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16 October 2024

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

**Semi-annual redetermination reaffirms Revolving Credit Facility;
Reduction in borrowing costs**

Zephyr Energy plc (AIM: ZPHR) (OTCQB: ZPHRF), the Rocky Mountain oil and gas company focused on responsible resource development and carbon-neutral operations, is pleased to announce that the Company's lender, North-Dakota based First International Bank & Trust ("FIBT"), has completed its semi-annual redetermination of the Company's revolving credit facility ("RCF").

The redetermination process reaffirmed the total collateral value of Zephyr's non-operated asset portfolio and resulted in no change to the amount available under Zephyr's existing US\$15.15 million RCF. In addition, the interest rate on the RCF has been reduced to 10% per annum (from 11% per annum).

Following the redetermination process, the Group borrowings are circa US\$27.4 million, a reduction from US\$35.3 million at 1 January 2024, and consist of:

- US\$7.2 million of amortising term loan (at 6.74% interest per annum)
- US\$5.2 million of amortising term loan (at 10% interest per annum)
- US\$15.0 million of debt drawn on the RCF (at 10% interest per annum).

The impact of the revised borrowing rates has resulted in a reduction in the Company's blended interest rate to 9.1% (down from 9.5% at 30 June 2024) and an overall reduction in annualised interest costs of circa US\$150,000.

The next semi-annual redetermination for the RCF is scheduled to take place in the second quarter of 2025.

Colin Harrington, Zephyr's Chief Executive, said:

"I am delighted at the outcome of this semi-annual redetermination which both affirms the substantial value of our non-operated portfolio and further reduces our cost of capital.

"Our non-operated assets are long-lived and high margin and continue to provide a stable platform for our growth. I would once again like to thank our partners at FIBT for their strong support of Zephyr."

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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.