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Empyrean Energy PLC - EME Operational Update - Tambak -1 Well Spud
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Empyrean Energy PLC ("Empyrean" or the "Company")
Duyung PSC, Operational Update - Tambak -1 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.

Following the successful appraisal at Tambak-2, the Asian Endeavour-1 jack up rig has been on location since Friday 1st November and drilling of the Tambak-1 well has commenced. The Tambak-1 well is located approximately 4.5 km north of the Mako South-1 location and is designed to both appraise the extent of the Mako gas field as well to test the underlying Tambak prospect. The well will be drilled as a vertical well and is prognosed to intersect the top of the intra-Muda reservoir at a depth of approximately 1,276 feet below sea level. The well will be deepened below the base Muda unconformity (at a depth of approximately 1,696 feet) to test the underlying Lower Gabus section.

The well is planned to total depth at approximately 4,500 feet below sea level.

Total time to drill, log and test in the event of success is estimated to be approximately 33 days, after which the well will be plugged and abandoned and the rig de-mobilised.

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 30 years' experience as a hydrocarbon geologist and geoscientist.

ENDS

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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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