



Executive Summary & Investor Presentation

Represented By:



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This is a confidential information memorandum intended solely for the use in evaluating a potential investment in Empire Energy Corporation International. This memorandum provides background information on the investment in in Empire Energy Corporation International but it does not constitute an offer to sell or solicit an offer to buy any securities.

You are encouraged to discuss the merits, terms and conditions of participating in this investment with the Managing Member, as well as seeking information and counsel from financial investment professionals.

Although this memorandum has been prepared in good faith, it does not purport to be all-inclusive, nor to contain all of the information which a prospective investor may desire. The Managing Member does not make any representation as to the completeness of this memorandum or any of its contents and no liabilities are assumed or implied by anything contained herein.

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Company History

Empire Energy Corporation International is an International oil and gas exploration company. Headquartered in Kansas, the Company, operating via its wholly-owned Minerals. Limited, is focused on developing assets in Central and Northern Tasmania, Australia. Central and Northern Tasmanian is considered by geological experts to be one of the world's last large virgin petroleum basins.

Under the stewardship of the company's founder and current CEO Mr. Malcolm Bendall, the Company has invested approximately \$57 million (\$30 million of which was Mr. Bendall's personal investment) in staged tranches over the past 33 years in discovering and proving up the existence of the Tasmania Basin. In doing so the Company accomplished the following:

Accomplishment:

1. Light crude blowout of the Hunterston stratigraphic borehole located 25 miles from the existing Bellevue drill hole.
2. Seismically identified five distinct coal measures in the Bellevue drill hole, indicating presence of light crude oil; traced from known positions at the Hunterston stratigraphic borehole.
3. 17 ½ inch wide production-quality drill hole completed to 768 feet at the Bellevue site.
4. Exclusive exploration license to explore/drill in Tasmania, which the Company has been successful in renewing on a regular basis.
5. 1350 line kilometers of 2D seismic on and off-shore Tasmania.
6. Completion of 7 stratigraphic boreholes.
7. 4,345km² of exhaustive gravity surveys.
8. 10-years of Aeromagnetic and ground based magnetic surveys.
9. Reduced production area focus from 11,721 square miles to 1,228 square miles.

Results:

Due Diligence report containing all mentioned reports and supporting materials is available upon request.

1. RPS Energy completed a Competent Person Report (October 2008) – 668 million Barrels OE
2. RPS Energy completed an Economic Evaluation Report (December 2009) – USD\$3.96 billion
3. WHK, accounting firm, completed an accounting valuation report (September 2009) – USD\$3.3 billion
4. Discovery of three previously unknown petroleum systems
5. Discovery of at least 12 seismically defined, previously unknown, significant, potential petroleum bearing structures
6. Identification of at least 19 drilling targets
7. Discovery of potential for Coal Bed Methane
8. Proved oil & gas definitely generated on-shore Tasmania
9. Based partly on the company's findings, Duke Energy developed a gas pipeline and infrastructure system between Tasmania and mainland Australia. Empire intends on acquiring the pipeline pending successfully securing financing of the purchase. Empire is estimating a purchase price of USD\$1 billion.

Exploration and Production Licensing

Empire currently holds an active Exploration License encompassing the areas studied previously by the Company. The Company has historically been successful in renewing its exploration licenses, and is actively pursuing exploration licenses in other areas in central and northern Tasmania supported by its scientific findings.

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Exploration Licence

Dated 17/5/2010

The Honourable Bryan Alexander Green MP ("Minister")

and

Great South Land Minerals Limited. ("Licensee")

The Crown Solicitor of Tasmania
 GPO Box 825
 Hobart 7001
 Phone: (03) 6233 3409
 Fax: (03) 6233 2874
 Email: crown.solicitor@justice.tas.gov.au

Signing page

Dated: 17/5/2010

Signed Sealed and Delivered for
 The Crown in Right of Tasmania
 by the Honourable Bryan
 Alexander Green MP being and as
 the Minister for Energy & Resources
 in the presence of:

[Signature]

Signature of witness
[Signature]
 Name of witness (block letters)
Mr. [Name]
 Address of witness
[Address]
 Occupation
[Occupation]

Executed for and on behalf of
 Great South Land Minerals Limited.
 (ACN 068 650 386) under section
 127(1) of the Corporations Act 2001
 (Cwlth):

[Signature]

Director
 Director/Secretary



At which time the company has a producing site, a production license shall be issued to Empire. The Tasmanian government issues production licenses to producing companies for the life of the structure and not for a specified period of time.

Key Executives:

Malcolm Bendall

Mr. Malcolm Bendall of Hobart, Tasmania has over 30-years of successful experience in oil drilling, mining, and mineral processing in Tasmania. His previous geological endeavors include:

- Raised AUD\$53 million for base and rare earth metal exploration and mine development for Zeehan Zinc Ltd. Proved up over AUD\$2 billion value of in-ground silver, lead and zinc as well as smaller quantities of iron, boron and magnesium ore.
- Tin exploration and mining for BHP, raised AUD\$5 million at the Tasmanian Pyramid Hill Tin Mine. Proved up 1.5 million tonnes of tin ore @ 1% tin at approximately AUD\$30,000/tonne.
- Identified and outlined prospect for nickel ore exploration and mining at the Avery Nickel Deposit. AUD\$200 million expended in proving up 11 million tonnes of nickel ore @ 1% nickel at \$24,000 per tonner for a total of AUD\$2.64 billion in-ground resource value.
- AUD\$2 million spent in prospecting, managed magnesium exploration and mining for Bass Magnesium Pty Ltd Mines. Proved up 5.2 million tonnes of brucite ore containing 60%

magnesium oxide (1.56 million tonnes of contained magnesium) valued at \$2,840 per tonne for a AUD\$4.4 billion in-ground resource value.

- Managed AUD\$2 million prospecting for Kaolin exploration and mining at the Mt. Cameron Dorset Flats Kaolin Deposit. Discovered the world's fifth (5th) largest undeveloped Kaolin deposit valued at AUD\$1 billion.
- AUD\$5 million expended in prospecting gold exploration and mining at the Mt. Victoria Gold Mine for Tas Tiger Mines Pty Ltd. Proved up 10 tonnes of in-ground gold valued at AUD\$44.8 million.

He is a founding director of Great South Land Minerals Limited (GSLM) and was appointed CEO of Empire Energy on June 4, 2004. He has been involved in organizations investigating the viability of petroleum resources in Special Exploration License 13/98 since 1977. Mr. Bendall has worked as a mine manager and drill supervisor and has been published in four international petroleum and chemistry journals. He is a fellow of the Institute of Company Directors, Tasmania and was Tasmanian Businessman of the year in 1989.

Dr. Clive Burrett

Dr. Clive Burrett of Hobart, Tasmania, was appointed to the board of directors in October 2005. Dr. Burrett is a founding member of the Board of Directors of Great South Land Minerals Limited. He received his Bachelor of Science with honors from the University of London in 1970, and a PhD from the University of Tasmania in 1978. He has published over 100 scientific papers and edited the standard volume on the "Geology of Tasmania." Mr. Burrett served as supervisor to many graduate studies focusing on basin evolution in Tasmania and Asia. Dr. Burrett has consulted on applied aspects of basin evolution, petroleum, lead and zinc deposits to companies such as Shell, CRA, Oxiana and BHP in Australia, Oman, Laos, China and Thailand. He was a Professor of Geology in the School of Earth Sciences in the University of Tasmania and previously served as Chairman of the Department of Geology from 1998 to 2002.

John Garrison

Mr. John Garrison of Leawood, Kansas has been a director of Empire Energy since April 1999. Mr. Garrison is a certified public accountant with over thirty years of experience in accounting, auditing and financial management. He served as corporate secretary, director and chief accounting officer of Infinity, Inc., a publicly traded oil-field service and oil and gas exploration and development company from April 1995 to August 1999. He was a director of Quest Resource Corporation, a publicly traded energy company from 1999 until March 2010. He was CFO of ICOP Digital, Inc., a publicly traded technology company from 2004 until June 2007. He has been involved in an active practice of public accountancy since 1976. Mr. Garrison received a degree in business administration and accounting from Kansas State University in 1974.

Capital Raise -- \$25 million

Short-Term Funding USD\$25 Million Needed*

Expense	Estimated
Completion of Bellevue §	\$6,231,000
Completion of Thunderbolt ☼	\$5,019,000
Mobilization/Demobilization	\$1,500,000
GEFCO SpeedStar 1100 Rig and Equipment	\$8,000,000
Sub Total	\$20,250,000
10% Contingency	\$2,025,000
Continued Seismic Program	\$1,125,000
Core Office & Analytics	\$1,125,000
Grand Total	\$25,000,000

* detailed use of proceeds schedules accompanied by drilling programs/montage can be provided upon request.

§ see details in Appendix A

☼ see details in Appendix B

Drilling Philosophy

Empire Energy has identified Bellevue and Thunderbolt as its preliminary drilling sites due to the fact that the structures are two of the largest (greater than 1,000 square miles in area), independently validated, undrilled seismically defined dome structures in the world. Both structures are individually larger than any structures found in Texas or Australia. They have first-rate sandstone reservoirs and have been charged by the richest source rock in the world, the Tasmanites oil shale. The Tasmanites remains as the world standard for type 1 Kerogen (oil prone as opposed to gas prone source rock for generating hydrocarbons). An Empire Energy stratigraphic borehole at the adjacent Hunterstone dome, only 25 miles from the existing Bellevue drill hole, confirmed live petroleum systems with oil, gas and Helium which has been independently validated.

Furthermore, RPS Energy's Economic Evaluation report issued in December 2009 identified Bellevue and Thunderbolt as Empire Energy's two largest and most prospective structures valued at \$3.96 billion. RPS Energy's Competent Persons report issued in October of 2008 dictates that the undiscovered prospective oil and gas resources contained within the dome structures identified by GSLM bears 668 million barrels OE.

RPS Energy

Founded in 1972, RPS Energy is one of the world's leading suppliers of independent oil and gas evaluations. Their more than 4,500 global employees provide formal reserves reports, independent reporting, and competent persons reporting. Their annual portfolio includes well over 1,000 projects, in over 100 countries, for more than 300 clients. The company is listed on the London Stock Exchange (RPS) and is a constituent of the FTSE 250 Index. Last year RPS reported USED\$661 million in revenue. Their US oil & gas clients include: BP America, Exxon, Halliburton, Chevron Phillips, Origin Energy, Raytheon Company, Valero Refining and Trans-Global Solutions among others.

INCOME STATEMENT - FORECAST, BELLEVUE & THUNDERBOLT : DEVELOPMENT OF EL14/2009 LICENSE

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Projected	Projected	Forecast Years								
All figures in ('000)	Projected 31/12/10	Forecast									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Oil and gas production revenues	0	55,380	61,084	300,322	536,826	1,022,033	1,778,655	2,528,283	3,385,701	4,788,349	6,235,239
Other revenues	0	0	0	0	0	0	0	0	0	0	0
Total revenues	0	55,380	61,084	300,322	536,826	1,022,033	1,778,655	2,528,283	3,385,701	4,788,349	6,235,239
Depreciation, depletion and amortization	0	2,000	2,000	4,000	8,000	8,000	8,000	4,000	4,000	4,000	4,000
Production costs	0	24,758	25,996	122,333	208,731	379,329	628,422	855,008	1,092,923	1,475,446	1,828,938
Tasmanian State Govt Royalty	0	6,646	7,330	36,039	64,419	122,644	213,439	303,394	406,284	574,602	748,229
Selling, general and administrative expenses	1,713	3,000	3,200	3,400	3,600	3,800	4,000	4,200	4,400	4,600	4,800
Exploration costs	8	12,750	12,750	25,500	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Dry hole and impairment	0	0	500	1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Operating Income	(1,721)	6,226	9,308	108,050	199,075	455,260	871,795	1,308,681	1,825,094	2,676,701	3,596,272
Amortization of goodwill	0	0	0	0	0	0	0	0	0	0	0
Foreign Currency Losses	399	0	0	0	0	0	0	0	0	0	0
Technology deposit recorded as officer compensation	7,000	0	0	0	0	0	0	0	0	0	0
Interest expense, net / investment recovery	416	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Income before taxes and extraordinary items	(9,536)	3,726	6,808	105,550	196,575	452,760	869,295	1,306,181	1,822,594	2,674,201	3,593,772
Provision for income taxes	0	-1,118	-2,043	-31,665	-58,973	-135,828	-260,788	-391,854	-546,778	-802,260	-1,078,132
Income before extraordinary items	(9,536)	2,608	4,766	73,885	137,603	316,932	608,506	914,327	1,275,816	1,871,941	2,515,640
Extraordinary items	0	0	0	0	0	0	0	0	0	0	0
Net income	(9,536)	2,608	4,766	73,885	137,603	316,932	608,506	914,327	1,275,816	1,871,941	2,515,640

Bellevue 1 – First Petroleum Target

- ✓ Scout, Peg, Survey and Construct Location – ***Completed***
- ✓ Move Rig on-Site – ***Completed***
- ✓ Set Conductor - ***Completed***
- ✓ Pre-Drill 17 ½” Surface Hole to 350M w/in Dolerite – ***Completed***
- ✓ Clean Out 17 ½” Hole – ***Completed***
- ✓ Run & Cement 13 3/8” Surface Casing
- ✓ Nipple Up Casing Head and BOP
- ✓ Drill 12 ¼” Hole to Dolerite Base
- ✓ Run 9 3/8” Casing (350M – 1650M)
- ✓ Drill 8 ½” Hole (1650M – 2850M)
- ✓ Run 7” Casing

According to the company’s geological research and lodged drilling program, “Bellevue 1’s” first petroleum target is believed to be less than 984 feet away. Once the Company runs & cements the 13 3/8” Surface Casing (approximated cost of \$1.2 million) and with a drilling team progressing approximately 200 feet per day, the Company could reach its first expected pay-zone as soon as five (5) days after drilling resumes.

Tasmanian Government

1. Stable political government
2. Strong federal government support including AUD\$400,000 project grant
3. No government participation as either working partner or infrastructure owner
4. Competitive tax rate (12% royalty deducted from 30% corporate tax)
5. Contrary to American property laws, the Tasmanian Government reserves all rights to subterranean oil and gas deposits. Individual landholders have NO legal claim to any oil and/or gas under their property and furthermore lack standing to prevent drilling on their property. The government transfers the right to drill and extract oil/gas through the issuance of exploration licenses conditioned with a Royalty Tax on all oil/gas extracted. Thus Empire/GSLM are not obliged to negotiate with Tasmanian property owners. However, the Company has aided landowners by drilling water wells or constructing access roads, at minimal cost, as a measure of good will and gratitude.

Appendix A – Bellevue 1

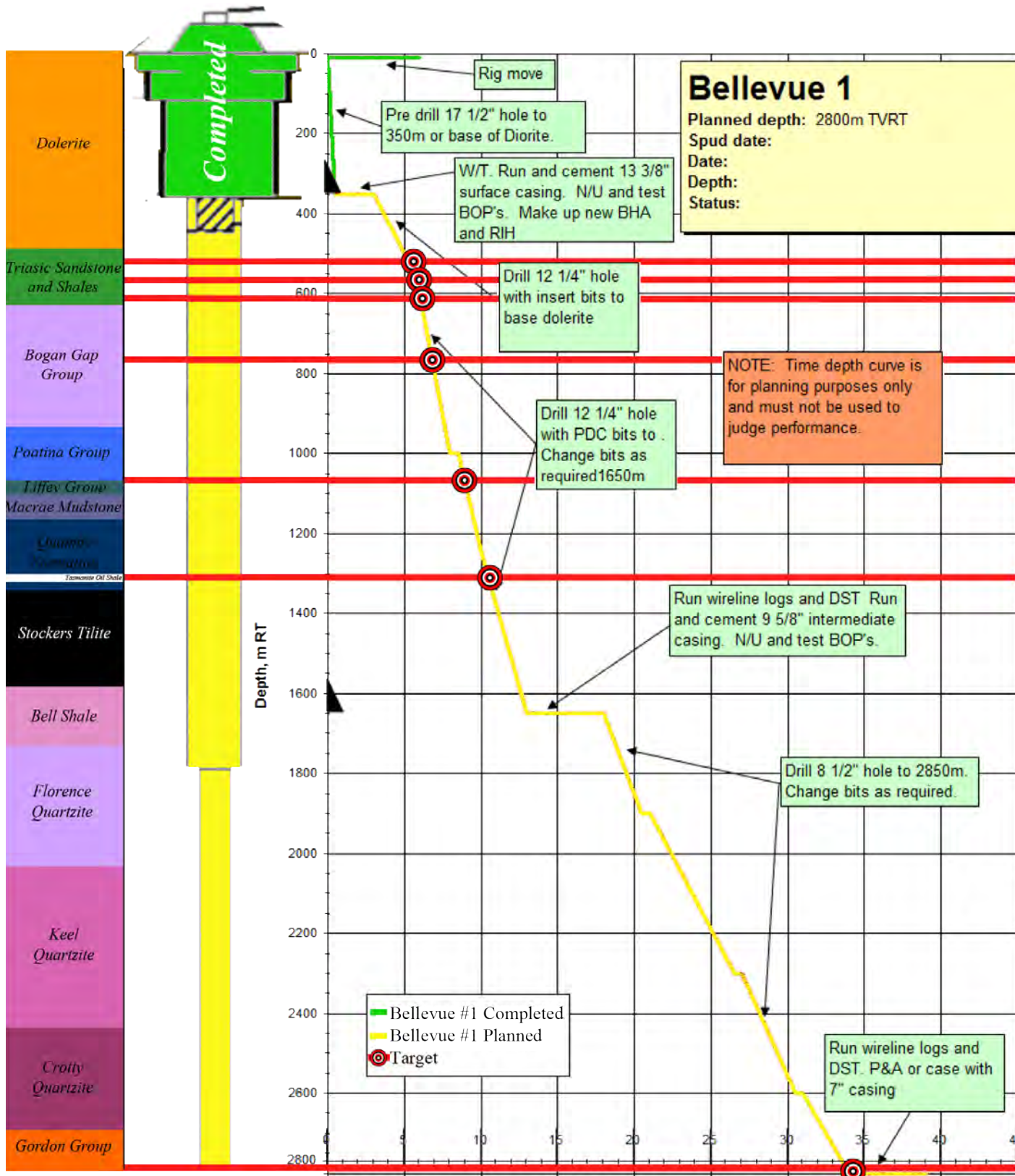
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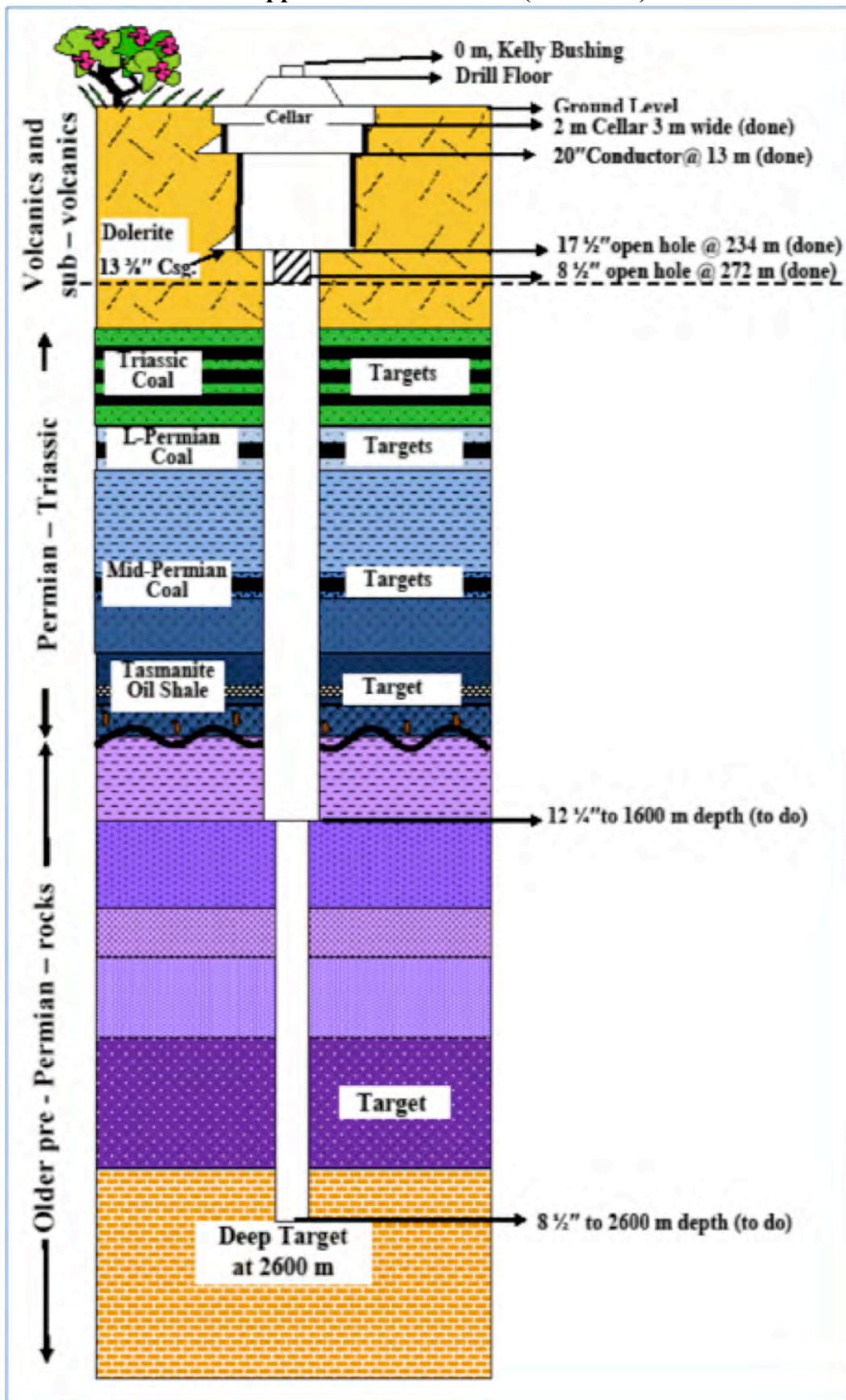


Hunt Energy 3 Rig Drilling at Bellevue Drill Site - 2008

Appendix A – Bellevue 1 (continued)



Appendix A – Bellevue 1 (continued)



Well Name	Bellevue 1
Block	SEL 13-98
Location	Tasmania Basin
Grid Location Co-ordinates – (AGD 66, Zone 55)	Easting 465,660 mE Northing 5,338,904mN
Well Type	Oil / Gas Exploration
Ground Level (above sea level)	1070m (Preliminary)
Total Depth (BRT)	2800m
RTE (above ground level)	5.0m
Drilling Rig	Rig #3
Mineral Rig Drilling Contractor	Gerald Spaulding / Foremost DR24
Oil Rig Drilling Contractor / Rig	Hunt Energy / Rig 3
Well Objectives	Evaluation of the hydrocarbon bearing potential Bellevue structure.
17-1/2" Hole / 13 3/8" Surface Casing	350m (drilled by mineral rig) / 347m (run by oil rig)
12 1/4" Hole / 9 5/8" Intermediate Casing	1650m / 1797m (Oil Rig)
8 1/2" Hole / 7" Production Casing	2800m / 2597m (if required) (Oil rig)
Water Source	Freshwater quarry lake

Appendix A – Bellevue 1 (continued)

Casing String	Surface	Intermediate	Production	Production	Production
Hole size (in)	17 1/2	12 1/4	8 1/2	8 1/2	8 1/2
Casing size (in)	13 3/8	9-5/8	7	7	7
Top Depth	0	0	0	565	2040
Bottom Depth	350	1650	565	2040	2850
Grade	K55	K55	K55	K55	K55
Weight (lb./ft)	54.5	36	26	23	26
Connection	BTC	BTC	BTC	BTC	BTC
Nominal Wall (in)	0.760	0.352	0.362	0.317	0.362
Inside diameter (in)	12.615	8.921	6.276	6.366	6.276
Drift Diameter (in)	12.459	8.765	6.151	6.241	6.151
Capacity (bbl/ft)	0.1545	0.0773	0.0382	0.0394	0.0382
Coupling OD (in)	14.375	10.625	7.656	7.656	7.656
Make up	To base of triangle	To base of triangle	To base of triangle	To base of triangle	To base of triangle
Float Equip	Halliburton	Halliburton			Halliburton
Float Shoe*	Non Rotating	Non Rotating			Standard
Float Collar*	Non Rotating	Non Rotating			Standard
Shoe Track Length	2 joint	2 joint			1 joint
Threadlock	Shoe Track	Shoe Track			Shoe Track
Plugs	PDC drillable	PDC drillable			Standard

Bit Size	17 1/2	12 1/4"	12 1/4"	12 1/4"	8 1/2"	8 1/2"	8 1/2"	8 1/2"
Type	1.1.7	5.3.7	5 blade	6 Blade	5 Blade	6 blade	8 Blade	8 blade
Designation	Tooth	Insert	PDC	PDC	PDC	PDC	PDC	PDC
Depth In	350	350	500	1300	1650	1900	2200	2500
Depth Out	350	500	1300	1650	1900	2200	2500	2800
Distance	0	150	800	300	250	300	300	300
ROP (m/hr)	Cleanout	2	9	5	4	3	3	3
RPM	120	50	70-120	40-70	40-70	60-100	60-100	60-100
WOB (klb)	0-2	35-50	5-30	10-35	30-50	10-35	10-35	10-35
BHA Type	Slick	Slick	Semi-packed	Semi-packed	Packed	Packed	Packed	Packed
Motor	No	No	Yes (?)	Yes (?)	Yes (?)	6 1/2"	6 1/2"	6 1/2"
Nozzles	3x26	3x18	5 x 18	5 x 18	3 x 18	5 x 12	5 x 12	5 x 12
Pump gpm	750	650	600	600	600	350	350	350

Appendix A – Bellevue 1 (continued)

Bellevue Drilling Montage – Surface and Intermediate Depths

Mt MD (RT)	Potential Targets	LITHO-LOGY	P A	WELL SCHEMATIC	CASING/ WELLHEAD	CEMENTATION	DRILLING FLUID	EVALUATION	WELL DATA	PROVISIONAL BIT PROGRAM	BHA Data	FLOW RATE	GENERAL COMMENTS
250		Dolerite	17 1/2" Hole	13 3/8" Csg 230m	SURFACE CASING 13 3/8" csg 0 - 350m (approx) 56lb/ft K55 BTC (Not confirmed) Two joint shoe track. 347m Air drill surface hole as deep as possible or until Hornsfels unit	SURFACE CASING Lead to surface: 30% excess, Wt 11.8 ppg, liquid additives Tail to 120m above shoe: 30% excess. Wt 15.8 ppg. Displace with mud	SURFACE HOLE Air drill to approx 350m Displace with mud prior to moving mineral rig off location Use Gel spud mud to clean out hole prior to running casing.	SURFACE HOLE Gas detector and mudlogging unit may be run IF REQUIRED	20" Conductor set 10-15m below cellar floor. in top of the Dolerite	10m - 350m 17 1/2" Hammer bits as required	Air drilling BHA	AIR DRILL	This will be one of the first oil/gas exploration well drilled onshore Tasmania and therefore all personnel must be alert for possible problem at all times. Pit volumes MUST be closely monitored and any anomalies flow checked. Gas detectors MUST be operational during ALL drilling and circulating Crew competency All personnel working for GSLM must be competent, qualified and trained in their job. No person should undertake any job/task for which they are not trained.
500		Unit 2	12 1/4" Hole	9 5/8" Casing	INTERMEDIATE CASING 0m - 1650m 9 5/8" 36# K55 BTC Make up casing to the triangle. Two joint shoe track. 12 1/4" 36# K55 BTC marker joints to be run no more than 15m above pay zones more than 75m apart. Set casing shoe 50m into Bell Shale at approximately 1650m.	INTERMEDIATE HOLE Lead from 120m above shoe or 65m above hydrocarbons to 150m inside 13 3/8 casing shoe Wt 11.8 ppg, liquid additives Tail to 120m above shoe or 65m above any hydrocarbons. Wt 15.6 ppg, liquid additives Cement excess 10% over caliper or 20% over theoretical if caliper not available Do not over displace any job by more than half the shoe track volume Displace cement with mud Cementing contractor will provide detailed cement program prior to job.	INTERMEDIATE HOLE 3-4% KCl-Polymer Mud weight 8.8 ppg 9.0 ppg PV ALAP, YP > 10lbs/sqft API Fluid loss < 7cc/s pH 8.5 - 9, PHPA may be added if required Mud properties should be adjusted as indicated by hole condition Any down hole losses should be treated with LCM's as required via periodical sweeps or direct additions. Reuse sump water where possible Pit volumes must be closely monitored at all times and any anomalies flow checked See mud program for more detail.	INTERMEDIATE HOLE Mudlogging - Samples every 3 meters or less frequently if required due to fast ROP. Wireline Logs: Run 1: BHC-DLL-MSFL-GR-Cal-SP FDC-CNL Run 2: CST Drill Stem Tests Post logging, inflate straddle DST's will be run to evaluate shows	INTERMEDIATE HOLE Test BOP's to 2000 psi Perform LOT Totco surveys every 100m. Min LOT for 30bbl Kick Tolerance = 13.1ppg EMV Expected press. (ppg): Pr grad of 8.6 ppg EMV. expected. Max surf pr = 1825 psi (assumes GTS from 16500m)	350-Base Dolerite NB#1 12 1/4" insert bit IADC 537, 3 x 18 Jets Base Dolerite - 1300m NB#3 12 1/4" PDC Bit 5 blade 16mm cutters 5 x 18 jets 1300m - 1650m NB#5 12 1/4" PDC bit 6 blade 16/13mm cutters 5 x 18 jets	350m - 500m Slick Bit, 3x8DC, 20x6 1/2DC 500m - 1650m Semi Packed Bit, 12 1/4" NBS, 6 1/2" Mud motor 12 1/4" Stabiliser 2 x 8" DC's 18 x 6 1/2" DC's 6 3/4" Drilling Jars 2 x 6 1/2" DC's 6 x HWDP	350m - 1650m 500 - 650 gpm	Rig "Fit for Purpose" The rig shall be inspected by a third party inspector and signed off as being fit for purpose PRIOR TO SPUD. Planned and preventative maintenance systems will be used to ensure the rig remains fit for purpose for the duration of the program. If the rig is deemed at any time to not be in a safe condition operations will be suspended until the problem is resolved. The rig will be inspected by a third party inspector every 6 months after operations commence The drilling contractors operating procedures and systems will also be inspected.
750		Bogan Gap											
1000		Springmount Idst											
1250		Peatna Group											
1500		Golden Valley Gp											
		Quamby Fm											
		Tasmanian Oil Shale											
		Shale											

Please Note: Drilling program is for planning purposes and may be subject to change

Appendix A – Bellevue 1 (continued)

Bellevue Drilling Montage – Production Depths

1750	Bell Shale	8 1/2" Hole	7" Casing	PRODUCTION CASING 7" 23# and 26# K55 BTC 0m - 500 m 7" 26# K55 BTC 500m - 2040m 7" 23# K55 BTC 2040m - 2800m 7" 26# K55 BTC Single joint shoe track. 7" 26# K55 BTC marker joints to be run 15m above any pay zones	PRODUCTION CASING Lead from 120m above shoe or 65m above hydrocarbons to 150m inside 13 3/8 casing shoe. Wt 11.8 ppg, liquid additives Tail to 120m above shoe or 65m above any hydrocarbons. Wt 15.6 ppg, liquid additives Cement excess 10% over caliper or 20% over theoretical if caliper not available Displace cement with kill weight brine containing Biocide and corrosion inhibitor Cementing contractor will provide detailed cement program prior to job.	PRODUCTION HOLE 3-4% KCl-Polymer Mud weight 8.8 ppg 9.0 ppg PV ALAP, YP > 10lbs/sqft API Fluid loss < 7cc/s pH 8.5 - 9, Mud properties should be adjusted as indicated by hole condition Reuse sump water Pit volumes must be closely monitored at all times and any anomalies flow checked Pit volumes must be closely monitored at all times and any anomalies flow checked See mud program for more detail.	PRODUCTION HOLE Mudlogging - Samples every 3 meters or less frequently if required due to fast ROP. Wireline Logs: Run 1: BHC-DLL-MSFL-GR-Cal-SP FDC-CNL Run 2: CST Drill Stem Tests Post logging, inflate straddle DST's will be run to evaluate shows	PRODUCTION HOLE Test BOP's and casing to 3100p Pr test annular to 1500 psi Install wear bushings Performe LOT Min LOT for 30bbl Kick Tolerance = 10.5ppg EMW Expected press. (ppg): Pr grad of 8.6 ppg EMW. expected. Max surf pr = 3097 psi (assumes GTS from 2800m) Temp Gradient 2" f/100ft (estimated only)	1650m - 1900m NB#5 8 1/2" PDC bit 5 blade 16/13mm cutters. 5 x 12 jets	1650m - 2200m Packed BHA Bit, 8 1/2" NBR 6 1/2" Mud motor, 8 1/2" String Stabiliser 1 x 6 1/2" DC 8 1/2" String Stabiliser 20 x 6 1/2" DC's 6 3/4" Jars 2 x 6 1/2" DC's 6 x HWDP	1650m - TD 300 - 400 gpm	Drilling Summary Obtain regulatory approvals Build lease and access roads Rig up mineral rig and air drill 17 1/2" hole to capacity of rig or base Dolomite Move mineral rig off location Move drilling rig to location and rig up Run and cement 13 3/8" surface casing N/U and test BOP's. M/U new BHA. RH Drill 3m of new hole and perform LOT. Drill 12 1/4" hole to top Bell Shale at approximately 1650m Run wireline logs & contingent DST's Run and cement 9 5/8" casing to 1650m Nipple up and test BOP's RH and drill 3m new formation Run LOT Drill 8 1/2" hole to TD at 2800m (max). Run wireline logs. Run DST's (contingent on shows) If no hydrocarbons plug and abandon If hydrocarbons present run and cement 7" production casing Nipple down BOP's Release rig.	
2000	Florence Quartzite			WELLHEAD Wood Gp 13 3/8" BTC 5k x 13 3/8" 5k Casing Spool: 13 5/8" 5k x 11" 5k Casing Spool: 11" 5k x 7 1/16" 5k				1900m - 2200m NB#5 8 1/2" PDC bit 6 blade 16/13mm cutters. 5 x 12 jets	2200m - 2500m NB#5 8 1/2" PDC bit 8 blade 13mm cutters. 5 x 12 jets	2500m - 2800m NB#5 8 1/2" PDC bit 8 blade 13mm cutters. 5 x 12 jets		2200m - 2800 Slick BHA Bit, bit sub 20 x 6 1/2" DC's 6 3/4" Jars 2 x 6 1/2" DC's 6 x HWDP The serial numbers and drilling hours for all jars stabilisers and motors must be recorded on the daily drilling report.	
2250	Keel Quartzite												
2500	Amber Slate												
2750	Croftly Quartzite												
2900	Upper Ls			TD 2800m (approx)	2680m 2797m								
TARGETS:		SAFETY											
P & A PLUGS		No job is so important that safety needs to be compromised. All available tools (pre-job safety meetings, JSA's, Work Permits e.t.c.) should all be used to ensure a safe operation. It is more important to do the job safely than it is to do it quickly and no job should be rushed. All personnel MUST be trained in EVERY job they do. Any person has the right to suspend any operation they feel is unsafe. The drilling rig and ALL equipment must be "Fit for Purpose".											
Min plug length is 45 m Pressure test 9 5/8" shoe plug.		Plan your work and work safely											
		WELL OBJECTIVES: Evaluate the hydrocarbon potential of the Bellevue structure WATER SOURCE: Drillwater, mixwater, cementing water - Freshwater quarry lake Potable water - Town water DRILLING HAZARDS: Overpressured formations. Stuck pipe due to sticky formation. Lost circulation in shallow sands. H2S. Slow drilling. Differential sticking. Unexpected formations Prepared by: Duncan New Checked by: Clive Burrett Date: 21 st August 2008											
		Contingent Bits: 1 x 12 1/4" IADC 117 1 x 12 1/4" IADC 417 2 x 12 1/4" IADC 517 1 x 8 1/2" IADC 117 1 x 8 1/2" IADC 437 2 x 8 1/2" IADC 517 2 x 8 1/2" IADC 537 2 x 8 1/2" IADC 637 Others TBA Max WOB = 85% of buoyed weight below jars. A non-ported float and Totco ring must be run in all hole sections Stabilisers and NBS should be changed out when 1/8" undergauge Flow rates should be sufficient to give good hole cleaning and low enough to reduce hole washout. Rig Move: 6 days Clean out surface hole 1.0 d Surface casing. BOP's: 2.0 d Intermediate hole: 11.0 days Evaluate 12 1/4" hole: 3.0 day 9 5/8" casing and BOP's: 2 d Drill 8 1/2" hole: 15.0 days Evaluation: 3 days P&A or C&S 2.0 days Total=39.0 d (excluding move)											

Please Note: Drilling program is for planning purposes and may be subject to change

Appendix A – Bellevue 1 (continued)

Bellevue Gzpgf kwg gu'ht 'Ego r ngvqp

EXPENSE			QUOTE	TOTAL
Contracts	Contractor/Brand			
Bellevue Seismic	Terrex			
RPS Energy Report	RPS			\$ 104,200.00
Site Work				\$ 51,500.00
Site Prep / Recovery	GSLM		50,000.00	
Surveying			1,500.00	
Sanitary & Rubbish/MobTlts	13xToilet Change @500.00each			\$ 7,150.00
Pre-Collar	1x75.00x7.5			\$ 562.00
Septic Tank x Plumbing	1970+2500			\$ 4,917.00
Rig Camp Accom+ Meals				\$ 150,000.00
Co Mann Site Accom				
Company Personnel				\$ 172,500.00
Company man	Tim Brouer	2000/day	92,000.00	
Drilling Engineer	E McNally	550/day	25,300.00	
Night Pusher	Local	1200/day	55,200.00	
Drilling Contractor	Hunt Energy & Mineral Co	Hunt Rig 3		\$ 1,510,000.00
Rig Utilization & Mobilization				
Rig Utilization & standby				
>14/01/09 Accounts forward				
	forward + TD 50day from spud @ \$33,330./day			
Standby				
Standby - manned	10 days rigup @ 9000/day			\$ 99,000.00
Operating Rig	46 days @ \$33,000/day		1,510,000.00	
Hunt Airfares	Adel-Devonport ret			\$ 141,942.00
Hunt Mess and Accom				
Fuel				\$ 72,000.00
AirPac				\$ 225,000.00
TDC Booster Compressor				
TDC Manifold + Orifice plate + Recorder				
TDC Soap Injection Unit				
TDC Rotating BOP				
TDC Diverter spool				
TDC Bouie Line Lighter				
4 x Bull Hoses				

Appendix A – Bellevue 1 (continued)

Bellevue Gzpgf kwg gu'ht 'Ego r ngvqp

4 x Sullair Compressors				
Lubricants				
DHH Tools				
Bouie Lines				
Casing & Tubulars				
Conductor	House of Lindner		<\$1309.00>	
13 3/8" Casing	Ian Radford		<\$55,962.00>	
Ancillary	Haalibrton		<\$32000.00>	
9 5/8" Casing	Ian Radford			\$ 271,040.00
Transport				\$ 27,000.00
Ancillary				
7" Production Casing	Ian Radford			\$ 281,820.00
Transport				\$ 28,000.00
2 3/8" Tubing				N/A
Christmas Tree				N/A
Cementing				\$ 243,443.00
13 3/8" Casing	Halliburton		<A\$-28406.00>	
Equipment			6,393.00	
Personnel			11,008.00	
Job			16,967.50	
Chemicals			3,221.20	
Cements			12,795.20	
Float 13 3/8 + 9 5/8 + 7"			32,042.00	
LOT	Halliburton		8,500.00	\$ 8,500.00
Cementing 1650m		see above		
9 5/8" Casing	Halliburton			
Equipment				
Personnel				
Job				
Chemicals				
Cements				
Float 9 5/8				
LOT	Halliburton		8,500.00	\$ 8,500.00
Cementing 7"		see above		

Appendix A – Bellevue 1 (continued)

Bellevue Gzgpf kwt gu'ht 'Ego r ngkqp

7" Production				
Equipment				
Personnel				
Job				
Chemicals				
Cements				
Float 9 5/8				
Abandonment Plugs	Halliburton			see above
Well Head			Paid	<US\$73,549.00>
13 3/8" Well Head	Wood Group			<A\$122,581.00>
9 5/8" Wellhead	Wood Group			
7"	Wood Group			
Cementing Mob/DeMob	3 items			\$ 20,000.00
Cementing ITAC Cleaning	3day washdown			\$ 12,000.00
Schlumberger Geophysical Wireline or			550,000.00	\$ 550,000.00
Weatherford Geophysical Wireline				
12 1/4" Wireline	Weatherford / Schlum			
8 1/2" Wireline	Weatherford / Schlum			
Well Site Geologist	Jan Hulse/D.Horner	1500.00/day	72,000.00	\$ 72,000.00
Mud Logging	Pectil	3300.00/day	158,000.00	\$ 158,000.00
Mob Mud Logging	Pectil		<\$21,000.00>	
Mud Engineering	RMN	1200.00/day		\$ 60,720.00
Gas Analysis	Pectil		36,000.00	\$ 36,000.00
Security	\$42.00 x 2 x 46			\$ 51,004.00
Mud Chemicals	RMN Andre Skujins	Mud Engineer		\$ 60,793.00
17 1/2" hole to 300m	FW-Gel/+ Poly + Sweep			
12 1/4" hole to 1600m	FW-Gel/+ Poly + Sweeps			
Estimate - 8.5" hole to 2300m	FW-Poly			\$ 70,000.00
Drill Bits	Varel/Smith/Reed			
1 x RR 17 1/2" Drill Bit	Colin Hunter = 089 315 9999	RR Varel 435	<\$16,923.00>	

Appendix A – Bellevue 1 (continued)

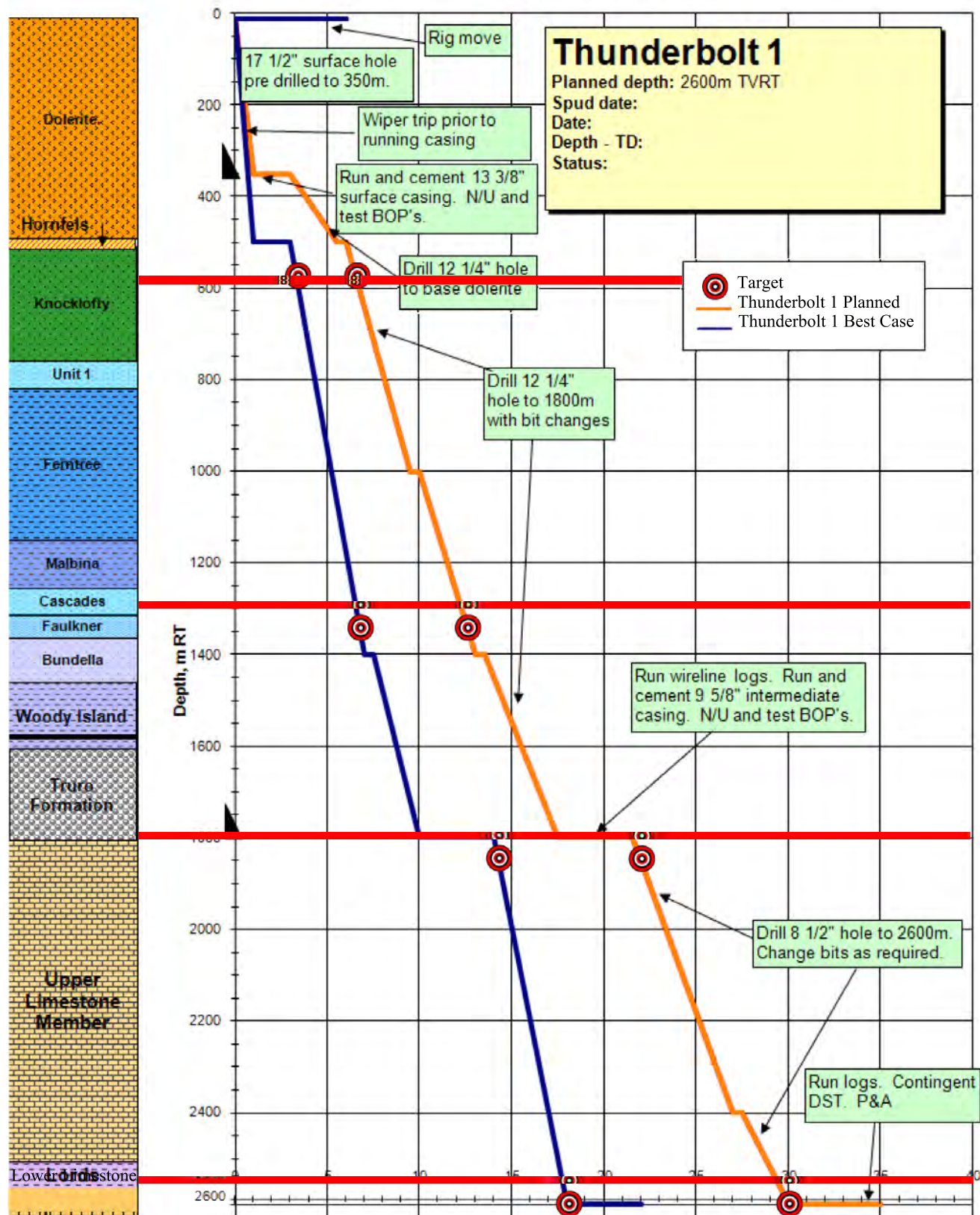
Bellevue Gzpgf kwg gu'ht 'Ego r'ngvqp

3 x 12 1/4" Drill Bits	Varel	Varel 537/517	<\$82,142.00>	\$ 90,356.00
5 x 8 1/2" Drill Bits	Varel	New Varel 537 / 517	<\$88,000.00>)	\$ 88,000.00
	Transco			
Down hole tools				
2 x Drilling Jars	Hofco			\$ 22,000.00
	Transco		<\$15,076.00>	
Inspections				
2 x 12 1/4" Stabilizer	Hofco			\$ 5,095.00
1 x 12 1/4" NBS	Transco		<\$43,700.00>	
2 x 8 1/2" Stabilizer	Hofco			see above
1 x NB Roller reamer				
Replacing Blades/Insp	Hofco			\$ 21,923.00
Pressure Test	Peter Lowe	741280658		\$ 5,000.00
DST				\$ 282,400.00
DST Rig Time	Additional 2+4 tests	6 Total Tests		\$ 508,200.00
Communications				\$ 5,500.00
Vehicle Hire	2 Vehicles @ \$110/day			\$ 10,120.00
Office Administration				\$ 23,000.00
Benfield Corporate Risk	3rd Party + Extra C		<\$52744.00>	
Miscellaneous Intangibles				\$ 15,000.00
	ITAC Forward			
Transport	ITAC/Cockburn			\$ 100,000.00
Well Head Production Completion Components				\$ 556,815.00
Total Cost Inclusive of GST 2600M				\$ 6,231,000.00

Appendix B – Thunderbolt 1

- ✓ Scout, Peg, Survey and Construct Location
- ✓ Move Rig on-Site
- ✓ Set Conductor
- ✓ Pre-Drill 17 ½” Surface Hole
- ✓ Clean Out 17 ½” Hole
- ✓ Run & Cement 13 3/8” Surface Casing (Spud – 350M)
- ✓ Nipple Up Casing Head and BOP
- ✓ Drill 12 ¼” Intermediate Hole
- ✓ Run 9 5/8” Casing (350M – 1800M)
- ✓ Drill 8 ½” Hole (1800M – 2600M)
- ✓ Run 7” Casing

Appendix B – Thunderbolt 1 (continued)



Well Data Summary

Appendix B – Thunderbolt 1 (continued)

Well Name	Thunderbolt 1
Block	SEL 13-98
Location	Tasmania Basin
Grid Location Co-ordinates – (AGA 66 Zone 55)	Easting 466,844 mE Northing 5,287,200mN
Well Type	Oil / Gas Exploration
Ground Level (above sea level)	730m (Preliminary)
Total Depth (BRT)	2600m
RT Hunt Rig 3 (above ground level)	5.0m
Drilling Rig	Rig #3
Mineral Rig Drilling Contractor	Gerald Spaulding / DR24
Oil Rig Drilling Contractor / Rig	Hunt Energy / Rig 3
Well Objectives	Evaluation of the hydrocarbon bearing potential Thunderbolt structure.
17-1/2" Hole / 13 3/8" Surface Casing	350m (drilled by mineral rig) / 347m (run by oil rig)
12 1/4" Hole / 9 5/8" Intermediate Casing	1800m / 1797m (Oil Rig)
8 1/2" Hole / 7" Production Casing	2600m / 2597m (if required) (Oil rig)
Water Source	Local source

Casing String	Surface	Intermediate	Production	Production	Production
Hole size (in)	17 1/2	12 1/4	8 1/2	8 1/2	8 1/2
Casing size (in)	13 3/8	9-5/8	7	7	7
Top Depth	0	0	0	300	2040
Bottom Depth	350	1800	300	2040	2600
Grade	K55	K55	K55	K55	K55
Weight (lb./ft)	54.5	36	26	23	26
Connection	BTC	BTC	BTC	BTC	BTC
Nominal Wall (in)	0.760	0.352	0.362	0.317	0.362
Inside diameter (in)	12.615	8.921	6.276	6.366	6.276
Drift Diameter (in)	12.459	8.765	6.151	6.241	6.151
Capacity (bbl/ft)	0.1545	0.0773	0.0382	0.0394	0.0382
Coupling OD (in)	14.375	10.625	7.656	7.656	7.656
Make up	To base of triangle	To base of triangle	To base of triangle	To base of triangle	To base of triangle
Float Equip	Halliburton	Halliburton			Halliburton
Float Shoe*	Non Rotating	Non Rotating			Standard
Float Collar*	Non Rotating	Non Rotating			Standard
Shoe Track Length	2 joint	2 joint			1 joint
Threadlock	Shoe Track	Shoe Track			Shoe Track
Plugs	PDC drillable	PDC drillable			Standard

Bit Size	17 1/2	17 1/2"	12 1/4"	12 1/4"	12 1/4"	8 1/2"	8 1/2"
Type	1.1.7	5.3.7	5 blade	6 Blade	6 Blade	5 blade	5.3.7
Designation	Tooth	Insert	PDC	PDC	PDC	PDC	Insert
Depth In	350	350	500	1000	1400	1800	2400
Depth Out	350	500	1000	1400	1800	2400	2600
Distance	0	150	500	400	400	600	200
ROP (m/hr)	Cleanout	2	9	5	4	10	5
RPM	120	50	70-120	40-70	40-70	70-120	40/70
WOB (klb)	0-2	35-50	5-30	10-35	30-50	10-25	25-45
BHA Type	Slick	Slick	Semi-packed	Semi-packed	Semi-packed	Packed	Packed
Motor	No	No	Yes (?)	Yes (?)	Yes (?)	6 1/2"	6 1/2"
Nozzles	3x26	3x26	5 x 18	5 x 18	3 x 18	5 x 12	3 x 12
Pump gpm	750	750	600	600	600	350	350

Appendix B – Thunderbolt 1 (continued)

Thunderbolt Drilling Montage – Surface and Intermediate Depths

Mt MD (RT)	Potential Targets	LITHO- LOGY	P A	WELL SCHEMATIC	CASING/ WELLHEAD	CEMENTATION	DRILLING FLUID	EVALUATION	WELL DATA	PROVISIONAL BIT PROGRAM	BHA Data	FLOW RATE	GENERAL COMMENTS
225		Diorite	17 1/2"	13 3/8" Csg	SURFACE CASING 13 3/8" csg 0 - 350m (approx) 56lb/ft K55 BTC (Not confirmed) Two joint shoe track. Air drill surface hole as deep as possible or until Hornsfels unit	SURFACE CASING Lead to surface: 30% excess, Wt 11.8 ppg, liquid additives Tail to 120m above shoe: 30% excess. Wt 15.8 ppg. Displace with mud	SURFACE HOLE Air drill to approx 350m Displace with mud prior to moving mineral rig off location Use Gel spud mud to clean out hole prior to running casing.	SURFACE HOLE <u>Not logged</u>	20" Conductor set 10-15m below cellar floor. in top of the Dolerite	10m - 350m NB #1 17 1/2" Hamer bit	Air drilling BHA	AIR DRILL	<u>This will be one of the first oil/gas exploration well drilled onshore Tasmania and therefore all personnel must be alert for possible problems at all times.</u> Pit volumes MUST be closely monitored and any anomalies flow checked. Gas detectors MUST be operational during ALL drilling and circulating
450		Knocklofty Formation	12 1/4" Hole	9 5/8" casing	INTERMEDIATE CASING 0m - 1800m 9 5/8" 36# K55 BTC Make up casing to the triangle. Two joint shoe track. 12 1/4" 36# K55 BTC marker joints to be run no more than 15m above pay zones more than 75m apart. Set casing shoe in basal Truro Formation at approximately 1800m.	INTERMEDIATE HOLE Lead from 120m above shoe or 65m above hydrocarbons to 150m inside 13 3/8 casing shoe. Wt 11.8 ppg, liquid additives Tail to 120m above shoe or 65m above any hydrocarbons. Wt 15.6 ppg, liquid additives Cement excess 10% over caliper or 20% over theoretical if caliper not available Do not over displace any job by more than half the shoe track volume Displace cement with mud Cementing contractor will provide detailed cement program prior to job.	INTERMEDIATE HOLE 3-4% KCl-Polymer Mud weight 8.8 ppg 9.0 ppg PV ALAP, YP > 10lbs/sqft API Fluid loss < 7cc's pH 8.5 - 9. PHPA may be added if required Mud properties should be adjusted as indicated by hole condition Any down hole losses should be treated with LCM's as required via periodical sweeps or direct additions. Reuse sump water where Pit volumes must be closely monitored at all times and any anomalies flow checked See mud program for more detail.	INTERMEDIATE HOLE <u>Mudlogging -</u> Samples every 3 meters or less frequently if required due to fast ROP. Wireline Logs: Run 1: BHC-DLL-MSFL-GR-Cal-SP FDC-CNL Run 2: CST <u>Drill Stem Tests</u> Post logging, inflate straddle DST's will be run to evaluate shows	INTERMEDIATE HOLE Test BOP's to 2000 psi Perform LOT Totco surveys every 100m. Min LOT for 30bbl Kick Tolerance = 13.9ppg EMW Expected press. (ppg): Pr grad of 8.6 ppg EMW. expected. Max surf pr = 1993 psi (assumes GTS from 1800m)	350-Base Dolerite NB#2 12 1/4" insert bit IADC 537, 3 x 18 Jets Base Dolerite - 1000m NB#3 12 1/4" PDC Bit 5 blade 16mm cutters 5 x 18 jets 1000m - 1400m NB#3 12 1/4" PDC Bit 6 blade 16mm cutters 5 x 18 jets 1400m - 1800m NB#5 12 1/4" PDC bit 6 blade 16/13mm cutters 5 x 18 jets	350m - 500m Slick Bit, 3x8DC, 20x6 1/2DC 500m - 1800m Semi Packed Bit, 12 1/4" NBS, 8" Mud motor 12 1/4" Stabiliser 2 x 8" DC's 18 x 6 1/2" DC's 6 3/4" Drilling Jars 2 x 6 1/2" DC's 6 x HWDP	350m - 1800m 500 - 650 gpm	<u>Crew competency</u> All personnel working for GSLM must be competent, qualified and trained in their job. No person should undertake any job/task for which they are not trained. <u>Rig "Fit for Purpose"</u> The rig shall be inspected by a third party inspector and signed off as being fit for purpose PRIOR to SPUD. Planned and preventative maintenance systems will be used to ensure the rig remains fit for purpose for the duration of the program. If the rig is deemed at any time to not be in a safe condition operations will be suspended until the problem is resolved. The rig will be inspected by a third party inspector every 6 months after operations commence The drilling contractors operating procedures and systems will also be inspected. Drilling Summary Obtain regulatory approvals Build lease and access roads Rig up mineral rig and air drill 17 1/2" hole to capacity of rig or base Dolerite Move mineral rig off location Move drilling rig to location and rig up
675		Unit 1											
900		Ferntree											
1125		Malbina											
1350		Cascades											
1575		Faulkner											
1800		Bundella											
		Woody Island											
		Talimian Oil Shale											
		Truro Formation											

Please Note: Drilling program is for planning purposes and may be subject to change

Thunderbolt Drilling Montage – Production Depths



Appendix B – Thunderbolt 1 (continued)

Thunderbolt Gzrgf kwg'ghqt'Ego r'gkqk

WELL: Thunderbolt #1	Drilling Costs				Plug & Abandon Costs				Case and Suspend Costs				Total Costs		
	Lump Sum	Daily	No Days	Total	Lump Sum	Daily	No Days	Total	Lump Sum	Daily	No Days	Total	P&A	C&S	
BULKS															
10621 * Cement	\$60,000			\$60,000	\$30,000			\$30,000	\$50,000			\$50,000	\$90,000	\$110,000	
10622 Fuel	\$2,000			\$2,000				\$0				\$0	\$2,000	\$2,000	
10623 Bits	\$140,000			\$140,000				\$0				\$0	\$140,000	\$140,000	
10624 Mud Materials	\$120,000			\$120,000				\$0				\$0	\$120,000	\$120,000	
10627 Materials - Other	\$20,000			\$20,000				\$0				\$5,000	\$20,000	\$25,000	
10627 Drilling Tools Rentals	\$20,000	\$1,000	59.0	\$79,000		\$1,000	3.0	\$3,000		\$1,000	3.0	\$3,000	\$82,000	\$82,000	
Total				\$421,000				\$33,000				\$58,000	\$454,000	\$479,000	
EVALUATION&LOGGING															
10451 Open Hole Testing Services	\$60,000	\$2,500	4.0	\$70,000				\$0				\$0	\$70,000	\$70,000	
10452 Electric Logging and Ancillary Costs	\$180,000	\$2,000	6.0	\$192,000				\$0				\$0	\$192,000	\$192,000	
10453 Geological/Geophysical - Field	\$10,000	\$1,400	38.0	\$63,200				\$0				\$0	\$63,200	\$63,200	
Total				\$325,200				\$0				\$0	\$325,200	\$325,200	
LOGISTICS															
10471 Access & Lease Preparation	\$60,000			\$60,000				\$0				\$0	\$60,000	\$60,000	
10471 Lease Clean Up	\$10,000			\$10,000				\$0				\$0	\$10,000	\$10,000	
10473 Communications	\$2,000	\$750	59.0	\$46,250		\$750	3.0	\$2,250		\$750	3.0	\$2,250	\$48,500	\$48,500	
10474 Lease Maintenance	\$5,000			\$5,000				\$0				\$0	\$5,000	\$5,000	
10476 Road Maintenance	\$5,000	\$0		\$5,000				\$0				\$0	\$5,000	\$5,000	
10477 Transportation - Material	\$30,000			\$30,000				\$0	\$6,000			\$6,000	\$30,000	\$36,000	
10478 Water Source & Supply/Haulage	\$5,000	\$1,200	50.0	\$65,000				\$0				\$0	\$65,000	\$65,000	
Total				\$221,250				\$2,250				\$8,250	\$223,500	\$229,500	
OVERHEADS															
10161 Office based wages				\$0				\$0				\$0	\$0	\$0	
10165 Overheads				\$0									\$0	\$0	
10992 Insurances	\$60,000			\$60,000				\$0				\$0	\$60,000	\$60,000	
Total				\$60,000				\$0				\$0	\$60,000	\$60,000	
RIG COSTS															
10433 Rig Rental - Moving	\$250,000			\$250,000				\$0				\$0	\$250,000	\$250,000	
10434 Contract Drilling		\$33,000	53.0	\$1,749,000		\$33,000	3.0	\$99,000		\$33,000	3.0	\$99,000	\$1,848,000	\$1,848,000	
10435 Mob/Demob				\$0				\$0				\$0	\$0	\$0	
10436 Rig Extras	\$10,000	\$1,000	53.0	\$63,000		\$1,000	3.0	\$3,000		\$1,000	3.0	\$3,000	\$66,000	\$66,000	
Total				\$2,062,000				\$102,000				\$102,000	\$2,164,000	\$2,164,000	
SERVICES															
10440 Land owner approvals	\$10,000			\$10,000									\$10,000	\$10,000	
10441 Environmental	\$20,000			\$20,000				\$0				\$0	\$20,000	\$20,000	
10442 Sample Analysis (DSTs)	\$10,000			\$10,000				\$0				\$0	\$10,000	\$10,000	
10443 Sample storage and handling	\$6,000			\$6,000				\$0				\$0	\$6,000	\$6,000	
10444 Mud Logging	\$20,000	\$3,500	59.0	\$226,500		\$3,500	3.0	\$10,500		\$3,500	3.0	\$10,500	\$237,000	\$237,000	
10446 Cementing Services	\$30,000	\$2,000	59.0	\$148,000	\$20,000	\$2,000	3.0	\$26,000	\$20,000	\$2,000	3.0	\$26,000	\$174,000	\$174,000	
10447 Mud Engineering		\$1,200	53.0	\$63,600		\$1,200	3.0	\$3,600		\$1,200	3.0	\$3,600	\$67,200	\$67,200	
10449 Rented Equipment	\$10,000	\$1,000	59.0	\$69,000		\$1,000	3.0	\$3,000		\$1,000	3.0	\$3,000	\$72,000	\$72,000	
11441 Office Based Professional Services	\$10,000	\$1,000	59.0	\$69,000		\$1,000	3.0	\$3,000		\$1,000	3.0	\$3,000	\$72,000	\$72,000	
11442 Rig Supervision		\$1,800	59.0	\$106,200		\$1,800	3.0	\$5,400		\$1,800	3.0	\$5,400	\$111,600	\$111,600	
11444 Service Co. Flights & Accom	\$8,000	\$1,050	59.0	\$69,950				\$0				\$0	\$69,950	\$69,950	
Total				\$788,250				\$51,500				\$51,500	\$839,750	\$839,750	
TANGIBLES															
10611 Casing & Tubing	\$216,000			\$216,000				\$0	\$190,000			\$190,000	\$216,000	\$406,000	
10612 Casing Equipment	\$8,000			\$8,000				\$0	\$8,000			\$8,000	\$8,000	\$16,000	
10613 Wellhead Equipment	\$25,000			\$25,000	-\$15,000			-\$15,000	\$18,000			\$18,000	\$10,000	\$43,000	
Total				\$249,000				-\$15,000				\$216,000	\$234,000	\$465,000	
	Total to drill = \$4,136,700				Additional to P&A \$173,750				Additional to C&S \$435,750						
NOTES: Drill 12 1/4" surface hole to 450m. Run and cement 9 5/8" surface casing. Nipple up and test BOP's Drill 8 1/2" intermediate hole to 1800m. Run wireline logs. Run and cement 7" intermediate casing. Drill 6 1/8" production hole to 3250m. Run logs. Run DST (contingent on shows). P&A or run 5 1/2" casing. Well programmed for 53 days (spud to rig release) plus a 6 day rig move. 0.85 has been used as the US\$/AUS\$ exchange rate Mob/Demob charges and GSLM direct costs not included in this estimate												P&A		C&S	
										Well Cost =		\$4,300,450		\$4,562,450	
										10% Contingency =		\$430,045		\$456,245	
										Total cost =		\$4,730,495		\$5,018,695	

Appendix C – Historical Capital Raises

Date	Funding Source	Sum	Terms	Funding Completed	Explanation
1981-current	Malcolm Bendall	AUD \$30,000,000	Various	YES	Malcolm Bendall personal investment since project commencement
1981 - 1998	Various Private Placements	AUD\$9,360,827	Private investor subscriptions - various	YES	GSLM Shares
1998 - 2002	Various Private Placements	AUD\$3,968,625	Private investor subscriptions - various	YES	GSLM Shares
2003	Share Issuance	AUD\$6,505,409	5,000,000 ordinary shares @ AUD \$1.00/share issued by GSLM pursuant to S718 Corporations Act 2001 (Australia)	YES	Take up of shares, offer information statement & bonus share issue to existing shareholders
2004 - 2005	Various Private Placements	AUD\$539,139	Private investor subscriptions – 20/20 Rule	YES	SEL 13/98 renewal period. Reverse merger with GSLM. June 2005.
2006	RAB Capital Plc.	USD\$1,500,000	6% convertible debenture & warrants	YES	
2006	Issuance of Floating Rate Notes	AUD\$6,022,137	Empire instruments, secured via Purchase Agreement with Wind City	YES	Financing exploration activities
2007 - 2010	Various Private Placements	AUD \$10,303,863	Funded through various subscriptions to Empire Energy Common Stock (USA)	YES	
2008	SmartWin (SinoPec - China)	Initial: USD\$5 million Total: USD\$50 million	\$45 million for 45% Equity Joint Venture Position	PARTIALLY	SmartWin advanced only \$3.9 million and subsequently defaulted on the contractual terms of the finance agreement.
2010	Gulf Based Oil Company	USD\$200 million	\$200 million debt 70/30 JV Partner expenses covered	NO	Intermediary source failed due diligence process

Appendix D – Australian Oil & Gas Facilities

Oil and gas facilities

