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Empyrean Energy PLC
 ("Empyrean" or the "Company"; Ticker: (EME))
Sugarloaf Project, ("Sugarloaf"), Block B, Texas USA

Empyrean is pleased to provide the following update on operations at the Sugarloaf Project within the Sugarkane Gas & Condensate Field, Texas.

Rancho Grande Initial Production Rate

The Rancho Grande-1H well commenced flow back on 1st June 2010 and has been flowing on a reduced choke setting. The maximum production rate averaged over a consecutive 24 hour period has been:-

	Gas Production Rate (mmscf/d)	Condensate Production Rate (bbls/d)	Average Daily Equivalent Gas Rate (mmscfe/d)*
Rancho Grande #1H	3.19	1,170	18.00

* The equivalent gas rates have been calculated to reflect value using a 12:1 conversion ratio for condensate and a 25% uplift on gas equivalent volumes due to the high calorific value of the produced gas.

The intent of producing the well on a reduced choke setting is to investigate whether limited reservoir drawdown can improve decline rates and ultimate recovery from the wells. It should be understood that the well is capable of flowing at a higher rate, but this investigation is part of the ongoing efforts to optimise the commerciality of the field. In addition, the following comments

should be considered:-

- This is an initial production rate that has been observed during clean up and as such is not yet indicative of a short or long term production profile.
- The well still has considerable fluid to recover from the fracture stimulation.
- The well is currently producing through the production casing. A production tubing string will be installed in due course.

A further announcement will be made as significant developments occur.

Commenting today Empyrean Director Tom Kelly said "This is another strong production result from recently drilled and stimulated wells at Sugarloaf. These flow rates, along with the recently reported 30 day production rates from Easley and Morgan further demonstrate that the knowledge gained to optimise the drilling and completion of these wells is now resulting in consistently strong production rates.

One of our ASX listed joint venture partners - Adelphi Energy Limited (ASX Code: ADI)("Adelphi") is currently the subject of a takeover offer and the Target Statement released by Adelphi on 31st May 2010 includes an Independent Expert valuation that has implications for the value of Adelphi's interest and therefore indirectly for Empyrean's interest at Sugarloaf. It is the board of Empyrean's view that with each new well successfully drilled and completed at Sugarloaf - the project becomes further de-risked and logically the value will continue to be unlocked. The Rancho Grande result is another well that has further de-risked the project and unlocked value".

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.

For further information

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