

Regulatory Story

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Empyrean Energy PLC - EME Q1 2015 Production Update from Sugarloaf AMI
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**Empyrean Energy PLC ('Empyrean' or 'the Company')
Q1 2015 Production from Sugarloaf AMI, Texas**

Empyrean Energy, the profitable US onshore oil, gas and condensate exploration, development and production company with assets in Texas and California, is pleased to provide a production update from its flagship Sugarloaf AMI Project ('Sugarloaf' or the 'Project') in the prolific Eagle Ford Shale, Texas, for the three month period to the end of March 2015 ('Q1 2015' or the 'Quarter').

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').

Highlights

- **Consistent production rates from Sugarloaf AMI for Q1 2015 of 109,425 boe net to Empyrean's interest after royalties and costs ('royalties') (Q4 2014: 111,921)**
- **Average daily production from Sugarloaf for Q1 2015 of 1,216 boe net to Empyrean's interest after royalties (Q4 2014: 1,217)**
- **Continued drilling and investment in Sugarloaf by Marathon, positively impacting drilling efficiency**
 - **205 gross producing wells at Sugarloaf at 31 March 2015, an increase of 18 since Q4 2014**
 - **218 gross producing wells at Sugarloaf at 20 May 2015, including 28 in the overlying Austin Chalk formation**
 - **Inventory of 40 wells drilled and in various stages of completion at the end of the Quarter**
 - **First "Stack and Frac" pilot now in production with encouraging early results**
- **Sugarloaf continues to demonstrate significant potential upside due to co-development opportunities**
 - **Austin Chalk continues to be developed positively with short term potential to increase reserves from further delineation**
 - **The Upper Eagle Ford is emerging as third co-development appraisal opportunity with potential upside available from delineation of a contingent resource**

Empyrean CEO, Tom Kelly said, "Production from Sugarloaf continues to be economic even at current oil prices and has been maintained at steady rates, notwithstanding lower levels of drilling activity in the

current, challenging oil price environment. The Project has also benefited from cost reductions and continued optimisation initiatives during the Quarter. Despite the challenges the sector faces, we have a healthy inventory of drilled wells to be placed into production in the coming months. We are also encouraged by the early "Stack and Frac" pilot results and look forward to more data and analysis from Marathon.

"The upside potential for Sugarloaf continues to grow with the rapid delineation of the Austin Chalk for co-development with the Lower Eagle Ford and the emergence of the Upper Eagle Ford as a co-development appraisal opportunity. We are positive for the coming year, having secured further financing from Macquarie, and look forward to updating the market on our activities as we deliver additional value from this major project."

Further Information

The Company is pleased to report that total production for Q1 2015 was 109,425 boe net to Empyrean's interest *after* royalties, representing a small decrease of 2% on production for Q4 2014. Net average daily production for Q1 2015 was steady at 1,216 boe/d *after* royalties and net average daily production for the month of March 2014 was 1,203 boe/d *after* royalties.

At the end of the quarter, Empyrean had 205 gross wells that were producing at Sugarloaf, an increase of 18 wells since the end of December 2014. Furthermore, as at 20 May 2015, Empyrean had 218 gross wells that were producing at Sugarloaf and, of these, there are 28 wells in the Austin Chalk formation.

Marathon's spud to total depth cycle times averaged 12 days during Q1 2015. Empyrean notes that Marathon has achieved cycle times as low as seven days using its most efficient rigs within its greater Eagle Ford acreage. Marathon has also announced its intention to reduce its rig count within its Eagle Ford acreage during the second half of 2015, which may have a bearing on the rate of development within Sugarloaf.

During February 2015, one of the "Stack and Frac" pilots commenced production at Sugarloaf with encouraging early results from a 5 well programme. Two further pilots have completed drilling and await completion at Sugarloaf, with a number of others being assessed on Marathon's greater acreage outside of the Sugarloaf acreage. Empyrean awaits further data and analysis from Marathon on its assessment of these pilots.

In addition, Empyrean has an interest in an Upper Eagle Ford well that spud during February 2015. The well has been drilled, cased and prepared for fracing.

Corporate

As previously announced, the Company made a US\$11,000,000 further drawdown on its term debt facility with Macquarie Bank Limited at the end of March 2015 to support the Company's continued participation in Sugarloaf and the current development programme. The total outstanding under the facility currently stands at US\$21.67m.

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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 218 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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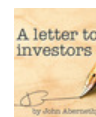
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