

RNS Drilling/Production Report

Drilling commences at Jade prospect

EMPYREAN ENERGY PLC

Released 07:00:09 11 April 2022

RNS Number : 9273H
Empyrean Energy PLC
11 April 2022

This announcement contains inside information

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

Empyrean Energy plc

Block 29/11, China - Drilling commences at Jade prospect

11 April 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 drilling the Jade prospect at its 100% owned Block 29/11 permit, offshore China:

HIGHLIGHTS

- **LH 17-2-1 well spudded on Jade prospect at 19:30 on 10 April 2022**
- **36" surface hole was drilled down to 588 metres Measured Depth ("MD")**
- **Current operations are installation of the 30" surface conductor**

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.

Empyrean is pleased to announce that drilling has commenced at the LH 17-2-1 well on Jade prospect at 19:30 on 10 April 2022.

Progress

The NH9 Semisubmersible drilling rig has commenced operations at LH 17-2-1 with the drilling of the 36" surface hole down to 588 metres Measured Depth ("MD"), and current operations are installation of the 30" surface conductor.

Forward plan

Following the setting of the surface conductor, the 17 ½" hole will be drilled down to 1050 metres MD and the 13 ⅝" casing will be set and cemented in place. The rig will then drill ahead in 12 ¼" hole to approximately 2140 metres MD before setting the 9 ⅝" casing.

After setting the 9 ⅝" casing, the rig will drill ahead in the 8 ½" hole section through to the expected Total Depth ("TD") of the well at 2860 metres MD.

During the drilling of the Jade well, we are conducting Logging While Drilling ("LWD") operations and should we encounter hydrocarbons in the main target zone we will run additional Combo Logs to confirm any oil pay zones. If an oil pay zone is confirmed then the plan is to carry out flow testing operations on the oil pay zones.

Well Objective

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 objective of drilling the Jade well is to test for hydrocarbons down to the TD of the well at 2860 metres MD.

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:

"Empyrean is delighted to inform shareholders that following successful anchoring operations at the Jade location we have spudded the Jade well over the weekend and drilled the first section of hole. The Empyrean, COSL and CNOOC EnerTech teams are working very well together to drill the well safely and achieve the objective."

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 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

DRLFIFVESILLIF

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.
