



Invitation to subscribe for SDRs in Zenith Energy Ltd prior to the planned listing on Spotlight Stock Market



Memorandum

September 2025

Subscription period

September 9 – September 23, 2025

ABOUT THIS MEMORANDUM

Zenith Energy Ltd.

Zenith Energy Ltd. is a revenue generating, independent energy company with energy production, exploration and development assets in North Africa, the US and Europe. The company is listed on the London Stock Exchange Main Market (LSE: ZEN) and the Euronext Growth of the Oslo Stock Exchange (OSE: ZENA).

Zenith Energy Ltd.'s strategic focus is on pursuing development opportunities through the development of proven revenue generating energy production assets, as well as low-risk exploration activities in assets with existing production.

Definitions

In this Memorandum, the following definitions apply, unless stated otherwise: The "**Company**", the "**Issuer**", and "**Zenith**" refers to Zenith Energy Ltd. with Canadian organisation number BC0803216. The "**Group**" refers to Zenith together with its subsidiaries. "**Eminova Partners**" refers to Eminova Partners Corporate Finance AB, Swedish organisation number 559170-3334. "**Eminova Fondkommission**" refers to Eminova Fondkommission AB, Swedish organisation number 556889-7887. "**Spotlight**" refers to Spotlight Stock Market, Swedish organisation number 556736-8195. The "**Offer**" or the "**Offering**" refers to the offer to the general public in Sweden and to institutional investors in Sweden and internationally to purchase Swedish Depository Receipts ("**Depository Receipts**" or "**SDRs**") in Zenith Energy Ltd, each representing one share in the Company, in connection with the planned listing on Spotlight. "**t**" refers to thousands, "**m**" refers to millions and "**b**" refers to billions. "**SEK**" refers to the Swedish Krona, "**EUR**" refers to the European Union currency Euro, "**USD**" refers to United States Dollars and "**CAD**" refers to Canadian Dollars. The "**Memorandum**" refers to the present Memorandum.

Declaration of responsibility from the Board

The board of directors of the Company (the "**Board of Directors**") is responsible for this document and has taken all reasonable care to ensure that the information provided is accurate, complete and nothing has been omitted that may affect the assessment of the Company.

Area of distribution for the Memorandum

The SDRs or the underlying common shares are not subject to trade or applied for in any other country than United Kingdom, Norway and Sweden. The invitation under this Memorandum does not apply for people whom participation requires additional prospectuses, registration measures or measures other than those that arise under Swedish law. The Memorandum must not be distributed in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, South Korea, Russia, Belarus, or any other country in which the distribution or this invitation requires further action in accordance with the previous statement or is contrary to the rules in such country. Disputes arising from the contents of the Memorandum or related legal relationships shall be settled in accordance with Swedish law and in Swedish Courts.

Spotlight Stock Market

Zenith has applied and is approved for listing on Spotlight, provided that the Company achieves the required number of shareholders. In addition, the Company is also required to comply with other applicable laws, regulation and recommendations that apply to companies listed on Spotlight. Spotlight is a securities company under the supervision of the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) ("**SFSA**"). Spotlight operates a so-called MTF platform. Companies listed on Spotlight have committed to follow Spotlight's listing agreement. The agreement aims, among other things, to ensure that shareholders and other parties at the market receive accurate, immediate and simultaneous information on all circumstances that may affect the Company's share price. Trading on Spotlight takes place in an electronic trading system that is available to the banks and members connected to Spotlight. This means that anyone who wants to buy or sell shares or SDRs listed on Spotlight can use their usual bank or fund commissioners who are members of Spotlight. The listing agreement and share prices can be found on Spotlight's website www.spotlightstockmarket.com. Companies whose shares or SDRs are traded on Spotlight are not covered by all legal rules that apply to companies listed on a regulated market. Spotlight has, through its regulations, implemented most of these regulations.

Exemption from prospectus obligation

The Company's offering is not subject to prospectus requirements and this document has not been reviewed and approved by the Swedish Financial Supervisory Authority. The document has been reviewed and approved by Spotlight. The approval is not a guarantee from Spotlight that the factual content in the Memorandum is correct or complete.

Statements regarding the future

Statements in this document regarding the world at large and future expectations reflect current views of the Company with respect to future events and financial developments. Forward-looking statements express only the assessments and assumptions that have been made by the Company at the date of issue of the Memorandum. These statements are thoroughly established, but the reader should be aware that, as for all future assessments, these are associated with uncertainty.

References and source referencing

The Company will ensure that information from references and source references has been correctly reproduced and that, to the extent that the Company is aware and can ensure through comparison with other information published by the party concerned – no information has been omitted in a manner that would render the reproduced information incorrect or misleading.

Advisors

Eminova Partners is acting as financial advisor and Advokatfirman Schjødt is acting as legal advisor to the Company as to Swedish law and McCarthy Tétrault LLP as legal advisor to the Company as to Canadian law in connection with the Offering. Eminova Partners, Advokatfirman Schjødt and McCarthy Tétrault LLP have assisted the Company in the preparation of the Memorandum. As all information in the Memorandum regarding Zenith originates from the Company, Eminova Partners, Advokatfirman Schjødt and McCarthy Tétrault LLP disclaim all liability in relation to existing or prospective shareholders in Zenith and in relation to any other direct or indirect financial consequences resulting from investment or other decisions based in whole or in part on information in the Memorandum. Eminova Fondkommission is the issue agent in connection with the Offering.

Auditor review

Except for what is stated in the audit report and reports incorporated through reference, none of the information in the Memorandum has been reviewed by the auditor of the Company.

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COMPANY INFORMATION

Company name: Zenith Energy Ltd

Trading ticker symbol at Spotlight: ZENA SDR

Residence: Canada

Organizational number: BC0803216

Date of company formation: September 20, 2007

Date of when the Company started its operations: September 20, 2007

Country: Canada (British Columbia)

Legal form: Public limited liability company

Legislation: Business Corporations Act (British Columbia, Canada)

Company communication: English

Phone: +1 (587) 315-1279

Website: www.zenithenergy.ca

LEI code: 213800AYTYOYD61S4569

CFI code: EDSXDR

FISN code: ZENITHENER/SDR

ISIN code: SE0025938210

Other trading venues: Main Market of London Stock Exchange (ticker ZEN) and Euronext Growth of the Oslo Stock Exchange (ticker ZENA).

FINANCIAL CALENDAR

Current financial year: 2025-04-01 – 2026-03-31

Unaudited half-year report 2025, for the six months ended September 30, 2025: 2025-11-30

Unaudited preliminary year-end report 2026, for the year ended March 31, 2026: 2026-05-31: 2026-05-31

Audited annual report 2026, for the year ended March 31, 2026: 2026-07-31

Annual General Meeting: 2026-12-15

DEFINITIONS

AAOG Congo: Anglo African Oil & Gas Congo S.A.S.

b: Billions

bbl(s): Barrel(s)

bbl(s)/d or b/d: Barrel(s) per day

BCBA: Business Corporations Act (British Columbia)

Board of Directors: Board of directors of the Company

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 Dollars

CNAOG ICC Arbitration: The second arbitration that was initiated also in the ICC, against the Republic of Tunisia.

Company: Zenith Energy Ltd.

Conversion Price: The investor shall have the right to convert the outstanding principal and accrued interest into fully paid and freely transferable common shares of the Company listed on the Oslo Stock Exchange at a price equal to the 30-day volume-weighted average price (VWAP) immediately prior to the date of notifying a conversion notice, less 11%

CDS: Canadian Depository for Securities

Custodian Agreement: A custodian agreement that Zenith has entered with DNB Bank ASA

Deed Poll: The deed poll executed by Computershare on or about the date of the Depository Agreement

Depository: Computershare Investor Services PLC

Depository Agreement: A depository agreement dated 3 January 2017 between the Issuer and Computershare Investor Services PLC

Depository Receipts: Swedish Depository Receipts

DNB: DNB Bank ASA, Sweden Branch

Eminova Partners: Eminova Partners Corporate Finance AB

ETAP: Entreprise Tunisienne d'Activités Pétrolières (the national oil company of Tunisia)

EU: European Union

EUR: European Union currency, Euro

Euroclear Sweden: Euroclear Sweden AB

Exchange: Any stock exchange on which the common shares are listed

Exchange Policies: The policies of any stock exchange

Floor Price: In no event shall the Conversion Price be less than 1.20 NOK per common share

Grace Period: A period of three months from the date of the drawdown where no Conversion may be requested by the investor

Group: Zenith together with its subsidiaries

ICC: International Chamber of Commerce

ICC Arbitration I: The first arbitration against ETAP and in the ICC

ICSID: Institute for the International Centre for Settlement of Investment Disputes

ICSID Arbitration: The third arbitration that was initiated against the Republic of Tunisia in the Institute for the International Centre for Settlement of Investment Disputes

IEA: International Energy Agency

Inc.: Incorporated

ISIN: International Securities Identification Number

Issuer: Zenith Energy Ltd.

LEI: Legal entity identifier

LTD / Ltd.: Private Limited Company

m: Millions

Memorandum: The present Memorandum

MMscf: Million standard cubic feet, common measure for volume of gas

MMscf/d: Million standard cubic feet, common measure for volume of gas per day

MTF: Multilateral Trading Facility

MW: Megawatt

MWp: Megawatt peak

no.: Number

Offer / Offering: The offer to the general public in Sweden and to institutional investors in Sweden and internationally to purchase Swedish Depositary Receipts

Olympia: Olympia Trust Company

OPEC: Organization of Petroleum Exporting Countries

OPEC+: OPEC members subject to OPEC+ agreements plus Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan, and Sudan

Option Period: The date of expiry of the period determined by the Board of Directors during which the Optionholders may exercise the option

Optionholders: Those directors, officers, employees, consultants or other personnel of the Corporation or its subsidiaries who are granted options pursuant to the Stock Option Plan

Payment Date: A date set by DNB for payment of dividend to the SDR Holders

PLC: Public limited company

Q: Quarter year

Record Date: A date determined by DNB to be applied by DNB and Zenith for determining which SDR Holders relative to DNB are entitled to (i) receive cash dividends, rights or other assets distributed by the Company to its shareholders, (ii) vote at general meetings of shareholders, (iii) receive common shares in connection with bonus issues and stock dividends, (iv) receive common shares, warrants, convertible debentures, debentures or other rights or securities in connection with offerings, and (v) indirectly exercise the rights that normally accrue to the benefit of the shareholders in Zenith

Registrar: Computershare Trust Company of Canada

Registrar Agreement: A transfer agency and registrarship agreement (the "Registrar Agreement") entered into by the Issuer with Olympia Trust Company on 5 March 2008

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

SEK: Swedish Krona

SDRs: Swedish Depositary Receipts

SDR General Terms and Conditions: The SDR General Terms and Conditions for Swedish Depositary Receipts in Zenith

SDR Holder: An owner of SDR or such owner's nominee

SFSA: Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*)

SNPC: Société Nationale des Pétroles du Congo

SMP: Société de Maintenance Pétrolière

Spotlight: Spotlight Stock Market

Stock Option Plan: The Company's stock option plan

t: Thousands

U.S. or United States: The United States of America

UAE: United Arab Emirates

UK: United Kingdom of Great Britain

USD: United States Dollars

VAT: Value added tax

VPC Register: The central securities depository and settlement register maintained by Euroclear Sweden

VPC Rules: The Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. lag (SFS 1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument) and Euroclear Sweden Rules for Issuers and Issuer Agents

Zenith: Zenith Energy Ltd.

THE OFFER IN BRIEF

For complete terms and conditions, please refer to "Terms and conditions" in this Memorandum.

SUBSCRIPTION PRICE

SEK 0.45 per SDR.

ISSUE VOLUME

The Offering comprises a maximum of 55,555,556 SDRs representing 55,555,556 new shares, equivalent to approximately SEK 25 million before issue costs of approximately SEK 1.7 million.

NUMBER OF SHARES BEFORE THE ISSUE

503 985 620 shares.

VALUATION (PRE-MONEY)

Approximately SEK 226.8 million.

SUBSCRIPTION PERIOD

September 9 – September 23, 2025.

ANNOUNCEMENT OF THE OUTCOME OF THE OFFERING

The announcement is expected to take place around September 24, 2025.

SETTLEMENT DATE

September 30, 2025.

EXPECTED FIRST DAY OF TRADING

The trading in Zenith's SDRs on Spotlight is expected to commence on October 10, 2025.

MINIMUM SUBSCRIPTION ENTRY

The minimum subscription entry is 4,500 SDRs, corresponding to SEK 2,025. However, any number of additional SDRs may be applied for.

DILUTION

The issue of SDRs implies a dilution of approximately 9.9 percent for existing shareholders, at full subscription in the Offering.

INVITATION TO SUBSCRIBE FOR DEPOSITORY RECEIPTS IN ZENITH

THE BOARD'S RESOLUTION ON THE OFFERING

To further broaden the shareholder base in connection with the planned listing on Spotlight, the Board of Directors of the Company has resolved to carry out the Offering to the general public in Sweden and to institutional investors in Sweden and internationally.

INVITATION

Investors are hereby invited, in accordance with the terms and conditions set out in this Memorandum, to subscribe for SDRs in Zenith at a subscription price of SEK 0.45 per SDR.

ISSUE VOLUME AND ISSUE COSTS

The Offering comprises a maximum of 55,555,556 SDRs, representing 55,555,556 new shares in Zenith, equivalent to approximately SEK 25 million before issue costs of approximately SEK 1.7 million. If the Offering is fully subscribed, the share capital will increase by approximately CAD 3,412,510 from CAD 87,490,000 to approximately CAD 90,902,510 and the number of represented shares will increase by 55,555,556 shares from 503,985,620 shares to 559,541,176 shares, resulting in a dilution of approximately 9.9 percent.¹ The Offering is carried out without preferential right for existing shareholders.

LISTING ON SPOTLIGHT

Zenith has applied for listing of SDRs on Spotlight, which is expected to enhance liquidity through trading for both existing and new shareholders in Sweden and abroad. Provided that the Offering proceeds as planned and customary conditions are met, the first day of trading in Zenith's SDRs on Spotlight is expected to take place on October 10, 2025.

LIABILITY

The Company is responsible for this Memorandum and the Board of Directors and management of the Company has taken all reasonable measures to ensure that the information provided is accurate, complete, and that nothing has been omitted that could affect the assessment of the Company.

September 8, 2025

Zenith Energy Ltd

The Board of Directors

¹ All values relating to the share capital increase in CAD are preliminary and based on the CAD/SEK exchange rate of SEK 6.81683 as published by the Riksbank on September 5 2025.

BACKGROUND AND MOTIVE

RATIONALE

Zenith is focused on near-term cash flow and long-term scalable growth across natural gas and solar energy. The Company operates gas-to-power and royalty-based production assets in Italy and the United States, generating stable revenue with low operational risk.

A core strategic priority is the expansion of the Company's solar energy portfolio in Italy through its wholly owned subsidiary WESOLAR S.R.L., where supportive regulation and high electricity prices enable attractive project economics. At the same time, Zenith is developing selected low-capex gas concessions in Italy, including Masseria Grottavecchia and Torrente Cigno.

Zenith is also engaged in international arbitration proceedings against the Republic of Tunisia regarding its energy production portfolio in Tunisia. While the timing and outcome of the arbitration proceedings remains uncertain, a favourable award could represent a material financial upside and provide additional capacity for growth investments.

Through the Offering and the subsequent listing on Spotlight, Zenith aims to strengthen its presence in the Swedish market. Sweden offers a dynamic and growing base of engaged retail investors, where the Company is already visible. The listing is expected to increase awareness, broaden the shareholder base, and support Zenith's continued growth - both in terms of operations and investor engagement.

USE OF FUNDS FROM THE OFFERING

Proceeds from the Offering will primarily be used to support the execution and acceleration of the Company's strategic initiatives, including:

- Development and expansion of solar energy projects in Italy, such as the Ligurian project, the Puglia project and the Piedmont acquisitions.
- Strengthening working capital and supporting potential acquisitions or project scale-up.

FUTURE CAPITAL NEED

At the time of this Memorandum, the Company assesses that it has sufficient working capital to cover its current operations and planned activities for a period of at least twelve months, provided that financing is achieved through a combination of existing cash reserves, anticipated revenues from ongoing business activities, and potential sources of funding including asset disposals, debt financing within the ordinary course of business, proceeds from favorable arbitration outcomes, or additional capital raisings.

The proceeds from the Offering are intended to accelerate Zenith's ongoing expansion within natural gas production and renewable energy. While no immediate capital shortfall is identified, the Company may seek additional financing in connection with future growth opportunities, such as acquisitions, development of new assets, or geographic expansion.

LETTER FROM THE CEO ANDREA CATTANEO

Zenith's development strategy is defined by its focus on acquiring cash-generating assets, with a recent evolution towards renewable energy production assets, specifically solar, in secure jurisdictions such as Italy. With established operations in Italy, Tunisia, and the United States, our model is built on revenue-generating assets and disciplined expansion, with a particular emphasis on natural gas, solar energy, and other critical energy sources.

We are now entering a phase where the foundations laid in previous years are beginning to deliver results. In Italy, we are advancing the development of selected low-capex gas concessions while expanding our solar footprint through WESOLAR S.R.L., a subsidiary established to capitalize on the strong regulatory and economic conditions supporting renewable energy in the region. The Ligurian project, along with the Lazio and Piedmont acquisitions, exemplifies our strategy to scale this segment with discipline and a focus on long-term value creation.

In Tunisia, we are engaged in international arbitration proceedings against the Republic of Tunisia relating to our production portfolio. While outcomes in such processes are inherently uncertain, we believe our position is strong, as demonstrated by the favourable result in ICC-1, our first international arbitration. A positive resolution could provide substantial financial upside, strengthening our balance sheet.

With the planned listing and Offering, Zenith is positioning itself for the next phase of growth. Our ambition is to continue building a portfolio of high-quality energy production assets with a clear commitment to cash flow, capital discipline, and shareholder value creation.

We look forward to pursuing this journey alongside a broader shareholder base, with an increased presence in the Swedish market.

Stockholm September 8, 2025

Andrea Cattaneo

CEO, Zenith Energy Ltd

TERMS AND CONDITIONS

THE OFFERING

On September 8, 2025, the Board of Directors of the Company decided on to carry out an issue of SDRs in connection with the planned listing on Spotlight. Existing shareholders, the public in Sweden and professional investors in Sweden and abroad are hereby invited to subscribe for SDRs in the Company. The issue is conducted without preferential right for existing shareholders.

The Offering comprises a maximum of 55,555,556 SDRs, representing 55,555,556 new shares in Zenith, at the subscription price of SEK 0.45 per SDR, corresponding to issue proceeds of up to approximately SEK 25 million before issue costs. The issue costs for the Offering are estimated to approximately SEK 1.7 million. The subscription period commences on September 9, 2025 and ends on September 23, 2025. Through the Offering, the Company's share capital may increase by a maximum of approximately CAD 3,412,510 and the number of represented shares by a maximum of 55,555,556.²

SUBSCRIPTION PRICE

The subscription price is SEK 0.45 per SDR. No brokerage fee will be charged.

PRICING OF THE DEPOSITORY RECEIPTS

The Company's Board of Directors has, with assistance from the financial advisor Eminova Partners, determined the pricing of the SDRs in the Offering based on an assessment of Zenith's current operations, its future potential, and investments made in the Company so far. Further, in determining the Company's valuation, the current market price of Zenith's shares has been taken into account. In addition, the Board of Directors of the Company has considered that the valuation should be perceived as attractive to new shareholders. Accordingly, the pre-money valuation of approximately SEK 226.8 million is considered market-based.

MINIMUM SUBSCRIPTION ENTRY

The minimum subscription entry is 4,500 SDRs, corresponding to SEK 2,025. However, any number of additional SDRs may be applied for.

SUBSCRIPTION PERIOD

The subscription period commences on September 9, 2025 and is ongoing until September 23, 2025. The Board of Directors of the Company reserves the right to extend the subscription period. Any extension of the subscription period shall be resolved before the end of the subscription period and be made public through a press release.

VALUATION

The Company's pre-money valuation amounts to approximately SEK 226.8 million.

APPLICATION FOR SUBSCRIPTION OF DEPOSITORY RECEIPTS

Subscription of SDRs is done by filling out and signing the subscription form and must be Eminova Fondkommission at hand no later than 15:00 CEST on September 23, 2025. Subscription can also be carried through electronically via BankID on Eminova Fondkommission's website (www.eminova.se). Subscription forms sent by post ought to be sent well before the last day of the subscription period. Please note that a placed subscription is binding.

If the subscription form is missing, a new subscription form can be requested free of charge from the Company or from Eminova Fondkommission.

Subscription forms are also available for download on the Company's website (www.zenithenergy.ca) and Eminova Fondkommission's website (www.eminova.se). Incomplete or incorrectly completed subscription forms may be left without action. Only one subscription form per subscriber will be considered. In the event that more than one subscription form is submitted, only the first one received will be considered. An application to subscribe for SDRs is binding and irrevocable. No cost is imposed on investors who participate in this Offering.

Completed subscription forms should be sent to Eminova Fondkommission to the address stated below.

EMINOVA FONDKOMMISSION AB

Errand: Zenith Energy Ltd

Address: Biblioteksgatan 3, 3rd floor, 111 46 Stockholm

Phone: +46(0)8-684 211 00

Website: www.eminova.se

E-mail: info@eminova.se (scanned subscription form)

Clients of nominees with custody accounts can subscribe for SDRs in the Offering directly over the web. Further information can be obtained at your nominee's website.

Please note that the subscription is binding.

Applicants who apply for the subscription of SDRs must have a VP account or a securities account with a bank or other nominee to whom the delivery of SDRs can take place. Applicants who do not have a VP account or securities account must open such account with Euroclear or with a bank or nominee before submitting the subscription form to Eminova Fondkommission. Note that this may take some time.

Note that anyone who has a custody account or account with specific rules for securities transactions, such as an investment savings account (ISK) or equity insurance account (KF), must check with the bank/nominee if and how the subscription of securities within the frame of the Offering is possible. The

² All values relating to the share capital increase in CAD are preliminary and based on the CAD/SEK exchange rate of SEK 6.81683 as published by the Riksbank on September 5 2025.

application must be made in agreement with the bank/nominee responsible for the account.

If the application amounts to, or exceeds, EUR 15,000, a KYC form shall be completed and sent to Eminova Fondkommission along with a certified copy of a valid ID in accordance with the Swedish Companies Act (2017:630) on measures against money laundering and terrorist financing. If the subscription is for a legal entity, in addition to KYC and ID, a valid registration certificate (not older than three months) showing authorized signatories must also accompany the subscription form. Please note that Eminova Fondkommission cannot issue a transaction note or distribute any securities until the KYC form has been received.

APPLICATION FOR SUBSCRIPTION OF DEPOSITORY RECEIPTS VIA NOMINEES WITH CUSTODY ACCOUNTS

If applicable, clients of nominees with custody accounts can subscribe for SDRs in the Offering through their nominee's webservices until 23:59 CEST on September 22, 2025. To ensure not to lose any right to allocation, clients of nominees with custody accounts must have sufficient funds available in their account from 23:59 CEST on September 22, 2025, up until and including the settlement date, which is expected to occur on September 30, 2025. More information about the subscription procedure via your nominee is, if applicable, available at your nominee's website.

ALLOCATION PRINCIPLE

Allocation of SDRs will be decided by the Company's Board of Directors. The purpose is primarily to achieve the necessary number of shareholders among the public to enable regular and liquid trading of the Company's SDRs. Allocation is not dependent on when the subscription is submitted during the subscription period. In the event of oversubscription, the allotment may be withheld or made with a smaller number of SDRs than what was specified in the subscription form. Allocation may partly or entirely be made through random selection. The Company has not established an indicative minimum level for individual allocation, either for professional or non-professional investors. Subscriptions for SDRs from business contacts, employees, and other Zenith-related parties as well as subscriptions from Eminova Fondkommission and nominees may be given special consideration by the Board of Directors. In such a case, allocation takes place in accordance with the rules of the Swedish Securities Markets Association. There is no upper limit regarding how many SDRs an individual applicant can subscribe for within the frame of the Offering.

NOTICE OF ALLOCATION AND PAYMENT VIA EMINOVA FONDKOMMISSION

Notice of allocation is sent by Eminova Fondkommission to the address indicated on the subscription form. Payment must be made according to instructions from Eminova Fondkommission after notification of allocation. Full payment for allocated SDRs must be made no later than three (3) bank days after the issuance of the transaction note. If payment is not made in time, SDRs may be assigned to someone else. Compensation can be demanded from those who have not paid for subscribed SDRs.

NOTICE OF ALLOCATION AND PAYMENT VIA CUSTODY ACCOUNTS

Those subscribing via nominees' web services will receive notification of allocation in accordance with the nominees' routines, prior to the expected first day of trading.

DELIVERY OF DEPOSITORY RECEIPTS

After payment for allocated SDRs has been made, the securities will be delivered to the VP account or securities account at the bank or other nominee specified on the subscription form. In connection with this, the subscriber receives a VP notice with confirmation that the entry of securities has taken place in the VP account. Holders who have their holdings registered in a securities account with a bank or other nominee receive information from the respective nominee. Notification of receipt of SDRs for clients of nominees with custody accounts takes place according to the respective bank's routines. Further information can be obtained at your nominee's website.

Incorrect or incomplete information in the subscription form, processing delays at the Swedish Companies Registration Office (Sw. Bolagsverket), late payments from investors, procedures at the custodian bank or depository institution, or other factors beyond Eminova's control may delay the delivery of SDRs to the investor's VP-account or depository account. Eminova shall not be liable for any losses or other consequences an investor may incur as a result of the timing of SDR delivery.

ADMISSION TO TRADING

The Company has applied for admission to trading of the Company's SDRs on Spotlight. The Company has received conditional approval for admission to trading on Spotlight. The approval is conditional on the requirement regarding the number of shareholders for the Company's SDRs being met. The first trading day is expected to take place on October 10, 2025. The Company's SDRs will be traded in SEK under the trading ticker symbol ZENA SDR and with ISIN code SE0025938210.

ANNOUNCEMENT OF THE OUTCOME OF THE OFFERING

The Company will announce the outcome of the Offering as soon as possible after the subscription period has ended. The announcement is expected to take place on September 24, 2025. The announcement will be made through a press release and be available on the Company's website.

DILUTION

If the Offering is fully subscribed, the represented number of outstanding shares will increase by 55,555,556 newly issued shares from 503,985,620 to 559,541,176, resulting in a dilution of approximately 9.9 percent.

APPLICABLE LAW

The SDRs are governed by the laws of Sweden.

DIVIDEND

An owner of SDR or such owner's nominee (the "**SDR Holder**") will have the right to receive dividend as of the relevant record date following the listing of the SDRs. Any proposed dividend distribution would be resolved

by the general meeting of shareholders. The payment of dividend, if any, would be managed by Euroclear Sweden or, for custodian-registered holdings, in accordance with the respective custodian's procedures. The right to receive dividend is granted to the person who is registered as a shareholder of SDRs in the by Euroclear Sweden's held registry on the applicable record date. For further information in regard to dividend payment for SDR Holders please refer to the General Terms and Conditions for Swedish Depository Receipts ("**SDR General Terms and Conditions**").

SHAREHOLDER REGISTER

The Company has its register for SDRs with Euroclear. The Company's register over SDRs with information about SDR Holders (as defined below) is handled and accounted for by Euroclear with address Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden.

SHAREHOLDERS' RIGHTS

The common shares

Holders of common shares have voting rights at shareholder meetings with one vote per common share, subject to dividend distributions as determined by the Company's directors, and participate pro rata in liquidation proceeds. These rights are governed by the Company's Articles of Association and applicable Canadian corporate law under the Business Corporations Act (British Columbia) ("**BCBCA**"). The Company's directors may declare dividends from time to time, and holders of common shares are entitled to receive such dividends according to their shareholdings, subject to any preferential rights of other share classes.

The SDRs

The issuer of the SDRs is DNB Bank ASA, Sweden Branch ("**DNB**"). Zenith has entered into a custodian agreement with DNB pursuant to which DNB will hold common shares in the Company as custodian and issue one (1) SDR for each deposited common share in accordance with the SDR General Terms and Conditions. Common shares are deposited on behalf of an SDR Holder in a custody account held by and in the name of DNB.

The SDRs in Zenith shall be registered in the central securities depository and settlement register maintained by Euroclear Sweden in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw: *lag (SFS 1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) and Euroclear Sweden Rules for Issuers and Issuer Agents.

An SDR Holder will not have equivalent rights as shareholders of common shares in Zenith in all respects. As DNB will be the shareholder of record for the common shares represented by the SDRs, the formal shareholder rights will rest with DNB. The SDR Holders' rights will derive from the SDR General Terms and Conditions and applicable rules and regulations. DNB and Zenith shall continuously establish arrangements as can be reasonably expected, practically possible and in accordance with applicable laws, regulations, VPC Rules and market practice, such that the SDR Holders may have the opportunity to

indirectly exercise shareholder rights with respect to Zenith.

RESTRICTIONS REGARDING PARTICIPATION IN THE OFFERING

The Offering will not be directed to persons who are residents of United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore, South Korea, Russia, Belarus or any jurisdiction in which such offering would be unlawful or where such offering would require further prospectuses, registration, or other measures.

TERMS FOR COMPLETION OF THE OFFERING

The Offering is conditional on no circumstances arising that could mean that the timing for carrying out the Offering is deemed inappropriate and that the ownership requirements are not achieved. Such circumstances may, for example, be of an economic, financial, or political nature, and refer to circumstances in Sweden as well as abroad. The Offering may also be withdrawn if the Company cannot meet Spotlight's requirement regarding a sufficient number of shareholders. If the Offering is withdrawn, this will be published as soon as possible through a press release no later than before transaction notes are sent out, which is expected to take place on September 25, 2025. The Company cannot withdraw the Offering after the trading of the SDRs has begun.

FINANCIAL ADVISER, LEGAL ADVISER AND ISSUING AGENT

Eminova Partners acts as financial adviser, Advokatfirman Schjødt as legal adviser as to Swedish law and McCarthy Tétrault LLP as legal adviser as to Canadian law, Eminova Fondkommission acts as issue agent in connection with the Offering.

OTHER INFORMATION

In the event that an applicant for SDRs pays an incorrect amount, whether by overpayment or by late payment, Eminova will not refund any amount under SEK 10, and the applicant thereby forfeits any claim to such amount. For amounts of SEK 10 or more, the applicant may request repayment of the excess to the account from which the payment was made by providing documentation evidencing the amount paid, the account credited, the date of payment, and the originating account and account holder. Repayment will only be made to the original remitting account and will not be transferred to any other account. Claims for refund of amounts between SEK 10 and SEK 100 may be submitted for up to one year from the date of payment, and claims for refund of amounts exceeding SEK 100 may be submitted for up to ten years from the date of payment. After the applicable claim period has expired, any unclaimed amounts will be derecognised.

For further information regarding the reasons and the period during which the Company may withdraw the Offering, please refer to the section *Terms for Completion of the Offering*.

No party has undertaken, whether by subscription commitment or otherwise, to subscribe for more than five (5) percent of the Offering.

BUSINESS OVERVIEW

GENERAL INFORMATION ABOUT THE COMPANY

The Company's legal and commercial name is Zenith Energy Ltd. with the corporate organizational number BC0803216. The LEI code of the Company 213800AYTYOYD61S4569. The Company is domiciled in British Columbia, Canada, and was incorporated and registered as "Canoel International Energy Ltd." under the BCBCA on 20 September 2007 and changed its name to "Zenith Energy Ltd." on 2 October 2014. Zenith is a public company listed on the Main Market of the London Stock Exchange under the ticker "ZEN", and with its entire common share capital admitted to trading on the Euronext Growth of the Oslo Stock Exchange under the ticker "ZENA".

The Company is the holding company of the Group which engages in 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 Memorandum, Zenith has active operations in Italy and the United States, where the Company holds non-operated interests in producing oil wells, legacy assets with suspended field activities in Tunisia, and a corporate presence in Canada. The articles of association of the Company contain no restrictions on the Company's principal objects or the type of business that may be carried out by the Company.

INTRODUCTION TO THE COMPANY

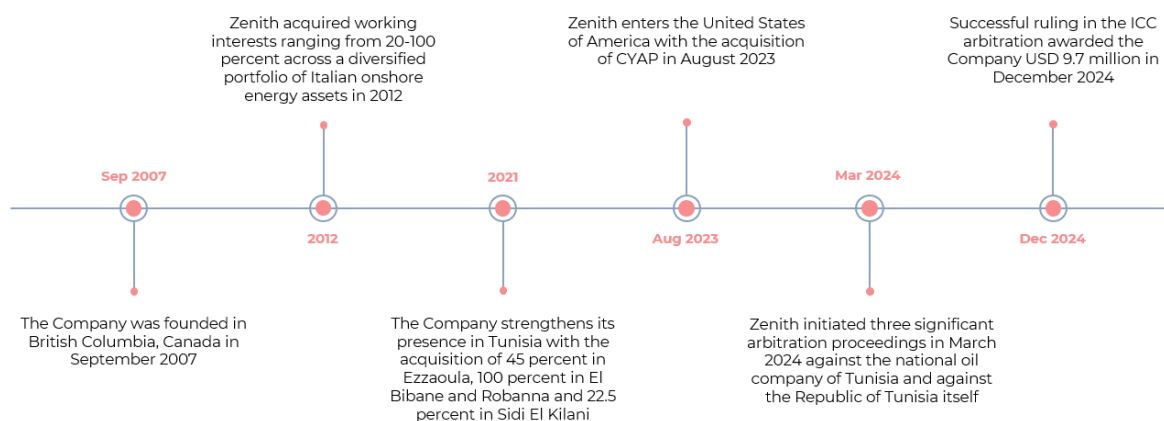
Zenith is an international energy production and development company, founded in 2007 and headquartered in Canada. The Company has a history of acquisitions within the energy production sector and is focused on building a balanced portfolio of oil, natural gas, and electricity production and development assets. Led by an experienced management team, Zenith has repeatedly demonstrated the ability to operate in jurisdictions known for regulatory complexity and bureaucratic challenges. Despite these conditions, the Company has maintained consistent production over the years.

The Company has a portfolio of producing and non-producing gas assets in Italy and Tunisia. In August 2023, Zenith entered the markets of the United States with the acquisition of Cyber Apps World Inc. ("CYAP") (now Leopard Energy, Inc.), an OTC listed company. In addition to these markets, Zenith is currently evaluating potential oil production opportunities in Argentina. Such initiatives can be financed through targeted capital raising activities with local and international investors, as the Company seeks to expand its footprint in high-potential jurisdictions.

Zenith's track record of acquisitions spans several high-risk and frontier markets. However, over time, the Company has made a deliberate shift toward more stable jurisdictions. This has included acquiring the entire operation in Italy of Mediterranean Oil & Gas (MEDOIL) PLC, a publicly listed company in London in 2012. Additionally, Zenith has transformed one of its many gas fields in Italy into a gas-to-power operation by purchasing electricity generators and thereby scaling up profitable electricity production in Italy. Furthermore, the Company has acquired solar assets in Italy with the ambition of acquiring more assets in the short term.

The Company is currently involved in two separate arbitrations against the Tunisian Government totalling approximately USD 633 million in claims, following a successful ruling in a third arbitration that awarded the Company USD 9.7 million, with interest accruing, in late December 2024 (for additional information regarding the process of obtaining funds, see the section *Arbitration against the Republic of Tunisia and/or ETAP*). Of the ongoing arbitrations, the first concerns contractual disputes and is brought under the International Chamber of Commerce (ICC) in Paris. These claims were dismissed by the Arbitral Tribunal in July 2025, and the Company will, without delay, seek annulment of the award before the Swiss Federal Supreme Court. Should the annulment succeed, a new arbitration will be initiated. The second arbitration is brought under the International Centre for Settlement of Investment Disputes (ICSID) in Washington and addresses broader claims of treaty violations. A favourable outcome in either case may result in significant financial compensation and improve the Company's liquidity position, potentially enabling further investment in strategic growth areas such as its renewable energy initiatives in Italy, as part of a broader effort to unlock value from its legacy portfolio.

Some historical milestones for the Company include:



STRATEGY

The strategy of the Company is to diversify its operations by engaging its own assets for the exploration as well as by finding and opening new exploration sites. Zenith aims to build a balanced and geographically diverse portfolio of energy production assets, with a focus on mature, underperforming projects with existing potential that can be reactivated or optimized to unlock value.

The Company emphasizes asset-level discipline and priorities jurisdictions that offer resource potential and operational viability. Zenith does this by utilizing its platform of experienced personnel, a highly incentivized Board of Directors and the use of its own equipment to reduce costs and project wait-times, while prioritizing licenses that still carry substantial remaining term. In addition, Zenith is actively pursuing legal recourse in Tunisia as part of a broader strategy to unlock value through the recovery of potential awards from ongoing arbitrations related to its legacy portfolio, following suspended operations in the region.

Additionally, in a strategic move that reflects a long-term vision, Zenith has formally entered the renewable energy space with the Company's first solar project acquisitions in Italy, the Ligurian Project, the Piedmont Acquisition and two ready-to-build projects in Lazio. Through its new subsidiary WESOLAR S.R.L., Zenith is successfully implementing its growth strategy by leveraging local expertise to establish a high-margin, recurring revenue base in the solar energy sector. The projects benefit from strong fundamentals including high solar irradiation, low operating costs, and owned land, which together support cash flow generation over time. Similar to the gas-to-electricity operations, the solar segment is well-positioned to benefit from favourable electricity prices in Italy. This expansion marks the beginning of Zenith's transformation into a more diversified energy company, balancing traditional oil and gas operations with a growing renewable portfolio, which initially targeted 20 MWp capacity by the close of 2025 but already totals 58.5 MWp as of the date of this Memorandum.

The Company ultimately aims to become a successful, revenue-generating mid-tier energy producer, focused on maximizing the full potential of its assets across all energy segments.

BUSINESS MODEL

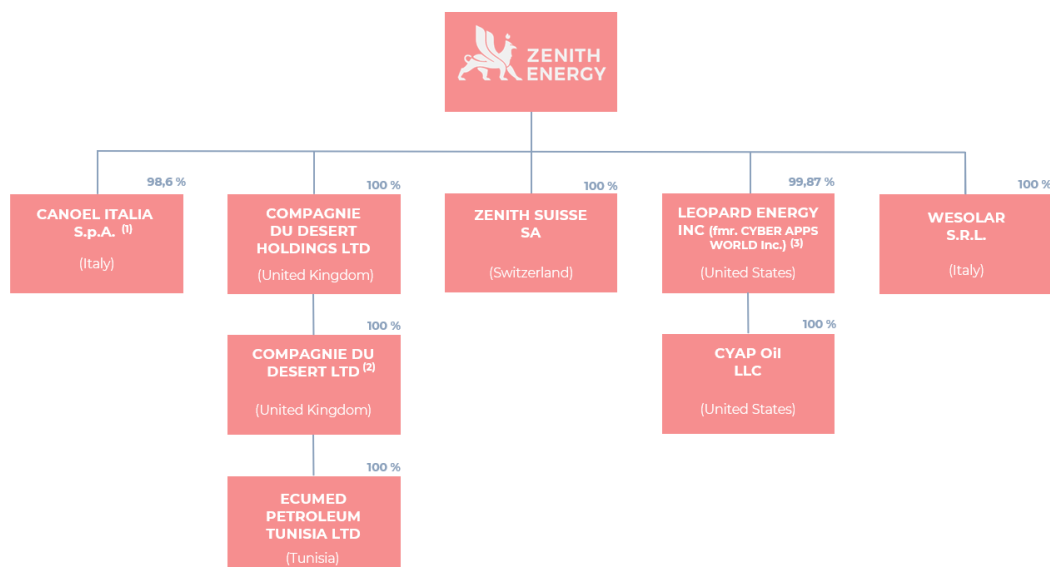
Zenith operates a production-focused business model centred on identifying, acquiring and optimizing existing energy assets. Rather than engaging in greenfield exploration, the Company targets existing, underperforming assets where technical improvements and capital investment can yield rapid results. Revenue is generated through the sale of crude oil, natural gas, and electricity.

A key differentiator in Zenith's business model is its ownership of critical equipment, such as its in-house drilling rig, capable of drilling to a depth of approximately 6,000 meters depending on well design, which enables the Company to manage project timelines and costs more effectively without relying on third-party contractors. Zenith also maintains a lean organizational structure and deploys internal teams for operations, enhancing efficiency and oversight.

Cash flows from producing assets are reinvested into further optimization and new, well-timed acquisitions. Where applicable, the Company also monetizes legal rights through arbitration to recover value from disputed assets. This integrated and capital-disciplined model is designed to deliver operational resilience and scalable growth.

ORGANISATIONAL STRUCTURE

Zenith, 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 Zenith. As of the publication of this Memorandum, the Group employs approximately 13 staff across its operations in Canada, Italy, and the United States, with a remaining interest in Tunisia due to ongoing legal matters. Below is an organization chart of the Group, that includes the main subsidiaries relevant for its operations (for a complete list of subsidiaries, please refer to the section *Financial Overview*):



Key operational subsidiaries

The Company's operations are conducted through the following key subsidiaries:

- **Canoel Italia S.p.A.** (Italy) – Operator of onshore gas concessions and electricity production, and owns the Company's BD-260 drilling rig.
- **Leopard Energy Inc.** (U.S.) – Listed holding company for U.S. oil royalty interests through which Zenith controls **CYAP Oil LLC** that holds producing royalty assets in Texas.
- **Compagnie Du Desert Holdings Ltd.** (United Kingdom) – Holding company that in turn controls Compagnie Du Desert Ltd. ("**CDD**") through which Zenith acquired Ecumed Petroleum Tunisia Ltd. ("**EPT**"), the entity holding the Robbana and El Bibane concessions.
- **WESOLAR S.R.L.** (Italy) – Holds solar energy projects.
- **Zenith Suisse SA** (Switzerland) – Conducts administrative services for the Company.

These subsidiaries enable geographic and operational diversification across fossil and renewable energy.

ASSETS

The following section provides an overview of the Company's tangible and intangible assets considered important for its current and future operations. These assets are essential to the Company's future production and valuation. The assets are described in detail in the following sections describing the Company's operations.

TANGIBLE ASSETS

Zenith holds a range of tangible assets critical to its production and development operations in oil and gas, including:

- A ZEN-260 drilling rig, acquired in 2024 for EUR 2.25 million, capable of drilling up to 5,000 meters.
- A gas-to-power generation facility at the Torrente Cigno concession in Italy, producing electricity sold to the grid.
- Production infrastructure across its active gas concessions in Italy, including wells, compressors, and metering stations.

These assets enable in-house project execution and reduce reliance on external contractors.

INTANGIBLE ASSETS

The Company also holds long-term licenses and concessions across Italy, Tunisia, and the United States, including:

- 9 Italian onshore concessions (6 operated, 3 non-operated), 3 of which are currently producing, with expirations ranging from 2027 to 2030.
- Photovoltaic operation in Italy, including Liguria Solar Asset: 0.5 MWp (Operational, currently producing at 0.2 MWp), Puglia Solar Asset: 3 MWp (Ready-to-Build), Solar Energy Development Project in Piedmont: 10 MWp (Development Stage), Agrivoltaic Development Projects in Lazio: 15 MWp (Development Stage) and Agrivoltaic Development Projects in Piedmont: 30 MWp (Development Stage).
- Royalty interests in producing oil wells in Texas (Lavaca County), held via the subsidiary Leopard Energy Inc.
- Joint venture and production sharing agreements with ETAP in Tunisia, valid through 2033 (El Bibane) and 2034 (Robbana).

OPERATIONS IN ITALY



The Company's operations in Italy are carried out by its subsidiary Canoe Italia S.p.A. In 2020, the Italian natural gas production amounted to 3.2 billion cubic metres.³ Zenith produces approximately 400,000 cubic metres of natural gas per year that is sold to third parties and not used onsite to produce electricity.

The Company holds various working interests in 13 onshore exploration and production properties in Italy. The Italian Ministry of Environment and Energy Security periodically reviews Canoe Italia S.p.A. and has confirmed that it meets the required standards to operate in Italy.

The Company'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 15,539 MMscf as of 31 March 2024 by engineers from APE Assistenza Produzione Energia, an Italian company with extensive experience in the maintenance and development of gas assets.

As an operator of gas production concessions and exploration permits, Zenith organizes all production and maintenance operations, assuming operational risks and paying related costs, reimbursed by partners according to their working interests. On non-operated concessions, another partner of the operational joint venture manages daily operations, with Zenith participating according to its working interest.

As of the date of this Memorandum, the Company's assets in Italy comprise:

Operated Onshore Gas Production Concessions

1. *Torrente Cigno (currently producing)*: The Company owns a 45 percent working interest in the Torrente Cigno gas concession covering approximately 2,545 acres. The Company owns a 100 percent working interest in an electrical generation facility which utilizes gas from wells in this concession. From 1 October 2015, the Company has used the gas produced to generate electricity which is sold directly to the national electrical grid in Italy. During the month of July 2024, the Company 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 development gas structure location in Torrente Cigno concession, which is expected to be drilled in 2027.

2. *Misano Adriatico (currently producing)*: The Company owns a 100 percent working interest in the Misano Adriatico gas concession covering approximately 642 acres. This concession is scheduled to expire in 2030.

3. *Masseria Grottavecchia (currently not producing)*: The Company owns a 20 percent working interest in the Masseria Grottavecchia gas concession covering approximately 13,160 acres. The Company is planning to make infrastructural investments in this concession in 2028, 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.

4. *San Teodoro (currently not producing)*: The Company owns a 100 percent working interest in the

³ bp. 2022. bp Statistical Review of World Energy 2022 71st edition

San Teodoro gas concession covering approximately 14,640 acres. The Company is planning to re-complete the existing well named San Teodoro 1 Dir A and has budgeted an amount of EUR 600,000, by the end of year 2026, 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.

5. Sant'Andrea (*currently not producing*): The Company owns a 50 percent working interest in the Sant'Andrea gas concession covering approximately 40,605 acres. The Company plans to reactivate one of the two wells drilled at this concession, with an expected initial production rate of 1,300 cubic metres of natural gas per day. Since the Company's partners in Sant'Andrea have communicated that they do not intend to fund the reactivation of the concession, as major companies are not interested in small-scale gas production, the Company will receive full entitlement to the production revenue as well as bearing the full costs associated with reactivation of the concession. The Company expects production to commence during the second quarter of 2026. Negotiations with Italian authorities for reconnection to the national pipeline are ongoing. This concession is scheduled to expire in 2027.

6. Masseria Petrilli (*currently not producing*): The Company owns a 50 percent 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 Company acted as the operator; the other partner of the joint venture was Gas Plus Italian S.r.l. ("Gas Plus"). In 2019, the joint venture decided to stop operations and return the concession. It is therefore not currently producing.

Non-operated Onshore Gas Production Concessions

1. San Mauro (*currently producing*): The Company owns an 18 percent working interest in the San Mauro gas concession covering approximately 6,257 acres. The Company cannot estimate for how long the San Mauro gas concession will carry on producing, but it intends to restart the production from this concession in order to produce all possible reserves and decrease the pressure of the structure, so as to be able to close the well using the so-called "coil tubing", which allows a 60% saving in abandonment costs. This concession is scheduled to expire in 2028.

2. Masseria Acquasalsa (*currently not producing*): The Company owns an 8.8 percent working interest in the Masseria Acquasalsa gas concession covering approximately 10,200 acres. The Masseria Acquasalsa gas concession was run through a joint venture.⁴ This concession is not producing anymore, because the joint venture decided in 2018 to return the concession and to stop operations.

3. Lucera (*currently not producing*): The Company owns a 13.6 percent working interest in the Lucera gas concession covering approximately 13,361 acres. This concession is currently not producing.

⁴ The Company holds an interest of 8.8 percent in the joint venture; Gas Plus holds an interest of 46.03 percent and acted

Renewable energy projects

Through the newly established subsidiary, WESOLAR S.R.L., Zenith is leveraging its local experience in Italy to build a recurring, high-margin revenue stream within the clean energy sector.

1. Liguria Solar Asset (*Operational*) (the "**Liguria Project**"): The production capacity of the operational Liguria solar project will be increased to 0.5 MW through the installation of latest generation photovoltaic technology. The Ligurian Acquisition has been acquired for a consideration of EUR 110,000. Gross annual revenue is currently in the amount of approximately EUR 30,000, with an expected payback time of approximately 4 years utilising existing infrastructure.

Planned infrastructural upgrades, including the installation of additional solar panels in the area, are expected to increase annual gross revenue to approximately EUR 100,000. Production costs are limited and confined to general maintenance.

2. Puglia Solar Asset (*Ready-to-Build*) (the "**Puglia Project**"): The Company has acquired a Ready-to-Build solar energy project located in the region of Puglia, with a projected peak power output of approximately 3 MWp.

The project spans a total land area of 3.5 hectares, acquired for a consideration of EUR 280,000. It is strategically situated adjacent to the A14 motorway and approximately 500 meters from a local industrial zone, offering logistical advantages for future operations.

The Puglia Acquisition is connected to a nearby E-distribuzione medium-voltage substation, enabling efficient integration into the local grid. Located in an area with strong solar irradiance, the project is expected to benefit from high energy productivity.

As a fully permitted, conventional solar energy site, not an Agrivoltaic installation, the project is categorised as "Ready-to-Build" and is therefore positioned for immediate commencement of construction.

3. Solar Energy Development Project in Piedmont (Development Stage): The Company has signed an agreement to acquire approximately 13.5 hectares of agricultural land in the region of Piedmont for a cash consideration of EUR 900,000.

The Piedmont Acquisition was originally categorised as "Agrivoltaic", meaning that agricultural and solar energy production activities are combined in a hybrid manner to co-exist and function simultaneously, optimising land use and supporting sustainable agricultural practices. Following recent regulatory changes in Italy, specifically the sentence of the Council of State number 6160/2025, the project has now been reclassified as a solar energy development project with an installed capacity of 10 MWp, replacing its previous classification as a 7 MWp agrivoltaic development project.

The reclassification is expected to materially improve the project's economics by simplifying its technical profile, shortening the completion timeline, and increasing potential electricity production and

as operator; Edison Italia S.r.l. holds the remaining 45.17 percent.

associated revenue generation. The Italian regulatory environment governing solar energy production has recently undergone important changes to better define and encourage the integration of renewable energy production with sustainable agricultural practices.⁵ It is the Company's assessment that Italy stands out as one of the leading countries worldwide in agrivoltaic technology and implementation.

Production activities are expected to commence within a year, during which time the necessary permits and installation of the photovoltaic energy production infrastructure will take place. The Piedmont Acquisition is conditional on the successful achievement of all the necessary local approvals and permits, as well as completion of due diligence by the Company. Installation and commissioning of the photovoltaic energy production infrastructure has been assessed as requiring an investment of approximately EUR 3.5 million, with the increase in installed capacity expected to further enhance project returns.

4. Agrivoltaic Development Projects in Lazio (*Development Stage*): The Company has acquired two development-stage Agrivoltaic solar energy projects located in the region of Lazio, with a combined peak power output of 15 MWp (10 MWp + 5 MWp).

The consideration for the first acquisition is EUR 1.3 million, which includes the purchase of the land hosting the project, and will be payable conditional to the achievement of all the necessary permits for it to gain "Ready-to-Build" status. The Company expects the first Lazio acquisition will achieve this status within the next 12 months.

In addition, the Company has completed the acquisition of an additional 10 hectares of farmland in Lazio for the development of a 5 MWp Agrivoltaic solar energy project. The total consideration amounts to EUR 650,000, including the purchase of the land hosting the project, and will be payable conditional upon the successful conclusion of the permitting process and the start of construction.

The Lazio acquisitions together strengthen the Company's presence in one of Italy's most strategically important regions for solar energy, while also

complementing its established development pipeline in Piedmont.

5. Agrivoltaic Development Projects in Piedmont (*Development Stage*): In August 2025, the Company announced its largest solar energy acquisition to date, acquiring an additional five development-stage agrivoltaic solar energy production projects in the region of Piedmont, with a combined installed capacity of approximately 30 MWp.

Each project is planned to utilise single-axis tracker systems on agricultural land. All projects are expected to achieve "Ready-to-Build" status within 12–16 months.

The total consideration for the Acquisitions is EUR 3.1 million, including the purchase of the land hosting the projects, payable conditional on the achievement of the necessary permits.

Renewable energy portfolio in Italy and output

As Zenith gains further exposure by acquiring solar assets, the Company is positioned to further capitalize on the energy situation in Italy - partly by realizing high electricity prices and partly through governmental subsidies, expected to increase in the future. The current portfolio totals capacity of 58.5 MWp per the date of the Memorandum.

As part of the Company's expansion, Group Amira S.p.A., an independent consultancy firm, has prepared an external study assessing the revenue potential of a 55 MWp solar energy portfolio in Italy. The assessment was based on assumptions regarding regional allocation of capacity and long-term market price data. According to the study, such a portfolio, once fully operational, was assessed as having an annual revenue potential in the range of approximately EUR 8–9 million during the period 2026–2031.

Royalties and taxes in Italy

In Italy, for onshore permits, the state royalty for both oil and gas is a maximum of 10 percent, 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).⁶ In Italy, the corporate tax is a maximum of 28 percent and there are no restrictions on repatriation of profits.⁷

⁵ <https://www.gse.it/servizi-per-te/attuazione-misure-pnrr/sviluppo-agrivoltaico>

⁶ Art.19 of Italian Legislative Decree 25 November 1996, n. 625.

⁷ Decree of the President of the Republic n. 917/1986.

OPERATIONS IN THE UNITED STATES



The Company's operations in the United States are conducted through its subsidiary Leopard Energy Inc. (formerly CYAP), a company listed on the Pink Open Market segment of the U.S. OTC Markets under the ticker LEEN, which is 99.87 percent owned by Zenith. In early 2024, Leopard Energy established its fully owned subsidiary, CYAP Oil, LLC, as an operational vehicle to facilitate quality-assured investments in the U.S. oil and gas market.

Through CYAP Oil, LLC, Zenith currently holds royalty interests in producing wells located within the Eagle Ford Shale formation in Lavaca County, Texas. The Eagle Ford Shale is one of the most productive shale plays in the United States, characterized by high-quality reservoirs, established infrastructure, and a stable regulatory environment. Zenith's participation in these assets is structured as royalty interests, meaning that all operational, maintenance, and regulatory expenses are borne by the operator, thus providing Zenith with a direct, cost-free revenue stream.

Non-operated interests in producing oil wells

Lavaca County, Eagle Ford Shale (*currently producing*): Zenith holds a 5 percent royalty interest in a portfolio comprising seven producing wells within Lavaca County, Texas, covering acreage within the prolific Eagle Ford Shale formation. These royalty interests yield approximately 10 barrels of oil per day net to Zenith, generating estimated annual revenues of around USD 220,000 at prevailing oil prices. This revenue represents pure cash flow, as Zenith incurs no

direct operational expenses associated with production. The royalty arrangement ensures predictable and stable cash generation, insulating Zenith from cost variability inherent to direct oil and gas operations. Furthermore, this interest provides the Company with a scalable platform, offering strategic flexibility to rapidly expand its presence and revenue base within the U.S. market through targeted acquisitions of additional royalty interests.

Strategic growth potential in the U.S. market

U.S. operations currently account for approximately 1 percent of the Group's total revenue, yet the existing corporate infrastructure and royalty-based model provides a strategic platform and scalable foundation for future growth and expansion in North America. Zenith maintains active evaluations of additional royalty interests and complementary assets to leverage favourable market conditions and enhance cash flows, without assuming operational risks typically associated with direct exploration and production activities. The Company views its U.S. operations as an important strategic component within its geographically diversified portfolio, providing both a stable income stream and significant potential for scalable growth.

Given favourable market conditions and rising oil prices, Zenith is positioned to leverage its existing presence and corporate infrastructure in the U.S. market to pursue additional targeted acquisitions and further develop its North American operations.

TUNISIA: LEGACY OPERATIONS AND LEGAL PROCEEDINGS



Robbana and El Bibane concessions

In May 2021, Zenith completed an acquisition in Tunisia through its fully owned subsidiary CDD, acquiring 100 percent of Ecumed Petroleum Tunisia Ltd. ("EPT"), a subsidiary of Candax. As a result, Zenith obtained a 100 percent working interest in the El Bibane and Robbana concessions. The transaction involved a total consideration of approximately USD 200,000, primarily through the assumption of debt.

The El Bibane concession is located 16 kilometres offshore from the port of Zarzis in the Gulf of Gabes and spans approximately 228 square kilometres in shallow waters. Historically, the field produced oil and natural gas from the Cretaceous Zebbag fractured dolomite formation at a depth of approximately 2,150 metres. While the Company had previously reported intermittent production from well EBB-5 and assessed the potential for a workover of EBB-3, all production has since ceased and operational activity has been suspended due to the arbitration process.

Zenith also disclosed that production activities from Robbana and El Bibane had been irregular, with various interruptions due to the non-payment of past oil production, as well as delays suffered by the Company in selling its stock of crude oil due to unexplained obstructions in performing crude oil liftings from the Tunisian authorities.

Arbitrary delays and impediments for the intended international oil lifting have, despite the Company's best efforts made in good faith and full compliance with the applicable procedures, continued until now.

The Robbana concession, located onshore on the island of Djerba, covers 48 square kilometres. A workover of well ROB-1 was completed and additional drilling activities had been planned. However, in light of unresolved commercial and regulatory challenges

relating to the ongoing arbitrations, all field operations in Tunisia are currently on hold. Both concessions remain valid, with expiry dates of 31 December 2033 (El Bibane) and 4 November 2034 (Robbana), but no production is currently taking place, and the Company has shifted its focus to other jurisdictions, while the potential to resume operations in Tunisia remains possible on the basis of a settlement agreement with the Republic of Tunisia should it be deemed convenient for Zenith's shareholders.

ARBITRATION AGAINST THE REPUBLIC OF TUNISIA AND/OR ETAP

During the financial year ended 31 March 2024, Zenith initiated three major international arbitration proceedings against Entreprise Tunisienne d'Activités Pétrolières ("ETAP"), the national oil company of Tunisia, and against the Republic of Tunisia. These proceedings stem from long-standing disputes related to the Company's past investments and operations in the country and represent a strategic shift from field development to legal recovery:

1. ICC Arbitration: As announced on 1 November 2023, EPZ, a fully owned subsidiary of Zenith registered in Barbados, initiated ICC arbitration proceedings, seated in Paris, against ETAP, the national oil company of Tunisia. ICC Arbitration 1 was commenced following ETAP's failure to comply with its contractual obligations by not paying for oil produced and sold by EPZ in Tunisia. The ICC Arbitration 1 claim is in the amount of approximately USD 6.7 million.

Further, on 29 November 2023, the Issuer announced that the ICC appointed arbitral tribunal for the arbitration ICC Arbitration 1 against ETAP had rejected ETAP's request to include the Tunisian State as co-defendant and ordered ETAP to pay a penalty of approximately EUR 120,000 in costs. These were

positive developments that showcased the merits of our procedural conduct.

As announced on 10 July 2023, the Issuer had obtained a 'conservative seizure' for an amount equivalent to approximately USD 6.5 million deposited in a bank account in Switzerland under the name of ETAP. Unfortunately, after one year the validity of this conservative seizure expired and the money was returned to ETAP.

The trial for ICC Arbitration 1 has taken place during the month of April 2024. On 19 December 2024, the Issuer announced that it had received the final decision of the arbitral tribunal in relation to the ICC Arbitration 1. The arbitral tribunal ordered ETAP to pay a principal amount of USD 6,139,539, reflecting a revision in the price of Brent crude oil used as a basis of calculation, approximately USD 2,700,000 late payment interest levied up to the day of the ICC Arbitration 1 decision, USD 395,000 as reimbursement for procedural costs associated with the ICC Arbitration 1, and USD 450,000 in legal costs for a total amount of approximately USD 9.7 million.

Interests in connection with late payment will continue to be levied until full recovery of the award is made. The ICC Arbitration 1 award, in accordance with article 35.6 of the applicable ICC Rules, is final and may not be appealed by the parties. It is immediately enforceable and capable of being granted execution by any competent court.

The total amount owed to Zenith under this award as of the date of this Memorandum is USD 9.7 million, plus accruing interest at 14% per year with monthly capitalization, and it is still not cashed in.

2. CNAOG ICC Arbitration: Brought by Zenith's subsidiary Canadian North Africa Oil & Gas Ltd (CNAOG), this arbitration seeks USD 130 million in damages related to the Sidi El Kilani concession. The claims involve blocked permit transfers, lost production, and undelivered crude oil sales.

The claimed amount was determined by a third-party expert consultant in consideration of the following:

- CNAOG's lost production revenue and associated profitability during a period of high energy prices, from SLK Concession until its initial expiry in December 2022.
- The volume of crude oil produced from the SLK concession and allocated to and received by CNAOG upon the completion of the acquisition.
- Unpaid invoices for oil produced and sold in the international and domestic market by ETAP (the national oil company of Tunisia) as it happened in the case object of ICC Arbitration 1.

- The value of the 45 percent interest in the renewal of the SLK concession, representing a breach of CNAOG's right to renew its previously existing 22.5 percent interest in SLK, as well as the 22.5 percent interest held by Kuwait Foreign Petroleum Exploration Company K.S.C.C's subsidiary, which relinquished its interest in the SLK Concession before its initial expiry. This second 22.5 percent interest was due to become ours on the basis of our pre-emption option as co-shareholder and on the basis of our formal exercise of this option, when KSCC decided to leave Tunisia.

On July 16, 2025, the Company announced that it had received the decision of the Arbitral Tribunal in respect of the ICC-2 Arbitration regarding the Sidi El Kilani concession ("**SLK Concession**") against the Republic of Tunisia ("**ICC-2**").

The Arbitral Tribunal issued a decision rejecting the entirety of the claims presented by CNAOG.

The Company also announced that it had initiated an Application for Annulment of the ICC-2 decision before the Swiss Federal Supreme Court.

Under the rules of the ICC, a party may apply for annulment of an arbitral award for, inter alia, cases of procedural irregularities.

The Company confirmed that its legal counsel identified and documented several serious procedural irregularities during ICC-2.

Decisions on annulment applications typically take 6–9 months. Should annulment be granted, a new arbitration will be constituted under an impartial tribunal.

3. ICSID Arbitration: Filed under the UK–Tunisia Bilateral Investment Treaty (BIT), this case claims approximately USD 503 million in damages and alleges multiple breaches of international law, including unfair treatment, unlawful expropriation, and systemic obstruction across Zenith's Tunisian portfolio.

These proceedings reflect Zenith's commitment to defending its contractual and investment rights through formal legal channels. While operations in Tunisia have been suspended, successful outcomes in these cases could represent a significant value realization opportunity for the Company and its shareholders.

STRATEGIC INVESTMENT FOCUS

Zenith's forthcoming investments are strategically focused on consolidating and enhancing its existing asset base while proactively entering new growth areas that align with the Company's long-term vision. Key investments have been identified in three core operational domains: conventional natural gas, renewable energy generation, and infrastructure optimization to improve efficiency and profitability.

In the conventional energy segment, Zenith prioritizes investments aimed at significantly expanding the commercial viability of selected concessions in Italy. The Company has planned targeted interventions, such as well recompletions and the establishment of small-scale gas treatment facilities, which collectively aim to boost production at currently dormant or underperforming assets.

Simultaneously, Zenith is progressively enhancing its renewable energy portfolio, notably via strategic solar energy acquisitions in Italy through its subsidiary WESOLAR S.R.L. By entering this segment, Zenith seeks to capitalize on Italy's supportive regulatory environment, high electricity prices, and favourable solar irradiation conditions, especially in regions such as Sicily. The planned solar assets not only diversify Zenith's revenue streams but also establish a complementary hedge against price volatility in the conventional energy markets.

Further, Zenith continues to invest selectively in its U.S. operations, leveraging royalty-based models to achieve cash-flow positive positions without the operational complexities typically associated with direct hydrocarbon production. This approach enables Zenith to rapidly scale up operations through additional acquisitions as market conditions improve.

Beyond direct operational investments, Zenith is strategically investing resources into arbitration processes to recover substantial economic value from its legacy operations in Tunisia. While these processes involve upfront legal costs, with most expenses already incurred and potential annulment proceedings possibly giving rise to additional costs, the potential compensation from these arbitrations represents significant upside and could materially enhance Zenith's liquidity and capital base for further growth initiatives.

OVERVIEW OF INVESTMENTS

Zenith's investment portfolio reflects a combination of past acquisitions, current development efforts, and future expansion plans. The following overview outlines the most significant initiatives and their expected impact.

Historical investments

Zenith has made several strategic acquisitions to establish a diversified operational platform:

- **Canoel Italia S.p.A. (Italy)** – Formed in 2010 to manage the acquired portfolio of oil and gas assets. In 2015 the Company acquired a gas-to-power generation plant for EUR 500,000 through this subsidiary, in order to increase revenues from its assets by up to tenfold.
- **Leopard Energy Inc. (U.S.)** – Acquired in August 2023 for USD 398,319.97, providing entry into the U.S. oil royalty market.
- **WESOLAR S.R.L. (Italy)** – Formed in 2025 to manage solar energy projects.
- **Ecumed Petroleum Tunisia Ltd.** – Acquired in 2021 via CDD for approx. USD 200,000, securing the El Bibane and Robbana concessions.
- **Zena Drilling Ltd. (UAE)** – Acquired in 2024 to manage the Company's EUR 2.25 million BD-260 drilling rig.

Planned investments

Zenith plans further expansion in solar energy and gas production:

In the next 12 months from the date of this Memorandum:

- **Liguria Solar Asset** – Expansion from 0.2 MW to 0.5 MW.
- **Agrivoltaic Development Projects in Lazio** – Land area acquisitions and installation and commissioning of the production infrastructure, subject to the necessary permits and approvals.
- **PugliaSolar Asset** – Ready-to-Build solar project in Puglia.
- **Solar Energy Development Project in Piedmont** – Land area acquisition for future energy production, subject to the necessary permits and approvals.
- **Agrivoltaic Development Projects in Piedmont** – Permitting and preparatory activities to achieve Ready-to-Build status within 12 to 16 months.

After 12 months from the date of this Memorandum:

- **Masseria Grottavecchia** – EUR 900,000 investment in a new gas treatment plant; production expected in 2025.
- **San Teodoro** – EUR 600,000 for recompletion and infrastructure upgrades.
- **Sant'Andrea** – Reactivation of a well with full cost borne by Zenith; production targeted for Q4 2026, for an amount of EUR 70,000.
- **Torrente Cigno** – New horizontal well expected to be drilled in 2027.
- **CYAP Oil LLC** – Acquisition of additional oil producing assets.
- **Canoel Italia S.p.A.** – Potential acquisition of a mining activity.

Capital expenditure for these projects is expected to remain in a modest range, reflecting their targeted and scalable nature, with the aggregated investment potential over the coming 12 months estimated at around USD 16 million. These initiatives support diversification, improved cash flow, and long-term energy portfolio growth. The USD 16 million investment is expected to be financed through a bank loan, with specialized lenders already engaged and ongoing negotiations progressing positively.

Completion of the planned investments by Zenith, where applicable, is subject to necessary local approvals and permits, due diligence, and financing, giving Zenith the flexibility not to proceed if these conditions are not met.

MARKET OVERVIEW

The Company operates in, and holds interests across, the energy and oil markets in Italy, the U.S and Tunisia. An overview of the global energy and oil and gas market, followed by a closer look at the markets in Italy, the U.S. and Tunisia is illustrated below.

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 percent of the world's energy⁸ of which around 30 percent is oil as of June 2024. In 2024, oil remains the most used in the energy mix.⁹

THE OIL PRICE

Oil prices have historically exhibited significant volatility influenced by supply-demand dynamics, geopolitical events, and macroeconomic conditions. Between 2011 and the first half of 2014, Brent oil prices remained at historically high levels, trading between USD 100-125/bbl in terms of annual average. A sharp decline began in the summer of 2014 due to increased US onshore production, relatively weak global demand growth, and the return of Libyan production, bottoming out at around USD 28/bbl in early 2016. The prolonged oil crisis resulted in a reduction in upstream investment in 2015 and 2016, respectively 25 percent and 26 percent.¹⁰

The COVID-19 pandemic in 2020 triggered unprecedented demand destruction, causing global oil demand to decline by approximately 8.8 percent – the largest ever decline in both absolute and relative terms.¹¹ Oil prices collapsed to an average of USD 44/bbl that year. Since then, market conditions have significantly reversed due to the post-pandemic economic recovery increasing demand for oil, geopolitical tensions between Russia and Ukraine and increased instability in the Middle East as well as limited oil supply.¹² The oil price reached its peak with USD 123.70/bbl in March 2022. However, by early 2023, prices moderated to approximately USD 78/bbl due to stabilizing supply dynamics and moderated global demand, corresponding to a decline of approximately 28 percent.

According to the International Energy Agency (IEA), the market is expected to gradually return to moderate inventory builds in mid-2025 after the expiration of voluntary OPEC+ supply cuts in late-2024 and as forecast production growth from countries outside of OPEC+ begins to outweigh global oil demand growth. They estimate that global oil inventories will increase by an average of 0.3 million b/d in the second half of

2025. Reflecting this, Brent oil prices are forecasted to average around USD 86/bbl in 2025 and fall to USD 83/bbl by the end of the year.¹³

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

THE NATURAL GAS MARKET

Natural gas plays an essential role as a transitional energy source due to its relatively lower emissions compared to coal and its higher reliability compared to intermittent renewable energy sources such as solar and wind. Despite slight consumption declines in 2022 and 2023, global natural gas demand has shown steady historical growth and remains structurally resilient due to its critical role in electricity generation and industrial usage. Global gas demand rebounded in 2024 with an estimated growth of approximately 2.7 percent, further emphasizing its strategic importance.¹⁴

Production and consumption of natural gas are generally balanced globally, supported primarily by the significant increase in shale gas production in North America since 2013. However, significant regional disparities exist. The European Union, historically dependent on pipeline imports, has increasingly shifted towards liquefied natural gas ("LNG") imports following geopolitical tensions and disruptions to established supply routes. This transition has introduced logistical complexities, including longer transportation routes and additional infrastructure requirements such as liquefaction and regasification terminals, consequently driving higher import prices compared to historical averages.¹⁵

Italy specifically faces pronounced challenges in this context, as its energy mix relies heavily on imported natural gas, constituting approximately 45 percent of its electricity generation in 2023.¹⁶ Due to geographical and geopolitical factors, Italy's LNG imports often traverse longer and riskier routes, particularly from Qatar through the geopolitically sensitive Suez Canal, leading to structurally higher energy prices compared to the European average. This situation creates favourable market conditions for domestic natural gas producers, offering strategic opportunities to

⁹ bp. 2024. bp Energy Outlook 2024 edition.

¹⁰ International Energy Agency. 2018. Oil Information Overview.

¹¹ International Energy Agency. 2021. Global Energy Review 2021.

¹² World Economic Forum. 2022. Why do oil prices matter to the global economy? An expert explains.

¹³ International Energy Agency. 2024. Oil Market Report – August 2024.

¹⁴ International Energy Agency. 2025. Growth in global energy demand surged in 2024 to almost twice its recent average.

¹⁵ European Commission. 2025. Report on energy prices and costs in Europe.

¹⁶ International Energy Agency. 2023. Italy – Electricity.

contribute incrementally towards improved national energy security and price stability.

OVERVIEW OF THE OIL AND GAS INDUSTRY IN ITALY

Italy produces small volumes of natural gas and oil and virtually no coal.¹⁷ 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.¹⁸ 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 percent¹⁹, with a provision that no royalties are paid on yearly production below 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 Company does not pay any state royalties since all its producing fields fall below the minimum royalty threshold.

OVERVIEW OF THE OIL INDUSTRY IN THE UNITED STATES

The United States produced more crude oil than any nation at any time, according to the International Energy Statistics, for the past six years in a row. Crude oil production in the U.S., including condensate, averaged 12.9 million b/d in 2023, breaking the previous U.S. and global record of 12.3 million b/d, set in 2019. Average monthly U.S. crude oil production established a monthly record high in December 2023 at more than 13.3 million b/d.²⁰

The crude oil production record in the U.S. in 2023 is unlikely to be broken in any other country in the near term because no other country has reached

production capacity of 13.0 million b/d. Saudi Arabia's state-owned Saudi Aramco recently scrapped plans to increase production capacity to 13.0 million b/d by 2027.²¹

Together, the U.S., Russia, and Saudi Arabia accounted for 40 percent (32.8 million b/d) of global oil production in 2023. These three countries have produced more oil than any others since 1971 (counting production in the Russian Federation of the Soviet Union prior to 1991), although the top spot has shifted among them over the past five decades. By comparison, the next three largest producing countries - Canada, Iraq, and China - combined produced 13.1 million b/d in 2023, only slightly more than what was produced in the United States alone.²²

Overview and Jurisdiction

The law regulating oil and gas ownership in the U.S. generally differs significantly from laws in Europe; oil and gas are often owned privately in the U.S. as opposed to being owned by the national government as they are in many other countries.

Ownership

In the United States, oil and gas rights to a particular parcel may be owned by private individuals, corporations, Indian tribes, or by local, state, or federal governments. Oil and gas rights extend vertically downward from the property line. Unless explicitly separated by a deed, oil and gas rights are owned by the surface landowner.

Oil and gas rights are owned by either the state or federal government and leased to oil companies for development. The tidelands controversy involves the limits of state ownership. Although oil and gas laws vary by state, the laws regarding ownership prior to, at, and after extraction are nearly universal.

Oil Reserves in the USA

U.S. crude oil and lease condensate proved reserves increased 9 percent from 44.4 billion barrels to 48.3 billion barrels at year-end 2022.²³

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 in 2022.²⁴

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

¹⁷ International Energy Agency. 2023. Italy – Energy mix.

¹⁸ Bocconi. 2023. The Protected Market Comes to an End: Italy Closes the Gap.

¹⁹ Law Business Research. 2023. A thumbnail guide to oil exploration and production in Italy.

²⁰ Forbes. 2024. EIA Confirms Historic U.S. Oil Production Record.

²¹ Oil & Gas Journal. 2024. EIA: US currently produces more crude oil than any country in history.

²² U.S. Energy Information Administration. March 2024.

²³ EIA. 2023. U.S Crude Oil and Natural Gas Proved Reserves, Year-end 2022.

²⁴ bp. 2022. bp Statistical Review of World Energy 2022.

foreign companies operating in Tunisia are the United Kingdom's BG Group, Italy's Eni, and Austria's OMV.

Law and Practice

The Ministry of Energy and Mines 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.²⁵

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.

The Hydrocarbons Code

Under the Hydrocarbons 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.

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

Foreign Investment

International and local investors are treated on an equal footing. Private investors are entitled to repatriate the hydrocarbons export proceeds in compliance with exchange law and can freely transfer dividends abroad.

Any foreign investor also has 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.

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

SOLAR ENERGY IN ITALY

Italy represents an attractive market for renewable energy in general and solar energy in particular, driven by favourable climatic conditions, supportive governmental incentives, and a strategic push towards renewable alternatives to fossil fuels.²⁶ Approximately 11.6 percent of Italy's electricity now comes from solar energy, making Italy one of Europe's leaders in renewable energy.²⁷ In southern regions, solar irradiation averages 5.4 kWh/m² per day, significantly above national averages and among Europe's best.

The rise in solar installations in Italy has been propelled by several key factors, including persistently elevated wholesale electricity prices, broader energy security concerns, and supportive regulatory frameworks. Italian electricity prices remain significantly high compared to historical norms, influenced by both structural factors such as Italy's heavy reliance on natural gas imports and situational dynamics such as geopolitical tensions affecting gas supplies across Europe.

Furthermore, Italy has implemented incentive programs aimed at accelerating the adoption of solar energy. Most notably, the Italian government supports industrial and commercial solar deployment through its Transizione 5.0 incentive scheme, during the two-year period 2024-2025, which offers tax credits covering up to 35 percent of eligible investment, with bonus rates for European-manufactured, high-efficiency modules.²⁸ These types of governmental subsidies and incentives are expected to continue expanding in line with the EU's energy transition policies, facilitating ease in solar installation to increase the installed base even further.²⁹

The combination of high electricity prices, strong irradiation, and generous subsidies and incentives underpins Italy's rapid solar expansion. It presents a favourable backdrop for Zenith's recent investments in solar assets in Italy through its subsidiary WESOLAR S.R.L., allowing the Company to diversify its revenue streams, capture stable power value, and benefit from both market pricing and government subsidies in line with Italy's broader renewable-energy landscape, contributing both to the Company's long-term growth potential and to Italy's broader sustainability objectives.³⁰

ENVIRONMENTAL PROTECTION REGULATIONS

The Company 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

²⁵ World Bank Group. 2020. Legal Review of Tunisia's Upstream Hydrocarbon Framework.

²⁶ European Commission. 2024. Commission approves an Italian State aid scheme to support renewable electricity production to foster the transition to a net-zero economy.

²⁷ European Commission. 2024. Eurostat.

²⁸ PV Magazine. 2025. Italy increases incentives for EU-made solar modules.

²⁹ Trinomics. 2025. Increasing Flexibility in the EU Energy System.

³⁰ European Parliamentary Research Service. 2024. Italy's climate action strategy.

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 Company to incur costs to remedy such discharge. Although the Company 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 Company's financial condition, results of operations or prospects.

Italy and Tunisia are both 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".³¹ 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.

ITALY

A Legislative Decree setting forth amendments and additions to Legislative Decree No. 152 of 3 April 2006, which contained regulations governing environmental issues 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 Company's development plans in Masseria Grottavecchia and San Teodoro concessions, where it is still waiting for the ministry's conditional approval in order to start the related preparations. Before the change of the Italian legislation, the approval process was in the competence of the regional government. According to the new legislation, an application for approval has first to be discussed with the central government (Development Ministry in Rome) and only after with the regional government. Due to the amended legal framework, the Company is experiencing a significantly lengthened approval process in Italy.

UNITED STATES

As a subset of the mining, quarrying, oil and gas extraction sector (NAICS 21), the oil and gas extraction sector comprises establishments that extract:

- naturally occurring mineral solids, such as coal and ores
- liquid minerals, such as crude petroleum
- and gases, such as natural gas.

Laws and Regulations

Air:

The GHGRP requires reporting of greenhouse gas (GHG) data and other relevant information from large GHG emission sources, fuel and industrial gas suppliers, and CO₂ injection sites in the United States. Approximately 8,000 facilities are required to report their emissions annually, and the reported data are made available to the public in October of each year.³²

National Emissions Standards for Hazardous Air Pollutants (NESHAP):

The Environmental Protection Agency (EPA) issued final rules to reduce emissions of hazardous air pollutants (HAPs) from oil and natural gas production facilities as well as natural gas transmission and storage facilities. These rules implement section 112 of the Clean Air Act (CAA).

Emissions from various processes and operations at oil and natural gas facilities and natural gas transmission and storage facilities typically contain 5 different HAPs: benzene, toluene, ethyl benzene, and mixed xylenes, and n-hexane. HAPs, also known as air toxics, are pollutants which are known or suspected to cause cancer or other serious health effects such as birth defects or reproductive effects.

Waste:

Certain wastes from the exploration and production of oil, natural gas, and geothermal energy are excluded from hazardous waste regulations under Subtitle C of Resource Conservation and Recovery Act ("RCRA"). These wastes include those that have been brought to the surface during oil and gas exploration and production operations, and other wastes that have come into contact with the oil and gas production stream (e.g., materials used to process natural gas).

Water:

The EPA promulgated the Oil and Gas Extraction Effluent Guidelines and Standards (40 CFR Part 435) in 1979, and amended the regulations in 1993, 1996, 2001 and 2016. The regulations cover wastewater discharges from field exploration, drilling, production, well treatment and well completion activities. These activities take place on land, in coastal areas and offshore.

The Oil and Gas regulations apply to conventional and unconventional oil and gas extraction with the exception of coalbed methane. The regulatory requirements are incorporated into National Pollutant Discharge Elimination System ("NPDES").

³¹ UNFCCC. 2025. Key aspects of the Paris Agreement.

³² United States Environmental Protection Agency. 2025. Greenhouse Gas Reporting Program (GHGRP).

FINANCIAL OVERVIEW

The financial information presented in this section relates to the financial years ended 31 March 2024 and 31 March 2025, which represent the Company's two most recent full financial years. The Company's financial year runs from 1 April to 31 March. The Company reports on a semi-annual basis and does not publish quarterly financial reports. Accordingly, no interim financial information other than the audited annual reports for 2024 and 2025 has been included in this Memorandum.

The Company is the parent company of a group, and the financial statements have been prepared on a consolidated basis. The consolidated financial information has been derived from the Company's audited annual reports for the respective financial years and has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been audited by the Company's auditor.

The financial information below should be read in conjunction with the Company's audited annual reports for the financial years ended 31 March 2024 and 31 March 2025, including the associated audit reports, which have been incorporated into this Memorandum by reference. No other financial information has been reviewed or audited by the Company's auditor or otherwise included in this section.

Unless otherwise indicated, all amounts in this section are presented in Canadian dollars (CAD). In some cases, figures may have been rounded, which could result in minor discrepancies in totals and subtotals.

INCORPORATED VIA REFERENCE

Annual report 2024, for the year ended March 31, 2024

Annual report 2025, for the year ended March 31, 2025

FINANCIAL CALENDAR

Current financial year: 2025-04-01 – 2026-03-31

Unaudited half-year report 2025, for the six months ended September 30, 2025: 2025-11-30

Unaudited preliminary year-end report 2026, for the year ended March 31, 2026: 2026-05-31: 2026-05-31

Audited annual report 2026, for the year ended March 31, 2026: 2026-07-31

Annual General Meeting: 2026-12-15

The following entities have been consolidated within the Group's financial statements:

| Name | Country of incorporation and place of business | Proportion of ownership interest | Proportion of voting rights | Principal activity | Reporting period | % on Group revenues (as of 31 March 2025) |
|--|--|---|---|--|--------------------|---|
| Canoel Italia S.p.A. (1) | Genova, Italy | 98.6% | 98.6% | Gas, electricity and condensate production | January - December | 99% |
| Ingenieria Petrolera del Rio de la Plata S.r.l. | Argentina | 100% | 100% | Not trading | January - December | // |
| Zenith Suisse SA | Switzerland | 100% | 100% | Oil trading | January - December | // |
| Compagnie du Desert Holdings Ltd (3) | United Kingdom | 100% | 100% | Holding Company | January - December | // |
| Compagnie du Desert Ltd (3) | United Kingdom | 100% through Compagnie du Desert Holdings Ltd | 100% through Compagnie du Desert Holdings Ltd | Investment Company | January - December | // |
| Ecumed Petroleum Tunisia Ltd | Tunisia | 100% through Compagnie du Desert Ltd | 100% through Compagnie du Desert Ltd | Oil production | January - December | // |
| Leopard Energy, Inc (formerly Cyber Apps World Inc.) (4) | United States | 99.87% | 99.87% | Oil production | August - July | 1% |

- (1) Zenith Energy Ltd. has 100% control over Canoel Italia S.p.A. The Group granted 1.4% to a former Director, in order to limit the risk of any liability to that entity. Therefore, no non-controlling interest arises from the consolidation of this subsidiary.
- (2) On January 30, 2020, the Company announced the establishment of its fully owned Norwegian subsidiary, Zenith Energy AS ("**Zenith Norway**"), to be used as a vehicle for intended participation in future licensing bids to be organized by the Norwegian Ministry of Petroleum and Energy, as well as to actively pursue the potential acquisition of working interests in mature energy production assets across Northern Europe.
- (3) On April 30, 2021, the Company announced that Compagnie Du Desert Ltd ("**CDD**"), its recently incorporated fully owned subsidiary, has entered into a share purchase agreement ("**SPA**") with Candax Energy Limited ("**Candax**") for the acquisition of a 100 percent interest in Candax's fully owned subsidiary in Barbados, Ecumed Petroleum Tunisia Ltd ("**EPT**") (the "**Acquisitions**"), which holds a 100% interest in the El Bibane and Robbana concessions in Tunisia.
- (4) On August 29, 2023, the Company announced that it had acquired control of Leopard Energy, Inc. (formerly Cyber Apps World Inc.) ("**CYAP**") by way of a Securities Purchase Agreement ("**SPA**") signed with Janbella Group LLC ("**Seller**").
 - Zenith has acquired 100,000 Series A preferred shares in CYAP from the Seller, representing 99.87% of its current total voting rights.
 - The purchase price agreed under the terms of the SPA is USD 398,319.97 in cash (the "Consideration").
 - CYAP is listed on the US OTC Markets' Pink Open Market segment under the ticker "CYAP".

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Adjustments are made to the results of subsidiaries to bring the accounting policies used by them in line with those used by the Group.

The following entity has not been consolidated within the Group's financial statements, as of 31 March 2025, because it was incorporated after year end. It will be consolidated starting from the six months Group's financial statements as of 30 September 2025:

| Name | Country of incorporation and place of business | Proportion of ownership interest | Proportion of voting rights | Principal activity | Reporting period |
|----------------|--|----------------------------------|-----------------------------|-------------------------------------|--------------------|
| Wesolar S.r.l. | Genova, Italy | 99% | 99% | Photovoltaic Electricity production | January - December |

The following entities have not been consolidated within the Group's financial statements because they are considered to be immaterial to the Group:

| Name | Country of incorporation and place of business | Proportion of ownership interest | Proportion of voting rights | Principal activity |
|-----------------------------------|--|----------------------------------|-----------------------------|--------------------|
| Leonardo Energy Consulting S.r.l. | Genova, Italy | 48% | 48% | Dormant |
| Zenith Energy Netherlands BV | Netherlands | 100% | 100% | Dormant |
| Zenith Norway AS (2) | Norway | 100% | 100% | Dormant |

The following entities are not considered, due to the divestment of the Company from the countries or due to the Arbitrations currently in progress:

| Name | Country of incorporation and place of business | Proportion of ownership interest | Proportion of voting rights | Principal activity | Reporting period |
|--------------------------------------|--|--|---|----------------------|--------------------|
| Anglo African Oil & Gas Congo S.A.S. | Republic of the Congo | 100% | 100% | Oil production | January - December |
| Zenith Energy África Holdings | United Kingdom | 100% | 100% | Holding Company | January - December |
| Zenith Energy África Ltd | United Kingdom | 100% through Zenith Energy Holdings | 100% through Zenith Energy Holdings | Investment Company | January - December |
| Ecumed Petroleum Zarzis Ltd | Tunisia | 100% through Zenith Energy Africa Ltd | 100% through Zenith Energy Africa Ltd | Oil production | January - December |
| Zenith Overseas Assets Holdings Ltd | United Kingdom | 100% | 100% | Holding Company | January - December |
| Zenith Overseas Assets Ltd | United Kingdom | 100% through Zenith Overseas Assets Holdings Ltd | 100% through Overseas Assets Holdings Ltd | Investment Company | January - December |
| Canadian North Africa Oil&Gas Ltd | Tunisia | 100% through Zenith Overseas Assets Ltd | 100% through Zenith Overseas Assets Ltd | Oil production | January - December |
| Zenith Energy Congo SA | Republic of the Congo | 100% | 100% | Oil production | January - December |
| Zenith Aran Oil Company Limited | British Virgin Islands | 100% | 100% | In liquidation | January - December |
| Zena Drilling Limited | Incorporated in UAE Place of business: Azerbaijan | 100% | 100% | Oil and gas drilling | January - December |

GROUP CONSOLIDATED INCOME STATEMENT

| (tCAD) | 2024-04-01 2025-03-31 | 2023-04-01 2024-03-31 |
|--|--------------------------|--------------------------|
| | <i>Audited</i> | <i>Audited</i> |
| Revenue | 2,147 | 1,788 |
| Production costs | (1,701) | (1,085) |
| Depletion and depreciation | (366) | (3,938) |
| Other Operating Income | 14,385 | - |
| Administrative expenses | (6,478) | (24,401) |
| Operating profit/(loss) | 7,987 | (27,636) |
| Other gains and losses | 1,472 | (9,321) |
| Finance expense | (8,370) | (5,410) |
| Profit/(loss) before tax | 1,089 | (42,367) |
| Taxation | - | - |
| Profit/(loss) for the period | 1,089 | (42,367) |
| Other comprehensive income/(loss) | (4,140) | (1,444) |
| Total comprehensive loss for the period | (3,051) | (43,811) |

GROUP CONSOLIDATED BALANCE SHEET

| (tCAD) | 2025-03-31 | 2024-03-31 |
|--|----------------|----------------|
| | <i>Audited</i> | <i>Audited</i> |
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 134,496 | 134,460 |
| Intangible Assets | - | 540 |
| Financial assets at amortised cost | - | - |
| Total non-current assets | 134,496 | 135,000 |
| Current assets | | |
| Assets held for sale | 5,476 | - |
| Inventory | 2,412 | 2,031 |
| Trade and other receivables | 19,132 | 2,780 |
| Cash and cash equivalents | 3,199 | 207 |
| Total current assets | 30,219 | 5,018 |
| Total assets | 164,715 | 140,018 |
| Equity and liabilities | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 81,201 | 66,224 |
| Share warrants & option reserve | 6,922 | 3,381 |
| Contributed surplus | 7,573 | 7,389 |
| Retained earnings | (30,067) | (27,016) |
| Total equity | 65,629 | 49,978 |
| Liabilities | | |
| Non-current liabilities | | |
| Loans | 647 | 438 |
| Non-convertible bonds | 33,530 | 31,754 |
| Deferred consideration payable | 15,409 | 15,409 |
| Deferred tax liabilities | 2,398 | 2,398 |
| Decommissioning provision | 22,454 | 23,301 |
| Provision | 1,637 | - |
| Total non-current liabilities | 76,075 | 73,300 |
| Current liabilities | | |
| Trade and other payables | 8,474 | 7,031 |
| Loans | 2,619 | 1,870 |
| Non-convertible bonds | 11,701 | 7,622 |
| Deferred consideration payable | 217 | 217 |
| Total current liabilities | 23,011 | 16,740 |
| Total liabilities | 99,086 | 90,040 |
| Total equity and liabilities | 164,715 | 140,018 |

GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (tCAD) | Share capital | Share warrants & option reserve | Contributed surplus | Retained earnings | Total |
|--|------------------|--|------------------------|----------------------|---------------|
| <i>Audited</i> | | | | | |
| Balance as at 2023-03-31 | 64,087 | 5,329 | 5,441 | 16,795 | 91,652 |
| Loss for the year | - | - | - | (42,367) | (42,367) |
| Other comprehensive income | - | - | - | (1,444) | (1,444) |
| Share issue net of costs - debt settlement | 138 | - | - | - | 138 |
| Share issue net of costs - private placement | 1,999 | - | - | - | 1,999 |
| Fair value of options expired | - | (563) | 563 | - | - |
| Warrants expired | - | (1,385) | 1,385 | - | - |
| Balance as at 2024-03-31 | 66,224 | 3,381 | 7,389 | (27,016) | 49,978 |
| Profit for the year | - | - | - | 1,089 | 1,089 |
| Other comprehensive income | - | - | - | (4,140) | (4,140) |
| Share issue net of costs - debt settlement | 14,087 | - | - | - | 14,087 |
| Share issue net of costs - private placement | 890 | - | - | - | 890 |
| Warrants issued | - | 585 | - | - | 585 |
| Options issued | - | 3,140 | - | - | 3,140 |
| Fair value of options expired | - | (103) | 103 | - | - |
| Warrants expired | - | (81) | 81 | - | - |
| Balance as at 2025-03-31 | 81,201 | 6,922 | 7,573 | (30,067) | 65,629 |

GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

| (tCAD) | 2024-04-01 2025-03-31 <i>Audited</i> | 2023-04-01 2024-03-31 <i>Audited</i> |
|---|--|--|
| Cash flow from operating activities | | |
| Profit/(Loss) for the year before taxation | 1,089 | (42,367) |
| Options/warrants charge | 3,725 | - |
| Foreign exchange | (8,209) | 1,436 |
| Depletion and depreciation | 366 | 3,938 |
| Impairment of Investments in subsidiaries | - | 23,218 |
| Revaluation of property, plant and equipment | - | (2,133) |
| Impairment of inventory | - | 659 |
| Accretion of decommissioning provision | (2,238) | (9,059) |
| Finance expense | 7,954 | 5,008 |
| Change in working capital | (13,653) | 15,110 |
| Cash flow from operating activities | (10,966) | (4,190) |
| Cash flow from investing activities | | |
| Acquisition of subsidiary undertaking | - | (540) |
| Purchase of property, plant and equipment | (417) | (53) |
| Disposal of property, plant and equipment | 1,661 | - |
| Cash flow from investing activities | 1,244 | (593) |
| Cash flow from financing activities | | |
| Proceeds from issue of shares, net of transaction costs | 14,977 | 2,137 |
| Finance Expense | (6,976) | (4,857) |
| Repayments of loans | (1,267) | (10,703) |
| Proceeds from loans | 1,984 | 3,933 |
| Proceeds from issue of bonds | 4,354 | 13,644 |
| Repayment of bonds | (358) | (606) |
| Cash flow from financing activities | 12,714 | 3,548 |
| Total cash flow | 2,992 | (1,235) |
| Cash and cash equivalents at the beginning of the period | 207 | 1,442 |
| Cash and cash equivalents at the end of the period | 3,199 | 207 |

COMMENTS ON THE FINANCIAL DEVELOPMENT

The following section provides a summary of the Company's financial development for the financial years ended 31 March 2024 and 31 March 2025.

REVENUE

In the financial year ended 31 March 2024, Zenith generated revenues of CAD 1,788,000 (2023: CAD 13,159,000). The decrease is primarily attributable to the sequestration of the producing assets by the Tunisian Government, for which three Arbitrations are in progress, as well as variations in operational output from the Company's producing assets in Tunisia and Italy.

In the financial year ended 31 March 2025, revenues amounted to CAD 2,147,000, which corresponds to a 20.08 percent increase compared to 2024. The change is primarily attributable to an increase in the selling prices in Italy.

OPERATING EXPENSES

Operating expenses for the financial year 2024 amounted to CAD 29,424,000 (2023: CAD 19,093,000). The increase was primarily driven by higher non-recurrent administrative expenses related to the three arbitrations, while costs related to oil and gas production decreased.

In the financial year ended 31 March 2025, operating expenses amounted to CAD 8,545,000, reflecting the positive FX from the retranslation of the assets. The Company also registered other operating income for CAD 14,385,000, due to the positive result in the ICC 1 Arbitration.

RESULTS

The Company recorded an operating loss of CAD 27,626,000 in 2024 (2023: CAD 5,934,000). The net loss for the year was CAD 42,367,000 (2023: CAD 12,827,000), reflecting both the operational results and the impact of impairments of assets as well as financial expenses. These results include impairments (write-downs) of former subsidiary undertakings of CAD 10,795,000 in 2024.

For the financial year 2025, the Company's operating result was CAD 7,987,000 profit and the net result CAD 1,089,000, primarily influenced by the other operating income due to the positive result in the ICC 1 Arbitration.

ASSETS

As of 31 March 2024, total assets amounted to CAD 140,018,000 (2023: CAD 262,911,000), with the reduction mainly attributable to a decrease in property, plant and equipment due to impairments, consequent to the initiation of the three Arbitrations. The Company held cash and cash equivalents of CAD 207,000 as of year-end.

As of 31 March 2025, total assets amounted to CAD 164,715,000, including cash and cash equivalents of CAD 3,199,000. The change in total assets is mainly due to the increase in the receivables due to the positive result in the ICC 1 Arbitration.

SHAREHOLDERS' EQUITY

Total equity as of 31 March 2024 amounted to CAD 49,978,000 (2023: CAD 91,652,000), corresponding to an equity ratio of approximately 35.7 percent. The decrease is attributable to the loss for the year.

At the end of the financial year 2025, shareholders' equity amounted to CAD 65,629,000, corresponding to an equity ratio of 39.84 percent. The change reflects the different private placing performed by the Company.

DEBT

As of 31 March 2024, total liabilities amounted to CAD 90,040,000, of which CAD 16,740,000 were current liabilities. Total debt amounted to CAD 41,684,000.

Total liabilities as of 31 March 2025 amounted to CAD 99,086,000, including CAD 23,011,000 in current liabilities. The change was primarily due to the investing activities performed by the Company.

CAPITAL STRUCTURE AND NET DEBT

The table below illustrates the Company's capital structure and net debt as of 31 March, 2025.

| | 31 March 2025 CAD\$ '000 | 31 March 2024 CAD\$ '000 |
|--|-----------------------------|-----------------------------|
| a) Cash | 3,199 | 207 |
| b) Cash equivalents | 2,412 | 2,031 |
| c) Assets held for sale | 5,476 | - |
| d) Current receivables | 19,132 | 2,780 |
| e) Total Liquidity | 30,219 | 5,018 |
| f) Current bank debt | - | - |
| g) Current portion of non-current debt | 2,619 | 1,870 |
| h) Other current liabilities | 20,175 | 14,653 |
| i) Total Current Liabilities | 22,794 | 16,523 |
| j) Net Current Debt | 7,425 | (11,505) |
| k) Non-current bank loans | 647 | 438 |
| l) Issued bonds | 33,530 | 31,754 |
| m) Other non-current loans | - | - |
| n) Non-current Debt | 34,177 | 32,192 |
| o) Net Debt | (26,752) | (43,697) |

WORKING CAPITAL STATEMENT

Working capital refers to Zenith's possibilities to access cash and cash equivalents in order to fulfil its payment obligations as they fall due for payment. The Company intends to finance its operations over the next twelve months following the listing through a combination of existing cash reserves, anticipated revenues from ongoing business activities, and potential sources of funding including asset disposals, debt financing within the ordinary course of business, and proceeds from favourable arbitration outcomes. If required, the Company may also consider raising additional capital to support growth initiatives or to strengthen working capital. The Board of Directors assesses that the Company's current financial position, access to capital markets, and anticipated proceeds from favourable outcomes in ongoing arbitrations are expected to provide a sufficient basis for continued operations during this period.

DIVIDEND POLICY

The shares offered in connection with the Offering carry the right to dividends from the first dividend record date occurring after the new shares have been entered into the share register at Euroclear. Payment is handled by Euroclear, or in the case of nominee-registered shares, in accordance with the respective nominee's procedures. The right to receive dividends accrues to shareholders registered in the share register maintained by Euroclear on the record date determined by the Board of Directors.

The Company has not declared or paid any dividends since its incorporation and, as of the date of this Memorandum, has no established dividend policy. It is not the current intention of the Board of Directors to declare or pay dividends. Any future decision to distribute dividends will depend on the Company's financial position, results of operations, capital requirements, and other factors deemed relevant by the Board of Directors.

PRINCIPLES OF CAPITALISATION AND DEPRECIATION

Expenditure incurred to develop commercial reserves and bring them into production is capitalised as Development and Production ("D&P") assets within property, plant and equipment. These assets are recorded at historical cost and subsequently measured at cost less accumulated depreciation, depletion and impairment losses. Where components of a D&P asset have distinct useful lives, each component is depreciated separately over its respective life. Gains or losses on disposal are recognised in profit or loss as the difference between the disposal proceeds and the asset's carrying amount.

SIGNIFICANT EVENTS AFTER 31 MARCH, 2025

Subsequent to the year end, the Company announced the payment of the coupon, in respect of the following multi-currency Euro Medium Term Notes the Company has issued on the Vienna MTF of the Vienna Stock Exchange

- Zenith 2026 (ISIN: XS2478299113)
- Zenith 2026 (ISIN: XS2736390472)
- Zenith 2026 (ISIN: XS2736390985)
- Zenith 2027 (ISIN: XS2647375752)
- Zenith 2027 (ISIN: XS2638487996)
- Zenith 2026 (ISIN: XS2478298909)
- Zenith 2026 (ISIN: XS2736390712)
- Zenith 2029 (ISIN: XS2994528912)
- Zenith 2029 (ISIN: XS2994529134)
- Zenith 2029 (ISIN: XS2994529050)

On May 2, 2025, The Company announced the completion of a private placement in Norway (the "Placement") and signed an unsecured Convertible Loan facility (the "Convertible Loan").

Private Placement

The Placement has raised an aggregate total amount of approximately USD 1,200,000 (equivalent to approx. NOK 12,476,000 or GBP 896,600), resulting in the issuance of a total of 10,397,000 new common shares ("New Common Shares").

The Placing was completed at a price of NOK 1.20 per New Common Share.

Convertible Loan

The Company has entered into an unsecured Convertible Loan for a total amount of USD 2,000,000 (equivalent to approx. NOK 20,715,000 or GBP 1,500,000).

Highlights:

- Interest to accrue at 20 percent. per annum.
- Term: 18 months.
- Drawdown: Immediate.
- No Conversion may be requested by the Investor for a period of three months from the date of the drawdown ("Grace Period").
- The investor shall have the right to convert the outstanding principal and accrued interest into fully paid and freely transferable common shares of the Company listed on the Oslo Stock Exchange at a price equal to the 30-day volume-weighted average price (VWAP) immediately prior to the date of notifying a Conversion Notice, less 11 percent (the "Conversion Price").
- The Company may repay the Convertible Loan at any time, in whole or in partial payments, at its sole discretion, in either cash or equity without incurring any penalty, and on the same basis as the investor's conversion rights.
- The investor may serve a Notice of Conversion for an amount not to exceed fifty percent (50 percent) of the outstanding principal and interest at any time following the expiration of the Grace Period.
- Any subsequent Notice of Conversion, for an amount not to exceed fifty percent (50 percent) of the original outstanding principal and interest, may be served no earlier than ninety (90) days following the previous Notice of Conversion.
- In no event shall the Conversion Price be less than 1.20 NOK per Common Share (the "Floor Price").
- Under the terms of the Convertible Loan, the Company has undertaken that it shall not enter into any additional Convertible Loan Agreements or any convertible debt instruments until all obligations under this Agreement have been fully settled.

Use of Proceeds

The proceeds of the Placement and the Convertible Loan will be used to provide immediate additional funding for the potential acquisition of near-term electricity production assets currently being evaluated by the Company.

On May 7, 2025, the Company provided an update regarding payment of the Outstanding Notes of the 2024 Bond. As previously confirmed, those Noteholders who did not participate in the Exchanges will receive settlement of the Outstanding Notes and accrued interest by way of cash (the "**Remaining Outstanding Notes**").

As at the date of this document, the Company confirmed that it has paid the Remaining Outstanding Notes in the amount of 40 percent.

- The payment of the balance of the Remaining Outstanding Notes and all the accrued interest, is expected for September 30, 2025.

On May 29, 2025, the Company announced the completion of a private placement in the United Kingdom (the "UK Financing") and in Norway (the "Norwegian Financing").

The Company raised an aggregate total amount of approximately GBP 2,257,000 (equivalent to approx. NOK 31,000,000), resulting in the issuance of a total of 15,953,508 new common shares ("New Common Shares").

Norwegian Financing

Zenith has issued a total of 14,574,198 common shares of no-par value in the capital of the Company in connection with the Norwegian Financing (the "Norwegian Financing Common Shares") to raise gross proceeds of NOK 28,201,000 (approximately GBP 2,057,000).

UK Financing

Zenith has issued a total of 1,379,310 common shares of no-par value in the capital of the Company in connection with the UK Financing (the "UK Financing Common Shares") to raise gross proceeds of GBP 200,000 (approximately NOK 2,799,000).

Issue Price

The Norwegian Financing was completed at price of NOK 1.9350 per Norwegian Financing Common Shares.

The UK Financing was completed at a price of GBP 0.1450.

On May 30, 2025, the Company announced that it has acquired a total of three solar energy production assets in Italy, located in the regions of Piedmont and Lazio, by way of its Italian subsidiary formed in April 2025 for the purpose of managing its new solar energy portfolio WESOLAR S.R.L. ("WESOLAR").

Ready-to-Build projects located Lazio, Italy for a combined total of 2 MWp (the "Lazio Acquisitions")

WESOLAR has signed an exclusive option, with a duration of twenty days, to acquire two adjacent Ready-to-Build solar energy projects located in the region of Lazio, each with a peak power output of 1 MWp.

The Lazio Acquisitions cover a cumulative land area of 6 hectares to be acquired for a consideration of EUR 400,000.

Solar Energy Project in Piedmont, Italy - 10 MWp (the "Piedmont Acquisition")

The Company has signed an agreement to acquire approximately 13.5 hectares of agricultural land in the region of Piedmont for a cash consideration of EUR 900,000.

The Piedmont Acquisition was originally categorised as "Agrivoltaic", meaning that agricultural and solar energy production activities are combined in a hybrid manner to co-exist and function simultaneously. Following recent regulatory changes in Italy, specifically the sentence of the Council of State number 6160/2025, the project has now been reclassified as a solar energy development project with an installed capacity of 10 MWp, replacing its previous classification as a 7 MWp agrivoltaic development project. The reclassification is expected to materially improve the project's economics by simplifying its technical profile, shortening the completion timeline, and increasing potential electricity production and associated revenue generation.

Production activities are expected to commence within a year, during which time the necessary permits and installation of the photovoltaic energy production infrastructure will take place.

The Piedmont Acquisition is conditional on the successful achievement of all the necessary local approvals and permits, as well as completion of due diligence by the Company.

Solar Energy Project in Liguria, Italy - 0.5 MWp (the "Ligurian Acquisition")

The Company is pleased to announce that it has now completed the Ligurian Acquisition.

As previously announced on April 9, 2025, the production capacity of the Ligurian Acquisition will be increased to 0.5 MW through the installation of latest generation photovoltaic technology.

The Ligurian Acquisition has been acquired for a consideration of EUR 110,000.

Gross annual revenue is currently in the amount of approximately EUR 30,000, with an expected payback time of approximately 4 years utilising existing infrastructure.

Planned infrastructural upgrades are expected to increase annual gross revenue to approximately EUR 100,000.

Production costs are limited and confined to general maintenance.

On July 16, 2025, the Company announced that it has received the decision of the Arbitral Tribunal in respect of the ICC-2 Arbitration regarding the Sidi El Kilani concession ("SLK Concession") against the Republic of Tunisia ("ICC-2").

The Arbitral Tribunal has issued a decision rejecting the entirety of the claims presented by CNAOG.

The Company also announced that it has initiated the Application for Annulment.

Under the rules of the ICC, a party may apply for annulment of an arbitral award for, inter alia, cases of procedural irregularities.

The Company confirms that its legal counsel identified and documented several serious procedural irregularities during ICC-2.

Following legal advice, the Company will now proceed with an application for annulment of the ICC-2 award before the Swiss Federal Supreme Court in Lausanne, Switzerland.

The Swiss Federal Supreme Court usually renders decisions on annulment applications within 6 to 9 months from submission.

Acquisition of Ready-to-Build Solar Energy Project

The Company acquired a Ready-to-Build solar energy production project located in the region of Puglia in Italy (the "Acquisition"), by way of its Italian subsidiary created for the purpose of managing its new solar energy portfolio, WESOLAR S.R.L. ("WESOLAR").

Acquisition Highlights

- The Acquisition will have a power output of approximately 3 MWp.
- It is strategically located next to the A14 motorway and is approximately 500 meters from a local industrial zone.
- Connected to a nearby E-distribuzione medium-voltage substation, ensuring efficient integration into the local grid.
- Situated in a region known for its strong solar irradiance, the Acquisition is expected to benefit from high energy productivity. Classified as "Ready-to-Build", the project has already obtained all necessary permits for immediate commencement of construction.
- The Acquisition spans a total of 3.5 hectares and was acquired for EUR 280,000, equating to a cost of EUR 80,000 per hectare.

Exercise of Warrants

Certain investors, including a Non-Executive Director of the Company, have exercised warrants to acquire new common shares in the capital of the Company (the "Warrant Exercise").

The Warrant Exercise has raised an aggregate total amount of approximately USD 308,000 (equivalent to approx. NOK 3,120,000 or GBP 228,000), resulting in the issuance of a total of 10,761,158 new common shares (the "Warrant Shares").

An application for the Warrant Shares to be listed on the Equity Shares (Transition) category of the Official List and to trading on the London Stock Exchange's Main Market for listed securities will be made within 12 months of the issue of the Warrant Shares.

The warrant exercise price, as detailed in the regulatory news announcement dated October 28, 2024, is NOK 0.29 per Warrant Share.

The Warrant Shares will rank *pari-passu* in all respects with the existing common shares of the Company.

Director Dealing/ PDMR Shareholding

Mr. Sergey Borovskiy, a Non-Executive Director of Zenith, has exercised warrants resulting in the issuance of 314,552 Warrants Shares of no-par value in the capital of the Company.

Upon Admission of the Warrant Shares, Mr. Borovskiy will be directly beneficially interested in a total of 8,550,488 common shares in the capital of the Company, representing 1.70 percent percent of the total issued and outstanding common share capital of the Company.

Total Voting Rights

The Company announced the following information, in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and section 3.10 and 3.11.5 (3) of the Euronext Growth Oslo Rule Book Part II, resulting from the issuance of the Warrants Shares.

| Class of share | Total number of shares | Number of voting rights per share | Total number of voting rights per class of share |
|--|------------------------|-----------------------------------|--|
| Common shares in issue and admitted to trading on the Main Market of the London Stock Exchange | 328,482,086 | 1 | 328,482,086 |

| | | | |
|--|-------------|---|-------------|
| Common shares in issue and admitted to trading on the Euronext Growth Market of the Oslo Børs. | 503,985,620 | 1 | 503,985,620 |
|--|-------------|---|-------------|

Acquisition of Agrivoltaic Development Projects in Lazio, Italy

The Company announced the acquisition of two development-stage Agrivoltaic solar energy production projects in the region of Lazio, Italy (the "Acquisitions"), by its wholly-owned Italian subsidiary created to manage its solar energy portfolio, WESOLAR S.R.L. ("WESOLAR").

Acquisition Highlights

- The first acquisition will have an installed capacity of approximately 10 MWp, while the second acquisition will add 5 MWp, providing a combined total of 15 MWp.
- Agrivoltaic technology integrates agricultural activities with solar energy production, optimising land use and supporting sustainable agricultural practices.
- The Company expects the first acquisition will achieve Ready-to-Build status within the next 12 months. The second acquisition is conditional upon the successful conclusion of the permitting process and the start of construction.
- The consideration for the first acquisition is EUR 1,300,000, which includes the purchase of the land hosting the Acquisition, and will be payable conditional to the achievement of all the necessary permits for it to become 'Ready-to-Build'.
- The consideration for the second Acquisition amounts to EUR 650,000, including the purchase of the land hosting the project, and will be payable conditional upon the successful conclusion of the permitting process and commencement of construction.
- Together, the Lazio acquisitions strengthen the Company's presence in one of Italy's most strategically important regions for solar energy and complement its established pipeline in Piedmont.

Acquisition of 30 MWp Agrivoltaic Development Projects

The Company announced the acquisition of 5 development-stage agrivoltaic solar energy production projects located in the region of Piedmont, Italy (the "Acquisitions"), by its wholly-owned Italian solar energy portfolio subsidiary, WESOLAR S.R.L. ("WESOLAR").

Acquisitions Highlights

- The Acquisitions comprises of 5 agrivoltaic solar energy development projects located in the Piedmont region of Italy, with a combined installed capacity of approximately 30 MWp.
- Agrivoltaic technology integrates agricultural activities with solar energy production, optimising land use and supporting sustainable agricultural practices. It is planned that each project will utilize single-axis tracker systems on agricultural land to maximize solar energy generation efficiency.
- Italy stands out as one of the leading countries worldwide in agrivoltaic technology and implementation.
- The Company expects the Acquisitions will all achieve 'Ready-to-Build' status within the next 12-16 months.
- The consideration for the Acquisitions is EUR 3,100,000, which includes the purchase of the land hosting the Acquisitions, and will be payable conditional to the achievement of all the necessary permits to achieve 'Ready-to-Build' status.

Zenith's Solar Energy Portfolio now includes:

- Liguria Solar Asset: 0.5 MWp (Operational, currently producing at 0.2 MWp).
- Puglia Solar Asset: 3 MWp (Ready-to-Build).
- Solar Energy Development Project in Piedmont: 10 MWp (Development Stage).
- Agrivoltaic Development Projects in Lazio: 15 MWp (Development Stage).
- Agrivoltaic Development Projects in Piedmont: 30 MWp (Development Stage).

| Project / Stage | Capacity (MWp) | Status | Acquisition date | Consideration |
|---|----------------|--------------------|------------------|---|
| Solar Energy Project in Piedmont, Italy - 10 MWp (the "Piedmont Acquisition") | 10.0 | Development | 30/05/2025 | EUR 900,000 conditional on the successful achievement of all the necessary local approvals and permits, as well as completion of due diligence by the Company |
| Solar Energy Project in Liguria, Italy - 0.5 MWp (the "Ligurian Acquisition") | 0.5 | Production Upgrade | 09/04/2025 | EUR 110,000 |
| Acquisition of Ready-to-Build Solar Energy Project | 3.0 | Ready-to-Build | 29/07/2025 | The Acquisition spans a total of 3.5 hectares and was acquired for EUR 280,000 |
| Acquisition of Agrivoltaic Development Projects in Lazio, Italy | 15.0 | Development | 06/08/2025 1 | The consideration for the first acquisition is EUR 1,300,000, which includes the purchase of the land hosting the Acquisition, and will be payable conditional to the achievement of all the necessary permits for it to become 'Ready-to-Build' |
| | | Development | 27/08/2025 2 | The consideration for the second Acquisition amounts to EUR 650,000, including the purchase of the land hosting the project, and will be payable conditional upon the successful conclusion of the permitting process and commencement of construction. |
| Acquisition of 30 MWp Agrivoltaic Development Project | 30.0 | Development | | The consideration for the Acquisitions is EUR 3,100,000, which includes the purchase of the land hosting the Acquisitions, and will be payable conditional to the achievement of all the necessary permits to achieve 'Ready-to-Build' status. |

Total portfolio per the date of the Memorandum: 58.5 MWp

RISK FACTORS

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

Prospective investors should note that the risks relating to the Issuer and the Group 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 SDRs. 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 SDRs may decline, and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the SDRs is suitable for them in light of the information in this Memorandum and their personal circumstances.

The risk factors herein are organized into categories depending on their nature. The risk factors are classified between low, medium and high risk of occurring, which is stated after each risk below.

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

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 starting of the arbitration process in Tunisia and the new focus in the United States and the development of the photovoltaic market in Italy, 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.

The development of the Company's activities depends on the availability of funds. A failure to secure such funds, for example, due to a repeated fall in the oil price caused by a global recession or increased instability in the Middle East 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.

It is important to underline that additional and important funds will be available upon the cashing of the first Arbitration award, granted in December 2024 by the ICC in Paris, that amounts to about USD 10 million at the date of this Memorandum.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

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 could result in financial disadvantages, like increased interest rates that have to be paid, or more expensive external financings in general. Breaches of financing contracts by the Issuer also bear the risk that a creditor may declare due an amount and thereby put 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 Memorandum 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 2025.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

The reserve values of Zenith's properties may decrease if the Issuer is not 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 licenses in relation to the oil and gas assets already owned by 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.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

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, 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 probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

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 from its shareholders, the potential recovery of proceeds from the favorable ruling in the ICC 1 Arbitration and the distribution of dividends from its subsidiaries in order to meet the payment obligations towards its creditors.

The liquidity of the Issuer also depends on the earnings of its subsidiaries. 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.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

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 complicate the Group's and the Issuer's ability to meet its payment obligations. In addition, Zenith expects time-lags in payment by the Tunisian entity for the award of ICC 1, 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 expenses may also delay payments.

At the date of this Memorandum, Société Nationale des Pétroles du Congo ("SNPC") owes the Anglo African Oil & Gas Congo S.A.S. ("AAOG Congo"), a fully owned subsidiary of the Issuer, approximately USD 5.7m as a result of the work conducted to date on the Congo License I. The Issuer and SNPC are in discussions in order to settle this issue. Non-payment of this amount of approximately USD 5.7m by SNPC may limit the Issuer's ability to meet its payment obligations and hinder its development 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.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: medium.

Adverse financial market conditions may affect Zenith's refinancing abilities

The costs and availability of financing have been adversely affected by the crisis in the financial sectors. 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 probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

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 probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

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 as a 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 financing that may not be available or, if available, may not be available on favorable 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 holders of SDRs 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 probability that the risk occurs is: low.

The effect on the Company if the risk occurs: medium.

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.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: low.

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.

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 Memorandum - only invested in three countries, 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.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

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 as well as 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 for the 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.

Revenues are received by the two El Bibane and Robbana concessions with little production. Therefore, the Group's production is mainly driven by the Italian operations and the United States concession.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

Malfunctions of purchased equipment significantly worsen 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 of Zenith's concession, that is not yet producing at their full capacity.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

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. Oil prices declined significantly from USD 56/bbl in December 2014 to USD 37/bbl in December 2015, reaching a low of USD 26/bbl

in January 2016. Following OPEC production cuts in November 2016, prices recovered to USD 50/bbl by December 2016 and peaked at USD 86.2/bbl in October 2018. The COVID-19 pandemic caused dramatic price drops to around USD 17/bbl in April 2020, with recovery to approximately USD 48.52/bbl by December 2020. Throughout 2021, oil prices climbed back above USD 80/bbl, though new COVID-19 variant concerns caused drops to USD 66.18/bbl by late November 2021. Due to the war in Ukraine the oil prices increased to USD 113.39/bbl in March 2022 and USD 116.37/bbl in May 2022. In 2023 and 2024 the average price was USD 77.08/bbl and during the year 2025 the average price is approximately USD 68.07/bbl. (Source: WTI Crude Oil Prices - 10 Year Daily Chart - <https://www.macrotrends.net/2516/wti-crude-oil-prices-10-year-daily-chart>).

Since the beginning of 2022, oil prices have increased sharply. Driven by an economic growth increasing demand for oil, geopolitical tensions between Russia and Ukraine and increased instability in the Middle East as well as limited oil supply,³³ 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 the year 2022 when it reached USD 80.51/bbl. In September 2023 the selling price was USD 91/bbl, with a progressive decline to the current 26 August 2024, selling price of USD 77.44/bbl, which corresponds to a decline of approximately 37 per cent (Source: WTI Crude Oil Prices - 10 Year Daily Chart - <https://www.macrotrends.net/2516/wti-crude-oil-prices-10-year-daily-chart>).

According to IEA-report "Oil Market Report – August 2024", the market will gradually return to moderate inventory builds in mid-2025 after the expiration of voluntary OPEC+ supply cuts in Q4 2024 and as forecast production growth from countries outside of OPEC+ begins to outweigh global oil demand growth.

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.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: medium.

³³Available at: <https://www.weforum.org/agenda/2022/02/why-oil-prices-matter-to-global-economy-expert-explains/>.

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, 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 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.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

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.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

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. Mr. Benedetto serves the Company since 2013, has great experience in accounting and consolidation, and he is experienced in the capital raises. He had also been awarded in 2022, by Best Startup UK, as one of the London's six most impressive & successful CFO's in the Oil and Gas Space. In the event that key employees 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 key personnel could also cause a loss of image and personal networks from which the Issuer benefits, in addition to a significant loss of know-how.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

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

If Zenith or the holder of the permit, license or lease fails to meet the specific requirement of a permit, license or lease, the permit, license or lease may terminate or expire. Furthermore, the permits, licenses, and leases are assigned for a limited time. There can be no assurance that any of the obligations required for maintaining a permit, license or lease will be met or that the permit, license or lease will be renewed in the future.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

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 licenses

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 nationalization or renationalization 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 the SDRs. 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 licenses from various governmental authorities. There can be no assurance that Zenith will be able to obtain all of the licenses 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 licenses, such as operating permits. A failure by Zenith to comply with substantial conditions might lead to governmental intervention.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

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 Memorandum 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.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: low.

Cybersecurity

Cybersecurity is a growing and evolving security challenge for the global energy sector. Because of the

shared responsibility to secure energy delivery systems globally against cyber threats, a common vision and framework is needed to guide the public-private partnerships. The electricity and oil and natural gas industries globally have initiated enhanced approaches to plan for and counter cybersecurity threats to energy infrastructure operations.

A comprehensive risk management approach can provide a means to develop a cybersecurity strategy tailored to the unique requirements of each asset owner. Governments and regulatory authorities globally are exploring options for incentives such as grants, liability limitation, cybersecurity insurance, public recognition, and rate recovery to encourage the adoption of best practices across the industry. Governments will need to engage owners and operators in the identification of incentives that provide the greatest value.

In addition to government programs globally, various industry partners, including international trade associations and regulatory bodies, have been carrying out numerous cybersecurity related activities across different jurisdictions.

A successful cyberattack could result in operational disruptions, data breaches, financial losses, regulatory penalties, and damage to the Company's reputation.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

COUNTRY-SPECIFIC RISKS

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. Torrente Cigno concession is scheduled to expire in 2029 and during the year 2027 the Group will apply for its renewal. Any disruption in production from this concession may negatively affect the Issuer's cash flow.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

Tax Risks Related to Italian Operations

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.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

United States of America

Aging Infrastructure and the Need for Infrastructure Investment

According to a DHS study, *"significant numbers of critical infrastructure assets in the United States have reached or are approaching the end of their designed life span. Although an infrastructure does not fail because of advanced age alone, aging assets may have degraded performance or functional obsolescence that increases the risk of failure"*. Therefore, energy infrastructure must continue to be developed, constructed, operated, and maintained to meet future demands and overcome evolving threats and other challenges.

In conducting a comprehensive long-term assessment of the assets and systems as well as for future investments, energy sector owners and operators are increasingly considering building resilience into new infrastructure through a variety of approaches. The energy industry works with policymakers and regulators to support effective policies to address the risks of developing, constructing, operating, and maintaining infrastructure, as well as the challenges of raising needed capital to fund transmission and distribution development.

The National Academy of Engineering cites electrification (generation, transmission, and distribution of electricity) as the most important engineering achievement of the 20th Century. However, the 21st Century brings new challenges and opportunities. Improvements to the electric grid continue to be made to address the Nation's needs—modernizing infrastructure through technological innovations, improving resilience, implementing public policy requirements, addressing environmental concerns, responding to emerging physical and cyber threats, and meeting changing customer expectations.

As with any sector, the energy sector is experiencing new and innovative approaches to deliver electricity more efficiently, safely, and reliably, through research done at the national laboratories, Electric Power Research Institute, and other industry research groups. In conducting a comprehensive long-term assessment of their assets and systems as well as for future investments, energy sector owners and operators have built and continue to build resilience into their infrastructure through a variety of approaches (Source: <https://www.energy.gov/oe/articles/2015-energy-sector-specific-plan>).

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

Tunisia

Uncertainty regarding collection and outcomes of arbitration proceedings against Tunisia and ETAP

The Company is engaged in three ongoing arbitration proceedings against the Republic of Tunisia and ETAP with total claims of USD 639.5 million. While the Company has received a favorable award of

approximately USD 9.7 million in ICC Arbitration 1, collection risks remain as ETAP may lack sufficient assets or resist enforcement.

The CNAOG ICC Arbitration rejected the Company's claims of USD 130 million in their entirety, and the Company's annulment application before the Swiss Federal Supreme Court may be unsuccessful. The pending ICSID Arbitration involving claims of USD 503 million may also result in an unfavorable outcome.

Failure to collect awarded amounts or achieve favorable outcomes in the remaining arbitration proceedings could materially impact Zenith's liquidity and ability to fund operations and investments.

For more information about the disputes see "Regulatory proceedings, legal proceedings and arbitration proceedings".

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

Insufficient data is an obstacle to support reserves for future locations

The Issuer relies on finding new fields and evaluating their potential correctly. Insufficient information and data in some regions may prevent the Issuer from evaluating the potential of certain fields correctly and the Issuer may consequently lose business or invest in unprofitable fields.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

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 ongoing 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 neighbor of Tunisia.

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.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

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.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

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

As detailed earlier in this Memorandum, Zenith is subject to significant environmental regulations in all jurisdictions where it operates. Compliance with environmental regulations 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.

As detailed earlier in this Memorandum, Italy, Tunisia and the United States have ratified the Paris Climate Change Agreement and are required to establish legally binding targets to reduce greenhouse gas emissions. Zenith may be subject to emissions regulations, and compliance costs may adversely affect Zenith's business.

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.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

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.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: medium.

RISKS RELATED TO THE OFFERING

Risks related to trade on Spotlight

Companies whose SDRs are traded on Spotlight are not subject to all the rules as SDRs admitted for trading on a so-called regulated market. Spotlight has chosen to include most of those rules into its Regulations.

Investing in a Company listed on Spotlight Stock Market comes with a higher risk than investing in a Company listed on a regulated market.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

There is a risk that SDRs will not be approved for trading on Spotlight

Zenith has received conditional approval from Spotlight for the listing of its SDRs. This approval is subject to the fulfilment of certain customary conditions, including, but not limited to, achieving a sufficient free float of shares, liquidity and shareholder distribution requirements, as required by Spotlight's listing rules.

There is a risk that these conditions may not be satisfied within the expected timeframe or at all. If any of the conditions remain unfulfilled, Spotlight may decide not to approve the listing of the SDRs. Such an outcome could result in limited liquidity for the SDRs, as they would not be available for trading on Spotlight, potentially impacting investor access and the ability to realize the anticipated value of their holdings.

The Company believes that the risk of the SDRs not being approved for listing is low, given the progress made toward fulfilling the required conditions. However, should the listing not be approved, it could negatively affect the Company's reputation in the market and create uncertainty among investors regarding its ability to successfully execute its listing plans.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

Liquidity risk and price volatility

Zenith's SDRs have not previously been traded on any stock market. It is therefore difficult to predict the volume and liquidity of trading or the interest in the market for the SDRs. The price for which the SDRs are traded and the price at which investors can make their investment will depend on several factors, some of which are specific to Zenith and its business, while others are applied to many listed companies and are outside the Company's control. Such factors include the performance of Zenith's common shares, investor sentiment, and broader market conditions. Moreover, given that the market price of the SDRs depends to a significant degree on the price of the common shares, a decline in the trading price of the common shares on the London Stock Exchange Main Market and the Euronext Growth of the Oslo Stock Exchange would be expected to negatively affect the trading price of the SDRs. The admission to trading of Zenith's SDRs on Spotlight should not be interpreted as meaning that there will be a liquid market for the SDRs. There is a risk that the price of the SDRs will be highly volatile in connection with the admission to trading. If active and liquid trading does not develop or does not prove sustainable, SDR Holders may find it difficult to sell their holdings at desired prices, or at all.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

Risks relating to future issuances

Raising new funding through the issuance of common shares, convertible bonds, or the granting of warrants

would result in dilution to the interests of the holders of SDRs. The Company is authorized to issue an unlimited number of common shares, which provides significant flexibility for future financing but also increases the potential for dilution. However, the Board of Directors have resolved that the Board of Directors shall endeavor to limit the new issuance of common shares to a number that in aggregate does not exceed 50 percent of the total number of outstanding common shares in the Company immediately following the closing of the Offering. The limitation shall apply until and including 31 December 2026. The limitation shall not apply to: (1) rights issues to existing shareholders; (2) share issuances in connection with acquisitions of companies or assets; or (3) where circumstances have occurred which have or could reasonably be expected to have a material adverse effect on Zenith's financial position or operation.

Additionally, issuing a substantial number of new common shares — either directly, through convertible bonds, or via warrant exercises — or the anticipation of such issuance, could negatively impact the prevailing market price of Zenith's common shares and SDRs.

Any issuance of additional Shares or securities convertible into Shares:

- May significantly dilute the equity interests of existing investors.
- May subordinate the rights of SDR Holders if securities are issued with rights senior to those of the SDRs.
- May adversely affect prevailing market prices for the SDRs.

The probability that the risk occurs is: medium.

The effect on the Company if the risk occurs: low.

SDR Holders will be subject to certain currency exchange risks

The SDRs and any future dividend and other distribution of funds to be paid in respect of the SDRs will be denominated in SEK, while Zenith's financial reporting currency is CAD. As a result, the SDR Holders will be exposed to currency exchange risks. Fluctuations in foreign exchange rates may affect the value of dividends and other distributions, as well as the market price of the SDRs. SDR Holders whose principal currency differs from SEK may face additional currency risks, which could impact their investment returns. A depreciation of SEK relative to their local currency could reduce the effective value of their holdings and any cash distributions received.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

Dividend payments for SDR Holders

SDR Holders may experience delays in dividend payments compared to direct shareholders in Zenith, as DNB will set the payment date for dividends to SDR Holders which will normally occur after the payment date for shareholders in Zenith.

Additionally, SDR Holders' ability to receive dividends is dependent on their account configuration. SDR Holders that have a SEK account linked to their VPC account will have dividends credited directly to such SEK account, while SDR Holders which have not linked a SEK account to the VPC account will receive

dividends through the relevant account operator. This may result in additional delays and administrative complexity for certain SDR Holders.

Such delays and limitations in the payment process may affect SDR Holders' liquidity and create uncertainty regarding the timing of dividend receipts, which could negatively impact investors' overall returns.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

Risk of non-receipt of dividends for SDR Holders without proper account configuration

SDR Holders face the risk of not receiving dividend payments if they have not properly configured their account details with their VPC account operator. While DNB has agreed to distribute dividends to SDR Holders under the custodian agreement with Zenith, the actual receipt of dividends depends on the SDR Holder's account configuration.

SDR Holders who have linked a SEK account to their VPC account (Sw. *VP-konto*) will receive dividends directly to that account, while those without a linked SEK account will receive dividends through their relevant account operator (Sw. *kontoförande institut*). However, SDR Holders who are registered in the VPC Register but have not provided their VPC account operator with their bank account details will not receive dividend payments at all unless they register their bank account details with their account operator.

This administrative requirement places the responsibility on individual SDR Holders to ensure proper account setup, and failure to do so may result in the complete loss of dividend entitlements.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

Voting Rights and General Meeting Participation

SDR Holders face limitations in exercising their voting rights and participating in general meetings of the Company. Unlike holders of common shares, SDR Holders cannot attend general meetings in person to vote on matters affecting their interests unless they first convert their SDRs back to the underlying common shares through the local central securities depository, following specific instructions provided by Zenith.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

Limited control over non-cash dividend distributions for SDR Holders

SDR Holders face the risk of having limited or no control over how non-cash dividends are handled and may receive less favorable terms compared to direct shareholders of Zenith.

Additionally, in situations where direct shareholders of Zenith have the option to choose between receiving dividends in cash or other forms, SDR Holders may be denied this choice if DNB determines it is not practically feasible to extend such options to them.

The probability that the risk occurs is: low.

The effect on the Company if the risk occurs: low.

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS

The following list sets forth the name, business address, position with Zenith, time served as a director (if applicable), information on independency in relation to the Company and the Company management and independency in relation to the Company's major shareholders. 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:

| Name and Surname | Date and Place of Birth | Position | Since | Until | Independent in relation to the Company and Company management | Independent in relation to the Company's major shareholders |
|-------------------------------|--|---------------------------------------|------------|------------|---|---|
| Dr. Jose Ramon Lopez-Portillo | 2 February 1954 Mexico City (Mexico) | Chairman and Non-Executive Director | 24/09/2007 | 15/04/2026 | Yes | Yes |
| Andrea Cattaneo | 26 March 1956 Genova (Italy) | President, CEO and Executive Director | 09/12/2008 | 15/04/2026 | No | No |
| Dario E. Soderò | 5 November 1941 Turin (Italy) | Non-Executive Director | 24/06/2009 | 15/04/2026 | Yes | Yes |
| Sergey Borovskiy | 21 November 1972 St. Petersburg (Russia) | Non-Executive Director | 24/07/2017 | 15/04/2026 | Yes | Yes |
| Luca Benedetto | 7 April 1971 Genova (Italy) | CFO and Executive Director | 07/12/2020 | 15/04/2026 | No | Yes |

Source: Internal information of the Issuer as of the date of this Memorandum.

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

Mr. Lopez-Portillo has been since 2008 Non-Executive Chairman of the Board.

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 acted as Deputy Minister at Mexico's Planning and Budget Secretariat ending his political career in November 1982.

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 (Chief Executive Officer, President and Executive Director)

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 and he also has significant industrial experiences in Europe. 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 in 1986 the first USD loan in the history of Vietnam, which was back then the third poorest country in the world.

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 has served as Non-Executive Member of the Anglo-Azerbaijan Society, and he has been Partner of the Buenos Aires Stock Exchange and Member of the IADC Caspian Chapter Steering Committee. He has served, in the years from 2004 to 2010, as a Director of the Business Advisory Council to the Great Tumen Initiative, a United Nations project for regional economic cooperation in Northeast Asia, comprising of the States of China, Mongolia, South Korea and Russia.

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)

Sergey is an accomplished executive with a track record in investment banking, M&A projects, and cross-border transactions. He offers over 30 years of China and Hong Kong experience in founding and developing companies in a multilingual and multicultural environment. He is fluent in English and Mandarin. Sergey studied in China and holds a degree in Economics and an Executive MBA.

He has served as Non-Executive Director of Zenith Energy since 2017. He has also held, or currently holds, the following roles:

- Since 1993 Chairman of SCHI Group, an international trading, investment and manufacturing holding.
- During 2017–2019, he was CEO of Sanju Environmental Protection (Hong Kong) Limited, overseeing all international projects of Sanju Group.
- During 2017–2018 Executive Director at Jutal Offshore Oil Services (public HK company).
- Since 2020 VP of Kaisun Holdings (public HK investment holding) listed on the Hong Kong Stock Exchange.

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, Canoe Italia S.p.A., 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.

Mr Benedetto was awarded in 2022, by Best Startup UK, as one of the London's six most impressive & successful CFO's in the Oil and Gas Space.

Luca Benedetto acts as Director of Canoe Italia S.P.A.

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 Memorandum.

| Name | Number of common shares | % of share capital |
|---------------------------|-------------------------|--------------------|
| ANDREA CATTANEO | 51,001,414 | 10.120 |
| LUCA BENEDETTO | 14,642,330 | 2.905 |
| SERGEY BOROVSKIY | 8,550,488 | 1.697 |
| DARIO SODERO | 7,750 | 0.002 |
| JOSE RAMON LOPEZ-PORTILLO | 4,800 | 0.001 |

Source: Financial Statements 2025 internal information of the Issuer as of the date of this Memorandum.

In addition to their respective roles and directorships at the Group, the directors have, within the last five years or currently, served as 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 | President and Director |
| Sergey Borovskiy | Kaisun Holdings | Director |
| | General Transactions Inc. | Director |
| | South China Heavy Industries Group | Director |
| Luca Benedetto | Ajax Resources Plc (terminated in 2024) | Director |

Source: Internal information of the Issuer as of the date of this Memorandum.

Furthermore, the directors currently or historically hold an ownership interest of at least ten percent in the following companies:

| Name | Company/Partnership |
|---------------------------|---------------------------|
| Jose Ramon Lopez-Portillo | None |
| Andrea Cattaneo | Zenith Energy Ltd |
| Dario Ezio Sodero | Planaval Resources Ltd |
| Sergey Borovskiy | General Transactions Inc. |
| Luca Benedetto | None |

BOARD OF COMMITTEES

Zenith's Board of Directors has three 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 Borovskiy 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 Borovskiy and is chaired by Sergey Borovskiy. The Remuneration Committee has not met during the year ended 31 March 2025. 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 the total individual remuneration package of the chairman, each executive and non-executive 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 Sodero and Jose Ramon Lopez-Portillo and is chaired by Jose Ramon Lopez-Portillo. The Corporate Governance Committee has not met during the financial year 2025. 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.

SENIOR MANAGEMENT

The Company's senior management team consists of two individuals. The names of the members of the Company management as at the date of the Memorandum, and their respective positions, are presented in the table below:

| Name | Position | Employed since | Shares |
|-----------------|-------------------------|----------------|------------|
| Andrea Cattaneo | Chief Executive Officer | 2009 | 51,001,414 |
| Luca Benedetto | Chief Financial Officer | 2013 | 14,642,330 |

BRIEF BIOGRAPHIES OF THE MEMBERS OF MANAGEMENT

Andrea Cattaneo

Please see the description above under "Board of Directors".

Luca Benedetto

Please see the description above under "Board of Directors".

INCENTIVE PROGRAMS

The Company has a stock option plan (the "**Stock Option Plan**") pursuant to which, non-transferable options to purchase common shares of the Company may be granted to directors, officers, consultants and employees of the Company, exercisable for a period of up to 5 years from the date of grant, provided that the number of common shares reserved for issuance under options will not exceed 10% of the issued and outstanding common shares.

A summary of the material terms of the Stock Option Plan is as follows:

1. Background

The purpose of the Stock Option Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Company or any of its subsidiaries to achieve the longer-term objectives of the Company, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Company.

2. Administration

The directors are responsible for administering the Stock Option Plan and have full and final discretion to interpret its provisions and to prescribe, amend, rescind and waive the rules and regulations governing its administration and operation.

3. Eligibility

The directors can designate those directors, officers, employees, consultants or other personnel of the Company or its subsidiaries who are granted options (the "**Optionholders**") pursuant to the Stock Option Plan. Subject to the policies (the "**Exchange Policies**") of any stock exchange on which the common shares are listed (the "**Exchange**") and certain other limitations, the directors are authorized to provide for the grant and exercise of options on such terms (which may vary as between options) as they shall determine. No option may be granted to any person except upon the recommendation of the Board.

4. Participation

Participation in the Stock Option Plan is entirely voluntary and any decision not to participate shall not affect an individual's relationship or employment with the Company. The granting of an option pursuant to the plan shall in no way be construed as conferring on any Optionholder any right with respect to continuance as a director, officer, employee or consultant of the Company or any of its subsidiaries. Options are not affected by any change of employment of the Optionholder or by the Optionholder ceasing to be a director, officer or a consultant of the Company or any of its subsidiaries where the Optionholder at the same time becomes or continues to be a director, officer, full-time employee or consultant of the Company or any of its subsidiaries.

5. Shares subject to options

Unless the Company receives the permission of the stock exchange or exchanges on which the common shares are listed to exceed such threshold, as applicable, the options granted under the Stock Option Plan together with all of the Company's other previously established stock option plans or grants must not result at any time in:

(a) the number of common shares reserved for issuance pursuant to options granted to insiders (as defined in the Exchange Policies) exceeding 10% of the issued and outstanding common shares;

(b) the grant to insiders (as defined in the Exchange Policies) within a 12-month period of a number of options exceeding 10% of the outstanding common shares; or

(c) the grant to any one Optionholder within a 12-month period of a number of options exceeding 5% of the issued and outstanding common shares.

6. Option price and exercise price

Subject to prior termination under the Stock Option Plan, each option and all rights thereunder expire on the date set out in the stock option agreement entered into between the Company and each Optionholder, which shall be the date of expiry of the period determined by the Board of Directors during which the Optionholder may exercise the option (the "**Option Period**"). The Option Period cannot exceed a period of 5 years from the date the relevant option is granted unless the Company receives the permission of the stock exchange or exchanges on which the common shares are then listed and, in any event, no option can be exercisable for a period exceeding 10 years from the date it is granted.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an option granted under the Stock Option Plan shall be as determined by the Board of Directors when such option is granted and shall be an amount at least equal to the last per share closing price for the common shares on the Exchange before the date of grant of the option (less any applicable discount under the Exchange Policies).

7. Exercise of options

Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an option shall vest and the method of vesting, or that no vesting restriction shall exist.

Subject to any vesting limitations which may be imposed by the directors at the time of grant of an option, an Optionholder is generally entitled to exercise an option granted to him at any time prior to the expiry of the Option Period. If an Optionholder ceases to be a director, officer, employee or consultant of the Company or its subsidiaries for any reason other than death, the Optionholder may within 90 days or prior to the expiry of the Option Period, whichever is earlier, exercise any option held. If an Optionholder dies, the option previously granted to him is exercisable within one year following the date of the death or prior to the expiry of the Option Period, whichever is earlier, by the person or persons to whom the Optionholder's rights under the option pass.

8. Anti-dilution

On certain variations to the share capital of the Company, the number of common shares comprised in existing options may be adjusted so as to avoid the dilution of such options.

9. Transferability of options

No right or interest of any Optionholder under the Stock Option Plan is assignable or transferable.

REMUNERATION AND BENEFITS TO THE BOARD

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of an entity, either directly or indirectly. The following table summarizes annual compensation and long-term compensation of the Group's executive officers for the two most recently completed financial years that ended on March 31, 2025. The executive officers equate to key management personnel:

| Name ⁽³⁾ | Year | Short term employee benefit CAD \$'000 | Other short-term benefits CAD \$'000 | Other long-term benefits CAD \$'000 | Other benefits CAD \$'000 | Total CAD \$'000 |
|--------------------------------|------|--|--------------------------------------|-------------------------------------|---------------------------|------------------|
| Andrea Cattaneo ⁽¹⁾ | 2025 | 584 | - | - | - | 584 |
| | 2024 | 559 | - | - | - | 559 |
| Luca Benedetto ⁽²⁾ | 2025 | 251 | | | | 251 |
| | 2024 | 263 | - | - | - | 263 |

1. Andrea Cattaneo was appointed President and Chief Executive Officer effective 01 January 2009. As proposed by the Remuneration Committee, Mr. Cattaneo's annual consulting fee payment is approximately £210k (CAD \$384k), payable in equal monthly instalments, plus an annual bonus compensation of CAD\$200k from the parent Company.

2. Mr. Luca Benedetto was appointed as Chief Financial Officer from April 2017 and received compensation of CAD\$173k from the parent Company and CAD\$78k from subsidiary undertakings during the year ended March 31, 2025.

3. Mr. Jose Ramon Lopez-Portillo, Mr. Dario Soderò and Mr. Sergey Borovskiy did not receive any compensation for the financial year ended 31 March 2025 and 2024.

Key management non-cash compensation

During the financial year ended March 31, 2025, the Company has granted some stock options to certain directors, Advisory Committee members and employees of the Company in accordance with the Company's Stock Option Plan.

The cost is based on the fair values of the options, which is determined using the Black Scholes method. The value of the charge is adjusted to reflect expected and actual level of vesting. Charges are not adjusted for market related conditions that are not achieved.

The following table summarizes the fair value of the options issued to the directors, clarifying that it relates to non-cash amounts and not cash amounts.

| Name | Year | Options granted | Share based payments (Fair value cost) CAD \$'000 | Total CAD \$'000 |
|---------------------------|------|-----------------|---|---------------------|
| Andrea Cattaneo | 2025 | 13,047,909 | 1,507 | 1,507 |
| | 2024 | - | - | - |
| Jose Ramon Lopez-Portillo | 2025 | 1,902,820 | 220 | 220 |
| | 2024 | - | - | - |
| Dario Ezio Sodero | 2025 | 1,902,820 | 220 | 220 |
| | 2024 | - | - | - |
| Sergey Borovskiy | 2025 | 1,902,820 | 220 | 220 |
| | 2024 | - | - | - |
| Luca Benedetto | 2025 | 3,941,555 | 455 | 455 |
| | 2024 | - | - | - |

BENEFITS UPON TERMINATION

No employee, including any member of the Company management, has entered into employment agreements which provide for any special benefits upon termination. None of the directors has a service contract and none will be entitled to any benefits upon termination of office.

LOANS AND GUARANTEES

The Company has not granted any loans, guarantees or other commitments to any of the members of its Board of Directors or to any other member of the Company management.

CORPORATE GOVERNANCE

The Company currently complies with the corporate governance regime applicable to the Company pursuant to the laws of British Columbia, the securities law in Canada and the standard segment of the Official List. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board of Directors facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions.

The Board has established an audit committee, a remuneration committee and a corporate governance committee with formally delegated duties and responsibilities as described above under the section "Board of Directors and Executive Management".

It should be noted that Zenith is not obliged to follow the Swedish code of corporate governance, nor has it voluntarily undertaken to follow it.

TRANSACTION WITH RELATED PARTIES

Related party transactions are considered to be in the normal course of operations and are initially recognized at fair value. The related party transactions during the financial years ended March 31, 2025, and 2024 are as follows:

- During the financial year ended 31 March 2025, Mr. Andrea Cattaneo, Chief Executive Officer & President of Zenith, has subscribed for a total 25,075,247 common shares of no-par value in the capital of the Company.
- During the financial year ended 31 March 2025, Mr. Luca Benedetto, Chief Financial Officer of Zenith subscribed for 10,314,675 common shares of no-par value in the capital of the Company.

- c. During the financial year ended March 31, 2025, Mr. Sergey Borovskiy, a Non-Executive Director of the Company, subscribed for 8,165,559 common shares of no-par value in the capital of the Company.
- d. During this financial year, three directors, granted loans to finance its developing activities and the arbitration costs. These loans that amounted to CAD\$ 851,492.62 for Mr. Andrea Cattaneo (March 31, 2025 – CAD\$750), CAD\$ 597,741.48 for Mr. Luca Benedetto, (March 31, 2025 – CAD\$ Nil), and CAD\$ 175,695.00 for Mr. Sergey Borovskiy, (March 31, 2025 – CAD\$ Nil). These loans did not grant interest nor other direct and/or indirect costs and, as of the date of this Memorandum they were all repaid.

OTHER INFORMATION ON THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Save as set out below and as at the date of the Memorandum, none of the directors and members of the Company management has, at any time within the last five years:

- had any convictions in relation to fraudulent offences;
- been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or senior management of any company or other entity;
- been subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies);
- notes in audit reports; or
- ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

None of the Board members or members of the management team have any family ties to another Board member or the Company's management.

CONFLICT OF INTEREST

One director of the Company is also director of one other oil and gas company and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies set out in the articles of association of the Company and the BCBCA. Save as set out below, as at the date of the Memorandum there are no potential conflicts of interest between any duties owed by the directors or members of the Company management and their private interests or other duties:

- Dario Sodero is the President and sole director of Planaval Resources Ltd an oil and gas company.

AUDITOR

RPG Crouch Chapman LLP, 40 Gracechurch Street, London, EC3V 0BT, United Kingdom, is the Issuer's external auditor since 15th April 2023. No auditors have resigned, been removed or been re-appointed for the past two years.

SHARES, SHARE CAPITAL AND OWNERSHIP

The following is a summary of material information relating to the common shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Company's articles of association and applicable Swedish and Canadian law in effect as at the date of the Memorandum, including the BCBCA. The summary does not purport to be complete and is qualified in its entirety by the Company's articles of association and applicable law.

SHARE CAPITAL AND SHARE CAPITAL HISTORY

The Company is authorized to issue an unlimited number of common shares and preferred shares (issuable in a series). As at the date of the Memorandum, no preferred shares have been issued. The shares have been created under the BCBCA and they are fully paid with nil par value each. However, the Board of Directors has resolved that the Board of Directors shall endeavor to limit the new issuance of shares to a number that in aggregate does not exceed 50 percent of the total number of outstanding shares in the Company immediately following the closing of the Offering. This limitation shall apply until and including 31 December 2026. This limitation shall not apply to:

- (1) rights issues to existing shareholders;
- (2) share issuances in connection with acquisitions of companies or assets; or
- (3) where circumstances have occurred which have or could reasonably be expected to have a material adverse effect on Zenith's financial position or operation.

At the time of this Memorandum but prior to the issuance of the SDR's and related underlying shares the Company had 503,985,620 common shares in issue, outstanding, all fully paid and admitted to trading on the Euronext Growth of the Oslo Stock Exchange, of which 328,482,086 common shares in issue outstanding, all fully paid, and admitted to trading on the Main Market of the London Stock Exchange, as of the date of this document.

Under Canadian corporate law applicable to the Company, it is customary and permitted to create classes of shares without par value. No par value shares are shares where the value is determined entirely by the market rather than a predetermined par value established at issuance. When shares are issued, their value is based on prevailing market conditions as determined by the Company's Board of Directors.

On September 8, 2025, the Board of Directors of the Company decided to carry out an issue of SDRs in connection with the planned listing on Spotlight. The Offering comprises a maximum of 55,555,556 SDRs, representing 55,555,556 new shares in Zenith.

Except as set out in Section "Incentive Programs" or "Outstanding Warrants, Convertibles and/or Subscription Rights", there are no share options or other rights to subscribe or acquire shares issued by the Company.

Neither the Company nor any of its subsidiaries directly or indirectly owns shares in the Company.

During the period from 1 April 2023 until the date of this Memorandum, there have been the following changes in the issued and authorized share capital of the Company: For more information on the development of the information indicated below, please refer to press releases made by the Company and information on the Company's website.

| Date | Event | Price per share | Change of share capital (CAD\$ k) | Change in number of shares | Share capital after the change | Number of shares after the change |
|------------------|-------------------|-----------------|-----------------------------------|----------------------------|--------------------------------|-----------------------------------|
| 13 February 2024 | Private Placement | CAD\$ 0.053 | 1,999 | 37,856,250 | 66,086 | 268,886,487 |
| 13 February 2024 | Debt Settlement | CAD\$ 0.053 | 142 | 2,658,914 | 66,228 | 271,545,401 |
| 28 October 2024 | Private Placement | CAD\$ 0.026 | 1,628 | 62,833,440 | 67,856 | 334,378,841 |
| 28 October 2024 | Debt Settlement | CAD\$ 0.026 | 833 | 32,166,560 | 68,689 | 366,545,401 |
| 13 January 2025 | Private Placement | CAD\$ 0.094 | 3,015 | 32,211,511 | 71,704 | 398,756,912 |
| 13 January 2025 | Debt Settlement | CAD\$ 0.091 | 1,481 | 16,326,531 | 73,185 | 415,083,443 |
| 03 February 2025 | Private Placement | CAD\$ 0.183 | 5,540 | 30,316,359 | 78,725 | 445,399,802 |
| 03 February 2025 | Debt Settlement | CAD\$0.183 | 57 | 314,552 | 78,782 | 445,714,354 |
| 19 March 2025 | Private Placement | CAD\$0.130 | 2,738 | 21,159,600 | 81,520 | 466,873,954 |

| | | | | | | |
|------------------------------|----------------------|------------------------|-------|------------|----------|-------------|
| 31 March 2025 | Share issue cost | n.a. | (319) | - | (81,201) | 466,873,954 |
| 02 May 2025 | Private Placement | CAD\$ 0.160 | 1,658 | 10,397,000 | 82,859 | 477,270,954 |
| 29 May 2025 | Private Placement | CAD\$ 0.264 | 4,206 | 15,953,508 | 87,065 | 493,224,462 |
| 04 August 2025 | Exercise of Warrants | CAD\$ 0.039 | 425 | 10,761,158 | 87,490 | 503,985,620 |
| Upcoming 2025 ⁽¹⁾ | The Offering | CAD\$ 0.066 / SEK 0.45 | 3,413 | 55,555,556 | 90,903 | 559,541,176 |

1. The CAD amounts in this row are preliminary and represent values converted from SEK based on the CAD/SEK exchange rate of SEK 6.81683 as published by the Riksbank on 5 September 2025, and assume full subscription in the Offering.

DETAILS OF PRINCIPAL CHARACTERISTICS ATTACHED TO THE SHARES AND THE SDRS

The shares

The Issuer is authorized 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 authorized 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 BCBCA.

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 BCBCA, 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.

Transfer of common shares

There are no provisions in the Issuer's articles of association limiting the transfer of the common shares.

Payment of dividends

Subject to the BCBCA, the directors may from time to time declare and authorize 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 BCBCA. 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.

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.

Comparison of shareholder rights regulated in British Columbia and Sweden

This summary sets out certain differences between the rights of shareholders in the based upon current British Columbia legislation and other applicable corporate governance rules in Canada and the Company's current articles, as compared with the rights of shareholders generally under Swedish corporate law (in those parts applicable to public limited liability companies whose shares are subject to trading on an MTF-platform and Swedish corporate governance principles.

Unless expressly stated otherwise Swedish law and corporate governance rules are not applicable on the Company. The summary should therefore only serve as an overview of the main differences between Canadian and Swedish law and rules as per the date hereof.

The summary is of a general nature and it is not an exhaustive review of all potentially relevant differences between Canadian and Swedish law and corporate governance requirements.

The Business of the Company

British Columbia

Under the BCBCA, the articles set the rules of a company's conduct and set out every restriction, if any, on (i) the business that may be carried on by the Company and (ii) the powers that the Company may exercise. The articles of the Company do not include any restrictions on the Company's business.

Sweden

Under the Swedish Companies Act, the objectives of a Swedish company must be set out in the articles of association. These objectives set out the limits within which a company can operate.

Shares

British Columbia

The Company's shares have been issued in accordance with the BCBCA. The capital structure of the Company is composed of an unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in series.

Sweden

Under the Swedish Companies Act, a company may issue different classes of shares only if such share classes are specified in a company's articles of association. The articles shall also contain limitations on the minimum and maximum number of shares of each share class.

Voting rights

British Columbia

Under the BCBCA, every company having more than 100 shareholders must, unless the central securities register is in a form constituting in itself an index, keep an index of the names of the shareholders of the company as a part of its central securities register, and, within 14 days after the date on which an alteration is made in the central securities register, make any necessary alteration in the index. The index of shareholders must be so kept as to enable particulars with respect to every shareholder to be readily ascertained. A shareholder has one vote in respect of each share held by that shareholder and is entitled to vote in person or by proxy. A registered shareholder can either attend the meeting and vote him or herself or appoint someone else to vote his or her common shares (a "proxy holder"). A shareholder appoints a proxy holder to attend and act on the shareholder's behalf at a meeting of shareholders by giving the proxy holder a completed and executed form of proxy. A proxy holder is required to vote the common shares in accordance with the shareholder's instructions, if specified in the form of proxy. A proxy holder has discretion in respect of amendments or variations to matters identified in the form of proxy and in respect of other matters which may properly come before a meeting of shareholders.

Under ordinary principles of property and trust law a non-registered shareholder has beneficial ownership of the shares, but a trustee, person or other legal representative, agent or other intermediary (an "intermediary") is the registered holder that holds the common shares on behalf of the beneficial owner. The intermediary cannot vote the common shares registered in its name unless it receives written voting instructions from the beneficial owner. If the beneficial owner requests and provides an intermediary with appropriate documentation, the intermediary must appoint the beneficial owner or their nominee as proxy holder so they may attend and vote directly at the meeting of shareholders.

Under the BCBCA, unless the Memorandum or articles provide otherwise, a shareholder or proxy holder who is entitled to participate in, including vote at, a meeting of shareholders may do so by telephone or other communications medium if all shareholders and proxy holders attending the meeting are able to participate in it, whether by telephone, by other communications medium or in person. If a company holds a meeting of shareholders that is not an electronic meeting, the company is not obligated to take any action or provide any facility to permit or facilitate the use of any communications medium at the meeting. If a company holds a meeting of shareholders that is an electronic meeting, the company must permit and facilitate participation in the meeting by telephone or other communications medium.

Sweden

Under the Swedish Companies Act, all shares carry one vote unless different share classes with different voting rights are provided for in the articles of association of the company. No share may however have a voting right which exceeds ten times the voting rights of any other share.

Shareholders registered in the share register as of the record date for a general meeting are entitled to vote at such general meeting (in person or by appointing a proxy holder). Shareholders with shares registered through a nominee must request to be temporarily registered as a shareholder of record on the record date in order to participate in a general meeting. The share register is kept by Euroclear Sweden and the record date for a general meeting shall be the sixth banking day prior to the date of the meeting. Shareholders must also, if provided for in the articles of association, give notice of their intention to attend a shareholder meeting.

Shareholder meetings*British Columbia*

Under the BCBCA, the directors of the Company must call an annual meeting of shareholders not later than 18 months after the date on which it was recognized, and subsequently, at least once in each calendar year and not more than 15 months after the annual reference date for the preceding calendar year. Meetings of shareholders of a corporation shall be held in British Columbia, or may be held at a location outside British Columbia if the location for the meeting is approved by the resolution required by the articles for that purpose or approved by ordinary resolution, as applicable, or the location for the meeting is approved in writing by the registrar before the meeting is held.

The holders of at least 1/20 of the issued common shares may also requisition the directors to call a meeting of the shareholders for the purposes stated in the requisition, provided that the business may be transacted at a general meeting. Subject to certain exemptions, on receiving the requisition, the directors shall call a general meeting to be held not more than four months after the date on which the requisition is received. If the directors fail to send notice of a general meeting within 21 days after the date on which the requisition is received, the requisitioning shareholders, or any one of them holding more than 1/40 of the issued common shares may send notice of a general meeting to be held to transact the business stated in the requisition.

Under the articles of the Company the directors, president (if any), the secretary (if any), the assistant secretary (if any), any lawyer of the Company, the auditor of the Company and any other person invited by the directors are entitled to attend any meeting of shareholders, but are not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Under the BCBCA, a consent resolution of shareholders is deemed to be a proceeding at a meeting of those shareholders and to be as valid and effective as if it had been passed at a meeting of shareholders.

Sweden

An annual general meeting must be held within six months from the end of each financial year at which the board of directors must present the annual report and auditor's report. Resolutions on the following matters must be passed at the annual general meeting: (i) adoption of the profit and loss account and balance sheet, (ii) allocation of the company's profit or loss as set out on the adopted balance sheet, (iii) discharge from liability for directors and the managing director and (iv) other matters to be dealt with under the Swedish Companies Act or the articles of association of the company.

Under the Swedish Companies Act, the board of directors is responsible for convening general meetings but holders of not less than 10% of all shares in the company may in writing demand that an extraordinary general meeting is convened. In such case, notice to attend the meeting shall be issued by the board within two weeks of receipt of the demand therefor. When a general meeting is not convened in the prescribed manner, the Swedish Companies Registration Office shall, following notification, convene the general meeting. General meetings shall be held in the municipality in which the board of directors holds its registered office or in another municipality in Sweden if specified in the articles of association.

The general meeting shall be opened by the chairman of the board or such person as the board has decided. Moreover, the Swedish corporate governance code stipulates that the chairman of the board of directors together with a quorum of directors, as well as the chief executive officer, shall attend general meetings. The chairman of the general meeting shall be nominated by the nomination committee and elected by the general meeting.

Minutes from general meetings shall be available on the company's website no later than two weeks after the meeting.

Notices*British Columbia*

The Company must send notice of the date, time and location of a general meeting of the Company at least the prescribed number of days but not more than two months before the meeting to each shareholder entitled to attend the meeting and to each director.

Under its articles the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in the articles or in such other manner, if any, as may be prescribed by ordinary resolution, to each shareholder entitled to attend the meeting, to each director and to the auditor, unless the articles of the Company otherwise provide, at least 21 days before the meeting.

Sweden

Under the Swedish Companies Act, a general meeting of shareholders must be preceded by a notice. The notice of the annual general meeting of shareholders must be given no sooner than six weeks and no later than four weeks before the date of the meeting. In general, notice of extraordinary general meetings must be given no sooner than six weeks and no later than two weeks before the meeting. The notice shall be announced in a press release, published in the Swedish Official Gazette and on the company's website. The company must also publish in a daily newspaper with nationwide circulation a short form message containing information regarding the notice and where it can be found. The notice shall include an agenda listing each item that the meeting is to resolve upon and the main content of the proposed resolutions.

Pursuant to the Swedish corporate governance code, a company shall, as soon as the time and venue of a general meeting have been decided publish such information on the company's website. With respect to annual general meetings, such publication shall be made no later than in conjunction with the third quarterly report.

Record date*British Columbia*

The directors of the Company may set a date as the record date for any purpose, including for the purpose of determining shareholders entitled to notice of or entitled to vote at a meeting of shareholders. Under the BCBCA, the record date must not precede the date of the meeting by more than two months (or, in the case of a requisitioned meeting, four months). Further, under the Company's articles, the record date must not precede the date on which the meeting is held by fewer than 21 days.

Sweden

Under the Swedish Companies Act the record date for a general meeting is the sixth banking day (i.e., not a holiday) prior to the date of the meeting. In connection with other events such as inter alia rights issues of new shares, the record date may be determined by the board of directors within certain time frames stipulated by, inter alia, the Swedish Companies Act.

Issue of shares*British Columbia*

Under the BCBCA:

- (1) subject to the notice of articles and the Company's articles, shares may be issued at the times and to the persons as the directors may determine, and for such consideration as set by a directors' resolution; and
- (2) a share must not be issued until (i) consideration is provided to the Company for such issue in money, property or past services performed for the Company, and (ii) the valuation of the consideration received by the Company equals or exceeds, to the satisfaction of the directors, the issue price as determined by the directors.

Sweden

Under the Swedish Companies Act, resolutions on new share issues are as a main rule passed by the shareholders at a general meeting. A general meeting may also authorize the board of directors to issue new shares for a period no longer than until the next annual general meeting. Furthermore, the board of directors may also resolve to issue new shares without such authorization, provided that the resolution is conditioned upon the shareholders' subsequent approval at a general meeting.

New shares may be issued against payment in cash, in kind or by way of set-off. As a main rule, the shareholders have pre-emption rights to new shares issued (see "Pre-emption rights")

When issuing new shares the limitations on maximum number of shares and share capital set out in the company's articles of association need to be adhered to, unless a general meeting decides to amend the articles of association.

Pre-emption rights*British Columbia*

The articles of incorporation of the Company are not required to and do not contain any pre-emption rights.

Sweden

Under the Swedish Companies Act, shareholders have pre-emption rights ("företrädesrätt") to subscribe for new shares issued pro rata to their shareholdings as of a certain record date for the new share issue. Pre-emption rights to subscribe for new shares do not apply in respect of shares issued for consideration in kind or shares issued pursuant to convertibles or warrants previously granted by the company. The pre-emption rights to subscribe for new shares may also be set aside by a resolution passed by two thirds of the votes cast and shares represented at the general meeting resolving upon the issue. The corresponding majority threshold applies to a decision by a general meeting to authorize the board to decide upon new share issues with deviation from shareholders' pre-emption rights.

Dividends*British Columbia*

Under the BCBCA, the Company may declare and pay a dividend in property, including in money, or by issuing shares or warrants of the Company. The Company must not declare or pay a dividend in property, including in money, if there are reasonable grounds for believing that (a) the Company is insolvent, or (b) the payment of the dividend would render the Company insolvent.

Sweden

Under the Swedish Companies Act, resolutions on payments of dividends must be passed at a general meeting. A resolution to pay dividends may, with some exceptions, not exceed the amount recommended by the board of directors. Dividends may only be made if, after the payment of the dividend, there is sufficient coverage for the company's restricted equity and the payment of dividends is justified, taking into consideration the equity required for the type of operations, the company's (or the group's when applicable) need for consolidation and liquidity as well as the company's (or the group's when applicable) financial position in general. The assessment shall be based on the most recently adopted balance sheet taking into consideration changes in the restricted equity which have occurred subsequent to the balance sheet date.

Each shareholder appearing in share register as of the record date for the dividend is entitled to receive the dividend distribution. Dividends are normally distributed to the shareholders through Euroclear Sweden.

Distribution of assets on liquidation

British Columbia

Under the BCBCA, the Company may apply to the court to supervise a voluntary liquidation. After the final accounts have been approved by the court, the liquidator will distribute any remaining assets of the Company, after paying or making provision for all the Company's liabilities, among the shareholders according to their respective rights.

Sweden

Under the Swedish Companies Act, a company can enter into voluntary liquidation following a resolution passed at the general meeting by a simple majority of the votes cast, unless otherwise provided in the articles of association of the company. All shares carry equal rights in a liquidation procedure unless otherwise provided for in the company's articles of association.

The Swedish Companies Act also stipulates that a company shall enter into compulsory liquidation procedure in a capital deficiency situation and in certain other situations.

Certain extraordinary corporate actions

British Columbia

Under the BCBCA, certain extraordinary corporate actions, such as certain amalgamations and continuations, and other extraordinary corporate actions, such as liquidations, dissolutions and arrangements, are required to be approved by special resolution. A special resolution is a resolution passed at a meeting by not less than two-thirds of the votes cast on the resolution or a resolution signed by all of the shareholders entitled to vote on that resolution. In certain cases, a special separate resolution to approve an extraordinary corporate action is also required to be approved separately by the holders of a separate class or series of shares.

Sweden

Under the Swedish Companies Act, a statutory merger requires a shareholder resolution passed at a general meeting. The majority requirements for a valid resolution depends on the type of companies involved, however never less than two-thirds of the votes cast and the shares represented at the meeting. A material change of the operations conducted by the company may require a change of the company's objects and purposes in the articles of association. See "Amendment to the articles".

Change of Control Restrictions

British Columbia

British Columbia law does not impose any change of control restrictions on the Company.

Sweden

Not applicable for Swedish companies with shares listed on an MTF-platform.

Mandatory takeover bids/squeeze-out rules

British Columbia

Under British Columbia law, an acquisition offer (defined as an offer made by a person or persons acting jointly or in concert to acquire shares of a company) is accepted if, within 4 months after the making of the offer, the offer is accepted regarding the shares by shareholders who, in the aggregate, hold at least 9/10 of those shares (other than shares already held at the date of the offer by the acquiring person or its affiliate). In such a case, the acquiring person may, within five months of making the offer, send written notice to any offeree who did not accept the offer that the acquiring person wants to acquire the offeree's shares.

Where such a notice is sent to an offeree, the acquiring person is entitled and bound to acquire all the offeree's shares involved in the offer for the same price and on the same terms contained in the acquisition offer (unless the court orders otherwise) on an application made by that offeree within two months of the date of the notice.

If a notice has been sent by an acquiring person and the court has not ordered otherwise, the acquiring person must, no earlier than two months after the date of the notice, send a copy of the notice to the subject company, and pay to the subject company the amount representing the price payable by the acquiring person for the shares referred to in the notice. On receiving a copy of the notice and such consideration, the subject company must register the acquiring person as a shareholder with respect to those shares.

If the acquiring person has not sent the notice within one month after becoming entitled to do so, the acquiring person must send a written notice to each offeree stating that the offeree, within 3 months after receiving the notice, may require the acquiring person to acquire that offeree's shares involved in the acquisition offer. If an offeree requires the acquiring person to acquire the offeree's shares, the acquiring person must acquire those shares for the same price and on the same terms contained in the acquisition offer.

Every acquisition offer for shares of more than one class of shares is deemed to be a separate acquisition offer for shares of each class of shares.

Sweden

Under Swedish law an obligation to launch a mandatory take-over bid applies when a party becomes the owner of 30% or more of the votes in a company with shares listed on an MTF-platform.

Under the Swedish Companies Act, a shareholder holding more than 90% of the shares in a company (majority shareholder) is entitled, on a compulsory basis, to buy-out the remaining shares of the other shareholders of the company. On the other hand, a minority shareholder is also, in such situation, entitled to compel the majority shareholder to purchase his or her shares.

Redemption provisions

British Columbia

Under the BCBCA, the Company may liquidate by a special resolution of the shareholders.

After giving the appropriate notice and adequately providing for the payment or discharge of all its obligations, the Company will distribute its remaining property, either in money or in kind, among its shareholders according to their respective rights.

Subject to the conditions in the BCBCA and the Company's articles, the Company may purchase or otherwise acquire any of its shares. The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that (a) the Company is insolvent, or (b) making the payment or providing the consideration would render the Company insolvent.

Notwithstanding this, but subject to the conditions in the BCBCA and the Company's articles, the Company may redeem, on the terms and in the manner provided in its articles, any of its shares that has a right of redemption attached to it. The Company must not make a payment or provide any other consideration to redeem any of its shares if there are reasonable grounds for believing that (a) the Company is insolvent, or (b) making the payment or providing the consideration would render the Company insolvent.

Sweden

Under the Swedish Companies Act, a company with shares listed on an MTF-platform is, as a general rule, not permitted to repurchase its own shares.

A general meeting may also resolve upon the redemption of the company's shares through which the share capital of the company will be reduced. This is a formal and complex process, which as a main rule involves also notice to the company's creditors.

Amendment to the articles

British Columbia

Under the BCBCA and the articles of the Company, any amendment to the articles generally requires approval by special resolution, which is a resolution passed by not less than two-thirds of the votes cast on the resolution or a resolution signed by all of the shareholders entitled to vote on that resolution.

Sweden

Under the Swedish Companies Act, an amendment of the articles of association requires a shareholder resolution at a general meeting. The majority requirement for a valid resolution depends on the type of alteration. However, not less than two-thirds of the votes cast and of the shares represented at the meeting will be required. The board of directors is not allowed to make amendments to the articles of association. Any amendment to the articles will have to be registered with the Swedish Companies Registration Office.

Directors and the board of directors

Number of directors

British Columbia

Under the BCBCA, a public company must have at least three directors. The first directors of a company hold office as directors from the recognition of the company until they cease to hold office upon expiry of term, death or resignation of the director or removal by a special resolution of the shareholders.

Under the BCBCA and the articles of the Company, the directors may also appoint one or more additional directors, who shall also hold office for a term expiring at the end of the next annual meeting, provided that the total number of directors so elected shall not exceed one-third of the number of directors elected at the previous annual meeting.

Sweden

Under the Swedish Companies Act, the board of directors in a public company shall comprise not less than three members and the chairman of the board of directors may not be the managing director of the company. At least half of the directors shall be resident within the European Economic Area, unless otherwise approved by the Swedish Companies Registration Office. The actual number of board members shall be determined by a shareholders' meeting, within the limits set out in the company's articles of association.

For companies to which the Swedish corporate governance code applies, not more than one director may also be a senior executive of the relevant company or a subsidiary. In addition, a majority of the board members shall be independent of the company and its management and two of these members shall also be independent of major shareholders in the company.

Nomination, appointment and removal of directors

British Columbia

At every annual general meeting, the shareholders entitled to vote at the annual general meeting for the election of directors must elect a board of directors consisting of the number of directors set under the Company's articles. All the directors cease to hold office immediately before the election or appointment of directors at the next annual general meeting, but are eligible for re-election.

Under the BCBCA, the Company may remove a director before the expiration of the director's term in office by a special resolution, which is a resolution passed by not less than two-thirds of the votes cast on the resolution or a resolution signed by all of the shareholders entitled to vote on that resolution. However, if the shareholders holding shares of a class or series of common shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by a special separate resolution of those shareholders. In addition, the articles of the Company provide that the directors may remove any director before the expiration of his or her term if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director and does not promptly resign.

Sweden

Under Swedish law, the board of directors shall, except for any employee representatives, be elected by the shareholders at a general meeting, unless the articles of association provide otherwise. The members of the board of directors are usually elected for the period until the end of the first annual general meeting held after the year in which the directors were elected, unless a longer term of up to four financial years is set out in the articles of association. It is possible for a board member to be re-elected for a new term of office.

Companies to which the Swedish corporate governance code applies shall have a nomination committee. In addition to nominating directors, the nomination committee shall nominate the chairman of the board of directors and the auditors and shall also propose fees to each director and to the auditors. The nomination committee's proposals are to be presented in the notice of the general meeting and on the company's website. At the same time, the nomination committee is to issue a statement on the company's website explaining its proposals and providing more information about the candidates proposed for election or re-election. The statement is also to include an account of how the nomination committee has conducted its work and, for certain companies, a description of the diversity policy applied by the nomination committee in its work.

Under the Swedish corporate governance code, the annual general meeting of shareholders shall either appoint the members of a nomination committee or pass a resolution specifying how the members are to be appointed. The nomination committee shall have at least three members, one of whom is to be appointed committee chair. The majority of the members are to be independent of the company and its executive management. One of the independent members shall also be independent of the company and one shall be independent of the largest shareholders. Members of the board of directors may be members of the nomination committee but may not constitute a majority thereof. The chief executive officer and other senior executives may not be members of the nomination committee. Regardless of how they are appointed, members of the nomination committee are to promote the common interests of all shareholders in the company.

Remuneration

British Columbia

According to the articles of the Company, the directors are entitled to the remuneration for acting as directors, if any, as the directors may determine from time to time. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director. The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company. If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about

the Company's business, he or she may be paid remuneration fixed by the directors, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

Sweden

Under the Swedish Companies Act, the remuneration to the board of directors shall be determined by the general meeting of shareholders, specifying the amount for each director. For companies complying with the Swedish corporate governance code, the nomination committee's proposal to the general meeting of shareholders shall include a proposal regarding the remuneration to each member of the board.

In addition, the board of directors shall, pursuant to the Swedish corporate governance code, have a remuneration committee. The remuneration committee shall prepare the board of directors' resolutions regarding executive compensation and shall monitor and evaluate the company's principles and levels of remuneration to the executive management, including programs for variable compensation. The code also stipulates that variable compensation paid in cash to the executive management shall be subject to predetermined limits regarding the total outcome and that the board of directors in such cases shall consider (i) to make payment conditional on the performance proving to be sustainable over time, and (ii) to introduce the right to reclaim remuneration that has been paid on the basis of information which later proves to be manifestly misstated. Furthermore, all share and share-price related incentive schemes for the executive management shall be approved by a general meeting. The board of directors should not participate in such share and share-price related incentive schemes.

Powers of the board of directors

British Columbia

Subject to the BCBCA and the Company's articles, the directors of the Company must manage or supervise the management of the business and affairs of the Company. Directors of corporations governed by the BCBCA have fiduciary obligations to the Company. Under the BCBCA, directors must act honestly and in good faith with a view to the best interests of the Company, exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances, act in accordance with the BCBCA and the regulations, and, subject to the preceding duties, act in accordance with the articles of the Company.

Sweden

Under the Swedish Companies Act, the board of directors is responsible for the organization of the company and the management of the company's affairs. The board of directors shall regularly assess the financial position of the company and ensure that the company's organization is structured in such a manner that accounting, management of funds and the company's finances in general are monitored in a satisfactory manner. Further, the board shall appoint a managing director and issue instructions to such managing director setting out the responsibilities of the board and managing director. The board shall also issue instructions in reporting obligations in order for the board to fulfill its duties.

The managing director is responsible for the day-to-day management of the company pursuant to guidelines and instructions issued by the board of directors. In addition, the managing director may, without authorization by the board of directors, take measures which, in light of the scope and nature of the company's operations, are of an unusual nature or of great significance, provided a decision by the board of directors cannot be awaited without significant prejudice to the company's operations. In such cases, the board of directors shall be notified as soon as possible of any measures taken. The managing director shall be resident within the European Economic Area, unless otherwise approved by the Swedish Companies Registration Office.

Right to indemnification

British Columbia

Under the BCBCA, the Company may indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Company's request as a director or officer, or an individual acting in a similar capacity, of another entity (an "Eligible Party"), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by the individual in respect of a proceeding in which the individual is joined as a party or liable by reason of the Eligible Party's association with the Company or other entity. The Company must not indemnify an Eligible Party if: (a) the Eligible Party did not act honestly and in good faith with a view to the best interests of the Company or the associated corporation; or (b) in the case of a proceeding other than a civil proceeding, the Eligible Party did not have reasonable grounds for believing that the Eligible Party's conduct in respect of which the proceeding was brought was lawful.

The BCBCA also allows the Company to pay the expenses actually and reasonably incurred by an Eligible Party, as they are incurred in advance of the final disposition of an eligible proceeding. The Company must not make such payments unless the Company receives a written undertaking from the Eligible Party that, if the Eligible Party does not fulfill the conditions noted in (a) and (b) above, the Eligible Party will repay the amounts advanced.

Under the articles of the Company, the Company may, subject to the BCBCA, indemnify any person and further must, subject to the BCBCA, indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all judgments, penalties or fines awarded or imposed in, or an amount paid in settlement of, a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company or any of the heirs and legal personal representatives of the director, former director or alternate director, by reason of the director, former director or alternate director being or having been director of the Company, is or may be joined as a party, or, is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding.

Sweden

The Swedish Companies Act does not contain any specific provisions requiring that the articles of association provide for indemnification of board members, officers or other persons. Instead, Swedish companies can have professional indemnity insurance in place for its board members and officers.

The annual general meeting of shareholders shall resolve on the discharge of the board of directors and managing director from liability. An action for damages on behalf of the company may be available in certain circumstances against a founder, board member, managing director, auditor or shareholder of the company. Such action may be brought if the majority, or a minority comprising owners of at least one-tenth of all shares in the company, has supported a general meeting resolution to bring an action for damages or, in the case of a director or managing director, have voted against a resolution on discharge from liability. The action for damages in favor of a company may also be conducted by owners (in their own name) of at least one-tenth of all shares.

A settlement on liability for damages for the company may be concluded only at a general meeting and only if owners of at least one-tenth of all shares in the company do not vote against the settlement proposed. However, if an action for damages is brought by a shareholder on behalf of the company, a settlement may not be reached without his or her consent.

Financial statements, auditor's reports and auditors*British Columbia*

Under the BCBCA, the directors of the Company must place before the shareholders at every annual general meeting: (a) comparative financial statements as prescribed, relating separately to the period that began on the date the Company came into existence and ended not more than six months before the annual meeting or, if the Company has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting, and the immediately preceding financial year; (b) any auditor's report on those financial statements; and (c) any further information respecting the financial position of the Company and the results of its operations required by the articles or any unanimous shareholder agreement.

Under the BCBCA, a public company or financial institution must, at the first meeting held on or after each annual reference date, elect an audit committee from among their number. An audit committee must be composed of at least three directors, and a majority of the members of the committee must not be officers or employees of the Company or an affiliate of the Company. The primary responsibility for the Company's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the directors of the Company. The audit committee is a standing committee of the board, established to assist it in fulfilling its responsibilities in this regard. The audit committee must, in addition to or as part of any responsibilities assigned to it under the BCBCA, review and report to the directors on (a) the annual or interim financial statements of the company; and (b) the auditor's report if any, prepared in relation to those financial statements, before any of the preceding documents are published. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the audit committee to ensure that management has done so.

Sweden

Under the Swedish Companies Act, the annual general meeting shall adopt the balance sheet and the profit and loss statement. Further, it makes decisions in respect of the disposition of the company's profit or loss (such as payment of dividends).

The annual report, together with the auditor's report, must be presented at the annual general meeting which according to the Swedish Companies Act is to be held within six months after the end of the financial year.

Auditors are appointed by the general meeting of shareholders, whereby a registered accounting firm may be appointed as auditor. The Swedish corporate governance code requires that the board of directors shall at least once annually meet the company's auditor without any member of the executive management present.

Corporate governance reports and website*British Columbia*

Under the BCBCA and Canadian securities law, a company that is not a Canadian reporting issuer is not required to produce corporate governance reports or publicly disclose corporate governance practices.

Sweden

The boards of certain companies are also to prepare an annual sustainability report with information to shareholders and the capital market on sustainability issues that is necessary for an understanding of the company's development, position and results, as well as the environmental impact of its operations.

The Swedish corporate governance code requires that the company clearly (i) states which rules of the Swedish corporate governance code it has not complied with, (ii) explains the reasons for each case of non-compliance and (iii) describes the solution it has adopted instead. The company must also have a section of its website devoted to corporate governance matters, where the company's 10 most recent corporate governance reports are to be posted, together with, among other things, the articles of association, information about upcoming shareholders' meetings and minutes from general meetings held during the past three years. Companies that publish a sustainability report must make available on their websites the ten most recent years' sustainability reports, along

with the part of the auditor's report which covers the sustainability report or the auditor's written statement on the sustainability report.

Shareholder remedies and special audit rights

British Columbia

The most common shareholder remedies under the BCBCA are the oppression remedy, derivative actions, dissent rights and court-appointed inspections.

Oppression Remedy

A shareholder may apply to the court for an order on the ground (a) that the affairs of the Company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or (b) that some act of the Company has been done or is threatened, or that some resolution of the shareholders has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant. In this case, a "shareholder" means (a) a registered or beneficial owner of a share of the Company; and (b) any other person whom the court considers to be an appropriate person to make such an application.

In connection with such an application, the court may make any interim or final order it considers appropriate, subject to the conditions in the BCBCA, including an order (a) directing or prohibiting any act; (b) regulating the conduct of the Company's affairs; (c) appointing a receiver or receiver manager; (d) directing an issue or conversion or exchange of shares; (e) appointing directors in place of or in addition to all or any of the directors then in office; (f) removing any director; (g) directing the Company to purchase some or all of the shares of a shareholder and, if required, to reduce its capital in the manner specified by the court; (h) directing a shareholder to purchase some or all of the shares of any other shareholder; (i) directing the Company or any other person to pay to a shareholder all or any part of the money paid by that shareholder for shares of the Company; (j) varying or setting aside a transaction to which the Company is a party and directing any party to the transaction to compensate any other party to the transaction; (k) varying or setting aside a resolution; (l) requiring the Company, within a time specified by the court, to produce to the court or to an interested person financial statements or an accounting in any form the court may determine; (m) directing the Company to compensate an aggrieved person; (n) directing correction of the registers or other records of the Company; (o) directing that the Company be liquidated and dissolved, and appointing one or more liquidators, with or without security; (p) directing that an investigation be made under the BCBCA; (q) requiring the trial of any issue; or (r) authorizing or directing that legal proceedings be commenced in the name of the Company against any person on the terms the court directs.

Derivative Actions

A "complainant", which includes any individual described as a "shareholder" above as well as any director of the Company, may, with leave of the court, prosecute a legal proceeding in the name and on behalf of the Company to enforce a right, duty or obligation owed to the Company or to obtain damages for any breach of such right, duty or obligation. With leave of the court, a complainant may also, in the name and on behalf of the Company, defend a legal proceeding brought against the Company. In connection with such an action brought or defended, the court may grant leave where: (a) the complainant has made reasonable efforts to cause the directors of the Company to prosecute or defend the legal proceeding; (b) notice of the application for leave has been given to the Company and to any other person the court may order; (c) the complainant is acting in good faith; and (d) it appears to the court that it is in the best interests of the Company for the legal proceeding to be prosecuted or defended. In connection with such an action brought or defended, the court may make any order it considers appropriate, including an order that: (a) a person to whom costs are paid repay to the Company some or all of those costs; (b) the Company or any other party to the proceeding indemnify the complainant or the person controlling the conduct of the legal proceeding for the costs incurred in prosecuting, defending or controlling the legal proceeding; or (c) the complainant or the person controlling the conduct of the legal proceeding indemnify one or more of the Company, a director of the Company and an officer of the Company for expenses, including legal costs, that they incurred as a result of the legal proceeding.

Dissent Rights

In certain circumstances, shareholders of a BCBCA company are entitled to dissent from some fundamental action undertaken by the Company and demand to be paid fair value for their shares. Examples of these circumstances include amalgamations, resolutions to authorize or ratify the sale, lease or other disposition of all or substantially all of the Company's undertaking, continuation of the Company into a jurisdiction other than British Columbia or a resolution to alter the articles of the Company to add, change or remove any restriction on the business or businesses that the Company may carry on. Procedures for dissenting are complex and failure to strictly comply with the procedures may result in the loss of all dissent rights. If the procedures are followed, the dissenter's shares must then be purchased by the Company at fair market value. In the event that the parties cannot agree on what constitutes fair market value, either the Company or the dissenter can apply to court to determine the appropriate fair market value.

Inspections

One or more shareholders who, in the aggregate, hold at least one-fifth of the issued common shares may apply to the court to appoint an inspector to conduct an investigation of the Company and determine the manner and extent of the investigation. The court may make such an order if it appears to the court that there are reasonable grounds for believing that: (a) the affairs of the Company are being or have been conducted, or the powers of the directors are being or have been exercised, in a manner that is oppressive or unfairly prejudicial to one or more

shareholders, including the applicant; (b) the business of the Company is being or has been carried on with intent to defraud any person; (c) the Company was formed for a fraudulent or unlawful purpose or is to be dissolved for a fraudulent or unlawful purpose; or (d) persons concerned with the formation, business or affairs of the Company have, in connection with it, acted fraudulently or dishonestly. The powers of the inspector will be set out in the enabling court order, such powers including the power to examine under oath any person who is or was a director, receiver, receiver manager, officer, employee, banker, auditor or agent of the Company or any of its affiliates in relation to the affairs, management, accounts and records of or relating to the Company. In addition, a person so described must, on the request of an inspector so appointed: (a) produce, for the examination of the inspector, each accounting record and each other record relating to the Company or any of its affiliates that is in the custody or control of that person; and (b) give to the inspector every assistance in connection with the investigation that that person is reasonably able to give.

Sweden

Special examination

Under the Swedish Companies Act, a shareholder may submit a proposal for an examination through a special examiner. The proposal shall be submitted to an annual general meeting, or to any general meeting for which the matter is included in the notice to attend the general meeting. The scope of the examination shall be defined in the proposal, and may relate to the company's management and accounts during a specific period of time in the past, or certain measures or circumstances within the company. If the proposal is supported by owners of at least one-tenth of all shares, or at least one-third of the shares represented at the general meeting, the Swedish Companies Registration Office shall appoint one or more examiners. The Swedish Companies Registration Office shall give the company's board of directors the opportunity to submit its comments prior to the appointment of a special examiner. The examiner shall submit a report regarding the examination, which shall be made available to the shareholders and presented at the general meeting. Persons who are no longer shareholders, but who were included in the voting register prepared for the general meeting at which the issue of the appointment of a special examiner was addressed, shall also have the right to read the report.

Minority shareholders' auditor

A shareholder may propose that a minority shareholders' auditor shall be appointed. The proposal shall be submitted to a general meeting at which the election of auditors is to take place, or at a general meeting where the proposal is included in the notice to attend the general meeting. The Swedish Companies Registration Office shall appoint such auditor upon the request of any shareholder, if the proposal is supported by at least one-tenth of all shares in the company, or at least one-third of the shares represented at the general meeting. The company's board of directors shall be afforded the opportunity to comment prior to the appointment of an auditor. The appointment shall relate to the period of time up to and including the next annual general meeting. The auditor shall participate in the audit together with the other auditors.

Company's obligation to disclose changes in its share capital

British Columbia

The Company is not required to file reports regarding, or otherwise disclose, changes to the number of outstanding or reserved securities.

Sweden

Under Swedish law, the Company is not required to report any changes in the number of shares or votes.

Distribution of information to Canadian and Swedish markets

The Company maintains a disclosure policy to ensure that communications to the investing public about the Company are timely, factual, accurate, complete, broadly disseminated and, where necessary, filed with regulators in accordance with applicable securities laws. The disclosure policy applies to all directors, officers and employees of the Company, including those individuals authorized to speak on behalf of the Company.

The Company will be subject to the rules on disclosure of Spotlight's regulations and MAR. The Company will be required to handle inside information in accordance with MAR and disclose inside information as soon as possible, but, if some conditions are met, the disclosure may be delayed. If the Company delays the disclosure of inside information, the Company must document when the inside information arose and when the decision to delay the disclosure was taken. The reasons for the delay must also be documented. When the inside information is later made public, the Company must inform the SFSA of the decision to delay the disclosure and, upon request by the SFSA, provide an explanation of the reasons for the delay.

Financial reports and press releases will be published on the Company's website at www.zenithenergy.ca and by its news distributors. The information will be in English only.

Swedish insider reporting rules

In addition to any reporting requirements under applicable Canadian laws, persons discharging managerial responsibilities in a company whose shares are subject to trading on an MTF-market (or for which a request for admission to trading on an MTF-market has been made), and persons closely associated to such persons, are required to report their transactions of shares and other financial instruments to the SFSA as well as to the company. Such reporting shall be made in accordance with MAR. In addition, MAR stipulates a trading ban for

persons discharging managerial responsibilities in such companies during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report.

THE SDRS

Introduction

Zenith has entered into a custodian agreement with DNB (the "**Custodian Agreement**") pursuant to which DNB will hold a portion of the common shares issued by the Company, either directly in the register of members, shareholders' registry or the like (the "**Principal Register**") or through a custody agreement as determined and appointed by DNB from time to time. For each common share, DNB will issue one SDR for each deposited common share in accordance with the general terms and conditions of the SDRs as described below. The SDRs will be registered with Euroclear Sweden AB with registered address Box 191, SE-101 23 Stockholm, Sweden ("**Euroclear Sweden**") in accordance with the below.

The issuer of the SDRs is DNB registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*). DNB is a branch to the Norwegian public limited liability company DNB Bank ASA incorporated under and governed by the laws of Norway on 18 February 2004 with a Swedish Branch. The company registration number of DNB is 516406-0161 and its LEI code is 549300GKF60RYRRQ1414. DNB's registered address is Regeringsgatan 59, SE-105 88, Stockholm, Sweden with its registered office in Stockholm. DNB is authorized by the SFSA to conduct investment business.

The SDRs will be denominated in SEK. The SDRs have been created under, and are governed by, the laws of Sweden. All of the SDRs, when issued, will be freely transferable and have been fully paid for. The ISIN code for the SDRs representing the common shares in Zenith is: SE0025938210 and the short name (ticker) for SDRs at Spotlight is ZENA SDR.

Zenith has applied for admission to trading of the Company's 55,555,556 issued common shares on Spotlight in the form of SDRs (given full subscription in the Offering). Spotlight has on September 8, 2025 assessed that Zenith fulfils the applicable listing requirements. Spotlight will approve an application for admission to trading of the Company's SDRs on Spotlight, provided that certain customary conditions are met, including that Zenith submits such an application for admission to trading on Zenith and that the distribution requirement for the Company's SDRs are met no later than on the date of the first day of trading in the SDRs. Expected first day of trading in the SDRs on Spotlight is October 10, 2025.

The obligations of DNB and the Company towards the SDR Holders are set out in the SDR General Terms and Conditions. The SDR General Terms and Conditions are governed by Swedish law. The following is a summary of the material terms of the SDR General Terms and Conditions, and, consequently, does not contain all of the information that may be of importance to the SDR Holders. For more complete information, SDR Holders should refer to the SDR General Terms and Conditions in their entirety. The SDR General Terms and Conditions will be made available on Zenith website www.zenithenergy.ca.

Deposit of common shares and registration etc.

Common shares are deposited on behalf of an owner of SDRs or such owner's nominee, the SDR Holder, in a custody account held by and in the name of DNB. DNB will hold the common shares either directly in the register of members, shareholders' registry or the like or through a custodian arrangement as determined and appointed by DNB from time to time.

For each deposited common share, DNB shall issue one SDR. DNB will not accept deposits of fractions of common shares or an uneven number of fractional rights.

The SDRs in Zenith shall be registered in the central securities depository and settlement register maintained by Euroclear Sweden (the "**VPC Register**") in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (SFS 1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) and Euroclear Sweden Rules for Issuers and Issuer Agents (the "**VPC Rules**"). No physical certificates representing the SDRs will be issued. All transactions with the SDRs are handled electronically through banks and securities firms. Newly issued SDRs will be electronically registered to the person.

An SDR Holder will not have equivalent rights as shareholders of common shares in Zenith in all respects. As DNB will be the shareholder of record for the common shares represented by the SDRs, the formal shareholder rights will rest with DNB. The SDR Holders' rights will derive from the SDR General Terms and Conditions and applicable rules and regulations. DNB and the Company shall continuously establish arrangements as can be reasonably expected, to the extent appropriate, practically possible and in accordance with applicable laws, regulations, VPC Rules and market practice, such that the SDR Holders may have the opportunity to indirectly exercise shareholder rights with respect to Zenith.

Record Date

DNB shall determine a date ("**Record Date**") to be applied by DNB and Zenith for determining which SDR Holders relative to DNB are entitled to (i) receive cash dividends, rights or other property distributed by the Company to its shareholders, (ii) vote at meetings of shareholders, (iii) receive common shares in connection with bonus issues and stock dividends, (iv) receive common shares, warrants, convertible debentures, debentures or other rights or securities in connection with offerings, and (v) indirectly exercise the rights that normally accrue to the benefit of the shareholders in Zenith.

It is Zenith's and DNB's intention that the Record Date, where practically feasible and in accordance with applicable laws, shall be the same record date as determined by Zenith in relation to Zenith's shareholders for the relevant corporate actions.

Participation and voting at general meetings

The general meeting in Zenith shall be convened in accordance with Canadian law and Zenith's articles of association as described in the articles of the Company. DNB and the Company shall establish arrangements such that the SDR Holders may vote for the Shares represented by the SDRs at the Company's general meetings of shareholders. The Company shall inform DNB in prior of the shareholders' meeting in accordance with the terms of the Custodian Agreement. The Company shall in consultation with DNB send notice for such general meeting of shareholders, in accordance with Swedish and other applicable laws and the VPC Rules, as the case may be and publish the notice on the Company's website, the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) and in at least one national-wide newspaper. The notice shall contain: (i) the information included by the Company in the notice for the meeting; and (ii) instructions as to what must be observed by each SDR Holder in order to exercise his or her voting right.

In advance of the general meeting, DNB shall make necessary arrangements allowing SDR Holders who has announced his or her intention to vote in the general meeting to vote by way of proxy. All votes must be delivered to DNB through proxy vote instructions and within such time limits as set by DNB. DNB will not represent common shares for which the SDR Holder has not notified its intention to vote at the general meeting.

SDR Holders may not attend general meetings in person to vote for their interest, unless conversion from SDRs to common shares previously represented by such SDRs has been carried out in the Canadian Depository for Securities ("CDS") prior thereto, in accordance with the instructions provided by Zenith.

Dividends and taxes, etc.

If it has been separately agreed in writing with the Company that DNB shall administer dividends, DNB will receive any dividend and other payments distributed by Zenith directly as a shareholder or via a sub-custodian appointed by DNB. The payment of dividends and other distributions of funds by DNB shall take place in SEK to those persons who, on the Record Date, are registered in the VPC Register as SDR Holder. For payments in other currencies than SEK, DNB will exchange the amount to SEK.

DNB shall set the date for payment of dividend to the SDR Holders (the "**Payment Date**") which will normally be after the date of payment for shareholders in Zenith. For SDR Holders that have a SEK account linked to their VPC account (*Sw. VP-konto*), dividend will be credited directly to such SEK account. SDR Holders which have not linked a SEK account to the VPC account will receive dividend by the relevant account operator (*Sw. kontoförande institut*).

To the extent required specifically by Zenith or DNB (as applicable) under applicable mandatory laws, rules and regulation, Zenith or DNB (as applicable) shall withhold and pay to the tax authorities in the jurisdiction where Zenith is incorporated any required amounts of tax in relation to dividend payments to SDR Holders.

Payment of dividend to SDR Holders shall be made without any deduction for fees or equivalent attributable to Zenith, DNB or Euroclear Sweden, but with a deduction for preliminary tax or other taxes or such other public fees which must be withheld according to applicable laws and regulation and for any tax that may be levied according to the legal systems in Sweden or any other country.

If DNB receives dividends other than in cash, DNB shall decide if and how such dividend shall be transferred to those SDR Holders entitled to receive it. This may mean that the asset is sold and that the net proceeds of such sale, after deduction of selling costs and any fees and taxes incurred, are paid to the SDR Holders. If the shareholders of Zenith have the right to choose dividends in cash or in any other form, and it is not practically feasible to give the SDR Holders such opportunity to choose (e.g., as is the case for subscription rights and distribution of securities not registered in the VPC Register), DNB shall have the right to decide, on account of the SDR Holders, that such dividend shall be paid in cash after deduction of selling costs and any fees and taxes incurred.

Stock dividends, new share issues, splits, and other distributions etc.

In the case of a stock dividend, bonus issue with distribution of shares in Zenith or a share split, DNB shall strive to reflect such corporate action for the SDRs in the VPC after the Principal Register. DNB shall ensure that the SDRs received by SDR Holders pursuant to such stock dividend, bonus issue with distribution of shares in the Company or a share split are registered in the VPC account belonging to the SDR Holder entitled thereto. The corresponding registration procedures shall be undertaken in connection with a reverse share split.

Any person whose name on a Record Date is entered in the VPC Register as an SDR Holder, or holder of rights relative to the action in question, shall be deemed to be authorized to receive SDRs representing new common shares added as a result of a stock dividend, bonus issue with distribution of shares or a share split in the Company.

If Zenith decides on a new issue of shares, warrants or other rights to which the shareholders have preferential rights, DNB shall inform the SDR Holders thereof and of the principal terms and conditions for the new issue. Such information shall be enclosed together with the relevant subscription form by which the SDR Holder may instruct the assigned agent in the Swedish market (who in turn shall instruct DNB) to subscribe for shares, warrants or other rights to be issued by the Company. When DNB has subscribed for and received such shares, warrants or other rights in accordance with the instructions of the SDR Holder, DNB shall be registered as the holder of such new financial instruments, or deposit such financial instruments in DNB's custody account, whereafter DNB shall,

to the extent practically possible, ensure that the corresponding registration of SDRs is effected to the credit of the VPC account of the SDR Holder.

If an SDR Holder fails to instruct DNB to exercise the rights above, DNB has the right to sell such rights on account of the SDR Holder and pay the proceeds of such sale to the SDR Holder.

For corporate actions that result in a right to fractional SDRs, securities or other rights, such number of SDRs, securities or other rights will be rounded down, with or without payment of fractional amounts.

Notices

DNB shall upon direction of the Company provide the SDR Holders with all information that DNB receives from the Company in DNB's capacity of holder of common shares.

Notices to be delivered to the SDR Holders will, either directly or indirectly, be delivered by DNB to the SDR Holders who are listed in the VPC Register and in accordance with the routines applied by Euroclear Sweden from time to time. Written notices shall be sent by mail to the address recorded in the VPC Register. DNB may, in lieu of mailing notices, publish the corresponding information in at least one Swedish daily newspaper with nationwide coverage and through Zenith's website www.zenithenergy.ca.

OUTSTANDING WARRANTS, CONVERTIBLES AND/OR SUBSCRIPTION RIGHTS

As of the date of this Memorandum, the Group had 96,995,682 warrants outstanding (relating to 96,995,682 shares) and exercisable at a weighted average exercise price of CAD\$ 0.04 per share with a weighted average life remaining of 1.1 years.

As of the date of this Memorandum, the Group had 44,571,435 stock options outstanding (relating to 44,571,435 shares) and exercisable at a weighted average exercise price of CAD\$ 0.13 per share with a weighted average life remaining of 1.6 years.

LOCK-UP AGREEMENTS

No shareholders have entered into any lock-up agreements. There are no other restrictions on the right to freely transfer the common shares or the SDRs.

OWNERSHIP STRUCTURE

As of the date of this Memorandum the Company had approximately 5,000 shareholders of record. The shareholder Andrea Cattaneo directly or indirectly holds at least 10 percent of Zenith.

The Company's 10 largest shareholders as of the same date are shown in the table below.

| Shareholder | Number of shares | Percent (%) |
|------------------------------|------------------|-------------|
| ANDREA CATTANEO(1) | 51,001,414 | 10.12 |
| NORDNET LIVSFORSIKRING AS(2) | 38,767,253 | 7.86 |
| UBS Switzerland AG | 37,100,024 | 7.52 |
| Nordnet Bank AB | 20,112,260 | 4.08 |
| Citibank, N.A. | 19,071,248 | 3.87 |
| Avanza Bank AB | 18,610,485 | 3.77 |
| Luca Benedetto | 14,642,330 | 2.91 |
| Saxo Bank A/S | 7,704,844 | 1.56 |
| Pershing Securities Limited | 5,334,401 | 1.08 |

¹ In addition Andrea Cattaneo holds warrants and stock options, his stake on a fully diluted basis considering warrants and stock options amount to approx. 11 per cent

² 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 Memorandum.

The Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company. The shares have not been subject to any public takeover bids.

OTHER FINANCIAL INSTRUMENTS

Except as set out in Sections "Remuneration Packages" and "Outstanding warrants" neither the Company nor any of its subsidiaries has issued any other options or warrants.

On 2 May 2025, the Company announced it has entered into an unsecured convertible loan for a total amount of USD 2,000,000 (equivalent to approx. NOK 20,715,000 or GBP 1,500,000) as described in the Section "Significant Events After 31 March 2025".

ADDITIONAL INFORMATION AND LEGAL AFFAIRS

GENERAL INFORMATION ABOUT THE COMPANY

| | |
|--|---|
| Company name | Zenith Energy Ltd. |
| Company registration number | BC0803216 |
| ISIN-code | SE0025938210 |
| FISN | ZENITHENER/SDR |
| CFI | EDSXDR |
| Residence | Canada |
| Date when the Company started its operations | 20 September 2007 |
| Date of company formation | 20 September 2007 |
| Country | Canada |
| Legal form | Public limited liability company |
| Legislation | Business Corporations Act (British Columbia, Canada) |
| Address | 421 7th Avenue SW, Suite 4000, Calgary AB T2P 4K9, Canada |
| Phone | +1 (587) 315-1279 |
| E-mail | info@zenithenergy.ca |
| Website | https://www.zenithenergy.ca |

MATERIAL CONTRACTS

Presented below is a summary of material agreements which the Company has entered into over the past two years, as well as other agreements that the Company has entered into that contain rights or obligations that are of material importance to the Company (other than agreements entered into within the scope of the ordinary course of the business). The Company does not regard any specific agreements to be of material importance to the Company's business as a whole, other than the agreements described below.

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.

Depository Agreement

A depository agreement dated 3 January 2017 (the "**Depository Agreement**") between the Issuer and Computershare Investor Services PLC (the "**Depository**") under which the Issuer appoints the Depository 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 Depository Agreement (the "**Deed Poll**"), a series of uncertificated depository interests ("**Depository Interests**") representing securities issued by the Issuer and to provide certain other services in connection with such Depository 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 Depository Interests in uncertificated form and to maintain the register of Depository Interests. Computershare undertakes to provide the depository services in compliance with the requirements of the FSMA. 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 Depository Interests) as may be designated from time to time by the Depository. 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 Depository Agreement, including (to the extent available to the Issuer) information, which concerns or relates to Computershare's obligations under the Depository 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 Depository Agreement except to the extent that any losses result from Computershare's own negligence, fraud or wilful 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 wilful default save that the aggregate liability of the Depository to the Issuer over any 12-month period shall in no circumstances whatsoever exceed twice the amount of the fees payable to the Depository in any 12-month period in respect of a single claim or in the aggregate. Subject to earlier termination, the Depository 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 Depository's operations in an efficient manner without adverse effect on the members of the Issuer and the Depository shall deliver to the Issuer (or as it may direct) all documents, papers and other records relating to the Depository 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 Depository Interests per year and certain CREST related fees. Computershare is also entitled to recover reasonable out of pocket fees and expenses.

REGULATORY PROCEEDINGS, LEGAL PROCEEDINGS AND ARBITRATION PROCEEDINGS

The Company is not, and has not during the last 12 months, other than presented below, been party to any material administrative proceedings, legal proceedings or arbitration proceedings that has had or may have a significant impact on the financial position or the profitability of the Company.

Arbitration against the Republic of Tunisia and/or ETAP

During the financial year ended 31 March 2024, the Issuer has initiated three separate arbitrations against Entreprise Tunisienne d'Activités Pétrolières (the national oil company of Tunisia) ("**ETAP**"), and against the Republic of Tunisia for a total cumulative amount of claims, which after the completion of the studies made by the two quantum experts involved (which after months of work have concurred on the same amount) have reached the global amount for the three arbitrations of USD 639.5m.

The first arbitration ("**ICC Arbitration 1**") is against ETAP and has been initiated in the International Chamber of Commerce - ICC ("**ICC**"); the second arbitration ("**CNAOG ICC Arbitration**") was initiated also in the ICC, against the Republic of Tunisia.

The third arbitration ("**ICSID Arbitration**") was initiated against the Republic of Tunisia in the Institute for the International Centre for Settlement of Investment Disputes ("**ICSID**") and it is focused on the breaches of the Treaties applicable to the investment made by the investor, the Zenith group, in Tunisia.

The ICC Arbitration 1 has been initiated against ETAP for an amount of USD 6.7m due to its failure to comply with its contractual obligations to pay for oil produced and sold by one of the Issuer's investment subsidiaries, ZEAL, ZOAL and CDD.

The CNAOG ICC Arbitration has been launched against the Republic of Tunisia, because of its arbitrary failure to lawfully recognize the acquisition, consisting in the purchase from the largest state oil company of China, CNPC China National Petroleum Corporation of its 100% owned subsidiary, CNPCI Tunisia. This corporation contains an interest in the North Kairouan permit and the Sidi El Kilani Concession in Tunisia.

The ICSID Arbitration has been filed with ICSID following various breaches of the bilateral treaty signed by Tunisia, causing a severe detriment of the Issuer's investment in Tunisia.

Arbitration against the Republic of Tunisia and/or ETAP

ICC Arbitration 1

As announced on 1 November 2023, EPZ, a fully owned investment subsidiary of Zenith registered in Barbados, initiated ICC arbitration proceedings, seated in Paris, against ETAP, the national oil company of Tunisia. ICC Arbitration 1 was commenced following ETAP's failure to comply with its contractual obligations by not paying for oil produced and sold by EPZ in Tunisia. The ICC Arbitration 1 claim is in the amount of approximately USD 6.7m.

Further, on 29 November 2023, the Issuer announced that the ICC appointed arbitral tribunal for the arbitration ICC Arbitration 1 against ETAP had rejected ETAP's request to include the Tunisian State as co-defendant and ordered ETAP to pay a penalty of approximately EUR 120,000 in costs. These were positive developments that showcased the merits of our procedural conduct. As of the date of this Memorandum, this penalty has not yet been collected but will be encashed with the ICC Arbitration 1 award, by enforcement.

As announced on 10 July 2023, the Issuer had obtained a "conservative seizure" for an amount equivalent to approximately USD 6.5m deposited in a bank account in Switzerland under the name of ETAP. Unfortunately, after one year the validity of this conservative seizure expired and the money was returned to ETAP.

The trial for ICC Arbitration 1 has taken place during the month of April 2024. On 19 December 2024, the Issuer announced that has received the final decision of the arbitral tribunal in relation to the ICC Arbitration 1. The arbitral tribunal has ordered ETAP to pay a principal amount of USD 6,139,539, reflecting a revision in the price of Brent

crude oil used as a basis of calculation, approximately USD 2,700,000 late payment interest levied up to the day of the ICC Arbitration 1 decision, USD 395,000 as reimbursement for procedural costs associated with the ICC Arbitration 1, and USD 450,000 in legal costs for a total amount of approximately USD 9.7m, as of 31 March 2025.

Interests in connection with late payment will continue to be levied until full recovery of the Award is made. The ICC Arbitration 1 award, in accordance with article 35.6 of the applicable ICC Rules, is final and may not be appealed by the parties. It is immediately enforceable and capable of being granted execution by any competent court.

CNAOG ICC Arbitration

As announced on 6 December 2023, Zenith's fully owned company, CNAOG initiated ICC arbitration proceedings, seated in Geneva, against Tunisia. Zenith has originally presented a claim for damages in the amount of USD 85.8m in connection with the CNAOG ICC Arbitration. This originally claim has been increased to USD 130m following calculations performed by the Zenith's advisers, specifically Chapman Engineering of Calgary (METTERE IL NOME ESATTO), regarding the quantifiable damages sustained by CNAOG for the obstruction to complete and enjoy the benefit of the purchase of CNPCI Tunisia from CNPC of Beijing.

CNPC Tunisia owns as main asset the concession SLK.

The claimed amount was determined by a third-party expert consultant in consideration of the following:

- CNAOG's lost production revenue and associated profitability, during a period of high energy prices, from SLK Concession until its initial expiry in December 2022.
- The volume of crude oil produced from the SLK concession and allocated to and received by CNAOG upon the completion of the acquisition.
- Unpaid invoices for oil produced and sold in the international and domestic market by ETAP, (the national oil company of Tunisia) as it happened in the case object of ICC Arbitration 1.
- The value of the 45% interest in the renewal of the SLK concession, representing a breach of CNAOG's right to renew its previously existing 22.5% interest in SLK, as well as the 22.5% interest held by Kuwait Foreign Petroleum Exploration Company K.S.C.C's subsidiary, which relinquished its interest in the SLK Concession before its initial expiry. This second 22.5% interest was due to become ours on the base of our pre-emption option as co shareholder and on the base of our formal exercise of this option, when KSCC decided to leave Tunisia.

The Arbitral Tribunal has on 16 July 2025 issued a decision rejecting the entirety of the claims presented by CNAOG. Under the rules of the ICC, a party may apply for annulment of an arbitral award for, inter alia, cases of procedural irregularities. The Company confirms that its legal counsel identified and documented several serious procedural irregularities during the CNAOG ICC Arbitration. Following legal advice, the Company will now proceed with an application for annulment of the award before the Swiss Federal Supreme Court in Lausanne, Switzerland. The Swiss Federal Supreme Court usually renders decisions on annulment applications within 6 to 9 months from submission.

ICSID Arbitration

As announced on 7 June 2023, Zenith's fully owned investment subsidiaries, ZEAL, ZOAL and CDD subsidiaries submitted a request for arbitration before the International Centre for Settlement of Investment Disputes in Washington DC.

The ICSID Arbitration was launched following a series of actions undertaken by Tunisia to the material detriment of Zenith's fully owned investment subsidiaries, ZEAL, ZOAL and CDD including, inter alia, unreasonable and arbitrary obstructions in relation, primarily, to the development of the Sidi El Kilani and Ezzaouia concessions. Therefore, the ICSID Arbitration was initiated by the claimants due to the Republic of Tunisia's failure to comply with the terms of the Investment Treaty BIT United Kingdom of Great Britain and Northern Ireland - Tunisia signed in 1989.

Zenith's fully owned investment subsidiaries, ZEAL, ZOAL and CDD were informed on 18 March 2024, that Anima Dispute Resolution, an international law firm dedicated to international arbitrations appointed by Tunisia as specialist counsel, had resigned with immediate effect. During the month of September 2024, the parties have deposited their final comments and supporting documents to the ICSID tribunal.

The hearings for the ICSID Arbitration are expected to take place during December 2025 and an award of the ICSID Arbitration is expected during the first or second quarter of 2026.

On 23 December 2024, the ICSID arbitral tribunal issued a decision in connection with the respondent's request to address objections to jurisdiction as a preliminary question, which was fully rejected in very severe terms by the ICSID arbitral tribunal. The arbitral tribunal's decision has dismissed the respondent's application in its entirety and has reserved all other matters, including those relating to costs, for a subsequent order, decision or award.

The amount claimed within the ICSID Arbitration, determined by a panel of international quantum experts appointed by the Issuer, is for a total principal amount of USD 503m.

Lawsuit against Société de Maintenance Pétrolière

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 3.1m relating to SMP's unsatisfactory performance.

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. All of the bank accounts have therefore been unfrozen. As of the date of this Memorandum, the lawsuit is still ongoing. The Issuer and SNPC are in discussions in order to settle this issue, and all capital expenditure will be deferred until the proceeds are received. Since the Issuer has not provided for the potential recovery of such costs in its cashflow projections, any success in this matter would enhance the Issuer's cash position.

Apart from the legal proceedings 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 Memorandum which may have, or have had in the recent past, significant effects on the financial position or profitability of Zenith or the Group

ADDRESSES

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ARTICLES OF ASSOCIATION

The Company's articles of association is accessible on Zenith's website.