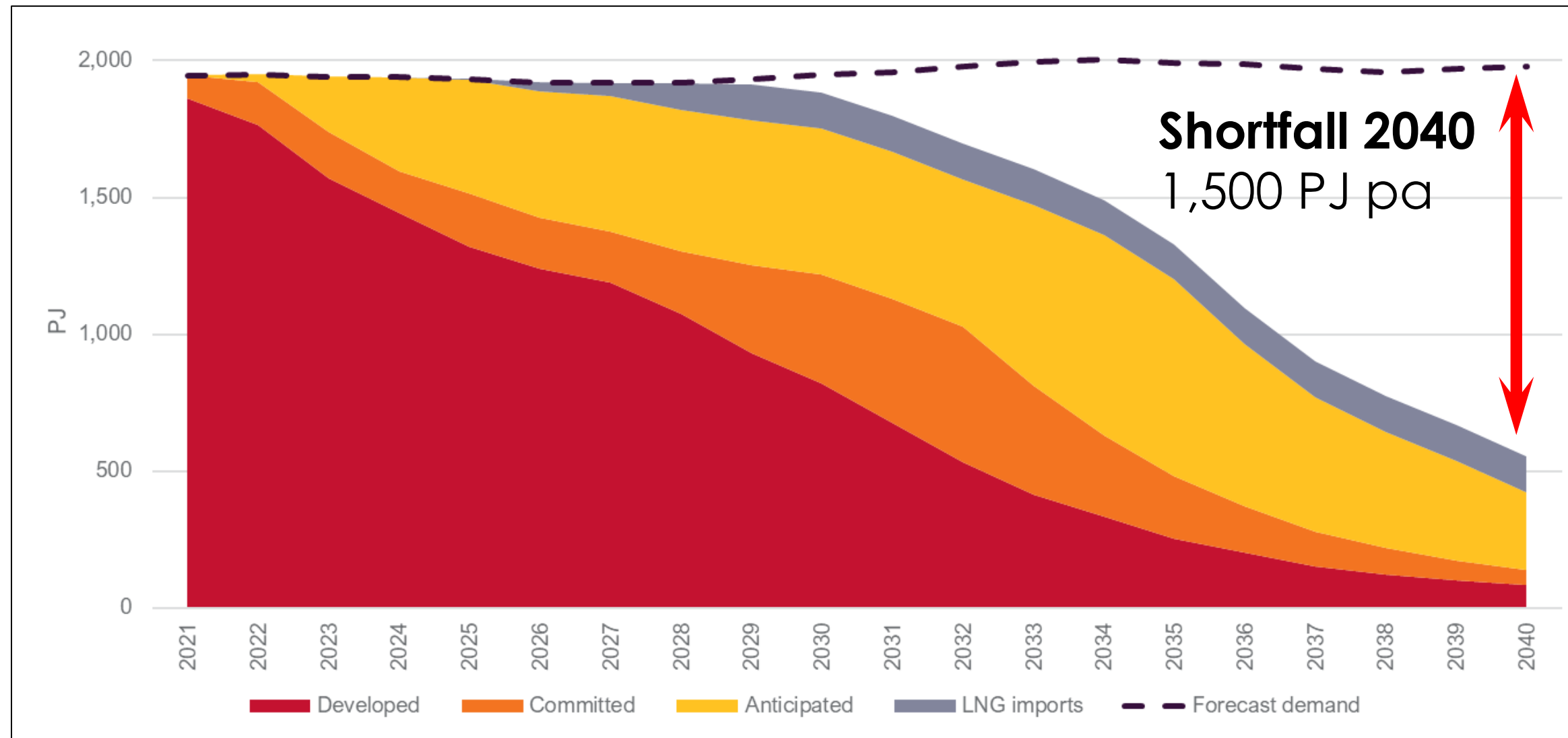
Forecast Asian LNG Imports – BP World Energy Outlook 2020



- Growing LNG demand in 'hard to abate sectors' such as heavy industry, shipping, road logistics
- Asian LNG demand doubles even in a 'worst case' scenario led by China, India, Bangladesh, Pakistan and ASEAN nations
- This equates to **~32Tcfe per annum** LNG demand
- "Global LNG demand is expected to outpace total demand for energy and the QCLNG venture is crucial in helping Shell meet the world's growing energy needs" Global Infrastructure Partners

BP forecasts stated as 1 BCM = 0.735Mt LNG

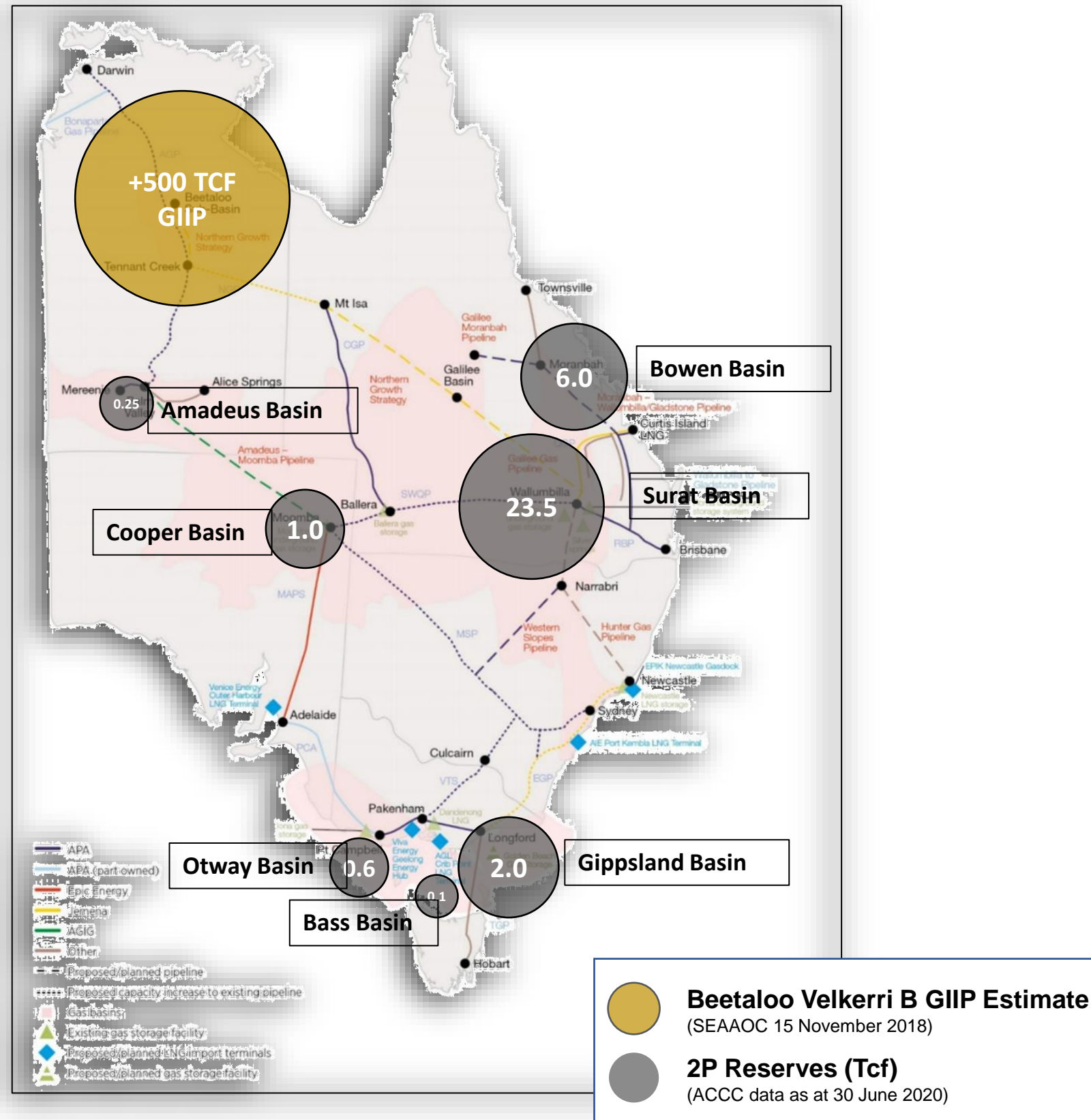
Australia's looming gas shortage – Beetaloo poised to fill the gap



- The Beetaloo Basin is well positioned to meet this challenge with the scale of resource and existing infrastructure
- Empire's Beetaloo gas has notably low CO₂ (0.5% to 1%) and high calorific content
- Australian Federal Government demonstrating strong support through its Beetaloo Strategic Basin Plan committing \$220 million (including \$50 million to incentivise drilling by Beetaloo operators)

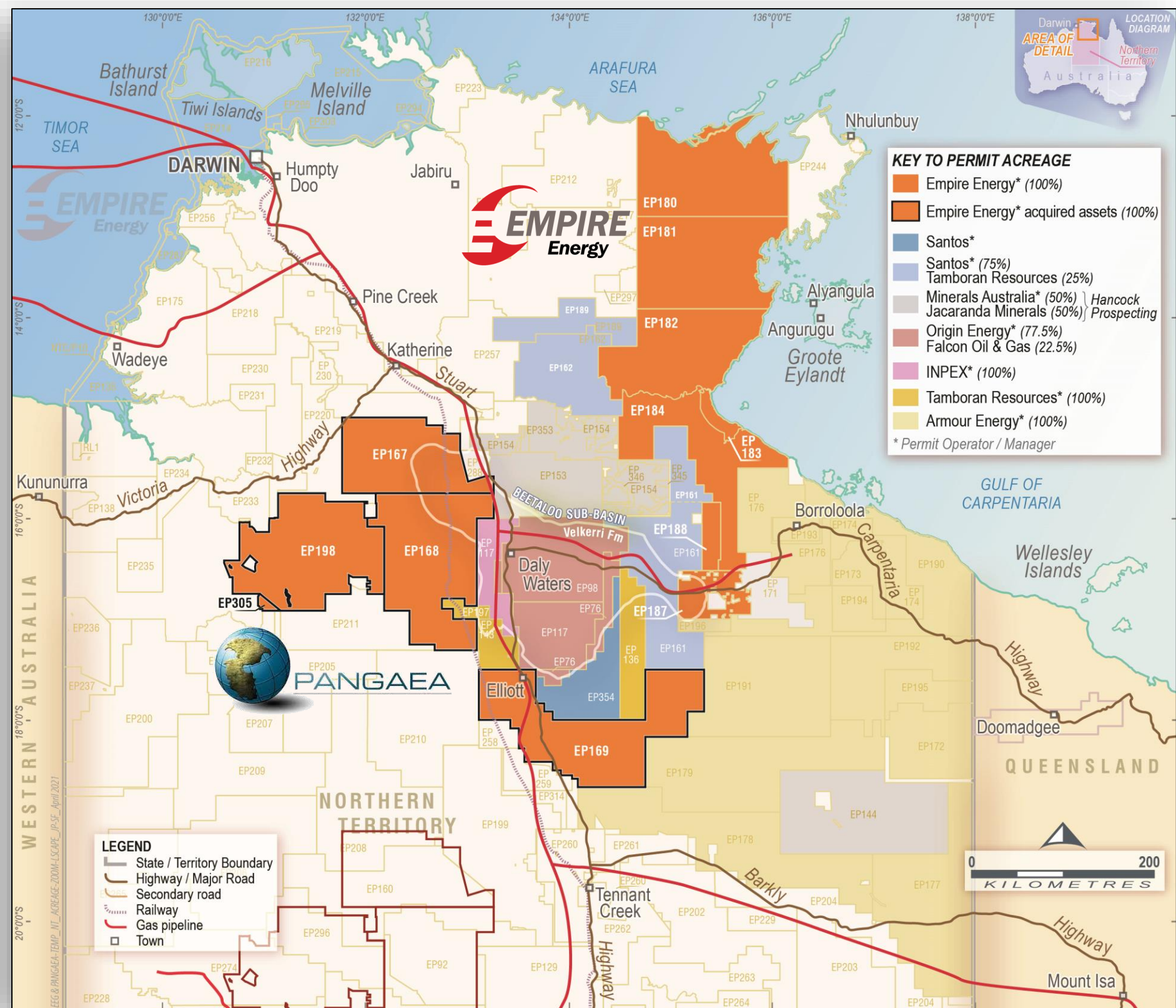
Australian Energy Market Operator 2021, *Gas Statement of Opportunities*





The Beetaloo is Australia's largest Undeveloped Gas Resource



- Total potential prospective resources in the Velkerri B shale unit of between **50 Tcf and 100 Tcf** based on Government estimates of **500 Tcf** gas-in-place (assuming recovery factors of between 10% and 20%)
- **Add to this the upside** from other productive shale units - the Velkerri A and C, the Kyalla - plus contained liquids, which can greatly enhance project economics
- The Australian Federal Government, 14 January 2021: "The Beetaloo Sub-basin has the potential to rival the world's biggest and best gas resources. The Beetaloo Strategic Basin Plan outlines how we can realise this potential as soon as possible. **The \$224 million Beetaloo Strategic Basin Plan** sets out bold, innovative and cooperative actions. These actions will help us seize the opportunities presented by the natural resources in the Beetaloo."

A larger Empire through the Pangaea / EMG acquisition



 +  + 	In area: millions of acres:	P(50) Gas in TCf	P(50) Prospective Resource in PJc
	14.6	14.4	14,661
	14.3	27.7	32,209
	28.9	42.1	46,870

- Pangaea and EMG invested ~A\$110 million in exploration and appraisal between 2013 and 2015
- Stuart Highway, Darwin to Adelaide rail corridor and the Amadeus Gas Pipeline (connecting to the East via the Northern Gas Pipeline)



EMPIRE
Energy



A large outdoor yard filled with numerous blue and white industrial vehicles, including trucks and trailers, under a bright blue sky with scattered clouds. A crane is visible in the background.



Continuously productive shales, these five wells span 309km



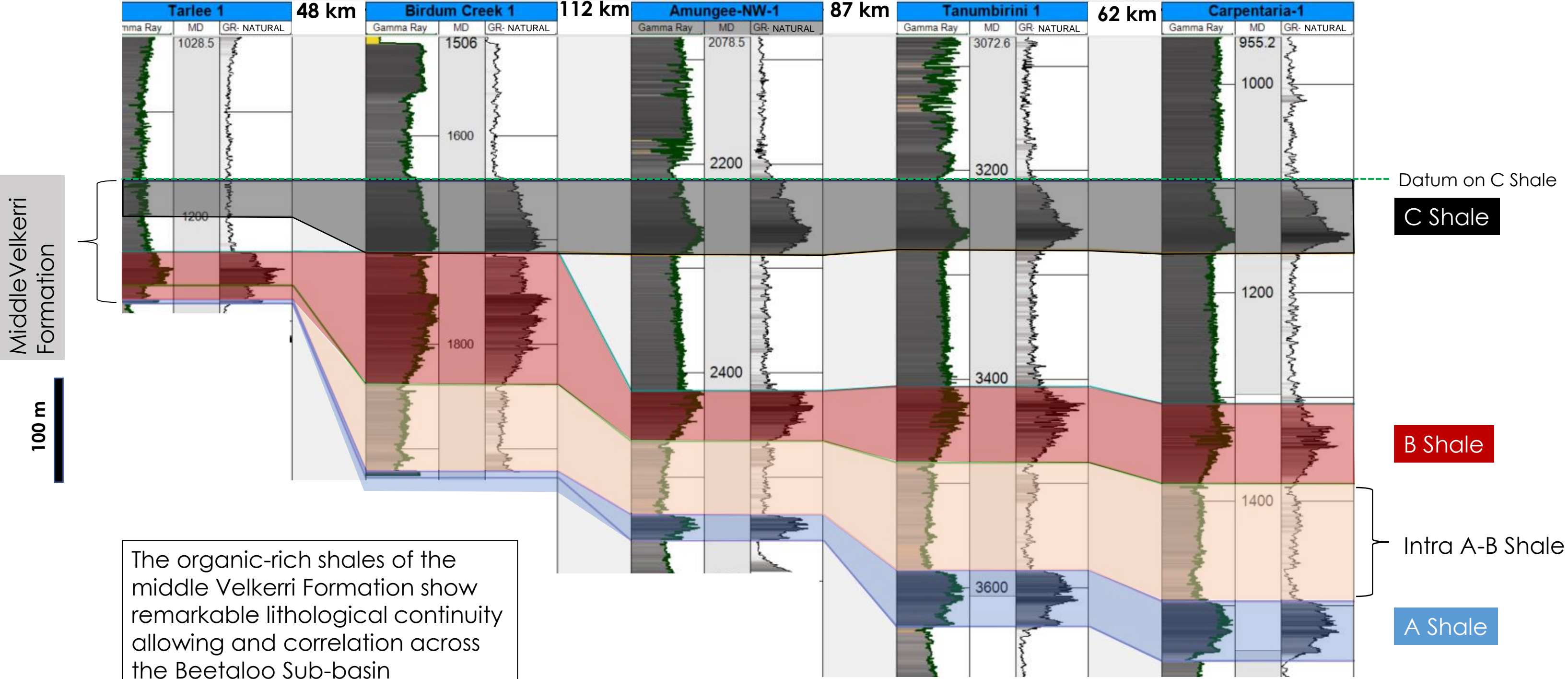
West



Santos



East

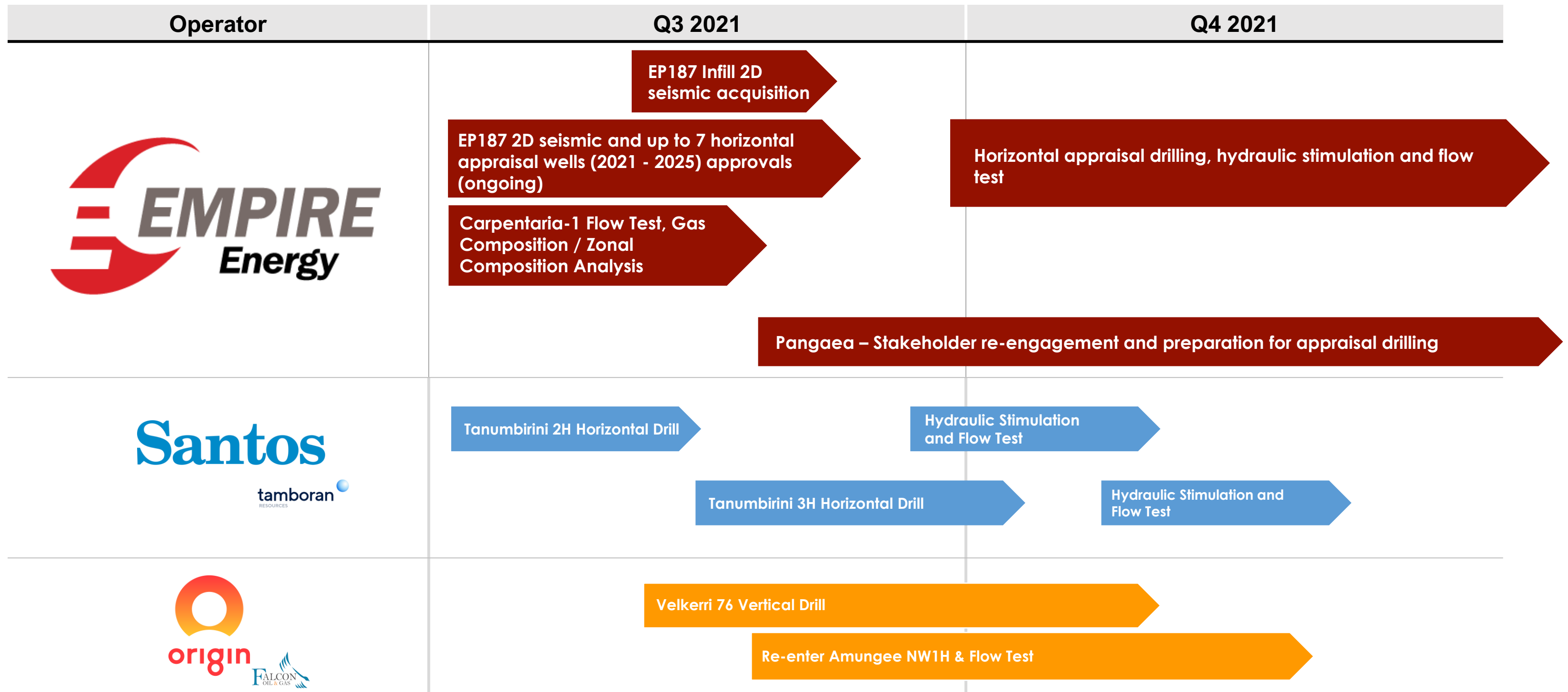


2020 – 2021 exploration & appraisal campaign successes

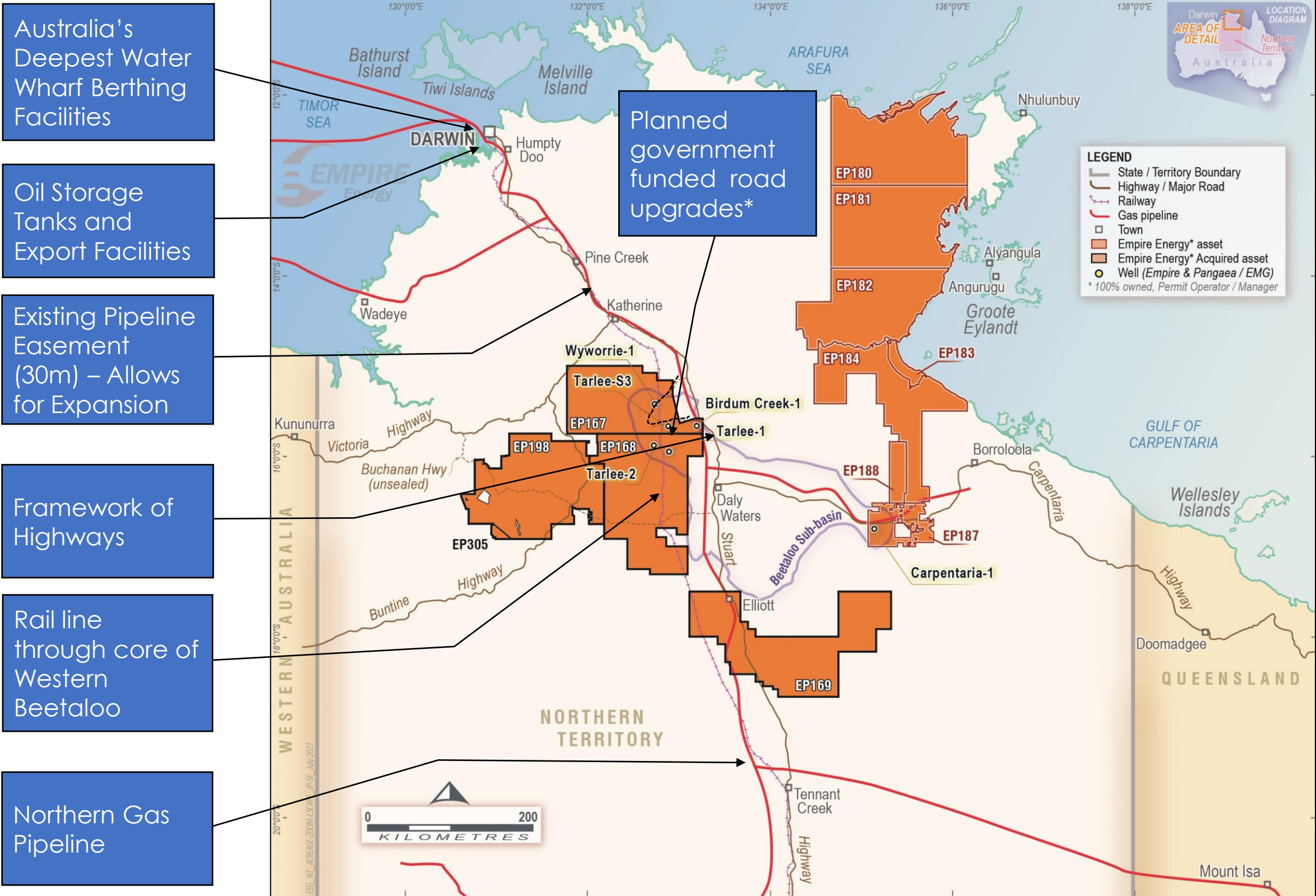
- First success with Carpentaria 1 drilled to TD 1,915m intersecting a **column of liquids rich gas in the Velkerri nearly one kilometre thick** (998m)
- Substantial proportions of heavier-end, **higher-value liquid** hydrocarbons encountered - these materially enhance the economics of future production scenarios
- The Velkerri Shale is shallower than in analogue Beetaloo Basin wells and offers **lower drilling costs** in future wells
- Post-well analysis undertaken at W.D. Von Gonten & Co (Houston, Texas) in collaboration with Empire's technical team recorded **favourable rock properties**
- Carpentaria-1 four stage vertical fracture stimulation and **flow testing** produced a peak rate >1.6mmcfpd and average 0.25mmcfpd over test period
- Progressing approvals: for 150 kms of 2D seismic and the drilling and hydraulic stimulation of up to **7 horizontal wells** across EP 187
- Empire is now **fully funded** for horizontal appraisal drilling



A year of escalating activity in the Beetaloo Sub-basin



Principal infrastructure to drive early production



Amadeus gas pipeline – connecting to Darwin & NGP to East



Adelaide-Darwin rail corridor



Stuart Highway to Darwin

*\$173.6 million committed to the Federal Government's Roads of Strategic Importance – Northern Territory Gas Industry Roads Upgrades to upgrade the Buchanan Highway, Western Creek Road and Gorrie Dry Creek Road



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