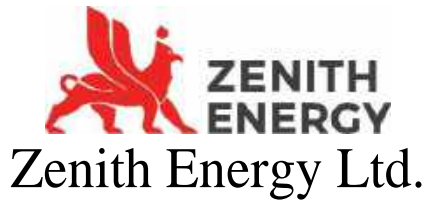


**Prospectus dated 16 March 2023**

*This document constitutes the base prospectus for purposes of Article 8 of the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") of ZENITH ENERGY LTD ("**Zenith**" or the "**Issuer**") in respect of non-equity securities within the meaning of Article 8 of the Prospectus Regulation ("**Non-Equity Securities**") (the "**Prospectus**", which term shall include any supplements thereto published from time to time).*



**(incorporated as a private limited company (LTD)  
under the Business Corporations Act British Columbia, Canada)**

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***Euro 50,000,000***

***Euro Medium Term Note Programme for the issue of Notes  
(the "Programme")***

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In relation to notes issued under this Programme (the "**Notes**"), this Prospectus has been approved by the *Finanzmarktaufsichtsbehörde* (the "**FMA**") of Austria in its capacity as competent authority (the "**Competent Authority**") under the Austrian Capital Markets Act 2019 (*Kapitalmarktgesetz 2019*) (the "**KMG 2019**") and under the Prospectus Regulation. The minimum denomination of the Notes will be EUR 1,000 or, if any currency other than Euro, in an amount in such other currency equal to or exceeding the equivalent of EUR 1,000 at the time of the issue of the Notes.

The FMA gives no undertaking as to the economic or financial opportuneness of any transaction under this Prospectus or to the quality and solvency of the Issuer but only approves this Prospectus as meeting the standard of completeness, comprehensibility and consistence imposed by the Prospectus Regulation. The approval by the FMA should not be considered as an endorsement of the Issuer and the quality of the securities that are the subject of this Prospectus. Possible investors should make their own assessment as to the suitability of investing in the securities.

Certain issues of Notes under this programme may be subject to a public offer of such Notes in the Republic of Austria. Furthermore, application may be made for such Notes to be included in trading on the Vienna MTF or any other multilateral trading facility. However, Notes may also be issued under the Programme which are not admitted to trading on any stock exchange as indicated in the respective Final Terms. In order to be able to conduct a public offer in relation to certain issues of Notes, the Issuer applied for a notification pursuant to Article 25 of the Prospectus Regulation for an offer of such Notes in the Federal Republic of Germany ("**Germany**"), in the Republic of Italy ("**Italy**"), in the Grand Duchy of Luxembourg ("**Luxembourg**"), in the Republic of France ("**France**"), in the Kingdom of Belgium ("**Belgium**"), in the Kingdom of the Netherlands ("**Netherlands**"), in the Kingdom of Spain ("**Spain**"), in the Kingdom of Sweden ("**Sweden**"), in the Republic of Ireland ("**Ireland**") and in the Republic of Malta ("**Malta**"). The Issuer may from time to time arrange for a notification into other jurisdictions under Article 25 of the Prospectus Regulation.

This Prospectus and any supplement thereto will be published in electronic form on the website of the Issuer under <https://www.zenithenergy.ca/investors/bonds-credit-ratings/> and will be available free of charge at the specified office of the Issuer.

**Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.**

## TABLE OF CONTENTS

<b>I.</b>	<b>ABBREVIATIONS AND DEFINITIONS .....</b>	<b>III</b>
<b>II.</b>	<b>IMPORTANT NOTICE .....</b>	<b>1</b>
<b>III.</b>	<b>GENERAL DESCRIPTION OF THE PROGRAMME .....</b>	<b>7</b>
<b>IV.</b>	<b>RISK FACTORS .....</b>	<b>13</b>
	1. RISKS RELATED TO ZENITH’S FINANCIAL SITUATION .....	13
	2. RISKS RELATED TO ZENITH’S BUSINESS ACTIVITIES AND INDUSTRY .....	17
	3. COUNTRY-SPECIFIC RISKS .....	23
	4. HEALTH AND SAFETY, ENVIRONMENTAL AND GOVERNANCE RISKS .....	24
	5. RISK FACTORS REGARDING THE NOTES .....	25
<b>V.</b>	<b>INFORMATION INCORPORATED BY REFERENCE .....</b>	<b>28</b>
<b>VI.</b>	<b>REGISTRATION DOCUMENT FOR RETAIL NON-EQUITY SECURITIES.....</b>	<b>29</b>
	1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS’ REPORTS AND COMPETENT AUTHORITY APPROVAL .....	29
	2. STATUTORY AUDITORS .....	30
	3. RISK FACTORS .....	31
	4. INFORMATION ABOUT THE ISSUER .....	31
	5. BUSINESS OVERVIEW .....	40
	6. ORGANISATIONAL STRUCTURE.....	50
	7. TREND INFORMATION .....	51
	8. PROFIT FORECASTS OR ESTIMATES.....	52
	9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES.....	52
	10. MAJOR SHAREHOLDERS .....	56
	11. FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES .....	57
	12. ADDITIONAL INFORMATION.....	64
	13. MATERIAL CONTRACTS .....	66
	14. DOCUMENTS AVAILABLE.....	68
	15. PROVEN RESERVES IN ITALY .....	68
	16. PROVEN RESERVES IN THE REPUBLIC OF TUNISIA .....	71
<b>VII.</b>	<b>SECURITIES NOTE FOR RETAIL NON-EQUITY SECURITIES.....</b>	<b>78</b>
	1. PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS’ REPORTS AND COMPETENT AUTHORITY APPROVAL .....	78
	2. RISK FACTORS .....	79
	3. ESSENTIAL INFORMATION .....	79
	4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED TO THE PUBLIC/ADMITTED TO TRADING .....	80

5.	TERMS AND CONDITIONS OF THE OFFER OF SECURITIES TO THE PUBLIC .....	84
6.	ADMISSION TO TRADING AND DEALING ARRANGEMENTS .....	87
7.	ADDITIONAL INFORMATION.....	88
<b>VIII.</b>	<b>TERMS AND CONDITIONS OF THE NOTES AND RELATED INFORMATION.....</b>	<b>89</b>
1.	TERMS AND CONDITIONS OF THE NOTES.....	90
2.	FORM OF FINAL TERMS .....	115

## **ANNEXES**

**Annex 1: Chapman Report 2023 – Italy**

**Annex 2: Chapman Report 2023 – Tunisia**

## I. ABBREVIATIONS AND DEFINITIONS

%/yr.	per cent per year
AAOG Congo	Anglo African Oil & Gas Congo S.A.U., a company established under the laws of the Republic of the Congo
AIM	London Stock Exchange's market for small and medium size growth companies
Altasol SA	a company established under the laws of Switzerland with its corporate seat in Lausanne, Switzerland
Aran Oil	Aran Oil Operating Company Limited, a company established under the laws of British Virgin Islands. Aran Oil Operating Company Limited has registered a branch in Baku, Azerbaijan
ARC Ratings	ARC Ratings, S.A., a company established under the laws of Portugal with its corporate seat in Lisbon, Portugal
bbl(s)	barrel(s)
BCBCA	British Columbia Business Corporations Act
BCRA Ratings	BCRA - Credit Rating Agency AD
BD-260 drilling rig	The BD-260 is a 1200 horsepower drilling rig with a static hook load capacity of 260 metric tonnes and will be used to complete the planned workover and drilling activities
BGB	German Civil Code ( <i>Bürgerliches Gesetzbuch</i> )
BP	BP plc a company established under the laws of the United Kingdom with its corporate seat in London, United Kingdom
Brent oil price	Brent Crude is a major trading classification of sweet light crude oil that serves as a benchmark price for purchases of oil worldwide
CAD	Canadian Dollar
Candax	Candax Energy Limited, a company established under the laws of British Columbia (Canada) with its seat in Toronto, Canada
Canoel Italia S.r.l.	a company established under the laws of Italy with its corporate seat in Genoa, Italy
CBF	Clearstream Banking AG, a company established under the laws of Germany with its corporate seat in Frankfurt am Main
CBL	Clearstream Banking S.A., a company established under the laws of Luxembourg with its corporate seat in Luxembourg
CDD	Compagnie Du Desert Ltd., a company established under the laws of the United Kingdom, with its corporate seat in London, United Kingdom
CEMAC	Economic and Monetary Community of Central African States
CEO	Chief Executive Officer
Chapman	Chapman Petroleum Engineering Ltd., a company established under the laws of Alberta, Canada with its corporate seat in Calgary, Alberta, Canada, which operates as an independent and qualified reserves evaluator and auditor



Chapman Report 2023 – Italy	competent persons report, reserve and economic evaluation of Zenith Energy Ltd. regarding its Italy concessions as evaluated by Chapman Petroleum Engineering Ltd. as of 31 March 2023, and dated 28 February 2023; Annex 1 to this Prospectus
Chapman Report 2023 – Tunisia	competent persons report, evaluation of reserves and resources other than reserves of Zenith Energy Ltd. regarding the Tunisia properties (El Bibane, Ezzaouia, Robbana) as evaluated by Chapman Petroleum Engineering Ltd. as of 31 March 2023, and dated 1 March 2023; Annex 2 to this Prospectus
Chapman Reports 2023	the Chapman Report 2023 – Italy and the Chapman Report 2023 – Tunisia
CHF	Swiss Franc
CNAOG	Canadian North Africa Oil & Gas Ltd with its seat in Tunis Ville, Tunisia
CNPCI	China National Petroleum Corporation International Ltd.
Common Shares	2,310,302,537 common shares issued by Zenith, that are all fully paid-in, and admitted to trading on the Euronext Growth Market of the Oslo and on the Main Market of the London Stock Exchange
Competent Authority	Austrian Financial Market Authority ( <i>Finanzmarktaufsicht</i> )
Congo Licence I	a 56 per cent majority interest in the Tilapia oilfield in the Republic of the Congo; the Congo Licence I expired on 18 July 2020
Congo Licence II	a 60 per cent interest in the Tilapia II oilfield in the Republic of the Congo; that the Group applied for but has not been awarded with
Contract Rehabilitation Area	areas where existing production needs to be improved as defined under REDPSA
CREST	CREST is a UK-based central securities depository that holds UK equities and UK gilts, as well as Irish equities and other international securities
CTKCP	Compagnie Tuniso – Koweito Chinoise de Petrole is located in Tunisia and is operating the Sidi El Kilani concession.
D&P	Delivery and Processing
date of this Prospectus	16 March 2023
Dealer	each financial intermediary who has been or will be appointed by the Issuer under the Programme
Deed Poll	contractual obligation under the Depositary Agreement
Depositary	Computershare Investor Services PLC, a company established under the laws of the United Kingdom, Canada with its corporate seat in Bristol, United Kingdom
Depositary Agreement	Depositary agreement dated 3 January 2017 between the Issuer and Computershare Investor Services PLC
Depositary Interests	are representing securities issued by the Issuer and with a view to facilitating the indirect holding by participants in CREST
DGH	General Directorate for Hydrocarbons (Tunisia)

discounted cash flow methodology	valuation method used to estimate the value of an investment based on its future cash flows
distributor	any person who subsequently offers, sells or recommends the Notes
EBIT	earnings before interest and taxes
EEA	European Economic Area
EIA	Environmental Impact Assessment
EMTN	Euro Medium Term Notes
EPT	Ecumed Petroleum Tunisia Ltd, a company established under the laws of Barbados with its corporate seat in Barbados
EPZ	Ecumed Petroleum Zarzis Ltd, a company established under the laws of Barbados with its corporate seat in Barbados
ETAP	Entreprise Tunisienne d'Activités Pétrolières (national oil company of Tunisia)
EU	European Union
EUR	Euro
Euroclear	Euroclear Bank SA/NV, a company established under the laws of Belgium with its corporate seat in Brussels, Belgium
Euronext Growth Market of the Oslo Børs	Euronext Growth Market is a Multilateral trading facility (MTF) operated by the Oslo Børs, Norway
FIEA	Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948)
Financial Services and Markets Act 2000	the Financial Services and Markets Act 2000 is an Act of the Parliament of the United Kingdom that created the Financial Services Authority as a regulator for insurance, investment business and banking, and the Financial Ombudsman Service to resolve disputes as a free alternative to the courts
Financial Statements 2021	the audited financial statements of the Issuer in respect of the financial year ending 31 March 2021
Financial Statements 2022	the audited financial statements of the Issuer in respect of the financial year ending 31 March 2022
Interim Financial Statements 2022/2023	the unaudited interim financial statements for the six months period ended 30 September 2022
Financial Year 2020	financial year of the issuer ending 31 March 2020
Financial Year 2021	financial year of the issuer ending 31 March 2021
Financial Year 2022	financial year of the issuer ending 31 March 2022
Financial Year 2023	financial year of the issuer ending 31 March 2023
FMA	Austrian Financial Market Authority ( <i>Finanzmarktaufsichtsbehörde</i> )
FSMA	Financial Services and Markets Act 2000
FY 2020	Financial Year 2020; financial year of the Issuer ending 31 March 2020
FY 2021	Financial Year 2021; financial year of the Issuer ending 31 March 2021
FY 2022	Financial Year 2022; financial year of the Issuer ending 31 March 2022
FY 2023	Financial Year 2023; financial year of the Issuer ending 31 March 2023

Gas Plus	Gas Plus Italiana S.r.l., a company established under the laws of Italy with its corporate seat in Fornovo Di Taro, Italy
GBM	GBM Banka S.p.A. a banking company established under the laws of Italy with its corporate seat in Milan, Italy
GBP	Pound Sterling
Global Note	a Temporary Global Note or a Permanent Global Note
Group	ZENITH ENERGY LTD and its subsidiaries
HSE	health, safety and environment
IADC	International Association of Drilling Contractors
IAS	International Accounting Standards
IAS 34	IAS 34 - <i>Interim Financial Reporting</i> applies when an entity prepares an interim financial report. Permitting less information to be reported than in annual financial statement, the standard outlines the recognition, measurement and disclosure requirements for interim reports
IASB	International Accounting Standards Board
ICAEW	Institute of Chartered Accountants in England & Wales
ICMA	International Capital Market Association
ICSDs	International Central Securities Depositories
IDD	Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast)
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
Inc.	Incorporated
inter alia	among others
IOCs	International oil companies
IPSOA Milan	an educational institution for professionals and company personnel in the legal and managerial tax field, located in Milan. It is part of the Wolters Kluwer group
ISIN	International Securities Identification Number
Issuer	ZENITH ENERGY LTD
IT	information technology
km <sup>2</sup>	square kilometres
KMG 2019	Austrian Capital Market Act 2019 ( <i>Kapitalmarktgesetz 2019</i> )
LEI	legal entity identifier
LTD / Ltd.	Privat Limited Company
M\$	thousand US Dollar
Main Market of the London Stock Exchange	a regulated market operated by the London Stock Exchange
Maturity Date	the date on which the principal amount of a Note becomes due
mb/d	millions of barrels per day
Mbbl	one thousand barrels
Mcf/d	million cubic feet per day
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

MiFID Product Governance Rules	outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate, according to Directive 2014/65/EU (MiFID II)
MMscf	million standard cubic feet, common measure for volume of gas
Mscf/d	thousand standard cubic feet per day
MSTB	thousand stock tank barrels
MTF	Multilateral Trading Facility
MWh	Megawatt-hour(s)
NAEP	Agence Nationale de Protection de l'Environnement (Tunisian National Agency for the Protection of the Environment)
netback	netback is calculated by taking the revenues from the oil, less all costs associated with getting the oil to a market, including transportation, royalties, and production costs
NGN	new global note
no.	number
NOK	Norwegian krone, the currency of the Kingdom of Norway
Non-exempt Offer	an offer of Notes to which the obligation to publish a Prospectus according to Article 3 of the Prospectus Regulation shall not apply
Note(s)	note(s) issued under this Programme
OeKB CSD	OeKB CSD GmbH, a company established under the laws of Austria with its corporate seat in Vienna, Austria
Olympia	Olympia Trust Company, a company established under the laws of Alberta, Canada with its corporate seat in Calgary, Alberta, Canada
OMV	OMV Exploration & Production GmbH with its corporate seat in 1020 Vienna, registered with the commercial register of the Commercial Court Vienna under FN 60963 b
OMV Block S 2	OMV (Yemen Block S 2) Exploration GmbH with its corporate seat in 1020 Vienna, registered with the commercial register of the Commercial Court Vienna under FN 236147 a
OMV Block 3	OMV Jordan Block 3 Upstream GmbH with its corporate seat in 1020 Vienna, registered with the commercial register of the Commercial Court Vienna under FN 357964 v
OMV Block 70	OMV Block 70 Upstream GmbH with its corporate seat in 1020 Vienna, registered with the commercial register of the Commercial Court Vienna under FN 327152 g
OMV Yemen	OMV Block 70 together with OMV Block S 2 and OMV Block 3
OPEC	Organization of Petroleum Exporting Countries
Oslo Børs	Oslo Børs is the securities exchange of Norway, based in the Norwegian capital Oslo
pari passu	side by side
Permanent Global Note	Notes are initially represented by a Temporary Global Note and will be exchangeable for Notes represented by a Permanent Global Note

Plc	public limited company
PRIIPs Regulation	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products
Programme	Euro 50,000,000, Euro Medium Term Note Programme for the issuance of notes by Zenith Energy Ltd
Prospectus	this Prospectus dated 16 March 2023
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
PSA	Production sharing agreement
Q	quarter year
REDPSA	Rehabilitation, Exploration, Development and Production Sharing Agreement
Registrar	Computershare Trust Company of Canada, a company established under the laws of Ontario, Canada with its corporate seat in Toronto, Canada
Registrar Agreement	A transfer agency and registrarship agreement between the Issuer and Olympia Trust Company concluded dated 5 March 2008; the agreement has been transferred on 11 July 2014 with the Issuer's consent to Computershare Trust Company of Canada
risk-free rate of return	the rate of return of a hypothetical investment with no risk of financial loss, over a given period of time
S.A.	società anonima, stock company in various jurisdiction including, Switzerland, Luxembourg and Argentina.
S.p.A.	società per azioni, stock company according to Italian law
S.r.l.	società a responsabilità limitata, limited liability company according to Italian law
Securities Act	U.S. Securities Act of 1933
SLK	Sidi El Kilani oilfield
SMP	Société de Maintenance Pétrolière
SNPC	Société Nationale des Pétroles du Congo (national oil company of the Republic of the Congo)
SOA	SOCAR Oil Affiliate
SOCAR	State Oil Company of the Azerbaijan Republic
STB/d	Standard Barrels of crude oil per day
stmc/d	standard cubic meter of gas per day
Temporary Global Note	Notes are initially represented by a Temporary Global Note and will be exchangeable for Notes represented by a Permanent Global Note
TND	Tunisian Dinar
TSX-V	Toronto Stock Exchange-Venture
U.S.	United States of America
UAE	United Arab Emirates
UK	United Kingdom of Great Britain
Urals	Urals oil is a reference oil brand used as a basis for pricing of the Russian export oil mixture
USD	US Dollar
VAT	value added tax

Zena	Zena Drilling Limited, a company established under the laws of the United Arab Emirates. It has registered a branch in Baku, Azerbaijan
Zenith Africa	Zenith Energy Africa Limited, a company established under the laws of the United Kingdom, with its corporate seat in London, United Kingdom
Zenith	ZENITH ENERGY LTD
Zenith Aran	Zenith Aran Oil Company Limited, a company established under the laws of the British Virgin Islands. It has registered a branch in Baku, Azerbaijan
Zenith Congo	Zenith Energy Congo SA, a company established under the laws of the Republic of the Congo
Zenith Netherlands	Zenith Energy Netherlands B.V., a company established under the laws of the Netherlands with its corporate seat in Amsterdam, Netherlands
Zenith Overseas	Zenith Overseas Assets Holding Ltd., a company established under the laws of the United Kingdom, with its corporate seat in London, United Kingdom

## **II. IMPORTANT NOTICE**

### **Responsibility for this Prospectus**

Zenith, with its registered office at Suite 2400, 745 Thurlow Street, Vancouver BC V6E 0C5, Canada, is solely responsible for the information given in this Prospectus and any Final Terms.

Zenith in its role as the issuer hereby declares that, to the best of his knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

### **Final Terms and other relevant information**

This Prospectus should be read and understood in conjunction with any supplement thereto, if any, and with the documents incorporated by reference. Full information on the Issuer and any tranche of notes is only available on the basis of the combination of the Prospectus, any supplement thereto, if any, and relevant final terms (the "**Final Terms**").

The Issuer confirms that this Prospectus contains all information with regard to each of the Issuer and the Notes which is material in the context of the Programme and the issue and offering of Notes thereunder; that the information contained herein with respect to the Issuer and the Notes is accurate in all material respects and is not misleading; that the opinions and intentions expressed herein are honestly held; that there are no other facts with respect to the Issuer or the Notes, the omission of which would make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading and that all reasonable enquiries have been made to ascertain all facts material for the purposes aforesaid.

The Issuer shall amend or supplement this Prospectus or, if appropriate in light of the information and/or the changes to be introduced, publish a new Prospectus if and when the information herein should become materially inaccurate or incomplete, and shall furnish such supplement to the Prospectus or new Prospectus, as the case may be, mentioning every significant new factor, material mistake or inaccuracy to the information included in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the time when this Prospectus has been approved and the closing of any tranche of Notes offered to the public or, as the case may be, when trading of any tranche of Notes on a regulated market begins, in respect of Notes issued on the basis of this Prospectus.

### **Unauthorised information**

No person has been authorised to give any information which is not contained in, or not consistent with, this Prospectus or any other document in relation to the Programme or any information supplied by the Issuer or such other information as in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuer, the Dealers or any of them.

This Prospectus and any supplement thereto as well as any Final Terms reflect the status as of their respective dates of issue. The delivery of this Prospectus, any supplement thereto, or any Final Terms and the offering, sale or delivery of any Notes may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial situation of the Issuer since that date or that any other information supplied in connection with the Programme is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### **Restrictions on distribution**

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law.

Persons into whose possession this Prospectus or any Final Terms come, are required by the Issuer and the Dealer(s) to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Notes, see Section III. – General Description of the Programme – Selling Restrictions on pages 10-12.

In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Prospectus nor any Final Terms constitute an offer or an invitation to subscribe for or purchase any Notes and should it not be considered as a recommendation by the Issuer or the Dealer(s) that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

#### ***Consent to the use of the Prospectus***

With respect to Article 5 (1) of the Prospectus Regulation, the Issuer may consent, to the extent and under the conditions, if any, indicated in the relevant Final Terms, to the use of the Prospectus for a certain period of time or as long as the Prospectus is valid in accordance with the Prospectus Regulation and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of Notes by any financial intermediary which was given consent to use the prospectus, if any.

Such consent may – next to the Republic of Austria – also be given for the following member states, into which the Prospectus has been passported and which will be indicated in the relevant Final Terms: the Federal Republic of Germany, the Republic of Italy, the Grand Duchy of Luxembourg, the Republic of France, the Kingdom of Belgium, the Kingdom of the Netherlands, the Kingdom of Spain, the Kingdom of Sweden, the Republic of Ireland, the Republic of Malta. The Issuer may from time to time arrange for a notification into other jurisdictions under Article 25 of the Prospectus Regulation; such additional member states into which the Prospectus has been passported will be indicated in a supplement to this Prospectus.

The consent by the Issuer is subject to each financial intermediary complying with the terms and conditions described in this Prospectus and the relevant Final Terms as well as any applicable selling restrictions. The distribution of this Prospectus, any supplement to this Prospectus, if any, and the relevant Final Terms as well as the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law.

Each financial intermediary, if any, and/or each person into whose possession this Prospectus, any supplement to this Prospectus, if any, and the relevant Final Terms come are required to inform themselves about and observe any such restrictions. The Issuer reserves the right to withdraw its consent to the use of this Prospectus in relation to any financial intermediary.

The Prospectus may only be delivered to potential investors together with all supplements published before such delivery.

When using the Prospectus, each financial intermediary must make certain that it complies with all applicable laws and regulations in force in the respective jurisdictions.

**In the case of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the Notes and the offer thereof, at the time such offer is made.**

**If the Final Terms state that the consent to use the Prospectus is given to one or more specified financial intermediary/intermediaries (individual consent), any new information with respect to financial**



**intermediaries unknown at the time of the approval of the Prospectus or any supplements thereto or the filing of the Final Terms will be published on the website of the Issuer under <https://www.zenithenergy.ca/investors/bonds-credit-ratings/>.**

### **Language**

This Prospectus has been drafted in the English language and, subject to the following paragraph, the English language shall be the prevailing language of this Prospectus.

Where parts of this Prospectus are drafted in a bilingual format reflecting both an English language version and a German language version, for purposes of reading and construing the contents of this Prospectus, the English language version shall prevail, provided, however, that certain parts of this Prospectus (in particular the terms and conditions of the Notes) reflect documents which have been, or will be, executed as separate documents with the German language version being the prevailing version thereof.

### **Forward-Looking Statements**

This Euro Medium Term Note Programme Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “target”, “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. These forward-looking statements appear in this Euro Medium Term Note Programme Prospectus and include, but are not limited to, statements regarding the Issuer and its subsidiaries’ (together the “**Group**”) intentions, beliefs or current expectations concerning, among other things, the Group’s business, results of operations, financial position, liquidity, prospects, growth and strategies.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group’s operations, financial position and liquidity, and the development of the markets in which the Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Euro Medium Term Note Programme Prospectus. In addition, even if the Group’s results of operations, financial position and liquidity, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Euro Medium Term Note Programme Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Euro Medium Term Note Programme Prospectus reflect the Issuer’s and the Group’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s business, results of operations, financial position, liquidity, prospects, growth and strategies. Investors should specifically consider the factors identified in this Euro Medium Term Note Programme Prospectus, which could cause actual results to differ, before making an investment decision. Subject to all relevant laws, regulations or listing rules, the Issuer undertakes no obligation, publicly to release the result of any revisions to any forward-looking statements in this Euro Medium Term Note Programme Prospectus that may occur due to any change in the Issuer’s expectations or to reflect events or circumstances after the date of this Euro Medium Term Note Programme Prospectus.

### **Conflicts of Interest**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in

the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**The notes may not be suitable investment for all Investors**

Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes, and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to and knowledge of appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviours of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) recognize that it may not be possible to dispose of the Notes for a substantial period of time, if at all, before maturity.

**Global Notes may be held by or on behalf of Euroclear, CBF, CBL and OeKB**

Notes issued under the Programme may be represented by one or more Global Note(s). Global Notes may be deposited on the issue date with a common safekeeper for Euroclear and CBL. Global Notes may also be deposited with CBF or OeKB. Euroclear, CBF, CBL and OeKB will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Note(s) investors will be able to trade their beneficial interests only through Euroclear, CBF, CBL or OeKB.

While the Notes are represented by one or more Global Note(s) the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or to the common service provider (in the case of Notes issued in NGN form), as the case may be, for Euroclear, CBF and CBL for distribution to their accountholders. A Noteholder of a beneficial interest in a Global Note must rely on the procedures of Euroclear, CBF, CBL or OeKB to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

## **PRIIPS/IMPORTANT – EEA RETAIL INVESTORS**

If the Final Terms in respect of any Notes include a legend entitled "**Prohibition of Sales to EEA Retail Investors**", the Notes are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4 (1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4 (1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### **MiFID II product governance / target market**

The Final Terms in respect of any Notes may include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **Programme limit**

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 50,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time.

### **Use of this Prospectus**

This Prospectus may only be used for the purpose for which it has been published. This Prospectus and any Final Terms may not be used for the purpose of an offer or solicitation by and to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

This Prospectus, any supplements thereto and any Final Terms do not constitute an offer or an invitation to subscribe for or purchase any of the Notes.

### **Stabilisation**

In connection with the issue of any tranche of Notes under the Programme, the Dealer or Dealers (if any) who is/are named in the relevant Final Terms as the stabilising manager(s) (or persons acting on its/their behalf) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of

the offer of the relevant tranche of Notes is made and, if begun, may cease at any time, but it must end no later than 30 days after the issue date and 60 days after the date of the allotment of the Notes.

Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or person(s) acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules.

## Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and may not be an arithmetic aggregation for the figures that preceded them.

## Currencies

Currencies used in this Prospectus include EUR, GBP, CAD, USD and CHF. The below conversion rates provide a guideline for conversion to EUR for certain dates used in the financial statements referred to in this Prospectus (Source: Currency calculator; "oanda" <https://www.oanda.com/currency-converter/>; 16 March 2023).

### US Dollar (USD):

01.04.2020 (first day of FY 2020)	1 USD	0.9130 EUR
31.03.2021 (last day of FY 2021)	1 USD	0.8529 EUR
01.04.2021 (first day of FY 2022)	1 USD	0.8491 EUR
31.03.2022 (last day of FY 2022)	1 USD	0.9031 EUR
01.04.2022 (first day of FY 2023)	1 USD	0.9052 EUR
30.09.2022 (last day of the first half of FY 2023)	1 USD	1.0204 EUR
15.03.2023 (last closing price before this Prospectus)	1 USD	0.9330 EUR

### Canadian Dollar (CAD):

01.04.2020 (first day of FY 2021)	1 CAD	0.6452 EUR
31.03.2021 (last day of FY 2021)	1 CAD	0.6787 EUR
01.04.2021 (first day of FY 2022)	1 CAD	0.6768 EUR
31.03.2022 (first day of FY 2022)	1 CAD	0.7224 EUR
01.04.2022 (first day of FY 2023)	1 CAD	0.7232 EUR
30.09.2022 (last day of the first half of FY 2023)	1 CAD	0.7381 EUR
15.03.2023 (last closing price before this Prospectus)	1 CAD	0.6807 EUR

### Pound Sterling (GBP):

01.04.2020 (first day of FY 2021)	1 GBP	1.1302 EUR
31.03.2021 (last day of FY 2021)	1 GBP	1.1753 EUR
01.04.2021 (first day of FY 2022)	1 GBP	1.1746 EUR
31.03.2022 (last day of FY 2022)	1 GBP	1.1871 EUR
01.04.2022 (first day of FY 2023)	1 GBP	1.1866 EUR
30.09.2022 (last day of the first half of FY 2023)	1 GBP	1.1383 EUR
15.03.2023 (last closing price before this Prospectus)	1 GBP	1.1346 EUR

### Swiss Franc (CHF):

01.04.2020 (first day of FY 2021)	1 CHF	0.9443 EUR
31.03.2021 (last day of FY 2021)	1 CHF	0.9029 EUR
01.04.2021 (first day of FY 2022)	1 CHF	0.9007 EUR
31.03.2022 (last day of FY 2021)	1 CHF	0.9777 EUR
01.04.2022 (first day of FY 2023)	1 CHF	0.9775 EUR
30.09.2022 (last day of the first half of FY 2023)	1 CHF	1.0331 EUR
15.03.2023 (last closing price before this Prospectus)	1 CHF	1.0215 EUR

### III. GENERAL DESCRIPTION OF THE PROGRAMME

The following description of the Programme does not purport to be complete and is qualified by the remainder of this Euro Medium Term Note Prospectus and, in relation to the terms and conditions of any particular tranche of Notes, the terms and conditions set out herein and the applicable Final Terms. Words and expressions defined under "Terms and Conditions of the Notes" shall have the same meanings in this section.

#### *General*

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency agreed between the Issuer and the relevant Dealer(s). The Issuer may increase the amount of the Programme from time to time, subject to publication of a supplement to this Prospectus.

Notes will be issued on a continuous basis in tranches with no minimum issue size, each tranche consisting of Notes which are identical in all respects. One or more tranches, which are expressed to be consolidated and forming a single series and identical in all respects, but having different issue dates, interest commencement dates, issue prices and dates for first interest payments may form a series ("**Series**") of Notes. Further Notes may be issued as part of existing Series. The specific terms of each tranche will be set forth in the applicable Final Terms.

The Notes may be issued to one or more of the Dealers and any additional Dealer appointed under the Programme from time to time; the appointment may be for a specific issue or on an ongoing basis and may be sold on a syndicated and non-syndicated basis pursuant to respective subscription agreements.

#### *Issuer*

Zenith Energy Ltd.

#### *Programme Amount*

The current maximum aggregate principal amount of all Notes at any one time outstanding under the Programme will not exceed EUR 50,000,000 (or its equivalent in other currencies), subject to an increase from time to time in accordance with applicable law.

#### *Dealer*

Notes may be issued from time to time to one or more of Dealers, if any, (the "**Dealers**" and each a "**Dealer**").

#### *Fiscal and Paying Agent*

The Fiscal and Paying Agent of any issuance under this Programme will be specified in the respective Final Terms.

#### *Approval and Notifications*

This Prospectus has been approved by the FMA in its capacity as competent authority (the "**Competent Authority**") under the Austrian Capital Markets Act 2019 (*Kapitalmarktgesetz 2019*) (the "**KMG 2019**") and under the Prospectus Regulation.

The FMA gives no undertaking as to the economic or financial opportuneness of any transaction under this Prospectus or to the quality and solvency of the Issuer but only approves this Prospectus as meeting the standard of completeness, comprehensibility and consistence imposed by the Prospectus Regulation.

The approval by the FMA should not be considered as an endorsement of the Issuer that is the subject of this Prospectus.

Possible investors should make their own assessment as to the suitability of investing in the securities.

In order to be able to conduct a public offer in relation to certain issues of Notes, the Issuer applied for a notification pursuant to Article 25 of the Prospectus Regulation for an offer of such Notes in the Federal Republic of Germany ("**Germany**"), in the Republic of Italy ("**Italy**"), in the Grand Duchy of Luxembourg ("**Luxembourg**"), in the Republic of France ("**France**"), in the Kingdom of Belgium ("**Belgium**"), in the Kingdom of the Netherlands ("**Netherlands**"), in the Kingdom of Spain ("**Spain**"), in the Kingdom of Sweden ("**Sweden**"), in the Republic of Ireland ("**Ireland**") and in the Republic of Malta ("**Malta**"). The Issuer may from time to time arrange for a notification into other jurisdictions under Article 25 of the Prospectus Regulation.

### ***Listing and Admission to Trading***

Application may be made to list Notes issued under the Programme on the Vienna MTF of the Vienna Stock Exchange. The Vienna MTF is not a regulated market for the purposes of the MiFID II. The Programme provides that Notes may be listed on other or further MTFs of other stock exchanges as specified in the relevant Final Terms. Notes may further be issued under the Programme without being listed on any stock exchange.

### ***Distribution***

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

### ***Authorisations***

The establishment of the Programme was authorised by a resolution of the Executive Board of the Issuer dated 4 November 2019. With resolution of the Executive Board of the Issuer dated 22 February 2023 the maximum aggregate principal amount of all Notes at any one time outstanding under the Programme was increased from EUR 25,000,000 to EUR 50,000,000. Tranches of Notes will be issued in accordance with internal approvals by the Issuer, as in force at the time of issue.

### ***Clearance***

The Notes have been accepted for clearance through Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**CBL**") and may be accepted for clearance through Clearstream Banking AG ("**CBF**") and OeKB CSD GmbH ("**OeKB**"). The Common Code and the International Securities Identification Number ("**ISIN**") for each Series of Notes will be set out in the relevant Final Terms.

### ***Various categories of potential investors to which the Notes may be offered***

Notes may be offered to qualified investors and/or retail investors as further specified in the relevant Final Terms. Provided that an offer of Notes shall not require the Issuer nor any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, this Prospectus shall be deemed a voluntary Prospectus pursuant to Article 4 of the Prospectus Regulation.

### ***Documents on Display***

#### ***Prospectus***

This Prospectus, any supplement thereto, if any, and any documents incorporated by reference into this Prospectus will be published in electronic form on the website of the Issuer <https://www.zenithenergy.ca/investors/bonds-credit-ratings/> and will be available, during normal business hours, free of charge at the specified office of the Issuer.

This Prospectus has been prepared on the basis that, except to the extent subparagraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area, where the Prospectus Regulation is applicable, (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so

- i. in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer, or
- ii. if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Regulation, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 1 (4) of the Prospectus Regulation in that Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable.

Except to the extent subparagraph (ii) above may apply, neither any of the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Provided that an offer of Notes shall not require the Issuer nor any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, this Prospectus shall be deemed a voluntary Prospectus pursuant to Article 4 of the Prospectus Regulation.

#### *Final Terms*

In relation to Notes which are publicly offered, the final terms relating to the relevant Series of Notes (the "**Final Terms**") will be available, during normal business hours, at the specified office of the Issuer and in electronic form on the website of the Issuer <https://www.zenithenergy.ca/investors/bonds-credit-ratings/>.

#### *Other Documents*

Copies of the documents specified below will be available for inspection at the specified office of the Issuer, during normal business hours, as long as any of the Notes are outstanding:

1. the Issuer's articles of association (in the English language): <https://www.zenithenergy.ca/articles-of-association/>
2. the annual report containing the audited consolidated financial information of the Issuer in respect of the fiscal year ending on 31 March 2022: <https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2022/08/Annual-Report-Zenith-Energy-31.03.2022.pdf>; also available on the website of the London Stock Exchange under [http://www.rns-pdf.londonstockexchange.com/rns/4734X\\_1-2022-8-29.pdf](http://www.rns-pdf.londonstockexchange.com/rns/4734X_1-2022-8-29.pdf);
3. the annual report containing the audited consolidated financial information of the Issuer in respect of the fiscal year ending on 31 March 2021: <https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2021/08/31090954/Zenith-Energy-Ltd-31.3.21-Signed-accounts.pdf>; also available on the website of the London Stock Exchange under [https://www.rns-pdf.londonstockexchange.com/rns/1150K\\_1-2021-8-30.pdf](https://www.rns-pdf.londonstockexchange.com/rns/1150K_1-2021-8-30.pdf);

4. the unaudited interim financial statements 2022/2023 for the six months period ending on 30 September 2022: <https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2022/11/Zenith-Financial-Statements-30-September-2022-FINAL.pdf>; also available on the website of the London Stock Exchange: [https://www.rns-pdf.londonstockexchange.com/rns/0681I\\_1-2022-11-30.pdf](https://www.rns-pdf.londonstockexchange.com/rns/0681I_1-2022-11-30.pdf).

During the validity period of this Prospectus, these documents will be available in electronic form on the website of the Issuer <https://www.zenithenergy.ca/investors/bonds-credit-ratings/>.

### ***Selling Restrictions***

#### **United States of America**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has offered and sold the Notes of any Tranche, and will offer and sell the Notes of any Tranche (i) as part of their distribution at any time and (ii) otherwise until 40 days after completion of the distribution of such tranche as determined, and such completion is notified to each relevant Dealer, by the Fiscal Agent or, in the case of a Syndicated Issue, the lead manager, only in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has agreed to notify the Fiscal Agent or, in the case of a Syndicated Issue, the lead manager when it has completed the distribution of its portion of the Notes of any Tranche so that the Fiscal Agent or, in the case of a Syndicated Issue, the lead manager may determine the completion of the distribution of all Notes of that Tranche and notify the other Relevant Dealers (if any) of the end of the restricted period. Each Dealer agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the restricted period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of this tranche of Securities as determined, and notified to Relevant Dealers, by the Fiscal Agent/Lead Manager, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this paragraph have the meanings given to them by Regulation S.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

The Issuer may agree with one or more Dealers for such Dealers to arrange for the sale of Notes under procedures and restrictions designed to allow such sales to be exempt from the registration requirements of the Securities Act.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus or any other offering material.



## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and each Dealer has represented and agreed that it will not offer or sell any Note, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specify the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) *Approved Prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the

relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

**provided that** in case of an offer of Notes referred to in (b) to (d) above this Prospectus shall be deemed a voluntary Prospectus pursuant to Article 4 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

#### United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Sec. 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Sec. 21 of the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which Sec. 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required. Each Dealer has represented and agreed that it will comply with all relevant laws and directives in each jurisdiction in which it purchases, offers, sells, or delivers Notes or has in its possession or distributes the Prospectus or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, in all cases at its own expense, and neither the Issuer nor any other Dealer shall have responsibility here for.

These selling restrictions may be modified by the agreement of the Issuer and the Dealers, *inter alia*, following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

#### IV. RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the Group and the industry in which they operate together with all other information contained in this Prospectus, including, in particular the risk factors described below, but also the documents incorporated by reference, any supplement thereto and the relevant Final Terms.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this section.

Prospective investors should note that the risks relating to the Issuer and the Group and the Notes as set out below are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Issuer and the Group face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider among other things, the risks and uncertainties described below.

Additional risks and uncertainties relating to the Issuer and the Group that are not currently known to the Issuer, or that either currently deem immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and the Group and, if any such risk should occur, the price of the Notes may decline, and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Prospectus and their personal circumstances.

Within this section "*Risk Factors*", the term "*Zenith*" means the Issuer together with all its subsidiaries.

##### 1. RISKS RELATED TO ZENITH'S FINANCIAL SITUATION

***The inability to raise additional funds may affect Zenith's going concern premise and its planned operations.***

Due to the fact that the Issuer terminated its operations in Azerbaijan in the first half of 2020 and that the new focus in Africa, in particular in Tunisia, is still in an early development phase, the group is dependent upon the funds from its Italian operations. Since these funds must be used for the daily operating expenses of the Group or the repayment of vendor loans, Zenith's principal source of funds will remain the issuance of equity. The Group's ability to raise future capital through equity is subject to uncertainty and the inability to raise such capital may have an adverse impact on the Group's ability to continue as a going concern.

Furthermore, in order to operate at the production levels stated in the Chapman Reports 2023, the Group – in addition to the current cash flow forecasts – will need to raise additional funds during the lifetime of the projects in the amount of approximately USD 1.5 million to meet the required capital expenditure. A failure to secure such funds, for example, due to a repeated fall in the oil price caused by a global recession or a deterioration of the COVID-19 situation (e.g. due to new variants of the viruses) or other negative impacts on the global economy, indicates a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and will endanger the Group's ability to fulfil its payment obligations.

***The inability of the Issuer to meet its debt can have negative consequences for the Issuer and can result in severe financial problems for the Issuer.***

The Issuer has various debts and is responsible to meet its debt when due. If the Issuer has to renegotiate financing contracts because of an inability to pay back debts when due, this can result in financial disadvantages, like increased interest rates that have to be paid, or more expensive external financings in general. In the past, the Issuer renegotiated various debts in order to postpone repayment. Breaches of financing contracts by the Issuer also bear the risk that a creditor may declare due an amount and thereby

puts the Issuer under financial pressure that could result in a financial collapse of the Issuer. Creditors not receiving their money when due, may also file legal claims or take legal action against the Issuer. Any of these consequences may have a significant impact on the financial situation and the operations of the Issuer, as the Issuer is required to raise additional funds continuously in order to continue developing its oil and gas projects and to simultaneously satisfy loan repayments which are due. At the date of this Prospectus the Issuer has not secured sufficient funds to both continue developing its oil and gas projects and to simultaneously satisfy loan repayments throughout the financial year 2023.

***Negative impacts of the current rating or any potential future worsened rating of the Issuer may occur, which worsen the possibility of the Issuer to find new investors and to secure a sufficient financing of its operations.***

The Issuer was assigned a medium to long-term company credit rating of "B with a Stable Outlook" on 1 November 2021 by Rating-Agentur Expert RA GmbH, a European credit rating agency, registered with the European Securities and Markets Authority.

The Issuer was assigned a long-term issuer credit rating of "B+ with a Stable Outlook" in January 2023 by BCRA - Credit Rating Agency AD, a European credit rating agency, registered with the European Securities and Markets Authority.

The current ratings could have negative impacts on the Issuer's access to financial sources, as potential investors could be discouraged by the current ratings and potential risks of loss of money. Moreover, it is possible that any future rating is worse compared to the current ratings, which could consequently worsen the possibilities of the Issuer to find new investors and arrange for sufficient financing.

The ratings are based on prognosed cash-flows. A failure of the Issuer to achieve the planned level of oil production in Tunisia (or in other future activities), may lead to a rating differing substantially from the ratings currently assigned to the Issuer.

***The reserve values of Zenith's properties may decrease if the Issuer will not be able to generate the estimated cash flow.***

The reserve values of Zenith's properties, as estimated by independent engineering consultants, are based in part on cash flows to be generated in future years as a result of future capital expenditures and therefore contain a level of risk. Should the Issuer be unable to generate the amount of cash flow as estimated in the engineering reports, the reserve values of Zenith's properties are overvalued and need to be corrected in the financial statements of the Issuer. Furthermore, the value of Zenith's properties may decrease in the event the Issuer does not receive new or prolonged licences in relation to the oil and gas assets already owned by the Issuer.

If the licence of the SLK oilfield, in which the Issuer holds a 22 per cent working interest and which expired in December 2022, will not be awarded to the Group, this will result in an impairment of the value of the acquired assets in Tunisia and the attributed provisional fair values will have to be corrected in the financial statements of the Issuer.

A devaluation of the reserve values of the Issuer's properties would have a negative impact on the Issuer's financial statements. Any devaluation of the reserve values of the Issuer's properties could lead to lower future production, lower future cash flow and higher depreciation charges, and thus adversely affect the Issuer's results of operations, financial condition and future prospects.

***Possible failure to realize profits out of the acquisition of the operations in Tunisia.***

In 2020 and 2021, Zenith has made acquisitions in Tunisia. Achieving positive economic results out of these acquisitions depends on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as Zenith's ability to implement the anticipated growth opportunities.

The integration of acquired businesses in Tunisia requires substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters during this process.

***The Issuer is exposed to risks resulting from foreign currency exchange rates fluctuations which may worsen the Issuer's ability to repay liabilities and may have a negative impact on the Issuer's cash flow, income statement or balance sheet.***

World oil and gas prices are quoted in USD and the price received by Canadian incorporated producers is therefore affected by the CAD/USD exchange rate. A significant portion of Zenith's international activities are conducted in Euros in Italy and Tunisian Dinar in Tunisia and Pounds Sterling in the United Kingdom where Zenith is exposed to changes in foreign exchange rates as operating expenses, capital expenditures, and financial instruments fluctuate due to changes in exchange rates. Zenith never used derivative instruments to hedge its exposure to foreign exchange rate risks. In recent years, the Canadian dollar has fluctuated materially in value against the United States dollar. Material increases in the value of the Canadian dollar led to the risk of negatively impacting Zenith's production revenues. Future Canadian/United States exchange rates could accordingly impact the future value of the Issuer's reserves as determined by independent evaluators. Any currency risks may have adverse effects on Zenith's cash flow, income statement or balance sheet. Foreign currency exchange rates fluctuations may aggravate the Issuer's ability to repay its liabilities.

***The ability of the Issuer to fulfil its payment obligations is limited by its status as a holding company. Delays in the distribution of dividends or the delay of cash receipts can significantly impair the solvency of the Issuer.***

The Issuer is a holding company that has no significant assets other than its investments and participations in group companies. As a holding company, the Issuer is dependent on the capital injection of its shareholders and the distribution of dividends from its subsidiaries in order to meet the payment obligations towards its creditors.

The liquidity of the Issuer depends on the earnings of its subsidiaries. As of the date of this Prospectus, the Issuer is highly dependent on the sales and earnings of its Italian subsidiary, Canoe Italia S.r.l., and its Tunisian operations that are held through the subsidiaries Zenith Overseas Assets Holding Ltd. ("**Zenith Overseas**"), Zenith Energy Africa Limited ("**Zenith Africa**") and Compagnie Du Desert Ltd. ("**CDD**").

The subsidiaries may generate losses and in such case the Issuer will not receive liquidity in the form of dividends. If there are delays in the distribution of dividends to the Issuer or if distributions of dividends do not take place, this will have a material adverse effect on the liquidity of the Issuer, irrespective of the existing financing lines.

***Liquidity problems can arise from delays of cash receipts, the inability to sell the Group's products and additional extraordinary events.***

Delays of cash receipts from its counterparties and debtors complicates the Group's and the Issuer's ability to meet its payment obligations. In addition, Zenith expects time-lags in payment by producers of oil and natural gas to the operators (company that is liable for the oil production in a concession and then distributes the oil/gains to other holders of working interest) of the Group's properties, and by the operators to the Group. Payments between those parties may also be delayed by restrictions imposed by lenders or government, that require advance payment.

Delays in the sale or delivery of products, delays in the connection of wells to a gathering system, blowouts or other accidents, recovery by the operator of expenses incurred in the operation of the Group's properties or the establishment by the operator of reserves for such expense may also delay payments.

At the date of this Prospectus, Société Nationale des Pétroles du Congo ("**SNPC**") owes the Anglo African Oil & Gas Congo S.A.U. ("**AAOG Congo**"), a fully owned subsidiary of the Issuer, approximately USD 5.7

million as a result of the work conducted to date on the Congo Licence I. The Issuer and SNPC are in discussions in order to settle this issue. Non-payment of this amount of approximately USD 5.7 million by SNPC may limit the Issuer's ability to meet its payment obligations and hinder its expansion plans.

The liquidity of the Group can also be affected by the inability to sell its products, by unexpected outgoing cash flows, by the obligation to provide additional guarantees or by the inability to access money and/or capital markets. This situation could arise due to circumstances beyond the Issuer's control, such as a general market disruption or an operational problem affecting the Group or third parties or also by the expectation, among the market participants, that the Issuer or other market participants are having a greater liquidity risk. The liquidity crisis and the loss of confidence in financial institutions can increase the funding costs of the Issuer and restrict its access to equity capital and debt capital.

***Adverse financial market conditions may affect Zenith's refinancing abilities.***

The costs and availability of financings have been adversely affected by the crisis in the financial sectors. The Issuer's long-term credit ratings of "B with a Stable Outlook " and "B with a Positive Outlook" as well as the fact that Zenith relies on raising equity and or debt as a source of income may lead to difficulties in refinancing its financial obligations. Zenith may be able to refinance only at increased interest rates. It might especially be difficult to obtain funds from banking and financial institutions. Given that the Issuer is dependent on raising additional debt capital and equity capital, the inability of Zenith to refinance would have a material adverse effect on its liquidity position and might, in a worst case, result in its insolvency.

***The costs for the decommissioning of the oil fields are dependent on political, environmental, public and safety expectations so that the cost estimates are subject to uncertainty.***

Decommissioning costs are all reasonable costs and expenses incurred in connection with the removal of a well, the site restoration or asset retirement. The estimated cost of decommissioning at the end of the producing lives of a well is reviewed periodically by the Issuer and is always based on forecast price levels, available technology and specific regulations on the decommissioning process such as environmental measures or safety standards currently in place. As most of the planned decommissioning events of the Issuer's sites lie far in the future and the relevant technologies and regulations are constantly changing, the costs associated with decommissioning are difficult to estimate and substantially marked by uncertainties.

***The extent of the Issuer's current debt capital financing may make it difficult for the Issuer to raise additional capital; the repayment of the debt obligations may have a negative impact on the operating business and future expansion plans.***

The Issuer is significantly financed by debt capital. From time-to-time Zenith may enter transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt capital, which may increase Zenith's debt obligations above industry standards for oil and natural gas companies of a similar size. Depending on future exploration and development plans, Zenith may require additional equity and/or debt financings that may not be available or, if available, may not be available on favourable terms. Neither the Issuer's articles of association nor its by-laws limit the amount of debt that Zenith may incur. There is the risk that the level of Zenith's debt obligations from time to time could impair Zenith's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

The ability of Zenith to make payments or advances will be subject to applicable laws and contractual restrictions in the instruments governing any indebtedness of Zenith. The degree to which Zenith is leveraged could have important consequences for Noteholders including: (i) Zenith's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) all or part of Zenith's cash flow from operations may be dedicated to the payment of the principal of and interest on Zenith's indebtedness, thereby reducing funds available for future operations; (iii) Zenith's borrowings may be at variable rates of interest, which would expose Zenith to the risk of increased interest rates; and (iv)

Zenith may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures.

***The freezing of oil and gas prices can, in the case of an increase of the oil and gas prices, significantly reduce revenues.***

From time-to-time Zenith may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, there is a risk as Zenith will not benefit from such increases and may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements.

## **2. RISKS RELATED TO ZENITH'S BUSINESS ACTIVITIES AND INDUSTRY**

***If existing concessions expire and may not be extended and necessary permits may not be granted, the Group's expansion plans are delayed and already made investments could become worthless.***

The Issuer currently has several gas production concessions in Italy that may not be extended upon their expiry. Moreover, the Issuer relies on exploration permits and approvals to commence production that may not be granted by the responsible authorities upon application. Delays in receiving necessary concessions and permits and failure to obtain required concessions and permits may have a negative impact on the business activities of the Issuer.

Despite the fact, that the Issuer already started the renewal process in December 2022, the Sidi El Kilani concession expired. If an extension of this licence will not be granted, this will also result in an impairment of the value of this acquired assets.

The non-extension of an already existing concession or the loss in a bidding process in any of the countries the Issuer is operating in, would delay expansion plans of the Issuer and make the investments the Issuer already made in believe of the extension or award in a bidding process worthless. Since the Group is – as of the date of this Prospectus – only producing in two countries (Italy and Tunisia), a failure to extend an existing concession or the loss in a bidding process significantly changes the business strategy and future cash flow assumptions of the Group.

***Any legal, regulatory or other change of the framework conditions may affect the Issuer significantly due to a lack of diversification of the Issuer's business activity.***

The Issuer is currently only involved in oil production in Tunisia and in the natural gas and electricity production in Italy. Therefore, any legal, regulatory or other change of the framework conditions in one of those national industries may have a substantial negative effect on the financial situation of the whole Group, since it will likely not be able to compensate negative effects that appear in one field of business with its business activities in another area of operations.

In particular, any legal, regulatory or other change of the framework conditions in Italy or Tunisia would affect the financial situation of the whole Group substantially given that the natural gas and electricity production in Italy and the oil production in Tunisia are the main source of income.

Since the Sidi El Kilani concession in Tunisia expired in December 2022 and the renewal process has not yet been completed and the Issuer is still in its expansion phase in Tunisia, the Group currently mainly relies on revenues generated by the Ezzaouia concession. Additional revenues are received by the two El Bibane and Robbana concession with little production. Therefore, the Group's production is mainly driven by the Italian operations and the Ezzaouia concession in Tunisia.

***Zenith's oil and natural gas reserves data presented in this Prospectus are only estimates which may vary significantly from the actual quantities of oil and gas reserves that may be recovered.***

The reserves data set forth in this Prospectus and in the Chapman Reports 2023 represent only estimates and should not be construed as exact quantities. Numerous uncertainties are inherent in estimating quantities of proved reserves, future probable rates of production and the timing of development expenditures.

The reliability of proved reserve estimates depends on a number of factors, assumptions and variables, many of which are beyond Zenith's control. These include:

- the quality and quantity of available geological, technical and economic data;
- whether the prevailing tax rules and other government regulations, contractual conditions, oil, gas and other prices will remain the same as on the date the estimates were made;
- the production performance of Zenith's reservoirs and
- extensive engineering interpretation and judgment.

Probable reserves are those additional reserves that are less certain to be recovered than proven reserves.

Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

Results of drilling, testing and production after the date of the estimates may require substantial downward revisions in Zenith's reserve data. Any downward adjustment could lead to lower future production and higher depreciation charges, and thus adversely affect Zenith's results of operations, financial condition and future prospects.

Even if the reserve estimates turn out to be correct, the Issuer may not be able to reach the production capacities as mentioned in the Chapman Reports 2023. According to internal calculations of the Issuer, an additional capital in the amount of approx. USD 1.5 million is required in order to reach the production capacities as mentioned in the Chapman Reports 2023. There is a risk that the Issuer will not be able to acquire this amount of capital or that the amount required is significantly higher than calculated.

***Malfunctions of purchased equipment significantly worsens the financial situation and production capabilities of the Issuer.***

The Issuer follows the strategy to purchase its own drilling equipment while most competitors do not buy their own drilling equipment. Most competitors are outsourcing the drilling of the wells to third parties. Zena Drilling Limited, a subsidiary of the Issuer, has signed and executed a purchase agreement for the acquisition of a BD-260 drilling rig assembled by B Robotics W S.r.l for a total consideration of EUR 2,250,200.

There is a risk that the purchased equipment is not or only partially usable, or that the purchased equipment becomes unfit for its use prematurely. Malfunctions in the purchased drilling equipment considerably reduce its value and leads as a result to a reduction in the production capabilities and therefore to a worsening of the financial situation of the Group. In addition, any malfunction of the BD-260 drilling rig will delay the exploration Zenith's concession, that are not yet producing at their full capacity.

***A decline in the prices of crude oil, natural gas, petroleum products and electricity has an adverse effect on the Issuer's results of operations.***

The demand for and prices of crude oil, natural gas, petroleum products and electrical power depends on a variety of factors over which Zenith has no control, including:

- global and regional economic and political developments in resource-producing regions;
- international supply and demand;
- the level of consumer and industry demand;



- weather conditions;
- the price and availability of alternative products;
- actions taken by governments;
- governmentally regulated supply tariffs for gas and electrical power;
- the impact of certain economic and political events; and
- the ability of international cartels (such as OPEC) and oil-producing nations to influence production levels and prices.

Historically, international crude oil and natural gas prices have fluctuated widely. Starting from September 2014, prices of crude oil significantly decreased. In 2015, markets faced sharp declines in oil prices from USD 56/bbl as of 31 December 2014 to USD 37/bbl as of 31 December 2015, resulting from a significant oversupply and slowed down demand. After the low of USD 26/bbl in January 2016, oil prices increased to USD 50/bbl in December 2016, especially following the agreement of OPEC members in November 2016 to cut production by 1.2 million barrels. The Brent oil price rose to USD 66.5/bbl at the end of the year 2017 and in early October 2018, the Brent crude price recorded an annual high of USD 86.2/bbl. In 2019, the price of Brent crude stood at an average of USD 64.3/bbl and displayed a volatility of around 50 per cent over the course of the year 2019. Since the beginning of 2020, the Brent oil price has dramatically decreased due to a significant decline in demand after the outbreak of the COVID-19 pandemic. The first quarter of 2020 saw the worst performance on record for the market. Oil prices decreased to around USD 17 in April 2020. As of May 2020, oil has managed to recap some of its earlier losses, reaching an average price of approximately USD 48.52 per barrel at the end of December 2020. Throughout the year 2021 the oil price was able to climb back to regions above USD 80 especially in October and November 2021. New fears of a new COVID-19 variant led to a significant drop of the oil price in the end of November 2021 to a level of as low as USD 66.18.

Since the beginning of 2022, oil prices have increased sharply. Driven by an economic growth increasing demand for oil, geopolitical tensions between Russia and the Ukraine and increased instability in the Middle East as well as limited oil supply<sup>1</sup>, the oil prices have risen in 2022. The escalation of the Russia-Ukraine conflict in the end of February 2022 amplified this development and resulted in a jump of the oil price to more than USD 110 a barrel.

The oil price reached its peak with USD 123.70/bbl on 8 March 2022. This trend with oil prices over USD 100/bbl continued until July 2022. Despite the ongoing war in the Ukraine and applied sanctions over Russia, this trend was reversed as of the end of July 2022. Between July 2022 and 12 January 2023, the Brent crude oil price decreased to approximately USD 78.2/bbl, which corresponds to a decline of approximately 28 per cent. (*Source*: <https://www.macrotrends.net/2516/WTI-crude-oil-prices-10-year-daily-chart>).

According to IEA-report "Oil Market Report – December 2022", the world oil demand and supply in December stood at 100.8 mb/d in the fourth quarter of 2022.<sup>2</sup>

However, rapid material and/or sustained changes in oil, gas and petroleum product and electricity prices can impact the validity of the assumptions on which strategic decisions are based and, as a result, the ensuing actions derived from those decisions may no longer be appropriate. For example, a prolonged period of low oil, gas or petroleum product or electricity prices may affect Zenith's ability to maintain its long-term investment program, which is based on certain assumptions concerning price developments. Price declines could prevent Zenith from maintaining earnings and cash flows at a level sufficient to meet its targets and to fund Zenith's planned capital expenditure.

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1 Available at <https://www.weforum.org/agenda/2022/02/why-oil-prices-matter-to-global-economy-expert-explains/>.

2 Available at <https://www.iea.org/reports/oil-market-report-december-2022> and <https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf>.

***Zenith faces competition from other oil and gas companies in all areas of its operations.***

The petroleum industry is competitive and investing in Zenith contains an inherent level of risk. Zenith will compete with numerous other organizations in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Zenith's competitors will include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of Zenith. Zenith's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. The Issuer is looking to acquire new oil and gas fields. There is a risk that competitors of the Issuer's, who have greater financial resources, staff and facilities, are more successful in the selection and acquisition of new suitable producing properties or prospects for exploratory drilling. The selection by the Issuer of a property which is not suitable for producing and exploratory drilling, or the granting of suitable producing properties to competitors of the Issuer can significantly worsen the future cash flow assumptions of the Group and the overall financial outlook of the Issuer in the future.

Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery and storage. A repeated material decline in the demand for oil and natural gas products comparable to the one caused by the outbreak of the COVID-19 pandemic will increase the competition between suppliers and again will lead to a sharp decline in prices. A sharp decline in prices will minimize the profit margin or may force the Issuer to sell its products below the cost of production. This will favour competitors that are able to produce at lower costs than the Group, may limit the Group's ability to sell its oil and natural gas products or may have negative effects on the revenue of the Issuer.

***Zenith may be required to curtail, delay or cancel drilling operations.***

Exploration and production require high levels of investment and are subject to natural hazards and other uncertainties, including those relating to the physical characteristics of an oil or natural gas field. The cost of drilling, completing or operating wells is often uncertain. Zenith may be required to curtail, delay or cancel drilling operations because of a variety of factors, including unexpected drilling conditions, pressure or irregularities in geological formations, equipment failures or accidents, adverse weather conditions and compliance with governmental requirements, such as drilling moratoria following an accident. Any interruption of the drilling operations significantly affects the production and therefore the revenues of the Issuer.

***Risks due to the COVID-19 pandemic.***

The global spread of the coronavirus (COVID-19), which has been observed worldwide since the beginning of 2020, is adversely affecting the development of the global economy and consumer behaviour. There is equally an increased market uncertainty as well as considerable restrictions for private individuals and companies, which have a negative impact on the Issuer.

As a consequence of the COVID-19 pandemic, significantly adverse market conditions have occurred. Quarantines, curfews and further restrictions of business and social life have been imposed for several countries of the world, including those where the Issuer has its operations (Italy and Tunisia).

In view of the significantly reduced international demand and overcapacities, the oil prices have decreased and fell below USD 20/bbl on 21 April 2020. A sharp decline in the oil price due to fears of a new and more contagious COVID-19 variant took place in the end of November 2021, to approximately USD 66.18 on 30 November 2021, constituting a new low since the mid of August 2021. (*Source*: <https://www.macrotrends.net/2516/wti-crude-oil-prices-10-year-daily-chart>).

After this brief shock, the oil prices have – due to the beginning war in the Ukraine and the related energy crisis – increased to a peak of USD 123.70 on 8 March 2020. At the date of this Prospectus the oil price stands at 68.04. (*Source*: <https://oilprice.com/oil-price-charts/#WTI-Crude>).

Further, the COVID-19 pandemic has led to a significant turmoil on capital markets, leading to plunges in stock market prices, including also in Issuer's price of shares, which has lost almost half of its value within a year.

Even though the situation has improved due to the availability of vaccines, there is still a risk that countries, regions or municipalities which have already commenced retracting or lowering quarantines, curfews and further restrictions of business and social life may be forced to reimpose any such measures or even stricter measures in case infections with SARS-CoV-2 increase again.

Accordingly, it is currently not foreseeable how long the COVID-19 pandemic will last and whether or when the impacts on capital markets, business transactions and social life will be halted or reduced. Even though the length of the COVID-19 pandemic cannot reasonably be predicted at this stage, the introduction of vaccines has helped to reduce the spread of the virus and businesses around the world have adjusted to the revised circumstances; except for its Italian operations, the Issuer was not significantly limited in its operational activities during the different phases of the pandemic. However, a repeated material decline in the demand for oil and natural gas products comparable to the one caused by the outbreak of the COVID-19 pandemic will increase the competition between suppliers and lead to a sharp decline in prices.

Adverse financial and economic conditions as well as situations of a crisis may also lead to intensified competition for market share and available margin, with consequential adverse effects on volumes and prices. The financial and economic situation may also have a negative impact on third parties with whom the Issuer does, or will do, business. If there is an extended period of constraint in the capital or credit markets, at a time when cash flows from the Issuer's business operations may be under pressure or additional funds may be required, this may impact the Issuer's ability to fund its operations or required future investments, with a consequent negative effect on its business, and may impact shareholder returns, including dividends or the ability of the Issuer to pay back the notes issued under this Programme.

***Zenith is dependent on its key personnel.***

Zenith's future success is largely based on the acquired market knowledge and technical expertise of the management of the Issuer, including that of Mr. Cattaneo who has been a director of the Issuer since 9 December 2008. Mr. Cattaneo is an energy specialist with a focus on emerging countries and has 30 years' experience in advising governments in financial, industrial and energy-related matters. Mr. Cattaneo has strong expertise and experience in structuring and negotiating contracts in the international markets, especially the oil industry. He also has significant experience in former socialist countries and arranged the first USD loan to Vietnam, the then third poorest country in the world, towards the beginning of his financial career in 1985. In the event that key employees, for example Mr. Cattaneo, leave the Company, there is a risk that the Issuer will not be able to recruit comparably qualified key employees within a reasonable period of time or on reasonable terms. The departure of Mr. Cattaneo could also cause a loss of image and personal networks from which the Issuer benefits, in addition to a significant loss of know-how.

***If permits, licences and leases are not renewed at their expiration date, this has a negative impact on the future operations and revenues of the Group.***

Zenith's properties are held in the form of permits, licences, leases and working interests in permits, licences and leases. If Zenith or the holder of the permit, licence or lease fails to meet the specific requirement of a permit, licence or lease, the permit, licence or lease may terminate or expire. Furthermore, the permits, licences, leases are assigned for a limited time. There can be no assurance that any of the obligations required for maintaining a permit, licence or lease will be met or that the permit, licence or lease will be renewed in the future.

***Changes in legislation and the implementation of new regulations or the modification of existing regulations can affect the oil and natural gas industry negatively. Zenith might not be able to comply with its obligations under granted licences.***

The oil and gas industry is subject to regulation and intervention by governments, in particular in matters such as the award of exploration and production interests, restrictions on production and exports, environmental measures, control over the development and abandonment of fields and installations, the nationalisation or renationalisation of assets, imposition of specific drilling obligations, environmental and health and safety protection controls and other risks relating to changes in local government regimes and policies.

It is possible that the Canadian and international governments and provincial/state or regulatory authorities may choose to change the income tax laws, royalty regimes, environmental laws or other laws applicable to oil and gas companies and that any such changes could materially adversely affect Zenith and the market value of its common shares. In addition, it is also possible that changes to legislation, which could adversely affect the market value of Zenith could occur in other jurisdictions where Zenith operates.

Further, oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be subject to change from time to time in response to economic or political conditions. There is also the risk that implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase Zenith's costs. In order to conduct oil and gas operations, the Issuer will require licences from various governmental authorities. There can be no assurance that Zenith will be able to obtain all of the licences and permits that may be required to conduct operations that it may wish to undertake.

In addition, Zenith has to comply with conditions contained in licences, such as operating permits. A failure by Zenith to comply with substantial conditions might lead to governmental intervention.

***Developing taxation systems in some of the countries in which the Group operates may have a material adverse effect on the Issuer.***

Zenith buys, sells and trades oil and gas products in certain regulated commodity markets. The oil industry is also subject to the payment of royalties and taxation, which tend to be high compared with those payable in respect of other commercial activities, and operates in certain tax jurisdictions that feature a degree of uncertainty relating to the interpretation of, and changes to, tax law. As a result of new laws and regulations or government interventions, Zenith could be required to curtail or cease certain operations, or Zenith could incur additional costs.

The treatment of Zenith's group entities is subject to changes in tax regulation or practices in territories in which Group entities are resident for tax purposes (that includes at the date of this Prospectus inter alia Canada, the United Kingdom, Italy, Tunisia, the Netherlands and the United Arab Emirates). Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid. Any changes to tax legislation in territories in which Group entities are resident for tax purposes may have a material adverse effect on the financial position of Zenith.

In many jurisdictions, the resources sector is subject to particular taxation regimes which sometimes impose a comparatively heavy burden on activities within the sector. Taxation regimes regarding the oil and gas sector are – due to their specific and narrow nature – more likely to be subject to changes than general taxation regime for companies operating in other sectors.

In Italy, for onshore permits, the state royalty on the production of oil and gas is a maximum of 10 per cent, with a provision that no royalties are to be paid on yearly production of less than 125,000 bbls of oil and approximately 700 MMscf of gas, per field (or approximately 340 bbls/d and 1.9 MMscf/d). At the present time, the Group does not pay any state royalties since all its producing fields fall below the minimum royalty threshold. The corporate taxation rate amounts to 28 per cent and there are no restrictions on the repatriation of profits. There is a risk that changes to the tax and/or royalty system occur in the future, such as the abolition of exemptions or an increase of royalty payments. This has a significant impact on the tax payable by the Group and therefore on the rentability of oil and gas wells operated by the Group in Italy.

### **3. COUNTRY-SPECIFIC RISKS**

#### **3.1. Italy**

*The non-renewal of Italian gas production concessions could impact the Issuer's business activities negatively.*

Since a significant share of the Issuer's revenues currently derive from the Italian gas production, a non-renewal of the Italian concessions would have a significant negative impact on the Issuer's revenues. In particular, the non-renewal of the Torrente Cigno exploration property would affect the Issuer significantly since this property currently is responsible for the majority (about 90 per cent) of the Group's natural gas production in Italy.

#### **3.2. Tunisia**

*Economic and political developments in Tunisia may negatively affect the development of Zenith's business.*

Like other countries in Africa, Tunisia could be affected by political unrest both within its borders and especially in surrounding countries and any resulting military action may have an effect on the world economy and political stability of other countries. Political unrest in Tunisia would expose the Issuer to political risks, including expropriation and nationalisation of property, civil strife and acts of war or terrorism, which could, in turn, have a significant adverse effect on the country's economy.

Tunisia is located in a region that has been subject to on-going political instability and security concerns, especially in recent years. Political instability in the Middle East and Northern Africa region has generally increased since the terrorist attacks of 11 September 2001, the U.S.-led intervention in Iraq, the ongoing conflict in Syria, the threat of Daesh and the instability and conflict in Libya, which is a neighbour of Tunisia.

A nationwide state of emergency was declared after a series of terrorist attacks in 2015, which was extended in December 2022 and remains in effect until the end of 2023.

The Tunisian border with Libya at Ras-Jdeir was closed in March 2016 following an attack on an army base and police station in the eastern town of Ben Guerdane, and has been subsequently closed on a number of occasions since then. More recently, in July 2016, the Ras-Jdeir border crossing was closed to vehicle traffic as a result of an attack, and the alternate Sehiba-Wazin crossing was temporarily restricted by the Tunisian army. On 29 August 2016, Islamic militants attacked an army patrol in the Kasserine region, killing three soldiers and wounding seven others. In August 2017, two soldiers on patrol in Kasserine were wounded by an improvised explosive device. In July 2018, Islamic militants killed six members of Tunisia's security forces in Jendouba province. In May 2019, the UN placed 26 Tunisian citizens and three organisations, including, inter alia, al Qaeda in the Islamic Maghreb, on its terrorist blacklist. On 27 June 2019, one policeman was killed and eight people (including three civilians) were injured in two suicide bombings in central Tunis targeted at a police patrol car and the headquarters of the Government's Anti-Terrorism

Brigade. On 6 September 2020, two officers of Tunisia's National Guard were attacked by three assailants in Sousse. Security forces later killed all three attackers and on 6 March 2020, a suicide bombing targeting a police patrol near the US Embassy in Tunis killed one police officer and injured four more, as well as a civilian.

In the southern restricted zones of the border areas with Algeria and Libya violent actions by terrorist organisations and kidnappings are taking place on a regular basis. Also, in the west of the country, increased military and police forces are in armed conflict with terrorist groups.

Political unrest in Tunisia would expose the Issuer to political risks, including expropriation and nationalisation of property, civil strife and acts of war or terrorism, which could, in turn, have a significant adverse effect on the countries' economy.

Political unrest may lead to danger of attacks on employees and/or facilities, social unrest, including strikes and political protests and demonstrations. Next to the overall security concern regarding the safety of employees and/or facilities, there is a risk that political unrest may lead to interruptions in the production of oil. Any interruption to the Issuer's drilling operations affects the production and therefore the revenue of the Issuer significantly.

#### **4. HEALTH AND SAFETY, ENVIRONMENTAL AND GOVERNANCE RISKS**

***Zenith is subject to operational risks relating to the oil and gas exploration, development and production. Some of these risks may be uninsured or uninsurable.***

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property as well as the environment or personal injury. In particular, Zenith may produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to the Group. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations.

In accordance with industry practice, Zenith is not fully insured against all of these risks, nor are all such risks insurable. Although Zenith maintains liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event Zenith could incur significant costs. In such circumstances, Zenith's insurance may not cover or be adequate to cover the consequences of such events, or insurance coverage may not be available. Moreover, Zenith may not be able to maintain adequate insurance in the future at rates that it considers reasonable. In the past, the Issuer had been affected by such operational risk.

***Zenith is subject to stringent environmental and health and safety regulations which result in costs relating to compliance and remediation that may adversely affect its results of operations and financial condition.***

Zenith is subject to significant environmental regulations in respect of its operational activities in all jurisdictions and seeks to conduct its operations in an environmentally responsible manner and to maintain the productivity goals achieved. All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the

imposition of fines and penalties, some of which may be material. Should Zenith be unable to fully fund the cost of remedying an environmental problem, Zenith might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Zenith to incur costs to remedy such discharge.

Italy and Tunisia are signatory to the United Nations Framework Convention on Climate Change and have ratified the Paris Climate Change Agreement and are thus required to establish legally binding targets to reduce nation-wide emissions of carbon dioxide, methane, nitrous oxide and other "greenhouse gases". There is the risk that Zenith may be subject to legislation in Italy and Tunisia regulating emissions of greenhouse gases. The direct and indirect costs of complying with these emissions regulations may adversely affect the business of Zenith.

This is most likely to impact on Zenith's operations in Italy where it is engaged in domestic energy production as the political environment to reduce carbon emissions is greatest in Western Europe.

***Aging infrastructure in Zenith's operations, improper waste management and operational incidents may lead to spills, leakages and other contamination. Such incidents may cause substantial environmental clean-up, decommissioning and restoration costs and damage not only the environment but also affect communities and Zenith's reputation.***

Zenith's facilities require regular monitoring, maintenance and renewal. Aging facilities or equipment may not always be replaced and upgraded in due time. In the past, the Issuer had problems regarding the poor condition of the Issuer's wells in Azerbaijan. Also, the wells of the Robbana concession in Tunisia required different workovers in 2022. These difficulties could, among other things, result in spills and leakages. Spills, leakages and other contamination resulting from aging infrastructure and other contamination, e.g. as a result of improper waste management, may result in substantial environmental decommissioning and restoration costs and could cause damages to communities and Zenith's reputation. In addition, spills, leakages and contamination can result from operational incidents, , and may be particularly severe in the case of offshore drilling. Any operational incident resulting in environmental contamination could result in substantial financial and reputational damages, considering the limitations of insurances. In addition, international regulations and insurance requirements may increase as a result of an accident and drilling and production operations could become more difficult and expensive in the future, due to increased safety standards or insurance requirements.

## **5. RISK FACTORS REGARDING THE NOTES**

***There may be no active trading market for the Notes.***

The Programme provides that Notes may be listed (i) on the MTF of the Vienna Stock Exchange (ii) or on other respectively further MTFs of other stock exchanges or (iii) may not be listed at all, as specified in the relevant Final Terms. Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular tranche, such tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued and for which there is such a market).

Regardless of whether the Notes are listed or not, there can be no assurance that a liquid secondary market for the Notes will develop or, if it does develop, that it will continue. The fact that the Notes may be listed does not necessarily lead to greater liquidity than if they were not listed. If the Notes are not listed on any exchange, pricing information for such Notes may, however, be more difficult to obtain which may affect the liquidity of the Notes adversely.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

In an illiquid market, an investor might not be able to sell his Notes at any time at fair market prices. The possibility to sell the Notes might additionally be restricted due to currency restrictions. As there is no assurance as to the development or liquidity of any trading market for any particular tranche of Notes, any prospective purchaser should be prepared to hold the Notes until the maturity or final redemption of such Notes.

***The Notes may be redeemed prior to their maturity.***

The applicable Final Terms will indicate whether the Issuer may have the right to call the Notes prior to the maturity dates at the option of the Issuer (optional call right). If the Issuer redeems any Note prior to its maturity, a Noteholder of such Note is exposed to the risk that due to early redemption his investment may have a lower yield than expected. Noteholders may be subject to the risk that interest earned from an investment in the Notes may not in the event of early redemption of any Notes be able to be reinvested in such a way that they earn the same rate of return as the redeemed Notes. The Issuer might exercise his optional call right if the yield on comparable Notes in the capital market falls which means that the investor may only be able to reinvest the redemption proceeds in Notes with a lower yield.

***Notes subject to optional redemption by the Issuer may limit their market value.***

An optional redemption feature of Notes is likely to limit their market value. During any period during which the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risks in light of other investments available at that time.

***Currency Risk.***

A Noteholder of a Note denominated in a foreign currency is exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes. A change in the value of any foreign currency against the Euro, for example, will result in a corresponding change in the Euro value of a Note denominated in a currency other than Euro. If the underlying exchange rate falls and the value of the Euro correspondingly rises, the price of the Note and the value of interest and principal payments made thereunder expressed in Euro falls.

***Taxation risks.***

Potential investors and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or in other jurisdictions.

Potential investors of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing Notes and receiving payments of interest, principal and/or other amounts or delivery of securities under the Notes and the consequences of such actions under the tax laws of those countries.



***There is a risk that trading in the Notes will be suspended, interrupted or terminated, which may have an adverse effect on the price of such Notes.***

If the Notes are listed on one (or more) MTFs, the listing of such Notes may – depending on the rules applicable to such stock exchanges – be suspended or interrupted by the respective stock exchange or a competent regulatory authority upon the occurrence of a number of reasons, including violation of price limits, breach of statutory provisions, occurrence of operational problems of the stock exchange or generally if deemed required in order to secure a functioning market or to safeguard the interests of Noteholders.

Furthermore, trading in the Notes may be terminated, either upon decision of the stock exchange, a regulatory authority or upon application by the Issuer. Noteholders should note that the Issuer has no influence on trading suspension or interruptions (other than where trading in the Notes is terminated upon the Issuer's decision) and that Noteholders in any event must bear the risks connected therewith. In particular, Noteholders may not be able to sell their Notes where trading is suspended, interrupted or terminated, and the stock exchange quotations of such Notes may not adequately reflect the market value of such Notes. Furthermore, even if trading in Notes is suspended, interrupted or terminated, Noteholders should note that such measures may neither be sufficient nor adequate nor in time to prevent price disruptions or to safeguard the Noteholders' interests; for example, where trading in Notes is suspended after price-sensitive information relating to such Notes has been published, the price of such Notes may already have been adversely affected.

***The Notes will be governed by the laws of the Federal Republic of Germany. Rights resulting from notes governed by the laws of the Federal Republic of Germany may differ from rights resulting from notes governed by the laws of other jurisdictions.***

The Notes, as to form and content, and the rights and obligations of the holders and the Issuer will be governed by the laws of the Federal Republic of Germany. Therefore, there is a risk that potential investors are not familiar with the provisions of German law, which might be significantly different from the legal provisions of other jurisdictions. Hence, it is strongly recommended that potential investors obtain legal advice regarding the consequences of an investment in notes issued under this Programme governed by German law.

## **V. INFORMATION INCORPORATED BY REFERENCE**

The following documents shall be incorporated into this Prospectus:

1. the audited financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the financial year ending 31 March 2022 (set out on pages 28 to 91, of the 31 March 2022 annual report of the Issuer) which can be viewed online at <https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2022/08/Annual-Report-Zenith-Energy-31.03.2022.pdf>; also available on the website of the London Stock Exchange: [https://www.rns-pdf.londonstockexchange.com/rns/4734X\\_1-2022-8-29.pdf](https://www.rns-pdf.londonstockexchange.com/rns/4734X_1-2022-8-29.pdf);
2. the audited financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the financial year ending 31 March 2021 (set out on pages 27 to 96, of the 31 March 2021 annual report of the Issuer) which can be viewed online at <https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2021/08/31090954/Zenith-Energy-Ltd-31.3.21-Signed-accounts.pdf>; also available on the website of the London Stock Exchange: [http://www.rns-pdf.londonstockexchange.com/rns/1150K\\_1-2021-8-30.pdf](http://www.rns-pdf.londonstockexchange.com/rns/1150K_1-2021-8-30.pdf);
3. the unaudited interim financial statements 2022/2023 for the six months period ended 30 September 2022, which can be viewed online at <https://wp-zenith-2020.s3.eu-west-2.amazonaws.com/media/2022/11/Zenith-Financial-Statements-30-September-2022-FINAL.pdf>; also available on the website of the London Stock Exchange: [http://www.rns-pdf.londonstockexchange.com/rns/0681I\\_1-2022-11-30.pdf](http://www.rns-pdf.londonstockexchange.com/rns/0681I_1-2022-11-30.pdf).

The information contained in the source documents that is not included in the pages as outlined above is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980.

All other websites referred to in this Prospectus are for information purposes only and do not form part of this Prospectus.

## VI. REGISTRATION DOCUMENT FOR RETAIL NON-EQUITY SECURITIES

### 1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL

#### 1.1. Identify all persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.

ZENITH ENERGY LTD, with its registered office at Suite 2400, 745 Thurlow Street, Vancouver BC V6E 0C5, Canada, is solely responsible for the information given in this Prospectus.

#### 1.2. A declaration by those responsible for the registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import.

Where applicable, a declaration by those responsible for certain parts of the registration document that, to the best of their knowledge, the information contained in those parts of the registration document for which they are responsible is in accordance with the facts and that those parts of the registration document make no omission likely to affect their import.

Reference is made to the information provided in section "II. IMPORTANT NOTICE", subsection "Responsibility for this Prospectus" on page 1.

#### 1.3. Where a statement or report attributed to a person as an expert is included in the registration document, provide the following in relation to that person: (a) name; (b) business address; (c) qualifications; (d) material interest if any in the issuer.

If the statement or report has been produced at the Issuer's request, state that such statement or report has been included in the registration document with the consent of the person who has authorized the contents of that part of the registration document for the purpose of the Prospectus.

The report regarding the oil and natural gas reserves and the value of future net revenue of the Issuer in Italy as evaluated by Chapman Petroleum Engineering Ltd. ("**Chapman**") as of 31 March 2023 and dated 28 February 2023 (the "**Chapman Report 2023 – Italy**") was concluded by Chapman, an independent qualified reserves evaluator and auditor with its offices in 1122 4th Street S.W., Suite 700, Calgary Alberta T2R 1M1, Canada.

The report regarding the oil and natural gas reserves and the value of future net revenue of the Issuer in Tunisia as evaluated by Chapman as of 31 March 2023 and dated 1 March 2023 (the "**Chapman Report 2023 – Tunisia**") was concluded by Chapman.

Chapman has no material interest in the Issuer. The Chapman Report 2023 – Italy and the Chapman Report 2023 – Tunisia (together the "**Chapman Reports 2023**") are included to this Prospectus respectively as Annex 1 and Annex 2 with the consent of Chapman who has authorised the contents for the purpose of the Prospectus.

The Issuer confirms that no material changes have occurred since the issue date of the respective Chapman Reports 2023 being 28 February and 1 March 2023.

**1.4. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.**

This Prospectus contains selected data on the oil market in Tunisia which has been derived from publicly available sources, including the official website of the Organization of the Petroleum Exporting Countries<sup>3</sup>, U.S. Energy Information Administration<sup>4</sup>, the Statistical Review of World Energy 2022<sup>5</sup>, the ENI-World Energy Review 2022<sup>6</sup>, the IEA – World Energy Outlook 2022<sup>7</sup>, the IEA Oil 2021 – Analysis and forecast to 2026<sup>8</sup>, the IEA Oil Market Report – November 2021<sup>9</sup>, the IEA Oil Market Report – February 2022<sup>10</sup> and the IEA Oil Market Report – December 2022<sup>11</sup> which do not form part of this Prospectus. Such information, data and statistics have been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information, data and statistics may be based on a number of assumptions and estimates and may be subject to rounding.

**1.5. Approval of this Prospectus**

This Prospectus has been approved by the FMA in its capacity as Competent Authority under the KMG 2019 and under the Prospectus Regulation.

The FMA gives no undertaking as to the economic or financial opportuneness of any transaction under this Prospectus or to the quality and solvency of the Issuer but only approves this Prospectus as meeting the standard of completeness, comprehensibility and consistence imposed by the Prospectus Regulation.

The approval by the FMA should not be considered as an endorsement of the Issuer that is the subject of this Prospectus.

**2. STATUTORY AUDITORS**

**2.1. Names and addresses of the Issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).**

The Financial Statements 2021 and 2022 have been audited by Jeffreys Henry LLP, as set forth in their report included therein. Jeffreys Henry LLP with registration number C001108797 in England & Wales is a registered auditor and is regulated in the conduct of its services by the Institute of Chartered Accountants in England & Wales (ICAEW).

The address of Jeffreys Henry LLP is 5 7 Cranwood Street, London EC1V 9EE, United Kingdom. Jeffreys Henry LLP was appointed as the Issuer's statutory auditor on 18 December 2020 for the first time.

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3 Available at: [https://www.opec.org/opec\\_web/en](https://www.opec.org/opec_web/en).

4 Available at: <https://www.eia.gov/international/analysis/country/TUN> for Tunisia.

5 Available at: <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2022-full-report.pdf>.

6 Available at: <https://www.eni.com/assets/documents/eng/topic/global-energy-scenarios/world-energy-review-2022.pdf>.

7 Available at: <https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf>.

8 Available at: [https://iea.blob.core.windows.net/assets/1fa45234-bac5-4d89-a532-768960f99d07/Oil\\_2021-PDF.pdf](https://iea.blob.core.windows.net/assets/1fa45234-bac5-4d89-a532-768960f99d07/Oil_2021-PDF.pdf).

9 Available at: <https://www.iea.org/reports/oil-market-report-november-2021>.

10 Available at: <https://www.iea.org/report/oil-market-report-february-2022>.

11 Available at: <https://www.iea.org/reports/oil-market-report-december-2022>.

For the Financial Statements 2021 and 2022 Jeffreys Henry LLP has confirmed that the group's financial statements give a true and fair view of the state of the group's affairs at the balance sheet date and of its loss or profit for the year then ended. Jeffreys Henry LLP also confirmed that the Financial Statements 2021 and 2022 have been properly prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB").

The interim financial statements 2022/2023 for the six months period ending on 30 September 2022 have not been audited.

**2.2. If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.**

Not applicable.

**3. RISK FACTORS**

For a detailed list of risk factors concerning the Issuer see section IV. RISK FACTORS, subsections 1. to 4. (pages 13-25).

**4. INFORMATION ABOUT THE ISSUER**

**4.1. History and development of the Issuer**

Overview

The Issuer is a corporation domiciled in British Columbia, Canada, and was incorporated and registered as Canoe International Energy Ltd. under the Business Corporations Act (British Columbia) on 20 September 2007 and changed its name to "Zenith Energy Ltd." on 2 October 2014.

The Issuer is the holding company of the Group which engages in the oil production as well as natural gas and electricity production. The Group's operations are carried out through operating subsidiaries. As of the date of this Prospectus, the Group is operating in Italy and in Tunisia.

The main subsidiaries of the Group are:

Canoel Italia S.r.l.

On 11 November 2010, Zenith established Canoel Italia S.r.l. ("**Canoel Italia**") an Italian subsidiary of the Company, in order to enable the Issuer to have an Italian operating entity and thereby have the possibility to be awarded oil and gas production and exploration assets posted for auction by the Italian Ministry for Economic Development. The Issuer owns 98.64 per cent of Canoel Italia. Canoel Italia is specialised in the gas, electricity and condensate production in Italy.

Zenith Energy Congo SA

At the request of the Ministry of Hydrocarbons of the Republic of the Congo, Zenith Energy Congo SA ("**Zenith Congo**"), a fully owned subsidiary of Zenith, has been established on 13 August 2020 under the laws of the Republic of the Congo. The purpose of Zenith Congo was to receive a new 25-year licence to operate the oilfield named Tilapia II (the Congo Licence II) and to conduct any further business activities of the Issuer in the Republic of the Congo. After the successful bid for the award of the new licence as well as the successful inquiry of utility, the final steps would have been the finalization and ratification of a production contract to operate the Tilapia II oilfield as well as the granting of a drilling licence by the Congolese Ministry of Hydrocarbons. Contrary to the expectations the licence to operate the Tilapia II oilfield

has subsequently not been granted to the Group. On 17 February 2023 the Issuer learned that the licence to operate the Tilapia II oilfield has been granted to another company. The Republic of the Congo will therefore not be accessible for the Group.

#### Anglo African Oil & Gas Congo S.A.U.

In spring 2020, the Group acquired the Anglo African Oil & Gas Congo S.A.U. ("**AAOG Congo**"). AAOG Congo is now a fully owned subsidiary of the Issuer. It held a 56 per cent majority interest in the Tilapia oilfield (expired on 18 July 2022), in the Republic of the Congo (Congo Licence I). The other 44 per cent were held through Société Nationale des Pétroles du Congo ("**SNPC**"). Despite a payment amounting to USD 128,000 from SNPC to AAOG Congo in August 2021, due to the production of oil in the Tilapia oilfield under the now expired Congo Licence I, SNPC still owes the Issuer total receivables in the amount of approximately USD 5.7 million. As a result, and in agreement with the Ministry of Hydrocarbons, the Group has terminated the cooperation with SNPC regarding the Tilapia oilfield in August 2020 and returned the operatorship of the Congo Licence I from AAOG Congo to a subsidiary of SNPC. AAOG Congo is no longer operational. After collecting the amount of USD 5.7 million and after the settlement of the ongoing lawsuit described in section VI.11.4 (see pages 63-64) AAOG Congo will be liquidated.

#### Zenith Energy Netherlands B.V.

Zenith Energy Netherlands B.V. ("**Zenith Netherlands**") has its corporate seat in Amsterdam and was incorporated on 8 April 2020. Zenith Energy Netherlands B.V. was incorporated as a fully owned subsidiary of the Issuer to develop the Tunisian market. The efforts by Zenith Netherlands to acquire a working interest of 22.5 per cent in the Sidi El Kilani concession, which contains the Sidi El Kilani oilfield ("**SLK**") was not successful.

On 30 December 2022 the Issuer has entered into a share purchase agreement with Hingbo Industries Company Limited, a company incorporated in Hongkong, which involved the sale of a 51 per cent interest in the share capital of Zenith Netherlands, which at that time had no assets. As a result of the share purchase agreement, the Issuer now holds a 49 per cent interest in Zenith Netherlands.

Zenith Netherlands is currently dormant and has no assets. In the future Zenith Netherlands shall act as sub holding of the Group and Hingbo Industries Company Limited for future investments in international oil and gas assets.

On 3 January 2023, the Issuer announced that Zenith Netherlands has entered into a share purchase agreement with OMV Exploration and Production GmbH ("**OMV E&P**"). OMV E&P intends to sell 100 per cent of its shares in the following Austrian companies: OMV (Yemen Block S 2) Exploration GmbH ("**OMV Block S 2**"), OMV Jordan Block 3 Upstream GmbH ("**OMV Block 3**") and OMV Block 70 Upstream GmbH ("**OMV Block 70**"; together with OMV Block S 2 and OMV Block3 "**OMV Yemen**"), which have working interest in the namesake oil and/or gas block in Yemen.

The total consideration for the acquisition of the shares of OMV Yemen amounts to USD 21,619,000, whereby Zenith Netherlands has already paid a deposit of USD 4,323,800, which shall be credited by OMV to Zenith Netherlands upon completion of the acquisition.

The completion of the acquisition remains conditional on the approval of the competent authorities in Yemen. At the date of this Prospectus, it is not possible to predict whether the competent authorities in Yemen will approve the acquisition respectively when such an approval will be granted.

On 3 January 2023 the Issuer announced that it has concluded a share purchase agreement with Hingbo Industries Company Limited, a company incorporated in Hong Kong, for the sale of 51% of the interest in Zenith Netherlands.

#### Zenith Overseas Assets Holdings Ltd.

On 22 November 2021 Zenith Overseas Assets Holding Ltd. ("**Zenith Overseas**"), a fully owned subsidiary of the Issuer, acquired a 100 percent interest in the share capital of Canadian North Africa Oil & Gas Ltd ("**CNAOG**") from China National Petroleum Corporation ("**CNPC**").

As a result of the agreement, Zenith Overseas through CNAOG holds an undivided 22.5 per cent interest in the Sidi El Kilani Concession in Tunisia covering the Sidi El Kilani oilfield and an area of approx. 204 square kilometres, located onshore in the Pelagian Basin in Eastern Tunisia. The Sidi El Kilani Concession is operated by Compagnie Tuniso – Koweïto Chinoise de Pétrole ("**CTKCP**").

The licence for the Sidi El Kilani Concession expired in December 2022, however, the renewal process has already been initiated. At the date of this Prospectus the approval is pending.

#### Zena Drilling Limited

Zena Drilling Limited ("**Zena**") was incorporated in the United Arab Emirates on 29 July 2017. Zena is a fully owned subsidiary of the Issuer providing international oilfield services.

#### Zenith Energy Africa Limited

On 15 March 2021, Zenith Energy Africa Limited ("**Zenith Africa**"), which was incorporated in March 2021 as a fully owned subsidiary by the Issuer, has entered into a share purchase agreement with Candax Energy Limited ("**Candax**"). This share purchase of a 100 per cent interest in Candax's subsidiary Ecumed Petroleum Zarzis Ltd ("**EPZ**") was completed on 12 May 2021. EPZ holds a 45 per cent interest in the Ezzaouia Concession in Tunisia. As a result, the Issuer now holds a total of 45 per cent working interest in the Ezzaouia concession.

#### Compagnie Du Desert Ltd.

On 15 March 2021, Compagnie Du Desert Ltd. ("**CDD**"), which was incorporated in April 2021 as a fully owned subsidiary by the Issuer, has entered into a share purchase agreement with Candax for the acquisition of 100 per cent of the shares of Candax's subsidiary Ecumed Petroleum Tunisia Ltd ("**EPT**"). The acquisition was completed on 24 March 2021. EPT holds a 100 per cent interest in the El Bibane and Robbana concessions in Tunisia. As a result, the Issuer now holds a 100 per cent working interest in the El Bibane and Robbana concessions.

#### History

Initially, in 2010 the Issuer acquired two oilfields in Argentina. As of June 2011, the Issuer started its operations in Italy by establishing its Italian subsidiary Canoe Italia S.r.l. By August 2013, Zenith's Italian subsidiary started the production of natural gas and natural gas condensate. In October 2015, Zenith purchased a "gas to power" plant, to start producing electricity from its Torrente Cigno concession, in Italy, and announced the beginning of electricity production activities at Torrente Cigno concession following the acquisition of gas-powered electricity generation infrastructure.

In January 2016 the Issuer established a fully owned subsidiary, Zenith Aran Oil Company Limited ("**Zenith Aran**"), to operate in Azerbaijan, soon after that, in March 2016, Zenith announced the signing of Rehabilitation, Exploration, Development and Production Sharing Agreement ("**REDPSA**") with the State Oil Company of the Azerbaijan Republic ("**SOCAR**"). The Parliament of the Republic of Azerbaijan unanimously ratified the REDPSA between SOCAR and Zenith and enacted this agreement into statutory law. By August 2016, Zenith started the production of first oil under the Zenith banner in Azerbaijan following completion of the handover process from SOCAR to Aran Oil Operating Company Limited ("**Aran Oil**"), an entity jointly created and owned by Zenith Aran (80 per cent) and SOCAR (20 per cent).

The Issuer's common share capital was admitted to trading on the Main Market of the London Stock Exchange on 11 January 2017.

In February 2017, Zenith performed divestment of its operations in Argentina. This was a strategic move with the primary intention of directing management focus towards the transformational opportunities in

Azerbaijan and the consolidation of energy production interests in Italy. In addition, due to a series of circumstances beyond the Issuer's control, caused by the collapse of a major storage tank owned by Argentina's national oil company, Zenith's Argentinian operations were suspended. Until the date of disinvestment, the issues affecting the transportation of oil have not been fully resolved and a persisting uncertainty on the recommencement of operations led the Issuer to reconsider the operational involvement in Argentina. The sale of the Group's Argentinian subsidiary was fixed at a nominal sum in recognition of the costs the new owner was expected to incur to return the affected field to production. In addition, the Group was no longer liable for any environmental responsibilities or future well abandonment obligations in regard of the Argentinian wells or fields.

By March 2018, the gross oil production revenues of the Issuer's subsidiary in Azerbaijan peaked since the beginning of operations in the country, with a daily production of 260 barrels of oil a day and due to the higher oil selling price obtained from the market. The Group had been unsuccessful in achieving material increases in its daily production of oil. The primary reasons for not increasing the daily production of oil included the poor condition of many of the Issuer's existing wells, the challenging geology of the Issuer's field, as well as the unreliability of well data and historical records from the Soviet-era which have rendered workovers in some of the Issuer's wells extremely challenging.

On 8 November 2018, the Issuer's common share capital was admitted to trading on the Euronext Growth Market (at that time called the Merkur Market) of the Oslo Børs. The Euronext Growth Market is a multilateral trading facility owned and operated by the Oslo Børs.

On 2 March 2020, the Issuer announced that, in view of Zenith's strategic focus on pursuing large-scale oil production and development opportunities in Africa, it will hand over the Contract Rehabilitation Area to SOCAR. Zenith continued to operate the Contract Rehabilitation Area until the handover of the Contract Rehabilitation Area which was completed during the month of June 2020.

In Spring 2020, the Issuer entered the markets of the Republic of the Congo and Tunisia. Terminating the activities of the Issuer in Azerbaijan had set free financial and operative resources to develop the activities in the new markets Congo and Tunisia.

With effect as of 29 May 2020, the common shares of the Issuer were delisted from the TSX-V (Toronto Stock Exchange-Venture) at the Issuer's request. At the date of this Prospectus, the shares of the Issuer are listed on the Main Market of the London Stock Exchange and the Euronext Growth Market of the Oslo Børs.

During Spring 2021 the Issuer expanded its activities in Tunisia by acquiring a 100 per cent working interest in the Robbana and the El Bibane concessions as well as a 45 per cent working interest in the Ezzaouia concession.

On 22 November 2021, the Group acquired a 22.5. per cent working interest in SLK.

On 15 September 2022, the Issuer submitted an offer for the award of an initial nine-year licence to operate Block 1 containing the Sèmè oilfield, offshore Benin, to the competent Ministry of the Republic of Benin.

As a next step of expansion, on 3 January 2023 the Issuer announced that Zenith Netherlands, in which the Issuer holds a 49 per cent interest, entered into a share purchase agreement with OMV E&P to acquire 100 per cent of OMV E&P's shares in OMV Yemen. The completion of the share purchase agreement is conditional to the approval of the competent authorities in Yemen.

In February 2023, Zenith lost its investments made in the Republic of the Congo because the Ministry of Hydrocarbons of the Republic of the Congo denied the award of the Congo Licence II. As a matter of fact, Congo will not be accessible anymore for the Group.



**4.1.1. The legal and commercial name of the Issuer**

The Issuer's legal and commercial name is ZENITH ENERGY LTD. Commercially the Issuer also acts under the name Zenith.

**4.1.2. The place of registration of the Issuer, its registration number and legal entity identifier ("LEI")**

The Issuer is registered in the British Columbia Corporate Registry and its registered corporation number is BC0803216.

Registered Office

Suite 2400, 745 Thurlow Street  
Vancouver, V6E 0C5, Canada

Head Office

Suite 4000, 421 7th Avenue SW, Calgary, T2P 4K9, Alberta, Canada  
Telephone Number: +1 (587) 315 9031

The LEI of the Issuer is 213800AYTYOYD61S4569.

**4.1.3. The date of incorporation and the length of life of the Issuer, except where the period is indefinite.**

The Issuer is a corporation domiciled in British Columbia, Canada. The Issuer was incorporated and registered as Canoe International Energy Ltd. under the Business Corporations Act (British Columbia) on 20 September 2007 and changed its name to "Zenith Energy Ltd." on 2 October 2014.

**4.1.4. The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.**

The Issuer is incorporated as a private limited company (LTD) in British Columbia, Canada, under the Business Corporations Act (British Columbia) and under the law of British Columbia, with its registered office at Suite 2400, 745 Thurlow Street, Vancouver BC V6E 0C5, Canada, telephone no.: +1(587) 315 9031; email address: [info@zenithenergy.ca](mailto:info@zenithenergy.ca) – [andrea.cattaneo@zenithenergy.ca](mailto:andrea.cattaneo@zenithenergy.ca); website of the Issuer: <https://www.zenithenergy.ca>.

With its registered office in Vancouver, Canada and its head office in Calgary, Canada the Issuer mainly operates under the legislation of British Columbia, Canada and Alberta, Canada. The Issuer has an administrative office in London as well as a representative office in Aden, Republic of Yemen. With its oil and gas operations taking place in Italy and Tunisia, the Issuer also operates under the jurisdictions of the aforementioned countries.

Any information provided on the website of the issuer does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

**4.1.5. Details of any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency.**

*Entering the Tunisian market*

In spring 2020, the Group entered the oil market in Tunisia and since then it has continuously extended its production in this country. Between March 2021 and date of this Prospectus the Issuer has acquired a 45 per cent interest in the Ezzaouia concession, a 100 per cent working interest in the Robbana and El Bibane concessions as well as a 22.5 per cent working interest in the Sidi El Kilani oilfield by acquiring a 100 per cent interest in CNAOG. The concession for the Sidi El Kilani oilfield expired in December 2022; the proceeding to renew the concession is currently still pending.

*Offer for Sèmè Field in Benin*

On 15 September 2022, the Issuer submitted an offer for the award of an initial nine-year licence to operate Block 1 containing the Sèmè oilfield, offshore Benin, to the competent Ministry of the Republic of Benin.

On 10 January 2023 the Ministry of Water and Mines of the Republic of Benin has guaranteed Zenith exclusivity for a period of three months to negotiate and finalize the terms of a production sharing agreement for Block 1 containing the Sèmè oilfield, offshore Benin.

Block-1 of the Sèmè oilfield is situated in shallow water (30 metres) offshore with additional onshore facilities and a tank farm for processing of oil production. 23 wells have been drilled in Block-1, whereas the last well has been drilled in 2009. Block-1 was operated most recently in 1998 with a production rate of approximately 2,000 barrels of oil per day.

*End of operations in the Republic of the Congo*

In February 2023, the Congo Licence II has not been granted to Zenith Congo, so that the Republic of the Congo will not be accessible anymore for the Group.

*Entering the market of the Republic of Yemen*

In January 2023, the Issuer announced its interest in entering the oil market in the Republic of Yemen through Zenith Netherlands, in which the Issuer holds a 49 per cent interest. For that reason, Zenith Netherlands has concluded a share purchase agreement to acquire 100 per cent of the share capital of OMV Yemen. The closing of the transaction between OMV and Zenith Netherlands is subject to the approval of the competent authorities in Yemen. At the date of this Prospectus, it is not possible to predict whether the competent authorities in Yemen will approve the acquisition respectively at which date such an approval could be granted. Thus, the Issuer has not yet commenced its operational activities in the Republic of Yemen at the date of this Prospectus.

**4.1.6. Credit ratings assigned to an Issuer at the request or with the cooperation of the Issuer in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.**

On 6 January 2023, BCRA Credit Rating Agency AD (BCRA Ratings) upgraded the long-term debt issuer credit rating of Zenith from "B with Positive Outlook" to "B+ with Stable Outlook", based on the large increases in sales revenues and the expansion of assets portfolio through the recent acquisition of OMV Yemen, and the potential acquisition in Benin. According to BCRA Ratings, the stable outlook reflects the progress the group has achieved in building a well-balanced portfolio of assets with untapped reserves and existing production, as well as the expectations for a sustained high energy prices climate, supporting the growth of revenues.

On 1 November 2021, Rating-Agentur Expert RA GmbH upgraded the debt issuer credit rating of Zenith from "B- with a Developing Outlook" to "B with a Stable Outlook", based on the complete change in strategy by expanding its production in Tunisia through different subsidiaries and concessions.

Both BCRA Ratings and Rating-Agentur Expert RA GmbH are European credit rating agencies, registered with the European Securities and Markets Authority.

For the risk related to the date of these ratings see the risk factor "*Negative impacts of the current rating or any potential future worsened rating of the Issuer may occur, which worsen the possibility of the Issuer to find new investors and to secure a sufficient financing of its operations*" in section IV. RISK FACTORS on page 14.

#### **4.1.7. Information on the material changes in the Issuer's borrowing and funding structure since the last financial year.**

- a) On 26 May 2021, the Issuer entered into a loan agreement with a duration of six months with Winance, a Dubai registered single-family office, for a total of EUR 2.1 million. The Issuer was entitled to repay the loan either in cash or by utilising new common share of no-par value. 100,000,000 common share have been issued to Winance in May 2021. On 5 October 2021, the Issuer issued further 3,953,708 new common shares of no-par value at a price of NOK 0.1266 and allotted them to Winance.

On 6 December 2021 the Issuer entered into a supplementary loan agreement with Winance for a total of EUR 3 million. 80,000,000 new common shares of no-par value have been issued to Winance at a price of NOK 0.12 (equalling EUR 0.01). Due to an immediate drawdown of EUR 1,000,000 of the loan, the Issuer has issued 55,176,667 million warrants with a duration of two years to Winance.

On 3 May 2022 the Issuer has made a final repayment amounting to EUR 650,000 to fully settle its liabilities from the two above mentioned loan agreements with Winance.

- b) On 10 May 2022, the Issuer entered into a non-convertible loan agreement with a duration of ten months with a financial institution for a total of EUR 1,300,000 million. In connection with the loan agreement the Issuer has issued (i) 85 million share purchase warrants to acquire one common share for each warrant at an exercise price of NOK 0.20 and (ii) 85 million share purchase warrants to acquire one common share for each warrant at an exercise price of NOK 0.25. The warrants have a duration of 10 months.
- c) On 18 January 2022, CNAOG has obtained a 2,400,000 USD loan from the Union Internationale des Banques (UIB), which is unsecured and bears fixed interest at Libor +2.5 per cent per annum. The scheduled repayment date is 31 December 2023.
- d) Between May and September 2022, the Issuer has issued the following tranches under the Programme, which have been included to trading on the Vienna MTF of the Vienna Stock Exchange:
- Series No.5: EUR 5,000,000 bearing an interest of 10.125 per cent per year (ISIN: XS2478298909);
  - Series No.6: GBP 3,000,000 bearing an interest of 10.50 per cent per year. (ISIN: XS2478299030);
  - Series No.7: USD 3,000,000 bearing an interest of 10.375 per cent per year. (ISIN: XS2478299113).
- e) On 28 February 2023, the Issuer completed a capital increase in the United Kingdom and in Norway and issued 437,728,088 new common shares of no-par value (378,931,792 common share in Norway and 46,296,296 in the United Kingdom) at a price of NOK 0.067 in Norway and 0.0054 GBP in the United Kingdom per share and raised gross proceeds of GBP 2,300,000 or NOK 28,484,580 (equalling EUR 2,623,150). Applications for the admission of the issued share to trading on the Euronext Growth Market of the Oslo Børs as well as the London Stock Exchange Main Market have already been made. The proceeds shall be used to fund the following activities of the Group:

- Negotiation and intended finalization of a Production Sharing Contract for Block 1, Sèmè oilfield in Benin;
- Technical and managerial appointments in view of planned operations in Yemen;
- Funding for the development of the Issuer's Tunisian oil and Italian natural gas production portfolio;
- Business development activities in Africa and the Middle East and
- General working capital.

Considering the aforementioned capital increases, the Issuer has now 2,310,302,537 common shares in issue and admitted to trading as follows:

<b>Class of share</b>	<b>Total number of shares</b>	<b>Number of voting rights per share</b>	<b>Total number of voting rights per class of share</b>
Common shares admitted to trading on the Euronext Growth Market of the Oslo Børs	1,931,370,745	1	1,931,370,745
Common shares admitted to trading on the Main Market of the London Stock Exchange	2,310,302,537	1	2,310,302,537

#### **4.1.8. Description of the expected financing of the Issuer's activities**

The Issuer is required to raise additional funds continuously to continue developing its oil and gas projects predominantly in Africa, to monetize assets as stated in the Chapman Reports 2023. The funding can be realized by equity or by issuance of third-party debt.

To reach the production capacities as listed in the Chapman Reports 2023, further capital in the amount of approx. USD 1.5 million will be required to invest in Italy. In Tunisia, no additional capital is required given that the development can be financed by cash flow.

The following steps are required in order to reach the production capacities as listed in the Chapman Reports 2023:

##### Action required in Tunisia:

1. After the consultation of its partner, Entreprise Tunisienne d'Activités Pétrolières ("ETAP"), the Issuer has decided to perform sidetracks in two non-producing wells of the Ezzaouia concession. The first side-track will be performed in well EZZ-18. The drilling programme is currently finalized with ETAP. The second side-track has not yet been determined. The described drilling activities will be financed by the Group's working capital resulting from local production.
2. With reference to the Robbana concession the Issuer completed a workover of the Robbana-1 well in June 2022, which is currently producing at a rate of approximately 30 barrels of oil per day. In summer 2022 the Issuer has selected the well location for the drilling of the Robbana-3-well, whereby the drilling activities will be conducted during the calendar year 2023 and will be funded by the Group's existing cash reserves.
3. The Issuer Zenith has already obtained market quotations for the required intervention of well EBB-3 to restore production from well EBB-3 of the El-Bibane concession. The intervention would amount to approximately USD 3.5 million. In the event of a successful well intervention in EBB-3, the Issuer expects to produce approximately 500 barrels of oil per day from El Bibane.

#### Action required in Italy:

1. The Issuer plans to drill an offset horizontal well (Masseria Vincelli 2) under the Torrente Cigno concession in the year 2023, when the Issuer expects current production to have fallen to uneconomic levels. The drilling will require four months of work and an investment of approximately EUR 6 million, to be shared between the partners. Out of this amount, the investment of the Issuer should amount to approx. EUR 2.5 million, and a decision as to how to fund this will be made closer to the time – but will likely be financed from the proceeds for Notes issued under this Programme.
2. The Issuer plans to reactivate the Sant'Andrea natural gas production concession, in which the Issuer holds a 40 per cent working interest. The Issuer will bear the full costs of approximately EUR 20,000 for the reactivation of the concession. After the finalization of the administrative obstacles, the Issuer expects to commence production during the first quarter of the calendar year 2023.
3. The Masseria Grottavecchia Concession is currently not producing. Due to the increased revenue generations from its Italian energy production operations, the Issuer intends to construct a natural gas treatment plant at the surface of the concession for an amount of approximately EUR 900,000.
4. The Issuer also intends to reactive the currently non-producing San Teodoro concession and to re-complete the existing ST-1D-well and has budgeted approximately EUR 600,000 to fund the well intervention as well as to fund the installation of new natural gas treatment infrastructure.

All the development and production plans are certainly deeply influenced by the success of drilling, the existence of estimated reserves and the presence or absence of structural impediments, geological and operational risks that are inherent in the oil & gas industry.

#### Financing through equity injections

In the recent past, the Issuer carried out different equity placings to fund the purchase of production licences and their development (see section VI. 4.1.7., pages 37-38).

#### Financing through the issuance of third-party debt

To avoid the risk of the excessive dilution of the share capital and the investment of existing shareholders, the Issuer in 2019 has set up a EUR 25,000,000 Euro Medium Term Note Programme to issue Notes to finance its operations. With resolution of the Executive Board of the Issuer dated 22 February 2023 the maximum aggregate principal amount of all Notes at any one time outstanding under the Programme was increased from EUR 25,000,000 to EUR 50,000,000. As per 15 March 2023, Zenith has issued the following Notes under the EUR 50,000,000 Euro Medium Term Note Programme, denominated in four different currencies (EUR, GBP, USD and CHF):

Currency	Quantity	EUR equivalent as of 15 March 2023	ISIN
EUR	1,996,000	-	XS2108546735
	5,000,000	-	XS2478298909
GBP	2,300,000	2,609,488	XS2108546578
	3,000,000	3,403,680	XS2478299030
USD	7,620,000	7,109,216	XS2108546651
	3,000,000	2,798,904	XS2478299113
CHF	30,000	30,646	XS2108546818

*Source: Internal information of the Issuer as of the date of this Prospectus.*

As of the date of this Prospectus the Issuer has sold notes in the nominal amount of approx. EUR 13.7 million.

## 5. BUSINESS OVERVIEW

### 5.1. Principal activities

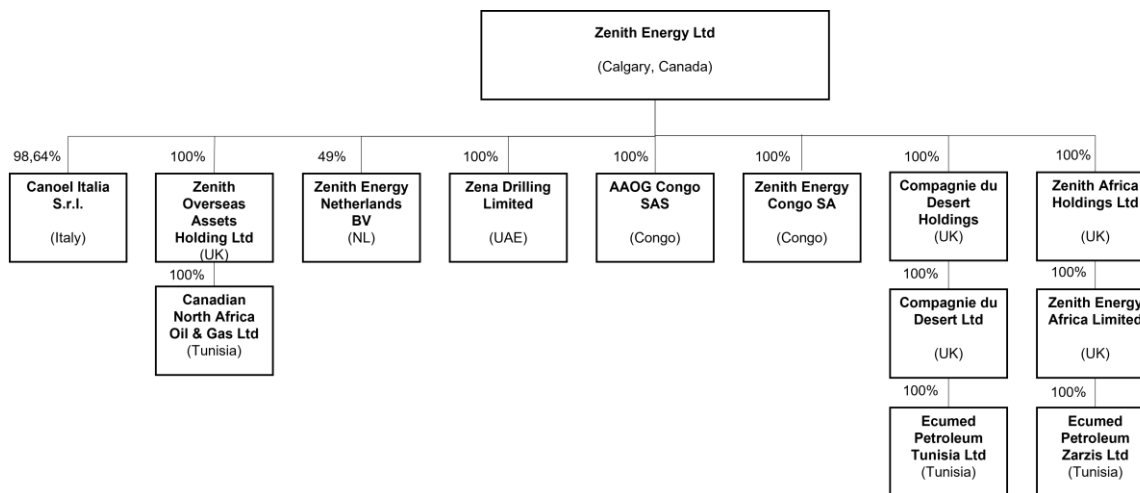
The Issuer is a holding company with a number of subsidiary companies which include a variety of different projects in Italy and Tunisia (since spring 2020). Until the end of June 2020, the Issuer was also invested in Azerbaijan. In February 2023 the Issuer terminated its operations in the Republic of the Congo. The business of the Issuer is the oil and gas exploration, development and production.

The articles of association of the Issuer contain no restrictions on the Issuer's principal objects or the type of business that may be carried out by the Issuer.

#### 5.1.1. Organisational structures of the Group

The Issuer as the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Issuer.

Below an organization chart of the Group is shown, which includes the main subsidiaries relevant for its operations:



*Source: Internal information of the Issuer as of the date of this Prospectus.*

#### 5.1.2. The Business

The Group has a portfolio of producing and not producing gas assets in Italy. In spring 2020, the Issuer has entered the markets of the Republic of the Congo and Tunisia and has terminated its activities in Azerbaijan with effect as of the end of June 2020 (see subsection "History" in section VI.4.1. pages 33-34). Terminating the activities of the Issuer in Azerbaijan has set free financial and operative resources to develop the activities in the new markets in the Republic of the Congo and Tunisia. The Group is currently developing oil producing opportunities in the Republic of Benin and the Republic of Yemen. Due to the fact, that the Zenith Congo has not been awarded with a new 25-year licence for the operation of Tilapia II oilfield, the Issuer is not operating in the Republic of the Congo anymore.

The strategy of the Group is to diversify its operations by engaging its own assets for the exploration as well as by finding and opening new exploration sites.

### 5.1.2.1. Group operations in Italy

In 2020, the Italian natural gas production amounted to 3.2 billion cubic metres (*Source*: bp Statistical Review of World Energy 2022, page 29)<sup>12</sup>. The Group produces approximately 400,000 cubic metres of natural gas per year that is sold to third parties and not used onsite to produce electricity.

In Italy, the Group owns various working interests in 13 onshore exploration and production properties. The Group operations in Italy are carried out by its subsidiary Canoe Italia S.r.l. After a periodic review of the technical and financial capabilities of Canoe Italia S.r.l. conducted by the Italian Ministry of Environment and Energy Security, the ministry confirmed that Canoe Italia meets the required standards to operate in Italy.

As of the date of this Prospectus, three of the 13 onshore exploration and production properties are active and producing. The Group's assets in Italy comprise:

- six operated onshore gas production concessions (two of them are active and producing),
- three non-operated onshore gas production concessions (one of them is active and producing),
- one operated exploration permit,
- one non-operated exploration permit and
- two exploration permit applications.

On the operated gas production concessions and exploration permits, the Group is the operator of the concession or permit. Being an operator in a concession means that the Group organizes all the production and maintenance operations, assuming the risks and paying all the related costs, which will be reimbursed by the partners according to their working interest.

On the non-operated gas production concessions and exploration permits, the Group is not the operator of the concession or permit. A third party serves as the operator and takes care of the daily business; the Group is only involved with its working interest.

The production and exploration properties comprise the following concessions, permits and applications:

(a) two operated onshore gas production concessions which are currently producing:

1. *Torrente Cigno*: The Issuer owns a 45 per cent working interest in the Torrente Cigno gas concession covering approximately 2,545 acres. The Issuer owns a 100 per cent working interest in an electrical generation facility which utilizes gas from wells in this concession. From 1 October 2015, the Issuer has used the gas produced to generate electricity which is sold directly to the national electrical grid in Italy. During the month of December 2022, the Issuer produced a total of approximately 1,025 megawatt hours at the Torrente Cigno Concession.

This concession is scheduled to expire in 2029. There is an additional horizontal location in Torrente Cigno concession, which is expected to be drilled in 2025.

2. *Misano Adriatico*: The Issuer owns a 100 per cent working interest in the Misano Adriatico gas concession covering approximately 642 acres.

This concession is scheduled to expire in 2030.

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<sup>12</sup> Available at <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2022-full-report.pdf>

(b) four operated onshore gas production concessions which are currently not producing:

1. *Masseria Grottavecchia*: The Issuer owns a 20 per cent working interest in the Masseria Grottavecchia gas concession covering approximately 13,160 acres. This concession is currently not producing.

The Issuer is planning to make infrastructural investments in this concession for an amount of approximately EUR 900,000 in order to construct a natural gas treatment plant. Initial production is expected to be approximately 5,000 to 10,000 cubic metres of natural gas per day.

The concession is scheduled to expire in 2028.

2. *San Teodoro*: The Issuer owns a 100 per cent working interest in the San Teodoro gas concession covering approximately 14,640 acres. This concession is currently not producing.

The Issuer is planning to re-complete the existing well named San Teodoro 1 Dir A and has budgeted an amount of EUR 600,000 for the intervention of the well and the installation of new natural gas treatment infrastructure. A production of up to 10,000 cubic meters of natural gas is expected in the event of a successful recompletion of the well.

This concession is scheduled to expire in 2029.

3. *Sant'Andrea*: The Issuer owns a 40 per cent working interest in the Sant'Andrea gas concession covering approximately 40,605 acres. This concession is currently not producing. Two wells have been drilled within the concession, namely S. Antonio-1 and Anzano-1. The Issuer plans to reactivate the S. Antonio-1 well, with an expected initial production rate of 1,300 cubic metres of natural gas per day. Since the Issuer's partners in Sant'Andrea have communicated that they do not intend to fund the reactivation of the concession, the Issuer will receive full entitlement to the production revenue as well as bearing the full costs associated with reactivation of the Concession. The Issuer expects production to commence during the year 2023.

This concession is scheduled to expire in 2027.

4. *Masseria Petrilli*: The Issuer owns a 50 per cent working interest in the Masseria Petrilli gas concession covering approximately 29,227 acres. The Masseria Petrilli gas concession was run through a joint venture. The Issuer acted as the operator; the other partner of the joint venture was Gas Plus Italiana S.r.l. ("**Gas Plus**"). The joint venture is currently not producing and does currently not have a concession to produce natural gas in the Masseria Petrilli field, because in 2019 the joint venture decided to return the concession and to stop operations.

(c) one non-operated onshore gas production concessions which is currently producing:

1. *San Mauro*: The Issuer owns an 18 per cent working interest in the San Mauro gas concession covering approximately 6,257 acres. Because of its small reserves, the San Mauro gas concession is not included in the Chapman Report 2023 – Italy. The Issuer can therefore not estimate for how long the San Mauro gas concession will carry on producing.

This concession is scheduled to expire in 2028.

(d) two non-operated onshore gas production concessions which are currently not producing:

1. *Masseria Acquasalsa*: The Issuer owns an 8.8 per cent working interest in the Masseria Acquasalsa gas concession covering approximately 10,200 acres. The Masseria Acquasalsa gas concession was



run through a joint venture.<sup>13</sup> This concession is not producing anymore, because the joint venture decided in 2018 to return the concession and to stop operations.

2. *Lucera*: The Issuer owns a 13.6 per cent working interest in the Lucera gas concession covering approximately 13,361 acres. This concession is currently not producing.

(e) one operated exploration permit (not yet developed):

The Issuer owns a 57.15 per cent working interest in the Montalbano gas concession. This site has not yet been developed. The Issuer expects reserves on this site. In order to make this site capable of production, it must be developed which means that significant expenditures (exceeding the cost of drilling wells) are required.

(f) one non-operated exploration permit (not yet developed):

The Issuer owns a 25 per cent working interest in the Colle dei Nidi gas concession. This site has not yet been developed. The Issuer expects reserves on this site. In order to make this site capable of production, it must be developed which means that significant expenditures (exceeding the cost of drilling wells) are required.

(e) two pending applications for exploration permits:

The issuer has two pending applications for the granting of exploration permits in the Serra dei Gatti (100 per cent working interest) and Villa Carbone (50 per cent working interest) gas concessions.

The Group's estimated total gas reserves (i.e. proved reserves plus probable reserves) at the Lucera (currently not producing), Misano Adriatico (active and producing) and Torrente Cigno (active and producing) concessions were assessed at 15,801 million of standard cubic feet ("MMmscf") as of 1 April 2023. (*Source*: Chapman Report 2023 – Italy, page 26).

#### Royalties and taxes in Italy

In Italy, for onshore permits, the state royalty for both oil and gas is a maximum of 10 per cent, with a provision that no royalties will be paid on yearly production less than 125,000 bbls of oil and 700 MMscf of gas, per field (or approximately 340 bbls/d and 1.9 MMscf/d) (*Art.19 of Italian Legislative Decree 25 November 1996, n. 625*). In Italy, the corporate tax is a maximum of 28 per cent and there are no restrictions on repatriation of profits (*Decree of the President of the Republic n. 917/1986*).

#### **5.1.2.2. Group operations in Tunisia**

##### SLK concession

On 8 September 2020, Zenith Netherlands signed an agreement with CNPCI to acquire a working interest of 22.5 per cent in the Sidi El Kilani concession. The efforts of the Issuer to acquire said working interest were unsuccessful and this lead is no longer followed.

On 22 November 2021 Zenith Overseas acquired a 100 per cent interest in the share capital of CNAOG, which holds a 22.5 per cent working interest in the Sidi El Kilani concession from CNPCI.

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<sup>13</sup> The Issuer holds an interest of 8.8 per cent in the joint venture; Gas Plus holds an interest of 46.03 per cent and acted as operator; Edison Italia S.r.L. holds the remaining 45.17 per cent.

The total consideration for this acquisition amounted to USD 1,658,680. Together with the ownership over CNAOG, Zenith also took over crude oil produced from the concession and allocated to and received by CNAOG in the amount of approximately 30,000 barrels.

The licence for the Sidi El Kilani Concession expired in December 2022, however, the Issuer has already started the renewal process.

The current production from the SLK concession as a whole is averaging 480 STB/d from nine wells. This amounts to a production of approximately 108 STB/d attributable to the Issuer's 22.5 per cent working interest.

#### Ezzaouia concession

On 24 March 2021, Zenith acquired through its fully owned subsidiary Zenith Energy Africa Limited 100 per cent of the issued share capital of Ecumed Petroleum Zarzis Ltd ("**EPZ**") from Candax Energy Ltd. EPZ holds a 45 per cent interest in the Ezzaouia concession.

The amount paid by Zenith amounted to USD 150,000. In addition, a royalty of USD 0.35 per each barrel of hydrocarbons produced, with the royalty not to be less than USD 50,000 per year is payable by EPZ over a period of 10 years.

The Ezzaouia concession is comprised of 9,884 acres of land and is located at the Zarzis peninsula, south of the island of Djerba in the southern Gulf of Gabes and is operated by MARETAP, a joint operating company owned in partnership with the national oil company of Tunisia called ETAP. ETAP holds the remaining 55 per cent interest in Ezzaouia.

The current production from the Ezzaouia concession as a whole is averaging 480 STB/d from nine wells. This amounts to a production of approximately 216 STB/d attributable to the Issuer's 45 per cent working interest.

An application has been submitted by ETAP and Zenith Africa for a new 20-year concession for Ezzaouia. The new Concession is currently awaiting parliamentary approval.

#### Robbana and El Bibane concessions

In May 2021, Zenith completed another acquisition in Tunisia. Through its fully owned subsidiary Compagnie Du Desert Ltd, Zenith acquired a 100 per cent interest in the fully owned subsidiary of Candax called Ecumed Petroleum Tunisia Ltd ("**EPT**"). As a result, the Issuer now holds a 100 per cent working interest in the El Bibane and Robbana concessions. The terms of the acquisition included a total consideration of approximately USD 200,000 in the form of assumption of debt.

The **El Bibane** concession is located 16 kilometres offshore from the port of Zarzis in the Gulf of Gabes and covers an area of approximately 228 square kilometres in approximately 7 to 8 metres water depth. The reservoir is located in the Cretaceous Zebbag fractured dolomite formation at approximately 2,150 meters below surface.

A total of three wells are active, of which EBB-5 is the only one currently producing at a rate of 80 to 100 STB/d with 5.5 to 6 MMScf/d of natural gas, which is being processed for the recovery of 77 to 84 barrels of condensate per day (14 barrels/MMScf). The processed natural gas is re-injected into the formation via well EBB-4.

A well intervention is being studied in well EBB-3, with the objective of restoring production for the El Bibane at a rate of a total of 500 bbl/d. To restore production from well EBB-3 an amount of approximately USD 3.5 million will be necessary.

The El Bibane concession is scheduled to expire on 31 December 2033.

The **Robbana** concession is located onshore on the island of Djerba in the southern Gulf of Gabes and covers 48 square kilometres. Zenith has successfully completed the workover of ROB-1 and expects to begin drilling activities in Robbana during the first quarter of 2023. The Robbana concession is scheduled to expire on 4 November 2034.

The Issuer currently produces a net amount of up to 425 STB/d and about 75 barrels and condensate per day in Tunisia.

### **5.1.3. Market Overview**

The Group operates in the gas and oil industry in Italy and Tunisia. An overview of the global energy market and oil price as well as a closer look on the oil and gas industry in Italy respectively the oil industry in Tunisia are illustrated below.

#### **5.1.3.1. The global energy market**

The world energy consumption has seen a steady increase since the industrial revolution and is expected to continue to do so in the years to come. Fossil fuels continue to supply about 80 per cent of the world's energy<sup>14</sup> of which around 30 per cent is oil, according to the bp Statistical Review of World Energy 2022 in June 2022. In 2021 oil remains the most used in the energy mix. (*Source*: bp Statistical Review of World Energy 2022, pages 9 and 10)<sup>15</sup>

The world consumption of primary energy – including oil, natural gas, coal, hydroelectricity, nuclear and other renewable energy – grew by 31 exajoules in 2021, which remarked the largest increase in history and was more than reversing the sharp decline seen in 2020, according to the bp Statistical Review of World Energy 2022<sup>16</sup>. The increase in primary energy in 2021 was driven by emerging economies, which increased by 13 exajoules, with China expanding by 10 exajoules.

#### **5.1.3.2. The oil price**

Oil prices traded at all-time high levels (in terms of annual average) for the most of 2011, 2012, 2013 and the first half of 2014. The Brent oil price stayed commonly in a range of USD 100-125/bbl. However, since the summer of 2014, oil prices have declined steeply, and Brent reached USD 28/bbl in mid-January 2016. The price decline was a result of high oil prices for an extended period of time, which helped unlock technological breakthroughs in US onshore production, combined with relatively weak global oil demand growth and the return of Libyan production. The prolonged oil crisis resulted in a reduction in upstream investment in 2015 and 2016, respectively 25 per cent and 26 per cent, according to the IEA 2018 Oil Information Overview. This was the first occurrence of two consecutive years of declining investments since the 1980s. In 2016, oil prices remained low and were strongly affected by resilient US producers. The oil price began creeping upwards during 2017 and the Brent oil price reached the USD 60/bbl mark during the third quarter. IEA's World Energy Report 2017 highlights underinvestment in conventional projects and the possibility for a shortfall of new supply post-2020.

The situation for oil markets today could hardly be compared with the situation as it was in the year 2020. Three and two years ago, lockdowns imposed in response to the COVID-19 pandemic caused a huge oversupply of oil, leading prices to collapse to an average of USD 44/bbl. The situation has completely changed over the course of the last 3 years. Today, global supply is struggling to keep pace with demand, with many producers bumping up against capacity constraints and Russia's invasion of Ukraine sharply

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14 Available at: <https://www.eiu.com/n/energy-transition-will-move-slowly-over-the-next-decade/>.

15 Available at <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2022-full-report.pdf>.

16 Available at <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2022-full-report.pdf>.

accentuating market tightness. As a result of all difficulties oil prices have increased to an average of approximately USD 105/bbl in 2022. (*Source*: IEA World Energy Outlook 2022, page 328)<sup>17</sup>.

Measures to restrain the spread of Covid-19 and the ensuing recession triggered an estimated 8.5 mb/d (8.8 per cent) drop in oil demand in 2020 – the largest ever decline in both absolute and relative terms.<sup>18</sup> The consumption of oil fell in the calendar year 2020 to a total amount of 91.92 mb/d. The improving economic environment in the year 2021 supported a rebound in global oil demand of 5.6 mb/d, which led to a worldwide consumption of 97.56 mb/d. Despite the rebound, demand across 2021 remains 2.9 per cent below 2019 levels.

Due to the increasingly higher demands and the resulting energy crisis in the fall of the year 2021 the crude oil prices hit a seven-year high in early October 2021 boosted by energy supply concern and continued oil stock draw. During November 2021 the situation improved again, so that benchmark crude prices were easing as a result. Brent crude futures were trading around USD 81/bbl, down from a high of more than USD 86/bbl in October. On physical markets, North Sea Dated prices rose in October by USD 9.15/bbl m-o-m to USD 83.54/bbl and West Texas Intermediate WTI at Cushing by USD 9.79/bbl to USD 81.96/bbl.<sup>19</sup> On 26 November 2021 oil prices suffered one of the largest ever one-day plunges, crashing more than 11 per cent as a new coronavirus strain sparked fears that renewed lockdowns will hurt global demand. The Brent crude settled down USD 9.50 to USD 72.72 a barrel, corresponding to a weekly decline of more than 8 per cent. The U.S. West Texas Intermediate (WTI) crude settled down USD 10.24 to USD 68.15 a barrel, declining more than 10.4 per cent.<sup>20</sup>

Since the beginning of 2022, oil prices have increased sharply. Driven by an economic growth increasing demand for oil, geopolitical tensions between Russia and the Ukraine and increased instability in the Middle East as well as limited oil supply<sup>21</sup>, the oil prices have risen in 2022. The escalation of the Russia-Ukraine conflict in the end of February 2022 amplified this development and resulted in a jump of the oil price to more than USD 110 a barrel.

The oil price reached its peak with USD 123.70/bbl on 8 March 2022. This trend with oil prices over USD 100/bbl continued until July 2022. Despite the ongoing war in the Ukraine and applied sanctions over Russia, these trends were reversed as of the end of July. Between July 2022 and 12 January 2023, the Brent crude oil price decreased to approximately USD 78.2/bbl, which corresponds to a decline of approximately 28 per cent.

According to IEA-report "Oil Market Report – December 2022", the world oil demand and supply in December stood at 100.8 mb/d in the fourth quarter of 2022.<sup>22</sup> Despite growing pressures and uncertainties, global oil demand is set to increase by 2.2 mb/d in 2023.<sup>23</sup>

As evidenced by the oil crisis and recent market developments, the oil price is highly dependent on the current and expected future supply and demand of oil. In addition, the oil price is influenced by global macroeconomic conditions and may experience material fluctuations on the basis of economic indicators, material economic events and geopolitical events. Historically, oil prices have also been heavily influenced

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17 Available at <https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf>.

18 Available at <https://www.iea.org/reports/global-energy-review-2021/oil>.

19 Available at <https://www.iea.org/reports/oil-market-report-november-2021> and <https://www.iea.org/reports/oil-market-report-october-2021>.

20 Available at <https://www.reuters.com/markets/commodities/oil-skids-concerns-rising-surplus-q1-2021-11-26/> and <https://tradingeconomics.com/commodity/crude-oil>.

21 Available at: <https://www.weforum.org/agenda/2022/02/why-oil-prices-matter-to-global-economy-expert-explains/>.

22 Available at <https://www.iea.org/reports/oil-market-report-december-2022> and <https://iea.blob.core.windows.net/assets/830fe099-5530-48f2-a7c1-11f35d510983/WorldEnergyOutlook2022.pdf>.

23 Available at <https://momr.opec.org/pdf-download/>.

by organizational and national policies, most significantly the implementation of OPEC and subsequent production policies announced by the organization.

Despite the worldwide focus on renewable energies, it is expected that global oil demand – undeterred by the high oil prices - surpasses 2019 levels by 2023.

### **5.1.3.3. Overview of the oil and gas industry in Italy**

Italy produces small volumes of natural gas and oil and virtually no coal. Therefore, most of the country's fossil-fuel supplies (as well as a significant share of its electricity) are imported. They are augmented by local production of energy from renewable sources resulting in an increasing local dependence on imports in recent years.

#### *Regulation of the oil and gas industry in Italy*

Italy has liberalised its electricity and gas sectors progressively in conformance with EU directives. Transmission and distribution of natural gas and electricity have been unbundled and a regulator, *Autorità per l'Energia Elettrica e il Gas*, set up to supervise access to networks and to regulate tariffs.

The Italian oil market is fully liberalised, and the Italian Government intervenes only to protect competition or to prevent an abuse of a dominant position.

#### *Prices, taxes and support mechanisms in Italy*

The prices of all forms of energy except electricity are set freely by the market. Additionally, electricity and gas productions are exempt from VAT for producers, except for the final seller to consumers. Gas consumers have a choice of supply from incumbent suppliers at regulated tariffs or from alternative suppliers at market rates. The choice is non-binding and consumers can change from one service to another at no additional costs.

In Italy, for onshore permits, the state royalty on production of both oil and gas is a maximum of 10 per cent, with a provision that no royalties are paid on yearly production below 125,000 barrels –"bbls" of oil and approximately 700 MMscf of gas, per field (or approximately 340 bbls/d and 1.9 MMscf/d). At the present time, the Group does not pay any state royalties since all its producing fields fall below the minimum royalty threshold.

### **5.1.3.4. Overview of the oil industry in Tunisia**

Tunisia is a relatively small hydrocarbon producer. Production of petroleum and other liquids has been steadily declining from its peak of 120,000 barrels per day (bbl/d) in the mid-1980s to 37,000 bbl/d in 2020. In comparison to the calendar year 2020 the oil production has slightly increased to 45,000 bbl/d. (*Source*: bp Statistical Review of World Energy 2022, page 17)<sup>24</sup>

Plans to increase oil and gas production have been hampered by employment-related protests. Some foreign investors have also experienced delays in getting oil and gas development plans approved by Tunisia's parliament, which has pushed back the anticipated start dates for new production. The main foreign companies operating in Tunisia are the United Kingdom's BG Group, Italy's Eni, and Austria's OMV.

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<sup>24</sup> Available at <https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2022-full-report.pdf>.

### *Law and Practice*

The Ministry of Energy and Mines (currently attached to the Minister of Industry and Small and Medium Sized Enterprises (MI) is the authority in Tunisia responsible for the supervision of the hydrocarbons sector and granting permits. The General Directorate for Hydrocarbons ("DGH") is the body in charge of implementing the states policies in hydrocarbons field.

Entreprise Tunisienne d'Activités Pétrolières ("ETAP") is the national oil company in Tunisia. ETAP participates in all prospecting and research permits as these permits can only be granted in association with it.

Tunisian Hydrocarbon's framework varies from a petroleum title to another depending on the date of its granting and the tax and legal treatment that the title holder has elected for the implementation of its title.

#### The Hydrocarbons Code

Under the Hydrocarbon Code that governs hydrocarbon prospecting, exploration and production, the Tunisian State owns petroleum reserves. Exploration permits are only granted for applicants acting in association with ETAP. The terms and conditions of related operations are specified in a provisional agreement between the Tunisian State, ETAP and the contractor. Exploration and exploitation conditions are further detailed in a joint venture contract or a production sharing contract. (*Source: internal information of the Issuer*)

The Issuer's Tunisian asset is covered by a joint venture contract, under which ETAP and the Issuer are co-holders of the exploration permit and exploitation concession.

### *Foreign Investment*

International and local investors are treated on an equal footing. The incentives applicable for upstream operations are as follows.

Private investors are entitled to repatriate the hydrocarbons export proceeds in compliance with exchange law and can freely transfer dividends abroad.

Any foreign investor has also the right to repatriate profits and actual net proceeds from sale of capital invested in foreign currency, even if the amount is greater than the initial investment. They can also freely carry out transfers related to research, prospection and exploitation activity in compliance with the exchange regime annexed to the special agreement.

Foreign private investors benefit also from advantages related to the import (without the completion of foreign trade formalities) of equipment and vehicles necessary for the activity. This facilitates the intended transport of heavy drilling equipment of the Issuer from its terminated operations in Azerbaijan to Tunisia, because the possible taxes to be paid on the import will be calculated at a lower rate than a normal import.

In case of dispute a foreign investor can resort to international arbitration.

### *Oil Reserves in Tunisia*

Tunisia holds 425 million barrels of proven oil reserves as of 31 December 2021 and is accounting for less than 0.05 per cent of the world's total oil reserves of approx. 1,730,000 million barrels. (*Source: ENI World Energy Review, page 23*)<sup>25</sup>

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25 Available at <https://www.eni.com/assets/documents/eng/topic/global-energy-scenarios/world-energy-review-2022.pdf>.

#### **5.1.4. The investment policy for the development of the concessions**

Zenith intends to maximise the use of internal resources in all operations via its service company and subsidiary undertaking, Zena Drilling. In fact, it announces that its oilfield service company Zena Drilling Limited, has signed and executed a purchase agreement for the acquisition of a BD-260 drilling rig assembled by B Robotics W S.r.l for a total consideration of EUR 2,250,200.

The Issuer decided to use its funds in order to purchase its own equipment, while most competitors do not buy their own drilling equipment, instead of drilling the wells with their own equipment, the drilling of wells is carried out by service companies as third parties. This approach is also followed for new operations in Tunisia.

#### **5.1.5. Impact of Environmental Protection Regulations**

The Issuer is subject to significant environmental and other regulations in respect of its operational activities in all jurisdictions and seeks to conduct its operations in an environmentally responsible manner and to maintain compliance with relevant regulations.

All elements of the oil and natural gas industry are associated with environmental risks and hazards that are subject to various environmental regulations pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation typically addresses, amongst other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. Legislation also typically requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation has been evolving in a manner that is expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Issuer to incur costs to remedy such discharge. Although the Issuer believes that it is in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Issuer's financial condition, results of operations or prospects.

Italy and Tunisia are signatory to the United Nations Framework Convention on Climate Change and have ratified the Paris Climate Change Agreement, and are thus required to establish legally binding targets to reduce nation-wide emissions of carbon dioxide, methane, nitrous oxide and other "greenhouse gases".

Given the evolving nature of climate change action and regulation, it is not possible to predict the nature of future legislation with respect to climate change or the impact on the Issuer, its operations and financial condition at this time.

Compliance with such legislation may require significant expenditures and a failure to comply may result in the issuance of "clean-up" orders or the imposition of fines and penalties, some of which may be material. It is possible that the costs of complying with environmental regulations in the future will have a material adverse effect on the Issuer's financial condition or results of operations. The Issuer may incur liabilities that could be material or require the Issuer to cease production on properties if environmental damage occurs.

##### **5.1.5.1. Italy**

A Legislative Decree setting forth amendments and additions to Legislative Decree No. 152 of April 3, 2006, which contained regulations governing environmental issues, pursuant to Article 12 of Law No. 69 of June 2009 was published on 11 August 2010 in Issue No. 186 of the Official Gazette of the Italian Republic. These amendments included significant changes to Part II of Legislative Decree No. 152/2006, which dealt with the

Environmental Impact Assessment procedure and the Integrated Environmental Authorization procedure respectively, as well as air quality protection regulations.

Part II of Legislative Decree 152/06 regarded the EIA (Environmental Impact Assessment) procedure. This amendment included all legislation relating to the procedures for requesting and release of the Integrated Environmental Authorization (AIA, LD 59/05 and subsequent amendments and additions). This has led to some changes in the existing text, including some variations of timing approval for the EIA. Great importance was given to monitoring, even after successful authorization.

The changed legislation affects the Issuer's development plans in Masseria Grottavecchia and San Teodoro concessions, where the Issuer plans to expand the existing infrastructure (see section VI.5.1.2.1., page 42) and is experiencing significantly lengthened approval proceedings.

#### **5.1.5.2. Tunisia**

A private investor must:

- prepare an environmental impact study to be approved prior to each phase of its research and development works;
- take all necessary measures to protect the environment and to meet commitments made within the impact study as approved by competent authority;
- contract public liability insurance against risks of damages to others property and to third parties due to its activity, including inter alia risks of environments damages;
- carry out a study of the security measures to be taken to protect personnel, installations, population and the environment, in particular against explosions and fires, in accordance with the relevant Tunisian legislation and, failing that, with the practices of the oil and gas industry.

A private investor must submit the environmental impact study to the approval of the Agence Nationale de Protection de l'Environnement (Tunisian National Agency for the Protection of the Environment; "NAEP") in three original copies. The environment impact study must include information provided in the regulations.

NAEP can object to the realisation of the unit within 21 days to three months as from the receipt of the environment impact study, depending on the unit classification. Beyond these deadlines NAEP approval for the realisation of the unit is deemed to have been granted.

The relevant licences for the realisation of the unit cannot be delivered in case NAEP makes an opposition on the environment impact assessment.

#### **5.2. The basis for any statements made by the Issuer regarding its competitive position.**

Not applicable; this Prospectus does not contain any statements regarding the competitive position of the Issuer.

### **6. ORGANISATIONAL STRUCTURE**

#### **6.1. If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.**

The Issuer as the parent company of the Group, is a holding company and the operations of the Group are carried out through the operating subsidiaries of the Issuer (see section VI.4.1., pages 31-34, and section VI.5.1.1., page 40).



**6.2. If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.**

The Issuer is a holding company conducting its operations through its subsidiaries. The Issuer itself does not own significant assets other than investments into its subsidiaries. Therefore, the value of the Issuer's assets depends heavily on how the subsidiaries value their assets. In order to be able to meet its obligations arising from the issuance of Notes, the Issuer is dependent on the receipt of dividends, interest payments and the repayment of loans granted to its subsidiaries.

**7. TREND INFORMATION**

**7.1. Significant changes in the financial performance of the Group and material adverse changes in the prospects of the Issuer since the end of the last financial period for which financial information has been published**

Since the end of the Financial Year 2022 the significant change in the financial position of the Group were the following:

- In April 2022 the Issuer has sold approximately 62,000 barrels at a price of USD 103 per barrel from its Tunisian concessions (Ezzaouia concession and El Bibane and Robbane concessions) for an amount of approximately USD 6.4 million.
- Between 1 April 2022 and 30 September 2022, the Issuer
  - o produced 90,591 barrels of oil from its Tunisian assets,
  - o sold 79,223 barrels of oil produced from its Tunisian assets,
  - o sold 5,309 MWh of electricity produced from its Italian asset,
  - o sold 5,623 Mcf of natural gas produced from its Italian assets and
  - o sold 137 barrels of condensate produced from its Italian assets.
- Contrary to the expectations, the licence to operate the Tilapia II oilfield has not been granted to the Group. On 17 February 2023 the Issuer learned that the licence to operate the Tilapia II oilfield has been granted to another bidder. Consequently, the Republic of the Congo will not be accessible anymore for the Group (for more details please see section VI. 4.1, pages 31-34).
- For significant changes in the financial performance of the Group deriving from material changes in the Issuer's borrowing and funding, please see section VI.4.1.7., pages 37-38.

**7.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.**

Significant recent trends affecting the Group and the industry in which the Issuer operates include the following:

Due to the ongoing energy crisis as well as the war in the Ukraine, the oil and gas industry earned record profits in the calendar year 2022, which resulted in amplified cash flows which can be used to fund new strategies in the year 2023. During this process, special attention is given to find new balance between security, affordability, and sustainability. However, the whole oil and gas industry is confronted with a lot of uncertainties in relation to the calendar year 2023.

#### Accelerated transition to clean energy

Due to high commodity prices, governments all around the world will turn even more strongly to renewable energies and will try to accelerate the pace of their transition of renewables and clean energy, also in order to reduce the degree of dependence from the Russian Federation. With the "Fit for 55 climate package" from the European Union and the "US-Infrastructure Investment and Jobs Act" as well as the "US-Inflation Reduction Act", politics are pushing investments into the clean energy sector, so that oil and gas companies are going to face increasing pressure to adapt their business models, diversify their portfolios and anticipate changes in demand for their products.

#### Natural gas as green investment

The European Union has decided that power plants burning natural gas can be considered generators of green energy. This means they can count as sustainable investments along with nuclear power. With increasing policy support, it is expected that the demand will increase in the next years.

#### Oil market 2023

It is expected that the ongoing supply growth and weaker demand growth will ease the tight oil markets and relieve some of the prices pressures that pushed energy prices higher during the year 2022. However, the oil prices will still remain at a high level, which can be especially explained with high commodity prices.

## **8. PROFIT FORECASTS OR ESTIMATES**

Not applicable; no profit forecasts or estimates are included in this Prospectus.

## **9. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**

### **9.1. Names, business addresses and functions within the issuer of the members of the administrative, management or supervisory bodies and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer.**

#### **9.1.1. Board of Directors**

The following list sets forth the name, business address, position with Zenith, time served as a director (if applicable) and the principal occupation during the last five years of each director and officer of Zenith. Directors are elected at the annual meetings of shareholders and serve until the next annual meeting or until a successor is elected or appointed. The Board presently consists of five directors.

The following table sets forth the current members of the Board of Directors of the Issuer:

<b>Name and Surname</b>	<b>Date and Place of Birth</b>	<b>Position</b>	<b>Since</b>	<b>Until</b>
Dr. Jose Ramon Lopez-Portillo	2 February 1954 Mexico City (Mexico)	Chairman and Non-Executive Director	24/09/2007	30/6/2023
Andrea Cattaneo	26 March 1956 Genova (Italy)	President, CEO and Executive Director	09/12/2008	30/6/2023

Dario E. Sodero	5 November 1941 Turin (Italy)	Non-Executive Director	24/06/2009	30/6/2023
Sergey Borovski	21 November 1972 St. Petersburg (Russia)	Non-Executive Director	24/07/2017	30/6/2023
Luca Benedetto	7 April 1971 Genova (Italy)	CFO and Executive Director	07/12/2020	30/6/2023

***Jose Ramon Lopez-Portillo (Chairman and Non-Executive Director)***

Mr. Lopez-Portillo has been managing Director and then Chairman of the Board since 24 September 2007. He is an economist with a large network of business contacts worldwide, and who previously served as Mexican Permanent Representative in Rome, Italy. Mr. Lopez-Portillo is a leading researcher in the energy security of Mexico and acts as Deputy Minister at Mexico's Planning and Budget Secretariat. Mr. Lopez-Portillo holds a Doctorate degree in Political Sciences and International Relations from the University of Oxford. The Business address for Mr. Jose Ramon Lopez-Portillo is Suite 4000, 421 7th Avenue SW, Calgary, T2P 4K9, Alberta, Canada.

***Andrea Cattaneo (Director, President and CEO)***

Mr. Cattaneo has been a Director of the Issuer since 9 December 2008 and has served as President and CEO of the Group since 2009. He is an energy specialist with a focus on emerging countries and has 30 years' experience in advising governments in financial, industrial and energy-related matters. Mr. Cattaneo has strong expertise and experience in structuring and negotiating contracts in the international markets, specifically the oil industry. He also has significant experience in former socialist countries and arranged the first USD loan to Vietnam, back then third poorest country in the world, towards the beginning of his financial career in 1985. Mr. Cattaneo holds an undergraduate degree in Economics from the University of Genoa and a postgraduate degree in Taxation Law from the University of Bologna. He currently serves as Non-Executive Member of the Anglo-Azerbaijani Society, Partner of the Buenos Aires Stock Exchange and Member of the IADC Caspian Chapter Steering Committee. He is a former member of the Business Advisory Council to the Great Tumen Initiative, a United Nations project for regional economic cooperation in Northeast Asia. He is one of Zenith's founders. The Business address for Mr. Andrea Cattaneo is Suite 4000, 421 7th Avenue SW, Calgary, T2P 4K9, Alberta, Canada.

***Dario Ezio Sodero (Non-Executive Director and Chairman of the Audit Committee)***

Mr. Sodero was appointed to the Board on 24 June 2009. As an experienced energy industry executive with 47 years of experience in North America, the Sub-Arctic, North Africa and the Middle East, Mr. Sodero has strong geological, exploration and technical expertise. Mr. Sodero has formerly acted as director and executive of several other TSX- and TSX-V-listed exploration and production companies. He served as President of CYGAM Energy Inc., a TSX listed oil and natural gas exploration and production company, from February 2007 to April 2011. He also served as Director of CYGAM Energy Inc. from October 2005 to 25 September 2012. Mr. Sodero holds a Doctorate degree in Geology from the University of Turin, Italy. Dr. Sodero serves as Chairman of the Issuer's Audit Committee.

The Business address for Mr. Dario Ezio Sodero is Suite 4000, 421 7th Avenue SW, Calgary, T2P 4K9, Alberta, Canada.

***Sergey Borovskiy (Non-Executive Director)***

Mr. Sergey Borovskiy has over 25 years of experience in business management in China and Hong Kong. He has lived and worked in China since 1991 and is fluent in Russian, English and Mandarin.

The Business address for Mr. Sergey Borovskiy is Suite 4000, 421 7th Avenue SW, Calgary, T2P 4K9, Alberta, Canada.

***Luca Benedetto (Chief Financial Officer and Executive Director)***

Luca Benedetto is an Italian national, trained in Italy as a registered accountant with further education in IFRS accounting and consolidation at IPSOA Milan. He has more than twenty-five years of accounting, auditing and financial administration experience. Mr. Benedetto began his professional career as an accountant and computer programmer responsible for financial software development and worked for the Italian division of IBM as an internal auditor and accountant as well as providing staff training in these aforementioned fields. He also served for seven years as a financial and administrative officer in a well-established Italian company specialising in the construction of fuel and water storage tanks.

He joined the Zenith group in 2013 as Chief Financial Officer of the Group's Italian subsidiary, Canoel Italia S.r.l., and has since progressed to also hold the position of Group Financial Controller. In this capacity he has been directly involved in the monitoring of business performance, cash flow management, budgetary oversight, accounts team supervision, accounts preparation and strategic planning. Since January 2016 he has also been responsible for the compiling and reviewing of the quarterly Consolidated Financial Statements and Management's Discussion and Analysis of the Group. Luca Benedetto acts as Director of Canoel Italia S.R.L. Mr. Benedetto does not control, directly or indirectly, any shares of the Issuer. The Business address for Mr. Luca Benedetto is Suite 4000, 421 7th Avenue SW, Calgary, T2P 4K9, Alberta, Canada.

This below table represents the Directors' interests in the Issuer, as of the date of this Prospectus.

<b>Name</b>	<b>Number of ordinary shares</b>	<b>% of share capital</b>
Andrea Cattaneo	167,163,912	7.24
Luca Benedetto	27,726,716	1.20
Sergey Borovskiy	3,849,289	0.21
Dario Sodero <sup>(1)</sup>	77,500	0.01
Jose Ramon Lopez-Portillo	48,000	0.01

- 1) Mr. Sodero controls 77,500 Common Shares of the Issuer in indirect ownership. The 77,500 Common Shares in which Dario Sodero has a beneficial interest are held by Planaval Resources Ltd., a company controlled by Mr. Sodero. Mr. Sodero owns 100% of the share capital of Planaval Resources Ltd.

*Source: Financial Statements 2022, internal information of the Issuer as of the date of this Prospectus.*

In addition to their respective roles and directorships at the Group, the Directors are currently members of the administrative, management or supervisory bodies or partners of the following companies or partnerships:

Name	Company/Partnership	Position
Jose Ramon Lopez-Portillo	Hybridair Ltd	Director
	World SkyCat Ltd	Director
Andrea Cattaneo	-	-
Dario Ezio Sodero	Planaval Resources Ltd	Director
Sergey Borovskiy	ITI Capital Asia	Director
	Kaisun Holdings	Director
	General Transactions Inc.	Director
	National Agency for Direct Investment (NAPI)	Director
	South China Heavy Industries Group	Director
Luca Benedetto	Ajax Resources Plc	Director

*Source: Internal information of the Issuer as of the date of this Prospectus.*

#### **9.1.2. Board Committees**

Zenith's Board of Directors has four committees: the Audit Committee, the Remuneration Committee and the Corporate Governance Committee.

##### ***Audit Committee***

The Audit Committee comprises Jose Ramon Lopez-Portillo, Dario Sodero and Sergey Borowskiy and is chaired by Dario Sodero. The Audit Committee meets at least once a year and otherwise as required. It has responsibility for ensuring that the financial performance of the Issuer is properly reported on and reviewed, and its role includes monitoring the integrity of the financial statements of the Group (including annual and interim accounts and results announcements), reviewing the effectiveness of the Group's internal control review function and risk management systems, reviewing any changes in accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors. The Audit Committee has unrestricted access to the Group's external auditors. The ultimate responsibility for reviewing and approving the annual reports and accounts and the interim reports remains with the board. The Audit Committee gives due consideration to laws and regulations and the requirements of the Listing Rules. The Group has an Audit Committee Charter.

##### ***Remuneration Committee***

The Remuneration Committee comprises Jose Ramon Lopez-Portillo, Dario Sodero and Sergey Borowskiy and is chaired by Sergey Borowskiy. The Remuneration Committee has not met during the year ended 31 March 2022. The Remuneration Committee has responsibility for determining the Group's policy on the remuneration packages of the Group's chief executive, the chairman, the executive and non-executive directors and other senior executives. The Remuneration Committee also has responsibility for (i) recommending to the board a compensation policy for directors and executives and monitoring its implementation; (ii) approving and recommending to the board and the Group's shareholders the total individual remuneration package of the chairman, each executive and nonexecutive director and the chief executive officer (including bonuses, incentive payments and share options or other share awards); and (iii) approving and recommending to the board the total individual remuneration package of all other senior

executives (including bonuses, incentive payments and share options or other share awards), in each case within the terms of the Group's remuneration policy and in consultation with the chairman of the board and/or the chief executive officer. No director or manager may be involved in any discussions as to their own remuneration.

### ***Corporate Governance Committee***

The Corporate Governance Committee comprises Sergey Borovskiy, Dario Soderò and Jose Ramon Lopez-Portillo and is chaired by Jose Ramon Lopez-Portillo. The Corporate Governance Committee has not met during the Financial Year 2022. The Corporate Governance Committee ensures that the Group has in place sufficient procedures, resources and controls to enable it to comply with its continuing obligations as a company admitted to the Standard Segment of the Official List. The Corporate Governance Committee also monitors the Group's procedures to approve (a) announcements to ensure that the information disclosed by the Group is timely, accurate, comprehensive and relevant to the business of the Group and (b) any share dealings by directors or employees or announcements made by the Group to ensure compliance with the Group's policies, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and such other regulations to which the Group is subject from time to time.

## **9.2. Administrative, management, and supervisory bodies' conflicts of interests**

**Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.**

There are potential conflicts of interest to which the directors and officers of Zenith will be subject in connection with the operations of Zenith. In particular, certain directors and officers of Zenith are involved in managerial or director positions with other oil and gas companies whose operations may, from time to time, be in direct competition with those of Zenith or with entities which may, provide financing to, or make equity investments in, competitors of Zenith. Conflicts, if any, will be subject to the procedures and remedies available under the British Columbia Business Corporations Act ("BCBCA"). The BCBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the BCBCA.

## **10. MAJOR SHAREHOLDERS**

### **10.1. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.**

The Issuer has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of this Prospectus:

<b>Name</b>	<b>Number of ordinary shares</b>	<b>% of share capital</b>
Andrea Cattaneo <sup>1</sup>	102,468,240	5.47
Nordnet AB <sup>2</sup> (through subsidiaries)	106,392,105	5.68

<sup>1</sup> In addition Andrea Cattaneo holds warrants and stock options; his stake on a fully diluted basis considering warrants and stock options amounts to approx. 11 per cent.

<sup>2</sup> Nordnet AB holds the shares via its wholly owned subsidiaries Nordnet Pensionsförsäkring AB and Nordnet Livsförsäkring AS.  
*Source: Internal information of the Issuer as of the date of this Prospectus.*

**10.2. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.**

The Issuer does not know of any arrangement, the operation of which may at a subsequent date result in a change in control of the issuer.

**11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

**11.1. Historical financial information**

**11.1.1. Audited historical financial information covering the latest two financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year.**

The following information and data have been extracted from, and are only a summary of, the audited consolidated financial statements of Zenith for the fiscal years ended 31 March 2022 ("**Financial Statements 2022**") and 31 March 2021 ("**Financial Statements 2021**") respectively. The Financial Statements 2022 as well as the Financial Statements 2021 have been prepared in compliance with IFRS as issued by the IASB.

The Financial Statements 2022 and the Financial Statements 2021, together with the reports of the Issuer's auditors and the respective notes to the financial statement, as well as the unaudited Interim Financial Statements 2022/2023 for the six months ending on 30 September 2022, are incorporated by reference into this Prospectus. The financial information presented below should be read in conjunction with such audited consolidated financial statements, reports and the notes thereto as well as with the unaudited interim consolidated financial statements.

<b>Balance Sheet</b>	<b>Six months ended</b>	<b>Year ended</b>	<b>Six months ended</b>	<b>Year ended</b>
<b>(in CAD '000)*</b>	<b>30 September</b>	<b>31 March</b>	<b>30 September</b>	<b>31 March</b>
	<b>2022<sup>1</sup></b>	<b>2022<sup>2</sup></b>	<b>2021<sup>1</sup></b>	<b>2021<sup>3</sup></b>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
<b>Assets</b>				
<b>Non-current assets</b>	<b>228,500</b>	<b>230,526</b>	<b>196,310</b>	<b>100,494</b>
Property, plant and equipment	227,770	229,774	132,029	100,482
Financial assets at amortised cost	730	752	64,281	12
<b>Current assets</b>	<b>31,572</b>	<b>28,774</b>	<b>14,498</b>	<b>18,942</b>
<b>Equity and liabilities</b>				
<b>Equity</b>	<b>102,031</b>	<b>103,090</b>	<b>97,258</b>	<b>23,803</b>
Share capital	60,121	60,121	52,039	48,017
Share warrants & option reserve	5,094	5,284	3,952	2,465
Contributed surplus	4,943	4,753	4,689	4,643
Retained earnings	31,873	32,932	36,578	(31,322)
<b>Non-current liabilities</b>	<b>132,383</b>	<b>124,607</b>	<b>81,687</b>	<b>65,280</b>
Loans	1,924	1,442	186	920
Non-convertible bond and notes	17,885	10,076	5,374	2,500
Deferred consideration payable	67,372	67,372	62,464	42,238
Decommissioning provision	30,395	30,901	11,265	16,219
Deferred tax liabilities	14,231	14,231	2,398	2,398
Provision	576	585	-	1,005
<b>Current liabilities</b>	<b>25,658</b>	<b>31,603</b>	<b>31,863</b>	<b>30,353</b>
<b>Total assets/equity and liabilities</b>	<b>260,072</b>	<b>259,300</b>	<b>210,808</b>	<b>119,436</b>

<sup>1</sup> Source: Interim Financial Statements 2022/2023.

<sup>2</sup> Source: Financial Statements 2022.

<sup>3</sup> Source: Financial Statements 2021.

## Consolidated Statement of Comprehensive Income

(in CAD '000)

	Six months ended 30 September 2022 <sup>1</sup>	Year ended 31 March 2022 <sup>2</sup>	Six months ended 30 September 2021 <sup>1</sup>	Year ended 31 March 2021 <sup>3</sup>
	(unaudited)	(audited)	(unaudited)	(audited)
Revenue	11,571	8,239	2,344	596
<b>Cost of sales</b>				
Production costs	(4,328)	(2,217)	(2,106)	(1,651)
Depletion and depreciation	(578)	(2,242)	(366)	(790)
<b>Gross (loss)/profit</b>	<b>6,665</b>	<b>3,780</b>	<b>(128)</b>	<b>(1,845)</b>
Administrative expenses	(4,951)	(12,526)	(6,294)	(16,201)
<b>Operating (loss)/profit</b>	<b>1,714</b>	<b>(8,746)</b>	<b>(6,422)</b>	<b>(18,046)</b>
Gain on business combination	-	75,907	76,444	36,491
Other gains and losses	-	(145)	-	(13,466)
Finance Income	-	-	-	-
Finance expense	(1,455)	(2,278)	(1,211)	(1,451)
<b>Profit for the year before taxation</b>	<b>259</b>	<b>64,738</b>	<b>68,811</b>	<b>3,528</b>
Taxation	(140)	(301)	-	(3)
<b>Profit for the period</b>	<b>119</b>	<b>64,437</b>	<b>68,811</b>	<b>3,525</b>
<b>Other comprehensive income</b>				
Items that may be subsequently reclassified to profit or loss: Exchange differences on translating foreign operations, net of tax	(1,178)	(183)	(911)	1,054
Other comprehensive income for the year, net of tax	<b>(1,178)</b>	<b>(183)</b>	<b>(911)</b>	<b>1,054</b>
<b>Total comprehensive income</b>	<b>(1,059)</b>	<b>64,254</b>	<b>67,900</b>	<b>4,579</b>

<sup>1</sup> Source: Interim Financial Statements 2022/2023

<sup>2</sup> Source: Financial Statements 2022; the consolidated statement of comprehensive income in the Financial Statement 2022 only takes into consideration the continued operation.

<sup>3</sup> Source: Financial Statements 2021; the consolidated statement of comprehensive income in the Financial Statement 2021 only takes into consideration the continued operation.

<sup>4</sup> The Issuer recorded a consolidated after-tax profit of CAD 64,437,000 for the Financial Year 2022, compared to an after-tax profit of CAD 3,525,000 for the Financial Year 2021. This significant increase is a result of the gain from business combination of CAD 75,907,000 related to the Tunisian assets.

## Consolidated Statement of Changes in Equity

(in CAD '000)

	Share capital	Share warrants & option reserve	Contributed surplus	Retained earnings	Total
<b>Balance 1 April 2020</b>	<b>40,400</b>	<b>1,010</b>	<b>4,320</b>	<b>(35,901)</b>	<b>9,829</b>
Profit for the year	-	-	-	3,525	3,525
Other comprehensive income	-	-	-	1,054	1,054
Total comprehensive income	-	-	-	4,579	4,579
Total transactions with owners recognised directly in equity	7,617	1,455	323	-	9,395
<b>Balance 31 March / 1 April 2021</b>	<b>48,017</b>	<b>2,465</b>	<b>4,643</b>	<b>(31,322)</b>	<b>23,803</b>
Profit for the year	-	-	-	64,437	64,437
Other comprehensive income	-	-	-	(183)	(183)
Total comprehensive income	-	-	-	64,254	64,254
Total transactions with owners recognised directly in equity	12,104	2,819	110	-	15,033
<b>Balance 31 March / 1 April 2022</b>	<b>60,121</b>	<b>5,284</b>	<b>4,753</b>	<b>32,932</b>	<b>103,090</b>
Profit for the period	-	-	-	119	119
Other comprehensive income	-	-	-	(1,178)	(1,178)
Total comprehensive income	-	-	-	(1,059)	(1,059)
Share issue net of costs – debt settlement	-	-	-	-	-



Share issue net of costs - private placement	-	-	-	-	-
Value of warrants issued	-	-	-	-	-
Warrants expired	-	(190)	190	-	-
Total transactions with owners recognised directly in equity	-	(190)	190	-	-
<b>Balance 30 September 2022</b>	<b>60,121</b>	<b>5,094</b>	<b>4,943</b>	<b>31,873</b>	<b>102,031</b>

\* For an overview of conversion rates please see page 6.

Sources: Financial Statements 2021 and 2022 and Interim Financial Statements 2022/2023.

## Consolidated Statement of Cash Flows

(in CAD '000)*	Six months ended 30 September 2022 <sup>1</sup>	Year ended 31 March 2022 <sup>2</sup>	Six months ended 30 September 2021 <sup>1</sup>	Year ended 31 March 2021 <sup>3</sup>
	(unaudited)	(audited)	(unaudited)	(audited)
<b>OPERATING ACTIVITIES</b>				
Profit/(Loss) for the year before taxation	259	64,738	68,811	3,528
Options/warrants charge	-	2,929	1,533	1,778
Foreign exchange	(2,698)	(1,002)	(1,861)	260
Gain on business combination	-	(75,907)	(76,444)	(36,491)
Depletion and depreciation	578	2,242	366	790
Impairment of property, plant and equipment	-	140	-	18,822
Impairment of inventory	-	5	-	-
Decommissioning provision reversed	-	-	-	(5,189)
Deferred Tax liability	-	-	-	2,398
Other gains and losses	-	-	-	-
Finance expense	1,455	1,929	808	1,451
Change in working capital	(6,570)	(8,204)	3,354	2,840
<b>Net cash used in operating activities</b>	<b>(6,976)</b>	<b>(13,130)</b>	<b>(3,433)</b>	<b>(9,813)</b>
<b>INVESTING ACTIVITIES</b>				
Consideration paid on business combination	-	(2,109)	-	(150)
Purchase of property, plant and equipment	(10)	(56)	(44)	(52)
Disposal of property, plant and equipment	3	-	-	-
<b>Net cash used in investing activities</b>	<b>(7)</b>	<b>(2,165)</b>	<b>(44)</b>	<b>(202)</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from issue of shares, net of transaction costs	-	5,443	1,039	6,617
Proceeds from exercise of warrants and options	-	810	767	1,000
Finance Expense	-	(1,659)	-	(982)
Repayments of loans	(1,612)	(3,322)	(1,655)	(1,847)
Proceeds from loans	325	10,322	2,995	2,631
Interests on loans	(338)	-	(228)	-
Proceeds from issue of bonds	8,074	7,860	2,872	3,154
Repayment of bonds	(347)	(4,637)	(162)	(147)
Interests on bonds	(678)	-	(580)	-
<b>Net cash generated from financing activities</b>	<b>5,424</b>	<b>14,817</b>	<b>5,048</b>	<b>10,426</b>
Net (decrease)/increase in cash and cash equivalents	(1,559)	(478)	1,571	411
<b>Cash and cash equivalents at beginning of year</b>	<b>3,024</b>	<b>1,631</b>	<b>1,453</b>	<b>1,220</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,465</b>	<b>1,153</b>	<b>3,024</b>	<b>1,631</b>

\* For an overview of conversion rates please see page 6.

<sup>1</sup> Source: Interim Financial Statements 2022/2023.

<sup>2</sup> Source: Financial Statements 2022.

<sup>3</sup> Source: Financial Statements 2021.

## Development of the Oil Price

The following chart shows the development of monthly average West Texas Intermediate (WTI) crude oil prices for the Financial Years 2021, 2022 and 2023:

### Oil selling prices in (USD)\*

April 2020	May 2020	June 2020	July 2020	August 2020	September 2020
<b>16.55</b>	<b>28.56</b>	<b>38.31</b>	<b>40.71</b>	<b>42.34</b>	<b>39.63</b>
October 2020	November 2020	December 2020	January 2021	February 2021	March 2021
<b>39.40</b>	<b>40.94</b>	<b>47.02</b>	<b>52.00</b>	<b>59.04</b>	<b>62.33</b>
April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
<b>61.72</b>	<b>65.17</b>	<b>71.38</b>	<b>72.49</b>	<b>67.73</b>	<b>71.65</b>
October 2021	November 2021	December 2021	January 2022	February 2022	March 2022
<b>81.48</b>	<b>79.15</b>	<b>71.71</b>	<b>83.22</b>	<b>91.64</b>	<b>108.50</b>
April 2022	May 2022	June 2022	July 2022	August 2022	September 2022
<b>101.78</b>	<b>109.55</b>	<b>114.84</b>	<b>101.62</b>	<b>93.67</b>	<b>84.26</b>
October 2022	November 2022	December 2022	January 2023	February 2023	
<b>87.55</b>	<b>84.37</b>	<b>76.44</b>	<b>78.12</b>	<b>76.83</b>	

\* For an overview of conversion rates please see page 6.

Source: [https://www.eia.gov/dnav/pet/pet\\_pri\\_spt\\_s1\\_m.htm](https://www.eia.gov/dnav/pet/pet_pri_spt_s1_m.htm).

## Decommissioning costs

The Issuer recognises a decommissioning obligation in the period in which a well is drilled or acquired, and a reasonable estimate of the future costs associated with removal, site restoration and asset retirement can be made. The estimated decommissioning provision is recorded with a corresponding increase in the carrying amount of the related cost centre.

Decommissioning provisions are measured at the present value of management's best estimate of the expenditures required to settle the present obligation at the statement of financial position date. Subsequent to the initial measurement, the provision is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognised as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalised within D&P assets. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Most of the decommissioning events are many years in the future and the precise requirements that will have to be met when the removal event occurs are uncertain. Decommissioning technologies and costs are constantly changing, as well as political, environmental, safety and public expectations.

The estimated cost of decommissioning at the end of the producing lives of fields is reviewed periodically and is based on forecast price levels and technology at the Statement of Financial Position date. Provision is made for the estimated cost at the Statement of Financial Position date, using a discounted cash flow methodology and a risk-free rate of return.

The following table presents the reconciliation of the carrying amount of the obligation associated with the reclamation and abandonment of the Issuer's oil and gas properties:

in CAD '000*	Six months ended 30 September 30 2022	Year ended 31 March 2022	Six months ended 30 September 2021	Year ended 31 March 2021
<b>Balance – beginning of year</b>	<b>30,901</b>	<b>16,219</b>	<b>16,219</b>	<b>13,543</b>
Accretion	-	349	-	369
On acquisition of subsidiary	-	14,814	-	8,304
Provision written back	-	-	-	(5,189)
Decrease	-	-	(4,991)	-
Foreign currency translation	(506)	(481)	37	(808)
<b>Balance – end of year</b>	<b>30,395</b>	<b>30,901</b>	<b>11,265</b>	<b>16,219</b>

\* For an overview of conversion rates please see page 6.

Source: Financial Statements 2022 and 2021 and the Interim Financial Statements 2022/2023.

The provision has been made by estimating the decommissioning cost at current prices using existing technology. The following significant weighted average assumptions were used to estimate the decommissioning obligation:

<b>Italy</b>	<b>FY 2022</b>	<b>FY 2021</b>
Undiscounted cash flows – uninflated*	CAD 8,000,000	CAD 8,000,000
Undiscounted cash flows – inflated*	CAD 8,000,000	CAD 8,000,000
Risk free rate	CAD 8,000,000	CAD 8,000,000
Inflation rate	1.4%	1.4%
Expected timing of cash flows	11.5 years	12.5 years
<b>Tunisia – decommissioning provision recalculation</b>	<b>FY 2022</b>	<b>FY 2021</b>
Start current period	01.04.2021	01.04.2020
Anticipated abandonment date	31.12.2033	31.12.2033
Years to abandonment	12.94	13.95
Undiscounted well costs	USD 5,946,000	USD 5,946,000
Undiscounted facilities costs	USD 2,050,000	USD 2,050,000
<b>Total undiscounted obligation</b>	<b>USD 7,996,000</b>	<b>USD 7,996,000</b>
TND inflation rate (as per the Tunisian Central Bank)	5 %	5 %
USD inflation rate (as per the submitted assumption to DGH)	2 %	2 %
<b>Inflation Rate</b>	<b>4 %</b>	<b>4 %</b>
<b>Inflated obligation</b>	<b>USD 13,280,608</b>	<b>USD 13,819,358</b>
Discount Rate	2 %	2 %
<b>Discounted obligation</b>	<b>USD 10,279,339</b>	<b>USD 10,483,721</b>
<b>EPZ Share in the obligation</b>	<b>USD 4,625,702</b>	<b>USD 4,717,675</b>
<b>Unwinding interest recalculation</b>		
<b>Interest unwind of the obligation for the period</b>	<b>USD 92,514</b>	<b>USD 94,353</b>

For an overview of conversion rates please see page 6.

Source: Financial Statements 2021 and 2022.

The timings of the cash flows depend on the capital expenditure incurred and the development of assets in each concession. Each concession has a licence for a set number of years; however, the licences could be extended for longer periods if the operator incurs capital expenditure and develops the area. The application process starts after a licence is not extended or when the reserves of a particular concession have been fully extracted.

#### **11.1.2. Change of accounting reference date**

**If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical financial information shall cover at least 24 months, or the entire period for which the issuer has been in operation, whichever is shorter.**

The Issuer has not changed its accounting reference date during the period for which historical financial information is required.

#### **11.1.3. Accounting Standards**

The Financial Statements 2022 as well as the Financial Statements 2021 and the Interim Financial Statements 2022/2023 have been prepared in compliance with IFRS as adopted by the IASB.

#### **11.1.4. Change of accounting framework**

**The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements. Changes within the issuer's existing accounting framework do not require the audited financial statements to be restated. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, the latest year of financial statements must be prepared and audited in line with the new framework.**

The last audited historical financial information for the financial year ending 31 March 2022, containing comparative information for the previous year, has been prepared in compliance with IFRS as adopted by the IASB as will the issuer's next published annual financial statements be.

#### **11.1.5. Where the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following: (a) the balance sheet; (b) the income statement; (c) the cash flow statement; (d) the accounting policies and explanatory notes.**

Not applicable.

#### **11.1.6. Consolidated financial statements**

**If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.**

The consolidated financial statements for the financial years ended on 31 March 2022 and 31 March 2021 and the Interim Financial Statements 2022/2023 are included in this Prospectus by incorporation.

#### **11.1.7. Age of financial information**

The Financial Statements 2022, which are included in this Prospectus by incorporation, are not older than 18 months from the date of this Prospectus.

## **11.2. Interim and other financial information**

Since the date of the last audited financial statements (31 March 2022) the Issuer has published unaudited interim financial information (the Interim Financial Statements 2022/2023) which are included by reference into this Prospectus.

## **11.3. Auditing of historical annual financial information**

### **11.3.1. The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with Directive 2006/43/EC and Regulation (EU) No 537/2014.**

The Financial Statements 2021 as well as the Financial Statements 2022 have been audited by Jeffreys Henry LLP, as set forth in their reports included herein. The audited consolidated financial statements of Zenith as of and for the Fiscal Years 2021 and 2022 have been prepared in compliance with IFRS as adopted by the IASB.

### **11.3.2. Indication of other information in the registration document which has been audited by the auditors.**

There is no other information in this Prospectus which has been audited by the auditors.

### **11.3.3. Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is not audited.**

The source is mentioned below every table that contains financial data.

## **11.4. Legal and arbitration proceedings**

### **11.4.1. Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.**

The Issuer initiated a lawsuit through its subsidiary in the Republic of the Congo, AAOG Congo, against Société de Maintenance Pétrolière ("SMP"), the rig contractor assigned for drilling services in the Tilapia oilfield, following a series of significant performance failures by the rig during drilling activities. The claim was launched in the Paris commercial court against SMP to recover costs of USD 3.1 million relating to SMP's unsatisfactory performance and was increased in February 2023 to USD 9 million.

AAOG Congo withheld the payment of SMP's final invoice for an amount of approximately USD 650,000, and exercised a retention right over the rig which, at the time, was positioned within the Tilapia oilfield. SMP subsequently retaliated by obtaining a number of unjustified seizure orders over the fixed assets of AAOG Congo in the Republic of the Congo, as well as over its local bank accounts. On 11 November 2020, the Issuer obtained a revocation of the court order that had wrongfully blocked the bank accounts. An amount of approximately USD 36,000 has been unfrozen and made available to provide additional funding for AAOG Congo. In February 2023, the Issuer has increased the claimed amount for the performance failures by SMP during drilling activities to USD 9 million considering the significant commercial damages suffered by AAOG, in particular due to the impossibility to begin production activities in the Tilapia oilfield. As of the date of this Prospectus, the lawsuit is still ongoing. The Issuer has not provided for the potential recovery of such costs in its cashflow projections, so that any success in this matter would enhance the Issuer's cash position.

Apart from the legal proceeding already mentioned, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of Zenith or the Group.

## **11.5. Significant change in the issuer's financial position**

### **11.5.1. A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published or provide an appropriate negative statement.**

The latest unaudited financial information has been published for the six months period ending on 30 September 2022. Since that date no significant change in the financial position of the Group has occurred.

## **12. ADDITIONAL INFORMATION**

### **12.1. Share capital**

**The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up with an indication of the number, or total nominal value and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.**

The issued share capital of the Issuer amounts to 2,310,302,537. The Issuer currently has 2,310,302,537 issued common shares, all fully paid-in, and admitted to trading on the Euronext Growth Market of Oslo Børs (ticker "ZENA"). 1,931,370,745 of the issued shares are also admitted to trading on the Main Market of the London Stock Exchange (ticker "ZEN").

The directors are authorised to issue an unlimited number of common shares. There are no provisions in the articles of association of Issuer that require new common shares to be issued on a pre-emptive basis to existing shareholders and there are no statutory pre-emption rights.

#### Details of principal characteristics attached to the Common Shares

The Issuer is authorised to issue an unlimited number of common shares and preferred shares (issuable in series) having attached thereto the rights, privileges, restrictions hereinafter set forth. The authorised share structure of the Issuer consists of shares of the class and series, if any, described in the articles of association of the Issuer. Each share certificate issued by the Issuer must comply with, and be signed as required by, the Business Corporations Act (British Columbia, Canada).

The rights attaching to the common shares, as set out in the articles of association, contain, amongst others, the following provisions:

#### *Rights of Shareholders*

- The holders of common shares are entitled to vote at every meeting of the shareholders of the Issuer and have one vote for each common share.
- Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of the Issuer, the holders of common shares are entitled to receive such dividends as the Issuer's directors may from time to time determine by resolution.

- Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of the Issuer, in the event of liquidation, dissolution or winding up of the Issuer or upon the distribution of its assets, the holders of common shares participate pro rata in relation to its common shares.

#### *Variation of rights*

Subject to the Business Corporation Act (British Columbia, Canada), the Issuer may by special resolution

- create special rights or restrictions and attach those special rights or restrictions to any shares of any class or series of shares; or
- vary or delete any special rights or restriction attached to the shares of any class or series of shares.

#### *Transfers of Common Shares*

A transfer of a common share of the Issuer must not be registered unless

- a duly signed instrument of transfer in respect of the share has been received by the Issuer.
- a share certificate has been issued by the Issuer in respect of the share to be transferred: in this case the share certificate has been surrendered to the Issuer.
- non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Issuer in respect of the share to be transferred: in this case that acknowledgment has been surrendered to the Issuer.

Other than described above, there are no provisions in the Issuer's articles of association limiting the transfer of the common shares.

#### *Payment of dividends*

Subject to the Business Corporations Act (British Columbia, Canada), the directors may from time to time declare and authorise the payment of dividends.

The directors may set a date as the record date for the purpose of determining shareholders to be entitled to receive the payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend payment.

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

#### *Meetings of Shareholders*

The directors may call meetings of the shareholders of the Issuer at such times and in such manner and at such places as they consider necessary or desirable, subject to the provisions of the articles of association and the Business Corporations Act (British Columbia, Canada). In addition, the directors will convene a meeting of the shareholders upon the written request of shareholders entitled to exercise 5 per cent or more of the issued shares that carry the right to vote at the meeting.

An annual general meeting of the Issuer's shareholders shall be called by at least 21 days' notice.

The omission to give notice of a meeting to a shareholder or another director, or the fact that a shareholder or another director has not received notice, does not invalidate the meeting. A shareholder may be represented at a shareholders' meeting by a proxy; such proxy holder may vote on behalf of the shareholder.

### *No pre-emption right of shareholders*

There are no provisions in the Issuer's articles of association that require new common shares to be offered on a pre-emptive basis to existing shareholders.

## **12.2. Memorandum and Articles of Association**

**The register and the entry number therein, if applicable, and a description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.**

The Issuer was incorporated and registered under the Business Corporations Act (British Columbia, Canada). The Issuer is registered in the British Columbia Corporate Registry and its registered corporation number is BC0803216.

The articles of association contain no restrictions on the Issuer's principal objects or the type of business that may be carried out by the Issuer. Under Canadian law, the Issuer can enter into any business field and any business activities, except carrying on the business of (i) a bank; (ii) an association to which the Canadian Cooperative Credit Associations Act applies; (iii) a company or society to which the Canadian Insurance Companies Act applies; (iv) a company to which the Canadian Trust and Loan Companies Act applies; and (v) degree-granting educational institutions unless expressly authorized to do so by a Canadian federal or Canadian provincial agent that by law has the power to confer degree-granting authority on an educational institution.

## **13. MATERIAL CONTRACTS**

**13.1. A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or an entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.**

### **13.1.1. Transfer Agency and Registrarship Agreement**

The Issuer entered into a transfer agency and registrarship agreement (the "**Registrar Agreement**") with Olympia Trust Company ("**Olympia**") on 5 March 2008. On 11 July 2014, the Issuer consented to the assignment and transfer by Olympia to Computershare Trust Company of Canada (the "**Registrar**") of all of the right, title and interest of Olympia in the Registrar Agreement. The formal assignment and transfer to the Registrar occurred on such date as was determined by the Registrar on or before 30 November 2014.

Pursuant to the Registrar Agreement, the Issuer appoints the Registrar to act as registrar and transfer agent to the Issuer, to keep, inter alia, the registers of holders and the registers of transfers for the Common Shares in the capital of the Issuer at its principal office in Calgary, Canada and to provide certain other administrative services to the Issuer in relation to its business and affairs.

The Issuer is required to pay for the services provided in accordance with a tariff or schedule of fees, which fees are subject to revision from time to time during the term of the agreement. The Issuer is also required to reimburse all costs and expenses, including the fees, disbursements and expenses of any sub-agents, advisors and legal counsel, if applicable, incurred in carrying out the duties under the Registrar Agreement.

If the Issuer defaults in its payment obligations under the Registrar Agreement, the Registrar has the right to immediately terminate the agreement. In addition, the Registrar Agreement may be terminated by either party upon three months' written notice.



Under the Registrar Agreement the Issuer indemnifies the Registrar (provided it has acted in good faith and without negligence), its directors, officers, employees, agents and assigns against all liabilities, losses, claims, damages, penalties, actions, suits, demands, costs, expenses and disbursements (including legal and advisor fees and disbursements) howsoever arising from or out of any act or omission of the Registrar pursuant to or in relation to the Registrar Agreement.

#### **13.1.2. Depositary Agreement**

A depositary agreement dated 3 January 2017 (the "**Depositary Agreement**" between the Issuer and Computershare Investor Services PLC (the "**Depositary**") under which the Issuer appoints the Depositary to constitute and issue from time to time, upon the terms of the deed poll executed by Computershare on or about the date of the Depositary Agreement (the "**Deed Poll**"), a series of uncertificated depositary interests ("**Depositary Interests**") representing securities issued by the Issuer and to provide certain other services in connection with such Depositary Interests with a view to facilitating the indirect holding by participants in CREST. Computershare agrees that it will comply with the terms of the Deed Poll and that it will perform its obligations with reasonable care and skill. Computershare assumes certain specific obligations, including the obligation to issue to a CREST member Depositary Interests in uncertificated form and to maintain the register of Depositary Interests. Computershare undertakes to provide the depositary services in compliance with the requirements of the Financial Services and Markets Act 2000. Computershare will either itself or through its appointed Custodian as bare trustee hold the deposited property (which includes, *inter alia*, the securities represented by the Depositary Interests) as may be designated from time to time by the Depositary. The Issuer agrees to provide such assistance, information and documentation to Computershare as is reasonably required by Computershare for the purposes of performing its duties, responsibilities and obligations under the Deed Poll and the Depositary Agreement, including (to the extent available to the Issuer) information, which concerns or relates to Computershare's obligations under the Depositary Agreement. The agreement sets out the procedures to be followed where the Issuer is to pay or make a dividend or other distribution. The Issuer is to indemnify Computershare for any loss it may suffer as a result of the performance of the Depositary Agreement except to the extent that any losses result from Computershare's own negligence, fraud or willful default. Computershare is to indemnify the Issuer for any loss the Issuer may suffer as a result of or in connection with Computershare's fraud, negligence or willful default save that the aggregate liability of the Depositary to the Issuer over any 12-month period shall in no circumstances whatsoever exceed twice the amount of the fees payable to the Depositary in any 12-month period in respect of a single claim or in the aggregate. Subject to earlier termination, the Depositary is appointed for a fixed term of one year and thereafter until terminated by either party giving not less than six months' notice. In the event of termination, the parties agree to phase out the Depositary's operations in an efficient manner without adverse effect on the members of the Issuer and the Depositary shall deliver to the Issuer (or as it may direct) all documents, papers and other records relating to the Depositary Interests which are in its possession and which is the property of the Issuer. The Issuer is to pay certain fees and charges, including an annual fee, a fee based on the number of Depositary Interests per year and certain CREST related fees. Computershare is also entitled to recover reasonable out of pocket fees and expenses.

#### **13.1.3. Loan in Tunisia for USD 2.4 million**

On 18 January 2022, CNAOG has obtained a USD 2,400,000 loan from the Union Internationale des Banques (UIB), which is unsecured, and bears fixed interest at Libor + 2.5 per cent per annum. The scheduled repayment date is 31 December 2023.

#### **13.1.4. Non-convertible Loan Agreement for EUR 1.3 million**

On 10 May 2022, the Issuer entered into a EUR 1,300,000 non-convertible loan facility with a financial institution with a term of 10 months. The term was extended so that the maturity date is now 31 December 2023. The Issuer shall pay interest on the outstanding amounts of the non-convertible loans at the rate of 5 per cent per annum. The share purchase warrants, which were issued by the Issuer in connection with the loan agreement, have already expired.

The Issuer used the funds to provide additional financial support for the achievement of its business development objectives and for general working capital purposes.

#### **13.1.5. Share Purchase Agreement with OMV**

In January 2023, the Issuer announced that Zenith Energy Netherlands, a company in which the Issuer holds a 49 per cent interest, has entered into a share purchase agreement (SPA) with OMV to acquire 100 per cent of OMV's shares of OMV Yemen.

The total consideration for the acquisition of the shares of OMV Yemen amounts to USD 21,619,000, whereby Zenith Netherlands has already paid a deposit of USD 4,323,800, which shall be credited by OMV to Zenith Netherlands upon completion of the acquisition.

The completion of the acquisition remains conditional on the approval of the competent authorities in Yemen. At the date of this Prospectus, it is not possible to predict whether the competent authorities in Yemen will approve the acquisition respectively at which date such an approval could be granted.

### **14. DOCUMENTS AVAILABLE**

See section III. "GENERAL DESCRIPTION OF THE PROGRAMME" under "Documents on Display" (pages 8-10).

### **15. PROVEN RESERVES IN ITALY**

The following section is a summary of the oil and natural gas reserves and the value of future net revenue of Zenith as evaluated by Chapman in the Chapman Report 2023 – Italy, for an effective date of 31 March 2023. The following information is based on the calculations of the Chapman Report 2023 – Italy.

Chapman is an independent qualified reserves evaluator and auditor. The report was concluded in line with the various standards and guidelines published and maintained by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM Guidelines), as amended.

All evaluations of future revenue are after the deduction of future income tax expenses unless otherwise noted in the tables (as it is for example true for Cash-flow-forecasts, which are before income tax), royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses.

The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the Issuer's reserves. There is no assurance that the forecast price and cost assumptions contained in the Chapman Report 2023 – Italy will be attained, and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Chapman Report 2023 – Italy. The recovery and reserves estimate on the Issuer's properties described herein are estimates only. The actual reserves on the Issuer's properties may be greater or less than those calculated.

All monetary values presented in this section are expressed in terms of USD.

#### **Gross reserves**

Gross reserves are the Issuer's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Issuer. Net reserves on the other hand are the

Issuer's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Issuer's royalty interests in reserves.

The following table shows a summary of oil and gas reserves of the Issuer as per 31 March 2023 for proved and probable reserves, where proved reserves are reserves that can be estimated with a high degree of certainty to be recoverable. It is therefore likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

ITALY	Conventional Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)
<b>PROVED</b>		
Developed Producing <sup>(1)</sup>	723	0
Developed Non-Producing <sup>(2)</sup>	129	0
Undeveloped <sup>(3)</sup>	0	0
<b>TOTAL PROVED</b>	<b>853</b>	<b>0</b>
<b>TOTAL PROBABLE</b>	<b>14,948</b>	<b>0</b>
<b>TOTAL PROVED + PROBABLE</b>	<b>15,801</b>	<b>0</b>

<sup>(1)</sup> Reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

<sup>(2)</sup> Reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

<sup>(3)</sup> Reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves' classification (proved, probable, possible) to which they are assigned.

Source: Chapman Report 2023 – Italy, page 26.

## Future revenues

The following table shows the undiscounted total future net revenue based on forecast prices and costs:

ITALY	Revenue (M\$)*	Royalties (M\$)*	Operating Costs (M\$)*	Development Costs (M\$)*	Abandonment and Reclamation Costs (M\$)*	Future Net Revenue before Income Taxes (M\$)*	Income Taxes (M\$)*	Future Net Revenue after Income Taxes (M\$)*
Total Proved <sup>(1)</sup>	20,109	0	2,305	0	198	17,606	0	17,606
Total Proved Plus Probable <sup>(1)</sup> <sup>(2)</sup>	600,624	0	31,310	1,530	275	567,510	0	567,510

\* For an overview of conversion rates please see page 6.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Reserves that are less certain to be recovered than proved reserves.

Source: Chapman Report 2023 – Italy, pages 27-29.

The following table shows a summary of net present values of future net revenues based on forecast prices and costs as of 31 March 2023 under consideration of the Issuer's working interest ownings of the different concessions:

ITALY	Discounted at				
	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.
Reserves Category	M\$*	M\$*	M\$*	M\$*	M\$*
<b>PROVED<sup>(1)</sup></b>					
Developed Producing <sup>(2)</sup>	15,919	13,568	12,081	10,993	10,128
Developed Non-Producing <sup>(3)</sup>	1,687	1,298	1,027	831	686
Undeveloped <sup>(4)</sup>	0	0	0	0	0
<b>TOTAL PROVED<sup>(1)</sup></b>	<b>17,606</b>	<b>14,866</b>	<b>13,108</b>	<b>11,824</b>	<b>10,815</b>
<b>TOTAL PROBABLE<sup>(5)</sup></b>	<b>549,904</b>	<b>217,475</b>	<b>119,852</b>	<b>78,704</b>	<b>56,869</b>
<b>TOTAL PROVED PROBABLE<sup>(1)(5)</sup></b> +	<b>567,510</b>	<b>232,341</b>	<b>132,960</b>	<b>90,528</b>	<b>67,684</b>

\* For an overview of conversion rates please see page 6.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

<sup>(3)</sup> Reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

<sup>(4)</sup> Reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves' classification (proved, probable, possible) to which they are assigned.

<sup>(5)</sup> Additional reserves that are less certain to be recovered than proved reserves.

Source: Chapman Report 2023 – Italy, pages 26.

The following table sets forth the future net revenues by product type based on forecast prices and costs as of 31 March 2023:

Reserve Category	Product Type	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M\$)*
<b>ITALY</b>		
Total Proved <sup>(1)</sup>	Light and Medium Oil (including solution gas and other by-products)	0
	Heavy Oil (including solution gas and other by-products)	0
	Conventional Natural Gas (including by-products but not solution gas)	13,108
Total Proved Plus Probable <sup>(1)(2)</sup>	Light and Medium Oil (including solution gas and other by-products)	0
	Heavy Oil (including solution gas and other by-products)	0
	Conventional Natural Gas (including by-products but not solution gas)	132,960

\* For an overview of conversion rates please see page 6.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Reserves that are less certain to be recovered than proved reserves.

Source: Chapman Report 2023 – Italy, page 26.

The following table sets forth the oil and gas reserves of the Issuer and the related net present values by product type based on forecast prices and costs as of 31 March 2023:

Product Type by Reserve Category	Gas Reserves		NGL Reserves		Net Present Value (BIT)
	Gross	Net	Gross	Net	10%
	MMscf	MMscf	Mbbl	Mbbl	M\$*
<b>Proved<sup>(1)</sup></b>					
Developed Producing <sup>(2)</sup>	723	723	0	0	12,081
Developed Non-Producing <sup>(3)</sup>	129	129	0	0	1,027
Undeveloped <sup>(4)</sup>	0	0	0	0	0
<b>Total Proved<sup>(1)</sup></b>	<b>853</b>	<b>852</b>	<b>0</b>	<b>0</b>	<b>13,108</b>
Probable <sup>(5)</sup>	14,948	14,949	0	0	119,852
<b>Proved Plus Probable<sup>(1) (5)</sup></b>	<b>15,801</b>	<b>15,801</b>	<b>0</b>	<b>0</b>	<b>132,960</b>

\* For an overview of conversion rates please see page 6.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

<sup>(3)</sup> Reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

<sup>(4)</sup> Reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves' classification (proved, probable, possible) to which they are assigned.

<sup>(5)</sup> Additional reserves that are less certain to be recovered than proved reserves.

Source: Chapman Report 2023 – Italy, page 26.

## 16. PROVEN RESERVES IN THE REPUBLIC OF TUNISIA

The following section is a summary of the Chapman Report 2023 – Tunisia, Annex 2 to this Prospectus.

All evaluations of future revenue are after the deduction of future income tax expenses unless otherwise noted in the tables (as it is for example true for Cash-flow-forecasts, which are before income tax), royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses.

The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the Issuer's reserves. There is no assurance that the forecast price and cost assumptions contained in the Chapman Report 2023 – Tunisia will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Chapman Report 2023 – Tunisia. The recovery and reserves estimate on the Issuer's properties described herein are estimates only. The actual reserves on the Issuer's properties may be greater or less than those calculated.

All monetary values presented in this section are expressed in terms of USD.

### Gross reserves

Gross reserves are the Issuer's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Issuer. Net reserves on the other hand are the Issuer's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Issuer's royalty interests in reserves.

The figures presented in this section were compiled in accordance with the reporting standard that is acceptable under the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Evaluation Engineers and the Canadian Institute of Mining, Metallurgy & Petroleum and resources and reserves definitions contained in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.

The following table shows a summary of oil reserves of the Issuer in Tunisia as of 31 March 2023 for proved and probable reserves, where proved reserves are reserves that can be estimated with a high degree of certainty to be recoverable. It is therefore likely that the actual remaining quantities recovered will exceed the estimated proved reserves. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved, probable and possible reserves.

TUNISIA	Light and Medium Oil		Conventional Natural Gas (MMscf)		Natural Gas Liquids (Mbbl)	
	Gross	Net MSTB	gross	net	gross	net
	MSTB					
<b>PROVED</b>						
Developed Producing <sup>(1)</sup>	1,051	936	0	0	0	0
Developed Non-Producing <sup>(2)</sup>	0	0	5,866	5,403	91	84
Undeveloped <sup>(3)</sup>	0	0	0	0	0	0
<b>TOTAL PROVED</b>	<b>1,051</b>	<b>936</b>	<b>5,866</b>	<b>5,403</b>	<b>91</b>	<b>84</b>
<b>TOTAL PROBABLE</b>	<b>2,631</b>	<b>2,389</b>	<b>5,515</b>	<b>4,971</b>	<b>86</b>	<b>77</b>
<b>TOTAL PROVED + PROBABLE</b>	<b>3,682</b>	<b>3,325</b>	<b>11,381</b>	<b>10,374</b>	<b>177</b>	<b>161</b>
<b>TOTAL POSSIBLE</b>	<b>281</b>	<b>264</b>	<b>5,690</b>	<b>5,154</b>	<b>89</b>	<b>80</b>
<b>TOTAL PROVED + PROBABLE + POSSIBLE</b>	<b>3,963</b>	<b>3,588</b>	<b>17,071</b>	<b>15,528</b>	<b>266</b>	<b>241</b>

<sup>(1)</sup> Reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

<sup>(2)</sup> Reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

<sup>(3)</sup> Reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves' classification (proved, probable, possible) to which they are assigned.

Source: Chapman Report 2023 – Tunisia, page 25 (“Summary of Company Reserves and Economics Before Income Tax”).

## Summary of Gross reserves

The following table refers to the total gross reserves of the El Bibane licence, Tunisia. At the date of this Prospectus, the issuer has a working interest in El Bibane in the amount of 100 per cent.

<b>Summary of Gross Reserves</b> <b>31 March 2023</b> <b>El Bibane license, Tunisia</b>				
<b>NATURAL GAS</b>	<b>Predicted Initial Rate (Mscf/d)</b>	<b>Raw Gas (MMscf)</b>	<b>Sales Gas (MMscf)</b>	<b>NGL (MBbls)</b>
<u>Proved developed non-producing</u>				
1 producing well	3,000	6,517	5,866	145
<u>Probable (incremental)</u>				
1 producing well	6,000	6,128	5,515	32
<u>Possible (incremental)</u>				
1 producing well	9,000	6,322	5,690	89

*Source: Chapman Report 2023 – Tunisia, page 35.*

The following table refers to the total gross reserves of the Ezzaouia licence, Tunisia. At the date of this Prospectus, the issuer has a working interest in Ezzaouia in the amount of 45 per cent:

<b>Summary of Gross Reserves</b> <b>31 March 2023</b> <b>Ezzaouia licence, Tunisia</b>				
<b>LIGHT &amp; MEDIUM OIL</b>	<b>Current or initial rate (STB/d)</b>	<b>Ultimate reserves (MSTB)</b>	<b>Cumulative Production (MSTB)</b>	<b>Reserves (MSTB)</b>
<u>Proved developed producing</u>				
4 producing wells	466	13,118	12,625	493
<u>Probable developed producing</u>				
4 developing wells	-	282	0	282
<u>Probable undeveloped</u>				
2 developing wells	200	653	0	653
<b>Total proved plus probable</b>		<b>13,771</b>	<b>12,625</b>	<b>1,429</b>

*Source: Chapman Report 2023 – Tunisia, page 63.*

The following table refers to the total gross reserves of the Robbana licence, Tunisia. At the date of this Prospectus, the issuer has a working interest in Robbana in the amount of 100 per cent:

<b>Summary of Gross Reserves</b> <b>31 March 2023</b> <b>Robbana licence, Tunisia</b>				
<b>LIGHT &amp; MEDIUM OIL</b>	<b>Current or initial rate (STB/d)</b>	<b>Ultimate reserves (MSTB)</b>	<b>Cumulative Production (MSTB)</b>	<b>Reserves (MSTB)</b>
<u>Proved developed producing</u>				
1 producing wells	20	520	520	0
<u>Probable developed producing</u>				
1 developing wells	20	46	0	46
<u>Probable undeveloped</u>				
2 developing wells	500	700	0	700
<u>Possible undeveloped</u>				
2 developing wells	100	281	0	281
<b>Total proved plus probable</b>		<b>1,547</b>	<b>520</b>	<b>1,027</b>

*Source: Chapman Report 2023 – Tunisia, page 88.*

The following table refers to the total gross reserves of the Sidi El Kilani oilfield, Tunisia. At the date of this Prospectus, the issuer has a working interest in SLK in the amount of 22.5 per cent.

<b>Summary of Gross Reserves</b> <b>31 March 2023</b> <b>Sidi El Kilani concession, Tunisia</b>				
<b>LIGHT &amp; MEDIUM OIL</b>	<b>Current or initial rate (STB/d)</b>	<b>Ultimate reserves (MSTB)</b>	<b>Cumulative Production (MSTB)</b>	<b>Reserves (MSTB)</b>
<u>Proved developed producing</u>				
6 producing wells	470	52,607	50,766	1,842
<u>Probable undeveloped</u>	STB/d/well			
6 producing wells (incremental)	-	254	0	254
3 Development wells	500	3,000	0	3,000
<b>Total proved plus probable</b>		<b>55,682</b>	<b>50,766</b>	<b>5,096</b>

*Source: Chapman Report 2023 – Tunisia, page 117.*



## Future revenues

The following table shows the undiscounted total future net revenue based on forecast prices and costs of El Bibane as of 31 March 2023:

<b>TUNISIA El Bibane</b>	<b>Revenue (M\$)*</b>	<b>Royalties (M\$)*</b>	<b>Operating Costs (M\$)*</b>	<b>Other Costs (M\$) <sup>(4)</sup> *</b>	<b>Future Net Revenue before Income Taxes (M\$)*</b>	<b>Income Taxes (M\$)*</b>	<b>Future Net Revenue after Income Taxes (M\$)*</b>
Total Proved <sup>(1)</sup>	127,352	28,983	25,261	10,774	89,219	44,610	44,610
Total Proved Plus Probable <sup>(1)(2)</sup>	258,549	20,276	21,870	12,085	204,318	105,037	99,281
Total Proved Plus Probable Plus Possible <sup>(1)(2)(3)</sup>	360,695	28,983	25,261	13,107	293,343	153,819	139,524

\* For an overview of conversion rates please see page 6 of this Prospectus.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Reserves that are less certain to be recovered than proved reserves.

<sup>(3)</sup> Reserves that are less certain to be recovered than proved reserves.

<sup>(4)</sup> Other costs are Export Payment, Net Capital, Abandon & Reclaim.

Source: Chapman Report 2023 – Tunisia, pages 40-54.

The following table shows the undiscounted total future net revenue based on forecast prices and costs of Ezzaouia as of 31 March 2023, under consideration of the Issuer's Working Interest amounting to 45 per cent:

<b>TUNISIA Ezzaouia</b>	<b>Revenue (M\$)*</b>	<b>Royalties (M\$)*</b>	<b>Operating Costs (M\$)*</b>	<b>Other Costs (M\$) <sup>(3)</sup> *</b>	<b>Future Net Revenue before Income Taxes (M\$)*</b>	<b>Income Taxes (M\$)*</b>	<b>Future Net Revenue after Income Taxes (M\$)*</b>
Total Proved <sup>(1)</sup>	17,397	1,218	10,463	3,773	1,942	971	971
Total Proved Plus Probable Producing <sup>(1)(2)</sup>	27,647	2,352	15,568	3,876	5,850	2,925	2,925
Total Proved Plus Probable <sup>(1)(2)</sup>	52,222	4,499	26,430	7,882	13,390	6,695	6,695

\* For an overview of conversion rates please see page 6 of this Prospectus.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Reserves that are less certain to be recovered than proved reserves.

<sup>(3)</sup> Other costs are Export Payment, Net Capital, Abandon & Reclaim.

Source: Chapman Report 2023 – Tunisia, pages 68-79.

The following table shows the undiscounted total future net revenue based on forecast prices and costs of Robbana as of 31 March 2023:

<b>TUNISIA Robbana</b>	<b>Revenue (M\$)*</b>	<b>Royalties (M\$)*</b>	<b>Operating Costs (M\$)*</b>	<b>Other Costs (M\$) <sup>(3)*</sup></b>	<b>Future Net Revenue Before Income Taxes (M\$)*</b>	<b>Income Taxes (M\$)*</b>	<b>Future Net Revenue After Income Taxes (M\$)*</b>
Total Probable Reserves <sup>(1)</sup>	60,641	2,312	11,519	14,971	31,841	15,921	15,921
Total Probable Plus Possible <sup>(1)</sup> <sup>(2)</sup>	84,514	3,700	14,645	15,208	50,961	25,481	25,481

\* For an overview of conversion rates please see page 6 of this Prospectus.

<sup>(1)</sup> Reserves that are less certain to be recovered than proved reserves

<sup>(2)</sup> Reserves that are less certain to be recovered than probable reserves .

<sup>(3)</sup> Other costs are Export Payment, Abandon & Reclaim.

Source: Chapman Report 2023 – Tunisia, pages 94 - 101.

The following table shows the undiscounted total future net revenue based on forecast prices and costs as of SLK as of 31 March 2023:

<b>TUNISIA Sidi El Kilani</b>	<b>Revenue (M\$)*</b>	<b>Royalties (M\$)*</b>	<b>Operating Costs (M\$)*</b>	<b>Other Costs (M\$) <sup>(3)*</sup></b>	<b>Future Net Revenue Before Income Taxes (M\$)*</b>	<b>Income Taxes (M\$)*</b>	<b>Future Net Revenue After Income Taxes (M\$)*</b>
Total Proved <sup>(1)</sup>	74,859	8,983	33,668	4,799	27,409	15,075	12,334
Total Proved Plus Probable Reserves <sup>(1) (2)</sup>	209,371	25,125	44,196	10,541	129,509	71,230	58,279

\* For an overview of conversion rates please see page 6 of this Prospectus.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Reserves that are less certain to be recovered than proved reserves.

<sup>(3)</sup> Other costs are Export Payment, Abandon & Reclaim.

Source: Chapman Report 2023 – Tunisia, pages 124-131.

The following table shows a summary of net present values of future net revenues based on forecast prices and costs before income tax as of 31 March 2023:

<b>TUNISIA El Bibane</b>	<b>Discounted at</b>				
<b>Reserves Category</b>	<b>0%/yr M\$*</b>	<b>5%/yr. M\$*</b>	<b>10%/yr. M\$*</b>	<b>15%/yr. M\$*</b>	<b>20%/yr. M\$*</b>
<b>TOTAL PROVED<sup>(1)</sup></b>	44,610	36,778	30,689	25,873	22,004
<b>TOTAL PROBABLE<sup>(2)</sup></b>	54,671	45,938	39,209	33,923	29,700
<b>TOTAL PROVED PROBABLE<sup>(1)(2)</sup></b> +	99,281	82,716	69,898	59,796	51,704
<b>TOTAL POSSIBLE<sup>(3)</sup></b>	40,243	35,496	31,520	28,171	25,334
<b>TOTAL PROVED PROBABLE + TOTAL POSSIBLE<sup>(1)(2) (3)</sup></b>	139,524	118,213	101,418	87,967	77,039

\* For an overview of conversion rates please see page 6 of this Prospectus.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Additional reserves that are less certain to be recovered than proved reserves.

<sup>(3)</sup> Reserves that are less certain to be recovered than proved reserves.

Source: Chapman Report 2023 – Tunisia, page 39.

The following table shows a summary of net present values of future net revenues based on forecast prices and costs before income tax as of 31 March 2023:

TUNISIA Ezzaouia	Discounted at				
	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.
Reserves Category	M\$*	M\$*	M\$*	M\$*	M\$*
<b>PROVED<sup>(1)</sup></b>	971	1,130	1,238	1,309	1,355
<b>TOTAL PROBABLE<sup>(2)</sup></b>	1,954	1,794	1,632	1,480	1,340
<b>TOTAL PROVED + PROBABLE PRODUCING<sup>(1)(2)</sup></b>	2,925	2,924	2,870	2,789	2,695
<b>TOTAL PROBABLE NON- PRODUCING<sup>(3)</sup></b>	5,292	4,408	3,601	2,897	2,295
<b>TOTAL PROVED + PROBABLE<sup>(1)(2)(3)</sup></b>	6,263	5,538	4,839	4,206	3,650

\* For an overview of conversion rates please see page 6 of this Prospectus.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Additional reserves that are less certain to be recovered than proved reserves.

<sup>(3)</sup> Reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

Source: Chapman Report 2023 – Tunisia, page 67.

The following table shows a summary of net present values of future net revenues based on forecast prices and costs before income tax as of 31 March 2023:

TUNISIA Robbana	Discounted at				
	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.
Reserves Category	M\$*	M\$*	M\$*	M\$*	M\$*
<b>TOTAL PROVED<sup>(1)</sup></b>	0	0	0	0	0
<b>TOTAL PROBABLE<sup>(2)</sup></b>	15,921	11,260	7,940	5,537	3,773
<b>TOTAL POSSIBLE<sup>(5)</sup></b>	9,560	6,883	5,116	3,910	3,063
<b>TOTAL PROBABLE + TOTAL POSSIBLE<sup>(1)(5)</sup></b>	25,481	18,142	13,056	9,448	6,836

\* For an overview of conversion rates please see page 6 of this Prospectus.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Reserves that are less certain to be recovered than proved reserves.

<sup>(3)</sup> Other costs are Export Payment, Abandon & Reclaim.

Source: Chapman Report 2023 – Tunisia, page 93.

The following table shows a summary of net present values of future net revenues based on forecast prices and costs before income tax of SLK as of 31 March 2023:

TUNISIA	Discounted at				
	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.
Reserves Category	M\$*	M\$*	M\$*	M\$*	M\$*
<b>TOTAL PROVED<sup>(1)</sup></b>	12,334	10,280	8,683	7,487	6,588
<b>TOTAL PROBABLE<sup>(2)</sup></b>	45,945	30,473	21,432	15,770	12,014
<b>TOTAL PROVED PROBABLE<sup>(1)(2)</sup></b> +	58,279	40,754	30,115	23,257	18,602

\* For an overview of conversion rates please see page 6 of this Prospectus.

<sup>(1)</sup> Reserves that can be estimated with a high degree of certainty to be recoverable.

<sup>(2)</sup> Additional reserves that are less certain to be recovered than proved reserves.

Source: Chapman Report 2023 – Tunisia, page 123.

## **VII. SECURITIES NOTE FOR RETAIL NON-EQUITY SECURITIES**

### **1. PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERTS' REPORTS AND COMPETENT AUTHORITY APPROVAL**

- 1.1. Identify all persons responsible for the information or any parts of it, given in the securities note with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.**

ZENITH ENERGY LTD, with its registered office at Suite 2400, 745 Thurlow Street, Vancouver BC V6E 0C5, Canada, is solely responsible for the information given in this Prospectus.

- 1.2. A declaration by those responsible for the securities note that to the best of their knowledge, the information contained in the securities note is in accordance with the facts and that the securities note makes no omission likely to affect its import.**

Reference is made to the information provided in section "II. IMPORTANT NOTICE", subsection "Responsibility for this Prospectus", page 1.

- 1.3. Where a statement or reports, attributed to a person as an expert, is included in the securities note, provide the following details for that person: (a) name, (b) business address, (c) qualifications, (d) material interest if any in the issuer.**

Not applicable.

- 1.4. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.**

Not applicable.

### **1.5. Approval of this Prospectus**

This Prospectus has been approved by the FMA in its capacity as Competent Authority under the KMG 2019 and under the Prospectus Regulation.

The FMA gives no undertaking as to the economic or financial opportuneness of any transaction under this Prospectus or to the quality and solvency of the Issuer but only approves this Prospectus as meeting the standard of completeness, comprehensibility and consistence imposed by the Prospectus Regulation.

The approval by the FMA should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus.

Possible investors should make their own assessment as to the suitability of investing in the securities.

## 2. RISK FACTORS

For a detailed list of risk factors concerning the Notes see section IV. RISK FACTORS, subsection 5. (pages 25-27).

## 3. ESSENTIAL INFORMATION

### 3.1. A description of any interest, including a conflict of interest that is material to the issue/offer, detailing the persons involved and the nature of the interest.

The Issuer is entitled to purchase or sell Notes for its own account and to issue further Notes. In addition, the Issuer may, on a daily basis, act on the national and international finance and capital markets. Other interest of natural and legal persons involved in the issue will be disclosed in the Final Terms.

### 3.2. Reasons for the offer to the public or for the admission to trading. Where applicable, disclosure of the estimated total expenses of the issue/offer and the estimated net amount of the proceeds. These expenses and proceeds shall be broken into each principal intended use and presented in order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, then state the amount and sources of other funds needed.

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purpose to develop the Group's operations in Africa unless the relevant Final Terms specify a different use of proceeds. If applicable, further reasons for the offer or a different use of proceeds will be disclosed in the relevant Final Terms.

Due to the fact that the operations in Tunisia and Italy, still require development and the Issuer intends to access new markets like Benin, the anticipated proceeds by the issuance of Notes under the Programme may not be sufficient to entirely found the operations of the Group, especially with regard to new projects. In order to reach the production capacities as listed in the Chapman Reports 2023, further capital in the amount of approx. USD 1.5 million will be required in Italy. In Tunisia is no further capital required given that the development is financed by the cash flow of the local operations.

In the case that the anticipated proceeds by the issuance of Notes under the Programme will not amount to USD 1.5 million, Zenith will continue to raise equity from shareholders and new investors. Current shareholders' holdings of ordinary shares may be materially diluted if the financing of the operations of the Group will be continued via issuing new shares rather than by the issuance of Notes under the Programme.

If the Issuer is not able to secure the capital required at all or only under terms which are not acceptable to the Issuer, the Issuer may be required to reduce the scope of its operations.

The estimated total expenses of the issue/offer and the estimated net amount of the proceeds of the issue/offer will be disclosed in the relevant Final Terms.

#### **4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED TO THE PUBLIC/ADMITTED TO TRADING**

##### **4.1. A description of the type and the class of the securities being offered to the public and/or admitted to trading.**

The Notes are direct, unsecured, unconditional and unsubordinated, fixed rate debt securities, issued in the form of bearer Notes.

Notes will be issued in Tranches, each Tranche consisting of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and form a single series and are identical in all respects, but may have different issue dates, interest commencement dates, reoffer prices, issue prices and dates for first interest payments may form a Series of Notes. An issue of Notes under the Programme may become part of an existing series of Notes previously issued under this Programme in which case the relevant Final Terms will give detailed information on the principal amount, the issue date and the series number of the existing series of Notes to be increased.

The specific terms of each Tranche will be determined at the time of offering of such Tranche based on then prevailing market conditions and will be set forth in the relevant Final Terms as described in more detail below. Each Series will be represented by a global note, without interest coupons. The Final Terms will be available in electronic form on the website of the Issuer under <https://www.zenithenergy.ca/investors> and during usual business hours free of charge at the corporate seat of the Issuer.

Notes will be issued in such denominations as determined by the Issuer and specified in the relevant Final Terms, save that the minimum denomination of the Notes will be EUR 1,000 or, the equivalent amount in another currency.

##### **4.2. Legislation under which the securities have been created.**

The Notes and all other documentation relating to the Programme are governed by German law. The place of performance shall be Frankfurt am Main, Federal Republic of Germany. Exclusive jurisdiction is, to the extent legally permissible, the court of competent jurisdiction specified in the Final Terms but the Issuer reserves the right to bring an action before an otherwise competent court.

##### **4.3. An indication of whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form.**

The Notes are being issued in bearer form ("**Bearer Notes**").

Each Tranche of Notes in bearer form will initially be in the form of either

- (i) a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or
- (ii) a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons,

in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking, S.A. Luxembourg ("**CBL**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche

of the Notes with a common safekeeper for Euroclear and/or CBL. Global Notes may also be deposited with CBF or OeKB.

On 13 June 2006 the European Central Bank (the "ECB") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "Eurosystème"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and CBL as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and CBL after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

***Notes initially represented by a Temporary Global Note exchangeable for Permanent Global Note***

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership.

No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

***Legend concerning United States persons***

Each Global Note will bear the following legend: "Any United States person (as defined in the U.S. Internal Revenue Code of 1986) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986."

**4.4. Total amount of the securities offered to the public/admitted to trading. If the amount is not fixed, an indication of the maximum amount of the securities to be offered (if available) and a description of the arrangements and time for announcing to the public the definitive amount of the offer.**

The total aggregate principal amount of the Notes from time to time outstanding under the Programme may not at any time exceed EUR 50,000,000.

**4.5. Currency of the securities issue.**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in such currencies as determined by the Issuer in the Final Terms. A Noteholder of a Note denominated in a foreign currency may be exposed to the risk of changes in currency exchange rates which may affect the yield of such Notes.

**4.6. The relative seniority of the securities in the issuer's capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of a resolution under Directive 2014/59/EU.**

The obligations under the Notes constitute direct, unconditional and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The issuer does not fall within the scope of Directive 2014/59/EU.

**4.7. A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights.**

**4.7.1. General**

Each noteholder has the right to claim payment of interest and principal from the Issuer when such payments are due according to the Terms and Conditions of the Notes.

**4.7.2. Early redemption of the Notes upon occurrence of an Event of Default**

The Notes can be redeemed prior to their stated maturity at the option of the Noteholders, upon the occurrence of an event of default. Events of default include, *inter alia*, (i) non-payment of capital or interest, (ii) non-performance of any other obligation under the Notes, (iii) bankruptcy or insolvency proceedings are commenced, (iv) Issuer is wound up or dissolved, (v) the Issuer ceases to carry on its business, (vi) the Issuer ceases to carry on its business.

**4.7.3. Early Redemption at the option of the Issuer at a specified redemption amount**

The Notes can be redeemed at the option of the Issuer upon giving notice within the specified notice period to the Holders on a date or dates specified prior to such stated maturity and at the redemption amount specified in the notice of redemption together with accrued interest to, but excluding, the relevant redemption date.

**4.7.4. Statue of limitation**

The presentation period provided in § 801 paragraph 1, sentence 1 BGB (*German Civil Code*) is reduced to ten years. Therefore, the claim under a bearer bond is extinguished at the end of ten years after the occurrence of the time stipulated for payment if the document has not been presented for redemption prior to the end of ten years. If presentation occurs, then the claim is statute-barred in two years from the end of the submission period. Presentation is equivalent to judicial assertion of the claims under the document.

For interest coupons, the period for presentation period is four years. The period of time commences at the close of the year in which the time stipulated for payment occurred.

**4.7.5. Negative Pledge**

The Terms and Conditions of the Notes provide for no negative pledge of the Issuer.

**4.8. Interest**

**4.8.1. The nominal interest rate**

The Notes bear a fixed interest income throughout the entire term of the Notes. Fixed interest will be payable on such basis as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final



Terms and at maturity and will be calculated on the basis of such day count fraction as may be agreed between the Issuer and the relevant Dealer(s) and indicated in the applicable Final Terms.

**4.8.2. The provisions relating to interest payable**

The applicable interest rate may differ from time to time or be constant for any Series of Notes and will be defined in the Final Terms.

**4.8.3. The date from which interest becomes payable**

To be specified in the Final Terms.

**4.8.4. The due dates for interest**

To be specified in the Final Terms.

**4.8.5. The time limit on the validity of claims to interest and repayment of principal.**

The presentation period provided in § 801 paragraph 1, sentence 1 BGB (*German Civil Code*) is reduced to ten years. Therefore, the claim under a bearer bond is extinguished at the end of ten years after the occurrence of the time stipulated for payment if the document has not been presented for redemption prior to the end of ten years. If presentation occurs, then the claim is statute-barred in two years from the end of the submission period. Presentation is equivalent to judicial assertion of the claims under the document.

For interest coupons, the period for presentation period is four years. The period of time commences at the close of the year in which the time stipulated for payment occurred.

**4.9. Maturity date and details of the arrangements for the amortisation**

The notes will be redeemed on the Maturity Date at their redemption amount as defined in the Final Terms. Notes will be redeemed at a minimum of 100 per cent of the nominal value of the Notes.

Such maturity dates may be agreed between the Issuer and the relevant Dealer(s) and will be indicated in the relevant Final Terms.

Subject to the restrictions set out above, the Final Terms in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (in whole but not in part).

**4.10. An indication of yield and a description of the method whereby the yield is to be calculated in summary form.**

To be specified in the Final Terms.

If not indicated otherwise in the Final Terms, the yield for Fixed Rate Notes will be calculated by the use of the ICMA method, which determines the effective interest rate of Notes taking into account accrued interest on a daily basis.

**4.11. Representation of non-equity security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of the website where the public may have free access to the contracts relating to these forms of representation.**

Not applicable. No Noteholders' representative will be designated in the Terms and Conditions of the Notes.

**4.12. In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.**

The establishment of the Programme was authorised by a resolution of the Executive Board of the Issuer dated 4 November 2019. With resolution of the Board of Directors of the Issuer dated 22 February 2023 the maximum aggregate principal amount of all Notes at any one time outstanding under the Programme was increased from EUR 25,000,000 to EUR 50,000,000. Tranches of Notes will be issued in accordance with internal approvals by the Issuer, as in force at the time of issue.

**4.13. The issue date or in the case of new issues, the expected issue date of the securities.**

To be specified in the Final Terms.

**4.14. A description of any restrictions on the transferability of the securities.**

Not applicable. The Notes are freely transferable.

**4.15. Tax warning**

The tax legislation of the noteholder's Member State and of the issuer's country of incorporation may have an impact on the income received from the securities.

Noteholders should be aware that the Final Terms of any Notes may affect the treatment of that Series of Notes and they should consult their professional tax advisers.

**4.16. If different from the issuer, the identity and contact details of the offeror, of the securities and/or the person asking for admission to trading, including the legal entity identifier (LEI) where the offeror has legal personality.**

The identity and contact details of any offeror, of the securities and/or the person asking for admission to trading will be disclosed in the Final Terms, if different from the Issuer.

**5. TERMS AND CONDITIONS OF THE OFFER OF SECURITIES TO THE PUBLIC**

**5.1. Conditions, offer statistics, expected timetable and action required to apply for the offer**

**5.1.1. Conditions to which the offer is subject**

The offer of Notes under this program is not subject to any conditions. The Terms and Conditions of the Issue are to be read in conjunction with this Prospectus and, together with the Prospectus, contain complete and comprehensive information about the Programme and each issue of Notes. An issue specific summary of the individual issue of the Notes will be annexed to the respective Final Terms.

**5.1.2. The time period, including any possible amendments, during which the offer will be open. A description of the application process.**

The time period during which the offer will be open, will be set out in the Final Terms. The period may be extended or shortened.

The possibility to make an offer will be communicated to possible noteholders by the Issuer and any distribution partners. The offer to subscribe for Notes must be made by the applicants. The Issuer reserves the right to (total or partial) acceptance of the subscription offerings.

**5.1.3. A description of the possibility to reduce subscriptions and the manner for refunding amounts paid in excess by applicants.**

A reduction of subscriptions is not provided in principle. The Issuer, however, has the right to reduce subscriptions at its own discretion and as set forth in the Final Terms; if the Issuer avails itself of this right, applicants will be reimbursed the overpaid amounts.

**5.1.4. Details of the minimum and/or maximum amount of the application, (whether in number of securities or aggregate amount to invest).**

The minimum and/or maximum amount of the application will be set forth in the Final Terms.

**5.1.5. Method and time limits for paying up the Notes and for delivery of the Notes.**

To be specified in the Final Terms.

**5.1.6. A full description of the manner and date in which results of the offer are to be made public.**

To be specified in the Final Terms.

**5.1.7. The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.**

Not applicable.

**5.2. Plan of distribution and allotment.**

**5.2.1. The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.**

Notes may be offered to qualified investors and/or retail investors as further specified in the relevant Final Terms. If an offer of Notes does not require to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, this Prospectus shall be deemed a voluntary Prospectus pursuant to Article 4 of the Prospectus Regulation.

The relevant Final Terms will specify whether the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these countries.

**5.2.2. Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made.**

To be specified in the Final Terms.

**5.3. Pricing**

**5.3.1. An indication of the expected price at which the securities will be offered.**

To be specified in the Final Terms.

**5.3.2. Where an indication of the expected price cannot be given, a description of the method of determining the price, pursuant to Article 17 of Regulation (EU) 2017/1129, and the process for its disclosure.**

If an indication of the expected price at which the securities will be offered cannot be given, the price will be determined in line with market prices for comparable financial products. The detailed method is to be specified in the Final Terms.

**5.3.3. Indication of the amount of any expenses, and taxes charged to the subscriber or purchaser. Where the issuer is subject to Regulation (EU) No 1286/2014 or Directive 2014/65/EU and to the extent that they are known, include those expenses contained in the price.**

The Issuer will not charge any subscribers or purchasers any special costs and taxes. However, customary service fees / fees paid by the Issuer to Distributors may already be included in the Issue Price of the Securities and will be disclosed – to the extent that they are known – in the relevant Final terms.

Costs and expenses incurred in the indirect acquisition are not subject to the influence of the Issuer.

**5.4. Placing and Underwriting**

**5.4.1. Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place.**

As of the date of this Prospectus the issuer is not collaborating with coordinators or placers. Any future appointed coordinators and/or placers will be disclosed in the Final Terms.

**5.4.2. Name and address of any paying agents and depository agents in each country.**

To be specified in the Final Terms.

**5.4.3. Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.**

The Notes will not be underwritten based on a firm commitment, nor have any entities agreed to place the issue without a firm commitment or under "best efforts" arrangements, if not specified otherwise in the Final Terms. If applicable, the Final Terms will also specify the material features of the agreements, including the quotas, and the indication of the overall amount of the underwriting commission and of the placing commission. Where not all of the issue is underwritten, a statement of the portion not covered will be included in the Final Terms.

**5.4.4. When the underwriting agreement has been or will be reached.**

At the date of this Prospectus no underwriting agreement has been reached. If an underwriting agreement will be reached, the respective date will be disclosed in the Final Terms.

## **6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

- 6.1. An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market, other third country markets, SME Growth Market or MTF with an indication of the markets in question. This circumstance must be set out, without creating the impression that the admission to trading will necessarily be approved. If known, give the earliest dates on which the securities will be admitted to trading.**

The Issuer may make an application for the Notes to be included in trading on the Vienna MTF. The Vienna MTF is a multilateral trading facility (MTF) operated by the Vienna Stock Exchange. The inclusion in trading on the Vienna MTF is subject to the approval of the Vienna Stock Exchange.

The Issuer may apply for the listing on other multilateral trading facility (MTF) operated by other stock exchanges, if specified in the Final Terms. The inclusion of Notes to trading on such MTFs is subject to the approval of the relevant stock exchange.

The Issuer may decide that Notes issued under the Programme will not be listed on any stock exchange, if specified in the Final Terms.

- 6.2. All the regulated markets or third country markets, SME Growth Market or MTFs on which, to the knowledge of the issuer, securities of the same class of the securities to be offered to the public or admitted to trading are already admitted to trading.**

Zenith has issued Notes under the Programme denominated in EUR (ISIN XS2108546735 and XS2478298909), USD (ISIN XS2108546651 and XS2478299113), GBP (ISIN XS2108546578 and XS2478299030) and CHF (ISIN XS2108546818), which have been included to trading on the Vienna MTF of the Vienna Stock Exchange.

The Vienna MTF of the Vienna Stock Exchange is not a regulated market for the purposes of the MiFID II. Any further information will be specified in the Final Terms.

- 6.3. In the case of admission to trading on a regulated market, the name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.**

The Notes issued under the Programme are currently not admitted to trading on a regulated market. Any further information will be specified in the Final Terms.

- 6.4. The issue price of the securities.**

To be specified in the Final Terms.

**7. ADDITIONAL INFORMATION**

- 7.1. If advisors connected with an issue are referred to in the securities note, a statement of the capacity in which the advisors have acted.**

Not applicable, as no advisors connected with an issue are referred to in the securities note.

- 7.2. An indication of other information in the securities note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.**

Not applicable.

- 7.3. Credit ratings assigned to the securities at the request or with the cooperation of the issuer in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.**

Not applicable. No credit rating will be assigned to the securities.

- 7.4. Where the summary is substituted in part with the information set out in points (c) to (i) of paragraph 3 of Article 8 of Regulation (EU) No 1286/2014, all such information to the extent it is not already disclosed elsewhere in the securities note, must be disclosed.**

To be specified in the relevant Final Terms.

## **VIII. TERMS AND CONDITIONS OF THE NOTES AND RELATED INFORMATION**

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme.

This section "Terms and Conditions of the Notes and Related Information" comprises the following parts:

1. the Terms and Conditions of the Notes; and
2. the Form of Final Terms.

## 1. TERMS AND CONDITIONS OF THE NOTES

### TERMS AND CONDITIONS OF THE NOTES

#### (ENGLISH LANGUAGE VERSION)

#### TERMS AND CONDITIONS OF FIXED RATE NOTES

##### § 1

#### CURRENCY, DENOMINATION, FORM, TITLE CERTAIN DEFINITIONS

(1) *Currency, Denomination.* This tranche [insert tranche number] of Notes (the "Notes") which itself or, together with one or more other tranches, shall comprise a "Series", is being issued by ZENITH ENERGY LTD in [insert specified currency] (the "Specified Currency") in the aggregate principal amount (subject to § 1(6) of [insert aggregate principal amount] (in words: [insert aggregate principal amount in words]) in a denomination of [insert Specified Denomination] (the "Specified Denomination").

**[If the Tranche becomes part of an existing Series, insert:** This Tranche [insert number of tranche] shall be consolidated and form a single Series [insert number of series] with the Series [number of series], ISIN [●], Tranche 1 issued on [insert Issue Date of Tranche 1] **[For each further Tranche, insert:** and Tranche [insert number of tranche] issued on [insert Issue Date of this Tranche] of this Series]. The aggregate principal amount of Series [insert number of series] is [insert aggregate principal amount of the consolidated Series [insert number of series].]

**[In case of Notes which are exclusively represented by a Permanent Global Note insert:**

(2) *Form: Permanent Global Note*

The Notes are being issued in bearer form. The Notes are represented by a permanent global note (the "Permanent Global Note" or the a "Global Note") without coupons; the claim for interest payments under the Notes is represented by the Permanent Global Note. The Permanent Global Note shall be signed manually or in facsimile by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent.]

**[In case of Notes which are initially represented by a Temporary Global Note, which will be exchangeable for a Permanent Global Note, insert:**

(2) *Form: Temporary Global Note - Exchange*

The Notes are being issued in bearer form.

(a) The Notes are initially represented by a temporary global note (the "Temporary Global Note") without coupons. The Temporary Global Note will be exchangeable for Notes in Specified Denominations represented by a permanent global note (the "Permanent Global Note") without coupons. The Temporary Global Note and the Permanent Global Note (each a "Global Note") shall each be signed manually or in facsimile by two authorised signatories of the Issuer and shall each be authenticated by or on behalf of the Fiscal Agent. Definitive Notes and interest coupons will not be issued.



- (b) The Temporary Global Note shall be exchanged for the Permanent Global Note on a date not earlier than 40 days after the date of issue of the Temporary Global Note. Such exchange shall only be made upon delivery of certifications to the effect that the beneficial owner or owners of the Notes represented by the Temporary Global Note is not a U.S. person (other than certain financial institutions or certain persons holding Notes through such financial institutions). Payment of interest on Notes represented by a Temporary Global Note will be made only after delivery of such certifications. A separate certification shall be required in respect of each such payment of interest. Any such certification received on or after the 40<sup>th</sup> day after the date of issue of the Temporary Global Note will be treated as a request to exchange such Temporary Global Note pursuant to subparagraph (b) of this § 1 (3). Any securities delivered in exchange for the Temporary Global Note shall be delivered only outside of the United States (as defined in § 4 (3)).]

(3) *Clearing System.* [The] [Each] Temporary Global Note will be kept in custody by or on behalf of a Clearing System until all obligations of the Issuer under the Notes have been satisfied. "Clearing System" means [If more than one Clearing System, insert: each of] the following: [Clearstream Banking AG, Frankfurt am Main ("CBF")] [Clearstream Banking, société anonyme, Luxembourg ("CBL")] [Euroclear Bank SA/NV ("Euroclear")] [CBL and Euroclear each an "ICSD" and together the "ICSDs"] [OeKB CSD GmbH ("OeKB")] [.] [and] [specify other Clearing System] or any successor in respect of the functions performed by [If more than one Clearing System, insert: each of the Clearing Systems] [If one Clearing System, insert: the Clearing System].

**[In the case of Notes kept in custody on behalf of the ICSDs, insert:**

The Notes are issued in new global note ("NGN") form and are kept in custody by a common safekeeper on behalf of both ICSDs.]

(4) *Noteholder.* "Noteholder" means any holder of a proportionate co-ownership or other beneficial interest or right in the Notes.

(5) *Records of the ICSDs.* The aggregate principal amount of Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate principal amount of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.]

**[In the case of a Temporary Global Note, insert:** On an exchange of a portion only of the Notes represented by a Temporary Global Note, the issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.]

(6) *Title.*

- (a) A Noteholder will (except as otherwise required by applicable laws or regulatory requirements) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof) and no person shall be liable for so treating such Noteholder.

- (b) The transfer of title to Notes is effected by agreement on the transfer among the relevant parties and by delivery or otherwise in accordance with any applicable laws and regulations including the rules of any relevant Clearing System. References herein to "Noteholders" of Notes are to the bearers of such Notes.

(7) *Business Day*. In these Terms and Conditions, "**Business Day**" means a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and (ii) **[If the Specified Currency is Euro insert: [TARGET (as defined below)] [and commercial banks and foreign exchange markets in [insert all relevant financial centres]] [If the Specified Currency is not Euro insert: commercial banks and foreign exchange markets in [insert all relevant financial centres]]** settle payments.

**[If TARGET is applicable, insert: "TARGET"** means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system 2 or any successor system thereto.]

## **§ 2 STATUS**

- (1) *Status*. The obligations under the Notes constitute direct, unconditional and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## **§ 3 INTEREST**

- (1) *Rate of Interest and Interest Payment Dates*. The Notes shall bear interest on their principal amount at the rate of **[insert Rate of Interest]** per cent per annum from (and including) **[insert Interest Commencement Date]** (the "**Interest Commencement Date**") to (but excluding) the Maturity Date (as defined in § 5 (1)).

Interest shall be payable in arrears on **[insert Fixed Interest Date or Dates]** in each year (each such date, an "**Interest Payment Date**"), subject to adjustment in accordance with § 4 (5). The first payment of interest shall, subject to adjustment in accordance with § 4 (5), be made on **[insert First Interest Payment Date]** **[If First Interest Payment Date is not first anniversary of Interest Commencement Date, insert: and will amount to [insert Initial Broken Amount per Specified Denomination] per Note].**

**[If the Maturity Date is not a Fixed Interest Date, insert: Interest in respect of the period from [insert Fixed Interest Date preceding the Maturity Date] (inclusive) to the Maturity Date (exclusive) will amount to [insert Final Broken Amount per Specified Denomination] per Note.]**

**[If Actual/Actual (ICMA) insert: The number of interest determination dates per calendar year (each a "Determination Date" is [insert number of regular interest payment dates per calendar year].]**

- (2) *Accrual of Interest*. The Notes shall cease to bear interest from the day preceding their due date for redemption. If the Issuer shall fail to redeem the Notes when due, interest shall continue to accrue on the outstanding principal amount of the Notes beyond the due date until the day preceding the day of actual redemption of the Notes. This does not affect any additional rights that might be available to the Noteholders.

- (3) *Calculation of Interest for Partial Periods*. If interest is required to be calculated for a period of less than a full year, such interest shall be calculated on the basis of the Day Count Fraction (as defined below).

- (4) *Day Count Fraction*. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

**[In the case of Actual/Actual (ICMA), insert:**

1. in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in § 3 (1)) that would occur in one calendar year; or
2. in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in § 3 (1)) that would occur in one calendar year; and
  - the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in § 3 (1)) that would occur in one calendar year.

**"Determination Period"** means the period from (and including) an Interest Payment Date or, if none, the Interest Commencement Date to, but excluding, the next or first Interest Payment Date.]

**[In the case of 30/360, insert:** the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.]

**[In the case of ACT/ACT (ISDA) or Actual/365, insert:** the actual number of days in the Calculation Period divided by 365 (or, if any calculation portion of that period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period not falling in a leap year divided by 365).]

**[In the case of Actual/ 365 (Fixed), insert:** the actual number of days in the Calculation Period divided by 365.]

**[In the case of Actual/360, insert:** the actual number of days in the Calculation Period divided by 360.]

**[In the case of 30/360, 360/360 or Bond Basis, insert:** the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

**[In the case of 30E/360 or Eurobond Basis, insert:** the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

## § 4 PAYMENTS

### (1) *Payment of Principal and Interest*

- (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to paragraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant accountholders of the Clearing System upon presentation and (except in the case of partial payment) surrender of the Global Note representing the Notes at the time of payment at the specified office of the Fiscal Agent outside the United States.
- (b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System.

Payment of interest on Notes represented by the Temporary Global Note shall be made, subject to paragraph (2), to the Clearing System or to its order for credit to the relevant accountholders of the Clearing System, upon due certification as provided in § 1 (3) (b).

(2) *Manner of Payment.* Subject to applicable fiscal and other laws and regulations, payments of amounts due in respect of the Notes shall be made in the freely negotiable and convertible currency which on the respective due date is the currency of the country of the Specified Currency.

(3) *United States.* For purposes of § 1 (3) and paragraph (1) of this § 4, "United States" means the United States of America (including the States thereof and the District of Columbia) and its territories (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands) and possessions and other areas subject to its jurisdiction.

(4) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(5) *Payment Business Day.* If the date for payment of any amount in respect of any Note is not a Payment Business Day then:

**[In the case of Modified Following Business Day Convention, insert:** the Noteholder shall not be entitled to payment until the next day which is a Payment Business Day unless it would thereby fall into the next calendar month, in which event the payment date shall be the immediately preceding Business Day.]

**[In the case of Following Business Day Convention, insert:** the Noteholder shall not be entitled to payment until the next day which is a Payment Business Day.]

**[In the case of Preceding Business Day Convention, insert:** the Noteholder shall be entitled to payment on the immediately preceding Payment Business Day.]

**[In the case "Unadjusted" is applicable, insert:** If the payment of any amount shall be unadjusted as described above, the relevant amount payable and the relevant Interest Payment Date shall not be adjusted respectively.]

**[In the case "Adjusted" is applicable, insert:** If the payment of any amount shall be adjusted as described above, the relevant amount payable and the relevant Interest Payment Date shall be adjusted respectively.]

The Noteholder shall not be entitled to further interest or other payment in respect of such delay.

For these purposes, "Payment Business Day" means a day which is a day (other than a Saturday or a Sunday) on which both (i) the Clearing System, and (ii) **[If the Specified Currency is not Euro, insert:** commercial banks and foreign exchange markets in **[insert all relevant financial centres]** **[If the Specified Currency is Euro insert:** [TARGET] **] and commercial banks and foreign exchange markets in [insert all relevant financial centres]]]** settle payments.

(6) *References to Principal and Interest.* References in these Terms and Conditions of the Notes to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount of the Notes;

the Early Redemption Amount of the Notes; **[If redeemable at the option of the Issuer insert: the Call Redemption Amount of the Notes;]** and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions of the Notes to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

## § 5 REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed (in whole but not in part) or purchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[insert Maturity Date]** (the "**Maturity Date**"). The Final Redemption Amount in respect of each Note shall be its Specified Denomination.

**[If Notes are subject to Early Redemption at the Option of the Issuer, insert:**

(2) *Early Redemption at the Option of the Issuer.*

(a) The Issuer may, not less than 15 Business Days before the giving of a notice to the Paying Agent and upon notice given in accordance with clause (b), redeem all of the Notes on the Call Redemption Date[s] at the Call Redemption Amount[s] set forth below together with accrued interest, if any, to (but excluding) the relevant Call Redemption Date.

Call Redemption Date(s)

Call Redemption Amount(s)

**[insert Call Redemption Date(s)]**

**[insert Call Redemption Amount(s)]**

(b) Notice of redemption shall be given by the Issuer to the Noteholders in accordance with § 11. Such notice shall specify:

- (i) the Tranche or Series, as the case may be, of Notes subject to redemption;
- (ii) the Call Redemption Date, which shall be not less than **[insert Minimum Notice to Noteholders]** nor more than **[insert Maximum Notice to Noteholders]** days after the date on which notice is given by the Issuer to the Noteholders; and
- (iii) the Call Redemption Amount at which such Notes are to be redeemed.

(3) *Early Redemption Amount.*

For purposes of § 8, the early redemption amount of a Note shall be its Final Redemption Amount (the "**Early Redemption Amount**").

## § 6 FISCAL AGENT AND PAYING AGENT[S]

(1) *Appointment; Specified Offices.* The initial Fiscal Agent and Paying Agent[s] and their respective initial specified offices are:

**Fiscal Agent:**

**[insert Fiscal Agent and specified offices]**

**Paying Agent[s]:**

**[insert Paying Agent and specified offices]**

**[insert other Paying Agents and specified offices]**

The Fiscal Agent and the Paying Agent[s] reserve the right at any time to change their respective specified offices to some other specified office in the same city.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and to appoint another Fiscal Agent or additional or other Paying Agents. The Issuer shall at all times maintain (i) a Fiscal Agent [,] [and] [(ii) a Paying Agent with a specified office outside the European Union] [,] [and] [(iii) a Paying Agent (which may be the Fiscal Agent) with a specified office in a European city] [,] [and] [(iv) a Paying Agent (which may be the Fiscal Agent) with a specified office within the Republic of Austria] **[In the case of Notes listed on a stock exchange, insert: [,] [and] [(iii) [(iv) [(v)] so long as the Notes are listed on the [name of stock exchange], a Paying Agent (which may be the Fiscal Agent) with a specified office in [location of stock exchange] and/or in such other place as may be required by the rules of such stock exchange] [In the case of payments in U.S. dollars, insert: and [(iii) [(iv) [(v) [(vi)] if payments at or through the offices of all Paying Agents outside the United States (as defined in § 4 (3) hereof) become illegal or are effectively precluded because of the imposition of exchange controls or similar restrictions on the full payment or receipt of such amounts in United States dollars, a Paying Agent with a specified office in New York City]. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with § 11.**

(3) *Agents of the Issuer.* The Fiscal Agent and the Paying Agent[s] act solely as agents of the Issuer and do not have any obligations towards or relationship of agency or trust to any Noteholder.

## § 7 TAXATION

(1) *Taxation.* All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes by or on behalf of the Issuer will be made free and clear of and without withholding at source or deduction at source for or on account of any present or future taxes, fees, duties, assessments or governmental charges of whatever nature which are imposed or levied by or on behalf of Canada or any political subdivision thereof or any authority or agency therein or thereof having power to tax ("Withholding Tax"), unless Withholding Tax is to be deducted or withheld by law or other regulations and to be paid to the responsible authorities. In such event, the Issuer will pay such additional amounts as may be necessary, subject to paragraph (2) below, in order that the net amounts receivable by the Noteholder after the withholding or deduction of such Withholding Tax shall equal the respective amounts which would have been received by such Noteholder had no such Withholding Tax been required.

(2) *No Additional Amounts.* However, the Issuer shall not be obliged to pay any additional amounts on account of any such taxes, fees, duties, assessments or governmental charges:

(a) which the Noteholder is subject to for any reason other than the mere fact of being a Noteholder, including if the Noteholder is subject to such taxes, fees, duties, assessments or governmental charges based on a personal unlimited or limited tax liability; or

(b) the Noteholder would not be subject to, if he had presented, or claimed his rights to the respective Paying Agent pursuant to § 6 arising from his Notes for payment within 30 days from the Relevant Date (as defined below); or]

[(b)][(c)] which are deducted or withheld by a Paying Agent in one country from a payment if the payment could have been made by another Paying Agent in another country without such withholding or deduction; or

[(c)][(d)] which are to be paid on payments of principal and interest, if any, by any means other than withholding at source or deduction at source; or

[(d)][(e)] which are only deducted or withheld because the relevant Note is being presented for payment at the counter; or]

[(d)][(e)][(f)] which are imposed or withheld by reason of the failure by the Noteholder or the beneficial owner of a Note to comply with any requirement (including the requirement to produce necessary forms and/or other documentation) under a statute, treaty, regulation, or administrative practice of the tax jurisdiction to establish entitlement to exemption from all or part of such tax, fee, duty, assessment, or other governmental charge to the extent such compliance is required as precondition to relief or exemption from such tax, fee, duty, assessment or other governmental charge; or]

[(d)][(e)][(f)][(g)] which are imposed on a payment to an individual and are required to be made pursuant to the Council Directive 2014/107/EU dated 9 December 2014 amending Directive 2011/16/EU as regards the EU-wide automatic exchange of Information in the field of taxation, or pursuant to any law or provision, implementing or complying with the requirements of such Directive or the conclusions of the ECOFIN Council meeting reached on 13 December 2001, or pursuant to any law or provision that is introduced in order to conform to such Directive; or

[(e)][(f)][(g)][(h)] any combination of items (a), [(b),] [(b)][(c)], [(c)][(d)], [(d)][(e)], [(d)][(e)][(f)], ] and [(d)][(e)][(f)][(g)];

nor shall any additional amounts be paid with respect to any payment on a Note to a Noteholder who is a fiduciary or partnership or who is other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of Canada to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such additional amounts had such beneficiary, settlor, member or beneficial owner been the Noteholder of the Notes.

(3) *Relevant Date.* As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the relevant Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received by the relevant Agent, notice to that effect is duly given to the Noteholders in accordance with § 11.

## § 8 EVENTS OF DEFAULT

(1) *Events of Default.* Each Noteholder is entitled to declare due and payable by notice to the Fiscal Agent and the Issuer his entire claims arising from the Notes and demand payment of the Early Redemption Amount, together with accrued interest (if any) to the date of repayment, if

- (a) the Issuer, for any reason whatsoever, fails to pay (i) within thirty days after the relevant due date principal, or (ii) within thirty days after the relevant due date interest, if any, on the Notes, including additional amounts pursuant to § 7 (1), if any; or
- (b) the Issuer, for any reason whatsoever, fails to duly perform any other obligation under these Notes and such failure is incapable of remedy or continues for more than sixty days after receipt of a written notice from a Noteholder by the Fiscal Agent; or
- (c) bankruptcy or insolvency proceedings (or similar proceedings) are commenced by a court in the relevant place of jurisdiction against the Issuer which shall not have been reversed or stayed within 60 days or the Issuer itself institutes such proceedings, or offers or makes an arrangement for the benefit of creditors generally; or
- (d) the Issuer is wound up or dissolved or shall take any action for the purpose of liquidation unless such liquidation is to take place in connection with a merger, consolidation or any other form of combination

with another company and such company in the case of the Issuer assumes all obligations arising from these Terms and Conditions of the Notes; or

- (e) the Issuer ceases to carry on its business; or
- (f) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or
- (g) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

(2) *Notice.* Such notice for repayment shall be sent to the Fiscal Agent by registered mail; such notice will become effective upon receipt by the Fiscal Agent. Claims fall due 14 days after receipt of such notice unless, in the case of paragraph (1)(a) or (1)(b), the obligation has been satisfied or performed prior thereto.

## **§ 9 SUBSTITUTION**

(1) *Substitution.* The Issuer shall be entitled at any time without the consent of the Noteholders to be substituted as Issuer by any other company appointed as Issuer under this Programme (the "**New Issuer**") in respect of all obligations arising from or in connection with the Notes, if;

- (a) the New Issuer assumes all obligations of the Issuer arising from or in connection with the Notes;
- (b) the Issuer and the New Issuer have obtained any necessary authorisation from the competent authorities to the effect that the New Issuer may transfer to the relevant Paying Agent in the Specified Currency or other relevant currency without the withholding at source or deduction at source of any taxes, fees, duties, assessments or other governmental charges in the country of its incorporation and, if different where it is treated as resident for tax purposes, all amounts required for the performance of the payment obligations arising from or in connection with the Notes;
- (c) the Issuer irrevocably and unconditionally guarantees such obligations of the New Issuer in the same form and with the same content as the Notes have originally been guaranteed by the Issuer.

(2) *Change of References.* In the event of such substitution, any reference in these Terms and Conditions of the Notes to the Issuer shall from then on be deemed to refer to the New Issuer and any reference to the country of incorporation of the Issuer shall from then on be deemed to refer to the country of incorporation of the New Issuer and, if different, to the country where it is treated as resident for tax purposes.

(3) *Notice.* Any substitution effected in accordance with subparagraph 1 of this § 9 shall be binding on the Noteholders and shall be notified to them in accordance with § 11 not less than 15 Business Days before such substitution comes into effect.

## **§ 10 FURTHER ISSUES, PURCHASES AND CANCELLATION**

(1) *Further Issues.* The Issuer reserves the right from time to time without the consent of the Noteholders to issue additional notes so that the same shall be consolidated, form a single issue (Series) of Notes with and increase the aggregate principal amount of this Tranche of Notes. The Notes of each Tranche shall have identical Terms and Conditions and identical features. The Notes of each Series shall also have identical Terms and Conditions and identical features, except (in the case of more than one Tranche) for the Issue Date, the Interest Commencement Date and the Issue Price. References to "*Notes*" shall be construed as references to such Tranche or Series.

(2) *Purchases and Cancellation.* The Issuer and any of its subsidiaries is entitled to purchase Notes in the



market or otherwise. Notes purchased or otherwise acquired by the Issuer or any of the subsidiaries may be held or resold or, at the discretion of the Issuer, surrendered to the relevant Paying Agent for cancellation.

## § 11 NOTICES

**[In the case of Notes which are listed on a Stock Exchange, insert:**

(1) *Publication.*

**[If notices may be given by means of a leading daily newspaper, insert:** All notices concerning the Notes will be published in a leading daily newspaper having general circulation in [Austria] [London] **[specify other location]**. This newspaper is expected to be the *[Amtsblatt zur Wiener Zeitung]* [Financial Times] **[insert other applicable newspaper having general circulation]** in the German or English language. [Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).]

**[(2)]** *Notification to Clearing System.*

**[In the case of Notes which are unlisted, insert:** The Issuer shall deliver all notices concerning the Notes to the Clearing System for communication by the Clearing System to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which said notice was given to the Clearing System.]

**[In the case of Notes which are listed on the Vienna Stock Exchange, insert:** So long as any Notes are listed on the Vienna Stock Exchange, subparagraph (1) shall apply. In the case of notices regarding the Rate of Interest or, if the Rules of the Vienna Stock Exchange so permit, the Issuer may deliver the relevant notice to the Clearing System for communication by the Clearing System to the Noteholders in lieu of publication in the newspapers set forth in subparagraph (1) above; any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to the Clearing System.]

**[In the case of Notes which are listed on a Stock Exchange other than the Vienna Stock Exchange, insert:** The Issuer may, in lieu of publication set forth in subparagraph (1) above, deliver the relevant notice to the Clearing System, for communication by the Clearing System to the Noteholders, provided that the rules of the stock exchange on which Notes are listed permit such form of notice. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which said notice was given to the Clearing System.]

## § 12 APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The form and content of the Notes and the Global Note(s) and all the rights and duties arising therefrom shall be governed exclusively by the laws of the Federal Republic of Germany.

(2) *Submission to Jurisdiction.* For all litigation arising from legal relations established in these Terms and Conditions of the Notes, the Noteholders are entitled to assert their claims, to the exclusion of all other venues, at their discretion either before the competent courts in the relevant country of incorporation of the Issuer or before the competent courts in Frankfurt am Main, Federal Republic of Germany. It is agreed that such courts shall apply exclusively the laws of the Federal Republic of Germany.

(3) *Place of Performance.* Place of performance shall be Vienna, Republic of Austria

(4) *Enforcement.* A Noteholder may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, in his own name enforce his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Noteholder maintains a securities account in respect of Notes

(a) stating the full name and address of the Noteholder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) or (ii) a copy of the Note in global form certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Noteholder maintains a securities account in respect of the Notes and includes the Clearing System. Each Noteholder may, without prejudice of the foregoing, protect and enforce his rights under the Notes also in any other way which is permitted in the country in which the proceedings are initiated.

(5) *Annulment.* The German courts shall have exclusive jurisdiction over the annulment of lost or destroyed Global Notes.

### **§ 13 PARTIAL INVALIDITY**

Should any of the provisions contained in these Terms and Conditions of the Notes be or become invalid or unenforceable, the validity or enforceability of the remaining provisions shall not in any way be affected or impaired thereby. In this case, the invalid or unenforceable provision shall be deemed to be replaced by a provision which to the extent legally possible provides for an interpretation in keeping with the meaning and the economic purpose of these Terms and Conditions of the Notes at the time of the issue of the Notes. Under circumstances in which these Terms and Conditions of the Notes prove to be incomplete, a supplementary interpretation in accordance with the meaning and the purpose of these Terms and Conditions of the Notes under due consideration of the legitimate interests of the parties involved shall be applied.

### **§ 14 LANGUAGE**

**[If the Terms and Conditions are written in the German language, insert:** These Terms and Conditions of the Notes are written in the German language. **[If the Terms and Conditions are written in the German language together with a non-binding translation into the English language, insert:** These Terms and Conditions of the Notes are written in the German language. An English language translation shall be provided. The German text shall be prevailing and binding. The English language translation is provided for convenience only.]]

**[If the Terms and Conditions are written in the English language, insert:** These Terms and Conditions of the Notes are written in the English language. **[If a non-binding translation into the German language shall be provided, insert:** A German language translation shall be provided. The English text shall be prevailing and binding. The German language translation is provided for convenience only.]

### **§ 15 DEPOSIT IN COURT, PRESENTATION PERIOD, PRESCRIPTION PERIOD**

(1) *Deposit in Court.* The Issuer may deposit with the lower court (*Amtsgericht*) of Frankfurt am Main principal and interest, if any, not claimed by Noteholders within twelve months after having become due, together with a waiver of the right to withdraw such deposit, even if the Noteholders are not in default of acceptance; such deposit will be at the risk and cost of such Noteholders. Upon such deposit, with such waiver of the right to withdraw, all claims of such Noteholders against the Issuer and against third parties which are liable for its obligations shall cease.

(2) *Presentation Period.* The presentation period provided in § 801 paragraph 1, sentence 1 BGB (*German Civil Code*) is reduced to ten years.

(3) *Prescription Period.* The prescription period for Notes presented for payment during the presentation period shall be two years beginning at the end of the relevant presentation period.

**TERMS AND CONDITIONS OF THE NOTES  
(GERMAN LANGUAGE VERSION)**

**EMISSIONSBEDINGUNGEN  
FÜR FESTVERZINSLICHE SCHULDVERSCHREIBUNGEN**

**§ 1  
WÄHRUNG, STÜCKELUNG, FORM, EIGENTUM, DEFINITIONEN**

(1) *Währung, Stückelung.* Diese Tranche **[Tranchen-Nummer einfügen]** von Schuldverschreibungen (die "**Schuldverschreibungen**") der ZENITH ENERGY LTD, die für sich oder mit einer oder mehreren Tranchen gemeinsam eine "**Serie**" bilden kann, wird in **[festgelegte Währung einfügen]** (die "**festgelegte Währung**") im Gesamtnennbetrag (vorbehaltlich § 1(6) von **[Gesamtnennbetrag einfügen]** (in Worten: **[Gesamtnennbetrag in Worten einfügen]**)) in einer Stückelung von **[festgelegte Stückelung einfügen]** (die "**festgelegten Stückelung**") begeben.

**[Im Fall einer Zusammenfassung der Tranche mit einer bestehenden Serie, einfügen:** Diese Tranche **[Tranchen-Nr. einfügen]** wird mit der Serie **[Seriennummer einfügen]**, ISIN **[●]**, Tranche 1 begeben am **[Valutierungstag der ersten Tranche einfügen]** **[Für jede weitere Tranche jeweils einfügen:** und der Tranche **[Tranchen-Nr. einfügen]** begeben am **[Valutierungstag dieser Tranche einfügen]** dieser Serie] konsolidiert und formt mit dieser eine einheitliche Serie **[Seriennummer einfügen]**. Der Gesamtnennbetrag der Serie **[Seriennummer einfügen]** lautet **[Gesamtnennbetrag der gesamten konsolidierten Serie [Seriennummer einfügen] einfügen].]**

**[Im Fall von Schuldverschreibungen, die ausschließlich durch eine Dauerglobalurkunde verbrieft sind, einfügen:**

(3) *Form :Dauerglobalurkunde*

Die Schuldverschreibungen lauten auf den Inhaber. Die Schuldverschreibungen sind durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**" oder die "**Globalurkunde**") ohne Zinsscheine verbrieft; der Zinszahlungsanspruch im Zusammenhang mit den Schuldverschreibungen ist durch die Dauerglobalurkunde mitverbrieft. Die Dauerglobalurkunde trägt die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und ist von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.]

**[Im Fall von Schuldverschreibungen, die anfänglich durch eine vorläufige Globalurkunde verbrieft sind, die gegen eine Dauerglobalurkunde ausgetauscht werden kann, einfügen:**

(3) *Form: Vorläufige Globalurkunde - Austausch.*

Die Schuldverschreibungen lauten auf den Inhaber.

(a) Die Schuldverschreibungen sind anfänglich durch eine vorläufige Globalurkunde (die "**Vorläufige Globalurkunde**") ohne Zinsscheine verbrieft. Die vorläufige Globalurkunde wird gegen Schuldverschreibungen in den festgelegten Stückelungen, die durch eine Dauerglobalurkunde (die "**Dauerglobalurkunde**") ohne Zinsscheine verbrieft sind, ausgetauscht. Die vorläufige Globalurkunde und die Dauerglobalurkunde (jeweils eine "**Globalurkunde**") tragen jeweils die eigenhändigen oder faksimilierten Unterschriften zweier ordnungsgemäß bevollmächtigter Vertreter der Emittentin und sind jeweils von der Emissionsstelle oder in deren Namen mit einer Kontrollunterschrift versehen. Einzelurkunden und Zinsscheine werden nicht ausgegeben.

- (b) Die vorläufige Globalurkunde wird an einem Tag gegen die Dauerglobalurkunde ausgetauscht, der nicht weniger als 40 Tage nach dem Tag der Ausgabe der vorläufigen Globalurkunde liegt. Ein solcher Austausch darf nur nach Vorlage von Bescheinigungen erfolgen, wonach der oder die wirtschaftlichen Eigentümer der durch die vorläufige Globalurkunde verbrieften Schuldverschreibungen keine U.S.-Personen sind (ausgenommen bestimmte Finanzinstitute oder bestimmte Personen, die Schuldverschreibungen über solche Finanzinstitute halten). Zinszahlungen auf durch eine vorläufige Globalurkunde verbrieft Schuldverschreibungen erfolgen erst nach Vorlage solcher Bescheinigungen. Eine gesonderte Bescheinigung ist hinsichtlich einer jeden solchen Zinszahlung erforderlich. Jede Bescheinigung, die am oder nach dem 40. Tag nach dem Tag der Ausgabe der vorläufigen Globalurkunde eingeht, wird als ein Ersuchen behandelt werden, diese vorläufige Globalurkunde gemäß Absatz (b) dieses § 1 (3) auszutauschen. Wertpapiere, die im Austausch für die vorläufige Globalurkunde geliefert werden, sind nur außerhalb der Vereinigten Staaten (wie in § 4 (3) definiert) zu liefern.]

(4) *Clearing System.* [Die][Jede] vorläufige Globalurkunde wird solange von einem oder im Namen eines Clearing Systems verwahrt, bis sämtliche Verbindlichkeiten der Emittentin aus den Schuldverschreibungen erfüllt sind. "**Clearing System**" bedeutet **[Bei mehr als einem Clearing System einfügen: jeweils]** Folgendes: [Clearstream Banking AG, Frankfurt am Main ("**CBF**") [Clearstream Banking, société anonyme, Luxembourg ("**CBL**") [Euroclear Bank SA/NV ("**Euroclear**") [CBL und Euroclear jeweils ein "**ICSD**" und zusammen die "**ICSDs**"] [OeKB CSD GmbH ("**OeKB**") [.] [und] **[anderes Clearing System angeben]** oder jeder Funktionsnachfolger.

**[Im Fall von Schuldverschreibungen, die im Namen der ICSDs verwahrt werden, einfügen:**

Die Schuldverschreibungen werden in Form einer new global note ("**NGN**") ausgegeben und von einer gemeinsamen Sicherheitsverwahrstelle (*common safekeeper*) im Namen beider ICSDs verwahrt.]

(5) *Inhaber von Schuldverschreibungen.* "Inhaber" bezeichnet jeden Inhaber eines Miteigentumsanteils oder anderen Rechts an den Schuldverschreibungen.

(6) *Register der ICSDs.* Der Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen entspricht dem jeweils in den Registern beider ICSDs eingetragenen Gesamtbetrag. Die Register der ICSDs (unter denen man die Register versteht, die jeder ICSD für seine Kunden über den Betrag ihres Anteils an den Schuldverschreibungen führt) sind schlüssiger Nachweis über den Gesamtnennbetrag der durch die Globalurkunde verbrieften Schuldverschreibungen, und eine zu diesen Zwecken von einem ICSD jeweils ausgestellte Bestätigung mit dem Gesamtnennbetrag der so verbrieften Schuldverschreibungen ist ein schlüssiger Nachweis über den Inhalt des Registers des jeweiligen ICSD zu diesem Zeitpunkt.

Bei Rückzahlung oder Zahlung einer Rate oder einer Zinszahlung bezüglich der durch die Globalurkunde verbrieften Schuldverschreibungen bzw. bei Kauf und Entwertung der durch die Globalurkunde verbrieften Schuldverschreibungen stellt die Emittentin sicher, dass die Einzelheiten über Rückzahlung und Zahlung bzw. Kauf und Löschung bezüglich der Globalurkunde *pro rata* in die Unterlagen der ICSDs eingetragen werden, und dass nach dieser Eintragung vom Gesamtnennbetrag der in die Register der ICSDs aufgenommenen und durch die Globalurkunde verbrieften Schuldverschreibungen der Gesamtnennbetrag der zurückgekauften bzw. gekauften und entwerteten Schuldverschreibungen bzw. der Gesamtbetrag der so gezahlten Raten abgezogen wird.]

**[Im Falle einer vorläufigen Globalurkunde, einfügen:** Bei Austausch eines Anteils von ausschließlich durch eine vorläufige Globalurkunde verbrieften Schuldverschreibungen wird die Emittentin sicherstellen, dass die Einzelheiten dieses Austauschs *pro rata* in die Aufzeichnungen der ICSDs aufgenommen werden.]

[(7)] *Eigentum.*

- (a) Der Inhaber von Schuldverschreibungen gilt (soweit nicht zwingende Gesetzes- oder Verwaltungsbestimmungen entgegenstehen) in jeder Hinsicht als Alleineigentümer (ob fällig oder nicht fällig, und unabhängig von irgendwelchen Mitteilungen bezüglich des Eigentums, möglichen

Treuhandschaften oder anderen Ansprüchen hieran oder hieraus, etwaigen Vermerken auf der Urkunde oder einem Diebstahl oder Verlust) und niemand kann dafür verantwortlich gemacht werden, dass er den Inhaber als Alleineigentümer angesehen hat.

- (b) Die Übertragung des Eigentums an Schuldverschreibungen geschieht durch Einigung der beteiligten Parteien über den Eigentumsübergang und durch die Übergabe oder auf andere Weise in Übereinstimmung mit den jeweils anzuwendenden Gesetzen und Vorschriften einschließlich der Regeln beteiligter Clearing Systeme. Bezugnahmen in diesen Emissionsbedingungen auf "*Inhaber*" von Schuldverschreibungen sind Bezugnahmen auf die Inhaber solcher Schuldverschreibungen.

[(8)] *Geschäftstag*. In diesen Emissionsbedingungen bezeichnet "**Geschäftstag**" einen Tag (außer einem Samstag oder Sonntag), an dem (i) das Clearing System und (ii) **[Falls die festgelegte Währung Euro ist, einfügen: [TARGET (wie nachstehend definiert)] [und Geschäftsbanken und Devisenmärkte in [sämtliche relevante Finanzzentren einfügen]]] [Falls die festgelegte Währung nicht Euro ist, einfügen: Geschäftsbanken und Devisenmärkte in [sämtliche relevanten Finanzzentren einfügen]]** Zahlungen abwickeln.

**[Falls TARGET anwendbar ist, einfügen: "TARGET"** bedeutet das *Trans-European Automated Real-time Gross Settlement Express Transfer-Zahlungssystem 2* oder jedes Nachfolgesystem.]

## § 2

### STATUS, NEGATIVERKLÄRUNG

(1) *Status*. Die Verpflichtungen aus den Schuldverschreibungen begründen direkte, unbedingte und unbesicherte Verpflichtungen der Emittentin, die jederzeit gleichrangig untereinander und mindestens gleichrangig mit allen anderen gegenwärtigen und zukünftigen unbesicherten Verpflichtungen der Emittentin bestehen. Hiervon sind solche Verpflichtungen ausgenommen, die aufgrund zwingender und allgemein anwendbarer gesetzlicher Bestimmungen vorrangig sind.

## § 3

### ZINSEN

(1) *Zinssatz und Zinszahlungstage*. Die Schuldverschreibungen werden in Höhe ihres Nennbetrages verzinst, und zwar vom **[Verzinsungsbeginn einfügen]** (der "**Verzinsungsbeginn**") (einschließlich) bis zum Fälligkeitstag (wie in § 5 Absatz 1 definiert) (ausschließlich) mit jährlich **[Zinssatz einfügen]** Prozent.

Die Zinsen sind nachträglich am **[Festzinstermine) einfügen]** eines jeden Jahres, vorbehaltlich einer Anpassung gemäß § 4 Absatz 5, zahlbar (jeweils ein "**Zinszahlungstag**"). Die erste Zinszahlung erfolgt am **[ersten Zinszahlungstag einfügen]** vorbehaltlich einer Anpassung gem. § 4 Absatz 5 **[sofern der erste Zinszahlungstag nicht der erste Jahrestag des Verzinsungsbeginns ist, einfügen: und beläuft sich auf [anfänglichen Bruchteilszinsbetrag pro festgelegte Stückelung einfügen] je Schuldverschreibung]**.

**[Sofern der Fälligkeitstag kein Festzinstermine ist, einfügen: Die Zinsen für den Zeitraum vom [den letzten dem Fälligkeitstag vorausgehenden Festzinstermine einfügen]** (einschließlich) bis zum Fälligkeitstag (ausschließlich) belaufen sich auf **[abschließenden Bruchteilszinsbetrag pro festgelegte Stückelung einfügen]** je Schuldverschreibung.]

**[Im Fall von Actual/Actual (ICMA) einfügen: Die Anzahl der Feststellungstermine im Kalenderjahr (jeweils ein "Feststellungstermine") beträgt [Anzahl der regulären Zinszahlungstage im Kalenderjahr einfügen].]**

(2) *Zinslauf*. Der Zinslauf der Schuldverschreibungen endet an dem Tag, der dem Tag vorangeht, an dem sie zur Rückzahlung fällig werden. Falls die Emittentin die Schuldverschreibungen bei Fälligkeit nicht einlöst, endet die Verzinsung des ausstehenden Nennbetrages der Schuldverschreibungen nicht an dem Tag, der dem Tag der Fälligkeit vorangeht, sondern erst an dem Tag, der dem Tag der tatsächlichen Rückzahlung der Schuldverschreibungen vorangeht. Weitergehende Ansprüche der Inhaber bleiben unberührt.

(3) *Unterjährige Berechnung der Zinsen.* Sofern Zinsen für einen Zeitraum von weniger als einem Jahr zu berechnen sind, erfolgt die Berechnung auf der Grundlage des Zinstagequotienten (wie nachstehend definiert).

(4) *Zinstagequotient.* "**Zinstagequotient**" bezeichnet im Hinblick auf die Berechnung des Zinsbetrages auf eine Schuldverschreibung für einen beliebigen Zeitraum (der "**Zinsberechnungszeitraum**"):

**[Im Fall von Actual/Actual (ICMA) einfügen:**

1. Im Falle von Schuldverschreibungen, bei denen die Anzahl der Tage in der betreffenden Periode ab dem letzten Zinszahlungstag (oder, wenn es keinen solchen gibt, ab dem Verzinsungsbeginn) (jeweils einschließlich desselben) bis zum betreffenden Zahlungstag (ausschließlich desselben) (der "**Zinsberechnungszeitraum**") kürzer ist als die Feststellungsperiode in die das Ende des Zinsberechnungszeitraumes fällt oder ihr entspricht, die Anzahl der Tage in dem betreffenden Zinsberechnungszeitraum geteilt durch das Produkt (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3 Absatz 1 angegeben) in einem Kalenderjahr; oder
2. Im Falle von Schuldverschreibungen, bei denen der Zinsberechnungszeitraum länger ist als die Feststellungsperiode, in die das Ende des Zinsberechnungszeitraumes fällt, die Summe
  - der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die Feststellungsperiode fallen, in welcher der Zinsberechnungszeitraum beginnt, geteilt durch das Produkt (1) der Anzahl der Tage in der Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3 Absatz 1 angegeben) in einem Kalenderjahr; und
  - der Anzahl der Tage in dem Zinsberechnungszeitraum, die in die nächste Feststellungsperiode fallen, geteilt durch das Produkt (1) der Anzahl der Tage in dieser Feststellungsperiode und (2) der Anzahl der Feststellungstermine (wie in § 3 Absatz 1 angegeben) in einem Kalenderjahr.

"**Feststellungsperiode**" ist die Periode ab einem Zinszahlungstag oder, wenn es keinen solchen gibt, ab dem Verzinsungsbeginn (jeweils einschließlich desselben) bis zum nächsten oder ersten Zinszahlungstag (ausschließlich desselben).]

**[Im Fall von 30/360 einfügen:** die Anzahl von Tagen in der Periode ab dem letzten Zinszahlungstag (oder wenn es keinen solchen gibt, ab dem Verzinsungsbeginn) (jeweils einschließlich desselben) bis zum betreffenden Zahlungstag (ausschließlich desselben) (wobei die Zahl der Tage auf der Basis von 12 Monaten zu jeweils 30 Tagen berechnet wird), geteilt durch 360.]

**[Im Fall von ACT/ACT (ISDA) or Actual/365 einfügen:** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365 (oder falls ein Teil des Zinsberechnungszeitraumes in ein Schaltjahr fällt, die Summe von (A) der tatsächlichen Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die in das Schaltjahr fallen, dividiert durch 366 und (B) die tatsächliche Anzahl von Tagen in dem Teil des Zinsberechnungszeitraums, die nicht in ein Schaltjahr fallen, dividiert durch 365).]

**[Im Fall von Actual/365 (Fixed) einfügen:** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 365.]

**[Im Fall von Actual/360 einfügen:** die tatsächliche Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360.]

**[Im Fall von 30/360, 360/360 oder Bond Basis einfügen:** die Anzahl von Tagen im Zinsberechnungszeitraum dividiert durch 360, wobei die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit zwölf Monaten zu je 30 Tagen zu ermitteln ist (es sei denn, (A) der letzte Tag des Zinsberechnungszeitraums fällt auf den 31. Tag eines Monats, während der erste Tag des Zinsberechnungszeitraums weder auf den 30. noch auf den 31. Tag eines Monats fällt, wobei in diesem Fall der den letzten Tag enthaltende Monat nicht als ein auf

30 Tage gekürzter Monat zu behandeln ist, oder (B) der letzte Tag des Zinsberechnungszeitraums fällt auf den letzten Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

**[Im Fall von 30E/360 oder Eurobond Basis einfügen:** die Anzahl der Tage im Zinsberechnungszeitraum dividiert durch 360 (dabei ist die Anzahl der Tage auf der Grundlage eines Jahres von 360 Tagen mit 12 Monaten zu 30 Tagen zu ermitteln, und zwar ohne Berücksichtigung des Datums des ersten oder letzten Tages des Zinsberechnungszeitraums, es sei denn, der Fälligkeitstag des letzten Zinsberechnungszeitraums ist der letzte Tag des Monats Februar, wobei in diesem Fall der Monat Februar nicht als ein auf 30 Tage verlängerter Monat zu behandeln ist).]

## § 4 ZAHLUNGEN

### (1) *Zahlungen auf Kapital und von Zinsen*

- (a) *Zahlungen auf Kapital.* Zahlungen von Kapital auf die Schuldverschreibungen erfolgen nach Maßgabe des nachstehenden Absatzes (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems gegen Vorlage und (außer im Fall von Teilzahlungen) Einreichung der Schuldverschreibungen zum Zeitpunkt der Zahlung verbriefenden Globalurkunde bei der bezeichneten Geschäftsstelle der Emissionsstelle außerhalb der Vereinigten Staaten.
- (b) *Zahlungen von Zinsen.* Die Zahlung von Zinsen auf Schuldverschreibungen erfolgt nach Maßgabe von Absatz 2 an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems.

Die Zahlung von Zinsen auf Schuldverschreibungen, die durch die vorläufige Globalurkunde verbrieft sind, erfolgt nach Maßgabe von Absatz (2) an das Clearing System oder dessen Order zur Gutschrift auf den Konten der jeweiligen Kontoinhaber des Clearing Systems, und zwar nach ordnungsgemäßer Bescheinigung gemäß § 1 Absatz 3 (b).

(2) *Zahlungsweise.* Vorbehaltlich geltender steuerlicher und sonstiger gesetzlicher Regelungen und Vorschriften erfolgen zu leistende Zahlungen auf die Schuldverschreibungen in der frei handelbaren und konvertierbaren Währung, die am entsprechenden Fälligkeitstag die Währung des Staates der festgelegten Währung ist.

(3) *Vereinigte Staaten.* Für die Zwecke des § 1 Absatz (3) und des Absatzes 1 dieses § 4 bezeichnet "**Vereinigte Staaten**" die Vereinigten Staaten von Amerika (einschließlich deren Bundesstaaten und des "District of Columbia") sowie deren Territorien (einschließlich Puerto Ricos, der U.S. Virgin Islands, Guam, American Samoa, Wake Island und Northern Mariana Islands) und Besitzungen und sonstigen ihrer Jurisdiktion unterliegenden Gebiete.

(4) *Erfüllung.* Die Emittentin wird durch Leistung der Zahlung an das Clearing System oder dessen Order von ihrer Zahlungspflicht befreit.

(5) *Zahltag.* Fällt der Fälligkeitstag einer Zahlung in Bezug auf eine Schuldverschreibung auf einen Tag, der kein Zahltag ist, dann:

**[Bei Anwendung der Modifizierte Folgender Geschäftstag-Konvention einfügen:** hat der Inhaber keinen Anspruch auf Zahlung vor dem nächstfolgenden Zahltag, es sei denn jener würde dadurch in den nächsten Kalendermonat fallen; in diesem Fall wird der Zinszahlungstag auf den unmittelbar vorausgehenden Geschäftstag vorgezogen.]

**[Bei Anwendung der Folgender Geschäftstag-Konvention einfügen:** hat der Inhaber keinen Anspruch vor dem nachfolgenden Zahltag.]



**[Bei Anwendung der Vorangegangener Geschäftstag-Konvention einfügen:** wird der Zahltag auf den unmittelbar vorausgehenden Zahltag vorgezogen.]

**[Falls keine Anpassung erfolgt einfügen:** Falls eine Zahlung wie oben beschrieben verschoben wird, erfolgt keine Anpassung des zu zahlenden Betrags sowie des jeweiligen Zinszahlungstags.]

**[Falls eine Anpassung erfolgt einfügen:** Falls eine Zahlung wie oben beschrieben verschoben wird, erfolgt eine entsprechende Anpassung des zu zahlenden Zinsbetrags sowie des jeweiligen Zinszahlungstags.]

Der Inhaber ist nicht berechtigt, weitere Zinsen oder sonstige Zahlungen aufgrund verspäteter Zahlung zu verlangen.

Für diese Zwecke bezeichnet "**Zahltag**" einen Tag (außer einem Samstag oder Sonntag), an dem (i) das Clearing System und (ii) **[Falls die festgelegte Währung nicht Euro ist, einfügen:** Geschäftsbanken und Devisenmärkte in **[sämtliche relevante Finanzzentren einfügen]]** **[Falls die festgelegte Währung Euro ist, einfügen:** **[TARGET]** [und Geschäftsbanken und Devisenmärkte in **[sämtliche relevante Finanzzentren einfügen]]]** Zahlungen abwickeln.

(6) *Bezugnahmen auf Kapital und Zinsen.* Bezugnahmen in diesen Emissionsbedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Rückzahlungsbetrag der Schuldverschreibungen; den vorzeitigen Rückzahlungsbetrag der Schuldverschreibungen; **[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:** den Wahl-Rückzahlungsbetrag (Call) der Schuldverschreibungen;] sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Emissionsbedingungen auf Zinsen auf Schuldverschreibungen schließen, soweit anwendbar, sämtliche gemäß § 7 zahlbaren zusätzlichen Beträge ein.

## § 5 RÜCKZAHLUNG

### (1) *Rückzahlung bei Endfälligkeit.*

Soweit nicht zuvor bereits (ganz aber nicht teilweise) zurückgezahlt oder angekauft und entwertet, werden die Schuldverschreibungen zu ihrem Rückzahlungsbetrag am **[Fälligkeitstag einfügen]** (der "**Fälligkeitstag**") zurückgezahlt. Der Rückzahlungsbetrag in Bezug auf jede Schuldverschreibung entspricht ihrer festgelegten Stückelung.

**[Falls die Emittentin das Wahlrecht hat, die Schuldverschreibungen vorzeitig zurückzuzahlen, einfügen:**

### (2) *Vorzeitige Rückzahlung nach Wahl der Emittentin.*

- (a) Die Emittentin kann, unter Einhaltung einer Ankündigungsfrist von 15 Geschäftstagen gegenüber der Emissionsstelle und nachdem sie gemäß Absatz (b) gekündigt hat, die Schuldverschreibungen insgesamt **[am Wahl-Rückzahlungstag]** **[an den Wahl-Rückzahlungstagen]** (Call) **[zum Wahl-Rückzahlungsbetrag]** **[zu den Wahl-Rückzahlungsbeträgen]** (Call), wie nachstehend angegeben, nebst etwaigen bis zum betreffenden Wahl-Rückzahlungstag (Call) (ausschließlich) aufgelaufenen Zinsen zurückzahlen.

Wahl-Rückzahlungstag(e) (Call)

Wahl-Rückzahlungsbetrag/-beträge (Call)

**[Wahl-Rückzahlungstag(e) (Call) einfügen]**

**[Wahl-Rückzahlungsbetrag/-beträge (Call)  
einfügen]**

- (b) Die Kündigung ist den Inhabern der Schuldverschreibungen durch die Emittentin gemäß § 11 bekanntzugeben. Sie beinhaltet die folgenden Angaben:

- (i) die zurückzuzahlende Tranche bzw. Serie von Schuldverschreibungen;
- (ii) den Wahl-Rückzahlungstag (Call), der nicht weniger als **[Mindestkündigungsfrist einfügen]** und nicht mehr als **[Höchstkündigungsfrist einfügen]** Tage nach dem Tag der Kündigung durch die Emittentin gegenüber den Inhabern liegen darf; und
- (iii) den Wahl-Rückzahlungsbetrag (Call), zu dem Schuldverschreibungen zurückgezahlt werden.

(3) *Vorzeitiger Rückzahlungsbetrag.*

Für die Zwecke des § 8 entspricht der vorzeitige Rückzahlungsbetrag einer Schuldverschreibung dem Rückzahlungsbetrag (der "**vorzeitige Rückzahlungsbetrag**").]

## § 6

### DIE EMISSIONSSTELLE UND DIE ZAHLSTELLE[N]

(1) *Bestellung; bezeichnete Geschäftsstelle.* Die anfänglich bestellte Emissionsstelle und die Zahlstelle[n] und deren anfänglich bezeichneten Geschäftsstellen lauten wie folgt:

**Emissionsstelle:**

**[Emissionsstelle und bezeichnete Geschäftsstelle einfügen]**

**Zahlstelle:**

**[Zahlstelle einfügen und bezeichnete Geschäftsstelle einfügen]**

**[andere Zahlstellen und bezeichnete Geschäftsstellen einfügen]**

Die Emissionsstelle und die Zahlstelle[n] behalten sich das Recht vor, jederzeit die bezeichnete Geschäftsstelle durch eine andere bezeichnete Geschäftsstelle in derselben Stadt zu ersetzen.

(2) *Änderung der Bestellung oder Abberufung.* Die Emittentin behält sich das Recht vor, die Bestellung der Emissionsstelle oder einer Zahlstelle zu ändern oder zu beenden und eine andere Emissionsstelle oder zusätzliche oder andere Zahlstellen zu bestellen. Die Emittentin wird jederzeit (i) eine Emissionsstelle unterhalten [,] [und] [(ii) eine Zahlstelle mit bezeichneter Geschäftsstelle außerhalb der Europäischen Union unterhalten] [,] [und] [(iii)] [(iv)] eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in einer europäischen Stadt unterhalten] [,] [und] [(iii)] [(iv)] eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle innerhalb der Republik Österreich unterhalten] **[Im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen: [,] [und] [(iii)] [(iv)] [(v)] solange die Schuldverschreibungen an der [Name der Börse] notiert sind, eine Zahlstelle (die die Emissionsstelle sein kann) mit bezeichneter Geschäftsstelle in [Sitz der Börse] und/oder an solchen anderen Orten unterhalten, die die Regeln dieser Börse verlangen] [Im Fall von Zahlungen in U.S.-Dollar einfügen: und [(iii)] [(iv)] [(v)] [(vi)] falls Zahlungen bei den oder durch die Geschäftsstellen aller Zahlstellen außerhalb der Vereinigten Staaten (wie in § 4 Absatz 3 definiert) aufgrund der Einführung von Devisenbeschränkungen oder ähnlichen Beschränkungen hinsichtlich oder vollständigen Zahlung oder des Empfangs der entsprechenden Beträge in U.S.-Dollar widerrechtlich oder tatsächlich ausgeschlossen werden, eine Zahlstelle mit bezeichneter Geschäftsstelle in New York City unterhalten].** Eine Änderung, Abberufung, Bestellung oder ein sonstiger Wechsel wird nur wirksam (außer im Insolvenzfall, in dem eine solche Änderung sofort wirksam wird), sofern die Inhaber hierüber gemäß § 11 vorab unter Einhaltung einer Frist von mindestens 30 und nicht mehr als 45 Tagen informiert wurden.

(3) *Beauftragte der Emittentin.* Die Emissionsstelle und die Zahlstelle[n] handeln ausschließlich als Beauftragte der Emittentin und übernehmen keinerlei Verpflichtungen gegenüber den Inhabern; es wird kein Auftrags- oder Treuhandverhältnis zwischen ihnen und den Inhabern begründet.

## § 7 STEUERN

(1) *Steuern.* Alle in Bezug auf die Schuldverschreibungen zu zahlenden Beträge (Kapital, Zinsen und zusätzliche Beträge) der Emittentin oder für die Emittentin sind ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen gegenwärtigen oder zukünftigen Steuern, Gebühren oder Abgaben gleich welcher Art, die von oder in Kanada oder irgendeiner ihrer Gebietskörperschaften oder Behörden mit Steuerhoheit erhoben werden ("Quellensteuer"), zu zahlen, es sei denn, die Quellensteuer ist kraft Gesetzes oder einer sonstigen Rechtsvorschrift abzuziehen oder einzubehalten und an die zuständigen Behörden abzuführen. In diesem Fall trägt die Emittentin vorbehaltlich des Absatzes 2 diejenigen zusätzlichen Beträge, die erforderlich sind, dass die von jedem Inhaber zu empfangenden Nettobeträge nach einem solchen Abzug oder Einbehalt von Quellensteuer den Beträgen entsprechen, die der Inhaber ohne einen solchen Abzug oder Einbehalt von Quellensteuer erhalten hätte.

(2) *Keine zusätzlichen Beträge.* Die Emittentin ist jedoch zur Zahlung zusätzlicher Beträge wegen solcher Steuern, Gebühren oder Abgaben nicht verpflichtet:

(a) denen der Inhaber der Schuldverschreibungen aus irgendeinem anderen Grund als der bloßen Tatsache unterliegt, dass er Inhaber von Schuldverschreibungen ist und zwar insbesondere, wenn der Inhaber von Schuldverschreibungen aufgrund einer persönlichen unbeschränkten oder beschränkten Steuerpflicht derartigen Steuern, Gebühren oder Abgaben unterliegt; oder

[(b)] denen der Inhaber von Schuldverschreibungen nicht unterläge, wenn er seine Schuldverschreibungen bzw. Zinsansprüche innerhalb von 30 Tagen nach dem jeweiligen Fälligkeitstag oder nach dem maßgeblichen Tag, wie unten definiert, der jeweiligen Zahlstelle i.S.v. § 6 zur Zahlung vorgelegt bzw. geltend gemacht hätte; oder]

[(b)][(c)] die von einer Zahlstelle in einem Land abgezogen oder einbehalten werden, wenn eine andere Zahlstelle in einem anderen Land die Zahlung ohne einen solchen Einbehalt oder Abzug hätte leisten können; oder

[(c)][(d)] die auf andere Weise als durch Einbehalt an der Quelle oder Abzug an der Quelle aus Zahlungen von Kapital oder etwaigen Zinsen zu entrichten sind; oder

[(d)][(e)] die nur abgezogen und einbehalten werden, weil die Schuldverschreibungen effektiv zur Einlösung am Schalter vorgelegt werden; oder]

[(d)][(e)][(f)] wenn eine Steuer, Gebühr oder Abgabe nur deshalb erhoben oder an der Quelle abgezogen werden, weil der Inhaber der Schuldverschreibungen oder der aus einer Schuldverschreibung wirtschaftlich Berechtigte es versäumt hat, eine Anforderung (einschließlich die Verpflichtung zur Beibringung notwendiger Formulare und/oder anderer Unterlagen) aus einem Gesetz, einem Vertrag, einer Bestimmung oder einer administrativen Regelung der Steuergesetzgebung, aufgrund dessen er einen Anspruch auf Erlass der gesamten Steuer, Gebühr oder Abgabe oder eines Teils davon gehabt hätte, zu erfüllen, soweit eine solche Erfüllung als eine Vorbedingung vorausgesetzt wird, um von solchen Steuern, Gebühren, Pflichten, einem solchen Bescheid oder Abgabe abgeholfen oder befreit zu werden; oder]

[(d)][(e)][(f)][(g)] die auf Grundlage der Richtlinie 2014/107/EU des Rates vom 9. Dezember 2014 zur Änderung der Richtlinie 2011/16/EU bezüglich der Verpflichtung zum automatischen Austausch von Informationen im Bereich der Besteuerung, oder aufgrund irgendeines Gesetzes oder einer Rechtsvorschrift, welche(s) diese Richtlinie beziehungsweise die in der Sitzung des ECOFIN-Rates vom 13. Dezember 2001 erzielten Ergebnisse umsetzt oder deren Anforderungen erfüllt, oder welches erlassen wird, um dieser Richtlinie zu entsprechen, auf eine Zahlung an eine natürliche Person erhoben werden; oder

[(e)][(f)][(g)][(h)] jede Kombination der Absätze (a), [(b),] [(b)][(c)], [(c)][(d)], [(d)][(e)], [(d)][(e)][(f)] und [(e)][(f)][(g)].

Außerdem sind zusätzliche Beträge nicht im Hinblick auf Zahlungen unter den Schuldverschreibungen an solche Gläubiger zu zahlen, die Treuhänder oder Personengesellschaften sind bzw. nicht wirtschaftliche Eigentümer im Hinblick auf eine solche Zahlung sind, sofern eine solche Zahlung nach den Gesetzen Kanadas, unter Steuerzwecken bei der Berücksichtigung des Einkommens eines Berechtigten oder Errichters eines Trusts oder des Gesellschafter einer solchen Personengesellschaft oder eines wirtschaftlichen Eigentümers zu berücksichtigen wäre, die nicht zum Erhalt zusätzlicher Beträge berechtigt wären, wenn ein solcher Berechtigter, Errichter eines Trusts, Gesellschafter einer Personengesellschaft oder wirtschaftlicher Eigentümer Gläubiger der Schuldverschreibungen gewesen wäre.

(3) *Maßgeblicher Tag.* Der "**maßgebliche Tag**" im Sinne dieser Emissionsbedingungen ist der Tag, an dem eine solche Zahlung zuerst fällig wird. Wenn jedoch die betreffende Zahlstelle die volle Summe der zu zahlenden Beträge nicht am oder vor dem jeweiligen Zahltag ordnungsgemäß erhalten hat, dann ist der maßgebliche Tag der Tag, an dem die betreffende Zahlstelle die volle Summe der zu zahlenden Beträge erhalten hat und eine Mitteilung hierüber gemäß § 11 an die Inhaber der Schuldverschreibungen ordnungsgemäß übermittelt wurde.

## § 8 KÜNDIGUNGSGRÜNDE

(1) *Kündigungsgründe.* Jeder Inhaber von Schuldverschreibungen ist berechtigt, seine sämtlichen Forderungen aus den Schuldverschreibungen durch Kündigung gegenüber der Emissionsstelle und der Emittentin fällig zu stellen und Rückzahlung des vorzeitigen Rückzahlungsbetrages zuzüglich etwaiger bis zum Tage der Rückzahlung aufgelaufener Zinsen zu verlangen, wenn

- (a) die Emittentin, gleichgültig aus welchen Gründen, (i) Kapital innerhalb von dreißig Tagen nach dem betreffenden Fälligkeitstag oder (ii) etwaige Zinsen aus den Schuldverschreibungen einschließlich etwaiger gemäß § 7 Absatz 1 zu zahlender zusätzlicher Beträge, innerhalb von dreißig Tagen nach dem betreffenden Fälligkeitstag nicht zahlt; oder
- (b) die Emittentin, gleichgültig aus welchen Gründen, mit der Erfüllung einer anderen Verpflichtung aus diesen Schuldverschreibungen länger als sechzig Tage nachdem die Emissionsstelle eine schriftliche Mitteilung von einem Inhaber erhalten hat in Rückstand kommt; oder
- (c) ein Gericht ein Konkurs- oder Insolvenzverfahren (oder ein vergleichbares Verfahren) gegen die Emittentin in der entsprechenden Rechtsordnung eröffnet worden ist, und diese Entscheidung nicht innerhalb von 60 Tagen aufgehoben oder ausgesetzt worden ist, oder die Emittentin von sich aus ein solches Verfahren beantragt oder einen Vergleich mit Inhabern anbietet oder durchführt; oder
- (d) die Emittentin aufgelöst oder liquidiert wird oder irgendeine Maßnahme zum Zwecke der Liquidation trifft, es sei denn, dass eine solche Liquidation im Zusammenhang mit einer Verschmelzung, Konsolidierung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft erfolgt und diese Gesellschaft alle Verpflichtungen aus diesen Emissionsbedingungen übernimmt; oder
- (e) die Emittentin ihre Geschäftstätigkeit einstellt; oder
- (f) es gegen geltendes Recht verstößt, dass die Emittentin ihren Verpflichtungen aus Schuldverschreibungen nachkommt; oder
- (g) irgendein Ereignis eintritt, welches nach dem Recht einer relevanten Rechtsordnung mit denen in den vorherigen Paragraphen genannten Ereignissen vergleichbar ist.

(2) *Übermittlung.* Eine derartige Kündigung zur Rückzahlung ist durch eingeschriebenen Brief an die Emissionsstelle zu richten und wird mit Zugang bei dieser wirksam. Die Fälligkeit tritt ein am 14. Tag nach Zugang der Kündigung, es sei denn, dass im Falle des Absatzes (1)(a) oder (1)(b) die Verpflichtung vorher erfüllt worden ist.

## § 9 SCHULDNERERSETZUNG

(1) *Ersetzung.* Die Emittentin ist jederzeit berechtigt, ohne Zustimmung der Inhaber von Schuldverschreibungen eine andere Gesellschaft, die als Emittentin unter diesem Programm ernannt wurde, als Emittentin (die "**Neue Emittentin**") hinsichtlich aller Verpflichtungen aus oder in Verbindung mit den Schuldverschreibungen an die Stelle der Emittentin zu setzen, sofern:

- (a) die Neue Emittentin alle Verpflichtungen der Emittentin aus oder in Verbindung mit den Schuldverschreibungen übernimmt;
- (b) die Emittentin und die Neue Emittentin alle etwa notwendigen Genehmigungen von den zuständigen Behörden erhalten hat, wonach die Neue Emittentin alle Beträge, die zur Erfüllung der aus oder in Verbindung mit den Schuldverschreibungen entstehenden Zahlungsverpflichtungen erforderlich sind, in der festgelegten Währung oder einer anderen erforderlichen Währung ohne Einbehalt an der Quelle oder Abzug an der Quelle von irgendwelchen Steuern, Gebühren oder Abgaben in dem Land, in dem die Neue Emittentin ansässig ist, an die jeweilige Zahlstelle transferieren darf;
- (c) die Emittentin in einer nach Form und Inhalt gleichen Art wie in der ursprünglichen Garantie durch die Emittentin unbedingt und unwiderruflich die Verpflichtungen der Neuen Emittentin garantiert.

(2) *Bezugnahmen.* Im Falle einer solchen Schuldnerersetzung gilt jede in diesen Emissionsbedingungen enthaltene Bezugnahme auf die Emittentin fortan als auf die Neue Emittentin bezogen, und jede Bezugnahme auf das Land, in dem die Emittentin ihren Sitz hat, gilt fortan als auf das Land, in dem die Neue Emittentin ihren Sitz hat, bezogen, und, soweit hierbei ein Unterschied gemacht werden muss, auf das Land, in dem die Neue Emittentin für steuerliche Zwecke als gebietsansässig betrachtet wird.

(3) *Mitteilung.* Eine Schuldnerersetzung gemäß Absatz 1 dieses § 9 ist für die Inhaber von Schuldverschreibungen bindend und ist ihnen mit einer Frist von mindestens 15 Geschäftstagen vor Inkrafttreten der Schuldnerersetzung gemäß § 11 öffentlich bekannt zu machen.

## § 10 BEGEBUNG WEITERER SCHULDVERSCHREIBUNGEN, RÜCKKAUF UND ENTWERTUNG

(1) *Begebung weiterer Schuldverschreibungen.* Die Emittentin behält sich vor, ohne Zustimmung der Inhaber der Schuldverschreibungen weitere Schuldverschreibungen in der Weise zu begeben, dass sie mit den Schuldverschreibungen dieser Tranche zusammengefasst werden, eine einheitliche Emission (Serie) mit ihnen bilden und ihren Gesamtnennbetrag erhöhen. Die Schuldverschreibungen einer Serie haben identische Emissionsbedingungen und Ausstattungsmerkmale mit Ausnahme (im Fall von mehr als einer Tranche) des Begebungstages, des Verzinsungsbeginns und des Emissionspreises. Bezugnahmen auf "*Schuldverschreibungen*" gelten in gleicher Weise als Bezugnahmen auf solche Tranchen oder Serien.

(2) *Rückkauf und Entwertung.* Der Emittentin und jeder ihrer Tochtergesellschaften ist es erlaubt, Schuldverschreibungen im Markt oder auf andere Weise zurückzukaufen. Zurückgekaufte oder auf andere Weise von der Emittentin oder jeweiligen Tochtergesellschaft erworbene Schuldverschreibungen können gehalten, wiederverkauft oder nach Wahl der Emittentin bzw. der betreffenden Tochtergesellschaft der jeweiligen Zahlstelle zur Entwertung überlassen werden.

## § 11 MITTEILUNGEN

**[Im Fall von Schuldverschreibungen, die an einer Börse notiert sind, einfügen:**

(1) *Bekanntmachung.*

**[Sofern eine Mitteilung durch Publikation in einer führenden Tageszeitung möglich ist, einfügen:** Alle die Schuldverschreibungen betreffenden Mitteilungen sind in einer führenden Tageszeitung mit allgemeiner Verbreitung in [Österreich] [London] **[anderen Ort einfügen]**, voraussichtlich *[Amtsblatt zur Wiener Zeitung]* *[Financial Times]* **[andere Zeitung mit allgemeiner Verbreitung einfügen]** in deutscher oder englischer Sprache zu veröffentlichen. [Jede derartige Mitteilung gilt mit dem Tag der Veröffentlichung (oder bei mehreren Veröffentlichungen mit dem Tag der ersten solchen Veröffentlichung) als wirksam erfolgt.]

[(2)] *Mitteilung an das Clearing System.*

**[im Fall von Schuldverschreibungen, die nicht notiert sind, einfügen:** Die Emittentin wird alle die Schuldverschreibungen betreffenden Mitteilungen an das Clearing System zur Weiterleitung an die Inhaber übermitteln. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Inhabern mitgeteilt.]

**[Im Fall von Schuldverschreibungen, die an der Luxemburger Börse notiert sind, einfügen:** Solange Schuldverschreibungen an der Wiener Börse notiert sind, findet Absatz 1 Anwendung. Soweit dies Mitteilungen über den Zinssatz betrifft oder die Regeln der Wiener Börse dies zulassen, kann die Emittentin eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Inhaber ersetzen; jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Inhabern mitgeteilt.]

**[Im Fall von Schuldverschreibungen, die an einer anderen Börse als der Wiener Börse notiert sind, einfügen:** Die Emittentin ist berechtigt, eine Veröffentlichung nach Absatz 1 durch eine Mitteilung an das Clearing System zur Weiterleitung an die Inhaber zu ersetzen, vorausgesetzt, dass die Regeln der Börse, an der die Schuldverschreibungen notiert sind, diese Form der Mitteilung zulassen. Jede derartige Mitteilung gilt am siebten Tag nach dem Tag der Mitteilung an das Clearing System als den Inhabern mitgeteilt.]

## § 12 ANWENDBARES RECHT, ERFÜLLUNGORT, GERICHTSSTAND UND GERICHTLICHE GELTENDMACHUNG

(1) *Anwendbares Recht.* Form und Inhalt der Schuldverschreibungen und der Globalurkunde(n) sowie alle sich daraus ergebenden Rechte und Pflichten bestimmen sich ausschließlich nach dem Recht der Bundesrepublik Deutschland.

(2) *Gerichtsstand.* Für alle Rechtsstreitigkeiten, die sich aus den in diesen Emissionsbedingungen geregelten Rechtsverhältnissen ergeben, sind die Inhaber von Schuldverschreibungen berechtigt, ihre Ansprüche nach ihrer Entscheidung entweder vor den zuständigen Gerichten in dem Land des Sitzes der Emittentin oder vor dem zuständigen Gericht in Frankfurt am Main, Bundesrepublik Deutschland, geltend zu machen. Alle anderen Gerichtsstände sind ausgeschlossen. Es gilt als vereinbart, dass diese Gerichte ausschließlich deutsches Recht anwenden sollen.

(3) *Erfüllungsort.* Erfüllungsort ist Wien, Republik Österreich.

(4) *Gerichtliche Geltendmachung.* Jeder Inhaber von Schuldverschreibungen ist berechtigt, in jedem Rechtsstreit gegen die Emittentin oder in jedem Rechtsstreit, in dem der Inhaber und die Emittentin Partei sind, seine Rechte aus diesen Schuldverschreibungen im eigenen Namen auf der folgenden Grundlage geltend zu machen: (i) er bringt eine Bescheinigung der Depotbank bei, bei der er für die Schuldverschreibungen ein

Wertpapierdepot unterhält, welche (a) den vollständigen Namen und die vollständige Adresse des Inhabers enthält, (b) den Gesamtnennbetrag der Schuldverschreibungen bezeichnet, die unter dem Datum der Bestätigung auf dem Wertpapierdepot verbucht sind und (c) bestätigt, dass die Depotbank gegenüber dem Clearing System eine schriftliche Erklärung abgegeben hat, die die vorstehend unter (a) und (b) bezeichneten Informationen enthält; oder (ii) er legt eine Kopie der die betreffenden Schuldverschreibungen verbriefenden Globalurkunde vor, deren Übereinstimmung mit dem Original eine vertretungsberechtigte Person des Clearing System oder des Verwahrers des Clearing System bestätigt hat, ohne dass eine Vorlage der Originalbelege oder der die Schuldverschreibungen verbriefenden Globalurkunde in einem solchen Verfahren erforderlich wäre. Für die Zwecke des Vorstehenden bezeichnet "**Depotbank**" jede Bank oder ein sonstiges anerkanntes Finanzinstitut, das berechtigt ist, das Wertpapierverwahrungsgeschäft zu betreiben und bei der/dem der Inhaber ein Wertpapierdepot für die Schuldverschreibungen unterhält, einschließlich des Clearing Systems. Unbeschadet des Vorstehenden kann jeder Inhaber seine Rechte aus den Schuldverschreibungen auch auf jede andere Weise schützen oder geltend machen, die im Land, in dem der Rechtsstreit eingeleitet wird, prozessual zulässig ist.

(5) *Kraftloserklärung.* Die österreichischen Gerichte sind ausschließlich zuständig für die Kraftloserklärung abhanden gekommener oder vernichteter Globalurkunden.

### **§ 13 TEILUNWIRKSAMKEIT**

Sollte eine der vorstehenden Bestimmungen dieser Emissionsbedingungen unwirksam oder undurchführbar sein oder werden, so bleibt die Wirksamkeit und die Durchführbarkeit der übrigen Bestimmungen hiervon unberührt. Anstelle der unwirksamen oder undurchführbaren Bestimmung soll eine, soweit rechtlich möglich, dem Sinn und Zweck dieser Emissionsbedingungen zum Zeitpunkt der Begebung der Schuldverschreibungen entsprechende Regelung gelten. Unter Umständen, unter denen sich diese Emissionsbedingungen als unvollständig erweisen, soll eine ergänzende Auslegung, die dem Sinn und Zweck dieser Emissionsbedingungen entspricht, unter angemessener Berücksichtigung der berechtigten Interessen der beteiligten Parteien erfolgen.

### **§ 14 SPRACHE**

**[Sofern die Emissionsbedingungen in der deutschen Sprache abgefasst werden, einfügen:** Diese Emissionsbedingungen sind in deutscher Sprache abgefasst. **[Sofern die Emissionsbedingungen in der deutschen Sprache mit einer unverbindlichen Übersetzung in die englische Sprache beigelegt wird, einfügen:** Eine Übersetzung in die englische Sprache ist beigelegt. Der deutsche Text ist bindend und maßgeblich. Die Übersetzung in die englische Sprache ist unverbindlich.]]

**[Sofern die Emissionsbedingungen in der englischen Sprache abgefasst werden, einfügen:** Diese Emissionsbedingungen sind in englischer Sprache abgefasst. **[Sofern die Emissionsbedingungen in der englischen Sprache mit einer unverbindlichen Übersetzung in die deutsche Sprache abgefasst werden, einfügen:** Diese Emissionsbedingungen sind in englischer Sprache abgefasst. Eine Übersetzung in die deutsche Sprache ist beigelegt. Der englische Text ist bindend und maßgeblich. Die Übersetzung in die deutsche Sprache ist unverbindlich.]]

### **§ 15 HINTERLEGUNG, VORLEGUNGSFRIST, VERJÄHRUNGSFRIST**

(1) *Hinterlegung.* Die Emittentin kann die von Inhabern von Schuldverschreibungen innerhalb von zwölf Monaten nach Fälligkeit nicht geltend gemachten Beträge an Kapital und etwaigen Zinsen auf Gefahr und Kosten dieser Inhaber der Schuldverschreibungen beim Amtsgericht Frankfurt am Main unter Verzicht auf das Recht der Rücknahme hinterlegen, auch wenn die Inhaber sich nicht in Annahmeverzug befinden. Mit der Hinterlegung unter Verzicht auf das Recht der Rücknahme erlischt jeglicher Anspruch dieser Inhaber der

Schuldverschreibungen gegen die Emittentin und für die Erfüllung von deren Verbindlichkeiten haftende Dritte.

(2) *Vorlegungsfrist.* Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB wird auf zehn Jahre verkürzt.

(3) *Verjährungsfrist.* Die Verjährungsfrist für während der Vorlegungsfrist zur Zahlung vorgelegte Schuldverschreibungen beträgt zwei Jahre beginnend mit dem Ablauf der jeweiligen Vorlegungsfrist.



## 2. FORM OF FINAL TERMS

### FORM OF FINAL TERMS / MUSTER - ENDGÜLTIGE BEDINGUNGEN

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, the "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

*[VERTRIEBSVERBOT AN PRIVATINVESTOREN IM EWR - Die Schuldverschreibungen sind nicht dazu bestimmt, dass sie Privatinvestoren im Europäischen Wirtschaftsraum ("EWR") angeboten, verkauft oder auf anderem Wege zur Verfügung gestellt werden und die Schuldverschreibungen sollen dementsprechend Kleinanleger im EWR nicht angeboten, verkauft oder auf anderem Wege zur Verfügung gestellt werden. Ein Kleinanleger im Sinne dieser Vorschrift ist eine Person, die mindestens einer der folgenden Kategorien zuzuordnen ist: (i) ein Kleinanleger im Sinne von Artikel 4 Absatz 1 Nummer 11 von Richtlinie 2014/65/EU (in ihrer jeweils gültigen Fassung, "MiFID II"); (ii) ein Kunde im Sinne von Richtlinie 2016/97/EU (in ihrer jeweils gültigen Fassung), der nicht als professioneller Kunde im Sinne von Artikel 4 Absatz 1 Nummer 10 MiFID II einzustufen ist; oder (iii) ein Anleger, der kein qualifizierter Anleger im Sinne der Verordnung (EU) 2017/1129 (die "Prospektverordnung"). Folglich wurde kein Informationsdokument, wie nach Verordnung (EU) Nr. 1286/2014 (in ihrer jeweils gültigen Fassung, "PRIIPs Verordnung") für Angebote, Vertrieb und die sonstige Zurverfügungstellung der Schuldverschreibungen an Kleinanleger im EWR erforderlich, erstellt und dementsprechend könnte das Angebot, der Vertrieb oder die sonstige Zurverfügungstellung von Schuldverschreibungen an Kleinanleger im EWR nach der PRIIPs-Verordnung unzulässig sein.]*

[MiFID II PRODUCT GOVERNANCE / [PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET] [RETAIL INVESTORS TARGET MARKET] – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties[, and] professional clients [[only/][and retail clients]], each as defined in Directive 2014/65/EU (as amended, "MiFID II"); EITHER [and (ii) all channels for distribution of the Instruments are appropriate [including investment advice, portfolio management, non-advised sales and pure execution services] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Instruments to retail clients are appropriate - investment advice[, and] portfolio management[, and] non-advised sales [and pure execution services]], subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [Consider any negative target market] Any person subsequently offering, selling or recommending the Instruments (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].][Insert further details on target market, client categories etc.] [Insert further details on target market, client categories etc.]

***[MiFID II PRODUKTÜBERWACHUNGSPFLICHTEN / [ZIELMARKT PROFESSIONELLE INVESTOREN UND GEEIGNETE GEGENPARTEIEN] [ZIELMARKT KLEINANLEGER] – Die Zielmarktbestimmung im Hinblick auf die Instrumente hat – ausschließlich für den Zweck des Produktgenehmigungsverfahrens [des/jedes] Konzepteurs – zu dem Ergebnis geführt, dass (i) der Zielmarkt für die Instrumente [nur/] geeignete Gegenparteien[,] [und] professionelle Kunden [und Kleinanleger], jeweils im Sinne der Richtlinie 2014/65/EU (in der jeweils gültigen Fassung, "MiFID II"), umfasst; [und] (ii) alle Kanäle für den Vertrieb der Instrumente angemessen sind [einschließlich Anlageberatung, Portfolio-Management, Verkäufe ohne Beratung und reine Ausführungsdienstleistungen] ODER [und (ii) alle Kanäle für den Vertrieb der Schuldverschreibungen an professionelle Investoren und geeignete Gegenparteien angemessen sind und die folgenden Kanäle für den Vertrieb der Schuldverschreibungen an Kleinanleger angemessen sind – Anlageberatung[,/ und] Portfolio-Management[,/ und] [Verkäufe ohne Beratung][und reine Ausführungsdienstleistungen][, nach Maßgabe der Pflichten des Vertriebsunternehmens unter MiFID II im Hinblick auf Geeignetheit bzw. Angemessenheit]]. [Negativen Zielmarkt berücksichtigen] Jede Person, die in der Folge die Instrumente anbietet, verkauft oder empfiehlt (ein "Vertriebsunternehmen") soll die Beurteilung des Zielmarkts [des/der] Konzepteur[s/e] berücksichtigen; ein Vertriebsunternehmen, welches MiFID II unterliegt, ist indes dafür verantwortlich, seine eigene Zielmarktbestimmung im Hinblick auf die Instrumente durchzuführen (entweder durch die Übernahme oder durch die Präzisierung der Zielmarktbestimmung [des/der] Konzepteur[s/e]) und angemessene Vertriebskanäle[ nach Maßgabe der Pflichten des Vertriebsunternehmens unter MiFID II im Hinblick Geeignetheit bzw. Angemessenheit], zu bestimmen.][Weitere Details bezüglich Zielmarkt, Kundenkategorie etc. einfügen]***

**FORM OF FINAL TERMS  
MUSTER - ENDGÜLTIGE BEDINGUNGEN**

**Final Terms  
Endgültige Bedingungen**

[Date]  
[Datum]

[Title of relevant Tranche of Notes]  
issued pursuant to the

[Bezeichnung der betreffenden Tranche der Schuldverschreibungen]  
begeben aufgrund des

**EUR 50,000,000**  
**Euro Medium Term Note Programme**

**EUR 50.000.000**  
**Euro Medium Term Note Programme**

of  
von

ZENITH ENERGY LTD (the "**Issuer**")  
ZENITH ENERGY LTD (die "**Emittentin**")  
dated 16 March 2023  
datiert 16. März 2023

Specified Currency: [   ]  
Festgelegte Währung: [   ]

Nominal Value: [   ]  
Nominalwert: [   ]

Series No.: [   ]  
Serien-Nr.: [   ]

Tranche No.: [   ]  
Tranchen-Nr.: [   ]

These Final Terms dated [   ] (the "**Final Terms**") have been prepared for the purpose of the Prospectus Regulation (EU) 2017/1129. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the Final Terms when read together with the base Prospectus dated 16 March 2023, including any supplements thereto (the "**Prospectus**"). The Prospectus [and the supplement dated **[insert date]** [ , ] [and] the supplement dated **[insert date]** [   ]<sup>1</sup>] has been or will be, as the case may be, published on the website of the Issuer ([<https://www.zenithenergy.ca/investors/bonds-credit-ratings/>]). In case of an issue of Notes which are (i) listed on the Vienna MTF of the Vienna Stock Exchange or multilateral trading facilities (MTFs) of other stock exchanges; and/or (ii) publicly offered, the Final Terms relating to such Notes will be published on the website of the Issuer ([<https://www.zenithenergy.ca/investors/bonds-credit-ratings/>]) [and] [on the website of **[insert website]**]. [A summary of the individual issue of the Notes

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<sup>1</sup> To be inserted if relevant.  
Auszufüllen soweit relevant.

is annexed to these Final Terms.]<sup>2</sup> [The summary annexed to these Final Terms is substituted in part with the information set out in points (c) to (i) of paragraph 3 of article 8 of Regulation (EU) No 1286/2014. This information is included in a distinct section of the summary.]<sup>3</sup>

*Diese Endgültigen Bedingungen vom [ ] (die "**Endgültigen Bedingungen**") wurden für die Zwecke der Prospektverordnung (EU) 2017/1129 abgefasst. Vollständige Informationen über die Emittentin und das Angebot der Schuldverschreibungen sind ausschließlich auf der Grundlage dieser Endgültigen Bedingungen im Zusammenlesen mit dem Basisprospekt vom 16. März 2023 und etwaiger Nachträge dazu (der "**Prospekt**") erhältlich. Der Prospekt [und der Nachtrag vom **[Datum einfügen]** [.] [und] der Nachtrag vom **[Datum einfügen]** [ ]]<sup>1</sup> wurden bzw. werden auf der Website der Emittentin (<https://www.zenithenergy.ca/investors/bonds-credit-ratings/>) veröffentlicht. Soweit Schuldverschreibungen (i) zum Handel in den Vienna MTF der Wiener Börse oder in den MTF einer anderen Wertpapierbörse einbezogen werden; und/oder (ii) öffentlich angeboten werden, werden die Endgültigen Bedingungen bezüglich dieser Schuldverschreibungen auf der Website der Emittentin (<https://www.zenithenergy.ca/investors/bonds-credit-ratings/>) [und] [auf der Website der **[website einfügen]**] veröffentlicht.*

*[Eine Zusammenfassung der einzelnen Emission der Schuldverschreibungen ist diesen Endgültigen Bedingungen im Anhang angefügt.]<sup>2</sup> [Die Zusammenfassung, die diesen Endgültigen Bedingungen angehängt ist, wird teilweise durch die in Artikel 8 Absatz 3 unter den Buchstaben c bis i der Verordnung (EU) Nr. 1286/2014 genannten Angaben ersetzt. Diese Angaben werden der Zusammenfassung als separater Abschnitt beigelegt.]<sup>3</sup>*

Tranche to become part of an existing Series: [Yes] [No]

[(a) If yes, specify principal amount, issue date, and series number of existing Series:] [ ]  
 [(b) Aggregate nominal amount of Series:] [ ]

Zusammenfassung der Tranche mit einer bestehenden Serie ist vorgesehen: [Ja] [Nein]

[(a) Falls ja, Angabe des Nennbetrags, des Valutierungstags und der Serien-Nummer der bestehenden Serie machen:] [ ]  
 [(b) Gesamtnennbetrag der Serie:] [ ]

Offer Price: [ ] per cent<sup>4</sup>  
 Ausgabepreis: [ ] Prozent<sup>4</sup>

Issue Date: [ ]<sup>5</sup>  
 Valutierungstag: [ ]<sup>5</sup>

Trade Date: [ ]  
 Handelstag: [ ]

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- 2 Required only for Notes with a denomination of less than EUR 100,000 or the equivalent in another currency.  
 Nur für Schuldverschreibungen mit einer Stückelung von weniger als EUR 100.000 oder dem entsprechenden Gegenwert in einer anderen Währung.
- 3 Required only for Notes that qualify as PRIIP under the Regulation (EU) No 1286/2014.  
 Nur für Schuldverschreibungen, die als PRIIP im Sinne der Verordnung (EU) No 1286/2014 zu qualifizieren sind.
- 4 To be completed for all Notes.  
 Auszufüllen für alle Schuldverschreibungen.
- 5 The Issue Date is the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.  
 Der Valutierungstag ist der Tag, an dem die Schuldverschreibungen begeben und bezahlt werden. Bei freier Lieferung ist der Valutierungstag der Tag der Lieferung.

Net proceeds: [ ] [(less an amount to account for expenses)]<sup>6</sup>  
Nettoerlös: [ ] [(abzüglich eines Betrages für Kosten)]<sup>6</sup>

Terms not otherwise defined herein shall have the meanings specified in the Terms and Conditions, as set out in the Prospectus (the "**Terms and Conditions**"). All references in these Final Terms to numbered sections are to sections of the Terms and Conditions.

*Begriffe, die in den im Prospekt enthaltenen Emissionsbedingungen (die "**Emissionsbedingungen**") definiert sind, haben, falls die Endgültigen Bedingungen nicht etwas anderes bestimmen, die gleiche Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden. Bezugnahmen in diesen Endgültigen Bedingungen auf Paragraphen beziehen sich auf die Paragraphen der Emissionsbedingungen.*

The Terms and Conditions shall be completed and specified by the information contained in Part I of these Final Terms (the "**Conditions**").

*Die Emissionsbedingungen werden durch die Angaben in Teil I dieser Endgültigen Bedingungen vervollständigt und spezifiziert. (die "**Bedingungen**").*

## **PART I.**

### **TEIL I.**

Conditions that complete and specify the Terms and Conditions.

*Bedingungen, die die Emissionsbedingungen komplettieren bzw. spezifizieren.*

The applicable and legally binding Conditions are as set out below in the [German] [English] language version [together with a non-binding [German] [English] language translation thereof].

*Die geltenden und rechtlich bindenden Bedingungen sind wie nachfolgend in der [deutschen] [englischen] Sprache aufgeführt [zusammen mit einer unverbindlichen Übersetzung in die [englische] [deutsche] Sprache].*

This Part I. of the Final Terms is to be read in conjunction with the set of Terms and Conditions that apply to Fixed Rate Notes set forth in the Prospectus. Capitalised terms shall have the meanings specified in the Terms and Conditions.

All references in this Part I. of the Final Terms to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions.

The placeholders in the provisions of the Terms and Conditions which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the placeholder of such provisions. All provisions in the Terms and Conditions which are not selected and not completed by the information contained in the Final Terms shall be deemed to be deleted from the terms and conditions applicable to the Notes.

*Dieser TEIL I. der Endgültigen Bedingungen ist in Verbindung mit dem Satz der Emissionsbedingungen, der auf Festverzinsliche Schuldverschreibungen Anwendung findet, zu lesen, der im Prospekt enthalten ist. Begriffe, die in den Emissionsbedingungen definiert sind, haben dieselbe Bedeutung, wenn sie in diesen Endgültigen Bedingungen verwendet werden.*

*Bezugnahmen in diesem TEIL I. der Endgültigen Bedingungen auf Paragraphen und Absätze beziehen sich auf die Paragraphen und Absätze der Emissionsbedingungen.*

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6 Required only for listed or public issues. Issue Price less Management/Underwriting Commission and Selling Concession  
Nur für börsennotierte und öffentlich angebotene Emissionen erforderlich. Ausgabepreis abzüglich Management- und Übernahme provision sowie Verkaufsprovision.

*Die Platzhalter in den auf die Schuldverschreibungen anwendbaren Bestimmungen der Emissionsbedingungen gelten als durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgefüllt, als ob die Platzhalter in den betreffenden Bestimmungen durch diese Angaben ausgefüllt wären. Sämtliche Optionen der Emissionsbedingungen, die nicht durch die in den Endgültigen Bedingungen enthaltenen Angaben ausgewählt und ausgefüllt wurden, gelten als in den auf die Schuldverschreibungen anwendbaren Bedingungen gestrichen.]*

**§ 1 CURRENCY, DENOMINATION, FORM, TITLE, CERTAIN DEFINITIONS**  
**§ 1 WÄHRUNG, STÜCKELUNG, FORM, EIGENTUM, DEFINITIONEN**

**§ 1 (1) Currency, Denomination**

**§ 1 (1) Währung, Stückelung**

Tranche No.: [●]  
 Tranchen-Nr.: [●]

Specified Currency: [●]  
 Festgelegte Währung: [●]

Aggregate Principal Amount: [●]  
 Gesamtnennbetrag: [●]

Specified Denomination: [●]  
 Festgelegte Stückelung: [●]

**§ 1 (2) Form**

**§ 1 (2) Verbriefung**

Global Note(s): ☐ Permanent Global Note  
*Globalurkunde(n): Dauerglobalurkunde*

☐ Temporary Global Note exchangeable for Permanent Global Note  
*Vorläufige Globalurkunde austauschbar gegen Dauerglobalurkunde*

**§ 1 (3) Clearing System**

**§ 1 (3) Clearing System**

- ☐ Clearstream Banking AG, Frankfurt am Main  
 Merгентhalerallee 61  
 65760 Eschborn
- ☐ Clearstream Banking, société anonyme,  
 Luxembourg  
 42 Avenue JF Kennedy  
 L-1855 Luxembourg
- ☐ Euroclear Bank SA/NV  
 Boulevard du Roi Albert II  
 B-1210 Brussels

☐ OeKB CSD GmbH  
Strauchgasse 1-3  
A-1010 Vienna

☐ Other: [•]  
Sonstige: [•]

☐ New Global Note  
New Global Note

☐ Intended to be held in a manner which would allow ECB eligibility [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met (ECB eligibility).]<sup>7</sup>

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

*Verwahrung in einer Weise, die EZB-Fähigkeit bewirkt* [Ja. Im Fall der Kennzeichnung mit "ja" ist damit nur beabsichtigt, die Schuldverschreibungen zum Zeitpunkt ihrer Emission bei einer der internationalen zentralen Verwahrstellen (ICSDs) als gemeinsame Sicherheitsverwahrstelle einzureichen. Das bedeutet nicht notwendigerweise, dass die Schuldverschreibungen zum Zeitpunkt ihrer Emission oder zu einem anderen Zeitpunkt während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untätigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt davon ab, dass die Europäische Zentralbank davon überzeugt ist, dass die Kriterien der Eignung für das Eurosystem erfüllt sind (EZB-Fähigkeit).]<sup>7</sup>

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<sup>7</sup> Include this text if this item is applicable in which case the Notes must be issued in NGN form.  
Dieser Text ist einzufügen, falls dieser Punkt anwendbar ist. In diesem Fall müssen die Schuldverschreibungen in NGN Form emittiert werden.

[Nein. Im Fall der Kennzeichnung mit "nein" zum Datum dieser Endgültigen Bedingungen, können die Schuldverschreibungen zu einem späteren Zeitpunkt bei einer der internationalen zentralen Verwahrstellen (ICSDs) als gemeinsame Sicherheitsverwahrstelle eingereicht werden. Das bedeutet nicht notwendigerweise, dass die Schuldverschreibungen während ihrer Laufzeit als geeignete Sicherheit im Sinne der Geldpolitik des Eurosystems und für Zwecke der untertägigen Kreditfähigkeit durch das Eurosystem anerkannt werden. Eine solche Anerkennung hängt davon ab, dass die Europäische Zentralbank davon überzeugt ist, dass die Kriterien der Eignung für das Eurosystem erfüllt sind.]

**§ 1 (7) Business Day**  
**§ 1 (7) Geschäftstag**

Relevant Financial Centers: [●]  
 Relevante Finanzzentren: [●]

**§ 3 Interest**  
**§ 3 Zinsen**

☐ **Fixed Rate Notes**  
**Festverzinsliche Schuldverschreibungen**

**§ 3 (1) Rate of Interest and Interest Payment Dates**  
**§ 3 (1) Zinssatz und Zinszahlungstage**

Rate of Interest: [ ] per cent. *per annum*  
 Zinssatz: [ ] Prozent *per annum*

Interest Commencement Date: [●]  
 Verzinsungsbeginn: [●]

Interest Payment Date(s): [●]  
 Zinszahlungstag(e): [●]

First Interest Payment Date [●]  
 Erster Zinszahlungstag [●]

☐ Initial Broken Amount (per Specified [●]  
 Denomination)  
*Anfänglicher Bruchteilzinsbetrag (pro [●]  
 festgelegte Stückelung)*

[Fixed Interest Date preceding the Maturity Date<sup>8</sup> [●]  
*Letzter dem Fälligkeitstag vorausgehender [●]  
 Festzinsttermin<sup>8</sup>*

☐ Final Broken Amount (per Specified [●]  
 Denomination)

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<sup>8</sup> To be inserted if the Maturity Date is not a Fixed Interest Date.  
 Einfügen, sofern der Fälligkeitstag kein Festzinsttermin ist.



*Abschließender Bruchteilzinsbetrag (pro [●]  
festgelegte Stückelung)*

[Determination Date(s)]<sup>9</sup>  
*Feststellungstermin(e)*<sup>9</sup>

[●] [in each year]  
[●] [in jedem Jahr]]

**§ 3 (4) Day Count Fraction**

**§ 3 (4) Zinstagequotient**

- ☐ Actual/Actual (ICMA)  
*Actual/Actual (ICMA)*
- ☐ 30/360  
*30/360*
- ☐ ACT/ACT (ISDA) or Actual/365  
*ACT/ACT (ISDA) oder Actual/365*
- ☐ Actual/365 (Fixed)  
*Actual/365 (Fixed)*
- ☐ Actual/360  
*Actual/360*
- ☐ 30/360, 360/360 or Bond Basis  
*30/360, 360/360 oder Bond Basis*
- ☐ 30E/360 or Eurobond Basis  
*30E/360 oder Eurobond Basis*

**§ 4 PAYMENTS**

**§ 4 ZAHLUNGEN**

**§ 4 (5) Payment Business Day**

**§ 4 (5) Zahltag**

- ☐ Modified Following Business Day  
Convention  
*Modifizierte folgender Geschäftstag-  
Konvention*
- ☐ Following Business Day Convention  
*Folgender Geschäftstag-Konvention*
- ☐ Preceding Business Day Convention  
*Vorangegangener Geschäftstag-Konvention*
- ☐ Adjusted

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<sup>9</sup> Insert number of regular interest dates ignoring issue date in the case of a long or short first coupon. N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA).

Einzusetzen ist die Anzahl der festen Zinstermine, wobei im Falle eines langen oder kurzen ersten Kupons der Tag der Begebung nicht zu berücksichtigen ist. N.B.: Nur einschlägig im Falle des Zinstagequotienten Actual/Actual (ICMA).

*Angepasst*

- ☐ Unadjusted  
*Nicht angepasst*

**§ 5 REDEMPTION**  
**§ 5 RÜCKZAHLUNG**

**§ 5 (1) Redemption at Maturity**  
**§ 5 (1) Rückzahlung bei Endfälligkeit**

- ☐ Maturity Date: [•]  
*Fälligkeitstag:* [•]

**§ 5 (3) Early Redemption at the Option of the [Yes] [No]**  
**Issuer**  
**§ 5 (3) Vorzeitige Rückzahlung nach Wahl der [Ja] [Nein]**  
**Emittentin**

Call Redemption Date(s) [•]  
*Wahlrückzahlungstag(e) (Call)* [•]

Call Redemption Amount(s) [•]  
*Wahlrückzahlungsbetrag/-beträge (Call)* [•]

Minimum Notice to Holders [•]  
*Mindestkündigungsfrist* [•]

Maximum Notice to Holders [•]  
*Höchstkündigungsfrist* [•]

**§ 6 FISCAL AGENT AND PAYING AGENT[S]**  
**§ 6 EMISSIONSSTELLE UND ZAHLSTELLE[EN]**

**§ 6 (1) Appointment; Specified Office**  
**§ 6 (1) Bestellung; bezeichnete Geschäftsstelle**

Fiscal Agent [•]  
*Emissionsstelle* [•]

Paying Agent [•]  
*Zahlstelle* [•]

- ☐ other Paying Agent(s) [•]  
*andere Zahlstelle(n)* [•]

- ☐ specified office(s) [•]  
*bezeichnete Geschäftsstelle(n)* [•]

**§ 7 TAXATION**  
**§ 7 STEUERN**

**§ 7 (2) No Additional Amounts**  
**§ 7 (2) Keine zusätzlichen Beträge**

- ☐ (b) Presentation or assertion of rights within 30 days from Relevant Date  
*(b) Vorlegung oder Geltendmachung der Rechte innerhalb von 30 Tagen nach dem maßgeblichen Tag*
- ☐ [(d)][(e)] Withholding or deduction because of presentation of Note for payment at the counter  
*[(d)][(e)] Abzug oder Einbehalt aufgrund der Vorlage zur Einlösung am Schalter*
- ☐ [(d)][(e)][(f)] Imposure or withholding of taxes, etc. due to failure by the Noteholder or the beneficial owner to comply with any requirement  
*[(d)][(e)][(f)] Erhebung oder Abzug der Steuern, etc., weil der Inhaber der Schuldverschreibungen oder der wirtschaftlich Berechtigte es versäumt hat Anforderungen zu erfüllen.*

## § 11 NOTICES § 11 MITTEILUNGEN

### Place and medium of publication *Ort und Medium der Bekanntmachung*

- ☐ Austria (Amtsblatt zur Wiener Zeitung)  
*Österreich (Amtsblatt zur Wiener Zeitung)*
- ☐ London (Financial Times)  
*London (Financial Times)*
- ☐ Other (specify) [•]  
*Sonstige (angeben)* [•]

Notices will be deemed to have been validly given on [Yes] [No]  
the day of such publication.

*Mitteilungen gelten mit dem Tag der Veröffentlichung [Ja] [Nein]  
als wirksam erfolgt.*

**§ 14 Language**  
**§ 14 Sprache**

- ☐ German only  
*ausschließlich Deutsch*
- ☐ English only  
*ausschließlich Englisch*
- ☐ German and English (German prevailing)  
*Deutsch und Englisch (deutscher Text maßgeblich)]*
- ☐ English and German (English prevailing)  
*Englisch und Deutsch (englischer Text maßgeblich)]*

**PART II.**  
**TEIL II.**

Other conditions which shall not be inserted in the Terms and Conditions and which apply to all Notes.  
*Sonstige Bedingungen, die nicht in den Emissionsbedingungen einzusetzen sind und die für alle Schuldverschreibungen gelten.*

**[DISCLOSURE REQUIREMENTS RELATED TO DEBT SECURITIES WITH A DENOMINATION PER UNIT OF LESS THAN EUR 100,000]**  
**ANGABEN BEZOGEN AUF SCHULDITEL MIT EINER MINDESTSTÜCKELUNG VON WENIGER ALS EUR 100.000**

**Material Interest**

***Materielles Interesse***

Material Interest of natural and legal persons involved in the issue/offer

[The Issuer is entitled to purchase or sell Notes for its own account and to issue further Notes. In addition, the Issuer may, on a daily basis, act on the national and international finance and capital markets.]  
**[specify further, if any]**

***Wesentliche Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind***

*[Die Emittentin ist berechtigt, Schuldverschreibungen für eigene Rechnung oder für Rechnung Dritter zu kaufen und zu verkaufen und weitere Schuldverschreibungen zu begeben. Die Emittentin kann darüber hinaus täglich an den nationalen und internationalen Geld- und Kapitalmärkten tätig werden. Sie kann daher für eigene Rechnung oder für Kundenrechnung Geschäfte auch mit Bezug auf Referenzwerte abschließen und sie kann in Bezug auf diese Geschäfte auf dieselbe Weise handeln, als wären die begebenen Schuldverschreibungen nicht ausgegeben worden.]*  
***[weitere Einzelheiten einfügen, sofern vorhanden]***

**Reasons for the offer and use of proceeds**

[The net proceeds from this issue of Notes will be applied by the Issuer for its general corporate purpose.]  
**[specify further, if any]**

***Gründe für das Angebot und die Verwendung der Erträge***

*[Der Nettoerlös dieser Emission von Schuldverschreibungen wird für allgemeine betriebliche Zwecke der Emittentin benutzt]*  
***[weitere Einzelheiten einfügen, sofern vorhanden]***

**Securities Identification Numbers**  
***Wertpapier-Kenn-Nummern***

Common Code:  
*Common Code:*

[•]  
[•]

ISIN Code:  
*ISIN Code:*

[•]  
[•]

[Any other securities number:  
*Andere Wertpapierkennnummer:*

[•]  
[•]]

[FISN:	<p>[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]]</p> <p><i>Siehe die Webseite der Association of National Numbering Agencies (ANNA) oder alternativ jene der national zuständigen Agentur, die die ISIN vergibt / Nicht anwendbar / Nicht verfügbar]]</i></p>
[CFI Code:	<p>[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]]</p> <p><i>Siehe die Webseite der Association of National Numbering Agencies (ANNA) oder alternativ jene der national zuständigen Agentur, die die ISIN vergibt / Nicht anwendbar / Nicht verfügbar]]</i></p> <p>(If the FISN and/or the CFI Code is not required or requested, it/they should be specified to be "Not Applicable")</p> <p><i>(Sofern eine FISN oder ein CFI Code nicht erforderlich ist oder nicht verlangt wird, so sollte dies als "Nicht anwendbar" vermerkt werden)</i></p>

**Yield**  
**Rendite**

Yield on issue price:	[•]
Emissionsrendite:	[•]
A description of the method whereby the yield is to be calculated in summary form.	[•]
<i>Beschreibung der Methode zur Berechnung der Rendite in Kurzform</i>	[•]

**Placement of the Notes**  
**Platzierung der Schuldverschreibungen**

If different from the Issuer, the identity and contact details of the offeror, of the securities and/or the person asking for admission to trading, including the legal entity identifier (LEI) where the offeror has legal personality.	[Not Applicable] [specify details]
<i>Sofern der Anbieter nicht dieselbe Person wie der Emittent ist, Angabe der Identität und der Kontaktdaten des Anbieters der Schuldverschreibungen und/oder der die Zulassung zum Handel beantragenden Person einschließlich der Rechtsträgerkennung (LEI), falls der Anbieter Rechtspersönlichkeit hat.</i>	<i>[Nicht anwendbar] [Einzelheiten einfügen]</i>

Non-exempt Offer:	[An offer of Notes may be made by the Dealers [and []] other than pursuant to Article 1 (4) of the Prospectus Regulation (EU) 2017/1129 in [specify relevant Member State(s) — which must be jurisdiction(s) where the Prospectus has been approved and/or passported] ("Public Offer Jurisdictions") during the period from [specify date] until [specify date] ("Offer Period").] [●]
Prospektpflichtiges Angebot:	[Ein Angebot kann seitens der Dealer [und [spezifizieren, falls einschlägig]] außerhalb des Ausnahmebereichs gemäß Artikel 1 (4) der Prospektverordnung (EU) 2017/1129 in [relevante(n) Mitgliedsstaat(en) spezifizieren — wobei es sich dabei um Mitgliedsstaaten handeln muss, in denen der Prospekt gebilligt und/oder in welche der Prospekt notifiziert wurde] ("Öffentliche Angebotsstaaten") innerhalb des Zeitraumes von [Datum spezifizieren] bis [Datum spezifizieren] (die "Angebotsfrist") durchgeführt werden.] [●]
Prohibition of Sales to EEA Retail Investors <i>Vertriebsverbot an Privatinvestoren im EWR</i>	[Not Applicable] [Nicht anwendbar]
Time period, including any possible amendments, during which the offer will be open <i>Frist — einschließlich etwaiger Änderungen — während der das Angebot vorliegt</i>	[Not applicable] [specify details] [Nicht anwendbar] [Einzelheiten einfügen]
Description of the application process <i>Beschreibung des Prozesses für die Umsetzung des Angebots</i>	[Not applicable] [specify details] [Nicht anwendbar] [Einzelheiten einfügen]
A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants <i>Beschreibung der Möglichkeit zur Reduzierung der Zeichnungen und der Art und Weise der Erstattung des zu viel gezahlten Betrags an die Zeichner</i>	[Not applicable] [specify details] [Nicht anwendbar] [Einzelheiten einfügen]
Details of the minimum and/or maximum amount of application, (whether in number of Notes or aggregate amount to invest) <i>Einzelheiten zum Mindest- und/oder Höchstbetrag der Zeichnung (entweder in Form der Anzahl der Schuldverschreibungen oder des aggregierten zu investierenden Betrags)</i>	[Not applicable] [specify details] [Nicht anwendbar] [Einzelheiten einfügen]
Method and time limits for paying up the securities and for its delivery <i>Methode und Fristen für die Bedienung der Wertpapiere und ihre Lieferung</i>	[Not applicable] [specify details] [Nicht anwendbar] [Einzelheiten einfügen]
Manner and date in which results of the offer are to be made public	[Not applicable] [specify details]

Art und Weise und des Termins, auf die bzw. an dem die Ergebnisse des Angebots offen zu legen sind [Nicht anwendbar] **[Einzelheiten einfügen]**

Various categories of potential investors to which the Notes are offered:

Angabe der verschiedenen Kategorien der potentiellen Investoren, denen die Schuldverschreibungen angeboten werden:

☐ Qualified investors [•]  
Qualifizierte Anleger [•]

☐ Retail investors [•]  
Privatinvestoren [•]

If the Offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate such tranche [Not applicable] **[specify details]**

Erfolgt das Angebot gleichzeitig auf den Märkten zweier oder mehrerer Länder und wurde/ wird eine bestimmte Tranche einigen dieser Märkte vorbehalten, Angabe dieser Tranche

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made [Not applicable] **[specify details]**

Verfahren zur Meldung des den Zeichnern zugeteilten Betrags und Angabe, ob eine Aufnahme des Handels vor dem Meldeverfahren möglich ist [Nicht anwendbar] **[Einzelheiten einfügen]**

An Indication of the expected price at which the securities will be offered [Not applicable] **[specify details]**

Angabe des Preises, zu dem die Wertpapiere voraussichtlich angeboten werden [Nicht anwendbar] **[Einzelheiten einfügen]**

Method of determining the offered price and the process for its disclosure. [Not applicable] **[specify details]**

Methode, mittels derer der Angebotskurs festgelegt wird und Verfahren der Offenlegung. [Nicht anwendbar] **[Einzelheiten einfügen]**

Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser [Not applicable] **[specify details]**

Angabe der Kosten und Steuern, die speziell dem Zeichner oder Käufer in Rechnung gestellt werden [Nicht anwendbar] **[Einzelheiten einfügen]**

Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extent known to the Issuer or the offeror, or the placers in the various countries where the offer takes place [Not applicable] **[specify details]**

Name und Anschrift des Koordinators/der Koordinatoren des globalen Angebots oder einzelner Teile des Angebots und – sofern der Emittentin oder dem Bieter bekannt – Angaben zu den Platzeuren in den einzelnen Ländern des Angebots [Nicht anwendbar] **[Einzelheiten einfügen]**



**Method of Distribution**  
**Vertriebsmethode**

- ☐ Non-Syndicated  
*Nicht syndiziert*
- ☐ Syndicated  
*Syndiziert*

**Management Details including Form of Commitments**  
**Einzelheiten bezüglich der Dealer, des Bankenkonsortiums einschließlich der Art der Übernahme**

Dealer/Management Group (specify)  
*Platzeur/Bankenkonsortium (angeben)*

[insert name and address]  
*[Name und Adresse einzufügen]*

- ☐ firm commitment  
*feste Zusage*

[Not applicable] [specify material features/quotas/statement of portion not covered]  
*[Nicht anwendbar] [Hauptmerkmale der Vereinbarung/Quoten/Erklärung zum nicht übernommenen Teil einfügen]*

- ☐ no firm commitment/best efforts arrangements  
*Keine feste Zusage/zu den bestmöglichen Bedingungen*

[Not applicable] [specify material features/quotas/statement of portion not covered/]  
*[Nicht anwendbar] [Einzelheiten einfügen]*

**Underwriting Agreement**  
**Emissionsübernahmevertrag**

Date of underwriting agreement  
*Datum des Emissionsübernahmevertrags*

[•]  
*[•]*

**Commissions**  
**Provisionen**

[•]  
*[•]*

Management/Underwriting Commission (specify)  
*Management- und Übernahme provision (angeben)*

[•]  
*[•]*

Placing Commission (specify)  
*Platzierungsprovision (angeben)*

[•]  
*[•]*

Listing Commission (specify)  
*Börsenzulassungsprovision (angeben)*

[•]  
*[•]*

Other (specify)  
*Andere (angeben)*

[•]  
*[•]*

Estimated total expenses of the issue/offer  
*Angabe der geschätzten Gesamtkosten des Angebots*

[•]  
*[•]*

Estimate of the net amount of the proceeds of the issue/offer;  
*Angabe des geschätzten Nettobetrages der Erträge des Angebots*

[•]  
*[•]*

<b>Listing(s) and admission to trading</b> <i>Börsenzulassung(en) und Zulassung zum Handel</i>	<b>[Yes] [No]</b> <b>[Ja] [Nein]</b>
<input type="checkbox"/> Vienna Stock Exchange <i>Wiener Börse</i>	
<input type="checkbox"/> Vienna MTF <i>Vienna MTF</i>	<b>[•]</b> <b>[•]</b>
Date of admission to trading <i>Datum der Einbeziehung</i>	<b>[•]</b> <b>[•]</b>
<input type="checkbox"/> Other: <i>Sonstige:</i>	<b>[•]</b> <b>[•]</b>
Date of admission to trading <i>Datum der Einbeziehung</i>	<b>[•]</b> <b>[•]</b>
All MTFs on which, to the knowledge of the Issuer, Notes of the same class of the Notes issued by the Issuer to be offered or admitted to trading are already admitted to trading: <i>Angabe sämtlicher MTFs, auf denen nach Kenntnis der Emittentin Schuldverschreibungen der Emittentin der gleichen Wertpapierkategorie, die zum Handel angeboten oder zugelassen werden sollen, bereits zum in den Handel einbezogen sind:</i>	<b>[Not applicable] [specify details]</b>  <b>[Nicht anwendbar] [Einzelheiten einfügen]</b>
<input type="checkbox"/> Other: <i>Sonstige:</i>	<b>[•]</b> <b>[•]</b>
<input type="checkbox"/> None <i>Keiner</i>	
Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment <i>Name und Anschrift der Institute, die aufgrund einer festen Zusage als Intermediäre im Sekundärhandel tätig sind und Liquidität mittels Geld- und Briefkursen erwirtschaften, und Beschreibung der Hauptbedingungen der Zusagevereinbarung</i>	<b>[Not applicable] [specify details]</b>  <b>[Nicht anwendbar] [Einzelheiten einfügen]</b>
Stabilising Dealer(s)/Manager(s) <i>Kursstabilisierende Platzeur(e)/Manager</i>	<b>[Not applicable] [specify details]</b> <b>[Nicht anwendbar] [Einzelheiten einfügen]</b>
<b>Consent to the use of the Prospectus</b> <b><i>Einwilligung zur Nutzung des Prospekts</i></b>	
The Issuer consents to the use of the Prospectus by the following financial intermediar[y][ies] (individual consent):	<b>[insert name[s] and address[es]] [not applicable]</b>

Die Emittentin stimmt der Verwendung des Prospekts durch den/die folgenden Finanzintermediär(e) (individuelle Zustimmung) zu **[Name[n] und Adresse[n] einfügen] [nicht anwendbar]**

Individual consent for the subsequent resale or final placement of Securities by the financial intermediary[y][ies] is given in relation to **[Austria] [Italy] [Germany] [Luxembourg] [Belgium] [Netherlands] [Spain] [Sweden] [Ireland] [Malta] [and] [France] [and] [insert Member State into which the Prospectus has been passported] to [insert name[s] and address[es] [and [give details]]**

Individuelle Zustimmung zu der späteren Weiterveräußerung und der endgültigen Platzierung der Wertpapiere durch [den][die] Finanzintermediär[e] wird gewährt in Bezug auf **[Österreich] [Italien] [Deutschland] [Luxemburg] [Belgien] [Niederlande] [Spanien] [Schweden] [Irland] [Malta] [und] [Frankreich] [und] [Mitgliedsstaat einfügen, in dem der Prospekt notifiziert wurde]für [Name[n] und Adresse[n] einfügen] [und [Details angeben]]**

Such consent is also subject to and given under the condition: **[Not applicable] [specify details]**

Ferner erfolgt diese Zustimmung vorbehaltlich **[Nicht anwendbar] [Einzelheiten einfügen]**

The subsequent resale or final placement of Notes by financial intermediaries can be made **[As long as this Prospectus is valid in accordance with the Prospectus Regulation] [insert period]**

Die spätere Weiterveräußerung und endgültigen Platzierung der Wertpapiere durch Finanzintermediäre kann erfolgen während **[der Dauer der Gültigkeit des Prospekts gemäß der Prospektverordnung] [Zeitraum einfügen]**

**[DISCLOSURE REQUIREMENTS RELATED TO DEBT SECURITIES WITH A DENOMINATION PER UNIT OF EUR 100,000 OR MORE THAN EUR 100,000  
ANGABEN BEZOGEN AUF SCHULDTITEL MIT EINER MINDESTSTÜCKELUNG VON EUR 100.000 ODER MEHR ALS EUR 100.000]**

**Material Interest**  
*Materielles Interesse*

Material Interest of natural and legal persons involved in the issue/offer

[The Issuer is entitled to purchase or sell Notes for its own account and to issue further Notes. In addition, the Issuer may, on a daily basis, act on the national and international finance and capital markets.]

**[specify further, if any]**

*Wesentliche Interessen von Seiten natürlicher und juristischer Personen, die an der Emission/dem Angebot beteiligt sind*

*[Die Emittentin ist berechtigt, Schuldverschreibungen für eigene Rechnung zu kaufen und zu verkaufen und weitere Schuldverschreibungen zu begeben. Die Emittentin kann darüber hinaus täglich an den nationalen und internationalen Geld- und Kapitalmärkten tätig werden.]*

***[weitere Einzelheiten einfügen, sofern vorhanden]***

**Reasons for the offer and use of proceeds**

[The net proceeds from this issue of Notes will be applied by the Issuer for its general corporate purpose.]

**[specify further, if any]**

*Gründe für das Angebot und die Verwendung der Erträge*

*[Der Nettoerlös dieser Emission von Schuldverschreibungen wird für allgemeine betriebliche Zwecke der Emittentin benutzt]*

***[weitere Einzelheiten einfügen, sofern vorhanden]***

**Securities Identification Numbers**  
*Wertpapier-Kenn-Nummern*

Common Code:  
*Common Code:*

[•]  
[•]

ISIN Code:  
*ISIN Code:*

[•]  
[•]

[Any other securities number:  
*Andere Wertpapierkennnummer:*

[•]  
[•]]

[FISN:

[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]]

*Siehe die Webseite der Association of National Numbering Agencies (ANNA) oder alternativ jene der national zuständigen Agentur, die die ISIN vergibt / Nicht anwendbar / Nicht verfügbar]]*

[CFI Code:

[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering

Agency that assigned the ISIN / Not Applicable / Not Available]]

*Siehe die Webseite der Association of National Numbering Agencies (ANNA) oder alternativ jene der national zuständigen Agentur, die die ISIN vergibt / Nicht anwendbar / Nicht verfügbar]]*

(If the FISN and/or the CFI Code is not required or requested, it/they should be specified to be "Not Applicable")

*(Sofern eine FISN oder ein CFI Code nicht erforderlich ist oder nicht verlangt wird, so sollte dies als "Nicht anwendbar" vermerkt werden)*

**Yield:**  
**Rendite:**

Yield on issue price: [•]  
*Emissionsrendite:* [•]]

A description of the method whereby the yield is to be calculated in summary form. [•]  
*Beschreibung der Methode zur Berechnung der Rendite in Kurzform* [•]

**Method of Distribution**  
**Vertriebsmethode**

- ☐ Non-Syndicated  
*Nicht syndiziert*
- ☐ Syndicated  
*Syndiziert*

**Management Details including Form of Commitments**  
**Einzelheiten bezüglich der Dealer, des Bankenkonsortiums einschließlich der Art der Übernahme**

Dealer/Management Group (specify)  
*Platzeur/Bankenkonsortium (angeben)*

[insert name and adress]  
*[Name und Adresse einzufügen]*

- ☐ firm commitment  
*feste Zusage*
- ☐ no firm commitment/best efforts arrangements  
*Keine feste Zusage/zu den bestmöglichen Bedingungen*

[Not applicable] [specify material features/quotas/statement of portion not covered]  
*[Nicht anwendbar] [Hauptmerkmale der Vereinbarung/Quoten/Erklärung zum nicht übernommenen Teil einfügen]*  
[Not applicable] [specify material features/quotas/statement of portion not covered/]  
*[Nicht anwendbar] [Einzelheiten einfügen]*

**Underwriting Agreement**  
**Emissionsübernahmevertrag**

Date of underwriting agreement [•]

<i>Datum des Emissionsübernahmevertrags</i>	[•]
<b>Commissions</b>	[•]
<b>Provisionen</b>	[•]
Management/Underwriting Commission (specify)	[•]
<i>Management- und Übernahme provision (angeben)</i>	[•]
Placing Commission (specify)	[•]
<i>Platzierungs provision (angeben)</i>	[•]
Listing Commission (specify)	[•]
<i>Börsenzulassungs provision (angeben)</i>	[•]
Other (specify)	[•]
<i>Andere (angeben)</i>	[•]
Estimated total expenses of the issue/offer	[•]
<i>Angabe der geschätzten Gesamtkosten des Angebots</i>	[•]
Estimate of the net amount of the proceeds of the issue/offer;	[•]
<i>Angabe des geschätzten Nettobetrages der Erträge des Angebots</i>	[•]
Stabilising Manager:	[insert details]
<i>Kursstabilisierender Manager:</i>	[Einzelheiten einfügen]
<b>Listing(s) and admission to trading</b>	[Yes] [No]
<b><i>Börsenzulassung(en) und Zulassung zum Handel</i></b>	[Ja] [Nein]
<input type="checkbox"/> Vienna Stock Exchange	
<i>Wiener Börse</i>	
<input type="checkbox"/> Vienna MTF	[•]
<i>Vienna MTF</i>	[•]
Date of admission to trading	[•]
<i>Datum der Einbeziehung</i>	[•]
<input type="checkbox"/> Other:	[•]
<i>Sonstige:</i>	[•]
Date of admission to trading	[•]
<i>Datum der Einbeziehung</i>	[•]

The above Final Terms comprises the details required to list this issue of Notes under the EUR 50,000,000 Euro Medium Term Note Programme of Zenith Energy Ltd. (as from **[insert first trading date of the Notes]**).  
*Die vorstehenden Endgültigen Bedingungen enthalten die Angaben, die für die Zulassung dieser Emission von Schuldverschreibungen unter dem Euro 50.000.000 Euro Medium Term Note Programme der Zenith Energy Ltd. (ab dem **[Ersten Handelstag der Schuldverschreibungen einfügen]**) erforderlich sind.]*

The Issuer accepts responsibility for the information contained in these Final Terms.  
*Die Emittentin übernimmt die Verantwortung für die in diesen Endgültigen Bedingungen enthaltenen Informationen.*

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
Duly authorised

By: \_\_\_\_\_  
Duly authorised

[Annex to the Final Terms: Issue Specific Summary  
Anhang zu den Endgültigen Bedingungen: Emissionsspezifische Zusammenfassung

**[to be inserted]**<sup>10</sup>  
**[*einfügen*]**<sup>10</sup>

---

<sup>10</sup> Required only for Notes with a denomination of less than EUR 100,000 or the equivalent in another currency.  
Nur für Schuldverschreibungen mit einer Stückelung von weniger als EUR 100.000 oder dem entsprechenden Gegenwert in einer anderen Währung.



## **ANNEX 1**

### **Chapman Report 2023 – Italy**

**COMPETENT PERSONS REPORT**

**RESERVE AND ECONOMIC EVALUATION**  
**OIL PROPERTIES**

**ITALY CONCESSIONS**

**Prepared for**  
**ZENITH ENERGY LTD.**

**March 31, 2023**  
**(April 1, 2023)**

# **Chapman** Petroleum Engineering Ltd.

1122 - 4th Street S.W., Suite 700, Calgary, Alberta T2R 1M1 • Phone: (403) 266-4141 • Fax: (403) 266-4259 • www.chapeng.ab.ca

February 28, 2023

**Zenith Energy Ltd.**

Registered Office

Suite 2400, 745 Thurlow Street, Vancouver BC, V6E 0C5, Canada

Head Office

Suite 4000, 421 - 7th Avenue SW, Calgary, AB, T2P 4K9, Canada

**Attention: Mr. Andrea Cattaneo**

Dear Sir:

**Re: Competent Persons Report, Reserve and Economic Evaluation – Zenith Energy Ltd.  
Italy Concessions – March 31, 2023**

---

In accordance with your authorization we have prepared a competent persons report of a reserve and economic evaluation of oil and gas properties located in Italy, owned by for Zenith Energy Ltd. (the "Company") for an effective date of March 31, 2023 (April 1, 2023).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH"), the professional practice standard under our Permit to Practice with APEGA and under the guidelines of the European Securities and Markets Authority (ESMA). The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" under NI 51-101 as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION contains the authorization and purpose of the report and describes the methodology and economic parameters used in the preparation of this report.

The EXECUTIVE SUMMARY presents an overview of the evaluated property and addresses the summary information required by ESMA, Section 132.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary and contains a concise presentation of the results of this reserve and economic evaluation. The net present values presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of US dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of information derived from this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,

**Chapman Petroleum Engineering Ltd.**

[Original Signed By:]  
[Signature], [Licensed Professional's Stamp]  
[Membership ID Number]  
February 28, 2023  
C. W. Chapman, P. Eng.,  
President

[Original Signed By:]  
[Signature]  
Klorinda Kaci, B.Sc., B.A.Tech.,  
Economics Coordinator / Technical Assistant

kk/lml/6922

<b>PERMIT TO PRACTICE</b>	
<b>CHAPMAN PETROLEUM ENGINEERING LTD.</b>	
Signature	[Original Signed By:] <i>C.W. Chapman</i>
Date	February 28, 2023
<b>PERMIT NUMBER: P 4201</b>	
The Association of Professional Engineers and Geoscientists of Alberta	

[APEGA ID Number]

## CERTIFICATE OF QUALIFICATION

I, C. W. CHAPMAN, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4<sup>th</sup> Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta and a member of the Australasian Institute of Mining and Metallurgy.
2. THAT I graduated from the University of Alberta with a Bachelor of Science degree in Mechanical Engineering in 1971.
3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.
4. THAT I have in excess of 40 years in the conduct of evaluation and engineering studies relating to oil & gas fields in Canada and around the world.
5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated February 28, 2023, and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.
7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]  
[Signature], [Licensed Professional's Stamp]  
[Membership ID Number]  
February 28, 2023  
C. W. Chapman, P. Eng.,  
President

<b>PERMIT TO PRACTICE</b>	
CHAPMAN PETROLEUM ENGINEERING LTD.	
Signature _____	[Original Signed By:] C.W. Chapman
Date _____	February 28, 2023
<b>PERMIT NUMBER: P 4201</b>	
The Association of Professional Engineers and Geoscientists of Alberta	

[APEGA ID Number]

## CERTIFICATE OF QUALIFICATION

I, D. J. BRIERE, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4<sup>th</sup> Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta.
2. THAT I graduated from the University of Calgary with a Bachelor of Science degree in Electrical Engineering in 1978.
3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.
4. THAT I have over 30 years of experience in engineering studies relating to oil & gas fields in Canada and around the world.
5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated February 28, 2023, and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.
7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]  
[Signature], [Licensed Professional's Stamp]  
[Membership ID Number]  
February 28, 2023  
J.D. Briere, P.Eng.  
Vice President – Engineering

## CERTIFICATE OF QUALIFICATION

I, REBECCA J. HOWE, of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4<sup>th</sup> Street S.W., hereby certify:

1. THAT I am a Certified Petroleum Geologist as recognized by the Division of Professional Affairs of the American Association of Petroleum Geologists and a member of the Canadian Society of Petroleum Geologists.
2. THAT I graduated from Brandon University, Manitoba with a Bachelor of Science degree in Geology in 2007.
3. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated February 28, 2023, and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
4. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.
5. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
6. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]  
[Signature], [AAPG Membership Stamp]  
[Membership ID Number]  
February 28, 2023  
Rebecca J. Howe, B.Sc.  
Associate

## CERTIFICATE OF QUALIFICATION

I, Klorinda Kaci, of the city of Calgary, Alberta, Canada officing at Suite 700, 1122 – 4<sup>th</sup> Street S.W., Calgary, Alberta hereby certify:

1. THAT I am a member of Society of Petroleum Engineers.
2. THAT I hold a Bachelor of Applied Technology in Petroleum Engineering from Southern Alberta Institute of Technology (SAIT) in Calgary (June 2009). I hold a Bachelor of Science degree in Civil Engineering from Tirana University of Albania 1989.
3. THAT I have been employed in the petroleum industry from 1994 to 2000 in Albania, and from January 2008 to the present time in Calgary.
4. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated February 28, 2023 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
5. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities for Zenith Energy Ltd., its participants or any affiliate thereof.
6. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
7. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

[Signature]

Klorinda Kaci, B.Sc., B.A.Tech.,  
Economics Coordinator / Technical Assistant



**COMPETENT PERSONS REPORT**

**RESERVE AND ECONOMIC EVALUATION**  
**GAS PROPERTIES**

**ITALY CONCESSIONS**

Owned by  
**ZENITH ENERGY LTD.**

**March 31, 2023**  
**(April 1, 2023)**

## TABLE OF CONTENTS

Introduction.....	10
Executive Summary.....	23
Summary of Company Reserves and Economics.....	25
Discussion.....	30
Orientation Map.....	30
<u>ITALY</u>	
Lucera Concession.....	31
Misano Adriatico Concession.....	47
Torrente Cigno Concession.....	63
Glossary.....	85
Company Representation Letter.....	87

## INTRODUCTION

### INDEX

1. Authorization.....	11
2. Purpose of the Report.....	11
3. Use of the Report.....	11
4. Scope of the Report.....	11
4.1 Methodology.....	11
4.2 Land Survey System.....	11
4.3 Economics.....	12
4.4 Barrels of Oil Equivalent.....	13
4.5 Environmental Liabilities.....	13
5. Basis of Report.....	13
5.1 Sources of Information.....	13
5.2 Product Prices.....	14
5.3 Product Sales Arrangement.....	14
5.4 Royalties.....	14
5.5 Capital Expenditures and Operating Costs.....	14
5.6 Income Tax Parameters.....	14
5.7 Abandonment and Restoration.....	14
6. Evaluation Standard Used.....	15
6.1 General.....	15
6.2 Resource Definitions.....	16
6.2.1. Reserves.....	17
6.2.2. Contingent Resources.....	20
6.2.3. Prospective Resources.....	20
6.3 Diagram of Maturity Subclasses.....	21
7. Site Visit.....	22

## INTRODUCTION

### 1. AUTHORIZATION

This evaluation has been authorized by Mr. Andrea Cattaneo, on behalf of Zenith Energy Ltd. The engineering analysis has been performed during the month of February 2023.

### 2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third party independent appraisal of the oil and gas reserves owned by Zenith Energy Ltd.

The values in this report do not include the value of the Company's undeveloped land holdings nor the tangible value of their interest in associated plant and well site facilities they may acquire.

### 3. USE OF THE REPORT

The report is intended for annual corporate disclosure and filing requirements and financial planning.

### 4. SCOPE OF THE REPORT

#### 4.1 Methodology

The evaluation of the reserves and resources of these properties included in the report has been conducted under a discounted cash flow analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions.

#### 4.2 Land Survey System

The Italian Cadastral Land Survey System establishes real property boundaries based on modern geodetics and historical land claims.

The complete unification of the country was done in 1870 when large parts of the Appennien Peninsula was covered by cadastral surveys, mainly carried out by Piedmont, the Kingdom of Naples and the Papal State (Frazzica et al., 2009).

In the first decades of the twentieth century, the Italian Institute of Military Geography (Istituto Geografico Militare; I.G.M) developed four independent geodetic networks. Today the Genova 1902 datum is more or less used for all parts of the country.

Italian Cadastral system geodetic data can be obtained from the Italian geodetic data portal, and it provides access to all geodetic base data of the country, according to the Open Access strategy.

#### 4.3 **Economics**

The results of the before tax economic analysis, which are presented for each entity and property summary, are in a condensed form presented on one page for simplicity in analyzing the cash flows, however, if for any reason more extensive breakdown of the cash flow is required, a separate schedule can be provided showing the full derivation and breakdown of any or all of the columns on the summary page.

The economic presentation shows the gross property and company gross and net (before and after royalty) production of oil, gas and each NGL product along with the product prices adjusted for oil quality and heating value of gas. Oil prices also include the deduction for trucking costs where applicable for royalty deductions.

The second level includes the revenues, royalties, operating costs, processing income, abandonment costs, capital and cash flow of the property. Operating costs are presented for the gross property and the company share, split between variable and fixed costs, and the effective cost per BOE.

Net revenues are presented annually and as a net back in \$/BOE @ 6 Mscf/STB. Revenue from custom processing of oil or gas is presented separately.

The third level of data presents the cumulative cash flow values (present worth) for various discount rates. Also, the net cash flow breakdown is presented. The project profitability criteria

are summarized on the bottom right of the page. These data are not relevant in the case of corporate evaluations but are useful in assessing individual capital projects.

For corporate consolidations a second page is included, which repeats the before tax cash flow and presents the Taxable Income, Income Tax Payable, After Income Tax Cash Flows and net present values After Income Tax.

#### **4.4 Barrels of Oil Equivalent**

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

#### **4.5 Environmental Liabilities**

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

### **5. BASIS OF REPORT**

#### **5.1 Sources of Information**

Sources of the data used in the preparation of this report are as follows:

- i) Ownership and Burdens have been derived from the Company's land records and other information from the Company as required for clarification;
- ii) Production data is acquired directly from the Company or the operator of the property;
- iii) Well data is accessed from the Company's well files;
- iv) Operating Costs are based on actual revenue and expense statements provided by the Company for established properties or from discussions with the Company and our experience in the area for new or non-producing properties;

- v) Price differentials are derived from revenue statements, compared to actual posted prices for the appropriate benchmark price over a period of several months for established properties or from discussions with the Company and our experience in the area for new or non-producing properties;
- vi) Timing of Development Plans and Capital estimates are normally determined by discussions with the Company together with our experience and judgment.

## 5.2 **Product Prices**

Gas prices in Italy are based on historical data.

## 5.3 **Product Sales Arrangement**

The Company does not have any "hedge" contracts in place at this time.

## 5.4 **Royalties**

Production levels in Italy predicted in this report fall below the threshold which would make the royalties applicable, therefore there are no royalty burdens on the Italian gas production.

## 5.5 **Capital Expenditures and Operating Costs**

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars but for economic purposes are escalated at 2% per year after the current year.

## 5.6 **Income Tax Parameters**

The Company's existing tax pools are sufficient to offset any income taxes.

## 5.7 **Abandonment and Restoration**

Abandonment and restoration costs, net of salvage, have been included in the cash flows for the final event of any particular well. The abandonment cost does not impact the economic limit and is included in the final year of production. For marginal wells nearing the end of their economic life, these costs may result in a negative net present value.

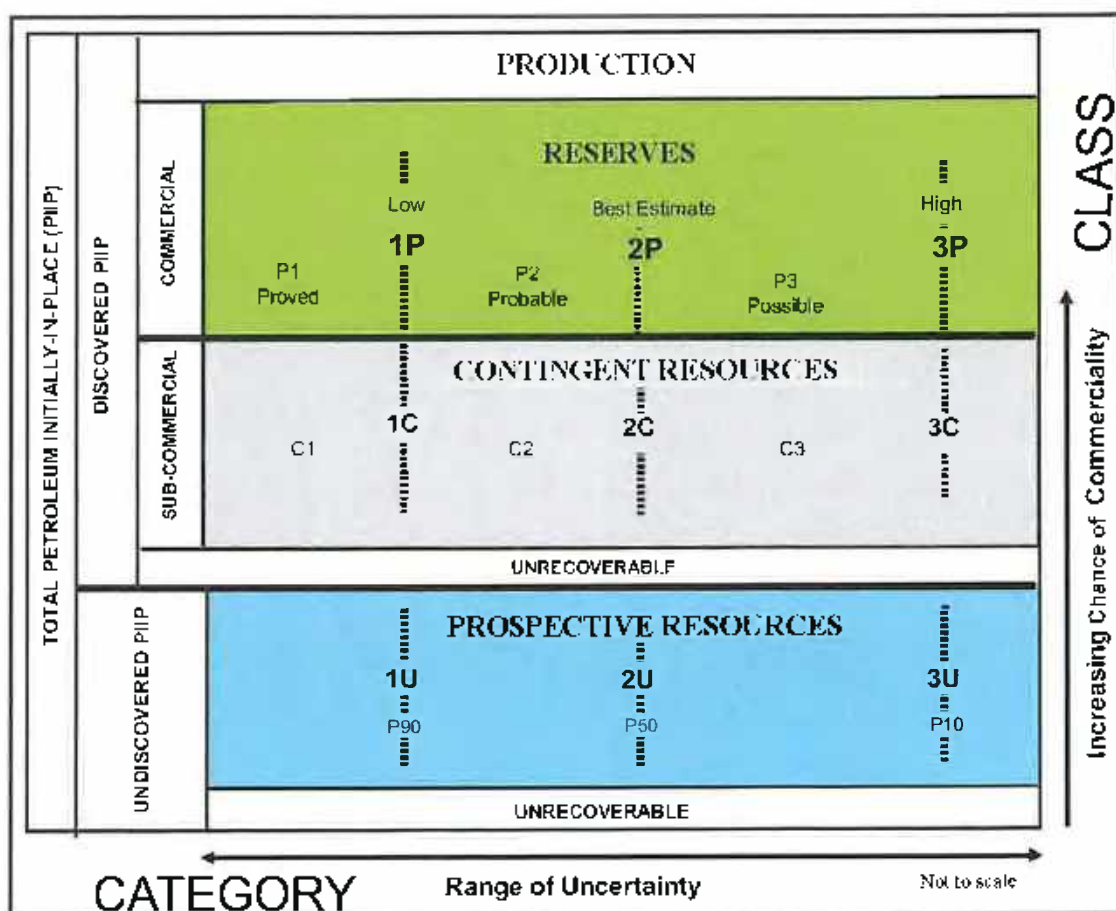
In this report, we have accounted for these costs for only the wells which are being evaluated and have not included other shut-in or suspended wells in the Company's inventory or their facilities and pipelines.

## 6. EVALUATION STANDARD USED

### 6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the APEGA professional practice standard "The Canadian Oil and Gas Evaluation Handbook", 3<sup>rd</sup> Edition December 2018 ("COGEH"), prepared by the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE).

COGEH uses the SPE-PRMS (2018 Update) resource classification system shown in the below diagram.





By way of explanation, 'CLASS' forms the vertical axis of the PRMS diagram and represents the range of Chance of Commerciality. Likewise, 'CATEGORY' forms the horizontal axis and provides a measure of the uncertainty in estimates of the Resource Class.

Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations with reference to the above diagram and is potentially producible. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

Discovered PIIP (equivalent to "discovered resources") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The Discovered PIIP includes production, Reserves, and Contingent Resources; the remainder is unrecoverable.

Undiscovered PIIP (equivalent to "undiscovered resources") is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "Prospective Resources", the remainder as "unrecoverable".

Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

## **6.2 Resource Definitions**

The following definitions have been extracted from COGEH and represent an overview of the resource definitions and evaluation criteria required for compliance with the Canadian Securities National Instrument 51-101. These definitions are considered to be compliant with the PRMS - 2018, in that they use the same primary nomenclature, principles and concepts.

### 6.2.1 Reserves

The following Reserves definitions and guidelines are designed to assist evaluators in making Reserves estimates on a reasonably consistent basis and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

The guidelines outline

- general criteria for classifying reserves,
- procedures and methods for estimating reserves,
- confidence levels of individual entity and aggregate reserves estimates,
- verification and testing of Reserves estimates.

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

#### RESERVES CATEGORIES

Reserves are categorized according to the probability that at least a specific volume will be produced. In a broad sense, Reserves categories reflect the following expectations regarding the associated estimates:

<u>Reserves Category</u>	<u>Confidence Characterization</u>
Proved (1P)	Low Estimate, Conservative
Proved + Probable (2P)	Best Estimate
Proved +Probable +Possible (3P)	High Estimate, Optimistic

- a. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.
- b. Probable Reserves are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved + Probable Reserves.
- c. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved + Probable + Possible Reserves.

#### DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

- a. Developed Reserves are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the Reserves on production. The developed category may be subdivided into producing and non-producing.
  - i. Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
  - ii. Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and the date of resumption of production is unknown.
- b. Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet

the requirements of the Reserves classification (Proved, Probable, Possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to sub-divide the Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

#### LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels contained in the definitions are applicable to "individual Reserves entities," which refers to the lowest level at which Reserves calculations are performed, and to "Reported Reserves," which refers to the highest level sum of individual entity estimates for which Reserves estimates are presented. Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves,
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable + Possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various Reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of Reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with Reserves estimates and the effect of aggregation is provided in Section 5.7.1.6, The Portfolio Effect, of COGEH.

### **6.2.2 Contingent Resources**

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development (TUD), but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Contingencies may include economic, environmental, social and political factors, regulatory matters, a lack of markets or prolonged timetable for development. Contingent Resources have a Chance of Development that is less than certain.

Contingent resources are further categorized according to their level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Project Maturity Sub-Classes are: Development Pending, Development on Hold, Development Unclassified and Development Not Viable, as demonstrated in the chart below (Section 6.3).

Reports on Contingent Resources must specify the level of maturity and usually include 1C, 2C and 3C estimates.

There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

### **6.2.3 Prospective Resources**

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated Chance of Discovery and a Chance of Development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The project maturity subclasses describe the stage of exploration and broadly correspond to chance of commerciality from in increasing order from "play" to "lead" to "prospect" as demonstrated in the chart below (Section 6.3).

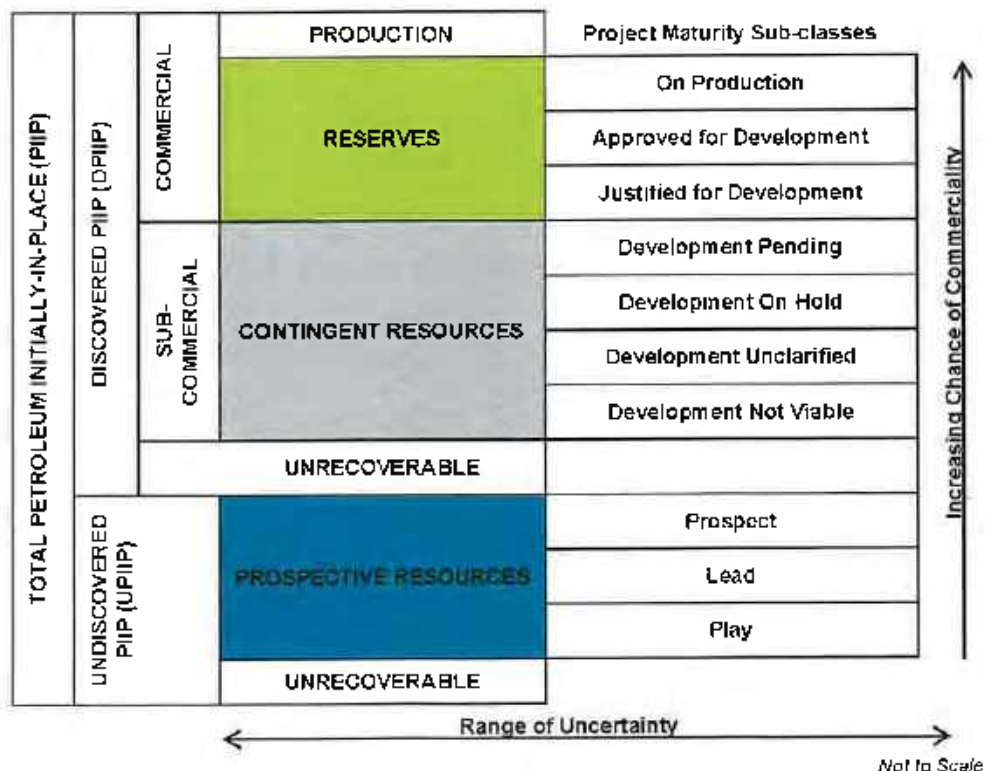
A "play" is a family of geologically similar fields, discoveries, prospects and leads. It would have the lowest chance of commerciality in these project maturity subclasses.

A "lead" is a potential accumulation within a play that requires more data acquisition and/or evaluation in order to be classified as a prospect.

A "prospect" is a potential accumulation within a play that is sufficiently well defined to represent a viable drilling target. A "prospect" would have the highest chance of commerciality.

There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

### 6.3 Project Maturity Sub-Classes



## 7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes.

## EXECUTIVE SUMMARY

This Executive Summary presents an overview of the Company's properties and results of the evaluation and, in particular, addresses the information required by the European Securities and Markets Authority (ESMA), Section 132.

- (a) Details of the reserves established under COGEH (NI 51-101) standards are presented with their associated net present values on the Table 1 found in the Summary of Company Reserves and Economics. The Company has sufficient accumulated tax pools to offset the cash flows projected in this report therefore before and after tax values are equal.
- (b) The anticipated project life of these properties based on the established proved and probable reserves and production forecasts 15 years.
- (c) The below concessions are evaluated herein.
  - Lucera Concession
  - Misano Concession
  - Torrente Cigno Concession

In general we have made the assumption for this evaluation that extensions to the producing concessions will be granted due to continuing production. For the other production concessions not evaluated this is a non-issue relating to this report.

- (d) All properties in this report are located in active producing fields with conventional infrastructure for producing to market. The fields are developed and have many years of production history. The Company is planning for future development and expansion of these properties.
- (e) The results of this evaluation are based on facts and assumptions typical of this type of engagement. It should be noted that under COGEH Section 7.8.2 evaluations are conducted without consideration of the availability of capital for funding the scheduled development. The product price forecasts used for this evaluation, shown in Attachment 1a, are based on history and analysis and reflect a current industry consensus, however variations may occur and the variations could be material.



**Attachment 1**  
**CHAPMAN PETROLEUM ENGINEERING LTD.**  
**International Price - Crude Oil & Natural Gas**  
**HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES**

January 1, 2023

		Torrente Cigno	Europe Gas	Torrente Cigno	Misano Adriatico	Lucera
	Brant Spot (ICE)[1]	Condensate [2]	Gas[3]	Gas[5]	Gas[4]	Gas[4]
Date	\$US/STB	\$US/STB	\$US/Mcf	\$US/Mcf	\$US/Mcf	\$US/Mcf
<b>HISTORICAL PRICES</b>						
2012	111.63	N/A	11.47	N/A	N/A	N/A
2013	108.56	N/A	11.79	7.10	14.89	11.44
2014	99.43	79.80	10.05	9.70	10.42	9.70
2015	53.32	52.02	6.82	2.27	6.73	5.87
2016	45.06	43.66	4.56	4.24	5.12	4.47
2017	54.75	54.09	5.72	5.45	6.13	5.45
2018	71.64	64.77	7.68	5.22	N/A	N/A
2019	64.11	64.11	4.80	5.59	N/A	N/A
2020	43.40	43.40	3.24	2.78	N/A	N/A
2021	70.39	70.39	16.12	16.29	N/A	N/A
2022	100.62	97.39	40.73	25.61	N/A	N/A
<b>CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)</b>						
	97.03	N/A	N/A	N/A	N/A	N/A
<b>FORECAST PRICE</b>						
2023	83.17	78.12	32.00	24.13	14.31	14.31
2024	82.38	76.63	28.00	21.11	12.52	12.52
2025	80.60	74.26	20.00	29.11	17.26	17.26
2026	82.21	75.76	20.00	29.70	17.61	17.61
2027	83.86	77.29	20.00	30.29	17.96	17.96
2028	85.53	78.85	20.00	30.90	18.32	18.32
2029	87.25	80.45	20.00	31.51	18.68	18.68
2030	88.99	82.07	20.00	32.14	19.06	19.06
2031	90.77	83.73	20.00	32.79	19.44	19.44
2032	92.59	85.42	20.00	33.44	19.83	19.83
2033	94.44	87.14	20.00	34.11	20.23	20.23
2034	96.33	88.90	20.00	34.79	20.63	20.63
2035	98.25	90.69	20.00	35.49	21.04	21.04
2036	100.22	92.52	20.00	36.20	21.46	21.46
2037	102.22	94.39	20.00	36.92	21.89	21.89
2038	104.27	96.27	20.00	37.66	22.33	22.33

**Escalated 2% thereafter**

**Notes:** [1] The Brent Spot price is estimated based on historic data.

(Actual Brent strip oil prices are: \$US83.17/STB in 2023; \$US78.46/STB in 2024; \$US74.63/STB in 2025)

[2] Torrente Cigno Condensate price forecast is based on Chapman price forecast plus difference of actually received in T.C. in 2018/10-2019/09.

[3] Europe gas price forecast comes from World Bank Forecast (Annual prices and Price Forecasts)

[4] Italy gas price forecast is based on actually received field price compare to European gas price in 2022.

[5] Torrente Cigno price reflects the net price from electrical generation revenue escalated 1.04% per year (after consideration of electricity from the other owner).

## SUMMARY OF COMPANY RESERVES AND ECONOMICS

### INDEX

#### Forecast Prices and Costs

Table 1:	Summary of Company Reserves and Economics – Before Income Tax.....	26
	<u>Consolidated Cash Flows</u>	
Table 1a:	Total Proved Developed Producing.....	27
Table 1b:	Total Proved Developed.....	28
Table 1c:	Total Proved Plus Probable.....	29

**Table 1**  
**Summary of Company Reserves and Economics**  
**Before Income Tax**  
**April 1, 2023**  
**Italy Properties**  
**Zenith Energy Ltd.**

Forecast Prices & Costs

Description		Net To Appraised Interest											
		Reserves						Cumulative Cash Flow (BIT) - MUS\$					
		Light and Medium Oil MSTB		Conventional Natural gas MMscf		NGL Mbbbls		Discounted at:					
		Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year	
Proved Developed Producing													
Misano Adriatico Concession		0	0	197	197	0	0	3,231	1,930	1,340	1,024	830	
Torrente Cigno Concession		0	0	526	526	0	0	12,688	11,638	10,742	9,969	9,298	
Total Proved Developed Producing		0	0	723	723	0	0	15,919	13,568	12,081	10,993	10,128	
Proved Developed Non-Producing													
Lucera Concession		0	0	129	129	0	0	1,687	1,298	1,027	831	686	
Total Proved Developed Non-Producing		0	0	129	129	0	0	1,687	1,298	1,027	831	686	
Total Proved Developed		0	0	853	852	0	0	17,606	14,866	13,108	11,824	10,815	
Probable													
Probable Developed Producing													
Misano Adriatico Concession		Incr.	0	0	86	86	0	0	1,851	532	243	138	91
Torrente Cigno Concession		Incr.	0	0	1,439	1,439	0	0	46,926	31,905	22,545	16,470	12,383
Total Probable Developed Producing			0	0	1,505	1,505	0	0	48,577	32,438	22,788	16,608	12,474
Probable Developed Non-Producing													
Lucera Concession		Incr.	0	0	30	30	0	0	438	272	178	123	88
Total Probable Developed Non-Producing			0	0	30	30	0	0	438	272	178	123	88
Probable Undeveloped													
Torrente Cigno Concession			0	0	13,413	13,413	0	0	500,889	184,765	96,885	61,973	44,308
Total Probable Undeveloped			0	0	13,413	13,413	0	0	500,889	184,766	96,885	61,973	44,308
Total Probable			0	0	14,948	14,949	0	0	549,904	217,475	119,862	78,704	56,889
Total Proved Plus Probable			0	0	15,801	15,801	0	0	567,510	232,341	132,960	90,528	67,684

MUS\$ means thousands of United States dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Table 1a

EVALUATION OF: Zenith Energy Ltd. (Italy Properties)  
 ----- Total Proved Developed Producing Cons.

BRGO v7 43 P2 ENERGY SOLUTIONS  
 GLOBAL : 15-FEB-2023 6922  
 EPF:01-APR-2023 DISC:01-APR-2023  
 RUN DATE: 28-FEB-2023 TIME: 12:43  
 FILE:

GRAND TOTAL

EVALUATED BY -  
 COMPANY EVALUATED - Zenith Energy Ltd.  
 APPRAISAL FOR -  
 PROJECT - FORECAST PRICES & COSTS

TOTAL ABANDONMENT - 178 -M\$-

Sales Gas MCF						
----- Pool ----- Company Share						
Year	# of Wells	Price \$/MCF	MCF/D	Vol	Gross	Net
2023	2	23.33	475.7	131	131	131
2024	2	20.45	473.4	173	173	173
2025	2	28.26	470.9	172	172	172
2026	2	28.29	470.1	99	99	99
2027	1	17.96	29.3	11	11	11
2028	1	18.32	27.3	10	10	10
2029	1	18.68	25.4	9	9	9
2030	1	19.06	23.6	9	9	9
2031	1	19.44	22.0	8	8	8
2032	1	19.81	20.5	7	7	7
2033	1	20.22	19.1	7	7	7
2034	1	20.63	17.8	6	6	6
2035	1	21.04	16.5	6	6	6
2036	1	21.45	15.4	6	6	6
2037	1	21.89	14.3	5	5	5
SUB				658	658	658
REM				65	65	65
TOT				723	723	723

- P/T -

COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs -M\$-	Future Revenue (FR)				Royalties			Operating Costs			PR After RysOper -M\$-	Net back \$/BOE	Proced Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	Sale Gas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-	Fixed -M\$-	Variable -M\$-	\$/BOE						Undisc -M\$-	10.0% -M\$-
2023	0	0	3053	0	3053	0	0	0	45	149	14.78	2859	218.54	0	0	0	2659	2756
2024	0	0	3534	0	3534	0	0	0	41	200	15.08	3273	189.43	0	0	0	1273	2905
2025	0	0	4857	0	4857	0	0	0	62	203	15.38	4593	267.21	0	0	0	4593	3705
2026	27	0	2789	0	2789	0	0	0	37	120	15.31	2632	266.97	0	0	27	2605	1910
2027	0	0	192	0	192	0	0	0	5	17	20.95	179	150.62	0	0	0	170	113
2028	0	0	162	0	162	0	0	0	6	16	21.76	161	161.41	0	0	0	161	97
2029	0	0	173	0	173	0	0	0	6	15	22.62	152	164.21	0	0	0	152	84
2030	0	0	164	0	164	0	0	0	6	15	23.51	144	167.03	0	0	0	144	72
2031	0	0	156	0	156	0	0	0	6	14	24.51	136	169.86	0	0	0	136	62
2032	0	0	148	0	148	0	0	0	6	13	25.56	128	172.70	0	0	0	128	53
2033	0	0	141	0	141	0	0	0	6	12	26.69	122	175.54	0	0	0	122	46
2034	0	0	134	0	134	0	0	0	6	12	27.89	116	178.39	0	0	0	116	40
2035	0	0	127	0	127	0	0	0	6	11	29.18	109	181.22	0	0	0	109	34
2036	0	0	121	0	121	0	0	0	7	11	30.57	103	184.04	0	0	0	103	29
2037	0	0	114	0	114	0	0	0	7	10	32.06	98	186.84	0	0	0	98	25
SUB	27	0	15886	0	15886	0	0	0	270	617		14798		0	0	27	14771	11935
REM	150	0	1797	0	1797	0	0	0	340	159		1298		0	0	150	1148	147
TOT	178	0	17683	0	17683	0	0	0	611	976		16097		0	0	178	15919	12081

NET PRESENT VALUE (-M\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
PR After Roy & Oper.	16097	13605	12637	12101	11631	11010	10143
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	178	37	25	21	19	17	15
Future Net Revenue	15919	13568	12612	12081	11611	10993	10123

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	PR After RysOper	Capital Costs	Future Net Rev
% Interest	200.0	100.0	0	9.0	91.0	0	90.0
% of Future Revenue							

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)	.....	n/a
Profit Index (undisc.)	.....	n/a
(disc. @ 10.0%)	.....	n/a
(disc. @ 5.0%)	.....	n/a
First Payout (years)	.....	n/a
Total Payout (years)	.....	n/a
Cost of Finding (\$/BOE)	.....	n/a
NPV @ 10.0% (\$/BOE)	.....	167.05
NPV @ 5.0% (\$/BOE)	.....	187.60

Table 1b

EVALUATION OF: Zenith Energy Ltd. (Italy Properties)  
 ----- Total Proved Developed Cons.

BRNO v7.43 P2 ENERGY SOLUTIONS GRANU TOTAL  
 GLOBAL : 15-FEB-2023 5922  
 EXP:01-APR-2023 DISC:01-APR-2023  
 RUN DATE: 28-FEB-2023 TIME: 12:44  
 FILE:

EVALUATED BY :  
 COMPANY EVALUATED : Zenith Energy Ltd.  
 APPRAISAL FOR :  
 PROJECT : FORECAST PRICES & COSTS

TOTAL ABANDONMENT - 331 -M\$-

Sales Gas MMP						
Year	# of Wells	Price \$/MCF	Pool		Company Share	
			MCF/D	Vol	Gross	Net
2023	2	23.33	478.7	131	131	131
2024	2	20.45	473.4	173	173	173
2025	4	27.15	860.6	314	191	191
2026	4	26.52	665.7	243	119	118
2027	3	17.96	361.7	132	27	27
2028	3	18.32	304.5	112	24	24
2029	3	18.69	260.0	95	21	21
2030	3	19.06	220.7	81	18	18
2031	3	19.44	187.6	68	16	16
2032	3	19.83	159.6	58	14	14
2033	3	20.23	135.9	50	13	13
2034	3	20.63	115.8	42	11	11
2035	3	21.04	99.0	36	10	10
2036	3	21.46	84.7	31	9	9
2037	3	21.89	72.5	26	8	8
SUB				1592	785	785
REM				83	67	67
TOT				1675	853	853

= E/T =

COMPANY SHARE FUTURE NET REVENUE

Year	Capital Aband Costs -M\$-	Future Revenue (FR)				Royalties			Operating Costs			FR After Roy&Oper -M\$-	Net back \$/BOE	Proc& Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-	Fixed -M\$-	Variable -M\$-	\$/BOE						Undisc -M\$-	10.0% -M\$-
2023	0	0	3053	0	3053	0	0	0	45	149	14.78	2859	214.54	0	0	0	2859	2758
2024	0	0	3534	0	3534	0	0	0	61	200	15.08	3273	189.43	0	0	0	3273	2935
2025	0	0	5191	0	5191	0	0	0	92	224	16.50	4876	254.96	0	0	0	4876	3933
2026	27	0	3135	0	3135	0	0	0	73	142	18.22	2919	246.95	0	0	27	2892	2123
2027	0	0	488	0	488	0	0	0	43	36	28.60	410	150.40	0	0	0	410	273
2028	0	0	436	0	436	0	0	0	43	32	31.75	361	151.44	0	0	0	361	219
2029	0	0	391	0	391	0	0	0	44	29	35.09	317	151.77	0	0	0	317	175
2030	0	0	351	0	351	0	0	0	45	26	38.84	279	151.75	0	0	0	279	140
2031	0	0	316	0	316	0	0	0	46	24	43.07	246	151.33	0	0	0	246	112
2032	0	0	285	0	285	0	0	0	47	22	47.82	216	150.47	0	0	0	216	90
2033	0	0	256	0	256	0	0	0	48	20	53.13	190	149.12	0	0	0	190	72
2034	0	0	234	0	234	0	0	0	49	18	59.08	167	147.22	0	0	0	167	57
2035	0	0	213	0	213	0	0	0	50	17	65.71	147	144.71	0	0	0	147	46
2036	0	0	194	0	194	0	0	0	51	15	73.10	128	141.53	0	0	0	128	36
2037	0	0	178	0	178	0	0	0	52	14	81.31	112	137.60	0	0	0	112	29
SUB	27	0	18258	0	18258	0	0	0	788	968		16502		0	0	27	16474	12955
REM	304	0	1852	0	1852	0	0	0	346	162		1303		0	0	171	1132	143
TOT	331	0	20109	0	20109	0	0	0	1175	1130		17805		0	0	198	17606	13108

NET PRESENT VALUE (-M\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	17805	14913	13768	13134	12576	11844	10831
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	198	47	31	26	23	20	16
Future Net Revenue	17806	14866	13737	13108	12553	11824	10815

COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	50.9					
% of Future Revenue			0	11.5	88.5	0	87.6

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		n/a
Profit Index (undisc.)		n/a
(disc. @ 10.0%)		n/a
(disc. @ 5.0%)		n/a
First Payout (years)		n/a
Total Payout (years)		n/a
Cost of Finding (\$/BOE)		n/a
NPV @ 10.0% (\$/BOE)		153.74
NPV @ 5.0% (\$/BOE)		174.35

Table 1c

EVALUATION OF: Zenith Energy Ltd. (Italy Properties)  
 ===== Total Proved Plus Probable Cons.

BRGO v7.43 P2 ENERGY SOLUTIONS  
 GLOBAL : 15-FEB-2023 4922  
 EPT: 31-APR-2023 DIST: 01-APR-2023  
 RUN DATE: 28-FEB-2023 TIME: 12:44  
 FILE:

GRAND TOTAL

EVALUATED BY  
 COMPANY EVALUATED - Zenith Energy Ltd.  
 APPRAISAL FOR  
 PROJECT - FORECAST PRICES & COSTS

TOTAL CAPITAL COSTS - 1530 -M\$-  
 TOTAL ABANDONMENT - 415 -M\$-

Sales Gas						
MMCF						
Year	# of Wells	Price \$/MCF	Pool		Company Share	
			MCF/D	Vol	Gross	Net
2023	2	23.33	476.0	131	131	131
2024	3	20.85	1254.1	458	458	458
2025	5	28.38	1797.5	656	532	532
2026	5	28.95	1814.2	662	532	532
2027	5	29.40	1758.1	642	529	529
2028	5	30.25	1709.3	624	526	526
2029	5	30.92	1646.8	608	523	523
2030	5	31.59	1629.8	595	521	521
2031	5	32.28	1597.5	583	519	519
2032	5	32.96	1529.5	558	502	502
2033	5	33.63	1434.9	524	475	475
2034	5	34.33	1355.8	495	453	453
2035	5	35.04	1289.5	471	434	434
2036	5	35.76	1234.0	450	419	419
2037	5	36.50	1187.5	433	406	406
SUB				7890	6957	6957
RRM				8923	8844	8844
TOT				16813	15801	15801

\* P/T \* ===== COMPANY SHARE FUTURE NET REVENUE =====

Year	Capital Aband Cost -M\$-	Future Revenue (FR)				Royalties				Operating Costs			PR After Roy&Opr -M\$-	Net Roy&Opr back \$/BOE	Proc& Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-	%	Fixed -M\$-	Variable -M\$-	\$/BOE						Undisc -M\$-	10.0% -M\$-
2023	0	0	3054	0	3054	0	0	0	.0	45	16	4.61	2993	226.65	0	0	0	2993	2898
2024	1530	0	9546	0	9546	0	0	0	.0	107	342	5.81	9097	198.74	0	1530	0	7567	6715
2025	0	0	15087	0	15087	0	0	0	.0	140	432	10.92	14507	272.92	0	0	0	14507	11703
2026	0	0	15398	0	15398	0	0	0	.0	157	441	11.25	14800	276.29	0	0	0	14800	10854
2027	0	0	15645	0	15645	0	0	0	.0	160	416	11.47	15039	284.55	0	0	0	15039	10026
2028	0	0	15906	0	15906	0	0	0	.0	163	451	11.49	15292	290.94	0	0	0	15292	9268
2029	0	0	16172	0	16172	0	0	0	.0	167	457	11.92	15548	297.29	0	0	0	15548	8567
2030	0	0	16452	0	16452	0	0	0	.0	170	463	12.15	15819	303.79	0	0	0	15819	7924
2031	0	0	16745	0	16745	0	0	0	.0	173	469	12.39	16102	310.44	0	0	0	16102	7332
2032	0	0	16555	0	16555	0	0	0	.0	177	475	13.00	15902	316.55	0	0	0	15902	6583
2033	0	0	15982	0	15982	0	0	0	.0	180	493	13.37	15319	322.37	0	0	0	15319	5765
2034	0	0	15538	0	15538	0	0	0	.0	184	491	14.91	14863	326.34	0	0	0	14863	5085
2035	0	0	15208	0	15208	0	0	0	.0	188	499	15.82	14521	331.56	0	0	0	14521	4517
2036	0	0	14971	0	14971	0	0	0	.0	191	507	16.69	14272	340.94	0	0	0	14272	4035
2037	0	0	14811	0	14811	0	0	0	.0	195	516	17.52	14100	347.46	0	0	0	14100	3624
SUB	1530	0	217064	0	217064	0	0	0	.0	2406	6489		208174		0	1530	0	206644	104888
RRM	415	0	383555	0	383555	0	0	0	.0	4062	15352		361141		0	0	275	360866	28073
TOT	1945	0	600624	0	600624	0	0	0	.0	6469	24841		569314		0	1530	275	567510	132960

NET PRESENT VALUE (-M\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
PR After Roy & Opr.	569314	233825	163080	134332	113658	91816	68904
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	1530	1439	1389	1358	1327	1284	1217
Abandonment Costs	275	45	21	14	10	5	3
Future Net Revenue	567510	232341	161670	132960	112321	90528	67684
===== COMPANY SHARE =====							
	1st Year	Average	Royalties	Oper Costs	PR After Roy&Opr	Capital Costs	Future NetRev
% Interest	100.0	94.0					
% of Future Revenue			0	5.2	94.8	3	94.3

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		999.9
Profit Index (undisc.)		314.5
(disc. @ 10.0%)		96.2
(disc. @ 5.0%)		156.5
First Payout (years)		.1
Total Payout (years)		.4
Cost of Finding (\$/BOE)		1.14
NPV @ 10.0% (\$/BOE)		84.15
NPV @ 5.0% (\$/BOE)		127.04



**ZENITH ENERGY LTD.**

**COMPANY'S CONCESSIONS**

**ITALY**

**ORIENTATION MAP**

**APR. 2023**

**JOB No. 6922**

**Chapman** Petroleum Engineering Ltd.

**LUCERA GAS CONCESSION  
ONSHORE, ITALY  
INDEX**

<b>Discussion.....</b>	<b>32</b>
Property Description.....	32
Geology.....	32
Reserves.....	33
Production.....	33
Product Prices.....	33
Capital Expenditures.....	33
Operating Costs.....	33
Economics.....	34
 <b>Attachments</b>	
Figure 1: Lucera Gas Concession – Land Map.....	35
Table 1: Schedule of Lands, Interests and Royalty Burdens.....	36
Figure 2: Geological Maps and Figures	
a) Regional Geology.....	37
b) Stratigraphic Chart.....	38
Table 2: Summary of Reserves.....	39
Figure 3: Production History Graphs – Proved Developed Producing	
a) Lucera, Production and Forecast Plot (Summary of Decline Analysis).....	40
Figure 4: Production History Graphs – Proved Plus Probable Developed Producing	
a) Lucera, Production and Forecast Plot (Summary of Decline Analysis).....	41
Table 3: Summary of Anticipated Capital Expenditures	
a) Development .....	42
b) Abandonment and Restoration.....	43
Table 4: Summary of Company Reserves and Economics.....	44
<u>Consolidated Cash Flows</u>	
a) Total Proved Developed Non-Producing.....	45
b) Total Proved Plus Probable Developed Non-Producing.....	46



**LUCERA GAS CONCESSION  
ONSHORE ITALY  
DISCUSSION**

**Property Description**

The Company owns 13.6% working interest in the Lucera gas concession covering approximately 13,361 acres and located onshore Italy along the Adriatic coast.

A map showing the Lucera concession location is presented in Figure 1a, and a description of the ownership is presented in Table 1.

**Geology**

The regional geology of Italy as shown in Fig 2a places the company's properties in the on-land shallow depths of the Apenninic Foredeep basin.

The Apennines are the consequences of the subduction of three types of lithosphere with different characteristics but pertaining to the same Adriatic plate.<sup>1</sup>

1. In the north central Apennines, thin continental lithosphere at the surface in the foreland, and probably thinner at depth, occurs;
2. In the southern Apennines, thick continental lithosphere occurs in the foreland, whereas probably old oceanic lithosphere constitutes the slab at depth to the west (northern prologation of the Ionian Mesozoic basin);
3. In the southern sector, offshore Calabria, old oceanic Ionian lithosphere occurs both in the foreland and at depth.

The Lucera exploration play has gas resources in the Cenozoic Upper Tertiary Pliocene sand levels of the Bradano Trough as represented in the Stratigraphic Column of Fig 2b.

**Reserves**

---

<sup>1</sup> 'An Introduction To The Italian Geology' – Carlo Doglioni and Giovanni Flores, 1997

Total gross proved developed non-producing conventional non-associated marketable gas reserves of 952 MMscf have been estimated for the two producing gas wells. These estimates are based on a conservative production decline analyses as presented in Figure 3a.

Gross probable additional developed non-producing conventional non-associated marketable gas reserves of 219 MMscf have been estimated for the same two wells based on the best fit production decline analyses, as presented in Figure 4a.

### **Production**

The Lucera gas concession was producing at a total rate of 540 Mscfd as of May 2016. There were some problems with the gas treatment plant, and the production was temporarily suspended. Production is expected to resume in March, 2025 when the problems with the treatment plant are anticipated to be solved.

### **Product Prices**

An average 2023 gas price of \$14.31/Mscf has been used for this area based on information provided by the Company, which reflects a correlation to the World Bank European posted gas price.

### **Capital Expenditures**

There are no forecasted capital expenditures as presented in Table 3a.

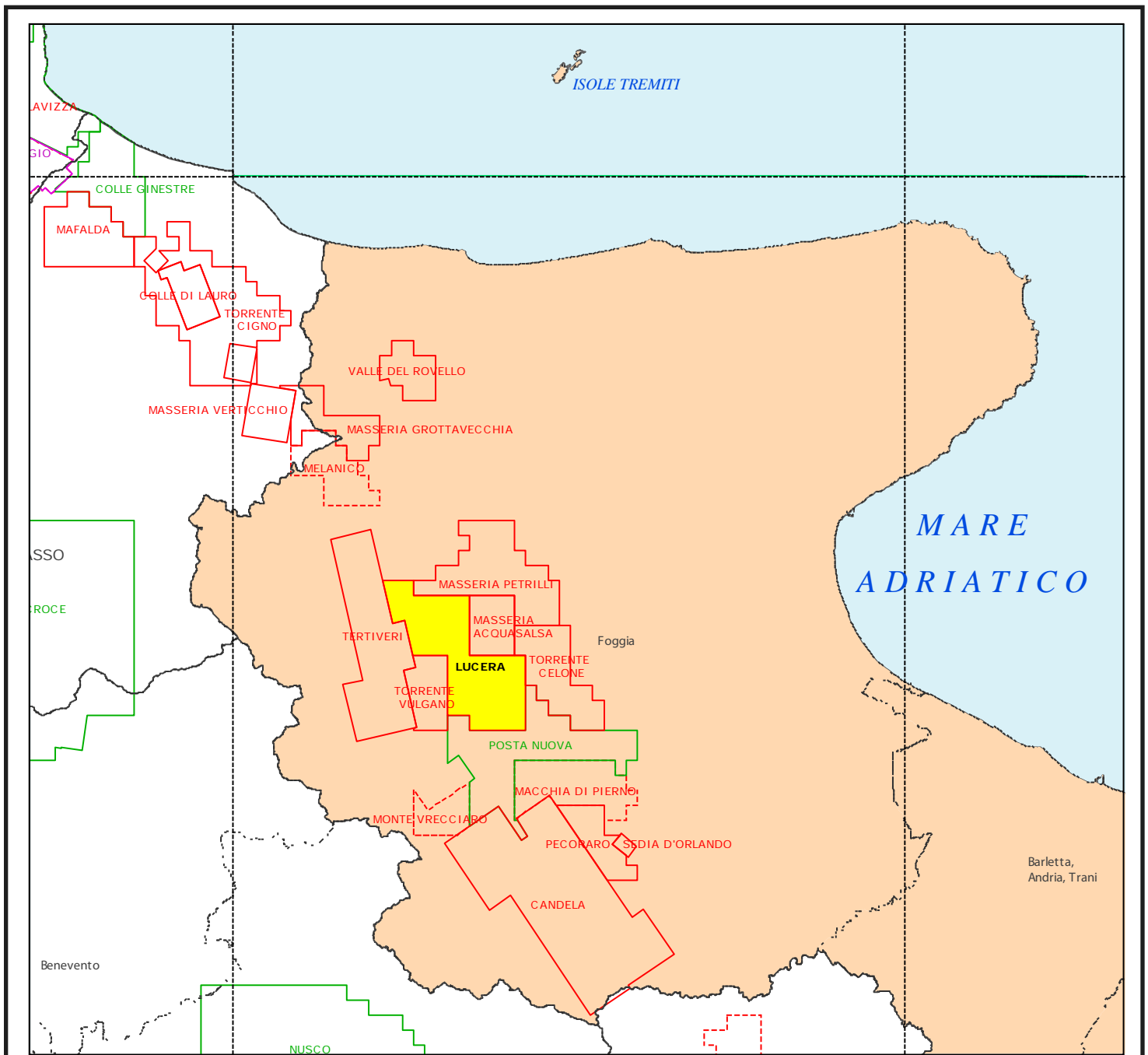
Total abandonment and reclamation liabilities of \$114,000 (\$15,500 net to the Company) have been estimated based on a reasonable expectation for these types of wells. The abandonment and site reclamation costs are presented in Table 3b.

### **Operating Costs**

Operating costs for this area have been estimated to be \$10,800 per well per month plus \$1.00/Mscf, based on information provided by the Company.

## **Economics**

An economic summary is presented on Table 4 and the results of our economic analysis are presented on Tables 4a and 4b.



40 km



**ZENITH ENERGY LTD.**

**LUCERA CONCESSION**

**PUGLIA REGION, ITALY**

**LAND MAP**

APR. 2023

JOB No. 6922 FIGURE No. 1

**Chapman** Petroleum Engineering Ltd.

**Table 1**

**Schedule of Lands, Interests and Royalty Burdens  
April 1, 2023**

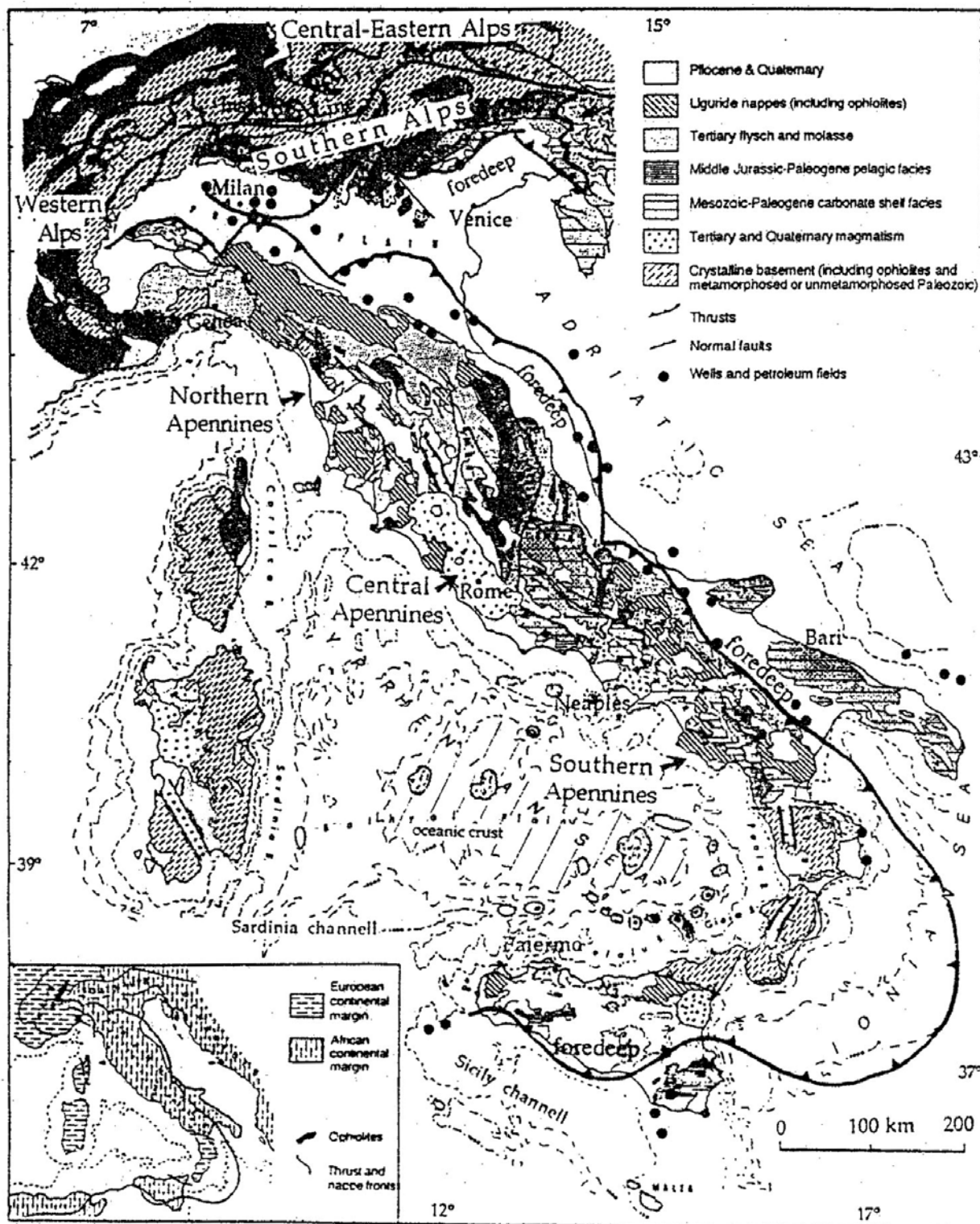
**Zenith Energy Ltd.**

**Lucera Concession, Onshore Italy**

<u>Description</u>	<u>Rights Owned</u>	<u>Gross Acres</u>	<u>Appraised Interest</u>		<u>Royalty Burdens</u>	
			<u>Working %</u>	<u>Royalty %</u>	<u>Basic %</u>	<u>Overriding %</u>
Lucera Concession	[A]	13,361	13.6000	-	7.0000	[1]

General Notes : [1] Only if over 25 million cubic meters annually (882.8 MMCF). 0% at forecast rates.

Rights Owned : [A] All P&NG.



Source: Doglioni and Flores, *An Introduction to the Italian Geology*, 1997

**ZENITH ENERGY LTD.**

## ITALY REGIONAL GEOLOGY

APR. 2023

JOB No. 6922 FIGURE No. 2a

**Chapman** Petroleum Engineering Ltd.

System	Series	Stage	Age (Ma)	
Quaternary	Pleistocene	Gelasian	younger	
Neogene	Pliocene	Piacenzian	2.588–3.600	← GAS ZONE
		Zanclean	3.600–5.332	← GAS ZONE
	Miocene	Messinian	5.332–7.246	← GAS ZONE
		Tortonian	7.246–11.608	
		Serravallian	11.608–13.65	
		Langhian	13.65–15.97	
		Burdigalian	15.97–20.43	
		Aquitanian	20.43–23.03	
Paleogene	Oligocene	Chattian	older	

ZONES OF INTEREST



← GAS ZONE

← GAS ZONE

← GAS ZONE

**ZENITH ENERGY LTD.**

**ITALY**

**STRATIGRAPHIC CHART**

APR. 2023

JOB No. 6922 FIGURE No. 2b

Table 2

**Summary of Gross Reserves**  
**April 1, 2023**

**Zenith Energy Ltd.**

**Lucera Concession, Onshore Italy**

<u>Description</u>		<u>Current or Initial Rate Mscf/d</u>		<u>Ultimate RGIP (MMscf)</u>	<u>Cumulative Production (MMscf)</u>	<u>Remaining RGIP (raw) (MMscf)</u>	<u>Remaining RGIP (sales) (MMscf)</u>	<u>Remaining NGLs (MMbbls)</u>	<u>Reference</u>
<u>Proved Developed Non-Producing</u>									
Lucera Concession	2 Lucera wells	540	Mar-25	6,061	5,059	1,002	952	0	Fig 3a
<b>Total Proved Developed Non-Producing</b>		<b>540</b>		<b>6,061</b>	<b>5,059</b>	<b>1,002</b>	<b>952</b>	<b>0</b>	
<u>Probable Developed Non-Producing</u>									
Lucera Concession	2 Lucera wells	(Incr.) 0	Mar-25	232	0	232	219	0	Fig 4a
<b>Total Probable Developed Non-Producing</b>		<b>0</b>		<b>232</b>	<b>0</b>	<b>232</b>	<b>219</b>	<b>0</b>	
<b>Total Proved Plus Probable Developed Non-Producing</b>		<b>540</b>		<b>6,293</b>	<b>5,059</b>	<b>1,234</b>	<b>1,171</b>	<b>0</b>	

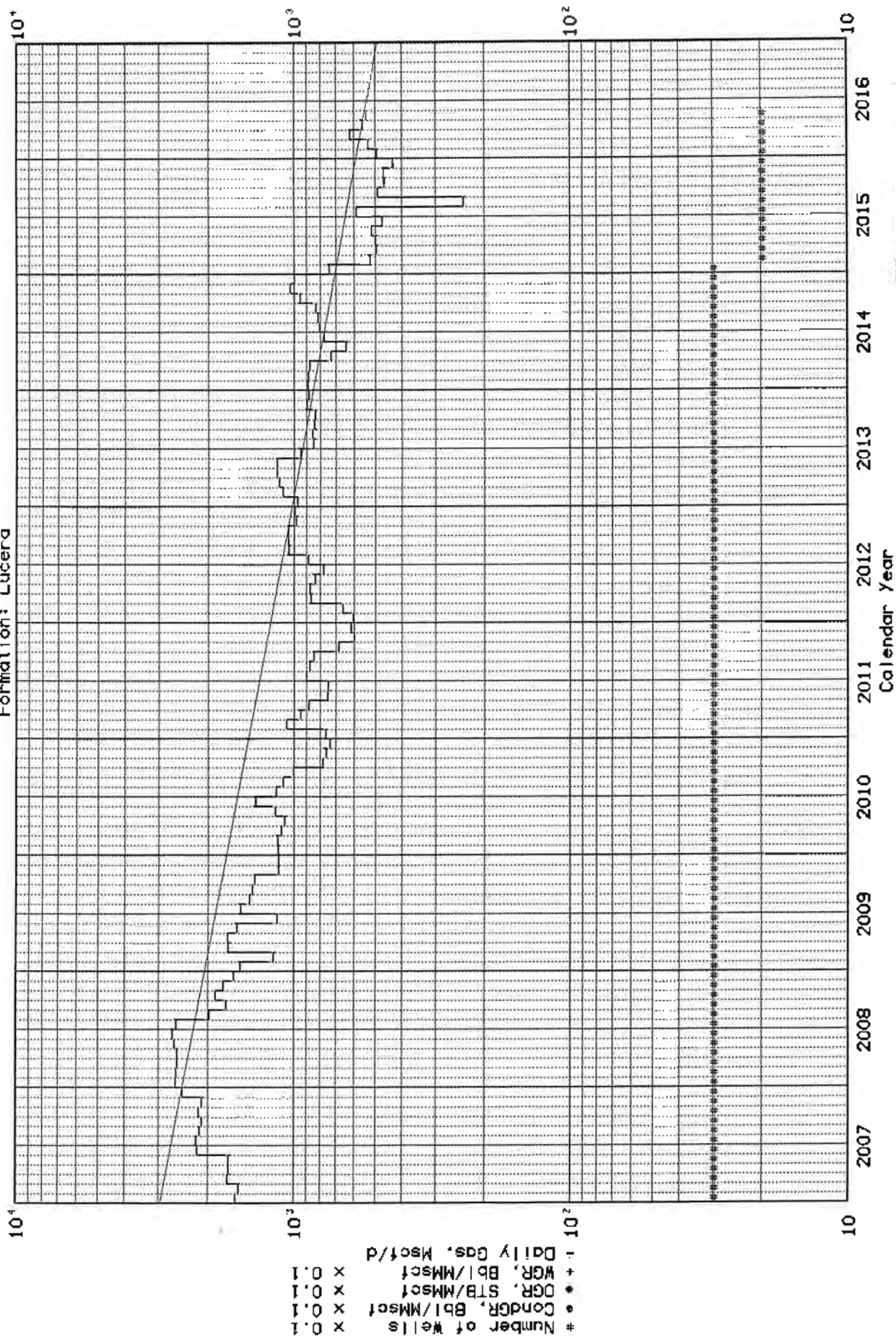


# PRODUCTION HISTORY

Proved Developed Producing

"Lucera Field, Italy (non-producing)"

Field: Lucera  
Formation: Lucera

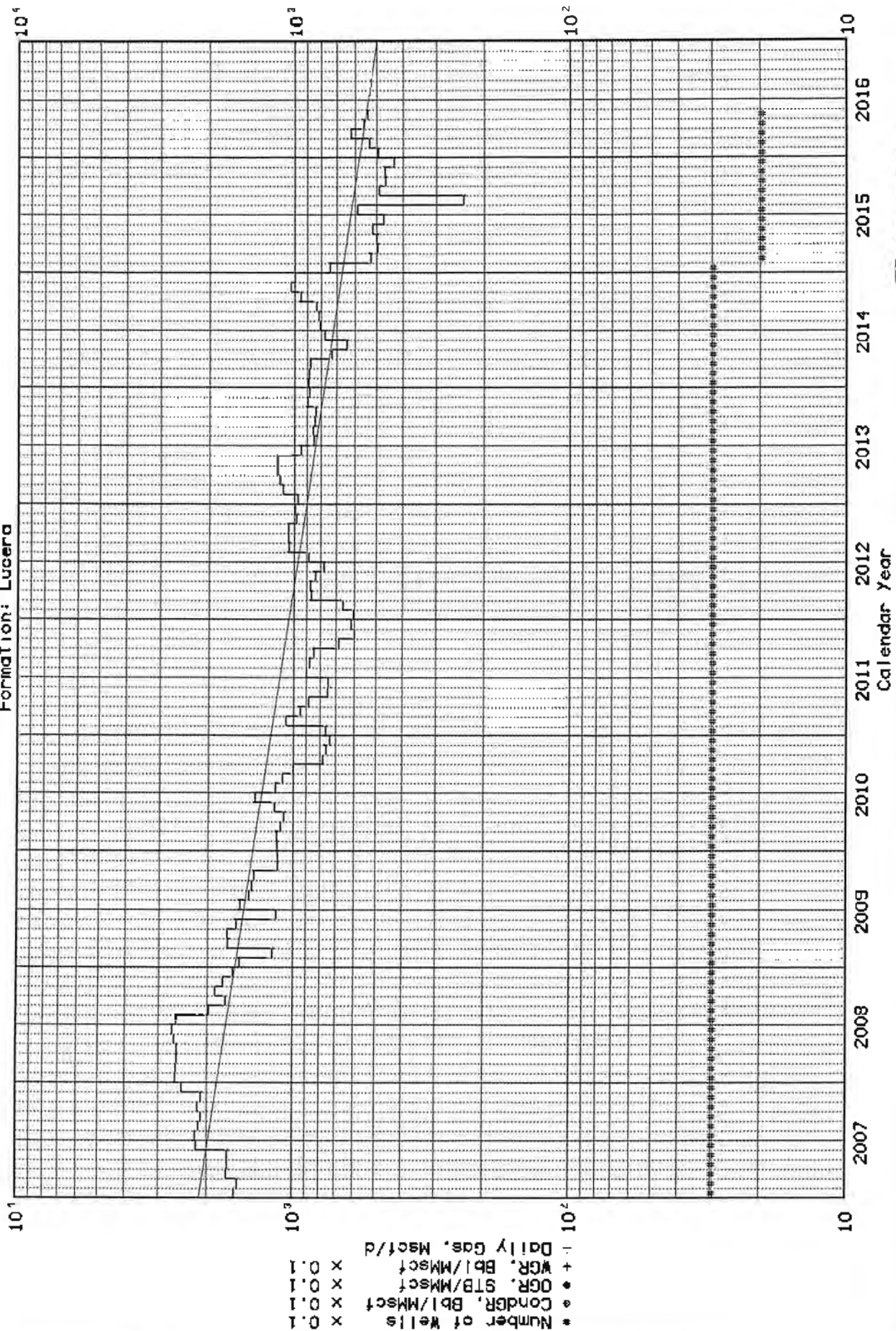


# PRODUCTION HISTORY

Proved Plus Probable

"Lucera Field, Italy (non-producing)"

Field: Lucera  
Formation: Lucera



**Table 3a**

**Summary of Anticipated Capital Expenditures  
Development  
April 1, 2023  
Zenith Energy Ltd.**

**Lucera Concession, Onshore Italy**

<b>Description</b>	<b>Date</b>	<b>Operation</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
--------------------	-------------	------------------	-----------------------------------	----------------------------------	--------------------------------

No anticipated capital expenditures.

**Table 3b**  
**Summary of Anticipated Capital Expenditures**  
**Abandonment and Restoration**

**April 1, 2023**

**Zenith Energy Ltd.**

**Lucera Concession, Onshore Italy**

<b>Description</b>	<b>Well Parameters</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
Lucera Concession	Abandon 2 gas wells, reclaim the land	13.6000	114	16

**Note: M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

**Table 4**  
**Summary of Company Reserves and Economics**  
**Before Income Tax**  
**April 1, 2023**

**Forecast Prices & Costs**

**Zenith Energy Ltd.**  
**Lucera Concession, Italy**

Description	Net To Appraised Interest										
	Reserves						Cumulative Cash Flow (BIT) - MUS\$				
	Light and Medium Oil MSTB		Conventional Natural gas MMscf		NGL Mbbbls		Discounted at:				
	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
<b>Proved Developed Non-Producing</b>											
Bastia-1, Reggente 6, S. Caterina 2	0	0	129	129	0	0	1,687	1,298	1,027	831	686
<b>Total Proved Developed Non-Producing</b>	<b>0</b>	<b>0</b>	<b>129</b>	<b>129</b>	<b>0</b>	<b>0</b>	<b>1,687</b>	<b>1,298</b>	<b>1,027</b>	<b>831</b>	<b>686</b>
<b>Probable</b>											
<b>Probable Developed Non-Producing</b>											
Bastia-1, Reggente 6, S. Caterina 2 Incr.	0	0	30	30	0	0	438	272	178	123	88
<b>Total Probable Developed Non-Producing</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>438</b>	<b>272</b>	<b>178</b>	<b>123</b>	<b>88</b>
<b>Total Proved Plus Probable</b>	<b>0</b>	<b>0</b>	<b>159</b>	<b>159</b>	<b>0</b>	<b>0</b>	<b>2,125</b>	<b>1,570</b>	<b>1,205</b>	<b>954</b>	<b>774</b>

**MUS\$ means thousands of United States dollars.**

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Table 4a

EVALUATION OF: Iacera Concession, Onshore Italy - Proved Developed Non-Producing

MEMO V7.43 P2 ENERGY SOLUTIONS PAGE 1  
 GLOBAL : 15-FEB-2023 6922  
 BPP:03-APR-2023 DISC:01-APR-2023 PROD:01-MAR-2025  
 RUN DATE: 28-FEB-2023 TIME: 12:19  
 FTR: GLOFNL.DAX

WELL/LOCATION : Bastia-1, Reggente S, S. Caterina 1  
 EVALUATED BY :  
 COMPANY EVALUATED : Zenith Energy Ltd.  
 APPRAISAL FOR :  
 PROJECT : FORECAST PRICES & COSTS

TRACT FACTOR : 100.0000 %  
 ULT POOL RESERVE : 1002 NMCF  
 PRODUCTION TO DATE : N/A  
 DECLINE INDICATOR : EXPONENTIAL

TOTAL ABANDONMENT : 153 -M\$- (2019)  
 NOTE: ECONOMIC LIMIT OCCURS IN 2019

## INTEREST

AVG Wt 13.6900%

## ROYALTIES/TAXES

STATE

Year	# of Wells	Sales Use				
		Price \$/MCF	Pool		Company Share	
			MCF/D	Vol	Gross	Net
2023	0	14.31	.0	0	0	0
2024	0	12.52	.0	0	0	0
2025	2	17.26	477.3	142	19	19
2026	2	17.61	406.7	144	20	20
2027	2	17.96	341.7	121	16	16
2028	2	18.32	287.1	102	14	14
2029	2	18.69	241.2	86	12	12
2030	2	19.06	202.6	72	10	10
2031	2	19.44	170.2	60	8	8
2032	2	19.83	143.0	51	7	7
2033	2	20.23	120.1	43	6	6
2034	2	20.63	100.9	36	5	5
2035	2	21.05	84.8	30	4	4
2036	2	21.47	71.2	25	3	3
2037	2	21.90	59.8	21	3	3
SUB				934	127	127
REM				18	2	2
TOT				952	129	129

P/T =

COMPANY SHARE FUTURE NET REVENUE

Year	Capital Expend Costs -M\$-	Future Revenue (PR)				Royalties				Operating Costs			FR After Roy&Oper -M\$-	Net back \$/MCF	Procs Other Income Costs -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	%	Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-
2023	0	0	0	0	0	0	0	0	.0	0	0	.30	0	.00	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	.0	0	0	.30	0	.00	0	0	0	0	0
2025	0	0	334	0	334	0	0	0	.0	30	21	2.64	283	14.62	0	0	0	283	226
2026	0	0	346	0	346	0	0	0	.0	36	22	2.97	287	14.64	0	0	0	287	211
2027	0	0	256	0	256	0	0	0	.0	37	19	3.39	240	14.57	0	0	0	240	160
2028	0	0	254	0	254	0	0	0	.0	38	16	3.89	200	14.43	0	0	0	200	121
2029	0	0	218	0	218	0	0	0	.0	39	14	4.50	165	14.19	0	0	0	165	91
2030	0	0	186	0	186	0	0	0	.0	39	12	5.24	135	13.83	0	0	0	135	68
2031	0	0	160	0	160	0	0	0	.0	40	10	6.12	103	13.32	0	0	0	103	50
2032	0	0	137	0	137	0	0	0	.0	41	9	7.19	87	12.64	0	0	0	87	36
2033	0	0	117	0	117	0	0	0	.0	42	7	8.49	68	11.74	0	0	0	68	26
2034	0	0	101	0	101	0	0	0	.0	43	6	10.06	53	10.58	0	0	0	53	18
2035	0	0	86	0	86	0	0	0	.0	43	5	11.36	37	9.09	0	0	0	37	12
2036	0	0	74	0	74	0	0	0	.0	44	5	14.26	25	7.21	0	0	0	25	7
2037	0	0	63	0	63	0	0	0	.0	45	4	17.05	14	4.85	0	0	0	14	4
SUB	0	0	2372	0	2372	0	0	0	.0	518	150		1703		0	0	0	1703	1031
REM	153	0	54	0	54	0	0	0	.0	46	3		5		0	0	21	-16	-4
TOT	153	0	2426	0	2426	0	0	0	.0	564	154		1708		0	0	21	1687	1027

## NET PRESENT VALUE (-M\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper	1708	1308	1131	1032	945	834	688
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	21	10	6	5	4	2	1
Future Net Revenue	1687	1298	1124	1027	941	831	686

## COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	13.6	13.6					
% of Future Revenue			0	29.6	70.4	0	69.5

## PROFITABILITY

COMPANY SHARE BASIS	Before Tax
Rate of Return (%)	n/a
Profit Index (undisc.)	n/a
(disc. @ 10.0%)	n/a
(disc. @ 5.0%)	n/a
First Payout (years)	n/a
Total Payout (years)	n/a
Cost of Finding (\$/BOE)	n/a
NPV @ 10.0% (\$/MCF)	7.93
NPV @ 5.0% (\$/MCF)	10.03

Table 4b

EVALUATION OF: Luccara Concession, Onshore Italy - Proved Plus Probable Developed Non-Productive

 BRGO v7.43 P2 ENERGY SOLUTIONS PAGE 1  
 GLOBAL : 15-FEB-2023 6322  
 RPT:01-APR-2023 DTG:01-APR-2023 PROD:01-MAR-2025  
 RUN DATE: 28 FEB-2023 TIME: 12:11  
 FILE: GLCRESL.DAT

 WELL/LOCATION - Bastia-1, Reggente 5, S. Caterina 2  
 EVALUATED BY -  
 COMPANY EVALUATED - Zenith Energy Ltd.  
 APPRAISAL FOR -  
 PROJECT - FORECAST PRICES & COSTS

 TRACT FACTOR - 100.0000 t  
 ULT POOL RESERVE - 1234 MMCF  
 PRODUCTION TO DATE - N/A  
 DECLINE INDICATOR - EXPONENTIAL

 TOTAL ABANDONMENT - 161 -M\$- (2042)  
 NOTE: ECONOMIC LIMIT OCCURS IN 2042

## INTEREST

AVG WTI 13.6000\$

## ROYALTIES/TAXES

STATE

Year	# of Wells	Price \$/MCF	Sales Gas MMCF			
			Pool		Company Share	
			MCF/D	Vol	Gross	Net
2023	0	14.21	.0	0	0	0
2024	0	12.52	.0	0	0	0
2025	2	17.25	483.8	144	20	20
2026	2	17.51	425.0	151	21	21
2027	2	17.96	369.1	131	18	18
2028	2	18.32	320.6	114	15	15
2029	2	18.59	278.4	99	13	13
2030	2	19.06	241.8	86	12	12
2031	2	19.44	210.4	75	10	10
2032	2	19.83	182.3	65	9	9
2033	2	20.23	158.3	56	8	8
2034	2	20.63	137.5	49	7	7
2035	2	21.05	119.4	42	6	6
2036	2	21.47	103.7	37	5	5
2037	2	21.90	90.1	32	4	4
SUB				1080	147	147
REM				91	12	12
TOT				1171	159	159

- P/T -

COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs -M\$-	Future Revenue (FRL)				Royalties			Operating Costs			PR After Roy & Oper -M\$-	Net back \$/MCF	Proc & Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	Sale Gas -M\$-	Producers Total -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-
2023	0	0	0	0	0	0	0	0	.0	0	.00	0	.00	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	.0	0	.00	0	.00	0	0	0	0	0
2025	0	0	339	0	338	0	0	0	.0	30	21	287	14.64	0	0	0	287	212
2026	0	0	361	0	361	0	0	0	.0	36	23	302	14.72	0	0	0	302	222
2027	0	0	320	0	320	0	0	0	.0	37	20	263	14.74	0	0	0	263	175
2028	0	0	284	0	284	0	0	0	.0	38	18	228	14.71	0	0	0	228	138
2029	0	0	251	0	251	0	0	0	.0	39	16	197	14.63	0	0	0	197	108
2030	0	0	222	0	222	0	0	0	.0	39	14	169	14.48	0	0	0	169	85
2031	0	0	197	0	197	0	0	0	.0	40	13	144	14.25	0	0	0	144	66
2032	0	0	175	0	175	0	0	0	.0	41	11	123	13.93	0	0	0	123	51
2033	0	0	155	0	155	0	0	0	.0	42	10	103	13.48	0	0	0	103	39
2034	0	0	137	0	137	0	0	0	.0	43	9	86	12.90	0	0	0	86	29
2035	0	0	121	0	121	0	0	0	.0	43	8	70	12.17	0	0	0	70	22
2036	0	0	107	0	107	0	0	0	.0	44	7	56	11.25	0	0	0	56	16
2037	0	0	95	0	95	0	0	0	.0	45	6	44	10.10	0	0	0	44	11
SUB	0	0	2764	0	2764	0	0	0	.0	518	175	2071		0	0	0	2071	1193
REM	163	0	284	0	284	0	0	0	.0	190	18	76		0	0	23	54	12
TOT	163	0	3048	0	3048	0	0	0	.0	708	193	2147		0	0	22	2123	1205

## NET PRESENT VALUE (-M\$-)

Discount Rate	.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
PR After Roy & Oper.	2147	1579	1340	1209	1097	956	775
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	22	9	5	4	3	2	1
Future Net Revenue	2125	1570	1334	1205	1094	954	774

## COMPANY SHARE

	1st Year	Average	Royalties	Oper Costs	PR After Roy & Oper	Capital Costs	Future Net Rev
% Interest	13.5	13.6					
% of Future Revenue			0	29.6	70.4	0	69.7

## PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		n/a
Profit Index (undisc.)		n/a
(disc. @ 10.0%)		n/a
(disc. @ 5.0%)		n/a
First Payout (years)		n/a
Total Payout (years)		n/a
Cost of Finding (\$/BOE)		n/a
NPV @ 10.0% (\$/MCF)		7.57
NPV @ 5.0% (\$/MCF)		9.86



**MISANO ADRIATICO GAS CONCESSION**  
**ONSHORE, ITALY**  
**INDEX**

<b>Discussion.....</b>	<b>48</b>
Property Description .....	48
Geology.....	48
Reserves.....	49
Production.....	49
Product Prices.....	49
Capital Expenditures.....	49
Operating Costs.....	49
Economics.....	50
 Attachments	
Figure 1: Misano Adriatico Gas Concessions – Land Map.....	51
Table 1: Schedule of Lands, Interests and Royalty Burdens.....	52
Figure 2: Geological Maps and Figures	
a) Regional Geology.....	53
b) Stratigraphic Chart.....	54
Table 2: Summary of Reserves.....	55
Figure 3: Production History Graph – Proved Developed Producing	
a) Misano Adriatico, Production and Forecast Plot.....	56
(Summary of Decline Analysis)	
Figure 4: Production History Graph – Proved Plus Probable Developed Producing	
a) Misano Adriatico, Production and Forecast Plot.....	57
(Summary of Decline Analysis)	
Table 3: Summary of Anticipated Capital Expenditures	
a) Development.....	58
b) Abandonment and Restoration.....	59
Table 4: Summary of Company Reserves and Economics.....	60
<u>Consolidated Cash Flows</u>	
a) Total Proved Developed Producing.....	61
b) Total Proved Plus Probable Developed Producing.....	62



**MISANO ADRIATICO GAS CONCESSION  
ONSHORE ITALY  
DISCUSSION**

**Property Description**

The Company owns 100% working interest in the Misano Adriatico gas concession covering approximately 642 acres, and located onshore Italy along the Adriatic coast.

A map showing the Misano Adriatico concession location is presented in Figure 1a, and a description of the ownership is presented in Table 1.

**Geology**

The regional geology of Italy as shown in Fig 2a places the company's properties in the on-land shallow depths of the Apenninic Foredeep basin.

The Apennines are the consequences of the subduction of three types of lithosphere with different characteristics but pertaining to the same Adriatic plate.<sup>1</sup>

1. In the north central Apennines, thin continental lithosphere at the surface in the foreland, and probably thinner at depth, occurs;
2. In the southern Apennines, thick continental lithosphere occurs in the foreland, whereas probably old oceanic lithosphere constitutes the slab at depth to the west (northern prologation of the Ionian Mesozoic basin);
3. In the southern sector, offshore Calabria, old oceanic Ionian lithosphere occurs both in the foreland and at depth.

The Misano Adriatico exploration play has gas resources in the Cenozoic Upper Tertiary Pliocene sand levels as represented in the Stratigraphic Column of Fig 2b.

**Reserves**

---

<sup>1</sup> 'An Introduction To The Italian Geology' - Carlo Doglioni and Giovanni Flores, 1997

Total gross proved developed producing conventional non-associated marketable gas reserves of 197 MMscf have been estimated for the one producing gas well. This estimate is based on a conservative production decline analysis as presented in Figure 3a.

Gross probable additional developed producing conventional non-associated marketable gas reserves of 67 MMscf have been estimated for the same well based on the best fit production decline analysis, as presented in Figure 4a.

### **Production**

The Misano Adriatico gas concession is being produced from well Misano 2 which has been historically producing 42 Mscf/d prior to being shut-in for two months during 2020 for political reasons. The well was back on production in July 2020.

### **Product Prices**

An average 2023 gas price of \$14.31/Mscf has been used for this area based on information provided by the Company, which reflects a correlation to World Bank European posted gas prices.

### **Capital Expenditures**

There are no forecasted capital expenditures as presented in Table 3a.

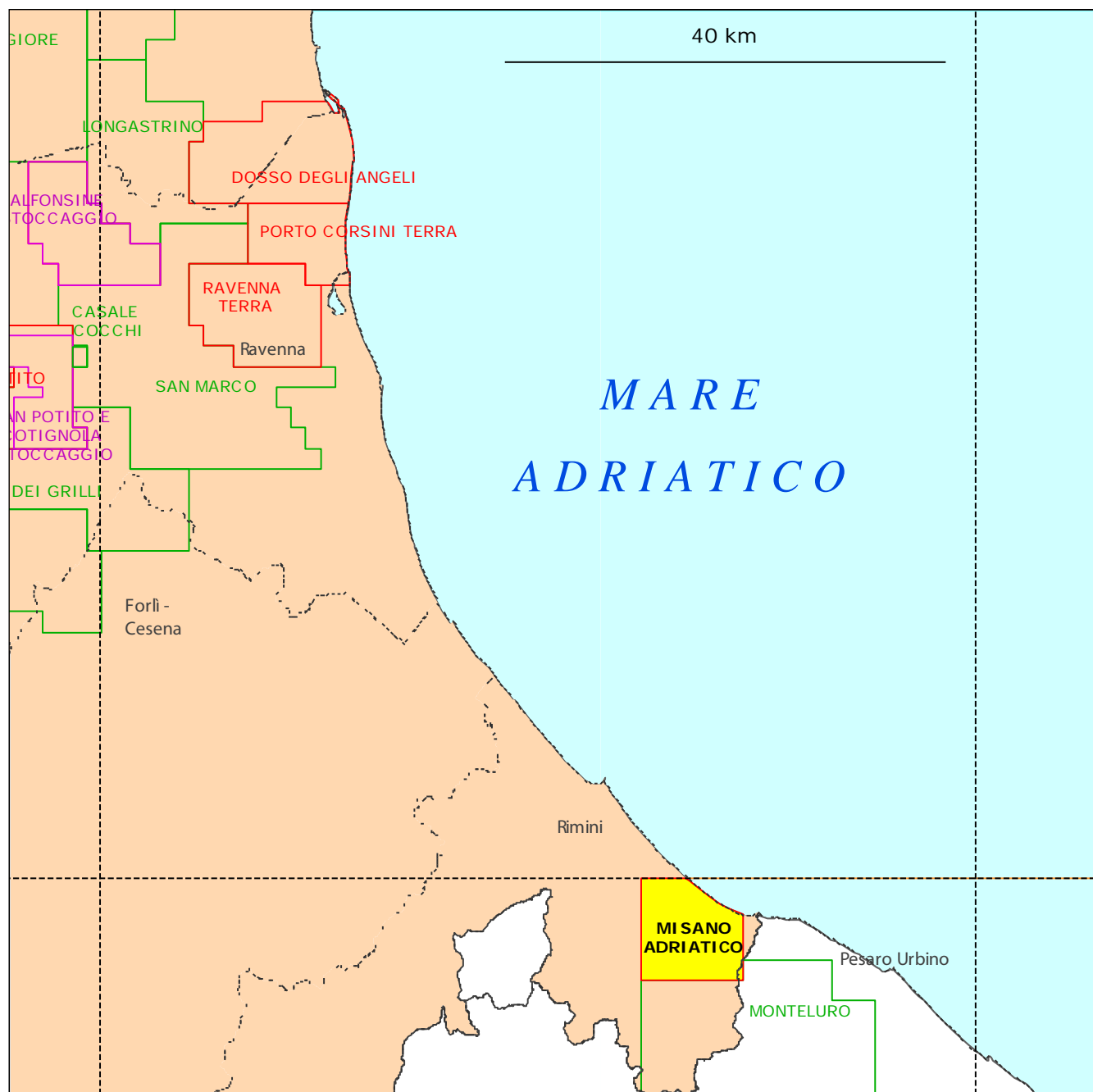
Total abandonment and reclamation liabilities of \$57,000 (\$57,000 net to the Company) have been estimated based on a reasonable expectation for these types of wells. The abandonment and site reclamation costs are presented in Table 3b.

### **Operating Costs**

Operating costs for this area have been estimated to be \$427 per well per month plus \$1.39/Mscf, based on information provided by the Company.

## **Economics**

An economic summary is presented on Table 4 and the results of our economic analysis are presented on Tables 4a and 4b.



**ZENITH ENERGY LTD.**

## MISANO ADRIATICO CONCESSION

EMILIA ROMAGNA REGION, ITALY  
**LAND MAP**

APR. 2023

JOB No. 6922 FIGURE No. 1

Table 1

Schedule of Lands, Interests and Royalty Burdens  
April 1, 2023

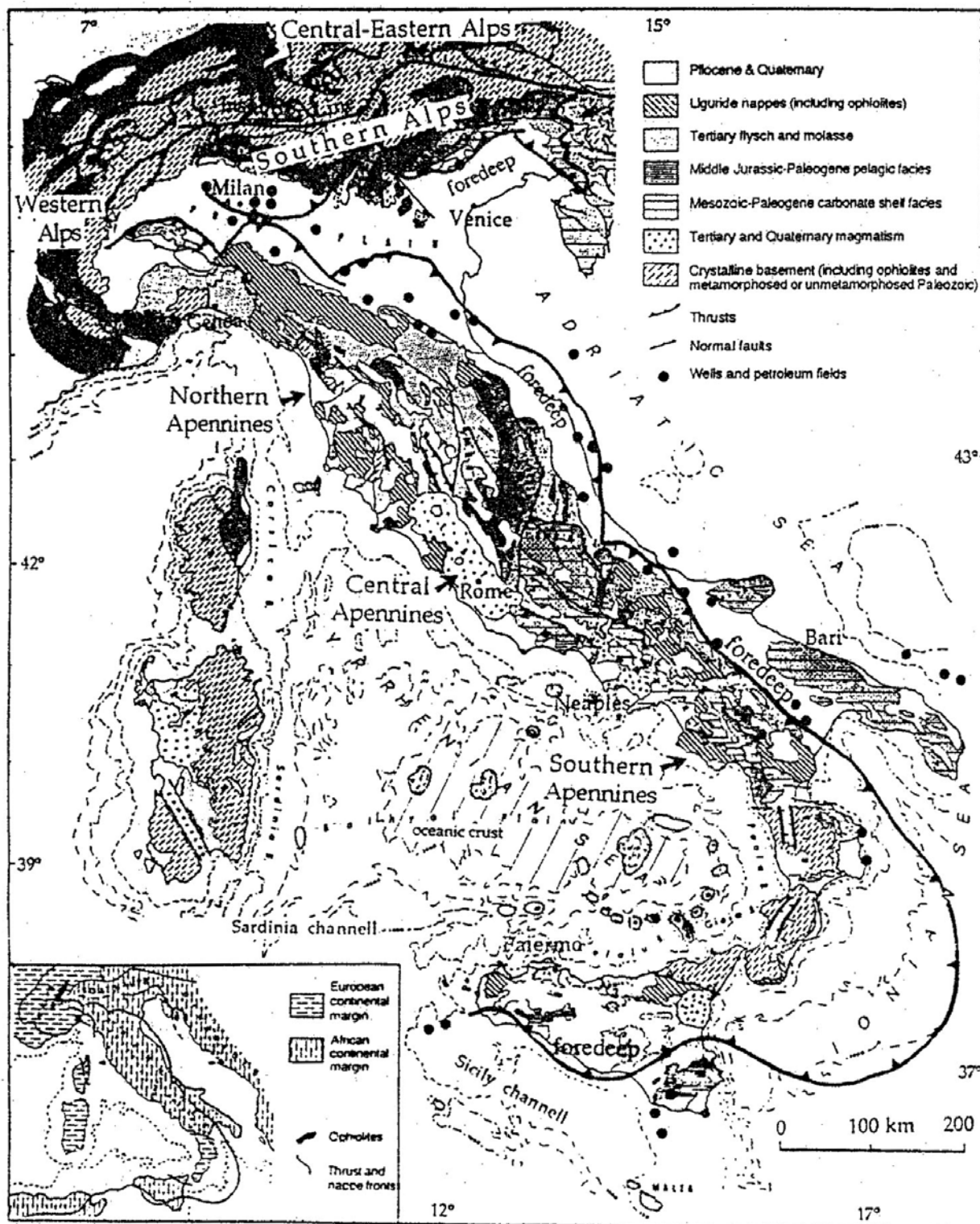
Zenith Energy Ltd.

Misano Adriatico Concession, Onshore Italy

Description	Rights Owned	Gross Acres	Appraised Interest		Royalty Burdens	
			Working %	Royalty %	Basic %	Overriding %
Misano Adriatico Concession	[A]	642	100.0000	-	7.0000 [1]	-

General Notes : [1] Only if over 25 million cubic meters annually (882.9 MMCF), 0% at forecast rates.

Rights Owned : [A] All P&NG.



Source: Doglioni and Flores, *An Introduction to the Italian Geology*, 1997

**ZENITH ENERGY LTD.**

**ITALY**

**REGIONAL GEOLOGY**

APR. 2023

JOB No. 6922 FIGURE No. 2a

**Chapman** Petroleum Engineering Ltd.

System	Series	Stage	Age (Ma)	
Quaternary	Pleistocene	Gelasian	younger	
Neogene	Pliocene	Piacenzian	2.588–3.600	← GAS ZONE
		Zanclean	3.600–5.332	← GAS ZONE
	Miocene	Messinian	5.332–7.246	← GAS ZONE
		Tortonian	7.246–11.608	
		Serravallian	11.608–13.65	
		Langhian	13.65–15.97	
		Burdigalian	15.97–20.43	
		Aquitanian	20.43–23.03	
Paleogene	Oligocene	Chattian	older	

ZONES OF INTEREST



← GAS ZONE

← GAS ZONE

← GAS ZONE

**ZENITH ENERGY LTD.**

**ITALY**

**STRATIGRAPHIC CHART**

APR. 2023

JOB No. 6922 FIGURE No. 2b

**Chapman** Petroleum Engineering Ltd.

Table 2

**Summary of Gross Reserves**  
**April 1, 2023**

**Zenith Energy Ltd.**

**Misano Adriatico Concession, Onshore Italy**

<u>Description</u>		<u>Current or Initial Rate</u>	<u>Ultimate RGIP</u>	<u>Cumulative Production</u>	<u>Remaining RGIP (raw)</u>	<u>Remaining RGIP (sales)</u>	<u>Remaining NGLs</u>	<u>Reference</u>
		<u>Mscf/d</u>	<u>(MMscf)</u>	<u>(MMscf)</u>	<u>(MMscf)</u>	<u>(MMscf)</u>	<u>(MBbls)</u>	
<b><u>Proved Developed Producing</u></b>								
Misano Adriatico Concession	Misano 2	42	679	472	207	197	0	Fig 3a
<b>Total Proved</b>		<b>42</b>	<b>679</b>	<b>472</b>	<b>207</b>	<b>197</b>	<b>0</b>	
<b><u>Probable Incremental</u></b>								
Misano Adriatico Concession	Misano 2 (Incr.)	0	70	0	70	67	0	Fig 4a
<b>Total Probable</b>		<b>0</b>	<b>70</b>	<b>0</b>	<b>70</b>	<b>67</b>	<b>0</b>	
<b>Total Proved Plus Probable</b>		<b>42</b>	<b>749</b>	<b>472</b>	<b>277</b>	<b>263</b>	<b>0</b>	



# PRODUCTION HISTORY

Proved Developed Producing

Misano-Adriatico (producing)

Field: Misano-Adriatico  
Formation: Misano-Adriatico

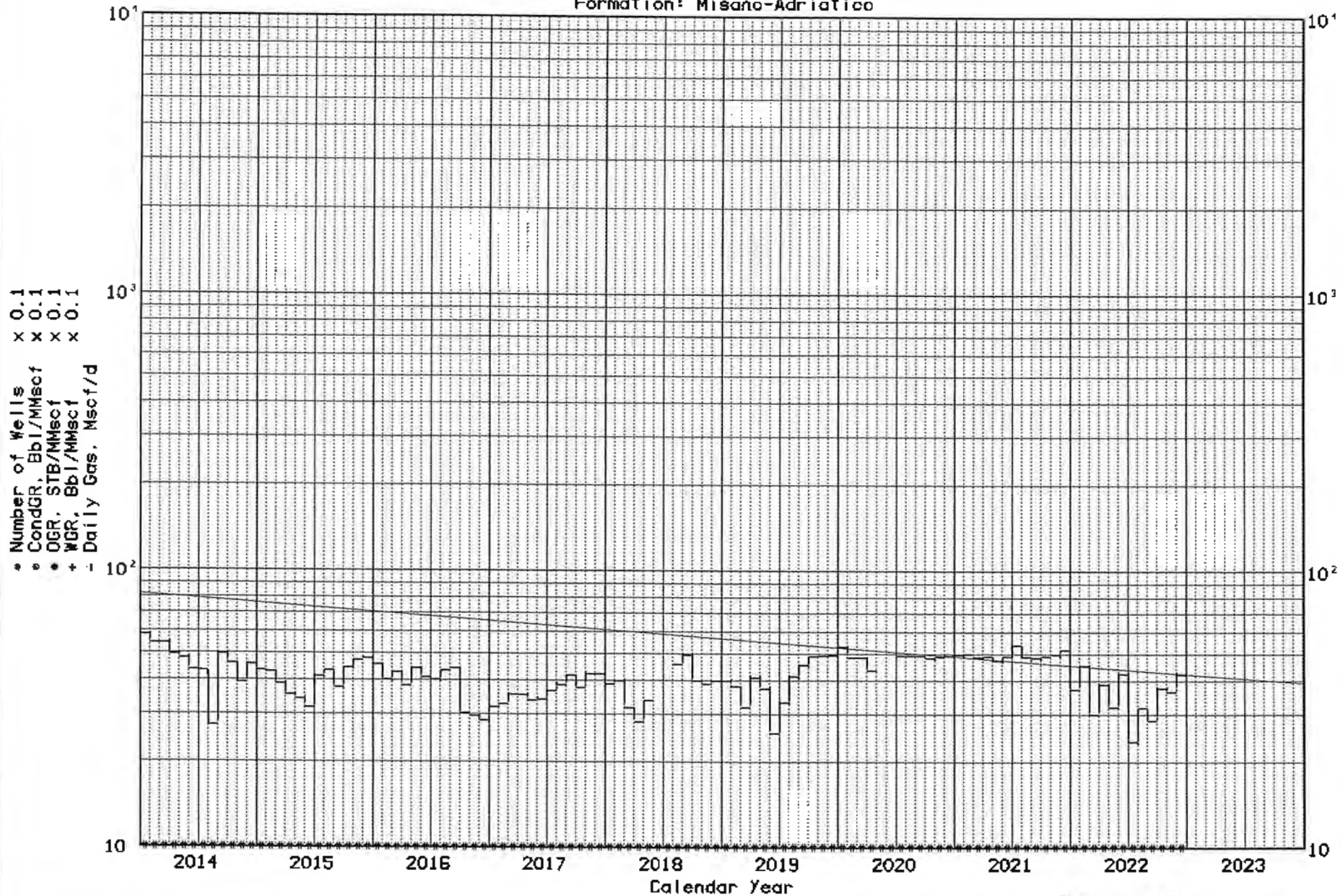


Figure 3a

# PRODUCTION HISTORY

Proved Plus Probable

Misano-Adriatico (producing)

Field: Misano-Adriatico  
Formation: Misano-Adriatico

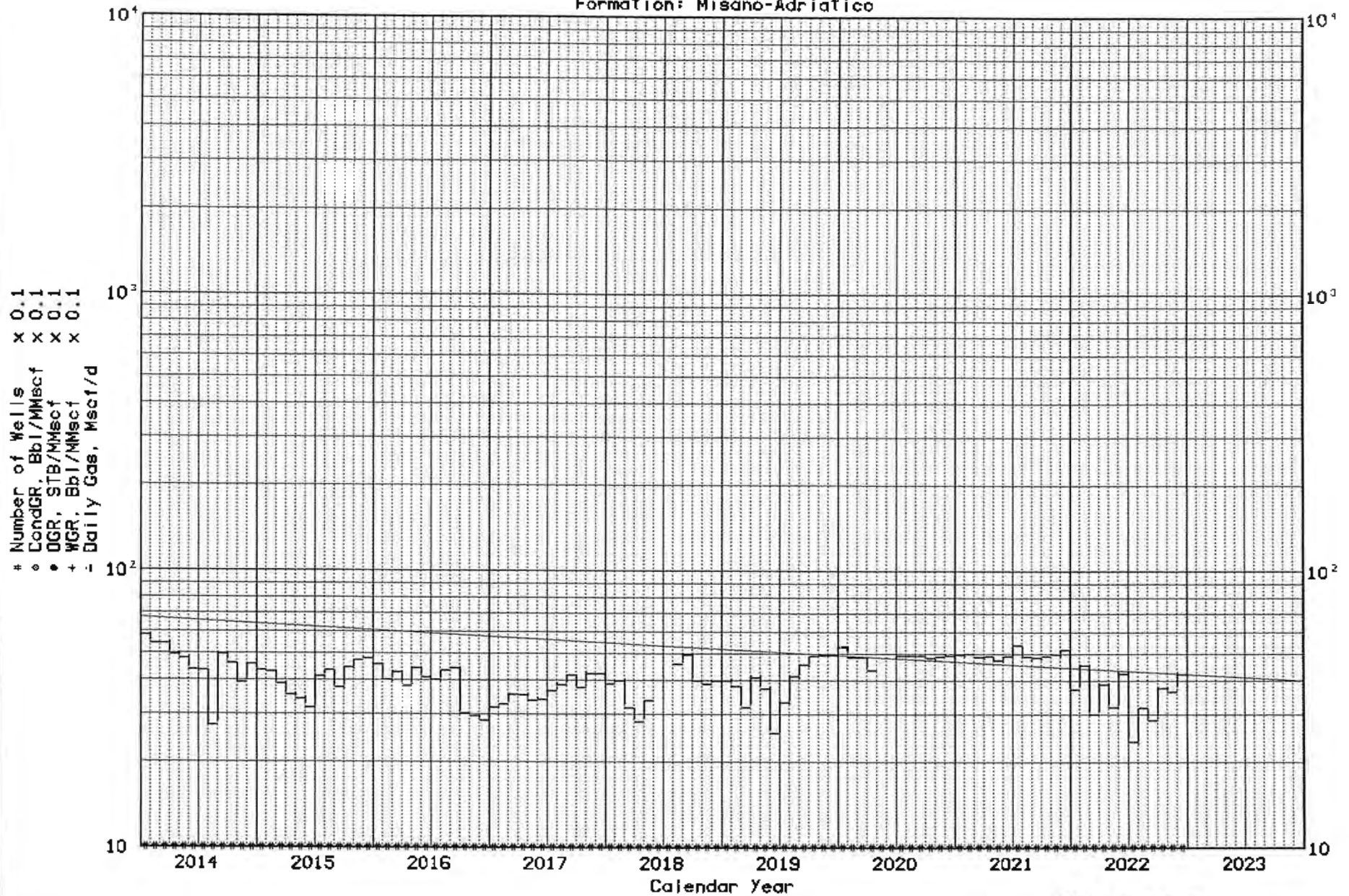


Figure 4a

**Table 3a**

**Summary of Anticipated Capital Expenditures  
Development  
April 1, 2023  
Zenith Energy Ltd.**

**Misano Adriatico Concession, Onshore Italy**

<b>Description</b>	<b>Date</b>	<b>Operation</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
--------------------	-------------	------------------	-----------------------------------	----------------------------------	--------------------------------

No anticipated capital expenditures.

**Table 3b**  
**Summary of Anticipated Capital Expenditures**  
**Abandonment and Restoration**

**April 1, 2023**

**Zenith Energy Ltd.**

**Misano Adriatico Concession, Onshore Italy**

<b>Description</b>	<b>Well Parameters</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
Misano Adriatico Concession	Abandon 1 gas well, reclaim the land	100.0000	57	57
	<b>Total Abandonment and Restoration</b>		<b>57</b>	<b>57</b>

Note: **M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

**Table 4**  
**Summary of Company Reserves and Economics**  
**Before Income Tax**  
**April 1, 2023**

**Forecast Prices & Costs**

**Zenith Energy Ltd.**

**Misano Adriatico Concession, Italy**

Description		Net To Appraised Interest										
		Reserves						Cumulative Cash Flow (BIT) - MUS\$				
		Light and Medium Oil		Conventional Natural gas		NGL		Discounted at:				
		MSTB		MMscf		Mbbls						
		Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Developed Producing												
Misano-2		0	0	197	197	0	0	3,231	1,930	1,340	1,024	830
Total Proved Developed Producing		0	0	197	197	0	0	3,231	1,930	1,340	1,024	830
Probable												
Probable Developed Producing												
Misano-2 Incr.		0	0	66	66	0	0	1,651	532	243	138	91
Total Probable Developed Producing		0	0	66	66	0	0	1,651	532	243	138	91
Total Proved Plus Probable		0	0	263	263	0	0	4,882	2,462	1,583	1,162	921

**MUS\$ means thousands of United States dollars.**

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Table 4a

EVALUATION OF: Misano Adriatico Concession, Onshore Italy - Proved Developed Producing

 BRGC V7.43 P2 ENERGY SOLUTIONS PAGE 1  
 GLOBAL : 15-FEB-2023 6322  
 EFF:01-APR-2023 DISC:01-APR-2023 PROD:01-APR-2023  
 RUN DATE: 24-FEB-2023 TIME: 15:55  
 FILE: GndFF3.DAT

 WELL/LOCATION : Misano-2  
 EVALUATED BY :  
 COMPANY EVALUATED : Zenith Energy Ltd.  
 APPRAISAL FOR :  
 PROJECT : FORECAST PRICES & COSTS

 TRACT FACTOR : 100.0000 %  
 ULT POOL RESERVES : 207 MMCF  
 PRODUCTION TO DATE : N/A  
 DECLINE INDICATOR : EXPONENTIAL  
 TOTAL ABANDONMENT : 150 -M\$- (2072)

INTEREST

ROYALTIES/TAXES

AVG W1 100.0000%

STATE

Year	# of Wells	Price \$/MCF	Sales Gas MMCF			
			Pool		Company Share	
			MCF/D	Vol	Gross	Net
2023	1	14.31	19.2	11	11	11
2024	1	12.52	16.8	13	13	13
2025	1	17.26	34.3	12	12	12
2026	1	17.61	31.9	11	11	11
2027	1	17.96	29.7	11	11	11
2028	1	18.32	27.7	10	10	10
2029	1	18.68	25.8	9	9	9
2030	1	19.04	24.0	9	9	9
2031	1	19.44	22.3	8	8	8
2032	1	19.83	20.9	7	7	7
2033	1	20.23	19.3	7	7	7
2034	1	20.63	18.0	6	6	6
2035	1	21.04	16.8	6	6	6
2036	1	21.44	15.6	6	6	6
2037	1	21.89	14.5	5	5	5
SUB				132	132	132
REM				65	65	65
TOT				197	197	197

= P/T = COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs -M\$-	Future Revenue (M\$)				Royalties				Operating Costs			FR After Roy&Oper -M\$-	Net Back \$/MCF	Proc& Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	-\$-	Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-
2023	0	0	152	0	152	0	0	0	0	4	16	1.92	133	12.49	0	0	0	133	128
2024	0	0	166	0	166	0	0	0	0	5	20	1.98	141	10.64	0	0	0	141	125
2025	0	0	213	0	213	0	0	0	0	5	19	1.95	189	15.31	0	0	0	189	152
2026	0	0	202	0	202	0	0	0	0	5	18	2.02	179	15.59	0	0	0	179	131
2027	0	0	192	0	192	0	0	0	0	5	17	2.10	170	15.86	0	0	0	170	113
2028	0	0	182	0	182	0	0	0	0	6	16	2.18	161	16.14	0	0	0	161	97
2029	0	0	173	0	173	0	0	0	0	6	15	2.26	152	16.42	0	0	0	152	84
2030	0	0	164	0	164	0	0	0	0	6	15	2.35	144	16.70	0	0	0	144	72
2031	0	0	156	0	156	0	0	0	0	6	14	2.45	136	16.99	0	0	0	136	62
2032	0	0	148	0	148	0	0	0	0	6	13	2.56	129	17.27	0	0	0	129	53
2033	0	0	141	0	141	0	0	0	0	6	12	2.67	122	17.55	0	0	0	122	46
2034	0	0	134	0	134	0	0	0	0	6	12	2.79	116	17.84	0	0	0	116	40
2035	0	0	127	0	127	0	0	0	0	6	11	2.92	109	18.12	0	0	0	109	34
2036	0	0	121	0	121	0	0	0	0	7	11	3.06	103	18.40	0	0	0	103	29
2037	0	0	114	0	114	0	0	0	0	7	10	3.21	98	18.68	0	0	0	98	25
SUB	0	0	2387	0	2387	0	0	0	0	86	218		2083		0	0	0	2083	1193
REM	150	0	1797	0	1797	0	0	0	0	340	159		1298		0	0	150	1148	147
TOT	150	0	4184	0	4184	0	0	0	0	426	377		3381		0	0	150	3231	1340

## NET PRESENT VALUE (-M\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper	3381	1943	1512	1341	1193	1024	830
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	150	14	3	1	1	0	0
Future Net Revenue	3231	1930	1528	1340	1192	1024	830
COMPANY SHARE							
1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future Net Rev	
% Interest	100.0	100.0					
% of Future Revenue			0	19.2	80.8	0	77.2

## PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		n/a
Profit Index (undisc.)		n/a
(disc. @ 10.0%)		n/a
(disc. @ 5.0%)		n/a
First Payout (years)		n/a
Total Payout (years)		n/a
Cost of Finding (\$/BOE)		n/a
NPV @ 10.0% (\$/MCF)		6.81
NPV @ 5.0% (\$/MCF)		9.80

Table 4b

EVALUATION OF: Misano Adriatico Concession, Onshore Italy - Proved Plus Probable Developed P

BRGS v7.43 P2 ENERGY SOLUTIONS

PAGE 1

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GLOBAL : 15-FEB-2023 6922

EFF:01-APR-2023 DISC:01-APR-2023 PROD:01-APR-2023

RUN DATE: 24-FEB-2023 TIME: 15:56

FILE: GRIMAL.DAT

WELL/LOCATION - Misano-2  
 EVALUATED BY -  
 COMPANY EVALUATED - Zenith Energy Ltd.  
 APPRAISAL FOR -  
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %  
 ULT POOL RESERVES - 277 MMCF  
 PRODUCTION TO DATE - N/A  
 DECLINE INDICATOR - EXPONENTIAL  
 TOTAL ABANDONMENT - 150 -M\$- (2072)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

STATE

Year	# of Wells	Price \$/MCF	Sales Gas MMCF		Pool		Company Share	
			MCF/D	Vol	Grass	Net		
2023	1	14.31	39.5	11	11	11		
2024	1	12.52	37.0	14	14	14		
2025	1	17.26	35.9	13	13	13		
2026	1	17.61	34.2	12	12	12		
2027	1	17.95	32.5	12	12	12		
2028	1	18.32	30.9	11	11	11		
2029	1	18.60	29.4	11	11	11		
2030	1	19.08	27.9	10	10	10		
2031	1	19.44	26.5	10	10	10		
2032	1	19.83	25.2	9	9	9		
2033	1	20.22	24.0	9	9	9		
2034	1	20.63	22.8	8	8	8		
2035	1	21.04	21.7	8	8	8		
2036	1	21.46	20.6	7	7	7		
2037	1	21.89	19.6	7	7	7		
SUB				151	151	151		
RFM				113	113	113		
TOT				263	263	263		

- F/T -

COMPANY SHARE FUTURE NET REVENUE

Year	Capital Aband Costs -M\$-	Future Revenue (FR)				Royalties				Operating Costs			FR After Roy & Oper -M\$-	Net back \$/MCF	Proc & Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	Sales Gas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	%	Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-
2023	0	0	153	0	153	0	0	0	.0	4	16	1.82	134	12.49	0	0	0	134	129
2024	0	0	170	0	170	0	0	0	.0	5	20	1.87	145	10.65	0	0	0	145	129
2025	0	0	223	0	223	0	0	0	.0	5	20	1.93	198	15.33	0	0	0	198	160
2026	0	0	217	0	217	0	0	0	.0	5	19	1.99	192	15.63	0	0	0	192	141
2027	0	0	210	0	210	0	0	0	.0	5	19	2.05	186	15.91	0	0	0	186	124
2028	0	0	204	0	204	0	0	0	.0	6	18	2.12	180	16.20	0	0	0	180	109
2029	0	0	197	0	197	0	0	0	.0	6	17	2.19	174	16.50	0	0	0	174	96
2030	0	0	191	0	191	0	0	0	.0	6	17	2.26	169	16.80	0	0	0	169	85
2031	0	0	186	0	186	0	0	0	.0	6	16	2.33	163	17.10	0	0	0	163	74
2032	0	0	180	0	180	0	0	0	.0	6	16	2.41	158	17.41	0	0	0	158	65
2033	0	0	175	0	175	0	0	0	.0	6	15	2.50	153	17.73	0	0	0	153	58
2034	0	0	169	0	169	0	0	0	.0	6	15	2.58	149	18.04	0	0	0	149	51
2035	0	0	164	0	164	0	0	0	.0	6	14	2.68	143	18.36	0	0	0	143	45
2036	0	0	159	0	159	0	0	0	.0	7	14	2.77	139	18.69	0	0	0	139	39
2037	0	0	154	0	154	0	0	0	.0	7	14	2.86	134	19.01	0	0	0	134	34
SUB	0	0	2754	0	2754	0	0	0	.0	46	250		2417		0	0	0	2417	1339
RFM	150	0	3243	0	3243	0	0	0	.0	340	287		2616		0	0	150	2465	244
TOT	150	0	5996	0	5996	0	0	0	.0	426	537		5033		0	0	150	4882	1583

NET PRESENT VALUE (-M\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper	5033	2475	1854	1584	1383	1162	921
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	150	14	3	1	1	0	0
Future Net Revenue	4882	2462	1860	1583	1362	1162	921
COMPANY SHARE							
1st Year	Average	Royalties	Oper Costs	FR After Roy & Oper	Capital Costs	Future Net Rev	
Interest	100.0	100.0					
% of Future Revenue			0	16.1	83.9	0	61.4

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)	.....	N/A
Profit Index (undisc.)	.....	N/A
(disc. @ 10.0%)	.....	N/A
(disc. @ 5.0%)	.....	N/A
First Payout (years)	.....	N/A
Total Payout (years)	.....	N/A
Cost of Finding (\$/BOE)	.....	N/A
NPV @ 10.0% (\$/MCF)	.....	6.01
NPV @ 5.0% (\$/MCF)	.....	9.34



**TORRENTE CIGNO GAS CONCESSION**  
**ONSHORE, ITALY**  
**INDEX**

<b>Discussion.....</b>	<b>65</b>
Property Description.....	65
Geology.....	65
Reserves.....	66
Production.....	66
Product Prices.....	67
Capital Expenditures.....	67
Operating Costs.....	67
Economics.....	67
 Attachments	
Figure 1: Torrente Cigno Gas Concession – Land and Well Map.....	68
Table 1: Schedule of Lands, Interests and Royalty Burdens.....	69
Figure 2: Geological Maps and Figures	
a) Regional Geology.....	70
b) Stratigraphic Chart.....	71
c) Masseria Vincelli Structure.....	72
Table 2: Summary of Reserves.....	73
<u>Proved and Proved Plus Probable Developed Producing</u>	
a) MV 1, Apulian Carbonates.....	74
<u>Proved Plus Probable</u>	
b) MV 1 and MV 2, Apulian Carbonates.....	75
Figure 3: Production History Graph – Proved Developed Producing	
a) Masseria Vincelli 1, Production and Forecast Plot.....	76
(Summary of Decline Analysis)	
Figure 4: Production History Graph – Proved Developed Producing	
a) Masseria Vincelli 1, Production and Forecast Plot.....	77
(Summary of Decline Analysis)	
Table 3: Summary of Anticipated Capital Expenditures	
a) Development.....	78
b) Abandonment and Restoration.....	79
Table 4: Summary of Company Reserves and Economics.....	80
<u>Consolidated Cash Flows</u>	
a) Masseria Vincelli 1 – Proved Developed Producing.....	81
b) Total Proved Plus Probable.....	82



Individual Cash Flows

c) Masseria Vincelli 1 – Proved Plus Probable Developed Producing.....	83
d) Hz Loc. Masseria Vincelli 2 – Probable Undeveloped.....	84

**TORRENTE CIGNO GAS CONCESSION  
ONSHORE ITALY  
DISCUSSION**

**Property Description**

The Company owns 45% working interest in the Torrente Cigno gas concession covering approximately 2,545 acres and located onshore Italy along the Adriatic coast. The Company owns a 100% working interest in an electrical generation facility which utilizes gas from wells in this concession. The partner's raw gas, including condensate, is purchased at the facility intake. This concession expires in 2029, but can be extended, in order to align with the Company's additional development plans.

A map showing the Torrente Cigno concession location is presented in Figure 1a, and a description of the ownership is presented in Table 1.

**Geology**

The regional geology of Italy as shown in Figure 2a places the company's properties in the on-land shallow depths of the Apenninic Foredeep basin.

The Apennines are the consequences of the subduction of three types of lithosphere with different characteristics but pertaining to the same Adriatic plate.<sup>1</sup>

1. In the north central Apennines, thin continental lithosphere at the surface in the foreland, and probably thinner at depth, occurs;
2. In the southern Apennines, thick continental lithosphere occurs in the foreland, whereas probably old oceanic lithosphere constitutes the slab at depth to the west (northern prologation of the Ionian Mesozoic basin);
3. In the southern sector, offshore Calabria, old oceanic Ionian lithosphere occurs both in the foreland and at depth.

---

<sup>1</sup> 'An Introduction To The Italian Geology' – Carlo Doglioni and Giovanni Flores, 1997

The Torrente Cigno exploration play has gas resources from a subcropping sequence of carbonates beneath a significant unconformity below the base Pliocene, as represented in the Stratigraphic Column of Figure 2b and as seen in the structure of Figure 2c.

## **Reserves**

Total gross proved developed producing conventional non-associated marketable gas reserves of 526 MMscf have been estimated for the one producing gas well Masseria Vincelli 1. These estimates are based on volumetric analyses as presented in Table 2a.

Gross probable additional developed producing conventional non-associated marketable gas reserves of 1,439 MMscf have been estimated for the same MV1 well based on a volumetric analysis assuming an improved drainage area and slightly higher condensate/gas ratio, as presented in Table 2a.

Probable undeveloped marketable gas reserves of 13,413 MMscf have been estimated for an offset horizontal well location (Masseria Vincelli 2) based on volumetric analysis based on reservoir parameters as shown in Table 2b. (This table reflects the reserves of the total accumulation.)

## **Production**

The Masseria Vincelli 1 well is located in the southern part of Torrente Cigno concession. The MV1 well has been producing from the top of the Apulian platform carbonates belonging to or oligo-Miocene transgressive deposits. The well came into production during the month of October 2002.

The well Masseria Vincelli 1 was historically producing at a fairly constant rate of 482 Mscf/d into the Company's electrical generation facility until it was shut-in in 2020 for political reasons. The prospect was reactivated in June 2021 at the same production rate which is predicted to be constant for as long as the well is capable of maintaining operation of a single 1.4 MWh unit before commencing a decline.

The offset probable horizontal well location Masseria Vincelli 2 is expected to be drilled in 2024 and produce at a rate of 1,000 Mscf/d which will maintain the operation of the other three 1.4

MWh units at the electrical generation facility for a number of years. Later in life, as the well declines, non utilized units will be taken off line.

### **Product Prices**

A net effective gas price for 2023 of \$24.13/Mscf has been established for this property based on the revenues generated from the electricity generation facility and correlated to the World Bank European gas price forecast. This price accounts for a deduction of \$0.81/Mscf off the total sales volume to account for the purchase of the partner's 55% share of the gas.

### **Capital Expenditures**

Total capital expenditures of \$3,333,000 (\$1,500,000 net to the Company) have been estimated for the drilling, testing, completion, and tie-in of one new well, as presented in Table 3a.

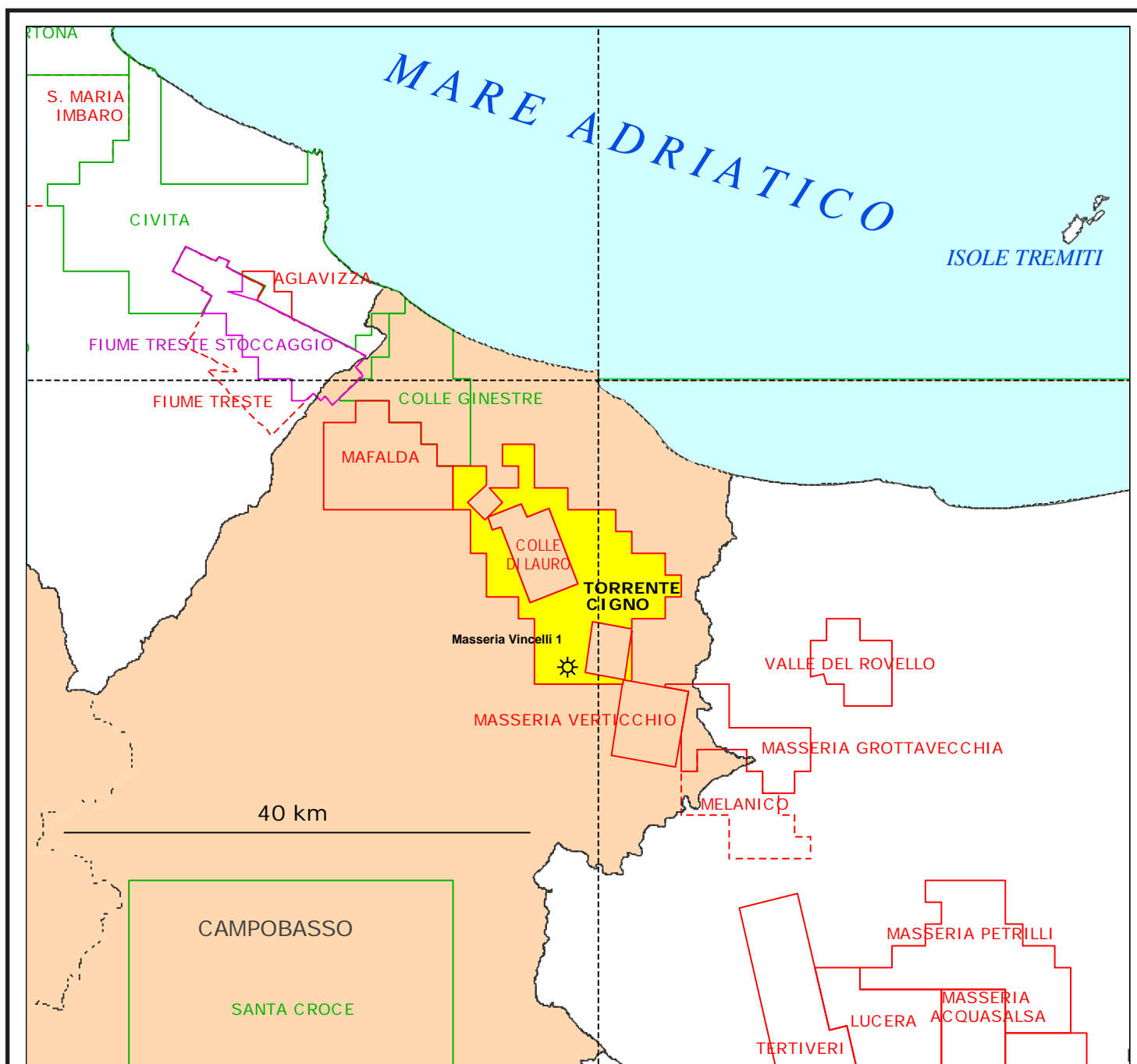
Total abandonment liabilities of \$114,000 (\$51,300 net to the Company) have been estimated based on a reasonable expectation for these types of wells. The abandonment and site reclamation costs are presented in Table 3b.

### **Operating Costs**

Operating costs for the wells and facility combined have been estimated to be \$4,527 per well per month, net to the Company, since constant production rates are controlled, based on revenue and expense statements provided.

### **Economics**

An economic summary is presented on Table 4 and the results of our economic analysis are presented on Tables 4a through 4d.



**ZENITH ENERGY LTD.**

**TORRENTE CIGNO  
CONCESSION**  
MOLISE REGION, ITALY  
**LAND AND WELL MAP**

APR. 2023

JOB No. 6922 FIGURE No. 1

**Table 1**

**Schedule of Lands, Interests and Royalty Burdens  
April 1, 2023**

**Zenith Energy Ltd.**

**Torrente Cigno Concession, Onshore Italy**

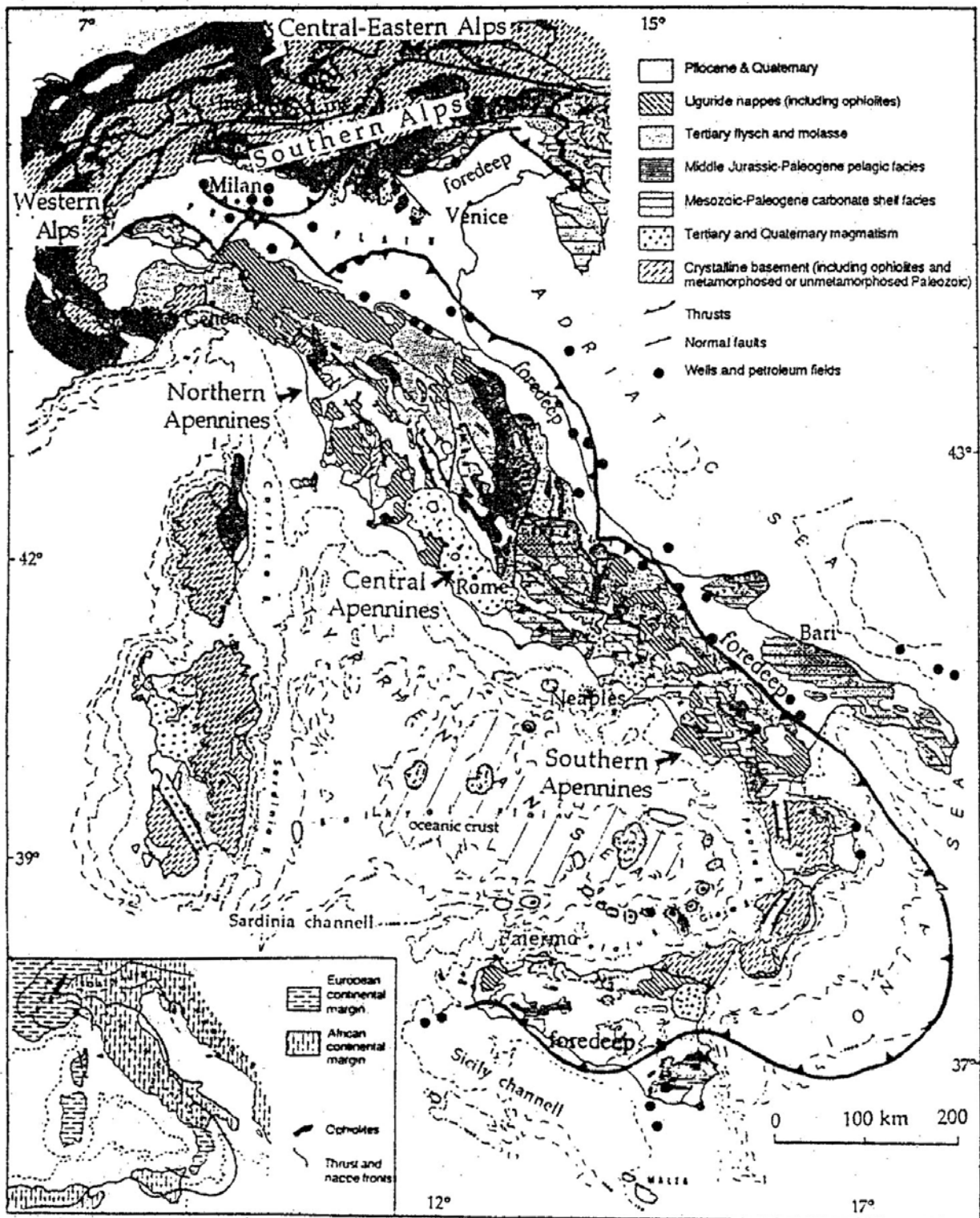
<b>Description</b>	<b>Rights Owned</b>	<b>Gross Acres</b>	<b>Appraised Interest</b>		<b>Royalty Burdens</b>	
			<b>Working %</b>	<b>Royalty %</b>	<b>Basic %</b>	<b>Overriding %</b>
Masseria Vincelli 1	[A]	2,545	45.0000	-	7.0000 [1]	-
Masseria Vincelli 2 (Location)						

General Notes : [1] If over 25 million cubic meters annually (882.9 MMCF)

[2] This gas is used for electrical generation from the Company's 100% owned facility and revenue from electricity sales is realized by the Company at 100%.

Rights Owned : [A] All P&NG.

This concession is scheduled to expire in 2029. An extension is expected to be granted to align with the Company's additional development plans.



Source: Doglioni and Flores, *An Introduction to the Italian Geology*, 1997

**ZENITH ENERGY LTD.**

**ITALY**

**REGIONAL GEOLOGY**

APR. 2023

JOB No. 6922 FIGURE No. 2a

**Chapman** Petroleum Engineering Ltd.



System	Series	Stage	Age (Ma)	
Quaternary	Pleistocene	Gelasian	younger	
Neogene	Pliocene	Piacenzian	2.588–3.600	← GAS ZONE
		Zanclean	3.600–5.332	← GAS ZONE
	Miocene	Messinian	5.332–7.246	← GAS ZONE
		Tortonian	7.246–11.608	↑ ZONE OF INTEREST
		Serravallian	11.608–13.65	
		Langhian	13.65–15.97	
		Burdigalian	15.97–20.43	
		Aquitanian	20.43–23.03	
Paleogene	Oligocene	Chattian	older	

**ZENITH ENERGY LTD.**

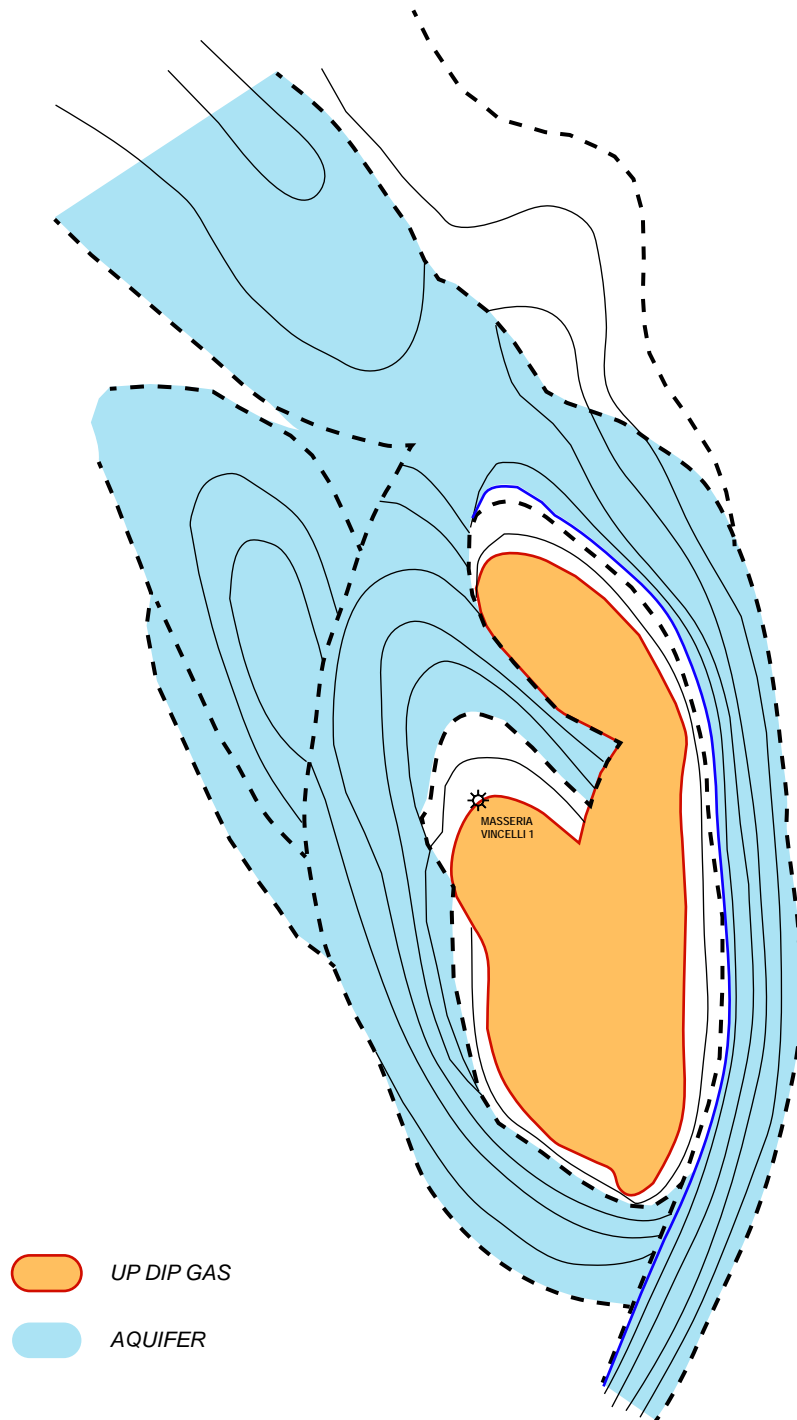
**ITALY**

**STRATIGRAPHIC CHART**

APR. 2023

JOB No. 6922 FIGURE No. 2b





**ZENITH ENERGY LTD.**

**TORRENTE CIGNO  
CONCESSION**

MOLISE REGION, ITALY

**MASSERIA VINCELLI STRUCTURE**

APR. 2023

JOB No. 6922 FIGURE No. 2c

Table 2

**Summary of Gross Reserves  
April 1, 2023**

**Zenith Energy Ltd.**

**Torrente Cigno Concession, Onshore Italy**

		Current or		Initial	Ultimate	Cumulative	Remaining	Remaining	Remaining	
				Rate	RGIP	Production	RGIP (raw)	RGIP (sales)	NGLs	Reference
Description				Mscf/d	(MMscf)	(MMscf)	(MMscf)	(MMscf)	(MMbbls)	
<b><u>Proved Developed Producing</u></b>										
Torrente Cigno Concession	Masseria Vincelli 1			482	3,100	2,534	566	526	0	Fig 3a & Table 2a
Total Proved					3,100	2,534	566	526	0	
<b><u>Probable Developed Producing</u></b>										
Torrente Cigno Concession	Masseria Vincelli 1	(Incr.)			1,547	0	1,547	1,439	0	Fig 4a & Table 2a
<b><u>Probable Undeveloped</u></b>										
Torrente Cigno Concession	Masseria Vincelli 2	Mar-24	1,000		14,423	0	14,423	13,413	0	Table 2b
Total Probable					15,970	0	15,970	14,852	0	
Total Proved Plus Probable					19,070	2,534	16,536	15,378	0	

Table 2a

**SUMMARY OF GROSS RESERVES AND RESERVOIR PARAMETERS**  
**April 1, 2023**

**Torrente Cigno, Italy**

	MV-1	
	Apulian Carbonates (1)	
	Proved	Proved
	Developed Producing	Plus Probable
<hr/>		
<b>PRODUCT TYPE</b>		
Non-Associated Gas		
<b>RESERVOIR PARAMETERS</b>		
Reservoir Pressure, psia	2,946	2,946
Reservoir Temperature, deg F	134	134
Average Porosity, %	15.0	15.0
Average Water Saturation, %	30.0	30.0
Compressibility Factor, Z	0.798	0.798
Petroleum Initially-in-Place, Mscf/ac.ft	1009.0	1008.5
Reservoir Loss, %	40.0	40.0
Surface Loss, %	7.0	7.0
<b>RESERVES</b>		
Net Pay, feet	32.0	32.0
Area, acres	160	240
Petroleum Initially-in-Place, MMscf	5,166	7,745
Reserves Initially-in-Place, MMscf	3,100	4,647
Cumulative Production, MMscf	2,534	2,534
Remaining Raw Reserves, MMscf	566	2,113
Remaining Marketable Reserves, MMscf	526	1,965

Note: (1) Interval 2240.0 - 2255.0 m KB.

Table 2b

SUMMARY OF GROSS RESERVES AND RESERVOIR PARAMETERS  
April 1, 2023

Torrente Cigno, Italy

	Total Proved plus Probable MV1 & MV2 Apullian Carbonate (1)
<b>PRODUCT TYPE</b>	
Non-Associated Gas	
<b>RESERVOIR PARAMETERS</b>	
Reservoir Pressure, psia	2,946
Reservoir Temperature, deg F	134
Average Porosity, %	15.0
Average Water Saturation, %	30.0
Compressibility Factor, Z	0.798
Petroleum Initially-in-Place, Mscf/ac.ft	1009.0
Reservoir Loss, %	40.0
Surface Loss, %	7.0
<b>RESERVES</b>	
Net Pay, feet	70.0
Area, acres	450
Petroleum Initially-in-Place, MMscf	31,784
Reserves Initially-in-Place, MMscf	19,070
Cumulative Production, MMscf	2,534
Remaining Raw Reserves, MMscf	16,536
Remaining Marketable Reserves, MMscf	15,378

Note: (1) Interval 2240.0 - 2255.0 m KB.

# PRODUCTION HISTORY

Proved Developed Producing

Torrente Cigno (producing)

Field: Torrente Cigno  
Formation: Torrente Cigno

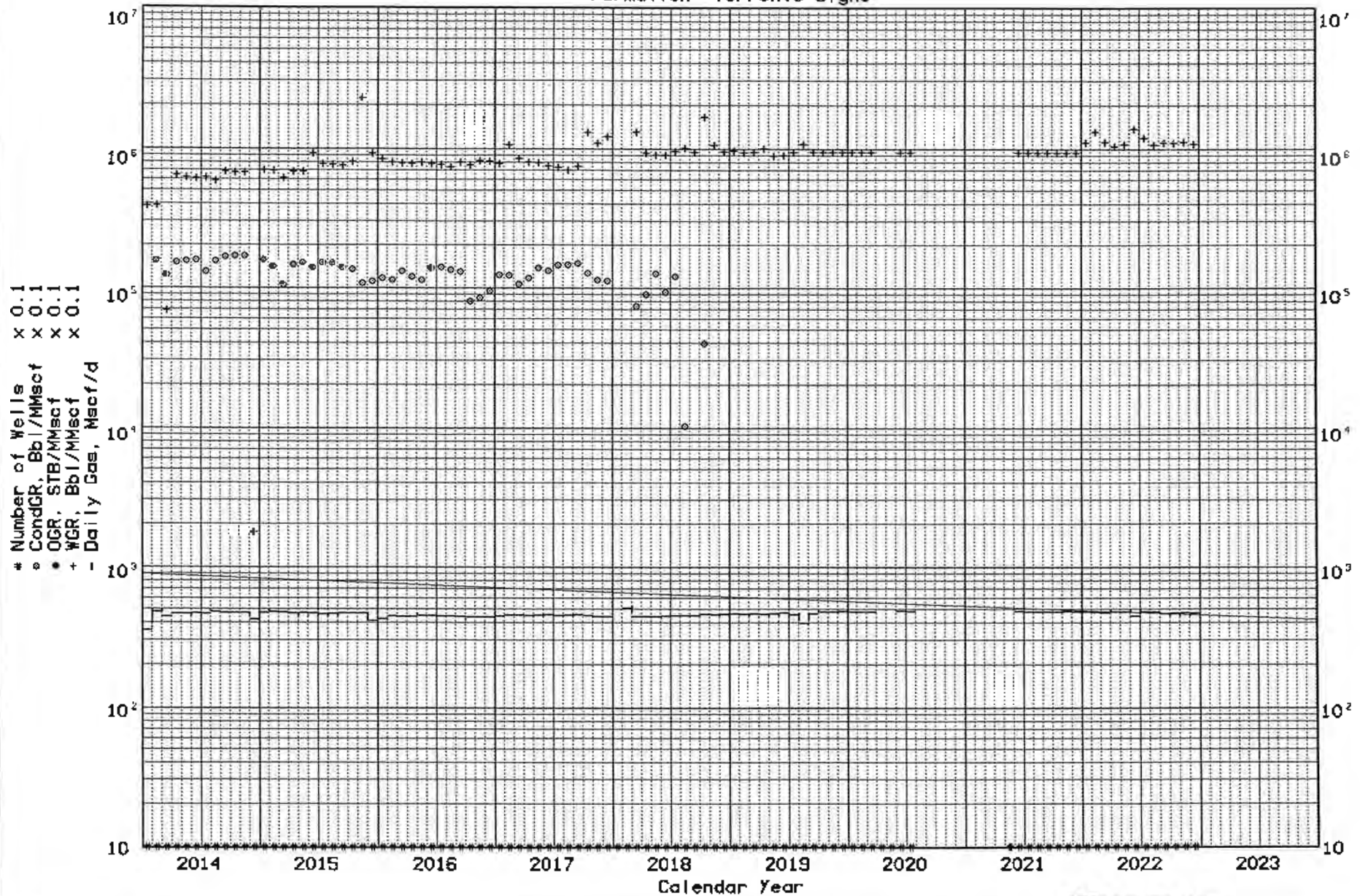


Figure 3a

# PRODUCTION HISTORY

Proved Plus Probable

Torrente Cigno (producing)

Field: Torrente Cigno  
Formation: Torrente Cigno

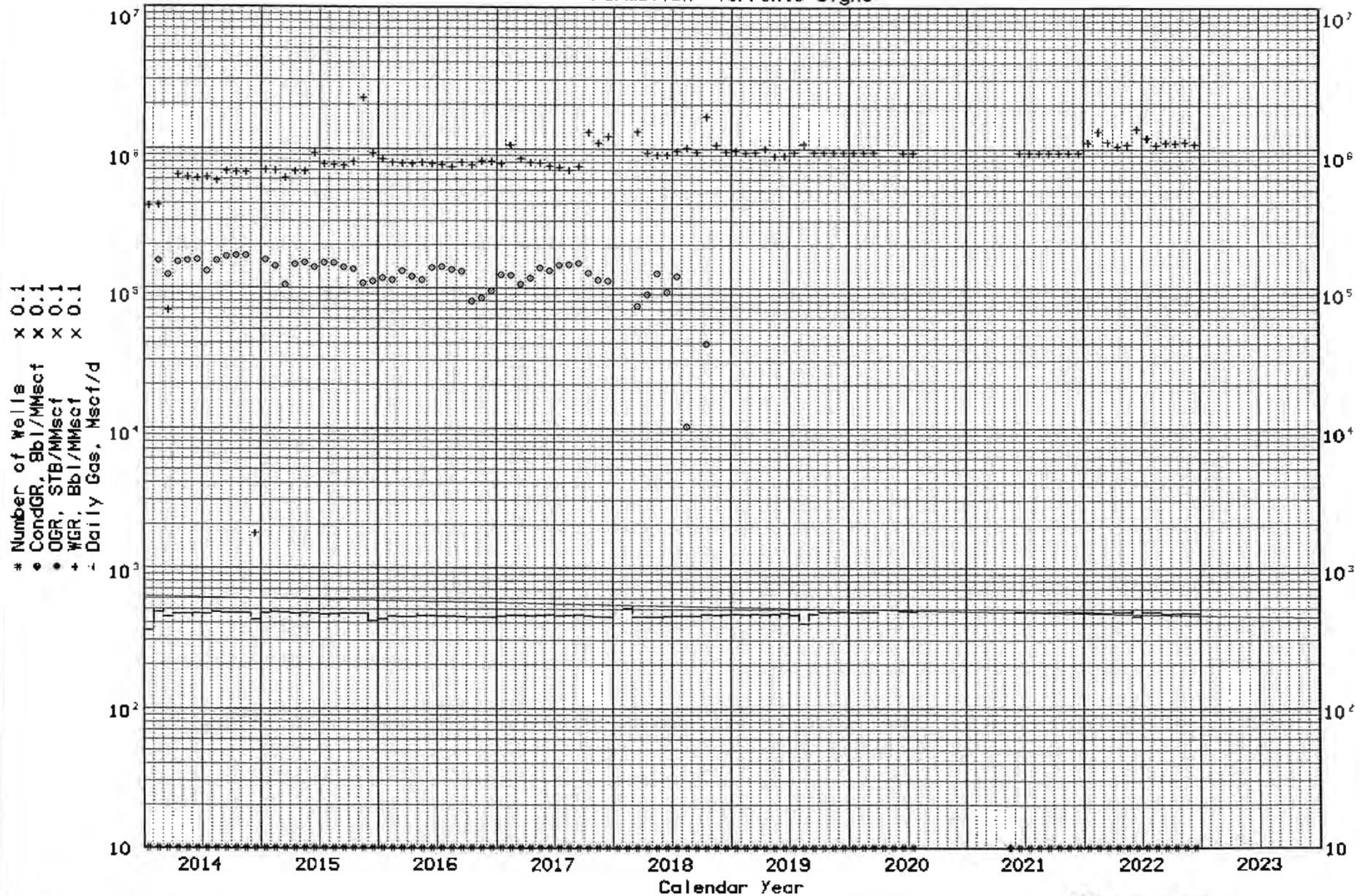


Figure 4a

Table 3a

Summary of Anticipated Capital Expenditures

Development

April 1, 2023

Zenith Energy Ltd.

Torrente Cigno Concession, Onshore Italy

Description	Date	Operation	Capital Interest %	Gross Capital M\$	Net Capital M\$
<b>Probable</b>					
Loc. Masseria Vincelli 2	Mar-24	Horizontal drilling, testing, completion, and tie-in	45.0000	3,333	1,500
<b>Total Probable</b>				<b>3,333</b>	<b>1,500</b>

Note: **M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

Unless details are known, drilling costs have been split 70% Intangible and 30% Tangible for tax purposes

**Table 3b**  
**Summary of Anticipated Capital Expenditures**  
**Abandonment and Restoration**

**April 1, 2023**

**Zenith Energy Ltd.**

**Torrente Cigno Concession, Onshore Italy**

<b>Description</b>	<b>Well Parameters</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
Torrente Cigno Field	Abandon 1 gas well MV1, reclaim the land	45.0000	57	26
Torrente Cigno Field	Abandon 1 gas well MV2, reclaim the land	45.0000	57	26
<b>Total Abandonment and Restoration</b>			<b>114</b>	<b>51</b>

Note: **M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.



**Table 4**  
**Summary of Company Reserves and Economics**  
**Before Income Tax**  
**April 1, 2023**

**Forecast Prices & Costs**

**Zenith Energy Ltd.**  
**Torrente Cigno Concession, Italy**

Description		Net To Appraised Interest												
		Reserves						Cumulative Cash Flow (BIT) - MUS\$						
		Light and Medium Oil MSTB		Conventional Natural gas MMscf		NGL Mbbbls		Discounted at:						
		Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year		
Proved Developed Producing														
Masseria Vincelli-1	Apulian Carbonate	0	0	526	526	0	0	12,688	11,638	10,742	9,969	9,298		
Total Proved Developed Producing		0	0	526	526	0	0	12,688	11,638	10,742	9,969	9,298		
Probable														
Probable Developed Producing														
Masseria Vincelli-1	Apulian Carbonate	Incr	0	0	1,439	1,439	0	0	46,928	31,905	22,545	16,470	12,383	
Total Probable Developed Producing			0	0	1,439	1,439	0	0	46,928	31,905	22,545	16,470	12,383	
Probable Undeveloped														
HZ Loc. Masseria Vincelli-2	Apulian Carbonate		0	0	13,413	13,413	0	0	500,889	184,765	96,885	61,973	44,308	
Total Probable Undeveloped			0	0	13,413	13,413	0	0	500,889	184,765	96,885	61,973	44,308	
Total Probable			0	0	14,852	14,852	0	0	547,815	216,671	119,430	78,443	56,691	
Total Proved Plus Probable			0	0	15,378	15,378	0	0	560,503	228,309	130,172	88,412	55,989	

MUS\$ means thousands of United States dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Table 4a

## EVALUATION OF: Torrente Cigno Concession - Proved Developed Producing

\*\*\*\*\*

WELL/LOCATION - Mammarella Vincelli-1  
 EVALUATED BY -  
 COMPANY EVALUATED - Zenith Energy Ltd.  
 APPRAISAL FOR -  
 PROJECT - FORECAST PRICE & COSTS

BRGO v7.43 52 ENERGY SOLUTIONS PAGE 1  
 GLOBAL : 15-FEB-2023 6922  
 RFP:01-APR-2023 DISC:01-APR-2023 PRQD:01-APR-2023  
 RUN DATE: 28-FEB-2023 TIME: 8:41  
 FILE: GECPT1.DAT

TRACT FACTOR - 100.0000 %  
 NET POOL RESERVES - 566 MMCF  
 PRODUCTION TO DATE - N/A  
 DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 27 -M\$- (2026)

## INTEREST

AVE WI 100.0000%

## TOTALITIES/TAXES

STATE

		Belge Gas		MMCF			
		Pool		Company Share			
Year	# of Wells	Price \$/MCF	MMCF/D	Vol	Gross	Net	
2023	1	24.13	437.1	120	120	120	
2024	1	21.11	437.1	160	160	160	
2025	1	29.11	437.1	160	160	160	
2026	1	29.70	238.6	87	87	87	
SUB				526	526	526	
REM				0	0	0	
TOT				526	526	526	

## \* P/T = ----- COMPANY SHARE FUTURE NET REVENUE -----

Year	Capital Expend Costs -M\$-	Future Revenue (FR)				Royalties				Operating Costs			FR After Roy&Oper Costs -M\$-	Net back \$/MCF	Procc Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	-t-	Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc	10.0%
2023	0	0	2900	0	2900	0	0	0	.0	41	133	1.45	2726	22.68	0	0	0	2726	2630
2024	0	0	3368	0	3368	0	0	0	.0	55	180	1.48	3132	19.43	0	0	0	3132	2780
2025	0	0	4644	0	4644	0	0	0	.0	57	184	1.51	4404	27.60	0	0	0	4404	3553
2026	27	0	1587	0	2587	0	0	0	.0	31	102	1.54	2453	28.16	0	0	27	2426	1779
SUB	27	0	13439	0	13439	0	0	0	.0	184	600		12715		0	0	27	12688	10742
REM	0	0	0	0	0	0	0	0	.0	0	0		0		0	0	0	0	0
TOT	27	0	13439	0	13439	0	0	0	.0	184	600		12715		0	0	27	12688	10742

## \*\*\*\*\* NET PRESENT VALUE (-M\$-)\*\*\*\*\*

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper	12715	11661	11105	10761	10438	9986	9313
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	27	23	21	20	19	17	15
Future Net Revenue	12688	11638	11084	10742	10419	9969	9298

## \*\*\*\*\* COMPANY SHARE \*\*\*\*\*

	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
% Interest	100.0	100.0					
% of Future Revenue			0	5.8	94.2	0	94.0

## \*\*\*\*\* PROFITABILITY \*\*\*\*\*

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		n/a
Profit Index (undisc.)		n/a
(disc. @ 10.0%)		n/a
(disc. @ 5.0%)		n/a
First Payout (years)		n/a
Total Payout (years)		n/a
Cost of Finding (\$/BOE)		n/a
NPV @ 10.0% (\$/MCF)		20.41
NPV @ 5.0% (\$/MCF)		22.11

Table 4b

EVALUATION OF: Torrente Signo Concession, Italy  
 ===== Total Proved Plus Probable cons.

ERGO v7.43 P2 ENERGY SOLUTIONS TOTAL  
 GLORAN : 15-FEB-2023 6922  
 RFF:01-APR-2023 DISC:01-APR-2023  
 RUN DATE: 28-FEB-2023 TIME: 9:11  
 FILE.

EVALUATED BY -  
 COMPANY EVALUATED - Zenith Energy Ltd.  
 APPRAISAL FOR -  
 PROJECT - FORECAST PRICES & COSTS

TOTAL CAPITAL COSTS - 1530 -M\$-  
 TOTAL ABANDONMENT - 102 -M\$-

Year	# of Wells	Sales Gas		Pool		Company Share	
		MCF		MCF/D		Gross	
		% of Price	\$/MCF	% of Price	\$/MCF	% of Price	\$/MCF
2023	1	24.13	437.1	120	120	120	120
2024	2	21.11	1216.8	444	444	444	444
2025	2	29.11	1367.1	499	499	499	499
2026	3	29.70	1367.1	499	499	499	499
2027	3	30.23	1367.1	499	499	499	499
2028	3	30.90	1367.1	499	499	499	499
2029	3	31.51	1367.1	499	499	499	499
2030	3	32.34	1367.1	499	499	499	499
2031	3	32.73	1367.1	499	499	499	499
2032	3	33.44	1367.3	484	484	484	484
2033	3	34.11	1257.2	459	459	459	459
2034	3	34.79	1199.5	438	438	438	438
2035	3	35.49	1152.0	420	420	420	420
2036	3	36.20	1112.8	406	406	406	406
2037	3	36.92	1080.6	394	394	394	394
SUB				6660	6660	6660	6660
REM				8719	8719	8719	8719
TOT				15378	15378	15378	15378

- B/T - COMPANY SHARE FUTURE NET REVENUE

Year	Capital & Aband Costs -M\$-	Future Revenue (FR)				Royalties			Operating Costs			FR After Roy & Oper -M\$-	Net back Income \$/BOE	Proc & Other Costs -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	Gas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-	Fixed -M\$-	Variable -M\$-	\$/BOE						Undisc -M\$-	10.0% -M\$-
2023	0	0	2900	0	2900	0	0	0	0	41	0	3.41	2860	237.89	0	0	2860	2759
2024	1530	0	9375	0	9375	0	0	0	102	321	9.53	8952	201.57	0	1530	0	7422	6586
2025	0	0	14526	0	14526	0	0	0	113	392	10.10	14021	281.00	0	0	0	14021	11311
2026	0	0	14820	0	14820	0	0	0	115	399	10.31	14306	286.69	0	0	0	14306	10492
2027	0	0	15114	0	15114	0	0	0	118	407	10.51	14590	292.39	0	0	0	14590	9727
2028	0	0	15419	0	15419	0	0	0	120	415	10.72	14884	298.28	0	0	0	14884	9021
2029	0	0	15723	0	15723	0	0	0	122	423	10.94	15177	304.16	0	0	0	15177	8363
2030	0	0	16039	0	16039	0	0	0	125	432	11.16	15461	310.24	0	0	0	15461	7755
2031	0	0	16362	0	16362	0	0	0	127	440	11.38	15794	316.52	0	0	0	15794	7192
2032	0	0	16201	0	16201	0	0	0	130	449	11.95	15621	322.45	0	0	0	15621	6467
2033	0	0	15653	0	15653	0	0	0	132	458	12.87	15062	328.73	0	0	0	15062	5660
2034	0	0	15232	0	15232	0	0	0	135	467	13.76	14629	334.14	0	0	0	14629	5005
2035	0	0	14923	0	14923	0	0	0	138	477	14.62	14308	340.28	0	0	0	14308	4450
2036	0	0	14704	0	14704	0	0	0	141	486	15.43	14077	346.57	0	0	0	14077	3980
2037	0	0	14562	0	14562	0	0	0	143	496	16.21	13922	352.99	0	0	0	13922	3579
SUB	1530	0	211551	0	211551	0	0	0	1802	6064		203685		0	1530	0	202155	102356
REM	102	0	380028	0	380028	0	0	0	3532	18047		358449		0	0	102	358347	27816
TOT	1632	0	591579	0	591579	0	0	0	5334	24110		562135		0	1632	102	560503	130172

NET PRESENT VALUE (-M\$-)

Discount Rate	0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper	562135	229779	159887	131538	111170	89700	67208
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	1530	1437	1389	1359	1327	1284	1217
Abandonment Costs	102	23	12	9	6	4	2
Future Net Revenue	560503	228309	158486	130172	109844	88412	65989
COMPANY SHARE							
1st Year Average							
Interest	100.0	100.0					
% of Future Revenue			0	5.0	95.0	3	94.7

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		999.9
Profit Index (undisc.)		343.4
(disc. @ 10.0%)		95.3
(disc. @ 5.0%)		156.2
First Payout (years)		1
Total Payout (years)		3
Cost of Funding (\$/BOE)		1.06
NPV @ 10.0% (\$/BOE)		84.65
NPV @ 5.0% (\$/BOE)		148.46

Table 4a

## EVALUATION OF: Torrance Cigno Concession - Proved Plus Probable Developed Producing

SRCD v7.43 P2 ENERGY SOLUTIONS PAGE 1  
 GLOBAL : 15-FEB-2023 5922  
 RPP:01-APR-2023 DISC:01-APR-2023 PRCD:01-APR-2023  
 RUN DATE: 28-FEB-2023 TIME: 8:41  
 FILE: GLOBAL.DAT

WELL/LOCATION - Masseria Vincelli-1  
 EVALUATED BY -  
 COMPANY EVALUATED - Zenith Energy Ltd.  
 APPRAISAL FOR -  
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %  
 U/L POOL RESERVES - 2113 MMCF  
 PRODUCTION TO DATE - N/A  
 DECLINE INDICATOR - EXPONENTIAL

TOTAL ABANDONMENT - 35 -M\$- (2038)

## INTEREST

AVG WI 100.0000%

## ROYALTIES/TAXES

STATE

Year	# of Wells	Price \$/MCF	Sales Gas MMCF		Company Share	
			Pool MCF/D	Vol	Gross	Net
2023	1	24.13	437.1	120	120	120
2024	1	21.11	437.1	160	160	160
2025	1	29.11	437.1	160	160	160
2026	1	29.70	437.1	160	160	160
2027	1	30.29	437.1	160	160	160
2028	1	30.90	437.1	160	160	160
2029	1	31.51	437.1	160	160	160
2030	1	32.14	437.1	160	160	160
2031	1	32.79	437.1	160	160	160
2032	1	33.44	397.3	145	145	145
2033	1	34.11	327.2	119	119	119
2034	2	34.79	269.5	90	90	90
2035	1	35.49	222.0	81	81	81
2036	1	36.20	182.8	67	67	67
2037	2	36.92	150.6	55	55	55
SUB				1962	1962	1962
REM				3	3	3
TOT				1965	1965	1965

## P/T -

## COMPANY SHARE FUTURE NET REVENUE

Year	Capital Abandon Costs -M\$-	Future Revenue (PRI)				Royalties				Operating Costs			PR After Roy & Oper -M\$-	Net back \$/MCF	Proct Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	- \$-	Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-
2023	0	0	2900	0	2900	0	0	0	0	41	0	34	2860	23.79	0	0	0	2860	2753
2024	0	0	3368	0	3368	0	0	0	0	55	0	35	3313	20.76	0	0	0	3313	2940
2025	0	0	4644	0	4644	0	0	0	0	57	0	35	4588	28.76	0	0	0	4588	3701
2026	0	0	4738	0	4738	0	0	0	0	58	0	36	4681	29.34	0	0	0	4681	3831
2027	0	0	4833	0	4833	0	0	0	0	59	0	37	4774	29.92	0	0	0	4774	3983
2028	0	0	4930	0	4930	0	0	0	0	60	0	38	4870	30.52	0	0	0	4870	4052
2029	0	0	5027	0	5027	0	0	0	0	61	0	38	4966	31.13	0	0	0	4966	4136
2030	0	0	5128	0	5128	0	0	0	0	62	0	39	5065	31.75	0	0	0	5065	4237
2031	0	0	5231	0	5231	0	0	0	0	64	0	40	5168	32.39	0	0	0	5168	4353
2032	0	0	4849	0	4849	0	0	0	0	65	0	45	4784	32.99	0	0	0	4784	3981
2033	0	0	4074	0	4074	0	0	0	0	66	0	55	4008	33.56	0	0	0	4008	3508
2034	0	0	3422	0	3422	0	0	0	0	68	0	69	3355	34.10	0	0	0	3355	3140
2035	0	0	2876	0	2876	0	0	0	0	69	0	85	2807	34.61	0	0	0	2807	2873
2036	0	0	2416	0	2416	0	0	0	0	70	0	1.05	2345	35.15	0	0	0	2345	2653
2037	0	0	2029	0	2029	0	0	0	0	72	0	1.30	1958	35.62	0	0	0	1958	2503
SUB	0	0	60466	0	60466	0	0	0	0	926	0		59540		0	0	0	59540	33269
REM	35	0	113	0	113	0	0	0	0	4	0		109		0	0	35	74	17
TOT	35	0	60579	0	60579	0	0	0	0	930	0		59649		0	0	35	59614	33287

## NET PRESENT VALUE (-M\$-)

Discount Rate	1.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
PR After Roy & Oper.	59643	43560	36889	33295	30235	26443	21681
Proct & Other Income	0	0	0	0	0	0	0
Capital Costs	0	0	0	0	0	0	0
Abandonment Costs	35	16	11	8	6	4	2
Future Net Revenue	59614	43543	36878	33287	30229	26439	21681
COMPANY SHARE							
1st Year	Average	Royalties	Oper Costs	PR After Roy & Oper	Capital Costs	Future NetRev	
% Interest	100.0	100.0					
% of Future Revenue			0	1.5	98.5	0	98.4

## PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		n/a
Profit Index (undisc.)		n/a
(disc. @ 10.0%)		n/a
(disc. @ 5.0%)		n/a
First Payout (years)		n/a
Total Payout (years)		n/a
Cost of Finding (\$/BOE)		n/a
NPV @ 10.0% (\$/MCF)		16.94
NPV @ 5.0% (\$/MCF)		22.16

Table 4d

EVALUATION OF: Torrente Cigno Concession - Probable Undeveloped

SRGO V7.43 T2 ENERGY SOLUTIONS PAGE 1  
 GLOBAL : 15-FEB-2023 5322  
 RPT:01-APR-2023 DISC:01-APR-2023 PROD:01-MAR-2024  
 RUN DATE: 28-FEB-2023 TIME: 9:21  
 FILE: GTC23.DAX

WELL/LOCATION - HS Loc. Masseria Vincelli-2 (Apulian Carbonate)  
 EVALUATED BY - Zenith Energy Ltd.  
 COMPANY EVALUATED -  
 APPRAISAL FOR PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %  
 NET POOL RESERVES - 14423 MMCF  
 PRODUCTION TO DATE - N/A  
 DECLINE INDICATOR - EXPONENTIAL  
 TOTAL CAPITAL COSTS - 1530 -M\$-  
 TOTAL ABANDONMENT - 68 -M\$- (2072)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

STATE

Sales Use						
MMCF						
Year	N of Wells	Price \$/MCF	Pool		Company Share	
			MCF/D	Vol	Gross	Net
2023	0	24.13	.0	0	0	0
2024	1	21.11	930.0	285	285	285
2025	1	29.11	930.0	339	339	339
2026	1	29.70	930.0	339	339	339
2027	1	30.29	930.0	339	339	339
2028	1	30.90	930.0	339	339	339
2029	1	31.51	930.0	339	339	339
2030	1	32.14	930.0	339	339	339
2031	1	32.79	930.0	339	339	339
2032	1	33.44	930.0	339	339	339
2033	1	34.11	930.0	339	339	339
2034	1	34.79	930.0	339	339	339
2035	1	35.49	930.0	339	339	339
2036	1	36.20	930.0	339	339	339
2037	1	36.92	930.0	339	339	339
SOB				4697	4697	4697
EBM				8716	8716	8716
TOT				13413	13413	13413

= P/T =

COMPANY SHARE FUTURE NET REVENUE

Year	Capital Abandon Costs -M\$-	Future Revenue (FR)				Royalties				Operating Costs			FR After Roy&Oper -M\$-	Net back \$/MCF	Proc& Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Net Rev	
		Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	State -M\$-	Other -M\$-	Mineral -M\$-	-M\$-	Fixed -M\$-	Variable -M\$-	\$/MCF						Undisc -M\$-	10.0% -M\$-
2023	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	0
2024	1530	0	6307	0	6307	0	0	0	.0	46	321	1.29	5640	19.92	0	1530	0	4110	3667
2025	0	0	9881	0	9881	0	0	0	.0	57	391	1.32	9434	27.79	0	0	0	9434	7610
2026	0	0	10982	0	10982	0	0	0	.0	58	398	1.35	9623	28.35	0	0	0	9623	7659
2027	0	0	10282	0	10282	0	0	0	.0	59	407	1.37	9816	28.92	0	0	0	9816	6545
2028	0	0	10489	0	10489	0	0	0	.0	60	415	1.40	10014	29.50	0	0	0	10014	6069
2029	0	0	10696	0	10696	0	0	0	.0	61	423	1.43	10212	30.08	0	0	0	10212	5627
2030	0	0	10910	0	10910	0	0	0	.0	62	432	1.46	10416	30.63	0	0	0	10416	5217
2031	0	0	11131	0	11131	0	0	0	.0	64	440	1.49	10626	31.30	0	0	0	10626	4839
2032	0	0	11351	0	11351	0	0	0	.0	65	449	1.51	10837	31.93	0	0	0	10837	4486
2033	0	0	11579	0	11579	0	0	0	.0	66	458	1.55	11054	32.55	0	0	0	11054	4160
2034	0	0	11809	0	11809	0	0	0	.0	68	467	1.58	11274	33.21	0	0	0	11274	3857
2035	0	0	12047	0	12047	0	0	0	.0	69	477	1.61	11501	33.88	0	0	0	11501	3577
2036	0	0	12298	0	12298	0	0	0	.0	70	486	1.64	11731	34.56	0	0	0	11731	3317
2037	0	0	12532	0	12532	0	0	0	.0	72	496	1.67	11965	35.25	0	0	0	11965	3076
SOB	1530	0	151085	0	151085	0	0	0	.0	875	6064		144145		0	1530	0	142615	69087
EBM	68	0	379915	0	379915	0	0	0	.0	3528	18047		358341		0	0	68	358273	27799
TOT	1598	0	531000	0	531000	0	0	0	.0	4404	24110		502486		0	1530	68	500849	96885

NET PRESENT VALUE (-M\$-)

Discount Rate	1.0%	5.0%	8.0%	10.0%	12.0%	15.0%	20.0%
FR After Roy & Oper.	502486	186211	122998	98244	80942	63257	45525
Proc & Other Income	0	0	0	0	0	0	0
Capital Costs	1530	1419	1389	1358	1327	1284	1217
Abandonment Costs	68	6	2	1	0	0	0
Future Net Revenue	500809	184763	121608	96885	79615	61973	44308
COMPANY SHARE							
	1st Year	Average	Royalties	Oper Costs	FR After Roy&Oper	Capital Costs	Future Net Rev
% Interest	100.0	102.0					
% of Future Revenue			10	5.4	94.6	13	94.3

PROFITABILITY

COMPANY SHARE BASIS		Before Tax
Rate of Return (%)		999.9
Profit Index (undisc.)		313.5
(disc. @ 10.0%)		71.3
(disc. @ 5.0%)		127.8
First Payout (years)		.8
Total Payout (years)		1.0
Cost of Finding (\$/BOE)		1.19
NPV @ 10.0% (\$/MCF)		7.22
NPV @ 5.0% (\$/MCF)		13.77

## **GLOSSARY OF TERMS (Abbreviations & Definitions)**

### **General**

BIT	- Before Income Tax
AIT	- After Income Tax
M\$	- Thousands of Dollars
Effective Date	- The date for which the Present Value of the future cash flows and reserve categories are established
\$US	- United States Dollars
WTI	- West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	- Alberta Royalty Tax Credit
GRP	- Gas Reference Price

### **Interests and Royalties**

BPO	- Before Payout
APO	- After Payout
APPO	- After Project Payout
Payout	- The point at which a participant's original capital investment is recovered from its net revenue
GORR	- Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	- New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	- Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150 <sup>th</sup> of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	- Freehold Royalty
P&NG	- Petroleum and Natural Gas
Twp	- Township
Rge	- Range
Sec	- Section

### Technical Data

psia	- Pounds per square inch absolute
MSTB	- Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	- Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	- Barrels
Mbbls	- Thousands of barrels
MMBTU	- Millions of British Thermal Units – heating value of natural gas
STB/d	- Stock Tank Barrels of oil per day – oil production rate
Mscf/d	- Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	- Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	- Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	- Enhanced Oil Recovery
GJ	- Gigajoules
Marketable or Sales Natural Gas	- Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	- Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	- Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	- Estimated Ultimate Recovery



February 28, 2023

**CHAPMAN PETROLEUM ENGINEERING LTD.**

700, 1122 – 4<sup>th</sup> Street SW  
Calgary, AB  
T2R 1M1

Dear Sir:

**Re: Company Representation Letter**

Regarding the evaluation of our Company's oil and gas reserves and resources and independent appraisal of the economic value of these reserves for the year ended March 31, 2023, we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

1. We, Zenith Energy Ltd., have made available to you, Chapman Petroleum Engineering Ltd., certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation, including the following:
  - Accounting, financial, tax and contractual data
  - Asset ownership and related encumbrance information;
  - Details concerning product marketing, transportation and processing arrangements;
  - All technical information including geological, engineering and production and test data;
  - Estimates of future abandonment and reclamation costs.
2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.
3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.





4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on the evaluation of our Company's reserves and future net revenues.
5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:
  - For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.
  - All regulatory, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
  - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this three-month period.
  - Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.
  - If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.
6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could affect our reserves and economic value of these reserves that has not been disclosed to you.

Yours very truly,

President and Chief Executive Officer

Chief Financial Officer

## **ANNEX 2**

### **Chapman Report 2023 – Tunisia**

# **COMPETENT PERSONS REPORT**

## **EVALUATION OF RESERVES AND RESOURCES OTHER THAN RESERVES OIL AND GAS PROPERTIES**

**THE REPUBLIC OF TUNISIA**

**Owned by**

**ZENITH ENERGY LIMITED**

**March 31, 2023  
(April 1, 2023)**

March 1, 2023

**Zenith Energy Ltd.**

Registered Office

Suite 2400, 745 Thurlow Street, Vancouver, BC, V6E 0C5, Canada

Head Office

Suite 4000, 421 - 7th Avenue SW, Calgary, AB, T2P 4K9, Canada

**Attention: Mr. Andrea Cattaneo**

Dear Sir:

**Re: Competent Persons Report, Evaluation of Reserves and Resources Other Than Reserves  
Zenith Energy Ltd.  
Tunisia Properties – March 31, 2023**

---

In accordance with your authorization, we have performed a Competent Persons Report (CPR) of reserve and economic evaluation of oil and gas properties, including an assessment of resources other than reserves, owned by Zenith Energy Ltd. (the "Company"), for an effective date of March 31, 2023 (April 1, 2023).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH"), the professional practice standard under our Permit to Practice with APEGA and under the guidelines of the European Securities and Markets Authority (ESMA). The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" under NI 51-101 as demonstrated on the accompanying Certificate of Qualification of the author(s).

The INTRODUCTION includes the authorization, purpose and use of the report and describes the methodology and economic parameters used in the preparation of this report and the evaluation standard to which the report has been prepared.

The EXECUTIVE SUMMARY presents an overview of the evaluated property and addresses the summary information required by ESMA, Section 132.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary and contains a concise presentation of the results of this reserve and economic evaluation. The net present values

presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of US dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

The RESOURCES OTHER THAN RESERVES contains a summary of the resource property, compliant with NI 51-101, Sec. 5.9 of the Canadian Securities Administrators and a full description and results of the technical analysis of the resources in accordance with COGEH Volume 2, Section 2 (ROTR).

Resources have been classified as to their most specific category according to their level of certainty, project maturity and economic status for each entity, where applicable.

A REPRESENTATION LETTER from the Company confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves and resource data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of information derived from this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,

**Chapman Petroleum Engineering Ltd.**

[Original Signed By:]  
[Signature], [Licensed Professional's Stamp]  
[Membership ID Number]  
March 1, 2023  
C. W. Chapman, P. Eng.,  
President

[Original Signed By:]  
[Signature], [Licensed Professional's Stamp]  
[Membership ID Number]  
March 1, 2023  
Khaled (Kal) A. Latif, P. Geol.  
Senior Associate

cwc/slz/6925

<b>PERMIT TO PRACTICE</b>	
<b>CHAPMAN PETROLEUM ENGINEERING LTD.</b>	
Signature	[Original Signed By:] <u>C.W. Chapman</u>
Date	<u>March 1, 2023</u>
<b>PERMIT NUMBER: P 4201</b>	
The Association of Professional Engineers and Geoscientists of Alberta	

[APEGA ID Number]

## CERTIFICATE OF QUALIFICATION

I, C. W. CHAPMAN, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4<sup>th</sup> Street S.W., hereby certify:

1. THAT I am a registered Professional Engineer in the Province of Alberta and a member of the Australasian Institute of Mining and Metallurgy.
2. THAT I graduated from the University of Alberta with a Bachelor of Science degree in Mechanical Engineering in 1971.
3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.
4. THAT I have in excess of 40 years in the conduct of evaluation and engineering studies relating to oil & gas fields in Canada and around the world.
5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated March 1, 2023 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.
7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]  
[Signature], [Licensed Professional's Stamp]  
[Membership ID Number]  
March 1, 2023  
C. W. Chapman, P. Eng.,  
President

<b>PERMIT TO PRACTICE</b>	
<b>CHAPMAN PETROLEUM ENGINEERING LTD.</b>	
Signature	[Original Signed By:] <u>C.W. Chapman</u>
Date	<u>March 1, 2023</u>
<b>PERMIT NUMBER: P 4201</b>	
The Association of Professional Engineers and Geoscientists of Alberta	

[APEGA ID Number]

## CERTIFICATE OF QUALIFICATION

I, KHALED (KAL) A. LATIF, P. Geol., Professional Geologist of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4<sup>th</sup> Street S.W., hereby certify:

1. THAT I am a registered Professional Geologist in the Province of Alberta.
2. THAT I graduated from the University of Alexandria with a Bachelor of Science degree in Geology in 1979.
3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in geology, geophysics, petrophysics, operations, and evaluations during that time.
4. THAT I have in excess of 35 years of experience in the conduct of evaluation and geological studies relating to oil and gas fields in Canada and internationally.
5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated March 1, 2023, and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.
7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

[Signature], [Licensed Professional's Stamp]

[Membership ID Number]

March 1, 2023

Khaled (Kal) A. Latif, P.Geol.

Senior Associate



## CERTIFICATE OF QUALIFICATION

I, KONSTANTIN ZAITSEV, of the City of Calgary, Alberta, Canada, officing at Suite 700, 1122 – 4<sup>th</sup> Street S.W., hereby certify:

1. THAT I am a Certified Technician in the Province of Alberta.
2. THAT I graduated from the Kazak National Technical University, Kazakhstan, Almaty with a Bachelor of Science degree in Mechanical Engineering in 1996.
3. THAT I graduated from the South Alberta Institute of Technology, Calgary, Canada with a Bachelor of Applied Petroleum Engineering Technology degree in 2010.
4. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated March 1, 2023, and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
5. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.
6. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
7. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

[Signature]

Konstantin Zaitsev, C.Tech.

Oil and Gas Reserves Evaluator

## CERTIFICATE OF QUALIFICATION

I, Klorinda Kaci, of the city of Calgary, Alberta, Canada officing at Suite 700, 1122 – 4<sup>th</sup> Street S.W., Calgary, Alberta hereby certify:

1. THAT I am a member of Society of Petroleum Engineers.
2. THAT I hold a Bachelor of Applied Technology in Petroleum Engineering from Southern Alberta Institute of Technology (SAIT) in Calgary (June 2009). I hold a Bachelor of Science degree in Civil Engineering from Tirana University of Albania 1989.
3. THAT I have been employed in the petroleum industry from 1994 to 2000 in Albania, and from January 2008 to the present time in Calgary.
4. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Zenith Energy Ltd., dated March 1, 2023 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
5. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Zenith Energy Ltd., its participants or any affiliate thereof.
6. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
7. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

[Signature]

Klorinda Kaci, B.Sc., B.A.Tech.,  
Economics Coordinator / Technical Assistant

## TABLE OF CONTENTS

<b>Introduction.....</b>	<b>10</b>
<b><u>RESERVES</u></b>	
<b>Executive Summary.....</b>	<b>23</b>
<b>Summary of Company Reserves and Economics.....</b>	<b>24</b>
<b>Discussion.....</b>	<b>27</b>
El Bibane Area.....	27
Ezzaouia Area.....	55
Robanna Area.....	80
Sidi El Kilani Area.....	102
<b><u>RESOURCES OTHER THAN RESERVES (ROTR)</u></b>	
<b>Prospect Synopsis.....</b>	<b>132</b>
<b>Summary of Company Resources and Economics.....</b>	<b>134</b>
<b>Discussion.....</b>	<b>136</b>
El Bibane Area.....	136
Ezzaouia Area.....	164
<b>Glossary.....</b>	<b>192</b>
<b>Company Representation Letter.....</b>	<b>194</b>

## INTRODUCTION

### INDEX

1. Authorization.....	11
2. Purpose of the Report.....	11
3. Use of the Report.....	11
4. Scope of the Report.....	11
4.1 Methodology.....	11
4.2 Land Survey System.....	11
4.3 Economics.....	12
4.4 Barrels of Oil Equivalent.....	12
4.5 Environmental Liabilities.....	12
5. Basis of Report.....	12
5.1 Sources of Information.....	12
5.2 Product Prices.....	13
5.3 Product Sales Arrangement.....	13
5.4 Royalties.....	13
5.5 Capital Expenditures and Operating Costs.....	13
5.6 Income Tax Parameters.....	13
6. Evaluation Standard Used.....	14
6.1 General.....	14
6.2 Resource Definitions.....	15
6.2.1. Reserves.....	15
6.2.2. Contingent Resources.....	18
6.2.3. Prospective Resources.....	19
6.3 Diagram of Maturity Subclasses.....	20
7. Site Visit.....	20
Attachments	
Product Price Forecast.....	21
Orientation Map.....	22

## INTRODUCTION

### 1. AUTHORIZATION

This evaluation has been authorized by Mr. Andrea Cattaneo, on behalf of Zenith Energy Ltd. The engineering analysis has been performed during the month of February 2023. This report has been prepared in advance of the Company's fiscal year end for Corporate requirements. There may be additional information available up to March 31, 2023, which would warrant an update at that time for the Company's year end reporting.

### 2. PURPOSE OF THE REPORT

The purpose of this report was to prepare a third party independent appraisal of the oil and gas reserves and resources other than reserves owned by Zenith Energy Ltd. for the Company's financial planning.

The values in this report do not include the tangible value of the physical facilities on this property.

### 3. USE OF THE REPORT

The report is intended to support the Company's year end securities filing.

### 4. SCOPE OF THE REPORT

#### 4.1 Methodology

The evaluation of the reserves and resources of these properties included in the report has been conducted under a discounted cash flow (DCF) analysis of estimated future net revenue, which is the principal tool for estimating oil and gas property values and supporting capital investment decisions. In the case of the resources other than reserves, the DCF analysis was further subjected to an "Expected Value" risk analysis for determining the after risk value.

#### 4.2 Land Survey System

This block description is defined in the Concession agreement.

#### 4.3 **Economics**

The economics presentation and methodology are presented in the Discussion of the report.

#### 4.4 **Barrels of Oil Equivalent**

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

#### 4.5 **Environmental Liabilities**

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

### 5. **BASIS OF REPORT**

#### 5.1 **Sources of Information**

Sources of the data used in the preparation of this report are as follows:

- i) Ownership terms have been derived from information provided by the Company.
- ii) Production data is acquired from information provided by the Company.
- iii) Operating Costs are based on historical information presented on the corporate presentation;
- iv) Price differentials are derived from posted world prices for various basins and instructions from the Company
- v) Timing of Development Plans and Capital estimates have been derived from the vendors corporate presentation and our best judgement.

## 5.2 Product Prices

Chapman Petroleum Engineering Ltd. conducts continual surveillance and monitoring on a number of Benchmark product prices both locally and internationally. Based on historical data, current conditions and our view of the relevant political and economic trends, we independently prepare oil, gas and by-product price forecasts including predictions for the near term (first few years) with 2 percent escalation thereafter.

In establishing our forecasts we also consider input from operating companies, consulting firms, oil & gas marketing companies and financial institutions. Our forecasts are updated quarterly and the latest one prior to the effective date would generally be used. The forecast used for this report is presented as an attachment to this Introduction.

The Benchmark Oil Par Price used for this evaluation is the Brent Crude Price and for natural gas the World Bank European gas price forecast has been used.

Any prices quoted in the property discussions reflect fully adjusted prices for crude quality, transportation, gas heating value and specific contractual arrangements.

## 5.3 Product Sales Arrangement

The Company does not have any "hedge" contracts in place at this time.

## 5.4 Royalties

This property is governed by a royalty and tax scheme as discussed in the body of the report.

## 5.5 Capital Expenditures and Operating Costs

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars but for economic purposes are escalated at 2% per year after the current year.

## 5.6 Income Tax Parameters

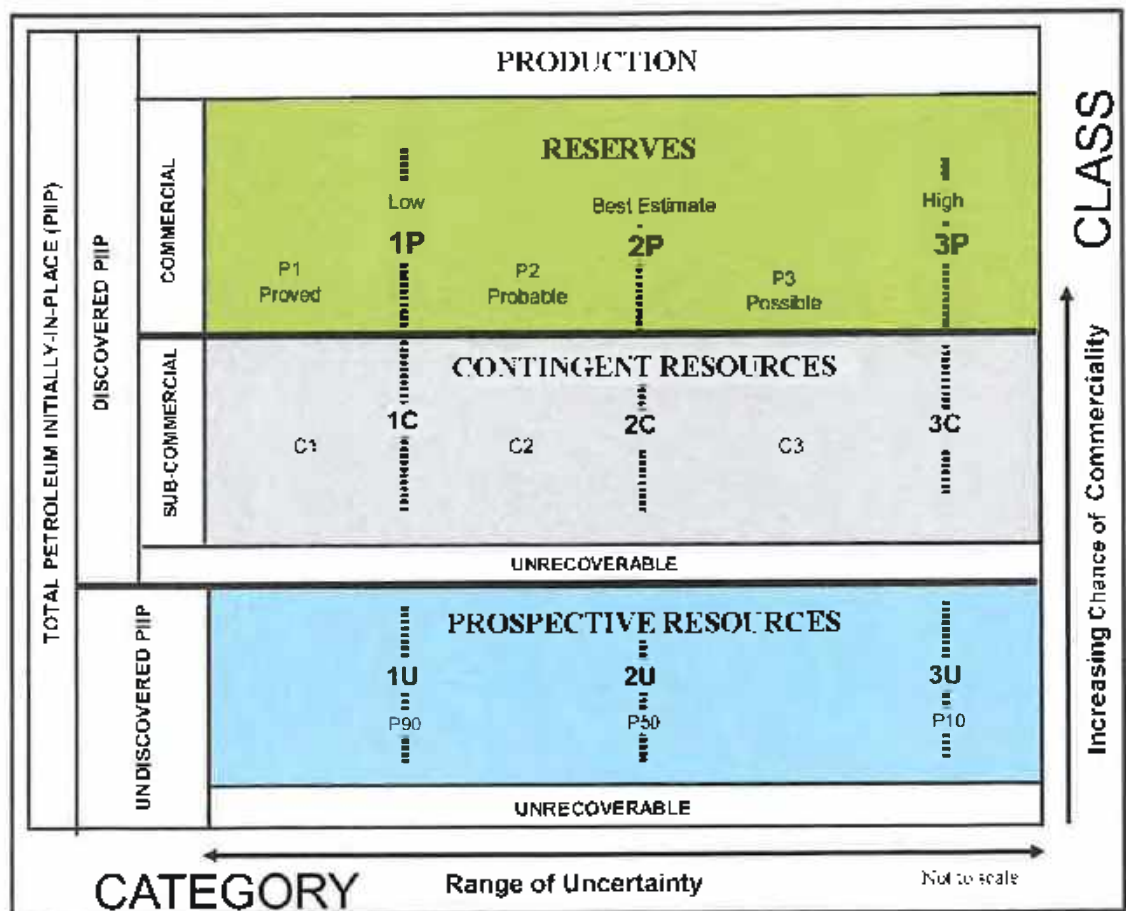
Income tax parameters are integral with the fiscal regime as discussed in the body of the report.

## 6. EVALUATION STANDARD USED

### 6.1 General

This evaluation and report preparation have been carried out in accordance with standards set out in the APEGA professional practice standard "The Canadian Oil and Gas Evaluation Handbook", 3<sup>rd</sup> Edition December 2018 ("COGEH"), prepared by the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE).

COGEH uses the SPE-PRMS (2018 Update) resource classification system shown in the below diagram.



By way of explanation, 'CLASS' forms the vertical axis of the PRMS diagram and represents the range of Chance of Commerciality. Likewise, 'CATEGORY' forms the horizontal axis and provides a measure of the uncertainty in estimates of the Resource Class.



Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations with reference to the above diagram and is potentially producible. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources").

Discovered PIIP (equivalent to "discovered resources") is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The Discovered PIIP includes production, Reserves, and Contingent Resources; the remainder is unrecoverable.

Undiscovered PIIP (equivalent to "undiscovered resources") is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "Prospective Resources", the remainder as "unrecoverable".

Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

## **6.2 Resource Definitions**

The following definitions have been extracted from COGEH and represent an overview of the resource definitions and evaluation criteria required for compliance with the Canadian Securities National Instrument 51-101. These definitions are considered to be compliant with the PRMS - 2018, in that they use the same primary nomenclature, principles and concepts.

### **6.2.1 Reserves**

The following Reserves definitions and guidelines are designed to assist evaluators in making Reserves estimates on a reasonably consistent basis and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

The guidelines outline

- general criteria for classifying reserves,
- procedures and methods for estimating reserves,
- confidence levels of individual entity and aggregate reserves estimates,
- verification and testing of Reserves estimates.

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

#### RESERVES CATEGORIES

Reserves are categorized according to the probability that at least a specific volume will be produced. In a broad sense, Reserves categories reflect the following expectations regarding the associated estimates:

<u>Reserves Category</u>	<u>Confidence Characterization</u>
Proved (1P)	Low Estimate, Conservative
Proved + Probable (2P)	Best Estimate
Proved + Probable + Possible (3P)	High Estimate, Optimistic

- Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.
- Probable Reserves are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved + Probable Reserves.

- c. Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved + Probable + Possible Reserves.

#### DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories.

- a. Developed Reserves are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the Reserves on production. The developed category may be subdivided into producing and non-producing.
  - i. Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
  - ii. Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in and the date of resumption of production is unknown.
- b. Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the Reserves classification (Proved, Probable, Possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to sub-divide the Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

#### LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels contained in the definitions are applicable to "individual Reserves entities," which refers to the lowest level at which Reserves calculations are performed, and to "Reported Reserves," which refers to the highest level sum of individual entity estimates for which Reserves estimates are presented. Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves,
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved + Probable + Possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various Reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of Reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with Reserves estimates and the effect of aggregation is provided in Section 5.7.1.6, The Portfolio Effect, of COGEH.

#### **6.2.2 Contingent Resources**

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development (TUD), but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Contingencies may include economic, environmental, social and political factors, regulatory matters, a lack of markets or prolonged timetable for development. Contingent Resources have a Chance of Development that is less than certain.

Contingent resources are further categorized according to their level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

Project Maturity Sub-Classes are: Development Pending, Development on Hold, Development Unclassified and Development Not Viable, as demonstrated in the chart below (Section 6.3).

Reports on Contingent Resources must specify the level of maturity and usually include 1C, 2C and 3C estimates.

There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.

### **6.2.3 Prospective Resources**

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated Chance of Discovery and a Chance of Development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The project maturity subclasses describe the stage of exploration and broadly correspond to chance of commerciality from in increasing order from "play" to "lead" to "prospect" as demonstrated in the chart below (Section 6.3).

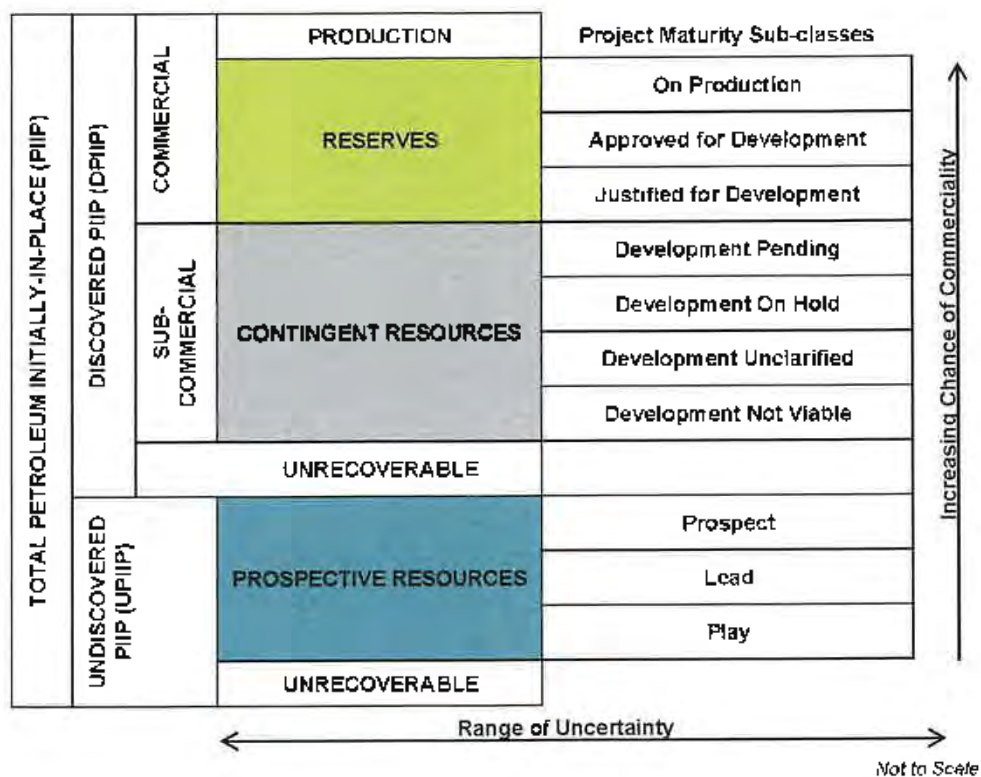
A "play" is a family of geologically similar fields, discoveries, prospects and leads. It would have the lowest chance of commerciality in these project maturity subclasses.

A "lead" is a potential accumulation within a play that requires more data acquisition and/or evaluation in order to be classified as a prospect.

A "prospect" is a potential accumulation within a play that is sufficiently well defined to represent a viable drilling target. A "prospect" would have the highest chance of commerciality.

There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

### 6.3 Project Maturity Sub-Classes



## 7. SITE VISIT

A personal field examination of these properties was not considered to be necessary because the data available from the Company's records and public sources were satisfactory for our purposes.

## Attachment 1

**CHAPMAN PETROLEUM ENGINEERING LTD.  
INTERNATIONAL CRUDE OIL and NATURAL GAS  
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES**

January 1, 2023

Date	WTI [1] \$US/STB	Brent Spot (ICE)[2] \$US/STB	Europe Natural Gas[3] \$US/MMBTU	Henry Hub Gas[4] \$US/MMBTU	Exchange Rate \$CDN/\$US
<b>HISTORICAL PRICES</b>					
2012	94.05	111.63	11.47	2.75	1.00
2013	97.98	108.56	11.79	3.73	0.97
2014	93.12	99.43	10.05	4.35	0.91
2015	48.69	53.32	8.82	2.76	0.78
2016	43.17	45.06	4.56	2.50	0.76
2017	50.86	54.75	5.72	2.96	0.77
2018	64.92	71.64	7.68	3.18	0.77
2019	57.00	64.11	4.80	2.57	0.75
2020	39.54	43.40	3.24	2.02	0.76
2021	67.89	70.39	16.12	3.91	0.80
2022	94.73	100.62	40.73	6.45	0.77

**CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)**

91.80	97.03	N/A	6.03	0.78
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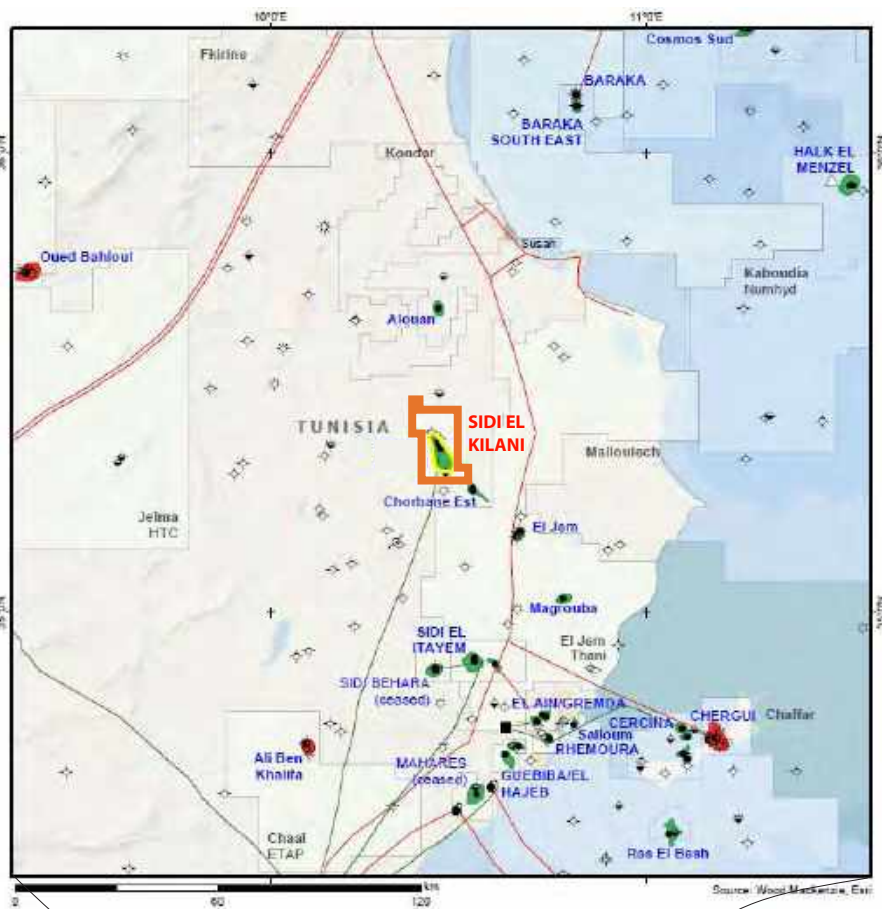
**FORECAST PRICES**

2023	79.64	83.17	32.00	4.44	0.75
2024	78.15	82.38	26.00	4.28	0.76
2025	76.78	80.60	20.00	4.31	0.78
2026	77.29	82.21	20.00	4.40	0.78
2027	76.84	83.66	20.00	4.49	0.78
2028	80.42	85.53	20.00	4.58	0.78
2029	82.02	87.25	20.00	4.67	0.78
2030	83.66	88.99	20.00	4.76	0.78
2031	85.34	90.77	20.00	4.86	0.78
2032	87.04	92.59	20.00	4.96	0.78
2033	88.79	94.44	20.00	5.06	0.78
2034	90.56	96.33	20.00	5.16	0.78
2035	92.37	98.25	20.00	5.26	0.78
2036	94.22	100.22	20.00	5.36	0.78
2037	96.10	102.22	20.00	5.47	0.78

**Escalated 2% thereafter**

- Notes:
- [1] West Texas Intermediate quality (D2/S2) crude (40API) landed in Cushing, Oklahoma.  
(Actual WTI strip oil prices are: \$US78.64/STB in 2023; \$US74.42/STB in 2024; \$US70.16/STB in 2025)
  - [2] The Brent Spot price is estimated based on historic data.  
(Actual Brent strip oil prices are: \$US83.17/STB in 2023; \$US78.46/STB in 2024; \$US74.63/STB in 2025)
  - [3] World Bank Commodities Price Forecast (nominal US dollars) - October - 2022 - forecasts (1st three yrs.), then future estimate.
  - [4] Henry Hub Spot is natural gas traded on the New York Mercantile Exchange (NYMEX).





Source: Google Earth

**ZENITH ENERGY LTD.**

**COMPANY CONCESSIONS**

**TUNISIA**

**ORIENTATION MAP**

**APR. 2023**

**JOB No. 6925**

★ Area of Interest

**Chapman** Petroleum Engineering Ltd.



## EXECUTIVE SUMMARY

This Executive Summary presents an overview of the Company's properties and results of the evaluation and, in particular, addresses the information required by the European Securities and Markets Authority (ESMA), Section 132.

- (a) Details of the reserves being evaluated have been established under COGEH (NI 51-101) standards are presented with their associated net present values on the attached Table 1 in the Summary and repeated on Table 4 in the Discussion of each of the three properties in the report. The production and cash flow analyses are presented in Tables 4a, 4b and 4c, for the Proved Developed Producing and Proved Plus Probable Developed Producing and Proved Plus Probable Reserves, respectively, for each property.
- (b) The anticipated project life of these overall properties based on the established Proved Plus Probable Reserves also 15 to 20 years.
- (c) The Company owns a 45% working interest in the Ezzaouia Sidi Al Kilani (SLK) Concessions and a 100% working interest in the El Bibane and Robbana Concessions, which are located in the Jaffara Basin on coastal Tunisia Ezzaouia and Robbana, which are onshore and El Bibane, which is 18 km offshore, and Sidi El Kilani (SLK) Concession, Tunisia, which is located onshore in the Pelagian Basin, around 190 Km south of Tunis. The El Bibane concession covers 56,340 acres (228 Km<sup>2</sup>), Ezzaouia covers 9884 acres (40 Km<sup>2</sup>), Robbana covers 11,861 acres (48 km<sup>2</sup>) and Sidi El Kilani (SLK) Concession covers approximately 50,409 acres (204 km<sup>2</sup>). The combined fields contain 14 active wells. The Block is governed under a fiscal regime, the terms of which are presented in Table 1 in the Discussion of each property.
- (d) These concessions are located onshore and offshore as described above, in a highly developed oil and gas region in Tunisia. The oil fields produce from the Cretaceous and Jurassic formations and are generally pipeline connected to major facilities for sales. Gas is used in the operations and in some cases reinjected, but once exploited can be marketed to a local electricity generation facility.
- (e) The results of this evaluation are based on facts and assumptions typical of this type of engagement. It should be noted that under COGEH Section 7.8.2 evaluations are conducted without consideration of the availability of capital for funding the scheduled development. The product price forecasts used for this evaluation, shown in Attachment 1, are based on history and analysis and reflect the industry consensus as of the effective date of the report, however variations may occur and the variations could be material.

## SUMMARY OF COMPANY RESERVES AND ECONOMICS

### INDEX

#### Forecast Prices and Costs

Table 1:	Summary of Company Reserves and Economics – Before Income Tax.....	25
Table 1T:	Summary of Company Reserves and Economics – After Income Tax.....	26

**Table 1**  
**Summary of Company Reserves and Economics**  
**Before Income Tax**  
**April 1, 2023**  
**Zanith Energy Ltd.**  
**Tunisian Properties**

Description	Net To Appraised Interest										
							Cumulative Cash Flow (BIT) - M\$				
	Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mmbbls		Discounted at:				
	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Reserve Category											
PROVED											
Proved Developed Producing											
Ezzaoula Concession	222	208	0	0	0	0	1,942	1,908	1,873	1,842	1,813
Sidi El Kilani (SLK) Concession	829	728	0	0	0	0	27,409	22,296	18,413	15,551	13,426
Total Proved Developed Producing	1,051	936	0	0	0	0	29,351	24,202	20,286	17,393	15,239
Proved Developed Non-Producing											
El Bibane Concession	0	0	5,868	5,403	91	84	89,219	74,270	62,660	53,483	46,115
Total Proved Developed Non-Producing	0	0	5,868	5,403	91	84	89,219	74,270	62,660	53,483	46,115
Total Proved	1,051	936	5,868	5,403	91	84	118,570	98,472	82,946	70,876	61,354
PROBABLE											
Probable Developed Producing (incremental)											
Ezzaoula Concession	127	113	0	0	0	0	3,909	3,941	3,867	3,736	3,576
Total Probable Developed Producing	127	113	0	0	0	0	3,909	3,941	3,867	3,736	3,576
Probable Developed Non-Producing (incremental)											
El Bibane Concession	0	0	5,515	4,971	86	77	115,099	96,142	81,628	70,297	61,293
Total Probable Developed Non-Producing	0	0	5,515	4,971	86	77	115,099	96,142	81,628	70,297	61,293
Probable Undeveloped											
Ezzaoula Concession	294	269	0	0	0	0	6,675	5,566	4,543	3,656	2,907
Sidi El Kilani (SLK) Concession	1,464	1,289	0	0	0	0	102,100	68,307	45,815	33,221	25,007
Robbana Concession	748	718	0	0	0	0	31,841	23,544	17,599	13,257	10,032
Total Probable Undeveloped	2,504	2,276	0	0	0	0	140,616	95,417	67,957	50,134	37,946
Total Probable	2,631	2,389	5,515	4,971	86	77	259,624	195,500	153,452	124,167	102,815
Total Proved Plus Probable	3,682	3,325	11,381	10,374	177	161	378,194	293,972	238,398	195,043	164,169
POSSIBLE											
El Bibane Concession	0	0	5,690	5,154	89	80	89,025	77,898	68,368	60,628	54,147
Robbana Concession	281	264	0	0	0	0	19,120	14,786	11,708	9,481	7,807
Total Possible	281	264	5,690	5,154	89	80	108,145	92,482	80,076	70,107	61,954
Total Proved Plus Probable Plus Possible	3,963	3,588	17,071	15,528	266	241	486,339	386,434	318,474	265,150	226,123

M\$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

**Table 1T**  
**Summary of Company Reserves and Economics**  
**After Income Tax**  
**April 1, 2023**  
**Zenth Energy Ltd.**  
**Tunisian Properties**

Description	Net To Appraised Interest						Cumulative Cash Flow (BIT) - M\$				
	Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mmbbls		Discounted at:				
	Gross	Net	Gross	Net	Gross	Net	Undisc.				
								5%/year	10%/year	15%/year	20%/year
Reserve Category											
PROVED											
Proved Developed Producing											
Ezzaouis Concession	222	206	0	0	0	0	971	1,130	1,238	1,309	1,355
Sidi El Kilani (SLK) Concession	829	729	0	0	0	0	12,334	10,280	8,683	7,487	6,588
Total Proved Developed Producing	1,051	935	0	0	0	0	13,305	11,410	9,921	8,796	7,943
Proved Developed Non-Producing											
El Bibane Concession	0	0	5,866	5,403	91	84	44,610	36,778	30,689	25,873	22,004
Total Proved Developed Non-Producing	0	0	5,866	5,403	91	84	44,610	36,778	30,689	25,873	22,004
Total Proved	1,051	935	5,866	5,403	91	84	57,915	48,188	40,610	34,669	29,947
PROBABLE											
Probable Developed Producing (Incremental)											
Ezzaouis Concession	127	113	0	0	0	0	1,954	1,794	1,632	1,480	1,430
Total Probable Developed Producing	127	113	0	0	0	0	1,954	1,794	1,632	1,480	1,430
Probable Developed Non-Producing (Incremental)											
El Bibane Concession	0	0	5,515	4,971	88	77	54,671	45,938	39,209	33,923	29,700
Total Probable Developed Non-Producing	0	0	5,515	4,971	88	77	54,671	45,938	39,209	33,923	29,700
Probable Undeveloped											
Ezzaouis Concession	294	156	0	0	0	0	3,337	2,615	1,968	1,417	955
Sidi El Kilani (SLK) Concession	1,464	1,289	0	0	0	0	45,945	30,473	21,432	15,770	12,014
Robbana Concession	746	718	0	0	0	0	15,821	11,280	7,940	5,537	3,773
Total Probable Undeveloped	2,504	2,163	0	0	0	0	64,803	44,368	31,341	22,724	16,742
Total Probable	2,631	2,276	5,515	4,971	88	77	121,828	92,100	72,182	58,127	47,872
Total Proved Plus Probable	3,682	3,211	11,381	10,374	177	161	179,443	140,288	112,792	92,798	77,819
POSSIBLE											
El Bibane	0	0	5,690	5,154	89	80	40,243	35,490	31,520	28,171	25,334
Robbana Concession	281	264	0	0	0	0	9,560	6,893	5,116	3,810	3,083
Total Possible	281	264	5,690	5,154	89	80	49,803	42,379	36,636	32,081	28,397
Total Proved Plus Probable Plus Possible	3,963	3,475	17,071	15,528	266	241	229,246	182,667	149,428	124,877	106,216

**M\$ means thousands of dollars.**

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

**EL BIBANE CONCESSION**  
**TUNISIA**  
**INDEX**

<b>Discussion.....</b>	<b>28</b>
Property Description.....	28
Geology.....	28
Reserves.....	29
Production.....	29
Product Prices.....	30
Capital Expenditures.....	30
Operating Costs.....	30
Economics.....	30
 <b>Attachments</b>	
Figure 1: Land and Well Map.....	31
Table 1: Schedule of Lands, Interests and Royalty Burdens.....	32
Figure 2: Geological Maps and Figures	
a) Stratigraphic Chart – Jaffara Basin.....	33
b) Zebbag Structure Depth Map.....	34
Table 2: Summary of Gross Reserves.....	35
Table 3: Summary of Anticipated Capital Expenditures	
a) Development.....	36
b) Abandonment and Reclamation.....	37
Table 4: Summary of Company Reserves and Economics – BIT.....	38
Table 4T: Summary of Company Reserves and Economics – AIT.....	39
 <u>Production Forecast and Cash Flow Analysis</u>	
a) Proved Developed Producing Reserves .....	40
b) Probable Developed Producing Reserves .....	45
c) Proved Plus Probable Plus Possible Reserves .....	50

## **EL BIBANE CONCESSION**

### **TUNISIA**

#### **DISCUSSION**

##### **Property Description**

The Company owns a 100% working interest in the El Bibane Concession, in Tunisia. It is comprised of 56,340 acres of land (228 Km squared) and is located about 18 km offshore Tunisia in 25 feet of water depth. The Concession currently contains a total of three wells, including one oil/gas producer, which is under a gas cycling scheme, a gas injector and one suspended well. A number of former producers have been abandoned. The oil reserves from this reservoir are practically depleted and full gas cap blowdown is imminent, as discussed later.

Production is subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures. The criteria for gas and oil are slightly different.

A map showing the Concession boundary and producing well locations is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

##### **Geology**

The Concession is within the Jaffara Basin, a WNW-ESE trending Permo-Triassic, extensional basin, which occupies a hinge-zone between the Palaeozoic Berfine/Ghandames Basin to the SSW and the Jurassic to Tertiary, Pelagian/Sabratia Basin to the NNE.

The El Bibane structure is a faulted four-way dip-controlled anticline. The producing reservoir on the concession is the Cretaceous (Albian) Zebbag carbonate, as shown on the Stratigraphic chart, Figure 2a. The Cretaceous Zebbag reservoir is the Lower Zebbag formation, a slightly calcareous dolomite, which contains a gas cap and an oil leg underlain by water. A depth structure map at the top of the Zebbag is presented on Figure 2b.

## Reserves

Total Proved Developed Producing Reserves of 41 MSTB of oil, 5,866 MMscf of marketable gas and 145 MBbls of condensate have been estimated for the Zebbag reservoir. These reserves have been based on the assumption of the continuation of the existing oil production from EBB-5 and gas cycling scheme with injection into EBB-4H, during 2022 and 2023, after which full gas cap blowdown would be initiated. A local market exists for the gas, as feedstock to a nearby electrical generation facility.

Incremental Probable and Possible gas and condensate reserves have been estimated for the recovery of the gas under various less certain scenarios. The original gas in place has been determined to be about 29,100 MMscf, of which 22,620 MMscf have been produced, (some of which may have been recycled gas). A volume of 18,810 MMscf has been reinjected, therefore only 3,810 MMscf have actually been removed from the reservoir, leaving about 25,290 MMscf currently in the reservoir.

To efficiently recover the gas in blowdown, two circumstances need to be considered. The gas has been reinjected downdip from the crest of the reservoir and water encroachment has been experienced during the cycling phase.

We have made conservative assumptions that for Proved reserves approximately 25% of the gas would be recovered producing both wells at a combined rate of 3,000 Mscf/d. Similarly, for the Probable reserves we have assumed that 50% of the gas would be recovered at a rate of 6,000Mscf/d add for Possible reserves 75% of the gas at 9,000 Mscf/d.

A summary of the Reserves is presented on Table 2 (two pages). The production forecasts for each case are demonstrated on Page One of the economic analysis, Tables 4a, 4b and 4c.

## Production

Current production from well EBB-5 is averaging 90 STB/d, and 6,000 Mscf/d of associated gas. The gas is being processed for condensate recovery at about 14 Bbls/MMscf and all the gas not used for operations is being reinjected into well EBB-4H.

Commencing in 2023 it has been assumed that full gas cap blowdown would commence, as discussed above.

## **Product Prices**

A 2022 blended oil/condensate price of \$99.93/STB has been used for this evaluation reflecting a premium of \$2.00/STB against the posted Brent crude price throughout the forecast, resulting from the high quality after blending with condensate. A gas price based on the World Bank European Forecast has been used, in the absence of more definitive information.

## **Capital Expenditures**

Total capital expenditures of \$8,000,000 have been estimated for the overall property, which includes well work related to the gas cap blowdown and gas facility upgrades.

The capital expenditures are presented in Table 3a. Abandonment costs are summarized on Table 3b

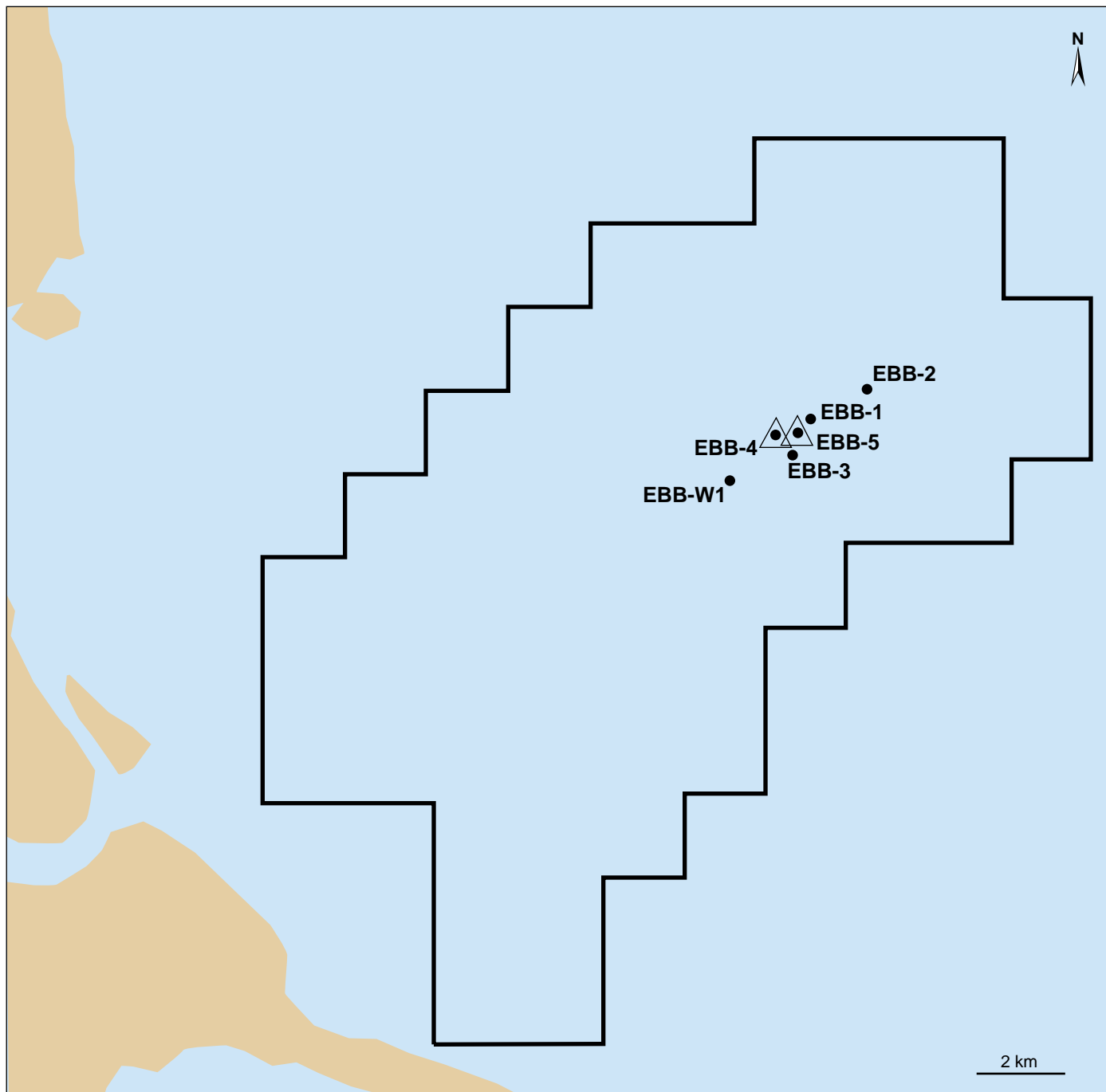
## **Operating Costs**

Operating costs have been estimated to be \$1,750,000 per year and an additional \$120,000 per well per year (fixed) plus \$4.00/STB and \$0.50/Mscf (variable), based on our best judgement from information from other properties in the area.

## **Economics**

The results of the economic analysis are summarized in Table 4 and 4T for the before and after-tax cases respectively. The full economic analyses are presented in Table 4a, 4b and 4c, and have been presented in spread sheet format to allow for proper handling of the fiscal regime.





△ Producers

**ZENITH ENERGY LTD.**

**EL BIBANE CONCESSION**

**TUNISIA**

**LAND AND WELL MAP**

APR. 2023

JOB No. 6925 FIGURE No. 1

Table 1

**Schedule of Lands, Interests and Royalty Burdens**  
**April 1, 2023**

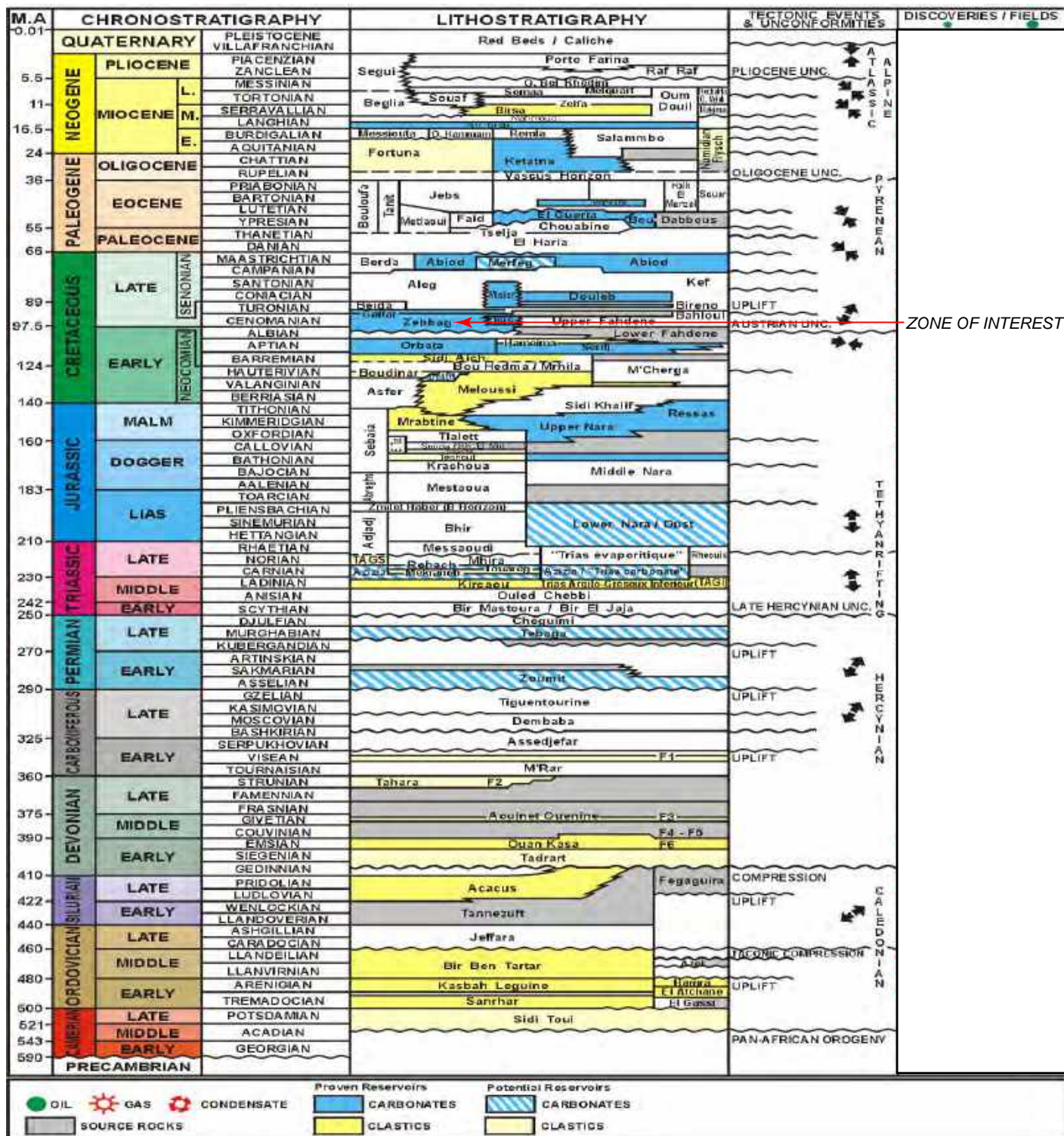
**Zenith Energy Ltd**

**El Bibane Concession, Tunisia**

<u>Description</u>	<u>Gross Acres</u>	<u>Appraised Interest</u>		<u>Royalty Burdens</u>	
		<u>Working %</u>	<u>Royalty %</u>	<u>Basic %</u>	<u>Overriding %</u>
Ezzaouia Concession	228 Km squared (56,340 Acres)	100.0000	-	{1}	-

Note: [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

	<u>Oil</u>	<u>Gas</u>		
Royalty Rate =	2%	2%	When "R" Factor is	< 0.5
	5%	4%		0.5 to 0.8
	7%	6%		0.8 to 1.1
	10%	8%		1.1 to 1.5
	12%	9%		1.5 to 2.0
	14%	10%		2.0 to 2.5
	15%	11%		> 2.5



Source: Candax Presentation, June 2019, p. 2

**ZENITH ENERGY LTD.**

**EL BIBANE CONCESSION**

**TUNISIA**

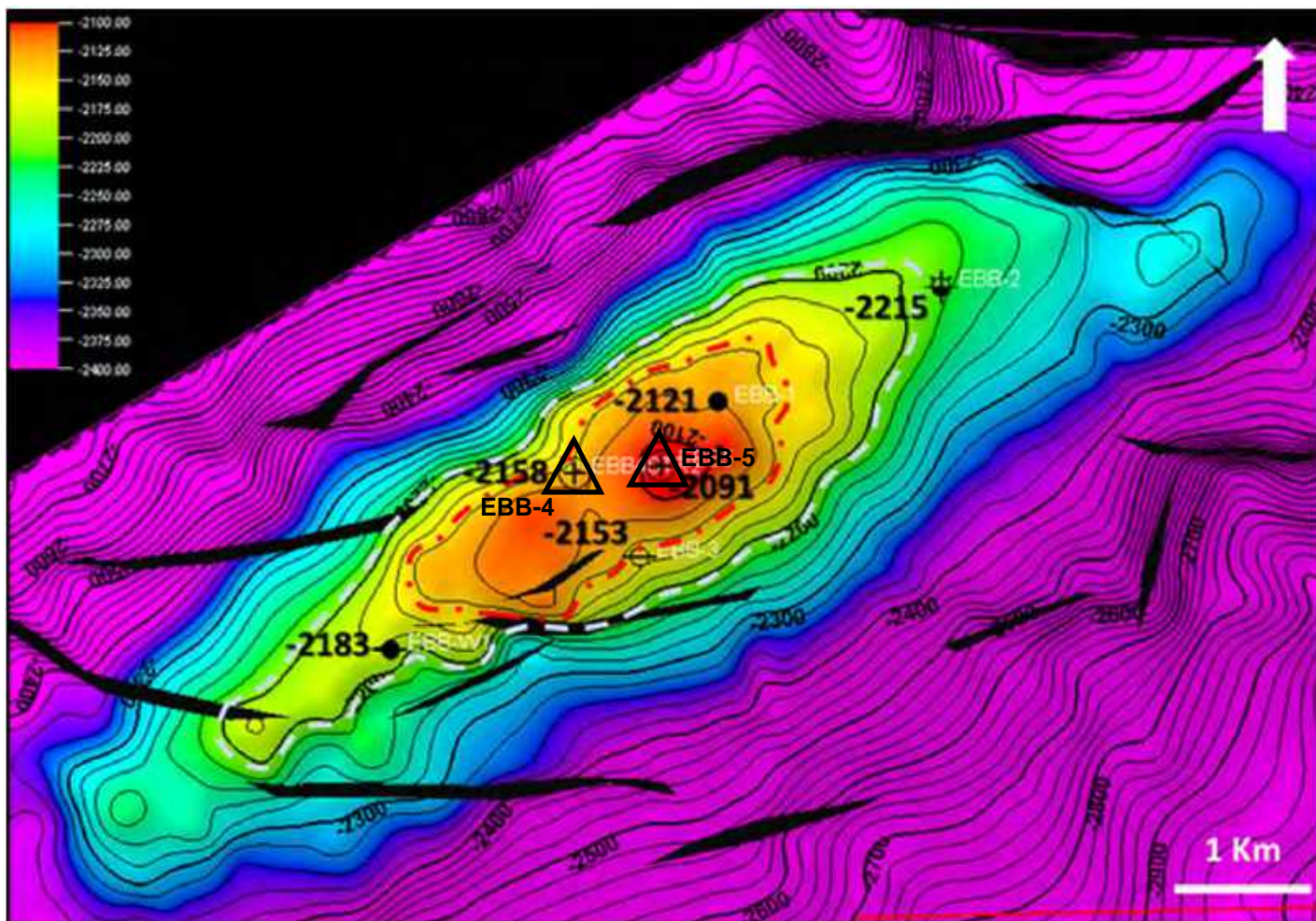
**STRATIGRAPHIC CHART**

APR. 2023

JOB No. 6925 FIGURE No. 2a

**Chapman** Petroleum Engineering Ltd.





△ Producers

**ZENITH ENERGY LTD.**

**EL BIBANE CONCESSION**

TUNISIA

**STRUCTURAL CONTOUR  
DEPTH MAP ON ZEBBAG FM**

C.I. = 20 m

APR. 2023

JOB No. 6925

FIGURE No. 2b

Table 2

**Summary of Gross Resources**  
**April 1, 2023**

**El Bibanc Concession, Tunisia**

Description		Predicted Initial Rate Mscf/d	Raw Gas (MMscf)	Sales Gas (MMscf)	NGLs (MBbls)	Reference
<b><u>Associated Gas</u></b>						
<b>Proved Developed Non-Producing</b>						
Gas Cap Blowdown	Zebbag	3,000	5,517	5,866	145	Table 4a
<b><u>Probable (incremental)</u></b>						
Gas Cap Blowdown	Zebbag	6,000	6,128	5,515	32	Table 4b
<b>Total Proved Plus Probable</b>			12,645	11,381	177	
<b><u>Possible (incremental)</u></b>						
Gas Cap Blowdown	Zebbag	9,000	6,322	5,890	69	Table 4c
<b>Total 3P</b>			18,967	17,070	265	

**Table 3a**

**Summary of Anticipated Capital Expenditures  
Development**

**April 1, 2023**

**Zenith Energy Ltd**

**El Bibane Concession, Tunisia**

<b>Description</b>	<b>Date</b>	<b>Operation</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
<b>Reserves (all cases)</b>					
Gas Cap Blowdown	2023	Equip EBR-5 and EBR-4H for gas production	100.0000	3,000	3,000
Gas Cap Blowdown	2023	Gas Facility Enhancement	100.0000	5,000	5,000
<b>Total Contingent Resources</b>				<b>8,000</b>	<b>8,000</b>

Note: **M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

**Table 3b**  
**Summary of Anticipated Capital Expenditures**  
**Abandonment and Restoration**

April 1, 2023

Zenith Energy Ltd

El Bibane Concession, Tunisia

Description	Well Parameters	Capital Interest %	Gross Capital M\$	Net Capital M\$
<b>Contingent Resources (all cases)</b>				
El Bibane Wells	Two producing gas wells	100.0000	1,000	1,000
Inactive wells	One inactive well	100.0000	500	500
<b>Total Proved Developed Producing</b>			<b>1,500</b>	<b>1,500</b>

Note: **M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

Table 4  
Summary of Company Reserves and Economics  
Before Income Tax  
April 1, 2022  
Zenith Energy Ltd.  
El Bibane Concession, Tunisia

Description		Net To Appraised Interest								
		Conventional Natural Gas MMscf				Cumulative Cash Flow (BIT) - M\$				
						Discounted at:				
		NGL Mbbbls		Undisc.	5%/year					
Gross	Net	Gross	Net							
Reserve Category	Formation Name									
PROVED										
Proved Developed Non-Producing										
Gas Cap Blowdown	Zebbag	5,866	5,403	91	84	89,219	74,270	62,660	53,483	46,115
Total Proved Developed Non-Producing		5,866	5,403	91	84	89,219	74,270	62,660	53,483	46,115
PROBABLE										
Probable Developed Non-Producing (incremental)										
Gas Cap Blowdown	Zebbag	5,515	4,971	86	77	115,099	96,142	81,628	70,297	61,293
Total Probable Developed Non-Producing		5,515	4,971	86	77	115,099	96,142	81,628	70,297	61,293
Total Proved Plus Probable Developed Non-Producing		11,381	10,374	177	161	204,318	170,412	144,288	123,780	107,408
POSSIBLE										
Possible Developed Non-Producing (incremental)										
Gas Cap Blowdown	Zebbag	5,690	5,154	89	80	89,025	77,696	66,368	60,626	54,147
Total Possible Developed Non-Producing		5,690	5,154	89	80	89,025	77,696	66,368	60,626	54,147
Total 3P Developed Non-Producing		17,071	15,528	266	242	293,343	248,108	212,656	164,405	161,555

M\$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than \$500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf).



Table 4T  
Summary of Company Reserves and Economics  
After Income Tax  
April 1, 2022  
Zenith Energy Ltd.  
El Bibana Concession, Tunisia

Description		Net To Appraised Interest								
		Conventional Natural Gas MMscf				Cumulative Cash Flow (AIT) - M\$				
						NGL Mbbbls		Discounted at:		
		Gross	Net	Gross	Net			Undisc.	5%/year	10%/year
Reserve Category	Formation Name									
PROVED										
Proved Developed Non-Producing										
Gas Cap Blowdown	Zebbag	5,866	5,403	91	84	44,610	36,778	30,689	25,873	22,004
Total Proved Developed Producing		5,866	5,403	91	84	44,610	36,778	30,689	25,873	22,004
PROBABLE										
Probable Developed Non-Producing (incremental)										
Gas Cap Blowdown	Zebbag	5,515	4,971	86	77	54,671	45,938	39,209	33,923	29,700
Total Probable Developed Non-Producing		5,515	4,971	86	77	54,671	45,938	39,209	33,923	29,700
Total Proved Plus Probable Developed Non-Producing		11,381	10,374	177	161	99,281	82,716	69,898	59,796	51,704
POSSIBLE										
Possible Developed Non-Producing (incremental)										
Gas Cap Blowdown	Zebbag	5,690	5,154	89	80	40,243	35,496	31,520	28,171	25,334
Total Possible Developed Non-Producing		5,690	5,154	89	80	40,243	35,496	31,520	28,171	25,334
Total Proved Plus Probable Plus Possible Non-Producing		17,071	15,528	266	242	139,524	118,213	101,418	87,967	77,039

M\$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than \$500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf).

Table 4a, Page 1

**Zenith Energy Ltd**  
**El Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production and Capital Forecast - Proved Developed Non-Producing Reserves**

Gas Cap Blowdown											
Year	Days On	Well Count	Oil Production		Total GAS Production		Condensate		Capital Expenditures - M\$		
			STB/d	STB/yr	Mscf/d	Mscf/yr	Bbl/MMscf	Bbl/yr	Facility Enhancement	Well Work	Total Capital (Escalated)
2023	365	2	0.0	0	0	0	14	0	5000	3000	8000
2024	365	2	Blowdown phase (EBB-5 & EBB-4H)		3,000	1,095,000	14	15,330	0	0	0
2025	365	2			3,000	1,095,000	14	15,330	0	0	0
2026	365	2			3,000	1,095,000	14	15,330	0	0	0
2027	365	2			3,000	1,095,000	14	15,330	0	0	0
2028	365	2			2,400	876,000	14	12,264	0	0	0
2029	365	2			1,920	700,800	14	9,811	0	0	0
2030	365	2			1,536	560,640	14	7,849	0	0	0
				0.0		6,517,440		91,244	5,000	3,000	8,000
Later decline rate					20%				5000	1500	
									0	0	
									1	2	
									0	0	

Table 4a, Page 2

**Zenith Energy Ltd**  
**EI Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - Proved Developed Non-Producing Reserves**  
**Before Income Tax**

	Gross Oil Sales	Gross Gas Production	Gross Gas Sales	Gross Condensate Sales	Gas Price	Oil/Cond Price	Gross Revenue	Royalty Rate	Royalty	Export Payment	Operating Costs - M\$/yr.			
Year	STB/yr	Mscf/yr	Mscf/yr	Bbls/yr	\$/Mscf	\$/Bbl	M\$/yr.	%	M\$/yr.	\$/yr.	Fixed	Variable - oil	Variable - gas	Total (Escalated)
2023	0	0	0	0	\$32.00	\$85.17	\$0	7%	\$0	\$0	678	0	0	678
2024	0	1,095,000	985,500	15,330	\$28.00	\$84.38	\$28,888	6%	\$1,733	\$289	1,990	0	548	2,588
2025	0	1,095,000	985,500	15,330	\$20.00	\$82.60	\$20,976	6%	\$1,259	\$210	1,990	0	548	2,640
2026	0	1,095,000	985,500	15,330	\$20.00	\$84.21	\$21,001	6%	\$1,260	\$210	1,990	0	548	2,693
2027	0	1,095,000	985,500	15,330	\$20.00	\$85.86	\$21,026	6%	\$1,662	\$210	1,990	0	548	2,747
2028	0	876,000	788,400	12,264	\$20.00	\$87.53	\$16,842	8%	\$1,347	\$168	1,990	0	438	2,681
2029	0	700,800	630,720	9,811	\$15.00	\$89.24	\$10,336	8%	\$827	\$103	1,791	0	350	2,412
2030	0	550,540	504,576	7,849	\$15.00	\$90.99	\$8,283	8%	\$663	\$83	1,592	0	280	2,151
<b>Totals</b>	<b>0</b>	<b>6,517,440</b>	<b>5,865,696</b>	<b>91,244</b>			<b>127,352</b>		<b>\$8,771</b>	<b>\$1,274</b>	<b>\$14,011</b>	<b>\$0</b>	<b>\$3,259</b>	<b>\$18,588</b>
<b>Company Gross</b>	<b>0</b>		<b>5,865,696</b>	<b>91,244</b>			<b>\$127,352</b>		<b>\$8,771</b>	<b>\$1,274</b>	<b>\$14,011</b>	<b>\$0</b>	<b>\$3,258.72</b>	<b>\$18,588</b>
<b>Company Net</b>	<b>0</b>		<b>5,403,063</b>	<b>84,048</b>						1%	1,750	\$4.00	\$0.50	
		Shrinkage	10%		\$0.00	\$2.00					M\$/yr	\$/STB	\$/Mscf	
					Price Differential						\$120			
											M\$/well/yr			

Table 4a, Page 2 continued

**Zenith Energy Ltd**  
**El Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - Proved Producing Reserves**

**Before Income Tax**

Year	Project Total Revenue (Operating Cash Flow) M\$/yr.	Total Capital Costs M\$/yr.	Abandon & Reclaim M\$/yr.	Project Undiscounted Net Cash Flow (Profit) M\$/yr.	Company's Share Undiscounted Net Cash Flow (Profit) M\$/yr.	t	Company Share Discounted @				World Bank Brent Crude	
							5%	10%	15%	20%		
							M\$	M\$	M\$	M\$	\$/Mscf	\$/STB
2023	(678)	8,000	0	(8,678)	(8,678)	0.38	(8,518)	(8,369)	(8,229)	(8,097)	32.00	83.17
2024	24,277	0	0	24,277	24,277	1.38	22,698	21,285	20,019	18,877	28.00	82.38
2025	16,868	0	0	16,868	16,868	2.38	15,019	13,445	12,095	10,930	20.00	80.60
2026	16,838	0	0	16,838	16,838	3.38	14,278	12,201	10,499	9,092	20.00	82.21
2027	16,387	0	0	16,387	16,387	4.38	13,234	10,795	8,885	7,374	20.00	83.86
2028	12,645	0	0	12,645	12,645	5.38	9,726	7,572	5,962	4,742	20.00	85.53
2029	6,995	0	0	6,995	6,995	6.38	5,124	3,808	2,868	2,186	15.00	87.24
2030	5,387	0	1,500	3,887	3,887	7.38	2,711	1,924	1,386	1,012	15.00	88.99
<b>Totals</b>	<b>98,719</b>	<b>8,000</b>	<b>1,500</b>	<b>89,219</b>	<b>89,219</b>		<b>74,270</b>	<b>62,660</b>	<b>53,483</b>	<b>46,115</b>	<b>1</b>	<b>1.02</b>
	<b>98,719</b>	<b>8,000</b>	<b>1,500</b>	<b>89,219</b>	<b>100.0%</b>							

## Zenith Energy Ltd

## El Bibane - Zebbag Gas Cap Blowdown

April 1, 2023

## Production Streams, Revenues and Cash Flows - Proved Developed Non-Producing Reserves

## After Income Tax

Company Working Interest	100.0%
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Interest	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%		Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash flow	Company Share Discounted @				
											5%	10%	15%	20%	
Year	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	%	M\$/yr.	M\$/yr.	t	M\$	M\$	M\$	M\$
2023	(678)	\$8,000	\$0	\$0	\$1,600	\$1,600	(\$2,278)	50%	(\$1,139)	(\$7,539)	0.38	(7,400)	(7,271)	(7,148)	(7,034)
2024	24,277	\$0	\$0	\$0	\$1,600	\$1,600	\$22,677	50%	\$11,339	\$12,999	1.38	12,096	11,344	10,669	10,080
2025	16,868	\$0	\$0	\$0	\$1,600	\$1,600	\$15,268	50%	\$7,634	\$9,234	2.38	8,222	7,360	6,621	5,983
2026	16,838	\$0	\$0	\$0	\$1,600	\$1,600	\$15,238	50%	\$7,619	\$9,219	3.38	7,617	6,680	5,748	4,978
2027	16,387	\$0	\$0		\$1,600	\$1,600	\$14,787	50%	\$7,394	\$8,994	4.38	7,263	5,924	4,876	4,047
2028	12,645	\$0	\$0			\$0	\$12,645	50%	\$6,323	\$6,323	5.38	4,883	3,786	2,981	2,371
2029	6,995	\$0	\$0			\$0	\$6,995	50%	\$3,497	\$3,497	6.38	2,562	1,904	1,434	1,093
2030	5,387	\$0	\$1,500			\$0	\$3,887	50%	\$1,943	\$1,943	7.38	1,366	962	693	506
Totals	98,719	8,000	1,500	0	8,000	8,000	89,219		44,610	44,610		36,778	30,689	25,873	22,004

## Zenith Energy Ltd

## El Bibane - Zebbag Gas Cap Blowdown

April 1, 2023

## R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Developed Non-Producing Reserves

Year	Gross Revenue M\$/yr.	Royalty M\$/yr.	Corp Tax (Grossed Up) M\$/yr.	Net Revenue M\$/yr.	Cumulative Net Revenue M\$	Operating Costs M\$/yr.	Capital Costs M\$/yr.	Total Expenditures M\$/yr.	Cumulative Expenditures M\$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$0	\$0	(\$1,139)	\$1,139	\$89,329	678	8,000	8,678	\$104,678	0.85	6%	50%
2024	\$28,868	\$1,733	\$11,339	\$15,816	\$105,144	2,588	0	2,588	\$107,266	0.98	6%	50%
2025	\$20,976	\$1,259	\$7,634	\$12,084	\$117,228	2,640	0	2,640	\$109,908	1.07	6%	50%
2026	\$21,001	\$1,260	\$7,619	\$12,122	\$129,350	2,693	0	2,693	\$112,599	1.15	6%	50%
2027	\$21,026	\$1,662	\$7,394	\$11,951	\$141,301	2,747	0	2,747	\$115,345	1.23	6%	50%
2028	\$16,842	\$1,347	\$8,323	\$9,172	\$150,472	2,681	0	2,681	\$118,026	1.27	6%	50%
2029	\$10,336	\$627	\$3,497	\$6,012	\$156,484	2,412	0	2,412	\$120,438	1.30	6%	50%
2030	\$6,283	\$653	\$1,943	\$5,677	\$162,161	2,151	0	2,151	\$122,588	1.32	6%	50%
<b>Totals</b>	\$127,352	\$8,771	\$44,610	\$73,971		\$18,588	\$8,000	\$26,588				
			1.0 WI Factor	est Opening Balance	\$86,190			est Opening Balance	\$96,000	0.92	7%	50%
										Applies Subsequent Year		

Table 4b, Page 1

**Zenith Energy Ltd**  
**Ei Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production and Capital Forecast - Proved Plus Probable Developed Non-Producing Reserves**

Gas Cap Blowdown												
			Oil Production		Total GAS Production		Condensate		Capital Expenditures - M\$			
Year	Days On	Well Count	STB/d	STB/yr	Mscf/d	Mscf/yr	Bbl/MMscf	Bbl/yr	Facility Enhancem ent	Well Work	Total Capital (Escalated)	
2023	0	2	0.0	0	0	0	14	0	5000	3000	8000	
2024	365	2	Blowdown phase (EBB-5 &EBB-4H)			6,000	2,190,000	14	30,660	0	0	0
2025	365	2				6,000	2,190,000	14	30,660	0	0	0
2026	365	2				6,000	2,190,000	14	30,680	0	0	0
2027	365	2				6,000	2,190,000	14	30,660	0	0	0
2028	365	2				4,556	1,663,059	14	23,283	0	0	0
2029	365	2				3,460	1,262,906	14	17,681	0	0	0
2030	365	2						2,627	959,035	14	13,426	0
				0.0		12,645,000		177,030	5,000	3,000	8,000	
Later decline rate						24%			5000	1500		
							2022		0	0		
							2023		1	2		
							2024		0	0		

Table 4b, Page 2

**Zenith Energy Ltd**  
**El Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - Probable Developed Non-Producing Reserves**

**Before Income Tax**

Year	Gross Oil Sales	Gross Gas Production	Gross Gas Sales	Gross Condensate Sales	Gas Price	Oil/Condensate Price	Gross Revenue	Royalty Rate	Royalty	Export Payment	Operating Costs - M\$/yr.			
	STB/yr	Mscf/yr	Mscf/yr	Bbls/yr	\$/Mscf	\$/Bbl	M\$/yr.	%	M\$/yr.	\$/yr.	Fixed	Variable - oil	Variable - gas	Total (Escalated)
2023	0	0	0	0	\$32.00	\$85.17	\$0	7%	\$0	\$0	678	0	0	678
2024	0	2,190,000	1,971,000	30,660	\$28.00	\$84.38	\$57,775	6%	\$3,467	\$578	1,990	0	1,095	3,147
2025	0	2,190,000	1,971,000	30,660	\$20.00	\$82.60	\$41,953	8%	\$3,356	\$420	1,990	0	1,095	3,210
2026	0	2,190,000	1,971,000	30,660	\$20.00	\$84.21	\$42,002	8%	\$3,360	\$420	1,990	0	1,095	3,274
2027	0	2,190,000	1,971,000	30,660	\$20.00	\$85.88	\$42,052	8%	\$3,364	\$421	1,990	0	1,095	3,339
2028	0	1,663,059	1,496,753	23,283	\$20.00	\$87.53	\$31,973	9%	\$2,878	\$320	1,990	0	832	3,115
2029	0	1,262,908	1,136,615	17,681	\$20.00	\$89.24	\$24,310	9%	\$2,188	\$243	1,791	0	631	2,728
2030	0	959,035	863,132	13,426	\$20.00	\$90.99	\$18,484	9%	\$1,664	\$185	1,592	0	480	2,360
<b>Totals</b>	<b>0</b>	<b>12,645,000</b>	<b>11,380,500</b>	<b>177,030</b>			<b>258,549</b>		<b>\$20,276</b>	<b>\$2,585</b>	<b>\$14,688</b>	<b>\$0</b>	<b>\$6,323</b>	<b>\$21,870</b>
<b>Company Gross</b>	<b>0</b>		<b>11,380,500</b>	<b>177,030</b>			<b>\$258,549</b>		<b>\$20,276</b>	<b>\$2,585</b>	<b>\$14,688</b>	<b>\$0</b>	<b>\$6,322.50</b>	<b>\$21,870</b>
<b>Company Net</b>	<b>0</b>		<b>10,374,206</b>	<b>161,377</b>							1%	1,750	\$4.00	\$0.50
		Shrinkage	10%		\$0.00	\$2.00					M\$/yr	\$/STB	\$/Mscf	
					Price Differential						\$120			
											M\$/well/yr			



Table 4b, Page 2 continued

**Zenith Energy Ltd**  
**El Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - Proved Plus Probable Developed Non- Producing Reserves**

**Before Income Tax**

Year	Project Total Revenue (Operating Cash Flow) M\$/yr.	Total Capital Costs M\$/yr.	Abandon & Reclaimain M\$/yr.	Project Undiscounted Net Cash Flow (Profit) M\$/yr.	Company's Share Undiscounted Net Cash Flow (Profit) M\$/yr.	t	Company Share Discounted @				World Bank Brent Crude	
							5%	10%	15%	20%		
							M\$	M\$	M\$	M\$	\$/Mscf	\$/STB
2023	(678)	8,000	0	(8,678)	(8,678)	0.38	(8,518)	(8,369)	(8,229)	(8,097)	32.00	83.17
2024	50,584	0	0	50,584	50,584	1.38	47,290	44,350	41,711	39,332	28.00	82.38
2025	34,967	0	0	34,967	34,967	2.38	31,134	27,871	25,073	22,657	20.00	80.60
2026	34,948	0	0	34,948	34,948	3.38	29,635	25,323	21,790	18,871	20.00	82.21
2027	34,928	0	0	34,928	34,928	4.38	28,208	23,008	18,937	15,717	20.00	83.86
2028	25,661	0	0	25,661	25,661	5.38	19,736	15,366	12,098	9,622	20.00	85.53
2029	19,151	0	0	19,151	19,151	6.38	14,028	10,426	7,851	5,984	20.00	87.24
2030	14,256	0	1,500	12,756	12,756	7.38	8,899	6,313	4,548	3,322	20.00	88.99
<b>Totals</b>	<b>213,818</b>	<b>8,000</b>	<b>1,500</b>	<b>204,318</b>	<b>204,318</b>		<b>170,412</b>	<b>144,288</b>	<b>123,780</b>	<b>107,408</b>	<b>1</b>	<b>1.02</b>
	<b>213,818</b>	<b>8,000</b>	<b>1,500</b>	<b>204,318</b>	<b>100.0%</b>							

Table 4b, Page 3  
**Zenith Energy Ltd**  
**El Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - Proved Plus Probable Developed Non-Producing Reserves**

**After Income Tax**

Company Working Interest		Company Share Discounted @													
100.0%															
Year	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%		Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow		5%	10%	15%	20%
	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	%	M\$/yr	M\$/yr	t	M\$	M\$	M\$	M\$
2023	(678)	\$8,000	\$0	\$0	\$1,600	\$1,600	(\$2,278)	50%	(\$1,139)	(\$7,539)	0.38	(7,400)	(7,271)	(7,149)	(7,034)
2024	50,584	\$0	\$0	\$0	\$1,600	\$1,600	\$48,984	50%	\$24,492	\$26,092	1.36	24,393	22,876	21,515	20,288
2025	34,967	\$0	\$0	\$0	\$1,600	\$1,600	\$33,367	50%	\$16,684	\$16,284	2.38	16,279	14,573	13,110	11,847
2026	34,948	\$0	\$0	\$0	\$1,600	\$1,600	\$33,348	50%	\$16,674	\$16,274	3.38	15,496	13,241	11,394	9,867
2027	34,928	\$0	\$0		\$1,600	\$1,600	\$33,328	50%	\$16,664	\$16,264	4.38	14,750	12,031	9,902	8,218
2028	25,661	\$0	\$0			\$0	\$25,661	55%	\$14,113	\$11,547	5.38	8,681	6,915	5,444	4,330
2029	19,151	\$0	\$0			\$0	\$19,151	55%	\$10,533	\$8,618	6.38	6,313	4,692	3,533	2,633
2030	14,256	\$0	\$1,500			\$0	\$12,756	55%	\$7,016	\$5,740	7.38	4,005	2,641	2,046	1,495
<b>Totals</b>	<b>213,818</b>	<b>8,000</b>	<b>1,500</b>	<b>0</b>	<b>8,000</b>	<b>8,000</b>	<b>204,318</b>		<b>106,037</b>	<b>99,281</b>		<b>82,716</b>	<b>69,696</b>	<b>69,796</b>	<b>61,704</b>

Table 4b, Page 4

**Zenith Energy Ltd**  
**El Bibane - Zebbag Gas Cap Blowdown**

April 1, 2023

**R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Plus Probable Developed Non-Producing Reserves**

Year	Gross Revenue M\$/yr.	Royalty M\$/yr.	Corp Tax (Grossed Up) M\$/yr.	Net Revenue M\$/yr.	Cumulative Net Revenue M\$	Operating Costs M\$/yr.	Capital Costs M\$/yr.	Total Expenditures M\$/yr.	Cumulative Expenditures M\$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$0	\$0	(\$1,139)	\$1,139	\$89,329	676	8,000	8,676	\$104,878	0.85	6%	50%
2024	\$57,775	\$3,467	\$24,492	\$29,817	\$119,145	3,147	0	3,147	\$107,824	1.10	8%	50%
2025	\$41,953	\$3,356	\$16,684	\$21,913	\$141,058	3,210	0	3,210	\$111,034	1.27	8%	50%
2026	\$42,002	\$3,360	\$16,674	\$21,968	\$163,026	3,274	0	3,274	\$114,308	1.43	8%	50%
2027	\$42,062	\$3,364	\$16,664	\$22,024	\$185,050	3,339	0	3,339	\$117,647	1.57	9%	55%
2028	\$31,973	\$2,878	\$14,113	\$14,982	\$200,032	3,115	0	3,115	\$120,762	1.66	9%	55%
2029	\$24,310	\$2,188	\$10,533	\$11,589	\$211,521	2,728	0	2,728	\$123,490	1.71	9%	55%
2030	\$18,484	\$1,664	\$7,016	\$9,805	\$221,426	2,380	0	2,380	\$125,870	1.76	9%	55%
<b>Totals</b>	<b>\$256,549</b>	<b>\$20,276</b>	<b>\$105,037</b>	<b>\$133,236</b>	<b>\$88,190</b>	<b>\$21,870</b>	<b>\$8,000</b>	<b>\$29,870</b>	<b>\$36,000</b>	<b>0.92</b>	<b>7%</b>	<b>50%</b>
			1.0 WVI Factor	est	Opening Balance				est Opening Balance	Applies Subsequent Year		

Table 4c, Page 1

**Zenith Energy Ltd**  
**EI Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production and Capital Forecast - 3P Developed Non- Producing Reserves**

Gas Cap Blowdown											
			Oil Production		Total GAS Production		Condensate		Capital Expenditures - M\$		
Year	Days On	Well Count	STB/d	STB/yr	Mscf/d	Mscf/yr	Bbl/MMscf	Bbl/yr	Facility Enhancement	Well Work	Total Capital (Escalated)
2023	0	2	0.0	0	0	0	0	0	5000	3000	8000
2024	365	2	Blowdown phase (EBB-5 & EBB-4H)		9,000	3,285,000	14	45,990	0	0	0
2025	365	2			9,000	3,285,000	14	45,990	0	0	0
2026	365	2			9,000	3,285,000	14	45,990	0	0	0
2027	365	2			9,000	3,285,000	14	45,990	0	0	0
2028	365	2			6,834	2,494,588	14	34,924	0	0	0
2029	365	2			5,190	1,894,359	14	26,521	0	0	0
2030	365	2			3,941	1,438,553	14	20,140	0	0	0
				0.0		18,967,500		265,545	5,000	3,000	8,000
Later decline rate					24%				5000	1500	
									0	0	
									1	2	

Table 4c, Page 2

**Zenith Energy Ltd**  
**El Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - 3P Developed Non- Producing Reserves**  
**Before Income Tax**

	Gross Oil Sale	Gross Gas Production	Gross Gas Sales	Gross Condensate Sales	Gas Price	Oil/Condensate Price	Gross Revenue	Royalty Rate	Royalty	Export Payment	Operating Costs - M\$/yr.			
Year	STB/yr	Mscf/yr	Mscf/yr	Bbls/yr	\$/Mscf	\$/Bbl	M\$/yr.	%	M\$/yr.	\$/yr.	Fixed	Variable - oil	Variable - gas	Total (Escalated)
2023	0	0	0	0	\$32.00	\$85.17	\$0	7%	\$0	\$0	678	0	0	678
2024	0	3,265,000	2,956,500	45,990	\$28.00	\$82.38	\$86,571	6%	\$5,194	\$866	1,990	0	1,643	3,705
2025	0	3,265,000	2,956,500	45,990	\$20.00	\$80.60	\$62,837	8%	\$5,027	\$628	1,990	0	1,643	3,779
2026	0	3,265,000	2,956,500	45,990	\$20.00	\$82.21	\$62,911	8%	\$5,033	\$629	1,990	0	1,643	3,855
2027	0	3,265,000	2,956,500	45,990	\$20.00	\$83.86	\$62,987	9%	\$5,669	\$630	1,990	0	1,643	3,932
2028	0	2,494,588	2,245,129	34,924	\$20.00	\$85.53	\$47,890	8%	\$4,310	\$479	1,990	0	1,247	3,574
2029	0	1,894,359	1,704,923	26,521	\$15.00	\$87.24	\$27,888	10%	\$2,789	\$279	1,791	0	947	3,084
2030	0	1,438,553	1,294,697	20,140	\$8.04	\$88.99	\$9,612	10%	\$961	\$96	1,592	0	719	2,855
<b>Totals</b>	<b>0</b>	<b>18,967,500</b>	<b>17,070,750</b>	<b>285,545</b>			<b>360,695</b>		<b>\$28,983</b>	<b>\$3,607</b>	<b>\$14,011</b>	<b>\$0</b>	<b>\$9,484</b>	<b>\$25,261</b>
<b>Company Gross</b>	<b>0</b>		<b>17,070,750</b>	<b>285,545</b>			<b>\$360,695</b>		<b>\$28,983</b>	<b>\$3,607</b>	<b>\$14,011</b>	<b>\$0</b>	<b>\$9,483.75</b>	<b>\$25,281</b>
<b>Company Net</b>	<b>0</b>		<b>15,528,356</b>	<b>241,552</b>						<b>1%</b>	<b>1,750</b>	<b>\$4.00</b>	<b>\$0.50</b>	
											<b>M\$/yr</b>	<b>\$/STB</b>	<b>\$/Mscf</b>	
		Shrinkage	10%		\$0.00	\$2.00					<b>\$120</b>			
					Price Differential						<b>M\$/well/yr</b>			

Table 4c, Page 2 continued

**Zenith Energy Ltd**  
**El Bblane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - 3P Producing Reserves**

**Before Income Tax**

Year	Project Total Revenue (Operating Cash Flow) M\$/yr.	Total Capital Costs M\$/yr.	Abandon & Reclaim M\$/yr.	Project Undiscounted Net Cash Flow (Profit) M\$/yr.	Company's Share Undiscounted Net Cash Flow (Profit) M\$/yr.	t	Company Share Discounted @				World Bank Brent Crude	
							5%	10%	15%	20%	\$/Mscf	\$/STB
							M\$	M\$	M\$	M\$		
2023	(678)	8,000	0	(8,678)	(8,678)	0.38	(8,518)	(8,369)	(8,229)	(8,097)	32.00	83.17
2024	76,806	0	0	76,806	76,806	1.38	71,804	67,340	63,333	59,720	28.00	82.38
2025	53,402	0	0	53,402	53,402	2.38	47,548	42,564	38,291	34,803	20.00	80.60
2026	53,394	0	0	53,394	53,394	3.38	45,277	38,689	33,292	28,831	20.00	82.21
2027	52,756	0	0	52,756	52,756	4.38	42,605	34,751	28,603	23,739	20.00	83.86
2028	39,527	0	0	39,527	39,527	5.38	30,401	23,670	18,635	14,822	20.00	85.53
2029	21,736	0	0	21,736	21,736	6.38	15,922	11,833	8,911	6,792	15.00	87.24
2030	5,900	0	1,500	4,400	4,400	7.38	3,069	2,178	1,569	1,146	6.04	88.99
<b>Totals</b>	<b>302,843</b>	<b>8,000</b>	<b>1,500</b>	<b>293,343</b>	<b>293,343</b>		<b>248,108</b>	<b>212,656</b>	<b>184,405</b>	<b>161,556</b>	1.02	1.02
	<b>302,843</b>	<b>8,000</b>	<b>1,500</b>	<b>293,343</b>	<b>100.0%</b>							

Table 4c, Page 3  
**Zenith Energy Ltd**  
**El Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - 3P Developed Non- Producing Reserves**  
**After Income tax**

Company Working Interest		Company Share Discounted @													
100.0%															
Year	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%		Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow		5%	10%	15%	20%
	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	%	M\$/yr	M\$/yr.	t	M\$	M\$	M\$	M\$
2023	(578)	\$8,000	\$0	\$0	\$1,600	\$1,600	(\$2,276)	50%	(\$1,139)	(\$7,539)	0.38	(7,400)	(7,271)	(7,149)	(7,034)
2024	76,808	\$0	\$0	\$0	\$1,600	\$1,600	\$75,208	50%	\$37,603	\$39,203	1.38	36,650	34,371	32,326	30,482
2025	53,402	\$0	\$0	\$0	\$1,600	\$1,600	\$51,802	50%	\$25,901	\$27,501	2.38	24,486	21,920	19,719	17,520
2026	53,394	\$0	\$0	\$0	\$1,600	\$1,600	\$51,794	50%	\$25,897	\$27,497	3.38	23,317	19,924	17,145	14,848
2027	52,756	\$0	\$0		\$1,600	\$1,600	\$51,156	55%	\$28,136	\$24,620	4.38	19,883	16,218	13,349	11,078
2028	38,527	\$0	\$0			\$0	\$39,527	55%	\$21,740	\$17,787	5.38	13,681	10,851	8,386	6,670
2029	21,738	\$0	\$0			\$0	\$21,738	60%	\$13,042	\$8,695	6.38	6,369	4,733	3,564	2,717
2030	5,800	\$0	\$1,500			\$0	\$4,400	60%	\$2,640	\$1,760	7.38	1,228	871	627	458
<b>Totals</b>	<b>302,843</b>	<b>8,000</b>	<b>1,500</b>	<b>0</b>	<b>8,000</b>	<b>8,000</b>	<b>293,343</b>		<b>153,819</b>	<b>139,524</b>	<b>285</b>	<b>118,213</b>	<b>101,418</b>	<b>87,967</b>	<b>77,038</b>

Table 4c, Page 4

**Zenith Energy Ltd**  
**El Bibane - Zebbag Gas Cap Blowdown**  
**April 1, 2023**

**R Factor - Royalty Rate - Tax Rate - Depreciation, 3P Developed Non-Producing Reserves**

Year	Gross Revenue M\$/yr.	Royalty M\$/yr.	Corp Tax (Grossed Up) M\$/yr.	Net Revenue M\$/yr.	Cumulative Net Revenue M\$	Operating Costs M\$/yr.	Capital Costs M\$/yr.	Total Expenditures M\$/yr.	Cumulative Expenditures M\$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$0	\$0	(\$1,139)	\$1,139	\$89,329	678	8,000	8,678	\$104,678	0.85	6%	50%
2024	\$86,571	\$5,194	\$37,603	\$43,774	\$133,102	3,705	0	3,705	\$108,383	1.23	8%	50%
2025	\$62,837	\$5,027	\$25,901	\$31,909	\$165,011	3,779	0	3,779	\$112,162	1.47	8%	50%
2026	\$62,911	\$5,033	\$25,897	\$31,981	\$196,992	3,855	0	3,855	\$116,017	1.70	9%	55%
2027	\$62,967	\$5,669	\$28,136	\$29,182	\$226,174	3,932	0	3,932	\$119,949	1.89	9%	55%
2028	\$47,690	\$4,310	\$21,740	\$21,840	\$248,014	3,574	0	3,574	\$123,523	2.01	10%	60%
2029	\$27,898	\$2,769	\$13,042	\$12,057	\$260,071	3,084	0	3,084	\$126,607	2.06	10%	60%
2030	\$9,612	\$961	\$2,640	\$6,011	\$266,082	2,655	0	2,655	\$129,261	2.06	10%	60%
<b>Totals</b>	<b>\$380,695</b>	<b>\$28,983</b>	<b>\$153,819</b>	<b>\$177,892</b>		<b>\$25,261</b>	<b>\$8,000</b>	<b>\$33,261</b>		<b>0.92</b>	<b>7%</b>	<b>50%</b>
			<b>1.0</b> WI Factor	est	<b>\$88,190</b> Opening Balance				est	<b>\$96,000</b> Opening Balance		
												Applies Subsequent Year



## EZZAOUIA CONCESSION

### TUNISIA

### INDEX

<b>Discussion.....</b>	<b>56</b>
Property Description.....	56
Geology.....	56
Reserves.....	57
Production.....	57
Product Prices.....	57
Capital Expenditures.....	58
Operating Costs.....	58
Economics.....	58
 Attachments	
Figure 1: Land and Well Map.....	59
Table 1: Schedule of Lands, Interests and Royalty Burdens.....	60
Figure 2: Geological Maps and Figures	
a) Stratigraphic Chart – Jaffara Basin.....	61
b) M'Rabti Structure Depth Map.....	62
Table 2: Summary of Gross Reserves.....	63
Table 3: Summary of Anticipated Capital Expenditures	
a) Development.....	64
b) Abandonment and Reclamation.....	65
Table 4: Summary of Company Reserves and Economics – BIT.....	66
Table 4T: Summary of Company Reserves and Economics – AIT.....	67
 <u>Production Forecast and Cash Flow Analysis</u>	
a) Proved Developed Producing Reserves .....	68
b) Probable Developed Producing Reserves .....	72
c) Proved Plus Probable Reserves .....	76

**EZZAOUIA CONCESSION  
TUNISIA  
DISCUSSION**

**Property Description**

The Company owns a 45% working interest in the Ezzaouia Concession, in Tunisia. It is comprised of 9,884 acres of land (40 Km squared) and is located onshore near the Gulf of Gabes, east of Djerba Island. The Concession contains a total of 16 wells, including four oil producers, two is shut-in, two water injectors and eight wells which are suspended.

Production is subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures.

A map showing the Concession boundary and producing well locations is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

**Geology**

The Concession is within the Jeffara Basin, a WNW-ESE trending Permo-Triassic, extensional basin, which occupies a hinge-zone between the Palaeozoic Berfine/Ghandames Basin to the SSW and the Jurassic to Tertiary, Pelagian/Sabratah Basin to the NNE. There are two producing reservoirs on the concession, the Jurassic M'Rabine sand and the Cretaceous Zebbag carbonate, as shown on the Stratigraphic chart, Figure 2a.

The M'Rabine reservoir rock is composed of thin channel sands. The principle hydrocarbon bearing reservoirs are stacked delta distributory sand bodies, which can be subdivided into an upper interval (M1-M3 units) and a lower interval (M5-M6 units), separated by the middle M4 unit. In addition, the structure can be divided into several main and minor fault blocks, as shown on Figure 2b. Currently, three to four wells are producing from the M'Rabine and there is potential for additional development on this structure.

The Cretaceous Zebbag reservoir is a highly fractured, vugular dolomite, which is subdivided into four layers (Z1-Z4), all within the Middle Zabbag member. This reservoir is almost depleted due to water encroachment from below, with only the highest structural well still producing.

## **Reserves**

Total Proved Developed Producing Reserves of 493 MSTB of oil have been estimated for the four producing wells based on a conservative analysis of past production performance.

Incremental Probable Developed Producing Reserves of 334 MSTB of oil have been estimated for the same wells, based on a best estimate decline analysis of past production performance.

Probable Undeveloped Reserves of 616 MSTB have been estimated for wells EZZ-17 and EZZ-18, which are scheduled to be side-tracked during 2023.

A summary of the Reserves is presented on Table 2. Selected decline rates for each well and the starting point production rates are demonstrated on Page One of Tables 4a, 4b and 4c.

These reserves have been estimated based on the latest available production data which did not include data from the past year, other than the latest current rates. The latest current rates provided helped to confirm the continuity of the existing declines.

## **Production**

Current production from four wells is averaging 466 STB/d. These rates are anticipated to continue their historical decline until the economic limit is reached. Forecasts of the production can be seen on Page One of each economic analysis files, Table 4a, 4b and 4c.

Initial rates, forecasts and timing of the undeveloped wells can be seen on Page One of Table 4c, the economic analysis for Proved Plus Probable reserves.

## **Product Prices**

A 2023 oil price of \$79.17/STB has been used for this evaluation reflecting a discount of \$4.00/STB from the posted Brent crude price throughout the forecast.

## **Capital Expenditures**

Total capital expenditures of \$8,400,000 (\$3,780,000 net to the Company) have been estimated for the overall property, which includes two side-track drills for EZZ-17 and EZZ-18.

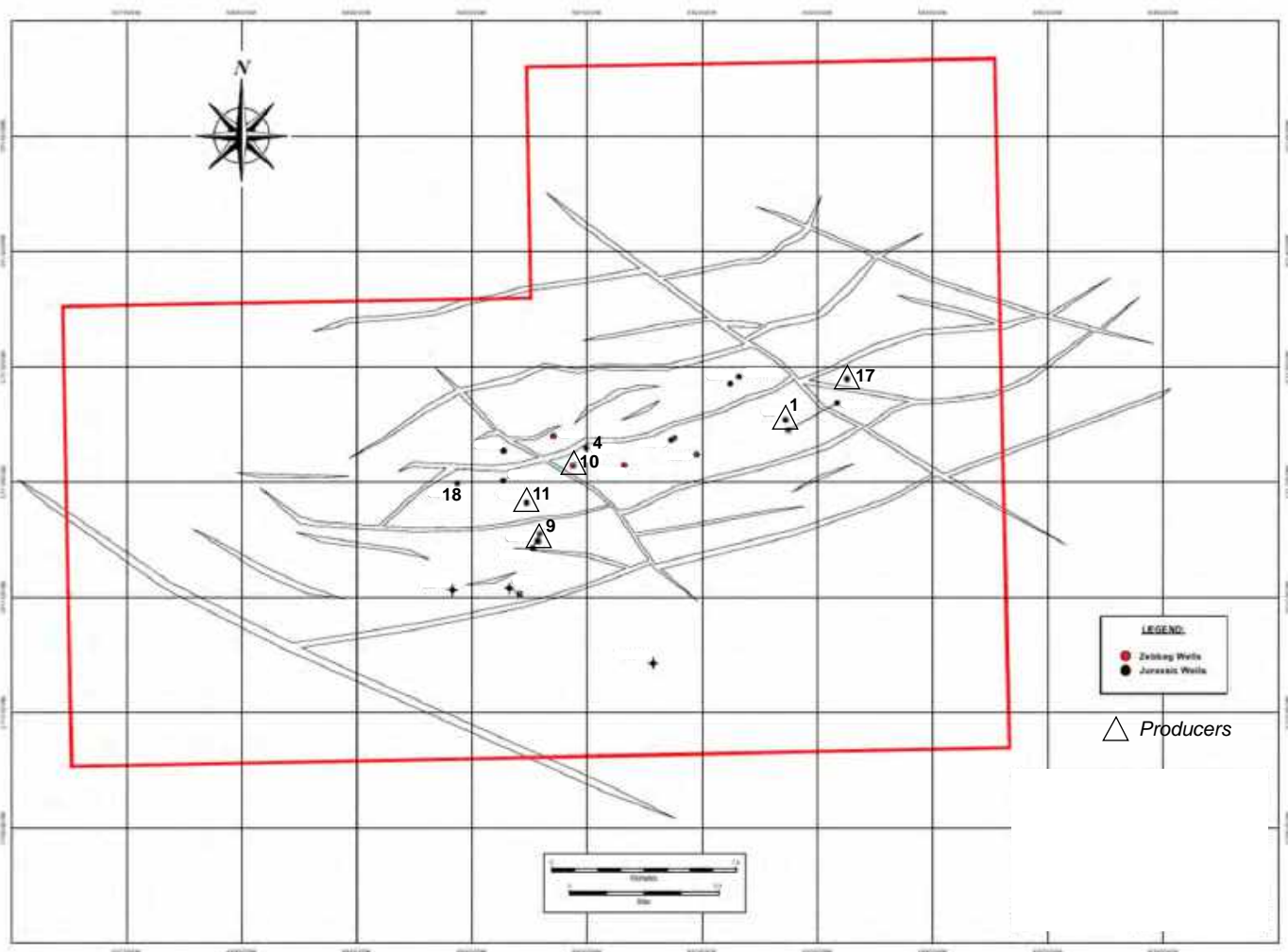
The capital expenditures scheduled for each case are presented in Table 3a. Abandonment costs are summarized on Table 3b.

## **Operating Costs**

Operating costs have been estimated to be \$4,000,000 per year and an additional \$90,000 per well per year (fixed) plus \$4.00/STB (variable), based on historical and budget information provided by the former operator of the property, in the absence of the latest operating data.

## **Economics**

The results of the economic analysis are summarized in Table 4 and 4T for the before and after-tax cases respectively. The full economic analyses are presented in Table 4a, 4b and 4c, and have been presented in spread sheet format to allow for proper handling of the fiscal regime.



Source: Ryder Scott Company Petroleum Consultants, Candax Report 2013, p. 38, modified

**ZENITH ENERGY LTD.**

**EZZAOUIA CONCESSION**

**TUNISIA**

**LAND AND WELL MAP**

APR. 2023

JOB No. 6925 FIGURE No. 1

Table 1

## Schedule of Lands, Interests and Royalty Burdens

April 1, 2023

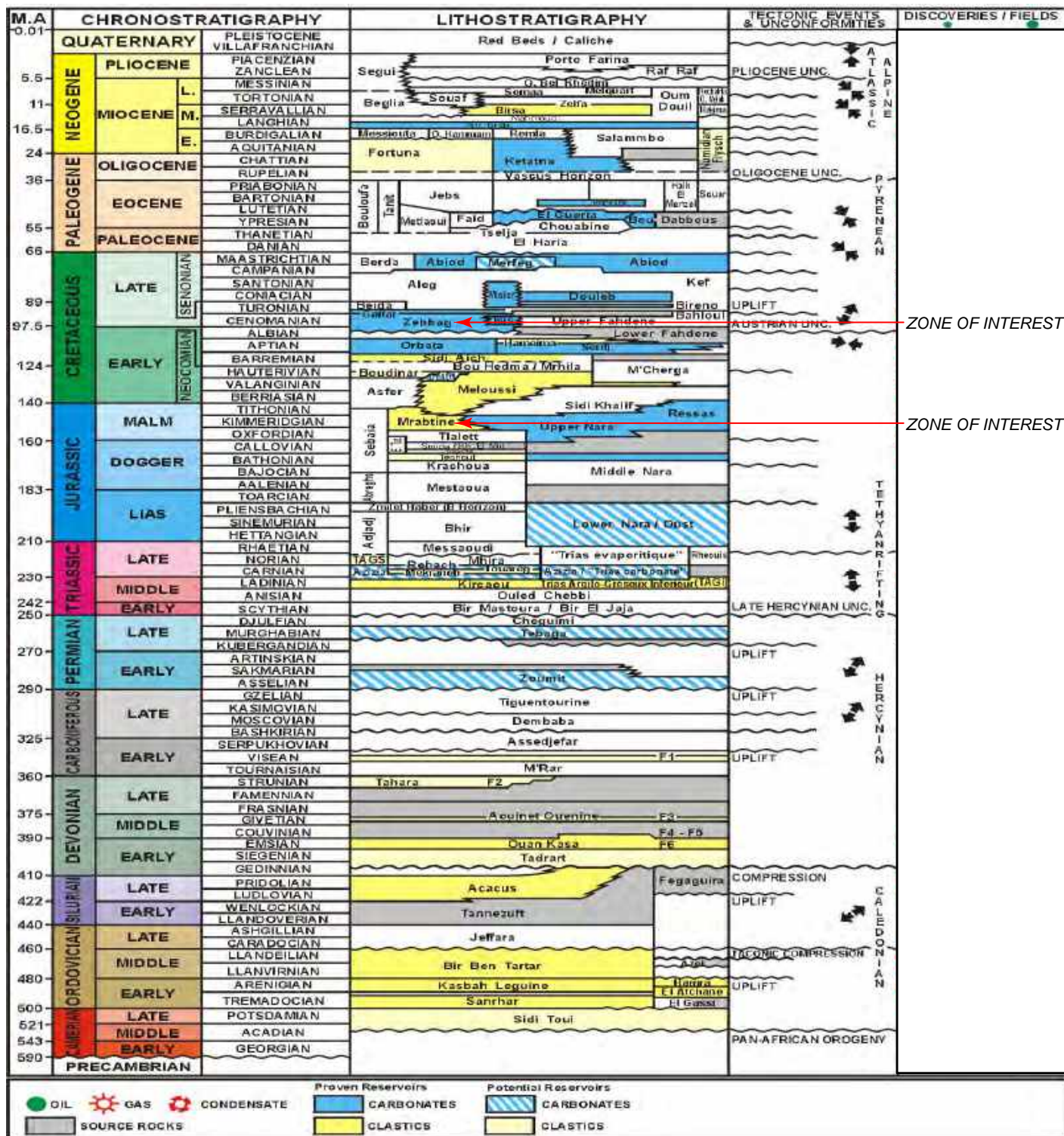
Zenith Energy Ltd

Ezzaouia Concession, Tunisia

Description	Gross Acres	Appraised Interest		Royalty Burdens	
		Working %	Royalty %	Basic %	Overriding %
Ezzaouia Concession	40 Km squared (9884 Acres)	45.0000	-	[1]	-

Note: [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

Royalty Rate =	2%	When "R" Factor is	< 0.5
	5%		0.5 to 0.8
	7%		0.8 to 1.1
	10%		1.1 to 1.5
	12%		1.5 to 2.0
	14%		2.0 to 2.5
	15%		> 2.5



Source: Candax Presentation, June 2019, p. 2

**ZENITH ENERGY LTD.**

**EZZAOUIA CONCESSION**

TUNISIA

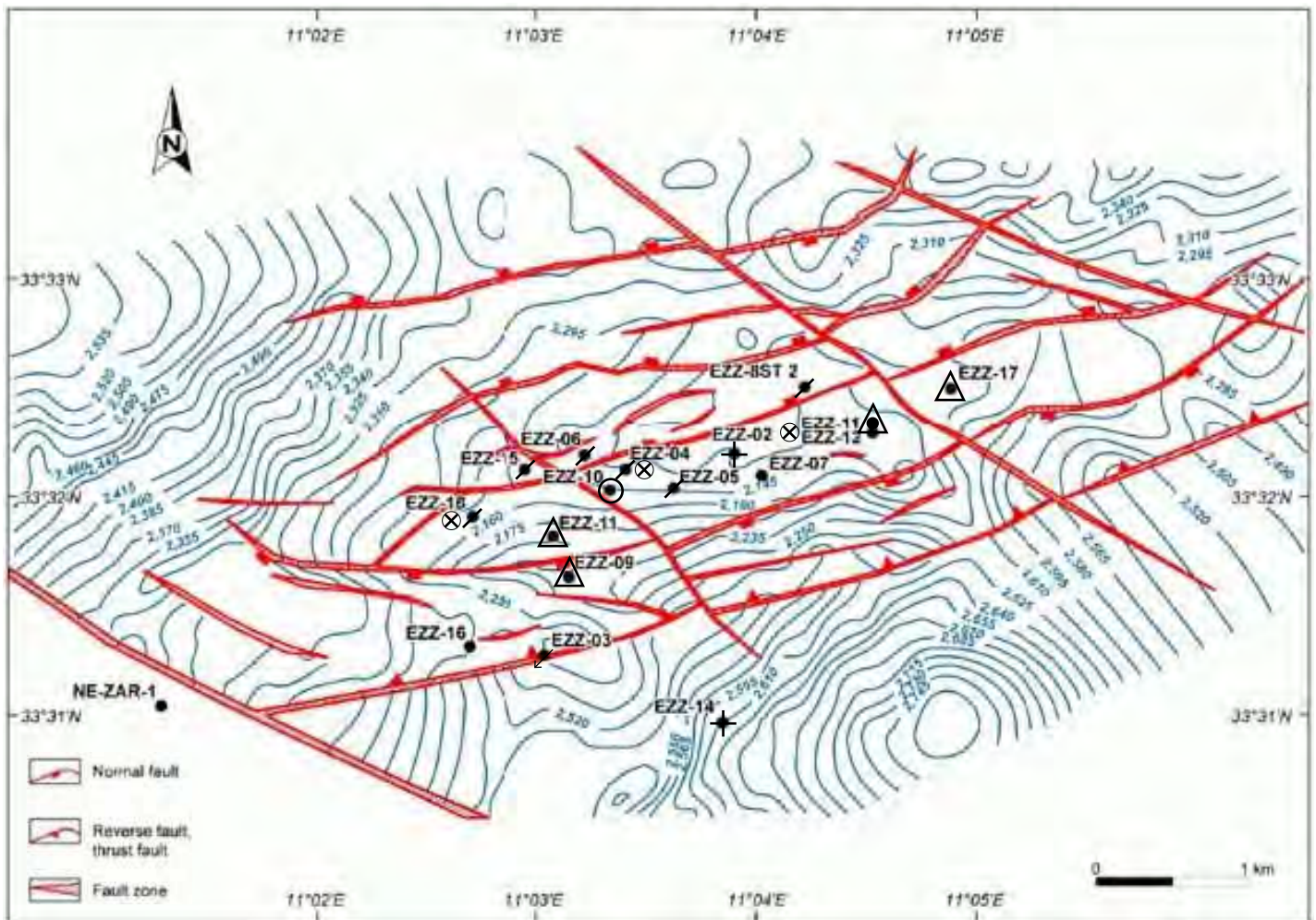
**STRATIGRAPHIC CHART**

APR. 2023

JOB No. 6925 FIGURE No. 2a

**Chapman** Petroleum Engineering Ltd.





Source: MCH-Petroleum Training & Consulting, Candax Report 2020, p. 11, modified

- Zebbag Producer
- △ M'Rabatine Producer
- ⊗ New Location

**ZENITH ENERGY LTD.**

**EZZAOUIA CONCESSION**  
TUNICIA  
**STRUCTURAL CONTOUR**  
**DEPTH MAP**  
C.I. = 15 m

APR. 2023

JOB No. 6925 FIGURE No. 2b



Table 2

**Summary of Gross Reserves  
April 1, 2023**

**Ezzaouia Concession, Tunisia**

Description		Current or Initial Rate STB/d	API Gravity (Deg)	Ultimate Reserves (MSTB)	Cumulative Production (MSTB)	Reserves (MSTB)	Reference
<b><u>LIGHT &amp; MEDIUM OIL</u></b>							
<b><u>Proved Developed Producing</u></b>							
Four Ezz wells	M'Rabline	486	40	13,118	12,625	493	
<b>Total Proved Developed Producing</b>		<b>486</b>		<b>13,118</b>	<b>12,625</b>	<b>493</b>	
<b>Total Proved Developed</b>				<b>13,118</b>	<b>12,625</b>	<b>493</b>	
<b>Total Proved</b>				<b>13,118</b>	<b>12,625</b>	<b>493</b>	
<b><u>Probable</u></b>							
<b><u>Probable Developed Producing (incremental)</u></b>							
Four Ezz wells	M'Rabline	-	40	282	0	282	
<b>Total Probable Developed Producing (Incr)</b>				<b>282</b>	<b>0</b>	<b>282</b>	
<b>Total Proved Plus Probable Developed Producing</b>				<b>13,400</b>	<b>12,625</b>	<b>775</b>	
<b><u>Probable Undeveloped</u></b>							
		<b><u>IP Date</u></b>					
<b>Proved Plus Probable Producing (Incr)</b>		-	-	40	241	0	241 Table 4c
EZZ-17	M'Rabline	100	2024	40	206	0	206 Analog
EZZ-18	M'Rabline	100	2024	40	206	0	206 Analog
<b>Total Probable Undeveloped</b>				<b>663</b>	<b>0</b>	<b>663</b>	
<b>Total Proved Plus Probable</b>				<b>13,771</b>	<b>12,625</b>	<b>1,429</b>	

**Table 3a**

**Summary of Anticipated Capital Expenditures  
Development**

**April 1, 2023**

**Zenith Energy Ltd**

**Ezzaouia Concession, Tunisia**

<u>Description</u>	<u>Date</u>	<u>Operation</u>	<u>Capital Interest %</u>	<u>Gross Capital M\$</u>	<u>Net Capital M\$</u>
<b><u>Probable Undeveloped</u></b>					
EZZ-17	2023	Sidetrack existing well	45.0000	4,200	1,890
EZZ-18	2023	Sidetrack existing well	45.0000	4,200	1,890
<b>Total Probable Undeveloped</b>				<b>8,400</b>	<b>3,780</b>

Note: **M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

Unless details are known, drilling costs have been split 70% Intangible and 30% Tangible for tax purposes

**Table 3b**  
**Summary of Anticipated Capital Expenditures**  
**Abandonment and Restoration**

**April 1, 2023**

**Zenith Energy Ltd**

**Ezzaouia Concession, Tunisia**

<b>Description</b>	<b>Well Parameters</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
<b><u>Proven Developed Producing Wells</u></b>				
Ezzaouia Field Wells	Four producing wells and two injectors	45.0000	3,000	1,350
Ezzaouia Field Facilities	Central Facilities - Decommissioning	45.0000	TBD	
Inactive wells	Ten inactive wells	45.0000	5,000	2,250
<b>Total Proved Developed Producing</b>			<b>8,000</b>	<b>3,600</b>
<b><u>Proven Plus Probable Developed Producing Wells</u></b>				
Ezzaouia Field Wells	Four producing wells and two injectors	45.0000	3,500	1,575
Ezzaouia Field Facilities	Central Facilities - Decommissioning	45.0000	TBD	
Inactive wells	Ten inactive wells	45.0000	4,500	2,025
<b>Total Proved Plus Probable Developed Producing</b>			<b>8,000</b>	<b>3,600</b>
<b><u>Proved Plus Probable</u></b>				
Ezzaouia Field Wells	Six producing wells and two injectors	45.0000	4,000	1,800
Ezzaouia Field Facilities	Central Facilities - Decommissioning	45.0000	TBD	
Inactive wells	Eight inactive wells	45.0000	4,000	1,800
<b>Total Proved Plus Probable Developed Producing</b>			<b>8,000</b>	<b>3,600</b>

**Note: M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

**Table 4**  
**Summary of Company Reserves and Economics**  
**Before Income Tax**  
**April 1, 2023**

Zenith Energy Ltd.  
Ezzouia Concession, Tunisia

Description		Net To Appraised Interest						Cumulative Cash Flow (BIT) - M\$				
		Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbbls		Discounted at:				
		Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Reserve Category	Formation Name											
<b>PROVED</b>												
<u>Proved Developed Producing</u>												
Four Producers	Zebbag, M'Rabline	222	206	0	0	0	0	1,942	1,906	1,873	1,842	1,813
<b>Total Proved Developed Producing</b>		<b>222</b>	<b>206</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,942</b>	<b>1,906</b>	<b>1,873</b>	<b>1,842</b>	<b>1,813</b>
<b>PROBABLE</b>												
<u>Probable Developed Producing (Incremental)</u>												
Four Producers	Zebbag, M'Rabline	127	113	0	0	0	0	3,909	3,941	3,867	3,736	3,576
<b>Total Probable Developed Producing</b>		<b>127</b>	<b>113</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,909</b>	<b>3,941</b>	<b>3,867</b>	<b>3,736</b>	<b>3,576</b>
<b>Total Proved Plus Probable Developed Producing</b>		<b>349</b>	<b>319</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,850</b>	<b>5,848</b>	<b>5,741</b>	<b>5,578</b>	<b>5,389</b>
<u>Probable Undeveloped</u>												
Two Side-tracks	M'Rabline	294	269	0	0	0	0	6,675	5,566	4,543	3,856	2,907
<b>Total Probable Undeveloped</b>		<b>294</b>	<b>269</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,675</b>	<b>5,566</b>	<b>4,543</b>	<b>3,856</b>	<b>2,907</b>
<b>Total Probable</b>		<b>421</b>	<b>382</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,584</b>	<b>9,507</b>	<b>8,411</b>	<b>7,382</b>	<b>6,483</b>
<b>Total Proved Plus Probable</b>		<b>643</b>	<b>588</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,525</b>	<b>11,414</b>	<b>10,284</b>	<b>9,234</b>	<b>8,296</b>

M\$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than \$500

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf/Mbbbl)

Table 4T  
Summary of Company Reserves and Economics  
After Income Tax  
April 1, 2023  
Zanth Energy Ltd.  
Ezzoula Concession, Tunisia

Description		Net To Appraised Interest										
								Cumulative Cash Flow (AIT) - M\$				
		Heavy Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbbls		Undisc.	Discounted at:			
		Gross	Net	Gross	Net	Gross	Net		5%/year	10%/year	15%/year	20%/year
Reserve Category	Formation Name											
PROVED												
Proved Developed Producing												
Four Producers	Zebbag, M'Rebbine	222	206	0	0	0	0	971	1,130	1,238	1,309	1,355
Total Proved Developed Producing		222	206	0	0	0	0	971	1,130	1,238	1,309	1,355
PROBABLE												
Probable Developed Producing (incremental)												
Four Producers	Zebbag, M'Rebbine	127	113	0	0	0	0	1,954	1,794	1,632	1,480	1,340
Total Probable Developed Producing		127	113	0	0	0	0	1,954	1,794	1,632	1,480	1,340
Total Proved Plus Probable Developed Producing		349	319	0	0	0	0	2,925	2,924	2,870	2,789	2,695
Probable Undeveloped												
Two Side-tracks	M'Rebbine	284	156	0	0	0	0	3,337	2,615	1,969	1,417	955
Total Probable Undeveloped		284	156	0	0	0	0	3,337	2,615	1,969	1,417	955
Total Probable		421	269	0	0	0	0	5,292	4,408	3,601	2,897	2,295
Total Proved Plus Probable		643	588	0	0	0	0	8,253	6,539	4,639	4,206	3,650

M\$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than \$500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf/Mbbbl).

Table 4a, Page 1

Zenith Energy Ltd  
Ezzaoula Concession, Tunisia

April 1, 2023

## Production and Capital Forecast - Proved Producing Reserves

## Development Program - Gross Production - STB/yr

Days On	Year	Well Count	# Wells	# Wells	# Wells	# Wells	Total Oil Production		Drilling & Completion	Well Fac. & Tie-ins	Total Capital (Escalated)
			4	0	0	0	STB/d	STB/yr			
275	2023	4	419	0	0	0	419	115,335	0	0	0
365	2024	4	336	0	0	0	336	122,465	0	0	0
365	2025	4	268	0	0	0	268	97,972	0	0	0
365	2026	4	231	0	0	0	231	84,315	0	0	0
365	2027	4	200	0	0	0	200	73,000	0	0	0
365	2028	0	0	0	0	0	0	0	0	0	0
365	2029	0	0	0	0	0	0	0	0	0	0
365	2030	0	0	0	0	0	0	0	0	0	0
365	2031	0	0	0	0	0	0	0	0	0	0
365	2032	0	0	0	0	0	0	0	0	0	0
365	2033	0	0	0	0	0	0	0	0	0	0
365	2034	0	0	0	0	0	0	0	0	0	0
365	2035	0	0	0	0	0	0	0	0	0	0
365	2036	0	0	0	0	0	0	0	0	0	0
365	2037	0	0	0	0	0	0	0	0	0	0
365	2038	0	0	0	0	0	0	0	0	0	0
365	2039	0	0	0	0	0	0	0	0	0	0
365	2040	0	0	0	0	0	0	0	0	0	0
365	2041	0	0	0	0	0	0	0	0	0	0
365	2042	0	0	0	0	0	0	0	0	0	0

Reserves	493,087	0	0	0	493,087	0	0	0
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## Unit Cost

Decline Rate	%/yr	20%	0%	0%	0%
--------------	------	-----	----	----	----

Starting Rate	STB/d	468	0	0	0	2023	0	0
						2024	0	0
						2025	0	0
						2026	0	0

Table 4a, Page 2  
Zenith Energy Ltd  
Ezzauia Concession, Tunisia  
April 1, 2023

Production Streams, Revenues and Cash Flows - Proved Producing Reserves  
Before Income Tax

Year	Gross Production	Oil Price	Gross Revenue	Royalty Rate	Royalty	Export Payment	Operating Costs - \$/yr.			Project Total Revenue (Operating Cash Flow) \$/yr.	Total Capital Costs \$/yr.	Abandon & Reclamation \$/yr.	Net Cash Flow (Profit) \$/yr.	Net Cash Flow (Profit) \$/yr.	Company's Share Discounted @				
							Fixed	Variable	Total (Escalated)						5%	10%	15%	20%	
\$TB/yr.	\$/STB	\$/yr.	%	\$/yr.	\$/yr.										\$	\$	\$	\$	
2023	115,335	\$78.17	\$9,131,553	7%	\$639,208	\$91,316	3,270,000	451,340	3,731,340	4,889,888	0	0	4,889,888	2,101,360	0.38	2,063,262	2,027,661	1,994,062	1,962,490
2024	122,455	\$78.38	\$9,598,837	7%	\$671,918	\$95,888	4,360,000	489,859	4,849,859	3,981,071	0	0	3,981,071	1,791,462	0.38	1,759,002	1,726,563	1,700,697	1,673,091
2025	97,972	\$76.60	\$7,504,770	7%	\$525,334	\$75,048	4,360,000	391,887	4,846,925	2,057,454	0	0	2,057,454	825,859	0.38	908,073	893,352	878,583	864,673
2026	84,315	\$78.21	\$6,584,557	7%	\$461,618	\$65,946	4,360,000	337,260	4,887,029	1,179,963	0	0	1,179,963	530,983	0.38	521,357	512,340	503,671	495,693
2027	73,000	\$79.86	\$5,829,804	7%	\$408,072	\$58,286	4,360,000	292,000	4,936,740	426,496	0	8,000,000	(7,573,504)	(3,408,077)	0.38	(3,345,288)	(3,288,419)	(3,234,067)	(3,182,852)
2028	0	\$81.53	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2029	0	\$83.26	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2030	0	\$84.99	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2031	0	\$86.77	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2032	0	\$88.59	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2033	0	\$90.44	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2034	0	\$92.33	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2035	0	\$94.26	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2036	0	\$96.22	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2037	0	\$98.22	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2038	0	\$100.27	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2039	0	\$102.35	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2040	0	\$104.48	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2041	0	\$106.65	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
2042	0	\$108.86	\$0	10%	\$0	\$0		0	0	0	0	0	0	0	0.38	0	0	0	0
Totals	483,087		\$38,659,321		\$2,706,752	\$388,593	\$20,710,000	\$1,972,347	\$23,251,893	12,314,682	0	8,000,000	4,314,682	1,941,607		1,908,408	1,873,437	1,842,465	1,813,294
Company Share			\$17,396,894		\$1,217,768	\$173,957			\$18,483,352	6,641,807	0	3,800,000	1,941,607	48.0%					
Gross	221,889	\$4.00				1%	4,000,000	\$4.00											
Net	206,357	Price Differential					\$/yr	\$/STB											
							\$90,000	\$/well/yr											

Table 4a, Page 3  
**Zenith Energy Ltd**  
**Ezzaouia Concession, Tunisia**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - Proved Producing Reserves**

**After Income tax**

Company  
Working  
Interest

45.0%

Company 22.5% Share Discounted @

Year	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash flow		5%	10%	15%	20%
	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$	\$/yr.	%	\$/yr.	\$/yr.	1	\$	\$	\$	\$
2023	2,101,360	\$0	\$0	\$0			\$0	\$2,101,360	50%	\$1,050,680	\$1,050,680	0.38	1,031,631	1,013,790	897,031	981,245
2024	1,781,482	\$0	\$0	\$0	\$0		\$0	\$1,781,482	50%	\$895,741	\$895,741	1.38	837,620	785,719	739,134	687,121
2025	925,859	\$0	\$0	\$0	\$0	\$0	\$0	\$925,859	50%	\$462,929	\$462,929	2.38	412,278	389,154	332,168	300,234
2026	530,983	\$0	\$0	\$0	\$0	\$0	\$0	\$530,983	50%	\$265,492	\$265,492	3.38	225,184	192,464	165,652	143,488
2027	191,923	\$0	\$3,600,000	\$0	\$0	\$0	\$0	(\$3,408,077)	50%	(\$1,704,038)	(\$1,704,038)	4.38	(1,378,500)	(1,123,017)	(924,541)	(767,470)
2028	0	\$0	\$0		\$0	\$0	\$0	\$0	50%	\$0	\$0	5.38	0	0	0	0
2029	0	\$0	\$0			\$0	\$0	\$0	50%	\$0	\$0	6.38	0	0	0	0
2030	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	7.38	0	0	0	0
2031	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	8.38	0	0	0	0
2032	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	9.38	0	0	0	0
2033	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	10.38	0	0	0	0
2034	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	11.38	0	0	0	0
2035	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	12.38	0	0	0	0
2036	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	13.38	0	0	0	0
2037	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	14.38	0	0	0	0
2038	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	15.38	0	0	0	0
2039	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	16.38	0	0	0	0
2040	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	17.38	0	0	0	0
2041	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	18.38	0	0	0	0
2042	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	19.38	0	0	0	0
<b>Totals</b>	<b>5,541,607</b>	<b>0</b>	<b>3,600,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,941,607</b>		<b>970,803</b>	<b>970,803</b>		<b>1,130,213</b>	<b>1,238,111</b>	<b>1,309,443</b>	<b>1,354,617</b>



Table 4a, Page 4

**Zenith Energy Ltd**  
**Ezzaouia Concession, Tunisia**  
**April 1, 2023**

**R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Producing Reserves**

Year	Gross Revenue \$/yr.	Royalty \$/yr.	Corp Tax (Grossed Up) \$/yr.	Net Revenue \$/yr.	Cumulative Net Revenue \$	Operating Costs \$/yr.	Capital Costs \$/yr.	Total Expenditures \$/yr.	Cumulative Expenditures \$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$9,131,553	\$639,209	\$2,334,644	\$6,157,500	\$270,157,500	3,731,340	0	3,731,340	\$248,731,340	1.09	7%	50%
2024	\$6,598,837	\$671,919	\$1,990,535	\$6,936,383	\$277,093,883	4,849,859	0	4,849,859	\$253,581,199	1.09	7%	50%
2025	\$7,504,770	\$525,334	\$1,028,732	\$5,950,705	\$283,044,587	4,846,925	0	4,846,925	\$258,428,124	1.10	7%	50%
2026	\$6,594,557	\$481,619	\$589,881	\$5,542,956	\$288,687,543	4,887,029	0	4,887,029	\$263,315,154	1.10	7%	50%
2027	\$5,829,604	\$408,072	(\$3,786,752)	\$8,208,284	\$297,795,827	4,936,740	0	4,936,740	\$268,251,893	1.11	10%	50%
2028	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2029	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2030	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2031	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2032	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2033	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2034	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2035	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2036	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2037	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2038	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2039	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2040	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2041	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
2042	\$0	\$0	\$0	\$0	\$297,795,827	0	0	0	\$268,251,893	1.11	10%	50%
<b>Totals</b>	<b>\$38,659,321</b>	<b>\$2,706,152</b>	<b>\$2,157,341</b>	<b>\$33,795,827</b>		<b>\$23,251,893</b>	<b>\$0</b>	<b>\$23,251,893</b>				
			<b>0.45</b>		<b>\$264,000,000</b>				<b>\$245,000,000</b>	<b>1.08</b>	<b>7%</b>	<b>50%</b>
			<b>WI Factor</b>		<b>Opening Balance</b>				<b>Opening Balance</b>	<b>Applies Subsequent Year</b>		

Table 4b, Page 1

Ezzaouia Concession, Tunisia

Zenith Energy Ltd.

April 1, 2023

## Production and Capital Forecast - Proved Plus Probable Producing Reserves

## Development Program - Gross Production - STB/y

Days On	Year	Well Count	# Wells	# Wells	# Wells	# Wells	Total Oil Production		Capital Expenditures		
			4	0	0	0	STB/d	STB/yr	Drilling & Completion	Well Fac. & Tie-ins	Total Capital (Escalated)
275	2023	4	440	0	0	0	440	121,102	0	0	0
365	2024	4	392	0	0	0	392	143,054	0	0	0
365	2025	4	349	0	0	0	349	127,318	0	0	0
365	2026	4	310	0	0	0	310	113,313	0	0	0
365	2027	4	276	0	0	0	276	100,848	0	0	0
365	2028	4	246	0	0	0	246	89,755	0	0	0
365	2029	4	219	0	0	0	219	79,882	0	0	0
365	2030	0	0	0	0	0	0	0	0	0	0
365	2031	0	0	0	0	0	0	0	0	0	0
365	2032	0	0	0	0	0	0	0	0	0	0
365	2033	0	0	0	0	0	0	0	0	0	0
365	2034	0	0	0	0	0	0	0	0	0	0
365	2035	0	0	0	0	0	0	0	0	0	0
365	2036	0	0	0	0	0	0	0	0	0	0
365	2037	0	0	0	0	0	0	0	0	0	0
365	2038	0	0	0	0	0	0	0	0	0	0
365	2039	0	0	0	0	0	0	0	0	0	0
365	2040	0	0	0	0	0	0	0	0	0	0
365	2041	0	0	0	0	0	0	0	0	0	0
365	2042	0	0	0	0	0	0	0	0	0	0
Reserves			775,274	0	0	0		775,274	0	0	0
Unit Cost											
Decline Rate	%/yr		11%	0%	0%	0%					
Starting Rate	STB/d		466	0	0	0		2020	0	0	
								2021	0	0	
								2022	0	0	
								2023	0	0	
								2024	0	0	

Table 4b, Page 2

**Zenith Energy Ltd.**  
**Ezzaoula Concession, Tunisia**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - Proved Plus Probable Producing Reserves**  
**Before Income Tax**

Year	Gross Production STB/yr.	Oil Price \$/STB	Gross Revenue \$/yr.	Royalty Rate %	Royalty \$/yr.	Export Payment \$/yr.	Operating Costs - \$/yr.			Project Total Revenue (Operating Cash Flow) \$/yr.	Total Capital Costs \$/yr.	Abandon & Reclamation \$/yr.	Net Cash Flow (Profit) \$/yr.	Net Cash Flow (Profit) \$/yr.	Company Share Discounted @				
							Fixed	Variable	Total (Escalated)						5%	10%	15%	20%	
2023	121,102	\$78.17	\$9,588,130	7%	\$671,169	\$95,881	3,270,000	484,407	3,754,407	5,055,873	0	0	5,055,873	2,280,003	0.38	2,238,888	2,189,852	2,163,584	2,128,327
2024	143,054	\$76.38	\$11,212,641	7%	\$784,865	\$112,126	4,380,000	572,217	5,030,881	5,284,769	0	0	5,284,769	2,378,146	1.38	2,223,836	2,088,045	1,982,361	1,850,821
2025	127,318	\$76.60	\$9,752,742	7%	\$682,682	\$97,527	4,380,000	509,273	5,085,992	3,908,531	0	0	3,908,531	1,757,958	2.38	1,525,584	1,401,833	1,281,381	1,148,114
2026	113,313	\$78.21	\$8,882,804	10%	\$886,280	\$88,628	4,380,000	453,253	5,107,862	2,779,855	0	0	2,779,855	1,250,935	3.38	1,081,013	985,848	780,512	678,080
2027	100,849	\$79.66	\$8,053,540	10%	\$805,354	\$80,535	4,380,000	403,385	5,156,062	2,611,589	0	0	2,611,589	905,219	4.38	731,224	586,588	481,135	407,885
2028	89,755	\$81.53	\$7,318,184	10%	\$731,818	\$73,182	4,380,000	359,022	5,210,181	1,303,003	0	0	1,303,003	586,351	5.38	451,092	351,295	278,635	220,088
2029	79,882	\$83.25	\$6,549,838	10%	\$654,984	\$65,498	4,380,000	319,529	5,269,910	648,446	0	8,000,000	(7,351,554)	(3,308,199)	6.38	(2,423,873)	(1,881,828)	(1,357,197)	(1,034,882)
2030	0	\$84.99	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	7.38	0	0	0	0
2031	0	\$86.77	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	8.38	0	0	0	0
2032	0	\$88.59	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	9.38	0	0	0	0
2033	0	\$90.44	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	10.38	0	0	0	0
2034	0	\$92.33	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	11.38	0	0	0	0
2035	0	\$94.25	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	12.38	0	0	0	0
2036	0	\$96.22	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	13.38	0	0	0	0
2037	0	\$98.22	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	14.38	0	0	0	0
2038	0	\$100.27	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	15.38	0	0	0	0
2039	0	\$102.35	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	16.38	0	0	0	0
2040	0	\$104.48	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	17.38	0	0	0	0
2041	0	\$106.65	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	18.38	0	0	0	0
2042	0	\$108.86	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	19.38	0	0	0	0
Totals	775,274		\$81,437,881		\$5,227,163	\$814,277	\$29,430,000	\$3,101,095	\$34,585,265	21,008,878	0	8,000,000	13,008,878	5,850,384		\$,847,558	\$,740,713	\$,578,411	\$,388,414
Company Share			\$27,848,856		\$2,382,223	\$276,470			\$15,567,889	9,450,384	0	3,800,000	5,650,384	45.0%					
Gross Net	348,873	\$4.00				1%	4,000,000	\$4.00											
	319,191	Price Differential					\$/yr	\$/STB											

Table 4b, Page 3  
**Zenith Energy Ltd.**  
**Erzaoula Concession, Tunisia**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - Proved Plus Probable Producing Reserves**

**After Income tax**

Company Working Interest	After Income Tax															
	45.0%															
	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation – Straight Line - 20%			Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow	Company Share Discounted @				
Year	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$	\$/yr.	%	\$/yr.	\$/yr.	t	\$	\$	\$	\$
2023	2,280,003	\$0	\$0	\$0			\$0	\$2,280,003	50%	\$1,140,001	\$1,140,001	0.38	1,119,333	1,099,976	1,081,792	1,064,664
2024	2,378,146	\$0	\$0	\$0	\$0		\$0	\$2,378,146	50%	\$1,189,073	\$1,189,073	1.38	1,111,919	1,043,022	981,181	925,410
2025	1,757,939	\$0	\$0	\$0	\$0	\$0	\$0	\$1,757,939	50%	\$878,970	\$878,970	2.38	782,797	700,916	630,891	570,057
2026	1,250,935	\$0	\$0	\$0	\$0	\$0	\$0	\$1,250,935	50%	\$625,467	\$625,467	3.38	530,507	453,424	390,256	338,040
2027	905,219	\$0	\$0	\$0	\$0	\$0	\$0	\$905,219	50%	\$452,610	\$452,610	4.38	365,612	298,285	245,567	203,848
2028	586,351	\$0	\$0		\$0	\$0	\$0	\$586,351	50%	\$293,176	\$293,176	5.38	225,546	175,648	138,317	110,034
2029	291,801	\$0	\$3,600,000			\$0	\$0	(\$3,308,199)	50%	(\$1,654,100)	(\$1,654,100)	6.38	(1,211,837)	(900,914)	(678,599)	(517,346)
2030	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	7.38	0	0	0	0
2031	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	8.38	0	0	0	0
2032	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	9.38	0	0	0	0
2033	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	10.38	0	0	0	0
2034	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	11.38	0	0	0	0
2035	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	12.38	0	0	0	0
2036	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	13.38	0	0	0	0
2037	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	14.38	0	0	0	0
2038	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	15.38	0	0	0	0
2039	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	16.38	0	0	0	0
2040	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	17.38	0	0	0	0
2041	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	18.38	0	0	0	0
2042	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	19.38	0	0	0	0
Totals	8,450,394	0	3,600,000	0	0	0	0	5,850,394		2,925,197	2,925,197		2,923,778	2,870,357	2,789,205	2,694,707

Table 4b, Page 4

**Zenith Energy Ltd.**  
**Ezzaouia Concession, Tunisia**  
**April 1, 2023**

**R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Plus Probable Producing Reserves**

Year	Gross Revenue \$/yr.	Royalty \$/yr.	Corp Tax (Grossed Up) \$/yr.	Net Revenue \$/yr.	Cumulative Net Revenue \$	Operating Costs \$/yr.	Capital Costs \$/yr.	Total Expenditures \$/yr.	Cumulative Expenditures \$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$9,588,130	\$671,169	\$2,533,336	\$6,383,825	\$270,383,825	3,754,407	0	3,754,407	\$248,754,407	1.08	7%	50%
2024	\$11,212,641	\$784,885	\$2,642,384	\$7,785,372	\$278,168,997	5,030,861	0	5,030,861	\$253,785,268	1.10	7%	50%
2025	\$9,752,742	\$682,682	\$1,953,266	\$7,116,785	\$285,285,781	5,065,992	0	5,065,992	\$258,851,260	1.10	10%	50%
2026	\$8,882,604	\$686,260	\$1,389,928	\$6,586,416	\$291,872,198	5,107,862	0	5,107,862	\$263,959,122	1.11	10%	50%
2027	\$8,053,540	\$605,354	\$1,005,799	\$6,242,387	\$298,114,584	5,156,052	0	5,156,052	\$269,115,174	1.11	10%	50%
2028	\$7,318,184	\$731,618	\$651,501	\$5,934,864	\$304,049,448	5,210,181	0	5,210,181	\$274,325,355	1.11	10%	50%
2029	\$6,849,838	\$664,984	(\$3,675,777)	\$9,660,631	\$313,710,080	5,289,910	0	5,289,910	\$279,595,265	1.12	10%	50%
2030	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2031	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2032	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2033	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2034	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2035	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2036	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2037	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2038	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2039	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2040	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2041	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
2042	\$0	\$0	\$0	\$0	\$313,710,080	0	0	0	\$279,595,265	1.12	10%	50%
<b>Totals</b>	<b>\$61,437,681</b>	<b>\$5,227,163</b>	<b>\$6,500,438</b>	<b>\$49,710,080</b>		<b>\$34,595,265</b>	<b>\$0</b>	<b>\$34,595,265</b>				
			<b>0.45</b>		<b>\$284,000,000</b>				<b>\$245,000,000</b>	<b>1.08</b>	<b>7%</b>	<b>50%</b>
			WI Factor		Opening Balance				Opening Balance	Applies Subsequent Year		

Table 4c, Page 1

**Zenith Energy Ltd**  
**Ezzaouia Concession, Tunisia**

April 1, 2023

**Production and Capital Forecast - Proved Plus Probable Reserves**

Days On	Year	Well Count	Probable Producing	EZZ-17	EZZ-18	Total Oil Production		Drilling, Completion & Tie-In	Sidetrack	Facility Upgrade	Total Capital (Escalated)
			4	1	1	STB/d	STB/yr				
275	2023	4	440	0		440	121,102	0	8400	0	8400
365	2024	6	392	94	94	580	211,674	0	0	0	0
365	2025	6	349	83	83	514	187,704	0	0	0	0
365	2026	6	310	73	73	456	166,453	0	0	0	0
365	2027	6	276	64	64	404	147,611	0	0	0	0
365	2028	6	246	56	56	359	130,907	0	0	0	0
365	2029	6	219	50	50	318	116,095	0	0	0	0
365	2030	6	195	44	44	282	102,963	0	0	0	0
365	2031	6	173	38	38	250	91,318	0	0	0	0
365	2032	6	154	34	34	222	80,993	0	0	0	0
365	2033	6	137	30	30	197	71,837	0	0	0	0
365	2034	6	0	0	0	0	0	0	0	0	0
365	2035	6	0	0	0	0	0	0	0	0	0
365	2036	6	0	0	0	0	0	0	0	0	0
365	2037	6	0	0	0	0	0	0	0	0	0
365	2038	6	0	0	0	0	0	0	0	0	0
365	2039	6	0	0	0	0	0	0	0	0	0
365	2040	6	0	0	0	0	0	0	0	0	0
365	2041	6	0	0	0	0	0	0	0	0	0
365	2042	6	0	0	0	0	0	0	0	0	0
Reserves			1,016,078	206,289	206,289		1,428,656	0	8,400		8,400
							Unit Cost	9000	4200	2800	
Decline Rate	%/yr		11%	12%	12%						
Starting Rate	STB/d		466	100	100		2022	0	2	0	
Initial year	180						2023	0	0	0	
							2024	0	0	0	
							2025	0	0	0	
							2026	0	0	0	

Table 4c, Page 2

**Zenith Energy Ltd**  
**Eszaoula Concession, Tunisia**

April 1, 2023

**Production Streams, Revenues and Cash Flows - Proved Plus Probable Reserves**

**Before Income Tax**

Year	Gross Production STB/yr	Oil Price \$/STB	Gross Revenue \$/yr	Royalty Rate %	Royalty \$/yr	Export Payment \$/yr	Operating Costs - \$/yr			Project Total Revenue (Operating Cash Flow) \$/yr	Total Capital Costs \$/yr	Abandon & Reclamation \$/yr	Net Cash Flow (Profit) \$/yr	Net Cash Flow (Profit) \$/yr	Company Share Discounted @				
							Fixed	Variable	Total (Escalated)						5%	10%	15%	20%	
2023	121,102	\$79.17	\$9,556,130	7%	\$671,189	\$95,991	3,270,030	484,407	3,754,437	5,056,673	8,400,000	0	(3,343,327)	(1,499,997)	0.36	(1,472,802)	(1,442,332)	(1,423,406)	(1,400,860)
2024	211,674	\$78.39	\$16,591,163	7%	\$1,151,377	\$165,811	4,540,000	848,697	5,388,697	9,877,118	0	0	9,877,118	4,444,703	1.36	4,156,305	3,886,772	3,667,611	3,459,143
2025	187,704	\$78.60	\$14,378,358	7%	\$1,006,483	\$143,784	4,540,000	750,815	5,290,815	7,831,457	0	0	7,831,457	3,524,156	2.38	3,138,561	2,910,266	2,528,702	2,283,597
2026	166,453	\$78.21	\$12,918,808	7%	\$811,317	\$130,188	4,540,000	685,810	5,225,810	6,561,178	0	0	6,561,178	2,952,530	3.28	2,604,266	2,440,386	1,842,210	1,595,729
2027	147,811	\$78.86	\$11,787,890	10%	\$1,178,789	\$117,879	4,540,000	590,446	5,144,470	5,046,752	0	0	5,046,752	2,271,036	4.38	1,834,515	1,489,690	1,232,172	1,022,637
2028	130,907	\$81.63	\$10,673,428	10%	\$1,067,343	\$106,734	4,540,000	523,026	5,063,032	4,018,320	0	0	4,018,320	1,808,244	5.36	1,391,120	1,083,366	853,112	679,689
2029	116,035	\$83.25	\$9,664,402	10%	\$968,440	\$96,644	4,540,000	464,361	5,004,361	3,076,077	0	0	3,076,077	1,384,235	6.38	1,014,210	753,931	567,886	432,942
2030	102,983	\$84.60	\$8,750,833	10%	\$875,083	\$87,508	4,540,000	411,851	5,376,589	2,211,653	0	0	2,211,653	995,244	7.38	694,478	492,786	335,845	259,399
2031	81,318	\$66.77	\$7,923,886	10%	\$792,389	\$79,237	4,496,000	365,272	5,572,587	1,479,493	0	0	1,479,493	665,772	8.38	442,451	289,883	206,528	144,805
2032	60,963	\$86.59	\$7,174,781	10%	\$717,478	\$71,748	4,432,000	323,971	5,572,378	813,178	0	0	813,178	365,930	9.36	231,605	149,741	98,709	66,233
2033	71,837	\$90.44	\$6,496,715	10%	\$649,671	\$64,967	4,405,000	287,347	5,807,788	174,288	0	8,000,000	(7,825,712)	(3,521,571)	10.38	(2,122,743)	(1,310,048)	(828,031)	(531,167)
2034	0	\$82.33	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	11.38	0	0	0	0
2035	0	\$84.25	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	12.38	0	0	0	0
2036	0	\$86.22	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	13.38	0	0	0	0
2037	0	\$88.22	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	14.38	0	0	0	0
2038	0	\$100.27	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	15.38	0	0	0	0
2039	0	\$102.35	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	16.38	0	0	0	0
2040	0	\$104.46	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	17.38	0	0	0	0
2041	0	\$106.55	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	18.38	0	0	0	0
2042	0	\$108.66	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	19.38	0	0	0	0
Totals	1,428,636		\$118,048,133		\$9,997,521	\$1,160,461	\$48,373,000	\$5,714,623	\$56,733,845	48,156,186	8,480,000	8,900,000	29,756,186	13,390,284		11,811,968	10,368,239	8,102,539	6,613,112
Company Share			\$52,221,696		\$4,498,868	\$522,217			\$28,430,275	20,776,284	3,760,000	3,900,000	12,390,284	46.0%					
Gross	\$42,835	\$4.00				1%	4,000,000	\$4.00											
Net	\$87,518	Price Differential					\$/yr	\$/STB											

Table 4c, Page 3  
Zenith Energy Ltd  
Ezzaoula Concession, Tunisia  
April 1, 2023

Production Streams, Revenues and Cash Flows - Proved Plus Probable Reserves

After Income tax

Company Working Interest	45.0%	Super Assets Ltd.																
		Net operating Income	Net Capital	Abandon & Reclaim	Capital Depr. - Straight Line - 20%				Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash Flow	t	Company Share Discounted @			
															5%	10%	15%	20%
Year		\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$	\$/yr.	%	\$/yr.	\$/yr.		\$	\$	\$	\$	
2023		2,280,003	\$3,780,000	\$0	\$758,000				\$758,000	\$1,524,003	50%	\$762,001	(\$2,261,999)	0.38	(2,220,989)	(2,182,580)	(2,146,499)	(2,112,513)
2024		4,444,703	\$0	\$0	\$758,000	\$0			\$758,000	\$3,686,703	50%	\$1,844,351	\$2,600,351	1.38	2,431,628	2,280,957	2,145,717	2,023,755
2025		3,524,156	\$0	\$0	\$758,000	\$0	\$0		\$758,000	\$2,768,156	50%	\$1,384,078	\$2,140,078	2.38	1,905,821	1,706,562	1,535,579	1,387,951
2026		2,952,630	\$0	\$0	\$758,000	\$0	\$0	\$0	\$758,000	\$2,198,530	50%	\$1,098,285	\$1,854,285	3.38	1,572,744	1,344,224	1,158,955	1,002,156
2027		2,271,038	\$0	\$0	\$758,000	\$0	\$0	\$0	\$758,000	\$1,515,038	50%	\$757,519	\$1,513,519	4.38	1,222,801	987,459	821,173	681,893
2028		1,808,244	\$0	\$0		\$0	\$0	\$0	\$0	\$1,808,244	50%	\$904,122	\$904,122	5.38	695,560	541,678	426,556	339,334
2029		1,384,235	\$0	\$0			\$0	\$0	\$0	\$1,384,235	50%	\$692,117	\$692,117	6.38	507,105	376,965	283,943	216,471
2030		995,244	\$0	\$0				\$0	\$0	\$995,244	50%	\$497,622	\$497,622	7.38	347,238	246,393	177,522	128,889
2031		665,772	\$0	\$0					\$0	\$665,772	50%	\$332,886	\$332,886	8.38	221,225	149,841	103,265	72,302
2032		385,930	\$0	\$0					\$0	\$385,930	50%	\$192,965	\$192,965	9.38	115,803	74,871	49,354	33,116
2033		78,429	\$0	\$3,600,000				\$0	(\$3,521,571)	50%	(\$1,760,785)	(\$1,760,785)	10.38	(1,061,372)	(855,024)	(413,015)	(265,543)	
2034		0	\$0	\$0				\$0	\$0	50%	\$0	\$0	11.38	0	0	0	0	
2035		0	\$0	\$0				\$0	\$0	50%	\$0	\$0	12.38	0	0	0	0	
2036		0	\$0	\$0				\$0	\$0	50%	\$0	\$0	13.38	0	0	0	0	
2037		0	\$0	\$0				\$0	\$0	50%	\$0	\$0	14.38	0	0	0	0	
2038		0	\$0	\$0				\$0	\$0	50%	\$0	\$0	15.38	0	0	0	0	
2039		0	\$0	\$0				\$0	\$0	50%	\$0	\$0	16.38	0	0	0	0	
2040		0	\$0	\$0				\$0	\$0	50%	\$0	\$0	17.38	0	0	0	0	
2041		0	\$0	\$0				\$0	\$0	50%	\$0	\$0	18.38	0	0	0	0	
2042		0	\$0	\$0				\$0	\$0	50%	\$0	\$0	19.38	0	0	0	0	
Totals		20,770,264	3,780,000	3,800,000	3,780,000	0	0		3,780,000	13,350,284		6,895,142	6,895,142		5,737,464	4,881,346	4,140,551	3,508,351



Table 4c, Page 4

**Zenith Energy Ltd**  
**Eszaouia Concession, Tunisia**  
**April 1, 2023**

**R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Plus Probable Reserves**

Year	Gross Revenue \$/yr.	Royalty \$/yr.	Corp Tax (Grossed Up) \$/yr.	Net Revenue \$/yr.	Cumulative Net Revenue \$	Operating Costs \$/yr.	Capital Costs \$/yr.	Total Expenditures \$/yr.	Cumulative Expenditures \$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$9,588,130	\$871,189	\$1,888,338	\$7,723,625	\$271,223,825	3,754,407	8,400,000	12,154,407	\$257,154,407	1.05	7%	50%
2024	\$16,591,103	\$1,181,377	\$4,098,558	\$11,331,167	\$282,554,791	5,386,697	0	5,386,697	\$262,541,104	1.08	7%	50%
2025	\$14,378,358	\$1,008,485	\$3,075,729	\$10,296,144	\$292,850,935	5,396,632	0	5,396,632	\$267,937,735	1.09	7%	50%
2026	\$13,018,908	\$911,317	\$2,440,588	\$9,666,902	\$302,517,837	5,416,125	0	5,416,125	\$273,353,860	1.11	10%	50%
2027	\$11,787,890	\$1,178,789	\$1,883,376	\$8,925,725	\$311,443,562	5,444,470	0	5,444,470	\$278,798,330	1.12	10%	50%
2028	\$10,673,428	\$1,067,343	\$2,009,160	\$7,596,826	\$318,040,488	5,481,032	0	5,481,032	\$284,279,362	1.12	10%	50%
2029	\$9,564,402	\$958,440	\$1,538,038	\$7,159,924	\$326,200,411	5,525,241	0	5,525,241	\$289,804,603	1.13	10%	50%
2030	\$8,750,833	\$875,083	\$1,105,827	\$6,769,923	\$332,970,334	5,576,588	0	5,576,588	\$295,381,191	1.13	10%	50%
2031	\$7,929,686	\$792,969	\$739,747	\$6,391,570	\$339,361,905	5,572,587	0	5,572,587	\$300,953,778	1.13	10%	50%
2032	\$7,174,781	\$717,478	\$406,589	\$6,050,714	\$345,412,619	5,572,378	0	5,572,378	\$306,526,156	1.13	10%	50%
2033	\$6,496,715	\$649,671	(\$3,912,856)	\$9,759,900	\$355,172,519	5,507,789	0	5,507,789	\$312,133,945	1.14	10%	50%
2034	\$0	\$0	\$0	\$0	\$355,172,519	0	0	0	\$312,133,945	1.14	10%	50%
2035	\$0	\$0	\$0	\$0	\$355,172,519	0	0	0	\$312,133,945	1.14	10%	50%
2036	\$0	\$0	\$0	\$0	\$355,172,519	0	0	0	\$312,133,945	1.14	10%	50%
2037	\$0	\$0	\$0	\$0	\$355,172,519	0	0	0	\$312,133,945	1.14	10%	50%
2038	\$0	\$0	\$0	\$0	\$355,172,519	0	0	0	\$312,133,945	1.14	10%	50%
2039	\$0	\$0	\$0	\$0	\$355,172,519	0	0	0	\$312,133,945	1.14	10%	50%
2040	\$0	\$0	\$0	\$0	\$355,172,519	0	0	0	\$312,133,945	1.14	10%	50%
2041	\$0	\$0	\$0	\$0	\$355,172,519	0	0	0	\$312,133,945	1.14	10%	50%
2042	\$0	\$0	\$0	\$0	\$355,172,519	0	0	0	\$312,133,945	1.14	10%	50%
<b>Totals</b>	<b>\$118,046,133</b>	<b>\$9,597,521</b>	<b>\$14,878,093</b>	<b>\$91,172,519</b>		<b>\$58,738,945</b>	<b>\$8,400,000</b>	<b>\$67,138,945</b>				
			<b>0.45</b>		<b>\$264,000,000</b>			<b>\$245,000,000</b>		<b>1.08</b>	<b>7%</b>	<b>50%</b>
			<b>Wt Factor</b>		<b>Opening Balance</b>			<b>Opening Balance</b>		<b>Applies Subsequent Year</b>		

## ROBBANA CONCESSION

### TUNISIA

### INDEX

<b>Discussion.....</b>	<b>81</b>
Property Description.....	81
Geology.....	81
Reserves.....	82
Production.....	82
Product Prices.....	82
Capital Expenditures.....	83
Operating Costs.....	83
Economics.....	83
 Attachments	
Figure 1: Land and Well Map.....	84
Table 1: Schedule of Lands, Interests and Royalty Burdens.....	85
Figure 2: Geological Maps and Figures	
a) Stratigraphic Chart – Jaffara Basin.....	86
b) Meloussi Structure Depth Map.....	87
Table 2: Summary of Gross Reserves.....	88
Figure 3: Analog Production Plot for New Drills.....	89
Table 3: Summary of Anticipated Capital Expenditures	
a) Development.....	90
b) Abandonment and Reclamation.....	91
Table 4: Summary of Company Reserves and Economics – BIT.....	92
Table 4T: Summary of Company Reserves and Economics – AIT.....	93
 <u>Production Forecast and Cash Flow Analysis</u>	
a) Probable Reserves .....	94
b) Probable Plus Possible Reserves .....	98

## **ROBBANA CONCESSION TUNISIA DISCUSSION**

### **Property Description**

The Company owns a 100% working interest in the Robbana Concession, in Tunisia. It is comprised of 11,861 acres of land (48 Km squared) and is located on the Djerba Island in the Gulf of Gabes, as shown on the Map Figure 1. The Concession contains one oil producer and one temporarily abandoned well.

Production is subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures.

A map showing the Concession boundary and producing well locations is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

### **Geology**

The Concession is within the Jaffara Basin, a WNW-ESE trending Permo-Triassic, extensional basin, which occupies a hinge-zone between the Palaeozoic Berfine/Ghandames Basin to the SSW and the Jurassic to Tertiary, Pelagian/Sabratia Basin to the NNE. There are two producing reservoirs on the concession, the Jurassic M'Rabine sand and the Cretaceous Zebbag carbonate, as shown on the Stratigraphic chart, Figure 2a.

The Robbana area was subjected to an episode of Late Triassic to early Cretaceous rifting, which created a low area during the deposition of the reservoir sandstones of the Lower Cretaceous Meloussi formation. The Meloussi formation consists of a series of thin sandstone units separated by interbedded shales and dolomites. An Upper Cretaceous wrench faulting episode caused an inversion of the depositional low in the Robbana area creating the present folded structure, as shown on the map Figure 2a. The Robbana structure is bounded to the southwest by a normal fault with over 1,400 meters of throw at the Meloussi reservoir level. Closing faults of lesser magnitude bound the feature in other direction.

## **Reserves**

Although one well, ROB-1 is currently producing, no proved reserves can be assigned due to the economic criteria not being satisfied. However, with the inclusion of the production from two well locations to be drilled the economic threshold would be met, therefore probable reserves of 46 MSTB have been estimated for well ROB-1, based on its historical performance trends.

Probable Undeveloped Reserves of 700 MSTB have been estimated for two locations on the Robbana structure to be drilled in geological advantageous positions. Reserves have been established from conservative analogous projections of early performance of ROB-1.

Incremental Possible Reserves of 281 MSTB of oil have been estimated for the same wells based on a best estimate analogous projection from the same ROB-1 early data.

A summary of the Reserves is presented on Table 2. Selected decline rates for each well and the starting point production rates are demonstrated on Page One of the economic analyses, Tables 4a, 4b and 4c. The ROB-1 early production plot which has been used as the analog performance for the new drills is presented on Figure 3.

## **Production**

Current production from well ROB-1 is averaging 20 STB/d, and as mentioned above is under the economic threshold for reserves assignment. However, with the inclusion of production from the two planned locations, ROB-1 will continue producing at its historical decline rate for several more years.

Initial rates, forecasts and timing of the undeveloped wells can be seen on Page One of Tables 4a and 4b, the economic analysis for Proved Plus Probable reserves.

## **Product Prices**

A 2023 oil price of \$79.17/STB has been used for this evaluation reflecting a discount of \$4.00/STB from the posted Brent crude price throughout the forecast.

### **Capital Expenditures**

Total capital expenditures of \$12,120,000 have been estimated for the overall property, which includes the drilling of two wells and the related cost for equipping and tie-in.

The capital expenditures scheduled for each case are presented in Table 3a. Abandonment costs are summarized on Table 3b

### **Operating Costs**

Operating costs have been estimated to be \$500,000 per year and an additional \$90,000 per well per year (fixed) plus \$4.00/STB (variable), based on historical and budget information provided by the former operator of the property.

### **Economics**

The results of the economic analysis are summarized in Table 4 and 4T for the before and after-tax cases respectively. The full economic analyses are presented in Table 4a, and 4b, and have been presented in spread sheet format to allow for proper handling of the fiscal regime.



**ZENITH ENERGY LTD.**

**ROBBANA CONCESSION**

**TUNISIA**

**LAND AND WELL MAP**

APR. 2023

JOB No. 6925 FIGURE No. 1

Table 1

**Schedule of Lands, Interests and Royalty Burdens**  
**April 1, 2023**

**Zenith Energy Ltd**

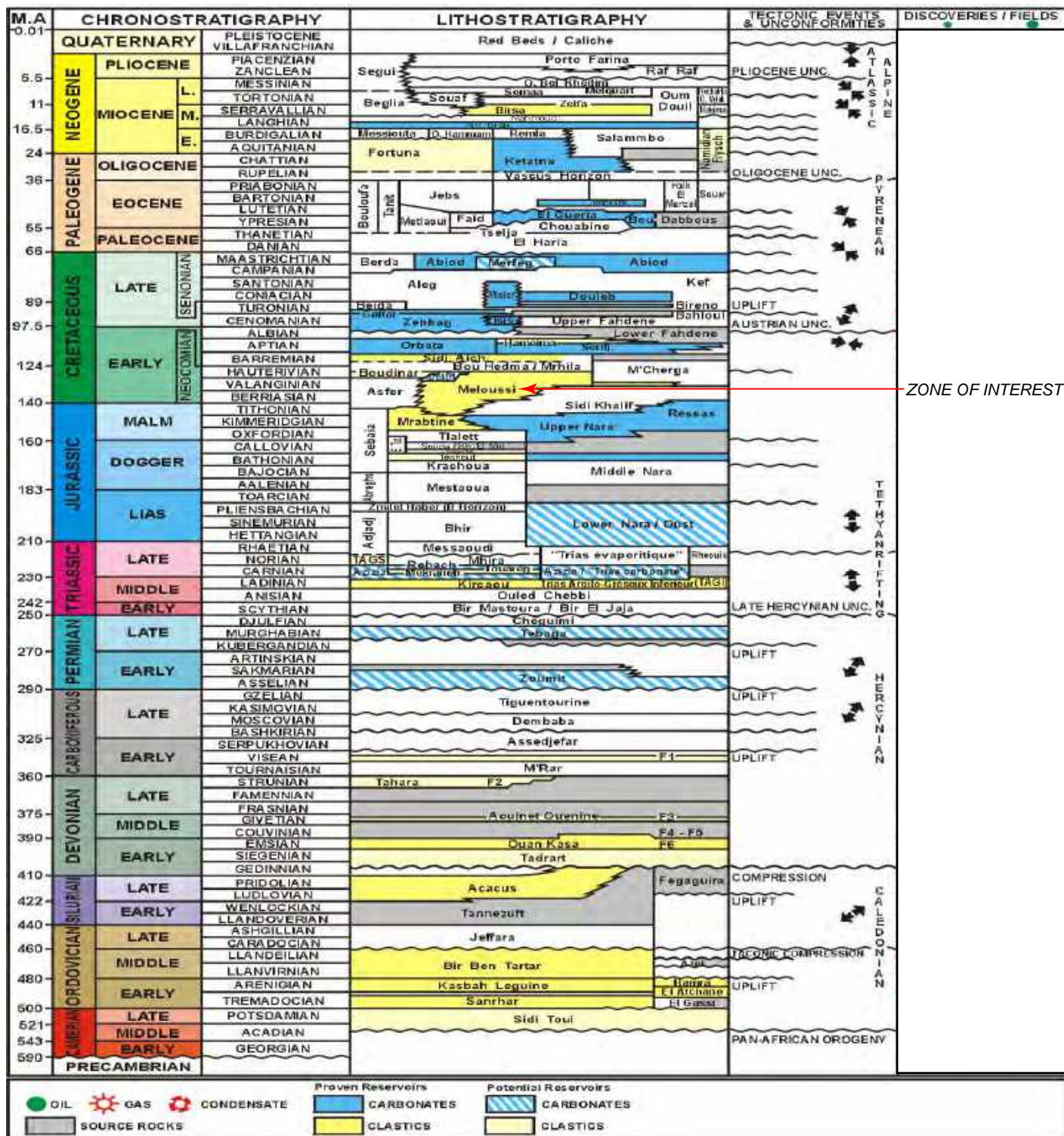
**Robbana Concession, Tunisia**

<u>Description</u>	<u>Gross Acres</u>	<u>Appraised Interest</u>		<u>Royalty Burdens</u>	
		<u>Working</u>	<u>Royalty</u>	<u>Basic</u>	<u>Overriding</u>
		<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Robbana Concession	48 Km squared (9884 Acres)	100.0000	-	[1]	-

Note: [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

Royalty Rate =	2%	When "R" Factor is	< 0.5
	5%		0.5 to 0.8
	7%		0.8 to 1.1
	10%		1.1 to 1.5
	12%		1.5 to 2.0
	14%		2.0 to 2.5
	15%		> 2.5





Source: Candax Presentation, June 2019, p. 2

**ZENITH ENERGY LTD.**

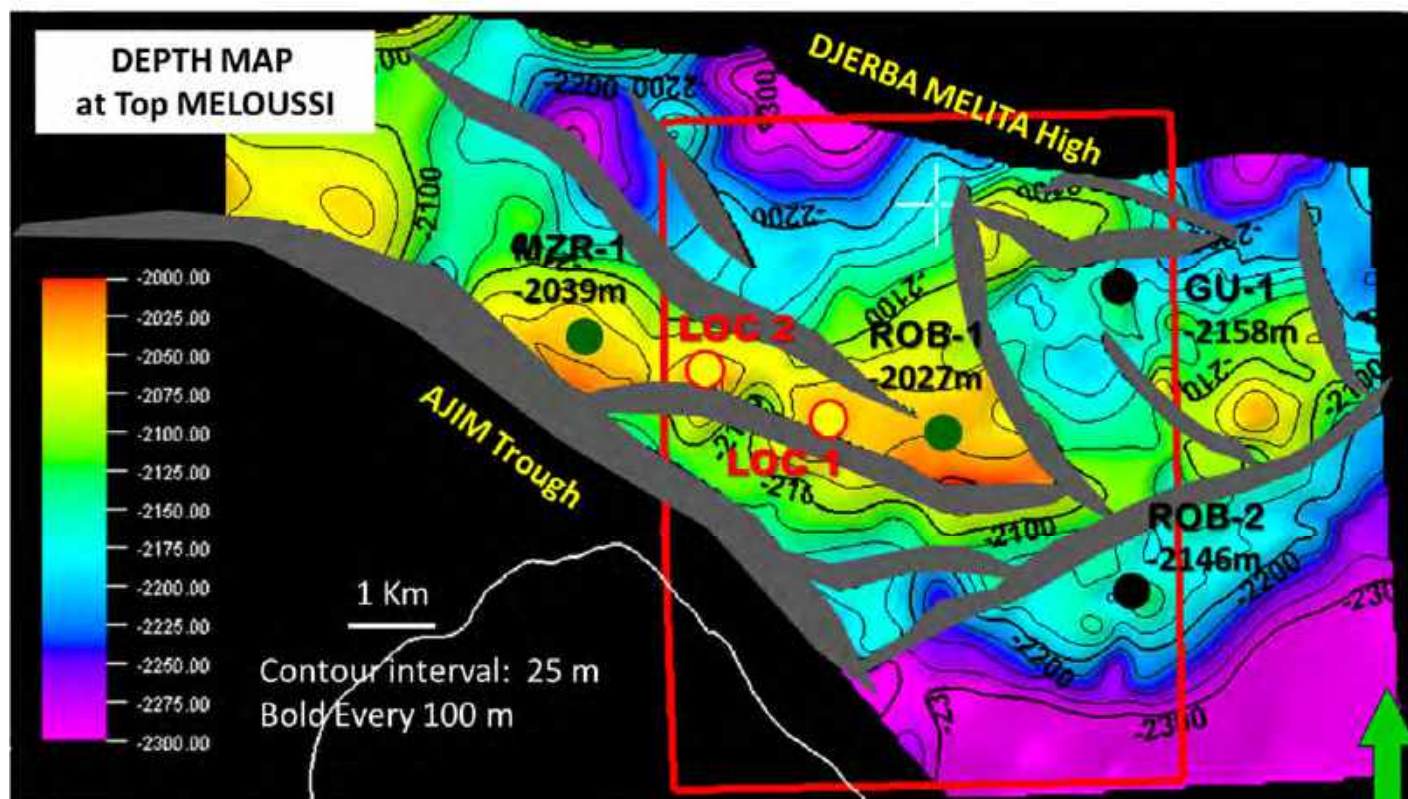
**ROBBANA CONCESSION**  
TUNISIA  
**STRATIGRAPHIC CHART**


APR. 2023

JOB No. 6925 FIGURE No. 2a

**Chapman** Petroleum Engineering Ltd.





 Concession boundary

**ZENITH ENERGY LTD.**

**ROBBANA CONCESSION**

TUNISIA

**STRUCTURAL CONTOUR  
DEPTH MAP ON MELOUSSI FM**

C.I. = 25 m

APR. 2023

JOB No. 6925 FIGURE No. 2b

Table 2

**Summary of Gross Reserves**  
**April 1, 2023**

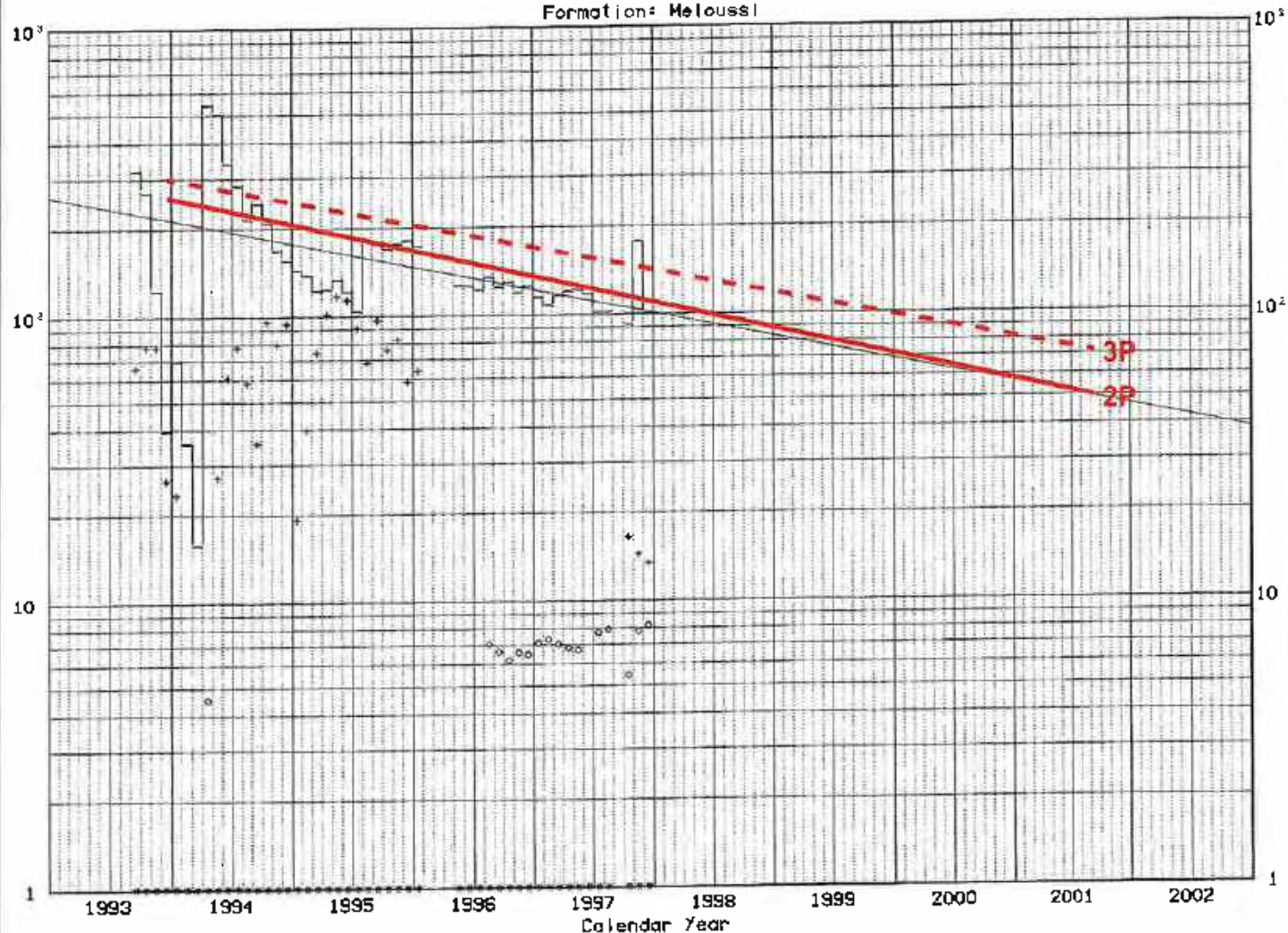
**Robbana Concession, Tunisia**

Description		Current or		API Gravity (Deg)	Ultimate Reserves (MSTB)	Cumulative Production (MSTB)	Reserves (MSTB)	Reference
		Initial Rate STB/d						
<b>LIGHT &amp; MEDIUM OIL</b>								
<b>Proved Developed Producing</b>								
ROB-1	Meloussi	20		41	520	520	0	
<b>Total Proved Developed Producing</b>					<b>520</b>	<b>520</b>	<b>0</b>	
<b>Total Proved</b>					<b>520</b>	<b>520</b>	<b>0</b>	
<b>Probable</b>								
<b>Probable Developed Producing</b>								
ROB-1	Meloussi	20		41	46	0	46	Table 4a
<b>Total Probable Developed Producing (incr)</b>					<b>46</b>	<b>0</b>	<b>46</b>	
<b>Total Proved Plus Probable Developed Producing</b>					<b>566</b>	<b>520</b>	<b>46</b>	
<b>Probable Undeveloped</b>		<b>IP Date</b>						
ROB-3 (Location)	Meloussi	250	2025	41	360	0	360	Analog, Table 4b
ROB-4 (Location)	Meloussi	250	2026	41	340	0	340	Analog, Table 4b
<b>Total Probable Undeveloped</b>					<b>700</b>	<b>0</b>	<b>700</b>	
<b>Total Proved Plus Probable</b>					<b>1,266</b>	<b>520</b>	<b>746</b>	
<b>Possible Undeveloped (Incremental)</b>								
ROB-3 (Location)	Meloussi	50	2025	41	140	0	140	Analog, Table 4b
ROB-4 (Location)	Meloussi	50	2026	41	141	0	141	Analog, Table 4b
<b>Total Possible Undeveloped</b>					<b>281</b>	<b>0</b>	<b>281</b>	
<b>Total Proved Plus Probable Plus Possible</b>					<b>1,547</b>	<b>520</b>	<b>1,027</b>	

# PRODUCTION HISTORY

ROBBANA #1

Field: ROBBANA  
Formation: Meloussi



- \* Number of Wells
- o GOR, scf/STB  $\times 10$
- + Water Cut, %  $\times 0.1$
- Daily Oil, STB/d

**ZENITH ENERGY LTD.**

**ROBBANA CONCESSION**

TUNISIA

**ANALOG PRODUCTION PLOT  
FOR NEW DRILLS**

APR. 2023

JOB No. 6925 FIGURE No. 3

Table 3a

Summary of Anticipated Capital Expenditures  
Development

April 1, 2023

Zenith Energy Ltd

Robbana Concession, Tunisia

Description	Date	Operation	Capital Interest %	Gross Capital M\$	Net Capital M\$
<u>Probable Undeveloped</u>					
ROB-3	2025	Drill, Complete and tie-in	100.0000	6,000	6,000
ROB-4	2026	Drill, Complete and tie-in	100.0000	6,000	6,000
Total Probable Undeveloped				12,000	12,000

Note: **M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

Unless details are known, drilling costs have been split 70% Intangible and 30% Tangible for tax purposes

**Table 3b**  
**Summary of Anticipated Capital Expenditures**  
**Abandonment and Restoration**

**April 1, 2023**

**Zenith Energy Ltd**

**Robbana Concession, Tunisia**

<b>Description</b>	<b>Well Parameters</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
<b>Probable &amp; Possible</b>				
Robbana Field Wells	Three producing wells	100.0000	1,500	1,500
Inactive wells	One inactive well	100.0000	500	500
<b>Total Proved Plus Probable Developed Producing</b>			<b>2,000</b>	<b>2,000</b>

Note: **M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

**Table 4**  
**Summary of Company Reserves and Economics**  
**Before Income Tax**  
**April 1, 2023**  
**Zenith Energy Ltd.**  
**Robbana Concession, Tunisia**

Description		Net To Appraised Interest										
		Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbbls		Cumulative Cash Flow (BIT) - M\$				
								Discounted at:				
		Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Reserve Category	Formation Name											
PROBABLE												
Probable Developed & Undeveloped												
One well, two locations	Meloussi	748	718	0	0	0	0	31,841	23,544	17,599	13,257	10,032
Total Probable		748	718	0	0	0	0	31,841	23,544	17,599	13,267	10,032
POSSIBLE												
Possible Developed & Undeveloped												
One well, two locations	Meloussi	281	264	0	0	0	0	19,120	14,768	11,708	9,481	7,807
Total Probable Plus Possible		1,027	982	0	0	0	0	50,961	38,309	29,307	22,738	17,839

M\$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than \$500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf)

Table 4T  
Summary of Company Reserves and Economics  
After Income Tax  
April 1, 2023  
Zenith Energy Ltd.  
Robbana Concession, Tunisia

Description		Net To Appraised Interest						Cumulative Cash Flow (AIT) - M\$				
		Light Oil MSTB		Conventional Natural Gas MMscf		NGL Mbbbls		Discounted at:				
		Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Reserve Category	Formation Name											
<b>PROBABLE</b>												
<u>Probable Developed &amp; Undeveloped</u>												
One well, two locations	Meloussi	746	718	0	0	0	0	15,921	11,260	7,940	5,537	3,773
<b>Total Probable</b>		<b>746</b>	<b>718</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,921</b>	<b>11,260</b>	<b>7,940</b>	<b>5,537</b>	<b>3,773</b>
<b>POSSIBLE</b>												
<u>Possible Developed &amp; Undeveloped</u>												
One well, two locations	Meloussi	281	264	0	0	0	0	9,560	6,893	5,116	3,910	3,063
<b>Total Probable Plus Possible</b>		<b>1,027</b>	<b>982</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,481</b>	<b>18,142</b>	<b>13,056</b>	<b>9,447</b>	<b>6,836</b>

M\$ means thousands of dollars.

Gross reserves are the total of the Company's working interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than \$500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf)

Table 4a, Page 1

Zenith Energy Ltd

Robbana

April 1, 2023

## Production and Capital Forecast - Probable Reserves

Days On	Year	Well Count	Proved Plus Probable Producing	ROB-3	ROB-4	Total Oil Production		Capital Expenditures - M\$		
			STB/d	STB/d	STB/d	STB/d	STB/yr	Drilling, Completion & Tie-in	Facilities & Tie-in	Total Capital (Escalated)
275	2023	1	20	0	0	20	5,500	0	0	0
365	2024	1	18	0	0	18	6,570	5000	1000	6120
365	2025	2	16	227	0	243	88,705	5000	1000	6242.4
365	2026	3	15	185	227	426	155,558	0	0	0
365	2027	3	13	151	185	348	127,175	0	0	0
365	2028	3	12	123	151	285	104,009	0	0	0
365	2029	3	11	100	123	233	85,096	0	0	0
365	2030	3	10	81	100	191	69,652	0	0	0
365	2031	3	9	66	81	156	57,038	0	0	0
365	2032	3	8	54	66	128	46,733	0	0	0
365	2033	0	0	0	0	0	0	0	0	0
Reserves			45,746	360,000	340,290		746,037	10,000	2,000	12,362
							Unit Cost	5000	1000	
Decline Rate	%/yr		10%	19%	19%					
Starting Rate	STB/d		20	250	250		2023	0	0	
							2024	1	1	
							2025	1	1	
							2026	0	0	



Table 4a, Page 2  
Zenith Energy Ltd  
Robbana  
April 1, 2023

Production Streams, Revenues and Cash Flows - Probable Reserves  
Before Income Tax

Year	Gross Production	Oil Price	Gross Revenue	Royalty Rate	Royalty	Export Payment	Operating Costs - \$/yr			Project Total Revenue (Operating Cash Flow) \$/yr	Total Capital Costs \$/yr	Abandon & Reclaim \$/yr	Net Cash Flow (Profit) \$/yr	Net Cash Flow (Profit) \$/yr	Company's Share Discounted @				
							Fixed	Variable	Total (Escalated)						5%	10%	15%	20%	
2023	5,500	\$79.17	\$435,458	2%	\$8,709	\$4,355	442,500	24,750	467,250	(44,856)	0	0	(44,856)	(44,856)	0.36	(44,043)	(43,281)	(42,565)	(41,831)
2024	6,570	\$78.38	\$514,959	2%	\$10,299	\$5,150	590,000	29,585	619,585	(132,446)	5,120,000	0	(6,252,446)	(6,252,446)	1.38	(5,848,752)	(5,484,474)	(5,158,298)	(4,868,041)
2025	86,765	\$76.80	\$6,794,928	2%	\$135,889	\$67,949	680,000	339,173	1,122,772	5,488,308	8,242,400	0	(774,062)	(774,062)	2.38	(688,394)	(617,284)	(555,437)	(502,038)
2026	155,558	\$78.21	\$12,168,717	2%	\$243,334	\$121,667	770,000	700,041	1,599,999	10,241,727	0	0	10,241,727	10,241,727	3.38	8,886,790	7,424,597	6,260,252	5,335,241
2027	127,175	\$79.86	\$10,195,321	2%	\$203,118	\$101,659	770,000	572,289	1,452,937	8,398,308	0	0	8,398,306	8,398,306	4.36	6,784,042	5,554,759	4,566,576	3,782,455
2028	104,009	\$81.53	\$8,480,390	5%	\$424,018	\$84,803	770,000	488,040	1,365,895	6,804,614	0	0	6,804,614	6,804,614	5.88	5,041,068	3,936,961	3,115,594	2,478,838
2029	85,066	\$83.25	\$7,083,843	5%	\$354,182	\$70,838	770,000	382,831	1,298,388	5,360,424	0	0	5,360,424	5,360,424	6.36	3,827,511	2,919,583	2,198,126	1,678,558
2030	69,652	\$84.99	\$5,919,783	5%	\$285,986	\$59,198	770,000	313,436	1,244,525	4,320,051	0	0	4,320,051	4,320,051	7.38	3,014,518	2,138,035	1,541,141	1,125,971
2031	57,006	\$86.77	\$4,849,222	7%	\$346,448	\$49,492	770,000	256,872	1,202,910	3,350,374	0	0	3,350,374	3,350,374	8.36	2,226,862	1,508,088	1,030,319	727,697
2032	46,733	\$88.59	\$4,139,864	7%	\$289,790	\$41,398	770,000	210,296	1,171,547	2,837,127	0	2,000,000	637,127	637,127	9.36	403,252	280,717	171,864	115,319
2033	0	\$90.44	\$0	7%	\$0	\$0	0	0	0	0	0	0	0	0	10.38	0	0	0	0
Totals	746,037		\$60,641,004		\$2,311,792	\$606,410	\$7,102,500	\$3,357,185	\$11,519,170	46,203,631	12,362,408	2,000,000	\$1,841,231	\$1,841,231		21,543,543	17,598,711	13,256,973	10,032,109
Company Share			\$60,641,004		\$2,311,792	\$606,410			\$11,519,170	46,203,631	12,362,408	2,000,000	\$1,841,231	100.0%					
Gross	746,037	\$4.00					1%	\$00,000	\$4.50										
Net	717,596	Price Differential						\$/yr	\$25TB										

Table 4a, Page 3  
**Zenith Energy Ltd**  
**Robbana**  
**April 1, 2023**

**Production Streams, Revenues and Cash Flows - Probable Reserves**

**After income tax**

Company Working Interest	Pre-tax Income												Company Share Discounted @			
	Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable Income	Tax Rate	Tax Payable	After Tax Cash flow	t	5%	10%	15%	20%
Year	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$	\$/yr.	%	\$/yr.	\$/yr.		\$	\$	\$	\$
2023	(44,856)	\$0	\$0	\$0			\$0	(\$44,856)	50%	(\$22,428)	(\$22,428)	0.38	(\$22,021)	(\$21,640)	(\$21,283)	(\$20,948)
2024	(132,446)	\$5,120,000	\$0	\$0	\$1,224,000		\$1,224,000	(\$1,356,446)	50%	(\$678,223)	(\$5,574,223)	1.38	(\$5,212,536)	(\$4,888,556)	(\$4,598,850)	(\$4,338,206)
2025	5,468,308	\$6,242,400	\$0	\$0	\$1,224,000	\$1,248,480	\$2,472,480	\$2,995,828	50%	\$1,487,814	(\$2,272,008)	2.38	(\$2,023,414)	(\$1,811,765)	(\$1,630,242)	(\$1,473,513)
2026	10,241,727	\$0	\$0	\$0	\$1,224,000	\$1,248,480	\$2,472,480	\$7,769,247	50%	\$3,884,824	\$8,357,104	9.38	\$5,391,944	\$4,808,494	\$3,968,469	\$3,435,758
2027	8,398,306	\$0	\$0	\$0	\$1,224,000	\$1,248,480	\$2,472,480	\$5,925,826	50%	\$2,962,813	\$5,435,383	4.38	\$4,390,840	\$3,562,102	\$2,949,021	\$2,448,009
2028	6,604,614	\$0	\$0		\$1,224,000	\$1,248,480	\$2,472,480	\$4,132,134	50%	\$2,068,067	\$4,538,547	5.38	\$3,491,569	\$2,719,138	\$2,141,243	\$1,703,404
2029	5,360,424	\$0	\$0			\$1,248,480	\$1,248,480	\$4,111,944	50%	\$2,055,972	\$3,304,452	6.38	\$2,421,128	\$1,799,787	\$1,355,660	\$1,033,520
2030	4,320,051	\$0	\$0				\$0	\$4,320,051	50%	\$2,160,026	\$2,160,026	7.38	\$1,507,258	\$1,069,517	\$770,570	\$562,896
2031	3,350,374	\$0	\$0				\$0	\$3,350,374	50%	\$1,675,187	\$1,675,187	8.38	\$1,113,276	\$754,049	\$519,659	\$363,848
2032	2,637,127	\$0	\$2,000,000				\$0	\$637,127	50%	\$318,564	\$318,564	9.38	\$201,628	\$130,359	\$85,932	\$57,680
2033	0	\$0	\$0				\$0	\$0	50%	\$0	\$0	10.38	\$0	\$0	\$0	\$0
Totals	46,203,631	12,362,400	2,000,000	0	6,120,000	6,242,400	12,362,400	31,841,231		\$15,920,616	\$15,920,616		\$11,259,500	\$7,940,464	\$5,537,380	\$3,772,621

Table 4a, Page 4

## Zenith Energy Ltd

Robbana

April 1, 2023

## R Factor - Royalty Rate - Tax Rate - Depreciation, Probable Reserves

Year	Gross Revenue \$/yr.	Royalty \$/yr.	Corp Tax \$/yr.	Net Revenue \$/yr.	Cumulative Net Revenue \$	Operating Costs \$/yr.	Capital Costs \$/yr.	Total Expenditures \$/yr.	Cumulative Expenditures \$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$435,458	\$8,709	(\$22,428)	\$449,177	\$2,948,177	467,250	0	467,250	\$25,467,250	0.12	2%	50%
2024	\$514,959	\$10,299	(\$678,223)	\$1,182,883	\$4,132,060	631,958	6,120,000	6,751,956	\$32,219,206	0.13	2%	50%
2025	\$6,794,928	\$135,899	\$1,497,814	\$5,161,115	\$9,293,175	1,122,772	8,242,400	7,365,172	\$39,584,378	0.23	2%	50%
2026	\$12,166,717	\$243,334	\$3,884,624	\$8,036,759	\$17,331,933	1,559,988	0	1,559,988	\$41,144,366	0.42	2%	50%
2027	\$10,155,921	\$203,118	\$2,962,913	\$6,999,889	\$24,321,823	1,452,937	0	1,452,937	\$42,597,303	0.57	5%	50%
2028	\$8,480,330	\$424,016	\$2,066,067	\$5,990,248	\$30,312,069	1,366,896	0	1,366,896	\$43,964,199	0.69	5%	50%
2029	\$7,083,843	\$354,192	\$2,056,972	\$4,673,579	\$34,985,748	1,298,388	0	1,298,388	\$45,262,587	0.77	5%	50%
2030	\$5,919,763	\$295,988	\$2,160,026	\$3,463,749	\$38,449,497	1,244,526	0	1,244,526	\$46,507,113	0.83	7%	50%
2031	\$4,949,222	\$346,446	\$1,675,187	\$2,927,589	\$41,377,086	1,202,910	0	1,202,910	\$47,710,023	0.87	7%	50%
2032	\$4,139,664	\$289,790	\$318,564	\$3,531,509	\$44,908,596	1,171,547	0	1,171,547	\$48,881,570	0.92	7%	50%
2033	\$0	\$0	\$0	\$0	\$44,908,596	0	0	0	\$48,881,570	0.92	7%	50%
Totals	\$60,641,004	\$2,311,792	\$15,920,618	\$42,400,596		\$11,519,170	\$12,362,400	\$23,881,570				
			1	est	\$2,500,000			est	\$25,000,000	0.10	2%	50%
			WI Factor		Opening Balance				Opening Balance	Applies Subsequent Year		

Table 4b, Page 1

Zenith Energy Ltd

Robbana

April 1, 2023

## Production and Capital Forecast - Probable Plus Possible Reserves

Days On	Year	Well Count	Proved Plus Probable Producing	ROB-3	ROB-4	Total Oil Production		Capital Expenditures - M\$		
			STB/d	STB/d	STB/d	STB/d	STB/yr	Drilling, Completion & Tie-in	Facilities & Tie-in	Total Capital (Escalated)
275	2023	1	20	0	0	20	5,500	0	0	0
365	2024	1	18	0	0	18	6,570	5000	1000	6120
365	2025	2	16	275	0	291	106,160	5000	1000	6242.4
365	2026	3	15	228	275	517	188,872	0	0	0
365	2027	3	13	190	228	431	157,317	0	0	0
365	2028	3	12	158	190	359	131,059	0	0	0
365	2029	3	11	131	158	299	109,206	0	0	0
365	2030	3	10	109	131	249	91,017	0	0	0
365	2031	3	9	90	109	208	75,875	0	0	0
365	2032	3	8	75	90	173	63,268	0	0	0
365	2033	2	0	62	75	138	50,225	0	0	0
365	2034	2	0	52	62	114	41,736	0	0	0
365	2035	0	0	0	0	0	0	0	0	0

Reserves	46,746	500,000	481,058	1,026,805	10,000	2,000	12,362
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Unit Cost	5000	1000
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Decline Rate	%/yr	10%	17%	17%
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Starting Rate	STB/d	20	300	300
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2023	0	0
2024	1	1
2025	1	1
2026	0	0

Table 4b, Page 2

Zenith Energy Ltd

Robbana

April 1, 2023

## Production Streams, Revenues and Cash Flows - Probable Plus Possible Reserves

Before Income Tax

Year	Gross Production	Oil Price	Gross Revenue	Royalty Rate	Royalty	Export Payment	Operating Costs - \$/yr.			Project Total Revenue (Operating Cash Flow) \$/yr.	Total Capital Costs \$/yr.	Abandon & Reclamation \$/yr.	Net Cash Flow (Profit) \$/yr.	Net Cash Flow (Profit) \$/yr.	Company's Share Undiscounted @			
							Fixed	Variable	Total (Escalated)						5%	10%	15%	20%
	STB/yr	\$/STB	\$/yr.	%	\$/yr.	\$/yr.									\$	\$	\$	\$
2023	5,500	\$78.17	\$435,468	2%	\$8,709	\$4,355	442,500	24,750	467,250	(44,856)	0	0	(44,856)	(44,856)	(44,507)	(44,177)	(43,864)	(43,568)
2024	6,570	\$78.38	\$514,859	2%	\$10,299	\$5,150	590,000	29,585	619,585	(132,446)	6,120,000	0	(6,252,446)	(6,252,446)	(6,003,427)	(5,775,237)	(5,566,301)	(5,371,455)
2025	108,160	\$76.60	\$8,131,961	2%	\$162,639	\$81,320	680,000	477,718	1,204,490	6,683,612	8,242,400	0	441,112	441,112	403,375	370,405	341,421	315,799
2026	188,872	\$78.21	\$14,772,302	2%	\$295,446	\$147,723	770,000	849,924	1,719,078	12,610,057	0	0	12,610,057	12,610,057	10,982,160	9,626,126	8,487,114	7,523,085
2027	167,317	\$79.86	\$12,562,996	2%	\$251,260	\$125,630	770,000	707,929	1,599,758	10,586,349	0	0	10,586,349	10,586,349	9,780,669	7,346,528	6,195,714	5,263,135
2028	131,059	\$81.53	\$10,685,887	5%	\$534,295	\$106,859	770,000	669,787	1,501,293	8,543,450	0	0	8,543,450	8,543,450	6,749,782	5,399,921	4,347,911	3,539,568
2029	109,206	\$83.25	\$9,090,921	5%	\$454,546	\$90,909	770,000	491,428	1,420,573	7,124,893	0	0	7,124,893	7,124,893	5,360,202	4,086,343	3,153,026	2,459,861
2030	91,017	\$84.99	\$7,735,547	7%	\$641,488	\$77,355	770,000	409,575	1,354,981	5,761,741	0	0	5,761,741	5,761,741	4,128,252	3,004,122	2,217,203	1,657,709
2031	75,875	\$86.77	\$6,583,665	7%	\$460,857	\$65,837	770,000	341,436	1,302,225	4,754,747	0	0	4,754,747	4,754,747	3,244,829	2,253,712	1,591,640	1,199,999
2032	63,268	\$88.59	\$5,604,918	7%	\$392,323	\$56,046	770,000	284,705	1,260,471	3,895,778	0	0	3,895,778	3,895,778	2,531,799	1,678,688	1,133,575	776,370
2033	50,225	\$90.44	\$4,542,178	7%	\$317,352	\$45,422	680,000	225,611	1,104,422	3,074,382	0	0	3,074,382	3,074,382	1,902,645	1,204,325	777,696	511,881
2034	41,736	\$92.33	\$3,853,323	7%	\$269,733	\$38,533	680,000	187,812	1,079,015	2,466,041	0	2,000,000	466,041	466,041	274,714	165,963	102,338	64,683
2035	0	\$94.25	\$0	10%	\$0	\$0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>1,026,805</b>		<b>\$84,513,825</b>		<b>\$3,699,548</b>	<b>\$945,139</b>	<b>\$8,462,500</b>	<b>\$4,620,621</b>	<b>\$14,545,480</b>	<b>65,323,649</b>	<b>12,362,400</b>	<b>2,000,000</b>	<b>\$0,961,249</b>	<b>\$0,961,249</b>	<b>\$6,309,402</b>	<b>29,306,831</b>	<b>22,738,289</b>	<b>17,639,068</b>
<b>Company Share</b>			<b>\$84,513,825</b>		<b>\$3,699,548</b>	<b>\$945,139</b>			<b>\$14,545,480</b>	<b>65,323,649</b>	<b>12,362,400</b>	<b>2,000,000</b>	<b>\$0,961,249</b>	<b>100.0%</b>				
<b>Gross</b>	<b>1,026,805</b>	<b>\$4.00</b>				<b>1%</b>	<b>500,000</b>	<b>\$4.50</b>										
<b>Net</b>	<b>981,857</b>	<b>Price Differential</b>					<b>\$/yr</b>	<b>\$/STB</b>										

Table 4b, Page 3  
Zenith Energy Ltd

Robbana

April 1, 2023

Production Streams, Revenues and Cash Flows - Probable Plus Possible Reserves

After Income tax

Company Working Interest	100.0%	After income tax															
		Net operating Income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow	Company Share Discounted @				
													5%	10%	15%	20%	
Year	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$	\$/yr.	%	\$/yr.	\$/yr.	t	\$	\$	\$	\$	
2023	(44,856)	\$0	\$0	\$0	0	\$0	\$0	(\$44,856)	50%	(\$22,428)	(\$22,428)	0.38	(\$22,021)	(\$21,640)	(\$21,283)	(\$20,946)	
2024	(132,446)	\$6,120,000	\$0	\$0	\$1,224,000	\$0	\$1,224,000	(\$1,356,446)	50%	(\$678,223)	(\$5,574,223)	1.38	(\$5,212,536)	(\$4,889,558)	(\$4,589,650)	(\$4,338,206)	
2025	6,683,512	\$6,242,400	\$0	\$0	\$1,224,000	\$1,248,480	\$2,472,480	\$4,211,032	50%	\$2,105,518	(\$1,664,404)	2.38	(\$1,482,293)	(\$1,327,245)	(\$1,194,287)	(\$1,079,452)	
2026	12,610,057	\$0	\$0	\$0	\$1,224,000	\$1,248,480	\$2,472,480	\$10,187,577	50%	\$5,088,788	\$7,541,268	3.38	\$6,396,325	\$5,466,937	\$4,705,320	\$4,075,751	
2027	10,566,349	\$0	\$0	\$0	\$1,224,000	\$1,248,480	\$2,472,480	\$8,113,869	50%	\$4,056,934	\$6,529,414	4.38	\$5,274,376	\$4,303,098	\$3,542,582	\$2,940,738	
2028	8,543,450	\$0	\$0	\$0	\$1,224,000	\$1,248,480	\$2,472,480	\$6,070,970	50%	\$3,035,485	\$5,507,965	5.38	\$4,237,392	\$3,299,936	\$2,598,605	\$2,067,245	
2029	7,124,893	\$0	\$0	\$0	\$0	\$1,248,480	\$1,248,480	\$5,876,413	50%	\$2,938,207	\$4,186,687	6.38	\$3,067,529	\$2,280,300	\$1,717,599	\$1,308,453	
2030	5,761,741	\$0	\$0	\$0	\$0	\$0	\$0	\$5,761,741	50%	\$2,880,871	\$2,880,871	7.38	\$2,010,262	\$1,426,437	\$1,027,726	\$750,865	
2031	4,754,747	\$0	\$0	\$0	\$0	\$0	\$0	\$4,754,747	50%	\$2,377,373	\$2,377,373	8.38	\$1,579,927	\$1,070,123	\$737,485	\$518,362	
2032	3,895,778	\$0	\$0	\$0	\$0	\$0	\$0	\$3,895,778	50%	\$1,947,889	\$1,947,889	9.38	\$1,232,682	\$797,091	\$525,439	\$352,588	
2033	3,074,382	\$0	\$0	\$0	\$0	\$0	\$0	\$3,074,382	50%	\$1,537,191	\$1,537,191	10.38	\$928,593	\$571,845	\$360,568	\$231,858	
2034	2,466,041	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$466,041	50%	\$233,021	\$233,021	11.38	\$133,772	\$78,805	\$47,529	\$29,289	
2035	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	50%	\$0	\$0	12.38	\$0	\$0	\$0	\$0	
Totals	65,323,848	12,362,400	2,000,000	0	6,120,000	6,242,400	12,362,400	50,961,249		25,460,624	25,460,624		18,142,188	13,056,132	9,447,683	6,835,525	

Table 4b, Page 4

## Zenith Energy Ltd

Robbana

April 1, 2023

## R Factor - Royalty Rate - Tax Rate - Depreciation, Probable Plus Possible Reserves

Year	Gross Revenue \$/yr.	Royalty \$/yr.	Corp Tax (Grossed Up) \$/yr.	Net Revenue \$/yr.	Cumulative Net Revenue \$	Operating Costs \$/yr.	Capital Costs \$/yr.	Total Expenditures \$/yr.	Cumulative Expenditures \$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$435,458	\$8,709	(\$22,428)	\$449,177	\$2,949,177	467,250	0	467,250	\$25,467,250	0.12	2%	50%
2024	\$514,959	\$10,299	(\$678,223)	\$1,182,883	\$4,132,060	631,956	6,120,000	6,751,956	\$32,219,206	0.13	2%	50%
2025	\$8,131,961	\$162,639	\$2,105,516	\$5,863,806	\$9,995,865	1,204,490	6,242,400	7,446,890	\$39,666,096	0.25	2%	50%
2026	\$14,772,302	\$295,446	\$5,068,788	\$9,408,067	\$19,403,933	1,719,076	0	1,719,076	\$41,385,172	0.47	2%	50%
2027	\$12,562,996	\$251,260	\$4,056,934	\$8,254,802	\$27,658,735	1,599,758	0	1,599,758	\$42,984,930	0.64	5%	50%
2028	\$10,685,897	\$534,295	\$3,035,485	\$7,116,117	\$34,774,851	1,501,293	0	1,501,293	\$44,486,223	0.76	5%	50%
2029	\$9,090,921	\$454,546	\$2,938,207	\$5,698,169	\$40,473,020	1,420,573	0	1,420,573	\$45,906,796	0.88	7%	50%
2030	\$7,735,547	\$541,468	\$2,880,871	\$4,313,188	\$44,786,208	1,354,961	0	1,354,961	\$47,261,757	0.95	7%	50%
2031	\$6,583,665	\$460,857	\$2,377,373	\$3,745,435	\$48,531,643	1,302,225	0	1,302,225	\$48,563,982	1.00	7%	50%
2032	\$5,604,618	\$392,323	\$1,947,889	\$3,264,406	\$51,796,049	1,260,471	0	1,260,471	\$49,824,453	1.04	7%	50%
2033	\$4,542,178	\$317,952	\$1,537,191	\$2,687,035	\$54,483,083	1,104,422	0	1,104,422	\$50,928,875	1.07	7%	50%
2034	\$3,853,323	\$269,733	\$233,021	\$3,350,569	\$57,833,653	1,079,015	0	1,079,015	\$52,007,890	1.11	10%	50%
2035	\$0	\$0	\$0	\$0	\$57,833,653	0	0	0	\$52,007,890	1.11	10%	50%
<b>Totals</b>	<b>\$84,513,825</b>	<b>\$3,699,548</b>	<b>\$25,480,624</b>	<b>\$55,333,653</b>		<b>\$14,645,490</b>	<b>\$12,362,400</b>	<b>\$27,007,890</b>				
			1	est	\$2,500,000			est	\$25,000,000	0.10	2%	50%
			WI Factor		Opening Balance				Opening Balance	Applies Subsequent Year		

**SIDI EL KILANI CONCESSION**  
**TUNISIA**  
**INDEX**

<b>Discussion.....</b>	<b>103</b>
Property Description.....	103
Geology.....	103
Reserves.....	106
Production.....	106
Product Prices.....	107
Capital Expenditures.....	107
Operating Costs.....	107
Economics and Tax.....	107
 <b>Attachments</b>	
Figure 1: Land and Well Map.....	109
Table 1: Schedule of Lands, Interests and Royalty Burdens.....	110
Figure 2: Geological Maps and Figures	
a) Pelagian Structural Framework.....	111
b) Stratigraphic Column.....	112
c) E-W Regional Cross Section.....	113
d) Pelagian Province Petroleum System-1.....	114
e) Pelagian Province Petroleum System-2 .....	115
f) Top Abiod Formation Depth Structure Map.....	116
Table 2: Summary of Reserves.....	117
Figure 3: Production History Profile.....	118
Figure 4: Development Locations Map.....	119
Table 3: Summary of Anticipated Capital Expenditures	
a) Development.....	120
b) Abandonment and Reclamation.....	121
Table 4: Summary of Company Reserves and Economics.....	122
a) Proved Developed Producing.....	124
b) Proved Plus Probable Developed.....	128



**SIDI EL KILANI CONCESSION  
TUNISIA  
DISCUSSION**

**Property Description**

The Company has acquired a 45.0 percent working interest in the Sidi El Kilani (SLK) Concession, Tunisia, which is located onshore in the Pelagian Basin, around 190 Km south of Tunis. The concession covers approximately 50,409 acres (204 square kilometers) and contains ten oil producers (2-continuous, 7-intermittent and one shut-in), two disposal wells and one well which was dry and abandoned. Two of the wells have been sidetracked as horizontal wells.

Production is subject to a graduated royalty, based on an "R" factor, to the government, and an Export Payment, which is one percent of gross revenues.

The details of the ownership and burdens are presented in Table 1 and a map of the producing field is presented on Figure 1.

**Geology**

Basin Geology

The Sidi EL Kilani Field Area is located onshore Tunisia in the Pelagian Basin. The Pelagian Province, as shown in Figure 2a, extends from the offshore shelf area of Tunisia and northern Libya to the east, and bound from the west by a north-south basement-related structural feature separating the Pelagian Province in eastern Tunisia from the Mesozoic Basin farther west (Bobier and others, 1991). The United States Geological Survey estimated the mean risked recoverable oil reserves of 1230 MMbbl within the Mesozoic combined reservoirs and 785 MMbbl in all Tertiary reservoirs, in addition to significant gas and NGL reserves (ref. USGS-2019).

As illustrated in Figures 2b and 2c; during Late Carboniferous and Permian, several rift basins and grabens formed along the northern margin of the African plate by extension as a result of the initial breakup of Gondwana and the opening of the Tethyan seaway. In Middle-Late Jurassic time, the central Atlantic Ocean opened between Laurasia and Africa, developing a rift zone between Africa and Europe. The shelf carbonates were deposited in the Pelagian Province at this time. Faults associated with the opening and rifting controlled the sedimentation from the Middle

Jurassic to the present time (Morgan and others, 1998). Extension, subsidence and post-rift thermal sag continued into the Triassic and Early Jurassic where north-south faults and east-west transfer faults developed at this time in eastern Tunisia. Clastic and carbonate sediments as well as evaporites were deposited during the Triassic. During the Early Jurassic, shelf turbidites and pelagic carbonates were deposited. Rifting and subsidence continued during the Early Cretaceous along the northern margin of the African plate, where the faults associated with rifting continued to control the sedimentation. Clastic alluvial sediments and, open-marine clastic and carbonate sediments were deposited in the southern and northern portions of the basin, respectively. The African plate began to drift northward during the early Late Cretaceous, and this movement has continued to the present. Rifting occurred along the northern margin of the African plate as a result of dextral shearing between the African and European plates, developing a complex northwest-southeast trending of horst and graben system. In the Late-Cretaceous-Santonian time; structural inversion, reverse-thrust faulting, and folding occurred (Guiraud, 1998; Morgan and others, 1998). Gentle uplift occurred during the latest Cretaceous to Paleocene (Burolet, 1967a). In the early Eocene, transfer faults were reactivated leading to sedimentation control. Tectonic activity during the Late Oligocene to Miocene time resulted in non-deposition or erosion over much of the area. Magmatic activity has occurred throughout the area in the Aptian to Paleocene due to rifting on the Pelagian Shelf and in the Neogene to Quaternary due to Alpine collision and west Mediterranean opening.

#### Petroleum System

There are two main petroleum systems in the Pelagian Basin; the Jurassic-Cretaceous and Bou Dabbous Cenozoic petroleum systems, shown in Figures 2d and 2e respectively.

The hydrocarbon of the Jurassic-Cretaceous petroleum system was sourced from the deep-marine shales of Cretaceous: Bahloul, Lower Fahdene, and M'Cherga Formations; and Jurassic Nara Formation. The peak of hydrocarbon generation occurred during the Paleogene-Neogene (Hassan and Kendall, 2014). The hydrocarbons later migrated into the Jurassic-Cretaceous shallow marine Carbonates and Upper Cretaceous fractured deep-water chinks. The seals are provided by the shales and evaporites of Jurassic and Cretaceous age.

The Cenozoic Bou Dabbous petroleum system contains the organic-rich shale of the Eocene, Bou Dabbous Formation as a robust source rock. The hydrocarbon generation peaked during the Miocene-Pliocene time and then migrated into the Lower-Middle Eocene shallow-water Limestone reservoirs that are sealed by the overlying shales and marls.

The existing traps in the basin are of structural and stratigraphical types; such as fault blocks, low-amplitude anticlines, high-amplitude anticlines associated with reverse faults, wrench fault structures. The extent of gas occurrence appears to be more extensive offshore compared to the onshore parts of the basin.

#### Field and Reservoir Description

The Sidi EL Kilani Field Area is located 190 km south-southeastern of Tunis City, Tunisia in the Pelagian Basin. The field, as illustrated in Figure 2f, is a four-way dip closed structure bisected by a major wrench fault. The main producing reservoir is the Upper Cretaceous-Abiod Formation carbonates, which is Type-1 fractured carbonates reservoir. The Abiod thickness in the field is up to 550 m thick and contains predominantly massive, micritic and chalky white limestone with some dolomitized and bioclastic zones. The deposition is primarily in a pelagic marine environment. Based on clay content, the Abiod has been subdivided into 3 members: the Lower Limestone Member which contains relatively clean limestone intercalated with shales and mudstones. The Middle Limestone Member is more clay-rich with occasional shale interbeds while the Upper Limestone Member is generally clean and massively bedded with few shale bands. The cleanest limestone levels within the Abiod Formation commonly show matrix porosity in excess of 20%. The matrix permeability is very low ( $< 1\text{mD}$ ) due to narrow pore throat size. The flow capacity is mainly dependent on the fracturing regime of the reservoir and the well location within this regime, with zero or minor contribution from the matrix. Fractures have been interpreted to exist as swarms in damage zones related to systems of tensional or wrench faults. While some of the encountered fractures in well bores are closed with calcite cement, however the open fractures regularly contain oil and provide excellent flow capabilities. El Haria Formation shales form the principal seal for the Abiod reservoir in Sidi El Kilani.

In this province, there are additional reservoirs; Douleb, Bireno, Guettar Formations of the Upper Cretaceous, and Zebbag, Serdj Formations of the Lower Cretaceous. Moreover, there are the Nara, Meloussi and M'Rabine Formations of the Jurassic age, El Garia and Bou Dabbous Formations of the Tertiary, Eocene. The aforesaid potential reservoirs are the main producing oil and gas horizons in known existing fields in the Pelagian Basin. Such fields are: Bouri and Garia Fields (from Bou Dabbous reservoir), Bouri has known recoverable reserves of 4.5 MMbbl of oil and 3.5 TCF of gas. Other fields are Miskar (with 0.7 TCF of gas) and El Jem Fields (from Douleb), El Ain, Gremda and Guebiba Fields (Bireno Fm), El Biban (from Zebbag) and Ezzaouia Fields (from El Garia, Zebbag and Nara Fm). The above-mentioned reservoirs were not tested inside the Client's land; however they are most likely to exist.

## Reserves

Proved Developed Producing Reserves of 1842 MSTB have been estimated for six wells producing from the Cretaceous Aboid formation, based on decline curve analysis of the historical production from the field, complemented by scattered recent production.

Probable Undeveloped Reserves of 3,000 MSTB have been estimated for three Aboid infill locations to be drilled at selected locations where there is a reasonable likelihood of encountering undrained reservoir. These reserves have been based on a conservative assessment of the average recovery from the wells in the field, excluding the two main producers which were drilled on the crest of the structure. Additionally, Probable Producing incremental reserves of 254 MSTB can be attributed to the producing wells as a result of their extended production life due to the production from the Undeveloped Reserves.

A summary of the reserves is presented on Table 2.

## Production

Current production from the SLK Concession is averaging 470 STB/d of 39° API oil from six wells. The majority of the production is from two crestal wells producing 200 to 300 STB/d each. The lesser producers are being operating intermittently. The wells are still operating under natural flowing conditions. Opportunities exist for artificial lift and well bore stimulations, which have not been considered for this evaluation.

For the Probable development locations we have conservatively estimated initial rates per well of 500 STB/d with a steep initial year decline and then a stable lesser decline for the remaining life, as is typical for production from a fractured carbonate reservoir.

Production from this field commenced in 1991 with continuous development up to about 2000. Production rates peaked in about 1995 at close to 20,000 STB/d. After about ten years of high rate production, the rates decreased to about 2500 STB/d and for the past ten years the rates have been less than 1000 STB/d but with a very low decline rate averaging about 7 to 8 percent per year. A graphic presentation of the field's production history is presented on Figure 3. Current production is based on data provided by the Company.

The production forecasts for the existing wells and the development wells can be seen on page one of each economic analysis file.

### **Product Prices**

A 2023 oil price of \$82.17/STB has been used for this evaluation reflecting a discount of \$1.00/STB from the posted Brent crude price throughout the forecast.

### **Capital Expenditures**

The total capital expenditure for this property for the Probable development schedules is \$7,950,000 (\$3,578,000 net to the Company). The capital expenditure anticipated for the drilling of each development well has been estimated to be \$2,500,000 with an additional \$150,000 for equipping and tie-in to the infrastructure.

Abandonment costs have been estimated by the operator to be about \$9,000,000 (\$4,050,000 net to the Company), which we applied to the Proved producing case. An additional \$500,000 per well was added for the Proved Plus Probable case.

The capital expenditures are summarized on Table 3 and can be found on Page one of the economic analysis. Abandonment costs are presented on Table 3b.

### **Operating Costs**

Operating costs for the SLK field has been estimated to be \$2,100,000/yr. plus \$150,000/yr per well of fixed costs covering the operation plus \$1.20/STB of variable costs based on the budget presentation of the field operator.

### **Economics and Tax**

The results of the economic analysis, before and after taxes are summarized in Table 4 and 4T, respectively and the detailed, analysis are presented in Table 4a and 4b for the Proved Developed Producing and Proved Plus Probable cases, respectively.

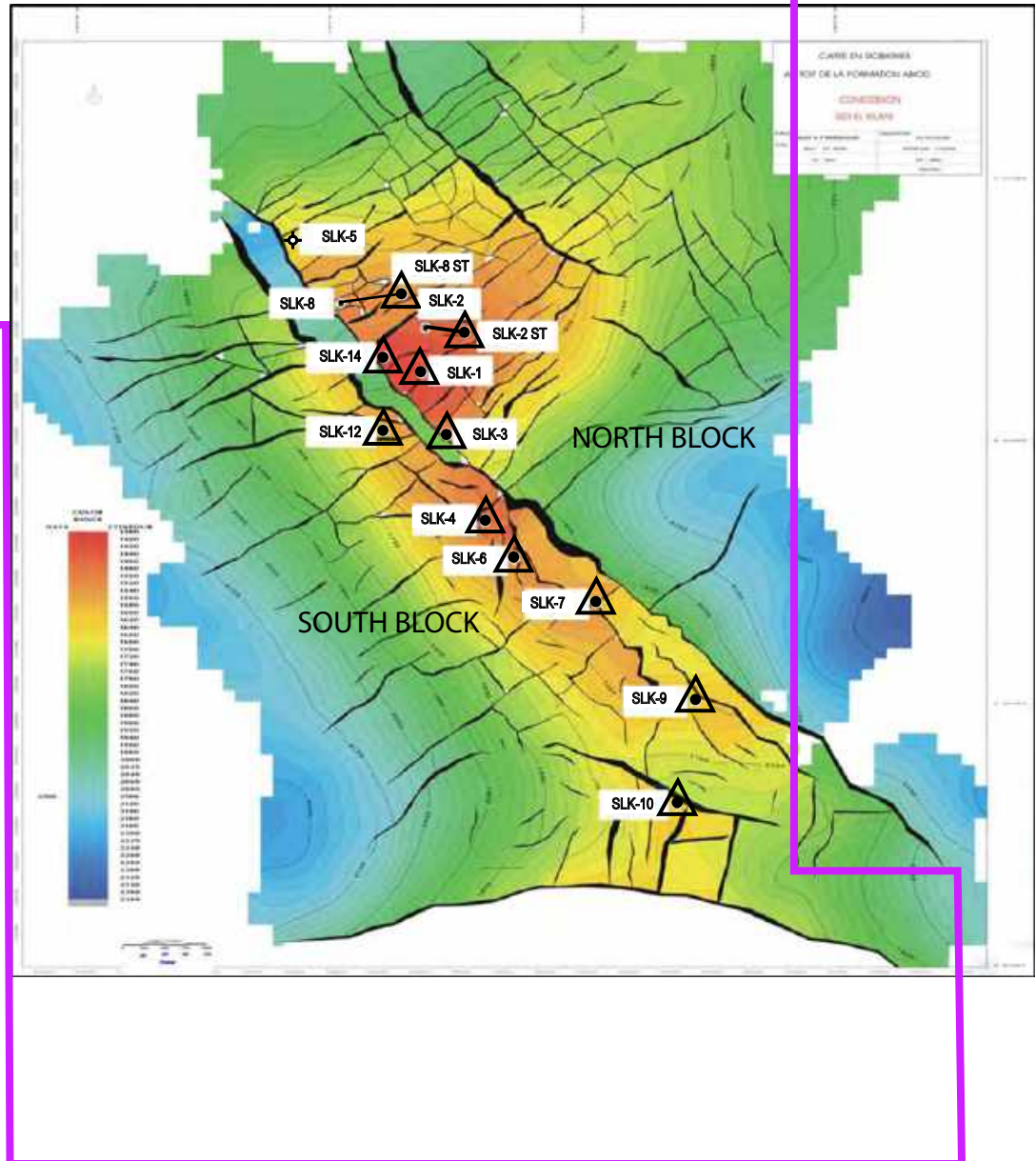
The evaluation consists of four pages. Page 1 presents the production forecast for the existing wells and for the type well and development program depending on the case. The daily rates are

then multiplied by the active days per year to obtain an annual production volume. The forecast capital expenditures are shown on the right-hand side of the page.

Page 2 presents the gross annual production in barrels and shows the conversion to gross revenue by applying the oil price. The Government royalties are deducted. Fixed and variable operating costs are shown and escalated at 2 percent per year in all years. This results in the before tax cash flow analysis, initially for the gross position and finally the undiscounted and discounted values represent the Company's net position, which in this case is 45.0% of the gross group. Values are shown before income tax at discount rates of 0, 5, 10, 15 and 20 percent. The Company Gross and Net share of Oil Reserves are also shown on this page.

Page 3 presents the after income tax cash flow analysis.

Page 4 is the calculation of the "R" Factor and the resulting Royalty and Tax rates.



△ Well of Interest

■ Company Lands

**ZENITH ENERGY LTD.**

**SIDI EL KILANI CONCESSION**

PELAGIAN PROVINCE, TUNISIA

**LAND AND WELL MAP**

APR. 2023

JOB No. 6925 FIGURE No. 1

Table 1

**Schedule of Lands, Interests and Royalty Burdens**  
**April 1, 2023**

**Zenith Energy Ltd.**

**Sidi El Kilani (SLK) Concession, Tunisia**

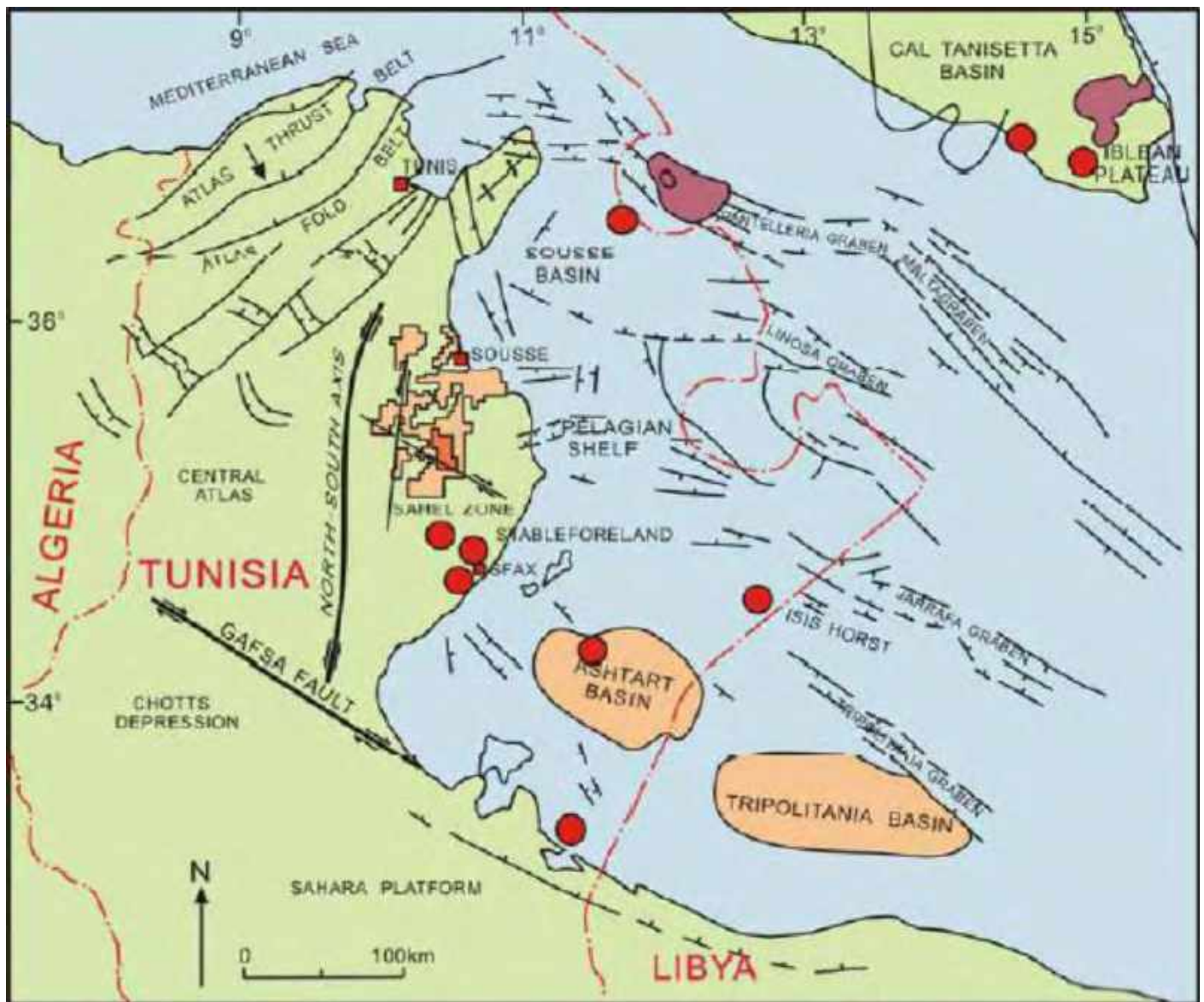
<u>Description</u>	<u>Rights Owned</u>	<u>Gross Acres</u>	<u>Appraised Interest</u>		<u>Royalty Burdens</u>	
			<u>Working %</u>	<u>Royalty %</u>	<u>Basic %</u>	<u>Overriding %</u>
SLK Concession	All P& NG	50,409	45.0000	-	[1]	[2]
	<b>Total</b>	<b>50,409</b>				

General Notes : [1] Oil Royalty is based on a sliding scale R factor where  $R = \text{Cum net revenues less tax} / \text{Cum Investment}$

R		Royalty
0	≥ 0.5	2%
0.5	- 0.8	5%
0.8	- 1.1	7%
1.1	- 1.5	10%
1.5	- 2.0	12%
2	- 2.5	14%
>2.5		15%

[2] Export Payment - 1% of gross revenues





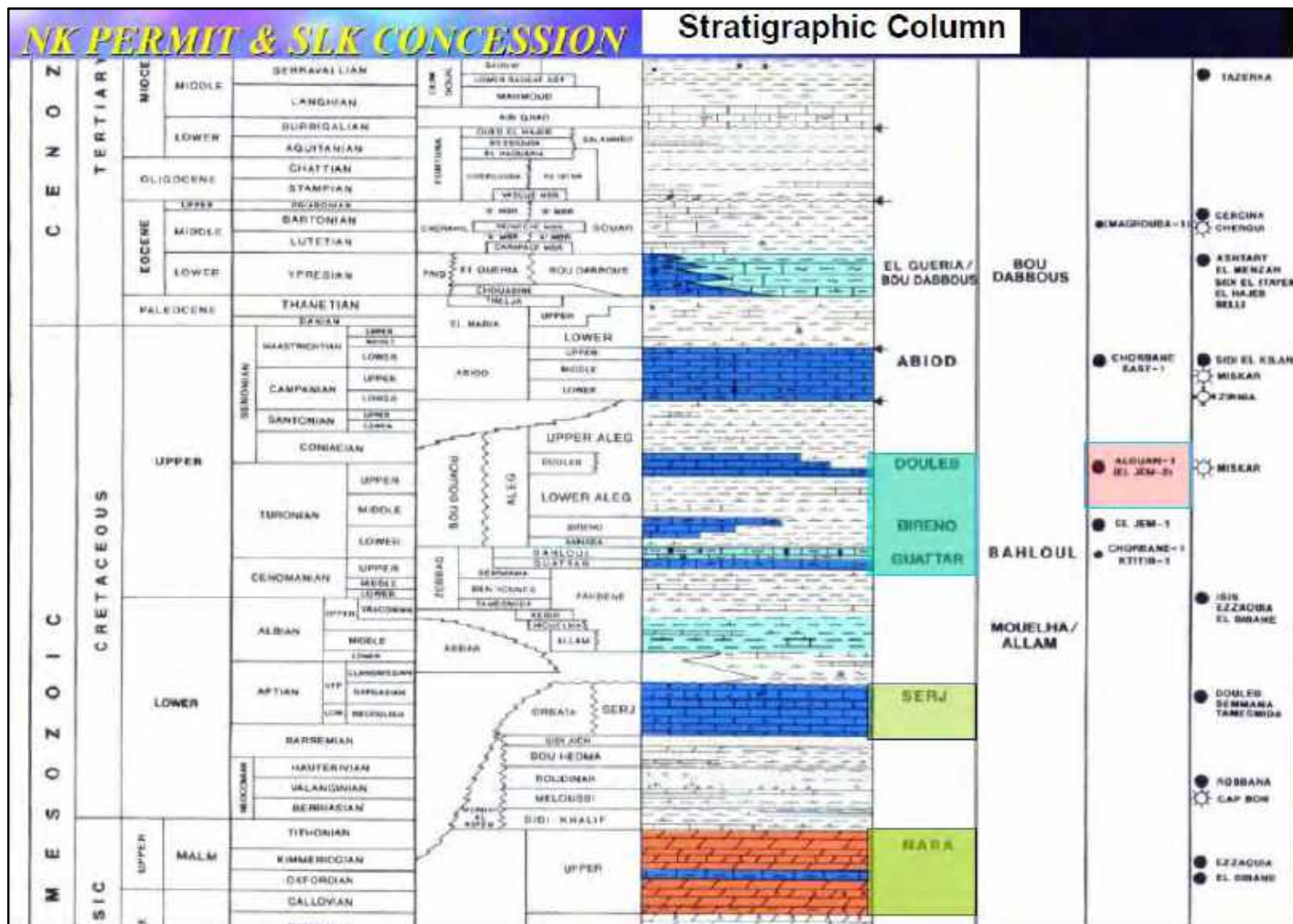
Source: KUFPEC, Sidi El Kilani (SLK) Concession, Tunisia - July 2019 Asset Presentation, Page 17

**ZENITH ENERGY LTD.**

**TUNISIA**  
**PELAGIAN STRUCTURAL**  
**FRAMEWORK**

APR. 2023

JOB No. 6925 FIGURE No. 2a



Source: KUFPEC, Sidi El Kilani (SLK) Concession, Tunisia - July 2019 Asset Presentation, Page 20

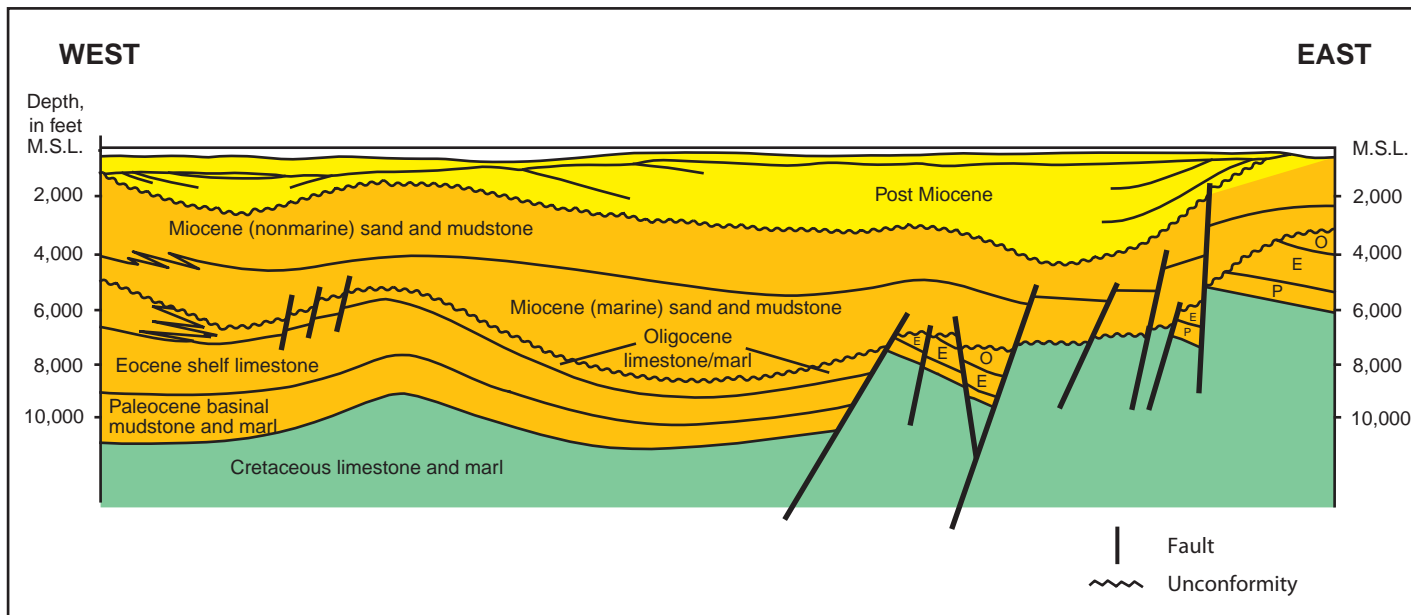
**ZENITH ENERGY LTD.**

**TUNISIA**

**STRATIGRAPHIC COLUMN**

APR. 2023

JOB No. 6925 FIGURE No. 2b



Source: T.R. Klett, *Total Petroleum Systems of the Pelagian Province, Tunisia, Libya, Italy, and Malta—The Bou Dabbous—Tertiary and Jurassic-Cretaceous Composite*, U.S. Geological Survey Bulletin 2202-D, 2001, Page 10

**ZENITH ENERGY LTD.**

**GULF OF HAMMAMET**

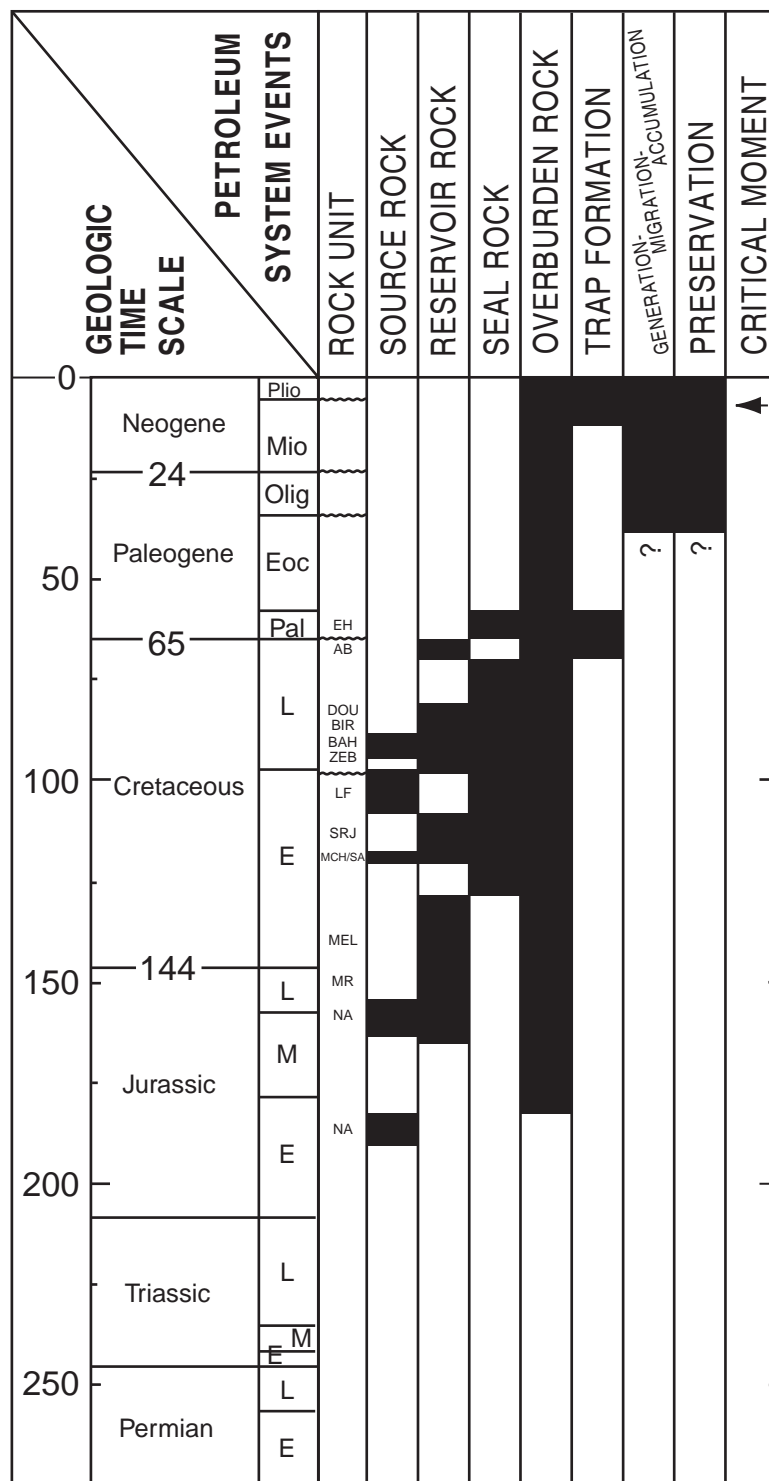
PELAGIAN PROVINCE, TUNISIA

**EAST-WEST REGIONAL  
CROSS SECTION**

APR. 2023

JOB No. 6925 FIGURE No. 2c

**Chapman** Petroleum Engineering Ltd.



Source: T.R. Klett, *Total Petroleum Systems of the Pelagian Province, Tunisia, Libya, Italy, and Malta—The Bou Dabbous—Tertiary and Jurassic-Cretaceous Composite*, U.S. Geological Survey Bulletin 2202-D, 2001, Page 23

**ZENITH ENERGY LTD.**

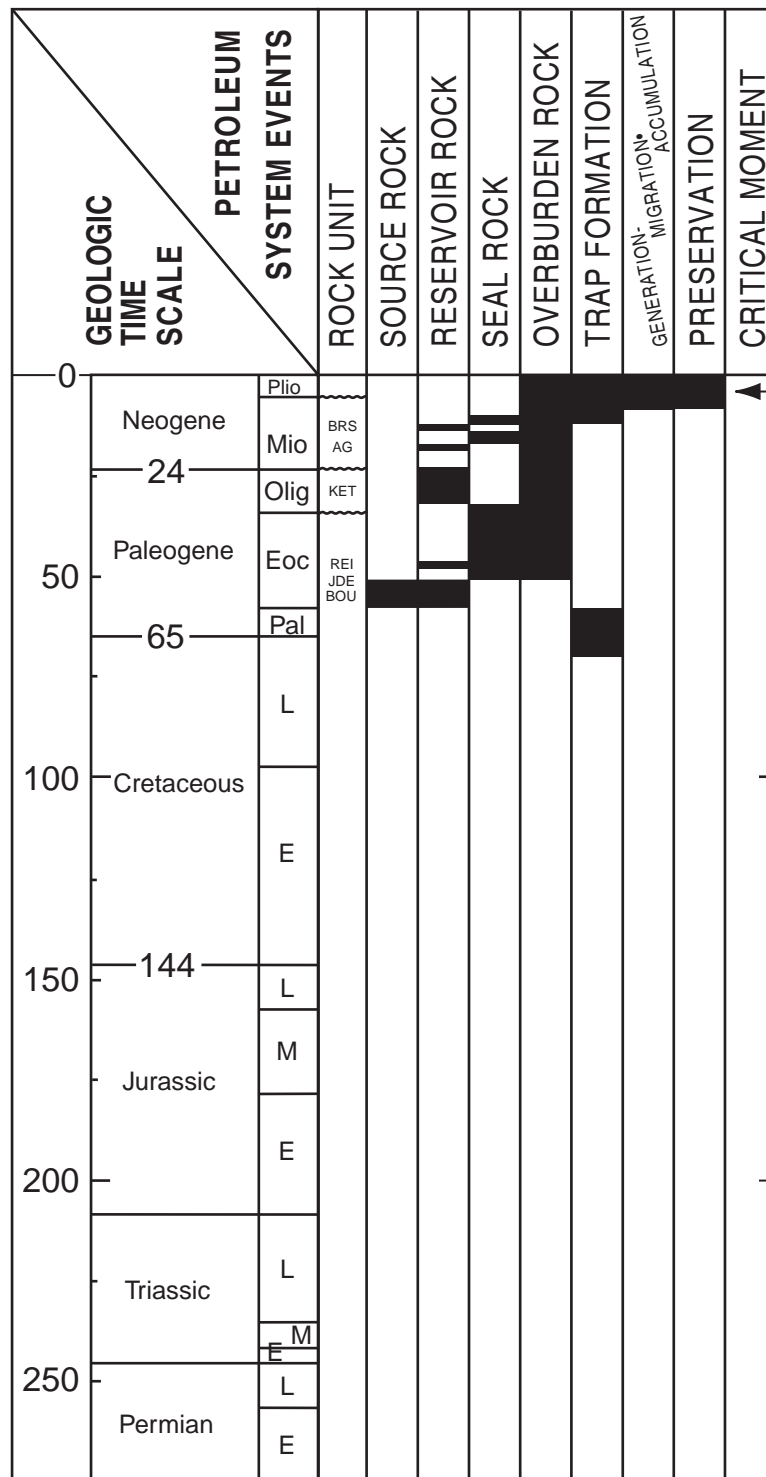
**PELAGIAN PROVINCE**

**TUNISIA**

**PETROLEUM SYSTEM-1**

APR. 2023

JOB No. 6925 FIGURE No. 2d



Source: T.R. Klett, Total Petroleum Systems of the Pelagian Province, Tunisia, Libya, Italy, and Malta—The Bou Dabbous—Tertiary and Jurassic-Cretaceous Composite, U.S. Geological Survey Bulletin 2202-D, 2001, Page 14

**ZENITH ENERGY LTD.**

**PELAGIAN PROVINCE**

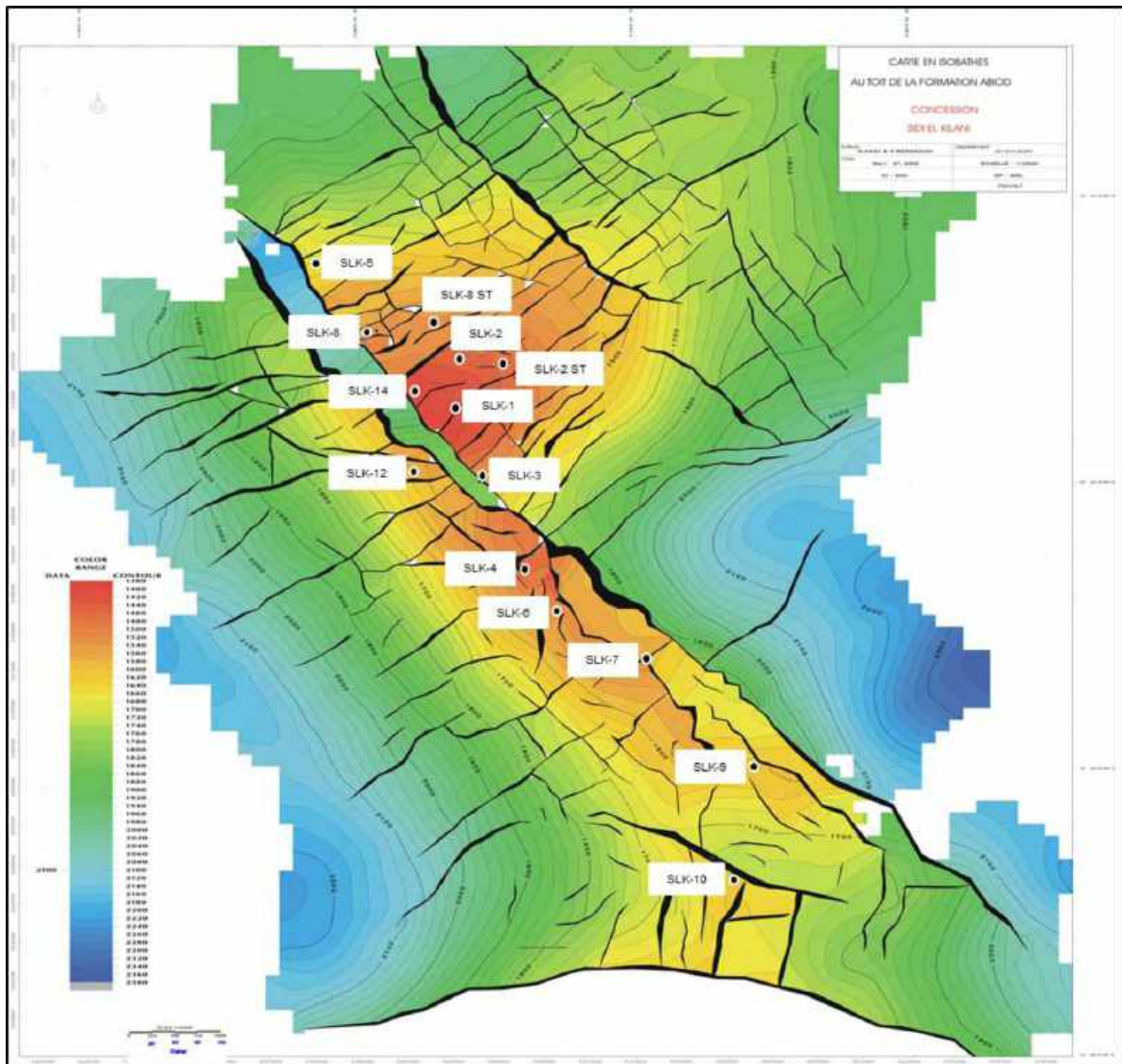
**TUNISIA**

**PETROLEUM SYSTEM-2**

APR. 2023

JOB No. 6925 FIGURE No. 2e





Source: KUFPEC, Sidi El Kilani (SLK) Concession, Tunisia - July 2019 Asset Presentation, Page 23

**ZENITH ENERGY LTD.**

**SIDI EL KILANI CONCESSION**

PELAGIAN PROVINCE, TUNISIA

**TOP ABIOD FORMATION  
DEPTH STRUCTURE MAP**

APR. 2023

JOB No. 6925 FIGURE No. 2f

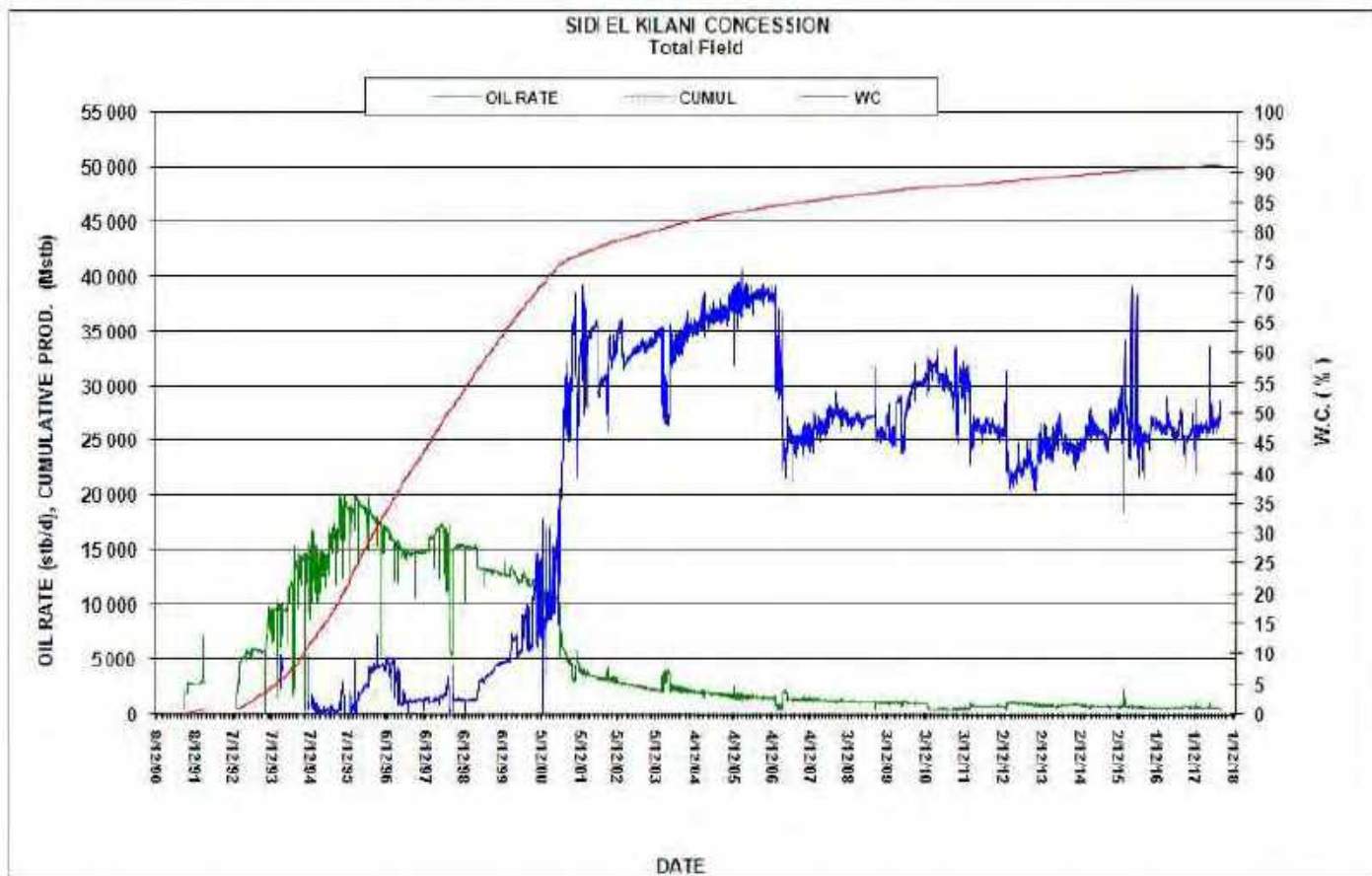
Table 2

**Summary of Gross Reserves**  
**April 1, 2023**

**Sidi El Kilani (SLK) Concession, Tunisia**

Description		Current or Initial Rate STB/d	API Gravity (Deg)	Ultimate Reserves (MSTB)	Cumulative Production (MSTB)	Reserves (MSTB)	Reference
<b>LIGHT &amp; MEDIUM OIL</b>							
<b>PROVED</b>							
<b>Proved Developed Producing</b>							
Six Producing Wells	Abiod	470	39	52,607	50,766 *	1,842	Decline, Tab 4a
<b>Total Proved</b>				<b>52,607</b>	<b>50,766</b>	<b>1,842</b>	
<b>PROBABLE</b>							
<b>Probable Undeveloped</b>		<b>STB/d/well</b>					
Six Producing Wells (incremental)	Abiod	-	39	254	0	254	Decline, Tab 4b
Three Development wells	Abiod	500	39	3,000	0	3,000	Analog, Tab 4b
<b>Total Probable</b>				<b>3,254</b>	<b>0</b>	<b>3,254</b>	
<b>Total Proved Plus Probable</b>				<b>55,862</b>	<b>50,766</b>	<b>5,096</b>	

Note: \* Estimated cumulative production.



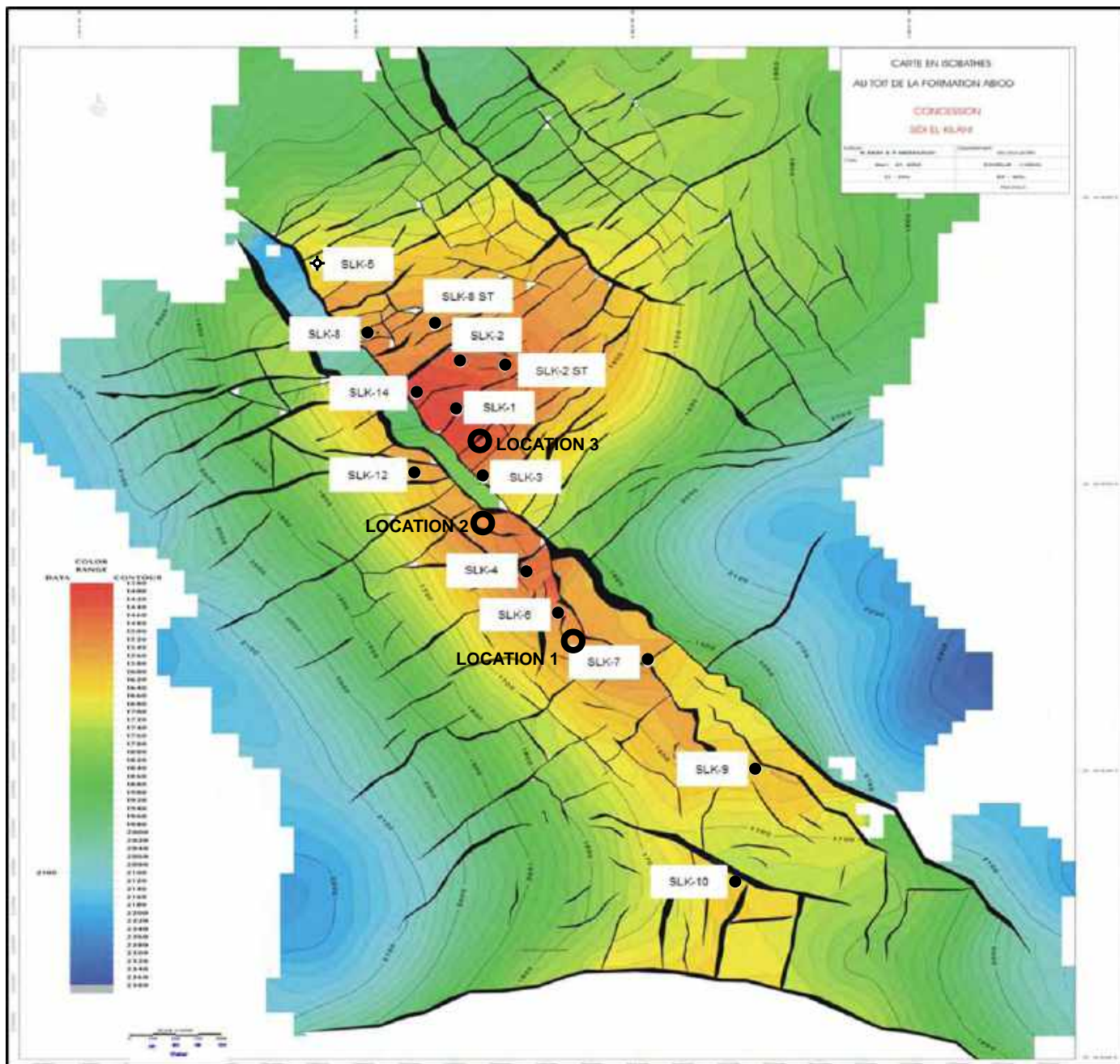
Source: KUFPEC, Sidi El Kilani (SLK) Concession, Tunisia - July 2019 Asset Presentation, Page 24

**ZENITH ENERGY LTD.**

**SIDI EL KILANI CONCESSION**  
PELAGIAN PROVINCE, TUNISIA  
**PRODUCTION HISTORY PROFILE**

APR. 2023      JOB No. 6925      FIGURE No. 3





- Company Producers
- Development Location

**ZENITH ENERGY LTD.**

**SIDI EL KILANI CONCESSION**

PELAGIAN PROVINCE, TUNISIA

**DEVELOPMENT  
LOCATIONS MAP**

APR. 2023

JOB No. 6925 FIGURE No. 4

**Table 3a**

**Summary of Anticipated Capital Expenditures  
Exploration & Development**

**April 1, 2023**

**Zenith Energy Ltd.**

**Sidi El Kilani (SLK) Concession, Tunisia**

<b>Description</b>	<b>Date</b>	<b>Operation</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
<b><u>Probable Undeveloped</u></b>					
One Infill Well - Abaid	2024	Drill, Complete, and Equip one well	45.0000	2,650	1,193
One Infill Well - Abaid	2025	Drill, Complete, and Equip one well	45.0000	2,650	1,193
One Infill Well - Abaid	2026	Drill, Complete, and Equip one well	45.0000	2,650	1,193
<b>Total Probable Undeveloped</b>				<b>7,950</b>	<b>3,578</b>

**Note: M\$ means thousands of dollars.**

The above capital values are expressed in terms of current dollar values without escalation.

**Table 3b**  
**Summary of Anticipated Capital Expenditures**  
**Abandonment and Restoration**

**April 1, 2023**  
**Zenith Energy Ltd.**

**Sidi El Kilani (SLK) Concession, Tunisia**

<b>Description</b>	<b>Well Parameters</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
<b>Proved Producing</b>				
SLK Wells and Facilities	Thirteen Wells and production facilities	45.0000	9,000	4,050
	<b>Total Proved Producing</b>		9,000	4,050
<b>Probable Undeveloped</b>				
SLK wells	Three wells	45.0000	1,500	675
	<b>Total Probable Undeveloped</b>		1,500	675
	<b>Total Proved Plus Probable</b>		10,500	4,725

Table 4  
Summary of Company Reserves and Economics  
Before Income Tax  
April 1, 2023  
(as of March 31, 2023)

Zenith Energy Ltd.

Sidi El Kilani (SLK) Concession, Tunisia

Description	Company Reserves		Cumulative Cash Flow (BIT) - M\$				
	Oil - MSTB		Discounted at:				
	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
<b>Proved Developed Producing</b>							
Six Producing Wells	829	729	27,409	22,296	18,413	15,551	13,426
<b>Total Proved</b>	<b>829</b>	<b>729</b>	<b>27,409</b>	<b>22,296</b>	<b>18,413</b>	<b>15,551</b>	<b>13,426</b>
<b>Probable Undeveloped</b>							
Development wells (3), producing wells (incremental)	1,464	1,289	102,100	66,307	45,815	33,221	25,007
<b>Total Probable</b>	<b>1,464</b>	<b>1,289</b>	<b>102,100</b>	<b>66,307</b>	<b>45,815</b>	<b>33,221</b>	<b>25,007</b>
<b>Total Proved Plus Probable</b>	<b>2,293</b>	<b>2,018</b>	<b>129,509</b>	<b>88,602</b>	<b>64,228</b>	<b>48,772</b>	<b>38,433</b>

M\$ means thousands of dollars.

Net resources are the total of the Company's working interest share after deducting the amounts attributable to royalties and profit oil owned by the government.

Table 4T  
Summary of Company Reserves and Economics  
After Income Tax  
April 1, 2023  
(as of March 31, 2023)

Zenith Energy Ltd.

Sidi El Kilani (SLK) Concession, Tunisia

Description	Company Reserves		Cumulative Cash Flow (BIT) - M\$				
	Oil - MSTB		Discounted at:				
	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
<b>Proved Developed Producing</b>							
Six Producing Wells	829	729	12,334	10,280	8,693	7,487	6,588
<b>Total Proved</b>	<b>829</b>	<b>729</b>	<b>12,334</b>	<b>10,280</b>	<b>8,693</b>	<b>7,487</b>	<b>6,588</b>
<b>Probable Undeveloped</b>							
Development wells (3), producing wells (increments)	1,464	1,289	45,946	30,473	21,432	16,770	12,014
<b>Total Probable</b>	<b>1,464</b>	<b>1,289</b>	<b>45,946</b>	<b>30,473</b>	<b>21,432</b>	<b>16,770</b>	<b>12,014</b>
<b>Total Proved Plus Probable</b>	<b>2,293</b>	<b>2,018</b>	<b>68,279</b>	<b>40,754</b>	<b>30,116</b>	<b>23,257</b>	<b>18,602</b>

M\$ means thousands of dollars

Net resources are the total of the Company's working interest share after deducting the amounts attributable to royalties and profit oil owned by the government.

Table 4a, Page 1

Zenith Energy Ltd

Sidi El Kilani

April 1, 2023

## Production and Capital Forecast - Proved Producing Reserves

Year	Days On	Existing Production		Well Count	Development Program - Gross Production - STB/yr				Total Oil Production		Drilling & Completion	Well Fac. & Tie-ins	Total Capital (Escalated)
		STB/d	STB/yr		# Wells	# Wells	# Wells	# Wells	STB/yr.	STB/d			
					6	0	0	0					
2023	275	462	126,968	6	126,968				126,968	462	0	0	0
2024	365	429	156,750	6	156,750				156,750	429	0	0	0
2025	365	399	145,777	6	145,777				145,777	399	0	0	0
2026	365	371	135,573	6	135,573				135,573	371	0	0	0
2027	365	345	126,083	6	126,083				126,083	345	0	0	0
2028	365	321	117,257	6	117,257				117,257	321	0	0	0
2029	365	299	109,049	6	109,049				109,049	299	0	0	0
2030	365	278	101,415	6	101,415				101,415	278	0	0	0
2031	365	258	94,316	6	94,316				94,316	258	0	0	0
2032	365	240	87,714	6	87,714				87,714	240	0	0	0
2033	365	223	81,574	5	81,574				81,574	223	0	0	0
2034	365	208	75,864	5	75,864				75,864	208	0	0	0
2035	365	193	70,554	5	70,554				70,554	193	0	0	0
2036	365	180	65,615	5	65,615				65,615	180	0	0	0
2037	365	167	61,022	5	61,022				61,022	167	0	0	0
2038	365	155	56,750	5	56,750				56,750	155	0	0	0
2039	365	145	52,778	3	52,778				52,778	145	0	0	0
2040	365	134	49,083	3	49,083				49,083	134	0	0	0
2041	365	125	45,647	3	45,647				45,647	125	0	0	0
2042	365	116	42,452	3	42,452				42,452	116	0	0	0
2043	365	108	39,480	3	39,480				39,480	108	0	0	0
2044	365	0	0	0	0				0	0	0	0	0
2045	365	0	0	0	0				0	0	0	0	0
2046	365	0	0	0	0				0	0	0	0	0

Total		1,841,741		1,841,741	0	0	0	1,841,741		0	0	0
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Unit Cost 2500 150

Decline/yr. 7.0%

Initial production 470

2023	0	0
2024	0	0
2025	0	0
2026	0	0

## Before Income Tax

**Chapman** Petroleum Engineering Ltd.

Table 4a, Page 3  
Zenith Energy Ltd  
Sidi El Kilani  
April 1, 2023

Production Streams, Revenues and Cash Flows - Proved Producing Reserves

After income tax

Company Working Interest	45.0%	After income tax														
		Net operating income	Net Capital	Abandon & Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow	Company 45% Share Discounted @			
					5%	10%	15%						20%			
Year	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$	\$/yr.	%	\$/yr.	\$/yr.	t	\$	\$	\$	\$
2023	3,004,285	\$0	\$0	\$0			\$0	\$3,004,285	55%	\$1,652,357	\$1,351,928	0.16	1,341,416	1,231,488	1,322,032	1,313,080
2024	3,530,768	\$0	\$0	\$0	\$0		\$0	\$3,530,768	55%	\$1,941,922	\$1,588,845	0.83	1,525,585	1,487,579	1,414,231	1,364,972
2025	3,056,543	\$0	\$0	\$0	\$0	\$0	\$0	\$3,056,543	55%	\$1,681,099	\$1,375,444	1.63	1,257,775	1,154,989	1,064,594	984,700
2026	2,800,214	\$0	\$0	\$0	\$0	\$0	\$0	\$2,800,214	55%	\$1,540,118	\$1,260,096	2.83	1,097,424	981,918	848,069	751,757
2027	2,554,980	\$0	\$0	\$0	\$0	\$0	\$0	\$2,554,980	55%	\$1,405,239	\$1,148,741	3.83	953,634	797,868	672,992	571,608
2028	2,320,237	\$0	\$0		\$0	\$0	\$0	\$2,320,237	55%	\$1,278,130	\$1,044,107	4.83	824,778	658,710	531,364	432,575
2029	2,095,408	\$0	\$0			\$0	\$0	\$2,095,408	55%	\$1,152,475	\$942,934	5.83	708,388	540,801	417,263	325,548
2030	1,879,948	\$0	\$0				\$0	\$1,879,948	55%	\$1,033,971	\$845,976	6.83	608,138	441,085	325,544	243,396
2031	1,673,335	\$0	\$0				\$0	\$1,673,335	55%	\$820,334	\$753,001	7.83	513,630	358,918	251,970	180,536
2032	1,475,076	\$0	\$0				\$0	\$1,475,076	55%	\$811,292	\$663,784	8.83	431,362	286,026	193,145	132,623
2033	1,386,983	\$0	\$0				\$0	\$1,386,983	55%	\$751,841	\$615,142	9.83	380,734	240,969	155,645	102,420
2034	1,185,890	\$0	\$0				\$0	\$1,185,890	55%	\$652,130	\$533,661	10.83	314,514	190,010	117,384	74,031
2035	1,011,442	\$0	\$0				\$0	\$1,011,442	55%	\$558,293	\$455,149	11.83	255,517	147,351	87,079	52,620
2036	843,834	\$0	\$0				\$0	\$843,834	55%	\$464,109	\$379,725	12.83	203,024	111,758	63,173	36,585
2037	682,482	\$0	\$0				\$0	\$682,482	55%	\$376,385	\$307,117	13.83	158,384	82,171	44,428	24,683
2038	527,022	\$0	\$0				\$0	\$527,022	55%	\$289,862	\$237,160	14.83	115,011	57,885	29,834	15,869
2039	562,430	\$0	\$0				\$0	\$562,430	55%	\$309,337	\$253,084	15.83	116,894	55,864	27,886	14,113
2040	421,431	\$0	\$0				\$0	\$421,431	55%	\$231,787	\$189,644	16.83	83,418	38,122	18,038	8,812
2041	285,403	\$0	\$0				\$0	\$285,403	55%	\$156,972	\$128,432	17.83	53,803	23,470	10,623	4,872
2042	154,048	\$0	\$0				\$0	\$154,048	55%	\$84,726	\$69,321	18.83	27,857	11,516	4,986	2,237
2043	27,080	\$0	\$4,050,000				\$0	(\$4,022,920)	55%	(\$2,212,606)	(\$1,810,314)	19.83	-687,870	-273,409	-113,223	-48,680
2044	0	\$0	\$0				\$0	\$0	55%	\$0	\$0	20.83	0	0	0	0
2045	0	\$0	\$0				\$0	\$0	55%	\$0	\$0	21.83	0	0	0	0
2046	0	\$0	\$0				\$0	\$0	55%	\$0	\$0	22.83	0	0	0	0
Totals	31,458,641	0	4,050,000	0	0	0	0	27,408,641		15,074,752	12,333,888		10,280,416	8,582,969	7,488,819	6,588,437



Table 4a, Page 4  
Zenith Energy Ltd  
Sidi El Kilani  
April 1, 2023

R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Producing Reserves

Year	Gross Revenue \$/yr.	Royalty \$/yr.	Corp Tax (Grossed Up) \$/yr.	Net Revenue \$/yr.	Cumulative Net Revenue \$	Operating Costs \$/yr.	Capital Costs \$/yr.	Total Expenditures \$/yr.	Cumulative Expenditures \$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$10,435,143	\$1,252,217	\$3,671,904	\$5,511,022	\$762,011,022	2,402,386	0	2,402,386	\$502,402,386	1.52	12%	55%
2024	\$12,756,335	\$1,530,760	\$4,315,383	\$6,910,192	\$768,921,215	3,251,861	0	3,251,861	\$505,654,247	1.52	12%	55%
2025	\$11,604,043	\$1,392,465	\$3,735,775	\$6,475,783	\$775,395,998	3,303,200	0	3,303,200	\$508,957,447	1.52	12%	55%
2026	\$11,010,307	\$1,321,237	\$3,422,484	\$6,256,586	\$781,653,584	3,358,269	0	3,358,269	\$512,313,716	1.53	12%	55%
2027	\$10,446,888	\$1,263,628	\$3,122,754	\$6,070,517	\$787,734,101	3,411,067	0	3,411,067	\$515,724,783	1.53	12%	55%
2028	\$9,812,273	\$1,189,473	\$2,835,845	\$5,886,955	\$793,621,056	3,467,596	0	3,467,596	\$519,192,379	1.53	12%	55%
2029	\$9,404,963	\$1,128,596	\$2,561,055	\$5,715,313	\$799,335,369	3,525,855	0	3,525,855	\$522,718,234	1.53	12%	55%
2030	\$8,923,577	\$1,070,829	\$2,297,714	\$5,566,034	\$804,891,403	3,585,850	0	3,585,850	\$526,304,085	1.53	12%	55%
2031	\$8,465,791	\$1,016,016	\$2,045,167	\$5,405,589	\$810,296,992	3,647,536	0	3,647,536	\$529,951,671	1.53	12%	55%
2032	\$8,033,352	\$964,002	\$1,802,871	\$5,266,479	\$815,563,471	3,711,070	0	3,711,070	\$533,662,740	1.53	12%	55%
2033	\$7,622,070	\$914,848	\$1,670,757	\$5,036,654	\$820,600,135	3,593,460	0	3,593,460	\$537,256,200	1.53	12%	55%
2034	\$7,231,812	\$867,617	\$1,449,177	\$4,914,818	\$825,514,953	3,658,810	0	3,658,810	\$540,913,010	1.53	12%	55%
2035	\$6,861,506	\$823,361	\$1,236,207	\$4,801,421	\$830,316,374	3,721,864	0	3,721,864	\$544,634,874	1.52	12%	55%
2036	\$6,510,138	\$781,217	\$1,031,353	\$4,697,570	\$835,014,444	3,788,635	0	3,788,635	\$548,423,508	1.52	12%	55%
2037	\$6,175,736	\$741,209	\$834,145	\$4,601,385	\$839,615,828	3,857,135	0	3,857,135	\$552,280,643	1.52	12%	55%
2038	\$5,860,389	\$703,247	\$644,138	\$4,513,025	\$844,128,833	3,927,379	0	3,927,379	\$556,208,022	1.52	12%	55%
2039	\$5,560,221	\$667,226	\$567,415	\$4,205,579	\$848,334,412	3,587,547	0	3,587,547	\$559,795,568	1.52	12%	55%
2040	\$5,275,407	\$633,049	\$515,083	\$4,127,275	\$852,461,687	3,653,090	0	3,653,090	\$563,448,658	1.51	12%	55%
2041	\$5,005,164	\$600,620	\$348,826	\$4,056,718	\$856,517,405	3,720,263	0	3,720,263	\$567,168,921	1.51	12%	55%
2042	\$4,748,748	\$568,850	\$168,261	\$3,990,617	\$860,508,022	3,789,082	0	3,789,082	\$570,958,003	1.51	12%	55%
2043	\$4,505,452	\$540,854	(\$4,916,902)	\$8,881,700	\$868,389,722	3,858,565	0	3,858,565	\$574,817,568	1.51	12%	55%
2044	\$0	\$0	\$0	\$0	\$869,389,722	0	0	0	\$574,817,568	1.51	12%	55%
2045	\$0	\$0	\$0	\$0	\$869,389,722	0	0	0	\$574,817,568	1.51	12%	55%
2046	\$0	\$0	\$0	\$0	\$869,389,722	0	0	0	\$574,817,568	1.51	12%	55%
<b>Totals</b>	<b>\$165,916,168</b>	<b>\$18,709,943</b>	<b>\$33,489,450</b>	<b>\$112,889,722</b>		<b>\$74,817,568</b>	<b>\$0</b>	<b>\$74,817,568</b>		<b>1.51</b>	<b>12%</b>	<b>55%</b>
			<b>0.45</b> WI Factor		<b>\$758,500,000</b> Opening Balance			<b>\$500,000,000</b> Opening Balance				Applies Subsequent Year

Table 4b, Page 1

Zenith Energy Ltd

Sidi El Kilani

April 1, 2023

## Production and Capital Forecast - Proved Plus Probable Reserves

Development Program - Gross Production - STB/yr																					
Existing Production				Development Type Well				# Wells			# Wells			# Wells			Total Oil Production		Drilling & Completion	Well Fac. & Tie-Ins	Total Capital (Escalated)
Year	Days On	STB/d	STB/yr	Well Count	STB/d	STB/yr	Well Count	Total Well Count	1	1	1	STB/yr.	STB/d								
2023	275	463	127,311	6	0	0	0	6				127,311	463	0	0	0					
2024	385	435	158,838	6	0	0	0	6				158,838	435	2500	150	2703					
2025	365	409	149,308	6	400	146,000	1	7	146,000			295,308	809	2500	150	2757					
2026	365	385	140,349	6	320	116,800	2	8	116,800	146,000		403,149	1105	2500	150	2812					
2027	365	361	131,928	6	280	102,293	3	9	102,293	116,800	146,000	497,022	1362	0	0	0					
2028	365	340	124,013	6	245	89,589	3	9	89,589	102,293	116,800	432,695	1185	0	0	0					
2029	365	319	116,572	6	215	78,462	3	9	78,462	89,589	102,293	385,918	1060	0	0	0					
2030	365	300	109,578	6	188	68,717	3	9	68,717	78,462	89,589	346,345	949	0	0	0					
2031	365	282	103,003	6	165	60,182	3	9	60,182	68,717	78,462	310,364	850	0	0	0					
2032	365	265	96,823	6	144	52,708	3	9	52,708	60,182	68,717	278,429	763	0	0	0					
2033	365	249	91,013	5	128	46,161	3	8	46,161	52,708	60,182	250,064	685	0	0	0					
2034	365	234	85,553	5	111	40,428	3	8	40,428	46,161	52,708	224,949	616	0	0	0					
2035	365	220	80,419	5	97	35,407	3	8	35,407	40,428	46,161	202,416	555	0	0	0					
2036	365	207	75,594	5	85	31,009	3	8	31,009	35,407	40,428	182,439	500	0	0	0					
2037	365	195	71,059	5	74	27,158	3	8	27,158	31,009	35,407	164,633	451	0	0	0					
2038	365	183	66,796	5	65	23,785	3	8	23,785	27,158	31,009	148,747	408	0	0	0					
2039	365	172	62,787	3	57	20,831	3	6	20,831	23,785	27,158	134,581	389	0	0	0					
2040	365	162	58,020	3	50	18,244	3	6	18,244	20,831	23,785	121,880	334	0	0	0					
2041	365	152	55,479	3	44	15,978	3	6	15,978	18,244	20,831	110,531	303	0	0	0					
2042	365	143	52,150	3	38	13,993	3	6	13,993	15,978	18,244	100,385	275	0	0	0					
2043	365	134	48,021	3	34	12,255	3	6	12,255	13,993	15,978	91,248	260	0	0	0					
2044	365	126	46,080	3	0	0	2	5	0	12,255	13,993	72,329	198	0	0	0					
2045	365	119	43,315	3	0	0	1	4	0	0	12,255	55,571	152	0	0	0					
2046	365	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Total			2,096,010			1,000,000			1,000,000	1,000,000	1,000,000	5,096,010		7,500	450	8,272					
Initial Decline/yr.						40%							Unit Cost	2500	150						
Terminal Decline/yr.		5.0%				12%															
Initial production		470				500							2023	0	0						
													2024	1	1						
													2025	1	1						
													2026	1	1						

Table 4b, Page 2

Zenith Energy Ltd

Sidi El Kham

April 1, 2023

## Production Streams, Revenues and Cash Flows - Proved Plus Probable Reserves

Before Income Tax

Year	Gross Production STB/yr	Oil Price \$/STB	Gross Revenue \$/yr.	Royalty Rate %	Royalty \$/yr.	Export Payment \$/yr.	Operating Costs - \$/yr.			Project Total Revenue (Operating Cash Flow) \$/yr.	Total Capital Costs \$/yr.	Abandon & Reclaim \$/yr.	Project Unaccounted		Company's 45% Share Unaccounted		Company 45% Share Discounted @			
							Fixed	Variable	Total (Fixed+Variable)				Net Cash Flow (Profit) \$/yr.	Net Cash Flow (Profit) \$/yr.	5%	10%	15%	20%		
2023	127,311	\$82.17	\$10,461,696	12%	\$1,255,404	\$104,617	2,250,000	162,774	2,412,774	6,598,902	0	0	6,598,902	3,014,506	0.38	2,959,653	2,908,866	2,860,562	2,818,200	
2024	158,838	\$81.36	\$12,926,308	12%	\$1,551,157	\$129,263	3,000,000	160,608	3,254,418	7,981,470	2,709,000	0	5,288,470	2,379,811	1.38	2,225,386	2,097,505	1,963,738	1,852,117	
2025	285,208	\$79.60	\$23,506,888	12%	\$2,820,827	\$235,089	3,150,000	364,368	3,645,948	16,805,046	2,757,060	0	14,047,986	6,321,594	2.38	5,829,018	5,041,007	4,635,060	4,090,880	
2026	403,149	\$81.21	\$32,741,102	12%	\$3,928,932	\$327,411	3,300,000	483,779	4,015,377	24,468,382	2,812,201	0	21,657,181	9,745,731	3.38	8,266,086	7,085,032	6,080,779	5,267,175	
2027	487,022	\$82.86	\$41,182,036	12%	\$4,941,844	\$411,820	3,450,000	556,426	4,379,862	31,448,389	0	0	31,448,389	14,151,775	4.38	11,431,819	9,325,483	7,078,173	6,078,720	
2028	432,895	\$84.53	\$36,577,743	12%	\$4,389,329	\$365,777	3,450,000	519,234	4,382,356	27,440,282	0	0	27,440,282	12,348,127	5.38	8,496,072	7,308,016	5,825,726	4,834,480	
2029	388,916	\$86.25	\$33,969,718	12%	\$4,004,368	\$333,687	3,450,000	464,268	4,409,136	24,623,518	0	0	24,623,518	11,050,583	6.38	8,118,594	6,935,097	4,945,937	3,485,030	
2030	346,345	\$87.99	\$30,474,995	12%	\$3,558,998	\$304,750	3,450,000	416,614	4,440,375	22,072,871	0	0	22,072,871	9,932,782	7.38	6,991,088	4,818,133	3,943,437	2,848,806	
2031	310,364	\$89.77	\$27,881,382	12%	\$3,343,367	\$278,614	3,450,000	372,436	4,478,693	19,780,818	0	0	19,780,818	8,892,368	8.38	5,900,589	4,002,708	2,758,500	1,931,410	
2032	278,429	\$91.58	\$25,560,102	12%	\$3,060,012	\$255,001	3,450,000	334,115	4,522,368	17,662,721	0	0	17,662,721	7,948,224	9.38	5,030,008	3,262,473	2,144,015	1,498,019	
2033	250,064	\$93.44	\$23,365,336	12%	\$2,803,840	\$233,653	3,300,000	300,077	4,388,474	15,938,388	0	0	15,938,388	7,172,718	10.38	4,293,581	2,888,289	1,882,455	1,051,878	
2034	224,849	\$95.33	\$21,434,008	12%	\$2,572,081	\$214,340	3,300,000	269,819	4,438,622	14,208,963	0	0	14,208,963	6,394,054	11.38	3,670,881	2,162,365	1,304,178	833,084	
2035	202,416	\$97.25	\$19,685,438	12%	\$2,362,250	\$196,854	3,300,000	242,889	4,493,282	12,633,078	0	0	12,633,078	5,584,885	12.38	3,108,185	1,747,782	1,008,291	595,462	
2036	182,439	\$99.22	\$18,101,117	12%	\$2,172,134	\$181,011	3,300,000	218,926	4,562,106	11,155,885	0	0	11,155,885	5,038,138	13.38	2,623,363	1,488,131	777,028	438,765	
2037	164,633	\$101.22	\$16,684,459	12%	\$1,999,735	\$166,645	3,300,000	187,559	4,614,955	9,883,124	0	0	9,883,124	4,447,406	14.38	2,216,518	1,130,022	596,452	323,502	
2038	148,747	\$103.27	\$15,360,810	12%	\$1,843,273	\$153,606	3,300,000	178,497	4,681,698	8,882,132	0	0	8,882,132	3,906,858	15.38	1,845,242	902,457	455,827	236,825	
2039	134,661	\$105.35	\$14,175,256	12%	\$1,701,151	\$141,763	3,000,000	161,474	4,340,026	7,983,320	0	0	7,983,320	3,588,884	16.38	1,617,848	755,325	384,785	181,837	
2040	121,880	\$107.48	\$13,089,479	12%	\$1,571,557	\$130,985	3,000,000	146,285	4,405,518	6,981,029	0	0	6,981,029	3,145,963	17.38	1,347,888	600,589	277,414	122,428	
2041	110,531	\$109.65	\$12,119,577	12%	\$1,454,349	\$121,198	3,000,000	132,638	4,474,178	5,088,854	0	0	5,088,854	2,731,434	18.38	1,114,391	474,024	203,441	85,815	
2042	100,385	\$111.86	\$11,226,971	12%	\$1,347,257	\$112,270	3,000,000	120,438	4,545,880	4,221,576	0	0	4,221,576	2,349,708	19.38	813,001	370,707	159,673	68,887	
2043	91,248	\$114.12	\$10,413,065	12%	\$1,248,968	\$104,131	3,000,000	109,497	4,620,550	4,438,617	0	0	4,438,617	1,997,468	20.38	739,178	288,480	145,814	49,658	
2044	72,329	\$116.42	\$8,420,573	12%	\$1,010,489	\$84,205	2,850,000	86,794	4,451,201	2,874,688	0	0	2,874,688	1,293,614	21.38	465,918	188,088	80,221	28,261	
2045	55,571	\$119.77	\$6,660,074	12%	\$782,008	\$68,001	2,700,000	68,685	4,277,238	1,454,827	0	10,500,000	(9,035,173)	(4,085,828)	22.38	(1,364,704)	(461,034)	(178,252)	(88,781)	
2046	0	\$121.16	\$0	12%	\$0	\$0	0	0	0	0	0	0	0	0	23.38	0	0	0	0	
Totals	5,096,010		\$465,288,946		\$55,892,274	\$4,852,688	\$72,750,000	\$6,116,212	\$58,213,931	\$96,578,062	\$3,272,361	10,500,000	\$97,797,791	128,528,008		\$8,662,418	\$4,228,054	\$6,771,858	\$8,433,983	

Company Share	\$209,371,038	\$26,124,823	\$2,092,710	\$44,196,288	137,968,523	3,712,318	4,722,008	129,308,066	45.0%
---------------	---------------	--------------	-------------	--------------	-------------	-----------	-----------	-------------	-------

Gross	2,291,204	\$1.00	10%	1%	2,100,000	\$1.20
Net	2,018,020	Price Differential	Royalty Rate	Export Payment	\$/yr	\$/STB
					\$150,000	
					per yr per well	

Table 4b, Page 3  
Zenith Energy Ltd  
Sid El Kilani  
April 1, 2023

Production Streams, Revenues and Cash Flows - Proved Plus Probable Reserves

Company Working Interest		Company 46% Share Discounted @														
	Net operating Income	Net Capital	Abandon and Reclaim	Capital Depreciation - Straight Line - 20%			Capital Deduction	Net Taxable income	Tax Rate	Tax Payable	After Tax Cash flow		5%	10%	15%	20%
Year	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$/yr.	\$	\$/yr.	%	\$/yr.	\$/yr.	f	\$	\$	\$	\$
2023	3,014,506	\$0	\$0	\$0	\$0	\$0	\$0	\$3,014,506	55%	\$1,657,978	\$1,356,528	0.16	1,345,979	1,335,996	1,326,530	1,317,527
2024	3,596,161	\$1,218,350	\$0	\$243,270	\$0	\$0	\$243,270	\$3,352,891	55%	\$1,844,090	\$535,721	0.83	514,460	494,975	477,045	460,488
2025	7,562,271	\$1,240,677	\$0	\$243,270	\$246,135	\$0	\$491,405	\$7,070,866	55%	\$3,888,976	\$2,432,618	1.83	2,224,834	2,043,268	1,883,636	1,742,438
2026	11,011,222	\$1,265,491	\$0	\$243,270	\$246,135	\$253,098	\$744,504	\$10,266,719	55%	\$5,646,695	\$4,099,036	2.83	3,570,363	3,129,972	2,759,966	2,446,802
2027	14,151,775	\$0	\$0	\$243,270	\$246,135	\$253,098	\$744,504	\$12,407,272	55%	\$7,373,999	\$5,777,776	3.83	5,622,535	4,704,930	3,968,381	3,371,489
2028	12,346,127	\$0	\$0	\$243,270	\$246,135	\$253,098	\$744,504	\$11,603,623	55%	\$6,381,993	\$5,966,134	4.83	4,713,566	3,765,012	3,037,543	2,473,134
2029	11,080,583	\$0	\$0		\$246,135	\$253,098	\$501,234	\$10,579,350	55%	\$5,816,642	\$5,261,941	5.83	3,969,245	3,018,748	2,329,580	1,817,688
2030	9,932,782	\$0	\$0			\$253,098	\$253,098	\$9,679,684	55%	\$5,323,632	\$4,606,960	6.83	3,302,783	2,403,758	1,774,338	1,328,788
2031	8,892,368	\$0	\$0				\$0	\$8,892,368	55%	\$4,890,802	\$4,001,566	7.83	2,730,975	1,897,259	1,339,571	958,933
2032	7,948,224	\$0	\$0				\$0	\$7,948,224	55%	\$4,371,523	\$3,576,701	8.83	2,324,776	1,541,848	1,041,168	715,910
2033	7,172,716	\$0	\$0				\$0	\$7,172,716	55%	\$3,944,994	\$3,227,722	9.83	1,988,045	1,264,754	817,027	537,705
2034	6,394,034	\$0	\$0				\$0	\$6,394,034	55%	\$3,516,718	\$2,877,315	10.83	1,696,318	1,024,958	633,330	389,443
2035	5,684,885	\$0	\$0				\$0	\$5,684,885	55%	\$3,126,687	\$2,558,198	11.83	1,436,365	828,436	489,642	295,961
2036	5,038,139	\$0	\$0				\$0	\$5,038,139	55%	\$2,770,977	\$2,267,163	12.83	1,212,338	667,444	377,337	218,568
2037	4,447,406	\$0	\$0				\$0	\$4,447,406	55%	\$2,446,073	\$2,001,333	13.83	1,019,228	535,622	289,546	169,784
2038	3,906,959	\$0	\$0				\$0	\$3,906,959	55%	\$2,148,828	\$1,758,132	14.83	852,735	427,758	221,260	117,705
2039	3,596,664	\$0	\$0				\$0	\$3,596,664	55%	\$1,978,347	\$1,618,647	15.83	747,887	398,018	177,135	90,305
2040	3,145,963	\$0	\$0				\$0	\$3,145,963	55%	\$1,730,280	\$1,415,689	16.83	622,802	294,061	134,717	65,618
2041	2,731,434	\$0	\$0				\$0	\$2,731,434	55%	\$1,502,289	\$1,229,148	17.83	514,989	224,684	101,708	47,621
2042	2,349,709	\$0	\$0				\$0	\$2,349,709	55%	\$1,292,340	\$1,057,369	18.83	421,922	175,712	76,083	34,138
2043	1,957,468	\$0	\$0				\$0	\$1,957,468	55%	\$1,096,607	\$888,890	19.83	341,593	135,782	56,241	24,164
2044	1,293,614	\$0	\$0				\$0	\$1,293,614	55%	\$711,488	\$582,126	20.83	210,890	79,948	31,872	13,052
2045	659,172	\$0	\$4,725,000				\$0	(\$4,065,828)	55%	(\$2,236,205)	(\$1,829,623)	21.83	430,666	-228,433	-86,362	-34,165
2046	0	\$0	\$0				\$0	\$0	55%	\$0	\$0	22.83	0	0	0	0
Totals	137,958,623	3,722,518	4,725,000	1,216,350	1,240,677	1,265,491	3,722,518	129,509,006		71,229,953	58,279,053		40,753,594	30,114,811	23,257,026	18,602,437

Table 4b, Page 4  
Zenith Energy Ltd  
Sidi El Kilani  
April 1, 2023

R Factor - Royalty Rate - Tax Rate - Depreciation, Proved Plus Probable Reserves

Year	Gross Revenue \$/yr.	Royalty \$/yr.	Corp Tax (Grossed Up) \$/yr.	Net Revenue \$/yr.	Cumulative Net Revenue \$	Operating Costs \$/yr.	Capital Costs \$/yr.	Total Expenditures \$/yr.	Cumulative Expenditures \$	R Factor #	Royalty Rate %	Tax Rate %
2023	\$10,461,696	\$1,255,404	\$3,684,396	\$5,521,896	\$762,021,896	2,402,774	0	2,402,774	\$502,402,774	1.52	12%	55%
2024	\$12,926,308	\$1,551,157	\$4,087,978	\$7,277,172	\$769,298,069	3,254,418	2,703,000	5,957,418	\$508,360,191	1.51	12%	55%
2025	\$23,506,869	\$2,620,827	\$8,642,170	\$12,043,899	\$781,342,962	3,645,946	2,757,060	6,403,006	\$514,763,197	1.52	12%	55%
2026	\$32,741,102	\$3,926,932	\$12,548,212	\$16,263,959	\$787,606,920	4,015,377	2,812,201	6,827,578	\$521,590,775	1.53	12%	55%
2027	\$41,182,036	\$4,941,844	\$16,386,665	\$19,853,526	\$817,460,446	4,379,682	0	4,379,682	\$525,970,757	1.55	12%	55%
2028	\$36,577,743	\$4,399,329	\$14,182,206	\$18,006,208	\$835,466,654	4,382,355	0	4,382,355	\$530,353,112	1.58	12%	55%
2029	\$33,369,718	\$4,004,386	\$12,930,316	\$16,435,035	\$851,901,689	4,406,136	0	4,406,136	\$534,761,248	1.59	12%	55%
2030	\$30,474,995	\$3,656,899	\$11,830,737	\$14,987,258	\$866,888,948	4,440,375	0	4,440,375	\$539,201,623	1.61	12%	55%
2031	\$27,661,392	\$3,343,367	\$10,666,450	\$13,649,575	\$880,538,524	4,478,593	0	4,478,593	\$543,680,217	1.62	12%	55%
2032	\$25,500,102	\$3,060,012	\$9,714,496	\$12,725,593	\$893,264,117	4,522,368	0	4,522,368	\$548,202,585	1.63	12%	55%
2033	\$23,355,336	\$2,803,640	\$8,766,852	\$11,794,843	\$905,058,960	4,588,474	0	4,588,474	\$552,591,059	1.64	12%	55%
2034	\$21,434,006	\$2,572,081	\$7,814,930	\$11,046,985	\$916,105,955	4,438,622	0	4,438,622	\$557,029,681	1.64	12%	55%
2035	\$19,685,438	\$2,362,253	\$6,948,193	\$10,374,992	\$926,480,947	4,493,252	0	4,493,252	\$561,522,933	1.65	12%	55%
2036	\$18,101,117	\$2,172,134	\$6,157,726	\$9,771,257	\$936,252,204	4,552,106	0	4,552,106	\$566,075,039	1.65	12%	55%
2037	\$16,654,459	\$1,999,735	\$5,435,718	\$9,229,006	\$945,481,210	4,614,955	0	4,614,955	\$570,689,995	1.66	12%	55%
2038	\$15,360,610	\$1,843,273	\$4,775,173	\$8,742,164	\$954,223,374	4,681,589	0	4,681,589	\$575,371,584	1.66	12%	55%
2039	\$14,176,259	\$1,701,151	\$4,386,326	\$8,078,782	\$962,302,157	4,340,026	0	4,340,026	\$579,711,619	1.66	12%	55%
2040	\$13,099,479	\$1,571,937	\$3,845,066	\$7,682,475	\$969,984,632	4,405,518	0	4,405,518	\$584,117,137	1.66	12%	55%
2041	\$12,119,577	\$1,454,349	\$3,336,420	\$7,326,808	\$977,311,440	4,474,178	0	4,474,178	\$588,591,315	1.66	12%	55%
2042	\$11,226,971	\$1,347,237	\$2,871,857	\$7,007,958	\$984,319,398	4,545,889	0	4,545,889	\$593,137,204	1.66	12%	55%
2043	\$10,413,065	\$1,249,568	\$2,441,349	\$6,722,148	\$991,041,456	4,620,550	0	4,620,550	\$597,757,753	1.66	12%	55%
2044	\$8,420,573	\$1,010,469	\$1,581,084	\$5,829,020	\$996,870,477	4,451,201	0	4,451,201	\$602,208,954	1.66	12%	55%
2045	\$6,600,074	\$792,009	(\$4,569,345)	\$10,777,411	\$1,007,647,888	4,277,238	0	4,277,238	\$606,486,192	1.66	12%	55%
2046	\$0	\$0	\$0	\$0	\$1,007,647,888	0	0	0	\$606,486,192	1.66	12%	55%
Totals	\$465,268,946	\$54,576,870	\$158,268,785	\$251,147,898		\$96,213,931	\$8,272,261	\$106,486,192		1.51	12%	55%
			0.45 WI Factor		\$756,500,000 Opening Balance				\$500,000,000 Opening Balance			Applies Subsequent Year

**TABLE P-1**  
**PROSPECT SYNOPSIS**  
**TRIASSIC PROSPECTS**  
**El Bibane and Ezzaouia, Tunisia**

This Summary contains the information required to be disclosed under NI 51-101, Sec. 5.9. More details regarding the prospects are presented in the Report Discussion, which follows.

1. (a) The Company owns a 100% working interest in the El Bibane Concession and a 45% working interest in the Ezzaouia Concession on which Triassic Prospects have been identified, based predominantly on seismic interpretation.
- (b) The subject lands are located in the Jeffara Basin in Northern Tunisia. El Bibane is located about 18 Km offshore in 25 feet of water and Ezzaouia is onshore near the Gulf of Gabes and east of Djerba Island.
- (c) The expected product from a successful prospect is natural gas.
- (d) The predominant risk on these prospects is the trap and seal which may have been breached due to faulting.
- (e) The economic and risk analysis, justifying undertaking these projects is presented in the following Discussions and a summary of the combined "before and after risk" values for the Forecast Prices and Costs Case are presented below:

Company Net Value, Thousands of Dollars		
	Before Risk	After Risk
Undiscounted	15,047,547	1,618,590
Discounted @ 5%/year	9,107,433	953,198
Discounted @ 10%/year	5,778,793	596,480
Discounted @ 15%/year	3,895,265	389,314
Discounted @ 20%/year	2,728,641	261,140

2. (a) This report was prepared by a "Qualified Reserves Evaluator and Auditor" who is independent of the Company.
- (b) This evaluation has been prepared in accordance with COGEH standards.

(c) The Prospective Resources evaluated in this report are sub-classified as a "Prospect" on the grounds that definite drilling locations can be identified and plans to drill have been considered.

(d) (i) The applicable resource definitions are contained in the Introduction to this report.

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects.

(ii) The effective date of the evaluation is April 1, 2023.

(iii) The significant positive and negative factors relevant to this estimate are as follows:

Positive Attributes

- If a discovery is made these prospects could be very large accumulations, as demonstrated by other Triassic reservoirs in north Africa
- the zone of interest has been identified by seismic
- the prospect is located in an active oil field with ample services and infrastructure
- the economic and risk analysis suggests a viable project

Negative Attributes

- there is not a lot of data to describe the reservoir characteristics
- there is no direct analog to develop a highly confident production profile
- in the event of a large discovery a major pipeline will need to be constructed

(iii.1) (A) The total costs to fully develop the Best Estimate discoveries would be \$695 million (\$512.5 million net to the Company's interest)

(B) The initial drilling is expected to commence in 2025. First commercial production is anticipated by 2026.

(C) The recovery technology would be primary natural gas expansion.

(D) This is a conceptual discovery and development.

## SUMMARY OF COMPANY RESOURCES AND ECONOMICS

### INDEX

#### Forecast Prices and Costs

Table 1:	Summary of Prospective Resources and Economics.....	135
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**Table 1**  
**Summary of Company Prospective Resources and Economics**  
**Before Income Tax**  
**April 1, 2023**  
**(as of March 31, 2023)**

**Zenith Energy Ltd**

**Tunisia Prospect**

Description	Net To Appraised Interest										
	Resources						Cumulative Cash Flow (BIT) - M\$				
	Oil		Sales Gas		NGL		Undisc.	5%/year	10%/year	15%/year	20%/year
	MSTB		Mscf		Mbbbls						
	Gross	Net	Gross	Net	Gross	Net					
<b>BEFORE RISK</b>											
Arithmetic Average											
EBB Triassic Prospect	0	0	687,283	611,180	0	0	11,260,591	6,790,013	4,372,701	2,959,515	2,090,688
EZZ Triassic Prospect	0	0	230,585	205,333	0	0	3,786,956	2,227,420	1,406,092	935,750	647,953
Total Before Risk Arithmetic Average	0	0	917,868	816,494	0	0	15,047,547	9,017,433	5,778,793	3,895,265	2,728,641
<b>AFTER RISK</b>											
Arithmetic Average After Risk											
EBB Triassic Prospect	0	0	68,726	61,118	0	0	1,099,059	652,001	410,270	288,951	181,069
EZZ Triassic Prospect	0	0	32,282	28,747	0	0	519,531	301,196	186,210	120,362	80,071
Total After Risk Arithmetic Average	0	0	101,008	89,863	0	0	1,618,590	953,196	596,480	399,314	261,140

M\$ means thousands of dollars

Gross resources are the total of the Company's working or royalty interest share before deduction of royalties owned by others.

Net resources are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

**EL BIBANE TRIASSIC PROSPECT**  
**JEFFARA BASIN, TUNISIA**  
**INDEX**

<b>Discussion.....</b>	<b>137</b>
Property Description.....	137
Geology.....	137
Prospective Resources.....	138
Productivity Estimates.....	138
Product Prices.....	139
Operating Environment.....	139
Capital Expenditures.....	139
Operating Costs.....	139
Economics and Risk.....	140
 <b>Attachments</b>	
Figure 1: Triassic Prospect Map.....	142
Table 1: Schedule of Lands, Interests and Royalty Burdens.....	143
Figure 2: Geological Maps and Figures	
a) Stratigraphic Chart.....	144
b) Stratigraphic Correlation Schematic.....	145
Table 2: Summary of Gross Prospective Resources.....	146
Table 3: Summary of Anticipated Capital Expenditures	
a) Development.....	147
b) Abandonment.....	148
Table 4: Summary of Company Prospective Resources and Economics .....	149
<u>Economic Model</u>	
a) Best Estimate.....	150
b) Low Estimate.....	153
c) High Estimate.....	156
Figure 4: Risk Analysis.....	159
Appendix A – Monte Carlo Simulation.....	161

**EL BIBANE TRIASSIC PROSPECT  
JEFFARA BASIN, TUNISIA  
DISCUSSION**

**Property Description**

The Company owns a 100% working interest in the El Bibane Concession, in Tunisia. It is comprised of 56,340 acres of land (228 Km squared) and is located about 18 km offshore Tunisia in 25 feet of water depth. The Concession contains a total of three wells, including one oil/gas producer, which is under a gas cycling scheme, a gas injector and one suspended well.

Besides the producing formations the seismic interpretation over these lands indicates a deeper huge Triassic structure, originally identified by Marathon Petroleum, the original company to hold this concession. This portion of the report is an evaluation of the Triassic Prospect on this concession.

Production will be subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures and is slightly different for gas production than for oil.

A map showing the Concession boundary and Triassic Prospect outline is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

**Geology**

The Ras Hamia B Formation is the primary natural gas prospect in the Middle Triassic for the El Bibane block. The Ras Hamia sandstones and equivalent age sediments, such as the Trias Argilo-Greseux Formation are major hydrocarbon reservoirs in the Ghadame/Berkine and Melhrir Basins in Tunisia and elsewhere in North Africa. This interval has yet to be penetrated in the El Bibane concession, however a number of wells in the vicinity of the Company's blocks have encountered the Ras Hamia Formation.

For Triassic evaluation purposes the relevant geology begins with the Silurian age Tannezuft shale, a regionally extensive rich source rock. From regional control in Lybia it almost certainly extends into Northern Tunisia. From Marathon's interpretation, there is very little risk that a satisfactory mature

source rock not is not present to feed the Triassic reservoir on this concession. As the Triassic unconformably overlies the Silurian in many areas the migration route should not be a problem either.

The Ras Hamia Formation is a sand shale sequence at the top of Middle Triassic, unconformably overlain by an Upper Triassic evaporitic and dolomitic sequence, which provide excellent regional top seals.

A stratigraphic chart for this Basin is attached, Figure 2a and a stratigraphic correlation schematic demonstrating the Ras Hamia B formation orientation is presented in Figure 2b.

### **Prospective Resources**

Prospective resources have been estimated through the use of a Monte Carlo simulation (the Model), which was found to be the best means of representing the ranges of reservoir parameters and resource volumes, in view of the degree of uncertainty in the parameters and lack of a definite analog reservoir. However, the data provided in material from Marathon was sufficient to establish confident ranges for each parameter for input into the model.

Prospective resources of 633,738, 326,669 and 1,101,338 MMscf have been assigned to the Best, Low and High cases for the applicable performance profile for each case. A shrinkage of 8% was used to convert the raw gas to Marketable Resources. For this evaluation, to be conservative, only the primary product has been included. In reality there may be significant liquid recoveries from this gas, although there is no evidence to demonstrate that circumstance.

A summary of the Prospective Resources is presented on Table 2 and the full Monte Carlo presentation of inputs and results is presented in the Appendix A

### **Productivity Estimates**

Production forecasts have been developed for each case, based on reasonable expectations in consideration of the resources to be recovered in approximately a 20-year life and the well count to be drilled in each case.

The estimated initial rate per well for each case is presented on Table 2 and the forecast is presented on page one of each of the economic analysis files.

## **Product Prices**

For this evaluation a gas price based on the latest World Bank European forecast has been used on par.

## **Operating Environment**

This prospect is situated in an active onshore and offshore oil and gas field environment within economic reach of a major gas pipeline connected to Italy and the rest of Europe.

## **Capital Expenditures**

The total cost to fully develop this prospect (Best estimate) is \$363 million (\$363 million net to the Company). This includes a seismic program the drilling, completion and equipping of four gas wells, a local gas handling and processing facility and a 400 Km 8" pipeline to the main gas export line. Drilling costs were based on the data from the reserves portion extrapolated to the deeper zone.

The total cost for the Low case, is \$338 million (338 million net to the Company), including only three wells, and for the High case \$465 million (465 net to the Company), including six wells and a 10" line.

For the purpose of conducting a prospect risk analysis, we have assumed that the seismic cost and drilling of a D&A exploration well would terminate the project. The net dry hole costs (capital exposure) would be \$30,000 thousand.

Capital expenditures for this project are shown on Table 3a and page one of each of the economic analyses Table 4a, 4b and 4c.

Abandonment and decommissioning costs have been accounted for at \$500,000 per well, in the final year of production. Facilities would be assigned to or taken over by the government as presented on Table 3b.

## **Operating Costs**

Fixed operating costs have been estimated to be \$10,000,000 per year plus an additional \$300,000 per well per year.

Variable operating costs of \$0.25/Mscf have been estimated for gas processing and handling.

## **Economics and Risk**

The results of the economic analysis, before income tax are summarized in Table 4, and the before risk cash flows are presented in Tables 4a, 4b and 4c, for the best, low and high estimates, respectively. The before risk analysis for each case represents the results of an assumed successful exploration program and development model having parameters which are considered to be reasonable based on the information available. This defines the 100% Chance of Success (COS) case.

A risk analysis has been performed to determine the feasibility of the Company participating in this project and to determine the after-risk value, utilizing the "Expected Value" technique. In this procedure the Success Case, established by the arithmetic average of the best, low and high estimate results, is offset by the Failure Case (COS=0%).

The failure case (COS=0%) is defined by the net capital exposure or amount of expenditure made by the Company before deciding to stop further activity on the project. This might include one or more dry holes and any land, geological or geophysical expenses undertaken prior to drilling. The capital exposure of this project net to the Company is \$30,000,000 representing the cost of drilling one dry and abandoned exploration well.

The Success Case and Failure Case represent the boundary conditions for the risk analysis. The after-risk value is determined by applying the Chance of Commerciality (COC) to the equation: [Net present value of Success case at the designated DCF% times COC, less capital exposure times (1-COC)].

In establishing the Chance of Commerciality, consideration has been given to the Chance of Discovery, which involves geological factors and the Chance of Development, which involves other factors related to the likelihood of full development, once a discovery is made. The Chance of Commerciality is the product of the Chance of Discovery and the Chance of Development.

The Chance of Discovery, or geological factors, include the four main geological components of a petroleum system needed for commercial production: source rocks capable to generate enough economic volumes of hydrocarbons, presence of reservoir rocks of reasonable quality to accumulate hydrocarbons, a trapping mechanism with a good vertical and lateral seal to hold and retain

hydrocarbons, and proper geological timing to coincide with the hydrocarbon generation, expulsion, reservoir presence, and traps formation, and for hydrocarbons to migrate into the trap.

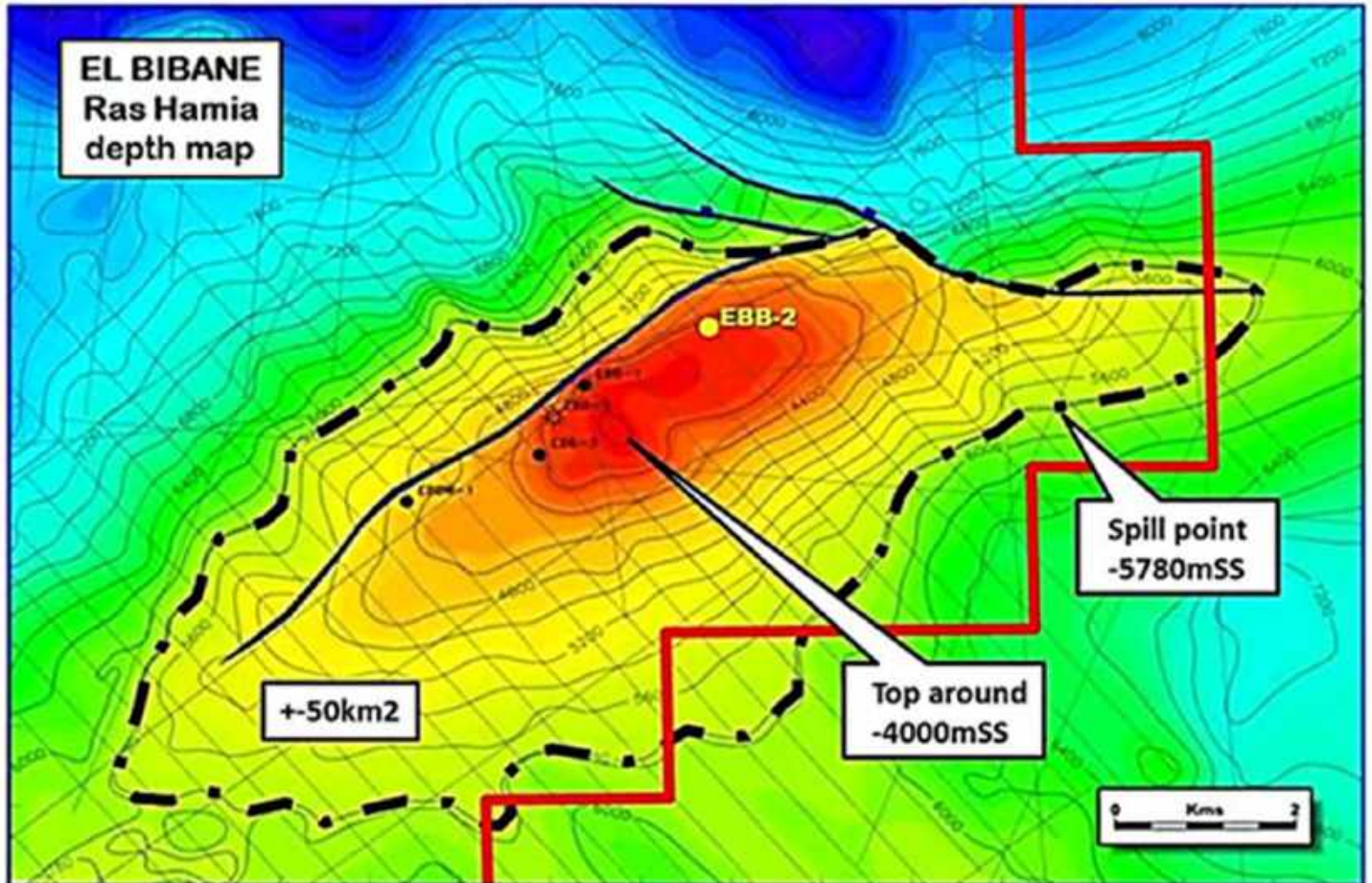
The ranges of chance of success assigned to each of these geological factors can be qualitatively described so that COS 5% to 30% is unfavourable, COS 30% to 50% is questionable, COS 50% is neutral, COS 50% to 70% is encouraging and COS 70% to 95% is considered favourable. A neutral assessment would apply in cases of lack of data or information. The product of all four of these factors results in the overall geological Chance of Discovery.

For this project the results of estimating the overall geological chance of discovery for the Triassic formation is 15%, as shown in Figure 4. The source rock element was rated at 75% based on the existence of prolific source rocks that have generated hydrocarbons in large quantities, as seen in numerous producing fields in the basin. The rating of 75% was also given to the factor of geological timing and hydrocarbon migration that is proved via carrier beds, faults and juxtaposition reservoirs. A rating of 65% was assigned to the reservoir rocks' factor. The rating for the geological trap and reservoir seal elements was estimated at 50%, based on the best geological assumptions that similar Triassic reservoirs experienced in the immediate area. Much of the above judgement was based on a project summary developed by Marathon while the property was under its control.

The Chance of Development risk factors include Economic Viability (production forecast, capital and operating costs and price forecast), Market Access, Production and Transportation Infrastructure (facilities and pipelines), Regulatory and Social License, Corporate and External Approvals and a Reasonable Timetable for Development (development plan). For this report, we have assigned an overall Chance of Development of 66%.

For this project the results of the risk analysis before income tax indicate that in order to achieve a 10 percent rate of return a minimum COC of 1 percent would be required. Since we have estimated a COC of 10 percent, the Company's development of this project is considered feasible.

The graphical presentation of the risk analysis and the supporting data and results, before and after risk are shown on Figure 4.



Source: Candax Presentation, May 2020, p. 39

**ZENITH ENERGY LTD.**

**EL BIBANE CONCESSION**

TUNISIA

**TRIASSIC PROSPECT MAP**

APR. 2023

JOB No. 6925 FIGURE No. 1



**Table 1**

**Schedule of Lands, Interests and Royalty Burdens  
April 1, 2023**

**Zenith Energy Ltd**

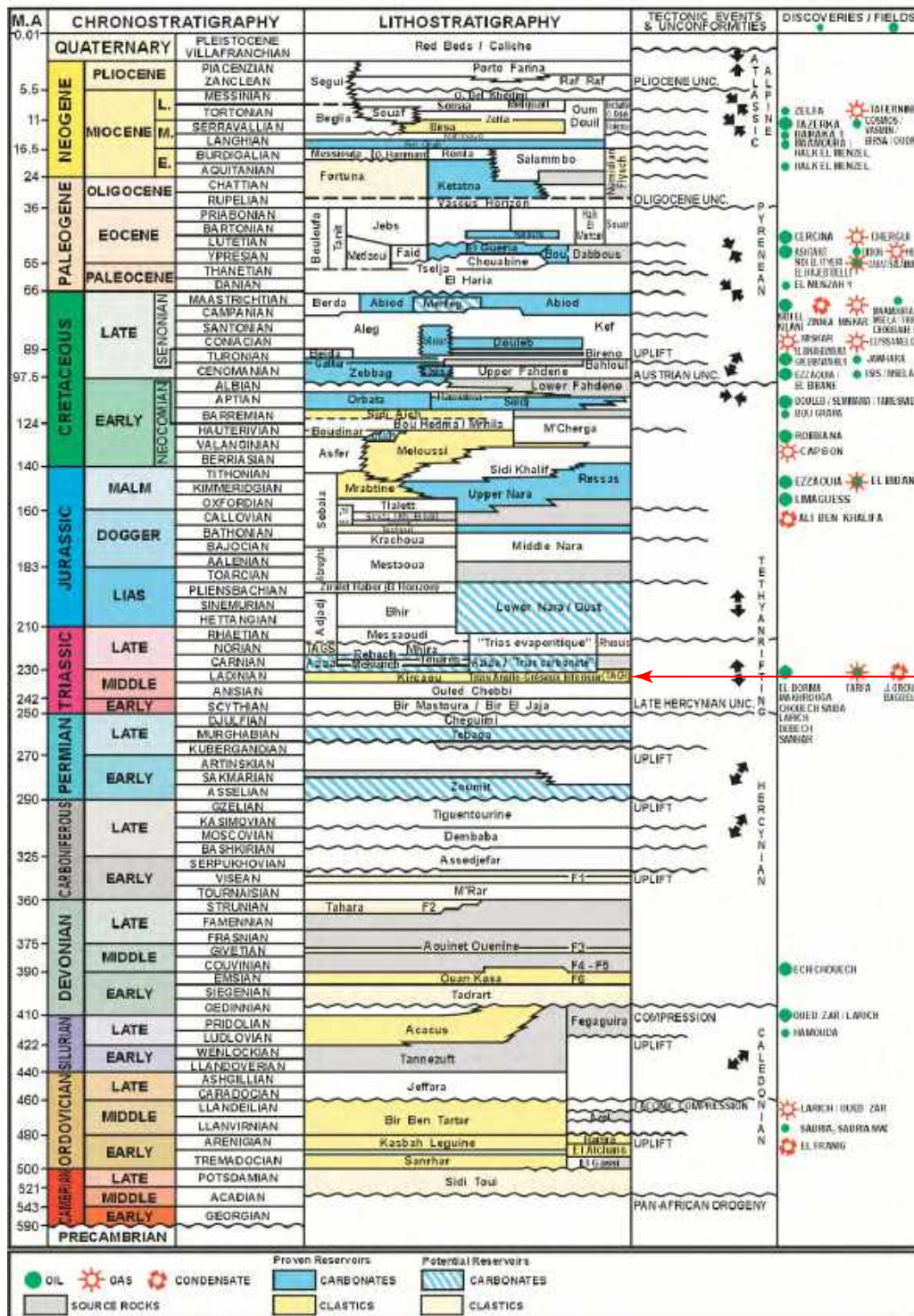
**El Bibane Concession, Tunisia**

<u>Description</u>	<u>Gross Acres</u>	<u>Appraised Interest</u>		<u>Royalty Burdens</u>	
		<u>Working %</u>	<u>Royalty %</u>	<u>Basic %</u>	<u>Overriding %</u>
Ezzaouia Concession	228 Km squared (56,340 Acres)	100.0000	-	[1]	-

**Note:** [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

	<b>Gas</b>	
Royalty Rate =	2%	When "R" Factor is < 0.5
	4%	0.5 to 0.8
	6%	0.8 to 1.1
	8%	1.1 to 1.5
	9%	1.5 to 2.0
	10%	2.0 to 2.5
	11%	> 2.5

# TUNISIAN STRATIGRAPHIC CHART

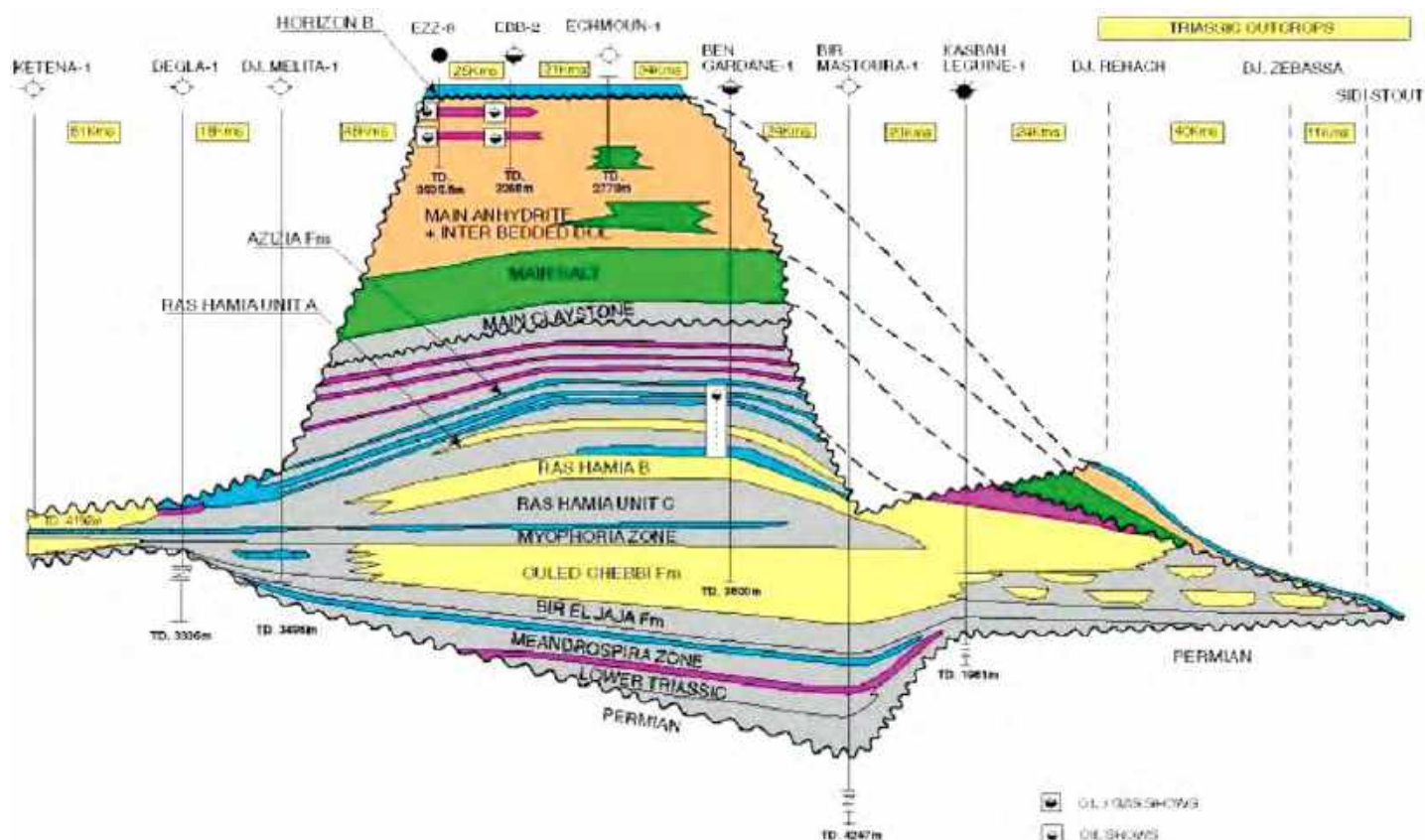


**ZENITH ENERGY LTD.**

**EL BIBANE CONCESSION**  
TUNISIA  
**STRATIGRAPHIC CHART**

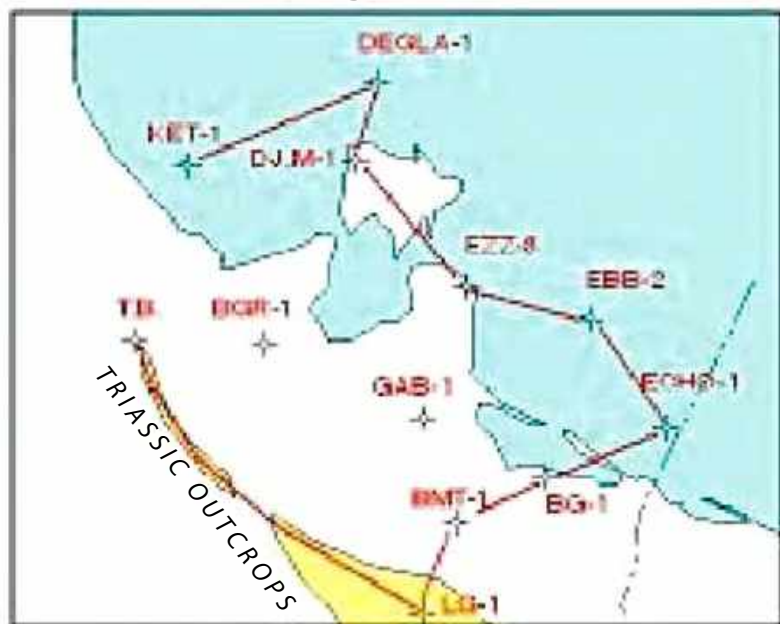
APR. 2023

JOB No. 6925 FIGURE No. 2a



Source: Ryder Scott Company Petroleum Consultants, Candax Report 2007

INDEX MAP



**ZENITH ENERGY LTD.**

**EL BIBANE CONCESSION**  
TUNISIA  
**STRATIGRAPHIC CORRELATION**  
**Schematic**

APR. 2023

JOB No. 6925 FIGURE No. 2b

Table 2

Summary of Gross Resources  
April 1, 2023

El Bibane Concession, Tunisia

		Predicted Initial Rate Macf/d/well	Prospective Resources			Reference
Description			Raw Gas (MMacf)	Sales Gas (MMacf)	NGLs (MMbbls)	
<u>Prospective Resources</u>						
<u>Best Estimate</u>						
Deep Prospect - 4 wells	Triassic	40,000	688,846	633,738	0	Monte Carlo - P50
	Total Best Estimate		688,846	633,738	0	
<u>Low Estimate</u>						
Deep Prospect - 3 wells	Triassic	27,500	355,075	326,669	0	Monte Carlo - P10
	Total Low Estimate		355,075	326,669	0	
<u>High Estimate</u>						
Deep Prospect - 6 wells	Triassic	50,000	1,197,155	1,101,383	0	Monte Carlo - P90
	Total High Estimate		1,197,155	1,101,383	0	

Table 3a

**Summary of Anticipated Capital Expenditures  
Development**

April 1, 2023

Zenith Energy Ltd

El Bibane Concession, Tunisia

Description	Date	Operation	Capital Interest %	Gross Capital M\$	Net Capital M\$
<b>Prospective Resources</b>					
<b><u>Best Estimate</u></b>					
Exploration	2024	Seismic program	100%	5,000	5,000
First well	2025	Drill, Complete and tie-in one well	100%	25,000	25,000
Gas Facility	2025	Separator , dehyde and local piping and site buildings	100%	50,000	50,000
Gas Transmission pipeline	2025	400 kilometer, 8" line	100%	208,000	208,000
Second and Third wells	2026	Drill, Complete and tie-in two wells	100%	50,000	50,000
Final Well	2027	Drill, Complete and tie-in one well	100%	25,000	25,000
<b>Total Best Estimate</b>				<b>363,000</b>	<b>363,000</b>
<b><u>Low Estimate</u></b>					
Exploration	2024	Seismic program	100%	5,000	5,000
First well	2025	Drill, Complete and tie-in one well	100%	25,000	25,000
Gas Facility	2025	Separator , dehyde and local piping and site buildings	100%	50,000	50,000
Gas Transmission pipeline	2025	400 kilometer, 8" line	100%	208,000	208,000
Second and Third wells	2026	Drill, Complete and tie-in two wells	100%	50,000	50,000
<b>Total Low Estimate</b>				<b>338,000</b>	<b>338,000</b>
<b><u>High Estimate</u></b>					
Exploration	2024	Seismic program	100%	5,000	5,000
First well	2025	Drill, Complete and tie-in one well	100%	25,000	25,000
Gas Facility	2025	Separator , dehyde and local piping and site buildings	100%	50,000	50,000
Gas Transmission pipeline	2025	400 kilometer, 10" line	100%	260,000	260,000
Second,Third and Fourth wells	2026	Drill, Complete and tie-in three wells	100%	75,000	75,000
Final two Wells	2027	Drill, Complete and tie-in two wells	100%	50,000	50,000
<b>Total Best Estimate</b>				<b>465,000</b>	<b>465,000</b>

**Table 3b**  
**Summary of Anticipated Capital Expenditures**  
**Abandonment and Restoration**

**April 1, 2023**

**Zenith Energy Ltd**

**El Bibane Concession, Tunisia**

<u>Description</u>	<u>Well Parameters</u>	<u>Capital Interest %</u>	<u>Gross Capital M\$</u>	<u>Net Capital M\$</u>
<b><u>Prospective Resources</u></b>				
<b><u>Best Estimate</u></b>				
Deep Prospect - 4 wells	Triassic	100%	2,000	2,000
	<b>Total Best Estimate</b>		<b>2,000</b>	<b>2,000</b>
<b><u>Low Estimate</u></b>				
Deep Prospect - 3 wells	Triassic	100%	1,500	1,500
	<b>Total Best Estimate</b>		<b>1,500</b>	<b>1,500</b>
<b><u>High Estimate</u></b>				
Deep Prospect - 6 wells	Triassic	100%	3,000	3,000
	<b>Total Best Estimate</b>		<b>3,000</b>	<b>3,000</b>

Note: The above capital values are expressed in terms of current dollar values without escalation

**Table 4**  
**Summary of Company Prospective Resources and Economics**

**April 1, 2023**  
**(as of March 31, 2023)**

**Zenith Energy Ltd**

**El Bibane Triassic Prospect**

	Resources		Cumulative Cash Flow (BIT) - M\$				
	Gas MMscf			Discounted at:			
Description	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
<b>BEFORE RISK</b>							
<b>Best Estimate</b>							
EBB Triassic Prospect	633,738	563,868	10,348,873	6,177,453	3,952,009	2,663,509	1,867,591
<b>Low Estimate</b>							
EBB Triassic Prospect	326,869	292,169	5,100,282	3,080,495	1,976,484	1,327,732	923,515
<b>High Estimate</b>							
EBB Triassic Prospect	1,101,383	977,444	18,332,637	11,112,091	7,189,611	4,887,304	3,450,959
<b>Arithmetic Average</b>							
EBB Triassic Prospect	687,263	611,160	11,260,591	6,790,013	4,372,701	2,959,515	2,080,668
Chance of Commerciality	10%	10%					
<b>AFTER RISK</b>							
<b>Arithmetic Average After Risk</b>							
EBB Triassic Prospect	68,726	61,116	1,099,059	652,001	410,270	268,951	181,069

**M\$ means thousands of dollars**

Gross and Net Resources are the same due to the terms of the PSA agreement.



Table 4a, Page 1

**Zenith Energy Ltd**  
**El Bibana Triassic Prospect**  
**April 1, 2023**

**Production and Capital Forecast - Prospective Resources - Best Estimate**

Single Well Production Profile				Development Program -						Capital Expenditures - M\$						
				# Wells	# Wells	# Wells	Total GAS Sales							Total Capital		
Year	Mscf/d	Days On	Mscf/yr	Year	Well Count	1	2	1	Mscf/yr	Mscf/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline	(Escalated)
1	40,000	365	14,600,000	2024	0	0	-	-	0	0	5,000	0	0	0	0	5,100
2	40,000	365	14,600,000	2025	0	0	0	-	0	0	0	20,000	5,000	50,000	208,000	294,433
3	40,000	365	14,600,000	2026	1	14,600,000	0	0	14,600,000	40,000	0	40,000	10,000	0	0	53,060
4	40,000	365	14,600,000	2027	3	14,600,000	29,200,000	0	43,800,000	120,000	0	20,000	5,000	0	0	27,061
5	40,000	365	14,600,000	2028	4	14,600,000	29,200,000	14,600,000	58,400,000	160,000	0	0	0	0	0	0
6	35,565	365	12,981,053	2029	4	14,600,000	29,200,000	14,600,000	58,400,000	160,000	0	0	0	0	0	0
7	31,621	365	11,541,025	2030	4	14,600,000	29,200,000	14,600,000	58,400,000	160,000	0	0	0	0	0	0
8	28,115	365	10,261,811	2031	4	12,981,053	29,200,000	14,600,000	56,781,053	155,565	0	0	0	0	0	0
9	24,997	365	9,123,912	2032	4	11,541,625	25,982,105	14,600,000	52,103,731	142,750	0	0	0	0	0	0
10	22,225	365	8,112,191	2033	4	10,261,811	23,083,261	12,981,053	46,326,115	126,921	0	0	0	0	0	0
11	19,761	365	7,212,656	2034	4	9,123,912	20,523,623	11,541,025	41,189,160	112,847	0	0	0	0	0	0
12	17,569	365	6,412,867	2035	4	8,112,191	18,247,824	10,261,811	36,621,826	100,334	0	0	0	0	0	0
13	15,621	365	5,701,765	2036	4	7,212,656	16,224,381	9,123,912	32,560,849	89,208	0	0	0	0	0	0
14	13,889	365	5,069,515	2037	4	6,412,867	14,425,311	8,112,191	28,950,369	79,316	0	0	0	0	0	0
15	12,349	365	4,607,372	2038	4	5,701,765	12,825,735	7,212,656	25,740,156	70,521	0	0	0	0	0	0
16	10,980	365	4,007,564	2039	4	5,069,515	11,403,530	6,412,867	22,885,912	62,701	0	0	0	0	0	0
17	9,762	365	3,563,178	2040	4	4,507,372	10,139,029	5,701,765	20,348,167	55,748	0	0	0	0	0	0
18	8,680	365	3,168,069	2041	4	4,007,564	9,014,745	5,069,515	18,081,823	49,567	0	0	0	0	0	0
19	7,717	365	2,816,772	2042	4	3,563,178	8,015,128	4,507,372	16,085,679	44,070	0	0	0	0	0	0
20	6,851	365	2,504,429	2043	4	3,168,069	7,126,357	4,007,564	14,301,990	39,184	0	0	0	0	0	0
21	6,101	365	2,226,721	2044	4	2,816,772	6,336,138	3,563,178	12,716,088	34,839	0	0	0	0	0	0
22	0	365	0	2045	4	2,504,429	5,633,544	3,168,069	11,308,041	30,975	0	0	0	0	0	0
23	0	365	0	2046	4	2,226,721	5,008,858	2,816,772	10,052,351	27,541	0	0	0	0	0	0
24	0	365	0	2047	3	0	4,453,442	2,504,429	6,957,871	19,063	0	0	0	0	0	0
25	0	365	0	2048	1	0	0	2,226,721	2,226,721	6,101	0	0	0	0	0	0
Total			172,211,500			172,211,500	344,423,000	172,211,500	688,846,000		5,000	80,000	20,000	50,000	208,000	379,664
Decline % =	11%															
First year prod																
Months.	12															
IP Mscf/d	40,000															
Cost /AD																
										2024	1	0	0	0		
										2025	0	1	1	1	6	
										2026	0	2	2	0	0	
										2027	0	1	1	0	0	



Table 4a, Page 2  
Zanith Energy Ltd  
El Gbore Triassic Prospect  
April 1, 2023

Production Streams, Revenues and Cash Flows - Prospective Resources - Best Estimate

Before Income Tax

Project Undiscounted																Company's Share Undiscounted		Company Share Discounted @			
Gross Production		Gross Sales	Gas Price	Crude Revenue	Royalty Rate	Royalty	Export Payment	Operating Costs - M\$/yr				Project Total Revenue	Total Capital Costs	Abandon & Reclamation	Net Cash Flow (Profit)	Net Cash Flow (Profit)	5%	10%	15%	20%	
Year	Mscf/yr	Mscf/yr	\$/Mscf	M\$/yr	%	M\$/yr	\$/yr	Fixed	Variable	Remodel/Work	Total (Enclosed)	(Operating Cash Flow) M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	\$	M\$	M\$	M\$	
2024	0	0	\$20.00	\$0	0%	\$0	\$0	0	0	0	0	0	0	5,100	0	(5,100)	(5,100)	1.39	(4,786)	(4,474)	(4,206)
2025	0	0	\$20.00	\$0	4%	\$0	\$0	0	0	0	0	0	0	294,433	0	(294,433)	(294,433)	2.36	(262,218)	(244,760)	(211,728)
2026	14,800,000	13,432,000	\$20.00	\$286,640	2%	\$5,372	\$2,836	10,300	3,650	0	14,964	245,777	53,060	0	182,717	182,717	3.36	163,428	139,707	120,244	
2027	42,800,000	40,296,000	\$20.00	\$805,920	4%	\$32,237	\$8,059	10,800	10,850	0	23,651	741,973	27,061	0	714,912	714,912	4.36	577,497	471,150	397,862	
2028	58,400,000	53,728,000	\$20.00	\$1,074,560	6%	\$65,565	\$10,748	11,200	14,600	0	28,465	940,384	0	0	940,384	940,384	5.36	744,231	598,154	447,961	
2029	66,400,000	63,728,000	\$20.00	\$1,074,560	10%	\$107,459	\$10,748	11,200	14,600	0	29,655	927,303	0	0	927,303	927,303	6.36	678,423	505,051	380,425	
2030	58,400,000	53,728,000	\$20.00	\$1,074,560	11%	\$118,202	\$10,748	11,200	14,600	0	29,636	915,977	0	0	915,977	915,977	7.36	606,188	453,638	328,787	
2031	56,751,050	\$2,238,556	\$20.00	\$1,044,771	11%	\$114,625	\$10,448	11,200	14,166	0	23,786	880,644	0	0	880,644	880,644	8.36	591,325	420,454	275,976	
2032	42,100,731	47,835,432	\$20.00	\$866,709	11%	\$105,458	\$9,567	11,200	13,026	0	28,952	814,711	0	0	814,711	814,711	9.36	613,648	393,386	219,707	
2033	48,328,115	42,820,020	\$20.00	\$852,401	11%	\$93,164	\$9,324	11,200	11,592	0	27,771	722,342	0	0	722,342	722,342	10.36	435,415	268,716	169,436	
2034	41,188,160	37,804,027	\$20.00	\$757,681	11%	\$83,367	\$7,571	11,200	10,287	0	26,729	640,206	0	0	640,206	640,206	11.36	293,519	130,581	80,470	
2035	36,851,828	33,822,040	\$20.00	\$673,642	11%	\$74,123	\$6,736	11,200	9,185	0	25,618	567,165	0	0	567,165	567,165	12.36	310,083	174,771	100,364	
2036	32,880,040	29,956,073	\$20.00	\$589,121	11%	\$65,003	\$5,891	11,200	8,140	0	25,019	502,206	0	0	502,206	502,206	13.36	261,863	140,384	77,451	
2037	28,050,390	26,934,340	\$20.00	\$532,887	11%	\$58,546	\$5,327	11,200	7,288	0	24,330	444,436	0	0	444,436	444,436	14.36	220,401	112,925	59,904	
2038	25,740,158	23,880,943	\$20.00	\$473,610	11%	\$52,048	\$4,736	11,200	6,435	0	23,734	383,330	0	0	383,330	383,330	15.36	185,838	93,788	40,837	
2039	22,845,912	21,055,039	\$20.00	\$421,101	11%	\$45,321	\$4,211	11,200	5,721	0	23,239	347,339	0	0	347,339	347,339	16.36	158,236	72,927	36,223	
2040	20,348,167	18,720,313	\$20.00	\$374,404	11%	\$41,185	\$3,744	11,200	5,067	0	22,605	306,672	0	0	306,672	306,672	17.36	131,524	56,543	27,043	
2041	18,061,023	16,644,478	\$20.00	\$332,890	11%	\$36,510	\$3,328	11,200	4,523	0	22,450	270,487	0	0	270,487	270,487	18.36	110,265	49,841	20,741	
2042	16,086,079	14,708,825	\$20.00	\$296,979	11%	\$32,557	\$2,980	11,200	4,021	0	22,175	238,285	0	0	238,285	238,285	19.36	92,598	37,568	18,886	
2043	14,301,893	13,157,830	\$20.00	\$263,151	11%	\$28,047	\$2,632	11,200	3,575	0	21,955	209,822	0	0	209,822	209,822	20.36	77,572	30,065	12,164	
2044	12,716,088	11,688,891	\$20.00	\$239,678	11%	\$25,737	\$2,340	11,200	3,178	0	21,794	184,105	0	0	184,105	184,105	21.36	64,885	24,000	9,292	
2045	11,306,041	10,401,558	\$20.00	\$208,031	11%	\$22,883	\$2,090	11,200	2,827	0	21,685	161,383	0	0	161,383	161,383	22.36	54,168	10,128	7,075	
2046	10,052,351	9,248,183	\$20.00	\$184,863	11%	\$20,346	\$1,850	11,200	2,543	0	21,624	141,144	0	0	141,144	141,144	23.36	45,119	19,206	5,331	
2047	9,857,871	6,404,341	\$20.00	\$128,075	11%	\$14,083	\$1,290	10,900	1,738	0	20,332	02,332	0	0	02,332	02,332	24.36	28,110	8,045	3,081	
2048	2,225,721	2,048,568	\$20.00	\$40,977	11%	\$4,507	\$419	6,180	567	0	11,052	25,063	0	2,000	23,063	23,063	25.36	8,670	2,048	683	
Totals	688,846,000	633,738,320		\$12,674,769		\$1,270,850	\$123,748	\$251,080	\$172,212	\$0	\$649,841	10,730,628	379,654	2,000	10,348,873	10,348,873		6,177,463	3,962,890	2,863,308	
Company Gross	688,846,000			\$12,674,769		\$1,270,850	\$123,748	\$251,080	\$172,212	\$0	\$649,841	10,730,628	379,654	2,000	10,348,873	100.0%					
Company Net	362,888,112							1%	10,900	\$0.25											
Enrichment	0%																				
Price Differential																					
Discount Rate																					

Table 4a, Page 3

**Zanith Energy Ltd**  
**El Blbane Triassic Prospect**  
**April 1, 2023**

**R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - Best Estimate**

Year	Gross Revenue M\$/yr.	Royalty M\$/yr.	Corp Tax (Grossed Up) M\$/yr.	Net Revenue M\$/yr.	Cumulative Net Revenue M\$	Operating Costs M\$/yr.	Capital Costs M\$/yr.	Total Expenditures M\$/yr.	Cumulative Expenditures M\$	R Factor #	Royalty Rate %	Tax Rate %
2024	\$0	\$0	(\$510)	\$510	\$72,510	0	5,100	5,100	\$101,100	0.72	4%	50%
2025	\$0	\$0	(\$29,953)	\$29,953	\$102,463	0	294,433	294,433	\$395,533	0.28	2%	50%
2026	\$288,840	\$5,373	\$87,629	\$176,838	\$278,101	14,804	53,060	67,864	\$463,397	0.80	4%	50%
2027	\$805,920	\$32,237	\$333,021	\$440,882	\$718,764	23,651	27,061	50,712	\$514,109	1.40	8%	50%
2028	\$1,074,680	\$85,965	\$436,717	\$551,878	\$1,270,642	28,485	0	28,485	\$542,585	2.34	10%	60%
2029	\$1,074,680	\$107,468	\$511,436	\$455,888	\$1,726,311	29,055	0	29,055	\$571,850	3.02	11%	70%
2030	\$1,074,580	\$118,202	\$629,967	\$326,382	\$2,052,702	29,636	0	29,636	\$601,286	3.41	11%	70%
2031	\$1,044,771	\$114,825	\$618,982	\$310,884	\$2,383,588	29,755	0	29,755	\$631,040	3.75	11%	75%
2032	\$959,708	\$105,458	\$611,034	\$242,217	\$2,605,804	28,952	0	28,952	\$659,993	3.95	11%	75%
2033	\$852,401	\$93,784	\$541,756	\$216,880	\$2,822,684	27,771	0	27,771	\$687,763	4.10	11%	75%
2034	\$757,881	\$83,387	\$480,154	\$194,359	\$3,017,043	26,728	0	26,728	\$714,492	4.22	11%	75%
2035	\$673,842	\$74,123	\$425,374	\$174,345	\$3,191,388	25,816	0	25,816	\$740,308	4.31	11%	75%
2036	\$589,121	\$65,903	\$378,856	\$156,362	\$3,347,950	25,019	0	25,019	\$765,327	4.37	11%	75%
2037	\$532,687	\$58,596	\$339,327	\$140,784	\$3,488,714	24,328	0	24,328	\$788,855	4.42	11%	75%
2038	\$473,819	\$52,098	\$294,788	\$126,733	\$3,615,447	23,734	0	23,734	\$813,389	4.44	11%	75%
2039	\$421,101	\$46,321	\$260,504	\$114,275	\$3,729,723	23,230	0	23,230	\$836,619	4.46	11%	75%
2040	\$374,408	\$41,185	\$230,004	\$103,218	\$3,832,940	22,806	0	22,806	\$859,424	4.46	11%	75%
2041	\$332,890	\$36,818	\$202,865	\$93,407	\$3,926,347	22,466	0	22,458	\$881,881	4.45	11%	75%
2042	\$295,976	\$32,557	\$178,713	\$84,708	\$4,011,053	22,175	0	22,175	\$904,056	4.44	11%	75%
2043	\$263,157	\$28,847	\$157,217	\$76,893	\$4,088,048	21,956	0	21,956	\$926,011	4.41	11%	75%
2044	\$233,976	\$25,737	\$138,079	\$70,160	\$4,158,205	21,794	0	21,794	\$947,805	4.39	11%	75%
2045	\$208,031	\$22,863	\$121,037	\$64,111	\$4,222,316	21,685	0	21,685	\$969,490	4.38	11%	75%
2046	\$184,963	\$20,346	\$105,858	\$58,780	\$4,281,076	21,824	0	21,624	\$991,114	4.32	11%	75%
2047	\$128,025	\$14,083	\$89,249	\$44,693	\$4,325,768	20,330	0	20,330	\$1,011,443	4.28	11%	75%
2048	\$40,972	\$4,507	\$17,262	\$19,213	\$4,344,982	11,062	0	11,052	\$1,022,496	4.25	11%	75%
<b>Totals</b>	<b>\$11,678,798</b>	<b>\$1,183,084</b>	<b>\$6,679,660</b>	<b>\$4,016,046</b>	<b>\$72,000</b>	<b>\$450,357</b>	<b>\$379,664</b>	<b>\$830,011</b>	<b>\$96,000</b>	<b>0.75</b>	<b>5%</b>	<b>50%</b>
			<b>1.0</b>		<b>est</b>				<b>est</b>			
			<b>Wt Factor</b>		<b>Opening Balance</b>				<b>Opening Balance</b>			<b>Applies Subsequent Year</b>

**Zenith Energy Ltd**  
**El Bibane Triassic Prospect**  
**April 1, 2023**

Development Program -

**Chapman** Petroleum Engineering Ltd.

Table 4N, Page 2  
Zenith Energy Ltd  
El Bibane Triassic Prospect  
April 1, 2023

Production Streams, Revenues and Cash Flows - Prospective Resources - Low Estimate

Before Income Tax

Project Undiscounted															Company's Share Undiscounted		Company Share Discounted @			
Year	Gross Production	Gross Sales	Gas Price	Gross Revenue	Royalty Rate	Royalty	Export Payment	Operating Costs - M\$/yr			Project Total Revenue (Operating Cash Flow) M\$/yr	Total Capital Costs	Abandon & Reclamation	Net Cash Flow (Profit)	Net Cash Flow (Profit)	5%	10%	15%	20%	
	Mscf/yr	M\$/yr	\$/Mscf	M\$/yr	%	M\$/yr	\$/yr	Fixed	Variable	Remedial Work	Total (Escalated)	M\$/yr	M\$/yr	M\$/yr	M\$/yr	\$	M\$	M\$	M\$	
2024	0	0	\$28.00	\$0	5%	\$0	\$0	0	0	0	0	0	0	(5,100)	(5,100)	1.30	(4,785)	(4,474)	(4,204)	(3,882)
2025	0	0	\$28.00	\$0	4%	\$0	\$0	0	0	0	0	0	0	(294,433)	(294,433)	2.38	(282,018)	(264,351)	(241,285)	(194,055)
2026	10,037,500	9,234,500	\$20.00	\$184,800	2%	\$3,894	\$1,847	10,300	2,503	0	13,593	165,556	53,050	0	112,485	112,485	3.30	56,485	51,552	43,799
2027	30,112,500	27,703,500	\$20.00	\$554,670	4%	\$22,183	\$5,541	10,900	7,526	0	18,947	505,418	0	0	536,418	505,418	4.38	439,278	393,747	328,093
2028	30,112,500	27,703,500	\$20.00	\$554,670	6%	\$34,328	\$5,541	10,900	7,526	0	20,348	483,858	0	0	483,858	483,858	6.38	372,242	289,888	223,278
2029	30,112,500	27,703,500	\$20.00	\$554,670	8%	\$44,368	\$5,541	10,900	7,526	0	20,753	477,910	0	0	477,910	477,910	8.38	360,158	280,285	195,474
2030	30,112,500	27,703,500	\$20.00	\$554,670	10%	\$55,407	\$5,541	10,900	7,526	0	21,158	471,654	0	0	471,654	471,654	10.38	329,328	253,084	168,368
2031	28,075,022	26,746,020	\$20.00	\$534,880	10%	\$53,488	\$5,350	10,900	7,250	0	21,208	454,845	0	0	454,845	454,845	8.38	302,278	244,730	148,597
2032	26,068,821	23,864,238	\$20.00	\$479,085	11%	\$52,706	\$4,797	10,900	6,517	0	20,815	401,307	0	0	401,307	401,307	9.38	253,985	184,218	105,252
2033	23,875,238	21,505,220	\$20.00	\$430,104	11%	\$47,311	\$4,301	10,900	5,844	0	20,411	358,081	0	0	358,081	358,081	10.38	215,895	133,069	83,923
2034	20,858,988	18,822,438	\$20.00	\$385,649	11%	\$42,421	\$3,858	10,900	5,240	0	20,068	318,303	0	0	318,303	318,303	11.38	183,365	107,884	65,128
2035	18,782,825	17,286,590	\$20.00	\$345,706	11%	\$38,037	\$3,458	10,900	4,688	0	19,782	284,511	0	0	284,511	284,511	12.38	150,554	87,471	50,482
2036	16,830,395	15,822,353	\$20.00	\$310,647	11%	\$34,105	\$3,106	10,900	4,213	0	19,550	259,232	0	0	259,232	259,232	13.38	131,824	79,784	36,855
2037	15,104,734	13,900,675	\$20.00	\$278,001	11%	\$30,680	\$2,780	10,900	3,777	0	19,388	228,274	0	0	228,274	228,274	14.38	111,716	67,789	30,242
2038	13,547,082	12,483,325	\$20.00	\$248,266	11%	\$27,418	\$2,493	10,900	3,387	0	19,226	200,128	0	0	200,128	200,128	15.38	94,488	49,277	23,338
2039	12,148,852	11,175,113	\$20.00	\$223,502	11%	\$24,565	\$2,235	10,900	3,037	0	18,132	177,550	0	0	177,550	177,550	16.38	78,883	37,883	18,005
2040	10,894,350	10,020,051	\$20.00	\$200,401	11%	\$22,044	\$2,004	10,900	2,723	0	18,075	157,278	0	0	157,278	157,278	17.38	67,378	30,224	13,868
2041	9,785,826	8,984,375	\$20.00	\$179,688	11%	\$19,766	\$1,787	10,900	2,441	0	18,055	138,070	0	0	138,070	138,070	18.38	58,730	24,135	10,564
2042	8,758,248	8,035,749	\$20.00	\$161,115	11%	\$17,723	\$1,811	10,900	2,188	0	18,088	122,713	0	0	122,713	122,713	19.38	47,581	18,380	8,182
2043	7,851,201	7,223,165	\$20.00	\$144,462	11%	\$15,881	\$1,445	10,900	1,983	0	18,113	108,013	0	0	108,013	108,013	20.38	39,871	15,482	6,283
2044	7,039,500	6,478,523	\$20.00	\$129,530	11%	\$14,248	\$1,295	10,900	1,780	0	18,186	94,706	0	0	94,706	94,706	21.38	33,410	12,380	4,780
2045	4,358,215	4,094,548	\$20.00	\$80,191	11%	\$8,821	\$922	10,900	1,000	0	18,372	52,406	0	0	52,406	52,406	22.38	17,117	6,045	2,286
2046	0	0	\$20.00	\$0	11%	\$0	\$0	0	0	0	0	0	0	0	0	23.38	0	0	0	0
2047	0	0	\$20.00	\$0	11%	\$0	\$0	0	0	0	0	0	0	0	0	24.38	0	0	0	0
2048	0	0	\$20.00	\$0	11%	\$0	\$0	0	0	0	0	0	0	0	0	25.38	0	0	0	0
Totals	355,074,969	320,090,999		6,533,380		\$624,871	\$65,334	\$217,900	\$88,768	\$0	\$340,021	\$,454,358	\$53,584	1,500	\$,100,282	\$,186,982	3,088,895	1,878,884	1,227,732	\$23,516
Company Share	\$28,888,888			\$1,533,768		\$624,871	\$65,334	\$217,900	\$88,768	\$0	\$340,021	\$,454,358	\$53,584	1,500	\$,100,282	100.0%				
Company Net	\$28,988,768		\$0.00					1%	10,000	\$0.25										
Strike/slug	0%					\$0.105012194														

Table 4b, Page 3  
**Zenith Energy Ltd**  
**EI Bibane Triassic Prospect**  
**April 1, 2023**

**R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - Low Estimate**

Year	Gross Revenue M\$/yr.	Royalty M\$/yr.	Corp. Tax (Grossed Up) M\$/yr.	Net Revenue M\$/yr.	Cumulative Net Revenue M\$	Operating Costs M\$/yr.	Capital Costs M\$/yr.	Total Expenditures M\$/yr.	Cumulative Expenditures M\$	R Factor #	Royalty Rate %	Tax Rate %
2024	\$0	\$0	(\$510)	\$510	\$72,510	0	5,100	5,100	\$101,100	0.72	4%	50%
2025	\$0	\$0	(\$29,953)	\$29,953	\$102,463	0	294,433	294,433	\$396,533	0.26	2%	50%
2026	\$184,690	\$3,694	\$47,519	\$133,476	\$235,941	13,593	53,060	66,654	\$462,187	0.51	4%	50%
2027	\$554,070	\$22,163	\$217,950	\$313,957	\$549,899	19,947	0	19,947	\$482,134	1.14	8%	50%
2028	\$554,070	\$44,326	\$206,669	\$303,076	\$852,973	20,346	0	20,346	\$502,480	1.70	9%	55%
2029	\$554,070	\$49,866	\$224,626	\$279,578	\$1,132,550	20,753	0	20,753	\$523,233	2.16	10%	60%
2030	\$554,070	\$55,407	\$276,805	\$221,858	\$1,354,408	21,168	0	21,168	\$544,402	2.49	10%	60%
2031	\$534,960	\$53,498	\$272,907	\$208,576	\$1,562,983	21,298	0	21,298	\$565,689	2.75	11%	65%
2032	\$479,865	\$47,986	\$260,850	\$166,070	\$1,729,053	20,815	0	20,815	\$586,505	2.95	11%	65%
2033	\$430,104	\$43,011	\$232,753	\$150,040	\$1,879,093	20,411	0	20,411	\$606,915	3.10	11%	70%
2034	\$385,549	\$42,421	\$223,512	\$119,715	\$1,998,609	20,098	0	20,098	\$626,993	3.19	11%	70%
2035	\$345,788	\$39,037	\$199,158	\$108,584	\$2,107,402	19,782	0	19,782	\$646,765	3.26	11%	70%
2036	\$310,047	\$34,105	\$177,304	\$98,638	\$2,206,040	19,550	0	19,550	\$666,315	3.31	11%	70%
2037	\$276,001	\$30,580	\$157,892	\$89,729	\$2,295,769	19,358	0	19,358	\$685,681	3.35	11%	70%
2038	\$249,266	\$27,419	\$140,098	\$81,759	\$2,377,527	19,228	0	19,228	\$704,909	3.37	11%	70%
2039	\$229,502	\$24,585	\$124,285	\$74,632	\$2,452,159	19,132	0	19,132	\$724,042	3.39	11%	70%
2040	\$200,401	\$22,044	\$110,084	\$68,283	\$2,520,422	19,075	0	19,075	\$743,117	3.39	11%	70%
2041	\$179,688	\$19,766	\$97,349	\$62,573	\$2,582,993	19,056	0	19,056	\$762,172	3.38	11%	70%
2042	\$161,115	\$17,723	\$85,889	\$57,493	\$2,640,488	18,066	0	19,098	\$781,240	3.38	11%	70%
2043	\$144,482	\$15,891	\$75,609	\$52,982	\$2,693,450	18,113	0	19,113	\$800,353	3.37	11%	70%
2044	\$129,530	\$14,248	\$66,359	\$48,323	\$2,742,373	19,188	0	19,188	\$819,642	3.35	11%	70%
2045	\$80,191	\$8,821	\$35,887	\$35,673	\$2,778,046	18,072	0	18,072	\$837,613	3.32	11%	70%
2046	\$0	\$0	\$0	\$0	\$2,778,046	0	0	0	\$837,613	3.32	11%	70%
2047	\$0	\$0	\$0	\$0	\$2,778,046	0	0	0	\$837,613	3.32	11%	70%
2048	\$0	\$0	\$0	\$0	\$2,778,046	0	0	0	\$837,613	3.32	11%	70%
<b>Totals</b>	<b>\$6,323,659</b>	<b>\$601,601</b>	<b>\$3,100,807</b>	<b>\$2,821,450</b>		<b>\$351,780</b>	<b>\$352,594</b>	<b>\$704,353</b>				
			1.0 Wt Factor	est Opening Balance	<b>\$72,000</b>			est Opening Balance	<b>\$96,000</b>	0.75	5%	50%
										Applies Subsequent Year		

Table 4c, Page 1

Zenith Energy Ltd  
El Bibana Triassic Prospect  
April 1, 2023

Production and Capital Forecast - Prospective Resources - High Estimate

Single Well Production Profile				Development Program -						Capital Expenditures - M\$						
				# Wells	# Wells	# Wells	Total GAS Sales									
Year	Mscf/d	Days On	Mscf/yr	Year	Well Count	1	3	2	0	Mscf/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline	Total Capital (Escalated)
1	50,000	365	18,250,000	2024	0	0	-	-	0	0	5,000	0	0	0	0	5,100
2	50,000	365	18,250,000	2025	0	0	0	-	0	0	0	20,000	5,000	50,000	260,000	348,534
3	50,000	365	18,250,000	2026	1	18,250,000	0	0	18,250,000	50,000	0	60,000	15,000	0	0	79,591
4	50,000	365	18,250,000	2027	4	18,250,000	54,750,000	0	73,000,000	200,000	0	40,000	10,000	0	0	54,122
5	50,000	365	18,250,000	2028	6	18,250,000	54,750,000	36,500,000	109,500,000	300,000	0	0	0	0	0	0
6	43,451	365	15,859,667	2029	6	18,250,000	54,750,000	36,500,000	109,500,000	300,000	0	0	0	0	0	0
7	37,760	365	13,782,412	2030	6	18,250,000	54,750,000	36,500,000	109,500,000	300,000	0	0	0	0	0	0
8	32,814	365	11,977,231	2031	6	15,859,667	54,750,000	36,500,000	107,109,667	293,451	0	0	0	0	0	0
9	28,516	365	10,408,487	2032	6	13,782,412	47,579,000	36,500,000	97,861,412	268,113	0	0	0	0	0	0
10	24,781	365	9,045,213	2033	6	11,977,231	41,347,237	31,719,333	85,043,801	232,997	0	0	0	0	0	0
11	21,536	365	7,860,496	2034	6	10,408,487	35,931,683	27,564,825	73,905,004	202,479	0	0	0	0	0	0
12	18,715	365	6,830,951	2035	6	9,045,213	31,225,461	23,954,462	64,225,136	175,959	0	0	0	0	0	0
13	16,264	365	5,935,252	2036	6	7,860,496	27,135,538	20,816,974	55,613,109	152,913	0	0	0	0	0	0
14	14,134	365	5,158,739	2037	6	6,830,951	23,561,469	18,090,426	48,502,868	132,885	0	0	0	0	0	0
15	12,282	365	4,483,062	2038	6	5,935,252	20,492,852	15,720,993	42,150,097	115,480	0	0	0	0	0	0
16	10,674	365	3,895,883	2039	6	5,158,739	17,808,757	13,661,902	36,629,387	100,355	0	0	0	0	0	0
17	9,276	365	3,365,611	2040	6	4,483,062	15,476,218	11,872,504	31,831,782	87,210	0	0	0	0	0	0
18	8,061	365	2,942,173	2041	6	3,895,883	13,449,185	10,317,477	27,662,545	75,788	0	0	0	0	0	0
19	7,005	365	2,556,816	2042	6	3,365,611	11,887,849	8,968,123	24,039,383	65,861	0	0	0	0	0	0
20	6,087	365	2,221,931	2043	6	2,942,173	10,156,834	7,791,766	20,890,773	57,235	0	0	0	0	0	0
21	5,290	365	1,930,909	2044	6	2,556,816	8,826,520	6,771,222	18,154,558	49,739	0	0	0	0	0	0
22	0	365	0	2045	6	2,221,931	7,670,448	5,884,347	15,776,726	43,224	0	0	0	0	0	0
23	0	365	0	2046	6	1,930,909	6,665,784	5,113,632	13,710,335	37,563	0	0	0	0	0	0
24	0	365	0	2047	5	0	5,792,727	4,443,863	10,238,690	28,045	0	0	0	0	0	0
25	0	365	0	2048	2	0	0	3,861,818	3,861,818	10,580	0	0	0	0	0	0
Total						199,525,833	596,577,499	389,061,686	1,197,164,988		6,000	120,000	30,000	50,000	260,000	487,348
Decline % = First year prod Months.				13% 12												
IP Mscf/d				50,000												
											Cost /ID					
											2024	1	0	0	0	0
											2025	0	1	1	1	10
											2026	0	3	3	0	0
											2027	0	2	2	0	0

Table 4c Page 2  
Zentix Energy Ltd  
El Bibane Triassic Prospect  
April 1, 2023

Production Streams, Revenues and Cash Flows - Prospective Resources - High Estimate  
Before Income Tax

Year	Gross Production Mscf/yr	Gross Sales Mscf/yr	Gas Price \$/Mscf	Gross Revenue M\$/yr	Royalty Rate %	Royalty M\$/yr	Exploit Payment \$/hr	Operating Costs - M\$/yr			Project Total Revenue (Operating Cash Flow) M\$/yr	Total Capital Costs M\$/yr	Abandon & Reclamation M\$/yr	Net Cash Flow (Pre/R) M\$/yr	Net Cash Flow (Pre/R) M\$/yr	Company's Share Undiscounted					
								Operating Costs - M\$/yr								2%	10%	15%	20%		
								Fixed	Variable	Total (Forecasted)											
2024	0	0	\$20.00	\$0	5%	\$0	\$0	0	0	0	0	5,100	0	(5,100)	(5,100)	1.38	(4,788)	(4,474)	(4,209)	(3,909)	
2025	0	0	\$20.00	\$0	4%	\$0	\$0	0	0	0	0	348,534	79,591	0	(348,534)	(348,534)	2.38	(110,308)	(127,681)	(150,085)	(178,042)
2026	18,290,000	18,790,000	\$20.00	\$375,800	2%	\$3,716	\$3,358	10,300	4,353	15,772	308,854	79,591	0	230,363	230,363	3.38	195,299	198,958	143,730	124,932	
2027	73,000,000	57,150,000	\$20.00	\$1,343,200	4%	\$53,728	\$13,432	11,200	16,250	31,878	1,244,952	54,172	0	1,190,041	1,190,041	4.38	851,289	784,276	645,857	526,974	
2028	105,500,000	100,740,000	\$20.00	\$2,014,800	5%	\$101,332	\$20,148	11,800	27,375	43,252	1,770,068	0	0	1,770,068	1,770,068	5.38	1,381,750	1,090,484	835,101	664,340	
2029	109,500,000	100,740,000	\$20.00	\$2,014,800	11%	\$221,528	\$20,148	11,800	27,375	44,117	1,728,907	0	0	1,728,907	1,728,907	6.38	1,288,747	941,858	708,288	540,743	
2030	106,000,000	100,740,000	\$20.00	\$2,014,800	11%	\$221,528	\$20,148	11,800	27,375	44,000	1,728,024	0	0	1,728,024	1,728,024	7.38	1,205,840	865,876	618,459	450,320	
2031	107,109,667	98,540,893	\$20.00	\$1,970,818	11%	\$216,790	\$19,709	11,800	26,777	40,200	1,689,120	0	0	1,689,120	1,689,120	8.38	1,122,530	780,321	523,952	398,475	
2032	97,881,412	80,032,459	\$20.00	\$1,600,650	11%	\$198,071	\$18,006	11,800	24,835	43,940	1,541,232	0	0	1,541,232	1,541,232	9.38	875,482	630,888	410,244	278,961	
2033	85,043,801	78,242,257	\$20.00	\$1,564,806	11%	\$172,128	\$15,648	11,800	21,261	40,301	1,336,728	0	0	1,336,728	1,336,728	10.38	695,757	487,272	313,547	201,822	
2034	74,905,064	67,852,604	\$20.00	\$1,358,952	11%	\$149,564	\$13,589	11,800	18,478	37,645	1,158,025	0	0	1,158,025	1,158,025	11.38	590,372	391,888	230,404	145,082	
2035	64,225,136	58,087,175	\$20.00	\$1,161,742	11%	\$129,952	\$11,817	11,800	16,056	35,329	1,004,806	0	0	1,004,806	1,004,806	12.38	540,280	308,868	175,830	105,227	
2036	55,813,109	51,348,060	\$20.00	\$1,026,981	11%	\$112,966	\$10,270	11,800	13,953	33,315	870,411	0	0	870,411	870,411	13.38	453,229	243,275	134,243	75,878	
2037	48,502,866	44,822,638	\$20.00	\$892,453	11%	\$88,170	\$8,825	11,800	12,128	31,889	753,789	0	0	753,789	753,789	14.38	373,812	181,527	90,082	54,830	
2038	42,150,087	38,778,090	\$20.00	\$775,562	11%	\$75,312	\$7,756	11,800	10,539	30,083	662,431	0	0	662,431	662,431	15.38	308,141	100,703	76,086	39,548	
2039	36,829,397	33,889,045	\$20.00	\$673,981	11%	\$64,138	\$6,740	11,800	8,157	28,770	564,033	0	0	564,033	564,033	16.38	253,840	118,903	87,228	38,508	
2040	31,831,782	28,203,233	\$20.00	\$565,705	11%	\$54,428	\$5,837	11,800	7,958	27,686	487,754	0	0	487,754	487,754	17.38	208,947	89,111	60,011	29,522	
2041	27,662,545	25,448,542	\$20.00	\$508,991	11%	\$48,889	\$5,089	11,800	6,918	26,731	421,181	0	0	421,181	421,181	18.38	171,837	73,003	52,288	14,775	
2042	24,038,383	22,116,233	\$20.00	\$442,325	11%	\$42,656	\$4,422	11,800	6,018	25,946	363,300	0	0	363,300	363,300	19.38	141,184	57,317	34,724	10,820	
2043	20,880,772	19,219,511	\$20.00	\$384,390	11%	\$34,283	\$3,844	11,800	5,223	25,295	312,808	0	0	312,808	312,808	20.38	115,616	44,867	16,146	7,824	
2044	18,154,658	16,702,164	\$20.00	\$334,044	11%	\$30,745	\$3,340	11,800	4,539	24,764	269,195	0	0	269,195	269,195	21.38	84,874	35,689	15,572	5,495	
2045	15,776,728	14,514,368	\$20.00	\$290,282	11%	\$21,802	\$2,803	11,800	3,944	24,340	231,117	0	0	231,117	231,117	22.38	71,215	27,265	10,133	3,910	
2046	13,718,335	12,618,508	\$20.00	\$252,270	11%	\$27,750	\$2,823	11,800	3,408	24,012	197,885	0	0	197,885	197,885	23.38	63,290	24,334	7,568	2,781	
2047	10,236,590	9,417,803	\$20.00	\$188,353	11%	\$20,719	\$1,884	11,800	2,558	22,613	143,136	0	0	143,136	143,136	24.38	48,578	14,022	4,745	1,082	
2048	3,861,873	3,552,873	\$20.00	\$71,057	11%	\$7,816	\$711	10,600	965	18,974	43,556	0	3,000	40,556	40,556	25.38	11,759	3,812	1,109	387	
Totals	1,197,154,999	1,101,382,898		22,027,657		\$2,256,300	\$220,277	\$267,800	\$259,289	\$725,892	16,822,884	487,348	3,000	18,332,637	18,332,637	11,112,004	7,188,611	4,887,304	3,480,989		

Company Gross	1,101,382,898	\$22,027,657	\$2,256,300	\$220,277	\$267,800	\$259,289	\$725,892	16,822,884	487,348	3,000	18,332,637	100.0%
Company Net	877,463,798											

Shrinkage 0% Price Differential \$0.00 1% \$0.00 \$0.25 0.112530207 M\$/yr \$/hr

Table 4c, Page 3

**Zenith Energy Ltd**  
**El Bibane Trassic Prospect**  
**April 1, 2023**

**R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - High Estimate**

Year	Gross Revenue M\$/yr.	Royalty M\$/yr.	Corp Tax (Grossed Up) M\$/yr.	Net Revenue M\$/yr.	Cumulative Net Revenue M\$	Operating Cost M\$/yr.	Capital Costs M\$/yr.	Total Expenditures M\$/yr.	Cumulative Expenditures M\$	R Factor #	Royalty Rate %	Tax Rate %
2024	\$0	\$0	(\$510)	\$510	\$72,510	0	5,100	5,100	\$101,100	0.72	4%	50%
2025	\$0	\$0	(\$35,383)	\$35,383	\$107,873	0	348,534	348,534	\$449,634	0.24	2%	50%
2026	\$335,800	\$5,718	\$111,554	\$217,430	\$325,303	15,772	79,591	95,363	\$544,997	0.60	4%	50%
2027	\$1,343,200	\$53,728	\$573,347	\$716,125	\$1,041,428	31,878	54,122	86,999	\$630,996	1.65	9%	55%
2028	\$2,014,800	\$181,332	\$819,929	\$913,539	\$1,954,967	43,252	0	43,252	\$674,248	2.90	11%	65%
2029	\$2,014,800	\$221,628	\$1,081,097	\$732,075	\$2,687,042	44,117	0	44,117	\$718,365	3.74	11%	75%
2030	\$2,014,800	\$221,628	\$1,275,981	\$517,211	\$3,204,253	45,000	0	45,000	\$763,365	4.20	11%	75%
2031	\$1,970,818	\$216,790	\$1,258,722	\$495,306	\$3,699,559	45,200	0	45,200	\$808,565	4.58	11%	75%
2032	\$1,803,650	\$198,071	\$1,155,924	\$446,555	\$4,146,214	43,340	0	43,340	\$851,906	4.87	11%	75%
2033	\$1,564,809	\$172,129	\$1,002,546	\$380,131	\$4,536,345	40,301	0	40,301	\$892,207	5.08	11%	75%
2034	\$1,359,852	\$149,564	\$859,259	\$341,000	\$4,877,344	37,645	0	37,645	\$929,851	5.25	11%	75%
2035	\$1,181,742	\$128,992	\$753,434	\$298,297	\$5,175,641	35,329	0	35,329	\$965,180	5.38	11%	75%
2036	\$1,026,961	\$112,966	\$652,808	\$261,167	\$5,436,828	33,315	0	33,315	\$998,495	5.46	11%	75%
2037	\$882,453	\$98,170	\$555,342	\$228,911	\$5,665,770	31,589	0	31,589	\$1,030,064	5.50	11%	75%
2038	\$775,562	\$85,312	\$489,323	\$200,927	\$5,866,696	30,063	0	30,063	\$1,060,127	5.53	11%	75%
2039	\$673,981	\$74,138	\$423,250	\$176,593	\$6,043,289	28,770	0	28,770	\$1,088,897	5.65	11%	75%
2040	\$585,705	\$64,426	\$365,818	\$155,462	\$6,198,751	27,556	0	27,556	\$1,116,583	5.66	11%	75%
2041	\$508,981	\$55,989	\$316,898	\$137,116	\$6,335,867	26,731	0	26,731	\$1,143,294	5.54	11%	75%
2042	\$442,325	\$48,656	\$272,475	\$121,184	\$6,457,051	25,946	0	25,946	\$1,169,239	5.52	11%	75%
2043	\$384,390	\$42,283	\$234,726	\$107,381	\$6,564,442	25,295	0	25,295	\$1,194,534	5.50	11%	75%
2044	\$334,044	\$36,745	\$201,895	\$95,403	\$6,659,845	24,784	0	24,784	\$1,219,298	5.48	11%	75%
2045	\$290,252	\$31,932	\$173,337	\$85,022	\$6,744,867	24,340	0	24,340	\$1,243,638	5.42	11%	75%
2046	\$252,270	\$27,750	\$148,499	\$76,031	\$6,820,898	24,012	0	24,012	\$1,267,651	5.38	11%	75%
2047	\$188,353	\$20,719	\$107,353	\$60,281	\$6,881,179	22,513	0	22,513	\$1,290,264	5.33	11%	75%
2048	\$71,057	\$7,816	\$30,417	\$32,824	\$6,914,003	18,974	0	18,974	\$1,309,238	5.28	11%	75%
<b>Totals</b>	<b>\$20,891,635</b>	<b>\$2,133,538</b>	<b>\$12,265,656</b>	<b>\$6,492,442</b>		<b>\$811,188</b>	<b>\$487,348</b>	<b>\$1,098,534</b>				
			<b>1.0</b>		<b>\$72,000</b>				<b>\$96,000</b>	<b>0.75</b>	<b>5%</b>	<b>50%</b>
			<b>Wt Factor</b>		<b>Opening Balance</b>				<b>Opening Balance</b>	<b>Applies Subsequent Year</b>		



**Figure 4**

**RISK ANALYSIS (ARITHMETIC AVERAGE)**

**Zenith Energy Ltd  
Triassic Prospect  
El Bibane Concession, Tunisia**

**ECONOMIC PARAMETERS**

**Net Capital Exposure (Failure Case), M\$** 30,000

**Geological Risk Factors**

Source Rock	75%
Reservoir Rock	65%
Trap/Seal	40%
Timing/Migration	75%

**Chance of Discovery** 15%

**Development Risk Factors**

Economic Viability	95%
Market Access	95%
Production & Transportation Infrastructure	95%
Regulatory & Social Licence	95%
Corporate & External Approvals	90%
Reasonable Timetable for Development	90%

**Chance of Development** 66%

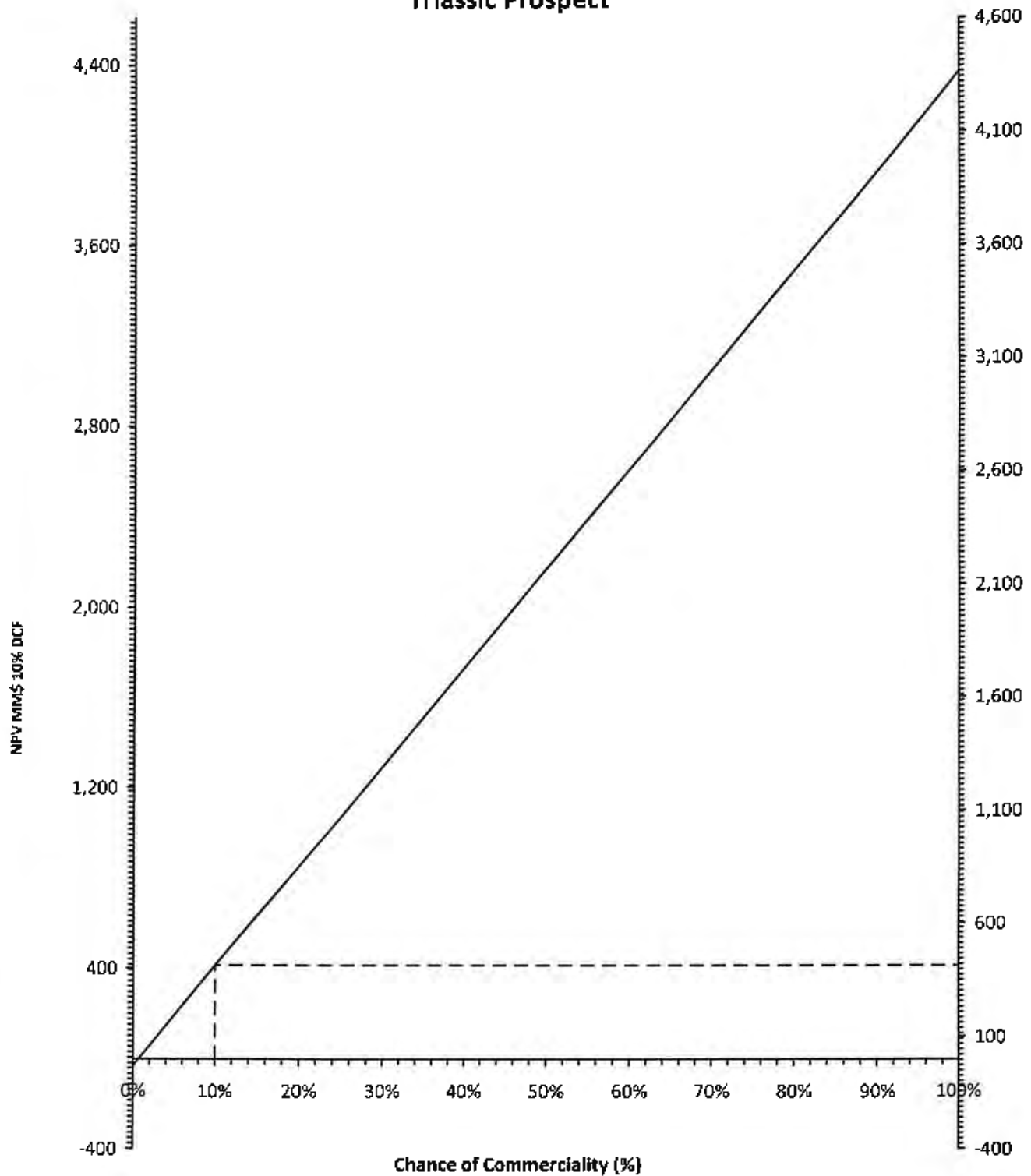
**Chance of Commerciality** 10%  
(Chance of Discovery \* Chance of Development)

**TOTAL VALUES**

Discount Rate	undisc.	5%	10%	15%	20%
Unrisked Value, M\$	11,260,591	6,790,013	4,372,701	2,959,515	2,080,688
Risked Value, M\$	1,099,059	652,001	410,270	268,951	181,069
Minimum Chance of Commerciality Req'd	0%	0%	1%	1%	1%

**Figure 4**  
**RISK ANALYSIS (ARITHMETIC AVERAGE)**

**Zenith Energy Ltd**  
**Triassic Prospect**



## APPENDIX A

### INDEX

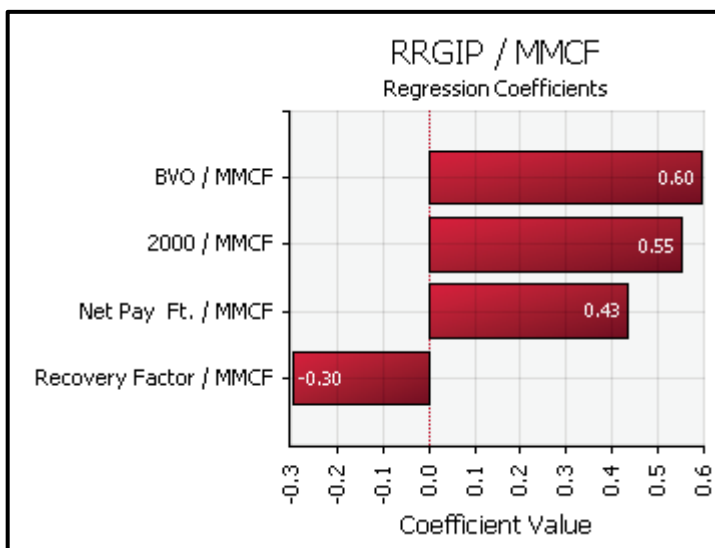
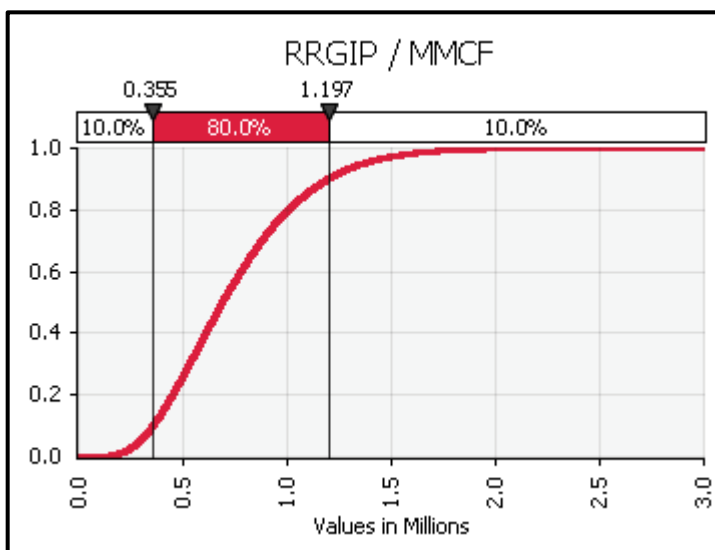
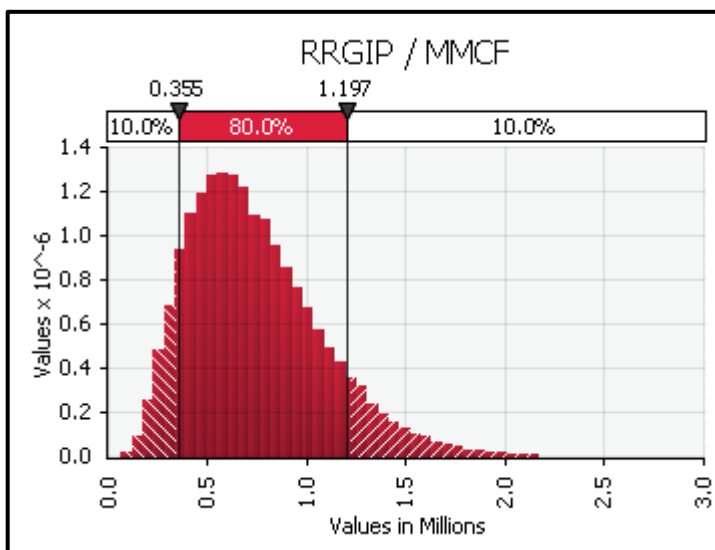
Figure A-1: Monte Carlo Output Results

Figure A-2: Monte Carlo Input Results

# @RISK Output Report for RRGIP / MMCF

Performed By: Chapman Petroleum Engineering Ltd.

Date: Monday, April 26, 2021 5:02:52 PM



## Simulation Summary Information

Workbook Name	Monte Carlo Parameter El Biban.xlsx
Number of Simulations	1
Number of Iterations	1E+05
Number of Inputs	4
Number of Outputs	1
Sampling Type	Latin Hypercube
Simulation Start Time	4/26/21 16:59:34
Simulation Duration	00:01:48
Random # Generator	Mersenne Twister
Random Seed	1008811076

## Summary Statistics for RRGIP / MMCF

Statistics	Percentile
Minimum	65,424
Maximum	2,705,702
Mean	740,769
Std Dev	334,506
Variance	1.11894E+11
Skewness	0.834742064
Kurtosis	3.784042047
Median	688,846
Mode	597,679
Left X	355,075
Left P	10%
Right X	1,197,155
Right P	90%
Diff X	842,080
Diff P	80%
#Errors	0
Filter Min	Off
Filter Max	Off
#Filtered	0

## Regression and Rank Information for RRGIP / MM

Rank	Name	Regr	Corr
1	BVO / MMCF	0.596	0.604
2	2000 / MMCF	0.552	0.547
3	Net Pay Ft. / MM	0.434	0.423
4	Recovery Factor	-0.297	-0.282

**ZENITH ENERGY LTD.**

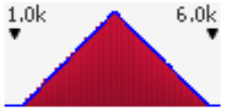
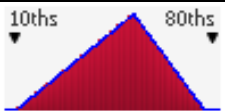
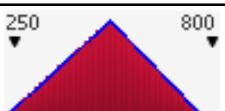
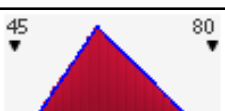
**EL BIBANE CONCESSION**  
TUNISIA  
**OUTPUT RESULTS**

APR. 2023 JOB No. 6925 FIGURE No. A-1

## @RISK Input Results

Performed By: Chapman Petroleum Engineering Ltd.

Date: Monday, April 26, 2021 5:02:57 PM

Name	Cell	Graph	Min	Mean	Max	5%	95%	Errors
Category: 2000								
2000 / MMCF	E10		1409.627	3566.667	5745.453	2083.769	5058.199	0
Category: BVO								
BVO / MMCF	E8		0.01389181	0.04691667	0.07489542	0.02457296	0.06660676	0
Category: Net Pay Ft.								
Net Pay Ft. / MMCF	E9		260.1366	510	749.6445	339.8051	674.9308	0
Category: Recovery Factor								
Recovery Factor / MMCF	E12		50.00964	61.66667	74.96065	53.5352	70.66954	0

**ZENITH ENERGY LTD.**

**EL BIBANE CONCESSION**

**TUNISIA**

**INPUT RESULTS**

APR. 2023

JOB No. 6925 FIGURE No. A-2

**EZZAOUIA TRIASSIC PROSPECT**  
**JEFFARA BASIN, TUNISIA**  
**INDEX**

<b>Discussion.....</b>	<b>165</b>
Property Description.....	165
Geology.....	165
Prospective Resources.....	166
Productivity Estimates.....	166
Product Prices.....	167
Operating Environment.....	167
Capital Expenditures.....	167
Operating Costs.....	167
Economics and Risk.....	168
 Attachments	
Figure 1: Triassic Prospect Map.....	170
Table 1: Schedule of Lands, Interests and Royalty Burdens.....	171
Figure 2: Geological Maps and Figures	
a) Stratigraphic Chart.....	172
b) Stratigraphic Correlation Schematic.....	173
Table 2: Summary of Gross Prospective Resources.....	174
Table 3: Summary of Anticipated Capital Expenditures	
a) Development.....	175
b) Abandonment.....	176
Table 4: Summary of Company Prospective Resources and Economics .....	177
<u>Economic Model</u>	
a) Best Estimate.....	178
b) Low Estimate.....	181
c) High Estimate.....	184
Figure 4: Risk Analysis.....	187
Appendix A – Monte Carlo Simulation.....	189

**EZZAOUIA TRIASSIC PROSPECT  
JEFFARA BASIN, TUNISIA  
DISCUSSION**

**Property Description**

The Company owns a 45% working interest in the Ezzaouia Concession, in Tunisia. It is comprised of 9,884 acres of land (40 Km squared) and is located onshore near the Gulf of Gabes, east of Djerba Island. The Concession contains a total of 16 wells, including four oil producers, two is shut-in, two water injectors and eight wells which are suspended.

Besides the producing formations the seismic interpretation over these lands indicates a deeper huge Triassic structure, originally identified by Marathon Petroleum, the original company to hold this concession. This portion of the report is an evaluation of the Triassic Prospect on this concession.

Production will be subject to a complex fiscal regime specifying the government royalties and taxes, which vary according to an "R" factor. The "R" factor is the ratio of accrued net revenue divided by the total accrued expenditures and is slightly different for gas production than for oil.

A map showing the Concession boundary and Triassic Prospect outline is presented on Figure 1 and the description of the ownership and details of the fiscal regime is summarized on Table 1.

**Geology**

The Ras Hamia B Formation is the primary natural gas prospect in the Middle Triassic for the Ezzaouia block. The Ras Hamia sandstones and equivalent age sediments, such as the Trias Argilo-Gresex Formation are major hydrocarbon reservoirs in the Ghadame/Berkine and Melhir Basins in Tunisia and elsewhere in North Africa. This interval has yet to be penetrated in the Ezzaouia concession, however a number of wells in the vicinity of the Company's blocks have encountered the Ras Hamia Formation.

For Triassic evaluation purposes the relevant geology begins with the Silurian age Tannezuft shale, a regionally extensive rich source rock. From regional control in Lybia it almost certainly extends into Northern Tunisia. From Marathon's interpretation, there is very little risk that a satisfactory mature

source rock not is not present to feed the Triassic reservoir on this concession. As the Triassic unconformably overlies the Silurian in many areas the migration route should not be a problem either.

The Ras Hamia Formation is a sand shale sequence at the top of Middle Triassic, unconformably overlain by an Upper Triassic evaporitic and dolomitic sequence, which provide excellent regional top seals.

A stratigraphic chart for this Basin is attached, Figure 2a and a stratigraphic correlation schematic demonstrating the Ras Hamia B formation orientation is presented in Figure 2b.

### **Prospective Resources**

Prospective resources have been estimated through the use of a Monte Carlo simulation (the Model), which was found to be the best means of representing the ranges of reservoir parameters and resource volumes, in view of the degree of uncertainty in the parameters and lack of a definite analog reservoir. However, the data provided in material from Marathon was sufficient to establish confident ranges for each parameter for input into the model.

Prospective resources of 486,231, 268,679 and 782,325 MMscf have been assigned to the Best, Low and High cases for the applicable performance profile for each case. A shrinkage of 8% was used to convert the raw gas to Marketable Resources. For this evaluation, to be conservative, only the primary product has been included. In reality there may be significant liquid recoveries from this gas, although there is no evidence to demonstrate that circumstance.

A summary of the Prospective Resources is presented on Table 2 and the full Monte Carlo presentation of inputs and results is presented in the Appendix A.

### **Productivity Estimates**

Production forecasts have been developed for each case, based on reasonable expectations in consideration of the resources to be recovered in approximately a 20-year life and the well count to be drilled in each case.

The estimated initial rate per well for each case is presented on Table 2 and the forecast is presented on page one of each of the economic analysis files.



## **Product Prices**

For this evaluation a gas price based on the latest World Bank European forecast has been used on par.

## **Operating Environment**

This prospect is situated in an active onshore oil and gas field environment within economic reach of a major gas pipeline connected to Italy and the rest of Europe.

## **Capital Expenditures**

The total cost to fully develop this prospect (Best estimate) is \$332 million (\$149 million net to the Company). This includes a seismic program the drilling, completion and equipping of four gas wells, a local gas handling and processing facility and a 360 Km 8" pipeline to the main gas export line. Drilling costs were based on the data from the reserves portion extrapolated to the deeper zone.

The total cost for the Low case, is \$310 million (139 million net to the Company), including only three wells, and for the High case \$402 million (181 net to the Company), including five wells and a 10" line.

For the purpose of conducting a prospect risk analysis, we have assumed that the seismic cost and drilling of a D&A exploration well would terminate the project. The net dry hole costs (capital exposure) would be \$12,375 thousand.

Capital expenditures for this project are shown on Table 3a and page one of each of the economic analyses Table 4a, 4b and 4c.

Abandonment and decommissioning costs have been accounted for at \$500,000 per well, in the final year of production. Facilities would be assigned to or taken over by the government as presented on Table 3b.

## **Operating Costs**

Fixed operating costs have been estimated to be \$5,000,000 per year plus an additional \$120,000 per well per year.

Variable operating costs of \$0.25/Mscf have been estimated for gas processing and handling.

## **Economics and Risk**

The results of the economic analysis, before income tax are summarized in Table 4, and the before risk cash flows are presented in Tables 4a, 4b and 4c, for the best, low and high estimates, respectively. The before risk analysis for each case represents the results of an assumed successful exploration program and development model having parameters which are considered to be reasonable based on the information available. This defines the 100% Chance of Success (COS) case.

A risk analysis has been performed to determine the feasibility of the Company participating in this project and to determine the after-risk value, utilizing the "Expected Value" technique. In this procedure the Success Case, established by the arithmetic average of the best, low and high estimate results, is offset by the Failure Case (COS=0%).

The failure case (COS=0%) is defined by the net capital exposure or amount of expenditure made by the Company before deciding to stop further activity on the project. This might include one or more dry holes and any land, geological or geophysical expenses undertaken prior to drilling. The capital exposure of this project net to the Company is \$12,375,000 representing the cost of drilling one dry and abandoned exploration well.

The Success Case and Failure Case represent the boundary conditions for the risk analysis. The after-risk value is determined by applying the Chance of Commerciality (COC) to the equation: [Net present value of Success case at the designated DCF% times COC, less capital exposure times (1-COC)].

In establishing the Chance of Commerciality, consideration has been given to the Chance of Discovery, which involves geological factors and the Chance of Development, which involves other factors related to the likelihood of full development, once a discovery is made. The Chance of Commerciality is the product of the Chance of Discovery and the Chance of Development.

The Chance of Discovery, or geological factors, include the four main geological components of a petroleum system needed for commercial production: source rocks capable to generate enough economic volumes of hydrocarbons, presence of reservoir rocks of reasonable quality to accumulate hydrocarbons, a trapping mechanism with a good vertical and lateral seal to hold and retain

hydrocarbons, and proper geological timing to coincide with the hydrocarbon generation, expulsion, reservoir presence, and traps formation, and for hydrocarbons to migrate into the trap.

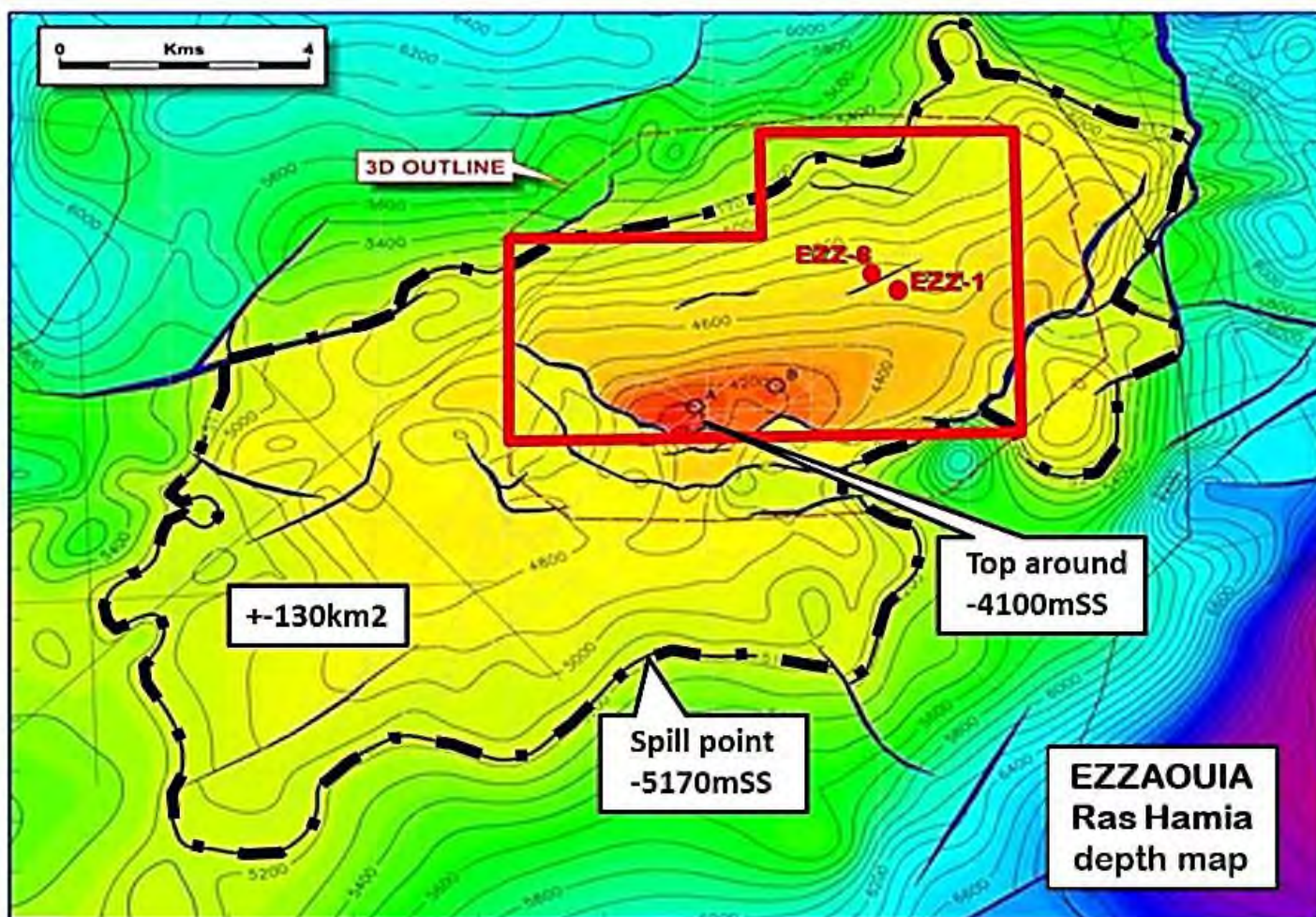
The ranges of chance of success assigned to each of these geological factors can be qualitatively described so that COS 5% to 30% is unfavourable, COS 30% to 50% is questionable, COS 50% is neutral, COS 50% to 70% is encouraging and COS 70% to 95% is considered favourable. A neutral assessment would apply in cases of lack of data or information. The product of all four of these factors results in the overall geological Chance of Discovery.

For this project the results of estimating the overall geological chance of discovery for the Triassic formation is 21%, as shown in Figure 4. The source rock element was rated at 85% based on the existence of prolific source rocks that have generated hydrocarbons in large quantities, as seen in numerous producing fields in the basin. The rating of 75% was also given to the factor of geological timing and hydrocarbon migration that is proved via carrier beds, faults and juxtaposition reservoirs. A rating of 65% was assigned to the reservoir rocks' factor. The rating for the geological trap and reservoir seal elements was estimated at 50%, based on the best geological assumptions that similar Triassic reservoirs experienced in the immediate area. Much of the above judgement was based on a project summary developed by Marathon while the property was under its control.

The Chance of Development risk factors include Economic Viability (production forecast, capital and operating costs and price forecast), Market Access, Production and Transportation Infrastructure (facilities and pipelines), Regulatory and Social License, Corporate and External Approvals and a Reasonable Timetable for Development (development plan). For this report, we have assigned an overall Chance of Development of 66%.

For this project the results of the risk analysis before income tax indicate that in order to achieve a 10 percent rate of return a minimum COC of 1 percent would be required. Since we have estimated a COC of 14 percent, the Company's development of this project is considered feasible.

The graphical presentation of the risk analysis and the supporting data and results, before and after risk are shown on Figure 4



Source: Ryder Scott Company Petroleum Consultants, Candax Report 2007

**ZENITH ENERGY LTD.**

**EZZAOUIA CONCESSION**

TUNISIA

**TRIASSIC PROSPECT MAP**

APR. 2023

JOB No. 6925 FIGURE No. 1

Table 1

**Schedule of Lands, Interests and Royalty Burdens**  
**April 1, 2023**

**Zenith Energy Ltd**

**Ezzaoula Concession, Tunisia**

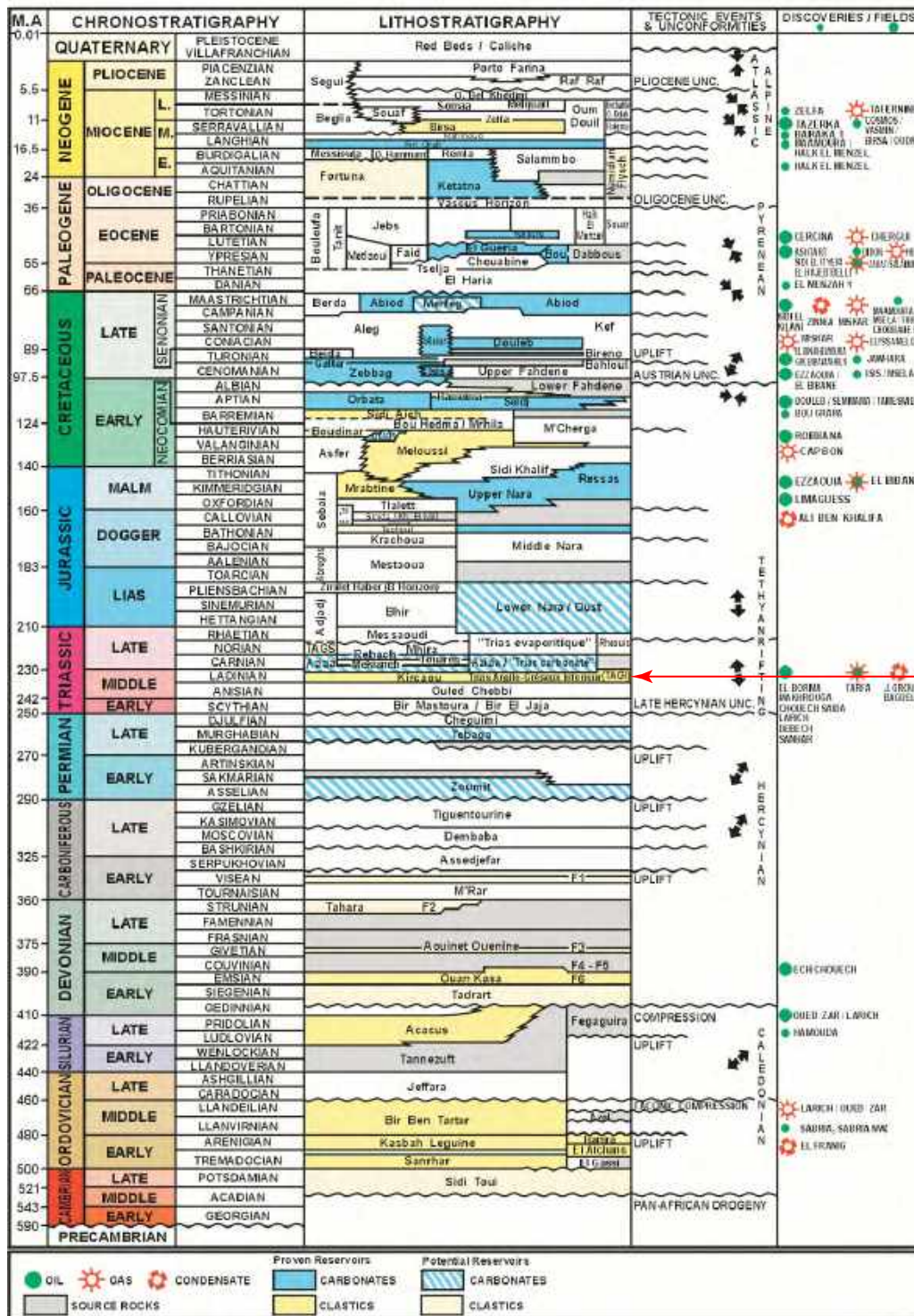
<u>Description</u>	<u>Gross Acres</u>	<u>Appraised Interest</u>		<u>Royalty Burdens</u>	
		<u>Working %</u>	<u>Royalty %</u>	<u>Basic %</u>	<u>Overriding %</u>
Ezzaoula Concession	40 Km squared (9,884 Acres)	45.0000	-	[1]	-

Note: [1] The royalty rate is determined by an "R" Factor, which is the ratio of accrued net earnings over the total accrued expenditures

Royalty Rate =	Gas	When "R" Factor is	
	2%		< 0.5
	4%		0.5 to 0.8
	6%		0.8 to 1.1
	8%		1.1 to 1.5
	9%		1.5 to 2.0
	10%		2.0 to 2.5
	11%		> 2.5



# TUNISIAN STRATIGRAPHIC CHART

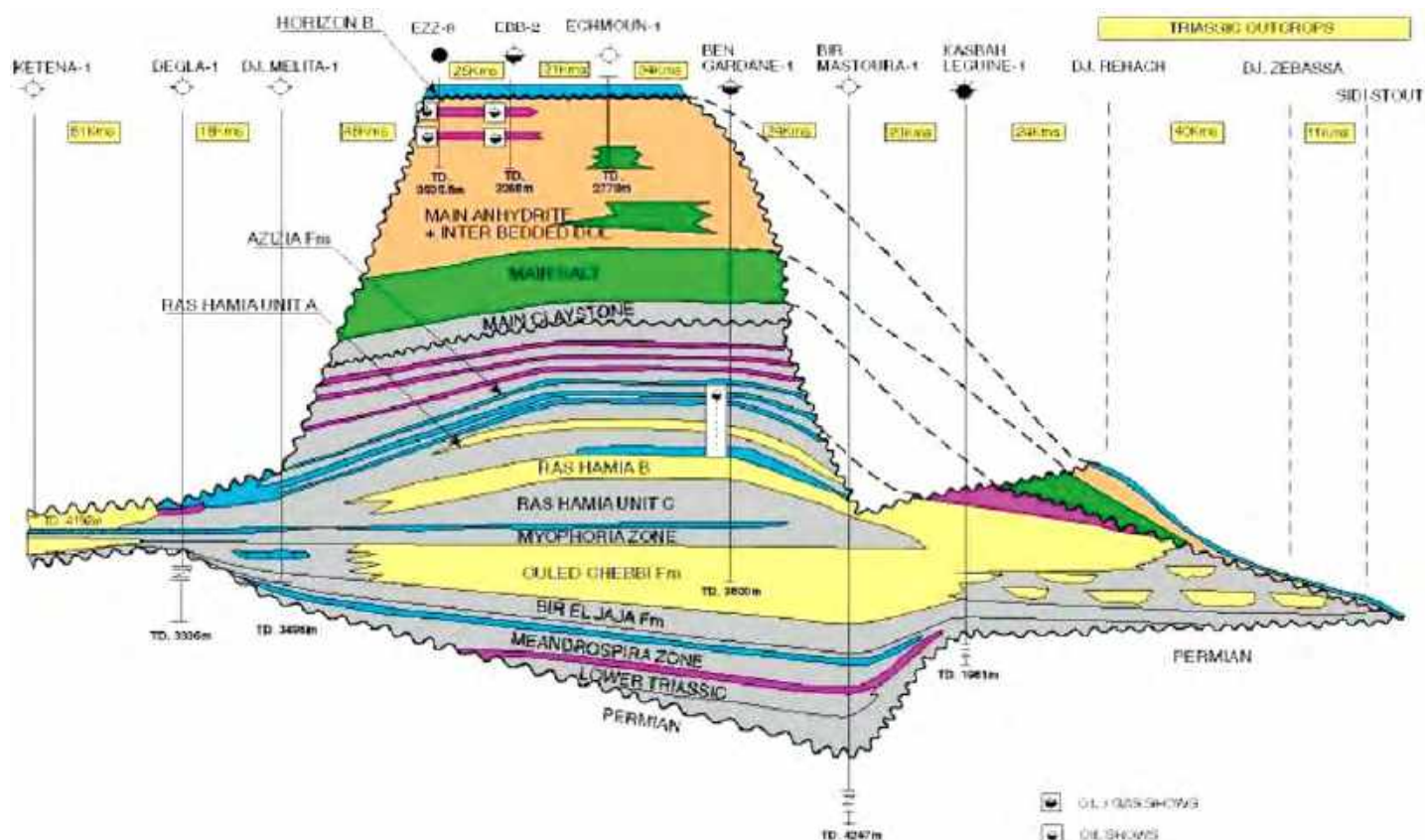


**ZENITH ENERGY LTD.**

**EZZAOUIA CONCESSION**  
TUNISIA  
**STRATIGRAPHIC CHART**

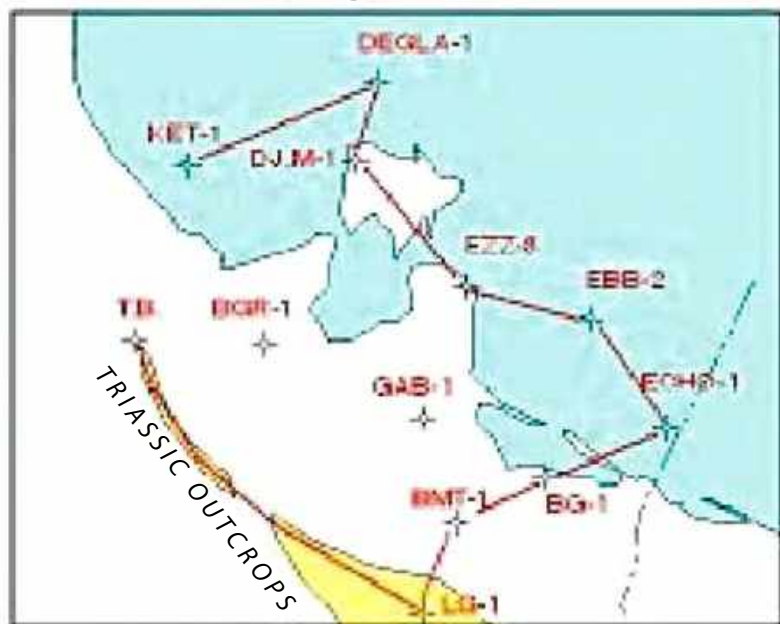
APR. 2023

JOB No. 6925 FIGURE No. 2a



Source: Ryder Scott Company Petroleum Consultants, Candax Report 2007

INDEX MAP



**ZENITH ENERGY LTD.**

**EZZAOUIA CONCESSION**  
TUNISIA  
**STRATIGRAPHIC CORRELATION**  
**Schematic**

APR. 2023      JOB No. 6925      FIGURE No. 2b

**Table 2**  
**Summary of Gross Resources**  
**April 1, 2023**

**Ezzaoula Concession, Tunisia**

Description		Predicted Initial Rate Mscfd/well	Prospective Resources			Reference
			Raw Gas (MMscf)	Sales Gas (MMscf)	NGLs (MBbls)	
<u>Prospective Resources</u>						
<u>Best Estimate</u>						
Deep Prospect - 4 wells	Triassic	30,000	528,512	486,231	0	Monte Carlo - P50
Total Best Estimate			528,512	486,231	0	
<u>Low Estimate</u>						
Deep Prospect - 3 wells	Triassic	20,000	292,042	268,679	0	Monte Carlo - P10
Total Low Estimate			292,042	268,679	0	
<u>High Estimate</u>						
Deep Prospect - 6 wells	Triassic	40,000	850,353	782,325	0	Monte Carlo - P90
Total High Estimate			850,353	782,325	0	



Table 3a

**Summary of Anticipated Capital Expenditures  
Development**

**April 1, 2023  
Zenith Energy Ltd**

**Erzaoula Concession, Tunisia**

<u>Description</u>	<u>Date</u>	<u>Operation</u>	<u>Capital Interest %</u>	<u>Gross Capital M\$</u>	<u>Net Capital M\$</u>
<b><u>Prospective Resources</u></b>					
<b><u>Best Estimate</u></b>					
Exploration	2024	Seismic program	45%	5,000	2,250
First well	2025	Drill, Complete and tie in one well	45%	22,500	10,125
Gas Facility	2025	Separator , dehyde and local piping and site buildings	45%	50,000	22,500
Gas Transmission pipeline	2025	360 kilometer 8" line	45%	187,200	84,240
Second and Third wells	2026	Drill, Complete and tie in two wells	45%	45,000	20,250
Final Well	2027	Drill, Complete and tie in one well	45%	22,500	10,125
<b>Total Best Estimate</b>				<b>332,200</b>	<b>149,480</b>
<b><u>Low Estimate</u></b>					
Exploration	2024	Seismic program	45%	5,000	2,250
First well	2025	Drill, Complete and tie in one well	45%	22,500	10,125
Gas Facility	2025	Separator , dehyde and local piping and site buildings	45%	50,000	22,500
Gas Transmission pipeline	2026	360 kilometer, 8" line	45%	187,200	84,240
Second and Third wells	2026	Drill, Complete and tie in two wells	45%	45,000	20,250
<b>Total Low Estimate</b>				<b>309,700</b>	<b>139,365</b>
<b><u>High Estimate</u></b>					
Exploration	2024	Seismic program	45%	5,000	2,250
First well	2025	Drill, Complete and tie in one well	45%	22,500	10,125
Gas Facility	2025	Separator , dehyde and local piping and site buildings	45%	50,000	22,500
Gas Transmission pipeline	2025	360 kilometer, 10" line	45%	234,000	105,300
Second,Third and Fourth wells	2026	Drill, Complete and tie in two wells	45%	45,000	20,250
Final two Wells	2027	Drill, Complete and tie in two wells	45%	45,000	20,250
<b>Total Best Estimate</b>				<b>401,500</b>	<b>180,675</b>

**Table 3b**  
**Summary of Anticipated Capital Expenditures**  
**Abandonment and Restoration**

**April 1, 2023**

**Zenith Energy Ltd**

**Ezzaouia Concession, Tunisia**

<b>Description</b>	<b>Well Parameters</b>	<b>Capital Interest %</b>	<b>Gross Capital M\$</b>	<b>Net Capital M\$</b>
<b><u>Prospective Resources</u></b>				
<b><u>Best Estimate</u></b>				
Deep Prospect - 4 wells	Triassic	45%	4,000	1,800
<b>Total Best Estimate</b>			<b>4,000</b>	<b>1,800</b>
<b><u>Low Estimate</u></b>				
Deep Prospect - 3 wells	Triassic	45%	3,000	1,350
<b>Total Best Estimate</b>			<b>3,000</b>	<b>1,350</b>
<b><u>High Estimate</u></b>				
Deep Prospect - 5 wells	Triassic	45%	5,000	2,250
<b>Total Best Estimate</b>			<b>5,000</b>	<b>2,250</b>

Note: The above capital values are expressed in terms of current dollar values without escalation.

**Table 4**  
**Summary of Company Prospective Resources and Economics**

April 1, 2023  
(as of March 31, 2023)

**Zenith Energy Ltd**

**Ezzaouia Triassic Prospect**

	Resources		Cumulative Cash Flow (BIT) - M\$				
	Gas MMscf			Discounted at:			
Description	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
BEFORE RISK							
Best Estimate							
EZZ Triassic Prospect	218,804	194,905	3,587,220	2,115,483	1,338,758	893,109	619,928
Low Estimate							
EZZ Triassic Prospect	120,905	108,393	1,906,299	1,095,307	676,122	439,847	297,159
High Estimate							
EZZ Triassic Prospect	352,048	312,702	5,867,350	3,471,471	2,203,394	1,474,293	1,026,772
Arithmetic Average							
EZZ Triassic Prospect	230,585	205,333	3,786,956	2,227,420	1,405,092	935,750	647,953
Chance of Commerciality	14%	14%					
AFTER RISK							
Arithmetic Average After Risk							
EZZ Triassic Prospect	32,282	28,747	519,531	301,196	186,210	120,362	80,071

**M\$ means thousands of dollars**

Gross and Net Resources are the same due to the terms of the PSA agreement.

Table 4a, Page 1

Zenith Energy Ltd  
Ezzaoula Triassic Prospect  
April 1, 2023

## Production and Capital Forecast - Prospective Resources - Best Estimate

## Development Program -

Single Well Production Profile				Development Program -						Capital Expenditures - M\$					
Year	Msc/d	Days On	Msc/yr	Year	Well Count	# Wells	# Wells	# Wells	Total GAS Sales						
						1	2	1	0	Msc/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline
1	30,000	365	10,950,000	2024	0	0	-	-	0	0	5,000	0	0	0	0
2	30,000	365	10,950,000	2025	0	0	0	-	0	0	0	20,000	2,500	50,000	187,200
3	30,000	365	10,950,000	2026	1	10,950,000	0	0	10,950,000	30,000	0	40,000	5,000	0	0
4	30,000	365	10,950,000	2027	3	10,950,000	21,900,000	0	32,850,000	90,000	0	20,000	2,500	0	0
5	30,000	365	10,950,000	2028	4	10,950,000	21,900,000	10,950,000	43,800,000	120,000	0	0	0	0	0
6	26,842	365	9,797,472	2029	4	10,950,000	21,900,000	10,950,000	43,800,000	120,000	0	0	0	0	0
7	24,017	365	8,766,252	2030	4	10,950,000	21,900,000	10,950,000	43,800,000	120,000	0	0	0	0	0
8	21,489	365	7,843,571	2031	4	9,797,472	21,900,000	10,950,000	42,647,472	118,842	0	0	0	0	0
9	19,227	365	7,018,007	2032	4	8,766,252	19,594,944	10,950,000	39,311,198	107,702	0	0	0	0	0
10	17,204	365	6,279,335	2033	4	7,843,571	17,532,504	9,797,472	35,173,547	96,368	0	0	0	0	0
11	15,383	365	5,618,412	2034	4	7,018,007	15,887,143	8,766,252	31,471,401	86,223	0	0	0	0	0
12	13,773	365	5,027,053	2035	4	6,279,335	14,038,013	7,843,571	28,158,920	77,148	0	0	0	0	0
13	12,323	365	4,497,938	2036	4	5,618,412	12,558,671	7,018,007	25,195,089	69,028	0	0	0	0	0
14	11,026	365	4,024,513	2037	4	5,027,053	11,236,824	6,279,335	22,543,213	61,762	0	0	0	0	0
15	9,886	365	3,600,918	2038	4	4,497,938	10,054,107	5,618,412	20,170,457	55,262	0	0	0	0	0
16	8,827	365	3,221,908	2039	4	4,024,513	8,985,975	5,027,053	18,047,441	49,445	0	0	0	0	0
17	7,998	365	2,882,790	2040	4	3,600,918	8,049,026	4,497,938	16,147,862	44,241	0	0	0	0	0
18	7,067	365	2,579,368	2041	4	3,221,908	7,201,836	4,024,513	14,448,257	39,584	0	0	0	0	0
19	6,323	365	2,307,878	2042	4	2,882,790	6,443,816	3,600,918	12,927,526	35,418	0	0	0	0	0
20	5,857	365	2,064,966	2043	4	2,579,368	5,765,681	3,221,908	11,568,855	31,690	0	0	0	0	0
21	5,062	365	1,847,620	2044	4	2,307,878	5,158,732	2,882,790	10,349,401	28,355	0	0	0	0	0
22	0	365	0	2045	4	2,064,966	4,616,756	2,579,368	9,280,088	25,370	0	0	0	0	0
23	0	365	0	2046	4	1,847,620	4,128,931	2,307,878	8,295,430	22,700	0	0	0	0	0
24	0	365	0	2047	3	0	3,695,241	2,064,966	5,760,208	15,781	0	0	0	0	0
25	0	365	0	2048	1	0	0	1,847,620	1,847,620	5,062	0	0	0	0	0
Total			132,128,000			132,128,000	264,256,000	132,128,000	528,512,000		5,000	80,000	10,000	50,000	187,200
Decline % =			11%								5,000	20,000	2,500	50,000	23,400
First year prod Months.			12												
IP Msc/d			30,000												
										Cost /D					
										2024	1	0	0	0	
										2025	1	1	1	1	8
										2026	2	2	0	0	0
										2027	1	1	0	0	0

Table 4a, Page 2  
Zenth Energy Ltd  
Ezzarua Trunk Prospect  
April 1, 2023

Production Streams, Revenues and Cash Flows - Prospective Resources - Best Estimate  
Before Income Tax

														Project Undiscounted	Company's Share Undiscounted		Company Share Discounted @				
Year	Gross Production	Gross Sales	Gas Price	Gross Revenue	Royalty Rate	Royalty	Payout Payment	Operating Costs - M\$/yr				Project Total Revenue (Operating Costs New) M\$/yr	Total Capital Costs	Abandon & Reclamation	Net Cash Flow (Profit)	Net Cash Flow (Profit)	5%	10%	15%	20%	
	Mscf/yr	Mscf/yr	\$/mcf	M\$/yr	%	M\$/yr	\$/yr	Fixed	Variable	Remedial Work	Total (Escalated)	M\$/yr	M\$/yr	M\$/yr	M\$/yr	M\$/yr	1	MS	M0	M5	M5
2024	0	0	\$28.00	\$0	7%	\$0	\$0	5,000	0	0	5,100	(\$1,900)	5,100	0	(10,200)	(4,500)	1	(4,202)	(4,090)	(3,780)	(3,572)
2025	0	0	\$28.00	\$0	6%	\$0	\$0	5,000	0	0	5,202	(\$1,902)	270,162	0	(275,264)	(123,827)	2	(110,588)	(98,873)	(88,922)	(80,373)
2026	10,060,000	10,074,000	\$28.00	\$281,480	4%	\$9,659	\$2,015	5,120	2,736	0	8,338	183,088	47,754	0	135,313	80,801	5.38	51,548	44,142	37,382	32,909
2027	32,650,000	30,222,000	\$28.00	\$804,440	4%	\$24,126	\$8,044	5,260	8,213	0	14,801	559,927	24,355	0	\$35,172	240,827	4.38	194,532	158,713	130,863	108,428
2028	43,800,000	40,286,000	\$28.00	\$805,920	6%	\$48,474	\$9,059	5,480	10,250	0	18,140	715,247	0	0	715,247	521,891	5.38	247,815	182,834	151,851	120,801
2029	43,800,000	40,286,000	\$28.00	\$805,920	6%	\$72,530	\$9,059	5,480	10,350	0	18,603	708,825	0	0	708,825	518,071	5.38	233,047	175,239	130,480	89,482
2030	43,800,000	40,286,000	\$28.00	\$805,920	10%	\$80,582	\$9,059	5,480	10,350	0	18,603	698,386	0	0	698,386	514,278	7.38	218,302	155,612	112,116	81,313
2031	42,047,472	39,235,874	\$28.00	\$794,713	11%	\$86,318	\$7,847	5,480	10,662	0	18,913	671,635	0	0	671,635	502,236	6.38	200,856	138,045	80,757	65,945
2032	36,311,196	36,166,300	\$28.00	\$723,326	11%	\$78,588	\$7,233	5,480	9,926	0	19,284	616,233	0	0	616,233	278,205	9.38	178,082	113,040	75,845	50,366
2033	35,173,547	32,309,508	\$28.00	\$647,183	11%	\$71,191	\$5,472	5,480	8,793	0	17,388	550,131	0	0	550,131	248,456	10.38	148,767	92,428	58,273	37,478
2034	31,171,401	28,853,088	\$28.00	\$570,074	11%	\$63,696	\$5,781	5,480	7,860	0	16,580	492,869	0	0	492,869	221,845	11.38	127,365	75,025	45,248	27,884
2035	26,158,926	25,005,208	\$28.00	\$518,124	11%	\$55,094	\$5,181	5,480	7,046	0	15,678	440,071	0	0	440,071	168,032	12.38	108,272	60,884	38,124	20,743
2036	26,186,089	23,129,480	\$28.00	\$463,580	11%	\$50,985	\$4,636	5,480	6,229	0	15,297	392,722	0	0	392,722	178,725	13.38	92,022	48,794	27,258	15,426
2037	22,543,213	20,739,756	\$28.00	\$414,785	11%	\$45,627	\$4,148	5,480	5,636	0	14,887	350,353	0	0	350,353	157,858	14.38	78,185	40,058	21,344	11,468
2038	20,170,457	18,506,320	\$28.00	\$371,138	11%	\$40,625	\$3,711	5,480	4,843	0	14,102	312,438	0	0	312,438	140,687	15.38	68,408	38,476	19,395	9,522
2039	18,047,441	16,803,540	\$28.00	\$332,073	11%	\$36,528	\$3,321	5,480	4,512	0	13,717	278,607	0	0	278,607	128,328	16.38	56,373	29,371	12,709	6,331
2040	16,147,882	14,856,051	\$28.00	\$297,121	11%	\$32,683	\$2,671	5,480	4,037	0	13,308	246,440	0	0	246,440	111,803	17.38	47,635	21,316	9,847	4,700
2041	14,448,257	13,282,397	\$28.00	\$265,648	11%	\$29,243	\$2,650	5,480	3,612	0	12,880	220,980	0	0	220,980	99,422	18.38	40,567	17,250	7,624	3,488
2042	12,627,526	11,483,323	\$28.00	\$237,898	11%	\$26,165	\$2,378	5,480	3,232	0	12,582	190,631	0	0	190,631	88,484	19.38	34,281	13,860	5,800	2,587
2043	11,368,835	10,541,597	\$28.00	\$212,890	11%	\$23,411	\$2,120	5,480	2,822	0	12,440	174,851	0	0	174,851	78,082	20.38	29,117	11,285	4,562	1,917
2044	10,348,431	9,521,449	\$28.00	\$190,478	11%	\$20,847	\$1,904	5,480	2,597	0	12,227	155,350	0	0	155,350	68,908	21.38	24,638	9,116	3,425	1,418
2045	9,299,088	8,518,281	\$28.00	\$170,988	11%	\$18,742	\$1,704	5,480	2,315	0	12,081	137,888	0	0	137,888	62,080	22.38	20,827	7,398	2,720	1,060
2046	8,285,430	7,822,585	\$28.00	\$152,452	11%	\$16,770	\$1,525	5,480	2,071	0	11,908	122,260	0	0	122,250	55,012	23.38	17,586	5,928	2,087	778
2047	7,280,206	6,798,360	\$28.00	\$105,888	11%	\$11,639	\$1,080	5,380	1,440	0	10,897	82,382	0	0	82,332	37,018	24.38	11,280	3,823	1,228	435
2048	1,847,820	1,889,611	\$28.00	\$33,206	11%	\$3,740	\$340	5,120	482	0	9,158	20,759	0	2,000	18,758	6,442	25.38	2,440	752	243	83
Totals	528,512,000	486,231,040		8,724,821		\$864,939	\$87,240	\$135,080	\$132,178	58	\$341,438	8,721,010	247,401	2,000	7,971,589	3,387,230		2,115,483	1,338,768	883,908	640,528
Company Gross	278,883,988			\$4,376,079		\$434,222	\$48,791	\$68,798	\$69,657.89		\$163,548	1,744,485	158,338	880	1,887,229	65.2%					
Company Net	184,804,609			\$0.00			1%	5,000	\$0.25												
Enfranchise	8%		Price Differential			0.109226988															

Table 4a, Page 3

**Zenith Energy Ltd**  
**Ezzaoula Triassic Prospect**  
**April 1, 2023**

**R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - Best Estimate**

Year	Gross Revenue M\$/yr.	Royalty M\$/yr.	Corp Tax (Grossed Up) M\$/yr.	Net Revenue M\$/yr.	Cumulative Net Revenue M\$	Operating Costs M\$/yr.	Capital Costs M\$/yr.	Total Expenditures M\$/yr.	Cumulative Expenditures M\$	R Factor #	Royalty Rate %	Tax Rate %
2024	\$0	\$0	(\$3,060)	\$3,060	\$262,128	5,100	5,100	10,200	\$251,028	1.04	6%	50%
2025	\$0	\$0	(\$30,130)	\$30,130	\$292,258	5,202	270,182	275,384	\$526,423	0.58	4%	50%
2026	\$201,480	\$8,069	\$58,229	\$134,182	\$426,450	8,338	47,754	56,093	\$582,516	0.73	4%	50%
2027	\$804,440	\$24,178	\$245,023	\$335,239	\$761,689	14,661	24,355	39,016	\$621,582	1.23	8%	50%
2028	\$605,920	\$64,474	\$322,883	\$418,563	\$1,180,252	18,140	0	18,140	\$639,702	1.85	9%	55%
2029	\$805,920	\$72,533	\$351,101	\$382,286	\$1,562,538	18,603	0	18,603	\$658,205	2.37	10%	60%
2030	\$805,920	\$80,592	\$410,384	\$314,944	\$1,877,482	18,873	0	18,873	\$677,078	2.77	11%	65%
2031	\$784,713	\$86,318	\$433,397	\$264,998	\$2,142,480	18,913	0	18,913	\$695,990	3.08	11%	70%
2032	\$723,326	\$79,566	\$432,763	\$210,997	\$2,353,478	18,294	0	18,294	\$714,285	3.29	11%	70%
2033	\$647,193	\$71,191	\$385,492	\$189,510	\$2,542,988	17,399	0	17,399	\$731,684	3.48	11%	70%
2034	\$579,074	\$63,899	\$345,082	\$170,284	\$2,713,272	16,596	0	16,596	\$748,280	3.63	11%	75%
2035	\$618,124	\$66,994	\$390,063	\$131,077	\$2,844,349	15,878	0	15,878	\$764,158	3.72	11%	75%
2036	\$463,590	\$50,985	\$284,541	\$118,053	\$2,962,402	15,237	0	15,237	\$779,395	3.80	11%	75%
2037	\$414,795	\$45,627	\$282,764	\$106,403	\$3,068,805	14,867	0	14,667	\$794,062	3.86	11%	75%
2038	\$371,136	\$40,826	\$234,328	\$95,983	\$3,164,788	14,162	0	14,162	\$808,224	3.92	11%	75%
2039	\$332,073	\$36,528	\$208,881	\$96,864	\$3,251,452	13,717	0	13,717	\$821,941	3.96	11%	75%
2040	\$297,121	\$32,883	\$186,105	\$78,932	\$3,329,785	13,326	0	13,326	\$835,267	3.99	11%	75%
2041	\$265,848	\$28,243	\$165,720	\$70,884	\$3,400,669	12,968	0	12,965	\$848,253	4.01	11%	75%
2042	\$237,866	\$26,165	\$147,473	\$64,228	\$3,464,897	12,692	0	12,692	\$860,944	4.02	11%	75%
2043	\$212,630	\$23,411	\$131,138	\$58,281	\$3,523,178	12,440	0	12,440	\$873,384	4.03	11%	75%
2044	\$190,429	\$20,947	\$118,513	\$52,969	\$3,576,147	12,227	0	12,227	\$885,612	4.04	11%	75%
2045	\$170,386	\$18,742	\$103,416	\$46,227	\$3,624,374	12,051	0	12,051	\$897,663	4.04	11%	75%
2046	\$152,452	\$16,770	\$91,687	\$43,595	\$3,688,269	11,908	0	11,908	\$909,570	4.03	11%	75%
2047	\$105,988	\$11,659	\$81,749	\$32,580	\$3,700,849	10,837	0	10,837	\$920,508	4.02	11%	75%
2048	\$33,896	\$3,740	\$14,069	\$16,187	\$3,717,137	9,158	0	9,158	\$928,665	4.00	11%	75%
<b>Totals</b>	<b>\$9,071,370</b>	<b>\$893,081</b>	<b>\$4,914,179</b>	<b>\$3,284,110</b>		<b>\$285,154</b>	<b>\$347,401</b>	<b>\$632,555</b>		<b>1.08</b>	<b>7%</b>	<b>50%</b>
			<b>0.45</b>		<b>\$239,088</b>				<b>\$240,829</b>			
			<b>Wt Factor</b>		<b>Opening Balance</b>				<b>Opening Balance</b>			<b>Applies Subsequent Year</b>

Zenith Energy Ltd  
Ezzacoola Triassic Prospect  
April 1, 2023

### Development Program -

Total	97,347,333	97,347,333	194,694,666	0	292,041,999	5,000	50,000	7,500	50,000	187,200	323,046
Decline % =	8%					5,000	20,000	2,500	50,000	23,400	
First year prod Months.	12										Cost /ID
IP Msd/d	20,000			2024	1	0	0	0			
				2025		1	1	1		8	
				2026			2	2	0	0	

Table 4b, Page 2  
Zenith Energy Ltd  
Ezzauia Triassic Prospect  
April 1, 2023

Production Streams, Revenues and Cash Flows - Prospective Resources - Low Estimate  
Before Income Tax

Year											Project Undiscounted		Company's Share Undiscounted		Company Share Discounted @						
	Gross Production	Gross Sales	Gas Price	Gross Revenue	Royalty Rate	Royalty	Export Payment	Operating Costs - M\$/yr				Project Total Revenue (Operating Cash Flow) M\$/yr	Total Capital Costs M\$/yr	Abandon & Remediation M\$/yr	Net Cash Flow (Profit) M\$/yr	Net Cash Flow (Profit) M\$/yr	5%	10%	15%	20%	
	Mcf/yr	Mcf/yr	\$/Mcf	M\$/yr	%	M\$/yr	\$/yr	Fixed	Variable	Intangible Wd	Total (Excludes)						M	M	M	M	
2024	0	0	\$28.00	\$0	2%	\$0	\$0	5,000	0	0	5,100	(5,100)	5,100	0	(10,200)	(5,000)	1.28	(4,382)	(4,630)	(3,784)	(3,672)
2025	0	0	\$28.00	\$0	0%	\$0	\$0	5,000	0	0	5,000	(5,202)	270,182	0	(275,284)	(120,927)	2.30	(1,80,380)	(180,380)	(140,922)	(130,373)
2026	7,900,000	5,710,000	\$20.00	\$134,200	4%	\$5,373	\$1,343	5,120	1,025	0	7,373	120,234	47,754	0	72,480	32,615	3.30	27,594	23,844	20,350	17,628
2027	21,900,000	20,148,000	\$20.00	\$402,960	8%	\$16,118	\$4,030	5,360	5,475	0	11,728	371,084	0	0	371,084	158,033	4.30	134,401	110,050	90,601	75,208
2028	21,900,000	20,148,000	\$20.00	\$402,960	8%	\$16,178	\$4,030	5,360	5,475	0	11,903	362,790	0	0	362,790	161,256	5.30	120,288	97,810	77,522	61,273
2029	21,900,000	20,148,000	\$20.00	\$402,960	8%	\$16,237	\$4,030	5,360	5,475	0	12,000	354,482	0	0	354,482	156,521	6.30	108,079	86,884	69,444	54,863
2030	21,900,000	20,148,000	\$20.00	\$402,960	8%	\$16,295	\$4,030	5,360	5,475	0	12,440	350,218	0	0	350,218	157,599	7.30	100,871	78,833	60,222	48,670
2031	21,258,862	19,595,955	\$20.00	\$381,918	10%	\$16,192	\$3,919	5,360	5,325	0	12,518	338,259	0	0	338,258	146,130	8.30	88,118	68,444	52,880	42,880
2032	18,549,189	17,685,235	\$20.00	\$350,705	10%	\$15,970	\$3,597	5,360	4,887	0	12,245	330,861	0	0	330,861	138,951	9.30	80,896	60,546	47,374	38,070
2033	17,942,368	16,509,909	\$20.00	\$330,138	10%	\$15,914	\$3,301	5,360	4,486	0	12,002	323,811	0	0	323,811	131,821	10.30	73,178	53,441	41,828	32,128
2034	16,487,884	15,150,045	\$20.00	\$303,002	11%	\$13,330	\$3,030	5,360	4,112	0	11,783	316,958	0	0	316,958	124,836	11.30	65,836	46,785	35,562	27,415
2035	15,113,805	13,864,793	\$20.00	\$278,088	11%	\$13,591	\$2,781	5,360	3,778	0	11,500	309,135	0	0	309,135	117,911	12.30	57,355	42,254	32,607	24,689
2036	13,871,568	12,781,851	\$20.00	\$255,237	11%	\$12,076	\$2,527	5,360	3,468	0	11,420	293,188	0	0	293,188	110,935	13.30	50,213	36,313	28,814	22,114
2037	12,731,385	11,742,874	\$20.00	\$234,257	11%	\$12,788	\$2,343	5,360	3,183	0	11,272	284,874	0	0	284,874	104,874	14.30	43,486	32,282	24,781	18,779
2038	11,584,925	10,750,111	\$20.00	\$215,002	11%	\$12,650	\$2,150	5,360	2,921	0	11,145	276,657	0	0	276,657	97,125	15.30	37,045	26,508	20,444	15,627
2039	10,724,435	9,860,484	\$20.00	\$197,330	11%	\$12,709	\$1,873	5,360	2,681	0	11,038	268,811	0	0	268,811	90,694	16.30	30,913	21,388	16,471	12,688
2040	9,842,923	9,055,484	\$20.00	\$181,110	11%	\$12,922	\$1,811	5,360	2,401	0	10,951	260,426	0	0	260,426	83,792	17.30	26,413	17,750	13,889	10,812
2041	8,933,854	8,311,150	\$20.00	\$166,223	11%	\$12,289	\$1,682	5,360	2,256	0	10,861	252,380	0	0	252,380	76,380	18.30	21,895	14,574	10,872	8,157
2042	8,284,307	7,828,069	\$20.00	\$152,560	11%	\$12,782	\$1,598	5,360	2,073	0	10,829	244,225	0	0	244,225	69,425	19.30	17,891	12,763	9,788	7,574
2043	7,609,787	7,001,004	\$20.00	\$140,020	11%	\$12,402	\$1,400	5,360	1,902	0	10,792	236,126	0	0	236,126	62,592	20.30	14,722	10,256	7,593	5,732
2044	6,984,283	6,422,542	\$20.00	\$128,451	11%	\$12,138	\$1,285	5,360	1,746	0	10,770	228,118	0	0	228,118	55,844	21.30	12,247	8,883	6,321	4,812
2045	6,410,188	5,897,382	\$20.00	\$117,548	11%	\$12,974	\$1,179	5,360	1,590	0	10,784	220,030	0	0	220,030	48,897	22.30	10,752	7,867	5,735	4,388
2046	5,883,299	5,412,635	\$20.00	\$108,259	11%	\$11,908	\$1,083	5,360	1,471	0	10,772	212,041	0	0	212,041	38,071	23.30	9,154	6,487	4,446	3,388
2047	5,701,218	5,405,118	\$20.00	\$108,102	11%	\$11,481	\$1,481	5,360	1,471	0	10,917	204,014	0	0	204,014	22,535	24.30	8,882	6,295	4,466	3,384
2048	0	0	\$20.00	\$0	11%	\$0	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	292,041,000	268,678,610		\$5,373,073		\$502,370	\$50,239	\$127,560	\$73,010	\$0	\$255,702	4,884,788	323,045	1,500	4,236,219	1,984,288	1,984,288	1,584,122	1,284,047	1,084,128	887,188

Company Gross	120,908,388	\$2,418,788	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
Company Net	108,202,014																								
Shareage	8%																								
Price Differential																									



Table 4b, Page 2  
Zenith Energy Ltd  
Ezzaouia Triassic Prospect  
April 1, 2023

R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - Low Estimate

Year	Gross Revenue M\$/yr.	Royalty M\$/yr.	Corp Tax (Grossed Up) M\$/yr.	Net Revenue M\$/yr.	Cumulative Net Revenue M\$	Operating Cost M\$/yr.	Capital Costs M\$/yr.	Total Expenditures M\$/yr.	Cumulative Expenditures M\$	R Factor #	Royalty Rate %	Tax Rate %
2024	\$0	\$0	(\$3,060)	\$3,060	\$262,128	5,100	5,100	10,200	\$251,028	1.04	6%	50%
2025	\$0	\$0	(\$30,130)	\$30,130	\$292,258	5,202	270,192	275,394	\$526,423	0.56	4%	50%
2026	\$134,320	\$5,373	\$27,812	\$101,135	\$393,393	7,370	47,754	55,124	\$581,547	0.68	4%	50%
2027	\$402,980	\$16,118	\$153,237	\$233,604	\$626,997	11,728	0	11,728	\$593,275	1.08	6%	50%
2028	\$402,950	\$24,178	\$149,090	\$229,692	\$856,689	11,963	0	11,963	\$805,238	1.42	8%	50%
2029	\$402,960	\$32,237	\$145,451	\$225,272	\$1,081,961	12,202	0	12,202	\$817,440	1.76	8%	55%
2030	\$402,950	\$36,266	\$187,367	\$179,327	\$1,261,288	12,448	0	12,448	\$829,896	2.00	10%	60%
2031	\$391,919	\$39,182	\$201,773	\$150,954	\$1,412,242	12,518	0	12,518	\$842,406	2.20	10%	60%
2032	\$359,705	\$35,970	\$184,734	\$139,000	\$1,551,242	12,246	0	12,246	\$854,652	2.37	10%	60%
2033	\$330,138	\$33,014	\$169,093	\$128,032	\$1,679,273	12,002	0	12,002	\$866,654	2.52	11%	65%
2034	\$303,002	\$33,330	\$165,658	\$104,014	\$1,783,287	11,783	0	11,783	\$878,437	2.83	11%	65%
2035	\$278,096	\$30,591	\$151,537	\$95,958	\$1,879,255	11,590	0	11,590	\$890,027	2.72	11%	65%
2036	\$255,237	\$28,076	\$138,573	\$88,588	\$1,967,843	11,420	0	11,420	\$901,446	2.81	11%	65%
2037	\$234,257	\$25,768	\$126,688	\$61,821	\$2,049,664	11,272	0	11,272	\$912,719	2.88	11%	65%
2038	\$215,002	\$23,650	\$115,737	\$76,615	\$2,125,279	11,145	0	11,145	\$923,864	2.94	11%	65%
2039	\$197,350	\$21,706	\$105,697	\$69,826	\$2,195,205	11,039	0	11,039	\$934,903	2.99	11%	65%
2040	\$181,110	\$19,822	\$96,477	\$64,711	\$2,259,916	10,951	0	10,951	\$945,854	3.03	11%	70%
2041	\$166,223	\$18,285	\$94,777	\$53,162	\$2,313,078	10,881	0	10,881	\$956,735	3.06	11%	70%
2042	\$152,560	\$16,782	\$86,397	\$49,381	\$2,362,459	10,828	0	10,828	\$967,563	3.08	11%	70%
2043	\$140,020	\$15,402	\$76,698	\$45,820	\$2,408,379	10,792	0	10,792	\$978,354	3.08	11%	70%
2044	\$128,511	\$14,138	\$71,623	\$42,751	\$2,451,130	10,770	0	10,770	\$989,125	3.11	11%	70%
2045	\$117,948	\$12,874	\$65,121	\$39,852	\$2,490,983	10,764	0	10,764	\$999,889	3.11	11%	70%
2046	\$108,253	\$11,806	\$59,144	\$37,201	\$2,528,184	10,772	0	10,772	\$1,010,660	3.12	11%	70%
2047	\$98,102	\$7,491	\$36,010	\$25,602	\$2,553,786	9,917	0	9,917	\$1,020,577	3.11	11%	70%
2048	\$0	\$0	(\$1,050)	\$1,050	\$2,554,836	0	0	0	\$1,020,577	3.11	11%	70%
<b>Totals</b>	<b>\$4,950,759</b>	<b>\$455,660</b>	<b>\$2,345,588</b>	<b>\$2,149,311</b>		<b>\$214,479</b>	<b>\$323,046</b>	<b>\$537,525</b>				
			<b>0.45</b>		<b>\$259,968</b>				<b>\$240,829</b>	<b>1.08</b>	<b>7%</b>	<b>50%</b>
			<b>Wt Factor</b>		<b>Opening Balance</b>				<b>Opening Balance</b>	<b>Applies Subsequent Year</b>		

Table 4c, Page 1

Zenith Energy Ltd  
Ezzaouia Triassic Prospect  
Saturday, April 01, 2023

## Production and Capital Forecast - Prospective Resources - High Estimate

Single Well Production Profile				Development Program -						Capital Expenditures - M\$						
				# Wells	# Wells	# Wells	Total GAS Sales									
Year	Mscf/d	Days On	Mscf/Yr	Year	Well Count	1	2	2	3	Mscf/d	Exploration	Drilling & Completion	Well Fac. & Tie-ins	Facility	Pipeline	Total Capital (Escalated)
1	40,000	365	14,600,000	2024	0	0	-	-	0	0	5,000	0	0	0	0	5,100
2	40,000	365	14,600,000	2025	0	0	0	-	0	0	0	20,000	2,500	50,000	234,000	319,883
3	40,000	365	14,600,000	2026	1	14,600,000	0	0	14,600,000	40,000	0	40,000	5,000	0	0	47,754
4	40,000	365	14,600,000	2027	3	14,600,000	29,200,000	0	43,800,000	120,000	0	40,000	5,000	0	0	48,709
5	40,000	365	14,600,000	2028	5	14,600,000	29,200,000	29,200,000	73,000,000	200,000	0	0	0	0	0	0
6	35,438	365	12,934,764	2029	5	14,600,000	29,200,000	29,200,000	73,000,000	200,000	0	0	0	0	0	0
7	31,396	365	11,459,459	2030	5	14,600,000	29,200,000	29,200,000	73,000,000	200,000	0	0	0	0	0	0
8	27,815	365	10,152,425	2031	5	12,934,764	29,200,000	29,200,000	71,334,764	195,438	0	0	0	0	0	0
9	24,842	365	8,994,466	2032	5	11,459,459	25,959,527	29,200,000	66,528,987	182,271	0	0	0	0	0	0
10	21,832	365	7,968,582	2033	5	10,152,425	22,918,919	25,869,527	58,940,870	161,482	0	0	0	0	0	0
11	19,342	365	7,058,707	2034	5	8,994,466	20,304,849	22,918,919	52,218,234	143,064	0	0	0	0	0	0
12	17,138	365	6,254,496	2035	5	7,968,582	17,988,933	20,304,849	46,262,364	126,746	0	0	0	0	0	0
13	15,181	365	5,541,125	2036	5	7,059,707	15,937,164	17,988,933	40,865,804	112,260	0	0	0	0	0	0
14	13,450	365	4,909,119	2037	5	6,254,496	14,119,414	15,937,164	38,311,074	99,482	0	0	0	0	0	0
15	11,816	365	4,349,199	2038	5	5,541,125	12,508,992	14,119,414	32,169,531	88,136	0	0	0	0	0	0
16	10,557	365	3,853,141	2039	5	4,809,119	11,082,250	12,508,992	28,500,362	78,063	0	0	0	0	0	0
17	9,352	365	3,413,662	2040	5	4,349,199	9,818,239	11,082,250	25,249,688	69,177	0	0	0	0	0	0
18	8,286	365	3,024,309	2041	5	3,853,141	8,698,397	9,818,239	22,369,777	61,287	0	0	0	0	0	0
19	7,341	365	2,679,364	2042	5	3,413,662	7,706,281	8,698,397	19,819,341	54,297	0	0	0	0	0	0
20	6,503	365	2,373,763	2043	5	3,024,309	6,827,324	7,706,281	17,557,914	48,104	0	0	0	0	0	0
21	5,762	365	2,103,018	2044	5	2,679,364	6,048,618	6,827,324	15,555,306	42,817	0	0	0	0	0	0
22	0	365	0	2045	5	2,373,763	5,358,729	6,048,618	13,791,110	37,756	0	0	0	0	0	0
23	0	365	0	2046	5	2,103,018	4,747,527	5,358,729	12,209,274	33,450	0	0	0	0	0	0
24	0	365	0	2047	4	0	4,206,037	4,747,527	8,953,563	24,530	0	0	0	0	0	0
25	0	365	0	2048	2	0	0	4,206,037	4,206,037	11,523	0	0	0	0	0	0
Total			170,070,600			170,070,600	340,141,200	340,141,200	850,353,000		5,000	160,000	12,500	50,000	234,000	420,446
Decline % =	11%															
First year prod Months	12															
IP Mscf/d	40,000															
											2021	1	0	0	0	
											2022	1	1	1	1	10
											2023	2	2	2	0	0
											2024	2	2	2	0	0

Table 4c, Page 2

**Zenith Energy Ltd**  
**Ezzaula Triassic Prospect**  
**Saturday, April 01, 2023**

**Production Streams, Revenues and Cash Flows - Prospective Resources - High Estimate**  
**Before Income Tax**

															Project Undiscounted	Company's Share Undiscounted		Company Share Discounted (%)				
Year	Gross Production	Gross Sales	Sale Price	Gross Revenue	Royalty Rate	Royalty	Exploit Payment	Operating Costs - M\$/yr.				Project Total Revenue	Total Capital Costs	Abandon & Reclamation	Net Cash Flow (Profit)	Net Cash Flow (Profit)	0%	10%	15%	20%		
	MMcF/yr	MMcF/yr	\$/MMcF	MM\$/yr	%	MM\$/yr	\$/yr	Fixed	Variable	Interest/Water	Total (Excluded)	Operating Cash Flow - M\$/yr	MM\$/yr	MM\$/yr	MM\$/yr	MM\$/yr	1	MM	MM	MM	MM	
2024	0	0	\$28.00	\$0	7%	\$0	\$0	5,000	0	0	5,100	(5,100)	5,100	0	(10,200)	(4,590)	1.36	(4,292)	(4,028)	(3,789)	(3,572)	
2025	0	0	\$20.00	\$0	6%	\$0	\$0	5,000	0	0	5,002	(5,002)	318,883	0	(324,055)	(145,638)	2.38	(128,981)	(116,278)	(104,644)	(94,584)	
2026	14,800,000	13,432,000	\$20.00	\$268,640	4%	\$10,746	\$2,885	5,120	3,650	0	9,307	245,501	47,754	0	196,147	68,168	3.36	75,829	68,840	55,835	48,191	
2027	43,800,000	40,296,000	\$20.00	\$805,920	4%	\$22,737	\$8,059	5,360	10,850	0	17,534	747,070	48,709	0	699,260	314,667	4.30	254,184	207,376	170,725	141,721	
2028	73,000,000	67,160,000	\$20.00	\$1,343,200	3%	\$107,456	\$19,432	5,600	18,250	0	26,392	1,195,960	0	0	1,186,806	538,191	5.28	414,041	322,441	253,913	201,660	
2029	73,000,000	67,160,000	\$20.00	\$1,343,200	10%	\$134,320	\$19,432	5,600	18,250	0	26,392	1,169,568	0	0	1,108,288	525,865	8.28	385,284	288,415	215,737	164,473	
2030	73,000,000	67,160,000	\$20.00	\$1,343,200	11%	\$147,752	\$13,432	5,600	18,250	0	27,396	1,154,620	0	0	1,154,620	519,579	9.30	382,280	287,285	185,355	135,422	
2031	71,334,764	65,627,962	\$20.00	\$1,312,560	11%	\$144,362	\$13,432	5,600	17,804	0	27,156	1,127,586	0	0	1,127,586	507,418	10.36	387,214	228,403	167,408	110,241	
2032	66,526,887	61,206,698	\$20.00	\$1,224,133	11%	\$134,655	\$12,741	5,600	18,832	0	26,570	1,050,668	0	0	1,050,668	472,600	9.36	299,248	193,474	127,597	65,578	
2033	58,840,870	54,225,601	\$20.00	\$1,084,512	11%	\$118,289	\$10,846	5,600	14,735	0	24,789	928,582	0	0	928,582	418,312	10.36	252,151	156,515	98,129	43,085	
2034	52,216,234	48,040,776	\$20.00	\$960,816	11%	\$106,690	\$9,608	5,600	13,055	0	23,195	822,323	0	0	822,323	370,045	11.36	212,436	125,145	75,477	48,512	
2035	46,262,264	42,561,375	\$20.00	\$851,227	11%	\$85,825	\$8,512	5,600	11,566	0	21,770	727,310	0	0	727,310	327,290	12.36	178,543	100,829	58,049	34,380	
2036	40,985,804	37,706,940	\$20.00	\$754,136	11%	\$82,552	\$7,541	5,600	10,246	0	20,459	643,143	0	0	643,143	269,414	13.36	150,760	89,860	44,836	25,282	
2037	36,311,674	33,406,188	\$20.00	\$668,124	11%	\$73,494	\$6,681	5,600	9,070	0	19,367	568,582	0	0	568,582	256,862	14.36	128,889	75,011	34,314	18,611	
2038	32,169,531	28,595,969	\$20.00	\$591,919	11%	\$65,111	\$5,919	5,600	8,042	0	18,381	502,528	0	0	502,528	228,138	15.36	106,804	52,235	28,342	13,718	
2039	28,500,362	26,220,333	\$20.00	\$524,407	11%	\$57,885	\$5,244	5,600	7,125	0	17,489	444,009	0	0	444,009	199,864	16.36	89,873	41,866	20,282	10,083	
2040	25,249,686	23,228,713	\$20.00	\$464,584	11%	\$51,105	\$4,646	5,600	6,312	0	16,980	392,163	0	0	392,163	176,473	17.36	75,596	33,089	15,562	7,420	
2041	22,363,777	20,580,198	\$20.00	\$411,604	11%	\$43,235	\$4,116	5,600	5,592	0	16,386	346,226	0	0	346,226	155,802	18.36	63,595	27,038	11,947	5,485	
2042	19,618,341	18,232,873	\$20.00	\$364,657	11%	\$40,112	\$3,647	5,600	4,655	0	15,375	305,523	0	0	305,523	137,485	19.36	53,421	21,681	9,167	4,018	
2043	17,557,814	16,183,281	\$20.00	\$329,666	11%	\$35,537	\$3,231	5,600	4,389	0	14,844	269,454	0	0	269,454	121,254	20.36	44,671	17,391	7,030	2,954	
2044	15,655,305	14,310,882	\$20.00	\$286,218	11%	\$21,484	\$2,862	5,600	3,888	0	14,382	237,480	0	0	237,480	105,870	21.36	37,865	13,934	5,388	2,169	
2045	13,781,110	12,678,621	\$20.00	\$253,572	11%	\$27,809	\$2,536	5,600	3,445	0	13,964	209,160	0	0	209,160	94,122	22.36	31,362	11,197	4,126	1,362	
2046	12,208,274	11,232,532	\$20.00	\$224,651	11%	\$24,712	\$2,247	5,600	3,052	0	13,644	184,049	0	0	184,049	82,822	23.36	26,476	9,828	3,937	1,168	
2047	8,953,563	8,237,276	\$20.00	\$164,746	11%	\$18,122	\$1,647	5,480	2,238	0	12,415	132,562	0	0	132,562	58,853	24.36	19,181	5,844	1,879	701	
2048	4,206,637	3,809,554	\$20.00	\$77,391	11%	\$8,513	\$774	0	1,052	0	1,725	85,379	0	2,500	83,879	28,746	25.36	8,335	2,560	829	281	
Totals	890,353,000	782,924,760		15,646,495		\$1,582,167	\$155,463	\$132,980	\$212,588	\$0	\$436,361	13,461,592	420,446	2,500	13,038,596	5,867,358		3,471,471	2,203,384	1,474,263	1,026,772	

Company Gross	352,048,142		\$7,840,823	\$718,476	\$70,609	\$38,592	\$95,894,71	\$195,392	6,057,675	189,201	1,123	6,887,398	45.0%
Company Net	312,701,877		\$0.00		1%	5,000	\$0.25						

Storage

5%

Price Differential

0.11-756717

MM\$/yr

\$/MMcF

Table 4c, Page 3

**Zenith Energy Ltd**  
**Ezzaoula Triassic Prospect**  
**1-Apr-23**

**R Factor - Royalty Rate - Tax Rate - Depreciation, Prospective Resources - High Estimate**

Year	Gross Revenue M\$/yr	Royalty M\$/yr	Corp Tax (Grossed Up) M\$/yr	Net Revenue M\$/yr	Cumulative Net Revenue M\$	Operating Costs M\$/yr	Capital Costs M\$/yr	Total Expenditures M\$/yr	Cumulative Expenditures M\$	R Factor %	Royalty Rate %	Tax Rate %
2024	\$0	\$0	(\$3,060)	\$3,060	\$252,128	5,100	5,100	10,200	\$251,029	1.04	6%	50%
2025	\$0	\$0	(\$34,999)	\$34,999	\$297,127	5,202	319,663	324,865	\$575,114	0.52	4%	50%
2026	\$268,640	\$10,746	\$65,777	\$172,117	\$459,245	9,307	47,754	67,061	\$832,175	0.74	4%	50%
2027	\$805,920	\$32,237	\$331,940	\$441,743	\$910,988	17,654	49,709	66,364	\$999,539	1.30	9%	50%
2028	\$1,343,200	\$107,456	\$556,945	\$679,799	\$1,590,787	26,332	0	26,332	\$724,871	2.19	10%	50%
2029	\$1,343,200	\$134,320	\$851,312	\$557,568	\$2,148,355	26,859	0	26,859	\$751,730	2.86	11%	65%
2030	\$1,343,200	\$147,752	\$737,963	\$457,485	\$2,605,840	27,396	0	27,396	\$779,126	3.34	11%	70%
2031	\$1,312,560	\$144,382	\$782,498	\$385,680	\$2,991,520	27,456	0	27,456	\$806,582	3.71	11%	75%
2032	\$1,224,133	\$134,656	\$788,001	\$301,476	\$3,292,996	26,570	0	26,570	\$833,152	3.95	11%	75%
2033	\$1,064,512	\$119,236	\$697,187	\$268,029	\$3,561,027	24,789	0	24,789	\$857,941	4.15	11%	75%
2034	\$960,816	\$105,890	\$616,742	\$238,384	\$3,799,411	23,186	0	23,186	\$881,135	4.31	11%	75%
2035	\$851,227	\$93,636	\$545,483	\$212,110	\$4,011,521	21,770	0	21,770	\$902,905	4.44	11%	75%
2036	\$754,139	\$82,955	\$482,357	\$168,826	\$4,200,347	20,409	0	20,409	\$923,404	4.55	11%	76%
2037	\$668,124	\$73,494	\$426,436	\$168,194	\$4,368,541	19,367	0	19,367	\$942,771	4.63	11%	75%
2038	\$591,919	\$65,111	\$376,896	\$149,912	\$4,518,453	18,361	0	18,361	\$961,132	4.70	11%	75%
2039	\$524,407	\$57,685	\$333,007	\$133,715	\$4,652,168	17,469	0	17,469	\$978,601	4.75	11%	75%
2040	\$464,594	\$51,105	\$294,122	\$119,367	\$4,771,535	16,860	0	16,860	\$995,281	4.79	11%	75%
2041	\$411,604	\$45,276	\$259,659	\$106,658	\$4,878,193	15,966	0	15,966	\$1,011,257	4.82	11%	75%
2042	\$364,657	\$40,112	\$229,142	\$95,403	\$4,973,596	15,376	0	15,376	\$1,026,643	4.84	11%	75%
2043	\$323,066	\$35,637	\$202,090	\$85,438	\$5,059,034	14,844	0	14,844	\$1,041,487	4.85	11%	75%
2044	\$286,218	\$31,484	\$179,117	\$76,616	\$5,135,651	14,382	0	14,382	\$1,055,869	4.86	11%	75%
2045	\$253,572	\$27,893	\$166,870	\$69,810	\$5,204,460	13,984	0	13,984	\$1,069,852	4.86	11%	75%
2046	\$224,851	\$24,712	\$138,037	\$61,903	\$5,266,363	13,644	0	13,644	\$1,083,496	4.86	11%	75%
2047	\$164,746	\$18,122	\$99,421	\$47,202	\$5,313,565	12,415	0	12,415	\$1,095,911	4.85	11%	75%
2048	\$77,381	\$9,613	\$47,909	\$20,969	\$5,334,534	1,725	0	1,725	\$1,097,636	4.88	11%	75%
<b>Totals</b>	<b>\$14,636,918</b>	<b>\$1,481,444</b>	<b>\$8,358,808</b>	<b>\$4,799,966</b>		<b>\$380,211</b>	<b>\$420,446</b>	<b>\$800,658</b>		<b>1.08</b>	<b>7%</b>	<b>50%</b>
			<b>0.45</b>		<b>\$259,068</b>				<b>\$240,829</b>			
			<b>WI Factor</b>		<b>Opening Balance</b>				<b>Opening Balance</b>			<b>Applies Subsequent Year</b>

Figure 4

**RISK ANALYSIS (ARITHMETIC AVERAGE)**

**Zenith Energy Ltd  
Trilassic Prospect  
Ezzaouia Concession, Tunisia**

**ECONOMIC PARAMETERS**

**Net Capital Exposure (Failure Case), M\$** 12,375

**Geological Risk Factors**

Source Rock	85%
Reservoir Rock	65%
Trap/Seal	50%
Timing/Migration	75%

**Chance of Discovery** 21%

**Development Risk Factors**

Economic Viability	95%
Market Access	95%
Production & Transportation Infrastructure	95%
Regulatory & Social Licence	95%
Corporate & External Approvals	90%
Reasonable Timetable for Development	90%

**Chance of Development** 66%

**Chance of Commerciality** 14%

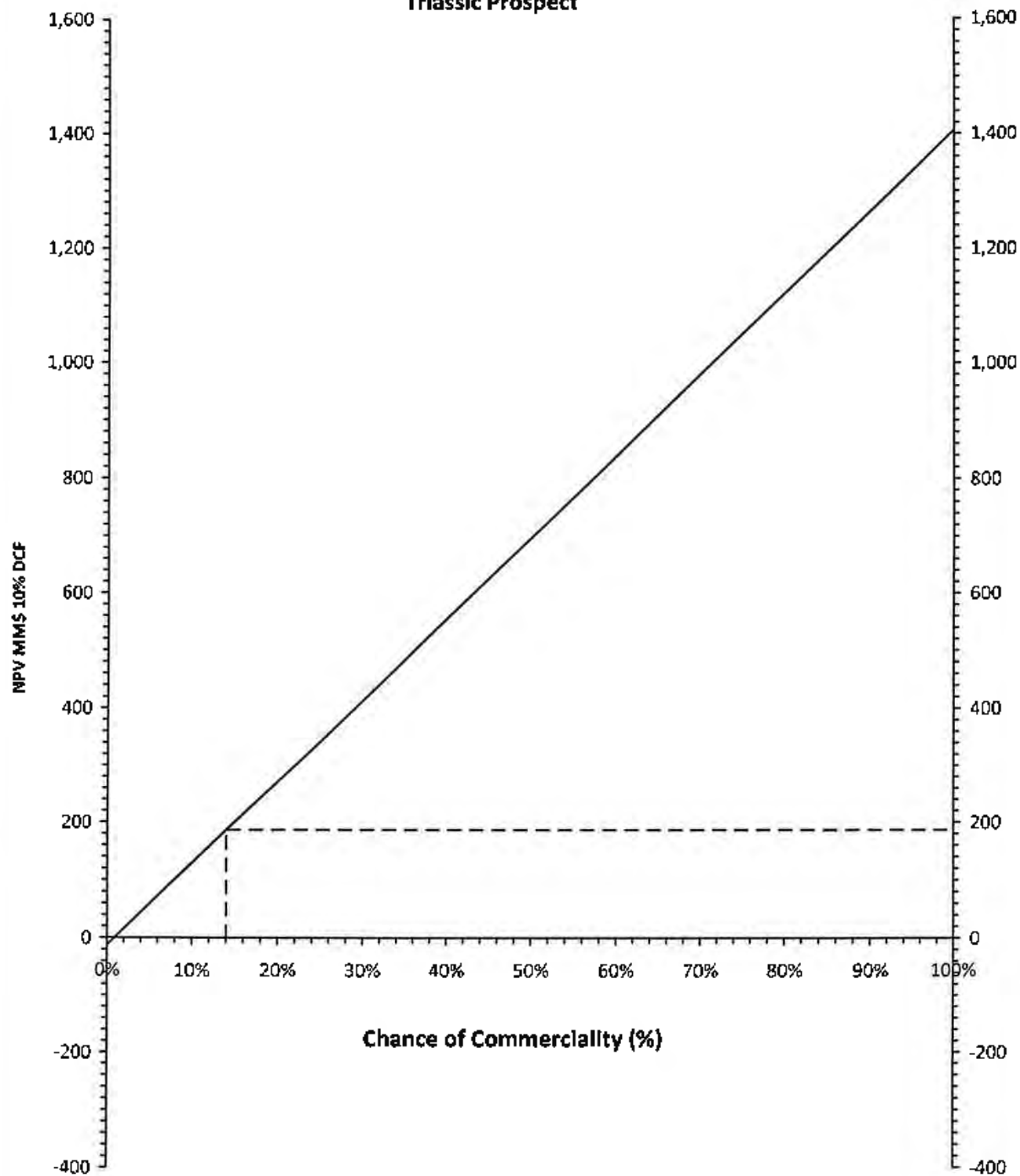
(Chance of Discovery \* Chance of Development)

**TOTAL VALUES**

Discount Rate	undisc.	5%	10%	15%	20%
Unrisked Value, M\$	3,786,956	2,227,420	1,406,092	935,750	647,953
Risked Value, M\$	519,531	301,196	186,210	120,362	80,071
Minimum Chance of Commerciality Req'd	0%	1%	1%	1%	2%

**Figure 4**  
**RISK ANALYSIS (ARITHMETIC AVERAGE)**

**Zenith Energy Ltd**  
**Triassic Prospect**



## APPENDIX A

### INDEX

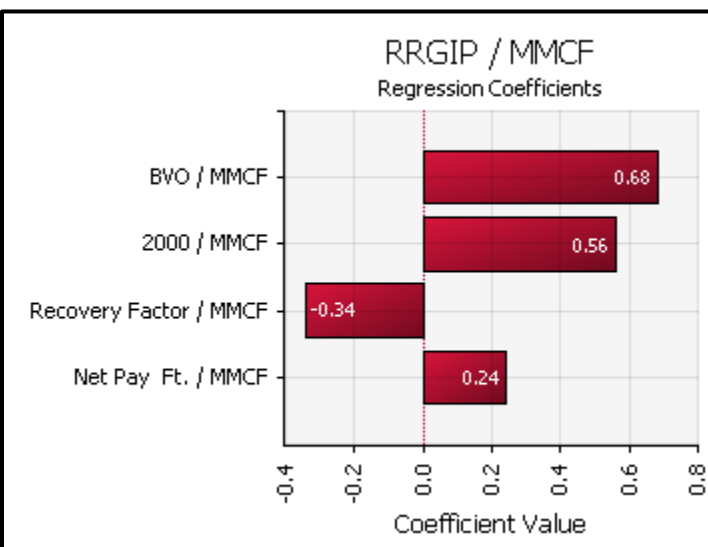
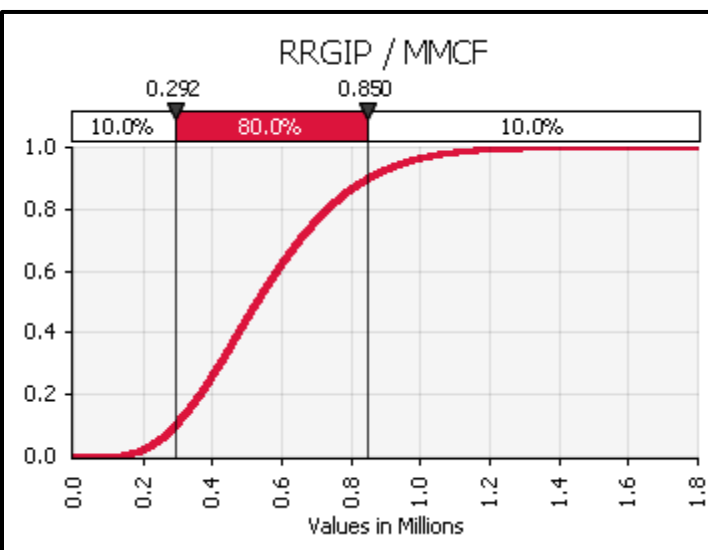
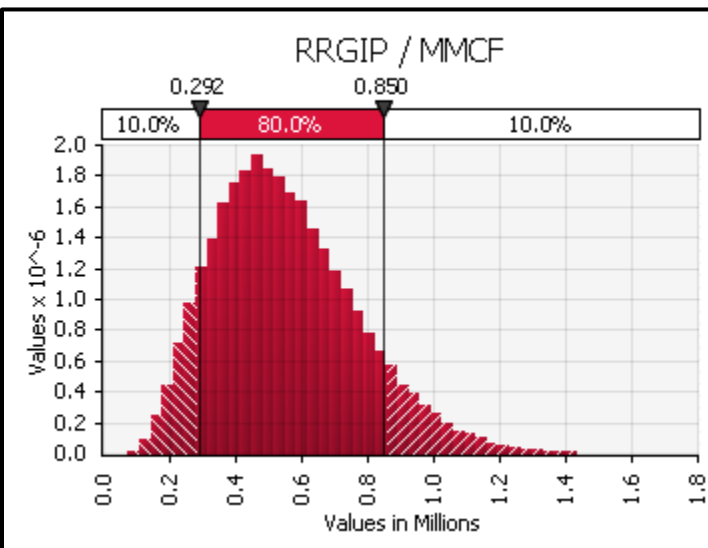
Figure A-1: Monte Carlo Output Results

Figure A-2: Monte Carlo Input Results

# @RISK Output Report for RRGIP / MMCF

Performed By: Chapman Petroleum Engineering Ltd.

Date: Monday, April 26, 2021 4:48:32 PM



## Simulation Summary Information

Workbook Name	Monte Carlo Parameter Ezzaouia.xlsx
Number of Simulations	1
Number of Iterations	1E+05
Number of Inputs	4
Number of Outputs	1
Sampling Type	Latin Hypercube
Simulation Start Time	4/26/21 16:46:20
Simulation Duration	00:01:50
Random # Generator	Mersenne Twister
Random Seed	332059864

## Summary Statistics for RRGIP / MMCF

Statistics		Percentile	
Minimum	74,817	5%	242,555
Maximum	1,740,358	10%	292,042
Mean	554,323	15%	330,596
Std Dev	218,229	20%	363,668
Variance	47623721289	25%	393,471
Skewness	0.64157973	30%	421,495
Kurtosis	3.354357352	35%	448,623
Median	528,515	40%	474,356
Mode	451,073	45%	501,469
Left X	292,042	50%	528,515
Left P	10%	55%	556,469
Right X	850,353	60%	586,288
Right P	90%	65%	616,999
Diff X	558,311	70%	651,121
Diff P	80%	75%	689,014
#Errors	0	80%	732,214
Filter Min	Off	85%	782,516
Filter Max	Off	90%	850,353
#Filtered	0	95%	954,383

## Regression and Rank Information for RRGIP / MM

Rank	Name	Regr	Corr
1	BVO / MMCF	0.684	0.692
2	2000 / MMCF	0.560	0.548
3	Recovery Factor	-0.341	-0.322
4	Net Pay Ft. / MM	0.238	0.224

**ZENITH ENERGY LTD.**

**EZZAOUIA CONCESSION**

**TUNISIA**

**OUTPUT RESULTS**

APR. 2023

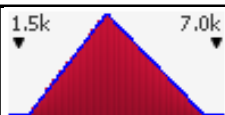
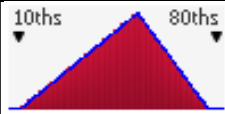

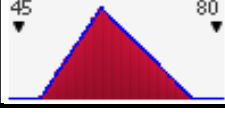
JOB No. 6925 FIGURE No. A-1



## @RISK Input Results

Performed By: Chapman Petroleum Engineering Ltd.

Date: Monday, April 26, 2021 4:48:36 PM

Name	Cell	Graph	Min	Mean	Max	5%	95%	Errors
Category: 2000								
2000 / MMCF	E10		2004.187	4166.667	6493.084	2670.765	5749.957	0
Category: BVO								
BVO / MMCF	E8		0.01385074	0.04691667	0.07493075	0.02457279	0.06660722	0
Category: Net Pay Ft.								
Net Pay Ft. / MMCF	E9		250.3427	326.6667	399.8448	274.4942	377.0871	0
Category: Recovery Factor								
Recovery Factor / MMCF	E12		50.02273	61.66667	74.96716	53.53527	70.66975	0

**ZENITH ENERGY LTD.**

**EZZAOUIA CONCESSION**

TUNISIA

**INPUT RESULTS**

APR. 2023

JOB No. 6925 FIGURE No. A-2

## **GLOSSARY OF TERMS (Abbreviations & Definitions)**

### **General**

BIT	- Before Income Tax
AIT	- After Income Tax
M\$	- Thousands of Dollars
Effective Date	- The date for which the Present Value of the future cash flows and reserve categories are established
\$US	- United States Dollars
WTI	- West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	- Alberta Royalty Tax Credit
GRP	- Gas Reference Price

### **Interests and Royalties**

BPO	- Before Payout
APO	- After Payout
APPO	- After Project Payout
Payout	- The point at which a participant's original capital investment is recovered from its net revenue
GORR	- Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	- New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	- Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150 <sup>th</sup> of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	- Freehold Royalty
P&NG	- Petroleum and Natural Gas
Twp	- Township
Rge	- Range
Sec	- Section

### Technical Data

psia	- Pounds per square inch absolute
MSTB	- Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	- Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	- Barrels
Mbbls	- Thousands of barrels
MMBTU	- Millions of British Thermal Units – heating value of natural gas
STB/d	- Stock Tank Barrels of oil per day – oil production rate
Mscf/d	- Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	- Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	- Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	- Enhanced Oil Recovery
GJ	- Gigajoules
Marketable or Sales Natural Gas	- Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	- Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	- Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.
EUR	- Estimated Ultimate Recovery



February 28, 2023

**CHAPMAN PETROLEUM ENGINEERING LTD.**

700, 1122 – 4<sup>th</sup> Street SW  
Calgary, AB  
T2R 1M1

Dear Sir:

**Re: Company Representation Letter**

Regarding the evaluation of our Company's oil and gas reserves and resources and independent appraisal of the economic value of these reserves for the year ended March 31, 2023, we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

1. We, Zenith Energy Ltd., have made available to you, Chapman Petroleum Engineering Ltd., certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation, including the following:
  - Accounting, financial, tax and contractual data
  - Asset ownership and related encumbrance information;
  - Details concerning product marketing, transportation and processing arrangements;
  - All technical information including geological, engineering and production and test data;
  - Estimates of future abandonment and reclamation costs.
2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.
3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.




4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on the evaluation of our Company's reserves and future net revenues.
5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:
  - For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.
  - All regulatory, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
  - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this three-month period.
  - Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.
  - If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report date, we will inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.
6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could affect our reserves and economic value of these reserves that has not been disclosed to you.

Yours very truly,

President and Chief Executive Officer

Chief Financial Officer

Signaturwert	Eol5rzeve3xPTKLuc1FfgJsGebR13uWQH2uTiLNI2Cm3oJQVvpvGSw61lHTaB4JEIPcVrzETLo6R3HTymgMqeSf4KSCZS0LuPy5zqbkiuIoVkl1WbozsqbbeamM8R2mRtIQ+x0alTW8MrQXV2IyrtclL49f69Gwm2Gjoj5zGzdWYc5hra2Y5WqN1pH1Ap2QvZlK7FgR2tlNKyfAbemOxxsa/cAQre0VkrVVv8SNoLRmz0E712k4/1QdgouJPbJpRJAPCiUfK5bUWpmdU4oF05oZLrnm8Yml4O3porzh1RcVQj2OgmM3or6Q+7caxcxaBxW+beySiQBevUJ2ln4U5g==	
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Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: <a href="http://www.signaturpruefung.gv.at">http://www.signaturpruefung.gv.at</a>	
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