

June 3, 2026

## **ZENITH ENERGY LTD.**

("Zenith" or the "Company")

### **Exclusivity Agreements to acquire controlling interest in Daybreak Oil and Gas, Inc.**

Zenith (**LSE: ZEN; OSE: ZENA; XSAT: ZENA SDR**), the listed international energy production and development company, is pleased to announce that it has signed exclusivity agreements in connection with the potential acquisition of a combined shareholding of approximately 82% in Daybreak Oil and Gas, Inc. ("**Daybreak**").

The proposed acquisition reflects Zenith's strategy of maximising the value of Leopard Energy Inc. (OTC: LEEN), its publicly traded US subsidiary in which Zenith currently holds approximately 99.87% of the total voting rights. Any shareholdings successfully acquired may ultimately be held through Leopard Energy or another designated subsidiary within the Zenith group, reflecting the Company's focus on building a larger portfolio of revenue-generating US energy assets in a favourable oil price environment.

### **Exclusivity Agreements with Reabold Resources Plc and Portillion Capital Limited**

Zenith has entered into confidentiality and exclusivity agreements with Reabold Resources Plc ("**Reabold**") and Portillion Capital Limited ("**Portillion**") in relation to the potential acquisition of their respective shareholdings in Daybreak, representing a combined interest of approximately 82% of Daybreak's issued share capital, comprising approximately 42% and 40%, respectively.

Under the terms of these agreements, Zenith has been granted a 90-day exclusivity period to conduct customary due diligence and negotiate the proposed transactions. During this period, both Portillion and Reabold have undertaken not to solicit, initiate, continue, or enter into any competing discussions or transactions in respect of their interests in Daybreak.

The exclusivity agreements are non-binding in respect of the proposed acquisitions and there can be no certainty that any transaction will ultimately be completed. Completion of any acquisition remains subject to the satisfactory completion of due diligence, the negotiation and execution of definitive transaction documentation, and the satisfaction of any other conditions that may be agreed between the parties.

The agreements permit the Company to engage in discussions with other Daybreak shareholders regarding the potential acquisition of additional shares. Should both proposed acquisitions be successfully completed, Zenith (through its designated subsidiaries) would acquire a controlling interest of approximately 82% in Daybreak.

## **About Daybreak Oil and Gas, Inc.**

Daybreak is an independent, OTC-traded crude oil and natural gas company engaged in the exploration, development and production of onshore crude oil and natural gas assets, primarily in California, United States. Daybreak holds working interests in producing crude oil wells and development acreage in Kern County, California. In May 2022, Daybreak acquired Reabold California, LLC, an independent crude oil and natural gas company with operations in Central California, including producing and development assets located in Contra Costa and Monterey Counties.

Based on management representations and information obtained during the Company's preliminary due diligence review, current production is estimated to be approximately 130 barrels of oil per day, reflecting a prolonged period of limited drilling and development activity. The existing asset base offers significant potential for production growth through a targeted redevelopment and drilling programme.

The Board notes that recent legislative changes in California, including the implementation of Senate Bill 237, may create a more supportive permitting framework for oil and gas development activities in Kern County, where Daybreak's principal producing assets are located. The Company believes these developments could enhance the potential for future drilling and redevelopment programmes across Daybreak's asset base.

The approximately 42% shareholding currently held by Reabold originated from Daybreak's acquisition of Reabold California in 2022 in a transaction valued at approximately US\$5.3 million. The approximately 40% interest held by Portillion and associated parties originated from a financing completed in connection with that acquisition, pursuant to which Daybreak raised approximately US\$2.5 million of new equity capital. Accordingly, the interests subject to the exclusivity agreements originated from transactions representing an aggregate value of approximately US\$7.8 million.

The Company believes that the non-core nature of these shareholdings for both Reabold and Portillion may support a transaction on attractive commercial terms. The historical acquisition values are provided solely for contextual purposes and do not reflect, nor will they be used as a reference point in, the current negotiations.

## **Strategy**

The proposed acquisitions are consistent with Zenith's strategy of growing through proven, revenue-generating energy production assets, complemented by low-risk exploration activities in assets with existing production.

A controlling interest in Daybreak would provide Zenith with a low-cost, high-optionality entry into the California onshore oil and gas sector, comprising established infrastructure, existing cash flow and a substantial inventory of undrilled development locations. Daybreak's current production profile does not fully reflect the underlying potential of its asset base, having experienced a prolonged period of limited drilling and development activity due to capital constraints. Zenith's operational, financial and capital markets expertise can be applied to

support the redevelopment and growth of these assets, with the objective of increasing production, growing cash flow and supporting future value creation.

The transaction represents an attractive opportunity to acquire a controlling interest in a publicly traded company with established producing assets through the acquisition of significant shareholdings held by long-standing investors for whom the investment is considered non-core.

**Andrea Cattaneo, Chief Executive Officer, commented:**

*"We are pleased to have secured exclusivity over both Reabold's and Portillion's shareholdings, which together represent an approximately 82% controlling interest in Daybreak.*

*Daybreak represents an operated, revenue-generating onshore production base with established infrastructure, existing production and substantial development potential. We believe the asset base offers significant opportunities for production growth through targeted redevelopment and drilling activities, particularly against the backdrop of an improving regulatory and permitting environment for oil and gas operations in California.*

*The proposed acquisition is consistent with our strategy of supporting the growth and value creation objectives of Leopard Energy, our publicly traded US subsidiary. We believe Daybreak represents an attractive opportunity to expand Leopard's portfolio of producing energy assets through the acquisition of an established production base with existing cash flow, infrastructure and development potential. Following a prolonged period of limited drilling and development activity, we believe there is scope to increase production, enhance cash flow and create value through active strategic management and targeted capital investment. The acquisition would represent a further step in our strategy of building Leopard into a diversified, revenue-generating platform focused on onshore energy assets in the United States.*

*We look forward to progressing our due diligence and providing further updates to the market in due course."*

**Further Information:**

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**Notes to Editors:**

Zenith Energy Ltd. is a revenue generating, independent energy company with energy production, exploration and development assets in North Africa, the US and Europe. The Company is listed on the

London Stock Exchange Main Market (LSE: ZEN), the Euronext Growth of the Oslo Stock Exchange (OSE: ZENA) and on the Spotlight Stock Market in Sweden (XSAT: ZENA SDR).

Zenith's strategic focus is on pursuing development opportunities through the development of proven revenue generating energy production assets, as well as low-risk exploration activities in assets with existing production.

For more information, please visit: [www.zenithenergy.ca](http://www.zenithenergy.ca)

Twitter: @zenithenergyLtd

LinkedIn: <https://bit.ly/3A5PRJb>

#### **Market Abuse Regulation (MAR) Disclosure**

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.