

July 18, 2019

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Commencement of Well Deepening Operations in Well C-37

Zenith Energy Ltd., ("Zenith" or the "Company"), (LSE: **ZEN**; TSX.V: **ZEE**; OSE: **ZENA-ME**) the international oil & gas production company operating the largest onshore oilfield in Azerbaijan, is pleased to announce that the commencement of well deepening operations in well C-37 is scheduled to begin on July 26, 2019.

Well C-37 Deepening Operations

The Company's drilling activities have two objectives.

The first objective will be to deepen well C-37's total depth of 3,987 metres by approximately 30-40 metres and drill all the clastic layers of the Middle Eocene formation.

The Company's geological and reservoir investigations have indicated that the Middle Eocene formation in well C-37 may hold significant oil reserves. This view has been supported by the fact that an adjacent well, C-22, achieved a sustained rate of production of approximately 700 barrels per day from the interval between 3,902-4,014 metres.

The second objective will be to penetrate the previously untested and recently identified Upper Cretaceous (Mesozoic) formation structure by deepening well C-37 by an additional 250-300 metres. Upon completion of deepening activities, a series of wireline acquisitions and production tests will be performed first in the Upper Cretaceous carbonates and later in the Eocene clastic sequences.

The Company's geological and reservoir teams believe that the testing of the unexplored Cretaceous play has the potential to provide valuable information regarding new prospective exploration activity to be performed across its Azerbaijan asset.

Well deepening activities are expected to be completed during approximately 30 days and the Company will provide updates as appropriate in accordance with operational progress.

BD-260 Drilling Rig

As previously announced, the Company has recently taken delivery of a Top Drive System which is expected to greatly enhance the performance of drilling activities, specifically on account of the increased safety and operational flexibility offered over the traditional rotary system. The Company can confirm that the Top Drive System has successfully been installed and is currently being tested in preparation for the commencement of drilling operations.

In addition, the BD-260 has undergone a full host of upgrades to its mud system which have increased its capacity in preparation for the requirements of future drilling activities.

Zena Drilling Limited, the Company's fully owned service company subsidiary, has acquired approximately US\$250,000 of spare parts to mitigate against the risk of delays being incurred during drilling activities as a result of equipment failures.

It is expected that the operational performance and the speed of future drilling operations performed by the BD-260 drilling rig shall progressively increase once the set-up and introductory operational activities are completed.

Well C-30 Civil Works

The Company can confirm that the commencement of civil works in well C-30 is expected during the first week of August 2019.

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

"I am pleased that we now have a confirmed date for the start of well deepening activities. The activation of the BD-260 drilling has taken longer than expected, however, this should be viewed in the context of the fact that this is the rig's first operational deployment in Azerbaijan, and that the extensive work done at this initial phase will be extremely beneficial during the long-term operational deployment of the rig across our Azerbaijan asset.

We look forward with excitement to the start of activities and what a positive result could mean for the Company's successful development going forward."

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 experience and technical expertise to develop the Company successfully.

Forward-looking statements

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements about the potential of its drilling operations in certain of the Company's wells. The forward-looking statements and information are based on certain key expectations and assumptions made by Zenith, including the ability to execute its strategy and realise its growth opportunities including its ability to finance and execute its plans. Although Zenith believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because the Company can give no assurance that they will prove to be correct. All timing given in this announcement, unless stated otherwise is indicative and while the Company endeavours to provide accurate timing to the market, it cautions that due to the nature of its operations and reliance on third parties this is subject to change often at little or no notice. By its nature, such forward-looking information is subject to certain risks and uncertainties (both general and specific) that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, Zenith being unable to finance or realise growth opportunities. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Zenith undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking information contained herein is expressly qualified by this cautionary statement.