

January 11, 2019

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Successful Listing of Corporate Notes

Zenith Energy Ltd. ("**Zenith**" or the "**Company**") (LSE: **ZEN**; TSX.V: **ZEE**; OSE: **ZENA-ME**) the listed international oil & gas production company operating the largest onshore oilfield in Azerbaijan, is pleased to announce that it has issued and listed EURO 3,120,000 unsecured corporate notes at par value (the "**Notes**") on the Third Market (MTF) of the Vienna Stock Exchange.

The Notes bear interest at a rate of 8 per cent per annum, payable semi-annually, and are listed on the Third Market (MTF) of the Vienna Stock Exchange ("**Wiener Borse AG**") as "ZENITH ENERGY LTD 8% NOTES - 2021" The International Securities Identification Number ("**ISIN**") of the Notes is AT0000A23S79. This issuance is part of an approval to list up to EURO 10 million in several tranches and with the same ISIN.

The Notes are governed by Austrian law and, since the Notes are not convertible into equity of Zenith, the issuance of the Notes is not subject to the approval of the TSX Venture Exchange in Canada.

The Company is planning to issue further tranches of the Notes in the first quarter of 2019. Respective announcements in relation to each issuance will be made as required.

The issue of the Notes is aligned with the Company's strategy of diversifying its financing towards non-equity dilutive funding to support its successful development.

Andrea Cattaneo, Chief Executive Officer, commented:

"I am pleased with the successful listing of the Notes on the Vienna Stock Exchange, especially as we are delivering on our declared intention of pursuing non-dilutive financing to support the Company's development.

This first success in the debt financing arena has been reached after an extended process involving the selection of the most propitious markets in Europe wherein to raise debt financing after the Company's assignment of a medium to long-term issuer credit rating of "B+" with Positive Outlook on October 8, 2018 by Arc Ratings, S.A; a rarity amongst listed companies of Zenith's size.

I am very much looking forward to the Company's progress during 2019. As has been announced, we have a series of highly prospective workover and drilling activities planned in the very near-term. Success in these activities will enable the Company to

achieve its production objectives and, in so doing, obtain the market appreciation the Zenith story deserves. Our progress going forward should reflect the considerable lessons that have been learnt regarding the technical and geological challenges of our potentially transformational Azerbaijan asset during the initial phases of our 25-year field development programme."

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of TSXV) accepts responsibility for the adequacy of this release.

Further Information:

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Notes to Editors:

Zenith Energy Ltd. is an international oil and gas production company, listed on the TSX Venture Exchange (TSX.V:ZEE) and London Stock Exchange (LSE:ZEN). In addition, the Company's common share capital was admitted to trading on the Merkur Market of the Oslo Børs (ZENA:ME) on November 8, 2018. The Merkur Market is a multilateral trading facility owned and operated by the Oslo Børs.

The Company was assigned a medium to long-term issuer credit rating of "B+ with Positive Outlook" on October 8, 2018 by Arc Ratings, S.A.

The Company operates the largest onshore oilfield in Azerbaijan following the signing of a 25-year REDPSA, (Rehabilitation, Exploration, Development and Production Sharing Agreement), with SOCAR, State Oil Company of the Republic of Azerbaijan, in 2016.

The Company's primary focus is the development of its Azerbaijan operations by leveraging its technical expertise and financial resources to maximise low-cost oil

production via a systematic field rehabilitation programme intended to achieve significantly increased revenue. Zenith also operates, or has working interests in, a number of natural gas production concessions in Italy. The Company's Italian operations produce natural gas, condensate and electricity.

Zenith's development strategy is to identify and rapidly seize value-accretive hydrocarbon production opportunities in the onshore oil & gas sector. The Company's Board of Directors and senior management team have the corporate and technical expertise to develop the Company successfully.