



September 2021 Newsletter to Zenith Energy Fixed Income Investors

Dear Investor,

The recent resurgence in oil prices has been extremely positive for Zenith Energy, especially as we have been actively executing a strategy of acquiring revenue generating oil production and development assets in Africa, specifically in Tunisia and Congo.

The Company has signed four different highly prospective acquisitions in the space of approximately 18 months. An impressive achievement when considered in the context of a period marked by a number of unprecedented challenges including global travel restrictions, a highly depressed and volatile economic climate, as well as significant risks posed to the safety of our management and employees, all as a result of the COVID-19 pandemic.

Our endurance and determination as a management team has been such that Zenith Energy is becoming a significantly stronger and more commercially attractive company than at any stage prior in its history. The Company now benefits from a well-balanced portfolio across a number of jurisdictions (lowering our risk profile), comprised of a complementary selection of production, development and relatively low-risk exploration assets.

We look forward to further delivering on this strategy by potentially acquiring additional new assets, with special attention being directed towards assets being divested by larger oil companies wishing to dispose of their smaller assets due to strategic changes, including 'decarbonisation' requirements.

Having recently further enlarged our Tunisian portfolio by way of the 100% acquisition of the Robbana and El Bibane concessions, our total net production across all assets is approximately 650 BOE (barrels of oil equivalent). Our recent sale of approximately US\$4.5 million of Tunisian oil production clearly evidences the fact that we have become a profitable, cash generating, energy production company. Indeed, it is our expectation that our existing independent debt issuer credit rating (B- with Developing Outlook) will soon be positively adjusted to reflect these positive developments.

I look forward to providing further updates in due course on our progress and I thank investors for their continued commitment and support.

Sincerely,



Andrea Cattaneo,  
Chief Executive Officer

LSE:ZEN

OSE:ZENA

## Development strategy defined by:

- Acquiring and developing assets with untapped reserves and existing production
- Maximising revenue by implementing low-cost oil production models
- Ownership of key operational equipment with the objective of reducing costs, third-party delays, and decreasing reliance on third party oilfield service companies
- Highly incentivised Board of Directors and Senior Management, holding significant interests in the share capital of Zenith.

## Recent Highlights

Zenith is seeking to build a highly prospective oil and gas production and development portfolio in Africa

- 1 Acquisition of 100% working interest in the highly prospective El Bibane and Robbana concessions in Tunisia, currently producing a total cumulative production of approximately 125 barrels of oil equivalent per day. A successful well intervention could increase total production from the El Bibane concession to approximately 600 bopd. Planned workover and drilling activities in the Robbana concession are expected to increase current production, approximately 20 bopd, to approximately 250 bopd.
- 2 Sale of Tunisian oil production (68,000 barrels net to Zenith) for an amount of approximately US\$4.5 million from recently acquired Tunisian production portfolio.
- 3 Acquisition of working interest in Ezzaouia concession, one of the most productive oilfields in onshore Tunisia. Ezzaouia currently produces at a rate of approximately 465 BOPD (approximately 210 barrels of oil per day net to Zenith). Planned field production following optimisation and workover activities is expected to increase Ezzaouia gross production to 1,000 BOPD.
- 4 Receipt of approximately US\$128,000, in respect of past oil production produced during the now expired Tilapia I licence by AAOG Congo from Congolaise de Raffinage ("CORAF"), a subsidiary of the national oil company of the Republic of the Congo, Société Nationale des Pétroles du Congo ("SNPC").
- 5 Mobilisation of drilling rig to Robbana concession to commence workover activities.
- 6 Coupon payments made, in full and on time, in respect of the multi-currency Euro Medium Term Notes the Company has issued on the Vienna MTF of the Vienna Stock Exchange listed above - representing the third coupon payment for these debt instruments.
- 7 Signing of exclusivity agreement for OML 141 RSC in Nigeria

# ZENITH ENERGY LTD. SENIOR UNSECURED RATED BOND DUE 2024

## Company Overview

Zenith Energy is an international oil and gas production company triple listed on the London Stock Exchange Main Market (**ZEN**), TSX Venture Exchange (**ZEE**), and the Merkur Market of the Oslo Stock Exchange (**ZENA:ME**).

The Company was assigned a medium to long-term issuer credit rating of **"B+ with Positive Outlook"** on October 8, 2019 by Arc Ratings, S.A. - this was confirmed on October 9, 2019. In addition, on November 18, 2019, the Company was assigned a "B+" with Stable Outlook debt issuer credit rating by Rating-Agentur Expert RA.

The Company has recently completed two major transactions:

- The acquisition of Coro Energy Plc's entire natural gas production and exploration portfolio in Italy. Upon completion of the deal, Zenith will become one of Italy's leading natural gas producers with production expected to reach 113,000 scm/day following the execution of a series of targeted interventions planned during the next 6-9 months for which all necessary approvals have already been obtained.
- Completion of first African acquisition with conditional SPA signed for AAOG Congo, the operator of the potentially transformational Tilapia asset in the Republic of the Congo, a prolific hydrocarbon region with certain individual wells recording production rates of up to 5,000 barrels of oil per day.

Zenith is actively exploring a number of additional expansion opportunities to further enrich its portfolio at a time of great opportunity for counter-cyclical expansion.

## The Bonds

The ZENITH ENERGY LTD. EURO NOTES - 2024 are high yield debt instrument that offer investors a fixed return over a 4-year term. The Bonds will provide a fixed income to investors by providing Zenith with additional capital to perform its drilling activities and to explore the completion of new asset acquisitions to enrich its portfolio.

## Key Features

- High-yield debentures with interest semi-annually
- Multi-currency
- Fixed return
- Issuer rated B+, with Positive Outlook
- Open to private investors
- Securities are available to retail investors

## Bond Information

The Bond	ZENITH ENERGY LTD. EURO Notes - 2024
Issue Size	Up to 22 million (GBP, CHF, EUR, USD)
Listing	Vienna MTF
Coupon/Term	EUR: 10.5% CHF: 10% EUR: 10.125% USD: 10.375% (per annum, paid semi-annually)
Status	Senior unsecured corporate notes under Austrian law
Company Rating	B+, with Positive Outlook (Arc Ratings)  "B+" with Stable Outlook Rating-Agentur Expert RA
Liquidity	Freely transferable
ISIN	GBP: XS2108546578 CHF: XS2108546818 EUR: XS2108546735 USD: XS2108546651
Clearing/Settlement	Clearstream, Euroclear

## Key Facts

Issuer	Zenith Energy Ltd.
Paying Agent	BNY Mellon London  BNY Mellon Frankfurt

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