

April 22, 2024



**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**New Bond Exchange Offer**

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA; OTCQB: ZENAF), the listed international energy production and development company, is pleased to announce the launching of a new Bond Exchange Offer on revised terms (the "Exchange") following the successful conclusion of the first Bond Exchange Offer, as publicly announced on April 11, 2024.

The Exchange is directed to the remaining noteholders (the "Noteholders") of the following unsecured debt instruments that matured on January 27, 2024 (collectively, the "Outstanding Notes"):

- Euro 10.125% Notes due on 27 January 2024 (XS2108546735)
- USD 10.300% Notes due on 27 January 2024 (XS2108546651)
- GBP 10.375% Notes due on 27 January 2024 (XS2108546578)

to offer to exchange (the "Exchange Offer") such Outstanding Notes into the following new notes issued by the Company (the "New Notes"):

- Euro 14.625% Notes due on 21 May 2026 (the "New EUR Notes")
- USD 14.800% Notes due on 21 May 2026 (the "New USD Notes")
- GBP 14.875% Notes due on 21 May 2026 (the "New GBP Notes")

**Further details on the Exchange Offer and the New Notes**

The Exchange Offer is subject to the offer and distribution restrictions set out below.

The Exchange Offer will be open to Noteholders until 17:00 CET on May 14, 2024.

Settlement of the Exchange Offer is expected to take place on or before May 24, 2024.

The Exchange has been launched following confirmation that a significant number of Noteholders were unable to participate in the first Bond Exchange Offer, announced on January 25, 2024, due to difficulties being faced by their chosen investment platform at the time, and the deadline for completion of that Bond Exchange Offer having subsequently elapsed.

The Noteholders, by way of the Exchange Offer, are given the opportunity to exchange the Outstanding Notes for New notes issued by the Company on revised terms in respect of the Bond Exchange first announced on January 25, 2024.

Zenith has again appointed The Bank of New York Mellon ("**BNYM**") as Exchange Agent to coordinate the distribution of the Exchange, specifically to liaise with the clearing systems and manage the implementation of the Exchange.

Before making a decision on whether to exchange Existing Notes for New Notes, Noteholders should carefully consider all of the information contained in, and incorporated by reference into, the EMTN Base Prospectus dated 16 March 2023, as supplemented from time to time if necessary. They should seek advice from any tax, accounting, financial and legal advisers they may deem necessary. The EMTN Base Prospectus and its supplements are available on the website of Zenith (<https://www.zenithenergy.ca/investors/bonds-credit-ratings/>)

Noteholders are advised to check with any bank, securities broker, or other intermediary through which they hold Existing Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Exchange Offer before the deadlines specified above.

The technical instructions to participate in the Exchange Offer can be found within the Exchange Offer Document which can be obtained from the contacts listed below.

Zenith Energy Ltd	
Andrea Cattaneo, Chief Executive Officer	Tel: +1 (587) 315 1279
Luca Benedetto, Chief Financial Officer	E: <a href="mailto:info@zenithenergy.ca">info@zenithenergy.ca</a>

The Company is fully available to answer any questions and requests for assistance in connection with the Exchange Offer.

#### **DISCLAIMER**

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Exchange, the New Notes and the Company, the relevant Existing Notes) and each Noteholder must make its own decision, based upon its own judgement and having obtained advice from such financial, accounting, legal and tax advisers as it may deem necessary, as to whether to offer any or all of its Existing Notes for exchange pursuant to the Exchange.

Before deciding on whether accept the Exchange, Noteholders should carefully consider all of the information contained in, and incorporated by reference into, the EMTN Base Prospectus dated 16 March 2023, as supplemented from time to time if necessary. They should seek advice from any tax, accounting, financial and legal advisers they may deem necessary. The EMTN Base Prospectus and its supplements are available on the website of the Company.

Neither the Company or its respective directors, employees or affiliates makes any recommendation as to whether holders of Existing Notes should offer any Existing Notes for exchange pursuant to the terms of Exchange or refrain from doing so, and no one has been authorised by any of them to make any such recommendation.

This announcement contains important information which should be read carefully before any decision is made with respect to the Exchange. If any Noteholder is in any doubt as to the contents of this announcement or the action it should take, it is recommended to seek its own financial and

legal advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

### **Offer and Distribution Restrictions**

This announcement does not constitute an invitation to participate in the Exchange in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws and regulations. The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession either this announcement comes are required by the Company to inform themselves about, and to observe, any such restrictions.

No action has been or will be taken in any jurisdiction by the Company in relation to the Exchange that would permit a public offering of securities. The Exchange has been prepared on the basis that the Exchange in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for any offer of securities.

### **United States**

Each Exchange is not being made and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, and the internet. The Existing Notes may not be offered in the Exchange by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or to U.S. persons as defined in Regulation S of the Securities Act (each a "**U.S. Person**"). Accordingly, copies of this announcement and any other documents or materials relating to each Exchange are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed, or forwarded (including, without limitation, by custodians, nominees, or trustees) in or into the United States or U.S. Persons. Any purported offer of Existing Notes for exchange resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer of Existing Notes for exchange made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-

discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

This announcement is not an offer of securities for sale in the United States or to U.S. Persons. The Existing Notes and the New Notes may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Notes and the Existing Notes 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, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons. The purpose of this announcement may not be sent or given to a person in the United States or otherwise to any person other than in an offshore transaction in accordance with Regulation S under the Securities Act.

Each Noteholder participating in the Exchange will represent that it is not a U.S. Person, and it is not located in the United States and is not participating in the Exchange from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Exchange from the United States. "**United States**" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

### **United Kingdom**

The communication by the Company of this announcement and any other documents or materials relating to the Exchange is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may be communicated to (1) those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or those persons who are existing members or creditors of the Company within Article 43 of the Order, and (2) to any other persons to whom these documents and/or materials may lawfully be communicated.

## France

Each Exchange is not being made, directly or indirectly, to the public in France. Neither this announcement nor any other documents or offering materials relating to the Exchange have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code Monétaire et Financier*, are eligible to participate in the Exchange. This announcement has not been and will not be submitted for clearance procedures (*visa*) of the *Autorité des marchés financiers*.

## Italy

None of this announcement or any other documents or materials relating to each Exchange, or the New Notes have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian laws and regulations.

Each Exchange is being carried out in the Republic of Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**CONSOB Regulation**"). The Exchange is also being carried out in compliance with article 35-bis, paragraph 7 of the CONSOB Regulation.

Noteholders located in the Republic of Italy or beneficial owners of the Existing Notes can offer to exchange the Existing Notes pursuant to the Exchange through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Existing Notes, the New Notes, or the Exchange.

## General

Neither this announcement nor the electronic transmission thereof constitutes an offer to buy the New Notes or the solicitation of an offer to sell the Existing Notes and/or the New Notes and offers for the exchange of Existing Notes for New Notes pursuant to the Exchange will not be accepted from Noteholders in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities laws, blue sky laws or other laws require an exchange to be made by a licensed broker or dealer or any of their respective affiliates is such a licensed broker or dealer or similar in any such jurisdiction, the Exchange shall be deemed to be made in such jurisdictions by such affiliate, as the case may be, on behalf of the Company in such jurisdiction.

No action has been or will be taken in any jurisdiction by the Company that would permit a public offering of the New Notes.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Exchange will also be deemed to give certain representations in respect of the other jurisdictions referred to above. A Noteholder who is unable to make these representations will not be accepted for the purposes of the Exchange.

The Company reserves the right, at its sole and absolute discretion, to investigate, in relation to any offer of Existing Notes for exchange pursuant to the Exchange whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and, as a result, the Company determines (for any reason) that such representation is not correct, such offer may be rejected.

**Notes to Editors:**

Zenith Energy Ltd. is a revenue generating, independent energy company with energy production, exploration and development assets in North Africa, the US and Europe. The Company is listed on the London Stock Exchange Main Market (LSE: ZEN), the Euronext Growth of the Oslo Stock Exchange (OSE: ZENA) and the Venture Market of the OTCQB (OTCQB: ZENAF).

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>

