

# Statement of Reasons

## *Petroleum Act 1984*

### Determination and reasons for determination as to appropriate person to hold permit or licence

---

Applicant *Imperial Oil & Gas A Pty Limited*  
*ACN 649 305 411*  
*Head office:*  
*Level 19, 20 Bond Street*  
*Sydney NSW 2000*  
*Email: info@empiregp.net*

---

Associated entities *Empire Energy Group Limited*  
*ACN 002 148 361*  
*Head office:*  
*Level 19, 20 Bond Street*  
*Sydney NSW 2000*  
*Email: info@empiregp.net*

---

Permit or licence being applied for *Exploration Permits 167, 168, 169, 198 and 305*

---

Date of determination *30 September 2021*

---

#### **1. Background**

- (a) The Applicant has applied for the transfer of a permit or licence under the *Petroleum Act 1984* (the Act).
- (b) Section 15A of the Act requires me to be satisfied that the Applicant, and any associated entity of the Applicant, is an appropriate person to hold a permit or licence under the Act. In making that determination, I must have regard to the matters set out in section 15A(1) and, where necessary, section 15A(2).
- (c) Section 15A(5) provides that I must publish, on the Agency's website, the reasons why I have determined that an Applicant, and any associated entity of the Applicant, is or is not an appropriate person to hold a licence or permit under the Act.
- (d) This document contains my determination and my reasons.

## 2. Determination

- (a) I am satisfied that the Applicant, and any associated entity of the Applicant, is an appropriate person to hold a licence or permit under the Act.

## 3. Reasons for determination

- (a) I have had regard to the matters set out in section 15A.
- (b) Where there is a reference to a director, I have taken into consideration any person concerned in the management of the body corporate as is required by section 15A(3).
- (c) The table below sets out the matters referred to in section 15A(1). I set out in that table the material factors that are relevant to each such matter.

Section in Act	Matter	Material factors
15A(1)(a)	<p>The Applicant or associated entity's record of compliance with the prescribed legislation, including:</p> <p>(i) whether the Applicant or entity has contravened any of the prescribed legislation; and</p> <p>(ii) the seriousness of any contraventions; and</p> <p>(iii) the length of time since the contraventions (if any) occurred; and</p> <p>(iv) any other matter the Minister considers relevant.</p>	<p><i>The Applicant and entity have not contravened the prescribed legislation.</i></p> <p><i>The Applicant has not held tenure in the Northern Territory, however the associated entity has held tenure as listed in 15A(1)(b) below.</i></p> <p><i>An interrogation of the documents listed in 2(e) below established that there had been no acts of non-compliance with the prescribed legislation by the associated entity.</i></p>
15A(1)(b)	<p>Whether the Applicant or associated entity has held a licence or other authority under the prescribed legislation where that licence or authority has been suspended or revoked.</p>	<p><i>The Applicant has not held a licence or other authority under the prescribed legislation.</i></p> <p><i>The associated entity does not hold tenure, however it is the parent entity of Imperial Oil &amp; Gas Pty and Empire Energy E&amp;P, LLC, which hold tenure in the Northern Territory and the United States, respectively, being:</i></p> <p><b>Imperial Oil &amp; Gas Pty Limited</b></p> <ul style="list-style-type: none"> <li>• <i>granted Exploration Permits (EP) 184 and 187</i></li> </ul>

		<ul style="list-style-type: none"> <li>• EP applications 180, 181, 182, 183, 188 and 319-342 (inclusive).</li> </ul> <p><b>Empire Energy E&amp;P, LLC</b></p> <p>Refer to the ASX report – <a href="#">Petroleum Tenements Held</a>, dated 31 March 2021.</p> <p>These licences or authorities have not been suspended or revoked.</p>
15A(1)(c)	Whether in the opinion of the Minister, the action or thing to be authorised by the permit or licence is or will be under the control of a technically competent person.	<p>The Applicant has provided:</p> <ul style="list-style-type: none"> <li>• a statement of technical capability for its personnel and contractors</li> <li>• CV's of its personnel</li> <li>• CV's of its contractors</li> <li>• its contractors: <ul style="list-style-type: none"> <li>○ Well Integrity Management System</li> <li>○ Well Control Manual</li> <li>○ Management of Change procedure</li> <li>○ Certificate of Registration</li> </ul> </li> </ul> <p>The associated entity and its contractors are known to the department and the documents provided by the Applicant are acceptable for the management of well integrity and control.</p> <p>All key personnel have extensive experience in the oil and gas industry.</p> <p>For these reasons, I am of the opinion that the action or thing will be under the control of a technically competent person.</p>
15A(1)(d)	Whether in the opinion of the Minister, the Applicant or associated entity is of good repute, having regard to character, honesty and integrity.	<p>The Applicant and associated entity have provided a statement that they consider themselves to be of good repute, having regard to character, honesty and integrity.</p>

		<p><i>Evidence of this is provided by the associated entity's activities under the prescribed legislation to date.</i></p> <p><i>For these reasons, I am of the opinion that the Applicant or associated entity is of good repute.</i></p>
15A(1)(e)	Whether the Applicant or associated entity has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty	<i>The Applicant or associated entity have not, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.</i>
15A(1)(f)	<p>Whether the Applicant or associated entity, within the previous 3 years:</p> <p>(i) was an undischarged bankrupt; or</p> <p>(ii) applied to take the benefit of any law for the relief of bankrupt or insolvent debtors; or</p> <p>(iii) entered into an arrangement with the Applicant or entity's creditors or made an assignment of the Applicant or entity's remuneration for their benefit.</p>	<i>None of these events has occurred within the previous 3 years.</i>
15A(1)(g) 15A(3)	Whether the Applicant or associated entity is or was a director of a body corporate that is the subject of a winding-up order or for which a controller or administrator has been appointed within the previous 3 years	<i>None of these events has occurred within the previous 3 years.</i>
15A(1)(h)	Whether the Applicant has demonstrated to the Minister the financial capacity to comply with the Applicant's obligations under the permit or licence.	<p><i>When considering the Applicant's financial capacity, consideration was given to:</i></p> <ul style="list-style-type: none"> <li>• <i>the associated entity's:</i> <ul style="list-style-type: none"> <li>○ <i>Half Year Financial Report for period ending 30 June 2021</i></li> <li>○ <i>Quarterly Report issued 31 March 2021</i></li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ Annual Report ending 31 December 2020</li> <li>○ a declaration from the Financial Controller detailing the current cash resources available to the Applicant</li> <li>○ a declaration from the Vice President, Business Development, being a qualified chartered accountant, addressing the Applicant's capacity to undertake its obligations and commitments</li> <li>○ current and future funds available, and the magnitude and timing of obligations associated with the permits.</li> </ul> <p>The Applicant will have the benefit of the associated entity's financial capacity to enable it to comply with its obligations under the permits.</p> <p>Independent probity reports were obtained for the Applicant, the associated entity and their directors, and no adverse details were reported.</p> <p>For these reasons, the Applicant has demonstrated the financial capacity to comply with its obligations under the permit or licence.</p>
15A(1)(i)	Whether the Applicant or associated entity is in partnership, in connection with the action that is the subject of the permit or licence, with a person whom the Minister does not consider to be an appropriate person having regard to the matters listed in section 15A(1) (being the matters above) and section 15A(2) (being the matters below).	<p>The Applicant or associated entity is not in partnership with any other person.</p> <p>The term 'partnership' does not include Joint Ventures.</p>
15A(1)(j)	Any other matters the Minister considers relevant in determining whether a person	I do not consider that any other matters are relevant.

	is an appropriate person to hold a permit or licence.	
<p><i>If the Applicant or entity is not a body corporate, the matters below do not need to be considered.</i></p>		
15A(2)(a) 15A(3)	<p>Whether a director of the Applicant or associated entity:</p> <p>(i) has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked; or</p> <p>(ii) is or has been the director of another body corporate that has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked</p>	<p><i>The Applicant is Imperial Oil &amp; Gas A Pty Limited, and the director and any persons concerned in the management of the company are:</i></p> <ul style="list-style-type: none"> <li>• <i>Alexander Underwood, Director</i></li> <li>• <i>Andrew Phillips, Company Secretary</i></li> </ul> <p><i>The directors have not contravened the prescribed legislation.</i></p> <p><i>The directors have not held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The directors are not and have not been a director of another body corporate that has contravened the prescribed legislation.</i></p> <p><i>The directors are not and have not been a director of another body corporate that has held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The Applicant is a subsidiary of the associated entity. Refer to 15A(2)(b) for details about the directors and persons concerned in the management of the associated entity.</i></p>
15A(2)(b) 15A(3)	<p>In the case of a body corporate that is the subsidiary of another body or company (the <b>parent company</b>) – whether:</p> <p>(i) the parent company or a director of the parent company has contravened the prescribed legislation or</p>	<p><i>The parent company is Empire Energy Group Limited, and the directors and any persons concerned in the management of the parent company are:</i></p> <ul style="list-style-type: none"> <li>• <i>Alexander Underwood, Managing Director</i></li> <li>• <i>Paul Espie AO, Chair and Non-Executive Director</i></li> </ul>

	<p>has held a licence or other authority under the prescribed legislation that has been suspended or revoked; or</p> <p>(ii) a director of the parent company is or has been the director of another body corporate that has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked.</p>	<ul style="list-style-type: none"> <li>• Peter Cleary, Non-Executive Director</li> <li>• Louis Rozman, Non-Executive Director</li> <li>• John Warburton, Non-Executive Director</li> </ul> <p><i>The parent company and the directors of the parent company have not contravened the prescribed legislation.</i></p> <p><i>The parent company and the directors of the parent company have not held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p> <p><i>The directors of the parent company have not been a director of another body corporate that has contravened the prescribed legislation.</i></p> <p><i>The directors of the parent company have not been a director of another body corporate that has held a licence or other authority under the prescribed legislation that has been suspended or revoked.</i></p>
15A(2)(c) 15A(3)	The record of compliance with the prescribed environmental legislation of any director of the Applicant or associated entity.	<p><i>The directors of the Applicant have provided signed statements that they have remained compliant with the prescribed environmental legislation.</i></p> <p><i>The Applicant has confirmed that the directors of the associated entity id in full compliance personally with relevant laws.</i></p> <p><i>I am not aware of any breach of the prescribed legislation.</i></p>
15A(2)(d) 15A(3)	Whether in the opinion of the Minister, a director of the Applicant or associated entity is of good repute, having	<i>The Applicant has provided a statement that it considers the directors of its parent company to be of good repute, having regard to character, honesty and integrity.</i>

	regard to character, honesty and integrity.	<i>There is no evidence available that suggests otherwise. For these reasons, I am of the opinion that each director is of good repute.</i>
15A(2)(e) 15A(3)	Whether a director of the Applicant or associated entity has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.	<i>No director nor any person concerned in the management has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty.</i>
15A(2)(f)	Whether the Applicant or associated entity is the subject of a winding up order or has had a controller or administrator appointed within the previous 3 years.	<i>None of these events has occurred within the previous 3 years.</i>

- (d) *In making my determination I have had regard to each of the matters noted above.*
- (e) *In making my determination I have had regard to documents that include the following:*
- (i) *The Applicant's statement of technical capability for its personnel and contractors.*
  - (ii) *CV's for the Applicants personnel and contractors.*
  - (iii) *The Applicant's statement addressing the appropriate person requirements.*
  - (iv) *Signed statements from the Applicant's Directors.*
  - (v) *The contractors Well Integrity Management System.*
  - (vi) *The contractors Well Control Manual.*
  - (vii) *The contractors Management of Change procedure.*
  - (viii) *The contractors certificate of registration.*
  - (ix) *The Petroleum Tenements Held report, dated 31 March 2021, from the Australian Securities Exchange (ASX).*
  - (x) *The associated entity's Half Year Report ending 30 June 2021.*
  - (xi) *The associated entity's Quarterly Report issued 31 March 2021.*
  - (xii) *The associated entity's Annual Report ending 31 December 2020.*
  - (xiii) *A declaration from the Applicant's Financial Controller detailing the current cash resources available to the Applicant.*
  - (xiv) *A declaration from the Vice President, Business Development, being a qualified chartered accountant, addressing the Applicant's capacity to undertake its obligations and commitments.*



- (xv) *Probity reports generated by Illion Direct and Equifax for Empire Energy Group Limited.*
- (xvi) *Probity report generated by Equifax for Imperial Oil & Gas A Pty Limited.*
- (xvii) *Department of Industry, Tourism and Trade information and data.*
- (xviii) *ASX information and data.*
- (xix) *Australian Securities and Investments Commission information and data.*

Dated this 30<sup>th</sup> day of September 2021

Made under the *Petroleum Act 1984* of the Northern Territory of Australia



JAMES ROBERT PRATT

Senior Executive Director Energy Development