

July 23, 2024

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Successful Conclusion of Bond Exchange Offer

Zenith Energy Ltd. (**LSE: ZEN; OSE: ZENA; OTCQB: ZENAF**), the international energy production and development company, is pleased to announce that the final Bond Exchange Offer (the "**Exchange**"), announced on April 22, 2024, has successfully concluded.

By way of background, the Exchange was preceded by a previous Bond Exchange Offer, first announced on January 25, 2024, attracting significant support and investor participation (collectively, the "**Exchanges**").

The Exchanges were directed to Noteholders (the "**Noteholders**") of the following unsecured debt instruments that matured on January 27, 2024 (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)

The Noteholders, by way of the Exchange, were offered the opportunity to exchange the Outstanding Notes for new notes (the "**New Notes**").

As confirmed in the regulatory news announcement published on April 22, 2024, Zenith 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.

Noteholders who accepted the Exchange have now received New Notes with the following ISIN details provided by the BNYM ISIN Allocation Team, and issued by Euroclear:

- Euro 14.625% Notes due on 16 July 2026 (XS2835027595)
- USD 14.800% Notes due on 16 July 2026 (XS2835726253)
- GBP 14.875% Notes due on 16 July 2026 (XS2835726840)

The Company is pleased to confirm that the Exchange has now been implemented, and the New Notes have settled in the accounts of the Noteholders who have accepted the terms of the Exchange.

Zenith can also confirm that all accrued interest has been paid in full to the Noteholders of the New Notes on the terms indicated in the Exchange Offer Document provided to the Noteholders in connection with the Exchange.

Summary of Bond Exchange Offers

Following the successful conclusion of the last Exchange announced on April 22, 2024, following the completion of the preceding Exchange Offer first announced on January 25, 2024, the Company is pleased to provide a general summary indicating Noteholder participation across the Exchanges with reference to each Outstanding Note matured on January 27, 2024:

· Euro 10.125% Notes due on 27 January 2024 (XS2108546735)	88.26%
· USD 10.125% Notes due on 27 January 2024 (XS2108546651)	84.59%
· GBP 10.125% Notes due on 27 January 2024 (XS2108546578)	100.00%
· CHF 10.000% Notes due on 27 January 2024 (XS2108546818)	100.00%
Total average acceptance of the Exchanges across currencies:	88.24%

Those Noteholders, representing approximately 11.76% of the Outstanding Notes, who have not participated in the Exchanges will receive settlement of the Outstanding Notes and accrued interest by way of cash (the "**Remaining Outstanding Notes**"). The Company will be coordinating the process and determining the timeframe for settlement with BNYM, Zenith's appointed paying agent, with a view to fully settling the Remaining Outstanding Notes and accrued interest at a date in the near future to be communicated in a separate announcement.

Andrea Cattaneo, Chief Executive Officer, commented:

"We are very pleased to have now concluded the second and final Exchange which has clearly evidenced the interest amongst the significant majority of Noteholders to exchange the Notes matured in January 2024 for New Notes issued by the Company on improved terms.

The Company shall now look towards expeditiously settling the Remaining Outstanding Notes, which represent a small minority, to ensure full compliance and settlement of the Company's fixed-income debt instruments."

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 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

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