

March 11, 2019

**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**Favourable renegotiation of Convertible Loan Facility**

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 successfully renegotiated the US\$1,500,000 convertible loan facility (the "Facility") announced on September 5, 2018.

As announced on January 7, 2019, the total outstanding liability in relation to the Facility currently stands at US\$1,050,000 (approximately £825,000; CAD\$1.4 million; NOK 9 million).

The Company has agreed with the consortium of lenders (the "Lenders") that the terms of the Facility shall be amended to include the possibility of optional redemptions (the "Optional Redemption") to be made by the Company in lieu of conversion of the Facility by the Lenders for set redemption amounts (the "Redemption Amounts") amortised across the duration of the Facility.

In addition, provided prior notification is given by the Company to the Lenders regarding its intention to either pay the Optional Redemption or confirm that the applicable Redemption Amounts may be converted, conversion of the Redemption Amounts may only be effected by the Lenders at a fixed conversion price of £0.0505 (approximately CAD\$0.088; NOK 0.57) (the "Fixed Conversion Price").

Furthermore, the Company and the Lenders have agreed to extend the repayment date of the Facility to May 31, 2020.

**Andrea Cattaneo, Chief Executive Officer, commented:**

"We are very pleased to have obtained a favourable renegotiation of the Facility, and I take the chance to thank our Lenders for their support.

The Board of Directors is strongly of the view that the beginning of the Company's highly prospective well deepening programme in Azerbaijan will generate many catalysts for the creation of shareholder value. It has therefore decided to take all possible steps to avoid unnecessary equity dilution that may impinge on the appreciation of the Company's market value during this time."

*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 Azerbaijan Republic, 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 experience and technical expertise to develop the Company successfully.