

December 3, 2019

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Acquisition of Coro Energy Italian Assets

Zenith Energy Ltd., ("Zenith" or the "Company"), (LSE: ZEN; TSX.V: ZEE; OSE: ZENA-ME), the international oil & gas production company, is delighted to announce that it has signed a share purchase agreement ("SPA") with AIM quoted Coro Energy Plc ("Coro") for the acquisition of Coro's entire natural gas production and exploration portfolio in Italy ("Acquisition").

Acquisition Highlights

- The Acquisition will add material production to the Company's existing Italian operations, resulting in the creation of a significantly enlarged, revenue generating, low-risk production and exploration portfolio.
- Coro's Italian portfolio consists of 100% working interests in four producing natural gas concessions: Sillaro, Rapagnano, Casa Tiberi and Bezzecca, as well as one production concession which is development ready, S. Alberto. Two exploration concessions, Laura and Santa Maria Goretti complete the portfolio.
- The Acquisition will enable Zenith to increase gross production revenue in Italy by approximately 410% with an expected yearly gross revenue of approximately €3.6 million (equivalent to approximately £3.08 million; NOK 36.5 million or CAD\$5.3 million).
- Zenith will become one of the largest natural gas production operators in Italy with a total cumulative production from its Italian portfolio of approximately 55,000 standard cubic meters per day ("scm/day") (approximately 322 barrels of oil equivalent "BOE" per day).
- The Acquisition assets generated €1.53 million in revenue (equivalent to approximately £1.31 million; NOK15.575 million or CAD\$2.26 million) in the first six months of 2019 at an average cumulative production rate of 40,000 scm/ day (approximately 234 BOE per day).
- Independently assessed 2P reserves of 7.5 BCF as of January 1, 2018 (CGG Services (UK) Limited CPR - Reference No: BP512 – dated March 1, 2018).
- Production is expected to reach 113,000 scm/day following the completion of a series of targeted interventions planned during the next 6-9 months for which all necessary approvals have already been obtained.

- Consolidation of Italian portfolio will strengthen Zenith's credentials as a natural gas producer to support the acquisition of additional natural gas production assets in other regions, including Norway.
- Enhancement of Italian operational team with the addition of highly experienced technical management fully familiar with the domestic Italian energy production environment and the potential future productivity to be achieved from the Acquisition concessions.
- Zenith's significantly enhanced natural gas production activities in Italy are expected to give the Company increased relevance in the context of Italy-Azerbaijan natural gas industry cooperation in view of the imminent activation of the TAP (Trans Adriatic Pipeline).

Zenith and Coro entered into a conditional share purchase agreement in respect of the purchase of the entire issued capital of Coro Europe Limited by Zenith on December 2, 2019. The consideration for the Acquisition is payable in common shares in Zenith and is divided into two parts.

An initial £402,000 is payable at completion in common shares in the capital of Zenith ("**Consideration Shares**") at a price of **£0.06** (equivalent to approximately NOK0.71 or CAD\$0.10) per Consideration Share with a six-month hold period.

The second part of the consideration, up to £3.5 million, is also payable in shares at the closing price of Zenith shares on the issue date plus 40 per cent. of such closing price only in the event that production of natural gas extracted and recovered from the Acquisition's Italian assets exceeds an average of 100,000 scm/day over a period of four successive months (equivalent to approximately 590 BOE per day).

Completion of the Acquisition is conditional, inter alia, on the approval of sale by the Italian Ministry of Economic Development.

The Acquisition is also subject to final regulatory approval from the TSX Venture Exchange.

Andrea Cattaneo, Chief Executive Officer, commented:

"We are delighted to have signed this exciting SPA with Coro Energy. Upon completion of the acquisition, Zenith will have significantly enhanced its Italian operations with a material increase in revenue generation and natural gas production making it one of the leading natural gas producers in Italy.

There are a number of opportunities to increase production from current levels in the acquired assets through targeted relatively low-risk well interventions, also present in our existing Italian portfolio. Our newly enhanced technical team and financial resources will enable Zenith to apply renewed focus on its Italian portfolio.

We look forward to updating the market in due course regarding progress."

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. On November 18, 2019, the Company was assigned a "B+" with Stable Outlook debt issuer credit rating by Rating-Agentur Expert RA.

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 natural gas production increases to be achieved as a result of possible well intervention activities to be performed in certain concessions of the Acquisition.

The forward-looking statements and information are based on certain key expectations and assumptions made by Zenith based on information it has received from Coro in relation to the production potential of certain concessions within the Acquisition.

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.