

September 22, 2022

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Offer for Sèmè Field in Benin

Zenith Energy Ltd. (**LSE: ZEN; OSE: ZENA**), the energy company with proven revenue generating production, exploration and development assets in Africa and Europe, is delighted to announce that on September 15, 2022 (the last valid day for participation in the offer submission process) it presented an offer (the "**Offer**") to the relevant Ministry in the Republic of Benin for the award of an initial nine-year licence to operate Block 1 containing the Sèmè oilfield, offshore Benin ("**Block-1**").

About Block-1

- A proven oilfield, with significant unexploited potential, having estimated recoverable reserves (P2) of 22-28 million barrels of oil and 428 billion cubic feet of natural gas (Kerr McGee 2005).
- Has produced a reported 22 million barrels of oil to date, with last production having taken place in 1998.
- Historical recovery factor of 22%, leaving significant margin for improvement of the recovery factor utilising modern completion techniques, horizontal drilling, and improved 3D seismic.
- Last produced at a rate of approximately 2,000 barrels of oil per day.
- 23 wells have been drilled in Block-1, with the last well having been drilled in 2009 by South Atlantic Petroleum (SAPETRO). This well discovered oil, however, due to the prevailing oil price at the time (approx. US\$30) it was deemed uncommercial.
- Located in shallow water (30m) offshore with onshore facilities and tank farm for processing of oil production.
- Discovered in 1967 by Union Oil, Block-1 covers 551 sq. km with over 355 sq. km of recent 3D seismic data.
- Significant development and exploration potential in the emerging Syn-Rift play extending from neighbouring Nigeria.
- Production facilities comprised of three platforms, the last being installed in 2014-2015.

Andrea Cattaneo, Chief Executive of Zenith, commented:

"We are delighted to have submitted this Offer for what is an extremely exciting opportunity in Benin, representing the largest and most prospective oilfield in the country.

"Block-1 has significant untapped, independently assessed oil and gas reserves, a proven history of material oil production and existing field infrastructure. These key qualities make it a potentially highly enriching addition to our portfolio and fully satisfy the key criteria defining our growth strategy.

"Benin is a stable and attractive jurisdiction for foreign investment, and we look forward with great enthusiasm to working closely with the local authorities to ensure we achieve a fruitful and enduring partnership in the event our Offer is accepted."

Details of the Offer and Next Steps

The Company has presented an offer that outlines certain investment commitments and terms to be negotiated as part of an award for an initial nine-year licence.

The Offer contains specific details surrounding how the Company will restore and expand the productivity of Block-1. Specific geological attention will be directed towards developing the emerging Cretaceous Play along the West African coast, which has proven to be a highly prolific basin extending from Côte d'Ivoire, Ghana to the West, to the east in Nigeria, with the large 'Ogo' oil and gas discovery, as well as producing in the Aje Field.

If Zenith's Offer for Block-1 is accepted, Zenith will progress in completing a rigorous due diligence process and begin negotiations with the Ministry aimed at finalising a draft Production Sharing Agreement to be approved by the legislature of Benin (in accordance with the Hydrocarbon Code).

Operationally, following potential acceptance of the Offer, the Company will seek to use the existing infrastructure installed in 2015, where previous development was stalled due to the low oil price environment at the time, to rapidly restore commercial production in the current high oil price climate for the benefit of the citizens of the Republic of Benin and Zenith Energy shareholders.

As part of the Offer, the Company has also presented a comprehensive social development plan, outlining agricultural community engagement initiatives aimed at fostering productivity and local employment, in addition to a sustainable development plan that takes into consideration the natural history of the region and places environmental sustainability at the heart of the Company's business development activities in Benin.

About Benin's Oil Industry

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

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

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

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Notes to Editors:

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

Zenith's strategic focus is on pursuing transformational opportunities in Africa and Europe through the development of proven revenue generating oil, gas, and electricity production assets, as well as low-risk exploration activities in assets with existing production.

For more information, please visit: www.zenithenergy.ca

Twitter: @zenithenergyltd

LinkedIn: <https://bit.ly/3A5PRJb>

Market Abuse Regulation (MAR) Disclosure

The information included in this announcement is defined as inside information pursuant to MAR article 7 and is publicly disclosed in accordance with MAR article 17 and section 5 -12 of the Norwegian Securities Trading Act. The announcement is made by the contact person.

