

RNS Miscellaneous

Sacramento Basin Assets**EMPYREAN ENERGY PLC**

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Empyrean Energy PLC
25 March 2021**25 March 2021****Empyrean Energy PLC / Index: AIM / Epic: EME / Sector: Oil & Gas****Empyrean Energy PLC ("Empyrean" or the "Company")****Sacramento Basin Assets**

Empyrean Energy plc (EME: AIM) ("**Empyrean**"), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to provide the following update on its Sacramento Basin projects.

On 28 October 2020, the Company announced its intention to withdraw from the proposed drilling of the Borba well and the Borba Area of Mutual Interest ('Borba AMI') in the Sacramento Basin, with non-consent resulting in no drilling expenditure nor interest in the well.

During 2017, Empyrean participated in the drilling of the Dempsey 1-15 well and earned its interest in the Dempsey Area of Mutual Interest ('Dempsey AMI') which lies adjacent to the northwest of the Borba AMI.

On 23 February 2021, Empyrean's Sacramento Basin JV partners, ASX listed Sargasco Energy (ASX: SGC) and Xstate Resources (ASX: XST) announced the commencement of drilling of the Borba 1-7 well. Subsequently, it was announced on 8 and 19 March 2021 that the well had encountered significant gas shows whilst drilling the shallower Kione and Guinda objectives in the well.

The Borba 1-7 well is also intended to drill a number of deeper prospective sands before reaching targeted total depth. These deeper sands are similar to those encountered at the Dempsey 1-15 well with seismic interpretation showing that, at the Borba 1-7 well location, the sands lie in a location that, at the time of deposition, was structurally lower and in a paleo-channel. This suggests the Borba 1-7 well has a greater chance of better sand development and potentially improved porosity, permeability and overall reservoir quality than at the Dempsey 1-15 location. The Borba well location was chosen because of the interpreted thicker sand development.

The Borba well has the chance to open up these deeper channel sands as a new play type within the Sacramento Basin that Empyrean and its JV partners are operating within. Specifically, there are a number of prospects within the Dempsey AMI in which Empyrean has already earned its interest, that may become high priority targets should the Borba 1-7 well achieve success.

In addition, and independent of any potential success at Borba, with some COVID restrictions starting to ease, the Sacramento Basin JV partners are also keen to pursue the Alvares Prospect. Alvares was drilled for oil in the mid 1980s when gas was not a high priority target. The Alvarez well encountered some 10,000 feet of gas shows and flowed gas to surface from a very limited test of a 40 feet interval. The partners are currently investigating the permitting and logistics required to test the original wellbore integrity in order to potentially re-enter and carry out a more rigorous test program using modern day logs and perforating equipment.

Empyrean CEO, Tom Kelly stated "Whilst Empyrean is not directly involved in the Borba well, we wish our JV partners a successful, safe and timely drilling campaign and watch with great interest as the deeper targets at Borba have the potential to high grade future prospects that sit within our mutual JV interests. Any commercial success at Borba is highly likely to accelerate the significant momentum that is now seeing Oil and Gas Companies return to exploration drilling following a quiet 2020."

****ENDS****

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