Filed pursuant to Rule 424(b)(5)
File No. 333-216191

Amendment No. 1 to Prospectus
Supplement dated April 2, 2018
(to Prospectus dated March 7, 2017)

ZION OIL & GAS, INC.

This Amendment No. 1 to prospectus supplement amends the prospectus supplement dated April 2, 2018. This amendment to prospectus supplement should be read in conjunction with the prospectus supplement dated April 2, 2018 and the base prospectus dated March 7, 2017. 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.

The record date for participating in the Rights Offering has been modified from March 12, 2018 to April 13, 2018. Accordingly all references to the "Record Date" or similar term in the original prospectus supplement indicating a Record Date of March 12, 2018 are hereby deleted and replaced with a new Record Date of April 13, 2018, 5 pm Eastern Time.

In addition, all references to the warrant symbol of "ZNWAI" are hereby deleted. The warrants, which are not tradable, will continue to be included in the Rights Offering but the Company will use the designation "ZNWAI" internally for tracking purposes only.

All other terms of the Rights Offering, including the expiration date, remain unchanged.

Investing in our common stock is very risky. See "Risk Factors" commencing at page S-12 of the prospectus to read about the risks that you should consider before buying shares of our stock.

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.

The date of this amendment No. 1 to prospectus supplement is April 3, 2018.

PROSPECTUS SUPPLEMENT
(To Prospectus dated March 7, 2017)

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-216191

Zion Oil & Gas, Inc.

5,720,000 Nontransferable Subscription Rights to subscribe for Rights in securities of Zion Oil & Gas, Inc., each Right consisting of one (1) share of Common Stock par value $0.01 per share and one (1) Common Stock Purchase Warrants to Purchase an Additional one (1) share of Common Stock.

Up to 11,440,000 Shares of Common Stock Issuable upon Exercise of Nontransferable Subscription Rights to subscribe for such Shares of Common Stock of Zion Oil & Gas, Inc. and upon Exercise of the Common Stock Purchase Warrants.

ZION OIL & GAS, INC. is offering through American Stock Transfer & Trust Company, LLC (the "Subscription Agent"), at no cost, non-transferable Subscription Rights to purchase Rights (each "Right" and collectively the "Rights") of its securities to persons who owned shares of our Common Stock on March 12, 2018, with each Right consisting of one (1) share of our Common Stock, par value $0.01 per share (the "Common Stock") and one (1) Common Stock Purchase Warrant to purchase an additional one (1) share of Common Stock. Each Right may be purchased at a per Right subscription price of $5.00. Each Warrant affords the investor the opportunity to purchase one share of our Common Stock at a warrant exercise price of $3.00. The warrants will have the symbol "ZNWAI." The warrants will become exercisable on June 29, 2018 (the "Warrant Exercise Date") and will continue to be exercisable for one (1) year after the Exercise date.

You will receive 0.10 (one tenth) of a subscription right (i.e., **ONE** subscription right for each **TEN** shares) for each share of Common Stock that you owned on March 12, 2018. For example, if you own 100 shares of Zion Common Stock, you will be entitled to 10 Rights under this offering. This gives you the right to buy up to 10 Rights for $50.00 ($5.00 per Right) with 10 Rights being comprised of 10 shares of Common Stock (10 Rights x 1 share) and 10 Common Stock Purchase Warrants (10 Rights x 1 Warrant). A total of 11,440,000 shares of Common Stock have been set aside by Zion Oil & Gas, Inc. for this Subscription Rights Offering.

The subscription rights will expire, if they are not exercised by 5:00 p.m., Eastern Standard Time, on May 31, 2018 ("Expiration Date"). The shares of Common Stock will be issuable and tradable as soon as practicable by the Subscription Agent after the close of the Rights Offering on the Expiration Date. To participate in the rights offering, you must submit your subscription documents to us before that deadline. If you hold shares through a broker or a bank, we recommend that you submit your subscription documents to your broker or bank at least 10 days before the May 31, 2018 deadline. Please see Annex A for further instructions on submitting subscriptions. All subscriptions will be deposited into accounts maintained by American Stock Transfer & Trust Company, LLC. We may, in our sole discretion, extend the period for exercising rights. There is no minimum subscription amount required for consummation of this rights offering.

If you exercise your rights in full, you may also exercise an over-subscription right to purchase additional Rights that remain unsubscribed at the expiration of the rights offering, subject to availability and allocation of Rights among persons exercising this over-subscription right. Subscription rights that are not exercised by the expiration date will expire and have no value. Shareholders who do not participate in the rights offering will continue to own the same number of shares, but will own a smaller percentage of the total shares outstanding to the extent that other shareholders participate in the rights offering. The subscription rights may not be sold or transferred except for being transferable to affiliates of the recipient and by operation of law.

The shares of Common Stock included in the Rights are quoted on the NASDAQ Global Market under the symbol "ZN." The closing price of our common stock on the NASDAQ Global Market on March 12, 2018 was $4.65 on the record date.

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-12 before deciding whether to exercise your subscription rights.

	Subscription Exercise Price Per Right	Possible Proceeds to ZION OIL & GAS, INC. (1)
Per Right	$ 5.00	$ 28,600,000

	Warrant Exercise Price Per Right	Possible Proceeds to ZION OIL & GAS, INC.
Per Warrant	$ 3.00	$ 17,160,000

		Total Possible Proceeds to ZION OIL & GAS, INC.
Total		$ 45,760,000

(1) Assumes that all Rights being offered in the rights offering are sold and before deducting expenses payable by us, estimated to be $250,000.

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

Neither the Securities and Exchange Commission 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 April 2, 2018

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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 this rights offering. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this rights offering. 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", "Zion", "Company", "our", "we", "us", and similar terms refer to Zion Oil & Gas, Inc.

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 about us 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, including the "Risk Factors" section beginning on page S-12 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 initial stage oil and gas exploration company with a history of over 18 years of oil and gas exploration in Israel. We have no revenues or operating income. 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 currently trades on the NASDAQ Global Market under the symbol "ZN" and our warrant trades on the NASDAQ Global Market under the symbol "ZNWAA."

We are distributing through American Stock Transfer & Trust Company, LLC (the "Subscription Agent"), at no cost, non-transferable subscription rights to purchase Rights (each "Right" and collectively the "Rights") of its securities to persons who owned shares of our Common Stock on March 12, 2018, with each Right consisting of one (1) share of our Common Stock, par value $0.01 per share (the "Common Stock") and one (1) Common Stock Purchase Warrant to purchase an additional one (1) share of Common Stock. Each Right may be purchased at a per Right subscription price of $5.00.

Each Warrant affords the investor the opportunity to purchase one share of our Common Stock at a warrant exercise price of $3.00. The warrants have the symbol "ZNWAI." The warrants will become exercisable on June 29, 2018 (the "Warrant Exercise Date") and will continue to be exercisable for one (1) year after the Warrant Exercise date.

You will receive 0.10 (one tenth) of a subscription right (i.e., **ONE** subscription right for each **TEN** shares) for each share of Common Stock that you owned on March 12, 2018. For example, if you own 100 shares of Zion Common Stock, you will be entitled to purchase up to 10 Rights under this rights offering. This gives you the right to buy (up to) 10 Rights for $50.00 ($5.00 per Right) with 10 Rights being comprised of 10 shares of Common Stock (10 Rights x 1 share). A total of 11,300,000 shares of Common Stock have been set aside by Zion Oil & Gas, Inc. for this Subscription Rights Offering.

The subscription rights will expire, if they are not exercised by 5:00 p.m., Eastern Standard Time, on May 31, 2018. The shares of Common Stock will be issuable and tradable as soon as practicable by the Subscription Agent after the close of the Rights Offering on the Expiration Date. To participate in the rights offering, you must submit your subscription documents to us before that deadline. If you hold shares through a broker or a bank, we recommend that you submit your subscription documents to your broker or bank at least 10 days before that May 31, 2018 deadline. If you exercise your rights in full, you may also exercise an over-subscription right to purchase additional Rights that remain unsubscribed at the expiration of the rights offering, subject to availability and allocation of Rights among persons exercising this over-subscription right. Subscription rights that are not exercised by the expiration date will expire and have no value. Shareholders who do not participate in the rights offering will continue to own the same number of shares, but will own a smaller percentage of the total shares outstanding to the extent that other shareholders participate in the rights offering.

Exploratory License and Activities

Zion currently holds one active petroleum exploration license onshore Israel, the Megiddo-Jezreel License (“MJL”), comprising approximately 99,000 acres. Under Israeli law, Zion has the exclusive right to oil and gas exploration within its license area in that no other company is authorized to drill there.

Megiddo-Jezreel Petroleum License

The MJL 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 an aggregate maximum of seven years. The MJL is onshore, south and west of the Sea of Galilee and the Company continues its exploration focus here as it appears to possess the key geologic ingredients of an active petroleum system with significant exploration potential.

On October 30, 2017, Zion sought a multi-year extension to its existing license. After receiving feedback from Israel’s Petroleum Commissioner, Zion submitted a revised extension request on November 9, 2017. On November 20, 2017, Israel’s Petroleum Commissioner officially approved Zion’s multi-year extension request on its Megiddo-Jezreel License No. 401, extending its validity to December 2, 2019. The Company now remains subject to the following updated key license terms:

Number	*Activity Description*	*Execution by:*
1	*Submit final report on the results of drilling*	*31 May 2018*
2	*Submit program for continuation of work under license*	*30 June 2018*

Zion’s Former Jordan Valley, Asher-Menashe and Joseph Licenses

On March 29, 2015, the Energy Ministry formally approved the Company’s application to merge the southernmost portion of the Jordan Valley License into the Megiddo-Jezreel License. The Company has plugged all of its exploratory wells (in the former Joseph and Asher-Menashe License areas) but acknowledges its obligation to complete the abandonment of these well sites in accordance with guidance from the Environmental Ministry and local officials (see note 10B).

Exploration Plans Going Forward

The Megiddo-Jezreel #1 ("MJ #1") was spud on June 5, 2017. The MJ #1 well was drilled to a total depth ("TD") of 5,060 meters (approximately 16,600 feet). Zion also obtained several wireline log suites and the well has been cased and cemented in preparation for upcoming testing operations. However, as of the date of this Prospectus Supplement, the Company is not able to confirm whether the well will be commercially productive and will not be able to do so until after testing and fully evaluating the MJ#1 well.

Depending on the final outcome and results of the currently active MJ #1 well and having adequate cash resources, multiple wells could be drilled from this pad site as several subsurface geologic targets are reachable using directional well trajectories.

We hold 100% of the working interest in our license, which means we are responsible for 100% of the costs of exploration and, if established, production. From the gross proceeds from the sale of oil and gas from the license area upon conversion to production leases, if there is any commercial production, Zion must deduct a 12.5% royalty reserved by the State of Israel. Additionally, we would deduct an overriding royalty interest (or equivalent net operating profits interest) of 6% of gross revenue from production given over to two charitable foundations. No royalty would be payable to any landowner with respect to production from our license area as the State of Israel owns all the mineral rights. Effective March 2011, a special levy on income from oil and gas production was enacted in Israel. The new law provides that royalties on hydrocarbon discoveries will remain at 12.5%, while taxation of profits will begin only after the developers have reached payback on their investment plus a return. The levy will be 20% after a payback of 150% on the investment, and will rise gradually, reaching 50% after a return of 230% on the investment. The Israeli government also repealed the percentage depletion deduction and made certain changes to the rules for deducting tangible and intangible development. These rules will only become germane to us when, and if, we commence production of oil and/or gas.

Rights Offering Summary

The Rights Offering	We are distributing to you, at no charge, non-transferable subscription rights to purchase Rights of our securities. You will receive 0.10 of a subscription right (i.e., **ONE** subscription right for each **TEN** shares) for each share of common stock that you owned on March 12, 2018.
Subscription Privilege	Each whole subscription right entitles you to purchase one Right at the subscription price of $5.00 per Right. Each Right is comprised of one (1) share of our Common Stock and one (1) Common Stock Purchase Warrant. Subscription rights may only be exercised for whole numbers of Rights; no fractional Rights will be issued in this offering. No fractional subscription rights will be issued. Instead, the number of subscription rights will be rounded down to the next lowest whole number.
Warrant	Each Warrant affords the investor the opportunity to purchase one share of our Common Stock at a warrant exercise price of $3.00. The Warrants will become exercisable on June 29, 2018 and continue to be exercisable for one (1) year after the exercise date.

Rights offered by us in this rights offering	We are offering Rights comprised of an aggregate of 11,440,000 shares of Common Stock.
Common stock outstanding before this rights offering	57,200,000 shares (approximately).
Common stock to be outstanding immediately after this rights offering (assuming all rights to purchase Rights are exercised and all warrants exercised)	68,640,000 shares (approximately).
Record Date	5:00 p.m., Eastern Standard Time, on March 12, 2018.
Commencement Date of Subscription Period	5:00 p.m., Eastern Standard Time, on April 2, 2018.
Expiration Date	5:00 p.m., Eastern Standard Time, on May 31, 2018, unless extended by us, in our sole discretion. Any rights not exercised on or before the expiration date will expire without any payment to the holders of those unexercised rights.
Subscription Price Per Right	$5.00 per Right, payable in immediately available funds. To be effective, any payment related to the exercise of the subscription right must clear prior to the expiration of the rights offering. Payments sent by bank wire or bank transfer by the expiration of the rights offering will be effective as long as the funds are received and cleared within normal banking days of our accounts.
Oversubscription Rights	We do not expect that all of our stockholders will exercise all of their basic subscription rights. If you fully exercise your basic subscription right, your oversubscription right entitles you to subscribe for additional Rights unclaimed by other rights holders in this offering at the same subscription price per Right. If there are not enough Rights available to satisfy all of the properly exercised oversubscription rights requests, then the available Rights will be prorated among those who properly exercised oversubscription rights based on the number of Rights each rights holder subscribed for under the basic subscription right. We will return any excess payments without interest or deduction promptly after the expiration of the subscription period

Use of proceeds	We intend to use the net proceeds from sale of the Rights under this offering for (i) the production testing and production of wells in the Megiddo-Jezreel License area, (ii) further exploration, facilities and midstream construction, (iii) carrying out geological and geophysical studies furthering our oil and gas exploration program in the License area and (iv) general corporate purposes. See "Use of Proceeds" on page S-24.
Non-transferability of Subscription Rights	The subscription rights may not be sold, transferred or assigned and will not be listed for trading on the NASDAQ Global Market or on any other stock exchange or market.
No Revocation	If you exercise any of your subscription rights, you will not be permitted to revoke or change the exercise or request a refund of money paid.
Extension and Cancellation	*Extension*. We may extend the expiration date for exercising your subscription rights in our sole discretion. Any extension of this offering will be followed as promptly as practicable by an announcement, and in no event later than 9:00 a.m., Eastern Standard time, on the next business day following the previously scheduled expiration date. *Cancellation*. We may cancel the rights offering at any time and for any reason prior to the expiration date. Any cancellation of this offering will be followed as promptly as practicable by announcement thereof, and in no event later than 9:00 a.m., Eastern Standard time, on the next business day following the cancellation. In the event that we cancel this rights offering, all subscription payments will be returned, without interest or deduction, as soon as practicable.
Trading Symbols	*Common Stock*. Our common stock is quoted on the NASDAQ Global Market under the symbol "ZN." *Subscription Rights.* The subscription rights are not transferable either during or after the subscription period.
U.S. Federal Income Tax Considerations	Generally, a holder should not recognize income or loss for United States federal income tax purposes in connection with the receipt or exercise of subscription rights in the rights offering. However, you should consult your tax advisor as to the particular consequences to you of the rights offering. For a detailed discussion, see "Federal Income Tax Considerations."

QUESTIONS AND ANSWERS ABOUT THE RIGHTS OFFERING

What is a rights offering?

A rights offering is ordinarily a distribution of subscription rights to a company's existing shareholders to buy a proportional number of additional securities at a given price (usually at a discount) within a fixed period. A rights offering is an opportunity for you to purchase securities at a fixed price and in an amount at least proportional to your existing interest, which enables you to maintain, and possibly increase, your current percentage ownership.

Unless otherwise indicated in the prospectus supplement applicable to an offering, we intend to use any net proceeds from the sale of our securities to fund our exploration and production operations and for other general corporate purposes, such as additions to working capital, expansion of our drilling and other exploration program. We have not determined the amount of net proceeds to be used specifically for the foregoing purposes.

Why are we engaging in a rights offering?

The purpose of this rights offering is to raise equity capital in a cost-effective manner that gives all of our stockholders the opportunity to participate. The net proceeds from the sale of Rights will be used for our testing operations and to further our oil and gas exploration and production program and allow us to drill additional exploration and/or production wells on our license areas. We have not determined the amount of net proceeds to be used specifically for the foregoing purposes. See "Use of Proceeds" on page S-24.

What is the basic subscription right?

You will receive 0.10 (one tenth) of a subscription right (i.e., **ONE** subscription right for each **TEN** shares) for each share of common stock that you owned on March 12, 2018. Each whole basic subscription right entitles you to purchase one Right at a per Right subscription price of $5.00. Each Right is comprised of one (1) share of our Common Stock and one (1) Common Stock Purchase Warrant to purchase an additional one (1) share of Common Stock.

For example, if you own 100 shares of Zion common stock, you will be entitled to 10 Rights under this rights offering. This gives you the right to buy (up to) 10 Rights for $50.00 (10 x $5.00), which would be comprised of 10 shares of Common Stock and 10 Common Stock Purchase Warrants at an exercise price of $3 per warrant for a total of 10 shares of Common Stock.

You may exercise any number of your subscription rights, or you may choose not to exercise any subscription rights. You will not receive any fractional rights; instead the number of subscription rights you receive will be rounded down to the next lowest whole number.

What is the over-subscription right?

We do not expect all of the basic subscription rights to be exercised. The over-subscription right provides shareholders that exercise all of their basic subscription rights the opportunity to purchase Rights that are not purchased by other shareholders. If you fully exercise your basic subscription right, the over-subscription right entitles you to subscribe for additional Rights unclaimed by other holders of rights in this offering at the same subscription price per Right. If an insufficient number of Rights are available to fully satisfy all over-subscription right requests, then the available Rights will be distributed proportionately among rights holders who exercise their over-subscription right based on the number of Rights each rights holder subscribed for under the basic subscription right. We will return any excess payments by mail without interest or deduction promptly after the expiration of the subscription period.

Will the shares of Common Stock that I receive upon exercise of my subscription rights be tradable on the NASDAQ Global Market?

Our common stock is currently traded on the NASDAQ Global Market under the symbol "ZN." The subscription rights are non-transferable and will not be traded. The Common Stock included in the Rights will be immediately tradable upon issuance and are listed for quotation on the NASDAQ Global Market under the symbol "ZN."

Who may participate in this offering?

Only holders of record of our Common Stock as of March 12, 2018 are entitled to participate in this offering.

Am I required to subscribe in this offering?

No. However, shareholders who choose not to exercise their rights will experience dilution to their equity interest in our company.

How long will the rights offering last?

You will be able to exercise your subscription rights only during a limited period. To exercise a subscription right, you must do so by 5:00 p.m., Eastern Standard Time, on May 31, 2018, unless we extend the rights offering. We may, in our sole discretion, extend the offering for any reason. Accordingly, if a rights holder desires to exercise their subscription rights, we must actually receive all required documents and payments for that rights holder before the expiration date and time. If we elect to extend the scheduled termination date, we will issue a press release announcing such decision no later than 9:00 a.m., Eastern Standard Time, on the next business day after the decision has been taken.

May the Board of Directors cancel or terminate the rights offering?

Yes. Zion's Board of Directors may decide to cancel or terminate the rights offering at any time and for any reason before the expiration date. If our Board cancels or terminates the rights offering, we will issue a press release notifying shareholders of the cancellation or termination, and any money received from subscribing holders of rights will be returned as soon as practicable, without interest or deduction.

May I transfer, sell or give away my subscription rights?

No. Should you choose not to exercise your subscription rights, you may not sell, give away or otherwise transfer your rights. However, subscription rights will be transferable to affiliates of the recipient and by operation of law, for example, upon death of the recipient.

How many Rights may I purchase?

You will receive 0.10 (one tenth) of a subscription right (i.e. **ONE** subscription right for each **TEN** shares) for each share of Common Stock that you owned as a holder of record on March 12, 2018. Each whole subscription right entitles you to purchase one Right at a per Right subscription price of $5.00. Each Right is comprised of one (1) share of our Common Stock and one (1) Common Stock Purchase Warrant. We will not distribute fractional subscription rights, but will round down the number of subscription rights you are to receive to the next lowest whole number.

If you fully exercise all of your basic subscription rights, your over-subscription rights entitle you to subscribe for additional Rights unclaimed by other holders of rights in this offering at the same subscription price per Right. If an insufficient number of Rights are available to fully satisfy all properly exercised over-subscription right requests, then the available Rights will be prorated among those who properly exercised over-subscription right based on the number of Rights each rights holder subscribed for under the basic subscription right pursuant to the allocation procedures described below in "The Rights Offering" on page S-27.

How do I exercise my subscription rights?

You may exercise your subscription rights by properly completing and signing your subscription form and delivering it, with full payment of the $5.00 per Right price, including any over-subscription right, to us on or prior to 5:00 pm Eastern Standard Time, on May 31, 2018. If you use the mail, we recommend that you use insured, registered mail, return receipt requested. If you cannot deliver your subscription agreement to us on time, you may follow the guaranteed delivery procedures described under "The Offering - Guaranteed Delivery Procedures." Payments sent by bank wire or bank transfer by the expiration of the rights offering will be effective as long as the funds are received and cleared within normal banking days of our accounts.

Is exercising my subscription rights risky?

The exercise of your subscription rights involves risks. Exercising your subscription rights means buying additional shares of our Common Stock and should be considered as carefully as you would consider any other equity investment. Among other things, you should carefully consider the risks described under the heading "RISK FACTORS," beginning on page S-12.

After I exercise my subscription rights, may I change my mind and cancel my purchase?

No. Once you send in your subscription agreement and payment, you cannot revoke the exercise of your subscription rights, even if you later learn information about us that you consider to be unfavorable. You should not exercise your subscription rights, unless you are certain that you wish to purchase additional shares of our Common Stock at a price of $5.00 per Right.

What happens if I choose not to exercise my subscription rights?

You will retain your current number of shares of common stock even if you do not exercise your subscription rights. However, if other shareholders exercise their subscription rights and you do not, the percentage of our company that you own will diminish and your voting and other rights will be diluted. Your rights will expire and have no value, if they are not exercised by the expiration date.

Will I be charged any fees if I exercise my rights?

We will not charge a fee to holders for exercising their rights. However, any holder exercising their rights through a broker, dealer or nominee will be responsible for any fees charged by their broker, dealer or nominee.

If I exercise my rights, when will I receive the securities for which I have subscribed?

We will issue the certificates representing the shares of Common Stock for which subscriptions have been properly received as soon as practicable after the expiration date of this rights offering, whether or not you exercise your subscription rights immediately prior to that date or earlier. Upon issuance, the shares of Common Stock in the Rights are detachable and separately tradable.

What if my shares are not held in my name?

If you hold your shares of our common stock in the name of a broker, dealer or other nominee, then your broker, dealer or other nominee is the record holder of the shares you own. The record holder must exercise the rights on your behalf for the Rights you wish to purchase. Therefore, you will need to have your record holder act for you.

If you wish to participate in this rights offering and purchase Rights at the per Right subscription price of $5.00, please promptly contact the record holder of your shares. We will ask your broker, dealer or other nominee to notify you of this rights offering. If you hold your shares through a brokerage account, you should note that most brokerages permit the beneficial owner to exercise their rights on one occasion only. Accordingly, if you plan to exercise your over-subscription right, you should do so at the time that you submit your subscription to your broker. If you wish to exercise your Rights through this Rights Offering, you should contact your broker, dealer, custodian bank or nominee as soon as possible. Please follow the instructions of your nominee. Your nominee may establish an earlier deadline ***before*** the Expiration Date of this Rights Offering.

How did we arrive at the $5.00 per Right subscription price?

Our Board of Directors determined that the per-Right subscription price should be designed to provide an incentive to our current stockholders to exercise their rights in the rights offering. Other factors considered in setting the subscription price included 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, and the liquidity of our Common Stock. The subscription price of the Right 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 subscription price as an indication of the value of Zion Oil & Gas, Inc. or our Common Stock.

How much money will we receive from the rights offering?

If we sell all the Rights being offered, we will receive gross proceeds of $28,600,000. After deduction of approximately $250,000 in estimated expenses, we will have net proceeds of approximately $28,350,000. We are offering Rights in the rights offering with no minimum purchase requirement. As a result, there is no assurance we will be able to sell all or any of the Rights being offered, and it is not likely that all of our shareholders will purchase all the Rights offered in the rights offering.

What are the United States federal income tax consequences to me of exercising my subscription rights?

The receipt and exercise of your subscription rights are intended to be nontaxable events for U.S. shareholders. However, you should seek specific tax advice from your personal certified public accountant or tax attorney. See the section entitled "FEDERAL INCOME TAX CONSIDERATIONS" on page S-33.

Has the Board of Directors made a recommendation as to whether I should exercise my rights?

No. Neither the Company's management nor our Board has made any recommendation as to whether you should exercise your rights for the Rights (assuming you purchase any Rights). You should decide whether to subscribe for Rights, or simply take no action with respect to your rights, based upon your own assessment of your best interests.

What if I have other questions?

If you have other questions about the rights offering, please contact D.F. King & C., Inc., the Information Agent by telephone at (866) 796-1292, or if you are bank or broker at (212) 269-5550. D.F. King can also be reached by e-mail (zion@dfking.com).

GOING CONCERN CONSIDERATIONS

We are a company with limited capital resources, no revenue and a loss from operations. We incurred net losses of $9,989,000, $8,513,000 and $7,306,000 for the years ended December 31, 2017, 2016 and 2015, respectively. Since we have limited capital resources, no revenue to date and a loss from operations, our financial statements have been prepared on a going concern basis, which contemplates realization of assets and liquidation of liabilities in the ordinary course of business. The appropriateness of using the going concern basis is dependent upon our ability to obtain additional financing or equity capital and, ultimately, to achieve profitable operations. Therefore, there is substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. See "RISK FACTORS" on page S-12 relating to our ability to continue as a 'going concern' and our need to raise additional funds to realize our business plans.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents included or incorporated by reference in this prospectus 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:

- Our ability to raise sufficient capital to successfully test, complete and produce the well if applicable and continue with exploratory efforts within our license area;
- the going concern qualification in our financial statements;
- our ability to explore for and develop natural gas and oil resources successfully and economically within our license areas;
- our liquidity and our ability to raise capital to finance our overall exploration and development activities;
- our ability to maintain the exploration license rights to continue our petroleum exploration program;
- the availability of equipment, such as testing and production equipment and the personnel to operate such equipment;
- the impact of governmental regulations, permitting and other legal requirements in Israel relating to onshore exploratory drilling and production;
- our estimates of the time frame within which the testing of our exploratory well and the exploratory and possible production 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; and
- the demand for oil and natural gas, both locally in Israel and globally.

More specifically, our forward-looking statements include, among others, statements relating to our schedule, business plan, targets, estimates or results of our applications for new exploration rights and future exploration plans, 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, 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 fact.

Such statements involve risks and uncertainties, including, but not limited to, those relating to the uncertainties inherent in 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 Securities and Exchange Commission (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 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

You should carefully consider the risks described below before making a decision to buy our securities. Investing in our securities involves a number of risks. If any of the following risks actually occurs, our business, financial condition and results of operations could be harmed. In that case, the trading price of our securities could decline and you might lose part or all of your investment. Before you decide to buy our securities, you should carefully consider the risk factors set forth below and those that may be included in any applicable prospectus supplement. Risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business operations.

Risks Related to our Business

Risks Associated with our Company

We are a 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 ultimate success of our petroleum exploration efforts in onshore Israel, none of which can be assured.

We were incorporated in April 2000, and we have incurred negative cash flows from our operations, and presently all exploration activities and overhead expenses are financed solely by way of the issue and sale of equity securities or debt instruments. The recoverability of the costs we have incurred to date is uncertain and is dependent upon achieving commercial production or sale, none of which can be assured. Our operations are subject to all of the risks inherent in exploration companies with no revenues or operating income. Our potential for success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with a new business, especially the oil and gas exploration business, and in particular the deep, wildcat exploratory wells in which we are engaged in Israel. We cannot warrant or provide any assurance that our business objectives will be accomplished.

Our ability to continue in business depends upon our continued ability to obtain the necessary financing from external sources to undertake further exploration and development activities and generate profitable operations from oil and natural gas interests in the future. We incurred net losses of $9,989,000 for the year ended December 31, 2017, $8,513,000 for the year ended December 31, 2016 and $7,306,000 for the year ended December 31, 2015. The audited financial statements have contained a statement by the auditors that raises substantial doubt about us being able to continue as a “going concern” unless we are able to raise additional capital.

We expect to incur substantial expenditures in our exploration and development programs. Our existing cash balances will not be sufficient to satisfy our exploration and development plans going forward. We are considering various alternatives to remedy any future shortfall in capital. We may deem it necessary to raise capital through equity markets, debt markets or other financing arrangements, including participation arrangements that may be available. Because of the current absence of any oil and natural gas reserves and revenues in our license areas, there can be no assurance that our capital will be available on commercially acceptable terms (or at all) and if it is not, we may be forced to substantially curtail or cease exploration expenditures which could lead to our inability to meet all of our commitments.

Our financial statements do not reflect the adjustments or reclassifications of assets and liabilities that would be necessary if we are unable to continue as a going concern.

The Company’s ongoing exploration and development efforts are subject to many contingencies outside of our control, and any considerable delay in obtaining all of the needed licenses, approvals and authorizations may severely impair our business.

After reaching total depth of 5,060 meters (approximately 16,600 feet) on the MJ#1 well on February 14, 2018, the Company plans to finalize its testing program, which it must submit for approval to Israel’s Energy Ministry for their final approval. While Zion does not expect objections to the testing procedure, there is no assurance that we will ultimately be granted such final permission to test.

For these reasons, although our testing program is currently planned to commence in the second quarter of 2018, we cannot provide full assurance that we will in fact be able to test our MJ#1 well in the desired or planned time-frame.

We require significant capital to realize our business plan.

Our ongoing work program is expensive. We believe that our current cash resources are sufficient to allow us to undertake testing and exploratory activities in our current license area through May 31, 2018. We estimate that, when we are not actively drilling a well, our monthly expenditure is approximately $500,000 per month. However, when we are drilling or testing, we estimate that there is an additional cost of approximately $2,500,000 per month. Additionally, the newly enacted onshore licensing and environmental and safety related regulations promulgated by the various energy related ministries in Israel during 2016-2017 are likely to render obtaining new explorations licenses increasingly expensive. For example, at the time of the award of any new exploration license, we will be required to submit performance bank guarantees in the form of a restricted Israel cash deposits for 10% of the cost of the planned drilling program as well as other amounts to cover potential environmental damages.

We have no commitments for any financing, and no assurance can be provided that we will be able to raise funds when needed. Further, we cannot assure you that our actual cash requirements will not exceed our estimates. Even if we were to discover hydrocarbons in commercial quantities, we will require additional financing to bring our interests into commercial operation and pay for operating expenses until we achieve a positive cash flow. Additional capital also may be required in the event we incur any significant unanticipated expenses.

Under the current capital and credit market conditions, we may not be able to obtain additional equity or debt financing on acceptable terms. Even if financing is available, it may not be available on terms that are favorable to us or in sufficient amounts to satisfy our requirements.

If we are unable to obtain additional financing, we may be unable to implement our business plan and our growth strategies, respond to changing business or economic conditions and withstand adverse operating results. If we are unable to raise further financing when required, our planned exploration activities may need to be scaled down or even ceased, and our ability to generate revenues in the future would be negatively affected.

Additional financing could cause your relative interest in our assets and potential earnings to be significantly diluted. Even if we have exploration success, we may not be able to generate sufficient revenues to offset the cost of dry holes and general and administrative expenses.

We rely on independent experts and technical or operational service providers over whom we may have limited control.

The success of our oil and gas exploration efforts is dependent upon the efforts of various third parties that we do not control. These third parties provide critical drilling, engineering, logging, pressure pumping, geological, geophysical and other scientific analytical services, including seismic imaging technology to explore for and develop oil and gas prospects. Given our small size and limited resources, we do not have all the required expertise on staff. As a result, we rely upon various companies and other third parties to assist us in identifying desirable hydrocarbon prospects to acquire and to provide us with technical assistance and services. In addition, we rely upon the owners and operators of drilling rigs and related equipment.

If any of these relationships with third-party service providers are terminated or are unavailable on commercially acceptable terms, we may not be able to execute our business plan. Our limited control over the activities and business practices of these third parties, any inability on our part to maintain satisfactory commercial relationships with them, their limited availability or their failure to provide quality services could materially and adversely affect our business, results of operations and financial condition.

We have historically commenced exploration drilling operations without 3-D seismic surveys, thereby potentially increasing the risk of drilling a non-producing or non-commercial well.

Larger oil and gas exploration companies may choose to conduct extensive analytical pre-drilling testing such as 3-D seismic imaging, the drilling of an expendable "pilot" well or "stratigraphic test" to collect data (logs, cores, fluid samples, pressure data) to determine if drilling a well capable of producing oil or gas (full completion with casing and well testing) is justified. The use of pilot or stratigraphic tests is often used in areas where there is little or no offset well data, like Israel, where our exploration license area is located. While 3-D seismic imaging data is more useful than 2-D data in identifying potential new drilling prospects, its acquisition and processing costs are many multiples greater than that for 2-D data, and the Geophysical Institute of Israel ("GII"), our primary provider of geophysical data, has limited ability to acquire and process onshore 3-D data in Israel. In addition to using 2-D seismic technology prior to drilling, we have historically also utilized gravity and magnetic data, built cross section maps from offset wells and utilized geophysical analysis from similar geologic targets. We believe that the additional months, delays and costs associated with more extensive pre-drilling testing typically undertaken by larger oil and gas exploration companies is not necessarily justified when drilling vertical or near-vertical exploration wells (as we have historically been doing). Nonetheless, the absence of more extensive pre-drilling testing may potentially increase the risk of drilling a non-producing well, which would in turn result in increased costs and expenses. Additionally, we are typically engaged in drilling deep onshore wildcat wells in Israel where only approximately 500 total wells have ever been drilled, the vast majority of which are relatively shallow. As such, exploration risks are inherently very substantial.

Exploratory well drilling locations that we decide to drill may not yield oil or natural gas in commercially viable quantities.

There is no way to predict in advance of drilling and testing whether any particular location will yield oil or natural gas in sufficient quantities to recover drilling or completion costs or to be economically viable. The use of technologies and the study of producing fields in the same area will not enable us to know conclusively prior to drilling whether oil, natural gas liquids (NGLs) or natural gas will be present or, if present, whether oil or natural gas will be present in sufficient quantities to be economically viable. Even if sufficient amounts of oil, NGLs or natural gas exist, we may inadvertently damage the potentially productive hydrocarbon bearing formation or experience mechanical difficulties while drilling or completing a well, resulting in a reduction in production from the well or abandonment of the well. If we drill exploratory wells that we identify as dry holes in our future drilling locations, our business may be materially harmed. We cannot assure you that the analogies we draw from available data from other wells, more fully explored locations or producing fields will be applicable to our drilling locations. Ultimately, the cost of drilling, completing and operating any well is often uncertain, and new wells may not be productive.

Deterioration of political, economic and security conditions in Israel may adversely affect our operations.

Any major hostilities involving Israel, a substantial decline in the prevailing regional security situation or the interruption or curtailment of trade between Israel and its present trading partners could have a material adverse effect on our operations. See the prior discussion on Political Climate.

Prolonged and/or widespread regional conflict in the Middle East could have the following results, among others:

- capital market reassessment of risk and subsequent redeployment of capital to more stable areas making it more difficult for us to obtain financing for potential development projects;

- security concerns in Israel, making it more difficult for our personnel or supplies to enter or exit the country;
- security concerns leading to evacuation of our personnel;
- damage to or destruction of our wells, production facilities, receiving terminals or other operating assets;
- inability of our service and equipment providers to deliver items necessary for us to conduct our operations in Israel, resulting in delays; and
- the lack of availability of drilling rig and experienced crew, oilfield equipment or services if third party providers decide to exit the region.

Loss of property and/or interruption of our business plans resulting from hostile acts could have a significant negative impact on our earnings and cash flow. In addition, we may not have enough insurance to cover any loss of property or other claims resulting from these risks.

We have a history of losses and we cannot assure you that we will ever be profitable.

We incurred net losses of $9,989,000 for the year ended December 31, 2017, $8,513,000 for the year ended December 31, 2016, and $7,306,000 for the year ended December 31, 2015. We cannot provide any assurance that we will ever be profitable.

Earnings, if any, will be diluted due to governmental royalty and charitable contributions.

We are legally bound to pay a government royalty of 12.5% of gross sales revenues. Additionally, we are legally required to pay 6% of gross sales revenue to two separate foundations (3% each to two separate foundations – see the separate section on foundations). As our expenses increase with respect to the amount of sales, these donations and allocation could significantly dilute future earnings and, thus, depress the price of the common stock.

Risks Associated with our Business

We are subject to increasing Israeli governmental regulations and environmental requirements that may cause us to incur substantial incremental costs and/or delays in our drilling program.

Our business is subject to laws and regulations promulgated by the State of Israel relating to the exploration for, and the development, production and marketing of, crude oil and natural gas, as well as safety matters. Legal requirements are frequently changed and subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. We may be required to make substantial expenditures to comply with governmental laws and regulations.

Environmental laws and regulations change frequently, and the implementation of new, or the modification of existing, laws or regulations could adversely impact our operations. The discharge of natural gas, crude oil, or other pollutants into the air, soil or water may give rise to substantial liabilities on our part to government agencies and third parties and may require us to incur substantial costs of remediation. In addition, we may incur costs and penalties in addressing regulatory agency procedures regarding possible non-compliance.

Our lack of diversification increases the risk of an investment in us, and our financial condition and results of operations may deteriorate if we fail to diversify.

Our business focus is on oil and gas exploration on a limited number of properties in Israel and exploitation of any significant reserves that are found within our license areas. As a result, we lack diversification, in terms of both the nature and geographic scope of our business. We will likely be impacted more acutely by factors affecting our industry or the regions in which we operate than we would if our business were more diversified. If we are unable to diversify our operations, our financial condition and results of operations could deteriorate.

We currently have no proved reserves or current production and we may never have any.

We do not have any proved reserves or current production of oil or gas. We cannot assure you that any wells will be completed or produce oil or gas in commercially profitable quantities.

Oil and gas exploration is an inherently risky business.

Exploratory drilling involves enormous risks, including the risk that no commercially productive oil or natural gas reservoirs will be discovered. Even when properly used and interpreted, seismic data analysis and other computer simulation techniques are only tools used to assist geoscientists in trying to identify subsurface structures and the presence of an active petroleum system. They do not allow the interpreter to know conclusively if hydrocarbons are present or economically available. The risk analysis techniques we use in evaluating potential drilling sites rely on subjective judgments of our personnel and consultants. Additionally, we are typically engaged in drilling deep onshore wildcat exploratory wells in Israel where only approximately 500 total wells have ever been drilled, the vast majority of which are relatively shallower. As such, exploration risks are inherently very substantial.

A substantial and extended decline in oil or natural gas prices could adversely impact our future rate of growth and the carrying value of our unproved oil and gas assets.

Prices for oil and natural gas fluctuate widely. Fluctuations in the prices of oil and natural gas will affect many aspects of our business, including our ability to attract capital to finance our operations, our cost of capital, and the value of our unproved oil and natural gas properties. Prices for oil and natural gas may fluctuate widely in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a wide variety of additional factors that are beyond our control, such as the domestic and foreign supply of oil and natural gas, technological advances affecting energy consumption, and domestic and foreign governmental regulations. Significant and extended reductions in oil and natural gas prices could require us to reduce our capital expenditures and impair the carrying value of our assets.

The price of oil has fallen precipitously since June 2014, when it was over $100 per barrel. During February 2016, the price of a barrel of oil dipped under $30 for the first time in 12 years but has increased since then to a level of approximately $60 per barrel.

While there is much analysis and speculation as to the cause of this fluctuation in the price and its predicted future course, there are many factors that contribute to the price of oil, none of which the Company controls. The oil price is also impacted by actual supply and demand, as well as by expectation. Demand for energy is closely related to economic activity, which is compounded by key advances and innovation in exploration techniques in recent years. Significant geopolitical events such as heightened conflict in the Middle East and large scale terrorist activities can also impact the price of oil tremendously.

If we are successful in finding commercial quantities of oil and/or gas, our revenues, operating results, financial condition and ability to borrow funds or obtain additional capital will depend substantially on prevailing prices for oil and natural gas. Declines in oil and gas prices may materially adversely affect our financial condition, liquidity, ability to obtain financing and operating results. Lower oil and gas prices also may reduce the amount of oil and gas that we could produce economically.

Historically, oil and gas prices and markets have been volatile, with prices fluctuating widely, and they are likely to continue to be volatile, making it impossible to predict with any certainty the future prices of oil and gas. The bottom line is that there are many and varied causes for the fluctuation in the price of oil and natural gas, and we have no control over these factors.

The insurance we carry is insufficient to cover all of the risks we face, which could result in significant financial exposure.

Exploration for and production of crude oil and natural gas can be hazardous, involving natural disasters and other unplanned events such as blowouts, well cratering, fire and explosion and loss of well control which can result in damage to or destruction of wells, injury to persons, loss of life, or damage to property and the environment. Exploration and production activities are also subject to risk from political developments such as terrorist acts, piracy, civil disturbances, war, expropriation or nationalization of assets, which can cause loss of or damage to our property.

As is customary within our industry, we maintain insurance against many, but not all, potential perils confronting our operations and in coverage amounts and deductible levels that we believe to be economic. Consistent with that profile, our insurance program is structured to provide us financial protection from unfavorable loss resulting from damages to or the loss of physical assets or loss of human life, liability claims of third parties, and exploratory drilling interruption attributed to certain assets and including such occurrences as well blowouts and resulting oil spills, at a level that balances cost of insurance with our assessment of risk and our ability to achieve a reasonable rate of return on our investments. Although we believe the coverage and amounts of insurance carried are adequate and consistent with industry practice, we do not have insurance protection against all the risks we face. Because we chose not to insure certain risks, insurance may not be available at a level that balances the cost of insurance and our desired rates of return, or actual losses exceed coverage limits. We regularly review our risks of loss and the cost and availability of insurance and revise our insurance program accordingly.

If an event occurs that is not covered by insurance or not fully protected by insured limits, it could have a significant adverse impact on our financial condition, results of operations and cash flows.

We face various risks associated with the trend toward increased activism against oil and gas exploration and development activities.

Opposition toward oil and gas drilling and development activity has been growing globally and is particularly pronounced in Organization for Economic Co-operation and Development (“OECD”) countries which include the U.S., the U.K and Israel. Companies in the oil and gas industry, such as us, are often the target of activist efforts from both individuals and non-governmental organizations regarding environmental compliance and business practices, potential damage to fresh water sources, and safety, among other topics. Future activist efforts could result in the following:

- delay or denial of drilling permits;
- shortening of lease terms or reduction in lease size;
- restrictions on installation or operation of gathering or processing facilities;
- restrictions on the use of certain operating practices, such as hydraulic fracturing;
- legal challenges or lawsuits;

- damaging publicity about us;
- increased costs of doing business;
- reduction in demand for our products; and
- other adverse effects on our ability to develop our properties and expand production.

Our need to incur costs associated with responding to these initiatives or complying with any resulting new legal or regulatory requirements resulting from these activities that are substantial and not adequately provided for, could have a material adverse effect on our business, financial condition and results of operations.

Economic risks may adversely affect our operations and/or inhibit our ability to raise additional capital.

Economically, our operations in Israel may be subject to:

- exchange rate fluctuations;
- royalty and tax increases and other risks arising out of Israeli State sovereignty over the mineral rights in Israel and its taxing authority; and
- changes in Israel's economy that could lead to oil and gas price controls.

Consequently, our operations may be substantially affected by local economic factors beyond our control, any of which could negatively affect our financial performance and prospects.

Legal risks could negatively affect our market value.

Legally, our operations in Israel may be subject to:

- changes in the Petroleum Law resulting in modification of license and permit rights;
- adoption of new legislation relating to the terms and conditions pursuant to which operations in the energy sector may be conducted;
- changes in laws and policies affecting operations of foreign-based companies in Israel; and
- changes in governmental energy and environmental policies or the personnel administering them.

The Israeli Energy Ministry has now enacted regulations relating to licensing requirements for entities engaged in the fuel sector that would result in our having to obtain additional licenses to market and sell hydrocarbons that we may discover.

Further, in the event of a legal dispute in Israel, we may be subject to the exclusive jurisdiction of Israeli courts or we may not be successful in subjecting persons who are not United States residents to the jurisdiction of courts in the United States, either of which could adversely affect the outcome of a dispute.

There are limitations on the transfer of interests in our petroleum rights, which could impair our ability to raise additional funds to execute our business plan.

The Israeli government has the right to approve any transfer of rights and interests in any license or other petroleum right we hold or may be granted and any mortgage of any license or other petroleum rights to borrow money. If we attempt to raise additional funds through borrowings or joint ventures with other companies and are unable to obtain required approvals from the government, the value of your investment could be significantly diluted or even lost.

Our dependence on the limited contractors, equipment and professional services available in Israel may result in increased costs and possibly material delays in our work schedule.

Due to the lack of competitive resources in Israel, costs for our operations may be more expensive than costs for similar operations in other parts of the world. We are also more likely to incur delays in our drilling schedule and be subject to a greater risk of failure in meeting our required work schedule. Similarly, some of the oil field personnel we need to undertake our planned operations are not necessarily available in Israel or available on short notice for work in Israel. Any or all of the factors specified above may result in increased costs and delays in the work schedule.

Our dependence on Israeli local licenses and permits as well as new regulations calling for enhanced bank guarantees and insurance coverage may require more funds than we have budgeted and may cause delays in our work schedule.

In connection with drilling operations, we are subject to a number of Israeli local licenses and permits. Some of these are issued by the Israeli security forces, the Civil Aviation Authority, the Israeli Water Commission, the Israel Lands Authority, the holders of the surface rights in the lands on which we intend to conduct drilling operations, local and regional planning commissions and environmental authorities.

In the event of a commercial discovery and depending on the nature of the discovery and the production and related distribution equipment necessary to produce and sell the discovered hydrocarbons, we will be subject to additional licenses and permits, including from various departments in the Energy Ministry, regional and local planning commissions, the environmental authorities and the Israel Lands Authority. If we are unable to obtain some or all of these permits or the time required to obtain them is longer than anticipated, we may have to alter or delay our planned work schedule, which would increase our costs.

If we are successful in finding commercial quantities of oil and/or gas, our operations will be subject to laws and regulations relating to the generation, storage, handling, emission, transportation and discharge of materials into the environment, which can adversely affect the cost, manner or feasibility of our doing business. Many Israeli laws and regulations require permits for the operation of various facilities, and these permits are subject to revocation, modification and renewal. Governmental authorities have the power to enforce compliance with their regulations, and violations could subject us to fines, injunctions or both.

If compliance with environmental regulations is more expensive than anticipated, it could adversely impact the profitability of our business.

Risks of substantial costs and liabilities related to environmental compliance issues are inherent in oil and gas operations. It is possible that other developments, such as stricter environmental laws and regulations, and claims for damages to property or persons resulting from oil and gas exploration and production, would result in substantial costs and liabilities. This could also cause our insurance premiums to be significantly greater than anticipated.

The unavailability or high cost of drilling rigs, equipment, supplies, other oil field services and personnel could adversely affect our ability to execute our exploration and development plans on a timely basis and within our budget.

Our industry is cyclical and, from time to time, there is a shortage of drilling rigs, equipment, supplies and oilfield services. There may also be a shortage of trained and experienced personnel. During these periods, the costs of such items are substantially greater and their availability may be limited, particularly in locations that typically have limited availability of equipment and personnel, such as the Eastern Mediterranean, where our operations are located. As a result, drilling rigs and oilfield services may not be available at rates that provide a satisfactory return on our investment.

Additionally, the oil and gas sector has been going through difficult financial times due to the persistently low oil and natural gas prices. This has led to drilling services company reorganizations and even bankruptcies, which could impact our ability to obtain drilling equipment, crews, and services from the affected companies. All of these contingencies, over which we have little or no control, can potentially disrupt our budgets and planned time frames.

Risks Related to our Common Stock

We will issue additional common stock in the future, which would dilute the ownership interests of our existing stockholders.

In the future, we anticipate issuing additional securities in connection with capital raising efforts, including shares of our common stock or securities convertible into or exchangeable for our common stock, resulting in the dilution of the ownership interests of our stockholders. We are authorized under our amended and restated certificate of incorporation to issue 200,000,000 shares of common stock. As of March 12, 2018, there were approximately 57,120,812 shares of our common stock issued and outstanding.

We have an effective shelf registration statement on Form S-3/A (File No. 333-216191) from which additional shares of our common stock and other securities can be issued. In addition, we may also issue additional shares of our common stock or securities convertible into or exchangeable for our common stock in connection with the hiring of personnel, future acquisitions, future private placements of our securities for capital raising purposes or for other business purposes. Future issuances of our common stock, or the perception that such issuances could occur, could have a material adverse effect on the price of our common stock. The former registration statement was declared effective by the SEC on March 27, 2014 and therefore, was effective until March 26, 2017 plus 180 days thereafter.

On February 23, 2017, the Company filed with the SEC a replacement shelf registration statement on Form S-3 (File No. 333-216191) to become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the SEC, acting pursuant to said Section 8(a), may determine. From time to time, the Company may offer up to $102,350,000 of any combination of the securities described in this prospectus, in the form of common stock, debt securities, warrants, and/or units.

When we offer a particular series of securities, we will describe the intended use of the net proceeds from that offering in a prospectus supplement. The actual amount of net proceeds we spend on a particular use will depend on many factors, including, our future capital expenditures, the amount of cash required by our operations, and our future revenue growth, if any. Therefore, we will retain broad discretion in the use of the net proceeds.

Because the likelihood of paying cash dividends on our common stock is remote at this time, stockholders must look solely to appreciation of our common stock to realize a gain on their investments.

We do not know when or if we will pay dividends. We currently intend to retain future earnings, if any, to finance the expansion of our business. Our future dividend policy is within the discretion of our board of directors and will depend upon various factors, including our business, financial condition, results of operations, capital requirements and investment opportunities. Accordingly, stockholders must look solely to appreciation of our common stock to realize a gain on their investment. This appreciation may not occur.

Our stock price and trading volume may be volatile, which could result in losses for our stockholders.

The public market for our common stock has been characterized by significant price and volume fluctuations. There can be no assurance that the market price of our common stock will not decline below its current or historic price ranges. The market price may bear no relationship to the prospects, stage of development, existence of oil and gas reserves, revenues, earnings, assets or potential of our company and may not be indicative of our future business performance. The trading price of our common stock could be subject to wide fluctuations. Fluctuations in the price of oil and gas and related international political events can be expected to affect the price of our common stock. In addition, the stock market in general has experienced extreme price and volume fluctuations that have affected the market price for many companies, sometimes unrelated to the operating performance of these companies. These market fluctuations, as well as general economic, political and market conditions, may have a material adverse effect on the market price of our common stock.

Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

- actual or anticipated quarterly variations in our operating results,
- changes in expectations as to our future financial performance or changes in financial estimates, if any,
- announcements relating to our business or the business of our competitors,
- conditions generally affecting the oil and natural gas industry,
- the success of our operating strategy, and
- the operating and stock performance of other comparable companies.

Many of these factors are beyond our control, and we cannot predict their potential effect on the price of our common stock.

Risks Associated with our Company

Risks Related to this Rights Offering and our Stock

Your interest in our company may be diluted as a result of this rights offering.

Shareholders who do not fully exercise their subscription rights for the Rights should expect that they will, at the completion of this offering, own a smaller proportional interest in our company than would otherwise be the case had they fully exercised their subscription rights.

Completion of this rights offering is not subject to us raising a minimum offering amount.

Completion of this offering is not subject to us raising a minimum offering amount and therefore proceeds may be insufficient to meet our objectives, thereby increasing the risk to investors in this offering, including investing in a company that continues to require capital.

This rights offering may cause the trading price of our Common Stock to decrease.

The per Right subscription price, together with the number of shares of Common Stock we propose to issue and ultimately will issue if the subscription rights for all of the Rights under this rights offering are exercised, may result in an immediate decrease in the market value of our Common Stock. We cannot predict the effect, if any, that the availability of shares for future sale, represented by the shares of Common Stock included in the Rights issued in connection with the rights offering, will have on the market price of our Common Stock from time to time.

Future sales of our Common Stock may adversely affect the prevailing market price for our Common Stock.

We are authorized to issue up to 200,000,000 shares of Common Stock, of which there were approximately 57,120,812 shares outstanding as of March 12, 2018. An additional 10,336,196 shares of Common Stock have been reserved for issuance upon the exercise of outstanding warrants and options previously issued. The issuance of additional shares of our Common Stock in connection with the above would dilute the interest in our company represented by each share of Common Stock.

Our stock price and trading volume may be volatile, which could result in losses for our stockholders.

The equity trading markets have recently experienced high volatility resulting in highly variable and unpredictable pricing of equity securities. If the turmoil in the equity trading markets continues, the market for our common stock could change in ways that may or may not be related to our business, our industry or our operating performance and financial condition. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

* actual or anticipated quarterly variations in our operating results, including further impairment to unproved oil and gas properties
* changes in expectations as to our future financial performance or changes in financial estimates, if any,
* announcements relating to our business,
* conditions generally affecting the oil and natural gas industry,
* the success of our operating strategy, and
* the operating and stock performance of other comparable companies.

Many of these factors are beyond our control, and we cannot predict their potential effects on the price of our Common Stock. During this 2018 year, our stock price has fluctuated from a closing price low of $2.11 to a closing price high of $5.64 on March 21, 2018. High volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to their operating performance and could have the same effect on our common stock.

You should not consider the subscription prices of our Rights as an indication of the value of our company or our Common Stock.

Our Board of Directors set all of the terms and conditions of the rights offering, including the per Right subscription price. The $5.00 per Right subscription price was based on several factors, including the book value of our common stock (which includes the value of our unproved oil and gas properties), the amount of proceeds desired, our need for equity capital, the need to provide an incentive to our current shareholders to exercise rights in the rights offering, the historic and current market price of our common stock, the historic volatility of the market price of our common stock, our business prospects and alternatives available to us for raising equity capital. The subscription price of $5.00 per Right 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 subscription price as an indication of the value of our company or our common stock.

You will not be able to revoke the exercise of your subscription rights.

Once you exercise your subscription rights, you may not revoke the exercise. Therefore, even if circumstances arise after you have subscribed in the offering that cause you to change your mind about investing in the Rights offered in this rights offering or the underlying Common Stock, or if the offering is extended, you will nonetheless be legally bound to proceed with your investment.

You must act promptly and follow instructions carefully if you want to exercise your rights.

Eligible participants and, if applicable, brokers acting on their behalf, who desire to purchase Rights in the rights offering must act promptly to ensure that all required subscription agreements and payments are actually received by us with respect to the rights before the expiration of the subscription period at 5:00 p.m., Eastern Standard Time, on May 31, 2018. The time period to exercise rights is limited. If you or your broker fail to complete and sign the required rights subscription agreement, send an incorrect payment amount, or otherwise fail to follow the procedures that apply to the exercise of your rights, we may, depending on the circumstances, reject your exercise of rights or accept it to the extent of the payment received, in which event, your current investment in our company would be diluted. We cannot undertake to contact you concerning, or attempt to correct, an incomplete or incorrect rights subscription agreement or payment or contact you concerning whether a broker holds rights on your behalf. We have the sole discretion to determine whether an exercise properly follows the applicable procedures.

The receipt of subscription rights may be treated as a taxable distribution to you.

The distribution of the subscription rights in this rights offering should be a non-taxable distribution under Section 305(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Please see the discussion on the "Federal Income Tax Considerations" below. This position is not binding on the IRS, or the courts, however. If this rights offering is deemed to be part of a "disproportionate distribution" under Section 305 of the Code, your receipt of subscription rights in this offering may be treated as the receipt of a taxable distribution to you equal to the fair market value of the subscription rights. Any such distribution would be treated as dividend income to the extent of our current and accumulated earnings and profits, if any, with any excess being treated as a return of capital to the extent thereof and then as capital gain. Each holder of Common Stock is urged to consult his, her or its own tax advisor with respect to the particular tax consequences of this rights offering.

Cash dividends may not be paid to shareholders for the foreseeable future.

You may receive little or no cash dividends on your shares of Common Stock. The Board of Directors has not directed the payment of any dividend, does not anticipate paying cash dividends on the shares for the foreseeable future and intends to retain any future earnings to the extent necessary to develop and expand our business. Payment of cash dividends, if any, will depend, among other factors, on our earnings, capital requirements, and the general operating and financial condition, and will be subject to legal limitations on the payment of dividends out of paid-in capital. However, the Board hopes to eventually be able to pay out stock dividends, depending upon our future earnings, and prior to cash dividends to all shareholders.

USE OF PROCEEDS

Assuming that subscription rights for all of the Rights offered in this offering are exercised, we estimate that we would receive net proceeds of approximately $28,350,000 in this rights offering, after deducting estimated expenses of the rights offering of approximately $250,000.

Our work program calls for the use the net proceeds from sale of the Rights under this offering for (i) production testing and production of wells on the Megiddo-Jezreel License area, (ii) further exploration, facilities and midstream construction, (iii) carrying out geological and geophysical studies furthering our oil and gas exploration program in the License area and (iv) general corporate purposes.

The proceeds from the exercise of the subscription rights for the Rights in this rights offering (assuming all of the subscription rights are exercised) will enable us to undertake both production testing and production activities and non-drilling activities, as detailed below.

The following table sets forth the planned use of the proceeds from the exercise of the subscription rights for the Rights offered in this rights offering (assuming subscription rights for all Rights being offered are exercised):

		US$ thousands		%
Total Proceeds	**$**	**28,600**	*	**100%**
Less: Estimated Offering Expenses	$	250		0.875%
Net Proceeds from Offering	**$**	**28,350**		99.125%
Use of Net Proceeds:				
Operations on the Megiddo-Jezreel License area (including further exploration, facilities and midstream construction)	$	15,350		53.67%
Production testing and production of wells on the Megiddo-Jezreel License area	$	4,000		13.99%
Additional geological and geophysical studies on exploration areas	$	3,000		10.49%
Reserve for Operations, G&A Expenses and Working Capital	$	6,000		20.97%
Total Use of Net Proceeds	$	28,350		100.00%

The foregoing reflects only estimates of the use of the proceeds from the exercise of the subscription rights for the Rights. Actual expenditures may vary materially from these estimates.

CAPITALIZATION

The following table sets forth a summary of our capitalization on an historical basis as of December 31, 2017. For the purpose of this table, we have assumed that all of the rights are exercised in the rights offering. However, there can be no assurance that the rights will be exercised. 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, 2017)		
	Actual ($) (thousands)	**As Adjusted (1) ($) (thousands)**	**With Additional Shares (2) ($) (thousands)**
Stockholders' equity:			
Common stock - par value $0.01 per share	$ 559	$ 616	$ 673
Additional paid in capital	$ 184,485	$ 213,600	$ 230,245
Deficit accumulated in development stage	$ (160,604)	$ (160,604)	$ (160,604)
Total stockholders' equity and capitalization	$ 24,440	$ 53,612	$ 70,314

(1) Assumes that all subscriptions rights for all Rights will be exercised in the offering.
(2) Assumes that all of the Warrants included in the Rights are exercised.

For the purpose of this table, we have assumed that all of the subscription rights to purchase the Rights ARE exercised in the new rights offering and that subsequently all of the Warrants ARE exercised at the Warrant exercise price of $3.00 per share. However, there can be no assurance that all of the Rights will be exercised or that subsequently all of the Warrants are exercised. You should read this information in conjunction with our financial statements and the notes thereto, which are incorporated by reference into this prospectus.

DETERMINATION OF OFFERING PRICE

The subscription price for the rights offering was set by our board of directors. In determining the subscription price, our board of directors considered a number of factors, including: our business prospects; the need to offer shares at a price that would be attractive to our investors; general conditions in the securities market; the likely cost of capital from other sources. The subscription 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 subscription 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 subscription price as an indication of the value of Zion Oil & Gas or our common stock.

The market price of our common stock is subject to change as a result of market conditions and other factors, and no assurance can be given that the market price of a share of our stock will not decline such that the price of the rights offering is at a price that is higher than both the prevailing market price of the shares of our common stock and the exercise price of the Warrants included in the Rights. See "RISK FACTORS" beginning on page S-12 of this Prospectus.

DILUTION

As of December 31, 2017, our net tangible book value was $24,440,000, or $0.44 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, 2017.

Assuming that subscription rights for all of the Rights are exercised (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 5,720,000 shares of our common stock included in the Rights and after deducting offering expenses (estimated), $250,000, our net tangible book value would increase to approximately $52,790,000 and the tangible net book value per share would increase to $0.94. These figures do not account for any Warrant exercises, if any, which may occur. This represents an immediate increase in net tangible book value of $0.47 per share to current shareholders, and immediate dilution of $ 4.09 per share on new shares purchased in the Rights or 81.8%. "Dilution" is determined by subtracting net tangible book value per share after the offering from the subscription price paid by investors purchasing the Rights. The following table illustrates this per share dilution to purchasers in this rights offering, as illustrated in the following table:

Assumed public offering price per share of common stock			$	5
Net tangible book value per share before this Offering	$	0.44		
Increase per share attributable to new shares	$	0.47		
Adjusted net tangible book value per share after this Offering			$	0.91
Dilution per share for new shares			$	4.09
Percentage dilution				81.8%

Assuming that subscription rights for all of the Rights are exercised and that all Warrants included in such Rights are exercised (even though we do not anticipate that either such event will occur), dilution would be calculated as follows. After giving effect to the issuance of an additional 5,720,000 shares of our Common Stock upon exercise of the Warrants, our net tangible book value would increase to approximately $69,950,000 and the tangible net book value per share would increase to $1.25. This represents an immediate increase in net tangible book value of $0.34 per share to current shareholders from previous dilution example, and immediate dilution of $1.75 per share on new shares purchased or 58.3%. "Dilution" is determined by subtracting net tangible book value per share after the Warrant exercises from the Warrant exercise price of $3.00 then paid by investors upon exercise of the Warrants. The following table illustrates this per share dilution to purchasers of Rights following the exercise of the Warrants, as illustrated in the following table:

Assumed warrant strike price per share of common stock			$	3.00
Net tangible book value per share after this Offering but before warrant exercise	$	0.91		
Increase per share attributable to new shares	$	0.34		
Adjusted net tangible book value per share after this Offering			$	1.25
Dilution per share for new shares			$	1.75
Percentage dilution				58.3%

THE RIGHTS OFFERING

Before exercising any subscription rights, you should read carefully the information set forth under "Risk Factors" beginning on page S-12.

Terms of the Offer

We are distributing, at no charge to the holders of our common stock as of March 12, 2018, non-transferable subscription rights to subscribe for Rights of our securities. Each Right consists of one (1) share of our Common Stock and one (1) Common Stock Purchase Warrant to purchase an additional one (1) share of Common Stock. Each Right may be purchased at a per Right subscription price of $5.00. Each Warrant affords the investor the opportunity to purchase one share of our Common Stock at a warrant exercise price of $3.00.

For example, if you own 100 shares of Zion common stock, you will be entitled to 10 Rights under this rights offering. This gives you the right to buy (up to) 10 Rights for $50.00 ($5.00 per Right), which would be comprised of 10 shares of Common Stock (10 Rights x 1 share) and 10 Common Stock Purchase Warrants.

The subscription rights will expire, if they are not exercised by 5:00 p.m., Eastern Standard Time, on May 31, 2018, which date we refer to as the expiration date. We may extend the expiration date in our sole discretion, on one or more occasions.

To exercise subscription rights, holders must return the properly completed subscription rights certificate and any other required documents along with full payment of the subscription price for all Rights for which subscriptions are exercised by the expiration date. Any subscription rights not exercised by the expiration date will expire worthless without any payment to the holders of those unexercised subscription rights.

There is no minimum subscription amount required for consummation of this rights offering. We may cancel this rights offering at any time prior to the expiration date for any reason. In the event that we cancel the rights offering, all subscription payments received by the subscription agent will be returned, without interest or deduction, as soon as practicable.

Our Common Stock is quoted on the NASDAQ Global Market under the symbol "ZN." The shares of Common Stock included in the Rights will also be listed as additional shares on the NASDAQ Global Market under the "ZN" symbol. The subscription rights are non-transferable during and after the subscription period.

The Subscription Rights

Basic Subscription Rights

We are distributing to you, at no cost, non-transferable subscription rights to purchase Rights of our securities as a holder of record of shares of our Common Stock on March 12, 2018. We are distributing to you 0.10 (one tenth) of a subscription right (i.e., **ONE** subscription right for each **TEN** shares) for each share of Common Stock that you owned as a holder of record on March 12, 2018. Each whole subscription right entitles you to purchase one Right at a per Right subscription price of $5.00. Each Right is comprised of one (1) share of our Common Stock and one (1) Common Stock Purchase Warrant.

You will not receive fractional subscription rights during the rights offering, but instead we will round your total number of subscription rights down to the next lowest whole number.

If you wish to exercise your subscription rights, you must do so before the close of business on May 31, 2018 or such later date as we may extend the offering to in our sole discretion. After that date, the subscription rights will expire and will no longer be exercisable. You will receive certificates representing the shares of Common Stock that you purchase pursuant to your subscription rights as soon as practicable after the expiration date of the rights offering. We will not be issuing any certificate or instrument evidencing the Rights being subscribed for upon exercise of your subscription rights. Upon issuance, the shares of Common Stock included in each Right subscribed for are detachable and separately tradable.

Over-Subscription Rights

Subject to the allocation described below, each subscription right also grants the holder an over-subscription right to purchase additional Rights that were not purchased by other rights holders pursuant to their basic subscription rights. You are entitled to exercise your over-subscription right only if you exercise your basic subscription right in full.

If you wish to exercise your over-subscription right, you should indicate the number of additional Rights that you would like to purchase in the space provided on your rights subscription agreement. When you send in your rights subscription agreement, you must also send the full purchase price for the number of additional Rights that you have requested to purchase (in addition to the payment due for Rights purchased through your basic subscription right). If the number of Rights remaining after the exercise of all basic subscription rights is not sufficient to satisfy all requests for Rights pursuant to over-subscription rights, then the available Rights will be prorated among those who properly exercised oversubscription rights based on the number of Rights each rights holder subscribed for under the basic subscription right. However, if your pro-rata allocation exceeds the number of Rights you requested on your rights subscription agreement then you will receive only the number of Rights that you requested, and the remaining Rights from your pro-rata allocation will be divided among other rights holders exercising their over-subscription rights.

As soon as practicable after the expiration date of the rights offering, we will determine the number of Rights that you may purchase pursuant to the over-subscription right. You will receive certificates representing these securities as soon as practicable after the expiration date and after all allocations and adjustments have been effected. If you request and pay for more Rights than are allocated to you, we will refund the overpayment, without interest. In connection with the exercise of the over-subscription right, banks, brokers and other nominee holders of subscription rights who act on behalf of beneficial owners will be required to certify to us as to the aggregate number of subscription rights exercised, and the number of Rights requested through the over-subscription right, by each beneficial owner on whose behalf the nominee holder is acting. If you hold your shares through a brokerage account, you should note that most brokerages permit the beneficial owner to exercise their rights on one occasion only. Accordingly, if you plan to exercise your over-subscription right, you should do so at the time that you submit your subscription to your broker.

Subscription Price Per Right

The subscription price under the subscription rights is $5.00 per Right subscribed. The subscription price does not necessarily bear any relationship to our past or expected future results of operations, cash flows, current financial condition, or any other established criteria for value. No change will be made to the cash subscription price by reason of changes in the trading price of our common stock or other factors prior to the closing of this offering.

Determination of Subscription Price for the Rights

Our Board of Directors set all of the terms and conditions of this offering, including the subscription price per Right. Our Board determined that the subscription price should be designed to provide an incentive to our current shareholders to exercise their rights in the rights offering. In establishing the subscription price, our board of directors considered the book value of our common stock and various other factors, including 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, general conditions in the oil and gas industry, alternatives available to us for raising equity capital, the pricing of similar transactions and the liquidity of our common stock. We did not seek or obtain any opinion of financial advisors or investment bankers in establishing the subscription price for the offering. You should not consider the subscription price as an indication of the value of our company or our common stock.

Expiration Date

The rights will expire at 5:00 p.m., Eastern Standard Time, on May 31, 2018, unless we decide, in our sole discretion, to extend the rights offering. If the commencement of the rights offering is delayed, the expiration date may be similarly extended. If you do not exercise your subscription rights prior to specified expiration date, whether it be the initial expiration date or a subsequently extended date, your subscription rights will be null and void. We will not be required to issue shares of Common Stock to you if we receive your subscription agreement or your payment after the specified expiration date, regardless of when you sent the subscription agreement and payment, unless you send the documents in compliance with the guaranteed delivery procedures described below. Payments sent by bank wire or bank transfer by the expiration of the rights offering will be effective as long as the funds are received and cleared within normal banking days of our accounts.

Extensions, Cancellation and Termination

Expiration and Extensions. You may exercise your subscription rights at any time before 5:00 p.m., Eastern Standard Time, on May 31, 2018, the expiration date of the rights offering, unless extended. We may extend the expiration date for exercising your subscription rights in our sole discretion. Any extension of this offering will be followed as promptly as practicable by an announcement, and in no event later than 9:00 a.m., Eastern Standard Time, on the next business day following the previously scheduled expiration date.

Any subscription rights not exercised at or before the expiration date will have no value and expire without any payment to the holders of those unexercised subscription rights. We will not be obligated to honor your exercise of subscription rights if the subscription agent receives the documents relating to your exercise after the rights offering expires, regardless of when you transmitted the documents.

Termination; Cancellation. We may cancel or terminate the rights offering at any time prior to the expiration date. Any cancellation or termination of this offering will be followed as promptly as practicable by an announcement of the cancellation or termination and any money received form subscribing rights holders will be returned as soon as practicable, without interest or deduction.

Non-Transferability of Subscription Rights

Except in the limited circumstances described below, only you may exercise your subscription rights. You may not sell, give away or otherwise transfer your subscription rights.

Notwithstanding the foregoing, you may transfer your rights to an existing 401(k), IRA or other similar investment plan (subject to all of the rules, regulations and restrictions of such plan) established for your benefit, or that plan may transfer such rights to you, provided that, in each case, such transfer is otherwise in compliance with all applicable federal and state securities laws. Your rights also may be transferred to any of your affiliates or by operation of law. For example, a transfer of rights to the estate of the recipient upon the death of the recipient would be permitted. As used in this paragraph, an affiliate means any person (including a 401(k), IRA or other similar investment plan subject to all the applicable rules, regulations and restrictions of such plan, a partnership, corporation or other legal entity such as a trust or estate) which controls, is controlled by or is under common control with you. If your rights are transferred as permitted, evidence satisfactory to us that the transfer was proper must be received by us prior to the expiration date of this offering.

Exercise of Subscription Rights

You may exercise your subscription rights by delivering to us on or prior to the expiration date:

- A properly completed and duly executed subscription agreement;
- Any required signature guarantees or other supplemental documentation; and
- Payment in full of $5.00 per Right to be purchased pursuant to the basic subscription rights and the over-subscription right.

You should deliver your subscription agreement and payment to us at the address shown under the heading "Subscription Agent." We will not pay you interest on funds delivered for the exercise of rights.

You bear all risk for the method of delivery of rights subscription agreements, any necessary accompanying documents and payment of the subscription price. If you send the rights subscription agreement and other items by mail, we recommend that you send them by registered mail, properly insured, with return receipt requested. You should allow a sufficient number of days to ensure delivery and clearance of cash payment prior to the expiration time.

We reserve the right to reject any exercise of subscription rights if the exercise does not fully comply with the terms of the rights offering or is not in proper form or if the exercise of rights would be unlawful.

Method of Payment

Payment for the Rights must be made by check or bank draft (cashier's check) drawn upon a U.S. bank payable to "American Stock Transfer & Trust Company, LLC", or by wire (bank) transfer of immediately available funds to an account maintained by us. Any wire transfer of funds should clearly indicate the identity of the subscriber who is paying the subscription price by the wire transfer. Payment will be deemed to have been received only upon:

- receipt and clearance of any uncertified check;
- receipt by American Stock Transfer & Trust Company, LLC of any certified check or bank draft drawn upon a U.S. bank, or any funds transferred by wire transfers or bank transfers;
- payments sent by bank wire or bank transfer by the expiration of the rights offering will be effective as long as the funds are received and cleared within normal banking days of our accounts; or
- receipt of good funds in an account maintained by us, designated above.

Please note that funds paid by uncertified personal check may take at least five business days to clear. Accordingly, if you wish to pay by means of an uncertified personal check, we urge you to make payment sufficiently in advance of the expiration date to ensure that we receive cleared funds before that date. We also urge you to consider payment by means of a certified or cashier's check.

Signature Guarantees

Signatures on the subscription agreement do not need to be guaranteed, if either the subscription agreement provides that the shares of Common Stock included in the Rights to be purchased are to be delivered directly to the record owner of such subscription rights, or the subscription agreement is submitted for the account of a member firm of a registered national securities exchange or a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the Righted States. Signatures on all other subscription certificates must be guaranteed by an Eligible Guarantor Institution, as defined in Rule 17Ad-15 of the Securities Exchange Act of 1934, as amended, subject to the standards and procedures adopted by the Zion. Eligible Guarantor Institutions include banks, brokers, dealers, credit unions, and national securities exchanges and savings associations.

Rights of Subscribers

Your exercise of rights in this rights offering will give you no additional rights as a shareholder until the shares you have agreed to purchase in the rights offering are deemed issued to you.

No Revocation of Exercised Rights

Once you send in your subscription agreement and payment, you cannot revoke the exercise of your subscription rights, even if the subscription period has not yet ended, we extend the subscription period, you later learn information about us that you consider to be unfavorable or the market price of our common stock declines significantly. You should not exercise your subscription rights, unless you are certain that you wish to purchase Rights in this rights offering at a price of $5.00 per Right.

Issuance of Common Stock

We will issue the shares of our Common Stock included in the Rights which are purchased in the rights offering as soon as practicable following the expiration date of the rights offering. The shares of Common Stock will be issued to those subscribers who have timely and properly completed subscription agreements, along with payment of the subscription price, for each Right subscribed for. Each subscribing holder's new shares of Common Stock will be issued in the same form, certificated or book-entry, as the rights exercised by that holder. Upon issuance, the shares of Common Stock included in each Right subscribed for are detachable and separately tradable.

Your payment of the aggregate subscription price for our Rights will be deposited into accounts maintained by us. We will not pay you any interest on funds paid for your rights exercise, regardless of whether the funds are applied to the subscription price or returned to you. You will have no rights as a shareholder of our company with respect to the subscribed for Rights until the certificates representing the shares of Common Stock included in the subscribed for Rights are issued to you or such securities are deposited in the book-entry account held on your behalf by our transfer agent, American Stock Transfer & Trust Company, LLC. Certificates representing your securities or book-entries will be made as practically as practicable after the expiration of the rights offering. Upon our issuance of the Common Stock certificates or the deposit of such securities in the applicable book-entry account, you will be deemed the owner of the securities you purchased by exercise of your rights. Unless otherwise instructed in the rights subscription agreement, the securities issued to you pursuant to your subscription will be registered in your name or the name of your nominee, if applicable. You will not receive fractional subscription rights during the rights offering, but instead we will round your total number of subscription rights down to the next lowest whole number.

Shares Held for Others

If you are a broker, a trustee or a depository for securities, or you otherwise hold shares of Common Stock for the account of others as a nominee holder, you should promptly notify the beneficial owner of such shares as soon as possible to obtain instructions with respect to their subscription rights, as set forth in the instructions we have provided to you for your distribution to beneficial owners. If the beneficial owner so instructs, you should complete the appropriate subscription agreement and the related nominee holder certification and submit them to us with the proper payment.

If you are a beneficial owner of Common Stock held by a nominee holder, such as a broker, trustee or a depository for securities, we will ask your broker, dealer or other nominee to notify you of this rights offering. If you wish to purchase Rights through this rights offering, you should contact the holder and ask him or her to effect transactions in accordance with your instructions on a form provided by your nominee holder with the other rights offering materials. If you hold your shares through a brokerage account, you should note that most brokerages permit the beneficial owner to exercise their rights on one occasion only. Accordingly, if you plan to exercise your over-subscription right, you should make sure to do so at the time that you submit your subscription to your broker.

Ambiguities in Exercise of Subscription Rights

If you do not specify the number of Rights being subscribed for on your subscription certificate, or if your payment is not sufficient to pay the total purchase price for all of the Rights you indicated you wished to purchase, you will be deemed to have subscribed for the maximum number of Rights that could be subscribed for with the payment that we receive from you. If the aggregate subscription price paid by you exceeds the amount necessary to purchase the number of Rights for which you have indicated an intention to subscribe, then you will be deemed to have exercised the over-subscription rights to the full extent of the excess payment tendered, to purchase, to the extent available, that number of Rights equal to the quotient obtained by dividing the excess payment tendered by the subscription price. Any remaining amount shall be returned to you by mail, without interest or deduction, as soon as practicable after the expiration date and after all proration and adjustments contemplated by the terms of the rights offering have been effected.

Regulatory Limitation

We are not making the rights offering in any state or other jurisdiction in which it is unlawful to do so. We will not sell or accept an offer to purchase Rights from you if you are a resident of any state or other jurisdiction in which the sale or offer of the rights would be unlawful. We may delay the commencement of the rights offering in certain states or other jurisdictions in order to comply with the laws of those states or other jurisdictions. However, we may decide, in our sole discretion, not to modify the terms of the rights offering as may be requested by certain states or other jurisdictions. If that happens and you are a resident of the state or jurisdiction that requests the modification, you will not be eligible to participate in the rights offering. We do not currently intend to make any changes in the terms of the rights offering.

We will not be required to issue to you shares of Common Stock pursuant to the rights offering if, in our opinion, you would be required to obtain prior clearance or approval from any state or federal regulatory authorities to own or control such securities if, at the time the subscription rights expire, you have not obtained such clearance or approval.

Our Decision Binding

All questions concerning the timeliness, validity, form and eligibility of any exercise of subscription rights will be determined by us, and our determinations will be final and binding. In our sole discretion, we may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such time as we may determine, or reject the purported exercise of any subscription right by reason of any defect or irregularity in any exercise. Subscriptions will not be deemed to have been received or accepted until all irregularities have been waived by us or cured within such time as we determine in our sole discretion. We will not be under any duty to notify you of any defect or irregularity in connection with the submission of a subscription agreement or incur any liability for failure to give you that notice.

Shares of Common Stock Outstanding After the Rights Offering

As of March 12, 2018, we had outstanding approximately 57,200,000 shares of our Common Stock and an additional 10,336,196 shares of Common Stock have been reserved for issuance upon the exercise of certain outstanding warrants and options. Assuming subscriptions are received for all of the subscription rights (and none of our outstanding warrants and options are exercised), 62,920,000 shares of Common Stock will be outstanding and 16,056,196 shares of Common Stock will have been reserved for issuance upon the exercise of all outstanding warrants and options, This would represent an increase of approximately 10.0% in the number of outstanding shares of Common Stock. If you do not fully exercise your subscription rights but others do, the percentage of our Common Stock that you hold will decrease.

No Recommendations

Neither we nor our Board of Directors are making any recommendation as to whether or not you should exercise your subscription rights. You should make your decision based on your own assessment of your best interests.

Important

PLEASE CAREFULLY READ THE INSTRUCTIONS ACCOMPANYING THE SUBSCRIPTION AGREEMENT AND FOLLOW THOSE INSTRUCTIONS IN DETAIL. YOU ARE RESPONSIBLE FOR CHOOSING THE PAYMENT AND DELIVERY METHOD FOR YOUR SUBSCRIPTION AGREEMENT, AND YOU BEAR THE RISKS ASSOCIATED WITH SUCH DELIVERY. IF YOU CHOOSE TO DELIVER YOUR SUBSCRIPTION AGREEMENT AND PAYMENT BY MAIL, WE RECOMMEND THAT YOU USE REGISTERED MAIL, PROPERLY INSURED, WITH RETURN RECEIPT REQUESTED. WE ALSO RECOMMEND THAT YOU ALLOW A SUFFICIENT NUMBER OF DAYS TO ENSURE DELIVERY AND CLEARANCE OF PAYMENT PRIOR TO THE EXPIRATION DATE. BECAUSE UNCERTIFIED PERSONAL CHECKS MAY TAKE AT LEAST FIVE BUSINESS DAYS TO CLEAR, WE STRONGLY URGE YOU TO PAY, OR ARRANGE FOR PAYMENT, BY MEANS OF CERTIFIED OR CASHIER'S CHECK.

If You Have Questions

If you have questions or need assistance concerning the procedure for exercising subscription rights, or if you would like additional copies of this prospectus and or the Instructions, you should contact D.F. King, toll free at 866-796-1292 or if you are a bank or broker at 212-269-5550. E-mail address is zion@dfking.com.

PLAN OF DISTRIBUTION

Immediately following the effective date of this Prospectus, we will distribute at no cost the subscription rights and copies of this prospectus to all holders of record of our Common Stock on March 12, 2018. If you wish to exercise your basic subscription rights and the over-subscription rights and purchase Rights, you should complete the subscription agreement and return it, with payment for the Rights, to American Stock Transfer & Trust Company, LLC, Operations Center, Attn: Reorganization Department, 6201 15th Avenue, Brooklyn, New York 11219.

FEDERAL INCOME TAX CONSIDERATIONS

The following summarizes the material federal income tax consequences to U.S. holders, as defined below, of the receipt, lapse, or exercise of the subscription rights distributed to you pursuant to the rights offering. This discussion does not address the tax consequences of the rights offering under applicable state, local or foreign tax laws. Moreover, this discussion does not address every aspect of taxation that may be relevant to a particular taxpayer under special circumstances or who is subject to special treatment under applicable law and is not intended to be applicable in all respects to all categories of investors. For example, certain types of investors, such as insurance companies, tax-exempt persons, financial institutions, regulated investment companies, dealers in securities, persons who hold their shares of our common stock as part of a hedging, straddle, constructive sale or conversion transaction, persons whose functional currency is not the U.S. dollar and persons who are not treated as a U.S. shareholder could be subject to different tax consequences.

For purposes of this disclosure, a U.S. holder is a holder of our common stock that is:

- a citizen or resident of the Righted States,

- a corporation, partnership or other entity created in, or organized under the laws of the Righted States or any state or political subdivision thereof;

- an estate the income of which is includable in gross income for U.S. federal income tax purposes regardless of its source; or

- a trust that (i) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or (ii) that was in existence on August 20, 1996, was treated as a U.S. person on the previous day, and elected to continue to be so treated.

This summary is based on the Internal Revenue Code of 1986, as amended (which we will refer to as the "Code"), the Treasury regulations promulgated thereunder, judicial authority and current administrative rules and practice, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Internal Revenue Service, so as to result in U.S. federal income tax consequences different from those discussed below. The discussion that follows neither binds nor precludes the Internal Revenue Service from adopting a position contrary to that expressed in this prospectus, and we cannot assure you that such a contrary position could not be asserted successfully by the Internal Revenue Service or adopted by a court if the positions were litigated. We have not obtained a ruling from the Internal Revenue Service or a written opinion from tax counsel with respect to the federal income tax consequences discussed below. This discussion assumes that your shares of common stock and the subscription rights and shares issued to you during the rights offering constitute capital assets within the meaning of Code Section 1221.

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

Subscription Rights

Each whole subscription right entitles eligible stockholders the right to purchase for $5.00 one Right, consisting of one share of our Common Stock and one Common Stock Purchase Warrant. Generally, the distribution of equity by a corporation to its shareholders with respect to their stock is not taxable to such shareholders pursuant to Section 305(a) of the Code. For such purpose, a distribution of rights to acquire stock of the distributing corporation constitutes a distribution of stock. However, if a distribution of stock or rights to acquire stock is within one of several exceptions to the general rule of Section 305(a) set forth in Section 305(b) of the Code, the distribution may be taxable to the shareholders of the distributing corporation as described below.

Section 305(b)(2) is an exception to the general rule of Section 305(a) that applies to a "disproportionate distribution." Pursuant to Section 305(b)(2), a distribution (or a series of distributions of which such a distribution is one) of stock rights constitutes a "disproportionate distribution," and is therefore taxable, if the distribution results in (a) the receipt of property, including cash, by some shareholders, and (b) an increase in the proportionate interest of other shareholders in the assets or earnings and profits of the distributing corporation. For this purpose, the term "property" means money, securities, and any other property, except that such term does not include stock in the corporation making the distribution or rights to acquire such stock. A "series of distributions" encompasses all distributions of stock made or deemed made by a corporation which have the result of receipt of cash or property by some shareholders and an increase in the proportionate interests of other shareholders. It is not necessary for a distribution of stock to be considered as one of a series of distributions that such distribution be pursuant to a plan to distribute cash and property to some shareholders and to increase the proportionate interests of the other shareholders, rather it is sufficient if there is a distribution (or a deemed distribution) having such effect. In addition, there is no requirement that both elements of Section 305(b)(2) of the Code occur in the form of a distribution or series of distributions as long as the result is that some shareholders receive cash and property and other shareholders' proportionate interests increase. Under the applicable Treasury Regulations, where the receipt of cash or property occurs more than 36 months following a distribution or series of distributions of stock, or where a distribution is made more than 36 months following the receipt of cash or property, such distribution or distributions will be presumed not to result in the receipt of cash or property by some shareholders and an increase in the proportionate interest of other shareholders, unless the receipt of cash or property by some shareholders and the distribution or series of distributions are made pursuant to a plan.

We believe that the distribution of rights in the rights offering does not constitute an increase in the proportionate interest of some shareholders in the assets or earnings and profits of Zion Oil & Gas for the purpose of Section 305(b)(2) because all of our stockholders will receive rights in the rights offering based upon their respective ownership our common stock. Accordingly, we do not believe that the rights offering should constitute part of a "disproportionate distribution," pursuant to Section 305(b)(2) of the Code. However, there can be no assurances that our application of Section 305 to the rights offerings is accurate. In the event the IRS successfully asserts that your receipt of subscription rights is currently taxable pursuant to Section 305(b) of the Code, the discussion under the heading "Alternative Treatment of Subscription Rights" describes the tax consequences that will result from such a determination.

Receipt of Subscription Rights

You should not recognize any gain or other income upon receipt of a subscription right in the rights offering. However, there can be no assurance of this result. Your tax basis in each subscription right for United States federal income tax purposes will depend on the fair market value of the subscription rights you receive and the fair market value of your existing shares of stock on the date you receive the subscription rights. The tax basis of the subscription rights received by you in the subscription rights offering will be zero unless either (i) the fair market value of the subscription rights on the date of issuance is 15% or more of the fair market value (on the date of issuance of the rights) of the common stock with respect to which they are received or (ii) you properly elect, in your federal income tax return for the taxable year in which the subscription rights are received, to allocate part of your basis in your common stock to the subscription rights. If either (i) or (ii) is true, then if you exercise the subscription rights, your basis in the common stock will be allocated between the Common Stock and the rights in proportion to the fair market value of each on the date the rights are issued in proportion to their respective fair market values on the date the subscription rights are distributed. In addition, any tax basis allocated to the subscription rights must be apportioned between the right to receive shares of Common Stock include in the Right, in proportion to the respective fair market values on the date you receive the subscription rights.

Your holding period for subscription rights will include your holding period for the shares of common stock upon which the subscription right is issued.

Expiration of Subscription Rights.

If you allow subscription rights received in the subscription rights offering to expire, you should not recognize any gain or loss. If you have tax basis in the subscription rights, the tax basis of the shares owned by you with respect to which such subscription rights were distributed will be restored to the tax basis of such shares immediately prior to the receipt of the subscription rights in the subscription rights offering.

Exercise of Subscription Rights

You should not recognize a gain or loss on the exercise of a subscription right. The tax basis of Common Stock acquired through exercise of your subscription rights will be equal to the sum of your tax basis (if any) in the subscription right exercised and the subscription price.

The holding period of the shares of Common Stock purchased through the rights offering will begin on the date that you exercise your subscription rights.

Alternative Treatment of Subscription Rights

Receipt

If the IRS were to successfully assert that the distribution of the subscription rights in the rights offering resulted in a "disproportionate" distribution or is otherwise taxable pursuant to Section 305(b), each holder would be considered to have received a distribution with respect to such holder's stock in an amount equal to the fair market value of the subscription rights received by such holder on the date of the distribution. This distribution generally would be taxed as dividend income to the extent of your ratable share of our current and accumulated earnings and profits. The amount of any distribution in excess of our earnings and profits will be applied to reduce, but not below zero, your tax basis in your stock, and any excess generally will be taxable to you as capital gain (long-term, if your holding period with respect to your common stock is more than one year as of the date of distribution, and otherwise short-term). Under current law for taxable years beginning prior to July 1, 2015, so long as certain holding period requirements are satisfied, the maximum federal income tax rate on most dividends received by individuals is generally 15% or 20%. Your tax basis in the subscription rights received pursuant to the rights offering would be equal to their fair market value on the date of distribution and the holding period for the rights would begin upon receipt.

Expiration

Assuming the receipt of subscription rights in the rights offering is a taxable event, if your subscription rights lapse without being exercised, you will recognize a capital loss equal to your tax basis in such expired subscription rights. The deductibility of capital losses is subject to limitations.

STATE AND FOREIGN SECURITIES LAWS

The rights offering is not being made in any state or other jurisdiction in which it is unlawful to do so. We may delay the commencement of the rights offering in certain states or other jurisdictions in order to comply with the securities law requirements of such states or other jurisdictions. In our sole discretion, we may decline to make modifications to the terms of the rights offering requested by certain states or other jurisdictions, in which case shareholders who live in those states or jurisdictions will not be eligible to participate in the rights offering.

LEGAL MATTERS

Pearl Cohen Zedek Latzer Baratz ("Pearl Cohen") is an international law firm with offices in the United States, Israel and the United Kingdom. Pearl Cohen will pass on the validity of the issuance of the securities offered by this prospectus.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus the information we file with the SEC. This permits us to disclose important information to you by referencing these filed documents. Any information referenced in this way is considered part of this prospectus and any prospectus supplement. Any information filed with the SEC after the date on the cover of this prospectus or any prospectus supplement will automatically be deemed to update and supersede this prospectus and such prospectus supplement. We incorporate by reference the documents listed below and any future filings made by us with the SEC with file number 001-33228 under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, until all of the securities described in this prospectus are sold:

- our Annual Report on Form 10-K for the year ended December 31, 2017 filed on March 12, 2018;

- Our definitive proxy statement filed on April 13, 2017;

- our Current Reports on Form 8-K filed on January 19, 2018, January 31, 2018, February 13, 2018, February 26, 2018, March 1, 2018 and Form 424B5 on January 31, 2018;

- 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

- 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 of which this prospectus is a part and prior to the termination or completion of any offering of securities under this prospectus and all applicable prospectus supplements (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, as supplemented by the applicable prospectus supplement, 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. Requests for such documents should be directed to: D.F. King, toll free at 866-796-1292 or if you are a bank or broker at 212-269-5550. E-mail address is zion@dfking.com.

This prospectus is part of a registration statement on Form S-3/A that we filed with the SEC. That registration statement contains more information than this 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 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 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.

ANNEX A

FORM OF NON-TRANSFERABLE SUBSCRIPTION CERTIFICATE

For use by Zion Oil & Gas acting as Subscription Agent

ZION OIL & GAS, INC.

NON-TRANSFERABLE SUBSCRIPTION CERTIFICATE FOR RIGHTS OFFERING FOR HOLDERS OF RECORD ON March 12, 2018

ZION OIL & GAS, INC. (the "Company") is conducting a rights offering (the "Rights Offering") that entitles the holders of the Company's common stock, $0.01 par value per share (the "Common Stock"), as of the close of business on **March 12, 2018** (the "Record Date"), to receive 0.10 (one tenth) of a subscription right (each, a "Right") for each share of Common Stock held of record on the Record Date (i.e., **ONE** subscription right for each **TEN** shares). Each whole Right entitles the holder to subscribe for and purchase one (1) Right (each a "Right") of the Company's securities, with each Right consisting of one (1) share of the Company's common stock, par value $0.01 per share (the "Common Stock") and one (1) Common Shares Purchase Warrant. Each Right may be purchased at a per Right subscription price of $5.00.

If you exercise your rights in full, you may also exercise an over-subscription right (the "Over-Subscription Right") to purchase additional Rights that remain unsubscribed at the expiration of the Rights Offering, subject to availability and allocation of Rights among persons exercising this Over-Subscription Right. If there is a change of address and you wish to subscribe, please note the new address on Form 2. Your records will be updated with the new information.

No fractional subscription rights or fractional Rights will be issued in this offering. Instead, the number of subscription rights will be rounded down to the next lowest whole number.

For a more complete description of the terms and conditions of the Rights Offering, please refer to the Company's Prospectus Supplement dated April 2, 2018 (the "Prospectus"), which is incorporated herein by reference. Copies of the prospectus are available upon request from D.F. King, toll free at 866-796-1292 or if you are a bank or broker at 212-269-5550. E-mail address is zion@dfking.com.

This subscription certificate (the "Rights Certificate") must be received by American Stock Transfer & Trust Company, LLC with payment in full by 5:00 p.m., Eastern Standard Time, on May 31, 2018 (unless extended in the sole discretion of the Company) (the "Expiration Date"). Any Rights not exercised prior to the Expiration Date will be null and void. Any subscription for Rights in the Rights Offering made hereby is irrevocable.

The Rights represented by this Rights Certificate may be exercised by duly completing Form 1. Rights holders are advised to review the Prospectus before determining whether to exercise their Rights. In addition, if certificates representing the shares of Common Stock included in the Right are to be issued are to be sent to an address other than that shown on the Subscription Right Certificate, also complete Form 2.

SUBSCRIPTION PRICE: $5.00 PER RIGHT

The registered owner whose name is inscribed hereon is entitled to subscribe for Rights upon the terms and subject to the conditions set forth in the Prospectus and instructions relating to the use hereof.

Except in limited circumstances described in the Prospectus, only you may exercise your Rights.

Rights holders should be aware that if they choose to exercise only part of their Rights, they may not receive a new Rights Certificate in sufficient time to exercise the remaining Rights evidenced thereby.

American Stock Transfer & Trust Company, LLC
Operations Center
Attn: Reorganization Department
6201 15th Avenue
Brooklyn, New York 11219

PLEASE PRINT ALL INFORMATION CLEARLY AND LEGIBLY.

FORM 1-EXERCISE OF SUBSCRIPTION RIGHTS

To subscribe for shares/warrants pursuant to your Basic Subscription Right, please complete lines (a) and (c) and sign under Form 3 below. To subscribe for shares/warrants pursuant to your Over-Subscription Right, please also complete line (b) and sign under Form 3 below.

(a) EXERCISE OF BASIC SUBSCRIPTION RIGHT:

I apply for ______________ rights x $ 5.00 = $_______________
(shares/warrants) (subscription price) (amount enclosed)

(b) EXERCISE OF OVER-SUBSCRIPTION RIGHT

If you have exercised your Basic Subscription Right in full and wish to subscribe for additional shares/warrants in any amount pursuant to your Over-Subscription Right:

I apply for ______________ rights x $ 5.00 = $_______________
(shares/warrants) (subscription price) (amount enclosed)

(c) Total Amount of Payment Enclosed = $__________________

METHOD OF PAYMENT (CHECK ONE)

☐ Check or bank draft payable to "American Stock Transfer & Trust Company, LLC as Subscription Agent."

☐ Wire transfer of immediately available funds directly to the account maintained by American Stock Transfer & Trust Company, LLC, as Subscription Agent, for purposes of accepting subscriptions in this Rights Offering at **JPMorgan Chase Bank, 55 Water Street, New York, New York 10005, ABA #021000021, Account # 530-354616 American Stock Transfer FBO Zion Oil & Gas, Inc., with reference to the rights holder's name.**

Telephone #____________________________

Email Address__________________________

FORM 2-DELIVERY TO DIFFERENT ADDRESS

If you wish for the Common Stock/Warrants underlying your subscription rights, a certificate representing unexercised subscription rights or the proceeds of any sale of subscription rights to be delivered to an address different from that shown on the face of this Subscription Rights Certificate, please enter the alternate address below, sign under Form 3 and have your signature guaranteed under Form 4.

____
____
____

FORM 3-SIGNATURE

TO SUBSCRIBE: I acknowledge that I have received the Prospectus for this Rights Offering and I hereby irrevocably subscribe for the number of rights indicated above on the terms and conditions specified in the Prospectus. By signing below I confirm that (1) after giving effect to the exercise of my Rights, I will not beneficially own, as determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, more than 14.99% of the Company's outstanding shares of Common Stock (calculated immediately upon the closing of the rights offering after giving effect to the Backstop Commitment, as described in the Prospectus) and (2), if I already beneficially own, as determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, in excess of 14.99% of the Company's outstanding shares of Common Stock I will not, via the exercise of the Rights, increase my proportionate interest in the Company's Common Stock (with respect to (1) or (2), any such excess shares, the "Excess Shares"). With respect to any such Excess Shares, I hereby (1) irrevocably appoint and constitute the Company, each of its authorized officers and their designees, and each of them, with full power of substitution, as my proxy and attorney in fact with full authority to vote and act by written consent with respect to any such Excess Shares on any matter submitted to shareholders for a vote or action by written consent, in the discretion of such proxy, to the same extent I would have the power to vote or act by written consent and (2) grant the Company a right for 90 days from the closing of the rights offering to repurchase such Excess Rights at the lesser of the $5.00 per right subscription price and the closing price of the Company's Common Stock on the NASDAQ on the trading day immediately prior to the date on which notice is sent to the holder of the Company's intent to exercise such right, which notice must be sent prior to the expiration of such 90 day period. I agree to cooperate with the Company and provide to the Company any and all information requested by the Company in connection with the exercise of the rights granted in the previous sentence.

Signature(s): ____

IMPORTANT: The signature(s) must correspond with the name(s) as printed on the reverse of this Subscription Rights Certificate in every particular, without alteration or enlargement, or any other change whatsoever.

FORM 4-SIGNATURE GUARANTEE

	This form must be completed if you have completed Form 2. Signature Guaranteed: ____________________________________ (Name of Bank or Firm) By:____ (Signature of Officer) IMPORTANT: The signature(s) should be guaranteed by an eligible guarantor institution (bank, stock broker, savings & loan association or credit union) with membership in an approved signature guarantee medallion program pursuant to Securities and Exchange Commission Rule 17Ad-15.

FOR INSTRUCTIONS ON THE USE OF ZION OIL & GAS, INC. SUBSCRIPTION RIGHTS CERTIFICATES, CONSULT D.F. KING, INC., THE INFORMATION AGENT, AT (866) 796-1292 OR EMAIL: Zion@dfking.com.

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, June 29, 2019)

ZION OIL & GAS, INC.

CUSIP 989696 232

WARRANT

THIS CERTIFIES THAT, for value received **_____________** is the registered holder of a Warrant or Warrants expiring June 29, 2019 (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 June 29, 2018, one Share of the Company at the price of $3.00 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