



Empyrean Energy PLC - EME Q3 2015 Production from Sugarloaf AMI, Texas
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Empyrean Energy PLC ('Empyrean' or 'the Company') Q3 2015 Production from Sugarloaf AMI, Texas

Empyrean Energy, the profitable US onshore oil, gas and condensate exploration, development and production company with assets in Texas and California, is pleased to provide a production update from its flagship Sugarloaf AMI Project ('Sugarloaf' or the 'Project') in the prolific Eagle Ford Shale, Texas, for the three month period to the end of September 2015 ('Q3 2015' or the 'Quarter').

Empyrean has a 3% working interest in the Project, which is operated by Marathon Oil Company, a subsidiary of US major Marathon Oil Corporation (NYSE: MRO) ('Marathon' or the 'Operator').

Highlights for Q3 2015

- **5.6% increase in production during the Quarter to 114,982 boe net to Empyrean's interest after royalties and costs ('royalties') (Q2 2015: 108,849)**
- **4.5% increase in average daily production to 1,250 boe net to Empyrean's interest after royalties (Q2 2015: 1,196)**
 - **251 gross producing wells as at 30 September 2015, an increase of 20 since Q2 2015**
 - **290 gross producing wells as at 23 December 2015, including 51 in the overlying Austin Chalk formation**
 - **Inventory of 26 wells drilling and/or in various stages of completion as at 23 December**

- **Drilling and completion costs continue to decrease with recent completed well costs ranging between US\$5.5 - 6.0 million**
- **Significant increase in 1P and 2P reserves reported during the period effective to 30 June 2015**

Empyrean CEO, Tom Kelly said, *"Q3 has seen an increase in production at Sugarloaf whilst costs have continued to fall against a backdrop of very challenging oil prices. A significant number of Austin Chalk wells have come into production and the Upper Eagle Ford continues to be appraised with early typical production type curves from both formations performing similarly to Lower Eagle Ford wells. Following a dramatic increase in our 1P and 2P reserves as reported in Q2, the continued appraisal of the Upper Eagle Ford for co-development with the Lower Eagle Ford and Austin Chalk bodes very well for potential future reserve increases at Sugarloaf."*

Further Information

The Company is pleased to report that total production for Q3 2015 was 114,982 boe net to Empyrean's interest *after* royalties, representing a 5.6% increase on production from Q2 2015. Net average daily production for Q3 2015 increased by 4.5% to 1,250 boe/d *after* royalties.

At the end of the quarter, Empyrean had 251 gross wells that were producing at Sugarloaf, an increase of 20 wells since the end of June 2015. Furthermore, as at 23 December 2015, Empyrean had 290 gross wells that were producing at Sugarloaf and, of these, there are 51 wells in the Austin Chalk formation.

Further cost reductions have been achieved by Marathon with recent wells being completed for US\$5.5 - 6.0 million. However, the low oil price environment has continued to impact the industry globally and the Company continues to actively assess its ongoing financing requirements and operational strategy to allow it to manage its cashflow in the context of the prevailing environment.

Corporate

The Company made a scheduled repayment of its loan facility with Macquarie Bank of US\$1 million at the end of September 2015. The total outstanding under the facility currently stands at US\$19.67 million.

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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.

Notes to Editors:

Empyrean Energy Plc is an AIM listed (Ticker: EME) profitable US on-shore oil, gas and condensate exploration, development and production company with assets in Texas and California. The Company's portfolio represents a mix of assets at various stages of development. Its flagship project is the Sugarloaf AMI in the prolific Eagle Ford Shale, Texas, where it has a 3% working interest in approximately 24,000 gross acres centrally positioned in the liquids rich sweet-spot within the field. Empyrean has an interest in 290 gross producing wells with full development expected to reach over 1500 wells. The Company has a term debt facility of up to US\$50 million with Macquarie Bank, subject to reserve hurdles and drawdown approvals, in place in order to develop this acreage which is operated by US major Marathon Oil Company.

Other assets include a 58.084% interest in the Eagle Oil Pool Development Project located in the San Joaquin Basin, southern California, a proven oil and gas province. Empyrean's large working interest in this project provides the Company with flexibility and leverage with potential high impact from success. Additionally, Empyrean has a 7.5% interest in the Sugarloaf Block A operated by ConocoPhillips in the Eagle Ford Shale, and a 10% working interest in the Riverbend Project in Texas.

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