

RNS Miscellaneous

MAKO GAS FIELD - UPDATE

[EMPYREAN ENERGY PLC](#)

Released 07:00:13 02 May 2023

RNS Number : 0527Y
Empyrean Energy PLC
02 May 2023

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

2 May 2023

Empyrean Energy PLC ('Empyrean' or 'the Company')

Mako gas field - Update

Empyrean Energy plc (EME: AIM), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to provide an update on the Mako gas field development within the Duyung PSC ("Mako"), following information provided on 1 May in the quarterly report of Conrad Asia Energy Ltd, Operator of the Mako gas field ("Conrad").

Highlights

- **Negotiation of key terms of the Mako gas sales agreement between a Singaporean buyer and the Indonesian regulator (SKKMigas) are expected to be finalised during the second quarter, with Mako being a key strategic gas asset for both countries.**
- **The Mako gas field is the largest undeveloped and fully appraised gas field in the West Natuna Basin. Gas is exported from the basin by pipeline to Singapore. The competent person's report commissioned as part of Conrad's IPO late last year estimated that Mako would generate gas sales of US\$2.4 billion net to Conrad's 76.5% interest (~equivalent to US\$266m net to Empyrean).**
- **Conrad has engaged a global investment bank with a proven track record in similar transactions to lead a farm-down process for the divestment of a portion of its interest in the Duyung Production Sharing Contract ("PSC"). Bids are expected to be received during the second quarter and the industry response to date has been encouraging.**
- **Empyrean, which holds an 8.5% interest in the Duyung PSC, and through certain drag along/ tag along clauses that exist in the Duyung Joint Operating Agreement will participate pro rata in the farm-down process. Empyrean has communicated to Conrad and the global investment bank that it will also entertain bids for its entire 8.5% interest.**

Gas Sales Agreement

The operator of Mako, Conrad has confirmed that negotiation of the key terms of the Mako gas sales agreement between a Singapore buyer and the Indonesian regulator (SKK Migas) are expected to be finalised during the second quarter, with the Mako gas field being an important strategic gas asset for both countries. The continued GSA negotiations have allowed Conrad to take advantage of an improved and favourable pricing environment, given strong worldwide gas demand and low supply.

Conrad hold a 76.5% interest in the Duyung PSC, with the remaining 15% interest in the Duyung PSC held by Coro Energy plc.

The information contained in this announcement has been reviewed by Empyrean's Executive Technical director, Gaz Bisht, who has over 32 years' experience as a hydrocarbon geologist and geoscientist.

Empyrean CEO, Tom Kelly, stated:

"Empyrean is pleased to note that GSA negotiations look to be entering a crucial final stage with tripartite meetings being held with Conrad, the Singaporean buyer and SKKMigas. We welcome the divestment process which we view as the most appropriate way to monetise our interest in Mako and look forward to providing an update as these important negotiations unfold."

****ENDS****

Empyrean Energy plc

Tom Kelly

Tel: +61 8 6146 5325

Cenkos Securities plc

Neil McDonald

Tel: +44 (0) 20 7297 8900

Pete Lynch

Pearl Kellie

First Equity (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

MSCNKBBPQBKKBPK

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.

© 2023 London Stock Exchange plc. All rights reserved.