

Amendment No. 9 to Prospectus  
Supplement dated December 15, 2021  
(to Prospectus dated December 1, 2021)

Filed pursuant to Rule 424(b)(5)  
File No. 333-261452

### **ZION OIL & GAS, INC.**

This Amendment No. 9 to Prospectus Supplement amends the Prospectus Supplement dated December 15, 2021 (“Original Prospectus Supplement”). This Amendment No. 9 to Prospectus Supplement should be read in conjunction with the Original Prospectus Supplement and the base Prospectus dated December 1, 2021 and Amendment No. 1 and Amendment No. 4. This Amendment No. 9 is incorporated by reference into the Original Prospectus Supplement. This Amendment No. 9 is not complete without, and may not be delivered or utilized except in connection with, the Original Prospectus Supplement, including any amendments or supplements thereto and Amendment No. 1 and Amendment No. 4.

Investing in our common stock is risky. See “Risk Factors” commencing at page S-25 of the Original Prospectus Supplement, as well as the “Risk Factors” in our most recent Annual Report on Form 10-K for the year ended December 31, 2023 and in our other periodic reports filed with the SEC, to read about the risks that you should consider before buying shares of our stock. The Company’s shares of common stock trade on the OTC Markets under the symbol “ZNOG” and the Company warrant under the symbol “ZNOGW” trades on the OTC Markets.

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the prospectus or any prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.**

#### *Continuation of Unit Option under the Unit Program*

Under our Dividend Reinvestment and Common Stock Purchase Plan (the “Plan”), we are extending the current Unit Option that was filed under Amendment No. 4, dated November 6, 2023. Our Unit Program consists of the combination of Common Stock and warrants with an extended time period, but otherwise the same Unit Program features, conditions and terms in the Prospectus Supplement and Amendment No. 4 apply. We are extending under our Unit Program that was to terminate April 30, 2024, but now will terminate May 31, 2024. The Unit Option Program consists of Units of our securities where each Unit (priced at \$250.00) is comprised of (i) a certain number of shares of Common Stock determined by dividing \$250.00 (the price of one Unit) by the average of the high and low sale prices of the Company’s publicly traded common stock as reported on the OTC Markets on the Unit Purchase Date and (ii) Common Stock purchase warrants to purchase an additional fifty (50) shares of Common Stock at a per share exercise price of \$0.25. The participant’s Plan account will be credited with the number of shares of the Company’s Common Stock and Warrants that are acquired under the Units purchased. Each warrant affords the participant the opportunity to purchase one share of our Common Stock at a warrant exercise price of \$0.25. The warrant shall have the company notation of “ZNWBA.” The warrants will not be registered for trading on the OTC Markets or any other stock market.

For Plan participants who enroll into the Unit Program with the purchase of at least one Unit and also enroll in the separate Automatic Monthly Investments (“AMI”) program at a minimum of \$50.00 per month or more, will receive an additional fifty (50) Warrants at an exercise price of \$0.25 during this Unit Option Program. The fifty (50) additional warrants are for enrolling into the AMI program. Existing subscribers to the AMI are entitled to the additional fifty (50) warrants once, if they purchase at least one (1) Unit during the Unit program.

The ZNWBA warrants will be first exercisable on June 15, 2024, instead of May 15, 2024 and continue to be exercisable through June 14, 2025, instead of May 14, 2025, unless extended, at a per share exercise price of \$0.25.

Accordingly, all references in the Original Prospectus Supplement and Amendment No. 1 and Amendment No. 4, concerning the Unit Option, continue, except for the substitution of the revised Unit Option dates and features above. All other Plan features, conditions and terms remain unchanged.

The date of this Amendment No. 9 to Prospectus Supplement is April 24, 2024.

Amendment No. 4 to Prospectus  
Supplement dated December 15, 2021  
(to Prospectus dated December 1, 2021)

Filed pursuant to Rule 424(b)(5)  
File No. 333-261452

### **ZION OIL & GAS, INC.**

This Amendment No. 4 to the Prospectus Supplement amends the Prospectus Supplement dated December 15, 2021 (“Original Prospectus Supplement”). This Amendment No. 4 to the Original Prospectus Supplement should be read in conjunction with the Original Prospectus Supplement and the base Prospectus dated December 1, 2021. This Amendment No. 4 is incorporated by reference into the Original Prospectus Supplement. This Amendment No. 4 is not complete without, and may not be delivered or utilized except in connection with, the Original Prospectus Supplement, including any amendments or supplements thereto.

Investing in our common stock is risky. See “Risk Factors” commencing at page S-25 of the Original Prospectus Supplement, as well as the “Risk Factors” in our most recent Annual Report on Form 10-K for the year ended December 31, 2022 and in our other periodic reports filed with the SEC, to read about the risks that you should consider before buying shares of our stock. The Company’s shares of common stock trade on the OTCQX under the symbol “ZNOG” and the Company warrant under the symbol “ZNOGW” trades on the OTCQX.

Investors can find current financial disclosure and Real-Time Level 2 quotes for the Company on [www.otcmarkets.com](http://www.otcmarkets.com). OTC Link ATS and OTC Link ECN are SEC regulated ATSS, operated by OTC Link LLC, member FINRA/SIPC. OTCQX is the premium tier of OTC Markets Group and enables investors to easily trade through the broker of their choice. Investors will have access to real-time bid-ask information and other information through the OTC Disclosure & News Service, which publishes and distributes data, news, and financials to a wide audience of investors.

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the prospectus or any prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.**

#### *Unit Option under the Unit Program*

Under our Dividend Reinvestment and Common Stock Purchase Plan (the “Plan”), we are providing a Unit Option under our Unit Program with this Amendment No. 4. This Unit Option period begins on November 6, 2023 and terminates on December 31, 2023.

Our Unit Program consists of the combination of Common Stock and warrants with basic Unit Program features, conditions and terms outlined in the Original Prospectus Supplement and Amendment No. 1. Amendment No. 4 provides the option period, unit price and the determination of the number of shares of Common Stock and warrants per unit. This Unit Option begins on November 6, 2023 and is scheduled to terminate on December 31, 2023, unless extended at the sole discretion of Zion Oil & Gas, Inc. The Unit Option consists of Units of our securities where each Unit (priced at \$250.00 each) is comprised of (i) a certain number of shares of Common Stock determined by dividing \$250.00 (the price of one Unit) by the average of the high and low sale prices of the Company’s publicly traded common stock as reported on the OTCQX on the Unit Purchase Date and (ii) Common Stock purchase warrants to purchase an additional fifty (50) shares of Common Stock at a per share exercise price of \$0.25. The participant’s Plan account will be credited with the number of shares of the Company’s Common Stock and

Warrants that are acquired under the Units purchased. Each warrant affords the participant the opportunity to purchase one share of our Common Stock at a warrant exercise price of \$0.25. The warrant shall have the Company notation of “ZNWBA” and will not be registered for trading on the OTCQX or any other stock market or trading market.

Plan participants, who enroll into the Unit Program with the purchase of at least one Unit and enroll in the separate Automatic Monthly Investments (“AMI”) program at a minimum of \$50.00 per month, will receive an additional fifty (50) warrants at an exercise price of \$0.25 during this Unit Option Program. The fifty (50) additional warrants are for enrolling into the AMI program and shall receive the above warrant with the Company notation of “ZNWBA.” Existing subscribers to the AMI are entitled to the additional fifty (50) warrants, if they purchase at least one (1) Unit during the Unit program.

The ZNWBA warrants will become exercisable on January 15, 2024, unless extended, and continue to be exercisable through January 14, 2025, unless extended, at a per share exercise price of \$0.25.

Checks, bank wire payments, or electronic bank payments for purchases received by the Plan Agent, or at the offices of the Company, before 4 p.m. (EST) on a business day generally will be recorded as purchased on the same business day (the “Purchase Date”). Checks, bank wire payments, or electronic bank payments for purchases received by the Plan Agent, or at the offices of Company, after 4 p.m. (EST) on a business day generally will be recorded as purchased on the next business day for the Purchase Date. Electronic bank payments are treated as received and recorded on the date of receipt of the funds into the Plan Agent’s or the Company’s bank account. Under the AMI program, all optional cash payments will be invested in our Common Stock on the 20<sup>th</sup> day of each calendar month and if such day falls on a holiday or a weekend, then on the next trading day.

Accordingly, all references in the Original Prospectus Supplement concerning the Unit Option Program continue, except for the substitution of the Unit Option Program details under Amendment No. 4 and the prior Amendment No. 1. All other Plan features, conditions and terms remain unchanged.

#### *Use of Proceeds*

As previously noted, the Company announced its plan to reenter the MJ-01 Well. The proceeds from the unit program and from sales of our common stock under the Plan will be for acquisition costs of additional equipment, the cost of various services, the re-opening of the well, the reentry of equipment and materials and the need for ongoing operational expenses. The foregoing reflects only estimates of the use of the proceeds. In addition, no assurance can be given that the Company will be able to successfully raise the needed capital.

The date of this Amendment No. 4 to the Prospectus Supplement is November 6, 2023

Amendment No. 1 to Prospectus  
Supplement dated December 15, 2021  
(to Prospectus dated December 1, 2021)

Filed pursuant to Rule 424(b)(5)  
File No. 333-261452

### **ZION OIL & GAS, INC.**

This Amendment No. 1 to the Prospectus Supplement amends the Prospectus Supplement dated December 15, 2021 (“Original Prospectus Supplement”). This Amendment No. 1 to the Original Prospectus Supplement should be read in conjunction with the Original Prospectus Supplement and the base Prospectus effective December 1, 2021. This Amendment No. 1 is incorporated by reference into the Original Prospectus Supplement. This Amendment No. 1 is not complete without, and may not be delivered or utilized except in connection with, the Original Prospectus Supplement, including any amendments or supplements thereto.

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the prospectus or any prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.**

#### *Dividend Reinvestment and Common Stock Purchase Plan (the “Plan”)*

Our Plan under the section *Obtaining Certificates and Transferring or Selling Shares* on page S-7 of the Prospectus Supplement reads as follows:

*On receipt of a request to sell some of or all the Plan shares, the Plan Agent will sell the shares on the open market no later than three business days after receipt of the request and will send the proceeds less a service charge of \$5 and applicable brokerage commissions of only \$0.025 per share sold (e.g., if 100 shares sold, commission is \$2.50).*

On February 21, 2023, an Amendment to the *Transfer Agency and Registrar Services Agreement* was executed between Zion Oil & Gas, Inc. and the American Stock Transfer & Trust Company, LLC, the Plan Agent, to change the Out-of-Pocket Pricing from the Sales of Shares at \$5.00 per sale and \$0.25 per share to Sales of Shares at \$5.00 per sale and \$0.02 per share with an effective date of February 21, 2023. The section *Obtaining Certificates and Transferring or Selling Shares* on page S-7 of the Prospectus Supplement shall read as follow:

*On receipt of a request to sell some of or all the Plan shares, the Plan Agent will sell the shares on the open market no later than three business days after receipt of the request and will send the proceeds less a service charge of \$5 and applicable brokerage commissions of only \$0.02 per share sold (e.g., if 100 shares sold, commission is \$2).*

Accordingly, all references in the Original Prospectus Supplement continue, except the details under this Amendment No. 1. All other Plan features, conditions and terms remain unchanged.

The date of this Amendment No. 1 to the Prospectus Supplement is February 21, 2023

**Zion Oil & Gas, Inc.**

**Up to \$100,000,000**

**Dividend Reinvestment and Common Stock Purchase Plan**

This prospectus relates to shares of common stock and other securities that we may offer and sell from time to time according to the terms of the Dividend Reinvestment and Stock Purchase Plan (the “Plan”) of Zion Oil & Gas, Inc. Participants should retain this prospectus for future reference.

The Plan provides participants with a convenient and economical means of purchasing shares of our common stock by reinvesting cash dividends paid on our common stock, par value \$0.01 (the “Common Stock”), if and when paid in the future, and by making additional optional cash purchases. In addition, new investors may make their initial investment in our common stock under the Plan. Furthermore, the Plan includes a feature whereby new investors and existing stockholders can also purchase, directly from Zion, units (each a “Unit” and collectively the “Units”) of Zion securities, with each Unit consisting of (i) a share or shares of our Common Stock and (ii) one or more warrants to purchase an additional share or shares of our Common Stock at a fixed exercise price (each “Warrant” and collectively the “Warrants”).

All securities offered under the Plan will be purchased directly from Zion. All proceeds from the sales of shares of Common Stock and Units under the Plan, as well as any exercise of warrants, will be received by us and applied to our general corporate purposes.

**To date, we have not paid dividends on shares of our Common Stock or any other class of capital stock and no assurance can be given as to when, if ever, we will be able to pay dividends on our Common Stock.** The payment of dividends on our Common Stock is at the discretion of our Board of Directors. There is no guarantee that we will pay dividends in the future.

Our common stock is quoted on the OTCQX under the symbol “ZNOG”. The Warrants to be issued pursuant to this Plan may be separately transferable following their issuance through their expiration date. The Warrant “ZNOGW” is listed on the OTCQX. The Units are non-transferable.

**Investing in the securities offered by this prospectus is risky. You should read this prospectus carefully before you invest. You should carefully consider the “Risk Factors” section beginning on page S-25 before deciding whether to invest.**

The securities are not being offered in any jurisdiction where the offer is not permitted under applicable local laws.

**Neither the U.S. Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this Prospectus Supplement is December 15, 2021

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of Plan and the securities offered under the Plan. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering under the Plan. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, and any free writing prospectus that we authorize to be distributed to you. We have not authorized anyone to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, and any free writing prospectus is accurate only as of the date of those respective documents. Our business, financial condition, results of operations, and prospects may have changed since such dates.

Unless otherwise indicated, all references to “Zion Oil & Gas”, “Company”, “our”, “we”, “us”, and similar terms refer to Zion Oil & Gas, Inc., a Delaware corporation.

## PROSPECTUS SUPPLEMENT SUMMARY

*The following summary highlights selected information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary does not contain all the information that you should consider before investing in our securities. You should carefully read this entire prospectus supplement, the accompanying prospectus and any free writing prospectus that we authorize to be distributed to you, including the “Risk Factors” section beginning on page S-26 of this prospectus supplement and, the financial statements and related notes and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.*

### **Zion Oil & Gas, Inc.**

Zion Oil and Gas, Inc., a Delaware corporation, is an oil and gas exploration company with a history of 19 years of oil and gas exploration in Israel. We were incorporated in Florida on April 6, 2000 and reincorporated in Delaware on July 9, 2003. We completed our initial public offering in January 2007. Our common stock, par value \$0.01 per share (the “Common Stock”) currently trades on the OTCQX under the symbol “ZNOG” and our Common Stock warrant under the symbol “ZNOGW.”

The Company currently holds one active petroleum exploration license onshore Israel, the New Megiddo License 428 (“NML 428”), comprising approximately 99,000 acres. The NML 428 was awarded on December 3, 2020 for a six-month term with the possibility of an additional six-month extension. On April 29, 2021, Zion submitted a request to the Ministry of Energy for a six-month extension to December 2, 2021. On May 30, 2021, the Ministry of Energy approved our request for extension to December 2, 2021. On November 29, 2021, the Ministry of Energy in Israel granted Zion Oil & Gas an extension of the “New Megiddo”/428 License until August 1, 2022 for the purpose of completing the activities regarding its MJ-02 drilling and testing. The ML 428 lies onshore, south and west of the Sea of Galilee and we continue our exploration focus here, as it appears to possess the key geologic ingredients of an active petroleum system with significant exploration potential.

The Megiddo Jezreel #1 (“MJ #1”) exploratory well was spud on June 5, 2017 and drilled to a total depth (“TD”) of 5,060 meters (approximately 16,600 feet). Thereafter, the Company successfully cased and

cemented the well while awaiting the approval of the testing protocol. The Ministry of Energy approved the well testing protocol on April 29, 2018.

During the fourth quarter of 2018, the Company testing protocol was concluded at the MJ #1 well. The test results confirmed that the MJ #1 well did not contain hydrocarbons in commercial quantities in the zones tested. As a result, in the year ended December 31, 2018, the Company recorded a non-cash impairment charge to its unproved oil and gas properties of \$30,906,000. During the six months ended June 30, 2021, and 2020, respectively, the Company did not record any post-impairment charges.

While the well was not commercially viable, Zion learned a great deal from the drilling and testing of this well. We believe that the drilling and testing of this well carried out the testing objectives, which would support further evaluation and potential further exploration efforts within our License area. Zion believed it was prudent and consistent with good industry practice to try to answer some of these questions with a focused 3-D seismic imaging shoot of approximately 72 square kilometers surrounding the MJ#1 well. Zion completed all of the acquisition, processing and interpretation of the 3-D data and incorporated its expanded knowledge base into the drilling of our current MJ-02 exploratory well.

At present, we have no revenues or operating income. Our ability to generate future revenues and operating cash flow will depend on the successful exploration and exploitation of our current and any future petroleum rights or the acquisition of oil and/or gas producing properties, and the volume and timing of such production. In addition, even if we are successful in producing oil and gas in commercial quantities, our results will depend upon commodity prices for oil and gas, as well as operating expenses including taxes and royalties.

Our executive offices are located at 12655 North Central Expressway, Suite 1000, Dallas, Texas 75243, and our telephone number is (214) 221-4610. Our branch office's address in Israel is 9 Halamish Street, North Industrial Park, Caesarea 3088900, and the telephone number is +972-4-623-8500. Our website address is: [www.zionoil.com](http://www.zionoil.com).

## **Exploration and Operation Efforts**

### *Megiddo-Jezreel Petroleum License*

The Company held an active petroleum exploration license onshore Israel, the Megiddo-Jezreel License, comprising approximately 99,000 acres. The Megiddo Jezreel #1 ("MJ #1") exploratory well was spud on June 5, 2017 and drilled to a total depth ("TD") of 5,060 meters (approximately 16,600 feet). Thereafter, the Company successfully cased and cemented the well while awaiting the approval of the testing protocol. The Ministry of Energy approved the well testing protocol on April 29, 2018.

During the fourth quarter of 2018, the Company's testing protocol was concluded at the MJ #1 well. The test results confirmed that the MJ #1 well did not contain hydrocarbons in commercial quantities in the zones tested. The MJ#1 well provided Zion with information Zion believes is important for potential future exploration efforts within its license area. As with many frontier wildcat wells, the MJ#1 also left several questions unanswered.

While not meant to be an exhaustive list, a summary of what Zion believes to be key information learned in the MJ#1 well is as follows:

1. The MJ#1 encountered much higher subsurface temperatures at a depth shallower than expected before drilling the well. In our opinion, this is significant because reaching a minimum temperature threshold is necessary for the generation of hydrocarbons from an organic-rich source rock.
2. The known organic rich (potentially hydrocarbon bearing) Senonian age source rocks that are typically present in this part of Israel were not encountered as expected. Zion expected these

source rocks to be encountered at approximately 1,000 meters in the MJ#1 well.

3. MJ#1 had natural fractures, permeability (the ability of fluid to move through the rock) and porosity (pore space in rock) that allowed the sustained flow of formation fluid in the shallower Jurassic and lower Cretaceous age formations between approximately 1,200 and 1,800 meters. While no hydrocarbons were encountered, Zion believes this fact is nonetheless significant because it provides important information about possible reservoir pressures and the ability of fluids to move within the formation and to the surface.
4. MJ#1 encountered oil in the Triassic Mohilla formation, which Zion believes suggests an active deep petroleum system is in Zion's license area. There was no natural permeability or porosity in the Triassic Mohilla formation to allow formation fluid to reach the surface naturally during testing, and thus the MJ#1 was not producible or commercial.
5. The depths and thickness of the formations we encountered varied greatly from pre-drill estimates. This required the MJ#1 to be drilled to a much greater depth than previously expected. Zion has tied these revised formation depths to seismic data which will allow for more accurate interpretation and mapping in the future.

A summary of what Zion believes to be some key questions left to be answered are:

1. Is the missing shallow Senonian age source rock a result of regional erosion, or is it missing because of a fault that cut the well-bore and could be reasonably expected to be encountered in the vicinity of the MJ#1 drill site? Zion believes this is an important question to answer because if the Senonian source rocks do exist in this area, the high temperatures encountered are sufficient to mature these source rocks and generate oil.
2. Do the unusually high shallow subsurface temperatures extend regionally beyond the MJ#1 well, which could allow for the generation of hydrocarbons in the Senonian age source rock within our license area?
3. As a consequence of seismic remapping, where does the MJ#1 well lie relative to the potential traps at the Jurassic and Triassic levels, and was the well location too low on the structures and deeper than the potential hydrocarbons within those traps?

As a result of these unanswered questions and with the information gained drilling the MJ#1 well, Zion believed it was prudent and consistent with good industry practice to try and answer some of these questions with a focused 3-D seismic imaging shoot of approximately 72 square kilometers surrounding the MJ#1 well. Zion has completed all of the acquisition, processing and interpretation of the 3-D data and incorporated its expanded knowledge base into the drilling of our current MJ-02 exploratory well (see further details below). The Geology team is continuing to work on a larger interpretation of 3D areas, along with potential exploration locations located in the western portion of the NML 428 license area.



**Map 1. Zion's Megiddo-Jezreel Petroleum Exploration License.**

As a result of these unanswered questions and with the information gained drilling the MJ#1 well, Zion believed it was prudent and consistent with good industry practice to try and answer some of these questions with a focused 3-D seismic imaging shoot of approximately 72 square kilometers surrounding the MJ#1 well. Zion has completed all of the acquisition, processing and interpretation of the 3-D data and has incorporated its expanded knowledge base into the drilling of our current MJ-02 exploratory well (see further details below). The Megiddo-Jezreel License 401 was awarded on December 3, 2013 for a three-year primary term through December 2, 2016 with the possibility of additional one-year extensions up to a maximum of seven years. The Megiddo-Jezreel License 401 lies onshore, south and west of the Sea of Galilee, and we continue our exploration focus here as it appears to possess the key geologic ingredients of an active petroleum system with significant exploration potential.

#### **Current Exploration and Operation Efforts**

On March 12, 2020, Zion entered into a Purchase and Sale Agreement with Central European Drilling kft, a Hungarian corporation, to purchase an onshore oil and gas drill rig, drilling pipe, related equipment and spare parts for a purchase price of \$5.6 million in cash, subject to acceptance testing and potential downward adjustment. We remitted to the Seller \$250,000 on February 6, 2020 as earnest money towards the Purchase Price. The Closing anticipated by the Agreement took place on March 12, 2020 by the Seller's execution and delivery of a Bill of Sale to us. On March 13, 2020, the Seller retained the earnest money deposit, and the Company remitted \$4,350,000 to the seller towards the purchase price, and \$1,000,000 (the "Holdback Amount") was deposited in escrow with American Stock Transfer and Trust Company LLC. On January 6, 2021, Zion completed its acceptance testing of the I-35 drilling rig and the Holdback Amount was remitted to Central European Drilling.

The Company currently holds one active petroleum exploration license onshore Israel, the New Megiddo License 428 ("NML 428"), comprising approximately 99,000 acres. This license effectively replaced the Megiddo-Jezreel License 401 as it has the same area and coordinates. The NML 428 was awarded on December 3, 2020 for a six-month term with the possibility of an additional six-month extension. On April 29, 2021, Zion submitted a request to the Ministry of Energy for a six-month extension to December 2, 2021. On May 30, 2021, the Ministry of Energy approved our request for extension to December 2, 2021. On November 29, 2021, the Ministry of Energy in Israel granted Zion Oil & Gas an extension of the "New Megiddo"/428 License until August 1, 2022 for the purpose of completing the activities regarding its MJ-02 drilling and testing. The ML 428 lies onshore, south and west of the Sea of Galilee, and we continue our exploration focus here as it appears to possess the key geologic ingredients of an active petroleum system with significant exploration potential.

The MJ-02 drilling plan was approved by the Ministry of Energy on July 29, 2020. On January 6, 2021, Zion officially spudded its MJ-02 exploratory well. On November 23, 2021 Zion announced that it completed the drilling of the MJ-02 well to a total depth of 5,531 meters (~18,141 feet). A full set of detailed and comprehensive tests including neutron-density, sonic, gamma, and resistivity logs, paired with well testing, have commenced. Based on these logs and analysis, additional zones of interest may be identified and tested.

## **Plan Summary**

We are offering new investors and existing stockholders a convenient method to purchase shares of Common Stock directly from Zion and to reinvest cash dividends paid on Zion's Common Stock in the purchase of additional shares of Common Stock. In addition, the Plan includes a feature whereby new investors and existing stockholders can also purchase, directly from Zion, units (each a "Unit" and collectively the "Units") of Zion securities, with each Unit consisting of (i) one or more shares of our Common Stock and (ii) one or more warrants to purchase one or more additional shares of our Common Stock at a fixed exercise price (each a "Warrant" and collectively the "Warrants"), all as described below.

The Plan is administered by the American Stock Transfer & Trust Company, LLC, a New York limited liability trust company ("AST"), located at 6201 15<sup>th</sup> Avenue, Brooklyn, NY 11219 (the "Plan Agent"). As Plan Agent, AST keeps records, sends statements of account to Plan participants and performs other duties relating to the Plan.

Under the Plan, you can make an initial investment in Zion's Common Stock or Units, or a combination of both, with an initial payment of \$250 or more. Once you are a registered shareholder, you can increase your holdings of our Common Stock or Units (while the Units continue to be offered) through optional monthly cash payments of \$50 or more.

Investments in excess of \$10,000 in any month or an initial investment in excess of \$10,000 can only be made with our approval and if necessary by a written "Request for Waiver." See Question 13. The dollar limitation of \$10,000 and the approval of the "Request for Waiver" for amounts in excess of \$10,000 do not apply to Unit purchases.

### *Shares Generally Recorded Daily*

Checks, bank wire payments, or electronic bank payments for purchases received by the Plan Agent, or at the offices of the Company, before 12 noon (EST) on a business day generally will be recorded as purchased on the same business day (the “Purchase Date”). The Plan Agent has online interactive purchase facilities ([www.amstock.com](http://www.amstock.com)) to handle electronic enrollment and electronic check processing. In addition, the same electronic services are offered through the Company’s website ([www.zionoil.com](http://www.zionoil.com)). Checks, bank wire payments, or electronic bank payments for purchases received by the Plan Agent, or at the offices of Company, after 12 noon (EST) on a business day generally will be recorded as purchased on the next business day for the Purchase Date. Electronic bank payments are treated as received and recorded on the date of receipt of the funds into the Plan Agent’s or the Company’s bank account.

Since only shares are purchased directly from the Company, the investor’s Plan account will be credited with the number of shares (including fractional shares, computed to three decimals) of the Company’s Common Stock that was purchased. The price at which shares will be deemed purchased and credited to the investor’s account will be at the average of the high and low sale prices of the Company’s publicly traded Common Stock as reported on the OTCQX or any other exchange or securities market on the Purchase Date. Transaction confirmations are communicated daily by the Plan Agent and also quarterly and year-end statements are mailed by the Plan Agent.

### *Electronic Enrollment and Payment Procedures*

For Automated Clearing House debits (ACH) withdrawals that have been set up by the Plan Agent, the Plan Agent would debit a bank account. We have successfully implemented an electronic enrollment procedure with the Telecheck Internet Check Acceptance service as a payment method. In addition to the enrollment procedures otherwise specified with the mailing to the Plan Agent of the signed Plan Enrollment Form and check payment, current stockholders and prospective investors may enroll in the Plan by the procedures that allow for an acceptance of an electronic signature and date to the Plan Enrollment Form and a secure internet check acceptance by First Data/Citibank Merchant Services as coordinated with the Plan Agent.

Electronic enrollment and payment procedures have expanded, in which AST can accept electronic enrollment and electronic bank payments in U.S. Dollars and international shareholders and investors can make payments in British Pounds, Euros, Swiss Francs, or Canadian Dollars for DSPP purchases through the Company as coordinated with AST. Funds received in foreign currency will be recorded by AST in US Dollars based upon the New York Closing Foreign Exchange Rate (5:00 p.m. EST) on the Purchase Date as published online in the Wall Street Journal, Market Data Center under Currencies ([www.wsj.com/mdc](http://www.wsj.com/mdc)).

### *Automatic Monthly Investments*

If you elect this option, your funds will be debited from your bank account on the 25<sup>th</sup> day of each month (the “Purchase Date”). If the 25<sup>th</sup> day of the month is a weekend or holiday, the debit date will be the next succeeding business day. The price at which shares will be deemed purchased and credited to the investor’s Plan account will be at the average of the daily averages of the high and low sale prices of the Company’s publicly traded Common Stock as reported on the OTCQX or any other exchange or securities market for the five trading day period ending on the Purchase Date (hereinafter the “Market Price of the Publicly Traded Stock”). You may change the amount of funds to be deducted or terminate an automatic monthly investment of funds by either accessing your account online ([www.amstock.com](http://www.amstock.com)) or by completing and submitting to AST a new automatic investment form.

### *Obtaining Certificates and Transferring or Selling Shares*

Initially, all shares that are purchased will be held by the Plan Agent and reflected in book-entry form in the shareholder’s account on the records of the Plan Agent. A shareholder may request a certificate

(at no cost) for some of or all whole shares (or issuable warrants) at any time by a request to the Plan Agent by internet ([www.amstock.com](http://www.amstock.com)), calling 1-844-699-6645 (International 1-718-921-8205), or sending in the form attached to the DSPP account statement. Certificates are normally issued within three business days after receipt of the request and mailed no later than the day after the issuance. No certificates will be issued for fractional shares; instead, the market value of any fractional share will be paid in cash.

You may transfer (at no cost) ownership (or make gifts) of some or all shares (or issuable warrants) held through the Plan Agent by calling the Plan Agent at 1-844-699-6645 (International 1-718-921-8205) for complete transfer instructions, or online at ([www.amstock.com/shareholder/sh\\_transfinst.asp](http://www.amstock.com/shareholder/sh_transfinst.asp)). The transfer form must be completed, signed and returned to American Stock Transfer & Trust Company, LLC, 6201 15<sup>th</sup> Avenue, Brooklyn, NY 11219. The Medallion Guarantee form may be downloaded from [www.amstock.com/shareholder/sh\\_downloads.asp](http://www.amstock.com/shareholder/sh_downloads.asp).

You may sell shares through the Plan Agent by accessing [www.amstock.com](http://www.amstock.com) on the internet, by calling the Plan Agent at 1-844-699-6645 (International 1-718-921-8205), or by mailing the form attached to the DSPP account statement to the Plan Agent. On receipt of a request to sell some of or all the Plan shares, the Plan Agent will sell the shares on the open market no later than three business days after receipt of the request and will send the proceeds less a service charge of \$5 and applicable brokerage commissions of only \$0.03 per share sold (e.g., if 100 shares sold, commission is \$3). All sell orders received by the Plan Agent by noon Eastern Time will result in shares being sold the next business day. Sell orders received after noon Eastern Time will result in shares being sold the second business day after receipt. The market value of any fractional share will be paid in cash. Proceeds are normally paid by check, which is distributed within five business days after the sale. Tradable warrants will be treated the same above as shares with respect to obtaining certificates and transferring or selling warrants.

DSPP Transaction Processing:

Zion Oil & Gas, Inc.  
c/o American Stock Transfer & Trust Co., LLC  
Plan Administration Department  
Post Office Box 922  
Wall Street Station  
New York, NY 10269-0560

General Mailing Inquires:

Zion Oil & Gas, Inc.  
c/o American Stock Transfer & Trust Co., LLC  
6201 15<sup>th</sup> Avenue  
Brooklyn, NY 11219  
Domestic (844) 699-6645  
International (718) 921-8205  
[www.amstock.com](http://www.amstock.com)

*Domestic and Foreign Multi-Lingual Call Center*

If you have any questions about the DSPP, resident shareholders and investors of the United States and Canada can call the Plan Agent toll free at 1-844-699-6645 (844-MYZNOIL) and other foreign resident shareholders and investors can call the Plan Agent at 1-718-921-8205. Customer service representatives with multi-lingual capability for both domestic and foreign callers are available between the hours of 8:00 a.m. and 8:00 p.m. EST, Monday through Friday. After hours, all calls will be forwarded to the AST automated line 24 hours a day, seven days a week.

*Purchasing Shares under the Plan*

Your Plan account will be credited with the number of shares (including fractional shares, computed to four decimals) of our Common Stock that you purchased. Management may, in its sole discretion, determine to provide a discount off the Market Price of the Publicly Traded Stock, which will in no event exceed 10% off Market Price of the Publicly Traded Stock. Zion shall have the sole discretion to determine, if there is to be a discount, the amount of such discount, if any (the "Discount Amount"), and the period in which such discount is to remain in effect (the "Discount Period"). The Discount Period and the Discount amount will be posted on the Zion website and the Plan Agent's website at least two business

days prior to the next succeeding Purchase Date. Modifications of the Discount Amount and the Discount Period will become effective on such succeeding Purchase Date following the announcement of such change.

As a participant, you are required to have your Common Stock held in book entry in the Plan with the Plan Agent during the initial six (6) months after the date of your purchase of any discounted shares. Any shares withdrawn from the Plan Account within six (6) months after the date of purchase will be subject to a withdrawal fee equal to the discount to the Market Price of the Publicly Traded Stock that you received, if any, when purchasing the shares being withdrawn, if any discount.

Subject to compliance with all applicable laws, you may transfer ownership of some or all of your Plan shares by sending the Plan Agent written, signed transfer instructions and acceptable to the Plan Agent and endorsed by the Participant with a medallion guarantee applied to the endorsement. You will be responsible for any applicable taxes in connection with the transfer.

You will also be credited with dividends on fractions of shares you hold in the Plan. You can elect to reinvest all or a portion of your dividends. **To date, Zion has not paid dividends on its common stock and no assurance can be given as to when, if ever, Zion will be able to pay dividends on its common stock.**

#### *Purchasing Units under the Plan*

The Plan provides a feature whereby new investors and existing stockholders may also purchase, directly from Zion, Units of Zion securities, with each Unit consisting of (i) one or more shares of our Common Stock and (ii) one or more warrants to purchase additional shares of our Common Stock.

The Unit will be offered directly to Plan participants at a price per Unit to be fixed periodically by Zion. Changes to the per Unit purchase price will be posted on the Zion website and the Plan Agent's at least two business days prior to next succeeding Purchase Date. No changes will be made to the Warrant exercise price, which will be fixed at a price per share at the time of the Unit offering.

The Warrants to be issued as part of Units purchased under the Plan may be separately transferable following their issuance and through their expiration date. The Warrants will remain a book-keeping entry by the Plan Agent until the Participant requests delivery of the certificate representing the Warrant. The Warrants will become first exercisable on the 31<sup>st</sup> day following the Unit Option Termination Date and continue to be exercisable through the expiration date. The Warrants are not exercisable prior to such date. We may file an application with OTCQX or any other exchange or securities market to list the Warrants; however, no assurance can be provided that any warrants will be approved for listing on any exchange or securities market.

Unlike shares purchased under the Plan, share of Common Stock and the Warrants purchased as part of the Units are not subject to the mandatory deposit requirement, nor to the Withdrawal fee.

#### *Federal Income Tax Considerations*

Since you may be purchasing shares at a discount to fair market value, you may be treated as having received an additional dividend distribution equal to the excess, if any, of the fair market value of the shares acquired on the Purchase Date over the amount of your investment. Generally, participants in the Plan should not recognize income or loss for United States federal income tax purposes in connection with the purchase of Units under the Plan. You should consult your tax advisor as to the particular consequences to you of the Plan and any future dividend reinvestment. For a detailed discussion, see "Certain U.S. Federal Income Tax Consequences" on Page S-28.

### **DESCRIPTION OF THE PLAN**



The following is a detailed description of the Plan in question-and-answer format.

## PLAN OVERVIEW

### 1. What is the purpose of the Plan?

The Plan provides Zion with an economical and flexible mechanism to raise equity capital through sales of our Common Stock and Units. We will be using these proceeds to further our operations, including our exploration for oil and gas in onshore Israel.

The Plan is also intended to promote long-term stock ownership among existing and new investors in Zion by providing a convenient and economical method to purchase shares of our Common Stock and reinvest cash dividends in shares of common stock (when we pay dividends in the future, if ever) **without payment of a brokerage commission.**

The Plan is designed for long-term investors who wish to invest and build their share ownership over time. The Plan is not intended to provide holders of shares of Common Stock with a mechanism for generating assured short-term profits through rapid turnover of shares acquired at a discount. The Plan's intended purpose precludes any person, organization or other entity from establishing a series of related accounts for the purpose of conducting arbitrage operations and/or exceeding the optional monthly cash investment limit. We reserve the right to modify, suspend or terminate participation in this Plan by otherwise eligible holders of our Common Stock or new investors in order to eliminate practices that we determine, in our sole discretion, to be inconsistent with the purposes of the Plan or that could reasonably be used to circumvent the rules of the Plan.

### 2. What features does the Plan offer?

*Initial investment.* If you are not an existing shareholder with a Plan Account through the Plan Agent, you can make an initial investment in Zion's Common Stock, starting with as little as \$250. If you wish to make initial cash investments in excess of \$10,000 for the purchase of stock, you will need to obtain our approval and if necessary a written "Request for Waiver." See Question 13.

If you wish, you can also apply this amount to the purchase of Units, so long as the Units are available for purchase. Please note that the dollar limitation of \$10,000 and the approval and the "Request for Waiver" for amounts in excess of \$10,000 do not apply to Unit purchases.

*Optional monthly cash investments.* Once you are a registered shareholder with a Plan Account through the Plan Agent, you can increase your holdings of our Common Stock through optional monthly cash investments of \$50 or more. Participants are not required to make additional investments. You can make optional monthly cash investments by check, or electronically with deductions from your personal bank account. If you wish to make monthly cash investments in excess of \$10,000 for the purchase of stock, you will need to obtain our prior approval. See Question 13.

For monthly automatic cash purchases, participants must complete the Enrollment Form, checking the box for Automatic Monthly Investments, indicate the amount of the monthly debit (minimum \$50, maximum \$10,000 (unless you obtain our prior approval)) and include a voided check for the account to be debited. Only accounts at U.S. banks can participate in this program.

Checks drawn on U.S. banks must be received at least three business days before the Purchase Dates. Purchases of shares and/or Units are recorded daily (the "Purchase Date"). For ACH withdrawals that have been set up by the Plan Agent, the Plan Agent would debit the bank account only on the 25<sup>th</sup> of the month.

You can also apply these amounts to the purchase of Units, as long as the Units are available for purchase under the Plan. Please note that the dollar limitation of \$10,000 and the approval and the “Request for Waiver” for amounts in excess of \$10,000 do not apply to Unit purchases.

*Automatic dividend reinvestment.* You can also increase your holdings of our Common Stock through automatic reinvestment of your cash dividends (when and if dividends are paid in the future). You will also be credited with dividends on fractions of shares you hold in the Plan. You can elect to reinvest all or a portion of your dividends. However, Participants electing to reinvest dividends are required to reinvest at least 10% of the dividend to qualify as a dividend reinvestment program under I.R.S. Regulations. **To date, Zion has not paid dividends on its common stock and no assurance can be given as to when, if ever, Zion will be able to pay dividends on its common stock.**

*Mandatory Share Deposit for Discounted Shares.* As a participant, you are required to have your Common Stock held in book entry form in the Plan with the Plan Agent for at least six (6) months after the date of purchase of your shares for any discounted shares. Any discounted shares withdrawn from the Plan Account within six (6) months after the date of purchase will be subject to a withdrawal penalty. See Question 18.

**You are not required to deposit shares of Common Stock and Warrants that are purchased as part of a Unit and also you are not subject to any withdrawal fee for such securities.**

*Automated transactions.* The Plan Agent does have online interactive purchase facilities. The Plan Agent does provide the Plan Prospectus and enrollment forms online. Participants will be able to view their accounts and statements online.

### **3. How does the purchase of Units work?**

We offer for limited time periods, the opportunity to purchase Units of our securities where each Unit is comprised of one or more shares of Common Stock and one or more Common Stock purchase warrants. The Warrant affords you the opportunity to purchase additional shares of our Common Stock at a fixed warrant exercise price. The Warrants would become first exercisable on the 31<sup>st</sup> day following the Unit Option Termination Date and continue to be exercisable through the expiration date at a per share fixed exercise price. The Warrants would not be exercisable prior to such date. We may file an application with OTCQX or any other exchange or securities market to list the Warrants; however, no assurance can be provided that any warrants would be approved for listing on any exchange or securities market.

### **4. What is the price that I will pay for shares of Common Stock under the Plan?**

Checks, bank wire payments, or electronic bank payments for purchases received by the Plan Agent, or at the offices of the Company, before 12 noon (EST) on a business day generally will be recorded as purchased on the same business day (the “Purchase Date”). The Plan Agent has online interactive purchase facilities ([www.amstock.com](http://www.amstock.com)) to handle electronic enrollment and electronic check processing. In addition, the same electronic services are offered through the Company’s website ([www.zionoil.com](http://www.zionoil.com)). Checks, bank wire payments, or electronic bank payments for purchases received by the Plan Agent, or at the offices of Company, after 12 noon (EST) on a business day generally will be recorded as purchased on the next business day for the Purchase Date. Electronic bank payments are treated as received and recorded on the date of receipt of the funds into the Plan Agent’s or the Company’s bank account.

The price at which shares will be deemed purchased and credited to the investor’s account will be at the average of the high and low sale prices of the Company’s publicly traded Common Stock as reported on the OTCQX or any other exchange or securities market on the Purchase Date.

Any discount is subject to periodic change by Zion. Zion reserves the sole discretion to determine any current or future discount off the Market Price of the Publicly Traded Stock for continuing investments in shares of our Common Stock. Zion shall have the sole discretion to determine, if there is to be a

Discount Amount, if any, and the duration of the Discount Period. The Discount Period and the Discount amount, if any, shall be posted on the Zion website and the Plan Agent's website at least two business days prior to the next succeeding Purchase Date.

Your Plan account will be credited with the number of shares (including fractional shares, computed to four decimals) equal to the amount invested for your Plan account divided by the applicable price per share.

**5. What is the price that I will pay for Units under the Plan?**

The Unit will be offered directly to Plan participants at a price per Unit to be fixed periodically by Zion. Changes to the per Unit purchase price will be posted on the Zion website and the Plan Agent's website at least two business days prior to the next succeeding Purchase Date.

**6. When will purchases of shares or Units be actually made?**

Since only shares are purchased directly from the Company, the investor's Plan account will be credited with the number of shares (including fractional shares, computed to three decimals) of the Company's Common Stock that was purchased. The price at which shares will be deemed purchased and credited to the investor's account will be at the average of the high and low sale prices of the Company's publicly traded Common Stock as reported on the OTCQX or any other exchange or securities market on the Purchase Date. Transaction confirmations are communicated daily by the Plan Agent and also quarterly and year-end statements are mailed by the Plan Agent.

Under dividend reinvestments, the Plan Agent will combine the dividend funds of all Plan participants whose dividends are automatically reinvested and will generally invest such dividend funds on the dividend payment date (and any succeeding trading days necessary to complete the order). If the dividend payment date falls on a day that is not a trading day, then the investment will occur on the next OTCQX or any other exchange or securities market trading day. In addition, if the dividend is payable on a day when optional cash payments are to be invested, dividend funds may be commingled with any such pending cash investments and a combined order may be executed. The record date associated with a particular dividend is referred to as the "dividend record date".

Zion shall have the sole discretion to determine, if there is to be a discount to the Market Price of the Publicly Traded Stock. The Discount Amount, if any, and the duration of the Discount Period shall be posted on the Zion website and the Plan Agent's website at least two business days prior the next succeeding Purchase Date. Modifications of the Discount Amount and the Discount Period will become effective on the succeeding Purchase Date following the announcement of such change.

No interest will be paid on cash held pending purchase.

**7. Where will the shares under the Plan come from?**

Shares under the Plan, whether sold directly, or as part of a Unit or issued upon the exercise of a Warrant, will be purchased directly from Zion from our pool of authorized and unissued Common Stock.

Currently, Zion has reserved approximately 100,000,000 shares of its authorized and unissued shares of Common Stock to purchases under the Plan.

**ADMINISTRATION OF THE PLAN**

**8. Who administers the Plan?**

The Plan is administered by American Stock Transfer & Trust Company, LLC (the "Plan Agent"). The Plan Agent keeps records, sends statements of account to Plan participants and performs

other duties relating to the Plan. The Common Stock purchased in your Plan account will be registered in the name of the Plan Agent. You may, at any time, withdraw all or any part of the shares held in your Plan account; subject to applicable withdrawal fees (see Question 18). Special arrangements may be made with the Plan Agent if you are an institution that is required by law to maintain physical possession of share certificates.

Also, the Plan Agent acts as the warrant agent, receiving Unit purchases, accepting exercises, issuing common stock and warrants and forwarding funds when requested.

**9. How do I contact the Plan Agent or the Company?**

	<b><u>Plan Agent</u></b>	<b><u>Company</u></b>
Written Inquiries:	Zion Oil & Gas, Inc. c/o American Stock Transfer & Trust Co., LLC 6201 15 <sup>th</sup> Avenue Brooklyn, NY 11219  <a href="http://www.amstock.com">www.amstock.com</a>	Zion Oil & Gas, Inc. 12655 North Central Expressway Suite 1000 Dallas, Texas 75243 Attn: Investor Relations <a href="mailto:invest@zionoil.com">invest@zionoil.com</a> <a href="http://www.zionoil.com">www.zionoil.com</a>
Phone Inquiries:	(844) 699-6645 (Domestic) (718) 921-8205 (International)	(214) 221-4610

**10. What kind of reports will be sent to participants in the Plan?**

As a Plan participant, you will receive a statement of your account as soon as practicable after each transaction (i.e., dividend reinvestment, optional cash payments, share withdrawals, transfers, Unit purchases, warrant transactions, etc.) is posted to your Plan account. You should retain these statements in order to establish the cost basis of shares and Warrants purchased under the Plan for income tax and other purposes. In addition, you will receive copies of all communications sent to all other shareholders, such as annual and quarterly reports, proxy statements and income tax information for reporting dividends paid. Under certain circumstances, in lieu of copies, you may receive a Notice of Internet Availability of Proxy Materials providing access to the Company's proxy statement and annual report online. The Plan Agent will provide account and statement information online to investors.

**PLAN ELIGIBILITY AND ENROLLMENT**

**11. Who is eligible to participate in the Plan?**

Any person or legal entity is eligible to participate in the Plan. You do not have to be a current shareholder, nor do you have to reside or be located in the U.S. or be a U.S. citizen. Purchases of shares of Common Stock or Units through the Plan are usually made in U.S. currency, drawn on a U.S. bank account or by a wire in U.S. currency from a foreign bank account; except, we can handle certain foreign currency transactions as outlined below.

We have successfully implemented an electronic enrollment procedure with the Telecheck Internet Check Acceptance service as a payment method. In addition to the enrollment procedures otherwise specified with the mailing to the Plan Agent of the signed Plan Enrollment Form and check payment, current stockholders and prospective investors may enroll in the Plan by the procedures that allow for an acceptance of an electronic signature and date to the Plan Enrollment Form and a secure internet check acceptance by First Data/Citibank Merchant Services as coordinated with the Plan Agent.

Electronic enrollment and payment procedures have been implemented, in which AST can accept electronic enrollment and electronic bank payments in U.S. Dollars and international shareholders and investors can make payments in British Pounds, Euros, Swiss Francs, Israeli Shekels, or Canadian Dollars

for DSPP purchases through the Company as coordinated with AST. Funds received in foreign currency will be recorded by AST in US Dollars based upon the New York Closing Foreign Exchange Rate (5:00 p.m. EST) on the Purchase Date as published online in the Wall Street Journal, Market Data Center under Currencies ([www.wsj.com/mdc](http://www.wsj.com/mdc)).

In addition, before investing in our Common Stock and/or Units, each participant who resides or is located outside the U.S. is responsible for reviewing the laws of his or her country of residence or other applicable laws to determine if there are any restrictions on his or her ability to invest through the Plan.

Investors who are not U.S. persons should keep the following in mind: (1) they may face tax obligations in their own country on dividends and company-paid fees; and (2) the enrollment procedure is the same as for U.S. taxpayers, except that a W-8 tax form must be filed so that withholding on dividends will be reduced to the Tax Treaty amount for the resident country of the investor, if there is an income tax treaty between the United States and the resident country of the investor .

The Plan Agent or Zion may refuse to offer the Plan to residents of any state that may require registration, qualification or exemption of the securities to be issued under the Plan, or require registration or qualification of the Plan Agent or any of its officers or employees as a broker-dealer, a salesperson or an agent, where we determine, in our sole discretion, that the number of shareholders or the number of shares held does not justify the expense that we may incur with respect to effecting sales of our common stock under the Plan in the state.

## **12. How can I participate in the Plan?**

### *Current Shareholders of Record*

If you already hold shares of our common stock registered in your name, you may join the Plan by returning a completed enrollment form to the Plan Agent. Your participation will begin promptly after your signed Enrollment Form is received by the Plan Agent. Once you have enrolled, your participation will continue automatically until either you elect to withdraw from the Plan or we terminate the Plan or your participation in the Plan. **However, any Plan discounts apply only to new purchases under the Plan of Common Stock and/or Unit purchases and not to existing shareholders depositing current Common Stock with the Plan Agent.**

### *New Investors*

If you are not a current shareholder, you may join the Plan by returning to the Plan Agent a completed enrollment form along with an initial investment of at least \$250, but not more than \$10,000 (subject to our right to waive this maximum, see Question 13) for direct Common Stock purchases.

Along with the Enrollment Form, the new investor must send a voided check to have electronic debits processed from your bank account for your initial investment or send your initial investment by check payable to the “American Stock Transfer & Trust Company, LLC.” You are being required to send a voided check to prevent any mistakes that can be made in submitting the correct account. Electronic enrollment and payment procedures are in place as another option for new investors as outlined above.

### *Beneficial Owners and Shares Held in “Street Name”*

If you are a beneficial owner of Zion’s Common Stock and your shares are registered in the name of a bank, broker, trustee or other agent, you may transfer your shares to a Plan account to enroll in the dividend reinvestment program by instructing your bank, broker, trustee or agent to transfer shares into your name and following the above instructions for Current Shareholders or by following the above instructions for New Investors.

## **13. How may I invest in excess of \$10,000 under the Plan?**

If you want to make optional monthly cash investments in excess of \$10,000 in any month or an initial investment in excess of \$10,000 for direct Common Stock purchases, you must receive our approval. To obtain our approval, you must contact us directly and you may be required to submit a “Request for Waiver” form. You can obtain a Request for Waiver form on our website or the website of the Plan Agent at [www.amstock.com](http://www.amstock.com) or by contacting Zion Oil & Gas, Inc., Investor Relations, 12655 North Central Expressway, Suite 1000, Dallas, Texas 75243 Upon completion, please send it directly to Zion Oil & Gas, Inc. for review and approval. Zion shall notify the investor of approval of the investment and the Plan Agent of approval and approval of any Waiver as well as the form of the payment (wire or check). We have the sole discretion to approve or refuse any request to make an optional monthly cash investment or initial investment in excess of the maximum amount and to set the terms of any such optional monthly cash investment or initial investment. We have the sole discretion to structure the “Request for Waiver” program in any way with respect to any requirements, features, terms, or conditions with respect to any investor.

We will decide whether to approve a submitted Request for Waiver within three (3) business days of the receipt of the request. If you do not receive a response from us in connection with your request, you should assume that we have denied your request. If a request is approved, funds must be received no later than 3:00 p.m. Eastern time, one business day prior to the first day of the applicable “Pricing Period” (as defined below). We may alter, amend, supplement or waive, in our sole discretion, the time periods and/or other parameters relating to optional cash purchases in excess of \$10,000 made by one or more participants in the Plan or new investors, at any time and from time to time, prior to the granting of any Request for Waiver.

If we approve your Request for Waiver, we will notify you promptly. In deciding whether to approve a Request for Waiver, we will consider relevant factors, including, but not limited to, the following:

- our need for additional funds;
- the attractiveness of obtaining additional funds through the sale of common stock as compared to other sources of funds;
- the purchase price likely to apply to any sale of common stock;
- the shareholder submitting the request;
- the extent and nature of the shareholder’s prior participation in the Plan;
- the number of shares of common stock held of record by the shareholder;
- the aggregate number of cash investments and initial investments in excess of \$10,000 for which requests for waiver have been submitted by all existing shareholders and new investors; and
- our current and projected capital needs.

If requests for waiver are submitted for an aggregate amount in excess of the amount, we are then willing to accept, we may honor such requests in order of receipt, pro rata or by any other method that we determine to be appropriate. We may determine, in our discretion, the maximum amount that an existing shareholder or new investor may invest pursuant to the Plan or the maximum number of shares of Common Stock that may be purchased pursuant to a request for waiver. In addition, we may place reasonable conditions regarding the form and timing of payment on the granting of any waiver.

*Purchase Price of Shares for Optional Cash Investments in Excess of \$10,000.* Shares purchased pursuant to an approved Request for Waiver will be purchased directly from us as described herein, including the establishment of a “Threshold Price” and a “Waiver Discount,” as more fully described below. If we grant your request to purchase shares pursuant to a Request for Waiver, there will be a

“Pricing Period,” which will generally consist of one to 15 consecutive separate trading days on the OTCQX or any other exchange or securities market, to be determined at our discretion. Each of these separate trading days will be a “Purchase Date,” and an equal proportion of your optional cash investment will be invested on each trading day during such Pricing Period, subject to the qualifications listed below. The “Purchase Price” for shares acquired on a particular Purchase Date will be equal to 100% (subject to change as provided below) of the volume weighted average price, rounded to four decimal places, of our common shares as reported by OTCQX or any other exchange or securities market for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern time (through and including the OTCQX or any other exchange or securities market closing print), for that Purchase Date. For example, if a cash investment of \$1,000,000 is made pursuant to an approved Request for Waiver, and the Pricing Period consists of ten trading days, there would be ten separate investments, each for \$100,000, beginning on the Pricing Period commencement date and continuing for ten trading days. The number of shares purchased for each Purchase Date would be calculated by dividing the proportionate amount of the approved waiver request amount, in this example \$100,000, by the volume weighted average price as reported by OTCQX or any other exchange or securities market, rounded to four decimal places, for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern time (through and including the OTCQX or any other exchange or securities market closing print), for that Purchase Date, less any Waiver Discount. Plan shares will not be available to Plan participants until the conclusion of each Pricing Period or investment, unless we activate the Continuous Settlement Feature (see below).

The Plan Agent will apply all optional cash purchases made pursuant to a Request for Waiver for which good funds are received on or before the first business day before the Pricing Period to the purchase of shares of Common Stock on each Purchase Date of the applicable Pricing Period.

*Threshold Price.* For any given Pricing Period, we may establish a minimum price, or “Threshold Price,” applicable to optional cash purchases made pursuant to a Request for Waiver. This determination will be made by us in our discretion after a review of current market conditions, the level of participation in the Plan, and current and projected capital needs.

If established for any Pricing Period, the Threshold Price will be stated as a dollar amount that the volume weighted average price, rounded to four decimal places, of our common shares as reported on the OTCQX or any other exchange or securities market for the trading hours from 9:30 a.m. to 4:00 p.m., Eastern time (through and including the OTCQX or any other exchange or securities market closing print), for each trading day of such Pricing Period (not adjusted for discounts, if any) must equal or exceed. Except as provided below, we will exclude from the Pricing Period any trading day that the volume weighted average price is less than the Threshold Price. We also will exclude from the Pricing Period and from the determination of the purchase price any day in which no trades of our common shares are made on the OTCQX or any other exchange or securities market. For example, if the Threshold Price is not met for two of the trading days in a 10 day Pricing Period, then we will return 20% of the funds you submitted in connection with your Request for Waiver unless we have activated the Pricing Period Extension Feature for the Pricing Period (described below).

*Pricing Period Extension Feature.* We may elect to activate for any particular Pricing Period the “Pricing Period Extension Feature,” which will provide that the initial Pricing Period will be extended by the number of days that the Threshold Price is not satisfied, or on which there are no trades of our common shares reported by OTCQX or any other exchange or securities market, subject to a maximum of five trading days. If we elect to activate the Pricing Period Extension Feature and the Threshold Price is satisfied for any additional day that has been added to the initial Pricing Period, that day will be included as one of the trading days for the Pricing Period in lieu of the day on which the Threshold Price was not met or trades of our common shares were not reported. For example, if the determined Pricing Period is 10 days, and the Threshold Price is not satisfied for three out of those 10 days in the initial Pricing Period, and we had previously announced at the time of the Request for Waiver acceptance that the Pricing Period Extension Feature was activated, then the Pricing Period will automatically be extended, and if the Threshold Price is satisfied on the next three trading days (or a subset thereof), then those three days (or a subset thereof) will become Purchase Dates in lieu of the three days on which the Threshold Price was not

met. As a result, because there were 10 trading days during the initial and extended Pricing Period on which the Threshold Price was satisfied, all of the optional cash purchase will be invested.

*Continuous Settlement Feature.* If we elect to activate the Continuous Settlement Feature, shares of Common Stock will be available to Plan Participants within three business days of each Purchase Date beginning on the first trading day in the applicable Pricing Period and ending on the final trading day in the applicable Pricing Period, with an equal amount being invested on each such day, subject to the qualifications set forth above. We may elect to activate the Continuous Settlement Feature at the time of the Request for Waiver form acceptance.

*Return of Unsubscribed Funds.* We will return a portion of each optional cash investment, provided the total optional cash investment is in excess of \$10,000, for each trading day of a Pricing Period or extended Pricing Period, if applicable, for which the Threshold Price is not met or for each day in which no trades of our common shares are reported on the OTCQX or any other exchange or securities market, which we refer to as unsubscribed funds. Any unsubscribed funds will be returned within three business days after the last day of the Pricing Period, or if applicable, the extended Pricing Period, without interest. The amount returned will be based on the number of days on which the Threshold Price was not met compared to the number of days in the Pricing Period or extended Pricing Period. For example, the return amount in a 10 day Pricing Period will equal one-tenth (1/10) of the total amount of such optional cash investment (not just the amount exceeding \$10,000) for each trading day that the Threshold Price is not met or for each trading day in which sales are not reported.

The establishment of the Threshold Price and the possible return of a portion of the investment apply only to optional cash investments in excess of \$10,000. Setting a Threshold Price for a Pricing Period will not affect the setting of a Threshold Price for any other Pricing Period. We may waive our right to set a Threshold Price for any particular Pricing Period.

In any event, no interest will be paid on returned funds.

*Waiver Discount.* We may establish a discount from the market price applicable to optional cash investments in excess of \$10,000 made pursuant to a Request for Waiver. This discount, which we also refer at as the “Waiver Discount,” may be between 0% and 10% of the purchase price and may vary for each Pricing Period and for each optional cash investment.

The Waiver Discount will be established at our sole discretion after a review of current market conditions, the level of participation in the Plan, the attractiveness of obtaining such additional funds through the sale of common shares as compared to other sources of funds, current and projected capital needs and other factors that we determine in our sole discretion. Setting a Waiver Discount for a particular Pricing Period shall not affect the setting of a Waiver Discount for any other Pricing Period. The Waiver Discount will apply only to optional cash investments of more than \$10,000 (or other applicable maximum monthly amount). The Waiver Discount will apply to the entire optional cash investment and not just the portion of the optional cash investment that exceeds \$10,000. A Pricing Period is the time period, in which we establish certain Waiver Discounts to be in effect with a specified discount amount.

**The above restriction and Waiver Discount apply only to direct stock purchases. The dollar limitation of \$10,000, the Waiver Discount and the approval of the “Request for Waiver” for amounts in excess of \$10,000 do not apply to Unit purchases.**

#### **14. Are there fees associated with enrollment?**

No. The Company pays all fees, administrative and other expenses related to your Plan enrollment. However, you may incur certain charges for certain other transactions, requests or withdrawals under the Plan. However, Participants can be subject to an early withdrawal fee on direct stock purchases at a discounted price and would be responsible for any brokerage commissions attributable to any open market sale.



**15. Are there special eligibility or enrollment rules applicable to Company employees?**

Yes, if you are a Company employee, you have the additional option of purchasing shares through automatic payroll deductions. Employees who participate through the automatic payroll deduction option may open a Plan account simply by completing an Enrollment Form and returning it to Zion. **Otherwise, the stock purchase plans are available on equal terms to all shareholders, new investors and Company employees.**

**MANDATORY BOOK-ENTRY SERVICES**

**16. What is meant by book-entry shares?**

All shares of Zion Oil's Common Stock that are purchased through the Direct Stock Plan will be held by the Plan Agent and reflected in book-entry form in your account on the records of the Plan Agent. If you hold other Zion Common Stock certificates, you may also, at any time, deposit those certificates with the Plan Agent, but the shares represented by the deposited certificates will not be included in the book-entry form in your Plan account. ***Note: The certificates should not be endorsed and the assignment section should not be completed.***

The Common Stock and Warrants purchased as part of a Unit will also be held in book-entry form with the Plan Agent, unless a Participant requests delivery of the certificates representing the Common Stock and/or Warrants in whole shares with a check representing fractional shares and/or warrants.

**17. Are there any charges associated with this book entry service?**

No. There is no cost to you either for having the Plan Agent hold the shares purchased for you through the Plan or for depositing with the Plan Agent the stock certificates you hold for the purpose of adding the shares to your book-entry share position. However, you may incur certain charges for certain other transactions, requests or withdrawals under the Plan.

**18. Are there fees associated with withdrawing share certificates within the six month period following purchase of discounted shares?**

Yes. Any shares withdrawn from the Plan Account within six (6) months after the date of purchase will be charged a withdrawal fee equal to the discount to the Market Price of the Publicly Traded Stock that you received when purchasing the shares being withdrawn, up to a maximum of the number of shares purchased at the discounted price. Shares cannot be transferred within the Plan or gifted without incurring the same withdrawal fee, whether by act of law or by voluntary transfer. The Participant is subject to the withdrawal fee at the time of withdrawal. The withdrawal fee will also apply to any purchases of shares made at the discounted price through automatic dividend reinvestment and employee payroll deductions (if applicable) during the six (6) month period before the date of withdrawal. The Participant must send in a check for the amount of the withdrawal fee for the applicable shares being withdrawn from the Plan, or, alternatively, the Plan Agent is authorized to sell sufficient whole shares equal to the withdrawal fee and remit the residual whole shares and cash in lieu of fractional shares to the requesting Participant.

The above provisions do not apply to shares of Common Stock and Warrants purchased as part of a Unit, along with any shares issuable upon exercise of a Warrant. Also, the above provision does not apply to any shares purchased without any discount to the Market Price of the Publicly Traded Stock, or purchased under a "Request for Waiver" program.

**PURCHASE OF UNITS**

**19. Will the Unit that I purchase under the Plan be tradable?**

No. The Units are not tradable. The shares of Common Stock and Warrants are being sold as part of a Unit solely for convenience sake and immediately upon purchase the shares of Common Stock and Warrants are separable and may be traded separately.

**20. Will the shares of Common Stock and Warrants that I receive from the Units be tradable on the OTCQX or any other exchange or securities market?**

Our common stock is currently traded on the OTCQX under the symbol “ZNOG”. The Units are non-transferable and will not be traded. The Common Stock included in the Units will be listed for quotation on the OTCQX or any other exchange or securities market under the symbol “ZNOG”.

The Warrants included in the Units may be separately transferable following their issuance. The Warrants will become first exercisable on the 31<sup>st</sup> day following any Unit Option Termination Date and continue to be exercisable through the expiration date at a fixed per share exercise price. The Warrants would not be exercisable prior to such date. We may file an application with OTCQX or any other exchange or securities market to list the Warrants on the OTCQX or any other exchange or securities market; however, no assurance can be provided that the warrants would be approved for listing on the OTCQX or any other exchange or securities market.

The shares of Common Stock issuable upon exercise of the Warrants would be immediately tradable upon issuance and would be listed for quotation on the OTCQX or any other exchange or securities market under the symbol “ZNOG”, assuming that the registration statement, as amended, of which this Prospectus Supplement forms a part remains effective, and that our Common Stock is still listed on the OTCQX or any other exchange or securities market, at that time. Such registration statement, as amended, was declared effective by the SEC on December 15, 2021 and, therefore, expires on the third anniversary thereof, subsequent to a 180-day grace period. Such registration statement, as amended, is sometimes referred to herein as the “registration statement” or the “shelf registration statement.”

The Common Stock and Warrants purchased, as part of a Unit will be held in book-entry form with the Plan Agent, unless a Participant requests delivery of the certificates representing the Common Stock in whole shares with a check representing fractional shares and/or Warrants.

## **OPTIONAL CASH PAYMENTS**

**21. How does the cash payment option work? What are the minimum and maximum amounts for optional cash payments?**

As a Plan participant, you may (but are not required to) make optional cash payments at any time in our Common Stock in amounts of at least \$50, subject to a limitation of \$10,000, per month, subject to approval and if necessary a “Request for Waiver” approval for amounts greater than \$10,000 per month.

All optional cash payments will be invested in our Common Stock on the 25<sup>th</sup> day of each calendar month and if such day falls on a holiday or a weekend, then on the next trading day. See Question 6. Interest will not be paid on funds held pending investment.

**22. How do I make an optional cash payment?**

Optional cash payments may be made by sending a personal check, drawn from a U.S. Bank in US Dollars, or by sending a bank wire in U.S. dollars, payable to “American Stock Transfer & Trust Co., LLC,” (“AST”) along with the Enrollment Form. AST can accept electronic enrollment and electronic bank payments in U.S. Dollars and international shareholders and investors can make payments in British Pounds, Euros, Swiss Francs, Israeli Shekels, or Canadian Dollars for DSPP purchases through the Company as coordinated with AST. Funds received in foreign currency will be recorded by AST in US Dollars based upon the New York Closing Foreign Exchange Rate (5:00 p.m. EST) on the Purchase Date as published online in the Wall Street Journal, Market Data Center under Currencies ([www.wsj.com/mdc](http://www.wsj.com/mdc)).

If you elect this option, your funds will be debited from your bank account on the 25<sup>th</sup> day of each month (the “Purchase Date”). If the 25<sup>th</sup> day of the month is a weekend or holiday, the debit date will be the next succeeding business day. The price at which shares will be deemed purchased and credited to the investor’s Plan account will be at the average of the daily averages of the high and low sale prices of the Company’s publicly traded Common Stock as reported on the OTCQX or any other exchange or securities market for the five trading day period ending on the Purchase Date (hereinafter the “Market Price of the Publicly Traded Stock”). You may change the amount of funds to be deducted or terminate an automatic monthly investment of funds by either accessing your account online ([www.amstock.com](http://www.amstock.com)) or by completing and submitting to AST a new automatic investment form.

**23. Will I be charged fees for optional cash payments?**

No. You will not be charged any fees in connection with your optional cash payments. However, you may incur certain charges for certain other transactions, requests or withdrawals under the Plan.

**24. How are payments with “insufficient funds” handled?**

If an optional cash payment is made by a check drawn on insufficient funds or incorrect draft information, or the Plan Agent otherwise does not receive the money, the requested purchase will be deemed void, and the Plan Agent will immediately remove from your account any shares already purchased upon the prior credit of such funds.

**ISSUANCE OF STOCK CERTIFICATES**

**25. Will stock certificates be issued for shares acquired through the Plan?**

No. Stock certificates will not be issued for direct purchases of shares of Common Stock in a Plan account unless a specific request is made to the Plan Agent.

**26. How do I request a stock certificate?**

Certificates for full shares held in the Plan may be obtained, without charge, by writing to the Plan Agent and requesting the issuance of shares in certificate form with the exception of the Withdrawal Fee in Question 18, if the Fee applies.

*Certificates for fractional shares will not be issued under any circumstances.*

**27. Can I pledge or assign the shares held in my Plan account?**

No. Shares held in your Plan account may not be pledged or assigned. If you wish to pledge or assign your shares, you first must write to the Plan Agent and request the issuance of shares in certificate form, and pay any applicable withdrawal fees.

**GIFTS AND TRANSFERS OF SHARES**

**28. Can I transfer shares that I hold in the Plan to someone else?**

Yes. Subject to compliance with all applicable laws, you may transfer ownership of some or all of your Plan shares by sending the Plan Agent written, signed transfer instructions. You will be responsible for any applicable taxes in connection with the transfer. However, a new or existing shareholder must sign an Enrollment Form in order to become a Plan Participant.

You may transfer shares to new or existing shareholders. The Participant will be responsible for any brokerage commissions, if there are any with any sales. If you are opening a new Plan account for the

transferee, you must include a completed Enrollment Form with the gift/transfer instructions; however, a new Plan account will not be opened as a result of a transfer of fewer than ten (10) shares, unless you (i) authorize the reinvestment of dividends on the shares to be transferred and (ii) include an optional cash payment with your transfer instructions sufficient to purchase the remainder of the ten (10) shares required to enroll. The Plan Agent may charge the Participant a \$15 fee for this transfer service, subject to any applicable Withdrawal Fee in Question 18.

## **CHANGING METHOD OF PARTICIPATION AND WITHDRAWAL**

### **29. How do I change my method of participation in the Plan?**

You may change your method of participation at any time by completing a new Enrollment Form and returning it to the Plan Agent.

### **30. How do I close my Plan account?**

You may terminate your participation in the Plan by giving written notice to the Plan Agent. Upon termination, you must elect either (a) to receive a certificate for the number of whole shares held in your Plan account and a check for the value of any fractional share (which value will be based on the closing market price on OTCQX or any other exchange or securities market of the Common Stock on the first day that shares of Common Stock are traded after the withdrawal request is received); or (b) to have all of the shares in your Plan account sold for you. If you request that your shares be sold, the Plan Agent will make the sale in the market, if practicable, within ten (10) trading days after receipt of the request. You will receive the proceeds of sale, less any brokerage commission and transfer tax. Receipt by the Plan Agent of due notice of a participant's death or incompetence shall be deemed a notice of withdrawal. Medallion Signature Guarantee is required for sale requests of \$10,000 or higher. Because the Plan Agent will sell shares, on behalf of the Plan, neither the Company nor any participant under the Plan has the authority or power to control the timing or pricing of sales, or the selection of the broker dealer making the sales. Therefore, you will not be able to precisely time your sales through the Plan, and will bear the market risk associated with fluctuation in the price of the Company's Common Stock. The price of the Common Stock could go up or down before the broker sells your shares. In addition, you will not earn interest on any cash proceeds generated by a sales transaction for your account.

Any certificates issued upon termination will be issued in the name or names in which the account is registered, unless otherwise instructed. If the certificate is to be issued in a name other than the name or names on your Plan account, your signature (and that of any co-owner) on the instructions or stock power must be "Medallion Guaranteed" by a financial institution participating in the Medallion Guarantee program. You will be responsible for any applicable taxes in connection with the transfer. No certificates will be issued for fractional shares. The Participant is responsible for any brokerage commissions.

The Plan Agent will process notices of withdrawal and send proceeds to you as soon as practicable, without interest. If a notice of withdrawal is received on or after an ex-dividend date but before the related dividend payment date, the withdrawal will be processed as described above and a separate dividend check will be mailed as soon as practicable following the payment date. Thereafter, cash dividends will be paid out to the shareholder and not reinvested in Company Common Stock.

If a notice of withdrawal is received by the Plan Agent at least two (2) days prior to an optional cash payment purchase date, any optional cash payment held by the Plan Agent will be returned to you as soon as practicable.

Signatures of all registered holders must be "Medallion Guaranteed" by a financial institution participating in the Medallion Guarantee program for all sale requests. The Medallion Guarantee program ensures that the individual signing is in fact the owner as indicated on the participant's account.

Participants may request the Plan Agent to sell shares in the open market online at [www.amstock.com](http://www.amstock.com) by acquiring a user ID and password from the Plan Agent, or they may fax or mail a written request to the Plan Agent at: American Stock Transfer & Trust Company, LLC, 6201 15<sup>th</sup> Avenue, Brooklyn, New York 11219, (844) 699-6645 (Domestic), (718) 921-8205 (International).

Plan withdrawals made within six (6) months after a purchase at a discounted price described in the answer to Question 18 are subject to the withdrawal fee explained in that answer.

## **DIVIDEND REINVESTMENT**

**To date, Zion has not paid any dividends on shares of its common stock and no assurance can be given as to when, if ever, Zion will be able to pay dividends on its common stock. The payment of dividends on our common stock is at the discretion of our Board of Directors. There is no guarantee that we will pay ever pay dividends in the future. The timing and amount of future dividends, if any, will depend on earnings, cash requirements, our financial condition, applicable government regulations and other factors deemed relevant by our board.**

### **31. What dividend reinvestment options are available in the Plan?**

(a) “Full Dividend Reinvestment” - Under this option, you direct the Company to reinvest the dividends on all of the shares of Common Stock registered in your name, as well as shares credited to your account under the Plan. In addition, you may make additional investments by making optional cash payments; or

(b) “Partial Dividend Reinvestment” - Under this option, you direct the Company to reinvest a percentage of the dividends paid on all the shares of Common Stock registered in your name. The Participant must reinvest at least 10% of the dividend to qualify under a dividend reinvestment program as required by the I.R.S. Cost Basis Regulations. Dividends on shares credited to your account under the Plan will be reinvested fully. In addition, you may make additional investments by making optional cash payments; or

(c) “Optional Cash Payments Only” - Under this option, you may participate in the Plan by making optional cash payments only. The Plan Agent will continue to pay cash dividends on the shares you hold outside the Plan. Dividends on shares credited to your account under the Plan (i.e., through the optional cash investments) will be reinvested fully.

The Plan Agent will return your Enrollment Form to you if you fail to select one of these options or fail to sign the Enrollment Form.

### **32. Must my dividends be reinvested automatically to the extent I have chosen either Full Dividend Reinvestment or Partial Dividend Reinvestment?**

Yes. To the extent you have elected to participate in the Plan, cash dividends on those shares that are subject to reinvestment will be reinvested automatically in additional shares of Common Stock.

### **33. When will my dividends be reinvested and at what price?**

If you are enrolled in the Plan as of an applicable “record date” for dividends, either all or part of the dividends on your shares (depending on which option you have chosen) will be used to purchase shares of Common Stock as of the applicable dividend payment dates.

The price of the Common Stock to be purchased under the Plan is addressed in Question 4 above.

### **34. Will I be charged fees for participating in the dividend reinvestment program?**

No. You will not be charged any fees in connection with the reinvestment of your dividends under the Plan. However, you will incur certain charges for certain other transactions, requests or withdrawals under the Plan.

#### **ADDITIONAL INFORMATION**

**35. How would a stock split, stock dividend or rights offering affect my account?**

Any shares resulting from a stock split or stock dividend paid on shares held in book entry form for you by the Plan Agent will be credited to your book-entry position.

Warrants representing rights on any shares registered in your name and on shares credited to your Plan account will be credited to your book-entry position. Warrants are held in book entry form unless directed otherwise by the Plan Participant.

**36. How do I vote my Plan shares at shareholders' meetings?**

As a Plan participant, you will be sent a proxy statement in connection with each meeting of the Company's shareholders, together with a proxy card representing the shares registered directly in your name and the whole shares held by the Plan Agent in your Plan account. This proxy card, when signed and returned, will be voted as you indicate. If the proxy card is not returned or if it is returned unsigned, the shares will not be voted unless you or a duly appointed representative votes in person at the meeting. As is the case with stockholders not participating in the Plan, if no instructions are indicated on a properly signed and returned proxy card, all of the shares represented by the proxy card will be voted in accordance with the recommendations of the Company's management, to the extent permitted by law.

**37. Can the Plan be changed or discontinued?**

While the Company intends at the present time to continue the Plan indefinitely, the Company reserves the right to amend, suspend, modify or terminate the Plan at any time. Notice of any such amendment, suspension, modification or termination will be sent to all Plan participants. The Plan Agent reserves the right to resign at any time upon reasonable notice to the Company in writing. The Company reserves the right to elect and appoint at any time a new agent including itself or its nominee to administer the Plan.

Upon termination of the Plan by the Company, the Company or the Plan Agent, as the case may be, will return any optional cash payments not invested and payroll deductions, issue a certificate for whole shares of Common Stock credited to each account under the Plan, and make a cash payment for any fractional share credited to each account.

**38. Who interprets and regulates the Plan?**

Zion reserves the right to interpret the Plan as may be necessary or desirable in connection with the operation of the Plan.

**39. What are the federal income tax considerations of participation in the Plan?**

Certain federal income tax considerations of participation in the Plan are briefly summarized below under the caption "Certain U.S. Federal Income Tax Considerations". This summary is for general information only and does not constitute tax advice. The information in this section is based on the Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations thereunder, current administrative interpretations and practices of the Internal Revenue Service, or the Service, and court decisions, all as of the date of this prospectus supplement. Future legislation, Treasury Regulations, administrative interpretations and practices or court decisions could significantly change the current law or adversely

affect existing interpretations of current law. Any change could apply retroactively to transactions preceding the date of the change.

The tax consequences for participants who do not reside in the United States will vary from jurisdiction to jurisdiction. In the case of a foreign shareholder whose distributions are subject to United States income tax withholding, the amount of the tax to be withheld will be deducted from the amount of the distribution and the balance will be reinvested. You are urged to consult your personal tax advisor to determine the particular tax consequences that may result from your participation in the Plan.

#### **LIMITATION OF LIABILITY**

**IF YOU CHOOSE TO PARTICIPATE IN THE PLAN, YOU SHOULD RECOGNIZE THAT NEITHER THE COMPANY NOR THE PLAN AGENT CAN ASSURE YOU OF A PROFIT OR PROTECT YOU AGAINST A LOSS ON THE SHARES THAT YOU PURCHASE UNDER THE PLAN.**

Neither the Company nor the Plan Agent, in administering the Plan, will be liable for any act done in good faith or for any good faith omission to act, including without limitation any claim of liability arising out of failure to terminate a participant's account upon such participant's death or incompetence, the price at which shares are purchased or sold for the participant's account, the times when purchases or sales are made, or fluctuations in the market value of Company Common Stock. This limitation of liability will not constitute a waiver by any participant of his or her rights under the federal securities laws.

Although the Plan provides for the reinvestment of dividends, the declaration and payment of dividends will continue to be determined by the Board of Directors of the Company in its discretion, depending upon future earnings, the financial condition of the Company and other factors. The amount and timing of dividends may be changed, or the payment of dividends terminated, at any time without notice.

#### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the documents included or incorporated by reference in this prospectus supplement contain statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. You generally can identify our forward-looking statements by the words "anticipate," "believe," "budgeted," "continue," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "objective," "plan," "potential," "predict," "projection," "scheduled," "should," "will" or other similar words. These forward-looking statements include, among others, statements regarding:

- The going concern qualification in our consolidated financial statements;
- our liquidity and our ability to raise capital to finance our overall exploration and development activities within our license area;
- our ability to continue meeting the requisite continued listing requirements by OTCQX;
- the outcome of the current SEC investigation against us;
- Business interruptions from the COVID-19 pandemic;
- our ability to obtain new license areas to continue our petroleum exploration program;

- interruptions, increased consolidated financial costs and other adverse impacts of the coronavirus pandemic on the drilling and testing of our MJ#2 well and our capital raising efforts;
- our ability to explore for and develop natural gas and oil resources successfully and economically within our license area;
- our ability to maintain the exploration license rights to continue our petroleum exploration program;
- the availability of equipment, such as seismic equipment, drilling rigs, and production equipment as well as access to qualified personnel;
- the impact of governmental regulations, permitting and other legal requirements in Israel relating to onshore exploratory drilling;
- our estimates of the time frame within which future exploratory activities will be undertaken;
- changes in our exploration plans and related budgets;
- the quality of existing and future license areas with regard to, among other things, the existence of reserves in economic quantities;
- anticipated trends in our business;
- our future results of operations;
- our capital expenditure program;
- future market conditions in the oil and gas industry
- the demand for oil and natural gas, both locally in Israel and globally; and
- The impact of fluctuating oil and gas prices on our exploration efforts

More specifically, our forward-looking statements include, among others, statements relating to our schedule, business plan, targets, estimates or results of future drilling, including the number, timing and results of wells, the timing and risk involved in drilling follow-up wells, planned expenditures, prospects budgeted and other future capital expenditures, risk profile of oil and gas exploration, acquisition of seismic data (including number, timing and size of projects), planned evaluation of prospects, probability of prospects having oil and natural gas, expected production or reserves, increases in reserves, acreage, working capital requirements, hedging activities, the ability of expected sources of liquidity to implement our business strategy, future hiring, future exploration activity, production rates, all and any other statements regarding future operations, financial results, business plans and cash needs and other statements that are not historical facts.

Such statements involve risks and uncertainties, including, but not limited to, those relating to our dependence on our exploratory drilling activities, the volatility of oil and natural gas prices, operating risks of oil and natural gas operations, our dependence on our key personnel, factors that affect our ability to manage our growth and achieve our business strategy, risks relating to our limited operating history, technological changes, our significant capital requirements, the potential impact of government regulations, adverse regulatory determinations, litigation, competition, the uncertainty of reserve information and future



net revenue estimates, property acquisition risks, industry partner issues, availability of equipment, weather and other factors detailed herein and in our other filings with the SEC.

We have based our forward-looking statements on our management's beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

Some of the factors that could cause actual results to differ from those expressed or implied in forward-looking statements are described under "Risk Factors" in this prospectus supplement and the accompanying base prospectus and described under "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 and in our other periodic reports filed with the SEC. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. You should not place undue reliance on our forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and we undertake no duty to update any forward-looking statement.

## **RISK FACTORS**

Before making an investment decision, you should carefully consider the risks described under "Risks Related to our Business" below and in the applicable prospectus supplement, together with all of the other information appearing in this prospectus or incorporated by reference into this prospectus and any applicable prospectus supplement, in light of your particular investment objectives and financial circumstances. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our securities could decline due to any of these risk factors, and you may lose all or any part of your investment.

**We are an oil and gas exploration company with no current source of revenue. Our ability to continue in business depends upon our continued ability to obtain significant financing from external sources and the success of our exploration efforts, none of which can be assured.**

During the quarter ended September 30, 2021, there were no material changes to the risk factors previously reported in our Annual Report on Form 10-K for the year ended December 31, 2020.

## **CAPITALIZATION**

The following table sets forth a summary of our capitalization on an historical basis as of December 31, 2020. On December 31, 2020, there were 237,381,555 issued and outstanding shares of Common Stock. For purposes of projecting a possible change in our capitalization, if a future unit program is offered based upon previous unit offering programs under the Plan, we are making the following unit feature assumptions. For the purpose of this table, we are assuming a hypothetical \$1.00 unit price for one share of common stock and one warrant with an exercise price of \$1.00. For this table, we have assumed that all of the Units that could be offered under the Plan were purchased (with no shares being purchased) at a per Unit purchase price of \$1.00. However, there can be no assurance that the \$1.00 Units would ever be offered under the Plan and, if so, would in fact be purchased. You should read this information in conjunction with our financial statements and the notes thereto which are incorporated by reference into this prospectus.

<b>Amount of Capitalization as of December 31, 2020</b>		
<b>Actual</b>	<b>As Adjusted (1)</b>	<b>With Additional</b>
<b>(\$ (thousands)</b>	<b>(\$ (thousands)</b>	<b>Shares (2)</b>

(\$)(thousands)

Stockholders' equity:			
Common stock – par value \$0.01 per share	\$ 2374	2374	2374
Additional paid in capital	\$ 245,539	295,539	345,539
Deficit accumulated in development stage	\$ (212,804)	(212,804)	(212,804)
Total stockholders' equity and capitalization	\$ 35,109	85,109	135,109

(1) Assumes that only Units will be sold (consisting of one share of Common Stock and one warrant exercisable into one share) under the Plan and that all Units will be purchased (and that no shares will be offered direct) at a per Unit purchase price of \$1.00. If and when a new Unit program is offered, we will issue and file an amendment to this prospectus supplement to update the foregoing information. Zion has reserved approximately 100,000,000 shares of its authorized and unissued shares of Common Stock to purchases under the Plan.

(2) Assumes that all of the Warrants included in the Units are exercised at the per share exercise price of \$1.00.

For the purpose of the second table, we have assumed that all of the shares that could be offered under the Plan were purchased (with no Units being purchased) at a per share price of \$1.00. However, there can be no assurance that all of the shares that could be offered will be purchased or that we will be able to sell the shares at \$1.00. You should read this information in conjunction with our financial statements and the notes thereto, which are incorporated by reference into this prospectus.

**Amount of Capitalization as of December 31, 2020**

	<b>Actual</b>	<b>As Adjusted (1)</b>	<b>With Additional</b>
	<b>(\$)(thousands)</b>	<b>(\$)(thousands)</b>	<b>Shares (2)</b>
			<b>(\$)(thousands)</b>

Stockholders' equity:			
Common stock - par value \$0.01 per share	\$ 2,374		N/A
Additional paid in capital	\$ 245,539	345,539	N/A
Deficit accumulated in development stage	\$ (212,804)	(212,804)	N/A
Total stockholders' equity and capitalization	\$ 35,109	135,109	N/A

### DETERMINATION OF OFFERING PRICE

The purchase price for the shares/Units and the exercise price of the Warrants will be set by our board of directors. In determining the purchase price, our board of directors considered a number of factors, including: our business prospects; the need to offer securities at a price that would be attractive to our investors; general conditions in the securities market; and the likely cost of capital from other sources. The purchase price is not intended to bear any relationship to the book value of our assets or our past operations, cash flows, losses, financial condition, net worth or any other established criteria used to value securities, the amount of proceeds desired, our need for equity capital, the historic and current market price of our common stock, the historic volatility of the market price of our common stock, our business prospects, alternatives available to us for raising equity capital, the pricing of similar transactions and the liquidity of our common stock. The price does not necessarily bear any relationship to our past operations,

cash flows, book value, current financial condition, or any other established criteria for value. You should not consider the purchase price as an indication of the value of Zion Oil & Gas or our common stock.

The purchase price for shares of Common Stock purchased under the Plan will be based on the Market Price of the Publicly Traded Stock, subject to applicable discounts as set forth herein.

## DILUTION

As of December 31, 2020, our net tangible book value was \$43,503,000, or \$0.18 per share of common stock. Net tangible book value is the aggregate amount of our tangible assets less our total liabilities. Net tangible book value per share represents our total tangible assets less our total liabilities, divided by the number of shares of common stock outstanding on December 31, 2020.

Assuming in our hypothetical that only Units are sold and that all of the Units that are being offered will be sold (even though we do not anticipate that this will be the case) at a per Unit price of \$1.00, dilution would be calculated as follows. After giving effect to the issuance of shares of our common stock included in the Units and before deducting offering expenses), our net tangible book value would increase to approximately \$93,503,000 and the tangible net book value per share would increase to \$0.39. These figures do not account for any Warrant exercises, if any that may occur. This represents an immediate increase in net tangible book value of \$0.21 per share to current shareholders, and immediate dilution of \$0.61 per share on new shares purchased in the Unit or 61%. "Dilution" is determined by subtracting net tangible book value per share after the offering from the Unit subscription price paid by investors purchasing the Units. The following table illustrates this per share dilution to purchasers of Units in this offering, as illustrated in the following table:

Assumed public offering price per share of Unit	\$1.00
Net tangible book value per share before this Offering	\$ 0.18
Increase per share attributable to new shares	\$ 0.21
Adjusted net tangible book value per share after this Offering	\$0.39
Dilution per share for new shares	\$0.61
Percentage dilution	61%

If the per Unit purchase price is in fact modified, then we will issue and file an amendment to this prospectus supplement to update the foregoing information.

Assuming that all Warrants included in such Units are exercised in these hypothetical calculations at the per share exercise price of \$1.00 (even though we do not anticipate that either such event would occur even if we offered such a unit program), dilution would be calculated as follows. After giving effect to the issuance of additional shares of our Common Stock upon exercise of the Warrants, our net tangible book value would increase to approximately \$143,503,000 and the tangible net book value per share would increase to \$0.60. This represents an immediate increase in net tangible book value of \$0.42 per share to current shareholders from previous dilution example, and immediate dilution of \$0.81 per share on new shares purchased or 81%. "Dilution" is determined by subtracting net tangible book value per share after the Warrant exercises from the Warrant exercise price of \$1.00 then paid by investors upon exercise of the Warrants. The following table illustrates this per share dilution to purchasers of Units following the exercise of the Warrants, as illustrated in the following table:

Assumed warrant strike price per share of common stock	\$1.00
Net tangible book value per share after this Offering but before warrant exercise	\$ 0.39
Increase per share attributable to new shares	\$ 0.42
Adjusted net tangible book value per share after this Offering	\$0.81
Dilution per share for new shares	\$0.19
Percentage dilution	19%

Assuming that all of the shares that are being offered will be sold (even though we do not anticipate that this will be the case), dilution would be calculated as follows, after giving effect to the issuance of all of the shares of our common stock that are being offered under the Plan at a pre-share purchased price of \$1.00. No assurance can be provided that we will be able to sell the shares at \$1.00. Before deducting offering expenses, our net tangible book value would increase to approximately \$143,503,000 and the tangible net book value per share would increase to \$0.60. These figures do not account for any Warrant exercises, if any occur. This represents an immediate increase in net tangible book value of \$0.42 per share to current shareholders, and immediate dilution of \$0.40 per share on new shares purchased. "Dilution" is determined by subtracting net tangible book value per share after the offering from the assumed share price of \$1.00 paid by investors. The following table illustrates this per share dilution to purchasers of Units in this offering, as illustrated in the following table:

Assumed public offering price per share of share		\$1.00
Net tangible book value per share before this Offering	\$ 0.18	
Increase per share attributable to new shares	\$ 0.42	
Adjusted net tangible book value per share after this Offering		\$0.60
Dilution per share for new shares		\$0.40
Percentage dilution		40%

#### CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

**THIS DISCUSSION IS INCLUDED FOR YOUR GENERAL INFORMATION ONLY. YOU SHOULD CONSULT YOUR TAX ADVISOR TO DETERMINE THE TAX CONSEQUENCES TO YOU IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES, INCLUDING ANY STATE, LOCAL AND FOREIGN TAX CONSEQUENCES.**

The following summary describes certain United States federal income tax consequences of participating in the Plan to participants. This summary is based on current law and regulations as of the date of this prospectus. Future legislation, Treasury regulations, administrative interpretations and practices and/or court decisions may adversely affect the tax considerations described in this prospectus. Any such change could apply retroactively to transactions preceding the date of the change. We have not requested and do not intend to request a ruling from the IRS regarding the tax consequences associated with participating in the Plan, and the statements in this prospectus are not binding on the IRS or any court. Thus, we can provide no assurance that the tax considerations contained in this summary will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. This summary does not discuss any state, local or foreign tax consequences associated with the participation in the Plan, or the ownership, sale or other disposition of our stock.

This summary deals only with holders who hold our Common Stock and/or Warrant as a "capital asset" (generally, property held for investment within the meaning of Section 1221 of the Code). It does not address all the tax consequences that may be relevant to you in light of your particular circumstances. In addition, it does not address the tax consequences relevant to persons who receive special treatment under the federal income tax law, except where specifically noted. Holders receiving special treatment include, without limitation:

- financial institutions, banks and thrifts;
- insurance companies;
- tax-exempt organizations;
- "S" corporations;

- regulated investment companies and real estate investment trusts;
- foreign corporations or partnerships, and persons who are not residents or citizens of the United States;
- dealers in securities or currencies;
- persons holding our Common Stock as a hedge against currency risks or as a position in a straddle; or
- United States persons whose functional currency is not the United States dollar.

If a partnership holds our Common Stock and/or warrants, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our Common Stock and/or Warrant, you should consult your tax advisor regarding the tax consequences of participating in the Plan and the ownership and disposition of our Common Stock and/or warrants.

If you are considering participating in the Plan, you are strongly urged to consult your tax advisors concerning the application of United States federal income tax laws to your particular situation, the consequences of your participation in the Plan, the ownership and disposition of our Common Stock and/or warrants arising under the laws of any state, local or foreign taxing jurisdiction.

#### ***U.S. Participant***

When we use the term "U.S. participant," we mean a participant in the Plan who, for United States federal income tax purposes is:

- a citizen or resident of the United States;
- a corporation, partnership, limited liability company or other entity created or organized in or under the laws of the United States or of any State thereof or in the District of Columbia unless, in the case of a partnership or limited liability company, Treasury regulations provide otherwise;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust whose administration is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in the Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to this date that elect to continue to be treated as United States persons, shall also be considered U.S. participants.

#### ***Direct Stock Purchases***

- A participant who purchases shares of Common Stock directly (and not as part of a Unit) with the initial investment and the optional cash payments may be treated as having received an additional dividend distribution equal to the excess, if any, of the fair market value of the shares acquired on the Purchase Date over the amount of your investment.
- A participant will not realize any taxable income when the participant sends Common Stock certificates to the Plan Agent to be deposited into the participant's Plan Account. A participant's tax basis and holding period for shares of Common Stock purchased outside the Plan and

deposited in the participant's Plan Account will be the same as they would have been had the participant continued to hold those shares outside the Plan.

- A participant will not realize any taxable income when the participant receives certificates for whole shares of Common Stock held in the participant's Plan Account, either upon request for certificates, or upon termination of participation or termination of the Plan by us.
- A participant will generally recognize gain or loss when shares of Common Stock acquired under the Plan (including fractions of shares) are sold by the Plan Agent at the participant's request or sold after withdrawal from or termination of the Plan. A participant who receives, upon termination of participation or termination of the Plan by us, a cash adjustment for a fraction of a share credited to the participant's account may realize gain or loss with respect to such fraction. The amount of the gain or loss will be the difference between the amount which the participant receives for the shares of Common Stock (or fraction of a share) and the participant's tax basis. Such gain or loss will generally be capital gain or loss, and will be long-term or short-term depending on the holding period of the shares of Common Stock sold. The capital gain or loss will be long-term if the participant's holding period for shares of Common Stock is more than one year at the time of sale and will be short-term if the holding period is one year or less. A participant's holding period for shares of Common Stock acquired pursuant to the Plan generally begins on the day following the date the shares are credited to the participant's Plan Account. A whole share consisting of fractional shares purchased on different dates will have a split holding period with the holding period for each fractional component beginning on the day following the date the fractional share was credited to the participant's Plan Account.
- With respect to tax basis reporting, participants may elect to use the "average basis method" with respect to shares of stock acquired in connection with certain dividend reinvestment plans that require the reinvestment of at least 10% of every dividend. Because the Plan requires the reinvestment of at least 10% of dividends, a participant may elect to use the average basis method of determining such tax basis. Absent an election to the contrary, the Plan Agent intends to use the "FIFO" method (as defined in applicable Treasury Regulations) for shares of our Common Stock acquired by or for you under the Plan.
- Certain U.S. participants that are individuals, estates, or trusts will be subject to a 3.8% Medicare tax on, among other things, dividends on and capital gains from the sale or other disposition of stock, subject to certain exceptions.
- As a participant in the Plan, you will receive statements on a regular basis advising you of purchases and sales of shares of Common Stock. Any distribution treated as a dividend (including from brokerage commissions and fees paid by the Company) will be reported on your year-end IRS Form 1099-DIV. If, at your request, the Plan Agent sells shares of Common Stock for you, the proceeds from the sale will be reported on IRS Form 1099-B.

#### ***Amounts Treated As a Distribution***

- A participant who participates in the dividend reinvestment feature of the Plan will be treated for federal income tax purposes as having received a distribution in an amount equal to the sum of (a) the fair market value of the shares on the date the shares were acquired directly from us with reinvested dividends, (b) any cash distributions received by the Plan Agent for the purpose of acquiring additional shares on your behalf, and (c) any cash distributions received by you with respect to shares of common stock not included in the Plan. A participant who participates in the dividend reinvestment feature of the Plan and makes an optional cash purchase of shares of common stock under the Plan will be treated as having received a distribution equal to the excess, if any, of the fair market value on the investment date of the common shares over the amount of the optional cash payment made by the participant.
- The Internal Revenue Service has indicated in private letter rulings (which are applicable only to the taxpayer to whom the ruling is issued) that a taxpayer who does not participate in the dividend reinvestment feature of the Plan and only makes an optional cash purchase of common stock under the Plan will not be treated as having received a distribution equal to the excess, if any, of the fair market value on the investment date of the shares of Common Stock over the amount of the optional cash payment made by the taxpayer.

- The total amount of your distributions will be reported to you and to the Internal Revenue Service on the appropriate tax form shortly after the end of each year by the Plan Agent.

#### ***Character of Distributions***

- The amount treated as distributions to shareholders as described above constitute dividends for federal income tax purposes up to the amount of our positive current and accumulated earnings and profits and, to that extent, will be taxable as ordinary income.
- To the extent distributions are in excess of our earnings and profits, the distributions will be treated first as a tax-free return of capital to the extent of your tax basis in our common shares and, to the extent in excess of your basis, will be taxable as a gain realized from the sale of your common shares.
- Distributions to corporate shareholders, including amounts taxable as dividends to corporate shareholders, will not be eligible for the corporate dividend received deduction.

#### ***Tax Basis and Holding Period of Shares and Warrants Acquired Pursuant to the Plan***

- Your tax basis in shares of common stock acquired directly from us with reinvested cash distributions under the Plan will be equal to the fair market value of such shares as of the date of distribution. Your tax basis in additional common shares acquired under the Plan with optional cash investments should be equal to the amount of such optional cash investments plus the amount, if any, treated as a distribution to you. Your tax basis in shares of common stock purchased on your behalf by the Plan Agent in the open market or privately negotiated transactions will be equal to the cost of such shares plus your proportionate amount of commission paid by us as in connection with such purchase.
- Your tax basis in the common stock and the warrant acquired from the Unit program will be allocated to each element of the Unit on the basis of their respective fair market values on the date of purchase. If the fair market value of the warrant is not readily ascertainable then the portion of the price paid of the Unit will be allocable first to the Common Stock to the extent of the fair market price of the Common Stock on the date of Unit purchase with the remaining purchase price allocated to the warrant.
- Your holding period for shares of common stock acquired with reinvested cash distributions generally will commence on the day after the dividend payment date. If, however, the shares are acquired with optional cash investments or are purchased with reinvested cash distributions by the Plan Agent on your behalf, the holding period will commence on the day after the date of purchase.
- Your holding period for the Common Stock and the Warrant purchased under the Unit program will commence for both securities on the day after the date of purchase of the Unit.
- Your holding period for the Common Stock issuable upon exercise of a Warrant will commence on the day after you exercise the Warrant and pay the exercise price.

#### ***Effect of Withholding Requirements***

- Under certain conditions, we or the Plan Agent may be required to deduct as “backup withholding” twenty-eight (28%) of all dividends paid to you, regardless of whether such dividends are reinvested pursuant to the Plan.
- Similarly, the Plan Agent may be required to deduct backup withholding from all proceeds from sales of shares of common stock held in your account.
- Backup withholding amounts will be withheld from dividends before such dividends are reinvested under the Plan. Therefore, if you are subject to backup withholding, dividends to be reinvested under the Plan will be reduced by the backup withholding amount.

#### ***Foreign Shareholder Participation***

- If you are a foreign shareholder, you need to provide the required federal income certifications to establish your status as a foreign shareholder so that backup withholding as described above does not apply to you.
- You also need to provide the required certifications, if you wish to claim the benefit of exemptions from federal income tax withholding or reduced withholding rates under a treaty or convention entered into between the United States and your country of residence.
- If you are a foreign shareholder whose dividends are subject to federal income tax withholding, the appropriate amount will be withheld and the balance in shares of common stock will be credited to your account.
- Dividends and sales proceeds payable to certain foreign shareholders will be subject to special reporting rules under “FATCA.” If these rules are not complied with, such dividends and sales proceeds will be subject to withholding tax at a rate of 30% in spite of a treaty that provides a lower rate. Such withholding applies to dividends paid in respect of our Common Stock and to gross proceeds from the sale or other disposition of our Common Stock. If withholding is required under these rules, the appropriate amount of tax will be deducted and only the remaining amount will be reinvested or paid.

**IRS CIRCULAR 230 DISCLOSURE. TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, PARTICIPANTS ARE HEREBY NOTIFIED THAT: (I) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS WAS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY PARTICIPANTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON PARTICIPANTS UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; (II) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THIS PROSPECTUS; AND (III) PARTICIPANTS SHOULD SEEK TAX ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

#### **USE OF PROCEEDS**

Shares purchased for Plan participants with reinvested cash dividends and optional cash investments and through Unit purchases will be shares newly issued by Zion. Zion and the Plan Agent are unable to estimate the number of shares, if any, that will be purchased directly from the Company under the Plan or the amount of proceeds from any such shares. The net proceeds will be used by the Company for general corporate purposes.

#### **PLAN OF DISTRIBUTION**

Subject to other provisions within this Prospectus Supplement and the accompanying base Prospectus, we will distribute newly issued shares of our Common Stock and/or the Warrants sold under the Unit Plan if requested by the purchaser to the Plan Agent. Under direct stock purchases, the Plan Agent will maintain the Common Stock on deposit for the initial six (6) months after the date of purchase and continuing until there is a request for withdrawal of the discounted shares by the owner or owners. The Plan Agent will assist in the administration of the Plan, but will not be acting as an underwriter with respect to shares of our common stock sold under the Plan. You will pay no service fees or brokerage trading fees for acquisitions of shares under the Plan, whether the shares are newly issued or purchased in the open market. Our common stock is currently listed on the OTCQX under the symbol “ZNOG,” but may be listed on any other exchange or securities market.

In connection with the administration of the Plan, we may be requested to approve investments made pursuant to requests for waiver by or on behalf of existing stockholders and new investors who may be engaged in the securities business.

Persons who acquire shares of our Common Stock through the Plan and resell them shortly after acquiring them, including coverage of short positions, under certain circumstances, may be participating in



a distribution of securities that would require compliance with Regulation M under the Exchange Act, and may be considered to be underwriters within the meaning of the Securities Act of 1933. We will not extend to any such person any rights or privileges other than to which he, she or it would be entitled as a participant, nor will we enter into any agreement with any such person regarding the resale or distribution by any such person of the shares of our Common Stock so purchased. We may, however, accept optional cash payments and initial investments made pursuant to requests for waiver by such persons.

From time to time, financial intermediaries, including brokers and dealers, and other persons may engage in positioning transactions in order to benefit from any discounts applicable to optional cash payments and initial investments made under the Plan. Those transactions may cause fluctuations in the trading volume of our Common Stock. Financial intermediaries and such other persons who engage in positioning transactions may be deemed to be underwriters. We have no arrangements or understandings, formal or informal, with any person relating to the sale of shares of our Common Stock to be received under the Plan. We reserve the right to modify, suspend or terminate participation in the Plan by otherwise eligible persons to eliminate practices that are inconsistent with the purposes of the Plan.

## **LEGAL MATTERS**

Aboudi Legal Group PLLC (Zion's external legal counsel) will pass on the validity of the issuance of the securities offered by this prospectus supplement and the accompanying base prospectus.

## **EXPERTS**

The audited financial statements of Zion Oil & Gas, Inc. as of December 31, 2020 and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2020 have been incorporated by reference herein in reliance upon the reports of RBSM LLP, an independent registered public accounting firm.

## **WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, N.E., Washington, D.C. 20549. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available at no cost on our website, <http://www.zionoil.com/sec-reports>, as soon as reasonably practicable after we file such documents with the SEC. Except for those SEC filings, none of the other information on our website is part of this prospectus supplement or the accompanying base prospectus.

We "incorporate by reference" into this prospectus supplement and the accompanying base prospectus the information that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus supplement and the accompanying base prospectus. Some information contained in this prospectus supplement and the accompanying base prospectus updates the information incorporated by reference, and information that the Company files subsequently with the SEC will automatically update this prospectus supplement and the accompanying base prospectus. In other words, in the case of a conflict or inconsistency between information set forth in this prospectus supplement, the accompanying base prospectus, and the information incorporated by reference herein, you should rely on the information contained in the document that was filed last. We incorporate by reference the following documents (excluding any portions of such documents that have been "furnished" but not "filed" for purposes of the Securities Exchange Act of 1934, as amended, which we refer to as the "Exchange Act"):

- Our annual report on Form 10-K for the fiscal year ended December 31, 2020 filed on March

24, 2021;

- Our definitive proxy statement with respect to the Annual Meeting of Stockholders held on June 9, 2021, as filed with the Securities and Exchange Commission on April 15, 2021;
- Our Quarterly Reports on Form 10-Q for the quarterly periods ended March 30, 2021 filed on May 13, 2021, June 30, 2021 filed on August 11, 2021, September 30 filed on November 10, 2021;
- Our current reports on Form 8-K: January 15, 2021; February 1, 2021; April 8, 2021; April 13, 2021; June 10, 2021; November 17, 2021; November 23, 2021; November 30, 2021;
- the description of our common stock in our registration statement on Form 8-A filed with the SEC on December 29, 2006, including any amendments or reports filed for the purpose of updating such description; and the description of our 10% Convertible Senior Note due 2021 on Form 8-A/A filed with the SEC on April 28, 2016; and
- all future filings that we make with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of filing of the registration statement on Form S-3, as amended, of which this prospectus supplement and the accompanying base prospectus are a part and prior to the termination or completion of any offering of securities under this prospectus supplement and the accompanying base prospectus (except, in each case, for information contained in any such filing that is furnished and not “filed” under the Exchange Act), which filings will be deemed to be incorporated by reference in this prospectus supplement and the accompanying base prospectus, and to be a part hereof from the respective dates of such filings.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request of such person, a copy of any or all of the information that is incorporated by reference in this prospectus supplement and base prospectus. Requests for such documents should be directed to: Shareholder Relations, Zion Oil & Gas, Inc., 12655 North Central Expressway, Suite 1000, Dallas, TX 75243.

This prospectus supplement and the accompanying base prospectus are a part of a registration statement on Form S-3, as amended, that we filed with the SEC. That registration statement contains more information than this prospectus supplement and the accompanying base prospectus regarding us and our common stock, including certain exhibits and schedules. You can obtain a copy of the registration statement from the SEC at the address listed above or from the SEC’s Internet website.

You should rely only on the information in this prospectus supplement, the accompanying base prospectus, any applicable free writing prospectus and the documents that are incorporated herein or therein by reference. We have not authorized anyone else to provide you with different information. We are not offering these securities in any state where the offer is prohibited by law. You should not assume that the information in this prospectus supplement, the accompanying base prospectus, any applicable free writing prospectus or any document incorporated by reference into any of them is accurate as of any date other than the date of the applicable document.

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## Annex A – Enrollment Form

Annex B – Form of Warrant

## Annex A



### DIRECT STOCK PURCHASE PLAN (DSPP) ENROLLMENT

Page 1

Zion Oil & Gas, Inc.  
12655 N. Central Expy, Suite 1000  
Dallas, TX 75243  
(888) 891-ZION  
Fax: (214) 221-6510

#### HELPFUL INFORMATION

This application enables you to begin investing directly with Zion Oil & Gas, Inc. Page 1 and 2 are required, page 3 is optional.

For new investors, the minimum initial investment is \$250. For existing participants, the minimum investment is \$50. **No form is required** for additional purchases on the same account. Simply send in your investment with your account no. and purchase request.

**If you prefer, you may invest online using our step by step form via electronic check:** <https://www.zionoil.com/dspp/invest-now>

Once payment is received, your shares will be issued by our agent, the American Stock Transfer & Trust Company (AST). To review the DSPP in its entirety, please refer to the DSPP Prospectus at [www.zionoil.com/prospectus](http://www.zionoil.com/prospectus).

#### ACCOUNT SETUP - CHOOSE ONE

**Select ONE account type and complete ALL applicable fields in that box.** Multiple forms are required for multiple accounts. Please provide ALL of the following information in clear, legible writing. **IMPORTANT: We cannot set up beneficiaries on your account.**

<input type="checkbox"/> SINGLE or ENTITY <input type="checkbox"/> JOINT:TENANTS W/ RIGHT OF SURVIVORSHIP <input type="checkbox"/> JOINT:TENANTS IN COMMON <input type="checkbox"/> JOINT:TENANTS BY THE ENTIRETY <input type="checkbox"/> JOINT:COMMUNITY PROPERTY  Name  Social Security Number  Date of Birth  Joint Owner (if any)  Joint Owner (if any)  INFORMATION Joint owners will have right of survivorship unless restricted by state law or otherwise indicated above.	<input type="checkbox"/> CUSTODIAL ACCOUNT  Custodian Name  Custodian Social Security Number  Custodian Date of Birth  Minor's Name  Minor's State of Residence and SSN (Example: CA - 333-22-4444)  INFORMATION One minor per account. An adult custodian manage the minor's account until the minor becomes "of age" as specified in the Uniform Gift to Minor's Act in the minor's state of residence.	<input type="checkbox"/> TRUST ACCOUNT  Trustee Name  Trust Name  Date of Trust  Tax Identification Number  Trustee Date of Birth  INFORMATION A trust account is established in accordance with the provisions of a pre-existing legal trust agreement.
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#### YOUR PERSONAL INFORMATION - REQUIRED

FULL MAILING ADDRESS:        COUNTRY:	<input type="checkbox"/> OPTIONAL: I already have a Zion Oil & Gas account with American Stock and Transfer Company (AST). Please add this purchase to my ACCOUNT # (Must be 10 digits):  BEST PHONE:  EMAIL:
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## DIRECT STOCK PURCHASE PLAN (DSPP) ENROLLMENT

Page 2

Zion Oil & Gas, Inc.  
12655 N. Central Expy, Suite 1000  
Dallas, TX 75243  
(888) 891-ZION  
Fax: (214) 221-6510

### COMMON STOCK PURCHASE - REQUIRED

**COMMON STOCK** represents equity ownership in Zion Oil & Gas, Inc. This plan allows you to purchase common stock directly from Zion Oil & Gas, Inc. without paying brokerage firm fees.

The purchase price per share is determined when payment is received by averaging that day's high and low sale prices of our common stock on the OTCQX Market.

Choose the amount of **COMMON STOCK** you would like to purchase:

- ☐ \$250.00  
☐ \$500.00  
☐ \$1,000.00  
☐ Other amount \$ \_\_\_\_\_

**MAKE CHECKS PAYABLE TO: Zion Oil & Gas, Inc.**

**MAIL TO: 12655 N. Central Expy, Ste. 1000, Dallas, TX 75243**

To wire funds, or if you are a foreign investor, please contact Zion Oil & Gas, Inc. directly: +1 (214) 221-4610

### DIVIDEND REINVESTMENT - REQUIRED

Please select one below. Selecting your dividend preference is required. You may change your selection at any time, in writing.

- ☐ **FULL DIVIDEND REINVESTMENT**  
You direct the company to reinvest any future dividends on all shares of common stock registered in your name as well as shares held in the DSPP.
- ☐ **PARTIAL DIVIDEND REINVESTMENT**  
You direct the company to reinvest a percentage of any future dividends paid on all shares of common stock held in the DSPP, and any other ZN shares registered in your name. The remaining percentage of shares will be paid cash dividends only if held outside the DSPP.  
Percentage of shares to reinvest: \_\_\_\_\_ % (must be at least 10%)
- ☐ **OPTIONAL CASH PAYMENTS**  
You direct the company to pay any future dividends in cash, on shares you hold outside the DSPP. Shares held in the DSPP will be reinvested fully.

Additional Information: To date, we have not paid dividends on our common stock. As a shareholder, you will receive dividends on our common stock, if we offer them. All dividends paid on common stock inside the DSPP will be reinvested fully. (Inside the DSPP = shares held electronically in this DSPP account.) Shares held outside of the DSPP are eligible for cash dividends if you elect either of the Partial or Cash options. (Outside the DSPP = any shares bought or transferred to a brokerage firm or any paper certificates you hold.)

### SIGNATURE OF ALL HOLDERS - REQUIRED

THE SIGNATURE(S) BELOW INDICATE MY/OUR ACKNOWLEDGEMENT THAT I/WE HAVE RECEIVED AND REVIEWED THE DIVIDEND REINVESTMENT AND COMMON STOCK PURCHASE PLAN (THE "PLAN" OR "DSPP") OF ZION OIL AND GAS, INC., AS SET FORTH IN THE PROSPECTUS, SUPPLEMENTS AND AMENDMENTS, DESCRIBING THE TERMS AND CONDITIONS OF THE PLAN AND THE FUNDS PAID HEREIN ARE TO PURCHASE SHARES/UNITS UNDER THE PLAN, ON THE TERMS AND SUBJECT TO THE CONDITIONS SPECIFIED IN THE PROSPECTUS AND AMENDMENTS.

SIGNATURE

SIGNATURE

SIGNATURE

DATE



OPTIONAL  
MONTHLY AUTOMATIC INVESTMENT  
ENROLLMENT FORM

Zion Oil & Gas, Inc.  
12655 N. Central Expy, Suite 1000  
Dallas, TX 75243  
(888) 891-ZION  
Fax: (214) 221-6510

OPTIONAL AUTOMATIC DEDUCTIONS

☐ I would like to enroll in monthly automatic investments, in addition to the one-time DSPP \$250 minimum.

\$\_\_\_\_\_ Starting on the 20th of next month, we will deduct this amount from the account below.  
(\$50 minimum, \$10,000 maximum)

Type of Account: ☐ CHECKING ☐ SAVINGS

NAME ON BANK ACCOUNT:

YOUR ACCOUNT ADDRESS (FULL):

FINANCIAL INSTITUTION:

BANK BRANCH (if applicable):

ABA NUMBER:

BANK ACCOUNT NUMBER:

Name on Bank Account	JOHN A. DOE	_____ 20 _____
	MARY B. DOE	
Financial Institution and Branch information	123 YOUR STREET	63-658
	ANYWHERE, U.S.A. 12345	670
	PAY TO THE ORDER OF _____	\$ _____
		DOLLARS
	First National Bank of Anywhere	
	123 Main Street	
	Anywhere, U.S.A. 12345	
	FOR _____	SAMPLE (NON-NEGOTIABLE)
	071000013 123456789	
	ABA Number	Bank Account Number

SIGNATURE OF ALL HOLDERS REQUIRED to begin automatic monthly deductions.

I/WE HEREBY AUTHORIZE AMERICAN STOCK TRANSFER AND TRUST COMPANY, LLC., TO MAKE MONTHLY AUTOMATIC TRANSFERS OF FUNDS FROM MY/OUR CHECKING OR SAVINGS ACCOUNT IN THE AMOUNT STATED ABOVE AND TO INITIATE SUCH DEBIT ENTRIES AND TO INITIATE, IF NECESSARY, CREDIT ENTRIES AND ADJUSTMENTS FOR ANY DEBIT ENTRIES IN ERROR TO MY/OUR ACCOUNT INDICATED ABOVE AND THE INSTITUTION NAMED ABOVE, HEREINAFTER CALLED DEPOSITORY, TO DEBIT AND/OR CREDIT THE SAME TO SUCH ACCOUNT.

THE BELOW AUTHORIZATION(S) WILL REMAIN IN FULL FORCE AND EFFECT UNTIL ZION OIL & GAS, HEREINAFTER CALLED THE COMPANY, HAS RECEIVED WRITTEN NOTIFICATION FROM THE UNDERSIGNED OF ITS TERMINATION IN SUCH TIME AND IN SUCH MANNER AS TO AFFORD THE COMPANY AND DEPOSITORY REASONABLE OPPORTUNITY TO ACT ON IT.

THE USA PATRIOT ACT REQUIRES FINANCIAL INSTITUTIONS TO VERIFY THE SHAREHOLDER'S IDENTITY PRIOR TO ESTABLISHING A FORMAL RELATIONSHIP. AS A RESULT, WE MAY ASK YOU TO PROVIDE PROPER IDENTIFICATION AND WE WILL UTILIZE REASONABLE AND APPROPRIATE MEASURES TO OBTAIN THE NECESSARY VERIFICATION CONTEMPLATED BY THE ACT. THANK YOU FOR YOUR COOPERATION IN HELPING US COMPLY WITH FEDERAL REGULATIONS.

SIGNATURE

SIGNATURE

SIGNATURE

DATE



**Annex B**

**[Face of Certificate - ZION OIL & GAS, INC.]**

(SEE REVERSE SIDE FOR LEGEND)

W

**WARRANTS**

(THIS WARRANT WILL BE VOID IF NOT EXERCISED PRIOR TO 5:00 P.M., EASTERN STANDARD TIME,  
\_\_\_\_\_, 20\_\_)

ZION OIL & GAS, INC.

CUSIP 989696 \_\_\_\_

**WARRANT**

THIS CERTIFIES THAT, for value received \_\_\_\_\_ is the registered holder of a Warrant or Warrants expiring \_\_\_\_\_, 20\_\_ (the "Warrant") to purchase one fully paid and non-assessable share of Common Stock, par value \$.01 per share (the "Shares"), of ZION OIL & GAS, INC., a Delaware corporation (the "Company"). The Warrant entitles the holder thereof to purchase from the Company, commencing on \_\_\_\_\_, 20\_\_, one Share of the Company at the price of \$\_\_\_\_ per share, upon surrender of this Warrant Certificate and payment of the Warrant Price at the office or agency of the Warrant Agent, American Stock Transfer & Trust Company, LLC (such payment to be made by check made payable to the order of the Company), but only subject to the conditions set forth herein and in the Warrant Agreement between the Company and the Warrant Agent. In no event shall the registered holder of this Warrant be entitled to receive a net-cash settlement or other consideration in lieu of physical settlement in Shares of the Company. The Warrant Agreement provides that, upon the occurrence of certain events, the Warrant Price and the number of Warrant Shares purchasable hereunder, set forth on the face hereof, may, subject to certain conditions, be adjusted. The term Warrant Price as used in this Warrant Certificate refers to the price per Share at which Shares may be purchased at the time the Warrant is exercised.

This Warrant may expire on the date first above written if it is not exercised prior to such date by the registered holder pursuant to the terms of the Warrant Agreement.

No fraction of a Share will be issued upon any exercise of a Warrant. If, upon exercise of a Warrant, a holder would be entitled to receive a fractional interest in a Share, the Company will, upon exercise, round up to the nearest whole number the number of shares of common stock to be issued to the warrant holder.

Upon any exercise of the Warrant for less than the total number of full Shares provided for herein, there shall be issued to the registered holder hereof or his/her/its assignee a new Warrant Certificate covering the number of Shares for which the Warrant has not been exercised.

Warrant Certificates, when surrendered at the office or agency of the Warrant Agent by the registered holder hereof in person or by attorney duly authorized in writing, may be exchanged in the manner and subject to the limitations provided in the Warrant Agreement, but without payment of any service charge, for another Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants.

Upon due presentment for registration of transfer of the Warrant Certificate at the office or agency of the Warrant Agent, a new Warrant Certificate or Warrant Certificates of like tenor and evidencing in the aggregate a like number of Warrants shall be issued to the transferee in exchange for this Warrant Certificate, subject to the limitations provided in the Warrant Agreement, without charge except for any applicable tax or other governmental charge.

The Company and the Warrant Agent may deem and treat the registered holder as the absolute owner of the Warrants represented by this Warrant Certificate (notwithstanding any notation of ownership or other writing hereon made by anyone) for the purpose of any exercise hereof, of any distribution to the registered holder, and for all other purposes, and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary.

This Warrant does not entitle the registered holder to any of the rights of a stockholder of the Company.

COUNTERSIGNED:

American Stock Transfer & Trust Company, LLC

WARRANT AGENT

BY:

AUTHORIZED OFFICER

DATED:

(Signature)

CHIEF EXECUTIVE OFFICER

(Seal)

(Signature)

SECRETARY

SUBSCRIPTION FORM

To Be Executed by the Registered Holder in Order to Exercise Warrants

The undersigned Registered Holder irrevocably elects to exercise \_\_\_\_\_ Warrants represented by this Warrant Certificate, and to purchase the shares of Common Stock issuable upon the exercise of such Warrants, and requests that Certificates for such shares shall be issued in the name of

(PLEASE TYPE OR PRINT NAME AND ADDRESS)

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(SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER)

and be delivered to

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(PLEASE PRINT OR TYPE NAME AND ADDRESS)

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and, if such number of Warrants shall not be all the Warrants evidenced by this Warrant Certificate, that a new Warrant Certificate for the balance of such Warrants be registered in the name of, and delivered to, the Registered Holder at the address stated below:

Dated: -

(SIGNATURE) -

(ADDRESS) -

(TAX IDENTIFICATION NUMBER) -

THE SIGNATURE TO THE ASSIGNMENT OF THE SUBSCRIPTION FORM MUST CORRESPOND TO THE NAME WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER, AND MUST BE GUARANTEED BY A COMMERCIAL BANK OR TRUST COMPANY OR A MEMBER FIRM OF THE AMERICAN STOCK EXCHANGE, NEW YORK STOCK EXCHANGE, PACIFIC STOCK EXCHANGE OR CHICAGO STOCK EXCHANGE.

ASSIGNMENT

To Be Executed by the Registered Holder in Order to Assign Warrants

For Value Received, \_\_\_\_\_ hereby sell, assign, and transfer unto

\_\_\_\_\_  
(PLEASE TYPE OR PRINT NAME AND ADDRESS)

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER)

and \_\_\_\_\_ be \_\_\_\_\_ delivered  
to \_\_\_\_\_

(PLEASE PRINT OR TYPE NAME AND ADDRESS)

Of the Warrants represented by this Warrant Certificate, and hereby irrevocably constitute and

Appoint \_\_\_\_\_ Attorney to transfer this Warrant Certificate on the books of the  
Company, with full power of substitution in the premises.

Dated:

(SIGNATURE)

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular, without alteration or enlargement or any change whatever.

Signature(s) Guaranteed:

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15).