

EMPIRE EXECUTES BINDING COMMITMENT LETTERS FOR A\$65 MILLION BEETALOO FINANCING PACKAGE

- **A\$30 million R&D Facility will fund exploration, appraisal and development activities including Carpentaria-5H and construction of infield infrastructure representing an upsizing and maturity extension of existing A\$2.25 million facility**
- **A\$5 million Performance Bond Facility to meet Empire's Northern Territory environmental bonding obligations**
- **New A\$30 million Midstream Infrastructure Facility to finance refurbishment and construction of the Carpentaria Gas Plant and associated infrastructure**
- **Empire is currently drilling ahead in the vertical section of the intermediate hole at Carpentaria-5H at a depth of 770 metres MD**
- **Cash at bank has increased to A\$34.8 million following receipt of A\$1.3 million from the Australian Taxation Office for September 2024 BAS**

Comments from Managing Director Alex Underwood:

"The financing package with Macquarie announced today followed an extensive competitive tender process and provides Empire with the best terms currently available in the debt market. Macquarie has been financing Empire Energy for 15 years.

This financing package, along with existing cash resources, will fund the drilling, completion and flow testing of C-5H and the installation of the Carpentaria Gas Plant and associated in-field infrastructure. This represents a key milestone in Empire's stated goal to move into pilot production from the Beetaloo Basin commencing in 2025 to meet demand for gas in the Northern Territory and, ultimately, Australia's supply constrained East Coast market.

The terms of the financing package demonstrate Macquarie's innovative approach to provision of capital to the upstream oil and gas industry, with significantly reduced dilution of shareholders' interests in the company compared to raising additional equity capital for the Carpentaria Pilot Project."

Empire Executes Binding Commitment Letters for A\$65 million Beetaloo Financing Package

Empire Energy Group Limited (“Empire”) is pleased to announce it has executed binding term sheets with Macquarie Bank Limited (“Macquarie”) for the establishment of new credit facilities totaling A\$65 million. Together with existing cash on hand, proceeds from the credit facilities will be applied to Carpentaria-5H (“C-5H”) and the Carpentaria Gas Plant and associated infield infrastructure.

The A\$65 million credit facilities with Macquarie comprise:

- **R&D Facility (A\$30 million upsized from A\$2.25 million existing facility):** Facility sized at 80% of the FY2024 and FY2025 estimated tax rebates under the Australian Government’s Research and Development (“R&D”) Tax Incentive Scheme. The R&D Facility provides Empire with additional liquidity and will allow Empire to better manage its working capital requirements. Funds can be applied to Northern Territory exploration, appraisal and development activities including C-5H and construction of infield infrastructure;
- **Performance Bond Facility (A\$5 million, same size as existing facility):** to meet Empire’s Northern Territory environmental bonding obligations through Macquarie bank guarantees in favour of the Northern Territory Government on a non-cash-backed basis; and
- **Midstream Infrastructure Facility (A\$30 million new facility):** proceeds can be applied to the refurbishment and construction of the Carpentaria Pilot Gas Plant. Repayment of the Midstream Infrastructure Facility will be via a tolling fee.

The R&D and Performance Bond Facilities represent a refinancing of Empire’s existing credit facility with Macquarie.

Availability under the R&D Facility has been increased from 60% of expected R&D tax rebate under the existing facility to 80% of expected R&D tax rebate while maintaining the same interest margin.

Pricing for the Performance Bond Facility has been reduced from BBSW + 10% to a fixed 10% per annum on issued guarantees.

The other key terms of the credit facilities are included in Appendix A to this announcement.

Carpentaria-5H Drilling Update

The surface section of the C-5H well has been successfully drilled and cased, effectively isolating the Cambrian Limestone Aquifer. Empire is currently drilling ahead in the vertical section of the intermediate hole at a depth of 770 metres MD at the time of publication of this release.

The well path will soon begin building and turning towards the Middle Velkerri B shale target interval. After the intermediate section is drilled and cased, Empire will drill and case the horizontal section.

APPENDIX A: KEY TERMS OF CREDIT FACILITIES

R&D Facility

Key Terms	Details
Facility Amount	A\$30 million
Purpose	Exploration, appraisal and development activities including C-5H and construction of infield infrastructure
Lender	Macquarie Bank Limited
Borrowers	<ul style="list-style-type: none"> ▪ Imperial Oil & Gas Pty Limited ▪ Imperial Oil & Gas A Pty Limited
Guarantor	Empire Energy Group Limited and Borrowers
Establishment Fee	A\$416,250
Security	<ul style="list-style-type: none"> ▪ First ranking security over assets of each Borrower ▪ First ranking security over the Guarantor's shares in each Borrower and intercompany loans, plus featherweight security over the Guarantor's other assets
Utilisation Fee	1.5% of each drawdown
Commitment Fee	40% of Margin
Margin	5.5% p.a.
Interest Rate	Margin plus BBSW
Financial Covenants	<ul style="list-style-type: none"> ▪ Current assets to current liabilities of at least 1.00 to 1.00 ▪ Minimum cash balance in the Borrowers or Guarantor of at least \$10 million (or its equivalent in any other currency or currencies)
Maturity Date	31 December 2026
Repayment	On receipt of relevant R&D Tax Incentive payment
Other	<ul style="list-style-type: none"> ▪ Negative pledge ▪ Restrictions on additional financial indebtedness and provision of financial accommodation

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Performance Bond Facility

Key Terms	Details
Facility Amount	A\$5 million
Purpose	Bank guarantees to meet NT environmental bonding requirements
Lender	Macquarie Bank Limited
Borrowers	<ul style="list-style-type: none"> ▪ Imperial Oil & Gas Pty Limited ▪ Imperial Oil & Gas A Pty Limited
Guarantor	Empire Energy Group Limited and Borrowers
Security	<ul style="list-style-type: none"> ▪ First ranking security over assets of each Borrower ▪ First ranking security over the Guarantor's shares in each Borrower and intercompany loans, plus featherweight security over the Guarantor's other assets
Utilisation Fee	1.5% of utilisation
Commitment Fee	40% of Letter of Credit Fee
Letter of Credit Fee	10.00% per annum on issued guarantees
Financial Covenants	<ul style="list-style-type: none"> ▪ Current assets to current liabilities of at least 1.00 to 1.00 at all times ▪ Minimum cash balance in the Borrowers or Guarantor of at least \$10 million (or its equivalent in any other currency or currencies)
Maturity Date	31 December 2026
Repayment	On Maturity Date
Other	<ul style="list-style-type: none"> ▪ Negative pledge ▪ Restrictions on additional financial indebtedness and provision of financial accommodation

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Midstream Infrastructure Facility

Key Terms	Details
Facility Amount	A\$30 million
Purpose	Refurbishment and construction of the Carpentaria Gas Plant and associated infrastructure
Lender	Macquarie Bank Limited
Borrowers	<ul style="list-style-type: none"> ▪ Imperial Oil & Gas Pty Limited ▪ Imperial Oil & Gas A Pty Limited
Guarantor	Empire Energy Group Limited and Borrowers
Security	<ul style="list-style-type: none"> ▪ First ranking security over assets of each Borrower ▪ First ranking security over the Guarantor's shares in each Borrower and intercompany loans, plus featherweight security over the Guarantor's other assets
Tolling Fee	<ul style="list-style-type: none"> ▪ A\$0.70 / GJ x 25 TJ / day (+CPI) ▪ Payable from the earlier of first production and 1 January 2026
Availability Period	Available for first utilisation after the Conditions Precedent are satisfied until 31 December 2025 unless an extension is agreed
Maturity	31 December 2034
Early Prepayment	Empire may elect to prepay the Midstream Infrastructure Facility at any time by making payment of an amount representing a 15% IRR for the Midstream Infrastructure Facility cashflows up to the date of Prepayment including all tolls paid up to the date of prepayment
Conditions Precedent to First Utilisation	<ul style="list-style-type: none"> ▪ All regulatory and indigenous approvals in place to allow for sale of gas from the Carpentaria Pilot Project under the <i>Beneficial Use of Test Gas</i> provisions of the NT Petroleum Act ▪ C-5H to be drilled to a lateral length of at least 2,700 metres with at least 50 fracture stimulation stages placed ▪ Evidence of funding for the Carpentaria Gas Plant exceeding costs to complete ▪ Issue of the Options to Macquarie
Options	<ul style="list-style-type: none"> ▪ On financial close, Empire shall issue 50 million options to Macquarie with an exercise price of \$0.28 per share and an expiry date of 31 December 2029 ▪ Options shall vest upon satisfaction of Conditions Precedent to First Utilisation

This ASX release has been authorised by the Managing Director

For queries about this release, please contact:

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