

Jade drilling operational status

EMPYREAN ENERGY PLC

Released 07:00:09 10 January 2022

RNS Number : 8854X
Empyrean Energy PLC
10 January 2022

This announcement contains inside information

Empyrean Energy Plc / Index: AIM / Epic: EME / Sector: Oil & Gas

Empyrean Energy plc

Block 29/11, China - Jade drilling operational status

10 January 2022

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 provide the following update on preparations to drill the Jade prospect at its 100% owned Block 29/11 permit, offshore China:

HIGHLIGHTS

- **Empyrean and China Oilfield Services Limited ('COSL') survey engineers have held several meetings over the past week resulting in a revised scope of survey works and providing a greater sea swell tolerance to conduct the well site survey required over the Jade drilling location**
- **A shorter survey duration requiring 3-4 days of swell less than 1.7m now required before rig mobilisation and drilling**
- **CNOOC EnerTech-Drilling & Production Co ('CNOOC EnerTech') team has made significant progress in securing critical pre-drilling permitting including Standby Vessel and Environmental Impact permits already being completed**
- **A further five permits are in progress and expected in the coming weeks with the last of eight permits requiring the well site survey in order to complete**

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, China National Offshore Oil Company ("CNOOC"), may assume a 51% participating interest in the development and production phase.

The Company and COSL held several meetings in the past week to review the well site survey status and have reworked the scope of the survey resulting in a widened operable weather window.

The updated scope will now have an operable weather window with peak wave heights to <1.7m. The increased swell tolerance of the new scope is specifically designed to give Empyrean and the COSL survey team a greater chance of completing the well site survey sooner.

The CNOOC EnerTech team has been working efficiently and has made significant progress in securing critical pre-drilling permits. The Registered Certificate for Standby Vessel and Environmental Impact Registration have already been completed. A further five permit applications are in progress and Empyrean will provide a further update as these permits progress and are completed. The last of the eight permits required will be completed on conclusion of the well site survey.

The Jade Prospect

The 2021 drilling campaign is targeting a world class conventional oil target in the Jade Prospect, to which Gaffney Cline & Associates ("**GCA**") assigned a Geological Chance of Success ("**GCoS**") of 32%. Subsequent to this independent assessment, the Company completed a gas cloud study and post stack seismic inversion study that it believes further mitigates risk and increases the GCoS to 41%.

The Jade Prospect has a GCA audited mean in place potential of 225 MMbbl and a P10 in place upside of 395 MMbbl. Four recent nearby discoveries by CNOOC immediately to the West of the Jade Prospect are filled to their P10 potential or better. All four CNOOC discoveries have gas clouds showing in the overburden on seismic.

Empyrean's excellent quality 3D seismic indicates that there is a classic "fill to spill" geological setup in the basin, and a robust regional seal, that provides the Jade and Topaz Prospects with a very real possibility of being filled in a similar fashion to nearby discoveries. The Jade and Topaz prospects have gas clouds, similar to nearby discoveries, in the overburden on 3D seismic. Dry wells nearby do not

have gas clouds. The Jade Prospect is the first of the three identified prospects within Block 29/11, which also contains the Topaz and Pearl prospects. The combined audited mean in place potential of all three prospects is 884 MMbbl and a P10 in place upside of 1,588 MMbbl. The post stack seismic inversion study showed Jade and Topaz both have the potential for excellent carbonate buildup reservoir quality with excellent porosity and permeability. Any oil discovered is expected to be light oil in the 38-41 API range, similar to nearby discoveries. These attributes combined with the potential for exceptional natural reservoir drive supports the potential for excellent recovery rates.

China is the largest importer of oil in the world.

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:

"The Empyrean, COSL and CNOOC EnerTech teams are all working hard to tick all of the boxes required to get out there and drill the high impact and exciting Jade prospect as soon as practicable. The Jade prospect looks to be one of the highest impact exploration wells scheduled for 2022, globally. We need a little bit of luck from the weather, but we are finding ways to progress despite the unseasonal late poor weather conditions. At the same time, the CNOOC EnerTech team has been making steady progress in securing the necessary pre-drill permits. Finally, we would again like to thank COSL and CNOOC for their continued support and cooperation throughout this process."

For further information please contact the following:

Empyrean Energy plc

Tom Kelly

Tel: +61 6146 5325

Cenkos Securities plc (Nominated Advisor and Broker)

Neil McDonald

Tel: +44 (0) 131 220 9771

Pete Lynch

Tel: +44 (0) 131 220 9772

First Equity Limited (Joint Broker)

Jason Robertson

Tel: +44 (0) 20 7330 1883

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lse.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

DRLUKURRUSUARUR

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.
