

Operations update Jade prospect drilling

EMPYREAN ENERGY PLC

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Empyrean Energy plc

Block 29/11, China - Operations update Jade prospect drilling

3 November 2021

Empyrean Energy plc ("**Empyrean**" or the "**Company**"), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to advise that it has made significant operational progress towards spudding the LH 17-2-1 exploration well at the Jade prospect on Block 29/11, offshore China, (the "**Jade Prospect**") in December 2021.

HIGHLIGHTS

- **CNOOC EnerTech-Drilling & Production Co ("**CNOOC EnerTech**") have been engaged to manage a number of critical pre drilling permitting and logistical requirements as well as performing a major managerial role over all aspects of the drilling operations**
- **CNOOC EnerTech is a subsidiary of China National Offshore Oil Company ("**CNOOC**") and holds in excess of 90% of the deepwater technical service market in China, with more than 10 years experience in areas such as supervision, project design, devices and tools service, fishing, coring and core analysis**
- **The CNOOC EnerTech team has commenced the process for securing several drilling permits, and has commenced engagement with China Oilfield Services Limited ("**COSL**") drilling group for verification of wellhead and casing specifications and other key areas.**

Empyrean is the operator of Block 29/11 in China and has 100% working interest during the exploration phase. In the event of a commercial discovery, its partner, CNOOC, has a back in right to a 51% participating interest in the development and production phase.

In order to ensure safe and secure drilling operations, the Company has held several discussions and has remotely held meetings with CNOOC EnerTech in order to secure its services to assist with the pre-drill logistics and management of the drilling operations. These discussions resulted in defining a broad mandate for the engagement with the following three teams being formed to work in a phased manner to coordinate and manage the drilling operations:

The Onshore team will be responsible for finalising the drilling and geological program for the well in line with CNOOC's requirements. In addition, this team will be responsible for applying for and securing all necessary permits ahead of drilling operations. Finally, this team will develop safety and emergency response procedures and documentations. The Onshore team has already commenced systematic work for securing several drilling permits, and have commenced engagement with COSL drilling group for verification of wellhead and casing specifications. CNOOC EnerTech team is also preparing a comprehensive Emergency Response Plan ("**ERP**") for conducting safe drilling operations.

The Offshore team will join the Onshore team 15 days prior to rig mobilisation to the drilling location, and will be involved in managing day-to-day drilling operations on the rig.

In the event there is an oil pay in the well (success-case), a **Well Test team** will join the Offshore team in the rig, and will be responsible for the comprehensive well testing operations.

The information contained in this announcement has been reviewed by Empyrean's Executive Technical director, Gaz Bisht, who has over 31 years' experience as a hydrocarbon geologist and geoscientist.

Empyrean CEO, Tom Kelly, stated:

"Engagement of CNOOC EnerTech marks another important milestone towards conducting a safe and successful drilling operation. Empyrean is delighted to have the experience and capability of the CNOOC EnerTech team onboard and working with Empyrean to drill the Jade prospect. We are now counting down towards drilling of the Company's first exciting exploration well in China. We look forward to providing shareholders with further updates in the short term."

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