

RNS Drilling/Production Report

Block 29/11, China - NH9 rig on Jade location

EMPYREAN ENERGY PLC

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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

- **COSL owned NH9 rig has arrived safely on location at the Jade Prospect**
- **Operations to anchor the rig on location have commenced**
- **Spudding of LH 17-2-1 well over Jade Prospect is now anticipated to commence on or around 10 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.

China Offshore Services Limited ("COSL") towed the NH9 rig to the Jade well location and is currently in the process of anchoring the rig in place.

Once safely and securely anchored in place, preparations to rig up in preparation to spud the well will immediately follow. At this stage, it is anticipated that the well will spud on or around 10 April.

A further update will be provided once the well spuds.

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:

"Towing operations have unfolded a little quicker than we expected and we are now counting down the hours until we spud one of the highest potential impact and eagerly anticipated wells of 2022. We look forward to providing updates as the drilling starts and further progress is made. It is no mean feat that Empyrean, guided by Executive Technical Director -Gaz Bisht, was awarded the Block 29/11 permit, successfully carried out 608km² of 3D seismic, conducted oil migration studies, gas cloud studies, and seismic inversion studies and is now about to drill a 395 million barrel potential in place conventional light oil target at Jade."

Background Information on Jade and Topaz prospects

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.

The Topaz Prospect

Following any potential success at the Jade Prospect, Empyrean would like to drill the much larger Topaz Prospect, to which Gaffney Cline & Associates ("GCA") assigned a Geological Chance of Success ("GCoS") of 30%. 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 35%. Further, any discovery at the upcoming Jade well significantly increases the geological chance of success at Topaz

The Topaz Prospect has GCA audited mean in place potential of 434 MMbbl and a P10 in place upside of 891 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.

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