

March 17, 2021

**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**Extension of SPA for acquisition of SLK from CNPC**

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 extension agreement (the "Extension") in respect of the conditional sale and purchase agreement ("SPA") it signed with CNPC International (Tunisia) Ltd., ("CNPCI"), a 100% subsidiary of CNPCI, CNPC International Ltd., for the acquisition of a participation in, inter alia, the North Kairouan permit and the Sidi El Kilani Concession (the "Tunisian Acquisition"), which includes the Sidi El Kilani oilfield ("SLK"). For reference, signing of the SPA was announced to the market on September 8, 2020.

CNPCI holds an undivided 22.5% interest in the Tunisian Acquisition, together with 25 Class B shares in Compagnie Tuniso-Koweito-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 CNPCI's right, title and interest in and under the SLK Concession to Zenith Netherlands ("Completion").

The Extension has been granted in view of the difficulties caused by the ongoing COVID-19 pandemic which have not enabled Completion to be achieved. The new Longstop date for Completion of the SPA is **November 30, 2021**.

**Background and Update on KUFPEC acquisition in relation to SLK**

The Tunisian Acquisition is Zenith's second acquisition in relation to SLK and enlarges the Company's total conditional interest in the Tunisian Acquisition to **45%**.

On April 20, 2020, the Company announced that it had signed a conditional SPA to acquire the participation of 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, in relation to the Tunisian Acquisition.

The Company can confirm that it is currently in negotiations with KUFPEC to formalise a similar extension to that agreed with CNPCI.

Under the terms and subject to the conditions of both conditional sale and purchase agreements entered into with CNPCI and KUFPEC for the acquisition of their respective participations in relation to the Tunisian Acquisition, which are subject to (i) the Comité Consultatif des Hydrocarbures ("CCH") of the Republic of Tunisia expressing a favourable opinion and (ii) the approval of the Tunisian State represented by the Ministry of Industry and Energy, the economic date ("EC") has been fixed as April 1, 2020. As of February 28, 2021, the total amount of oil held in storage in line with the EC is

approximately 65,000 barrels of oil. The Company will have greater visibility on the total amount of oil held in storage when local regulatory approval is received and Completion occurs.

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

“We have developed a very good relationship with CNPC, and I look forward with enthusiasm to hopefully completing the acquisition of SLK in due course once we receive a favourable opinion from the CCH and the approval of the Tunisian State.

The Board is increasingly confident regarding Zenith Energy’s establishment in Tunisia which we consider a very favourable jurisdiction for oil production and development activities.”

**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.

