

Regulatory Story

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Company [Empyrean Energy PLC](#)
TIDM EME
Headline Convertible Loan Facility
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Empyrean Energy PLC ('Empyrean' or the 'Company', (EME))

Convertible Loan Facility

Empyrean Energy Plc has obtained interim financing by way of a committed loan facility of £250,000 with Apnea Holdings Pty Ltd.

The unsecured Loan facility is available for 6 months from 31 March 2010 and can be drawn down by the Company as required and will be due for repayment by 31 December 2010. Interest is payable on drawn down funds at a rate of 9% per annum, accruing daily and payable on the repayment date.

In the event of an equity capital raising between 31 March 2010 and 31 December 2010, the loan facility, in proportion to the amount drawn down and not repaid together with any accrued interest, becomes either repayable or convertible at the lender's discretion at any time prior to the repayment date. The loan would be convertible at the placing price of the fundraising.

Should no capital raising take place before 31 December 2010, the loan facility will automatically convert to shares in the Company at a conversion rate of 15% discount to the preceding four week average share price of the issued shares.

Draw down funds from the loan will be applied as working capital for the Company.

Thomas Kelly, Commercial Director of Empyrean Energy, is associated with Apnea Holdings Pty Ltd, and is deemed to be a related party. The loan is therefore considered to be a related party transaction pursuant to Rule 13 of the AIM Rules. The independent directors of Empyrean, having consulted with their nominated adviser, Astaire Securities, consider that the terms of the loan facility are fair and reasonable insofar as shareholders are concerned.

As a result of Thomas Kelly being a related party, Apnea Holdings Pty Ltd will not be able to convert the loan to shares in a close period. Thomas Kelly currently has an interest in 8,500,000 ordinary shares in the Company,

representing 7 per cent. of the issued share capital.

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