

Stock Data

Share Price: 0.68p
Market Cap.: £1.95m
Shares in issue: 287.1m

Company Profile

Sector: Oil & Gas
Ticker: ZPHR
Exchange: AIM

Activities

Zephyr Energy plc ('Zephyr', 'ZPHR', 'the Group'), formerly Rose Petroleum plc, is a junior oil and gas E&P company with a core focus on oil and gas interests in the Rocky Mountain region of the US. Its current strategy includes responsible resource development growth via the acquisition of near-term development and production opportunities located in prolific basins of the Western United States.

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

1-Year Share Price Performance



Source: [LSE](https://www.lse.com)

Note: Past performance is not an indication of future performance.

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TPI acts as sole broker to Zephyr Energy plc

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Zephyr Energy plc

Zephyr has this morning confirmed that its project acreage in the [Paradox Basin](#), Utah, USA (the 'Paradox'), has been selected for a vertical stratigraphic test well funded by the US Department of Energy and its National Energy Technology Laboratory ('USDoE'). Available through an existing grant awarded to the University of Utah's Energy & Geoscience Institute ('EGI') in collaboration with the Utah Geological Survey (the 'UGS'), this development could result in the first well spudded on the Group's Paradox acreage before the end of calendar 2020. In addition to progressing this asset, Zephyr's Board also continues to evaluate production/development opportunities in the prolific [Denver-Julesburg Basin](#), which it considers presents 'multiple attractive' investment opportunities that could potentially be added to the Group's portfolio. Zephyr's management looks forward to updating investors on both fronts in the near-term.

EGI partnership and grant funding

Over a period of several months, the EGI project team analysed multiple potential locations across the Paradox Basin before selecting the Zephyr-leased acreage on which to drill a test well. Although still subject to negotiation of final funding terms and permitting, this is expected to enable EGI, in collaboration with the UGS and other Utah-based partners, to complete a vertical stratigraphic well as part of an [overall study](#) related to [improving production in Utah's emerging northern Paradox unconventional oil play](#). The outcome is expected to raise the overall profile of the Basin, while gathering data sufficient to improve understanding of the regional opportunity. The team's primary goal is to assess and perform optimisation analyses for more targeted, efficient and less environmentally impactful oil production strategies.

Core data generated will be central to future discussions

The Zephyr location was selected for a number of reasons, including the quality of the Group's underlying 3D seismic data (which can be tied into the well results to build a stronger integrated predictive model), as well as a favourable surface location which will be sited on a pre-existing pad. With a particular focus on the Pennsylvanian Paradox Formation's Cane Creek shale and adjacent clastic zones, potentially including the C18/19 reservoirs, the spudding milestone anticipated, together with core data and the comprehensive well log suite that is expected to be acquired is likely to be central to discussions focused on securing the necessary cash resources/institutional funding and/or recommencing a farm-out process for the Paradox project in anticipation of future production.

Further newsflow anticipated in the relatively near term

Zephyr's Board considers that the test well's core data and well logs, when used in combination with its pre-existing high-quality 3D seismic, will significantly de-risk the development of Paradox in the absence of dilution at the asset-level for the Group or equity-level for shareholder. Given the potential upside this presents and Zephyr's significant acreage position, further progress could prove rewarding for investors. Given also the rapid timeframe for this proposed drilling, it is realistic to expect further updates on this and potential opportunities for the Group to add new development assets to its portfolio in the relatively near-term.

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