

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF REGULATION 11 OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019/310.

May 26, 2021

**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**Loan for Tunisian Development**

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 it has entered into a loan agreement with Winance, a Dubai registered single-family office (the "**Lender**"), for a total amount of EUR 2.1 million (approximately £1.8 million or approximately NOK 21.4 million) (the "**Loan Agreement**").

**Terms**

The Loan Agreement has a duration of six months and does not attract interest.

An upfront arrangement fee, equal to 5 percent of the total drawdown amount, has been paid to the Lender in accordance with the terms of the Loan Agreement.

During each month prior to the maturity date, Zenith shall make repayments in accordance with the Loan Agreement ("**Instalments**"), with the first Instalment being payable during the month of July 2021.

100,000,000 new common shares of no par value (the "**Reserve Shares**") have been issued to the Lender to be held in a depository institution designated by the Lender.

Under the terms of the Loan Agreement, Zenith may elect to pay each Instalment either by cash or by utilising the Reserve Shares, by delivering to the Lender an amount of Reserve Shares equivalent to the quotient obtained by dividing the Instalment Amount by 95 percent of the applicable VWAP (volume weighted average price) for the period of ten business days prior to the due date for each Instalment.

**New Common Shares held in Treasury**

The Company has issued a total of 8,400,000 new common shares at a price of NOK 0.10 (equivalent to approximately £0.085) to be held in Treasury (the "**Treasury Shares**").

An application for the Treasury Shares and Reserve 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 issuance of the Reserve Shares and the Treasury Shares.

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

The above figure for total number of common shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the

Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

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

"We are very pleased to have concluded our first financing agreement with Winance. This is fruit of the considerable effort made by Zenith's management team in developing our funding strategy with emphasis towards Arab and Middle Eastern financial markets.

The Company will use the funds obtained from the Loan to commence its near-term operational objectives in Tunisia, as well as providing additional capital for potential acquisitions that the Company may seek to complete. We shall update the market in due course regarding our operational programme in Tunisia.

In view of the confidence of the Company's management in the value creation potential of our possible near-term progress, Zenith shall seek to minimise the use of the Reserve Shares to fulfil the obligations arising from the Loan, and instead maximise the use of the Company's financial resources generated from oil production."

**Waqas Ibrahim, Director and CFO of Winance, commented:**

"We are delighted to collaborate with a proficient and esteemed management team such as that of Zenith Energy. Winance, as a strategic partner, shall seek to support Zenith's growth aspirations for the foreseeable future by utilising our extensive expertise to innovate and adapt to the evolving funding requirements it may have as it delivers on its ambitious African development campaign."

**Further Information:**

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**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.

**About Winance**

Winance is a privately held, single family office that provides tailor-made financing solutions dedicated to small and medium sized publicly listed companies across the world.

Through the leadership of Myriam Alalouche, Waqas Ibrahim, Yonathan Parienti and Ranya Laasri, Winance's understanding and concept of sharing the same vision as that its partners represents the core to the firm's success.

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