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NS Final Results

## FINAL RESULTS

### [EMPYREAN ENERGY PLC](#)

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

### **Empyrean Energy PLC ('Empyrean' or 'the Company')** **Final Results**

Empyrean Energy is pleased to announce its final results for the year ended 31 March 2024 ("**Report and Accounts**"). The full Report and Accounts is now available on the Company's website at [www.empyreanenergy.com/annual-reports-accounts](http://www.empyreanenergy.com/annual-reports-accounts) and will be posted to Shareholders shortly.

#### **Key Activities**

#### **Block 29/11, Pearl River Mouth Basin, China (EME 100% reverting to 49% upon commercial discovery)**

##### Reporting period

- Joint regional oil migration study with China National Offshore Oil Company ("**CNOOC**") team conducted to map oil migration from the proven source rock south-west of Block 29/11 that charges the four CNOOC oil discoveries (immediately west of Block 29/11 and Topaz) and extends this into Block 29/11 to map these potential migration pathways to Topaz. Comprehensive study also included potential migration pathways from a new source/kitchen identified by Empyrean 3D data.
- Simultaneous 3D seismic inversion project conducted in two phases to firstly assess whether light oil pay in the target reservoir can be discriminated from a water bearing reservoir by seismic inversion and secondly to invert the entire 3D seismic data to generate several datasets for the elastic properties.

##### Post-Reporting period

- On 13 June 2024 the Company announced that as it had not commenced the drilling of the Topaz prospect by 12 June 2024 as required under the second phase of exploration on Block 29/11 and therefore has not met the requirements to continue the cooperation on Block 29/11 with CNOOC. The permit therefore formally terminated on 12 June 2024. On 24 August 2024 Empyrean received a letter of demand from CNOOC alleging that Empyrean has outstanding obligations under the PSC. The Company disputes the letter and is endeavouring to settle the matter amicably under the dispute resolution clauses provided for in the PSC. Separately, Empyrean has put forward a submission to CNOOC for further cooperation on Block 29/11.

### ***Duyung PSC Project, Indonesia (EME 8.5%)***

#### Reporting period

- Key Terms agreed for Long-Term export Gas Sales Agreement ("**GSA**") between Conrad Asia Energy Ltd ("**Conrad**") subsidiary, West Natuna Exploration Ltd ("**WNEL**"), operator of the Duyung PSC, the petroleum upstream regulator in Indonesia ("**SKK Migas**") and Sembcorp Gas Pte Ltd. The parties are nearing finalisation of a definitive export GSA, which was signed subsequent to year-end on 31 August 2024.
- Conrad engaged a global investment bank to lead a sell-down process for the divestment of a portion of its interest in the Duyung Production Sharing Contract. This process is well advanced and it is expected that the completion of the export GSA (signed 31 August 2024) is a necessary precursor to any sell down negotiations being completed.

#### Post-Reporting period

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

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

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

#### **Corporate**

#### Reporting period

- Placement to raise US\$1.88 million (£1.52 million) completed in May 2023.
- Convertible Loan Note Debt restructured to reduce face value of the note and secure extended moratorium on interest.
- Placement to raise US\$0.90 million (£0.70 million) completed in February 2024.

**Empyrean CEO Tom Kelly said,** "Empyrean has conducted systematic and thorough exploration on Block 29/11 since commencing its cooperation on the block with CNOOC in late 2016. This included 608km<sup>2</sup> of 3D seismic, the drilling of the Jade exploration well and various post well analyses including regional oil migration and simultaneous seismic inversion studies. Despite these works, and due in part to various market challenges, including COVID, Empyrean has not been able to fund a second exploration well on Block 29/11. As announced on 13 June 2024, Empyrean has not commenced the drilling of the Topaz prospect and therefore has not met the requirements to continue the cooperation on Block 29/11 with CNOOC and the permit therefore formally terminated on 12 June 2024. On 24 August 2024 Empyrean received a letter of demand from CNOOC alleging that Empyrean has outstanding obligations under the PSC. The Company disputes the letter and is endeavouring to settle the matter amicably under the dispute resolution clauses provided for in the PSC. Separately Empyrean has put forward a submission to CNOOC for further cooperation on Block 29/11.

During 2023, Empyrean engaged LAB Energy Advisors (London) with respect to broadening the reach for possible risk sharing alternatives and farm out opportunities for the Topaz prospect. Despite strong interest in the technical merit of the Topaz prospect, no farm out deal has been reached.

Empyrean's immediate focus is to maximise the value in its 8.5% interest in the Mako gas field discovery on the Duyung permit in Indonesia. The sell down process being coordinated by the operator of the Duyung permit through Jefferies International Bank has taken longer than expected. Empyrean expects that completion of the export GSA, which was pleasingly signed on 31 August 2024, was the necessary precursor to the completion of any sell down transaction.

The signing of the export GSA between Sembcorp, the Indonesian Government and the Mako Joint Venture partners marks the next significant milestone in the pathway from discovery of Mako towards development and production. This follows the signing of the domestic GSA announced in June 2024 for the Mako gas field development and means that all contingent resources at Mako are now under binding contracts for sale. The macro environment for gas in South East Asia, and Singapore in particular, is expected to continue trending favourably with the region transitioning from coal to gas as the preferred energy source. We anticipate that these GSA's will greatly assist parties interested in the Mako project to assess

value and timelines with more clarity and certainty. Completion of both GSAs is also a significant milestone on the path to a Final Investment Decision ("FID") for the Mako project.

From a corporate perspective, the Company successfully raised funds in May 2023 and at the same time renegotiated the existing Convertible Note. In February 2024 the Company raised further working capital as the Company awaited the signing of the export GSA and conclusion of the Duyung PSC sell-down process.

The Company continues to assess other financing and strategic alternatives to provide it with additional working capital as and when required.

I would like to thank the Board, management and staff for their patience and perseverance during another challenging year. In particular I'd like to re-iterate my gratitude to Dr Patrick Cross for serving as our Chairman over the past 20 years. We now await a positive conclusion to the sell down process from Indonesia which we hope will provide the platform for the Company to pursue its strategic objectives in earnest.

### **Chairman's Statement**

The Company was restricted in its progress during the year as it awaited the advancement of the two key events in Indonesia, being the conclusion of the GSA negotiations and secondly the completion of the sell down process of the Mako Gas Field. While progress has been made subsequent to year end and we are optimistic of a successful conclusion in the near future, the delayed timing of these events has inhibited the Company's ability to meet its obligations in China.

The Company has pleasingly raised the necessary equity funds during the financial year to support its activities and provide working capital while we wait on the completion of the GSA and sell down processes. A successful sell down of our 8.5% interest in the Duyung PSC will enable the Company to reset and move forward with its exploration objectives as well as make repayment of the Convertible Note.

I would like to thank the Board, management and staff for their efforts during this frustrating year. As noted in August 2024, I have assumed the Chairmanship of the Company and I would like to extend my gratitude, on behalf of the entire Board, to Dr Patrick Cross for serving in this role for the past 20 years and for the significant contribution he made in that time. We now eagerly await the conclusion of the sell down process at which point in time the Company will be able to set its objectives for the 2024/2025 period and beyond.

For further information please visit [www.empyreanenergy.com](http://www.empyreanenergy.com) or contact the following:

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### **Operational Review**

The Company's corporate objective remains to build a significant asset portfolio across the Asian region. Post well studies of the Jade evaluation work confirmed excellent reservoir quality and the presence of the regional seal. Following a CNOOC assisted oil migration pathways assessment, the Company entered the second phase of exploration in China with the aim to drill the Topaz prospect.

Comprehensive technical work has been conducted to this end, consisting of a regional oil migration study and a 3D simultaneous seismic inversion project, which are designed to help address and mitigate the remaining primary geological risk at Topaz, being oil migration into the Topaz trap.

The Company did not drill the Topaz well by 12 June 2024 and the permit terminated on that date.

Empyrean remains optimistic about the significant value potential of its interest in Indonesia, which will be reflected in the current sell down process and the very recent execution of the export GSA between the Mako JV partners and Sembcorp as announced on 2 September 2024. 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 year 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.

### **China Block 29/11 Project (100% WI)**

#### **Background**

Block 29/11 is located in the prolific Pearl River Mouth Basin, offshore China approximately 200km Southeast of Hong Kong. The acquisition of this block heralded a new phase for Empyrean when it became an operator with 100% of the exploration rights of the permit during the exploration phase of the project. In the event of a commercial discovery, CNOOC will have a back in right to 51% of the permit.

## Post Jade Well Analysis and Implications for Topaz Prospect

Following the Jade drilling program, comprehensive post well analysis by Empyrean and CNOOC confirmed the Jade well intersected carbonate reservoir as prognosed with better parameters than pre-drill estimates with total thickness of 292m and porosity in the range of 25 to 27%. In addition, the Jade well penetrated thick and effective regional seal facies and the reservoir top was encountered within the depth conversion range. These parameters have now been more confidently mapped across Empyrean's 3D data set.

The Jade well failed due to lack of access to effective migration pathways. Given oil migration to the Topaz Prospect is now identified as the key risk, the Company's pre drill exploration efforts are focusing on mitigating this risk. Reservoir, seal and trap validity of the Topaz prospect have been enhanced by the Jade well data.

### Entering of Second Phase of Exploration

Being able to combine excellent quality 3D seismic data with the confirmed well data and post well analysis has resulted in the improved validity of the Topaz prospect as a robust and large drilling target (approximately 891 million barrels in place (P10) per below table). Based on post drill technical evaluation, and CNOOC-assisted migration pathways assessment, Empyrean decided to enter the second phase of exploration and drill the larger Topaz prospect.

### **Block 29/11 Oil in place (MMbbl) audited by GCA**

Prospect	P90	P50	P10	Mean	GCoS
Topaz	211	434	891	506	30%
Pearl	38	121	302	153	15%

### Activities during the reporting period

Empyrean conducted two further key technical projects that capitalise on the excellent quality 3D seismic acquired by the Company over the permit, shared regional 3D seismic that CNOOC has and additional physical well data of both Empyrean and CNOOC.

These projects were designed to help address and mitigate the remaining primary geological risk at Topaz - oil migration into the Topaz trap.

Firstly, joint with CNOOC, Empyrean is completing a regional oil migration study. CNOOC bring excellence in basin modelling expertise along with crucial regional data that augments the data Empyrean has on Block 29/11. The regional data includes temperature, pressure, timing of oil maturation, and successful oil migration pathway mapping. The project maps oil migration from the proven source rock south west of Block 29/11 that charges the four CNOOC oil discoveries (immediately west of Block 29/11 and Topaz) and extend this into Block 29/11 and map these migration pathways to Topaz.

In addition, similar work was conducted from a new source/kitchen located entirely within Block 29/11 and oil migration pathways will be mapped to Topaz.

Secondly, Empyrean is conducting a 3D simultaneous seismic inversion project focussing on Topaz. This project is utilising the oil properties, reservoir temperature, reservoir pressure and water salinity data from CNOOC oil discovery wells combined with reservoir porosity and mineralogical data from Empyrean well logs and core to maximise the effectiveness of the inversion project outcomes.

This project was conducted in two phases. The aim of Phase 1 is to assess whether an oil bearing reservoir case can be distinguished from water bearing reservoir in the elastic property domain of seismic inversion. Phase 2 involves inverting the entire 3D seismic data and will generate several datasets for the elastic properties.

### **Block 29/11 PSC Status**

As announced on 4 May 2022, in order to proceed with the second phase of exploration on Block 29/11 Empyrean's work program included drilling the Topaz project by 12 June 2024. As of that date, Empyrean has not commenced the drilling of the Topaz prospect and therefore has not met the requirements to continue the cooperation on Block 29/11 with CNOOC, and the permit therefore formally terminated on 12 June 2024.

During 2023, Empyrean engaged LAB Energy Advisors (London) with respect to broadening the reach for possible risk sharing alternatives and farm out opportunities for the Topaz prospect. Despite strong interest in the technical merit of the Topaz prospect, no farm out deal has been reached as of today's date.

Empyrean has put forward a submission to CNOOC for further cooperation on Block 29/11.

*Cautionary Statement: The volumes presented in this announcement are STOIP estimates only. A recovery factor needs to be applied to the undiscovered STOIP estimates based on the application of a future development project. The subsequent estimates, post the application of a recovery factor, will 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.*

### **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<sup>2</sup> 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 Empryan divested part of their interest in the Duyung PSC to AIM-listed Coro Energy Plc. Following the transaction, Empryan'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.

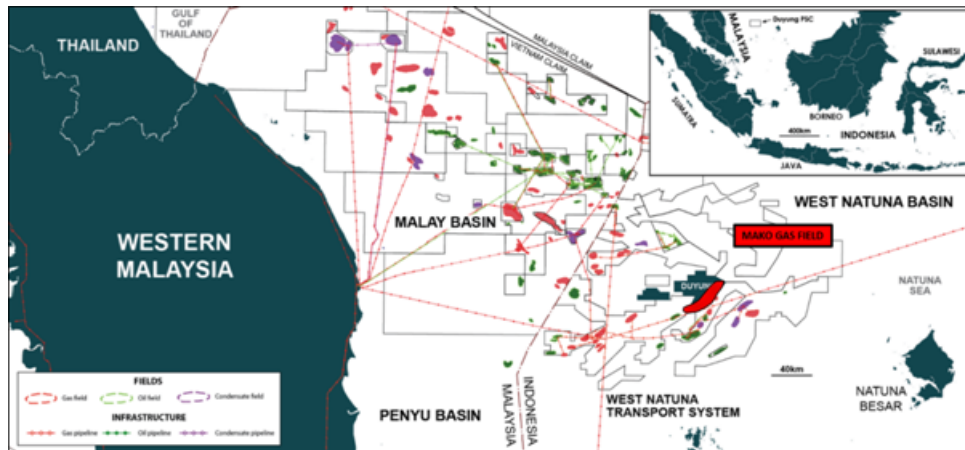


Figure 1: Mako Gas field, Duyung PSC, Indonesia

#### Current Activities

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

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

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

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

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

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

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

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

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

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

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

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

#### Background

In May 2017, Empryan 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 year however the Company will continue to work with its joint venture partners in reviewing and assessing any further technical and commercial opportunities as they relate to the project.

**Riverbend Project (10%)**

No work has been completed on the project in the year and no budget has been prepared for 2024/25 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 2024/25 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.

**Statement of Comprehensive Income**

For the Year Ended 31 March 2024

		2024	2023
	Notes	US\$'000	US\$'000
<b>Revenue</b>		-	-
<b>Expenses</b>			
Administrative expenses		(355)	(382)
Compliance fees		(326)	(263)
Directors' remuneration	4	(416)	(362)
Foreign exchange (loss)/gain	3	(123)	197
Impairment - exploration and evaluation assets	8	(6,595)	(17,030)
Total expenses		<b>(7,815)</b>	<b>(17,840)</b>
<b>Operating loss</b>	3	<b>(7,815)</b>	<b>(17,840)</b>
Finance expense	5	(1,770)	(2,955)
<b>Loss from continuing operations before taxation</b>		<b>(9,585)</b>	<b>(20,795)</b>
Tax expense	6	(1)	(1)
<b>Loss from continuing operations after taxation</b>		<b>(9,586)</b>	<b>(20,796)</b>
<b>Total comprehensive loss for the year</b>		<b>(9,586)</b>	<b>(20,796)</b>
<b>Loss per share from continuing operations (expressed in cents)</b>			
- Basic	7	(0.98)c	(2.71)c
- Diluted		(0.98)c	(2.71)c

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

**Statement of Financial Position**

As at 31 March 2024

Company Number: 05387837

		2024	2023
	Notes	US\$'000	US\$'000
<b>Assets</b>			
<b>Non-Current Assets</b>			
Exploration and evaluation assets	8	5,355	10,635

Total non-current assets		<b>5,355</b>	<b>10,635</b>
<b>Current Assets</b>			
Trade and other receivables	9	17	38
Cash and cash equivalents		981	83
Total current assets		<b>998</b>	<b>121</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	2,929	4,224
Provisions		189	159
Convertible loan notes	11	7,594	4,076
Total current liabilities		<b>10,712</b>	<b>8,459</b>
<b>Net Current Liabilities</b>		<b>(9,714)</b>	<b>(8,338)</b>
<b>Net (Liabilities)/Assets</b>		<b>(4,359)</b>	<b>2,297</b>
<b>Shareholders' Equity</b>			
Share capital	13	3,405	2,170
Share premium reserve		46,891	45,319
Warrant and share-based payment reserve		123	73
Retained losses		(54,778)	(45,265)
<b>Total Equity</b>		<b>(4,359)</b>	<b>2,297</b>

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

#### Statement of Cash Flows

For the Year Ended 31 March 2024

	Notes	2024 US\$'000	2023 US\$'000
<b>Operating Activities</b>			
Payments for operating activities		(827)	(1,126)
<b>Net cash outflow for operating activities</b>	12	<b>(827)</b>	<b>(1,126)</b>
<b>Investing Activities</b>			
Payments for exploration and evaluation	8	(964)	(1,227)
<b>Net cash outflow for investing activities</b>		<b>(964)</b>	<b>(1,227)</b>
<b>Financing Activities</b>			
Issue of ordinary share capital		2,790	2,268
Proceeds from exercise of warrants		-	233
Payment of finance costs		(29)	(8)
Payment of equity issue costs		(72)	(76)
<b>Net cash inflow from financing activities</b>		<b>2,689</b>	<b>2,417</b>
Net increase in cash and cash equivalents		898	64
Cash and cash equivalents at the start of the year		83	19
Forex gain/(loss) on cash held		-	-
<b>Cash and Cash Equivalents at the End of the Year</b>		<b>981</b>	<b>83</b>

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 2024

	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
<b>Balance at 1 April 2022</b>		<b>1,809</b>	<b>41,285</b>	<b>576</b>	<b>(24,994)</b>	<b>18,676</b>
Loss after tax for the year		-	-	-	(20,796)	(20,796)
Total comprehensive loss for the year		-	-	-	(20,796)	(20,796)
<b>Contributions by and distributions to owners</b>						
Shares issued in the period	13	307	1,961	-	-	2,268

Partial conversion of convertible note	49	1,921	-	-	1,970
Exercise/expiry of warrants	5	228	(525)	525	233
Equity issue costs	-	(76)	-	-	(76)
Share-based payment expense	-	-	22	-	22
<b>Total contributions by and distributions to owners</b>	<b>361</b>	<b>4,034</b>	<b>(503)</b>	<b>525</b>	<b>4,417</b>
<b>Balance at 1 April 2023</b>	<b>2,170</b>	<b>45,319</b>	<b>73</b>	<b>(45,265)</b>	<b>2,297</b>
Loss after tax for the year	-	-	-	(9,586)	(9,586)
Total comprehensive loss for the year	-	-	-	(9,586)	(9,586)
<b>Contributions by and distributions to owners</b>					
Shares issued in the period	13	1,179	1,611	-	2,790
Expiry of warrants	-	-	(73)	73	-
Equity issue costs	7	(123)	44	-	(72)
Share-based payment expense	49	84	79	-	212
<b>Total contributions by and distributions to owners</b>	<b>1,235</b>	<b>1,572</b>	<b>50</b>	<b>73</b>	<b>2,930</b>
<b>Balance at 31 March 2024</b>	<b>3,405</b>	<b>46,891</b>	<b>123</b>	<b>(54,778)</b>	<b>(4,359)</b>

*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 2024

### 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. The address of the registered office is 2<sup>nd</sup> Floor, 38-43 Lincoln's Inn Fields London, WC2A 3PE. 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\$981,000 (2023: US\$83,000) and made a loss after income tax of US\$9.59 million (2023: loss of US\$20.80 million).

The Directors have prepared cash flow forecasts for the Company covering the period to 30 September 2025 and these demonstrate that the Company will require further funding within the next 12 months from the date of approval of the financial statements. In June 2022, the Company entered into an agreement with CNOOC to drill an exploration well on the Topaz prospect in China, by 12 June 2024, which includes a payment of US\$250,000 to CNOOC. It is estimated that the cost of drilling this well would be approximately US\$12 million. The Company has not met the requirements under the PSC to drill the Topaz well by 12 June 2024 and therefore the permit terminated on 12 June 2024. Emphyrean has put forward a submission to CNOOC for further cooperation on Block 29/11.

As detailed in Note 19, post year end 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 Emphyrean has outstanding obligations under the relevant Petroleum Contract entered into with CNOOC and that Emphyrean has failed to pay certain amounts that CNOOC consider due and payable under the Petroleum Contract relating to the prospecting fee and exploration work. The Company rejects the outstanding amounts claimed, which total \$12m, and has responded to the letter of demand requesting clarification of the basis for the demands made in the letter. At this time, (and as disclosed in Note 19), it is too early for the Company to form any opinion on the merits of any demands made therein and the Company



intends to continue dialogue with CNOOC and, in line with the provisions of the Petroleum Contract, to settle amicably through consultation any dispute arising in connection with the performance or interpretation of any provision of the Petroleum Contract. However, it is acknowledged that, in the event that the amounts claimed are called, further funding would be required, over and above that required to meet the day to day cash demand of the business for the foreseeable future.

In May 2023 US\$1.88 million was raised through an equity placement, with a further US\$0.90 million raised in February 2024. Funds raised are being used for the completion of joint regional oil migration and 3D seismic inversion studies at Topaz, ongoing prospect, licensing fees and permit costs, post Jade well consultancy, analysis and residual exploration costs, front-end engineering design ("FEED"), studies and surveys at Mako - including gas processing and export gas tie in at the Kakap KF Platform and for general working capital requirements.

The Company has also renegotiated the terms of the Convertible Note as detailed in the AIM announcement dated 30 May 2023. 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.

However, in order to meet any potential further costs of cooperation on Block 29/11, any potential amounts payable to CNOOC that may crystallise as detailed in Note 19, to meet the repayment terms of the Convertible Note, any further commitments at the Mako Gas Field 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. Post year end the Company announced that the Mako JV partners had entered into a domestic gas sales agreement for the sale and purchase of the domestic portion of Mako gas with PGN. The Company then announced that the Mako Joint Venture partners and Sembcorp had signed the binding GSA for the export of gas produced from the Mako field to Singapore.

It is the belief of the Board that the completion of the export GSA is a significant value catalyst that is a necessary precursor to maximising the value of its interest at the Mako Gas field through the current sell down process. Completion of these has the potential to enhance Empryan's chances of negotiating a revised arrangement with CNOOC for the drilling of the Topaz prospect.

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 the existence of 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 2023 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.

#### **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).

#### **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 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.

#### **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) and financial assets classified as fair value through profit or loss. 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. Financial assets designated as fair value through the profit or loss are measured at fair value through the profit or loss at the point of initial recognition and subsequently revalued at each reporting date. Attributable transactions costs are recognised in profit or loss as incurred. Movements in the fair value of derivative financial assets are recognised in the profit or loss in the period in which they occur.

##### *(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 2023 or 31 March 2024.

*(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.

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:

- i) The Company has not met the requirements under the PSC to drill the Topaz well by 12 June 2024 and, post year end, the permit formally terminated on 12 June 2024. Empréan has put forward a submission to CNOOC for further cooperation on Block 29/11,. As at 31 March 2024 it was clear that the above requirements would not be able to be met in time due to lack of funding and the delays to the completion of the export GSA and sell down processes in Indonesia. This was deemed to be an impairment indicator. Given the licence requirements have not been met and the post year end termination of the PSC, the Company has, in accordance with IFRS 6, provided for impairment against all remaining capitalised costs associated with Block 29/11, together being US\$6.6 million as at 31 March 2024.

- 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 2024.
- 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 2024/25 whilst the Company focuses on other projects. Whilst the Company maintains legal title it has continued to fully impair the carrying value of the asset as at 31 March 2024.

*(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 13.

*(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.

**Note 2. Segmental Analysis**

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

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

Details	China US\$'000	Indonesia US\$'000	USA US\$'000	Corporate US\$'000	Total US\$'000
<b>31 March 2023</b>					
Unallocated corporate expenses	-	-	-	(810)	(810)
<b>Operating loss</b>	-	-	-	(810)	(810)
Finance expense	-	-	-	(2,955)	(2,955)
Impairment of oil and gas properties	(16,998)	-	(32)	-	(17,030)
Cyber fraud loss	-	-	-	-	-
<b>Loss before taxation</b>	<b>(16,998)</b>	-	<b>(32)</b>	<b>(3,765)</b>	<b>(20,795)</b>
Tax expense in current year	-	-	-	(1)	(1)
<b>Loss after taxation</b>	<b>(16,998)</b>	-	<b>(32)</b>	<b>(3,766)</b>	<b>(20,796)</b>
<b>Total comprehensive loss for the financial year</b>	<b>(16,998)</b>	-	<b>(32)</b>	<b>(3,766)</b>	<b>(20,796)</b>
Segment assets	5,958	4,677	-	-	10,635
Unallocated corporate assets	-	-	-	121	121
<b>Total assets</b>	<b>5,958</b>	<b>4,677</b>	-	<b>121</b>	<b>10,756</b>
Segment liabilities	-	-	-	-	-
Unallocated corporate liabilities	-	-	-	8,459	8,459

Total liabilities	-	-	-	8,459	8,459
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### Note 3. Operating Loss

	2024 US\$'000	2023 US\$'000
<b>The operating loss is stated after charging:</b>		
Foreign exchange (loss)/gain	(123)	197
Impairment - exploration and evaluation assets	(6,595)	(17,030)

### Auditor's Remuneration

Amounts paid to BDO LLP in respect of both audit and non-audit services:

Audit fees payable to the Company's auditor for the audit of the Company annual accounts	(91)	(102)
Non-audit fees payable to the Company's auditor in respect of:		
- Other services relating to taxation compliance	(15)	(13)
<b>Total auditor's remuneration</b>	<b>(106)</b>	<b>(115)</b>

### Note 4. Directors' Emoluments

	Fees and Salary		Share Based Payments in lieu of Fees		Social Security Contributions		Short-Term Employment Benefits (Total)	
	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000	2024 US\$'000	2023 US\$'000
<b>Non-Executive Directors:</b>								
Patrick Cross	23	22	-	-	2	2	25	24
John Laycock	14	13	-	-	1	1	15	14
<b>Executive Directors:</b>								
Thomas Kelly <sup>(a)</sup>	216	269	64	-	-	-	280	269
Gajendra Bisht <sup>(b)</sup>	165	220	55	-	-	-	220	220
<b>Total</b>	<b>418</b>	<b>524</b>	<b>119</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>540</b>	<b>527</b>
Capitalised to E&E <sup>(b)</sup>	(124)	(165)	-	-	-	-	(124)	(165)
<b>Total expensed</b>	<b>294</b>	<b>359</b>	<b>119</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>416</b>	<b>362</b>

(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. Mr Kelly was issued 7,312,500 salary sacrifice shares in lieu of cash remuneration totalling US\$64,000.

(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). Mr Bisht was issued 6,324,608 salary sacrifice shares in lieu of cash remuneration totalling US\$55,000.

The average number of Directors was 4 during 2024 and 2023. The highest paid director received US\$280,000 (2023: US\$269,000).

### Note 5. Finance Expense

	2024 US\$'000	2023 US\$'000
Convertible loan notes - interest and finance costs (Notes 10 and 11)	(1,115)	(2,308)
Convertible loan notes - loss on substantial modification (Note 11)	(655)	(1,369)
Fair value adjustment - derivative financial liabilities	-	722
<b>Total finance expense</b>	<b>(1,770)</b>	<b>(2,955)</b>

### Note 6. Taxation

2024

2023

	US\$'000	US\$'000
Opening balance	-	-
Total corporation tax receivable	-	-
<b>Factors Affecting the Tax Charge for the Year</b>		
Loss from continuing operations	(9,585)	(20,795)
Loss on ordinary activities before tax	<b>(9,585)</b>	<b>(20,795)</b>
Loss on ordinary activities at US rate of 21% (2023: 21%)	(2,013)	(4,367)
Non-deductible expenses	1,567	3,429
Movement in provisions	6	4
Carried forward losses on which no DTA is recognised	439	933
	<b>(1)</b>	<b>(1)</b>
Analysed as:		
Tax expense on continuing operations	(1)	(1)
Tax expense in current year	<b>(1)</b>	<b>(1)</b>

#### Deferred Tax Liabilities

Temporary differences - exploration	1,691	1,679
Temporary differences - other	4	4
	<b>1,695</b>	<b>1,683</b>
Offset of deferred tax assets	(1,695)	(1,683)
Net deferred tax liabilities recognised	-	-

#### Unrecognised Deferred Tax Assets

	2024 US\$'000	2023 US\$'000
Tax losses <sup>(a)</sup>	2,601	2,622
Temporary differences - exploration	4,310	4,110
Temporary differences - other	943	968
	<b>7,854</b>	<b>7,700</b>
Offset of deferred tax liabilities	(1,695)	(1,683)
Net deferred tax assets not brought to account	<b>6,159</b>	<b>6,017</b>

(a) If not utilised, carried forward tax losses of approximately US\$10.43 million (2023: US\$10.53 million) begin to expire in the year 2033. 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 973,223,181 (2023: 767,981,222).

	2024	2023
<b><u>Loss per share from continuing operations</u></b>		
Loss after taxation from continuing operations	US\$(9,586,000)	US\$(20,796,000)
Loss per share - basic	(0.98)c	(2.71)c
Loss after taxation from continuing operations adjusted for dilutive effects	US\$(9,586,000)	US\$(20,796,000)
Loss per share - diluted	(0.98)c	(2.71)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 14.

#### Note 8. Exploration and Evaluation Assets

	2024 US\$'000	2023 US\$'000
Balance brought forward	10,635	24,907
Additions <sup>(a)</sup>	1,315	2,758
Impairment <sup>(b)(c)(d)</sup>	(6,595)	(17,030)

Net book value

5,355

10,635

- (a) The Company was awarded its permit in China in December 2016. Block 29/11 is located in the Pearl River Mouth Basin, offshore China. Empyrean is operator with 100% of the exploration right of the Permit during the exploration phase of the project. In May 2017 the Company acquired a working interest in the Sacramento Basin, California. Empyrean entered into a joint project with ASX-listed Sacgasco Limited, to test a group of projects in the Sacramento Basin, California, including two mature, multi-TcF gas prospects in Dempsey (EME 30%) and Alvares (EME 25%) and also further identified follow up prospects along the Dempsey trend (EME 30%). Please refer to the Operational Review for further information on exploration and evaluation performed during the year.
- (b) The Company has not met the requirements under the PSC to drill the Topaz well by 12 June 2024 and, post year end, the permit formally terminated on 12 June 2024. Empyrean has put forward a submission to CNOOC for further cooperation on Block 29/11. As at 31 March 2024 it was clear that the above requirements would not be able to be met in time due to lack of funding and the delays to the completion of the export GSA and sell down processes in Indonesia. This was deemed to be an impairment indicator. Given the licence requirements have not been met and the post year end termination of the PSC, the Company has, in accordance with IFRS 6, provided for impairment against all remaining capitalised costs associated with Block 29/11, together being US\$6.6 million as at 31 March 2024. In the prior year, as a result of the unsuccessful well at the Jade prospect in April 2022, Empyrean provided for impairment against Jade prospect costs and the dry hole costs associated with the Jade drilling program, together being US\$17.0 million as at 31 March 2023.
- (c) 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 2024.
- (d) 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 2024/25 whilst the Company focuses on other projects. Whilst the Company maintains legal title it has continued to fully impair the carrying value of the asset at 31 March 2024.

Project	Operator	Working Interest	2024	2023
			Carrying Value US\$'000	Carrying Value US\$'000
<i>Exploration and evaluation</i>				
China Block 29/11	Empyrean Energy	100% <sup>1</sup>	-	5,958
Sacramento Basin	Sacgasco	25-30%	-	-
Duyung PSC	Conrad Asia Energy	8.5%	5,355	4,677
Riverbend	Huff Energy	10%	-	-
Eagle Oil Pool Development	Strata-X	58.084%	-	-
			<b>5,355</b>	<b>10,635</b>

1. In the event of a commercial discovery, and subject to the Company entering PSC, CNOOC Limited will have a back in right to 51% of the permit. As at the date of these financial statements no commercial discovery has been made.

**Note 9. Trade and Other Receivables**

	2024 US\$'000	2023 US\$'000
Accrued revenue	-	30
VAT receivable	17	8
<b>Total trade and other receivables</b>	<b>17</b>	<b>38</b>

**Note 10. Trade and Other Payables**

	2024 US\$'000	2023 US\$'000
Trade payables	2,599	2,245
Accrued expenses	330	349
Accrued interest	-	1,630
<b>Total trade and other payables</b>	<b>2,929</b>	<b>4,224</b>

**Note 11. Convertible Loan Notes**

	2024 US\$'000	2023 US\$'000
<b>(a) Convertible Loan Note - Original</b>		

Opening balance	-	4,125
Drawdowns	-	-
Conversions	-	(1,970)
Costs of finance	-	121
Foreign exchange loss	-	(133)
Extinguishment on substantial modification <sup>(c)</sup>	-	(2,143)
<b>Total original convertible loan note - current</b>	-	-

**(b) Convertible Loan Note - Modification 1**

Opening balance	4,076	-
Recognition of modified liability 1	-	2,637
Loss on substantial modification	-	1,369
Costs of finance	-	185
Foreign exchange gain/(loss)	12	(115)
Extinguishment on substantial modification	(4,088)	-
<b>Total Convertible Loan Note - Modification 1</b>	-	<b>4,076</b>

**(c) Convertible Loan Note - Modification 2**

Opening balance	-	-
Recognition of modified liability 2	6,544	-
Loss on substantial modification	655	-
Costs of finance	261	-
Foreign exchange gain	134	-
<b>Total Convertible Loan Note - Modification 2</b>	<b>7,594</b>	-

(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").

(b) 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.

(c) In May 2023, it was announced that the Company and the Lender have, in conjunction with and conditional upon the completion of the Subscription, now reached agreement on amended key terms to the Convertible Note to allow the sales process for Mako to complete. The key terms of the amendment are as follows:

1. The parties have agreed a moratorium of accrual interest on the Convertible Note until 31 December 2023 - interest will accrue thereafter at a rate of 20% p.a.;
2. The conversion price on the Convertible Note has been reduced from 8p to 2.5p per Share;
3. The face value of the Convertible Note has been reduced from £5.28m (accrued to the end of May 2023) to £4.6 million (to be repaid from Empyrean's share of the proceeds from Mako sell down process); and
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 12. Reconciliation of Net Loss**

	2024 US\$'000	2023 US\$'000
Loss before taxation	(9,585)	(20,795)
Share-based payments	212	22
Finance expense (non-cash)	1,770	2,955
Impairment - exploration and evaluation assets	6,595	17,030
Foreign exchange loss/(gain)	123	(197)
Decrease/(increase) in trade receivables relating to operating activities	21	(2)
Increase/(decrease) in trade payables relating to operating activities	8	(158)
Increase in provisions	29	19
<b>Net cash outflow from operating activities before taxation</b>	<b>(827)</b>	<b>(1,126)</b>
Receipt of corporation tax	-	-
<b>Net cash outflow from operating activities</b>	<b>(827)</b>	<b>(1,126)</b>

**Note 13. Share Capital**

	2024 US\$'000	2023 US\$'000
1,280,801,707 (2023: 788,431,892) ordinary shares of 0.2p each	3,405	2,170



	2024 No.	2023 No.
<b>a) Fully Paid Ordinary Shares of 0.2p each - Number of Shares</b>		
At the beginning of the reporting year	788,431,892	646,070,780
Shares issued during the year:		
• Placements <sup>(a)</sup>	469,753,783	121,750,001
• Salary sacrifice shares	19,728,532	-
• Advisor shares (equity issue cost)	2,887,500	-
• Partial conversion of Convertible Note	-	18,750,000
• Exercise of warrants	-	1,861,111
<b>Total at the end of the reporting year</b>	<b>1,280,801,707</b>	<b>788,431,892</b>

	2024 US\$'000	2023 US\$'000
<b>b) Fully Paid Ordinary Shares of 0.2p each - Value of Shares</b>		
At the beginning of the reporting year	2,170	1,809
Shares issued during the year:		
• Placements <sup>(a)</sup>	1,179	307
• Salary sacrifice shares	49	-
• Advisor shares (equity issue cost)	7	-
• Partial conversion of Convertible Note	-	49
• Exercise of warrants	-	5
<b>Total at the end of the reporting year</b>	<b>3,405</b>	<b>2,170</b>

- a) In May 2023 US\$1.88 million was raised through an equity placement, with a further US\$0.90 million raised in February 2024. Funds raised are being used for the completion of joint regional oil migration and 3D seismic inversion studies at Topaz, ongoing prospect, licensing fees and permit costs, post Jade well consultancy, analysis and residual exploration costs, front-end engineering design ("FEED"), studies and surveys at Mako - including gas processing and export gas tie in at the Kakap KF Platform and for general working capital requirements.

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

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

#### Share options and warrants

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

	Weighted Average Exercise Price 2024	Number of Options and Warrants 2024	Weighted Average Exercise Price 2023	Number of Options and Warrants 2023
Outstanding at the beginning of the year	£0.137	6,558,333	£0.116	65,890,916
Issued during the year	£0.044	164,833,333	-	-
Expired during the year	£0.137	(6,558,333)	£0.114	(57,471,472)
Exercised during the year	-	-	£0.096	(1,861,111)
Outstanding at the end of the year	<b>£0.044</b>	<b>164,833,333</b>	<b>£0.137</b>	<b>6,558,333</b>

	Incentive Warrants	Incentive Warrants	Advisor Warrants	Advisor Warrants	Placement Warrants
Number of options remaining	5,000,000	5,000,000	2,833,333	12,000,000	140,000,000
Grant date	29/05/23	29/05/23	29/05/23	13/02/24	13/02/24
Expiry date	30/05/26	30/05/26	30/05/24	26/02/26	26/02/26
Share price	£0.010	£0.010	£0.010	£0.0044	N/A
Exercise price	£0.015	£0.020	£0.015	£0.0025	£0.005
Volatility	100%	100%	100%	94%	N/A
Option life	3.00	3.00	1.00	2.00	2.50
Expected dividends	-	-	-	-	-
Risk-free interest rate	4.45%	4.45%	4.45%	4.68%	N/A

The options outstanding at 31 March 2024 have an exercise price in the range of £0.0025 to £0.02 (2023: £0.075 to £0.18) and a weighted average remaining contractual life of 2.32 years (2023: 0.37 years). None of the outstanding options and warrants at 31 March are exercisable at period end.

#### **Note 14. Reserves**

<b>Reserve</b>	<b>Description and purpose</b>
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.

#### **Note 15. Related Party Transactions**

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

In the May 2023 equity placement that raised US\$1.88 million, Mr Tom Kelly subscribed for 6,250,000 new ordinary shares for a total consideration of US\$64,000. Mr Gaz Bisht subscribed for 1,850,000 new ordinary shares for a total consideration of US\$19,000.

In the February 2024 equity placement that raised US\$0.90 million, Mr Tom Kelly subscribed for 12,000,000 new ordinary shares for a total consideration of US\$38,000. Mr Gaz Bisht subscribed for 8,800,000 new ordinary shares for a total consideration of US\$28,000.

There were no other related party transactions during the year ended 31 March 2024 other than those disclosed in Note 4.

#### **Note 16. 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.

	<b>2024</b>	<b>2023</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash and cash equivalents</b>		
AA-rated	981	83
<b>Total cash and cash equivalents</b>	<b>981</b>	<b>83</b>

##### **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 (2024)	7,594	-	-	7,594
Convertible loan note (2023)	4,076	-	-	4,076
Trade and other payables (2024)	2,929	-	-	2,929
Trade and other payables (2023)	4,718	-	-	4,718

#### 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.

As at 31 March 2024, the Company's gross exposure to foreign exchange risk was as follows:

	2024 US\$'000	2023 US\$'000
<b>Gross foreign currency financial assets</b>		
Cash and cash equivalents - GBP	977	81
<b>Total gross exposure</b>	<b>977</b>	<b>81</b>

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\$97,700 (2023: US\$8,100).

#### 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; and
- Derivative financial assets and liabilities - initially recognised at fair value through profit and loss at the date the contract is entered into and subsequently re-measured at each reporting date, the fair value of the derivative financial liability warrants is calculated using a Black-Scholes Model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

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 2024 US\$'000	31 March 2023 US\$'000	31 March 2024 US\$'000	31 March 2023 US\$'000
<b>Financial assets</b>				
Cash and cash equivalents	-	-	981	83
Trade and other receivables	-	-	17	38
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>998</b>	<b>121</b>
<b>Financial liabilities</b>				
Trade and other payables	-	-	2,599	2,245
Convertible loan notes	-	-	7,594	4,076

<b>Total financial liabilities</b>	-	-	<b>10,193</b>	<b>6,321</b>
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#### **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.

#### **Note 17. Events After the Reporting Date**

Significant events post reporting date were as follows:

On 13 June 2024 the Company announced that as it had not commenced the drilling of the Topaz prospect by 12 June 2024 as required under the second phase of exploration on Block 29/11 and therefore has not met the requirements to continue the cooperation on Block 29/11 with CNOOC. The permit therefore formally terminated on 12 June 2024. On 24 August 2024 Emphyrean received a letter of demand from CNOOC alleging that Emphyrean has outstanding obligations under the PSC. The Company disputes the letter and is endeavouring to settle the matter amicably under the dispute resolution clauses provided for in the PSC. Emphyrean has put forward a submission to CNOOC for further cooperation on Block 29/11.

On 24 June 2024 the Company announced that the Mako JV partners had entered into a binding domestic Gas Sales Agreement for the sale and purchase of the domestic portion of Mako gas with PGN, the gas subsidiary of PT Pertamina (Persero), the national oil company of Indonesia.

On 22 August 2024 the Company announced that Dr Patrick Cross had stepped down as Non-Executive Chairman of the Company. Existing Non-Executive Director Mr John Laycock assumed the position of Non-Executive Chairman. Dr Cross remains on the Board as a Non-Executive Director.

On 2 September 2024 the Company announced that the Mako Joint Venture partners and Sembcorp had signed a binding GSA for the export of gas produced from the Mako field to Singapore. The contract term is until the end of the Duyung PSC in January 2037 and allows for the sale of up to 76 billion Bbtud, which is equivalent to around 76.9 mmscfd. The export GSA also contains provisions for the sale of up to an additional 35 Bbtud (around 35.4 mmscfd) should a tie-in pipeline not be built to the Indonesian domestic market in Batam and DMO sales do not therefore eventuate. The possible export of these additional volumes is recognised in the Mako POD. Completion of both GSAs is a significant milestone on the path to a FID for the Mako project.

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 18. Committed Expenditure**

##### **Block 29/11 offshore China**

The Company's committed work program for the GSA phase for Block 29/11 included acquisition, processing and interpretation of 500km<sup>2</sup> for a 3D seismic survey, and a financial commitment of US\$3.0 million. The Company exceeded the work program commitments during the 2018 financial year.

Having successfully completed the committed work program for the first phase GSA, the Company exercised its option to enter a PSC on the Block, on pre-negotiated terms, with CNOOC on 30 September 2018, with the date of commencement of implementation of the PSC being 13 December 2018. In April 2022, Emphyrean announced that the Jade well had reached a final total depth of 2,849 metres MD and the interpretation from logging while drilling (LWD) and mud logging equipment indicated no oil pay in the target reservoir. In June 2022, Emphyrean announced that following the completion of post well analysis at Jade it would be entering the second phase of exploration and drilling the Topaz prospect at its 100% owned Block 29/11 permit, offshore China. The second phase of exploration required the payment to CNOOC of US\$250,000 and the work obligation of drilling of an exploration well within 2 years. It is estimated that the cost of drilling this well would be approximately US\$12 million. While the Company entered the second phase of exploration, it has not met the requirements under the PSC to drill the Topaz well by 12 June 2024 and the permit formally terminated on 12 June 2024. Emphyrean has put forward a submission to CNOOC for further cooperation on Block 29/11.

##### **Duyung PSC offshore Indonesia**

As reported the joint venture partners completed a successful exploration and appraisal well program at the Duyung PSC during 2020. Emphyrean have paid all cash calls associated with the program with no further amounts due and payable.

##### **Sacramento Basin assets onshore California**

The Company earned a 30% interest in the Dempsey Prospect by paying US\$2,100,000 towards the costs of drilling the Dempsey 1-15 exploration well. These drilling costs had a promoted cap of US\$3,200,000 and the Company paid its share of additional costs at Dempsey 1-15, including completion costs. At the time of this report, the work plan, cost estimates and timing of further expenditure for both the Borba and Alvares prospects are unknown. The Company incurs quarterly cash calls of approximately US\$8,000 for overheads, geological and geophysical costs.

#### **Note 19. 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 Emphyrean has outstanding obligations, totalling \$12m, under the

relevant Petroleum Contract entered into with CNOOC and that Empyrean has failed to pay certain amounts that CNOOC consider due and payable under the Petroleum Contract relating to the prospecting fee and exploration work. The Company rejects the outstanding amounts claimed and has responded to the letter of demand requesting clarification of the basis for the demands made in the letter. At this time, it is too early for the Company to form any opinion on the merits of any demands made therein and the Company intends to continue dialogue with CNOOC and, in line with the provisions of the Petroleum Contract, to settle amicably through consultation any dispute arising in connection with the performance or interpretation of any provision of the Petroleum Contract.

**Note 20. Ultimate Controlling Party**

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

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