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3 December 2024

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

Third Quarter 2024 Williston Basin production results; and
Extension of warrant exercise period

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 results for the quarter ended 30 September 2024 ("Q3") related to hydrocarbon production from its non-operated asset portfolio (the "portfolio") in the Williston Basin, North Dakota, U.S (the "Williston project").

- Q3 production from the portfolio averaged 1,047 barrels of oil equivalent per day ("boepd") net to Zephyr, and 96,324 barrels of oil equivalent for the period, compared to average production in the second quarter of 2024 ("Q2") of 1,226 boepd.
 - Q3 production rates were in line with management expectations, and were lower than in Q2 due to natural production decline.
 - For the 2024 financial year, management continues to expect average production rates in line with its previous forecast of 1,100-1,300 boepd, an increase from an average 1,040 boepd achieved in the 2023 financial year.
- At the end of Q3, 228 wells in Zephyr's portfolio were available for production (versus 231 wells at the end of Q2).
- Net working interests across the Zephyr portfolio currently average 7.0 per cent. per well (equivalent to 16.0 total wells net to Zephyr).
- The Company has hedged a total of 27,500 barrels of oil ("bbls") over the fourth quarter of 2024 ("Q4"). 10,500 of these are hedged at a price of US 80.91 per barrel of oil ("bbl") and the other 17,000 bbls are hedged by way of financial collars with a weighted average floor price of US 71.35 per bbl and a weighted average ceiling price of US 84.38 per bbl.
- The Company's Q4 update, which is expected to be published by the end of February 2025, will contain an update on sales and revenues from the Williston project for the twelve months ended 31 December 2024.

Extension of warrant exercise period

On 26 January 2022, the Company announced that, in connection with a £12 million equity fundraise, it would issue warrants to subscribe for new ordinary shares of 0.1 pence each in the Company ("Ordinary Shares") (together the "Warrants"). In February 2022, the Company issued 89,566,666 Warrants. The Warrants are exercisable at a price of 7.5p ("Exercise Price") per new Ordinary Share for a period of three years from the date of issue and are due to expire on 11 February 2025. No director of the Company (the "Board" or the "Director") holds any Warrants.

The Warrants remain unexercised and, following agreement with the holders of the Warrants, the Board has extended the expiry date of the Warrants from 11 February 2025 to 30 September 2026. All other terms of the Warrants, including the Exercise Price, remain unchanged. The Exercise Price represents a 183% premium to Zephyr's mid-market closing price on the last trading day before this announcement.

In the event that all the Warrants are exercised, this will generate cash proceeds of £6.7 million for the Company.

Colin Harrington, Chief Executive of Zephyr, said "Our non-operated asset portfolio continues to deliver strong cash flows and production rates in line with expectations. Cash generated from the portfolio covers all corporate costs and allows us to continue to advance the Paradox project, where we are preparing to commence drilling operations for the extended lateral section of the State 36-2R LNW-CC well early next year.

"Further to our update on 14 November 2024, I am pleased to report that our asset level funding process for our forthcoming drilling operations continues to progress well and in line with our expectations. We fully anticipate signing the binding documentation for the asset level funding later this month.

"I am pleased that the Board has been able to extend the expiry date of the Warrants, which would provide the Company with significant additional investment and development capital should the Warrants be exercised."

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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.

Certain statements contained in this announcement constitute "forward-looking statements" with respect to the financial condition, results of operations and businesses and plans of the Company and its subsidiaries from time to time (the "Group"). Words such as "believes", "anticipates", "estimates", "expects", "intends", "plans", "aims", "potential", "will", "would", "could", "considered", "likely", "estimate" and variations of these words and similar future or conditional expressions, are intended to identify forward-looking statements and forecasts but are not the exclusive means of identifying such statements. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon future circumstances that have not occurred. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. As a result, the Group's actual financial condition, results of operations and business and plans may differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements and forecasts. No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-

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