

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.

29 September 2023

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

Interim Results for the six months ended 30 June 2023

Zephyr Energy plc (AIM: ZPHR) (OTCQB: ZPHRF), the Rocky Mountain oil and gas company focused on responsible resource development from carbon-neutral operations, reports its unaudited interim results for the six months ended 30 June 2023 ("H1 2023").

HIGHLIGHTS

Overview

During H1 2023, and in the period since, Zephyr invested significant capital into the development of its flagship operated project in the Paradox Basin, Utah, U.S. (the "Paradox project") while also substantially growing its portfolio of non-operated assets in the Williston Basin (the "Williston assets"). All investment activity was in line with the Company's strategy of generating and compounding cash flow from its non-operated portfolio in order to fund the development of the Paradox project, with the ultimate goal of opening up the next prolific onshore U.S. oil and gas play.

The Company's board of directors (the "Directors" or the "Board") remain committed to delivering long-term value to Shareholders, while upholding the Company's core values of being responsible stewards of Shareholders' capital and of the environment in which it operates.

Financial

- During H1 2023, capital expenditure ("CAPEX") across the Paradox project and the Williston assets totalled US\$21.6 million.
- Revenues for H1 2023 were US\$13.4 million, and were driven by the Company's hydrocarbon production from its Williston assets:
 - Revenues for H1 2023 were lower than those in the comparative interim period, reflecting the standard decline rates expected from the Williston assets and the lower commodity price environment during H1 2023.
 - Following significant investment in H1 2023, non-operated revenue and production are forecast to increase in the second half of the 2023 financial year ("H2 2023") when the non-operated wellbore interests operated by Slawson Exploration Company ("Slawson" and the "Slawson wells") come online.
- Adjusted earnings before interest, tax, depreciation, depletion and amortisation ("DD&A"), unrealised foreign exchange gains and unrealised gains on hedging contracts (together "Adjusted EBITDA") for H1 2023 was US\$6.5 million.
- At 30 June 2023, the combined carrying value of the Company's Paradox project and Williston assets was US\$103.2 million (30 June 2022: US\$75.9 million), demonstrating the scale of investment made in the asset portfolio over the last twelve months.
- The Company's gross borrowings at 30 June 2023 were US\$33.7 million and net borrowings (gross borrowings less cash and cash equivalents) were US\$27.5 million.
- During H1 2023, the Company hedged production volumes of circa 69,000 barrels ("bbls") with a realised gain of US\$1.2 million on these contracts.

Paradox project (operated asset)

- The Company completed the acquisition of the remaining 25% working interest in the Paradox project, increasing its working-interest to 100% across approximately 46,000 gross acres. Based on the increased working interest, the Competent Persons Report (the “CPR”) prepared by Sproule International (“Sproule”) in 2022 estimates the Paradox project to contain:
 - Net 2P Reserves: Proved Reserves of 2.6 million barrels of oil equivalent (“mmboe”) net to Zephyr, an increase from 2.1 mmboe.
 - Net 2C Contingent Resources: 34 mmboe net to Zephyr, an increase from 27 mmboe.
 - Net 2U Prospective resources from overlying reservoirs: 270 net unrisked mmboe net to Zephyr, an increase from 203 net unrisked mmboe.
- The State 36-2 LNW-CC well (the “State 36-2 well”) was drilled and encountered significant flowing hydrocarbons upon intersecting the Cane Creek reservoir.
- During subsequent preparations for a production test on the State 36-2 well, the Company experienced a major well control incident. The incident, which resulted in the uncontrolled release of hydrocarbons over a period of four days, was ultimately brought under control safely and with no injuries and no significant environmental damage.
- At present, the State 36-2 well remains static and under control.
- During the incident and subsequent well control efforts, multiple joints of the well’s 2 7/8-inch production tubing were compressed and/or compromised, and Zephyr’s operations team has been working methodically to remove and inspect the remaining joints while keeping the wellbore static. Recently, operations to retrieve the damaged tubing have progressed much slower than expected due to the poor condition of the tubing, as exhibited by the multiple damaged and buckled joints retrieved that led to the need for milling operations and resulted in shorter retrievals per trip.
- While the Company is continuing to attempt to remove the remainder of the production tubing, it has, in parallel, commenced discussions with its insurer to assess alternative options for realising the significant potential productivity of the reservoir at this location. Alternatives being discussed include both a potential sidetrack from, or a re-drill of, the original well.
- As previously reported, the Company retains comprehensive well control insurance coverage, and the Board expects to recover substantially all costs associated with the well control incident, including those associated with any sidetrack or re-drill scenario. Discussions with its insurer continue and the Company will update the market in the event a new course of action is deemed to be appropriate.
 - To date the Company has recovered over US\$3.7 million from its insurer in respect of the well control incident.
- In September 2023, the Company was notified by Dominion Energy, Utah, LLC (“Dominion”) that its gas supply pipeline from the Northwest Gas Pipeline system to the Green River area (the “pipeline”) will be operational in the early part of the fourth quarter of 2023, and that the pipeline will also be available to accept natural gas volumes from third-party sources, slightly ahead of original timeframe estimates. The completion of the Dominion pipeline is a welcome development which will enable the export of natural gas volumes from Zephyr’s Paradox project.

Williston assets (non-operated assets)

- Zephyr continues to deliver on its strategy to acquire working interest positions in value accretive, high-quality, high-margin production assets with significant near-term growth potential in the Williston Basin.
- H1 2023 sales volumes averaged 1,225 barrels of oil equivalent per day (“boepd”).
- H1 2023 revenues totalled US\$13.4 million.
- H1 2023 gross profit (after operating and transportation expenses, production taxes, gains from derivative contracts and excluding DD&A) was US\$9.6 million demonstrating the high margins realised from the produced barrels.

- At 30 June 2023, 223 wells in Zephyr's portfolio were available for production. Net working-interests across the portfolio now average 7% per well, equivalent to 15.1 gross wells in total.
- The wellbore interests operated by Slawson, acquired by Zephyr in the second half of 2022, are fully drilled and completed. Production from these working interests is forecast to be online in the fourth quarter of 2023 ("Q4 2023"), following completion of surface facilities on the well pad. These wellbore interests are estimated by management to contain 2P reserves, net to Zephyr, of 550,000 barrels of oil equivalent ("boe") and will provide a significant near-term production boost to the Company when they come online.
- In addition, Zephyr has elected to participate in ten new wells operated by Continental Resources Inc ("Continental" and the "Continental wells"). The wells are located in a highly attractive area of the Williston Basin. The CAPEX associated with these wells will be funded from the Company's existing cash resources.

Corporate

- In June 2023, the Company raised US\$3.9 million (before expenses) through the placing and subscription of 90,000,000 new ordinary shares of 0.1 pence each in the Company ("Ordinary Shares"). The net proceeds from the placing and subscription are being used to fund working capital requirements at the Paradox project.
- Zephyr remains carbon neutral on a Scope 1 basis across its operations, through the purchase of Verified Emission Reduction credits ("VERs").

Colin Harrington, Chief Executive of Zephyr, said:

"The period under review was an active time for Zephyr, during which we invested significant new capital into both the Williston assets and the Paradox project. We expect to see initial returns from this investment commencing in Q4 2023 when the Slawson wells come online, and continuing to the point of first sustained revenues from the Paradox project when we complete and tie in our recently drilled wells.

"While our progress on the Paradox project has been impacted by the well control incident on the State 36-2 well, the incident also illustrated the significant and larger production potential of the overall project.

"Over the next period we will continue the work required to transform the Paradox project into a revenue generating development, and we are delighted that the Dominion Energy pipeline – which crosses our leasehold position – has now been completed and will shortly be ready to accept third party natural gas volumes.

"Looking ahead, with a diverse portfolio of cash flowing assets, potential for substantial future organic growth, a solid financial footing and a talented and dedicated team of employees, we continue to be extremely optimistic about Zephyr's future."

A copy of the interim results report will be available on the Company's updated website later today at <http://www.zephyrplc.com>.

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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 lease holding of over 46,000 gross acres 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.

ZEPHYR ENERGY PLC

INTERIM REPORT FOR THE SIX MONTHS TO 30 JUNE 2023

The Board is pleased to present Zephyr's unaudited interim report for the six-month period to 30 June 2023.

CHIEF EXECUTIVE'S STATEMENT

OVERVIEW

During the first six months of 2023 ("H1 2023"), and in the period since, the Company continued the development of its flagship operated project in the Paradox Basin, Utah, U.S. (the "Paradox project") while growing its highly attractive portfolio of cash-generating non-operated assets in the Williston Basin (the "Williston assets").

PARADOX PROJECT

Overview

The Board believes that the Paradox project has considerable scale and economic potential.

The project is an operated lease holding of over 46,000 gross acres, 25,000 acres of which has been assessed, by third-party consultant Sproule International ("Sproule"), to hold, net to Zephyr, 2P reserves of 2.6 million barrels of oil equivalent ("mmboe"), 2C resources of 34 mmboe and net unrisked 2U resources of 270 mmboe.

The Company's land management strategy continues to be active, and has resulted in a defensible and growing land position which Zephyr's Board believes is increasingly difficult to replicate in today's regulatory and political environment.

To date, both wells drilled by Zephyr at the Paradox project have discovered hydrocarbons, and both appear capable of commercial production when ultimately tied into natural gas infrastructure. In addition, eight overlying reservoirs have been high graded as suitable for future exploration and potential development. Of particular significance, the Company's main geological target, the Cane Creek reservoir, appears to have two demonstrable methods of development (via the targeting of natural fractures and through hydraulic stimulation).

The drilling of the two wells has provided the Company with a wealth of new geological information which has in turn resulted in a far greater geological understanding of our acreage position. This information includes strong evidence of:

- A continuous resource play (tight oil and tight gas);
- Repeatable petrophysics across a large area;
- Geology which correlates with the seismic results;
- Consistent reservoir thickness within a sub area;
- High reservoir pressures;
- High matrix permeability for a resource play;
- A reservoir which can be stimulated (with favourable rock mechanics albeit under high stress); and
- The presence of productive natural fractures

Based on the above, the Board believes that the project contains substantial potential upside and over the next period we will continue the work required to develop the Paradox project into a revenue generating project. The Board is delighted that the Dominion 16-inch gas export pipeline which extends across the Paradox project has now been completed. This off-take solution is a major development for Zephyr and will enable the commercial export of hydrocarbons from the project to market.

State 36-2 LNW-CC well

In November 2022, the Company announced that drilling on the State 36-2 well had commenced with an objective to target potential production from the Cane Creek reservoir.

The drilling operation was hampered by extreme weather conditions. When the well reached the Cane Creek reservoir at a depth of 9,598 feet true vertical depth, the well experienced a significant influx of hydrocarbons which consequently led to the suspension of drilling operations until the well was stabilised. The influx of hydrocarbons was caused by the well intersecting an apparent major natural fracture network in the reservoir, and the resultant flowing hydrocarbons were diverted safely at surface through the drilling rig flare stack whereby they were

subsequently flared. Throughout this period, Zephyr's operations team followed appropriate well control procedures, and stabilised the well without incident.

The influx of hydrocarbons was managed and safely controlled, which subsequently allowed for the drilling of an additional 132 feet into the Cane Creek reservoir, at which point the Company elected to run production casing down the total depth of the well.

Operations to run 7-inch production casing were successful and the well was made fully safe and the drilling rig was released. The Company then planned to commence production testing of the fractured Cane Creek reservoir interval.

In addition to near-term testing, the running of the 7-inch casing string provided the Company with the option to return to the well (should it elect to do so) to drill an extended lateral at a later date. A subsequent lateral would enable the Company to test for further natural fracture presence at this location within the Cane Creek reservoir, and also enable the well to be completed by hydraulic stimulation across a longer lateral should Zephyr seek to increase well productivity in the future.

Results from the drilling operations indicated that the well penetrated a folded and naturally fractured Cane Creek reservoir, features which have been highly productive in other Cane Creek wells. Pore pressure analysis suggested that the well encountered very high reservoir overpressure, with formation pressures estimated at around 9,300 pounds per square inch (which is broadly consistent with previously drilled offset wells).

The well further delineated the presence of natural gas and condensate within a large structural compartment, and at a new location within Zephyr's acreage and 3D seismic coverage, which provided additional confirmation of Zephyr's model for hydrocarbons in place across the acreage position.

State 36-2 well production test and well control incident update

On 8 March 2023, the Company announced, amongst other matters, that planning for the production test had been completed and that all services for the test had been procured. A service rig was mobilised to the well-site and operations on the ground commenced. This was achieved despite the ongoing difficult winter weather conditions encountered at the site. Workover operations (which were to include perforating the well in the productive portion of the Cane Creek reservoir) and subsequent production testing were estimated to take four to six weeks. As the well was expected to flow from natural fractures, no hydraulic stimulation was expected as part of this test.

On 7 April 2023, as workover operations were being completed, the well experienced a significant control issue despite multiple attempts to secure the well by the rig crew. The incident was initially caused by the failure of a safety valve, and subsequently resulted in hydrocarbons being released from the well in an uncontrolled manner.

In keeping with safety procedures, all personnel were safely evacuated without injury. All relevant authorities were notified and a specialist well control team (recommended by the Company's insurers) was deployed to bring the well under control as quickly as possible.

Ultimately, well control efforts were successful and remediation and clean-up operations have commenced. A third-party confirmatory environmental survey was subsequently completed and the initial results found no evidence of any lingering environmental impact.

While the State 36-2 well remains static and under control, during the incident and subsequent well control efforts, multiple joints of the well's 2 7/8-inch production tubing were compressed and/or compromised, and Zephyr's operations team has been working methodically to remove and inspect the remaining joints while keeping the wellbore static. Recently, operations to retrieve the damaged tubing have progressed much slower than expected due to the poor condition of the tubing, as exhibited by the multiple damaged and buckled joints retrieved that led to the need for milling operations and resulted in shorter retrievals per trip.

While the Company is continuing to attempt to remove the remainder of the production casing left in the hole, it has, in parallel, commenced discussions with its insurer to assess alternative options for targeting the significant potential productivity of the reservoir at this location. Alternatives being discussed include both a potential sidetrack from, or a re-drill of, the original well.

As previously reported, the Company retains comprehensive well control insurance coverage, and the Board expects to recover substantially all costs associated with the well control incident, including those associated with any sidetrack or re-drill scenario. Discussions with its insurer continue and the Company will update the market in

the event a new course of action is deemed to be appropriate. To date the Company has recovered over US\$3.7 million from its insurer in respect of the well control incident. Current and future operations will continue to be conducted in such a way that well control is maintained and working conditions are safe for our team.

State 16-2LN-CC well update

Following on from the successful drilling, completion and production test of the State 16-2LN-CC well (the "State 16-2 well") in 2022, the first phase of the extended production testing on the well was completed within the flare consent limit set by the regulatory bodies, and Zephyr subsequently tested the well a second time to commission surface facilities, improve flow assurance and to gather more production data.

Unfortunately, the second well test was hampered by severe weather and initial surface facility commissioning issues which resulted in delays to the programme and, at times, intermittent operational activity.

Once the start-up commissioning issues had been successfully resolved the well was initially brought online at choked-back, moderate rates to test for flow assurance at varying levels of production. At a controlled rate of 2 million cubic feet of gas per day and 100 barrels of oil per day (an average of 433 boepd) the well flowed continuously and surface flow assurance efforts proved successful.

As flow rates were increased above those levels, well performance became limited by freshwater pumping capacity and was subsequently impacted by the formation of down-hole salt precipitate. The precipitate, which blocked and was subsequently cleared multiple times, impacted the well's flow capacity to achieve extended higher rates. The Company was in early stages of testing higher rates when its mandated flaring limits were reached.

The operational team is assessing whether the precipitate issue is a function of continued flow back of injected completion fluids or a function of normal flowing conditions. Under either scenario, the Company is evaluating a series of mitigation solutions and plans to test these solutions in the coming months (subject to regulatory approvals) in order to fully determine the potential of the reservoir at this location.

BLM approval of White Sands Unit acreage expansion/contraction

On 25 August, 2022, the Company announced, amongst other matters, the acquisition of additional Paradox Basin acreage adjacent to its operated White Sands Unit (the "WSU") through the targeted acquisition of 1,920 leased acres deemed by the Company to have immediate development potential. Additional contiguous acreage was acquired as reported on 14 September 2022 (collectively, the "acquired acreage").

The acquired acreage was largely covered by Zephyr's existing 3D seismic, and directly bordered the Zephyr lease on which the State 36-2 is located, and with access to pre-existing surface infrastructure which Zephyr subsequently acquired.

A portion of the acquired acreage was envisioned to be added to the WSU, subject to approval from the U.S. Bureau of Land Management (the "BLM") for which the Company applied in early 2023. In July 2023, Zephyr announced that this approval was granted as part of larger expansion/contraction amendment of the WSU. As part of the approval, 5,000 high-graded acres with near-term development potential have been added to the WSU, and roughly 5,395 acres deemed by the Company to be less suitable for future development were relinquished.

These actions are part of the Company's active and ongoing portfolio management of its project position. The Board is pleased with its recent BLM interactions and subsequent approval, which results in an amended federal unit with an upgraded and manageable acreage position - a position increasingly difficult to replicate in today's regulatory and political environment.

Acquisition of additional project acreage

On 15 August 2023, the Company announced an agreement to increase its land position in the Paradox Basin through the targeted acquisition of an additional 640 leased acres deemed by the Company to be prospective for mid to long-term development.

The new acreage is on Utah School and Institutional Trust Lands Administration ("SITLA") lands and was secured during the most recent SITLA auction. The acreage is close to the Company's existing WSU and gas export infrastructure.

The acquisition of the new acreage is part of Zephyr's ongoing portfolio management of its Paradox Basin position. Consideration for the new acreage was satisfied from the Company's existing cash resources. Following the closing

of the acquisition of the new acreage, the Company now operates over 46,000 gross acres in the Paradox Basin, the majority of which the Company holds as operator with a 100% working interest.

Assessment underway on recently acquired Greentown wells

In July 2023, the Company announced, amongst other matters, that it has commenced the assessment on five existing wellbores (located in the WSU) acquired as part of a larger acquisition of infrastructure assets and which was announced on 14 September 2022. Several of the existing wells are former producers of hydrocarbons and were subsequently shut-in due to lack of operating infrastructure. Others were deemed to have potential future use as salt water disposal wells or as producers of salt water brine for potential extraction of lithium resources.

As part of this assessment, Zephyr's operations team recently recommenced production from the Greentown Federal 28-11 well in order to understand the well's potential contribution to overall field production when ongoing field infrastructure work has been completed.

WILLISTON ASSETS

Overview

Zephyr's non-operated business was established in 2021 and today, following twelve discrete acquisitions, Zephyr continues to deliver on its strategy to acquire working interest positions in value accretive, high-quality, high-margin production assets with significant near-term growth potential.

At 30 June 2023, Zephyr had working interests in 223 wells that were available for production. Net working interests across the Company's portfolio now average 7% per well, equivalent to 15.1 gross wells in total, all of which utilise horizontal drilling and modern, hydraulically stimulated completions. The majority of the wells are operated by Chord Energy Corporation, a leading Williston Basin producer.

H1 2023 performance

- H1 2023 sales volumes averaged 1,225 boepd.
- H1 2023 revenues totalled US\$13.4 million.
- H1 2023 gross profit (after operating and transportation expenses, production taxes, gains from derivative contracts and excluding DD&A) was US\$9.6 million demonstrating the high margins realised from the produced barrels.

Future growth in the portfolio

The Slawson operated wellbore interests, acquired in December 2022 and funded in 2023, are now fully drilled and completed. Production from these working interests is now forecast to be online in Q4 2023 following completion of surface facilities on the well pad. Zephyr's working-interest in these wells' ranges from 11% to 32%, and management estimates 2P Reserves being acquired are circa 550,000 boe net to Zephyr. The Company will provide an updated production guidance when these wells are brought online.

The Company has also received notice from Continental Resources ("Continental"), operator of a drilling spacing unit ("DSU") in which Zephyr holds existing working interests, stating that it plans to drill ten new wells on the DSU. The acreage is located in a highly attractive part of the Williston Basin, and the initial two wells drilled by Continental in 2021 have been some of the top performers in Zephyr's non-operated portfolio, paying out in under six months from first production. Zephyr's Board of Directors has elected to participate in the upcoming drilling programme, and Zephyr's forecasted net capital expenditure (CAPEX) related to the drilling is approximately US\$205,000 which will be funded from existing cash resources. The planned new development drilling is an illustration of the continued organic growth from the Company's existing Williston assets position and provides continued access to low risk, near-term production.

FINANCIAL REVIEW

The financial information is reported in United States Dollars ("US\$").

Income Statement

- The Company reports revenues for H1 2023 of US\$13.4 million (H1 2022: US\$25.9 million). Revenues largely relate to the Company's hydrocarbon production from the non-operated Williston assets. The reduction in revenues reflects the standard decline rates expected from the Williston assets and the lower commodity

price environment during H1 2023. A near-term production boost is expected in the second half of 2023 when the six Slawson wellbore interests come online.

- Adjusted earnings before interest, tax, depreciation, depletion and amortisation (“DD&A”), unrealised foreign exchange gains and unrealised gains on hedging contracts (together “Adjusted EBITDA”) for H1 2023 was US\$6.5 million (H1 2022: US\$19 million).
- In H1 2023, there was a DD&A charge of US\$5.6 million (H1 2022: US\$5.4 million). This accounting charge relates to the resource depletion of the Williston assets over the period.
- H1 2023 net loss after tax was US\$2.3 million or a loss of 0.15 cents per Ordinary Share (H1 2022: net profit after tax of US\$17.4 million or a profit of 1.16 cents per share).
- H1 2023 net loss was enhanced by foreign exchange differences which arise on the restatement of the Company’s sterling loans to its subsidiaries and resulted in an unrealised loss of US\$2.6 million for the six months ended 30 June 2023 (H1 2022: unrealised gain of US\$5.4 million). The unrealised loss in this period is the result of sterling strengthening against the U.S. dollar.
- Administrative expenses for the six months ended H1 2023 were US\$3.0 million (H1 2022: US\$2.2million). The increase in administrative expenses mirrors the Company’s growth over the last twelve months, the increase in its asset portfolio and significantly enhanced corporate and operational footprint. Costs continue to be closely controlled and monitored regularly by executive management and is a continuing priority of the Board. It is recognised by the Board, however, that additional technical, legal and other costs were justified to help deliver the acquisitions which the Company has secured over the period under review.

Balance Sheet

- Exploration and evaluation assets at 30 June 2023 were US\$50.8 million (30 June 2022: US\$23.8 million) which reflects the Company’s ongoing investment into upstream activity, including the drilling costs of the State 36-2 well.
- Property, plant and equipment at 30 June 2023 were US\$52.4 million (30 June 2022: US\$52.1 million) which reflects the Company’s ongoing investment in its non-operated portfolio of oil and gas properties.
- Cash and cash equivalents at 30 June 2023 were US\$6.2 million (30 June 2022: US\$10.6 million). Responsible cash management remains a key priority of the Board.
- During H1 2023 CAPEX across the Williston assets and the Paradox project totalled US\$21.6 million.
- At 5 September 2023, the Company had cash and cash equivalents of US\$3.5 million.
- The Company’s gross borrowings at 30 June 2023 were US\$33.7m and net borrowings (total borrowings less cash and cash equivalents) were US\$27.5 million. During H1 2023 the Company met all its funding obligations in respect of the outstanding borrowings.

CORPORATE

- Zephyr continued to achieve Scope 1 carbon-neutrality across its operational footprint during the period under review.
- In June 2023, the Company raised US\$3.9 million (before expenses) through the placing of new Ordinary Shares in the Company. The net proceeds from the placing are being used to fund CAPEX requirements at the Paradox project.

CONCLUSION

Despite recent operational challenges on the State 36-2 well, Zephyr continues to be well positioned as a profitable, cash generating exploration and production company and our balanced portfolio of operated and non-operated assets is expected to continue to yield strong results for Zephyr. Cash flows generated from our non-operated portfolio will continue to be primarily used for the ongoing development of our flagship Paradox project.

Looking ahead, with a diverse portfolio of cash flowing assets, potential for substantial future organic growth, a solid financial footing and a talented and dedicated team of employees, we continue to be extremely optimistic about Zephyr’s future.

I would like to thank our employees and contractors for their hard work and I also wish to express gratitude to our Shareholders, lenders, advisers and other stakeholders for their ongoing support to the Company as we continue in our pursuit of opening up the next prolific onshore U.S. oil and gas play.

Colin Harrington
Chief Executive Officer
29 September 2023

ZEPHYR ENERGY PLC
CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2023

		Unaudited six months ended 30 June 2023 US\$'000	Unaudited six months ended 30 June 2022 US\$'000	Audited year ended 31 December 2022 US\$'000
	Notes			
Revenue		13,407	25,948	41,062
Operating and transportation expenses		(4,085)	(2,055)	(4,458)
Production taxes		(1,065)	(2,048)	(3,318)
Depreciation, depletion and amortisation		(5,608)	(5,439)	(12,666)
Gain/(loss) on derivative contracts	3	1,305	(908)	1,781
Gross profit		<u>3,954</u>	<u>15,498</u>	<u>22,401</u>
Administrative expenses		(2,969)	(2,193)	(4,834)
Share-based payments		(6)	(212)	(210)
Foreign exchange (losses)/gains		(2,595)	5,431	6,102
Finance income		-	-	3
Finance costs		(1,550)	(1,110)	(2,236)
(Loss)/profit on ordinary activities before taxation		<u>(3,166)</u>	<u>17,414</u>	<u>21,226</u>
Taxation credit/(charge)		845	-	(1,955)
(Loss)/profit for the period attributable to owners of the parent company		<u>(2,321)</u>	<u>17,414</u>	<u>19,271</u>
(Loss)/profit per Ordinary Share				
Basic, cents per share	4	<u>(0.15)</u>	<u>1.16</u>	<u>1.26</u>
Diluted, cents per share	4	<u>(0.15)</u>	<u>1.09</u>	<u>1.18</u>

ZEPHYR ENERGY PLC**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****For the six months ended 30 June 2023**

	Unaudited six months ended 30 June 2023 US\$'000	Unaudited six months ended 30 June 2022 US\$'000	Audited year ended 31 December 2022 US\$'000
(Loss)/profit for the period attributable to owners of the parent company	(2,321)	17,414	19,271
Other comprehensive income/(loss)			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Foreign currency translation differences on foreign operations	2,618	(5,504)	(6,205)
Total comprehensive income for the period attributable to owners of the parent company	<u>297</u>	<u>11,910</u>	<u>13,066</u>

ZEPHYR ENERGY PLC
CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2023

		Unaudited as at 30 June 2023 US\$'000	Unaudited as at 30 June 2022 US\$'000	Audited as at 31 December 2022 US\$'000
	Notes			
Non-current assets				
Exploration and evaluation assets	5	50,770	23,762	37,986
Property, plant and equipment	6	52,436	52,162	51,805
Derivative contracts		-	50	175
		<u>103,206</u>	<u>75,974</u>	<u>89,966</u>
Current assets				
Trade and other receivables		6,039	6,845	4,290
Prepayments and accrued income		1,303	855	347
Cash and cash equivalents		6,188	10,587	8,996
Derivative contracts		1,440	-	1,133
		<u>14,970</u>	<u>18,287</u>	<u>14,766</u>
Total assets		<u>118,176</u>	<u>94,261</u>	<u>104,732</u>
Current liabilities				
Trade and other payables		(12,757)	(3,837)	(12,520)
Borrowings	7	(24,988)	(15,740)	(14,572)
Derivative contracts		-	(490)	-
		<u>(37,745)</u>	<u>(20,067)</u>	<u>(27,092)</u>
Non-current liabilities				
Borrowings	7	(8,726)	(12,840)	(10,821)
Deferred tax		(1,110)	-	(1,955)
Provisions		(4,874)	(2,321)	(4,138)
		<u>(14,710)</u>	<u>(15,161)</u>	<u>(16,914)</u>
Total liabilities		<u>(52,455)</u>	<u>(35,228)</u>	<u>(44,006)</u>
Net assets		<u>65,721</u>	<u>59,033</u>	<u>60,726</u>
Equity				
Share capital	8	42,568	42,412	42,412
Share premium account		71,727	66,879	66,847
Shares to be issued		-	-	539
Warrant reserve		1,557	1,647	1,557
Share-based payment reserve		3,485	3,298	3,284
Cumulative translation reserves		(13,366)	(15,283)	(15,984)
Retained deficit		(40,250)	(39,920)	(37,929)
Equity attributable to owners of the parent company		<u>65,721</u>	<u>59,033</u>	<u>60,726</u>

ZEPHYR ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2023 (Unaudited)

	Share capital US\$'000	Share premium account US\$'000	Shares to be issued US\$'000	Warrant reserve US\$'000	Share- based payment reserve US\$'000	Cumulative translation reserve US\$'000	Retained deficit US\$'000	Total US\$'000
As at 1 January 2023	42,412	66,847	539	1,557	3,284	(15,984)	(37,929)	60,726
<i>Transactions with owners in their capacity as owners:</i>								
Issue of equity shares	156	5,310	(539)	-	-	-	-	4,927
Expenses of issue of equity shares	-	(430)	-	-	195	-	-	(235)
Share-based payments	-	-	-	-	6	-	-	6
Total transactions with owners in their capacity as owners	156	4,880	(539)	-	201	-	-	4,698
Loss for the period	-	-	-	-	-	-	(2,321)	(2,321)
<i>Other comprehensive income:</i>								
Currency translation differences	-	-	-	-	-	2,618	-	2,618
Total other comprehensive income for the year	-	-	-	-	-	2,618	-	2,618
Total comprehensive income for the year	-	-	-	-	-	2,618	(2,321)	297
As at 30 June 2023	42,568	71,727	-	1,557	3,485	(13,366)	(40,250)	65,721

ZEPHYR ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022 (Audited)

	Share capital US\$'000	Share premium account US\$'000	Shares to be issued US\$'000	Warrant reserve US\$'000	Share- based payment reserve US\$'000	Cumulative translation reserve US\$'000	Retained deficit US\$'000	Total US\$'000
As at 1 January 2022	42,065	52,875	-	89	3,065	(9,779)	(57,721)	30,594
<i>Transactions with owners in their capacity as owners:</i>								
Issue of equity shares	347	17,023	-	-	-	-	-	17,370
Exercise of warrants	-	-	539	(122)	-	-	122	539
Expenses of issue of equity shares	-	(1,461)	-	-	408	-	-	(1,053)
Warrant exercise extension	-	(33)	-	33	-	-	-	-
Grant of warrants	-	(1,557)	-	1,557	-	-	-	-
Share-based payments	-	-	-	-	210	-	-	210
Transfer to retained deficit in respect of lapsed warrants	-	-	-	-	(387)	-	387	-
Transfer to retained deficit in respect of expired warrants	-	-	-	-	(12)	-	12	-
Total transactions with owners in their capacity as owners	347	13,972	539	1,468	219	-	521	17,066
Profit for the period	-	-	-	-	-	-	19,271	19,271
<i>Other comprehensive income:</i>								
Currency translation differences	-	-	-	-	-	(6,205)	-	(6,205)
Total other comprehensive income for the year	-	-	-	-	-	(6,205)	-	(6,205)
Total comprehensive income for the year	-	-	-	-	-	(6,205)	19,271	13,066
As at 31 December 2022	42,412	66,847	539	1,557	3,284	(15,984)	(37,929)	60,726

ZEPHYR ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2022 (Unaudited)

	Share capital US\$'000	Share premium account US\$'000	Warrant reserve US\$'000	Share- based payment reserve US\$'000	Cumulative translation reserve US\$'000	Retained deficit US\$'000	Total US\$'000
As at 1 January 2022	42,065	52,875	89	3,065	(9,779)	(57,721)	30,594
<i>Transactions with owners in their capacity as owners:</i>							
Issue of equity shares	347	15,465	1,558	-	-	-	17,370
Expenses of issue of equity shares	-	(1,461)	-	408	-	-	(1,053)
Transfer to retained deficit in respect of lapsed options	-	-	-	(387)	-	387	-
Share-based payments	-	-	-	212	-	-	212
Total transactions with owners in their capacity as owners	347	14,004	1,558	233	-	387	16,529
Profit for the period	-	-	-	-	-	17,414	17,414
<i>Other comprehensive income:</i>							
Currency translation differences	-	-	-	-	(5,504)	-	(5,504)
Total other comprehensive income for the period	-	-	-	-	(5,504)	-	(5,504)
Total comprehensive income for the period	-	-	-	-	(5,504)	17,414	11,910
As at 30 June 2022	42,412	66,879	1,647	3,298	(15,283)	(39,920)	59,033

ZEPHYR ENERGY PLC
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2023

	Unaudited six months ended 30 June 2023 US\$'000	Unaudited six months ended 30 June 2022 US\$'000	Audited year ended 31 December 2022 US\$'000
Operating activities			
(Loss)/profit before taxation from continuing operations	(3,166)	17,414	21,226
Adjustments for:			
Finance income	-	-	(3)
Finance costs	1,550	1,110	2,236
Unrealised (gain)/loss on derivative contracts	(132)	440	(1,308)
Depreciation and depletion of property, plant and equipment	5,609	5,440	12,668
Share-based payments	6	212	210
Unrealised foreign exchange loss/(gain)	2,615	(5,571)	(5,672)
Operating cash inflow before movements in working capital	6,482	19,045	29,357
Decrease/(increase) in trade and other receivables	1,035	(5,631)	(3,028)
(Increase)/decrease in prepayments and accrued income	(934)	(286)	178
Increase in trade and other payables	736	628	723
Cash generated from operations	7,319	13,756	27,230
Income tax paid	-	-	-
Net cash generated from operating activities	7,319	13,756	27,230
Investing activities			
Additions to exploration and evaluation assets	(11,813)	(1,007)	(13,297)
Business combination	-	-	(37,880)
Acquisition of oil and gas properties	-	(36,000)	(3,362)
Additions to oil and gas properties	(8,444)	(8,640)	(10,482)
Deposits paid	-	3,000	-
Proceeds on disposal of oil and gas properties	2,262	-	-
(Decrease)/increase in capital expenditure related payables	(3,068)	(2,269)	9,300
Grant funds received	302	-	-
Interest received	-	-	3
Net cash used in investing activities	(20,761)	(44,916)	(55,718)
Financing activities			
Net proceeds from issue of shares	3,692	16,317	16,317
Exercise of warrants	-	-	539
Proceeds from borrowings	10,000	28,000	30,500
Repayment of borrowings	(2,058)	(3,078)	(8,931)
Interest and fees paid on borrowings	(1,003)	(1,223)	(2,218)
Increase in prepayments and deposits	-	50	-
Net cash generated from financing activities	10,631	40,066	36,207
Net (decrease)/increase in cash and cash equivalents	(2,811)	8,906	7,719
Cash and cash equivalents at beginning of period	8,996	1,811	1,811
Effect of foreign exchange rate changes	3	(130)	(534)
Cash and cash equivalents at end of period	6,188	10,587	8,996

ZEPHYR ENERGY PLC
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2023

1. ACCOUNTING POLICIES

Basis of preparation

This report was approved by the Directors on 29 September 2023.

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The condensed consolidated interim financial statements are presented in United States Dollar ("US\$"). All amounts have been rounded to the nearest thousand unless otherwise indicated.

The Company is domiciled in the United Kingdom. The Company's shares are admitted to trading on the AIM market in the UK and the OTCQB Venture Market ("OTCQB") in the U.S.

The current and comparative periods to June have been prepared using the accounting policies and practices consistent with those adopted in the annual financial statements for the year ended 31 December 2022, and with those expected to be adopted in the Group's financial statements for the year ending 31 December 2023.

Comparative figures for the year ended 31 December 2022 have been extracted from the statutory financial statements for that period which carried an unqualified audit report, did not contain a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies.

The financial information contained in this report does not constitute statutory financial statements as defined by section 434 of the Companies Act 2006, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2022. This report has not been audited or reviewed by the Group's auditors.

During the first six months of the current financial year there have been no related party transactions that materially affect the financial position or performance of the Group and there have been no changes in the related party transactions described in the last annual financial report.

Having considered the Group's current cash forecast and projections, the Directors have a reasonable expectation that the Company and the Group have, or have access to, sufficient resources to continue operating for at least the next 12 months. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

The principal risks and uncertainties of the Group have not changed since the publication of the last annual financial report where a detailed explanation of such risks and uncertainties can be found.

2. DIVIDENDS

The Directors do not recommend the payment of a dividend for the period.

3. GAIN/(LOSS) ON DERIVATIVE CONTRACTS

During the period, the Group entered into hedging transactions to mitigate its exposure to fluctuations in commodity prices. The net change in these contracts resulted in a realised net gain of US\$1.2 million (30 June 2022: net loss of US\$0.5 million, 31 December 2022: net gain of US\$0.5 million) and an unrealised net gain of US\$0.1 million (30 June 2022: net loss of US\$0.4 million, 31 December 2022: net gain of US\$1.3 million) for the period to 30 June 2023.

4. (LOSS)/PROFIT PER ORDINARY SHARE

Basic (loss)/profit per Ordinary Share is calculated by dividing the net (loss)/profit for the period by the weighted average number of Ordinary Shares in issue during the period. Diluted (loss)/profit per Ordinary Share is calculated by dividing the net (loss)/profit for the period by the weighted average number of Ordinary Shares in issue during the period, adjusted for the dilutive effect of potential Ordinary Shares arising from the Company's share options and warrants.

The calculation of the basic and diluted (loss)/profit per Ordinary Share is based on the following data:

	Unaudited six months ended 30 June 2023 US\$'000	Unaudited six months ended 30 June 2022 US\$'000	Audited year ended 31 December 2022 US\$'000
(Losses)/profits			
(Losses)/profits for the purpose of basic and diluted (loss)/profit per Ordinary Share being net (loss)/profit for the period	(2,321)	17,414	19,271
	Number '000	Number '000	Number '000
Number of shares			
Weighted average number of shares for the purpose of basic (loss)/profit per Ordinary Share	1,558,668	1,505,017	1,533,110
Number of shares			
Weighted average number of shares for the purpose of basic (loss)/profit per Ordinary Share	1,558,668	1,505,017	1,533,110
Dilutive share options	-	42,528	42,526
Dilutive warrants	-	55,730	55,721
Weighted average number of shares for the purpose of diluted (loss)/profit per Ordinary Share	1,558,668	1,603,275	1,631,357
(Loss)/profit per Ordinary Share			
Basic, cents per share	(0.15)	1.16	1.26
Diluted, cents per share	(0.15)	1.09	1.18

Due to the losses incurred in the period ended 30 June 2023, there was no dilutive effect from the share options or warrants.

At 31 December 2022, 2.4 million (30 June 2022: 2.8 million) share options and 89.6 million (30 June 2022: 89.6 million) warrants were excluded from the diluted number of shares bases on their market share price and exercise price.

5. EXPLORATION AND EVALUATION ASSETS

	US\$'000
Cost	
At 1 January 2022	22,773
Additions	15,213
	<hr/>
At 31 December 2022	37,986
Acquisition	1,000
Additions	12,086
Grant funds received	(302)
	<hr/>
At 30 June 2023	50,770
	<hr/>
Carrying amount	
At 30 June 2023	50,770
	<hr/>
At 31 December 2022	37,986
	<hr/>

On 10 February 2023, the Group announced that it had completed the acquisition of the remaining 25% working interest in the WSU in the Paradox Basin, Utah from Rockies Standard Oil Company LLC ("RSOC") with the issue of up to 40,449,284 new Ordinary Shares of 0.1 pence at a price of 6.05 pence per new Ordinary Share. On 10 February 2023, 13,483,095 Ordinary Shares were issued to settle the initial consideration of US\$1 million for the acquisition. A further 26,966,189 new Ordinary Shares will be issued when the Group makes a final investment decision relating to the processing plant. See note 8.

6. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties US'000	Plant and machinery US'000	Total US'000
Cost			
At 1 January 2022	12,902	27	12,929
Business combination	40,199	-	40,199
Acquisitions	3,362	-	3,362
Additions	9,757	-	9,757
Exchange differences	-	(3)	(3)
At 31 December 2022	66,220	24	66,244
Additions	8,819	-	8,819
Disposal	(3,106)	-	(3,106)
At 30 June 2023	71,933	24	71,957
Accumulated depreciation, depletion and amortisation			
At 1 January 2022	1,755	18	1,773
Charge for the period	12,666	2	12,668
Exchange differences	-	(2)	(2)
At 31 December 2022	14,421	18	14,439
Charge for the period	5,608	1	5,609
Disposal	(527)	-	(527)
At 30 June 2023	19,502	19	19,521
Carrying amount			
At 30 June 2023	52,431	5	52,436
At 31 December 2022	51,799	6	51,805

7. BORROWINGS

	Unaudited six months ended 30 June 2023 US\$'000	Unaudited six months ended 30 June 2022 US\$'000	Audited year ended 31 December 2022 US\$'000
Bridge loan facility	-	1,687	-
Term loan	12,926	16,937	14,957
Revolving credit	20,788	9,956	10,436
	33,714	28,580	25,393
Maturity analysis			
Amounts due within one year*	24,988	15,740	14,572
Amounts due 1 year to 2 years	4,576	4,384	4,471
Amounts due 2 years to 4 years	4,150	8,456	6,350
	33,714	28,580	25,393

First International Bank and Trust (“FIBT”)

In February 2022, the Group signed a bank facility with First International Bank & Trust (“FIBT”) in the U.S., consisting of a Term loan of US\$18 million and a Revolving credit facility of US\$10 million, which was increased to US\$13 million in October 2022.

Repayment of the Term loan commenced in April 2022 and is repayable in 48 monthly payments. Interest is charged at a rate of 6.74% per annum.

*The Revolving credit facility was structured with a term of 12 months, and is thereby classified as short-term debt due for repayment within one year. However, the facility has provisions for a semi-annual redetermination process, at which time the bank estimates the value of Zephyr’s reserves used as collateral and renews or revises the amount of available credit provided by the facility. At 30 June 2023, the full facility of US\$13 million had been drawn and was outstanding. The Group does not expect any changes to the US\$13 million in total availability when the bank’s next redetermination process concludes in October 2023. Interest on the Revolving credit facility is charged at a rate of 9.74% per annum.

Loan fees on both the term loan and revolving credit facility were capitalised against the loan and are being amortised over the life of the respective loans.

FIBT has a lien on the assets of the Group’s U.S. subsidiaries, Zephyr Bakken LLC and Rose Petroleum (Utah) LLC.

Slawson asset bridge facility

On 19 December 2022, the Group entered into a facility agreement with an experienced U.S. based institutional investor. Under the terms of the agreement the Group received a 12-month revolving credit facility of up to US\$8 million, of which US\$7.8 million had been drawn at 30 June 2023.

The facility incurs interest at a rate of 12% and was subject to an arrangement fee of US\$80,000, both of which have been rolled up into the loan facility.

8. SHARE CAPITAL

	Unaudited as at 30 June 2023 Number '000	Unaudited as at 30 June 2022 Number '000	Audited as at 31 December 2022 Number '000
Authorised			
Ordinary Shares of 0.1p each	7,779,297	7,779,297	7,779,297
Deferred Shares of 9.9p each	227,753	227,753	227,753
	<hr/> 8,007,050	<hr/> 8,007,050	<hr/> 8,007,050
	Unaudited as at 30 June 2023 US\$'000	Unaudited as at 30 June 2022 US\$'000	Audited as at 31 December 2022 US\$'000
Allotted, issued and fully paid			
1,686,501,822 Ordinary Shares of 0.1p each (30 June 2022: 1,560,746,001; 31 December 2022: 1,560,746,001)	2,263	2,107	2,107
227,752,817 Deferred Shares of 9.9p each	40,305	40,305	40,305
	<hr/> 42,568	<hr/> 42,412	<hr/> 42,412

The Deferred Shares are not listed on the AIM Market, do not give the holders any right to receive notice of, or to attend or vote at, any General Meetings, have no entitlement to receive a dividend or other distribution or any entitlement to receive a repayment of nominal amount paid up on a return of assets on winding up nor to receive or participate in any property or assets of the Company. The Company may, at its option, at any time redeem all of the Deferred Shares then in issue at a price not exceeding £0.01 from all Shareholders upon giving not less than 28 days' notice in writing.

As outlined in the Company's 2021 Annual Report it is the Company's intention to issue nil-cost options to certain Directors and employees to compensate them for salaries sacrificed during the COVID-19 pandemic. It has not been possible to issue these nil-cost options to date due to the Company's ongoing activity over a long period of time which has precluded transactions involving the Company's securities.

ISSUED ORDINARY SHARE CAPITAL

In February 2022, the Company issued 256,000,000 Ordinary Shares of 0.1 pence each at a price of 5 pence per Ordinary Share, raising gross proceeds of US\$17.4 million (£12.8 million).

On 5 January 2023, the Company issued 22,272,726 Ordinary Shares of 0.1 pence each in respect of warrants exercised during the year ended 31 December 2022, at a price of 2 pence per Ordinary Share, raising gross proceeds of US\$0.5 million (£0.45 million).

On 10 February 2023, the Company issued 13,483,095 Ordinary Shares of 0.1 pence each at a price of 6.05 pence per Ordinary Share, in respect of the initial consideration of US\$1 million due in respect of the acquisition of the remaining 25% working interest in the WSU in the Paradox Basin, Utah from RSOC.

On 12 June 2023, the Company issued 90 million Ordinary Shares of 0.1 pence each at a price of 3.5 pence per Ordinary Share, raising gross proceeds of US\$3.9 million (£3.15 million).

	Ordinary Shares Number '000	Deferred Shares Number '000
At 1 January 2022	1,304,746	227,753
Allotment of shares	256,000	-
At 31 December 2022	1,560,746	227,753
Allotment of shares	125,756	-
At 30 June 2023	1,686,502	227,753

9. POST BALANCE SHEET EVENTS

All matters relating to events occurring since the period end are reported in the Chief Executive's Statement.

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.

Estimates of resources and reserves contained within this announcement have been prepared according to the standards of the Society of Petroleum Engineers. All estimates are internally generated and subject to third party review and verification.

Glossary of Terms

Reserves: Reserves are defined as those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward.

1P: proven reserves (both proved developed reserves + proved undeveloped reserves)

2P: 1P (proven reserves) + probable reserves, hence "proved and probable"

3P: the sum of 2P (proven reserves + probable reserves) + possible reserves, all 3Ps "proven and probable and possible"

Contingent Resources: Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies.

Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.

1C: Low estimate of Contingent Resources

2C: Best estimate of Contingent Resources

3C: High estimate of Contingent Resources

Prospective Resources: Those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.

1U: Low estimate of Prospective Resources