EMPIRE Energy

2024 ANNUAL REPORT

EMPIRE ENERGY GROUP LIMITED

AND ITS CONTROLLED ENTITIES

ABN 29 002 148 361

ON THE COVER:

CARPENTARIA C-5H

Empire Energy Group Limited

ABN 29 002 148 361

Annual Report - 31 December 2024

Empire Energy Group Limited
Contents
31 December 2024

Empire Energy Group Limited
Corporate directory
31 December 2024

Directors	Peter Cleary (Chairman) Alexander Underwood (Managing Director) Louis Rozman Prof John Warburton Karen Green
Company Secretary	Gillian Nairn
Notice of Annual General Meeting	The details of the annual general meeting of Empire Energy Group Limited are: 29 May 2025 at 9.30 am Level 2, 259 George Street, Sydney NSW 2000
Registered Office	Level 5 6-10 O'Connell Street Sydney NSW 2000
Share Registry	Computershare Investors Services Pty Limited Level 3 60 Carrington Street Sydney NSW 2000
Auditor	EY Level 34 200 George Street Sydney NSW 2000
Australian Solicitors	Baker McKenzie Level 46, Tower One International Towers Sydney 100 Barangaroo Avenue Barangaroo NSW 2000
US Solicitors	Hodgson Russ LLP 140 Pearl Street, Suite 100 Buffalo, NY 14202
Bankers	Macquarie Bank Limited 1 Elizabeth Street Sydney NSW 2000 Australia & New Zealand Banking Group Limited 1 Chifley Plaza Sydney NSW 200 PNC Bank 249 Fifth Avenue One PNC Plaza Pittsburgh PA 15222
Stock Exchange Listing	Empire Energy Group Limited shares are listed on: Australian Securities Exchange (ASX code: EEG)
Website	www.empireenergygroup.net

Empire Energy Group Limited
Chair and Managing Director letter to shareholders
31 December 2024

Dear Shareholders,

Empire Energy has made significant progress towards our ambition of achieving production and gas sales from our Carpentaria Pilot Project in the Northern Territory's Beetaloo Basin.

The case for the development of the Beetaloo's abundant shale gas resources grows stronger by the day, as the need for energy security in Australia and among our Asian trading partners increases, and the importance of the project to the Northern Territory economy becomes clearer.

The recent AEMO Gas Statement of Opportunities reminds us of the looming gas shortage on the east coast of Australia. LNG demand is expected to grow driven by demand for natural gas in Asia with economic growth and the replacement of coal fired power as the drivers. Beyond our pilot project, Empire's exploration leases and applications of over 26.7 million acres positions the company to be a significant supplier of natural gas to these key markets.

We are committed to building an organisation that will not only deliver the pilot project but set us up for the next significant phase of production. Empire works tirelessly to engage with key stakeholders from governments, investors, Traditional Owners, suppliers as well as other operators in the NT.

Our relationship with the Traditional Owners on whose land we operate remains strong and productive. This was keenly demonstrated when representatives offered to perform a traditional smoking ceremony at the site of Carpentaria-5H. The Traditional Owners also used this occasion to name the site "Jijimhunja" after a local species of beetle that burrows into the ground. We consider this an honour and demonstration that the custodians of the land appreciate the opportunities that Empire can provide for local communities.

Our team's focus in recent months has been the drilling of the Carpentaria-5H well, securing financing for the Carpentaria Pilot Project (CPP) and securing regulatory approvals. Importantly, Carpentaria-5H was drilled within time and budget, with the entire 3,310 metre horizontal section drilled, cased and cemented within the target Middle Velkerri B shale zone. We are now preparing to stimulate the well, following which we will carry out an extended production test.

During the year, we secured a binding commitment from Macquarie Bank Limited for a $65 million funding package. Funds under the facilities will be applied to the CPP. We received NT environmental approvals for the Carpentaria Pilot Project. In late April we raised $46.8 million through a well-supported capital raise, and sale of a royalty over EP187, cornerstoned by Bryan Sheffield and Liberty Energy (NYSE:LBRT), strongly supported by existing shareholders and we are very happy to have new US institutional investors on the share register.

Consistent with Empire's strategy focused on developing the Beetaloo Basin, in April we also announced the sale of the remaining US based operating assets for up to US$9.1 million comprising upfront cash payment of US$5.9 million and contingent and solar deferred payments of US$3.2 million, while retaining a 3.75% carried working interest in all shale formations below the Medina Sandstone. The proceeds repaid the US debt facility and released US$3.6 million in cash to support Empire's Carpentaria development.

We are now a Beetaloo / McArthur Basin pure play.

We are working closely with the Northern Land Council to facilitate traditional owner consent for sale of test gas. The NLC has advised us that the on-country meeting to seek that consent is scheduled for later this month.

Once this approval is obtained we are confident we can proceed to achieve first production and gas sales by the end of 2025.

There have been some important changes to the team as we prepare Empire for the exciting phase ahead.

Chris White joined us as COO in July 2024 and has made an immediate impact. Chris joins Empire following 18 years at Origin Energy in the roles of General Manager Upstream Growth, General Manager Exploration and New Ventures, Group Manager Field Development Optimisation, Production Optimisation Manager and Petroleum Engineering Team Leader. Chris and his experienced team have worked closely with our operations and project team, inGauge Energy, to design and execute the Carpentaria-5H well as well as ready Empire's gas processing plant for construction at our NT site once the final approval for the use of beneficial gas is obtained.

Our CFO Robin Polson and his team delivered a Gas Sales Agreement with the NT Government which underpins the financial viability of the CPP.

On behalf of the Board and all shareholders, we would like to express our thanks to the extended Empire team.

Our activities cannot progress without the continuing support of many stakeholders. We thank the previous and current NT Government for their belief in our project and their unwavering support. The signing of the GSA and the finalisation of all environmental permits are demonstrations of their belief in Empire.

We are grateful to the communities of the NT that encourage and supply our endeavours.

Importantly, we thank our shareholders who have remained loyal and supportive throughout.

Yours sincerely,

Peter Cleary
Chairman
Empire Energy Group Limited

Alex Underwood
Managing Director
Empire Energy Group Limited

A. 2024 OVERVIEW & HIGHLIGHTS

Empire Group's functional currency is Australian Dollars. All references to dollars are Australian Dollars unless otherwise stated.

GROUP FINANCIAL HIGHLIGHTS

- Group Revenue $2.0 million (from discontinued operations) (Dec 2023: $6.1 million)
- Net production 2,098 Mcfe per day (Dec 2023: 3,759 Mcfe per day)
- Outstanding debt facility of $1.8 million and $4.4 million of bank guarantees (December 2023: US$4.75 million debt facility and $4.4 million bank guarantees)
- Cash at bank $25.4 million (December 2023: $13.0 million)

AUSTRALIA – NORTHERN TERRITORY

- Empire holds a 100% working interest and operatorship in approximately 28.9 million acres of petroleum exploration tenements across the McArthur Basin and its Beetaloo Sub-basin in onshore Northern Territory, Australia. During the year the appraisal work programs were progressed.
- In April 2024, Empire completed a $46.8 million capital raise, including a sale of a royalty over EP187, cornerstoned by Bryan Sheffield and Liberty Energy Inc (NYSE: LBRT). Commitments were received from existing and new institutional and sophisticated investors for a strongly supported two-tranche placement to raise $39 million. In addition, Daly Waters, a subsidiary of Formentera Partners (a US based private equity firm founded by Bryan Sheffield) and Liberty Energy who each independently acquired a 2.25% royalty interest in EP187 for US$2.5 million raising an additional US$5 million (~$7.7 million).
- In July 2024, Empire signed a binding long-term Gas Sales Agreement to supply the Northern Territory Government up to 25 TJ/d for 10 years (~75PJ total) from Empire's Beetaloo Basin properties commencing in 2025 and an additional 10TJ/d for up to 10 years at the option of the Northern Territory Government to be made available by Empire if production levels from Carpentaria project exceed 100 TJ/d.
- In November 2024, the Northern Territory Government approved Empire's Environment Management Plan for the progression of the Carpentaria Pilot Project (EP187), which includes the drilling, stimulation and production testing of up to 9 additional horizontal wells along with the installation of the Carpentaria Gas Facility and flowlines.
- In November 2024, Empire executed binding term sheets with Macquarie Bank Limited for the establishment of new credit facilities totalling $65 million. The financing package, along with existing cash resources, will be applied to the drilling, completion and flow testing of C-5H and the installation of the Carpentaria Gas Plant and associated in-field infrastructure.
- In December 2024, the horizontal Carpentaria-5H ("C-5H") well was 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. Hydraulic stimulation operations and production testing of C-5H is scheduled to commence mid-2025 after the NT wet season.
- In December 2024, environmental approvals were granted for the progression of the Western Permits (EP167 and EP168), which includes the acquisition of a 2D seismic survey and the drilling, stimulation and production testing of up to 6 horizontal wells.
- During the year, the Empire team continued to advance Front-End Engineering and Design and regulatory approvals for the proposed Carpentaria Pilot Project in EP187.

Managing Director Alex Underwood was invited by Traditional Owner to a smoking ceremony before drilling commenced

The Hon Gerard Maley – Deputy Chief Minister NT, The Hon Lia Finocchiaro – Chief Minister NT and Managing Director Alex Underwood, September 2024

Drone photos of C-5H

Ensign Rig Being Mobilised at C-5H

Carpentaria Gas Plant in operation immediately prior to acquisition

USA – APPALACHIA

- In April 2024, Empire completed the sale of its US oil & gas assets located in the Appalachian region for US$8.2 million, comprising: Upfront Cash Payment: US$5.9 million and Deferred Payments: US$2.3 million. Empire has also retained 3.75% carried working interest over shale formations with negligible holding costs and US$0.9m in Deferred Solar Payments under its Mutual Use Agreement with ConnectGen. On completion of the transaction, Empire repaid its US Macquarie Bank credit facility in full.

- Net gas production of 380,833 Mcf to 31 March 2024 (June 2023: 596,168 Mcf).

- Net oil production of 171 Bbls to 31 March 2024 (June 2023: 1,058 Bbls).

Carpentaria C-5H Ensign drill rig on location in EP187

B. CREDIT FACILITIES

The outstanding balance of the USA Macquarie Bank Limited Credit Facility as at 31 December 2024 was US$0 million (31 December 2023: US$4.75 million) having been fully repaid during the year.

The Company has a credit facility with Macquarie Bank Limited to support its activities in the Northern Territory. The outstanding balance as at 31 December 2024 of Tranche A of the credit facility was $1,827,000, which was subsequently repaid in January 2025.

During the period the Company has also executed binding term sheets with Macquarie Bank Limited ("Macquarie") for the establishment of new credit facilities totaling $65 million, of which Facility C is not yet available due to conditions Precedent to First Utilisation. Key terms of this credit facility are set out below:

Principal Amount	$65 Million compromising: • Facility A (Revolving Credit Facility, $30.0 million) • Facility B (Performance Bond Facility, $5 million) • Facility C (Midstream Infrastructure Facility, $30 million)
Borrowers	Imperial Oil & Gas Pty Limited Imperial Oil & Gas A Pty Limited
Guarantor	Empire Energy Group Limited, Imperial Oil & Gas Pty Limited and Imperial Oil & Gas A Pty Limited
Security	First ranking security over assets of each Borrower First ranking security over the Guarantor's shares in each Borrowings and intercompany loans, plus featherweight security over the Guarantor's other assets
Fees	Utilisation Fee: 1.5% of utilisation Commitment Fee: 40% of margin Margin Facility A (5.5% p.a.), Facility B (10% p.a.) Tolling Fee: Facility C ($0.70 / GJ x 25 TJ /day +CPI)
Interest Rate	Margin plus BBSW
Financial Covenants	Ratio of current assets to current liabilities of at least 1.00 to 1.00 Minimum cash balance in the Borrowers and Guarantor of at least $10 million (or its equivalent in any other currency or currencies)
Repayment Date	31 December 2026 (Facility A + B) 31 December 2034 (Facility C)
Repayment Arrangements	Facility A: on receipt of relevant R&D Tax Incentive payment Facility B: on maturity date Facility C: 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 (Facility C)	• All regulatory and indigenous approvals in place to allow for sale of gas from the Carpentaria Pilot Project under the *Beneficial Use of Test Gas* 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 (Facility C)	• 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

C. BUSINESS RISK

Exploration risk – Empire and its subsidiaries have interests in assets at various stages of exploration, appraisal and development. Many leases have had very low levels of exploration undertaken to date and may not yield commercial quantities of hydrocarbons. Oil and gas exploration is inherently subject to numerous risks, including the risk that drilling will not result in commercially viable oil and gas production.

Application risk – Several of Empire's Northern Territory assets are in application stage requiring native title and / or regulatory approvals to be granted as leases capable of being explored on. Such approvals may or may not be granted which could adversely impact the value of the Company.

Regulatory risk – Empire has operations in the Northern Territory, Australia. Regulatory approvals are required to explore, appraise, develop and produce from the assets. Where such regulatory approvals are already in place, there is a risk that they could be revoked. Where such regulatory approvals are not in place, there is a risk that they may not be granted.

Debt facility risk – Empire, through its subsidiaries, has a debt facility in place with Macquarie Bank Limited. Whilst Empire has financial flexibility and expects to repay its debts in full, there is a risk in the future that financial and other covenants under the debt facilities could be breached, which could result in Macquarie exercising its security rights under the facilities. The debt facility matures in December 2025 and will need to be repaid or refinanced prior to maturity.

Commodity price risk – Empire, through its Australian subsidiary, explores for oil and gas in Australia and may be subject to domestic Australian gas price risk, LNG price risk and oil price risk. The gas sales agreement between Empire and the Northern Territory Government is at a fixed price, 100% CPI, take-or-pay contract meaning that Empire is not exposed to commodity price risk for these volumes.

Reliance on key personnel and contractors – Empire's success depends in large measure on certain key personnel and its project managers at InGauge Energy Pty Limited. The loss of the services of such key personnel or contractors may have a material adverse effect on the business, financial condition, operational results and prospects.

Economic risk – General economic conditions, movements in interest rates, inflation rates and foreign exchange rates, investor sentiment, demand for, and supply of capital and other general economic conditions may have a negative impact on Empire and its subsidiaries ability to carry out its exploration, appraisal, development and production plans.

Environmental risk – The upstream oil and gas industry is exposed to environmental risks, including the risk of oil and chemical spills, the risk of uncontrolled gas venting, and other material environmental risks. If an environmental incident were to occur, it may result in Empire's subsidiaries' licenses being revoked, its rights to carry on its activities suspended or cancelled, or rectification costs, and significant legal consequences.

Title risk – Interests in onshore tenements in Australia are governed by the respective state legislation and are evidenced by the granting of licenses or leases. Each license or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments. The Northern Territory Government has declared proposed Reserved Blocks over parts of Empire's tenements which are likely to impact the Company's ability to carry out petroleum exploration and development activities on those areas.

Native title and Aboriginal land - The Tenements extend over areas in which legitimate common law native title rights of indigenous Australians exist. The ability of the Company to gain access to its Tenements and to conduct exploration, development and production operations remains subject to native title rights and aboriginal land rights and the terms of registration of such title agreements.

Reserves risk – Reserves assessment is a subjective process that provides an estimate of the volume of recoverable hydrocarbons. Oil and gas estimates are not precise and are based on knowledge, experience, interpretation and industry practices. There is a risk that the Company's reserves do not generate the actual revenues and cashflows that are currently being budgeted which could adversely impact the Company.

Services risk – Empire engages the services of third party service providers to carry out exploration, appraisal, development and operating activities. The cost of such services is subject to very high price volatility, particularly in remote areas. There is a risk that such services may not be able to be provided at a reasonable price, thereby preventing exploration, appraisal, development and operations activities from occurring.

Insurance risk – The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with exploration and production is not always available and where available the costs can be prohibitive.

Acquisitions – The Company may decide to pursue potential acquisitions in the future. This may give rise to various operational and financial risks, including, but not limited to, poor integration resulting in higher than expected integration costs, and financial underperformance of the acquired assets.

Funding risk – The Company may need capital in the future to progress the development of its acreage. There can be no guarantee that future capital, debt or equity, will be available or available on suitable terms. It could adversely impact the value of the Company.

Climate change risk – Empire recognises the science supporting climate change and that the world is transitioning to a lower carbon economy in which gas has a crucial role to play. Climate change and management of future carbon emissions may lead to increasing regulation, activism, and costs. Climate change may also have a direct physical impact on our operations e.g. through changing climate patterns such as wet seasons and increased frequency of large storms.

D. COMPETENT PERSONS STATEMENT

The information in this report which relates to the Company's resources is based on, and fairly represents, information and supporting documentation prepared by or under the supervision of the following qualified petroleum reserves and resources evaluators, all of whom are licensed professional petroleum engineers, geologists, or other geoscientists with over five years' experience and are qualified in accordance with the requirements of Listing Rule 5.42:

Name	*Organisation*	*Qualifications*	*Professional Organisation*
Mr John G. Hattner	Netherland Sewell & Associates Inc	MBA, Master of Science in Geological Oceanography, BSc	Licensed Professional Geophysicist in the State of Texas, USA
Mr Joseph M. Wolfe	Netherland Sewell & Associates Inc	Master of Petroleum Engineering, BSc Mathematics	Licensed Professional Engineer in the State of Texas, USA

None of the above evaluators or their employers have any interest in Empire Energy E&P, LLC or the properties reported herein. The evaluators mentioned above consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Note Regarding Forward-Looking Statements
Certain statements made and information contained in this report are forward-looking statements and forward- looking information (collectively referred to as "forward-looking statements") within the meaning of Australian securities laws. All statements other than statements of historical fact are forward-looking statements

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Empire Group') consisting of Empire Energy Group Limited (referred to hereafter as the 'Company' or 'Parent entity' or 'Empire') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors

The following persons were Directors of Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Cleary	Non-Executive Director and Chairman
Alexander Underwood	Managing Director
Louis Rozman	Non-Executive Director
Prof John Warburton	Non-Executive Director
Karen Green	Non-Executive Director

Principal activities

During the financial year the principal continuing activities of the Group consisted of:

- The progression of appraisal work programs in Empire's wholly owned and operated exploration tenements located in the highly prospective Northern Territory Beetaloo Sub-Basin.
- The production and sale of oil and natural gas in the United States of America. The Empire Group sold its oil and gas products primarily to owners of domestic pipelines, utilities and refiners located in Pennsylvania and New York. These assets were divested during the year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Business risks

Refer to Operations review for details of the Group's business risks.

Review of operations

The loss for the Group after providing for income tax amounted to $14,427,801 (31 December 2023: $22,081,916).

For information on a review of the Empire Group’s operations refer to the Operations review prior to the Directors' report. Refer to note 2 to the consolidated financial statements for an assessment of the going concern of the Group.

Tenements

Interest in Petroleum and Mineral Tenements

The Group is a participant in the following petroleum permits and mineral tenements and properties:

Lease	Holder	Status	Percentage Interest held (%) 31 December 2024 %	31 December 2024 %
EP180	Imperial Oil & Gas	Application	100%	100%
EP181	Imperial Oil & Gas	Application	100%	100%
EP182	Imperial Oil & Gas	Application	100%	100%
EP183	Imperial Oil & Gas	Application	100%	100%
EP184	Imperial Oi & Gas	Granted	100%	100%
EP187	Imperial Oil & Gas	Granted	100%	100%
EP188	Imperial Oil & Gas	Application	100%	100%
EP319	Imperial Oil & Gas	Application	100%	100%
EP320	Imperial Oil & Gas	Application	100%	100%
EP321	Imperial Oil & Gas	Application	100%	100%
EP322	Imperial Oil & Gas	Application	100%	100%
EP323	Imperial Oil & Gas	Application	100%	100%
EP324	Imperial Oil & Gas	Application	100%	100%
EP325	Imperial Oil & Gas	Application	100%	100%
EP326	Imperial Oil & Gas	Application	100%	100%
EP327	Imperial Oil & Gas	Application	100%	100%
EP328	Imperial Oil & Gas	Application	100%	100%
EP329	Imperial Oil & Gas	Application	100%	100%
EP330	Imperial Oil & Gas	Application	100%	100%
EP331	Imperial Oil & Gas	Application	100%	100%
EP332	Imperial Oil & Gas	Application	100%	100%
EP333	Imperial Oil & Gas	Application	100%	100%
EP334	Imperial Oil & Gas	Application	100%	100%
EP335	Imperial Oil & Gas	Application	100%	100%
EP336	Imperial Oil & Gas	Application	100%	100%
EP337	Imperial Oil & Gas	Application	100%	100%
EP338	Imperial Oil & Gas	Application	-	100%
EP339	Imperial Oil & Gas	Application	100%	100%
EP340	Imperial Oil & Gas	Application	100%	100%
EP341	Imperial Oil & Gas	Application	100%	100%
EP342	Imperial Oil & Gas	Application	100%	100%
EP167	Imperial Oil and Gas A	Granted	100%	100%
EP168	Imperial Oil and Gas A	Granted	100%	100%
EP169	Imperial Oil and Gas A	Granted	100%	100%
EP198	Imperial Oil and Gas A	Granted	100%	100%

Significant changes in the state of affairs

On 1 March 2024, Empire issued 276,275 ordinary fully paid shares for the conversion of Vested Performance Rights belonging to former employees under the Empire Energy Group Limited Rights Plan for no consideration.

On 12 April 2024, Empire completed the sale of Empire Energy E&P LLC (“Empire E&P”) to PPP Future Development, Inc for US$8.2 million, comprising upfront cash payment of US$5.9 million and Deferred Payments of US$2.3 million. Empire E&P was the operating entity for all of Empire’s USA Appalachia oil & gas assets.

On 17 April 2024, Daly Waters, a subsidiary of Formentera Partners (a US based private equity firm founded by Bryan Sheffield) and Liberty Energy each acquired a 2.25% royalty interest in the gross value of petroleum produced from EP187 for a consideration of US$2.5m per party.

On 5 June 2024, Empire completed a $39 million capital raise (before share issuance costs) from existing and new institutional and sophisticated investors for a strongly supported two-tranche placement.

On 26 July 2024, Empire signed a 10-year binding Gas Sales Agreement ("GSA") with the Northern Territory Government to supply:

- up to 25 Terajoules (TJ) of gas per day for 10-years (~75 Petajoules total, 100% Empire) from Empire's Beetaloo Basin properties commencing in 1 July 2028 ("Initial Supply") and
- an additional 10 TJ+ per day for up to 10 years at the option of the Buyer to be made available by Empire if production levels from the Carpentaria project exceed 100 TJ per day ("Option Supply").

On 27 November 2024, Empire executed binding commitment letters for $65 million Beetaloo Financing Package. The Package is made up of:

- $30 million R&D Facility will fund exploration, appraisal and development activities including Carpentaria-5H and construction of infield infrastructure;
- $5 million Performance Bond Facility to meet Empire's Northern Territory environmental bonding obligations; and
- $30 million Midstream Infrastructure Facility to finance refurbishment and construction of the Carpentaria Gas Plant and associated infrastructure.

Under the agreement, gas will be delivered to the Power and Water Corporation ("PWC") operated McArthur River Gas pipeline ("MRP") on an ex-field take-or-pay basis at market-competitive gas prices, escalating at 100% of the Consumer Price Index. The Option Supply would be at a slightly lower price than the Initial Supply, providing the potential for long-term affordable energy supply for the people of the Northern Territory if larger scale development occurs. A T-piece connection has already been installed into the MRP by PWC at the proposed location of the Carpentaria Gas Plant ("CGP") to allow for delivery of gas from the CGP into the MRP.

The binding GSA is conditional on customary conditions for an agreement of this nature including Empire reaching a final investment decision for the Carpentaria Pilot Project, NT regulatory approvals for the installation of the CGP and sale of gas under the Beneficial Use of Test Gas provisions of the NT Petroleum Act. These regulatory approval processes are well advanced.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
On 10 and 13 January 2025, Empire paid $1.0 million and $0.827 million respectively, to fully repay the loan drawings under Facility A (Revolving Credit Facility) with Macquarie Bank Limited.

On 18 February 2025, Empire made a $12.8 million (including associated 1.5% utilisation fee) draw-down under the R&D Facility with Macquarie Bank Limited. Proceeds from the borrowing will be applied to Northern Territory, appraisal activities including C-5H and construction of infield infrastructure.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Except for information disclosed on certain developments and the expected results of those developments included in this report under review of operations, further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation
There are environmental regulations surrounding oil and gas activities which have been conducted by the Empire Group. There has been no material breach of these regulations during the financial period or since the end of the financial period and up to the date of this report.

Information on Directors

Name:	**Peter Cleary**
Title:	Non-Executive Director and Chair
Age:	67
Qualifications:	BCom, LLB
Experience and expertise:	Mr Cleary is a leader in the oil and gas sector. He holds relationships with commercial and government entities gained over a 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. Mr Cleary is a senior adviser to Mitsubishi's international LNG and Australian Carbon businesses. He is currently on the Executive of the Australia Korea Business Council. He is a Graduate of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Energy – SA Branch. He previously held positions as a Board member of the Australian Petroleum Production & Exploration Association (APPEA), the Australia China Council and the Australia Japan Foundation. In 2023 he retired after 15 years as a member of the Executive Committee of the Australia Japan Business Co-operation Committee.
Other current directorships:	Australia - Korea Business Council
Former directorships (last 3 years):	Australia Japan Business Co-operation Council
Special responsibilities:	None
Interests in shares:	1,669,546 ordinary shares
Interests in options:	NA
Interests in rights:	1,327,160 restricted rights

Name:	**Alexander Underwood**
Title:	Managing Director
Age:	42
Qualifications:	LLB, BCom (Hons)
Experience and expertise:	Mr Underwood has nearly 20 years of specialist upstream oil and gas investing, financing and management experience. Previously he spent two years with the Commonwealth Bank of Australia, Singapore as Director of Natural Resources and nine years with Macquarie Bank in Sydney and Singapore as Associated Director of Energy Markets Division. He commenced his career at BHP Billiton Petroleum.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chief Executive Officer of Imperial Oil & Gas Pty Limited Executive Director of Imperial Oil & Gas Pty Limited Executive Director of Imperial Oil & Gas A Pty Limited President and Managing Member of the Company's 100% wholly owned US subsidiaries
Interests in shares:	2,750,000 ordinary shares
Interests in options:	None
Interests in rights:	8,297,935 unvested performance rights 1,649,436 vested performance rights 1,000,000 service rights 1,586,579 restricted rights

Name:	**Louis Rozman**
Title:	Non-Executive Director
Age:	67
Qualifications:	BEng, MGeoSc
Experience and expertise:	Mr Rozman is a mining engineer and executive with over 40 years' experience in operating, constructing and financing resource projects internationally. He has held senior executive positions in the mining and energy industries and has been a non-executive director of several ASX and TSX listed resource companies. Mr. Rozman's executive experience as a successful pioneer of coal seam gas development and production in Queensland is of direct relevance to Empire's plans. Mr Rozman is a Fellow of the Australian Institute of Company Directors and a Fellow and Chartered Professional (Management) of the Australasian Institute of Mining and Metallurgy. He has a Bachelor of Engineering degree from the University of Sydney and a Masters in Geoscience from Macquarie University.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Remuneration Committee Member of the Technical Committee
Interests in shares:	839,796 ordinary shares
Interests in options:	NA
Interests in rights:	478,722 restricted rights

Name:	**Prof John Warburton**
Title:	Non-Executive Director
Age:	67
Qualifications:	PhD, FGS, FPESA, MAICD
Experience and expertise:	Prof Warburton has over 40 years of professional oil and gas experience in operated and non-operated conventional and unconventional petroleum discovery, development and in new business delivery. Prof Warburton has worked in Western Europe, West Africa, Central Asia, Middle East, Pakistan, Papua New Guinea, throughout the Asia Pacific Region, including Australia and New Zealand, and most recently in Mongolia. He has resided as an expatriate in a number of these regions. Prof Warburton's career includes 14 years of senior technical and leadership roles at BP. He was Executive General Manager for Exploration & New Business at Eni in Pakistan, and until March 2018 John was Chief of Geoscience & Exploration Excellence at Oil Search Ltd. He has been a Director of Empire's wholly owned Northern Territory subsidiary, Imperial Oil & Gas Pty Limited ('Imperial'), since 2011 and was its Chief Executive Officer from 2011 to 2014. He continues to serve as a Non-Executive Director of Imperial. In addition, Prof Warburton is Visiting Professor in the School of Earth & Environment at Leeds University UK.
Other current directorships:	Independent Non-Executive Chairman TMK Energy Limited
Former directorships (last 3 years):	Independent Non-Executive Director Senex Energy Limited
Special responsibilities:	Non-Executive Director of Imperial Oil & Gas Pty Limited Chair of the Technical Committee Member of the Audit and Risk Committee
Interests in shares:	1,397,815 ordinary shares
Interests in options:	NA
Interests in rights:	1,200,000 service rights

Name:	**Karen Green**
Title:	Non-Executive Director
Age:	57
Qualifications:	BCom, FCA, FCPA, GAICD
Experience and expertise:	Ms. Green has 37 years' experience in business advisory services in Western Australia and Northern Territory (NT). She has lived in the NT since 1991 where she was an equity partner in the Deloitte Australian partnership for over 20 years. Ms Green led the private advisory services team in the Northern Territory, South Australia and Tasmania. Ms Green was also the Office Managing Partner at Deloitte in the NT for several years and the 5th female ever to become a Partner in the Deloitte Australia partnership. Ms Green has retired from public practice and now focusses on non-executive director roles. Ms Green is recognised for her strategic direction and leadership through a variety of board roles including currently as a Non-Executive Director on the Airport Development Group. Ms Green is also Chair of the NT Screen Industry Advisory Committee and President of the NT Council of the Australian Institute of Company Directors. Ms Green has previously been on the NT National Security Advisory Group, Darwin Port Corporation board when government owned, Member of Investment Advisory Group for Department of Chief Minister and Cabinet, inaugural treasurer and board member of Energy Club Northern Territory, Director of Darwin Festival and Member of Ministerial Advisory Council for Department of Business.
Other current directorships:	None
Former directorships (last 3 years):	Nil
Special responsibilities:	Chair of the Audit and Risk Committee Member of the Remuneration Committee
Interests in shares:	625,000 ordinary shares
Interests in options:	None
Interests in rights:	274,927 restricted rights

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Gillian Nairn
On 17 January 2025, Empire appointed Gillian Nairn as Company Secretary of Empire and its wholly owned Australian subsidiaries, Imperial Oil & Gas Pty Limited and Imperial Oil & Gas A Pty Limited.

Ben Johnston (resigned on 17 January 2025)
Mr Johnston joined Empire as Vice President Business Development in November 2019. Ben is an energy sector specialist having worked across M&A, ECM and debt / project finance transactions while at leading banks including RBC Capital Markets and Commonwealth Bank. Ben is a chartered accountant having trained with KPMG and holds an MBA from the Australian Graduate School of Management.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2024, and the number of meetings attended by each Director were:

	Full Board		Remuneration Committee		Audit and Risk Committee		Technical Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Peter Cleary	11	11	-	-	-	-	-	-
Alexander Underwood*	11	11	-	-	-	-	-	-
Louis Rozman	10	11	1	1	-	-	2	2
Prof John Warburton	10	11	-	-	6	6	2	2
Karen Green	10	11	1	1	6	6	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

* Mr Underwood excused himself from Remuneration Committee Meetings when matters relating to his remuneration were discussed.

Shares under option
No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Empire Energy Group Limited issued on the exercise of options during the year ended 31 December 2024 and up to the date of this report.

Shares under Performance Rights
Unissued ordinary shares of Empire Energy Group Limited under Performance Rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
Unvested		
13 September 2013	NA	250,000
17 June 2022	31 December 2037	1,451,409
22 December 2022	31 December 2037	1,297,209
21 July 2023	31 December 2038	1,878,144
21 December 2023 *	31 December 2038	791,863
28 May 2024	31 December 2038	4,968,382
1 July 2024	31 December 2038	1,806,684
20 December 2024	31 December 2039	1,570,737
Vested		
3 August 2021	30 June 2034	1,300,500
30 March 2022	30 December 2034	563,859
27 January 2023	31 December 2035	548,234
23 February 2024	31 December 2036	281,058
		16,708,079

* Performance Rights granted on 21 December 2023 were issued on 15 March 2024.

No person entitled to exercise the Performance Rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of Performance Rights

On 1 March 2024, Empire issued 276,275 ordinary fully paid shares for the conversion of Vested Performance Rights belonging to former employees under the Empire Energy Group Limited Rights Plan for no consideration.

On 18 September, Empire issued 17,911 ordinary fully paid shares for the conversion of Vested Performance Rights belonging to former employees under the Empire Energy Group Limited Rights Plan for no consideration.

Shares under Restricted Rights

Unissued ordinary shares of Empire Energy Group Limited under Restricted Rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
7 August 2020	31 December 2035	$0.000	1,019,753
1 June 2021	1 June 2036	$0.000	617,979
23 December 2020	23 December 2035	$0.000	455,820
2 July 2021	2 July 2036	$0.000	94,908
21 December 2021	21 December 2036	$0.000	531,465
17 June 2022	17 June 2037	$0.000	509,198
17 June 2022	17 June 2037	$0.000	275,360
9 September 2022	9 September 2037	$0.000	131,493
22 December 2022	22 December 2037	$0.000	574,792
21 July 2023	21 July 2038	$0.000	604,141
21 December 2023 *	21 December 2038	$0.000	477,417
28 May 2024	12 December 2039	$0.000	1,328,102
12 July 2024	12 December 2039	$0.000	304,592
20 December 2024	12 December 2039	$0.000	696,230
			7,621,250

* Restricted Rights granted on 21 December 2023 were issued on 15 March 2024.

No person entitled to exercise the Restricted Rights had or has any right by virtue of the restricted right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of Restricted Rights

On 18 September, Empire issued 137,885 ordinary fully paid shares for the conversion of Restricted Rights belonging to former employees under the Empire Energy Group Limited Rights Plan for no consideration.

Shares under Service Rights

Unissued ordinary shares of Empire Energy Group Limited under Service Rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
Unvested			
21 December 2023 *	21 December 2038	$0.00	789,958
1 July 2024	31 December 2038	$0.00	602,228
20 December 2024	31 December 2039	$0.00	766,703
Vested			
14 June 2019	30 June 2034	$0.00	1,000,000
4 August 2020	31 December 2035	$0.00	838,558
1 June 2021	31 December 2036	$0.00	600,000
20 December 2024	31 December 2029	$0.00	395,889
			4,993,336

* Service Rights granted on 21 December 2023 were issued on 15 March 2024.

No person entitled to exercise the Service Rights had or has any right by virtue of the service right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of Service Rights
There were no other ordinary shares of Empire Energy Group Limited issued on the exercise of Service Rights during the year ended 31 December 2024 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of EY
There are no officers of the Company who are former partners of EY.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Alexander Underwood
Managing Director

31 March 2025
Sydney

Letter from the Chair of the Remuneration Committee

Dear Shareholders,

As the Chair of the Remuneration Committee and on behalf of the Board, I am pleased to present the Empire Energy (EEG) Remuneration Report for the year ended 31 December 2024 (FY24).

FY24 has seen significant progress by EEG and especially in the Beetaloo Sub-basin operations with:

1. All activities carried out without any safety incidents and in an environmentally responsible manner.
2. The Company's assets in the USA were sold profitably and the Company is now solely focussed on the Beetaloo Basin.
3. The securing of a Gas Sale Agreement (GSA) with the NT Government to deliver up to 25TJ/day for 10 years plus an option to supply an additional 10TJ/day if total project production exceeds 100TJ/day.
4. A successful capital raising brought knowledgeable and experienced US shale gas investors onto the Company's register, whilst providing funding for the drilling and fracture stimulation of Carpentaria 5H.
5. Ordering long lead items necessary to achieve the drilling and fracture stimulation programs of 2024 and 2025.
6. The gas compression plant acquired from AGL in December 2023 underwent detailed engineering assessment, tendering and planning in preparation for its refurbishment. In addition, the design and planning for the gas gathering system and field operations were materially advanced.
7. Significant and ongoing positive engagement through on-country meetings with Traditional Owners and pastoral stakeholders continued.
8. Strong support continued from the NT Labor government and this support continues from the new Country Liberal Party government, which is very keen to see the Beetaloo Sub-Basin provide a solution to the Territory's energy demands.
9. Carpentaria-5H was drilled on time and within budget. The horizontal section well was by far the longest well drilled in the history of the Beetaloo.
10. Securing all environment approvals for the Carpentaria Pilot Project.

Activities in 2024 were completed within budget, demonstrating EEG's cost and operational efficiencies within the basin. The Board believe that this year's achievements are in large part a result of the effective alignment of the current remuneration framework with the expectations of the company's various stakeholders.

The Remuneration Committee continually reviews the total remuneration packages of the senior executives including the Managing Director and is of the view that Empire Energy's remuneration level is fairly benchmarked against its peers.

The Remuneration Report for the year ended 31 December 2024 (2024 Financial Year or FY24) forms part of the Directors' Report. It has been prepared in accordance with the Corporations Act 2001 (Cth) (the Act), Corporations Regulation 2M.3.03, in compliance with AASB124 Related Party Disclosures, and audited as required by section 308(3C) of the Act. It also includes additional information and disclosures that are intended to support a deeper understanding of remuneration governance and practices, for shareholders, where statutory requirements are not sufficient.

Louis Rozman
Chair, Remuneration Committee

1. The Role of the Remuneration Committee

The objective of the Remuneration Committee is to ensure that the Company's remuneration system attracts and retains staff, executives and directors who will create sustained value for shareholders.

The Remuneration Committee is responsible for:

- oversight of remuneration policies and processes;
- evaluating the performance of the Managing Director;
  determining and recommending remuneration of the Managing Director; and
- monitoring the performance of the executive management team and reviewing the remuneration of the executive management team proposed by the Managing Director.

The Board, upon the recommendation of the Remuneration Committee, approves the remuneration of the Managing Director and the executive management team.

2. Remuneration Policy

EEG's Remuneration Policy (REM Policy) was last updated in March 2024 under the Remuneration Committee Charter. The Remuneration Committee retains overall responsibility for the review and recommendations in relation to the remuneration of Executive Directors (including the Managing Director) and executives reporting to the Managing Director as well as Non-executive Director Board Fees. In discharging these responsibilities, the Committee adheres to the following:

- to ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders; having regard to relevant Company policies without rewarding conduct that is contrary to the Company's values or risk appetite;
- to attract and retain skilled personnel;
- to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
- to ensure any termination benefits are justified and appropriate.

The primary objective of the REM Policy is to facilitate the achievement of the Company's goals by aligning executive rewards with value creation for shareholders, by ensuring that the quantum and elements of remuneration attract and retain key talent which is aligned with the Company's strategy and business objectives. The objective is to ensure the cost of remuneration is reasonable and appropriate to the Company's circumstances.

The Board has discretion to review and adjust the remuneration policy from time to time. For Total Remuneration Package (TRP), which includes all elements of remuneration, at a Target level) while the Company has been in its early development phases, the Board made a strategic decision to apply a P75 (75^{th} Percentile) TRP compared to other comparable market capitalisation companies. However, to mitigate concerns regarding potential high positioning of remuneration due to this policy, remuneration packages have generally been designed to have a greater performance/alignment focus than is typical in benchmarks:

1. Fixed Pay (FP) has in practice been set at or below P50 (lower FP/cash);
2. Short Term Variable Remuneration (STVR) has in the past had a lower weighting than typical P75 at Target oriented packages (low short-term rewards), however in EEG's current phase where the Company's primary project is being physically built, the STVR has been increased to drive delivery on these project outcomes; the 2025 weighting of FP+STVR would deliver P62.5,
3. Long Term Variable Remuneration (LTVR) has in practice been set as the gap between the lower elements and a P75 at Target package, resulting in higher-than-typical LTVR grants, but also greater long term, equity and performance alignment than would be typical.

The Board's view is that this approach has placed an appropriate focus on performance and risk, as the business has been de-risking the investment for shareholders through project development milestone achievement. With this higher-than-typical risk in the package design, it is appropriate to offer a premium, to ensure that the incentive is motivating.

However, as the business matures, milestones are achieved, the Carpentaria Project is operational and the investment is de-risked, the Board anticipates transitioning to a more typical remuneration policy of:

1. Fixed Pay, benchmarked against relevant market benchmarks.
2. Total Remuneration Packages at Target to be set around P62.5.

3. Remuneration Benchmarking Policy

The Board has discretion to regularly review the approach to benchmarking remuneration of Key Management Personnel (KMP) and seeks the advice of independent expert advisors from time to time. In recent years, the remuneration of KMP is established against a comparator group, based on the following features and updated at each instance in consultation with advisors:

1. 20 comparable resources companies, mostly energy.
2. About 10 companies larger and 10 smaller than EEG, to ensure that measures of central tendency such as P50/median are highly relevant and balanced.
3. Companies fall within a range of half to double EEG's sustainable market capitalisation at the time of group determination, to ensure that benchmarks are stable over time and relevant to a business of EEG's scale and complexity, and that indicators such as P75 are drawn from a relevant range.

The most recent executive remuneration benchmarking comparator group was composed of the following companies;

Table 1

Comparator Group Companies 31 December 2024	
ASX Company Name	**Market Capitalisation (AUD Million)**
Invictus energy Ltd	105
Elevate Uranium Ltd	112
Kinetiko Energy Ltd	113
Gold Hydrogen Ltd	133
Aspire Mining Ltd	142
TerraCom Ltd	160
Silver Mines Ltd	166
Alligator Energy Ltd	178
Comet Ridge Ltd	178
Conrad Asia Energy Ltd	192
Vysarn Ltd	228
Empire Energy Group	229
Black Cat Syndicate Ltd	259
Carnarvon Energy Ltd	270
Grange Resources Ltd	289
29 Metals Ltd	295
Peninsula Energy Ltd	296
Horizon Oil Ltd	309
Metro Mining Ltd	316
Cooper Energy	462
Tamboran Resources Ltd	528

Remuneration of non-KMP staff is established against a comparator group of over 270 Australian based Resources, Construction and Engineering companies. This work is undertaken by the KMP and with the input and overview of the Remuneration Committee.

4. Remuneration Overview

Executive KMP total remuneration is currently made up of Fixed Pay and Variable Remuneration.

Fixed Pay is made up of base salary and any other fixed elements such as superannuation, and other benefits where applicable. Fixed Pay is intended to be positioned against the median of market benchmarks from a group of comparable resource and energy companies (Comparator Group of Companies, see Table 1) of similar size to ensure remuneration is competitive and fair, subject to approximately ±20% pay range to account for individual factors such as incumbent experience, qualifications, and performance.

Variable Remuneration is composed of short-term incentive (STI) and long-term incentive (LTI) components. STIs are 12 month milestone objectives. LTIs are a combination of Total Shareholder Returns (TSR) and multi-year milestones. The "incentive" component is the upside for performing above expectations and represent the true "bonus". Metrics selected are intended to be linked to the primary drivers of value creation for stakeholders, and successful implementation of the long-term strategy over both the short and long term.

The **Total Remuneration** Package (TRP) is intended to be composed of an appropriate mix of remuneration elements including Fixed Pay, short term variable remuneration (STVR) and long-term variable remuneration (LTVR). The Target TRP (TRP for expected performance) is generally intended to fall between the median and upper quartile of market benchmarks.

Variable Remuneration fills the gap between Fixed Pay and the Total Remuneration Package and is intended to be a mix of "at-risk" and "incentive" remuneration. The "at-risk" component of variable remuneration that is below "Target policy" is designed to be what an executive would stand to lose for not meeting expectations. The Board has selected a competitive TRP market position between median and upper quartile benchmarks to adjust for the impact of nil and negative reported variable remuneration. This has been established by research conducted by the Board's appointed independent External Remuneration Consultant (ERC).

The Committee regularly engages with ERCs to ensure the current policy and frameworks are aligned with current market practices and remain competitive and fair.

5. External Remuneration Consultants

The Remuneration Committee may engage the assistance and advice of External Remuneration Consultants to provide information on remuneration related matters as they arise. During FY24 the Board retained Godfrey Remuneration Group Pty Ltd (GRG) as an ERC. During FY24, GRG provided the following services:

- Analysis and recommendations regarding executive remuneration in relation to the Managing Director and Direct Reports – $13,000 + GST
- EEG REM Report support – $2,500 + GST

An agreed set of protocols has been put in place to ensure that the remuneration recommendations are free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Remuneration Committee being present or without the authorisation of the Chairman of the Remuneration Committee, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultants' processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and that there was no undue influence.

The Remuneration Committee also considers other reports outlining remuneration practices and quantum in determining remuneration within the Company.

6. Key Remuneration Governance Considerations and Changes

The following summarises the key remuneration governance matters that were the focus of considerations in FY24, and those that are expected to be addressed in FY25, including planned changes:

a) Benchmarking Managing Director, Chief Financial Officer and Chief Operations Officer compensation against ASX and other comparable listed market data to inform quantum and mix of compensation decisions, intended to meet EEG's strategy and market positioning requirements. (Completed 2024)
b) Benchmarking and review of non KMP staff compensation against comparable market data to inform quantum and mix of compensation decisions, intended to meet EEG's strategy and market positioning requirements. (Completed 2024)
c) Assessment of vesting conditions for LTVR (Completed 2024)
d) REM Policy Review (Completed March 2024)

7. People Covered by This Report

This report covers Key Management Personnel (KMP) which are defined as those who have the authority and responsibility for planning, directing and controlling the activities of Empire Energy.

Table 2

			Committee Membership		
Name	Role	Appointed	Audit & Risk	Remuneration	Technical
Non-Executive KMP					
Mr Peter Cleary	Non-Executive Chairman Non-Executive Director	30/05/2023 25/5/2020			
Prof John Warburton	Non-Executive Director	6/02/2019	✓		C
Mr Louis Rozman	Non-Executive Director	11/03/2021		C	✓
Ms Karen Green	Non-Executive Director	17/11/2023	C	✓	
Executive KMP					
Mr Alex Underwood	Managing Director	23/07/2018			
Mr Robin Polson	Chief Financial Officer	18/07/2022			
Mr Chris White	Chief Operating Officer	02/07/2024			

✓ = Member, **C** = Chair

The following changes to KMP occurred during FY24 or between the end of FY24 and the date of publication of this report:

- Mr Chris White was appointed as Chief Operating Officer of the Company on 02/07/2024.
- Mr Robin Polson has retired as Chief Financial Officer and will depart before mid-2025.

8. Executive KMP Remuneration – Framework Overview

The following table outlines Empire Energy's approach to executive KMP remuneration:
Table 3

	Fixed Pay	Short Term Variable Remuneration	Long Term Variable Remuneration
Purpose	Fixed Pay (FP) is set with reference to the median of benchmarks and aimed at paying fairly for meeting the requirements of a role.	Links achievement of EEG's short-term performance objectives with the remuneration received by the executive. Incentivizes executives for performance against annual safety, operational and financial performance objectives set by the Board at the beginning of the financial year. The short-term objectives selected are linked to the Company's long-term strategy which is designed to provide sustainable value creation for shareholders.	Links achievement of EEG's shareholder wealth creation with the remuneration received by the executive. The purpose of LTVR is to create a strong incentive for the performance of senior executives over the long term and to align their interests with those of stakeholders through share ownership and performance testing.
Delivery	Base Salary, superannuation and other benefits.	The Board has discretion to settle STVR awards in the form of cash or Restricted Rights. If Target STI milestone is achieved, bonus payment of Target% of Fixed Pay is paid. If Stretch STI milestone is achieved, bonus payment of Stretch% of Fixed Pay is paid. If a milestone is achieved between Target and Stretch, STVR bonus payment is made pro-rata.	Performance Rights to receive EEG shares are issued, subject to LTVR performance over a 3-year Measurement Period. If Target LTI milestones are achieved, bonus payment of Target% of Fixed Pay is paid. If Stretch LTI milestones are achieved, bonus payment of Stretch% of Fixed Pay is paid. If milestones are achieved between Target and Stretch, LTVR bonus payment is made pro-rata.
STVR Award & Settlement	Awards will be calculated following the auditing of accounts. STVR awards may be paid as cash or equity. The overarching policy is to pay STVR awards in the form of Restricted Rights to preserve cash reserves, however a decision to offer cash can be made based on the Board's view that this is more appropriate in the current market. There is currently no STVR deferral mechanism. Restricted Rights are granted for nil consideration under the EEG Limited Rights Plan (EEGLRP), and vest immediately upon grant. Restricted Rights are subject to a 90-day exercise restriction and can be exercised anytime following vesting and before the end of the Term (15 years).		
TVR Disposal Restrictions	Shares acquired on the exercise of vested Restricted Rights ("Restricted Shares") will be subject to disposal restrictions until all of the following cease to restrict disposals: • the Company's share trading policy, • the Corporations Act insider trading provisions, and • temporary Specified Disposal Restriction of one (1) year from their date of issue.		

STVR Board Discretion	The Board has discretion to vary awards upwards or downwards, including to nil, in the circumstance that the award would otherwise be likely to be viewed as inappropriate given the circumstances that prevailed over the Measurement Period (such as in the case of harm to the Company's stakeholders for which participants are accountable).
LTVR Settlement	The Rights are "Indeterminate Rights" which may be settled in the form of a Company Share, or cash equivalent, upon valid exercise.
LTVR Term and Lapse	The Term of the Performance Rights are 15 years from the Grant Date. If not exercised within the term, the Performance Rights will lapse.
LTVR Service condition & Cessation of Employment	Under the Rules, in addition to the performance conditions, continued service during the Measurement Period is a requirement for all Rights to become eligible to vest. On termination, a portion of Performance Rights granted in the financial year in which the termination occurs will be forfeited. The proportion that will be forfeited will be equal to the remainder of the financial year following the termination as a proportion of the full financial year. This provision recognises that grants of Performance Rights are part of the remuneration for the year of grant and that if part of the year is not served then some of the Performance Rights will not have been earned.
LTVR Measurement Period Modifier	The EEGLRP Rules allow for the Measurement Period to be extended by 12 months, if an executive is still employed, and nil vesting occurred at the first test. The start of the Measurement Period would not be affected by this, and modification of the Measurement Period can only apply to vesting scales that are expressed on an annualised basis, which ensures the adjustment does not make vesting easier (i.e. will not apply to milestone conditions, only TSR). The Measurement Period would be extended from three years to four years. The purpose of this feature is to address short term anomalies that arise at the relevant calculation points. Examples of such anomalies being: delay of an essential permit not caused by the Company, unseasonal weather impacts outside the control of the Company. The purpose of an extension is to motivate management to strive for improvement if the LTI fails to vest at the end of the Measurement Period for reasons outside of Company control. The Measurement Period Modifier is not unreasonable given the stage and location of the project, delays to permits and approvals and working in a region with a Tropical Wet Season are a reality, whilst everything that can be done is done to minimize these risks
LTVR Cessation of Employment	Unvested Performance Rights held at the date of termination and granted in the financial year of the termination will be forfeited in the proportion that the remainder of the financial year following the termination bears to the full financial year, unless otherwise determined by the Board. All other unvested Performance Rights will be retained for possible vesting based on performance during the Measurement Period, to be assessed following the completion of the Measurement Period. If at the time of vesting subsequent to termination of employment the share price is lower than at the date of cessation of employment the value of the Rights will be paid in cash only, not Shares, unless otherwise determined by the Board.
LTVR Corporation Actions	**Change of Control** In the event of a Change of Control: • Unvested Performance Rights granted in the financial year of the Change of Control will lapse in proportion that the remainder of the financial year bears to the full financial year; and • For all remaining unvested Performance Rights, the number of Performance Rights to vest will be determined by the number of unvested Performance Rights multiplied by the change in share price at the commencement of the Measurement Period and the share price at Change of Control. **Major Return of Capital to Shareholders** In the event of a major return of capital to shareholders, the Board has discretion to determine how unvested Performance Rights will be dealt with.
LTVR Board Discretion	The Board retains discretion to increase or decrease, including to nil, the vesting percentage in relation to each Tranche of Performance Rights if it forms the view that it is appropriate to do so given the circumstances that prevailed during the Measurement Period.
STVR/LTVR Gates	A 'Gate' of no major health, safety or environmental incidents occurring during the measurement period applies. A Gate is a performance hurdle which must be satisfied before any STVR/LTVR Performance Rights can vest.

9. Executive KMP Remuneration – Worked Example for Managing Director

Table 4

FY24 Approach for MD	**Fixed Pay**	**Short Term Variable Remuneration for FY24**	**Long Term Variable Remuneration for FY24**
	Fixed Pay is set with reference to the median of tailored benchmarks designed around companies of comparator market capitalisation and market sector. MD Fixed Pay: $550,000 inclusive of SGC	Opportunity as % of FR for Managing Director: Target: 50% Stretch: 100% STVR KPIs: Target will include: - Finance Work Program - Secure GSA - Secure approvals to construct CGP - Commence '24 NT exploration program - Closure of US Asset Sale - Individual Growth and Effectiveness Stretch will include: - Order project long lead items for 2024 - Completion of drilling and stimulation of C5 Gate: No STVR is paid unless there are no major health, safety or environmental incidents occurring during the measurement period.	Intended opportunity as % of FR for Managing Director: Target: 40% Stretch: 80% LTVR Performance Measures: - 50% Absolute TSR - 50% Milestones Target will include: - +25% TSR Milestones for LTI in 2024: - Debt in place for project development - All necessary approvals in place to flow gas - Financial Investment Decision (FID) made to deliver gas - CGP engineering and team in-hand for construction of gas facilities Stretch will include: - Gas flow tests C5H - Construct CGP Gate: No LTVR is paid unless there are no major health, safety or environmental incidents occurring during the measurement period.

Empire Energy has in place an executive incentive plan named the Empire Energy Group Limited Rights Plan or EEG Limited Rights Plan which was approved by shareholders at the 2019 Annual General Meeting and renewed by shareholders at the 2022 Annual General Meeting.

The following diagram outlines the executive KMP remuneration structure and timing under the remuneration framework as applicable to FY24 where STVR is Short Term Variable Remuneration, and LTVR is Long Term Variable Remuneration.

Chart A

FY24	FY25	FY26	FY27
Fixed Pay			
STVR Performance Period	**Audit* & STVR Assessment Award Paid****		
LTVR Performance Period (75%) - Performance Rights with an Absolute TSR Vesting Condition			**Vesting Assessments and Vesting**
LTVR Performance Period (25%) - Performance Rights with a Milestone Vesting Condition			

**STVR awards are generally awarded soon after the release of the audited Annual Report*
***STVR awards can be paid in either cash or equity (Restricted Rights).*

10. Annual Company Performance At-A-Glance

The following outlines the Company's performance in FY24 and previous 4 years, which is intended to assist in demonstrating the link between performance, value creation for shareholders, and executive reward:

Table 5 – Statutory Performance Disclosure

FY End Date	Share Price (beginning of period)	Share Price (end of period)	Change in Share Price $	Dividends (paid during period)	Change in Shareholder Wealth (SP Change + Dividends)	
					Total Value	%
31/12/2024	$0.195	$0.225	$0.030	$0.000	$0.030	15%
31/12/2023	$0.200	$0.195	-$0.005	$0.000	-$0.005	-3%
31/12/2022	$0.340	$0.200	-$0.140	$0.000	-$0.140	-41%
31/12/2021	$0.355	$0.340	-$0.015	$0.000	-$0.015	-4%
31/12/2020	$0.445	$0.355	-$0.090	$0.000	-$0.090	-20%

During the period TSR was positive and there will be a TSR component of the LTVR allocated for performance in FY24.

Table 6 – Northern Territory Resources Growth

FY End Date	NT P(50) Prospective Resource (TCFe)	NT 2C Contingent Resource (BCFe)	Total Company 2P Reserves (MBOE)
31/12/2024	-	-	-
31/12/2023	46.3	1,669	4,439
31/12/2022	47.7	575	5,723
31/12/2021	46.9	221	6,440
31/12/2020	14.7	41	6,000

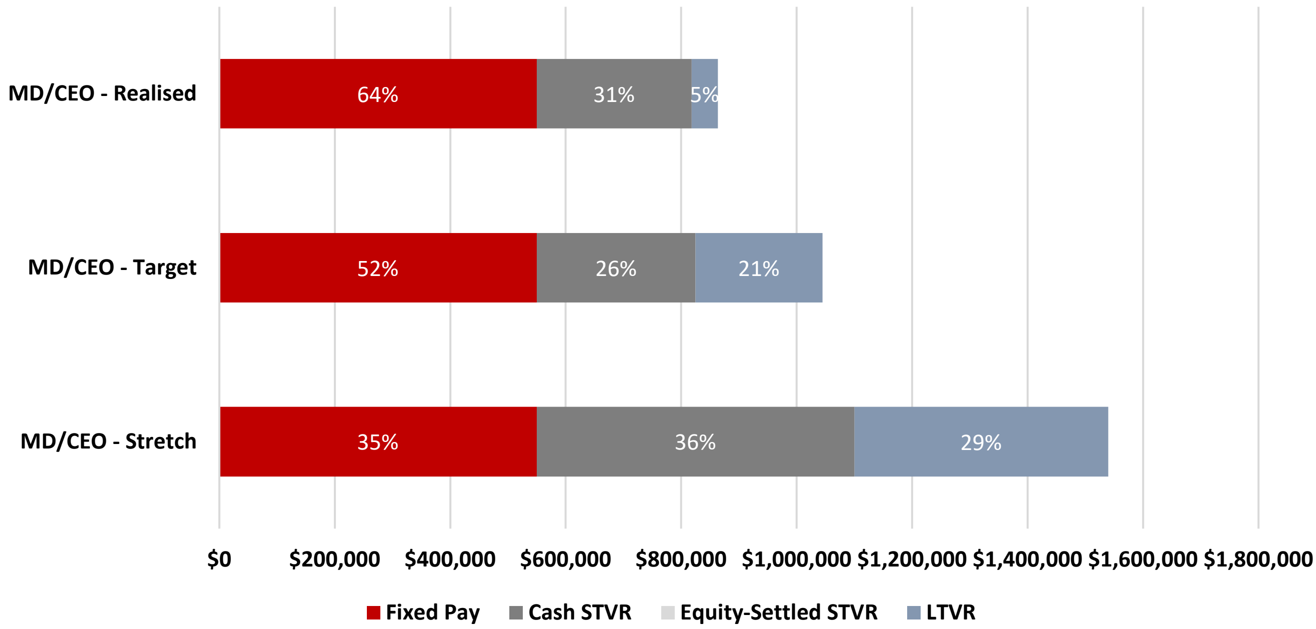
There were no changes to Contingent Resources as Carpentaria-5H drilling activity was undertaken from the same well pad as the Carpentaria-2/2H and 3H wells. The well pad and step out locations had a pre-existing Contingent Resources assignation. Furthermore, no Prospective Resources were matured to Contingent Resources, nor was there on-ground activity in permits outside of EP187 to refine the shale fairway mapping. Consequently, an independent estimation of Contingent Resources and Prospective Resources was not undertaken during the reporting year.

The US gas assets were sold during the reporting year.

11. FY24 Executive Remuneration Opportunities and Outcomes At-A-Glance

The following charts outline the remuneration opportunities under executive remuneration structures, in this case specific to the MD, with the outcomes dependent on performance over FY24 for STVR and LTVR, and the "Realised" remuneration payable in respect of the completed FY24 year and performance delivered:

Chart B.



Note:

- *"Realised" refers to Total Fixed Pay received during FY24, Cash STVR awarded in respect of FY24 outcomes, and LTVR that vested in FY24 and granted in FY22.*

12. The Empire Energy Variable Remuneration Framework

12.1 FY24 Short Term Variable Remuneration (STVR) for MD

The instrument used for STVR is cash or Restricted Rights.

EEG applied the following KPIs and weightings to the MD in relation to FY24 to provide a sharp focus on development and operational expectations:

Targets were:

- Financing the Work Program and manage costs to within 10% of budget. – 50%
- Secure GSA with an offtaker - 20%
- Secure all necessary approvals granted to develop CGP- 15%
- Completed of '2024 NT exploration field work program -5%
- Closure of US Asset Sale – 5%
- Individual Growth and Effectiveness – 5%

Stretch were:

- Completion of drilling and stimulation of Carpentaria-5H
- Order of project long lead items for 2025

12.2 FY24 Short Term Variable Remuneration (STVR) for CFO

The instrument used for STVR is cash or Restricted Rights.

EEG applied the following KPIs and weightings to the CFO in relation to FY24 to provide a sharp focus on development and operational expectations:

Target were:

- Timely and accurate financial reporting 40%
- Provide insightful and accurate commercial analysis 20%
- Ensure compliance with environmental, landholder, and land titles regulatory reporting and tariff requirements 20%
- Advocate company interests and views to government, regulators and other stakeholders 20%

Stretch were:

- Support MD to ensure effective closure of US Asset Sale
- Secure GSA prior to NT election
- Support MD to negotiate and close financing

12.3 FY24 Short Term Variable Remuneration (STVR) for COO

The instrument used for STVR is cash or Restricted Rights.

EEG applied the following KPIs and weightings to the COO in relation to FY24 to provide a sharp focus on development and operational expectations:

Target were:

- Majority of approvals for Carpentaria Gas Project secured in year 35%
- Drilling of Carpentaria-5 completed in year 35%
- Cost to first gas managed to budget 20%
- HSE and Regulator management to only minor incidents and / or notices 10%

Stretch were:

- All approvals for Carpentaria Gas Project secured in year
- Drilling and stimulation of Carpentaria-5 completed in year
- Cost to first gas managed to below budget

12.4 FY24 Long Term Variable Remuneration (LTVR) for MD

A description of the LTVR plan, which is operated under the EEGLRP, is set out below:

Table 7

Instrument	Performance Rights under the EEGLRP.
Measurement Period	1 January 2025 – 31 December 2027 (3-year Measurement Period)
Performance Metrics and Weightings	Tranche 1 (50% weight at Target) is to be subject to an Absolute Total Shareholder Return (ATSR) vesting condition. The vesting of such Performance Rights will be determined by comparing the Company's TSR over the Measurement Period according to the following vesting scale:

Performance Level	Empire Energy's Absolute TSR (per annum)	% of Tranche Vesting
Stretch	≥ 40%	100%
Between Target and Stretch	> 25% & < 40%	Pro-rata
Target	**= 25%**	**50%**
Between Threshold and Target	> 10% & < 25%	Pro-rata
Threshold	= 10%	25%
Below Threshold	< 10%	0%

TSR is the sum of Share Price appreciation and dividends (assumed to be reinvested in Shares) during the Measurement Period. It is annualised for the purpose of the above vesting scale. The TSR of the Company over the Measurement Period will be calculated and converted to a compound annual growth rate (CAGR) value for the purpose of assessment against this scale. During periods of nil dividends being declared, TSR is equal to the change in Share Price.

Tranche 2 (50% weight at Target) is to be subject to meeting specific milestones in 2024 to set the company up for success in 2025 and beyond.

13. The Link Between Performance and Reward in FY24

13.1 FY24 STVR Outcomes

The STVR plan is designed to reward executives for the achievement against annual performance objectives set by the Board at the beginning of the performance period. The payment of an STVR is dependent on the delivery of performance against a range of outcome metrics. The performance metrics and outcomes of assessment against those metrics are summarised below:

Table 8 - FY24 CEO STVR Performance Scorecard Outcomes

Metric/Measure	Weighting	Outcome (% of Target)	Weighted Outcome (% of Target)
Equity finance the 24/25 Work Program	50%	100%	50%
Secure GSA and project long lead items	20%	150%	30%
CGP development approvals granted	15%	50%	7.5%
Completed '24 NT field work program	5%	0%	0%
Closure of US Asset sale	5%	100%	5%
Individual Growth and Effectiveness	5%	100%	5%
TOTAL	**100%**		**97.5%**

Overall STVR outcomes for FY24 are determined through the Board's assessment of the business and Individual Outcomes. The actual outcomes are outlined below:

Table 9 – FY24 STVR Outcomes

Executive KMP	Opportunity as % of Fixed Pay		STVR Outcome as % of Target	Total STVR Awarded ($)	Cash ($)	Restricted Rights ($)	% Maximum STVR	
	Maximum STVR	Target STVR					Awarded %	Forfeited %
Alex Underwood	100%	50%	97.5%	$268,125	$268,125	N/A	48.75%	51.25%
Robin Polson	37.5%	25%	100%	$86,625	$0	$86,625	66.7%	33.3%
Chris White	52.5%	35%	100%	$65,205	$0	$65,205	66.7%	33.3%

In FY24 the Board determined that given market circumstances it was appropriate to offer the option of cash or Restricted Rights and in this case the Managing Director chose to take cash.

13.2 Recent LTVR Outcomes

Table 10 – FY24 CEO LTVR Performance Scorecard Outcomes

Metric/Measure	Weighting	Outcome (% of Target)	Weighted Outcome (% of Target)
Tranche 1: TSR 25% p.a.*	50%	60%	**30%**
Tranche 2: Milestones:	50%	75%	**37.5%**
-Debt in place for '25 project development	12.5%	100%	12.5%
-Necessary approvals in place to flow gas	12.5%	100%	12.5%
-FID made to deliver gas in 2025**	12.5%	0%	0%
-CGP ready for construction in 2025	12.5%	100%	12.5%
TOTAL Tranche 1 and Tranche 2			**67.5%**

* TSR exceeded Threshold but was less than Target. On a pro-rata basis 60% of Target was achieved.
** All milestones within EEG control were achieved in full. Approval from the NT Government for the Beneficial Use of Gas is yet to be finalised.

Table 11 - FY23 CEO LTVR Performance Rights, Granted in FY24

Measurement Period	1 January 2024 to 31 December 2026 (3 years).
Grant Calculation	The number of Rights in a Tranche of LTVR to be granted are calculated via the application of the following formula: **Target LTVR $ x Tranche Weight at Target ÷ Right Value ÷ % Vesting at Target** where Right Value is the 2023 VWAP of $0.16605
Opportunity & Grant Value	**Opportunity as % of Fixed Pay** Target / Stretch Managing Director: 40% / 80% Based on the Right Value of $0.16605, the maximum/stretch level of grants to be made to the Managing Director, Alex Underwood for FY24 LTVR will be 4,968,382 Performance Rights. The same formula was applied to other KMPs, the number of Performance Rights will differ for each person due to their different FP.
Instrument	The LTVR is in the form of Performance Rights with a nil Exercise Price, which are subject to performance and service vesting conditions.

Table 12 – Eligible to Vest FY24 as Granted in FY22

Role	Tranche	Weighting	No. Eligible To Vest In Reporting Period for FY24	Target Performance	Actual Outcome	% of Tranche Vested	Number Vested	Grant Date Valuation	$ Value of LTVR that Vested (as per Grant Date Valuation)	Realisable Value (Number x Vesting Date SP net of Exercise Price)
Managing Director	Absolute TSR	75%	1,244,065	25% TSR p.a	0%	0%	0	N/A	$0	$0
	Milestones	25%	207,344	Board Measured	100%	100%	207,344	30-May-22	$21,253	$46,652
Chief Financial Officer	Absolute TSR	75%	219,403	25% TSR p.a	0%	60%	0	N/A	$0	$0
	Milestones	25%	47,015	Board Measured	100%	100%	47,015	22-Dec-22	$4,466	$10,578
Chief Operating Officer	*No eligible rights vested in the reporting period for FY24*									
TOTAL			**1,717,827**				**254,359**		**$25,719**	**$57,230**

14. Achieved Total Remuneration Package for FY24

The following outlines "Achieved" (what became payable, or vested in respect of FY24 performance completed) total remuneration, including the portions of maximum variable remuneration that was vested at the completion of 31 December 2024.

Table 13

Name	Role(s)	Year	Fixed Package (incl Super)	Total STVR Awarded Following Completion of the Financial Year (cash)*	Total STVR Awarded Following Completion of the Financial Year (equity-settled)	Value of LTVR that Vested Following Completion of the Measurement Period**	Total Remuneration Package (TRP)	Gains/Losses on Vested LTVR from Change in Value During Vesting Period***
Alex Underwood	Managing Director	2024	$550,000	$268,125	$0	$21,253	$839,378	$25,400
	Managing Director	2023	$475,000	$126,600	$0	$18,346	$622,946	$7,254
Robin Polson	Chief Financial Officer	2024	$375,166	$0	$86,625	$4,466	$466,257	$6,112
	Chief Financial Officer	2023	$341,345	$0	$78,750	$0	$420,095	N/A
Chris White^	Chief Operating Officer	2024	$200,000	$0	$65,205	$0	$265,205	N/A
	Chief Operating Officer	2023	N/A	N/A	N/A	N/A	N/A	N/A

** This is the value of the total STVR award calculated following the end of the Financial Year.*
*** This is the grant value of the LTVR that vested in the reporting period i.e. number that vested multiplied by the Monte-Carlo value at grant.*
**** This is the difference between the Black-Scholes value at grant, and the realisable value based on the market value of a share at the time of vesting.*
^ Chris White joined Empire on 2 July 2024

15. Use of Board Discretion

During the financial year and to the date of this report, the Board did not exercise any discretions available to it to modify STVR or LTVR outcomes, vesting or awards.

16. Statutory Tables and Supporting Disclosures

16.1 Executive KMP Statutory Remuneration for FY24

The following table outlines the statutory remuneration of executive KMP:

Table 14

			Fixed Pay				Short Term Remuneration		Share-Based Payments Benefits				
Name	**Roles**	**Year**	**Salary**	**Super**	**Other Benefits *****	**Total Fixed Pay**	**Cash STVR***	**Change in Accrued Leave**	**Equity-Settled STVR***	**LTVR****	**Total Remuneration Package (TRP)**	**Variable Remuneration as % TRP**	**Termination Benefits**
Current Executive KMP													
Alex Underwood	Managing Director	2024	$521,334	$28,666	$15,572	$565,572	$268,125	$(10,425)	$0	$330,398	$1,153,670	51%	$0
	Managing Director	2023	$449,708	$26,345	$18,454	$494,507	$118,750	$(10,452)	$0	$36,342	$634,147	23%	$0
Robin Polson	Chief Financial Officer	2024	$346,500	$28,666	$0	$375,166	$0	$(11,280)	$86,625	$0	$450,511	17%	$42,556
	Chief Financial Officer	2023	$315,000	$26,345	$0	$341,346	$0	$13,558	$78,750	$0	$433,654	19%	$0
Chris White^	Chief Operating Officer	2024	$185,034	$14,966	$0	$200,000	$0	$14,331	$62,205	$0	$276,536	28%	$0
	Chief Operating Officer	2023	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

**Note that the STVR value reported in this table is the STVR that was paid during the reporting period, being the award earned during the previous period. Incentive outcomes for the reporting and previous period are outlined elsewhere in this report.*
*** Note that the LTVR value reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market-based measure of performance is used such as TSR, no adjustments can be made to reflect actual LTVR vesting.*
**** Other benefits include car parking, car allowances, General Employee Share Schemes, FBT, insurance, some elements of which are non-cash items.*
^ Chris White joined Empire on 2 July 2024

17. FY24 Non-Executive Director (NED) Remuneration

17.1 Fee Policy

The following outlines the principles that EEG applies to governing NED remuneration:

Table 15

Fee Policy	Remuneration of Non-executive Directors is determined by the Board based on recommendations from the Remuneration Committee and the maximum amount approved by shareholders from time to time. Non-executive Directors can participate in the Share Rights Plan. The Board undertakes an annual review of its performance and the performance of the Board Committees against performance goals set. Details of the nature and amount of each element of the remuneration of each Director and each specified executive of the Empire Group receiving the highest remuneration are set out in the following tables. The following table outlines the current Fee Policy, which is unchanged from 2023:

Role/Function	Main Board	All Committees
Chair	$90,000	$10,000
Member	$60,000	$5,000

Fees are exclusive of superannuation.

Note: Non-executive Directors are also reimbursed for reasonable out-of-pocket expenses that are directly related to EEG's business. Equity grants, if any, are deducted from the foregoing fees.

Aggregate Board Fees	The total amount of fees paid to Non-executive Directors in the year ended 31 December 2024 is within the aggregate fee limit of $400,000 which was last approved by shareholders on 30 May 2019. Grants of equity approved by shareholders are excluded from counting towards the aggregate Board Fees, in accordance with the ASX Listing Rules.

17.2 FY24 NED Equity Grants

A description of the terms Non-executive Director (NED) equity grants for FY24 is described below:

Table 16

Purpose	The purpose of NED equity grants in FY24 is to allow Non-executive Directors to exchange cash Board Fees for grants of equity in respect of FY24 remuneration.
Opportunity	NEDs may elect to receive equity up to 100% of their Board Fees including superannuation in lieu of cash payment.
Instrument	The FY24 NED Equity Plan grant is to be in the form of Restricted Rights.
Price and Exercise Price	The Price is nil, because it forms part of the remuneration of the Participant, however grants are generally based on an agreement to forego cash Board Fees. The Exercise Price is nil.
Allocation method	The Rights are valued using the following method: Right Value = Share Price – (Dividends expected to be lost before first exercise date) The Number of Rights to be granted = Sacrificed$ ÷ Right Value Share Price = 3-month Volume Weighted Average Price during each quarter
Vesting Conditions, Exercise Restrictions	In order to ensure NED independence is not compromised, and to recognise that the instruments are an alternative to cash remuneration, the Rights are not subject to any vesting conditions. Rights may not be exercised within 90 days of the Grant Date.
Disposal Restriction	The Director Fee Restricted Rights may not be disposed of at any time, but can be exercised following vesting, up to the end of their Term. Shares acquired on exercise of vested Director Fee Restricted Rights ("Restricted Shares") will be subject to disposal restrictions until all of the following cease to restrict disposals: a) the Company's share trading policy, b) the Corporations Act insider trading provisions, and c) Specified Disposal Restriction of one (1) year from their date of issue.
Term and Lapse	Director Fee Restricted Rights will have a term of 15 years and if not exercised within the term the Rights will lapse. On exercise, each Director Fee Restricted Right will convert into one ordinary share.
Fraud, Gross Misconduct etc.	In the event that the Board forms the opinion that a Director has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the Director will forfeit all unvested Director Fee Restricted Rights.

17.3 Non-executive Director (NED) KMP Statutory Remuneration for FY24

The following table outlines the statutory and audited remuneration of NEDs ($, except where otherwise indicated):
Table 17

Name	Role(s)	Year	Board Fees	Committee Fees	Superannuation	Other Benefits	Equity Grant *	Termination Benefits	Total
Paul Espie AO (a)	Non-Executive Chairman	2024	$0	$0	$0	$0	$0	$0	$0
	Non-Executive Chairman	2023	$82,500	$0	$8,663	$0	$0	$0	$91,163
John Warburton	Non-Executive Director	2024	$60,000	$15,000	$8,438	$0	$0	$0	$83,438
	Non-Executive Director	2023	$60,000	$16,904	$8,272	$0	$0	$0	$85,176
Peter Cleary (b)	Non-Executive Chairman	2024	$0	$0	$0	$0	$99,900	$0	$99,900
	Non-Executive Director	2023	$0	$0	$0	$0	$63,565	$0	$63,565
Louis Rozman (c)	Non-Executive Director	2024	$0	$0	$0	$0	$83,252	$0	$83,252
	Non-Executive Director	2023	$30,000	$5,000	$3,675	$0	$0	$0	$38,675
Paul Fudge (d)	Non-Executive Director	2024	$0	$0	$0	$0	$0	$0	$0
	Non-Executive Director	2023	$52,726	$0	$5,650	$0	$0	$0	$58,376
Jacqui Clarke (d)	Alternate Director	2024	$0	$0	$0	$0	$0	$0	$0
	Alternate Director	2023	$58,376	$6,967	$0	$0	$0	$0	$65,343
Karen Green (e)	Non-Executive Director	2024	$30,000	$7,500	$4,312	$0	$51,890	$0	$93,702
	Non-Executive Director	2023	$0	$0	$0	$0	$0	$0	$0

* Share based payments reflect the cash equivalent in lieu of Director fees.
(a) Paul Espie retired as Non-Executive Director & Chairman on 30 May 2023.
(b) Peter Cleary has elected to take his Director Fees in Restricted Rights in lieu of a cash payment. The $99,900 were approved at the 2024 AGM and relate to director fees from July 2023 to June 2024.
(c) Louis Rozman has elected to take his Director Fees in Restricted Rights in lieu of a cash payment from 1 July 2023. The $83,252 were approved at the 2024 AGM and relate to director fees from July 2023 to June 2024
(d) Paul Fudge and his alternate Jacqui Clarke retired as Non-Executive Directors on 17 November 2023.
(e) Karen Green was appointed Non-Executive Director on 17 November 2023. Karen elected to take her Director Fees in Restricted Rights in lieu of a cash payment from date of appointment to 30 June 2024. The $51,890 were approved at the 2024 AGM and relate to director fees from October 2023 to June 2024. From 1 July 2024, Karen elected to take her fees in cash.

18. KMP Equity Interests and Changes During FY24

Movements in equity interests held by executive KMP during the reporting period, including their related parties, are set out below:

Table 18

Name	Instrument	Number Held at Open FY24	Granted FY24		Expired during FY24	Vested during FY24	FY24 Exercised (or Shares received from Exercising)	FY24 Purchased / Other	FY24 Sold	Number Held at Close 2024
		Number	Date Granted	Number	Number	Number	Number	Number	Number	Number
Alex Underwood	Shares	2,750,000	-	-	-	-	-	-	-	2,750,000
	Vested Rights	4,090,926	-	-	-	145,089	-	-	-	4,236,015[1]
	Unvested Rights	5,568,420	28/05/2024	4,968,382	(2,238,867)	-	-	-	-	8,297,935
	Options	-	-	-	-	-	-	-	-	-
Robin Polson	Shares	-	-	-	-	-	-	-	-	-
	Vested Rights*	-	20/12/2024	1,086,181	-	249,664	-	-	-	1,335,845
	Unvested Rights**	266,418	20/12/2024	2,296,675	(671,714)^	-	-	-	-	1,891,379
Chris White	Shares	-	-	-	-	-	-	-	-	-
	Vested Rights	-	-	299,004	-	-	-	-	-	299,004
	Unvested Rights	-	01/07/2024	2,981,109	-	-	-	-	-	2,981,109
TOTALS		**12,675,764**	**-**	**11,631,351**	**(2,910,581)**	**394,753**	**-**	**-**	**-**	**21,791,287**

** For the FY24 Vested Rights granted, 211,538 were granted in FY23 and 477,417 were granted in FY22*
*** For the FY24 Unvested Rights granted, 961,548 were granted in FY23*
^These Rights were forfeited

Movements in equity interests held by non-executive KMP during the reporting period, including their related parties, are set out below:

Table 19

Name	Instrument	Number Held at Open FY24	Granted FY24		Forfeited during FY24	Vested during FY24	FY24 Exercised (or Shares received from Exercising)	FY24 Purchased /Other	FY24 Sold	Number Held at Close 2024
		Number	Date Granted	Number	Number	Number	Number	Number	Number	Number
John Warburton	Shares	772,815	-	-	-	-	-	625,000	-	1,397,815
	Vested Rights	1,200,000	-	-	-	-	-	-	-	1,200,000
	Unvested Rights	-	-	-	-	-	-	-	-	-
	Options	159,091	-	-	-	-	-	-	-	159,091
Peter Cleary	Shares	1,044,546		-	-	-	-	625,000	-	1,669,546
	Vested Rights	752,707	28/05/2024	574,453	-	-	-	-	-	1,327,160
	Unvested Rights	-	-	-	-	-	-	-	-	-
	Options	227,273	-	-	(227,273)	-	-	-	-	-
Louis Rozman	Shares	683,546	-	-	-	-	-	156,250	-	839,796
	Vested Rights	-	28/05/2024	478,722	-	-	-	-	-	478,722
	Unvested Rights	-	-	-	-	-	-	-	-	-
	Options	227,273	-	-	(227,273)	-	-	-	-	-
Karen Green	Shares	-	-	-	-	-	-	625,000	-	625,000
	Vested Rights	-	28/05/2024	274,927	-	-	-	-	-	274,927
	Unvested Rights	-	-	-	-	-	-	-	-	-
	Options	-	-	-	-	-	-	-	-	-
TOTALS		**5,067,251**	**-**	**1,328,102**	**(454,546)**	**-**	**-**	**2,031,250**	**-**	**7,927,057**

The following outlines the accounting values and potential future costs of equity remuneration granted during FY24 for executive KMP:

Table 20

2024 Equity Grants Name	Tranche	Grant Type	Vesting Conditions	Grant Date	Value of Grant per Right	Total value of Grant	Value Expensed in FY 24	Max Value to be Expensed in Future Years
Alex Underwood	FY24 STVR Restricted Rights	STVR	n/a*	n/a	n/a	n/a	n/a	n/a
	FY24 LTVR Performance Rights - T1	LTVR	Absolute TSR	28/05/2024	$0.038	$94,339	$21,631	$72,708
	FY24 LTVR Performance Rights - T2	LTVR	Milestones	28/05/2024	$0.190	$235,998	$54,078	$181,920
Robin Polson	FY24 STVR Restricted Rights	STVR	n/a*	20/12/2024	$0.210	$83,417	$83,417	$0
	FY24 LTVR Performance Rights	LTVR	Absolute TSR	20/12/2024	$0.053	$57,725	$857	$56,868
	FY24 LTVR Service Rights	LTVR	Milestones	20/12/2024	$0.210	$42,056	$624	$41,432
	FY24 LTVR Service Rights (vested)	LTVR	Milestones	20/12/2024	$0.210	$42,556	$42,556	$0
Chris White	FY24 STVR Restricted Rights	STVR	n/a*	20/12/2024	$0.210	$62,791	$62,791	$0
	FY24 LTVR Performance Rights (sign -on)	LTVR	Absolute TSR	1/07/2024	$0.483	$87,263	$17,453	$69,810
	FY24 LTVR Performance Rights	LTVR	Absolute TSR	20/12/2024	$0.053	$24,739	$367	$24,372
	FY24 LTVR Service Rights	LTVR	Milestones	1/07/2024 20/12/2024	$0.210	$122,360	$21,180	$101,180
Totals						**$853,244**	**$304,954**	**$548,290**

Note: the minimum value to be expensed in future years for each of the above grants made in FY24 is nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of an executive KMP departure or failure to meet non-market-based conditions including failure for Gate to open.
**Pursuant to Section 300A (1)(d) of the Corporations Act, The FY20 STVR Restricted Rights are not subject to the satisfaction of a performance condition as the Restricted Rights have been used to settle short term awards already subject to performance conditions.*

The following outlines the accounting values and potential future costs of equity remuneration granted during FY24 for Non-executive KMP:

Table 21

2024 Equity Grants Name	Tranche	Grant Type	Vesting Conditions	Grant Date	Value of Grant per Right	Total Value at Grant	Value Expensed in FY 24	Max Value to be Expensed in Future Years
Peter Cleary	Restricted Rights	Fee Sacrifice	n/a*	28/05/2024	$0.190	$109,146	$109,146	-
Louis Rozman	Restricted Rights	Fee Sacrifice	n/a*	28/05/2024	$0.190	$90,957	$90,957	-
Karen Green	Restricted Rights	Fee Sacrifice	n/a*	28/05/2024	$0.190	$52,236	$52,236	-

Note: the minimum value to be expensed in future years for each of the above grants made in FY24 is nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of a NED departure or failure to meet non-market-based conditions.
**Pursuant to Section 300A (1)(d) of the Corporations Act, The Restricted Rights to Mr Peter Cleary, Mr Louis Rozman and Ms Karen Green are not subject to the satisfaction of a performance condition as the Restricted Rights have been granted in lieu of cash payments for the fulfilment of their roles as Non-Executive Directors.*

19. KMP Service Agreements

19.1 Executive KMP Service Agreements

The following outlines current executive KMP service agreements:

Table 22

Name	Position Held at Close of FY24	Employing Company	Duration of Contract	Period of Notice		Termination Payments*
				From Company	From KMP	
Alex Underwood	Managing Director	Empire Energy Group Limited	Permanent	12 months	12 months	12 months of salary in lieu of notice
Robin Polson	Chief Financial Officer	Empire Energy Group Limited	Permanent	3 months	3 months	3 months of salary in lieu of notice
Chris White	Chief Operating Officer	Empire Energy Group Limited	Permanent	3 months	3 months	3 months of salary in lieu of notice

**Note: Under the Corporations Act the Termination Benefit Limit is 12 months average Salary (over prior 3 years) unless shareholder approval is obtained.*

19.2 Non-Executive Directors (NEDs) Service Agreements

The appointment of Non-executive Directors is subject to a letter of engagement. Under this approach NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under this approach

20. Other Statutory Disclosures

20.1 Loans to KMP and their related parties

During the financial year and to the date of this report, the Company made no loans to directors and other KMP and none were outstanding as at 31 December 2024 (2023: Nil).

20.2 Other transactions with KMP

The following transactions occurred with entities controlled by Related Parties:

Table 23

Related Party	Related Entity	Transactions	Contracting Payment
Melissa Underwood	Spouse of Managing Director	Temporary contract as Accounting Assistant	$189,195

End of Audited Remuneration Report

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Shape the future
with confidence

Auditor's independence declaration to the directors of Empire Energy Group Limited

As lead auditor for the audit of the financial report of Empire Energy Group Limited for the financial year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Empire Energy Group Limited and the entities it controlled during the financial year.

Ernst & Young

Siobhan Hughes
Partner
Sydney
31 March 2025

Empire Energy Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Note	Consolidated 2024 $	2023 (restated*) $
Revenue from continuing operations			
Other income	5	1,022,028	50,803
Finance income	5	1,525,030	250,113
Expenses			
Exploration expenses		(12,186,111)	(9,093,233)
General and administration expenses	6	(9,178,163)	(6,634,540)
Depreciation, depletion and amortisation	6	(280,610)	(289,058)
Unrealised loss on forward commodity contracts		-	(296,020)
Finance costs	6	(1,279,345)	(1,042,321)
Loss before income tax expense from continuing operations		(20,377,171)	(17,054,256)
Income tax expense	7	(177,010)	(251,113)
Loss after income tax expense from continuing operations		(20,554,181)	(17,305,369)
Profit/(loss) after income tax expense from discontinued operations	8	6,126,380	(4,776,547)
Loss after income tax expense for the year attributable to the owners of Empire Energy Group Limited		(14,427,801)	(22,081,916)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Transfer of foreign currency reserve on disposal of US subsidiary		(63,050)	-
Translation of foreign operations		351,622	311,481
Other comprehensive income for the year, net of tax		288,572	311,481
Total comprehensive loss for the year attributable to the owners of Empire Energy Group Limited		(14,139,229)	(21,770,435)
Total comprehensive loss for the year is attributable to:			
Continuing operations		(19,954,454)	(16,993,888)
Discontinued operations		5,815,225	(4,776,547)
		(14,139,229)	(21,770,435)

* *Note that the comparatives have been restated to reflect the profit/(loss) from discontinued operations due to sale of US subsidiary in April 2024. Refer to note 8.*

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Empire Energy Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Empire Energy Group Limited			
Basic earnings per share	10	(2.20)	(2.24)
Diluted earnings per share	10	(2.20)	(2.24)
Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Empire Energy Group Limited			
Basic earnings per share	10	0.66	(0.62)
Diluted earnings per share	10	0.66	(0.62)
Earnings per share for loss attributable to the owners of Empire Energy Group Limited			
Basic earnings per share	10	(1.54)	(2.86)
Diluted earnings per share	10	(1.54)	(2.86)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Empire Energy Group Limited
Consolidated statement of financial position
As at 31 December 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	9	25,437,604	12,971,514
Trade and other receivables	11	2,728,214	1,912,220
Other assets	12	9,593,865	5,219,862
Inventories		-	38,937
Total current assets		37,759,683	20,142,533
Non-current assets			
Oil and gas properties	14	-	38,206,087
Property, plant and equipment	15	2,823,379	556,565
Exploration and evaluation assets	16	123,711,342	111,514,901
Right-of-use assets	17	423,897	982,961
Intangibles		-	99,732
Financial assets	13	2,283,767	-
Total non-current assets		129,242,385	151,360,246
Total assets		167,002,068	171,502,779
Liabilities			
Current liabilities			
Trade and other payables	18	23,854,858	8,466,291
Borrowings	19	1,827,000	8,771,474
Lease liabilities	20	255,944	604,085
Provisions	21	256,085	271,723
Total current liabilities		26,193,887	18,113,573
Non-current liabilities			
Lease liabilities	20	196,078	370,509
Provisions	21	4,168,914	40,715,280
Total non-current liabilities		4,364,992	41,085,789
Total liabilities		30,558,879	59,199,362
Net assets		136,443,189	112,303,417
Equity			
Contributed equity	22	293,400,772	255,945,973
Reserves	23	12,271,302	11,177,030
Accumulated losses		(169,228,885)	(154,819,586)
Total equity		136,443,189	112,303,417

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Empire Energy Group Limited
Consolidated statement of changes in equity
For the year ended 31 December 2024

Consolidated	Issued Capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2023	255,945,973	10,399,487	(132,737,670)	133,607,790
Loss after income tax expense for the year	-	-	(22,081,916)	(22,081,916)
Other comprehensive income for the year, net of tax	-	311,481	-	311,481
Total comprehensive income/(loss) for the year	-	311,481	(22,081,916)	(21,770,435)
Transactions with owners in their capacity as owners:				
Share-based payments	-	466,062	-	466,062
Balance at 31 December 2023	255,945,973	11,177,030	(154,819,586)	112,303,417

Consolidated	Issued Capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 January 2024	255,945,973	11,177,030	(154,819,586)	112,303,417
Loss after income tax expense for the year	-	-	(14,427,801)	(14,427,801)
Other comprehensive income for the year, net of tax	-	288,572	-	288,572
Total comprehensive income/(loss) for the year	-	288,572	(14,427,801)	(14,139,229)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 22)	37,454,799	-	-	37,454,799
Share-based payments	-	824,202	-	824,202
Transfer to/from accumulated losses (note 23)	-	(18,502)	18,502	-
Balance at 31 December 2024	293,400,772	12,271,302	(169,228,885)	136,443,189

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Empire Energy Group Limited
Consolidated statement of cash flows
For the year ended 31 December 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		(57,171)	11,953,249
Payments to suppliers and employees (inclusive of GST)		(15,024,878)	(35,577,593)
Government grants (Beetaloo Cooperative Drilling Program)		-	7,697,880
R&D tax incentive		3,968,447	15,336,577
Interest received		1,527,927	308,554
Interest and other finance costs paid		(1,494,324)	(1,939,642)
Income taxes paid		(177,010)	(251,113)
Net cash used in operating activities	35	(11,257,009)	(2,472,088)
Cash flows from investing activities			
Payments for property, plant and equipment	15	(942,389)	(137,043)
Payments for exploration and evaluation assets		(26,073,117)	(7,024,670)
Payments for security deposits		-	(625,239)
Proceeds from disposal of property, plant and equipment		-	403,970
Proceeds from release of security deposits		4,398,257	-
Sale of royalties for exploration and evaluation assets		7,757,367	-
Proceeds from the sale of discontinued operation		8,100,603	-
Net cash used in investing activities		(6,759,279)	(7,382,982)
Cash flows from financing activities			
Proceeds from issue of shares	22	39,000,000	-
Proceeds from interest-bearing liabilities		-	1,827,000
Repayments of interest-bearing liabilities		(7,061,421)	(804,094)
Share issue transaction costs		(1,545,201)	-
Repayment of lease liabilities		(584,630)	(349,174)
Net cash from financing activities		29,808,748	673,732
Net increase/(decrease) in cash and cash equivalents		11,792,460	(9,181,338)
Cash and cash equivalents at the beginning of the financial year		12,971,514	21,880,311
Effects of exchange rate changes on cash and cash equivalents		673,630	272,541
Cash and cash equivalents at the end of the financial year	9	25,437,604	12,971,514

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Empire Energy Group Limited as a Group consisting of Empire Energy Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Empire Energy Group Limited's functional and presentation currency.

Empire Energy Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5
6 - 10 O'Connell Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 March 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policies information

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The Group has prepared the financial report on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

As at 31 December 2024 the Group reported an operating loss after income tax of $14,427,801 and incurred net operating cash outflows of $11,257,009.

The Group continues to incur increased expenditure in respect of the Carpentaria Pilot Project. The Group is also planning significant expenditures, not yet committed, for the Carpentaria Pilot Project within the next 12 months. The existing Group's cash on hand, when taking account of the existing facility debt covenant to retain a minimum cash balance of $10 million (refer Note 19), is not sufficient to meet all these obligations (committed or otherwise) as they come due over the next twelve months.

These factors raise material uncertainty regarding the Group's ability to continue as a going concern. The continuation of the Group as a going concern is dependent upon the ability of the Group to obtain necessary additional capital to fund ongoing activities within the next 12 months.

Management has several plans in various stages of progress to source additional funding including drawing down on its $30 million R&D Facility ($12.8 million was drawn on this facility in February this year). 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 appraisal activities including C-5H and construction of infield infrastructure.

The Directors are confident that funding will be available to provide operating capital based on:
- A history of successful equity raises, noting the Company raised $39 million in 2024 with the previous equity raise in 2022 where the Company raised $30.5 million.
- In 2024 Empire received an R&D Tax Offset for FY2023 of $4.0 million (2023: $15.6 million for FY2022).

The Company will continue to apply for R&D Tax Offsets in respect of its eligible R&D activities undertaken as part of its Carpentaria Pilot Project.

Note 2. Material accounting policies information (continued)

However, if the Group is not successful in securing sufficient additional funds or through other arrangements when required, then to meet its expenditure targets there may be uncertainty about whether the Group is able to realise assets and/or extinguish liabilities in the normal course of business at the amounts stated in the Financial Report.

The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group. Supplementary information about the parent entity is disclosed in note 32.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Empire Energy Group Limited ('Company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. Empire Energy Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group' or 'Empire Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Material accounting policies information (continued)

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
Foreign currency transactions
Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into the Company's functional currency using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into the Company's functional currency using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Finance income
Finance income comprises interest income on funds invested as well as fair value gains on oil and gas derivatives the Group is party to. Interest income is recognised as it accrues, using the effective interest method.

Government grants
Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset.

Note 2. Material accounting policies information (continued)

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Discontinued operations
A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Tax consolidation
Empire Energy Group Limited and its wholly-owned Australian resident entities form a tax-consolidated Empire Group. As a consequence, all members of the tax-consolidated Empire Group have been taxed as a single entity since 1 July 2003. The head entity within the tax-consolidated Empire Group is Empire Energy Group Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Empire Group are recognised in the separate financial statements of the members of the tax-consolidated Empire Group using the ‘separate taxpayer within Empire Group’ approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated Empire Group and are recognised by the Empire Group as amounts payable/(receivable) to/from other entities in the tax-consolidated Empire Group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Empire Group as an equity contribution or distribution.

The Empire Group recognises deferred tax assets arising from unused tax losses of the tax consolidated Empire Group to the extent that it is probable that future taxable profits of the tax consolidated Empire Group will be available against which the asset can be utilised.

Note 2. Material accounting policies information (continued)

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements
The head entity, in conjunction with other members of the tax-consolidated Empire Group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated Empire Group in respect of tax amounts.

The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call. Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated Empire Group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 to 90 days.

An estimate of expected credit is loss is made based on historic data on collectability and consideration of the credit worthiness of customers. Bad debts are written-off when identified.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as outlined below, except for land which is not depreciated:

Buildings	40 years
Equipment	5 years
Motor vehicles	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration assets
Mineral exploration and evaluation expenditure is written off as incurred or accumulated in respect of each identifiable area of interest and capitalised. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

Note 2. Material accounting policies information (continued)

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area. In all other cases, these costs are expensed as incurred.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off during the period in which that assessment is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration and depreciating over the useful life of the asset.

Impairment of exploration assets
Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Where a potential impairment is indicated, assessment is performed for each area of interest in conjunction with the group of operating assets (representing a Cash Generating Unit) to which the exploration and evaluation is attributable. To the extent that capitalised exploration and evaluation is not expected to be recovered, it is charged to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 2. Material accounting policies information (continued)

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or rights over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes or Monte-Carlo option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 2. Material accounting policies information (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Empire Energy Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Note 2. Material accounting policies information (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for rehabilitation
A provision has been made for the present value of anticipated costs for future site restoration. The Group's extraction and exploration activities are subject to various laws and regulations governing the protection of the environment and Traditional Owners.

The Group recognises management's best estimate for site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of well estimates and discount rates could affect the carrying amount of this provision.

Recoverability of exploration and evaluation assets
Assessment of the indicators of impairment of capitalised exploration and evaluation expenditure requires certain estimates and assumptions to be made as to future events and circumstances, particularly in relation to whether economic quantities of reserves have been discovered. Such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available indicating that the recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of comprehensive income in the period when the new information becomes available. The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Monte-Carlo or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into two operating segments:
(1) Northern Territory - includes all exploration and drilling activity of the Group in the Northern Territory, conducted through Imperial Oil & Gas Pty Limited and Imperial Oil & Gas A Pty Limited; and
(2) Corporate - includes all centralised administration costs, minor other income and investments/loans in Imperial Oil & Gas Pty Limited and Imperial Oil & Gas A Pty Limited (eliminated on consolidation).

Note 4. Operating segments (continued)

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Intersegment revenue relates to Corporate overhead charges only. Included in Other income are gains disclosed separately of the face of the Statement of Profit or Loss and Other Comprehensive Income. Information reported to the CODM allows resources to be allocated and subsequent performance to be analysed. This is reviewed on a monthly basis.

Other operating expenses represents the profit/(loss) earned by each segment without allocation of central administration costs and share-based payments, finance income and finance expense, gains or losses on disposal of associates and discontinued operations. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

The number of segments changed from three segments in the prior year to two segments due to the sales of its US oil and gas assets.

Operating segment information

Consolidated - 2024	Northern Territory $	Corporate $	Total $
Revenue			
Intersegment charges	(6,620,494)	6,620,494	-
Intersegment interest	7,030,962	(7,030,962)	-
Total revenue	410,468	(410,468)	-
Other income	-	1,022,028	1,022,028
Interest income (external)	6,511	1,518,519	1,525,030
Depreciation and amortisation	(19,877)	(260,733)	(280,610)
Share-based payments expense	-	(824,202)	(824,202)
Finance costs (net)	(1,262,584)	(16,761)	(1,279,345)
Other operating expenses	(13,161,011)	(7,379,061)	(20,540,072)
Loss before income tax expense	(14,436,961)	(5,940,210)	(20,377,171)
Income tax expense			(177,010)
Loss after income tax expense			(20,554,181)
Assets			
Segment assets	138,044,670	28,957,398	167,002,068
Total assets			167,002,068
Liabilities			
Segment liabilities	25,724,025	4,834,854	30,558,879
Total liabilities			30,558,879

Note 4. Operating segments (continued)

Consolidated - 2023	USA $	Northern Territory $	Corporate $	Eliminations $	Total $
Revenue					
Intersegment interest	-	-	9,757,939	(9,757,939)	-
Intersegment charges	-	-	4,827,588	(4,827,588)	-
Total revenue	-	-	14,585,527	(14,585,527)	-
Segment profit/(loss)	29,897	(14,077,405)	8,312,013	(9,643,891)	(15,379,386)
Other income	(2,914)	53,717	-	-	50,803
Interest income (external)	372	6,896	242,845	-	250,113
Depreciation and amortisation	-	(20,003)	(269,055)	-	(289,058)
Share-based payments expense	-	-	(348,387)	-	(348,387)
Finance costs (net)	-	(1,019,260)	(23,061)	-	(1,042,321)
Unrealised loss on forward commodity contracts	(296,020)	-	-	-	(296,020)
Intersegment interest	(2,509,023)	(7,385,981)	-	9,895,004	-
(Loss)/profit before income tax expense	(2,777,688)	(22,442,036)	7,914,355	251,113	(17,054,256)
Income tax expense					(251,113)
Loss after income tax expense					(17,305,369)
Assets					
Segment assets	45,826,070	116,534,967	253,594,035	(244,452,293)	171,502,779
Total assets					171,502,779
Liabilities					
Segment liabilities	79,912,793	178,800,101	1,894,078	(201,407,610)	59,199,362
Total liabilities					59,199,362

Historically, all of the Group's producing oil and gas assets were located in the USA. Since the Company sold its producing US subsidiary during the reporting period (refer to note 8), the Group didn't have producing assets as at 31 December 2024.

All the Group's exploration oil and gas tenements are in the Northern Territory, Australia.

The loss generated by disposed US operations up to the disposal date was $830,907 (excluding the gain on disposal of $6.9 million).

Note 5. Finance and Other Income

Finance income

	Consolidated	
	2024	2023
Interest from bank	1,144,099	250,113
Fair value movement on deferred consideration	107,341	-
Unwind of discount of solar financial asset	273,590	-
	1,525,030	250,113

Other income

	Consolidated	
	2024 $	2023 $
Net gain on disposal of property, plant and equipment	-	53,717
Deferred US solar payments (note 13)	1,022,028	(2,914)
	1,022,028	50,803

On 28 November 2022, Empire executed a Mutual Use Agreement (“MUA”) with Connect Gen, a developer and operator of renewable energy projects across the United States, for the use of surface rights over 2,056 acres of land which Empire holds oil & gas leases in Chautauqua County, New York State (the South Ripley Solar Project). Consideration payable by Connect Gen included deferred payments of which $1.0m has been recognised as income.

Note 6. Expenses

	Consolidated 2024 $	Consolidated 2023 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation and depletion		
Depreciation - property, plant and equipment (note 15)	43,599	51,972
Depreciation - right-of-use assets (note 17)	237,011	237,086
Total depreciation and depletion	280,610	289,058
General and administration expenses		
Salaries and wages - Australia	2,875,275	2,819,840
Other advisory fees	1,979,992	582,309
Other overhead	3,295,273	2,671,139
Insurance including NT work programs	203,421	212,865
Share-based payments expense*	824,202	348,387
	9,178,163	6,634,540
Finance costs		
Interest expense on financial liabilities	312,212	379,911
Interest expense on lease liabilities	16,761	23,061
Commitment fees (Facility - AU)	522,482	274,849
Establishment fees (Facility - AU)	427,890	364,500
Finance costs expensed	1,279,345	1,042,321
Employee costs		
Defined contribution superannuation expense	185,743	182,720
Salaries and wages	2,689,532	5,818,753
Total employee costs	2,875,275	6,001,473

* There were no changes to the Empire Energy Group Limited Rights Plan as compared to the prior period. During the period 9,436,634 Performance Rights, 2,867,875 Restricted Rights and 3,604,207 Service Rights were granted to employees and independent directors. Refer to note 34.

Note 7. Income tax

	Consolidated 2024 $	Consolidated 2023 $
Income tax expense		
Current tax	177,010	251,113
Aggregate income tax expense	177,010	251,113
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(20,377,171)	(17,054,256)
Profit/(loss) before income tax expense from discontinued operations	6,126,380	(4,776,547)
	(14,250,791)	(21,830,803)
Tax at the statutory tax rate of 30% (2023: 25%)	(4,275,237)	(5,457,701)
Difference in overseas tax rates	(77,116)	67,652
Changes in Australian tax rate	493,332	-
Withholding tax paid	177,010	251,113
Deferred tax asset in relation to tax losses and temporary differences not recognised	3,859,021	5,390,049
Income tax expense	177,010	251,113

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses	45,044,801	24,000,839
Capital losses	-	201,841
Other	7,293,224	8,995,776
Total deferred tax assets not recognised	52,338,025	33,198,456

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The potential benefit of the deferred tax asset attributable to tax losses will only be obtained if:
(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised; or
(ii) the Group continues to comply with the conditions for deductibility imposed by the law; and
(iii) no changes in tax legislation adversely affect the Group in realising the asset.

Note 7. Income tax (continued)

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Accrued asset retirement obligation	21,201,841	3,618,421
Oil and gas properties and property, plant and equipment	-	4,738,466
Other	5,108,778	638,889
Deferred tax asset in relation to temporary differences not recognised	(7,293,224)	-
Set-off of deferred tax assets pursuant to set-off provisions	(19,017,395)	(8,995,776)
Deferred tax asset	-	-

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Oil and gas properties and property, plant and equipment	16,463,947	4,144,737
Other	2,553,448	114,035
Set-off of deferred tax liabilities pursuant to set-off provisions	(19,017,395)	(4,258,772)
Deferred tax liability	-	-

Note 8. Discontinued operations

Description
On 12 April 2024, the Group sold its oil & gas assets in the USA for US$8.2m (AU$12.5m), comprising of upfront cash payment of US$5.9m (AU$9.0m) and deferred payments up to US$2.3m (AU$3.5m). With a fair value of US$0.9m (AU$1.5m).

The deferred consideration is payable under the following terms:
- The deferred consideration is paid in monthly instalments due on the first day of each month commencing 1 June 2024, until such amount is paid in full (i.e. the "Deferred Payment")
- The monthly Deferred Payment amount shall be based on the Henry Hub settlement price from the second preceding month. It shall constitute a single payment determined by the maximum amount, based on the following tiered payment amounts that depend on the gas price, as shown below:

Gas price (US dollar per Million Btu)	Amount Payable (US dollar)
3.50 - 3.99	25,000
4.00 - 4.49	50,000
4.50 - 4.99	750,000
5.00 - 5.49	100,000
5.50 - 5.99	125,000
6.00 and above	150,000

Note 8. Discontinued operations (continued)

Financial performance information

	Consolidated 2024 $	Consolidated 2023 $
Discontinued revenue	2,044,791	6,085,528
Discontinued cost of sales	(1,375,526)	(5,892,491)
Discontinued gross profit	669,265	193,037
Discontinued other income	(27,092)	524,875
Discontinued interest income	2,897	58,441
Total other income	(24,195)	583,316
Discontinued expense	(1,409,262)	(5,552,900)
Loss before income tax expense	(764,192)	(4,776,547)
Income tax expense	-	-
Loss after income tax expense	(764,192)	(4,776,547)
Gain on disposal before income tax	6,890,572	-
Income tax expense	-	-
Gain on disposal after income tax expense	6,890,572	-
Profit/(loss) after income tax expense from discontinued operations	6,126,380	(4,776,547)
Translation reserve transferred to income statement	(63,050)	-
Total comprehensive income/(loss)	5,815,225	(4,776,547)

Cash flow information

	Consolidated 2024 $	Consolidated 2023 $
Net cash used in operating activities	(625,304)	(193,037)
Net cash from investing activities	-	-
Net cash from financing activities	214,979	897,321
Net (decrease)/increase in cash and cash equivalents from discontinued operations	(410,325)	704,284

Note 8. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated As at 12 April 2024 $
Cash and cash equivalents	54,723
Trade and other receivables	1,566,819
Inventories	54,433
Prepayments	330,596
Oil & gas properties	38,715,069
Property, plant and equipment	547,054
Right-of-use asset	296,728
Total assets	41,565,422
Trade and other payables	114,637
Provisions	37,742,956
Other liabilities	299,214
Total liabilities	38,156,807
Net assets	3,408,615

Of the upfront cash payment of US$5.9 million (A$9.0 million), US$4.6 million (A$7.1 million) has been used to repay the external loan facility in the Group's US business, immediately before sale (refer note 19). As such, the balances above exclude this debt (as it had been repaid before divestment).

Details of the disposal

	Consolidated 2024 $
Total sale consideration	10,484,370
Carrying amount of net assets disposed	(3,408,615)
Disposal costs	(185,183)
Gain on disposal before income tax	6,890,572
Reclassified to income statement	-
Gain on disposal after income tax	6,890,572

The total sale consideration is comprised of US$5.9 million in cash (A$9.0 million) and US$2.3 million in deferred consideration (A$3.5 million). The deferred consideration has been fair valued at the date of sale as US$0.9 million (A$1.5 million).

In determining the fair value of the deferred consideration on initial recognition, an expected cash flow profile has been determined based on the terms of the agreement which stipulate how much is receivable by the Group each month based on the Henry Hub gas price at that time. A Henry Hub forward curve at the date of sale has therefore been used to estimate the timing of cash flows which have then been discounted based on a 14.12% discount rate. This rate incorporates both the risk-free rate and counterparty credit risk.

Note 9. Cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Cash at bank	25,437,604	12,971,514

Note 10. Earnings per share

	Consolidated 2024 $	Consolidated 2023 $
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Empire Energy Group Limited	(20,554,181)	(17,305,369)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	935,213,554	773,121,148
Weighted average number of ordinary shares used in calculating diluted earnings per share	935,213,554	773,121,148
	Cents	**Cents**
Basic earnings per share	(2.20)	(2.24)
Diluted earnings per share	(2.20)	(2.24)

	Consolidated 2024 $	Consolidated 2023 $
Earnings per share for profit/(loss) from discontinued operations		
Profit/(loss) after income tax attributable to the owners of Empire Energy Group Limited	6,126,380	(4,776,547)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	935,213,554	773,121,148
Weighted average number of ordinary shares used in calculating diluted earnings per share	935,213,554	773,121,148
	Cents	**Cents**
Basic earnings per share	0.66	(0.62)
Diluted earnings per share	0.66	(0.62)

Note 10. Earnings per share (continued)

	Consolidated 2024 $	2023 $
Earnings per share for loss		
Loss after income tax attributable to the owners of Empire Energy Group Limited	(14,427,801)	(22,081,916)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	935,213,554	773,121,148
Weighted average number of ordinary shares used in calculating diluted earnings per share	935,213,554	773,121,148
	Cents	**Cents**
Basic earnings per share	(1.54)	(2.86)
Diluted earnings per share	(1.54)	(2.86)

Nil Options (2023: 78,924,528), 14,350,433 Performance Rights (2023: 12,766,951), 4,993,336 Service Rights (2023: 2,438,558) and 7,621,250 Restricted Rights (2023: 4,891,260) have been excluded from the above calculation as their inclusion would be anti-dilutive.

Note 11. Trade and other receivables

	Consolidated 2024 $	2023 $
Current assets		
Other receivables	3,475	3
GST receivable	2,724,739	1,912,217
	2,728,214	1,912,220

Note 12. Other assets

	Consolidated 2024 $	2023 $
Current assets		
Carpentaria-5H consumables*	8,128,238	-
Prepayments	1,255,033	510,028
Security deposits**	180,594	4,679,834
Term deposits	30,000	30,000
	9,593,865	5,219,862

* Consumables made up of sand and chemicals bought but not yet used for Hydraulic Stimulation expected mid-2025.

** Security deposits comprise of cash payments to secure leasing. In 2023 $4,397,896 related to Northern Territory Environmental bonds held with the Northern Territory Government which is now funded via Macquarie bank guarantees in favour of the Northern Territory Government on a non-cash-backed basis.

Note 13. Financial assets

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Solar deferred payments(note 5)	656,870	-
Deferred consideration (note 8)	1,626,897	-
	2,283,767	-

Solar deferred payments refer to all remaining payments of US$500k due to Empire E&P pursuant to the 2022 Mutual Use Agreement with ConnectGen Chautauqua Country LLC for the Ripley Solar Project to be received by the Company. The Deferred consideration has been revalued at year end using the same methodology described in note 8.

Note 14. Oil and gas properties

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Oil and gas - Producing	-	95,504,259
Less: Accumulated depletion	-	(60,481,115)
	-	35,023,144
Oil and gas - Non Producing	-	3,182,943
	-	38,206,087

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Oil and gas - Producing $	Oil and gas - Non Producing $	Total $
Balance at 1 January 2023	33,398,132	3,213,480	36,611,612
Change in estimate	2,882,216	-	2,882,216
Depletion	(985,900)	-	(985,900)
Exchange differences	(271,304)	(30,537)	(301,841)
Balance at 31 December 2023	35,023,144	3,182,943	38,206,087
Change in estimate	-	-	-
Disposals	(34,923,411)	(3,182,943)	(38,106,354)
Depletion	(257,459)	-	(257,459)
Exchange differences	157,726	-	157,726
Balance at 31 December 2024	-	-	-

Estimates of recoverable amounts for producing assets are based on an asset’s value in use or fair value less costs to sell, using a discounted cash flow method.

Note 15. Property, plant and equipment

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Land - at cost	-	7,310
Buildings - at cost	-	329,876
Less: Accumulated depreciation	-	(130,547)
	-	199,329
Equipment - at cost	323,837	2,104,781
Less: Accumulated depreciation	(312,844)	(1,961,165)
	10,993	143,616
Motor vehicles - at cost	140,460	1,024,460
Less: Accumulated depreciation	(138,637)	(818,150)
	1,823	206,310
Plant and equipment- at cost	2,810,563	-
Less: Accumulated depreciation	-	-
	2,810,563	-
	2,823,379	556,565

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land $	Buildings $	Equipment $	Motor vehicles $	Plant and equipment $	Total $
Balance at 1 January 2023	7,380	211,666	231,579	158,149	-	608,774
Additions	-	-	23,884	113,159	-	137,043
Exchange differences	(70)	(1,706)	(17,759)	173	-	(19,362)
Depreciation expense	-	(10,631)	(94,088)	(65,171)	-	(169,890)
Balance at 31 December 2023	7,310	199,329	143,616	206,310	-	556,565
Transfer from exploration and evaluation assets (note 16)	-	-	-	-	3,227,243	3,227,243
Additions	-	-	9,797	-	932,592	942,389
R&D rebate	-	-	-	-	(1,349,272)	(1,349,272)
Disposals	(6,530)	(199,329)	(117,220)	(140,527)	-	(463,606)
Exchange differences	(780)	-	(11,506)	(33,385)	-	(45,671)
Depreciation expense	-	-	(13,694)	(30,575)	-	(44,269)
Balance at 31 December 2024	-	-	10,993	1,823	2,810,563	2,823,379

Note 16. Exploration and evaluation assets

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Capitalised exploration and evaluation assets	123,711,342	111,514,901

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Capitalised exploration and evaluation assets $
Balance at 1 January 2023	127,039,687
Additions	7,859,924
Disposals	(350,253)
Government grants and R&D tax incentive	(23,034,457)
Balance at 31 December 2023	111,514,901
Additions	26,073,117
Change in Provision on rehabilitation	(272,891)
Transfer to plant and equipment (note 15)	(3,227,243)
Government grants and R&D tax incentive	(2,619,175)
Private royalties*	(7,757,367)
Balance at 31 December 2024	123,711,342

* On 17 April 2024, Daly Waters Royalty, LP ("Daly Waters") and Liberty Energy Australia Pty. Limited ("Liberty Energy") each acquired a 2.25% royalty interest in the gross value of petroleum produced from the 52 blocks that make up Exploration permit 187 ("EP187") for a consideration of US$2.5m per party. Under the terms of the royalty interest, a 2.25% royalty interest in the gross value of petroleum produced from the ORRI Lands shall be paid to each party within 60 days of the end of each quarter. The ORRI shall be calculated in largely the same manner as the 10% royalty payable to the Northern Territory government ("NT Government)" as set forth in the Petroleum Royalty Act ("the Act"). The sale of royalty has been treated as an effective sale of a portion of rights in EP187 to Liberty Energy and Daly Waters as both Royalty holders will bear the economic risks and benefits related to the success of the project.

Note 17. Right-of-use assets

	Consolidated 2024 $	Consolidated 2023 $
Non-current assets		
Plant and equipment	946,532	948,345
Less: Accumulated depreciation	(522,635)	(285,624)
	423,897	662,721
Motor vehicles	748,117	1,058,386
Less: Accumulated depreciation	(748,117)	(738,146)
	-	320,240
	423,897	982,961

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Right-of-use assets $
Balance at 1 January 2023	999,606
Additions	320,423
Foreign exchange	(4,827)
Depreciation expense	(332,241)
Balance at 31 December 2023	982,961
Disposals	(322,053)
Depreciation expense	(237,011)
Balance at 31 December 2024	423,897

The Company currently leases its Australian corporate headquarters in Sydney under a 4-year operating lease recognised as a right-of-use asset and lease liability, with monthly payments approximately $22,888. The rental agreement has a 3.75% fixed rent review on the anniversary of the commencement date of the lease being 3 November 2022.

The Group leases a photocopier under a 4-year operating agreement which commenced in October 2024. Monthly lease payments are $395.

For AASB 16 Lease disclosures refer to:
- note 6 for depreciation and interest expenses;
- note 20 for lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 18. Trade and other payables

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Trade payables	18,524,798	4,459,808
Accruals	3,482,622	2,281,919
Other payables	1,847,438	1,724,564
	23,854,858	8,466,291

Refer to note 25 for further information on financial instruments.

Note 19. Borrowings

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Bank loan - secured	1,827,000	8,771,474

Classification of borrowings
All borrowings have been classified as current liabilities on the basis that the Group does not have the right to defer payment for at least 12 months after the reporting date.

Australian Operations
The Group established a new credit facilities totaling A$65 million with Macquarie Bank Limited to support its activities in the Northern Territory , of which Facility C is not yet available due to conditions Precedent to First Utilisation. The outstanding balance as at 31 December 2024 of Tranche A of the old credit facility was $1,827,000, having been fully repaid in January 2025. Key terms of this credit facility are set out below:

Note 19. Borrowings (continued)

Principal amount	$65 million comprising: - Facility A (Revolving Credit Facility, $30.0 million) - Facility B (Performance Bond Facility, $5 million) - Facility C (Midstream Infrastructure Facility, $30 million)
Borrowers	Imperial Oil & Gas Pty Limited Imperial Oil & Gas A Pty Limited
Guarantor	Empire Energy Group Limited, Imperial Oil & Gas Pty Limited and Imperial Oil & Gas A Pty Limited
Security	First ranking security over assets of each Borrower First ranking security over the Guarantor's shares in each Borrowings and intercompany loans, plus featherweight security over the Guarantor's other assets
Fees	Utilisation Fee: 1.5% of utilisation Commitment Fee: 40% of margin Margin: Facility A (5.5% p.a.), Facility B (10% p.a.) Tolling Fee: facility C ($0.70 / GJ * 25 TJ / day + CPI)
Interest rate	Margin plus BBSW
Financial covenants	- Ratio of current assets to current liabilities of at least 1.00 to 1.00 - Minimum cash balance in the Borrowers and Guarantor of at least $10 million (or its equivalent in any other currency or currencies)
Maturity date	31 December 2026 (Facility A + B) 31 December 2034 (Facility C)
Repayment arrangements	Facility A: on receipt of relevant R&D Tax Incentive payment Facility B: on maturity date Facility C: 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

Note 19. Borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated			
	2024 US$	2023 US$	2024 $	2023 $
Total facilities				
Bank loan - US Operations*	-	4,750,020	-	6,944,474
Bank loan - Australia Operations - Facility A**	-	-	30,000,000	2,250,000
Bank loan - Australia Operations - Facility C***	-	-	30,000,000	-
	-	4,750,020	60,000,000	9,194,474
Used at the reporting date				
Bank loan - US Operations	-	4,750,020	-	6,944,474
Bank loan - Australia Operations - Facility A	-	-	1,827,000	1,827,000
Bank loan - Australia Operations - Facility C	-	-	-	-
	-	4,750,020	1,827,000	8,771,474
Unused at the reporting date				
Bank loan - US Operations*	-	-	-	-
Bank loan - Australia Operations - Facility A	-	-	28,173,000	423,000
Bank loan - Australia Operations - Facility C	-	-	30,000,000	-
	-	-	58,173,000	423,000

* The Bank Loan for US Operations was an amortising term loan for the US Business, Empire E&P. On 12 April 2024, the loan facility was repaid in full using proceeds from the sale of the Empire E&P business. Refer to note 8 for details on the sale.

** The Group has a $30 million R&D Facility (Facility A) with Macquarie Bank which 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. 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 Group has a $30 million Midstream Infrastructure Facility (Facility C) with Macquarie Bank where 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. Facility C is not yet available due to conditions Precedent to First Utilisation.

The Group has a $5 million Performance Bond Facility (Facility B) with Macquarie Bank to meet Empire's Northern Territory environmental bonding obligations. Bank guarantees issued under Tranche B provide financial security to the Northern Territory Government.

Note 20. Lease liabilities

	Consolidated	
	2024 $	2023 $
Current liabilities		
Lease liability	255,944	604,085
Non-current liabilities		
Lease liability	196,078	370,509
	452,022	974,594

Refer to note 25 for maturity analysis of lease liabilities.

Note 21. Provisions

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Employee benefits	256,085	271,723
Non-current liabilities		
Lease make good	43,940	43,940
Provision for rehabilitation (Northern Territory)	4,124,974	4,397,865
Asset retirement obligations (USA)	-	36,273,475
	4,168,914	40,715,280
	4,424,999	40,987,003

Movements in provisions
Movements in provision for rehabilitation and asset retirement obligations during the current financial year, are set out below:

Consolidated	Lease make good $	Provision for rehabilitation $	Asset retirement obligations $	Total $
Carrying amount at the start of the year	43,940	4,397,865	36,273,475	40,715,280
Change in estimate	-	(272,891)	-	(272,891)
Disposal	-	-	(36,273,475)	(36,273,475)
Carrying amount at the end of the year	43,940	4,124,974	-	4,168,914

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Provision for rehabilitation (NT)
A provision has been made for the present value of anticipated costs for future NT site restoration.

Rehabilitation obligations arise for future removal and environmental restoration costs of exploration, appraisal and development activities. The cost to abandon wells, remove facilities and rehabilitate affected areas is based on the extent of work required under current legal requirements. Provisions for the cost of each rehabilitation are recognised at the time that the environmental disturbance occurs and capitalised as part of the associated asset cost.

Note 22. Contributed equity

	Consolidated 2024 Shares	Consolidated 2023 Shares	Consolidated 2024 $	Consolidated 2023 $
Ordinary shares - fully paid	1,017,303,219	773,121,148	293,400,772	255,945,973

Note 22. Contributed equity (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 January 2023	773,121,148		255,945,973
Movements		-		-
Balance	31 December 2023	773,121,148		255,945,973
Issue of shares on exercise of performance rights	1 March 2024	276,275	$0.000	-
Issue of shares on raising capital	24 April 2024	193,321,700	$0.160	30,931,472
Issue of shares on raising capital	5 June 2024	50,428,300	$0.160	8,068,528
Issue of shares on the exercise of restricted rights	18 September 2024	137,885	$0.000	-
Issue of shares on the exercise of vested performance rights	18 September 2024	17,911	$0.000	-
Share issue transaction costs, net of tax		-	$0.000	(1,545,201)
Balance	31 December 2024	1,017,303,219		293,400,772

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2023 Annual Report.

The Company considers its capital to comprise its ordinary share capital and reserves.

In managing its capital, the Company’s primary objective is to maintain a sufficient funding base to enable the Company to meet its working capital and strategic operation needs.

In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or consideration of debt the Company considers not only its short-term position but also its long-term operational and strategic objectives.

Note 23. Reserves

	Consolidated 2024 $	Consolidated 2023 $
Foreign currency translation reserve	(35,224)	(323,796)
Options reserve	12,306,526	11,320,327
Fair value reserve	-	180,499
	12,271,302	11,177,030

Foreign currency translation reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Options reserve
The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Fair value reserve
The fair value reserve comprises the cumulative net change in the fair value of equity investments until the investment is derecognised.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency translation $	Options $	Fair value $	Total $
Balance at 1 January 2023	(635,277)	10,854,265	180,499	10,399,487
Foreign currency translation	311,481	-	-	311,481
Share-based payments	-	466,062	-	466,062
Balance at 31 December 2023	(323,796)	11,320,327	180,499	11,177,030
Transferred to profit or loss	(63,050)	-	-	(63,050)
Foreign currency translation	351,622	-	-	351,622
Share-based payments	-	824,202	-	824,202
Transfer from/(to) accumulated losses	-	161,997	(180,499)	(18,502)
Balance at 31 December 2024	(35,224)	12,306,526	-	12,271,302

Note 24. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits
There are no franking account credits available as at 31 December 2024 and 31 December 2023.

Note 25. Financial instruments

Financial risk management objectives
The Empire Group's principal financial instruments, other than derivatives, comprise bank loans, financial assets, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Empire Group's operations. The Empire Group has various other financial assets and liabilities such as trade receivables and payables, which arise from its operations. The Empire Group also enters derivative transactions, principally commodity hedges.

The Board has overall responsibility for the determination of the Empire Group's risk management objectives and policies and has the responsibility for designing and operating processes that ensure the effective implementation of the objectives and policies to the Empire Group's finance function.

The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and appropriateness of the objectives and policies it sets.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Empire Group's competitiveness and flexibility.

The Empire Group is exposed to risks that arise from its use of financial instruments. The main risks arising from the Empire Group's financial instruments are interest rate risk, commodity price risk, liquidity risk, equity risk and credit risk. This note describes the Empire Group's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Empire Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Further details regarding these policies are set out below:

Market risk

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The Empire Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when expenditure is denominated in a foreign currency).

The risk is measured using sensitivity analysis and cash flow forecasting.

The foreign currency risk exposure is not material as at the statement of financial position date.

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings.

The Empire Group is constantly monitoring its exposure to trends and fluctuations in interest rates in order to manage interest rate risk. The Empire Group's exposure to interest rate risk at 31 December 2024 is set out in 'liquidity and interest rate risk management' below.

Note 25. Financial instruments (continued)

The Empire Group's policy is to continually review the portion of its borrowings that are either at floating or fixed rates of interest. To manage this mix in a cost-efficient manner, the Empire Group previously entered into interest rate swaps, in which Empire agrees to exchange, at specified intervals, the difference between fixed and variable interest rate amounts calculated by reference to an agreed upon notional principal amount. These swaps were designated to hedge underlying debt obligations. There are no interest rate swaps at 31 December 2024.

The Empire Group monitors forecasts and actual cash flows and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

Credit risk
Credit risk is the risk that the other party to the financial instrument will fail to discharge their financial obligation in respect of that instrument resulting in the Empire Group incurring a financial loss. The Empire Group's exposure to credit risk arises from potential default of the counter party with the maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk within the Empire Group.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated	
	2024	2023
	$	$
Other receivables	2,728,214	1,912,220
Security deposits	180,594	4,679,834
	2,908,808	6,592,054

Liquidity risk
Liquidity risk is the inability to access funds, both anticipated and unforeseen, which may lead to the Empire Group being unable to meet its obligations in an orderly manner as they arise. Empire seeks to maintain sufficient available liquidity (cash and available debt facilitates) at all times.

The Empire Group's liquidity position is managed to ensure sufficient funds are available to meet financial commitments in a timely and cost-effective manner. The Empire Group is primarily funded through on-going cash flow, debt funding and equity capital raisings, as and when required.

Funding is in place with reputable financial institutions in the US and Australia. Bank compliance reporting is undertaken quarterly and adherence to covenants checked regularly. Management also regularly monitors actual and forecast cash flows to manage liquidity risk.

Note 25. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	23,854,858	-	-	-	23,854,858
Interest-bearing - variable						
Bank loan - NT	8.54%	1,827,000	-	-	-	1,827,000
Interest-bearing - fixed rate						
Lease liability	3.87%	255,944	196,078	-	-	452,022
Total non-derivatives		25,937,802	196,078	-	-	26,133,880

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	8,466,291	-	-	-	8,466,291
Interest-bearing - variable						
Bank loan - US	11.90%	6,944,474	-	-	-	6,944,474
Bank loan - NT	9.84%	1,827,000	-	-	-	1,827,000
Interest-bearing - fixed rate						
Lease liability	3.87%	604,085	-	370,509	-	974,594
Total non-derivatives		17,841,850	-	370,509	-	18,212,359

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Equity risk
The Empire Group relies on equity markets to raise capital for its exploration and development activities and is thus exposed to equity market volatility.

Equity price arises from investments in equity securities and Empire Group Limited’s issued capital.

The Group’s equity risk is considered minimal and as such no sensitivity analysis has been completed.

The fair value of financial instruments classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs (future Henry Hub price - refer to note 8). The fair value of financial asset classified as level 3 as at 31 December 2024 is $1,626,898 (2023: nil).

Note 26. Key management personnel disclosures

Directors
The following persons were Directors of the Company at any time during the financial year were:

Peter Cleary
Alexander Underwood
Louis Rozman
Prof John Warburton
Karen Green

The following persons were Key Management Personnel of the Company at any time during the financial year:
Robin Polson - Chief Financial Officer
Chris White - Chief Operating Officer

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2024 $	2023 $
Short-term employee benefits	1,450,332	1,214,384
Post-employment benefits	85,047	78,951
Share-based payments	1,063,588	178,536
	2,598,967	1,471,871

Other transactions with key management personnel and their related parties

	Consolidated	
	2024 $	2023 $
Payment for contracting services from Melissa Underwood (Spouse of Managing Director, Alex Underwood)	189,195	101,827

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by EY, the auditor of the Company, its network firms and unrelated firms:

	Consolidated	
	2024	2023
	$	$
Audit services - EY (2023: Nexia Sydney Audit Pty Ltd)		
Audit and review of the financial statements	161,720	185,388
Other services - Nexia Sydney Audit Pty Ltd		
Taxation and other advisory services	79,650	74,962
	241,370	260,350
Audit services - Schneider Downs & Company Inc *(US operations)*		
Audit or review of the financial statements	31,349	126,454
Other services - Schneider Downs & Company Inc *(US operations)*		
Taxation services	-	22,982
	31,349	149,436
Other services - Deloitte Pty Ltd		
Advisory services	457,830	303,465

Note 28. Contingent assets

There are no contingent assets as at the date of this annual report (31 December 2023: nil).

Note 29. Contingent liabilities

The Empire Group is subject to various federal, state, territory and local laws and regulations relating to the protection of the environment. The Empire Group has established procedures for the ongoing evaluation of its operations, to identify potential environmental exposures and to comply with regulatory policies and procedures.

Empire Energy Group Limited together with its subsidiaries Imperial Oil & Gas Pty Limited and Imperial Oil & Gas A Pty Limited have granted Macquarie Bank Limited security over their assets as guarantors of the Australian credit facility to Macquarie the lender.

Environmental expenditures that relate to current operations are expensed or capitalised as appropriate. Expenditures that relate to an existing condition caused by past operations, and do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessment and or clean-up is probable, and the costs can be reasonably estimated. The Empire Group maintains insurance that may cover in whole or in part certain environmental expenditures. At 31 December 2024, the Empire Group had bank guarantees from Macquarie Bank for the total amount of $4,397,865 (31 December 2023: $0) under facility B (refer to Note 19).

There have been no other changes in contingent liabilities since the last annual reporting date.

Note 30. Commitments

Exploration and petroleum tenement leases
In order to maintain current rights of tenure to exploration and mining tenements, the Company and the companies in the Group are required to outlay lease rentals and to meet the minimum expenditure requirements of the various Government Authorities. These obligations are subject to re-negotiation upon expiry of the relevant leases or when application for a mining licence is made. No expenditure commitment exists at 31 December 2024 (2023: nil).

Note 31. Related party transactions

Empire Energy Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 33.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the Directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year, other than those identified with key management personnel in note 26.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
During the year the Company advanced and received loans and provided accounting and administrative services to other companies in the Empire Group. These balances, along with associated charges, are eliminated on consolidation.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024 $	2023 $
Profit after income tax	6,096,542	6,696,990
Total comprehensive income	6,096,542	6,696,990

Note 32. Parent entity information (continued)

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	26,239,849	8,251,893
Total assets	140,979,863	110,279,465
Total current liabilities	4,594,836	1,432,937
Total liabilities	4,834,854	1,894,078
Equity		
Contributed equity	293,400,772	255,945,973
Other reserves	12,271,301	11,177,030
Accumulated losses	(169,527,064)	(158,737,616)
Total equity	136,145,009	108,385,387

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
Refer to note 29 for details on the guarantee the parent entity has in place in relation to the debts of its subsidiaries as at 31 December 2024 and 31 December 2023.

Contingent liabilities
Refer to note 29 for details on contingent liabilities as at 31 December 2024 and 31 December 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2024 and 31 December 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Imperial Oil & Gas Pty Limited	Australia	100%	100%
Imperial Oil & Gas A Pty Limited	Australia	100%	100%
Empire Energy Holdings, LLC[(1)]	USA	100%	100%
Empire Energy USA, LLC[(2)]	USA	100%	100%
Empire Energy (MidCon), LLC[(3)]	USA	100%	100%
Empire Energy E&P, LLC[(4)]	USA	-	100%

Note 33. Interests in subsidiaries (continued)

(1) Holds a bank account only, not dormant as held for US tax purposes as carries all the tax losses.
(2) Holds bank account and intercompany loan.
(3) Dormant entity
(4) Discontinued on 12 April 2024.

Note 34. Share-based payments

Share-based payments are issued to:

- enable the Company to provide variable remuneration including both an at-risk component and an incentive component, that is performance focused and linked to long-term value creation for shareholders;
- enable the Company to compete effectively for the calibre of talent required for it to be successful;
- ensure that Participants have commonly shared goals; and
- assist Participants to become Shareholders.

Options

Set out below are summaries of options granted under the plan:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
13/08/2021	31/08/2024	$0.700	8,000,000	-	-	(8,000,000)	-
13/08/2021	31/08/2024	$0.700	1,696,970	-	-	(1,696,970)	-
09/09/2022	09/09/2024	$0.350	69,227,558	-	-	(69,227,558)	-
			78,924,528	-	-	(78,924,528)	-
Weighted average exercise price			$0.390	$0.350	$0.000	$0.000	$0.000

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
13/08/2021	31/08/2024	$0.700	8,000,000	-	-	-	8,000,000
13/08/2021	31/08/2024	$0.700	1,696,970	-	-	-	1,696,970
09/09/2022	09/09/2024	$0.350	69,227,558	-	-	-	69,227,558
			78,924,528	-	-	-	78,924,528
Weighted average exercise price			$0.390	$0.000	$0.000	$0.000	$0.390

All Options are exercisable at the end of the financial year noting trading terms for options held by Company employees and directors are subject to the Company's Share Trading Policy.

The weighted average remaining contractual life of options granted during the financial year and outstanding at the end of the financial year was 0 years (2023: 0.8 years).

The weighted average share price during the financial year was $0.220 (2023: $0.164).

Note 34. Share-based payments (continued)

Performance Rights

During the 2013 financial year the Company issued 2,500,000 Performance Rights (pre-consolidation) over fully paid ordinary shares in the Company as part consideration for the buyback of the minority interest equity holder in Empire Energy USA LLC. The minority interest holder also received 400,000 (on a post-consolidation bias) fully paid ordinary shares in the issued capital of Empire Energy Group Limited. The Performance Rights are exercisable at no cost under the following events:

- Lifting of the current moratorium on oil and/or natural gas fracking in New York State;
- If the Company sells, transfers or assigns all or substantially all of its property interests in Chautauqua and Cattaraugus Counties in the State of New York to an unaffiliated third party then the Performance Rights will vest in accordance with the following schedule:

Fair market value of consideration received by the Company	Performance Rights exercisable
Less than $25.0 million	0.0%
At least $25.0 million but less than $45.0 million	Percentage calculated by dividing fair market value of consideration received by the Company by $45.0 million
$45.0 million or more	100.0%

- If the holder of the Performance Rights in any way disposes of more than 75% of the 4 million ordinary shares assigned as part of the minority interest buy back transaction prior to either the moratorium being terminated or a third party sale being consummated then the Performance Rights will be cancelled.
- The holder of the Performance Rights is an associated entity of a former senior executive of the Company's US subsidiaries, Mr Allen Boyer.
- At the Company's Annual General Meeting conducted on 30 May 2019, Shareholders approved the consolidation of the Company's equity on a 1 for 10 basis. The effect of the Share Consolidation during the period reduced the 2,500,000 Performance Rights to 250,000 Performance Rights.

2020 issue
During the 2020 financial year, the Company issued 3,913,960 Performance Rights to the Managing Director and senior executives under the terms of the Company's Rights Plan and was approved by Shareholders on 14 July 2020.

2021 issue
During the 2021 financial year, the Company issued 1,015,625 Performance Rights to the Managing Director and senior executives under the terms of the Company's Rights Plan and was approved by Shareholders on 3 August 2021.

2022 issue
During the 2022 financial year, the Company issued 2,445,183 Performance Rights to the Managing Director and employees under the terms of the Company's Rights Plan and was approved by Shareholders on 30 May 2022.

2023 issue
During the 2023 financial year, the Company issued 3,175,353 Performance Rights to the Managing Director and employees under the terms of the Company's Rights Plan and was approved by Shareholders on 30 May 2023.

Also during the 2023 financial year, 3,913,960 Performance Rights issued to senior executives in 2020 passed their three year measurement period for vesting calculation. 548,234 of these Performance Rights vested, 173,804 lapsed, while the remaining 3,191,922 remain unvested.

Note 34. Share-based payments (continued)

2024 issue
During the 2024 financial year, the Company issued 7,566,929 Performance Rights to the Managing Director and employees under the terms of the Company's Rights Plan and was approved by Shareholders on 28 May 2024.

Set out below are summaries of Performance Rights (unvested) granted under the plan:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
09/09/2013		$0.000	250,000	-	-	-	250,000
07/08/2020	31/12/2035	$0.000	3,191,922	-	-	(3,191,922)	-
03/08/2021	31/12/2036	$0.000	1,015,625	-	-	(1,015,625)	-
21/12/2021	31/12/2036	$0.000	993,774	-	-	(993,774)	-
17/06/2022	31/12/2037	$0.000	1,451,409	-	-	(1,451,409)	-
22/12/2022	31/12/2037	$0.000	1,297,209	-	-	(1,297,209)	-
21/07/2023	31/12/2038	$0.000	1,878,144	-	-	-	1,878,144
20/12/2023	31/12/2038	$0.000	-	791,863	-	-	791,863
28/05/2024	31/12/2038	$0.000	-	4,968,382	-	-	4,968,382
01/07/2024	31/12/2038	$0.000	-	1,806,684	-	-	1,806,684
20/12/2024	31/12/2039	$0.000	-	1,570,737	-	-	1,570,737
			10,078,083	9,137,666	-	(7,949,939)	11,265,810

Performance Rights granted on 20 December 2023 were issued on 15 March 2024.

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
09/09/2013		$0.000	250,000	-	-	-	250,000
07/08/2020	31/12/2035	$0.000	3,913,960	-	-	(722,038)	3,191,922
03/08/2021	31/12/2036	$0.000	1,015,625	-	-	-	1,015,625
21/12/2021	31/12/2036	$0.000	993,774	-	-	-	993,774
17/06/2022	31/12/2037	$0.000	1,451,409	-	-	-	1,451,409
22/12/2022	31/12/2037	$0.000	-	1,297,209	-	-	1,297,209
21/07/2023	31/12/2038	$0.000	-	1,878,144	-	-	1,878,144
			7,624,768	3,175,353	-	(722,038)	10,078,083

Performance Rights granted on 22 December 2022 was issued on 3 February 2023.

* There are 2,748,618 performance Rights that are due to vest at the end of the financial year as they are subject to a 3-year term and vesting hurdles. The milestones required for the performance rights for Tranche 1 (2,312,355) were not met and Tranche 2 (390,972) have vested. Refer to Performance Rights (vested) table.

The weighted average remaining time to Vesting Date of Performance Rights (unless extended in accordance with the rights Plan Rules) granted during the financial year and outstanding at the end of the financial year was 2 years (2023: 2 years).

Note 34. Share-based payments (continued)

Set out below are summaries of Performance Rights (vested) granted under the plan:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
03/08/2021	30/06/2034	$0.00	1,300,500	-	-	-	1,300,500
30/03/2022	30/12/2034	$0.00	840,134	-	(276,275)	-	563,859
27/01/2023	31/12/2035	$0.00	548,234	-	-	-	548,234
15/03/2024	31/12/2036	$0.00	-	298,968	(17,910)	-	281,058
31/12/2024	31/12/2036	$0.00	-	390,972	-	-	390,972
			2,688,868	689,940	(294,185)	-	3,084,623

During the 2024 financial year, the Company issued 298,968 of Performance Right that vested to the Company's employees under the terms of the Company's Rights Plan Terms set out in Empire's 2021 Notice of Annual General Meeting.

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
03/08/2021	30/06/2034	$0.00	1,300,500	-	-	-	1,300,500
30/03/2022	30/12/2034	$0.00	840,134	-	-	-	840,134
27/01/2023	31/12/2035	$0.00	-	548,234	-	-	548,234
			2,140,634	548,234	-	-	2,688,868

During the 2023 financial year, the Company issued 548,234 of Performance Right that vested to the Company's employees under the terms of the Company's Rights Plan Terms set out in Empire's 2021 Notice of Annual General Meeting.

There are no unvested Performance Rights exercisable at the end of the financial year as they are subject to a 3-year term and vesting hurdles.

The weighted average remaining time to Vesting Date of Performance Rights (unless extended in accordance with the rights Plan Rules) granted during the financial year and outstanding at the end of the financial year was 2 years (2023: 2).

Set out below are the Performance Rights exercisable at the end of the financial year:

Grant date	Expiry date	2024 Number	2023 Number
03/08/2021	30/06/2034	1,300,500	1,300,500
30/03/2022	30/12/2034	563,859	840,134
27/01/2023	31/12/2035	548,234	548,234
15/03/2024	31/12/2036	281,058	-
		2,693,651	2,688,868

Note 34. Share-based payments (continued)

For the Performance Rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
20/12/2023	31/12/2038	$0.185	$0.000	70.62%	-	4.45%	$0.018
01/07/2024	31/12/2038	$0.150	$0.000	69.41%	-	4.37%	$0.048
28/05/2024	31/12/2038	$0.190	$0.000	67.54%	-	4.25%	$0.038
28/05/2024	31/12/2038	$0.190	$0.000	-	-	-	$0.190
20/12/2024	31/12/2039	$0.210	$0.000	67.72%	-	4.27%	$0.052

* As there are no market-based performance/vesting conditions attached to the Tranche 2 FY24 LTI Performance Rights issued on 28 May 2024, the fair value of each Right on the date of grant would be equal to the Share Price on the date of grant (i.e. $A0.19), since the Rights have a zero exercise price.

Restricted Rights

Set out below are summaries of Restricted Rights granted under the plan:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
07/08/2020	31/12/2035	$0.000	1,019,753	-	-	-	1,019,753
23/12/2020	23/12/2035	$0.000	455,820	-	-	-	455,820
01/06/2021	01/06/2036	$0.000	617,979	-	-	-	617,979
02/07/2021	02/07/2036	$0.000	94,908	-	-	-	94,908
21/12/2021	21/12/2036	$0.000	568,778	-	(37,313)	-	531,465
17/06/2022	17/06/2037	$0.000	509,198	-	-	-	509,198
17/06/2022	17/06/2037	$0.000	275,360	-	-	-	275,360
09/09/2022	09/09/2037	$0.000	131,493	-	-	-	131,493
22/12/2022	22/12/2037	$0.000	613,830	-	(39,038)	-	574,792
21/07/2023	21/07/2038	$0.000	604,141	-	-	-	604,141
21/12/2023	21/12/2038	$0.000	-	538,951	(61,534)	-	477,417
28/05/2024	12/12/2039	$0.000	-	1,328,102	-	-	1,328,102
12/07/2024	12/12/2039	$0.000	-	304,592	-	-	304,592
20/12/2024	12/12/2039	$0.000	-	696,230	-	-	696,230
			4,891,260	2,867,875	(137,885)	-	7,621,250

Restricted Rights granted on 20 December 2023 were issued on 15 March 2024.

Note 34. Share-based payments (continued)

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
07/08/2020	31/12/2035	$0.000	1,019,753	-	-	-	1,019,753
01/06/2021	01/06/2036	$0.000	617,979	-	-	-	617,979
23/12/2020	23/12/2035	$0.000	485,485	-	-	(29,665)	455,820
02/07/2021	02/07/2036	$0.000	94,908	-	-	-	94,908
21/12/2021	21/12/2036	$0.000	568,778	-	-	-	568,778
17/06/2022	17/06/2037	$0.000	509,198	-	-	-	509,198
17/06/2022	17/06/2037	$0.000	275,360	-	-	-	275,360
09/09/2022	09/09/2037	$0.000	131,493	-	-	-	131,493
22/12/2022	22/12/2037	$0.000	-	613,830	-	-	613,830
21/07/2023	21/07/2038	$0.000	-	604,141	-	-	604,141
			3,702,954	1,217,971	-	(29,665)	4,891,260

Restricted Rights granted on 22 December 2022 were issued on 3 February 2023.

Restricted Rights are all exercisable at the end of the financial year noting trading terms for Rights held by Company employees and directors are subject to the Company's Share Trading Policy.

The weighted average remaining time to Vesting Date of Restricted Rights (unless extended in accordance with the rights Plan Rules) granted during the financial year and outstanding at the end of the financial year was 0.3 years (2023: 0.3 years).

For the Restricted Rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield*	Risk-free interest rate	Fair value at grant date
21/12/2023	21/12/2038	$0.190	$0.000	-	-	-	$0.185
28/05/2024	12/12/2039	$0.190	$0.000	-	-	-	$0.190
12/07/2024	12/12/2039	$0.260	$0.000	-	-	-	$0.260
20/12/2024	12/12/2039	$0.210	$0.000	-	-	-	$0.210

* As there are no market-based performance/vesting conditions attached to the FY24/FY23 Restricted Rights, the fair value of each Right on the date of grant would be equal to the Share Price on the date of grant, since the Rights have a zero exercise price.

Service Rights

Set out below are summaries of Service Rights (vested) granted under the plan:

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/06/2019	30/06/2034	$0.00	1,000,000	-	-	-	1,000,000
04/08/2020	31/12/2035	$0.00	838,558	-	-	-	838,558
01/06/2021	31/12/2036	$0.00	600,000	-	-	-	600,000
20/12/2024	31/12/2039	$0.00	-	395,889	-	-	395,889
			2,438,558	395,889	-	-	2,834,447

Note 34. Share-based payments (continued)

2023 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Exercised forfeited/ other	Balance at the end of the year
14/06/2019	30/06/2034	$0.00	1,000,000	-	-	-	1,000,000
04/08/2020	31/12/2035	$0.00	838,558	-	-	-	838,558
01/06/2021	31/12/2036	$0.00	600,000	-	-	-	600,000
			2,438,558	-	-	-	2,438,558

During the 2024 financial year, the Company issued 395,889 of Service Rights that vested to the Company's employees under the terms of the Company's Rights Plan Terms.

The weighted average remaining time to Vesting Date of Service Rights (unless extended in accordance with the rights Plan Rules) granted during the financial year and outstanding at the end of the financial year was 0 years (2023: 0 years).

Set out below are summaries of Service Rights (unvested) granted under the plan:

2024 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/12/2023	31/12/2038	$0.00	-	1,248,161	-	(458,203)	789,958
01/07/2024	31/12/2038	$0.00	-	602,228	-	-	602,228
20/12/2024	31/12/2039	$0.00	-	1,357,929	-	(591,226)	766,703
			-	3,208,318	-	(1,049,429)	2,158,889

*Performance Rights Granted on 21/12/2023 were issued on 15/03/2024.

During the 2024 financial year, the Company issued 3,208,318 Service Rights to employees under the terms of the Company's Rights Plan.

Unvested Service Rights are subject to 3-year term vesting hurdles.

The weighted average remaining time to Vesting Date of Performance Rights granted during the year and outstanding at the end of the financial year was 2 years (2023: nil).

For the Service Rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grants date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield*	Risk-free interest rate	Fair value at grant date
21/12/2023	31/12/2038	$0.150	$0.00	-	-	-	$0.185
01/07/2024	31/12/2038	$0.210	$0.00	-	-	-	$0.210
20/12/2024	31/12/2039	$0.210	$0.00	-	-	-	$0.210

* As there are no market-based performance/vesting conditions attached to the FY24/FY23 Restricted Rights, the fair value of each Right on the date of grant would be equal to the Share Price on the date of grant, since the Rights have a zero exercise price.

Note 35. Cash flow information

Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated 2024 $	Consolidated 2023 $
Loss after income tax expense for the year	(14,427,801)	(22,081,916)
Adjustments for:		
Depreciation, depletion and amortisation	606,696	1,488,031
Net gain on disposal of exploration and evaluation assets	-	(53,717)
Net gain on disposal of assets of discontinued operations	(6,890,572)	-
Share-based payments	824,202	466,062
R&D Tax Rebate /Government grant offset against oil and gas properties	3,968,447	23,034,457
Accretion of asset retirement obligation	-	1,696,857
Other non-cash expenses	(128,913)	-
Finance costs - non cash	797,023	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(2,382,813)	7,770,799
Decrease/(increase) in inventories	(15,496)	27,424
Increase in prepayments	-	(4,000,601)
Increase in other assets	(9,102,856)	-
Increase/(decrease) in trade and other payables	15,510,712	(10,838,783)
Increase/(decrease) in employee benefits	(15,638)	19,299
Net cash used in operating activities	(11,257,009)	(2,472,088)

Non-cash investing and financing activities

	Consolidated 2024 $	Consolidated 2023 $
Additions to the right-of-use assets	-	320,423

Changes in liabilities arising from financing activities

Consolidated	Bank loan $	Lease liabilities $	Total $
Balance at 1 January 2023	7,822,908	1,008,172	8,831,080
Net cash used in financing activities	-	(349,174)	(349,174)
Proceeds from borrowings	1,827,000	-	1,827,000
Repayment of borrowings	(804,094)	-	(804,094)
Acquisition of leases - US leases	-	320,423	320,423
Exchange differences	(74,340)	(4,827)	(79,167)
Balance at 31 December 2023	8,771,474	974,594	9,746,068
Net cash used in financing activities	-	(584,630)	(584,630)
Repayment of borrowings	(7,061,421)	-	(7,061,421)
Disposal of leases	-	(299,214)	(299,214)
Exchange differences	116,947	361,272	478,219
Balance at 31 December 2024	1,827,000	452,022	2,279,022

Note 36. Events after the reporting period

On 10 and 13 January 2025, Empire paid $1.0 million and $0.827 million respectively, to fully repay the loan drawings under Facility A (Revolving Credit Facility) with Macquarie Bank Limited.

On 18 February 2025, Empire made a $12.8 million (including associated 1.5% utilisation fee) draw-down under the R&D Facility with Macquarie Bank Limited. Proceeds from the borrowing will be applied to Northern Territory, appraisal activities including C-5H and construction of infield infrastructure.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Empire Energy Group Limited
Consolidated entity disclosure statement
As at 31 December 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Empire Energy Group Limited	Body Corporate	Australia	100%	Australia
Imperial Oil & Gas Pty Limited	Body Corporate	Australia	100%	Australia
Imperial Oil & Gas A Pty Limited	Body Corporate	Australia	100%	Australia
Empire Energy Holdings, LLC	Body Corporate	USA	100%	USA
Empire Energy USA, LLC	Body Corporate	USA	100%	USA
Empire Energy (MidCon), LLC	Body Corporate	USA	100%	USA

Empire Energy Group Limited
Directors' declaration
31 December 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

____
Alexander Underwood
Managing Director

31 March 2025
Sydney

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Empire Energy Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Empire Energy Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Empire Energy Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial report which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Carrying value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
The Group's exploration and evaluation assets of $123.7 million as at 31 December 2024 represented 74% of the total assets of the Group. Exploration and evaluation assets are measured at cost and expenditure incurred during the year was capitalised in accordance with the requirements of the Australian Accounting Standards and the Group's accounting policy as disclosed in Note 2. The Directors assess the Group's exploration and evaluation assets for indicators of impairment in accordance with Australian Accounting Standards including whether: the rights to tenure for the areas of interest are current; the Group's ability and intention to continue to evaluate and develop the area of interest; and, whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest. We considered this to be a Key Audit Matter due to the carrying amount of the exploration and evaluation assets relative to the total assets, the importance of the balance to users of the financial statements, and the judgement involved in the assessment of indicators of impairment.	Our audit procedures included the following: ▶ Understanding the Group's current exploration program. ▶ Assessing the Group's right to explore in the relevant exploration area, which included obtaining and assessing supporting documentation such as license agreements. ▶ Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant areas of interest, which included an assessment of the Group's budgets, cash-flow forecast models and inquiries of management as to the intentions and strategy of the Group. ▶ Agreeing a sample of costs capitalised during the year to supporting documentation and assessing whether these costs met the capitalisation requirements of Australian Accounting Standards and the Group's accounting policy. ▶ Evaluating whether the methodology used and outcomes reached by the Group in identifying indicators of impairment met the requirements of Australian Accounting Standards. ▶ Assessing whether exploration and evaluation data exists to indicate that the carrying amount of capitalised exploration and evaluation is unlikely to be recovered through development or sale. ▶ Considering whether any other information was present which would suggest the carrying amount may not be recoverable, including considering market capitalisation. ▶ Assessing the adequacy of the disclosures included in the Notes to the financial report including those made with respect to judgments and estimates.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

- The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001;* and

for such internal control as the directors determine is necessary to enable the preparation of:

- The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

- The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 47 of the directors' report for the year ended 31 December 2024.

Shape the future
with confidence

In our opinion, the Remuneration Report of Empire Energy Group Limited for the year ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
Sydney
31 March 2025

Empire Energy Group Limited
Shareholder information
31 December 2024

The shareholder information set out below was applicable as at 21 March 2025 (grouped).

Number of securityholders

At the specified date, there were 3,264 holders of ordinary shares (quoted). There were five classes of unquoted rights on issue as detailed below. There were no other classes of equity securities on issue.

Shareholding Distribution
There were 1,017,303,219 quoted fully paid ordinary shares on issue held as follows:

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	205	-
1,001 to 5,000	748	0.23
5,001 to 10,000	434	0.34
10,001 to 100,000	1,255	5.00
100,001 and over	622	94.43
	3,264	100.00
Holding less than a marketable parcel	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Sheffield Holdings LP	79,895,105	7.85
Elphinstone Holdings Pty Ltd	78,625,000	7.73
Citicorp Nominees Pty Limited	54,126,043	5.32
Liberty Oilfield Services LLC	48,076,923	4.73
Hsbc Custody Nominees (Australia) Limited - AC2	45,538,550	4.48
Buttonwood Nominees Pty Ltd	40,596,000	3.99
Pangaea (NT) Pty Ltd ,(Pangaea (NT) Unit A/C >	40,000,000	3.93
HSBC Custody Nominees (Austrlia) Limited	33,059,063	3.25
Global Energy And Resources Development Limited	32,294,969	3.17
Emg Northern Territory Holding Pty Ltd	26,515,152	2.61
Macquarie Bank Limited Metals Mining and AG A/C >	26,451,367	2.60
Robmar Investments Pty Limited	25,648,749	2.52
All-States Finance Pty Limited	20,000,000	1.97
Liangrove Media Pty Limited	17,807,500	1.75
Grosvenor Equities Pty Ltd NO 2 A/C >	16,629,964	1.63
BNP Paribas Nominees Pty Ltd (IB AU Noms RetailClient)	13,160,519	1.29
Cha Qian	9,245,000	0.91
Molbek Pty Limite Bruck Family Super Fund A/C >	8,250,000	0.81
Geneagle Securities Nominees Pty Limited	8,000,000	0.79
Ms Swati Shukla	7,400,000	0.73
	631,319,904	62.06

Substantial holders

Substantial holders as disclosed in substantial holding notices given to the Company were as follow:

	Ordinary shares	
	Number held	% of total shares issued
Pangaea (NT) Pty Limited	140,572,611	13.82
Macquarie Group Limited & its controlled bodies corporate	76,995,360	7.57
Sheffield Group	82,159,919	8.08
Elphinstone Group	53,333,969	5.24

Empire Energy Group Limited
Shareholder information
31 December 2024

Unquoted Unvested Performance Rights
There were 14,014,428 unquoted Unvested Performance Rights on issue held as follows:

	Number of holders	%
1-1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	1	0.18
100,001 and over	9	99.82
Total	10	100.00

Unquoted Vested Performance Rights
There were 3,084,623 unquoted Vested Performance Rights on issue held as follows:

	Number of holders	%
1-1,000	-	-
1,001 – 5,000	1	0.15
5,001 – 10,000	-	-
10,001 – 100,000	1	1.52
100,001 and over	5	98.33
Total	7	100.00

Unquoted Unvested Service Rights
There were 2,158,889 unquoted Unvested Service Rights on issue held as follows:

	Number of holders	%
1-1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	1	2.41
100,001 and over	4	97.59
Total	5	100.00

Unquoted Vested Service Rights
There were 2,834,447 unquoted Vested Service Rights on issue held as follows:

	Number of holders	%
1-1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 and over	5	100.00
Total	5	100.00

Unquoted Restricted Rights
There were 7,621,250 unquoted Restricted Rights held as follows:

	Number of holders	%
1-1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	1	0.20
100,001 and over	12	99.80
Total	13	100.00

Unquoted equity securities as at 21 March 2025

Class of unquoted securities	Number on issue	Number of holders
Unlisted Performance Rights	14,014,428	9
Unlisted Performance Rights (Vested)	3,084,623	5
Unlisted Service Rights	2,834,447	7
Unlisted Service Rights (Unvested)	2,158,889	5
Unlisted Restricted Rights	7,621,250	12

Voting rights
Ordinary shares (including partly paid shares) carry voting rights on a one for one basis and unlisted options and rights do not carry voting rights.

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Unmarketable parcels
There are 503 holders of an unmarketable parcel of shares based on a share price of $0.19.

Securities subject to voluntary escrow
There were no securities subject to a restriction period or voluntary escrow period.