



Empyrean Energy PLC - EME Resource Upgrade of Mako Gas Field
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Empyrean Energy PLC ("Empyrean" or the "Company")

Resource Upgrade of Mako Gas Field at Duyung PSC, Indonesia

Empyrean Energy plc ("**Empyrean** or **Company**"), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to announce an upgrade of resource estimates for the Mako gas field, which forms part of Duyung PSC in the West Natuna basin, offshore Indonesia (the "**Mako gas field**"). The resource update has been prepared internally by the operator of the Mako gas field, Conrad Petroleum Ltd ("**Conrad**"), and follows a highly successful appraisal drilling campaign in Q4 2019 at the Mako gas field, which saw the Tambak-1 and Tambak-2 wells demonstrate the presence of well-developed, high quality reservoir sandstones with a common gas water contact across the Mako structure. A previous, post-discovery and pre-appraisal drilling, independent resource assessment was completed by Gaffney Cline & Associates ("**GCA**") and released in January 2019 (the "**2019 GCA Assessment**").

The partners in the Duyung PSC are Conrad (76.5%), Coro Energy plc (15%) and Empyrean (8.5%) (together the "**Duyung PSC Partners**")

Highlights

- Gross (full field) 1C (Contingent) Resource estimate of 323 Bcf of recoverable raw gas, representing an increase of 76% on the pre appraisal estimate of 184 Bcf in the 2019 GCA Assessment
- Gross (full field) 2C (Contingent) Resource estimate of 493 Bcf of recoverable raw gas, representing an increase of 79% on the pre appraisal estimate of 276 Bcf in the 2019 GCA Assessment
- Gross (full field) 3C (Contingent) Resource estimate of 666 Bcf of recoverable raw gas, representing an increase of 70% on the pre appraisal estimate of 392 Bcf in the 2019 GCA Assessment
- Appraisal drilling in Q4 2019 confirmed the presence of thicker and better quality reservoir with a gas water contact measured (from electric logs) to be 5 ft deeper than previous contact that was estimated from pressure data
- Revised development scenarios are under review that may be able to achieve a plateau production rate of 150 MMscf/d, which is up from the previously modelled 44 MMscf/d

Tom Kelly, CEO of Empyrean, commented:

"The success of the appraisal drilling program at the Mako gas field last December has resulted in an outstanding uplift in contingent resources across all categories. The implications of a thicker and better quality reservoir with a gas water contact 5 ft deeper than previously assumed has not only been the driver for the resource uplift but has also had a particularly positive impact on potential development scenarios with up to a 150MMscf/d plateau production rate now being modelled. Obviously, we are in an extremely challenging macro environment; however, we are extremely pleased to see that the fundamental technical aspects of this project have, with excellent planning and a very well thought out and executed appraisal drilling program, become more robust. Despite global oil prices being significantly depressed, it is worth noting that this project is high quality methane gas that will ultimately be supplied to the Singapore/Indonesia region where the longer term demand for energy and in particular methane gas is forecast to grow. We look forward to updating shareholders on the Gaffney Cline report in due course ."

Internal resource assessment of the Mako gas field, Offshore Indonesia

Following the highly successful appraisal drilling campaign on the Mako gas field in Q4 2019, which saw the Tambak-1 and Tambak-2 wells demonstrate the presence of well developed, high quality reservoir sandstones with a common 5ft deeper gas water contact (measured from electric logs) across the Mako structure, the operator, Conrad has updated its internal resource estimate of the Mako field.

Gaffney Cline and Associates ("**GCA**") have also been commissioned by the operator on behalf of the Duyung PSC partners to update its view of the Mako field. The operator has advised that, despite the movement and travel restrictions affecting all parties involved, all efforts are being made to ensure that GCA delivers its report in a timely fashion.

Both the internal estimate and the still-to-be-finalised GCA analysis use new data acquired from the Q4 2019 appraisal drilling programme, including the drill stem test at Tambak-1, which flowed at 11.4 MMscf/d.

The internally updated resource estimates are shown in the table below:-

Contingent Resource Estimates	Gross 100% Field (2019 GCA Assessment)	Gross 100% Field (Conrad - 2020)	Increase
	Bcf	Bcf	%
1C (Low Case)	184	323	76
2C (Mid Case)	276	493	79
3C (High Case)	392	666	70

The Mako gas field is an extremely large, shallow structural closure of over 350km². 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 Conrad and Empryan 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.

The Mako field is located close to the West Natuna pipeline system and gas from the field can be marketed to buyers in both Indonesia and in Singapore. A heads of agreement ("**HOA**") with a gas buyer in Singapore is already in place. Approval of a Plan of Development by the Indonesian Authorities and the conclusion of a gas sales agreement ("**GSA**") will mark an important step toward the final investment decision to develop and commercialise the field.

The full field resources above are classified as "contingent" since, for example, no GSA has been signed and a Final Investment Decision ("**FID**") has not yet been taken. However, the HOA is a definitive step on the path to executing a GSA, a definitive gas sales document detailing all the terms regarding the sale of all Mako gas to Singapore.

The information contained in this announcement has been reviewed by Empryan's Executive Technical director, Gaz Bisht, who has over 30 years' experience as a hydrocarbon geologist and geoscientist.

****ENDS****

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