

October 9, 2019

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR"). Upon publication of this announcement via a regulatory information service ("RIS"), the inside information contained in this document is now considered to be in the public domain.

ZENITH ENERGY LTD.

(**"Zenith"** or the **"Company"**)

C-37 Production Increases

Zenith Energy Ltd., (**"Zenith"** or the **"Company"**), (**LSE: ZEN; TSX.V: ZEE; OSE: ZENA-ME**), the international oil & gas production company operating onshore in Azerbaijan, is pleased to provide an update on drilling results at well C-37 in the Jafarli oilfield.

The Company can confirm that continued flow testing of the well recorded a production rate of approximately **285** barrels of oil per day, adding significant uplift to Zenith's total in country production figure.

Yearly revenue of approximately US\$5,500,000 is expected to be generated from C-37, and a stabilised flow rate of 285 represents a 114% increase in the Company's daily oil production.

Further stimulation of the well, which may include swabbing operations as well as the performance of nitrogen stimulation, may further increase the rate of production. The Company will update the market in due course regarding these operations.

C-30 Drilling Operations

Mobilisation of Zenith's 1,200hp drilling rig to the C-30 well location is expected to take place before the end of October 2019.

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

"We are pleased with the success we have achieved at well C-37. The additional production, and associated net cash flow, is extremely positive and indicates that we are progressing with our strategy of materially increasing our oil production in Azerbaijan. I look forward to updating investors in due course regarding the mobilisation of our drilling rig to the C-30 well location."

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-accractive 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.