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Empyrean Energy PLC - EME Hedging contracts with Macquarie Bank Limited
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Empyrean Energy PLC ('Empyrean' or 'the Company') Hedging contracts with Macquarie Bank Limited

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, further to the recent announcement of additional debt financing with Macquarie Bank Limited ('Macquarie') under Tranche B of its existing facility (the 'Facility'), it has entered into a hedging programme in relation to a portion of its expected production from its flagship Sugarloaf AMI Project in onshore Texas ('Sugarloaf' or the 'Project'). The hedging programme fulfils Macquarie's requirements for the recent drawdown under the Facility.

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').

Empyrean has entered into a Commodity Swap Transaction (the 'SWAP') with Macquarie for an aggregate of 97,371 barrels of oil ('bbl') for a period of 12 months commencing 1 April 2015 through to 31 March 2016. The SWAP is for a fixed price of US\$51 per bbl based on OIL-WTI-NYMEX ('WTI'). For each monthly calculation period, if the hedged price exceeds the floating price or spot price for WTI, Macquarie shall pay Empyrean the difference multiplied by the relevant notional quantity for the calculation period. If the floating price or spot price exceeds the hedged price, Empyrean shall pay Macquarie the difference multiplied by the relevant notional quantity for the calculation period.

In addition, the Company has entered into put and call option arrangements (the 'Options') with Macquarie to effect a collar in respect of an aggregate of 102,469 bbl for a period of 24 months commencing 1 April 2016 through to 31 March 2018. Pursuant to the Options, the price attributable to the relevant portion of production will not fall below US\$50 per bbl and not exceed US\$62.80.

The SWAP and the Options were each negotiated on 1 April 2015 and confirmed on 2 April 2015 and, in each case, the quantity of production which is subject to the arrangements decreases on a monthly basis through to the expiry of the relevant arrangement, allowing the Company to benefit from any

recovery in underlying commodity prices.

For further information please visit www.empyreanenergy.com or contact the following:

Empyrean Energy plc

Tom Kelly

Tel: +618 9481 0389

Cenkos Securities plc (NOMAD)

Neil McDonald nmcDonald@cenkos.com

Tel: +44 (0) 131 220 9771

Nick Tulloch ntulloch@cenkos.com

Tel: +44 (0) 131 220 9772

St Brides Partners (Public Relations Adviser)

Hugo de Salis hugo@stbridespartners.co.uk

Tel: +44 (0) 20 7236 1177

Elisabeth Cowell elisabeth@stbridespartners.co.uk

Tel: +44 (0) 20 7236 1177

Lottie Brocklehurst lottie@stbridespartners.co.uk

Tel: +44 (0) 20 7236 1177

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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