

October 3, 2019

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Well C-37 Results

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 provide an overview of drilling results at well C-37 in the Jafarli oilfield.

The Company can confirm that well C-37 has successfully been drilled to a total depth of 4,350 metres accomplishing both its operational objectives of penetrating the highly prospective, unexploited intervals of the Middle Eocene formation, as well as testing the fluid content of the previously unexplored Upper Cretaceous (Mesozoic) formation.

As announced on September 9, 2019, three untapped oil-bearing clastic layers were identified in the Middle Eocene formation target zone, with a total net pay zone of approximately 16 metres.

Oil and gas shows recorded during drilling of these intervals indicated the presence of favourable reservoir facies. These findings were subsequently confirmed by a series of wireline logs performed by the Company in order to determine the intervals to be perforated in the Middle Eocene formation following the casing and cementing of well C-37.

Wireline logging of the Upper Cretaceous formation target zone has confirmed, although having gone through a series of tectonic events, the consistence of clay and carbonate facies and provided important indications surrounding the potential productivity of the formation across the Company's Azerbaijan asset.

Having completed wireline logging, the Company proceeded to run the casing with a liner hanger system to be followed by cementing operations. During these operations, the liner hanger system failed to set, making it impossible for the casing to be cemented. Zenith is investigating the reasons for the liner hanger failure with the manufacturer.

On account of the observed oil and gas shows from the Middle Eocene formation and wireline logging, it was decided to perform a cement plug operation to isolate the Upper Cretaceous formation and put the well in openhole production from the Middle Eocene formation.

The Company is currently evaluating a number of stimulation interventions including acidification, as well as the possibility of installing an ESP, to maximise production.

Initial testing of the well has indicated that well C-37, if placed on full production, can produce up to **100** barrels of oil per day with a water cut of approximately 50 percent. Zenith will establish and communicate a stabilised flow rate to the market in due course.

The Company will now perform a series of technical inspections on its 1,200hp drilling rig prior to it being rigged down in preparation for mobilisation to the next drilling location in the Jafarli oilfield, well C-30.

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

“The Board of Directors is delighted with the result at C-37. Not only have we successfully concluded our first drilling operation in Azerbaijan utilising our own rig, but we are also on track to sizeably increase our daily production of oil. We now look forward with confidence to drilling operations in well C-30, the next well in our work programme, where all geological and technical data suggests we might achieve an even stronger result.”

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 oil production increases achieved as a result of 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.