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**Company** [Empyran Energy PLC](#)  
**TIDM** EME  
**Headline** Empyran mandates a US\$50m Debt Facility  
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**Empyran Energy PLC**  
 ("Empyran", "EME" or the "Company"; Ticker (EME))

**EMPYREAN AGREES INDICATIVE TERMS FOR A US\$50 MILLION TERM DEBT FACILITY TO FUND DEVELOPMENT OF EAGLE FORD SHALE CONDENSATE AND GAS PROJECT**

- The Metals and Energy Capital Division of Macquarie Bank Limited ("Macquarie") mandated to provide a 3-year term debt facility of up to US\$50m ("the Facility");
- Provision of the Facility is subject to conditions precedent, technical and legal due diligence;
- Facility drawdowns to be based on proven reserves;
- US\$10m initially available upon receipt of committed offer;
- Additional funds to be made available as proven reserves increase;
- Acceptance of a committed offer would see Empyran fully funded for its share of the currently anticipated development schedule for 2012;
- The funds will be used to support the development of Empyran's core asset - the Sugarloaf Project, an Eagle Ford Shale Condensate and Gas project operated by Marathon Oil Corporation ("Marathon").

Empyran is pleased to announce that it has mandated Macquarie to provide a 3 year term debt facility for up to US\$50 million to support its participation in the development of the Sugarloaf Project, an Eagle Ford Shale Condensate and Gas development project in onshore Texas, USA.

Under the indicative term sheet, US\$10 million would be initially available following acceptance of a committed offer and conditions precedent being met. A further US\$5 million would subsequently become available, if necessary, subject to increases in proven reserves that are expected to be

gained via the drilling and successful completion of further development wells. The balance of funds would become available, if necessary, subject to further reserve hurdles being agreed upon and met.

There are currently 24 wells in production on the project area, with a full development expected to exceed 200 wells with there being the potential for 300+ well development should certain initiatives prove successful. These initiatives include the possibility of closer well spacing which will be trialed with the aim of optimizing recoveries and overall economics for the field.

Empyran is expecting Marathon to implement an aggressive drilling schedule of approximately 65 wells at the Sugarloaf Project this calendar year. The schedule has been subject to recent change and is still relatively fluid. Most of these wells will see Empyran participate at a 3% working interest level.

Marathon will have a number of rigs working full time at the Sugarloaf Project and are targeting a significant increase in proven reserves and production rates.

The Facility will see Empyran fully funded for the anticipated drilling and development schedule through 2012.

It is anticipated that draw downs on the Facility will be in multiples of US\$1 million. The Facility will have a 36 month initial term. The interest rate will be based on LIBOR plus a fixed percentage per annum. The Facility also requires that options be granted to Macquarie as draw downs occur. The options are in three tranches - the first tranche of 15,000,000 options will have a strike price of 8p the second tranche of 15,000,000 options will have a strike price of 10p and the third tranche of 15,000,000 options will have a strike price of 12p. The first two tranches of options will vest upon the acceptance of a committed offer and US\$10m being made available. The third tranche of options will vest upon a further US\$5m being made available and the first US\$1m of that amount being drawn down.

Commenting today, Empyran CEO Tom Kelly said "Empyran is delighted to be working with Macquarie in order to provide the Company with a funding solution to what will be a very exciting and aggressive development program being implemented by Marathon. We look forward to working together with Macquarie to ensure that we unlock the potential value of this exciting asset for our shareholders."

A further announcement will be made in due course.

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