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23 December 2024

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

**Award of rig contract**

Zephyr Energy plc (AIM: ZPHR) (OTCQB: ZPHRF), the Rocky Mountain oil and gas company focused on responsible resource development and carbon-neutral operations, provides an update on the Company's flagship project in the Paradox Basin, Utah, U.S. (the "Paradox project") where the Company is preparing to drill an extended lateral (the "extended lateral") from the existing wellbore of the State 36-2 LNW-CC-R well (the "well").

**Award of rig contract**

Following the securing of the wellbore-level funding, details of which were announced on 18 December 2024, the Company is pleased to announce that it has signed a rig contract with Nabors Drilling USA ("Nabors") for its B29 rig (the "rig") to drill the extended lateral.

Nabors is a global drilling contractor which operates one of the world's largest land drilling fleets, and has a wealth of onshore U.S. drilling experience.

The rig is well-suited to drill the extended lateral and manage the high reservoir pressures expected to be encountered at the well. The rig and crew are currently wrapping up a sustained and successful drilling campaign in a nearby basin and are expected to mobilise to the well site by mid- January.

In the meantime, the Company has mobilised a workover rig to the site in order to pull production tubing and prepare the wellbore ahead of the larger Nabors drilling rig moving to site.

**Outlook for 2025**

The drilling of the extended lateral is expected to commence in January 2025. The well will be drilled horizontally from near the base of the existing wellbore and is expected to target an additional 5,500 feet of the Cane Creek reservoir. Zephyr's management estimates that ultimate recoveries from the well, following its completion, could be up to two million barrels of oil equivalent.

Following the completion of the extended lateral, the Nabors rig will be demobilised and equipment for the completion and production testing of the well will be moved to site. It is currently expected that the results from the production test on the well will be available by the end of March 2025.

Once the results from the production test are known and considered sufficient, the Company will work to finalise gas processing and related infrastructure requirements for the project, in order to tie in both the well and the State 16-2 LN-CC well as soon as practicable.

**Colin Harrington, Zephyr's Chief Executive, said:**

*"We are delighted to secure Nabor's B29 rig within our time frame, and we believe the rig is ideally suited to drill this well. Our primary goal is to deliver a safe and effective drilling operation, with full drilling operations expected to commence early in the New Year.*

*"Now that the funding for this well is secured and the rig contract is in place, we can look forward to 2025 with optimism and confidence. I'm pleased we've reached the end of 2024 on such a positive note, with all the pieces in place for us to deliver on our key strategic objective of opening up the next prolific onshore U.S. oil and gas play.*

*"We will continue to provide regular updates on progress and, in the meantime, I would like to thank our stakeholders for their ongoing support and wish everyone a safe and peaceful holiday season."*

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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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