

Stock Data

Share Price:	3.10p
Market Cap.:	£73.53m
Shares in issue:	2,100.72m
52 week high/low:	4.34p/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.

<https://www.zephyrplc.com/>

1-year share price performance



5-year share price performance



Source: [LSE](#)

Past performance is not an indication of future performance.

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Zephyr Energy plc

Zephyr has provided an update on its non-operated production assets. During Q1 2026, this portfolio delivered strong cash flow to the Group due to higher-than-expected production levels plus improved commodity prices compared to the previous quarter. Today's news follows Tuesday's confirmation that the regulatory, in-line inspection process (the 'ILI') covering the pipeline that will export gas from the Paradox project to the Northwest Pipeline operated by Williams Companies, Inc., had been successfully completed. This was a major milestone that permits Zephyr to finalise negotiated offtake agreements, while also being expected to have a positive impact on Zephyr's farm-out and hydrocarbon marketing efforts (which have advanced significantly over the last few months). Being an obvious beneficiary of expected booming demand for long term gas supplies from a regional matrix of hyper-scale data centres in advanced planning/development stages while, against a background of higher oil prices, also having just c.14% of Q1 non-operated oil production hedged, the Board is monitoring both local and global events closely in order to be responsive to prospective offtake agreements/further portfolio management activity as opportunities arise. Based on this, recent opportunistic undeveloped acreage disposals plus recovery of bad debt from a working interest owner, each of which can be recycled back into the Paradox project, 2026 looks set to deliver Zephyr's next significant phase of growth.

Highlights of Q1 2026 non-operated asset portfolio production

Highlights covering initial hydrocarbon production results for Q1 2026 were:

- Q1 production averaged 918 barrels of oil equivalent per day ("boepd"), net to Zephyr (versus average production in the fourth quarter of 2025 ("Q4") of 983 boepd).
 - Q1 production totals exceeded management's forecast and reflects the expected natural decline rates of the portfolio.
 - Q1 production was 71% oil.
 - It is noted that there were widely publicised weather disruptions in the Williston Basin during the quarter, which makes Q1 production figures appear all the more robust.
- As of 31 March 2026, the portfolio consisted of interests in over 600 gross wells (or approximately 30 net wells) available for production.
- The portfolio now consists of well and acreage interests in Utah, Colorado, Wyoming, Montana and North Dakota, providing strong production diversity and lowered risk across multiple operators and basins.
- During Q1, the Group was hedged for a total of 8,000 barrels of oil (circa 14% of the quarter's production) at a weighted average price of US\$64.25 per barrel of oil.
- The portfolio delivered strong cash flow to Zephyr in Q1 due to higher-than-expected production levels and improved commodity prices in Q1 compared to Q4. In addition, the Group recovered a US\$1 million bad debt from a working interest owner. The amount had been written off in 2024 (as disclosed in its 2024 Annual Report) and it's encouraging to see that the company successfully pursued its claim even after auditors required a write-down.

Paradox project – Key step toward first gas

Zephyr's update released on 9 June detailed successful completion of the gas pipeline ILI extending over 20.9 miles from Zephyr's Powerline Road Gas Plant to the Northwest Pipeline operated by the Williams Companies, Inc. Analysis of the ILI results indicates that the pipeline is structurally sound at the current system operating pressure, with no repairs required and no immediate integrity concerns. To further ensure integrity at the uprated operating pressure required to export Zephyr's gas to the Northwest Pipeline, four short sections of pipeline (totalling 25 feet in length) have been identified for visual inspection. Enbridge Inc. ('Enbridge') (the owner and operator of the 16-inch gas pipeline that will export Zephyr's gas and is supervising the on-site ILI programme), views such inspections as routine and does not consider them a risk to achieving first gas export, even if any sections should require repair.

This allows for the formal commencement of the regulatory approval process (through the State of Utah Public Service Commission) required to increase pipeline operating pressure and transport gas to the Williams Northwest Pipeline. In addition to this, Enbridge has continued other operational activities, including the piping and mechanical upgrades required to transport Zephyr's gas to market. The pipeline is presently operating at only 1 million cubic feet/day ('CF/D') but has capacity to do well over 100 million CF/D; the Board expects to add significant volumes as availability ramps up and demand is formally established. Over the coming weeks, Zephyr and its third-party infrastructure consultants will finalise the design and initial capacity of its gas processing solution. Tuesday's news was also an important step for gas marketing partners/trading houses that Zephyr has been consulting with respect to prospective farming-out processes. As part of this, planning for the drilling of additional Paradox project wells is also underway, in conjunction with detailed formal discussions related to asset-level funding opportunities.

Gas marketing opportunities also include a regional matrix of giant hyper-scale data centres

The pipeline's geographical location is particularly relevant, given that a number of major, new prospective energy consumers are presently being established relatively nearby, including the massive Stratos Data Centre Project proposed for Box Elder County located c.265 miles to the north.

Planned & Proposed Regional Data Centre Planned Close to Zephyr Pipeline

Project / Location	Developer / Operator	Capacity	Distance from Zephyr Plant	Scheduled Start / Phase Timeline
Stratos Project (Box Elder County)	O'Leary Digital	7.5 GW to 9.0 GW	~265 miles (North-NW)	Phased Multi-Year Rollout: The zoning agreement was formally approved in May 2026 . Design and site preparation are underway, with buildout expected to span the next 5 to 10 years.
Delta Gigasite (Millard County)	Creekstone Energy / Joule Power	9.7 GW to 12 GW	~155 miles (West)	First Half 2027: Ground broke in Dec. 2025; first 300MW–600MW of generation goes online in 2027, scaling out through the early 2030s.
Eagle Mountain Campus (Utah County)	Meta / Google / QTS Data Centers	Multi-GW cluster	~165 miles (Northwest)	Late 2026 / Ongoing: Meta's massive multi-year expansion finishes late this year. QTS completed structural frameworks and is scheduled to finish Phase 1 by the end of 2026 .
Pole Canyon Tech Park (Eagle Mountain)	Tract	Master-planned campus	~165 miles (Northwest)	In Infrastructure Phase: Land was acquired and master-planning finalised. On-site infrastructure (power/water) is actively deploying for immediate wholesale client builds.

Source: Public information, Company websites, TPI

Backed by investor Kevin O'Leary, the Stratos Project will require about US\$100 billion to construct and, upon full commissioning, could consume 9 gigawatts of power, which is double the electricity the entire state of Utah presently consumes. Its first phase (1.5GW) is expected to be completed within 3 to 4 years, while total natural gas-fired generation will require between [1.5 and 2.3BCF/D](#) for full operation. This is likely to be sourced via the Ruby interstate natural gas transmission system that crosses Northern Utah and to which Zephyr volumes may be sold. Stratos and other similar projects in the region are likely to source all their energy needs 'behind the meter', primarily in the form of gas offtake agreements with a view to bypass severe public utility grid delays, secure continuous/unshakeable baseload power for high-density AI computing and achieve long-term cost stability away from volatile public energy markets at a competitive negotiated price.

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