



ZEPHYR ENERGY PLC

AIM: ZPHR
OTCQB: ZPHRF

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Dr Gregor Maxwell, BSc Hons. Geology and Petroleum Geology, PhD, Technical Adviser to the Board of Zephyr Energy plc, is the Qualified Person responsible for the technical content, verification and quality assurance of the exploration data and the analytical results set forth in this presentation.

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CORPORATE OVERVIEW

- NON-OPERATED PORTFOLIO
- OPERATED ASSET
- ESG PHILOSOPHY

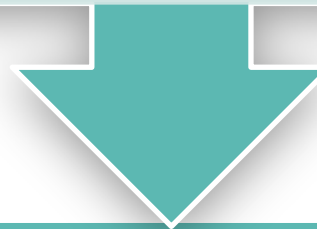
SUMMARY & NEXT STEPS





CORE VALUES

TO BE RESPONSIBLE STEWARDS OF INVESTORS' CAPITAL
&
TO BE RESPONSIBLE STEWARDS OF THE ENVIRONMENT IN WHICH WE WORK



GOAL

TO OPEN UP THE NEXT PROLIFIC ONSHORE U.S. OIL & GAS RESOURCE PLAY

CORPORATE OVERVIEW

Zephyr Energy plc (AIM: ZPHR) (OTCQB: ZPHRF) is an oil and gas company 100% focused on **responsible resource development from carbon-neutral operations** in the Rocky Mountain region of the United States ("U.S.").



The Company is developing a significant operated appraisal asset in the Paradox Basin, Utah. The Company also owns non-operated working interests in producing, near-term production and future drilling prospects in the Williston Basin.

GROWTH STRATEGY: OPERATED ASSETS

- Paradox Basin, Utah
- 37,613-acre leasehold position
- Recent 3D seismic across majority of acreage
- Extensive log, core & pressure test data
- Recent successful production test at the State 16-2LN-CC well
 - 1,083 boe/d peak at highly constrained choke
 - The first test of modern hydraulic stimulation practices on a horizontal wellbore in the Paradox Basin
 - A successful "proof of concept" for a wider potential development of up to 9 reservoir zones targeting 1 billion barrels of oil equivalent in place



VALUE STRATEGY: NON-OPERATED ASSETS

- Low-risk, high-margin investments in well established Rocky Mountain basins
- Focused on:
 - Production and near-term drilling opportunities with strong operators
 - Low acquisition costs
 - Rapid paybacks
 - Strong margins
- Cash flow generated is used to fund additional Paradox drilling or further non-op asset acquisitions
- 4 acquisitions completed in 2021, 5th and largest acquisition to complete mid-Feb 2022
 - Currently 15 producing wells (654 boe/d in December 2021 and growing)
 - Pro forma 1,759 boe/d in December 2021



SOURCES:

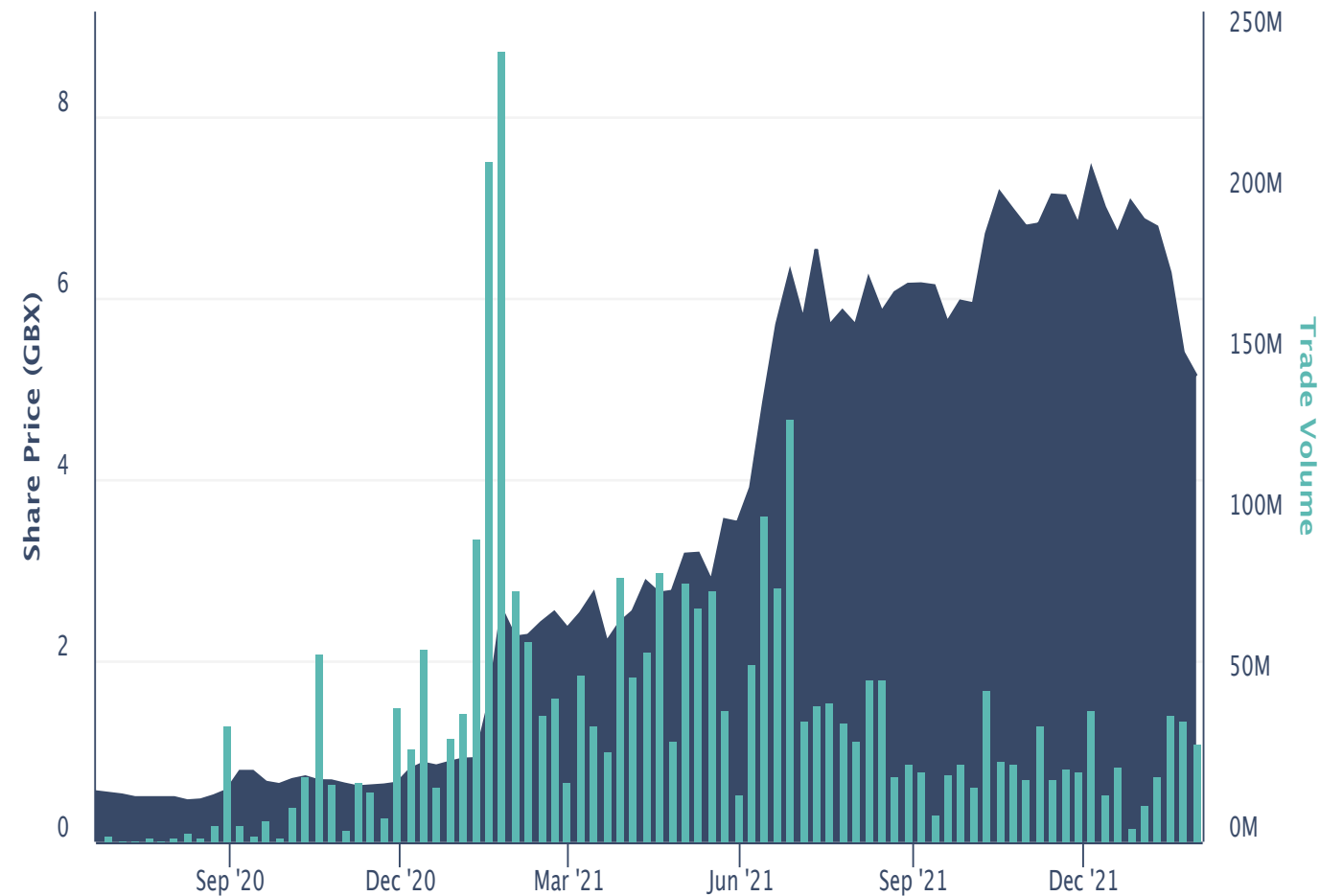
- **ISSUANCE OF EQUITY: £12.8 MILLION (CIRCA \$17.2 MILLION)**
- **SENIOR DEBT FACILITY: £20.7 MILLION (CIRCA \$28.0 MILLION)**

USES OF NET PROCEEDS:

- **To fully fund the acquisition** (and associated CAPEX) for a portfolio of non-operated working interests in over 170 producing wells, 12 DUC and PNP wells, and 47 PUD locations
- **To fund additional drilling CAPEX,** which will be combined with cash flow to accelerate Paradox Basin drilling, as well as fund additional non-op drilling on combined portfolio
- **To fund equip and infrastructure costs** related to State 16-2 production

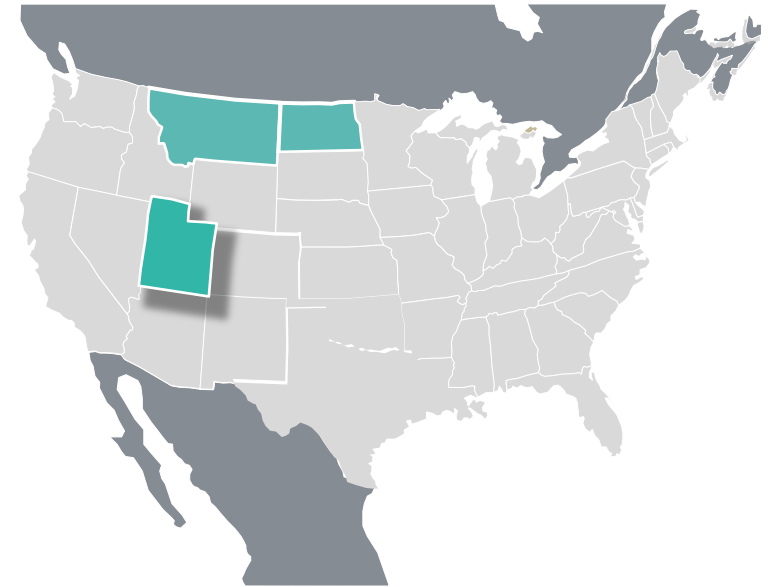


5.05 GBX	February 7 2022 closing share price
£69 million	Market capitalisation (GBP) Pro forma: £79 million
1,371,246,001	Shares in issue Pro forma: 1,560,746,001
£3 million	Debt outstanding Pro forma: \$32 million
11%	Board & affiliates' ownership Pro forma: 10%
\$16 million	US tax losses which can be used to offset future US income





- Zephyr achieved multiple milestones in 2021:
 - **Offset 100% of our Scope 1 operational carbon emissions** and achieved carbon-neutrality through our joint venture with the Prax Group (“Prax”) via the purchase of Verified Emissions Reduction credits or “VERs.”
 - **Successful test of the first modern hydraulic stimulation resource play (“HSRP”)** completion on a horizontal wellbore in the Paradox Basin, which demonstrated potential to deliver 2,000 boe/d by 2H 2022 from a single well
 - **Closed 5 acquisitions**, resulting in a 50% increase in Paradox Basin acreage and Williston operational production growth from 0 boe/d to 657 boe/d in December (in addition to an average 700 boe/d from Paradox Basin production test)
 - **Winner of the “Best Performing Share” award** with the #1 AIM Market share price performance at the annual AIM Awards
- In 2022, funds recently raised will be deployed directly into accretive investment in Zephyr’s existing asset portfolio (G&A is more than covered by existing cash flow).



A TEAM BUILT TO DELIVER MILESTONES & VALUE



ZPHR's team was assembled to provide a deep array of skillsets & expertise, particularly regarding management of U.S. upstream investments, development of natural gas infrastructure, financing and M&A.



RICK GRANT
NON-EXEC CHAIRMAN

- Previously ran one of the world's largest natural gas infrastructure companies (Suez Global LNG)
- Involved in four successful turnaround and exits in the US domestic energy sector



TOM REYNOLDS
INDEPENDENT NON-EXEC

- Current CEO of Scirocco Energy, with significant AIM and private equity investment experience
- Chemical engineer with 25 years energy sector experience
- Former investment manager at 3i with responsibility for upstream investments



GORDON STEIN
INDEPENDENT NON-EXEC

- Highly experienced AIM CFO, with experience launching turnarounds in AIM-listed entities
- Served as CFO at Regal, and Cadogan, where shares returned 4.0x and 3.0x respectively during his tenures. Recently relaunched and sold CERP.



CHRIS EADIE
CFO, DIRECTOR

- Experienced natural resource sector finance director, and Chartered Accountant
- Has managed the Company's finance operations since 2014 - in a clean, low cost and highly responsible manner



COLIN HARRINGTON
CEO, DIRECTOR

- 25 years in the upstream finance sector, with significant investment and turnaround experience
- Co-founder of a Rockies-based E&P which went from start up to production in under a year, with a successful asset monetization shortly thereafter



GREGOR MAXWELL
HEAD OF SUBSURFACE

- PhD in Reservoir Geology, 25 years experience spanning production to new ventures roles
- Previous roles with Apache, Rocksource and Chevron. Now responsible for spearheading ZPHR analytics and technical approach.



JAMES LEE, CFA
EVP FINANCE AND CORPORATE DEVELOPMENT

- 21 years of energy finance experience including 17 years in natural resources investment banking, most recently as a Managing Director at Stifel
- Co-founder of a PE backed upstream company focused on the Williston Basin



KALEB DASINGER
VP LAND

- Second generation landman with 17 years of experience
- Founder of multiple companies focused on oil and gas minerals and non-operated working interests



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SUMMARY & NEXT STEPS

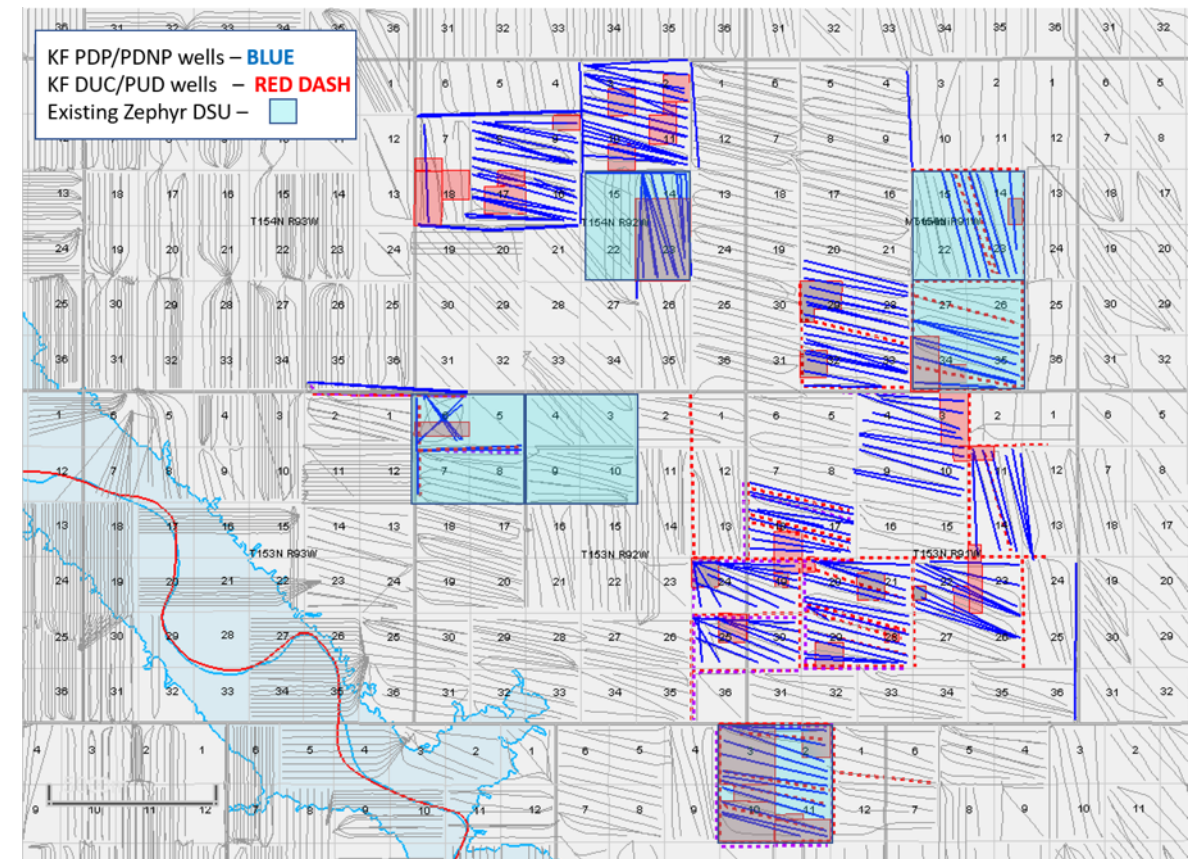




CURRENT WILLISTON BASIN NON-OP ASSET PORTFOLIO

- The Willison Basin is a well-established Rocky Mountain production basin
- Our existing portfolio is comprised of:
 - Production and near-term production opportunities with strong operators
 - Low acquisition costs
 - Rapid paybacks
 - Strong margins
- 4 acquisitions completed in 2021
 - Interests in 15 currently producing wells (654 boe/d in December and growing)
 - Interests in 7 additional wells on-line by 30 June 2022 (an incremental 100-200 boe/d)

KAISER ACQUISITION: SUBSTANTIAL NEAR-TERM CASH FLOW, LOW RISK PROFILE AND CONTIGUOUS TO EXISTING POSITION



KAISER ACQUISITION OVERVIEW: FUEL FOR ADDITIONAL CASH FLOW GROWTH

ANNOUNCED NOVEMBER 2021



- Interests in 228 wells in Mountrail County, North Dakota, in same field as Zephyr's existing production assets
- 100% operated by Whiting Petroleum, an active, well-capitalised & highly experienced Bakken operator
- Low risk, oil-weighted assets with large PDP base and excellent wellbore diversity
- Long history of production provides predictable cash flows
 - \$36 million acquisition price is 2.1x estimated 2022 EBITDA, compares favorably to recent comparable transaction in same field
 - **Accretive to 2022E estimated Cash Flow per Share by over 200%**
 - Significant upside growth through 18 additional DUC/PNP and 47 future PUD locations

ASSET DETAILS

- 163 producing wells
 - December 2021 net production of 1,105 boe/d
- 18 additional DUCS/PNP scheduled to be online by the end Q2 2022
- 47 additional PUD locations to be drilled
- **2P Reserves acquired: estimated 2.7 million boe**
- **Proved PV-10 value of \$46.3 million***
 - **Total cash flow forecast: \$73.6 million**
- **Working interests average ~4%**
- **Low operating expense of approximately \$13.91 per boe, providing high cash margins of over 75% forecast over the next three years**

**Utilising Sproule Price deck – see Appendix*

WILLISTON BASIN RESERVE SUMMARY

SOURCE: SPROULE NOVEMBER 2021 INDEPENDENT RESERVES REPORT



US\$000	Net Oil MBO	Net Gas MMCF	Net NGL MBO	Net MBOE	Net Revenue	GTP	LOE	Taxes	Capex	Undiscounted Cash Flow	PV10
Zephyr											
PDP	294	541	83	467	\$ 24,030	\$ 3,121	\$ 6,164	\$ 1,860	\$ 646	\$ 12,240	\$ 9,262
PNP	-	-	-	-	-	-	-	-	-	-	-
DUC	176	155	25	227	12,830	897	1,796	861	4,106	5,170	3,439
PUD	24	37	-	31	1,753	197	548	145	418	446	202
Total Proved	494	733	108	724	38,614	4,215	8,508	2,866	5,170	17,856	12,903
Kaiser											
PDP	1,098	1,823	281	1,683	90,403	10,614	23,683	5,523	2,902	47,681	30,459
PNP	48	71	11	71	3,826	406	1,176	213	169	1,863	1,213
DUC	325	372	57	444	24,508	2,104	3,576	2,032	5,370	11,427	7,504
PUD	415	473	73	567	30,966	2,719	5,032	2,547	8,021	12,647	7,173
Total Proved	1,885	2,739	423	2,764	149,703	15,843	33,466	10,315	16,462	73,617	46,349
Total											
PDP	1,392	2,364	364	2,150	114,433	13,735	29,847	7,383	3,548	59,921	39,721
PNP	48	71	11	71	3,826	406	1,176	213	169	1,863	1,213
DUC	501	527	82	670	37,339	3,001	5,372	2,893	9,476	16,596	10,944
PUD	439	511	73	597	32,719	2,916	5,580	2,692	8,438	13,093	7,375
Total Proved	2,379	3,472	530	3,488	\$188,317	\$ 20,058	\$ 41,974	\$ 13,181	\$ 21,632	\$ 91,472	\$ 59,252

* Based on Sproule price deck in Appendix



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SUMMARY & NEXT STEPS



PARADOX BASIN HISTORY AND OPPORTUNITY

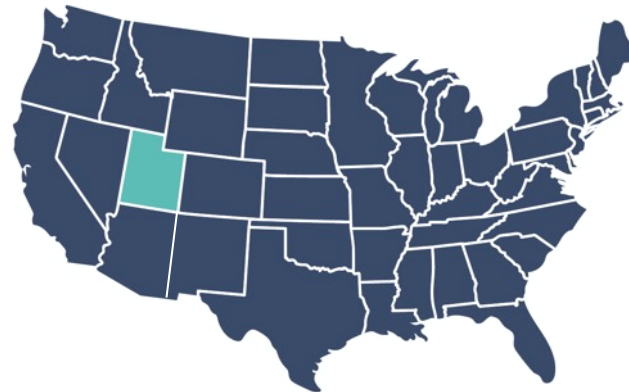


POSITION

- ZPHR leases over 37,000 acres in the Paradox Basin, Utah and has been active in the Basin since 2014
- Application to form new Federal Unit approved in Q4 2021 (the “White Sands Unit” or “WSU”)

The Paradox Basin was historically a natural fracture play:

- 10mmboe produced to date
- Horizontal drilling and modern hydraulic stimulation development had not been tested until Zephyr’s recent drilling activity
- Primary productive zone is the Cane Creek reservoir, although there are multiple additional high-graded overlying reservoir targets



TECHNOLOGICAL ADVANCES

Recent step changes in technology can improve the Paradox success rates:

- Move from 2D to 3D seismic
- Introduction of sophisticated horizontal drilling
- Improvements in directional drilling capabilities
- Improvements in HSRP completion techniques

These technology improvements had not been tested in the northern Paradox Basin

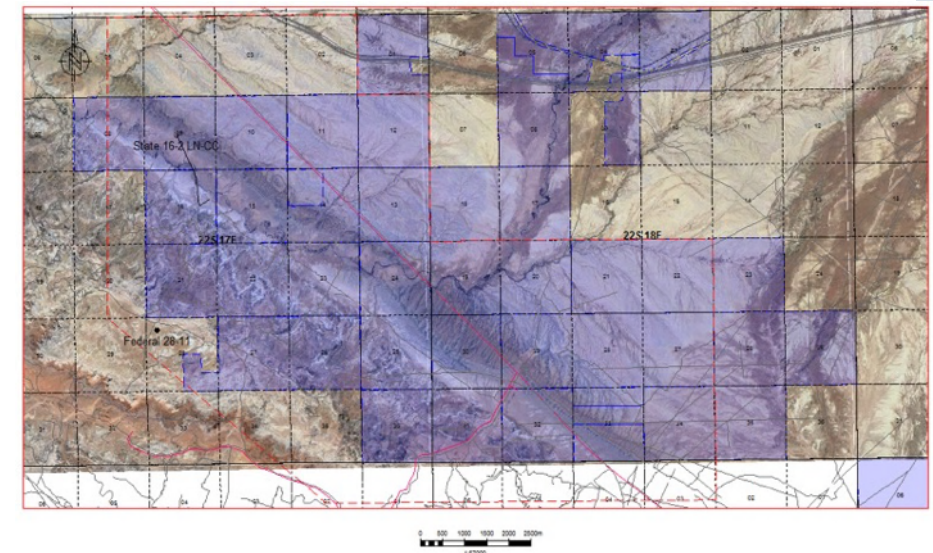
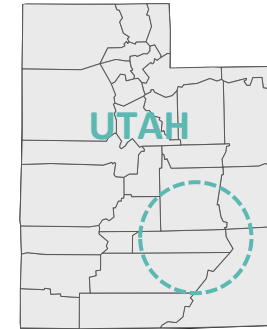
- ZPHR owns the most recent Paradox high resolution 3D seismic data
- ZPHR also secured extensive log, core data and production test data from our recently drilled State 16-2LN-CC well

ZPHR'S OPERATED ASSET - NORTHERN PARADOX BASIN, WHITE SANDS UNIT

SUCCESSFUL PROOF OF CONCEPT LEADS TO ACCELERATED DRILLING PLAN



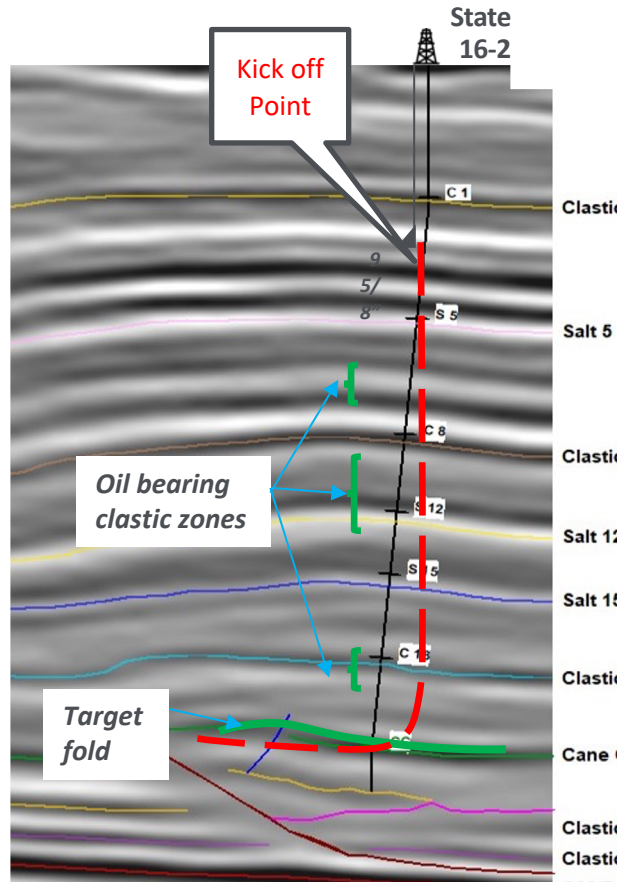
- **Data and funding partnership with U.S. Department of Energy and the University of Utah's Energy & Geosciences Institute**
 - \$2.1 million in non-dilutive grant funding awarded to date
- **Recent successful drill and completion of the State 16-2LN-CC well in Q4 2021**
 - **First test of HSRP completion on a horizontal wellbore in the Paradox Basin**
 - A "proof of concept" which demonstrated a wider potential development of up to 9 reservoir zones targeting a potential 1 billion boe in place
 - Production test demonstrated rate-constrained daily high rates of 1,083 boepd, with simulation modelling suggesting plateau rates of 2,100 boepd once equipped
- **Zephyr plans to drill 3 additional Paradox wells in 2022 to further delineate the scale of the project :**
 - **1 delineation/development well targeting the Cane Creek reservoir in the WSU**
 - **1 delineation/development well in the historically prolific Cane Creek Field (new acreage south of the WSU)**
 - **1 exploration well targeting the WSU's shallow Paradox Formation**
 - **150 additional locations across 9 reservoir targets to date – significant additional scope and scale to be unlocked in the next three years upon delineation and exploration success**
 - Will consider JV and strategic partnerships for expedited development of the project





16-2LN-CC DRILLING HIGHLIGHTS

- Side-track of existing State 16-2 host well, drilled to 14,370 ft
- Penetrated 4,555 ft of Cane Creek reservoir target, as well as eight high-graded overlying reservoirs
- Wireline logs run
 - Logs suggested 85% of the lateral well had the potential to be completed and tested for production
- Production casing was set
- Diagnostic Fracture Injection Test ("DFIT") successfully completed



OBSERVATIONS

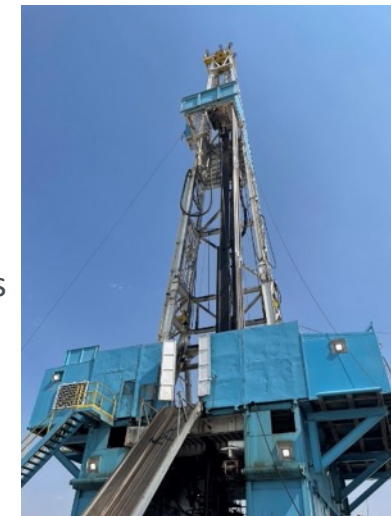
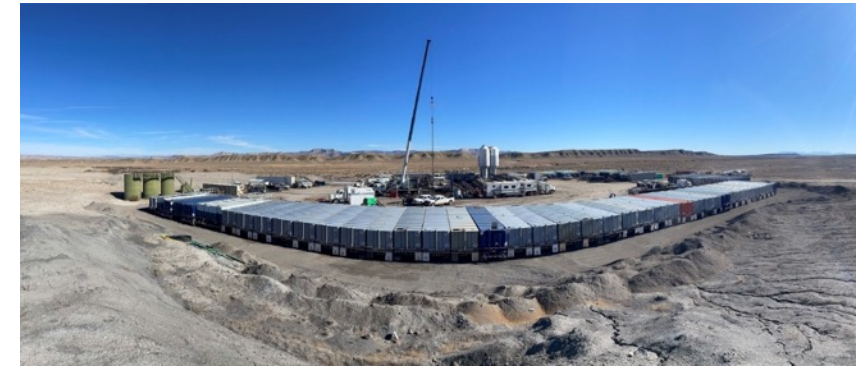
- **Hydrocarbon presence:** Analysis of the Cane Creek and eight additional high-graded overlying reservoir suggests hydrocarbon presence across all reservoirs
- **High formation pressure:** A strong positive indicator of reservoir drive
- **Permeability:** Matrix permeability consistent with, or better than, other prolific U.S. HSRP plays such as the Williston and the Permian
- Production test: Rate constrained average of **716 boe/d with peaks of 1,083 boe/d** – all with very limited pressure drawdown
- Modelling suggesting the well is capable of production plateau rates of **10 million square cubic feet of gas per day and 500 bopd of liquids (average total of 2,000 boepd)**.
- **Potential risks remaining to be managed** include water saturation, reservoir pressure and hydrocarbon fluid type.

ZPHR'S OPERATED ASSET - NORTHERN PARADOX BASIN, WHITE SANDS UNIT

INITIAL CONCLUSIONS FROM STATE 16-2LN-CC



- Highly pressured formation, with better permeability than expected
 - **Excellent geologic conditions for additional HSRP development**
- 60 API liquids are ideal for blending with heavier Utah crude and command a premium to WTI price per barrel at the refinery
- Significant gas volumes with potential to be tied into local gas infrastructure or sold on site to generate power for co-located mining facility
 - Flaring was limited to production test and will not be utilised going forward
 - Pipeline tie-in potential – work in 2H 2022 for 2023 sales.
- **The State 16-2 site is an ideal site for co-located crypto-mining facility**
 - Low-cost location and strong gas supply with no local community disruption
 - Crypto mining potential has already being demonstrated by other Paradox Basin producers
 - Significant boost to economics versus gas sales only (if participating in facility ownership)
- **Zephyr is working to enable a staged development of crypto mining units on site, starting early in Q2 2022, with up to 2MW operational by year end**
 - 2MW of power is equivalent to 2,000mcf/d (well head will be choked to deliver capped volumes to facility)
 - Gas to be sold to the mining facility at an agreed initial rate per mcf
 - Will allow for rate-constrained liquid sales prior to infrastructure tie-in
- Zephyr also intends to tie into to the field's existing pipeline infrastructure in 2H 2022, providing optionality for increased gas sales and oil production as export constraints are removed



WHY CRYPTO MINING?

AT ITS CORE, CRYPTO MINING IS SIMPLY AN ENERGY INFRASTRUCTURE PROJECT
- ONE WITH A PERFECT STORM OF MACRO FACTORS FUELING DEMAND



Locally produced commodity (natural gas)



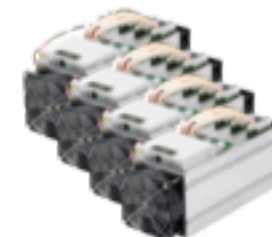
Gas is converted to power at well site (via skid mounted turbine)



Power is converted to globally traded commodity (ie bitcoin) with stored value (via container units with computer arrays)



All Scope 1 carbon emissions to be offset with the purchase of Verified Emission Reduction Credits ("VER") resulting in carbon-neutral coin



- From May to July of 2021 (following a crackdown on Chinese bitcoin producers), the U.S. went from hosting 18% of Bitcoin miners to hosting 35% of all global Bitcoin mining operations
 - Market share is growing due to cheaper power and stable regulatory regime
- Given the Biden Administration's movement to limit gas flaring and reduce methane emissions, oil and gas producers are actively looking for alternative methods to produce "stranded gas"
- Partner investments to date demonstrate capital payback in under one year

ZEPHYR CO-LOCATED CRYPTO MINING OPPORTUNITY: ADVISORY BOARD & MANAGEMENT TEAM



- Jacinda Brown: CEO, CryptoKnight Energy, a company formed to bring value to stranded and undervalued natural gas resources by providing a viable alternative to pipelines and which can be scaled up or down in line with gas production. Jacinda has 20 years' experience as a geologist, including significant experience in the Paradox Basin, and has spent the last four years pursuing the development and co-location of Rocky Mountain well-pad crypto-mine facilities.
- Zachary Fallon: Partner and Co-Founder of Ketsal PLLC, a financial technology legal and consulting firm. Zach was formerly a Senior Special Counsel in the U.S. Securities and Exchange Commission's Division of Corporation Finance, and a staff attorney in the Office of the General Counsel. Prior to joining the SEC Mr. Fallon practiced securities and corporate law in the London and San Francisco offices of Latham & Watkins LLP.
- William Mapp: Noted author, technologist and cryptocurrency developer. Will was the founder of BA Systems and Studio Codeworks, has worked for NASA, IBM and Lockheed Martin, and has architected software and systems that are running in more than 23 countries.





ZPHR CORPORATE OVERVIEW

-NON-OPERATED PORTFOLIO

-OPERATED ASSET

-ESG PHILOSOPHY

SUMMARY & NEXT STEPS



ZPHR ESG PHILOSOPHY - GLOBAL CONSIDERATIONS

ZPHR & PRAX DELIVERED 100% CARBON NEUTRAL OPERATIONS AS OF SEPTEMBER 30, 2021



ZPHR established a collaboration with Prax, a British based international oil conglomerate

- ZPHR and Prax work to jointly measure and mitigate 100% of ZPHR's greenhouse gas ("GHG") emissions
- Mitigation efforts primarily utilise the purchase of Verified Emission Reduction Credits ("VERs")
- Industry-leading effort, with potential for more ambitious steps in the future



ZPHR PHILOSOPHY

- Climate change is a threat - and the oil industry has a significant role to play to reduce that threat
- More impact can be made from engagement with the industry rather than straight divestment
- Oil and natural gas are still in global common usage - industry can play important role in reducing emissions - ZPHR will be at the forefront of that effort
- Good environment focus = good business

COSTS

- Mitigating ZPHR Scope 1 emissions are estimated to cost less than \$1/bbl for ZPHR's 2H 2021 production

BENEFITS

- First and foremost – ENVIRONMENTAL
- Economic benefits may include
 - Expanded investor base
 - Lower cost of capital
 - Premium pricing for products
 - Better regulatory and community relations

ZPHR ESG PHILOSOPHY - LOCAL CONSIDERATIONS HSRP & CRYPTO MINING IMPACT



Although they have potential to maximise resources extracted, HSRP developments have been controversial in communities across the U.S., particularly around concerns such as noise, traffic, emissions and water usage. Crypto mining operations have also come under scrutiny for excessive energy consumption and significant noise issues.

Zephyr's Paradox development is located a minimum of 10 miles by road from any commercial or residential dwellings and consists of acreage which was formerly used as military missile testing range – with a pre-existing network of roads, utilities and pipelines. Utilising cheaper, lower emission gas to power a co-located crypto mine has potential to displace crypto mines reliant on coal and other fossil fuels, all while minimising gas flaring and utilising VERs.

HSRP BENEFITS

- Allows for multiple wells on a single pad, minimising surface disruption while maximising resource recovery and project economics
- Potential for a wider systematic development with predictable well patterns and locations

COMMUNITY IMPACT

- Zero traffic, noise, air emission or water table impacts envisioned due to remote location

GOAL

- Maximum potential resource recovery with a minimum of surface and community impact – and 100% of Scope 1 carbon emissions offset by the purchase of Verified Emissions Reduction credits
- While oil and natural gas remain in global common usage, we believe our strategy is an improvement over past and current practices
- Co-location of crypto mine has potential to minimise gas flaring



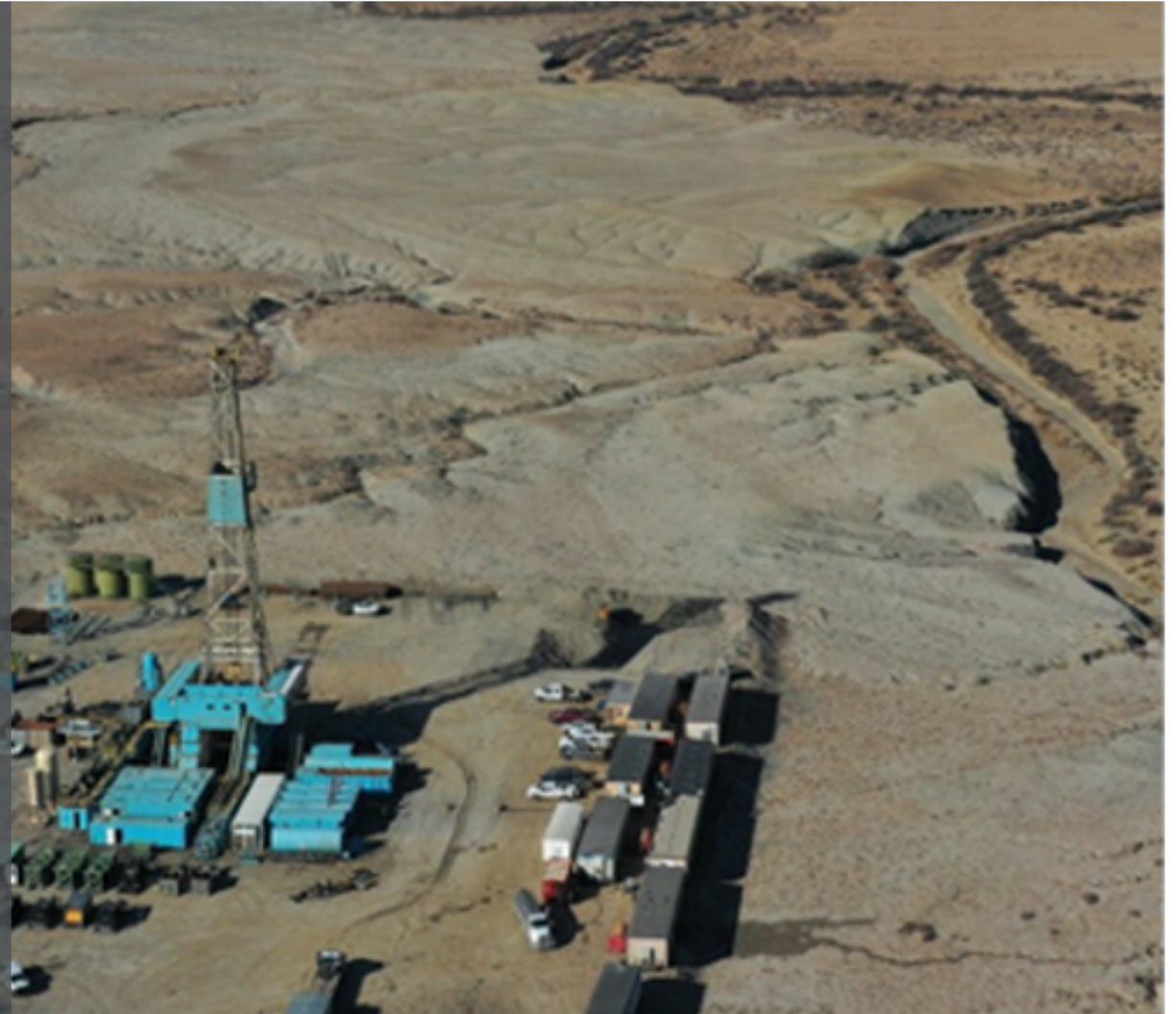
ZPHR CORPORATE OVERVIEW

- NON-OPERATED PORTFOLIO

- OPERATED ASSET

- ESG PHILOSOPHY

SUMMARY & NEXT STEPS





Zephyr's management team has delivered:

- Creative solutions to de-risk development & grow value – such as a \$2 million non-dilutive U.S. government grant award
- Successful operations – recent record setting Paradox Basin drilling operation and significant increase in non-operated production volumes
- **An asset base with substantial capacity for organic growth: the accelerated development of Paradox funded from Zephyr's non-operated Williston Basin portfolio.**

PARADOX UPSIDE*

- Potential 1 billion boe in place – with recoverable between 5% and 15% upon success
- At least 150 locations to drill in success case (unrisked)
- Successful FY 2022 3 well program leads to significantly larger development and delineation well programme in FY 2023
- Infrastructure investment and crypto mining build-out can unlock further significant unrealised value in current asset base

*Indicative management estimates only and subject to change, assumes risk factors are mitigated.





Upcoming & anticipated news flow

- Close Kaiser acquisition (on or before February 18, 2022)
- Sproule Paradox Competent Persons Report, including overlying reservoirs, expected to be received by end of February 2022
- Partnership and development for co-location of crypto mining – February 2022
- Initial mining facility buildout and State 16-2 gas and liquid sales commence
- Additional Williston DUCs coming online continuously – 1H & 2H 2022
- Full speed ahead on for preparations on Paradox 3 well program (rig contract, permits, mobilisation) with drilling commencing 2H 2022
- Plans to utilise one rig for all three wells to minimise mobilisation costs
- Infrastructure tie-in resulting in additional State 16-2 production – YE 2022

2022 Vision

A rapidly scaling carbon-neutral oil and gas company with significant organic growth potential:

- **Growth via current Williston wells coming online**
- **Growth via Paradox drilling program**
- **Growth via Paradox resource to reserve conversion**
 - Cane Creek appraisal success leading to proved reserve growth
- **Growth via resource additions**
 - overlying Paradox reservoir potential
- **Growth via continued accretive acquisitions**
 - strong deal flow pipeline

**ABOVE ALL, CONSTANT ATTENTION TO OUR CORE VALUES:
RESPONSIBLE STEWARDS OF INVESTORS' CAPITAL & RESPONSIBLE STEWARDS OF THE ENVIRONMENT**



ZEPHYR ENERGY PLC



THANK YOU
FOR YOUR TIME

COLIN HARRINGTON
CEO

colin.harrington@zephyrplc.com

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APPENDIX: GLOSSARY OF TERMS AND DEFINITIONS



£ - POUND STERLING

\$ - UNITED STATES DOLLAR

CAPEX – CAPITAL EXPENDITURE

OPEX – OPERATIONAL EXPENDITURE

/ - PER

BO – BARREL OF OIL

BOE – BARREL OF OIL EQUIVALENT

BOPD – BARREL OF OIL PER DAY

BOEPD – BARRELS OF OIL EQUIVALENT PER DAY

MSCF - MILLION SQUARE CUBIC FEET

BSCF - BILLION SQUARE CUBIC FEET

MM (or mm) – ONE MILLION

NPV-10 – NET PRESENT VALUE AT A 10 PER CENT DISCOUNT RATE

IRR – INTERNAL RATE OF RETURN

IP – INITIAL PRODUCTION

> - MORE THAN

< - LESS THAN

DUC - DRILLED BUT UNCOMPLETED WELL



Sproule Price Deck

Year	Oil (\$/bbl)	Oil Differential (\$/bbl)	Oil Realized (\$/bbl)	Gas (\$/mmbtu)	NGL (\$/bbl)
2021	76.00	-6.50	69.50	5.00	30.40
2022	71.00	-6.50	64.50	4.00	28.40
2023	68.00	-6.50	61.50	3.50	27.20
2024	66.00	-6.50	59.50	3.25	26.40

1. Prices escalated at 2% per year after 2024 until price doubles, then held flat
2. Oil differential is the difference in price between an established benchmark and what is actually received at the lease or field (inclusive of adjustments for quality, energy, content, transportation fees and regional / local differentials)