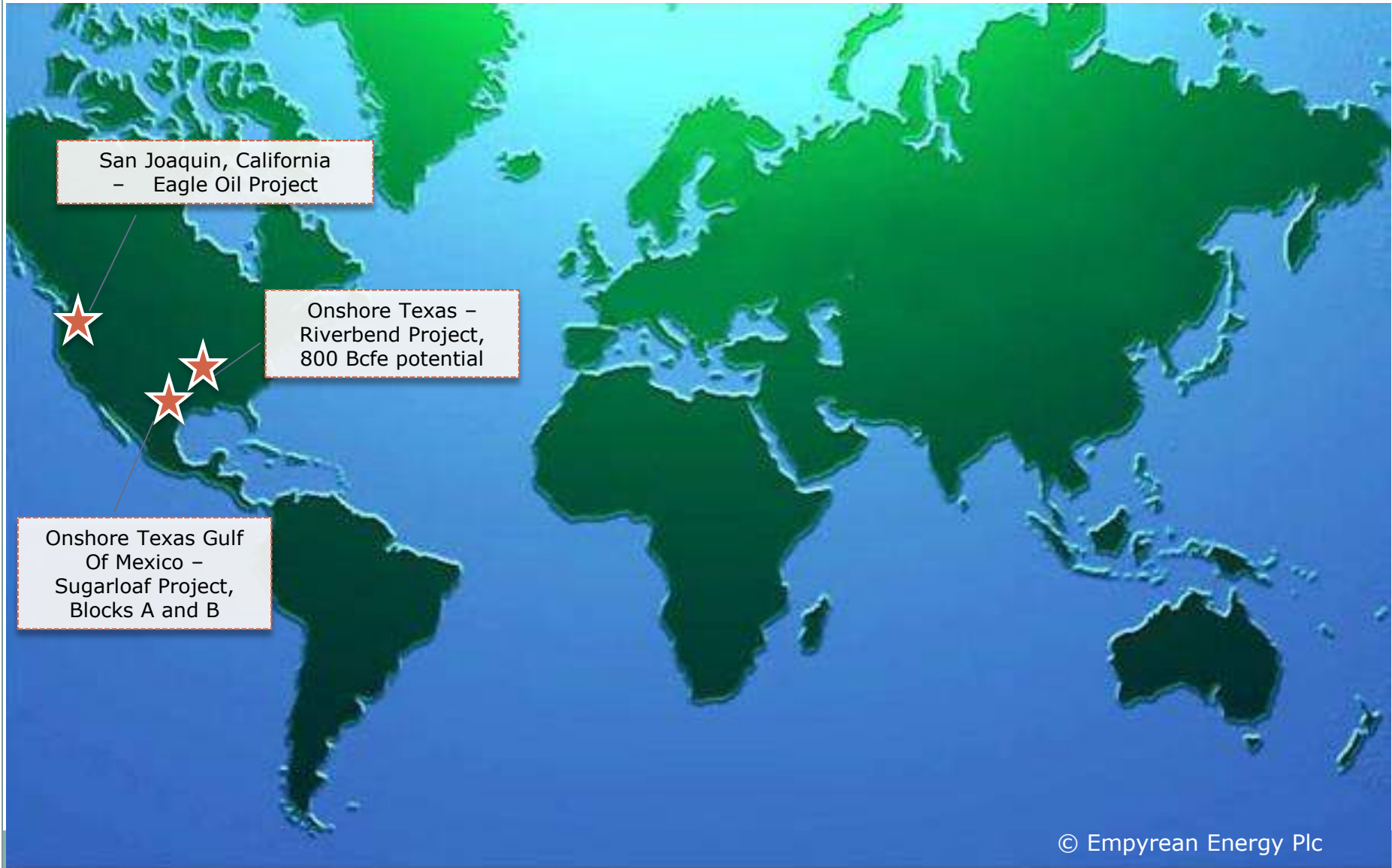


Empyrean Energy LLC



**ANNUAL GENERAL MEETING
2014**

Project Locations

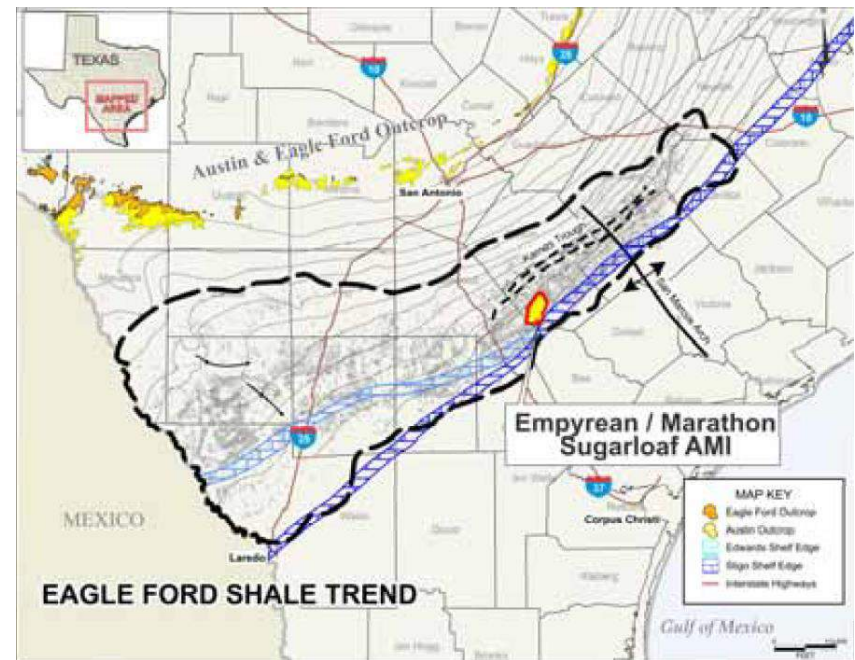


Geologic Overview

Eagle Ford Shale



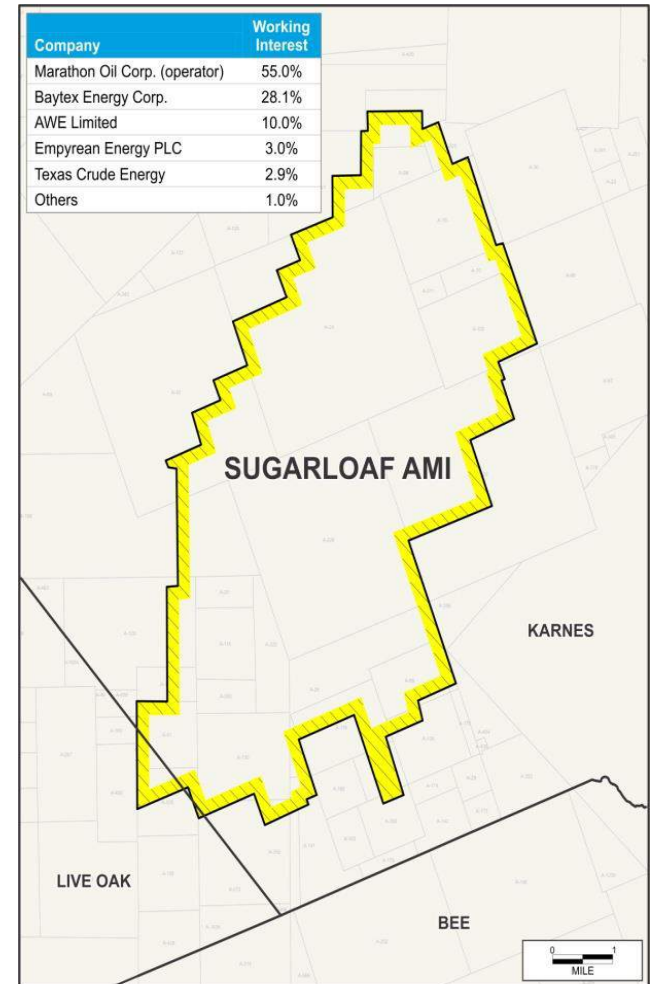
- Upper Cretaceous, highly organic black shale punctuated with intervals of fractured limestones, calcareous shale and bentonite
- Deposited during the global scale, Cenomanian-Turonian anoxic event – a time of world-wide high organic production
- Disconformably overlies the Buda and is overlain by the Austin Chalk
- Age equivalent to the Boquillas Formation in the Maverick Basin and Tuscaloosa Shale in Mississippi and Louisiana
- Down-dip limit of production related to the Edwards and Sligo shelf edges
- Hydrocarbons are mostly self-sourced, but the Austin Chalk also contributes
- General reservoir properties:
 - Approximate mineralogy: 20% quartz, 50% calcite, 20% clay and 10% kerogen; total organic carbon ranges from 1% to 10%
 - Porosity ranges between 3% and 10%, with an average of 6%
 - Permeability ranges between 3 nd and 405 nd, with an average of 180 nd
- Currently producing over 1 MMBOPD (IHS Energy), and production is projected to double by 2020 (Hart Energy)
- Has seen intense development, with over 9,700 wells completed since 2008, and cumulative production of over 715 MMBO and 3.3 TCF as of Q1 2014 (IHS Energy)



Land

Overview

- Empyrean's Sugarloaf AMI leasehold consists of a 3.0% working interest in approximately 25,397 gross (24,081 net, 722 company net) acres
 - ✦ 100% held by production
 - ✦ Average 75% net revenue interest
- Marathon is in the process of refining AMI unit boundaries to further optimize horizontal development

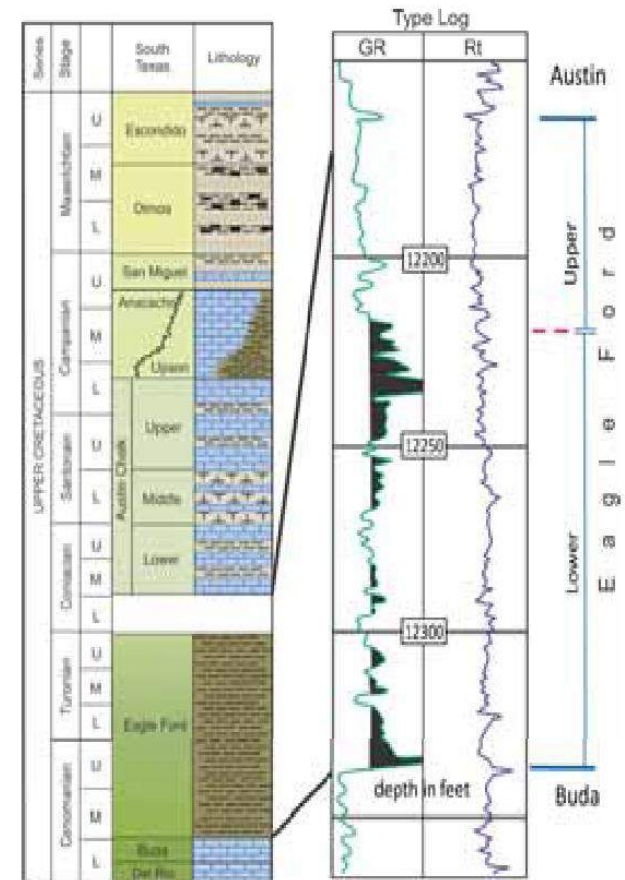


Geologic Overview

Greater Eagle Ford/Austin Hydrocarbon System



- Produces primarily from the Eagle Ford Shale and Austin Chalk and is one of the most prolific petroleum provinces in the US
- Productive fairway extends from the Rio Grande River to beyond the Mississippi River
- The Austin Chalk fairway is generally continuous while The Eagle Ford Shale produces mostly in South Texas, is absent in the East Texas Basin, then produces in Louisiana as the Tuscaloosa Formation
- Eagle Ford had sufficient organic content during deposition to source both formations
- Eagle Ford Shale is currently the dominant play in the system with over 215 rigs operating as of June 20, 2014 (Baker Hughes)
- Marathon is one of the largest operators in the region, ranking fourth behind EOG, Chesapeake and Anadarko in total number of Eagle Ford Shale completions and permits
- Sugarloaf AMI with Marathon is in an Eagle Ford Shale, performance based "sweet spot" between the Karnes Trough and the Cretaceous shelf edge



Operations

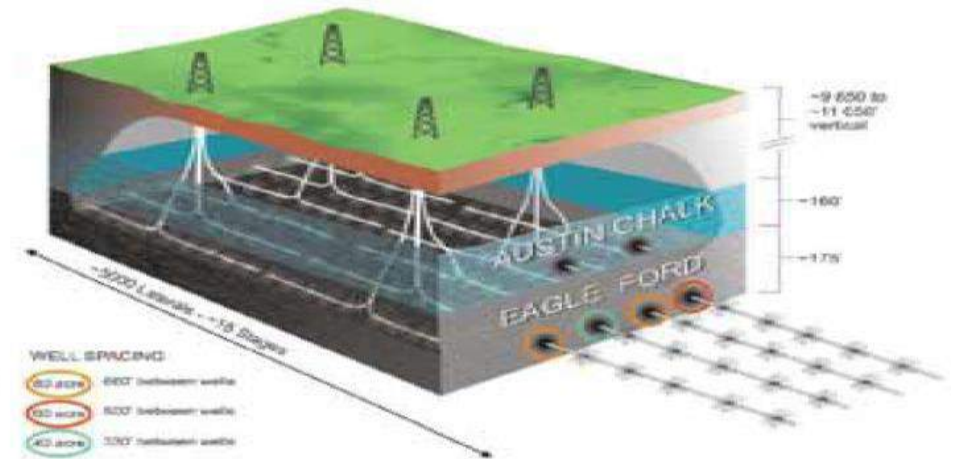
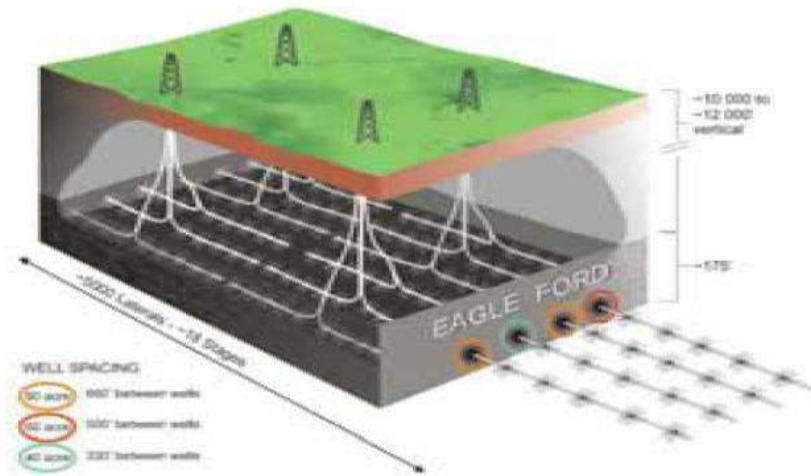
Sugarloaf AMI Operations Overview



- Marathon has announced successful down-spacing results in both the Eagle Ford Shale and Austin Chalk and intends to co-develop the Austin Chalk with the Eagle Ford Shale
- Marathon plans to drill 100 to 110 new wells in 2014
- In the Eagle Ford Shale, improvements in stimulation design are outpacing the impact of down-spacing
- 2013 wells at 40 and 60-acre spacing exhibit higher IPs than 2011 wells at 80 to 160-acre spacing
- Early 2014 wells at 40-acre spacing exhibiting further improvements, and selected areas are now to be developed at 40-acre spacing
- Pilot infill drilling of current 60-acre areas to 30-acre spacing to begin in 2014
- The Austin Chalk provides an exceptional low risk appraisal opportunity
- Co-development with Eagle Ford Shale leverages existing infrastructure
- Encouraging early results from the first three wells, including the Children Weston 4H with a Marathon-announced 30-day IP of 1,600 BOEPD

Operations

Sugarloaf AMI Operations Overview

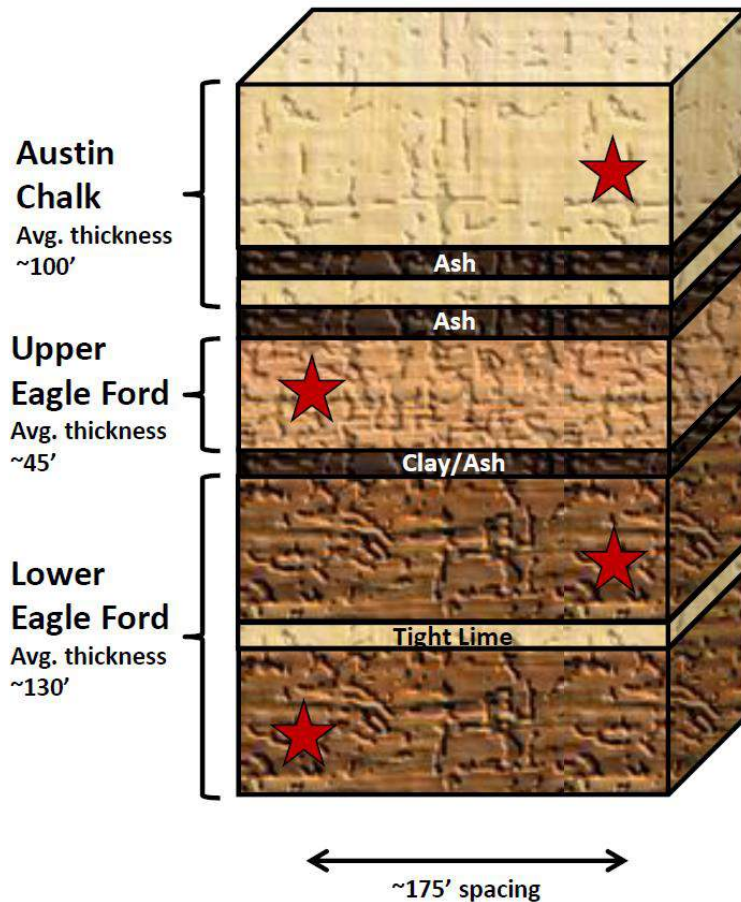


- Marathon's current operations are focused on capital and operating efficiencies leading to optimized resource recovery
- Top quartile drilling performance
- Increasing recovery factors through improved completion efficiencies
- Driving down unit costs and focusing on high-margin barrels
- Recompletion of existing wells as warranted
- Marathon's completed well cost target for 2014 is \$6.5 MM to \$7.5 MM

Texas Eagle Ford Shale Condensate Production 2006 through 2011

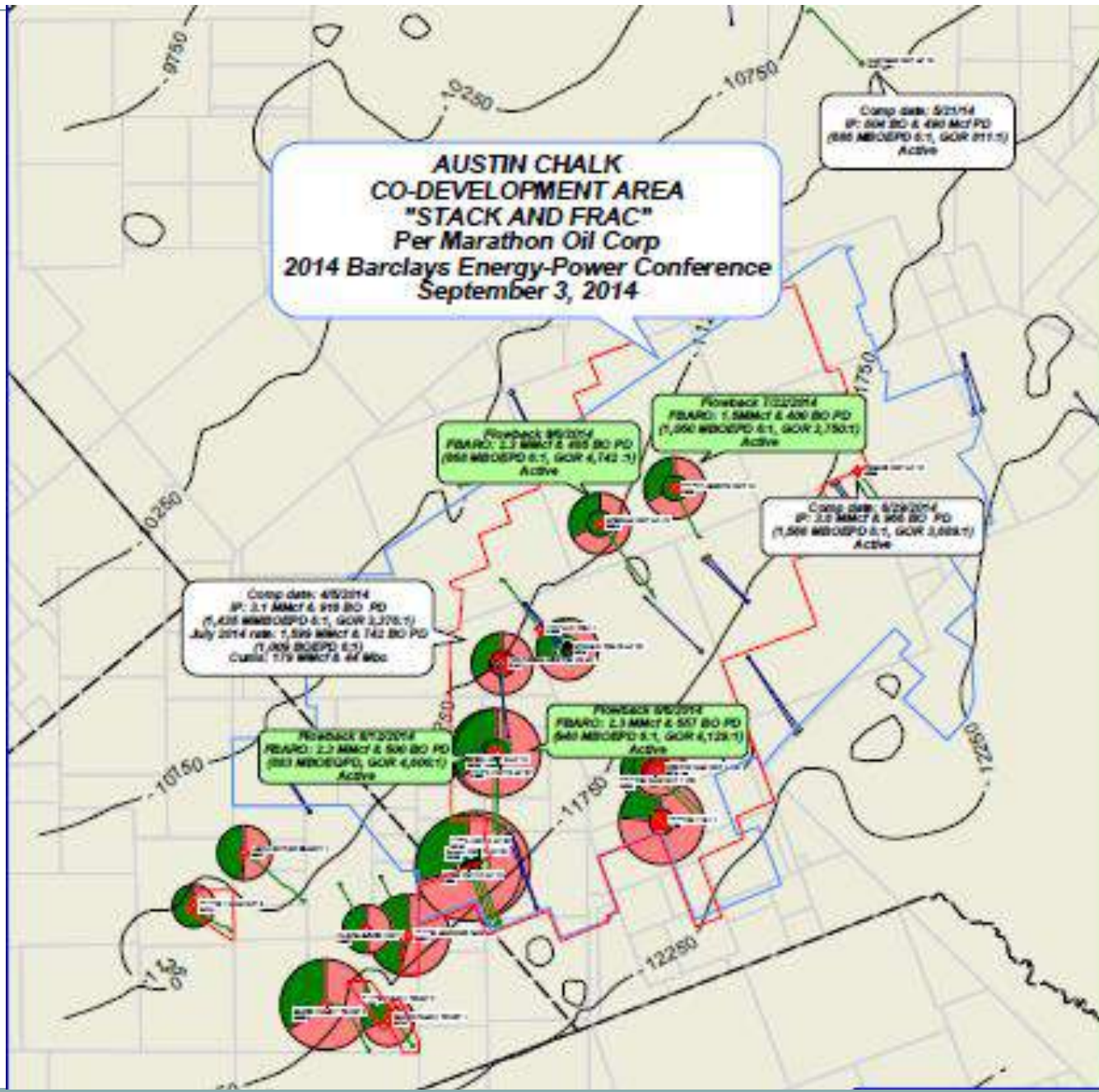


Stack and Frac Pilot



- Upper Eagle Ford prospective across Karnes and Atacosa acreage
- Pilot testing extends Austin Chalk/Lower Eagle Ford success
- Testing vertical density in large hydrocarbon column to drive further recovery
 - Designed to optimize co-development of multiple horizons
 - Up to 4 wells per stack, dependent on location
 - Presence of interbedded ash and limestone may limit vertical stimulation height
- First Stack and Frac pilot targeting Austin Chalk, Upper Eagle Ford and Lower Eagle Ford planned for Q4 2014

**AUSTIN CHALK
CO-DEVELOPMENT AREA
"STACK AND FRAC"
Per Marathon Oil Corp
2014 Barclays Energy-Power Conference
September 3, 2014**



Sugarloaf AMI (EME 3%, net 2.25% after royalties)	Revised 31 Dec 2013 MMboe	Reported as at 1 Sept 2012 MMboe	Increase %
1P Reserves	3.54	2.32	53
2P Reserves	6.52	4.40	48
3P Reserves	8.92	New	New
2C Contingent Resources	3.87	New	New
2P + 2C	10.39	New	New

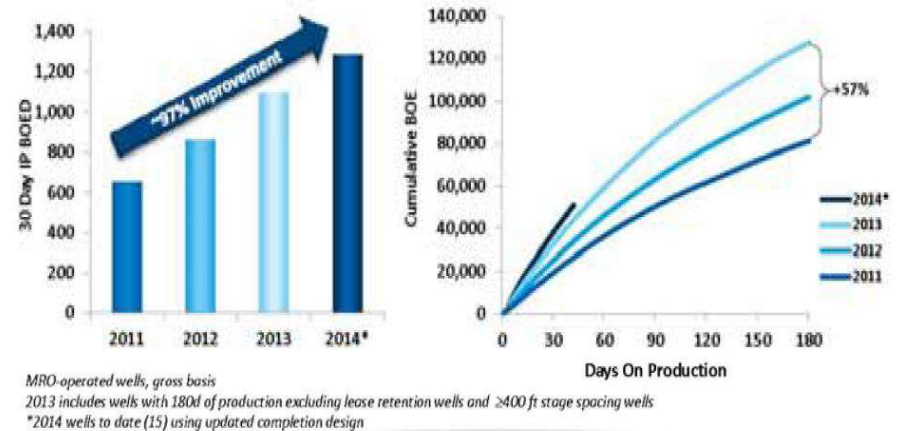
	Oil & Condensate MBBLs	Natural Gas Liquids MBBLs	Sales Gas MMcf	Barrels of Oil Equivalent MMboe	NPV(10)US\$ million
1P Reserves	1,542	835	6,999	3.544	52.9
2P Reserves	2,649	1,636	13,420	6.521	97.0
3P Reserves	3,486	2,302	18,768	8.915	139.5
2C	1,094	1,189	9,509	3.868	-

Operations

Sugarloaf AMI Operations Overview



- Marathon continues to test stimulation designs to improve well performance
 - “Zipper” stimulations from pads materially impacting fracture complexity and improving recovery
 - Fluids, volumes, rates, cluster spacing and proppant volumes are evolving with spacing
 - Proppant size, gel loading, sleeve technology and perforation clusters are being tested
 - Micro-seismic used to optimize wellbore orientation
- Marathon has materially improved its drilling and completions operations over the last several years
- Reduced drilling time by approximately 50% since 2011 (2014 target of 11 days)
- Reduced stimulation time by 40% since 2012



Evolution of Marathon-Operated Eagle Ford Shale Well Performance

Central Facility	Current Gas Production (MSCFD)	Current Oil Production (BOPD)	Gas Capacity (MSCFD)	Oil Capacity (BOPD)
E Sugarloaf	~19,000	~5,500	27,000	10,000
W Sugarloaf	~28,000	~9,500	30,000	10,000
S Sugarloaf	~42,000	~7,500	60,000	10,000
Sugarhorn	~17,000	~8,500	25,000	15,000
Total	~106,000	~31,000	117,000	30,000



- There are currently four central processing facilities on the Sugarloaf AMI
- The typical central processing facility is expandable, and includes oil separation, treatment and storage facilities, water storage, and gas processing and compression facilities
- Two additional central processing facilities are scheduled for completion in July and August 2014



Operations Facilities Overview





- Commodities are marketed by Marathon on behalf of Empyrean
- Marathon oil price is based on Louisiana Light Sweet (“LSS”), and trades at a premium to WTI
- Marathon’s gas price is based on Henry Hub
- All gas is processed and NGL pricing is based on Mont Belvieu



Operations

Product Marketing Overview

Summary



- A non-operated working interest position in one of the most prolific producing areas of the world-class Eagle Ford Shale
- Marathon Oil, the operator, is dedicated to aggressively developing the acreage (100+ gross wells planned for 2014), improving well performance and reducing well and operating costs
- Net Proved reserves of 1,542 MBO +6,999 MMCF + 835 MB NGL (3,544 MBOE)
- Net 2P reserves of 6,522 MBOE
- Average net production approaching 700 BOEPD for the 12 months ending March 31, 2014
- Co-development of Austin Chalk and Eagle Ford Shale beginning, with potential for over 1,000 remaining highly economic Eagle Ford Shale and Austin Chalk drilling locations

Eagle Oil Project (California, USA)

58.084% Working Interest



Valuable future project for the Company with large equity position

- 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
- Project potential – 400 to 1000 BOPD and 1.5 to 3.5 MMCFPD gas
- Eagle Oil Pool could contain 7-22 million barrels of oil and 12-23 BCF gas
- Well currently being drilled on adjacent ground will provide valuable information



Parties to the agreement	% interest
Empyrean Energy plc	58.084%
Strata-X Inc	23.952%
Lakes Oil NL	17.964%