

November 4, 2025

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Decision & Appeal of SMP Court Case

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA; XSAT: ZENASD), the listed international energy production and development company, announces that the Paris Commercial Court (the "Court") has delivered a decision in respect of the legal claim (the "Claim") brought before the Paris Commercial Court (the "Court") by its fully owned subsidiary, *Anglo African Oil & Gas Congo S.A.U* ("AAOGC") against SMP Energies (hereafter "SMP", formerly Société de Maintenance Pétrolière - SMP) the rig contractor that performed drilling services in wells TLP-103 and TLP-103C of the Tilapia oilfield during 2018-2019.

Background

On July 15, 2019, formerly AIM quoted Anglo African Oil & Gas plc (AAOG), the previous owner of AAOGC prior to its acquisition by Zenith in May 2020, made an announcement confirming that AAOGC had initiated a claim against SMP following poor performance in drilling wells TLP-103 and TLP-103C, and the refusal by SMP to engage in negotiations to cover the significant cost overruns that had been incurred by AAOGC as a direct consequence.

The Claim was initially launched in Court against SMP to recover costs of **US 3.1** million relating to SMP's unsatisfactory performance.

In taking the decision to launch the Claim for costs against SMP the following reasons were considered significant at the time:

- AAOGC had maintained extensive, contemporaneous technical records of the failures of the Rig and the losses and delays that were caused as a result;
- SMP had not put forward evidence, of any kind, to suggest that Rig performance was not the cause for cost overruns; and
- Advice from International counsel in London, Paris and the Republic of the Congo was that the Claim had merit.

Under the rules and conventions of the Court, mediation between the parties engaged in a dispute is a recommended course of action. As a result, a supervised mediation meeting took place during the Autumn of 2019.

On December 11, 2019, AAOG announced that mediation efforts had proven unsuccessful and that, as a result, AAOGC would continue to pursue the Claim.

On November 11, 2020, Zenith provided an update on the Claim announcing that SMP had retaliated to the Claim by obtaining a number of unjustified seizure orders over the fixed assets of AAOGC in the Republic of the Congo, as well as over its local bank accounts, and that whilst the initial granting of these orders had no bearing on the Claim launched in the Paris Commercial Court, it had been successful in fully revoking all of the wrongful seizure orders initially obtained in the Republic of the Congo.

On February 17, 2023, Zenith announced that it AAOGC had increased the amount of the Claim for

On February 17, 2020, Zenith announced that AAOGC had increased the amount of the Claim for SMP's failures during drilling activities to US 9 million, in consideration of the significant commercial damages suffered by AAOGC, specifically the impossibility, as a direct result, to begin production activities from the Tilapia oilfield.

Further, Zenith announced that AAOGC had intensified its legal activities in support of the Claim by commissioning third-party reports from leading experts.

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

SMP unsuccessfully appealed this intermediate decision of the Court, resulting in the Paris Court of Appeal upholding the decision of the Paris Commercial Court and AAOGC receiving Procedural Costs in the amount of approximately EUR 30,000.

On October 4, 2024, the Company announced that it had appointed Charles Russell Speechlys Paris as new legal counsel before the Court in connection with the legal claim against SMP.

Decision

The Court has partially accepted a significant proportion of the legal arguments advanced by AAOGC as part of the Claim, whilst solely recognising 160,000 EUR in compensation payable to AAOGC as a result of the responsibilities ascribable to SMP.

However, the Court ruled that SMP's invoice, amounting to approximately €630,000 - although fully contested by AAOGC - remains payable on the basis that it was not disputed within six (6) calendar days, as stipulated in the contract. This interpretation is firmly contested by AAOGC.

The Court has not provided for provisional enforcement of the decision.

Appeal

AAOGC has instructed Charles Russell Speechlys (Paris) to appeal the decision, given its clearly contradictory nature and the limited level of compensation awarded despite the Court's acknowledgment of many of AAOGC's arguments.

The Company will provide a further update in due course as the appeal progresses.

Andrea Cattaneo, Chief Executive Officer, commented:

"In light of the fact that AAOGC has been pursuing this claim for approximately five years, the decision is disappointing.

It is important to underline that this case was initiated prior to our acquisition of AAOGC, and that the underlying events occurred before the current management assumed responsibility of this entity. Nevertheless, upon acquiring AAOGC, we formed the view - which we continue to hold - that AAOGC's claim had strong legal and factual merits.

The procedural conduct of SMP, as evidenced by the intermediate decision in July 2023, has had the purpose of making every possible attempt to impede the progress of the Claim.

With receivables exceeding US 5.3 million due from SNPC, the national oil company of the Republic of the Congo, and given the absence of any provisional enforcement in this decision, we shall proceed to appeal before the Paris Court of Appeal.

We remain unwavering in our confidence in the Company's potential and look forward to making further near-term progress on the key strategic fronts that underpin the Company's value."

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Further Information:

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Notes to Editors:

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

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

For more information, please visit: www.zenithenergy.ca

Twitter: [@zenithenergyltd](https://twitter.com/zenithenergyltd)

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