

June 25, 2021

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Extension of SPA longstop date for acquisition from KUFPEC, Eurobond coupon payments and new appointments to Advisory Committee

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA), the listed international oil & gas production company focused on pursuing African development opportunities, is pleased to announce that its wholly owned subsidiary, Zenith Energy Netherlands B.V. ("Zenith Netherlands"), has signed an agreement to extend the longstop date (the "Extension") in respect of the conditional sale and purchase agreement ("SPA") it signed with KUFPEC (Tunisia) Limited ("KUFPEC"), a 100% subsidiary of Kuwait Foreign Petroleum Exploration Company K.S.C.C, a subsidiary of the State of Kuwait's national oil company, for a participation in, inter alia, the North Kairouan permit and the Sidi El Kilani Concession ("SLK") (the "Tunisian Acquisition"). For reference, signing of the SPA was announced to the market on April 20, 2020.

KUFPEC holds an undivided 22.5% interest in the Tunisian Acquisition, together with 25 Class B shares in Compagnie Tuniso-Koweïto-Chinoise de Pétrole (CTKCP), the operator, representing 25% of the issued share capital of the company.

Completion of the SPA remains conditional on a favourable opinion being granted by the *Comité Consultatif des Hydrocarbures* ("CCH") of the Republic of Tunisia and the approval of the Tunisian State represented by the Ministry of Industry and Energy in respect of the transfer of KUFPEC's right, title and interest in and under the SLK Concession to Zenith Netherlands ("Completion").

The new longstop date for Completion of the SPA is **October 31, 2021**.

Eurobond coupon payments

Zenith is pleased to report that it has recently made coupon payments, in full and on time, in relation to the following bonds (the "Eurobond") the Company has issued:

- Zenith Energy Ltd 8% Dec 2021 AT0000A23S79

This is the Company's final payment in respect of the Eurobond prior to maturity in December 2021.

New appointments to Advisory Committee

The Company is pleased to announce the appointment of Messieurs Jacky Fleschen and Mohamed Bouleyemen to its Advisory Committee.

Mr Fleschen is a civil engineer with a degree from the École Spéciale des Travaux Publics, du bâtiment et de l'industrie (ESTP Paris).

He has 40 years' experience in major transactions, specifically in the construction and infrastructure sector, with responsibility for the signing of contracts for a value in excess of 10 billion US\$, and has advised companies including Alston, Groupe ADP, Siemens, Sinopec and China Power.

He has formerly served as Director of KAIC (Kuwaiti Algerian Investment Company SA) FLAVELAB SA in France, and Aston SA in Luxembourg. He is a French citizen based in Dubai.

Mr Bouleymen is a former Mayor of Tunis, the capital city of the Republic of Tunisia, having served for two terms (1986-1988 and 1990-2000), during which time he was awarded the UNESCO (United Nations Educational, Scientific and Cultural Organization) award for the best managed Arab city.

Since his mayoral tenure, he has held several positions including serving as President and Director of SITEP (Société Italo-Tunisienne d'Exploitation Pétrolière), a company that operates the El Borma oilfield in Tunisia, one of the most productive oilfields in the country, and is jointly owned by Italian oil major ENI and the State of Tunisia.

Debt Settlement by way of common shares held in treasury

The Company has settled a liability by providing a total of 8,400,000 common shares held in treasury to a creditor wishing to be paid in equity ("**Debt Settlement Shares**") at a price of NOK 0.12 (equivalent to approximately £0.0124).

An application for the Debt Settlement Shares to be listed on the standard segment of the FCA Official List and to be admitted for trading on the London Stock Exchange Main Market for listed securities will be made within 12 months of the issue date.

Total Voting Rights

The Company wishes to announce, in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and section 3.10 of the Euronext Growth Oslo Rule Book Part II, the following revised information resulting from the debt settlement. As a result, no common shares are held in treasury by the Company.

Class of share	Total number of shares	Number of voting rights per share	Total number of voting rights per class of share
Common Shares in issue and admitted to trading on the Main Market of the London Stock Exchange	313,400,824	1	313,400,824
Common Shares in issue and admitted to trading on the Euronext Growth Market of the Oslo Børs - representing the total outstanding common share capital of the Company	1,377,289,331	1	1,377,289,331

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

"We are pleased to have agreed an extension with KUFPEC in respect of the SLK acquisition. The Company is fully committed and confident in the successful completion of this transaction, whilst diligently following the approval process in Tunisia.

At the same time, we are delighted to welcome two highly influential and experienced new advisers to the Zenith team. We are confident that they will enable Zenith to further enhance its financial and technical capabilities by leveraging on their expertise and networks as we continue to implement our ambitious acquisition campaign in Africa.

Finally, the Company's financial qualities are again confirmed by the timely payment of the last coupon payment of our 8% Eurobond, demonstrating our established history as a successful debt issuer."

Further Information:

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The information included in this announcement is defined as inside information pursuant to MAR article 7 and is publicly disclosed in accordance with MAR article 17 and section 5 -12 of the Norwegian Securities Trading Act. The announcement is made by the contact person.

Notes to Editors:

Zenith Energy Ltd. is an international oil and gas production company, listed on the London Stock Exchange (LSE:ZEN) and the Euronext Growth Market of the Oslo Stock Exchange (OSE:ZENA).

Zenith's development strategy is to identify and rapidly seize value-accretive hydrocarbon production opportunities in the oil & gas sector, specifically in Africa.