



INTERIM RESULTS

[EMPYREAN ENERGY PLC](#)

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Empyrean Energy PLC ('Empyrean' or 'the Company') **Interim Results**

Empyrean Energy (EME: AIM), the oil and gas development company with interests in China, Indonesia and the United States, is pleased to provide its Interim Report for the six months ended 30 September 2024.

Highlights

Reporting period

Duyung PSC Project, Indonesia (EME 8.5%)

- On 24 June 2024, the Company announced that the Mako JV partners had entered into a binding domestic Gas Sales Agreement for the sale and purchase of the domestic portion of Mako gas with PT Perusahaan Gas Negara Tbk ("PGN"), the gas subsidiary of PT Pertamina (Persero), the national oil company of Indonesia.
- The domestic GSA will be subject to the construction of a pipeline connecting the West Natuna Transportation System ("WNTS") with the domestic gas market in Batam and it forms part of Mako JV's Domestic Market Obligation ("DMO") as set out in the Mako's revised Plan of Development ("POD").
- The Total Contracted Gas volume under the PGN GSA is up to 122.77 trillion British Thermal Units ("Tbtu"), with estimated plateau production rates of 35 billion British thermal units ("Bbtud") per day. The remainder of the Mako sales gas volumes are targeted to be sold to Singapore via the export GSA signed in August 2024.
- On 2 September 2024, the Company announced that the Mako Joint Venture partners and Sembcorp Gas Pte Ltd ("Sembcorp"), a wholly-owned subsidiary of Sembcorp Industries Ltd, a leading energy and urban solutions provider headquartered in Singapore, signed a binding GSA for the export of gas produced from the Mako field to Singapore. The contract term is until the end of the Duyung PSC in January 2037 and allows for the sale of up to 76 billion Bbtud, which is equivalent to around 76.9 million standard cubic feet per day ("mmscfd").

Block 29/11, Pearl River Mouth Basin, China

- On 13 June 2024, the Company announced that, as it had not commenced the drilling of the Topaz prospect by 12 June 2024 as required under the second phase of exploration on Block 29/11, the permit formally expired on 12 June 2024.
- In August 2024, Empyrean has received a letter of demand from CNOOC alleging that Empyrean has outstanding obligations under the PSC. The Company disputes the letter and is endeavouring to settle the matter amicably under the dispute resolution clauses provided for in the PSC. Separately, Empyrean has put forward a submission to CNOOC for further cooperation on Block 29/11.

Corporate and New Project Opportunities

- On 11 November 2024, the Company announced that it had conditionally raised gross proceeds of approximately £1.255m from an aggregated Placing and Subscription. This fundraising was conditional upon the passing of the resolutions which were subsequently approved by shareholders at a General Meeting held on 2 December 2024. The fundraising required a capital reorganisation of the ordinary share capital of the Company which was also approved at the General Meeting.
- Empyrean is in advanced discussions to acquire an option to participate in a conventional oil exploration project (the "Wilson prospect") which is situated close to existing infrastructure in the prolific Cooper Basin in South West Queensland, Australia, adjacent to several producing oil fields operated by Santos-Beach (Cooper Basin JV) and Bridgeport Energy.

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Chairman's Statement

As we have previously reported, progress in China was inhibited during the calendar year and Empyrean ultimately did not continue the cooperation on Block 29/11 with CNOOC.

On a more positive note, in June we reported the pleasing news that the Mako JV partners had entered into a binding domestic Gas Sales Agreement for the sale and purchase of the domestic portion of Mako gas with PT Perusahaan Gas Negara Tbk ("PGN"), the gas subsidiary of PT Pertamina (Persero), the national oil company of Indonesia.

This was followed in September with the announcement that the Mako Joint Venture partners and Sembcorp signed a binding GSA for the export of gas produced from the Mako field to Singapore. The Company also raised £1.255m from an aggregated Placing and Subscription and Retail Offer. This fundraising was approved by shareholders in early December. The operator, Conrad, continues to be engaged with a global investment bank in a sell-down process for the divestment of a portion of its interest in the Duyung Production Sharing Contract.

In November 2024, Empyrean announced that it is in advanced discussions to acquire an option to participate in a conventional oil exploration project (the "Wilson prospect") which is situated close to existing infrastructure in the prolific Cooper Basin in South-West Queensland. We look forward to providing an update on progress with regard to this opportunity in the near future.

I would like to thank the Board, management and staff for their perseverance during the year and we look forward to positive developments in the near term.

Duyung PSC, Indonesia (8.5% WI)

Background

In April 2017, Empyrean acquired a 10% shareholding in WNEL from Conrad Petroleum (now Conrad Asia Energy Ltd), which held a 100% Participating Interest in the Duyung Production Sharing Contract ("**Duyung PSC**") in offshore Indonesia and is the operator of the Duyung PSC. The Duyung PSC covers an offshore permit of approximately 1,100km² in the prolific West

Natuna Basin. The main asset in the permit is the Mako shallow gas field that was discovered in 2017, and comprehensively appraised in 2019.

In early 2019, both the operator, Conrad, and Empyrean divested part of their interest in the Duyung PSC to AIM-listed Coro Energy Plc. Following the transaction, Empyrean's interest reduced from 10% to 8.5% interest in May 2020, having received cash and shares from Coro.

During October and November 2019, a highly successful appraisal drilling campaign was conducted in the Duyung PSC. The appraisal wells confirmed the field-wide presence of excellent quality gas in the intra-Muda reservoir sands of the Mako Gas Field.

Current Activities

In June 2024 Empyrean announced that it, and the Mako JV partners had entered into a binding gas sales agreement for the sale and purchase of the domestic portion of Mako gas with PGN, the gas subsidiary of PT Pertamina (Persero), the national oil company of Indonesia.

The domestic gas sale agreement with PGN for gas from the Mako gas field is an important step in the commercialisation of the Mako gas field (the largest undeveloped gas field in the West Natuna Sea). PGN is Indonesia's largest gas company. The Total Contracted Gas volume under the PGN GSA is up to 122.77 trillion TBtu with estimated plateau production rates of 35 billion Bbtud per day.

In September 2024 the Company announced the signing by the Mako JV partners and Sembcorp of the export GSA for the remainder of the Mako gas resource, which is targeted to be exported to Singapore. The contract term is until the end of the Duyung PSC in January 2037 and allows for the sale of up to 76 billion Bbtud, which is equivalent to around 76.9 mmscfd.

The export GSA also contains provisions for the sale of up to an additional 35 Bbtud (around 35.4 mmscfd) should a tie-in pipeline not be built to the Indonesian domestic market in Batam and DMO sales do not therefore eventuate. The possible export of these additional volumes is recognised in the Mako POD.

The West Natuna Sea gas gathering system is already connected to Singapore. PGN will now proceed with planning a smaller tie line to the island of Batam across the Malacca Strait that will connect the Natuna Sea to the Indonesian market.

Indonesia, the fourth most populated country on earth has a stated objective of doubling its gas production by 2030 in order to deliver a cleaner energy source to fuel its rapidly growing economy. PGN will play a significant role in this Indonesian energy transition.

The Mako field contains 2C Contingent Resources (100%) of 376 billion cubic feet ("Bcf"), (of which 21 Bcf are net attributable to Empyrean) and is scheduled to begin production in 2026 subject to completing a formal GSA with a Singapore buyer (completed in August 2024). The West Natuna Sea has been supplying Singapore with natural gas for more than two decades and Mako is expected to continue this supply for at least another decade.

Production Sharing Contractors in Indonesia are subject to a DMO requirement for any produced gas as set out under the terms of each PSC, and Government of Indonesia Regulation No. 35 of 2004 on Upstream Oil and Gas Activity, as amended from time to time (GR 35/2004). Contractors are required to supply c 25% of their share of the oil and gas produced to meet domestic needs. The Contractor has no obligation to construct infrastructure (e.g. pipelines) to allow the delivery of any DMO.

The combination of the executed domestic and export GSAs means now that all contingent resources at Mako are under binding contracts for sale.

Conrad continues to advance the sell down process with a global investment bank in order to fund the development of Mako. The signing of a binding export GSA is seen by Empyrean as being a likely requirement or precursor to the completion of any sell down transaction.

The Mako Gas Field is located close to the West Natuna pipeline system and gas from the field can be marketed to buyers in both Indonesia and in Singapore.

China Block 29/11 Project

Post Jade well evaluation work confirmed reservoir quality and the regional seal and following a CNOOC assisted oil migration pathways assessment, the Company committed to enter this second phase of exploration with the aim to drill Topaz. As advised to the market, Empyrean did not commence the drilling of the Topaz prospect by June 2024 and the permit therefore formally expired on 12 June 2024.

On August 2024 Empyrean has received a letter of demand from CNOOC alleging that Empyrean has outstanding obligations under the PSC. The Company disputes the letter and is endeavouring to settle the matter amicably under the dispute resolution clauses provided for in the PSC.

Multi Project Farm-in in Sacramento Basin, California (25%-30% WI)

There were no significant activities conducted during the year however the Company will continue to work with its joint venture partners in reviewing and assessing any further technical and commercial opportunities as they relate to the project.

The information contained in this report was completed and reviewed by the Company's Executive Director (Technical), Mr Gajendra (Gaz) Bisht, who has over 34 years' experience as a petroleum geoscientist.

Definitions

2C: Contingent resources are quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable. The range of uncertainty is expressed as 1C (low), 2C (best) and 3C (high).

Bcf: Billions of cubic feet

MMbbl: Million Barrels of Oil

**Cautionary Statement: The estimated quantities of oil that may potentially be recovered by the application of a future development project relates to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially movable hydrocarbons.*

Statement of Comprehensive Income
For the Period Ended 30 September 2024

	Notes	6 Months to 30 September (unaudited)		Year Ended
		2024	2023	31 March
		US\$'000	US\$'000	2024 US\$'000
Revenue		-	-	-
Administrative expenditure				
Administrative expenses		(151)	(233)	(355)
Compliance fees		(160)	(76)	(326)
Directors' remuneration		(216)	(197)	(416)
Foreign exchange differences		(349)	52	(123)
Impairment - exploration and evaluation assets	3	(66)	(2)	(6,595)
Total administrative expenditure		(942)	(456)	(7,815)
Operating loss		(942)	(456)	(7,815)
Finance (expense)/income		(615)	20	(1,770)
Loss from continuing operations before taxation		(1,557)	(436)	(9,585)
Tax expense in current period		(1)	(1)	(1)
Loss from continuing operations after taxation		(1,558)	(437)	(9,586)
Total comprehensive loss for the year		(1,558)	(437)	(9,586)
Loss per share from continuing operations (expressed in cents)				
- Basic	2	(0.12)c	(0.06)c	(0.98)c
- Diluted	2	(0.12)c	(0.06)c	(0.98)c

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Financial Position
As at 30 September 2024

	Notes	6 Months to 30 September (unaudited)		Year Ended
		2024	2023	31 March
		US\$'000	US\$'000	2024 US\$'000
Assets				
Non-Current Assets				
Exploration and evaluation assets	3	5,510	11,181	5,355
Total non-current assets		5,510	11,181	5,355
Current Assets				
Trade and other receivables		36	24	17
Cash and cash equivalents		626	636	981
Total current assets		662	660	998
Liabilities				
Current Liabilities				
Trade and other payables		3,266	2,203	2,929
Provisions		189	159	189
Convertible loan notes	4	8,574	5,621	7,594
Total current liabilities		12,029	7,983	10,712
Net Current Liabilities		(11,367)	(7,323)	(9,714)
Net Assets/(Liabilities)		(5,857)	3,858	(4,359)

Shareholders' Equity				
Share capital	5	3,441	2,664	3,405
Share premium reserve		46,915	46,744	46,891
Warrant and share based payment reserve		123	79	123
Retained losses		(56,336)	(45,629)	(54,778)
Total Equity		(5,857)	3,858	(4,359)

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Cash Flows

For the Period Ended 30 September 2024

	Notes	6 Months to 30 September		Year Ended
		(unaudited)		31 March
		2024	2023	2024
		US\$'000	US\$'000	US\$'000
Operating Activities				
Payments for operating activities		(305)	(433)	(827)
Net cash outflow from operating activities		(305)	(433)	(827)
Investing Activities				
Payments for exploration and evaluation		(50)	(860)	(964)
Net cash outflow from investing activities		(50)	(860)	(964)
Financing Activities				
Issue of ordinary share capital		-	1,905	2,790
Payment of finance costs		-	(29)	(29)
Payment of equity issue costs		-	(30)	(72)
Net cash inflow from financing activities		-	1,846	2,689
Net (decrease)/increase in cash and cash equivalents		(355)	553	898
Cash and cash equivalents at the start of the year		981	83	83
Forex loss on cash held		-	-	-
Cash and cash equivalents at the end of the period		626	636	981

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Changes in Equity

For the Period Ended 30 September 2024

	Share Capital	Share Premium Reserve	Warrant and SBP Reserve	Retained Losses	Total Equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 April 2023	2,170	45,319	73	(45,265)	2,297
Loss after tax for the period	-	-	-	(437)	(437)
Total comprehensive loss for the period	-	-	-	(437)	(437)
Contributions by and distributions to owners					
Shares and warrants issued	483	1,450	-	-	1,934
Exercise/expiry of warrants	-	-	(73)	73	-
Equity issue costs	-	(58)	-	-	(58)
Share-based payment expense	11	33	79	-	123
Total contributions by and distributions to owners	494	1,425	6	73	1,998
Balance at 30 September 2023	2,664	46,744	79	(45,629)	3,858
Balance at 1 April 2023	2,170	45,319	73	(45,265)	2,297
Loss after tax for the year	-	-	-	(9,586)	(9,586)
Total comprehensive loss for the year	-	-	-	(9,586)	(9,586)
Contributions by and distributions to owners					
Shares and warrants issued	1,179	1,611	-	-	2,790
Exercise/expiry of warrants	-	-	(73)	73	-
Equity issue costs	7	(123)	44	-	(72)
Share-based payment expense	49	84	79	-	212

Total contributions by and distributions to owners	1,235	1,572	50	73	2,930
Balance at 1 April 2024	3,405	46,891	123	(54,778)	(4,359)
Loss after tax for the period	-	-	-	(1,558)	(1,558)
Total comprehensive loss for the period	-	-	-	(1,558)	(1,558)
Contributions by and distributions to owners					
Share-based payment expense	36	24	-	-	60
Total contributions by and distributions to owners	36	24	-	-	60
Balance at 30 September 2024	3,441	46,915	123	(56,336)	(5,857)

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Period Ended 30 September 2024

Basis of preparation

The Company's condensed interim financial statements for the six months ended 30 September 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom and Companies Act 2006. The principal accounting policies are summarised below. The financial report is presented in the functional currency, US dollars and all values are shown in thousands of US dollars (US\$'000). The financial statements have been prepared on a historical cost basis and fair value for certain assets and liabilities. The same accounting policies, presentation and methods of computation are followed in these financial statements as were applied in the Company's latest audited financial statements for the year ended 31 March 2024.

The financial information for the period ended 30 September 2024 does not constitute the full statutory accounts for that period. They have not been reviewed by the Company's auditor. The Annual Report and financial statements for the year ended 31 March 2024 have been filed with the Registrar of Companies. The independent auditor's report on the Annual Report and financial statements was unqualified and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006, but did draw attention to a material uncertainty relating to going concern.

Nature of business

The Company is a public limited company incorporated and domiciled in England and Wales. The address of the registered office is 1st Floor, Yarnwicke, 119-121 Cannon Street, London, England, EC4N 5AT. The Company is in the business of financing the exploration, development and production of energy resource projects in regions with energy hungry markets close to existing infrastructure. The Company has typically focused on non-operating working interest positions in projects that have drill ready targets that substantially short cut the life-cycle of hydrocarbon projects by entering the project after exploration concept, initial exploration and drill target identification work has largely been completed.

Going concern

At the year end the Company had a cash balance of US\$626,000 (31 March 2024: US\$981,000) and made a loss after income tax of US\$1.56 million (31 March 2024: loss of US\$9.59 million).

The Directors have prepared cash flow forecasts for the Company covering the period to 31 December 2025 and these demonstrate that the Company will require further funding within the next 12 months from the date of approval of the financial statements. In June 2022, the Company entered into an agreement with CNOOC to drill an exploration well on the Topaz prospect in China, by 12 June 2024, which includes a payment of US\$250,000 to CNOOC. It is estimated that the cost of drilling this well would be approximately US\$12 million. The Company did not commence the drilling of the Topaz well by 12 June 2024 and therefore the permit expired on 12 June 2024.

On 24 August 2024, the Company received a letter of demand from CNOOC's lawyers, King Wood & Mallesons, in relation to Block 29/11. The letter of demand alleges, inter alia, that Empyrean has outstanding obligations under the relevant Petroleum Contract entered into with CNOOC and that Empyrean has failed to pay certain amounts that CNOOC consider due and payable under the Petroleum Contract relating to the prospecting fee and exploration work. The Company rejects the outstanding amounts claimed, which total \$12m, and has responded to the letter of demand requesting clarification of the basis for the demands made in the letter. At this time, it is too early for the Company to form any opinion on the merits of any demands made therein and the Company intends to continue dialogue with CNOOC and, in line with the provisions of the Petroleum Contract, to settle amicably through consultation any dispute arising in connection with the performance or interpretation of any provision of the Petroleum Contract. However, it is acknowledged that, in the event that the amounts claimed are called, further funding would be required, over and above that required to meet the day to day cash demand of the business for the foreseeable future.

To this end, in November 2024 the Company announced that it had conditionally raised gross proceeds of approximately £1.255m from an aggregated Placing and Subscription, as announced on 6 November 2024 and a Retail Offer. This fundraising was conditional upon the passing of the resolutions which were subsequently approved by shareholders at a General Meeting held on 2 December 2024.

However, in order to meet the repayment terms of the Convertible Note (which was renegotiated in 2023), any further commitments at the Mako Gas Field, any potential further costs of cooperation on Block 29/11, any potential amounts payable to CNOOC that may crystallise and working capital requirements the Company is required to raise further funding either through equity or the sale of assets and as at the date of this report the necessary funds are not in place.

The Directors remain optimistic that its funding commitments will be met should it be able to monetise its interest in Mako through the current sell down process. In June 2024, the Company announced that the Mako JV partners had entered into a domestic gas sales agreement for the sale and purchase of the domestic portion of Mako gas with PGN. The Company then announced that the Mako Joint Venture partners and Sembcorp had signed the binding GSA for the export of gas produced from the Mako field to Singapore.

It is the belief of the Board that the completion of the export GSA is a significant value catalyst that is a necessary precursor to maximising the value of its interest at the Mako Gas field through the current sell down process.

The Company therefore requires additional funding to fund the ongoing cash needs of the business for the foreseeable future and may require further funding should it be required to settle amounts claimed by CNOOC. The Directors acknowledge that this funding is not guaranteed. These conditions indicate that there is a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Given the above and the Company's proven track record of raising equity funds and advanced Mako sell-down process, which the Directors believe would be sufficient to meet all possible funding needs as set out above, the Directors have therefore concluded that it is appropriate to prepare the Company's financial statements on a going concern basis and they have therefore prepared the financial statements on a going concern basis.

The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Note 1. Segmental Analysis

The Directors consider the Company to have three geographical segments, being China (Block 29/11 project), Indonesia (Duyung PSC project) and North America (Sacramento Basin project), which are all currently in the exploration and evaluation phase. Corporate costs relate to the administration and financing costs of the Company and are not directly attributable to the individual projects. The Company's registered office is located in the United Kingdom.

Details	China US\$'000	Indonesia US\$'000	USA US\$'000	Corporate US\$'000	Total US\$'000
30 September 2024					
Revenue from continued operations	-	-	-	-	-
Segment result					
Unallocated corporate expenses	-	-	-	(876)	(876)
Operating loss	-	-	-	(876)	(876)
Finance income/(expense)	-	-	-	(615)	(615)
Impairment of oil and gas properties	(64)	-	(2)	-	(66)
Loss before taxation	(64)	-	(2)	(1,491)	(1,557)
Tax expense in current period	-	-	-	(1)	(1)
Loss after taxation	(64)	-	(2)	(1,492)	(1,558)
Total comprehensive loss for the financial period	(64)	-	(2)	(1,492)	(1,558)
Segment assets	-	5,510	-	-	5,510
Unallocated corporate assets	-	-	-	662	662
Total assets	-	5,510	-	662	6,172
Segment liabilities	-	-	-	-	-
Unallocated corporate liabilities	-	-	-	12,029	12,029
Total liabilities	-	-	-	12,029	12,029
Details					
30 September 2023					
Revenue from continued operations	-	-	-	-	-
Segment result					
Unallocated corporate expenses	-	-	-	(454)	(454)
Operating loss	-	-	-	(454)	(454)
Finance income/(expense)	-	-	-	20	20
Impairment of oil and gas properties	-	-	(2)	-	(2)
Loss before taxation	-	-	(2)	(434)	(436)
Tax expense in current period	-	-	-	(1)	(1)
Loss after taxation	-	-	(2)	(435)	(437)
Total comprehensive loss for the financial period	-	-	(2)	(435)	(437)
Segment assets	6,104	5,077	-	-	11,181
Unallocated corporate assets	-	-	-	660	660
Total assets	6,104	5,077	-	660	11,841
Segment liabilities	-	-	-	-	-

Unallocated corporate liabilities	-	-	-	7,983	7,983
Total liabilities	-	-	-	7,983	7,983

Details	China US\$'000	Indonesia US\$'000	USA US\$'000	Corporate US\$'000	Total US\$'000
31 March 2024					
Unallocated corporate expenses	-	-	-	(1,220)	(1,220)
Operating loss	-	-	-	(1,220)	(1,220)
Finance expense	-	-	-	(1,770)	(1,770)
Impairment of oil and gas properties	(6,562)	-	(33)	-	(6,595)
Loss before taxation	(6,562)	-	(33)	(2,990)	(9,585)
Tax expense in current year	-	-	-	(1)	(1)
Loss after taxation	(6,562)	-	(33)	(2,991)	(9,586)
Total comprehensive loss for the financial year	(6,562)	-	(33)	(2,991)	(9,586)
Segment assets	-	5,355	-	-	5,355
Unallocated corporate assets	-	-	-	998	998
Total assets	-	5,355	-	998	6,353
Segment liabilities	-	-	-	-	-
Unallocated corporate liabilities	-	-	-	10,712	10,712
Total liabilities	-	-	-	10,712	10,712

Note 2. Loss Per Share

The basic loss per share is derived by dividing the loss after taxation for the period attributable to ordinary shareholders by the weighted average number of shares on issue being 1,285,972,570 (2023: 904,491,535).

	6 Months to 30 September (unaudited)		Year Ended 31 March (audited)
	2024	2023	2024
Loss per share from continuing operations			
Loss after taxation from continuing operations	US\$(1,558,000)	US\$(437,000)	US\$(9,586,000)
Loss per share - basic	(0.12)c	(0.06)c	(0.98)c
Loss after taxation from continuing operations adjusted for dilutive effects	US\$(1,558,000)	US\$(437,000)	US\$(9,586,000)
Loss per share - diluted	(0.12)c	(0.06)c	(0.98)c

For the current and prior financial periods the exercise of the options is anti-dilutive and as such the diluted loss per share is the same as the basic loss per share. Details of the potentially issuable shares that could dilute earnings per share in future periods are set out in Note 5.

Note 3. Oil and Gas Properties: Exploration and Evaluation

	6 Months to 30 September (unaudited)		Year Ended 31 March (audited)
	2024 US\$'000	2023 US\$'000	2024 US\$'000
Balance brought forward	5,355	10,635	10,635
Exploration expenditure	220	548	1,315
Impairment ^{(a)(b)(c)}	(65)	(2)	(6,595)
Net book value	5,510	11,181	5,355

- (a) The Company did not commence the drilling of the Topaz well by 12 June 2024 and, post year end, the permit formally expired on 12 June 2024. As at 31 March 2024 it was clear that the above requirements would not be able to be met in time due to lack of funding and the delays to the completion of the export GSA and sell down processes in Indonesia. This was deemed to be an impairment indicator. Given the licence requirements have not

been met and the expiration of the PSC, the Company provided for impairment against all remaining capitalised costs associated with Block 29/11, together being US\$6.6 million as at 31 March 2024. The Company has continued to fully impair the carrying value of the asset, at 30 September 2024.

- (b) While the Company will continue to work with its joint venture partners in reviewing and assessing any further technical and commercial opportunities as they relate to the Sacramento Basin project, particularly in light of strong gas prices for gas sales in the region, it has not budgeted for further substantive exploration expenditure. Whilst the Company maintains legal title it has continued to fully impair the carrying value of the asset at 30 September 2024.
- (c) In light of current market conditions, little or no work has been completed on the Riverbend or Eagle Oil projects in the period and no substantial project work is forecast for either project in 2024/25 whilst the Company focuses on other projects. Whilst the Company maintains legal title it has continued to fully impair the carrying value of the asset at 30 September 2024.

Project	Operator	Working Interest	2024 Carrying Value US\$'000	2023 Carrying Value US\$'000
<i>Exploration and evaluation</i>				
Duyung PSC	Conrad	8.5%	5,510	5,077
China Block 29/11	Empyrean Energy	-	-	6,104
Sacramento Basin	Sacgasco	25-30%	-	-
Riverbend	Huff Energy	10%	-	-
Eagle Oil Pool Development	Strata-X	58.084%	-	-
			5,510	11,181

Note 4. Convertible Loan Notes

	6 Months to 30 September (unaudited)		Year Ended 31 March (audited)
	2024 US\$'000	2023 US\$'000	2024 US\$'000
(a) Convertible Loan Note Modification 1			
Opening balance	-	4,076	4,076
Recognition of modified liability 1	-	-	-
Loss on substantial modification	-	-	-
Costs of finance	-	-	-
Foreign exchange loss/(gain)	-	12	12
Extinguishment on substantial modification	-	(4,088)	(4,088)
Total Convertible Loan Note Modification 1	-	-	-
(b) Convertible Loan Note Modification 2			
Opening balance	7,594	-	-
Recognition of modified liability 2	-	6,544	6,544
Gain on substantial modification	-	(845)	655
Costs of finance	615	(29)	261
Foreign exchange gain	365	(49)	134
Total Convertible Loan Note Modification 2	8,574	5,621	7,594

- (a) In December 2021, the Company announced that it had entered into a Convertible Loan Note Agreement with a Melbourne-based investment fund (the "Lender"), pursuant to which the Company issued a convertible loan note to the Lender and received gross proceeds of £4.0 million (the "Convertible Note"). As announced in May 2022, the Company and the Lender then amended the key repayment terms of the Convertible Note, which at that time included the right by the Lender to redeem the Convertible Note within 5 business days of the announcement of the results of the Jade well at Block 29/11. The face value of the loan notes was reset to £3.3m with interest to commence and accrue at £330,000 per calendar month from 1 December 2022.
- (b) In May 2023, it was announced that the Company and the Lender have, in conjunction with and conditional upon the completion of the Subscription, now reached agreement on amended key terms to the Convertible Note to allow the sales process for Mako to complete. The key terms of the amendment are as follows:
- The parties have agreed a moratorium of accrual interest on the Convertible Note until 31 December 2023 - interest will accrue thereafter at a rate of 20% p.a.;
 - The conversion price on the Convertible Note has been reduced from 8p to 2.5p per Share;
 - The face value of the Convertible Note has been reduced from £5.28m (accrued to the end of May 2023) to £4.6 million (to be repaid from Empyrean's share of the proceeds from Mako sell down process); and
 - Empyrean will pay the Lender the greater of US\$1.5 million or 15% of the proceeds from its share in the Mako sell down process.

Note 5. Share Capital

	6 Months to 30 September (unaudited)		Year Ended 31 March (audited)
	2024 US\$'000	2023 US\$'000	2024 US\$'000
1,294,925,109 (2023: 985,470,767) ordinary shares of 0.2p each	3,441	2,664	3,405
	2024 No.	2023 No.	2024 No.
Fully Paid Ordinary Shares of 0.2p each - Number of Shares			
At the beginning of the reporting period	1,280,801,707	788,431,892	788,431,892
Shares issued during the period:			
• Placements	-	189,753,783	469,753,783
• Salary sacrifice shares	14,123,402	4,397,592	19,728,532
• Advisor shares	-	2,887,500	2,887,500
Total at the end of the reporting period	1,294,925,109	985,470,767	1,280,801,707
	2024 US\$'000	2023 US\$'000	2024 US\$'000
Fully Paid Ordinary Shares of 0.2p each - Value of Shares			
At the beginning of the reporting period	3,405	2,170	2,170
Shares issued during the period:			
• Placements	-	476	1,179
• Salary sacrifice shares	36	11	49
• Advisor shares	-	7	7
Total at the end of the reporting period	3,441	2,664	3,405

The Companies Act 2006 (as amended) abolishes the requirement for a company to have an authorised share capital. Therefore, the Company has taken advantage of these provisions and has an unlimited authorised share capital.

Each of the ordinary shares carries equal rights and entitles the holder to voting and dividend rights and rights to participate in the profits of the Company and in the event of a return of capital equal rights to participate in any sum being returned to the holders of the ordinary shares. There is no restriction, imposed by the Company, on the ability of the holder of any ordinary share to transfer the ownership, or any of the benefits of ownership, to any other party.

Share options and warrants

The number and weighted average exercise prices of share options and warrants are as follows:

	6 Months to 30 September 2024 (unaudited)		6 Months to 30 September 2023 (unaudited)	
	Weighted Average Exercise Price 2024	Number of Options and Warrants 2024	Weighted Average Exercise Price 2023	Number Of Options and Warrants 2023
Outstanding at the beginning of the period	£0.0057	164,833,333	£0.137	6,558,333
Issued during the period	-	-	£0.017	12,833,333
Cancelled during the period	£0.0150	(2,833,333)	£0.137	(6,558,333)
Exercised during the period	-	-	-	-
Outstanding at the end of the period	£0.0056	162,000,000	£0.017	12,833,333

Valuation and assumptions of options and warrants at 30 September 2024

	Incentive Warrants	Incentive Warrants	Advisor Warrants	Placement Warrants
Number of options remaining	5,000,000	5,000,000	12,000,000	140,000,000
Grant date	29/05/23	29/05/23	13/02/24	13/02/24
Expiry date	30/05/26	30/05/26	26/02/26	26/02/26
Share price	£0.010	£0.010	£0.0044	N/A
Exercise price	£0.015	£0.020	£0.0025	£0.005
Volatility	100%	100%	94%	N/A

Option life	3.00	3.00	2.00	2.50
Expected dividends	-	-	-	-
Risk-free interest rate	4.45%	4.45%	4.68%	N/A

The options and warrants outstanding at 30 September 2024 have an exercise price in the range of £0.0025 to £0.02 (2023: £0.015 to £0.02) and a weighted average remaining contractual life of 1.85 years (2023: 2.22 years). None of the outstanding options and warrants at 30 September are exercisable at period end.

Note 6. Events After the Reporting Date

Significant events post reporting date were as follows:

On 11 November 2024 the Company announced that it had conditionally raised gross proceeds of approximately £1.255m from an aggregated Placing and Subscription, as announced on 6 November 2024 and a Retail Offer. This fundraising was conditional upon the passing of the resolutions which were subsequently approved by shareholders at a General Meeting held on 2 December 2024. The fundraising required a capital reorganisation of the ordinary share capital of the Company which was also approved at the General Meeting.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Note 7. Contingent Liabilities

On 24 August 2024, the Company received a letter of demand from CNOOC's lawyers, King Wood & Malletsons, in relation to Block 29/11. The letter of demand alleges, inter alia, that Empyrean has outstanding obligations, totalling \$12m, under the relevant Petroleum Contract entered into with CNOOC and that Empyrean has failed to pay certain amounts that CNOOC consider due and payable under the Petroleum Contract relating to the prospecting fee and exploration work. The Company rejects the outstanding amounts claimed and has responded to the letter of demand requesting clarification of the basis for the demands made in the letter. At this time, it is too early for the Company to form any opinion on the merits of any demands made therein and the Company intends to continue dialogue with CNOOC and, in line with the provisions of the Petroleum Contract, to settle amicably through consultation any dispute arising in connection with the performance or interpretation of any provision of the Petroleum Contract.

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