



**Empyrean Energy PLC** - EME £10m Equity Placement Facility secured  
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## **Empyrean Energy PLC ("Empyrean" or the "Company")**

### **£10m Equity Placement Facility secured**

24 December 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 it has entered into a £10 million equity placement facility (the "**Facility**") with Long State Investment Limited ("**Long State**"), a Hong Kong-based energy and resource focused investment company. Long State's management has over 50 years of collective experience as a group and completed over 100 investments and financings worldwide. Long State will also provide strategic advice and introduce potential investors both to the Company and its projects with a general focus on Empyrean's Asian assets.

The Facility provides Empyrean with a fully flexible funding facility and enables it to access capital to fund its ongoing working capital, if required, with the timing of drawdown and the minimum issue price of any Placement Shares entirely at its discretion. Under the terms of the Facility, Empyrean may, at its discretion, place new ordinary shares in the Company (the "**Placement Shares**") with Long State up to a total of £10 million over the next 24 months. Empyrean may draw in tranches of up to £200,000 (which, with the consent of Long State, may be increased to up to £500,000) in any period of 20 trading days (or shorter by mutual agreement).

Placement Shares issued to Long State under the Facility will be priced at the average of the daily volume weighted average price ("**VWAP**") of Empyrean's shares on two days nominated by Long State during the 20 trading days following submission of a placement notice by Empyrean to Long State, provided that this price cannot be lower than the minimum acceptable price stipulated by Empyrean in the placement notice (the "**Minimum Acceptable Price**"). However, Long State may reduce the amount requested by Empyrean by five per cent. for each day during the Pricing Period that the daily VWAP of the Company's shares is lower than the Minimum Acceptable Price.

A commission of five per cent. is payable to Long State on any drawdowns under the Facility, commensurate with standard broker/advisor fees on such transactions, payable at the time of issue of the Placement Shares.

The Facility may be terminated by the Company prior to completion of the two year term without penalty and the Facility does not restrict Empyrean obtaining any form, or combination, of equity or debt financing from third parties or any other source.

An activation fee of £20,000 is payable in cash or shares (at Empyrean's election) when the Facility is first activated with a further activation fee of £20,000 payable after the total drawn down amount under the Facility reaches each of £2.5 million, £5 million and £7.5 million, respectively. Any shares issued in respect of an activation fee are priced at the daily VWAP on the trading day immediately prior to the payment date. No activation fee is payable if the Facility is not used.

An implementation fee of £20,000 was paid in cash on the signing of the Facility and Empyrean has also issued options to Long State in respect of 500,000 ordinary shares in the Company, exercisable at 12.3 pence each, being 150 per cent. of the daily VWAP on the date prior to issue. Empyrean is required to issue options to Long State in respect of a further 500,000 ordinary shares when the Facility is first activated and additional tranches of 500,000 options payable only after the total drawn down amount under the Facility reaches £2.5 million, £5 million and £7.5 million respectively. The maximum number of options to be issued to Long State under the Facility is 2,500,000. All options are priced at 150% of the daily VWAP on the date prior to issue and have a three-year term from the date of issue.

In addition to securing the Facility with Long State, Empyrean has received indications of interest from potential investors and the Company is currently exploring undertaking a potential placing of new ordinary shares to provide additional short-term working capital for the Company. Tom Kelly, CEO, has indicated to the Board that he intends to participate in any such funding initiative, should it proceed. The amount to be raised and the issue price of any new shares has not yet been determined whilst discussions with potential investors are ongoing and further announcements will be made in due course.

Tom Kelly, Empyrean CEO, commented:

"While the Company continues to progress various strategic and funding alternatives, the signing of the Facility with Long State provides us with further funding flexibility by enabling access to capital when and if required, with the timing and minimum pricing at Empyrean's discretion. We also see the Facility as a means of minimising unnecessary dilution for existing shareholders at this time as we progress our objective to drill our first well in China during 2020."

**\*\*ENDS\*\***

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