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19 April 2013

Dear Optionholder,

RE: NON RENOUNCEABLE ENTITLEMENT ISSUE OF SHARES

The Directors of Empire Oil & Gas NL (Empire or the Company) announced on 19 April 2013 a 1-for-9 pro rata non-renounceable entitlements issue to shareholders, to raise a minimum of approximately \$6.19 million (Entitlement Issue).

The Entitlement Issue will be offered to existing shareholders on the basis of one (1) New Share for every nine (9) Shares held at the record date at an issue price of \$0.01 per share (**New Share**) to raise approximately \$6.19m (before costs). Based on the Company's current issued capital the Entitlement Issue will result in 619,430,743 New Shares being issued.

Empire also announced the Record Date of 5:00pm (WST) on 1 May 2013 for the purposes of determining shareholders entitled to participate in the Entitlement Issue (**Record Date**). An Offer Document containing full details of the Entitlement Issue was lodged with ASX on 19 April 2013 and will be dispatched to all shareholders on 6 May 2013. The Offer Document will be available on the ASX website (company announcements section, ASX code: EGO) at www.asx.com.au.

Under the terms of the options you currently hold, there is no entitlement to participate in the Entitlement Issue, unless you exercise your options and are entered onto the register as a shareholder on or before the Record Date. Under the terms of your options you are entitled to receive 2 business days' notice of the Entitlement Issue. The purpose of this letter is to give you that notice in order to permit you to participate in the Entitlement Issue, should you wish to do so.

To exercise some or all of your options, you should complete a Notice of Exercise of Options and lodge the Notice with the Company, together with your payment for the number of shares you wish to take up. Please ensure that payment for the exercise of options is received by the Company by 26 April 2013, otherwise you may not be able to participate in the Entitlement Issue (in respect of the number of options exercised).

If you do not wish to participate in the Entitlement Issue (in respect of your options), you do not need to take any action.

This letter is only intended to inform you of your rights in relation to your options. This letter is not an offer or an invitation to acquire shares in Empire or to participate in the Entitlement Issue.

If you require further information, please contact the Company Secretary, on (61-8) 6389 2688, during normal business hours.

Yours faithfully

JL Craig Marshall
Managing Director
EMPIRE OIL & GAS NL