

NS Miscellaneous



## ICSID ARBITRATION AGAINST THE REPUBLIC OF TUNISIA

[ZENITH ENERGY LTD.](#)

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**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

### ICSID Arbitration against the Republic of Tunisia

Zenith Energy Ltd. (**LSE: ZEN; OSE: ZENA**), the international energy production and development company, announces the formal submission of various legal proceedings against the Republic of Tunisia, with a total cumulative claimed amount of at least US\$48 million.

Zenith's fully owned subsidiaries (together, the "**Investors**") have submitted a request for arbitration against the Republic of Tunisia before the International Centre for Settlement of Investment Disputes in Washington DC ("**ICSID**") - (the "**Arbitration**").

#### Background to the Arbitration

The request for Arbitration before the ICSID was submitted in accordance with article 8 of the Agreement signed between the government of the United Kingdom of Great Britain and Northern Ireland and the government of the Tunisian Republic in 1989 for the Promotion and Protection of Investments.

The Arbitration has been launched following a series of actions undertaken by the Tunisian government to the material detriment of the commercial interests of the Investors in the Republic of Tunisia, including, *inter alia*, unreasonable and arbitrary obstructions in relation to the development of the Sidi El Kilani and Ezzaouia concessions.

More specifically, these include actions in contravention to, *inter alia*, the terms of the Sidi El Kilani and Ezzaouia licenses respectively, and unjustified obstructions for processing the sale of produced oil.

Prior to initiating the Arbitration, Zenith and its subsidiaries have, in good faith, applied their best efforts towards engaging constructively with the relevant bodies in the Republic of Tunisia to address these matters. However, in view of the

unsuccessful nature of these efforts to date, the Investors have been compelled, to safeguard their commercial interests and legal rights, to launch the Arbitration.

The Investors have engaged Gide Loyrette Nouel, a legal firm with a specialisation in high-level dispute resolution, as legal counsel in connection with the Arbitration.

The Investors can confirm that, in the interests of preserving the Company's cash reserves at a time of intensive expansion and development activity, they are in advanced negotiations with a specialist third-party litigation funder for a 'no win-no fee' financing arrangement to support all the costs in connection with the Arbitration.

The Board, based on due and careful consideration surrounding the merits of the Arbitration and specialist legal advice received, believes there will either be a successful outcome resulting from the Arbitration or there will be an amicable settlement in due course.

#### **Update on Tunisian production and development portfolio**

The Company can confirm that it continues to operate its production and development portfolio in the Republic of Tunisia, including the Robbana and El Bibane concessions which it holds directly with a 100% interest, whilst negotiations are ongoing with the local authorities in Tunisia with the objective of addressing the underlying causes of the aforementioned Arbitration.

The Robbana Concession is producing approximately 20-25 barrels of oil per day, with a total accumulation of approximately 8,000 barrels of oil in stock which is ready for sale subject to local export permissions being granted.

Production from the El Bibane Concession has been suspended due to necessary maintenance activities.

Further, for the avoidance of doubt, the Company maintains that its subsidiary's 50 percent ownership of MARETAP, the joint operating company for the Ezzaouia Concession, remains unchanged.

In view of the sensitive nature of the ongoing proceedings and discussions, the Company will not be providing further comment until there are material updates.

#### **Further Information:**

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#### **Notes to Editors:**

Zenith Energy Ltd. is a revenue generating, independent energy company with production, exploration and development assets in Africa, the Middle East and Europe, including electricity generation in Italy. 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'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](http://www.zenithenergy.ca)

Twitter: @zenithenergyLtd

LinkedIn: <https://bit.ly/3A5PRJb>

#### **Market Abuse Regulation (MAR) Disclosure**

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

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