



EMPIRE OIL & GAS NL



ASX RELEASE

ABN 55 063 613 730
ASX Code EGO

Ground Floor
229 Stirling Highway
CLAREMONT 6010
WESTERN AUSTRALIA

Tel: + 61 8 9286 4600
Fax: + 61 8 9284 6588
Email:
admin@empireoil.com.au
Web:
www.empireoil.com.au

14 June 2016

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY
NSW 2000

Mineral Resources Limited acquires ERM Power's shareholding in Empire

- **Empire has been notified that ERM Power Limited has sold its 18.72% shareholding in Empire**
- **The block trade was executed at A\$0.45/share, representing a 41% premium to the last closing price of Empire**
- **Empire welcomes Mineral Resources as a new cornerstone shareholder, one of Australia's leading full-service providers of mining infrastructure services**

Oil and gas producer Empire Oil and Gas NL ("**Empire**", ASX: EGO) has been notified by ERM Power Limited ("**ERM Power**", ASX: EPW) that it has sold its shareholding in Empire. Empire is pleased to advise that Mineral Resources Limited ("**MRL**", ASX: MIN) has acquired a 18.72% shareholding in Empire from ERM Power, along with an additional stake to bring its total shareholding of ordinary fully paid shares in Empire to 19.36%.

Empire notes that the implied sale price of A\$0.45 per share represents a 41% premium to the last closing price of Empire shares on Friday 10 June 2016.

The transaction included 1,426,359 EGO options held by ERM Power which have an exercise price of A\$0.90 per share and expire in April 2018.

MRL has secured its strategic investment in Empire to support the development of MRL's LNG power strategy. The investment provides MRL with the opportunity to work with Empire to provide direct access to a natural gas source in Western Australia. MRL's first installation of its LNG technology will be at the Mt Marion lithium project, due to commence full operations in the second half of 2016.

Chris Ellison, Managing Director of MRL, said: "*MRL is pleased to be associated with Empire and looks forward to supporting the growth of its oil and gas business in conjunction with developing the power supply element of MRL's mining services business.*"

Ken Aitken, CEO of Empire, said: "*We welcome our new cornerstone shareholder MRL, one of Australia's leading full-service providers of mining infrastructure services with customers being some of the largest domestic gas users in Western Australia (e.g. BHP Billiton, Rio Tinto, Newmont, Barrick, Roy Hill). Empire looks forward to the ongoing support of MRL in unlocking the future potential of the Perth Basin. ERM Power has played an important part in establishing Empire as a significant Perth Basin producer with its own infrastructure, and has been a supportive cornerstone shareholder for more than two years.*"



Yours sincerely
For Empire Oil & Gas NL

A handwritten signature in black ink that reads "Ken Aitken".

Ken Aitken
Chief Executive Officer

For further information, please contact:

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

Bruce Goulds
Chief Financial Officer/Company Secretary
Mineral Resources Limited
Telephone: +61 8 9329 3600
www.mineralresources.com.au

Cameron Morse
FTI Consulting
Telephone: +61 8 9485 8888

About Mineral Resources Limited

Mineral Resources Limited is a leading, integrated, Australian based mining services company listed on the ASX with a market capitalisation of A\$1.7 billion. The Company has operations in contract crushing, general mine services, infrastructure provision and recovery of base metal concentrate for export. Comprising long standing core businesses PIHA Pty Ltd, Crushing Services International Pty Ltd, Process Minerals International Pty Ltd, Polaris Metals Pty Ltd, Reed Industrial Minerals Pty Ltd and Mesa Mineral Limited, Mineral Resources Limited has developed a strong reputation for the cost effective delivery of its services and products to the resources and infrastructure sectors.

About Empire Oil & Gas NL

Empire Oil & Gas NL ('Empire' or the 'Company') is an onshore conventional gas and condensate producer and explorer listed on the Australian Securities Exchange (ASX: EGO) with key assets in the Perth Basin in Western Australia. The Company's producing assets at Red Gully are less than 150kms from the city of Perth where there is a strong gas market. Since commencing operations in 2013, the 100% owned Red Gully Processing Facility has produced and delivered over 6,000 Terajoules (TJ) of gas. Gas produced to date has been contracted to Alcoa and delivered through the Dampier to Bunbury Natural Gas Pipeline (DBNGP), which lies next to the Processing Facility. Condensate produced is transported via road to BP.

EGO is the holder of the largest net acreage in the highly prospective Perth Basin with its production licenses and permits covering more than 10,000km², representing 48% of the currently granted acreage in the Perth Basin. Close to pipeline infrastructure and with rapid commercialisation opportunities, the Company has significant exploration potential in an underexplored, proven petroleum system.

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