

February 17, 2023

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Update on Tilapia

Zenith Energy Ltd. (**LSE: ZEN; OSE: ZENA**), the energy company with proven revenue generating production, exploration and development assets in Africa, the Middle East and Europe, provides an update on its business activities in the Republic of the Congo.

Zenith had previously announced the successful completion of an Inquiry of Public Utility (*Enquête d'Utilité Publique*) ("**IPU**"), involving an in-depth technical and financial review of the Company performed by the Ministry of Hydrocarbons of the Republic of the Congo, on February 10, 2021.

The purpose of the IPU was, in accordance with local law, to determine Zenith's suitability for the award of a new 25-year licence to operate the Tilapia oilfield following confirmation, announced by the Company on December 23, 2020, regarding the successful bid submitted by Zenith Energy Congo SA ("**Zenith Congo**") for the award of a new 25-year licence to operate the Tilapia oilfield ("**Tilapia II**").

The Company has now become aware that a company named Olive Energy E&P has been awarded a licence to operate the Tilapia oilfield.

The Company is disappointed by this development, which contradicts the aforementioned milestones.

Debt owed to Zenith by SNPC - approx. US\$5.3 million plus accrued interest

The Company announces that it has engaged a legal representative to negotiate the full repayment of an original principal amount of US\$5.3 million plus accrued interest owed by Société Nationale des Pétroles du Congo ("**SNPC**"), the national oil company of the Republic of the Congo, to Anglo African Oil & Gas Congo S.A.U ("**AAOGC**"), a fully owned subsidiary of the Company, for past work performed during the Tilapia I licence.

Legal Claim against SMP for approx. US\$9 million

Zenith confirms that the legal claim launched by AAOGC against Société de Maintenance Pétrolière ("**SMP**"), the rig contractor employed to perform drilling services in wells TLP-103 and TLP-103C of the Tilapia oilfield during 2018-2019, is progressing in the Paris Commercial Court (the "**Claim**").

The Company has increased the claimed amount for the performance failures by SMP during drilling activities to US\$9 million in consideration of the significant commercial damages suffered by AAOGC, specifically the impossibility to begin production activities, as a direct result.

Zenith has not provided for the potential recovery of such costs in its cashflow projections. Therefore, any success in this matter would enhance the Company's cash position.

Luca Benedetto, Chief Financial Officer of Zenith, commented:

“This represents disappointing news. However, the Company’s opportunity to recover an amount of approximately US\$15 million due to past activities in connection with the Republic of the Congo remains unchanged.

This will now become our primary focus, whilst we continue to work towards completing our acquisitions in other jurisdictions for large, revenue-generating energy production and development assets with transformational potential.”

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 Africa, the Middle East and Europe, 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

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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.