EMPYREAN

ENERGY PLC

Annual Report and Accounts

For the Year Ended

31 March 2025

Contents

Company Information

Directors	John Laycock (Non-Executive Chairman) Gajendra Bisht (Interim CEO/Executive Director - Technical) Patrick Cross (Non-Executive Director)
Secretary and Registered Office	Jonathan Whyte C/O Laytons ETL Yarnwicke, 119 121 Cannon Street London EC4N 5AT UNITED KINGDOM
Principal Administrative Office	Unit 32/33, 22 Railway Road Subiaco WA 6008 AUSTRALIA
Auditors	PKF Littlejohn LLP Statutory auditor 15 Westferry Circus London E14 4HD UNITED KINGDOM
Nominated Adviser and Broker	Cavendish Capital Markets Limited One Bartholomew Close London, EC1A 7BL UNITED KINGDOM
Solicitors	Laytons ETL Yarnwicke, 119 121 Cannon Street London EC4N 5AT UNITED KINGDOM
Registrars	MUFG Corporate Markets (UK) Limited 51 Lime Street, London EC3M 7DQ UNITED KINGDOM

Key Activities

Duyung PSC Project, Indonesia (EME 8.5%)

Reporting period

- On 24 June 2024, the Company announced that the Mako JV partners had entered into a binding domestic Gas Sales Agreement ("GSA") 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 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 were targeted to be sold via an export GSA.

- Due to the very strong growth in domestic demand for gas in Indonesia, the Indonesian Ministry of Energy and Mineral Resources ("MEMR") directed that all Mako gas (plateau sales gas rate of 111 Bbtud) be made available for the Indonesian domestic market in Batam with the gas to be purchased by PT PLN Energi Primer Indonesia ("PLN EPI" or "PLN") a wholly owned subsidiary of the Indonesian state-owned electric utility company PT Perusahaan Listrik Negara (Persero) ("PLN Persero").

- The Mako gas price will be linked to the Indonesian Crude Price ("ICP"), which is akin to Brent oil-linked Liquified Natural Gas ("LNG") pricing. This structure will be economically equivalent to the pricing previously approved for Mako gas to be sold both domestically and for export, thereby underpinning the value of gas from Mako.

- As a result of the MEMR Directive, in July 2025, Conrad Asia Energy Ltd ("Conrad") signed a binding GSA for the sale and purchase of natural gas from the Mako Gas Field with PLN EPI.

- In addition, MEMR has revoked its earlier allocation and pricing Directive to sell Mako gas to PT Perusahaan Gas Negara Tbk ("PGN") and Sembcorp Gas Pte Ltd. ("Sembcorp") and the GSAs with PGN and Sembcorp has been terminated.

- The MEMR Directive is anticipated to support potential farmout arrangements in Duyung and a Financial Investment Decision ("FID") for Mako.

- Empyrean holds an 8.5% operating interest in the Duyung Production Sharing Contract ("PSC") in which Mako is located, offshore in the West Natuna Sea, Indonesia.

Wilson River Project, Queensland Australia (EME 8.5%)

Reporting period

- Acquisition of option to participate in Wilson River conventional oil prospect. The Wilson Prospect is situated close to existing infrastructure in the prolific Cooper Basin in South-West Queensland, Australia, and adjacent to several producing oil fields.

- Following the securing of land access and completion of cultural heritage surveys and drill preparation activities, the Wilson River-1 well spudded on 14 March 2025. The well was funded by Empyrean and Condor Energy Services Limited ("Condor Energy"), an experienced Australian based well services and drilling company with recent drilling contracts completed nearby in the Cooper Basin.

Post-Reporting period

- Following drilling the JV partners in the Wilson River-1 decided to conduct a Drill Stem Test ("DST") over the potential oil zone identified in the Murta Formation from analysis of logs and hydrocarbon shows from the well. However, the final well testing report confirmed the recovery of formation water in the potential oil zone and, as a result, the well was plugged and abandoned.

Sacramento Basin, California USA (EME 25-30%)

- No work was conducted on the project during the year.

Corporate

Reporting period

- Placing, Subscription and Retail Offer to raise US$1.592 million (£1.255 million) completed in November 2024.

- Placing to raise US$0.840 million (£0.675 million) completed in January 2025.

- Placing to raise US$0.787 million (£0.625 million) completed in February 2025.

- Mr John (Spencer) Laycock assumed the role of Non-Executive Chairman of the Company in April 2024, replacing Dr Patrick Cross who remained on the Board as Non-Executive Director.

Post-Reporting period

- Placing and Retail Offer to raise US$0.825 million (£0.661 million) completed in April 2025.

- Placing to raise US$1.354 million (£1 million) completed in July 2025.

Chairman's Statement

At the time of writing this statement, Empyrean's Board and staff became aware of the very distressing news that the Company's Managing Director and CEO, Tom Kelly, had passed away after a tragic accident. Tom was much loved and respected and will be dearly missed by everyone at Empyrean and we are still coming to terms with what has happened. For now, on behalf of the Board and all at Empyrean, I reiterate our earlier sentiments that our thoughts are with Tom's family and friends and our deepest condolences go out to them.

I will now provide a review of the reporting period as is custom for an Annual Report.

As noted in August 2024, I have assumed the Chairmanship of the Company and I would again like to formally extend my thanks to Dr Patrick Cross for serving in this role for the past 20 years and for the meaningful contribution he made in that time.

It has clearly been a very frustrating year for Empyrean and its shareholders.

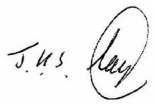
In Indonesia it has been a protracted waiting period for Empyrean, as we seek to ultimately maximise value from our 8.5% interest in the Mako gas field discovery on the Duyung permit. However, recent developments have been somewhat more encouraging. After the presidential election, the Indonesian government has changed its energy policy objectives and has directed that all Mako gas be made available for the Indonesian domestic market. This is a significant development in terms of ultimately commercialising the asset in a timely manner.

As a result, in July 2025, Conrad signed a binding GSA for the sale and purchase of natural gas from the Mako Gas Field with PLN EPI. Pleasingly, Conrad have indicated that the finalisation of the GSA with PLN Persero has sparked renewed interest in the farm down process with Conrad having received further non-binding offers and having entered into confidential discussions with one party. Empyrean hopes this process will reach a conclusion during 2025 and it can look to commercialise its current interest in the project.

In January 2025, Empyrean acquired an option to participate in Wilson River conventional oil prospect located within the ATP 1173 permit that is situated close to existing infrastructure in the prolific Cooper Basin in South-West Queensland, Australia, and adjacent to several producing oil fields. In March 2025, the Wilson-1 well spud. The JV partners elected to conduct a DST on potential oil zone identified from the drilling but, unfortunately, this confirmed the recovery of formation water in the potential oil zone and, as a result, the well was plugged and abandoned.

From a corporate perspective, the Company has successfully raised funds throughout the reporting period through a series of Placings and Retail Offers. While dilutive, these funds have enabled increased operational activity and will provide much-needed working capital while events in Indonesia progress. Despite the disappointing result at Wilson, the Company continues to assess other project opportunities while mindful of preserving its capital.

I would like to thank the Board, management and staff for their patience and perseverance as it has been a particularly difficult year. I'd also like to thank those shareholders that have remained steadfast in their support - I do appreciate how frustrated many are right now. Empyrean remains optimistic of a positive conclusion to the sell down process from Indonesia, which we hope will provide the impetus to rebuild value for its shareholders.



John Laycock
Non-Executive Chairman, 1 September 2025

Strategic Report

Business Overview, Operations and Outlook

Empyrean has been focused throughout the reporting period on its existing assets, namely the Mako Gas Field, as well as new exploration opportunities with the objective of finding new areas of growth and increasing shareholder value.

In March 2025, Conrad, the operator of the Mako Gas Field, received a Directive from the MEMR, that due to the very strong growth in domestic demand for gas in Indonesia, the Indonesian MEMR has directed that all Mako gas be made available for the Indonesian domestic market in Batam with the gas to be purchased by PLN, a wholly owned subsidiary of Indonesian state-owned electric utility company PLN Persero.

As a result of the MEMR Directive, in July 2025, Conrad signed a binding GSA for the sale and purchase of natural gas from the Mako Gas Field with PLN EPI.

As a result of the above, MEMR revoked its earlier allocation and pricing Directive to sell Mako gas to PGN and Sembcorp and the GSAs with PGN and Sembcorp were terminated.

Conrad have indicated that the finalisation of the GSA with PLN Persero has generated renewed interest in the farm down process and Empyrean is hopeful that this process will reach a conclusion during 2025.

As noted earlier in the report, Empyrean acquired an option and drilled the Wilson River conventional oil prospect located in the ATP 1173 permit that is situated close to existing infrastructure in the prolific Cooper Basin in South-West Queensland, Australia, and adjacent to several producing oil fields. Based on the positive ground realities of existing infrastructure and the successful geological play in the area, the Company participated in the drilling of Wilson River -1. Unfortunately, the well failed to flow commercial hydrocarbons. A DST was conducted on a potential oil zone identified from the drilling but unfortunately this confirmed the recovery of formation water in the potential oil zone and as a result the well was plugged and abandoned.

The Company has conducted a series of equity raises throughout the reporting period to bolster its cash reserves while it waits on developments in Indonesia and reviews other opportunities in the oil and gas sector.

There were no material activities conducted in California during the year.

The Board and management recognise that exploration for hydrocarbons is a risky venture and there will be failures and challenges along with successes. As a result, the Company's strategy is to continue to add value for shareholders by building a diverse portfolio of drilling opportunities in commercially attractive jurisdictions. This has been hampered in recent years due to lack of funding, the delays to the signing of the export GSA and now subsequently revised export GSA in Indonesia and the extremely protracted sell down processes in Indonesia. Following the signing of a binding GSA for the sale and purchase of natural gas from the Mako Gas Field with PLN EPI, the Company is hopeful of renewed impetus for a successful conclusion to the sell down process.

However, the Company is positive that constructive outcomes will be achieved in Indonesia and that it has a team with a proven track record of finding hydrocarbons and advancing projects through exploration, appraisal and into production.

Empyrean continues to actively review value accretive opportunities in the market. Oil and gas prices remain strong and the current business strategy of the Company remains sound and value accretive.

The Company also has a 58.084% working interest in the Eagle Oil Pool Development Project asset in California and a 10% working interest in the Riverbend Project in Texas. Both had no activity during the year. Further detailed analysis on all projects is provided in the Operational Review on page 13.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The Company is confident of positive outcomes from the Duyung PSC in the near term and following the recent signing of the export GSA with PLN EPI is hopeful of a successful sell down of its 8.5% interest in the PSC. While the Company awaits these outcomes it has successfully raised funds during the 2024/2025 period through a series of placings and retail offers.

We explain in this Annual Report, and referenced below, how the Board engages with stakeholders.

Promoting the Success of the Company for Stakeholders

The Directors endeavour to balance the needs and requirements of all stakeholders which, in addition to the Company's shareholders, include the Company's employees, the communities in the areas where it operates, government agencies and the Company's suppliers and customers, all of whom have a vested interest in the long-term success of the Company. Empyrean allocates its resources appropriately given the risk versus reward profile of our projects in order to achieve its goal of maximising Company and shareholder value. Empyrean is currently focused on the Duyung PSC, offshore Indonesia, awaiting outcomes as detailed above that will hopefully maximise value from its interest in project. Focused exploration work did occur during year with the drilling and testing of the Wilson Prospect in Australia, which ultimately proved unsuccessful. The Board continues to evaluate new projects to position the Company for renewed growth and to increase shareholder value.

Consequences of Decisions

The Board attaches a high importance to maintaining good relationships with shareholders and seeks to keep them fully updated on the Company's performance, strategy and management, predominantly through market announcements, periodic reports and shareholder circulars. When restrictions on face-to-face communication due initially to COVID-19 but more recently to preserve funds, have affected the Company's Annual General Meeting in prior years, the Company held hybrid meetings to enable shareholders to communicate with the Board and Management. The Board in making decisions regarding the activities of the Company will consider and balance the costs and benefits those decisions and the varying expectations of its stakeholders.

The Company has an obligation to its shareholders to grow and develop the Company in a manner that will provide value enhancement to their investment whilst at the same time minimising risk. The Directors rely on the feedback from management who have direct interaction with the shareholders on a regular basis to provide

a balanced assessment of the likely views of shareholders to the strategic and business decisions that the Directors make.

Human Resources and Ethical Culture

The Board believes that good corporate culture based on sound ethical values should guide the objectives and actions of its Board, management and employees. The Board believes that its current members have an appropriate balance of sector, financial and public market skills and experience, as well as technical experience, in particular oil and gas industry experience and expertise.

The Company demands the highest standards of integrity in the conduct of its business. Empyrean is committed to conducting business in a transparent and ethical manner across all its operations. The Company aims to ensure that all its activities are conducted fairly and honestly and each person connected with the Company has individual responsibility for maintaining an ethical workplace. Consistent with this business philosophy, the Company strictly adheres to anti-bribery and corruption principles. The Company places an active responsibility for compliance on all Company employees and associated persons. Compliance with these standards was monitored throughout the year by the Company Secretary and Directors through regular meetings and open dialogue and transparency on all business matters.

Foster Business Relationships with Suppliers, Customers and Others

Given the nature of the Company's business, it has limited suppliers but nonetheless maintains a close working relationship with those suppliers to understand their specific needs and expectations. The Board recognises that long term success relies upon good relationships with a range of different stakeholders, including its shareholders, regulators, joint venture partners and other service providers. The Company encourages feedback from all these groups and actively participates in Technical Committee meetings for the Duyung PSC.

Environmental, Social and Community Implications

The Company endeavours to operate in a manner that accords with good practice and, where appropriate, exceeds the legislative requirements, whether this is in relation to its obligations to its employees, environmental obligations and interaction with communities.

Whilst the Company is cognisant of its corporate social responsibilities, for those projects that the Company is dependent on other operators for the performance of exploration and production activities, it ensures it undertakes suitable due diligence on these operators to mitigate the risk of any corporate, financial, social or environmental responsibilities being breached.

Maintain High Standards of Business Conduct

The Company demands the highest standards of integrity in the conduct of its business. Empyrean is committed to conducting business in a transparent and ethical manner across all its operations. The Company aims to ensure that all its activities are conducted fairly and honestly and each person connected with the Company has individual responsibility for maintaining an ethical workplace. Consistent with this business philosophy, the Company strictly adheres to anti-bribery and corruption principles. The Company places an active responsibility for compliance on all Company employees and associated persons.

Strategy and Principal Risks

The Company's goal is to maximise value for shareholders. Empyrean will allocate its resources appropriately given the risk versus reward profile of our projects in order to achieve its goal. Risk assessment and evaluation is an essential part of the Company's planning and an important aspect of the Company's internal control system. These risks are first rigorously assessed at a technical level before the Company takes on a project and then diligently managed by the Company throughout the project timeline. The principal risks and uncertainties are considered to be the following:

Exploration, Development and Production Risks

Exploration and development activities may be delayed or adversely affected by factors outside the Company's control, in particular; climatic conditions; performance of partners or suppliers; availability, delays or failures in commissioning or installing plant and equipment; unknown geological conditions resulting in uneconomic or dry wells; remoteness of location; failure to achieve estimated capital costs, operating costs, reserves, recovery and production levels; actions of host governments or other regulatory authorities; and failure to find a hydrocarbon or finding uneconomic hydrocarbons. The Company employs geological experts and engages independent consultants where necessary to review exploration data as it is produced.

Commodity Risk

The demand for, and pricing of, oil and gas is dependent on global and local supply and demand, weather conditions, availability of alternative fuels, actions of governments or cartels and general economic and political developments. The Company monitors the current and forecast oil prices on a regular basis. Oil prices have been highly volatile for the period 2021 to 2025, with a significant rise through 2021 to 2023, after the negative impact of COVID-19 outbreak and geopolitical factors saw energy prices decrease. Oil prices have decreased in 2025, amongst concerns about weakening global demand and ample supply. Natural gas prices have also fluctuated significantly from 2021 to 2025.

General and Economic Risk

As a consequence of activities in different parts of the world, the Company may be subject to political, economic and other uncertainties both locally and internationally, including but not limited to inflation, interest rates, market sentiments, equity and financing market conditions. In particular, the Company's existing exploration assets are located in Indonesia and the USA and currently require US$ denominated funding to take them forward. The Company monitors the ongoing economic situations in the countries in which it has activities. A recurrence of COVID-19 or similar such outbreaks, and regulators' or market fears about the same, may impact the Company's activities.

Financing Risk

Future investment is dependent on having sufficient funds to enable the exploration or development of projects, whether through debt or equity funding. The Company has raised funds in GBP throughout 2024/2025. There is the potential to be exposed to foreign exchange losses or profits on any funds that the Company converts into GBP or converts from GBP to US$ as the Company's exploration assets require payments for services to be made in US$. The Company prepares cash flow forecasts and monitors its expenditure against budget, raising funds when necessary.

Market Risk

Securing sufficient and profitable sales contracts to support operations is a key business risk. There is some risk that some leases on projects may not be able to be negotiated or that the terms may be different. The Company operates in Indonesia and there are risks associated with the demand for hydrocarbons and the different pricing between markets for different commodities such as gas versus oil. The operator has secured tenure at the Duyung PSC through to 2037. Empyrean's exploration projects in California require the renewing of certain leases from time to time.

Environmental Risk

The Company's exploration, development and production activities are subject to extensive laws and regulations governing environmental impact and protection. A failure to comply with environmental laws and regulations (including as a result of technical failures) may result in enforcement actions causing operations to cease or be curtailed, the imposition of fines and penalties, and may include corrective measures requiring significant capital expenditures. In addition, certain types of operations require the submission and approval of environmental impact assessments. For some assets, the Company is dependent on other operators for the performance of exploration and production activities and will be largely unable to direct, control or influence the activities and costs of these operators.

Climate Change Risk

The Company's exploration, development and production activities could be subject to restrictions or moratoriums in response to carbon emission reduction targets. The Company has received no indication that the relevant host governments want to place restrictions on the production of hydrocarbons. During the financial year the Company was in a non-operational phase and its environmental footprint is minimal.

Financial Position and Performance of the Business

Net loss after tax for the year was US$3.35 million (2024: US$9.59 million). Total assets were US$7.49 million (2024: US$6.35 million). Net investing cash outflows were US$1.42 million (2024: US$0.96 million). Total liabilities were US$12.06 million (2024: US$10.71 million). The Company's cash position at 31 March 2025 was US$1.68 million (2024: US$0.98 million) with net operating cash outflows of US$0.94 million (2024: US$0.83 million).

Key Performance Indicators

As an exploration company with a portfolio of projects aimed at adding value for shareholders – the Company's share price continues to be a key KPI. Following the drilling of the Jade Prospect in China in 2022, where no oil pay was encountered in the target reservoir, the share price predictably decreased sharply and has remained at low levels throughout the past financial years. This was further compounded by the unsuccessful Wilson-1 well in Australia in 2025 and the delays to progress in Indonesia. Based on recent releases from the operator of the Duyung PSC however, the Board has some optimism that there are near term value catalysts at this project, including the signing of the export GSA with PLN Persero (signed 16 July 2025) and a successful outcome from the Mako sell down process, which will hopefully position the Company to move forward with its strategic objectives in 2025/26. The work performed at each of the Company's projects and the results that have been achieved are detailed further in the Operational Review.

The share price performance from 1 April 2024 to 26 August 2025 is represented graphically below:

The strategic report and operational review were approved by the Board on 1 September 2025 and signed on the Board's behalf.

Gajendra (Gaz) Bisht
Interim CEO/Executive Director (Technical)
1 September 2025

Operational Review

The Company's corporate objective remains to build a significant asset portfolio across the Australasian region.

Empyrean remains optimistic about the significant value potential of its interest in Indonesia, which will be reflected in a renewed sell down process and the recent execution of the export GSA with PLN EPIas announced on 17 July 2025. The project has been further supported by strong gas prices in the Asian region.

Empyrean also has a 25-30% working interest in a package of gas projects in the Sacramento Basin, onshore California. While no activity occurred during the past years Empyrean will assess the technical and commercial merits of other prospects or proposals as they are presented.

Empyrean has retained an interest in the Riverbend Project (10% WI) located in the Tyler and Jasper counties, onshore Texas and a 58.084% WI in the Eagle Oil Pool Development Project, located in the prolific San Joaquin Basin onshore, Southern California. No technical work has been undertaken on these projects during the year.

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 1,100km^2 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.

Empyrean holds an 8.5% operated interest in the Duyung PSC. Duyung is located in the Riau Islands Province, Indonesian waters in the West Natuna area, approximately 100 km to the north of Matak Island and 400 km northeast of Singapore.

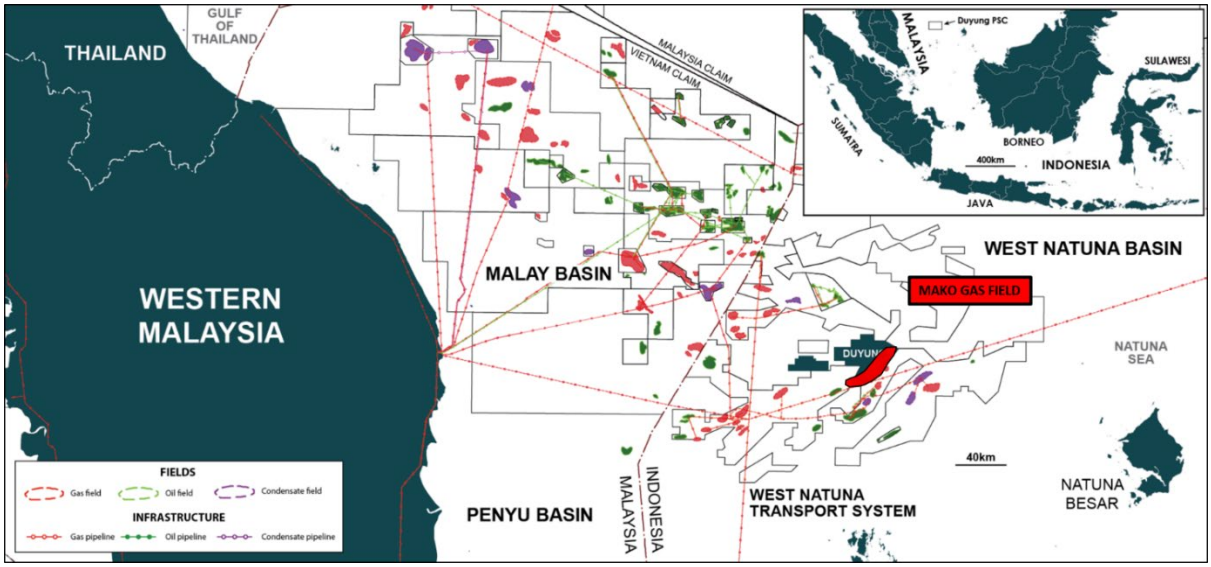


Figure 1: Mako Gas field, Duyung PSC, Indonesia

Current Activities

In March 2025, Conrad received a Directive from MEMR, including that due to the very strong growth in domestic demand for gas in Indonesia, all Mako gas (plateau sales gas rate of 111 billion British Thermal Units per day ("Bbtud")) be made available for the Indonesian domestic market in Batam with the gas to be purchased by PLN, a wholly owned subsidiary of the Indonesian state-owned electric utility company PLN Persero.

PLN Persero is wholly-owned by the Government of Indonesia through the Ministry of State-Owned Enterprise. The organisation has over 7,000 power plants supplying over 89 million customers and sells over 288,000 GWh of electricity annually.

The Mako gas price will be linked to the Indonesian Crude Price ("ICP"), which is akin to Brent oil-linked Liquified Natural Gas ("LNG") pricing. This structure will be economically equivalent to the pricing previously approved for Mako gas to be sold both domestically and for export, thereby underpinning the value of gas from Mako.

As a result of the MEMR Directive, in July 2025 Conrad signed a binding GSA for the sale and purchase of natural gas from the Mako Gas Field with PLN EPI.

In addition and a result of the above, MEMR has revoked its earlier allocation and pricing Directive to sell Mako gas to PGN and Sembcorp and those GSAs with PGN and Sembcorp has been terminated.

The new Government of Indonesia is formulating its New Energy Plan 2024-2034 (or "New RUPTL") under which it will prioritise gas exploration and production to meet rapidly rising domestic energy demand. Around 15 Gigawatts ("GW") of gas power capacity across Indonesia is planned to be built until 2034, especially to support the base load capacity.

The MEMR Directive is anticipated to support potential farmout arrangements in Duyung and FID for Mako.

On 24 June 2024, the Company announced that the Mako JV partners had entered into a binding domestic GSA for the sale and purchase of the domestic portion of Mako gas with PGN, the gas subsidiary of PLN Persero. The domestic GSA will be subject to the construction of a pipeline connecting the WNTS with the domestic gas market in Batam and it forms part of Mako JV's DMO.

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). 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. The remainder of the Mako sales gas volumes were targeted to be sold via an export GSA.

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 Straight 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"), and is scheduled to begin production in 2026. The West Natuna Sea has been supplying Singapore with natural gas for more than two decades and Mako is expected to extend this supply for at least another decade via the existing transportation system.

The contract term is until the end of the Duyung PSC in January 2037 and allows for the sale of plateau gas rates of 111 Bbtud which is equivalent to around 111.9 mmscfd. The contract is for the entirety of Mako's 2C Contingent Resources.

Discussions continue with Conrad regarding settlement of claims over unpaid cash calls.

Wilson River, Queensland Australia (EME 8.5%)

In January 2025 the Company announced the acquisition of an option to participate in Wilson River conventional oil prospect. The Wilson Prospect is situated close to existing infrastructure in the prolific Cooper Basin in South-West Queensland, Australia, and adjacent to several producing oil fields.

Following the securing of land access and completion of cultural heritage surveys and drill preparation activities the Wilson River-1 well spudded on 14 March 2025. The well was funded by Empyrean and Condor Energy, an experienced Australian based well services and drilling company with recent drilling contracts completed nearby in the Cooper Basin.

Following drilling the JV partners in the Wilson River-1 decided to conduct a DST over the potential oil zone identified in the Murta Formation from analysis of logs and hydrocarbon shows from the well. The final well testing report however confirmed the recovery of formation water in the potential oil zone and as a result the well was plugged and abandoned.

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

Background

In May 2017, Empyrean agreed to farm-in to a package of opportunities including the Dempsey and Alvares prospects in the Northern Sacramento Basin, onshore California. The rationale for participating in this potentially

significant gas opportunity was a chance to discover large quantities of gas in a relatively 'gas hungry' market. Another attractive component of the deal was the ability to commercialise a potential gas discovery using existing gas facilities that are owned by the operator.

There were no significant activities conducted during the past years 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.

Riverbend Project (10%)

No work has been completed on the project in the year and no budget has been prepared for 2025/26 whilst the Company focuses on other projects. The Company previously fully impaired the carrying value of the asset and any subsequent expenditure, mainly for license fees, has been expensed through the profit and loss statement.

Eagle Oil Pool Development Project (58.084% WI)

No work has been completed on the project in the year and no budget has been prepared for 2025/26 whilst the Company focuses on other projects. The Company previously fully impaired the carrying value of the asset and any subsequent expenditure, mainly for license fees, has been expensed through the profit and loss statement.

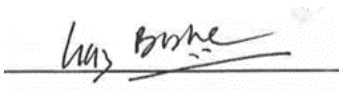
The information contained in this report was completed and reviewed by the Company's Executive Director (Technical), Mr Gajendra (Gaz) Bisht, who has over 36 years' experience as a petroleum geoscientist.

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

**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.*



Gajendra (Gaz) Bisht M.Sc. (Tech) in Applied Geology
Interim CEO/Executive Director (Technical)
1 September 2025

Directors' Report

The Directors are pleased to present their report on the affairs of the Company, together with the audited financial statements for the financial year ended 31 March 2025.

Dividends

The Directors do not propose the payment of a dividend (2024: nil).

Directors and Directors' Interests

Directors of the Company who served during the year:

- **John Laycock – Non-Executive Chairman**

  Mr Laycock has over 30 years' experience in accounting, finance and risk management. His previous positions include 22 years with BP both in UK and international experience in France and Japan. Mr Laycock has a degree in Mechanical Engineering from Bristol University and is a Fellow of the Chartered Institute of Management Accountants, who is based in the UK. At 31 March 2025 and at the time of this report, Mr Laycock holds or has a beneficial interest in 17,000,000 shares (0.38%) in the Company and nil options. Mr Laycock was appointed to the Board in August 2008.

- **Gajendra (Gaz) Bisht – Interim CEO/Executive Director (Technical)**

  Mr Bisht is an oil and gas professional with over 35 years of proven skills in all aspects of Exploration and Production. In the past 6 years, he has developed strong business acumen in strategy framing and execution and has built deep and effective relationships with international companies as well as regulators in South East and North Asia, particularly in Indonesia, China and Malaysia. At 31 March 2025 and at the time of this report, Mr Bisht holds or has a beneficial interest in 65,398,839 shares (1.47%) in the Company and nil options. Mr Bisht was appointed to the Board in June 2017.

- **Patrick Cross – Non-Executive Director**

  Dr Cross has international experience in corporate finance, organisation structures, marketing and joint venture operations. His previous positions include 25 years with BP specialising in marketing, strategic planning and business development across different countries. He also worked for 2 years as President of Cable and Wireless Japan, and 6 years as Managing Director of BBC World Ltd. Dr Cross has operated in South America, Asia, Europe and the United Kingdom establishing relationships at senior levels with major companies, Governments and the European Commission. He was non-executive chairman of Mercom Capital Plc, was a non-executive director of Orca Interactive Limited and is a Trustee of the Royal Society of Tropical Medicine and Hygiene. At 31 March 2025 and as at the time of this report, Dr Cross holds or has a beneficial interest in 825,000 shares (0.02%) in the Company and nil options. Dr Cross was appointed to the Board in June 2005.

Note that Mr Tom Kelly served as Chief Executive Officer during the reporting period until August 2025.

Insurance

Under the Company's Articles of Association and subject to the provisions of the Companies Act, the Company may and has indemnified all directors and other officers against liability incurred in the execution or discharge of their duties or the exercise of their powers, including but not limited to any liability for the costs of any legal proceedings. The Company has purchased and maintains appropriate insurance cover against legal action brought against Directors or officers.

Going Concern

At the year end the Company had a cash balance of US$1.68 million (2024: US$0.98 million) and made a loss after income tax of US$3.35 million (2024: loss of US$9.59 million).

The Directors have prepared cash flow forecasts for the Company covering the period to 30 September 2026 and these demonstrate that the Company will require further funding within the next 12 months from the date of approval of the financial statements. As disclosed previously, 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 alleged, 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 rejected the outstanding amounts claimed, which total US$12 million, and responded to the letter of demand requesting clarification of the basis for the demands made in the letter. The Company received an email from CNOOC on 21 August 2025 which referred to the previous letter of demand and reiterated CNOOCs position on this matter.

During and subsequent to the reporting period, the Company has raised equity funds across multiple tranches, with a Placing, Subscription and Retail Offer to raise US$1.592 million (£1.255 million) completed in November 2024, Placings to raise US$0.840 million (£0.675 million) and US$0.787 million (£0.625 million) completed over January 2025 and February 2025. a Placing and Retail Offer to raise US$0.825 million (£0.661 million) completed in April 2025 and a further Placing to raise US$1.354 million (£1 million) completed in July 2025.

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 including reaching agreement on a settlement of existing claims from Conrad, any potential further costs or payments to CNOOC in relation to Block 29/11, 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. Both Conrad and PLN ESI have now signed a binding GSA in July 2025. Conrad have indicated that the finalisation of the GSA with PLN ESI has sparked renewed interest in the farm down process with Conrad having received further non-binding offers and having entered into confidential discussions with one party.

It is the belief of the Board that the completion of the 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 on any existing claims. The Directors acknowledge that this funding is not guaranteed however has demonstrated its ability to raise funds as required over and subsequent to the reporting period. These conditions however 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.

Financial, Liquidity and Cashflow Risk Management

Refer to Note 18 in the financial statements for further details.

Events After Reporting Date (Note 19)

Significant events post reporting date were as follows:

In April 2025, the Company completed a Placing and Retail Offer to raise US$0.825 million (£0.661 million).

In May 2025, following drilling of the Wilson River-1 well, the JV partners in the Wilson River-1 conducted a DST over the potential oil zone identified in the Murta Formation from analysis of logs and hydrocarbon shows from the well. The final well testing report however confirmed the recovery of formation water in the potential oil zone and as a result the well was plugged and abandoned the well and the rig been released.

In July 2025, the Company completed a Placing to raise US$1.354 million (£1 million).

In August 2025 the Company regrettably advised the market that Managing Director/CEO Tom Kelly had passed away. The Board has appointed existing Technical Director Gaz Bisht as interim CEO and will conduct a search process for a permanent CEO in due course.

No other matters or circumstances have arisen since the end of the financial year 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.

Strategic Report

The Company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the likely future developments in the business of the Company which would otherwise be required to be contained in the report of the Directors within the Strategic Report on pages 7 to 12.

Auditors

PKF Littlejohn LLP were appointed as the Company's auditors during the year. PKF Littlejohn LLP have indicated their willingness to continue in office and a resolution suggesting that they should be reappointed will be proposed at the Annual General Meeting.

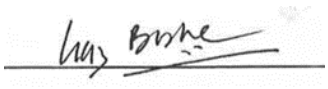
Statement of Disclosure to Auditors

Each person who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's Auditors are not informed; and
- the Director has taken all steps required to make himself aware of any relevant audit information and to establish that the Company's Auditors are informed of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By order of the Board



Gajendra (Gaz) Bisht
Interim CEO/Executive Director (Technical)
1 September 2025

Corporate Governance Report

All members of the Board believe strongly in the value and importance of good corporate governance and in our accountability to all of our stakeholders, including shareholders, staff, customers and suppliers. In the statement below, we explain our approach to governance, and how the Board and its committees operate. The corporate governance framework which the Company operates, including board leadership and effectiveness, board remuneration, and internal control is based upon practices which the Board believes are appropriate for the size, risks, complexity and operations of the business and is reflective of the Company's values. Of the two widely recognised formal codes, we have therefore decided to adhere to the Quoted Companies Alliance's ("QCA") Corporate Governance Code for small and mid-size quoted companies. In November 2023 a revised QCA code was released, the key updates include:

- Wider Stakeholder Interests: Enhanced focus on ESG responsibilities and stakeholder engagement (Principle 4).
- Board Composition: Stricter requirements for board independence and diversity (Principles 6 and 7).
- Succession Planning: Emphasis on clear succession strategies (Principle 8).
- Remuneration Policy: New guidelines to align remuneration with long-term value creation (Principle 9).

As is permitted by the guidance set out by the QCA, the transitionary period of 12 months following 1 April 2024 is being utilised to put in place measures to embrace the key updates to the QCA code where possible. The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. We have considered how we apply each principle to the extent that the Board judges these to be appropriate in the circumstances, and below we provide an explanation of the approach taken in relation to each. The Board considers that it has complied with the principles of the QCA Code.

The Company has adopted and operates a share dealing code for Directors and senior employees on substantially the same terms as the Model Code appended to the Listing Rules of the UK Listing Authority.

Chairman Statement – Corporate Governance

As Chairman of the Board of Directors of Empyrean Energy Plc, it is my responsibility to ensure that the Company is run by an effective and suitably qualified Board underpinned by a strong corporate governance policy. As Chairman, my responsibilities include overseeing the Company's corporate governance model and ensuring the Board is run by an effective and efficient Board, with good communication and information flow both internally and with our shareholders.

The Company has adopted the QCA Code in line with the AIM Rules requirement for all AIM-listed companies to adopt and comply or explain non-compliance with a recognised corporate governance code. The Company has prepared a Statement of Compliance with the QCA Corporate Governance Code which outlines the Company's approach in addressing and applying the 10 corporate governance principles of the QCA Code. This can be found at: www.empyreanenergy.com/governance/

The Board considers that the Company complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Company and does not believe its governance structures and practices differ from the expectations set by the QCA Code.

The Board believes that good corporate governance, as outlined in the QCA Code, improves the long-term success and performance of the Company, whilst effectively managing risks and providing a framework for communication internally and with our shareholders.

There have been no governance matters of any concern that have occurred during the year and there have been no significant changes in the Company's governance arrangements.

Business Strategy

Through a series of strategic acquisitions, Empyrean now holds an exciting portfolio of exploration projects and its primary focus is to add significant value for the Company and its shareholders through focused advancement of these projects. Empyrean allocates its resources appropriately given the risk versus reward profile of our projects in order to achieve its goal of maximising Company and shareholder value.

Empyrean is currently focused on one cornerstone asset, the Duyung PSC offshore Indonesia, and maximising value from its 8.5% in the project.

There was no significant activity during the current year with regard to its multi project participating interest in the Sacramento Basin, California. The Board will however consider participating in future wells at the Californian project based on their technical merit.

Exploration work was largely focused on the drilling activity in the Cooper Basin, Australia during the first half of 2025, which ultimately proved unsuccessful. The Board continues to evaluate new projects to position the Company for renewed growth and to further increase shareholder value.

The Board

The Board met 5 times throughout the year. Attendance at the Board Meetings was as follows:

Director	Number Eligible to Attend	Number Attended
Patrick Cross	5	5
John Laycock	5	5
Thomas Kelly	5	5
Gajendra Bisht	5	5

To enable the Board to perform its duties, each of the Directors has full access to all relevant information and to the services of the Company Secretary. If necessary, the Non-Executive Directors may take independent professional advice at the Company's expense. The Board currently includes one Executive Director and two Non-Executive Directors and will conduct a search process for a permanent CEO in due course. The Board has delegated specific responsibilities to the committees described below. John Laycock is a Non-Executive Director and Chairman of the Company and meets the Company's criteria for independence. His experience and knowledge of the Company makes his contribution to the Board such that it is appropriate for him to remain on the Board and in his position as Chairman. Patrick Cross is a Non-Executive Director of the Company and meets the Company's criteria for independence. While both Dr Cross and Mr Laycock have held Board positions for some time, they remain sufficiently removed from the day-to-day management of the Company and therefore continue to meet the Company's independence criteria.

Non-Executive Directors are expected to devote sufficient time as is reasonably required to perform their duties, which includes at a minimum being available to attend weekly update meetings and monthly board meetings and to review preparation material for those meetings. Gajendra Bisht is the Interim CEO and Executive Director (Technical) of the Company and is expected to devote sufficient time as is reasonably required to perform the duties of a CEO and Executive Technical Director, which is on a full-time basis. The relevant experience, skills and capabilities of each of the directors are described in the Directors Report.

The Board has effective procedures and protocols in place to monitor any potential conflicts of interest and ensure that members with such conflicts abstain from voting on any resolutions on those matters. The Board members are also transparent in notifying other members of any other commitments or interests external to the business of the Company.

Company Secretary

The Company Secretary, Jonathan Whyte (CA), is an adviser to the Chairman and the Board and provides assistance to the Executive Directors in the day-to-day operations of the Company. The Company Secretary has responsibility for the Company's legal, statutory and regulatory compliance requirements and assists management with shareholder communication and investor relations matters. The Company Secretary prepares and disseminates all Board and Committee Meeting materials.

Performance Evaluation

The Chairman is responsible for the performance evaluation of the Executive and Non-Executive Directors. The Non-Executive Finance Director is responsible for the performance evaluation of the Chairman. The Board as a whole is responsible for the performance evaluation of the Committees and its own performance. These assessments occurred periodically. The Board believes that its current members have an appropriate balance of sector, financial and public market skills and experience, as well as technical experience, in particular oil and gas industry experience and expertise. The Board is satisfied that it has the appropriate balance of personal qualities and capabilities and is not dominated by a single member. On a continual basis, the Board assesses its core competencies, expertise and effectiveness to ensure they remain relevant and up to date. The Company has defined procedures for the selection and appointment of new directors to the Company's Board. Refer to page 17 of the Directors' report for details of the Directors' experience and capabilities.

The Company has adopted a formal Board Evaluation Policy to ensure individual directors and the Board work efficiently and effectively in achieving their functions, which involves the Chairman meeting with each Executive and Non-Executive Director separately to discuss individual performance and ideas for improvement and the Non-Executive Finance Director meeting with the Chairman separately to discuss individual performance and ideas for improvement. The Board discuss and analyse its own performance and the performance of the committees during the year including suggestions for change or improvement. Following this review, the structure of the Board was deemed appropriate and it was agreed that the Board continues to function effectively and efficiently, with no recommendations for change at this time.

The Company has an established Remuneration Committee that operates under a Formal Charter. The Remuneration Committee is responsible for reviewing the performance of the Executive Directors, setting the scale and structure of their remuneration, setting performance-based objectives and paying due regard to the interests of shareholders and the performance of the Executive Directors and the Company as a whole. On a continual basis the Board assesses its core competencies, expertise and effectiveness. This includes an

assessment of individual directors and whether the appointment of external personnel may enhance the performance of the Board.

The Audit Committee

The Audit Committee comprises of Patrick Cross and John Laycock and is chaired by John Laycock. Refer to page 17 for qualifications of the Audit Committee members. During the year the Audit Committee met once and each member attended the meeting. The Audit Committee reviews the Company's annual and interim financial statements before submission to the Board for approval. The Audit Committee also reviews reports from management and the external auditors on accounting and internal control matters. When appropriate, the Audit Committee monitors the progress of action taken in relation to such matters. The Audit Committee also assesses the independence of, recommends the appointment of, and reviews the fees of, the external auditors. The Audit Committee has considered the need for an internal audit function and has deemed the need unnecessary as the Company is not of a size to warrant such a function. The Audit Committee Charter can be found on the Company's website www.empyreanenergy.com/governance. While there was no Audit Committee report prepared this year the Audit Committee presents its findings from the annual audit and interim review to the Board after consultation with the auditors and having received the detailed Audit Completion Report which is prepared specifically for the Audit Committee. The Company reviews the audit summary report from its external auditors and holds discussions with the auditors and the Board as a whole to sufficiently address any audit related matters.

The Remuneration Committee

The Remuneration Committee is made up of Patrick Cross and John Laycock and is chaired by John Laycock. The Remuneration Committee met once during the year and each member attended the meeting. It is responsible for reviewing the performance of the Executive Director and for setting the scale and structure of their remuneration, paying due regard to the interests of shareholders as a whole and the performance of the Company. The Remuneration Committee Charter can be found on the Company's website www.empyreanenergy.com/governance. There was no Remuneration Committee report prepared this year on the basis that remuneration levels were reviewed by the board as a whole and also the Remuneration Committee and deemed acceptable and appropriate for the current year, with no changes recommended or made. The Company and its advisers conducted a review of the Company's cost base in view of the current environment and in the context of its peer group during the year.

Internal Control and Risk Management

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness annually. Such a system is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has established a continuous process for identifying, evaluating and managing the Company's significant risks. This process involves the monitoring of all controls including financial, operational and compliance controls and risk management. It is based principally on reviewing reports from senior management and professional advisors to ensure any significant weaknesses are promptly remedied and to indicate a need for more extensive monitoring.

The Company has established an Audit Committee which is responsible for overseeing the establishment and implementation by management of a system for identifying, assessing, monitoring and managing material risk throughout the company. This system includes the Company's internal compliance and control systems. The

Audit Committee reviews at least annually the Company's risk management systems to ensure the exposure to the various categories of risk, including fraud, are minimised. The Audit Committee monitors the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest.

Corporate Culture

The Board believes that good corporate culture based on sound ethical values guides the objectives and actions of its Board, management and employees. The Company has an Ongoing Education Framework which is designed to facilitate the education of directors and employees so they are equipped with the general and technical knowledge required to carry out their duties and understand the business of the Company.

The Company demands the highest standards of integrity in the conduct of its business. Empyrean is committed to conducting business in a transparent and ethical manner across all its operations. The Company aims to ensure that all its activities are conducted fairly and honestly and each person connected with the Company has individual responsibility for maintaining an ethical workplace. Consistent with this business philosophy, the Company strictly adheres to anti-bribery and corruption principles. The Company places an active responsibility for compliance on all Company employees and associated persons.

Relationship with Shareholders

The Board attaches high importance on maintaining good relationships with shareholders and seeks to keep them fully updated on the Company's performance, strategy and management. In addition, the Board welcomes as many shareholders as possible to attend its general meetings and encourages open discussion after formal proceedings.

Corporate Social Responsibility

Whilst the Company is cognisant of its corporate social responsibilities, the Company considers that it is not of the size to warrant a formal policy as the issues that are relevant to this policy are mostly the responsibility of the operators of the wells with which the Company has agreements.

Bribery Act

The Company is cognisant of its responsibilities under the Bribery Act and has implemented an Anti-Bribery policy.

UK City Code on Takeovers and Mergers

The Company is subject to the UK City Code on Takeovers and Mergers.

Market Abuse Regime

The Company has adopted and operates a share dealing code for Directors and senior employees on substantially the same terms as the Model Code and MAR appended to the Listing Rules of the UKLA.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Company financial statements in accordance with UK adopted International Accounting Standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:

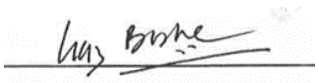
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with United Kingdom adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website Publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with the legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein. The Company is compliant with AIM Rule 26 regarding the Company's website.

Company Number: 05387837



Gajendra (Gaz) Bisht
Interim CEO/Executive Director (Technical)
1 September 2025

Independent Auditor's Report to the Members of Empyrean Energy Plc

Opinion

We have audited the financial statements of Empyrean Energy Plc (the 'company') for the year ended 31 March 2025 which comprises the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the company requires additional funding to fund the ongoing cash needs of the business for the foreseeable future, the company incurred a net loss of $3.35m during the year ended 31 March 2025 and, as of that date, the company's current liabilities exceeds its total assets by $4.57m and may require further funding should it be required to settle any amounts claimed by CNOOC per the contingent liability noted on Note 21. The company is dependent on raising funds either through equity or through monetising its interest in the Mako gas field through a sell down process, both of which are not guaranteed. As stated in Note 1, these events or conditions, along with the other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We obtained Management's cashflow forecasts for the period to September 2026 and assessed the key underlying assumptions, including forecast levels of expenditure and exploration costs used in preparing these forecasts. In doing so we considered actual costs incurred in the financial year 2025 against the budgeted costs for the financial year 2025 to assess the ability of management to forecast accurately;

- We compared the actual cash flows in the financial year 2025 against Management's cash flow forecasts for the period to September 2026 to assess the reasonableness of the cash forecast. We also compared forecasted exploration costs to agreed work programmes and commitments and assessed the consistency of the forecast with other financial and operational information obtained during the audit;
- We assessed the arithmetic accuracy of the cash flow forecast by checking the formulae included in the model;
- We reviewed the status of the sell down process for the company's interest in Mako to assess the feasibility of a sale;
- We obtained all correspondence in relation to the legal claim by CNOOC as disclosed in Note 21, including the professional advise obtained by the company to assess the company's position and conclusions under IFRS;
- We obtained, challenged, and assessed the Directors strategy to raise future funds by reviewing the results of historical fund raising; and
- We reviewed and considered the adequacy and consistency of the going concern disclosures within the financial statements against the directors going concern assessment.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

The materiality applied to the company's financial statements as a whole was set at $149,900. Performance materiality was set at $112,400 being 75% of materiality for the company's financial statements as a whole.

Materiality has been calculated at 2% of total assets, which we have determined, in our professional judgement, to be the principal benchmark relevant to members of the company in assessing financial performance. As the group has yet to begin trading, the key focus of the group is on exploration activities to advance the development of its investments. The performance materiality threshold was considered to be sufficient to provide coverage of significant and residual risks to the balances within the financial statements representing risk areas and those that require management judgements and estimates.

We agreed that we would report to the audit committee all misstatements we identified through our audit with a value in excess of $7,400, in addition to other audit misstatements below that threshold that we believe warrant reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risks of material misstatement in the company's financial statements. In particular, we considered the areas involving significant accounting estimates and judgement by the directors and including future events that are inherently uncertain, in particular with regard to the carrying value of Exploration and Evaluation assets. We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. Procedures were then performed to address the risks identified and for the most significant

assessed risks of material misstatement, the procedures performed are outlined below in the Key audit matters section of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Carrying value of Exploration and Evaluation ("E&E") Assets	
As at 31 March 2025 the company has material capitalised exploration costs with a carrying value of $5,763m relating to an 8.5% interest in Duyung PSC – Indonesia. Management are considering their options in relation to Duyung PSC to either farmout or sell the asset, therefore this gives rise to a risk of misclassification of the asset within the financial statements between IFRS 5 and IFRS 6. In January 2025 Empyrean acquired an option to participate in Wilson River conventional oil prospect, upon the conduction of a DST, formation water was identified leading to a full impairment of the carrying value of the asset at 31 March 2025 totalling $1.2m. This is considered to be a key audit matter due to the material value and significant judgement and estimates involved in assessing whether any indicators of impairment have arisen at the year end, and in quantifying any potential impairment. These accounting policies can be viewed in Note 1 in the financial statements. We draw attention to Note 8 where further information is provided on the status of each of the company's Exploration and Evaluation projects.	Our work in this area included: • Obtaining an understanding of the information system and related controls relevant to the valuation of E&E assets • Evaluating the appropriateness of the information system and the effectiveness of the design and implementation of the related controls. • Reviewing RNS announcements, board minutes etc for any of indicators of impairment • Verifying a sample of costs capitalised to ensure compliance with IFRS 6 "Exploration for and Evaluation of Mineral Resources" • Obtaining and reviewing all licenses to ensure good standing and reviewing of the commitments attached to the exploration assets to determine of the company still maintains the right to ownership. • Discussions with management to determine the future plans for the E&E assets considering if any of the E&E assets meet the classification of held for sale in conjunction with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" • Reviewing management's assessment for indicators of impairment in respect of the carrying value of intangible assets and

	providing challenge thereto and corroborating any key assumptions used. • Reviewing management's impairment assessment ensuring compliance with IAS 36; and • An assessment of whether management's presentation and disclosures related to E&E assets are complete and adequate.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report[8]. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector etc.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from:
    - Bribery Act
    - Companies Act 2006
    - AIM Listing Rules
    - General Data Protection Regulation
    - Health and Safety Law
    - Anti-Money Laundering
    - Vat and Income Tax Regulations
    - Employment Law
    - Operational laws and regulations in the relevant jurisdictions
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
    - Making enquiries of management;
    - Reviewing board minutes;
    - Reviewing legal and professional fees and understanding the nature of the costs and the existence of any non-compliance with laws and regulations;

  - Reviewing Regulatory News Service (RNS) announcements; and
  - Reviewing accounting ledgers for any unusual journal entries which may indicate non-compliance.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, whether key accounting estimates and judgements could include management bias. We addressed these risks by challenging the assumptions and judgments made by management when auditing significant accounting estimates. These included assessing the carrying value of the Exploration and Evaluation assets for any indications of management bias as described in the Key Audit matters section of this report above.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nicholas Joel

Nicholas Joel (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

1 September *2025*

Statement of Comprehensive Income
For the Year Ended 31 March 2025

Continued Operations	Notes	2025 US$'000	2024 US$'000
Revenue		-	-
Expenses			
Administrative expenses		(168)	(355)
Compliance fees		(245)	(326)
Directors' remuneration	*4*	(406)	(416)
Foreign exchange loss	*3*	(115)	(123)
Total expenses		**(934)**	**(1,220)**
Operating loss	*3*	**(934)**	**(1,220)**
Finance expense	*5*	(1,210)	(1,770)
Impairment – exploration and evaluation assets	*8*	(1,205)	(6,595)
Loss from continuing operations before taxation		**(3,349)**	**(9,585)**
Tax expense	*6*	(1)	(1)
Loss from continuing operations after taxation		**(3,350)**	**(9,586)**
Total comprehensive loss for the year attributable to owners of the Company		**(3,350)**	**(9,586)**
Earnings (loss) per share from continuing operations attributable to owners of the Company (expressed in cents)			
- Basic	*7*	(0.18)c	(0.98)c
- Diluted		(0.18)c	(0.98)c

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

Statement of Financial Position
As at 31 March 2025

Company Number: 05387837	Notes	2025 US$'000	2024 US$'000
Assets			
Non-Current Assets			
Exploration and evaluation assets	*8*	5,763	5,355
Total non-current assets		**5,763**	**5,355**
Current Assets			
Trade and other receivables	*10*	56	17
Cash and cash equivalents		1,675	981
Total current assets		**1,731**	**998**
Liabilities			
Current Liabilities			
Trade and other payables	*11*	3,125	2,929
Provisions	*12*	-	189
Convertible loan notes	*13*	8,938	7,594
Total current liabilities		**12,063**	**10,712**
Net Current Liabilities		**(10,332)**	**(9,714)**
Net Liabilities		**(4,569)**	**(4,359)**
Shareholders' Equity			
Share capital	*15*	472	3,405
Share premium reserve	*16*	52,948	46,891
Warrant and share-based payment reserve		129	123
Retained losses		(58,118)	(54,778)
Total Equity		**(4,569)**	**(4,359)**

The Financial Statements were approved by the Board of Directors on 1 September 2025 and were signed on its behalf by:

John Laycock
Chairman

Gajendra (Gaz) Bisht
Interim CEO/Executive Director (Technical)

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

Statement of Cash Flows
For the Year Ended 31 March 2025

	Notes	2025 US$'000	2024 US$'000
Operating Activities			
Payments for operating activities		(937)	(827)
Net cash outflow for operating activities	*14*	**(937)**	**(827)**
Investing Activities			
Payments for exploration and evaluation	*8*	(1,418)	(964)
Net cash outflow for investing activities		**(1,418)**	**(964)**
Financing Activities			
Issue of ordinary share capital		3,180	2,790
Payment of finance costs		-	(29)
Payment of equity issue costs		(156)	(72)
Net cash inflow from financing activities		**3,024**	**2,689**
Net increase in cash and cash equivalents		669	898
Cash and cash equivalents at the start of the year		981	83
Forex gain on cash held		25	-
Cash and Cash Equivalents at the End of the Year		**1,675**	**981**

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

Statement of Changes in Equity
For the Year Ended 31 March 2025

	Notes	Share Capital US$'000	Share Premium Reserve US$'000	Warrant and Share-Based Payment Reserve US$'000	Retained Losses US$'000	Total Equity US$'000
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 issued in the period	*15*	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 year		-	-	-	(3,350)	(3,350)
Total comprehensive loss for the year		-	-	-	(3,350)	(3,350)
Contributions by and distributions to owners						
Shares issued in the period	*15*	306	2,914	-	-	3,220
Expiry of warrants		-	-	(10)	10	-
Equity issue costs		1	(158)	-	-	(157)
Share-based payment expense		2	59	16	-	77
Capital reorganisation	*15*	(3,242)	3,242	-	-	-
Total contributions by and distributions to owners		**(2,933)**	**6,057**	**6**	**10**	**3,140**
Balance at 31 March 2025		**472**	**52,948**	**129**	**(58,118)**	**(4,569)**

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

Notes to the Financial Statements
For the Year Ended 31 March 2025

Note 1. Statement of Significant Accounting Policies

Basis of preparation

The Company's financial statements have been prepared in accordance with United Kingdom adopted International Accounting Standards ("UK adopted IAS") 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), unless otherwise stated.

The preparation of financial statements in compliance with UK adopted IAS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed below.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments, which are measured at fair value through profit or loss.

Nature of business

The Company is a public limited company incorporated and domiciled in England and Wales and listed on the AIM market of the London Stock Exchange. The address of the registered office is Yarnwicke, 119-121 Cannon Street, London 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$1.68 million (2024: US$0.98 million) and made a loss after income tax of US$3.35 million (2024: loss of US$9.59 million).

The Directors have prepared cash flow forecasts for the Company covering the period to 30 September 2026 and these demonstrate that the Company will require further funding within the next 12 months from the date of approval of the financial statements. As disclosed previously, 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 alleged, 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 rejected the outstanding amounts claimed, which total US$12 million, and responded to the letter of demand requesting clarification of the basis for the demands made in the letter. The Company received an email from CNOOC on 21 August 2025 which referred to the previous letter of demand and reiterated CNOOC's position on this matter.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

During and subsequent to the reporting period, the Company has raised equity funds across multiple tranches, with a Placing, Subscription and Retail Offer to raise US$1.592 million (£1.255 million) completed in November 2024, Placings to raise US$0.840 million (£0.675 million) and US$0.787 million (£0.625 million) completed over January 2025 and February 2025. a Placing and Retail Offer to raise US$0.825 million (£0.661 million) completed in April 2025 and a further Placing to raise US$1.354 million (£1 million) completed in July 2025.

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 including reaching agreement on a settlement of existing claims from Conrad, any potential further costs or payments to CNOOC in relation to Block 29/11, 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. Both Conrad and PLN ESI have now signed a binding GSA in July 2025. Conrad have indicated that the finalisation of the GSA with PLN ESI has sparked renewed interest in the farm down process with Conrad having received further non-binding offers and having entered into confidential discussions with one party.

It is the belief of the Board that the completion of the 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.

Adoption of new and revised standards

(a) New and amended standards adopted by the Company:

There were no new standards effective for the first time for periods beginning on or after 1 April 2024 that have had a significant effect on the Company's financial statements.

(b) Standards, amendments and interpretations that are not yet effective and have not been early adopted:

Any standards and interpretations that have been issued but are not yet effective, and that are available for early application, have not been applied by the Company in these financial statements. International Financial Reporting Standards that have recently been issued or amended but are not yet effective have been assessed by the Company and are not considered to have a significant effect on the Company's financial statements.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Tax

The major components of tax on profit or loss include current and deferred tax.

(a) Current tax

Tax is recognised in the income statement. The current tax charge is calculated on the basis of the tax laws enacted at the statement of financial position date in the countries where the Company operates.

(b) Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base. Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available, against which the difference can be utilised. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered). The Company has considered whether to recognise a deferred tax asset in relation to carried-forward losses and has determined that this is not appropriate in line with *IAS 12* as the conditions for recognition are not satisfied.

Foreign currency translation

Transactions denominated in foreign currencies are translated into US dollars at contracted rates or, where no contract exists, at average monthly rates. Monetary assets and liabilities denominated in foreign currencies which are held at the year-end are translated into US dollars at year-end exchange rates. Exchange differences on monetary items are taken to the Statement of Comprehensive Income. Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency which is US dollars).

Oil and gas assets: exploration and evaluation

The Company applies the full cost method of accounting for Exploration and Evaluation ("E&E") costs, having regard to the requirements of *IFRS 6 Exploration for and Evaluation of Mineral Resources.* Under the full cost method of accounting, costs of exploring for and evaluating oil and gas properties are accumulated and capitalised by reference to appropriate cash generating units ("CGUs"). Such CGUs are based on geographic areas such as a concession and are not larger than a segment. E&E costs are initially capitalised within oil and gas properties: exploration and evaluation. Such E&E costs may include costs of license acquisition, third party technical services and studies, seismic acquisition, exploration drilling and testing, but do not include costs incurred prior to having obtained the legal rights to explore an area, which are expensed directly to the income statement as they are incurred, or costs incurred after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, which are reclassified as development and production assets. Property, Plant and Equipment ("PPE") acquired for use in E&E activities are classified as property, plant and equipment. However, to the extent that such PPE is consumed in developing an intangible E&E asset, the amount reflecting that consumption is recorded as part of the cost of the intangible E&E asset. Intangible E&E assets related to exploration licenses are not depreciated and are carried forward until the existence (or otherwise) of commercial reserves has been determined. The Company's definition of commercial reserves for such purpose is proven and probable reserves on an entitlement basis.

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation asset.

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. E&E assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

the carrying amount exceeds the recoverable amount. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into CGU's. The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs of disposal.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves.

Fair value less costs of disposal is the amount obtained from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of comprehensive loss.

Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (or group of units) on a pro rata basis. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognised. Reversal of impairment losses are recognised in the consolidated statement of comprehensive loss.

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Fundamental economic factors that have an impact on the planned operations and carrying values of assets and liabilities.

Other investments

In a situation where the Company has direct contractual rights to the assets, and obligations for the liabilities, of an entity but does not share joint control, the Company accounts for its interest in those assets, liabilities, revenues and expenses in accordance with the accounting standards applicable to the underlying line item. This is analogous to the "joint operator" method of accounting outlined in IFRS 11 Joint arrangements.

Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when the Company becomes party to the contractual provision of the instrument.

(a) Financial assets

The Company's financial assets consist of financial assets at amortised cost (trade and other receivables, excluding prepayments, and cash and cash equivalents). Financial assets at amortised cost are initially measured at fair value and subsequently at amortised cost and attributable transaction costs are included in the initial carrying value.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

(b) Financial liabilities

All financial liabilities are classified as fair value through the profit and loss or financial liabilities at amortised cost. The Company's financial liabilities at amortised cost include trade and other payables and its financial liabilities at fair value through the profit or loss include the derivative financial liabilities. Financial liabilities at amortised cost, are initially stated at their fair value and subsequently at amortised cost. Interest and other borrowing costs are recognised on a time-proportion basis using the effective interest method and expensed as part of financing costs in the statement of comprehensive income. Derivative financial liabilities are initially recognised at fair value of the date a derivative contract is entered into and subsequently re-measured at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company has not designated any derivatives as hedges as at 31 March 2024 or 31 March 2025.

(c) Impairment for financial instruments measured at amortised cost

Impairment provisions for financial instruments are recognised based on a forward-looking expected credit loss model in accordance with IFRS 9. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Convertible loan notes ("CLNs")

The proceeds received on issue of convertible loan notes are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the CLN.

The conversion option is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. Where material, this is recognised and included as a financial derivative where the convertible loan notes are issued in a currency other than the functional currency of the Company because they fail the fixed for fixed criteria in *IAS 32*. The conversion option is recorded as a financial liability at fair value through profit or loss and revalued at each reporting date.

In the case of a substantial modification, the existing liability is derecognised, the modified liability is recognised at its fair value and the difference between the carrying value of the old instrument and the modified instrument is recognised as a gain or loss in the statement of comprehensive income.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Share-based payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

The Company has also issued warrants on placements which form part of a unit. These warrants do not fall into the scope of *IFRS 2 Share Based Payments* because there is no service being provided and are assessed as either a financial liability or equity. If they fail the fixed for fixed criteria in *IAS 32 Financial Instruments: Presentation*, they are classified as financial liability and measured in accordance with *IFRS 9 Financial Instruments*.

Critical accounting estimates and judgements

The Company makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Critical estimates and judgements

The following are the critical estimates and judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(a) Carrying value of exploration and evaluation assets (judgement)

The Company monitors internal and external indicators of impairment relating to its exploration and evaluation assets. Management has considered whether any indicators of impairment have arisen over certain assets relating to the Company's exploration licenses. Management consider the exploration results to date and assess whether, with the information available, there is any suggestion that a commercial operation is unlikely to proceed. In addition, management have considered the likely success of renewing the licences, the impact of any instances of non-compliance with license terms and are continuing with the exploration and evaluation of the sites. After considering all relevant factors, management were of the opinion that no impairment was required in relation to the costs capitalised to exploration and evaluation assets except for the below (refer to Note 8 for further detail):

i) In January 2025 Empyrean acquired an option to participate in Wilson River conventional oil prospect, situated close to existing infrastructure in the prolific Cooper Basin in South-West Queensland, Australia, and adjacent to several producing oil fields. Following the securing of land access and completion of cultural heritage surveys and drill preparation activities the Wilson River-1 well spudded on 14 March 2025. The JV partners subsequently elected to conduct a DST on potential oil zone identified from the drilling but unfortunately this confirmed the recovery of formation water in the potential oil zone and as a result the well was plugged and abandoned. Accordingly, the Company fully impaired the carrying value of the asset at 31 March 2025.

ii) 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 as at 31 March 2025.

iii) In light of current market conditions, little or no work has been completed on the Riverbend or Eagle Oil projects in the year and no substantial project work is forecast for either project in 2025/26 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 as at 31 March 2025.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

(b) Share based payments (estimate)
The Company has made awards of options and warrants over its unissued share capital to certain employees as part of their remuneration package. Certain warrants were issued to shareholders as part of their subscription for shares and suppliers for services received.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 15.

(c) Valuation of embedded derivative - Convertible loan notes (estimate)
The Company has made estimates in determining the fair value of the embedded conversion feature portion of the CLN. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historical trends together with any new information to determine the best estimate of fair value at the date of initial recognition and at each period end. The Company has determined that the fair value of the embedded conversion feature is not material and therefore has not been separately recognised, in line with the Company's accounting policy. Refer to Note 13 for further detail on the CLN.

Note 2. Segmental Analysis

The Directors consider the Company to have three geographical segments, being Australia (Wilson River project), Indonesia (Duyung PSC project) and North America (Sacramento Basin project), which are all currently in the exploration and evaluation phase. Prior year segment allocation included China (Block 29/11 project), which terminated during the current year. Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments. The Company's registered office is located in the United Kingdom.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted
Unless otherwise stated, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

(b) Segment assets
Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority asset economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities
Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of that segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.

(d) Unallocated items
Unallocated results, assets and liabilities represent corporate amounts that are not core to the reportable segments.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Details	Australia US$'000	Indonesia US$'000	USA US$'000	Unallocated US$'000	Total US$'000
31 March 2025					
Unallocated corporate expenses	-	-	-	(934)	**(934)**
Operating loss	**-**	**-**	**-**	**(934)**	**(934)**
Finance expense	-	-	-	(1,210)	**(1,210)**
Impairment of oil and gas properties	(1,315)	-	(1)	111	**(1,205)**
Loss before taxation	**(1,315)**	**-**	**(1)**	**(2,032)**	**(3,349)**
Tax expense in current year	-	-	-	(1)	**(1)**
Loss after taxation	**(1,315)**	**-**	**(1)**	**(2,033)**	**(3,350)**
Total comprehensive loss for the financial year	**(1,315)**	**-**	**(1)**	**(2,033)**	**(3,350)**
Segment assets	-	5,763	-	-	**5,763**
Unallocated corporate assets	-	-	-	1,731	**1,731**
Total assets	**-**	**5,763**	**-**	**1,731**	**7,494**
Segment liabilities	-	686	-	-	**686**
Unallocated corporate liabilities	-	-	-	11,377	**11,377**
Total liabilities	**-**	**686**	**-**	**11,377**	**12,063**

Details	China US$'000	Indonesia US$'000	USA US$'000	Unallocated US$'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**

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Note 3. Operating Loss

	2025 US$'000	2024 US$'000
The operating loss is stated after charging:		
Foreign exchange loss	(115)	(123)
Impairment – exploration and evaluation assets	(1,205)	(6,595)
Auditor's Remuneration		
PKF Littlejohn LLP and affiliated entities:		
- Audit fees payable for the audit of the Company's annual accounts	(75)	-
- Other services relating to taxation compliance	(30)	-
BDO LLP (Company's previous auditor):		
- Audit fees payable for the audit of the Company's annual accounts	-	(91)
- Other services relating to taxation compliance	(24)	(15)
Total auditor's remuneration	**(129)**	**(106)**

Note 4. Directors' Emoluments

	Fees and Salary		Share Based Payments in lieu of Fees		Social Security Contributions		Short-Term Employment Benefits (Total)	
	2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000	2025 US$'000	2024 US$'000
Non-Executive Directors:								
Patrick Cross	23	23	-	-	2	2	25	25
John Laycock	14	14	-	-	1	1	15	15
Executive Directors:								
Thomas Kelly[(a)]	255	216	29	64	-	-	284	280
Gajendra Bisht[(b)]	196	165	24	55	-	-	220	220
Total	**488**	**418**	**53**	**119**	**3**	**3**	**544**	**540**
Capitalised to E&E[(b)]	(138)	(124)	-	-	-	-	(138)	(124)
Total expensed	**350**	**294**	**53**	**119**	**3**	**3**	**406**	**416**

(a) Services provided by Apnea Holdings Pty Ltd, of which Mr Kelly is a Director. Mr Kelly has not sold any shares during the reporting period. On 26 July 2024, Mr Kelly was issued 6,756,808 ordinary shares in lieu of cash remuneration for the period April through to July 2024 totalling US$29,000, under the Salary Sacrifice Share plan announced on 13 February 2024.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

(b) Services provided by Topaz Energy Pty Ltd, of which Mr Bisht is a Director. 75% of Mr Bisht's fees are capitalised to exploration and evaluation expenditure (Note 8). On 26 July 2024, Mr Bisht was issued 5,803,560 ordinary shares in lieu of cash remuneration for the period April through to July 2024 totalling US$24,000, under the Salary Sacrifice Share plan announced on 13 February 2024.

The average number of Directors was 4 during 2025 and 2024. The highest paid director received US$284,000 (2024: US$280,000).

Note 5. Finance Expense

	2025 US$'000	2024 US$'000
Convertible loan notes - interest and finance costs (Note 13)	(1,210)	(1,115)
Convertible loan notes - loss on substantial modification (Note 13)	-	(655)
Total finance expense	**(1,210)**	**(1,770)**

Note 6. Taxation

	2025 US$'000	2024 US$'000
Opening balance	-	-
Total corporation tax receivable	-	-
Factors Affecting the Tax Charge for the Year		
Loss from continuing operations	(3,349)	(9,585)
Loss on ordinary activities before tax	**(3,349)**	**(9,585)**
Loss on ordinary activities at US rate of 21% (2024: 21%)	(703)	(2,013)
Non-deductible expenses	523	1,567
Movement in provisions	(40)	6
Carried forward losses on which no DTA is recognised	219	439
	(1)	**(1)**
Analysed as:		
Tax expense on continuing operations	(1)	(1)
Tax expense in current year	**(1)**	**(1)**
Deferred Tax Liabilities		
Temporary differences - exploration	1,700	1,691
Temporary differences - other	4	4
	1,704	**1,695**
Offset of deferred tax assets	(1,704)	(1,695)
Net deferred tax liabilities recognised	**-**	**-**

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Unrecognised Deferred Tax Assets	2025 US$'000	2024 US$'000
Tax losses[(a)]	2,662	2,601
Temporary differences - exploration	4,120	4,310
Temporary differences - other	1,284	943
	8,066	**7,854**
Offset of deferred tax liabilities	(1,704)	(1,695)
Net deferred tax assets not brought to account	**6,362**	**6,159**

(a) If not utilised, carried forward tax losses of approximately US$10.69 million (2024: US$10.43 million) begin to expire in the year 2034. Deferred income tax assets are only recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset only if applicable criteria to set off is met.

Note 7. Loss Per Share

The basic loss per share is derived by dividing the loss after taxation for the year attributable to ordinary shareholders by the weighted average number of shares on issue being 1,867,696,610 (2024: 973,223,181)

	2025	2024
Loss per share from continuing operations		
Loss after taxation from continuing operations	US$(3,350,000)	US$(9,586,000)
Loss per share – basic	(0.18)c	(0.98)c
Loss after taxation from continuing operations adjusted for dilutive effects	US$(3,350,000)	US$(9,586,000)
Loss per share – diluted	(0.18)c	(0.98)c

For the current and prior financial years, 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 15.

Note 8. Exploration and Evaluation Assets

	2025 US$'000	2024 US$'000
Balance brought forward	5,355	10,635
Exploration expenditure	1,613	1,315
Impairment	(1,205)	(6,595)
Net book value	**5,763**	**5,355**

Exploration expenditure for the period includes an increase to trade and other payables (Note 11) totalling $195,000, payments made in the period relating to exploration expenditure total $1,418,000 as reflected in the Statement of Cash Flows.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Project	Operator	Working Interest	2025 Carrying Value US$'000	2024 Carrying Value US$'000
Exploration and evaluation				
Duyung PSC	Conrad Asia Energy	8.5%	5,763	5,355
Wilson River[(a)]	Condor Energy	8.5%	-	-
Sacramento Basin[(b)]	Sacgasco	25-30%	-	-
Riverbend[(c)]	Huff Energy	10%	-	-
Eagle Oil Pool Development[(c)]	Strata-X	58.084%	-	-
			5,763	**5,355**

Exploration and evaluation assets relate to the Company's interest in the Duyung PSC. No indicators of impairment of these assets were noted.

(a) In January 2025 Empyrean acquired an option to participate in Wilson River conventional oil prospect, situated close to existing infrastructure in the prolific Cooper Basin in South-West Queensland, Australia, and adjacent to several producing oil fields. Following the securing of land access and completion of cultural heritage surveys and drill preparation activities the Wilson River-1 well spudded on 14 March 2025. The JV partners subsequently elected to conduct a DST on potential oil zone identified from the drilling but unfortunately this confirmed the recovery of formation water in the potential oil zone and as a result the well was plugged and abandoned. Accordingly, the Company fully impaired the carrying value of the asset at 31 March 2025.

(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 31 March 2025.

(c) In light of current market conditions, little or no work has been completed on the Riverbend or Eagle Oil projects in the year and no substantial project work is forecast for either project in 2025/26 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 31 March 2025.

Note 9. Interests in Other Entities

Duyung PSC

The Company is the owner of an 8.5% interest in the Duyung PSC. The Duyung PSC partners have entered into a Joint Operating Agreement ("JOA"), which governs the arrangement. Through the JOA, the Company has a direct right to the assets of the venture, and direct obligation for its liabilities. Accordingly, the Company accounts for its share of assets, liabilities and expenses of the venture in accordance with the IFRSs applicable to the particular assets, liabilities and expenses. The operator of the venture is West Natuna Exploration Ltd ("WNEL"). WNEL is a company incorporated in the British Virgin Islands and its principal place of business is Indonesia.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Note 10. Trade and Other Receivables

	2025 US$'000	2024 US$'000
Other receivables	40	-
VAT receivable	16	17
Total trade and other receivables	**56**	**17**

Note 11. Trade and Other Payables

	2025 US$'000	2024 US$'000
Trade payables	3,020	2,599
Accrued expenses	105	330
Total trade and other payables	**3,125**	**2,929**

Note 12. Provisions

	2025 US$'000	2024 US$'000
Provision for Annual Leave	-	189
Total Provisions	**-**	**189**

All annual leave accrued was relinquished during the 2025 financial year.

Note 13. Convertible Loan Notes

	2025 US$'000	2024 US$'000
(a) Convertible Loan Note - Modification 1		
Opening balance	-	4,076
Foreign exchange loss	-	12
Extinguishment on substantial modification	-	(4,088)
Total Convertible Loan Note - Modification 1	**-**	**-**
(b) Convertible Loan Note - Modification 2		
Opening balance	7,594	-
Recognition of modified liability	-	6,544
Loss on substantial modification	-	655
Costs of finance	1,210	261
Foreign exchange loss	134	134
Total Convertible Loan Note - Modification 2	**8,938**	**7,594**

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

(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. The Convertible Note is secured by a senior first ranking charge over the Company, including its 8.5% interest in the Duyung PSC and Mako Gas Field.

(b) In May 2023, it was announced that the Company and the Lender had 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:

1. The parties agreed a moratorium of accrual interest on the Convertible Note until 31 December 2023 – interest then accrued thereafter at a rate of 20% p.a.;
2. The conversion price on the Convertible Note was reduced from 8p to 2.5p per share;
3. The face value of the Convertible Note was 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
4. 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 14. Reconciliation of Net Loss

	2025 US$'000	2024 US$'000
Loss before taxation	(3,349)	(9,585)
Share-based payments	77	212
Finance expense (non-cash)	1,210	1,770
Impairment – exploration and evaluation assets	1,205	6,595
Foreign exchange loss (non-cash)	90	123
Decrease in trade receivables relating to operating activities	-	21
Increase in trade payables relating to operating activities	20	9
(Decrease)/increase in provisions	(189)	29
Net cash outflow from operating activities before taxation	**(936)**	**(826)**
Payment of corporation tax	(1)	(1)
Net cash outflow from operating activities	**(937)**	**(827)**

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Note 15. Share Capital

	2025 US$'000	2024 US$'000
3,735,092,441 (2024: 1,280,801,707) ordinary shares of 0.01p each (2024: 0.2p each)	472	3,405

	2025 No.	2024 No.
a) Number of Shares: Fully Paid Ordinary Shares of 0.01p each (2024: 0.2p each)		
At the beginning of the reporting year	1,280,801,707	788,431,892
Shares issued during the year:		
• Placements	2,430,167,332	469,753,783
• Salary sacrifice shares	14,123,402	19,728,532
• Advisor shares (equity issue cost)	10,000,000	2,887,500
Total at the end of the reporting year	**3,735,092,441**	**1,280,801,707**

	2025 US$'000	2024 US$'000
b) Value of Shares: Fully Paid Ordinary Shares of 0.01p each (2024: 0.2p each)		
At the beginning of the reporting year	3,405	2,170
Shares issued during the year:		
• Placements	306	1,179
• Salary sacrifice shares	2	49
• Advisor shares (equity issue cost)	1	7
• Capital reorganisation – 0.2p to 0.01p per share[1]	(3,242)	-
Total at the end of the reporting year	**472**	**3,405**

Notes:

1. On 6 November 2024, the Company announced it had raised £1.12 million in a Placement for 1,120,500,000 new ordinary shares at a price of 0.01p per share. As the Company is not permitted to by law to issue ordinary shares at an issue price below the existing nominal value of 0.2p, the Company completed a capital reorganisation of the ordinary share capital of the Company to subdivide each existing ordinary share into one new ordinary share of 0.01p each and one deferred share of 0.19p each. The capital reorganisation was approved by shareholders at a General Meeting on 2 December 2024.

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.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Share options and warrants

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

	Weighted Average Exercise Price 2025	Number of Options and Warrants 2025	Weighted Average Exercise Price 2024	Number of Options and Warrants 2024
Outstanding at the beginning of the year	£0.044	164,833,333	£0.137	6,558,333
Issued during the year[1]	£0.001	15,000,000	£0.044	164,833,333
Expired during the year	£0.015	(2,833,333)	£0.137	(6,558,333)
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**£0.005**	**177,000,000**	**£0.044**	**164,833,333**

	Incentive Warrants	Incentive Warrants	Incentive Warrants[1]	Advisor Warrants	Placement Warrants
Number of options remaining	5,000,000	5,000,000	15,000,000	12,000,000	140,000,000
Grant date	29/05/23	29/05/23	4/02/25	13/02/24	13/02/24
Expiry date	30/05/26	30/05/26	31/01/27	26/02/26	26/02/26
Share price	£0.010	£0.010	£0.0015	£0.0044	N/A
Exercise price	£0.015	£0.020	£0.0012	£0.0025	£0.005
Volatility	100%	100%	100%	94%	N/A
Option life	3.00	3.00	2.00	2.00	2.50
Expected dividends	-	-	-	-	-
Risk-free interest rate	4.45%	4.45%	4.17%	4.68%	N/A
Expensed during year $'000	-	-	16	-	-

Notes:

1. On 30 January 2025, the Company announced the issue of 15,000,000 incentive warrants to Company Secretary Jonathan Whyte. The warrants have an exercise price of 0.012p and expire on 31 January 2027. The warrants have been valued at $16,000 using a Black-Scholes pricing model and expensed to the statement of profit or loss and comprehensive income.

The options outstanding at 31 March 2025 have an exercise price in the range of £0.0012 to £0.02 (2024: £0.0025 to £0.02) and a weighted average remaining contractual life of 1.39 years (2024: 2.32 years). None of the outstanding options and warrants at 31 March are exercisable at period end.

Note 16. Reserves

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Warrant and share-based payment reserve	Records items recognised as expenses on valuation of employee share options and subscriber warrants.
Retained losses	All other net gains and losses and transactions with owners not recognised elsewhere.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Note 17. Related Party Transactions

Directors are considered Key Management Personnel for the purposes of related party disclosure.

In the November 2024 equity placement that raised US$1.59 million, Mr John Laycock subscribed for 10,000,000 new ordinary shares for a total consideration of US$13,000.

In the January 2025 equity placement that raised US$0.84 million, Mr Tom Kelly subscribed for 11,000,000 new ordinary shares for a total consideration of US$14,000. Mr Gaz Bisht subscribed for 9,000,000 new ordinary shares for a total consideration of US$11,000.

In January 2025 Empyrean acquired an option to participate in Wilson River conventional oil prospect from Apnea Holdings Pty Ltd ("Apnea"). Apnea is a company wholly owned by Mr Tom Kelly, who served as Managing Director of Empyrean during the reporting period, and the acquisition of the option therefore constituted a related party transaction pursuant to Rule 13 of the AIM Rules for Companies. Under the terms of the acquisition of the option, Apnea was to receive consideration in the form of new ordinary shares in Empyrean representing 5 percent of the enlarged issued capital of Empyrean at the time, but only in the event that the Wilson prospect is declared a commercial discovery, which ultimately proved unsuccessful. The Company's independent Directors (Gaz Bisht, John Laycock and Patrick Cross) considered, having consulted with the Company's nominated adviser, Cavendish, that the terms of the acquisition were fair and reasonable insofar as the Company's shareholders are concerned.

There were no other related party transactions during the year ended 31 March 2025 other than those disclosed in Note 4.

Note 18. Financial Risk Management

The Company manages its exposure to credit risk, liquidity risk, foreign exchange risk and a variety of financial risks in accordance with Company policies. These policies are developed in accordance with the Company's operational requirements. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of prevailing and forecast interest rates and foreign exchange rates. Liquidity risk is managed through the budgeting and forecasting process.

Credit risk
Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Risk is also minimised by investing surplus funds in financial institutions that maintain a high credit rating.

Credit risk related to balances with banks and other financial institutions are managed in accordance with approved Board policy. The Company's current investment policy is aimed at maximising the return on surplus cash, with the aim of outperforming the benchmark within acceptable levels of risk return exposure and to mitigate the credit and liquidity risks that the Company is exposed to through investment activities.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

	2025 US$'000	2024 US$'000
Cash and cash equivalents		
AA-rated	1,675	981
Total cash and cash equivalents	**1,675**	**981**

Price risk

Commodity price risk

The Company is not directly exposed to commodity price risk. However, there is a risk that the changes in prevailing market conditions and commodity prices could affect the viability of the projects and the ability to secure additional funding from equity capital markets.

Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The Company's liquidity needs can be met through a variety of sources, including the issue of equity instruments and short or long-term borrowings.

Alternative sources of funding in the future could include project debt financing and equity raisings, and future operating cash flow. These alternatives will be evaluated to determine the optimal mix of capital resources.

The following table details the Company's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Less than 6 months US$'000	6 months to 1 year US$'000	1 to 6 years US$'000	Total US$'000
Convertible loan note (2025)	8,938	-	-	8,938
Convertible loan note (2024)	7,594	-	-	7,594
Trade and other payables (2025)	3,125	-	-	3,125
Trade and other payables (2024)	2,929	-	-	2,929

Capital

In managing its capital, the Company's primary objective is to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, through new share issues, the Company considers not only its short-term position but also its long-term operational and strategic objectives. The Company has a track record of successfully securing additional funding as and when required from equity capital markets.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency of the Company. Currently there are no foreign exchange hedge programmes in place. However, the Company treasury function manages the purchase of foreign currency to meet operational requirements.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

As at 31 March 2025, the Company's gross exposure to foreign exchange risk was as follows:

	2025 US$'000	2024 US$'000
Gross foreign currency financial assets		
Cash and cash equivalents - GBP	1,673	977
Total gross exposure	**1,673**	**977**

The effect of a 10% strengthening of the USD against the GBP at the reporting date on the GBP-denominated assets carried within the USD functional currency entity would, all other variables held constant, have resulted in an increase in post-tax loss for the year and decrease in net assets of US$167,300 (2024: US$97,700).

Fair value

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

- Cash and short-term investments – the carrying amount approximates fair value because of their short term to maturity
- Trade receivables and trade creditors – the carrying amount approximates fair value

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Financial instruments by category are summarised below:

Financial Instruments by Category	Fair Value Through Profit or Loss		Amortised Cost	
	31 March 2025 US$'000	31 March 2024 US$'000	31 March 2025 US$'000	31 March 2024 US$'000
Financial assets				
Cash and cash equivalents	-	-	1,675	981
Trade and other receivables	-	-	56	17
Total financial assets	**-**	**-**	**1,731**	**998**
Financial liabilities				
Trade and other payables	-	-	3,125	2,929
Convertible loan notes	-	-	8,938	7,594
Total financial liabilities	**-**	**-**	**12,063**	**10,523**

Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above and which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2025

Note 19. Events After the Reporting Date

Significant events post reporting date were as follows:

In April 2025, the Company completed a Placing and Retail Offer to raise US$0.825 million (£0.661 million).

In May 2025, following drilling of the Wilson River-1 well, the JV partners in the Wilson River-1 conducted a DST over the potential oil zone identified in the Murta Formation from analysis of logs and hydrocarbon shows from the well. The final well testing report however confirmed the recovery of formation water in the potential oil zone and as a result the well was plugged and abandoned the well and the rig been released.

In July 2025, the Company completed a Placing to raise US$1.354 million (£1 million).

In August 2025 the Company regrettably advised the market that Managing Director/CEO Tom Kelly had passed away. The Board has appointed existing Technical Director Gaz Bisht as interim CEO and will conduct a search process for a permanent CEO in due course.

No other matters or circumstances have arisen since the end of the financial year 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 20. Committed Expenditure

The Company does not have any further material financial commitments in relation to its current exploration projects.

Note 21. Contingent Liabilities

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, totalling US$12 million, 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. The Company received an email from CNOOC on 21 August 2025 which referred to the previous letter of demand and reiterated CNOOC's position on this matter.

Note 22. Ultimate Controlling Party

The Directors consider that there is no ultimate controlling party of the Company.