

Regulatory Story

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Empyrean Energy PLC

("Empyrean" or the "Company"; Ticker (EME))

Sugarloaf Project, ("Sugarloaf"), Block B, Texas USA

- **MARATHON OIL CORP'S (NYSE:MRO) US\$3.5 BILLION PURCHASE OF HILCORP'S EAGLE FORD ACREAGE**

Empyrean notes the recent announcement by Marathon Oil Corporation ("Marathon") that it has reached agreement to acquire Hilcorp Energy Company ("Hilcorp") and its partners Kohlberg Kravis Roberts ("KKR") assets in the Eagle Ford Shale trend in Southern Texas for US\$3.5 billion. The transaction is conditional on customary terms and conditions and relevant statutory approvals.

Hilcorp is the operator to and partner of Empyrean in the Eagle Ford Shale acreage that Empyrean participates in known as the Sugarloaf Project, within the Sugarkane Field. Hilcorp's interest in the Sugarloaf Project acreage is part of the acreage subject to the potential transaction with Marathon.

Under the terms of the agreements governing the Sugarloaf Project, Hilcorp will cease to be the project operator at such time as it ceases to hold any ownership interest in the joint venture areas of mutual interest. Hilcorp will continue to be the project operator until the acquisition closes and Empyrean anticipates confirmation from Marathon that it intends to become project operator.

Marathon president and CEO Clarence P Cazalot Jr made the following comments in Marathon's press release:

"Marathon has captured a top-five acreage position in the core of the premier resource play in the U.S. since first entering the Eagle Ford in November 2010. This transaction enhances our already strong North America position focused on unconventional, liquids-rich resource

plays that provide low-risk, scalable and profitable growth,"...

"In addition to establishing our position in the highest value oil and condensate core area of the Eagle Ford shale, these assets will deliver immediate production and reserve additions, an active Company-operated drilling program, significant resource potential, as well as solid economic returns and profitability that are immediately accretive to earnings and operating cash flow, and expected to be self-funding by 2014."

"With our technical expertise and best-in-class drilling, along with our project execution skills, we are poised to maximize profitable reserve and production growth across our liquids-rich resource plays, particularly in the Eagle Ford."...

Marathon is the fourth largest US based integrated international energy company and is a very experienced operator of liquids rich resource plays in North America.

Commenting today, Empyrean CEO - Tom Kelly said "Hilcorp deserves much praise for the excellent job they have done since taking over operatorship of the Sugarloaf Project and surrounding acreages. They have successfully taken the project from an appraisal stage into the development phase and have achieved results that are right up there amongst the best across the Eagle Ford Shale trend. This success has also contributed to the high valuation given in the recent independent reserve assessment. Empyrean congratulates Hilcorp on this success and their transaction with Marathon which further demonstrates the high value attributable to the liquids rich Eagle Ford Shale acreages as they become proven. Empyrean looks forward to welcoming Marathon as operator and joint venture partner and hope that their vast experience with liquids rich resource plays will result in further value being added."

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