

Empyrean Energy Plc / Index: AIM / Epic: EME / Sector: Oil & Gas

Empyrean Energy plc

Block 29/11 China update

13 June 2024

Empyrean Energy plc ("**Empyrean**" or the "**Company**"), the oil and gas development company with interests in China, Indonesia and the United States, provides the following update on Block 29/11 offshore China.

As announced on 4 May 2022, in order to proceed with the second phase of exploration on Block 29/11 Empyrean committed to drill the Topaz project by 12 June 2024. As of that date, Empyrean has not commenced the drilling of the Topaz prospect and therefore has not met the requirements to continue the cooperation on Block 29/11 with China National Offshore Oil Company ("CNOOC").

During 2023, Empyrean engaged LAB Energy Advisors (London) with respect to broadening the reach for possible risk sharing alternatives and farm out opportunities for the Topaz prospect. Despite strong interest in the technical merit of the Topaz prospect, no farm out deal has been reached as of today's date.

Empyrean has put forward a submission to CNOOC for an extension on Block 29/11.

The Company will make a further announcement should its request for an extension be granted.

Empyrean's plan is to maximise the value in its 8.5% interest in the Mako gas field discovery on the Duyung permit in Indonesia. The sell down process being coordinated by the operator of the Duyung permit through Jefferies International Bank is ongoing.

A binding Gas Sales Agreement ("GSA") is seen by Empyrean as being a likely requirement or precursor to the completion of any sell down transaction. Heads of Agreement ("HOA") have been reached for both domestic gas into Indonesia, subject to transportation pipelines being built, and for gas sales for the majority of Mako gas into Singapore (and 100% if domestic transportation pipelines are not built). Both of these HOAs are anticipated to be converted to binding GSAs in the near term.

Empyrean CEO, Tom Kelly, stated:

"Empyrean continues to enjoy a very professional and cooperative working relationship with CNOOC on Block 29/11. We will do everything within our control to continue this working relationship. Empyrean acknowledges that negotiating GSA's involving governments and government bodies are often protracted in their negotiation timelines and these delays have impacted Empyrean's ability to fund its objectives in China in a timely fashion. In any case, we will continue to work towards maximising the substantial value from our Mako discovery in Indonesia in order to move forward with our plans to create value for shareholders. By making the submission for an extension in China, we plan to have options in addition to the existing projects in the Sacramento Basin. We are also being proactive in identifying additional low risk/high impact opportunities that will complement our portfolio as we monetise Mako."

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: +44 (0) 20 7297 8900

Pearl Kellie

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