

May 5, 2020

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Completion of Tilapia acquisition

Zenith Energy Ltd., ("Zenith" or the "Company"), (LSE:ZEN); (TSXV:ZEE); (OSE:ZENA-ME), the international oil & gas production company focused on African development opportunities, is pleased to announce the **successful completion** of the acquisition from AIM listed Anglo African Oil & Gas plc ("AAOG") of a 100 percent interest in its fully owned subsidiary in the Republic of the Congo, Anglo African Oil & Gas Congo S.A.U ("AAOG Congo"), which has a 56 percent majority interest in, and is the operator of, the Tilapia oilfield.

As announced on April 17, 2020, the Company entered into a conditional deed of variation to vary the terms of a share purchase agreement with AAOG for the acquisition of a **100 per cent** interest in AAOG Congo and related intercompany loans (the "**Acquisition**") for a revised total consideration of **£200,000** ("**Consideration**").

In accordance with the terms of the amended share purchase agreement, completion ("**Completion**") has taken place within one business day of AAOG shareholder approval being obtained at the AAOG general meeting held yesterday, May 4, 2020.

Pursuant to the terms of the share price agreement for the Acquisition, AAOG has novated 100% of the intercompany loans with AAOG Congo to Zenith as of the date of Completion, equivalent to approximately £12.5 million

As previously announced, AAOG Congo has approximately US\$5.3 million in receivables.

Zenith is now working to conclude the necessary regulatory process in the Republic of the Congo to approve the transfer of ownership, as well as finalising negotiations for a new 25-year licence for Tilapia.

The Company confirms that, following Completion, it has now assumed control of AAOG Congo and expects to shortly implement a series of cost-cutting measures and management changes to maximise efficiency in the current low oil price environment.

Andrea Cattaneo, Chief Executive Officer, commented:

"I am delighted to have now fully completed the acquisition of Tilapia, especially under the recently renegotiated highly favourable terms.

We have obtained exceptional value for Zenith shareholders, and I am greatly excited about our potentially transformational development opportunities in the Republic of the Congo at Tilapia.

The Republic of the Congo is an enormously prospective hydrocarbon province which has proven itself to be a very supportive jurisdiction for junior, independent oil companies with ambitious development objectives such as Zenith.

Our focus is now on finalising the necessary regulatory process for the transfer of ownership, as well as concluding negotiations for a new 25-year licence.

At the same time, our technical team is making all the necessary operational preparations for planned drilling activities in well TLP-103C.

I look forward to further updating our shareholders on Zenith's exciting progress in a number of areas in due course."

Completion of Private Placement first announced on April 30, 2020

The Company is pleased to announce that it has now received conditional approval for a private placement, first announced to the market on April 30, 2020, to issue up to 60,000,000 new common shares to raise gross proceeds of up to approximately £540,000 or NOK6,600,000 or CAD\$900,000 ("**Private Placement**").

Zenith has completed two fully subscribed offerings, one in the United Kingdom (the "**UK Financing**"), and the other in Norway (the "**Norwegian Financing**", collectively: the "**Financings**").

The Financings have attracted the participation of several existing high net-worth private investors, an existing institutional investor, as well as a Director of the Company to raise an aggregate total amount of approximately £540,000 or NOK 6,600,000 or CAD\$900,000.

The Financings are subject to final approval from the TSX Venture Exchange.

Issue Price

The issue price of the Financings was £0.009 (0.9 pence) for the UK Financing and NOK 0.11 for the Norwegian Financing.

Norwegian Financing

Zenith has issued a total of 30,153,059 common shares of no par value in the capital of the Company in connection with the Norwegian Financing (the "**Norwegian Financing Common Shares**") to raise gross proceeds of NOK 3,317,000 (approximately £271,000 or CAD\$453,000).

An application for the Norwegian Financing Common Shares to be listed on the standard segment of the FCA Official List and to be admitted for trading on the London Stock Exchange Main Market for listed securities (the "**Norwegian Financing Admission**") will be made within 12 months of the issue of the Norwegian Financing Common Shares.

UK Financing

Zenith has issued a total of 29,846,941 common shares of no par value in the capital of the Company in connection with the UK Financing (the "**UK Financing Common Shares**") to raise gross proceeds of £269,000 (approximately CAD\$447,000).

An application for the UK Financing Common Shares to be listed on the standard segment of the FCA Official List and to be admitted for trading on the London Stock Exchange Main Market for listed securities (the "**UK Financing Admission**") will be made.

It is expected that the UK Financing Admission will become effective and that unconditional dealings in the UK Financing Common Shares will commence on or around 8.00 a.m. (BST) on approximately May 12, 2020.

Director Dealing/ PDMR Shareholding

Mr. Andrea Cattaneo, Chief Executive Officer & President of Zenith, has advised the Company that, in relation to the aforementioned Norwegian Financing, he subscribed for 5,000,000 common shares of no-par value in the capital of the Company.

Following the aforementioned dealing, Mr. Cattaneo is directly beneficially interested in a total of 57,984,115 common shares in the capital of the Company, representing **8.15** percent of the total issued and outstanding common share capital of the Company admitted to trading on the TSX Venture Exchange and Merkur Market of the Oslo Stock Exchange.

Total Voting Rights

The Company wishes to announce, in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, the following updated information as a result of the Private Placement.

Class of share	Total number of shares	Number of voting rights per share	Total number of voting rights per class of share

Common Shares in issue and admitted to trading on the Main Market of the London Stock Exchange	313,400,824	1	313,400,824
Common Shares in issue and admitted to trading on the TSXV	712,072,921	1	712,072,921
Common Shares in issue and admitted to trading on the Merkur Market of the Oslo Børs	712,072,921	1	712,072,921

Further Information:

Zenith Energy Ltd	
Andrea Cattaneo, Chief Executive Officer	Tel: +1 (587) 315 9031
	E-mail: info@zenithenergy.ca
Novum Securities Limited - Broker	
Colin Rowbury	Tel: + 44 (0) 207 399 9400

Notes to Editors:

Zenith Energy Ltd. is an international oil and gas production company focused on pursuing potentially transformational oil and gas production opportunities in Africa. It is listed on the TSX Venture Exchange (TSX.V:ZEE), London Stock Exchange (LSE:ZEN) and Merkur Market of the Oslo Stock Exchange (ZENA:ME).

The Company was assigned a medium to long-term issuer credit rating of "B+ with Positive Outlook" on October 9, 2019 by Arc Ratings, S.A. On November 18, 2019, the Company was assigned a "B+" with Stable Outlook debt issuer credit rating by Rating-Agentur Expert RA.

