

Regulatory Announcement

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Company [Empyrean Energy PLC](#)
TIDM EME
Headline Sugarloaf Block A Update
Released 07:30 11-Jan-08
Number 5707L



RNS Number:5707L
 Empyrean Energy PLC
 11 January 2008

Empyrean Energy PLC
 ("Empyrean" or the "Company"; Ticker: (EME))

Sugarloaf Block A, Texas USA

- TCEI JV Block A # 3 well encounters significant further gas shows and flares whilst drilling, and the well was trying to flow naturally, prompting an open hole test prior to reaching planned total depth.

Empyrean, the AIM listed oil and gas company with exploration and production assets in Germany and USA today announces the following regarding Sugarloaf Block A in Texas, USA:

TCEI JV Block A-3 Well

Empyrean has been advised by the operator that significant further gas shows and multiple gas flares have been encountered over approximately 2,700 feet during drilling of the horizontal section of the well in the target zone. It is important to note that the shows and flares were encountered whilst drilling with relatively heavy mud weight and that the well was observed as trying to flow naturally. This has prompted the operator to cease drilling at a measured depth of 15,100 feet prior to the planned total depth of 17,800 feet in order to carry out a natural open hole test to see if the well will flow commercially without stimulation.

The drilling rig has been released in order to bring in a workover rig to run tubing and commence testing as a natural open hole completion. Depending upon testing results the operator has advised that a water frac may then be used to enhance flow rates. If non-commercial flow rates are sustained following a water frac then it is likely the operator will bring the drilling rig back on site to continue drilling to the original planned total depth.

The testing is expected to commence shortly and a further announcement will be made when the workover rig arrives on site prior to commencing testing.

The commercial significance of the gas shows will not be known until the full results of any testing are analyzed.

TCEI JV Block A-1 Well

Present operations are the running of 4 1/2" casing to tie back the 4 1/2" liner in the horizontal section of the well all the way back to the surface. This is being done in order to get a higher pressure rate than the previous 7" casing

would allow, such that effective fracture stimulation can be carried out using a conventional gel sand frac. The 7" casing did not allow for high enough pressure to effect the fracture stimulation.

Further updates will be provided as soon as developments occur.

The information contained in this announcement was completed and reviewed by the Technical Director of Empyrean Energy Plc, Mr Frank Brophy BSc (Hons) who has over 40 years experience as a petroleum geologist.

Commenting today, Empyrean director Tom Kelly said: "The significant gas shows and flares from the TCEI JV Block A-3 well and the fact that the well was trying to flow whilst drilling with heavy mud are very positive developments. If the well flows naturally or with the less expensive water frac, then this is potentially a very exciting development for the potential of wells in this area. In any case this is an exciting well that has encountered several sweet spots whilst drilling and we look forward to the results of testing"

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