

November 1, 2019

## **ZENITH ENERGY LTD.**

("Zenith" or the "Company")

### **Completion of Financing**

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 inform that has now fully closed the private placing on the Merkur Market of the Oslo Borse.

Following up on the Company's previous announcement of October 22, 2019, whereby the Company announced increased participation in its Norwegian private placement, the Company announces that it has successfully closed a further increased amount of 8,977,143 new common shares for additional gross proceeds of NOK 3,142,000 (approximately GBP 265,000.00 or CAD 447,000.00). The aggregate number of common shares issued as part of the private placement was 37,000,000 and private placement was completed at a subscription price of NOK 0,35 per share (3 Pence or CAD cents 5.02).

As previously announced, Zenith intends to use the net proceeds of the offering for continuing operational drilling activity at the Company's Muradkhanli fields.

### **Total Voting Rights**

The Company wishes to announce, in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, the following information following Admission of the Common Shares issued in the Placing.

Class of share	Total number of shares	Number of voting rights per share	Total number of voting rights per class of share
Common Shares in issue and admitted to trading on the Main Market of the London Stock Exchange	277,403,856	1	277,403,856
Common Shares in issue and admitted to trading on the TSXV	416,543,509	1	416,543,509

Common Shares in issue and admitted to trading on the Merkur Market of the Oslo Børs	416,543,509	1	416,543,509
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No Common Shares are held in treasury. The above figure for total number of Common Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

### **Supplement of the existing Loan Agreement**

The Company would like to further announce that it has agreed to supplement an existing convertible loan agreement (the "Loan Agreement") it has with a consortium of lenders (the "Lenders") by increasing the maximum amount that may be loaned by the Lenders to the Company under the Loan Agreement by an additional USD\$1,000,000, from USD\$1,500,000 to USD\$2,500,000. The conversion terms under the Loan Agreement are the same provided in the original loan announced on 5 September 2018, and successfully renegotiated on 11 March 2019. The Loan Agreement provides for an initial immediate advance of USD\$500,000 and a further advance of USD\$500,000, to be provided at a later time.

Zenith can confirm that the total outstanding liability in relation to the convertible loan provided by the Lenders will now stand at USD\$920,000 following the supplement of the existing Loan Agreement.

### **Andrea Cattaneo, Chief Executive Officer of Zenith, commented:**

"The financing Zenith has secured provides additional capital that will be invested directly into our operations.

We are taking all the necessary steps to materially increase our daily production of oil and formulate a clear plan to optimise the execution of our potentially transformational drilling activities. I look forward to providing further information regarding these operations in due course."

### **TSXV Approval**

The transaction is subject to the approval of the TSXV in Canada.

### **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 9, 2019 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.