THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

This document comprises a prospectus (the "Prospectus") relating to Zenith Energy Ltd (the "Company") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the "FCA") made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. The Prospectus has been approved by the FCA, as competent authority under the UK version of Regulation (EU) No 2017/1129, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "Prospectus Regulation"). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the issuer that it the subject of this Prospectus. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. The Prospectus has been made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules and Article 21 of the Prospectus Regulation.

Application has been made to the FCA for the Subscription Shares, Capitalisation and the Admission Shares to be admitted to the Official List maintained by the FCA (the "**Official List**") (by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority under section 73A of FSMA as amended from time to time (the "**Listing Rules**")) and to the London Stock Exchange plc (the "**London Stock Exchange**") for the Subscription Shares, Capitalisation Shares and Admission Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "**Admission**"). It is expected that Admission will become effective, and that unconditional dealings in the Admission Shares, Capitalisation Shares and Subscription Shares will commence, at 8.00 a.m. on 16 November 2021.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE COMMON SHARES, AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 10 OF THIS DOCUMENT.

The Directors, whose names appear on page 28, and the Company accept responsibility for the information contained in the prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect the import of such information.

ZENITH ENERGY

Zenith Energy Ltd.

(Incorporated in British Columbia, Canada under the Business Corporations Act (British Columbia))

Subscription of 272,727,273 Subscription Shares at a Subscription Price of 1.1 pence per Common Share

Admission to Trading on the Standard Segment of the Official List and the Main Market of the London Stock Exchange of the Subscription Shares, the Capitalisation Shares and the Admission Shares

---

COMMON SHARES IN ISSUE IMMEDIATELY FOLLOWING ADMISSION
1,792,574,449

Allenby CAPITAL

Allenby Capital Limited

Financial Adviser & Broker

Allenby Capital Limited, who is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser the Company in relation to the Admission and no one else. Allenby Capital Limited will not regard any other person (whether or not a recipient of this Document) as its client in relation to the Admission and will not be responsible to anyone (other than the Company) for protections afforded to the clients of Allenby Capital Limited or for providing any advice in relation to the Admission, the Subscription, the contents of this Document or any transaction or arrangement referred to herein. No liability whatsoever is accepted by Allenby Capital Limited for the accuracy of any information or opinions contained in this Document or for the omission of any material information, for which it is not responsible. However, nothing in this paragraph excludes or limits any responsibility which Allenby Capital Limited may have under FSMA or the regulatory regime established thereunder, or which, by law or regulation cannot otherwise be limited or excluded.

This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Common Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Common Shares are not listed on any exchange or market in Canada and this Document has not been approved by any securities regulatory authority in Canada.

The Common Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States or qualified for sale under applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Common Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of U.S. persons (as defined in Rule 902 under the Securities Act) or to persons in the United States, Australia, Canada (other than pursuant to exemptions from the prospectus requirement under Canadian securities legislation), Japan, the Republic of South Africa or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. The Subscription Shares may not be resold in Canada or to a resident of Canada for a period of four months and one day following Admission.

The distribution of this Document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Application has been made for the Subscription Shares, the Capitalisation Shares and the Admission Shares to be admitted to the standard list segment of the Official List. The Company's existing Common Shares (apart from the Admission Shares) are currently admitted to the standard list segment of the Official List. A Standard Listing affords investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

It should be noted that the FCA does not and will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to section 87G of FSMA or Rule 3.4 of the Prospectus Regulation Rules, the publication of this Document does not create any implication that there has been no change in the affairs of the Group since, or that the information contained herein is correct at any time subsequent to, the date of this Document. Notwithstanding any reference herein to the Company's website, the information on the Company's website does not form part of this Document.

Notice to Distributors

Solely for the purposes of the temporary product intervention rules made under sections S137D and 138M of the FSMA and the FCA Product Intervention and Product Governance Sourcebook (together, the "**Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Subscription Shares have been subject to a product approval process, which has determined that the Subscription Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as defined under the FCA Conduct of Business Sourcebook COBS 3 Client categorisation, and are eligible for distribution through all distribution channels as are permitted by the FCA Product Intervention and Product Governance Sourcebook (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Subscription Shares may decline and investors could lose all or part of their investment; the Common Shares offer no guaranteed income and no capital protection; and an investment in the Common Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subscription. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Allenby Capital Limited will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the FCA Conduct of Business Sourcebook COBS 9A and 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Subscription Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Subscription Shares and determining appropriate distribution channels.

This prospectus is dated 12 November 2021.

CONTENTS

		Page
PART 1	SUMMARY	4
PART 2	RISK FACTORS	10
PART 3	CONSEQUENCES OF A STANDARD LISTING	21
PART 4	IMPORTANT INFORMATION	23
PART 5	EXPECTED TIMETABLE OF PRINCIPAL EVENTS	26
PART 6	SUBSCRIPTION STATISTICS	27
PART 7	DIRECTORS AND ADVISERS	28
PART 8	INFORMATION ON THE GROUP	30
PART 9	DIRECTORS, KEY PERSONNEL AND CORPORATE GOVERNANCE	55
PART 10	THE SUBSCRIPTION	59
PART 11	HISTORICAL FINANCIAL INFORMATION OF THE COMPANY	61
PART 12	CAPITALISATION AND INDEBTEDNESS	62
PART 13	TAXATION	64
PART 14	ADDITIONAL INFORMATION	68
PART 15	NOTICES TO INVESTORS	99
PART 16	CREST AND DEPOSITORY INTERESTS	101
PART 17	DEFINITIONS	104
PART 18	GLOSSARY OF TECHNICAL TERMS	111
PART 19	COMPETENT PERSON'S REPORT	114

PART 1

SUMMARY

Introduction and Warnings

This document is issued by Zenith Energy Ltd, whose legal entity identification number (LEI) is 213800AYTYOYD61S4569 and relates to the admission to trading of new common shares of no par value, whose international securities identification number (ISIN) is CA98936C1068.

The Company can be contacted in writing at Zenith Energy (O&G) Ltd., 52 Grosvenor Gardens, London, England, SW1W 0AU, by telephone on +44 2038070649, and by email at info@zenithenergy.ca

This Document was approved on 12 November 2021 by the Financial Conduct Authority, who can be contacted in writing at 12 Endeavour Square, London E20 1JN UK.

This summary should be read as an introduction to this Document. Any decision to invest in the Common Shares should be based on consideration of this Document as a whole. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document, or if this summary does not provide, when read together with the other parts of this Document, key information in order to aid investors when considering whether to invest in the Common Shares. Investors could lose all or part of their invested capital in Common Shares.

Key Information on the Issuer

Who is the issuer of the securities?

The legal and commercial name of the issuer is Zenith Energy Ltd, whose LEI is 213800AYTYOYD61S4569, and is registered and domiciled in British Columbia, Canada under the Business Corporations Act (British Columbia) as a corporation with registered number BC0803216.

The Company's primary activity is an international oil and gas exploration, development and production business. The Company has a portfolio of oil and gas assets in Italy and Africa. The Group's principal assets are held through:

(i) its wholly owned subsidiary, Zenith Energy Netherlands BV ("**Zenith Netherlands**"), which holds a 45% interest in the Sidi El Kilani Concession in Tunisia (subject to Tunisian government approval of the acquisitions);

(ii) its wholly owned subsidiary, Zenith Energy Africa Limited ("**Zenith Africa**"), which holds a 45% interest in the Tunisian onshore Ezzaouia Concession ("**Ezzaouia**");

(iii) its wholly owned subsidiary, Compagnie Du Desert Ltd ("**CDD**"), which holds a 100% interest in the El Bibane and Robbana concessions in Tunisia;

(iv) its wholly owned subsidiary, Zenith Congo SA ("**Zenith Congo**") which has received (subject to final approval and negotiation of a production sharing agreement) a 25-year licence for the Tilapia oilfield in the Republic of the Congo, in which it holds an anticipated 60% interest (subject to final licence terms); and

(v) Canoel Italia S.r.l. (in which the Company has a 98.64% shareholding), which holds various working interests in 13 onshore exploration and production properties in Italy.

The Company is seeking to acquire further oil and gas assets in West Africa to complement its existing assets in Italy, Congo and Tunisia.

On March 2, 2020, the Company announced that, in view of Zenith's strategic focus on pursuing large-scale oil production and development opportunities in Africa, it will hand over the Contract Rehabilitation Area, operated under the REDSPA, to SOCAR. Zenith announced its final exit from Azerbaijan on 10 November 2020 and received final payment for oil produced in December 2020.

The Company decided to exit Azerbaijan as, after several years and more than USD 5 million invested, the challenging geology of the oilfield and its production reservoirs, the unreliability of historical field data and the poor condition of many of the Soviet-era wells made it economically undesirable to continue.

The REDSPA was terminated in May 2020 and the handover of all production infrastructure and employees in Azerbaijan completed in June 2020. Zenith received a payment for oil production of approximately US$508,000 from SOCAR corresponding to material revenues for the months of April, May and part of June 2020.

During the financial year ended March 31, 2020, the Company produced 74,290 bbls of oil and sold 70,005 bbls of oil from its assets in Azerbaijan. During the financial year ended March 31, 2020, the Company sold 17,660 mcf of natural gas and 214 bbls of condensate from its Italian assets and sold 10,500 MWh of electricity in Italy.

As at 21 September 2021, the following persons required disclosure under the DTR:

Name	Number of Shares held	% of Issued Shares held
Andrea Cattaneo	63,438,512	4.51%

The Company's key executive officers are Andrea Cattaneo, President and Chief Executive Officer and Luca Benedetto, Chief Financial Officer.

The Company's statutory auditors are Jeffreys Henry LLP of 5-7 Cranwood Street, London EC1V 9EE UK, whose audit registration number is C001108797.

What is the key financial information regarding the issuer?

The table below sets out summary audited consolidated statements of financial position for the Financial Year ended 31 March 2021 and 2020, and for the interim six months ended 30 September 2020 and 2019.

	Audited financial year ended		Unaudited financial six months ended	
	31 March 2021 CAD$'000	31 March 2020 CAD$'000	30 September 2020 CAD$'000	30 September 2019 CAD$'000
ASSETS				
Non-current assets				
Property, Plant & Equipment	100,482	37,600	33,230	1,080,311
Other receivables	12	13	12	408
	100,494	37,613	33,242	1,080,719
Current Assets				
Other	17,311	30,902	16,076	4,000
Cash & Cash Equivalents	1,631	3,118	1,453	1,681
	18,942	34,020	17,529	5,681
TOTAL ASSETS	119,436	71,633	50,771	1,086,400
EQUITY AND LIABILITIES				
Equity attributable to equity holders for the parent	23,803	16,639	8,723	571,845
Total equity	23,803	16,639	8,723	571,845
Current Liabilities				
Trade and other payables	21,028	17,234	17,739	10,731
Consideration payable	—	—	—	857
Debt	9,325	2,274	2,197	1,866
Total current liabilities	30,353	19,508	19,936	13,454
Non-current liabilities				
Debt	6,823	21,985	8,805	9,905
Decommissioning provision	16,219	13,501	13,307	8,807
Consideration payable	42,238	—	—	482,389
Total non-current Liabilities	65,280	35,486	22,112	501,101
TOTAL EQUITY AND LIABILITIES	119,436	71,633	50,771	1,086,400

The table below sets out the audited consolidated Statement of Comprehensive Income or the Financial Year ended 31 March 2021 and 2020, and for the interim six months ended 30 September 2020 and 2019.

	Audited financial year ended		Unaudited financial six months ended	
	31 March 2021 CAD$'000	31 March 2020 CAD$'000	30 September 2020 CAD$'000	30 September 2019 CAD$'000
Continuing operations				
Revenue	596	735	145	344
Cost of Sales	(2,441)	(3,210)	(854)	(1,361)
Gross Profit/(Loss)	(1,845)	(2,475)	(709)	(1,017)
Administrative expenses	(16,201)	(6,991)	(3,548)	(1,989)
Operating Profit/(Loss)	(18,046)	(9,466)	(4,257)	(3,006)
Gain on business combination	36,491	20,111	—	—
Other gain/(losses)	(13,466)	1425		
Finance Expense	(1,451)	(1,742)	(284)	1,038
Profit/(loss) for the year before Taxation	3,528	10,328	(4,541)	(1,968)
Taxation	(3)	(4)	(3)	—
Gain/(loss) from continuing operations	3,525	10,324	(4,544)	(1,968)
Loss from discontinued operations	—	(580,633)	—	—
Profit/(loss) for the year attributable to owners of the Parent	3,525	(570,309)	(4,544)	(1,968)
Other Comprehensive Income	1,054	(651)	563	(5)
Comprehensive Income for the year attributable to owners of the Parent	4,579	(570,960)	(3,981)	(1,973)
Earnings per share (CAD)				
Basic	0.004	(1.42)	(0.01)	(0.01)
Diluted	0.003	(1.42)	(0.01)	(0.01)

The table below sets out extracts from the audited consolidated Statement of cash flows of the Group for the or the Financial Year ended 31 March 2021 and 2020, and for the interim six months ended 30 September 2020 and 2019.

	Audited financial year ended		Unaudited financial six months ended	
	31 March 2021 CAD$'000	31 March 2020 CAD$'000	30 September 2020 CAD$'000	30 September 2019 CAD$'000
Net cash flows from operating activities	(9,813)	(12,061)	(12,517)	(11,065)
Net cash flows from investing activities	(202)	(1,242)	(8)	(1,951)
Net cash flows from financing activities	10,426	11,465	12,297	10,500
Net (decrease)/increase in cash	411	(1,838)	(228)	(2,516)
Cash and cash equivalents at beginning of period	1,220	3,058	1,681	4,197
Cash and cash equivalent at end of year	1,631	1,220	1,453	1,681

No pro forma financial information is included in this prospectus.

There are no qualifications in the audit opinions on the historical financial information the years ended 31 March 2018, 2019 and 2020 that are incorporated by reference. For the year ended 31 March 2021, the audit opinion includes a material uncertainty in relation to going concern.

What are the key risks that are specific to the issuer?

The impact of global oil prices on the Company

Demand for oil and gas is closely related to the health of the world economy while supply is determined more by political matters. The price of oil and gas is set at a global level with small variances for local conditions. Zenith is a very small producer and the price it receives for the oil and gas it produces is determined by global supply and demand factors beyond its control. The Company's financial performance may therefore be substantially impacted both positively and negatively by factors beyond its control. Changes in global prices for oil and gas may result in the Company no longer being able to produce oil and/or gas on a profitable basis. Historically, international crude oil and natural gas prices have fluctuated widely. A material decline in the price of crude oil or natural gas would have a material adverse effect on the Company's financial results and reserves estimates.

Zenith's oil and natural gas reserves data presented in this prospectus are only estimates which may vary significantly from the actual quantities of oil and gas reserves that may be recovered

The reserves data set forth in this prospectus represent only estimates and should not be construed as exact quantities. Numerous uncertainties are inherent in estimating quantities of proved reserves, future rates of production, and the timing of development expenditures. The reliability of proven reserve estimates depends on a number of factors, assumptions and variables, many of which are beyond Zenith's control. Results of drilling, testing and production after the date of the estimates may require substantial downward revisions in Zenith's reserve data. Any downward adjustment could lead to lower future production and higher depreciation charges, and thus adversely affect Zenith's results of operations, financial condition and future prospects.

Activities in the oil and gas sectors can be dangerous, posing health, safety and environmental risks

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property as well as the environment or personal injury. In particular, Zenith may produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to the Group. In accordance with industry practice, Zenith is not fully insured against all of these risks, nor are all such risks insurable. Although Zenith maintains liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event Zenith could incur significant costs.

Government intervention and regulation may have a material adverse effect on Zenith's business. Zenith might not be able to comply with its obligations under licences.

The oil and gas industry is subject to regulation and intervention by governments, in particular in matters such as the award of exploration and production interests, restrictions on production and exports, environmental measures, control over the development and abandonment of fields and installations, the nationalisation or renationalisation of assets, imposition of specific drilling obligations, environmental and health and safety protection controls and other risks relating to changes in local government regimes and policies. In addition, Zenith has to comply with conditions contained in licences, such as operating permits. A failure by Zenith to comply with substantial conditions might lead to governmental intervention. Any violations of substantial conditions may therefore have a material adverse effect on Zenith's business, results of operations and financial condition.

Zenith is subject to general operational risks

Zenith is subject to general operational risks such as the risk of loss due to errors, infringements, interruptions or damages caused by internal processes, personnel, systems or due to external events. The Group is exposed to many types of operational risk, including the risk of fraud by employees and external parties, the risk of unauthorized transactions carried out by employees and the risk of operational errors, including those resulting from defects or malfunctions of the computer or telecommunication systems, and the risk of accidental events making unusable plant and equipment used in production processes. The systems and methods of management of operational risks are designed to ensure that such risks associated with the Group's activities are kept adequately under control. However, any inconvenience or defect of such systems, plant and machinery could adversely affect the financial position and operation results of the Group.

Zenith is subject to going concern risks

We draw attention to the yearly audit report in the financial statements as of 31 March 2021, which explains that the Group is dependent upon additional fund raises within the going concern period in order to continue developing its oil and gas projects and to simultaneously satisfy loan repayments which are due within the going concern period. The Group has secured additional funds from the Subscription, which combined with the improved prices being received for oil, gas and electricity, the Board believes will be sufficient to meet all its contracted requirements during the forthcoming 12 months.

Key Information on the Securities

What are the main features of the securities?

The Company is seeking admission to trading of a further 1,467,751,863 Common Shares, made up of 272,727,273 Subscription Shares, 108,181,818 Capitalisation Shares and 1,086,842,772 Admission Shares. The ISIN for the Common Shares is CA98936C1068, the SEDOL is BYNXNZ9 and the TIDM is ZEN. Each of the Subscription Shares and Admission Shares carries one voting right and rank *pari passu* with the existing Common Shares. The Subscription Price is payable in Pounds Sterling. The Common Shares have no nominal value and their term is perpetual. The Common Shares are the ordinary equity of the Company and rank at the bottom of the Company's capital structure in the event of insolvency, with all creditors being paid out first. The Company only has one class of shares, the Common Shares. The Common Shares are freely transferable. Currently the Company does not pay a dividend and there are no plans to do so in the foreseeable future. There is no guarantee attached to the Common Shares.

Where will the securities be traded?

The Admission Shares, the Capitalisation Shares and the Subscription Shares will be admitted to trading on the Main Market of the London Stock Exchange, alongside the Existing Common Shares. The Common Shares are also admitted to trading on the Euronext Growth Market of the Oslo Børs, and the Subscription Shares and Capitalisation Shares will be admitted to trading on this market.

What are the key risks that are specific to the securities?

Further issues of securities will dilute existing holders

The Company is likely to make further issues of Common Shares in the future either to finance the development of its existing assets or to acquire new assets. Such issues of new Common Shares would cause dilution to existing Shareholders and may not necessarily be priced at a premium to the price which Shareholders may have purchased their Common Shares.

No history of paying dividends

The Company has never paid a dividend and is unlikely to do so in the foreseeable future. There can be no certainty that the Company will ever pay a dividend. This will impact on the future value of the Common Shares if no dividend is ever paid.

Key information on the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

This Prospectus does not constitute an offer or an invitation to any person to subscribe for or purchase any Common Shares. The Subscription Shares are not being offered to the public.

Why is a prospectus being produced?

The Company's Existing Common Shares are admitted to trading on the Main Market of the London Stock Exchange. This Document is required to admit the Subscription Shares, the Capitalisation Shares and the Admission Shares to the Main Market of the London Stock Exchange. There are no material conflicts of interest relating to the admission to trading of the Subscription Shares, Capitalisation Shares or the Admission Shares. There is no underwriting agreement. The proceeds of the subscription will be £3,000,000,000 (the Net Proceeds will be £2,850,000) and will be utilised as follows:

Use	**Amount (£)**
Work on Ezzaouia concession, Tunisia	£1,300,000
Drilling well in Robbana concession, Tunisia	£600,000
Transportation of Zenith's drilling rig to Africa	£300,000
Work on Tilapia II, Congo (subject to licence grant)	£250,000
Prospectus and associated costs	£150,000
General working capital	£400,000
Total	**£3,000,000,000**

PART 2

RISK FACTORS

Investing in and holding the Common Shares involves financial risk. Accordingly, investors in the Common Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the risks associated with an investment in the Common Shares, the Group's business and the industries in which the Group participates. Further, the following risks should be considered together with all other information contained in this Prospectus.

In addition, prospective investors should note that the risks relating to the Group, its industries and the Common Shares summarised beginning on page 4 of this Document in the section of this Prospectus headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Common Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks and uncertainties described below are not an exhaustive list and do not necessarily comprise all, or explain all, of the risks associated with the Group and the industries within which it operates or an investment in the Common Shares. However, they do comprise the material risks and uncertainties in this regard that are known to the Directors. Additional risks and uncertainties relating to the Group and/or the Common Shares that are not currently known to the Directors, or which the Directors currently deem immaterial, may arise or become (individually or collectively) material in the future and may have a material adverse effect on the Group's business, results of operations or financial condition and, if any such risk or risks should occur, the price of the Common Shares may decline and investors could lose part or all of their investment.

Prospective investors should consider carefully whether an investment in the Common Shares is suitable for them in light of the information in this Prospectus and their personal circumstances. Investors should consult a legal adviser, an independent financial adviser or a tax adviser for legal, financial or tax advice if they do not understand this Prospectus (or any part of it).

Risks related to Zenith's business Activities

The impact of global oil prices on the Company

Demand for oil and gas is closely related to the health of the world economy while supply is determined more by political matters. The price of oil and gas is set at a global level with small variances for local conditions. Zenith is a very small producer and the price it receives for the oil and gas it produces is determined by global supply and demand factors beyond its control. The Company's financial performance may therefore be substantially impacted both positively and negatively by factors beyond its control. Changes in global prices for oil and gas may result in the Company no longer being able to produce oil and/or gas on a profitable basis. Historically, international crude oil and natural gas prices have fluctuated widely. A material decline in the price of crude oil or natural gas would have a material adverse effect on the Company's financial results and reserves estimates.

Zenith's oil and natural gas reserves data presented in this prospectus are only estimates which may vary significantly from the actual quantities of oil and gas reserves that may be recovered

The reserves data set forth in this prospectus represent only estimates and should not be construed as exact quantities. Numerous uncertainties are inherent in estimating quantities of proved reserves, future rates of production, and the timing of development expenditures. The reliability of proved reserve estimates depends on a number of factors, assumptions and variables, many of which are beyond Zenith's control. Results of drilling, testing and production after the date of the estimates may require substantial downward revisions in Zenith's reserve data. Any downward adjustment could lead to lower future production and higher depreciation charges, and thus adversely affect Zenith's results of operations, financial condition and future prospects.

Zenith faces competition from other oil and gas companies in all areas of its operations

The petroleum industry is competitive and investing in Zenith contains an inherent level of risk. Zenith will compete with numerous other organizations in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Zenith's competitors will include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of Zenith. Zenith's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. The Issuer is looking to acquire new oil and gas fields. There is a risk that competitors of the Issuer's, who have greater financial resources, staff and facilities, are more successful in the selection and acquisition of new suitable producing properties or prospects for exploratory drilling. The selection by the Issuer of a property which is not suitable for producing and exploratory drilling, or the granting of suitable producing properties to competitors of the Issuer can significantly worsen the future cash flow assumptions of the Group and the overall financial outlook of the Issuer in the future.

The economic, legal and political position in its countries of operation may negatively impact on Zenith's business

Zenith operates in a number of different jurisdictions, which, with the exception of Italy, would be described as "emerging economies". In such emerging economies, the economic, legal and political infrastructures are often less developed and more volatile than in a jurisdiction such as the United Kingdom. These factors may therefore have a detrimental impact on the business of Zenith, including, but not limited to: the risk of partial or full nationalisation; the imposition of punitive taxation or royalty regimes; degraded physical infrastructure; inconsistent or capricious application of laws and regulations; revocation of business or mineral licences on changes of governments; civil disturbances or military action.

Country Specific Risks

Italy

The non-renewal of Italian gas production concessions could impact the Issuer's business activities negatively

The gas concession regarding the production and exploration properties of Torrente Cigno, Masseria Grottavecchia, San Teodoro, Misano Adriatico and San Mauro were scheduled to expire between 2018 and 2020; the Issuer requested an extension of the concession regarding these properties. Under Italian law, if the authority does not serve its decision within ninety days from the filing of an application, the application is considered as accepted/granted (concept of silent approval). While the concept of silent approval does not apply in all areas of administrative law, this is the standard practice in relation to oil and gas concessions, and thus these concessions are considered extended and are scheduled to expire between 2029 and 2030. While there is legal uncertainty with silent approval that could lead to negative impacts on the Issuer, such as in case of an unprocessed application, this risk is considered to be low, however if it did come to pass, it would be material since the majority of the Issuer's revenues currently derive from the Italian gas production. Thus, a non-renewal of the concessions would have a significant negative impact on the Issuer's revenues. In particular, the non-renewal of the Torrente Cigno exploration property would affect the Issuer significantly since this property currently is responsible for approximately 13 per cent of the Group's production.

Tunisia

Approval for the acquisition of a 45% working interest in the North Kairouan permit and the Sidi El Kilani concession might not be granted

Zenith Netherlands has signed two conditional sale and purchase agreements with KUFPEC and CNPC respectively as sellers for the acquisition of their working interest of each 22.5 per cent in, *inter alia*, the North Kairouan permit and the Sidi El Kilani concession (together the "Tunisian Acquisition").The completion of the Tunisian Acquisition remains conditional on the approval being granted by the Comité Consultatif des Hydrocarbures of the Republic of Tunisia in respect of the transfer of the sellers' rights, title and interest in and under the Tunisian Acquisition to Zenith Netherlands. The Issuer looks forward to receiving regulatory approval from the Comité Consultatif des Hydrocarbures of the Republic of Tunisia in respect of the transfer of ownership for both acquisitions in the second half of the current financial year. In the case that the Comité Consultatif des Hydrocarbures of the Republic of Tunisia will deny the approval of this acquisition, Zenith will lose its investments made in Tunisia and the probable reserves mentioned in the Chapman Report 2021 – Tunisia will not be accessible for the Group.

Insufficient data is an obstacle to support reserves for future locations

The Issuer relies on finding new fields and evaluating their potential correctly. Insufficient information and data in some regions may prevent the Issuer from evaluating the potential of certain fields correctly and the Issuer may consequently lose business or invest in unprofitable fields.

Economic and political developments in Tunisia may negatively affect the development of Zenith's business

Political unrest in Tunisia would expose the Issuer to political risks, including expropriation and nationalisation of property, civil strife and acts of war or terrorism, which could, in turn, have a significant adverse effect on the country's economy. Political unrest may lead to danger of attacks on employees and/or facilities, social unrest, including strikes and political protests and demonstrations. Next to the overall security concern regarding the safety of employees and/or facilities, there is a risk that political unrest may lead to interruptions in the production of oil. Any interruption to the Issuer's drilling operations affects the production and therefore the revenue of the Issuer significantly.

Republic of the Congo

The Ministry of Hydrocarbons of the Republic of the Congo might not award a new 25-year license for the Tilapia oilfield to the group

The existing license of the Group for the Tilapia oilfield expired on 18 July 2020. Zenith has made a commercial and technical offer to the Ministry of Hydrocarbons of the Republic of the Congo for the award of a new 25-year license for the Tilapia oilfield. On 23 December 2020, the Issuer announced that Zenith Congo has been selected as the successful bidder for the award of a new 25-year license to operate the Tilapia II oilfield. In accordance with Congolese procedures for the award of new hydrocarbon licenses, the award of the Tilapia II license is subject to the completion of an inquiry of public utility to be organised and performed by the Ministry of Hydrocarbons. On 10 February 2021, the Issuer announced that that it has received formal confirmation regarding the successful completion of the inquiry of public utility. The final award of the license is subject to the finalization and ratification of a production contract to operate the Tilapia II oilfield.

In the case that the Ministry of Hydrocarbons of the Republic of the Congo will deny the award of the operating license, Zenith will lose its investments made in the Republic of the Congo and the probable reserves mentioned in the Chapman Report 2021 – Congo will not be accessible for the Group. The non-acquisition of the new 25-year license for the Tilapia oilfield would therefore significantly worsen the future cash flow assumptions of the Group, the overall outlook of the Issuer in the future and would make a change in the business strategy necessary.

The Issuer has no proven reserves in the Republic of the Congo

According to the Chapman Report 2021 – Congo, as of the date of this Prospectus the Issuer has no proven oil reserves in the Republic of the Congo. All reserves mentioned in the Chapman Report 2021 – Congo are shown as probable reserves. Probable reserves are reserves that are less certain to be recovered than proven reserves. Since all Congolese reserves attributed to the Issuer are probable, there is a risk that the actual remaining quantities are significantly lower than or cannot be recovered in the amount shown in the Chapman Report 2021 – Congo. The future cash flow assumptions, the expected revenue and the overall business strategy of the Group would have to be adapted considerably if the actual remaining quantities are significantly lower than or cannot be recovered in the amount shown in the Chapman Report 2021 – Congo. Furthermore, the reserve values of the properties in the Republic of the Congo have to be devaluated, which would have a negative impact on the Issuer's financial statements. Any devaluation of the reserve values of the Issuer's properties could lead to lower future production, lower future cash flow and higher depreciation charges and thus adversely affect the Issuer's results of operations, financial condition and future prospects.

Insufficient data is an obstacle to support reserves for future locations

The Issuer relies on finding new fields and evaluating their potential correctly. Insufficient information and data in some regions may prevent the Issuer to evaluate the potential of certain fields correctly and the Issuer may consequently lose business or invest in unprofitable fields.

Deteriorating economic conditions in emerging markets such as the Republic of the Congo may adversely affect Zenith's business

The Issuer is invested in the Republic of the Congo since spring 2020. As an emerging market, this country is subject to greater risks than more developed markets, including significant legal, economic and political risks. Investors should also note that an emerging economy, such as the Republic of the Congo's, is subject to rapid change and that the information set out may become outdated relatively quickly. The disruptions recently experienced in the international capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging markets is significantly influenced by levels of investor confidence in such markets as a whole and so any factors that impact market confidence (for example, a decrease in credit ratings or state or central bank intervention in one market) could affect the price or availability of funding for entities within any of these markets.

Economic and political developments in the Republic of the Congo may negatively affect the development of Zenith's business

Political unrest in the Republic of the Congo would expose the Issuer to political risks, including expropriation and nationalisation of property, civil strife and acts of war or terrorism, which could, in turn, have a significant adverse effect on the countries' economy. Political unrest may lead to danger of attacks on employees and/or facilities, social unrest, including strikes, political protests and demonstrations. Next to the overall security concern regarding the safety of employees and/or facilities, there is a risk that political unrest may lead to interruptions in the production of oil. Any interruption to the Issuer's drilling operations affects the production and therefore the revenue of the Issuer significantly. In Transparency International's 2019 Corruption Perceptions Index the Republic of the Congo ranked 165 out of 180. The Issuer's operations could be adversely affected by illegal activities, corruption or claims implicating the Issuer in illegal activities. There is a risk that the Issuer is not able to secure new assets and investments, which are subject to regulatory approval, despite submitting the best offer.

Risks associated with COVID-19

As a consequence of the COVID-19 pandemic, significantly adverse market conditions have occurred, which had a negative impact on the Company, particularly due to the fall in oil prices that followed the initial lock downs in industrial countries. Quarantines, curfews and further restrictions of business and social life have been imposed for several countries of the world, including those where the Issuer has its operations (Italy, Tunisia and the Republic of the Congo). The principal impact on the issuer has involved the restrictions in international travel which have inhibited the ability of the Company's management and external specialists to visit the Company's operating sites, potential suppliers and acquisition opportunities. The length of the COVID-19 pandemic cannot reasonably be predicted at this stage, though the introduction of vaccines in late 2020 will help reduce the spread of the virus and businesses around the world have adjusted to the revised circumstances; the Company has experienced far fewer issues in the second and third waves of the virus than it did in the first. However, a repeated material decline in the demand for oil and natural gas products comparable to the one caused by the outbreak of the COVID-19 pandemic will increase the competition between suppliers and lead to a sharp decline in prices.

Risks related to the environment

Activities in the oil and gas sectors can be dangerous, posing health, safety and environmental risks

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property as well as the environment or personal injury. In particular, Zenith may produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to the Group. In accordance with industry practice, Zenith is not fully insured against all of these risks, nor are all such risks insurable. Although Zenith maintains liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event Zenith could incur significant costs. Oil and natural gas production

operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on Zenith's business, financial condition, results of operations and prospects.

Future climate change and carbon pricing may result in increased expenditure and reduced profitability

Compliance with laws, regulations and obligations relating to climate change and carbon pricing could result in substantial capital expenditure and reduced profitability from higher operating costs and lower revenues and may have a material adverse effect on Zenith's business, results of operations and financial condition. This is most likely to impact on Zenith's operations in Italy where it is engaged in domestic energy production as the political environment to reduce carbon emissions is greatest in Western Europe. Italy, Congo and Tunisia are signatories to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol, and is thus required to establish legally binding targets to reduce nation-wide emissions of carbon dioxide, methane, nitrous oxide and other "greenhouse gases". There is the risk that Zenith may be subject to legislation in Italy regulating emissions of greenhouse gases. The direct and indirect costs of complying with these emissions regulations may adversely affect the business of Zenith.

Zenith is subject to stringent environmental and health and safety regulations which result in costs relating to compliance and remediation that may adversely affect its results of operations and financial condition

Zenith is subject to significant environmental regulations in respect of its operational activities in all jurisdictions and seeks to conduct its operations in an environmentally responsible manner and to maintain the productivity goals achieved. All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Should Zenith be unable to fully fund the cost of remedying an environmental problem, Zenith might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Zenith to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on Zenith´s business, financial condition, results of operations and prospects.

Aging infrastructure in Zenith's operations, improper waste management and operational incidents may lead to spills, leakages and other contamination. Such incidents may cause substantial environmental clean-up, decommissioning and restoration costs and damage not only the environment but also affect communities and Zenith's reputation

Zenith´s facilities and pipeline operations require regular monitoring, maintenance and renewal. Aging facilities may not always be replaced and upgraded in due time. This could, among other things, result in spills and leakages. Spills, leakages and other contamination resulting from aging infrastructure and other contamination, e.g. as a result of improper waste management, may result in substantial environmental decommissioning and restoration costs and could cause damages to communities and Zenith's reputation. In addition, spills, leakages and contamination can result from operational incidents, and may be particularly severe in the case of offshore drilling. Any operational incident resulting in environmental contamination could result in substantial financial and reputational damages, considering the limitations of insurances. In addition, international regulations and insurance requirements may increase as a result of an accident, and offshore operations could become more difficult and expensive in the future. This would have a material adverse effect on Zenith's business, results of operations and financial condition.

Compliance and control risks

Government intervention and regulation may have a material adverse effect on Zenith's business. Zenith might not be able to comply with its obligations under licences.

The oil and gas industry is subject to regulation and intervention by governments, in particular in matters such as the award of exploration and production interests, restrictions on production and exports, environmental measures, control over the development and abandonment of fields and installations, the nationalisation or renationalisation of assets, imposition of specific drilling obligations, environmental and health and safety protection controls and other risks relating to changes in local government regimes and policies.

In addition, Zenith has to comply with conditions contained in licences, such as operating permits. A failure by Zenith to comply with substantial conditions might lead to governmental intervention. Any violations of substantial conditions may therefore have a material adverse effect on Zenith's business, results of operations and financial condition.

Incidents of non-compliance with applicable laws and regulations could be damaging to Zenith's reputation and shareholder value.

Zenith's reputation is critical to Zenith's ability to maintain its licences to operate and secure new resources. Zenith's code of conduct defines its commitment to integrity, compliance with all applicable legal requirements, ethical standards and the behaviours and actions Zenith expects of its businesses and employees. Non-compliance with applicable laws and regulations or Zenith's code of conduct could be damaging to Zenith's reputation and shareholder value. Multiple events of non-compliance could call into question the integrity of Zenith's operations and may have a material adverse effect on Zenith's business, results of operations and financial condition, including the revocation of licences to operate. The highly regulated sector that Zenith operates in requires compliance to a plethora of laws and regulations. Incidents of non-compliance to applicable laws may be a result of accidental failure to comply with any enforced regulations, such as related to environmental regulations or country specific political expectations. This probability is increased due to the sometimes capricious nature of laws and regulations in developing countries which Zenith operate in (specifically Tunisia and Congo).

Operational risks

Zenith is subject to general operational risks

Zenith is subject to general operational risks such as the risk of loss due to errors, infringements, interruptions or damages caused by internal processes, personnel, systems or due to external events. The Group is exposed to many types of operational risk, including the risk of fraud by employees and external parties, the risk of unauthorized transactions carried out by employees and the risk of operational errors, including those resulting from defects or malfunctions of the computer or telecommunication systems, and the risk of accidental events making unusable plants and equipment used in production processes. The systems and methods of management of operational risks are designed to ensure that such risks associated with the Group's activities are kept adequately under control. However, any inconvenience or defect of such systems, plant and machinery could adversely affect the financial position and operation results of the Group. These factors, particularly in times of economic and financial crisis, could lead the Group to incur losses, increases in financing costs, reductions in the value of the Group's assets, with a potential negative impact on the liquidity of the Group and on its own capital strength. As oil and gas production is always a physically hazardous activity, the operational risks for Zenith are greater than for most industries.

Zenith is subject to operational risks relating to the production, transportation and storage of oil and gas, crude refining and processing and, in the future, power generation. Some of these risks may be uninsured or uninsurable

Oil, gas, power and chemical activities involve significant hazards. Zenith's operations are subject to risks generally relating to the exploration for and production of oil and gas, including blowouts, fires, equipment failure, tanker accidents, damage or destruction of key assets and other risks that can result in personal injuries, loss of life and property and environmental damage. Offshore operations, in particular, are subject to a wide range of hazards, including capsizing, collision, bad weather and environmental pollution (see also "*—Risks related to the environment*" above). In addition, Zenith's operations of gas transportation and compression facilities, refinery and petrochemical complexes, oil pipeline systems, storage and loading facilities, chemical facilities and, in the future, power plants subject Zenith to the risks generally relating to such operations. In certain circumstances, Zenith's insurance may not cover or be adequate to cover the

consequences of such events, or insurance coverage may not be available. Moreover, Zenith may not be able to maintain adequate insurance in the future at rates that it considers reasonable. The occurrence of any event that is not fully covered by insurance could have a material adverse effect on Zenith's business, results of operations and financial condition.

Zenith may experience operational and/or technological problems which may delay or hinder the progress of ongoing and planned projects

Zenith develops its business in part through investments in projects designed to improve its competitive position, such as construction of pipelines or upgrading various facilities. Zenith may experience operational, technological or other problems beyond Zenith´s control, both of its own and of its contractual partners, which may delay or hinder the progress of its projects and lead to increased costs, and consequently may have a material adverse effect on Zenith's business, results of operations and financial condition. Zenith is a small company compared to many operators of oil and gas production facilities, and therefore does not have the depth of human and technical resources that would be available to a large operator.

Zenith may be required to curtail, delay or cancel drilling operations

Exploration and production require high levels of investment and are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of an oil or natural gas field. The cost of drilling, completing or operating wells is often uncertain. Zenith may be required to curtail, delay or cancel drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements, such as drilling moratoria following an accident. The realization of any of these risks may have a material adverse effect on Zenith's business, results of operations and financial condition.

Shortcomings or failures in Zenith's systems, risk management, internal controls processes or personnel could lead to disruption of its business

In the normal course of business, Zenith is subject to operational risk around its treasury and trading activities. Controls over these activities are dependent on Zenith's ability to process, manage and monitor a large number of complex transactions across many markets and currencies. Shortcomings or failures in its systems, risk management, internal controls processes or personnel could lead to disruption of Zenith's business, financial loss, regulatory intervention or damage to its reputation and may have a material adverse effect on Zenith's business, results of operation and financial condition. Zenith is a small company compared to many operators of oil and gas production facilities, and therefore does not have the depth of human and technical resources that would be available to a large operator.

Major disruption of Zenith's information technology systems may have a material adverse effect on Zenith's business

Zenith's activities are increasingly dependent on sophisticated information technology ("IT") systems. IT systems are vulnerable to a number of problems, such as software or hardware malfunctions, malicious hacking, physical damage to vital IT centres and computer virus infection. IT systems need regular upgrading to meet the needs of changing business and regulatory requirements and to keep pace with the requirements of Zenith's existing operations and possible expansion into new markets. Zenith may not be able to implement necessary upgrades on a timely basis, and upgrades may fail to function as planned. Consequently, any major disruption of its existing IT systems may have a material adverse effect on Zenith's business, results of operations and financial condition.

Zenith is dependent on its key personnel

Zenith's future success depends to a significant extent upon the leadership and performance of the members of the executive board as well as certain other key employees. The Issuer may not be able to retain its executive officers and key personnel or attract additional qualified members to its management team in the future. The loss of the services of members of the executive board could have a material adverse effect on Zenith's business, results of operations and financial condition.

Litigation and disputes may have a material adverse effect on Zenith's business

Zenith may face litigation and disputes worldwide; however, it is not currently engaged in any material litigation nor has been in the last 12 months. From time to time, cultural and political factors may lead to unprecedented and unanticipated judicial outcomes, which may sometimes even be contrary to local and international law. In addition, certain governments, state and regulatory bodies have, in the opinion of Zenith, exceeded their constitutional authority by attempting unilaterally to amend or cancel existing agreements or arrangements, by failing to honour existing contractual commitments and by seeking to adjudicate disputes between private litigants. Litigation and disputes may have a material adverse effect on Zenith's business, results of operations and financial condition.

Expiration of permits, licenses and leases

Zenith's properties are held in the form of permits, licenses, leases and working interests in permits, licenses and leases. If Zenith or the holder of the permit, license or lease fails to meet the specific requirement of a permit, license or lease, the permit, license or lease may terminate or expire. There can be no assurance that any of the obligations required maintaining each permit, license or lease will be met. The termination or expiration of Zenith's permits, licenses or leases or the working interests relating to a permit, license or lease may have a material adverse effect on Zenith's results of operations and business.

Financial risks

The Company will likely need to raise further capital for expansion

The Company does not generate sufficient cash to fund its planned capital expenditure programme. It is also likely that the Company will identify additional capital expenditure and acquisition opportunities. It therefore will need to raise expansion capital through the issue of further Common Shares or by borrowing. There can be no surety that the Company will be able to raise the required additional capital, or at what price. The Company has a successful history of raising external capital, both equity and debt, but this cannot be relied upon for the future. There is no requirement to raise additional capital for its immediate (within the next 12 months) working capital requirements, and all these expansion capital requirements are discretionary; this also applies for months 13-18. The Group produces sufficient cash flows to finance its maintenance costs and for any capital expenditure that is a requirement of any of its current licences and concessions. The Company may need to raise additional capital to further develop its existing assets beyond the next 12 months, depending on the results of its exploration programme, but all these requirements are discretionary and non-contracted.

Economic and political dislocations could have a rare but material adverse effect on Zenith's business, results of operations and financial condition

The financial position of Zenith could be affected by the inability to sell its products, by unexpected outgoing cash flows, by the obligation to provide additional guarantees or by the inability to access money and/or capital markets. This situation could arise due to rare but serious circumstances beyond Zenith´s control, such as a general market disruption or an operational problem affecting Zenith or third parties or also by the expectation, among the market participants, that Zenith or other market participants are having a greater financial risk. For Zenith this would most likely happen due to either a sharp fall in oil prices due to a demand slump, such as the Covid-19 lockdowns in 1H2020, the 2008 financial crisis, or through local political instability due to the less developed nature of economies such as the Republic of Congo and Tunisia, as happened during the "Arab Spring" uprisings. Should Zenith be unable to ensure that it retains the necessary financial flexibility and maintains sufficient cash reserves, this could have a material adverse effect on Zenith's business, results of operations and financial position.

Movements in foreign currency exchange rates and interest rates can have a material effect on Zenith's results of operations and financial condition

World oil and gas prices are quoted in United States Dollars, while the Company accounts are prepared in Canadian Dollars, and is therefore affected by the Canadian/US dollar exchange rate. A significant portion of Zenith´s international activities are conducted in Euros in Italy, while it has material costs in Norwegian Kronor and Pounds Sterling from having its Common Shares traded on markets in Norway and the UK, so it is exposed to changes in foreign exchange rates as operating expenses, capital expenditures, and financial instruments fluctuate due to changes in exchange rates. Zenith is increasing its activities in Africa, where the local currencies are not freely exchangeable on international markets. Zenith has never used derivative instruments to hedge

its exposure to foreign exchange risks. For the reason stated, the Company is therefore subject to material levels of exchange rate risk. Any currency risks may have adverse effects on Zenith´s cash flow, income statement or balance sheet. To the extent that Zenith engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which Zenith may contract. An increase in interest rates could result in a significant increase in the amount Zenith pays to service debt.

Adverse financial market conditions may affect Zenith's ability to refinance

The costs and availability of financing have been adversely affected by the crisis in the financial markets. Zenith may encounter difficulties in refinancing its financial obligations or may be able to refinance only at increased market rates. It might especially be difficult to borrow funds from banks. The inability of Zenith to refinance would have a material adverse effect on its liquidity position and might, in a worst case, result in its insolvency.

Delay of cash receipts could have a material adverse effect on Zenith's business, results of operation and financial condition

In addition to the expected time-lags in payment by producers of oil and natural gas to the operators of Zenith's properties, and by the operators to Zenith, payments between any of such parties may also be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, delays in the connection of wells to a gathering system, blowouts or other accidents, recovery by the operator of expenses incurred in the operation of Zenith's properties or the establishment by the operator of reserves for such expense. Zenith is a small company compared to many operators of oil and gas production facilities, and therefore does not have the depth of capital resources that would be available to a large operator.

Borrowing levels, leverage and restrictive covenants could have a material adverse effect on Zenith´s ability to finance expansion of its business

The ability of Zenith to finance capital expenditures or acquisitions in the future may be limited if it is unable to raise additional debt finance, which may be impacted by its debt levels, general economic conditions and the requirements of lenders. This includes if it is unable to find purchasers for their 25,000,000 Euro Medium Term Note Programme which is anticipated to be used to finance its developments in Republic of Congo.

Limited insurance cover can lead to financial problems for Zenith

Zenith's involvement in the exploration for and development of oil and natural gas properties may result in Zenith becoming subject to liability for pollution, blow outs, leaks of sour natural gas, property damage, personal injury or other hazards. Although Zenith maintains insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. In addition, such risks are not, in all circumstances, insurable or, in certain circumstances, Zenith may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce the funds available to Zenith. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, leads to the risk of a material adverse effect on Zenith's business, financial condition, results of operations and prospects.

Zenith is subject to going concern risks

We draw attention to the yearly audit report in the financial statements as of 31 March 2021, which explains that the Group is dependent upon additional fund raises within the going concern period in order to continue developing its oil and gas projects and to simultaneously satisfy loan repayments which are due within the going concern period. The Group has secured additional funds from the Subscription, which combined with the improved prices being received for oil, gas and electricity, the Board believes will be sufficient to meet all its contracted requirements during the forthcoming 12 months.

Risks Relating to the Securities

Further issues of securities will dilute existing holders

The Company is likely to make further issues of Common Shares in the future either to finance the development of its existing assets or to acquire new assets. Such issues of new Common Shares would cause dilution to existing Shareholders and may not necessarily be priced at a premium to the price which Shareholders may have purchased their Common Shares.

No history of paying dividends

The Company has never paid a dividend and is unlikely to do so in the foreseeable future. There can be no certainty that the Company will ever pay a dividend. This will impact on the future value of the Common Shares if no dividend is ever paid.

The Common Shares are listed on the Standard Segment of the UK Official List which affords investors a lower level of protection than a listing on the Premium Segment

The Existing Common Shares are admitted to the Standard Segment of the UK Official List. An application will be made also to admit the SubscriptionShares and the Admission Shares to the Standard Segment of the UK Official List. A Standard Listing affords investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Common Shares.

Shareholders will not have the Opportunity to vote to approve transactions

Unless such approval is required by law or other regulatory process, Shareholders will not have the opportunity to vote on transactions even if Common Shares are being issued as consideration for the transaction. Chapter 10 of the Listing Rules relating to significant transactions will not apply to the Company while the Company has a Standard Listing. The Company does not expect that Shareholder approval will be required in connection with transactions, and therefore, investors will be relying on the Company's and the Directors' ability to identify potential targets, evaluate their merits, conduct or monitor diligence and conduct negotiations.

Shareholders will not be entitled to protections provided by the City Code

The City Code applies, *inter alia*, to offers for all listed public companies considered by the Panel on Takeovers and Mergers to be incorporated or resident in the United Kingdom, the Channel Islands or the Isle of Man. The Company is not so incorporated or resident and therefore Shareholders will not receive the benefit of the takeover offer protections provided by the City Code. As the Company is a reporting issuer in Alberta and British Columbia, certain offers to purchase outstanding shares of the Company may be subject to the application of Canadian securities laws which require the making of an offer on identical terms to all shareholders in the local jurisdiction (with limited exceptions). Such rules are not necessarily equivalent to the rules under the City Code. Moreover, such laws may not necessarily apply where an offer is not made to a shareholder in Canada. Canadian securities laws provide that a person or company (the "offeror") that offers to purchase equity or voting securities (such as the Company's Common Shares) of a reporting issuer from security holders in Canada and resulting in an offeror owning or exercising control or direction, directly or indirectly, over equity or voting securities representing 20% or more of the outstanding securities of the class (including securities that the person or company has the right or obligation to acquire within 60 days, with or without conditions) must, subject to certain exemptions, make the offer, on identical terms, to all security holders in Canada in accordance with a number of requirements (referred to as "Canadian takeover bid rules"). Exemptions from the Canadian takeover bid rules are available in certain circumstances, including in the case of certain private transactions involving five or fewer vendors where the purchase price does not exceed 115% of the market price of the shares. Another exemption is available in the case of purchases on the open market where the aggregate number of shares pursuant to this exemption together with other acquisitions does not exceed 5% of the issued and outstanding shares over a twelve-month period.

The Canadian takeover bid rules apply where purchases are made from shareholders in Canada. Although Canadian securities regulatory authorities do have discretion to commence regulatory proceedings on the basis of public interest notwithstanding the fact that the relevant parties are not residents of Canada, the purchase and sale of securities from or by shareholders who are not in Canada may not necessarily be afforded the protection of the Canadian takeover bid rules.

The Company is incorporated in Canada, and as such is subject to Canadian company law

The Company is a company incorporated under the Business Corporations Act (British Columbia), and as such its corporate structure, the rights and obligations of Shareholders and its corporate bodies may be different from those of the home countries of international investors. Furthermore, non-Canadian residents may find it more difficult and costly to exercise shareholder rights. International investors may also find it costly and difficult to effect service of process and enforce their civil liabilities against the Company or some of its directors, controlling persons or officers.

Risks Relating to Taxation

The treatment of Zenith's group entities is subject to changes in tax regulation or practices in territories in which Group entities are resident for tax purposes (that includes at the date of this Prospectus *inter alia* Canada, the United Kingdom, Italy, Africa, Switzerland, the Netherlands, Norway and the British Virgin Islands). Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid. Any changes to tax legislation in territories in which Group entities are resident for tax purposes may have a material adverse effect on the financial position of Zenith. In many jurisdictions, the resources sector is subject to particular taxation regimes which sometimes impose a comparatively heavy burden on activities within the sector. Such particular taxation regimes, that are – due to their specific and narrow nature – more likely to be subject to changes, are in place in both countries, in which the Group produces oil and gas (Italy and Africa).

PART 3

CONSEQUENCES OF A STANDARD LISTING

Application has been made for the Subscription Shares, Capitalisation Shares and Admission Shares to be admitted to listing on the standard segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. The existing Common Shares (other than the Admission Shares) are already listed on the standard segment of the Official List. A Standard Listing affords Shareholders and investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to a Premium Listing, which are subject to additional obligations under the Listing Rules.

Listing Principles 1 and 2, as set out in Chapter 7 of the Listing Rules, also apply to the Company, and the Company complies with such Listing Principles.

Chapter 14 of the Listing Rules sets out the requirements for Standard Listings and does not require the Company to comply with, *inter alia*, the provisions of Chapters 6 to 13 of the Listing Rules, which includes, in particular:

- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not appointed and does not intend to appoint such a sponsor in connection with the Subscription and Admission;
- Chapter 9 of the Listing Rules relating to further issues of shares, issuing shares at a discount in excess of 10% of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that transactions will not require Shareholder consent, even if Common Shares are being issued as consideration for such transactions. However, the Company will seek Shareholder consent at a general meeting for transactions if it would constitute a reverse takeover;
- Chapter 11 of the Listing Rules regarding related party transactions. It should be noted therefore that related party transactions will not require Shareholder consent, however the related party transaction requirements of Chapter 7 of the Disclosure Guidance and Transparency Rules will apply;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Common Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. The Company will have unlimited authority to purchase Common Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

There are, however, a number of continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company. These include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through the document viewing facility and related notification to a regulatory information service;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- the making of regulatory information service notifications in relation to a range of debt and equity capital issues; and
- at least 25% of the Common Shares being held by the public.

In addition, as a company whose securities are admitted to trading on a regulated market, the Company will be required to comply with the Disclosure Guidance and Transparency Rules and the Market Abuse Regulation.

There are no provisions in the Articles that require new Common Shares to be issued on a pre-emptive basis to existing Shareholders and there are no statutory pre-emption rights.

It should be noted that the FCA does not and will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.

It should be noted that the Common Shares are, and will continue to be, admitted for trading on the Euronext Growth Market of the Oslo Stock Exchange and consequently obligations arising from applicable securities legislation in Norway, as well as the rules of the Euronext Growth Market, will continue to apply to the Company. The Company is incorporated in British Columbia, Canada, and is therefore subject to the corporate and securities legislation at both a provincial and federal level.

PART 4

IMPORTANT INFORMATION

In deciding whether or not to invest in Common Shares, prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Directors. Without prejudice to the Company's obligations under FSMA, the Prospectus Regulation Rules, Listing Rules and Disclosure Guidance and Transparency Rules, the delivery of this Document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company, the Directors, or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" should be read as an introduction to this Document. Any decision to invest in the Common Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read the section headed "Section D—Risks" of the Summary together with the risks set out in the section headed "Risk Factors" beginning on page 10 of this Document.

Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Common Shares offered hereby is prohibited.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Common Shares by any person in any jurisdiction (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document and the offering of the Common Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Document are required by the Company, and the Directors to inform themselves about, and to observe any restrictions as to the offer or sale of Common Shares and the distribution of, this Document under the laws and regulations of any territory in connection with any applications for Common Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company or the Directors, that would permit a public offering of the Common Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required. Neither the Company, nor the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

The Common Shares have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States or qualified for sale or distribution under applicable securities laws of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the Common Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States or to or for the account or benefit of U.S. persons (as defined in Rule 902 under the Securities Act) or to persons in the United States, Australia, Canada (other than pursuant to exemptions from the prospectus requirement under Canadian securities legislation), Japan, the Republic of South Africa or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. The Subscription Shares may not be resold in Canada or to a resident of Canada for a period of four months and one day following Admission, unless a trade is permitted under Canadian securities laws.

Data Protection

The Company may delegate certain administrative functions in relation to the Company to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;

b) carrying out the business of the Company and the administering of interests in the Company;

c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in Canada, the United Kingdom or elsewhere; and

d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and

b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Selling and Transfer Restrictions

Prospective investors should consider (to the extent relevant to them) the notices to residents of various countries set out in Part 19: "*Notices to Investors*".

Investment Considerations

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this Document and the terms of the Subscription, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Common Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Common Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Common Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved.

It should be remembered that the price of the Common Shares, and any income from such Common Shares can go down as well as up.

This Document should be read in its entirety before making any investment in the Common Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Notice of Articles and Articles of the Company, which investors should review.

PART 5

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	12 November 2021
Admission and commencement of unconditional dealings in Subscription Shares	8.00 a.m. on 16 November 2021
CREST members' accounts credited in respect of Depository Interests	8.00 a.m. on 16 November 2021
Despatch of definitive share certificates for Shares no later than	30 November 2021

These dates and times are indicative only, subject to change and may be brought forward as well as moved back, in which case new dates and times will be announced. All references to time in this Document are to London, UK time unless otherwise stated and each of the times and dates are indicative only and may be subject to change.

For the purposes of this Document, the exchange rates applicable are, unless otherwise disclosed, as follows:

From	To	Exchange Rate
USD	GBP	0.722
GBP	USD	1.385
EUR	GBP	1.169
GBP	EUR	0.855
CAD	GBP	0.580
CAD	USD	0.804
CAD	NOK	6.911
GBP	NOK	11.908
EUR	NOK	10.185
USD	NOK	8.598

PART 6

ADMISSION STATISTICS

Number of Common Shares in issue as at the date of this document	1,411,665,358
Number of Admission Shares	1,086,842,772
Number of Subscription Shares	272,727,273
Number of Capitalisation Shares	108,181,818
Total number of Common Shares in issue on Admission	1,792,574,449
Subscription Price per Subscription Share	1.1 pence
Market capitalisation at the Subscription Price	£19.72m
Number of Options outstanding at 30 September 2021	140,771,165
Number of Warrants outstanding at 30 September 2021	382,123,972
Convertible Loan Notes outstanding at 30 September 2021	100,000,000
Fully diluted Share Capital on Admission	2,415,469,586
The Subscription Proceeds receivable by the Company	£3,000,000
Estimated transaction costs	£150,000
The Net Proceeds available to the Company	£2,850,000

PART 7

DIRECTORS AND ADVISERS

Directors	Jose Ramon Lopez-Portillo *(Chairman and Non-Executive Director)* Andrea Cattaneo *(President, CEO and Director)* Luca Benedetto *(Chief Financial Officer)* Dario E. Sodero *(Non-Executive Director)* Sergey Borovskiy *(Non-Executive Director)*
Registered Office	20th Floor 250 Howe Street Vancouver BC V6C 3R8 Canada
Head Office	Suite 1500, 15th Floor Bankers Court 850 – 2nd Street S.W. Calgary, Alberta T2P 0R8 Canada Telephone Number: +1 (587) 315 9031
Website	www.zenithenergy.ca
Auditors to the Company	Jeffreys Henry LLP 5-7 Cranwood Street London EC1V 9EE United Kingdom
Reporting Accountants	Jeffreys Henry LLP 5-7 Cranwood Street London EC1V 9EE United Kingdom
Financial Adviser	Allenby Capital Limited 5 St Helen's Place London EC3A 6AB United Kingdom
Competent Person	Chapman Petroleum Engineering Ltd 1122 4th Street S.W. Suite 700 Calgary Alberta T2R M1 Canada
Depositary and Registrar	Computershare Investor Services Plc The Pavilions Bridgewater Road Bristol BS99 6ZZ United Kingdom Computershare Trust Company of Canada 100 University Avenue 8th Floor Toronto ON M5J 2Y1 Canada

Legal adviser (UK)	Fladgate LLP 16 Great Queen Street London WC2B 5DG United Kingdom
Legal adviser (Canada)	McCarthy Tétrault LLP 421 7th Avenue SW Suite 4000, Calgary AB T2P 4K9, Canada

PART 8

INFORMATION ON THE GROUP

1. Introduction and Background

The Company is an international oil and gas exploration, development and production company that is incorporated and domiciled in Canada.

The last year has seen a substantial change in the Company's business, with its exit from its operations in Azerbaijan and a new focus on assets in Africa. The current prime focus is on Tunisia, where the Company holds a majority working interest, subject to final regulatory approval, in a producing field. The Company is also seeking to progress a production licence application in the Republic of Congo while exploring other opportunities in Africa to complement the Company's interests in Tunisia and the Republic of Congo. The Company retains its long-standing gas and electricity production activities in Italy. The Company's financial position and performance remains materially unchanged from that described in the annual report for the year to 31 March 2021 that is incorporated by reference in Part 11. Revenues are expected to remain modest until the licence processes in both Tunisia and Republic of Congo are concluded.

2. History and Development of the Issuer

Overview

The Issuer is a corporation domiciled in British Columbia, Canada, and was incorporated and registered as Canoel International Energy Ltd. under the Business Corporations Act (British Columbia) on 20 September 2007 and changed its name to "Zenith Energy Ltd." on 2 October 2014.

The Issuer is the holding company of the Group which engages in the oil production as well as natural gas and electricity production. The Group's operations are carried out through operating subsidiaries. As of the date of this Prospectus, the Group is operating in Italy, in Tunisia and will start operations in the Republic of the Congo once the pending license has been granted.

The main subsidiaries of the Group are:

Canoel Italia S.r.l.

On 11 November 2010, Zenith established Canoel Italia S.r.l. ("**Canoel Italia**") an Italian subsidiary of the Company, in order to enable the Issuer to have an Italian operating entity and thereby have the possibility to be awarded oil and gas production and exploration assets posted for auction by the Italian Ministry for Economic Development. The Issuer owns 98.64 per cent of Canoel Italia. Canoel Italia. is specialised in the gas and electricity production in Italy.

Zenith Energy Congo SA

Zenith Energy Congo SA ("**Zenith Congo**"), a fully owned subsidiary of Zenith, was established on 13 August 2020 under the laws of the Republic of the Congo. The purpose of Zenith Congo is to receive a new 25-year license to operate the Tilapia oilfield named "Tilapia II". The offer for the granting of such license was submitted on 20 July 2020. On 23 December 2020, the Issuer announced that it has received official confirmation from the Ministry of Hydrocarbons of the Republic of the Congo that Zenith Congo has been selected as the successful bidder for the award of a new 25-year license to operate the Tilapia II oilfield. The Issuer announced on 10 February 2021 that it has successfully completed the inquiry of public utility. The final step is the finalization and ratification of a production contract to operate the Tilapia II oilfield. With the finalization and ratification of a production contract, Zenith Congo will be granted a drilling license by the Congolese Ministry of Hydrocarbons. The Groups drilling operations in the Republic of the Congo can start after the granting of the drilling license by the Congolese Ministry of Hydrocarbons.

Anglo African Oil & Gas Congo S.A.U.

In spring 2020, the Group acquired the Anglo African Oil & Gas Congo S.A.U. ("**AAOG Congo**"). AAOG Congo is now a fully owned subsidiary of the Issuer. It held a 56 per cent majority interest in the now expired Tilapia oilfield in the Republic of the Congo. The other 44 per cent were held through Société Nationale des Pétroles du Congo ("**SNPC**"). SNPC owes the Issuer total receivables in the amount of approximately

USD 5.3 million. As a result, and in agreement with the Ministry of Hydrocarbons, the Group has terminated the cooperation with SNPC regarding the Tilapia oilfield in August 2020 and returned the operatorship of the original Tilapia license from AAOG Congo to a subsidiary of SNPC. As of the day of this Prospectus, the purpose of AAOG Congo is to collect the outstanding amount of USD 5.3 million from SNPC. After receiving the USD 5.3 million and after the settlement of the ongoing lawsuit (described on page 42), AAOG Congo will be liquidated since Zenith Congo has been established as the new operating entity for the operations in the Republic of the Congo and expects a new 25-year license for the operations regarding the Tilapia II oilfield.

Zenith Energy Netherlands B.V.

Zenith Energy Netherlands B.V. ("**Zenith Netherlands**") has its corporate seat in Amsterdam and was incorporated on 8 April 2020. Zenith Energy Netherlands B.V is a fully owned subsidiary of the Issuer and is developing the Tunisian market since May 2020. Currently, the Group has no established company in Tunisia. On 20 April 2020, the Zenith Netherlands had signed a conditional sale and purchase agreement with KUFPEC (Tunisia) Limited (a 100 per cent subsidiary of Kuwait Foreign Petroleum Exploration Company K.S.C.C, a subsidiary of the State of Kuwait's national oil company), for the acquisition of a working interest of 22.5 per cent in, *inter alia*, the North Kairouan permit and the Sidi El Kilani concession (the "**Tunisian Acquisition Part I**"), which contains the Sidi El Kilani oilfield ("**SLK**") and covers an area of 204 square kilometres, located onshore, in the Pelagian Basin, Eastern Tunisia. On 8 September 2020, Zenith Netherlands signed a conditional sale and purchase agreement with the China National Petroleum Corporation ("**CNPC**") as seller for the acquisition of its working interest of 22.5 per cent in, *inter alia*, the North Kairouan permit and the Sidi El Kilani concession (the "**Tunisian Acquisition Part II**", together with the Tunisian Acquisition Part I "**Tunisian Acquisition**"). The completion of the Tunisian Acquisition remains conditional on the approval being granted by the Comité Consultatif des Hydrocarbures of the Republic of Tunisia in respect of the transfer of the sellers' rights, title and interest in and under the Tunisian Acquisition to Zenith Netherlands. Despite the pending approval, Zenith Netherlands already has the right to exploit the Tunisian assets.

Zena Drilling Limited

Zena Drilling Limited ("**Zena**") was incorporated in the United Arab Emirates on 29 July 2017. Zena is a fully owned subsidiary of the Issuer, providing international oilfield services.

History

Initially, in 2010 the Issuer acquired two oilfields in Argentina. As of June 2011, the Issuer started its operations in Italy by establishing its Italian subsidiary Canoel Italia S.r.l. By August 2013, Zenith's Italian subsidiary started the production of natural gas and natural gas condensate. In October 2015, Zenith purchased a "gas to power" plant, to start producing electricity from its Torrente Cigno concession, in Italy, and announced the beginning of electricity production activities at Torrente Cigno concession following the acquisition of gas- powered electricity generation infrastructure.

In January 2016, the Issuer established a fully owned subsidiary, Zenith Aran Oil Company Limited ("**Zenith Aran**"), to operate in Azerbaijan. Soon after that in March 2016, Zenith announced the signing of Rehabilitation, Exploration, Development and Production Sharing Agreement ("**REDPSA**") with the State Oil Company of the Azerbaijan Republic ("**SOCAR**"). The Parliament of the Republic of Azerbaijan unanimously ratified the REDPSA between SOCAR and Zenith and enacted this agreement into statutory law. By August 2016, Zenith started the production of first oil under the Zenith banner in Azerbaijan following completion of the handover process from SOCAR to Aran Oil Operating Company Limited ("**Aran Oil**"), an entity jointly created and owned by Zenith Aran (80 per cent) and SOCAR (20 per cent).

The Issuer's common share capital was admitted to trading on the Main Market of the London Stock Exchange on 11 January 2017.

In February 2017, Zenith performed divestment of its operations in Argentina. This was a strategic move with the primary intention of directing management focus towards the transformational opportunities in Azerbaijan and the consolidation of energy production interests in Italy. In addition, due to a series of circumstances beyond the Issuer's control, caused by the collapse of a major storage tank owned by Argentina's national oil company, Zenith's Argentinian operations were suspended. Until the date of disinvestment, the issues affecting the transportation of oil were not fully resolved and a persisting

uncertainty on the recommencement of operations led the Issuer to reconsider the operational involvement in Argentina. The sale of the Group's Argentinian subsidiary was fixed at a nominal sum in recognition of the costs the new owner was expected to incur to return the affected field to production. In addition, the Group was no longer liable for any environmental responsibilities or future well abandonment obligations in regard of the Argentinian wells or fields.

By March 2018, the gross oil production revenues of the Issuer's subsidiary in Azerbaijan peaked since the beginning of operations in the country, with a daily production of 260 barrels of oil a day and due to the higher oil selling price obtained from the market. The Group had been unsuccessful in achieving material increases in its daily production of oil. The primary reasons for not increasing the daily production of oil included the poor condition of many of the Issuer's existing wells, the challenging geology of the Issuer's field, as well as the unreliability of well data and historical records from the Soviet-era which have rendered workovers in some of the Issuer's wells extremely challenging.

On 8 November 2018, the Issuer's common share capital was admitted to trading on the Euronext Growth Market (at that time called the Merkur Market) of the Oslo Børs.

On 2 March 2020, the Issuer announced that, in view of Zenith's strategic focus on pursuing large-scale oil production and development opportunities in Africa, it would hand over the Contract Rehabilitation Area to SOCAR. Zenith continued to operate the Contract Rehabilitation Area until the handover of the Contract Rehabilitation Area which was completed during the month of June 2020.

In Spring 2020, the Issuer entered the markets of the Republic of the Congo and Tunisia. Terminating the activities of the Issuer in Azerbaijan had set free financial and operative resources to develop the activities in the new markets Congo and Tunisia.

With effect as of 29 May 2020 (close of business), the common shares of the Issuer were delisted from the TSX-V (Toronto Stock Exchange-Venture) at the Issuer's request. At the date of this Prospectus, the shares of the Issuer are listed on the Main Market of the London Stock Exchange and the Euronext Growth Market of the Oslo Børs.

3. Principal Activities of the Group

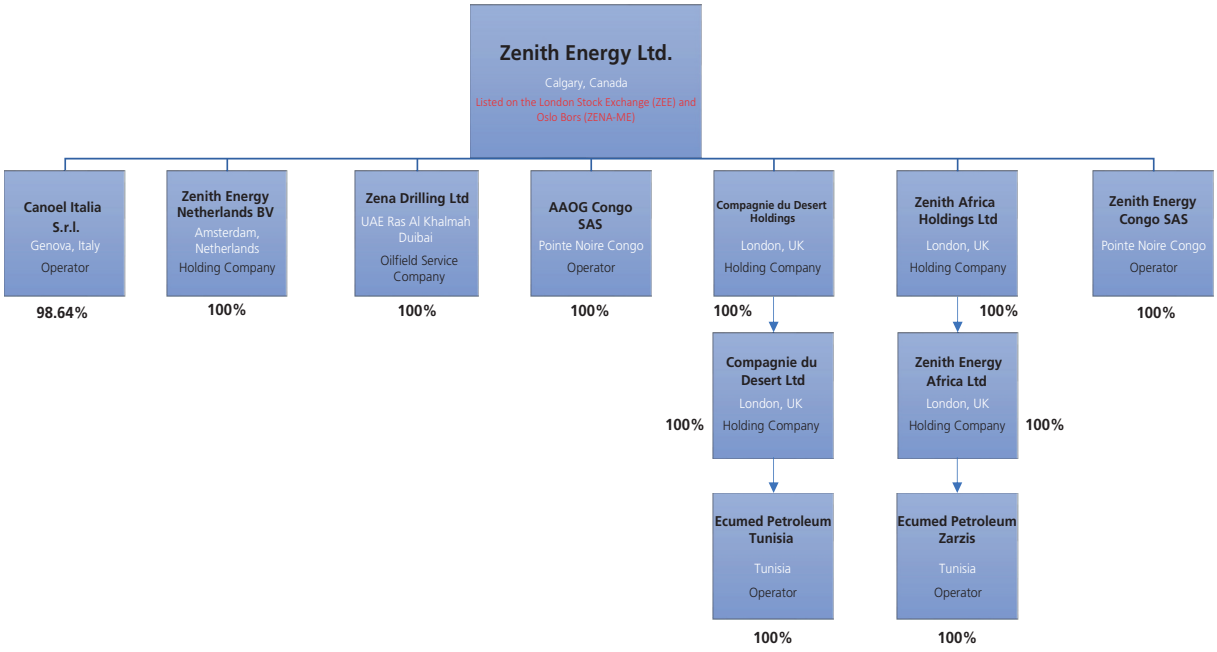
The Issuer is a holding company with a number of subsidiary companies whose principal activities of are the exploration and production of hydrocarbons for energy which include a variety of different projects in Italy (where it also produces electricity directly from the natural gas it produces), the Republic of the Congo (since spring 2020) and Tunisia (since spring 2020). Until the end of June 2020, the Issuer was also invested in Azerbaijan.

The articles of association of the Issuer contain no restrictions on the Issuer's principal objects or the type of business that may be carried out by the Issuer.

4. Organisational Structure of the Group

The Issuer, as the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Issuer.

Below is an organization chart of the Group which includes the main subsidiaries relevant for its operations:



Source: Internal information of the Issuer as of 28 May 2021.

5. Activities in Italy

In Italy, the Group owns various working interests in 13 onshore exploration and production properties and two gas concessions currently shut-in. The two gas concessions (Canaldente and Torrente Vulgano) were assigned to Canoel Italia S.r.l. from the Ministry of Economic Development in 2011, whilst the other onshore exploration and production properties were acquired from Medoilgas Italia S.P.A. and Medoilgas Civita Limited, each a subsidiary of Mediterranean Oil and Gas Plc, in June 2013. The concessions have various expiration dates.

6. Reserves and Concessions in Italy

A detailed evaluation of the oil reserves and the value of future net revenue for Zenith in Italy as at 30 September 2021 can be found in the CPR section "**Chapman Report 2021 – Italy**"; Part 19 (A) to this Prospectus. This estimates the Proved Developed Producing Reserves at 876 MMscf (gross & net) for natural gas and 11 Mbbls (gross & net) for natural gas liquids; Proved Developed Non-Producing Reserves at 115 MMscf (gross & net) for natural gas; the Probable Developed Producing Reserves at 1,480 MMscf (gross & net) for natural gas and 25 Mbbls (gross & net) for natural gas liquids; the Probable Developed Non-Producing Reserves at 28 MMscf (gross & net) for natural gas; and the Probable Undeveloped Reserves at 13,413 MMscf (gross & net) for natural gas and 241 Mbbls (gross & net) for natural gas liquids.

All of the Issuer's currently producing gas wells are located onshore in three concessions of Italy: Torrente Cigno, Misano Adriatico and San Mauro. The Misano Adriatico and Torrente Cigno concessions each have one producing well. The Lucera concession had problems with gas treatment plant and the production is temporarily suspended. Production in the Lucera concession is expected to resume in December 2021. There is an additional horizontal location in the Torrente Cigno concession, which is expected to be drilled in 2023.

The production and exploration properties comprise the following concessions, permits and applications, further details of which are set out below:

- 6 operated onshore gas production concessions:
  - Torrente Cigno (45% working interest)
  - Massseria Grottavecchia (20% working interest)
  - San Teodoro (100% working interest)
  - Misano Adriatico (100% working interest)
  - Sant' Andrea (40% working interest)
  - Masseria Petrilli (50% working interest)

- 3 non-operated onshore gas production concessions:
  - Masseria Acquasalsa (8.8% working interest)
  - Lucera (13.6% working interest)
  - San Mauro (18% working interest)
- 1 operated exploration permit:
  - Montalbano (57.15% working interest)
- 1 non-operated exploration permit:
  - Colle dei nidi (25% working interest)
- 2 exploration applications:
  - Serra dei Gatti (100% working interest)
  - Villa Carbone (50% working interest)

The Company owns a 45% working interest in the Torrente Cigno gas and condensate concession covering approximately 38,163 acres and located onshore in southern Italy, along the Adriatic coast. From 1 October 2015, the Company has used the gas produced to generate electricity which is sold directly to the national electrical grid in Italy. As at March 2021, production at Torrente Cigno (from one well) was approximately 462 Mscf/d. (13,089 stmc/d)). This concession is scheduled to expire in 2029.

The Company owns a 20% working interest in the Masseria Grottavecchia gas concession covering approximately 13,160 acres and located onshore in southern Italy, along the Adriatic coast. This concession is not currently producing, but development plans are in progress. This concession is scheduled to expire in 2028.

The Company owns a 100% working interest in the San Teodoro gas concession covering approximately 14,640 acres and located onshore in southern Italy, along the Adriatic coast. This concession is not currently producing, but development plans are in progress. This concession is scheduled to expire in 2029.

The Company owns a 100% working interest in the Misano Adriatico gas concession covering approximately 18,610 acres and located onshore in central Italy, along the Adriatic coast. As at December 2020, production at Misano Adriatico (from one well) was approximately 35 Mscf/d. (989 stmc/d). This concession is scheduled to expire in 2030.

The Company owns a 40% working interest in the Sant'Andrea gas concession covering approximately 40,605 acres and located onshore in northern Italy, along the Adriatic coast. This concession is not currently producing. This concession is scheduled to expire in 2022, with the intention that it be renewed to align with the Company's additional development plans.

The Company owns a 50% working interest in the Masseria Petrilli gas concession covering approximately 29,227 acres and is located onshore in southern Italy, along the Adriatic coast. This concession is not currently producing. On June 14, 2019, a request to renounce the Concession was presented to the Ministry of Economic Development.

The Company owns a 8.8% working interest in the Masseria Acquasalsa gas concession covering approximately 10,200 acres and located onshore in southern Italy, along the Adriatic coast. This concession is not currently producing. In June 2018 a request to renounce the Concession was presented to the Ministry of Economic Development.

The Company owns a 13.6% working interest in the Lucera gas concession covering approximately 38,514 acres and located onshore in southern Italy, along the Adriatic coast. This concession is not currently producing. This concession is scheduled to expire in 2022, with the intention that it be renewed to align with the Company's additional development plans.

The Company owns a 18% working interest in the San Mauro gas concession covering approximately 6,257 acres and located onshore in southern Italy, along the Adriatic coast. This concession is not currently producing. This concession is scheduled to expire in 2030.

Production Estimates

The following table sets forth the volume of production estimated by the Issuer for 2021 based on proved reserves and before the deduction of royalties payable to others (i.e. gross values):

	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Italy	**170**	**2**

Source: internal information of the Issuer as of 31 March 2021

The following table sets forth the volume of production estimated by the Issuer for 2021 based on proved plus probable reserves and before the deduction of royalties payable to others (i.e. gross values):

	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Italy	**172**	**2**

Source: internal information of the Issuer as of 31 March 2021.

7. Information on the Oil and Gas Industry in Italy

Italy produces small volumes of natural gas and oil and virtually no coal. Therefore, most of the country's fossil-fuel supplies (as well as a significant share of its electricity) are imported. They are augmented by local production of energy from renewable sources resulting in an increasing local dependence on imports in recent years.

In 2013, after more than twenty years, the Italian Government released a new National Energy Strategy. The four main pillars of the National Energy Strategy are:

- fostering the competitiveness of the Italian economic system;
- protecting the environment;
- strengthening the security of energy supply; and
- promoting green economic growth.

Natural gas and other fossil fuels are central elements in the National Energy Strategy policy. Specific measures include the promotion of a competitive natural gas market, the development of a European-integrated electricity market, an increase in the national production of fossil fuels and the restructuring of the downstream oil market.

Italy has liberalised its electricity and gas sectors progressively in conformance with EU directives. Transmission and distribution of natural gas and electricity have been unbundled and a regulator, Autorità per l'Energia Elettrica e il Gas, set up to supervise access to networks and to regulate tariffs. The Italian oil market is fully liberalised, and the Italian Government intervenes only to protect competition or to prevent an abuse of a dominant position.

The prices of all forms of energy except electricity are set freely by the market. Additionally, electricity and gas productions are exempt from VAT for producers, except for the final seller to consumers. Gas consumers have a choice of supply from incumbent suppliers at regulated tariffs or from alternative suppliers at market rates. The choice is non-binding and consumers can change from one service to another at no additional cost.

In Italy, for onshore permits, the state royalty on production of both oil and gas is a maximum of 10%, with a provision that no royalties are paid on yearly production below 125,000 bbls of oil and approximately 700 MMcf of gas, per field (or approximately 340 bbls/d and 1.9 MMcf/d). At the present time, the Group does not pay any state royalties since all its producing fields fall below the minimum royalty threshold.

Italy applies different rates of VAT and excise tax on energy at the national level. Oil products are subject to excise tax and VAT (at a rate of 22%) for gasoline, diesel, light fuel oil and LPG. Natural gas is subject to an excise tax, VAT and additional taxes at the regional level; together they represent approximately 37.4% of the final price paid by end-consumers. A lower rate of VAT, currently 10%, is applied to sales of

natural gas up to 480 cubic metres a year, and 22% for the remaining consumption. Different rates of excise tax are levied on gas according to whether the consumer is a business or a household and to the level of consumption.

In Italy, for onshore permits, the state royalty on the production of oil and gas is a maximum of 10 percent, with a provision that no royalties are to be paid on yearly production less than 125,000 bbls of oil and approximately 700 MMcf of gas, per field (or approximately 340 bbls/d and 1.9 MMcf/d). At the present time, the Group does not pay any state royalties since all its producing fields fall below the minimum royalty threshold. The corporate tax is a maximum of 28 percent and there are no restrictions on repatriation of profits. Going forward, there is the risk that potential changes in the tax and/or royalty system, such as the abolition of exemptions or an increase in royalties payable could have a significant impact on the tax payable by the Group and therefore on the rentability of oil and gas wells operated by the Group in Italy.

8. Activities in Tunisia

8.1 North Kairouan permit and SLK

Through its wholly owned subsidiary Zenith Netherlands, Zenith holds, subject to final regulatory approval, a 45% working interest in the North Kairouan permit and SLK, covering an area of circa 204 square kilometres, located onshore in the Pelagian Basin in Eastern Tunisia, which is operated by CTKCP. SLK currently (December 2020) produces 505 barrels per day of 39 API gravity oil from a fractured carbonate reservoir (Abiod Formation), at a depth of c. 1,600 metres. Facilities include a permanent Gas Oil Separation Plant ("**GOSP**") and a Pipeline of 125 km x 8" diameter, 22,000 bpd capacity from the field to La Skhira terminal. The Company's assets in Tunisia were acquired during 2020 and the acquisition remains subject to the approval of *Comité Consultatif des Hydrocarbures* of the Republic of Tunisia. This approval is expected during 4Q2021 but cannot be guaranteed. Prior to this approval, the share of the production that accrues to Zenith Netherlands since acquisitions is in oil held in storage in Tunisia, so currently no revenues are generated from this asset.

The Sale and Purchase Agreement for the acquisition of KUFPEC Tunisia Ltd's working interest in the SLK concession had had a revised long stop date of 31 October 2021. It has not proved possible to obtain the required regulatory approvals within that timescale. The parties are currently in discussion regarding restructuring the nature of the transaction, however there can be no guarantee that this will be successfully completed. The revised agreement may or may not include the accumulated oil production since the original agreement was agreed. The Company's financial plan has not included any revenues from SLK.

The steadily improving level of oil prices since 1H2020 have significantly improved the economics of the Company's Tunisian assets since their acquisition earlier in the year.

8.2 Ezzaouia concession

On March 15, 2021, the Company announced that Zenith Energy Africa Limited ("ZEAL"), its newly incorporated fully owned subsidiary, has entered into a share purchase agreement ("SPA") with Candax Energy Limited ("Candax") for the acquisition of a 100 percent interest in Candax's fully owned subsidiary in Barbados, Ecumed Petroleum Zarzis Ltd ("EPZ") (the "Acquisition"), which holds a 45% interest in the Ezzaouia Concession ("Ezzaouia").

Pursuant to the terms of the SPA, ZEAL has agreed to acquire 100% of the issued share capital of EPZ for the aggregate amount of US$150,000, paid by the Company at completion, as well an additional US$100,000 to be satisfied by the issue of ordinary shares in the share capital of Zenith to be issued within sixty days of completion ("Consideration Shares") and a royalty payable and calculated as US$0.35 per each barrel of hydrocarbons produced from the Ezzaouia oilfield and allocable to EPZ, with the royalty not being less than an amount of US$50,000 per annum for a period of ten years.

Acquisition Highlights

- Ezzaouia is located in onshore Tunisia on the Zarzis peninsula, south of the island of Djerba in the southern Gulf of Gabes.
- First discovered by Marathon Petroleum Corporation in 1986, with production activities starting in 1990 with a peak production being achieved of 35,000 barrels of oil per day in 1991.

- Ezzaouia produces an average of 40 API gravity oil from the Zebbag (Lower Cretaceous) and Mrabatine (Upper Jurassic) formations.
- It is operated by MARETAP, a joint operating company owned in partnership with the national oil company of Tunisia, ETAP (Entreprise Tunisienne d'Activités Pétrolières) on a 50:50 basis, which holds a 55 percent interest in Ezzaouia.
- It produced at a rate of approximately of 551 bopd (approximately 248 bopd net to Zenith) during March 2021
- Approximately 25,000 barrels of oil were held in storage at the acquisition date, with a commercial value of approximately US$1,250,000.
- Planned field production optimisation and workover activities are expected to increase Ezzaouia gross production to 1,000 bopd (potentially resulting in a production of 450 bopd net to Zenith).
- The Acquisition has certain development obligations during the course of the new 20-year concession including the drilling of a side-track, the drilling of a replacement well and that of a development well.
- On April 19, 2019, the Tunisian State represented by the Ministry of Industry and Small & Medium Enterprises informed ETAP and EPZ that the Comité Consultatif des Hydrocarbures ("CCH") had provided a favourable opinion to the application submitted by ETAP and EPZ for a new 20-year concession to be called "Ezzaouia" (the "New Concession").
- A Convention for the New Concession (the agreed work programme between ETAP and EPZ) has been signed by both parties.
- The New Concession is currently awaiting parliamentary approval.
- Ezzaouia has modern oil treatment and storage facilities with a total field storage capacity of approximately 20,000 barrels of oil.
- MARETAP, the joint operating company, operates an oil storage terminal, connected to Ezzaouia by way of two pipelines (one for gas and one for oil respectively), at the port of Zarzis, with a storage capacity of approximately 200,000 barrels of oil, from which all oil production from Ezzaouia is exported to the international markets.

8.3 Robbana and El Bibanea concessions

On April 30, 2021, the Company announced that Compagnie Du Desert Ltd ("CDD"), its recently incorporated fully owned subsidiary, has entered into a share purchase agreement ("SPA") with Candax Energy Limited ("Candax") for the acquisition of a 100 percent interest in Candax's fully owned subsidiary in Barbados, Ecumed Petroleum Tunisia Ltd ("EPT") (the "Acquisitions"), which holds a 100% interest in the El Bibane and Robbana concessions in Tunisia.

Pursuant to the terms of the SPA, CDD has agreed to acquire 100% of the issued share capital of EPT for a nominal consideration of US$100 payable at completion, as well an additional consideration of approximately USD$200,000 in the form of assumption of debt payable by the close of May 2021.

El Bibane Highlights

- The El Bibane concession ("El Bibane") is located 16 kilometres offshore from the port of Zarzis in the Gulf of Gabes, covering an area of approximately 228 square kilometres and in approximately 7-8 meters water depth. The field was discovered by Marathon Oil Corporation in 1982. However, it was not developed until 1998. Upon initial development, a peak production of 4,500 bopd was achieved. The reservoir is located in the cretaceous Zebbag fractured dolomite formation at approximately 2,150 metres below surface.
- Zenith has acquired a 100% working interest in El Bibane.
- A total of three wells remain active within El Bibane: EBB-5, EBB-4 and EBB-3RE2. A total of 6 wells plus 4 sidetracks have been drilled.

- EBB-5 currently produces approximately 80-100 barrels of condensate per day (API 49/50) with 5.5-6 MMSCF of natural gas from well EBB-5, which is re-injected into the formation via well EBB-4.
- It is expected that, by utilising new technologies, well EBB-4 may achieve commercial production of natural gas in addition to its current use as an injector well.
- EBB-3 suffered string damage and has been temporarily shut-in, having previously produced at a rate of between approximately 500-600 barrels of oil per day (35 API) prior to production being suspended. The low oil price environment during 2020 and the material investment required to restore production from this well have prevented the necessary repair work from being implemented.
- Zenith has already obtained market quotations for the well intervention required to restore production from well EBB-3 for an amount of approximately US$3.5 million.
- In the event of a successful well intervention in EBB-3, the Company expects to produce approximately 500 barrels of oil equivalent per day from El Bibane.
- Candax commissioned an independent reserves evaluation, as of December 31, 2019, for the contingent reserves (1C) of El Bibane which evaluated remaining oil in place as 25.7 MMSTBO and 6.5 BCF of natural gas.
- Zenith has commissioned a new Competent Person's Report, in compliance with Canadian securities laws, specifically the COGE Handbook and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, in order to obtain an updated reserves evaluation for the El Bibane concession.
- El Bibane expires on December 31, 2033.

Robbana Highlights

- The Robbana concession ("Robbana"), covering 48 square kilometres and located onshore in the island of Djerba in the southern Gulf of Gabes, was discovered in 1988, achieving a peak production of 500 bopd in 1994. The ROB-1 well encountered two hydrocarbon-bearing reservoirs in the Cretaceous Upper Meloussi Sandstone formation. Only two wells have been drilled in Robbana since discovery, ROB-1 which is still in production and ROB-2 which is temporarily abandoned.
- Robbana currently produces approximately 25 barrels of oil per day from ROB-1, having previously produced approximately 50 barrels of oil per day prior to an unsuccessful well intervention.
- Studies have suggested that an infill well, to be drilled in the proximity of well ROB-1, is expected to produce approximately 200 barrels of oil per day.
- Candax commissioned an independent reserves evaluation, as of December 31, 2019, for the contingent reserves (1C) of Robbana which evaluated remaining oil in place as 10.99 MMSTBO. The study noted specifically noted that the "Middle Triassic sandstones of the Ras Hamra formation present a very significant 'high-risk/high reward' exploration objective."
- Zenith has commissioned a new Competent Person's Report, in compliance with Canadian securities laws, specifically the COGE Handbook and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, in order to obtain an updated reserves evaluation for Robbana.
- Robbana expires on November 4, 2034.

During July 2021, the Company agreed to the sale of oil production from its Tunisian assets of approximately 68,000 barrels net to Zenith (including approximately 20,000 barrels of domestic market sales) for total receivables of approximately US$4.5 million. This production was from the El Bibane, Robbana and Ezzaouia Concessions.

9. Reserves in Tunisia

A detailed evaluation of the oil reserves and the value of future net revenue for Zenith in Tunisia as at 30 September 2021 can be found in the CPR sections "**Chapman Report 2021 – Tunisia (Sidi El Kilani Concession)**"; Part 19 (B) to this Prospectus and "**Chapman Report 2021 – Tunisia (El Bibane, Robbana and Ezzaouia Concessions)**"; Part 19 (C) to this Prospectus. For the Sidi El Kilani concession, this estimates the Proved Developed Producing Reserves at 787 MSTB (gross) and 695 MSTB (net), with the Probable Undeveloped Reserves at 1,644 MSTB (gross) and 1,445 MSTB (net). For the El Bibane concession, this estimates the Proved Developed Producing Reserves at 37 MSTB (gross) and 34 MSTB (net). For the Ezzaouia concession, this estimates the Proved Developed Producing Reserves at 260 MSTB (gross) and 242 MSTB (net); the Probable Developed Producing Reserves at 241 MSTB (gross) and 219 MSTB (net); and the Probable Undeveloped Reserves at 2,869 MSTB (gross) and 2,593 MSTB (net). For the Robbana concession, this estimates the Probable Undeveloped Reserves at 746 MSTB (gross) and 723 MSTB (net), with the Possible Reserves at 281 MSTB (gross) and 262 MSTB (net).

10. Information on the Oil and Gas Industry in Tunisia

Tunisia is a small but well-established producer of oil and natural gas, with oil first being discovered in 1966[1], with production peaking at 120,000 barrels per day during the mid-1980s but declining to 39,000 barrels per day by 2019[2]. The country has been a net importer of oil since 2000. The country's largest deposit is located at El Borma on the Tunisia-Algeria border, while offshore fields were first discovered in 1971 and brought into production in 1974[3]. Natural gas production was 45bcf in 2018, a fall from a peak of 105bcf in 2008[4]. While the industry has been in decline in terms of production levels, the new Nawara gas field is hoped to help reverse this.

The Tunisian government created the country's state-owned oil company, Enterprises Tunisienne d'Activities Petrolieres ("**ETAP**"), in 1972. ETAP's mission is to manage the oil and natural gas exploration and production activities for the Tunisian government. ETAP has the right to participate in the development of any oil and gas field. This participation normally takes the form of either a production sharing agreement or joint venture. Typically, the Tunisian's government share of profit, through a combination of participation and taxation is around 60-70%[5].

The Hydrocarbon Law of 1999 governs oil and gas exploration and production in Tunisia, with permits being granted by the Minister for Hydrocarbons.

In Tunisia, Zenith will be subject to the fiscal provisions set forth by decree-law 85-9 dated 14 September 1985 as ratified as amended by subsequent regulations. The holders are subject to the payment of a royalty on the production and the income tax on the profit made on the exploitation of the concession.

The proportional royalty and Company Income tax are, for every co-holders, function of the ratio (R) of accrued net earnings to total accrued expenditures relative to every exploitation concession and to the parent exploration permit.

Because of the present R factor being actually in the range of 1.5-2, the SLK holders are subject to

– a royalty rate of 12%

– a company income tax rate of 55%

For the application of the present:

- The term "accrued net earnings" means the sum of the sales of all fiscal years, including the present one, minus the amount of tax and levies due or paid during all the fiscal years previous to the present one and relative to the considered concession.
- The term "accrued total expenditures" means the sum of all the expenses relative to the exploration activities performed in the permit in addition to the prospecting expenses if any, and all the development and exploitation costs for the considered concession, except for taxes and levies due or paid by the Holder for the exploitation thereof.

[1] KeyFacts Energy
[2] US Energy Information Administration
[3] Societe de Recherches et d'Exploitation des Petroles en Tunisie
[4] US Energy Information Administration
[5] KeyFacts Energy

- The exploration expenses incurred in the permit including the prospecting expenses, if any, considered for the determination of the (R) factor for a given concession shall not be considered for the determination of the said (R) factor for other concessions.

Any changes to the tax regimes that currently apply in Tunisia may have an adverse effect on the financial position of the Group.

11. Activities in the Republic of Congo

The Company completed the acquisition of AAOG Congo on May 5, 2020. AAOG Congo held Congo Licence I, which expired on 18 July 2020. The Company, through its new wholly owned subsidiary, Zenith Congo, applied for Congo Licence II, a new 25-year licence over the Tilapia II oilfield, for which it was the successful bidder, in December 2020. The granting of this new licence is subject to a public enquiry on Zenith, which was successfully completed in February 2021. The negotiation of a new production sharing contract and final legislative approval; the timing of the final granting of the licence remains uncertain and cannot be guaranteed. Zenith Congo is expected to hold a 60% interest in the new Congo Licence II once issued, with the remaining 40% held by SNPC, however this is subject to the final licence conditions. AAOG Congo has assets that are expected to be very useful if the new Congo Licence II once issued, having previously operated the same asset for several years. In addition, AAOG Congo holds outstanding receivables from SNPC totalling $5.7m, which it expects to receive payment for during 2021 and 2022, however this cannot be guaranteed.

Zenith Congo expects to commence production at the Tilapia II oilfield during 2H2021, as well as further exploration drilling, subject to the successful issue of the licence. During 2019, the Tilapia I oilfield had an average production of 30 bopd, which Zenith Congo believe they will rapidly be able to emulate and then exceed, once the licence is issued.

12. Reserves in the Republic of Congo

A detailed evaluation of the oil reserves and the value of future net revenue for Zenith in the Republic of the Congo as at 30 September 2021 can be found in the CPR section "**Chapman Report 2021 – Congo**"; Part 19 (D) to this Prospectus. This estimates the Probable Undeveloped Reserves at 6,000 MSTB (gross). A net reserves figure cannot be calculated currently as the final licence terms and production sharing contract terms have not yet been finalised.

13. Information on the Oil and Gas Industry in the Republic of Congo

The Republic of the Congo ("Congo") is a significant oil producer, predominantly from offshore fields, and the country is a member of OPEC. While Congo emerged as a significant oil producer in the late 1970s, the coming online of the deep-water Moho-Bilondo oil field in 2008 increased production significantly. Production increased from 65,000 barrels per day in 1980 to 280,000 barrels per day in 2000. While it subsequently declined to 207,000 barrels per day in 2007, the new deep-water fields saw this increase to 330,000 barrels per day by 2019. Natural gas production was a rather more modest 49bcf in 2018 and is mainly utilised by the oil production sector. In 2014 the country's total crude oil reserves were estimated at 1.6bn barrels. On 22 June 2018, the Republic of the Congo, Africa's third largest oil producer, joined the Organisation for Petroleum Exporting Countries (OPEC). Congo Brazzaville became the fifteenth member of OPEC and the seventh African member nation.

Historically, the petroleum industry accounts for an estimated 60% of the State budget. The Congolese government has initiated political and economic actions to diversify its revenue stream in a bid to reduce its dependence on hydrocarbon and increase the contribution of tax-based revenue. The provisions of the 2016 Congolese Hydrocarbon Code aim to valorize both the oil and the gas sectors. Incentives are also granted for the development of other sectors such as agriculture, forestry, tourism, etc. The 2020 Finance Act, as well as numerous decrees were published to change the Congo oil environment from a regulatory perspective. The 2020 Finance Act has inserted numerous provisions relating to the Exploration and Production (E&P) sector, as well as to the Energy and utilities sectors.

Congolese-registered companies are taxed on the territoriality principle. As a result, Congolese companies engaged in business outside of the Republic of Congo are not taxed in the Republic of Congo on the related profits.

In the absence of a tax treaty stating otherwise, a non-resident company is liable for CIT on income realised in the Republic of Congo or derived from or resulting from work/services of any nature supplied or used in the Republic of Congo.

The standard CIT rate in the Republic of Congo is 30%, with certain exceptions.

A withholding tax of 15% or 20% is imposed on income sourced in the Republic of Congo that is derived by foreign companies not necessarily engaged in activities in the Republic of Congo (see the Withholding taxes section for more information).

The minimum tax payable is 1% of the annual turnover and cannot be less than 1 million CFA francs (XAF) (XAF 500,000 if annual turnover is less than XAF 10 million).

A 2% minimum tax is payable by companies showing losses during two consecutive fiscal years. The 2% rate is applied to the sum of gross turnovers, products, and benefits realised by the company in the most recent year in which it earned a profit. The 2% tax is not deductible for CIT purposes. However, in a company's first profit-making year after incurring the losses, half of the 2% tax is deductible.

The minimum tax is 2% of the taxable base, with a minimum amount payable of XAF 2 million, for companies that are totally exempt from CIT during the extension of their Convention of Establishment and/or any specific agreement.

The Congolese VAT rate is 18%. In addition to VAT, a surtax calculated at the rate of 5% applies to the amount of VAT, which must be invoiced and paid at the same time as the VAT. Therefore, the VAT rate is globally 18.9%. The surtax is not deductible (final cost).

A reduced VAT at the rate of 5% is levied on importation and cement produced locally.

Under the provisions of the VAT Law, all economic activities conducted in the Republic of Congo are subject to VAT, regardless of their purpose, profitability, or the legal status of the business performing them, and irrespective of whether these activities are habitual, occasional, or originate in the Republic of Congo or from a foreign country. Therefore, any person, natural or legal, engaged in an industrial, commercial, or professional activity is subject to VAT unless specifically exempt by law.

Section 8 of the VAT Law states that a service is considered as provided in the Republic of Congo when the service is used or exploited in the Republic of Congo.

The following fees for the registration of contracts are due within three months from date of signature:

- Purchase orders for public contracts at the rate of 2% for contracts with a value exceeding XAF 10 million.
- Subcontracts in the building construction and public work sector at a fixed fee of XAF 100,000.
- A fixed fee of XAF 1 million for the registration of every oil services contract with foreign companies and their sub-contractors before the execution of the contract.
- All insurance policies carried out by oil, mining, and telephone companies are subject to registration free of charge; failure to register will result in penalties that total XAF 3 million.

Specific rules and caps apply for the upstream (production) oil and gas industry.

The tax on pollution is payable by petroleum and mining extracting companies in the production phase, at the rate of 0.2% on the annual turnover.

This tax constitutes a non-deductible expense for the extracting mining/hydrocarbon company in the production phase.

This tax is due in the course of the year and payable quarterly by instalment, proportionally to the production realised during the just-ended quarter and not later than the 20th day of the month following the end of the quarter.

For the energy sector, the royalty rate is as follows:

- 1% on turnover for independent producers.
- 0.75% on turnover for self-producers.

For the hydraulic sector, the fee ranges to XAF 400 per cubic metre of water withdrawn, depending on the usage (i.e. mining, industrial, agropastoral, etc.).

Any delay in the payment of the royalty is subject to 10% penalty, and omission to pay is subject to penalty at 100%.

An environmental risk contribution is due for the prevention of environmental risk. The contribution is at the rate of 0.05% of the oil production of an oil field multiplied by the fixed rate.

The contribution constitutes petroleum cost.

Any changes to the tax regimes that currently apply in Congo may have an adverse effect on the financial position of the Group.

14. Description of the Development and Expected Financing of the Issuer's Activities

The drilling and enhancement of oil and gas wells is a capital-intensive activity, and currently the Company does not generate sufficient cashflow to fund all these capital expenditures, and thus this typically requires the Issuer to raise additional funds in order to continue developing its oil and gas projects. These capital expenditures are of an expansionary nature and are discretionary; the Group produces sufficient cashflow to finance maintenance costs and any expenditure that is a requirement of any of its current licences and concessions. The funding can, and has in the past, been achieved through issuing equity or by borrowings by way of either loans or note issuance.

During 2021 and 2022, the focus of the Company's developments is expected to be in Tunisia and the Republic of Congo, with the Tilapia II licence in the latter expected to require the majority of the investment. These developments are intended to increase the Group's level of oil production.

All the development and production plans will be significantly influenced by the success of drilling, the existence of estimated reserves and the presence or absence of structural impediments, geological and operational risks that are inherent in the oil & gas industry.

Republic of the Congo

The Tilapia II licence will be subject to the terms of the finalised production sharing contract and licence terms, which remain outstanding at this point; the timing of this capital investment is still somewhat uncertain due to this. It is anticipated that the net amount (see point 3 below) will be financed by the issue of notes under the Company's Euro Medium Term Note Programme, details of which can be found in section 25.10 of Part 14, the Group's working capital (including £250,000 of the Net Proceeds) and the proceeds from the collection of the outstanding receivable from SNPC (see 1 below). The following steps are required in order to reach the production capacities as listed in the CPR:

Action required in the Republic of the Congo:

1. Collection of the outstanding amount of USD$5.3 million from SNPC by AAOGC. The Issuer and SNPC are in discussions in order to settle this issue, and all capital expenditure will be deferred until the proceeds are received.

2. Completion of the drilling of the Tilapia II well. The previous owner of the Tilapia II oilfield completed the drilling well at 80 per cent. Geological studies affirmed that by expanding the completion level to 100 per cent, a considerable additional oil production can be expected. The respective costs amount to a total of approximately USD$5 million. The Group intends to invest an additional amount of USD$2.2 million to increase the level of completion of the drilling, i.e. a total of USD$7.2m. This expenditure is at the discretion of the Group, is not contracted, and will be conditional on receipt of the receivable set out in 1 above.

3. The net requirement is therefore approximately USD$1.9m. An initial £250,000 of which has been allocated from the Subscription.

4. The Issuer estimates that the production from the developed well will stand at 2,000/2,500 barrels of oil per day.

Tunisia

The capital investment requirements in Tunisia, which are set out in point 3 below, will be financed from the Company's existing cash resources and the Net Proceeds of the Subscription, and are expected to be primarily fall due within the forthcoming 12 months.

Action required in Tunisia:

1. Completion of the regulatory approval regarding the acquisition of the 45 per cent interest in the North Kairouan permit and the Sidi El Kilani concession. The completion of this Tunisian Acquisition remains conditional on the approval of the Comité Consultatif des Hydrocarbures of the Republic of Tunisia in respect of the transfer of the sellers' rights, title and interest to Zenith Netherlands. The timing of this approval is currently uncertain and alternative ways for completing the acquisition are currently under discussion.

2. The Issuer expects to run a daily oil production ranging between 550 – 600 barrels of oil per day.

3. Producing operations from the Ezzaouia Concession, acquired on 15/03/2021, and it is expected to spend an aggregate amount of £1,300,000 for 3 workover interventions and two sidetracks in non-producing wells during the next 18 months, financed from the Group's working capital resulting from local production and the Subscription.

4. Producing from the Robbana and El Bibane concessions, acquired on 29/04/2021, will continue during the next 18 months without capital expenditure interventions.

5. The planned drilling of the ROB-3 well in the Robanna concession on which the Company plans to spend £600,000, plus £300,000 for the cost of transporting the Company's drilling rig to Africa, financed from the Subscription.

Italy

The Company does not expect to make any material capital expenditure in Italy during 2021 or 2022. The financing of the planned capital expenditure requirement for 2023 (as set out in point 1 below) will be evaluated closer to the time but is provisionally expected to be financed by the issue of notes under the Company's Euro Medium Term Note Programme, details of which can be found in section 25.10 of Part 14.

Action required in Italy:

1. The Issuer plans to drill an offset horizontal well (Masseria Vincelli 2) in the year 2023, when the Company expects current production to have fallen to uneconomic levels. The drilling will require 4 months of work and an investment of approx. EUR 6 million, to be shared between the partners. Out of this amount, the investment of the Group should amount to approx. USD $2.7 million, and a decision as to how to fund this will be made closer to the time.

2. The Lucera gas concession is currently not producing, because some compressors need extraordinary maintenance or to be substituted. Production is expected to resume in June 2021.

3. The Masseria Vincelli 2 well will approximately produce at a rate of 1,000 Mscf/d which will maintain the operation of the electrical generation facility for the next years.

4. The Issuer is currently not planning to develop the concessions in "Montalbano" and "Colle dei Nidi". Therefore, no further action or investments are required.

15. Market Overview

The Group operates in the energy and oil market in Italy, the Republic of the Congo and Tunisia. The overview of the global energy and oil market is set out below, and should be read in conjunction with the earlier sections in this part of the Prospectus on the energy and oil markets in Italy, in the Republic of the Congo and in Tunisia respectively.

The Global Energy Market

The world energy consumption has seen a steady increase since the industrial revolution and is expected to continue to do so in the years to come. Fossil fuels continue to supply more than 84 per cent of the world's energy of which 33 per cent is oil, according to the BP Statistical Review of World Energy in June 2020. In 2019 oil remains the most used fuel in the energy mix (Source: Statistical Review of World Energy – British Petroleum, 2020)[6].

The world consumption of primary energy – including oil, natural gas, coal, nuclear, hydropower and other renewable energy – increased by 1.3 per cent in 2019, according to the BP Statistical Review of World Energy June 2020. This is less than half the rate of growth in 2018.[7]

The Oil and Gas Prices

Oil prices traded at all-time high levels (in terms of annual average) for most of 2011, 2012, 2013 and the first half of 2014. The Brent oil price stayed commonly in a range of USD 100-125/bbl. However, since the summer of 2014, oil prices have declined steeply, and Brent reached USD 28/bbl in mid-January 2016. The price decline was a result of high oil prices for an extended period of time, which helped unlock technological breakthroughs in US onshore production, combined with relatively weak global oil demand growth and the return of Libyan production. The prolonged oil crisis resulted in a reduction in upstream investment in 2015 and 2016, respectively 25 per cent and 26 per cent, according to the International Energy Agency ("**IEA**") 2018 Oil Information Overview. This was the first occurrence of two consecutive years of declining investments since the 1980s. In 2016, oil prices remained low and were strongly affected by resilient US producers. The oil price began creeping upwards during 2017 and the Brent oil price reached the USD 60/bbl mark during the third quarter. IEA's World Energy Report 2017 highlights underinvestment in conventional projects and the possibility for a shortfall of new supply post-2020.

According to the IEA Oil Information Overview 2020, world oil production stood at 98.1 mb/d in 2019.[8] However, geopolitical uncertainty continues to influence the supply side, especially related to Iran and Venezuela. The same applies to the situation in Saudi Arabia due to the latest incidents in September 2019. High oil prices combined with a strong dollar are projected to contribute to slower demand growth. Although, reduced economic confidence may weaken demand, supply side risks will most likely underpin oil prices moving forward.

As evidenced by the oil crisis and recent market developments, the oil price is highly dependent on the current and expected future supply and demand of oil. In addition, the oil price is influenced by global macroeconomic conditions and may experience material fluctuations on the basis of economic indicators, material economic events and geopolitical events. Historically, oil prices have also been heavily influenced by organizational and national policies, most significantly the implementation of OPEC and subsequent production policies announced by the organization.

The first quarter of 2020 saw the worst performance on record for the market as the impact of the Covid19 pandemic became apparent, a trend that continued until late Spring. Oil prices went from over USD 110 per barrel in June 2014 to around USD 17 in April 2020. However, since that low point they have been on general rising trend, reaching USD 80 per barrel for the first time since October 2018 (Brent Crude Oil futures for the year and 5 years to 20 July 2021, charts below, Source: BBC), however oil prices are inherently volatile, so no assurance can be made that this upward trend will continue.

---

[6] Available at https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2020-full-report.pdf.

[7] Available at https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2020-full-report.pdf.

[8] Available at https://webstore.iea.org/oil-information-overview-2020-edition (free registration required).





In addition to the recent rising trend in oil prices, European natural gas prices have shown an even stronger trend. From a 5-year low point in May 2020 of under 10p per therm, UK Natural Gas futures prices (Source: BBC – chart below) have risen by more the 20 times to over 210p per therm. This has benefited Zenith's natural gas business in Italy, both directly from gas sales, and from increases in electricity prices that the Company generates on site from its gas production.



16. Recent Developments

508,519,038 of the Admission Shares, which are currently traded on the Euronext Growth Market of the Oslo Børs, were issued over 12 months ago. As these shares will not be admitted to trading on the Main Market of the London Stock Exchange until Admission, the Company has not been in compliance with section 14.3.4 of the Listing Rules since 7 November 2019 until Admission. The publication of this Prospectus and Admission will address the Company's non-compliance with section 14.3.4 of the Listing Rules. The Company announced that it was preparing this Prospectus for that purpose on 18 May 2021.

10 November – Termination of Exploration in Azerbaijan

The Company agreed with SOCAR to terminate its remaining interests in Azerbaijan, involving exploration in parts of the licence area covered by the REDSPA. The Company received US$85,000 for past oil sales from SOCAR.

30 November 2020 – Half-Year Results

The Company published its interim unaudited results for the six-months to 30 September 2020.

18 December 2020 – Change of Auditor and Board Appointment

Jeffreys Henry LLP replace PKF Littlejohn LLP as statutory auditor of the Company. Luca Benedetto, the Chief Financial Officer of the Company was appointed a director of the Company.

23 December 2020 – Award of Tilapia Licence in Republic of Congo

The Group was the successful bidder for a 25-year licence over the Tilapia oilfield, subject to completion of an inquiry of public utility (Enquête d'Utilité Publique) ("**IPU**") to be organised and performed by the Ministry of Hydrocarbons during the month of January 2021, as well as the subsequent potential finalisation and ratification of the Production Sharing Contract ("**PSC**"), the timing of which is uncertain. SNPC will be the partner in the new licence.

29 December 2020 – Payment for Oil Production

SOCAR made a final payment of US$480,000 for past oil production in Azerbaijan.

30 December 2020 – Granting of Stock Options

The Company granted options over 50,000,000 Common Shares at a price of NOK 0.20 with a term of 5 years to certain directors and employees.

6 January 2021 – Debt Reduction & Warrant Exercise

The Company paid off bank borrowings totalling US$442,000 owed to banks in Azerbaijan. US$54,650 remains outstanding. 28,571,429 warrants were exercised at NOK 0.15 per Common Share for a total value of NOK 4,285,714.

11 January 2021 – Sale of Treasury Shares

The Company sold 25,395,828 Common Shares held in Treasury at NOK 0.148 for total proceeds of NOK 3,758,582 (approximately £328,000).

18 January 2021 – Result of AGM, Board Changes and Grant of Stock Options

All resolutions were passed at the Annual General Meeting ("**AGM**") of the Company. Luigi Regis Milano and Erik Sture Larre stepped down as directors at the AGM. The Company granted options over 45,414,775 Common Shares at NOK 0.20 and a term of 5 years to certain directors and employees.

29 January 2021 – Bond Coupon Payments

Confirmation that all coupon payments have been made on the Company's outstanding bonds.

10 February 2021 – Successful Completion of IPU

Confirmation that the IPU described in the announcement of 23 December 2020 has been successfully completed.

24 February 2021 – Credit Line Agreement and Debt Settlement

The Company has been granted a €1.5m one-year revolving credit facility for general working capital purposes. The lender has been issued 85m warrants with a one-year life and an exercise price of NOK0.20 and 85m warrants with a one-year life and an exercise price of NOK0.25. The Company has issued 1,816,410 Common Shares at NOK0.145 in settlement of a debt.

15 March 2021 – Acquisition of Oil Production and Development Asset in Tunisia

Zenith Energy Africa Limited ("**ZEAL**"), its newly incorporated fully owned subsidiary, has entered into a share purchase agreement ("**SPA**") with Candax Energy Limited ("**Candax**") for the acquisition of a 100 percent interest in Candax's fully owned subsidiary in Barbados, Ecumed Petroleum Zarzis Ltd ("**EPZ**") (the "**Acquisition**"), which holds a 45% interest in the Ezzaouia Concession ("**Ezzaouia**").

Pursuant to the terms of the SPA, ZEAL has agreed to acquire 100% of the issued share capital of EPZ for the aggregate amount of US$150,000 payable at completion, as well an additional US$100,000 to be satisfied by the issue of ordinary shares in the share capital of Zenith to be issued within sixty days of completion ("**Consideration Shares**") and a royalty payable and calculated as US$0.35 per each barrel of hydrocarbons produced from the Ezzaouia oilfield and allocable to EPZ, with the royalty not being less than an amount of US$50,000 per annum for a period of ten years.

Ezzaouia is located in onshore Tunisia on the Zarzis peninsula, south of the island of Djerba in the southern Gulf of Gabes. First discovered by Marathon Petroleum Corporation in 1986, with production activities starting in 1990 with a peak production being achieved of 35,000 barrels of oil per day in 1991.

Ezzaouia produces an average of 40 API gravity oil from the Zebbag (Lower Cretaceous) and Mrabatine (Upper Jurassic) formations. It is operated by MARETAP, a joint operating company owned in partnership with the national oil company of Tunisia, ETAP (Entreprise Tunisienne d'Activités Pétrolières) on a 50:50 basis, which holds a 55 percent interest in Ezzaouia.

It currently produces at a rate of approximately of 465 bopd (approximately 210 bopd net to Zenith). Approximately 25,000 barrels of oil are currently held in storage with a commercial value of approximately US$1,250,000.

Planned field production optimisation and workover activities are expected to increase Ezzaouia gross production to 1,000 bopd (potentially resulting in a production of 450 bopd net to Zenith). The Acquisition has certain development obligations during the course of the new 20-year concession including the drilling of a side-track, the drilling of a replacement well and that of a development well. On April 19, 2019, the Tunisian State represented by the Ministry of Industry and Small & Medium Enterprises informed ETAP and EPZ that the *Comité Consultatif des Hydrocarbures* ("**CCH**") had provided a favourable opinion to the application submitted by ETAP and EPZ for a new 20-year concession to be called "Ezzaouia" (the "**New Concession**"). A *Convention* for the New Concession (the agreed work programme between ETAP and EPZ) has been signed by both parties. The New Concession is currently awaiting parliamentary approval.

Ezzaouia has modern oil treatment and storage facilities with a total field storage capacity of approximately 20,000 barrels of oil. MARETAP, the joint operating company, operates an oil storage terminal, connected to Ezzaouia by way of two pipelines (one for gas and one for oil respectively), at the port of Zarzis, with a storage capacity of approximately 200,000 barrels of oil, from which all oil production from Ezzaouia is exported to the international markets.

17 March 2021 – Extension of SPA for acquisition of SLK from CNPC

Zenith Netherlands B.V. 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**"). 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.

19 March 2021 – Exercise of Warrants

An investor in the Company exercised warrants to acquire a total of 16,428,571 new Common Shares with an exercise price of NOK 0.15 (equivalent to approximately £0.013) for a total consideration of 2,464,286 NOK (approximately £209,600).

22 March 2021 – Private Placement in Norway

A Private Placement for the issuance of 75 million new Common Shares for a total consideration of NOK 8,625,000 (approximately £ 725,000 or EUR 846,000).

The subscription price of the new Common Shares was **NOK 0.115** (equivalent to approximately £0.01), a discount of approximately 8.7% in respect of the closing price of the Company's Common Shares admitted to trading on the Euronext Growth of the Oslo Stock Exchange on March 19, 2021.

Proceeds from the private placement will be deployed to fund planned field development activities to be performed in the Ezzaouia Concession following the acquisition of Ecumed Petroleum Zarzis Ltd ("**EPZ**"), announced to the market on March 15, 2021, as well as providing additional general working capital to support Zenith's development activities.

24 March 2021 – Completion of Acquisition

ZEAL completed the acquisition of a 100 percent interest in the fully owned subsidiary of Candax, which holds a 45% interest in the Ezzaouia Concession.

8 April 2021 – Extension of SPA for acquisition of SLK from KUFPEC

Zenith Netherlands signed an extension agreement (the "**Extension**") in respect of the conditional sale and purchase agreement ("**SPA**") it signed with 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, for 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**"). The SPA was announced to the market on April 20, 2020.

KUFPEC 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 KUFPEC'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 June 30, 2021.

21 April 2021 – Binding Offer to acquire oil production and development assets in Tunisia

Zenith announced that it had made a binding offer (the "**Offer**") to wholly acquire a company holding a 100% interest in two hydrocarbons production and development concessions in Tunisia (the "**Potential Acquisitions**"), which has now been accepted.

The Offer is represented by a mix of cash payments and assumption of debt by Zenith for a total consideration of approximately USD$200,000.

The Potential Acquisitions currently produce approximately 80-100 barrels of condensate per day with 5.5-6 MMSCF of natural gas, which is re-injected into the formation, from the first Potential Acquisition concession, and approximately 25 barrels of oil per day from the second Potential Acquisition concession. One well within the first Potential Acquisition concession suffered tubing string damage and has been temporarily shut-in, having had a stabilised production range of between approximately 500-600 barrels of oil per day prior to production being suspended. The low oil price environment during 2020 and the material investment required to restore production from this well have prevented the necessary repair work from being implemented.

A recent study carried out by seller in respect of the second Potential Acquisition, comprising production, cost-effectiveness and feasibility evaluations, concluded that the current production of approximately 25 barrels of oil per day could be increased to up to approximately 200 barrels of oil per day via drilling activities. The seller did not implement the recommendations of the study due to the low oil price environment during 2020 and the emergence of financing difficulties.

Both Potential Acquisitions will be acquired with a 100% working interest. The Company can confirm that the Potential Acquisitions are due to expire during the years 2033 and 2034 respectively.

23 April 2021 – Debt reduction, amendment of terms and issue of warrants

Zenith announced that it has reduced its liabilities, extended the maturity date of two existing loans and issued share purchase warrants to certain lenders of the Company.

On February 14, 2020, the Company announced that, in relation to its US$2.5 million convertible loan facility (the "**Facility**") it had reduced its liability to US$1.05 million. The Company confirmed that, following recent repayments, the current liability in relation to the Facility stands at US$0.7 million.

As last announced on January 6, 2021, the Company had an outstanding credit agreement with a financial institution in Azerbaijan for an amount US$54,650.00 plus accrued interest payable by June 30, 2021. This liability has now been reduced to a total amount of US$25,000.

The Company confirms that it has amended the terms of the US$2.5 million convertible loan facility and of an existing revolving credit line, extending the current repayment terms. In connection with these loan extensions, Zenith has issued:

- 45,000,000 share purchase warrants exercisable at NOK 0.12 (approximately £0.01) per common share payable in full in cash on subscription, and expiring within six months from the date of issue; and,
- 13,593,113 share purchase warrants to the lenders exercisable at NOK 0.156 (approximately £0.013) per common share payable in full in cash on subscription expiring three years from the date of issue.

30 April 2021 – Acquisition of Robbana and El Bibane in Tunisia

Zenith announced that, following its market announcement dated April 21, 2021, Compagnie Du Desert Ltd ("**CDD**"), its recently incorporated fully owned subsidiary, has entered into a share purchase agreement ("**SPA**") with Candax Energy Limited ("**Candax**") for the acquisition of a 100 percent interest in Candax's fully owned subsidiary in Barbados, Ecumed Petroleum Tunisia Ltd ("**EPT**") (the "**Acquisitions**"), which holds a 100% interest in the El Bibane and Robbana concessions in Tunisia.

Pursuant to the terms of the SPA, CDD has agreed to acquire 100% of the issued share capital of EPT for a nominal consideration of US$100 payable at completion, as well an additional consideration of approximately USD$200,000 in the form of assumption of debt payable by the close of May 2021.

The El Bibane concession ("**El Bibane**") is located 16 kilometres offshore from the port of Zarzis in the Gulf of Gabes, covering an area of approximately 228 square kilometres and in approximately 7-8 meters water depth. The field was discovered by Marathon Oil Corporation in 1982. However, it was not developed until 1998. Upon initial development, a peak production of 4,500 bopd was achieved. The reservoir is located in the cretaceous Zebbag fractured dolomite formation at approximately 2,150 metres below surface. Zenith has acquired a 100% working interest in El Bibane. A total of three wells remain active. A total of 6 wells plus 4 sidetracks have been drilled. El Bibane expires on December 31, 2033.

The Robbana concession ("**Robbana**"), covering 48 square kilometres and located onshore in the island of Djerba in the southern Gulf of Gabes, was discovered in 1988, achieving a peak production of 500 bopd in 1994. The ROB-1 well encountered two hydrocarbon-bearing reservoirs in the Cretaceous Upper Meloussi Sandstone formation. Only two wells have been drilled in Robbana since discovery, ROB-1 which is still in production and ROB-2 which is temporarily abandoned. Robbana expires on November 4, 2034.

30 April 2021 – Exercise of Options

Zenith announced the exercise of warrants to acquire a total of 45,000,000 new Common with an exercise price of NOK 0.12 (approximately £0.01) for a total consideration of 5,400,000 NOK (approximately £450,000).

10 May 2021 – Norwegian institutional investment

Zenith announced that it had secured Norwegian institutional investment in Zenith by way of a private placement in Norway which has also attracted the participation of a high-net-worth private investor (the "**Private Placement**").

The Private Placement has resulted in the issuance of 60 million new common shares in the share capital of the Company (the "**Private Placement Shares**") for a total consideration of NOK 6,000,000 (approximately 522,000 or EUR 600,000).

The subscription price of the Placement Shares was **NOK 0.10** (equivalent to approximately £0.087), a discount of approximately 8.75 percent in respect of the closing price of the Company's common shares admitted to trading on the Euronext Growth of the Oslo Stock Exchange on May 7, 2021.

The Company issued the following share purchase warrants ("**Warrants**") as part of the Private Placement:

- 34,284,000 Warrants with an exercise price of **NOK 0.25** expiring on July 1, 2022
- 25,716,000 Warrants with an exercise price of **NOK 0.325** expiring on July 1, 2023

Each Warrant will provide the investor the right to one new common share in the share capital of Zenith upon exercise.

Proceeds from the Private Placement will be deployed to fund planned field development activities to be performed in the recently acquired Ezzaouia, El Bibane and Robbana concessions in Tunisia, as well as providing additional general working capital to support Zenith's broader development activities in Africa.

26 May 2021 – Loan for Tunisian Development

Zenith announced 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**").

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

The Company has also 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**").

1 June 2021 – Debt reduction

As announced on January 6, 2021, the Company had an outstanding credit agreement with a financial institution in Azerbaijan for US$54,650.00 plus accrued interest payable by June 30, 2021. This liability was reduced to a total amount of US$25,000 as per announcement dated April 23,2021 and on May 31, 2021, the Company announced that it completely repaid this facility.

The Company also announced that, in relation to the loan agreement announced on May 26, 2021, issued 89,053,125 warrants at an exercise price of NOK 0.12 and an expiry date of two years from the issue.

10 June 2021 – Drilling activities in Robbana, onshore Tunisia

The Company announced that it is in the process of finalising plans to commence drilling activities in the recently acquired Robbana concession ("**Robbana**") in onshore Tunisia.

The Company intends to drill ROB-3, an infill vertical well, in the proximity of the producing Robbana-1 well ("ROB-1"), to a total depth of approximately 2,400 metres.

ROB-3 will target two proven hydrocarbon-bearing reservoirs in the Cretaceous Upper Meloussi sandstone formation, from which successful production has been achieved from Robbana-1 for many years.

A production of approximately 100-150 barrels of oil per day is expected in the event of a successful drilling operation, with a P10 probability of success of approximately 150-170 barrels of oil per day being achieved.

Robbana currently produces approximately 25 barrels of oil per day from ROB-1.

25 June 2021 – Extension of SPA longstop date for acquisition from KUFPEC, Eurobond coupon payments and new appointments to Advisory Committee

The Company announced

- that its wholly owned subsidiary Zenith Energy Netherlands B.V. signed an extension agreement of the longstop date in respect of the conditional sale and purchase agreement it signed with KUFPEC

(Tunisia) Limited, a 100% subsidiary of Kuwait Foreign Petroleum Exploration Company K.S.C.C, a subsidiary of the State of Kuwait's national oil company, for a participation in, *inter alia*, the North Kairouan permit and the Sidi El Kilani Concession. The signing of the SPA was announced to the market on April 20, 2020. The new longstop date for Completion of the SPA is October 31, 2021.

- The coupon payments, in full and on time, in relation to its bonds Zenith Energy Ltd 8% Dec 2021 AT0000A23S79 the Company has issued.
- The appointment of Messieurs Jacky Fleschen and Mohamed Bouleymen to its Advisory Committee.
    - o Mr Fleschen is a civil engineer with a degree from the École Spéciale des Travaux Publics, du bâtiment et de l'industrie (ESTP Paris). He has 40 years' experience in major transactions, specifically in the construction and infrastructure sector, with responsibility for the signing of contracts for a value in excess of 10 billion US$, and has advised companies including Alston, Groupe ADP, Siemens, Sinopec and China Power.

      He has formerly served as Director of KAIC (Kuwaiti Algerian Investment Company SA) FLAVELAB SA in France, and Aston SA in Luxembourg. He is a French citizen based in Dubai.
    - o Mr Bouleymen is a former Mayor of Tunis, the capital city of the Republic of Tunisia, having served for two terms (1986-1988 and 1990-2000), during which time he was awarded the UNESCO (United Nations Educational, Scientific and Cultural Organization) award for the best managed Arab city.

      Since his mayoral tenure, he has held a number of positions including serving as President and Director of SITEP (Société Italo-Tunisienne d'Exploitation Pétrolière), a company that operates the El Borma oilfield in Tunisia, one of the most productive oilfields in the country, and is jointly owned by Italian oil major ENI and the State of Tunisia.
- The settlement of a liability by providing a total of 8,400,000 common shares held in treasury to a creditor wishing to be paid in equity at a price of NOK 0.12 (equivalent to approximately £0.0124).

8 July 2021 – Sale of Tunisian Oil Production

The Company announced that it had agreed an international crude oil lifting, scheduled to take place during the month of July 2021, of approximately 68,000 barrels net to Zenith (including approximately 20,000 barrels of domestic market sales) for total receivables of approximately US$4.5 million.

29 July 2021 – Debt settlement

On July 29, 2021, the Company announced that it had concluded a debt settlement agreement (the "Debt Settlement") in respect of the drawdown of EUR 500,000 (approximately £426k or CAD$742k) (the "CreditFacility") made following the signing of a revolving line of credit agreement with a financial institution announced on February 24, 2021.

The Company has issued a total of 30,422,319 new common shares at a price of NOK 0.1725 (equivalent to approximately £0.01412 or CAD$0.025) to settle the Credit Facility in full.

In connection with the Debt Settlement, the Company has issued the Lender the following Warrants with a duration of two years:

- 20 million Warrants to acquire one common share for each Warrant at an exercise price of NOK 0.16 (equivalent to approximately £0.01310 or CAD$ 0.023).
- 23 million Warrants to acquire one common share for each Warrant at an exercise price of NOK 0.20 (equivalent to approximately £0.01637 or CAD$0.028).

20 August 2021 – Receipt of payment from SNPC subsidiary in Congo

On August 20, 2021, the Company announced that one of its fully owned subsidiaries in the Republic of the Congo, Anglo African Oil & Gas Congo S.A.U. ("AAOG Congo"), has received a payment for an amount of approximately US$128,000, in respect of past oil production produced during the now expired Tilapia I licence by AAOG Congo from Congolaise de Raffinage, a subsidiary of the national oil company of the Republic of the Congo, Société Nationale des Pétroles du Congo.

23 August 2021 – Payment of multi-currency bond coupon

On August 23, 2021, the Company announced that it had recently made coupon payments, in full and on time, in respect of its multi-currency Euro Medium Term Notes the Company has issued on the Vienna MTF of the Vienna Stock Exchange.

August 31, 2021 – Filing of 2021 FY annual audited results

On August 31, 2021, the Company:

- published its independently audited financial results for the financial year ended March 31, 2021.
- announced that it has entered into an exclusivity agreement (the "Exclusivity") with Noble Hill-Network Limited ("NHNL"), a private Nigerian oil and gas company, that holds 100% of the Risk Service Contract ("RSC") for the development of the North-West Corner of OML 141 ("NW OML 141").

September 6, 2021 – Commencement of ROB-1 workover, Tunisia

On September 6, 2021, the Company announced the commencement of workover activities in well Robbana-1 ("ROB-1") in the Robbana concession, onshore Tunisia.

September 9, 2021 - Granting of Stock Options

On September 9, 2021, the Company announced that it had granted a total of 13,882,232 stock options (the "Options") to certain Directors and employees of the Company in accordance with the Company's Stock Option Plan.

September 14, 2021 – Credit Rating Upgrade

On September 14, 2021, the Company announced that BCRA Credit Rating Agency AD ("BCRA") has upgraded Zenith's long-term debt issuer credit rating to 'B- with Positive Outlook'.

September 16, 2021 – Electricity Production Revenue

The Company has been generating an average of approximately 900 MWh per month at the Torrente Cigno concession, where low-grade natural gas production is used to generate electricity. Electricity has been sold at an average sale price of approximately EUR 110 per MWh resulting in net revenues of approximately EUR 110,000 per month. The current net production costs are approximately EUR 35,000 per month.

October 5, 2021 – Electricity Production Revenue

During the month of September 2021, the Company produced a total of approximately 920 MWh, a small increase in respect of the previous month. Electricity prices during the month of September 2021 have averaged approximately EUR 157 per MWh, resulting in net revenues of approximately EUR 150,000 per month. The current net production costs remain fixed at approximately EUR 35,000 per month.

October 12, 2021 – Workover of Well in Tunisia

Zenith reported that the workover of ROB-1 is progressing successfully. As last announced on September 6, 2021, ROB-1 has not undergone any form of well intervention since 2012 and was producing at a stabilised rate of approximately 20 bopd prior to the commencement of workover operations.

The well completion string has been fully pulled out of the wellbore, encountering approximately 200 hundred meters of paraffin and wax deposits cleared by way of reverse circulation using diesel fuel. The Company will now proceed with bottom hole cleaning and scraping of the casing to be followed by the installation of a new tubing anchor and sucker rod pump supplied by Weatherford.

October 25, 2021 – Workover of Well in Tunisia

Zenith reported the successful workover of the ROB-1 well in Tunisia.

October 29, 2021 – Significant production uplift from ROB-1

The Company reported that following its workover, production at the ROB-1 well has increased from 20 to 124 bopd.

November 2, 2021 – Subscription for £3m

The Company announced that it had raised £3m through the issue of 272,727,273 Common Shares through a subscription at 1.1 pence per Common Shares. This is the "**Subscription**" detailed in Part 10 of this Prospectus.

November 2, 2021 – Credit Rating Upgrade

The Company announced that Rating-Agentur Expert RA ("RAEX") has upgraded its debt issuer credit rating to 'B' with 'Stable Outlook', from B-.

PART 9

DIRECTORS, KEY PERSONNEL AND CORPORATE GOVERNANCE

1. The Directors

The Directors believe the Board comprises a knowledgeable and experienced group of professionals with relevant experience for sourcing, evaluating, structuring and executing the business strategy of the Company. The Board will have full responsibility for its activities.

Details of the current Directors are listed below.

2. Jose Ramon Lopez-Portillo *(Non-Executive Chairman, aged 67)*

Mr. Lopez-Portillo has been Managing Director and then Chairman of the Board since 24 September 2007. He is an economist with a large network of business contacts worldwide, and who previously served as Mexican Permanent Representative in Rome, Italy. Mr. Lopez- Portillo is a leading researcher in the energy security of Mexico and acts as Deputy Minister at Mexico's Planning and Budget Secretariat. Mr. Lopez-Portillo holds a Doctorate degree in Political Sciences and International Relations from the University of Oxford.

3. Andrea Cattaneo Della Volta Cattaneo Adorno *(President and Chief Executive Officer, aged 65)*

Mr. Cattaneo has been a Director of the Company since 9 December 2008 and has served as President and CEO of the Group since 2009. He is an energy specialist with a focus on emerging countries and has 30 years' experience in advising governments in financial, industrial and energy-related matters. Mr. Cattaneo has strong expertise and experience in structuring and negotiating contracts in the international markets, specifically the oil industry. He also has significant experience in former socialist countries and arranged the first US$ loan to Vietnam in 1985. Mr. Cattaneo holds an undergraduate degree in Economics from the University of Genoa and a postgraduate degree in Taxation Law from the University of Bologna. He currently serves as Non-Executive Member of the Anglo-Azerbaijan Society, Partner of the Buenos Aires Stock Exchange and Member of the IADC Caspian Chapter Steering Committee. He is a former member of the Business Advisory Council to the Great Tumen Initiative, a United Nations project for regional economic cooperation in Northeast Asia. He is one of Zenith's founders.

4. Dario Ezio Sodero *(Non-Executive Director, aged 80)*

Mr. Sodero was appointed to the Board on 24 June 2009. As an experienced energy industry executive with 47 years of experience in North America, the Sub-Arctic, North Africa and the Middle East, Mr. Sodero has strong geological, exploration and technical expertise. Mr. Sodero has formerly acted as director and executive of several other TSX- and TSXV-listed exploration and production companies. Mr. Sodero holds a Doctorate degree in Geology from the University of Turin, Italy.

5. Sergey Borovskiy *(Non-Executive Director, aged 48)*

Sergey Borovskiy has over 25 years of experience in business management in China and Hong Kong. He has lived and worked in China since 1991 and is fluent in Russian, English and Mandarin.

He is CEO of Sanju Environmental Protection (Hong Kong) Limited, overseeing the international projects of controlling shareholder Sanju Group (sanju.cn), a company specialized in energy purification and environmental protection technologies listed on the Shenzhen Stock Exchange. He is CEO and Chairman of General Transactions Inc., an oil & gas consulting, engineering, trading, seismic research and exploration services company. Sergey also serves as Chairman of the Board of Directors at Petro Chemical Solutions and South China Heavy Industries Group. Sergey Borovskiy studied in both China and Russia and holds a degree in economics.

6. Luca Benedetto *(Chief Financial Officer and Executive Director, aged 50)*

Luca Benedetto is an Italian national, trained in Italy as a registered accountant with further education in IFRS accounting and consolidation at IPSOA Milan. He has more than twenty-five years of accounting, auditing and financial administration experience. Mr. Benedetto began his professional career as an accountant and computer programmer responsible for financial software development and worked for the Italian division of IBM as an internal auditor and accountant as well as providing staff training in these aforementioned fields. He also served for seven years as a financial and administrative officer in a well-established Italian company specialising in the construction of fuel and water storage tanks.

He joined the Zenith Energy Ltd. group in 2013 as Chief Financial Officer of the Group's Italian subsidiary, Canoel Italia S.r.l., and has since progressed to also hold the position of Group Financial Controller. In this capacity he has been directly involved in the monitoring of business performance, cash flow management, budgetary oversight, accounts team supervision, accounts preparation and strategic planning. Since January 2016, he has also been responsible for compiling and reviewing of the quarterly Consolidated Financial Statements and Management's Discussion and Analysis of the Group. Mr Benedetto was appointed to the Board of Directors in December 2020.

7. Independence of the Board

Jose Ramon Lopez-Portillo, Dario Ezio Sodero and Sergey Borovskiy are currently deemed "independent" members of the Board, however the Company does not subscribe to either the UK or QCA Corporate Governance Codes.

8. Directors' Fees and Other Remuneration

For the financial year ending 31 March 2021, the fees payable to the Directors were as follows:

- Jose Ramon Lopez-Portillo – no fee provided
- Andrea Cattaneo – CAD $694,000
- Luigi Regis Milano – CAD $30,000 (ceased to be a director 15 January 2021)
- Dario Sodero – CAD $3,000
- Erik Larre – no fee provided (ceased to be a director 15 January 2021)
- Sergey Borovskiy – no fee provided
- Luca Benedetto – CAD$232,000 (Luca Benedetto became a director on 18 December 2020)

Andrea Cattaneo was appointed President and Chief Executive Officer effective 01 January 2009. As proposed by the Compensation Committee, Mr. Cattaneo's annual consulting fee payment is approximately £210k (CAD $364k), payable in equal monthly instalments, plus an annual bonus compensation of CAD$200k from the parent Company.

In addition, Andrea Cattaneo also received other benefits for the year ended March 31, 2021, of CAD$130k for health insurance and accommodation.

Mr. Luigi Regis Milano had a yearly compensation of CAD$30k (Euro 20k equivalent) from subsidiary undertakings for the year ended March 31, 2021

Mr. Sodero received a fee for professional consulting services of approximately CAD$3k during the year ended March 31, 2021.

Mr. Luca Benedetto was appointed as Chief Financial Officer from April 2017 and received compensation of CAD$166k from the parent Company and CAD$62k from subsidiary undertakings, and other benefits for CAD$4k for health insurance, during the year ended March 31, 2021.

Further details of the Directors' service agreements and letters of appointment (as the case may be) are set out in Part 14.

9. Corporate Governance

The Directors are responsible for carrying out the Company's objectives, setting its business strategy and conducting its overall supervision. Acquisitions, divestment and other strategic decisions will all be considered and determined by the Board.

The Board has established the corporate governance framework of the Company and will have overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company. No Shareholder approval will be sought by the Company in relation to transactions following Admission unless it constitutes a reverse takeover under the Listing Rules or is otherwise acquired under applicable law or regulation.

The Board is committed to the highest standards of corporate governance. On and following Admission, the Board will continue to comply with the corporate governance requirements imposed on the Company as a result of the Company's continued listing on the standard segment of the London Stock Exchange

The Board will schedule meetings every two months and will hold additional meetings as and when required. The expectation is that this will result in more than six meetings of the Board each year.

The Company currently complies with the corporate governance regime applicable to the Company pursuant to the laws of British Columbia, the securities law in Canada and the standard segment of the Official List. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board of Directors facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions.

The Board has established an audit committee, a remuneration committee and a corporate governance committee with formally delegated duties and responsibilities. The composition of these committees may change with time and if there are changes in the composition of Zenith's Board of Directors.

The Audit Committee comprises Jose Ramon Lopez-Portillo, Dario Sodero and Sergey Borovskiy and is chaired by Dario Sodero. The Audit Committee meets at least three times a year and otherwise as required. It has responsibility for ensuring that the financial performance of the Issuer is properly reported on and reviewed, and its role includes monitoring the integrity of the financial statements of the Issuer (including annual and interim accounts and results announcements), reviewing the effectiveness of the Issuer's internal control review function and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors. The Audit Committee has unrestricted access to the Issuer's external auditors. The ultimate responsibility for reviewing and approving the annual reports and accounts and the interim reports remains with the Board. The Audit Committee gives due consideration to laws and regulations and the requirements of the Listing Rules. The Issuer has an Audit Committee Charter.

The Remuneration Committee comprises Jose Ramon Lopez-Portillo, Dario Sodero and Sergey Borovskiy and is chaired by Sergey Borovskiy. The Remuneration Committee has not met during the year ended 31 March 2020. The Remuneration Committee has responsibility for determining the Issuer's policy on the remuneration packages of the Issuer's chief executive, the chairman, the executive and non-executive directors and other senior executives. The Remuneration Committee also has responsibility for (i) recommending to the Board a compensation policy for directors and executives and monitoring its implementation; (ii) approving and recommending to the Board and the Issuer's Shareholders the total individual remuneration package of the chairman, each executive and non-executive director and the chief executive officer (including bonuses, incentive payments and share options or other share awards); and (iii) approving and recommending to the Board the total individual remuneration package of all other senior executives (including bonuses, incentive payments and share options or other share awards), in each case within the terms of the Issuer's remuneration policy and in consultation with the chairman of the Board and/or the chief executive officer. No Director or manager may be involved in any discussions as to their own remuneration.

The Corporate Governance Committee comprises Sergey Borovskiy, Dario Sodero and Jose Ramon Lopez-Portillo and is chaired by Jose Ramon Lopez-Portillo. The Corporate Governance Committee did not meet during the year ended 31 March 2020. The Corporate Governance Committee ensures that the Issuer has in place sufficient procedures, resources and controls to enable it to comply with its continuing obligations as a company admitted to the Standard Segment of the Official List.

The Corporate Governance Committee also monitors the Issuer's procedures to approve (a) announcements to ensure that the information disclosed by the Issuer is timely, accurate, comprehensive and relevant to the business of the Issuer and (b) any share dealings by directors or employees or announcements made by the Issuer to ensure compliance with the Issuer's policies, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and such other regulations to which the Issuer is subject from time to time.

The Company has adopted an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that the Board, employees and consultants comply with the UK Bribery Act 2010.

The Company has adopted a media policy to ensure that the information disclosed by the Company is timely, accurate, comprehensive and relevant to the business of the Company. Adherence to this policy is intended to provide an effective and efficient framework to facilitate the timely dissemination of information. The media policy applies to all employees of the Company and its subsidiaries and divisions, as well as the members of its Board of Directors.

Andrea Cattaneo is designated as the Company's principal media contact and Company spokesperson. Depending on the situation, an individual external to the Group (e.g. an external technical consultant) may be asked to be a spokesperson on a particular issue due to their knowledge, experience and technical expertise.

PART 10

THE SUBSCRIPTION

1. Description of the Subscription

Under the Subscription, 272,727,273 Subscription Shares have been unconditionally subscribed for by investors at the Subscription Price of 1.1 pence per new Common Share, which has raised gross proceeds of £3,000,000. There are no commissions payable on the Subscription. The Subscription and Admission are subject to estimated total expenses of £150,000. The Net Proceeds are approximately £2,850,000. The Subscription Shares will be issued credited as fully paid and will rank *pari passu* in all respects with all other Common Shares including the right to receive all dividends or other distributions declared, made or paid after their issue. The Subscription will result in the Existing Shares being diluted so as to constitute 78.75% of the Enlarged Common Shares in Issue at Admission. The Subscription was not underwritten. The Subscription is unconditional and the commitments received under the Subscription are irrevocable.

The Subscription Shares have been made available primarily to institutional investors in the European Economic Area, Switzerland and in the UK. In accordance with Listing Rule 14.3, at Admission, at least 25% of the Common Shares of the listed class will be in public hands (as defined in the Listing Rules). No expenses and taxes are charged to the subscribers.

Completion of the Subscription has been announced via a regulatory information service on 2 November 2021.

2. Allocation

Allocations under the Subscriptionhave been determined by the Company following receipt of indications of interest from prospective investors. A number of factors were considered in deciding the basis of allocation under the Subscription, including the level and nature of the demand for the Subscription Shares and the objective of establishing an investor profile consistent with the long-term objective of the Company. The Company has notified investors of their allocations.

All Subscription Shares issued pursuant to the Subscription have been issued, fully paid, at the Subscription Price.

The Common Shares issued pursuant to the Subscription have been issued in registered form. The Common Shares were issued pursuant to the Subscription on 2 November 2021.

3. Dealing arrangements

Application has been made to the FCA for the Subscription Shares, Capitalisation Shares and Admission Shares to be listed on the standard segment of the Official List and an application has been made to the London Stock Exchange for the Subscription Shares, Capitalisation Shares and Admission Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. The Subscription Shares and Capitalisation Shares will also be admitted to trading on the Euronext Growth Market of the Oslo Børs.

It is expected that Admission will take place and unconditional dealings in the Subscription Shares, Capitalisation and Admission Shares will commence on the London Stock Exchange at 8.00 a.m. on 16 November 2021. This date and time may change.

It is intended that settlement of Subscription Shares allocated to investors will take place by means of crediting Depositary Interests to relevant CREST stock accounts on Admission. When admitted to trading, the Subscription Shares will be registered with ISIN number CA98936C1068, SEDOL number BYNXNZ9 and TIDM code ZEN. The Common Shares have no par value. The Company prepares its accounts in Canadian Dollars.

4. CREST

CREST is the system for paperless settlement of trades in listed securities operated by Euroclear. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer.

The Depositary Interests are admitted to CREST. Accordingly, settlement of transactions in the Depositary Interests may take place within the CREST System if any Shareholder (as applicable) so wishes. CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates will be able to do so. Any investor who applied for Subscription Shares in the Subscription may elect to receive Subscription Shares in uncertificated form in the form of Depositary Interests if the investor is a system member (as defined in the CREST Regulations) in relation to CREST.

5. Use of Proceeds

The Proceeds of the Subscription are £3,000,000, and costs of approximately £150,000 have been incurred in relation to the Subscription and Admission.

The Company's intention is to use the Proceeds (including costs associated with the Subscription and Admission, which are included below) as follows:

Use	Amount (£)
Work on Ezzaouia concession, Tunisia	£1,300,000
Drilling well in Robbana concession, Tunisia	£600,000
Transportation of Zenith's drilling rig to Africa	£300,000
Work on Tilapia II, Congo (subject to licence grant)	£250,000
Prospectus and associated costs	£150,000
General working capital	£400,000
Total	**£3,000,000,000**

6. Issue of additional Common Shares in Settlement of Debts

The Company has contracted to issue 8,181,818 new Common Shares at the Subscription Price in full and final settlement of an existing liability of £90,000 on Admission. In addition, the Company has agreed to issue 100,000,000 Common Shares in full and final settlement of the €1m outstanding liability as set out in section 25.17 of Part 14 on Admission. (Collectively the "**Capitalisation Shares**"). The 108,181,818 Capitalisation Shares will be issued fully paid at Admission.

PART 11

HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

On 29 October 2020 the Company published the Financial Statements 2020, which were audited by PKF Litttlejohn LLP and prepared in accordance with International Financial Report Standards. The Audit Report was without qualification. The Financial Statements 2020 are being incorporated by reference in accordance with the Prospectus Regulation Rule 2.7.1.

On 2 July 2019 the Company published the Financial Statements 2019, which were audited by PKF Litttlejohn LLP and prepared in accordance with International Financial Report Standards. The Audit Report was without qualification. The Financial Statements 2019 are being incorporated by reference in accordance with the Prospectus Regulation Rule 2.7.1.

On 2 July 2018 the Company published the Financial Statements 2018, which were audited by PKF Litttlejohn LLP and prepared in accordance with International Financial Report Standards. The Audit Report was without qualification. The Financial Statements 2018 are being incorporated by reference in accordance with the Prospectus Regulation Rule 2.7.1.

On 30 November 2020 the Company published the Interim Financial Statements 2020/2021, which were prepared in accordance with International Financial Report Standards. The Interim Financial Statements 2020/2021 are being incorporated by reference in accordance with the Prospectus Regulation Rule 2.7.1.

This document should be read in conjunction with the Financial Statements 2021, Financial Statements 2020, Financial Statements 2019, Financial Statements 2018 and Interim Financial Statements 2020/2021, links to which on the Company's website can be found below.

Financial Statements 2021

https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2021/08/31090954/Zenith-Energy-Ltd-31.3.21-Signed-accounts.pdf

Financial Statements 2020

https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2020/10/29105540/Zenith-Energy-audited-results-2020-FY-Final-28.10.2020.pdf

Financial Statement 2019

https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2020/03/24134459/Zenith-Energy-Ltd-FS-FY2019-signed.pdf

Financial Statements 2018

https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2020/03/26130149/Zenith-Energy-Ltd.-annual-report-financial-statements-year-ended-31.03.2018-final-.pdf

Interim Financial Statements 2020/2021

https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2020/12/01094058/Zenith-FS-30.09.2020.pdf

PART 12

CAPITALISATION AND INDEBTEDNESS

The following table shows the capitalisation and indebtedness of the Company, extracted without material adjustment from the Group's consolidated management accounts as at 31 August 2021. The Company confirms that there has not been a material change in the capitalisation and indebtedness of the Company since 31 August 2021, other than is set out below.

All the amounts are expressed in thousand Canadian Dollars (CAD$'000).

CAPITALISATION AND INDEBTEDNESS

		August 31, 2021
Total Current debt		40,648
Guaranteed	—	
Secured	35,856	
Unguaranteed/Unsecured	4,792	
Total Non-Current debt		65,112
Guaranteed	—	
Secured	44,246	
Unguaranteed/Unsecured	20,866	
Shareholder's equity:		131,752
Share capital	51,237	
Legal Reserve	—	
Other Reserves	80,515	
Total		**237,512**
Cash	5,639	
Receivables	22,510	
Trading securities	—	
Liquidity		**28,149**
Current Financial Receivable		**6,424**
Current Bank debt	4,792	
Current portion of non current debt	—	
Other current financial debt	35,856	
Current Financial Debt		**40,648**
Net Current Financial Indebtedness		**6,075**
Non current Bank loans	745	
Bonds Issued	2,500	
Other non current loans	3,045	
Non current Financial Indebtedness		**6,290**
Net Financial Indebtedness		**12,365**

LOAN SITUATION	Amount outstanding (CAD$'000) 31/03/2021	as of the date of this document	Repayment of the principal	Maturity date
Euro bank debt	16	—	repaid	
USD $200,000 General line of credit agreement	96	—	repaid	
Swiss loan CHF 837,500	801	—	repaid	
Convertible loan USD 1,500,000	938	568	Equity sharing agreement	31/12/2021
Convertible loan GBP 1,000,000	561	561		
EUR 1,500,000 Credit Line Agreement & Debt Settlement	595	—	repaid	
Euro 200,000 Revolving facility	297	238		
Loan in Tunisia	1,788	1,788		31/07/2022
SACE/SIMEST Loan in Italy Euro 126,100	187	187		07/08/2026
TOTAL	**5,279**	**3,342**		

PART 13

TAXATION

1 United Kingdom taxation

The following statements are intended only as a general guide to current UK tax legislation and to the current practice of HMRC and may not apply to certain shareholders in the Company, such as dealers in securities, insurance companies and collective investment schemes. They relate (except where stated otherwise) to persons who are resident and domiciled in the UK for UK tax purposes, who are beneficial owners of Common Shares (and any dividends paid on them) and who hold their Common Shares as an investment (and not as employment-related securities and other than via an individual savings account). They are based on current UK legislation and what is understood to be the current practice of HMRC as at the date of this Document, both of which may change, possibly with retroactive effect. The tax position of certain categories of shareholders who are subject to special rules (such as persons acquiring their Common Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes or those who, either alone or together with connected parties, hold 5% or more of the Common Shares) is not considered.

Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the UK, should consult his or her own professional advisers immediately.

2 Taxation of dividends

Under UK tax legislation, the Company is not required to withhold tax at source from dividend payments it makes.

For the current tax year, the rate of income tax applied to dividends received by an individual Shareholder liable to income tax at the higher rate will be 32.5%. In the case of a dividend received by an individual Shareholder liable to income tax at the additional rate, the rate of income tax will be 38.1%. With effect from 6 April 2016, the UK dividend tax credit (formerly 1/9th of the dividend received) no longer applies but individual shareholders may be entitled to a tax-free dividend allowance of £5,000 per tax year.

Dividends paid to a UK resident corporate Shareholder will be taxable income of the UK corporate Shareholder unless the dividends fall within an exempt class and certain other conditions are met. It is, however, expected that dividends paid by the Company to a UK resident corporate Shareholder would generally be exempt, provided certain anti-avoidance provisions are not triggered.

To the extent that dividends are not exempt, UK resident corporate Shareholders may be able to obtain credit for any withholding tax and any underlying tax paid by the Company, subject to certain conditions. The UK has complex double tax relief rules where UK resident companies receive dividends from non-UK resident companies and therefore UK resident corporate Shareholders should seek further advice on these issues.

Trustees who are liable to income tax at the rate applicable to trusts (currently 45.0%) will pay tax on the gross dividend at the dividend trust rate of 38.1% for the current tax year.

United Kingdom pension funds and charities are generally exempt from tax on dividends which they receive.

Other Shareholders who are not resident in the UK for tax purposes should consult their own advisers concerning their tax liabilities on dividends received.

3 Chargeable gains

Shareholders who are resident in the UK for tax purposes and who dispose of their Common Shares at a gain will ordinarily be liable to UK taxation on chargeable gains, subject to any available exemptions or reliefs. The gain will be calculated as the difference between the sale proceeds and any allowable costs and expenses, including the original acquisition cost of the Common Shares.

Shareholders who are not resident in the UK for tax purposes but who carry on a trade, profession or vocation in the UK through a branch, agency or fixed place of business in the UK may be liable to UK taxation on chargeable gains on any gain on a disposal of their Common Shares, if those shares are or have been held, used or acquired for the purposes of that trade, profession or vocation or for the purposes of that branch, agency or fixed place of business.

If an individual Shareholder ceases to be resident in the UK and subsequently disposes of Common Shares, in certain circumstances any gain on that disposal may be liable to UK capital gains tax upon that Shareholder becoming once again resident in the UK.

4 Stamp duty and Stamp Duty Reserve Tax ("SDRT")

The statements below are intended as a general guide to the current position under UK tax law. They do not apply to certain intermediaries who may be eligible for relief from stamp duty or SDRT, or to persons connected with depository arrangements or clearance services (or, in either case, their nominees or agents), who may be liable to stamp duty or SDRT at a higher rate.

Admission of the Common Shares to the standard segment of the Official List will not give rise to a liability to stamp duty or SDRT on the basis that the Admission does not involve a change in title to the Common Shares for consideration. (The definition of consideration for stamp duty purposes is restricted to consideration in the form of cash, shares or debt. However, the definition for SDRT purposes is broader and will include anything in money or money's worth.)

The central management and control of the Company currently takes place outside the UK and the shareholders' register is currently maintained outside the UK. As such, upon the admission of the Common Shares to the Official List and to trading on the London Stock Exchange's Main Market for listed securities, any transfer of Depositary Interests should no longer attract SDRT.

Provided that the shareholders' register continues to be maintained outside the UK, there will be no SDRT on any agreement to transfer the Common Shares themselves. However, any document transferring title to the Common Shares will attract stamp duty at the rate of 0.5% (rounded to the nearest £5 if necessary) if it is executed in the UK or relates (wheresoever executed) to any matter or thing done or to be done in the UK.

Where a document transfers title to non-UK shares, but the transfer has such a UK nexus, it may not be relied upon as evidence in civil proceedings within the UK unless it is exempt or has been duly stamped by the UK tax authorities.

5 Inheritance Tax

If any individual Shareholder is regarded as domiciled in the UK for inheritance tax purposes, inheritance tax may be payable in respect of the Common Shares on the death of the Shareholder or on certain gifts of the Common Shares during their lifetime, subject to any allowances, exemptions or reliefs. This is the case regardless of their residence status. In the case of an individual Shareholder who is not regarded as domiciled in the UK for inheritance tax purposes at the date of death, their liability is limited to assets situated in the UK.

A transfer of Common Shares at less than market value may be treated for inheritance tax purposes as a gift of the Common Shares. Special rules may apply to close companies and to trustees of certain settlements who hold Common Shares, which may bring them into the charge to inheritance tax.

Non-UK domiciled individual Shareholders may be regarded as deemed domiciled for inheritance tax purposes only following a long period of residence in the UK.

Situs of shares for inheritance tax purposes is a complex matter and is governed by case law. To the extent the Common Shares are not already treated as UK assets for inheritance tax purposes, then admittance of the Common Shares to the standard segment of the Official List may result in the Common Shares being treated as UK assets for UK inheritance tax purposes. Admission of the Common Shares to the Official List will not constitute a disposal of the Common Shares held by existing Shareholders. However, if the Common Shares are considered UK situs, this could have an adverse impact on the reliefs available from inheritance tax to individual Shareholders.

UK inheritance tax is a complex area and individuals should obtain their own advice in respect of this.

6 Certain Canadian Federal Income Tax Considerations

The following summary describes, as of the date hereof, the principal Canadian federal income tax considerations under the Income Tax Act (Canada) and the regulations promulgated thereunder (the "**Tax Act**") generally applicable to an investor who acquires, as beneficial owner, Common Shares pursuant to the Subscription who, at all relevant times and for purposes of the Tax Act is not, and is not deemed to be, resident in Canada, holds the Common Shares as capital property, does not, and will not be deemed to use or hold the Common Shares in the course of carrying on a business in Canada, and deals at arm's length with, and is not affiliated with, the Company (a "**Holder**").

Common Shares will generally be considered to be capital property to a Holder unless the Holder acquires or holds such Common Shares in the course of carrying on a business or in one or more transactions considered to be an adventure or concern in the nature of trade. Special rules, which are not discussed below, may apply to a Holder that is an insurer that carries on business in Canada and elsewhere. Such Holders should consult their own tax advisers.

This summary is based on the provisions of the Tax Act in force on the date hereof and the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing and publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all such Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action or changes in the administrative policies and assessing practices of the CRA, nor does it take into account the laws of any province or territory of Canada or of any jurisdiction outside of Canada, which may differ from those discussed in this summary.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Holders should consult their own tax advisors having regard to their own particular circumstances.

6.1 Currency Conversion

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Common Shares must be determined in Canadian dollars. Any such amount that is expressed or denominated in a currency other than Canadian dollars must be converted into Canadian dollars using the relevant exchange rate quoted by the Bank of Canada on the relevant day or such other rate of exchange acceptable to the Minister of National Revenue (Canada).

6.2 Dividends

A dividend paid or credited (or deemed under the Tax Act to be paid or credited) on the Common Shares to a Holder will generally be subject to Canadian withholding tax under the Tax Act at a rate of 25%, subject to any reduction in the rate of such withholding under the provisions of an applicable income tax treaty or convention.

6.3 Disposition of Shares

A Holder will generally not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of Common Shares unless the Common Shares constitute "taxable Canadian property" (as defined in the Tax Act) to the Holder at the time of the disposition and the Holder is not entitled to relief under an applicable income tax treaty or convention.

Provided the Common Shares are listed on a designated stock exchange for purposes of the Tax Act at the time of disposition, which currently includes the TSXV and the London Stock Exchange, the Common Shares will generally not constitute taxable Canadian property to a Holder at that time, unless at any time during the 60-month period immediately preceding the disposition of the Common Shares: (a) one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Holder does not deal at arm's length, (iii) partnerships in which the Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships, has owned 25% or

more of the issued shares of any class of the Company, and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: (i) real or immovable property situated in Canada; (ii) Canadian resource properties; (iii) timber resource properties; and (iv) options in respect of, or interests in or for civil law rights in, property in any of the foregoing whether or not the property exists. Common Shares may also be deemed to be taxable Canadian property to a Holder in certain circumstances.

A Holder whose Common Shares may constitute taxable Canadian property to such Holder should consult its own tax advisers.

This summary is for general information only and it is not intended to be, nor should it be construed to be, legal advice to any Shareholder or prospective investor.

PART 14

ADDITIONAL INFORMATION

1 Responsibility

1.1 The Directors, whose names appear on page 28, and the Company accept responsibility for the information contained in the prospectus. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect the import of such information.

1.2 Chapman Petroleum Engineering Ltd. ("Chapman Petroleum"), of 1122 4th Street SW, Suite 700, Calgary, AB Canada T2R 1M1, in its capacity as Competent Person, accepts responsibility for the information contained in its Competent Person's Reports as set out in Part 19 this Document. To the best of the knowledge of Chapman Petroleum, the Competent Person's Report is in accordance with the facts and the Competent Person's Reports makes no omission likely to affect the import of such information. Chapman Petroleum have consented to the inclusion of this responsibility statement and the Competent Person's Reports in this Prospectus. Mr C W Chapman, the President of Chapman Petroleum, is a registered Professional Engineer in the Province of Alberta, Canada, and a member of the Australasian Institute of Mining and Metallurgy. Chapman Petroleum have no material interest in Zenith Energy Ltd.

1.3 Where information has been sourced from a third party, the Directors confirm that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading, and the sources of this information have been identified.

2 The Company

2.1 The Company was incorporated and registered in British Columbia on 20 September 2007 under the Business Corporations Act (British Columbia) as a corporation with the name Canoel International Energy Ltd. and with registered corporation number BC0803216. Pursuant to a shareholders' resolution dated 30 September 2014, the Company's name was changed to Zenith Energy Limited, which is both its legal and commercial name. Its Common Shares were admitted to trading on the TSXV on 10 April 2008.

2.2 The Company is domiciled in British Columbia, Canada. The Company's head office is located in Calgary, Alberta, Canada. The head office of the Company and business address for all the Directors and the Senior Manager, as at the date of this Document, is at 15th Floor, Bankers Court, 850 – 2nd Street S.W. Calgary, Alberta, T2P 0R8, Canada. The principal legislation under which the Company operates is the Business Corporations Act (British Columbia). The liability of the Shareholders of the Company is limited. The Company's Legal Entity Identification (LEI) is 213800AYTYOYD61S4569.

2.3 The Company is regulated by the Alberta Securities Commission as its principal regulator, but it is not regulated by the FCA or any financial services regulator. The Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the FCA), to the extent such rules apply to companies with a Standard Listing.

2.4 The Company's auditors for the period covered by the historical financial information (years ended 31 March 2018-2020) were PKF Littlejohn LLP , which is a Registered Auditor and is regulated in the conduct of its services by the Financial Reporting Council and the Institute of Chartered Accountants in England & Wales (ICAEW). The Company's auditors for the period covered by the historical financial information (years ended 31 March 2021) were Jeffreys Henry LLP, who remain as auditors subsequent to the period covered by the historical financial information. Jeffreys Henry LLP is a Registered Auditor and is regulated in the conduct of its services by the Financial Reporting Council and the Institute of Chartered Accountants in England & Wales (ICAEW).

3 Share Capital

3.1 As at 2 November 2021, (being the latest practicable date before publication of this Document) the Company is authorised to issue an unlimited number of Common Shares and Preferred Shares (issued in a series) and 1,411,665,358 common shares are issued, outstanding, all fully paid, and admitted to trading on Euronext Growth Oslo, of which 313,400,824 fully paid common shares are issued, outstanding, all fully paid, and admitted to trading on the Main Market of the London Stock Exchange. All the Common Shares carry one vote each and there are no restrictions on transfer.

3.2 The Subscription Shares, Capitalisation Shares and the Admission Shares (whose ISIN is CA98936C1068) will be listed on the Official List and will be traded on the main market of the London Stock Exchange. The Subscription Shares and Capitalisation Shares will also be admitted to trading on Euronext Growth Oslo. Save for the forgoing, the Common Shares are not listed or traded on, and no application has been or is being made for the admission of the Common Shares to listing or trading on any other stock exchange or securities market.

3.3 During the period of the historical financial information, there have been the following changes in the issued and authorised share capital of the Company:

I. On April 2, 2019, the Group announced that it had completed two offerings with a consortium of private and institutional investors and raised an aggregate total amount of approximately £1,020k (approximately CAD$1,794k).

Canadian Financing

Zenith issued a total of 20,000,000 common shares of no-par value in the capital of the Group ("**Common Shares**") at a price of CAD$0.05 in connection with the Canadian Financing to raise gross proceeds of CAD$1,000k (approximately £570k). The Company also paid related Issue costs for CAD$40k.

UK Financing

Zenith issued a total of 17,647,059 Common Shares of no-par value in the capital of the Group at a price of £0.0255 (approximately CAD$0.045) in connection with the UK Financing and raised gross proceeds of £450k (approximately CAD$794k). The Company also paid related Issue costs for CAD$63k.

II. On May 3, 2019 the Group announced that it had completed a placing of new common shares of no-par value in the capital of the Group ("**Common Shares**") in the United Kingdom (the "**Financing**").

Zenith issued a total of 14,334,602 Common Shares at a price of £0.028 (approximately CAD$0.049) in connection with the Financing to raise gross proceeds of £401k (approximately CAD$702k). The Company also paid related Issue costs for CAD$42k.

III. On July 3, 2019, the Chief Executive Officer & President of the Company, Mr. Andrea Cattaneo exercised stock options to acquire 622,407 common shares of no-par value in the capital of the Company, at an exercise price of CAD$0.12 per New Share.

IV. On July 4, 2019 the Chief Executive Officer & President of the Company, Mr. Andrea Cattaneo, exercised stock options to acquire 688,797 common shares of no-par value in the capital of the Company, at an exercise price of CAD$0.12 per New Share.

V. On August 2, 2019, the Company completed a placing in Canada issuing a total of 47,812,500 Common Shares, at a price of CAD$0.04 per unit, consisting of one common share of no par value in the capital of the Company ("**Common Shares**") and one full common share purchase warrant ("**Warrants**"), exercisable within 12 months at an exercise price of CAD$0.10, raising gross proceeds of CAD$1,912,500 (approximately £1,195,000 or NOK 12,856,000). The Company paid Issue costs for CAD$34k.

VI. On September 17, 2019 the Company has agreed to issue 6,589,678 common shares at an average price of CAD$0.05 per common share, to settle debts of CAD$303k owed by the Company.

VII. On October 24, 2019, the Company announced that It had received three Conversion Notices ("**Conversion**") from the consortium of lenders (the "**Lenders**") for the US$1,500,000 Convertible Loan Facility ("Convertible Loan") announced on September 5, 2018. A total of 11,421,402 Conversion Shares, equivalent to a total amount of US$340,000, were issued.

VIII. On November 1, 2019, the Company announced the fully closing of the private placing on Euronext Growth Oslo. The aggregate number of common shares issued as part of the private placement was 37,000,000 and the private placement was completed at a subscription price of NOK 0.35 per share (£0.03 or CAD$0.02). The Company also paid Issue costs for CAD$97k.

IX. On December 17, 2019, the Company announced a Private Placement on Euronext Growth Oslo. The Company has successfully raised gross proceeds of NOK 7,700,000 (approximately £638,000 or CAD$1,123,430) to subscribe for 35,000,000 common shares of no-par value in the capital of the Company ("New Common Shares") at a price of NOK 0.22 per New Common Share (approximately £0.02 or CAD$0.03).

X. On January 29, 2020, the Company successfully raised gross proceeds of NOK 11,105,882 (approximately £935,000 or CAD$1,610,000) to subscribe for 55,529,412 common shares of no-par value in the capital of the Company at a price of NOK 0.20 per New Common Share (approximately £0.02 or CAD$0.03).

XI. On February 14, 2020, the Company completed an offering in the United Kingdom with a significant existing institutional shareholder, as well as a selection of high net-worth private investors, to issue 9,000,000 new common shares in the capital of the company to raise gross proceeds of £135,000 (approximately CAD$232,000). The issue price of the UK Financing is £0.015, representing a premium of 5.26% over the closing mid-market price of Zenith's common shares admitted to trading on the London Stock Exchange on February 13, 2020.

XII. On February 14, 2020, the Company announced that it has entered into an equity sharing agreement, with a consortium of institutional investors, for a total amount of NOK 9,700,000 (approximately £810,000 or US$1,051,000), by a subscription for 50,000,000 new common shares, an issue price of NOK 0.194 per share, (approximately £0.02 or CAD$0.03).

XIII. On February 17, 2020, the Company issued 11,000,000 new common shares in Norway at a price of NOK 0.18. to raise gross proceeds of NOK 1,980,000 (approximately CAD$284,000 or £165,000).

3.4 During the period from 1 April 2020 to the date of this Document, there have been the following changes in the issued and authorised share capital of the Company:

I. On April 8, 2020, the Company completed an offering in the United Kingdom, and an offering in Norway (the "**Financings**"). Zenith raised an aggregate total amount of approximately £525k or NOK 6,750k or CAD$921k, issuing 75,000,000 new Common shares at a price of £0.007 (0.7 pence), CAD$0.012 or NOK 0.09.

II. On April 30, 2020, the Company announced the issue of 60,000,000 new common shares, raising gross proceeds of approximately £540k or NOK 6,600k or CAD$900k (the "**Private Placement**"). The issue price of the new common shares issued under the Private Placement is £0.009 (0.90 pence), NOK0.11 or CAD$0.015.

III. On June 9, 2020, the Company announced that it had completed a private placement in Norway, to raise an aggregate total amount of approximately NOK 7,600k (approximately £645k or CAD$1,098k), issuing a total of 80,000,000 common shares of no-par value in the capital of the Company at an issue price of NOK 0.095, equivalent to approximately £0.008 (0.8 pence) or CAD$0.013.

IV. On July 10, 2020, the Company announced that it has completed a private placement in Norway, to raise an aggregate total amount of approximately NOK 3,120k (approximately £260k or CAD$449k), issuing a total of 60,000,000 common shares of no-par value in the capital of the Company at an issue price of NOK 0.08, equivalent to approximately £0.007 (0.7 pence) or CAD$0.012 per share.

V. On August 6, 2020, the Company announced that it has completed a private placement in Norway, to raise an aggregate total amount of approximately NOK 7,200k (approximately £604k or CAD$1,060k). The issue price of the Financing was NOK 0.08 per common share of no-par value in the capital of the Company ("**Common Shares**"), equivalent to approximately £0.007 (0.7 pence) or CAD$0.012.

Zenith has issued a total of 90,000,000 new Common Share units ("**Units**"). Each Unit comprises 1 Common Share and half a warrant. The Company therefore issued 90,000,000 new Common Shares in connection with the Financing and 45,000,000 Common Share purchase warrants (the "Warrants") exercisable within 12 months at an exercise price of NOK 0.15 (approximately CAD$0.022).

VI. On September 25, 2020, the Company announced that it has completed a private placement in Norway, to raise an aggregate total amount of approximately NOK 4,520k (approximately £409k or CAD$ 635k), issuing a total of 100,000,000 common shares of no-par value in the capital of the Company at an issue price of NOK 0.045, equivalent to approximately £0.004 (0.4 pence) or CAD$0.01 per share.

VII. On January 6, 2021, the Company announced that an investor in the Company had exercised warrants to acquire a total of 28,571,429 new common shares of no par value (the "Common Shares") in the capital of the Company with an exercise price of NOK 0.15 (equivalent to approximately £0.013) for a total consideration of NOK 4,285k NOK (approximately £371k or CAD$641k).

VIII. On February 24, 2021, Zenith issued a total of 1,816,410 new common shares ("Debt Settlement Shares") at a price of NOK 0.145 (equivalent to approximately £0.0124) to settle an amount owed by the Company to a creditor wishing to be paid in equity.

IX. On March 19, 2021, an investor in the Company exercised warrants to acquire a total of 16,428,571 new common shares of no par value the capital of the Company with an exercise price of NOK 0.15 (equivalent to approximately £0.013) for a total consideration of 2,464,286 NOK (approximately £209,600

X. On March 22, 2021, the Company announced that it had completed a private placement in Norway, to raise an aggregate total amount of approximately NOK 8,6250k (approximately £725k or EUR 846k), issuing a total of 75,000,000 common shares of no-par value in the capital of the Company at an issue price of NOK 0.115, equivalent to approximately £0.01 (1 pence) or CAD$0.02 per share.

XI. On April 30, 2021, The Company announced that an investor in the Company had exercised warrants to acquire a total of 45,000,000 new common shares of no par value (the "**Warrant Shares**") in the capital of the Company with an exercise price of NOK 0.12 (approximately £0.01) for a total consideration of 5,400,000 NOK (approximately £450,000)

XII. On May 10, 2021, the Company announced that it had secured Norwegian institutional investment in Zenith by way of a private placement in Norway which has also attracted the participation of a high-net-worth private investor (the "**Private Placement**").

The Private Placement has resulted in the issuance of 60 million new common shares in the share capital of the Company, at ac subscription price of the Placement Shares was **NOK 0.10** (equivalent to approximately £0.087) (the "**Private Placement Shares**"), for a total consideration of NOK 6,000,000 (approximately £522,000 or EUR 600,000).

In connection with this private placement the Company issued 60,000,000 share purchase warrants, of which 45 million warrants with an exercise price of **NOK 0.25** expiring on 01/07/20222 and 15,000,000 warrants with an exercise price of **NOK 0.325** expiring on 07/07/2023.

XIII. On May 26, 2021, Zenith announced that it had 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**").

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

The Company has also 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**").

XIV. On July 29, 2021, the Company announced that it had concluded a debt settlement agreement (the "Debt Settlement") in respect of the drawdown of EUR 500,000 (approximately £426k or CAD$742k) (the "Credit Facility") made following the signing of a revolving line of credit agreement with a financial institution announced on February 24, 2021.

The Company has issued a total of 30,422,319 new common shares at a price of NOK 0.1725 (equivalent to approximately £0.01412 or CAD$0.025) to settle the Credit Facility in full.

4 Outstanding Warrants

As of September 30, 2021 the Group had 382,123,972 (2020 – 52,851,484) warrants outstanding relating to 382,123,972 shares and exercisable at a weighted average exercise price of CAD$0.03 per share with a weighted average life remaining of 0.93 years.

The fair value of the warrants was calculated using the Black-Scholes pricing model calculations based on the following significant assumptions:

Risk-free interest rate	0.50% – 0.70%
Expected volatility	75-100%
Expected life	2 years
Dividends	Nil

During the six-month period to September 30, 2021, the Company issued 250,646,238 warrants (2020 – 45,000,000), 450,000,000 warrants were exercised (2020 – Nil) and 1,373,750 (2020 – 47,812,500) warrants expired.

The issue of 250,646,238 warrants (2020 – 45,000,000) during the six months ended 30 September 2020, originated a fair value amount of CAD$892k (2019 – CAD$48k) that was debited as share-based payment, non-cash item cost, in the P&L.

The expiry of 45,000,000 (2020 – 47,812,500) warrants during the year was recognised in the contributed surplus amount of Equity section.

Type	Grant Date	Number of Warrants	Price per unit CAD$	Expiry Date
Warrants	April-18	93,750	0.40	May-21
Warrants	June-19	1,280,000	0.07	June-21
Warrants	October-19	6,477,734	0.06	October-22
Warrants	August 20	45,000,000	0.022	August 21
	Total warrants at 30 September 2020	**52,851,484**		
Warrants	Oct-19	6,477,734	$0.06	Oct-22
Warrants	Feb-21	85,000,000	$0.03	Feb-22
Warrants	Feb-21	85,000,000	$0.04	Feb-22
Warrants	Apr-21	13,593,113	$0.02	Apr-24
Warrants	May-21	34,284,000	$0.04	Jul-22
Warrants	May-21	25,716,000	$0.05	Jul-22
Warrants	May-21	89,053,125	$0.02	May-23
Warrants	Jul-21	20,000,000	$0.02	Jul-23
Warrants	Jul-21	23,000,000	$0.03	Jul-23
	Total warrants at 30 September 2021	**382,123,972**		

5 Loans

5.1 *Euro 220,000 GBM Banca of Rome Loan*

On August 6, 2015, the Group obtained a €220k loan (CAD$349k) from the GBM Banca of Rome. The loan is unsecured, bears fixed interest at 7% per annum and is repayable in 60 monthly payments of principal and interest until August 6, 2020.

This loan has been repaid in full.

5.2 *Convertible loan USD 1,500,000*

On 5 September 2018, the Company entered into a US$1,500,000 unsecured convertible loan facility, with YA II PN Ltd and Riverfort Global Opportunities PCC Ltd with a term of 18 months starting from August 30, 2018. Zenith shall pay interest on the outstanding amount of the convertible loans at the rate of 0% per annum. The Facility includes an initial immediate advance of US$1,300,000 and a further advance of US$200,000, to be provided at a later time and only at the discretion of the Lenders.

On January 7, 2019, the Company successfully renegotiated the terms of this unsecured Convertible Loan Facility, that now is also repaid in cash.

On September 17, 2019, a Conversion was made for a total of 5,343,774 common shares (the "Conversion Shares") at a price of £0.021 per Conversion Share equivalent to a total amount of US$140,000.

As announced on April 23, 2021, the Company extended the maturity date for this loan that, now is repayable at the end of the year 2021 and following recent repayments, the current liability in relation to the Facility stands at US$0.5 million.

5.3 *Convertible loan up to GBP 1,000,000*

On January 7, 2019, the Company entered into a new unsecured convertible loan facility with Charles Street Securities Europe LLP, for an aggregate total amount of up to £1 million with a consortium of lenders. The loan facility had a term of 24 months, and the Company pays interest on the outstanding amount of the loan facility at the rate of 8% per annum. The loan facility was repayable on January 15, 2021. On January 2021, the loan repayment terms were amended and now the loan is repayable on January 15, 2022, and the Company repaid the 50% of the outstanding principal amount for £323,747 (approximately CAD$ 562,000). With certain limitations, the Convertible Loan Notes ("CLNs") is convertible into Common Shares of the Company. To date, the current liability in relation to the Facility stands at £323,747 (approximately CAD$ 562,000).

5.4 ***Summary of the Notice of Articles and Articles of the Company***

The following summarizes certain provisions in respect of the amended and restated articles of the Company (together with the Notice of Articles of the Company, the "Articles"). This summary of the Articles does not purport to be complete and is subject to and is qualified in its entirety by the Articles.

5.5 ***Restrictions on objects/business***

The Articles contain no restrictions on the Company's principal objects or the type of business that may be carried out by the Company.

5.6 ***Shares***

The Company is authorized to issue an unlimited number of common shares and preferred shares (issuable in series), having attached thereto the rights, privileges, restrictions hereinafter set forth.

The authorized share structure of the Company consists of shares of the class and series, if any, described in the Notice of Articles of the Company.

Each share certificate issued by the Company must comply with, and be signed as required by, the Business Corporations Act (British Columbia).

5.7 ***Articles***

The rights attaching to the Common Shares, as set out in the Articles, contain, amongst others, the following provisions:

(a) Rights of Shareholders

(i) The holders of Common Shares shall be entitled to receive notice of, and to vote at every meeting of the shareholders of the Company and shall have one (1) vote thereat for each such Common Share so held.

(ii) Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of the Company, the holders of Common Shares shall be entitled to receive such dividends as the Directors may from time to time, by resolution declare.

(iii) Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of the Company, in the event of liquidation, dissolution or winding up of the Company or upon any distribution of the assets of the Company among shareholders being made (other than by way of dividend out of the monies properly applicable to the payment of dividends) the holders of Common Shares shall be entitled to share *pro rata*.

(b) Variation of rights

Subject to the Business Corporation Act, the Company may by special resolution:

(i) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(ii) vary or delete any special rights or restriction attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

(c) Transfers of Common Shares

A transfer of a Common Share of the Company must not be registered unless:

(i) a duly signed instrument of transfer in respect of the share has been received by the Company;

(ii) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(iii) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

Other than described above, there are no provisions in the Company's Articles limiting the transfer of the Common Shares.

(d) Payment of dividends

Subject to the Business Corporations Act (British Columbia), the Directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

The Directors may set a date as the record date for the purpose of determining shareholder entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the Directors pass the resolution declaring the dividend.

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

No dividends bear interest against the Company.

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom is sent, and mailed to the address of the shareholder.

(e) Borrowing powers

The Company, if authorized by the Directors, may:

(i) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

(ii) issue bonds, debentures and other debt obligations either outright or as security for any liability of obligation of the Company or any other person and at such discounts or premiums and on such other terms as they consider appropriate;

(iii) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(iv) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

(f) Directors

(i) Directors shall be elected by an ordinary resolution of Shareholders or approved by a resolution of the Directors.

(ii) The minimum number of Directors is three and there is no maximum number of Directors.

(iii) Each Director ceases to hold office prior to the election of Directors at an annual general meeting.

(iv) The Directors may, at any time, appoint a person to be a Director either to fill a vacancy or as an addition to the existing Directors. Where a person is appointed to fill a vacancy, or as an additional Director (provided that the number of additional Directors must not exceed one third of the number of Directors elected at the last annual general meeting), the term shall not exceed the term that remained when the person who has ceased to be a Director ceased to hold office.

(v) A Director may be removed from office:

(A) with or without cause, by a special resolution of Shareholders passed at a meeting of Shareholders called for the purposes of removing the Director or for purposes including the removal of the Director; or

(B) if a Director is no longer qualified to act.

(vi) No shareholding qualification is required by a Director.

(vii) The Directors may by resolution of the Directors appoint officers of the Company at such times as may be considered necessary or expedient.

(g) Meetings of Shareholders

The Directors may call meetings of the Shareholders at such times and in such manner and at such places as they consider necessary or desirable, subject to the provisions of the Articles and the Business Corporations Act (British Columbia). In addition, the Directors will convene a meeting of Shareholders upon the written requisition of Shareholders entitled to exercise 5% or more of the issued shares that carry the right to vote at the meeting.

An annual general meeting of the Shareholders shall be called by at least 21 days' notice.

The accidental omission to give notice of a meeting to a Shareholder or another Director, or the fact that a Shareholder or another Director has not received notice, does not invalidate the meeting. A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder. The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at or by which the proxy shall be presented.

(h) Pre-emption rights of Shareholders

There are no provisions in the Articles that require new Common Shares to be issued on a pre-emptive basis to existing Shareholders.

6 Stock Option Plan

6.1 *Background*

The purpose of the Stock Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Company or any of its subsidiaries to achieve the longer-term objectives of the Company, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Company.

6.2 *Administration*

The Directors are responsible for administering the Stock Option Plan and have full and final discretion to interpret its provisions and to prescribe, amend, rescind and waive the rules and regulations governing its administration and operation.

6.3 *Eligibility*

The Directors can designate those directors, officers, employees, consultants or other personnel of the Company or its subsidiaries who are granted Options ("Optionholders") pursuant to the Stock Option Plan. Subject to the policies (the "Exchange Policies") of the TSXV or any other stock exchange on which the Common Shares are listed (the "Exchange") and certain other limitations, the Directors are authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as they shall determine. No Option may be granted to any person except upon recommendation of the Board.

6.4 *Participation*

Participation in the Stock Option Plan is entirely voluntary and any decision not to participate shall not affect an individual's relationship or employment with the Company. The granting of an Option pursuant to the Stock Option Plan shall in no way be construed as conferring on any Optionholder any right with respect to continuance as a director, officer, employee or consultant of the Company or any of its subsidiaries. Options are not affected by any change of employment of the Optionholder or by the Optionholder ceasing to be a director, officer or a consultant of the Company or any of its subsidiaries where the Optionholder at the same time becomes or continues to be a director, officer, full-time employee or consultant of the Company or any of its subsidiaries.

6.5 ***Shares subject to Options***

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Stock Option Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Company shall not exceed 10% of the issued and outstanding Common Shares as at the closing of the initial public offering of the Common Shares on the TSXV.

In addition, unless the Company receives the permission of the stock exchange or exchanges on which the Common Shares are listed to exceed such threshold, the Options granted under the Stock Option Plan together with all of the Company's other previously established stock option plans or grants, must not result at any time in:

(a) the number of Common Shares reserved for issuance pursuant to Options granted to insiders (as defined in the Exchange Policies) exceeding 10% of the issued and outstanding Common Shares;

(b) the grant to insiders (as defined in the Exchange Policies) within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares; or

(c) the grant to any one Optionholder within a 12-month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares.

6.6 ***Option price and exercise price***

Subject to prior termination under the Stock Option Plan, each Option and all rights thereunder expire on the date set out in the stock option agreement entered into between the Company and each Optionholder, which shall be the date of expiry of the period determined by the Board of Directors during which the Optionholder may exercise the Option (the "Option Period"). The Option Period cannot exceed a period of 5 years from the date the relevant Option is granted unless the Company receives the permission of the stock exchange or exchanges on which the Common Shares are then listed, and, in any event, no Option can be exercisable for a period exceeding 10 years from the date it is granted.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Stock Option Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the last per share closing price for the Common Shares on the Exchange before the date of grant of the Option (less any applicable discount under the Exchange Policies).

6.7 ***Exercise of Options***

Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Subject to any vesting limitations which may be imposed by the Directors at the time of grant of an Option, an Optionholder is generally entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period. If an Optionholder ceases to be a director, officer, employee or consultant of the Company or its subsidiaries for any reason other than death, the Optionholder may within 90 days or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held. If an Optionholder dies, the Option previously granted to him is exercisable within one year following the date of the death or prior to the expiry of the Option Period, whichever is earlier, by the person or persons to whom the Optionholder's rights under the Option pass.

6.8 ***Anti-dilution***

On certain variations to the share capital of the Company, the number of Common Shares comprised in existing Options may be adjusted so as to avoid the dilution of such Options.

6.9 ***Transferability of Options***

No right or interest of any Optionholder under the Stock Option Plan is assignable or transferable.

6.10 ***Options granted to the Directors and Senior Managers***

As at September 21, 2021, (being the latest practicable date prior to publication of this Document) the outstanding Options that have been granted to the Directors and Senior Managers or any member of their immediate families ("Connected Persons"), are as follows:

Name	Date of grant	Number of options over Common shares	Exercise price CAD$	Expiry date
Sodero Dario	18 November 2016	500,000	$ 0.10	18 November 2021
Lopez-Portillo Jose Ramon	18 November 2016	600,000	$ 0.10	18 November 2021
Lopez-Portillo Jose Ramon	5 April 2018	244,286	$ 0.12	5 April 2023
Sodero Dario	5 April 2018	203,571	$ 0.12	5 April 2023
Borovskiy Sergey	5 April 2018	703,571	$ 0.12	5 April 2023
Benedetto Luca	5 April 2018	1,312,858	$ 0.12	5 April 2023
Cattaneo Andrea	5 April 2018	3,910,225	$ 0.12	5 April 2023
Sodero Dario	30 December 2020	4,285,714	$ 0.03	30 December 2025
Lopez-Portillo Jose Ramon	30 December 2020	4,285,714	$ 0.03	30 December 2025
Borovskiy Sergey	30 December 2020	4,285,714	$ 0.03	30 December 2025
Benedetto Luca	30 December 2020	4,285,714	$ 0.03	30 December 2025
Cattaneo Andrea	30 December 2020	20,000,002	$ 0.03	30 December 2025
Ippolito Cattaneo	30 December 2020	4,285,714	$ 0.03	30 December 2025
Sodero Dario	18 January 2021	5,449,773	$ 0.03	18 January 2026
Lopez-Portillo Jose Ramon	18 January 2021	5,449,773	$ 0.03	18 January 2026
Borovskiy Sergey	18 January 2021	5,449,773	$ 0.03	18 January 2026
Benedetto Luca	18 January 2021	5,449,773	$ 0.03	18 January 2026
Cattaneo Andrea	18 January 2021	18,165,910	$ 0.03	18 January 2026
Ippolito Cattaneo	18 January 2021	5,449,773	$ 0.03	18 January 2026
Cattaneo Andrea	13 May 2021	19,542,645	$ 0.02	13 May 2026
Ippolito Cattaneo	13 May 2021	6,514,215	$ 0.02	13 May 2026
Benedetto Luca	13 May 2021	6,514,215	$ 0.02	13 May 2026
Cattaneo Andrea	06 September 2021	8,329,340	$ 0.02	06 September 2026
Ippolito Cattaneo	06 September 2021	2,776,446	$ 0.02	06 September 2026
Benedetto Luca	06 September 2021	2,776,446	$ 0.02	06 September 2026
	TOTAL	**140,771,165**		

7 Financial assistance to purchase Common Shares of the Company or its holding company

The Company may give financial assistance to any person in connection with the acquisition of its own Common Shares, subject to applicable law.

8 Purchase of Common Shares

A company may, subject to applicable law and its articles, purchase, redeem or otherwise acquire and hold its own shares in the manner provided for under its articles.

Subject to any limitations in the memorandum or articles, shares that a company purchases, redeems or otherwise acquires may be cancelled or retained.

A company is not prohibited from purchasing and may purchase its own warrants subject to applicable laws and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under British Columbia law that a company's articles contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its articles.

9 Protection of minorities

The Business Corporations Act (British Columbia) provides certain statutory remedies to Shareholders including derivative actions, personal actions and representative actions. The courts may consider claims by shareholders alleging that a company has acted in a manner aggressive or unfairly prejudicial to a shareholder.

The Business Corporations Act (British Columbia) further provides that any shareholder of a company is entitled to payment of the fair value of his shares upon dissenting from any of the following:

(a) certain amendments to the articles of the Company;

(b) a merger, if the company is a constituent company, unless the company is the surviving company and the shareholder continues to hold the same or similar class of shares;

(c) an amalgamation, other than in the case of certain wholly-owned companies;

(d) any sale, transfer, lease or other disposition of all or substantially all of the Company's undertaking other than in the orderly course of business;

(e) a continuation to a jurisdiction other than British Columbia; or

(f) an arrangement, if permitted by the court.

Generally, any other claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the British Columbia.

Amalgamations and arrangements generally require the approval of two thirds of the votes entitled to vote and voted at a meeting to approve the transaction.

Any sale, transfer, lease or other disposition of all or substantially all of the undertaking of the company other than in the ordinary course of business, requires the approval of two thirds of the votes entitled to vote and voted at a meeting to approve the transaction.

Shareholders dissenting from the proposal to dispose of 50% or more of the assets or from any arrangement (which may cover other types of reorganization or reconstruction of a company) are entitled to require the company to pay the fair value of their shares, in accordance with the procedures and conditions laid down by the Business Corporations Act (British Columbia).

In addition, the Company is subject to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, that regulates transactions such as "insider bids", "issuer bids," "business combinations" and "related party transactions" in order to ensure equal treatment of shareholders. Pursuant to the rule, certain transactions may be subject to valuation and shareholder voting requirements that are in addition to those imposed by the Business Corporations Act (British Columbia) and the rules of the TSXV.

10 Management

The Company is managed by its Directors, consisting of not less than three directors. Directors are required under the Business Corporations Act (British Columbia) to act honestly and in good faith with a view to the best interests of the company, and to exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances. As outlined above, certain actions require prior approval of the Shareholders, as a matter of statute. While the Company may provide certain indemnity for its Directors, the Business Corporations Act (British Columbia) precludes the Directors from taking advantage of such indemnities unless they act honestly and in good faith and in what they believed to be in the best interests of the Company, and in the case of criminal proceedings, where the Director had no reasonable cause to believe that his conduct was unlawful.

11 Inspection of corporate records

Shareholders are entitled to inspect the Articles, the register of directors and other documents listed in the Business Corporation Act at the records office.

12 Winding up

The Business Corporations Act (British Columbia) makes provision for both voluntary and compulsory winding up of a company. The shareholders may resolve to appoint a voluntary liquidator.

13 Takeovers

The Business Corporations Act (British Columbia) and Canadian securities legislation govern takeover bids for Canadian companies incorporated in the Province of British Columbia. A takeover bid is generally defined as an offer to acquire outstanding voting or equity securities of a class, made to any holder in the local jurisdiction of the securities, if such securities, together with the securities held by the offeror and any person acting jointly or in concert with the offeror would constitute 20% or more of the outstanding securities of that class, in the aggregate, at the date of the offer. A takeover bid must be made to all holders of securities of the class subject to the bid who are in the local jurisdiction (with limited exceptions) and must allow those holders at least 105 days to deposit securities pursuant to the bid. Notwithstanding the foregoing, the Canadian Securities Administrators have adopted a policy permitting them to issue a cease trade order in the event the takeover offer is not made to all Canadian security holders.

The availability of a takeover bid to shareholders residing outside Canada will be dependent on whether such takeover bid may be made to such non-Canadian shareholders pursuant to applicable legislation of the jurisdiction in which the non-Canadian shareholders resides and the actions of the offeror.

A takeover bid circular will be delivered to the security holders by the offeror detailing the terms of the bid. The directors of the reporting issuer (in this case, the Company) would then be required to deliver a directors' circular within 15 days of the date of the bid. The directors' circular would set out the Board's recommendation to accept or reject the bid, including reasons therefor or a statement that the Board is unable to comment and providing reasons in support of that position.

The Business Corporations Act (British Columbia) permits an acquiror who has been successful in acquiring 90% of the shares of a company (excluding those shares already held by the acquiror), to, within four months of making the offer to acquire such shares, send written notice to any shareholder who did not accept the offer, compelling them to sell their shares on the same terms as contained in the original offer. The tendering obligation is subject to the right of the shareholder to make application to the court, which may set the terms of the transaction and make any other consequential orders it deems fit. There is no reciprocal mechanism under Canadian law permitting a shareholder who refuses the original offer to compel the acquiror to acquire its shares on the terms of the original offer.

Significant amendments to the takeover bid regime in Canada came into force on 9 May 2016. Among other things the amendments:

(a) have a mandatory tender condition that a minimum of more than 50% of all outstanding securities of the class subject to the bid be tendered and not withdrawn before the bidder can take up any securities under the bid (the "New Mandatory Minimum Tender Condition");

(b) the bid must be extended by the bidder for at least 10 days once the New Mandatory Minimum Tender Condition has been satisfied and all other terms and conditions of the bid have been complied with or waived; and

(c) the bid must remain open for a minimum deposit period of 105 days. A target company will be allowed to reduce the deposit period to not less than 35 days in certain circumstances and subject to certain conditions.

14 Disclosure of Interests in Common Shares

The Company is a reporting issuer in Canada and is subject to Canadian securities laws. Pursuant to such laws, when a person (an "Acquiror") acquires beneficial ownership of, or the power to exercise control or direction over, or securities convertible into, voting or equity securities of any class of a reporting issuer (such as the Company) that, together with such Acquiror's securities would constitute 10% or more of the outstanding securities of that class, the Acquiror must immediately issue and file a press release announcing the acquisition and file a report of the acquisition with the applicable securities regulatory authority within two business days thereafter. Certain institutional investors may elect an alternate reporting system. The Acquiror has a continuing obligation to disclose each further acquisition or disposition of a beneficial ownership of, the power to exercise direction or control over, or securities convertible into an additional 2% or more of the outstanding securities of the applicable class.

The Company is required by Form 51-102F5 of National Instrument 51-102 – Continuous Disclosure Obligations, to disclose in its information circulars whether, to the knowledge of the Company's Directors or executive officers, any person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

15 Directorships and partnerships

In addition to their respective roles and directorships at the Company and its subsidiaries, the Directors have been, members of the administrative, management or supervisory bodies (the "directorships") or partners of the following companies or partnerships, at any time in the five years prior to the date of this Document.

Name	Current directorships/partnerships	Previous directorships/partnerships
Jose Ramon Lopez-Portillo	Hybridair Ltd World SkyCat Ltd	—
Luca Benedetto	—	—
Andrea Cattaneo	—	Belpeso Ltd.
Dario Ezio Sodero	Planaval Resources Ltd	Cygam Energy Inc. Rockbridge Resources Inc
Sergey Borovskiy	ITI Capital Asia Kaisun Holdings General Transactions Inc. National Agency for Direct Investment (NAPI). South China Heavy Industries Group	Sanju Hong Kong PetroChemical Solution

16 Directors' confirmations

16.1 Save as set out below and as at the date of this Document, none of the Directors have, at any time within the last five years:

(a) had any convictions in relation to fraudulent offences;

(b) been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or senior management of any company or other entity;

(c) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies); or

(d) ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Andrea Cattaneo was appointed as a director of PEX Plc on 20 December 1995, a company listed on the main market of the London Stock Exchange, manufacturing socks, holder of the brands Pex and Bridgedale. Following a severe deterioration of the market in which PEX Plc operated, on 5 November 1999 PEX Plc was placed into administration ultimately resulting in its insolvent liquidation.

16.2 Certain Directors of the Company are also directors of other oil and gas companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies set out in the Articles and the Business Corporations Act (British Columbia). Save as set out below, as at the date of this Document there are no potential conflicts of interest between any duties owed by the Directors, the Proposed Director or the Senior Manager of the Company and their private interests or other duties:

(a) Dario Sodero is the is the President and sole director of Planaval Resources Ltd, an oil and gas company.

17 Directors' and other interests

17.1 In addition to the Options and Warrants referred to in paragraphs 17.2 and 17.3 below, respectively, the interests (beneficial or non-beneficial) in the shares of the Company or any of its subsidiaries held by the Directors and their respective Connected Persons as at the date of this Document, as well as the anticipated interests of such persons immediately following Admission, are as follows:

	As at the date of this Document		Immediately following the Subscription and the Admission	
Name	Number of Shares	Percentage of issued Common Shares (%)	Number of Shares	Percentage of Enlarged Common Shares in issue
Jose Ramon Lopez-Portillo	48,000	0.01	48,000	0.01
Andrea Cattaneo	61,484,115	4.46	61,484,115	4.46
Dario E. Sodero[(1)]	77,500	0.01	77,500	0.01
Sergey Borowskiy	3,849,289	0.28	3,849,289	0.28

Notes:

(1) The 77,500 Common Shares in which Dario Sodero has a beneficial interest are held by Planaval Resources Ltd., a company controlled by Mr Sodero. Mr Sodero owns 100% of the share capital of Planaval Resources Ltd.

17.2 As at May 31, 2021, (being the latest practicable date prior to publication of this Document) the Warrants held by the Directors and their respective Connected Persons, are as follows:

	Grant date	Number of shares covered by the warrants	Exercise Price (CAD$)	Expiry Date
Andrea Cattaneo	—	—	—	—
Dario Sodero	—	—	—	—
Jose Ramon Lopez-Portillo	—	—	—	—
Sergey Borowskiy	—	—	—	—

17.3 As at the date of this Document, the Options set out in paragraph 6.10 above have been granted to the current Directors pursuant to the Stock Option Plan.

Name	Date of grant	Number of options over Common shares	Exercise price CAD$	Expiry date
Sodero Dario	18 November 2016	500,000	$ 0.10	18 November 2021
Lopez-Portillo Jose Ramon	18 November 2016	600,000	$ 0.10	18 November 2021
Lopez-Portillo Jose Ramon	5 April 2018	244,286	$ 0.12	5 April 2023
Sodero Dario	5 April 2018	203,571	$ 0.12	5 April 2023
Borovskiy Sergey	5 April 2018	703,571	$ 0.12	5 April 2023
Benedetto Luca	5 April 2018	1,312,858	$ 0.12	5 April 2023
Cattaneo Andrea	5 April 2018	3,910,225	$ 0.12	5 April 2023
Sodero Dario	30 December 2020	4,285,714	$ 0.03	30 December 2025
Lopez-Portillo Jose Ramon	30 December 2020	4,285,714	$ 0.03	30 December 2025
Borovskiy Sergey	30 December 2020	4,285,714	$ 0.03	30 December 2025
Benedetto Luca	30 December 2020	4,285,714	$ 0.03	30 December 2025
Cattaneo Andrea	30 December 2020	20,000,002	$ 0.03	30 December 2025
Ippolito Cattaneo	30 December 2020	4,285,714	$ 0.03	30 December 2025
Sodero Dario	18 January 2021	5,449,773	$ 0.03	18 January 2026
Lopez-Portillo Jose Ramon	18 January 2021	5,449,773	$ 0.03	18 January 2026
Borovskiy Sergey	18 January 2021	5,449,773	$ 0.03	18 January 2026
Benedetto Luca	18 January 2021	5,449,773	$ 0.03	18 January 2026
Cattaneo Andrea	18 January 2021	18,165,910	$ 0.03	18 January 2026
Ippolito Cattaneo	18 January 2021	5,449,773	$ 0.03	18 January 2026
Cattaneo Andrea	13 May 2021	19,542,645	$ 0.02	13 May 2026
Ippolito Cattaneo	13 May 2021	6,514,215	$ 0.02	13 May 2026
Benedetto Luca	13 May 2021	6,514,215	$ 0.02	13 May 2026
	TOTAL	**126,888,933**		

17.4 Save as disclosed in paragraphs 17.1, 17.2 and 17.3 above, no Director or their respective Connected Persons has, nor will they have immediately following Admission, any interest (whether beneficial or non-beneficial) in the share or loan capital of the Company or any of its subsidiary undertakings.

17.5 Under Canadian law, any person or company that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, including securities (issued and unissued) that the person or company is the beneficial owner of, which are convertible into voting securities within 60 days following that date, or has a right or obligation permitting or requiring the person or company, whether or not on conditions, to acquire beneficial ownership of the security within 60 days, by a single transaction or a series of linked transactions, is required to notify their holdings publicly. As at 31 March 2021 (being the latest practicable date before publication of this Document), in addition to the interests of the Directors, the Proposed Director and the Senior Manager and their respective Connected Persons disclosed in paragraphs 17.1, 17.2 and 17.3 above, the Company is not aware of any Shareholders that have a notifiable interest under Canadian law ("Major Shareholders").

17.6 The Company is not aware of any Major Shareholders that intend to participate in the Subscription and the Directors and the Senior Managers have not made any applications in respect of the offer of Subscription Shares.

17.7 Immediately following Admission, as a result of the Subscription, the Directors expect that a number of persons will have an interest, directly or indirectly, in at least 3% of the voting rights attached to the Company's issued Common Shares. Such persons will be required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the Disclosure Guidance and Transparency Rules sourcebook, and such interests will be notified by the Company to the public.

17.8 As at May 31, 2021, (being the latest practicable date prior to the publication of this Document), the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

17.9 Those interested, directly or indirectly, in 3% or more of the issued Common Shares of the Company do not now and, following the Subscription and Admission, will not have, different voting rights from other holders of Common Shares.

18 Directors' terms of employment

The Directors and their functions are set out in Part 11: "Directors, Senior Management and Corporate Governance". The Directors are appointed at each annual general meeting of the Shareholders (each an "AGM") and may also be appointed at a special meeting of shareholders if one of the purposes for which the meeting was called was the election of directors. Directors will hold office until the close of the next AGM or until a successor is duly elected or appointed or his or her office is earlier vacated in accordance with the Business Corporations Act (British Columbia) and the Articles of the Company.

The Directors' may receive an annual retainer, meeting fees plus options (which options are set within the guidelines prescribed by the TSXV) and expense reimbursements. The Remuneration Committee is responsible for reviewing and recommending to the Board the retainer and fees to be paid to members of the Board.

A Director's term of office is terminable in accordance with the provisions of the Business Corporations Act (British Columbia). Pursuant to the Business Corporations Act (British Columbia), a director will cease to hold office by reason of: (i) death or resignation; (ii) expiration of his or her term of office; or

(i) removal or disqualification in accordance with the provisions of the Business Corporations Act (British Columbia). A director may be removed from office if the shareholders of a corporation so vote by special resolution or otherwise as provided for in the Articles. A director may become disqualified if:

(ii) he is less than 18 years of age; (ii) is found by a court to be of unsound mind; (iii) is an undischarged bankrupt; or (iv) is convicted of an offense involving fraud. Further details of the terms of employment of each Director are set out below.

The Company has a Board that it believes has the expertise to identify, select and complete successful acquisitions and to manage the Group.

For the current financial year, the Directors will be entitled to receive a fee to be determined by the Remuneration Committee following Admission.

The Directors are subject to the Canadian common law fiduciary duty in respect of the Company which obliges them not to disclose the confidential information of the Company and to act honestly and in good faith, with a view to the best interests of the Company. Mr Lopez-Portillo, and Mr Sodero do not have a service contract with the Company or any other member of the Group. Details of the Directors are set out at paragraph 2.1 of Part 11 of the Prospectus.

19 Personnel

19.1 As at May 31, 2021, (being the latest practicable date prior to publication of this Document) the Company and its subsidiaries had 41 full time employees based in its offices in London in the UK, Point Noire (Republic of the Congo), Tunisia and Genoa in Italy.

19.2 The daily operations and maintenance of producing fields in Italy are managed, on behalf of Canoel Italia S.r.l., by a leading service company that employs more than 12 work units for the management of the wells. These numbers are not included in the roster of the Company's employees.

20 Working Capital

The Company is of the opinion that, taking into account the Net Proceeds receivable by the Company, the Company will have sufficient working capital for its present requirements, that is for the next 12 months from the date of this Document.

21 Significant changes

Financial performance

There has been no significant change in the financial performance of the Group since 31 March 2021, being the end of the last financial period for which the annual financial information to have been published.

Financial Position

Save for the following changes, there has been no significant change in the financial position of the Group since 31 March 2021, being the end of the last financial period for which the annual financial information to have been published:

1. The Subscription to raise £3m announced on 2 November 2021 (and as set out in Part 10).
2. The issue of the Capitalisation Shares in settlement of liabilities of €1m and £90k (as set out in Part 10).
3. The Sale of Tunisian oil production for approximately US$4.5m announced on 8 July 2021.
4. The Loan for Tunisian Development of €2.1m announced on 26 May 2021.
5. The Placing of new Common Shares of NOK6m announced on 11 May 2021.

22 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) since the Company's incorporation which may have, or have had in the recent past, significant effects on the financial position or profitability of the Group.

23 Dividends

The Company has never paid a dividend and currently has no plans to do so.

24 City Code

The City Code does not apply to the Company. There are no Canadian laws relating to the Common Shares and squeeze-out and/or sell-out rules, save as provided by the Business Corporations Act (British Columbia) and Canadian securities laws (as to which see the paragraph 14 of this Part 18).

25 Material contracts

The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Group which (i) are, or may be, material to the Group; or (ii) contain obligations or entitlements which are, or may be, material to the Group as at the date of this Document.

25.1 Share Purchase Agreement ("**SPA**") with Anglo African Oil & Gas plc

On December 27, 2019, the Company announced that it had signed a conditional share purchase agreement ("**SPA**") with AIM quoted Anglo African Oil & Gas plc ("**AAOG**") for the acquisition of an 80 percent interest in AAOG's fully owned subsidiary in the Republic of the Congo, Anglo African Oil & Gas Congo S.A.U ("**AAOG Congo**") ("**Acquisition**").

The SPA is conditional, *inter alia*, on the passing of an ordinary resolution of shareholders in AAOG in a General Meeting approving the Acquisition and certain regulatory requirements in the Republic of the Congo including consent of the Minister of Hydrocarbons ("**Completion**").

This SPA was subject to modification, in the subsequent months and, on 5 May 2020, Zenith announced the successful completion of the acquisition from the AIM listed Anglo African Oil & Gas PLC of a 100 per cent interest in its fully owned subsidiary in the Republic of the Congo, AAOG Congo. The total consideration paid to Anglo African Oil & Gas PLC amounted to GBP 200,000.

The transfer of ownership of AAOG Congo is subject to a regulatory approval in the Republic of the Congo.

AAOG Congo held a 56 per cent majority interest in, and was the operator of the Tilapia oilfield in the Republic of the Congo (the "Congo License I"). The remaining 44 per cent were held by the national oil company, Société Nationale des Pétroles du Congo ("SNPC"). The Congo License I is located in the Lower Republic of the Congo Basin, West African Atlantic Margin, which extends from Gabon down to Angola, a prolific hydrocarbon region in which certain individual wells have recorded production rates of up to 5,000 barrels of oil per day. It is situated 1.8 kilometres offshore and entered into production in 2008. Having been drilled from onshore, there is no requirement for offshore drilling equipment. Oil storage and processing facilities are a 45-minute drive from Pointe Noire and 17 kilometres from the nearest refinery.

25.2 Agreement regarding the publication of a prospectus with Allenby Capital Limited

Pursuant to an agreement dated 23 July 2020 between the Company and Allenby Capital Limited, the Company engaged Allenby Capital Limited as the Company's exclusive financial adviser in connection with the proposed publication of this Document.

In consideration for its services in relation to the appointment, Allenby Capital Limited will be paid: (i) 3 payments of £7,500, with the first payment to be paid on signing the engagement letter and the 2 further payments to be paid for each month for 2 months thereafter; and (ii) £52,500 on the approval of the prospectus by the FCA. The Company agreed to reimburse Allenby Capital Limited for all expenses incurred in connection with its services including Allenby Capital Limited's legal fees and the Company will be liable for certain abortive fees if the engagement is terminated for a reason other than a material breach by Allenby Capital Limited.

This agreement was put on hold in December 2019 and recommenced with certain amendments on 1 August 2020, including two additional payments of £7,500 each based on progress with the Prospectus.

25.3 Transfer Agency and Registrarship Agreement

The Company entered into a transfer agency and registrarship agreement (the "Registrar Agreement") with Olympia Trust Company ("Olympia") on 5 March 2008. On 11 July 2014, the

Company consented to the assignment and transfer by Olympia to Computershare Trust Company of Canada (the "Registrar") of all of the right, title and interest of Olympia in the Registrar Agreement. The formal assignment and transfer to the Registrar occurred on such date as was determined by the Registrar on or before 30 November 2014.

Pursuant to the Registrar Agreement, the Company appoints the Registrar to act as registrar and transfer agent to the Company, to keep, *inter alia*, the registers of holders and the registers of transfers for the Common Shares in the capital of the Company at its principal office in Calgary, Canada and to provide certain other administrative services to the Company in relation to its business and affairs.

The Company is required to pay for the services provided in accordance with a tariff or schedule of fees, which fees are subject to revision from time to time during the term of the agreement. The Company is also required to reimburse all costs and expenses, including the fees, disbursements and expenses of any sub-agents, advisors and legal counsel, if applicable, incurred in carrying out the duties under the Registrar Agreement.

If the Company defaults in its payment obligations under the Registrar Agreement, the Registrar has the right to immediately terminate the agreement. In addition, the Registrar Agreement may be terminated by either party upon three months' written notice.

Under the Registrar Agreement the Company indemnifies the Registrar (provided it has acted in good faith and without negligence), its directors, officers, employees, agents and assigns against all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs, expenses and disbursements (including legal and advisor fees and disbursements) howsoever arising from or out of any act or omission of the Registrar pursuant to or in relation to the Registrar Agreement.

25.4 Depositary Agreement

A depositary agreement dated 3 January 2017 (the "Depositary Agreement") between the Company and Computershare Investor Services PLC (the "Depositary") under which the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the deed poll executed by Computershare on or about the date of the Depositary Agreement (the "Deed Poll"), a series of uncertificated depositary interests ("Depositary Interests") representing securities issued by the Company and to provide certain other services in connection with such Depositary Interests with a view to facilitating the indirect holding by participants in CREST. Computershare agrees that it will comply with the terms of the Deed Poll and that it will perform its obligations with reasonable care and skill. Computershare assumes certain specific obligations, including the obligation to issue to a CREST member Depositary Interests in uncertificated form and to maintain the register of Depositary Interests. Computershare undertakes to provide the depositary services in compliance with the requirements of the Financial Services and Markets Act 2000. Computershare will either itself or through its appointed Custodian as bare trustee hold the deposited property (which includes, *inter alia*, the securities represented by the Depositary Interests) as may be designated from time to time by the Depositary. The Company agrees to provide such assistance, information and documentation to Computershare as is reasonably required by Computershare for the purposes of performing its duties, responsibilities and obligations under the Deed Poll and the Depositary Agreement, including (to the extent available to the Company) information, which concerns or relates to Computershare's obligations under the Depositary Agreement. The agreement sets out the procedures to be followed where the Company is to pay or make a dividend or other distribution. The Company is to indemnify Computershare for any loss it may suffer as a result of the performance of the Depositary Agreement except to the extent that any losses result from Computershare's own negligence, fraud or wilful default. Computershare is to indemnify the Company for any loss the Company may suffer as a result of or in connection with Computershare's fraud, negligence or wilful default save that the aggregate liability of the Depositary to the Company over any 12-month period shall in no circumstances whatsoever exceed twice the amount of the fees payable to the Depositary in any 12-month period in respect of a single claim or in the aggregate. Subject to earlier termination, the Depositary is appointed for a fixed term of one year and thereafter until terminated by either party giving not less than six months' notice. In the event of termination, the parties agree to phase out the Depositary's operations in an efficient manner without adverse effect on the members of the Company and the Depositary shall deliver to the Company (or as it may direct) all documents, papers and other records relating to the Depositary Interests which are in its possession and which is the property of the Company. The Company is to pay certain fees and charges, including an annual fee, a fee based on the number of Depositary Interests per year and certain CREST related fees. Computershare is also entitled to recover reasonable out of pocket fees and expenses.

25.5 REDPSA

On 16 March 2016, the Company's wholly owned subsidiary, Zenith Aran, entered into the REDPSA with SOCAR and SOA, a wholly owned subsidiary of SOCAR (Zenith Aran and SOA being referred to herein as the "Contractor Parties"). The REDPSA covers 642 square kilometers which include the active Muradkhanli, Jafarli and Zardab oil fields (the "Contract Area"). Zenith Aran will hold an 80% participating interest in the REDPSA while SOA holds the remaining 20%. The delivery of the capital assets previously used in respect of the petroleum operations at the three fields in Azerbaijan from the previous operating company to Aran Oil Operating Company Limited, a wholly owned subsidiary of the Contractor Parties, officially completed on 11 August 2016 (the "Effective Date").

Under the REDPSA, the Contractor Parties must provide all necessary funds to explore, appraise, evaluate, and develop the crude oil and natural gas resources within the Contract Area.

The Contract Area includes areas where the existing production needs to be improved (the "Contract Rehabilitation Area") and where new production needs to be developed (the "Contract Exploration Area"). The Contractor Parties have different obligations in respect of each area.

Rehabilitation and production programme

The Rehabilitation and Production programme was signed on 3 October 2017 and approved by SOCAR on the same date. It provides for a maximum production of approximately 2,382 barrels of crude oil per day. The programme involved drilling 26 development wells: 21 in Muradkhanli and 5 in Jafarli with the cost per well, being $4.3million. Therefore, a total of $111.8 million would be spent on drilling. The programme also involved the workover of 44 wells, which includes 12 old well reactivations, with the cost per workover being $150,000. Therefore, a total of $6.85 million would be spent on the workovers. Additionally, the programme provided for facility upgrades of $2.5million and involved running a 64km2 3D exploration seismic and drilling a 1-5000m exploration well. The total net cash flow for the programme was $176 million and the total OPEX of $122.5 million and total CAPEX of $121.15 million.

The wholly owned subsidiary of Zenith Energy Ltd., Zenith Aran has acquired the exclusive rights to conduct petroleum operations in three petroleum producing onshore fields in Azerbaijan.

Termination

The REDPSA can be terminated at any time by either party if the other party commits a material breach of the REDPSA or the "Government Guarantee" in the form attached to the REDPSA and fails to remedy such breach within 90 days of written notice from the other party. SOCAR may terminate by 90 days written notice for, *inter alia*, certain insolvency events. The Contractor Parties may voluntarily relinquish the Contract Area by giving 90 days written notice to SOCAR.

- Compensatory petroleum

  The Contractor Parties have an obligation to:

  1. within one year following the Effective Date, deliver at no charge to SOCAR 5% of the total production of petroleum produced from the contract rehabilitation area in each calendar quarter; and

  2. commencing on the first anniversary of the Effective Date, start delivering at no charge to SOCAR 15% of the total production of petroleum produced from the contract rehabilitation area in each calendar quarter,

  until the amount delivered is the equivalent of approximately 315,000 barrels of "compensatory" crude oil to SOCAR ("Compensatory Petroleum").

The balance of production remaining after (i) the relevant Compensatory Petroleum has been delivered and (ii) quantities to enable recovery of certain operating and capital costs are deducted, is calculated on a quarterly basis and is shared between SOCAR and the Contractor Parties according to a detailed "R factor" model.

The REDPSA was terminated in accordance with its terms on 18 May 2020.

25.6 Convertible loan USD 1,500,000

On 5 September 2018, the Company entered into a US$1,500,000 unsecured convertible loan facility, with the lenders, YA II PN Ltd and Riverfort Global Opportunities PCC Ltd, with a term of 18 months starting from August 30, 2018. Zenith shall pay interest on the outstanding amount of the convertible loans at the rate of 0% per annum. The Facility includes an initial immediate advance of US$1,300,000 and a further advance of US$200,000, to be provided at a later time and only at the discretion of the Lenders.

On January 7, 2019, the Company successful renegotiated the terms of this unsecured Convertible Loan Facility, that now is also repaid in cash.

On September 17, 2019, conversion has been made for a total of 5,343,774 common shares (the "Conversion Shares") at a price of £0.021 per Conversion Share equivalent to a total amount of US$140,000.

As announced on April 23, 2021, the Company extended the maturity date for this loan that now is repayable at the end of the year 2021 and following recent repayments, the liability in relation to the Facility stands at US$0.45 million as at the date of this document.

25.7 Convertible loan up to GBP 1,000,000

On January 7, 2019, the Company entered into a new unsecured convertible loan facility with Charles Street Securities Europe LLP, for an aggregate total amount of up to £1 million with a consortium of lenders. The loan facility had a term of 24 months, and the Company pays interest on the outstanding amount of the loan facility at the rate of 8% per annum. The loan facility was repayable on January 15, 2021. On January 2021, the loan repayment terms were amended and now the loan is repayable on January 15, 2022, and the Company repaid the 50% of the outstanding principal amount for £323,747 (approximately CAD$ 562,000). With certain limitations, the Convertible Loan Notes ("CLNs") is convertible into Common Shares of the Company. To date, the current liability in relation to the Facility stands at £323,747 (approximately CAD$ 562,000).

25.8 USD $320,000 and USD $200,000 General Line of Credit Agreements

As disclosed in the latest audited accounts for the financial year ended March 31,2020, the Company had two general line of credit agreements (the "Credit Agreements") for an outstanding combined principal amount of US$480,000 on which interest continued to accrue.

These facilities were partially repaid on January 6, 2021 and April 23, 2021 and the final repayment was completed on June 1, 2021, as announced by the Company to the market. The Credit Agreements are no longer in place and no amounts are oustanding.

25.9 Zenith 8% EMTN – Loan Notes

Commencing 11 January 2019, the Issuer issued Loan Notes with the duration of 2 years. The maturity date of the Notes is 20 December 2021, and they carry an interest charge of 8 per cent per annum, payable semi-annually. As at the date of this document, the Issuer sold an aggregate amount of EUR 2,960,000 of the loan notes. These loan notes will be settled on maturity from a combination of the Company's existing cash resources and an exchange for Medium Term Notes (as set out in 25.10 below).

The Loan Notes listed on the Third Market (MTF) of the Vienna Stock Exchange ("Wiener Borse AG") This issuance is part of an approval to list up to EURO 10 million in several tranches. The Notes are governed by Austrian law and, since the Notes are not convertible into equity of Zenith.

25.10 Zenith Multi-Currency Medium Term Note Programme

On 6 November 2019, the Company had its prospectus approved for a EUR 25m Euro Medium Term Note programme, allowing notes to be issued in multiple currencies including EUR, CAD, GBP, USD and CHF. The notes are governed by Austrian law and traded on the Vienna Stock Exchange ("Wiener Borse AG"). The notes mature on 27 January 2024. As of the date of this document, the Company had sold notes for

Currency	Quantity	CAD$ equivalent	ISIN	Description
EUR	506,000	729,674	XS2108546735	ZEEX 10.125 01/27/24 MTN
USD	1,954,000	2,194,792	XS2108546651	ZEEX 10.300 01/27/24 MTN
GBP	1,352,000	2,449,313	XS2108546578	ZEEX 10.375 01/27/24 MTN

, all of which were held in treasury. The Notes are governed by Austrian law and, since the Notes are not convertible into equity of Zenith.

25.11 Equity Sharing Agreement

On February 14, 2020, the Company entered into an equity sharing agreement ("**ESA**") with a consortium of institutional investors ("**Investors**") for a total amount of NOK 9,700,000 (approximately £810,000 or US$1,051,000)

The Investors conditionally agreed to subscribe for 50,000,000 ESA Shares at the issue price of NOK 0.194 for gross proceeds of NOK 9,700,000. The ESA proceeds will be pledged to the Investors under the ESA pursuant to which the Company is entitled to receive back those proceeds on a *pro rata* monthly basis over a period of 12 months, subject to adjustment upwards or downwards each month depending on the Company's share price at the time. As a result of entering into the ESA, the aggregate amount received by the Company under the ESA may be more or less than NOK 9,700,000, as further explained below.

There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements and the amount available in subsequent months is not affected. At the same time, the Company notes the corresponding risk that a fall in Zenith's share price could reduce the amount of proceeds received by the Company.

In accordance with the terms of the ESA, the Company will enter into the ESA, pursuant to which Zenith will return the NOK 9,700,000 proceeds of the ESA to the Investors. The ESA will enable the Company to benefit from any share price appreciation over the Benchmark Price of NOK 0.2231 (as defined below). However, if the Company's share price is less than the Benchmark Price then the amount received by the Company under the ESA will be less than the gross proceeds of the ESA which were pledged by the Company to the Investors at the outset.

The ESA provides that the Company will receive 12 equal monthly settlement amounts as measured against a benchmark share price of NOK 0.2231 per ESA Share (the "**Benchmark Price**"). The monthly settlement amounts for the Sharing Agreement are structured to commence one month following the signature of the Sharing agreement.

If the measured share price (the "**Measured Price**"), calculated as the average of the 10 lowest daily VWAP of the Company's ordinary shares for the calendar month of each settlement date, exceeds the Benchmark Price, the Company will receive more than 100 per cent. of that monthly settlement due on a *pro rata* basis according to the excess of the Measured Price over the Benchmark Price. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements and the amount available in subsequent months is not affected. Should the Measured Price be below the Benchmark Price, the Company will receive less than 100 per cent. of the monthly settlement calculated on a *pro rata* basis and the Company will not be entitled to receive the shortfall at any later date.

In no event will fluctuations in the Company's share price result in any increase in the number of ESA Shares issued by the Company or received by the Investors. A decline in the Company's share price would not result in any advantage accruing to the Investors and the ESA allows both the Investors and the Company to benefit from future share price appreciation.

According to an agreement between the parties, this facility is currently suspended due to the market difficulties subsequent to the pandemic covid-19 emergency. This facility will recommence on Admission. Prior to suspension of the agreement, 3 monthly *pro rata* entitlements of proceeds had been paid to the Company; the new termination date of the agreement following its recommencement from Admission it will be June 2022.

25.12 Share Purchase Agreement ("**SPA**") with KUFPEC Tunisia Limited

On April 20, 2020, the Company's newly created wholly owned subsidiary Zenith Energy Netherlands B.V. ("Zenith Netherlands") has signed a conditional sale and purchase agreement ("SPA") with KUFPEC (Tunisia) Limited ("Seller"), a 100% subsidiary of Kuwait Foreign Petroleum Exploration Company K.S.C.C, a subsidiary of the State of Kuwait's national oil company, for the acquisition of a working interest in, *inter alia*, the North Kairouan permit and the Sidi El Kilani Concession (the "Tunisian Acquisition"), which contains the Sidi El Kilani oilfield ("SLK").

The Seller 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 22.5% of the issued share capital of the company.

Zenith's partners in the Tunisian Acquisition will include the national oil company of Tunisia, Entreprise Tunisienne d'Activités Pétrolières (ETAP) with a 55% interest and CNPC, China National Petroleum Corporation with a 22.5% interest.

The Seller has agreed to sell, assign and transfer to Zenith Netherlands the Tunisian Acquisition on the terms and subject to the conditions set out in the SPA.

The consideration payable by Zenith Netherlands under the SPA is US$500,000 (equivalent to CAD$700k).

On June 11, 2020, the Company announced that it had made payment for a total of US$250,000 to Kuwait Foreign Petroleum Exploration Company K.S.C.C ("**KUFPEC**"), in relation to the **Tunisian Acquisition**.

Completion of the Tunisian Acquisition remains conditional on approval being granted from the Comité Consultatif des Hydrocarbures of the Republic of Tunisia in respect of the transfer of the Seller's right, title and interest in and under the Tunisian Acquisition to Zenith Netherlands. Zenith has initiated the necessary formalities in relation to the aforementioned approval process and a final decision is expected by 3Q2021.

On June 25, 2021, the Companies agreed for an extension agreement of the longstop date for the completion, which is now 31 October 2021.

The SPA for the acquisition of KUFPEC Tunisia Ltd's working interest in the SLK concession had had a revised long stop date of 31 October 2021. It has not proved possible to obtain the required regulatory approvals within that timescale. The parties are currently in discussion regarding restructuring the nature of the transaction, however there can be no guarantee that this will be successfully completed. The revised agreement may or may not include the accumulated oil production since the original agreement was agreed. The Company's financial plan has not included any revenues from SLK.

25.13 Share Purchase Agreement ("SPA") with CNPC International (Tunisia) Ltd.

On September 8, 2020, the Company's wholly owned subsidiary, Zenith Energy Netherlands B.V. signed a conditional sale and purchase agreement ("**SPA**") with CNPC International (Tunisia) Ltd., ("**Seller**"), a 100% subsidiary of CNPCI, China National Petroleum Corporation International Ltd., for the acquisition of a working interest in, *inter alia*, the North Kairouan permit and the Sidi El Kilani Concession (the "**Tunisian Acquisition**"), which contains the producing Sidi El Kilani oilfield ("**SLK**").

The Seller 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.

The Seller agreed to sell, assign and transfer to Zenith Netherlands the Tunisian Acquisition on the terms and subject to the conditions set out in the SPA. The consideration payable by Zenith Netherlands under the terms of the SPA is US$300,000 (the "**Consideration**").

Completion of the SPA is conditional on approval being granted by the Comité Consultatif des Hydrocarbures ("**CCH**") of the Republic of Tunisia in respect of the transfer of the Seller's right, title and interest in and under the SLK Concession to Zenith Netherlands ("**Completion**"), which is expected by 4Q2021 (long stop date 30 November 2021).

25.14 Swiss Loan CHF 837,500

On 30 March 2017, the Group acquired the Swiss based company Altasol SA, and assumed a loan subscribed for the former owner on 21 December 2015 for the initial amount of CHF 838,000 The loan bears interest at a rate of 2.32 per cent per annum. The loan is repayable in anticipated quarterly tranches of CHF 12,500 (plus accrued interest) and the maturity date is 7 July 2022.

As at the date of this document, this loan has been repaid in full, in advance of the scheduled repayment.

25.15 Share Purchase Agreement ("SPA") with Candax Energy Limited for the acquisition of Ecumed Petroleum Zarzis Ltd in Tunisia.

On March 15, 2021, the Company announced that Zenith Energy Africa Limited ("ZEAL"), its newly incorporated fully owned subsidiary, has entered into a share purchase agreement ("SPA") with Candax Energy Limited ("Candax") for the acquisition of a 100 percent interest in Candax's fully owned subsidiary in Barbados, Ecumed Petroleum Zarzis Ltd ("EPZ") (the "Acquisition"), which holds a 45% interest in the Ezzaouia Concession ("Ezzaouia").

Pursuant to the terms of the SPA, ZEAL has agreed to acquire 100% of the issued share capital of EPZ for the aggregate amount of US$150,000, paid by the Company at completion, as well an additional US$100,000 to be satisfied by the issue of ordinary shares in the share capital of Zenith to be issued within sixty days of completion ("Consideration Shares") and a royalty payable and calculated as US$0.35 per each barrel of hydrocarbons produced from the Ezzaouia oilfield and allocable to EPZ, with the royalty not being less than an amount of US$50,000 per annum for a period of ten years.

Acquisition Highlights

- Ezzaouia is located in onshore Tunisia on the Zarzis peninsula, south of the island of Djerba in the southern Gulf of Gabes.
- First discovered by Marathon Petroleum Corporation in 1986, with production activities starting in 1990 with a peak production being achieved of 35,000 barrels of oil per day in 1991.
- Ezzaouia produces an average of 40 API gravity oil from the Zebbag (Lower Cretaceous) and Mrabatine (Upper Jurassic) formations.
- It is operated by MARETAP, a joint operating company owned in partnership with the national oil company of Tunisia, ETAP (Entreprise Tunisienne d'Activités Pétrolières) on a 50:50 basis, which holds a 55 percent interest in Ezzaouia.
- It produced at a rate of approximately of 551 bopd (approximately 248 bopd net to Zenith) during March 2021
- Approximately 25,000 barrels of oil were held in storage at the acquisition date, with a commercial value of approximately US$1,250,000.
- Planned field production optimisation and workover activities are expected to increase Ezzaouia gross production to 1,000 bopd (potentially resulting in a production of 450 bopd net to Zenith).
- The Acquisition has certain development obligations during the course of the new 20-year concession including the drilling of a side-track, the drilling of a replacement well and that of a development well.

- On April 19, 2019, the Tunisian State represented by the Ministry of Industry and Small & Medium Enterprises informed ETAP and EPZ that the Comité Consultatif des Hydrocarbures ("CCH") had provided a favourable opinion to the application submitted by ETAP and EPZ for a new 20-year concession to be called "Ezzaouia" (the "New Concession").
- A Convention for the New Concession (the agreed work programme between ETAP and EPZ) has been signed by both parties.
- The New Concession is currently awaiting parliamentary approval.
- Ezzaouia has modern oil treatment and storage facilities with a total field storage capacity of approximately 20,000 barrels of oil.
- MARETAP, the joint operating company, operates an oil storage terminal, connected to Ezzaouia by way of two pipelines (one for gas and one for oil respectively), at the port of Zarzis, with a storage capacity of approximately 200,000 barrels of oil, from which all oil production from Ezzaouia is exported to the international markets.

25.16 Share Purchase Agreement ("SPA") with Candax Energy Limited for the acquisition of Ecumed Petroleum Tunisia Ltd in Tunisia.

On April 30, 2021, the Company announced that Compagnie Du Desert Ltd ("CDD"), its recently incorporated fully owned subsidiary, has entered into a share purchase agreement ("SPA") with Candax Energy Limited ("Candax") for the acquisition of a 100 percent interest in Candax's fully owned subsidiary in Barbados, Ecumed Petroleum Tunisia Ltd ("EPT") (the "Acquisitions"), which holds a 100% interest in the El Bibane and Robbana concessions in Tunisia.

Pursuant to the terms of the SPA, CDD has agreed to acquire 100% of the issued share capital of EPT for a nominal consideration of US$100 payable at completion, as well an additional consideration of approximately USD$200,000 in the form of assumption of debt, paid by the Company on May 2021.

El Bibane Highlights

- The El Bibane concession ("El Bibane") is located 16 kilometres offshore from the port of Zarzis in the Gulf of Gabes, covering an area of approximately 228 square kilometres and in approximately 7-8 meters water depth. The field was discovered by Marathon Oil Corporation in 1982. However, it was not developed until 1998. Upon initial development, a peak production of 4,500 bopd was achieved. The reservoir is located in the cretaceous Zebbag fractured dolomite formation at approximately 2,150 metres below surface.
- Zenith has acquired a 100% working interest in El Bibane.
- A total of three wells remain active within El Bibane: EBB-5, EBB-4 and EBB-3RE2. A total of 6 wells plus 4 sidetracks have been drilled.
- EBB-5 currently produces approximately 80-100 barrels of condensate per day (API 49/50) with 5.5-6 MMSCF of natural gas from well EBB-5, which is re-injected into the formation via well EBB-4.
- It is expected that, by utilising new technologies, well EBB-4 may achieve commercial production of natural gas in addition to its current use as an injector well.
- EBB-3 suffered string damage and has been temporarily shut-in, having previously produced at a rate of between approximately 500-600 barrels of oil per day (35 API) prior to production being suspended. The low oil price environment during 2020 and the material investment required to restore production from this well have prevented the necessary repair work from being implemented.
- Zenith has already obtained market quotations for the well intervention required to restore production from well EBB-3 for an amount of approximately US$3.5 million.
- In the event of a successful well intervention in EBB-3, the Company expects to produce approximately 500 barrels of oil equivalent per day from El Bibane.

- Candax commissioned an independent reserves evaluation, as of December 31, 2019, for the contingent reserves (1C) of El Bibane which evaluated remaining oil in place as 25.7 MMSTBO and 6.5 BCF of natural gas.
- Zenith has commissioned a new Competent Person's Report, in compliance with Canadian securities laws, specifically the C OGE Handbook and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, in order to obtain an updated reserves evaluation for the El Bibane concession.
- El Bibane expires on December 31, 2033.

Robbana Highlights

- The Robbana concession ("Robbana"), covering 48 square kilometres and located onshore in the island of Djerba in the southern Gulf of Gabes, was discovered in 1988, achieving a peak production of 500 bopd in 1994. The ROB-1 well encountered two hydrocarbon-bearing reservoirs in the Cretaceous Upper Meloussi Sandstone formation. Only two wells have been drilled in Robbana since discovery, ROB-1 which is still in production and ROB-2 which is temporarily abandoned.
- Robbana currently produces approximately 25 barrels of oil per day from ROB-1, having previously produced approximately 50 barrels of oil per day prior to an unsuccessful well intervention.
- Studies have suggested that an infill well, to be drilled in the proximity of well ROB-1, is expected to produce approximately 200 barrels of oil per day.
- Candax commissioned an independent reserves evaluation, as of December 31, 2019, for the contingent reserves (1C) of Robbana which evaluated remaining oil in place as 10.99 MMSTBO. The study noted specifically noted that the "Middle Triassic sandstones of the Ras Hamra formation present a very significant 'high-risk/high reward' exploration objective."
- Zenith has commissioned a new Competent Person's Report, in compliance with Canadian securities laws, specifically the COGE Handbook and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, in order to obtain an updated reserves evaluation for Robbana.
- Robbana expires on November 4, 2034.

25.17 Loan for Tunisian Development with Winance for a total amount of EUR 2.1 million

On May 26, 2021, Zenith 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**"), including fees.

The Loan Agreement has a duration of six months, does not attract interest and an upfront arrangement fee, equal to 5 percent (€0.1m) of the total drawdown amount of €2.0m, 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 was paid on the month of July 2021. The required amount of each monthly repayment Instalment will be of Euro250,000.

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

As of the date of this document, the outstanding balance to be repaid stands at Euro 1,000,000, with all four monthly repayments to date having been settled by the transfer of the Reserve Shares to the Lender. The Company has agreed with the Lender regarding an issue of 100,000,000 further Common Shares in full and final settlement, to be issued on Admission.

25.18 EUR 1,500,000 Credit Line Agreement & Debt Settlement

On 24 February 2021, the Issuer announced that it has entered into a credit line agreement with the lender, Orca Capital GmbH, for a period of one year for an amount of up to EUR 1,500,000. The credit line bears interest at a rate of 9 per cent per annum in respect of any amount advanced by the lender. This facility was repaid during 2021, with the final payment being made on 29 July 2021.

25.19 Subscription agreement with Investors

On 27 October 2021 the Company entered into identical subscription agreements with certain existing shareholders in both the UK and Norway, who wished to invest in the Common Shares of the Company.

Under these Subscription Agreements, the Company issued a total of 272,727,273 Common Shares at a price of £0.011 (equivalent to approximately NOK 0.13), a discount of approximately 7% to Zenith's London Stock Exchange closing share price on November 1, 2021, to raise gross proceeds of approximately £3 million (equivalent to approximately 34,500,000 NOK). No commissions were payable under the Subscription Agreements.

26 Related party transactions

Details of related party transactions entered into by the Company or members of the Group during the period covered by the historic financial information are set out in note 24 of the consolidated financial statements of the Company for the years ended 31 March 2021, and note 25 of those for 2020 and 2019 and in note 21 to the unaudited condensed consolidated interim financial statements of the Company for the six months ended 30 September 2020 and comparative period (30 September 2019), all of which are incorporate by reference in Part 11: "Historical Financial Information" of this Document.

Save as set out above, there are no related party transactions that were entered into (and still subsist) during the period covered by the consolidated historical financial information and during the period from 1 October 2020 to the date of this Document.

27 Remuneration and benefits – named executive officers

Key management compensation

Key management personnel are those people having authority and responsibility for planning, directing and controlling the activities of an entity, either directly or indirectly. The following table summarizes annual compensation and long-term compensation of the Group's "Named Executive Officers" for the two most recently completed financial years that ended on March 31, 2020. The named executive officers equate to key management personnel:

Name	Year[2]	Short term employee benefit CAD $'000	Other short-term benefits CAD $'000	Other long-term benefits CAD $'000	Share based payments CAD $'000	Other benefits CAD $'000	Total CAD $'000
Andrea Cattaneo[1]	2020	567	—	—	—	724	1,291
	2021	564	—	—	—	130	694
Luigi Regis Milano[2]	2020	61	—	—	—	31	92
	2021	30	—	—	—	—	30
Jose Ramon Lopez-Portillo	2020	—	—	—	—	31	31
	2021	—	—	—	—	—	—
Dario Ezio Sodero[3]	2020	19	—	—	—	31	50
	2021	3	—	—	—	—	3
Erik Larre	2020	—	—	—	—	—	—
	2021	—	—	—	—	—	—
Sergey Borovskiy	2020	—	—	—	—	31	31
	2021	—	—	—	—	—	—
Luca[4] Benedetto	2020	231	—	—	—	38	269
	2021	228	—	—	—	4	232

Notes:

1. Andrea Cattaneo was appointed President and Chief Executive Officer effective 01 January 2009. As proposed by the Compensation Committee, Mr. Cattaneo's annual consulting fee payment is approximately £210k (CAD $364k), payable in equal monthly instalments, plus an annual bonus compensation of CAD$200k from the parent Company.

   In addition, Andrea Cattaneo also received other benefits for the year ended March 31, 2021, of CAD$130k for health insurance and accommodation.

2. Mr. Luigi Regis Milano had a yearly compensation of CAD$30k (Euro 20k equivalent) from subsidiary undertakings for the year ended March 31, 2021

3. Mr. Sodero received a fee for professional consulting services of approximately CAD$3k during the year ended March 31, 2021.

4. Mr. Luca Benedetto was appointed as Chief Financial Officer from April 2017 and received compensation of CAD$166k from the parent Company and CAD$62k from subsidiary undertakings, and other benefits for CAD$4k for health insurance, during the year ended March 31, 2021.

The Group has a stock options plan (the "**Plan**") for its directors, employees and consultants. The maximum number of shares available under the Plan is limited to 10% of the issued and outstanding common shares at the time of granting options. Granted options are fully vested on the date of grant, at which time all related share□based payment expense is recognised in the consolidated statement of comprehensive income. Share options expire five years from the date of granting.

The table below represent the movement of the options during the FY 2021, and the comparative period 2020.

	September 30, 2021		September 30, 2020		
Grant Date	Number of options	Exercise price per unit CAD$	Number of options	Exercise price per unit CAD$	Expiry Date
November 2016	1,100,000	$0.10	1,100,000	$0.10	November 2021
November 2017	—	—	500,000	$0.18	November 2022
April 2018	6,374,511	$0.12	7,485,225	$0.12	April 2023
December 2020	41,428,572	$0.03	—	—	December 2025
January 2021	45,414,775	$0.03	—	—	January 2026
May 2021	32,571,075	$0.02	—	—	May 2026
September 2021	13,882,232	$0.02	—	—	September 2026
TOTAL	**140,771,165**	**$0.03**	**9,085,225**	**0.12**	

The Group has a stock options plan (the "**Plan**") for its directors, employees and consultants. The maximum number of shares available under the Plan is limited to 10% of the issued and outstanding common shares at the time of granting options. Granted options are fully vested on the date of grant, at which time all related share□based payment expense is recognised in the consolidated statement of comprehensive income. Share options expire five years from the date of granting.

The table below represent the movement of the options during the 6 months ended 30 September 2021, and the comparative period 2020.

	Number of options
Balance – April 1, 2020	**9,085,225**
Options issued	—
Options exercised	—
Options expired	—
Balance – September 30, 2020	**9,085,225**
Balance – April 1, 2021	**94,317,858**
Options issued	46,453,307
Options exercised	—
Options expired	—
Balance – September 30, 2021	**140,771,165**

As of September 30, 2021, the Group had 140,771,165 (2019 – 9,085,225) stock options outstanding relating to 140,771,165 shares and exercisable at a weighted average exercise price of CAD$ 0.03 (2020 – CAD$ 0.12) per share with a weighted average life remaining of 3.51 years.

The fair value of the options was calculated using the Black-Scholes pricing model calculations based on the following significant assumptions:

Risk-free interest rate	0.50% – 0.70%
Expected volatility	100%
Expected life	5 years
Dividends	Nil

Granting of options

- On December 30, 2020, the Board of Directors resolved to grant its directors, certain employees and consultants a total of 50,000,000 stock options (the "Options"), in accordance with the Company's Stock Option Plan. The Options have an exercise price of NOK 0.20 per Option (approximately £0.017 or CAD$0.03), a premium of approximately 30% to December 29, 2020's, closing price on the Euronext Growth of the Oslo Stock Exchange. The Options are fully vested and have an expiry date of five years from the date of granting.

- On January 18, 2021, the Board of Directors resolved to grant its directors, certain employees and consultants a total of 45,414,775 stock options (the "Options"), in accordance with the Company's Stock Option Plan. The Options have an exercise price of NOK 0.20 per Option (approximately equivalent to £0.017/CAD$0.03), a premium of approximately 47% to the last closing price on the Euronext Growth of the Oslo Stock Exchange (15.01.2021). The Options are fully vested and have an expiry date of five years from the date of granting.

- On May 13, 2021, the Board of Directors resolved to grant its directors, certain employees and consultants a total of 32,571,075 stock options, in accordance with the Company's Stock Option Plan. The Options will have an exercise price of NOK 0.12 per Option (approximately equivalent to £0.01), a premium of approximately 12% in respect of the last closing price on Euronext Growth Oslo (12.05.2021). The Options are fully vested and have the duration of five years from the date of granting.

- On September 9, 2021, the Board of Directors resolved to grant its directors, certain employees and consultants a total of 13,882,232 stock options, in accordance with the Company's Stock Option Plan. The Options will have an exercise price of NOK 0.125 per Option (approximately equivalent to £0.01). The Options are fully vested and have the duration of five years from the date of granting.

Exercise of options

There was no exercise of options during the period.

Expiry of options

There were no options expired during the period.

28 Accounts

The Company's annual report and accounts will be made up to 31 March in each year. It is expected that the Company will make public its annual report and accounts within 120 days of each financial year end and within 60 days for the interim six-months (or earlier if possible) and that copies of the annual report and accounts will be sent to Shareholders within six months of each financial year end (or earlier if possible).

29 Issues of new Common Shares

The Directors are authorised to issue an unlimited number of Common Shares. There are no statutory pre-emption rights.

30 Consents

30.1 PKF Littlejohn LLP has given and has not withdrawn its written consent to the inclusion in this Document of its reports set out in Part 11 "Historical Financial Information" and that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import and has authorised the contents of those parts of this Document which comprise its reports for the purposes of Annex 3 sections 1.2 and 1.3 of the Prospectus Regulation Rules.

30.2 Chapman Petroleum, in its capacity as Competent Person, has given and has not withdrawn its written consent to the inclusion in this Document of its Competent Person's Reports in Part 19 of this Document, that Chapman Petroleum accepts responsibility for the information contained in its Competent Person's Reports as set out in Part 19 this Document, and that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import and has authorised the contents of those parts of this Document which comprise its reports for the purposes of Annex 3 sections 1.2 and 1.3, and Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules.

30.3 Allenby Capital Limited has given and not withdrawn its written consent to the inclusion in this Document of its name in the form and context in which it is included.

30.4 Thomson Reuters (Professional) UK Limited (trading as Practical Law) has given and not withdrawn its written consent to the extraction of information from its publications:

(a) Energy and Natural Resources Multi-Jurisdictional Guide 2014 (Oil and gas regulation in Argentina: overview); and

(b) Energy and Natural Resources Global Guide 2015 (Oil and gas regulation in Azerbaijan: overview),

as reproduced in Part 8: "Information on the Group".

31 General

31.1 The total expenses incurred (or to be incurred) by the Company in connection with Admission and the Subscription are approximately £150,000. The estimated Net Proceeds, after deducting fees and expenses in connection with the Subscription, are approximately £2,850,000.

31.2 No material changes have occurred since the effective date of the Competent Person's Report, the omission of which would make the Competent Person's Report misleading.

32 Documents available for inspection

Copies of the following documents will be available for inspection in physical form during usual business hours on any day (except Saturdays, Sundays and public holidays) at the offices of Zenith Energy Limited for a period of 12 months following Admission:

(i) the Articles;

(ii) the historical financial information of the Group in respect of the years ended 31 March 2021, 2020, 2019 and 2018, together with the related accountant's report from PKF Littlejohn LLP, which is set out in Part 11: "Historical Financial Information" of this Document;

(iii) the CPR;

(iv) the consent letters referred to in paragraph 30 of this Part 18; and

(v) this Document.

In addition, for the purposes of Rule 3.2.4R(3) of the Prospectus Regulation Rules, this Document will be published in electronic form and be available on the Company's website at www.zenithenergy.ca subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

The date of this Document is 12 November 2021.

PART 15

NOTICES TO INVESTORS

The distribution of this Document and the Subscription may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

1. General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Common Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Common Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Common Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Common Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Document has been approved by the FCA as a prospectus for the purposes of section 85 of FSMA, and of the Prospectus Regulation Rules. No arrangement has been made with the competent authority in any EEA State (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in any EEA state (or in any other jurisdiction). Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below.

2. For the attention of Canadian investors

The Subscription Shares will be subject to resale restrictions imposed by, and subscribers for Subscription Shares may not be able to resell such Subscription Shares except in accordance with, applicable Canadian securities law and subscribers for Subscription Shares have undertaken that (i) they will not offer, sell or deliver, directly or indirectly, any of the Subscription Shares in Canada or to or for the benefit of any person resident in Canada until the expiry of any relevant hold period under applicable Canadian securities laws of four months and one day from Admission, unless a trade is permitted under Canadian securities laws; and (ii) they will notify any transferee of Subscription Shares of the applicable resale restrictions.

Under Canadian securities law, subject to certain exceptions, securities which are not distributed under a Canadian prospectus are subject to a restricted period in Canada of four months and one day after the distribution date. The Common Shares to be issued outside of Canada pursuant to the Subscription will not be distributed under a Canadian prospectus and will be subject to a four month and a day restricted period in Canada (beginning on the date the Common Shares are issued by the Company) which will prevent such Common Shares from being resold in Canada during the restricted period unless a trade is permitted under Canadian securities laws.

3. For the attention of European Economic Area investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Regulation (each, a "**Relevant Member State**"), an offer to the public of the Common Shares may only be made once the prospectus has been approved or passported in such Relevant Member State in accordance with the Prospectus Regulation as implemented by such Relevant Member State. No application has or will be made for the prospectus to be approved or passported under the Prospectus Regulation. For the other Relevant Member States an offer to the public in that Relevant Member State of any Common Shares may only be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Relevant Member State:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation Rules;

- to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such Relevant Member State subject to obtaining prior consent of the Company for any such offer; or

- in any other circumstances falling within Article 1(4) of the Prospectus Regulation Rules,

provided that no such offer of Common Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Common Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Common Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Common Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Regulation in that Relevant Member State and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (and any amendments, thereto, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State.

During the period up to but excluding the date on which the Prospectus Regulation is implemented in member states of the EEA, this Document may not be used for, or in connection with, and does not constitute, any offer of Common Shares or an invitation to purchase or subscribe for any Common Shares in any member state of the EEA in which such offer or invitation would be unlawful.

The distribution of this Document in other jurisdictions may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe any such restrictions.

4. For the attention of UK investors

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

In the United Kingdom this Document is for distribution to, and is directed only at, legal entities which are qualified investors as defined under the Prospectus Regulation Rules and are (i) persons having professional experience in matters relating to investments who fall within the definition of investment professionals in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (iii) persons to whom it may otherwise be lawfully distributed under the Order, (all such persons together being "**Relevant Persons**"). In the United Kingdom, any investment or investment activity to which this Document relates is only available to and will only be engaged in with Relevant Persons. Persons who are not Relevant Persons should not act or rely on this Document or any of its contents.

PART 16

CREST AND DEPOSITORY INTERESTS

1. CREST and Depositary Arrangements

The Company has established arrangements to enable investors to settle interests in the Common Shares through the CREST system. CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. Securities issued by non-UK companies, such as the Company, cannot be held or transferred electronically in the CREST system. However, depositary interests allow such securities to be dematerialised and settled electronically through CREST. Where investors choose to settle interests in the Common Shares through the CREST system, and pursuant to depositary arrangements established by the Company, Computershare Investor Services plc (the "**Depositary**") will hold the Common Shares and issue dematerialised depositary interests (the "**Depositary Interests**") representing the underlying Common Shares, which will be held on trust for the holders of the Depositary Interests. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system. Investors should note that it is the Depositary Interests which are and will be admitted to and settled through CREST and not the Common Shares.

The Depositary has and will issue the dematerialised Depositary Interests. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system.

The Depositary Interests have and will be created pursuant to and issued on the terms of a deed poll dated 29 November 2016 and executed by the Depositary in favour of the holders of the Depositary Interests from time to time (the "**Deed Poll**"). Prospective holders of Depositary Interests should note that they will have no rights against CRESTCo or its subsidiaries in respect of the underlying Common Shares or the Depositary Interests representing them.

The Common Shares have and will be transferred to the Custodian and the Depositary will issue Depositary Interests to participating members and provide the necessary custodial services. In relation to those Common Shares held by Shareholders in uncertificated form, although the Company's register shows the Custodian as the legal holder of the Common Shares, the beneficial interest in the Common Shares remains with the holder of Depositary Interests, who has the benefit of all the rights attaching to the Common Shares as if the holder of Depositary Interests were named on the certificated Common Share register itself.

Each Depositary Interest is and will be represented as one Common Share, for the purposes of determining, for example, in the case of Common Shares, eligibility for any dividends. The Depositary Interests do and will have the same ISIN number as the underlying Common Shares and will not require a separate listing on the Official List. The Depositary Interests are traded and settled within the CREST system in the same way as any other CREST securities.

2. Deed Poll

In summary, the Deed Poll contains provisions to the following effect, which are binding on holders of Depositary Interests:

Holders of Depositary Interests warrant, *inter alia*, that Common Shares held by the Depositary or the Custodian (on behalf of the Depositary) are free and clear of all liens, charges, encumbrances or third-party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation. Each holder of Depositary Interests indemnifies the Depositary for any losses the Depositary incurs as a result of a breach of this warranty.

The Depositary and any Custodian must pass on to holders of Depositary Interests and, so far as they are reasonably able, exercise on behalf of holders of Depositary Interests all rights and entitlements received or to which they are entitled in respect of the underlying Common Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.

The Depositary will be entitled to cancel Depositary Interests and withdraw the underlying Common Shares in certain circumstances including where a holder of Depositary Interests has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the Depositary Interests.

The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any holder of Depositary Interests or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud. Furthermore, except in the case of personal injury or death, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

a. the value of the Common Shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and

b. that proportion of £5 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the holder of Depositary Interests bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £5 million.

The Depositary is not liable for any losses attributable to or resulting from the Company's negligence or wilful default or fraud or that of the CREST operator.

The Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll.

Each holder of Depositary Interests is liable to indemnify the Depositary and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of Depositary Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent, if such Custodian or agent is a member of the Depositary's group, or, if not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use of such Custodian or agent.

The Depositary may terminate the Deed Poll by giving not less than 30 days' prior notice. During such notice period, holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must as soon as reasonably practicable, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant holder of Depositary Interests or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of Depositary Interests in respect of their Depositary Interests.

The Depositary or the Custodian may require from any holder, or former or prospective holder, information as to the capacity in which Depositary Interests are owned or held and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying Common Shares and holders are bound to provide such information requested. Furthermore, to the extent that the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever, in the Common Shares, the holders of Depositary Interests are to comply with such provisions and with the Company's instructions with respect thereto.

It should also be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Common Shares in the Company, including, for example, in the case of Shareholders, the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depositary Interests to give prompt instructions to the Depositary or its nominated Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Common Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such Common Shares as a proxy of the Depositary or its nominated Custodian.

A copy of the Deed Poll can be obtained on request in writing to the Depositary.

3. Depositary Agreement

The Depositary Agreement between the Company and the Depositary under which the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll, a series of Depositary Interests representing securities issued by the Company and to provide certain other services in connection with such Depositary Interests with a view to facilitating the indirect holding by participants in CREST. The Depository agrees that it will comply with the terms of the Deed Poll and that it will perform its obligations with reasonable care and skill. The Depository assumes certain specific obligations, including the obligation to issue to a CREST member Depositary Interests in uncertificated form and to maintain the register of Depositary Interests. The Depository undertakes to provide the depositary services in compliance with the requirements of the Financial Services and Markets Act 2000. Computershare will either itself or through its appointed Custodian as bare trustee hold the deposited property (which includes, *inter alia*, the securities represented by the Depositary Interests) as may be designated from time to time by the Depositary. The Company agrees to provide such assistance, information and documentation to the Depository as is reasonably required by the Depository for the purposes of performing its duties, responsibilities and obligations under the Deed Poll and the Depositary Agreement, including (to the extent available to the Company) information, which concerns or relates to the Depository's obligations under the Depositary Agreement. The agreement sets out the procedures to be followed where the Company is to pay or make a dividend or other distribution. The Company is to indemnify Depository for any loss it may suffer as a result of the performance of the Depositary Agreement except to the extent that any losses result from the Depository's own negligence, fraud or wilful default. The Depository is to indemnify the Company for any loss the Company may suffer as a result of or in connection with the Depository's fraud, negligence or wilful default save that the aggregate liability of the Depositary to the Company over any 12-month period shall in no circumstances whatsoever exceed twice the amount of the fees payable to the Depositary in any 12-month period in respect of a single claim or in the aggregate. Subject to earlier termination, the Depositary is appointed for a fixed term of one year and thereafter until terminated by either party giving not less than six months' notice. In the event of termination, the parties agree to phase out the Depositary's operations in an efficient manner without adverse effect on the members of the Company and the Depositary shall deliver to the Company (or as it may direct) all documents, papers and other records relating to the Depositary Interests which are in its possession and which is the property of the Company. The Company is to pay certain fees and charges, including an annual fee, a fee based on the number of Depositary Interests per year and certain CREST related fees. Computershare is also entitled to recover reasonable out of pocket fees and expenses.

PART 17

DEFINITIONS

The following definitions apply throughout this Document unless the context requires otherwise:

"AAOG Congo"	Anglo African Oil & Gas Congo S.A.U., a company established under the laws of the Republic of the Congo;
"Admission"	means admission of the Subscription Shares, Admission Shares and Capitalisation Shares to the standard segment of the Official List and to trading on the Main Market of the London Stock Exchange;
"Admission Shares"	means the 1,086,842,772 Common Shares in issue but not yet admitted the standard segment of the Official List and to trading to the Main Market of the London Stock Exchange;
"Altasol SA"	a company established under the laws of Switzerland with its corporate seat in Lausanne, Switzerland;
"Aran Oil"	Aran Oil Operating Company Limited, a company established under the laws of British Virgin Islands. Aran Oil Operating Company Limited has registered a branch in Baku, Azerbaijan;
"ARC Ratings"	ARC Ratings, S.A., a company established under the laws of Portugal with its corporate seat in Lisbon, Portugal;
"Articles"	means the Notice of Articles and Articles of the Company in force from time to time;
"BCRA Ratings"	BCRA – Credit Rating Agency AD;
"BD-260 drilling rig"	The BD-260 is a 1200 horsepower drilling rig with a static hook load capacity of 260 metric tonnes and will be used to complete the planned workover and drilling activities;
"Business Corporations Act"	means the Business Corporations Act (British Columbia), SBC 2002, c 57;
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are open for business in London and British Columbia;
"Canadian Placing Shares"	means the 47,812,500 Common Shares issued under the Canadian private placing announced on 2 August 2019;
"Canoel Italia S.r.l."	a company established under the laws of Italy with its corporate seat in Genoa, Italy;
"Capitalisation Shares"	the 108,181,818 Common Shares being issued in settlement of outstanding liabilities, as set out in Part 10(6) of this document;
"certificated" or **"in certificated form"**	means in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST);
"Chairman"	means the Chairman of the Board from time to time, as the context requires;
"Chapman Petroleum", **"Chapman"** or the **"Competent Person"**	means Chapman Petroleum Engineering Ltd., a company established under the laws of Alberta, Canada with its corporate seat in Calgary, Alberta, Canada, which operates as an independent and qualified reserves evaluator and auditor;

"Chapman Report 2021 – Italy"	report about the oil and natural gas reserves and the value of future net revenue of Zenith Energy Ltd. in Italy as evaluated by Chapman Petroleum Engineering Ltd. as at 30 September 2021, and dated 1 October 2021; Part 19 (A) to this Prospectus;
"Chapman Report 2021 – Congo"	report about the oil reserves and the value of future net revenue of Zenith Energy Ltd. in the Republic of the Congo as evaluated by Chapman Petroleum Engineering Ltd. as of 30 September 2021, and dated 1 October 2021; Part 19 (D) to this Prospectus;
"Chapman Report 2021 – Tunisia (Sidi El Kilani Concession)"	report about the oil reserves and the value of future net revenue of Zenith Energy Ltd. in Tunisia as evaluated by Chapman Petroleum Engineering Ltd. as of 30 September 2021, and dated 1 October 2021; Part 19 (B) to this Prospectus;
"Chapman Report 2021 – Tunisia (El Bibane, Robbana and Ezzaouia Concessions)"	report about the oil reserves and the value of future net revenue of Zenith Energy Ltd. in Tunisia as evaluated by Chapman Petroleum Engineering Ltd. as of 30 September 2021, and dated 1 October 2021; Part 19 (C) to this Prospectus;
"Chapman Reports 2021"	collectively, The Chapman Report 2021 – Italy, the Chapman Report 2021 – Congo, the Chapman Report 2021 – Tunisia (Sidi El Kilani Concession) and the Chapman Report 2021 – Tunisia (El Bibane, Robbana and Ezzaouia Concessions)
"City Code"	means the UK City Code on Takeovers and Mergers;
"CNPC"	China National Petroleum Corporation;
"Common Shares"	means the common shares of no par value in the capital of the Company including, if the context requires, the Admission Shares, Capitalisation Shares and the Subscription Shares;
"Company", **"Issuer"** or **"Zenith"**	means Zenith Energy Ltd., a corporation incorporated in British Columbia under the British Corporations Act (British Columbia) on 20 September 2007, with number BC0803216;
"Convertible Loan Notes"	means the GBP unsecured convertible loan notes unsecured convertible loan notes issued by the Company as described in paragraph 5.3 of Part 14 (Additional Information) of this document;
"Congo License I"	a 56 per cent majority interest in the Tilapia oilfield in the Republic of the Congo, previously held by AAOG Congo. The Congo License I expired on 18 July 2020;
"Congo License II"	a 60 per cent interest in the Tilapia II oilfield in the Republic of the Congo, which has not yet been awarded to Zenith Congo;
"CTKCP"	Compagnie Tuniso – Koweito Chinoise de Petrole is located in Tunisia and is operating the North Kairouan permit and the Sidi El Kilani concession;
"CPR" or **"Competent Person's Report"**	means the Chapman Reports 2021;
"CREST" or **"CREST System"**	means the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
"CREST Manual"	means the compendium of documents entitled "CREST Manual" issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, the CSS Operations Manual and the CREST Glossary of Terms;

"CREST Regulations"	means The Uncertified Securities Regulations 2001 (SI 2001 No. 3755), as amended;
"CREST Requirements"	means the rules and requirements of Euroclear as may be applicable to issuers from time to time, including those specified in the CREST Manual;
"CRESTCo"	means CRESTCo Limited, the operator (as defined in the Uncertificated Regulations) of CREST;
"Custodian"	means the custodian nominated by the Depositary;
"Deed Poll"	means the Deed Poll as defined on page 101;
"Depositary"	means Computershare Investor Services plc;
"Depositary Agreement"	means the Depositary Agreement as defined on page 103;
"Depositary Interests"	means the dematerialised depositary interests (denominated in Pounds Sterling) in respect of the Shares issued or to be issued by the Depositary;
"DGH"	General Directorate for Hydrocarbons (Tunisia)
"Directors" or **"Board"** or **"Board of Directors"**	means the board of directors of the Company as at the date of this Document, whose names are set out on page 28 of this Document, or the board of directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly;
"Directors' Letters of Appointment"	means the letters of appointment for each of the Directors, details of which are set out in Part 14: "*Additional Information*";
"Disclosure Guidance and Transparency Rules" or **"DTR"**	means the disclosure guidance and transparency rules sourcebook of the FCA made pursuant to section 73A of FSMA as amended from time to time;
"Document" or **"this Document"** or **"Prospectus**" or **"this Prospectus"**	means this document comprising a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules made under section 73A of FSMA and approved by the FCA under section 87A of FSMA;
"EEA"	means the European Economic Area;
"EEA States"	means the member states of the European Union and the European Economic Area, each an "EEA State";
"Effective Date"	means 11 August 2016
"Enlarged Common Shares in Issue"	means the Existing Shares, the Admission Shares, the Capitalisation Shares and the Subscription Shares;
"EU"	means the Member States of the European Union;
"Euroclear"	means Euroclear UK & Ireland Limited;
"Euronext Growth Market of the Oslo Børs"	Euronext Growth Market is a Multilateral trading facility (MTF) operated by the Oslo Børs, Norway;
"Exchange Act"	means the US Securities Exchange Act of 1934, as amended;
"Existing Shares"	means the existing Common Shares (excluding the Admission Shares, the Subscription Shares and the Capitalisation Shares) as at the date of this Document;
"FCA"	means the UK Financial Conduct Authority;

"Financial Statements 2018"	the audited financial statements of the Issuer in respect of the financial year ending 31 March 2018;
"Financial Statements 2019"	the audited financial statements of the Issuer in respect of the financial year ending 31 March 2019;
"Financial Statements 2020"	the audited financial statements of the Issuer in respect of the financial year ending 31 March 2020;
"Financial Statements 2021"	the audited financial statements of the Issuer in respect of the financial year ending 31 March 2021;
"Financial Year 2018"	financial year of the issuer ending 31 March 2018;
"Financial Year 2019"	financial year of the issuer ending 31 March 2019;
"Financial Year 2020"	financial year of the issuer ending 31 March 2020;
"Financial Year 2021"	financial year of the issuer ending 31 March 2021;
"Interim Financial Statements 2020/2021"	the unaudited interim financial statements for the six months period ended 30 September 2020.
"IPO Prospectus"	means the prospectus issued in connection with the IPO;
"January Placing"	means the placing of 9,000,000 Common Shares, as announced on 24 January 2018;
"Listing Rules"	means the listing rules of the FCA made pursuant to section 73A of FSMA as amended from time to time;
"London Stock Exchange"	means London Stock Exchange plc;
"Market Abuse Regulation"	The Market Abuse Regulation (S94/2014);
"Net Proceeds"	means the funds received on closing of the Subscription less any expenses paid or payable in connection with Admission and the Subscription;
"NOK"	Norwegian krone, the currency of the Kingdom of Norway;
"Official List"	means the official list maintained by the FCA;
"Oil Share Agreement"	means the obligation connected with a business combination completed in July 2010, pursuant to which, for a period of three years commencing 30 November 2010, the Group would provide the vendor with 50% of the annual gross revenue derived from the sale of barrels of oil from the properties and 25% of the annual gross revenue derived from the sale of barrels of oil;
"Options"	means the stock options over Common Shares granted pursuant to the Stock Option Plan;
"Pounds Sterling" or **"£"**	means British pounds sterling, the lawful currency of the UK;
"Premium Listing"	means a listing on the Premium Listing Segment of the Official List under Chapter 6 of the Listing Rules;
"Prospectus Regulation"	means the UK version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018;

"Prospectus Regulation Rules"	means the rules set out by the FCA concerning and implementing the Prospectus Regulation;
"REDPSA"	means the Rehabilitation, Exploration, Development and Production Sharing Agreement entered into on 16 March 2016 between SOCAR, Zenith Aran and SOA, as described in section 25 of Part 14: "*Additional Information*";
"Registrar"	means Computershare Trust Company of Canada or any other registrar appointed by the Company from time to time;
"Registrar Agreement"	means the transfer agency and registrarship agreement dated 5 March 2008 between the Company and Olympia Trust Company, and in which Olympia Trust Company's right, title and interest were assigned and transferred to the Registrar in 2014, further details of which are set out in Part 18: "*Additional Information*";
"Regulatory Information Service"	means a regulatory information service authorised by the UK Listing Authority to receive, process and disseminate regulatory information in respect of listed companies;
"SEC"	means the US securities and Exchange Commission;
"Securities Act"	means the US Securities Act of 1933, as amended;
"Senior Manager"	means the senior manager of the Company whose name is set out in Part 11: "*Directors, Senior Management and Corporate Governance*" under the heading "*Senior Management*";
"Settlement Shares"	means the 1,598,579 Common Shares issued in settlement of debt in Canada, as announced on 24 January 2018;
"Share Settlement"	Means the business process whereby securities or interests in securities are delivered, in simultaneous exchange for payment of money, to fulfil contractual obligations, such as those arising under securities trades;
"Shareholders"	means the holders of the Common Shares and/or Subscription Shares, as the context requires;
"SLK"	Sidi El Kilani oilfield;
"SMP"	Société de Maintenance Pétrolière;
"SNPC"	Société Nationale des Pétroles du Congo (national oil company of the Republic of the Congo);
"SOA"	SOCAR Oil Affiliate, a company incorporated under the laws of Azerbaijan;
"SOCAR"	the State Oil Company of Azerbaijan Republic;
"SOCARMO"	The Marketing and Operations Department of SOCAR;
"Standard Listing"	means a listing on the Standard Listing Segment of the Official List under Chapter 14 of the Listing Rules;
"Stock Option Plan"	the Company's shareholder approved stock option plan, further details of which are set out in paragraph 6 of Part 18: "*Additional Information*" of this Document;
"Subsidiary"	as defined in section 2(2) of the Business Corporations Act (British Columbia);

"Subscription"	The subscription for the Subscription Shares at the Subscription Price that is detailed in Part 10 of this document;
"Subscription Price"	1.1 pence per Subscription Share;
"Subscription Shares"	the 272,727,273 new Common Shares subscribed for under the Subscription;
"Takeover Panel"	means the UK Panel on Takeovers and Mergers;
"Torrente Cigno Concession"	The gad production concession at Torrente Cigno, Italy;
"Trading Day"	means a day on which the main market of the London Stock Exchange (or such other applicable securities exchange or quotation system on which the Shares are listed) is open for business (other than a day on which the main market of the London Stock Exchange (or such other applicable securities exchange or quotation system) is scheduled to or does close prior to its regular weekday closing time);
"TSXV"	means the TSX Venture Exchange;
"Tunisian Acquisition"	Tunisian Acquisition Part I together with Tunisian Acquisition Part II; therefore, the acquisition of a total working interest of 45 per cent in, *inter alia*, the North Kairouan permit and the Sidi El Kilani concession;
"Tunisian Acquisition Part I"	acquisition of a working interest of 22.5 per cent in, *inter alia*, the North Kairouan permit and the Sidi El Kilani concession from KUFPEC (Tunisia);
"Tunisian Acquisition Part II"	acquisition of its working interest of 22.5 per cent in, *inter alia*, the North Kairouan permit and the Sidi El Kilani concession from CNPC;
"uncertificated" or **"uncertificated form"**	means, in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
"United Kingdom" or **"UK"**	means the United Kingdom of Great Britain and Northern Ireland;
"United States" or **"US"**	has the meaning given to the term "United States" in Regulation S;
"VAT"	means (i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition;
"Warrants"	means the warrants to subscribe for Common Shares, as more particularly described in paragraph 4 of Part 14: "*Additional Information*" of this Document;
"Zenith Aran"	Zenith Aran Oil Company Limited (the Company's wholly- owned subsidiary), a company incorporated under the laws of the British Virgin Islands;
"Zenith Congo"	Zenith Energy Congo SA, a company established under the laws of the Republic of the Congo; and

"Zenith Netherlands"	Zenith Energy Netherlands B.V., a company established under the laws of the Netherlands.

References to a "company" in this Document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

PART 18

GLOSSARY OF TECHNICAL TERMS

The following technical definitions apply throughout this Document unless the context requires otherwise:

Reserves

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on:

(a) Analysis of drilling, geological, geophysical and engineering data;

(b) The use of established technology;

(c) Specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories:

(a) Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed non-producing reserves are those reserves that either have not been on production or have previously been on production but are shut-in and the date of resumption of production is unknown.

(b) Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities", which refers to the lowest level at which reserves calculations are performed, and to "reported reserves", which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves;

(b) at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves; and

(c) at least a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

General

"BIT"	Before Income Tax;
"AIT"	After Income Tax;
"M$"	Thousands of Dollars;
"Effective Date"	The date for which the Present Value of the future cash flows and reserve categories are established;
"$US"	United States Dollars;
"BRENT"	North Sea Oil – the common reference for crude oil used for oil price comparisons outside North America:
"WTI"	West Texas Intermediate – the common reference for crude oil used for oil price comparisons in North America:

Technical Data

"psia"	Pounds per square inch absolute;
"MSTB"	Thousands of Stock Tank barrels of oil (oil volume at 60 F and 14.65 psia);
"MMscf"	Millions of standard cubic feet of gas (gas volume at 60 f and 14.65 psia);
"Bbls"	Barrels;
"Mbbls"	Thousands of barrels;
"MMBTU"	Millions of British Thermal Units – heating value of natural gas;
"STB/d"	Stock Tank Barrels of oil per day – oil production rate;
"Mscf/d"	Thousands of standard cubic feet of gas per day – gas production rate;
"GOR (scf/STB)"	Gas-Oil ratio (standard cubic feet of solution gas per stick tank barrel of oil);

"mKB"	Metres Kelly Bushing — depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations;
"EOR"	Enhanced Oil Recovery;
"GJ"	Gigajoules;
"Marketable or Sales Natural Gas"	Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities;
"NGLs"	Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons;
"Raw Gas"	Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use; and
"EUR"	Estimated Ultimate Recovery.

PART 19

COMPETENT PERSON'S REPORT

(A) Chapman Report 2021 – Italy

(B) Chapman Report 2021 – Tunisia (Sidi El Kilani Concession)

(C) Chapman Report 2021 – Tunisia (El Bibane, Robbana and Ezzaouia Concessions)

(D) Chapman Report 2021 – Congo

(A) Chapman Report 2021 – Italy

COMPETENT PERSONS REPORT

RESERVE AND ECONOMIC EVALUATION OIL PROPERTIES

ITALY CONCESSIONS

Prepared for

ZENITH ENERGY LTD.

September 30, 2021
(October 1, 2021)

Chapman Petroleum Engineering Ltd.
1122 - 4th Street S.W., Suite 700, Calgary, Alberta T2R 1M1 • Phone: (403) 266-4141 • Fax: (403) 266-4259 • www.chapeng.ab.ca

October 7, 2021

Zenith Energy Ltd.
Suite 1500, 15th Floor Bankers Court
850 - 2nd Street SW
Calgary AB Canada T2P 0R8

Attention: Mr. Andrea Cattaneo

Dear Sir:

Re: Competent Persons Report, Reserve and Economic Evaluation – Zenith Energy Ltd.
Italy Concessions – September 30, 2021

In accordance with your authorization we have prepared a competent persons report of a reserve and economic evaluation of oil and gas properties located in Italy, owned by for Zenith Energy Ltd. (the "Company") for an effective date of September 30, 2021 (October 1, 2021).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH"), the professional practice standard under our Permit to Practice with APEGA and under the guidelines of the European Securities and Markets Authority (ESMA). The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" under NI 51-101 as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION contains the authorization and purpose of the report and describes the methodology and economic parameters used in the preparation of this report.

The EXECUTIVE SUMMARY presents an overview of the evaluated property and addresses the summary information required by ESMA, Section 132.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary and contains a concise presentation of the results of this reserve and economic evaluation. The net present values presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of US dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of information derived from this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,

Chapman Petroleum Engineering Ltd.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
C. W. Chapman, P. Eng.,
President

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
Signature [Original Signed By:] *C.W. Chapman*
Date *October 7, 2021*
PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta

[APEGA ID Number]

[Original Signed By:]
[Signature]
Klorinda Kaci, B.Sc., B.A.Tech.,
Economics Coordinator / Technical Assistant

cwc/lml/6770

CERTIFICATE OF QUALIFICATION

I, C. W. CHAPMAN, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta and a member of the Australasian Institute of Mining and Metallurgy.

2. THAT I graduated from the University of Alberta with a Bachelor of Science degree in Mechanical Engineering in 1971.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.

4. THAT I have in excess of 40 years in the conduct of evaluation and engineering studies relating to oil & gas fields in Canada and around the world.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
C. W. Chapman, P. Eng.,
President

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
Signature [Original Signed By:] *C.W. Chapman*
Date *October 7, 2021*
PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta

[APEGA ID Number]

CERTIFICATE OF QUALIFICATION

I, Klorinda Kaci, of the city of Calgary, Alberta, Canada officing at Suite 700, 1122 – 4th Street S.W., Calgary, Alberta hereby certify:

1. THAT I am a member of Society of Petroleum Engineers.

2. THAT I hold a Bachelor of Applied Technology in Petroleum Engineering from Southern Alberta Institute of Technology (SAIT) in Calgary (June 2009). I hold a Bachelor of Science degree in Civil Engineering from Tirana University of Albania 1989.

3. THAT I have been employed in the petroleum industry from 1994 to 2000 in Albania, and from January 2008 to the present time in Calgary.

4. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

5. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

6. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

7. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature]
Klorinda Kaci, B.Sc., B.A.Tech.,
Economics Coordinator / Technical Assistant

CERTIFICATE OF QUALIFICATION

I, D. J. BRIERE, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta.

2. THAT I graduated from the University of Calgary with a Bachelor of Science degree in Electrical Engineering in 1978.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.

4. THAT I have over 30 years of experience in engineering studies relating to oil & gas fields in Canada and around the world.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
J.D. Brière, P.Eng.
Vice President – Engineering

CERTIFICATE OF QUALIFICATION

I, REBECCA J. HOWE, of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a Certified Petroleum Geologist as recognized by the Division of Professional Affairs of the American Association of Petroleum Geologists and a member of the Canadian Society of Petroleum Geologists.

2. THAT I graduated from Brandon University, Manitoba with a Bachelor of Science degree in Geology in 2007.

3. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

4. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

5. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

6. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [AAPG Membership Stamp]
[Membership ID Number]
October 7, 2021
Rebecca J. Howe, B.Sc.
Associate

COMPETENT PERSONS REPORT

RESERVE AND ECONOMIC EVALUATION
GAS PROPERTIES

ITALY CONCESSIONS

Owned by

ZENITH ENERGY LTD.

September 30, 2021
(October 1, 2021)

TABLE OF CONTENTS

Introduction 10

Executive Summary 23

Summary of Company Reserves and Economics 25

Discussion 30

Orientation Map 30

ITALY

Lucera Concession 31
Misano Adriatico Concession 47
Torrente Cigno Concession 63

Glossary 85

Company Representation Letter 87

INTRODUCTION

INDEX

1. Authorization 11
2. Purpose of the Report 11
3. Use of the Report 11
4. Scope of the Report 11
   - 4.1 Methodology 11
   - 4.2 Land Survey System 11
   - 4.3 Economics 12
   - 4.4 Barrels of Oil Equivalent 13
   - 4.5 Environmental Liabilities 13
5. Basis of Report 13
   - 5.1 Sources of Information 13
   - 5.2 Product Prices 14
   - 5.3 Product Sales Arrangement 14
   - 5.4 Royalties 14
   - 5.5 Capital Expenditures and Operating Costs 14
   - 5.6 Income Tax Parameters 14
   - 5.7 Abandonment and Restoration 14
6. Evaluation Standard Used 15
   - 6.1 General 15
   - 6.2 Resource Definitions 16
     - 6.2.1. Reserves 17
     - 6.2.2. Contingent Resources 20
     - 6.2.3. Prospective Resources 20
   - 6.3 Diagram of Maturity Subclasses 21
7. Site Visit 22

INTRODUCTION

1. AUTHORIZATION

This evaluation has been authorized by Mr. Andrea Cattaneo, on behalf of Zenith Energy Ltd. The engineering analysis has been performed during the month of May 2021 and updated during October 2021.

2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third party independent appraisal of the oil and gas reserves owned by Zenith Energy Ltd.

The values in this report do not include the value of the Company's undeveloped land holdings nor the tangible value of their interest in associated plant and well site facilities they may acquire.

3. USE OF THE REPORT

The report is intended for annual corporate disclosure and filing requirements and financial planning.

4. SCOPE OF THE REPORT

4.1 Methodology

The evaluation of the reserves and resources of these properties included in the report has been conducted under a discounted cash flow analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions.

4.2 Land Survey System

The Italian Cadastral Land Survey System establishes real property boundaries based on modern geodetics and historical land claims.

The complete unification of the country was done in 1870 when large parts of the Appennien Peninsula was covered by cadastral surveys, mainly carried out by Piedmont, the Kingdom of Naples and the Papal State (Frazzica et al., 2009).

In the first decades of the twentieth century, the Italian Institute of Military Geography (Istituto Geografico Militare; I.G.M) developed four independent geodetic networks. Today the Genova 1902 datum is more or less used for all parts of the country.

Italian Cadastral system geodetic data can be obtained from the Italian geodetic data portal, and it provides access to all geodetic base data of the country, according to the Open Access strategy.

4.3 Economics

The results of the before tax economic analysis, which are presented for each entity and property summary, are in a condensed form presented on one page for simplicity in analyzing the cash flows, however, if for any reason more extensive breakdown of the cash flow is required, a separate schedule can be provided showing the full derivation and breakdown of any or all of the columns on the summary page.

The economic presentation shows the gross property and company gross and net (before and after royalty) production of oil, gas and each NGL product along with the product prices adjusted for oil quality and heating value of gas. Oil prices also include the deduction for trucking costs where applicable for royalty deductions.

The second level includes the revenues, royalties, operating costs, processing income, abandonment costs, capital and cash flow of the property. Operating costs are presented for the gross property and the company share, split between variable and fixed costs, and the effective cost per BOE.

Net revenues are presented annually and as a net back in $/BOE @ 6 Mscf/STB. Revenue from custom processing of oil or gas is presented separately.

The third level of data presents the cumulative cash flow values (present worth) for various discount rates. Also, the net cash flow breakdown is presented. The project profitability criteria

are summarized on the bottom right of the page. These data are not relevant in the case of corporate evaluations but are useful in assessing individual capital projects.

For corporate consolidations a second page is included, which repeats the before tax cash flow and presents the Taxable Income, Income Tax Payable, After Income Tax Cash Flows and net present values After Income Tax.

4.4 Barrels of Oil Equivalent

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

4.5 Environmental Liabilities

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

5. BASIS OF REPORT

5.1 Sources of Information

Sources of the data used in the preparation of this report are as follows:

i) Ownership and Burdens have been derived from the Company's land records and other information from the Company as required for clarification;
ii) Production data is acquired directly from the Company or the operator of the property;
iii) Well data is accessed from the Company's well files;
iv) Operating Costs are based on actual revenue and expense statements provided by the Company for established properties or from discussions with the Company and our experience in the area for new or non-producing properties;

v) Price differentials are derived from revenue statements, compared to actual posted prices for the appropriate benchmark price over a period of several months for established properties or from discussions with the Company and our experience in the area for new or non-producing properties;

vi) Timing of Development Plans and Capital estimates are normally determined by discussions with the Company together with our experience and judgment.

5.2 Product Prices

Gas and Natural Gas Liquids (NGL) prices in Italy are based on historical data.

5.3 Product Sales Arrangement

The Company does not have any "hedge" contracts in place at this time.

5.4 Royalties

Production levels in Italy predicted in this report fall below the threshold which would make the royalties applicable, therefore there are no royalty burdens on the Italian gas production.

5.5 Capital Expenditures and Operating Costs

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars but for economic purposes are escalated at 2% per year after the current year.

5.6 Income Tax Parameters

The Company's existing tax pools are sufficient to offset any income taxes.

5.7 Abandonment and Restoration

Abandonment and restoration costs, net of salvage, have been included in the cash flows for the final event of any particular well. The abandonment cost does not impact the economic limit and is included in the final year of production. For marginal wells nearing the end of their economic life, these costs may result in a negative net present value.

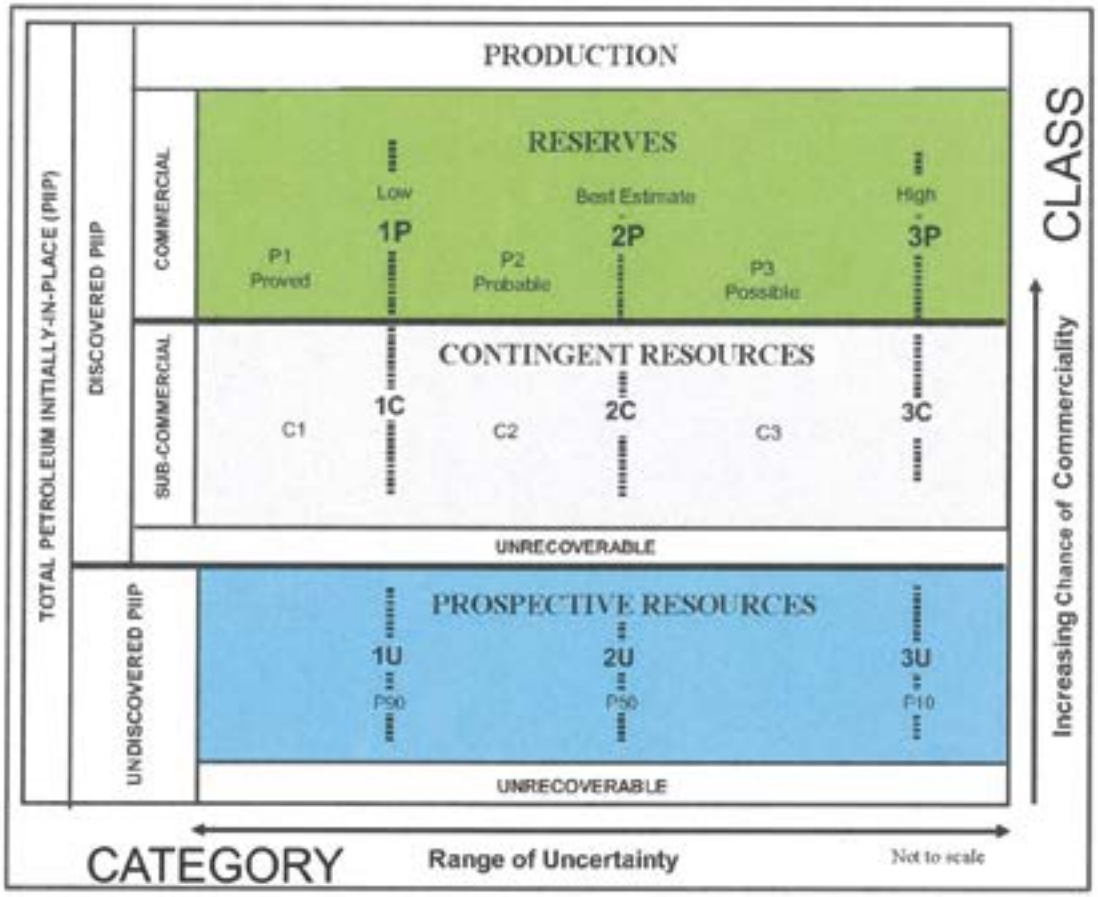
In this report, we have accounted for these costs for only the wells which are being evaluated and have not included other shut-in or suspended wells in the Company's inventory or their facilities and pipelines.

6. EVALUATION STANDARD USED

6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the APEGA professional practice standard "The Canadian Oil and Gas Evaluation Handbook", 3rd Edition December 2018 ("COGEH"), prepared by the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE).

COGEH uses the SPE-PRMS (2018 Update) resource classification system shown in the below diagram.



By way of explanation, 'CLASS' forms the vertical axis of the PRMS diagram and represents the range of Chance of Commerciality. Likewise, 'CATEGORY' forms the horizontal axis and provides a measure of the uncertainty in estimates of the Resource Class.

Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations with reference to the above diagram and is potentially producible. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

Discovered PIIP (equivalent to "discovered resources") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The Discovered PIIP includes production, Reserves, and Contingent Resources; the remainder is unrecoverable.

Undiscovered PIIP (equivalent to "undiscovered resources") is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "Prospective Resources", the remainder as "unrecoverable".

Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

6.2 Resource Definitions

The following definitions have been extracted from COGEH and represent an overview of the resource definitions and evaluation criteria required for compliance with the Canadian Securities National Instrument 51-101. These definitions are considered to be compliant with the PRMS - 2018, in that they use the same primary nomenclature, principles and concepts.

6.2.1 Reserves

The following Reserves definitions and guidelines are designed to assist evaluators in making Reserves estimates on a reasonably consistent basis and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

The guidelines outline

- general criteria for classifying reserves,
- procedures and methods for estimating reserves,
- confidence levels of individual entity and aggregate reserves estimates,
- verification and testing of Reserves estimates.

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

RESERVES CATEGORIES

Reserves are categorized according to the probability that at least a specific volume will be produced. In a broad sense, Reserves categories reflect the following expectations regarding the associated estimates:

Reserves Category	Confidence Characterization
Proved (1P)	Low Estimate, Conservative
Proved + Probable (2P)	Best Estimate
Proved +Probable +Possible (3P)	High Estimate, Optimistic

a. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.

b. Probable Reserves are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved + Probable Reserves.

c. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved + Probable + Possible Reserves.

DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

a. Developed Reserves are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the Reserves on production. The developed category may be subdivided into producing and non-producing.

   i. Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

   ii. Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and the date of resumption of production is unknown.

b. Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet

the requirements of the Reserves classification (Proved, Probable, Possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to sub-divide the Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels contained in the definitions are applicable to "individual Reserves entities," which refers to the lowest level at which Reserves calculations are performed, and to "Reported Reserves," which refers to the highest level sum of individual entity estimates for which Reserves estimates are presented. Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves,
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable + Possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various Reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of Reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with Reserves estimates and the effect of aggregation is provided in Section 5.7.1.6, The Portfolio Effect, of COGEH.

6.2.2 Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development (TUD), but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Contingencies may include economic, environmental, social and political factors, regulatory matters, a lack of markets or prolonged timetable for development. Contingent Resources have a Chance of Development that is less than certain.

Contingent resources are further categorized according to their level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Project Maturity Sub-Classes are: Development Pending, Development on Hold, Development Unclarified and Development Not Viable, as demonstrated in the chart below (Section 6.3).

Reports on Contingent Resources must specify the level of maturity and usually include 1C, 2C and 3C estimates.

There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

6.2.3 Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated Chance of Discovery and a Chance of Development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The project maturity subclasses describe the stage of exploration and broadly correspond to chance of commerciality from in increasing order from "play" to "lead" to "prospect" as demonstrated in the chart below (Section 6.3).

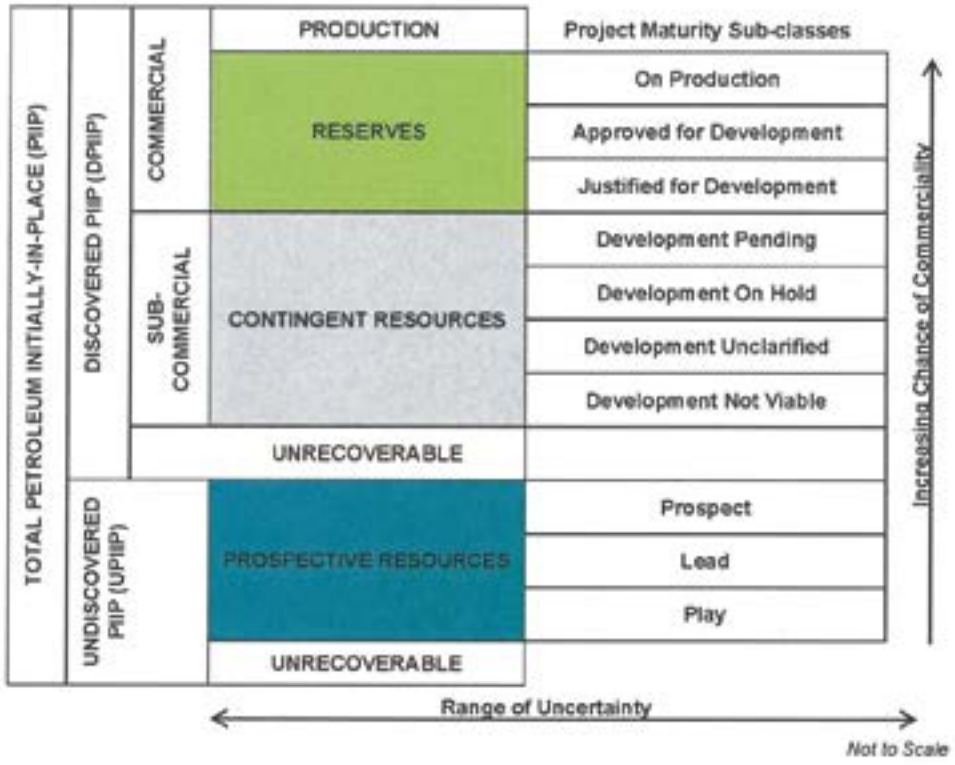
A "play" is a family of geologically similar fields, discoveries, prospects and leads. It would have the lowest chance of commerciality in these project maturity subclasses.

A "lead" is a potential accumulation within a play that requires more data acquisition and/or evaluation in order to be classified as a prospect.

A "prospect" is a potential accumulation within a play that is sufficiently well defined to represent a viable drilling target. A "prospect" would have the highest chance of commerciality.

There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

6.3 Project Maturity Sub-Classes



7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes.

EXECUTIVE SUMMARY

This Executive Summary presents an overview of the Company's properties and results of the evaluation and, in particular, addresses the information required by the European Securities and Markets Authority (ESMA), Section 132.

(a) Details of the reserves established under COGEH (NI 51-101) standards are presented with their associated net present values on the Table 1 found in the Summary of Company Reserves and Economics. The Company has sufficient accumulated tax pools to offset the cash flows projected in this report therefore before and after tax values are equal.

(b) The anticipated project life of these properties based on the established proved and probable reserves and production forecasts 15 years.

(c) The below concessions are evaluated herein.

- Lucera Concession – This concession is scheduled to expire in 2022 but extensions are expected based on the remaining reserves.

- Misano Concession – This concession was originally scheduled to expire in 2020 but extensions are expected based on the remaining reserves.

- Torrente Cigno Concession – This concession was originally scheduled to expire in 2019, but has apparently been renewed to align with the Company's additional development plans.

In general we have made the assumption for this evaluation that extensions to the producing concessions will be granted due to continuing production. For the other production concessions not evaluated this is a non-issue relating to this report.

(d) All properties in this report are located in active producing fields with conventional infrastructure for producing to market. The fields are developed and have many years of production history. The Company is planning for future development and expansion of these properties.

(e) The results of this evaluation are based on facts and assumptions typical of this type of engagement. It should be noted that under COGEH Section 7.8.2 evaluations are conducted without consideration of the availability of capital for funding the scheduled development. The product price forecasts used for this evaluation, shown in Attachment 1a, are based on history and analysis and reflect a current industry consensus, however variations may occur and the variations could be material.

Attachment 1a

CHAPMAN PETROLEUM ENGINEERING LTD.

International Price - Crude Oil & Natural Gas

HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES

October 1, 2021

Date	Brent Spot (ICE)[1] $US/STB	Torrente Cigno Condensate [2] $US/STB	Europe Gas Gas[3] $US/Mcf	Torrente Cigno Gas[5] $US/Mcf	Misano Adriatico Gas[4] $US/Mcf	Lucera Gas[4] $US/Mcf
HISTORICAL PRICES						
2012	111.63	N/A	11.48	N/A	N/A	N/A
2013	108.56	135.52	11.80	7.10	14.89	11.44
2014	99.43	97.09	10.10	9.70	10.42	9.70
2015	53.32	51.50	7.30	2.27	6.73	5.87
2016	45.06	69.26	4.56	4.24	5.12	4.47
2017	54.75	54.28	6.01	5.45	6.13	5.45
2018	71.64	62.99	7.65	5.22	N/A	N/A
2019	64.11	64.77	6.15	5.59	N/A	N/A
2020	43.40	40.17	3.24	4.29	N/A	N/A
2021 9 months	67.56	67.56	10.74	N/A	N/A	N/A
CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)						
	58.83	N/A	N/A	N/A	N/A	N/A
FORECAST PRICE						
2021	79.28	76.05	**5.50**	3.43	7.36	5.59
2022	76.13	72.90	**5.60**	3.47	7.50	5.69
2023	72.98	69.75	**5.60**	3.51	7.50	5.69
2024	69.83	66.60	**5.70**	3.54	7.63	5.80
2025	71.22	67.99	**5.80**	3.58	7.77	5.90
2026	72.65	69.42	**5.86**	3.62	7.85	5.96
2027	74.10	70.87	**5.92**	3.66	7.93	6.02
2028	75.58	72.35	**5.98**	3.70	8.01	6.08
2029	77.09	73.86	**6.04**	3.74	8.09	6.14
2030	78.63	75.40	**6.10**	3.78	8.17	6.20
2031	80.21	76.98	**6.18**	3.82	8.27	6.28
2032	81.81	78.58	**6.26**	3.86	8.38	6.36
2033	83.45	80.22	**6.34**	3.91	8.49	6.45
2034	85.12	81.89	**6.42**	3.95	8.60	6.53
2035	86.82	83.59	**6.50**	3.99	8.70	6.61
2036	88.55	85.32	**6.58**	4.03	8.81	6.69

Escalated 2% thereafter

Notes:
[1] The Brent Spot price is estimated based on historic data.
[2] Torrente Cigno Condensate price forecast is based on Chapman price forecast plus difference of actually received in T.C. in 2018/10-2019/09.
[3] Europe gas price forecast comes from Word Bank Forecast (Annual prices and Price Forecasts)
[4] Italy gas price forecast is based on actually received field price compare to European gas price in 2019/04 - 2019/09.
[5] Torrente Cigno price reflects the net price from electrical generation revenue escalated 1.063% per year (after consideration of electricity from the other owner).

SUMMARY OF COMPANY RESERVES AND ECONOMICS

INDEX

Forecast Prices and Costs

Table 1: Summary of Company Reserves and Economics – Before Income Tax..... 26

Consolidated Cash Flows

Table 1a: Total Proved Developed Producing..... 27

Table 1b: Total Proved Developed..... 28

Table 1c: Total Proved Plus Probable..... 29

Table 1
Summary of Company Reserves and Economics
Before Income Tax
October 1, 2021
Italy Properties

Zenith Energy Ltd.

Forecast Prices & Costs

Net To Appraised Interest

Description		Reserves: Light and Medium Oil MSTB Gross	Reserves: Light and Medium Oil MSTB Net	Reserves: Conventional Natural gas MMscf Gross	Reserves: Conventional Natural gas MMscf Net	Reserves: NGL Mbbls Gross	Reserves: NGL Mbbls Net	Cumulative Cash Flow (BIT) - MUS$: Undisc.	Discounted at: 5%/year	10%/year	15%/year	20%/year
Proved Developed Producing												
Misano Adriatico Concession		0	0	88	88	0	0	255	234	210	187	168
Torrente Cigno Concession		0	0	788	788	11	11	2,181	1,935	1,734	1,568	1,429
Total Proved Developed Producing		**0**	**0**	**876**	**876**	**11**	**11**	**2,436**	**2,169**	**1,943**	**1,755**	**1,597**
Proved Developed Non-Producing												
Lucera Concession		0	0	115	115	0	0	243	212	188	168	151
Total Proved Developed Non-Producing		**0**	**0**	**115**	**115**	**0**	**0**	**243**	**212**	**188**	**168**	**151**
Total Proved Developed		**0**	**0**	**991**	**991**	**11**	**11**	**2,679**	**2,381**	**2,131**	**1,922**	**1,748**
Probable												
Probable Developed Producing												
Misano Adriatico Concession	Incr.	0	0	41	41	0	0	154	108	71	49	35
Torrente Cigno Concession	Incr.	0	0	1,439	1,439	25	25	3,891	2,475	1,644	1,134	809
Total Probable Developed Producing		**0**	**0**	**1,480**	**1,480**	**25**	**25**	**4,045**	**2,580**	**1,715**	**1,183**	**844**
Probable Developed Non-Producing												
Lucera Concession	Incr.	0	0	28	28	0	0	64	48	37	29	23
Total Probable Developed Non-Producing		**0**	**0**	**28**	**28**	**0**	**0**	**64**	**48**	**37**	**29**	**23**
Probable Undeveloped												
Torrente Cigno Concession		0	0	13,413	13,413	216	216	58,408	20,281	10,310	6,470	4,543
Total Probable Undeveloped		**0**	**0**	**13,413**	**13,413**	**216**	**216**	**58,408**	**20,281**	**10,310**	**6,470**	**4,543**
Total Probable		**0**	**0**	**14,921**	**14,920**	**241**	**241**	**62,518**	**22,910**	**12,062**	**7,682**	**5,410**
Total Proved Plus Probable		**0**	**0**	**15,912**	**15,912**	**252**	**252**	**65,196**	**25,291**	**14,193**	**9,604**	**7,158**

MUS$ means thousands of United States dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Table 1a

EVALUATION OF: Zenith Energy Ltd. (Italy Properties)
********** Total Proved Developed Producing Cons.

ERCO v7.43 P2 ENERGY SOLUTIONS GRAND TOTAL
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021
RUN DATE: 7-OCT-2021 TIME: 13:40
FILE:

EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TOTAL ABANDONMENT - 107 -M$-

	Sales Gas MMCF						Condensate BBL	
			Pool		Company Share			
Year	# of Wells	Price $/MCF	MCF/D	Vol	Gross	Net	Price $/BBL	Co. Share Gross
2021	2	3.71	458.8	42	42	42	76.05	548
2022	2	3.74	456.4	167	167	167	72.90	2173
2023	2	3.75	453.0	165	165	165	69.75	2173
2024	2	3.76	450.0	164	164	164	66.60	2173
2025	2	3.78	447.4	163	163	163	67.99	2173
2026	2	3.84	366.1	134	134	134	69.42	1770
2027	1	7.93	17.0	6	6	6	.00	0
2028	1	8.01	15.1	6	6	6	.00	0
2029	1	8.09	13.4	5	5	5	.00	0
2030	1	8.17	11.9	4	4	4	.00	0
2031	1	8.28	10.6	4	4	4	.00	0
2032	1	8.38	9.4	3	3	3	.00	0
2033	1	8.49	8.4	3	3	3	.00	0
2034	1	8.60	7.5	3	3	3	.00	0
2035	1	8.70	6.6	2	2	2	.00	0
SUB				872	872	872		11011
REM				4	4	4		0
TOT				876	876	876		11011

- P/T - COMPANY SHARE FUTURE NET REVENUE

Year	Capital &Aband Costs -M$-	Future Revenue (FR) Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	Royalties Crown -M$-	Other -M$-	Mineral -M$-	-%-	Operating Costs Fixed -M$-	Variable -M$-	$/BOE	FR After Roy&Oper -M$-	Net back $/BOE	Proc& Other Income -M$-	Cap'l Costs -M$-	Aband Costs -M$-	Future Net Rev Undisc -M$-	10.0% -M$-
2021	0	0	157	42	198	0	0	0	.0	32	39	15.00	127	26.59	0	0	0	127	125
2022	0	0	623	158	781	0	0	0	.0	130	158	15.27	494	26.22	0	0	0	494	460
2023	0	0	620	152	771	0	0	0	.0	132	159	15.54	481	25.70	0	0	0	481	407
2024	0	0	618	145	762	0	0	0	.0	135	159	15.81	468	25.17	0	0	0	468	360
2025	0	0	617	148	765	0	0	0	.0	137	160	16.10	467	25.26	0	0	0	467	327
2026	28	0	513	123	636	0	0	0	.0	116	135	16.55	386	25.48	0	0	28	357	227
2027	0	0	49	0	49	0	0	0	.0	9	14	38.31	25	40.95	0	0	0	25	15
2028	0	0	44	0	44	0	0	0	.0	10	13	41.01	22	39.06	0	0	0	22	11
2029	0	0	40	0	40	0	0	0	.0	10	12	44.04	18	36.84	0	0	0	18	9
2030	0	0	36	0	36	0	0	0	.0	10	11	47.45	15	34.23	0	0	0	15	6
2031	0	0	32	0	32	0	0	0	.0	10	10	51.31	12	31.44	0	0	0	12	5
2032	0	0	29	0	29	0	0	0	.0	10	9	55.67	10	28.16	0	0	0	10	3
2033	0	0	26	0	26	0	0	0	.0	11	8	60.40	7	24.29	0	0	0	7	2
2034	0	0	23	0	23	0	0	0	.0	11	7	66.20	5	19.77	0	0	0	5	2
2035	0	0	21	0	21	0	0	0	.0	11	7	72.55	4	14.49	0	0	0	4	1
SUB	28	0	3447	767	4214	0	0	0	.0	774	900		2540		0	0	28	2512	1960
REM	78	0	36	0	36	0	0	0	.0	23	11		2		0	0	78	-76	-17
TOT	107	0	3484	767	4251	0	0	0	.0	796	912		2543		0	0	107	2436	1943

********** NET PRESENT VALUE (-M$-) **********

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	2543	2228	2072	1979	1893	1778	1613
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs ..	107	59	43	35	30	23	16
Future Net Revenue .	2436	2169	2029	1943	1864	1755	1597

********** PROFITABILITY **********

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%) .	n/a
(disc. @ 5.0%) .	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding ($/BOE)	n/a
NPV @ 10.0% ($/BOE)	19.71
NPV @ 5.0% ($/BOE)	22.00

********** COMPANY SHARE **********

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	100.0					
% of Future Revenue.			.0	40.2	59.8	.0	57.3

Table 1b

EVALUATION OF: Zenith Energy Ltd. (Italy Properties)
Total Proved Developed Cons.

ERCE v7.43 P2 ENERGY SOLUTIONS GRAND TOTAL
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021
RUN DATE: 7-OCT-2021 TIME: 13:40
FILE:

EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TOTAL ABANDONMENT - 246 -M$-

		Sales Gas MMCF					Condensate BBL	
			Pool	Company Share				
Year	# of Wells	Price $/MCF	MCF/D	Vol	Gross	Net	Price $/BBL	Co. Share Gross
2021	2	3.71	458.8	42	42	42	76.05	548
2022	4	3.91	771.0	281	182	182	72.90	2173
2023	4	3.96	859.0	314	186	186	69.75	2173
2024	4	3.95	791.1	289	181	181	66.60	2173
2025	4	3.95	733.9	268	178	178	67.99	2173
2026	4	4.01	606.7	221	146	146	69.42	1770
2027	3	6.75	219.2	80	16	16	.00	0
2028	3	6.84	185.0	68	14	14	.00	0
2029	3	6.94	156.1	57	12	12	.00	0
2030	3	7.03	131.8	48	10	10	.00	0
2031	3	7.15	111.3	41	9	9	.00	0
2032	1	8.38	9.4	3	3	3	.00	0
2033	1	8.49	8.4	3	3	3	.00	0
2034	1	8.60	7.5	3	3	3	.00	0
2035	1	8.70	6.6	2	2	2	.00	0
SUB				1720	987	987		11611
REM				4	4	4		0
TOT				1724	991	991		11611

= P/T = COMPANY SHARE FUTURE NET REVENUE

Year	Capital &Aband Costs -M$-	Future Revenue (FR) Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	Royalties Crown -M$-	Other -M$-	Mineral -M$-	-%-	Operating Costs Fixed -M$-	Variable -M$-	$/BOE	FR After Roy&Oper -M$-	Net back $/BOE	Proc& Other Income -M$-	Cap'l Costs -M$-	Aband Costs -M$-	Future Net Rev Undisc -M$-	10.0% -M$-
2021	0	0	157	42	198	0	0	0	.0	32	39	15.00	127	26.59	0	0	0	127	125
2022	0	0	712	158	870	0	0	0	.0	140	190	14.17	540	26.50	0	0	0	540	503
2023	0	0	735	152	886	0	0	0	.0	148	200	14.82	538	25.94	0	0	0	538	455
2024	0	0	716	145	860	0	0	0	.0	151	195	17.07	514	25.33	0	0	0	514	395
2025	0	0	701	148	849	0	0	0	.0	154	191	17.33	504	25.28	0	0	0	504	352
2026	28	0	584	123	707	0	0	0	.0	133	161	18.00	413	25.31	0	0	28	385	245
2027	0	0	110	0	110	0	0	0	.0	27	37	39.27	46	28.21	0	0	0	46	26
2028	0	0	95	0	95	0	0	0	.0	27	32	42.84	36	25.58	0	0	0	36	19
2029	0	0	83	0	83	0	0	0	.0	28	28	46.99	27	22.38	0	0	0	27	13
2030	0	0	73	0	73	0	0	0	.0	29	25	51.82	19	18.52	0	0	0	19	8
2031	139	0	63	0	63	0	0	0	.0	29	22	57.43	13	14.11	0	0	19	-6	-3
2032	0	0	29	0	29	0	0	0	.0	10	9	55.67	10	28.16	0	0	0	10	3
2033	0	0	26	0	26	0	0	0	.0	11	8	60.60	7	24.29	0	0	0	7	2
2034	0	0	23	0	23	0	0	0	.0	11	7	66.20	5	19.77	0	0	0	5	2
2035	0	0	21	0	21	0	0	0	.0	11	7	72.55	4	14.49	0	0	0	4	1
SUB	167	0	4128	767	4895	0	0	0	.0	942	1151		2802		0	0	47	2755	2148
REM	78	0	36	0	36	0	0	0	.0	23	11		2		0	0	78	-76	-17
TOT	246	0	4164	767	4931	0	0	0	.0	965	1162		2804		0	0	125	2679	2131

NET PRESENT VALUE (-M$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	2804	2452	2278	2174	2079	1950	1767
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs ..	125	70	52	43	36	28	20
Future Net Revenue .	2679	2381	2226	2131	2043	1922	1748

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	68.3					
% of Future Revenue.			.0	43.1	56.9	.0	54.3

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%) .	n/a
(disc. @ 5.0%) .	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding ($/BOE)	n/a
NPV @ 10.0% ($/BOE)	19.35
NPV @ 5.0% ($/BOE)	21.62

Table 1c

EVALUATION OF: Zenith Energy Ltd. (Italy Properties)
********** Total Proved Plus Probable Cons.

ERCO v7.43 P2 ENERGY SOLUTIONS GRAND TOTAL
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021
RUN DATE: 7-OCT-2021 TIME: 13:40
FILE:

EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TOTAL CAPITAL COSTS - 1530 -M$-
TOTAL ABANDONMENT - 339 -M$-

	Sales Gas MMCF					Condensate BBL	
			Pool	Company Share			Co.
Year	# of Wells	Price $/MCF	MCF/D	Vol	Gross	Net	Price $/BBL	Share Gross
2021	2	3.71	459.0	42	42	42	76.05	632
2022	5	3.64	1555.2	568	467	467	72.90	7098
2023	5	3.68	1807.8	660	526	526	69.75	7983
2024	5	3.70	1750.8	639	523	523	66.60	7983
2025	5	3.72	1701.1	621	520	520	67.99	7983
2026	5	3.75	1657.7	605	517	517	69.42	7983
2027	5	3.78	1619.8	591	515	515	10.87	7983
2028	5	3.81	1586.7	579	513	513	72.35	7983
2029	5	3.84	1557.9	569	511	511	73.86	7983
2030	5	3.87	1532.6	559	509	509	75.40	7983
2031	5	3.90	1483.2	541	497	497	76.98	7821
2032	5	3.94	1413.7	516	478	478	78.58	7525
2033	5	3.99	1353.0	494	461	461	80.22	7266
2034	3	4.00	1208.1	441	441	441	81.89	7040
2035	3	4.04	1173.6	428	428	428	83.59	6843
SUB				7854	6948	6948		108086
REM				8964	8964	8964		144169
TOT				16817	15912	15912		252255

- P/T - COMPANY SHARE FUTURE NET REVENUE

Year	Capital &Aband Costs -M$-	Future Revenue (FR) Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	Royalties Crown -M$-	Other -M$-	Mineral -M$-	-%-	Operating Costs Fixed -M$-	Variable -M$-	$/BOE	FR After Roy&Oper -M$-	Net back $/BOE	Proc& Other Income -M$-	Cap'l Costs -M$-	Aband Costs -M$-	Future Net Rev Undisc -M$-	10.0% -M$-
2021	0	0	157	48	205	0	0	0	.0	32	40	14.74	133	27.46	0	0	0	133	132
2022	1530	0	1703	517	2220	0	0	0	.0	242	437	12.61	1541	28.63	0	1530	0	11	11
2023	0	0	1936	557	2493	0	0	0	.0	272	503	12.79	1718	28.33	0	0	0	1718	1453
2024	0	0	1932	532	2464	0	0	0	.0	277	506	12.99	1681	27.89	0	0	0	1681	1293
2025	0	0	1936	543	2478	0	0	0	.0	283	509	13.21	1686	28.12	0	0	0	1686	1179
2026	0	0	1940	554	2494	0	0	0	.0	288	513	13.43	1692	28.34	0	0	0	1692	1076
2027	0	0	1945	87	2032	0	0	0	.0	294	518	13.67	1219	28.51	0	0	0	1219	705
2028	0	0	1952	578	2530	0	0	0	.0	300	524	13.91	1706	28.80	0	0	0	1706	896
2029	0	0	1960	590	2550	0	0	0	.0	306	530	14.15	1714	29.03	0	0	0	1714	819
2030	0	0	1970	602	2572	0	0	0	.0	312	536	14.41	1723	29.27	0	0	0	1723	748
2031	0	0	1942	602	2546	0	0	0	.0	318	533	14.79	1693	29.41	0	0	0	1693	668
2032	0	0	1883	591	2474	0	0	0	.0	325	521	15.29	1628	29.45	0	0	0	1628	584
2033	145	0	1836	583	2419	0	0	0	.0	331	511	15.80	1577	29.57	0	0	20	1557	508
2034	0	0	1762	577	2339	0	0	0	.0	318	491	15.82	1530	29.91	0	0	0	1530	454
2035	0	0	1728	572	2300	0	0	0	.0	324	487	16.32	1490	29.99	0	0	0	1490	402
SUB	1674	0	26582	7531	34114	0	0	0	.0	4222	7160		22731		0	1530	20	21182	10928
REM	194	0	50025	17000	67025	0	0	0	.0	8618	14199		44209		0	0	194	44015	3265
TOT	1869	0	76607	24532	101139	0	0	0	.0	12840	21359		66940		0	1530	214	65196	14193

********** NET PRESENT VALUE (-M$-) **********

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	66940	26828	18826	15641	13373	10992	8497
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	1530	1475	1444	1424	1405	1377	1334
Abandonment Costs ..	214	62	34	24	17	11	5
Future Net Revenue .	65196	25291	17347	14193	11951	9604	7158

********** COMPANY SHARE **********

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	95.3					
% of Future Revenue.			.0	33.8	66.2	1.5	64.5

********** PROFITABILITY **********

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	999.9
Profit Index (undisc.)	37.4
(disc. @ 10.0%) .	9.8
(disc. @ 5.0%) .	16.5
First Payout (years)	.2
Total Payout (years)	1.3
Cost of Finding ($/BOE)	.95
NPV @ 10.0% ($/BOE)	7.70
NPV @ 5.0% ($/BOE)	13.72



ZENITH ENERGY LTD.

COMPANY'S CONCESSIONS

ITALY

ORIENTATION MAP

OCT. 2021 JOB No. 6770

LUCERA GAS CONCESSION
ONSHORE, ITALY
INDEX

Discussion **32**

Property Description 32
Geology 32
Reserves 33
Production 33
Product Prices 33
Capital Expenditures 33
Operating Costs 33
Economics 34

Attachments

Figure 1: Lucera Gas Concession – Land Map 35

Table 1: Schedule of Lands, Interests and Royalty Burdens 36

Figure 2: Geological Maps and Figures
a) Regional Geology 37
b) Stratigraphic Chart 38

Table 2: Summary of Reserves 39

Figure 3: Production History Graphs – Proved Developed Producing
a) Lucera, Production and Forecast Plot (Summary of Decline Analysis) 40

Figure 4: Production History Graphs – Proved Plus Probable Developed Producing
a) Lucera, Production and Forecast Plot (Summary of Decline Analysis) 41

Table 3: Summary of Anticipated Capital Expenditures
a) Development 42
b) Abandonment and Restoration 43

Table 4: Summary of Company Reserves and Economics 44

Consolidated Cash Flows
a) Total Proved Developed Non-Producing 45
b) Total Proved Plus Probable Developed Non-Producing 46

LUCERA GAS CONCESSION
ONSHORE ITALY
DISCUSSION

Property Description

The Company owns 13.6% working interest in the Lucera gas concession covering approximately 13,361 acres and located onshore Italy along the Adriatic coast. This concession is scheduled to expire in 2022 but an extension is expected to be granted based on the remaining reserves.

A map showing the Lucera concession location is presented in Figure 1a, and a description of the ownership is presented in Table 1.

Geology

The regional geology of Italy as shown in Fig 2a places the company's properties in the on-land shallow depths of the Apenninic Foredeep basin.

The Apennines are the consequences of the subduction of three types of lithosphere with different characteristics but pertaining to the same Adriatic plate.[1]

1. In the north central Apennines, thin continental lithosphere at the surface in the foreland, and probably thinner at depth, occurs;
2. In the southern Apennines, thick continental lithosphere occurs in the foreland, whereas probably old oceanic lithosphere constitutes the slab at depth to the west (northern prologation of the Ionian Mesozoic basin;
3. In the southern sector, offshore Calabria, old oceanic Ionian lithosphere occurs both in the foreland and at depth.

The Lucera exploration play has gas resources in the Cenozoic Upper Tertiary Pliocene sand levels of the Bradano Trough as represented in the Stratigraphic Column of Fig 2b.

[1] 'An Introduction To The Italian Geology' – Carlo Doglioni and Giovanni Flores, 1997

Reserves

Total gross proved developed non-producing conventional non-associated marketable gas reserves of 850 MMscf have been estimated for the two producing gas wells. These estimates are based on a conservative production decline analyses as presented in Figure 3a.

Gross probable additional developed non-producing conventional non-associated marketable gas reserves of 198 MMscf have been estimated for the same two wells based on the best fit production decline analyses, as presented in Figure 4a.

Production

The Lucera gas concession was producing at a total rate of 538 Mscf/d as of May 2016. There were some problems with the gas treatment plant, and the production was temporarily suspended. Production is expected to resume in May, 2022 when the problems with the treatment plant are anticipated to be solved.

Product Prices

An average 2021 gas price of $5.59/Mscf has been used for this area based on information provided by the Company, which reflects a correlation to the World Bank European posted gas price.

Capital Expenditures

There are no forecasted capital expenditures as presented in Table 3a.

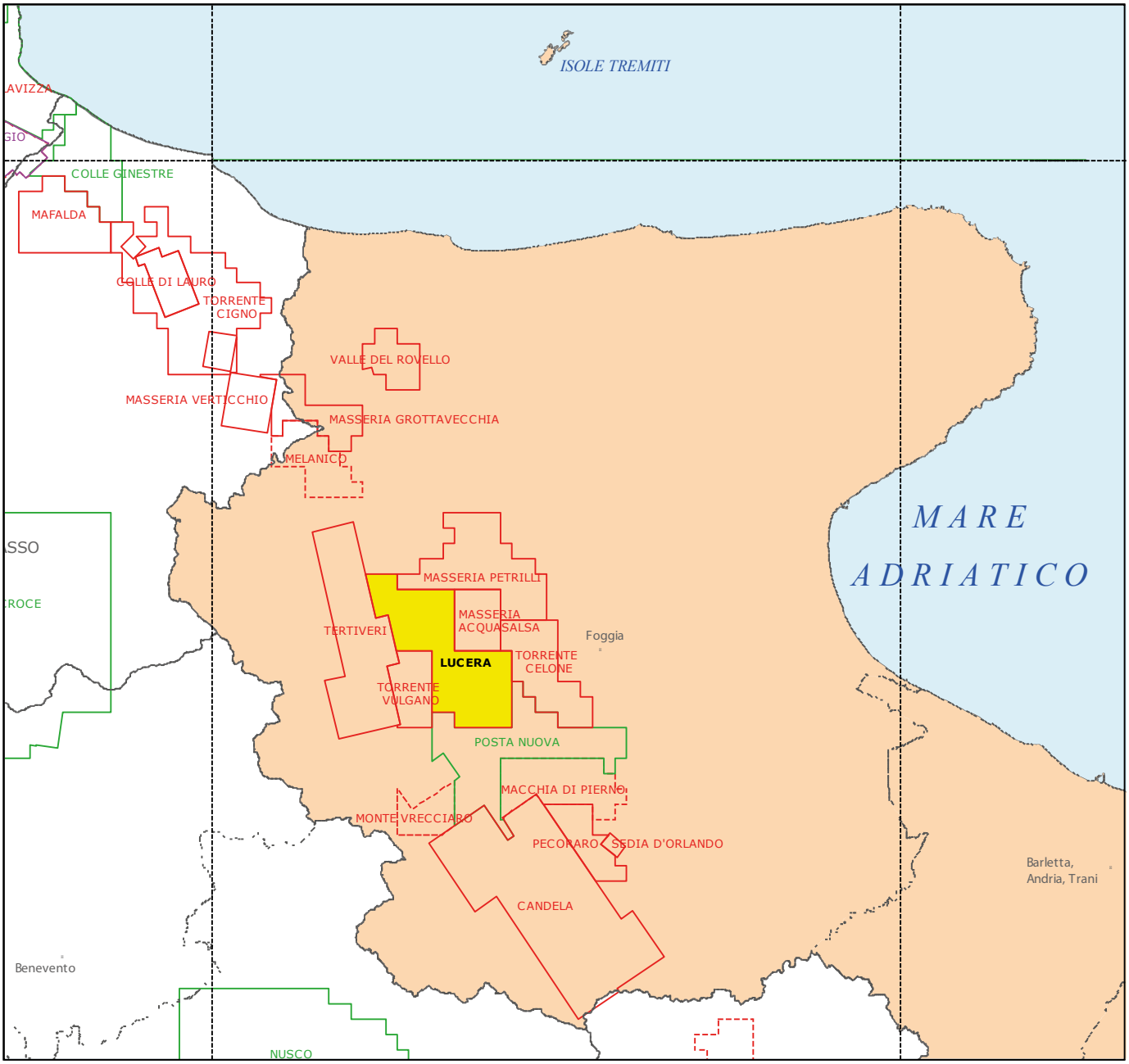
Total abandonment and reclamation liabilities of $114,000 ($15,500 net to the Company) have been estimated based on a reasonable expectation for these types of wells. The abandonment and site reclamation costs are presented in Table 3b.

Operating Costs

Operating costs for this area have been estimated to be $4,900 per well per month plus $1.89/Mscf, based on information provided by the Company.

Economics

An economic summary is presented on Table 4 and the results of our economic analysis are presented on Tables 4a and 4b.





ZENITH ENERGY LTD.

LUCERA CONCESSION

PUGLIA REGION, ITALY

LAND MAP

OCT. 2021 **JOB No. 6770** **FIGURE No. 1**

Chapman Petroleum Engineering Ltd.

Table 1

Schedule of Lands, Interests and Royalty Burdens
October 1, 2021

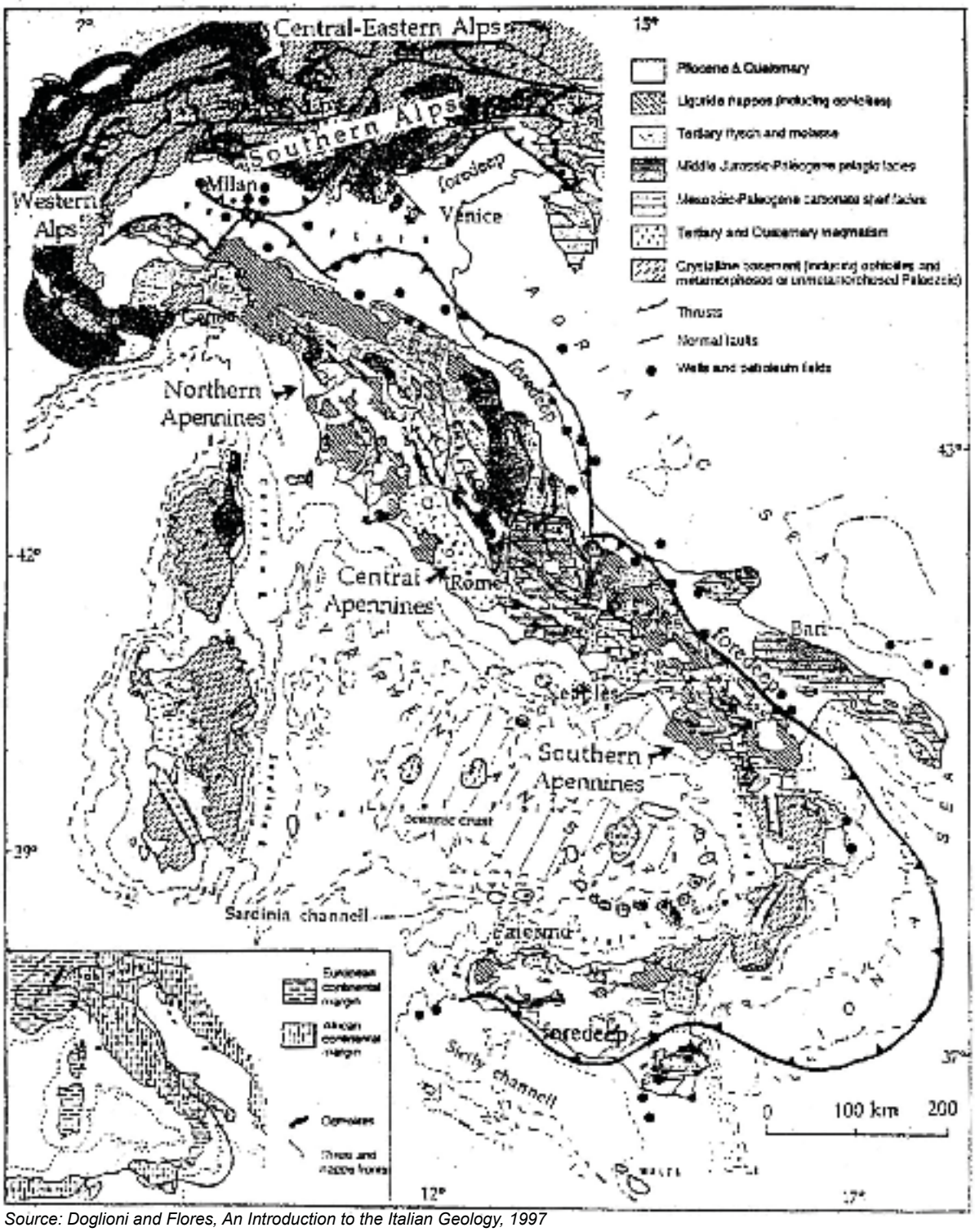
Zenith Energy Ltd.

Lucera Concession, Onshore Italy

Description	Rights Owned	Gross Acres	Appraised Interest		Royalty Burdens	
			Working %	Royalty %	Basic %	Overriding %
Lucera Concession	[A]	13,361	13.5000	-	7.0000 [1]	

General Notes : [1] Only if over 25 million cubic meters annually (882.8 MMCF). 0% at forecast rates.

Rights Owned : [A] All P&NG.
The Concession is scheduled to expire in 2022. An extension is expected to be granted based on the remaining reserves.



Source: Doglioni and Flores, An Introduction to the Italian Geology, 1997

ZENITH ENERGY LTD.
ITALY **REGIONAL GEOLOGY**
OCT. 2021 **JOB No. 6770** **FIGURE No. 2a**

System	Series	Stage	Age (Ma)
Quaternary	Pleistocene	Gelasian	younger
Neogene	Pliocene	Piacenzian	2.588–3.600
		Zanclean	3.600–5.332
	Miocene	Messinian	5.332–7.246
		Tortonian	7.246–11.608
		Serravallian	11.608–13.65
		Langhian	13.65–15.97
		Burdigalian	15.97–20.43
		Aquitanian	20.43–23.03
Paleogene	Oligocene	Chattian	older

ZONES OF INTEREST

← GAS ZONE

← GAS ZONE

← GAS ZONE

ZENITH ENERGY LTD.
ITALY STRATIGRAPHIC CHART
OCT. 2021 JOB No. 6770 FIGURE No. 2b

Table 2

Summary of Gross Reserves
October 1, 2021

Zenith Energy Ltd.

Lucera Concession, Onshore Italy

Description			Current or Initial Rate Msct/d	Ultimate RGIP (MMscf)	Cumulative Production (MMscf)	Remaining RGIP (raw) (MMscf)	Remaining RGIP (sales) (MMscf)	Remaining NGLs (MBbls)	Reference
Proved Developed Non-Producing									
Lucera Concession	2 Lucera wells		538	5,954	5,059	895	850	0	Fig 3a
Total Proved Developed Non-Producing			**538**	**5,954**	**5,059**	**895**	**850**	**0**	
Probable Developed Non-Producing									
Lucera Concession	2 Lucera wells	(Incr.)	0	210	0	210	198	0	Fig 4a
Total Probable Developed Non-Producing			0	210	0	210	198	0	
Total Proved Plus Probable Developed Non-Producing			**538**	**6,164**	**5,059**	**1,105**	**1,048**	**0**	

PRODUCTION HISTORY

Proved Developed Producing

"Lucera Field, Italy"

Field: Lucera
Formation: Lucera

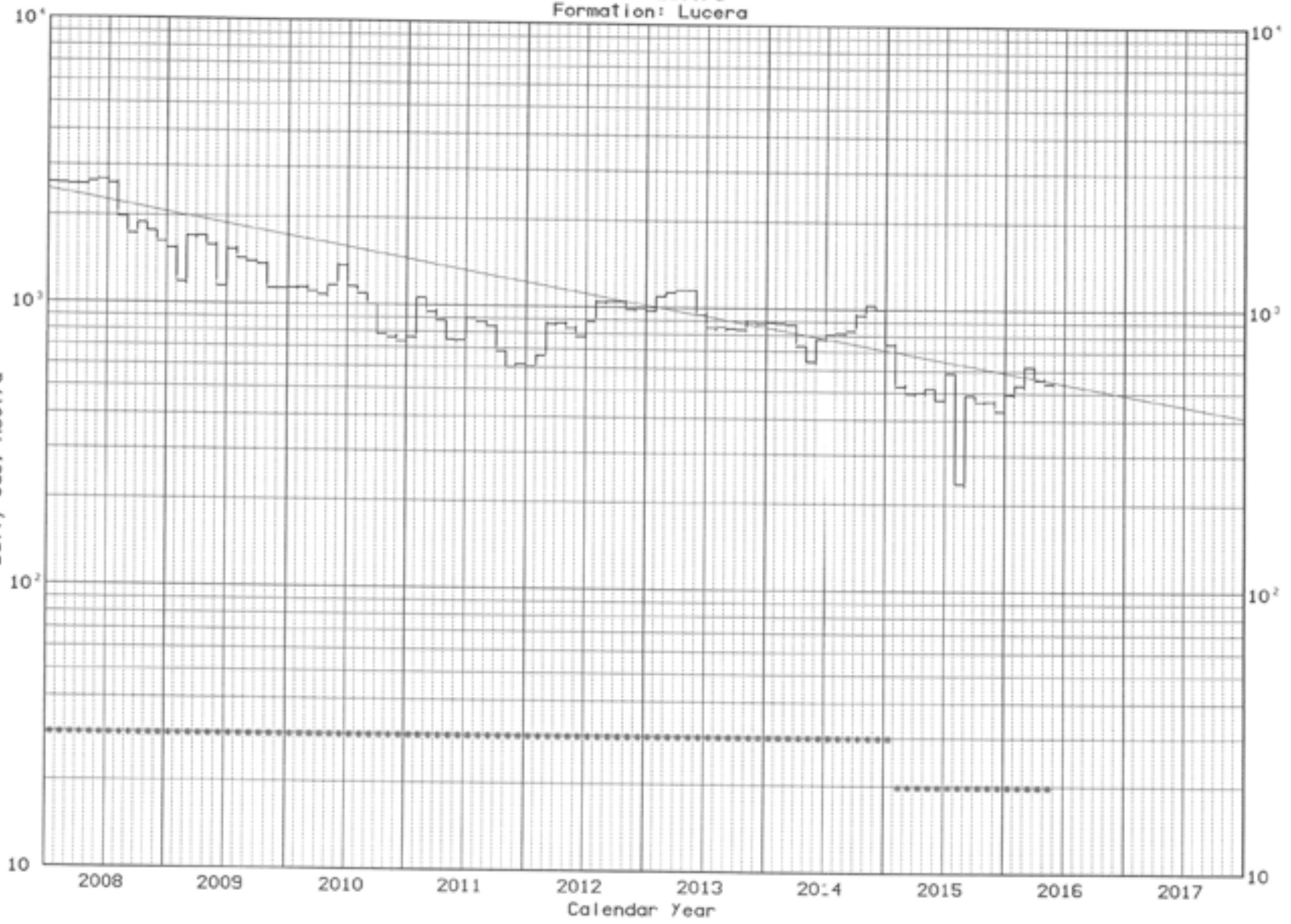


Figure 3a

Chapman Petroleum Engineering Ltd.

PRODUCTION HISTORY

Proved Plus Probable

"Lucera Field, Italy"

Field: Lucera
Formation: Lucera

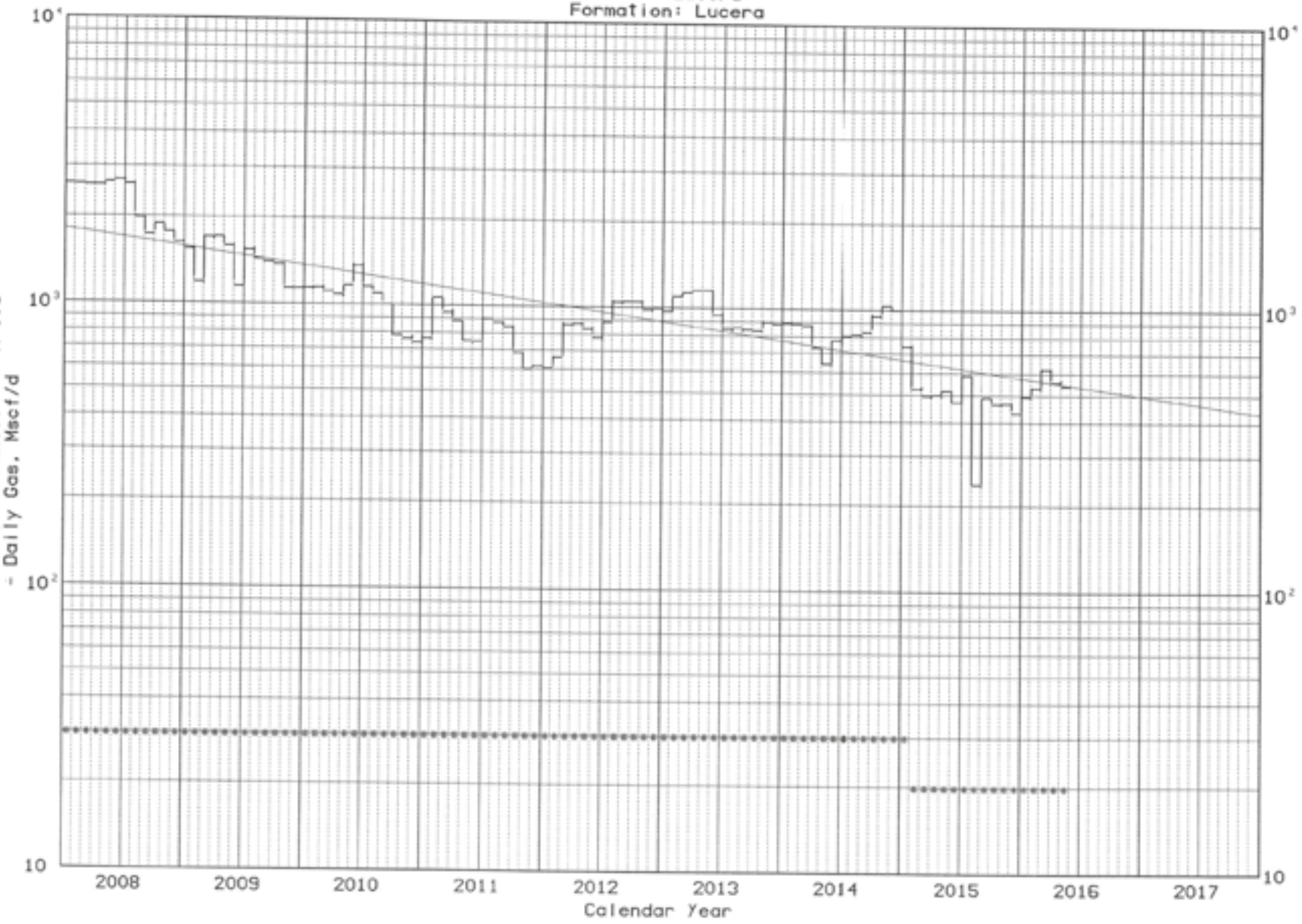


Figure 4a

Chapman Petroleum Engineering Ltd.

Table 3a

Summary of Anticipated Capital Expenditures

Development

October 1, 2021

Zenith Energy Ltd.

Lucera Concession, Onshore Italy

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$

No anticipated capital expenditures.

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2021

Zenith Energy Ltd.

Lucera Concession, Onshore Italy

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Lucera Concession	Abandon 2 gas wells, reclaim the land	13.6000	114	16

Note: M$ means thousands of dollars.
The above capital values are expressed in terms of current dollar values without escalation.

Table 4
Summary of Company Reserves and Economics
Before Income Tax
October 1, 2021

Zenith Energy Ltd.

Lucera Concession, Italy

Forecast Prices & Costs

Net To Appraised Interest

Description		Reserves: Light and Medium Oil MSTB Gross	Reserves: Light and Medium Oil MSTB Net	Reserves: Conventional Natural gas MMscf Gross	Reserves: Conventional Natural gas MMscf Net	Reserves: NGL Mbbls Gross	Reserves: NGL Mbbls Net	Cumulative Cash Flow (BIT) - MUS$ Undisc.	Discounted at: 5%/year	10%/year	15%/year	20%/year
Proved Developed Non-Producing												
Bastia-1, Reggente 6, S. Caterina 2		0	0	115	115	0	0	243	212	186	166	151
Total Proved Developed Non-Producing		**0**	**0**	**115**	**115**	**0**	**0**	**243**	**212**	**186**	**166**	**151**
Probable												
Probable Developed Non-Producing												
Bastia-1, Reggente 6, S. Caterina 2	Incr.	0	0	28	28	0	0	64	48	37	29	23
Total Probable Developed Non-Producing		**0**	**0**	**28**	**28**	**0**	**0**	**64**	**48**	**37**	**29**	**23**
Total Proved Plus Probable		0	0	143	143	0	0	307	261	225	197	174

MUS$ means thousands of United States dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Table 4a

EVALUATION OF: Lucera Concession, Onshore Italy - Proved Developed Non-Producing

ERCE v7.43 P2 ENERGY SOLUTIONS PAGE 1
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021 PROD:01-MAY-2022
RUN DATE: 7-OCT-2021 TIME: 12:33
FILE: GlcPM1.DAT

WELL/LOCATION - Lucera Wells
EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
ULT POOL RESERVES - 895 MMCF
PRODUCTION TO DATE - N/A
DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 138965 -$- (2032)
MOTH: ECONOMIC LIMIT OCCURS IN 2032

INTEREST

AVG WI 13.6000%

ROYALTIES/TAXES

STATE

	Sales Gas MMCF					
			Pool		Company Share	
Year	# of Wells	Price $/MCF	MCF/D	Vol	Gross	Net
2021	0	5.59	.0	0	0	0
2022	3	5.70	482.4	115	16	16
2023	3	5.70	417.3	148	20	20
2024	3	5.80	350.6	124	17	17
2025	3	5.90	294.6	105	14	14
2026	2	5.96	247.5	88	12	12
2027	2	6.02	207.9	74	10	10
2028	2	6.08	174.7	62	8	8
2029	3	6.14	146.7	52	7	7
2030	2	6.20	123.3	44	6	6
2031	2	6.29	103.6	37	5	5
SUB				848	115	115
REM				0	0	0
TOT				848	115	115

- P/T - COMPANY SHARE FUTURE NET REVENUE

Year	Capital &Aband Costs -M$-	Future Revenue (FR) Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	Royalties State -M$-	Other -M$-	Mineral -M$-	-%-	Operating Costs Fixed -M$-	Variable -M$-	$/MCF	FR After Roy&Oper -M$-	Net back $/MCF	Proc& Other Income -M$-	Cap'l Costs -M$-	Aband Costs -M$-	Future Net Rev Undisc -M$-	10.0% -M$-
2021	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2022	0	0	89	0	89	0	0	0	.0	11	32	2.71	47	2.98	0	0	0	47	43
2023	0	0	115	0	115	0	0	0	.0	16	42	2.87	57	2.82	0	0	0	57	48
2024	0	0	98	0	98	0	0	0	.0	17	36	3.09	46	2.71	0	0	0	46	35
2025	0	0	84	0	84	0	0	0	.0	17	31	3.34	36	2.56	0	0	0	36	25
2026	0	0	71	0	71	0	0	0	.0	17	26	3.63	28	2.33	0	0	0	28	18
2027	0	0	60	0	60	0	0	0	.0	18	22	3.99	20	2.03	0	0	0	20	12
2028	0	0	51	0	51	0	0	0	.0	18	19	4.40	14	1.68	0	0	0	14	7
2029	0	0	44	0	44	0	0	0	.0	18	17	4.90	9	1.24	0	0	0	9	4
2030	0	0	37	0	37	0	0	0	.0	19	14	5.50	4	.70	0	0	0	4	2
2031	139	0	31	0	31	0	0	0	.0	19	12	6.22	0	.07	0	0	19	-19	-7
SUB	139	0	680	0	680	0	0	0	.0	169	251		261		0	0	19	243	188
REM	0	0	0	0	0	0	0	0	.0	0	0		0		0	0	0	0	0
TOT	139	0	680	0	680	0	0	0	.0	169	251		261		0	0	19	243	188

NET PRESENT VALUE (-$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	261422	224164	206016	195310	185562	172493	154114
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs ..	18899	11744	8923	7461	6258	4836	3193
Future Net Revenue .	242523	212420	197093	187849	179304	167657	150920

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	13.6	13.6					
% of Future Revenue.			.0	61.6	38.4	.0	35.6

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%) .	n/a
(disc. @ 5.0%) .	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding ($/BOE)	n/a
NPV @ 10.0% ($/MCF)	1.63
NPV @ 5.0% ($/MCF)	1.84

Table 4b

EVALUATION OF: Lucera Concession, Onshore Italy - Proved Plus Probable Developed Non-Produci
ERGO v7.43 P2 ENERGY SOLUTIONS PAGE 1
GLOBAL : 03-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021 PROD:01-MAY-2022
RUN DATE: 7-OCT-2021 TIME: 12:34
FILE: GlcRB1.DAX

WELL/LOCATION - Lucera Wells
EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
ULT POOL RESERVES - 1105 MMCF
PRODUCTION TO DATE - N/A
DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 144580 -$- (2034)
NOTE: ECONOMIC LIMIT OCCURS IN 2034

INTEREST

AVG WI 13.6000%

ROYALTIES/TAXES

STATE

Sales Gas MMCF

Year	# of Wells	Price $/MCF	Pool MCF/D	Pool Vol	Company Share Gross	Company Share Net
2021	0	5.59	.6	0	0	0
2022	2	5.78	488.0	116	16	16
2023	2	5.78	434.8	154	21	21
2024	2	5.88	378.5	134	18	18
2025	2	5.99	329.4	117	16	16
2026	2	5.96	286.7	102	14	14
2027	2	6.02	249.6	89	12	12
2028	2	6.08	217.2	77	10	10
2029	2	6.14	189.1	67	9	9
2030	2	6.20	164.6	58	8	8
2031	2	6.29	143.2	51	7	7
2032	2	6.37	124.7	44	6	6
2033	2	6.45	108.5	39	5	5
SUB				1048	163	163
REM				0	0	0
TOT				1048	163	163

- P/T - COMPANY SHARE FUTURE NET REVENUE

Year	Capital &Aband Costs -M$-	Future Revenue (FR) Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	Royalties State -M$-	Other -M$-	Mineral -M$-	-%-	Operating Costs Fixed -M$-	Variable -M$-	$/MCF	FR After Roy&Oper -M$-	Net back $/MCF	Proc& Other Income -M$-	Cap'l Costs -M$-	Aband Costs -M$-	Future Net Rev Undisc -M$-	10.0% -M$-
2021	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2022	0	0	90	0	90	0	0	0	.0	11	32	2.70	47	2.99	0	0	0	47	44
2023	0	0	120	0	120	0	0	0	.0	16	43	2.84	60	2.85	0	0	0	60	51
2024	0	0	106	0	106	0	0	0	.0	17	39	3.31	51	2.78	0	0	0	51	39
2025	0	0	94	0	94	0	0	0	.0	17	34	3.21	43	2.69	0	0	0	43	30
2026	0	0	82	0	82	0	0	0	.0	17	30	3.44	35	2.52	0	0	0	35	22
2027	0	0	73	0	73	0	0	0	.0	18	27	3.69	28	2.33	0	0	0	28	16
2028	0	0	64	0	64	0	0	0	.0	18	24	3.99	22	2.09	0	0	0	22	12
2029	0	0	56	0	56	0	0	0	.0	18	21	4.33	17	1.81	0	0	0	17	8
2030	0	0	49	0	49	0	0	0	.0	19	19	4.72	12	1.49	0	0	0	12	5
2031	0	0	43	0	43	0	0	0	.0	19	17	5.17	8	1.12	0	0	0	8	3
2032	0	0	38	0	38	0	0	0	.0	19	15	5.69	4	.68	0	0	0	4	1
2033	145	0	34	0	34	0	0	0	.0	20	13	6.29	1	.16	0	0	20	-19	-6
SUB	145	0	849	0	849	0	0	0	.0	208	315		327		0	0	20	307	225
REM	0	0	0	0	0	0	0	0	.0	0	0		0		0	0	0	0	0
TOT	145	0	849	0	849	0	0	0	.0	208	315		327		0	0	20	307	225

NET PRESENT VALUE (-$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	326669	271999	246311	231455	218123	200544	176402
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs ..	19663	11082	7959	6415	5191	3805	2307
Future Net Revenue .	307006	260917	238352	225040	212932	196739	174095

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	13.6	13.6					
% of Future Revenue.			.0	61.5	38.5	.0	36.2

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%) .	n/a
(disc. @ 5.0%) .	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding ($/BOE)	n/a
NPV @ 10.0% ($/MCF)	1.58
NPV @ 5.0% ($/MCF)	1.83

MISANO ADRIATICO GAS CONCESSION
ONSHORE, ITALY
INDEX

Discussion **48**

Property Description 48
Geology 48
Reserves 49
Production 49
Product Prices 49
Capital Expenditures 49
Operating Costs 49
Economics 50

Attachments

Figure 1: Misano Adriatico Gas Concessions – Land Map 51

Table 1: Schedule of Lands, Interests and Royalty Burdens 52

Figure 2: Geological Maps and Figures
a) Regional Geology 53
b) Stratigraphic Chart 54

Table 2: Summary of Reserves 55

Figure 3: Production History Graph – Proved Developed Producing
a) Misano Adriatico, Production and Forecast Plot 56
(Summary of Decline Analysis)

Figure 4: Production History Graph – Proved Plus Probable Developed Producing
a) Misano Adriatico, Production and Forecast Plot 57
(Summary of Decline Analysis)

Table 3: Summary of Anticipated Capital Expenditures
a) Development 58
b) Abandonment and Restoration 59

Table 4: Summary of Company Reserves and Economics 60

Consolidated Cash Flows
a) Total Proved Developed Producing 61
b) Total Proved Plus Probable Developed Producing 62

MISANO ADRIATICO GAS CONCESSION
ONSHORE ITALY
DISCUSSION

Property Description

The Company owns 100% working interest in the Misano Adriatico gas concession covering approximately 642 acres, and located onshore Italy along the Adriatic coast. This concession was scheduled to expire in 2020 but an extension has been granted based on the remaining reserves.

A map showing the Misano Adriatico concession location is presented in Figure 1a, and a description of the ownership is presented in Table 1.

Geology

The regional geology of Italy as shown in Fig 2a places the company's properties in the on-land shallow depths of the Apenninic Foredeep basin.

The Apennines are the consequences of the subduction of three types of lithosphere with different characteristics but pertaining to the same Adriatic plate.[1]

1. In the north central Apennines, thin continental lithosphere at the surface in the foreland, and probably thinner at depth, occurs;
2. In the southern Apennines, thick continental lithosphere occurs in the foreland, whereas probably old oceanic lithosphere constitutes the slab at depth to the west (northern prologation of the Ionian Mesozoic basin;
3. In the southern sector, offshore Calabria, old oceanic Ionian lithosphere occurs both in the foreland and at depth.

The Misano Adriatico exploration play has gas resources in the Cenozoic Upper Tertiary Pliocene sand levels as represented in the Stratigraphic Column of Fig 2b.

[1] 'An Introduction To The Italian Geology' – Carlo Doglioni and Giovanni Flores, 1997

Reserves

Total gross proved developed producing conventional non-associated marketable gas reserves of 88 MMscf have been estimated for the one producing gas well. This estimate is based on a conservative production decline analysis as presented in Figure 3a.

Gross probable additional developed producing conventional non-associated marketable gas reserves of 41 MMscf have been estimated for the same well based on the best fit production decline analysis, as presented in Figure 4a.

Production

The Misano Adriatico gas concession is being produced from well Misano 2 which has been historically producing 36 Mscf/d prior to being shut-in during 2020 for political reasons. The well is expected to be placed back on production in July 2021.

Product Prices

An average 2021 gas price of $7.36/Mscf has been used for this area based on information provided by the Company, which reflects a correlation to World Bank European posted gas prices.

Capital Expenditures

There are no forecasted capital expenditures as presented in Table 3a.

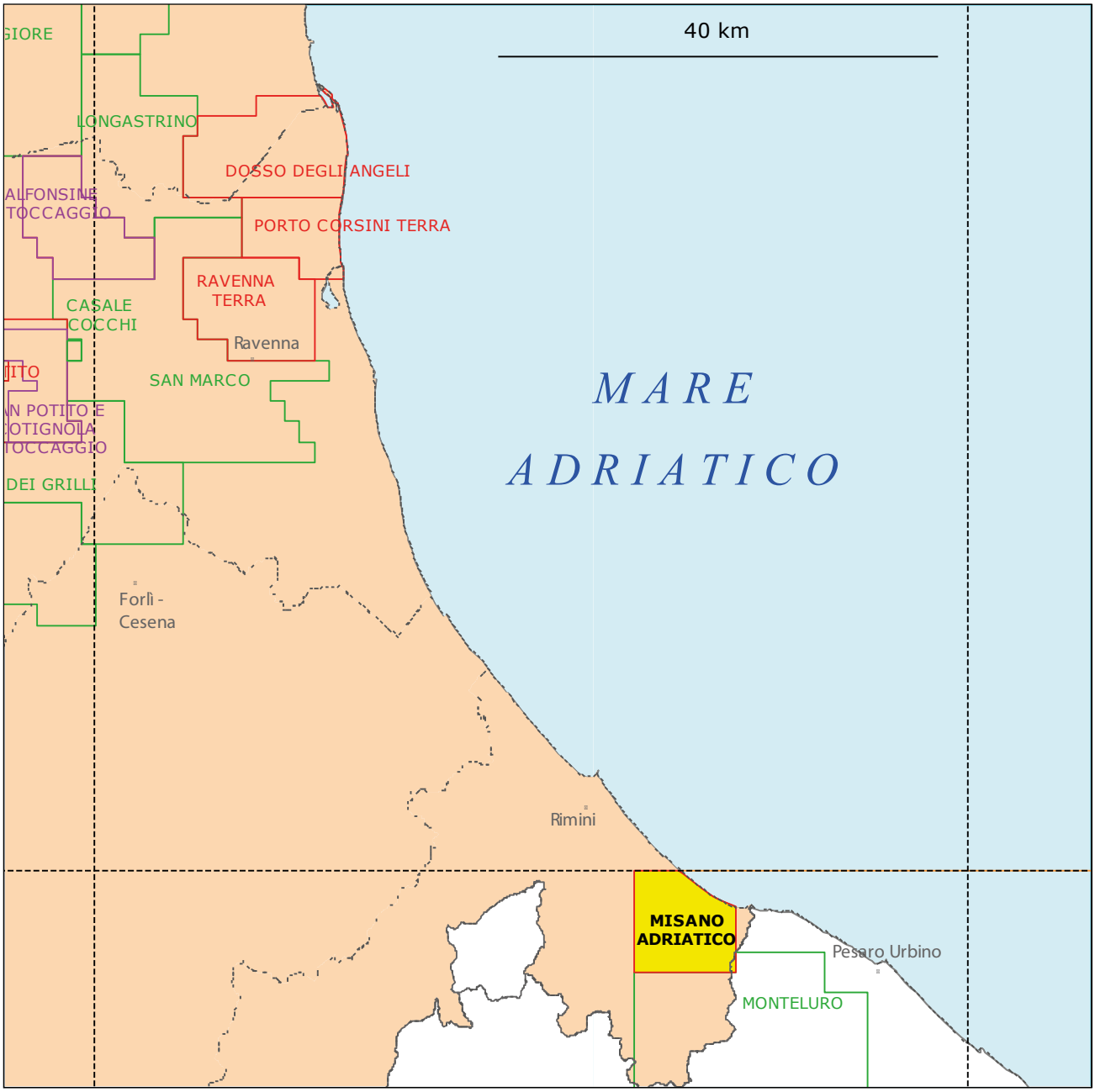
Total abandonment and reclamation liabilities of $57,000 ($57,000 net to the Company) have been estimated based on a reasonable expectation for these types of wells. The abandonment and site reclamation costs are presented in Table 3b.

Operating Costs

Operating costs for this area have been estimated to be $706 per well per month plus $1.95/Mscf, based on information provided by the Company.

Economics

An economic summary is presented on Table 4 and the results of our economic analysis are presented on Tables 4a and 4b.





ZENITH ENERGY LTD.

MISANO ADRIATICO CONCESSION

EMILIA ROMAGNA REGION, ITALY

LAND MAP

OCT. 2021 **JOB No. 6770** **FIGURE No. 1**

Chapman Petroleum Engineering Ltd.

Table 1

Schedule of Lands, Interests and Royalty Burdens
October 1, 2021

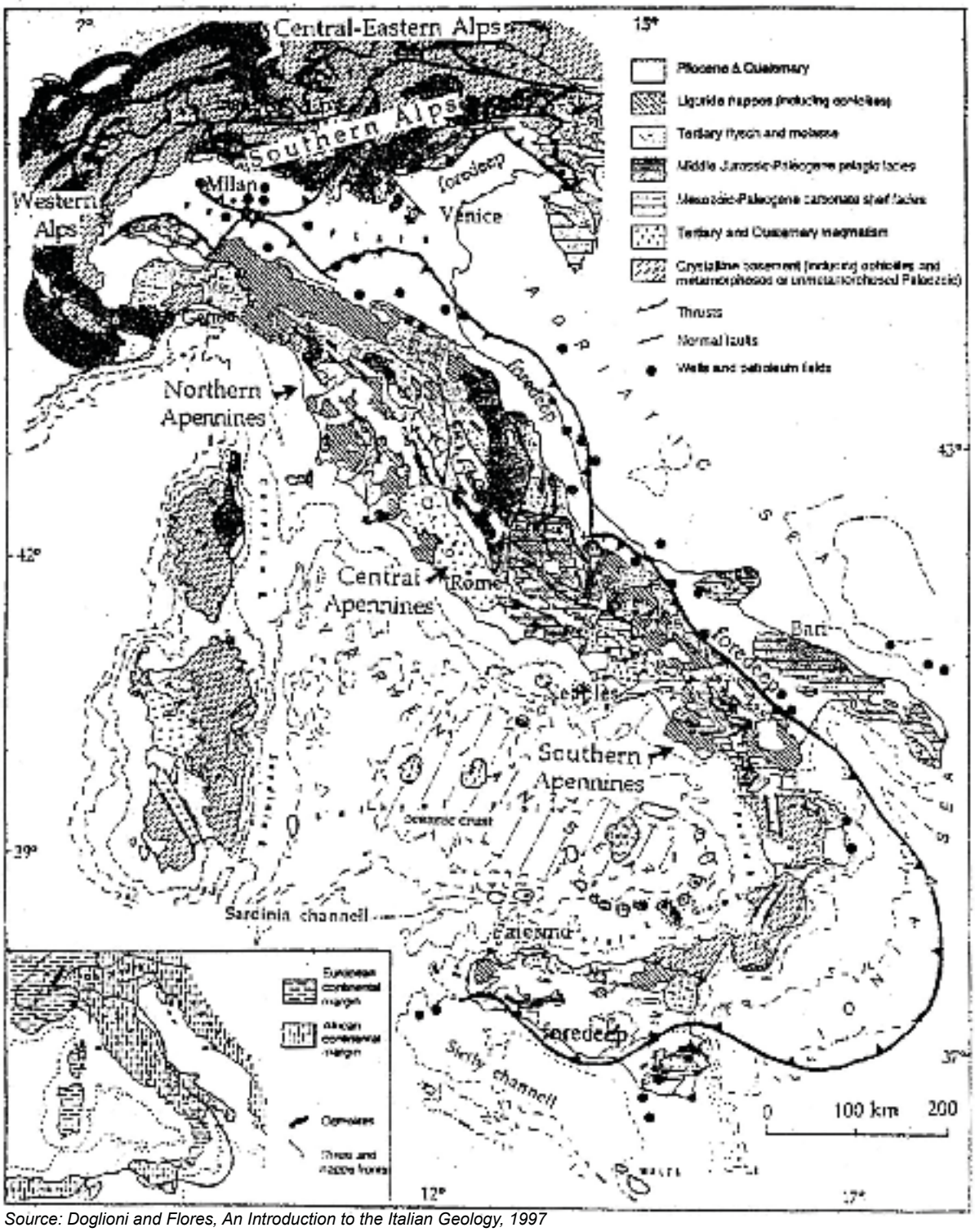
Zenith Energy Ltd.

Misano Adriatico Concession, Onshore Italy

Description	Rights Owned	Gross Acres	Appraised Interest Working %	Appraised Interest Royalty %	Royalty Burdens Basic %	Royalty Burdens Overriding %
Misano Adriatico Concession	[A]	642	100.0000	-	7.0000 [1]	

General Notes : [1] Only if over 26 million cubic meters annually (882.9 MMCF), 0% at forecast rates.

Rights Owned : [A] All P&NG.
This Concession is scheduled to expire in 2020 but an extension is expected to be granted based on the remaining reserves.



Source: Doglioni and Flores, An Introduction to the Italian Geology, 1997

ZENITH ENERGY LTD.
ITALY **REGIONAL GEOLOGY**
OCT. 2021 **JOB No. 6770** **FIGURE No. 2a**

System	Series	Stage	Age (Ma)
Quaternary	Pleistocene	Gelasian	younger
Neogene	Pliocene	Piacenzian	2.588–3.600
		Zanclean	3.600–5.332
	Miocene	Messinian	5.332–7.246
		Tortonian	7.246–11.608
		Serravallian	11.608–13.65
		Langhian	13.65–15.97
		Burdigalian	15.97–20.43
		Aquitanian	20.43–23.03
Paleogene	Oligocene	Chattian	older

ZONES OF INTEREST

← GAS ZONE

← GAS ZONE

← GAS ZONE

ZENITH ENERGY LTD.
ITALY **STRATIGRAPHIC CHART**
OCT. 2021 **JOB No. 6770** **FIGURE No. 2b**

Table 2

Summary of Gross Reserves
October 1, 2021

Zenith Energy Ltd.

Misano Adriatico Concession, Onshore Italy

Description		Current or Initial Rate Mscf/d	Ultimate RGIP (MMscf)	Cumulative Production (MMscf)	Remaining RGIP (raw) (MMscf)	Remaining RGIP (sales) (MMscf)	Remaining NGLs (MBbls)	Reference
Proved Developed Producing								
Misano Adriatico Concession	Misano 2	36	532	439	93	88	0	Fig 3a
	Total Proved	36	532	439	93	88	0	
Probable Incremental								
Misano Adriatico Concession	Misano 2 (Incr.)	0	43	0	43	41	0	Fig 4a
	Total Probable	0	43	0	43	41	0	
	Total Proved Plus Probable	36	575	439	136	129	0	

PRODUCTION HISTORY

Proved Developed Producing

Misano-Adriatico

Field: Misano-Adriatico
Formation: Misano-Adriatico

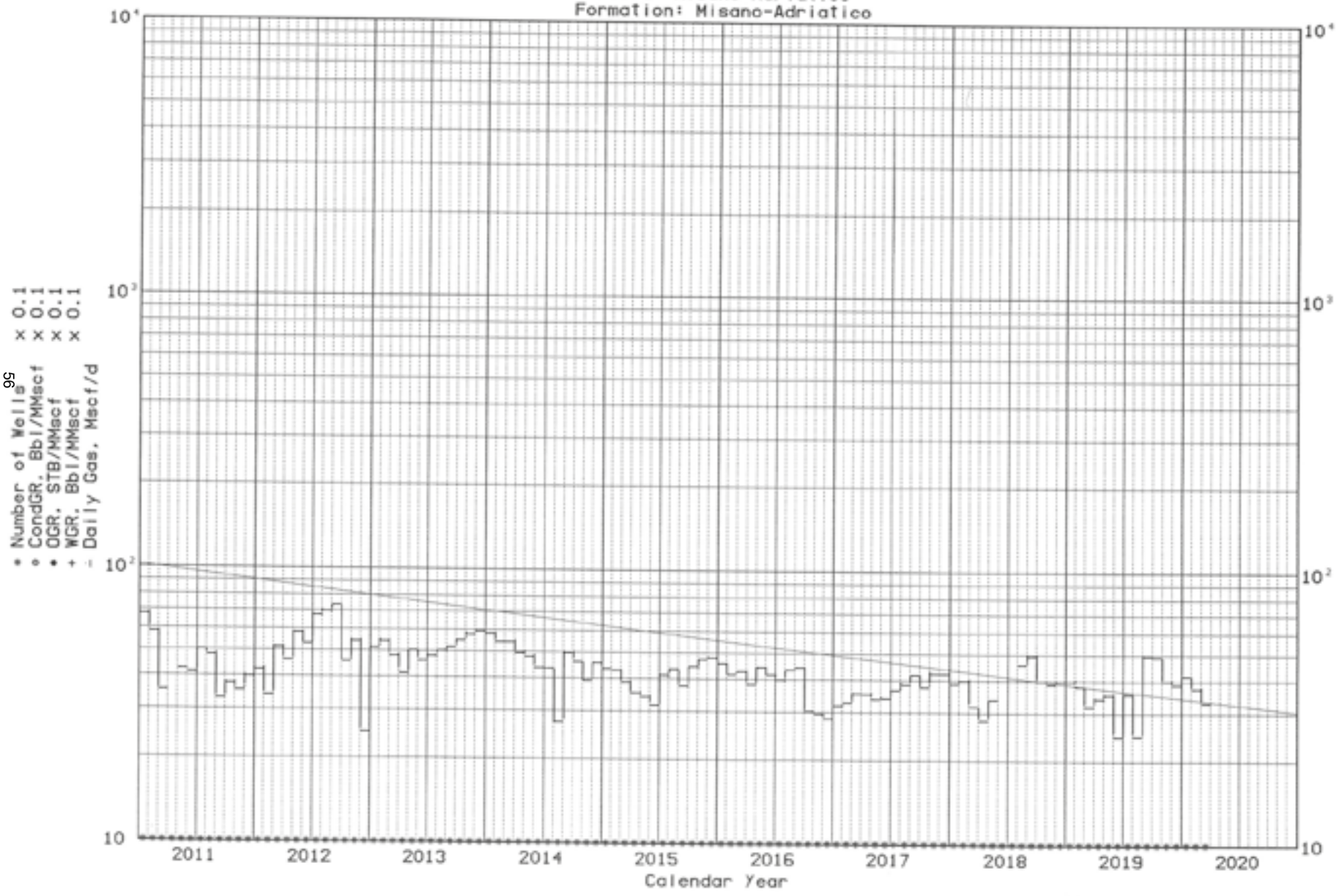


Figure 3a

Chapman Petroleum Engineering Ltd.

PRODUCTION HISTORY

Proved Plus Probable

Misano-Adriatico

Field: Misano-Adriatico
Formation: Misano-Adriatico

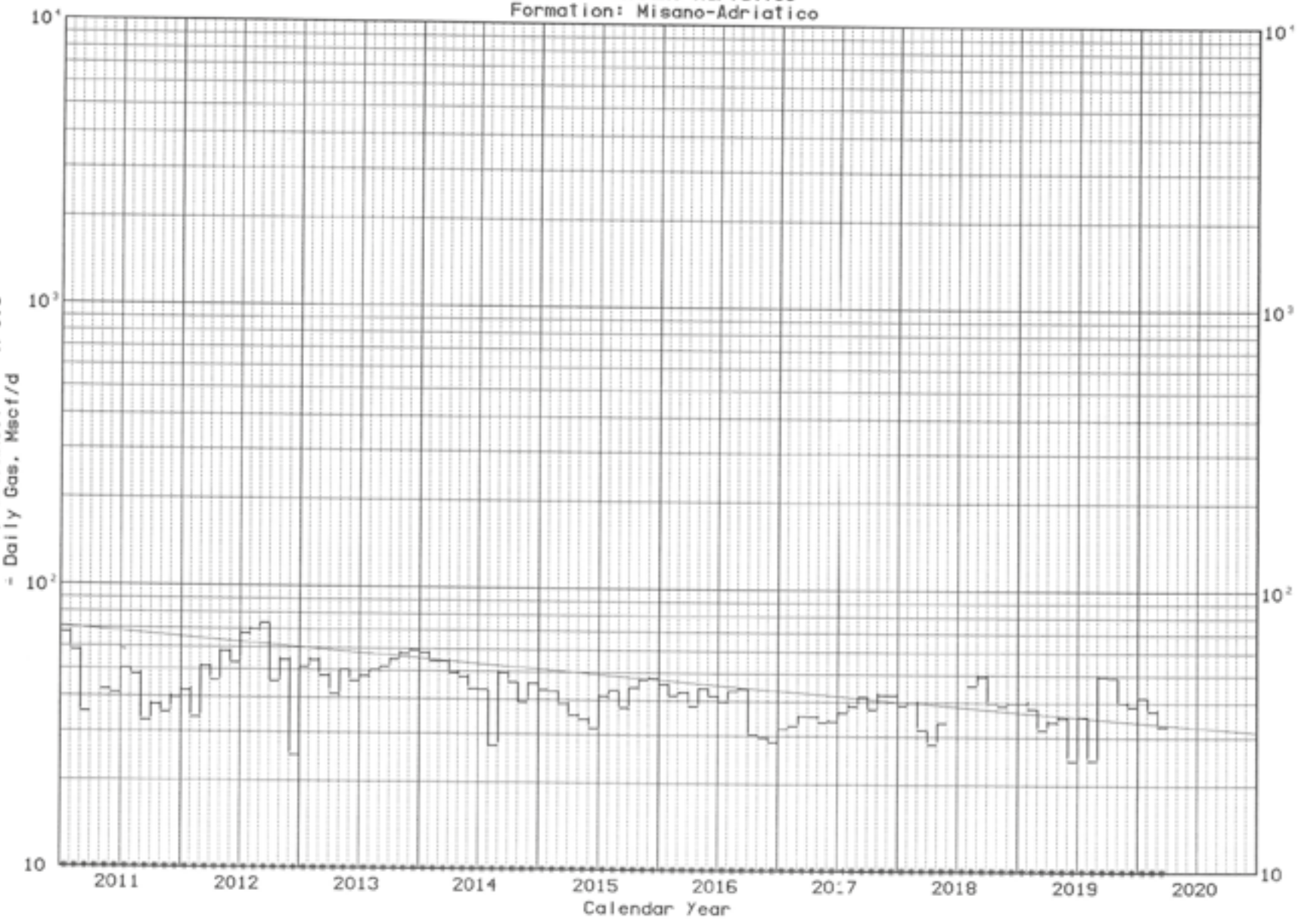


Figure 4a

Table 3a

Summary of Anticipated Capital Expenditures

Development

October 1, 2021

Zenith Energy Ltd.

Misano Adriatico Concession, Onshore Italy

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$

No anticipated capital expenditures.

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2021

Zenith Energy Ltd.

Misano Adriatico Concession, Onshore Italy

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Misano Adriatico Concession	Abandon 1 gas well, reclaim the land	100.0000	57	57
	Total Abandonment and Restoration		57	57

Note: M$ means thousands of dollars.
The above capital values are expressed in terms of current dollar values without escalation.

Table 4
Summary of Company Reserves and Economics
Before Income Tax

Forecast Prices & Costs

October 1, 2021

Zenith Energy Ltd.

Misano Adriatico Concession, Italy

Net To Appraised Interest

Description		Reserves: Light and Medium Oil MSTB Gross	Reserves: Light and Medium Oil MSTB Net	Reserves: Conventional Natural gas MMscf Gross	Reserves: Conventional Natural gas MMscf Net	Reserves: NGL Mbbls Gross	Reserves: NGL Mbbls Net	Cumulative Cash Flow (BIT) - MUS$ Undisc.	Discounted at: 5%/year	10%/year	15%/year	20%/year
Proved Developed Producing												
Misano-2		0	0	88	88	0	0	255	234	210	187	168
Total Proved Developed Producing		**0**	**0**	**88**	**88**	**0**	**0**	**255**	**234**	**210**	**187**	**168**
Probable												
Probable Developed Producing												
Misano-2	Incr.	0	0	41	41	0	0	154	106	71	49	35
Total Probable Developed Producing		**0**	**0**	**41**	**41**	**0**	**0**	**154**	**106**	**71**	**49**	**35**
Total Proved Plus Probable		**0**	**0**	**129**	**129**	**0**	**0**	**409**	**340**	**281**	**236**	**203**

MUS$ means thousands of United States dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Table 4a

EVALUATION OF: Misano Adriatico Concession, Onshore Italy - Proved Developed Producing

ERCD v7.43 P2 ENERGY SOLUTIONS PAGE 1
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021 PROD:01-OCT-2021
RUN DATE: 7-OCT-2021 TIME: 12:34
FILE: GmiPP1.DAX

WELL/LOCATION - Misano-2
EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
ULT POOL RESERVES - 93 MMCF
PRODUCTION TO DATE - N/A
DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 78249 -$- (2038)
NOTE: ECONOMIC LIMIT OCCURS IN 2038

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

STATE

			Sales Gas MMCF			
			Pool		Company Share	
Year	# of Wells	Price $/MCF	MCF/D	Vol	Gross	Net
2021	1	7.36	33.2	3	3	3
2022	1	7.50	30.9	11	11	11
2023	1	7.50	27.5	10	10	10
2024	1	7.63	24.4	9	9	9
2025	1	7.77	21.7	8	8	8
2026	1	7.85	19.3	7	7	7
2027	1	7.93	17.2	6	6	6
2028	1	8.01	15.3	6	6	6
2029	1	8.09	13.6	5	5	5
2030	1	8.17	12.1	4	4	4
2031	1	8.28	10.8	4	4	4
2032	1	8.38	9.6	3	3	3
2033	1	8.49	8.5	3	3	3
2034	1	8.60	7.6	3	3	3
2035	1	8.70	6.7	2	2	2
SUB				84	84	84
REM				4	4	4
TOT				88	88	88

* P/T * ---------- COMPANY SHARE FUTURE NET REVENUE ----------

Year	Capital &Aband Costs -$-	Future Revenue (FR) Oil -$-	SaleGas -$-	Products -$-	Total -$-	Royalties State -$-	Other -$-	Mineral -$-	-%-	Operating Costs Fixed -$-	Variable -$-	$/MCF	FR After Roy&Oper -$-	Net back $/MCF	Proc& Other Income -$-	Cap'l Costs -$-	Aband Costs -$-	Future Net Rev Undisc -$-	10.0% -$-
2021	0	0	22270	0	22270	0	0	0	.0	2112	6207	2.75	13951	4.61	0	0	0	13951	13784
2022	0	0	83401	0	83401	0	0	0	.0	8523	23287	2.86	51591	4.64	0	0	0	51591	48022
2023	0	0	74180	0	74180	0	0	0	.0	8694	21127	3.01	44360	4.48	0	0	0	44360	37538
2024	0	0	67158	0	67158	0	0	0	.0	8867	19167	3.19	39123	4.45	0	0	0	39123	30097
2025	0	0	60781	0	60781	0	0	0	.0	9045	17389	3.38	34347	4.39	0	0	0	34347	24021
2026	0	0	54621	0	54621	0	0	0	.0	9226	15776	3.59	29619	4.25	0	0	0	29619	18831
2027	0	0	49080	0	49080	0	0	0	.0	9410	14312	3.83	25357	4.10	0	0	0	25357	14656
2028	0	0	44096	0	44096	0	0	0	.0	9598	12985	4.10	21513	3.91	0	0	0	21513	11304
2029	0	0	39615	0	39615	0	0	0	.0	9790	11780	4.40	18044	3.68	0	0	0	18044	8619
2030	0	0	35585	0	35585	0	0	0	.0	9986	10687	4.75	14912	3.42	0	0	0	14912	6475
2031	0	0	32066	0	32066	0	0	0	.0	10186	9696	5.13	12184	3.14	0	0	0	12184	4810
2032	0	0	28890	0	28890	0	0	0	.0	10390	8797	5.57	9704	2.82	0	0	0	9704	3483
2033	0	0	26025	0	26025	0	0	0	.0	10597	7981	6.06	7447	2.43	0	0	0	7447	2430
2034	0	0	23440	0	23440	0	0	0	.0	10809	7240	6.62	5390	1.98	0	0	0	5390	1559
2035	0	0	21108	0	21108	0	0	0	.0	11025	6569	7.25	3514	1.45	0	0	0	3514	948
SUB	0	0	662316	0	662316	0	0	0	.0	138259	192999		331058		0	0	0	331058	226615
REM	78249	0	36248	0	36248	0	0	0	.0	22717	11366		2166		0	0	78249	-76083	-16914
TOT	78249	0	698564	0	698564	0	0	0	.0	160976	204364		333224		0	0	78249	254975	209701

---------- NET PRESENT VALUE (-$-) ----------

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	333224	270587	242762	227138	213405	195709	172152
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs ..	78249	36283	23180	17436	13128	8657	4428
Future Net Revenue .	254975	234304	219582	209701	200277	187052	167724

---------- PROFITABILITY ----------

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%) .	n/a
(disc. @ 5.0%) .	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding ($/BOE)	n/a
NPV @ 10.0% ($/MCF)	2.38
NPV @ 5.0% ($/MCF)	2.66

---------- COMPANY SHARE ----------

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	100.0					
% of Future Revenue.			.0	52.3	47.7	.0	36.5

Table 4b

EVALUATION OF: Misano Adriatico Concession, Onshore Italy - Proved Plus Probable Developed P

ERCD v7.43 P2 ENERGY SOLUTIONS PAGE 1
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021 PROD:01-OCT-2021
RUN DATE: 7-OCT-2021 TIME: 12:35
FILE: GmiRA1.DAT

WELL/LOCATION - Misano-2
EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
ULT POOL RESERVES - 136 MMCF
PRODUCTION TO DATE - N/A
DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 90 -M$- (2045)
NOTE: ECONOMIC LIMIT OCCURS IN 2045

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

STATE

Sales Gas MMCF

Year	# of Wells	Price $/MCF	Pool MCF/D	Pool Vol	Company Share Gross	Company Share Net
2021	1	7.36	33.4	3	3	3
2022	1	7.50	31.8	11	11	11
2023	1	7.50	29.4	11	11	11
2024	1	7.63	27.1	10	10	10
2025	1	7.77	25.1	9	9	9
2026	1	7.85	23.2	8	8	8
2027	1	7.93	21.4	8	8	8
2028	1	8.01	19.8	7	7	7
2029	1	8.09	18.1	7	7	7
2030	1	8.17	16.9	6	6	6
2031	1	8.28	15.6	6	6	6
2032	1	8.38	14.4	5	5	5
2033	1	8.49	13.3	5	5	5
2034	1	8.60	12.3	4	4	4
2035	1	8.70	11.4	4	4	4
SUB				104	104	104
REM				25	25	25
TOT				129	129	129

= P/T = COMPANY SHARE FUTURE NET REVENUE

Year	Capital &Aband Costs -M$-	Future Revenue (FR) Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	Royalties State -M$-	Other -M$-	Mineral -M$-	%	Operating Costs Fixed -M$-	Variable -M$-	$/MCF	FR After Roy&Oper -M$-	Net back $/MCF	Proc& Other Income -M$-	Cap'l Costs -M$-	Aband Costs -M$-	Future Net Rev Undisc -M$-	10.0% -M$-
2021	0	0	22	0	22	0	0	0	.0	2	6	2.75	14	4.62	0	0	0	14	14
2022	0	0	86	0	86	0	0	0	.0	9	24	2.84	53	4.66	0	0	0	53	50
2023	0	0	79	0	79	0	0	0	.0	9	23	2.96	48	4.54	0	0	0	48	41
2024	0	0	75	0	75	0	0	0	.0	9	21	3.09	44	4.55	0	0	0	44	34
2025	0	0	70	0	70	0	0	0	.0	9	20	3.22	41	4.54	0	0	0	41	29
2026	0	0	65	0	65	0	0	0	.0	9	19	3.37	37	4.47	0	0	0	37	24
2027	0	0	61	0	61	0	0	0	.0	9	18	3.53	34	4.39	0	0	0	34	20
2028	0	0	57	0	57	0	0	0	.0	10	17	3.71	31	4.30	0	0	0	31	16
2029	0	0	53	0	53	0	0	0	.0	10	16	3.89	28	4.19	0	0	0	28	13
2030	0	0	50	0	50	0	0	0	.0	10	15	4.10	25	4.07	0	0	0	25	11
2031	0	0	46	0	46	0	0	0	.0	10	14	4.31	22	3.96	0	0	0	22	9
2032	0	0	44	0	44	0	0	0	.0	10	13	4.55	20	3.83	0	0	0	20	7
2033	0	0	41	0	41	0	0	0	.0	11	12	4.81	18	3.68	0	0	0	18	6
2034	0	0	38	0	38	0	0	0	.0	11	12	5.09	16	3.50	0	0	0	16	5
2035	0	0	36	0	36	0	0	0	.0	11	11	5.40	14	3.30	0	0	0	14	4
SUB	0	0	823	0	823	0	0	0	.0	138	241		444		0	0	0	444	280
REM	90	0	240	0	240	0	0	0	.0	110	75		55		0	0	90	-35	0
TOT	90	0	1063	0	1063	0	0	0	.0	248	316		499		0	0	90	409	281

NET PRESENT VALUE (-M$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	499	369	318	291	268	240	205
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs ..	90	30	16	10	7	4	1
Future Net Revenue .	409	340	302	281	261	236	203

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	100.0					
% of Future Revenue.			.0	53.1	46.9	.0	38.5

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%) .	n/a
(disc. @ 5.0%) .	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding ($/BOE)	n/a
NPV @ 10.0% ($/MCF)	2.17
NPV @ 5.0% ($/MCF)	2.63

TORRENTE CIGNO GAS CONCESSION
ONSHORE, ITALY
INDEX

Discussion **65**

Property Description 65
Geology 65
Reserves 66
Production 66
Product Prices 67
Capital Expenditures 67
Operating Costs 67
Economics 67

Attachments

Figure 1: Torrente Cigno Gas Concession – Land and Well Map 68

Table 1: Schedule of Lands, Interests and Royalty Burdens 69

Figure 2: Geological Maps and Figures
a) Regional Geology 70
b) Stratigraphic Chart 71
c) Masseria Vincelli Structure 72

Table 2: Summary of Reserves 73

Proved and Proved Plus Probable Developed Producing
a) MV 1, Appullian Carbonates 74

Proved Plus Probable
b) MV 1 and MV 2, Appullian Carbonates 75

Figure 3: Production History Graph – Proved Developed Producing
a) Masseria Vincelli 1, Production and Forecast Plot 76
(Summary of Decline Analysis)

Figure 4: Production History Graph – Proved Developed Producing
a) Masseria Vincelli 1, Production and Forecast Plot 77
(Summary of Decline Analysis)

Table 3: Summary of Anticipated Capital Expenditures
a) Development 78
b) Abandonment and Restoration 79

Table 4: Summary of Company Reserves and Economics 80

Consolidated Cash Flows
a) Masseria Vincelli 1 – Proved Developed Producing 81
b) Total Proved Plus Probable 82

Individual Cash Flows
c) Masseria Vincelli 1 – Proved Plus Probable Developed Producing..... 83
d) Hz Loc. Masseria Vincelli 2 – Probable Undeveloped..... 84

TORRENTE CIGNO GAS CONCESSION
ONSHORE ITALY
DISCUSSION

Property Description

The Company owns 45% working interest in the Torrente Cigno gas concession covering approximately 2,545 acres and located onshore Italy along the Adriatic coast. The Company owns a 100% working interest in an electrical generation facility which utilizes gas from wells in this concession. The partner's raw gas, including condensate, is purchased at the facility intake. This concession expires in 2029, but can be extended, in order to align with the Company's additional development plans.

A map showing the Torrente Cigno concession location is presented in Figure 1a, and a description of the ownership is presented in Table 1.

Geology

The regional geology of Italy as shown in Figure 2a places the company's properties in the on-land shallow depths of the Apenninic Foredeep basin.

The Apennines are the consequences of the subduction of three types of lithosphere with different characteristics but pertaining to the same Adriatic plate. [1]

1. In the north central Apennines, thin continental lithosphere at the surface in the foreland, and probably thinner at depth, occurs;
2. In the southern Apennines, thick continental lithosphere occurs in the foreland, whereas probably old oceanic lithosphere constitutes the slab at depth to the west (northern prologation of the Ionian Mesozoic basin;
3. In the southern sector, offshore Calabria, old oceanic Ionian lithosphere occurs both in the foreland and at depth.

[1] 'An Introduction To The Italian Geology' – Carlo Doglioni and Giovanni Flores, 1997

The Torrente Cigno exploration play has gas resources from a subcropping sequence of carbonates beneath a significant unconformity below the base Pliocene, as represented in the Stratigraphic Column of Figure 2b and as seen in the structure of Figure 2c.

Reserves

Total gross proved developed producing conventional non-associated marketable gas reserves of 788 MMscf and 11.0 Mbbl of condensate have been estimated for the one producing gas well Masseria Vincelli 1. These estimates are based on volumetric analyses as presented in Table 2a.

Gross probable additional developed producing conventional non-associated marketable gas reserves of 1,439 MMscf and 26 Mbbl of condensate have been estimated for the same MV1 well based on a volumetric analysis assuming an improved drainage area and slightly higher condensate/gas ratio, as presented in Table 2a.

Probable undeveloped gas reserves of 13,413 MMscf and 216 Mbbl of condensate have been estimated for an offset horizontal well location (Masseria Vincelli 2) based on volumetric analysis based on reservoir parameters as shown in Table 2b. (This table reflects the reserves of the total accumulation.)

Production

The Masseria Vincelli 1 well is located in the southern part of Torrente Cigno concession. The MV1 well has been producing from the top of the Apulian platform carbonates belonging to or oligo-Miocene transgressive deposits. The well came into production during the month of October 2002.

The well Masseria Vincelli 1 was historically producing at a fairly constant rate of 458 Mscf/d into the Company's electrical generation facility until it was shut-in in 2020 for political reasons. The prospect is expected to be reactivated in July 2021 at the same production rate which is predicted to be constant for the next six years to maintain operation of a single 1.4 MWh unit before commencing a decline.

The offset probable horizontal well location Masseria Vincelli 2 is expected to be drilled in 2021 and produce at a rate of 1,000 Mscf/d which will maintain the operation of the other three 1.4

MWh units at the electrical generation facility for a number of years. Later in life, as the well declines, non utilized units will be taken off line.

Product Prices

A net effective gas price for 2021 of $3.43/Mscf has been established for this property based on the revenues generated from the electricity generation facility and correlated to the World Bank European gas price forecast. This price accounts for a deduction of $1.58/Mscf off the total sales volume to account for the purchase of the partner's 55% share of the gas.

Condensate is sold for $76.05/Bbl.

Capital Expenditures

Total capital expenditures of $3,333,000 ($1,500,000 net to the Company) have been estimated for the drilling, testing, completion, and tie-in of one new well, as presented in Table 3a.

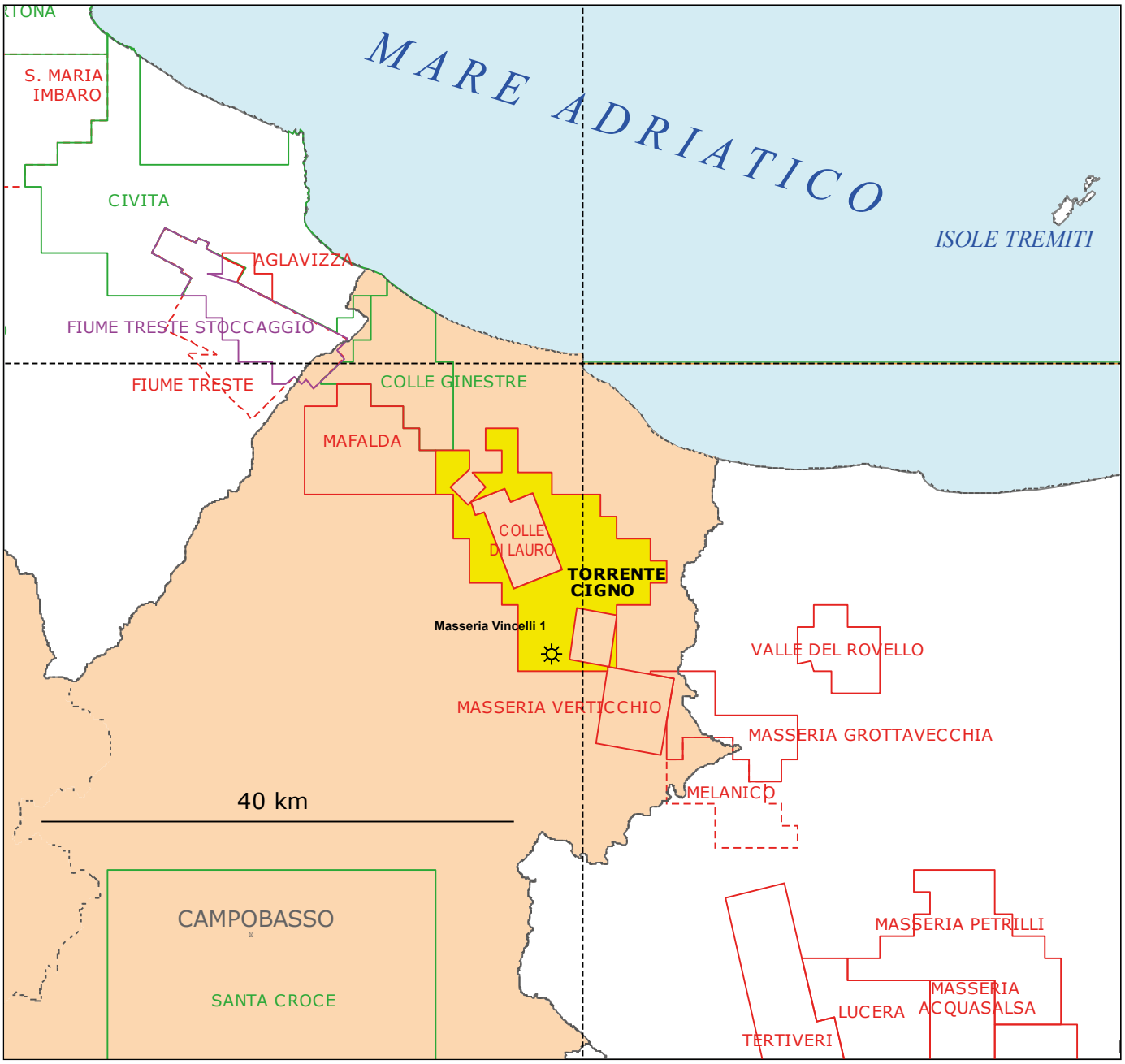
Total abandonment liabilities of $114,000 ($51,300 net to the Company) have been estimated based on a reasonable expectation for these types of wells. The abandonment and site reclamation costs are presented in Table 3b.

Operating Costs

Operating costs for the wells and facility combined have been estimated to be $9,887 per month, plus $0.79/Mscf net to the Company, based on revenue and expense statements provided. These costs account for the reimbursement of well and gas handling costs from the 55% WI partner and costs relating to condensate production and sales.

Economics

An economic summary is presented on Table 4 and the results of our economic analysis are presented on Tables 4a through 4d.





ZENITH ENERGY LTD.

TORRENTE CIGNO CONCESSION

MOLISE REGION, ITALY

LAND AND WELL MAP

OCT. 2021 JOB No. 6770 FIGURE No. 1

Chapman Petroleum Engineering Ltd.

Table 1

Schedule of Lands, Interests and Royalty Burdens
October 1, 2021

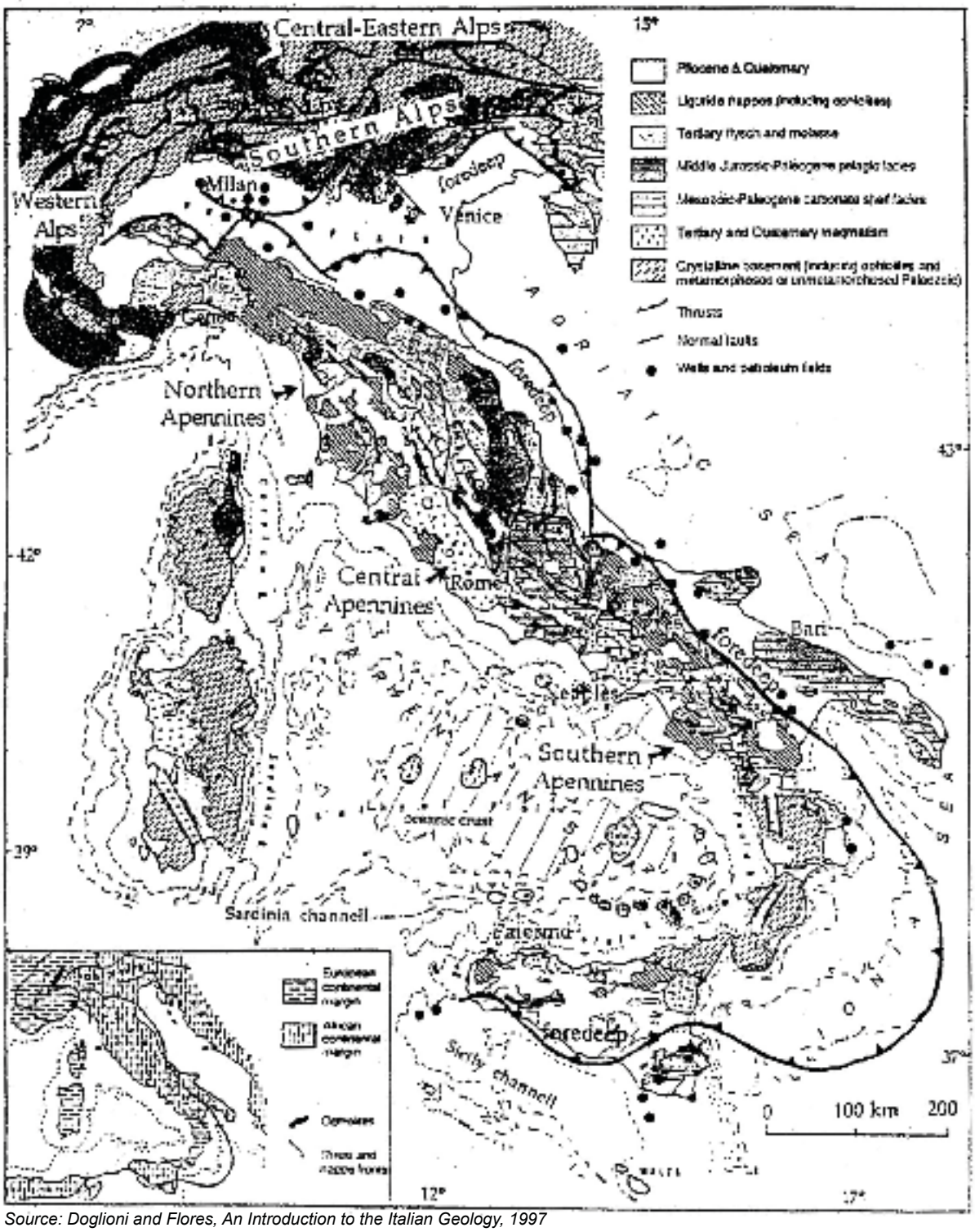
Zenith Energy Ltd.

Torrente Cigno Concession, Onshore Italy

Description	Rights Owned	Gross Acres	Appraised Interest		Royalty Burdens	
			Working %	Royalty %	Basic %	Overriding %
Masseria Vincelli 1 Masseria Vincelli 2 (Location)	[A]	2,545	45.0000	-	7.0000 [1]	-

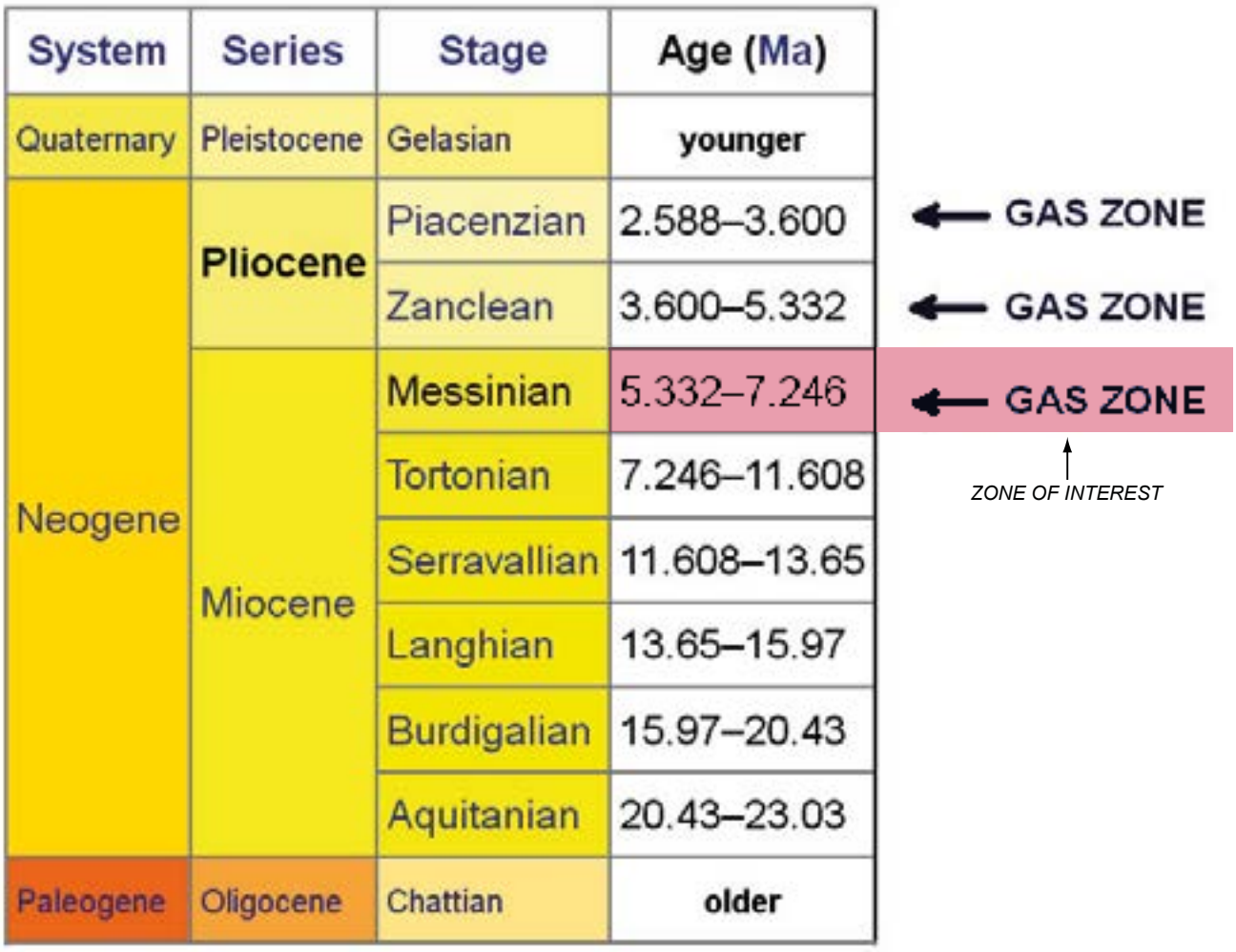
General Notes : [1] If over 25 million cubic meters annually (882.9 MMCF)
[2] This gas is used for electrical generation from the Company's 100% owned facility and revenue from electricity sales is realized by the Company at 100%.

Rights Owned : [A] All P&NG.
This concession is scheduled to expire in 2019. An extension is expected to be granted to align with the Company's additional development plans.

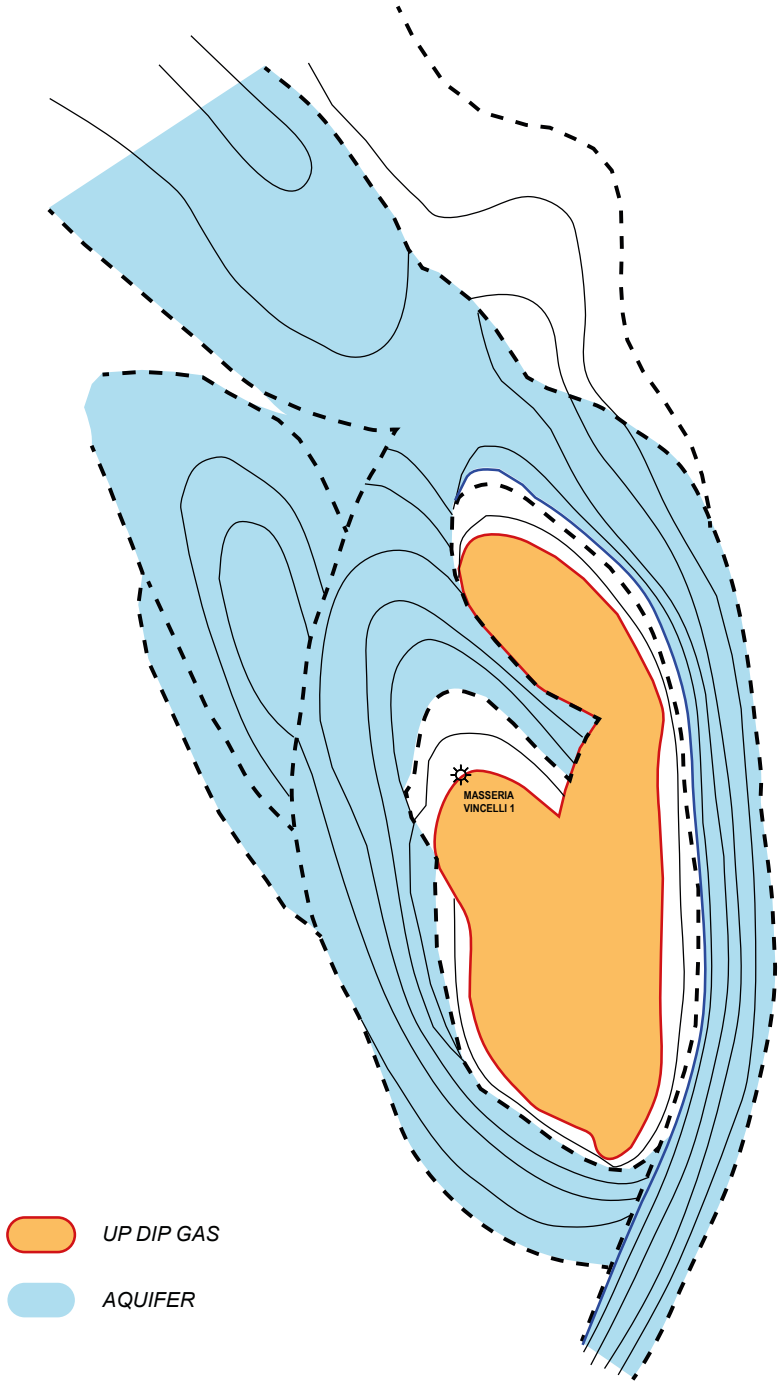


Source: Doglioni and Flores, An Introduction to the Italian Geology, 1997

ZENITH ENERGY LTD.
ITALY **REGIONAL GEOLOGY**
OCT. 2021 **JOB No. 6770** **FIGURE No. 2a**



ZENITH ENERGY LTD.		
ITALY STRATIGRAPHIC CHART		
OCT. 2021	JOB No. 6770	FIGURE No. 2b



ZENITH ENERGY LTD.		
TORRENTE CIGNO CONCESSION MOLISE REGION, ITALY MASSERIA VINCELLI STRUCTURE		
OCT. 2021	JOB No. 6770	FIGURE No. 2c

Table 2

Summary of Gross Reserves
October 1, 2021

Zenith Energy Ltd.

Torrente Cigno Concession, Onshore Italy

Description			Current or Initial Rate Mscf/d		Ultimate RGIP (MMscf)	Cumulative Production (MMscf)	Remaining RGIP (raw) (MMscf)	Remaining RGIP (sales) (MMscf)	Remaining NGLs (MBbls)	Reference
Proved Developed Producing										
Torrente Cigno Concession	Masseria Vincelli 1		458		3,100	2,253	847	788	11	Fig 3a & Table 2a
	Total Proved				**3,100**	**2,253**	**847**	**788**	**11**	
Probable Developed Producing										
Torrente Cigno Concession	Masseria Vincelli 1	(incr.)			1,547	0	1,547	1,439	26	Fig 4a & Table 2a
Probable Undeveloped										
Torrente Cigno Concession	HZ Loc. Masseria Vincelli 2		1,000	Mar 22	14,423	0	14,423	13,413	216	Table 2b
	Total Probable				15,970	0	15,970	14,852	242	
	Total Proved Plus Probable				**19,070**	**2,253**	**16,817**	**15,640**	**253**	

Table 2a

SUMMARY OF GROSS RESERVES AND RESERVOIR PARAMETERS
October 1, 2021

Torrente Cigno, Italy

	MV-1 Apullian Carbonates (1) Proved Developed Producing	Proved Plus Probable
PRODUCT TYPE		
Non-Associated Gas		
RESERVOIR PARAMETERS		
Reservoir Pressure, psia	2,946	2,946
Reservoir Temperature, deg F	134	134
Average Porosity, %	15.0	15.0
Average Water Saturation, %	30.0	30.0
Compressibility Factor, Z	0.798	0.798
Petroleum Initially-in-Place, Mscf/ac.ft	1009.0	1008.5
Reservoir Loss, %	40.0	40.0
Surface Loss, %	7.0	7.0
RESERVES		
Net Pay, feet	32.0	32.0
Area, acres	160	240
Petroleum Initially-in-Place, MMscf	5,166	7,745
Reserves Initially-in-Place, MMscf	3,100	4,647
Cumulative Production, MMscf	2,253	2,253
Remaining Raw Reserves, MMscf	847	2,394
Remaining Marketable Reserves, MMscf	**788**	**2,226**
NGL's Recovery, bbl/MMscf	15	15
Remaining NGL's, bbls	12,705	35,910

Note: (1) Interval 2240.0 - 2255.0 m KB.

Table 2b

SUMMARY OF GROSS RESERVES AND RESERVOIR PARAMETERS
October 1, 2021

Torrente Cigno, Italy

	Total Proved plus Probable MV1 & MV2 Apullian Carbonate (1)
PRODUCT TYPE	
Non-Associated Gas	
RESERVOIR PARAMETERS	
Reservoir Pressure, psia	2,946
Reservoir Temperature, deg F	134
Average Porosity, %	15.0
Average Water Saturation, %	30.0
Compressibility Factor, Z	0.798
Petroleum Initially-in-Place, Mscf/ac.ft	1009.0
Reservoir Loss, %	40.0
Surface Loss, %	7.0
RESERVES	
Net Pay, feet	70.0
Area, acres	450
Petroleum Initially-in-Place, MMscf	31,784
Reserves Initially-in-Place, MMscf	19,070
Cumulative Production, MMscf	2,253
Remaining Raw Reserves, MMscf	16,817
Remaining Marketable Reserves, MMscf	**15,640**
NGL's Recovery, bbl/MMscf	15
Remaining NGL's, bbls	252,255

Note: (1) Interval 2240.0 - 2255.0 m KB.

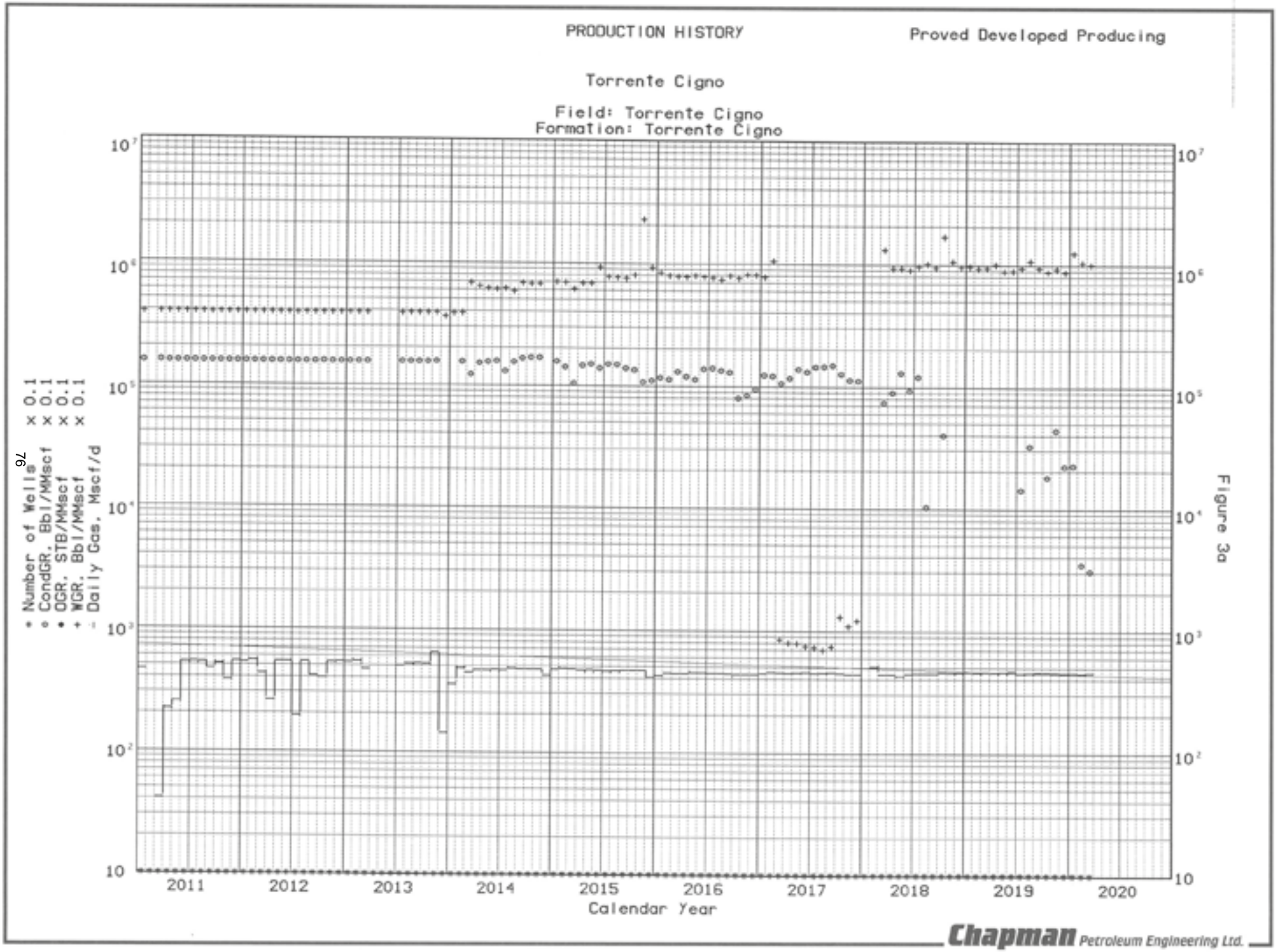

PRODUCTION HISTORY
Proved Developed Producing
Torrente Cigno
Field: Torrente Cigno
Formation: Torrente Cigno
* Number of Wells x 0.1
° CondGR, Bbl/MMscf x 0.1
• OGR, STB/MMscf x 0.1
+ WGR, Bbl/MMscf x 0.1
- Daily Gas, Mscf/d
10^7
10^6
10^5
10^4
10^3
10^2
10
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Calendar Year

Figure 3a

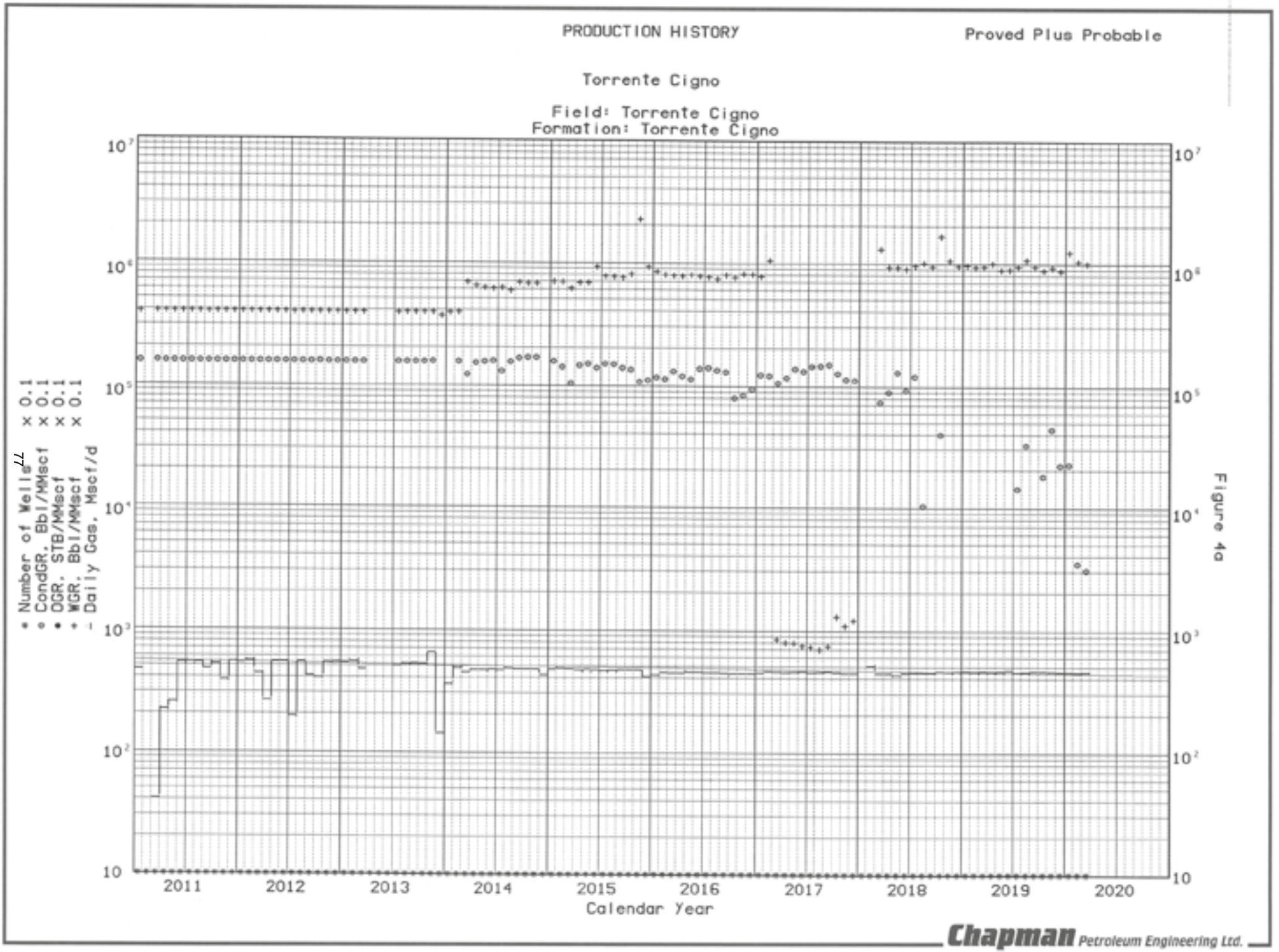

PRODUCTION HISTORY
Proved Plus Probable
Torrente Cigno
Field: Torrente Cigno
Formation: Torrente Cigno
* Number of Wells x 0.1
° CondGR, Bbl/MMscf x 0.1
• OGR, STB/MMscf x 0.1
• WGR, Bbl/MMscf x 0.1
- Daily Gas, Mscf/d
10^7
10^6
10^5
10^4
10^3
10^2
10
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Calendar Year

Figure 4a

Table 3a

Summary of Anticipated Capital Expenditures

Development

October 1, 2021

Zenith Energy Ltd.

Torrente Cigno Concession, Onshore Italy

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$
Probable					
Loc. Masseria Vincelli 2	March -22	Horizontal drilling, testing, completion, and tie-in	45.0000	3,333	1,500
		Total Probable		**3,333**	**1,500**

Note: **M$ means thousands of dollars.**
The above capital values are expressed in terms of current dollar values without escalation.
Unless details are known, drilling costs have been split 70% Intangible and 30% Tangible for tax purposes

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2021

Zenith Energy Ltd.

Torrente Cigno Concession, Onshore Italy

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Torrente Cigno Field	Abandon 1 gas well MV1, reclaim the land	45.0000	57	26
Torrente Cigno Field	Abandon 1 gas well MV2, reclaim the land	45.0000	57	26
	Total Abandonment and Restoration		114	51

Note: M$ means thousands of dollars.
The above capital values are expressed in terms of current dollar values without escalation.

Table 4
Summary of Company Reserves and Economics
Before Income Tax
October 1, 2021

Forecast Prices & Costs

Zenith Energy Ltd.

Torrente Cigno Concession, Italy

Net To Appraised Interest

Description	Reserves						Cumulative Cash Flow (BIT) - MUS$				
	Light and Medium Oil MSTB		Conventional Natural gas MMscf		NGL Mbbls		Discounted at:				
	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing											
Masseria Vincelli-1 Apulian Carbonate	0	0	788	788	11	11	2,181	1,935	1,734	1,568	1,429
Total Proved Developed Producing	**0**	**0**	**788**	**788**	**11**	**11**	**2,181**	**1,935**	**1,734**	**1,568**	**1,429**
Probable											
Probable Developed Producing											
Masseria Vincelli-1 Apulian Carbonate Incr	0	0	1,439	1,439	25	25	3,891	2,475	1,644	1,134	809
Total Probable Developed Producing	**0**	**0**	**1,439**	**1,439**	**25**	**25**	**3,891**	**2,475**	**1,644**	**1,134**	**809**
Probable Undeveloped											
Masseria Vincelli-2 Apulian Carbonate	0	0	13,413	13,413	216	216	58,408	20,281	10,310	6,470	4,543
Total Probable Undeveloped	**0**	**0**	**13,413**	**13,413**	**216**	**216**	**58,408**	**20,281**	**10,310**	**6,470**	**4,543**
Total Probable	**0**	**0**	**14,852**	**14,852**	**241**	**241**	**62,299**	**22,756**	**11,953**	**7,603**	**5,352**
Total Proved Plus Probable	**0**	**0**	**15,640**	**15,640**	**252**	**252**	**64,480**	**24,691**	**13,687**	**9,171**	**6,781**

MUS$ means thousands of United States dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Table 4a

EVALUATION OF: Torrente Cigno Concession - Proved Developed Producing

ERCE v7.43 P2 ENERGY SOLUTIONS PAGE 1
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021 PROD:01-OCT-2021
RUN DATE: 7-OCT-2021 TIME: 12:35
FILE: GtcPF1.DAT

WELL/LOCATION - Masseria Vincelli-1
EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
ULT POOL RESERVES - 847 MMCF
PRODUCTION TO DATE - N/A
DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 28 -M$- (2026)

INTEREST

AVG WI 130.0000%

ROYALTIES/TAXES

STATE

		Sales Gas MMCF					Condensate BBL	
			Pool	Company Share				
Year	# of Wells	Price $/MCF	MCF/D	Vol	Gross	Net	Price $/BBL	Co. Share Gross
2021	1	3.43	425.9	39	39	39	76.05	548
2022	1	3.47	425.9	155	155	155	72.90	2173
2023	1	3.51	425.9	155	155	155	69.75	2173
2024	1	3.54	425.9	155	155	155	66.60	2173
2025	1	3.58	425.9	155	155	155	67.99	2173
2026	1	3.62	347.6	127	127	127	69.42	1770
SUB				788	788	788		11011
REM				0	0	0		0
TOT				788	788	788		11011

- P/T - COMPANY SHARE FUTURE NET REVENUE

	Capital &Aband Costs	Future Revenue (FR)				Royalties				Operating Costs			FR After Roy&Oper	Net back	Proc& Other Income	Cap'l Costs	Aband Costs	Future Net Rev Undisc	Future Net Rev 10.0%
										Fixed	Variable								
Year	-M$-	Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	State -M$-	Other -M$-	Mineral -M$-	-%-	-M$-	-M$-	$/MCF	-M$-	$/MCF	-M$-	-M$-	-M$-	-M$-	-M$-
2021	0	0	134	42	176	0	0	0	.0	30	33	1.61	113	2.88	0	0	0	113	112
2022	0	0	539	158	698	0	0	0	.0	121	135	1.64	442	2.84	0	0	0	442	412
2023	0	0	546	152	697	0	0	0	.0	123	137	1.68	436	2.81	0	0	0	436	369
2024	0	0	550	145	695	0	0	0	.0	126	140	1.71	429	2.76	0	0	0	429	330
2025	0	0	557	148	704	0	0	0	.0	128	143	1.75	433	2.78	0	0	0	433	303
2026	28	0	458	123	581	0	0	0	.0	107	119	1.78	356	2.81	0	0	28	328	208
SUB	28	0	2785	767	3552	0	0	0	.0	635	707		2209		0	0	28	2181	1734
REM	0	0	0	0	0	0	0	0	.0	0	0		0		0	0	0	0	0
TOT	28	0	2785	767	3552	0	0	0	.0	635	707		2209		0	0	28	2181	1734

NET PRESENT VALUE (-M$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	2209	1957	1829	1752	1680	1582	1441
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs ..	28	22	20	18	17	15	12
Future Net Revenue .	2181	1935	1809	1734	1663	1568	1429

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	100.0					
% of Future Revenue.			.0	37.8	62.2	.0	61.4

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%) .	n/a
(disc. @ 5.0%) .	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding ($/BOE)	n/a
NPV @ 10.0% ($/MCF)	2.20
NPV @ 5.0% ($/MCF)	2.46

Table 4b

EVALUATION OF: Torrente Cigno Concession, Italy
********** Total Proved Plus Probable cons.

ERCO v7.4) P2 ENERGY SOLUTIONS TOTAL
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021
RUN DATE: 7-OCT-2021 TIME: 13:29
FILE:

EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TOTAL CAPITAL COSTS - 1530 -M$-
TOTAL ABANDONMENT - 104 -M$-

	Sales Gas MMCF						Condensate BBL	
			Pool		Company Share			Co.
Year	# of Wells	Price $/MCF	MCF/D	Vol	Gross	Net	Price $/BBL	Share Gross
2021	1	3.43	425.9	39	39	39	76.05	632
2022	2	3.47	1205.6	440	440	440	72.90	7098
2023	2	3.51	1355.9	495	495	495	69.75	7983
2024	2	3.54	1355.9	495	495	495	66.60	7983
2025	2	3.58	1355.9	495	495	495	67.99	7983
2026	2	3.62	1355.9	495	495	495	69.42	7983
2027	2	3.66	1355.9	495	495	495	10.87	7983
2028	2	3.70	1355.9	495	495	495	72.35	7983
2029	2	3.74	1355.9	495	495	495	73.86	7983
2030	2	3.78	1355.9	495	495	495	75.40	7983
2031	2	3.82	1328.5	485	485	485	76.98	7821
2032	2	3.86	1278.2	467	467	467	78.58	7525
2033	2	3.91	1234.3	451	451	451	80.22	7266
2034	2	3.95	1195.9	437	437	437	81.89	7040
2035	2	3.99	1162.4	424	424	424	83.59	6843
SUB				6701	6701	6701		108086
REM				8939	8939	8939		144169
TOT				15640	15640	15640		252255

- P/T - COMPANY SHARE FUTURE NET REVENUE

Year	Capital &Aband Costs -M$-	Future Revenue (PR) Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	Royalties Crown -M$-	Other -M$-	Mineral -M$-	-%-	Operating Costs Fixed -M$-	Variable -M$-	$/BOE	PR After Roy&Oper -M$-	Net back $/BOE	Proc& Other Income -M$-	Cap'l Costs -M$-	Aband Costs -M$-	Future Net Rev Undisc -M$-	10.0% -M$-
2021	0	0	134	48	182	0	0	0	.0	30	33	13.89	119	26.21	0	0	0	119	118
2022	1530	0	1527	517	2044	0	0	0	.0	222	381	11.81	1441	28.19	0	1530	0	-89	-83
2023	0	0	1733	557	2294	0	0	0	.0	247	437	11.91	1610	28.01	0	0	0	1610	1362
2024	0	0	1752	532	2286	0	0	0	.0	252	446	12.14	1586	27.59	0	0	0	1586	1220
2025	0	0	1772	543	2315	0	0	0	.0	257	455	12.39	1603	27.88	0	0	0	1603	1121
2026	0	0	1792	554	2346	0	0	0	.0	262	464	12.63	1620	28.18	0	0	0	1620	1030
2027	0	0	1811	87	1898	0	0	0	.0	267	473	12.89	1157	20.14	0	0	0	1157	669
2028	0	0	1831	578	2409	0	0	0	.0	273	483	13.14	1653	28.76	0	0	0	1653	869
2029	0	0	1851	590	2441	0	0	0	.0	278	493	13.41	1670	29.06	0	0	0	1670	798
2030	0	0	1871	602	2473	0	0	0	.0	284	502	13.68	1687	29.35	0	0	0	1687	732
2031	0	0	1852	602	2454	0	0	0	.0	289	502	14.05	1663	29.53	0	0	0	1663	656
2032	0	0	1801	591	2392	0	0	0	.0	295	493	14.54	1604	29.61	0	0	0	1604	576
2033	0	0	1762	583	2344	0	0	0	.0	301	485	15.03	1558	29.78	0	0	0	1558	508
2034	0	0	1724	577	2301	0	0	0	.0	307	480	15.52	1514	29.87	0	0	0	1514	449
2035	0	0	1693	572	2265	0	0	0	.0	313	476	16.01	1476	29.96	0	0	0	1476	398
SUB	1530	0	24910	7531	32441	0	0	0	.0	3877	6604		21961		0	1530	0	20431	10423
REM	104	0	49786	17000	66786	0	0	0	.0	8508	14124		44154		0	0	104	44050	3264
TOT	1634	0	74696	24532	99227	0	0	0	.0	12385	20728		66115		0	1530	104	64480	13687

NET PRESENT VALUE (-M$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
PR After Roy & Oper.	66115	26187	18261	15119	12887	10551	8116
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	1530	1475	1444	1424	1405	1377	1334
Abandonment Costs ..	104	22	11	7	5	3	1
Future Net Revenue .	64480	24691	16807	13687	11477	9171	6781

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	PR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	100.0					
% of Future Revenue.			.0	33.4	66.6	1.5	65.0

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	999.9
Profit Index (undisc.)	39.5
(disc. @ 10.0%) .	9.6
(disc. @ 5.0%) .	16.5
First Payout (years)	.3
Total Payout (years)	1.3
Cost of Finding ($/BOE)	.90
NPV @ 10.0% ($/BOE)	7.54
NPV @ 5.0% ($/BOE)	13.59

Table 4c

EVALUATION OF: Torrente Cigno Concession - Proved Plus Probable Developed Producing

ERGO v7.4) P2 ENERGY SOLUTIONS PAGE 1
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021 PROD:01-OCT-2021
RUN DATE: 7-OCT-2021 TIME: 12:32
FILE: GtcRA1.DAT

WELL/LOCATION - Masseria Vincelli-1
EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
ULT POOL RESERVES - 2394 MMCF
PRODUCTION TO DATE - N/A
DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 37 -M$- (2039)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

STATE

Year	# of Wells	Sales Gas MMCF Price $/MCF	Pool MCF/D	Pool Vol	Company Share Gross	Company Share Net	Condensate BBL Price $/BBL	Co. Share Gross
2021	1	3.43	425.9	39	39	39	76.05	632
2022	1	3.47	425.9	155	155	155	72.90	2508
2023	1	3.51	425.9	155	155	155	69.75	2508
2024	1	3.54	425.9	155	155	155	66.60	2508
2025	1	3.58	425.9	155	155	155	67.99	2508
2026	1	3.62	425.9	155	155	155	69.42	2508
2027	1	3.66	425.9	155	155	155	10.87	2508
2028	1	3.70	425.9	155	155	155	72.35	2508
2029	1	3.74	425.9	155	155	155	73.86	2508
2030	1	3.78	425.9	155	155	155	75.40	2508
2031	1	3.82	398.5	145	145	145	76.98	2346
2032	1	3.86	348.2	127	127	127	78.58	2050
2033	1	3.91	304.3	111	111	111	80.22	1791
2034	1	3.95	265.9	97	97	97	81.89	1565
2035	1	3.99	232.4	85	85	85	83.59	1368
SUB				2004	2004	2004		32321
REM				223	223	223		3589
TOT				2226	2226	2226		35910

- P/T - COMPANY SHARE FUTURE NET REVENUE

Year	Capital &Aband Costs -M$-	Future Revenue (FR) Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	Royalties State -M$-	Other -M$-	Mineral -M$-	-%-	Operating Costs Fixed -M$-	Variable -M$-	$/MCF	FR After Roy&Oper -M$-	Net back $/MCF	Proc& Other Income -M$-	Cap'l Costs -M$-	Aband Costs -M$-	Future Net Rev Undisc -M$-	10.0% -M$-
2021	0	0	134	48	182	0	0	0	.0	30	33	1.61	119	3.04	0	0	0	119	118
2022	0	0	539	183	722	0	0	0	.0	121	135	1.64	467	3.00	0	0	0	467	434
2023	0	0	546	175	721	0	0	0	.0	123	137	1.68	460	2.96	0	0	0	460	389
2024	0	0	550	167	717	0	0	0	.0	126	140	1.71	451	2.90	0	0	0	451	347
2025	0	0	557	170	727	0	0	0	.0	128	143	1.75	456	2.93	0	0	0	456	319
2026	0	0	563	174	737	0	0	0	.0	131	146	1.78	460	2.96	0	0	0	460	292
2027	0	0	569	27	596	0	0	0	.0	134	149	1.82	314	2.02	0	0	0	314	181
2028	0	0	575	181	757	0	0	0	.0	136	152	1.85	469	3.01	0	0	0	469	246
2029	0	0	581	185	767	0	0	0	.0	139	155	1.89	473	3.04	0	0	0	473	226
2030	0	0	588	189	777	0	0	0	.0	142	158	1.93	477	3.07	0	0	0	477	207
2031	0	0	556	181	736	0	0	0	.0	145	151	2.03	441	3.03	0	0	0	441	174
2032	0	0	491	161	652	0	0	0	.0	148	134	2.22	370	2.91	0	0	0	370	133
2033	0	0	434	144	578	0	0	0	.0	150	120	2.43	308	2.77	0	0	0	308	100
2034	0	0	383	128	512	0	0	0	.0	153	107	2.68	251	2.59	0	0	0	251	75
2035	0	0	338	114	453	0	0	0	.0	157	95	2.97	201	2.37	0	0	0	201	54
SUB	0	0	7405	2228	9633	0	0	0	.0	1963	1954		5717		0	0	0	5717	3296
REM	37	0	918	313	1231	0	0	0	.0	579	260		392		0	0	37	356	81
TOT	37	0	8323	2542	10865	0	0	0	.0	2542	2214		6109		0	0	37	6072	3378

NET PRESENT VALUE (-M$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	6109	4425	3746	3384	3079	2705	2239
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs ..	37	15	9	7	5	3	1
Future Net Revenue .	6072	4410	3736	3378	3074	2702	2238

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	100.0					
% of Future Revenue.			.0	43.8	56.2	.0	55.9

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%) .	n/a
(disc. @ 5.0%) .	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding ($/BOE)	n/a
NPV @ 10.0% ($/MCF)	1.52
NPV @ 5.0% ($/MCF)	1.98

Table 4d

EVALUATION OF: Torrente Cigno Concession - Probable Undeveloped

ERCE v7.43 P2 ENERGY SOLUTIONS PAGE 1
GLOBAL : 07-OCT-2021 6770
EFF:01-OCT-2021 DISC:01-OCT-2021 PROD:01-MAR-2022
RUN DATE: 7-OCT-2021 TIME: 12:33
FILE: GLcRE2.DAX

WELL/LOCATION - RE Loc. Masseria Vincelli-2 (Apullian Carbonate)
EVALUATED BY -
COMPANY EVALUATED - Zenith Energy Ltd.
APPRAISAL FOR -
PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
ULT POOL RESERVES - 14423 MMCF
PRODUCTION TO DATE - N/A
DECLINE INDICATOR - EXPONENTIAL
TOTAL CAPITAL COSTS - 1530 -M$-
TOTAL ABANDONMENT - 68 -M$- (2070)

INTEREST
AVG WI 100.0000%

ROYALTIES/TAXES
STATE

		Sales Gas MMCF					Condensate BBL	
			Pool	Company Share				
Year	# of Wells	Price $/MCF	MCF/D	Vol	Gross	Net	Price $/BBL	Co. Share Gross
2021	0	3.43	.0	0	0	0	76.05	0
2022	1	3.47	930.0	285	285	285	72.90	4590
2023	1	3.51	930.0	339	339	339	69.75	5475
2024	1	3.54	930.0	339	339	339	66.60	5475
2025	1	3.58	930.0	339	339	339	67.99	5475
2026	1	3.62	930.0	339	339	339	69.42	5475
2027	1	3.66	930.0	339	339	339	70.87	5475
2028	1	3.70	930.0	339	339	339	72.35	5475
2029	1	3.74	930.0	339	339	339	73.86	5475
2030	1	3.78	930.0	339	339	339	75.40	5475
2031	1	3.82	930.0	339	339	339	76.98	5475
2032	1	3.86	930.0	339	339	339	78.58	5475
2033	1	3.91	930.0	339	339	339	80.22	5475
2034	1	3.95	930.0	339	339	339	81.89	5475
2035	1	3.99	930.0	339	339	339	83.59	5475
SUB				4697	4697	4697		75765
REM				8716	8716	8716		140580
TOT				13413	13413	13413		216345

* P/T * COMPANY SHARE FUTURE NET REVENUE

Year	Capital &Aband Costs -M$-	Future Revenue (FR) Oil -M$-	SaleGas -M$-	Products -M$-	Total -M$-	Royalties State -M$-	Other -M$-	Mineral -M$-	-%-	Operating Costs Fixed -M$-	Variable -M$-	$/MCF	FR After Roy&Oper -M$-	Net back $/MCF	Proc& Other Income -M$-	Cap'l Costs -M$-	Aband Costs -M$-	Future Net Rev Undisc -M$-	10.0% -M$-
2021	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2022	1530	0	987	335	1322	0	0	0	.0	101	247	1.22	974	3.42	0	1530	0	-556	-517
2023	0	0	1191	382	1573	0	0	0	.0	123	300	1.25	1150	3.39	0	0	0	1150	973
2024	0	0	1202	365	1566	0	0	0	.0	126	306	1.27	1134	3.34	0	0	0	1134	873
2025	0	0	1215	372	1587	0	0	0	.0	128	312	1.30	1147	3.38	0	0	0	1147	802
2026	0	0	1229	380	1609	0	0	0	.0	131	318	1.32	1160	3.42	0	0	0	1160	737
2027	0	0	1242	60	1302	0	0	0	.0	134	325	1.35	844	2.49	0	0	0	844	488
2028	0	0	1256	396	1652	0	0	0	.0	136	331	1.38	1185	3.49	0	0	0	1185	622
2029	0	0	1270	404	1674	0	0	0	.0	139	338	1.40	1197	3.53	0	0	0	1197	572
2030	0	0	1283	413	1696	0	0	0	.0	142	345	1.43	1210	3.56	0	0	0	1210	525
2031	0	0	1297	421	1718	0	0	0	.0	145	351	1.46	1222	3.60	0	0	0	1222	482
2032	0	0	1310	430	1741	0	0	0	.0	148	359	1.49	1234	3.64	0	0	0	1234	443
2033	0	0	1327	439	1766	0	0	0	.0	150	366	1.52	1250	3.68	0	0	0	1250	408
2034	0	0	1341	448	1789	0	0	0	.0	153	373	1.55	1263	3.72	0	0	0	1263	375
2035	0	0	1354	458	1812	0	0	0	.0	157	380	1.58	1275	3.76	0	0	0	1275	344
SUB	1530	0	17505	5303	22808	0	0	0	.0	1914	4651		16244		0	1530	0	14714	7126
REM	68	0	48868	16687	65554	0	0	0	.0	7910	13863		43762		0	0	68	43694	3183
TOT	1598	0	66373	21990	88363	0	0	0	.0	9843	18514		60006		0	1530	68	58408	10310

NET PRESENT VALUE (-M$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	60006	21762	14516	11734	9807	7847	5877
Proc & Other Income.	0	0	0	0	0	0	0
Capital Costs	1530	1475	1444	1424	1405	1377	1334
Abandonment Costs ..	68	6	2	1	0	0	0
Future Net Revenue .	58408	20281	13070	10310	8402	6470	4543

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	100.0					
% of Future Revenue.			.0	32.1	67.9	1.7	66.1

PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	205.9
Profit Index (undisc.)	36.6
(disc. @ 10.0%) .	7.2
(disc. @ 5.0%) .	13.7
First Payout (years)	1.7
Total Payout (years)	1.8
Cost of Finding ($/BOE)	1.03
NPV @ 10.0% ($/MCF)	.77
NPV @ 5.0% ($/MCF)	1.51

GLOSSARY OF TERMS
(Abbreviations & Definitions)

General

BIT	-	Before Income Tax
AIT	-	After Income Tax
M$	-	Thousands of Dollars
Effective Date	-	The date for which the Present Value of the future cash flows and reserve categories are established
$US	-	United States Dollars
WTI	-	West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	-	Alberta Royalty Tax Credit
GRP	-	Gas Reference Price

Interests and Royalties

BPO	-	Before Payout
APO	-	After Payout
APPO	-	After Project Payout
Payout	-	The point at which a participant's original capital investment is recovered from its net revenue
GORR	-	Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	-	New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	-	Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150th of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	-	Freehold Royalty
P&NG	-	Petroleum and Natural Gas
Twp	-	Township
Rge	-	Range
Sec	-	Section

Technical Data

psia	-	Pounds per square inch absolute
MSTB	-	Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	-	Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	-	Barrels
Mbbls	-	Thousands of barrels
MMBTU	-	Millions of British Thermal Units – heating value of natural gas
STB/d	-	Stock Tank Barrels of oil per day – oil production rate
Mscf/d	-	Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	-	Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	-	Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	-	Enhanced Oil Recovery
GJ	-	Gigajoules
Marketable or Sales Natural Gas	-	Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	-	Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	-	Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	-	Estimated Ultimate Recovery

October 08, 2021

Chapman Petroleum Engineering Ltd.
700, 1122 – 4th Street SW
Calgary, AB
T2R 1M1

Dear Sir:

Re: Company Representation Letter

Regarding the evaluation of our Company's oil and gas reserves and independent appraisal of the economic value of these reserves for the year ended September 30, 2021, (the effective date), we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

1. We, Zenith Energy Ltd., (the Client) have made available to you, Chapman Petroleum Engineering Ltd. (the Evaluator) certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation, including the following:
    - Accounting, financial, tax and contractual data
    - Asset ownership and related encumbrance information;
    - Details concerning product marketing, transportation and processing arrangements;
    - All technical information including geological, engineering and production and test data;
    - Estimates of future abandonment and reclamation costs.

2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.

3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.

4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on the evaluation of our Company's reserves and future net revenues.

5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:
   - For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.
   - All regulatory, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
   - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this three-month period.

Zenith Energy Ltd.
Suite 1500, 15th Floor,
Bankers Court, 850-2nd St.
SW Calgary, Alberta, T2P 0R8
Tel: +1 (587) 315 9031
E-mail: info@zenithenergy.ca
Website: www.zenithenergy.ca
@zenithenergyltd

- Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.
- If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.

6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could affect our reserves and economic value of these reserves that has not been disclosed to you.

Yours very truly,

President and Chief Executive Officer

Vice-President & Chief Financial Officer

(B) Chapman Report 2021 – Tunisia (Sidi El Kilani Concession)

COMPETENT PERSONS REPORT

RESERVE AND ECONOMIC EVALUATION
OIL PROPERTY

SIDI EL KILANI (SLK) CONCESSION
TUNISIA

Owned by

ZENITH ENERGY LTD.

September 30, 2021
(October 1, 2021)

Chapman Petroleum Engineering Ltd.
1122 - 4th Street S.W., Suite 700, Calgary, Alberta T2R 1M1 • Phone: (403) 266-4141 • Fax: (403) 266-4259 • www.chapeng.ab.ca

October 7, 2021

Zenith Energy Ltd.
Suite 1500, 15th Floor Bankers Court
850 - 2nd Street SW
Calgary AB Canada T2P 0R8

Attention: Mr. Andrea Cattaneo

Dear Sir:

Re: Reserve and Economic Evaluation – Zenith Energy Ltd.
Sidi El Kilani (SLK) Concession, Tunisia – September 30, 2021

In accordance with your authorization we have performed a reserve and economic evaluation of the Sidi El Kilani (SLK) Concession located in the Pelagian Basin, onshore Tunisia, owned by Zenith Energy Ltd. (the "Company") for an effective date of September 30, 2021 (October 1, 2021).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH"), the professional practice standard under our Permit to Practice with APEGA and under the guidelines of the European Securities and Markets Authority (ESMA). The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" under NI 51-101 as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION contains the authorization and purpose of the report and describes the methodology and economic parameters used in the preparation of this report.

The EXECUTIVE SUMMARY presents an overview of the evaluated property and addresses the summary information required by ESMA, Section 132.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary and contains a concise presentation of the results of this reserve and economic evaluation. The net present values presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of US dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of information derived from this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,

Chapman Petroleum Engineering Ltd.

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
Signature [Original Signed By:] *C.W. Chapman*
Date *October 7, 2021*
PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
C. W. Chapman, P. Eng.,
President

[APEGA ID Number]

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
Khaled (Kal) A. Latif, P.Geol.
Senior Associate

cwc/ml/6772

CERTIFICATE OF QUALIFICATION

I, C. W. CHAPMAN, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta and a member of the Australasian Institute of Mining and Metallurgy.

2. THAT I graduated from the University of Alberta with a Bachelor of Science degree in Mechanical Engineering in 1971.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.

4. THAT I have in excess of 40 years in the conduct of evaluation and engineering studies relating to oil & gas fields in Canada and around the world.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
C.W. Chapman, P.Eng.
President

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
Signature [Original Signed By:] *C.W. Chapman*
Date *October 7, 2021*
PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta

[APEGA ID Number]

CERTIFICATE OF QUALIFICATION

I, KHALED (KAL) A. LATIF, P. Geol., Professional Geologist of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Geologist in the Province of Alberta.

2. THAT I graduated from the University of Alexandria with a Bachelor of Science degree in Geology in 1979.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in geology, geophysics, petrophysics, operations, and evaluations during that time.

4. THAT I have in excess of 35 years of experience in the conduct of evaluation and geological studies relating to oil and gas fields in Canada and internationally.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
Khaled (Kal) A. Latif, P.Geol.
Senior Associate

CERTIFICATE OF QUALIFICATION

I, KONSTANTIN ZAITSEV, of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a Certified Technician in the Province of Alberta.

2. THAT I graduated from the Kazak National Technical University, Kazakhstan, Almaty with a Bachelor of Science degree in Mechanical Engineering in 1996.

3. THAT I graduated from the South Alberta Institute of Technology, Calgary, Canada with a Bachelor of Applied Petroleum Engineering Technology degree in 2010.

4. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

5. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

6. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

7. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature]
Konstantin Zaitsev, C.Tech.
Oil and Gas Reserves Evaluator

COMPETENT PERSONS REPORT

RESERVE AND ECONOMIC EVALUATION
OIL PROPERTY

SIDI EL KILANI (SLK) CONCESSION
TUNISIA

Owned by

ZENITH ENERGY LTD.

September 30, 2021
(October 1, 2021)

TABLE OF CONTENTS

Introduction..... 9

Executive Summary..... 21

Summary of Company Reserves and Economics..... 23

Discussion..... 26

References..... 56

Glossary..... 57

Company Representation Letter..... 59

INTRODUCTION

INDEX

1. Authorization 10
2. Purpose of the Report 10
3. Use of the Report 10
4. Scope of the Report 10
   - 4.1 Methodology 10
   - 4.2 Land Survey System 10
   - 4.3 Economics 11
   - 4.4 Barrels of Oil Equivalent 11
   - 4.5 Environmental Liabilities 11
5. Basis of Report 11
   - 5.1 Sources of Information 11
   - 5.2 Product Prices 11
   - 5.3 Product Sales Arrangement 12
   - 5.4 Royalties 12
   - 5.5 Capital Expenditures and Operating Costs 12
   - 5.6 Income Tax Parameters 12
   - 5.7 Abandonment and Restoration 13
6. Evaluation Standard Used 13
   - 6.1 General 13
   - 6.2 Resource Definitions 14
     - 6.2.1. Reserves 15
     - 6.2.2. Contingent Resources 17
     - 6.2.3. Prospective Resources 18
   - 6.3 Diagram of Maturity Subclasses 19
7. Site Visit 19

Attachments

Orientation Map 20

INTRODUCTION

1. AUTHORIZATION

This evaluation has been authorized by Mr. Andrea Cattaneo, on behalf of Zenith Energy Ltd. The engineering analysis has been performed during the month of June 2021 and updated during October 2021.

2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third party independent appraisal of the oil reserves in the Sidi El Kilani (SLK) Concession, Tunisia, owned by Zenith Energy Ltd. for the Company's financial planning.

The values in this report do not include the value of the Company's undeveloped land holdings nor the tangible value of their interest in associated plant and well site facilities they may own.

3. USE OF THE REPORT

The report is intended to support a filing on a selected Stock Exchange and with the governing Securities administrator.

4. SCOPE OF THE REPORT

4.1 Methodology

The evaluation of the reserves and resources of these properties included in the report has been conducted under a discounted cash flow analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions.

4.2 Land Survey System

This property and its boundaries are governed by a Concession agreement.

4.3 Economics

The economics presentation and methodology is presented in the Discussion of the report.

4.4 Barrels of Oil Equivalent

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

4.5 Environmental Liabilities

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

5. BASIS OF REPORT

5.1 Sources of Information

Sources of the data used in the preparation of this report are as follows:

i) Basic information regarding the property was derived from a series of Corporate presentations of the previous owner of the property, and our independent research from published information;
ii) The ownership terms were determined as above;
iii) Capital expenditures, operating costs and product prices were based on budget material generated by the operator

5.2 Product Prices

Chapman Petroleum Engineering Ltd. conducts continual surveillance and monitoring on a number of Benchmark product prices both locally and internationally. Based on historical data,

current conditions and our view of the relevant political and economic trends, we independently prepare oil, gas and by-product price forecasts including predictions for the near term (first few years) with 2 percent escalation thereafter.

In establishing our forecasts we also consider input from operating companies, consulting firms, oil & gas marketing companies and financial institutions. Our forecasts are updated quarterly and the latest one prior to the effective date would generally be used. The forecast used for this report is presented as an attachment to the Executive Summary.

The Benchmark Oil Price used in this evaluation is Brent crude, which closely correlates to crude prices in this region of Africa.

5.3 Product Sales Arrangement

The Company does not have any "hedge" contracts in place at this time.

5.4 Royalties

Royalties paid to the government from revenues on this concession are variable based on an "R" Factor, as discussed in the body of the report.

5.5 Capital Expenditures and Operating Costs

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars but for economic purposes are escalated at 2% per year after the current year.

5.6 Income Tax Parameters

The income tax rate on this concession is based on an "R" Factor as follows:

R	Tax %
≤1.5	50
1.5 – 2	55
2 – 2.5	60
2.5 – 3	65
3 – 3.5	70
>3.5	75

5.7 Abandonment and Restoration

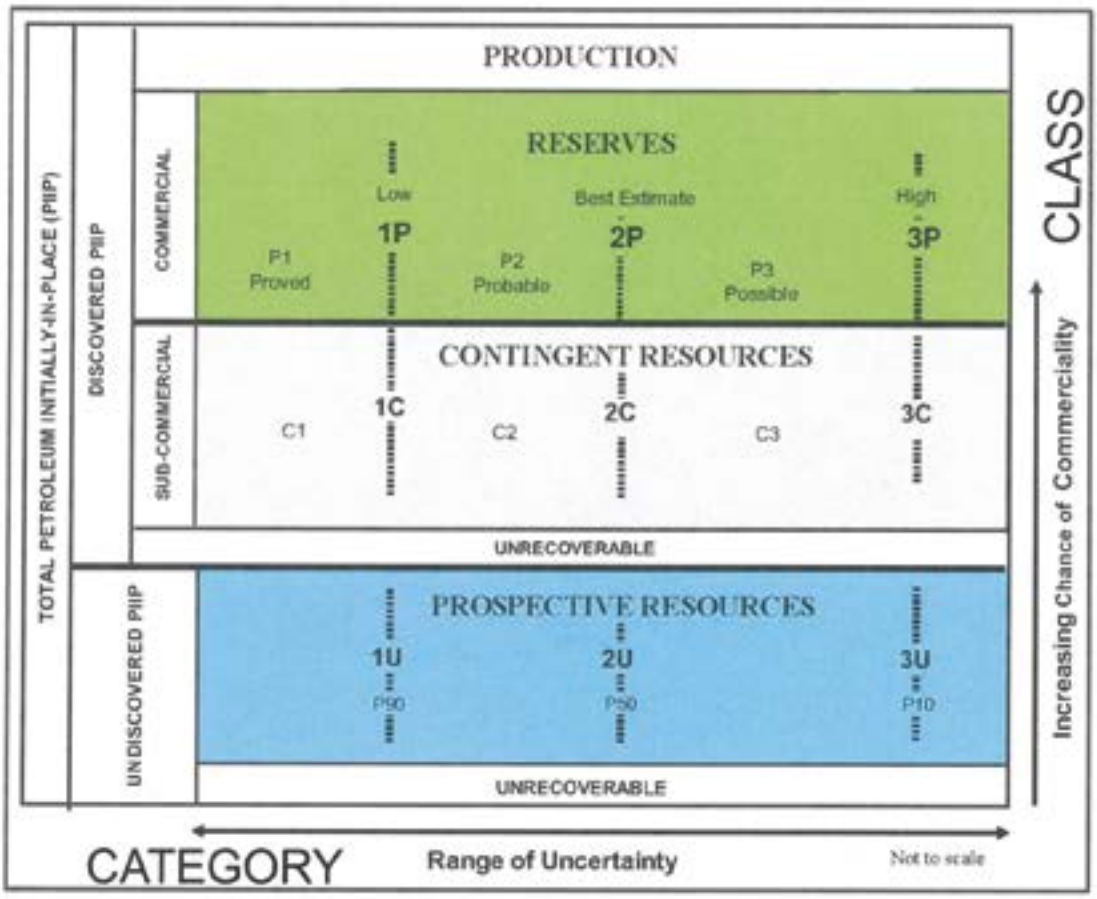
Abandonment and restoration costs are scheduled in the cash flow analysis.

6. EVALUATION STANDARD USED

6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the APEGA professional practice standard "The Canadian Oil and Gas Evaluation Handbook", 3rd Edition December 2018 ("COGEH"), prepared by the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE).

COGEH uses the SPE-PRMS (2018 Update) resource classification system shown in the below diagram.



By way of explanation, 'CLASS' forms the vertical axis of the PRMS diagram and represents the range of Chance of Commerciality. Likewise, 'CATEGORY' forms the horizontal axis and provides a measure of the uncertainty in estimates of the Resource Class.

Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations with reference to the above diagram and is potentially producible. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

Discovered PIIP (equivalent to "discovered resources") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The Discovered PIIP includes production, Reserves, and Contingent Resources; the remainder is unrecoverable.

Undiscovered PIIP (equivalent to "undiscovered resources") is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "Prospective Resources", the remainder as "unrecoverable".

Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

6.2 Resource Definitions

The following definitions have been extracted from COGEH and represent an overview of the resource definitions and evaluation criteria required for compliance with the Canadian Securities National Instrument 51-101. These definitions are considered to be compliant with the PRMS - 2018, in that they use the same primary nomenclature, principles and concepts.

6.2.1 Reserves

The following Reserves definitions and guidelines are designed to assist evaluators in making Reserves estimates on a reasonably consistent basis and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

The guidelines outline

- general criteria for classifying reserves,
- procedures and methods for estimating reserves,
- confidence levels of individual entity and aggregate reserves estimates,
- verification and testing of Reserves estimates.

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

RESERVES CATEGORIES

Reserves are categorized according to the probability that at least a specific volume will be produced. In a broad sense, Reserves categories reflect the following expectations regarding the associated estimates:

Reserves Category	Confidence Characterization
Proved (1P)	Low Estimate, Conservative
Proved + Probable (2P)	Best Estimate
Proved +Probable +Possible (3P)	High Estimate, Optimistic

a. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.

b. Probable Reserves are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved + Probable Reserves.

c. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved + Probable + Possible Reserves.

DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

a. Developed Reserves are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the Reserves on production. The developed category may be subdivided into producing and non-producing.

   i. Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

   ii. Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and the date of resumption of production is unknown.

b. Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the Reserves classification (Proved, Probable, Possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to sub-divide the Developed Reserves for the

pool between Developed Producing and Developed Non-Producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels contained in the definitions are applicable to "individual Reserves entities," which refers to the lowest level at which Reserves calculations are performed, and to "Reported Reserves," which refers to the highest level sum of individual entity estimates for which Reserves estimates are presented. Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves,
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable + Possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various Reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of Reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with Reserves estimates and the effect of aggregation is provided in Section 5.7.1.6, The Portfolio Effect, of COGEH.

6.2.2 Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development (TUD), but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates

and may be sub-classified based on project maturity and/or characterized by their economic status.

Contingencies may include economic, environmental, social and political factors, regulatory matters, a lack of markets or prolonged timetable for development. Contingent Resources have a Chance of Development that is less than certain.
Contingent resources are further categorized according to their level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Project Maturity Sub-Classes are: Development Pending, Development on Hold, Development Unclarified and Development Not Viable, as demonstrated in the chart below (Section 6.3).

Reports on Contingent Resources must specify the level of maturity and usually include 1C, 2C and 3C estimates.

There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

6.2.3 Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated Chance of Discovery and a Chance of Development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The project maturity subclasses describe the stage of exploration and broadly correspond to chance of commerciality from in increasing order from "play" to "lead" to "prospect" as demonstrated in the chart below (Section 6.3).

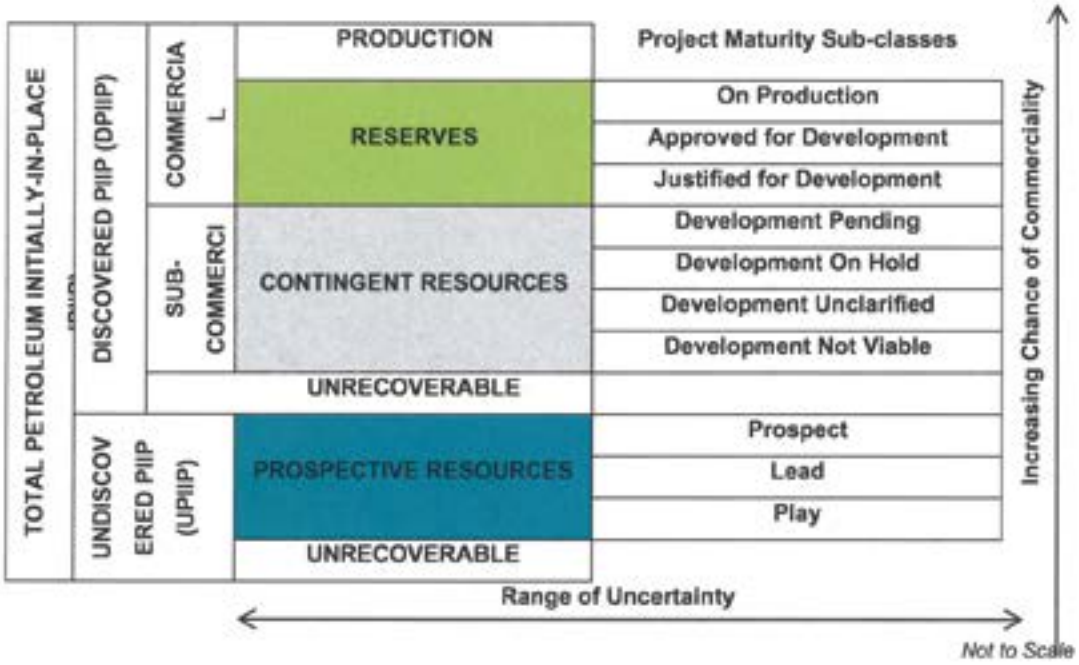
A "play" is a family of geologically similar fields, discoveries, prospects and leads. It would have the lowest chance of commerciality in these project maturity subclasses.

A "lead" is a potential accumulation within a play that requires more data acquisition and/or evaluation in order to be classified as a prospect.

A "prospect" is a potential accumulation within a play that is sufficiently well defined to represent a viable drilling target. A "prospect" would have the highest chance of commerciality.

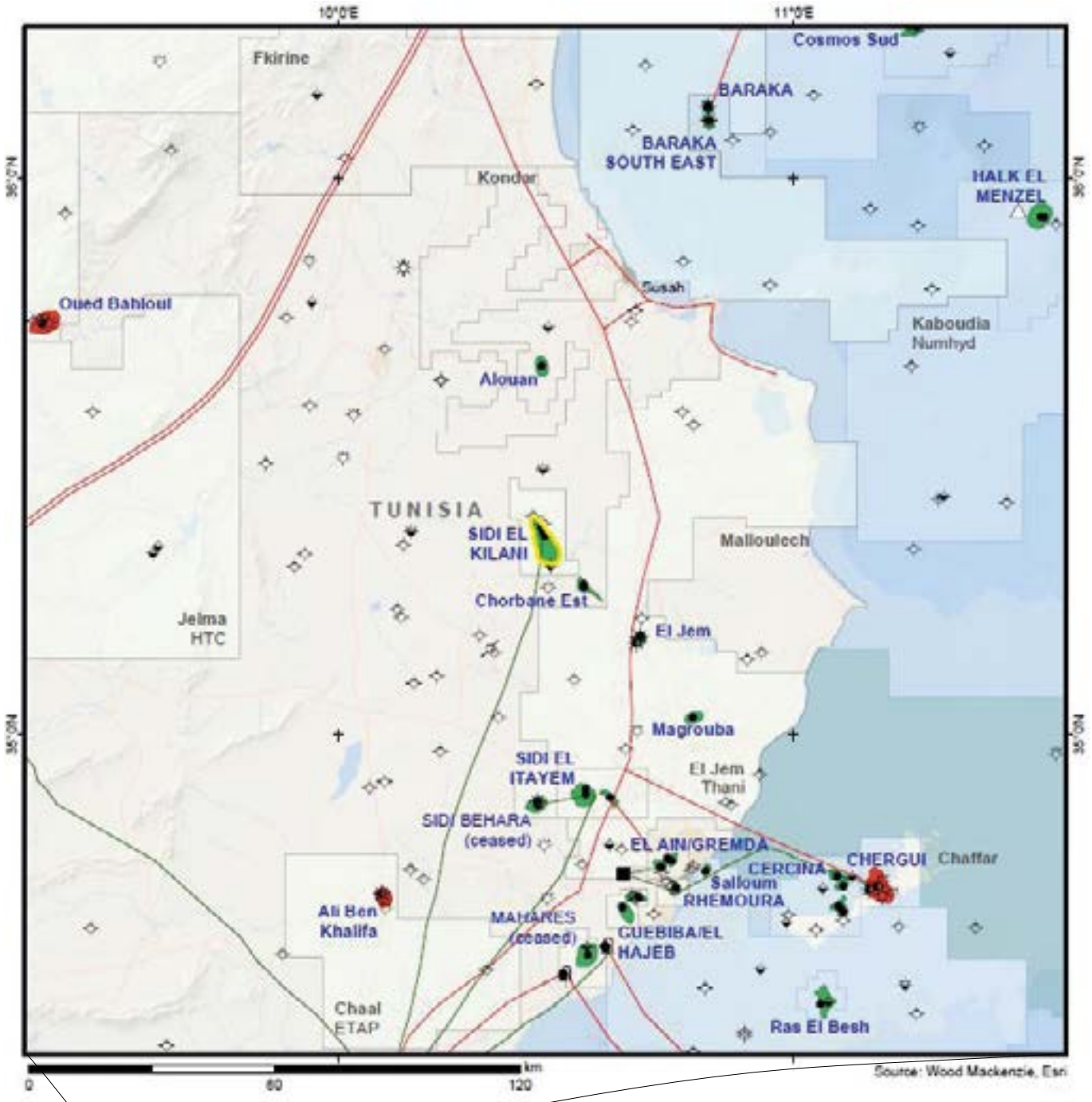
There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

6.3 Project Maturity Sub-Classes



7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes.





ZENITH ENERGY LTD.
SIDI EL KILANI CONCESSION
PELAGIAN PROVINCE, TUNISIA
ORIENTATION MAP
OCT. 2021 **JOB No. 6772**

EXECUTIVE SUMMARY

This Executive Summary presents an overview of the Company's properties and results of the evaluation and, in particular, addresses the information required by the European Securities and Markets Authority (ESMA), Section 132.

(a) Details of the reserves being evaluated have been established under COGEH (NI 51-101) standards are presented with their associated net present values on the attached Table 1 and 1T, before and after tax, respectively in the Summary and repeated on Table 4 and 4T in the Discussion of the report. The production and cash flow analyses are presented in Tables 4a and 4b for the Proved Developed Producing and Proved Plus Probable Reserves, respectively.

(b) The anticipated project life of these overall properties based on the established Proved Plus Probable Reserves is 24 years.

(c) The Company owns a 45% working interest in the Sidi El Kilani (SLK) Concession which is located onshore Tunisia about 190 km south of Tunis in the Pelagian Basin. The SLK concession covers 50,409 acres (204 square kilometers) and contains ten oil wells, two which are on continuous production and seven are produced intermittently and one is shut in. The Block is governed under a fiscal regime, the terms of which are presented in Table 1 in the Discussion of each property.

(d) The SLK concessions is located onshore as described above, in a highly developed oil and gas region in Tunisia. The oil field produces from the Cretaceous Aboid formation and are generally pipeline connected to major facilities for sales.

(e) The results of this evaluation are based on facts and assumptions typical of this type of engagement. It should be noted that under COGEH Section 7.8.2 evaluations are conducted without consideration of the availability of capital for funding the scheduled development. The product price forecasts used for this evaluation, shown in Attachment 1, are based on history and analysis and reflect the industry consensus as of the effective date of the report, however variations may occur and the variations could be material.

Attachment 1

CHAPMAN PETROLEUM ENGINEERING LTD.
CRUDE OIL
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES

October 1, 2021

Date		WTI [1] $US/STB	Brent Spot (ICE)[2] $US/STB	AB Synthetic Crude Price [3] $CDN/STB	Western Canada Select [4] $CDN/STB	Exchange Rate $US/$CDN
HISTORICAL PRICES						
2012		94.05	111.63	92.56	71.70	1.00
2013		97.98	108.56	100.17	75.76	0.97
2014		93.12	99.43	101.07	82.07	0.91
2015		48.69	53.32	62.17	46.23	0.78
2016		43.17	45.06	57.98	38.90	0.76
2017		50.86	54.75	67.75	49.63	0.77
2018		64.92	71.64	75.06	50.17	0.77
2019		57.00	64.11	75.28	57.86	0.75
2020		39.54	43.40	48.78	37.05	0.75
2021	9 mos.	64.80	67.56	79.76	65.47	0.80
CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)						
		56.36	**58.83**	**68.97**	**55.83**	**0.79**
FORECAST PRICES						
2021	3mos.	**75.50**	79.28	87.01	70.47	0.80
2022		**72.50**	76.13	83.26	67.44	0.80
2023		**69.50**	72.98	79.51	64.40	0.80
2024		**66.50**	69.83	75.76	61.36	0.80
2025		**67.83**	71.22	77.42	62.71	0.80
2026		**69.19**	72.65	79.11	64.08	0.80
2027		**70.57**	74.10	80.84	65.48	0.80
2028		**71.98**	75.58	82.61	66.91	0.80
2029		**73.42**	77.09	84.41	68.37	0.80
2030		**74.89**	78.63	86.24	69.86	0.80
2031		**76.39**	80.21	88.11	71.37	0.80
2032		**77.92**	81.81	90.02	72.92	0.80
2033		**79.47**	83.45	91.97	74.50	0.80
2034		**81.06**	85.12	93.96	76.11	0.80
2035		**82.68**	86.82	95.99	77.75	0.80
2036		**84.34**	88.55	98.05	79.42	0.80

Escalated 2% thereafter

Notes:
[1] West Texas Intermediate quality (D2/S2) crude (40API) landed in Cushing, Oklahoma.
(Comperative WTI future oil prices are: $US73.74/STB in 2021; $US71.10/STB in 2022 and $US64.66/STB in 2023)
[2] The Brent Spot price is estimated based on historic data.
[3] Equivalent price for Light Sweet Crude (D2/S2) & Synthetic Crude landed in Edmonton.
[4] Western Canada Select (20.5API), spot price for B.C., Alberta, Saskatchewan, and Manitoba.

SUMMARY OF COMPANY RESERVES AND ECONOMICS

INDEX

Forecast Prices and Costs

Table 1: Summary of Company Reserves and Economics – Before Tax

Table 1T: Summary of Company Reserves and Economics – After Tax

Table 1
Summary of Company Reserves and Economics
Before Income Tax

October 1, 2021

(as of September 30, 2021)

Zenith Energy Ltd.

Sidi El Kilani (SLK) Concession, Tunisia

	Company Reserves		Cumulative Cash Flow (BIT) - M$				
	Oil - MSTB		Discounted at:				
Description	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing							
Six Producing Wells	737	648	18,716	16,011	13,729	11,897	10,444
Total Proved	**737**	**648**	**18,716**	**16,011**	**13,729**	**11,897**	**10,444**
Probable Undeveloped							
Development wells (3), producing wells (incremental)	1,634	1,438	89,978	86,922	83,997	81,100	78,241
Total Probable	**1,634**	**1,438**	**89,978**	**86,922**	**83,997**	**81,100**	**78,241**

Table 1T
Summary of Company Reserves and Economics
After Income Tax

October 1, 2021

(as of September 30, 2021)

Zenith Energy Ltd.

Sidi El Kilani (SLK) Concession, Tunisia

	Company Reserves		Cumulative Cash Flow (BIT) - M$				
	Oil - MSTB		Discounted at:				
Description	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing							
Six Producing Wells	737	648	8,422	7,219	6,202	5,384	4,734
Total Proved	**737**	**648**	**8,422**	**7,219**	**6,202**	**5,384**	**4,734**
Probable Undeveloped							
Development wells (3), producing wells (incremental)	1,634	1,438	40,490	26,827	18,760	13,707	10,370
Total Probable	**1,634**	**1,438**	**40,490**	**26,827**	**18,760**	**13,707**	**10,370**
Total Proved Plus Probable	**2,371**	**2,086**	**48,912**	**34,046**	**24,962**	**19,091**	**15,104**

M$ means thousands of dollars
Net resources are the total of the Company's working interest share after deducting the amounts attributable to royalties and profit oil owned by the government.

SIDI EL KILANI CONCESSION

TUNISIA

INDEX

Discussion **27**

Property Description 27
Geology 27
Reserves 30
Production 30
Product Prices 31
Capital Expenditures 31
Operating Costs 31
Economics and Tax 31

Attachments

Figure 1: Land and Well Map 33

Table 1: Schedule of Lands, Interests and Royalty Burdens 34

Figure 2: Geological Maps and Figures
a) Pelagian Structural Framework 35
b) Stratigraphic Column 36
c) E-W Regional Cross Section 37
d) Pelagian Province Petroleum System-1 38
e) Pelagian Province Petroleum System-2 39
f) Top Abiod Formation Depth Structure Map 40

Table 2: Summary of Reserves 41

Figure 3: Production History Profile 42

Figure 4: Development Locations Map 43

Table 3: Summary of Anticipated Capital Expenditures
a) Development 44
b) Abandonment and Reclamation 45

Table 4: Summary of Company Reserves and Economics 46
a) Proved Developed Producing 48
b) Proved Plus Probable Developed 52

SIDI EL KILANI CONCESSION
TUNISIA
DISCUSSION

Property Description

The Company has acquired a 45.0 percent working interest in the Sidi El Kilani (SLK) Concession, Tunisia, which is located onshore in the Pelagian Basin, around 190 Km south of Tunis. The concession covers approximately 50,409 acres (204 square kilometers) and contains ten oil producers (2-continuous, 7-intermittent and one shut-in), two disposal wells and one well which was dry and abandoned. Two of the wells have been sidetracked as horizontal wells.

Production is subject to a graduated royalty, based on an "R" factor, to the government, and an Export Payment, which is one percent of gross revenues.

The details of the ownership and burdens are presented in Table 1 and a map of the producing field is presented on Figure 1.

Geology

Basin Geology

The Sidi EL Kilani Field Area is located onshore Tunisia in the Pelagian Basin. The Pelagian Province, as shown in Figure 2a, extends from the offshore shelf area of Tunisia and northern Libya to the east, and bound from the west by a north-south basement-related structural feature separating the Pelagian Province in eastern Tunisia from the Mesozoic Basin farther west (Bobier and others, 1991). The United States Geological Survey estimated the mean risked recoverable oil reserves of 1230 MMbbl within the Mesozoic combined reservoirs and 785 MMbbl in all Tertiary reservoirs, in addition to significant gas and NGL reserves (ref. USGS-2019).

As illustrated in Figures 2b and 2c; during Late Carboniferous and Permian, several rift basins and grabens formed along the northern margin of the African plate by extension as a result of the initial breakup of Gondwana and the opening of the Tethyan seaway. In Middle-Late Jurassic time, the central Atlantic Ocean opened between Laurasia and Africa, developing a rift zone between Africa and Europe. The shelf carbonates were deposited in the Pelagian Province at this time. Faults associated with the opening and rifting controlled the sedimentation from the Middle

Jurassic to the present time (Morgan and others, 1998). Extension, subsidence and post-rift thermal sag continued into the Triassic and Early Jurassic where north-south faults and east-west transfer faults developed at this time in eastern Tunisia. Clastic and carbonate sediments as well as evaporites were deposited during the Triassic. During the Early Jurassic, shelf turbidites and pelagic carbonates were deposited. Rifting and subsidence continued during the Early Cretaceous along the northern margin of the African plate, where the faults associated with rifting continued to control the sedimentation. Clastic alluvial sediments and, open-marine clastic and carbonate sediments were deposited in the southern and northern portions of the basin, respectively. The African plate began to drift northward during the early Late Cretaceous, and this movement has continued to the present. Rifting occurred along the northern margin of the African plate as a result of dextral shearing between the African and European plates, developing a complex northwest–southeast trending of horst and graben system. In the Late-Cretaceous-Santonian time; structural inversion, reverse-thrust faulting, and folding occurred (Guiraud, 1998; Morgan and others, 1998). Gentle uplift occurred during the latest Cretaceous to Paleocene (Burollet, 1967a). In the early Eocene, transfer faults were reactivated leading to sedimentation control. Tectonic activity during the Late Oligocene to Miocene time resulted in non-deposition or erosion over much of the area. Magmatic activity has occurred throughout the area in the Aptian to Paleocene due to rifting on the Pelagian Shelf and in the Neogene to Quaternary due to Alpine collision and west Mediterranean opening.

Petroleum System

There are two main petroleum systems in the Pelagian Basin; the Jurassic–Cretaceous and Bou Dabbous Cenozoic petroleum systems, shown in Figures 2d and 2e respectively.

The hydrocarbon of the Jurassic-Cretaceous petroleum system was sourced from the deep-marine shales of Cretaceous: Bahloul, Lower Fahdene, and M'Cherga Formations; and Jurassic Nara Formation. The peak of hydrocarbon generation occurred during the Paleogene-Neogene (Hassan and Kendall, 2014). The hydrocarbons later migrated into the Jurassic-Cretaceous shallow marine Carbonates and Upper Cretaceous fractured deep-water chalks. The seals are provided by the shales and evaporites of Jurassic and Cretaceous age.

The Cenozoic Bou Dabbous petroleum system contains the organic-rich shale of the Eocene, Bou Dabbous Formation as a robust source rock. The hydrocarbon generation peaked during the Miocene-Pliocene time and then migrated into the Lower-Middle Eocene shallow-water Limestone reservoirs that are sealed by the overlying shales and marls.

The existing traps in the basin are of structural and stratigraphical types; such as fault blocks, low-amplitude anticlines, high-amplitude anticlines associated with reverse faults, wrench fault structures. The extent of gas occurrence appears to be more extensive offshore compared to the onshore parts of the basin.

Field and Reservoir Description

The Sidi EL Kilani Field Area is located 190 km south-southeastern of Tunis City, Tunisia in the Pelagian Basin. The field, as illustrated in Figure 2f, is a four-way dip closed structure bisected by a major wrench fault. The main producing reservoir is the Upper Cretaceous-Abiod Formation carbonates, which is Type-1 fractured carbonates reservoir. The Abiod thickness in the field is up to 550 m thick and contains predominantly massive, micritic and chalky white limestone with some dolomitized and bioclastic zones. The deposition is primarily in a pelagic marine environment. Based on clay content, the Abiod has been subdivided into 3 members: the Lower Limestone Member which contains relatively clean limestone intercalated with shales and mudstones. The Middle Limestone Member is more clay-rich with occasional shale interbeds while the Upper Limestone Member is generally clean and massively bedded with few shale bands. The cleanest limestone levels within the Abiod Formation commonly show matrix porosity in excess of 20%. The matrix permeability is very low (< 1mD) due to narrow pore throat size. The flow capacity is mainly dependent on the fracturing regime of the reservoir and the well location within this regime, with zero or minor contribution from the matrix. Fractures have been interpreted to exist as swarms in damage zones related to systems of tensional or wrench faults. While some of the encountered fractures in well bores are closed with calcite cement, however the open fractures regularly contain oil and provide excellent flow capabilities. El Haria Formation shales form the principal seal for the Abiod reservoir in Sidi El Kilani.

In this province, there are additional reservoirs; Douleb, Bireno, Guettar Formations of the Upper Cretaceous, and Zebbag, Serdj Formations of the Lower Cretaceous. Moreover, there are the Nara, Meloussi and M'Rabtine Formations of the Jurassic age, El Garia and Bou Dabbous Formations of the Tertiary, Eocene. The aforesaid potential reservoirs are the main producing oil and gas horizons in known existing fields in the Pelagian Basin. Such fields are: Bouri and Garia Fields (from Bou Dabbous reservoir), Bouri has known recoverable reserves of 4.5 MMbbl of oil and 3.5 TCF of gas. Other fields are Miskar (with 0.7 TCF of gas) and El Jem Fields (from Douleb), El Ain, Gremda and Guebiba Fields (Bireno Fm), El Biban (from Zebbag) and Ezzaouia Fields (from El Garia, Zebbag and Nara Fm). The above-mentioned reservoirs were not tested inside the Client's land; however they are most likely to exist.

Reserves

Proved Developed Producing Reserves of 1637 MSTB have been estimated for six wells producing from the Cretaceous Aboid formation, based on decline curve analysis of the historical production from the field, complemented by scattered recent production.

Probable Undeveloped Reserves of 3,000 MSTB have been estimated for three Aboid infill locations to be drilled at selected locations where there is a reasonable likelihood of encountering undrained reservoir. These reserves have been based on a conservative assessment of the average recovery from the wells in the field, excluding the two main producers which were drilled on the crest of the structure. Additionally, Probable incremental reserves of 631 MSTB can be attributed to the producing wells as a result of their extended production life due to the production from the Undeveloped Reserves.

A summary of the reserves is presented on Table 2.

Production

Current production from the SLK Concession is averaging 500 STB/d of 39° API oil from nine wells. The majority of the production is from two crestal wells producing 200 to 300 STB/d each. The lesser producers are being operating intermittently. The wells are still operating under natural flowing conditions. Opportunities exist for artificial lift and well bore stimulations, which have not been considered for this evaluation.

For the Probable development locations we have conservatively estimated initial rates per well of 500 STB/d with a steep initial year decline and then a stable lesser decline for the remaining life, as is typical for production from a fractured carbonate reservoir.

Production from this field commenced in 1991 with continuous development up to about 2000. Production rates peaked in about 1995 at close to 20,000 STB/d. After about ten years of high rate production, the rates decreased to about 2500 STB/d and for the past ten years the rates have been less than 1000 STB/d but with a very low decline rate averaging about 7 to 8 percent per year. A graphic presentation of the field's production history is presented on Figure 3.

The production forecasts for the existing wells and the development wells can be seen on page one of each economic analysis file.

Product Prices

The SLK oil production is expected to attract an oil price, which is a $1.00/STB lower differential to Brent crude posted price based on information in the seller's corporate presentation. The price forecast used in the evaluation follows the Brent price profile and can be seen on Page 2 of the economic analysis.

Capital Expenditures

The total capital expenditure for this property for the Probable development schedules is $7,950 ($3,578 net to the Company). The capital expenditure anticipated for the drilling of each development well has been estimated to be $2,500,000 with an additional $150,000 for equipping and tie-in to the infrastructure.

Abandonment costs have been estimated by the operator to be about $9,000 (4,050 net to the Company), which we applied to the Proved producing case. An additional $500,000 per well was added for the Proved Plus Probable case.

The capital expenditures are summarized on Table 3 and can be found on Page one of the economic analysis. Abandonment costs are presented on Table 3b.

Operating Costs

Operating costs for the SLK field has been estimated to be $2,100,000/yr. plus $150,000/yr per well of fixed costs covering the operation plus $1.20/STB of variable costs based on the budget presentation of the field operator.

Economics and Tax

The results of the economic analysis, before and after taxes are summarized in Table 4 and 4T, respectively and the detailed, analysis are presented in Table 4a and 4b for the Proved Developed Producing and Proved Plus Probable cases, respectively.

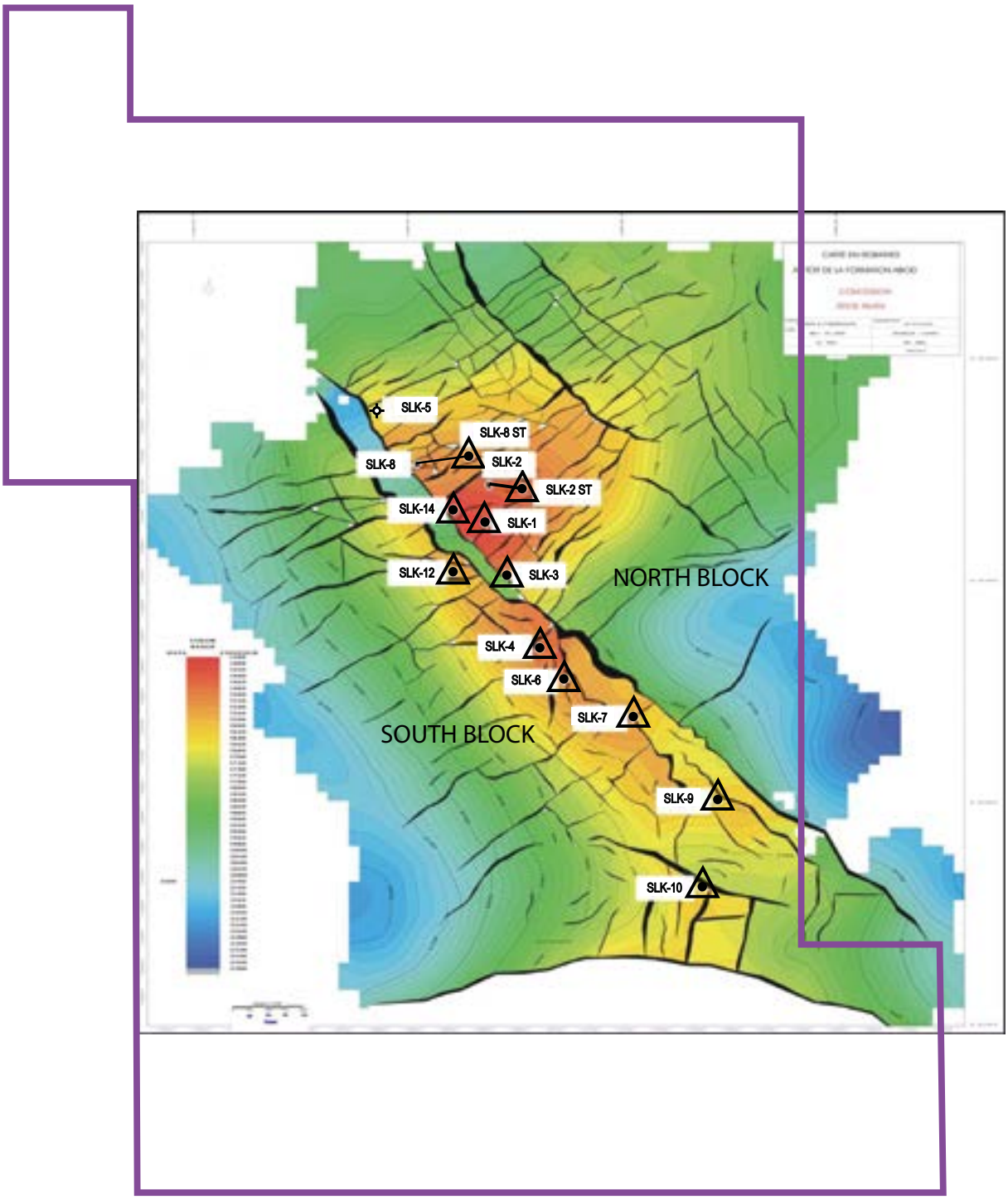
The evaluation consists of four pages. Page 1 presents the production forecast for the existing wells and for the type well and development program depending on the case. The daily rates are

then multiplied by the active days per year to obtain an annual production volume. The forecast capital expenditures are shown on the right-hand side of the page.

Page 2 presents the gross annual production in barrels and shows the conversion to gross revenue by applying the oil price. The Government royalties are deducted. Fixed and variable operating costs are shown and escalated at 2 percent per year in all years. This results in the before tax cash flow analysis, initially for the gross position and finally the undiscounted and discounted values represent the Company's net position, which in this case is 45.0% of the gross group. Values are shown before income tax at discount rates of 0, 5, 10, 15 and 20 percent. The Company Gross and Net share of Oil Reserves are also shown on this page.

Page 3 presents the after income tax cash flow analysis.

Page 4 is the calculation of the "R" Factor and the resulting Royalty and Tax rates.



△ *Well of Interest*

□ *Company Lands*

ZENITH ENERGY LTD.
SIDI EL KILANI CONCESSION
PELAGIAN PROVINCE, TUNISIA
LAND AND WELL MAP
OCT. 2021 **JOB No. 6772** **FIGURE No. 1**

Table 1

Schedule of Lands, Interests and Royalty Burdens
October 1, 2021

Zenith Energy Ltd.

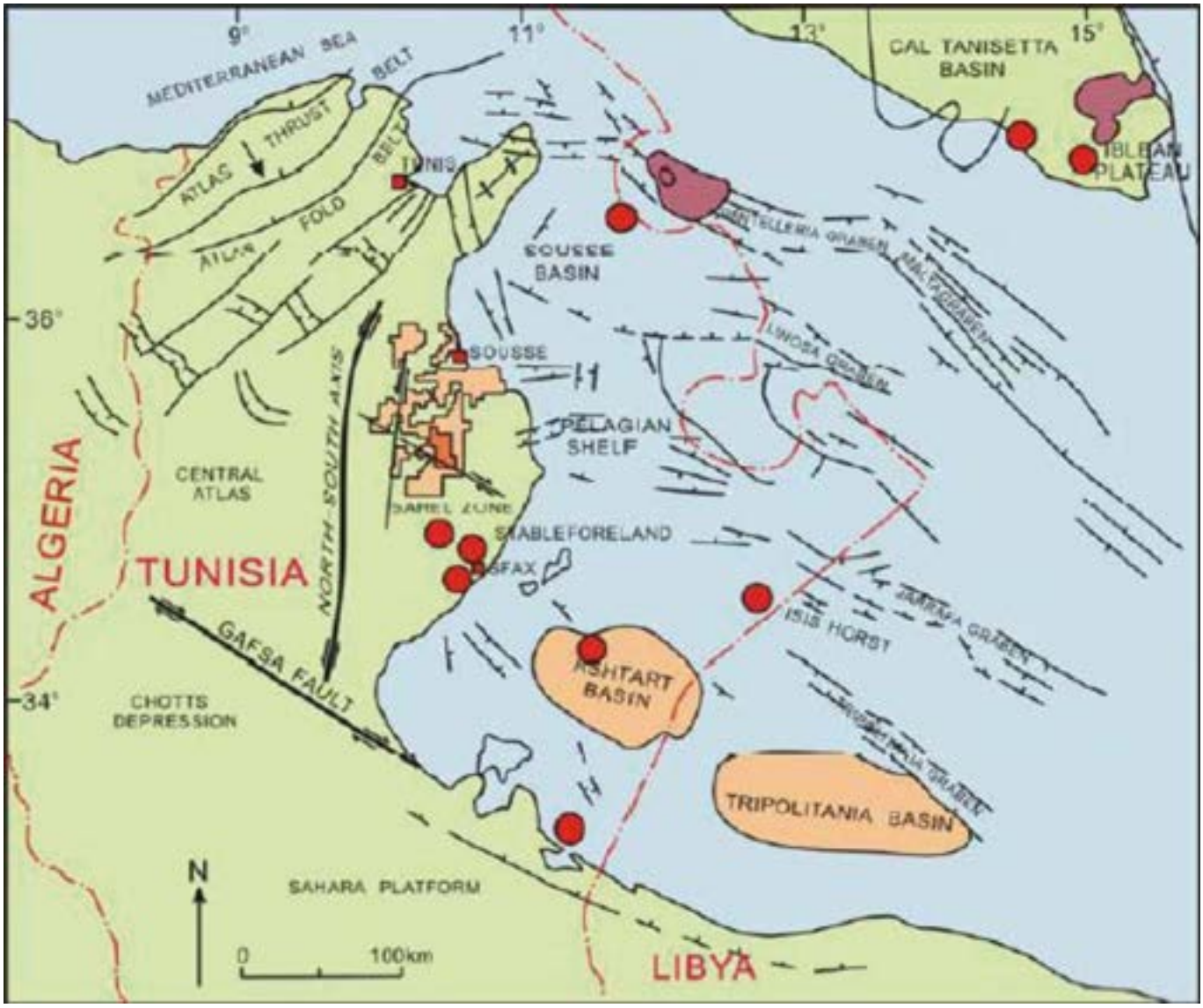
Sidi El Kilani (SLK) Concession, Tunisia

			Appraised Interest		Royalty Burdens	
Description	Rights Owned	Gross Acres	Working %	Royalty %	Basic %	Overriding %
SLK Concession	All P& NG	50,409	45.0000	-	[1]	[2]
	Total	50,409				

General Notes : [1] Oil Royalty is based on a sliding scale R factor where R = Cum net revenues less tax/ Cum Investment

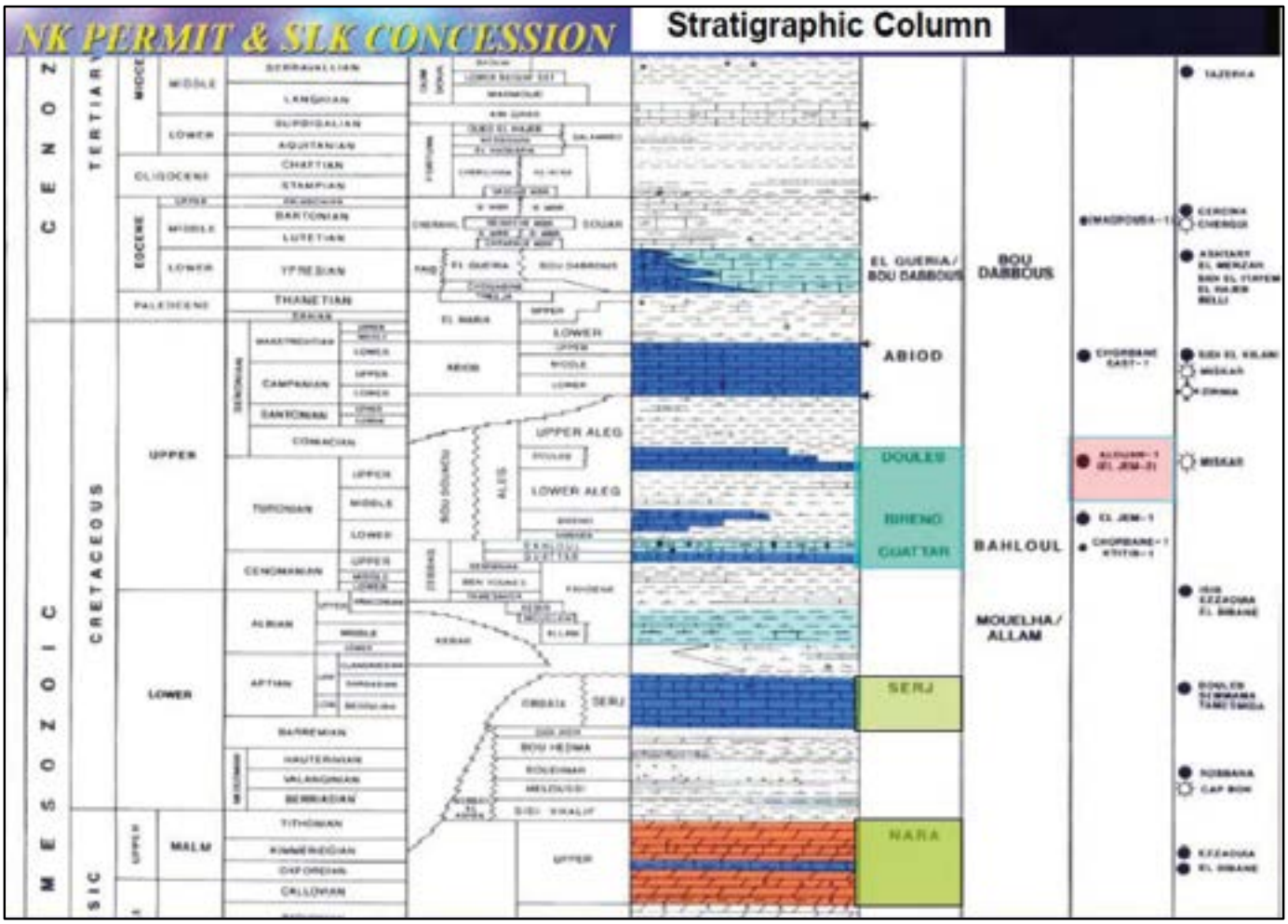
R			Royalty
0	≥	0.5	2%
0.5	-	0.8	5%
0.8	-	1.1	7%
1.1	-	1.5	10%
1.5	-	2.0	12%
2	-	2.5	14%
>2.5			15%

[2] Export Payment - 1% of gross revenues



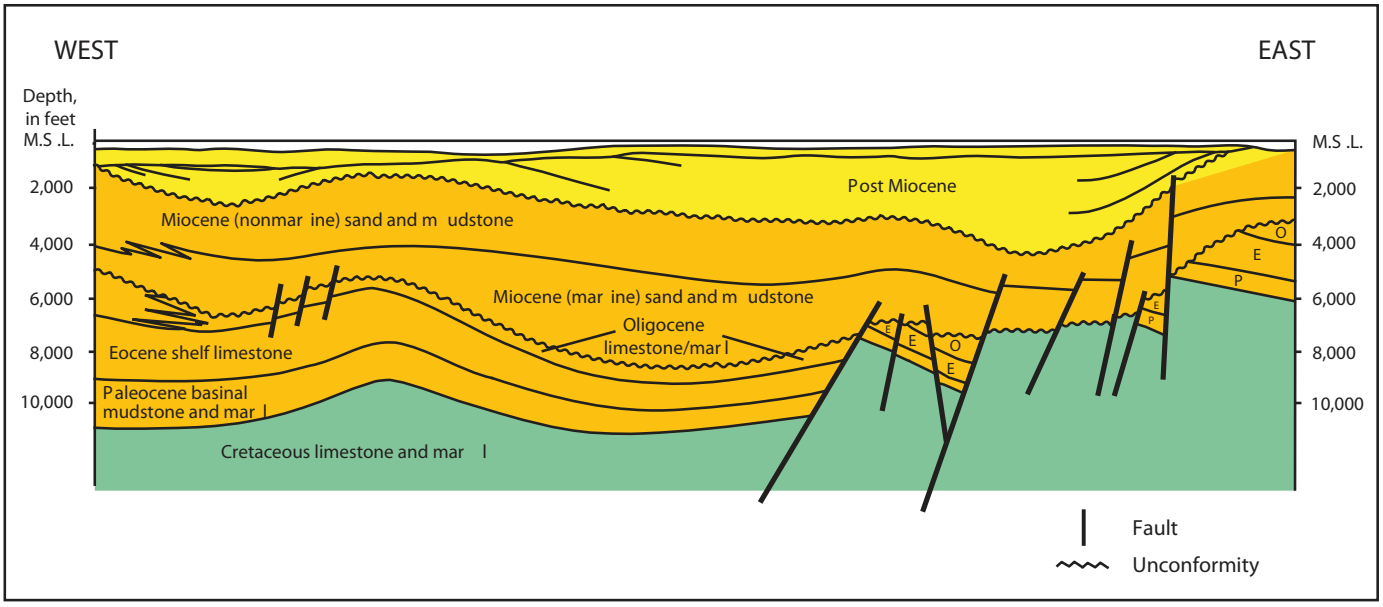
Source: KUFPEC, Sidi El Kilani (SLK) Concession, Tunisia - July 2019 Asset Presentation, Page 17

ZENITH ENERGY LTD.		
TUNISIA **PELAGIAN STRUCTURAL FRAMEWORK**		
OCT. 2021	**JOB No. 6772**	**FIGURE No. 2a**



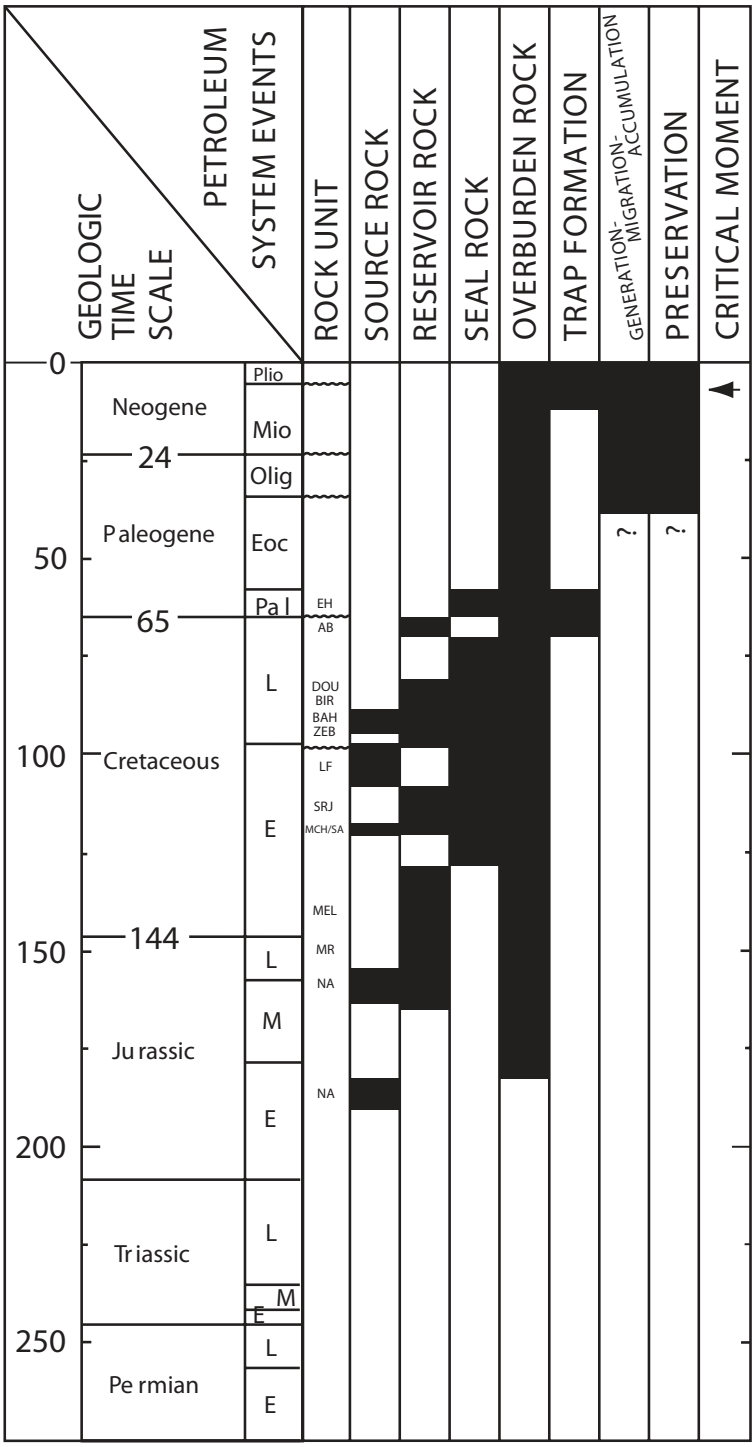
Source: KUFPEC, Sidi El Kilani (SLK) Concession, Tunisia - July 2019 Asset Presentation, Page 20

ZENITH ENERGY LTD.		
TUNISIA STRATIGRAPHIC COLUMN		
OCT. 2021	JOB No. 6772	FIGURE No. 2b



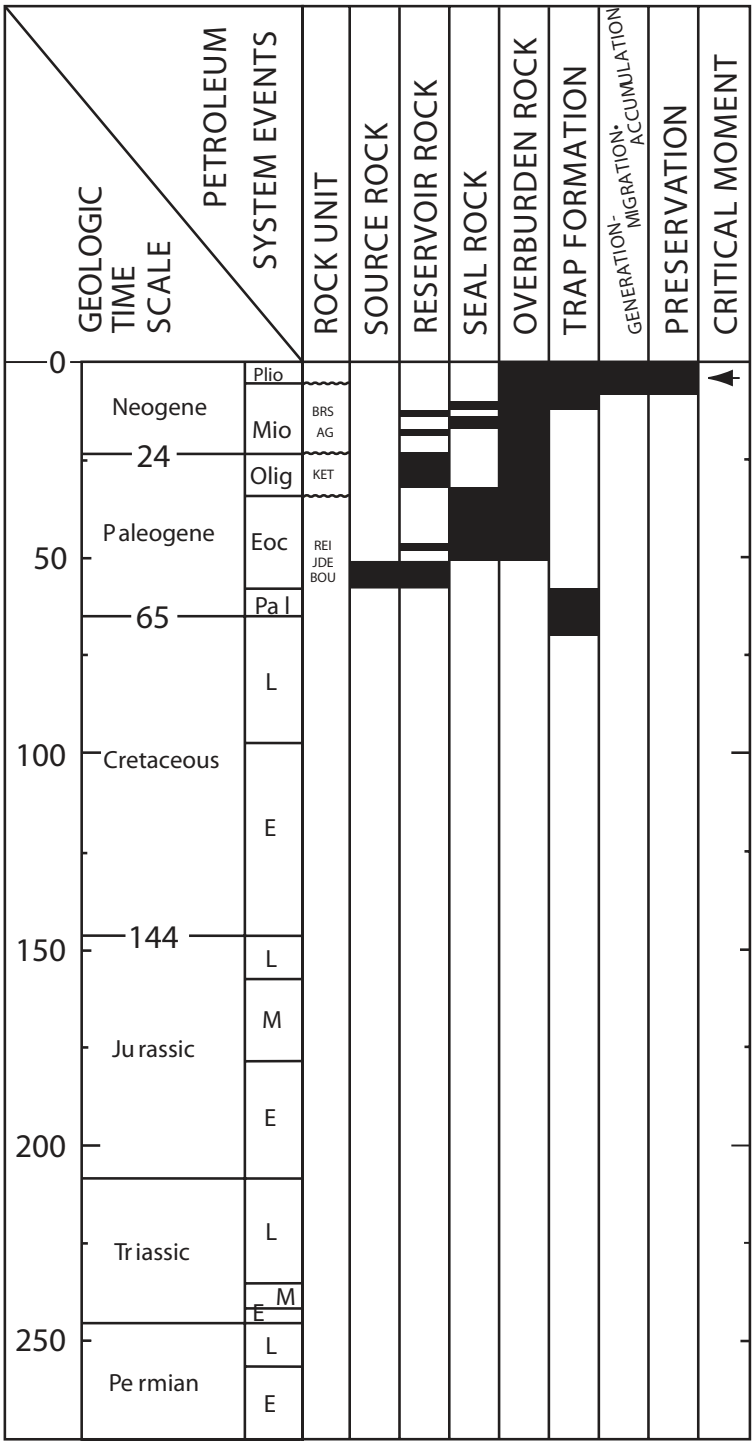
Source: T.R. Klett, Total Petroleum Systems of the Pelagian Province, Tunisia, Libya, Italy, and Malta—The Bou Dabbous–Tertiary and Jurassic-Cretaceous Composite, U.S. Geological Survey Bulletin 2202-D, 2001, Page 10

ZENITH ENERGY LTD.
GULF OF HAMMAMET **PELAGIAN PROVINCE, TUNISIA** **EAST-WEST REGIONAL CROSS SECTION**
OCT. 2021 **JOB No. 6772** **FIGURE No. 2c**



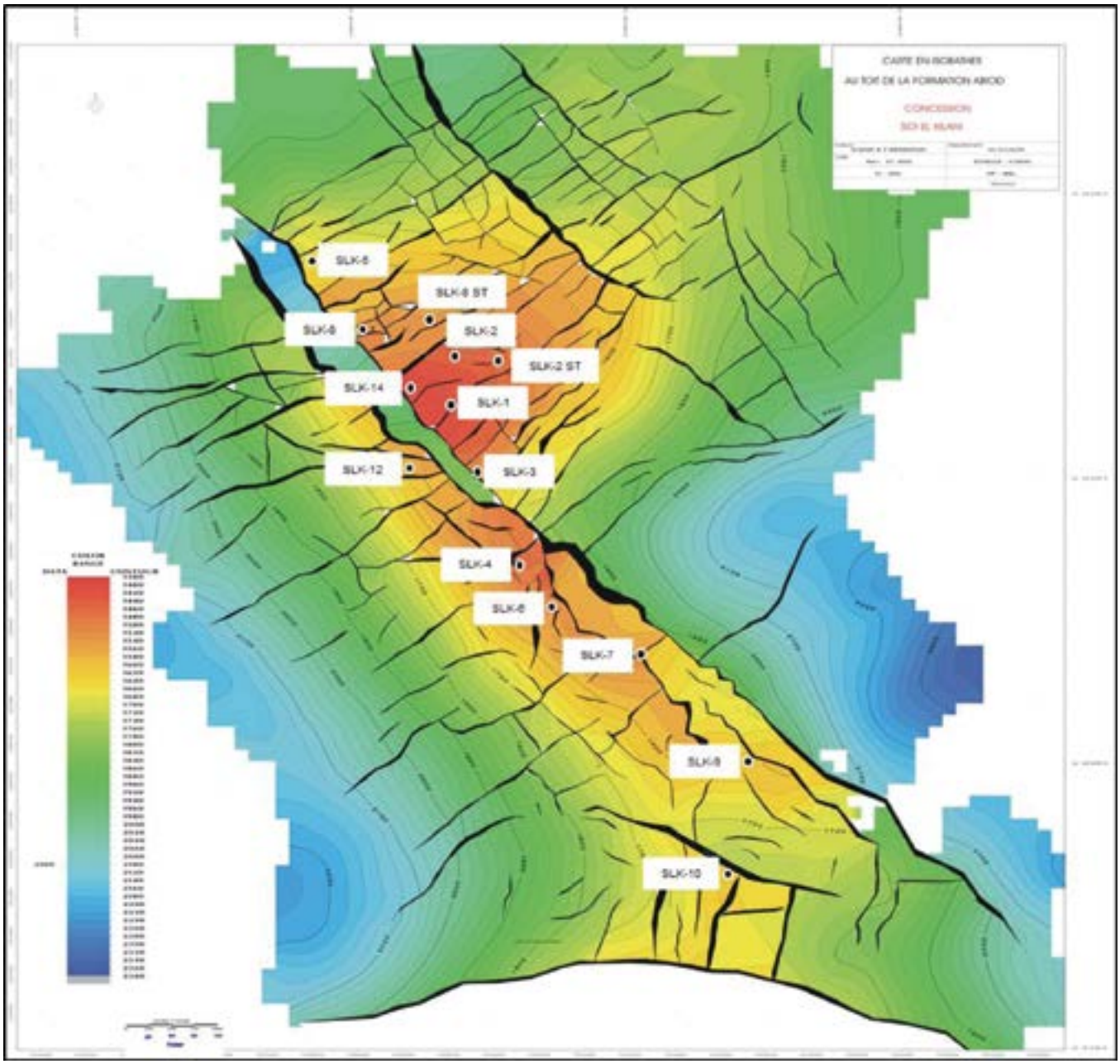
Source: T.R. Klett, Total Petroleum Systems of the Pelagian Province, Tunisia, Libya, Italy, and Malta—The Bou Dabbous–Tertiary and Jurassic-Cretaceous Composite, U.S. Geological Survey Bulletin 2202-D, 2001, Page 23

ZENITH ENERGY LTD.
PELAGIAN PROVINCE **TUNISIA** **PETROLEUM SYSTEM-1**
OCT. 2021 **JOB No. 6772** **FIGURE No. 2d**



Source: T.R. Klett, Total Petroleum Systems of the Pelagian Province, Tunisia, Libya, Italy, and Malta—The Bou Dabbous–Tertiary and Jurassic-Cretaceous Composite, U.S. Geological Survey Bulletin 2202-D, 2001, Page 14

ZENITH ENERGY LTD.
PELAGIAN PROVINCE **TUNISIA** **PETROLEUM SYSTEM-2**
OCT. 2021 **JOB No. 6772** **FIGURE No. 2e**



Source: KUFPEC, Sidi El Kilani (SLK) Concession, Tunisia - July 2019 Asset Presentation, Page 23

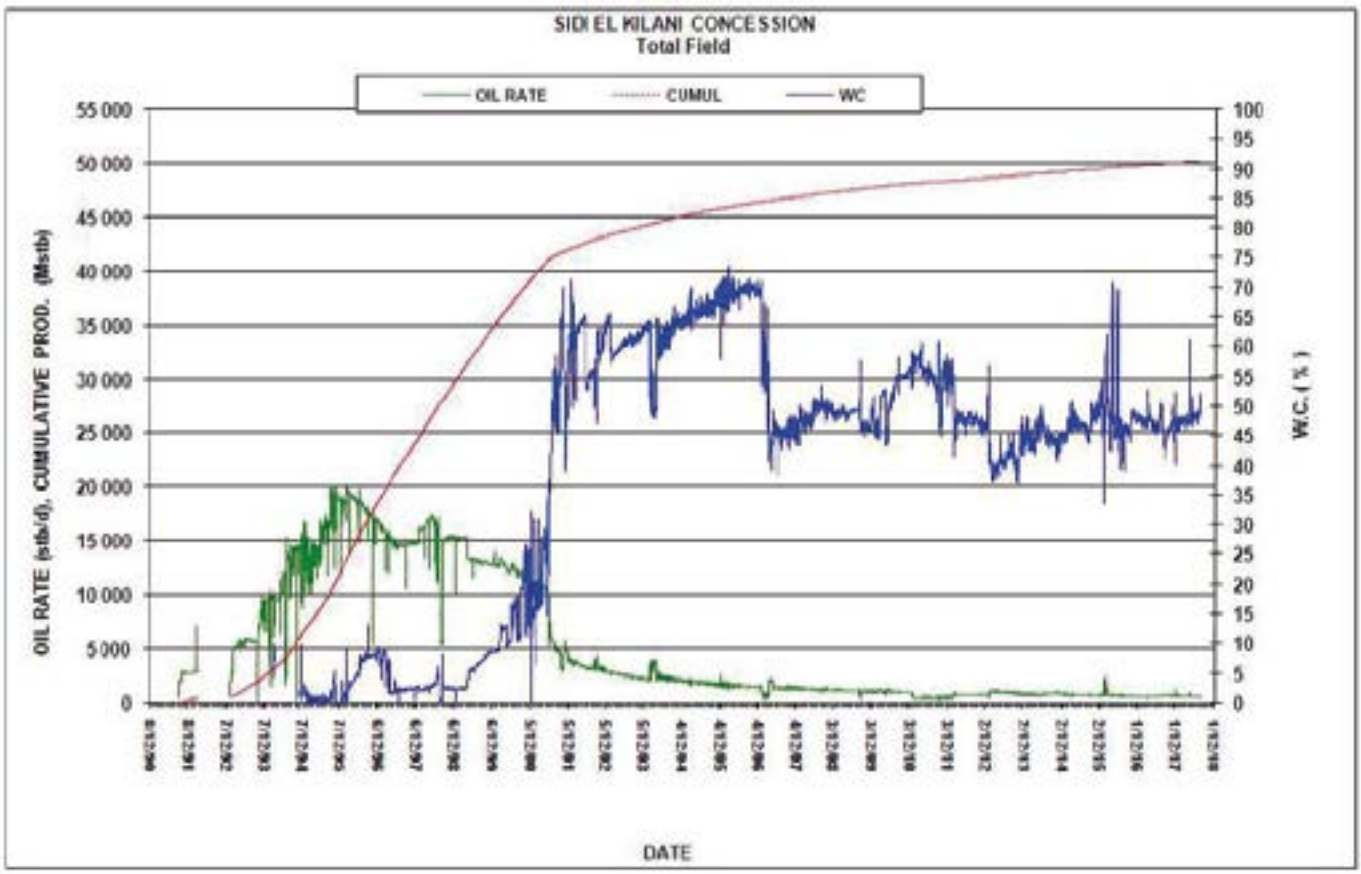
ZENITH ENERGY LTD.
SIDI EL KILANI CONCESSION **PELAGIAN PROVINCE, TUNISIA** **TOP ABIOD FORMATION DEPTH STRUCTURE MAP**
OCT. 2021 **JOB No. 6772** **FIGURE No. 2f**

Table 2

Summary of Gross Reserves
October 1, 2021

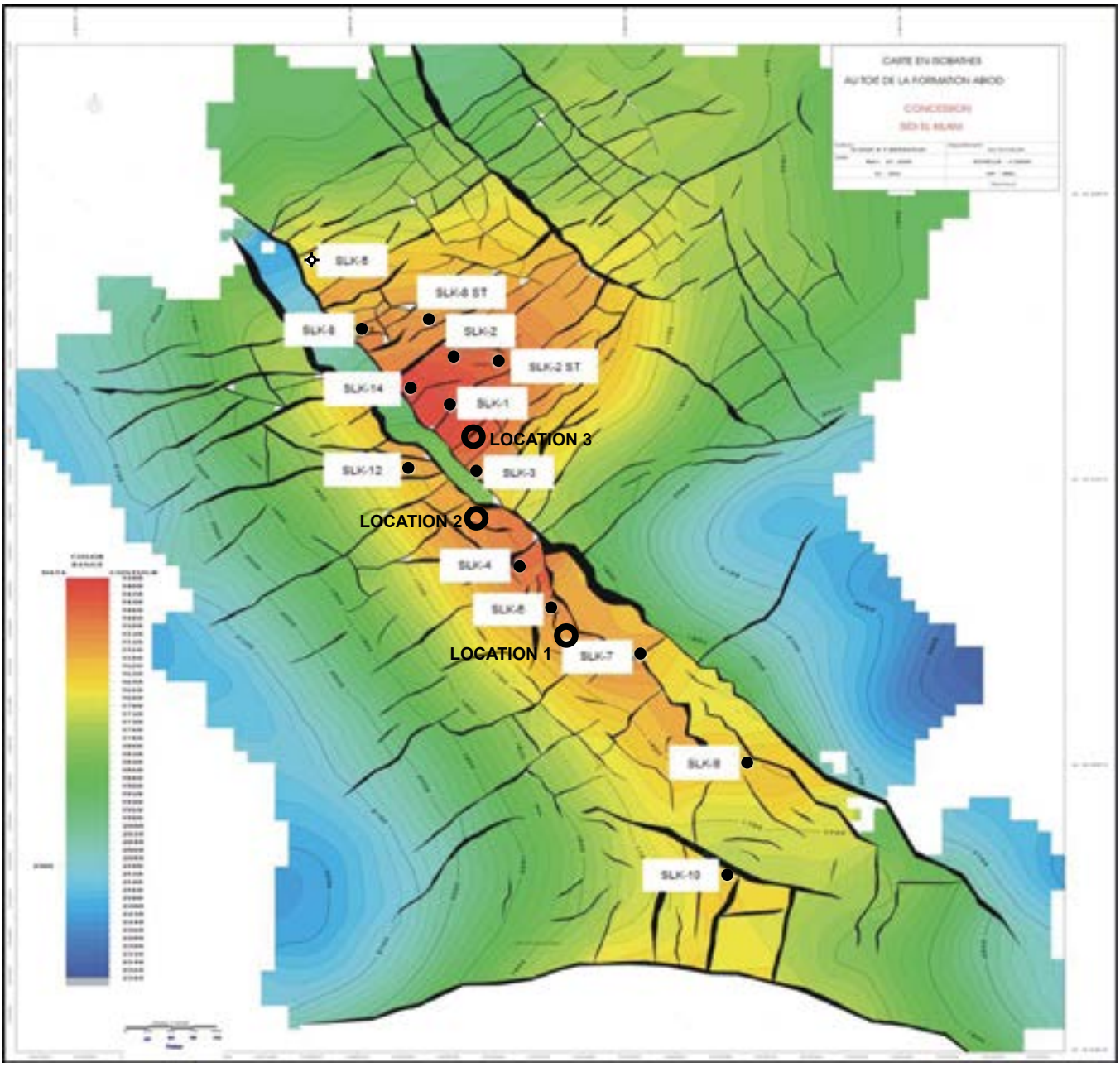
Sidi El Kilani (SLK) Concession, Tunisia

Description		Current or Initial Rate STB/d	API Gravity (Deg)	Ultimate Reserves (MSTB)	Cumulative Production (MSTB)	Reserves (MSTB)	Reference
LIGHT & MEDIUM OIL							
PROVED							
Proved Developed Producing							
Six Producing Wells	Abiod	500	39	52,149	50,512	1,637	Decline Profile
Total Proved				**52,149**	**50,512**	**1,637**	
PROBABLE							
Probable Undeveloped		STB/d/well					
Six Producing Wells (incremental)	Abiod	-	39	631	0	631	
Development wells (3)	Abiod	500	39	3,000	0	3,000	Analog
Total Probable				**3,631**	**0**	**3,631**	
Total Proved Plus Probable				**55,780**	**50,512**	**5,268**	



Source: KUFPEC, Sidi El Kilani (SLK) Concession, Tunisia - July 2019 Asset Presentation, Page 24

ZENITH ENERGY LTD.
SIDI EL KILANI CONCESSION PELAGIAN PROVINCE, TUNISIA **PRODUCTION HISTORY PROFILE**
OCT. 2021 JOB No. 6772 FIGURE No. 3



● Company Producers

Development Location

ZENITH ENERGY LTD.
SIDI EL KILANI CONCESSION PELAGIAN PROVINCE, TUNISIA **DEVELOPMENT LOCATIONS MAP**
OCT. 2021 JOB No. 6772 FIGURE No. 4

Table 3a

Summary of Anticipated Capital Expenditures

Exploration & Development

October 1, 2021

Zenith Energy Ltd.

Sidi El Kilani (SLK) Concession, Tunisia

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$
Probable Undeveloped Reserves					
One Infill Well - Aboid	2022	Drill, Complete, and Equip one well	45.0000	2,650	1,193
One Infill Well - Aboid	2023	Drill, Complete, and Equip one well	45.0000	2,650	1,193
One Infill Well - Aboid	2024	Drill, Complete, and Equip one well	45.0000	2,650	1,193
		Total Probable		**7,950**	**3,578**

Note: **M$ means thousands of dollars.**
The above capital values are expressed in terms of current dollar values without escalation.

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2021

Zenith Energy Ltd.

Sidi El Kilani (SLK) Concession, Tunisia

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Proved Producing				
SLK Wells and Facilities	Thirteen Wells and production facilities	45.0000	9,000	4,050
Probable Undeveloped				
SLK wells	Three wells	45.0000	1,500	675
Total Proved Plus Probable			10,500	4,725

Table 4
Summary of Company Reserves and Economics
Before Income Tax

October 1, 2021

(as of September 30, 2021)

Zenith Energy Ltd.

Sidi El Kilani (SLK) Concession, Tunisia

	Company Reserves		Cumulative Cash Flow (BIT) - M$				
	Oil - MSTB		Discounted at:				
Description	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing							
Six Producing Wells	737	648	18,716	16,011	13,729	11,897	10,444
Total Proved	**737**	**648**	**18,716**	**16,011**	**13,729**	**11,897**	**10,444**
Probable Undeveloped							
Development wells (3), producing wells (incremental)	1,634	1,438	89,978	86,922	83,997	81,100	78,241
Total Probable	**1,634**	**1,438**	**89,978**	**86,922**	**83,997**	**81,100**	**78,241**

Table 4T
Summary of Company Reserves and Economics
After Income Tax

October 1, 2021

(as of September 30, 2021)

Zenith Energy Ltd.

Sidi El Kilani (SLK) Concession, Tunisia

	Company Reserves		Cumulative Cash Flow (BIT) - M$				
	Oil - MSTB		Discounted at:				
Description	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing							
Six Producing Wells	737	648	8,422	7,219	6,202	5,384	4,734
Total Proved	**737**	**648**	**8,422**	**7,219**	**6,202**	**5,384**	**4,734**
Probable Undeveloped							
Development wells (3), producing wells (incremental)	1,634	1,438	40,490	26,827	18,760	13,707	10,370
Total Probable	**1,634**	**1,438**	**40,490**	**26,827**	**18,760**	**13,707**	**10,370**
Total Proved Plus Probable	**2,371**	**2,086**	**48,912**	**34,046**	**24,962**	**19,091**	**15,104**

M$ means thousands of dollars
Net resources are the total of the Company's working interest share after deducting the amounts attributable to royalties and profit oil owned by the government.

Table 4a, Page 1

Zenith Energy Ltd

Sidi El Kilani

October 1, 2021

Production and Capital Forecast - Proved Producing Reserves

		Existing Production			Development Program - Gross Production - STB/yr				Total Oil Production				
					# Wells	# Wells	# Wells	# Wells					
Year	Days On	STB/d	STB/yr	Well Count	0	0	0	0	STB/yr.	STB/d	Drilling & Completion	Well Fac. & Tie-ins	Total Capital (Escalated)
2021	90	500	45,000	6					45,000	500	0	0	0
2022	365	462	168,630	6					168,630	462	0	0	0
2023	365	427	155,814	6					155,814	427	0	0	0
2024	365	394	143,972	6					143,972	394	0	0	0
2025	365	364	133,030	6					133,030	364	0	0	0
2026	365	337	122,920	6					122,920	337	0	0	0
2027	365	311	113,578	6					113,578	311	0	0	0
2028	365	288	104,946	6					104,946	288	0	0	0
2029	365	266	96,970	6					96,970	266	0	0	0
2030	365	245	89,601	6					89,601	245	0	0	0
2031	365	227	82,791	5					82,791	227	0	0	0
2032	365	210	76,499	5					76,499	210	0	0	0
2033	365	194	70,685	5					70,685	194	0	0	0
2034	365	179	65,313	5					65,313	179	0	0	0
2035	365	165	60,349	3					60,349	165	0	0	0
2036	365	153	55,763	3					55,763	153	0	0	0
2037	365	141	51,525	3					51,525	141	0	0	0
2038	365	0	0	3					0	0	0	0	0
2039	365	0	0	3					0	0	0	0	0
2040	365	0	0	3					0	0	0	0	0
2041	365	0	0	3					0	0	0	0	0
2042	365	0	0	3					0	0	0	0	0
2043	365	0	0	3					0	0	0	0	0
2044	365	0	0	3					0	0	0	0	0
Total			1,637,385		0	0	0	0	1,637,385		0	0	0
										Unit Cost	2500	150	

Decline/yr.	7.6%
Initial production	520

2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0

Table 4a, Page 2

Zenith Energy Ltd

Sidi El Kilani

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Producing Reserves

Before Income Tax

Year	Gross Production STB/yr.	Oil Price $/STB	Gross Revenue $/yr.	Royalty Rate %	Royalty $/yr.	Export Payment $/yr.	Operating Costs - $/yr. Fixed	Variable	Total (Escalated)	Project Total Revenue (Operating Cash Flow) $/yr.	Total Capital Costs $/yr.	Abandon & Reclamaim $/yr.	Project Undiscounted Net Cash Flow (Profit) $/yr.	Company's 45% Share Undiscounted Net Cash Flow (Profit) $/yr.	t	Company 45% Share Discounted @ 5% $	10% $	15% $	20% $
2021	45,000	$78.28	$3,522,375	12%	$422,685	$35,224	2,250,000	54,000	2,304,000	760,466	0	0	760,466	342,210	0.13	340,129	338,157	336,283	334,499
2022	168,630	$75.13	$12,668,329	12%	$1,520,199	$126,683	3,000,000	202,356	3,202,356	7,819,090	0	0	7,819,090	3,518,591	0.88	3,371,538	3,237,055	3,113,566	2,999,751
2023	155,814	$71.98	$11,214,721	12%	$1,345,767	$112,147	3,000,000	186,977	3,250,716	6,506,091	0	0	6,506,091	2,927,741	1.88	2,671,792	2,448,620	2,252,808	2,080,021
2024	143,972	$68.83	$9,908,890	12%	$1,189,067	$99,089	3,000,000	172,767	3,300,946	5,319,788	0	0	5,319,788	2,393,904	2.88	2,080,395	1,820,132	1,601,771	1,417,297
2025	133,030	$70.22	$9,341,591	12%	$1,120,991	$93,416	3,000,000	159,636	3,353,031	4,774,153	0	0	4,774,153	2,148,369	3.88	1,778,281	1,484,951	1,249,985	1,059,941
2026	122,920	$71.65	$8,806,721	12%	$1,056,807	$88,067	3,000,000	147,504	3,406,960	4,254,888	0	0	4,254,888	1,914,700	4.88	1,509,395	1,203,124	968,721	787,213
2027	113,578	$73.10	$8,302,430	12%	$996,292	$83,024	3,000,000	136,294	3,462,722	3,760,393	0	0	3,760,393	1,692,177	5.88	1,270,453	966,638	744,468	579,770
2028	104,946	$74.58	$7,826,973	12%	$939,237	$78,270	3,000,000	125,935	3,520,311	3,289,156	0	0	3,289,156	1,480,120	6.88	1,058,329	768,639	566,238	422,596
2029	96,970	$76.09	$7,378,705	12%	$885,445	$73,787	3,000,000	116,364	3,579,723	2,839,751	0	0	2,839,751	1,277,888	7.88	870,216	603,289	425,106	304,047
2030	89,601	$77.63	$6,956,074	12%	$834,729	$69,561	3,000,000	107,521	3,640,956	2,410,829	0	0	2,410,829	1,084,873	8.88	703,587	465,606	313,824	215,102
2031	82,791	$79.21	$6,557,617	12%	$786,914	$65,576	2,850,000	99,349	3,524,745	2,180,381	0	0	2,180,381	981,172	9.88	606,039	382,818	246,805	162,118
2032	76,499	$80.81	$6,181,952	12%	$741,834	$61,820	2,850,000	91,799	3,586,036	1,792,263	0	0	1,792,263	806,518	10.88	474,459	286,068	176,411	111,050
2033	70,685	$82.45	$5,827,780	12%	$699,334	$58,278	2,850,000	84,822	3,649,082	1,421,087	0	0	1,421,087	639,489	11.88	358,270	206,203	121,632	73,376
2034	65,313	$84.12	$5,493,873	12%	$659,265	$54,939	2,850,000	78,375	3,713,888	1,065,781	0	0	1,065,781	479,601	12.88	255,899	140,588	79,522	45,859
2035	60,349	$85.82	$5,179,072	12%	$621,489	$51,791	2,550,000	72,419	3,392,378	1,113,414	0	0	1,113,414	501,036	13.88	254,605	133,520	72,059	39,924
2036	55,763	$87.55	$4,882,287	12%	$585,874	$48,823	2,550,000	66,915	3,452,964	794,626	0	0	794,626	357,582	14.88	173,055	86,628	44,719	23,744
2037	51,525	$89.33	$4,602,488	12%	$552,299	$46,025	2,550,000	61,829	3,515,179	488,986	0	9,000,000	-8,511,014	-3,829,956	15.88	-1,765,280	-843,500	-416,501	-211,930
2038	0	$91.13	$0	12%	$0	$0		0	0	0	0	0	0	0	16.88	0	0	0	0
2039	0	$92.98	$0	12%	$0	$0		0	0	0	0	0	0	0	17.88	0	0	0	0
2040	0	$94.85	$0	12%	$0	$0		0	0	0	0	0	0	0	18.88	0	0	0	0
2041	0	$96.77	$0	12%	$0	$0		0	0	0	0	0	0	0	19.88	0	0	0	0
2042	0	$98.73	$0	12%	$0	$0		0	0	0	0	0	0	0	20.88	0	0	0	0
2043	0	$100.72	$0	12%	$0	$0		0	0	0	0	0	0	0	21.88	0	0	0	0
2044	0	$102.76	$0	12%	$0	$0		0	0	0	0	0	0	0	22.88	0	0	0	0
Totals	1,637,385		$124,651,879		##########	$1,246,519	$48,300,000	$1,964,863	$57,855,994	50,591,141	0	9,000,000	41,591,141	18,716,014		16,011,351	13,728,538	11,897,217	10,444,377
Company Share			**$56,093,346**		**$6,731,201**	**$560,933**			**$26,035,197**	22,766,014	0	4,050,000	18,716,014	45.0%					

Gross	**736,823**	$1.00	
Net	**648,405**	Price Differential	

1% 2,100,000 $/yr $150,000 per yr per well

$1.20 $/STB

Zenith Energy Ltd

Sidi El Kilani

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Producing Reserves

After Income tax

Company Working Interest	45.0%

	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow		Company 45% Share Discounted @			
													5%	10%	15%	20%
Year	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$	$/yr.	%	$/yr.	$/yr.	t	$	$	$	$
2020	342,210	$0	$0	$0			$0	$342,210	55%	$188,215	$153,994	0.16	152,797	151,664	150,589	149,567
2022	3,518,591	$0	$0	$0	$0		$0	$3,518,591	55%	$1,935,225	$1,583,366	0.83	1,520,304	1,462,518	1,409,354	1,360,264
2023	2,927,741	$0	$0	$0	$0	$0	$0	$2,927,741	55%	$1,610,258	$1,317,483	1.83	1,204,773	1,106,299	1,019,732	943,205
2024	2,393,904	$0	$0	$0	$0	$0	$0	$2,393,904	55%	$1,316,647	$1,077,257	2.83	938,188	822,345	725,041	642,686
2025	2,148,369	$0	$0	$0	$0	$0	$0	$2,148,369	55%	$1,181,603	$966,766	3.83	801,868	670,908	565,805	480,640
2026	1,914,700	$0	$0		$0	$0	$0	$1,914,700	55%	$1,053,085	$861,615	4.83	680,621	543,579	438,491	356,969
2027	1,692,177	$0	$0			$0	$0	$1,692,177	55%	$930,697	$761,479	5.83	572,877	436,732	336,983	262,902
2028	1,480,120	$0	$0				$0	$1,480,120	55%	$814,066	$666,054	6.83	477,225	347,275	256,307	191,630
2029	1,277,888	$0	$0				$0	$1,277,888	55%	$702,838	$575,049	7.83	392,400	272,569	192,424	137,873
2030	1,084,873	$0	$0				$0	$1,084,873	55%	$596,680	$488,193	8.83	317,268	210,363	142,052	97,540
2031	981,172	$0	$0				$0	$981,172	55%	$539,644	$441,527	9.83	273,277	172,959	111,716	73,514
2032	806,518	$0	$0				$0	$806,518	55%	$443,585	$362,933	10.83	213,936	129,247	79,852	50,357
2033	639,489	$0	$0				$0	$639,489	55%	$351,719	$287,770	11.83	161,552	93,164	55,056	33,273
2034	479,601	$0	$0				$0	$479,601	55%	$263,781	$215,821	12.83	115,391	63,519	35,905	20,795
2035	501,036	$0	$0				$0	$501,036	55%	$275,570	$225,466	13.83	114,807	60,325	32,617	18,104
2036	357,582	$0	$0				$0	$357,582	55%	$196,670	$160,912	14.83	78,035	39,139	20,242	10,767
2037	220,044	$0	$4,050,000				$0	($3,829,956)	55%	($2,106,476)	($1,723,480)	15.83	-796,006	-381,097	-188,529	-96,101
2038	0	$0	$0				$0	$0	55%	$0	$0	16.83	0	0	0	0
2039	0	$0	$0				$0	$0	55%	$0	$0	17.83	0	0	0	0
2040	0	$0	$0				$0	$0	55%	$0	$0	18.83	0	0	0	0
2041	0	$0	$0				$0	$0	55%	$0	$0	19.83	0	0	0	0
2042	0	$0	$0				$0	$0	55%	$0	$0	20.83	0	0	0	0
2043	0	$0	$0				$0	$0	55%	$0	$0	21.83	0	0	0	0
2044	0	$0	$0				$0	$0	55%	$0	$0	22.83	0	0	0	0
Totals	**22,766,014**	**0**	**4,050,000**	**0**	**0**	**0**	**0**	**18,716,014**		**10,293,807**	**8,422,206**	**272**	**7,219,313**	**6,201,505**	**5,383,637**	**4,733,983**

Zenith Energy Ltd

Sidi El Kilani

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Producing Reserves

Year	Gross Revenue $/yr.	Royalty $/yr.	Corp Tax (Grossed Up) $/yr.	Net Revenue $/yr.	Cumulative Net Revenue $	Operating Costs $/yr.	Capital Costs $/yr.	Total Expenditures $/yr.	Cumulative Expenditures $	R Factor #	Royalty Rate %	Tax Rate %
2020	$3,522,375	$422,685	$418,256	$2,681,434	$759,181,434	2,304,000	0	2,304,000	$502,304,000	1.51	12%	55%
2022	$12,668,329	$1,520,199	$4,300,500	$6,847,630	$766,029,063	3,202,356	0	3,202,356	$505,506,356	1.52	12%	55%
2023	$11,214,721	$1,345,767	$3,578,350	$6,290,605	$772,319,668	3,250,716	0	3,250,716	$508,757,072	1.52	12%	55%
2024	$9,908,890	$1,189,067	$2,925,883	$5,793,940	$778,113,608	3,300,946	0	3,300,946	$512,058,019	1.52	12%	55%
2025	$9,341,591	$1,120,991	$2,625,784	$5,594,816	$783,708,424	3,353,031	0	3,353,031	$515,411,050	1.52	12%	55%
2026	$8,806,721	$1,056,807	$2,340,188	$5,409,726	$789,118,150	3,406,960	0	3,406,960	$518,818,010	1.52	12%	55%
2027	$8,302,430	$996,292	$2,068,216	$5,237,923	$794,356,073	3,462,722	0	3,462,722	$522,280,732	1.52	12%	55%
2028	$7,826,973	$939,237	$1,809,036	$5,078,701	$799,434,774	3,520,311	0	3,520,311	$525,801,043	1.52	12%	55%
2029	$7,378,705	$885,445	$1,561,863	$4,931,398	$804,366,172	3,579,723	0	3,579,723	$529,380,766	1.52	12%	55%
2030	$6,956,074	$834,729	$1,325,956	$4,795,389	$809,161,561	3,640,956	0	3,640,956	$533,021,722	1.52	12%	55%
2031	$6,557,617	$786,914	$1,199,210	$4,571,493	$813,733,054	3,524,745	0	3,524,745	$536,546,467	1.52	12%	55%
2032	$6,181,952	$741,834	$985,744	$4,454,374	$818,187,428	3,586,036	0	3,586,036	$540,132,503	1.51	12%	55%
2033	$5,827,780	$699,334	$781,598	$4,346,849	$822,534,277	3,649,082	0	3,649,082	$543,781,585	1.51	12%	55%
2034	$5,493,873	$659,265	$586,180	$4,248,428	$826,782,705	3,713,888	0	3,713,888	$547,495,473	1.51	12%	55%
2035	$5,179,072	$621,489	$612,378	$3,945,206	$830,727,910	3,392,378	0	3,392,378	$550,887,851	1.51	12%	55%
2036	$4,882,287	$585,874	$437,044	$3,859,368	$834,587,279	3,452,964	0	3,452,964	$554,340,815	1.51	12%	55%
2037	$4,602,488	$552,299	($4,681,058)	$8,731,247	$843,318,526	3,515,179	0	3,515,179	$557,855,994	1.51	12%	55%
2038	$0	$0	$0	$0	$843,318,526	0	0	0	$557,855,994	1.51	12%	55%
2039	$0	$0	$0	$0	$843,318,526	0	0	0	$557,855,994	1.51	12%	55%
2040	$0	$0	$0	$0	$843,318,526	0	0	0	$557,855,994	1.51	12%	55%
2041	$0	$0	$0	$0	$843,318,526	0	0	0	$557,855,994	1.51	12%	55%
2042	$0	$0	$0	$0	$843,318,526	0	0	0	$557,855,994	1.51	12%	55%
2043	$0	$0	$0	$0	$843,318,526	0	0	0	$557,855,994	1.51	12%	55%
2044	$0	$0	$0	$0	$843,318,526	0	0	0	$557,855,994	1.51	12%	55%
Totals	$121,129,504	$14,535,541	$22,875,128	$86,818,526		$57,855,994	$0	$57,855,994				
			0.45 WI Factor		$756,500,000 Opening Balance				$500,000,000 Opening Balance	1.51 Applies Subsequent Year	12%	55%

Table 4b, Page 1

Zenith Energy Ltd

Sidi El Kilani

October 1, 2021

Production and Capital Forecast - Proved Plus Probable Reserves

		Existing Production			Development Type Wel		Development Program - Gross Production - STB/yr # Wells	# Wells	# Wells	Total Oil Production				
Year	Days On	STB/d	STB/yr	Well Count	STB/d	STB/yr	1	1	1	STB/yr.	STB/d	Drilling & Completion	Well Fac. & Tie-ins	Total Capital (Escalated)
2021	90	500	45,000	6	0	0				45,000	500	0	0	0
2022	365	471	171,987	6	0	0				171,987	471	2500	150	2650
2023	365	444	162,060	7	400	146,000	146,000			308,060	844	2500	150	2703
2024	365	418	152,744	8	320	116,800	116,800	146,000		415,544	1138	2500	150	2757
2025	365	394	143,945	9	280	102,293	102,293	116,800	146,000	509,038	1395	0	0	0
2026	365	372	135,653	9	245	89,589	89,589	102,293	116,800	444,335	1217	0	0	0
2027	365	350	127,839	9	215	78,462	78,462	89,589	102,293	398,183	1091	0	0	0
2028	365	330	120,475	9	188	68,717	68,717	78,462	89,589	357,242	979	0	0	0
2029	365	311	113,535	9	165	60,182	60,182	68,717	78,462	320,896	879	0	0	0
2030	365	293	106,995	9	144	52,708	52,708	60,182	68,717	288,601	791	0	0	0
2031	365	276	100,832	8	126	46,161	46,161	52,708	60,182	259,883	712	0	0	0
2032	365	260	95,023	8	111	40,428	40,428	46,161	52,708	234,320	642	0	0	0
2033	365	245	89,550	8	97	35,407	35,407	40,428	46,161	211,546	580	0	0	0
2034	365	231	84,391	8	85	31,009	31,009	35,407	40,428	191,235	524	0	0	0
2035	365	218	79,530	6	74	27,158	27,158	31,009	35,407	173,104	474	0	0	0
2036	365	205	74,949	6	65	23,785	23,785	27,158	31,009	156,901	430	0	0	0
2037	365	194	70,631	6	57	20,831	20,831	23,785	27,158	142,405	390	0	0	0
2038	365	182	66,563	6	50	18,244	18,244	20,831	23,785	129,422	355	0	0	0
2039	365	172	62,728	6	44	15,978	15,978	18,244	20,831	117,781	323	0	0	0
2040	365	162	59,115	6	38	13,993	13,993	15,978	18,244	107,330	294	0	0	0
2041	365	153	55,710	6	34	12,255	12,255	13,993	15,978	97,936	268	0	0	0
2042	365	144	52,501	5	0	0	0	12,255	13,993	78,749	216	0	0	0
2043	365	136	49,476	4	0	0	0	0	12,255	61,732	169	0	0	0
2044	365	128	46,626	0	0	0	0	0	0	46,626	128	0	0	0
Total			2,267,876			1,000,000	1,000,000	1,000,000	1,000,000	5,267,876		7,500	450	8,110
Initial Decline/yr.		-			40%						Unit Cost	2500	150	
Terminal Decline/yr.		6%			12%									
Inittial production		520			500						2021	0	0	
											2022	1	1	
											2023	1	1	
											2024	1	1	
											2025	0	0	
											2026	0	0	
											2027	0	0	

Table 4b, Page 2

Zenith Energy Ltd

Sidi El Kilani

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Plus Probable Reserves

Before Income Tax

Year	Gross Production STB/yr.	Oil Price $/STB	Gross Revenue $/yr.	Royalty Rate %	Royalty $/yr.	Export Payment $/yr.	Operating Costs - $/yr. Fixed	Variable	Total (Escalated)	Project Total Revenue (Operating Cash Flow) $/yr.	Total Capital Costs $/yr.	Abandon & Reclaim $/yr.	Project Undiscounted Net Cash Flow (Profit) $/yr.	Company's 45% Share Undiscounted Net Cash Flow (Profit) $/yr.	t	Company 45% Share Discounted @ 5% $	10% $	15% $	20% $
2020	45,000	$78.28	$3,522,375	12%	$422,685	$35,224	2,250,000	54,000	2,304,000	760,466	0	0	760,466	342,210	0.13	340,129	338,157	336,283	334,499
2022	171,987	$75.13	$12,920,541	12%	$1,550,465	$129,205	3,000,000	206,385	3,206,385	8,034,486	2,650,000	0	5,384,486	2,423,019	0.88	2,321,754	2,229,144	2,144,106	2,065,728
2023	308,080	$71.98	$22,174,062	12%	$2,660,887	$221,741	3,150,000	369,696	3,590,090	15,701,344	2,703,000	0	12,998,344	5,849,255	1.13	5,536,848	5,254,529	4,998,221	4,764,547
2024	415,544	$68.83	$28,599,787	12%	$3,431,974	$285,998	3,300,000	498,652	3,952,118	20,929,696	2,757,060	0	18,172,636	8,177,686	1.13	7,740,918	7,346,216	6,987,879	6,661,186
2025	509,038	$70.22	$35,745,437	12%	$4,289,452	$357,454	3,450,000	610,846	4,309,402	26,789,128	0	0	26,789,128	12,055,108	1.13	11,411,248	10,829,398	10,301,157	9,819,564
2026	444,335	$71.65	$31,834,805	12%	$3,820,177	$318,348	3,450,000	533,202	4,311,546	23,384,734	0	0	23,384,734	10,523,130	1.13	9,961,093	9,453,186	8,992,074	8,571,682
2027	398,183	$73.10	$29,106,696	12%	$3,492,804	$291,067	3,450,000	477,819	4,336,630	20,986,196	0	0	20,986,196	9,443,788	1.13	8,939,398	8,483,586	8,069,770	7,692,497
2028	357,242	$74.58	$26,643,401	12%	$3,197,208	$266,434	3,450,000	428,690	4,368,035	18,811,723	0	0	18,811,723	8,465,275	1.13	8,013,147	7,604,564	7,233,626	6,895,443
2029	320,896	$76.09	$24,417,734	12%	$2,930,128	$244,177	3,450,000	385,075	4,405,295	16,838,134	0	0	16,838,134	7,577,160	1.13	7,172,466	6,806,748	6,474,726	6,172,023
2030	288,601	$77.63	$22,405,365	12%	$2,688,644	$224,054	3,450,000	346,322	4,447,996	15,044,672	0	0	15,044,672	6,770,102	1.13	6,408,513	6,081,748	5,785,090	5,514,629
2031	259,883	$79.21	$20,584,510	12%	$2,470,141	$205,845	3,300,000	311,859	4,316,506	13,592,018	0	0	13,592,018	6,116,408	1.13	5,788,732	5,494,519	5,226,505	4,982,159
2032	234,320	$80.81	$18,935,669	12%	$2,272,280	$189,357	3,300,000	281,184	4,365,443	12,108,589	0	0	12,108,589	5,448,865	1.13	5,157,843	4,894,849	4,656,086	4,438,407
2033	211,546	$82.45	$17,441,381	12%	$2,092,966	$174,414	3,300,000	253,855	4,418,772	10,755,230	0	0	10,755,230	4,839,853	1.13	4,581,358	4,347,759	4,135,682	3,942,333
2034	191,235	$84.12	$16,086,009	12%	$1,930,321	$160,860	3,300,000	229,482	4,476,237	9,518,591	0	0	9,518,591	4,283,366	1.13	4,054,593	3,847,852	3,660,160	3,489,043
2035	173,104	$85.82	$14,855,549	12%	$1,782,666	$148,555	3,000,000	207,725	4,149,534	8,774,793	0	0	8,774,793	3,948,657	1.13	3,737,760	3,547,175	3,374,150	3,216,403
2036	156,901	$87.55	$13,737,455	12%	$1,648,495	$137,375	3,000,000	188,281	4,206,869	7,744,716	0	0	7,744,716	3,485,122	1.13	3,298,983	3,130,771	2,978,057	2,838,828
2037	142,405	$89.33	$12,720,487	12%	$1,526,458	$127,205	3,000,000	170,886	4,267,595	6,799,228	0	0	6,799,228	3,059,653	1.13	2,896,238	2,748,561	2,614,491	2,492,259
2038	129,422	$91.13	$11,794,574	12%	$1,415,349	$117,946	3,000,000	155,307	4,331,560	5,929,720	0	0	5,929,720	2,668,374	1.13	2,525,857	2,397,066	2,280,141	2,173,541
2039	117,781	$92.98	$10,950,689	12%	$1,314,083	$109,507	3,000,000	141,337	4,398,630	5,128,470	0	0	5,128,470	2,307,811	1.13	2,184,552	2,073,163	1,972,038	1,879,842
2040	107,330	$94.85	$10,180,740	12%	$1,221,689	$101,807	3,000,000	128,796	4,468,691	4,388,553	0	0	4,388,553	1,974,849	1.13	1,869,373	1,774,055	1,687,519	1,608,625
2041	97,936	$96.77	$9,477,470	12%	$1,137,296	$94,775	3,000,000	117,523	4,541,643	3,703,756	0	0	3,703,756	1,666,690	1.13	1,577,673	1,497,229	1,424,196	1,357,613
2042	78,749	$98.73	$7,774,704	12%	$932,965	$77,747	2,850,000	94,499	4,375,371	2,388,622	0	0	2,388,622	1,074,880	1.13	1,017,471	965,591	918,491	875,550
2043	61,732	$100.72	$6,217,726	12%	$746,127	$62,177	2,700,000	74,078	4,204,577	1,204,845	0	0	1,204,845	542,180	1.13	513,223	487,054	463,296	441,636
2044	46,626	$102.76	$4,791,136	12%	$574,936	$47,911	2,100,000	55,951	3,333,057	835,232	0	10,500,000	-9,664,768	-4,349,146	1.13	-4,116,859	-3,906,944	-3,716,370	-3,542,624
Totals	5,267,876		$412,918,304		$49,550,196	$4,129,183	$74,250,000	$6,321,451	$99,085,982	**260,152,942**	**8,110,060**	**10,500,000**	**241,542,882**	**108,694,297**		**102,953,309**	**97,725,975**	**92,997,374**	**88,685,416**
Company Share			**$185,813,237**		**$22,297,588**	**$1,858,132**			**$44,588,692**	**117,068,824**	**3,649,527**	**4,725,000**	**108,694,297**	**45.0%**					

Gross	**2,370,544**	$1.00		10%	1%	2,100,000	$1.20
Net	**2,086,079**	Price Differential		Royalty Rate	Export Payment	$/yr	$/STB
						$150,000	
						per yr per well	

Table 4b, Page 3

Zenith Energy Ltd

Sidi El Kilani

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Plus Probable Reserves

After Income Tax

Company Working Interest	45.0%

	Net operating Income	Net Capital	Abandon and Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash flow	Company 45% Share Discounted @			
												5%	10%	15%	20%
Year	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$	$/yr.	%	$/yr.	$/yr.	$	$	$	$
2020	342,210	$0	$0	$0	$0	$0	$0	$342,210	55%	$188,215	$153,994	152,797	151,664	150,589	149,567
2022	3,615,519	$1,192,500	$0	$238,500	$0	$0	$238,500	$3,377,019	55%	$1,857,360	$565,658	543,209	522,635	503,704	486,221
2023	7,065,605	$1,216,350	$0	$238,500	$243,270	$0	$481,770	$6,583,835	55%	$3,621,109	$2,228,146	2,037,826	1,871,522	1,725,308	1,596,033
2024	9,418,363	$1,240,677	$0	$238,500	$243,270	$248,135	$729,905	$8,688,458	55%	$4,778,652	$3,399,035	2,960,669	2,595,460	2,288,657	2,028,956
2025	12,055,108	$0	$0	$238,500	$243,270	$248,135	$729,905	$11,325,202	55%	$6,228,861	$5,826,246	4,833,190	4,044,407	3,411,270	2,898,175
2026	10,523,130	$0	$0	$238,500	$243,270	$248,135	$729,905	$9,793,225	55%	$5,386,274	$5,136,857	4,058,384	3,241,685	2,615,332	2,129,374
2027	9,443,788	$0	$0		$243,270	$248,135	$491,405	$8,952,383	55%	$4,923,810	$4,519,978	3,400,969	2,593,086	2,001,096	1,561,384
2028	8,465,275	$0	$0			$248,135	$248,135	$8,217,140	55%	$4,519,427	$3,945,848	2,827,597	2,057,919	1,519,057	1,135,880
2029	7,577,160	$0	$0				$0	$7,577,160	55%	$4,167,438	$3,409,722	2,327,056	1,616,643	1,141,445	817,956
2030	6,770,102	$0	$0				$0	$6,770,102	55%	$3,723,556	$3,046,546	1,980,187	1,313,138	886,841	609,028
2031	6,116,408	$0	$0				$0	$6,116,408	55%	$3,364,024	$2,752,384	1,703,798	1,078,497	696,705	458,519
2032	5,448,865	$0	$0				$0	$5,448,865	55%	$2,996,876	$2,451,989	1,445,568	873,445	539,711	340,397
2033	4,839,853	$0	$0				$0	$4,839,853	55%	$2,661,919	$2,177,934	1,222,856	705,292	416,859	251,959
2034	4,283,366	$0	$0				$0	$4,283,366	55%	$2,355,851	$1,927,515	1,030,716	567,453	320,807	185,824
2035	3,948,657	$0	$0				$0	$3,948,657	55%	$2,171,761	$1,776,896	904,928	475,555	257,164	142,753
2036	3,485,122	$0	$0				$0	$3,485,122	55%	$1,916,817	$1,568,305	760,665	381,572	197,370	104,996
2037	3,059,653	$0	$0				$0	$3,059,653	55%	$1,682,809	$1,376,844	636,001	304,536	150,674	76,815
2038	2,668,374	$0	$0				$0	$2,668,374	55%	$1,467,606	$1,200,768	528,255	241,446	114,265	55,826
2039	2,307,811	$0	$0				$0	$2,307,811	55%	$1,269,296	$1,038,515	435,119	189,837	85,935	40,236
2040	1,974,849	$0	$0				$0	$1,974,849	55%	$1,086,167	$888,682	354,611	147,680	63,945	28,692
2041	1,666,690	$0	$0				$0	$1,666,690	55%	$916,680	$750,011	285,025	113,305	46,928	20,179
2042	1,074,880	$0	$0				$0	$1,074,880	55%	$591,184	$483,696	175,065	66,430	26,317	10,845
2043	542,180	$0	$0				$0	$542,180	55%	$298,199	$243,981	84,100	30,462	11,543	4,559
2044	375,854	$0	$4,725,000				$0	($4,349,146)	55%	($2,392,030)	($1,957,116)	-642,488	-222,137	-80,516	-30,473
Totals	**117,068,824**	**3,649,527**	**4,725,000**	**1,192,500**	**1,216,350**	**1,240,677**	**3,649,527**	**108,694,297**		**59,781,863**	**48,912,434**	**34,046,102**	**24,961,533**	**19,091,006**	**15,103,703**

Table 4b, Page 4

Zenith Energy Ltd

Sidi El Kilani

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Plus Probable Reserves

Year	Gross Revenue $/yr.	Royalty $/yr.	Corp Tax (Grossed Up) $/yr.	Net Revenue $/yr.	Cumulative Net Revenue $	Operating Costs $/yr.	Capital Costs $/yr.	Total Expenditures $/yr.	Cumulative Expenditures $	R Factor #	Royalty Rate %	Tax Rate %
2020	$3,522,375	$422,685	$418,256	$2,681,434	$759,181,434	2,304,000	0	2,304,000	$502,304,000	1.51	12%	55%
2022	$12,920,541	$1,550,465	$4,127,468	$7,242,609	$766,424,043	3,206,385	2,650,000	5,856,385	$508,160,385	1.51	12%	55%
2023	$22,174,062	$2,660,887	$8,046,909	$11,466,266	$777,890,308	3,590,090	2,703,000	6,293,090	$514,453,475	1.51	12%	55%
2024	$28,599,787	$3,431,974	$10,619,226	$14,548,586	$792,438,894	3,952,118	2,757,060	6,709,178	$521,162,653	1.52	12%	55%
2025	$35,745,437	$4,289,452	$13,841,914	$17,614,071	$810,052,965	4,309,402	0	4,309,402	$525,472,055	1.54	12%	55%
2026	$31,834,805	$3,820,177	$11,969,497	$16,045,131	$826,098,096	4,311,546	0	4,311,546	$529,783,601	1.56	12%	55%
2027	$29,106,696	$3,492,804	$10,941,801	$14,672,091	$840,770,187	4,336,630	0	4,336,630	$534,120,231	1.57	12%	55%
2028	$26,643,401	$3,197,208	$10,043,171	$13,403,021	$854,173,209	4,368,035	0	4,368,035	$538,488,266	1.59	12%	55%
2029	$24,417,734	$2,930,128	$9,260,973	$12,226,633	$866,399,842	4,405,295	0	4,405,295	$542,893,562	1.60	12%	55%
2030	$22,405,365	$2,688,644	$8,274,569	$11,442,152	$877,841,993	4,447,996	0	4,447,996	$547,341,557	1.60	12%	55%
2031	$20,584,510	$2,470,141	$7,475,610	$10,638,759	$888,480,753	4,316,506	0	4,316,506	$551,658,063	1.61	12%	55%
2032	$18,935,669	$2,272,280	$6,659,724	$10,003,665	$898,484,418	4,365,443	0	4,365,443	$556,023,507	1.62	12%	55%
2033	$17,441,381	$2,092,966	$5,915,376	$9,433,039	$907,917,457	4,418,772	0	4,418,772	$560,442,279	1.62	12%	55%
2034	$16,086,009	$1,930,321	$5,235,225	$8,920,463	$916,837,920	4,476,237	0	4,476,237	$564,918,516	1.62	12%	55%
2035	$14,855,549	$1,782,666	$4,826,136	$8,246,747	$925,084,667	4,149,534	0	4,149,534	$569,068,050	1.63	12%	55%
2036	$13,737,455	$1,648,495	$4,259,594	$7,829,366	$932,914,033	4,206,869	0	4,206,869	$573,274,919	1.63	12%	55%
2037	$12,720,487	$1,526,458	$3,739,576	$7,454,453	$940,368,486	4,267,595	0	4,267,595	$577,542,514	1.63	12%	55%
2038	$11,794,574	$1,415,349	$3,261,346	$7,117,879	$947,486,365	4,331,560	0	4,331,560	$581,874,074	1.63	12%	55%
2039	$10,950,689	$1,314,083	$2,820,658	$6,815,948	$954,302,313	4,398,630	0	4,398,630	$586,272,704	1.63	12%	55%
2040	$10,180,740	$1,221,689	$2,413,704	$6,545,347	$960,847,660	4,468,691	0	4,468,691	$590,741,395	1.63	12%	55%
2041	$9,477,470	$1,137,296	$2,037,066	$6,303,108	$967,150,768	4,541,643	0	4,541,643	$595,283,038	1.62	12%	55%
2042	$7,774,704	$932,965	$1,313,742	$5,527,998	$972,678,765	4,375,371	0	4,375,371	$599,658,409	1.62	12%	55%
2043	$6,217,726	$746,127	$662,665	$4,808,934	$977,487,700	4,204,577	0	4,204,577	$603,862,985	1.62	12%	55%
2044	$4,791,136	$574,936	($5,315,623)	$9,531,823	$987,019,522	3,333,057	0	3,333,057	$607,196,042	1.63	12%	55%
Totals	$412,918,304	$49,127,511	$132,848,585	$230,519,522		$99,085,982	$8,110,060	$107,196,042				
			0.45 WI Factor		$756,500,000 Opening Balance				$500,000,000 Opening Balance	1.51 Applies Subsequent Year	12%	55%

REFERENCES

- Tunisian Sidi El Kilani Oil Field Modeling, M. Al Ajeel et al, SPE 125719
- Integrated Fractured Reservoir Characterization and Simulation Application to Sidi El Kilani Field Tunisia, M. Laribi et al, SPE 84455, 2003
- Total Petroleum Systems of the Pelagian Province, Tunisia, Libya, Italy, and Malta - The Bou Dabbous - Tertiary and Jurassic-Cretaceous Composite, USGS, T.R. Klett, Bulletin 2202-D, 2001
- Assessment of Undiscovered Oil and Gas Resources of the Sirte and Pelagian Basin Provinces of Libya, Tunisia, Malta and Italy, USGS, Fact Sheet 2019-3030, June-2019
- Assessment of Undiscovered Oil and Gas Resources of Libya and Tunisia, USGS, Fact Sheet 2011-3105, Sep-2011
- The Upper Cretaceous Carbonatic Facies in Central Eastern Tunisia: Electrofacies, Sedimentary Characters and Economic Impactations, Fethia Lansari et al, ETAP Memoir-26, 2006

GLOSSARY OF TERMS
(Abbreviations & Definitions)

General

BIT	-	Before Income Tax
AIT	-	After Income Tax
M$	-	Thousands of Dollars
Effective Date	-	The date for which the Present Value of the future cash flows and reserve categories are established
$US	-	United States Dollars
WTI	-	West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	-	Alberta Royalty Tax Credit
GRP	-	Gas Reference Price

Interests and Royalties

BPO	-	Before Payout
APO	-	After Payout
APPO	-	After Project Payout
Payout	-	The point at which a participant's original capital investment is recovered from its net revenue
GORR	-	Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	-	New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	-	Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150th of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	-	Freehold Royalty
P&NG	-	Petroleum and Natural Gas
Twp	-	Township
Rge	-	Range
Sec	-	Section

Technical Data

psia	-	Pounds per square inch absolute
MSTB	-	Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	-	Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	-	Barrels
Mbbls	-	Thousands of barrels
MMBTU	-	Millions of British Thermal Units – heating value of natural gas
STB/d	-	Stock Tank Barrels of oil per day – oil production rate
Mscf/d	-	Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	-	Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	-	Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	-	Enhanced Oil Recovery
GJ	-	Gigajoules
Marketable or Sales Natural Gas	-	Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	-	Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	-	Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	-	Estimated Ultimate Recovery

October 08, 2021

Chapman Petroleum Engineering Ltd.
700, 1122 – 4th Street SW
Calgary, AB
T2R 1M1

Dear Sir:

Re: Company Representation Letter

Regarding the evaluation of our Company's oil and gas reserves and independent appraisal of the economic value of these reserves for the year ended September 30, 2021, (the effective date), we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

1. We, Zenith Energy Ltd., (the Client) have made available to you, Chapman Petroleum Engineering Ltd. (the Evaluator) certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation, including the following:
    - Accounting, financial, tax and contractual data
    - Asset ownership and related encumbrance information;
    - Details concerning product marketing, transportation and processing arrangements;
    - All technical information including geological, engineering and production and test data;
    - Estimates of future abandonment and reclamation costs.

2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.

3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.

4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on the evaluation of our Company's reserves and future net revenues.

5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:
   - For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.
   - All regulatory, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
   - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this three-month period.

Zenith Energy Ltd.
Suite 1500, 15th Floor,
Bankers Court, 850-2nd St.
SW Calgary, Alberta, T2P 0R8
Tel: +1 (587) 315 9031
E-mail: info@zenithenergy.ca
Website: www.zenithenergy.ca
@zenithenergyltd

- Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.
- If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.

6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could affect our reserves and economic value of these reserves that has not been disclosed to you.

Yours very truly,

President and Chief Executive Officer

Vice-President & Chief Financial Officer

Zenith Energy Ltd.
Suite 1500, 15th Floor,
Bankers Court, 850-2nd St,
SW Calgary, Alberta, T2P 0R8
Tel: +1 (587) 315 9031
E-mail: info@zenithenergy.ca
Website: www.zenithenergy.ca
@zenithenergyltd

(C) Chapman Report 2021 – Tunisia (El Bibane, Robbana and Ezzaouia Concessions)

COMPETENT PERSONS REPORT

EVALUATION OF RESERVES AND RESOURCES OTHER THAN RESERVES OIL AND GAS PROPERTIES

THE REPUBLIC OF TUNISIA

Owned by

ZENITH ENERGY LIMITED

September 30, 2021
(October 1, 2021)

Chapman Petroleum Engineering Ltd.
1122 - 4th Street S.W., Suite 700, Calgary, Alberta T2R 1M1 • Phone: (403) 266-4141 • Fax: (403) 266-4259 • www.chapeng.ab.ca

October 7, 2021

Zenith Energy Ltd.
15th Floor, Banker's Court
850 - 2nd Street SW
Calgary, AB
T2R 0R8

Attention: Mr. Andrea Cattaneo

Dear Sir:

Re: Competent Persons Report, Evaluation of Reserves and Resources Other Than Reserves
Zenith Energy Ltd.
Tunisia Properties – September 30, 2021

In accordance with your authorization we have performed a Competent Persons Report (CPR) of reserve and economic evaluation of oil and gas properties, including an assessment of resources other than reserves, owned by Zenith Energy Ltd. (the "Company") for an effective date of September 30, 2021 (October 1, 2021).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH"), the professional practice standard under our Permit to Practice with APEGA and under the guidelines of the European Securities and Markets Authority (ESMA). The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" under NI 51-101 as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION includes the authorization, purpose and use of the report and describes the methodology and economic parameters used in the preparation of this report and the evaluation standard to which the report has been prepared.

The EXECUTIVE SUMMARY presents an overview of the evaluated property and addresses the summary information required by ESMA, Section 132.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary and contains a concise presentation of the results of this reserve and economic evaluation. The net present values

presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of US dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

The RESOURCES OTHER THAN RESERVES contains a summary of the resource property, compliant with NI 51-101, Sec. 5.9 of the Canadian Securities Administrators and a full description and results of the technical analysis of the resources in accordance with COGEH Volume 2, Section 2 (ROTR).

Resources have been classified as to their most specific category according to their level of certainty, project maturity and economic status for each entity, where applicable.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves and resource data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of information derived from this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,

Chapman Petroleum Engineering Ltd.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
C. W. Chapman, P. Eng.,
President

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
Signature [Original Signed By:] *C.W. Chapman*
Date *October 7, 2021*
PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta

[APEGA ID Number]

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
Khaled (Kal) A. Latif, P.Geol.
Senior Associate

cwc/lml/6773

CERTIFICATE OF QUALIFICATION

I, C. W. CHAPMAN, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta and a member of the Australasian Institute of Mining and Metallurgy.

2. THAT I graduated from the University of Alberta with a Bachelor of Science degree in Mechanical Engineering in 1971.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.

4. THAT I have in excess of 40 years in the conduct of evaluation and engineering studies relating to oil & gas fields in Canada and around the world.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
C. W. Chapman, P. Eng.,
President

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
Signature [Original Signed By:] *C.W. Chapman*
Date *October 7, 2021*
PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta
[APEGA ID Number]

CERTIFICATE OF QUALIFICATION

I, KHALED (KAL) A. LATIF, P. Geol., Professional Geologist of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Geologist in the Province of Alberta.

2. THAT I graduated from the University of Alexandria with a Bachelor of Science degree in Geology in 1979.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in geology, geophysics, petrophysics, operations, and evaluations during that time.

4. THAT I have in excess of 35 years of experience in the conduct of evaluation and geological studies relating to oil and gas fields in Canada and internationally.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
Khaled (Kal) A. Latif, P.Geol.
Senior Associate

CERTIFICATE OF QUALIFICATION

I, D. J. BRIERE, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta.

2. THAT I graduated from the University of Calgary with a Bachelor of Science degree in Electrical Engineering in 1978.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.

4. THAT I have over 30 years of experience in engineering studies relating to oil & gas fields in Canada and around the world.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
J.D. Brière, P.Eng.
Vice President – Engineering

COMPETENT PERSONS REPORT

EVALUATION OF RESERVES AND RESOURCES OTHER THAN RESERVES OIL AND GAS PROPERTIES

THE REPUBLIC OF TUNISIA

Owned by

ZENITH ENERGY LTD.

September 30, 2021
(October 1, 2021)

TABLE OF CONTENTS

Introduction..... 10

RESERVES

Executive Summary..... 23

Summary of Company Reserves and Economics..... 24

Discussion..... 27

El Bibane Area..... 27
Ezzaouia Area..... 56
Robanna Area..... 90

RESOURCES OTHER THAN RESERVES (ROTR)

Prospect Synopsis..... 112

Summary of Company Resources and Economics..... 114

Discussion..... 116

El Bibane Area..... 116
Ezzaouia Area..... 144

Glossary..... 175

Company Representation Letter..... 177

INTRODUCTION

INDEX

1. Authorization 11
2. Purpose of the Report 11
3. Use of the Report 11
4. Scope of the Report 11
   - 4.1 Methodology 11
   - 4.2 Land Survey System 11
   - 4.3 Economics 12
   - 4.4 Barrels of Oil Equivalent 12
   - 4.5 Environmental Liabilities 12
5. Basis of Report 12
   - 5.1 Sources of Information 12
   - 5.2 Product Prices 13
   - 5.3 Product Sales Arrangement 13
   - 5.4 Royalties 13
   - 5.5 Capital Expenditures and Operating Costs 13
   - 5.6 Income Tax Parameters 13
6. Evaluation Standard Used 14
   - 6.1 General 14
   - 6.2 Resource Definitions 15
     - 6.2.1. Reserves 15
     - 6.2.2. Contingent Resources 18
     - 6.2.3. Prospective Resources 19
   - 6.3 Diagram of Maturity Subclasses 20
7. Site Visit 20

Attachments

- Product Price Forecast 21
- Orientation Map 22

INTRODUCTION

1. AUTHORIZATION

This evaluation has been authorized by Mr. Andrea Cattaneo, on behalf of Zenith Energy Ltd. The engineering analysis has been performed during the months of April and May 2021 and updated October 2021.

2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third party independent appraisal of the oil and gas reserves and resources other than reserves owned by Zenith Energy Ltd. for the Company's financial planning.

The values in this report do not include the tangible value of the physical facilities on this property.

3. USE OF THE REPORT

The report is intended to support a filing on the London Stock Exchange and for annual corporate requirements and financial planning.

4. SCOPE OF THE REPORT

4.1 Methodology

The evaluation of the reserves and resources of these properties included in the report has been conducted under a discounted cash flow (DCF) analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions. In the case of the resources other then reserves, the DCF analysis was further subjected to an "Expected Value" risk analysis for determining the after risk value.

4.2 Land Survey System

This block description is defined in the Concession agreement.

4.3 Economics

The economics presentation and methodology are presented in the Discussion of the report.

4.4 Barrels of Oil Equivalent

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

4.5 Environmental Liabilities

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

5. BASIS OF REPORT

5.1 Sources of Information

Sources of the data used in the preparation of this report are as follows:

i) Ownership terms have been derived from information provided by the Company.
ii) Production data is acquired from information provided by the Company.
iii) Operating Costs are based on historical information presented on the corporate presentation;
iv) Price differentials are derived from posted world prices for various basins and instructions from the Company
v) Timing of Development Plans and Capital estimates have been derived from the vendors corporate presentation and our best judgement.

5.2 Product Prices

Chapman Petroleum Engineering Ltd. conducts continual surveillance and monitoring on a number of Benchmark product prices both locally and internationally. Based on historical data, current conditions and our view of the relevant political and economic trends, we independently prepare oil, gas and by-product price forecasts including predictions for the near term (first few years) with 2 percent escalation thereafter.

In establishing our forecasts we also consider input from operating companies, consulting firms, oil & gas marketing companies and financial institutions. Our forecasts are updated quarterly and the latest one prior to the effective date would generally be used. The forecast used for this report is presented as an attachment to this Introduction.

The Benchmark Oil Par Price used for this evaluation is the Brent Crude Price and for natural gas the World Bank European gas price forecast has been used.

Any prices quoted in the property discussions reflect fully adjusted prices for crude quality, transportation, gas heating value and specific contractual arrangements.

5.3 Product Sales Arrangement

The Company does not have any "hedge" contracts in place at this time.

5.4 Royalties

This property is governed by a royalty and tax scheme as discussed in the body of the report.

5.5 Capital Expenditures and Operating Costs

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars but for economic purposes are escalated at 2% per year after the current year.

5.6 Income Tax Parameters

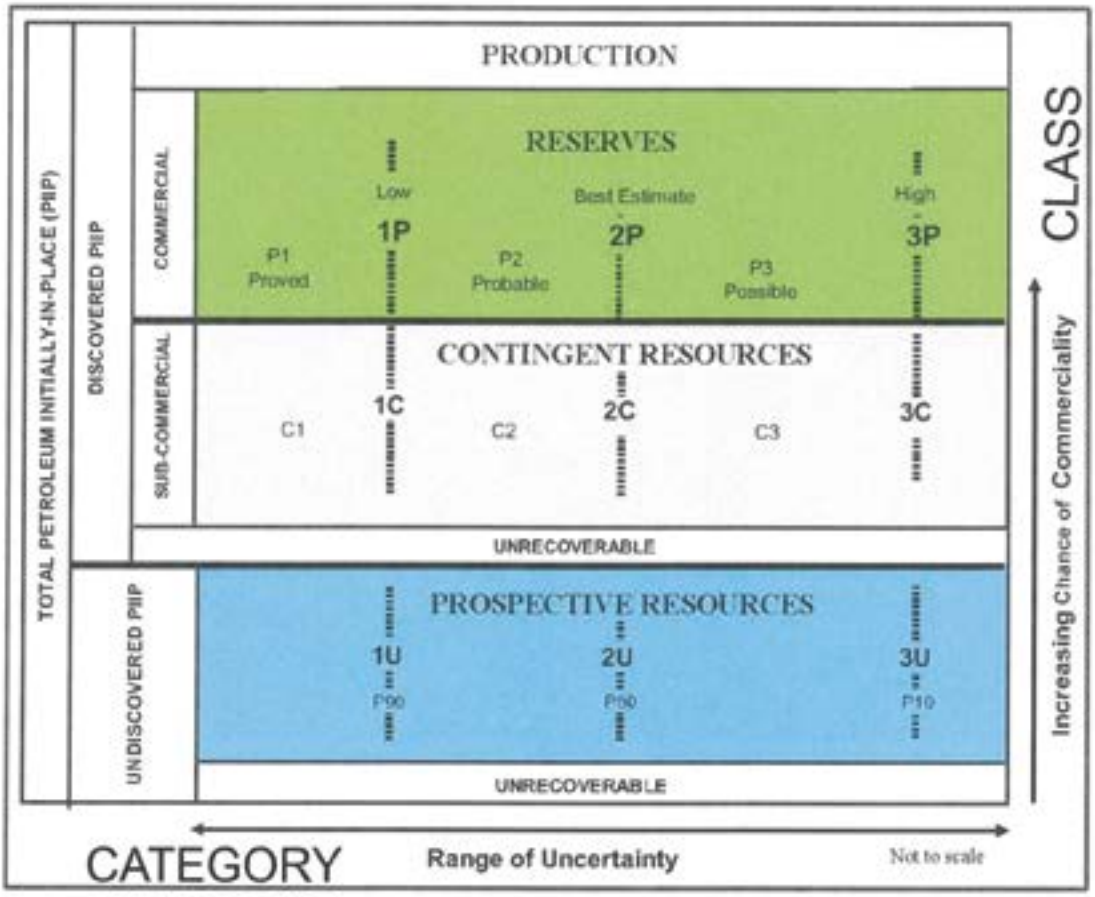
Income tax parameters are integral with the fiscal regime as discussed in the body of the report.

6. EVALUATION STANDARD USED

6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the APEGA professional practice standard "The Canadian Oil and Gas Evaluation Handbook", 3rd Edition December 2018 ("COGEH"), prepared by the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE).

COGEH uses the SPE-PRMS (2018 Update) resource classification system shown in the below diagram.



By way of explanation, 'CLASS' forms the vertical axis of the PRMS diagram and represents the range of Chance of Commerciality. Likewise, 'CATEGORY' forms the horizontal axis and provides a measure of the uncertainty in estimates of the Resource Class.

Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations with reference to the above diagram and is potentially producible. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

Discovered PIIP (equivalent to "discovered resources") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The Discovered PIIP includes production, Reserves, and Contingent Resources; the remainder is unrecoverable.

Undiscovered PIIP (equivalent to "undiscovered resources") is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "Prospective Resources", the remainder as "unrecoverable".

Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

6.2 Resource Definitions

The following definitions have been extracted from COGEH and represent an overview of the resource definitions and evaluation criteria required for compliance with the Canadian Securities National Instrument 51-101. These definitions are considered to be compliant with the PRMS - 2018, in that they use the same primary nomenclature, principles and concepts.

6.2.1 Reserves

The following Reserves definitions and guidelines are designed to assist evaluators in making Reserves estimates on a reasonably consistent basis and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

The guidelines outline

- general criteria for classifying reserves,
- procedures and methods for estimating reserves,
- confidence levels of individual entity and aggregate reserves estimates,
- verification and testing of Reserves estimates.

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

RESERVES CATEGORIES

Reserves are categorized according to the probability that at least a specific volume will be produced. In a broad sense, Reserves categories reflect the following expectations regarding the associated estimates:

Reserves Category	Confidence Characterization
Proved (1P)	Low Estimate, Conservative
Proved + Probable (2P)	Best Estimate
Proved +Probable +Possible (3P)	High Estimate, Optimistic

a. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.

b. Probable Reserves are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved + Probable Reserves.

c. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved + Probable + Possible Reserves.

DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

a. Developed Reserves are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the Reserves on production. The developed category may be subdivided into producing and non-producing.

   i. Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

   ii. Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and the date of resumption of production is unknown.

b. Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the Reserves classification (Proved, Probable, Possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to sub-divide the Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels contained in the definitions are applicable to "individual Reserves entities," which refers to the lowest level at which Reserves calculations are performed, and to "Reported Reserves," which refers to the highest level sum of individual entity estimates for which Reserves estimates are presented. Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves,
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable + Possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various Reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of Reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with Reserves estimates and the effect of aggregation is provided in Section 5.7.1.6, The Portfolio Effect, of COGEH.

6.2.2 Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development (TUD), but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Contingencies may include economic, environmental, social and political factors, regulatory matters, a lack of markets or prolonged timetable for development. Contingent Resources have a Chance of Development that is less than certain.

Contingent resources are further categorized according to their level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Project Maturity Sub-Classes are: Development Pending, Development on Hold, Development Unclarified and Development Not Viable, as demonstrated in the chart below (Section 6.3).

Reports on Contingent Resources must specify the level of maturity and usually include 1C, 2C and 3C estimates.

There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

6.2.3 Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated Chance of Discovery and a Chance of Development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.
The project maturity subclasses describe the stage of exploration and broadly correspond to chance of commerciality from in increasing order from "play" to "lead" to "prospect" as demonstrated in the chart below (Section 6.3).

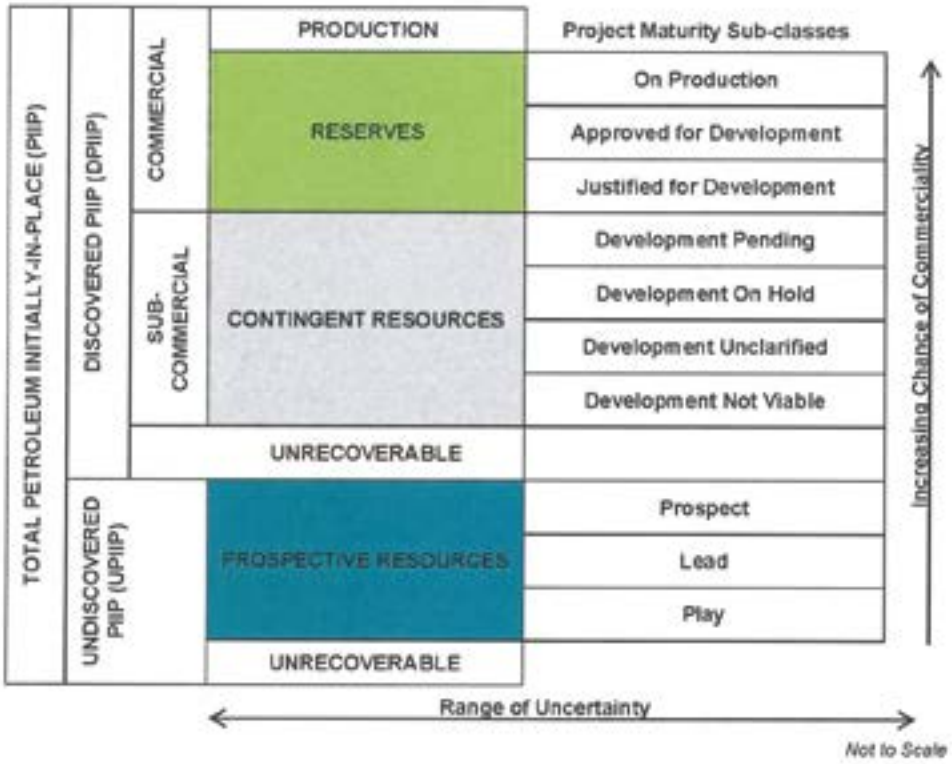
A "play" is a family of geologically similar fields, discoveries, prospects and leads. It would have the lowest chance of commerciality in these project maturity subclasses.

A "lead" is a potential accumulation within a play that requires more data acquisition and/or evaluation in order to be classified as a prospect.

A "prospect" is a potential accumulation within a play that is sufficiently well defined to represent a viable drilling target. A "prospect" would have the highest chance of commerciality.

There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

6.3 Project Maturity Sub-Classes



7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes.

Attachment 1

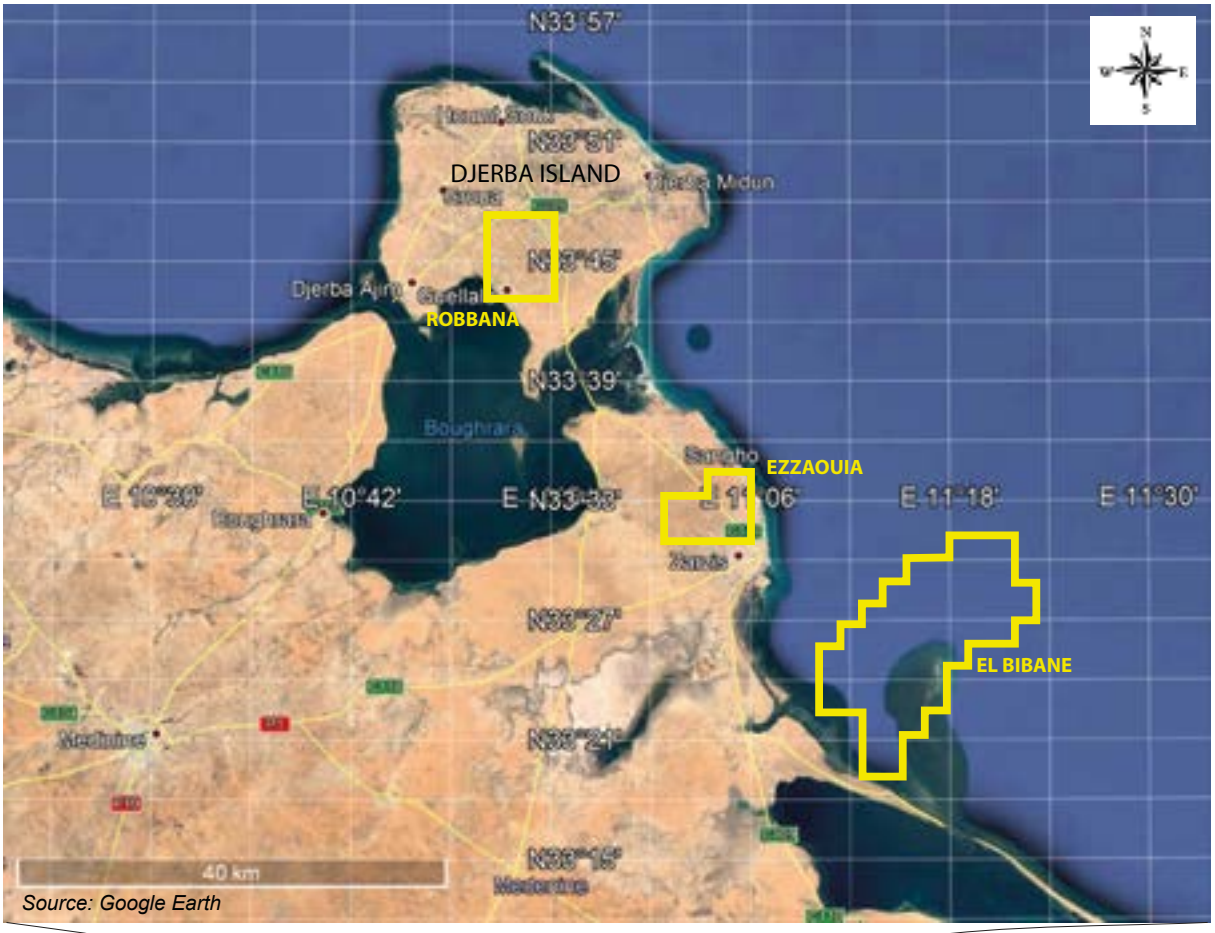
CHAPMAN PETROLEUM ENGINEERING LTD.
CRUDE OIL
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES

October 1, 2021

Date		WTI [1] $US/STB	Brent Spot (ICE)[2] $US/STB	AB Synthetic Crude Price [3] $CDN/STB	Western Canada Select [4] $CDN/STB	Exchange Rate $US/$CDN
HISTORICAL PRICES						
2012		94.05	111.63	92.56	71.70	1.00
2013		97.98	108.56	100.17	75.76	0.97
2014		93.12	99.43	101.07	82.07	0.91
2015		48.69	53.32	62.17	46.23	0.78
2016		43.17	45.06	57.98	38.90	0.76
2017		50.86	54.75	67.75	49.63	0.77
2018		64.92	71.64	75.06	50.17	0.77
2019		57.00	64.11	75.28	57.86	0.75
2020		39.54	43.40	48.78	37.05	0.75
2021	9 mos.	64.80	67.56	79.76	65.47	0.80
CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)						
		56.36	**58.83**	**68.97**	**55.83**	**0.79**
FORECAST PRICES						
2021	3mos.	**75.50**	79.28	87.01	70.47	0.80
2022		**72.50**	76.13	83.26	67.44	0.80
2023		**69.50**	72.98	79.51	64.40	0.80
2024		**66.50**	69.83	75.76	61.36	0.80
2025		**67.83**	71.22	77.42	62.71	0.80
2026		**69.19**	72.65	79.11	64.08	0.80
2027		**70.57**	74.10	80.84	65.48	0.80
2028		**71.98**	75.58	82.61	66.91	0.80
2029		**73.42**	77.09	84.41	68.37	0.80
2030		**74.89**	78.63	86.24	69.86	0.80
2031		**76.39**	80.21	88.11	71.37	0.80
2032		**77.92**	81.81	90.02	72.92	0.80
2033		**79.47**	83.45	91.97	74.50	0.80
2034		**81.06**	85.12	93.96	76.11	0.80
2035		**82.68**	86.82	95.99	77.75	0.80
2036		**84.34**	88.55	98.05	79.42	0.80

Escalated 2% thereafter

Notes:
[1] West Texas Intermediate quality (D2/S2) crude (40API) landed in Cushing, Oklahoma.
(Comperative WTI future oil prices are: $US73.74/STB in 2021; $US71.10/STB in 2022 and $US64.66/STB in 2023)
[2] The Brent Spot price is estimated based on historic data.
[3] Equivalent price for Light Sweet Crude (D2/S2) & Synthetic Crude landed in Edmonton.
[4] Western Canada Select (20.5API), spot price for B.C., Alberta, Saskatchewan, and Manitoba.



Source: Google Earth





ZENITH ENERGY LTD.

COMPANY CONCESSIONS

TUNISIA

ORIENTATION MAP

OCT. 2021 **JOB No. 6773**

22

Chapman Petroleum Engineering Ltd.

EXECUTIVE SUMMARY

This Executive Summary presents an overview of the Company's properties and results of the evaluation and, in particular, addresses the information required by the European Securities and Markets Authority (ESMA), Section 132.

(a) Details of the reserves being evaluated have been established under COGEH (NI 51-101) standards are presented with their associated net present values on the attached Table 1 in the Summary and repeated on Table 4 in the Discussion of each of the three properties in the report. The production and cash flow analyses are presented in Tables 4a, 4b and 4c, for the Proved Developed Producing and Proved Plus Probable Developed Producing and Proved Plus Probable Reserves, respectively, for each property.

(b) The anticipated project life of these overall properties based on the established Proved Plus Probable Reserves also 15 to 20 years.

(c) The Company owns a 45% working interest in the Ezzaouia Concession and a 100% working interest in the El Bibane and Robbana Concessions, which are located in the Jaffara Basin on coastal Tunisia Ezzaouia and Robbana, which are onshore and El Bibane, which is 18 km offshore. The El Bibane concession covers 56,340 acres (228 Km2), Ezzaouia covers 9884 acres (40 Km2) and Robbana covers 11,861 acres (48 km2). The combined fields contain eight active wells. The Block is governed under a fiscal regime, the terms of which are presented in Table 1 in the Discussion of each property.

(d) These concessions are located onshore and offshore as described above, in a highly developed oil and gas region in Tunisia. The oil fields produce from the Cretaceous and Jurassic formations and are generally pipeline connected to major facilities for sales. Gas is used in the operations and in some cases reinjected, but once exploited can be marketed to a local electricity generation facility.

(e) The results of this evaluation are based on facts and assumptions typical of this type of engagement. It should be noted that under COGEH Section 7.8.2 evaluations are conducted without consideration of the availability of capital for funding the scheduled development. The product price forecasts used for this evaluation, shown in Attachment 1, are based on history and analysis and reflect the industry consensus as of the effective date of the report, however variations may occur and the variations could be material.

SUMMARY OF COMPANY RESERVES AND ECONOMICS

INDEX

Forecast Prices and Costs

Table 1: Summary of Company Reserves and Economics – Before Income Tax..... 25

Table 1T: Summary of Company Reserves and Economics – After Income Tax..... 26

Table 1
Summary of Company Reserves and Economics
Before Income Tax
October 1, 2021

Zenith Energy Ltd.

Tunisian Properties

	Net To Appraised Interest										
							Cumulative Cash Flow (BIT) - M$				
	Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbls		Discounted at:				
Description	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Reserve Category											
PROVED											
Proved Developed Producing											
El Bibane	22	20	5,866	5,454	129	120	11,699	8,594	6,304	4,591	3,293
Ezzaouia	213	198	0	0	0	0	505	845	1,096	1,281	1,417
Total Proved Developed Producing	**234**	**218**	**5,866**	**5,454**	**129**	**120**	**12,204**	**9,438**	**7,399**	**5,872**	**4,711**
Total Proved	**234**	**218**	**5,866**	**5,454**	**129**	**120**	**12,204**	**9,438**	**7,399**	**5,872**	**4,711**
PROBABLE											
Probable Developed Producing (incremental)											
El Bibane	0	0	5,515	5,112	86	79	32,257	25,633	20,733	17,033	14,188
Ezzaouia	227	205	0	0	0	0	8,122	7,057	6,179	5,450	4,840
Total Probable Developed Producing	**227**	**205**	**5,515**	**5,112**	**86**	**79**	**40,379**	**32,691**	**26,912**	**22,483**	**19,028**
Probable Undeveloped											
Ezzaouia	2,858	2,586	0	0	0	0	129,649	92,054	68,240	52,409	41,437
Robbana	742	716	0	0	0	0	23,661	17,671	13,264	9,962	7,451
Total Probable Undeveloped	**3,601**	**3,302**	**0**	**0**	**0**	**0**	**153,310**	**109,725**	**81,504**	**62,372**	**48,888**
Total Probable	**3,828**	**3,507**	**5,515**	**5,112**	**86**	**79**	**193,689**	**142,416**	**108,416**	**84,855**	**67,916**
Total Proved Plus Probable	**4,062**	**3,725**	**11,381**	**10,565**	**215**	**200**	**205,893**	**151,854**	**115,816**	**90,727**	**72,627**
POSSIBLE											
El Bibane	0	0	5,690	5,205	89	81	32,301	25,591	20,645	16,923	14,069
Robbana	281	264	0	0	0	0	15,725	11,699	8,964	7,049	5,670
Total Possible	**281**	**264**	**5,690**	**5,205**	**89**	**81**	**48,026**	**37,290**	**29,609**	**23,972**	**19,739**
Total Proved Plus Probable Plus Possible	**4,343**	**3,989**	**17,071**	**15,770**	**304**	**281**	**253,918**	**189,144**	**145,425**	**114,699**	**92,365**

M$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than $500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB

Table 1T

Summary of Company Reserves and Economics

After Income Tax

October 1, 2021

Zenith Energy Ltd.

Tunisian Properties

	Net To Appraised Interest						Cumulative Cash Flow (AIT) - M$				
	Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbls		Discounted at:				
Description	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Reserve Category											
PROVED											
Proved Developed Producing											
El Bibane	22	20	5,866	5,454	129	120	5,850	3,950	2,555	1,520	743
Ezzaouia	213	198	0	0	0	0	252	416	529	606	657
Total Proved Developed Producing	**234**	**218**	**5,866**	**5,454**	**129**	**120**	**6,102**	**4,365**	**3,084**	**2,125**	**1,401**
Total Proved	**234**	**218**	**5,866**	**5,454**	**129**	**120**	**6,102**	**4,365**	**3,084**	**2,125**	**1,401**
PROBABLE											
Probable Developed Producing (incremental)											
El Bibane	0	0	5,515	5,112	86	79	16,128	12,817	10,367	8,517	7,094
Ezzaouia	227	205	0	0	0	0	4,061	3,416	2,896	2,475	2,130
Total Probable Developed Producing	**227**	**205**	**5,515**	**5,112**	**86**	**79**	**20,189**	**16,232**	**13,263**	**10,992**	**9,224**
Probable Undeveloped											
Ezzaouia	2,858	2,381	0	0	0	0	60,763	40,947	28,749	20,880	17,724
Robbana	742	716	0	0	0	0	11,830	8,103	5,456	3,548	2,155
Total Probable Undeveloped	**3,601**	**3,097**	**0**	**0**	**0**	**0**	**72,594**	**49,050**	**34,205**	**24,427**	**19,879**
Total Probable	**3,828**	**3,302**	**5,515**	**5,112**	**86**	**79**	**92,783**	**65,282**	**47,468**	**35,419**	**29,103**
Total Proved Plus Probable	**4,062**	**3,520**	**11,381**	**10,565**	**215**	**200**	**98,885**	**69,647**	**50,552**	**37,545**	**30,503**
POSSIBLE											
El Bibane	0	0	5,690	5,205	89	81	16,150	12,795	10,323	8,462	7,034
Robbana	281	264	0	0	0	0	7,862	5,697	4,256	3,267	2,568
Total Possible	**281**	**264**	**5,690**	**5,205**	**89**	**81**	**24,013**	**18,492**	**14,579**	**11,729**	**9,603**
Total Proved Plus Probable Plus Possible	**4,343**	**3,784**	**17,071**	**15,770**	**304**	**281**	**122,898**	**88,140**	**65,131**	**49,274**	**40,106**

M$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than $500.

Reserves shown as "0" reflect a value of less than 0.5/MSTB

EL BIBANE CONCESSION

TUNISIA

INDEX

Discussion 28

Property Description 28
Geology 28
Reserves 29
Production 29
Product Prices 30
Capital Expenditures 30
Operating Costs 30
Economics 30

Attachments

Figure 1: Well Location Map 31

Table 1: Schedule of Lands, Interests and Royalty Burdens 32

Figure 2: Geological Maps and Figures
a) Stratigraphic Chart – Jaffara Basin 33
b) Zebbag Structure Depth Map 34

Table 2: Summary of Gross Reserves 35

Table 3: Summary of Anticipated Capital Expenditures
a) Development 37
b) Abandonment and Reclamation 38

Table 4: Summary of Company Reserves and Economics – BIT 39
Table 4T: Summary of Company Reserves and Economics – AIT 40

Production Forecast and Cash Flow Analysis
a) Proved Developed Producing Reserves 41
b) Probable Developed Producing Reserves 46
c) Proved Plus Probable Plus Possible Reserves 51

EL BIBANE CONCESSION
TUNISIA
DISCUSSION

Property Description

The Company owns a 100% working interest in the El Bibane Concession, in Tunisia. It is comprised of 56,340 acres of land (228 Km squared) and is located about 18 km offshore Tunisia in 25 feet of water depth. The Concession currently contains a total of three wells, including one oil/gas producer, which is under a gas cycling scheme, a gas injector and one suspended well. A number of former producers have been abandoned. The oil reserves from this reservoir are practically depleted and full gas cap blowdown is imminent, as discussed later.

Production is subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures. The criteria for gas and oil are slightly different.

A map showing the Concession boundary and producing well locations is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

Geology

The Concession is within the Jaffara Basin, a WNW-ESE trending Permo-Triassic, extentional basin, which occupies a hinge-zone between the Palaeozoic Berfine/Ghandames Basin to the SSW and the Jurassic to Tertiary, Pelagian/Sabratah Basin to the NNE.

The El Bibane structure is a faulted four-way dip-controlled anticline. The producing reservoir on the concession is the Cretaceous (Albian) Zebbag carbonate, as shown on the Startigraphic chart, Figure 2a. The Cretaceous Zebbag reservoir is the Lower Zebbag formation, a slightly calcareous dolomite, which contains a gas cap and an oil leg underlain by water. A depth structure map at the top of the Zebbag is presented on Figure 2b.

Reserves

Total Proved Developed Producing Reserves of 22 MSTB of oil, 5,866 MMscf of marketable gas and 130 MBbls of condensate have been estimated for the Zebbag reservoir. These reserves have been based on the assumption of the continuation of the existing oil production from EBB-5 and gas cycling scheme with injection into EBB-4H, during 2021 and 2022, after which full gas cap blowdown would be initiated. A local market exists for the gas, as feedstock to a nearby electrical generation facility.

Incremental Probable and Possible gas and condensate reserves have been estimated for the recovery of the gas under various less certain scenarios. The original gas in place has been determined to be about 29,100 MMscf, of which 22,620 MMscf have been produced, (some of which may have been recycled gas). A volume of 18,810 MMscf has been reinjected, therefore only 3,810 MMscf have actually been removed from the reservoir, leaving about 25,290 MMscf currently in the reservoir.

To efficiently recover the gas in blowdown, two circumstances need to be considered. The gas has been reinjected downdip from the crest of the reservoir and water encroachment has been experienced during the cycling phase.

We have made conservative assumptions that for Proved reserves approximately 25% of the gas would be recovered producing both wells at a combined rate of 3,000 Mscf/d. Similarly, for the Probable reserves we have assumed that 50% of the gas would be recovered at a rate of 6,000Mscf/d add for Possible reserves 75% of the gas at 9,000 Mscf/d.

A summary of the Reserves is presented on Table 2 (two pages). The production forecasts for each case are demonstrated on Page One of the economic analysis, Tables 4a, 4b and 4c.

Production

Current production from well EBB-5 is averaging 80 STB/d, and 6,000 Mscf/d of associated gas. The gas is being processed for condensate recovery at about 14 Bbls/MMscf and all the gas not used for operations is being reinjected into well EBB-4H.

Commencing in 2023 it has been assumed that full gas cap blowdown would commence, as discussed above.

Product Prices

A 2021 blended oil/condensate price of $81.28/STB has been used for this evaluation reflecting a premium of $2.00/STB against the posted Brent crude price throughout the forecast, resulting from the high quality after blending with condensate. A gas price based on the World Bank European Forecast has been used, in the absence of more definitive information.

Capital Expenditures

Total capital expenditures of $8,000,000 have been estimated for the overall property, which includes well work related to the gas cap blowdown and gas facility upgrades.

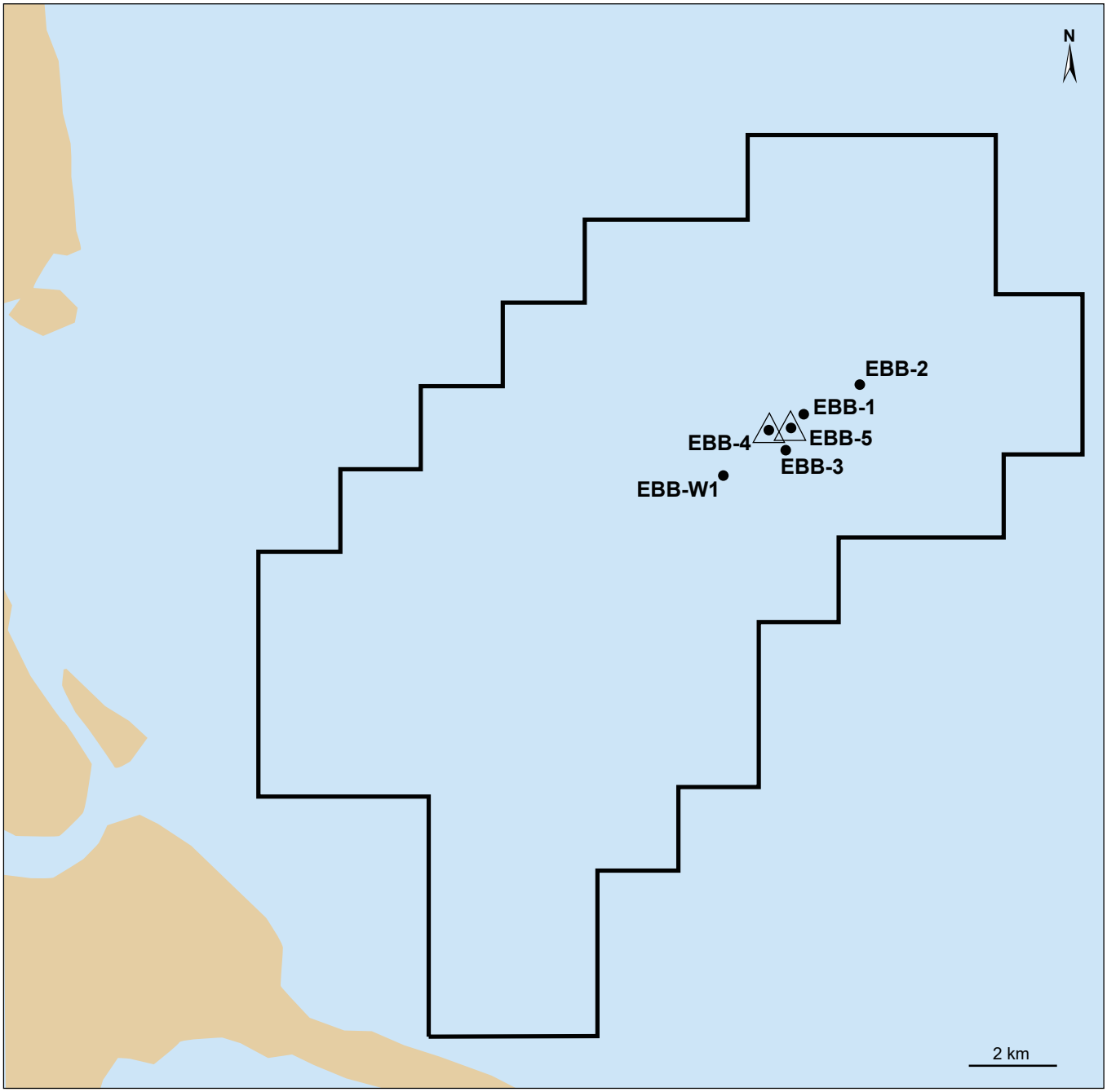
The capital expenditures are presented in Table 3a. Abandonment costs are summarized on Table 3b

Operating Costs

Operating costs have been estimated to be $1,750,000 per year and an additional $120,000 per well per year (fixed) plus $4.00/STB and $0.50/Mscf (variable), based on our best judgement from information from other properties in the area.

Economics

The results of the economic analysis are summarized in Table 4 and 4T for the before and after-tax cases respectively. The full economic analyses are presented in Table 4a, 4b and 4c, and have been presented in spread sheet format to allow for proper handling of the fiscal regime.



△ *Producers*

ZENITH ENERGY LTD.
EL BIBANE CONCESSION **TUNISIA** **LAND AND WELL MAP**
OCT. 2021 **JOB No. 6773** **FIGURE No. 1**

Table 1

Schedule of Lands, Interests and Royalty Burdens
October 1, 2021

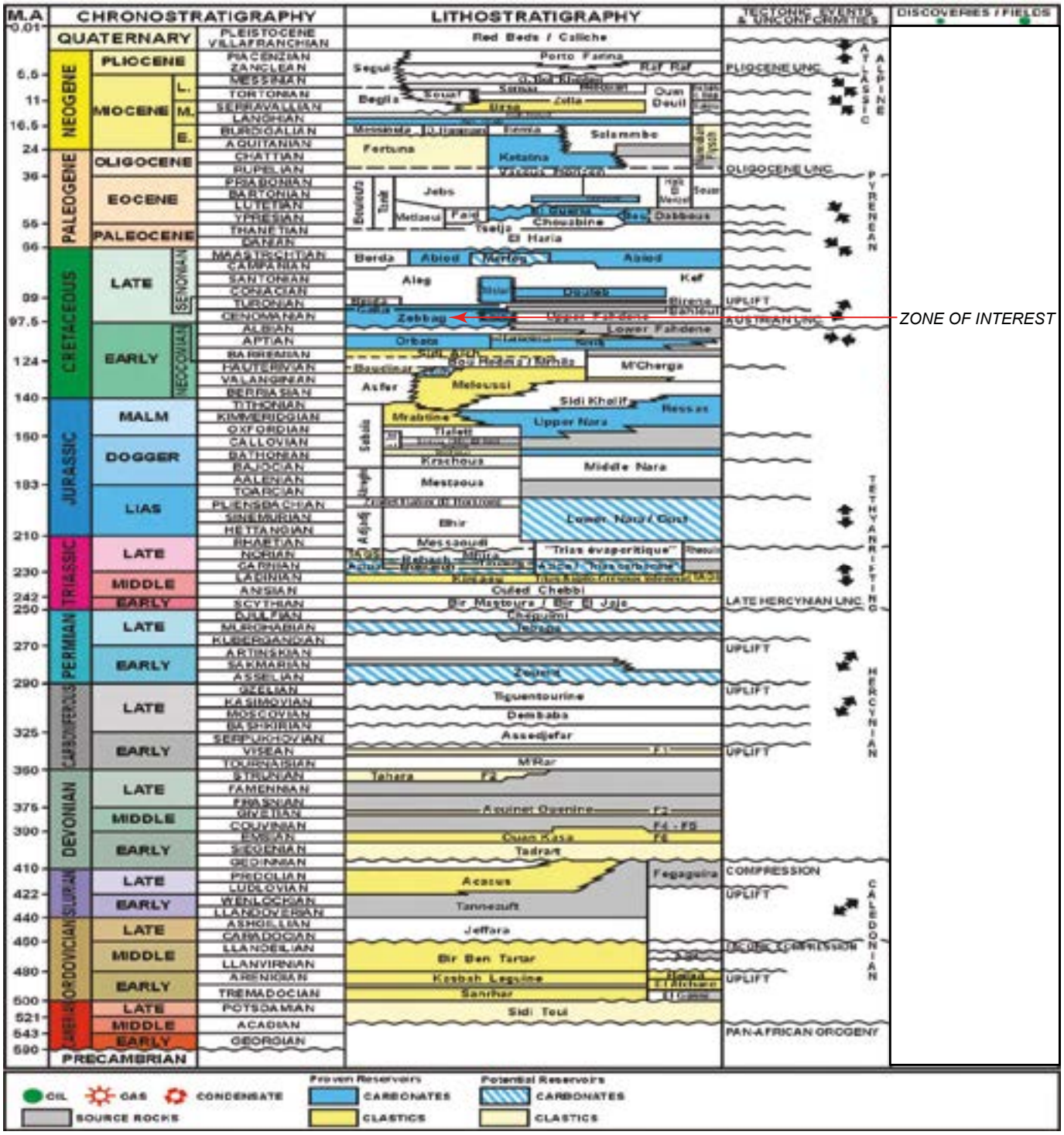
Zenith Energy Ltd

El Bibane Concession, Tunisia

Description	Gross Acres	Appraised Interest		Royalty Burdens	
		Working %	Royalty %	Basic %	Overriding %
Ezzaouia Concession	228 Km squared (56,340 Acres)	100.0000	-	[1]	-

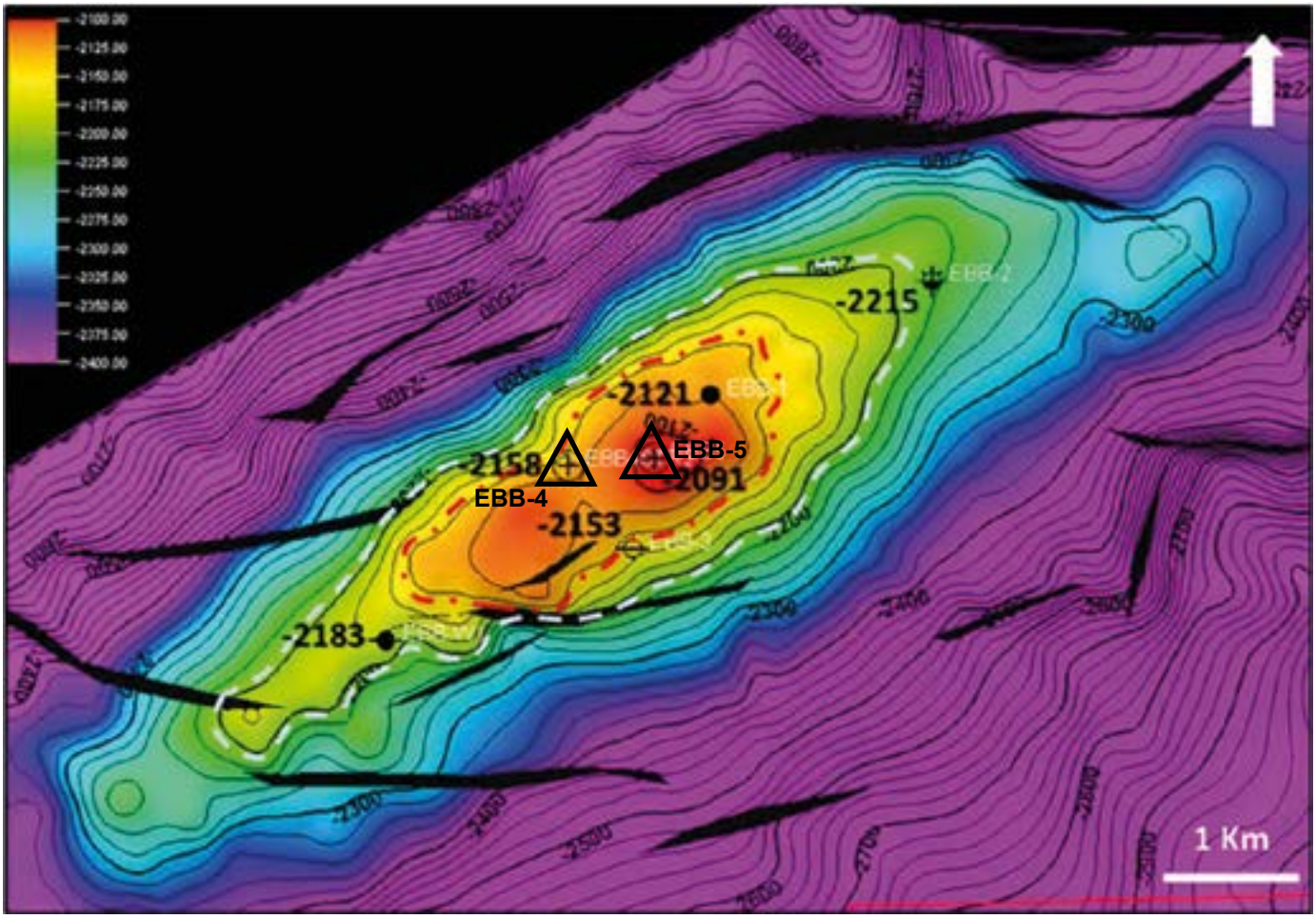
Note: [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

	Oil	Gas		
Royalty Rate =	2%	2%	When "R" Factor is	< 0.5
	5%	4%		0.5 to 0.8
	7%	6%		0.8 to 1.1
	10%	8%		1.1 to 1.5
	12%	9%		1.5 to 2.0
	14%	10%		2.0 to 2.5
	15%	11%		> 2.5



Source: Candax Presentation, June 2019, p. 2

ZENITH ENERGY LTD.
EL BIBANE CONCESSION
TUNISIA
STRATIGRAPHIC CHART
OCT. 2021 **JOB No. 6773** **FIGURE No. 2a**



Producers

ZENITH ENERGY LTD.
EL BIBANE CONCESSION TUNISIA STRUCTURAL CONTOUR DEPTH MAP ON ZEBBAG FM C.I. = 20 m
OCT. 2021 JOB No. 6773 FIGURE No. 2b

Table 2

Summary of Gross Reserves
October 1, 2021

El Bibane Concession, Tunisia

Description		Current or Initial Rate STB/d	API Gravity (Deg)	Ultimate Reserves (MSTB)	Cumulative Production (MSTB)	Reserves (MSTB)	Reference
LIGHT & MEDIUM OIL							
Proved Developed Producing							
EBB-5	Zebbag	80	38	3,137	3,115	22	Fig. 3a, Table 4a
	Total Proved Developed Producing	80		3,137	3,115	22	
	Total Proved			3,137	3,115	22	

Table 2

Summary of Gross Resources
October 1, 2021

El Bibane Concession, Tunisia

Description		Predicted Initial Rate Mscf/d	Raw Gas (MMscf)	Sales Gas (MMscf)	NGLs (MBbls)	Reference
Associated Gas						
Proved Developed Producing						
Gas Cap Blowdown	Zebbag	3,000	6,517	5,866	130	
Total Proved Developed Producing			**6,517**	**5,866**	**130**	
Probable (incremental)						
Gas Cap Blowdown	Zebbag	3,000	6,128	5,515	86	
Total Probable			**6,128**	**5,515**	**86**	
Possible (incremental)						
Gas Cap Blowdown	Zebbag	3,000	6,322	5,690	89	
Total Possible			**6,322**	**5,690**	**89**	

Table 3a

Summary of Anticipated Capital Expenditures

Development

October 1, 2021

Zenith Energy Ltd

El Bibane Concession, Tunisia

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$
Reserves (all cases)					
Gas Cap Blowdown	2022	Equip EBB-5 and EBB-4H for gas production	100.0000	3,000	3,000
Gas Cap Blowdown	2023	Gas Facility Enhancement	100.0000	5,000	5,000
		Total Contingent Resources		**8,000**	**8,000**

Note: **M$ means thousands of dollars.**
The above capital values are expressed in terms of current dollar values without escalation.

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2021

Zenith Energy Ltd

El Bibane Concession, Tunisia

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Contingent Resources (all cases)				
El Bibane Wells	Two producing gas wells	100.0000	1,000	1,000
Inactive wells	One inactive well	100.0000	500	500
Total Proved Developed Producing			**1,500**	**1,500**

Note: **M$ means thousands of dollars.**
The above capital values are expressed in terms of current dollar values without escalation.

Table 4

Summary of Company Reserves and Economics

Before Income Tax

October 1, 2021

Zenith Energy Ltd.

El Bibane Concession, Tunisia

		Net To Appraised Interest										
								Cumulative Cash Flow (BIT) - M$				
		Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbls		Discounted at:				
Description		Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Reserve Category	Formation Name											
PROVED												
Proved Developed Producing												
Oil Production/Gas Cap Blowdown	Zebbag	22	20	5,866	5,454	129	120	11,699	8,594	6,304	4,591	3,293
Total Proved Developed Producing		**22**	**20**	**5,866**	**5,454**	**129**	**120**	**11,699**	**8,594**	**6,304**	**4,591**	**3,293**
PROBABLE												
Probable Developed Producing (incremental)												
Oil Production/Gas Cap Blowdown	Zebbag	0	0	5,515	5,112	86	79	32,257	25,633	20,733	17,033	14,188
Total Probable Developed Producing		**0**	**0**	**5,515**	**5,112**	**86**	**79**	**32,257**	**25,633**	**20,733**	**17,033**	**14,188**
Total Proved Plus Probable Developed Producing		**22**	**20**	**11,381**	**10,565**	**215**	**200**	**43,956**	**34,227**	**27,037**	**21,624**	**17,481**
POSSIBLE												
Possible Developed Producing (incremental)												
Oil Production/Gas Cap Blowdown	Zebbag	0	0	5,690	5,205	89	81	32,301	25,591	20,645	16,923	14,069
Total Possible Developed Producing		**0**	**0**	**5,690**	**5,205**	**89**	**81**	**32,301**	**25,591**	**20,645**	**16,923**	**14,069**
Total Proved Plus Probable Plus Possible		**22**	**20**	**17,071**	**15,770**	**304**	**281**	**76,257**	**59,818**	**47,682**	**38,547**	**31,550**

M$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than $500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf/M

Table 4T

Summary of Company Reserves and Economics

After Income Tax

October 1, 2021

Zenith Energy Ltd.

El Bibane Concession, Tunisia

Description		Net To Appraised Interest						Cumulative Cash Flow (AIT) - M$				
		Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbls		Discounted at:				
Reserve Category	Formation Name	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
PROVED												
Proved Developed Producing												
Oil Production/Gas Cap Blowdown	Zebbag	22	20	5,866	5,454	129	120	5,850	3,950	2,555	1,520	743
Total Proved Developed Producing		**22**	**20**	**5,866**	**5,454**	**129**	**120**	**5,850**	**3,950**	**2,555**	**1,520**	**743**
PROBABLE												
Probable Developed Producing (incremental)												
Oil Production/Gas Cap Blowdown	Zebbag	0	0	5,515	5,112	86	79	16,128	12,817	10,367	8,517	7,094
Total Probable Developed Producing		**0**	**0**	**5,515**	**5,112**	**86**	**79**	**16,128**	**12,817**	**10,367**	**8,517**	**7,094**
Total Proved Plus Probable Developed Producing		**22**	**20**	**11,381**	**10,565**	**215**	**200**	**21,978**	**16,766**	**12,922**	**10,036**	**7,837**
POSSIBLE												
Possible Developed Producing (incremental)												
Oil Production/Gas Cap Blowdown	Zebbag	0	0	5,690	5,205	89	81	16,150	12,795	10,323	8,462	7,034
Total Possible Developed Producing		**0**	**0**	**5,690**	**5,205**	**89**	**81**	**16,150**	**12,795**	**10,323**	**8,462**	**7,034**
Total Proved Plus Probable Plus Possible		**22**	**20**	**17,071**	**15,770**	**304**	**281**	**38,128**	**29,562**	**23,244**	**18,498**	**14,871**

M$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than $500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf/Mbbl).

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production and Capital Forecast - Proved Producing Reserves

	Gas Cap Blowdown										
			Oil Production		Total GAS Production		Condensate		Capital Expenditures - M$		
Year	Days On	Well Count	STB/d	STB/yr	Mscf/d	Mscf/yr	Bbl/MMscf	Bbl/yr	Facility Enhancement	Well Work	Total Capital (Escalated)
2021	90	2	80.0	7,200	6,000	540,000	14	7,560	0	0	0
2022	365	2	40.0	14,600	6,000	2,190,000	14	30,660	5000	3000	8160
2023	365	2	Blowdown phase (EB8-5 &EB8-4H)		3,000	1,095,000	14	15,330	0	0	0
2024	365	2			3,000	1,095,000	14	15,330	0	0	0
2025	365	2			3,000	1,095,000	14	15,330	0	0	0
2026	365	2			3,000	1,095,000	14	15,330	0	0	0
2027	365	2			2,400	876,000	14	12,264	0	0	0
2028	365	2			1,920	700,800	14	9,811	0	0	0
2029	365	2			1,536	560,640	14	7,849	0	0	0
2030									0	0	0
2031									0	0	0
2032									0	0	0
2033									0	0	0
2034									0	0	0
2035									0	0	0
2036									0	0	0
2037									0	0	0
2038									0	0	0
2039									0	0	0
2040									0	0	0
2041									0	0	0
2042									0	0	0
2043									0	0	0
2044									0	0	0
2045									0	0	0
				21,800.0		6,517,440		129,464	5,000	3,000	8,160
	Later decline rate				20%				5000	1500	

2021	
2022	1
2023	
2024	
2025	
2026	
2027	

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Producing Reserves

Before Income Tax

Year	Gross Oil Sales STB/yr	Gross Gas Production Mscf/yr	Gross Gas Sales Mscf/yr	Gross Condensate Sales Bbls/yr	Gas Price $/Mscf	Oil/Condensate Price $/Bbl	Gross Revenue M$/yr.	Royalty Rate %	Royalty M$/yr.	Export Payment $/yr.	Operating Costs - M$/yr. Fixed	Variable - oil	Variable - gas	Total (Escalated)
2021	7,200	540,000	0	7,560	$5.50	$81.28	$1,200	7%	$84	$12	678	29	270	976
2022	14,600	2,190,000	0	30,660	$5.60	$78.13	$3,536	6%	$212	$35	678	58	1,095	1,868
2023	0	1,095,000	985,500	15,330	$5.60	$74.98	$6,648	6%	$400	$67	1,990	0	548	2,640
2024	0	1,095,000	985,500	15,330	$5.70	$71.83	$6,718	6%	$403	$67	1,990	0	548	2,693
2025	0	1,095,000	985,500	15,330	$5.80	$73.22	$6,838	6%	$410	$68	1,990	0	548	2,747
2026	0	1,095,000	985,500	15,330	$5.86	$74.65	$6,919	6%	$415	$69	1,990	0	548	2,802
2027	0	876,000	788,400	12,264	$5.92	$76.10	$5,601	6%	$336	$56	1,990	0	438	2,734
2028	0	700,800	630,720	9,811	$5.98	$77.58	$4,533	6%	$272	$45	1,791	0	350	2,460
2029	0	560,640	504,576	7,849	$6.04	$79.09	$3,668	6%	$220	$37	1,592	0	280	2,194
2030		0	0	0	$6.10	$80.63	$0	6%	$0	$0			0	0
2031		0	0	0	$6.18	$82.21	$0	6%	$0	$0			0	0
2032		0	0	0	$6.26	$83.81	$0	6%	$0	$0			0	0
2033		0	0	0	$6.34	$85.45	$0	6%	$0	$0			0	0
2034		0	0	0	$6.42	$87.12	$0	6%	$0	$0			0	0
2035		0	0	0	$6.50	$88.82	$0	6%	$0	$0			0	0
2036		0	0	0	$6.58	$90.55	$0	6%	$0	$0			0	0
2037		0	0	0	$6.71	$92.33	$0	6%	$0	$0			0	0
2038		0	0	0	$6.84	$94.13	$0	6%	$0	$0			0	0
2039		0	0	0	$6.98	$95.98	$0	6%	$0	$0			0	0
2040		0	0	0	$7.12	$97.85	$0	6%	$0	$0			0	0
2041		0	0	0	$7.26	$99.77	$0	6%	$0	$0			0	0
2042		0	0	0	$7.41	$101.73	$0	6%	$0	$0			0	0
2043		0	0	0	$7.56	$103.72	$0	6%	$0	$0			0	0
2044		0	0	0	$7.71	$105.76	$0	6%	$0	$0			0	0
2045		0	0	0	$7.86	$107.83	$0	6%	$0	$0			0	0
Totals	21,800	6,517,440	5,865,696	129,464			45,682		$2,753	$457	$14,688	$87	$4,624	$21,113
Company Gross	**21,800**		**5,865,696**	**129,464**			**$45,682**		**$2,753**	**$457**	**$14,688**	**$87**	**$4,623.72**	**$21,113**
Company Net	**20,268**		**5,453,557**	**120,368**						1%	1,750 M$/yr	$4.00 $/STB	$0.50 $/Mscf	
		Shrinkage	10%		$0.00	$2.00					$120 M$/well/yr			
					Price Differential									

Table 4a, Page 2 continued

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Producing Reserves

Before Income Tax

Year	Project Total Revenue (Cash Flow) M$/yr.	Total Capital Costs M$/yr.	Abandon & Reclamatn M$/yr.	Project Undiscounted Net Cash Flow (Profit) M$/yr.	Company's Share Undiscounted Net Cash Flow (Profit) M$/yr.	t	Company Share Discounted @ 5% M$	10% M$	15% M$	20% M$	World Bank $/Mscf	Brent Crude $/STB
2021	127	0	0	127	127	0.33	125	123	122	120	5.50	79.28
2022	1,421	8,160	0	-6,739	-6,739	1.33	-6,316	-5,937	-5,596	-5,288	5.60	76.13
2023	3,561	0	0	3,561	3,561	2.33	3,179	2,852	2,572	2,329	5.60	72.98
2024	3,555	0	0	3,555	3,555	3.33	3,022	2,588	2,232	1,937	5.70	69.83
2025	3,613	0	0	3,613	3,613	4.33	2,925	2,391	1,973	1,641	5.80	71.22
2026	3,633	0	0	3,633	3,633	5.33	2,801	2,186	1,725	1,375	5.86	72.65
2027	2,474	0	0	2,474	2,474	6.33	1,817	1,353	1,021	780	5.92	74.10
2028	1,756	0	0	1,756	1,756	7.33	1,228	873	630	461	5.98	75.58
2029	1,218	0	1,500	-282	-282	8.33	-188	-128	-88	-62	6.04	77.09
2030	0	0	0	0	0	9.33	0	0	0	0	6.10	78.63
2031	0	0	0	0	0	10.33	0	0	0	0	6.18	80.21
2032	0	0	0	0	0	11.33	0	0	0	0	6.26	81.81
2033	0	0	0	0	0	12.33	0	0	0	0	6.34	83.45
2034	0	0	0	0	0	13.33	0	0	0	0	6.42	85.12
2035	0	0	0	0	0	14.33	0	0	0	0	6.50	86.82
2036	0	0	0	0	0	15.33	0	0	0	0	6.58	88.55
2037	0	0	0	0	0	16.33	0	0	0	0	6.71	90.33
2038	0	0	0	0	0	17.33	0	0	0	0	6.84	92.13
2039	0	0	0	0	0	18.33	0	0	0	0	6.98	93.98
2040	0	0	0	0	0	19.33	0	0	0	0	7.12	95.85
2041	0	0	0	0	0	20.33	0	0	0	0	7.26	97.77
2042	0	0	0	0	0	21.33	0	0	0	0	7.41	99.73
2043	0	0	0	0	0	22.33	0	0	0	0	7.56	101.72
2044	0	0	0	0	0	23.33	0	0	0	0	7.71	103.76
2045	0	0	0	0	0	24.33	0	0	0	0	7.86	105.83
Totals	**21,359**	**8,160**	**1,500**	**11,699**	**11,699**		**8,594**	**6,304**	**4,591**	**3,293**	1.02	1.02
	21,359	**8,160**	**1,500**	**11,699**	100.0%							

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Producing Reserves

After Income Tax

Company Working Interest	100.0%

	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%		Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow		Company Share Discounted @ 5%	10%	15%	20%
#REF!	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	%	M$/yr.	M$/yr.	t	M$	M$	M$	M$
2021	127	$0	$0	$0		$0	$127	50%	$64	$64	0.33	63	62	61	60
2022	1,421	$8,160	$0	$0	$1,632	$1,632	($211)	50%	($106)	($6,634)	1.33	-6,217	-5,844	-5,508	-5,205
2023	3,561	$0	$0	$0	$1,632	$1,632	$1,929	50%	$965	$2,597	2.33	2,318	2,080	1,875	1,698
2024	3,555	$0	$0	$0	$1,632	$1,632	$1,923	50%	$962	$2,594	3.33	2,205	1,888	1,629	1,413
2025	3,613	$0	$0	$0	$1,632	$1,632	$1,981	50%	$991	$2,623	4.33	2,123	1,736	1,432	1,191
2026	3,633	$0	$0		$1,632	$1,632	$2,001	50%	$1,001	$2,633	5.33	2,030	1,584	1,250	996
2027	2,474	$0	$0			$0	$2,474	50%	$1,237	$1,237	6.33	908	677	511	390
2028	1,756	$0	$0			$0	$1,756	50%	$878	$878	7.33	614	437	315	231
2029	1,218	$0	$1,500			$0	($282)	50%	($141)	($141)	8.33	-94	-64	-44	-31
2030	0	$0	$0			$0	$0	50%	$0	$0	9.33	0	0	0	0
2031	0	$0	$0			$0	$0	50%	$0	$0	10.33	0	0	0	0
2032	0	$0	$0			$0	$0	50%	$0	$0	11.33	0	0	0	0
2033	0	$0	$0			$0	$0	50%	$0	$0	12.33	0	0	0	0
2034	0	$0	$0			$0	$0	50%	$0	$0	13.33	0	0	0	0
2035	0	$0	$0			$0	$0	50%	$0	$0	14.33	0	0	0	0
2036	0	$0	$0			$0	$0	50%	$0	$0	15.33	0	0	0	0
2037	0	$0	$0			$0	$0	50%	$0	$0	16.33	0	0	0	0
2038	0	$0	$0			$0	$0	50%	$0	$0	17.33	0	0	0	0
2039	0	$0	$0			$0	$0	50%	$0	$0	18.33	0	0	0	0
2040	0	$0	$0			$0	$0	50%	$0	$0	19.33	0	0	0	0
2041	0	$0	$0			$0	$0	50%	$0	$0	20.33	0	0	0	0
2042	0	$0	$0			$0	$0	50%	$0	$0	21.33	0	0	0	0
2043	0	$0	$0			$0	$0	50%	$0	$0	22.33	0	0	0	0
2044	0	$0	$0			$0	$0	50%	$0	$0	23.33	0	0	0	0
2045	0	$0	$0			$0	$0	50%	$0	$0	24.33	0	0	0	0
Totals	**21,359**	**8,160**	**1,500**	**0**	**8,160**	**8,160**	**11,699**		**5,850**	**5,850**	**308**	**3,950**	**2,555**	**1,520**	**743**

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Producing Reserves

#REF!	Gross Revenue M$/yr.	Royalty M$/yr.	Corp Tax (Grosssed Up) M$/yr.	Net Revenue M$/yr.	Cumulative Net Revenue M$	Operating Costs M$/yr.	Capital Costs M$/yr.	Total Expenditures M$/yr.	Cumulative Expenditures M$	R Factor #	Royalty Rate %	Tax Rate %
2021	$1,200	$84	$64	$1,052	$88,052	976	0	976	$96,976	0.91	6%	50%
2022	$3,536	$212	($106)	$3,429	$91,481	1,868	8,160	10,028	$107,004	0.85	6%	50%
2023	$6,668	$400	$965	$5,303	$96,785	2,640	0	2,640	$109,644	0.88	6%	50%
2024	$6,718	$403	$962	$5,354	$102,138	2,693	0	2,693	$112,337	0.91	6%	50%
2025	$6,838	$410	$991	$5,438	$107,576	2,747	0	2,747	$115,083	0.93	6%	50%
2026	$6,919	$415	$1,001	$5,503	$113,079	2,802	0	2,802	$117,885	0.96	6%	50%
2027	$5,601	$336	$1,237	$4,027	$117,107	2,734	0	2,734	$120,619	0.97	6%	50%
2028	$4,533	$272	$878	$3,383	$120,490	2,460	0	2,460	$123,079	0.98	6%	50%
2029	$3,668	$220	($141)	$3,589	$124,079	2,194	0	2,194	$125,273	0.99	6%	50%
2030	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2031	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2032	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2033	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2034	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2035	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2036	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2037	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2038	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2039	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2040	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2041	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2042	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2043	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2044	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
2045	$0	$0	$0	$0	$124,079	0	0	0	$125,273	0.99	6%	50%
Totals	$45,682	$2,753	$5,850	$37,079		$21,113	$8,160	$29,273				
			1.0 WI Factor	est	**$87,000** Opening Balance			est	**$96,000** Opening Balance	0.91 Applies Subsequent Year	7%	50%

Zenith Energy Ltd

Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production and Capital Forecast - Proved Plus Probable Producing Reserves

	Gas Cap Blowdown										
			Oil Production		Total GAS Production		Condensate		Capital Expenditures - M$		
Year	Days On	Well Count	STB/d	STB/yr	Mscf/d	Mscf/yr	Bbl/MMscf	Bbl/yr	Facility Enhancement	Well Work	Total Capital (Escalated)
2021	90	2	80.0	7,200	6,000	540,000	14	7,560	0	0	0
2022	365	2	40.0	14,600	6,000	2,190,000	14	30,660	5000	3000	8160
2023	365	2	Blowdown phase (EBB-5 &EBB-4H)		6,000	2,190,000	14	30,660	0	0	0
2024	365	2			6,000	2,190,000	14	30,660	0	0	0
2025	365	2			6,000	2,190,000	14	30,660	0	0	0
2026	365	2			6,000	2,190,000	14	30,660	0	0	0
2027	365	2			4,556	1,663,059	14	23,283	0	0	0
2028	365	2			3,460	1,262,906	14	17,681	0	0	0
2029	365	2			2,627	959,035	14	13,426	0	0	0
2030									0	0	0
2031									0	0	0
2032									0	0	0
2033									0	0	0
2034									0	0	0
2035									0	0	0
2036									0	0	0
2037									0	0	0
2038									0	0	0
2039									0	0	0
2040									0	0	0
2041									0	0	0
2042									0	0	0
2043									0	0	0
2044									0	0	0
2045									0	0	0
				21,800.0		12,645,000		215,250	5,000	3,000	8,160
	Later decline rate				24%				5000	1500	

2021		
2022	1	2
2023		
2024		
2025		
2026		
2027		

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Plus Probable Producing Reserves

Before Income Tax

Year	Gross Oil Sales STB/yr	Gross Gas Production Mscf/yr	Gross Gas Sales Mscf/yr	Gross Condensate Sales Bbls/yr	Gas Price $/Mscf	Oil/Condensate Price $/Bbl	Gross Revenue M$/yr	Royalty Rate %	Royalty M$/yr	Export Payment $/yr	Operating Costs - M$/yr. Fixed	Variable - oil	Variable - gas	Total (Escalated)
2021	7,200	540,000	0	7,560	$5.50	$81.28	$1,200	7%	$84	$12	678	29	270	976
2022	14,600	2,190,000	0	30,660	$5.60	$78.13	$3,536	6%	$212	$35	679	58	1,095	1,868
2023	0	2,190,000	1,971,000	30,660	$5.60	$74.98	$13,336	6%	$800	$133	1,990	0	1,095	3,210
2024	0	2,190,000	1,971,000	30,660	$5.70	$71.83	$13,457	6%	$806	$134	1,990	0	1,095	3,274
2025	0	2,190,000	1,971,000	30,660	$5.80	$73.22	$13,677	6%	$821	$137	1,990	0	1,095	3,339
2026	0	2,190,000	1,971,000	30,660	$5.86	$74.65	$13,839	6%	$830	$138	1,990	0	1,095	3,406
2027	0	1,663,059	1,496,753	23,283	$5.92	$76.10	$10,633	6%	$638	$106	1,990	0	832	3,178
2028	0	1,262,906	1,136,615	17,681	$5.98	$77.58	$8,169	6%	$490	$82	1,791	0	631	2,783
2029	0	959,035	863,132	13,426	$6.04	$79.09	$6,275	8%	$502	$63	1,592	0	480	2,427
2030		0	0	0	$6.10	$80.63	$0	8%	$0	$0			0	0
2031		0	0	0	$6.18	$82.21	$0	8%	$0	$0			0	0
2032		0	0	0	$6.26	$83.81	$0	8%	$0	$0			0	0
2033		0	0	0	$6.34	$85.45	$0	8%	$0	$0			0	0
2034		0	0	0	$6.42	$87.12	$0	8%	$0	$0			0	0
2035		0	0	0	$6.50	$88.82	$0	8%	$0	$0			0	0
2036		0	0	0	$6.58	$90.55	$0	8%	$0	$0			0	0
2037		0	0	0	$6.71	$92.33	$0	8%	$0	$0			0	0
2038		0	0	0	$6.84	$94.13	$0	8%	$0	$0			0	0
2039		0	0	0	$6.98	$95.98	$0	8%	$0	$0			0	0
2040		0	0	0	$7.12	$97.85	$0	8%	$0	$0			0	0
2041		0	0	0	$7.26	$99.77	$0	8%	$0	$0			0	0
2042		0	0	0	$7.41	$101.73	$0	8%	$0	$0			0	0
2043		0	0	0	$7.56	$103.72	$0	8%	$0	$0			0	0
2044		0	0	0	$7.71	$105.76	$0	8%	$0	$0			0	0
2045		0	0	0	$7.86	$107.83	$0	8%	$0	$0			0	0
Totals	21,800	12,645,000	11,380,500	215,250			84,101		$5,184	$841	$14,688	$87	$7,688	$24,460
Company Gross	**21,800**		**11,380,500**	**215,250**			**$84,101**		**$5,184**	**$841**	**$14,688**	**$87**	**$7,687.50**	**$24,460**
Company Net	**20,238**		**10,565,258**	**199,831**										
										1%	1,750	$4.00	$0.50	
											M$/yr	$/STB	$/Mscf	
		Shrinkage	10%		$0.00	$2.00					$120			
						Price Differential					M$/well/yr			

Table 4b, Page 2 continued

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Plus Probable Producing Reserves

Before Income Tax

Year	Project Total Revenue (Cash Flow) M$/yr.	Total Capital Costs M$/yr.	Abandon & Reclamaim M$/yr.	Project Undiscounted Net Cash Flow (Profit) M$/yr.	Company's Share Undiscounted Net Cash Flow (Profit) M$/yr.	t	Company Share Discounted @ 5% M$	10% M$	15% M$	20% M$	World Bank $/Mscf	Brent Crude $/STB
2021	127	0	0	127	127	0.33	125	123	122	120	5.50	79.28
2022	1,421	8,160	0	-6,739	-6,739	1.33	-6,316	-5,937	-5,596	-5,288	5.60	76.13
2023	9,193	0	0	9,193	9,193	2.33	8,205	7,362	6,658	6,011	5.60	72.98
2024	9,222	0	0	9,222	9,222	3.33	7,839	6,714	5,791	5,025	5.70	69.83
2025	9,380	0	0	9,380	9,380	4.33	7,594	6,208	5,121	4,259	5.80	71.22
2026	9,464	0	0	9,464	9,464	5.33	7,297	5,694	4,493	3,581	5.86	72.65
2027	6,711	0	0	6,711	6,711	6.33	4,928	3,671	2,770	2,116	5.92	74.10
2028	4,814	0	0	4,814	4,814	7.33	3,367	2,394	1,728	1,265	5.98	75.58
2029	3,283	0	1,500	1,783	1,783	8.33	1,188	806	557	391	6.04	77.09
2030	0	0	0	0	0	9.33	0	0	0	0	6.10	78.63
2031	0	0	0	0	0	10.33	0	0	0	0	6.18	80.21
2032	0	0	0	0	0	11.33	0	0	0	0	6.26	81.81
2033	0	0	0	0	0	12.33	0	0	0	0	6.34	83.45
2034	0	0	0	0	0	13.33	0	0	0	0	6.42	85.12
2035	0	0	0	0	0	14.33	0	0	0	0	6.50	86.82
2036	0	0	0	0	0	15.33	0	0	0	0	6.58	88.55
2037	0	0	0	0	0	16.33	0	0	0	0	6.71	90.33
2038	0	0	0	0	0	17.33	0	0	0	0	6.84	92.13
2039	0	0	0	0	0	18.33	0	0	0	0	6.98	93.98
2040	0	0	0	0	0	19.33	0	0	0	0	7.12	95.85
2041	0	0	0	0	0	20.33	0	0	0	0	7.26	97.77
2042	0	0	0	0	0	21.33	0	0	0	0	7.41	99.73
2043	0	0	0	0	0	22.33	0	0	0	0	7.56	101.72
2044	0	0	0	0	0	23.33	0	0	0	0	7.71	103.76
2045	0	0	0	0	0	24.33	0	0	0	0	7.86	105.83
Totals	53,616	8,160	1,500	43,956	43,956		34,227	27,037	21,624	17,481	1.02	1.02
	53,616	8,160	1,500	43,956	100.0%							

Table 4b, Page 3

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Plus Probable Producing Reserves

After Income tax

Company Working Interest	100.0%

	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%		Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow		Company Share Discounted @ 5%	10%	15%	20%
#REF!	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	%	M$/yr.	M$/yr.	t	M$	M$	M$	M$
2021	127	$0	$0	$0		$0	$127	50%	$64	$64	0.33	63	62	61	60
2022	1,421	$8,160	$0	$0	$1,632	$1,632	($211)	50%	($106)	($6,634)	1.33	-6,217	-5,844	-5,508	-5,205
2023	9,193	$0	$0	$0	$1,632	$1,632	$7,561	50%	$3,781	$5,413	2.33	4,831	4,335	3,908	3,539
2024	9,222	$0	$0	$0	$1,632	$1,632	$7,590	50%	$3,795	$5,427	3.33	4,613	3,951	3,408	2,957
2025	9,380	$0	$0	$0	$1,632	$1,632	$7,748	50%	$3,874	$5,506	4.33	4,457	3,644	3,006	2,500
2026	9,464	$0	$0		$1,632	$1,632	$7,832	50%	$3,916	$5,548	5.33	4,278	3,338	2,634	2,099
2027	6,711	$0	$0			$0	$6,711	50%	$3,355	$3,355	6.33	2,464	1,835	1,385	1,058
2028	4,814	$0	$0			$0	$4,814	50%	$2,407	$2,407	7.33	1,683	1,197	864	633
2029	3,283	$0	$1,500			$0	$1,783	50%	$892	$892	8.33	594	403	278	195
2030	0	$0	$0			$0	$0	50%	$0	$0	9.33	0	0	0	0
2031	0	$0	$0			$0	$0	50%	$0	$0	10.33	0	0	0	0
2032	0	$0	$0			$0	$0	50%	$0	$0	11.33	0	0	0	0
2033	0	$0	$0			$0	$0	50%	$0	$0	12.33	0	0	0	0
2034	0	$0	$0			$0	$0	50%	$0	$0	13.33	0	0	0	0
2035	0	$0	$0			$0	$0	50%	$0	$0	14.33	0	0	0	0
2036	0	$0	$0			$0	$0	50%	$0	$0	15.33	0	0	0	0
2037	0	$0	$0			$0	$0	50%	$0	$0	16.33	0	0	0	0
2038	0	$0	$0			$0	$0	50%	$0	$0	17.33	0	0	0	0
2039	0	$0	$0			$0	$0	50%	$0	$0	18.33	0	0	0	0
2040	0	$0	$0			$0	$0	50%	$0	$0	19.33	0	0	0	0
2041	0	$0	$0			$0	$0	50%	$0	$0	20.33	0	0	0	0
2042	0	$0	$0			$0	$0	50%	$0	$0	21.33	0	0	0	0
2043	0	$0	$0			$0	$0	50%	$0	$0	22.33	0	0	0	0
2044	0	$0	$0			$0	$0	50%	$0	$0	23.33	0	0	0	0
2045	0	$0	$0			$0	$0	50%	$0	$0	24.33	0	0	0	0
Totals	**53,616**	**8,160**	**1,500**	**0**	**8,160**	**8,160**	**43,956**		**21,978**	**21,978**	**308**	**16,766**	**12,922**	**10,036**	**7,837**

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Plus Probable Producing Reserves

	Gross Revenue	Royalty	Corp Tax (Grosssed Up)	Net Revenue	Cumulative Net Revenue	Operating Costs	Capital Costs	Total Expenditures	Cumulative Expenditures	R Factor	Royalty Rate	Tax Rate
########	M$/yr.	M$/yr.	M$/yr.	M$/yr.	M$	M$/yr.	M$/yr.	M$/yr.	M$	#	%	%
2021	$1,200	$84	$64	$1,052	$88,052	976	0	976	$96,976	0.91	6%	50%
2022	$3,536	$212	($106)	$3,429	$91,481	1,868	8,160	10,028	$107,004	0.85	6%	50%
2023	$13,336	$800	$3,781	$8,756	$100,237	3,210	0	3,210	$110,213	0.91	6%	50%
2024	$13,437	$806	$3,795	$8,835	$109,072	3,274	0	3,274	$113,487	0.96	6%	50%
2025	$13,677	$821	$3,874	$8,982	$118,054	3,339	0	3,339	$116,827	1.01	6%	50%
2026	$13,839	$830	$3,916	$9,092	$127,147	3,406	0	3,406	$120,233	1.06	6%	50%
2027	$10,633	$638	$3,355	$6,639	$133,786	3,178	0	3,178	$123,410	1.08	6%	50%
2028	$8,169	$490	$2,407	$5,271	$139,057	2,783	0	2,783	$126,193	1.10	8%	50%
2029	$6,275	$502	$892	$4,882	$143,939	2,427	0	2,427	$128,620	1.12	8%	50%
2030	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2031	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2032	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2033	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2034	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2035	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2036	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2037	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2038	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2039	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2040	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2041	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2042	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2043	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2044	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
2045	$0	$0	$0	$0	$143,939	0	0	0	$128,620	1.12	8%	50%
Totals	$84,101	$5,184	$21,978	$56,939		$24,460	$8,160	$32,620				
			1.0 WI Factor	est	**$87,000** Opening Balance			est	**$96,000** Opening Balance	0.91 Applies Subsequent Year	7%	50%

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production and Capital Forecast - 3P Producing Reserves

			Gas Cap Blowdown								
			Oil Production		Total GAS Production		Condensate		Capital Expenditures - M$		
Year	Days On	Well Count	STB/d	STB/yr	Mscf/d	Mscf/yr	Bbl/MMscf	Bbl/yr	Facility Enhancement	Well Work	Total Capital (Escalated)
2021	90	2	80.0	7,200	6,000	540,000	14	7,560	0	0	0
2022	365	2	40.0	14,600	6,000	2,190,000	14	30,660	5000	3000	8160
2023	365	2	Blowdown phase (EBB-5 &EBB-4H)		9,000	3,285,000	14	45,990	0	0	0
2024	365	2			9,000	3,285,000	14	45,990	0	0	0
2025	365	2			9,000	3,285,000	14	45,990	0	0	0
2026	365	2			9,000	3,285,000	14	45,990	0	0	0
2027	365	2			6,834	2,494,588	14	34,924	0	0	0
2028	365	2			5,190	1,894,359	14	26,521	0	0	0
2029	365	2			3,941	1,438,553	14	20,140	0	0	0
2030									0	0	0
2031									0	0	0
2032									0	0	0
2033									0	0	0
2034									0	0	0
2035									0	0	0
2036									0	0	0
2037									0	0	0
2038									0	0	0
2039									0	0	0
2040									0	0	0
2041									0	0	0
2042									0	0	0
2043									0	0	0
2044									0	0	0
2045									0	0	0
				21,800.0		18,967,500		303,765	5,000	3,000	8,160
	Later decline rate				24%				5000	1500	

2021		
2022	1	2
2023		
2024		
2025		
2026		
2027		

Table 4c, Page 2

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production Streams, Revenues and Cash Flows - 3P Producing Reserves

Before Income Tax

Year	Gross Oil Sales STB/yr	Gross Gas Production Mscf/yr	Gross Gas Sales Mscf/yr	Gross Condensate Sales Bbls/yr	Gas Price $/Mscf	Oil/Condensate Price $/Bbl	Gross Revenue M$/yr.	Royalty Rate %	Royalty M$/yr.	Export Payment $/yr.	Operating Costs - M$/yr. Fixed	Variable - oil	Variable - gas	Total (Escalated)
2021	7,200	540,000	0	7,560	$5.50	$79.28	$1,170	7%	$82	$12	678	29	270	976
2022	14,600	2,190,000	0	30,660	$5.60	$78.13	$3,536	6%	$212	$35	678	58	1,095	1,868
2023	0	3,285,000	2,956,500	45,990	$5.60	$72.98	$19,913	6%	$1,195	$199	1,990	0	1,643	3,779
2024	0	3,285,000	2,956,500	45,990	$5.70	$69.83	$20,063	6%	$1,204	$201	1,990	0	1,643	3,855
2025	0	3,285,000	2,956,500	45,990	$5.80	$71.22	$20,423	6%	$1,225	$204	1,990	0	1,643	3,932
2026	0	3,285,000	2,956,500	45,990	$5.86	$72.65	$20,666	6%	$1,240	$207	1,990	0	1,643	4,011
2027	0	2,494,588	2,245,129	34,924	$5.92	$74.10	$15,879	8%	$1,270	$159	1,990	0	1,247	3,646
2028	0	1,894,359	1,704,923	26,521	$5.98	$75.58	$12,200	8%	$976	$122	1,791	0	947	3,145
2029	0	1,438,553	1,294,697	20,140	$6.04	$77.09	$9,373	8%	$750	$94	1,592	0	719	2,708
2030		0	0	0	$6.10	$78.63	$0	8%	$0	$0			0	0
2031		0	0	0	$6.18	$80.21	$0	8%	$0	$0			0	0
2032		0	0	0	$6.26	$81.81	$0	8%	$0	$0			0	0
2033		0	0	0	$6.34	$83.45	$0	8%	$0	$0			0	0
2034		0	0	0	$6.42	$85.12	$0	8%	$0	$0			0	0
2035		0	0	0	$6.50	$86.82	$0	8%	$0	$0			0	0
2036		0	0	0	$6.58	$88.55	$0	8%	$0	$0			0	0
2037		0	0	0	$6.71	$90.33	$0	8%	$0	$0			0	0
2038		0	0	0	$6.84	$92.13	$0	8%	$0	$0			0	0
2039		0	0	0	$6.98	$93.98	$0	8%	$0	$0			0	0
2040		0	0	0	$7.12	$95.85	$0	8%	$0	$0			0	0
2041		0	0	0	$7.26	$97.77	$0	8%	$0	$0			0	0
2042		0	0	0	$7.41	$99.73	$0	8%	$0	$0			0	0
2043		0	0	0	$7.56	$101.72	$0	8%	$0	$0			0	0
2044		0	0	0	$7.71	$103.76	$0	8%	$0	$0			0	0
2045		0	0	0	$7.86	$105.83	$0	8%	$0	$0			0	0
Totals	21,800	18,967,500	17,070,750	303,765			123,223		$8,154	$1,232	$14,688	$87	$10,849	$27,919
Company Gross	**21,800**		**17,070,750**	**303,765**			**$123,223**		**$8,154**	**$1,232**	**$14,688**	**$87**	**$10,848.75**	**$27,919**
Company Net	**20,139**		**15,770,409**	**280,626**						1%	1,750 M$/yr	$4.00 $/STB	$0.50 $/Mscf	
		Shrinkage	10%		$0.00	$2.00					$120 M$/well/yr			
					Price Differential									

Table 4c, Page 2 continued

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production Streams, Revenues and Cash Flows - 3P Producing Reserves

Before Income Tax

Year	Project Total Revenue (Cash Flow) M$/yr.	Total Capital Costs M$/yr.	Abandon & Reclamaim M$/yr.	Project Undiscounted Net Cash Flow (Profit) M$/yr.	Company's Share Undiscounted Net Cash Flow (Profit) M$/yr.	t	Company Share Discounted @ 5% M$	10% M$	15% M$	20% M$	World Bank $/Mscf	Brent Crude $/STB
2021	100	0	0	100	100	0.33	99	97	96	94	5.50	79.28
2022	1,421	8,160	0	-6,739	-6,739	1.33	-6,316	-5,937	-5,596	-5,288	5.60	76.13
2023	14,739	0	0	14,739	14,739	2.33	13,156	11,804	10,643	9,638	5.60	72.98
2024	14,804	0	0	14,804	14,804	3.33	12,584	10,778	9,295	8,067	5.70	69.83
2025	15,062	0	0	15,062	15,062	4.33	12,193	9,969	8,223	6,839	5.80	71.22
2026	15,209	0	0	15,209	15,209	5.33	11,726	9,151	7,221	5,755	5.86	72.65
2027	10,804	0	0	10,804	10,804	6.33	7,933	5,910	4,460	3,407	5.92	74.10
2028	7,957	0	0	7,957	7,957	7.33	5,564	3,957	2,856	2,091	5.98	75.58
2029	5,821	0	1,500	4,321	4,321	8.33	2,878	1,953	1,349	946	6.04	77.09
2030	0	0	0	0	0	9.33	0	0	0	0	6.10	78.63
2031	0	0	0	0	0	10.33	0	0	0	0	6.18	80.21
2032	0	0	0	0	0	11.33	0	0	0	0	6.26	81.81
2033	0	0	0	0	0	12.33	0	0	0	0	6.34	83.45
2034	0	0	0	0	0	13.33	0	0	0	0	6.42	85.12
2035	0	0	0	0	0	14.33	0	0	0	0	6.50	86.82
2036	0	0	0	0	0	15.33	0	0	0	0	6.58	88.55
2037	0	0	0	0	0	16.33	0	0	0	0	6.71	90.33
2038	0	0	0	0	0	17.33	0	0	0	0	6.84	92.13
2039	0	0	0	0	0	18.33	0	0	0	0	6.98	93.98
2040	0	0	0	0	0	19.33	0	0	0	0	7.12	95.85
2041	0	0	0	0	0	20.33	0	0	0	0	7.26	97.77
2042	0	0	0	0	0	21.33	0	0	0	0	7.41	99.73
2043	0	0	0	0	0	22.33	0	0	0	0	7.56	101.72
2044	0	0	0	0	0	23.33	0	0	0	0	7.71	103.76
2045	0	0	0	0	0	24.33	0	0	0	0	7.86	105.83
Totals	**85,917**	**8,160**	**1,500**	**76,257**	**76,257**		**59,818**	**47,682**	**38,547**	**31,550**	1.02	1.02
	85,917	**8,160**	**1,500**	**76,257**	**100.0%**							

Table 4c, Page 3

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

Production Streams, Revenues and Cash Flows - 3P Producing Reserves

After Income tax

Company Working Interest	100.0%

	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%		Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow		Company Share Discounted @ 5%	10%	15%	20%
#REF!	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	%	M$/yr	M$/yr	t	M$	M$	M$	M$
2021	100	$0	$0	$0		$0	$100	50%	$50	$50	0.33	49	49	48	47
2022	1,421	$8,160	$0	$0	$1,632	$1,632	($211)	50%	($106)	($6,634)	1.33	-6,217	-5,844	-5,508	-5,205
2023	14,739	$0	$0	$0	$1,632	$1,632	$13,107	50%	$6,554	$8,186	2.33	7,306	6,556	5,911	5,353
2024	14,804	$0	$0	$0	$1,632	$1,632	$13,172	50%	$6,586	$8,218	3.33	6,986	5,983	5,160	4,478
2025	15,062	$0	$0	$0	$1,632	$1,632	$13,430	50%	$6,715	$8,347	4.33	6,757	5,524	4,557	3,790
2026	15,209	$0	$0		$1,632	$1,632	$13,577	50%	$6,788	$8,420	5.33	6,492	5,067	3,998	3,186
2027	10,804	$0	$0			$0	$10,804	50%	$5,402	$5,402	6.33	3,967	2,955	2,230	1,704
2028	7,957	$0	$0			$0	$7,957	50%	$3,978	$3,978	7.33	2,782	1,978	1,428	1,045
2029	5,821	$0	$1,500			$0	$4,321	50%	$2,161	$2,161	8.33	1,439	977	674	473
2030	0	$0	$0			$0	$0	50%	$0	$0	9.33	0	0	0	0
2031	0	$0	$0			$0	$0	50%	$0	$0	10.33	0	0	0	0
2032	0	$0	$0			$0	$0	50%	$0	$0	11.33	0	0	0	0
2033	0	$0	$0			$0	$0	50%	$0	$0	12.33	0	0	0	0
2034	0	$0	$0			$0	$0	50%	$0	$0	13.33	0	0	0	0
2035	0	$0	$0			$0	$0	50%	$0	$0	14.33	0	0	0	0
2036	0	$0	$0			$0	$0	50%	$0	$0	15.33	0	0	0	0
2037	0	$0	$0			$0	$0	50%	$0	$0	16.33	0	0	0	0
2038	0	$0	$0			$0	$0	50%	$0	$0	17.33	0	0	0	0
2039	0	$0	$0			$0	$0	50%	$0	$0	18.33	0	0	0	0
2040	0	$0	$0			$0	$0	50%	$0	$0	19.33	0	0	0	0
2041	0	$0	$0			$0	$0	50%	$0	$0	20.33	0	0	0	0
2042	0	$0	$0			$0	$0	50%	$0	$0	21.33	0	0	0	0
2043	0	$0	$0			$0	$0	50%	$0	$0	22.33	0	0	0	0
2044	0	$0	$0			$0	$0	50%	$0	$0	23.33	0	0	0	0
2045	0	$0	$0			$0	$0	50%	$0	$0	24.33	0	0	0	0
Totals	**85,917**	**8,160**	**1,500**	**0**	**8,160**	**8,160**	**76,257**		**38,128**	**38,128**	**308**	**29,562**	**23,244**	**18,498**	**14,871**

Zenith Energy Ltd

El Bibane - Zebbag Gas Cap Blowdown

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, 3P Producing Reserves

#REF!	Gross Revenue M$/yr.	Royalty M$/yr.	Corp Tax (Grossed Up) M$/yr.	Net Revenue M$/yr.	Cumulative Net Revenue M$	Operating Costs M$/yr.	Capital Costs M$/yr.	Total Expenditures M$/yr.	Cumulative Expenditures M$	R Factor #	Royalty Rate %	Tax Rate %
2021	$1,170	$82	$50	$1,038	$88,038	976	0	976	$96,976	0.91	6%	50%
2022	$3,536	$212	($106)	$3,429	$91,467	1,868	8,160	10,028	$107,004	0.85	6%	50%
2023	$19,913	$1,195	$6,554	$12,164	$103,631	3,779	0	3,779	$110,783	0.94	6%	50%
2024	$20,063	$1,204	$6,586	$12,273	$115,905	3,855	0	3,855	$114,638	1.01	6%	50%
2025	$20,423	$1,225	$6,715	$12,483	$128,388	3,932	0	3,932	$118,570	1.08	6%	50%
2026	$20,666	$1,240	$6,788	$12,638	$141,026	4,011	0	4,011	$122,580	1.15	8%	50%
2027	$15,879	$1,270	$5,402	$9,207	$150,232	3,646	0	3,646	$126,226	1.19	8%	50%
2028	$12,200	$976	$3,978	$7,246	$157,478	3,145	0	3,145	$129,371	1.22	8%	50%
2029	$9,373	$750	$2,161	$6,462	$163,940	2,708	0	2,708	$132,079	1.24	8%	50%
2030	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2031	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2032	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2033	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2034	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2035	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2036	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2037	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2038	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2039	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2040	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2041	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2042	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2043	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2044	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
2045	$0	$0	$0	$0	$163,940	0	0	0	$132,079	1.24	8%	50%
Totals	$123,223	$8,154	$38,128	$76,940		$27,919	$8,160	$36,079				
			1.0 WI Factor	est	**$87,000** Opening Balance			est	**$96,000** Opening Balance	0.91 Applies Subsequent Year	7%	50%

EZZAOUIA CONCESSION

TUNISIA

INDEX

Discussion **57**

Property Description 57
Geology 57
Reserves 58
Production 58
Product Prices 59
Capital Expenditures 59
Operating Costs 59
Economics 59

Attachments

Figure 1: Well Location Map 60

Table 1: Schedule of Lands, Interests and Royalty Burdens 61

Figure 2: Geological Maps and Figures
a) Stratigraphic Chart – Jaffara Basin 62
b) M'Rabtine Structure Depth Map 63

Table 2: Summary of Gross Reserves 64

Figure 3: Production History Graphs
a) Total Field Production 65
b) EZZ-10, Zebbag 66
c) EZZ-I, M'Rabtine 67
d) EZZ-9, M'Rabtine 68
e) EZZ-11, M'Rabtine 69
f) EZZ-17, M'Rabtine to be reactivated 70
g) EZZ-18, M'Rabtine, to be side-tracked 71
h) EZZ-4, M'Rabtine, to be redrilled 72

Figure 4: Analog Production Plot for New Drills 73

Table 3: Summary of Anticipated Capital Expenditures
a) Development 74
b) Abandonment and Reclamation 75

Table 4: Summary of Company Reserves and Economics – BIT 76
Table 4T: Summary of Company Reserves and Economics – AIT 77

Production Forecast and Cash Flow Analysis
a) Proved Developed Producing Reserves 78
b) Probable Developed Producing Reserves 82
c) Proved Plus Probable Reserves 86

EZZAOUIA CONCESSION
TUNISIA
DISCUSSION

Property Description

The Company owns a 45% working interest in the Ezzaouia Concession, in Tunisia. It is comprised of 9,884 acres of land (40 Km squared) and is located onshore near the Gulf of Gabes, east of Djerba Island. The Concession contains a total of 16 wells, including four oil producers, two is shut-in, two water injectors and eight wells which are suspended.

Production is subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures.

A map showing the Concession boundary and producing well locations is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

Geology

The Concession is within the Jeffara Basin, a WNW-ESE trending Permo-Triassic, extentional basin, which occupies a hinge-zone between the Palaeozoic Berfine/Ghandames Basin to the SSW and the Jurassic to Tertiary, Pelagian/Sabratah Basin to the NNE. There are two producing reservoirs on the concession, the Jurassic M'Rabtine sand and the Cretaceous Zebbag carbonate, as shown on the Startigraphic chart, Figure 2a.

The M'Rabtine reservoir rock is composed of thin channel sands. The principle hydrocarbon bearing reservoirs are stacked delta distributory sand bodies, which can be subdivided into an upper interval (M1-M3 units) and a lower interval (M5-M6 units), separated by the middle M4 unit. In addition, the structure can be divided into several main and minor fault blocks, as shown on Figure 2b. Currently, three to four wells are producing from the M'Rabtine and there is potential for additional development on this structure.

The Cretaceaous Zebbag reservoir is a highly fractured, vugular dolomite, which is subdivided into four layers (Z1-Z4), all within the Middle Zabbag member. This reservoir is almost depleted due to water encroachment from below, with only the highest structural well still producing.

Reserves

Total Proved Developed Producing Reserves of 472 MSTB of oil have been estimated for the four producing wells based on a conservative decline analysis of past production performance. Of this 64 MSTB have been estimated for the Zebbag zone, producing from well EZZ-10, and 408 MSTB for the M'Rabtine, producing from wells EZZ-1, 9 and 11.

Incremental Probable Developed Producing Reserves of 505 MSTB of oil have been estimated for the same wells plus well EZZ-17, which is scheduled for a pump repair, based on a best estimate decline analysis of past production performance.

Probable Undeveloped Reserves of 6,352 MSTB have been estimated for three additional wells to be drilled for production from the M'Rabtine zone. Well EZZ-18 will be a side-rack of the existing well, well EZZ-4 will be a redrill of the former well on that location and well EZZ-19 is a strategically located infill well.

A summary of the Reserves is presented on Table 2. Selected decline rates for each well and the starting point production rates are demonstrated on Page One of Tables 4a,4b and 4c. The normalized production plot which has been used as the analog performance for the new drills is presented on Figure 4.

Production

Current production from four wells is averaging 454 STB/d, the main production from well EZZ-11, at 265 STB/d. These rates are anticipated to continue their historical decline until the economic limit is reached. Forecasts of the production can be seen on Page One of each economic analysis files, Table 4a, 4b and 4c.

Initial rates, forecasts and timing of the undeveloped wells can be seen on Page One of Table 4c, the economic analysis for Proved Plus Probable reserves.

Production history graphs of the wells of interest are presented in Figures 3a through 3h.

Product Prices

A 2021 oil price of 75.28 $/STB has been used for this evaluation reflecting a discount of $4.00/STB from the posted Brent crude price throughout the forecast.

Capital Expenditures

Total capital expenditures of $26,000,000 ($11,700,000 net to the Company) have been estimated for the overall property, which includes a pump repair or replacement for EZZ-17 and three wells to be drilled plus some facility upgrades.

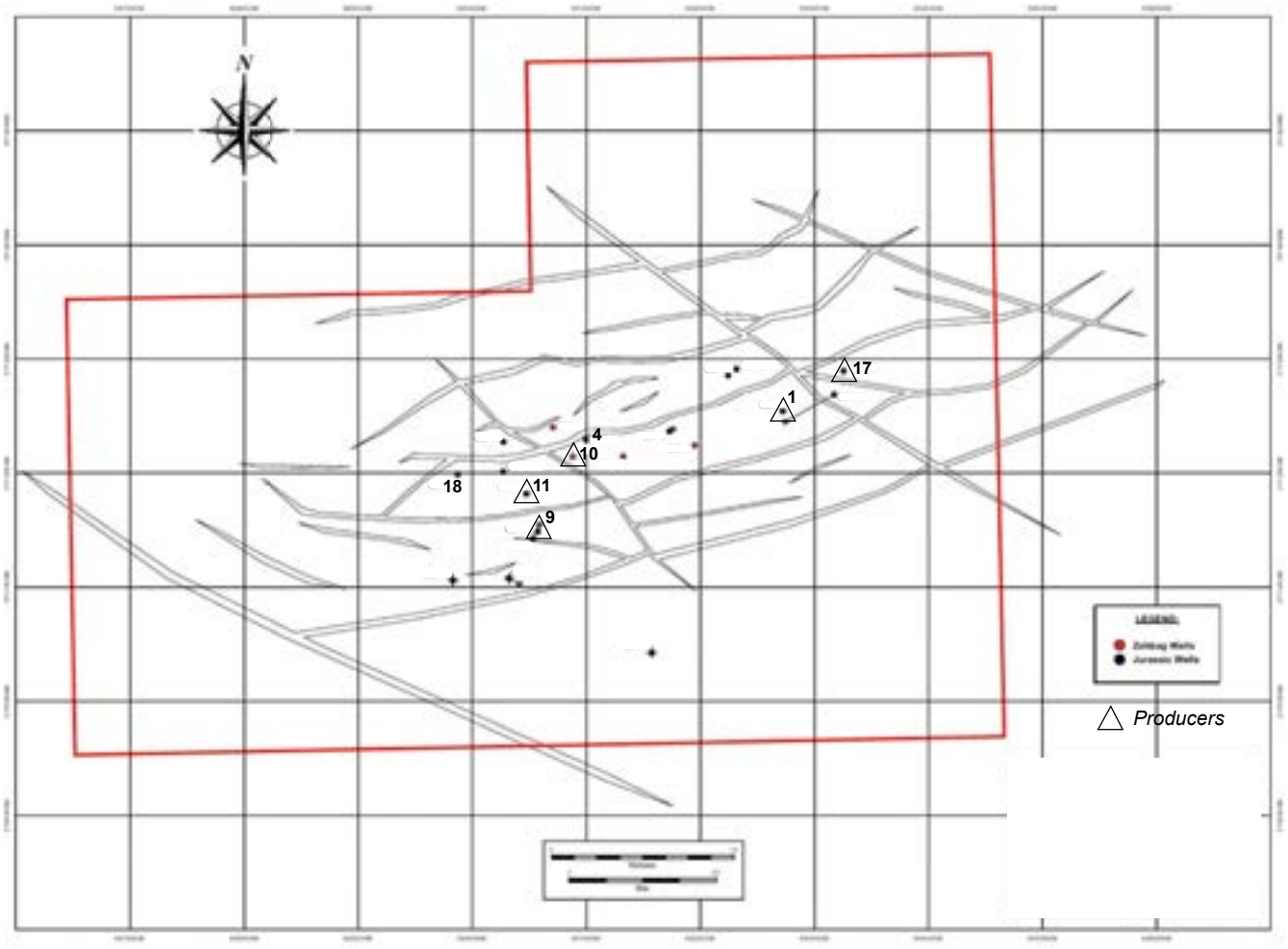
The capital expenditures scheduled for each case are presented in Table 3a. Abandonment costs are summarized on Table 3b

Operating Costs

Operating costs have been estimated to be $4,000,000 per year and an additional $90,000 per well per year (fixed) plus $4.00/STB (variable), based on historical and budget information provided by operator of the property.

Economics

The results of the economic analysis are summarized in Table 4 and 4T for the before and after-tax cases respectively. The full economic analyses are presented in Table 4a, 4b and 4c, and have been presented in spread sheet format to allow for proper handling of the fiscal regime.



Source: Ryder Scott Company Petroleum Consultants, Candax Report 2013, p. 38, modified

ZENITH ENERGY LTD.
EZZAOUIA CONCESSION **TUNISIA** **LAND AND WELL MAP**
OCT. 2021 **JOB No. 6773** **FIGURE No. 1**

Table 1

Schedule of Lands, Interests and Royalty Burdens
October 1, 2021

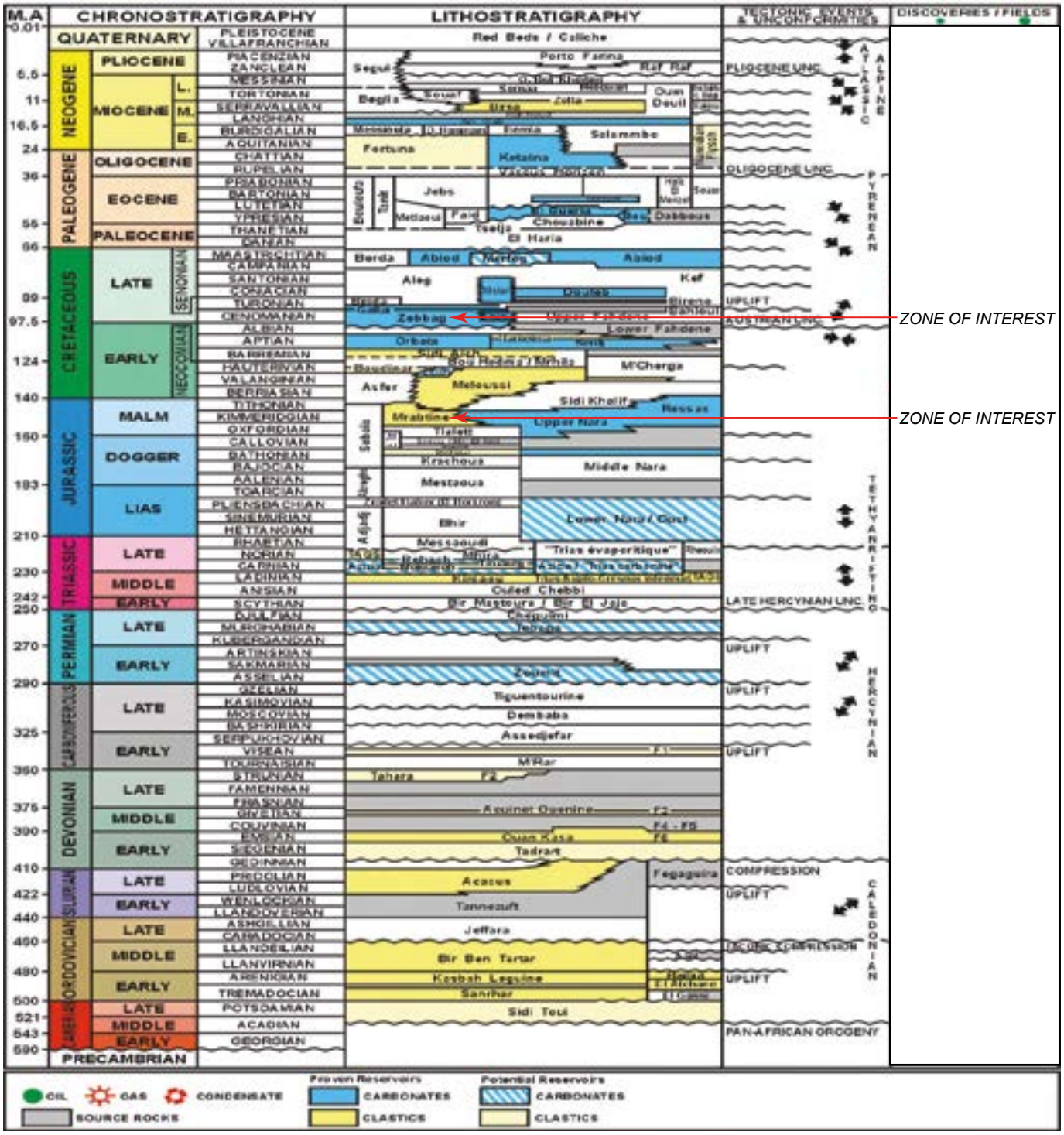
Zenith Energy Ltd

Ezzaouia Concession, Tunisia

		Appraised Interest		Royalty Burdens	
Description	Gross Acres	Working %	Royalty %	Basic %	Overriding %
Ezzaouia Concession	40 Km squared (9884 Acres)	45.0000	-	[1]	-

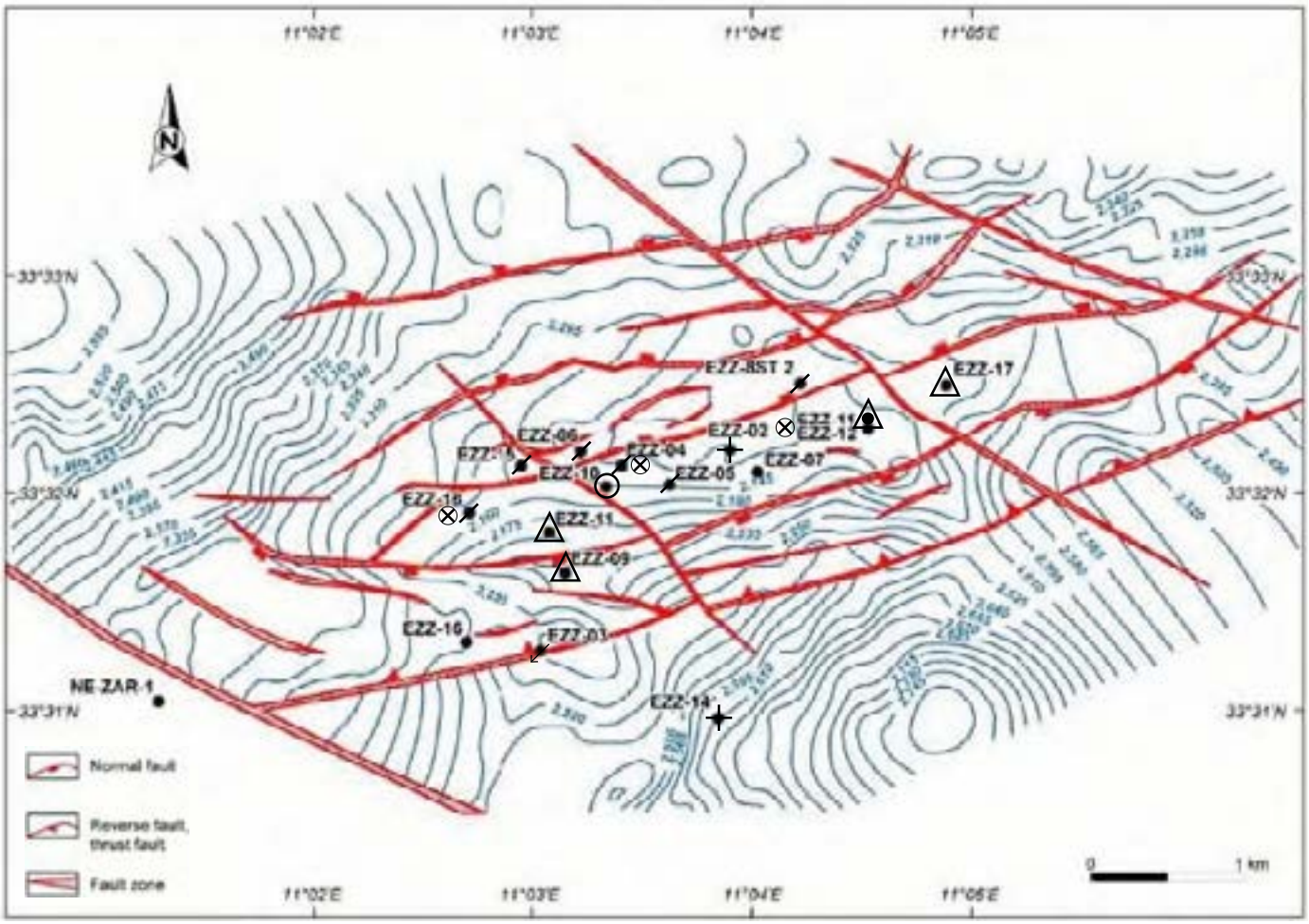
Note: [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

Royalty Rate =	2%	When "R" Factor is	< 0.5
	5%		0.5 to 0.8
	7%		0.8 to 1.1
	10%		1.1 to 1.5
	12%		1.5 to 2.0
	14%		2.0 to 2.5
	15%		> 2.5



Source: Candax Presentation, June 2019, p. 2

ZENITH ENERGY LTD.
EZZAOUIA CONCESSION **TUNISIA** **STRATIGRAPHIC CHART**
OCT. 2021 **JOB No. 6773** **FIGURE No. 2a**



Source: MCH-Petroleum Training & Consulting, Candax Report 2020, p. 11, modified

Zebbag Producer

M'Rabtine Producer

New Location

ZENITH ENERGY LTD.
EZZAOUIA CONCESSION **TUNICIA** **STRUCTURAL CONTOUR DEPTH MAP** **C.I. = 15 m**
OCT. 2021 **JOB No. 6773** **FIGURE No. 2b**

Table 2

Summary of Gross Reserves
October 1, 2021

Ezzaouia Concession, Tunisia

Description		Current or Initial Rate STB/d	IP Date	API Gravity (Deg)	Ultimate Reserves (MSTB)	Cumulative Production (MSTB)	Reserves (MSTB)	Reference
LIGHT & MEDIUM OIL								
Proved Developed Producing								
EZZ-10	Zebbag	67		40	5,790	5,726	64	Fig. 3a, Table 4a
Ezz-1	M'Rabtine	74		40	1,574	1,484	90	Fig. 3b, Table 4a
Ezz-9	M'Rabtine	22		40	1,714	1,688	26	Fig. 3c, Table 4a
Ezz-11	M'Rabtine	240		40	3,785	3,492	293	Fig. 3d, Table 4a
	Total Proved Developed Producing	**403**			**12,862**	**12,390**	**472**	
	Total Proved				**12,862**	**12,390**	**472**	
Probable								
Probable Developed Producing (incremental)								
EZZ-10	Zebbag	7		40	70	0	70	Fig. 3e, Table 4b
Ezz-1	M'Rabtine	3		40	66	0	66	Fig. 3f, Table 4b
Ezz-9	M'Rabtine	0		40	14	0	14	Fig. 3g, Table 4b
Ezz-11	M'Rabtine	4		40	182	0	182	Fig. 3h, Table 4b
EZZ 17	M'Rabtine	116		40	173	0	173	Fig. 3i, Table 4b
	Total Probable Developed Producing (incr)				**505**	**0**	**505**	
	Total Proved Plus Probable Developed Producing						**977**	
Probable Undeveloped			IP Date					
Proved Plus Probable Producing (incr)		0	-	40	626	0	626	Table 4c
EZZ-18	M'Rabtine	0	2022	40	1,937	0	1,937	Analog
EZZ-4	M'Rabtine	0	2023	40	1,910	0	1,910	Analog
EZZ-19	M'Rabtine	0	2024	40	1,879	0	1,879	Analog
	Total Probable Undeveloped				**6,352**	**0**	**6,352**	
	Total Proved Plus Probable				**19,214**	**12,390**	**7,328**	

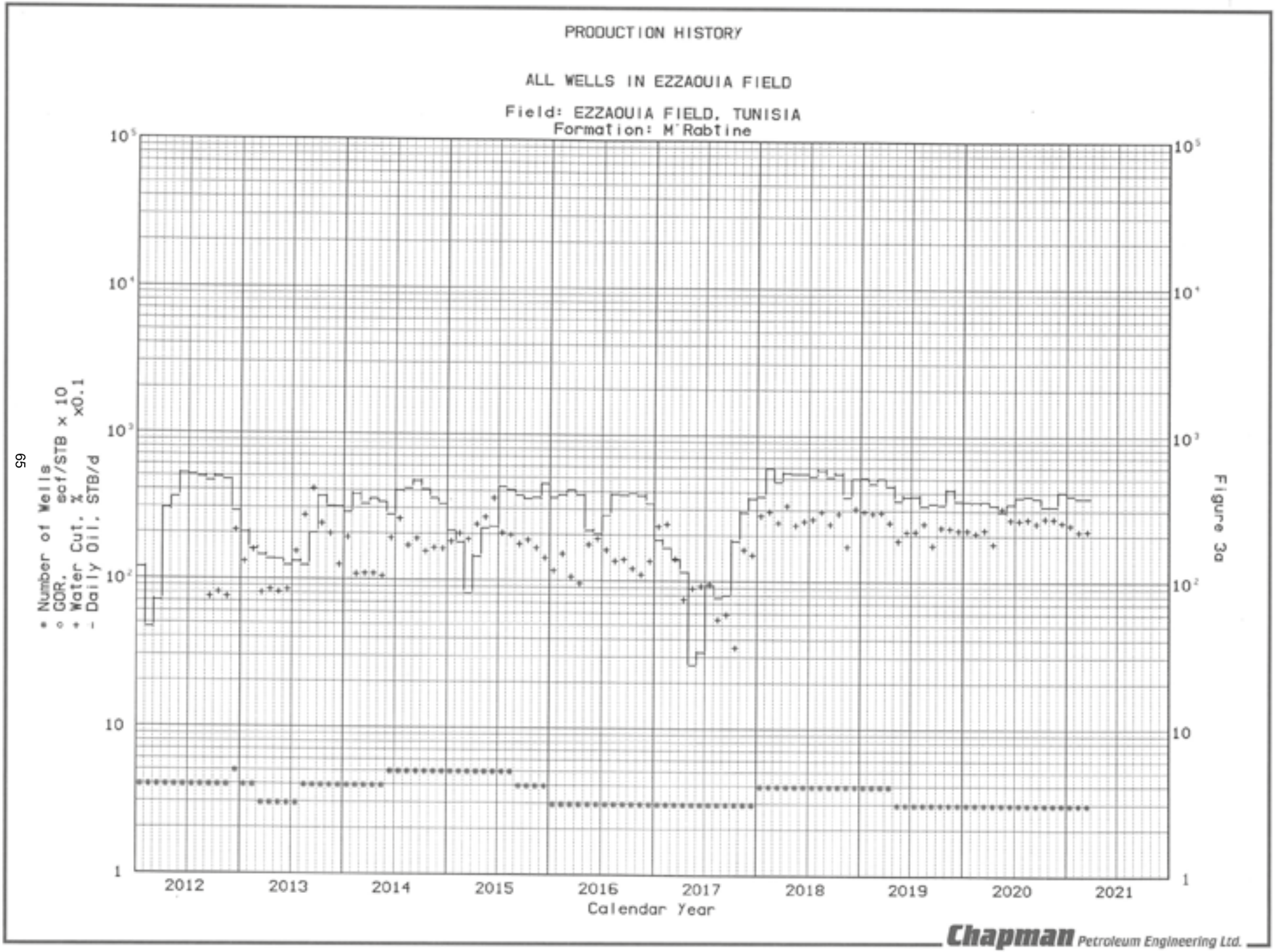

PRODUCTION HISTORY
ALL WELLS IN EZZAOUIA FIELD
Field: EZZAOUIA FIELD, TUNISIA
Formation: M'Rabtine
* Number of Wells
o GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d
10^5
10^4
10^3
10^2
10
1
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Calendar Year

Figure 30

PRODUCTION HISTORY

EZZ-10

Field: "EZZAOUIA FIELD, TUNISIA"
Formation: ZEBBAG

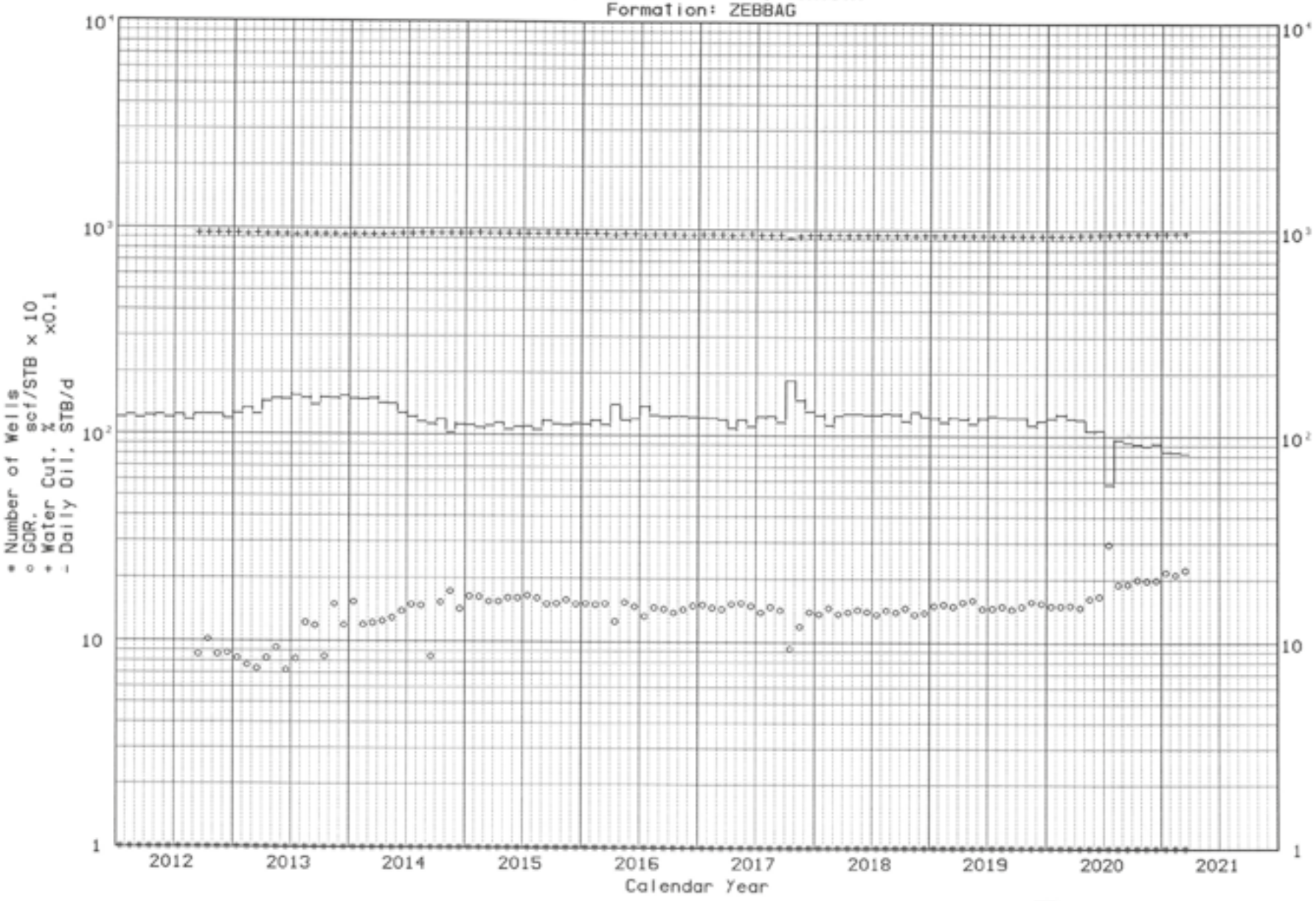


Figure 3b

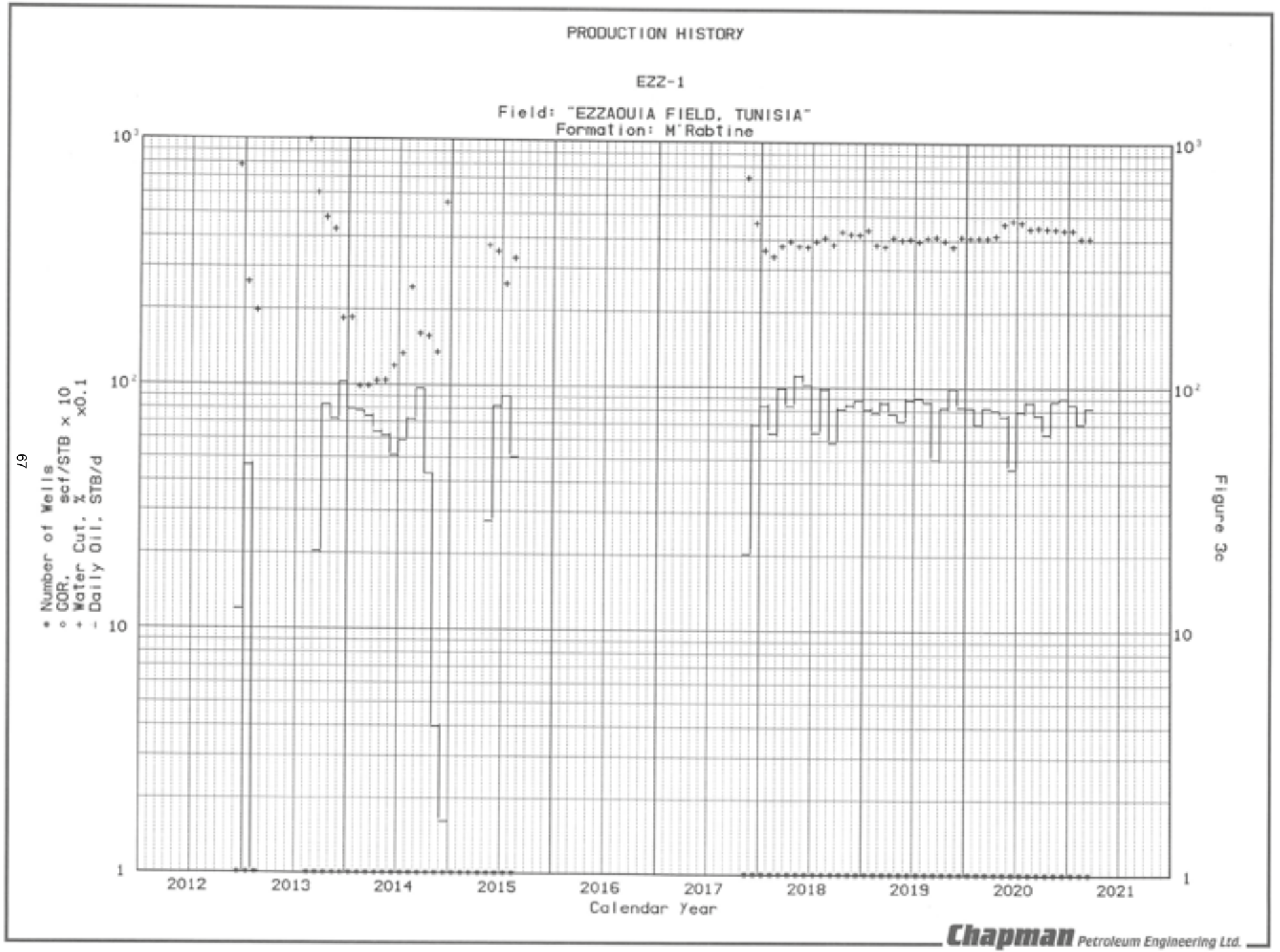

PRODUCTION HISTORY
EZZ-1
Field: "EZZAOUIA FIELD, TUNISIA"
Formation: M'Rabtine
• Number of Wells
○ GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d
10³
10²
10
1
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Calendar Year

Figure 3c

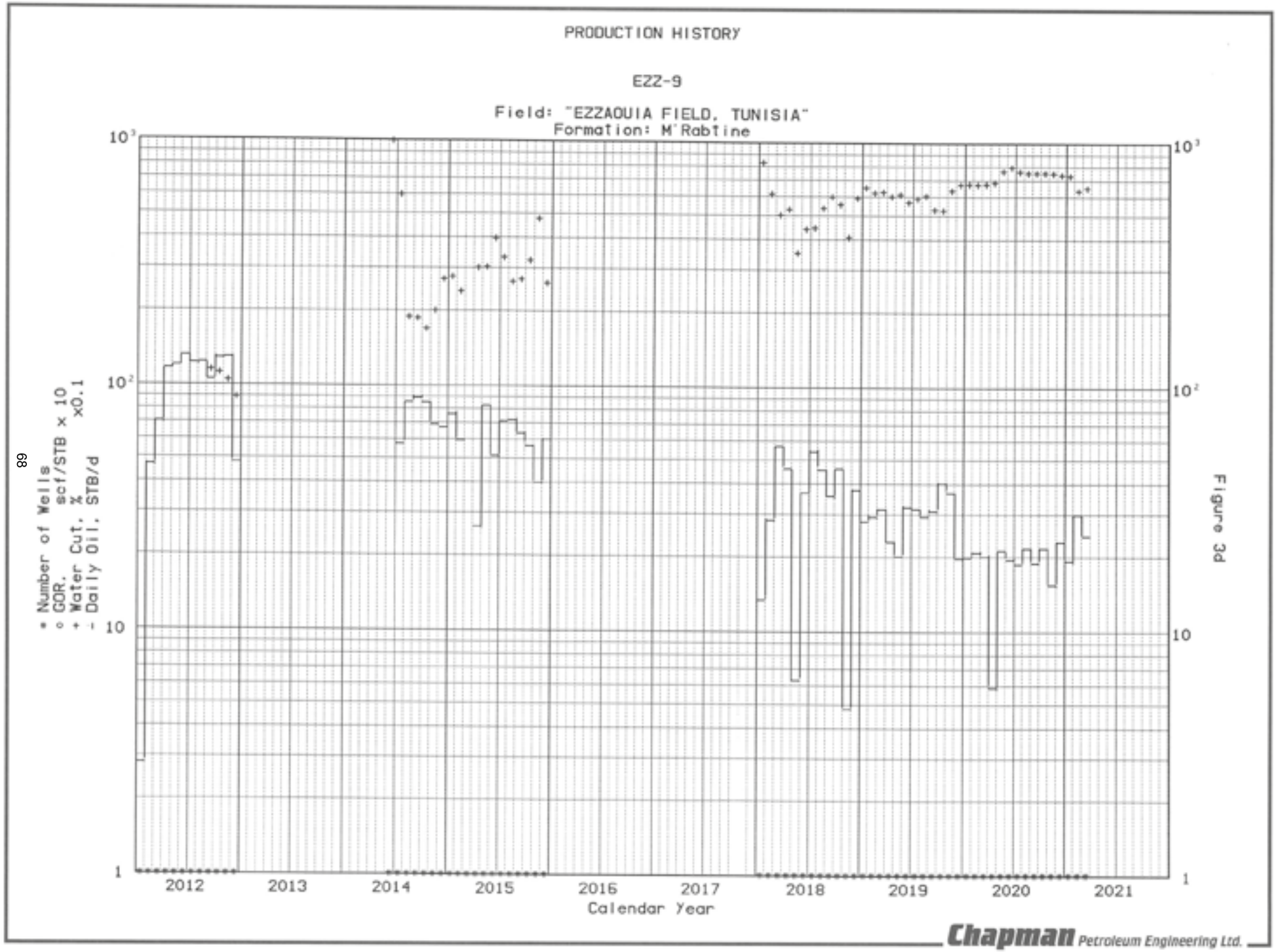
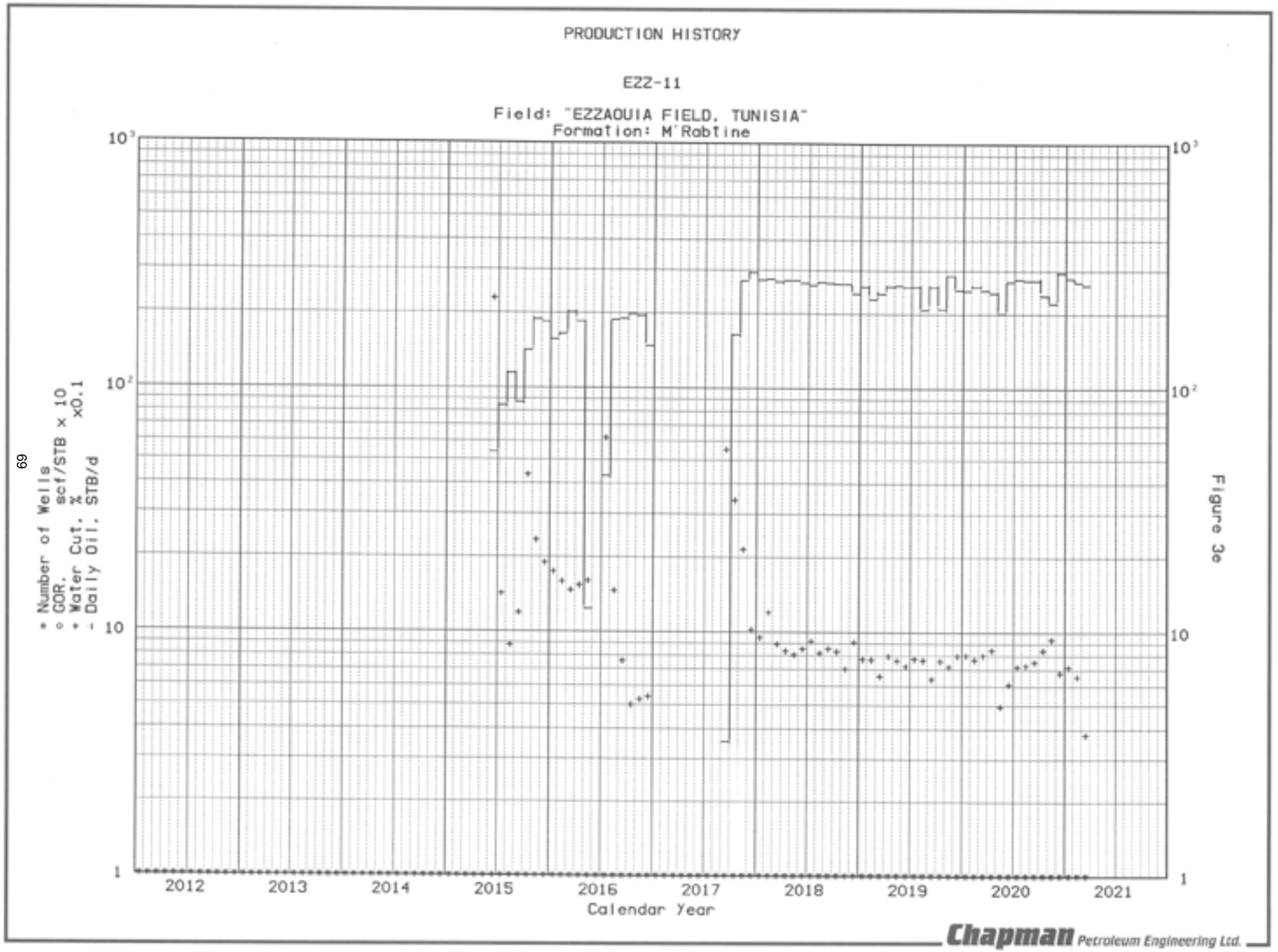

PRODUCTION HISTORY
EZZ-9
Field: "EZZAOUIA FIELD, TUNISIA"
Formation: M'Rabtine
* Number of Wells
o GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d
10³
10²
10
1
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Calendar Year
Chapman Petroleum Engineering Ltd.

Figure 34


PRODUCTION HISTORY
EZZ-11
Field: "EZZAOUIA FIELD, TUNISIA"
Formation: M'Rabtine
* Number of Wells
○ GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d
10³
10²
10
1
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
Calendar Year

69

Figure 3e

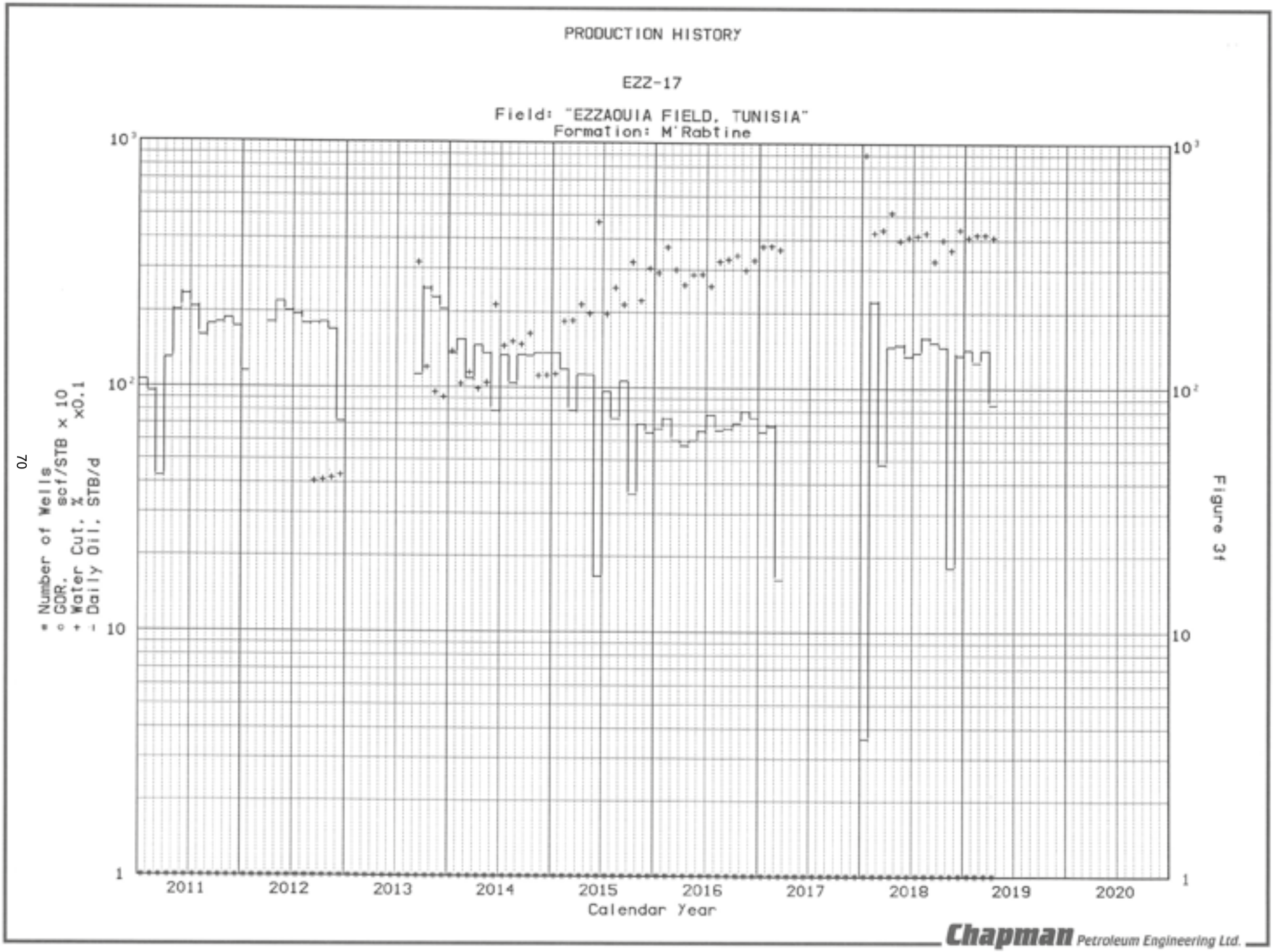
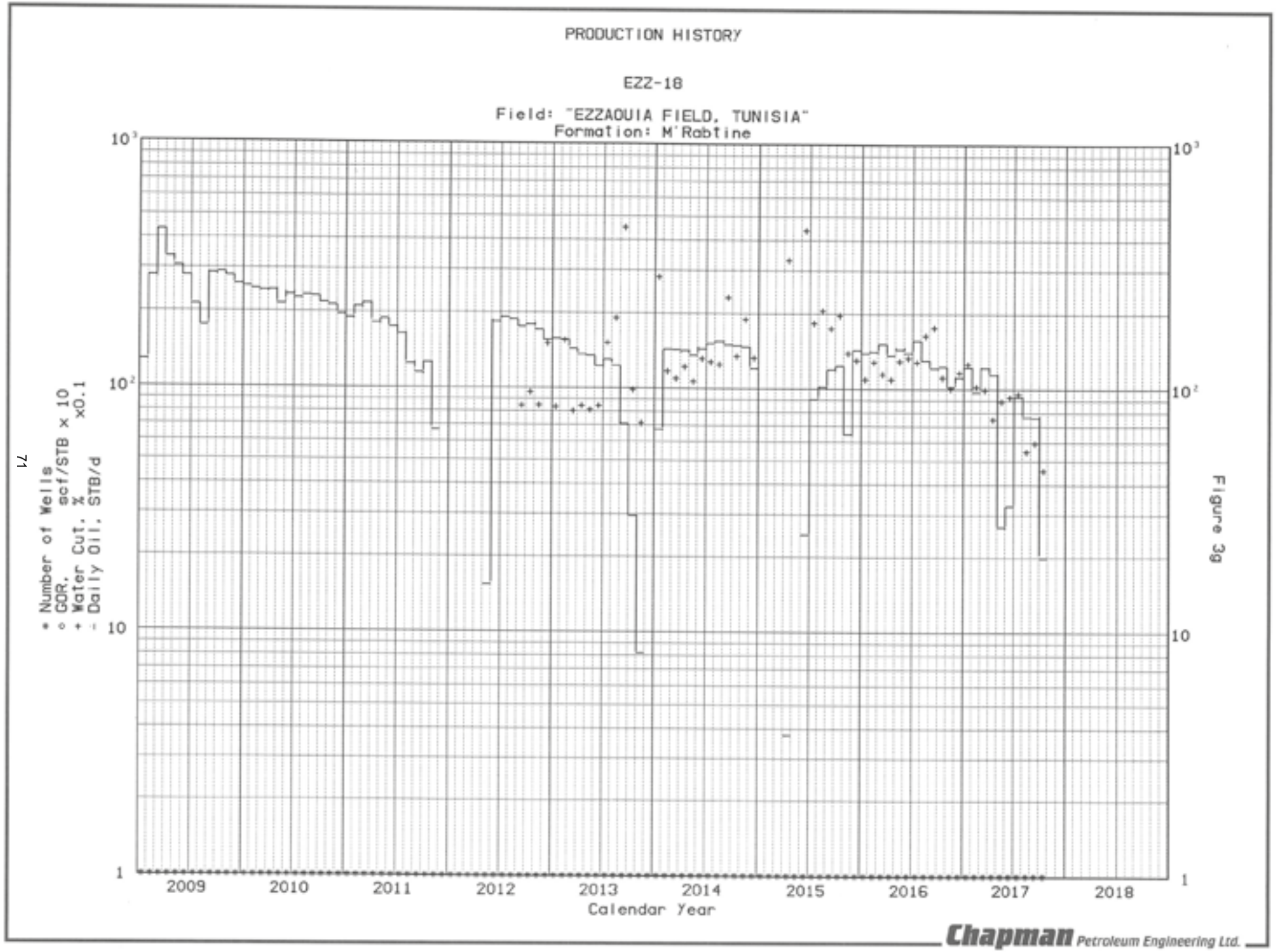

PRODUCTION HISTORY
EZZ-17
Field: "EZZAOUIA FIELD, TUNISIA"
Formation: M'Rabtine
* Number of Wells
o GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d
10³
10²
10
1
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
Calendar Year
Chapman Petroleum Engineering Ltd.

Figure 3f


PRODUCTION HISTORY
EZZ-18
Field: "EZZAOUIA FIELD, TUNISIA"
Formation: M'Rabtine
* Number of Wells
○ GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d
10³
10²
10
1
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
Calendar Year
Chapman Petroleum Engineering Ltd.

71

Figure 39

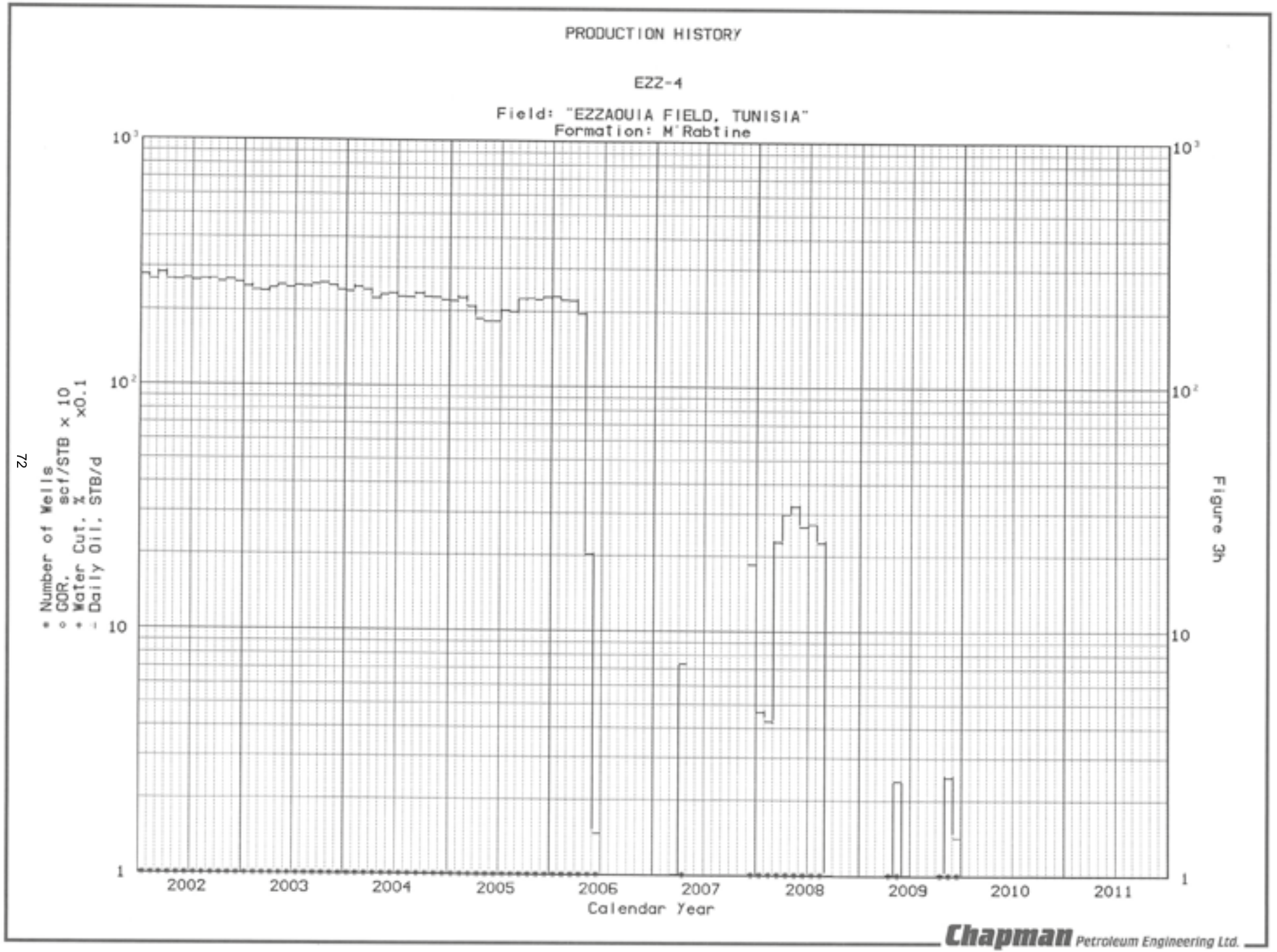

PRODUCTION HISTORY
EZZ-4
Field: "EZZAOUIA FIELD, TUNISIA"
Formation: M'Rabtine
* Number of Wells
○ GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/d
10³
10²
10
1
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
Calendar Year
Chapman Petroleum Engineering Ltd.

Figure 3h

Figure 4a

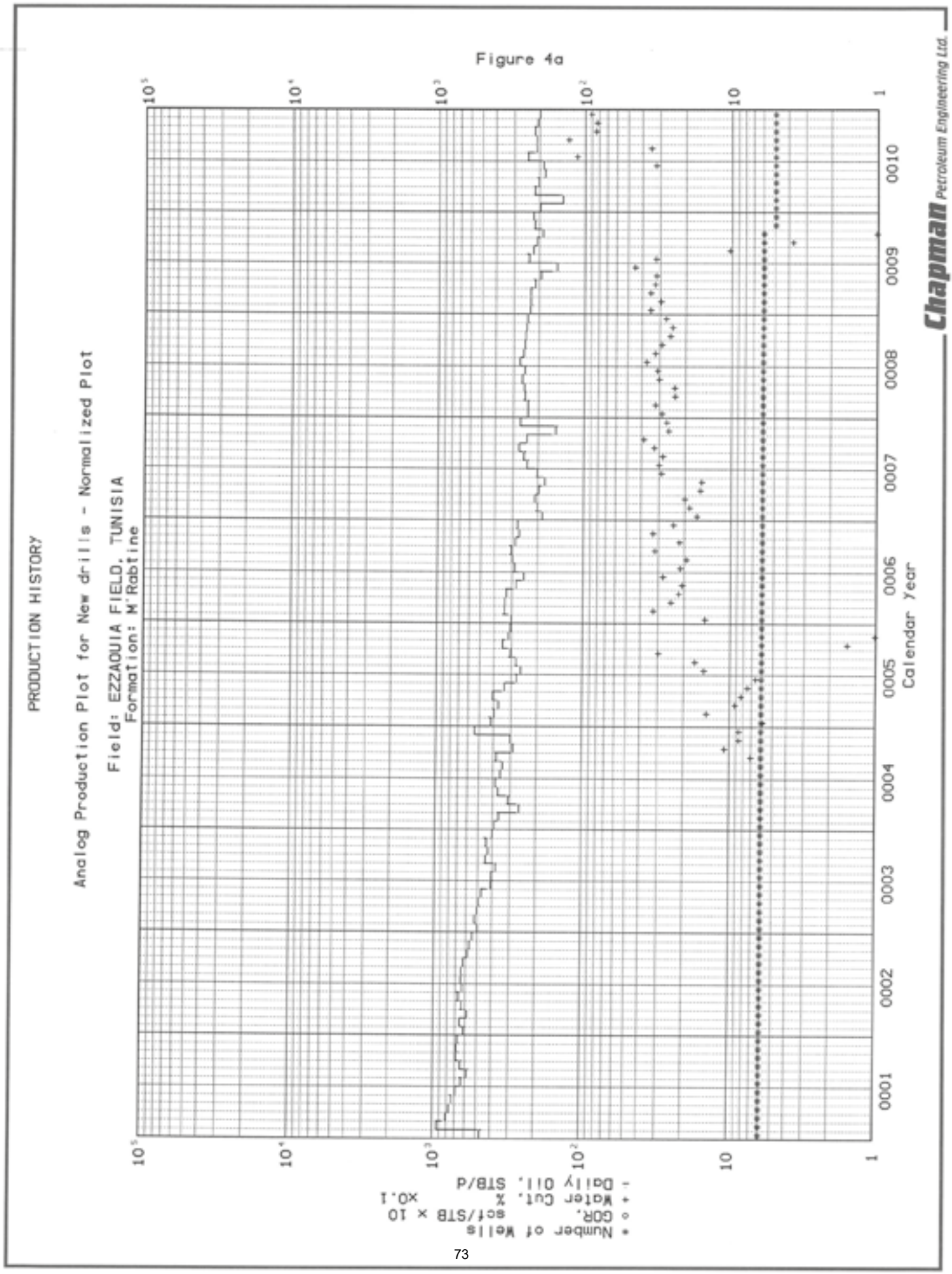

PRODUCTION HISTORY
Analog Production Plot for New drills - Normalized Plot
Field: EZZAOUIA FIELD, TUNISIA
Formation: M'Rabtine
Chapman Petroleum Engineering Ltd.
Calendar Year
0001
0002
0003
0004
0005
0006
0007
0008
0009
0010
1
10
10²
10³
10⁴
10⁵
* Number of Wells
o GOR, scf/STB x 10
+ Water Cut, % x0.1
- Daily Oil, STB/D

Table 3a

Summary of Anticipated Capital Expenditures

Development

October 1, 2021

Zenith Energy Ltd

Ezzaouia Concession, Tunisia

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$
Probable Developed Producing					
EZZ-17	2021	Workover - Pump Repair or replacement	45.0000	1,000	450
		Total Probable Developed Producing		**1,000**	**450**
Probable Undeveloped					
EZZ-18	2022	Sidetrack existing well	45.0000	4,200	1,890
EZZ-4	2023	Redrill this location	45.0000	9,000	4,050
EZZ-19	2024	Infill between EZZ 1 and EZZ 2	45.0000	9,000	4,050
Ezzaouia field	2022	Facility Upgrade	45.0000	2,800	1,260
		Total Probable Undeveloped		**25,000**	**11,250**
		Total Probable		**26,000**	**11,700**

Note: **M$ means thousands of dollars.**
The above capital values are expressed in terms of current dollar values without escalation.
Unless details are known, drilling costs have been split 70% Intangible and 30% Tangible for tax purposes

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2021

Zenith Energy Ltd

Ezzaouia Concession, Tunisia

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Proven Developed Producing Wells				
Ezzaouia Field Wells	Four producing wells and two injectors	45.0000	3,000	1,350
Ezzaouia Field Facilities	Central Facilities - Decommissoning	45.0000	TBD	
Inactive wells	Ten inactive wells	45.0000	5,000	2,250
Total Proved Developed Producing			**8,000**	**3,600**
Proven Plus Probable Developed Producing Wells				
Ezzaouia Field Wells	Five producing wells and two injectors	45.0000	3,500	1,575
Ezzaouia Field Facilities	Central Facilities - Decommissoning	45.0000	TBD	
Inactive wells	Nine inactive wells	45.0000	4,500	2,025
otal Proved Plus Probable Developed Producing			**8,000**	**3,600**
Proved Plus Probable				
Ezzaouia Field Wells	Eight producing wells and two injectors	45.0000	5,000	2,250
Ezzaouia Field Facilities	Central Facilities - Decommissoning	45.0000	TBD	
Inactive wells	Eight inactive wells	45.0000	4,000	1,800
otal Proved Plus Probable Developed Producing			**9,000**	**4,050**

Note: **M$ means thousands of dollars.**
The above capital values are expressed in terms of current dollar values without escalation.

Table 4

Summary of Company Reserves and Economics

Before Income Tax

October 1, 2021

Zenith Energy Ltd.

Ezzaouia Concession, Tunisia

Description		Net To Appraised Interest										
		Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbls		Cumulative Cash Flow (BIT) - M$ Discounted at:				
		Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Reserve Category	**Formation Name**											
PROVED												
Proved Developed Producing												
Four Producers	Zebbag, M'Rabtine	213	198	0	0	0	0	505	845	1,096	1,281	1,417
Total Proved Developed Producing		**213**	**198**	**0**	**0**	**0**	**0**	**505**	**845**	**1,096**	**1,281**	**1,417**
PROBABLE												
Probable Developed Producing (incremental)												
Five Producers	Zebbag, M'Rabtine	227	205	0	0	0	0	8,122	7,057	6,179	5,450	4,840
Total Probable Developed Producing		**227**	**205**	**0**	**0**	**0**	**0**	**8,122**	**7,057**	**6,179**	**5,450**	**4,840**
Total Proved Plus Probable Developed Producing		**439**	**403**	**0**	**0**	**0**	**0**	**8,627**	**7,902**	**7,275**	**6,731**	**6,258**
Probable Undeveloped												
Three Wells to Drill	M'Rabtine	2,858	2,586	0	0	0	0	129,649	92,054	68,240	52,409	41,437
Total Probable Undeveloped		**2,858**	**2,586**	**0**	**0**	**0**	**0**	**129,649**	**92,054**	**68,240**	**52,409**	**41,437**
Total Probable		**3,085**	**2,791**	**0**	**0**	**0**	**0**	**137,771**	**99,111**	**74,419**	**57,859**	**46,278**
Total Proved Plus Probable		**3,298**	**2,988**	**0**	**0**	**0**	**0**	**138,276**	**99,956**	**75,515**	**59,140**	**47,695**

M$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than $500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf)

Table 4T
Summary of Company Reserves and Economics
After Income Tax
October 1, 2021

Zenith Energy Ltd.

Ezzaouia Concession, Tunisia

Description		Net To Appraised Interest										
		Heavy Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbls		Cumulative Cash Flow (AIT) - M$				
								Discounted at:				
Reserve Category	Formation Name	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
PROVED												
Proved Developed Producing												
Four Producers	Zebbag, M'Rabtine	213	198	0	0	0	0	252	416	529	606	657
Total Proved Developed Producing		**213**	**198**	**0**	**0**	**0**	**0**	**252**	**416**	**529**	**606**	**657**
PROBABLE												
Probable Developed Producing (incremental)												
Five Producers	Zebbag, M'Rabtine	227	205	0	0	0	0	4,061	3,416	2,896	2,475	2,130
Total Probable Developed Producing		**227**	**205**	**0**	**0**	**0**	**0**	**4,061**	**3,416**	**2,896**	**2,475**	**2,130**
Total Proved Plus Probable Developed Producing		**439**	**403**	**0**	**0**	**0**	**0**	**4,313**	**3,831**	**3,425**	**3,081**	**2,788**
Probable Undeveloped												
Three Wells to Drill	M'Rabtine	2,858	2,381	0	0	0	0	60,763	40,947	28,749	20,880	17,724
Total Probable Undeveloped		**2,858**	**2,381**	**0**	**0**	**0**	**0**	**60,763**	**40,947**	**28,749**	**20,880**	**17,724**
Total Probable		**3,085**	**2,586**	**0**	**0**	**0**	**0**	**64,824**	**44,363**	**31,646**	**23,355**	**19,854**
Total Proved Plus Probable		**3,298**	**2,988**	**0**	**0**	**0**	**0**	**69,138**	**48,194**	**35,071**	**26,436**	**20,511**

M$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than $500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf/Mbbl).

Table 4a, Page 1

Zenith Energy Ltd

Ezzaouia

October 1, 2021

Production and Capital Forecast - Proved Producing Reserves

			EZZ-10	EZZ-1	EZZ-9	EZZ-11	Total Oil Production				
Days On	Year	Well Count	STB/d	STB/d	STB/d	STB/d	STB/d	STB/yr	Drilling & Completion	Well Fac. & Tie-ins	Total Capital (Escalated)
90	2021	4	67	74	22	240	403	36,270	0	0	0
365	2022	4	54	67	19	216	356	129,779	0	0	0
365	2023	4	43	60	17	194	314	114,704	0	0	0
365	2024	4	34	54	15	175	278	101,544	0	0	0
365	2025	4	27	49	13	157	247	90,028	0	0	0
365	2026	4	0	0	0	0	0	0	0	0	0
365	2027	4	0	0	0	0	0	0	0	0	0
365	2028	4	0	0	0	0	0	0	0	0	0
365	2029	4	0	0	0	0	0	0	0	0	0
365	2030	4	0	0	0	0	0	0	0	0	0
365	2031	4	0	0	0	0	0	0	0	0	0
365	2032	4	0	0	0	0	0	0	0	0	0
365	2033	4	0	0	0	0	0	0	0	0	0
365	2034	4	0	0	0	0	0	0	0	0	0
365	2035	3	0	0	0	0	0	0	0	0	0
365	2036	2	0	0	0	0	0	0	0	0	0
365	2037	2	0	0	0	0	0	0	0	0	0
365	2038	2	0	0	0	0	0	0	0	0	0
365	2039	2	0	0	0	0	0	0	0	0	0
365	2040	2	0	0	0	0	0	0	0	0	0
	Reserves		63,783	90,259	25,553	292,731		472,325	0	0	0
								Unit Cost			
	Decline Rate	%/yr	20%	10%	12%	10%					
	Starting Rate	STB/d	82	82	25	265		2020	0	0	
								2021	0	0	
								2022	0	0	
								2023	0	0	
								2024	0	0	
								2025	0	0	
								2026	0	0	

Table 4a, Page 2

Zenith Energy Ltd

Ezzaouia

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Producing Reserves

Before Income Tax

Year	Gross Production STB/yr.	Oil Price $/STB	Gross Revenue $/yr.	Royalty Rate %	Royalty $/yr.	Export Payment $/yr.	Operating Costs - $/yr. Fixed	Variable	Total (Escalated)	Project Total Revenue (Operating Cash Flow) $/yr.	Total Capital Costs $/yr.	Abandon & Reclamatn $/yr.	Project Undiscounted Net Cash Flow (Profit) $/yr.	Company's Share Undiscounted Net Cash Flow (Profit) $/yr.	Company Share Discounted @ 5% $	10% $	15% $	20% $
2021	36,270	$75.28	$2,730,224	7%	$191,116	$27,302	1,090,000	145,080	1,235,080	1,276,726	0	0	1,276,726	574,527	570,059	565,832	561,822	558,009
2022	129,779	$72.13	$9,360,339	7%	$655,224	$93,603	4,360,000	519,118	4,879,118	3,732,394	0	0	3,732,394	1,679,578	1,612,684	1,551,386	1,494,992	1,442,919
2023	114,704	$68.98	$7,911,690	7%	$553,818	$79,117	4,360,000	458,815	4,915,191	2,363,563	0	0	2,363,563	1,063,604	972,612	893,114	823,229	761,449
2024	101,544	$65.83	$6,684,125	7%	$467,889	$66,841	4,360,000	406,175	4,958,729	1,190,666	0	0	1,190,666	535,800	466,631	409,013	360,616	319,655
2025	90,028	$67.22	$6,051,813	7%	$423,627	$60,518	4,360,000	360,112	5,009,020	558,648	0	8,000,000	-7,441,352	-3,348,608	-2,777,447	-2,323,840	-1,959,790	-1,664,802
2026	0	$68.65	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2027	0	$70.10	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2028	0	$71.58	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2029	0	$73.09	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2030	0	$74.63	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2031	0	$76.21	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2032	0	$77.81	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2033	0	$79.45	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2034	0	$81.12	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2035	0	$82.82	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2036	0	$84.55	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2037	0	$86.33	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2038	0	$88.13	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2039	0	$89.98	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2040	0	$91.85	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
Totals	472,325		$32,738,192		$2,291,673	$327,382	$18,530,000	$1,889,300	$20,997,138	**9,121,998**	**0**	**8,000,000**	**1,121,998**	**504,899**	**844,540**	**1,095,506**	**1,280,869**	**1,417,230**
Company Share			**$14,732,186**		**$1,031,253**	**$147,322**			**$9,448,712**	**4,104,899**	**0**	**3,600,000**	**504,899**	**45.0%**				
Gross	**212,546**	$4.00				1%	4,000,000	$4.00										
Net	**197,668**	Price Differential					$/yr	$/STB										
							$90,000 $/well/yr											

Zenith Energy Ltd

Ezzaouia

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Producing Reserves

After Income tax

Company Working Interest	45.0%

	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash flow		Company 22.5% Share Discounted @			
													5%	10%	15%	20%
Year	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$	$/yr.	%	$/yr.	$/yr.	t	$	$	$	$
2021	574,527	$0	$0	$0			$0	$574,527	50%	$287,263	$287,263	0.38	282,055	277,178	272,595	268,279
2022	1,679,578	$0	$0	$0	$0		$0	$1,679,578	50%	$839,789	$839,789	1.38	785,299	736,640	692,964	653,576
2023	1,063,604	$0	$0	$0	$0	$0	$0	$1,063,604	50%	$531,802	$531,802	2.38	473,615	424,075	381,586	344,901
2024	535,800	$0	$0	$0	$0	$0	$0	$535,800	50%	$267,900	$267,900	3.38	227,226	194,210	167,154	144,789
2025	251,392	$0	$3,600,000	$0	$0	$0	$0	($3,348,608)	50%	($1,674,304)	($1,674,304)	4.38	-1,352,481	-1,103,421	-908,409	-754,078
2026	0	$0	$0		$0	$0	$0	$0	50%	$0	$0	5.38	0	0	0	0
2027	0	$0	$0			$0	$0	$0	50%	$0	$0	6.38	0	0	0	0
2028	0	$0	$0				$0	$0	50%	$0	$0	7.38	0	0	0	0
2029	0	$0	$0				$0	$0	50%	$0	$0	8.38	0	0	0	0
2030	0	$0	$0				$0	$0	50%	$0	$0	9.38	0	0	0	0
2031	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
2032	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
2033	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
2034	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
2035	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
2036	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
2037	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
2038	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
2039	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
2040	0	$0	$0				$0	$0	50%	$0	$0	####	0	0	0	0
Totals	**4,104,899**	**0**	**3,600,000**	**0**	**0**	**0**	**0**	**504,899**		**252,450**	**252,450**		**415,714**	**528,681**	**605,891**	**657,467**

Zenith Energy Ltd

Ezzaouia

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Producing Reserves

Year	Gross Revenue $/yr.	Royalty $/yr.	Corp Tax (Grossed Up) $/yr.	Net Revenue $/yr.	Cumulative Net Revenue $	Operating Costs $/yr.	Capita Costs $/yr.	Total Expenditures $/yr.	Cumulative Expenditures $	R Factor #	Royalty Rate %	Tax Rate %
2021	$2,730,224	$191,116	$638,363	$1,900,745	$260,968,991	1,235,080	0	1,235,080	$242,065,065	1.08	7%	50%
2022	$9,360,339	$655,224	$1,866,197	$6,838,918	$267,807,910	4,879,118	0	4,879,118	$246,944,183	1.08	7%	50%
2023	$7,911,690	$553,818	$1,181,782	$6,176,090	$273,984,000	4,915,191	0	4,915,191	$251,859,374	1.09	7%	50%
2024	$6,684,125	$467,889	$595,333	$5,620,903	$279,604,903	4,958,729	0	4,958,729	$256,818,103	1.09	7%	50%
2025	$6,051,813	$423,627	($3,720,676)	$9,348,862	$288,953,765	5,009,020	0	5,009,020	$261,827,123	1.10	10%	50%
2026	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2027	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2028	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2029	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2030	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2031	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2032	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2033	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2034	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2035	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2036	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2037	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2038	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2039	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
2040	$0	$0	$0	$0	$288,953,765	0	0	0	$261,827,123	1.10	10%	50%
Totals	$32,738,192	$2,291,673	$560,999	$29,885,519		$20,997,138	$0	$20,997,138				
			0.45 WI Factor		**$259,068,246** Opening Balance				**$240,829,985** Opening Balance	1.08	7%	50%
										Applies Subsequent Year		

Zenith Energy Ltd

Ezzaouia Concession, Tunisia

October 1, 2021

Production and Capital Forecast - Proved Plus Probable Producing Reserves

				EZZ-10	EZZ-1	EZZ-9	EZZ-11	EZZ-17	Total Oil Production		Capital Expenditures			
Days On	STB/yr	Year	Well Count	STB/d	STB/d	STB/d	STB/d	STB/d	STB/d	STB/yr	Workover Cost	Drilling & Completion	Well Fac. & Tie-ins	Total Capital (Escalated)
90	0	2021	5	74	77	22	244	116	533	47,936	1000	0	0	1000
365	0	2022	5	67	72	20	224	98	481	175,482	0	0	0	0
365	0	2023	5	60	67	18	207	84	434	158,563	0	0	0	0
365	0	2024	5	54	62	16	190	71	393	143,419	0	0	0	0
365	0	2025	5	49	58	14	175	60	356	129,846	0	0	0	0
365	0	2026	5	44	54	13	161	51	322	117,667	0	0	0	0
365	0	2027	5	39	50	12	148	44	292	106,724	0	0	0	0
365	0	2028	5	35	46	11	136	37	265	96,881	0	0	0	0
365	0	2029	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2030	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2031	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2032	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2033	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2034	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2035	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2036	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2037	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2038	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2039	5	0	0	0	0	0	0	0	0	0	0	0
365	0	2040	4	0	0	0	0	0	0	0	0	0	0	0
	0	Reserves		133,481	155,653	39,683	474,809	172,891		976,517		0	0	1,000
										Unit Cost	100C			
	%/yr	Decline Rate	%/yr	10%	7%	10%	8%	15%						
	STB/d	Starting Rate	STB/d	82	82	25	265	125		2020	1	0	0	
										2021		0	0	
										2022		0	0	
										2023		0	0	
										2024		0	0	
										2025		0	0	
										2026		0	0	

Table 4b, Page 2

Zenith Energy Ltd

Ezzaouia Concession, Tunisia

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Plus Probable Producing Reserves

Before Income Tax

Year	Gross Production STB/yr.	Oil Price $/STB	Gross Revenue $/yr.	Royalty Rate %	Royalty $/yr.	Export Payment $/yr.	Operating Costs - $/yr. Fixed	Variable	Total (Escalated)	Project Total Revenue (Operating Cash Flow) $/yr.	Total Capital Costs $/yr.	Abandon & Reclamation $/yr.	Project Undiscounted Net Cash Flow (Profit) $/yr.	Company's Share Undiscounted Net Cash Flow (Profit) $/yr.	Company Share Discounted @ 5% $	10% $	15% $	20% $
2021	47,936	$75.28	$3,608,401	7%	$252,588	$36,084	1,090,000	191,745	1,281,745	2,037,984	1,000,000	0	1,037,984	467,093	463,461	460,024	456,764	453,664
2022	175,482	$72.13	$12,656,604	7%	$885,962	$126,566	4,360,000	701,926	5,163,165	6,480,911	0	0	6,480,911	2,916,410	2,800,257	2,693,819	2,595,896	2,505,478
2023	158,563	$68.98	$10,936,852	7%	$765,580	$109,369	4,360,000	634,250	5,196,018	4,865,886	0	0	4,865,886	2,189,649	2,002,325	1,838,661	1,694,788	1,567,600
2024	143,419	$65.83	$9,440,527	7%	$660,837	$94,405	4,360,000	573,674	5,235,655	3,449,630	0	0	3,449,630	1,552,334	1,351,935	1,185,003	1,044,788	926,114
2025	129,846	$67.22	$8,728,443	10%	$872,844	$87,284	4,360,000	519,384	5,281,602	2,486,712	0	0	2,486,712	1,119,020	928,153	776,569	654,812	556,335
2026	117,667	$68.65	$8,077,336	10%	$807,734	$80,773	4,360,000	470,667	5,333,446	1,855,383	0	0	1,855,383	834,922	659,536	526,739	424,807	345,810
2027	106,724	$70.10	$7,481,245	10%	$748,124	$74,812	4,360,000	426,897	5,390,823	1,267,484	0	0	1,267,484	570,368	429,099	327,123	252,409	196,921
2028	96,881	$71.58	$6,934,858	10%	$693,486	$69,349		387,526	445,146	5,726,878	0	8,000,000	-2,273,122	-1,022,905	-732,907	-533,334	-393,629	-294,300
2029	0	$73.09	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2030	0	$74.63	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2031	0	$76.21	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2032	0	$77.81	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2033	0	$79.45	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2034	0	$81.12	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2035	0	$82.82	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2036	0	$84.55	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2037	0	$86.33	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2038	0	$88.13	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2039	0	$89.98	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2040	0	$91.85	$0	10%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
Totals	976,517		$67,864,265		$5,687,155	$678,643	$27,250,000	$3,906,069	$33,327,599	**28,170,868**	**1,000,000**	**8,000,000**	**19,170,868**	**8,626,891**	**7,901,858**	**7,274,604**	**6,730,834**	**6,257,722**
Company Share			**$30,538,919**		**$2,559,220**	**$305,389**			**$14,997,420**	**12,676,891**	**450,000**	**3,600,000**	**8,626,891**	**45.0%**				

Gross	**439,433**	$4.00	
Net	**402,607**	Price Differential	

1%	4,000,000	$4.00
	$/yr	$/STB

Zenith Energy Ltd

Ezzaouia Concession, Tunisia

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Plus Probable Producing Reserves

After Income tax

Company Working Interest	45.0%												Company Share Discounted @			
	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow		5%	10%	15%	20%
Year	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$	$/yr.	%	$/yr.	$/yr.	t	$	$	$	$
2021	917,093	$450,000	$0	$90,000			$90,000	$827,093	50%	$413,546	$53,546	0.38	52,576	51,666	50,812	50,008
2022	2,916,410	$0	$0	$90,000	$0		$90,000	$2,826,410	50%	$1,413,205	$1,503,205	1.38	1,405,668	1,318,570	1,240,391	1,169,887
2023	2,189,649	$0	$0	$90,000	$0	$0	$90,000	$2,099,649	50%	$1,049,824	$1,139,824	2.38	1,015,111	908,930	817,863	739,235
2024	1,552,334	$0	$0	$90,000	$0	$0	$90,000	$1,462,334	50%	$731,167	$821,167	3.38	696,494	595,293	512,361	443,808
2025	1,119,020	$0	$0	$90,000	$0	$0	$90,000	$1,029,020	50%	$514,510	$604,510	4.38	488,315	398,392	327,982	272,761
2026	834,922	$0	$0		$0	$0	$0	$834,922	50%	$417,461	$417,461	5.38	321,162	250,110	196,954	156,681
2027	570,368	$0	$0			$0	$0	$570,368	50%	$285,184	$285,184	6.38	208,950	155,327	116,997	89,196
2028	2,577,095	$0	$3,600,000				$0	($1,022,905)	50%	($511,452)	($511,452)	7.38	-356,890	-253,241	-182,456	-133,304
2029	0	$0	$0				$0	$0	50%	$0	$0	8.38	0	0	0	0
2030	0	$0	$0				$0	$0	50%	$0	$0	9.38	0	0	0	0
2031	0	$0	$0				$0	$0	50%	$0	$0	10.38	0	0	0	0
2032	0	$0	$0				$0	$0	50%	$0	$0	11.38	0	0	0	0
2033	0	$0	$0				$0	$0	50%	$0	$0	12.38	0	0	0	0
2034	0	$0	$0				$0	$0	50%	$0	$0	13.38	0	0	0	0
2035	0	$0	$0				$0	$0	50%	$0	$0	14.38	0	0	0	0
2036	0	$0	$0				$0	$0	50%	$0	$0	15.38	0	0	0	0
2037	0	$0	$0				$0	$0	50%	$0	$0	16.38	0	0	0	0
2038	0	$0	$0				$0	$0	50%	$0	$0	17.38	0	0	0	0
2039	0	$0	$0				$0	$0	50%	$0	$0	18.38	0	0	0	0
2040	0	$0	$0				$0	$0	50%	$0	$0	19.38	0	0	0	0
Totals	**12,676,891**	**450,000**	**3,600,000**	**450,000**	**0**	**0**	**450,000**	**8,626,891**		**4,313,445**	**4,313,445**	**198**	**3,831,386**	**3,425,047**	**3,080,905**	**2,787,771**

Zenith Energy Ltd

Ezzaouia Concession, Tunisia

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Plus Probable Producing Reserves

Year	Gross Revenue $/yr.	Royalty $/yr.	Corp Tax (Grosssed Up) $/yr.	Net Revenue $/yr.	Cumulative Net Revenue $	Operating Costs $/yr.	Capital Costs $/yr.	Total Expenditures $/yr.	Cumulative Expenditures $	R Factor #	Royalty Rate %	Tax Rate %
2021	$3,608,401	$252,588	$918,992	$2,436,821	$261,505,067	1,281,745	1,000,000	2,281,745	$243,111,730	1.08	7%	50%
2022	$12,656,604	$885,962	$3,140,455	$8,630,186	$270,135,253	5,163,165	0	5,163,165	$248,274,895	1.09	7%	50%
2024	$10,936,852	$765,580	$2,332,943	$7,838,330	$277,973,583	5,196,018	0	5,196,018	$253,470,912	1.10	7%	50%
2026	$9,440,527	$660,837	$1,624,815	$7,154,875	$285,128,457	5,235,655	0	5,235,655	$258,706,567	1.10	10%	50%
2028	$8,728,443	$872,844	$1,143,356	$6,712,243	$291,840,700	5,281,602	0	5,281,602	$263,988,169	1.11	10%	50%
2030	$8,077,336	$807,734	$927,691	$6,341,911	$298,182,611	5,333,446	0	5,333,446	$269,321,615	1.11	10%	50%
2032	$7,481,245	$748,124	$633,742	$6,099,378	$304,281,989	5,390,823	0	5,390,823	$274,712,439	1.11	10%	50%
2034	$6,934,858	$693,486	($1,136,561)	$7,377,933	$311,659,922	445,146	0	445,146	$275,157,584	1.13	10%	50%
2036	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2038	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2040	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2042	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2044	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2046	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2048	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2050	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2052	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2054	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2056	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
2058	$0	$0	$0	$0	$311,659,922	0	0	0	$275,157,584	1.13	10%	50%
Totals	$67,864,265	$5,687,155	$9,585,434	$52,591,676		$33,327,599	$1,000,000	$34,327,599				
			0.45 WI Factor		**$259,068,246** Opening Balance				**$240,829,985** Opening Balance	1.08 Applies Subsequent Year	7%	50%

Zenith Energy Ltd

Ezzaouia

October 1, 2021

Production and Capital Forecast - Proved Plus Probable Reserves

			Probable Producing	EZZ-18	EZZ-4	EZZ-19	Total Oil Production						
Days On	Year	Well Count	STB/d	STB/d	STB/d	STB/d	STB/d	STB/yr	Workover Cost	Drilling, Completion & Tie-in	Sidetrack	Facility Upgrade	Total Capital (Escalated)
90	2021	4.0	533	0	0	0	533	47,936	1000	0	0	0	1000
365	2022	4.5	481	728	0	0	1,208	306,432	0	0	4200	2800	7000
365	2023	5.5	434	660	728	0	1,822	530,413	0	9000	0	0	9180
365	2024	6.5	393	581	660	728	2,361	727,261	0	9000	0	0	9363.6
365	2025	7.0	356	511	581	660	2,108	769,291	0	0	0	0	0
365	2026	7.0	322	450	511	581	1,864	680,378	0	0	0	0	0
365	2027	7.0	292	396	450	511	1,649	601,910	0	0	0	0	0
365	2028	7.0	265	348	396	450	1,459	532,645	0	0	0	0	0
365	2029	7.0	239	307	348	396	1,289	470,666	0	0	0	0	0
365	2030	7.0	215	270	307	348	1,140	415,930	0	0	0	0	0
365	2031	7.0	193	237	270	307	1,007	367,587	0	0	0	0	0
365	2032	7.0	174	209	237	270	890	324,890	0	0	0	0	0
365	2033	7.0	157	184	209	237	787	287,174	0	0	0	0	0
365	2034	7.0	141	162	184	209	695	253,857	0	0	0	0	0
365	2035	7.0	127	142	162	184	615	224,424	0	0	0	0	0
365	2036	7.0	114	125	142	162	544	198,420	0	0	0	0	0
365	2037	7.0	103	110	125	142	481	175,444	0	0	0	0	0
365	2038	7.0	93	97	110	125	425	155,141	0	0	0	0	0
365	2039	7.0	83	85	97	110	376	137,200	0	0	0	0	0
365	2040	7.0	75	75	85	97	332	121,344	0	0	0	0	0
	Reserves		1,602,191	1,937,382	1,909,963	1,878,806		7,328,342		18,000	4,200		26,544
								Unit Cost	1000	9000	4200	2800	
	Decline Rate	%/yr	10%	12%	12%	12%							
	Starting Rate	STB/d		750	750	750		2021	1	0	0	0	
	Initial year	180 days						2022		0	1	1	
								2023		1	0	0	
								2024		1	0	0	
								2025		0	0	0	
								2026		0	0	0	
								2027		0	0	0	

Table 4c, Page 2

Zenith Energy Ltd

Ezzaouia

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Plus Probable Reserves

Before Income Tax

Year	Gross Production STB/yr.	Oil Price $/STB	Gross Revenue $/yr.	Royalty Rate %	Royalty $/yr.	Export Payment $/yr.	Operating Costs - $/yr. Fixed	Variable	Total (Escalated)	Project Total Revenue (Operating Cash Flow) $/yr.	Total Capital Costs $/yr.	Abandon & Reclamation $/yr.	Project Undiscounted Net Cash Flow (Profit) $/yr.	Company's Share Undiscounted Net Cash Flow (Profit) $/yr.	Company Share Discounted @ 5% $	10% $	15% $	20% $
2021	47,936	$75.28	$3,608,401	7%	$252,588	$96,084	1,090,000	191,745	1,281,745	2,037,984	1,000,000	0	1,037,984	467,093	463,461	460,024	456,764	453,664
2022	306,432	$72.13	$22,101,372	7%	$1,547,096	$221,014	4,405,000	1,225,726	5,630,726	14,702,537	7,000,000	0	7,702,537	3,466,141	3,328,094	3,201,593	3,085,212	2,977,750
2023	530,413	$68.98	$36,585,206	7%	$2,560,964	$365,852	4,495,000	2,121,650	6,748,983	26,909,406	9,180,000	0	17,729,406	7,978,233	7,295,696	6,699,369	6,175,151	5,711,728
2024	727,261	$65.83	$47,871,926	7%	$3,351,035	$478,719	4,585,000	2,909,042	7,796,802	36,245,371	9,363,600	0	26,881,771	12,096,797	10,535,159	9,234,320	8,141,668	7,216,887
2025	769,291	$67.22	$51,712,892	10%	$5,171,289	$517,129	4,630,000	3,077,164	8,178,904	37,845,570	0	0	37,845,570	17,030,507	14,125,668	11,818,692	9,967,190	8,446,928
2026	680,378	$68.65	$46,705,195	10%	$4,670,519	$467,052	4,630,000	2,721,513	7,957,514	33,610,109	0	0	33,610,109	15,124,549	11,947,432	9,541,828	7,687,147	6,246,131
2027	601,910	$70.10	$42,193,226	10%	$4,219,323	$421,932	4,630,000	2,407,642	7,770,125	29,781,846	0	0	29,781,846	13,401,831	10,082,470	7,686,358	5,930,805	4,627,004
2028	532,645	$71.58	$38,127,193	10%	$3,812,719	$381,272	4,630,000	2,190,581	7,613,513	26,319,689	0	0	26,319,689	11,843,860	8,486,073	6,175,286	4,557,691	3,407,594
2029	470,666	$73.09	$34,402,093	10%	$3,440,209	$344,021	4,630,000	1,882,662	7,481,002	23,136,861	0	0	23,136,861	10,411,587	7,104,625	4,935,010	3,483,941	2,496,262
2030	415,930	$74.63	$31,042,605	10%	$3,104,261	$310,426	4,630,000	1,663,718	7,374,094	20,253,825	0	0	20,253,825	9,114,221	5,923,174	3,927,335	2,652,012	1,821,007
2031	367,587	$76.21	$28,012,729	10%	$2,801,273	$280,127	4,630,000	1,470,350	7,290,483	17,640,846	0	0	17,640,846	7,938,381	4,913,348	3,109,694	2,008,584	1,321,730
2032	324,890	$77.81	$25,280,015	10%	$2,528,001	$252,800	4,630,000	1,299,558	7,228,098	15,271,115	0	0	15,271,115	6,872,002	4,050,789	2,447,239	1,511,971	953,483
2033	287,174	$79.45	$22,815,213	10%	$2,281,521	$228,152	4,630,000	1,148,696	7,185,082	13,120,457	0	0	13,120,457	5,904,206	3,314,580	1,911,445	1,129,598	682,668
2034	253,857	$81.12	$20,591,962	10%	$2,059,196	$205,920	4,630,000	1,015,429	7,159,769	11,167,077	0	0	11,167,077	5,025,185	2,686,765	1,478,971	836,020	484,194
2035	224,424	$82.82	$18,586,498	10%	$1,858,650	$185,865	4,630,000	897,697	7,150,665	9,391,318	0	0	9,391,318	4,226,093	2,151,927	1,130,717	611,372	339,332
2036	198,420	$84.55	$16,777,402	10%	$1,677,740	$167,774	4,630,000	793,680	7,156,431	7,775,457	0	0	7,775,457	3,498,956	1,696,827	851,061	440,157	234,122
2037	175,444	$86.33	$15,145,368	10%	$1,514,537	$151,454	4,630,000	701,775	7,175,867	6,303,511	0	0	6,303,511	2,836,580	1,310,101	627,227	310,289	158,168
2038	155,141	$88.13	$13,672,993	10%	$1,367,299	$136,730	4,630,000	620,565	7,207,900	4,961,064	0	0	4,961,064	2,232,479	981,892	448,770	212,354	103,716
2039	137,200	$89.98	$12,344,589	10%	$1,234,459	$123,446	4,630,000	548,799	7,251,569	3,735,115	0	0	3,735,115	1,680,802	704,122	307,157	139,025	65,084
2040	121,344	$91.85	$11,146,014	10%	$1,114,601	$111,460	4,630,000	485,376	7,306,016	2,613,936	0	9,000,000	-6,386,064	-2,873,729	-1,146,536	-477,416	-206,692	-92,731
Totals	7,328,342		$538,722,893		$50,567,282	$5,387,229	$88,655,000	$29,313,368	$139,945,287	**342,823,095**	**25,543,600**	**9,000,000**	**307,279,495**	**138,275,773**	**99,955,767**	**75,514,680**	**59,140,260**	**47,694,742**
Company Share			**$242,425,302**		**$22,755,277**	**$2,424,253**			**$62,975,379**	**154,270,393**	**11,494,620**	**4,050,000**	**138,275,773**	**45.0%**				

Gross	**3,297,754**	$4.00	
Net	**2,988,210**	Price Differential	

1% 4,000,000 $/yr $4.00 $/STB

Table 4c, Page 3

Zenith Energy Ltd

Ezzaouia

October 1, 2021

Production Streams, Revenues and Cash Flows - Proved Plus Prcbable Reserves

After Income tax

Company Working interest	45.0%

	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%				Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash flow		Company Share Discounted @			
														5%	10%	15%	20%
Year	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$	$/yr.	%	$/yr.	$/yr.	t	$	$	$	$
2021	917,093	$450,000	$0	$90,000				$90,000	$827,093	50%	$413,546	$53,546	0.38	52,376	51,666	50,812	50,008
2022	6,616,141	$3,150,000	$0	$90,000	$630,000			$720,000	$5,896,141	50%	$2,948,071	$518,071	1.38	484,455	454,437	427,494	403,195
2023	12,109,233	$4,131,000	$0	$90,000	$630,000	$826,200		$1,546,200	$10,563,033	50%	$5,281,516	$2,696,716	2.38	2,401,655	2,150,442	1,934,986	1,746,960
2024	16,310,417	$4,213,620	$0	$90,000	$630,000	$826,200	$842,724	$2,388,924	$13,921,493	50%	$6,960,746	$5,136,050	3.38	4,356,276	3,723,308	3,204,602	2,775,828
2025	17,030,507	$0	$0	$90,000	$630,000	$826,200	$842,724	$2,388,924	$14,641,583	50%	$7,320,791	$9,709,715	4.38	7,843,381	6,399,020	5,268,093	4,373,091
2026	15,124,549	$0	$0		$630,000	$826,200	$842,724	$2,298,924	$12,825,625	50%	$6,412,813	$8,711,737	5.38	6,702,121	5,219,382	4,110,114	3,269,682
2027	13,401,831	$0	$0			$826,200	$842,724	$1,668,924	$11,732,907	50%	$5,866,453	$7,535,377	6.38	5,521,070	4,104,182	3,091,408	2,356,810
2028	11,843,860	$0	$0				$842,724	$842,724	$11,001,136	50%	$5,500,568	$6,343,292	7.38	4,426,328	3,140,824	2,262,914	1,653,305
2029	10,411,587	$0	$0					$0	$10,411,587	50%	$5,205,794	$5,205,794	8.38	3,459,605	2,343,275	1,614,888	1,130,691
2030	9,114,221	$0	$0					$0	$9,114,221	50%	$4,557,111	$4,557,111	9.38	2,884,296	1,864,804	1,229,270	824,832
2031	7,938,381	$0	$0					$0	$7,938,381	50%	$3,969,190	$3,969,190	10.38	2,392,561	1,476,566	931,026	598,682
2032	6,872,002	$0	$0					$0	$6,872,002	50%	$3,436,001	$3,436,001	11.38	1,972,536	1,162,014	700,834	431,883
2033	5,904,206	$0	$0					$0	$5,904,206	50%	$2,952,103	$2,952,103	12.38	1,614,039	907,605	523,595	309,217
2034	5,025,185	$0	$0					$0	$5,025,185	50%	$2,512,592	$2,512,592	13.38	1,308,323	702,255	387,515	219,317
2035	4,226,093	$0	$0					$0	$4,226,093	50%	$2,113,047	$2,113,047	14.38	1,047,883	536,895	283,385	153,702
2036	3,498,956	$0	$0					$0	$3,498,956	50%	$1,749,478	$1,749,478	15.38	826,272	404,107	204,023	106,047
2037	2,836,580	$0	$0					$0	$2,836,580	50%	$1,418,290	$1,418,290	16.38	637,955	297,824	143,826	71,643
2038	2,232,479	$0	$0					$0	$2,232,479	50%	$1,116,239	$1,116,239	17.38	478,182	213,088	98,451	46,588
2039	1,680,802	$0	$0					$0	$1,680,802	50%	$840,401	$840,401	18.38	342,873	145,846	64,441	29,480
2040	1,176,271	$0	$4,050,000					$0	($2,873,729)	50%	($1,436,864)	($1,436,864)	19.38	-558,307	-226,690	-95,807	-42,003
Totals	**154,270,393**	**11,944,620**	**4,050,000**	**450,000**	**3,150,000**	**4,131,000**		**11,944,620**	**138,275,773**		**69,137,886**	**69,137,886**	**198**	**48,194,081**	**35,070,851**	**26,435,852**	**20,511,358**

Table 4c, Page 4

Zenith Energy Ltd

Ezzaoula

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Plus Probable Reserves

Year	Gross Revenue $/yr.	Royalty $/yr.	Corp Tax (Grosssed Up) $/yr.	Net Revenue $/yr.	Cumulative Net Revenue $	Operating Costs $/yr.	Capital Costs $/yr.	Total Expenditures $/yr.	Cumulative Expenditures $	R Factor #	Royalty Rate %	Tax Rate %
2021	$3,608,401	$252,588	$918,992	$2,436,821	$261,505,067	1,281,745	1,000,000	2,281,745	$243,111,730	1.08	7%	50%
2022	$22,101,372	$1,547,096	$6,551,268	$14,003,008	$275,508,075	5,630,726	7,000,000	12,630,726	$255,742,456	1.08	7%	50%
2024	$36,585,206	$2,560,964	$11,736,703	$22,287,538	$297,795,614	6,748,983	9,180,000	15,928,983	$271,671,439	1.10	7%	50%
2026	$47,871,926	$3,351,035	$15,468,325	$29,052,566	$326,848,180	7,796,802	9,363,600	17,160,402	$288,831,841	1.13	10%	50%
2028	$51,712,892	$5,171,289	$16,268,425	$30,273,178	$357,121,358	8,178,904	0	8,178,904	$297,010,745	1.20	10%	50%
2030	$46,705,195	$4,670,519	$14,250,695	$27,783,981	$384,905,338	7,957,514	0	7,957,514	$304,968,259	1.26	10%	50%
2032	$42,193,226	$4,219,323	$13,036,563	$24,937,340	$409,842,678	7,770,125	0	7,770,125	$312,738,384	1.31	10%	50%
2034	$38,127,193	$3,812,719	$12,223,484	$22,090,989	$431,933,667	7,613,513	0	7,613,513	$320,351,896	1.35	10%	50%
2036	$34,402,093	$3,440,209	$11,568,430	$19,393,453	$451,327,120	7,481,002	0	7,481,002	$327,832,898	1.38	10%	50%
2038	$31,042,605	$3,104,261	$10,126,913	$17,811,432	$469,138,553	7,374,094	0	7,374,094	$335,206,992	1.40	10%	50%
2040	$28,012,729	$2,801,273	$8,820,423	$16,391,033	$485,529,586	7,290,483	0	7,290,483	$342,497,475	1.42	10%	50%
2042	$25,280,015	$2,528,001	$7,635,558	$15,116,456	$500,646,042	7,228,098	0	7,228,098	$349,725,573	1.43	10%	50%
2044	$22,815,213	$2,281,521	$6,560,229	$13,973,463	$514,619,505	7,185,082	0	7,185,082	$356,910,655	1.44	10%	50%
2046	$20,591,962	$2,059,196	$5,583,538	$12,949,227	$527,568,732	7,159,769	0	7,159,769	$364,070,424	1.45	10%	50%
2048	$18,586,498	$1,858,650	$4,695,659	$12,032,189	$539,600,921	7,150,665	0	7,150,665	$371,221,089	1.45	10%	50%
2050	$16,777,402	$1,677,740	$3,887,729	$11,211,933	$550,812,855	7,156,431	0	7,156,431	$378,377,520	1.46	10%	50%
2052	$15,145,368	$1,514,537	$3,151,755	$10,479,076	$561,291,931	7,175,867	0	7,175,867	$385,553,387	1.46	10%	50%
2054	$13,672,993	$1,367,299	$2,480,532	$9,825,162	$571,117,093	7,207,900	0	7,207,900	$392,761,287	1.45	10%	50%
2056	$12,344,589	$1,234,459	$1,867,557	$9,242,572	$580,359,665	7,251,569	0	7,251,569	$400,012,856	1.45	10%	50%
2058	$11,146,014	$1,114,601	($3,193,032)	$13,224,444	$593,584,109	7,306,016	0	7,306,016	$407,318,872	1.46	10%	50%
Totals	$538,722,893	$50,567,282	$153,639,747	$334,515,863		$139,945,287	$26,543,600	$166,488,887				
			0.45 WI Factor		**$259,068,246** Opening Balance				**$240,829,985** Opening Balance	1.08 Applies Subsequent Year	7%	50%

ROBBANA CONCESSION

TUNISIA

INDEX

Discussion **91**

Property Description 91
Geology 91
Reserves 92
Production 92
Product Prices 92
Capital Expenditures 93
Operating Costs 93
Economics 93

Attachments

Figure 1: Well Location Map 94

Table 1: Schedule of Lands, Interests and Royalty Burdens 95

Figure 2: Geological Maps and Figures
a) Stratigraphic Chart – Jaffara Basin 96
b) Meloussi Structure Depth Map 97

Table 2: Summary of Gross Reserves 98

Figure 3: Analog Production Plot for New Drills 99

Table 3: Summary of Anticipated Capital Expenditures
a) Development 100
b) Abandonment and Reclamation 101

Table 4: Summary of Company Reserves and Economics – BIT 102
Table 4T: Summary of Company Reserves and Economics – AIT 103

Production Forecast and Cash Flow Analysis
a) Probable Reserves 104
b) Probable Plus Possible Reserves 108

ROBBANA CONCESSION

TUNISIA

DISCUSSION

Property Description

The Company owns a 100% working interest in the Robbana Concession, in Tunisia. It is comprised of 11,861 acres of land (48 Km squared) and is located on the Djerba Island in the Gulf of Gabes, as shown on the Map Figure 1. The Concession contains one oil producer and one temporarily abandoned well.

Production is subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures.

A map showing the Concession boundary and producing well locations is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

Geology

The Concession is within the Jaffara Basin, a WNW-ESE trending Permo-Triassic, extentional basin, which occupies a hinge-zone between the Palaeozoic Berfine/Ghandames Basin to the SSW and the Jurassic to Tertiary, Pelagian/Sabratah Basin to the NNE. There are two producing reservoirs on the concession, the Jurassic M'Rabtine sand and the Cretaceous Zebbag carbonate, as shown on the Startigraphic chart, Figure 2a.

The Robbana area was subjected to an episode of Late Triassic to early Cretaceous rifting, which created a low area during the deposition of the reservoir sandstones of the Lower Cretaceous Meloussi formation. The Meloussi formation consists of a series of thin sandstone units separated by interbedded shales and dolomites. An Upper Cretaceous wrench faulting episode caused an inversion of the depositional low in the Robbana area creating the present folded structure, as shown on the map Figure 2a. The Robbana structure is bunded to the southwest by a normal fault with over 1,400 meters of throw at the Meloussi reservoir level. Closing faults of lesser magnitude bound the feature in other direction.

Reserves

Although one well, ROB-1 is currently producing, no proved reserves can be assigned due to the economic criteria not being satisfied. However, with the inclusion of the production from two well locations to be drilled the economic threshold would be met, therefore probable reserves of 42 MSTB have been estimated for well ROB-1, based on its historical performance trends.

Probable Undeveloped Reserves of 700 MSTB have been estimated for two locations on the Robbana structure to be drilled in geological advantageous positions. Reserves have been established from conservative analogous projections of early performance of ROB-1.

Incremental Possible Reserves of 281 MSTB of oil have been estimated for the same wells based on a best estimate analogous projection from the same ROB-1 early data.

A summary of the Reserves is presented on Table 2. Selected decline rates for each well and the starting point production rates are demonstrated on Page One of the economic analyses, Tables 4a,4b and 4c. The ROB-1 early production plot which has been used as the analog performance for the new drills is presented on Figure 3.

Production

Current production from well ROB-1 is averaging 20 STB/d, and as mentioned above is under the economic threshold for reserves assignment. However, with the inclusion of production from the two planned locations, ROB-1 will continue producing at its historical decline rate for several more years.

Initial rates, forecasts and timing of the undeveloped wells can be seen on Page One of Tables 4a and 4b, the economic analysis for Proved Plus Probable reserves.

Product Prices

A 2021 oil price of 61.88 $/STB has been used for this evaluation reflecting a discount of $4.00/STB from the posted Brent crude price throughout the forecast.

Capital Expenditures

Total capital expenditures of $12,120,000 have been estimated for the overall property, which includes the drilling of two wells and the related cost for equipping and tie-in.

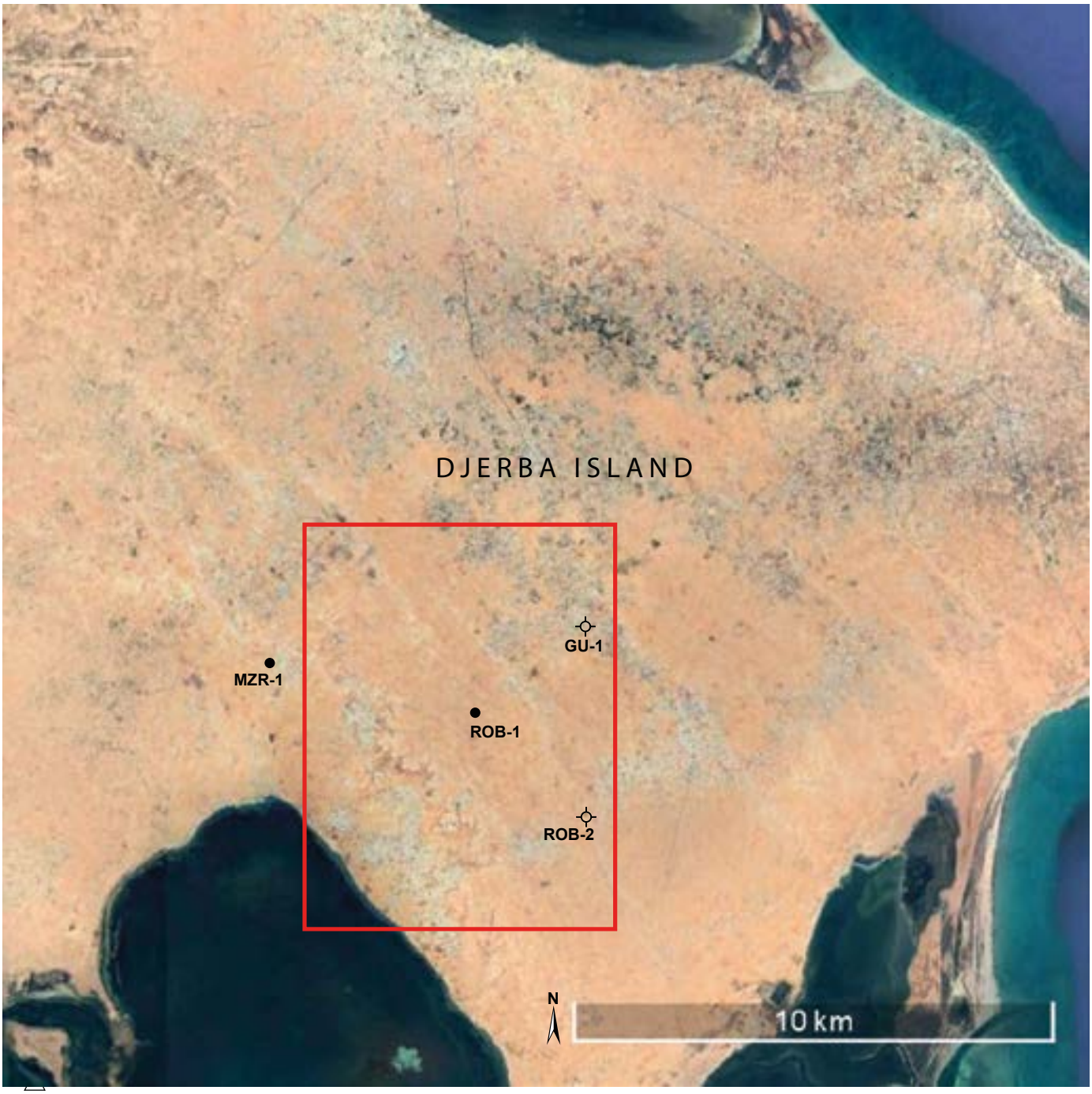
The capital expenditures scheduled for each case are presented in Table 3a. Abandonment costs are summarized on Table 3b

Operating Costs

Operating costs have been estimated to be $500,000 per year and an additional $90,000 per well per year (fixed) plus $4.00/STB (variable), based on historical and budget information provided by operator of the property.

Economics

The results of the economic analysis are summarized in Table 4 and 4T for the before and after-tax cases respectively. The full economic analyses are presented in Table 4a, and 4b, and have been presented in spread sheet format to allow for proper handling of the fiscal regime.



ZENITH ENERGY LTD.
ROBBANA CONCESSION TUNISIA **LAND AND WELL MAP**
OCT. 2021 JOB No. 6773 FIGURE No. 1

Table 1

Schedule of Lands, Interests and Royalty Burdens
October 1, 2021

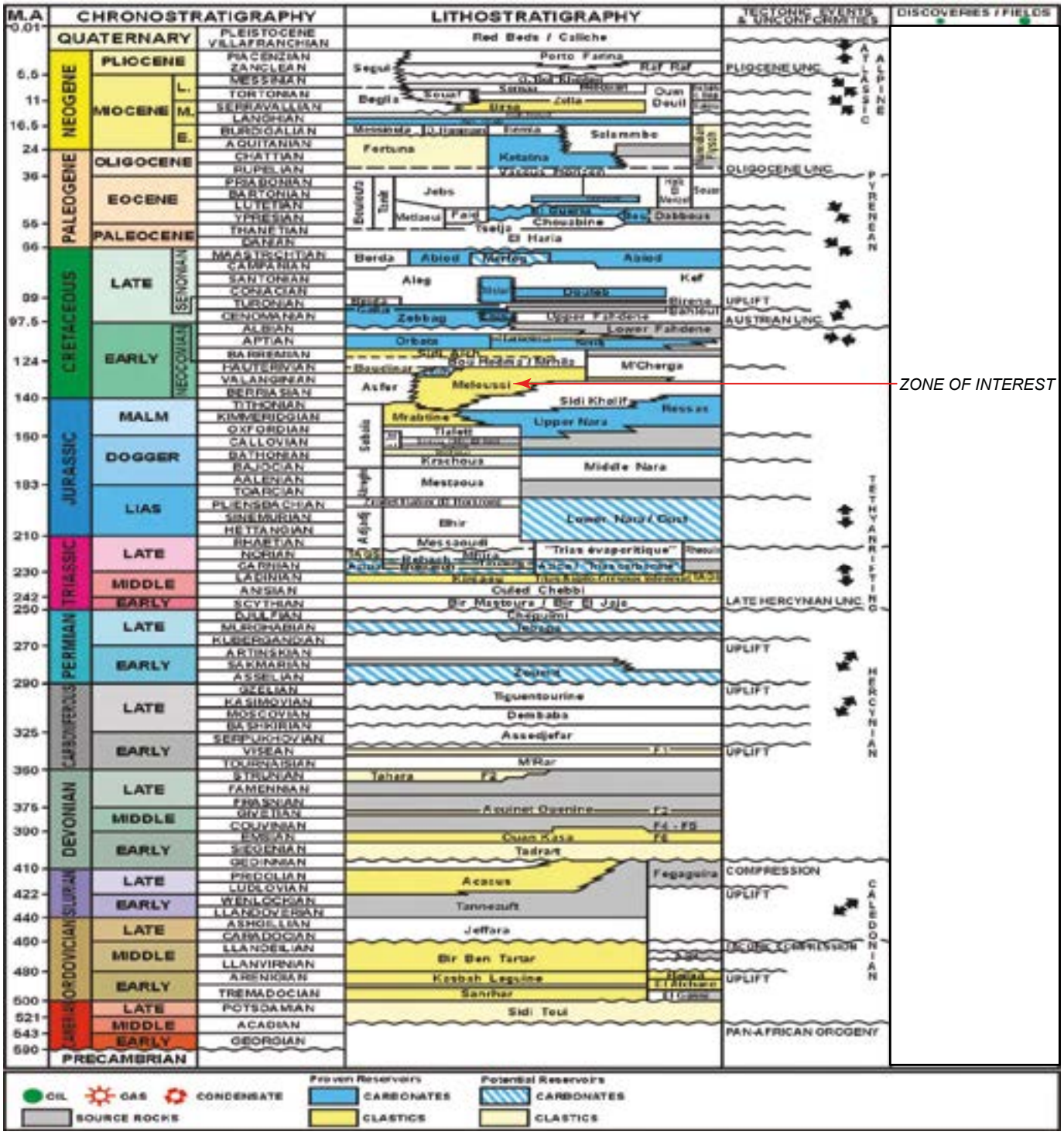
Zenith Energy Ltd

Robbana Concession, Tunisia

		Appraised Interest		Royalty Burdens	
Description	Gross Acres	Working %	Royalty %	Basic %	Overriding %
El Bibane Concession	48 Km squared (9884 Acres)	100.0000	-	[1]	-

Note: [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

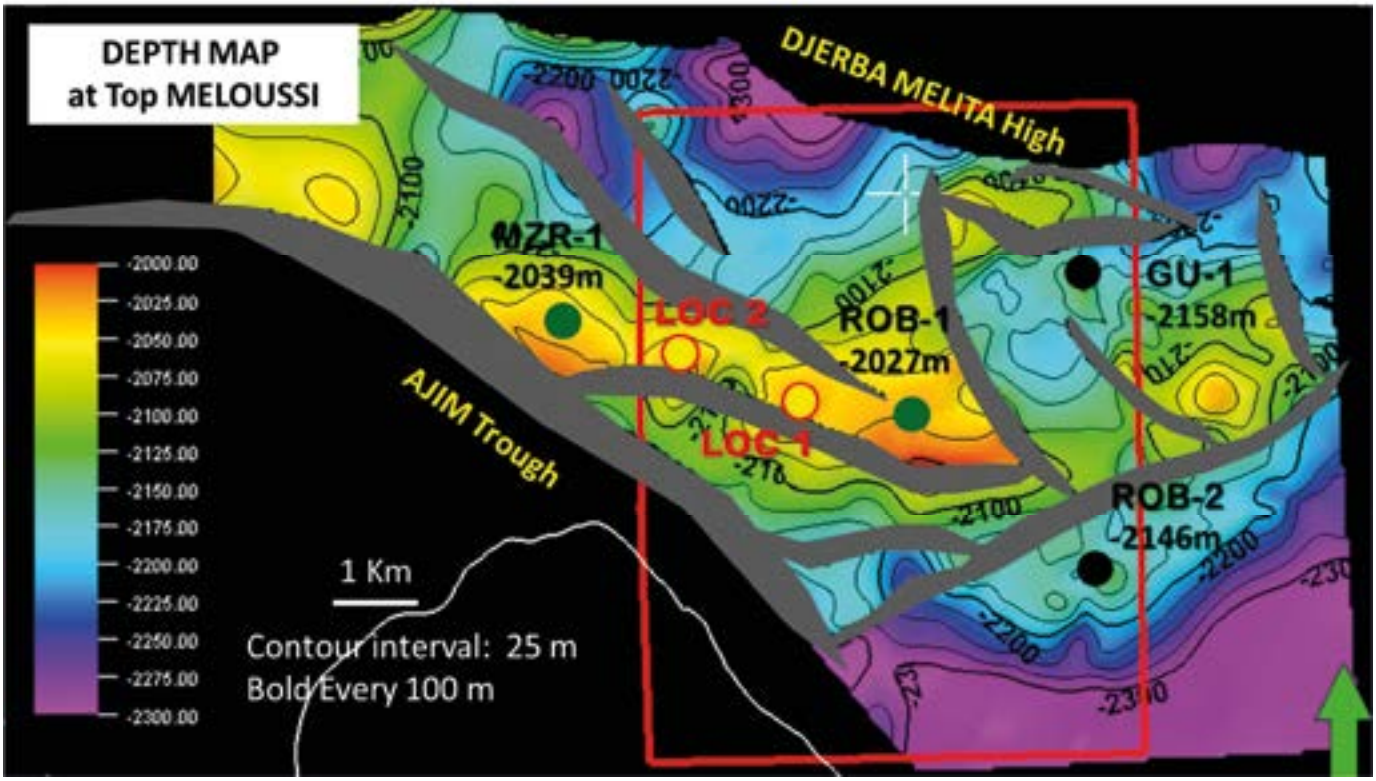
Royalty Rate =	2% When "R" Factor is	< 0.5
	5%	0.5 to 0.8
	7%	0.8 to 1.1
	10%	1.1 to 1.5
	12%	1.5 to 2.0
	14%	2.0 to 2.5
	15%	> 2.5



Source: Candax Presentation, June 2019, p. 2

ZENITH ENERGY LTD.
ROBBANA CONCESSION **TUNISIA** **STRATIGRAPHIC CHART**
OCT. 2021 **JOB No. 6773** **FIGURE No. 2a**

Chapman Petroleum Engineering Ltd.



Concession boundary

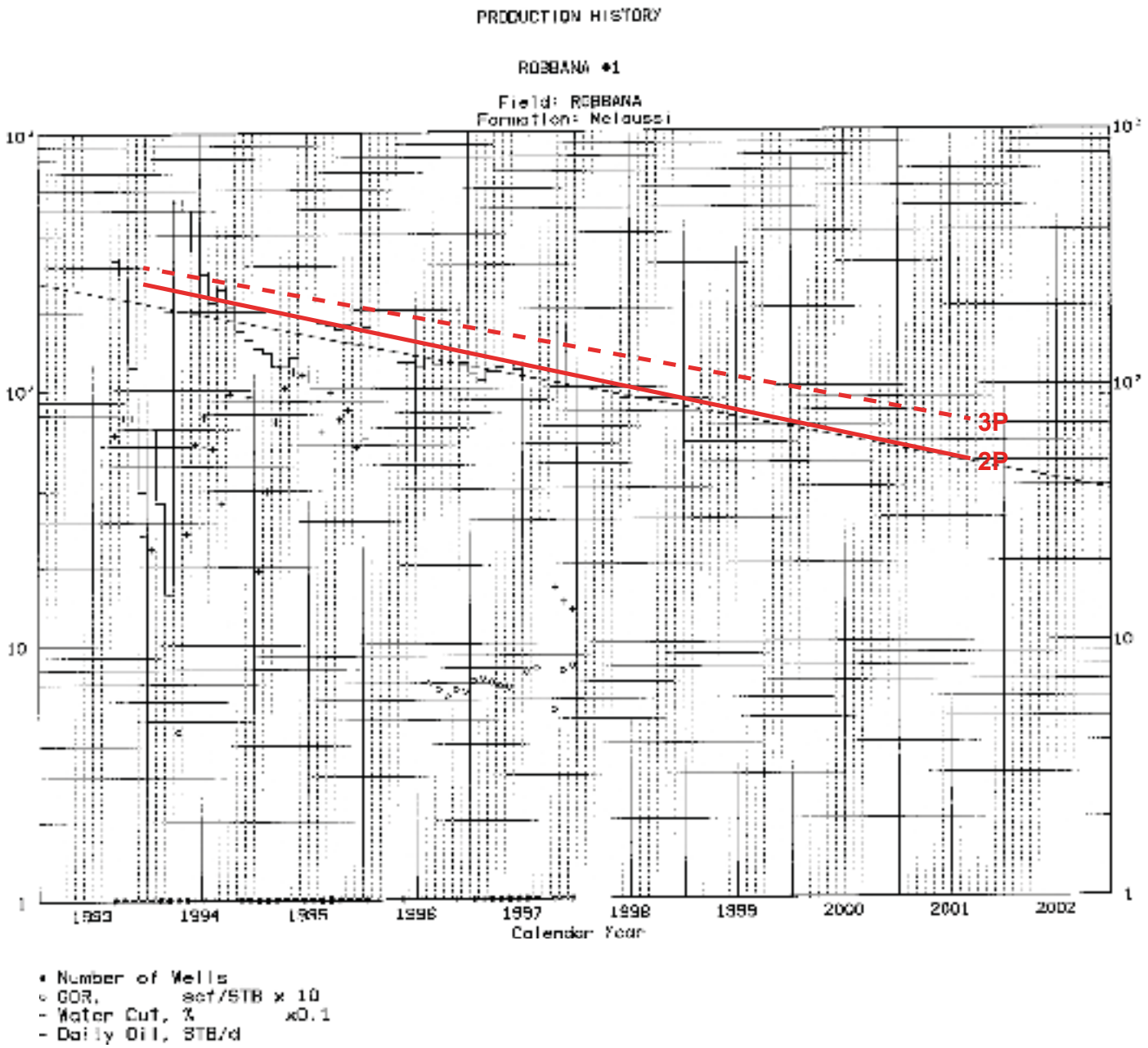
ZENITH ENERGY LTD.		
ROBBANA CONCESSION TUNISIA STRUCTURAL CONTOUR DEPTH MAP ON MELOUSSI FM C.I. = 25 m		
OCT. 2021	JOB No. 6773	FIGURE No. 2b

Table 2

Summary of Gross Reserves
October 1, 2021

Robbana Concession, Tunisia

Description		Current or Initial Rate STB/d	IP Date	API Gravity (Deg)	Ultimate Reserves (MSTB)	Cumulative Production (MSTB)	Reserves (MSTB)	Reference
LIGHT & MEDIUM OIL								
Proved Developed Producing								
ROB-1	Meloussi	< 20		41	510	510	0	
Total Proved Developed Producing					510	510	0	
Total Proved					510	510	0	
Probable								
Probable Developed Producing								
ROB-1	Meloussi	< 20		41	47	5	42	Table 4a
Total Probable Developed Producing (incr)					47	5	42	
Total Proved Plus Probable Developed Producing							42	
Probable Undeveloped			IP Date					
ROB-3 (Location)	Meloussi	275	2023	41	360	0	360	Analog, Table 4b
ROB-4 (Location)	Meloussi	275	2024	41	340	0	340	Analog, Table 4b
Total Probable Undeveloped					700	0	700	
Total Proved Plus Probable					1,210	510	742	



ZENITH ENERGY LTD.
ROBBANA CONCESSION TUNISIA ANALOG PRODUCTION PLOT FOR NEW DRILLS
OCT. 2021 JOB No. 6773 FIGURE No. 3

Table 3a

Summary of Anticipated Capital Expenditures

Development

October 1, 2021

Zenith Energy Ltd

Robbana Concession, Tunisia

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$
Probable Undeveloped					
ROB-3	2022	Drill, Complete and tie-in	100.0000	6,000	6,000
ROB-4	2023	Drill, Complete and tie-in	100.0000	6,000	6,000
		Total Probable Undeveloped		**12,000**	**12,000**

Note: **M$ means thousands of dollars.**
The above capital values are expressed in terms of current dollar values without escalation.
Unless details are known, drilling costs have been split 70% Intangible and 30% Tangible for tax purposes

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2021

Zenith Energy Ltd

Robbana Concession, Tunisia

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Probable & Possible				
Robbana Field Wells	Three producing wells	100.0000	1,500	1,500
Inactive wells	One inactive well	100.0000	500	500
otal Proved Plus Probable Developed Producing			**2,000**	**2,000**

Note: **M$ means thousands of dollars.**
The above capital values are expressed in terms of current dollar values without escalation.

Table 4
Summary of Company Reserves and Economics
Before Income Tax
October 1, 2021

Zenith Energy Ltd.

Robbana Concession, Tunisia

Description		Net To Appraised Interest						Cumulative Cash Flow (BIT) - M$				
		Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbls		Discounted at:				
Reserve Category	Formation Name	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
PROBABLE												
Probable Undeveloped												
One well, two locations	Meloussi	742	716	0	0	0	0	23,661	17,671	13,264	9,962	7,451
Total Probable		**742**	**716**	**0**	**0**	**0**	**0**	**23,661**	**17,671**	**13,264**	**9,962**	**7,451**
POSSIBLE												
Possible Undeveloped												
One well, two locations	Meloussi	281	264	0	0	0	0	15,725	11,699	8,964	7,049	5,670
Total Probable Plus Possible		**1,023**	**980**	**0**	**0**	**0**	**0**	**39,386**	**29,370**	**22,228**	**17,011**	**13,121**

M$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than $500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMs

Table 4
Summary of Company Reserves and Economics
After Income Tax
October 1, 2021

Zenith Energy Ltd.

Robbana Concession, Tunisia

Description		Net To Appraised Interest						Cumulative Cash Flow (A/T) - M$				
		Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbls		Discounted at:				
Reserve Category	Formation Name	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
PROBABLE												
Probable Undeveloped												
One well, two locations	Meloussi	742	716	0	0	0	0	11,830	8,103	5,456	3,548	2,155
Total Probable		**742**	**716**	**0**	**0**	**0**	**0**	**11,830**	**8,103**	**5,456**	**3,548**	**2,155**
POSSIBLE												
Possible Developed & Undeveloped												
One well, two locations	Meloussi	281	264	0	0	0	0	7,862	5,697	4,256	3,267	2,568
Total Probable Plus Possible		**1,023**	**980**	**0**	**0**	**0**	**0**	**19,693**	**13,799**	**9,712**	**6,815**	**4,723**

M$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than $500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf)

Table 4a, Page 1

Zenith Energy Ltd

Robbana

October 1, 2021

Production and Capital Forecast - Probable Reserves

			Proved Plus Probable Producing	ROB-3	ROB-4	Total Oil Production		Capital Expenditures - M$		
Days On	Year	Well Count	STB/d	STB/d	STB/d	STB/d	STB/yr	Drilling, Completion & Tie-in	Facilities & Tie-in	Total Capital (Escalated)
90	2021	1.0	20	0	0	20	1,800	C	0	0
365	2022	2.0	18	0	0	18	6,570	5000	1000	6000
365	2023	3.0	16	227	0	243	88,705	5000	1000	6120
365	2024	3.0	15	185	227	426	155,558	C	0	0
365	2025	3.0	13	151	185	348	127,175	C	0	0
365	2026	3.0	12	123	151	285	104,009	C	0	0
365	2027	3.0	11	100	123	233	85,096	C	0	0
365	2028	3.0	10	81	100	191	69,652	C	0	0
365	2029	3.0	9	66	81	156	57,038	C	0	0
365	2030	3.0	8	54	66	128	46,733	C	0	0
365	2031	2.0	0	0	0	0	0	C	0	0
365	2032	2.0	0	0	0	0	0	C	0	0
365	2033	2.0	0	0	0	0	0	C	0	0
365	2034	2.0	0	0	0	0	0	C	0	0
365	2035	0.0	0	0	0	0	0	C	0	0
365	2036	0.0	0	0	0	0	0	C	0	0
365	2037	0.0	0	0	0	0	0	C	0	0
365	2038	0.0	0	0	0	0	0	C	0	0
365	2039	0.0	0	0	0	0	0	C	0	0
365	2040	0.0	0	0	0	0	0	C	0	0
	Reserves		42,046	360,000	340,290		742,337	10,000	2,000	12,120
							Unit Cost	5000	1000	
	Decline Rate	%/yr	10%	19%	19%					
	Starting Rate	STB/d		250	250		2021	0	0	
							2022	1	1	
							2023	1	1	
							2024	0	0	
							2025	0	0	
							2026	0	0	
							2027	0	0	

Table 4a, Page 2

Zenith Energy Ltd

Robbana

October 1, 2021

Production Streams, Revenues and Cash Flows - Probable Reserves

Before Income Tax

Year	Gross Production STB/yr.	Oil Price $/STB	Gross Revenue $/yr.	Royalty Rate %	Royalty $/yr.	Export Payment $/yr.	Operating Costs - $/yr. Fixed	Variable	Total (Escalated)	Project Total Revenue (Operating Cash Flow) $/yr.	Total Capital Costs $/yr.	Abandon & Reclamatn $/yr.	Project Undiscounted Net Cash Flow (Profit) $/yr.	Company's Share Undiscounted Net Cash Flow (Profit) $/yr.	Company Share Discounted @ 5% $	10% $	15% $	20% $
2021	1,800	$75.28	$135,495	2%	$2,710	$1,355	147,500	8,100	155,600	-24,170	0	0	-24,170	-24,170	-23,982	-23,804	-23,635	-23,475
2022	6,570	$72.13	$473,861	2%	$9,477	$4,739	680,000	29,565	709,565	-249,920	6,000,000	0	-6,249,920	-6,249,920	-6,001,002	-5,772,804	-5,563,052	-5,369,285
2023	88,705	$68.98	$6,118,436	2%	$122,369	$61,184	770,000	399,173	1,192,557	4,742,326	6,120,000	0	-1,377,674	-1,377,674	-1,259,814	-1,156,841	-1,066,319	-986,296
2024	155,558	$65.83	$10,239,612	2%	$204,792	$102,396	770,000	700,011	1,529,400	8,403,024	0	0	8,403,024	8,403,024	7,318,234	6,414,608	5,655,599	5,013,201
2025	127,175	$67.22	$8,548,921	2%	$170,978	$85,489	770,000	572,289	1,424,448	6,868,005	0	0	6,868,005	6,868,005	5,696,552	4,766,202	4,018,535	3,414,514
2026	104,009	$68.65	$7,139,780	5%	$356,989	$71,398	770,000	468,040	1,340,094	5,371,299	0	0	5,371,299	5,371,299	4,242,985	3,388,664	2,733,548	2,225,340
2027	85,096	$70.10	$5,965,122	5%	$298,256	$59,651	770,000	382,931	1,272,929	4,334,285	0	0	4,334,285	4,334,285	3,260,771	2,485,845	1,918,081	1,496,419
2028	69,652	$71.58	$4,985,761	5%	$249,288	$49,858	770,000	313,435	1,220,124	3,466,492	0	0	3,466,492	3,466,492	2,483,726	1,807,399	1,333,957	997,340
2029	57,038	$73.09	$4,169,068	5%	$208,453	$41,691	770,000	256,672	1,179,324	2,739,601	0	0	2,739,601	2,739,601	1,868,440	1,298,549	916,729	656,841
2030	46,733	$74.63	$3,487,880	5%	$174,394	$34,879	770,000	210,298	1,148,576	2,130,031	0	2,000,000	130,031	130,031	84,505	56,011	37,836	25,980
2031	0	$76.21	$0	7%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2032	0	$77.81	$0	7%	$0	$0		0	0	0	0	0	0	0	0	0	0	0
2033	0	$79.45	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2034	0	$81.12	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2035	0	$82.82	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2036	0	$84.55	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2037	0	$86.33	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2038	0	$88.13	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2039	0	$89.98	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2040	0	$91.85	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	742,337		$51,263,937		$1,797,707	$512,639	$6,987,500	$3,340,515	$11,172,616	**37,780,974**	**12,120,000**	**2,000,000**	**23,660,974**	**23,660,974**	**17,671,415**	**13,263,748**	**9,962,279**	**7,450,584**
Company Share			**$51,263,937**		**$1,797,707**	**$512,639**			**$11,172,616**	**37,780,974**	**12,120,000**	**2,000,000**	**23,660,974**	**100.0%**				

Gross	**742,337**	$4.00		1%	500,000 $/yr	$4.50 $/STB
Net	716,305	Price Differential				

Table 4a, Page 3

Zenith Energy Ltd

Robbana

October 1, 2021

Production Streams, Revenues and Cash Flows - Probable Reserves

After Income tax

Company Working Interest	100.0%												Company Share Discounted @			
	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow		5%	10%	15%	20%
Year	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$	$/yr.	%	$/yr.	$/yr.	t	$	$	$	$
2021	-24,170	$0	$0	$0			$0	($24,170)	50%	($12,085)	($12,085)	0.38	-11,866	-11,661	-11,468	-11,286
2022	-249,920	$6,000,000	$0	$0	$1,200,000		$1,200,000	($1,449,920)	50%	($724,960)	($5,524,960)	1.38	-5,166,469	-4,846,343	-4,559,000	-4,299,866
2023	4,742,326	$6,120,000	$0	$0	$1,200,000	$1,224,000	$2,424,000	$2,318,326	50%	$1,159,163	($2,536,837)	2.38	-2,259,269	-2,022,949	-1,820,267	-1,645,270
2024	8,403,024	$0	$0	$0	$1,200,000	$1,224,000	$2,424,000	$5,979,024	50%	$2,989,512	$5,413,512	3.38	4,591,612	3,924,450	3,377,722	2,925,785
2025	6,868,005	$0	$0	$0	$1,200,000	$1,224,000	$2,424,000	$4,444,005	50%	$2,222,003	$4,646,003	4.38	3,752,980	3,061,868	2,520,730	2,092,481
2026	5,371,299	$0	$0		$1,200,000	$1,224,000	$2,424,000	$2,947,299	50%	$1,473,650	$3,897,650	5.38	2,998,543	2,335,163	1,838,874	1,462,863
2027	4,334,285	$0	$0			$1,224,000	$1,224,000	$3,110,285	50%	$1,555,143	$2,779,143	6.38	2,036,240	1,513,674	1,140,150	869,221
2028	3,466,492	$0	$0				$0	$3,466,492	50%	$1,733,246	$1,733,246	7.38	1,209,453	858,201	618,320	451,750
2029	2,739,601	$0	$0				$0	$2,739,601	50%	$1,369,800	$1,369,800	8.38	910,326	616,586	424,926	297,519
2030	2,130,031	$0	$2,000,000				$0	$130,031	50%	$65,016	$65,016	9.38	41,150	26,605	17,538	11,768
2031	0	$0	$0				$0	$0	50%	$0	$0	10.38	0	0	0	0
2032	0	$0	$0				$0	$0	50%	$0	$0	11.38	0	0	0	0
2033	0	$0	$0				$0	$0	50%	$0	$0	12.38	0	0	0	0
2034	0	$0	$0				$0	$0	50%	$0	$0	13.38	0	0	0	0
2035	0	$0	$0				$0	$0	50%	$0	$0	14.38	0	0	0	0
2036	0	$0	$0				$0	$0	50%	$0	$0	15.38	0	0	0	0
2037	0	$0	$0				$0	$0	50%	$0	$0	16.38	0	0	0	0
2038	0	$0	$0				$0	$0	50%	$0	$0	17.38	0	0	0	0
2039	0	$0	$0				$0	$0	50%	$0	$0	18.38	0	0	0	0
2040	0	$0	$0				$0	$0	50%	$0	$0	19.38	0	0	0	0
Totals	**37,780,974**	**12,120,000**	**2,000,000**	**0**	**6,000,000**	**6,120,000**	**12,120,000**	**23,660,974**		**11,830,487**	**11,830,487**	**19.8**	**8,102,701**	**5,455,594**	**3,547,525**	**2,154,965**

Zenith Energy Ltd

Robbana

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Probable Reserves

Year	Gross Revenue $/yr.	Royalty $/yr.	Corp Tax $/yr.	Net Revenue $/yr.	Cumulative Net Revenue $	Operating Costs $/yr.	Capital Costs $/yr.	Total Expenditures $/yr.	Cumulative Expenditures $	R Factor #	Royalty Rate %	Tax Rate %
2021	$135,495	$2,710	($12,085)	$144,870	$2,644,870	155,600	0	155,600	$25,155,600	0.11	2%	50%
2022	$473,861	$9,477	($724,960)	$1,189,344	$3,834,214	709,565	6,000,000	6,709,565	$31,865,165	0.12	2%	50%
2024	$6,118,436	$122,369	$1,159,163	$4,836,904	$8,671,118	1,192,557	6,120,000	7,312,557	$39,177,722	0.22	2%	50%
2026	$10,239,612	$204,792	$2,989,512	$7,045,308	$15,716,426	1,529,400	0	1,529,400	$40,707,121	0.39	2%	50%
2028	$8,548,921	$170,978	$2,222,003	$6,155,940	$21,872,366	1,424,448	0	1,424,448	$42,131,570	0.52	5%	50%
2030	$7,139,780	$356,989	$1,473,650	$5,309,141	$27,181,507	1,340,094	0	1,340,094	$43,471,663	0.63	5%	50%
2032	$5,965,122	$298,256	$1,555,143	$4,111,723	$31,293,230	1,272,929	0	1,272,929	$44,744,593	0.70	5%	50%
2034	$4,985,761	$249,288	$1,733,246	$3,003,227	$34,296,457	1,220,124	0	1,220,124	$45,964,716	0.75	5%	50%
2036	$4,169,068	$208,453	$1,369,800	$2,590,815	$36,887,272	1,179,324	0	1,179,324	$47,144,040	0.78	5%	50%
2038	$3,487,880	$174,394	$65,016	$3,248,470	$40,135,742	1,148,576	0	1,148,576	$48,292,616	0.83	7%	50%
2040	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
2042	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
2044	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
2046	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
2048	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
2050	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
2052	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
2054	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
2056	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
2058	$0	$0	$0	$0	$40,135,742	0	0	0	$48,292,616	0.83	7%	50%
Totals	$51,263,937	$1,797,707	$11,830,487	$37,635,742		$11,172,616	$12,120,000	$23,292,616				
			1 WI Factor		est **$2,500,000** Opening Balance				est **$25,000,000** Opening Balance	0.10	2%	50%
										Applies Subsequent Year		

Table 4b, Page 1

Zenith Energy Ltd

Robbana

October 1, 2021

Production and Capital Forecast - Probable Plus Possible Reserves

			Proved Plus Probable Producing	ROB-3	ROB-4	Total Oil Production		Capital Expenditures - M$		
Days On	Year	Well Count	STB/d	STB/d	STB/d	STB/d	STB/yr	Drilling, Completion & Tie-in	Facilities & Tie-in	Total Capital (Escalated)
90	2021	1.0	20	0	0	20	1,800	0	0	0
365	2022	2.0	18	0	0	18	6,570	5000	1000	6000
365	2023	3.0	16	275	0	291	106,160	5000	1000	6120
365	2024	3.0	15	228	275	517	188,872	0	0	0
365	2025	3.0	13	190	228	431	157,317	0	0	0
365	2026	3.0	12	158	190	359	131,059	0	0	0
365	2027	3.0	11	131	158	299	109,206	0	0	0
365	2028	3.0	10	109	131	249	91,017	0	0	0
365	2029	3.0	9	90	109	208	75,875	0	0	0
365	2030	3.0	8	75	90	173	63,268	0	0	0
365	2031	2.0	0	62	75	138	50,225	0	0	0
365	2032	2.0	0	52	62	114	41,736	0	0	0
365	2033	2.0	0	0	0	0	0	0	0	0
365	2034	2.0	0	0	0	0	0	0	0	0
365	2035	0.0	0	0	0	0	0	0	0	0
365	2036	0.0	0	0	0	0	0	0	0	0
365	2037	0.0	0	0	0	0	0	0	0	0
365	2038	0.0	0	0	0	0	0	0	0	0
365	2039	0.0	0	0	0	0	0	0	0	0
365	2040	0.0	0	0	0	0	0	0	0	0
	Reserves		42,046	500,000	481,058		1,023,105	10,000	2,000	12,120
							Unit Cost	5000	1000	
	Decline Rate	%/yr	10%	17%	17%					
	Starting Rate	STB/d		300	300		2021	0	0	
							2022	1	1	
							2023	1	1	
							2024	0	0	
							2025	0	0	
							2026	0	0	
							2027	0	0	

Table 4b, Page 2

Zenith Energy Ltd

Robbana

October 1, 2021

Production Streams, Revenues and Cash Flows - Probable Plus Possible Reserves

Before Income Tax

Year	Gross Production STB/yr.	Oil Price $/STB	Gross Revenue $/yr.	Royalty Rate %	Royalty $/yr.	Export Payment $/yr.	Operating Costs - $/yr. Fixed	Variable	Total (Escalated)	Project Total Revenue (Operating Cash Flow) $/yr.	Total Capital Costs $/yr.	Abandon & Reclamation $/yr.	Project Undiscounted Net Cash Flow (Profit) $/yr.	Company's Share Undiscounted Net Cash Flow (Profit) $/yr.	Company Share Discounted @ 5% $	10% $	15% $	20% $
2021	1,800	$75.28	$135,495	2%	$2,710	$1,355	147,500	8,100	155,600	-24,170	0	0	-24,170	-24,170	-23,982	-23,804	-23,635	-23,475
2022	6,570	$72.13	$473,861	2%	$9,477	$4,739	680,000	29,165	709,165	-249,920	6,000,000	0	-6,249,920	-6,249,920	-6,001,002	-5,772,904	-5,563,052	-5,369,285
2023	106,160	$68.58	$7,322,356	2%	$146,447	$73,224	770,000	477,718	1,272,672	5,830,013	6,120,000	0	-289,987	-289,987	-265,178	-243,504	-224,450	-207,606
2024	188,872	$65.83	$12,432,495	2%	$248,650	$124,325	770,000	849,924	1,685,369	10,374,151	0	0	10,374,151	10,374,151	9,034,899	7,919,306	6,982,253	6,188,166
2025	157,317	$67.22	$10,575,118	2%	$211,502	$105,751	770,000	707,929	1,568,390	8,689,475	0	0	8,689,475	8,689,475	7,207,359	6,000,251	5,085,559	4,370,080
2026	131,059	$68.65	$8,996,696	5%	$449,835	$89,967	770,000	589,767	1,471,816	6,985,038	0	0	6,985,038	6,985,038	5,517,736	4,406,745	3,554,808	2,893,815
2027	109,206	$70.10	$7,655,232	5%	$382,762	$76,552	770,000	491,428	1,392,719	5,803,199	0	0	5,803,199	5,803,199	4,365,865	3,328,311	2,568,130	2,003,564
2028	91,017	$71.58	$6,515,055	5%	$325,753	$65,151	770,000	409,575	1,328,394	4,795,758	0	0	4,795,758	4,795,758	3,436,140	2,500,467	1,845,478	1,379,786
2029	75,875	$73.09	$5,545,872	7%	$388,211	$55,459	770,000	341,436	1,276,691	3,825,511	0	0	3,825,511	3,825,511	2,610,440	1,813,262	1,280,098	917,197
2030	63,268	$74.63	$4,721,951	7%	$330,537	$47,220	770,000	284,705	1,235,755	3,108,440	0	0	3,108,440	3,108,440	2,020,121	1,339,433	904,479	621,061
2031	50,225	$76.21	$3,827,467	7%	$267,923	$38,275	680,000	226,011	1,082,767	2,438,503	0	0	2,438,503	2,438,503	1,509,277	955,232	616,995	406,008
2032	41,736	$77.81	$3,247,528	7%	$227,327	$32,475	680,000	187,812	1,057,858	1,929,868	0	2,000,000	-70,132	-70,132	-41,340	-24,975	-15,490	-9,731
2033	0	$79.45	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2034	0	$81.12	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2035	0	$82.82	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2036	0	$84.55	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2037	0	$86.33	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2038	0	$88.13	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2039	0	$89.98	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
2040	0	$91.85	$0	7%	$0	$0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	1,023,105		$71,449,126		$2,991,133	$714,491	$8,347,500	$4,603,971	$14,237,635	**$53,505,867**	**12,120,000**	**2,000,000**	**39,385,867**	**39,385,867**	**29,370,313**	**22,227,819**	**17,011,232**	**13,120,682**
Company Share			**$71,449,126**		**$2,991,133**	**$714,491**			**$14,237,635**	**$53,505,867**	**12,120,000**	**2,000,000**	**39,385,867**	**100.0%**				

Gross	**1,023,105**	$4.00		1%	500,000	$4.50
Net	**980,274**	Price Differential			$/yr	$/STB

Zenith Energy Ltd

Robbana

October 1, 2021

Production Streams, Revenues and Cash Flows - Probable Plus Possible Reserves

After Income tax

Company Working Interest	100.0%												Company Share Discounted @			
	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash flow		5%	10%	15%	20%
Year	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$/yr.	$	$/yr.	%	$/yr.	$/yr.	t	$	$	$	$
2021	-24,170	$0	$0	$0			$0	($24,170)	50%	($12,085)	($12,085)	0.38	-11,866	-11,661	-11,468	-11,286
2022	-249,920	$6,000,000	$0	$0	$1,200,000		$1,200,000	($1,449,920)	50%	($724,960)	($5,524,960)	1.38	-5,166,469	-4,846,343	-4,559,000	-4,299,866
2023	5,830,013	$6,120,000	$0	$0	$1,200,000	$1,224,000	$2,424,000	$3,406,013	50%	$1,703,007	($1,992,993)	2.38	-1,774,930	-1,589,272	-1,430,041	-1,292,559
2024	10,374,151	$0	$0	$0	$1,200,000	$1,224,000	$2,424,000	$7,950,151	50%	$3,975,076	$6,399,076	3.38	5,427,544	4,638,921	3,992,657	3,458,442
2025	8,689,475	$0	$0	$0	$1,200,000	$1,224,000	$2,424,000	$6,265,475	50%	$3,132,737	$5,556,737	4.38	4,488,660	3,662,072	3,014,858	2,502,660
2026	6,985,038	$0	$0		$1,200,000	$1,224,000	$2,424,000	$4,561,038	50%	$2,280,519	$4,704,519	5.38	3,619,285	2,818,575	2,219,547	1,765,696
2027	5,803,199	$0	$0			$1,224,000	$1,224,000	$4,579,199	50%	$2,289,600	$3,513,600	6.38	2,574,367	1,913,700	1,441,463	1,098,935
2028	4,795,758	$0	$0				$0	$4,795,758	50%	$2,397,879	$2,397,879	7.38	1,673,232	1,187,288	855,423	624,979
2029	3,825,511	$0	$0				$0	$3,825,511	50%	$1,912,755	$1,912,755	8.38	1,271,157	860,985	593,356	415,448
2030	3,108,440	$0	$0				$0	$3,108,440	50%	$1,554,220	$1,554,220	9.38	983,700	635,998	419,247	281,312
2031	2,438,503	$0	$0				$0	$2,438,503	50%	$1,219,251	$1,219,251	10.38	734,944	453,570	285,992	183,903
2032	1,929,868	$0	$2,000,000				$0	($70,132)	50%	($35,066)	($35,066)	11.38	-20,131	-11,859	-7,152	-4,408
2033	0	$0	$0				$0	$0	50%	$0	$0	12.38	0	0	0	0
2034	0	$0	$0				$0	$0	50%	$0	$0	13.38	0	0	0	0
2035	0	$0	$0				$0	$0	50%	$0	$0	14.38	0	0	0	0
2036	0	$0	$0				$0	$0	50%	$0	$0	15.38	0	0	0	0
2037	0	$0	$0				$0	$0	50%	$0	$0	16.38	0	0	0	0
2038	0	$0	$0				$0	$0	50%	$0	$0	17.38	0	0	0	0
2039	0	$0	$0				$0	$0	50%	$0	$0	18.38	0	0	0	0
2040	0	$0	$0				$0	$0	50%	$0	$0	19.38	0	0	0	0
Totals	**53,505,867**	**12,120,000**	**2,000,000**	**0**	**6,000,000**	**6,120,000**	**12,120,000**	**39,385,867**		**19,692,933**	**19,692,933**	**198**	**13,799,493**	**9,711,974**	**6,814,881**	**4,723,257**

Zenith Energy Ltd

Robbana

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Probable Plus Possible Reserves

Year	Gross Revenue $/yr.	Royalty $/yr.	Corp Tax (Grosssed Up) $/yr.	Net Revenue $/yr.	Cumulative Net Revenue $	Operating Costs $/yr.	Capital Costs $/yr.	Total Expenditures $/yr.	Cumulative Expenditures $	R Factor #	Royalty Rate %	Tax Rate %
2021	$135,495	$2,710	($12,085)	$144,870	$2,644,870	155,600	0	155,600	$25,155,600	0.11	2%	50%
2022	$473,861	$9,477	($724,960)	$1,189,344	$3,834,214	709,565	6,000,000	6,709,565	$31,865,165	0.12	2%	50%
2024	$7,322,356	$146,447	$1,703,007	$5,472,903	$9,307,116	1,272,672	6,120,000	7,392,672	$39,257,837	0.24	2%	50%
2026	$12,432,495	$248,650	$3,975,076	$8,208,769	$17,515,886	1,685,369	0	1,685,369	$40,943,206	0.43	2%	50%
2028	$10,575,118	$211,502	$3,132,737	$7,230,878	$24,746,764	1,568,390	0	1,568,390	$42,511,596	0.58	5%	50%
2030	$8,996,696	$449,835	$2,280,519	$6,266,342	$31,013,106	1,471,856	0	1,471,856	$43,983,452	0.71	5%	50%
2032	$7,655,232	$382,762	$2,289,600	$4,982,870	$35,995,976	1,392,719	0	1,392,719	$45,376,170	0.79	5%	50%
2034	$6,515,055	$325,753	$2,397,879	$3,791,423	$39,787,400	1,328,394	0	1,328,394	$46,704,564	0.85	7%	50%
2036	$5,545,872	$388,211	$1,912,755	$3,244,905	$43,032,305	1,276,691	0	1,276,691	$47,981,255	0.90	7%	50%
2038	$4,721,951	$330,537	$1,554,220	$2,837,195	$45,869,500	1,235,755	0	1,235,755	$49,217,010	0.93	7%	50%
2040	$3,827,467	$267,923	$1,219,251	$2,340,293	$48,209,793	1,082,767	0	1,082,767	$50,299,777	0.96	7%	50%
2042	$3,247,528	$227,327	($35,066)	$3,055,267	$51,265,060	1,057,858	0	1,057,858	$51,357,635	1.00	7%	50%
2044	$0	$0	$0	$0	$51,265,060	0	0	0	$51,357,635	1.00	7%	50%
2046	$0	$0	$0	$0	$51,265,060	0	0	0	$51,357,635	1.00	7%	50%
2048	$0	$0	$0	$0	$51,265,060	0	0	0	$51,357,635	1.00	7%	50%
2050	$0	$0	$0	$0	$51,265,060	0	0	0	$51,357,635	1.00	7%	50%
2052	$0	$0	$0	$0	$51,265,060	0	0	0	$51,357,635	1.00	7%	50%
2054	$0	$0	$0	$0	$51,265,060	0	0	0	$51,357,635	1.00	7%	50%
2056	$0	$0	$0	$0	$51,265,060	0	0	0	$51,357,635	1.00	7%	50%
2058	$0	$0	$0	$0	$51,265,060	0	0	0	$51,357,635	1.00	7%	50%
Totals	$71,449,126	$2,991,133	$19,692,933	$48,765,060		$14,237,635	$12,120,000	$26,357,635				
			1 WI Factor	est	$2,500,000 Opening Balance			est	$25,000,000 Opening Balance	0.10	2%	50%
										Applies Subsequent Year		

TABLE P-1

PROSPECT SYNOPSIS

TRIASSIC PROSPECTS

El Bibane and Ezzaouia, Tunisia

This Summary contains the information required to be disclosed under NI 51-101, Sec. 5.9. More details regarding the prospects are presented in the Report Discussion, which follows.

1. (a) The Company owns a 45% working interest in the El Bibane Concession and a 45% working interest in the Ezzaouia Concession on which Triassic Prospects have been identified, based predominantly on seismic interpretation.

   (b) The subject lands are located in the Jeffara Basin in Northern Tunisia. El Bibane is located about 18 Km offshore in 25 feet of water and Ezzaouia is onshore near the Gulf of Gabes and east of Djerba Island.

   (c) The expected product from a successful prospect is natural gas.

   (d) The predominant risk on these prospects is the trap and seal which may have been breached due to faulting.

   (e) The economic and risk analysis, justifying undertaking these projects is presented in the following Discussions and a summary of the combined "before and after risk" values for the Forecast Prices and Costs Case are presented below:

Company Net Value, Thousands of Dollars

	Before Risk	After Risk
Undiscounted	3,908,869	392,999
Discounted @ 5%/year	2,384,619	224,209
Discounted @ 10%/year	1,529,652	129,774
Discounted @ 15%/year	1,012,377	72,756
Discounted @ 20%/year	680,078	36,186

2. (a) This report was prepared by a "Qualified Reserves Evaluator and Auditor" who is independent of the Company.

   (b) This evaluation has been prepared in accordance with COGEH standards.

(c) The Prospective Resources evaluated in this report are sub-classified as a "Prospect" on the grounds that definite drilling locations can be identified and plans to drill have been considered.

(d) (i) The applicable resource definitions are contained in the Introduction to this report.

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.

(ii) The effective date of the evaluation is October 1, 2021.

(iii) The significant positive and negative factors relevant to this estimate are as follows:

Positive Attributes

- If a discovery is made these prospects could be very large accumulations, as demonstrated by other Triassic reservoirs in north Africa
- the zone of interest has been identified by seismic
- the prospect is located in an active oil field with ample services and infrastructure
- the economic and risk analysis suggests a viable project

Negative Attributes

- there is not a lot of data to describe the reservoir characteristics
- there is no direct analog to develop a highly confident production profile
- in the event of a large discovery a major pipeline will need to be constructed

(iii.1) (A) The total costs to fully develop the Best Estimate discoveries would be $695 million ($512.5 million net to the Company's interest)

(B) The initial drilling is expected to commence in 2022. First commercial production is anticipated by 2023.

(C) The recovery technology would be primary natural gas expansion.

(D) This is a conceptual discovery and development.

SUMMARY OF COMPANY RESOURCES AND ECONOMICS

INDEX

Forecast Prices and Costs

Table 1: Summary of Prospective Resources and Economics.....115

Table 1

Summary of Company Prospective Resources and Economics

October 1, 2021
(as of September 30, 2021)

Zenith Energy Ltd.

	Resources		Cumulative Cash Flow (BIT) - M$				
	Gas MMscf		Discounted at:				
Description	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
BEFORE RISK							
Arithmetic Average							
El Bibane - Triassic Prospect	687,263	622,566	2,915,000	1,799,873	1,168,357	783,367	534,548
Ezzaouia - Triassic Prospect	230,585	209,555	993,869	584,746	361,295	229,010	145,529
Total Before Risk Arithmetic Average	**917,848**	**832,121**	**3,908,869**	**2,384,619**	**1,529,652**	**1,012,377**	**680,078**
AFTER RISK							
El Bibane - Triassic Prospect	68,726	62,257	264,500	152,987	89,836	51,337	26,455
Ezzaouia - Triassic Prospect	32,282	29,338	128,499	71,222	39,939	21,419	9,732
Total After Risk	**101,008**	**91,594**	**392,999**	**224,209**	**129,774**	**72,756**	**36,186**

M$ means thousands of dollars

EL BIBANE TRIASSIC PROSPECT
JEFFARA BASIN, TUNISIA
INDEX

Discussion **117**

Property Description 117
Geology 117
Prospective Resources 118
Productivity Estimates 118
Product Prices 119
Operating Environment 119
Capital Expenditures 119
Operating Costs 119
Economics and Risk 120

Attachments

Figure 1: Triassic Prospect Map 122

Table 1: Schedule of Lands, Interests and Royalty Burdens 123

Figure 2: Geological Maps and Figures
a) Stratigraphic Chart 124
b) Stratigraphic Correlation Schematic 125

Table 2: Summary of Gross Prospective Resources 126

Table 3: Summary of Anticipated Capital Expenditures
a) Development 127
b) Abandonment 128

Table 4: Summary of Company Prospective Resources and Economics 129

Economic Model
a) Best Estimate 130
b) Low Estimate 133
c) High Estimate 136

Figure 4: Risk Analysis 139

Appendix A – Monte Carlo Simulation 141

EL BIBANE TRIASSIC PROSPECT
JEFFARA BASIN, TUNISIA
DISCUSSION

Property Description

The Company owns a 100% working interest in the El Bibane Concession, in Tunisia. It is comprised of 56,340 acres of land (228 Km squared) and is located about 18 km offshore Tunisia in 25 feet of water depth. The Concession contains a total of three wells, including one oil/gas producer, which is under a gas cycling scheme, a gas injector and one suspended well.

Besides the producing formations the seismic interpretation over these lands indicates a deeper huge Triassic structure, originally identified by Marathon Petroleum, the original company to hold this concession. This portion of the report is an evaluation of the Triassic Prospect on this concession.

Production will be subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures and is slightly different for gas production than for oil.

A map showing the Concession boundary and Triassic Prospect outline is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

Geology

The Ras Hamia B Formation is the primary natural gas prospect in the Middle Triassic for the El Bibane block. The Ras Hamia sandstones and equivalent age sediments, such as the Trias Argilo-Greseux Formation are major hydrocarbon reservoirs in the Ghadame/Berkine and Melrhir Basins in Tunisia and elsewhere in North Africa. This interval has yet to be penetrated in the El Bibane concession, however a number of wells in the vicinity of the Company's blocks have encountered the Ras Hamia Formation.

For Triassic evaluation purposes the relevant geology begins with the Silurian age Tannezuft shale, a regionally extensive rich source rock. From regional control in Lybia it almost certainly extends into Northern Tunisia. From Marathon's interpretation, there is very little risk that a satisfactory mature

source rock not is not present to feed the Triassic reservoir on this concession. As the Triassic unconformably overlies the Silurian in many areas the migration route should not be a problem either.

The Ras Hamia Formation is a sand shale sequence at the top of Middle Triassic, unconformably overlain by an Upper Triassic evaporitic and dolomitic sequence, which provide excellent regional top seals.

A stratigraphic chart for this Basin is attached, Figure 2a and a stratigraphic correlation schematic demonstrating the Ras Hamia B formation orientation is presented in Figure 2b.

Prospective Resources

Prospective resources have been estimated through the use of a Monte Carlo simulation (the Model), which was found to be the best means of representing the ranges of reservoir parameters and resource volumes, in view of the degree of uncertainty in the parameters and lack of a definite analog reservoir. However, the data provided in material from Marathon was sufficient to establish confident ranges for each parameter for input into the model.

Prospective resources of 633,738, 326,669 and 1,101,338 MMscf have been assigned to the Best, Low and High cases for the applicable performance profile for each case. A shrinkage of 8% was used to convert the raw gas to Marketable Resources. For this evaluation, to be conservative, only the primary product has been included. In reality there may be significant liquid recoveries from this gas, although there is no evidence to demonstrate that circumstance.

A summary of the Prospective Resources is presented on Table 2 and the full Monte Carlo presentation of inputs and results is presented in the Appendix A.

Productivity Estimates

Production forecasts have been developed for each case, based on reasonable expectations in consideration of the resources to be recovered in approximately a 20-year life and the well count to be drilled in each case.

The estimated initial rate per well for each case is presented on Table 2 and the forecast is presented on page one of each of the economic analysis files.

Product Prices

For this evaluation a gas price based on the latest World Bank European forecast has been used on par.

Operating Environment

This prospect is situated in an active onshore and offshore oil and gas field environment within economic reach of a major gas pipeline connected to Italy and the rest of Europe.

Capital Expenditures

The total cost to fully develop this prospect (Best estimate) is $363 million ($363 million net to the Company). This includes a seismic program the drilling, completion and equipping of four gas wells, a local gas handling and processing facility and a 400 Km 8" pipeline to the main gas export line. Drilling costs were based on the data from the reserves portion extrapolated to the deeper zone.

The total cost for the Low case, is $338 million (338 million net to the Company), including only three wells, and for the High case $465 million (465 net to the Company), including six wells and a 10" line.

For the purpose of conducting a prospect risk analysis, we have assumed that the seismic cost and drilling of a D&A exploration well would terminate the project. The net dry hole costs (capital exposure) would be $30,000 thousand.

Capital expenditures for this project are shown on Table 3a and page one of each of the economic analyses Table 4a, 4b and 4c.

Abandonment and decommissioning costs have been accounted for at $500,000 per well, in the final year of production. Facilities would be assigned to or taken over by the government as presented on Table 3b.

Operating Costs

Fixed operating costs have been estimated to be $10,000,000 per year plus an additional $300,000 per well per year.

Variable operating costs of $0.25/Mscf have been estimated for gas processing and handiling.

Economics and Risk

The results of the economic analysis, before income tax are summarized in Table 4, and the before risk cash flows are presented in Tables 4a, 4b and 4c, for the best, low and high estimates, respectively. The before risk analysis for each case represents the results of an assumed successful exploration program and development model having parameters which are considered to be reasonable based on the information available. This defines the 100% Chance of Success (COS) case.

A risk analysis has been performed to determine the feasibility of the Company participating in this project and to determine the after-risk value, utilizing the "Expected Value" technique. In this procedure the Success Case, established by the arithmetic average of the best, low and high estimate results, is offset by the Failure Case (COS=0%).

The failure case (COS=0%) is defined by the net capital exposure or amount of expenditure made by the Company before deciding to stop further activity on the project. This might include one or more dry holes and any land, geological or geophysical expenses undertaken prior to drilling. The capital exposure of this project net to the Company is $30,000,000 representing the cost of drilling one dry and abandoned exploration well.

The Success Case and Failure Case represent the boundary conditions for the risk analysis. The after-risk value is determined by applying the Chance of Commerciality (COC) to the equation: [Net present value of Success case at the designated DCF% times COC, less capital exposure times (1-COC)].

In establishing the Chance of Commerciality, consideration has been given to the Chance of Discovery, which involves geological factors and the Chance of Development, which involves other factors related to the likelihood of full development, once a discovery is made. The Chance of Commerciality is the product of the Chance of Discovery and the Chance of Development.

The Chance of Discovery, or geological factors, include the four main geological components of a petroleum system needed for commercial production: source rocks capable to generate enough economic volumes of hydrocarbons, presence of reservoir rocks of reasonable quality to accumulate hydrocarbons, a trapping mechanism with a good vertical and lateral seal to hold and retain

hydrocarbons, and proper geological timing to coincide with the hydrocarbon generation, expulsion, reservoir presence, and traps formation, and for hydrocarbons to migrate into the trap.

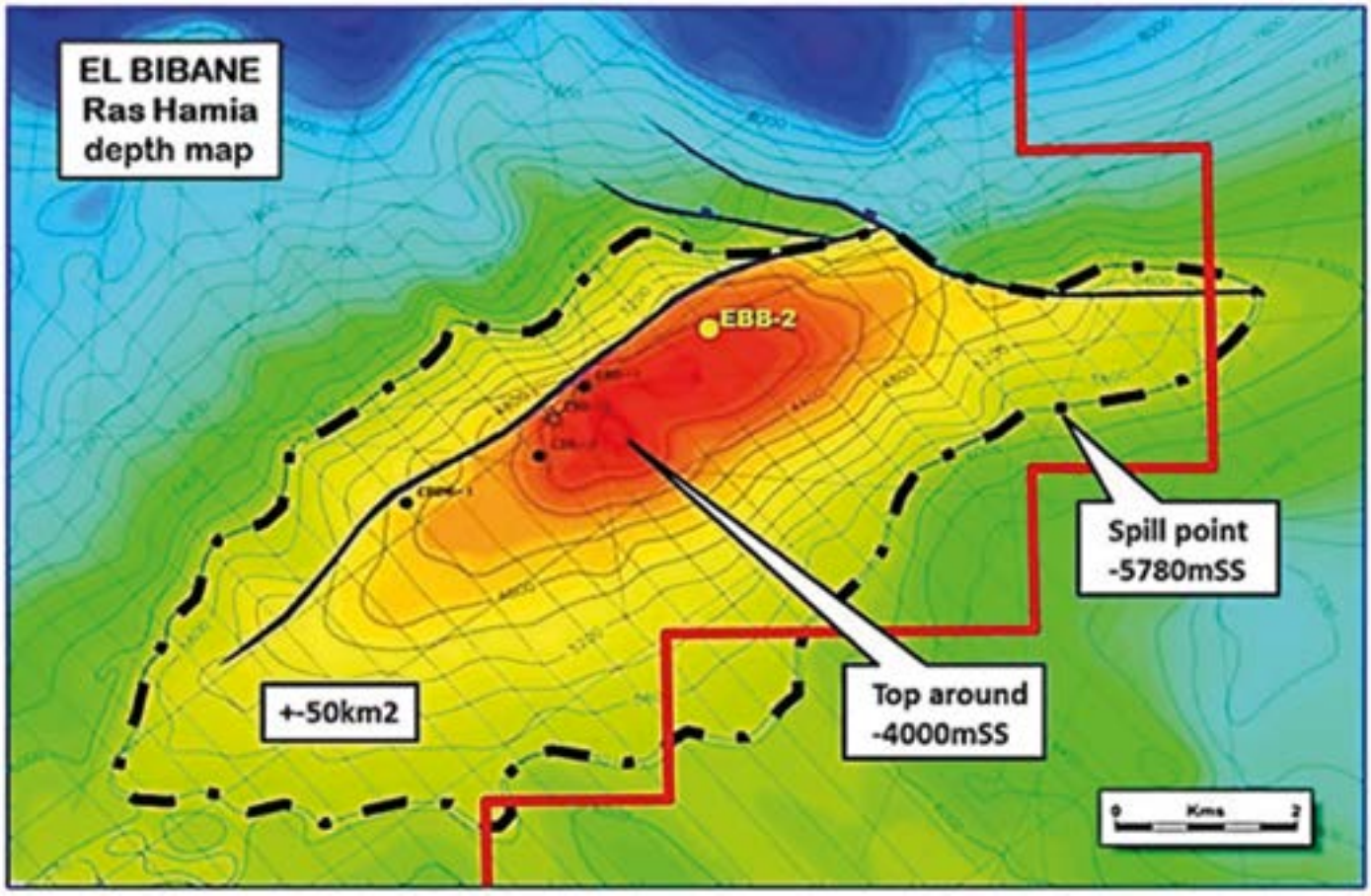
The ranges of chance of success assigned to each of these geological factors can be qualitatively described so that COS 5% to 30% is unfavourable, COS 30% to 50% is questionable, COS 50% is neutral, COS 50% to 70% is encouraging and COS 70% to 95% is considered favourable. A neutral assessment would apply in cases of lack of data or information. The product of all four of these factors results in the overall geological Chance of Discovery.

For this project the results of estimating the overall geological chance of discovery for the Triassic formation is 15%, as shown in Figure 4. The source rock element was rated at 75% based on the existence of prolific source rocks that have generated hydrocarbons in large quantities, as seen in numerous producing fields in the basin. The rating of 75% was also given to the factor of geological timing and hydrocarbon migration that is proved via carrier beds, faults and juxtaposition reservoirs. A rating of 65% was assigned to the reservoir rocks' factor. The rating for the geological trap and reservoir seal elements was estimated at 50%, based on the best geological assumptions that similar Triassic reservoirs experienced in the immediate area. Much of the above judgement was based on a prosect summary developed by Marathon while the property was under its control.

The Chance of Development risk factors include Economic Viability (production forecast, capital and operating costs and price forecast), Market Access, Production and Transportation Infrastructure (facilities and pipelines), Regulatory and Social License, Corporate and External Approvals and a Reasonable Timetable for Development (development plan). For this report, we have assigned an overall Chance of Development of 66%.

For this project the results of the risk analysis before income tax indicate that in order to achieve a 10 percent rate of return a minimum COC of 2 percent would be required. Since we have estimated a COC of 10 percent, the Company's development of this project is considered feasible.

The graphical presentation of the risk analysis and the supporting data and results, before and after risk are shown on Figure 4.



Source: Candax Presentation, May 2020, p. 39

ZENITH ENERGY LTD.
EL BIBANE CONCESSION **TUNISIA** **TRIASSIC PROSPECT MAP**
OCT. 2021 **JOB No. 6773** **FIGURE No. 1**

Table 1

Schedule of Lands, Interests and Royalty Burdens
October 1, 2021

Zenith Energy Ltd

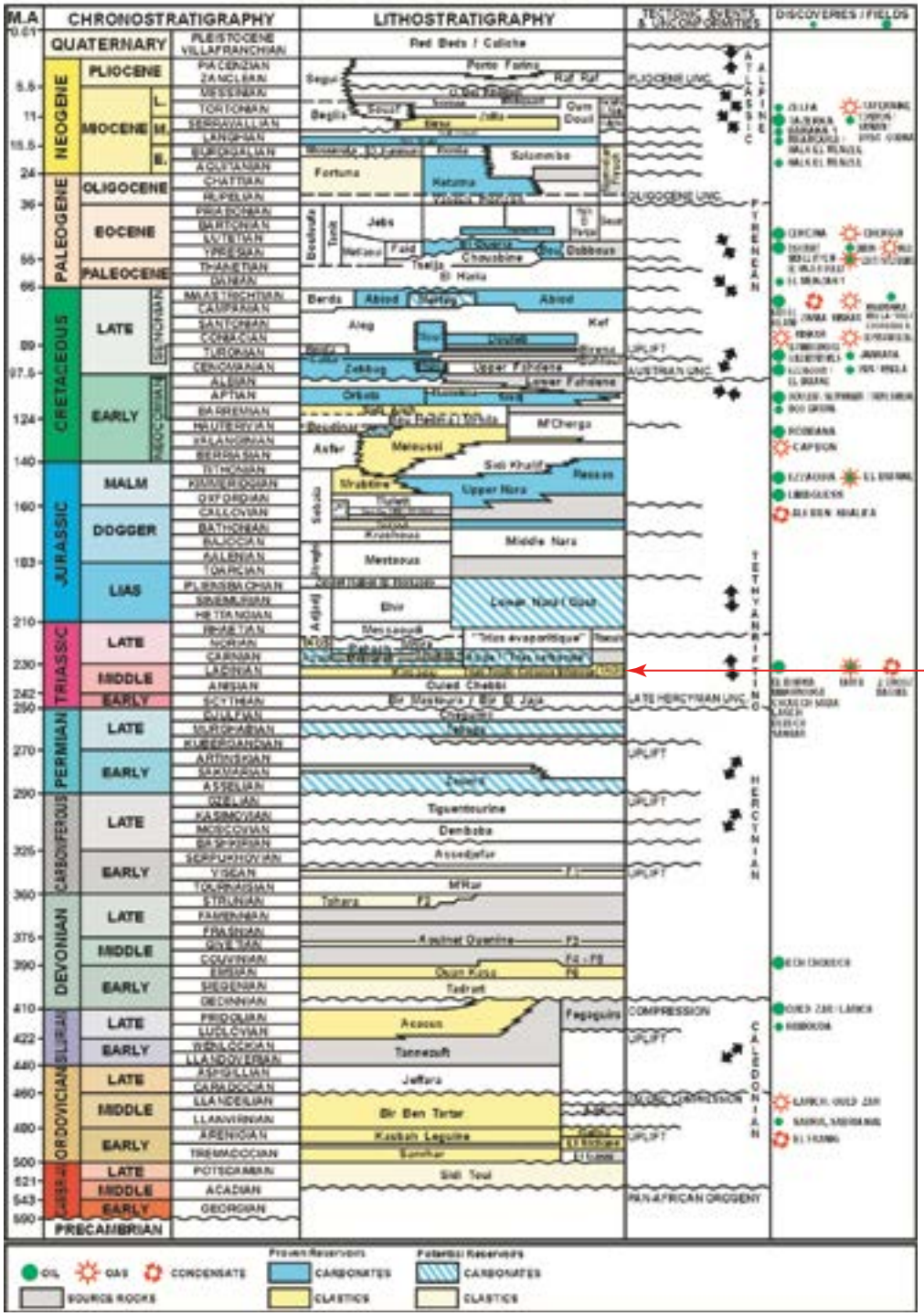
El Bibane Concession, Tunisia

Description	Gross Acres	Appraised Interest		Royalty Burdens	
		Working %	Royalty %	Basic %	Overriding %
Ezzaouia Concession	228 Km squared (56,340 Acres)	100.0000	-	[1]	-

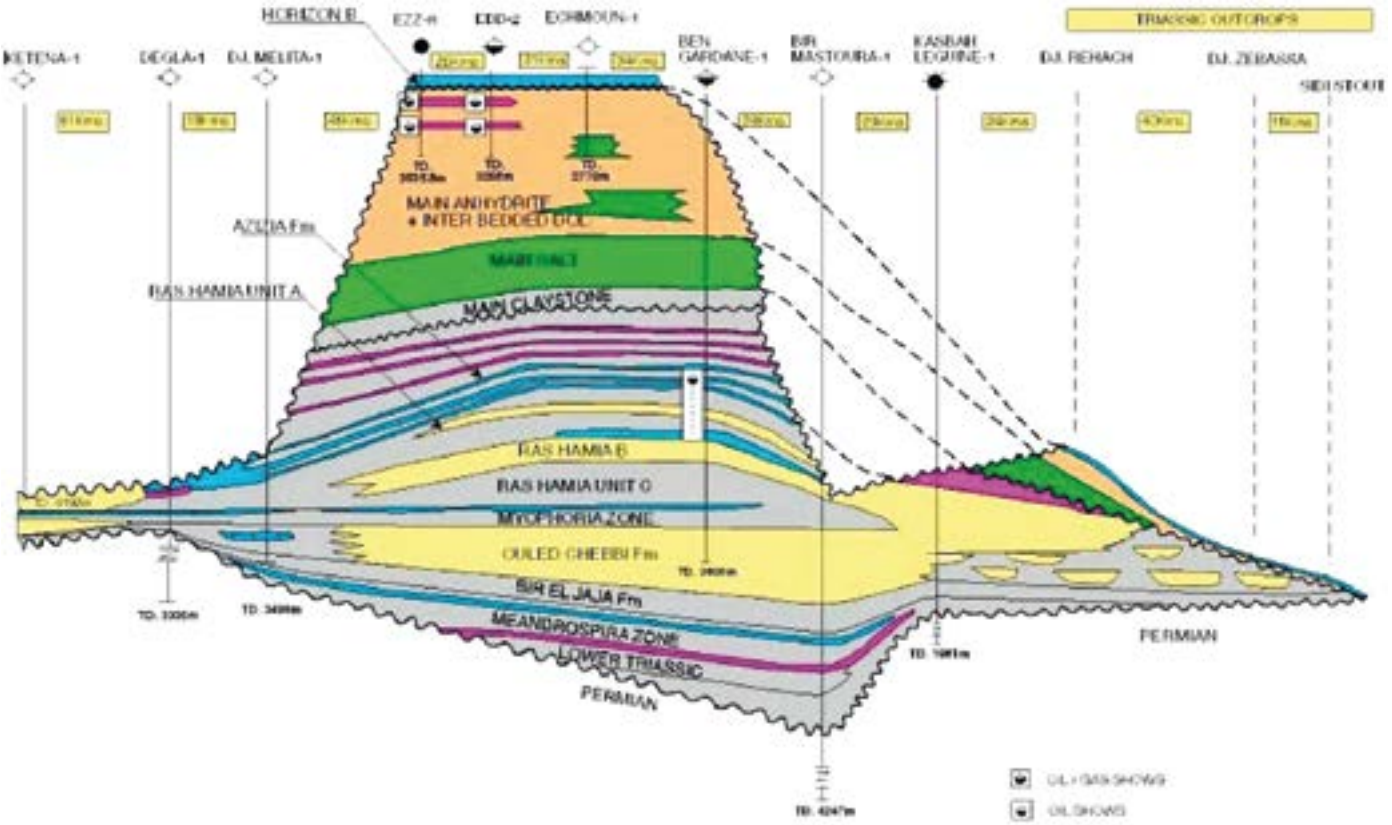
Note: [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

	Gas		
Royalty Rate =	2%	When "R" Factor is	< 0.5
	4%		0.5 to 0.8
	6%		0.8 to 1.1
	8%		1.1 to 1.5
	9%		1.5 to 2.0
	10%		2.0 to 2.5
	11%		> 2.5

TUNISIAN STRATIGRAPHIC CHART

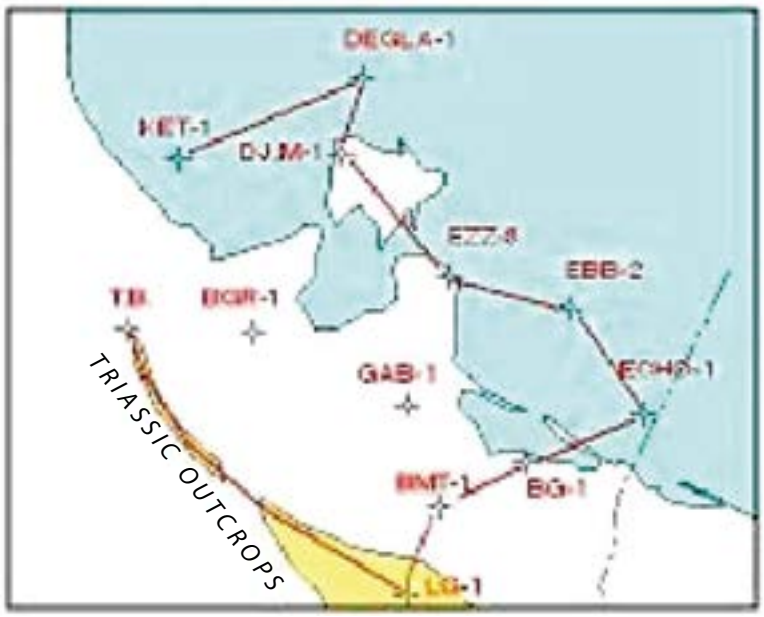


ZENITH ENERGY LTD.		
EL BIBANE CONCESSION		
TUNISIA		
STRATIGRAPHIC CHART		
OCT. 2021	**JOB No. 6773**	**FIGURE No. 2a**



Source: Ryder Scott Company Petroleum Consultants, Candax Report 2007

INDEX MAP



ZENITH ENERGY LTD.		
EL BIBANE CONCESSION		
TUNISIA		
STRATIGRAPHIC CORRELATION Schematic		
OCT. 2021	**JOB No. 6773**	**FIGURE No. 2b**

Table 2

Summary of Gross Resources
October 1, 2021

El Bibane Concession, Tunisia

Description		Predicted Initial Rate Mscf/d/well	Prospective Resources Raw Gas (MMscf)	Sales Gas (MMscf)	NGLs (MBbls)	Reference
Prospective Resources						
Best Estimate						
Deep Prospect - 4 wells	Triassic	40,000	688,846	633,738	0	Monte Carlo - P50
	Total Best Estimate		**688,846**	**633,738**	**0**	
Low Estimate						
Deep Prospect - 3 wells	Triassic	27,500	355,075	326,669	0	Monte Carlo - P10
	Total Low Estimate		**355,075**	**326,669**	**0**	
High Estimate						
Deep Prospect - 6 wells	Triassic	50,000	1,197,155	1,101,383	0	Monte Carlo - P90
	Total High Estimate		**1,197,155**	**1,101,383**	**0**	

Table 3a

Summary of Anticipated Capital Expenditures

Development

October 1, 2021

Zenith Energy Ltd

El Bibane Concession, Tunisia

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$
Prospective Resources					
Best Estimate					
Exploration	2021	Seismic program	100%	5,000	5,000
First well	2022	Drill, Complete and tie in	100%	25,000	25,000
Gas Facility	2022	Separator , dehyde and local piping and site buildings	100%	50,000	50,000
Gas Transmission pipeline	2022	400 kilometer, 8" line	100%	208,000	208,000
Second and Third wells	2023	Drill, Complete and tie in	100%	50,000	50,000
Final Well	2024	Drill, Complete and tie in	100%	25,000	25,000
Total Best Estimate				**363,000**	**363,000**
					-
Low Estimate					
Exploration	2021	Seismic program	100%	5,000	5,000
First well	2022	Drill, Complete and tie in	100%	25,000	25,000
Gas Facility	2022	Separator , dehyde and local piping and site buildings	100%	50,000	50,000
Gas Transmission pipeline	2022	400 kilometer, 8" line	100%	208,000	208,000
Second and Third wells	2023	Drill, Complete and tie in	100%	50,000	50,000
Total Low Estimate				**338,000**	**338,000**
High Estimate					
Exploration	2021	Seismic program	100%	5,000	5,000
First well	2022	Drill, Complete and tie in	100%	25,000	25,000
Gas Facility	2022	Separator , dehyde and local piping and site buildings	100%	50,000	50,000
Gas Transmission pipeline	2022	400 kilometer, 10" line	100%	260,000	260,000
Second,Third and Fourth wells	2023	Drill, Complete and tie in	100%	75,000	75,000
Final two Wells	2024	Drill, Complete and tie in	100%	50,000	50,000
Total Best Estimate				**465,000**	**465,000**

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2021

Zenith Energy Ltd

El Bibane Concession, Tunisia

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Prospective Resources				
Best Estimate				
Deep Prospect - 4 wells	Triassic	100%	4,000	4,000
	Total Best Estimate		**4,000**	**4,000**
Low Estimate				
Deep Prospect - 3 wells	Triassic	100%	3,000	3,000
	Total Best Estimate		**3,000**	**3,000**
High Estimate				
Deep Prospect - 6 wells	Triassic	100%	6,000	6,000
	Total Best Estimate		**6,000**	**6,000**

Note: The above capital values are expressed in terms of current dollar values without escalatic

Table 4

Summary of Company Prospective Resources and Economics

October 1, 2021
(as of September 30, 2021)

Zenith Energy Ltd

El Bibane Triassic Prospect

	Resources		Cumulative Cash Flow (BIT) - M$				
	Gas MMscf		Discounted at:				
Description	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
BEFORE RISK							
Best Estimate							
EBB Triassic Prospect	633,738	575,759	2,672,514	1,628,807	1,046,001	694,530	469,216
Low Estimate							
EBB Triassic Prospect	326,669	300,170	1,123,179	656,075	387,649	223,210	117,171
High Estimate							
EZZ Triassic Prospect	1,101,383	991,768	4,949,307	3,114,738	2,071,420	1,432,360	1,017,257
Arithmetic Average							
EBB Triassic Prospect	**687,263**	**622,566**	**2,915,000**	**1,799,873**	**1,168,357**	**783,367**	**534,548**
Chance of Commerciality	10%	10%					
AFTER RISK							
Arithmetic Average After Risk							
EBB Triassic Prospect	**68,726**	**62,257**	**264,500**	**152,987**	**89,836**	**51,337**	**26,455**

M$ means thousands of dollars

Gross and Net Resources are the same due to the terms of the PSA agreement.

Zenith Energy Ltd

El Biberie Triassic Prospect

October 1, 2021

Production and Capital Forecast - Prospective Resources - Best Estimate

	Single Well Production Profile				Development Program -				Total GAS Sales		Capital Expenditures - M$					
						# Wells	# Wells	# Wells								
Year	Mscf/d	Days On	Mscf/yr	Year	Well Count	1	2	1	Mscf/yr	Mscf/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline	Total Capital (Escalated)
1	40,000	365	14,600,000	2021	0.0	0	-	-	0	0	5000	0	0	0	0	5000
2	40,000	365	14,600,000	2022	0.0	0	0	-	0	0	0	20000	5000	50000	208000	288660
3	40,000	365	14,600,000	2023	1.0	14,600,000	0	0	14,600,000	40000	0	40000	10000	0	0	57020
4	40,000	365	14,600,000	2024	3.0	14,600,000	29,200,000	0	43,800,000	120000	0	20000	5000	0	0	26530
5	40,000	365	14,600,000	2025	4.0	14,600,000	29,200,000	14,600,000	58,400,000	160000	0	0	0	0	0	0
6	35,565	365	12,981,053	2026	4.0	14,600,000	29,200,000	14,600,000	58,400,000	160000	0	0	0	0	0	0
7	31,621	365	11,541,625	2027	4.0	14,600,000	29,200,000	14,600,000	58,400,000	160000	0	0	0	0	0	0
8	28,115	365	10,261,811	2028	4.0	12,981,053	29,200,000	14,600,000	56,781,053	155565	0	0	0	0	0	0
9	24,997	365	9,123,912	2029	4.0	11,541,625	25,962,105	14,600,000	52,103,731	142750	0	0	0	0	0	0
10	22,225	365	8,112,191	2030	4.0	10,261,811	23,083,251	12,981,053	46,326,115	126921	0	0	0	0	0	0
11	19,761	365	7,212,656	2031	4.0	9,123,912	20,523,623	11,541,625	41,189,160	112847	0	0	0	0	0	0
12	17,569	365	6,412,867	2032	4.0	8,112,191	18,247,824	10,261,811	36,621,826	100334	0	0	0	0	0	0
13	15,621	365	5,701,765	2033	4.0	7,212,656	16,224,381	9,123,912	32,560,949	89208	0	0	0	0	0	0
14	13,889	365	5,069,515	2034	4.0	6,412,867	14,425,311	8,112,191	28,950,369	79316	0	0	0	0	0	0
15	12,349	365	4,507,372	2035	4.0	5,701,765	12,825,735	7,212,656	25,740,156	70521	0	0	0	0	0	0
16	10,980	365	4,007,564	2036	4.0	5,069,515	11,403,530	6,412,867	22,885,912	62701	0	0	0	0	0	0
17	9,762	365	3,563,178	2037	4.0	4,507,372	10,139,029	5,701,765	20,348,167	55748	0	0	0	0	0	0
18	8,680	365	3,168,069	2038	4.0	4,007,564	9,014,745	5,069,515	18,091,823	49567	0	0	0	0	0	0
19	7,717	365	2,816,772	2039	4.0	3,563,178	8,015,128	4,507,372	16,085,679	44070	0	0	0	0	0	0
20	6,861	365	2,504,429	2040	4.0	3,168,069	7,126,357	4,007,564	14,301,990	39184	0	0	0	0	0	0
21	6,101	365	2,226,721	2041	4.0	2,816,772	6,336,138	3,563,178	12,716,088	34839	0	0	0	0	0	0
22	0	365	0	2042	4.0	2,504,429	5,633,544	3,168,069	11,306,041	30975	0	0	0	0	0	0
23	0	365	0	2043	4.0	2,226,721	5,008,858	2,816,772	10,052,351	27541	0	0	0	0	0	0
24	0	365	0	2044	3.0	0	4,453,442	2,504,429	6,957,871	19063	0	0	0	0	0	0
25	0	365	0	2045	1.0	0	0	2,226,721	2,226,721	6101	0	0	0	0	0	0
Total			172,211,500			172,211,500	344,423,000	172,211,500	688,846,000			80,000	20,000	50,000		372,210
Decline % =	11%										5000	20000	5000	50000	26000	
First year prod Months.	12														Cost /ID	
IP Mscf/d	40000									2021	1	0	0	0		
										2022		1	1	1	8	
										2023		2	2	0	0	
										2024		1	1			
										2025		0	0			
										2026		0	0			
										2027		0	0			

Zenith Energy Ltd

El Bibane Triassic Prospect

October 1, 2021

Production Streams, Revenues and Cash Flows - Prospective Resources - Best Estimate

Before Income Tax

Year	Gross Production Mscf/yr	Gross Sales Mscf/yr	Oil Price $/STB	Gross Revenue M$/yr	Royalty Rate %	Royalty M$/yr	Export Payment $/yr	Operating Costs - M$/yr Fixed	Variable	Remedial Work	Total (Escalated)	Project Total Revenue (Operating Cash Flow) M$/yr	Total Capital Costs M$/yr	Abandon & Reclamation M$/yr	Project Undiscounted Net Cash Flow (Profit) M$/yr	Company's Share Undiscounted Net Cash Flow (Profit) M$/yr	t	Company Share Discounted @ 5% M$	10% M$	15% M$	20% M$
2021	0	0	$5.50	$0	5%	$0	$0	0	0	0	0	0	5,000	0	-5,000	-5,000	0.13	-4,870	-4,841	-4,813	-4,887
2022	0	0	$5.60	$0	4%	$0	$0	0	0	0	0	0	288,660	0	-288,660	-288,660	0.87	-278,664	-265,890	-255,811	-246,370
2023	14,600,000	13,432,000	$5.60	$75,219	2%	$1,504	$752	10,300	3,650	0	14,514	58,449	52,020	0	6,429	6,429	1.87	5,868	5,380	4,950	4,572
2024	43,800,000	40,296,000	$5.70	$229,687	2%	$4,594	$2,297	10,900	10,950	0	23,187	199,609	26,530	0	173,079	173,079	2.87	150,463	131,458	115,889	102,564
2025	58,400,000	53,728,000	$5.80	$311,622	4%	$12,465	$3,116	11,700	14,600	0	27,327	268,115	0	0	268,115	268,115	3.87	221,382	185,409	156,106	132,400
2026	58,400,000	53,728,000	$5.86	$314,846	6%	$18,891	$3,148	11,700	14,600	0	28,485	264,322	0	0	264,322	264,322	4.87	208,621	166,169	133,824	108,773
2027	58,400,000	53,728,000	$5.92	$318,070	8%	$25,446	$3,181	11,700	14,600	0	29,055	260,388	0	0	260,388	260,388	5.87	195,542	148,815	114,657	89,791
2028	56,787,053	52,238,568	$5.98	$312,387	9%	$28,115	$3,124	11,700	14,195	0	29,171	251,877	0	0	251,877	251,877	6.87	185,715	130,916	96,464	72,009
2029	52,103,731	47,935,432	$6.04	$289,530	9%	$26,058	$2,895	11,700	13,026	0	28,385	232,192	0	0	232,192	232,192	7.87	158,157	108,670	77,296	55,296
2030	46,326,115	42,620,026	$6.10	$259,982	9%	$23,398	$2,600	11,700	11,582	0	27,226	206,758	0	0	206,758	206,758	8.87	134,126	88,779	58,851	41,037
2031	41,189,160	37,894,027	$6.18	$234,185	9%	$21,077	$2,342	11,700	10,297	0	26,205	184,562	0	0	184,562	184,562	9.87	114,009	72,044	46,417	30,523
2032	36,621,826	33,692,080	$6.26	$210,912	10%	$21,091	$2,109	11,700	9,155	0	25,309	162,403	0	0	162,403	162,403	10.87	95,338	57,631	35,547	22,560
2033	32,560,949	29,956,073	$6.34	$189,922	10%	$18,992	$1,899	11,700	8,140	0	24,528	144,502	0	0	144,502	144,502	11.87	80,976	46,617	27,504	16,596
2034	28,950,369	26,634,340	$6.42	$170,992	10%	$17,099	$1,710	11,700	7,238	0	23,851	128,332	0	0	128,332	128,332	12.87	68,490	37,837	21,240	12,282
2035	25,740,156	23,680,943	$6.50	$153,926	10%	$15,393	$1,539	11,700	6,435	0	23,269	113,725	0	0	113,725	113,725	13.87	57,804	30,321	16,347	9,070
2036	22,885,972	21,055,039	$6.58	$138,562	10%	$13,850	$1,385	11,700	5,721	0	22,774	100,493	0	0	100,493	100,493	14.87	48,646	24,357	12,578	6,879
2037	20,348,167	18,720,313	$6.71	$125,607	10%	$12,561	$1,256	11,700	5,087	0	22,359	89,431	0	0	89,431	89,431	15.87	41,230	19,706	9,732	4,853
2038	18,091,823	16,644,478	$6.84	$113,912	10%	$11,391	$1,139	11,700	4,523	0	22,014	79,366	0	0	79,366	79,366	16.87	34,847	15,898	7,510	3,663
2039	16,085,479	14,798,825	$6.98	$103,306	10%	$10,331	$1,033	11,700	4,021	0	21,740	70,203	0	0	70,203	70,203	17.87	29,356	12,784	5,737	2,708
2040	14,301,990	13,157,830	$7.12	$93,688	10%	$9,369	$957	11,700	3,575	0	21,525	61,857	0	0	61,857	61,857	18.87	24,835	10,240	4,436	1,983
2041	12,716,088	11,698,801	$7.26	$84,965	10%	$8,497	$850	11,700	3,179	0	21,366	54,253	0	0	54,253	54,253	19.87	20,577	8,165	3,376	1,445
2042	11,306,041	10,401,558	$7.41	$77,055	10%	$7,705	$771	11,700	2,827	0	21,260	47,319	0	0	47,319	47,319	20.87	17,093	6,474	2,580	1,053
2043	10,052,351	9,248,163	$7.56	$69,881	10%	$6,988	$699	11,700	2,513	0	21,200	40,994	0	0	40,994	40,994	21.87	14,103	5,099	1,929	760
2044	6,957,871	6,401,241	$7.71	$49,336	10%	$4,934	$493	10,900	1,739	0	19,631	23,978	0	0	23,978	23,978	22.87	7,856	2,711	981	371
2045	2,226,731	2,048,583	$7.86	$16,105	10%	$1,610	$161	6,180	557	0	10,836	3,498	0	2,800	1,498	1,498	23.87	467	154	53	19
Totals	680,846,000	633,738,320		3,943,638		$321,358	$39,436	$211,080	$172,211.2	$0	$536,119	3,046,734	372,210	2,800	2,672,314	2,672,314		1,628,807	1,046,001	694,530	469,714
Company Gross	**633,738,320**			**$3,943,638**		**$321,358**	**$39,436**	**$211,080**	**$172,211.50**		**$536,119**	**3,046,734**	**372,210**	**2,800**	**2,672,314**	100.0%					
Company Net	**$75,758,080**		$0.00				1%	10,300	$0.25												
	Shrinkage	8%	Price Differential			0.091487666		M$/yr	$/Mscf												

Table 4a, Page 3

Zenith Energy Ltd

El Bibane Triassic Prospect

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - Best Estimate

Year	Gross Revenue M$/yr.	Royalty M$/yr.	Corp Tax (Grossed Up) M$/yr.	Net Revenue M$/yr.	Cumulative Net Revenue M$	Operating Costs M$/yr.	Capital Costs M$/yr.	Total Expenditures M$/yr.	Cumulative Expenditures M$	R Factor #	Royalty Rate %	Tax Rate %
2021	$0	$0	($500)	$500	$72,500	0	5,000	5,000	$101,000	0.72	4%	50%
2022	$0	$0	($29,366)	$29,366	$101,866	0	288,660	288,660	$389,660	0.26	2%	50%
2023	$75,219	$1,504	($5,343)	$79,058	$180,924	14,514	52,020	66,534	$456,194	0.40	2%	50%
2024	$229,687	$4,594	$62,584	$162,510	$343,434	23,187	26,530	49,718	$505,911	0.68	4%	50%
2025	$311,622	$12,465	$96,836	$202,321	$545,755	27,927	0	27,927	$533,838	1.02	6%	50%
2026	$314,846	$18,891	$95,440	$200,516	$746,271	28,485	0	28,485	$562,323	1.33	8%	50%
2027	$318,070	$25,446	$122,339	$170,285	$916,556	29,055	0	29,055	$591,378	1.55	9%	55%
2028	$312,387	$28,115	$135,669	$148,603	$1,065,159	29,171	0	29,171	$620,549	1.72	9%	55%
2029	$289,530	$26,058	$127,706	$135,766	$1,200,925	28,385	0	28,385	$648,934	1.85	9%	55%
2030	$259,982	$23,398	$113,717	$122,867	$1,323,792	27,226	0	27,226	$676,160	1.96	9%	55%
2031	$234,185	$21,077	$101,509	$111,600	$1,435,392	26,205	0	26,205	$702,365	2.04	10%	60%
2032	$210,912	$21,091	$97,442	$92,380	$1,527,771	25,309	0	25,309	$727,674	2.10	10%	60%
2033	$189,922	$18,992	$86,701	$84,228	$1,612,000	24,528	0	24,528	$752,203	2.14	10%	60%
2034	$170,992	$17,099	$76,999	$76,894	$1,688,893	23,851	0	23,851	$776,054	2.18	10%	60%
2035	$153,926	$15,393	$68,235	$70,298	$1,759,192	23,269	0	23,269	$799,323	2.20	10%	60%
2036	$138,502	$13,850	$60,296	$64,356	$1,823,548	22,774	0	22,774	$822,097	2.22	10%	60%
2037	$125,607	$12,561	$53,659	$59,387	$1,882,935	22,359	0	22,359	$844,455	2.23	10%	60%
2038	$113,912	$11,391	$47,620	$54,901	$1,937,837	22,016	0	22,016	$866,471	2.24	10%	60%
2039	$103,306	$10,331	$42,122	$50,854	$1,988,691	21,740	0	21,740	$888,211	2.24	10%	60%
2040	$93,688	$9,369	$37,114	$47,205	$2,035,896	21,525	0	21,525	$909,736	2.24	10%	60%
2041	$84,965	$8,497	$32,552	$43,917	$2,079,813	21,366	0	21,366	$931,103	2.23	10%	60%
2042	$77,055	$7,705	$28,391	$40,958	$2,120,770	21,260	0	21,260	$952,362	2.23	10%	60%
2043	$69,881	$6,988	$24,596	$38,296	$2,159,067	21,200	0	21,200	$973,562	2.22	10%	60%
2044	$49,336	$4,934	$14,387	$30,016	$2,189,083	19,931	0	19,931	$993,494	2.20	10%	60%
2045	$16,105	$1,610	$899	$13,596	$2,202,678	10,836	0	10,836	$1,004,329	2.19	10%	60%
Totals	$3,646,296	$291,624	$1,390,777	$1,963,896		$441,526	$372,210	$813,736				
			1.0 WI Factor	est	$72,000 Opening Balance			est	$96,000 Opening Balance	0.75 Applies Subsequent Year	5%	50%

Zenith Energy Ltd

El Biberne Triassic Prospect

October 1, 2021

Production and Capital Forecast - Prospective Resources - Low Estimate

	Single Well Production Profile				Development Program - # Wells			Total GAS Sales		Capital Expenditures - M$					
Year	Mscf/d	Days On	Mscf/yr	Year	Well Count	1	2	Mscf/yr	Mscf/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline	Total Capital (Escalated)
1	27,500	365	10,037,500	2021	0.0	0	-	0	0	5000	0	0	0	0	5000
2	27,500	365	10,037,500	2022	0.0	0	0	0	0	0	20000	5000	50000	208000	288660
3	27,500	365	10,037,500	2023	1.0	10,037,500	0	10,037,500	27500	0	40000	10000	0	0	57070
4	27,500	365	10,037,500	2024	3.0	10,037,500	20,075,000	30,112,500	82500	0	0	0	0	0	0
5	27,500	365	10,037,500	2025	3.0	10,037,500	20,075,000	30,112,500	82500	0	0	0	0	0	0
6	24,658	365	9,000,022	2026	3.0	10,037,500	20,075,000	30,112,500	82500	0	0	0	0	0	0
7	22,109	365	8,069,778	2027	3.0	10,037,500	20,075,000	30,112,500	82500	0	0	0	0	0	0
8	19,824	365	7,235,684	2028	3.0	9,000,022	20,075,000	29,075,022	79658	0	0	0	0	0	0
9	17,775	365	6,487,802	2029	3.0	8,069,778	18,000,044	26,069,821	71424	0	0	0	0	0	0
10	15,938	365	5,817,221	2030	3.0	7,235,684	16,139,555	23,375,239	64042	0	0	0	0	0	0
11	14,290	365	5,215,952	2031	3.0	6,487,802	14,471,367	20,959,169	57422	0	0	0	0	0	0
12	12,813	365	4,676,830	2032	3.0	5,817,221	12,975,604	18,792,825	51487	0	0	0	0	0	0
13	11,489	365	4,193,432	2033	3.0	5,215,952	11,634,443	16,850,395	46165	0	0	0	0	0	0
14	10,301	365	3,759,998	2034	3.0	4,676,830	10,431,904	15,108,734	41394	0	0	0	0	0	0
15	9,237	365	3,371,364	2035	3.0	4,193,432	9,353,660	13,547,092	37115	0	0	0	0	0	0
16	8,282	365	3,022,899	2036	3.0	3,759,998	8,386,864	12,146,862	33279	0	0	0	0	0	0
17	7,426	365	2,710,451	2037	3.0	3,371,364	7,519,996	10,891,360	29839	0	0	0	0	0	0
18	6,658	365	2,430,299	2038	3.0	3,022,899	6,742,727	9,765,626	26755	0	0	0	0	0	0
19	5,970	365	2,179,102	2039	3.0	2,710,451	6,045,798	8,756,249	23990	0	0	0	0	0	0
20	0	365	0	2040	3.0	2,430,299	5,420,903	7,851,201	21510	0	0	0	0	0	0
21	0	365	0	2041	3.0	2,179,102	4,860,597	7,039,699	19287	0	0	0	0	0	0
22	0	365	0	2042	2.0	0	4,358,205	4,358,205	11940	0	0	0	0	0	0
23	0	365	0	2043	1.0	0	0	0	0	0	0	0	0	0	0
24	0	365	0	2044	0.0	0	0	0	0	0	0	0	0	0	0
25	0	365	0	2045	0.0	0	0	0	0	0	0	0	0	0	0
Total			118,358,333			118,358,333	236,716,666	355,074,999			60,000	15,000	50,000		345,680

Decline % =	10%		5000	20000	5000	50000	26000		
First year prod Months.	12						Cost /ID		
IP Mscf/d	27500	2021	1	0	0	0			
		2022		1	1	1	8		
		2023		2	2	0	0		
		2024		0	0				
		2025		0	0				
		2026		0	0				
		2027		0	0				

Zenith Energy Ltd

El Biome Triassic Prospect

October 1, 2021

Production Streams, Revenues and Cash Flows - Prospective Resources - Low Estimate

Before Income Tax

Year	Gross Production Mscf/yr	Gross Sales Mscf/yr	Oil Price $/STB	Gross Revenue M$/yr.	Royalty Rate %	Royalty M$/yr.	Export Payment $/yr.	Operating Costs - M$/yr. Fixed	Variable	Remedial Work	Total (Escalated)	Project Total Revenue (Operating Cash Flow) M$/yr.	Total Capital Costs M$/yr.	Abandon & Reclamation M$/yr.	Project Undiscounted Net Cash Flow (Profit) M$/yr.	Company's Share Undiscounted Net Cash Flow (Profit) M$/yr.	t	Company Share Discounted @ 5% M$	10% M$	15% M$	20% M$
2021	0	0	$5.50	$0	5%	$0	$0	0	0	0	0	0	5,000	0	-5,000	-5,000	0.13	-4,870	-4,841	-4,813	-4,887
2022	0	0	$5.60	$0	4%	$0	$0	0	0	0	0	0	288,660	0	-288,660	-288,660	0.87	-276,684	-265,690	-255,611	-246,339
2023	10,037,500	9,234,500	$5.60	$51,713	2%	$1,034	$517	10,300	2,509	0	13,327	36,835	52,020	0	-15,185	-15,185	1.87	-13,861	-12,706	-11,693	-10,788
2024	30,112,500	27,703,500	$5.70	$157,910	2%	$3,158	$1,579	10,500	7,529	0	19,556	133,617	0	0	133,617	133,617	2.87	118,737	101,643	89,484	79,179
2025	30,112,500	27,703,500	$5.80	$160,680	4%	$6,427	$1,607	10,600	7,529	0	19,947	132,699	0	0	132,699	132,699	3.87	109,847	91,703	77,292	65,529
2026	30,112,500	27,703,500	$5.86	$162,343	6%	$9,741	$1,623	10,900	7,529	0	20,346	130,632	0	0	130,632	130,632	4.87	103,005	82,134	66,138	53,757
2027	30,112,500	27,703,500	$5.92	$164,005	6%	$9,840	$1,640	10,900	7,529	0	20,753	131,771	0	0	131,771	131,771	5.87	98,933	75,309	58,013	45,188
2028	29,071,022	26,749,020	$5.98	$158,959	8%	$12,797	$1,600	10,900	7,269	0	20,870	124,690	0	0	124,690	124,690	6.87	89,181	64,785	47,734	35,604
2029	26,069,821	23,984,236	$6.04	$144,865	8%	$11,589	$1,449	10,900	6,517	0	20,407	111,420	0	0	111,420	111,420	7.87	75,893	52,676	37,091	26,324
2030	23,375,235	21,505,220	$6.10	$131,182	8%	$10,495	$1,312	10,900	5,844	0	20,010	99,365	0	0	99,365	99,365	8.87	64,459	42,666	28,764	18,720
2031	20,959,749	19,282,436	$6.16	$118,765	8%	$9,503	$1,190	10,900	5,240	0	19,674	88,766	0	0	88,766	88,766	9.87	54,842	34,650	22,344	14,680
2032	18,792,821	17,289,399	$6.26	$108,232	9%	$9,741	$1,082	10,900	4,698	0	19,394	78,014	0	0	78,014	78,014	10.87	45,803	27,684	17,074	10,757
2033	16,850,395	15,502,363	$6.34	$98,285	9%	$8,846	$983	10,900	4,213	0	19,196	69,090	0	0	69,090	69,090	11.87	38,829	22,353	13,188	7,918
2034	15,108,734	13,900,035	$6.42	$89,238	9%	$8,031	$892	10,900	3,777	0	18,987	61,328	0	0	61,328	61,328	12.87	32,730	17,996	10,150	5,869
2035	13,547,090	12,463,321	$6.50	$81,013	9%	$7,291	$810	10,900	3,387	0	18,851	54,059	0	0	54,059	54,059	13.87	27,477	14,413	7,780	4,311
2036	12,146,862	11,175,113	$6.58	$73,511	9%	$6,616	$735	10,900	3,037	0	18,757	47,403	0	0	47,403	47,403	14.87	22,947	11,488	5,932	3,150
2037	10,891,360	10,020,051	$6.71	$67,291	9%	$6,051	$672	10,900	2,723	0	18,791	41,807	0	0	41,807	41,807	15.87	19,274	9,212	4,558	2,315
2038	9,765,626	8,984,376	$6.84	$61,488	9%	$5,534	$615	10,900	2,441	0	18,681	36,658	0	0	36,658	36,658	16.87	16,093	7,343	3,468	1,692
2039	8,756,249	8,055,749	$6.98	$56,235	9%	$5,061	$562	10,900	2,188	0	18,694	31,817	0	0	31,817	31,817	17.87	13,241	5,812	2,626	1,236
2040	7,851,201	7,273,105	$7.12	$51,451	9%	$4,629	$514	10,900	1,963	0	18,739	27,549	0	0	27,549	27,549	18.87	10,871	4,581	1,971	883
2041	7,039,698	6,476,523	$7.26	$47,057	9%	$4,233	$470	10,900	1,760	0	18,812	23,522	0	0	23,522	23,522	19.87	8,921	3,540	1,464	629
2042	4,358,205	4,009,348	$7.41	$29,703	9%	$2,673	$297	10,600	1,090	0	17,217	9,015	0	1,500	7,515	7,515	20.87	2,715	1,039	407	167
2043	0	0	$7.56	$0	9%	$0	$0		0	0	0	0	0	0	0	0	21.87	0	0	0	0
2044	0	0	$7.71	$0	9%	$0	$0		0	0	0	0	0	0	0	0	22.87	0	0	0	0
2045	0	0	$7.86	$0	9%	$0	$0		0	0	0	0	0	0	0	0	23.87	0	0	0	0
Totals	315,074,999	326,668,999		2,015,224		$143,320	$20,152	$217,100	$66,769	$0	$381,392	1,470,359	345,680	1,500	1,123,179	1,123,179		656,075	387,649	229,210	137,171
Company Gross	**326,668,999**			**$2,015,224**		**$143,320**	**$20,152**	**$217,100**	**$66,768.75**		**$381,392**	**1,470,359**	**345,680**	**1,500**	**1,123,179**	**100.0%**					
Company Net	**326,168,999**		$0.00				1%	10,000	$0.25												
	Shrinkage	8%	Price Differential			0.001116837		M$/yr	$/Mscf												

Table 4b, Page 3

Zenith Energy Ltd

El Bibane Triassic Prospect

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - Low Estimate

Year	Gross Revenue M$/yr.	Royalty M$/yr.	Corp Tax (Grossed Up) M$/yr.	Net Revenue M$/yr.	Cumulative Net Revenue M$	Operating Costs M$/yr.	Capital Costs M$/yr.	Total Expenditures M$/yr.	Cumulative Expenditures M$	R Factor #	Royalty Rate %	Tax Rate %
2021	$0	$0	($500)	$500	$72,500	0	5,000	5,000	$101,000	0.72	4%	50%
2022	$0	$0	($29,366)	$29,366	$101,866	0	288,660	288,660	$389,660	0.26	2%	50%
2023	$51,713	$1,034	($16,151)	$66,829	$168,695	13,327	52,020	65,347	$455,007	0.37	2%	50%
2024	$157,910	$3,158	$32,240	$122,511	$291,207	19,556	0	19,556	$474,563	0.61	4%	50%
2025	$160,680	$6,427	$31,782	$122,472	$413,678	19,947	0	19,947	$494,510	0.84	6%	50%
2026	$162,343	$9,741	$31,248	$121,354	$535,032	20,346	0	20,346	$514,856	1.04	6%	50%
2027	$164,005	$9,840	$60,684	$93,481	$628,513	20,753	0	20,753	$535,609	1.17	8%	50%
2028	$159,959	$12,797	$62,346	$84,816	$713,329	20,870	0	20,870	$556,480	1.28	8%	50%
2029	$144,865	$11,589	$55,710	$77,566	$790,895	20,407	0	20,407	$576,887	1.37	8%	50%
2030	$131,182	$10,495	$49,683	$71,005	$861,900	20,010	0	20,010	$596,897	1.44	8%	50%
2031	$119,165	$9,533	$44,383	$65,249	$927,149	19,674	0	19,674	$616,572	1.50	9%	55%
2032	$108,232	$9,741	$42,908	$55,583	$982,732	19,394	0	19,394	$635,966	1.55	9%	55%
2033	$98,285	$8,846	$38,110	$51,330	$1,034,062	19,166	0	19,166	$655,132	1.58	9%	55%
2034	$89,238	$8,031	$33,730	$47,476	$1,081,538	18,987	0	18,987	$674,119	1.60	9%	55%
2035	$81,012	$7,291	$29,733	$43,988	$1,125,526	18,851	0	18,851	$692,970	1.62	9%	55%
2036	$73,511	$6,616	$26,072	$40,823	$1,166,349	18,757	0	18,757	$711,727	1.64	9%	55%
2037	$67,231	$6,051	$22,994	$38,187	$1,204,536	18,701	0	18,701	$730,428	1.65	9%	55%
2038	$61,488	$5,534	$20,162	$35,792	$1,240,328	18,681	0	18,681	$749,109	1.66	9%	55%
2039	$56,235	$5,061	$17,554	$33,619	$1,273,947	18,694	0	18,694	$767,804	1.66	9%	55%
2040	$51,431	$4,629	$15,152	$31,650	$1,305,597	18,739	0	18,739	$786,542	1.66	9%	55%
2041	$47,037	$4,233	$12,937	$29,867	$1,335,464	18,812	0	18,812	$805,354	1.66	9%	55%
2042	$29,703	$2,673	$4,133	$22,896	$1,358,361	17,717	0	17,717	$823,072	1.65	9%	55%
2043	$0	$0	$0	$0	$1,358,361	0	0	0	$823,072	1.65	9%	55%
2044	$0	$0	$0	$0	$1,358,361	0	0	0	$823,072	1.65	9%	55%
2045	$0	$0	$0	$0	$1,358,361	0	0	0	$823,072	1.65	9%	55%
Totals	$1,938,484	$136,414	$568,472	$1,233,597		$344,862	$345,680	$690,542				
			1.0 WI Factor	est	**$72,000** Opening Balance			est	**$96,000** Opening Balance	0.75	5%	50%
										Applies Subsequent Year		

Zenith Energy Ltd

El Biberre Triassic Prospect

October 1, 2021

Production and Capital Forecast - Prospective Resources - High Estimate

	Single Well Production Profile					Development Program - # Wells	# Wells	# Wells	Total GAS Sales		Capital Expenditures - M$					
Year	Mscf/d	Days On	Mscf/yr	Year	Well Count	1	3	2	0	Mscf/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline	Total Capital (Escalated)
1	50,000	365	18,250,000	2021	0.0	0	-	-	0	0	5000	0	0	0	0	5000
2	50,000	365	18,250,000	2022	0.0	0	0	-	0	0	0	20000	5000	50000	260000	341700
3	50,000	365	18,250,000	2023	1.0	18,250,000	0	0	18,250,000	50000	0	60000	15000	0	0	78030
4	50,000	365	18,250,000	2024	4.0	18,250,000	54,750,000	0	73,000,000	200000	0	40000	10000	0	0	53060
5	50,000	365	18,250,000	2025	6.0	18,250,000	54,750,000	36,500,000	109,500,000	300000	0	0	0	0	0	0
6	43,451	365	15,859,667	2026	6.0	18,250,000	54,750,000	36,500,000	109,500,000	300000	0	0	0	0	0	0
7	37,760	365	13,782,412	2027	6.0	18,250,000	54,750,000	36,500,000	109,500,000	300000	0	0	0	0	0	0
8	32,814	365	11,977,231	2028	6.0	15,859,667	54,750,000	36,500,000	107,109,667	293451	0	0	0	0	0	0
9	28,516	365	10,408,487	2029	6.0	13,782,412	47,579,000	36,500,000	97,861,412	268113	0	0	0	0	0	0
10	24,781	365	9,045,213	2030	6.0	11,977,231	41,347,237	31,719,333	85,043,801	232997	0	0	0	0	0	0
11	21,536	365	7,860,496	2031	6.0	10,408,487	35,931,693	27,564,825	73,905,004	202479	0	0	0	0	0	0
12	18,715	365	6,830,951	2032	6.0	9,045,213	31,225,461	23,954,462	64,225,136	175959	0	0	0	0	0	0
13	16,264	365	5,936,252	2033	6.0	7,860,496	27,135,638	20,816,974	55,813,109	152913	0	0	0	0	0	0
14	14,134	365	5,158,739	2034	6.0	6,830,951	23,581,489	18,090,426	48,502,866	132885	0	0	0	0	0	0
15	12,282	365	4,483,062	2035	6.0	5,936,252	20,492,852	15,720,993	42,150,097	115480	0	0	0	0	0	0
16	10,674	365	3,895,883	2036	6.0	5,158,739	17,808,757	13,661,902	36,629,397	100355	0	0	0	0	0	0
17	9,276	365	3,385,611	2037	6.0	4,483,062	15,476,216	11,872,504	31,831,782	87210	0	0	0	0	0	0
18	8,061	365	2,942,173	2038	6.0	3,895,883	13,449,185	10,317,477	27,662,545	75788	0	0	0	0	0	0
19	7,005	365	2,556,816	2039	6.0	3,385,611	11,687,649	8,966,123	24,039,383	65861	0	0	0	0	0	0
20	6,087	365	2,221,931	2040	6.0	2,942,173	10,156,834	7,791,766	20,890,773	57235	0	0	0	0	0	0
21	5,290	365	1,930,909	2041	6.0	2,556,816	8,826,520	6,771,222	18,154,558	49739	0	0	0	0	0	0
22	0	365	0	2042	6.0	2,221,931	7,670,448	5,884,347	15,776,726	43224	0	0	0	0	0	0
23	0	365	0	2043	6.0	1,930,909	6,665,794	5,113,632	13,710,335	37563	0	0	0	0	0	0
24	0	365	0	2044	5.0	0	5,792,727	4,443,863	10,236,590	28045	0	0	0	0	0	0
25	0	365	0	2045	2.0	0	0	3,861,818	3,861,818	10580	0	0	0	0	0	0
Total			199,525,833			199,525,833	558,577,499	399,051,666	1,197,154,998			120,000	30,000	50,000		477,790
Decline % =	13%										5000	20000	5000	50000	26000	
First year prod Months.	12														Cost /ID	
IP Mscf/d	50000									2021	1	0	0	0		
										2022		1	1	1	10	
										2023		3	3	0	0	
										2024		2	2			
										2025		0	0			
										2026		0	0			
										2027		0	0			

Table 4c Page 2

Zenith Energy Ltd

El Bibane Triassic Prospect

October 1, 2021

Production Streams, Revenues and Cash Flows - Prospective Resources - High Estimate

Before Income Tax

Year	Gross Production Mscf/yr	Gross Sales Mscf/yr	Oil Price $/STB	Gross Revenue M$/yr	Royalty Rate %	Royalty M$/yr	Export Payment $/yr	Operating Costs - M$/yr. Fixed	Variable	Total (Escalated)	Project Total Revenue (Operating Cash Flow) M$/yr	Total Capital Costs M$/yr	Abandon & Reclamation M$/yr	Project Undiscounted Net Cash Flow (Profit) M$/yr	Company's Share Undiscounted Net Cash Flow (Profit) M$/yr	t	Company Share Discounted @ 5% M$	10% M$	15% M$	20% M$
2021	0	0	$5.50	$0	5%	$0	$0	0	0	0	0	5,000	0	-5,000	-5,000	0.13	-4,970	-4,941	-4,913	-4,887
2022	0	0	$5.60	$0	4%	$0	$0	0	0	0	0	341,700	0	-341,700	-341,700	0.87	-327,499	-314,109	-302,578	-291,580
2023	18,250,000	16,790,000	$5.60	$94,024	2%	$1,880	$940	10,300	4,363	15,463	75,740	78,030	0	-2,290	-2,290	1.87	-2,090	-1,916	-1,763	-1,628
2024	73,000,000	67,160,000	$5.70	$382,812	2%	$7,656	$3,828	11,200	18,250	31,253	340,075	53,060	0	287,015	287,015	2.87	249,512	218,327	192,177	170,080
2025	109,500,000	100,740,000	$5.80	$584,292	4%	$23,372	$5,843	11,800	27,375	42,404	512,673	0	0	512,673	512,673	3.87	424,461	354,528	298,497	253,168
2026	109,500,000	100,740,000	$5.86	$590,336	8%	$47,227	$5,903	11,800	27,375	43,252	493,954	0	0	493,954	493,954	4.87	389,488	310,530	250,085	203,270
2027	109,500,000	100,740,000	$5.92	$596,381	9%	$53,674	$5,964	11,800	27,375	44,117	492,625	0	0	492,625	492,625	5.87	369,944	281,541	216,880	168,934
2028	107,109,667	98,540,893	$5.98	$589,275	9%	$53,035	$5,893	11,800	26,777	44,313	486,034	0	0	486,034	486,034	6.87	347,613	252,522	186,068	138,896
2029	97,861,412	90,032,499	$6.04	$543,796	10%	$54,380	$5,438	11,800	24,465	42,491	441,488	0	0	441,488	441,488	7.87	300,718	208,575	146,969	105,139
2030	85,043,801	78,240,297	$6.10	$477,266	10%	$47,727	$4,773	11,800	21,261	39,511	385,256	0	0	385,256	385,256	8.87	249,919	165,423	111,522	76,456
2031	73,905,004	67,992,604	$6.16	$420,194	10%	$42,019	$4,202	11,800	18,476	36,907	337,066	0	0	337,066	337,066	9.87	208,245	131,574	84,845	55,764
2032	64,225,136	59,087,125	$6.26	$369,885	11%	$40,687	$3,699	11,800	16,056	34,636	290,863	0	0	290,863	290,863	10.87	171,144	103,217	63,665	40,086
2033	55,813,109	51,348,060	$6.34	$325,547	11%	$35,810	$3,255	11,800	13,853	32,661	253,820	0	0	253,820	253,820	11.87	142,236	81,883	48,311	29,150
2034	48,502,866	44,622,636	$6.42	$286,477	11%	$31,513	$2,865	11,800	12,126	30,950	221,150	0	0	221,150	221,150	12.87	118,027	64,868	36,602	21,165
2035	42,150,097	38,778,090	$6.50	$252,058	11%	$27,726	$2,521	11,800	10,538	29,474	192,337	0	0	192,337	192,337	13.87	97,761	51,280	27,681	15,340
2036	36,629,397	33,699,045	$6.58	$221,675	11%	$24,384	$2,217	11,800	9,157	28,206	166,868	0	0	166,868	166,868	14.87	80,777	40,493	20,883	11,090
2037	31,831,782	29,285,239	$6.71	$196,494	11%	$21,614	$1,965	11,800	7,958	27,123	145,791	0	0	145,791	145,791	15.87	67,213	32,124	15,866	8,075
2038	27,662,545	25,449,542	$6.84	$174,173	11%	$19,159	$1,742	11,800	6,916	26,206	127,065	0	0	127,065	127,065	16.87	55,791	25,453	12,024	5,865
2039	24,039,383	22,116,233	$6.98	$154,387	11%	$16,983	$1,544	11,800	6,010	25,437	110,424	0	0	110,424	110,424	17.87	46,175	20,108	9,084	4,247
2040	20,890,773	19,219,511	$7.12	$136,849	11%	$15,053	$1,368	11,800	5,223	24,799	95,629	0	0	95,629	95,629	18.87	38,084	15,831	6,843	3,065
2041	18,154,558	16,702,194	$7.26	$121,304	11%	$13,343	$1,213	11,800	4,539	24,278	82,469	0	0	82,469	82,469	19.87	31,279	12,411	5,131	2,259
2042	15,776,726	14,514,588	$7.41	$107,524	11%	$11,828	$1,075	11,800	3,944	23,863	70,758	0	0	70,758	70,758	20.87	25,160	9,681	3,878	1,575
2043	13,710,935	12,613,508	$7.56	$95,310	11%	$10,484	$933	11,800	3,428	23,542	60,331	0	0	60,331	60,331	21.87	20,755	7,504	2,838	1,119
2044	10,236,590	9,417,663	$7.71	$72,585	11%	$7,984	$726	11,500	2,559	22,170	41,705	0	0	41,705	41,705	22.87	13,664	4,716	1,706	645
2045	3,861,818	3,552,873	$7.86	$27,931	11%	$3,072	$279	10,600	965	18,602	5,977	0	3,000	2,977	2,977	23.87	909	306	106	38
Totals	1,197,154,998	1,101,382,598		6,820,573		$610,612	$68,206	$267,800	$290,269	$711,659	5,430,097	477,790	3,000	4,949,307	4,949,307		3,114,738	2,071,420	1,432,360	1,017,257
Company Gross	**1,101,382,598**			**6,820,573**		**$610,612**	**$68,206**	**$267,800**	**$290,268.75**	**$711,659**	**5,430,097**	**477,790**	**3,000**	**4,949,307**	**100.0%**					
Company Net	**991,767,529**		$0.00				1%	10,000	$0.25											
	Shrinkage	8%	Price Differential			0.09952497		M$/yr	$/Mscf											

Table 4c, Page 3

Zenith Energy Ltd

El Bibane Triassic Prospect

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - High Estimate

Year	Gross Revenue M$/yr.	Royalty M$/yr.	Corp Tax (Grossed Up) M$/yr.	Net Revenue M$/yr.	Cumulative Net Revenue M$	Operating Costs M$/yr.	Capital Costs M$/yr.	Total Expenditures M$/yr.	Cumulative Expenditures M$	R Factor #	Royalty Rate %	Tax Rate %
2021	$0	$0	($500)	$500	$72,500	0	5,000	5,000	$101,000	0.72	4%	50%
2022	$0	$0	($34,670)	$34,670	$107,170	0	341,700	341,700	$442,700	0.24	2%	50%
2023	$94,024	$1,880	($4,603)	$96,746	$203,916	15,463	78,030	93,493	$536,193	0.38	2%	50%
2024	$382,812	$7,656	$122,258	$252,897	$456,814	31,253	53,060	84,313	$620,506	0.74	4%	50%
2025	$584,292	$23,372	$208,558	$352,363	$809,176	42,404	0	42,404	$662,910	1.22	8%	50%
2026	$590,336	$47,227	$199,698	$343,412	$1,152,588	43,252	0	43,252	$706,163	1.63	9%	55%
2027	$596,381	$53,674	$256,524	$286,183	$1,438,771	44,117	0	44,117	$750,280	1.92	9%	55%
2028	$589,275	$53,035	$261,482	$274,758	$1,713,529	44,313	0	44,313	$794,593	2.16	10%	60%
2029	$543,796	$54,380	$264,893	$224,524	$1,938,052	42,491	0	42,491	$837,084	2.32	10%	60%
2030	$477,266	$47,727	$231,153	$198,386	$2,136,438	39,511	0	39,511	$876,595	2.44	10%	60%
2031	$420,194	$42,019	$202,240	$175,935	$2,312,373	36,907	0	36,907	$913,501	2.53	11%	65%
2032	$369,885	$40,687	$189,061	$140,137	$2,452,510	34,636	0	34,636	$948,137	2.59	11%	65%
2033	$325,547	$35,810	$164,983	$124,754	$2,577,264	32,661	0	32,661	$980,799	2.63	11%	65%
2034	$286,477	$31,513	$143,747	$111,218	$2,688,481	30,950	0	30,950	$1,011,749	2.66	11%	65%
2035	$252,058	$27,726	$125,019	$99,312	$2,787,794	29,474	0	29,474	$1,041,223	2.68	11%	65%
2036	$221,675	$24,384	$108,464	$88,826	$2,876,620	28,206	0	28,206	$1,069,429	2.69	11%	65%
2037	$196,494	$21,614	$94,764	$80,115	$2,956,735	27,123	0	27,123	$1,096,552	2.70	11%	65%
2038	$174,173	$19,159	$82,593	$72,421	$3,029,156	26,206	0	26,206	$1,122,759	2.70	11%	65%
2039	$154,387	$16,983	$71,775	$65,629	$3,094,786	25,437	0	25,437	$1,148,195	2.70	11%	65%
2040	$136,849	$15,053	$62,159	$59,637	$3,154,423	24,799	0	24,799	$1,172,994	2.69	11%	65%
2041	$121,304	$13,343	$53,605	$54,355	$3,208,778	24,278	0	24,278	$1,197,273	2.68	11%	65%
2042	$107,524	$11,828	$45,993	$49,704	$3,258,482	23,863	0	23,863	$1,221,136	2.67	11%	65%
2043	$95,310	$10,484	$39,215	$45,610	$3,304,092	23,542	0	23,542	$1,244,677	2.65	11%	65%
2044	$72,585	$7,984	$27,108	$37,492	$3,341,585	22,170	0	22,170	$1,266,847	2.64	11%	65%
2045	$27,931	$3,072	$1,935	$22,923	$3,364,508	18,602	0	18,602	$1,285,449	2.62	11%	65%
Totals	$6,395,921	$563,900	$2,749,598	$3,082,423		$599,204	$477,790	$1,076,994				
			1.0 WI Factor	est	**$72,000** Opening Balance			est	**$96,000** Opening Balance	0.75	5%	50%
										Applies Subsequent Year		

Figure 4

RISK ANALYSIS (ARITHMETIC AVERAGE)

Zenith Energy Ltd
Triassic Prospect
El Bibane Concession, Tunisia

ECONOMIC PARAMETERS

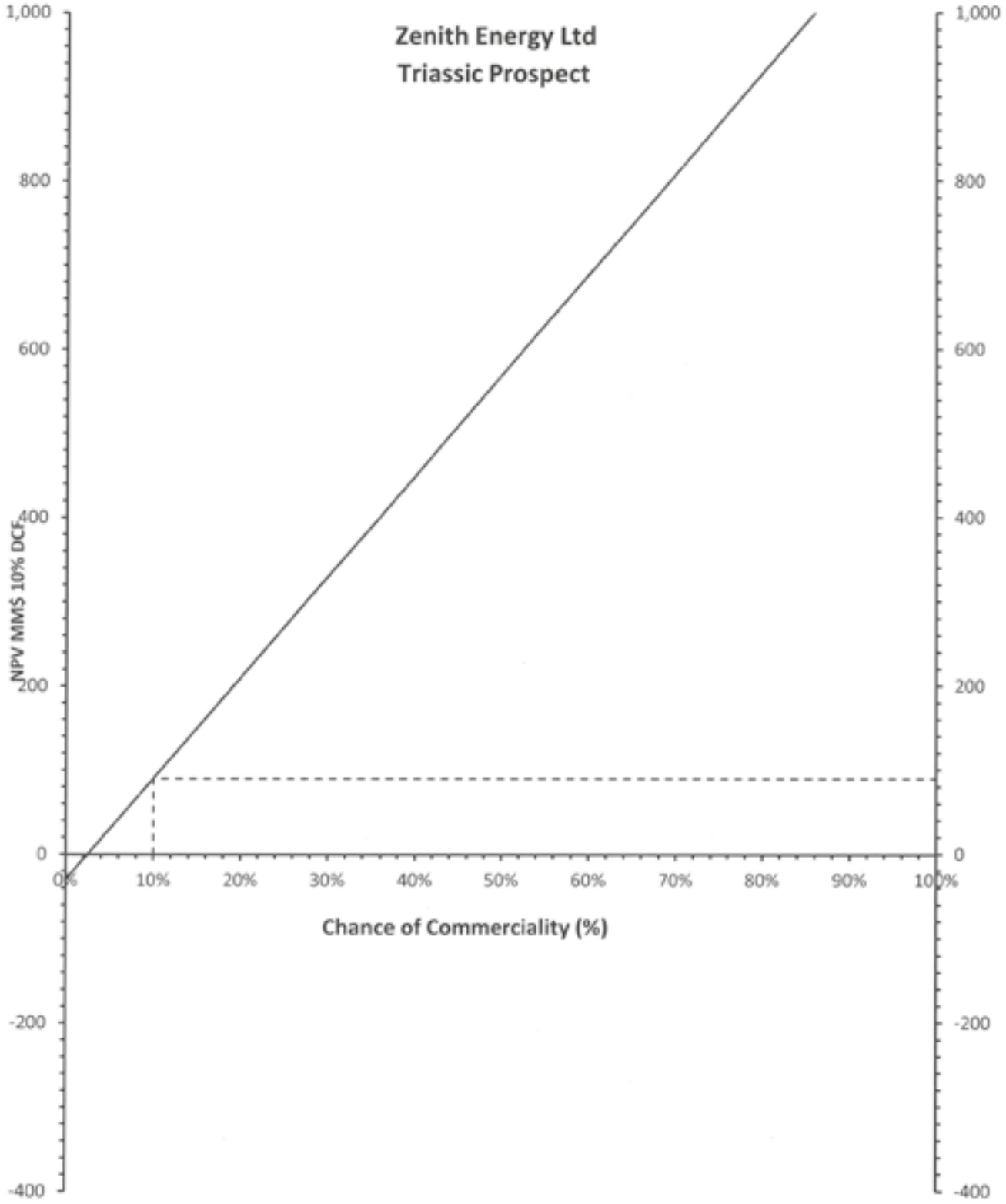
Net Capital Exposure (Failure Case), M$	30,000
Geological Risk Factors	
Source Rock	75%
Reservoir Rock	65%
Trap/Seal	40%
Timing/Migration	75%
Chance of Discovery	15%
Development Risk Factors	
Economic Viability	95%
Market Access	95%
Production & Transportation Infrastructure	95%
Regulatory & Social Licence	95%
Corporate & External Approvals	90%
Reasonable Timetable for Development	90%
Chance of Development	66%
Chance of Commerciality (Chance of Discovery * Chance of Development)	10%

TOTAL VALUES

Discount Rate	undisc.	5%	10%	15%	20%
Unrisked Value, M$	2,915,000	1,799,873	1,168,357	783,367	534,548
Risked Value, M$	264,500	152,987	89,836	51,337	26,455
Minimum Chance of Commerciality Req'd	1%	2%	3%	4%	5%

Figure 4

RISK ANALYSIS (ARITHMETIC AVERAGE)



Chapman Petroleum Engineering Ltd.

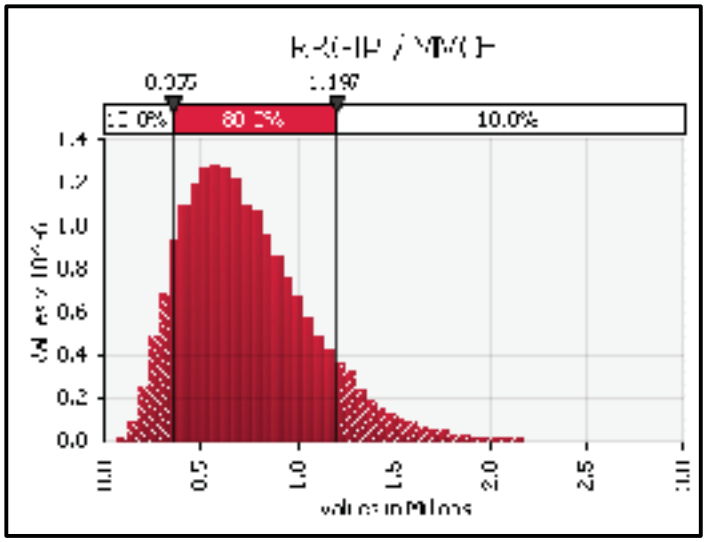
APPENDIX A

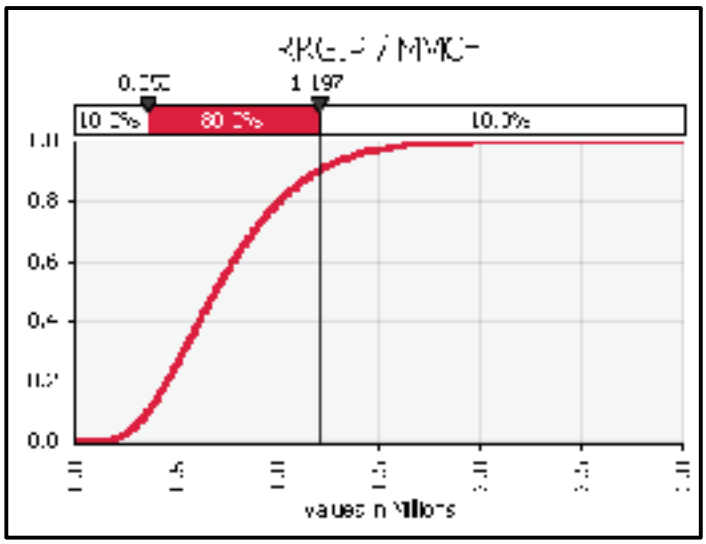
INDEX

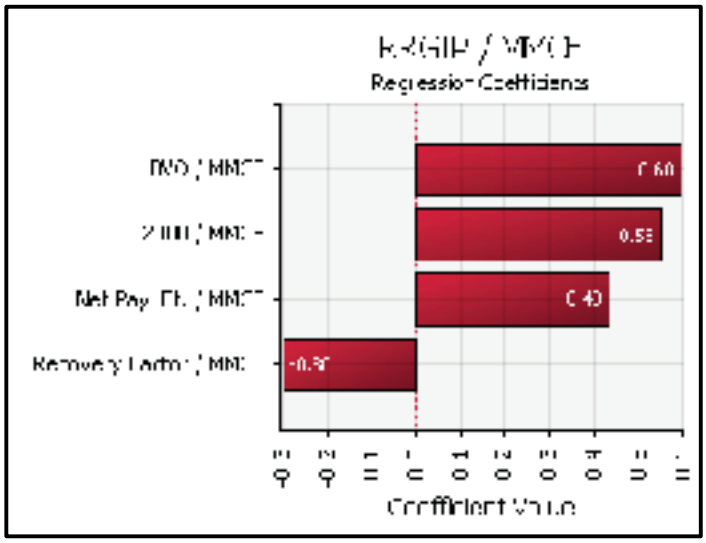
Figure A-1: Monte Carlo Output Results
Figure A-2: Monte Carlo Input Results

@RISK Output Report for RRGIP / MMCF

Performed By: Chapman Petroleum Engineering Ltd.
Date: Monday, April 26, 2021 5:02:52 PM







Simulation Summary Information	
Workbook Name	Monte Carlo Parameter El Biban.xlsx
Number of Simulations	1
Number of Iterations	1E+05
Number of Inputs	4
Number of Outputs	1
Sampling Type	Latin Hypercube
Simulation Start Time	4/26/21 16:59:34
Simulation Duration	00:01:48
Random # Generator	Mersenne Twister
Random Seed	1008811076

Summary Statistics for RRGIP / MMCF			
Statistics		Percentile	
Minimum	65,424	5%	289,364
Maximum	2,705,702	10%	355,075
Mean	740,769	15%	405,453
Std Dev	334,506	20%	449,558
Variance	1.11894E+11	25%	491,717
Skewness	0.834742064	30%	531,493
Kurtosis	3.784042047	35%	569,795
Median	688,846	40%	609,321
Mode	597,679	45%	648,711
Left X	355,075	50%	688,846
Left P	10%	55%	732,194
Right X	1,197,155	60%	778,049
Right P	90%	65%	825,794
Diff X	842,080	70%	878,699
Diff P	80%	75%	937,018
#Errors	0	80%	1,005,715
Filter Min	Off	85%	1,088,167
Filter Max	Off	90%	1,197,155
#Filtered	0	95%	1,363,568

Regression and Rank Information for RRGIP / MM			
Rank	Name	Regr	Corr
1	BVO / MMCF	0.596	0.604
2	2000 / MMCF	0.552	0.547
3	Net Pay Ft. / MM	0.434	0.423
4	Recovery Factor /	-0.297	-0.282

ZENITH ENERGY LTD.

EL BIBANE CONCESSION

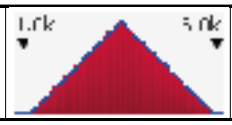
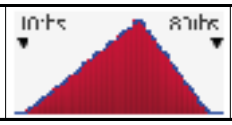
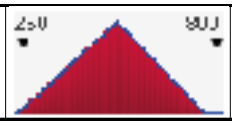
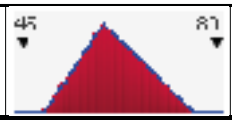
TUNISIA

OUTPUT RESULTS

OCT. 2021 **JOB No. 6773** **FIGURE No. A-1**

@RISK Input Results

Performed By: Chapman Petroleum Engineering Ltd.
Date: Monday, April 26, 2021 5:02:57 PM

	Name	Cell	Graph	Min	Mean	Max	5%	95%	Errors
Category: 2000									
	2000 / MMCF	E10		1409.627	3566.667	5745.453	2083.769	5058.199	0
Category: BVO									
	BVO / MMCF	E8		0.01389181	0.04691667	0.07489542	0.02457296	0.06660676	0
Category: Net Pay Ft.									
	Net Pay Ft. / MMCF	E9		260.1366	510	749.6445	339.8051	674.9308	0
Category: Recovery Factor									
	Recovery Factor / MMCF	E12		50.00964	61.66667	74.96065	53.5352	70.66954	0

ZENITH ENERGY LTD.
EL BIBANE CONCESSION
TUNISIA
INPUT RESULTS
OCT. 2021 **JOB No. 6773** **FIGURE No. A-2**

EZZAOUIA TRIASSIC PROSPECT

JEFFARA BASIN, TUNISIA

INDEX

Discussion **145**

Property Description 145
Geology 145
Prospective Resources 146
Productivity Estimates 146
Product Prices 147
Operating Environment 147
Capital Expenditures 147
Operating Costs 147
Economics and Risk 148

Attachments

Figure 1: Triassic Prospect Map 150

Table 1: Schedule of Lands, Interests and Royalty Burdens 151

Figure 2: Geological Maps and Figures
a) Stratigraphic Chart 152
b) Stratigraphic Correlation Schematic 153

Table 2: Summary of Gross Prospective Resources 154

Table 3: Summary of Anticipated Capital Expenditures
a) Development 155
b) Abandonment 156

Table 4: Summary of Company Prospective Resources and Economics 157

Economic Model
a) Best Estimate 158
b) Low Estimate 162
c) High Estimate 166

Figure 4: Risk Analysis 170

Appendix A – Monte Carlo Simulation 172

EZZAOUIA TRIASSIC PROSPECT
JEFFARA BASIN, TUNISIA
DISCUSSION

Property Description

The Company owns a 45% working interest in the Ezzaouia Concession, in Tunisia. It is comprised of 9,884 acres of land (40 Km squared) and is located onshore near the Gulf of Gabes, east of Djerba Island. The Concession contains a total of 16 wells, including four oil producers, two is shut-in, two water injectors and eight wells which are suspended.

Besides the producing formations the seismic interpretation over these lands indicates a deeper huge Triassic structure, originally identified by Marathon Petroleum, the original company to hold this concession. This portion of the report is an evaluation of the Triassic Prospect on this concession.

Production will be subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures and is slightly different for gas production than for oil.

A map showing the Concession boundary and Triassic Prospect outline is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

Geology

The Ras Hamia B Formation is the primary natural gas prospect in the Middle Triassic for the Ezzaouia block. The Ras Hamia sandstones and equivalent age sediments, such as the Trias Argilo-Greseux Formation are major hydrocarbon reservoirs in the Ghadame/Berkine and Melrhir Basins in Tunisia and elsewhere in North Africa. This interval has yet to be penetrated in the Ezzaouia concession, however a number of wells in the vicinity of the Company's blocks have encountered the Ras Hamia Formation.

For Triassic evaluation purposes the relevant geology begins with the Silurian age Tannezuft shale, a regionally extensive rich source rock. From regional control in Lybia it almost certainly extends into Northern Tunisia. From Marathon's interpretation, there is very little risk that a satisfactory mature

source rock not is not present to feed the Triassic reservoir on this concession. As the Triassic unconformably overlies the Silurian in many areas the migration route should not be a problem either.

The Ras Hamia Formation is a sand shale sequence at the top of Middle Triassic, unconformably overlain by an Upper Triassic evaporitic and dolomitic sequence, which provide excellent regional top seals.

A stratigraphic chart for this Basin is attached, Figure 2a and a stratigraphic correlation schematic demonstrating the Ras Hamia B formation orientation is presented in Figure 2b.

Prospective Resources

Prospective resources have been estimated through the use of a Monte Carlo simulation (the Model), which was found to be the best means of representing the ranges of reservoir parameters and resource volumes, in view of the degree of uncertainty in the parameters and lack of a definite analog reservoir. However, the data provided in material from Marathon was sufficient to establish confident ranges for each parameter for input into the model.

Prospective resources of 486,231, 268,679 and 782,325 MMscf have been assigned to the Best, Low and High cases for the applicable performance profile for each case. A shrinkage of 8% was used to convert the raw gas to Marketable Resources. For this evaluation, to be conservative, only the primary product has been included. In reality there may be significant liquid recoveries from this gas, although there is no evidence to demonstrate that circumstance.

A summary of the Prospective Resources is presented on Table 2 and the full Monte Carlo presentation of inputs and results is presented in the Appendix A.

Productivity Estimates

Production forecasts have been developed for each case, based on reasonable expectations in consideration of the resources to be recovered in approximately a 20-year life and the well count to be drilled in each case.

The estimated initial rate per well for each case is presented on Table 2 and the forecast is presented on page one of each of the economic analysis files.

Product Prices

For this evaluation a gas price based on the latest World Bank European forecast has been used on par.

Operating Environment

This prospect is situated in an active onshore oil and gas field environment within economic reach of a major gas pipeline connected to Italy and the rest of Europe.

Capital Expenditures

The total cost to fully develop this prospect (Best estimate) is $333 million ($149 million net to the Company). This includes a seismic program the drilling, completion and equipping of four gas wells, a local gas handling and processing facility and a 360 Km 8" pipeline to the main gas export line. Drilling costs were based on the data from the reserves portion extrapolated to the deeper zone.

The total cost for the Low case, is $310 million (139 million net to the Company), including only three wells, and for the High case $402 million (181 net to the Company), including five wells and a 10" line.

For the purpose of conducting a prospect risk analysis, we have assumed that the seismic cost and drilling of a D&A exploration well would terminate the project. The net dry hole costs (capital exposure) would be $12,375 thousand.

Capital expenditures for this project are shown on Table 3a and page one of each of the economic analyses Table 4a, 4b and 4c.

Abandonment and decommissioning costs have been accounted for at $500,000 per well, in the final year of production. Facilities would be assigned to or taken over by the government as presented on Table 3b.

Operating Costs

Fixed operating costs have been estimated to be $5,000,000 per year plus an additional $120,000 per well per year.

Variable operating costs of $0.25/Mscf have been estimated for gas processing and handiling.

Economics and Risk

The results of the economic analysis, before income tax are summarized in Table 4, and the before risk cash flows are presented in Tables 4a, 4b and 4c, for the best, low and high estimates, respectively. The before risk analysis for each case represents the results of an assumed successful exploration program and development model having parameters which are considered to be reasonable based on the information available. This defines the 100% Chance of Success (COS) case.

A risk analysis has been performed to determine the feasibility of the Company participating in this project and to determine the after-risk value, utilizing the "Expected Value" technique. In this procedure the Success Case, established by the arithmetic average of the best, low and high estimate results, is offset by the Failure Case (COS=0%).

The failure case (COS=0%) is defined by the net capital exposure or amount of expenditure made by the Company before deciding to stop further activity on the project. This might include one or more dry holes and any land, geological or geophysical expenses undertaken prior to drilling. The capital exposure of this project net to the Company is $12,375,000 representing the cost of drilling one dry and abandoned exploration well.

The Success Case and Failure Case represent the boundary conditions for the risk analysis. The after-risk value is determined by applying the Chance of Commerciality (COC) to the equation: [Net present value of Success case at the designated DCF% times COC, less capital exposure times (1-COC)].

In establishing the Chance of Commerciality, consideration has been given to the Chance of Discovery, which involves geological factors and the Chance of Development, which involves other factors related to the likelihood of full development, once a discovery is made. The Chance of Commerciality is the product of the Chance of Discovery and the Chance of Development.

The Chance of Discovery, or geological factors, include the four main geological components of a petroleum system needed for commercial production: source rocks capable to generate enough economic volumes of hydrocarbons, presence of reservoir rocks of reasonable quality to accumulate hydrocarbons, a trapping mechanism with a good vertical and lateral seal to hold and retain

hydrocarbons, and proper geological timing to coincide with the hydrocarbon generation, expulsion, reservoir presence, and traps formation, and for hydrocarbons to migrate into the trap.

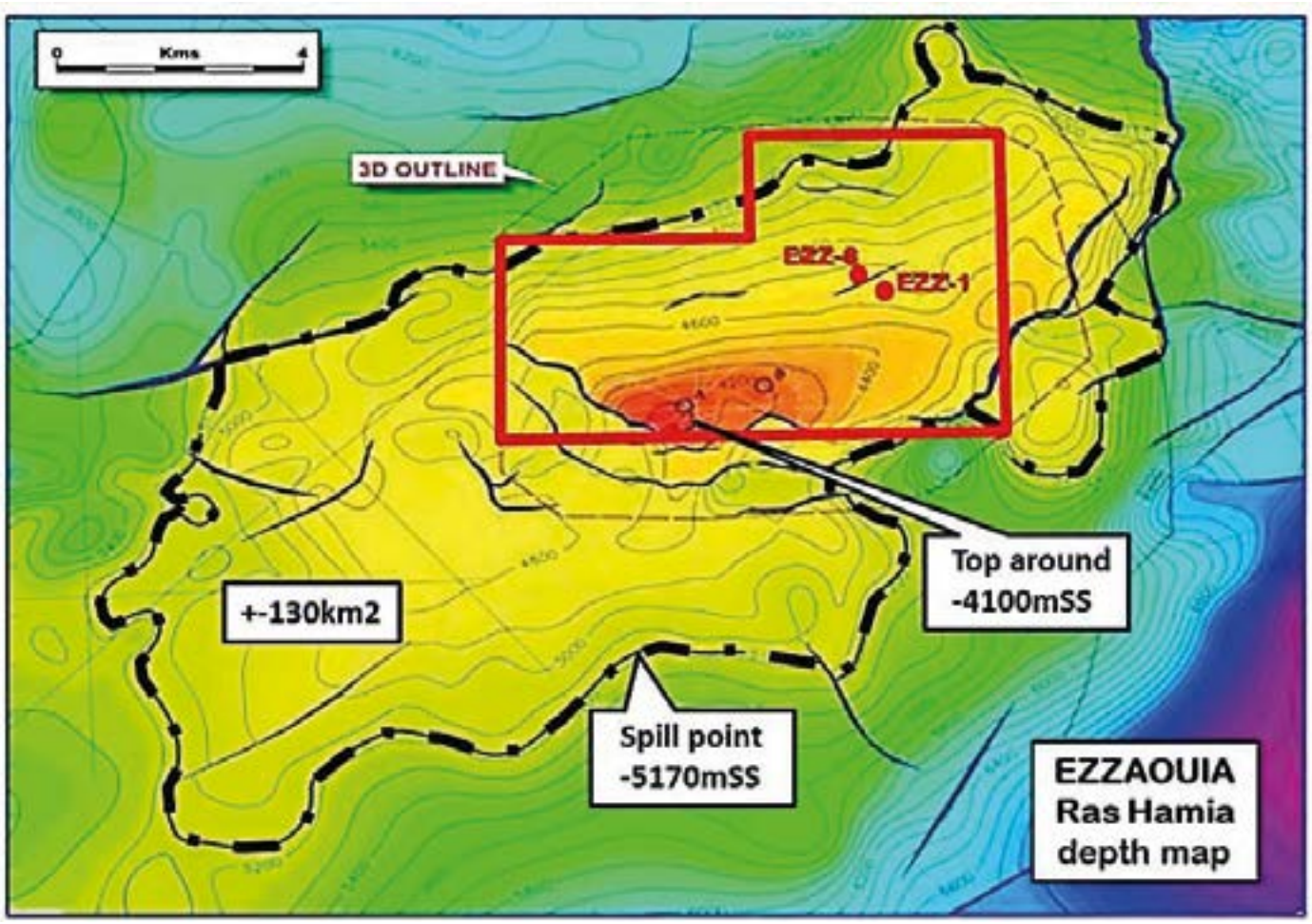
The ranges of chance of success assigned to each of these geological factors can be qualitatively described so that COS 5% to 30% is unfavourable, COS 30% to 50% is questionable, COS 50% is neutral, COS 50% to 70% is encouraging and COS 70% to 95% is considered favourable. A neutral assessment would apply in cases of lack of data or information. The product of all four of these factors results in the overall geological Chance of Discovery.

For this project the results of estimating the overall geological chance of discovery for the Triassic formation is 21%, as shown in Figure 4. The source rock element was rated at 85% based on the existence of prolific source rocks that have generated hydrocarbons in large quantities, as seen in numerous producing fields in the basin. The rating of 75% was also given to the factor of geological timing and hydrocarbon migration that is proved via carrier beds, faults and juxtaposition reservoirs. A rating of 65% was assigned to the reservoir rocks' factor. The rating for the geological trap and reservoir seal elements was estimated at 50%, based on the best geological assumptions that similar Triassic reservoirs experienced in the immediate area. Much of the above judgement was based on a prosect summary developed by Marathon while the property was under its control.

The Chance of Development risk factors include Economic Viability (production forecast, capital and operating costs and price forecast), Market Access, Production and Transportation Infrastructure (facilities and pipelines), Regulatory and Social License, Corporate and External Approvals and a Reasonable Timetable for Development (development plan). For this report, we have assigned an overall Chance of Development of 66%.

For this project the results of the risk analysis before income tax indicate that in order to achieve a 10 percent rate of return a minimum COC of 3 percent would be required. Since we have estimated a COC of 14 percent, the Company's development of this project is considered feasible.

The graphical presentation of the risk analysis and the supporting data and results, before and after risk are shown on Figure 4.



Source: Ryder Scott Company Petroleum Consultants, Candax Report 2007

ZENITH ENERGY LTD.
EZZAOUIA CONCESSION **TUNISIA** **TRIASSIC PROSPECT MAP**
OCT. 2021 **JOB No. 6773** **FIGURE No. 1**

Table 1

Schedule of Lands, Interests and Royalty Burdens
October 1, 2021

Zenith Energy Ltd

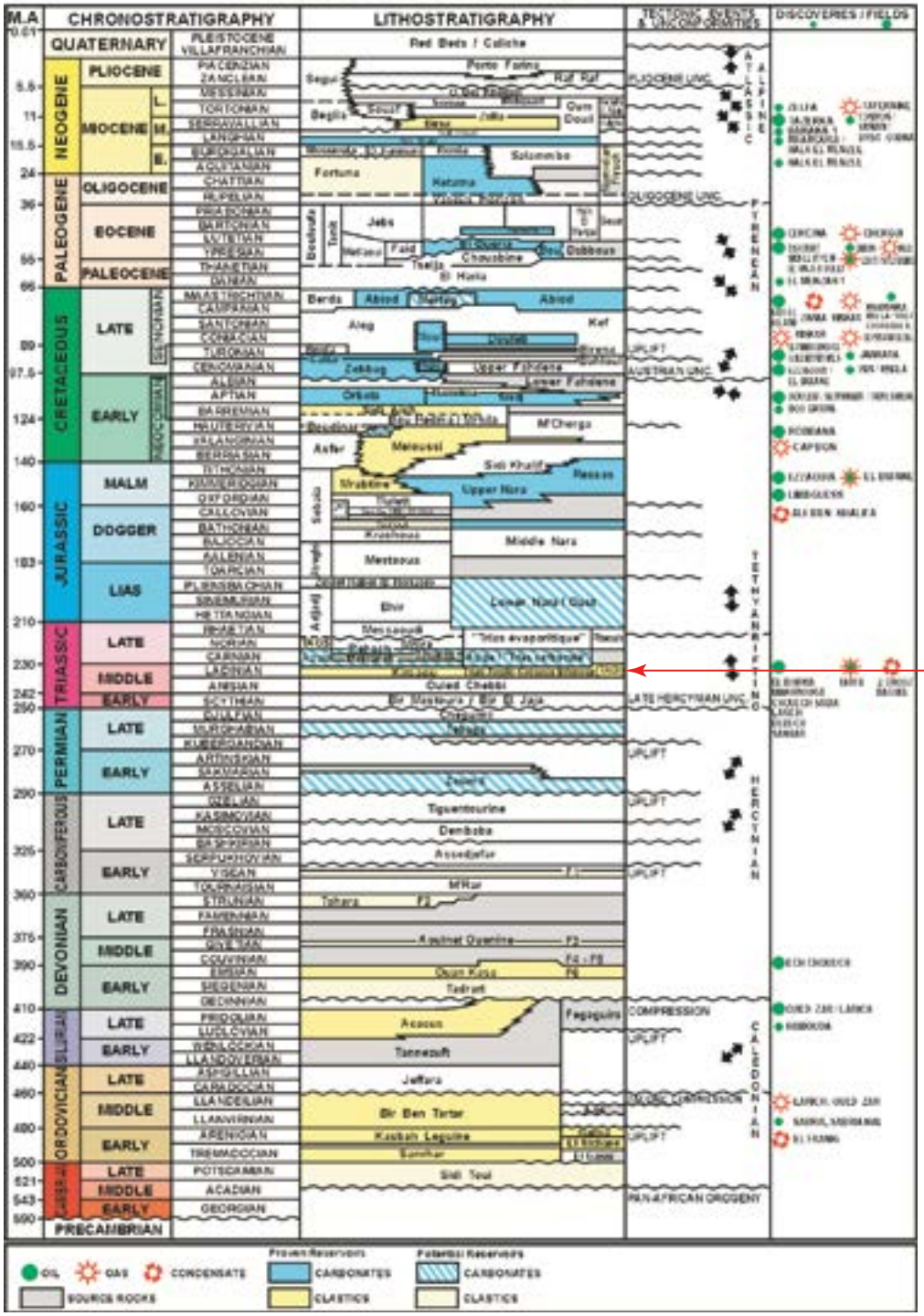
Ezzaouia Concession, Tunisia

		Appraised Interest		Royalty Burdens	
Description	Gross Acres	Working %	Royalty %	Basic %	Overriding %
Ezzaouia Concession	40 Km squared (9884 Acres)	45.0000	-	[1]	-

Note: [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

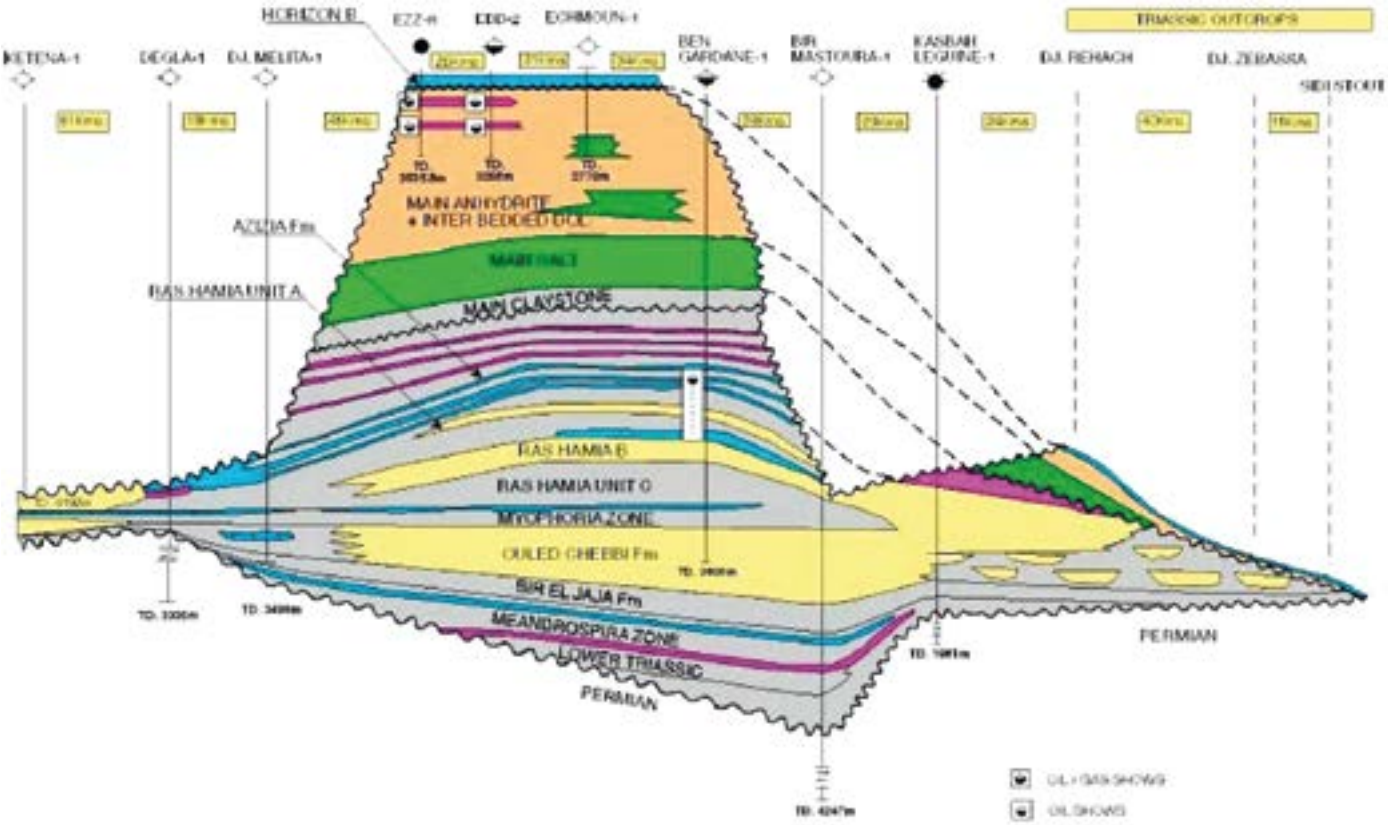
	Gas		
Royalty Rate =	2%	When "R" Factor is	< 0.5
	4%		0.5 to 0.8
	6%		0.8 to 1.1
	8%		1.1 to 1.5
	9%		1.5 to 2.0
	10%		2.0 to 2.5
	11%		> 2.5

TUNISIAN STRATIGRAPHIC CHART



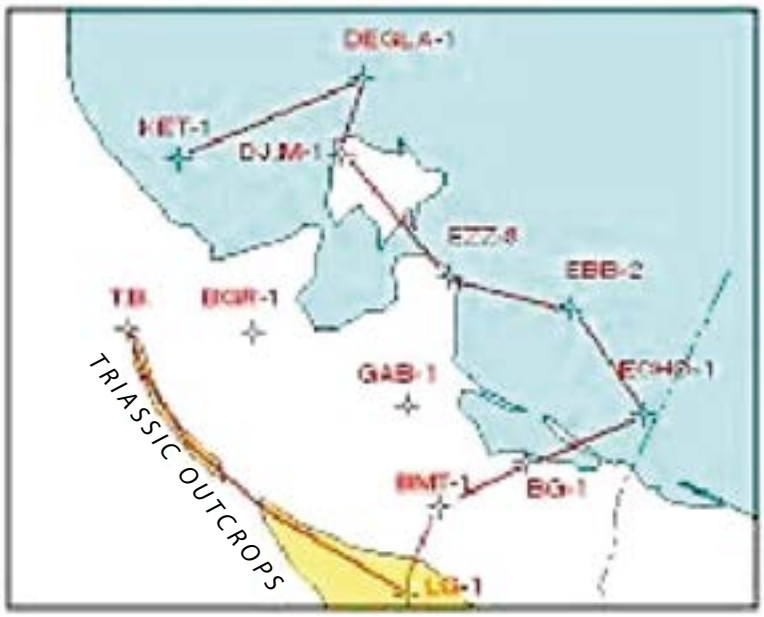
ZONE OF INTEREST

ZENITH ENERGY LTD.
EZZAOUIA CONCESSION **TUNISIA** **STRATIGRAPHIC CHART**
OCT. 2021 **JOB No. 6773** **FIGURE No. 2a**



Source: Ryder Scott Company Petroleum Consultants, Candax Report 2007

INDEX MAP



ZENITH ENERGY LTD.		
EZZAOUIA CONCESSION		
TUNISIA		
STRATIGRAPHIC CORRELATION Schematic		
OCT. 2021	**JOB No. 6773**	**FIGURE No. 2b**

Table 2

Summary of Gross Resources
October 1, 2021

Ezzaouia Concession, Tunisia

Description		Predicted Initial Rate Mscf/d/well	Prospective Resources Raw Gas (MMscf)	Sales Gas (MMscf)	NGLs (MBbls)	Reference
Prospective Resources						
Best Estimate						
Deep Prospect - 4 wells	Triassic	30,000	528,512	486,231	0	Monte Carlo - P50
	Total Best Estimate		**528,512**	**486,231**	**0**	
Low Estimate						
Deep Prospect - 3 wells	Triassic	20,000	292,042	268,679	0	Monte Carlo - P10
	Total Low Estimate		**292,042**	**268,679**	**0**	
High Estimate						
Deep Prospect - 5 wells	Triassic	40,000	850,353	782,325	0	Monte Carlo - P90
	Total High Estimate		**850,353**	**782,325**	**0**	

Table 3a

Summary of Anticipated Capital Expenditures

Development

October 1, 2021

Zenith Energy Ltd

Ezzaouia Concession, Tunisia

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$
Prospective Resources					
Best Estimate					
Exploration	2021	Seismic program	45%	5,000	2,250
First well	2022	Drill, Complete and tie in	45%	22,500	10,125
Gas Facility	2022	Separator , dehyde and local piping and site buildings	45%	50,000	22,500
Gas Transmisssion pipleine	2022	360 kilometer, 8" line	45%	187,200	84,240
Second and Third wells	2023	Drill, Complete and tie in	45%	45,000	20,250
Final Well	2024	Drill, Complete and tie in	45%	22,500	10,125
Total Best Estimate				**332,200**	**149,490**
Low Estimate					
Exploration	2021	Seismic program	45%	5,000	2,250
First well	2022	Drill, Complete and tie in	45%	22,500	10,125
Gas Facility	2022	Separator , dehyde and local piping and site buildings	45%	50,000	22,500
Gas Transmisssion pipleine	2022	360 kilometer, 8" line	45%	187,200	84,240
Second and Third wells	2023	Drill, Complete and tie in	45%	45,000	20,250
Total Low Estimate				**309,700**	**139,365**
High Estimate					
Exploration	2021	Seismic program	45%	5,000	2,250
First well	2022	Drill, Complete and tie in	45%	22,500	10,125
Gas Facility	2022	Separator , dehyde and local piping and site buildings	45%	50,000	22,500
Gas Transmisssion pipleine	2022	360 kilometer, 10" line	45%	234,000	105,300
Second,Third and Fourth wells	2023	Drill, Complete and tie in	45%	45,000	20,250
Final two Wells	2024	Drill, Complete and tie in	45%	45,000	20,250
Total Best Estimate				**401,500**	**180,675**

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

October 1, 2021

Zenith Energy Ltd

Ezzaouia Concession, Tunisia

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Prospective Resources				
Best Estimate				
Deep Prospect - 4 wells	Triassic	45%	4,000	1,800
	Total Best Estimate		**4,000**	**1,800**
Low Estimate				
Deep Prospect - 3 wells	Triassic	45%	3,000	1,350
	Total Best Estimate		**3,000**	**1,350**
High Estimate				
Deep Prospect - 5 wells	Triassic	45%	5,000	2,250
	Total Best Estimate		**5,000**	**2,250**

Note: The above capital values are expressed in terms of current dollar values without escalatic

Table 4

Summary of Company Prospective Resources and Economics

October 1, 2021
(as of September 30, 2021)

Zenith Energy Ltd

Ezzaouia Triassic Prospect

	Resources		Cumulative Cash Flow (BIT) - M$				
	Gas MMscf		Discounted at:				
Description	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
BEFORE RISK							
Best Estimate							
EZZ Triassic Prospect	218,804	199,016	935,913	552,690	342,555	217,808	138,924
Low Estimate							
EZZ Triassic Prospect	120,905	110,820	437,713	231,722	121,702	58,055	18,833
High Estimate							
EZZ Triassic Prospect	352,046	318,829	1,607,982	969,825	619,629	411,167	278,831
Arithmetic Average							
EZZ Triassic Prospect	**230,585**	**209,555**	**993,869**	**584,746**	**361,295**	**229,010**	**145,529**
Chance of Commerciality	14%	14%					
AFTER RISK							
Arithmetic Average After Risk							
EZZ Triassic Prospect	**32,282**	**29,338**	**128,499**	**71,222**	**39,939**	**21,419**	**9,732**

M$ means thousands of dollars

Gross and Net Resources are the same due to the terms of the PSA agreement.

Zenith Energy Ltd

Ezzaouia Triassic Prospect

October 1, 2021

Production and Capital Forecast - Prospective Resources - Best Estimate

	Single Well Production Profile					Development Program - # Wells			Total GAS Sales		Capital Expenditures - M$					
Year	Mscf/d	Days On	Mscf/yr	Year	Well Count	1	2	1	0	Mscf/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline	Total Capital (Escalated)
1	30,000	365	10,950,000	2021	0.0	0	-	-	0	0	5000	0	0	0	0	5000
2	30,000	365	10,950,000	2022	0.0	0	0	-	0	0	0	20000	2500	50000	187200	264894
3	30,000	365	10,950,000	2023	1.0	10,950,000	0	0	10,950,000	30000	0	40000	5000	0	0	46818
4	30,000	365	10,950,000	2024	3.0	10,950,000	21,900,000	0	32,850,000	90000	0	20000	2500	0	0	23877
5	30,000	365	10,950,000	2025	4.0	10,950,000	21,900,000	10,950,000	43,800,000	120000	0	0	0	0	0	0
6	26,842	365	9,797,472	2026	4.0	10,950,000	21,900,000	10,950,000	43,800,000	120000	0	0	0	0	0	0
7	24,017	365	8,766,252	2027	4.0	10,950,000	21,900,000	10,950,000	43,800,000	120000	0	0	0	0	0	0
8	21,489	365	7,843,571	2028	4.0	9,797,472	21,900,000	10,950,000	42,647,472	116842	0	0	0	0	0	0
9	19,227	365	7,018,007	2029	4.0	8,766,252	19,594,944	10,950,000	39,311,196	107702	0	0	0	0	0	0
10	17,204	365	6,279,335	2030	4.0	7,843,571	17,532,504	9,797,472	35,173,547	96366	0	0	0	0	0	0
11	15,393	365	5,618,412	2031	4.0	7,018,007	15,687,143	8,766,252	31,471,401	86223	0	0	0	0	0	0
12	13,773	365	5,027,053	2032	4.0	6,279,335	14,036,013	7,843,571	28,158,920	77148	0	0	0	0	0	0
13	12,323	365	4,497,938	2033	4.0	5,618,412	12,558,671	7,018,007	25,195,089	69028	0	0	0	0	0	0
14	11,026	365	4,024,513	2034	4.0	5,027,053	11,236,824	6,279,335	22,543,213	61762	0	0	0	0	0	0
15	9,866	365	3,600,918	2035	4.0	4,497,938	10,054,107	5,618,412	20,170,457	55262	0	0	0	0	0	0
16	8,827	365	3,221,908	2036	4.0	4,024,513	8,995,875	5,027,053	18,047,441	49445	0	0	0	0	0	0
17	7,898	365	2,882,790	2037	4.0	3,600,918	8,049,026	4,497,938	16,147,882	44241	0	0	0	0	0	0
18	7,067	365	2,579,366	2038	4.0	3,221,908	7,201,836	4,024,513	14,448,257	39584	0	0	0	0	0	0
19	6,323	365	2,307,878	2039	4.0	2,882,790	6,443,816	3,600,918	12,927,525	35418	0	0	0	0	0	0
20	5,657	365	2,064,966	2040	4.0	2,579,366	5,765,581	3,221,908	11,566,855	31690	0	0	0	0	0	0
21	5,062	365	1,847,620	2041	4.0	2,307,878	5,158,732	2,882,790	10,349,401	28355	0	0	0	0	0	0
22	0	365	0	2042	4.0	2,064,966	4,615,756	2,579,366	9,260,088	25370	0	0	0	0	0	0
23	0	365	0	2043	4.0	1,847,620	4,129,931	2,307,878	8,285,430	22700	0	0	0	0	0	0
24	0	365	0	2044	4.0	0	3,695,241	2,064,966	5,760,206	15781	0	0	0	0	0	0
25	0	365	0	2045	4.0	0	0	1,847,620	1,847,620	5062	0	0	0	0	0	0
Total			132,128,000			132,128,000	264,256,000	132,128,000	528,512,000			80,000	10,000	50,000		340,589

Decline % =	11%		5000	20000	2500	50000	23400	
First year prod Months	12						Cost /ID	
IP Mscf/d	30000	2021	1	0	0	0		
		2022		1	1	1	8	
		2023		2	2	0	0	
		2024		1	1			
		2025		0	0			
		2026		0	0			
		2027		0	0			

Table 4a, Page 2

Zenith Energy Ltd

Essenuia Triassic Prospect

October 1, 2021

Production Streams, Revenues and Cash Flows - Prospective Resources - Best Estimate

Before Income Tax

Year	Gross Production Mscf/yr	Gross Sales Mscf/yr	Gas Price $/Mscf	Gross Revenue M$/yr	Royalty Rate %	Royalty M$/yr	Export Payment $/yr	Operating Costs - M$/yr. Fixed	Variable	Remedial Work	Total (Escalated)	Project Total Revenue (Operating Cash Flow) M$/yr	Total Capital Costs M$/yr	Abandon & Reclamatn M$/yr	Net Cash Flow (Profit) M$/yr	Project Undiscounted Net Cash Flow (Profit) M$/yr	t	Company's Share Undiscounted M$/yr	Company Share Discounted @ 5% M$	10% M$	15% M$	20% M$
2021	0	0	$5.50	$0	7%	$0	$0	5,000	0	0	5,000	-5,000	5,000	0	-10,000	-4,500	0.13	-4,473	-4,447	-4,422	-4,398
2022	0	0	$5.60	$0	6%	$0	$0	5,000	0	0	5,100	-5,100	264,894	0	-269,994	-121,497	0.87	-116,448	-111,629	-107,387	-103,676
2023	10,950,000	10,074,000	$5.60	$56,414	4%	$2,257	$164	5,120	2,738	0	8,175	45,419	46,818	0	-1,399	-630	1.87	-575	-527	-485	-448
2024	32,850,000	30,222,000	$5.70	$172,265	4%	$6,891	$1,723	5,360	8,213	0	14,403	149,249	23,877	0	125,372	56,417	2.87	49,045	42,916	37,775	33,432
2025	43,800,000	40,296,000	$5.80	$233,717	4%	$9,349	$2,337	5,480	10,950	0	17,784	204,247	0	0	204,247	91,911	3.87	76,097	63,559	53,514	45,387
2026	43,800,000	40,296,000	$5.86	$236,135	4%	$14,168	$2,361	5,480	10,950	0	18,140	201,465	0	0	201,465	90,659	4.87	71,486	56,994	45,900	37,308
2027	43,800,000	40,296,000	$5.92	$238,552	8%	$19,084	$2,386	5,480	10,950	0	18,503	198,580	0	0	198,580	89,361	5.87	67,107	51,071	39,342	30,645
2028	42,647,472	39,233,674	$5.98	$234,629	8%	$18,770	$2,346	5,480	10,662	0	18,542	194,971	0	0	194,971	87,737	6.87	62,750	45,584	33,588	25,073
2029	39,311,196	36,166,300	$6.04	$218,444	9%	$19,660	$2,184	5,480	9,828	0	17,936	178,664	0	0	178,664	80,399	7.87	54,783	37,874	26,784	19,147
2030	35,173,547	32,359,663	$6.10	$197,394	9%	$17,765	$1,974	5,480	8,793	0	17,058	160,597	0	0	160,597	72,268	8.87	46,881	31,031	20,929	14,342
2031	31,471,401	28,953,689	$6.18	$178,934	9%	$16,104	$1,789	5,480	7,868	0	16,271	144,769	0	0	144,769	65,146	9.87	40,249	25,430	16,398	10,774
2032	28,158,570	25,906,206	$6.26	$162,173	9%	$14,596	$1,622	5,480	7,040	0	15,567	130,389	0	0	130,389	58,675	10.87	34,524	20,822	12,840	8,086
2033	25,195,089	23,179,482	$6.34	$146,958	9%	$13,226	$1,470	5,480	6,299	0	14,938	117,324	0	0	117,324	52,796	11.87	29,586	17,032	10,049	6,063
2034	22,543,213	20,739,756	$6.42	$133,149	9%	$11,983	$1,331	5,480	5,636	0	14,379	105,455	0	0	105,455	47,455	12.87	25,509	13,917	7,854	4,642
2035	20,170,457	18,556,820	$6.50	$120,619	9%	$10,856	$1,206	5,480	5,043	0	13,884	94,673	0	0	94,673	42,603	13.87	21,854	11,328	6,131	3,598
2036	18,047,441	16,603,646	$6.58	$109,230	9%	$9,830	$1,092	5,480	4,512	0	13,448	84,850	0	0	84,850	38,183	14.87	18,483	9,255	4,778	2,728
2037	16,147,882	14,856,051	$6.71	$99,679	10%	$9,968	$997	5,480	4,037	0	13,065	75,649	0	0	75,649	34,042	15.87	15,684	7,501	3,705	1,885
2038	14,448,257	13,292,397	$6.84	$90,971	10%	$9,097	$910	5,480	3,612	0	12,731	68,233	0	0	68,233	30,705	16.87	13,482	6,151	2,906	1,417
2039	12,927,525	11,893,323	$6.98	$83,024	10%	$8,302	$830	5,480	3,232	0	12,443	61,449	0	0	61,449	27,652	17.87	11,563	5,035	2,275	1,064
2040	11,566,855	10,641,507	$7.12	$75,771	10%	$7,577	$758	5,480	2,892	0	12,196	55,240	0	0	55,240	24,858	18.87	9,960	4,115	1,779	797
2041	10,349,401	9,521,449	$7.26	$69,152	10%	$6,915	$692	5,480	2,587	0	11,988	49,557	0	0	49,557	22,301	19.87	8,458	3,356	1,388	596
2042	9,260,088	8,519,281	$7.41	$63,111	10%	$6,311	$631	5,480	2,315	0	11,801	44,354	0	0	44,354	19,959	20.87	7,210	2,731	1,080	444
2043	8,285,430	7,622,595	$7.56	$57,597	10%	$5,760	$576	5,480	2,071	0	11,674	39,588	0	0	39,588	17,814	21.87	6,179	2,216	838	330
2044	5,760,356	5,299,390	$7.71	$40,844	10%	$4,084	$408	5,480	1,440	0	10,912	25,439	0	0	25,439	11,447	22.87	3,711	1,294	468	177
2045	1,847,620	1,699,811	$7.86	$13,363	10%	$1,336	$134	5,480	462	0	9,557	2,336	0	2,000	336	151	23.87	42	16	5	2
Totals	328,312,000	486,231,040		3,032,116		$243,890	$30,321	$135,560	$132,128	$0	$335,509	**2,422,396**	**340,589**	**2,000**	**2,079,807**	**935,913**		**552,690**	**342,555**	**217,808**	**138,524**
Company Gross	**218,803,968**		**$1,364,452**		**$109,750**	**$13,645**	**$61,002**	**$59,457.60**		**$150,979**	**1,090,079**	**153,265**	**900**	**935,913**	**45.0%**						
Company Net	**199,016,314**		$0.00				1%	5,000	$0.25												
	Shrinkage	9%	Price Differential			0.090435515		M$/yr	$/Mscf												

Table 4a, Page 3

Zenith Energy Ltd

Ezzaouia Triassic Prospect

October 1, 2021

Production Streams, Revenues and Cash Flows - Prospective Resources - Best Estimate

After Income tax

Company Working Interest	45.0%

	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%				Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash Flow		Company Share Discounted @			
														5%	10%	15%	20%
Year	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	%	M$/yr	M$/yr	t	M$	M$	M$	M$
2021	-2,250	$2,250	$0	$450				$450	($2,700)	50%	($1,350)	($3,150)	0.50	-3,074	-3,003	-2,937	-2,876
2022	-2,295	$119,202	$0	$450	$23,840			$24,290	($26,585)	50%	($13,293)	($108,205)	1.50	-100,568	-93,790	-87,740	-82,314
2023	20,438	$21,068	$0	$450	$23,840	$4,214		$28,504	($8,066)	50%	($4,033)	$3,403	2.50	3,012	2,682	2,400	2,157
2024	67,162	$10,745	$0	$450	$23,840	$4,214	$2,149	$30,653	$36,509	50%	$18,254	$38,163	3.50	32,172	27,338	23,399	20,161
2025	91,911	$0	$0	$450	$23,840	$4,214	$2,149	$30,653	$61,258	50%	$30,629	$61,282	4.50	49,202	39,909	32,673	26,978
2026	90,659	$0	$0		$23,840	$4,214	$2,149	$30,203	$60,456	50%	$30,228	$60,431	5.50	46,208	35,777	28,017	22,170
2027	89,361	$0	$0			$4,214	$2,149	$6,363	$82,998	50%	$41,499	$47,862	6.50	34,854	25,759	19,295	14,652
2028	87,737	$0	$0				$2,149	$2,149	$85,588	50%	$42,794	$44,943	7.50	31,170	21,990	15,755	11,450
2029	80,399	$0	$0					$0	$80,399	55%	$44,219	$36,180	8.50	23,898	16,093	11,029	7,681
2030	72,268	$0	$0					$0	$72,268	55%	$39,748	$32,521	9.50	20,458	13,150	8,620	5,754
2031	65,146	$0	$0					$0	$65,146	55%	$35,830	$29,316	10.50	17,564	10,777	6,757	4,322
2032	58,675	$0	$0					$0	$58,675	55%	$32,271	$26,404	11.50	15,066	8,824	5,292	3,244
2033	52,796	$0	$0					$0	$52,796	55%	$29,038	$23,758	12.50	12,911	7,218	4,141	2,432
2034	47,455	$0	$0					$0	$47,455	55%	$26,100	$21,355	13.50	11,052	5,898	3,236	1,822
2035	42,603	$0	$0					$0	$42,603	55%	$23,432	$19,171	14.50	9,449	4,813	2,527	1,363
2036	38,183	$0	$0					$0	$38,183	55%	$21,000	$17,182	15.50	8,066	3,922	1,969	1,018
2037	34,042	$0	$0					$0	$34,042	60%	$20,425	$13,617	16.50	6,088	2,826	1,357	672
2038	30,705	$0	$0					$0	$30,705	60%	$18,423	$12,282	17.50	5,229	2,317	1,064	505
2039	27,652	$0	$0					$0	$27,652	60%	$16,591	$11,061	18.50	4,485	1,897	833	379
2040	24,858	$0	$0					$0	$24,858	60%	$14,915	$9,943	19.50	3,840	1,550	652	284
2041	22,301	$0	$0					$0	$22,301	60%	$13,381	$8,920	20.50	3,281	1,264	508	212
2042	19,959	$0	$0					$0	$19,959	60%	$11,976	$7,984	21.50	2,797	1,029	396	158
2043	17,814	$0	$0					$0	$17,814	60%	$10,689	$7,126	22.50	2,377	835	307	118
2044	11,447	$0	$0					$0	$11,447	60%	$6,868	$4,579	23.50	1,455	488	172	63
2045	1,051	$0	$900					$0	$151	60%	$91	$60	24.50	18	6	2	1
Totals	**1,090,078**	**153,265**	**900**	**2,250**	**119,202**	**21,068**	**10,745**	**153,265**	**935,913**		**509,726**	**426,187**	**313**	**241,010**	**139,564**	**79,724**	**42,389**

Zenith Energy Ltd

Ezzaouia Triassic Prospect

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - Best Estimate

Year	Gross Revenue M$/yr.	Royalty M$/yr.	Corp Tax (Grossed Up) M$/yr.	Net Revenue M$/yr.	Cumulative Net Revenue M$	Operating Costs M$/yr.	Capital Costs M$/yr.	Total Expenditures M$/yr.	Cumulative Expenditures M$	R Factor #	Royalty Rate %	Tax Rate %
2021	$0	$0	($3,000)	$3,000	$262,068	5,000	5,000	10,000	$250,829	1.04	6%	50%
2022	$0	$0	($29,539)	$29,539	$291,607	5,100	264,894	269,994	$520,823	0.56	4%	50%
2023	$56,414	$2,257	($8,962)	$63,120	$354,727	8,175	46,818	54,993	$575,816	0.62	4%	50%
2024	$172,265	$6,891	$40,566	$124,809	$479,536	14,403	23,877	38,280	$614,096	0.78	4%	50%
2025	$233,717	$9,349	$68,064	$156,304	$635,840	17,784	0	17,784	$631,881	1.01	6%	50%
2026	$236,135	$14,168	$67,174	$154,793	$790,633	18,140	0	18,140	$650,021	1.22	8%	50%
2027	$238,552	$19,084	$92,220	$127,248	$917,881	18,503	0	18,503	$668,524	1.37	8%	50%
2028	$234,629	$18,770	$95,098	$120,761	$1,038,642	18,542	0	18,542	$687,066	1.51	9%	55%
2029	$218,444	$19,660	$98,265	$100,519	$1,139,161	17,936	0	17,936	$705,001	1.62	9%	55%
2030	$197,394	$17,765	$88,328	$91,300	$1,230,461	17,058	0	17,058	$722,059	1.70	9%	55%
2031	$178,934	$16,104	$79,623	$83,207	$1,313,668	16,271	0	16,271	$738,330	1.78	9%	55%
2032	$162,173	$14,596	$71,714	$75,863	$1,389,531	15,567	0	15,567	$753,897	1.84	9%	55%
2033	$146,958	$13,226	$64,528	$69,204	$1,458,735	14,938	0	14,938	$768,835	1.90	9%	55%
2034	$133,149	$11,983	$58,000	$63,166	$1,521,901	14,379	0	14,379	$783,215	1.94	9%	55%
2035	$120,619	$10,856	$52,070	$57,693	$1,579,594	13,884	0	13,884	$797,099	1.98	9%	55%
2036	$109,220	$9,830	$46,668	$52,723	$1,632,317	13,448	0	13,448	$810,547	2.01	10%	60%
2037	$99,679	$9,568	$45,390	$44,321	$1,676,638	13,065	0	13,065	$823,611	2.04	10%	60%
2038	$90,971	$9,097	$40,940	$40,934	$1,717,572	12,731	0	12,731	$836,343	2.05	10%	60%
2039	$83,024	$8,302	$36,869	$37,852	$1,755,424	12,443	0	12,443	$848,785	2.07	10%	60%
2040	$75,771	$7,577	$33,144	$35,050	$1,790,474	12,196	0	12,196	$860,981	2.08	10%	60%
2041	$69,152	$6,915	$29,734	$32,502	$1,822,976	11,988	0	11,988	$872,969	2.09	10%	60%
2042	$63,111	$6,311	$26,612	$30,187	$1,853,164	11,815	0	11,815	$884,784	2.09	10%	60%
2043	$57,597	$5,760	$23,753	$28,085	$1,881,249	11,674	0	11,674	$896,458	2.10	10%	60%
2044	$40,844	$4,084	$15,263	$21,496	$1,902,745	10,912	0	10,912	$907,370	2.10	10%	60%
2045	$13,363	$1,336	$701	$11,825	$1,914,570	9,557	0	9,557	$916,927	2.09	10%	60%
Totals	$2,788,049	$219,483	$1,037,160	$1,531,406		$279,563	$340,589	$620,152				
			0.45 WI Factor		**$259,068** Opening Balance				**$240,829** Opening Balance	1.08	7%	50%
										Applies Subsequent Year		

Zenith Energy Ltd

Ezzaouia Triassic Prospect

October 1, 2021

Production and Capital Forecast - Prospective Resources - Low Estimate

	Single Well Production Profile				Development Program -					Capital Expenditures - M$					
					# Wells	# Wells	# Wells	Total GAS Sales							
Year	Mscf/d	Days On	Mscf/yr	Year	Well Count	1	2	0	0	Mscf/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline	Total Capital (Escalated)
1	20,000	365	7,300,000	2021	0.0	0	-	-	0	0	5000	0	0	0	0	5000
2	20,000	365	7,300,000	2022	0.0	0	0	-	0	0	0	20000	2500	50000	187200	264894
3	20,000	365	7,300,000	2023	1.0	7,300,000	0	0	7,300,000	20000	0	40000	5000	0	0	46818
4	20,000	365	7,300,000	2024	3.0	7,300,000	14,600,000	0	21,900,000	60000	0	0	0	0	0	0
5	20,000	365	7,300,000	2025	3.0	7,300,000	14,600,000	0	21,900,000	60000	0	0	0	0	0	0
6	18,356	365	6,699,962	2026	3.0	7,300,000	14,600,000	0	21,900,000	60000	0	0	0	0	0	0
7	16,847	365	6,149,245	2027	3.0	7,300,000	14,600,000	0	21,900,000	60000	0	0	0	0	0	0
8	15,462	365	5,643,796	2028	3.0	6,699,962	14,600,000	0	21,299,962	58356	0	0	0	0	0	0
9	14,191	365	5,179,892	2029	3.0	6,149,245	13,399,924	0	19,549,169	53559	0	0	0	0	0	0
10	13,025	365	4,754,121	2030	3.0	5,643,796	12,298,490	0	17,942,286	49157	0	0	0	0	0	0
11	11,954	365	4,363,346	2031	3.0	5,179,892	11,287,591	0	16,467,484	45116	0	0	0	0	0	0
12	10,972	365	4,004,692	2032	3.0	4,754,121	10,359,785	0	15,113,906	41408	0	0	0	0	0	0
13	10,070	365	3,675,519	2033	3.0	4,363,346	9,508,242	0	13,871,588	38004	0	0	0	0	0	0
14	9,242	365	3,373,402	2034	3.0	4,004,692	8,726,693	0	12,731,385	34881	0	0	0	0	0	0
15	8,483	365	3,096,118	2035	3.0	3,675,519	8,009,385	0	11,684,903	32013	0	0	0	0	0	0
16	7,785	365	2,841,627	2036	3.0	3,373,402	7,351,037	0	10,724,439	29382	0	0	0	0	0	0
17	7,145	365	2,608,054	2037	3.0	3,096,118	6,746,804	0	9,842,923	26967	0	0	0	0	0	0
18	6,558	365	2,393,679	2038	3.0	2,841,627	6,192,237	0	9,033,864	24750	0	0	0	0	0	0
19	6,019	365	2,196,926	2039	3.0	2,608,054	5,683,254	0	8,291,307	22716	0	0	0	0	0	0
20	5,524	365	2,016,345	2040	3.0	2,393,679	5,216,107	0	7,609,787	20849	0	0	0	0	0	0
21	5,070	365	1,850,608	2041	3.0	2,196,926	4,787,359	0	6,984,285	19135	0	0	0	0	0	0
22	0	365	0	2042	3.0	2,016,345	4,393,852	0	6,410,198	17562	0	0	0	0	0	0
23	0	365	0	2043	3.0	1,850,608	4,032,691	0	5,883,299	16119	0	0	0	0	0	0
24	0	365	0	2044	2.0	0	3,701,216	0	3,701,216	10140	0	0	0	0	0	0
25	0	365	0	2045	0.0	0	0	0	0	0	0	0	0	0	0	0
Total			97,347,333			97,347,333	194,694,666	0	292,041,999			60,000	7,500	50,000		316,712
Decline % =	8%										5000	20000	2500	50000	23400	
First year prod Months.	12														Cost /ID	
IP Mscf/d	20000									2021	1	0	0	0		
										2022		1	1	1	8	
										2023		2	2	0	0	
										2024		0	0			
										2025		0	0			
										2026		0	0			
										2027		0	0			

Zenith Energy Ltd

Ezzeoule Triassic Prospect

October 1, 2021

Production Streams, Revenues and Cash Flows - Prospective Resources - Low Estimate

Before Income Tax

Year	Gross Production Mscf/yr	Gross Sales Mscf/yr	Gas Price $/Mscf	Gross Revenue M$/yr	Royalty Rate %	Royalty M$/yr	Export Payment $/yr	Operating Costs - M$/yr Fixed	Variable	Remedial Work	Total (Escalated)	Project Total Revenue (Operating Cash Flow) M$/yr	Total Capital Costs M$/yr	Abandon & Reclamation M$/yr	Net Cash Flow (Profit) M$/yr	Project Undiscounted Company's Share Undiscounted Net Cash Flow (Profit) M$/yr	t	Company Share Discounted @ 5% M$	10% M$	15% M$	20% M$
2021	0	0	$5.50	$0	7%	$0	$0	5,000	0	0	5,000	-5,000	5,000	0	-10,000	-6,500	0.13	-6,673	-6,447	-6,457	-6,399
2022	0	0	$5.60	$0	6%	$0	$0	5,000	0	0	5,100	-5,100	264,894	0	-269,994	-121,497	0.87	-116,448	-111,829	-107,587	-103,676
2023	7,300,000	6,716,000	$5.60	$37,610	4%	$1,504	$376	5,120	1,825	0	7,726	28,004	46,818	0	-18,814	-8,242	1.87	-7,523	-6,896	-6,346	-5,861
2024	21,900,000	20,148,000	$5.70	$114,844	4%	$4,594	$1,148	5,360	5,473	0	11,498	97,603	0	0	97,603	43,921	2.87	38,182	33,410	29,409	26,027
2025	21,900,000	20,148,000	$5.80	$116,858	4%	$4,674	$1,169	5,360	5,475	0	11,728	99,287	0	0	99,287	44,679	3.87	36,992	30,897	26,014	22,064
2026	21,900,000	20,148,000	$5.86	$118,067	6%	$7,084	$1,181	5,360	5,475	0	11,963	97,840	0	0	97,840	44,028	4.87	34,717	27,679	22,291	18,118
2027	21,900,000	20,148,000	$5.92	$119,276	6%	$7,157	$1,193	5,360	5,475	0	12,202	98,735	0	0	98,735	44,426	5.87	33,362	25,390	19,559	15,235
2028	21,299,962	19,595,965	$5.98	$117,184	8%	$9,375	$1,172	5,360	5,325	0	12,274	94,364	0	0	94,364	42,464	6.87	30,370	22,062	16,256	12,135
2029	18,549,169	17,065,235	$6.04	$108,631	8%	$8,690	$1,086	5,360	4,887	0	12,006	86,848	0	0	86,848	39,081	7.87	26,620	18,459	13,010	9,307
2030	17,942,286	16,506,903	$6.10	$100,692	8%	$8,055	$1,007	5,360	4,486	0	11,766	79,863	0	0	79,863	35,939	8.87	23,314	15,451	10,403	7,132
2031	16,457,484	15,150,085	$6.18	$93,628	8%	$7,490	$936	5,360	4,117	0	11,552	73,649	0	0	73,649	33,142	9.87	20,476	12,937	8,347	5,481
2032	15,113,906	13,904,793	$6.26	$87,044	8%	$6,964	$870	5,360	3,778	0	11,383	67,847	0	0	67,847	30,531	10.87	17,965	10,834	6,683	4,208
2033	13,871,588	12,761,861	$6.34	$80,910	8%	$6,473	$809	5,360	3,468	0	11,196	62,432	0	0	62,432	28,095	11.87	15,744	9,065	5,347	3,227
2034	12,731,385	11,712,874	$6.42	$75,197	8%	$6,016	$752	5,360	3,183	0	11,051	57,378	0	0	57,378	25,820	12.87	13,780	7,572	4,273	2,471
2035	11,684,903	10,750,111	$6.50	$69,876	8%	$5,590	$699	5,360	2,921	0	10,927	52,660	0	0	52,660	23,697	13.87	12,041	6,318	3,410	1,899
2036	10,724,439	9,866,484	$6.58	$64,903	9%	$5,841	$649	5,360	2,681	0	10,822	47,590	0	0	47,590	21,416	14.87	10,367	5,191	2,680	1,423
2037	9,842,573	9,055,489	$6.71	$60,759	9%	$5,468	$608	5,360	2,461	0	10,716	43,947	0	0	43,947	19,776	15.87	9,117	4,318	2,152	1,085
2038	9,033,864	8,311,155	$6.84	$56,880	9%	$5,119	$569	5,360	2,258	0	10,668	40,524	0	0	40,524	18,236	16.87	8,007	3,613	1,726	842
2039	8,291,307	7,628,003	$6.98	$53,249	9%	$4,792	$532	5,360	2,073	0	10,616	37,308	0	0	37,308	16,789	17.87	7,029	3,057	1,381	646
2040	7,609,787	7,001,004	$7.12	$49,849	9%	$4,486	$498	5,360	1,902	0	10,580	34,284	0	0	34,284	15,428	18.87	6,144	2,516	1,104	494
2041	6,984,285	6,425,542	$7.26	$46,667	9%	$4,200	$467	5,360	1,746	0	10,559	31,441	0	0	31,441	14,148	19.87	5,366	2,129	880	378
2042	6,410,198	5,897,382	$7.41	$43,688	9%	$3,932	$437	5,360	1,603	0	10,553	28,766	0	0	28,766	12,945	20.87	4,676	1,771	700	288
2043	5,883,299	5,412,635	$7.56	$40,899	9%	$3,681	$409	5,360	1,471	0	10,560	26,249	0	0	26,249	11,812	21.87	4,064	1,469	556	219
2044	3,701,216	3,405,118	$7.71	$26,244	9%	$2,362	$262	5,240	925	0	9,727	13,898	0	0	13,898	6,254	22.87	2,049	707	258	97
2045	0	0	$7.86	$0	9%	$0	$0	0	0	0	0	0	0	1,100	-1,100	-675	23.87	-315	-99	-29	-9
Totals	292,041,999	268,678,639		1,682,954		$123,548	$16,830	$121,360	$73,010	$0	$251,668	**1,290,908**	**316,712**	**1,100**	**972,696**	**437,713**		**251,722**	**121,702**	**58,055**	**18,833**
Company Gross	**120,905,388**			**$757,329**		**$55,597**	**$7,579**	**$57,402**	**$32,834.72**		**$113,251**	**580,908**	**142,520**	**675**	**437,713**	**45.0%**					
Company Net	**110,820,474**		$0.00				1%	5,900	$0.25												
Shrinkage	8%		Price Differential			0.083411612		M$/yr	$/Mscf												

Zenith Energy Ltd

Ezzaouia Triassic Prospect

October 1, 2021

Production Streams, Revenues and Cash Flows - Prospective Resources - Low Estimate

After Income tax

Company Working Interest	45.0%

	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%				Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash Flow		Company Share Discounted @			
														5%	10%	15%	20%
Year	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	%	M$/yr	M$/yr	t	M$	M$	M$	M$
2021	-2,250	$2,250	$0	$450				$450	($2,700)	50%	($1,350)	($3,150)	0.50	-3,074	-3,003	-2,937	-2,876
2022	-2,295	$119,202	$0	$450	$23,840			$24,290	($26,585)	50%	($13,293)	($108,205)	1.50	-100,568	-91,790	-87,740	-82,314
2023	12,827	$21,068	$0	$450	$23,840	$4,214		$28,504	($15,677)	50%	($7,839)	($403)	2.50	-357	-317	-284	-255
2024	43,921	$0	$0	$450	$23,840	$4,214	$0	$28,504	$15,417	50%	$7,709	$36,213	3.50	30,528	25,941	22,203	19,131
2025	44,679	$0	$0	$450	$23,840	$4,214	$0	$28,504	$16,175	50%	$8,088	$36,592	4.50	29,379	23,830	19,509	16,108
2026	44,028	$0	$0		$23,840	$4,214	$0	$28,054	$15,974	50%	$7,987	$36,041	5.50	27,559	21,337	16,709	13,222
2027	44,426	$0	$0			$4,214	$0	$4,214	$40,213	50%	$20,106	$24,320	6.50	17,711	13,089	9,805	7,435
2028	42,464	$0	$0				$0	$0	$42,464	50%	$21,232	$21,232	7.50	14,725	10,388	7,443	5,409
2029	39,081	$0	$0					$0	$39,081	50%	$19,541	$19,541	8.50	12,907	8,692	5,957	4,149
2030	35,939	$0	$0					$0	$35,939	50%	$17,969	$17,969	9.50	11,304	7,266	4,763	3,179
2031	33,142	$0	$0					$0	$33,142	50%	$16,571	$16,571	10.50	9,928	6,092	3,820	2,443
2032	30,531	$0	$0					$0	$30,531	50%	$15,266	$15,266	11.50	8,719	5,102	3,060	1,876
2033	28,095	$0	$0					$0	$28,095	50%	$14,047	$14,047	12.50	7,634	4,268	2,448	1,438
2034	25,820	$0	$0					$0	$25,820	50%	$12,910	$12,910	13.50	6,681	3,566	1,957	1,101
2035	23,697	$0	$0					$0	$23,697	50%	$11,849	$11,849	14.50	5,840	2,975	1,562	842
2036	21,416	$0	$0					$0	$21,416	55%	$11,779	$9,637	15.50	4,524	2,200	1,104	571
2037	19,776	$0	$0					$0	$19,776	55%	$10,877	$8,899	16.50	3,979	1,847	887	439
2038	18,236	$0	$0					$0	$18,236	55%	$10,030	$8,206	17.50	3,494	1,548	711	338
2039	16,789	$0	$0					$0	$16,789	55%	$9,234	$7,555	18.50	3,064	1,296	569	258
2040	15,428	$0	$0					$0	$15,428	55%	$8,485	$6,943	19.50	2,681	1,082	455	198
2041	14,148	$0	$0					$0	$14,148	55%	$7,782	$6,367	20.50	2,342	902	363	152
2042	12,945	$0	$0					$0	$12,945	55%	$7,120	$5,825	21.50	2,040	751	289	116
2043	11,812	$0	$0					$0	$11,812	55%	$6,497	$5,315	22.50	1,773	623	229	88
2044	6,254	$0	$0					$0	$6,254	55%	$3,440	$2,814	23.50	894	300	105	39
2045	0	$0	$675					$0	($675)	55%	($371)	($304)	24.50	-92	-29	-10	-3
Totals	**580,908**	**142,520**	**675**	**2,250**	**119,202**	**21,068**	**0**	**142,520**	**437,713**		**225,663**	**212,050**	**313**	**103,606**	**45,951**	**12,976**	**-6,915**

Zenith Energy Ltd

Ezzaouia Triassic Prospect

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - Low Estimate

Year	Gross Revenue M$/yr.	Royalty M$/yr.	Corp Tax (Grossed Up) M$/yr.	Net Revenue M$/yr.	Cumulative Net Revenue M$	Operating Costs M$/yr.	Capital Costs M$/yr.	Total Expenditures M$/yr.	Cumulative Expenditures M$	R Factor #	Royalty Rate %	Tax Rate %
2021	$0	$0	($3,000)	$3,000	$262,068	5,000	5,000	10,000	$250,829	1.04	6%	50%
2022	$0	$0	($29,539)	$29,539	$291,607	5,100	264,894	269,994	$520,823	0.56	4%	50%
2023	$37,610	$1,504	($17,419)	$53,525	$345,132	7,226	46,818	54,044	$574,867	0.60	4%	50%
2024	$114,844	$4,594	$17,130	$93,119	$438,251	11,498	0	11,498	$586,365	0.75	4%	50%
2025	$116,858	$4,674	$17,972	$94,212	$532,463	11,728	0	11,728	$598,093	0.89	6%	50%
2026	$118,067	$7,084	$17,749	$93,235	$625,698	11,963	0	11,963	$610,056	1.03	6%	50%
2027	$119,276	$7,157	$44,681	$67,439	$693,137	12,202	0	12,202	$622,258	1.11	8%	50%
2028	$117,184	$9,375	$47,182	$60,627	$753,764	12,274	0	12,274	$634,531	1.19	8%	50%
2029	$108,631	$8,690	$43,424	$56,516	$810,280	12,006	0	12,006	$646,538	1.25	8%	50%
2030	$100,692	$8,055	$39,932	$52,705	$862,985	11,766	0	11,766	$658,304	1.31	8%	50%
2031	$93,628	$7,490	$36,824	$49,313	$912,298	11,552	0	11,552	$669,856	1.36	8%	50%
2032	$87,044	$6,964	$33,924	$46,157	$958,455	11,363	0	11,363	$681,219	1.41	8%	50%
2033	$80,910	$6,473	$31,216	$43,221	$1,001,676	11,196	0	11,196	$692,415	1.45	8%	50%
2034	$75,197	$6,016	$28,689	$40,492	$1,042,168	11,051	0	11,051	$703,466	1.48	8%	50%
2035	$69,876	$5,590	$26,330	$37,956	$1,080,124	10,927	0	10,927	$714,393	1.51	9%	55%
2036	$64,903	$5,841	$26,175	$32,887	$1,113,011	10,822	0	10,822	$725,215	1.53	9%	55%
2037	$60,759	$5,468	$24,171	$31,120	$1,144,131	10,736	0	10,736	$735,951	1.55	9%	55%
2038	$56,880	$5,119	$22,288	$29,473	$1,173,603	10,668	0	10,668	$746,619	1.57	9%	55%
2039	$53,249	$4,792	$20,519	$27,937	$1,201,540	10,616	0	10,616	$757,235	1.59	9%	55%
2040	$49,849	$4,486	$18,856	$26,507	$1,228,047	10,580	0	10,580	$767,815	1.60	9%	55%
2041	$46,667	$4,200	$17,293	$25,174	$1,253,221	10,559	0	10,559	$778,374	1.61	9%	55%
2042	$43,688	$3,932	$15,821	$23,935	$1,277,156	10,553	0	10,553	$788,927	1.62	9%	55%
2043	$40,899	$3,681	$14,437	$22,781	$1,299,937	10,560	0	10,560	$799,487	1.63	9%	55%
2044	$26,244	$2,362	$7,644	$16,238	$1,316,175	9,722	0	9,722	$809,209	1.63	9%	55%
2045	$0	$0	($825)	$825	$1,317,000	0	0	0	$809,209	1.63	9%	55%
Totals	$1,525,456	$109,374	$447,104	$968,979		$210,274	$316,712	$526,986				
			0.45 WI Factor		**$259,068** Opening Balance				**$240,829** Opening Balance	1.08	7%	50%
										Applies Subsequent Year		

Zenith Energy Ltd

Ezzaouia Triassic Prospect

October 1, 2021

Production and Capital Forecast - Prospective Resources - High Estimate

	Single Well Production Profile					Development Program - # Wells	# Wells	# Wells	Total GAS Sales		Capital Expenditures - M$					
Year	Mscf/d	Days On	Mscf/yr	Year	Well Count	1	2	2	0	Mscf/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline	Total Capital (Escalated)
1	40,000	365	14,600,000	2021	0.0	0	-	-	0	0	5000	0	0	0	0	5000
2	40,000	365	14,600,000	2022	0.0	0	0	-	0	0	0	20000	2500	50000	234000	312630
3	40,000	365	14,600,000	2023	1.0	14,600,000	0	0	14,600,000	40000	0	40000	5000	0	0	46818
4	40,000	365	14,600,000	2024	3.0	14,600,000	29,200,000	0	43,800,000	120000	0	40000	5000	0	0	47754
5	40,000	365	14,600,000	2025	5.0	14,600,000	29,200,000	29,200,000	73,000,000	200000	0	0	0	0	0	0
6	35,438	365	12,934,764	2026	5.0	14,600,000	29,200,000	29,200,000	73,000,000	200000	0	0	0	0	0	0
7	31,396	365	11,459,459	2027	5.0	14,600,000	29,200,000	29,200,000	73,000,000	200000	0	0	0	0	0	0
8	27,815	365	10,152,425	2028	5.0	12,934,764	29,200,000	29,200,000	71,334,764	195438	0	0	0	0	0	0
9	24,642	365	8,994,466	2029	5.0	11,459,459	25,869,527	29,200,000	66,528,987	182271	0	0	0	0	0	0
10	21,832	365	7,968,582	2030	5.0	10,152,425	22,918,919	25,869,527	58,940,870	161482	0	0	0	0	0	0
11	19,342	365	7,059,707	2031	5.0	8,994,466	20,304,849	22,918,919	52,218,234	143064	0	0	0	0	0	0
12	17,136	365	6,254,496	2032	5.0	7,968,582	17,988,933	20,304,849	46,262,364	126746	0	0	0	0	0	0
13	15,181	365	5,541,125	2033	5.0	7,059,707	15,937,164	17,988,933	40,985,804	112290	0	0	0	0	0	0
14	13,450	365	4,909,119	2034	5.0	6,254,496	14,119,414	15,937,164	36,311,074	99482	0	0	0	0	0	0
15	11,916	365	4,349,199	2035	5.0	5,541,125	12,508,992	14,119,414	32,169,531	88136	0	0	0	0	0	0
16	10,557	365	3,853,141	2036	5.0	4,909,119	11,082,250	12,508,992	28,500,362	78083	0	0	0	0	0	0
17	9,352	365	3,413,662	2037	5.0	4,349,199	9,818,239	11,082,250	25,249,688	69177	0	0	0	0	0	0
18	8,286	365	3,024,309	2038	5.0	3,853,141	8,698,397	9,818,239	22,369,777	61287	0	0	0	0	0	0
19	7,341	365	2,679,364	2039	5.0	3,413,662	7,706,281	8,698,397	19,818,341	54297	0	0	0	0	0	0
20	6,503	365	2,373,763	2040	5.0	3,024,309	6,827,324	7,706,281	17,557,914	48104	0	0	0	0	0	0
21	5,762	365	2,103,018	2041	5.0	2,679,364	6,048,618	6,827,324	15,555,306	42617	0	0	0	0	0	0
22	0	365	0	2042	5.0	2,373,763	5,358,729	6,048,618	13,781,110	37756	0	0	0	0	0	0
23	0	365	0	2043	5.0	2,103,018	4,747,527	5,358,729	12,209,274	33450	0	0	0	0	0	0
24	0	365	0	2044	4.0	0	4,206,037	4,747,527	8,953,563	24530	0	0	0	0	0	0
25	0	365	0	2045	2.0	0	0	4,206,037	4,206,037	11523	0	0	0	0	0	0
Total			170,070,600			170,070,600	340,141,200	340,141,200	850,353,000			100,000	12,500	50,000		412,202
Decline % =	11%										5000	20000	2500	50000	23400	
First year prod Months.	12														Cost /ID	
IP Mscf/d	40000									2021	1	0	0	0		
										2022		1	1	1	10	
										2023		2	2	0	0	
										2024		2	2			
										2025		0	0			
										2026		0	0			
										2027		0	0			

Zenith Energy Ltd

Ezzaouia Triassic Prospect

October 1, 2021

Production Streams, Revenues and Cash Flows - Prospective Resources - High Estimate

Before Income Tax

Year	Gross Production Mscf/yr	Gross Sales Mscf/yr	Gas Price $/Mscf	Gross Revenue M$/yr	Royalty Rate %	Royalty M$/yr	Export Payment $/yr	Operating Costs - M$/yr: Fixed	Variable	Remedial Work	Total (Escalated)	Project Total Revenue (Operating Cash Flow) M$/yr	Total Capital Costs M$/yr	Abandon & Reclamation M$/yr	Net Cash Flow (Profit) M$/yr	Project Undiscounted Net Cash Flow (Profit) M$/yr	t	Company's Share Undiscounted Net Cash Flow (Profit) M$/yr	Company Share Discounted @ 5% M$	10% M$	15% M$	20% M$
2021	0	0	$5.50	$0	7%	$0	$0	5,000	0	0	5,000	-5,000	5,000	0	-10,000	-4,500	0.03	-4,495	-4,489	-4,484	-4,480
2022	0	0	$5.60	$0	6%	$0	$0	5,000	0	0	5,100	-5,100	312,630	0	-317,730	-142,979	0.87	-137,036	-131,601	-126,609	-122,007
2023	14,600,000	13,432,000	$5.60	$75,219	4%	$3,009	$752	5,120	3,650	0	9,124	62,334	46,818	0	15,516	6,982	1.67	6,373	5,842	5,376	4,965
2024	43,800,000	40,296,000	$5.70	$229,687	4%	$9,187	$2,297	5,360	10,950	0	17,308	200,895	67,714	0	133,140	68,913	2.67	18,908	52,401	46,142	40,657
2025	73,000,000	67,160,000	$5.80	$389,528	4%	$15,581	$3,895	5,600	18,250	0	25,846	344,236	0	0	344,236	154,906	3.67	128,252	107,122	90,152	76,496
2026	73,000,000	67,160,000	$5.86	$393,558	6%	$23,613	$3,936	5,600	18,250	0	26,337	339,676	0	0	339,676	152,854	4.67	110,527	96,094	77,389	62,907
2027	73,000,000	67,160,000	$5.92	$397,587	8%	$31,807	$3,976	5,600	18,250	0	26,859	334,945	0	0	334,945	150,725	5.67	113,189	86,141	66,318	51,688
2028	71,334,764	65,627,982	$5.98	$392,455	9%	$35,321	$3,925	5,600	17,834	0	26,918	326,252	0	0	326,252	146,831	6.67	105,314	76,287	56,211	41,961
2029	66,528,987	61,206,668	$6.04	$369,688	9%	$33,272	$3,697	5,600	16,632	0	26,049	306,671	0	0	306,671	138,002	7.67	93,999	65,162	45,940	32,865
2030	58,940,870	54,225,601	$6.10	$330,776	9%	$29,770	$3,308	5,600	14,735	0	24,302	273,396	0	0	273,396	123,028	8.67	79,810	52,826	35,674	24,414
2031	52,218,234	48,040,776	$6.18	$296,852	10%	$29,685	$2,969	5,600	13,055	0	22,740	241,494	0	0	241,494	108,672	9.67	67,140	42,403	27,355	17,817
2032	46,262,364	42,561,375	$6.26	$266,434	10%	$26,643	$2,664	5,600	11,566	0	21,343	215,783	0	0	215,783	97,102	10.67	57,135	34,458	21,254	13,387
2033	40,985,804	37,706,940	$6.34	$239,062	10%	$23,906	$2,391	5,600	10,246	0	20,097	192,668	0	0	192,668	86,701	11.67	48,585	27,970	16,502	9,957
2034	36,311,074	33,406,188	$6.42	$214,468	10%	$21,447	$2,145	5,600	9,078	0	18,987	171,889	0	0	171,889	77,350	12.67	41,281	22,685	12,802	7,469
2035	32,169,531	29,595,969	$6.50	$192,324	10%	$19,232	$1,924	5,600	8,042	0	18,001	153,212	0	0	153,212	68,945	13.67	35,044	18,392	9,903	5,499
2036	28,500,362	26,220,333	$6.58	$172,480	10%	$17,248	$1,725	5,600	7,125	0	17,126	136,381	0	0	136,381	61,371	14.67	29,708	14,875	7,680	4,379
2037	25,249,688	23,229,713	$6.71	$155,863	10%	$15,586	$1,559	5,600	6,312	0	16,313	122,365	0	0	122,365	55,064	15.67	25,386	12,133	5,997	3,350
2038	22,369,777	20,580,195	$6.84	$140,848	10%	$14,085	$1,408	5,600	5,592	0	15,672	109,682	0	0	109,682	49,357	16.67	21,671	9,887	4,671	2,578
2039	19,818,341	18,232,873	$6.98	$127,279	10%	$12,728	$1,273	5,600	4,955	0	15,075	98,203	0	0	98,203	44,191	17.67	18,479	8,047	3,636	1,700
2040	17,557,914	16,153,281	$7.12	$115,057	10%	$11,502	$1,150	5,600	4,389	0	14,553	87,812	0	0	87,812	39,515	18.67	15,757	6,547	2,827	1,267
2041	15,555,306	14,310,882	$7.26	$103,936	10%	$10,394	$1,039	5,600	3,889	0	14,100	78,403	0	0	78,403	35,281	19.67	13,382	5,310	2,195	942
2042	13,781,110	12,678,621	$7.41	$93,923	10%	$9,392	$939	5,600	3,445	0	13,710	69,882	0	0	69,882	31,447	20.67	11,359	4,302	1,701	700
2043	12,209,274	11,232,532	$7.56	$84,875	10%	$8,487	$849	5,600	3,052	0	13,376	62,162	0	0	62,162	27,973	21.67	9,623	3,479	1,316	519
2044	8,953,363	8,237,278	$7.71	$63,487	10%	$6,349	$635	5,480	2,238	0	12,171	44,332	0	0	44,332	19,950	22.67	6,536	2,296	816	308
2045	4,706,057	3,869,154	$7.86	$30,430	10%	$3,042	$304	0	1,057	0	1,691	25,383	0	2,500	22,883	10,297	23.67	3,213	1,058	366	133
Totals	850,353,000	782,324,760		4,875,855		$411,296	$48,759	$132,360	$212,588	$0	$427,804	**3,987,996**	**412,202**	**2,500**	**3,573,294**	**1,607,982**		**969,825**	**619,629**	**411,167**	**278,831**
Company Gross	**332,046,142**			**$2,194,135**		**$185,083**	**$21,941**	**$59,562**	**$95,664.71**		**$192,512**	**1,794,598**	**185,491**	**1,125**	**1,607,982**	**45.0%**					
Company Net	**$18,825,301**		$0.00				1%	5,000	$0.25												
	Shrinkage	6%	Price Differential			0.094933616		M$/yr	$/Mscf												

Table 4c, Page 3

Zenith Energy Ltd

Ezzaouia Triassic Prospect

October 1, 2021

Production Streams, Revenues and Cash Flows - Prospective Resources - High Estimate

After income tax

Company Working Interest: 45.0%

Year	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%				Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash flow	t	Company Share Discounted @ 5%	10%	15%	20%
	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	M$/yr	%	M$/yr	M$/yr		M$	M$	M$	M$
2021	-2,250	$2,250	$0	$450				$450	($2,700)	50%	($1,350)	($3,150)	0.50	-3,074	-3,003	-2,937	-2,876
2022	-2,295	$140,684	$0	$450	$28,137			$28,587	($30,882)	50%	($15,441)	($127,538)	1.50	-118,537	-110,548	-103,417	-97,021
2023	28,050	$21,068	$0	$450	$28,137	$4,214		$32,800	($4,750)	50%	($2,375)	$9,357	2.50	8,283	7,373	6,598	5,932
2024	90,403	$21,489	$0	$450	$28,137	$4,214	$4,298	$37,098	$53,304	50%	$26,652	$42,261	3.50	35,627	30,274	25,912	22,326
2025	154,906	$0	$0	$450	$28,137	$4,214	$4,298	$37,098	$117,808	50%	$58,904	$96,002	4.50	77,078	62,519	51,185	42,263
2026	152,854	$0	$0		$28,137	$4,214	$4,298	$36,648	$116,206	50%	$58,103	$94,751	5.50	72,451	56,095	43,929	34,761
2027	150,725	$0	$0			$4,214	$4,298	$8,512	$142,214	50%	$71,107	$79,618	6.50	57,981	42,851	32,098	24,341
2028	146,831	$0	$0				$4,298	$4,298	$142,533	55%	$78,393	$68,438	7.50	47,465	33,485	23,992	17,436
2029	138,002	$0	$0					$0	$138,002	55%	$75,901	$62,101	8.50	41,019	27,622	18,931	13,184
2030	123,028	$0	$0					$0	$123,028	55%	$67,666	$55,363	9.50	34,627	22,387	14,675	9,795
2031	108,672	$0	$0					$0	$108,672	60%	$65,203	$43,469	10.50	26,043	15,979	10,020	6,409
2032	97,102	$0	$0					$0	$97,102	60%	$58,261	$38,841	11.50	22,162	12,980	7,785	4,772
2033	86,701	$0	$0					$0	$86,701	60%	$52,020	$34,680	12.50	18,846	10,536	6,044	3,551
2034	77,350	$0	$0					$0	$77,350	60%	$46,410	$30,940	13.50	16,013	8,545	4,689	2,640
2035	68,945	$0	$0					$0	$68,945	60%	$41,367	$27,578	14.50	13,593	6,924	3,635	1,961
2036	61,371	$0	$0					$0	$61,371	60%	$36,823	$24,548	15.50	11,524	5,609	2,813	1,455
2037	55,064	$0	$0					$0	$55,064	60%	$33,039	$22,026	16.50	9,847	4,570	2,195	1,088
2038	49,357	$0	$0					$0	$49,357	60%	$29,614	$19,743	17.50	8,406	3,724	1,711	812
2039	44,191	$0	$0					$0	$44,191	60%	$26,515	$17,677	18.50	7,168	3,031	1,332	606
2040	39,515	$0	$0					$0	$39,515	60%	$23,709	$15,806	19.50	6,104	2,464	1,036	452
2041	35,281	$0	$0					$0	$35,281	60%	$21,169	$14,113	20.50	5,191	2,000	804	336
2042	31,447	$0	$0					$0	$31,447	60%	$18,868	$12,579	21.50	4,406	1,621	623	250
2043	27,973	$0	$0					$0	$27,973	60%	$16,784	$11,189	22.50	3,733	1,311	482	185
2044	19,950	$0	$0					$0	$19,950	60%	$11,970	$7,980	23.50	2,533	850	299	110
2045	11,422	$0	$1,125					$0	$10,297	60%	$6,178	$4,119	24.50	1,246	399	134	47
Totals	**1,794,598**	**185,491**	**1,125**	**2,250**	**140,684**	**21,068**	**21,489**	**185,491**	**1,607,982**		**905,491**	**702,491**	**313**	**409,937**	**249,593**	**154,566**	**94,813**

Zenith Energy Ltd

Ezzaoula Triassic Prospect

October 1, 2021

R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - High Estimate

Year	Gross Revenue M$/yr.	Royalty M$/yr.	Corp Tax (Grossed Up) M$/yr.	Net Revenue M$/yr.	Cumulative Net Revenue M$	Operating Costs M$/yr.	Capital Costs M$/yr.	Total Expenditures M$/yr.	Cumulative Expenditures M$	R Factor #	Royalty Rate %	Tax Rate %
2021	$0	$0	($3,000)	$3,000	$262,068	5,000	5,000	10,000	$250,829	1.04	6%	50%
2022	$0	$0	($34,313)	$34,313	$296,381	5,100	312,630	317,730	$568,559	0.52	4%	50%
2023	$75,219	$3,009	($5,278)	$77,488	$373,869	9,124	46,818	55,942	$624,501	0.60	4%	50%
2024	$229,687	$9,187	$59,227	$161,273	$535,142	17,308	47,754	65,063	$689,564	0.78	4%	50%
2025	$389,528	$15,581	$130,898	$243,049	$778,191	25,816	0	25,816	$715,380	1.09	6%	50%
2026	$393,558	$23,613	$129,118	$240,826	$1,019,018	26,332	0	26,332	$741,712	1.37	8%	50%
2027	$397,587	$31,807	$158,015	$207,765	$1,226,782	26,859	0	26,859	$768,571	1.60	9%	55%
2028	$392,455	$35,321	$174,208	$182,927	$1,409,709	26,918	0	26,918	$795,489	1.77	9%	55%
2029	$369,688	$33,272	$168,669	$167,747	$1,577,456	26,049	0	26,049	$821,538	1.92	9%	55%
2030	$330,776	$29,770	$150,368	$150,638	$1,728,095	24,302	0	24,302	$845,840	2.04	10%	60%
2031	$296,892	$29,689	$144,896	$122,306	$1,850,401	22,740	0	22,740	$868,580	2.13	10%	60%
2032	$266,434	$26,643	$129,470	$110,321	$1,960,722	21,343	0	21,343	$889,923	2.20	10%	60%
2033	$239,062	$23,906	$115,601	$99,555	$2,060,277	20,097	0	20,097	$910,021	2.26	10%	60%
2034	$214,468	$21,447	$103,133	$89,888	$2,150,165	18,987	0	18,987	$929,008	2.31	10%	60%
2035	$192,374	$19,237	$91,927	$81,209	$2,231,374	18,001	0	18,001	$947,009	2.36	10%	60%
2036	$172,480	$17,248	$81,828	$73,403	$2,304,777	17,126	0	17,126	$964,135	2.39	10%	60%
2037	$155,863	$15,586	$73,419	$66,858	$2,371,635	16,353	0	16,353	$980,488	2.42	10%	60%
2038	$140,848	$14,085	$65,809	$60,953	$2,432,589	15,672	0	15,672	$996,160	2.44	10%	60%
2039	$127,279	$12,728	$58,922	$55,629	$2,488,217	15,075	0	15,075	$1,011,235	2.46	10%	60%
2040	$115,017	$11,502	$52,687	$50,828	$2,539,045	14,553	0	14,553	$1,025,788	2.48	10%	60%
2041	$103,936	$10,394	$47,042	$46,501	$2,585,546	14,100	0	14,100	$1,039,887	2.49	10%	60%
2042	$93,923	$9,392	$41,929	$42,602	$2,628,147	13,710	0	13,710	$1,053,597	2.49	10%	60%
2043	$84,875	$8,487	$37,297	$39,090	$2,667,237	13,376	0	13,376	$1,066,973	2.50	10%	60%
2044	$63,487	$6,349	$26,599	$30,539	$2,697,776	12,171	0	12,171	$1,079,144	2.50	10%	60%
2045	$30,420	$3,042	$13,730	$13,649	$2,711,425	1,691	0	1,691	$1,080,836	2.51	11%	65%
Totals	$4,499,214	$373,632	$1,845,605	$2,279,977		$372,756	$412,202	$784,959				
			0.45 WI Factor		**$259,068** Opening Balance				**$240,829** Opening Balance	1.08	7%	50%
										Applies Subsequent Year		

Figure 4

RISK ANALYSIS (ARITHMETIC AVERAGE)

Zenith Energy Ltd
Triassic Prospect
Ezzaouia Concession, Tunisia

ECONOMIC PARAMETERS

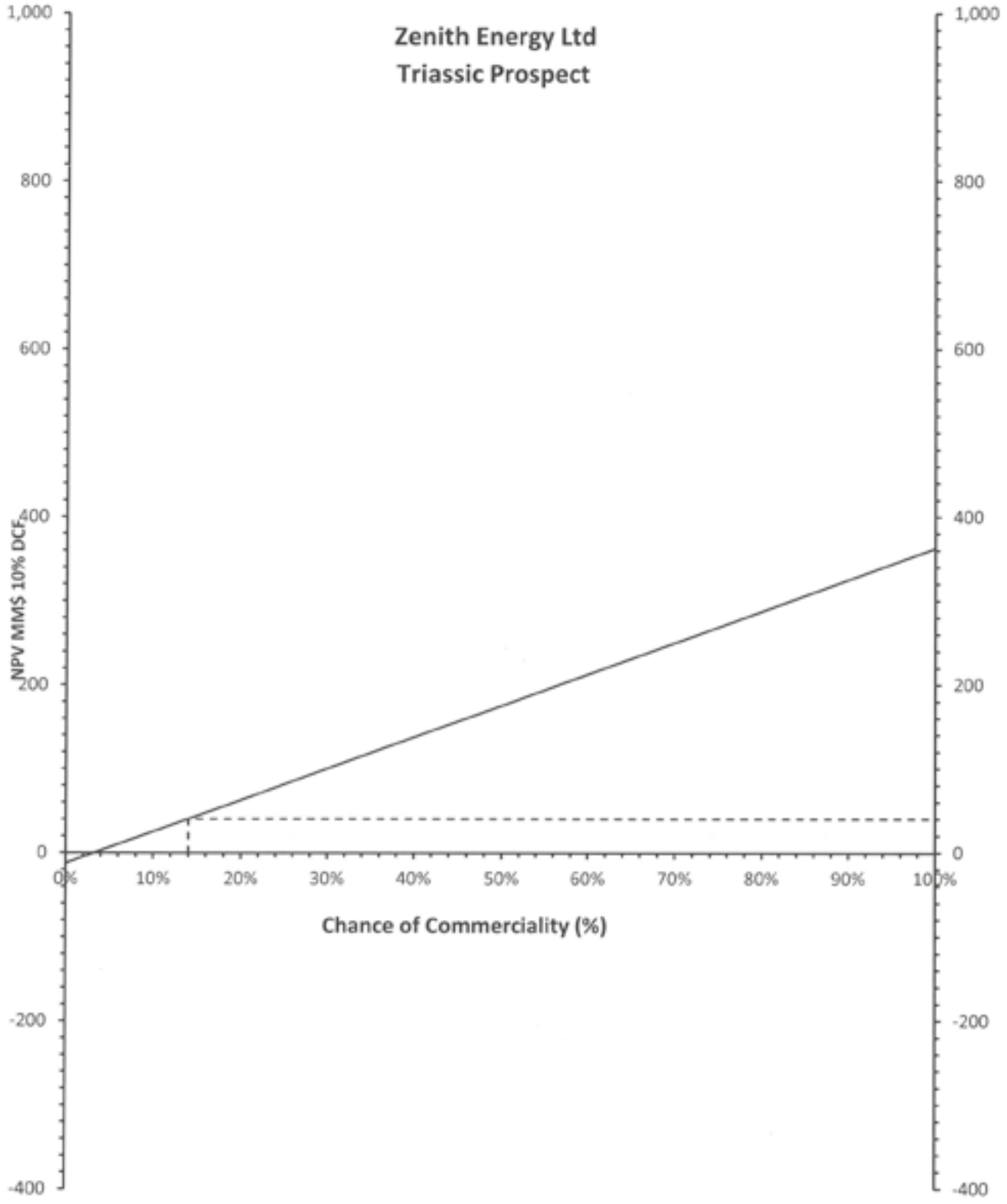
Net Capital Exposure (Failure Case), M$	12,375
Geological Risk Factors	
Source Rock	85%
Reservoir Rock	65%
Trap/Seal	50%
Timing/Migration	75%
Chance of Discovery	21%
Development Risk Factors	
Economic Viability	95%
Market Access	95%
Production & Transportation Infrastructure	95%
Regulatory & Social Licence	95%
Corporate & External Approvals	90%
Reasonable Timetable for Development	90%
Chance of Development	66%
Chance of Commerciality (Chance of Discovery * Chance of Development)	14%

TOTAL VALUES

Discount Rate	undisc.	5%	10%	15%	20%
Unrisked Value, M$	993,869	456,680	362,616	230,263	146,599
Risked Value, M$	128,499	53,293	40,124	21,594	9,881
Minimum Chance of Commerciality Req'd	1%	3%	3%	5%	8%

Figure 4

RISK ANALYSIS (ARITHMETIC AVERAGE)



Chapman Petroleum Engineering Ltd.

APPENDIX A

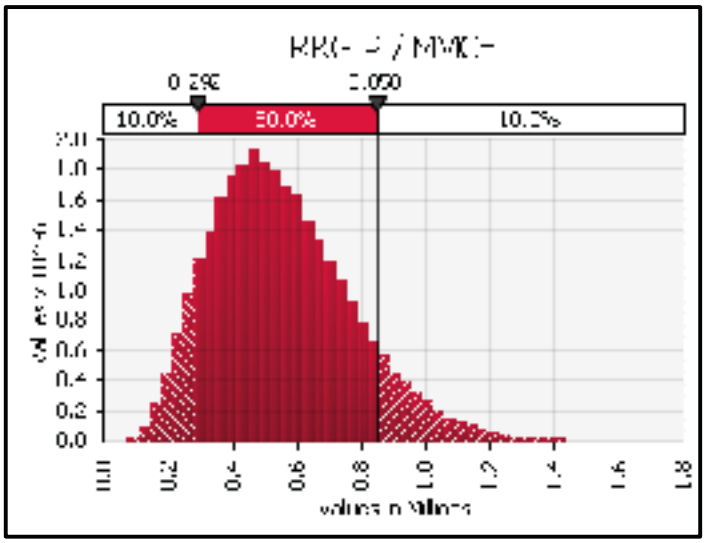
INDEX

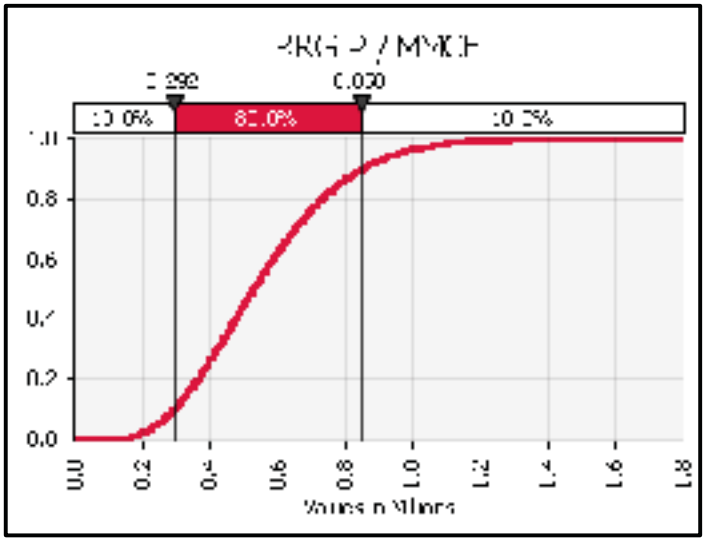
Figure A-1: Monte Carlo Output Results
Figure A-2: Monte Carlo Input Results

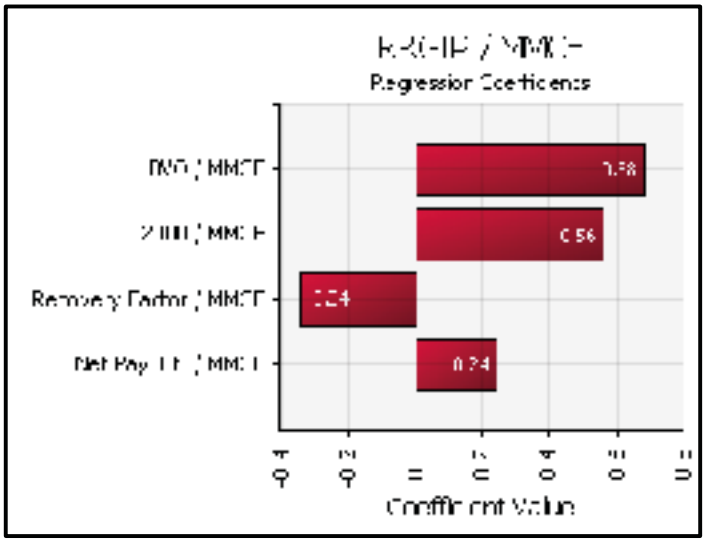
@RISK Output Report for RRGIP / MMCF

Performed By: Chapman Petroleum Engineering Ltd.

Date: Monday, April 26, 2021 4:48:32 PM







Simulation Summary Information	
Workbook Name	Monte Carlo Parameter Ezzaouia.xlsx
Number of Simulations	1
Number of Iterations	1E+05
Number of Inputs	4
Number of Outputs	1
Sampling Type	Latin Hypercube
Simulation Start Time	4/26/21 16:46:20
Simulation Duration	00:01:50
Random # Generator	Mersenne Twister
Random Seed	332059864

Summary Statistics for RRGIP / MMCF			
Statistics		Percentile	
Minimum	74,817	5%	242,555
Maximum	1,740,358	10%	292,042
Mean	554,323	15%	330,596
Std Dev	218,229	20%	363,668
Variance	47623721289	25%	393,471
Skewness	0.64157973	30%	421,495
Kurtosis	3.354357352	35%	448,623
Median	528,515	40%	474,356
Mode	451,073	45%	501,469
Left X	292,042	50%	528,515
Left P	10%	55%	556,469
Right X	850,353	60%	586,288
Right P	90%	65%	616,999
Diff X	558,311	70%	651,121
Diff P	80%	75%	689,014
#Errors	0	80%	732,214
Filter Min	Off	85%	782,516
Filter Max	Off	90%	850,353
#Filtered	0	95%	954,383

Regression and Rank Information for RRGIP / MM			
Rank	Name	Regr	Corr
1	BVO / MMCF	0.684	0.692
2	2000 / MMCF	0.560	0.548
3	Recovery Factor /	-0.341	-0.322
4	Net Pay Ft. / MM	0.238	0.224

ZENITH ENERGY LTD.

EZZAOUIA CONCESSION

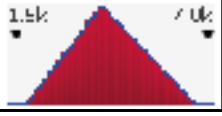
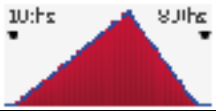
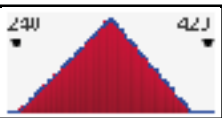
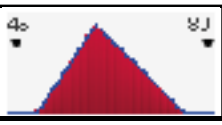
TUNISIA

OUTPUT RESULTS

OCT. 2021 **JOB No. 6773** **FIGURE No. A-1**

@RISK Input Results

Performed By: Chapman Petroleum Engineering Ltd.
Date: Monday, April 26, 2021 4:48:36 PM

	Name	Cell	Graph	Min	Mean	Max	5%	95%	Errors
Category: 2000									
	2000 / MMCF	E10		2004.187	4166.667	6493.084	2670.765	5749.957	0
Category: BVO									
	BVO / MMCF	E8		0.01385074	0.04691667	0.07493075	0.02457279	0.06660722	0
Category: Net Pay Ft.									
	Net Pay Ft. / MMCF	E9		250.3427	326.6667	399.8448	274.4942	377.0871	0
Category: Recovery Factor									
	Recovery Factor / MMCF	E12		50.02273	61.66667	74.96716	53.53527	70.66975	0

ZENITH ENERGY LTD.
EZZAOUIA CONCESSION TUNISIA INPUT RESULTS
OCT. 2021 JOB No. 6773 FIGURE No. A-2

GLOSSARY OF TERMS
(Abbreviations & Definitions)

General

BIT	-	Before Income Tax
AIT	-	After Income Tax
M$	-	Thousands of Dollars
Effective Date	-	The date for which the Present Value of the future cash flows and reserve categories are established
$US	-	United States Dollars
WTI	-	West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	-	Alberta Royalty Tax Credit
GRP	-	Gas Reference Price

Interests and Royalties

BPO	-	Before Payout
APO	-	After Payout
APPO	-	After Project Payout
Payout	-	The point at which a participant's original capital investment is recovered from its net revenue
GORR	-	Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	-	New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	-	Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150th of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	-	Freehold Royalty
P&NG	-	Petroleum and Natural Gas
Twp	-	Township
Rge	-	Range
Sec	-	Section

Technical Data

psia	-	Pounds per square inch absolute
MSTB	-	Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	-	Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	-	Barrels
Mbbls	-	Thousands of barrels
MMBTU	-	Millions of British Thermal Units – heating value of natural gas
STB/d	-	Stock Tank Barrels of oil per day – oil production rate
Mscf/d	-	Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	-	Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	-	Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	-	Enhanced Oil Recovery
GJ	-	Gigajoules
Marketable or Sales Natural Gas	-	Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	-	Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	-	Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	-	Estimated Ultimate Recovery

October 08, 2021

Chapman Petroleum Engineering Ltd.
700, 1122 – 4th Street SW
Calgary, AB
T2R 1M1

Dear Sir:

Re: Company Representation Letter

Regarding the evaluation of our Company's oil and gas reserves and independent appraisal of the economic value of these reserves for the year ended September 30, 2021, (the effective date), we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

1. We, Zenith Energy Ltd., (the Client) have made available to you, Chapman Petroleum Engineering Ltd. (the Evaluator) certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation, including the following:
    - Accounting, financial, tax and contractual data
    - Asset ownership and related encumbrance information;
    - Details concerning product marketing, transportation and processing arrangements;
    - All technical information including geological, engineering and production and test data;
    - Estimates of future abandonment and reclamation costs.

2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.

3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.

4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on the evaluation of our Company's reserves and future net revenues.

5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:
   - For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.
   - All regulatory, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
   - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this three-month period.

Zenith Energy Ltd.
Suite 1500, 15th Floor,
Bankers Court, 850-2nd St.
SW Calgary, Alberta, T2P 0R8
Tel: +1 (587) 315 9031
E-mail: info@zenithenergy.ca
Website: www.zenithenergy.ca
@zenithenergyltd

- Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.
- If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.

6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could affect our reserves and economic value of these reserves that has not been disclosed to you.

Yours very truly,

President and Chief Executive Officer

Vice-President & Chief Financial Officer

Zenith Energy Ltd.
Suite 1500, 15th Floor,
Bankers Court, 850-2nd St,
SW Calgary, Alberta, T2P 0R8
Tel: +1 (587) 315 9031
E-mail: info@zenithenergy.ca
Website: www.zenithenergy.ca
@zenithenergyltd

(D) Chapman Report 2021 – Congo

COMPETENT PERSONS REPORT

RESERVE AND ECONOMIC EVALUATION
OIL PROPERTY

TILAPIA LICENSE
REPUBLIC OF THE CONGO

Owned by

ZENITH ENERGY LTD.

September 30, 2021
(October 1, 2021)

Chapman Petroleum Engineering Ltd.
1122 - 4th Street S.W., Suite 700, Calgary, Alberta T2R 1M1 • Phone: (403) 266-4141 • Fax: (403) 266-4259 • www.chapeng.ab.ca

October 7, 2021

Zenith Energy Ltd.
Suite 1500, 15th Floor Bankers Court
850 - 2nd Street SW
Calgary AB Canada T2P 0R8

Attention: Mr. Andrea Cattaneo

Dear Sir:

Re: Competent Persons Report, Reserve and Economic Evaluation – Zenith Energy Ltd.
Tilapia License, Republic of the Congo – September 30, 2021

In accordance with your authorization we have prepared a Competent Persons Report of an evaluation of an oil property located in Tilapia License, Republic of the Congo, owned by Zenith Energy Ltd. (the "Company") for an effective date of September 30, 2021 (October 1, 2021).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH"), the professional practice standard under our Permit to Practice with APEGA and under the guidelines of the European Securities and Markets Authority (ESMA). The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" under NI 51-101 as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION includes the authorization, purpose and use of the report and describes the methodology and economic parameters used in the preparation of this report and the evaluation standard to which the report has been prepared.

The EXECUTIVE SUMMARY contains a concise presentation of the results of this reserve and economic evaluation.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary, including values at the property level and the consolidated cash flows for each accumulating reserve category. The net present values presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of US dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of information derived from this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,
Chapman Petroleum Engineering Ltd.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
C. W. Chapman, P. Eng.,
President

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
Signature [Original Signed By:] *C.W. Chapman*
Date *October 7, 2021*
PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta

[APEGA ID Number]

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
Khaled (Kal) A. Latif, P.Geol.
Senior Associate

cwc/lml/6771

CERTIFICATE OF QUALIFICATION

I, C. W. CHAPMAN, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta and a member of the Australasian Institute of Mining and Metallurgy.

2. THAT I graduated from the University of Alberta with a Bachelor of Science degree in Mechanical Engineering in 1971.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.

4. THAT I have in excess of 40 years in the conduct of evaluation and engineering studies relating to oil & gas fields in Canada and around the world.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

PERMIT TO PRACTICE
CHAPMAN PETROLEUM ENGINEERING LTD.
Signature [Original Signed By:] *C.W. Chapman*
Date *October 7, 2021*
PERMIT NUMBER: P 4201
The Association of Professional Engineers and Geoscientists of Alberta

[APEGA ID Number]

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
C.W. Chapman, P.Eng.
President

CERTIFICATE OF QUALIFICATION

I, KHALED (KAL) A. LATIF, P. Geol., Professional Geologist of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a registered Professional Geologist in the Province of Alberta.

2. THAT I graduated from the University of Alexandria with a Bachelor of Science degree in Geology in 1979.

3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in geology, geophysics, petrophysics, operations, and evaluations during that time.

4. THAT I have in excess of 35 years of experience in the conduct of evaluation and geological studies relating to oil and gas fields in Canada and internationally.

5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [Licensed Professional's Stamp]
[Membership ID Number]
October 7, 2021
Khaled (Kal) A. Latif, P.Geol.
Senior Associate

CERTIFICATE OF QUALIFICATION

I, REBECCA J. HOWE, of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4th Street S.W., hereby certify:

1. THAT I am a Certified Petroleum Geologist as recognized by the Division of Professional Affairs of the American Association of Petroleum Geologists and a member of the Canadian Society of Petroleum Geologists.

2. THAT I graduated from Brandon University, Manitoba with a Bachelor of Science degree in Geology in 2007.

3. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated October 7, 2021 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.

4. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.

5. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.

6. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]
[Signature], [AAPG Membership Stamp]
[Membership ID Number]
October 7, 2021
Rebecca J. Howe, B.Sc.
Associate

COMPETENT PERSONS REPORT

RESERVE AND ECONOMIC EVALUATION
OIL PROPERTY

TILAPIA LICENSE, DJENGO PROSPECT
REPUBLIC OF THE CONGO

Owned by

ZENITH ENERGY LTD.

September 30, 2021
(October 1, 2021)

TABLE OF CONTENTS

Introduction..... 9

Executive Summary..... 21

Discussion..... 24

References..... 50

Glossary..... 52

Company Representation Letter..... 54

INTRODUCTION

INDEX

1. Authorization 10
2. Purpose of the Report 10
3. Use of the Report 10
4. Scope of the Report 10
   - 4.1 Methodology 10
   - 4.2 Land Survey System 10
   - 4.3 Economics 10
   - 4.4 Barrels of Oil Equivalent 11
   - 4.5 Environmental Liabilities 11
5. Basis of Report 11
   - 5.1 Sources of Information 11
   - 5.2 Product Prices 11
   - 5.3 Product Sales Arrangement 12
   - 5.4 Royalties 12
   - 5.5 Capital Expenditures and Operating Costs 12
   - 5.6 Income Tax Parameters 12
   - 5.7 Abandonment and Restoration 12
6. Evaluation Standard Used 13
   - 6.1 General 13
   - 6.2 Resource Definitions 14
     - 6.2.1. Reserves 14
     - 6.2.2. Contingent Resources 17
     - 6.2.3. Prospective Resources 18
   - 6.3 Diagram of Maturity Subclasses 19
7. Site Visit 19

Attachments

Orientation Map 20

INTRODUCTION

1. AUTHORIZATION

This evaluation has been authorized by Mr. Andrea Cattaneo, on behalf of Zenith Energy Ltd. The engineering analysis has been performed during the month of June 2021 and updated during October 2021.

2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third-party independent appraisal of the oil reserves owned by Zenith Energy Ltd. for the Company's financial planning.

The values in this report do not include the value of the Company's undeveloped land holdings nor the tangible value of their interest in associated plant and well site facilities they may own.

3. USE OF THE REPORT

The report is intended to support any securities regulatory requirements and financing purposes.

4. SCOPE OF THE REPORT

4.1 Methodology

The evaluation of the reserves and resources of these properties included in the report has been conducted under a discounted cash flow analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions.

4.2 Land Survey System

This property and its boundaries are governed by a Production Sharing Contract.

4.3 Economics

The economics presentation and methodology is presented in the Discussion of the report.

4.4 Barrels of Oil Equivalent

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

4.5 Environmental Liabilities

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

5. BASIS OF REPORT

5.1 Sources of Information

Sources of the data used in the preparation of this report are as follows:

i) Basic information regarding the property was derived from a Corporate presentation, previous competent persons' reports and our independent research from published information;
ii) The ownership terms were determined from the original Production Sharing Agreement currently in place;
iii) Capital expenditures, operating costs and product prices were based on discussions with the staff in Brazzaville and our experience and judgment.

5.2 Product Prices

Chapman Petroleum Engineering Ltd. conducts continual surveillance and monitoring on a number of Benchmark product prices both locally and internationally. Based on historical data, current conditions and our view of the relevant political and economic trends, we independently prepare oil, gas and by-product price forecasts including predictions for the near term (first few years) with 2 percent escalation thereafter.

In establishing our forecasts we also consider input from operating companies, consulting firms, oil & gas marketing companies and financial institutions. Our forecasts are updated quarterly and the latest one prior to the effective date would generally be used. The forecast used for this report is presented as Attachment 1 in the Executive Summary.

The Benchmark Oil Price used in this evaluation is Brent crude, which closely correlates to crude prices in this region of Africa.

Any prices quoted in the property discussions reflect fully adjusted prices for crude quality, transportation, gas heating value and specific contractual arrangements. In the case of delayed production the equivalent 2021 price for that production has been quoted.

5.3 Product Sales Arrangement

The Company does not have any "hedge" contracts in place at this time.

5.4 Royalties

There is a 15 percent royalty to the Republic of the Congo which is deducted prior to the application of the cost oil and profit oil allocation.

5.5 Capital Expenditures and Operating Costs

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars but for economic purposes are escalated at 2% per year after the current year.

5.6 Income Tax Parameters

Net cash flows after consideration of corporate income tax have not been included in this report, due to the current terms of ownership of the reserves.

5.7 Abandonment and Restoration

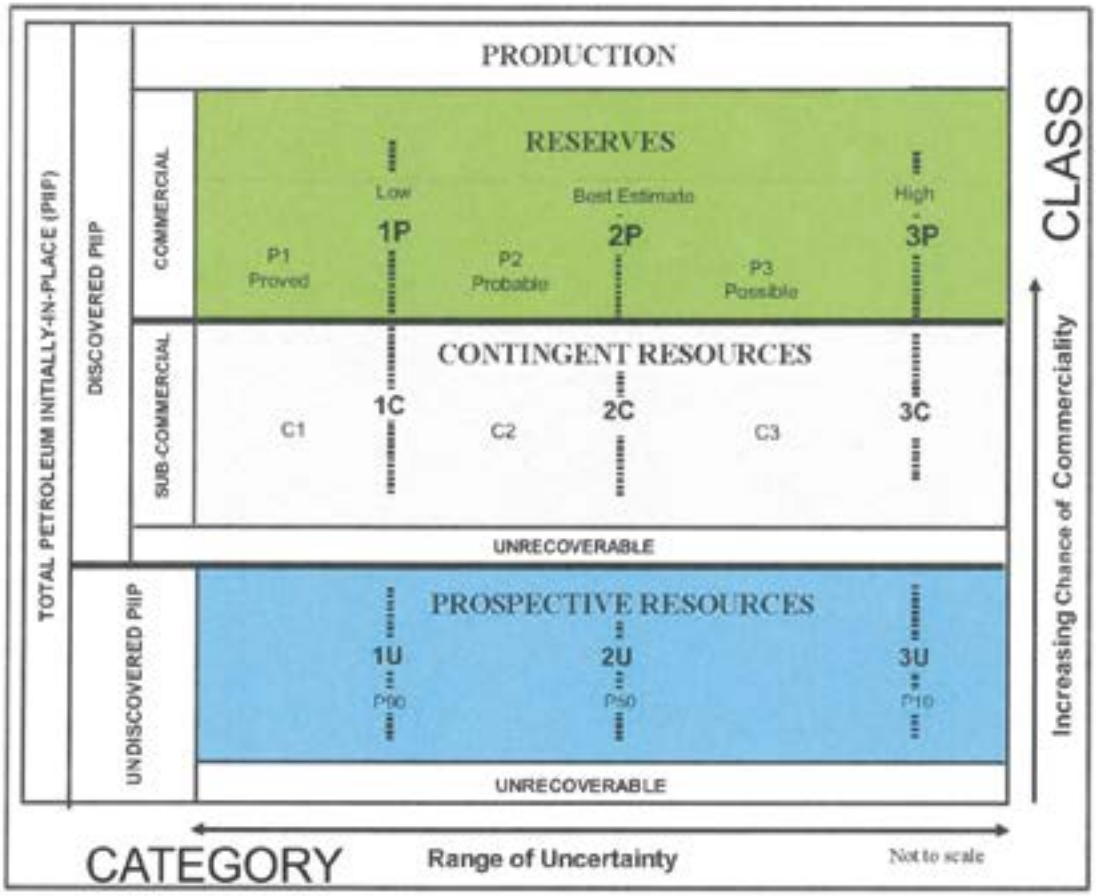
Abandonment and restoration costs are the responsibility of the government.

6. EVALUATION STANDARD USED

6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the APEGA professional practice standard "The Canadian Oil and Gas Evaluation Handbook", 3rd Edition December 2018 ("COGEH"), prepared by the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE).

COGEH uses the SPE-PRMS (2018 Update) resource classification system shown in the below diagram.



By way of explanation, 'CLASS' forms the vertical axis of the PRMS diagram and represents the range of Chance of Commerciality. Likewise, 'CATEGORY' forms the horizontal axis and provides a measure of the uncertainty in estimates of the Resource Class.

Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations with reference to the above diagram and is potentially producible. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

Discovered PIIP (equivalent to "discovered resources") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The Discovered PIIP includes production, Reserves, and Contingent Resources; the remainder is unrecoverable.

Undiscovered PIIP (equivalent to "undiscovered resources") is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "Prospective Resources", the remainder as "unrecoverable".

Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

6.2 Resource Definitions

The following definitions have been extracted from COGEH and represent an overview of the resource definitions and evaluation criteria required for compliance with the Canadian Securities National Instrument 51-101. These definitions are considered to be compliant with the PRMS - 2018, in that they use the same primary nomenclature, principles and concepts.

6.2.1 Reserves

The following Reserves definitions and guidelines are designed to assist evaluators in making Reserves estimates on a reasonably consistent basis and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

The guidelines outline

- general criteria for classifying reserves,
- procedures and methods for estimating reserves,
- confidence levels of individual entity and aggregate reserves estimates,
- verification and testing of Reserves estimates.

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

RESERVES CATEGORIES

Reserves are categorized according to the probability that at least a specific volume will be produced. In a broad sense, Reserves categories reflect the following expectations regarding the associated estimates:

Reserves Category	Confidence Characterization
Proved (1P)	Low Estimate, Conservative
Proved + Probable (2P)	Best Estimate
Proved +Probable +Possible (3P)	High Estimate, Optimistic

a. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.

b. Probable Reserves are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved + Probable Reserves.

c. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved + Probable + Possible Reserves.

DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

a. Developed Reserves are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the Reserves on production. The developed category may be subdivided into producing and non-producing.

   i. Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

   ii. Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and the date of resumption of production is unknown.

b. Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the Reserves classification (Proved, Probable, Possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to sub-divide the Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels contained in the definitions are applicable to "individual Reserves entities," which refers to the lowest level at which Reserves calculations are performed, and to "Reported Reserves," which refers to the highest level sum of individual entity estimates for which Reserves estimates are presented. Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves,
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable + Possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various Reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of Reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with Reserves estimates and the effect of aggregation is provided in Section 5.7.1.6, The Portfolio Effect, of COGEH.

6.2.2 Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development (TUD), but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Contingencies may include economic, environmental, social and political factors, regulatory matters, a lack of markets or prolonged timetable for development. Contingent Resources have a Chance of Development that is less than certain.

Contingent resources are further categorized according to their level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Project Maturity Sub-Classes are: Development Pending, Development on Hold, Development Unclarified and Development Not Viable, as demonstrated in the chart below (Section 6.3).

Reports on Contingent Resources must specify the level of maturity and usually include 1C, 2C and 3C estimates.

There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

6.2.3 Prospective Resources

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated Chance of Discovery and a Chance of Development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The project maturity subclasses describe the stage of exploration and broadly correspond to chance of commerciality from in increasing order from "play" to "lead" to "prospect" as demonstrated in the chart below (Section 6.3).

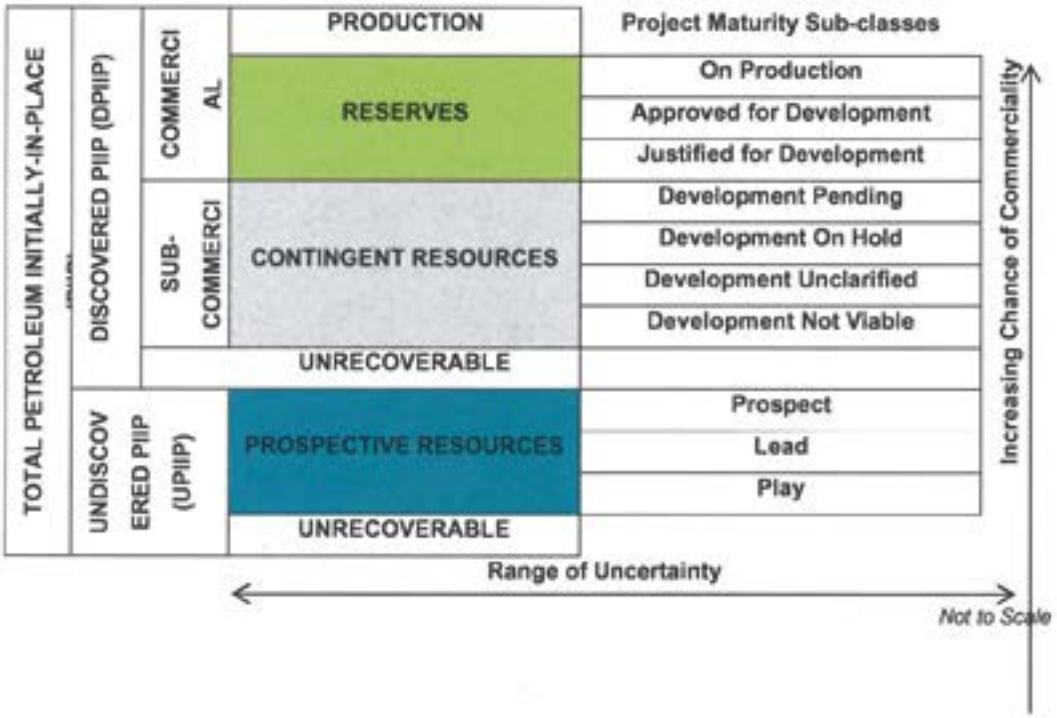
A "play" is a family of geologically similar fields, discoveries, prospects and leads. It would have the lowest chance of commerciality in these project maturity subclasses.

A "lead" is a potential accumulation within a play that requires more data acquisition and/or evaluation in order to be classified as a prospect.

A "prospect" is a potential accumulation within a play that is sufficiently well defined to represent a viable drilling target. A "prospect" would have the highest chance of commerciality.

There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

6.3 Project Maturity Sub-Classes

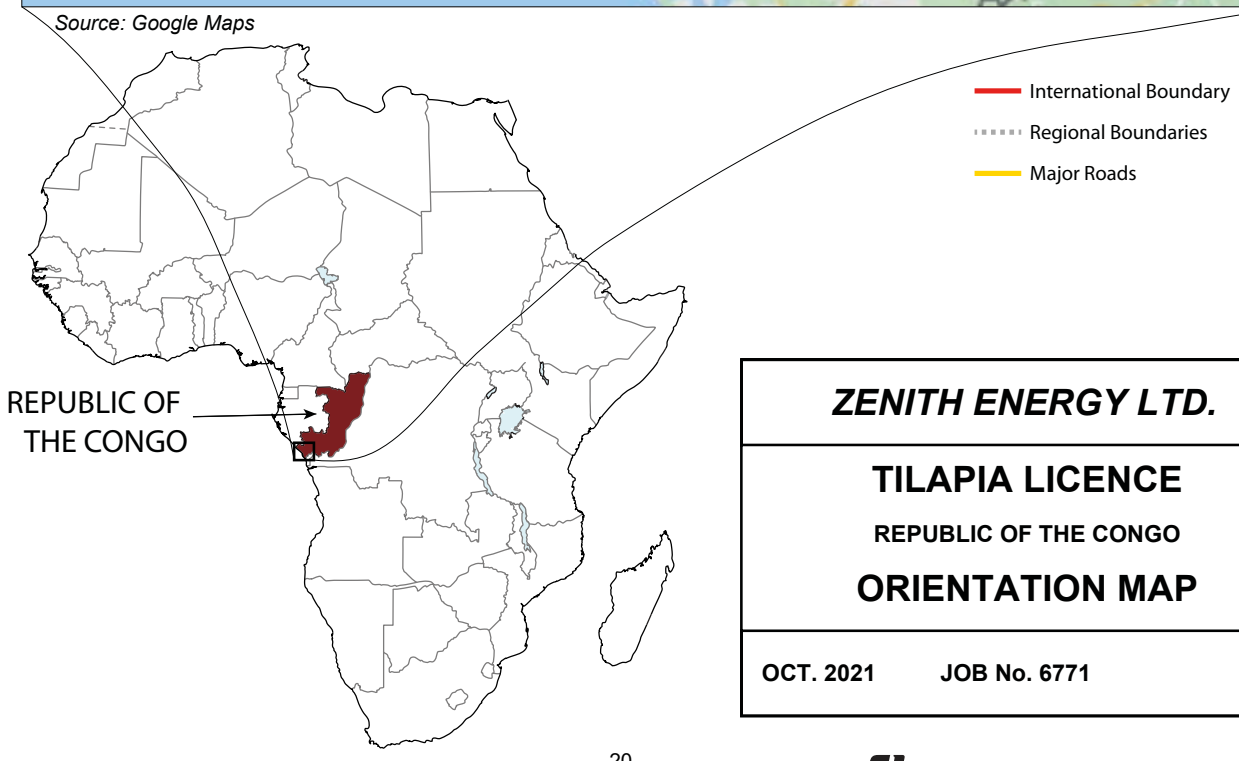


7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes. However, a video conference was conducted with the Company's representatives in Brazzaville.



Source: Google Maps



ZENITH ENERGY LTD.
TILAPIA LICENCE REPUBLIC OF THE CONGO ORIENTATION MAP
OCT. 2021 JOB No. 6771

Chapman Petroleum Engineering Ltd.

EXECUTIVE SUMMARY

This Executive Summary presents an overview of the Company's properties and results of the evaluation and, in particular, addresses the information required by the European Securities and Markets Authority (ESMA), Section 132.

(a) Details of the Company's reserves established under COGEH (NI 51-101) standards are presented with their associated net present values on the attached Table 1 (before taxes) and the production and cash flow analyses are presented as Table 4a in the Discussion, for the Probable Undeveloped Reserves.

(b) The anticipated project life of this property based on the established Probable Reserves and production forecasts is 24 years.

(c) The Company, through a share purchase agreement, effectively holds a 56.0 percent working interest in the Tilapia License in the Republic of the Congo, which is located on the coast, covering an area of 50 square kilometers (12,355 acres), mostly offshore in water depths of less than 10 meters. The Tilapia field contains seven wells all with the surface onshore, five of which have been directionally drilled offshore.

The field is governed by a Production Sharing Agreement (PSA), the terms of which are discussed later.

(d) The Tilapia field is located in an environment of active producing shallow offshore fields with conventional infrastructure and procedures for producing to market.

(e) The results of this evaluation are based on facts and assumptions typical of this type of engagement. It should be noted that under COGEH Section 7.8.2 evaluations are conducted without consideration of the availability of capital for funding the scheduled development. The product price forecasts used for this evaluation, shown in Attachments 1a, are based on history and analysis and reflect the industry consensus as of the effective date of the report, however variations may occur and the variations could be material.

Table 1
Summary of Company Reserves and Economics
Before Income Tax

October 1, 2021
(as of September 30, 2021)

Zenith Energy Ltd.

Tilapia License, Republic of the Congo

	Net Reserves	Cumulative Cash Flow (BIT) - M$				
	Oil MSTB	Discounted at:				
Description	Company Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Probable Undeveloped Reserves						
Djeno/Tilapia Ten Well Development	5,959	360,778	231,792	161,249	119,129	91,799

M$ means thousands of dollars

Net resources are the total of the Company's working interest share after deducting the amounts attributable to royalties and profit oil owned by the governmo

Attachment 1

CHAPMAN PETROLEUM ENGINEERING LTD.
CRUDE OIL
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES

October 1, 2021

Date		WTI [1] $US/STB	Brent Spot (ICE)[2] $US/STB	AB Synthetic Crude Price [3] $CDN/STB	Western Canada Select [4] $CDN/STB	Exchange Rate $US/$CDN
HISTORICAL PRICES						
2012		94.05	111.63	92.56	71.70	1.00
2013		97.98	108.56	100.17	75.76	0.97
2014		93.12	99.43	101.07	82.07	0.91
2015		48.69	53.32	62.17	46.23	0.78
2016		43.17	45.06	57.98	38.90	0.76
2017		50.86	54.75	67.75	49.63	0.77
2018		64.92	71.64	75.06	50.17	0.77
2019		57.00	64.11	75.28	57.86	0.75
2020		39.54	43.40	48.78	37.05	0.75
2021	9 mos.	64.80	67.56	79.76	65.47	0.80
CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)						
		56.36	**58.83**	**68.97**	**55.83**	**0.79**
FORECAST PRICES						
2021	3mos.	**75.50**	79.28	87.01	70.47	0.80
2022		**72.50**	76.13	83.26	67.44	0.80
2023		**69.50**	72.98	79.51	64.40	0.80
2024		**66.50**	69.83	75.76	61.36	0.80
2025		**67.83**	71.22	77.42	62.71	0.80
2026		**69.19**	72.65	79.11	64.08	0.80
2027		**70.57**	74.10	80.84	65.48	0.80
2028		**71.98**	75.58	82.61	66.91	0.80
2029		**73.42**	77.09	84.41	68.37	0.80
2030		**74.89**	78.63	86.24	69.86	0.80
2031		**76.39**	80.21	88.11	71.37	0.80
2032		**77.92**	81.81	90.02	72.92	0.80
2033		**79.47**	83.45	91.97	74.50	0.80
2034		**81.06**	85.12	93.96	76.11	0.80
2035		**82.68**	86.82	95.99	77.75	0.80
2036		**84.34**	88.55	98.05	79.42	0.80

Escalated 2% thereafter

Notes:
[1] West Texas Intermediate quality (D2/S2) crude (40API) landed in Cushing, Oklahoma.
(Comperative WTI future oil prices are: $US73.74/STB in 2021; $US71.10/STB in 2022 and $US64.66/STB in 2023)
[2] The Brent Spot price is estimated based on historic data.
[3] Equivalent price for Light Sweet Crude (D2/S2) & Synthetic Crude landed in Edmonton.
[4] Western Canada Select (20.5API), spot price for B.C., Alberta, Saskatchewan, and Manitoba.

TILAPIA LICENSE

REPUBLIC OF THE CONGO

INDEX

Discussion **25**

Property Description 25
Geology 25
Reserves 28
Productivity Estimates 28
Product Prices 29
Operating Environment 29
Capital Expenditures 29
Operating Costs 30
Economics 30

Attachments

Figure 1: Lands and Wells Location Map 31

Table 1: Schedule of Lands, Interests and Royalty Burdens 32

Figure 2: Geological Maps and Figures
a) Sedimentary Basins and Hydrocarbon Occurrences Map 33
b) Pre-Salt Clastic Plays in the Basin 34
c) Stratigraphic Column 35
d) SW-NE Regional Cross Section 36
e) Elements of Congo Composite Petroleum System 37
f) Stratigraphic Cross Section of The Djeno Sandstone 38
g) Djeno Sandstone Time Structure Map 39

Table 2: Summary of Gross Reserves 40
a) Monte Carlo Reserve Analysis 41

Table 3: Summary of Anticipated Capital Expenditures
a) Exploration and Development 43
b) Abandonment and Reclamation 44

Table 4: Summary of Company Reserves and Economics 45
a) Production and Capital Forecast - Probable Reserves 46

TILAPIA LICENSE
REPUBLIC OF THE CONGO
DISCUSSION

Property Description

The Company has completed a share purchase agreement with Anglo African Oil & Gas plc ("AAOG") for the acquisition of 100 percent interest in AAOG's wholly owned subsidiary in the Republic of the Congo, Anglo African Oil & Gas Congo S.A.U ("AAOG Congo")

AAOG Congo, holds a 56 percent working interest and is the operator of the Tilapia License in the Republic of the Congo. This License is located on the coast, covering an area of 50 square kilometers (12,355 acres), mostly offshore in water depths of less than 10 meters.

The License has been renegotiated for a new 25-year license term. The Tilapia field contains seven wells all with the surface onshore, five of which have been directionally drilled offshore. This report is focused on the Djeno formation, which is the main target in the License area and producing from surrounding fields. The Tilapia zone, which has produced from this license, is also of interest of a secondary nature.

The property is governed by a Production Sharing Agreement (PSA), the terms of which are shown on Table 1. A map of the Tilapia field is presented on Figure 1

Geology

Basin Geology and Petroleum System

The Lower Congo Basin lies offshore of the west coast of Africa, covering 115,000 square kilometers from the Republic of the Congo to central Angola, in water depths extending to over 3500 meters. As shown in Figure 2a, it lies between the Gabon Basin to the north, and the Kwanza Basin to the south. The transition from the Congo Basin to the Kwanza Basin lies along the Ambriz spur, a NE-SW trend, located to the north of Luanda, the capital of Angola. The Congo Basin is one of the largest intra-cratonic basins in the world where more than 295 oil and gas fields exist in the basin, as seen in Figure 2b.

The major tectonic development of the basin along the coast of West Africa commenced in the Late Mesozoic due to rifting and the separation of South American and African continental masses during the opening of the South Atlantic Ocean. Transverse fracture zones of the Mid-Atlantic rift segmented the rifted continental crust into a series of sub-basins. The Congo Basin is one of these sub-basins.

The tectonic history of the Congo Basin can be divided into three main stages:

1. Rift stage, with lacustrine and alluvial deposition within graben and half-graben structures (Neocomian to mid-Aptian).
2. Evaporite deposition stage, developed during the transition from active rifting to thermally-induced crustal subsidence (Aptian).
3. Subsidence stage, with regional marine deposition and active extension with salt tectonics (Albian to Recent).

The main stratigraphic sequences in the basin, as illustrated in Figures 2c and 2d, were lacustrine silt and shale deposits of the Bucomazi Formation (Neocomian to mid-Aptian). By the end of the Barremian, the rift activity on the Mid-Atlantic ridge had progressed to the west, reducing the tectonic activities along the African passive margin. Final uplift and erosion produced a regional unconformity where the Chela formation sandstone and shales were deposited on this unconformity during early-Aptian. The onset of marine deposition in the Congo Basin is denoted by deposition of the Aptian Loeme Salt Formation. The Loeme Salt involved in diapir features and complex compressional structures in the deep water portion in the western half of the basin and extensional faulting all along the eastern half. Open marine conditions continued with deposition of the Pinda Formation during Albian, which consists of a sequence of continental shelf clastics, limestone and dolomite. Then the shelf collapsed westward into a series of faulted blocks leading to the development of regional west-dip of the shelf. During the Cenomanian time the deposited sequences changed from mostly carbonate-clastics of the Pinda Formation to mainly siliciclastics of the Iabe Formation. Depositional patterns varied laterally from non-marine to the east, nearshore and shoreface environments; and shale with silts in the western portion of the basin. Subsidence of West Africa passive margin in the Congo Basin continued through the Late Cretaceous-Eocene, with marine deposition of the Landana Formation, which may have turbidite sediments in the deepwater area. A major unconformity at the base of the Oligocene marks the beginning of a period of marine deposition which continues to present day, providing a large volume of Tertiary sediments. Throughout the Miocene time; the Congo River spread turbidite deposits in a channel-dominated submarine fan system where the Malembo Formation shale forms the vertical and lateral seals of sand-filled channels.

The Lower Congo petroleum system, as shown in Figure 2e, contains numerous source rocks such as the Cretaceous: Pointe Noire Marl (Bucomazi-equivalent) and Iabe Formation, and the Tertiary Landana and Malembo Formations. Such vertically stacked source rocks provide the world-class petroleum system that created a large volume of hydrocarbons in the basin. Anoxic conditions during the Neocomian-Barremian time resulted in the deposition of a widespread organic-rich lacustrine shale and marl of the Pointe Noire Marl Formation that is the primary source rock in the basin. This interval contains Type I and Type II Saprolitic Kerogen with Total Organic Carbon (TOC) contents ranges from 1 to 5 with a maximum of 20%. The Cenomanian-Maastrichtian Iabe Formation provides an additional source rock and it has mostly Type II, and sometime Type I Kerogen that contain TOC of 3 to 5%. The shales of the Paleocene-Eocene Landana Formation and the Olig-Micene Malembo Formation also considered as source rocks that contains Type II and III Kerogen with TOC of 3-5% and 1-5 respectively.

The pervasive extensional and compressional tectonics that took place in the Lower Congo Basin created a large number of structural traps with a component of stratigraphic trapping that in general, dominate in the basin. These traps are associated with rollover into extensional faults, channel truncation against updip faults, compaction closures over deeper Cretaceous structures, and salt-related traps such as thrust folds, and turtle structures.

The hydrocarbon generation began between Late Cretaceous to Miocene time and continued to present. The network of faults that occur throughout the basin facilitates the hydrocarbon migration into the relevant reservoirs, in addition to the direct migration from the source rock shales into the overlying and underlying reservoir beds. The seal is provided by the Cretaceous: Loeme Salt, Pointe Noire Marl, Pointe Indienne Shale, and the Tertiary Malembo shales, in addition to intra-formational clays.

The Lower Congo Basin contains multiple existing reservoirs ranging from Pre-Salt to Post-Salt and Tertiary reservoirs. The Early Cretaceous, Neocomian-Barremian Djeno reservoir, which is the main focus of this evaluation, consists of lacustrine turbidite sandstone with shale interbeds.

Prospect and Reservoir Geology

Seven wells were drilled in Tilapia licence, as seen in Figure 1, where numerous reservoirs were penetrated, such as the Aptian Chela Formation reservoir and the Barremian Tilapia Formation, which is the main producing reservoir in this property. There is also the Barremian Mengo Formation which was penetrated in 2 wells and it demonstrated hydrocarbon indication but it is tight lacustrine sandstone that would require fracturing and possibly a horizontal application.

Additionally, there is the Neocomian-Barremian Djeno Formation, which is the main reservoir of focus in this evaluation and it is producing from several fields in the region. Djeno was penetrated in only one well in this property and it is divided into three main zones, where only the top part was penetrated, as shown in Figure 2f. There are indications from the logs that Djeno is hydrocarbon-bearing reservoir, however there is no test to confirm it. As illustrated in Figure 2g, the mapped Djeno reservoir shows that it has a 4-way dip structural closure, however the seismic quality is relatively poor. This reservoir thickens towards the offshore area where it reached 1000 meter thick, while in this area it can be up to 500 meters gross thickness.

The Djeno reservoir is lacustrine, turbiditic sandstone with shale interbeds, and it has high clay content, as shown in the log interpretation. The reservoir occurred between 2400 and 2600 meters in the well, with a porosity range from 10 to 16%, water saturation of 30-45%, net thickness of about 40-80 meters (for full hydrocarbon column), net pay of 10-35 meter net oil where the rest is gas cap.

Reserves

Total probable Undeveloped Reserves of 19,633 MSTB have been estimated for the Tilapia license. Of these, 15,783 MSTB have been estimated for the Djeno Formation based on a Monte Carlo simulation, P50 results, with input data derived from Company presentations and a previous Competent Person's Report, both of which incorporated information from surrounding producing Djeno pools.

Additional Probable Reserves of 3850 MSTB have been estimated for the Tilapia zone based on analogy to the producing Tilapia well TLP 101 ST, R2 formation.

The Probable Reserves case involves a development with 10 wells, initially producing from the deeper Djeno formation until depletion and then recompleted in the shallower Tilapia zone.

A summary of the Reserves is presented on Table 2 and the statistical input parameters for the Monte Carlo are presented on Table 2a.

Productivity Estimates

A production forecast has been developed for the Djeno completions on a conservative basis for a with initial rates per well of 1500 STB/d. The forecasts include steep declines initially with a stable exponential decline after the first two years, resulting in a rational schedule for depletion of the

reserves assigned. It has been reported that initial production rates have reached as high as 5000 STB/d in other Djeno pools in the area.

The production forecast for the typical Tilapia completions has been developed from the profile of production from the R2 zone in the analog well.

The forecast for the anticipated field development is presented on Page 1 of the economic analysis, Table 4a.

Product Prices

The Djeno production is expected to attract an oil price, which is equivalent to Brent crude, based on a comparison of Brent posted prices to an average of prices posted for production from Nigeria and Angola. The price forecast is shown on the economic analysis.

Operating Environment

The Tilapia license is located in a region of active oil and gas development. Although the Djeno prospective reservoir is mostly located offshore, the surface locations and facilities will be located onshore at the coastline. The Tilpaia license contains wells that have produced oil previously from the shallower Tilapia reservoir and therefore, the gathering infrastructure is in place. With the anticipated production rates, there will be a need to expand the oil handling facilities, which has been included in the economic analysis.

Capital Expenditures

The cost to drill, complete and tie-in for production has been estimated to be $5,000,000 per directional well and $250,000 per well for surface facilities and local tie-ins. An additional cost for the expansion of the oil handling facility has been estimated to be another $5,000,000 spread over two years.

It has been estimated that the recompletions to the Tilapia would cost $750,000 each.

Under the PSA the abandonment of the wells is the responsibility of the government.

The capital expenditures scheduled for each case are presented in Table 3a and on Page 1 of each of the economic analysis cases.

Operating Costs

Operating costs have been estimated to be $10,000/well/month (fixed), $2.00/STB (variable) plus $2.00/STB for transportation, based on our experience and reasonable judgement.

Economics

The results of the economic analysis, before income tax are summarized in Table 4, and the detailed, analysis are presented in Table 4a.

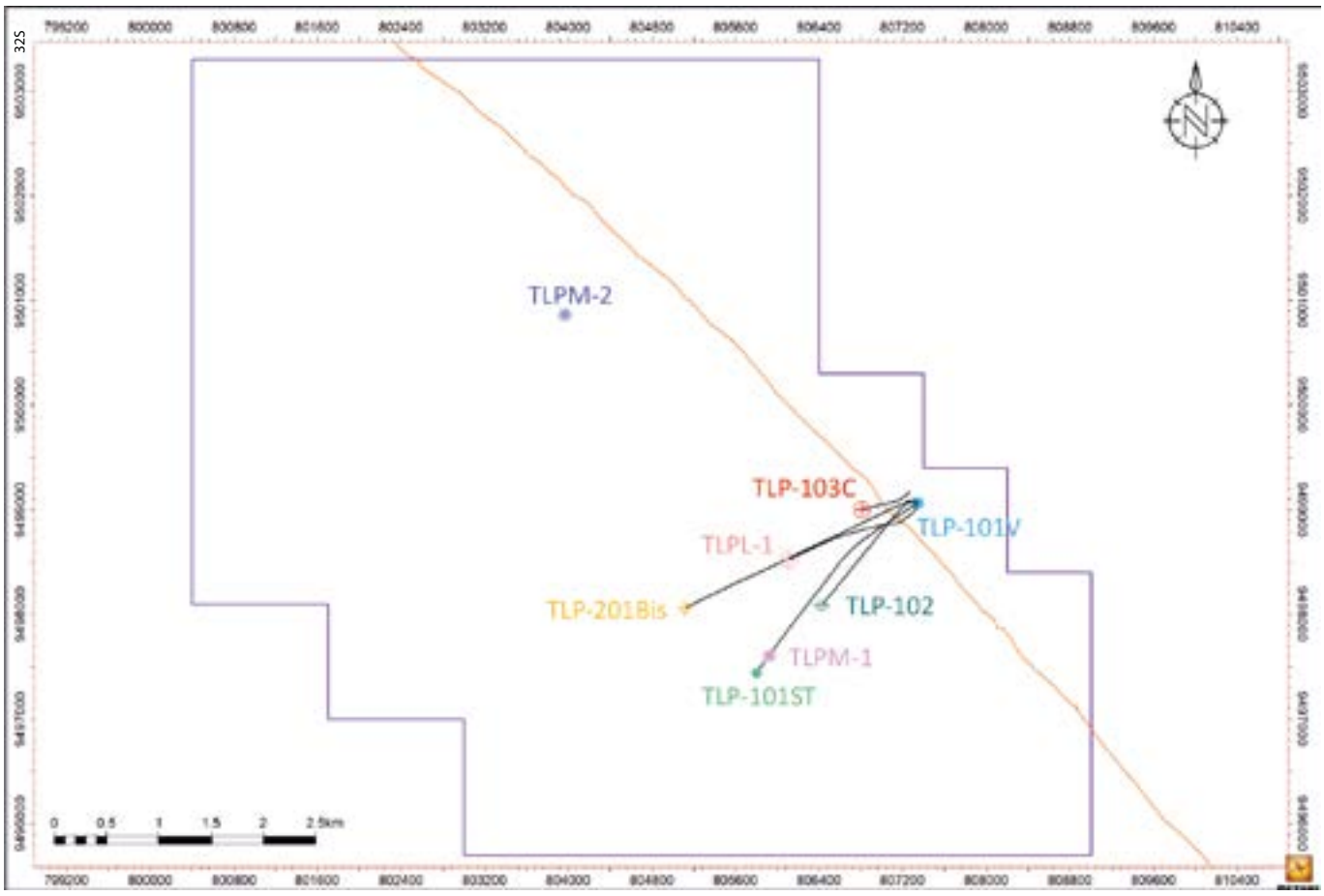
In order to properly account for the cost recovery and profit splits under the PSA terms, the economic analysis is conducted for all production from the license and for accumulating reserve categories.

The evaluation for each reserve category consists of four pages. Page 1 presents the production rates for each well or group of wells for each year of the forecast. The daily rates are then multiplied by the active days per year to obtain an annual production volume. The well count, total daily rate and capital expenditures are shown on the right hand side of the page.

Page 2 presents the gross annual production in barrels and shows the conversion to gross revenue by applying the oil price. The 15% royalty is deducted. Fixed and variable operating costs are shown and escalated at 2 percent per year in all years.

Pages 3 applies the conditions of the Production Sharing Agreement governing Cost Recovery and the sharing of Profit Oil. See the Property Description and Table 1 for an explanation of the terms of the PSA.

Page 4 is the cash flow analysis, initially for the full Contractor group position and finally the undiscounted and discounted values represent the Company's net position, which in this case is 56.0% of the contractor group. Values are shown before income tax (tax not applicable), at discount rates of 0, 5, 10, 15 and 20 percent. The Company Net Oil Reserves are also shown on this page.



Source: Anglo African Oil & Gas PLC, 2020, Slide 17

ZENITH ENERGY LTD.
TILAPIA LICENCE **REPUBLIC OF THE CONGO** **LAND AND WELL MAP**
OCT. 2021 **JOB No. 6771** **FIGURE No. 1**

Table 1

Schedule of Lands, Interests and Royalty Burdens
September 30, 2021

Zenith Energy Ltd.

Tilapia License, Republic of the Congo

			Appraised Interest		Royalty Burdens	
Description	Rights Owned	Gross Acres	Working %	Royalty %	Basic %	Overriding %
Tilapia License	All P& NG	12,355	56.0000	-	15.0000	-
	Total	12,355				

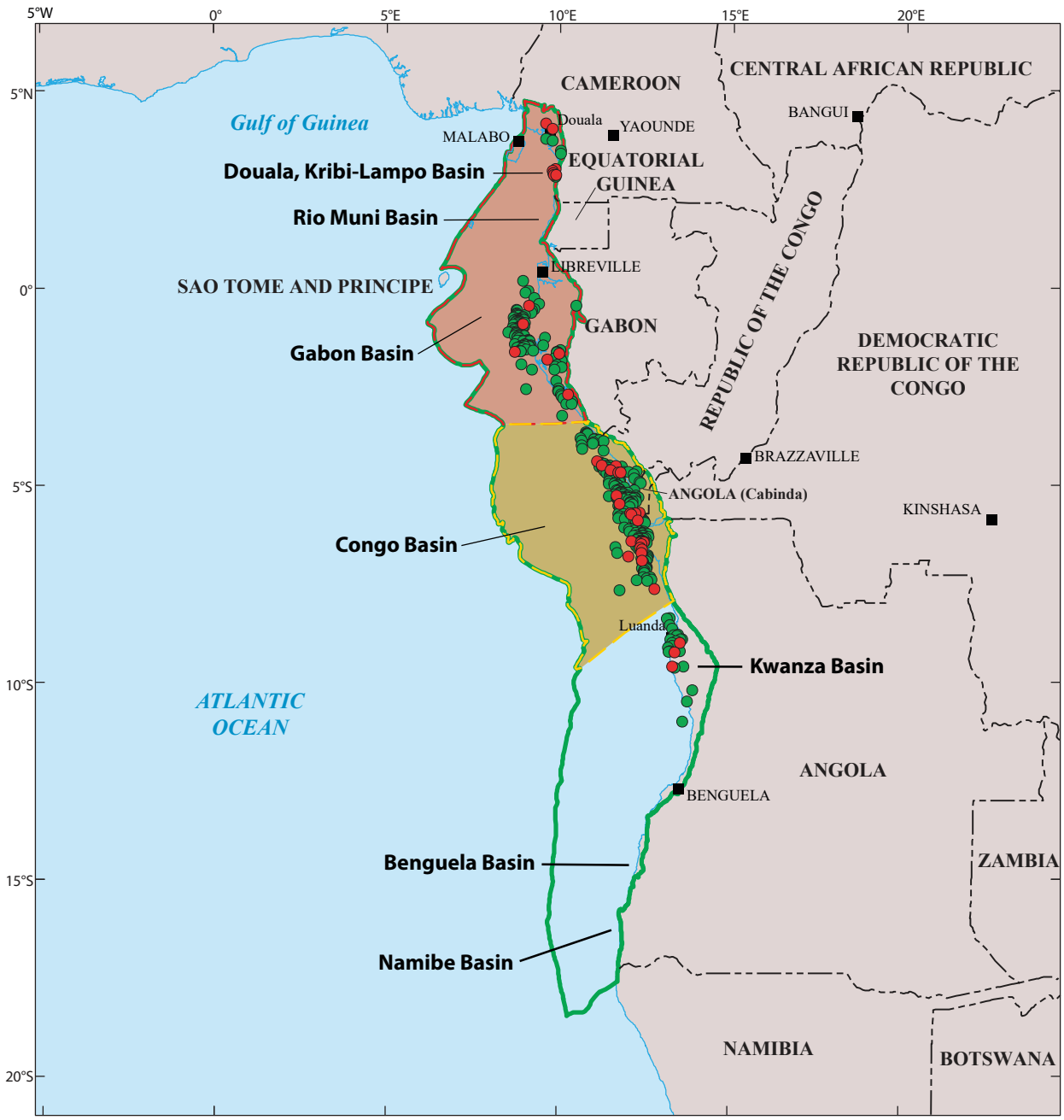
General Notes : [1] Production Sharing Agreement - Cost Oil and Profit Oil are a function of Cumulative Production

[2] **Cost Oil Schedule**

Cumulative Production MMSTB	Cost Oil Allocation
0<25	60%
25 to 100	55%
>100	50%

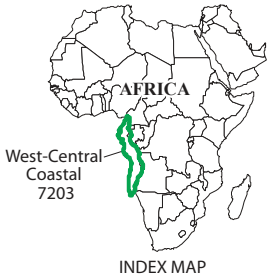
[3] **Profit Oil Schedule**

Cumulative Production MMSTB	Contractor	Government
0<25	60%	40%
25 to 100	55%	45%
>100	50%	50%



Base from U.S. Geological Survey digital data, 2002
World Geodetic System 1984 (WGS 84)
Prime Meridian, Greenwich, 0

0 100 200 300 400KILOMETERS
0 100 200 300 400 MILES



INDEX MAP

Melania-Gamba Total Petroleum System (720301)

Congo Delta Composite Total Petroleum System (720303)

West-Central Coastal Province boundary

Gabon Subsalt Assessment Unit (72030101) boundary

Central Congo Delta and Carbonate Platform Assessment Unit (72030301) boundary

Center point of oil field

Center point of gas field

Source: Brownfield, M.E., Assessment of Undiscovered Oil and Gas Resources of the West-Central Coastal Province, West Africa, 2016, p.4

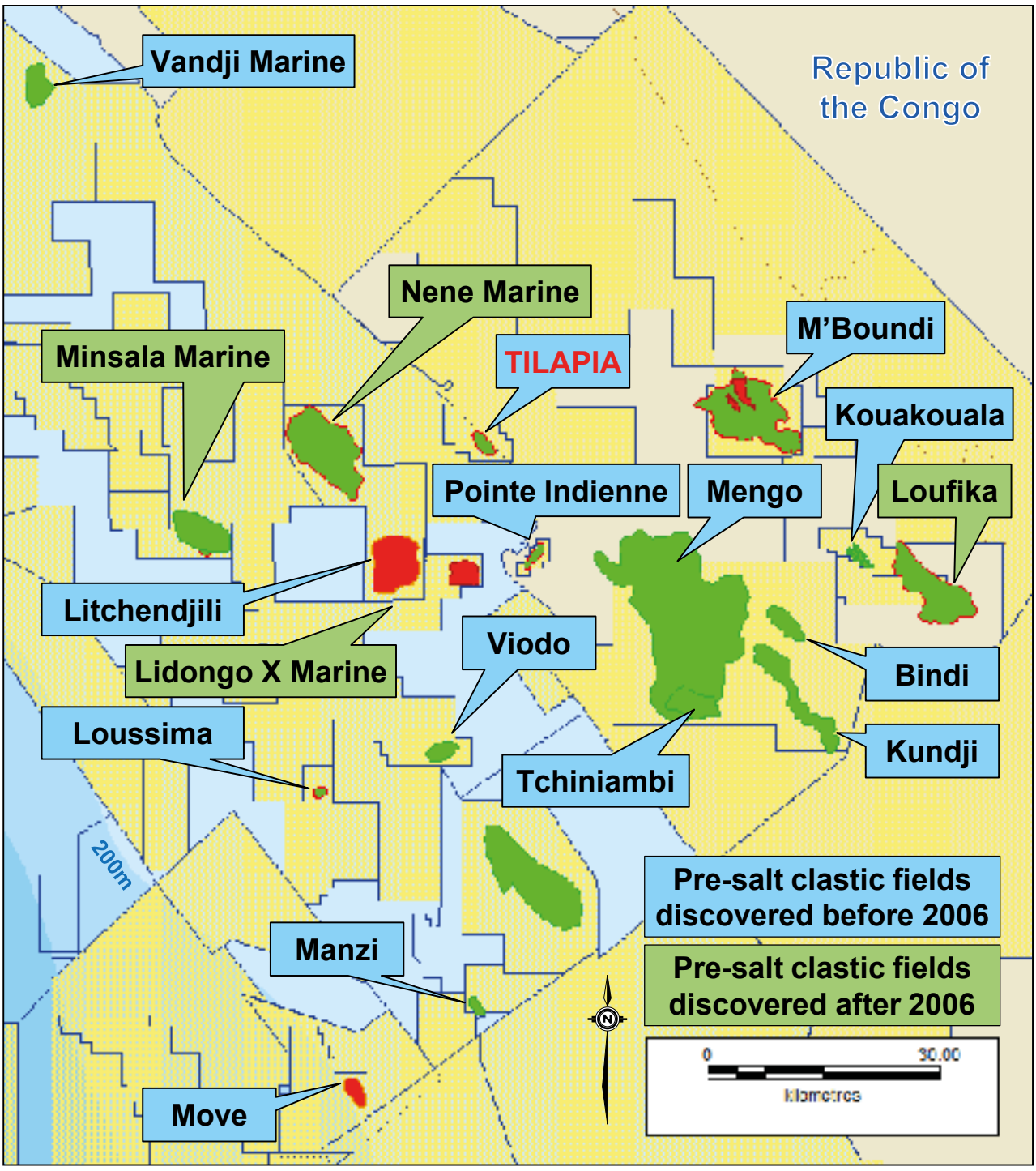
ZENITH ENERGY LTD.

WEST AFRICA

SEDIMENTARY BASINS AND HYDROCARBON OCCURRENCES MAP

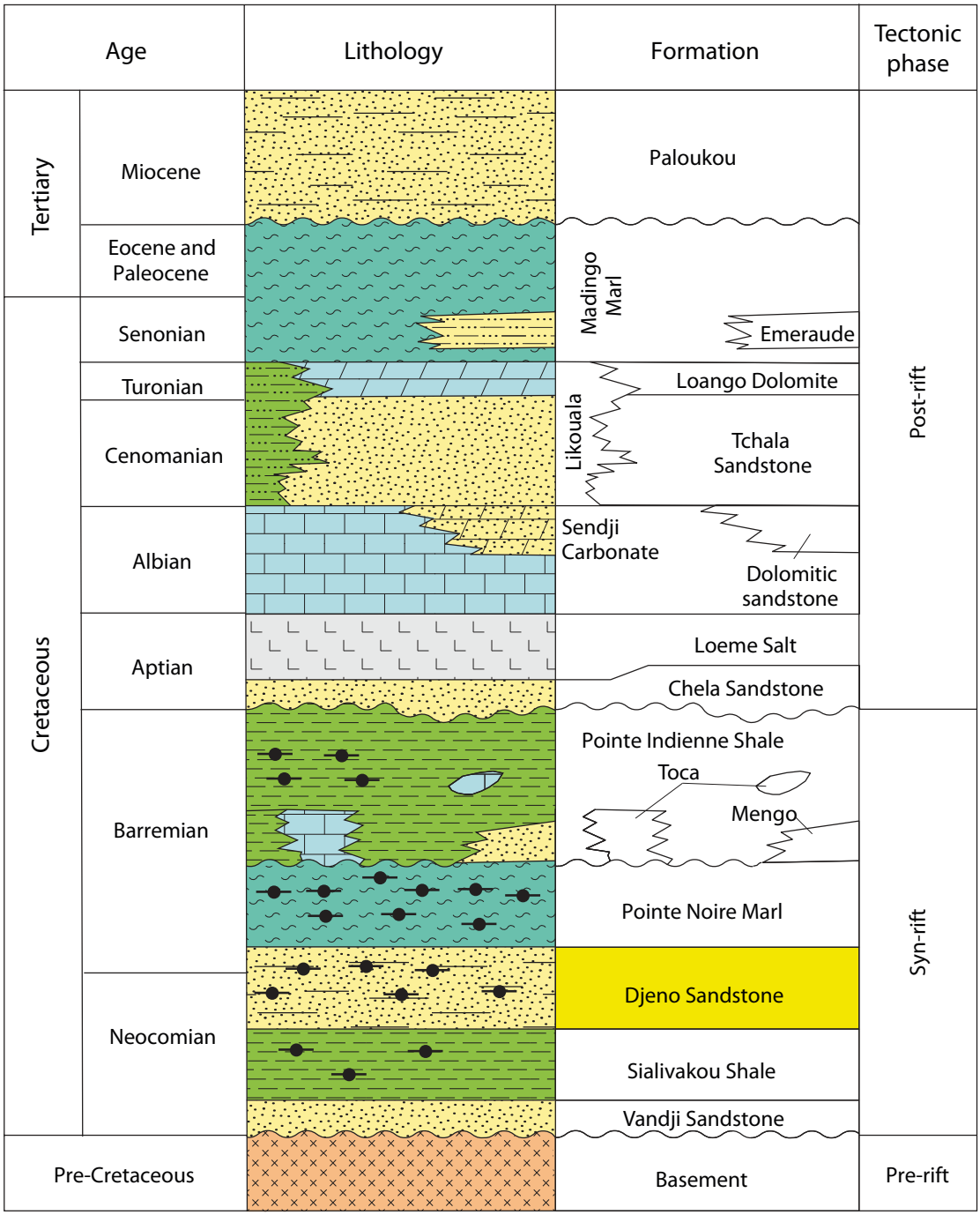
OCT. 2021 **JOB No. 6771** **FIGURE No. 2a**

Chapman Petroleum Engineering Ltd.



Source: Gaffney, Cline & Associates, 2015, Slide 11

ZENITH ENERGY LTD.		
CONGO BASIN REPUBLIC OF THE CONGO PRE-SALT CLASTIC PLAYS		
OCT. 2021	JOB No. 6771	FIGURE No. 2b



Source: Brownfield, M.E., Assessment of Undiscovered Oil and Gas Resources of the West-Central Coastal Province, West Africa, 2016, p.16

Sandstone
Littoral siltstone
Dolomitic sandstone
Sandstone with shale partings
Shale
Basement
Contact
Unconformity
Source rock
Marine siltstone
Lacustrine marlstone and shale
Limestone
Dolomitic
Salt
ZONE OF INTEREST

ZENITH ENERGY LTD.

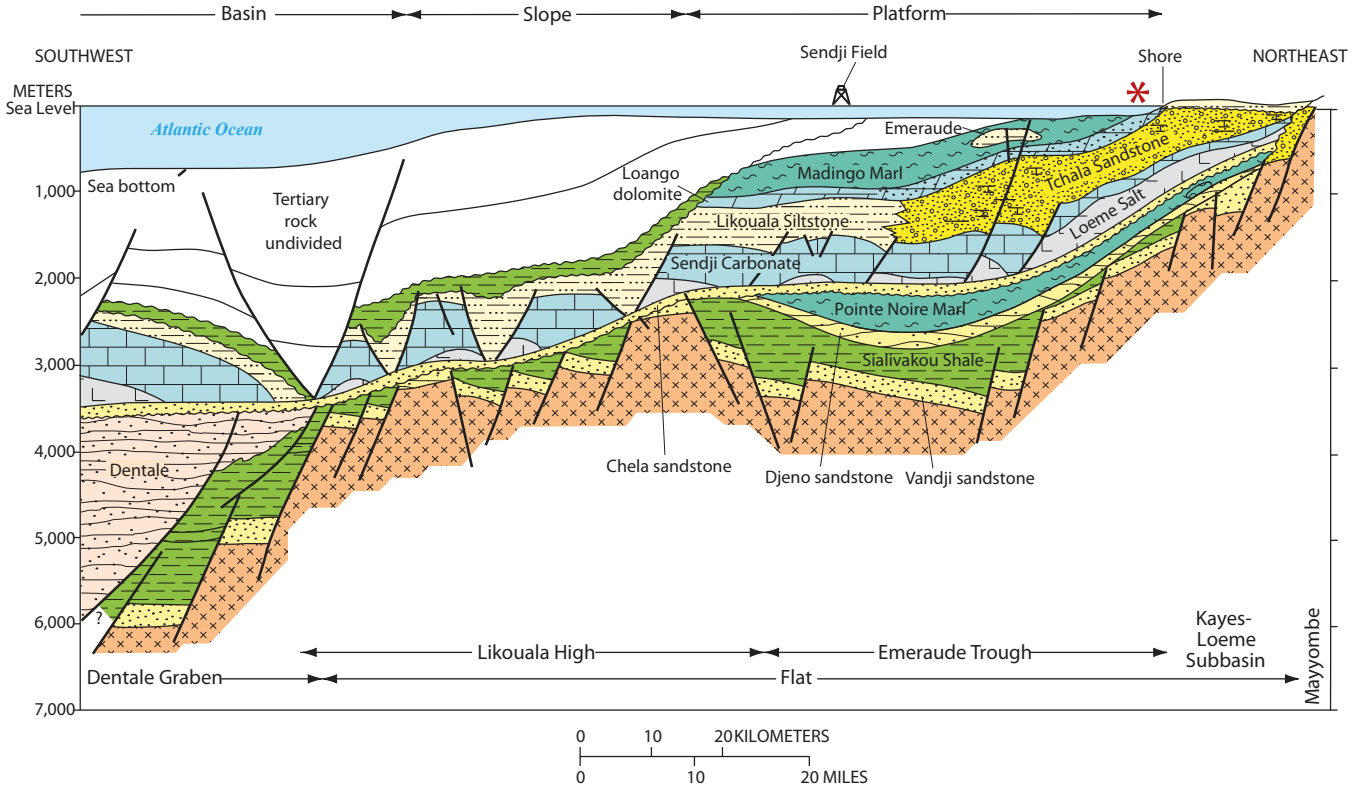
CONGO BASIN

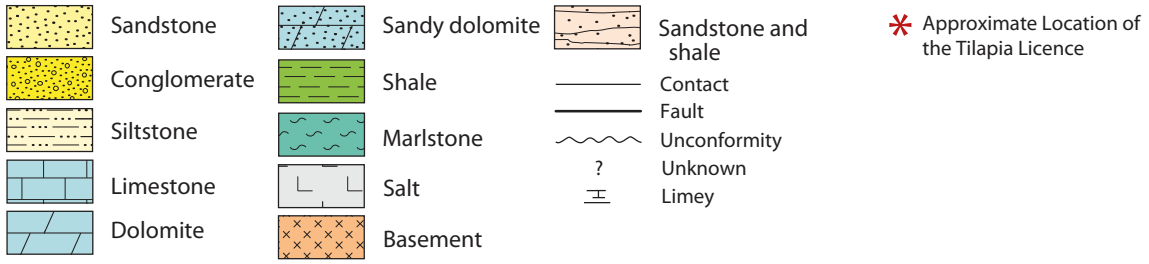
REPUBLIC OF THE CONGO

STRATIGRAPHIC COLUMN

OCT. 2021 **JOB No. 6771** **FIGURE No. 2c**

Source: Brownfield, M.E., Assessment of Undiscovered Oil and Gas Resources of the West-Central Coastal Province, West Africa, 2016, p.17







INDEX MAP

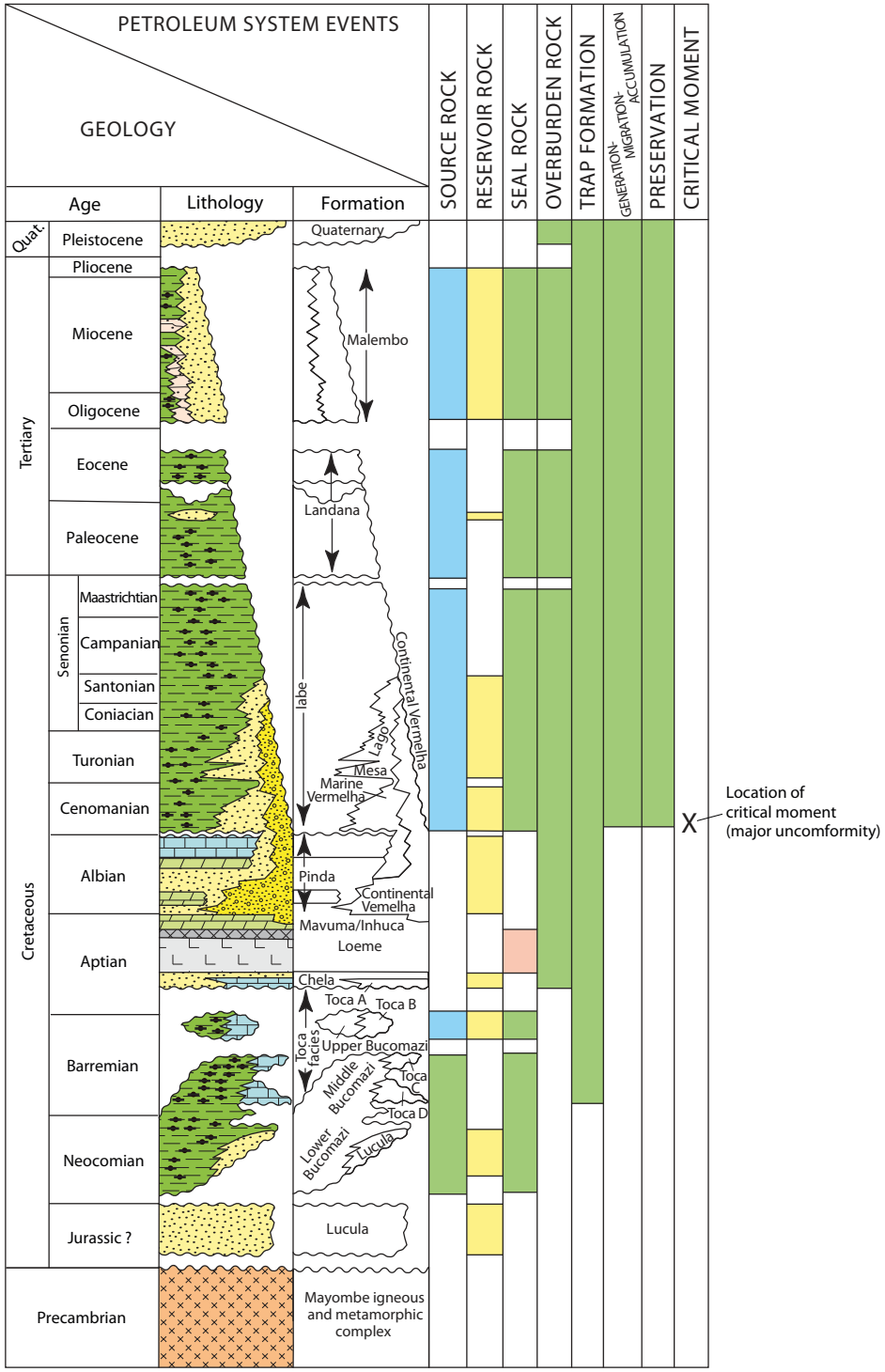
ZENITH ENERGY LTD.

CONGO BASIN

WEST AFRICA

SW-NE REGIONAL CROSS SECTION

OCT. 2021 **JOB No. 6771** **FIGURE No. 2d**



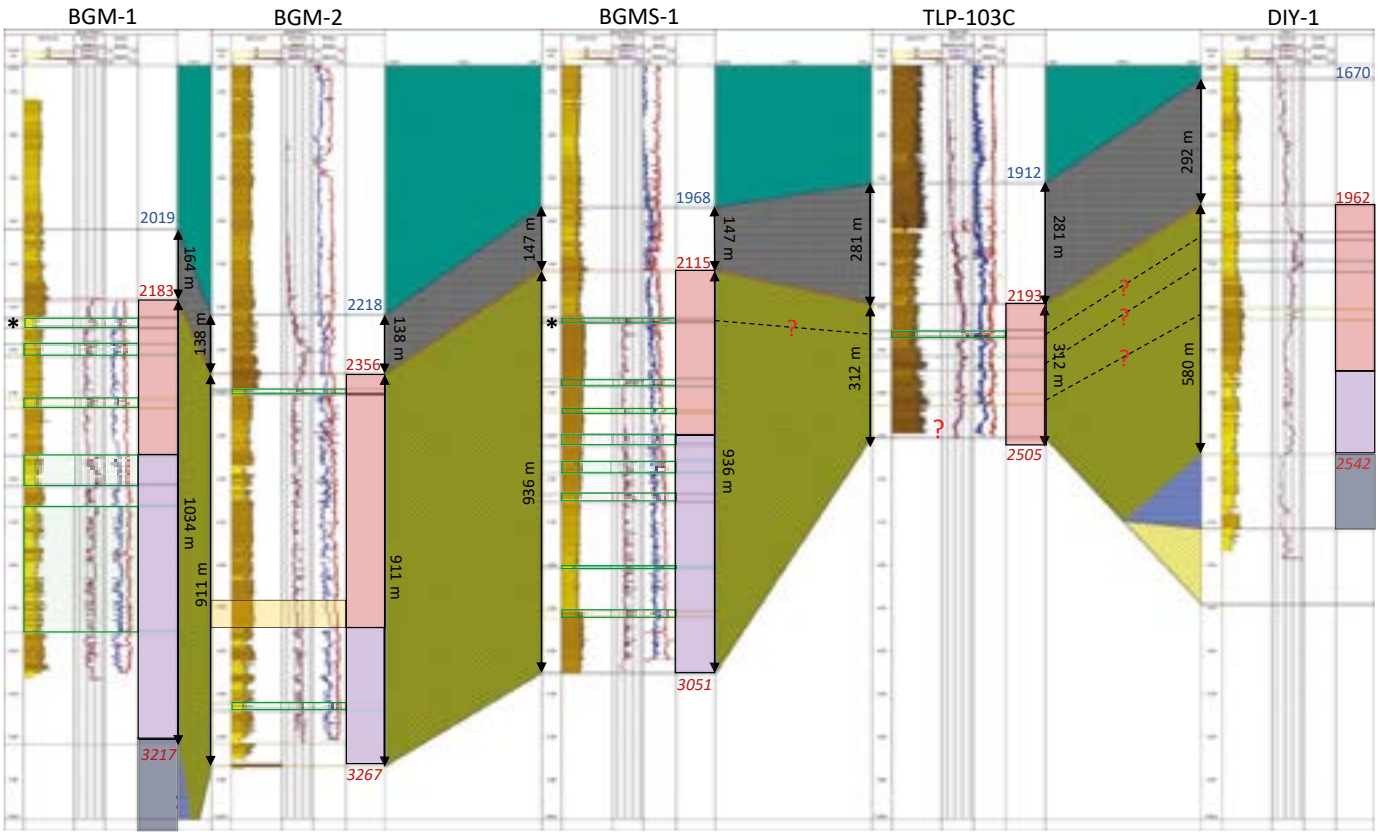
Sandstone
Conglomerate
Sandstone and shale
Shale
Limestone
Dolomite
Salt
Anhydrite
Basement
Contact
Unconformity
Source rock
Secondary source rock
Reservoir rock
Regional evaporate unit

ZENITH ENERGY LTD.

REPUBLIC OF THE CONGO
WEST AFRICA
ELEMENTS OF CONGO DELTA COMPOSITE TOTAL PETROLEUM SYSTEM

OCT. 2021 **JOB No. 6771** **FIGURE No. 2e**

Source: Brownfield, M.E., Assessment of Undiscovered Oil and Gas Resources of the West-Central Coastal Province, West Africa, 2016, p.35

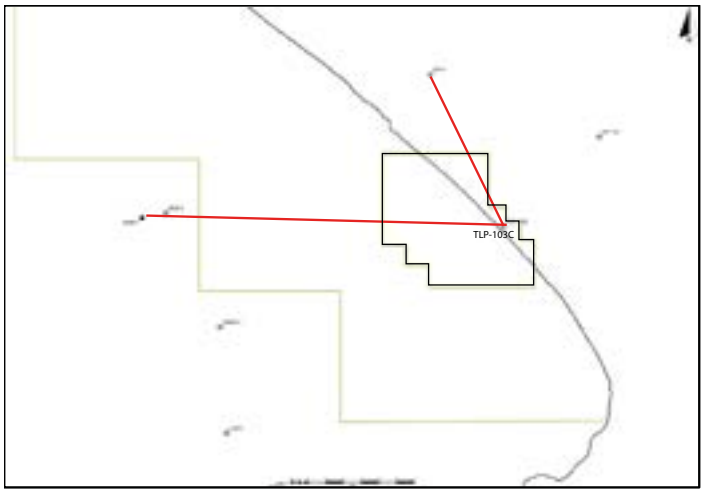


Source: Anglo African Oil & Gas PLC, 2020, Slide 26

- Pointe Indienne Shale
- Pointe Noire Marl
- Djeno
  - Unit 1
  - Unit 2
  - Unit 3
- Sialivakou
- Vandji

* Positive test/production

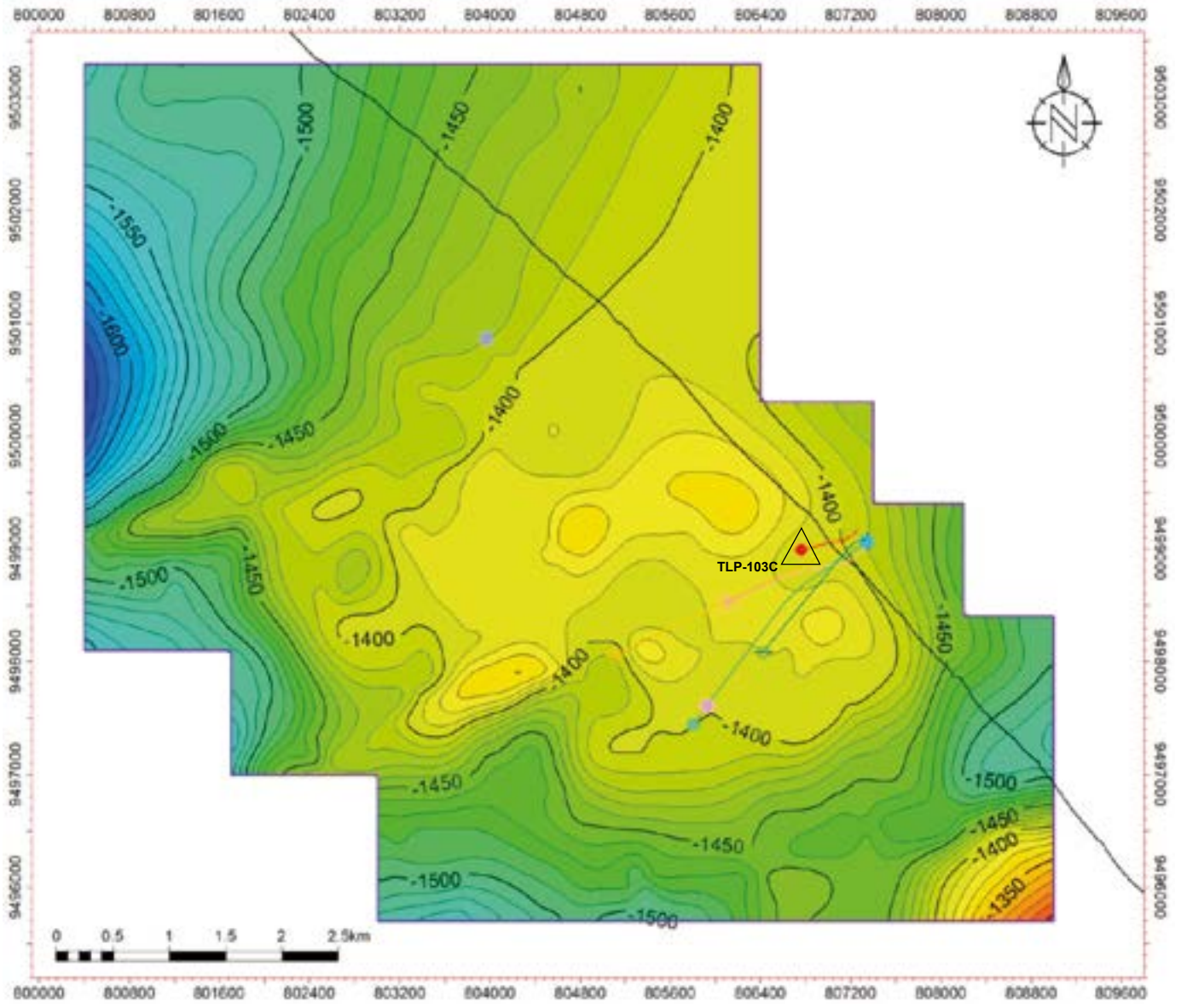
? Assumption



ZENITH ENERGY LTD.

TILAPIA LICENCE
REPUBLIC OF THE CONGO
STRATIGRAPHIC CROSS SECTION OF THE DJENO SANDSTONE

OCT. 2021 **JOB No. 6771** **FIGURE No. 2f**



Source: Anglo African Oil & Gas PLC, 2020, Slide 12

△ *Company's Djeno Sandstone Well*

ZENITH ENERGY LTD.
TILAPIA LICENCE **REPUBLIC OF THE CONGO** **DJENO SANDSTONE TIME STRUCTURE MAP** **C.I. = 10 ms**
OCT. 2021 **JOB No. 6771** **FIGURE No. 2g**

Table 2

Summary of Gross Reserves
September 30, 2021

Tilapia License, Republic of the Congo

Description		Current or Initial Rate STB/d/well	API Gravity (Deg)	Ultimate Reserves (MSTB)	Cumulative Production (MSTB)	Reserves (MSTB)	Reference
LIGHT & MEDIUM OIL							
Probable Undeveloped							
Ten Well Development	Djeno	1,500	40	15,783	0	15,783	Monte Carlo - P50
Recompletions (same wells)	Tilapia	450	40	3,850	0	3,850	Analog
Total Probable				**19,633**	**0**	**19,633**	

Table 2a

MONTE CARLO RESERVE ANALYSIS

Zenith Energy Ltd.
Lower Congo Basin - Tilapia Licence
Djeno Fm.

PAY PARAMETERS :

	Values	Units	Description
P90 gross	33	ft	Low Estimate Gross Pay
P10 gross	115	ft	High Estimate Gross Pay
N/G ratio	0.50	Dimensionless	Net to Gross Ratio
GCF	0.90	Dimensionless	Geometric Correction Factor

NET PAY :

	Values	Units	Description
P90	15	ft	Low Estimate
P10	52	ft	High Estimate
P50	28	ft	Best Estimate
P99	9	ft	Minimum Estimate
P1	86	ft	Maximum Estimate
Mean	31	ft	Most Likely Estimate

AREA :

	Values	Units	Description
P90	3,300	ac	Low Estimate
P10	8,400	ac	High Estimate
P50	5,265	ac	Best Estimate
P99	2,255	ac	Minimum Estimate
P1	12,294	ac	Maximum Estimate
Mean	5,596	ac	Most Likely Estimate

YIELD :

	Values	Units	Description
P90	53	bbls/ac-ft	Low Estimate
P10	217	bbls/ac-ft	High Estimate
P50	108	bbls/ac-ft	Best Estimate
P99	30	bbls/ac-ft	Minimum Estimate
P1	385	bbls/ac-ft	Maximum Estimate
Mean	123	bbls/ac-ft	Most Likely Estimate

RESERVOIR PARAMETERS :

	Low Estimate	High Estimate	
Porosity	10%	16%	P75 & P25 values
SW	45%	30%	P75 & P25 values
FVF	0.80	0.80	P75 & P25 values
RF	10%	20%	P75 & P25 values

MINIMUM ECONOMIC FIELD SIZE :

	Values	Units
MEFS	1,500	Mstb

Table 2a (cont'd)

MONTE CARLO RESERVE ANALYSIS
Zenith Energy Ltd.
Lower Congo Basin - Tilapia Licence
Djeno Fm.

PROSPECTIVE RESOURCES :

	Geological (Mstb)	Commercial (Mstb)	
P90	5,691	5,733	Low Estimate
P10	43,545	43,449	High Estimate
P50	15,742	15,783	Best Estimate
Mean	20,946	20,945	Most Likely Estimate

Table 3a

Summary of Anticipated Capital Expenditures

Exploration & Development

September 30, 2021

Zenith Energy Ltd.

Tilapia License, Republic of the Congo

Description	Date	Operation	Capital Interest %	Gross Capital M$	Net Capital M$
Probable Undeveloped Reserves					
Tilapia Field, Djeno well	2020	Drill, Complete, and Equip one well	56.0000	5,250	2,940
Tilapia Field, Djeno wells	2021	Drill, Complete, and Equip three wells	56.0000	15,750	8,820
Tilapia Field	2021	Central Oil Handling Facility	56.0000	2,500	1,400
Tilapia Field, Djeno wells	2022	Drill, Complete, and Equip three wells	56.0000	15,750	8,820
Tilapia Field	2022	Central Oil Handling Facility	56.0000	2,500	1,400
Tilapia Field, Djeno wells	2023	Drill, Complete, and Equip three wells	56.0000	15,750	8,820
Tilapia Field, Tilapia wells	2035	Recompletion in Tilapia zone, one well	56.0000	750	420
Tilapia Field, Tilapia wells	2036	Recompletion in Tilapia zone, three wells	56.0000	2,250	1,260
Tilapia Field, Tilapia wells	2037	Recompletion in Tilapia zone, three wells	56.0000	2,250	1,260
Tilapia Field, Tilapia wells	2038	Recompletion in Tilapia zone, three wells	56.0000	2,250	1,260
		Total Probable		**65,000**	**36,400**

Note: **M$ means thousands of dollars.**
The above capital values are expressed in terms of current dollar values without escalation.

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

September 30, 2021

Zenith Energy Ltd.

Tilapia License, Republic of the Congo

Description	Well Parameters	Capital Interest %	Gross Capital M$	Net Capital M$
Tilapia Field	Abandonment Costs are the responsibility of the Government	0.0000	0	0

Table 4
Summary of Company Reserves and Economics
Before Income Tax

October 1, 2021
(as of September 30, 2021)

Zenith Energy Ltd.

Tilapia License, Republic of the Congo

	Net Reserves	Cumulative Cash Flow (BIT) - M$				
	Oil MSTB	Discounted at:				
Description	Company Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Probable Undeveloped Reserves						
Djeno/Tilapia Ten Well Development	5,959	360,778	231,792	161,249	119,129	91,799

M$ means thousands of dollars

Net resources are the total of the Company's working interest share after deducting the amounts attributable to royalties and profit oil owned by the governme

Zenith Energy Ltd

Tilapia Exploration Permit

September 30, 2021 (October 1, 2021)

Production and Capital Forecast - Probable Reserves

	Single Well Production Profile							Development Program - Gross Production - STB/yr				Total Oil Production		Cumulative Production	Gross Capital Expenditures - $M				
								# Wells	# Wells	# Wells	# Wells								
Nominal Year	Djeno STB/d	Tilapia STB/d	Days On	Djeno STB/yr	Tilapia STB/yr.	Year	Well Count	1	2	3	4	STB/yr.	STB/d	MSTB	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Central Facilities	Total Capital (Escalated)
1						2021	0									5000	250		5,250
2	1125	-	350	393,750		2022	1.0	393,750	-	-	-	393,750	1125	394		15000	750		16,065
3	650	360	350	227,500	126,000	2023	4.0	227,500	1,181,250	-	-	1,408,750	4025	1,803		15000	750	2,500	18,987
4	500	216	350	175,110	75,600	2024	7.0	175,110	682,500	1,181,250	-	2,038,860	5825	3,841		15000	750	2,500	19,367
5	420	130	350	146,992	45,360	2025	10.0	146,992	525,330	682,500	1,181,250	2,536,072	7246	6,377		0	0		0
6	353	116	350	123,389	40,533	2026	10.0	123,389	440,976	525,330	682,500	1,772,196	5063	8,150		0	0		0
7	296	103	350	103,576	36,220	2027	10.0	103,576	370,168	440,976	525,330	1,440,051	4114	9,590		0	0		0
8	248	92	350	86,945	32,366	2028	10.0	86,945	310,729	370,168	440,976	1,208,819	3454	10,798		0	0		0
9	209	83	350	72,984	28,921	2029	10.0	72,984	260,835	310,729	370,168	1,014,716	2899	11,813		0	0		0
10	175	0	350	61,265	0	2030	10.0	61,265	218,952	260,835	310,729	851,781	2434	12,665		0	0		0
11	147	0	350	51,427	0	2031	10.0	51,427	183,794	218,952	260,835	715,009	2043	13,380		0	0		0
12	123	0	350	43,170	0	2032	10.0	43,170	154,282	183,794	218,952	600,198	1715	13,980		0	0		0
13	104	0	350	36,238	0	2033	10.0	36,238	129,509	154,282	183,794	503,823	1439	14,484		0	0		0
14	87	0	350	30,419	0	2034	10.0	30,419	108,713	129,509	154,282	422,923	1208	14,907		0	0		0
15	73	0	350	25,535	0	2035	10.0	25,535	91,257	108,713	129,509	355,014	1014	15,262		0	0		0
16	0	0	350	0	0	2036	10.0	126,000	76,604	91,257	108,713	402,574	1150	15,665		750	0		1,009
17	0	0	350	0	0	2037	10.0	75,600	378,000	76,604	91,257	621,461	1776	16,286		2250	0		3,089
18	0	0	350	0	0	2038	10.0	45,360	226,800	378,000	76,604	726,764	2076	17,013		2250	0		3,151
19	0	0	350	0	0	2039	10.0	40,533	136,080	226,800	378,000	781,413	2233	17,794		2250	0		3,214
20	0	0	350	0	0	2040	10.0	36,220	121,599	136,080	226,800	520,699	1488	18,315		0	0		0
21	0	0	350	0	0	2041	10.0	32,366	108,660	121,599	136,080	398,704	1139	18,714		0	0		0
22	0	0	350	0	0	2042	10.0	28,921	97,097	108,660	121,599	356,277	1018	19,070		0	0		0
23	0	0	350	0	0	2043	9.0	0	86,764	97,097	108,660	292,521	836	19,362		0	0		0
24	0	0	350	0	0	2044	6.0	0	0	86,764	97,097	183,861	525	19,546		0	0		0
25	0	0	350	0	0	2045	3.0	0	0	0	86,764	86,764	248	19,633		0	0		0
Total				1,578,300	385,000			1,963,500	5,889,900	5,889,900	5,889,900	19,633,000			0	52,500	2,250	5,000	70,132

d Decline % =	50%	40%
d Decline % =	30%	40%
l Decline % =	16%	11%
Initial rate	1500	450

Djeno Production

Tilapia Production

	D&C	
2021	1	1
2022	3	3
2023	3	3
2024	3	3
2025	0	0
2026	0	0
2027		
Recompletions	750	
2036	1	
2037	3	
2038	3	
2039	3	

Table 4a, Page 2

Zenith Energy Ltd

Tilapia Exploration Permit

September 30, 2021 (October 1, 2021)

Production Revenue and Costs- Probable Reserves (Gross Lease)

Year	Gross Production STB/yr.	Cumulative Production MSTB	Oil Price $/STB	Gross Revenue $/yr.	Royalty $/yr.	Operating Costs - $/yr. Fixed	Variable	Transportation	Total (Escalated)
2021	0	0	79.28	$0	$0	0	0	0	0
2022	393,750	394	76.13	$29,974,219	$4,496,133	120,000	787,500	787,500	1,728,900
2023	1,408,750	1,803	72.98	$102,803,531	$15,420,530	480,000	2,817,500	2,817,500	6,362,046
2024	2,038,860	3,841	69.83	$142,363,394	$21,354,509	840,000	4,077,720	4,077,720	9,546,033
2025	2,536,072	6,377	71.22	$180,622,848	$27,093,427	1,200,000	5,072,144	5,072,144	12,279,422
2026	1,772,196	8,150	72.65	$128,742,796	$19,311,419	1,200,000	3,544,391	3,544,391	9,151,485
2027	1,440,051	9,590	74.10	$106,706,097	$16,005,915	1,200,000	2,880,101	2,880,101	7,838,319
2028	1,208,819	10,798	75.58	$91,363,519	$13,704,528	1,200,000	2,417,637	2,417,637	6,932,634
2029	1,014,716	11,813	77.09	$78,226,950	$11,734,043	1,200,000	2,029,432	2,029,432	6,161,598
2030	851,781	12,665	78.63	$66,979,204	$10,046,881	1,200,000	1,703,562	1,703,562	5,505,940
2031	715,009	13,380	80.21	$57,348,698	$8,602,305	1,200,000	1,430,018	1,430,018	4,949,161
2032	600,198	13,980	81.81	$49,102,901	$7,365,435	1,200,000	1,200,397	1,200,397	4,477,134
2033	503,823	14,484	83.45	$42,042,713	$6,306,407	1,200,000	1,007,647	1,007,647	4,077,769
2034	422,923	14,907	85.12	$35,997,663	$5,399,650	1,200,000	845,847	845,847	3,740,714
2035	355,014	15,262	86.82	$30,821,793	$4,623,269	1,200,000	710,027	710,027	3,457,106
2036	402,574	15,665	88.55	$35,649,930	$5,347,490	1,200,000	805,148	805,148	3,782,288
2037	621,461	16,286	90.33	$56,134,106	$8,420,116	1,200,000	1,242,921	1,242,921	5,059,872
2038	726,764	17,013	92.13	$66,958,629	$10,043,794	1,200,000	1,453,527	1,453,527	5,750,868
2039	781,413	17,794	93.98	$73,433,497	$11,015,025	1,200,000	1,562,826	1,562,826	6,178,097
2040	520,699	18,315	95.85	$49,911,494	$7,486,724	1,200,000	1,041,398	1,041,398	4,782,415
2041	398,704	18,714	97.77	$38,982,074	$5,847,311	1,200,000	797,409	797,409	4,152,952
2042	356,277	19,070	99.73	$35,530,549	$5,329,582	1,200,000	712,554	712,554	3,978,788
2043	292,521	19,362	101.72	$29,755,743	$4,463,361	1,080,000	585,041	585,041	3,478,582
2044	183,861	19,546	103.76	$19,076,748	$2,861,512	720,000	367,722	367,722	2,295,089
2045	86,764	19,633	105.83	$9,182,397	$1,377,360	360,000	173,529	173,529	1,137,258
Totals	19,633,000		Inflation Factor	$1,557,711,493	$233,656,724	$25,200,000	$39,266,000	$39,266,000	$126,804,471
			1.02		15%	120,000 $/yr/well	$2.00 $/STB	$2.00 $/STB	Cost Oil %

Table 4a, Page 3

Zenith Energy Ltd

Tilapia Exploration Permit

September 30, 2021 (October 1, 2021)

Production Splits -Cost Oil & Profit Oil - Probable Reserves (Gross Lease)

			Cost Recovery										
	Available Cost Oil	Cost Oil Revenue Ceiling	Annual Costs For Recovery	Cumulative Outstanding Costs	Annual Cost Recovery	Cost Oil	Total Profit Oil	Total Daily Production	Contractors Share			Total Contractors Profit Oil	Total Government Profit Oil
Year	STB/yr.	$/yr	$/yr.	$/yr.	$/yr.	STB/yr.	STB/yr.	STB/d	STB/yr.	STB/yr.	STB/yr.	STB/yr.	STB/yr.
2021	0	0	5,250	5,250	0	0	0	0	0	0	0	0	0
2022	200,813	15,286,852	1,744,965	1,750,215	1,750,215	22,991	311,696	0	187,018	0	0	187,018	124,678
2023	718,463	52,429,801	6,381,033	6,381,033	6,381,033	87,441	1,109,996	3171	665,998	0	0	665,998	443,998
2024	1,039,819	72,605,331	9,565,400	9,565,400	9,565,400	136,991	1,596,040	4560	957,624	0	0	957,624	638,416
2025	1,293,397	92,117,652	12,279,422	12,279,422	12,279,422	172,412	1,983,249	5666	1,189,950	0	0	1,189,950	793,300
2026	903,820	65,658,826	9,151,485	9,151,485	9,151,485	125,974	1,380,392	3944	828,235	0	0	828,235	552,157
2027	734,426	54,420,110	7,838,319	7,838,319	7,838,319	105,782	1,118,261	3195	670,957	0	0	670,957	447,304
2028	616,498	46,595,395	6,932,634	6,932,634	6,932,634	91,725	935,771	2674	561,463	0	0	561,463	374,308
2029	517,505	39,895,745	6,161,598	6,161,598	6,161,598	79,925	782,584	2236	469,550	0	0	469,550	313,034
2030	434,408	34,159,394	5,505,940	5,505,940	5,505,940	70,020	653,994	1869	392,397	0	0	392,397	261,598
2031	364,655	29,247,836	4,949,161	4,949,161	4,949,161	61,705	546,053	1560	327,632	0	0	327,632	218,421
2032	306,101	25,042,479	4,477,134	4,477,134	4,477,134	54,725	455,443	1301	273,266	0	0	273,266	182,177
2033	256,950	21,441,783	4,077,769	4,077,769	4,077,769	48,866	379,383	1084	227,630	0	0	227,630	151,753
2034	215,691	18,358,808	3,740,714	3,740,714	3,740,714	43,948	315,537	902	189,322	0	0	189,322	126,215
2035	181,057	15,719,114	3,457,106	3,457,106	3,457,106	39,820	261,942	748	157,165	0	0	157,165	104,777
2036	205,313	18,181,464	3,783,298	3,783,298	3,783,298	42,723	299,465	856	179,679	0	0	179,679	119,786
2037	316,945	28,628,394	5,062,961	5,062,961	5,062,961	56,052	472,190	1349	283,314	0	0	283,314	188,876
2038	370,649	34,148,901	5,754,019	5,754,019	5,754,019	62,454	555,295	1587	333,177	0	0	333,177	222,118
2039	398,521	37,451,083	6,181,310	6,181,310	6,181,310	65,776	598,425	1710	359,055	0	0	359,055	239,370
2040	265,557	25,454,862	4,782,415	4,782,415	4,782,415	49,892	392,702	1122	235,621	0	0	235,621	157,081
2041	203,339	19,880,858	4,152,952	4,152,952	4,152,952	42,476	296,423	847	177,854	0	0	177,854	118,569
2042	181,701	18,120,580	3,978,788	3,978,788	3,978,788	39,897	262,939	751	157,763	0	0	157,763	105,176
2043	149,186	15,175,429	3,478,582	3,478,582	3,478,582	34,197	214,446	613	128,667	0	0	128,667	85,778
2044	93,769	9,729,141	2,295,089	2,295,089	2,295,089	22,120	134,162	383	80,497	0	0	80,497	53,665
2045	44,250	4,683,022	1,137,258	1,137,258	1,137,258	10,746	63,004	180	37,802	0	0	37,802	25,202
	10,012,830	794,432,862	126,869,352		126,874,602	1,568,657	15,119,393		60%	55%	50%	9,071,636	6,047,757
	60%								0 to <25MM	25MM to 100MM	>100MM		
	55%												
	50%												

Zenith Energy Ltd

Tilapia Exploration Permit

September 30, 2021 (October 1, 2021)

Production Streams, Revenues and Cash Flows - Probable Reserves

	Contractor's Share					Cost Schedule			Contractor's Undiscounted	Company'S Share Undiscounted		Company Share Discounted @			
Year	Cost Oil STB/yr.	Profit Oil STB/yr.	Total Oil STB/yr.	Oil Price $/STB	Contractor's Total Revenue (Operating Cash Flow) $/yr.	Total Operating Costs $/yr.	Net Operating Income $/yr.	Total Capital Costs $/yr.	Net Cash Flow (Profit) $/yr.	Net Cash Flow (Profit) $/yr.	i	5% $	10% $	15% $	20% $
2021	0	0	0	$79.28	0	0	0	5,250,000	-5,250,000	-2,940,000	0.13	-2,922,124	-2,905,181	-2,889,084	-2,873,755
2022	22,991	187,018	210,009	$76.13	15,986,938	1,728,900	14,258,038	16,065,000	-1,806,962	-1,011,899	1.13	-957,854	-909,014	-864,673	-824,249
2023	87,441	665,998	753,439	$72.98	54,982,254	6,362,046	48,620,168	18,987,300	29,632,868	16,594,406	2.13	14,940,099	13,551,965	12,330,447	11,264,232
2024	136,991	957,624	1,094,615	$69.83	76,431,491	9,546,033	66,885,458	19,367,046	47,518,412	26,610,311	3.13	22,847,221	19,755,945	17,193,694	15,052,497
2025	172,412	1,189,950	1,362,361	$71.22	97,029,421	12,279,422	84,749,999	0	84,749,999	47,460,000	4.13	38,808,054	32,031,915	26,665,464	22,372,014
2026	125,974	828,235	954,209	$72.65	69,319,420	9,151,485	60,167,935	0	60,167,935	33,694,044	5.13	26,219,646	20,673,577	16,461,777	13,235,771
2027	105,782	670,957	776,739	$74.10	57,555,437	7,838,319	49,717,118	0	49,717,118	27,841,586	6.13	20,649,499	15,529,725	11,828,228	9,113,996
2028	91,725	561,463	653,187	$75.58	49,368,448	6,932,634	42,435,814	0	42,435,814	23,764,056	7.13	16,785,984	12,050,295	8,779,069	6,482,674
2029	79,925	469,550	549,475	$77.09	42,360,384	6,161,598	36,198,786	0	36,198,786	20,271,320	8.13	13,637,004	9,344,724	6,511,965	4,608,233
2030	70,020	392,397	462,416	$78.63	36,361,770	5,505,940	30,855,830	0	30,855,830	17,279,265	9.13	11,070,645	7,241,308	4,826,780	3,273,380
2031	61,705	327,632	389,336	$80.21	31,227,500	4,949,161	26,278,340	0	26,278,340	14,715,870	10.13	8,979,338	5,606,412	3,574,541	2,323,142
2032	54,725	273,266	327,991	$81.81	26,833,333	4,477,134	22,356,199	0	22,356,199	12,519,471	11.13	7,275,369	4,336,031	2,644,372	1,647,004
2033	48,866	227,630	276,496	$83.45	23,072,891	4,077,769	18,995,122	0	18,995,122	10,637,268	12.13	5,887,215	3,349,221	1,953,749	1,166,158
2034	43,948	189,322	233,270	$85.12	19,855,094	3,740,714	16,114,380	0	16,114,380	9,024,053	13.13	4,756,550	2,582,989	1,441,260	824,419
2035	39,820	157,165	196,985	$86.82	17,101,957	3,457,106	13,644,850	0	13,644,850	7,641,116	14.13	3,835,818	1,988,315	1,061,206	581,730
2036	42,723	179,679	222,402	$88.55	19,694,783	3,782,288	15,912,495	1,009,401	14,903,094	8,345,733	15.13	3,990,031	1,974,241	1,007,882	529,478
2037	56,052	283,314	339,366	$90.33	30,653,578	5,059,872	25,593,706	3,088,768	22,504,939	12,602,766	16.13	5,738,368	2,710,247	1,323,467	646,298
2038	62,454	333,177	395,631	$92.13	36,450,508	5,750,868	30,699,640	3,150,543	27,549,097	15,427,494	17.13	6,690,039	3,016,099	1,408,786	679,699
2039	65,776	359,055	424,831	$93.98	39,923,608	6,178,097	33,745,511	3,213,554	30,531,957	17,097,896	18.13	7,061,332	3,038,787	1,357,670	627,744
2040	49,892	235,621	285,513	$95.85	27,367,828	4,782,415	22,585,413	0	22,585,413	12,647,831	19.13	4,974,744	2,043,550	873,313	386,968
2041	42,476	177,854	220,330	$97.77	21,542,039	4,152,952	17,389,086	0	17,389,086	9,737,888	20.13	3,647,793	1,430,332	584,683	248,280
2042	39,897	157,763	197,660	$99.73	19,712,095	3,978,788	15,733,307	0	15,733,307	8,810,652	21.13	3,143,287	1,176,488	460,009	187,199
2043	34,197	128,667	162,864	$101.72	16,566,862	3,478,582	13,088,280	0	13,088,280	7,329,437	22.13	2,490,333	889,728	332,760	129,773
2044	22,120	80,497	102,617	$103.76	10,647,177	2,295,089	8,352,088	0	8,352,088	4,677,169	23.13	1,513,493	516,152	184,648	69,011
2045	10,746	37,802	48,548	$105.83	5,137,926	1,137,258	4,000,668	0	4,000,668	2,240,374	24.13	690,444	224,762	76,910	27,547
Totals	1,568,657	9,071,636	10,640,293		845,182,703	126,804,471	718,378,232	70,131,612	644,245,952	360,777,733		231,792,329	161,248,592	119,128,924	91,799,244
Company Share	878,448	5,080,116	5,958,564		473,302,313	71,010,504	402,291,810	39,273,703	360,777,733	56.0%					

REFERENCES

- Baer, S., Coole, P., N'Gouala Nzoussi, A.R., Debi Obambe, B.W., Kiwuba, S.P., Brice, E. 2014, Regional Prospectivity, Offshore the Republic of the Congo, AAPG Search and Discovery Article # 10645, http://www.searchanddiscovery.com/documents/2014/10645baer/ndx_baer.pdf.

- Brownfield, M.E., 2016, Assessment of undiscovered oil and gas resources of the West-Central Coastal Province, West Africa, in Brownfield, M.E., compiler, Geologic Assessment of Undiscovered Hydrocarbon Resources of Sub-Saharan Africa: U.S. Geological Survey Digital Data Series 69–GG, chap. 7, 41 p., http://dx.doi.org/10.3133/ds69GG.

- Brownfield, M.E., and Charpentier, R.R., 2006, Geology and Total Petroleum Systems of the West-Central Coastal Province (7203), West Africa: U.S. Geological Survey Bulletin 2207-B, 52 p.

- Cole, G.A., Requejo, A.G., Ormerod, D. Yu, Z. and Clifford, A., 2002, Petroleum Geochemical Assessment of the Lower Congo Basin, in Mello, M.R., and Katz, B.J. eds., Petroleum Systems of South Atlantic Margins: AAPG Memoir 73, ch. 23, p. 325-339.

- Da Costa, J.L., Schirmer, T.W., and Laws, B.R., Lower Congo Basin, Deepwater Exploration Province, Offshore West Africa, AAPG Bulletin v. 83 n. 12, https://doi.org/10.1306/E4FD4751-1732-11D7-8645000102C1865D.

- Delvaux, D., and Fernadez-Alonso, M., 2015, Petroleum Potential of the Congo Basin, *in* de Wit, M., Guillochau, F., and de Wit, M.C.J. (Eds.), Geology and Resource Potential of the Congo Basin, Springer, Berlin, ch.18, p. 371-391.

- Kadima, E., Delvaux, D., Sebagenzi, S.N., Tack, L., Kabeya, M., 2011, Structure and Geological History of the Congo Basin: an Integrated Interpretation of Gravity, Magnetic and Reflection Seismic Data, Basin Research, v. 23, n. 5, p. 499-527.

- Le Barbanchon, P., Martin, T., Martin, M., Andzouono, L, Saba, J.P., N'Gouala Nzoussi, A.R., 2019, Subsalt Exploration in Shallow Waters of the Republic of Congo, First Break, v. 37, p. 59-64.

- Rachwal, C., (2015, July 15). Exploration/Development Opportunities in Central and Southern Africa in a $60/Bbl Oil, $3/Mcf World, Gaffney, Cline & Associates. http://gaffney-cline-focus.com/exploration-development-opportunities-in-central-and-southern-africa.

- Selley, R.C., and Van der Spuy, 2016, The Oil and Gas Basins of Africa, Episodes: Journal of International Geoscience, v. 39, p. 429-445.

- Sonangol, Onshore Lower Congo Basin, Web accessed: February 19, 2020, http://www.sonangol.co.ao/Style%20Library/pt-pt/Pdf/licitacoes/Lower+Congo+Basin+overview.pdf.

- Tukimin, N., 2019, Reservoir Analysis of the Vandji Formation of Berriasian-Valanginian Age in the Lower Congo Basin, Search and Discovery Article #51549, http://www.searchanddiscovery.com/pdfz/documents/2019/51549tukimin/ndx_tukimin.pdf.html.

- Valle, P.J., Gjelberg, J.G., Helland-Hansen, W., 2001, Tectonostratigraphic Development in the Eastern Lower Congo Basin, Offshore Angola, West Africa, Marine and Petroleum Geology, v. 18, p. 909-927.

GLOSSARY OF TERMS
(Abbreviations & Definitions)

General

BIT	-	Before Income Tax
AIT	-	After Income Tax
M$	-	Thousands of Dollars
Effective Date	-	The date for which the Present Value of the future cash flows and reserve categories are established
$US	-	United States Dollars
WTI	-	West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	-	Alberta Royalty Tax Credit
GRP	-	Gas Reference Price

Interests and Royalties

BPO	-	Before Payout
APO	-	After Payout
APPO	-	After Project Payout
Payout	-	The point at which a participant's original capital investment is recovered from its net revenue
GORR	-	Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	-	New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	-	Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150th of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	-	Freehold Royalty
P&NG	-	Petroleum and Natural Gas
Twp	-	Township
Rge	-	Range
Sec	-	Section

Technical Data

psia	-	Pounds per square inch absolute
MSTB	-	Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	-	Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	-	Barrels
Mbbls	-	Thousands of barrels
MMBTU	-	Millions of British Thermal Units – heating value of natural gas
STB/d	-	Stock Tank Barrels of oil per day – oil production rate
Mscf/d	-	Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	-	Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	-	Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	-	Enhanced Oil Recovery
GJ	-	Gigajoules
Marketable or Sales Natural Gas	-	Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	-	Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	-	Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	-	Estimated Ultimate Recovery

October 08, 2021

Chapman Petroleum Engineering Ltd.
700, 1122 – 4th Street SW
Calgary, AB
T2R 1M1

Dear Sir:

Re: Company Representation Letter

Regarding the evaluation of our Company's oil and gas reserves and independent appraisal of the economic value of these reserves for the year ended September 30, 2021, (the effective date), we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

1. We, Zenith Energy Ltd., (the Client) have made available to you, Chapman Petroleum Engineering Ltd. (the Evaluator) certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation, including the following:
    - Accounting, financial, tax and contractual data
    - Asset ownership and related encumbrance information;
    - Details concerning product marketing, transportation and processing arrangements;
    - All technical information including geological, engineering and production and test data;
    - Estimates of future abandonment and reclamation costs.

2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.

3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.

4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on the evaluation of our Company's reserves and future net revenues.

5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:
   - For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.
   - All regulatory, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
   - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this three-month period.

- Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.
- If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.

6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could affect our reserves and economic value of these reserves that has not been disclosed to you.

Yours very truly,

President and Chief Executive Officer

Vice-President & Chief Financial Officer

Printed by **Rubicon** Corporate Print
18331-01