

RNS Strategy/Company/Operations Update

## Rig Mobilisation and Anticipated Spud Date

### EMPYREAN ENERGY PLC

Released 07:34:54 25 March 2022

RNS Number : 0410G  
Empyrean Energy PLC  
25 March 2022

*This announcement contains inside information*

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

#### **Empyrean Energy plc**

#### **Block 29/11, China - Rig Mobilisation and Anticipated Spud Date**

25 March 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**

- **The China Oilfield Services Limited ("COSL") owned NH9 drill rig for drilling of the Jade well is being handed over to Empyrean within the next few days for safety checks**
- **Mobilisation of the NH9 rig to the Jade well drilling location expected to be on or around 27 March**
- **The Jade well is currently anticipated to spud on or around 2 April**

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.

Following discussions with COSL and CNOOC to establish rig availability, the recent completion of the well site survey and receipt of all required permits, following the final well site survey report, Empyrean advises that the mobilisation of the NH9 rig to the Jade well location is expected to occur on or around 27 March. NH9 had been used to drill a well for CNOOC immediately preceding mobilisation to Jade.

COSL now estimate that the spud date for the Jade well will be on or around 2 April 2022, depending on prevailing weather conditions to ensure the safe anchorage of the NH9 rig at the Jade location.

As previously advised, CNOOC EnerTech Drilling and Production Co ("CNOOC EnerTech") are providing comprehensive pre-drilling, drilling and testing services to Empyrean for the Jade well. CNOOC EnerTech has a wealth of global experience, but more importantly has vast local hands-on experience managing the drilling of wells within the Pearl River Mouth Basin where the Block 29/11 permit sits. The Empyrean/ CNOOC EnerTech team will be present both onshore, and offshore on the rig, during the drilling of Jade. Offshore, the team will consist of a hand picked drilling supervisor, well site geologist, mud logger and an electric logging expert. Gaz Bisht, Empyrean's technical director who has a successful track record of hydrocarbon discoveries within offshore China, has already made his way to China and is supervising the operations as part of the onshore team.

Empyrean and the CNOOC EnerTech team have taken every precaution to plan for a safe drilling campaign at Jade. The COSL owned NH9 rig and its drilling team are 'drill fit' and the NH9 rig will be mobilised straight to the Jade well location from its current position without the need to go back to port.

From the spud date, the Jade well is anticipated to take approximately 26 days to drill to Total Depth on a trouble free basis. There are no overly challenging drilling zones anticipated with the Jade well design and program. If the Jade well intercepts a hydrocarbon zone, as anticipated, then testing is planned to take approximately a further 2 weeks.

We will provide a further update on progress next week.

#### **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 both 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.

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:**

"We are delighted that we are now days away from being ready to spud one of the highest impact and exciting wells of 2022. Things are getting very real for our team and we look forward to providing shareholders and investors with further updates."

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@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://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

UPDUVOBRUAUOURR

---

**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.**

---