

December 6, 2021

**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**Loan for African Development**

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA), the Africa focused energy production and development company, is pleased to announce that it has entered into a supplementary loan agreement with Winance, a company registered under the laws of the Cayman Islands with a single-family office based in Dubai (the "Lender"), for an additional amount of EUR 3 million (approximately £2.55 million or approximately NOK 31 million) (the "Loan Agreement").

**Terms**

The Loan Agreement has a duration of eight months and does not attract interest.

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.

The Company can confirm that it has now made a drawdown of EUR 1 million. Possible future drawdowns to be made under the Loan Agreement will be solely at Zenith's discretion.

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 by the close of December 2021.

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.

80,000,000 (eighty million) new common shares of no par value (the "Reserve Shares") have been issued to the Lender at a price of NOK 0.12 (equivalent to approximately £0.01) to be held in a depository institution designated by the Lender.

An application will be made for the Reserve Shares to be listed on the standard segment of the FCA Official List and to be admitted for trading on the London Stock Exchange Main Market for listed securities ("Admission"), with Admission expected on or around December 10, 2021.

**Issue of Share Subscription Warrants ("Warrants")**

In connection with the drawdown made under the Loan Agreement, the Company has issued the Lender the following Warrants with a duration of two years:

- 55,176,667 million Warrants to acquire one common share for each Warrant at an exercise price of NOK 0.14 (equivalent to approximately £0.013).

**Total Voting Rights**

The Company wishes to announce, in accordance with the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules, as well as section 3.10 of the Euronext Growth Oslo Rule Book Part II, the following revised Total Voting Rights information following issuance of the Reserve Shares:

Class of share	Total number of shares	Number of voting rights per share	Total number of voting rights per class of share
Common Shares in issue and admitted to trading on the Main Market of the London Stock Exchange on Admission.	1,872,574,449	1	1,872,574,449
Common Shares in issue and admitted to trading on the Euronext Growth Market of the Oslo Børs, representing the newly enlarged outstanding share capital of the Company.	1,872,574,449	1	1,872,574,449

**Luca Benedetto, Chief Financial Officer of Zenith, commented:**

*"We are pleased to further strengthen our relationship with Winance, who have provided the Company with significant financial support during 2021.*

*The Company plans to use the funds derived from the Loan Agreement to finance certain potential near-term acquisitions in Tunisia and beyond, as well as to strengthen our working capital position.*

*It is our intention to minimise the use of the Reserve Shares to fulfil our obligations arising from the Loan Agreement, and instead deploy the Company's increasing energy production revenue to repay the instrument."*

**Waqas Ibrahim, Director and CFO of Winance, commented:**

*"We are delighted to strengthen our relationship with a very effective and ambitious management team such as that of Zenith Energy. Winance, as a strategic partner, will continue to support Zenith's growth aspirations for the foreseeable future by utilising our extensive expertise to innovate and adapt to the evolving funding requirements it may have as it enriches its portfolio and grows in size."*

**Market Abuse Regulation (MAR) Disclosure**

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

**Further Information:**

<b>Zenith Energy Ltd</b> Andrea Cattaneo, Chief Executive Officer	Tel: +1 (587) 315 9031 E: <a href="mailto:info@zenithenergy.ca">info@zenithenergy.ca</a>
<b>Allenby Capital Limited - Financial Adviser &amp; Broker</b> Nick Harriss Nick Athanas	Tel: + 44 (0) 203 328 5656
<b>Celicourt Communications (Financial PR)</b> Mark Antelme Jimmy Lea	Tel: +44 (0) 208 434 2643 E: <a href="mailto:zenithenergy@celicourt.uk">zenithenergy@celicourt.uk</a>

**Notes to Editors:**

Zenith Energy Ltd. is an international oil and gas production company, listed on the London Stock Exchange (LSE:ZEN) and the Euronext Growth Market of the Oslo Stock Exchange (OSE:ZENA). Zenith's development strategy is to identify and rapidly complete value-accretive hydrocarbon production opportunities in the oil & gas sector, specifically in Africa.

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