

July 28, 2021

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Debt reduction

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA), the listed international oil & gas production company focused on pursuing African development opportunities, is pleased to announce that it has concluded a debt settlement agreement (the "**Debt Settlement**") in respect of the drawdown of EUR 500,000 (the "**Credit Facility**") made following the signing of a revolving line of credit agreement with a financial institution (the "**Lender**") announced on February 24, 2021.

The Company has issued a total of 30,422,319 new common shares ("**Debt Settlement Shares**") at a price of **NOK 0.1725** (equivalent to approximately £0.01412) to settle the Credit Facility in full.

An application for the Debt Settlement 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 will be made within 12 months of the issue date.

Issue of Share Subscription Warrants (the "Warrants")

In connection with the Debt Settlement, the Company has issued the Lender the following Warrants with a duration of two years:

- **20** million Warrants to acquire one common share for each Warrant at an exercise price of **NOK 0.16** (equivalent to approximately £0.01310).
- **23** million Warrants to acquire one common share for each Warrant at an exercise price of **NOK 0.20** (equivalent to approximately £0.01637).

Total Voting Rights

The Company wishes to announce, in accordance with the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules, as well as section 3.10 of the Euronext Growth Oslo Rule Book Part II, the following revised information resulting from the issuance of the Debt Settlement Shares:

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 Euronext Growth Market of the Oslo Børs - representing the total outstanding common share capital of the Company	1,407,711,650	1	1,407,711,650

Further Information:

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The information included in this announcement is defined as inside information pursuant to MAR article 7 and is publicly disclosed in accordance with MAR article 17 and section 5 -12 of the Norwegian Securities Trading Act. The announcement is made by the contact person.

Notes to Editors:

Zenith Energy Ltd. is an international oil and gas production company, listed on the London Stock Exchange (LSE:ZEN) and the Euronext Growth Market of the Oslo Stock Exchange (OSE:ZENA).

Zenith's development strategy is to identify and rapidly seize value-accretive hydrocarbon production opportunities in the oil & gas sector, specifically in Africa.

