

Regulatory Story

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Empyrean Energy PLC - EME First Completion of Reduction of Duyung Interest
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This announcement contains inside information

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Empyrean Energy PLC ("Empyrean" or the "Company")

First Completion - Reduction of Interest in Duyung PSC, Indonesia, for Cash and Shares

17 April 2019

Empyrean Energy Plc ("**Empyrean**"), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to advise that, in accordance with the binding, conditional purchase agreement (the "**Agreement**") pursuant to which Coro Energy plc ("**Coro**") has agreed to acquire a 15% interest in the Duyung Production Sharing Contract ("**Duyung PSC**") from West Natuna Exploration Limited ("**WNEL**"), Empyrean has now received its pro rata share of the final cash and share component of the Consideration (as defined below) to the existing owners of WNEL.

Under the Agreement, Coro will acquire a 15% interest in the Duyung PSC for aggregate consideration in cash and Coro shares of US\$4.8 million and the contribution of US\$10.5 million by Coro toward the 2019 drilling campaign at the Mako gas field (the "**Consideration**"). The cash and share component of the Consideration has been paid pro rata to the previous owners of WNEL, being Empyrean, which held a 10% effective interest in the Duyung PSC, and Conrad Petroleum Ltd ("**Conrad**"), which held a 90% effective interest in the Duyung PSC, each through a shareholding in WNEL.

WNEL is the owner and operator of the Duyung PSC in the West Natuna basin, offshore Indonesia which contains the Mako gas field.

Highlights

- The total cash and share consideration paid by Coro was US\$2.95 million in cash and US\$1.85 million in the form of 60,905,037 new ordinary shares of 0.1p each in Coro (the

"**Consideration Shares**"). Coro has also paid the remaining US\$9.3 million of the US\$10.5 million drilling campaign contribution to WNEL, having paid US\$1.2 million to WNEL on 11 February 2019.

- Empyrean received its final cash component of the Consideration of US\$120,000 from Coro on 17 April 2019, having received the initial cash component of US\$175,000 on 11 February 2019.
- Empyrean was issued 6,090,504 Consideration Shares of 0.1p each with a value of US\$185,000. The issue price of the Consideration Shares was calculated using a 30-day volume weighted average price of Coro's shares up to the date of signing the Agreement, being 2.3492 pence per Consideration Share. Application has been made for the Consideration Shares to be admitted to trading on AIM which is expected to occur on 24 April 2019.
- Following completion of the transaction, which is now only subject to necessary Government and regulatory approvals, WNEL will make a direct transfer of its interest in the Duyung PSC to Empyrean and the other owners. Empyrean's interest will be a direct ownership and no longer held through WNEL. In the meantime, until all approvals for direct PSC ownership are gained, Coro will receive transfers of 15% of the shares of WNEL, of which Empyrean will transfer to Coro 1.5% of its current 10% of shares in WNEL.
- Following completion, the owners of the Duyung PSC will be Conrad (76.5%), Empyrean (8.5%) and Coro (15%)
- Details of the 2019 drilling campaign will be set out in an agreed work programme and budget for the year (the "**2019 Work Programme**")

Empyrean CEO, Tom Kelly commented "Empyrean has now received cash and shares from Coro totalling \$0.48 million and the JV has received a further \$10.5 million towards the upcoming appraisal and exploration. This positions us as largely funded for what is going to be a uniquely exciting appraisal program. We will be appraising the existing Mako Gas discovery whilst deepening one well to test the deeper Tambak prospect. We believe this creates a very compelling risk versus reward profile for this deeper appraisal well."

Further announcements will be made in due course, as appropriate.

****ENDS****

For further information:

Empyrean Energy plc

Tom Kelly

Tel: +61 8 9380 9920

Cenkos Securities plc

Neil McDonald

Tel: +44 (0) 131 220 9771

Beth McKiernan

Tel: +44 (0) 131 220 9778

Pete Lynch

Tel: +44 (0) 131 220 9772

St Brides Partners Ltd

Priit Pijp

Frank Buhagiar

Tel: +44 (0) 20 7236 1177

Tel: +44 (0) 20 7236 1177

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