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15 November 2023

Zephyr Energy plc
("Zephyr" or the "Company")

Third Quarter 2023 results from Williston Basin portfolio

Zephyr Energy plc (AIM: ZPHR) (OTCQB: ZPHRF), the Rocky Mountain oil and gas company focused on responsible resource development from carbon-neutral operations, is pleased to provide initial third quarter 2023 ("Q3") results related to hydrocarbon production and cashflows from its non-operated asset portfolio in the Williston Basin, North Dakota, U.S (the "Williston project").

Highlights

- Q3 revenue was US\$6.0 million compared to second quarter 2023 ("Q2") revenues of US\$7.1 million (subject to audit). Q3 revenues reflect the standard decline rates expected from the portfolio.
- Q3 sales volumes averaged 1,043 barrels of oil equivalent per day ("boepd") compared to Q2 sales volumes average of 1,385 boepd, in line with management expectations. The average sale price per barrel of oil equivalent ("boe") was US\$64.35 per boe in Q3 compared to US\$56.64 per boe in Q2 (not including realised hedging impacts).
- Q3 operating income was US\$4.3 million (after taxes, lease operating expenses, realised hedging impacts, and gathering and marketing fees), compared to Q2 operating income of US\$4.2 million (subject to audit).
- At 30 September 2023, 220 wells in Zephyr's portfolio were available for production (versus 223 wells at 30 June 2023).
 - Net working-interests across the Zephyr portfolio now average 7% per well, equivalent to 14.7 gross wells in total.
- As announced on 1 November 2023, production has commenced from the pad site for six wells in which Zephyr acquired a working-interest, and which are operated by Slawson Exploration Company ("Slawson"). These wells are expected to lead to a material increase in production rates during the fourth quarter of 2023 ("Q4") and beyond, and Zephyr intends to update the market on flow rates after the first thirty days of stabilised production.

Colin Harrington, Chief Executive of Zephyr, said: "Our non-operated assets continue to deliver strong and robust cash flows, allowing Zephyr to continue to fund investment and growth across both our operated and non-operated portfolios.

"Furthermore, I'm pleased that this year's investment in the Slawson wells is expected to materially boost production rates in the current quarter, and the resulting cashflows will be utilised to deliver additional growth as we intensify our operational activity."

Q3 Sales Detail

Zephyr's net sales for Q3 were approximately 93,186 boe.

Q3 sales product mix was 91% crude oil, 3% natural gas, and 6% natural gas liquids. The table below provides sales volumes, product mix, and average sales prices for the quarter:

Oil: 66,889 bbls at an average sales price of US\$84.69/bbl*

Natural Gas: 91,778 thousand cubic feet ("mcf") at an average sales price of US\$2.08 /mcf

Natural Gas Liquids: 13,682 bbls at an average sales price of US\$26.93 per bbl

*not including hedges

(Note: Q3 volumes and average sales prices figures include field estimates in respect of September 2023 natural gas and natural gas liquids sales volumes and are subject to future revision.)

In the Williston Basin, cashflow from non-operated interests in newly drilled wells may lag actual production by up to five months. Such payments from the operator accrue on a monthly basis and are paid in full prior to the sixth month of production, which may result in impacts to quarterly sales volumes and revenues during times of significant completion activity. Zephyr expects additional accrued payments from operators during the remainder of 2023 and into 2024 given the Company's interests in the six Slawson operated wells (which came online in November of 2023), and the ten Harms East Federal / Quale Federal wells which are expected to come online in December 2023 or January 2024.

The Company has hedged 67,000 barrels of oil over the next six months at a weighted-average price of US\$82.93 per barrel. The Company will continue to evaluate its commodity price risk management strategy on a regular basis.

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Qualified Person

Dr Gregor Maxwell, BSc Hons. Geology and Petroleum Geology, PhD, Technical Adviser to the Board of Zephyr Energy plc, who meets the criteria of a qualified person under the AIM Note for Mining and Oil & Gas Companies - June 2009, has reviewed and approved the technical information contained within this announcement.

Notes to Editors

Zephyr Energy plc (AIM: ZPHR) (OTCQB: ZPHRF) is a technology-led oil and gas company focused on responsible resource development from carbon-neutral operations in the Rocky Mountain region of the United States. The Company's mission is rooted in two core values: to be responsible stewards of its investors' capital, and to be responsible stewards of the environment in which it works.

Zephyr's flagship asset is an operated 46,000-acre leaseholding located in the Paradox Basin, Utah, 25,000 acres of which has been assessed to hold, net to Zephyr, 2P reserves of 2.6 million barrels of oil equivalent ("mmboe"), 2C resources of 34 mmboe and 2U resources 270 mmboe.

In addition to its operated assets, the Company owns working interests in a broad portfolio of non-operated producing wells across the Williston Basin in North Dakota and Montana. Cash flow from the Williston production will be used to fund the planned Paradox Basin development. In addition, the Board will consider further opportunistic value-accretive acquisitions.

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