



NS Agreement

KEY TERMS AGREED FOR LONG-TERM GAS SALES AGREEMENT

[EMPYREAN ENERGY PLC](#)

Released 07:13:57 12 September 2023

RNS Number : 1423M
Empyrean Energy PLC
12 September 2023

This announcement contains inside information

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

Empyrean Energy plc

Key Terms Agreed for Long-Term Gas Sales Agreement - Indonesian Regulator Gives the Green Light

12 September 2023

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 announce that the operator of the Duyung PSC in Indonesia, Conrad Asia Energy Ltd ("**Conrad**") has announced that its wholly owned subsidiary, West Natuna Exploration Ltd ("**WNEL**") has signed non-binding key terms with Sembcorp Gas Pte Ltd, a Singapore based major gas buyer, that have been endorsed by SKK Migas - the petroleum upstream regulator in Indonesia ("**SKK Migas**"), for a first long-term gas sales agreement for the Mako gas field.

HIGHLIGHTS

- **Conrad subsidiary, WNEL, operator of the Duyung PSC, has signed non-binding key terms ("Terms Agreement") with Sembcorp Gas Pte Ltd. for a long-term gas sales agreement for the Mako gas field ("Mako"), that have been endorsed by the Indonesian petroleum upstream regulator SKK Migas**
- **The Terms Agreement for the supply of gas from the Natuna Sea underpins the commercial development of the Mako gas field providing secure and reliable gas that is less carbon intensive than LNG.**
- **The key terms relate to approved gas production from Mako commencing in 2025 until the end of the Duyung PSC in 2037 for a total sales gas volume (100%) of c 293 Bcf with potential to increase to c 392 Bcf (100%). Gas sales will be priced against Brent oil.**
- **The parties will now focus on finalising a definitive gas sales agreement in the coming months.**
- **Mako is currently the largest undeveloped gas resource in the West Natuna Sea, lying in proximity to the West Natuna Transportation System.**
- **Conrad and Empyrean discovered Mako in 2016, and since that time have delineated the resource through successful appraisal drilling. Mako partners received formal approval from the Government of Indonesia for the revised Plan of Development in late 2022.**

Mako, located in the Duyung PSC in the Natuna Sea, Indonesia, has been independently estimated by Gaffney Cline & Associates (26 August 2022) to contain gross 2C Contingent Resources of 413 Bcf (100%).

The key terms relate to forecast gas production from Mako commencing in 2025 for a period of 12 years to the end of the Duyung PSC in 2037, for a total sales gas volume (100%) of c 293 Bcf with the potential for an increase to c392 Bcf (100%). Gas sales will be priced against Brent oil.

The development of Mako is an important project for Asia's energy transition. Mako will provide reliable long-term gas supplies at a time when secure gas with lower carbon emissions (compared with LNG) has become an important component to energy security and transition. Indonesia has a stated objective of doubling its gas production by 2030, with Mako expected to be a contributor to that objective as well as providing valuable foreign income to Indonesia.

Further details of the gas sales agreement will be released to the market once the agreement is executed.

Empyrean holds an 8.5% Participating Interest in the Duyung PSC, WNEL (76.5% Participating Interest) and Coro Energy Duyung (Singapore) Pte. Ltd (part of London AIM-listed Coro Energy Ltd, 15% Participating Interest)

Empyrean CEO, Tom Kelly, stated:

"Empyrean is delighted that agreement has been reached between the operator of Mako and a major gas utility and that the agreement has been endorsed by the Government of Indonesia's petroleum upstream regulator. Focus will now be on converting this significant milestone into a binding gas sales agreement. The existing terms will be welcomed by those parties currently participating in the sell down process to fund the development of the Mako gas field.

The Mako gas field is the largest undeveloped gas discovery in the West Natuna Sea and is considered significant for energy security in the region and the transition from coal to cleaner sources of energy."

Note: The terms of the gas sales agreement remain subject to negotiation and completion of legally binding documentation. Further details of the gas sales agreement will be released to the market once the agreement is executed. Whilst the Company is confident that a binding agreement will be reached, there can be no guarantee that the final documentation will be completed and/or on the terms currently envisaged.

For further information please contact the following:

Empyrean Energy plc

Tom Kelly

Tel: +61 6146 5325

Cavendish Securities plc (Nominated Adviser and Broker)

Neil McDonald

Tel: +44 (0) 20 7297 8900

Pearl Kellie

First Equity (Join Broker)

Jason Robertson

Tel: +44 (0) 20 7330 1883

Change of Name of Nominated Adviser and Broker

The Company also announces that its Nominated Adviser and Broker has changed its name to Cavendish Securities plc following completion of its own corporate merger.

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