

RNS Drilling/Production Report

Drilling update at Jade prospect

EMPYREAN ENERGY PLC

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Empyrean Energy plc

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

13 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 commencement on the Jade prospect at its 100% owned Block 29/11 permit, offshore China:

HIGHLIGHTS

- **LH 17-2-1 well at the Jade prospect drilled 17-1/2" section to 1056 metres Measured Depth**
- **Current operations are installation of the 13-3/8" casing**
- **Once the 13-3/8" casing is set the Blow Out Preventer ("BOP") will be installed and tested before drilling ahead to the next casing point at 2140 metres Measured Depth**

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.

Progress

The NH9 Semisubmersible drilling rig made excellent progress at LH 17-2-1 with the drilling of the 17-1/2" hole down to 1056 metres Measured Depth ("MD"), and current operations are preparation for running 13-3/8" casing.

Forward plan

Following the setting of the 13-3/8" casing, the 12 -1/4" hole will be drilled down to 2140 metres MD.

After setting the 9 5/8" casing, the rig will drill ahead in the 8 1/2" hole section through to Total Depth at 2860 metres MD.

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 the Jade well is to test for hydrocarbons down to TD of 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:

"Drilling operations continue to run smoothly and safely, with progress to date right on schedule".

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