

January 10, 2023

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Exclusivity for Block 1, Sèmè Field in Benin

Zenith Energy Ltd. (**LSE: ZEN; OSE: ZENA**), the energy company with proven revenue generating production, exploration and development assets in Africa and Europe, is delighted to announce that the Ministry of Water and Mines of the Republic of Benin has awarded Zenith Energy an exclusivity (the "**Exclusivity**") for a period of three months to negotiate and finalise the terms of a Production Sharing Contract ("**PSC**") for Block 1 containing the Sèmè oilfield, offshore Benin ("**Block-1**").

The Company announced the submission of an offer for Block-1 on September 22, 2022.

Andrea Cattaneo, Chief Executive of Zenith, commented:

"We are extremely pleased to have been granted the Exclusivity to negotiate and finalise the terms of a PSC for Block-1 by the authorities in Benin.

Block-1 represents a potentially transformational development opportunity for Zenith because of its sizeable unexploited potential, indicated by its independently assessed oil and gas reserves and past production, and existing field infrastructure.

We view Benin as an attractive jurisdiction for foreign investment and we look forward with great enthusiasm to working closely with the local authorities towards successfully formalising the PSC."

About Block-1

- Discovered in 1967 by Union Oil, Block-1 covers 551 sq. km with over 355 sq. km of recent 3D seismic data taken between 2001-2014.
- Located in shallow water (30m) offshore with onshore facilities and tank farm for processing of oil production.
- A proven oilfield, with significant unexploited potential, having independently assessed recoverable reserves (2P) of 22-28 million barrels of oil and 428 billion cubic feet of natural gas (Kerr McGee 2005) for the original Sèmè oilfield.
- Has produced a reported 22 million barrels of oil to date, with last commercial production having taken place in 1998 when oil prices were below approximately US\$10 per barrel.
- Historical Recovery Factor of 22%, leaving significant margin for improvement of the recovery factor utilising modern completion techniques, horizontal drilling, and improved 3D seismic.
- Last produced at a rate of approximately 2,000 barrels of oil per day in 1998.
- Average historical well production rates ranging between 1,500 - 3,000 barrels of oil per day.

- The last operator is reported to have made infrastructure investments for an amount exceeding US\$100 million prior to exiting the project due to low oil prices.
- A new 'Sèmè North' oilfield ("**Sèmè North**") was discovered in 2015 with a reported discovery of an additional 100 million barrels of oil in place with estimated (2P) recoverable reserves of 16 million barrels utilizing a Recovery Factor of 16%.ⁱ It is expected that improvements in the Recovery Factor might be achieved with modern completion and drilling techniques to reach a Recovery Factor of above 30%.
- 27 wells have been drilled in Block-1: 24 in the original Sèmè oilfield, with the last 3 wells having been drilled in 2014-15 to discover Sèmè North. These wells discovered and tested oil in the H5 & H6 reservoirs, the same reservoirs that were producing in the original Sèmè oilfield, in a separate structure. However, due to the prevailing oil price at the time (approximately US\$30) further development activities were deemed non-commercial.
- Significant development and exploration potential in the emerging Syn-Rift play extending from neighbouring Nigeria.
- Production facilities comprised of three platforms: two located in the Sèmè Field, with the last being installed during 2013-2016 to develop the newly discovered Sèmè North. Zenith Energy has already conducted preliminary site visits to inspect the infrastructure.

About Benin's Oil Industry

In recent years, there has been an attempt to revive domestic oil production in Benin following the previous involvement of various Western oil companies between 1984-1998, including the Norwegian Saga Petroleum.

In late 2019, CNPC signed a construction and operation agreement with the Government of Benin for the construction of the Niger-Benin Crude Pipeline, a 1,980km cross-border crude pipeline connecting the Agadem Rift Basin (ARB) region in Niger to Port Sèmè Terminal in the Republic of Benin. Construction of the pipeline is underway and is expected to be completed by the close of 2023.

Benin is a founding Member of the African Petroleum Producers' Organization ("**APPO**"), and its Minister in charge of Hydrocarbons serves as Vice-President of the APPO.

Further Information:

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Notes to Editors:

Zenith Energy Ltd. is a revenue generating, independent energy company with production, exploration and development assets in Tunisia, Italy, and the Republic of the Congo, including electricity generation in Italy. The Company is listed on the London Stock Exchange Main Market (LSE: ZEN) and the Euronext Growth of the Oslo Stock Exchange (OSE: ZENA).

Zenith's strategic focus is on pursuing transformational opportunities in the Middle East, Africa, and Europe 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

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.

***Endnotes**

ⁱ This assessment has not been produced in accordance with Canadian National Instrument 51-101, (NI 51-101), or other internationally recognised standard.