

EMPYREAN ENERGY PLC ANNUAL GENERAL MEETING – QUESTIONS AND ANSWERS

22 September 2020

California

Question: Can the board provide a summary of progress of all 3 main projects, namely Duyung PSC offshore Indonesia, Sacramento Basin, California and Block 29/11 offshore China and specifically answer questions 2, 3 and 4 below for each asset?

Answer: A summary of progress on Empyrean's projects is provided in the AGM Presentation available on the Company website.

Question: In relation to Sacramento Basin, California, could the board provide timeframe for drilling of the Borba prospect (Sacgasco CEO indicates in recent interview that an Independent Resource Report is due any day now and drill likely mid-October 2020), WI % of each JV Partner and how much and how will Empyrean Energy fund its share of the drill costs as well as other workovers in the basin?

Answer: The Borba prospect in the Sacramento Basin, California is essentially a drill- ready target that only requires minor permitting, pad preparation and a drilling contract before proceeding. Having said that, COVID19 issues have had an impact in the USA and will continue to be assessed to manage safety. In addition, the operator, Sacgasco has stated that it is having a 3rd party assessment of the prospect. When the full report becomes available, Empyrean will make a very thorough assessment of the technical merit and risk/reward profile of the Borba prospect with "fresh eyes" and taking into account the 3rd party expert findings. At that point Empyrean will decide whether or not it will participate and at what level and if any renegotiation of interest is justified or available. If Empyrean decides to participate, a fresh drilling contract/quote will be obtained and depending on the timing and quantum of all of the above Empyrean will decide the best way to fund any participation.

Indonesia

Question: In relation to Duyung PSC offshore Indonesia, could the board provide timeframe for the sale of asset (will all of the asset be sold?), ballpark sale proceeds figure and if Conrad also interested in buying Empyrean Energy's share as well as other potential parties?

Answer: Empyrean has an 8.5% interest in Duyung, containing the Mako gas field, with Conrad holding 76.5% and Coro holding 15%. The deal with Conrad provides that any sale or part sale that is offered to Conrad must be offered to Empyrean pro-rata. It is Empyrean's opinion that the best deal on the Mako gas field will be obtained by dealing at the 100% level even if it is a partial sale or JV. This is because the project has now grown to a size where likely participants may want a significant stake and/or operatorship. For this reason, it is our opinion that we will get a better result by not dealing piecemeal on our smaller interest alone. Conrad has not publicly entered into any formal process and so any discussions are being handled by it internally and further news will only be released as and when appropriate. Conrad is well funded, well run and has made amazing progress on this major gas discovery since the Mako South-1 well, so we have every confidence in their ability.

Question: Is it the plan to sell the full 8.5% stake in Mako or perhaps sell a partial interest and retain the remainder?

Answer: Empyrean's approach will be determined in light of the terms of any proposal received. The Company would be willing to sell its full 8.5% stake, or to retain an ongoing interest, if the terms of the deal are sufficiently attractive.

Question: Regards the sale of Mako do you expect some partial release of funds as a dividend to shareholders or will the funds be used entirely for developing China (and/or California)?

Answer: Empyrean would consider its ongoing capital requirements, including the costs of the upcoming drilling campaign in China, alongside the proposed terms of any monetisation of its Indonesian assets in determining whether to preserve capital to ensure its balance sheet is as strong as possible or distribute part of those funds to shareholders.

Question: I noticed on the Petromindo website that 24th August SemboCorp have signed a GSA for Mako gas. Why has this significant news not been RNS'd with either Conrad, EME or Coro?

Answer: Empyrean believes that the article refers to the HOA that is already in the public domain.

China

Question: In relation to Block 29/11 offshore China, could the board provide timeframe for drilling of the first prospect (will it be before end of 2020 or in 2021?), cost of the drill, progress on a JV Partner (or funding strategy for drill) and how much and how will Empyrean Energy fund its share of the drill costs?

Answer: Empyrean has until June 2022 to drill its first well in China on Block 29/11. It is Empyrean's intention to drill this well as soon as practicable. There is a best weather window between November each year and May the following year. So, we have two likely windows to look at and both are achievable depending on how COVID19 implications play out. The well will not be drilled before the end of 2020, but could be drilled later in the window, say April or May 2021 or anytime between November 2021 and May 2022. Cost estimates are being revised and would be confirmed when we commit to a rig and a drilling window, but dry hole cost estimates were approximately US\$18.6m in early 2019. Funding the well may come from Equity, JV or asset sale or a combination. The final share of costs will depend on all of the above.

Question: Please provide an update on the strategy regards China?

Answer: Empyrean views the opportunity and the progress on Block 29/11 as being world class. The size of the prize and the quality of prospects is in our opinion outstanding. We are working very diligently towards drilling our first well in China and there is currently a multi-pronged approach, with outcomes depending very much on timing – however each potential outcome has very high leverage for Empyrean upon exploration success.

Question: If someone were to lend you \$20m tomorrow for the specific development of EME's China interests, how quickly do you think you could arrange to spud the first well?

Answer: Empyrean will not borrow funds to drill exploration wells, however there are two ideal weather windows as explained in an earlier answer that can be met when funding becomes available.



Question: Are you seeking a JV partner for China and if so is that likely to be confirmed this year even if Covid-19 delays drilling until next year?

Answer: One of the strategies in Empyrean's multi-pronged approach to getting its first well drilled in China is to market to potential JV partners. This is well underway and would be confirmed as soon as any deal is consummated.

Corporate

Question: The company appears to have exhausted quite a lot of cash during 2020. Personally I would have committed significantly more funds into the 3.5p/share fund raise but there was no information on what the cash would be used for so I limited my investment accordingly. I calculate over £1M has been raised and spent this year – please clarify what the money has been spent on?

Answer: The open offer document went into detail on what the funds were being raised for. The Annual Report also provides significant detail on all aspects of Company spending. I would urge all shareholders to read those documents in entirety. The Company has been able to make the funds raised last longer than budgeted for.

Question: Can the company commit to no Options being awarded to directors in the next 12 months.

Answer: Whilst there is currently no intention to grant any options to Directors in the next 12 months, the Company would never commit to such a request. It is the Company's belief that its exploration assets offer such tremendous transformational potential that it is quite likely that upon any exploration success, the current Board would need to be expanded with high calibre individuals offering complimentary or different skill sets. It may be the case that Empyrean would need to incentivise individuals in such circumstances.