

EMPIRE OIL & GAS NL NEWSLETTER

1 November 2012

BEATEN BY A BILLION

WEEKLY HIGHLIGHTS

- Empire thanks shareholders for their support in the General Meeting and hopes continual support will be shown in the AGM set for 28 November 2012. The Notice of Meeting has been mailed out with a proxy form.
- Quarterly Report Ended 30 September 2012 lodged with the ASX on 24 October 2012
- Annual Report mailed out to those shareholders who have requested one
- Farm-out finalised for Charger-1

SMITH NOMINATES AGAIN AS DIRECTOR

Despite the massive defeat at the General Meeting on 30 October, Mr Smith and his team of Crawford and Downey have nominated themselves again.

As per today's ASX Release (1 November 2012) Mr Smith has nominated himself and his team as Directors, should there be a Spill Meeting on 12 December if the Spill resolution is voted at the AGM on 28 November, 2012.

Empire shareholders will vote on the resolutions at the AGM. A favourable result will ensure that the Company can continue to focus on business and the Red Gully development.

The Empire Board of Directors overwhelmingly defeated an attempt to replace them by more than a billion shareholder votes on Tuesday.

The vast majority of shareholders placed their faith in the Company voting with 2,538,353,487 shares to reject Mr Eddie Smith and his two counterparts Mr James Crawford and Mr Robert Downey.

The Independent Chairman appointed by the Empire Board on the day, Mr Martin Bennett (ASX Release 30 October 2012), conducted a non-contentious meeting. Mr Smith did not at any time attempt to address the shareholders. When asked, shareholders did not have any questions for the Board or Eddie Smith either.

A poll on the day finalised the votes cast with the final results of resolutions 1-3 to appoint Smith, Crawford and Downey as:

Smith

For – 794,906,055

Against – 1,783,601,600

Crawford

For – 787,959,741

Against – 1,790,547,914

Downey

For – 788,193,350

Against – 1,790,254,305

Due to the overwhelming support of shareholders the dismissal of the first three resolutions to instate Mr Smith and co meant that resolutions 4-7, to dismiss the current board, meant the remaining resolutions were

irrelevant.

Managing Director Craig Marshall expressed his thanks to Empire Shareholders for taking the time and effort to vote saying it was an important and decisive meeting.

He said the Board were confident in Empire's future and hoped the significant result of the meeting meant the end of a destabilising time for the Company.

"Despite the communications to our Shareholders by and on behalf of Mr Smith and his supporters, some of which have been deeply hurtful, misleading and defamatory, Mr Smith's resolutions have been defeated by a substantial majority," he said.

"Shareholders can see the sense of a united, committed Board focussing on this exciting transition of Empire into a production Company.

"I trust with this endorsement of the current Board the minority of Shareholders will accept the will of the majority.

"The result in favour of the Board will enable the Company to deal with confidence in the marketplace and I hope this, in turn, is reflected in a return of market confidence in the Company's share price."

The Directors will now focus their attention on the Red Gully Development, the planned seismic and drilling programmes as well as the AGM planned for 28 November 2012.

Mr Smith, although soundly defeated, has nominated himself, Crawford and Downey in the event of a Board spill following the AGM set for the 12 December.

CONSTRUCTION UNDERWAY AS CAMP MOVES IN

Construction work continues at Red Gully with the commencement of the Export Compressor foundation and survey teams setting out major work fronts.

Primero Group mobilised the remainder of the camp facilities with all buildings, including the kitchen, now positioned on site. The construction team have moved into the accommodation on site.

The Pipeline construction team, Thistle Fabrication, have also arrived on site and commenced the laying of the yellow jacket Export Pipeline along the pipeline

route to the DBNGP tie-in inlet.

Last week the clearing of the pipeline route began and is scheduled to be completed this week.

Equipment deliveries continue to arrive at Empire's storage facility including the Condensate Heater Control Panel from the UK.

Ongoing fabrication of construction material including piping and fittings are being manufactured locally in Perth.



The fabricated material including pipe fittings (left) and the Export Compressor foundation slab



PERTH RESOURCES LIMITED IN CHARGER-1 FARMOUT OPPORTUNITY

An agreement to earn 20 per cent of the EP 454 prospect Charger-1 has been announced today.

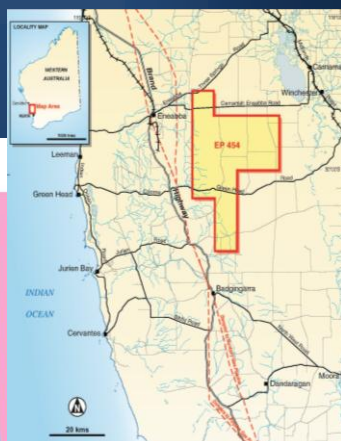
Perth Resources Limited will join ERM as joint venture partners in this North Perth Basin permit.

They can earn a 20 per cent interest in the Yarragadee Shallow Rights by contributing 40 per cent of the drilling costs.

Additionally, they have an option to earn a 20 per cent interest in the Deep Rights by also contributing 40 per cent of the costs of acquiring the Garibaldi 3D Seismic Survey.

The Charger-1 reservoir objectives in the Shallow Rights

play is the Late Jurassic aged Parmelia, Otorowiri and Yarragadee Formations. The Deep Rights will evaluate reservoirs down to the Permian aged rocks. The potential estimated resource for Charger is 20 million barrels of recoverable oil. Drilling is planned for the first quarter of 2013 and a drilling slot has been confirmed. A contract is being finalised with Drilling Contractors of Australia for DCA Rig 7.



EP 454 and EP 430 Permit locations including Charger-1 and Garibaldi (left) and the permit location within Western Australia (above).

COMPANY QUERIES

Empire is happy to answer certain queries by shareholders.

Answers will be published if legally permissible.