

EMPYREAN ENERGY PLC

7 Savoy Court, London WC2R 0ER, United Kingdom

2 June 2006

Dear Shareholder (and for information only, to the Warrant Holders),

NOTICE OF ANNUAL GENERAL MEETING TO BE HELD ON 7 JULY 2006 AT 8.30AM

The first Annual General Meeting of the Company will take place at the Tate Britain Room, Hesperia Hotel, 2 Bridge Place, London SW1V 1QA on 7 July 2006 at 8.30 am. This letter provides you with some background and explanation of the Resolutions to be put to the Meeting.

ORDINARY BUSINESS

Resolution 1 – Annual Report and Accounts

This is an ordinary resolution to receive and adopt the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the period 10 March 2005 to 31 March 2006.

Resolution 2 to 6 – Directors

The board recommends the re-election of each of Patrick Cross, Frank Brophy, Christopher Lambert, Thomas Kelly and Malcolm James, each a Director appointed prior to the first Annual General Meeting and who, being eligible, offers himself for re-election. Short biographies of the directors standing for re-election are as follows:

Patrick Cross (Non-Executive Chairman)

Dr Cross has 37 years experience in corporate finance, organisational structures, marketing and joint venture operations. Having been involved with a large number of international operations, Dr Cross has worked in many locations including South America, Far East, Europe and the United Kingdom. During his career, Dr Cross spent 25 years with British Petroleum Company plc, where he specialised in strategy and business development, and developed close working relationships with government ministers in several countries and with European Union Commissioners. More recent roles include 6 years as Managing Director of BBC World Limited, and before that as President of the Cable and Wireless' operating company in Japan. Dr Cross is a non-executive director of Orca Interactive Limited.

Frank Brophy (Technical Director)

Mr Brophy has over 40 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 from 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 et Prom. Mr Brophy's previous positions also include his former role as Manager of International Business Development for Ampoex Limited, Chief Geologist of Elf Aquitaine Australia and Exploration Manager for 5 years with Peko Oil Limited.

Christopher Lambert (Executive Director)

Chris Lambert has a financial background predominantly in the commodities markets within the City of London. He moved from Dresdner Bank to Johnson Matthey Bankers in 1979 to specialise in bullion banking and trading. During the following 17 years his positions included head of the London and global trading division for the Rural and Industries Bank of Western Australia, director of precious metals trading Europe for Prudential Bache Securities Inc. and head of precious metals trading (UK) for Barclays Bank plc. During this period he structured a number of major transactions for central banks, governments and mining companies. Chris Lambert is an associate director of Resource & Capital Management, and his recent activity on AIM includes acting as a director of Empyrean Energy plc and Braemore Resources plc, as well as the non-executive chairman of Altona Resources plc, and St. James's Energy plc.

Thomas Kelly (Executive Director)

Mr Kelly has 14 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. He is currently a director of ASX listed Lefroy Resources Limited and was formerly an Executive Officer of a prominent Western Australian stockbroking firm DJ Carmichael. Mr Kelly spends at least three days per week managing the commercial operations of the Company and investigating additional opportunities. He is based between the UK, Germany and Australia.

Malcolm James (Non-Executive Finance Director)

Mal James is a business graduate of RMIT University in Melbourne, Australia with over 25 years experience in merchant banking, engineering, manufacturing and financing. Over the last 15 years he has played an active role in identifying, exploring, financing and developing a number of significant natural resource projects in Australia, the former Soviet Union, the Middle East, Africa and Asia. To date he has been involved in raising in excess of AUD \$3 billion in debt and equity capital. Mal James is the chairman of Resource & Capital Management and chairs two Australian Stock Exchange listed companies, Lefroy Resources Limited and Peninsula Minerals Limited. Mal James is also a director of four AIM listed companies namely Empyrean Energy plc, Cordillera Resources plc, Caspian Holdings plc and Eureka Mining plc.

Resolutions 7 to 8 – Auditors' reappointment and remuneration

The resolutions relating to the auditors' reappointment and remuneration are usual business for the Annual General Meeting.

SPECIAL BUSINESS**Resolution 9 – Section 80 authority**

This is an Ordinary Resolution authorising the directors to allot relevant securities up to the authorised but unissued share capital, namely £1,929,923, representing approximately 96% of the authorised but unissued share capital. The authority will expire at the commencement of the next Annual General Meeting following this meeting or on 31 August 2007 whichever first occurs.

Resolution 10 – Section 95 authority and dis-application of section 89

This is a Special Resolution authorising the directors to issue equity securities wholly for cash on a non pre-emptive basis pursuant to the authority conferred by resolution number 9 above. This will allow the Board to allot shares without recourse to the shareholders so that it can move quickly from time to time as it

deems appropriate. This authority will expire at the commencement of the next Annual General Meeting following this meeting or on 31 August 2007 whichever first occurs.

FORM OF PROXY

A Form of Proxy for use at the Meeting is enclosed. Please complete and sign the Form of Proxy and return it to the Registrar so as to arrive no later than 8.30am on 5 July 2006.

The return of the Form of Proxy will not, however, prevent you from attending the Meeting and voting in person should you wish to do so.

RECOMMENDATION

The Board considers that each of the Resolutions is in the best interests of the Company and they unanimously recommend to the Shareholders that they should vote in favour of each of them.

Yours faithfully

Patrick Cross
Chairman

EMPYREAN ENERGY PLC

7 Savoy Court, London WC2R 0ER, United Kingdom

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Empyrean Energy Plc (“the Company”) will be held at 8.30 am on the 7 July 2006 at the Tate Britain Room, Hesperia Hotel, 2 Bridge Place, London SW1V 1QA to consider and, if thought fit, pass the following Resolutions of which 1 to 9 will be proposed as Ordinary Resolutions and Resolution 10 will be proposed as a Special Resolution.

Ordinary Business:

1. To receive and adopt the audited Statement of Accounts and the Reports of the Directors and the Auditors of the Company for the period 10 March 2005 to 31 March 2006.
2. To re-appoint Patrick Cross, a Director appointed prior to the first Annual General Meeting and who retires by rotation in accordance with Article 106 of the Articles of Association.
3. To re-appoint Frank Brophy, a Director appointed prior to the first Annual General Meeting and who retires by rotation in accordance with Article 106 of the Articles of Association.
4. To re-appoint Christopher Lambert, a Director appointed prior to the first Annual General Meeting and who retires by rotation in accordance with Article 106 of the Articles of Association.
5. To re-appoint Thomas Kelly, a Director appointed prior to the first Annual General Meeting and who retires by rotation in accordance with Article 106 of the Articles of Association.
6. To re-appoint Malcolm James, a Director appointed prior to the first Annual General Meeting and who retires by rotation in accordance with Article 106 of the Articles of Association.
7. To re-appoint Chapman Davis LLP as auditors.
8. To authorise the Directors to fix the remuneration of the auditors.

Special Business:

9. **As an Ordinary Resolution:**
THAT the Directors be and they are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the “Act”) to exercise all the powers of the Company to allot relevant securities (within the meaning of that section of the Act) up to an aggregate nominal amount of £1,929,923 (equal to 96% of the authorised but unissued share capital of the Company) provided that such authority shall expire at the commencement of the Annual General Meeting next held after the passing of this resolution or on 31 August 2007 whichever is sooner save that the Company may pursuant to the authority make offers or agreements before the expiry of the authority which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such offers or agreements as if the power conferred thereby had not expired.

10. As a Special Resolution

THAT (subject to the passing of resolution number 9 set out in the notice of meeting) the Directors be and they are hereby empowered pursuant to Section 95 of the Act to allot equity securities (within the meaning of s.94 (2) of the Act) wholly for cash pursuant to the general authority conferred by resolution number 9 in the notice of meeting as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to allotments of equity securities:

- (i) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;
- (ii) up to an aggregate nominal amount of £5,250 (representing 7.5 per cent of the issued share capital) in connection with an unapproved share option scheme of the Company; and
- (iii) otherwise than pursuant to sub-paragraphs (i) and (ii) above, up to an aggregate nominal amount of £14,000 (representing approximately 20 per cent of the Company's issued share capital)

and such power shall expire at the commencement of the Annual General Meeting next held after the passing of this resolution or on 31 August 2007 whichever is sooner, but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry, and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if that the power conferred by this resolution had not expired.

In this Resolution the expression 'Equity Securities' and references to the allotment of Equity Securities shall bear the same respective meanings as in section 94 of the Act.

BY ORDER OF THE BOARD

Jade Styants
Company Secretary

2 June 2006