16 September 2026

ZENITH ENERGY LTD.

("**Zenith**" or the "**Company**")

Strong Growth in Italian Energy Cash Generation

Zenith (**LSE: ZEN; OSE: ZENA; XSAT: ZENA SDR**), the listed international energy production and development company, provides an operational and trading update on its electricity generation and natural gas production activities in Italy for the eight months ended 31 August 2026 (the "**Period**"). Comparisons are with the corresponding eight months of 2025.

International energy prices have risen sharply in recent weeks. The European benchmark gas price, the Dutch TTF, reached approximately EUR 84 per MWh on 14 September 2026, its highest level since December 2022 and around two and a half times the level of a year earlier, following the disruption of LNG supplies through the Strait of Hormuz since March 2026. Italian day-ahead gas prices have averaged approximately EUR 77 per MWh in September to date, compared with approximately EUR 35 per MWh in February 2026.

Oil prices have followed the same trend. Brent crude, which traded at around USD 70 to 75 per barrel before the conflict began in late February 2026, rose back above USD 100 per barrel in September and reached approximately USD 109 per barrel on 15 September, its highest level in four months. The latest increase followed drone attacks that forced the temporary closure of Saudi Arabia's East-West pipeline, the main export route bypassing the Strait of Hormuz.

The strength in Italian electricity prices is part of a wider tightening of international energy markets. As gas-fired plants set the marginal price of electricity across Europe, day-ahead power prices on 14 September exceeded EUR 200 per MWh in Germany, France and the Netherlands. Italian electricity prices have continued to strengthen since the end of August, averaging approximately EUR 208 per MWh for the period 1-10 September 2026.

The Company's Italian electricity is sold at these market prices while its production costs remain fixed, so higher prices convert directly into increased cash generation.

Highlights

- Net operating contribution from electricity generation increased by approximately 22% to EUR 820,000 during the eight months ended 31 August 2026.
- Italian electricity prices strengthened further in September, averaging approximately EUR 208 per MWh for the period 1-10 September 2026.
- With production costs remaining fixed at approximately EUR 35,000 per month, the current higher electricity price environment is providing increased cash generation from the Company's Italian operations.

Electricity generation operations

During the eight months ended 31 August 2026, the Company produced approximately 8,000 MWh of electricity, broadly unchanged from the corresponding period of 2025.

The average selling price increased to approximately EUR 137 per MWh, resulting in net electricity revenues of approximately EUR 1.1 million.

With production costs remaining fixed at approximately EUR 35,000 per month, net operating contribution increased to approximately EUR 820,000, representing an increase of approximately 22% compared with the corresponding period of 2025.

At current production levels of approximately 1,000 MWh per month, electricity revenues at these price levels would be approximately EUR 200,000 per month, against fixed production costs of approximately EUR 35,000 per month.

Luca Benedetto, Managing Director of Canoel Italia S.p.A. commented:

"Our Italian electricity generation operations performed well in the Period. Production has remained stable, our production costs are largely fixed, and higher electricity prices are therefore translating directly into increased cash generation.

With September electricity prices significantly above the average achieved during the first eight months of the year, the current trading environment is particularly favourable for our existing Italian operations.

We intend to grow our Italian energy portfolio over the coming months through potential acquisitions, by enhancing the productivity of selected existing assets, and through the further development of our photovoltaic portfolio. The additional cash flow generated by the current favourable market environment will provide further support for these growth initiatives."

Basis of preparation

The production and financial information in this announcement is unaudited and has been prepared from the Company's operational records. Net revenues and net production costs are presented on the same basis as in the Company's previous operational updates. Comparative figures relate to the corresponding months of 2025. Market price data are sourced from Gestore dei Mercati Energetici (GME): PUN Index GME for electricity and MGP-GAS for natural gas, monthly averages; September 2026 figures are provisional and cover 1 to 10 September 2026. Gas prices per standard cubic metre are derived from GME prices in EUR per MWh using the standard conversion factor of 0.0107.

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 on the Spotlight Stock Market in Sweden (XSAT: ZENA SDR).

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**

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.