

EMPIRE COMPLETES CARPENTARIA-5H (“C-5H”) DRILLING PROGRAM AND EXECUTES NEW MACQUARIE CREDIT FACILITY

- **C-5H well has been successfully drilled and cased to a Total Depth of 5,310 metres (17,421 feet)**
- **100% of the 3,310 metre (10,860 foot) horizontal section was placed within the target Velkerri-B shale, with strong gas shows throughout**
- **The C-5H well was completed with 5 ½” casing to Total Depth prior to suspension and rig release on 27 December 2024**
- **The well was executed in 41 days from spud to rig release**
- **Fracture stimulation operations and production testing of C-5H scheduled to commence in early Q2 2025 after the NT wet season**
- **Empire has executed facility documentation with Macquarie Bank for the R&D Facility (\$30 million) and Performance Bond Facility (\$5 million)**
- **Current cash at bank is \$25.7 million with an additional \$28.8 million available and undrawn under the Macquarie facility**

Comments from Managing Director Alex Underwood:

"The safe and successful drilling, casing and cementing of C-5H represents a major operational milestone for Empire Energy and the broader Beetaloo Basin.

C-5H contains the longest horizontal drilled and cased section of any well drilled in the basin to date. The horizontal section was completed fully within the target Middle Velkerri-B shale zone, setting the Company up for a successful stimulation program.

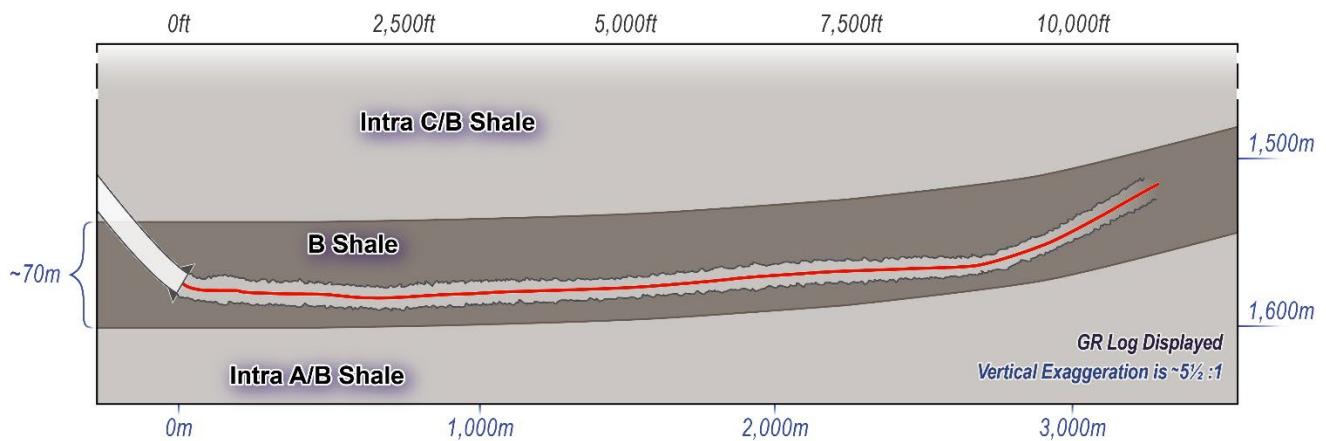
The decision we have made to delay the C-5H fracture stimulation from January 2025 to April 2025 has been taken with the best interests of our shareholders in mind, as the financial risk of weather-related issues would have been substantial. The change in program timing is not expected to delay delivery of first gas in 2025.

The documentation of the Macquarie R&D and Performance Bond Facilities enhances the Company's liquidity without any dilution of shareholders' interests. We look forward to completing documentation of the Midstream Infrastructure Facility in Q1 2025"

Carpentaria-5H Update

Empire Energy Group Limited (“Empire” or the “Company”) is pleased to announce that the C-5H well, targeting the Velkerri-B shale formation, reached a total length of 5,310 metres (17,421 feet) on 20 December 2024. The well was drilled in 41 days from spud to rig release, with the 3,310 metre (10,860 feet) horizontal section drilled in 8 days. The well was drilled slightly faster than the risked pre-drill schedule.

100% of the horizontal section was drilled within the Velkerri B Shale and, as anticipated, strong gas shows were observed throughout. The horizontal section required minimal steering to remain within target.



Carpentaria-5H Horizontal Section Schematic

C-5H was drilled from the same well pad as the Carpentaria-2H (“C-2H”) and Carpentaria-3H (“C-3H”) wells, parallel to C-2H. These three wells will form the initial part of the Carpentaria Pilot Project (“CPP”). C-2H and C-3H were drilled with smaller hole diameters and casing than C-5H. The C-5H well was successfully completed with 5 ½” casing to optimise future hydraulic stimulation activity to maximise gas production. Following casing installation, the horizontal section available for hydraulic stimulation is 3,250 metres (10,662 feet). The horizontal section in C-5H is by far the longest drilled in the Beetaloo by Empire to date and marks a key step towards “first gas” from the CPP.

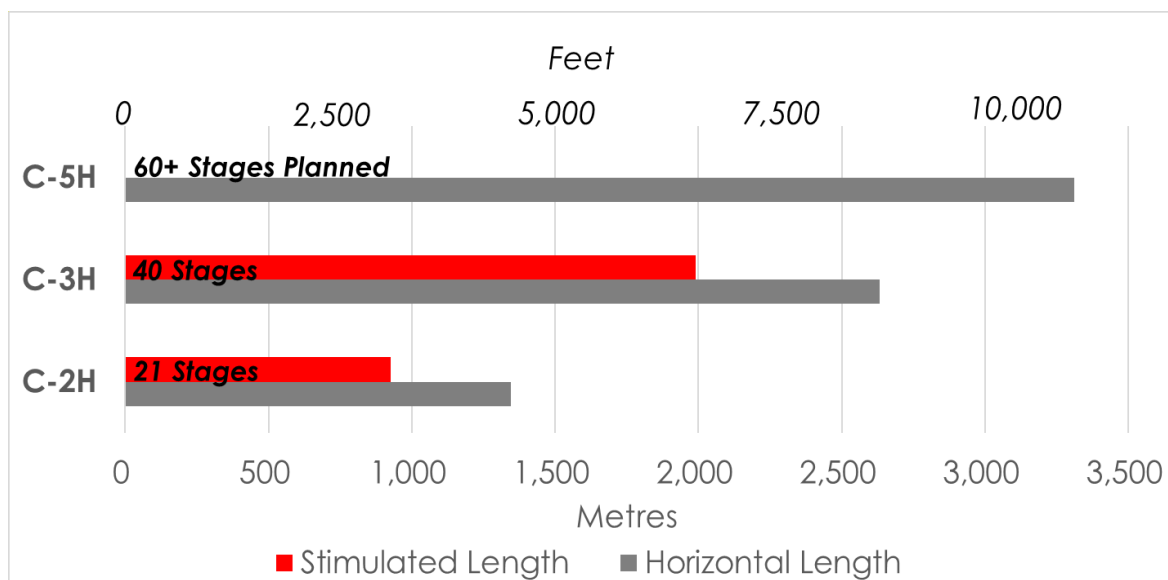
The Ensign Rig 965 has been released by Empire and is being demobilised from EP187.

The forecast total cost for the drilling of C-5H is ~\$19.7 million which includes drilling, casing, cementing and suspending the well in preparation for fracture stimulation. A large portion of this cost is transport and logistics including mobilisation and demobilization for the single-well campaign. Such costs will materially decrease in future drilling campaigns due to the spread of cost over multiple wells.

Empire is confident that further drilling and well completion optimisation can be achieved to materially reduce drilling time and costs in future drilling programs. This is consistent with the development of the Queensland coal seam methane industry, in which Empire’s operating team at InGauge Energy played

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a leading role, where drilling and completion costs have reduced by ~80% over time.¹ Similar cost improvements were also observed during the development of United States shale basins.



Carpentaria-5H Horizontal Length Compared to Existing Wells

Carpentaria-5H Fracture Stimulation

Empire has decided to commence the fracture stimulation of C-5H immediately after the NT wet season. Commencing the stimulation in January, in the height of the wet season, would have exposed Empire’s shareholders to weather-related financial risks that the Board deemed unacceptable.

The fracture stimulation of C-5H is now expected to commence in April 2025. Following stimulation, C-5H will be placed on an extended production test, with IP(30) flow rates expected in Q2 2025.

The ~3 month delay in commencing the fracture stimulation program is not expected to result in a delay to the commencement of gas sales from the CPP.

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¹ Santos 2024 Half-Year Results presentation, slide 29 Roma well cost - GLNG

Execution of Facility Documentation with Macquarie Bank Limited

Further to Empire's ASX release dated 27 November 2024, Empire has executed facility documentation with Macquarie Bank Limited ("Macquarie") for the amendment, extension and upsizing of its R&D Facility and Performance Bond Facility. Following completion of the R&D Facility and Performance Bond Facility, Empire has increased its available liquidity by a further ~\$28.2 million, significantly reducing potential equity dilution of shareholders' interests in the Company.

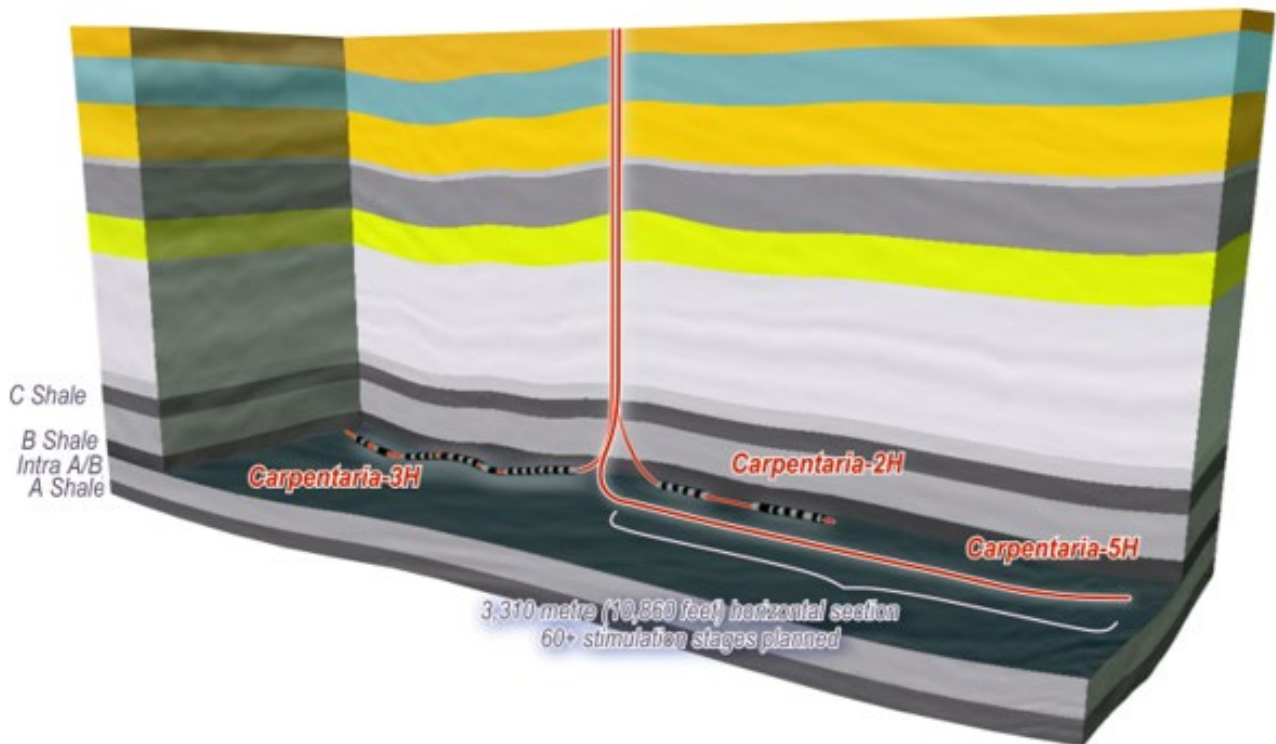
The completed facilities comprise:

- **R&D Facility (\$30 million upsized from \$2.25 million existing facility limit, \$1.8 million currently drawn):** 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 allows 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; and
- **Performance Bond Facility (\$5 million, same size as existing facility limit, \$4.2 million currently drawn):** to meet Empire's Northern Territory environmental bonding obligations through Macquarie Bank in favour of the Northern Territory Government on a non-cash backed basis.

Documentation of the Midstream Infrastructure Facility (\$30 million new facility) is expected to be completed in Q1 2025. The facility will become available for drawdown following receipt of *Beneficial Use of Test Gas* approval under the provisions of the NT Petroleum Act for the sale of gas and execution of facility documentation for the establishment of this new facility. Proceeds from the Midstream Infrastructure Facility will be applied to the refurbishment and construction of the Carpentaria Gas Plant.

Key terms for each of the facilities can be found in Empire's ASX release to dated 27 November 2024, entitled "Empire Secures \$65 million Beetaloo Funding Package".

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To scale schematic of C-5H well alongside C-2H and C-3H

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This ASX release has been authorised by the Managing Director

For queries about this release, please contact:

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