



## Regulatory Story

[Go to market news section](#)



**Company**      [Empyrean Energy PLC](#)  
**TIDM**            EME  
**Headline**       Sugarloaf Project Update  
**Released**       07:24 11-Jan-2012  
**Number**          3599V07



RNS Number : 3599V  
 Empyrean Energy PLC  
 11 January 2012

**11 January 2012**

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

### Highlights

- **Drilling program to be accelerated**
- **Significantly increased number of wells to be drilled during 2012 targeting an increase in 1P reserves and production rates**
- **Potential to appraise additional production horizons in 2012**
- **Marathon to commence drilling during Q1 2012**

Empyrean is pleased to provide the following update on operations at the Sugarloaf Project ("the Project"), an Eagle Ford Shale liquids rich producing field within the Sugarkane Gas & Condensate Field, Texas.

Empyrean holds a 3% working interest in the Project where 24 wells are currently in production within contiguous leases covering an area of approximately 24,000 acres. This area is considered to be one of the premium shale plays in North America.

Marathon Oil Corporation ("Marathon"), the new operator of the Sugarloaf Project, has advised that an accelerated drilling program has been proposed for the Sugarloaf Project during 2012.

The accelerated program is expected to result in a significant increase in the number of wells drilled during 2012 compared with the previous operator's proposed program and the assumptions included in the upgraded reserves estimate prepared by Netherland Sewell and Associates Inc. ("NSAI") and announced 28 October 2011.

The proposed program is expected to involve continuous drilling over the year using multiple rigs and is currently scheduled to commence during the first Quarter

of 2012.

As well as targeting a significant increase in 1P reserves and production rates, Marathon's proposed program will include the evaluation of optimum well spacing which will be used to optimise the overall development plan, capital allocation and value realisation of the field. The Operator is also considering the appraisal of additional potential production horizons within the Project acreage in 2012.

The board of Empyrean views Marathon's approach to the Sugarloaf development very positively in terms of the capacity for accelerating production and enhancing the overall value of the asset.

In light of this anticipated increase in drilling activity, Empyrean is independently progressing discussions with a number of institutions regarding a reserves-based debt funding facility to allow the Company to participate in all future wells in Marathon's accelerated drilling program for 2012. Empyrean will update the market in due course.

Commenting on the developments, Empyrean CEO, Tom Kelly said:

*"An accelerated rate of development should increase the Internal Rate of Return for the Project. There will be increased news flow as a result this year and there will be a number of initiatives that, if successful will be very positive for the project as a whole. An exciting year ahead."*

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**

Empyrean Energy plc  
Tom Kelly  
+618 9388 8041

Shore Capital  
Anita Ghanekar  
Edward Mansfield  
+44 (0) 207 408 4090

This information is provided by RNS  
The company news service from the London Stock Exchange

END

DRLSFESWFFESEEF

CLOSE

**London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.**

©2009 London Stock Exchange plc. All rights reserved

Regulatory