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Company	Empyrean Energy PLC
TIDM	EME
Headline	Further re: US\$50m Debt Facility
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Empyrean Energy PLC

("Empyrean", "EME" or the "Company"; Ticker (EME))

EMPYREAN EXECUTES FACILITY AGREEMENT WITH MACQUARIE BANK LIMITED FOR A US\$50 MILLION TERM DEBT FACILITY TO FUND DEVELOPMENT OF EAGLE FORD SHALE CONDENSATE AND GAS PROJECT

Further to the announcement on 18 April 2012, Empyrean is pleased to announce that it has today executed a facility agreement with Macquarie Bank Limited ("Macquarie") to provide a 3 year term debt facility for up to US \$50 million ("the Facility") to support its participation in the development of the Sugarloaf Project, an Eagle Ford Shale Condensate and Gas development project in onshore Texas, USA.

As outlined in the previous announcement under the terms of the agreement, US\$10 million will initially be available once all conditions precedent have been met. A further US\$5 million would subsequently become available, if necessary, subject to increases in proven reserves that are expected to be gained via the drilling and successful completion of further development wells. The balance of funds would become available, if necessary, subject to further reserve hurdles being agreed upon and met. The interest rate will be based on LIBOR plus a fixed 9% per annum on amounts drawn down.

The Facility also requires that options be granted to Macquarie as draw downs occur. The options are in three tranches - the first tranche of 15,000,000 options will have a strike price of 8p the second tranche of 15,000,000 options will have a strike price of 10p and the third tranche of 15,000,000 options will have a strike price of 12p. The first two tranches of options will vest contemporaneously with the conditions precedent being met and just prior to first drawdown under the Facility. The third tranche of

options will vest upon a further US\$5m being made available and the first US\$1m of that amount being drawn down.

The remaining conditions precedent are of a standard nature and are not onerous and it is anticipated that these can be satisfied in the coming days.

The Facility will see Empyrean fully funded for the anticipated drilling and development schedule through 2012.

Commenting today, Empyrean CEO Tom Kelly said "Empyrean is extremely pleased to have executed the facility agreement with Macquarie. We have flexibility under the Facility to respond quickly to any acceleration in the development schedule should the need arise. The execution of the Facility with Macquarie places Empyrean in the strongest financial position ever in the Company's short history. We look forward to building on the relationship with Macquarie and to the successful further development at the Sugarloaf Project."

A further announcement will be made once all conditions precedent have been satisfied.

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