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Empyrean Energy PLC - EME Macquarie Bank Facility Re-finance and drawdown
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Empyrean Energy PLC ('Empyrean' or 'the Company') Macquarie Bank Facility Re-finance and drawdown

Empyrean Energy, the profitable US onshore oil, gas and condensate exploration, development and production company with assets in Texas and California, is pleased to announce that it has reached an agreement with Macquarie Bank Limited ('Macquarie') for additional debt funding under Tranche B of its facility (the 'Facility'). The further proceeds from the Facility will be used to finance the Company's continued participation in the continued development of its flagship Sugarloaf AMI Project in onshore Texas ('Sugarloaf' or the 'Project').

Empyrean has a 3% working interest in the Project, which is operated by Marathon Oil Company, a subsidiary of US major Marathon Oil Corporation (NYSE: MRO) ('Marathon' or the 'Operator').

Macquarie has agreed to make US\$11,000,000 available to the Company immediately under the Facility and has indicated that further amounts may also be available in due course, subject to satisfaction of certain conditions, including further credit approvals and well performance and reserve hurdle criteria.

The total amount outstanding on the Facility following the drawdown and the scheduled repayment of US\$1 million on 31 March 2015 will be US\$21.67 million.

The interest rate payable on the Facility will remain unchanged at 9% p.a. plus LIBOR. The Company has also restructured the amortisation and repayment profile of the Facility, such that loan repayments will be reduced to US\$1,000,000 per quarter commencing 31 March 2015 through to 30 June 2016, after which they will increase to US\$3 million, US\$4 million, US\$5 million and US\$6 million on 30 September 2016, 31 December 2016, 31 March 2017 and 30 June 2017 respectively.

In order to secure the financing described above, the Company has conditionally agreed to issue a further tranche of options to Macquarie in respect of 15,000,000 ordinary shares in the Company (the 'Options') at an exercise price of £0.10 per Option and with an expiry date of 4 years from the date of issue of the Options. The Company does not currently have sufficient authority to enable the grant of

the Options and, accordingly, Shareholder approval will be sought for the grant of the Options at a meeting to be held on or before 27 July 2015. In the event that such Shareholder approval is not obtained, the Company will be required to pay to Macquarie an amount in cash or other consideration acceptable to Macquarie having a value equivalent to the Options which have not been granted. In addition, the Company is required to enter into hedging arrangements acceptable to Macquarie in respect of a portion of its production.

In addition, the Company has agreed that the expiry date attaching to all existing tranches of options granted to Macquarie will be amended as follows:

Options	Exercise Price	Old expiry	New expiry
15,000,000	£0.08	19 July 2016	19 July 2017
15,000,000	£0.10	19 July 2016	19 July 2017
15,000,000	£0.12	25 March 2017	25 March 2018

Empyrean CEO, Tom Kelly said, *"Empyrean is pleased to have been able to secure additional debt financing during some of the most challenging market conditions the industry has seen in recent years. This achievement speaks volumes for the quality of the Sugarloaf asset and will allow Empyrean to participate in the further development at Sugarloaf based on the current indicative development programme planned by Marathon for 2015. This programme includes current plans to drill approximately 100 wells during 2015, with a significant number of those targeting the Austin Chalk formation.*

"As stated previously, Marathon continues to optimise well performance and drilling and completion costs continue to decrease. We are confident that further data gathered from existing Austin Chalk wells, in conjunction with additional Austin Chalk wells coming on line at lower spacing density, have the potential to deliver a significant increase in contingent resources along with an increase in proven reserves for existing producing locations in the short to medium term.

"Empyrean believes that the Sugarloaf project remains robust at current commodity prices and aims to capitalise on the improved efficiencies and the potential increases in reserves that the co-development of the Eagle Ford Shale with the overlying Austin Chalk can deliver to ensure the Company is well positioned to benefit from any recovery in oil prices moving forward. Empyrean thanks Macquarie for its continued support."

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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.

Notes to Editors:

Empyrean Energy Plc is an AIM listed (Ticker: EME) profitable US on-shore oil, gas and condensate exploration, development and production company with assets in Texas and California. The Company's

portfolio represents a mix of assets at various stages of development. Its flagship project is the Sugarloaf AMI in the prolific Eagle Ford Shale, Texas, where it has a 3% working interest in approximately 24,000 gross acres centrally positioned in the liquids rich sweet-spot within the field. Empyrean has an interest in 205 gross producing wells with full development expected to reach over 770 wells. Further development of the Eagle Ford Shale anticipated to require in the order of a further 300 wells, with down spacing potential of a further 200 wells. Further development of the Austin Chalk anticipated to require in the order of a further 300 wells, with down spacing potential of a further 235 wells. The Company has a term debt facility of up to US\$50 million with Macquarie Bank, subject to reserve hurdles and drawdown approvals, in place in order to develop this acreage which is operated by US major Marathon Oil Company.

Other assets include a 58.084% interest in the Eagle Oil Pool Development Project located in the San Joaquin Basin, southern California, a proven oil and gas province. Empyrean's large working interest in this project provides the Company with flexibility and leverage with potential high impact from success. Additionally, Empyrean has a 7.5% interest in the Sugarloaf Block A operated by ConocoPhillips in the Eagle Ford Shale, and a 10% working interest in the Riverbend Project in Texas.

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