

December 19, 2024

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Positive Result in ICC-1 Arbitration against ETAP

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA; OTC PINK: ZENAF), the listed international energy production and development company, is pleased to announce that it has now received the final decision of the Arbitral Tribunal in relation to the claims presented by its fully owned subsidiary registered in Barbados, Ecumed Petroleum Zarzis Ltd ("EPZ"), against the national oil company of the Republic of Tunisia, Entreprise Tunisienne d'Activités Pétrolières ("ETAP"), before the International Chamber of Commerce (ICC) in Paris ("ICC-1 Arbitration").

Background

The ICC-1 Arbitration was commenced following ETAP's failure to comply with its contractual obligations to pay for oil produced and sold by EPZ in Tunisia.

On November 29, 2023, the Company announced that the Arbitral Tribunal had rejected ETAP's request to include the Republic of Tunisia as co-defendant and ordered ETAP to pay approximately EUR 120,000 in costs.

Final Decision - Award

The Arbitral Tribunal has ordered ETAP to pay a principal amount of US\$6,139,539, reflecting a revision in the price of Brent crude oil used as a basis of calculation, approximately US\$2,700,000 late payment interest levied up to the day of the ICC-1 Arbitration decision, US\$395,000 as reimbursement for procedural costs associated with the ICC-1 Arbitration, and US\$450,000 in legal costs for a total amount of approximately **US\$9.7 million**.

Interests in connection with late payment will continue to be levied until full recovery of the Award is made.

The ICC-1 Arbitration award, in accordance with article 35.6 of the applicable ICC Rules, is final and may not be appealed by the parties. It is **immediately enforceable** and capable of being granted execution by any competent court.

Andrea Cattaneo, Chief Executive of Zenith, commented:

"We are very pleased to have now concluded the first chapter of our journey in international legal arbitrations with a victory, confirming the merit of our position and representing formal recognition of the damages we have suffered because of the arbitrary conduct of the Tunisian authorities.

Our sole focus shall now turn to the ICC-2 and ICSID arbitrations with the goal of seeking redress for the significant damages the Company has suffered in Tunisia in relation to its oil production and development portfolio, with claims of US\$130 million and US\$503 million respectively.

The final decision in respect of ICC-2 is expected by the close of February 2025 with the publication of the decision expected during the summer of 2025. The hearings for the ICSID Arbitration are expected to take place during December 2025, with a final decision expected in the first or second quarter of 2026.

The ICC-1 Award is testament to the resilience of Zenith that has been able to wholly shoulder the sizeable burden of costs inherent to international arbitrations without third-party litigation funding, as well as the strength of our legal team comprised of Professor Thomas Clay (Clay Arbitration) and Maitre Simon Le Wita (Charles Russell Speechlys - CRS, Paris).

I thank all shareholders for their patience and support over the years. I look forward with great optimism to 2025."

Further Information:

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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 Pink Markets of the OTC (OTC PINK: 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

Twitter: @zenithenergyLtd

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

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.

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