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Empyrean Energy PLC
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This announcement contains inside information

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Empyrean Energy plc

Ministerial Approval of Mako Gas Price & Allocation

23 February 2024

Summary

Empyrean Energy plc ("**Empyrean**" or the "**Company**"), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to advise that Conrad Asia Energy Ltd ("**Conrad**"), the operator and 76.5% partner of the Mako Gas Field in the Duyung PSC, Indonesia ("**Mako**"), today announced that the gas price and volume allocation for Mako have been approved by the Indonesian Minister of Energy and Natural Resources (the "**Minister**"). This is a significant milestone that allows Conrad to finalise fully termed Gas Sales Agreements ("**GSA**"). The Mako project will contribute to Indonesia's target of doubling gas production by 2030.

Highlights

- **SKK Migas, the Indonesian upstream regulator, has informed Conrad that the Indonesian Minister of Mining and Natural Resources ("Minister") has issued a letter ("Allocation Letter") which approves the volumes and prices for gas exported and sold domestically from the Mako gas field in the Natuna Sea.**
- **The Allocation Letter is a key step in advancing the documentation for the sales of Mako gas and access to the West Natuna Transport System ("WNTS"), as it serves as the formal basis for reserving pipeline capacity for the evacuation of Mako gas. As previously disclosed, Conrad is continuing to work with the relevant parties and SKK Migas to finalise the GSAs (with customary conditions precedent).**

Duyung PSC - Mako Gas Field

Empyrean holds an 8.5% non-operated interest in the Duyung PSC which is located in the Riau Islands Province, Indonesian waters in the West Natuna area, approximately 100 km to the north of Matak Island and about 400 km northeast of Singapore.

In Q3 2023, Conrad signed a non-binding term sheet with Sembcorp, a major Singapore energy company, which outlines the key terms and serves as the basis for negotiating a definitive GSA.

SKK Migas has informed Conrad that the Minister issued the Allocation Letter authorising the volumes and prices of Mako gas for export and domestic sale.

In line with its Domestic Market Obligation ("**DMO**") as set out in the POD, Conrad has progressed negotiations of the sales of the domestic portion of Mako gas to a domestic buyer. Subject to the construction of the pipeline connecting the WNTS with Batam, Conrad intend to sell Mako gas to a domestic buyer to satisfy its DMO representing approximately 29.5% of Mako gas sales volumes. Conrad and the domestic buyer are finalising a formal agreement to govern these arrangements.

Empyrean CEO, Tom Kelly, stated: "This approval from the Minister of Energy and Natural Resources in Indonesia of the gas pricing and allocation is welcomed as an important milestone towards completing definitive and binding Gas Sales Agreements for Mako gas. It is very pleasing to see support from the Indonesian Government for the Mako Gas Field that will help Indonesia transition to cleaner fuels for energy."

For further information please contact the following:

Empyrean Energy plc

Tom Kelly

Tel: +61 6146 5325

Cavendish Capital Markets Limited (Nominated Advisor and Broker)

Neil McDonald

Tel: 0131 220 6939

Pearl Kellie

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