



INVESTOR PRESENTATION MARCH 2014

EMPYREAN

Energy Plc

“A profitable onshore US oil & gas development and production company focussed primarily on the development of its productive assets in Texas and California”



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Sugarloaf AMI
South Texas
3% WI
Operator: Marathon Oil

EAGLE FORD SHALE: PRODUCTION & DEVELOPMENT
AUSTIN CHALK: APPRAISAL

Sugarloaf Block A
South Texas
7.5% WI
Operator: ConocoPhillips

PRODUCTION

Riverbend Project
East Texas
10% WI
Operator: Krescent
Energy Partners II, LP

PRODUCTION

**Eagle Oil Pool
Project**
Onshore California
57.2% WI
Operator: Strata-X

ADVANCED EXPLORATION



OVERVIEW

- Profitable AIM listed oil and gas production company with multiple onshore US projects targeting proven formations at varying stage of development
- Current 1P Reserves of 2.3 million barrels of oil equivalent ('MMboe') and 2P Reserves of 4.39MMboe at flagship Sugarloaf AMI project – updated CPR currently being modelled
- Excellent financial growth evidenced by interim results for six months to 30 September 2013 including over 3,500% increase in net profit to £2.4million following success and step up in drilling in the Eagle Ford Shale, Texas
- Strong US operators - US majors including Marathon Oil and ConocoPhillips
- Up to US\$50 million loan from Macquarie Bank to develop the flagship Sugarloaf AMI
- Blue sky to come from the potential to add Austin Chalk production to Eagle Ford Shale production
- Marathon is accelerating its Eagle Ford Shale activity in 2014
- Experienced Board with strong understanding of the oil and gas arena



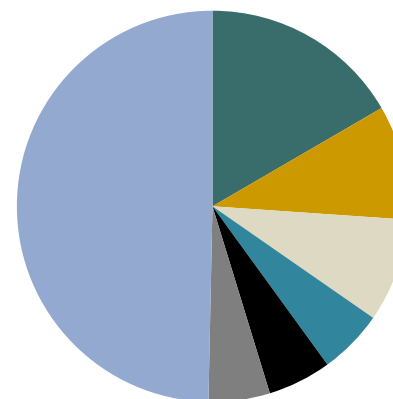
CORPORATE STRUCTURE

Market	EPIC	Share Price	Shares in Issue	Market Cap	12 month price range	Cash	Debt Facility	Drawn Debt	Repaid Debt
AIM	EME	13 pence	221 million	£29.52 million	5.1 – 13.5 pence	US\$1.93 million	US\$50 million	US\$12.75 million	US\$2 million

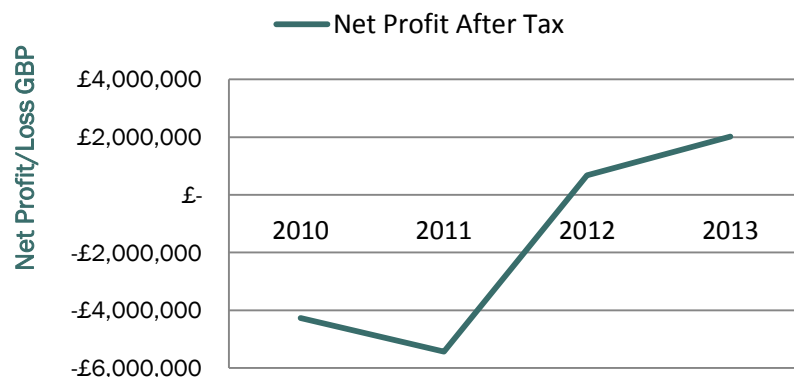
Board of Directors

Non-exec Chairman: Patrick Cross
 Chief Executive Officer: Tom Kelly
 Technical Director: Frank Brophy
 Finance Director: John Laycock

Significant Shareholders



Full Year Net Profit After Tax Growth



EXCELLENT FINANCIAL GROWTH

Interim Results for 6 months ending 30 September 2013

3,512% increase
in net profit to
£2,384,000

Net profit
18% higher
than FY ended 31 March
2013

354% increase
in gross profit to
£3,152,000

136% increase
in revenue to
£3,829,000

Significant upside potential with a highly increased well inventory and accelerated drilling pace planned for 2014 (guidance indicates 100-110 wells compared to 52 in 2013)



EXPERIENCED BOARD

Patrick Cross
Non-Executive Chairman

Dr Cross is experienced in corporate finance, organisation structures, marketing and joint venture operations. His previous positions include 25 years with British Petroleum specialising in strategic business development and six years as MD of BBC World Ltd. Dr Cross has operated in South America, Far East, Europe and the UK, establishing Government European Union relationships at senior levels. He is currently non executive director of Orca Interactive Limited.

Tom Kelly
Chief Executive Officer

Mr. Kelly has over 20 years corporate, finance and investment banking experience. During this period Mr Kelly has had involvement in and been responsible for the financing of numerous listed companies on the ASX and several mergers and acquisitions within the Australian corporate sector. Mr Kelly manages the commercial operations of the Company and investigates additional opportunities.

Frank Brophy
Technical Director

Mr. Brophy has over 48 years experience as a petroleum geologist in the exploration, development and production of many world class projects. Mr Brophy's roles have seen him involved in operations in many locations around the world including Australia, Asia, Europe, USA and the Middle East. Recent experience includes 4 years as General Manager of the Hanoi operation in North Vietnam, for French based company Maurel & Prom. Mr Brophy's previous positions also include his former role as Manager of International Business Development for Ampolex Limited, Chief Geologist of Elf Aquitaine Australia and Exploration Manager for 5 years with Peko Oil Limited.

John Laycock
Financial Director

Mr. Laycock has over 30 years experience in accounting, finance and risk management. His previous positions include 22 years with British Petroleum both in the UK and international experience in France and Japan. Mr. Laycock has a degree in Mechanical Engineering from Bristol University and is a Chartered Management Accountant. He is currently working for an electricity generating company and is based in the UK.

1

To increase production and reserves by developing Empyrean's advanced hydrocarbon production and development projects, which have excellent technical merit, in order to build shareholder value

2

Projects have drill ready targets and have access to good processing and production infrastructure to de-risk project potential – Austin Chalk potential at Sugarloaf AMI fits perfectly into the strategy

3

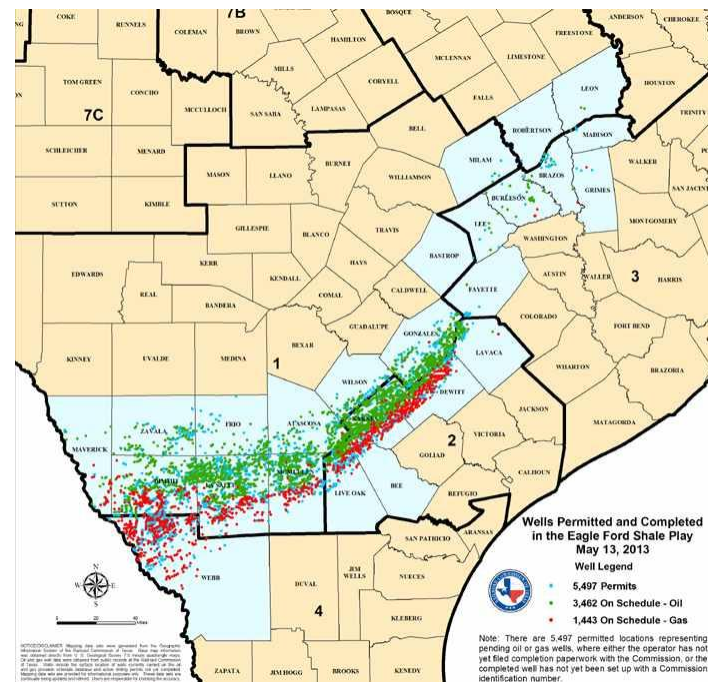
On-going evaluation of prospective partnering opportunities which are value accretive

4

Maintain US onshore focus, particularly the Eagle Ford Shale Formation, due to low geopolitical risk, excellent infrastructure, the strong energy demand and technical expertise available in the region

ABOUT THE EAGLE FORD SHALE

- A sedimentary rock formation from the Late Cretaceous age
- 50 mile-wide by 400 mile-long formation that runs from South Texas to the east
- Produces natural gas, condensate, oil, and natural gas liquids, with margins more favourable than other shale plays
- Estimated 7-10 billion barrels of recoverable reserves (US Geological Survey)
- Estimated 2.4MMboe production per day by 2020 (Hart Energy)
- Majors operating in the region include Chesapeake, ConocoPhillips and Exxon Mobil



EAGLE FORD SHALE FACTS

Largest oil & gas development in the world based on capital invested

Estimated that c.US\$30 billion will be spent developing the play in 2013

The play had a US\$60 billion dollar impact on the local South Texas economy in 2012

The most active shale play in the world with over 200 rigs currently running

Gulfian	Escondido
	Olmos
	San Miguel
	Anacacho
	Austin Chalk
Comanchian	Eagle Ford
	Buda
	Del Rio
	Georgetown
	Edwards / Stuart City
Comanchian	Glen Rose
	Pearsall
	Sligo
	Hosston

EAGLE FORD SHALE: A HIGHLY ACTIVE PLAY

- +1,100 wells were spud in the Eagle Ford Shale in Q3 2013
- The play accounted for 1,133 or more than 10% of the 9,175 wells spud in the U.S. during the quarter
- Marathon has allocated US\$2.3bn to the Eagle Ford Shale in 2014 to drill net 250-260 wells with US\$225m for central batteries & pipeline construction

Aggressive pursuit of co-development in parallel with main horizons



U.S. Land - Well Count Summary

Basin	Third Quarter 2013			
	This Quarter	Last Quarter	+/-	%
Ardmore Woodford	65	47	18	38%
Arkoma Woodford	13	12	1	8%
Barnett	380	403	-23	-6%
Canva Woodford	69	74	-5	-7%
DJ-Niobrara	278	268	10	4%
Eagle Ford	1,133	1,089	44	4%
Fayetteville	159	194	-35	-18%
Granite Wash	174	150	24	16%
Haynesville	97	98	-1	-1%
Marcellus	562	576	-14	-2%
Mississippian	398	378	20	5%
Permian	2,326	2,260	66	3%
Utica	112	118	-6	-5%
Williston	747	693	54	8%
Others	2,662	2,651	11	0%
Total U.S. Land	9,175	9,011	164	2%





SUGARLOAF AMI – AVERAGE 3% WI

Operated by
Marathon Oil

Net acreage position
729 acres
of 24,300 gross acres

Current net production
of
904
BOEPD

2P Reserves
4.3 million
barrels of oil equivalent
in Eagle Ford Shale only

Gross wells on production
121
currently in the field

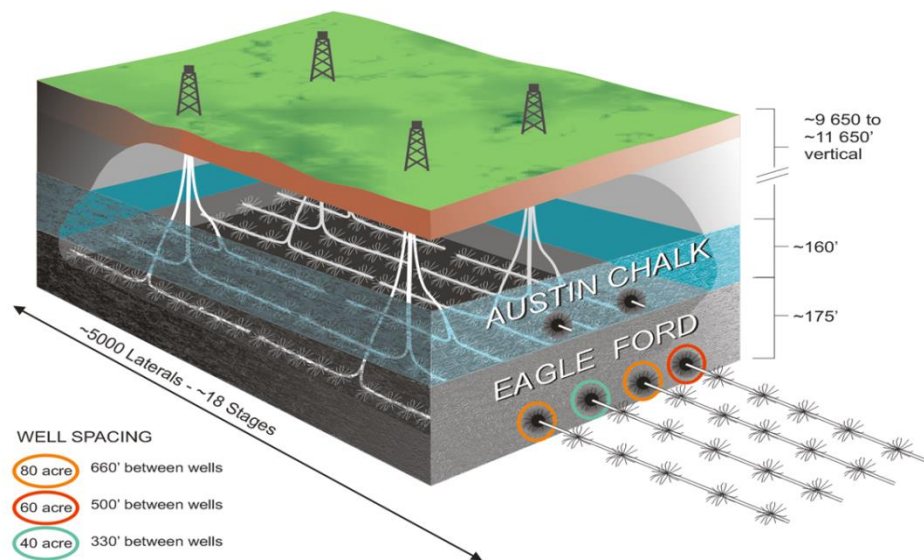
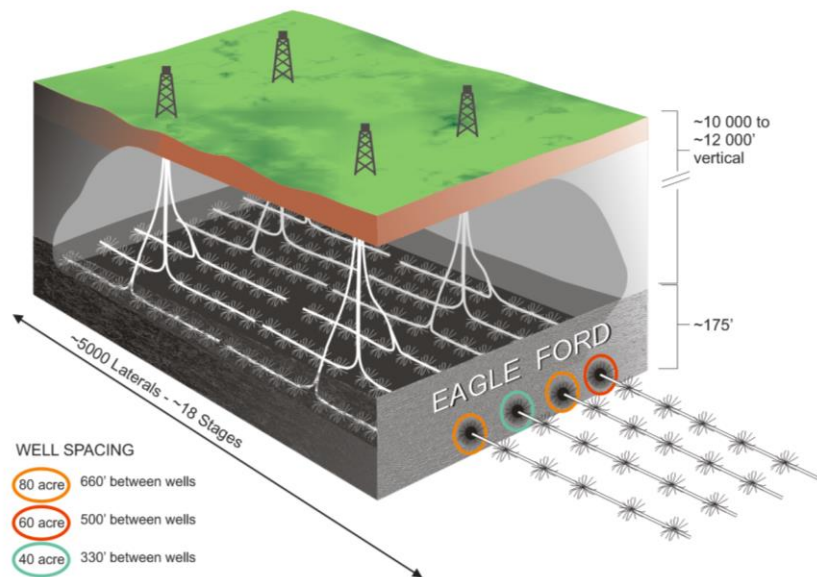
Estimated
>400 wells
to develop Eagle Ford
Shale alone

- A significant new condensate/ gas discovery with exciting upside
- Marathon committed to optimising drilling, completion and production processes:
 - Drilling times improved dramatically <20 days
 - Micro seismic
 - Tracer Monitoring
 - Wellbore orientation
 - Fracture stimulation
 - Pad drilling
 - Minimise capex, opex and surface footprint
- At least 80% of expected revenues will come from liquids
- Updated CPR currently being modelled – near term upside potential

An Eagle Ford Shale play with strong upside potential from the Austin Chalk, Pearsall Shale and Wilcox formations, operated by oil and gas major Marathon Oil

- Marathon has announced its intention to co-develop the Austin Chalk alongside the Eagle Ford Shale with the possibility of a further 300 wells to develop this formation
 - Provides low risk development upside potential with additional short term potential reserve gains as the Austin Chalk is further appraised – huge value driver for the Company
- Optimisation of the field through down-spacing initiatives:
 - Over 90% of 2013 wells being drilled at less than 60 acre spacing
 - Wells drilled at 40-60 acre spacing achieved higher initial production than wells previously drilled at 80-160 acre spacing
 - Selected areas to be developed at 40 acre spacing and also to be trialled for 30 acre infill density spacing
- Marathon has forecast a reduction in gross drilling costs with a well cost target of US\$6.5-7.5 million per well during 2014
- Drilling time reduced by 50% and stimulation cycle time reduced by 40% since 2012
- Additional processing facilities and pipeline capacity planned for 2014

SUGARLOAF WELL SPACING INITIATIVES



Marathon has announced successful down-spacing results and an intention to co-develop the Austin Chalk with the Eagle Ford Shale. Selected areas are to be developed at 40 acre spacing and also to be trialled for 30 acre infill density spacing.

The Austin Chalk provides an exceptional low risk appraisal opportunity that can leverage off of existing infrastructure, Additional potential from the Pearsall Shale and Wilcox formations

BUILDING RESERVES, PRODUCTION & VALUE

BUILDING RESERVES	BUILDING PRODUCTION	BUILDING VALUE
Closer well spacing of 40 and 60 acres	Testing of Additional Formations	On-going drilling of prospects
Well down-spacing initiatives successful with over 90% of 2013 wells being drilled at less than 60 acre spacing	The Austin Chalk - two Austin Chalk wells commenced production in June 2013 and have performed similarly to the Eagle Ford Shale	Opportunity to drill +400 wells to develop the Eagle Ford Shale depending on spacing density
Selected areas to be developed at 40 acre spacing and also to be trialled for 30 acre infill density spacing	Pearsall Shale and Wilcox have been earmarked by Marathon as holding substantial potential within the field	A further +300 wells to develop the Austin Chalk should appraisal continue to be successful

CENTRAL FACILITY AT SUGARLOAF AMI



- Separation of oil, water
- Treat oil to sales quality
- Oil storage
- Water storage
- Sales meters
- Gas processing
- Gas compression
- Expandable

- Proposed acquisition of Aurora, a partner in Empyrean's flagship Sugarloaf AMI asset, by Baytex - A\$4.10 per share
- The acquisition implies a market capitalisation of A\$1.84 billion and represents a 52% premium to Aurora's one-week VWAP to 6 February 2014
- Devon Energy Corporation acquires Eagle Ford Shale acreage from GeoSouthern Energy Corporation in a transaction that further validates the attractiveness of advanced Eagle Ford Shale assets:
 - November 2013 – 82,000 net acres acquired for US\$6 billion cash



Satellite image of the Eagle Ford Shale



SUGARLOAF BLOCK A – AVERAGE 7.5% WI

Operated by
ConocoPhillips

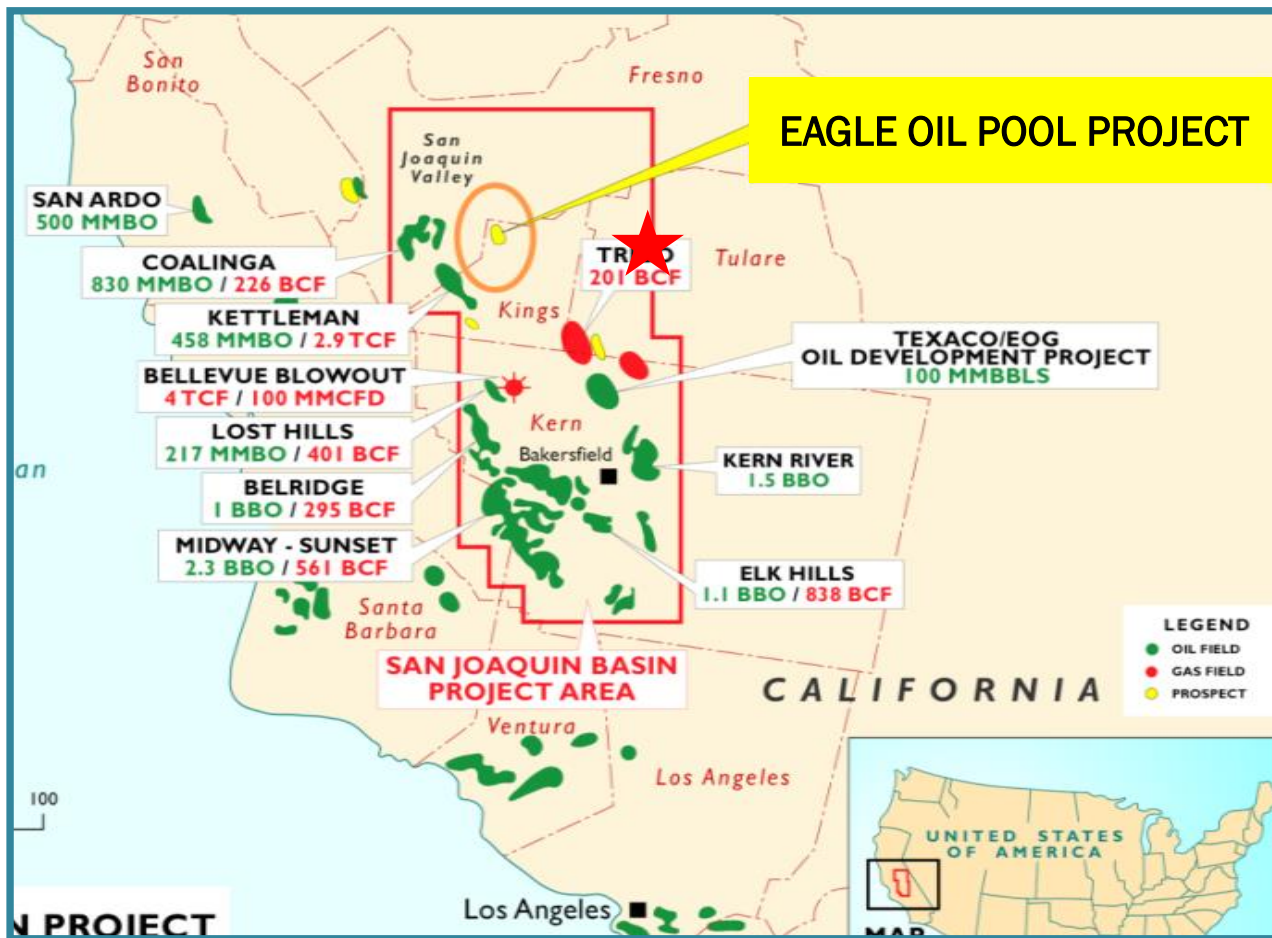
Net acreage position
43.5 acres
of 580 gross acres

Recent activity includes participation in
2
New wells

US major Conoco has been active in acreage surrounding Block A and Empyrean's participation in two new wells in a highly productive highway of the Eagle Ford Shale marks an exciting step-up in activity on the Company's acreage

- Lies contiguous to the Sugarloaf AMI acreage in South Texas
- Production held by wells targeting the Eagle Ford Shale formation
- Two new wells, Baker Trust-4 and Marlene Olson-3, are also targeting this formation
- Baker Trust-4 well (2.45% WI) reached an approximate measured depth of 17,948 feet with a lateral length of approximately 5,000 feet
 - Currently awaiting completion results
- Marlene Olson-3 well (0.85% WI) reached an approximate measured depth of 20,601 feet with a lateral length approximately 7,600 feet
 - Currently awaiting completion results

DEVELOPMENT IN SAN JOAQUIN BASIN, CALIFORNIA





EAGLE OIL POOL – AVERAGE 57.2% WI

Operated by
STRATA-X

Net acreage position
2952 acres
of 5160 gross acres

Project potential
400-1000 & 1.5-2.5
BOPD & MMCFPD respectively

**A valuable development project located
in the San Joaquin Basin in the proven,
undeveloped Eocene Gatchell Sands,
southern California**

- Eocene Gatchell Sands are estimated to contain between 7- 22 million BO and 12-23 BCF of gas
- Eagle North-1 well: 13.4 metres net pay from a gross 21 metres in the vertical well in the target sands
- Mechanical failure prevented a commercial test of the horizontal completion
- Renewed activity in the San Joaquin Basin with several companies focussing efforts on unconventional oil and gas "plays" in the region previously thought to be too difficult to exploit
- The Monterey Shale and Kreyenhagen Shale formations are included among these unconventional plays

Parties to the agreement	% interest
Empyrean Energy plc	57.2%
Strata-X Inc	23.6%
Lakes Oil NL	17.7%
Independent USA interests	1.5%



RIVERBEND – AVERAGE 10% WI

Operated by
Krescent Energy

Net acreage position
205 acres
of **2053** gross acres

Currently producing from the
Wilcox
formation

Potential to produce from the Austin Chalk
formation remains at Riverbend

- Located onshore Texas in Jasper County
- The Cartwright-1 well was drilled initially targeting the Austin Chalk
- A down hole obstruction meant it was recompleted in the Wilcox formation in May 2013
- The well is currently producing nominal amounts of gas and oil



INVESTMENT CASE

PRODUCTION

- Strong production and revenues, particularly at the flagship Sugarloaf AML, from proven onshore US hydrocarbon formations
- Second year of profits – FY 2013 £2,014,000 & Net Profit up 3,512% to £2,384,000 for 6 months to 30 Sept 2013

WELL FUNDED

- Up to US\$50 million loan from Macquarie Bank in place to develop the flagship Sugarloaf AML - US\$12.17 million drawn down to date
- Strong cash flow

UPSIDE

- Focussed on increasing production and reserves – updated CPR anticipated in the short term
- Austin Chalk provides exciting, de-risked appraisal upside
- Currently participating in 121 producing wells out of a potential +400 Eagle Ford Shale wells at Sugarloaf AML with further upside potential from closer well spacing and additional formations
- High impact exploration potential across portfolio and particularly at Eagle Oil Pool, where the Company has a significant WI

DE-RISKED

- Operating in proven and highly active US onshore plays including the Eagle Ford Shale in Texas, considered to be one of the most important onshore hydrocarbon discoveries in recent times, and with de-risked exploration upside from San Joaquin in California
- Excellent infrastructure in onshore US

EXPERIENCE

- Experienced Board and expert technical teams with experience in developing projects and a strong network of contacts



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