

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Empire Energy Group LimitedACN/ARSN 002 148 361**1. Details of substantial holder (1)**Name Empire Energy Group LimitedACN/ARSN (if applicable) 002 148 361The holder became a substantial holder on 13/08/2021**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully Paid Ordinary Shares	131,410,020	131,410,020	21.9%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Empire Energy Group Limited	Relevant interest (for the purposes of section 671B of the Act and the definition of 'substantial holding' in section 9 of the Act only) under paragraph 608(1)(c) of the Act arising from the restriction on disposal of shares under voluntary escrow arrangements disclosed in Empire's Notice of General Meeting on 2 July 2021. These voluntary escrow arrangements are effected by the Voluntary Escrow Deeds dated 13 August 2021 - see Annexure A for copies of the Voluntary Escrow Deeds. Empire has no right to acquire these shares or to control the voting rights attaching to these shares.	131,410,020 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities

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Empire Energy Group Limited	Pangaea (NT) Pty Limited ATF the Pangaea (NT) Unit Trust	Pangaea (NT) Pty Limited ATF the Pangaea (NT) Unit Trust	104,894,868 ordinary shares Pangaea also has the right to call for the issue of an additional 20,105,132 shares, where such issue would not result in Pangaea and its associates exceeding a voting power of more than 20% in the Company. These shares are also subject to escrow
Empire Energy Group Limited	EMG Northern Territory Holdings Pty Ltd	EMG Northern Territory Holdings Pty Ltd	26,515,152 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Empire Energy Group Limited	13 August 2021	N/A	N/A	131,410,020 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Empire Energy Group Limited	Level 19, 20 Bond Street, Sydney NSW 2000

Signature

print name **Alex Underwood**

capacity **Director**

sign here



date **16 / 08 / 2021**

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.

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- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
 - (4) The voting shares of a company constitute one class unless divided into separate classes.
 - (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
 - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
 - (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Voluntary Escrow Deed

Empire Energy Group Limited

**Pangaea (NT) Pty Ltd as trustee of the
Pangaea (NT) Unit Trust**

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Title **Voluntary Escrow Deed**

Date

Parties **Empire Energy Group Limited** (ACN 002 148 361) of Level 19, 20 Bond Street, Sydney NSW 2000 (**Company**)

Pangaea (NT) Pty Ltd (ACN 159 197 029) **as trustee of the Pangaea (NT) Unit Trust ABN 43 668 671 451** of 3 John Street, Woollahra NSW 2025 (**Holder**)

Recitals

- A The Company intends to issue the Holder the Restricted Shares in accordance with the terms of the Sale and Purchase Agreement.
- B The Holder has agreed to hold the Restricted Shares on the terms of this Deed.

Operative provisions

1. **Definitions and interpretation**

Definitions

1.1 The meanings of the terms used in this deed are set out below.

ASIC means the Australian Securities and Investments Commission

ASX means ASX Limited (ACN 008 624 691) or the market it operates as the context requires.

ASX Settlement means ASX Settlement Pty Ltd (ABN 49 008 504 532).

Business Day means a day on which banks are open for business in Sydney, other than a Saturday, Sunday or public holiday in Sydney.

Business Hours means 9.00 am to 5.00 pm on any Business Day.

Completion means the completion of the issue of the Restricted Securities to the Holder in accordance with the terms of the Sale and Purchase Agreement.

Controller means the party specified in Item 4 of Schedule 1 (if any).

Controller Interest means the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller (if any) has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 4 of Schedule 1.

Corporations Act means *Corporations Act 2001* (Cth).

Dealing means in respect of any Restricted Shares, means to:

- (a) sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or any legal, beneficial or economic interest in that Restricted Share;

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- (b) create, or agree or offer to create, any Security Interest in that Restricted Share or any legal, beneficial or economic interest in that Restricted Share;
 - (c) enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share; or
 - (d) do, or omit to do, any act if the act or omission would have the effect of transferring, directly or indirectly, effective ownership or control of that Restricted Share or any legal, beneficial or economic interest in that Restricted Share.

Deal and **Dealt** each have a corresponding meaning.

Dispose has the meaning given to that term in the Listing Rules.

Escrow Period means the period set out in Item 3 - Escrow Period of Schedule 1.

Governmental Agency means any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.

Holding Lock has the meaning in Section 2 of the ASX Settlement Operating Rules.

Issuer Sponsored Subregister means the part of the Company's register for Shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.

Listing Rules means the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).

Operating Rules means the official operating rules of ASX.

Restricted Shares means the Shares specified in Item 2 - Restricted of Schedule 1.

Sale and Purchase Agreement means the sale and purchase agreement between the Company and the Holder dated 13 April 2021, as amended and restated on 26 May 2021 and further amended by way of a side letter on 10 June 2021.

Security Interest means an interest or power:

- (a) reserved in or over an interest in any securities including, but not limited to, any retention of title;
- (b) created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power,
- (c) and any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.

Share means an ordinary share in the Company.

Interpretation

- 1.2 In this deed (including the recitals) unless the contrary intention appears:
- (a) the singular includes the plural and vice versa;
 - (b) a reference to a party includes its successors, personal representatives and transferees;
 - (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
 - (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
 - (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
 - (f) the schedules form part of this deed.

Compliance with Listing Rules

- 1.3 For so long as the Company is listed on the official list of the ASX:
- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
 - (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
 - (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
 - (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
 - (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
 - (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

2. Escrow

Holder restrictions during Escrow Period

- 2.1 Subject to clause 2.5, the Holder must not Deal in the Restricted Shares during the Escrow Period.

Controller restrictions during the Escrow Period

- 2.2 Subject to clause 2.5, the Controller must not Deal in the Controller Interests during the Escrow Period.

Voting and dividend rights

- 2.3 Nothing in this Deed removes, changes or restricts the voting rights attached to, or the right to receive dividends in respect of, the Restricted Shares.

Escrow restrictions

- 2.4 The parties acknowledge and agree that:

- (a) as soon as practicable following the issue of the Restricted Shares to the Holder, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
 - (i) to the extent necessary to permit Dealings in Restricted Shares permitted by this deed; and
 - (ii) in full at the conclusion of the Escrow Period,

including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

Exceptions

- 2.5 During the Escrow Period, the Holder or Controller may Deal in any of its Restricted Shares if the Dealing arises solely as a result of:

- (a) the acceptance of a bona fide takeover bid made under chapter 6 of the Corporations Act in respect of at least 50% of the Shares, including both a full or a proportional bid, provided that:
 - (i) the takeover bid has been recommended by the board of directors of the Company, and that recommendation has not been withdrawn or adversely changed; and
 - (ii) the holders of at least half of the Shares that are not Restricted Shares, and to which the offers under the bid relate, have accepted the bid;
- (b) the transfer or cancellation of at least 50% of the Shares as part of a scheme of arrangement relating to the Company;
- (c) an:
 - (i) equal access share buyback;
 - (ii) equal access capital return; or
 - (iii) equal access capital reduction,in each case made in accordance with the Corporations Act; or
- (d) if the Dealing is required by applicable law (including an order of a court or competent jurisdiction),

provided that:

- (e) in the case of a takeover bid, if the offer is conditional, the Company and the Holder agree in writing that the Holding Lock will be re-applied to any Restricted Shares that is not unconditionally bought under the takeover bid; and
- (f) in the case of a merger by scheme of arrangement, the Holder agrees in writing that the Holding Lock will be re-applied if the merger does not take effect.

Notice

2.6 If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Shares or Controller Interests during the Escrow Period,

it must notify the Company as soon as practicable after becoming aware of the Dealing or the matters giving rise to the possible Dealing, providing full details.

3. Warranties and acknowledgment

Giving of warranties

3.1 The Holder and the Controller each give the warranties and representations in favour of the Company as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

Warranties

3.2 Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**));
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this deed in accordance with its terms;
- (c) this deed constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this deed does not and will not violate, breach or result in a contravention of:
- (i) any applicable law, regulation or authorisation which is binding on it;
- (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (iii) any agreement, undertaking, Security Interest or document which is binding on it;

- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
- (f) the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
- (g) if the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
- (h) if the Holder or Controller is a Trustee:
- (i) the Holder (as applicable) has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this deed and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder (as applicable) has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

Acknowledgment

- 3.3 The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 3 is a breach of this deed.
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4. Consequences of breaching this deed

Consequences of breaching this deed

- 4.1 If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
- (a) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
 - (b) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).

Notice to Company

- 4.2 If the Holder or Controller becomes aware of any fact, matter, circumstance or event that constitutes, or is likely to give rise to, a breach of clause 2, it must notify the Company of full details of the fact, matter, circumstance or event as soon as practicable.

5. Notices

Requirements

5.1 All notices must be:

- (a) in writing and in English;
- (b) addressed to the recipient at the address or email address set out below or to such other address or email address as that party may notify to the other party:

to the Company:

Address: Level 19, 20 Bond Street
Sydney NSW 2000

Attention: Alex Underwood, Managing Director

Email: aunderwood@empiregp.net

to the Holder:

Address: 3 John Street, Woollahra NSW 2025

Attention: Paul Fudge

Email: Paul.Fudge@pangaea.net.au

- (c) signed by or on behalf of the party giving the notice. If the notice is sent by email and does not contain a signature, it is deemed to be signed by the person identified as the sender of the email;
- (d) sent to the recipient by hand, prepaid post (airmail if to or from a place outside Australia) or email; and
- (e) if sent by email, in a form which:
 - (i) identifies the sender; and
 - (ii) clearly indicates the subject matter of the notice in the subject heading of the email.

Receipt

5.2 Without limiting any other means by which a party may prove that a notice has been received, a notice is deemed to be received:

- (a) if sent by hand, when left at the address of the recipient;
- (b) if sent by prepaid post, five Business Days (if posted within Australia to an address in Australia) or seven Business Days (if posted from one country to another) after the day of posting; or
- (c) if sent by email:
 - (i) at the time the email was delivered to the recipient's email server or the recipient read the email, as stated in an automated message received by the sender; or

- (ii) one hour after the email was sent (as recorded on the device from which it was sent), unless within 24 hours of sending the email the sender receives an automated message that it was not delivered,

whichever is earlier,

but if a notice would otherwise be deemed to be received on a day which is not a Business Day, or after 5.00 pm (local time at the receiving party's address) on a Business Day, the notice is deemed to be received by the party at 9.00 am (local time at its address) on the first Business Day after that day.

6. General

Further assurances

- 6.1 Each party must, at its own expense, whenever requested by another party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this deed and the transactions contemplated by this deed.

Costs

- 6.2 Each party must pay its own costs in respect of this deed and the documents and transactions contemplated by this deed.

Assignment

- 6.3 A party must not assign its rights under this deed without the prior written consent of the other party.

Invalid or unenforceable provisions

- 6.4 If a provision of this deed is invalid or unenforceable in a jurisdiction:
- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
 - (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

Exercise of rights

- 6.5 A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or of any other right, power or remedy. Failure by a party to exercise or delay in exercising a right, power or remedy does not prevent its exercise.

Rights cumulative

- 6.6 The rights, powers and remedies of the parties under this deed are cumulative and do not exclude any other rights, powers or remedies.

Amendment

- 6.7 This deed may not be amended without the prior written consent of the parties.

Counterparts

- 6.8 This deed may be signed in counterparts and all counterparts taken together constitute one document.

Approvals and consents

- 6.9 A party may give its approval or consent conditionally or unconditionally or withhold its approval or consent in its absolute discretion unless this deed expressly provides otherwise.

Specific performance

- 6.10 The parties agree that damages are not an adequate remedy if a person breaches clauses 2.1 or 2.2 of this deed and that a party may apply for equitable relief (including the remedies of specific performance and injunctive relief) if a person breaches or threatens to breach this deed or it reasonably believes that a person is likely to breach this deed, and no party may oppose the granting of such relief.

Governing law and jurisdiction

- 6.11 This deed is governed by the law in force in New South Wales.
- 6.12 Each party irrevocably submits to the non exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

Time of Essence

- 6.13 Time is of the essence to this deed.

Schedule 1

Holder and Restricted Share details

Item 1

Holder: Pangaea (NT) Pty Ltd (ACN 159 197 029) as trustee of the Pangaea (NT) Unit Trust (ABN 43 668 671 451)

Holder address: 3 John Street,
Woollahra NSW 2025

Item 2 - Restricted Shares

Any and all Shares to be issued to the Holder under the terms of the Sale and Purchase Agreement (other than upon the exercise of any Pangaea Consideration Options), less 15 million Shares. All of the Remaining Pangaea Consideration Shares to be issued to the Holder after Completion of the Sale and Purchase Agreement are Restricted Shares (and not part of the 15 million Shares).

Item 3 - Escrow Period

The period commencing on the date of Completion and ending at 4:15pm on the date that is:

- (a) in relation to 55 million Restricted Shares, 12 months after the date of Completion; and
- (b) in relation to 70 million Restricted Shares, 24 months after the date of Completion.

Item 4

Controller: Paul Geoffrey Fudge (**Mr Fudge**), Pangaea (NT) Investments Pty Limited (ACN 159 197 010) (**Pangaea Investments**) as Trustee of the Pangaea Investments Trust

Controller Interests: As to Mr Fudge, as the sole shareholder and sole director of the Holder and Pangaea Investments.

As to Pangaea Investments, as the holder of all of the units in the Pangaea (NT) Unit Trust (ABN 43 668 671 451) in its capacity as Trustee of the Pangaea Investments Trust

Execution

Executed as a deed.

**Signed, sealed and delivered by
Empire Energy Group Limited (ACN
002 148 361)**

in accordance with section 127 of the
Corporations Act 2001 (Cth):

Signature of director

Signature of director/secretary

Name of director (please print)

Name of director/secretary (please print)

**Signed, sealed and delivered by
Pangaea (NT) Pty Ltd (ACN 159 197
029) as trustee of the Pangaea (NT)
Unit Trust (ABN 43 668 671 451)**

in accordance with section 127 of the
Corporations Act 2001 (Cth):

Signature of sole director who is also the
sole secretary

Paul Fudge

Name of director (please print)

**Signed sealed and delivered
by Paul Fudge**
in the presence of:

Signature of witness

Signature of **Paul Fudge**

Name of witness (please print)

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Signed sealed and delivered
by **Pangaea (NT) Investments Pty Limited (ACN 159 197 010) as Trustee of the Pangaea Investments Trust**
in accordance with section 127 of the *Corporations Act 2001*:

Signature of sole director who is also the sole secretary

Paul Fudge

Name of director (please print)

Voluntary Escrow Deed

Empire Energy Group Limited

EMG Northern Territory Holdings Pty Ltd

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Title **Voluntary Escrow Deed**

Date

Parties **Empire Energy Group Limited** (ACN 002 148 361) of Level 19, 20 Bond Street, Sydney NSW 2000 (**Company**)

EMG Northern Territory Holdings Pty Ltd (ACN 605 501 059) of c/o Stuart MacGregor, Clayton Utz, Level 28 Riparian Plaza, 71 Eagle Street, Brisbane QLD 4000 (**Holder**)

Recitals

- A The Company intends to issue the Holder the Restricted Shares in accordance with the terms of the Sale and Purchase Agreement.
- B The Holder has agreed to hold the Restricted Shares on the terms of this Deed.

Operative provisions

1. **Definitions and interpretation**

Definitions

- 1.1 The meanings of the terms used in this deed are set out below.

ASIC means the Australian Securities and Investments Commission

ASX means ASX Limited (ACN 008 624 691) or the market it operates as the context requires.

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Business Day means a day on which banks are open for business in Sydney, other than a Saturday, Sunday or public holiday in Sydney.

Business Hours means 9.00 am to 5.00 pm on any Business Day.

Completion means the completion of the issue of the Restricted Securities to the Holder in accordance with the terms of the Sale and Purchase Agreement.

Controller means the party specified in Item 4 of Schedule 1 (if any).

Controller Interest means the securities, economic interests or other interests in the Holder or the Restricted Shares in which the Controller (if any) has a direct or indirect interest and each intermediate entity through which that interest occurs, as set out in Item 4 of Schedule 1.

Corporations Act means *Corporations Act 2001* (Cth).

Dealing means in respect of any Restricted Shares, means to:

- (a) sell, assign, transfer or otherwise Dispose of, or agree or offer to sell, assign, transfer or otherwise Dispose of, that Restricted Share or any legal, beneficial or economic interest in that Restricted Share;

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- (b) create, or agree or offer to create, any Security Interest in that Restricted Share or any legal, beneficial or economic interest in that Restricted Share;
 - (c) enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise Dispose of that Restricted Share; or
 - (d) do, or omit to do, any act if the act or omission would have the effect of transferring, directly or indirectly, effective ownership or control of that Restricted Share or any legal, beneficial or economic interest in that Restricted Share.

Deal and **Dealt** each have a corresponding meaning.

Dispose has the meaning given to that term in the Listing Rules.

Escrow Period means the period set out in Item 3 - Escrow Period of Schedule 1.

Governmental Agency means any government (in any jurisdiction, whether federal, state, territorial or local), or representative of a government (including any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government or in which any government is interested) or any governmental, semi-governmental, administrative, fiscal, regulatory, self-regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity in Australia. It includes without limitation, ASIC, any non-government regulatory authority including the ASX and any other stock exchange.

Holding Lock has the meaning in Section 2 of the ASX Settlement Operating Rules.

Issuer Sponsored Subregister means the part of the Company's register for Shares that is administered by the Company (and not ASX Settlement) and records uncertificated holdings of Shares.

Listing Rules means the listing rules of the ASX (or such other financial market on which the Company is listed) and any other rules of the ASX (or such other financial market as the Company is listed) which are applicable while the Company is admitted to the official list of the ASX (or such other financial market on which the Company is listed), each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX (or such other financial market on which the Company is listed).

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Security Interest means an interest or power:

- (a) reserved in or over an interest in any securities including, but not limited to, any retention of title;
- (b) created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power,
- (c) and any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.

Share means an ordinary share in the Company.

Interpretation

- 1.2 In this deed (including the recitals) unless the contrary intention appears:
- (a) the singular includes the plural and vice versa;
 - (b) a reference to a party includes its successors, personal representatives and transferees;
 - (c) words and expressions defined in the Listing Rules, and not in this deed, have the meanings given to them in the Listing Rules;
 - (d) every warranty or agreement (expressed or implied) in which more than one person is joined, binds them individually and any combination of them as a group;
 - (e) references to "applicable law" include all laws and regulations of jurisdictions applicable to the Company, or its related bodies corporate, as the case may be (including the Corporations Act and any other laws and regulations of a jurisdiction outside Australia), and rules, policies, official directives, orders or requirements of any Governmental Agency, including the Listing Rules, Operating Rules and the applicable listing requirements of the ASX, except to the extent compliance is modified, waived or exempted in favour of a person in the relevant circumstances; and
 - (f) the schedules form part of this deed.

Compliance with Listing Rules

- 1.3 For so long as the Company is listed on the official list of the ASX:
- (a) notwithstanding anything contained in this deed, if the Listing Rules prohibit an act being done, that act must not be done;
 - (b) nothing contained in this deed prevents an act being done that the Listing Rules require to be done;
 - (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
 - (d) if the Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
 - (e) if the Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
 - (f) if any provision of this deed is or becomes inconsistent with the Listing Rules, this deed is deemed not to contain that provision to the extent of the inconsistency.

2. Escrow

Holder restrictions during Escrow Period

- 2.1 Subject to clause 2.5, the Holder must not Deal in the Restricted Shares during the Escrow Period.

Controller restrictions during the Escrow Period

- 2.2 Subject to clause 2.5, the Controller must not Deal in the Controller Interests during the Escrow Period.

Voting and dividend rights

- 2.3 Nothing in this Deed removes, changes or restricts the voting rights attached to, or the right to receive dividends in respect of, the Restricted Shares.

Escrow restrictions

- 2.4 The parties acknowledge and agree that:
- (a) as soon as practicable following the issue of the Restricted Shares to the Holder, the Restricted Shares will be registered and held for the Holder on the Issuer Sponsored Subregister;
 - (b) the Company will apply a Holding Lock to the Restricted Shares as soon as practicable after registration of the Restricted Shares on the Issuer Sponsored Subregister and the Holder hereby agrees to the application of the Holding Lock; and
 - (c) the Company will do all things necessary to ensure that the Holding Lock is released:
 - (i) to the extent necessary to permit Dealings in Restricted Shares permitted by this deed; and
 - (ii) in full at the conclusion of the Escrow Period,including notifying ASX that the Restricted Shares will be released from the Holding Lock, in accordance with the timing requirements set out in Listing Rule 3.10A.

Exceptions

- 2.5 During the Escrow Period, the Holder or Controller may Deal in any of its Restricted Shares if the Dealing arises solely as a result of:
- (a) the acceptance of a bona fide takeover bid made under chapter 6 of the Corporations Act in respect of at least 50% of the Shares, including both a full or a proportional bid, provided that:
 - (i) the takeover bid has been recommended by the board of directors of the Company, and that recommendation has not been withdrawn or adversely changed; and
 - (ii) the holders of at least half of the Shares that are not Restricted Shares, and to which the offers under the bid relate, have accepted the bid;
 - (b) the transfer or cancellation of at least 50% of the Shares as part of a scheme of arrangement relating to the Company;
 - (c) an:
 - (i) equal access share buyback;
 - (ii) equal access capital return; or
 - (iii) equal access capital reduction,in each case made in accordance with the Corporations Act; or
 - (d) if the Dealing is required by applicable law (including an order of a court or competent jurisdiction),

provided that:

- (e) in the case of a takeover bid, if the offer is conditional, the Company and the Holder agree in writing that the Holding Lock will be re-applied to any Restricted Shares that is not unconditionally bought under the takeover bid; and
- (f) in the case of a merger by scheme of arrangement, the Holder agrees in writing that the Holding Lock will be re-applied if the merger does not take effect.

Notice

2.6 If the Holder or Controller becomes aware:

- (a) that a Dealing in any Restricted Shares or Controller Interests has occurred, or is likely to occur, during the Escrow Period; or
- (b) of any matter which is likely to give rise to a Dealing in any Restricted Shares or Controller Interests during the Escrow Period,

it must notify the Company as soon as practicable after becoming aware of the Dealing or the matters giving rise to the possible Dealing, providing full details.

3. Warranties and acknowledgment

Giving of warranties

3.1 The Holder and the Controller each give the warranties and representations in favour of the Company as at:

- (a) the date of this deed; and
- (b) at all times until expiry of the Escrow Period.

Warranties

3.2 Each of the Holder and Controller jointly and severally represents and warrants that:

- (a) it has full power and authority, without the consent of any other person, to enter into and perform its obligations under this deed (including, if the Holder or Controller have entered into this deed as a trustee (**Trustee**), under the trust deed for the relevant trust (**Trust**));
- (b) it has taken all necessary action to authorise the execution, delivery and performance of this deed in accordance with its terms;
- (c) this deed constitutes legal, valid and binding obligations and, subject to any necessary stamping and registration, is enforceable in accordance with its terms;
- (d) the execution, delivery and performance by it of this deed does not and will not violate, breach or result in a contravention of:
- (i) any applicable law, regulation or authorisation which is binding on it;
- (ii) its constitution or other constituent documents (or, if the Holder or Controller is a Trustee, the trust deed for the Trust); or
- (iii) any agreement, undertaking, Security Interest or document which is binding on it;

- For personal use only
- (e) prior to the Escrow Period, it has not done, or omitted to do, any act which would result in it Dealing in Restricted Shares such that it will take effect during the Escrow Period;
 - (f) the Restricted Shares are free from all Security Interests and other third party interests or rights and will remain so during the Escrow Period;
 - (g) if the Holder or Controller is a Trustee, the Trustee is the trustee of the Trust and, to the best of its knowledge and belief, there is no proposal to remove it as trustee of the Trust; and
 - (h) if the Holder or Controller is a Trustee:
 - (i) the Holder (as applicable) has the right to be fully indemnified out of the assets of the Trust in respect of any liability arising under, or in connection with, this deed and the right has not been modified, released or diminished in any way. The assets of the Trust are sufficient to satisfy that right in full and the Holder (as applicable) has not released or disposed of its equitable lien over that trust; and
 - (ii) the Trust has not been terminated and there is no effective proposal or requirement to wind up, deregister, terminate, reconstitute or resettle the Trust.

Acknowledgment

- 3.3 The Holder and the Controller each acknowledge that a breach of any of the representations and warranties set out in this clause 3 is a breach of this deed.
-

4. Consequences of breaching this deed

Consequences of breaching this deed

- 4.1 If the Holder or Controller breaches this deed (a **Defaulting Party**), each of the following applies:
- (a) the Company may take the steps necessary to enforce the deed, or to rectify the breach, as soon as practicable after becoming aware of the breach; and
 - (b) the Company may, in addition to its other rights and remedies, refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the Defaulting Party's Restricted Shares (this is in addition to other rights and remedies of the Company).

Notice to Company

- 4.2 If the Holder or Controller becomes aware of any fact, matter, circumstance or event that constitutes, or is likely to give rise to, a breach of clause 2, it must notify the Company of full details of the fact, matter, circumstance or event as soon as practicable.

5. Notices

Requirements

5.1 All notices must be:

- (a) in writing and in English;
- (b) addressed to the recipient at the address or email address set out below or to such other address or email address as that party may notify to the other party:

to the Company:

Address: Level 19, 20 Bond Street
Sydney NSW 2000

Attention: Alex Underwood, Managing Director

Email: aunderwood@empiregp.net

to the Holder:

Address: c/o Stuart MacGregor, Clayton Utz, Level 28
Riparian Plaza, 71 Eagle Street, Brisbane
Queensland 4001

Attention: Stuart MacGregor and Laura Tyson

Email: smacgregor@claytonutz.com
LTyson@emgtx.com

- (c) signed by or on behalf of the party giving the notice. If the notice is sent by email and does not contain a signature, it is deemed to be signed by the person identified as the sender of the email;
- (d) sent to the recipient by hand, prepaid post (airmail if to or from a place outside Australia) or email; and
- (e) if sent by email, in a form which:
 - (i) identifies the sender; and
 - (ii) clearly indicates the subject matter of the notice in the subject heading of the email.

Receipt

5.2 Without limiting any other means by which a party may prove that a notice has been received, a notice is deemed to be received:

- (a) if sent by hand, when left at the address of the recipient;
- (b) if sent by prepaid post, five Business Days (if posted within Australia to an address in Australia) or seven Business Days (if posted from one country to another) after the day of posting; or

- (c) if sent by email:
- (i) at the time the email was delivered to the recipient's email server or the recipient read the email, as stated in an automated message received by the sender; or
 - (ii) one hour after the email was sent (as recorded on the device from which it was sent), unless within 24 hours of sending the email the sender receives an automated message that it was not delivered,

whichever is earlier,

but if a notice would otherwise be deemed to be received on a day which is not a Business Day, or after 5.00 pm (local time at the receiving party's address) on a Business Day, the notice is deemed to be received by the party at 9.00 am (local time at its address) on the first Business Day after that day.

6. General

Further assurances

- 6.1 Each party must, at its own expense, whenever requested by another party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this deed and the transactions contemplated by this deed.

Costs

- 6.2 Each party must pay its own costs in respect of this deed and the documents and transactions contemplated by this deed.

Assignment

- 6.3 A party must not assign its rights under this deed without the prior written consent of the other party.

Invalid or unenforceable provisions

- 6.4 If a provision of this deed is invalid or unenforceable in a jurisdiction:
- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
 - (b) that fact does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions.

Exercise of rights

- 6.5 A party may exercise a right, power or remedy at its discretion, and separately or concurrently with another right, power or remedy. A single or partial exercise of a right, power or remedy by a party does not prevent a further exercise of that or of any other right, power or remedy. Failure by a party to exercise or delay in exercising a right, power or remedy does not prevent its exercise.

Rights cumulative

- 6.6 The rights, powers and remedies of the parties under this deed are cumulative and do not exclude any other rights, powers or remedies.

Amendment

6.7 This deed may not be amended without the prior written consent of the parties.

Counterparts

6.8 This deed may be signed in counterparts and all counterparts taken together constitute one document.

Approvals and consents

6.9 A party may give its approval or consent conditionally or unconditionally or withhold its approval or consent in its absolute discretion unless this deed expressly provides otherwise.

Specific performance

6.10 The parties agree that damages are not an adequate remedy if a person breaches clauses 2.1 or 2.2 of this deed and that a party may apply for equitable relief (including the remedies of specific performance and injunctive relief) if a person breaches or threatens to breach this deed or it reasonably believes that a person is likely to breach this deed, and no party may oppose the granting of such relief.

Governing law and jurisdiction

6.11 This deed is governed by the law in force in New South Wales.

6.12 Each party irrevocably submits to the non exclusive jurisdiction of courts exercising jurisdiction in New South Wales and courts of appeal from them in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

Time of Essence

6.13 Time is of the essence to this deed.

Schedule 1

Holder and Restricted Share details

Item 1

Holder: EMG Northern Territory Holdings Pty Ltd (ACN 605 501 059)

Holder address: c/o Stuart MacGregor,
Clayton Utz, Level 28 Riparian Plaza,
71 Eagle Street
Brisbane QLD 4001

Item 2 - Restricted Shares

26,515,152 Shares held by the Holder as at the date of Completion.

Item 3 - Escrow Period

The period commencing on the date of Completion and ending at 4:15pm on the date that is:

- (a) in relation to 11,666,667 Restricted Shares, 12 months after the date of Completion; and
- (b) in relation to 14,848,485 Restricted Shares, 24 months after the date of Completion.

Item 4

Controller: EMG Northern Territory, LP, of 2229 San Felipe, Suite 1300, Houston, Texas 77019, USA.

Controller Interests: 100% equity interest in the Holder.

Execution

Executed as a deed.

**Signed, sealed and delivered by
Empire Energy Group Limited (ACN
002 148 361)**

in accordance with section 127 of the
Corporations Act 2001 (Cth):

Signature of director

Signature of director/secretary

Name of director (please print)

Name of director/secretary (please print)

**Signed sealed delivered by
EMG Northern Territory Holdings Pty
Ltd ACN 605 501 059**

in accordance with section 127 of the
Corporations Act 2001 (Cth) by a director
and secretary/director:

Signature of director

Signature of director/secretary

Name of director (please print)

Name of director/secretary (please print)

Signed for and on behalf
of **EMG Northern Territory, LP**
by its duly authorised representative
in the presence of:

Signature of witness

Signature of authorised representative

Name of witness (please print)

Name of authorised representative
(please print)

For personal use only