

October 4, 2024

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Update on Legal Claim against SMP

Zenith Energy Ltd. (LSE: ZEN; OSE: ZENA; OTCQB: ZENAF), the listed international energy production and development company, is pleased to provide an update regarding the legal claim being brought before the Paris Commercial Court (the "Court") by its fully owned subsidiary, *Anglo African Oil & Gas Congo S.A.U* ("AAOGC") against SMP Energies (hereafter "SMP", formerly Société de Maintenance Pétrolière - SMP) the rig contractor that performed drilling services in wells TLP-103 and TLP-103C of the Tilapia oilfield during 2018-2019.

On February 17, 2023, Zenith announced that it had increased the claimed amount for SMP's failures during drilling activities to US\$9 million in consideration of the significant commercial damages suffered by AAOGC, specifically the impossibility, as a direct result, to begin production activities from the Tilapia oilfield.

The Company believes that the Claim launched by AAOGC has merit because of the significant evidence collected at the time to substantiate its position. AAOGC has since intensified its legal activities in support of the Claim by commissioning third-party expert reports.

As announced on July 3, 2023, the Court rejected SMP's request for a stay of proceedings in France due to new proceedings having been initiated in the Republic of Congo, stating that SMP's request contained "*all the characteristics of a dilatory request*", and ordered SMP to pay an amount of EUR 30,000 to AAOGC as procedural costs (the "**Procedural Costs**").

SMP unsuccessfully appealed the decision of the Court. As a result, the Company is pleased to confirm that the Paris Court of Appeal upheld the decision of the Paris Commercial Court and that AAOGC has now received payment in the amount of approximately EUR 30,000.

The Company has appointed Charles Russell Speechlys as new legal counsel before the Court in connection with the legal claim against SMP. The final submission for court pleadings is expected to take place on October 25, 2024.

The final pleadings of the case, resulting in a potential positive ruling in favour of AAOGC by the Court, are expected to now take place on or around March 2025.

Andrea Cattaneo, Chief Executive of Zenith, commented:

"We are pleased by the decision of the Appeal Court, confirming the dilatory conduct of SMP who has made every effort to delay and protract legal proceedings to the detriment of AAOGC.

The Company will now proceed in presenting its final submissions with the aid of expert technical consultants to maximise the possibilities of a favourable decision that will compensate AAOGC for the very significant commercial damages it has suffered because of failures ascribable to SMP."

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

Twitter: @zenithenergyLtd

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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.