

Stock Data

Share Price:	2.75p
Market Cap.:	£57.77m
Shares in issue:	2,100.72m
52 week high/low:	5.84p/2.20p

Company Profile

Sector:	Oil & Gas
Ticker:	ZPHR, ZOHRF
Exchange:	AIM, OTCQB

Activities

Zephyr Energy plc ('Zephyr', 'the Group') is an independent oil and gas E&P Group with a strategic focus on carbon-neutral hydrocarbon development projects in the Rocky Mountain region of the US.

www.zephyrplc.com

1-year share price performance



5-year share price performance



Source: [LSE](#)

Past performance is not an indication of future performance.

Contact details

Tel: 0203 657 0050
Email: info@turnerpope.com
Web: www.turnerpope.com

Andrew Thacker
Corporate Broking and Sales

Barry Gibb
Research Analyst

TPI acts as joint broker to Zephyr Energy plc.

Attention is drawn to the disclaimers and risk warnings at the end of this document.

Retail clients (as defined by the rules of the FCA) must not rely on this document.

Zephyr Energy plc

Rounding off a highly active 2025, Zephyr has released a year-end update covering both its operated and non-operated activities, its strategic partnership and revolving credit facility. Q3 2025 production from the Group's non-operated asset portfolio increased substantially, averaging 925 barrels of oil equivalent per day ('boepd'), net to Zephyr, versus average net production in Q2 2025 of 632 boepd. This increase demonstrates the positive impact of the US\$7.3m acquisition of accretive production assets announced on 26 August 2025 (the 'Acquisition'), offset by standard decline of the existing non-operated portfolio. The Group has also confirmed an extension to the initial six-month term of the strategic partnership with a US-based capital provider (the 'Investor') announced on 13 May 2025, making up to US\$100m available to fund 100% of capital expenditures related to the drilling, completing and equipping of new non-operated wells within the Williston Basin. In tandem with this, Zephyr's senior lender has renewed the term of the Group's US\$15.15m revolving credit facility through to 16 December 2026. The Paradox Project data room meanwhile continues to generate a high level of interest from large national and regional oil & gas companies. Multiple proposals have already been received with more likely to follow. The Board vigorously pursues all approaches in expectation of securing a potential farm-in/joint-venture partner(s) capable of supporting projected funding needs, including value creation and accelerated drilling programmes to maximise value for shareholders. Based on this, 2026 looks set to deliver Zephyr's next significant phase of growth.

Q3 2025 production boosted by acquired production assets

As of 30 September 2025, Zephyr's post-Acquisition portfolio consisted of interests in over 600 gross wells (or approximately 30 net wells) available for production, versus 228 gross wells at the end of Q2 2025. Its portfolio now consists of well and acreage interests in Utah, Colorado, Wyoming, Montana and North Dakota, providing diversity across multiple operators and basins.

Zephyr's Q3 2025 net production from its non-operated asset portfolio averaged 925 boepd, compared 632 boepd in the previous quarter. This reflects the addition of acquired accretive production assets, offset by standard decline within the existing non-operated portfolio. During the third quarter, the Group hedged a total of 24,000 barrels of oil ('bbls') at a weighted average price of \$65.18/bbl. Note also that production in Q2 2025 and Q3 2025 was impacted by six wells operated by Slawson Exploration remaining shut-in during those periods. Having recommenced in October 2025, however, an additional c.130 boepd, net to Zephyr, is expected to be added during Q4 2025.

Zephyr continues to actively manage its non-operated asset portfolio to generate value for shareholders. Although the valuation of the Acquisition was based solely on the acquired production assets, approximately 6,350 undeveloped acres in the Williston and Powder River Basins were also included as part of the transaction. Having deemed this acreage non-core and with a significant lead time to development, the Board was pleased to receive an unsolicited offer for a minority of the newly acquired acreage in the Powder River Basin, Wyoming. As a result, Zephyr is now due to receive cash proceeds totalling US\$1.14m (subject to closing adjustments), without

relinquishing any existing production as part of the sale transaction. This represents the Group's second successful divestment following the closing of the US\$7.3m Acquisition on 26 August 2025; the first being its concurrent disposal of small, operated assets in North Dakota, Wyoming and Colorado for a total consideration of US\$1.5m (comprised of a combination of cash and assumption of near-term plugging and abandonment liabilities).

Strategic partnership being extended beyond its initial six-month term

By mutual agreement, Zephyr has agreed to an extension to the initial six-month term of the strategic partnership with a US-based capital provider focused on the energy sector. This is based on expectation that the Group's non-operated leasehold portfolio will continue to provide access to new drilling investment opportunities in the new year. As announced on 13 May 2025, the Investor will make available up to US\$100m to fund 100% of capital expenditures related to the drilling, completing and equipping of new non-operated wells within the Williston Basin (although the parties may consider opportunities in other Rocky Mountain basins). To date, c.US\$2.5m has been committed to the programme.

Revolving Credit Facility now extended to 16 December 2026

On 20 November 2025, the Group announced the successful refinancing of its structured term loans. Zephyr's senior lender has now also renewed the term of the Zephyr's US\$15.15m revolving credit facility through to 16 December 2026. The fixed interest rate on the facility was reduced from 10% to 8.99% per annum; US\$11.0m of the US\$15.15m facility is currently drawn.

Paradox project in receipt of multiple proposals

Zephyr continues to make solid progress towards delivering first commercial production from the Paradox project. It is also evaluating multiple proposals received to date from potential joint venture/farm-in partners, which could provide hydrocarbon marketing solutions and funding for additional drilling. Reflecting the recent strength of the western US gas markets, the Board has been encouraged by the level of interest coming from various, credible industry players.

A framework agreement has been reached with Enbridge, the owner of the pipeline positioned to provide interconnect services from Zephyr's Powerline Road Gas Plant to the Williams Northwest Pipeline, for sales to the US gas market. Within this, Enbridge will construct, own, operate and maintain the interconnect facilities. Operations being conducted by Enbridge include survey, engineering, environmental, land and right-of-way work, as well as the design, inspection and obtaining the regulatory approvals required to run bi-directional flows on the existing Enbridge pipeline. Zephyr will update shareholders on Enbridge's timing as their operational and regulatory processes advance.

THIS DOCUMENT IS NOT FOR PUBLICATION, DISTRIBUTION OR TRANSMISSION INTO THE UNITED STATES OF AMERICA, JAPAN, CANADA OR AUSTRALIA.

Conflicts

This is a non-independent marketing communication under the rules of the Financial Conduct Authority ("FCA"). The analyst who has prepared this report is aware that Turner Pope Investments (TPI) Limited ("TPI") has a relationship with the company covered in this report. Accordingly, the report has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing by TPI or its clients ahead of the dissemination of investment research.

TPI manages its conflicts in accordance with its conflict management policy. For example, TPI may provide services (including corporate finance advice) where the flow of information is restricted by a Chinese wall. Accordingly, information may be available to TPI that is not reflected in this document. TPI may have acted upon or used research recommendations before they have been published.

Risk Warnings

Retail clients (as defined by the rules of the FCA) must not rely on this document. Any opinions expressed in this document are those of TPI's research analyst. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price.

The value of securities, particularly those of smaller companies, can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of smaller company securities may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. Past performance is not necessarily a guide to future performance and forecasts are not a reliable indicator of future results. AIM is a market designed primarily for emerging or smaller companies and the rules of this market are less demanding than those of the Official List of the UK Listing Authority; consequently, AIM investments may not be suitable for some investors. Liquidity may be lower and hence some investments may be harder to realise.

Specific disclaimers

TPI acts as joint broker to Zephyr Energy plc ("Zephyr Energy") which is listed on the AIM Market of the London Stock Exchange ('AIM'). TPI's private and institutional clients may hold, subscribe for or buy or sell Zephyr Energy's securities. Opinions and estimates in this document are entirely those of TPI as part of its internal research activity. TPI has no authority whatsoever to make any representation or warranty on behalf of Zephyr Energy.

General disclaimers

This document, which presents the views of TPI's research analyst, cannot be regarded as "investment research" in accordance with the FCA definition. The contents are based upon sources of information believed to be reliable but no warranty or representation, express or implied, is given as to their accuracy or completeness. Any opinion reflects TPI's judgement at the date of publication and neither TPI nor any of its directors or employees accepts any responsibility in respect of the information or recommendations contained herein which, moreover, are subject to change without notice. Any forecast or valuation given in this document is the theoretical result of a study of a range of possible outcomes and is not a forecast of a likely outcome or share price. TPI does not undertake to provide updates to any opinions or views expressed in this document. TPI accepts no liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document (except in respect of wilful default and to the extent that any such liability cannot be excluded by applicable law).

The information in this document is published solely for information purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The material contained in the document is general information intended for recipients who understand the risks associated with equity investment in smaller companies. It does not constitute a personal recommendation as defined by the FCA or take into account the particular investment objectives, financial situation or needs of individual investors nor provide any indication as to whether an investment, a course of action or the associated risks are suitable for the recipient.

This document is approved and issued by TPI for publication only to UK persons who are authorised persons under the Financial Services and Markets Act 2000 and to professional clients, as defined by Directive 2004/39/EC as set out in the rules of the Financial Conduct Authority. This document may not be published, distributed or transmitted to persons in the United States of America, Japan, Canada or Australia. This document may not be copied or reproduced or re-distributed to any other person or organisation, in whole or in part, without TPI's prior written consent.

Copyright © 2025 Turner Pope Investments (TPI) Limited, all rights reserved.