

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the UK Market Abuse Regulation. With the publication of this announcement, this information is now considered to be in the public domain.

25 April 2024

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

Start of well drilling operations

Zephyr Energy plc (AIM: ZPHR) (OTCQB: ZPHRF), the Rocky Mountain oil and gas company focused on responsible resource development and carbon-neutral operations, is pleased to announce the spud and start of the main drilling operation on the State 36-2 LNW-CC-R well (the "well") at Zephyr's flagship project in the Paradox Basin, Utah, U.S. (the "Paradox project").

Further to the Company's announcement on 17 April 2024, the rig-up operation for the Helmerich & Payne Rig 257 (the "Rig") was completed yesterday, 24 April, and shortly thereafter the surface section of the well was spud.



Figure 1: Helmerich & Payne Rig 257 in situ at the Paradox project

The well, for which the Company expects to recover substantially all the drilling costs incurred through the well control insurance policy that it had in place for the State 36-2 LNW-CC well (the "original well") will target the Cane Creek reservoir and the highly productive natural fracture system encountered by the original well. Drilling is planned to a total depth ("TD") of 10,362 feet measured depth (9,600 feet true vertical depth) and will incorporate a short, 270-foot horizontal reservoir section. The well has been designed and permitted such that the horizontal section can be extended to a further 10,000 feet in the Cane Creek reservoir, should that be required in the future.

Drilling operations are expected to take approximately 30 days. After reaching TD and setting a production liner, the Rig will be demobilised and the well will be prepared for production testing.

Colin Harrington, Zephyr's CEO commented: "After months of meticulous planning we are delighted to have commenced full drilling operations with the prime objectives of delivering a safe and timely drilling operation followed by a successful well test.

"We look forward to providing regular updates as drilling progresses."

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Qualified Person

Dr Gregor Maxwell, BSc Hons. Geology and Petroleum Geology, PhD, Chief Operating Officer 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 lease holding of over 46,000 gross acres 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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