

Regulatory Announcement

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Company [Empyrean Energy PLC](#)
TIDM EME
Headline Participation Agreement
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 Empyrean Energy PLC
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Empyrean Energy PLC
 ("Empyrean" or the "Company"; Ticker: (EME))

Bondi Prospect : Texas USA

- Empyrean signs Participation Agreement for new deal with Texon E & P, Inc.
- 30-76 Bcfe Bondi Prospect to be drilled Q4 2007
- Empyrean earning 15% working interest by paying 20% of costs
- Option, following drilling of Bondi Prospect, to drill 28-62 Bcfe Coogee Prospect

AIM listed Empyrean is pleased to announce a new Participation Agreement with Texon E & P, Inc, the USA operating subsidiary of ASX listed Texon Petroleum Limited ("Texon" - ASX code TXN) to earn a 15% working interest in Texon's Bondi Prospect situated onshore in Texas in the Gulf Coast region.

The Bondi Prospect is a 30-76 billion cubic feet equivalent ("Bcfe") gas target. The target is the prolific upper Wilcox formation and 3D seismic has been used to identify the drilling prospects. Under the agreement, Empyrean will fund 20% of the cost of drilling, testing and completing the well in order to earn a 15% working interest. If total costs exceed US\$3,840,000 then Empyrean will contribute to further costs at 15% thus capping Empyrean's exposure to any potential drilling cost blow outs. Empyrean will also reimburse Texon US\$90,000, representing 15% of the prospect generation fee, land and lease costs.

Following the drilling of the Bondi Prospect, Empyrean will have a 90 day option to decide to drill, test and subsequently develop the Coogee Prospect, a 28-62 Bcfe target close to the Bondi Prospect. If Empyrean decides to participate on this prospect it will do so on similar terms to the Bondi Prospect and Empyrean will reimburse Texon US\$27,000 representing 15% of the prospect generation fee.

Following the drilling of the Bondi and Coogee Prospects, Empyrean will earn the right to participate on the basis of a 15% working interest in any prospects to be drilled by Texon on an area of mutual interest covering approximately 25km². A further update will be made when the spud in date becomes known.

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