

June 2, 2023

**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**First Agreement for USA acquisition campaign**

Zenith Energy Ltd. (**LSE: ZEN; OSE: ZENA**), the international energy production company, is pleased to announce that it has entered into an agreement (the "**Agreement**") with Stateside Energy LLC, a company registered under the laws of the State of Oklahoma, United States of America (hereinafter "**Stateside**") to acquire and operate a portfolio of oil production and development licences in Oklahoma, as well as certain other States in the USA (the "**Targets**").

**Key Terms**

- Stateside is an oil and gas operator with a portfolio of seven oil wells in the State of Oklahoma.
- Under the Agreement, Zenith will incorporate a wholly owned special purpose vehicle in the United States of America for the purpose of acquiring oil wells and licence blocks in the State of Oklahoma and certain other States in USA (the "**Newco**").
- Stateside will make available its personnel in Oklahoma for the purpose of assisting the business development of Newco.
- Zenith will consider providing Stateside with the following incentive bonus structure based upon the Newco reaching the following incremental average production targets: 75, 125, 175 and 225 barrels of oil per day (the "**Milestones**").
- Upon the achievement of each Milestone Zenith will consider issuing Stateside certain amounts payable by way of issuing equity securities (the "**Incentive Bonus Payments**").
- Stateside agrees to sell its oil production wells to Newco, subject to the completion of a satisfactory due diligence by Zenith, for a nominal consideration.
- It is planned that the Newco will negotiate the acquisition of approximately 70 oil production wells located on property leases totalling approximately 3,200 acres located in the State of Oklahoma for sale by a third-party identified by Stateside (the "**Potential Vendor**").
- The Potential Vendor has indicated it also intends to sell certain oilfield service equipment including, inter alia, a pulling unit and a tank truck, for an amount to be agreed.
- Zenith has agreed to invest approximately US\$2 million, subject to the completion of a satisfactory due diligence, for the acquisition of Targets to be introduced by Stateside.

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

*"We are pleased to formally begin our expansion in the USA by way of the Agreement with Stateside. The advantages of operating in North America are readily apparent, and primarily include the speed of execution for transactions, with the resulting delivery of potential immediate oil production to Zenith, and the relatively conspicuous lack of bureaucratic delays and other detrimental impediments to corporate development seen elsewhere.*

*The Company is currently negotiating the potential acquisition of various oil production assets with significant development potential across the USA. We look forward with enthusiasm to potentially completing these in an expeditious manner, subject to rigorous due diligence, by leveraging one of our strengths: deal-making."*

**Further Information:**

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**Notes to Editors:**

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

Zenith's strategic focus is on pursuing development opportunities through the development of proven revenue generating energy production assets, as well as low-risk exploration activities in assets with existing production.

For more information, please visit: [www.zenithenergy.ca](http://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.