

## Regulatory Story

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**Empyrean Energy PLC** - EME Duyung PSC, Ops Update - Tambak 2 Well Spud  
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### **Empyrean Energy PLC ("Empyrean" or the "Company") Duyung PSC, Operational Update - Tambak 2 Well Spud**

Empyrean Energy Plc, the oil and gas development company with interests in China, Indonesia and the United States, is pleased to provide an operational update in relation to the upcoming drilling campaign in the Duyung PSC in the West Natuna basin, offshore Indonesia, in which Empyrean holds an 8.5% interest.

As previously advised, the drilling rig Asian Endeavour-1 jack up rig was mobilised from Singapore on 24th September 2019 and has been on location since Monday 30th September. Empyrean has been advised that pre-loading of equipment and supplies for the two well programme has now completed and drilling of the Tambak-2 well has commenced.

The Tambak-2 well is primarily designed as an appraisal of the southern area of the Mako gas field. The well, which is a very large step out (over 13 km) south of the Mako South-1 location, will be drilled as a vertical well and is prognosed to intersect the intra-Muda reservoir up dip from the Mako South-1 well, at a depth of approximately 380 metres below sea level. The well is planned to total depth at approximately 595 metres below sea level. A full reservoir evaluation programme is planned, including an extensive suite of logs, coring and open hole testing, in order to derive as much information as possible about the Mako gas field reservoir.

An independent review by Gaffney Cline & Associates ascribed gross 2C resources of 276 Bcf (48.78 MMboe) of recoverable dry gas in the Mako field with gross 3C resources of 392 Bcf (69.3 MMboe) representing additional field upside. These resource estimates will be updated post completion of the drilling programme.

Total time to drill, core, log and test is estimated to be approximately 33 days, after which the rig is then planned to move to the Tambak-1 location. The gross cost of the two well programme is expected to be approximately \$17MM-19MM to the PSC partners on a fully tested basis, including rig mobilisation and de-mobilisation, for which Coro Energy Plc ("Coro") is funding US\$10.5MM. Empyrean will fund 8.5% of the additional drilling campaign costs over and above the Coro funding.

The information contained in this announcement has been reviewed by Empyrean's Executive Technical director, Gaz Bisht, who has over 29 years' experience as a hydrocarbon geologist and geoscientist.

**\*\*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

Pete Lynch

Tel: +44 (0) 131 220 9772

**St Brides Partners Ltd**

Priit Piip

Tel: +44 (0) 20 7236 1177

Frank Buhagiar

Tel: +44 (0) 20 7236 1177

**The Mako Gas Field, Duyung PSC, Offshore Indonesia**

The Mako gas field is an extremely large, shallow structural closure, with an area extent of over 350 square km. The reservoir is a Pliocene-age sandstone, with a gas-water contact at approximately 391m true vertical depth sub-sea. The field has excellent seismic definition with direct hydrocarbon indicators being very evident.

Having been drilled but not tested by prior operators of the acreage, the commercial viability of the Mako gas field was demonstrated by the Mako South-1 well drilled by Empyrean and its partner and operator, Conrad Petroleum Limited in 2017. The well was drilled to core and test the Mako reservoir, flowing up to 10.8 MMscf/d of dry gas on test. Overall four wells have penetrated the reservoir section, and while further appraisal is planned given the huge areal extent of the field, the reservoir distribution is reasonably well understood.

The Mako field is located in the prolific West Natuna basin, approximately 16 km from the WNTS pipeline system which delivers gas from Indonesia to Singapore. A plan of development has recently been approved by Indonesian authorities and initial gas marketing discussions have commenced, with a gas buyer in Singapore for the Mako gas. An independent report on the field's potential was recently carried out by Gaffney Cline & Associates, giving a 2C recoverable resource assessment of 276 Bcf and 392 Bcf of 3C recoverable resources.

**Near Field Exploration Potential, To Be Tested in 2019**

A series of prospects both beneath and above the Mako field have been mapped. Of particular note is the Tambak (formerly 'Mako Deep') prospect, a Lower Gabus structure that sits beneath the northern end of the Mako field. The target interval within Tambak exhibits seismic amplitude brightening, conformable with structural closure. The prospect has a prospective resource range of 200 to 300 Bcf with a mid-case 250 Bcf and a CoS of 45%.

At the southern end of the field, over the structure's crest, sits the Mako Shallow prospect. This again shows a very strong direct hydrocarbon indicators on seismic, conformable with closure in shallow Muda sandstones. The Shallow Muda prospect has potential to add a further 100 Bcf of recoverable resources and a very high CoS of 75%.

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