



1 FEBRUARY 2016

Lightning strike prompts temporary shut down of Red Gully

Oil and gas producer and explorer Empire Oil and Gas advises that it has taken the precautionary decision to temporarily shut-in its Red Gully Processing Facility after an external element of the plant was affected by a lightning strike at approximately 4pm on Saturday afternoon.

There is no visual damage evident at the cold vent where the strike occurred, however an independent engineering team has been deployed to the Red Gully Production Facility today (Monday) to assess the vent and to confirm the plant can be restarted safely, subject to DMP approval.

The lightning protection system in the plant operated as designed, protecting the plant's electrical systems.

Most importantly, all staff working onsite at the time were safe. Depressurisation of the gas lines when the plant was shut-in helped to extinguish a small resultant flame that had started at the vent outlet. The local fire brigade, who had mobilised to the Facility, assisted this process.

"While we were unlucky that the vent was hit by lightning, I am especially pleased that our employees are safe and that the systems designed to respond to a random incident like this worked as intended," Empire Oil and Gas Chief Executive Officer Ken Aitken said.

"I'd like to especially thank the local fire brigade for responding so quickly, particularly on a Saturday afternoon.

"The plant will be restarted once all safety, engineering and regulatory issues are satisfactorily cleared, which is expected to be on Tuesday morning."

Empire Oil and Gas will provide an update once hydrocarbon processing recommences.

For further information, please contact:

Ken Aitken
Chief Executive Officer
Empire Oil & Gas NL
Telephone: +61 8 9286 4600
www.empireoil.com.au

Cameron Morse
FTI Consulting
Mobile: 0433 886 871
Telephone: +61 8 9485 8888

About Empire Oil & Gas

Empire Oil & Gas NL ('Empire' or the 'Company') is an onshore conventional gas and condensate producer and explorer listed on the Australian Securities Exchange (ASX: EGO) with key assets in the Perth Basin in Western Australia. The Company's producing assets at Red Gully are less than 150kms from the city of Perth where there is a strong gas market. Since commencing operations in 2013, the 100% owned Red Gully Processing Facility has produced and delivered over 5,000 Terajoules (TJ) of gas. Gas produced to date has been contracted to Alcoa and delivered through the Dampier to Bunbury Natural Gas Pipeline (DBNGP), which lies next to the Processing Facility. Condensate produced is transported via road to BP.

EGO is the holder of the largest net acreage in the highly prospective Perth Basin with its production licenses and permits covering more than 10,000km², representing 48% of the currently granted acreage in the Perth Basin. Close to pipeline infrastructure and



with rapid commercialisation opportunities, the Company has significant exploration potential in an underexplored, proven petroleum system.

Empire's vision is to sustainably grow the business into a mid-tier exploration and production company. Empire's strategy is to be the Perth Basin operator of choice, safely supplying WA domestic gas by growing the Red Gully production hub, delivering reserves and production growth by drilling material quality exploration prospects in the high profit margin onshore Perth Basin, enabling Empire to attract quality farm-in partners to assist in accelerating growth plans.