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29 August 2024

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

**Salt Wash helium project update;
State 36-2R well production test and evaluation nearing completion**

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 an update on the production test on the State 36-2R LNW-CC well (the "State 36-2R well") and the Company's farm-in to the Salt Wash helium project (the "farm-in"), a previously producing asset with proven oil, gas and helium reserves located three miles to the south of Zephyr's Paradox project in Utah, U.S. (the "Salt Wash project").

Salt Wash project update

A key term in the farm-in agreement on the Salt Wash project is the requirement for Zephyr to commence drilling operations on a well on the farm-in acreage (the "commitment well") by 1 September 2024 (as announced by the Company on 26 June 2024).

The Company is pleased to report that initial operations at the site of the proposed commitment well have commenced, including drilling pad preparation and fencing the perimeter of the site. In the coming weeks, a spudder drilling rig will be mobilised to the well location and a 30-inch hole will then be drilled to a depth of approximately 100 feet and 20-inch conductor casing will be set.

While activity on the pad has begun, the Company does not expect full drilling operations to commence until the first half of 2025, in line with its operational commitments to the field leaseholders.

Zephyr remains in active conversations with industry and financial parties regarding the potential funding of up to 100% of the costs of the well at the asset level, and the Company's board of directors continues to appraise the available options with the key objective of maximising value for Zephyr Shareholders.

State 36-2R well production test update

At the State 36-2R well, the Company is pleased to confirm that, further to its announcement of 23 July 2024, the acidisation operation was executed successfully, following which a second phase of production testing and related evaluation commenced and is ongoing. As part of this process, the well has been tested at varying rates and choke settings over multiple pre-planned time periods. All field work to date has been conducted safely and in line with expectations, and the Company plans to conclude its technical analysis and expects to announce the results from the test within the next ten days.

Colin Harrington, Zephyr's CEO commented:

"I would like to thank our partners on the Salt Wash project for their continued cooperation. We are making steady progress on the project, particularly in advancing funding options, and we look forward to getting full drilling operations underway next year.

"We remain confident in the significant potential value uplift the Salt Wash project represents, and we fully intend to unlock this value for our Shareholders. Additionally, we look forward to the completion of the State 36-2R well production test and sharing the results in the coming days."

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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

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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