



DUYUNG PSC UPDATE

[EMPYREAN ENERGY PLC](#)

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Empyrean Energy PLC ('Empyrean' or 'the Company') Duyung PSC Update

Empyrean Energy plc ("**Empyrean**" or the "**Company**"), the oil and gas exploration and development company with interests in Australia, Indonesia and the United States, is pleased to announce that it has signed a binding term sheet for a settlement agreement (the "**Term Sheet**") with Conrad Asia Energy Ltd (ASX: CRD) ("**Conrad**"), the operator of the Duyung PSC and Mako Gas Field in Indonesia ("**Mako**"), which has successfully and amicably resolved the outstanding cash call dispute between Empyrean, Conrad and Conrad's subsidiary, West Natuna Exploration Limited ("**WNEL**"). As part of this Term Sheet, Conrad has withdrawn its Notice of Election of Remedy and Forced Withdrawal (the "**Notice**").

This Term Sheet reflects a cooperative and solution-focused approach by both parties and provides Empyrean with a clear, funded pathway to retain economic exposure to the Mako Gas Field as well Duyung PSC without future direct cash call obligations.

Highlights

- Term Sheet executed between Empyrean and Conrad for Duyung PSC settlement and resolution of the Mako Gas Field cash call dispute;
- Conrad Withdrawal Notice withdrawn;
- Project finance secured to cover Empyrean future funding exposure through to development; and
- Pathway to first gas from Mako targeted for Q4 2027

Summary of Term Sheet entered into between Conrad and Empyrean

Empyrean Participating Interest (PI) in Duyung PSC

- Empyrean's 8.5% Participating Interest ("**PI**") in the Duyung PSC will be transferred to WNEL;
- Empyrean and Conrad will establish a Singapore-domiciled special purpose vehicle ("**SPV**") with shareholdings of 8.5% to Empyrean and 91.5% to Conrad (the "**Subscription**");
- Following Indonesian government approval of Empyrean's PI transfer and the transfer of a 75% participating interest in the Duyung PSC from WNEL to a majority farm-in partner ("**Majority Farminee**"), WNEL will retain a 25% participating interest in the Duyung PSC ("**Majority PI Transfer**"); and
- Following the Empyrean PI Transfer, the Subscription and the Majority PI Transfer, 100% of the shares in WNEL will be transferred to the SPV ("**WNEL Share Transfer**").

Outstanding Cash Call Settlement

- On completion of the transactions above, Empyrean will pay US\$353,388.50 to Conrad, representing 50% of the disputed outstanding cash call amount;
- A further US\$353,388.50 will be paid to Conrad from Empyrean's share of SPV dividends.
- Settlement of these two payments will represent full and final settlement of all past claims that WNEL and Conrad may have against Empyrean.

WNEL Farm-out Benefits

- On completion of the transactions, Empyrean will be entitled to 8.5% of each instalment of the consideration to be made to WNEL by the Majority Farminee.

Debt Restructuring

It is noted that further definitive documentation will be prepared with regard to the settlement agreement, including a shareholders' agreement between Empyrean and Conrad in respect of the control of the SPV and Conrad's wholly owned subsidiary, WNEL. It is also noted that the Term Sheet requires restructuring of the secured convertible note with Empyrean's lender (the "Lender"), with the Lender to be paid preferentially from WNEL dividends. The Lender has been supportive of the process to date and work is ongoing to finalise the revised terms, with further announcements to follow in due course.

Empyrean Interim CEO, Gaz Bisht, commented:

"This is an outstanding outcome for Empyrean and a pivotal step forward for the Company. We have retained our ongoing economic exposure to a high-quality gas development with a clear pathway to first gas targeted for the fourth quarter of 2027, while eliminating future direct cash call obligations associated with field development. It is particularly satisfying that Empyrean has been involved in the full lifecycle of the Mako Gas Field - from the successful exploration well drilled in 2017, through two appraisal wells, to finalising the Plan of Development.

I would like to thank our shareholders for their patience and continued support of the Board and management during what has been a challenging period, as well as the support of our Lender. We also sincerely appreciate Conrad's constructive and collaborative approach, and in particular the leadership of its CEO, Miltos Xynogalas, whose commercial pragmatism and willingness to engage were instrumental in resolving the dispute.

With this matter now concluded, the Board and management are confident in renewing our focus on building value through the addition of further low-risk, high-quality assets to Empyrean's portfolio."

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