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29 February 2024

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

Fourth Quarter 2023 production results from the 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 fourth quarter 2023 ("Q4") results related to hydrocarbon production from its non-operated asset portfolio in the Williston Basin, North Dakota, U.S (the "Williston project").

- Q4 production averaged 1,053 barrels of oil equivalent per day ("boepd") compared to production in the third quarter of 2023 ("Q3") of 983 boepd, representing an increase of 7% quarter on the quarter.
 - Peak daily production rates of 1,440 boepd were achieved in late November 2023 with the commencement of the initial production from the six wells operated by Slawson Exploration Company (the "Slawson wells").
 - Production from the Slawson wells was temporarily curtailed in mid-December 2023 due to adverse weather conditions and infrastructure constraints. Zephyr has been informed by the operator that production from the Slawson wells resumed in late January 2024.
 - Q4 production rates from the remainder of the portfolio were as expected.
- 2023 full-year production was only marginally under forecast (1,040 boepd actual vs 1,150 boepd forecast) despite the above-mentioned factors impacting the Slawson wells. All other wells performed in line with management expectations during the year.
- 2023 full-year revenues from the portfolio are estimated to be, subject to audit, circa US\$26.3m of which it is expected more than 90% is made up of oil sales.
 - Q4 revenues are estimated to be, subject to audit, circa US\$6.9m compared to Q3 revenues of US\$6.0m.
- At 31 December 2023, 225 wells in Zephyr's portfolio were available for production (versus 220 wells at the end of Q3).
- Net working interests across the Zephyr portfolio now average 8% per well (equivalent to 15.1 net wells).
- During February 2024, ten wells in which Zephyr holds working interests and which are operated by Continental Resources (Harms Federal and Quale Federal) were placed in production. Early production data shows these wells performing ahead of management expectation, adding initial production rates, net to Zephyr, of circa 75 boepd.
- The Company has hedged 27,000 barrels of oil over the first quarter of 2024 at a weighted-average price of US\$82.20 per barrel. The Company will continue to evaluate its commodity price risk management strategy on a regular basis.

Colin Harrington, Chief Executive of Zephyr, said: "Our non-operated assets continue to deliver strong and robust cash flows, allowing us to proceed with the next phase of our Paradox project in the near-term."

"The initial indications of the performance of the Slawson wells continue to exceed our estimates and the wells have the potential to materially increase our 2024 cash flows. Very strong initial performance from the Harms Federal and Quale Federal wells is also highly encouraging."

Federal and Quake Federal wells is also highly encouraging.

"We continue to make good progress ahead of the commencement of drilling on the Paradox project and will be providing a further update on this in the coming days."

Note

Q4 production volumes are based on a combination of state reported production volumes and field estimate production reports supplied by certain operators. Both production data sets are two phase reports (oil and well head gas) as opposed to sales volume reporting which is three phase and consists of oil, processed sales gas and NGL volumes. While Zephyr previously reported three phase sales volumes, going forward the Company will report two phase production volumes on a quarterly basis and three phase sales volumes on an annual basis. This change has been necessitated by the timing of the receipt of sales volume data from certain operators.

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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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