

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.

14 November 2024

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

**Paradox project update; and**  
**Appointment of Joint Broker**

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 provide an update on operations on the State 36-2R LNW-CC well (the "well") at the Company's flagship project in the Paradox Basin, Utah, U.S. (the "Paradox project").

Preparations for the commencement of drilling operations to extend the lateral on the well (the "extended lateral") are at an advanced state. All regulatory approvals are in place for the planned drilling operation, detailed well planning has been completed and equipment procurement is underway. A selection process for service companies (including drilling rig providers) has also commenced and is at an advanced phase.

Surface operations on the pad will begin as soon as possible, with the Company expecting full drilling operations to commence early in the first quarter of 2025 (subject to rig availability and weather conditions).

The existing well was drilled to 10,200 feet, including 130 feet of completed reservoir interval in the short horizontal section of the well. The extended lateral will be drilled horizontally from the existing wellbore and is expected to target an additional 5,500 feet of the Cane Creek reservoir. The cost of the operation is expected to be circa US 7 million, a total which includes surface preparation, the drilling of the extended lateral, acidisation completion and production testing.

In conjunction with operational planning, and further to Zephyr's announcement on 10 October 2024 regarding the funding Letter of Intent, the Company is pleased to confirm that the funding process for the extended lateral (the "proposed funding") continues to progress in line with expectations. This asset level investment, from an experienced U.S. based industry investor (the "investor"), would fund 100% of the expected costs required to drill, complete and test the extended lateral, and the Company expects to sign full binding documentation in the coming weeks. No Company equity or warrants will be issued as part of the transaction and the investor will not receive any future interest or option in the Paradox project other than the working interest in the well.

**Appointment of Joint Broker**

After completing a detailed review of Zephyr's existing advisers and brokers, the Company is pleased to announce the appointment of Canaccord Genuity Limited ("Canaccord") as the Company's Joint Broker with immediate effect. Canaccord will act in conjunction with Turner Pope Investments, who remain as the Company's other Joint Broker.

**Colin Harrington, Zephyr's Chief Executive said:** "We are excited to be making material progress towards recommencing drilling operations on the well, and we believe that the extended lateral, combined with an effective acidisation completion, will deliver a large and highly productive well.

"In parallel with our ongoing operational work, the proposed funding is progressing well and we expect to complete binding documentation in the coming weeks. The proposed funding will fully fund the next phase of our operational activity, as outlined above, without any equity dilution at the Company level.

"We are also very pleased to welcome Canaccord to the team at this pivotal moment for the Company."

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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 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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