

December 12, 2019

## **ZENITH ENERGY LTD.**

("Zenith" or the "Company")

### **Azerbaijan Operational Update**

Zenith Energy Ltd., ("**Zenith**" or the "**Company**"), (LSE: **ZEN**; TSX.V: **ZEE**; OSE: **ZENA-ME**), the international oil & gas production company, is pleased to provide an update regarding well C-37 operations.

The Company can confirm that, in order to optimise future production from well C-37, it will install a custom-built bridge plug to isolate the Upper Cretaceous formation and enhance the long-term productivity to be obtained from the Middle Eocene formation.

Zenith expects that, following the installation, and when the well is placed in full operation, stabilised oil production from well C-37 will be approximately 250-300 barrels of oil per day without stimulation.

As announced on October 9, 2019, the Company plans to perform a series of stimulation activities to progressively further increase productivity from the Middle Eocene formation.

The Company will provide further information on these developments in due course.

### **Deepening of Well C-30**

The Company can confirm that civil works at well C-30 have now been fully completed.

Zenith is currently in discussions with its REDPSA partner, SOCAR, to obtain final approvals to commence drilling operations.

### **Drilling of Exploratory Well in 2020**

Zenith can confirm that it has initiated geological and technical investigations, with the approval and in consultation with SOCAR, for the identification of the most prospective location to drill an exploratory well within the Exploration Area of the REDPSA contract area.

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

“The Company looks forward to achieving stabilised production from well C-37 following the completion of downhole operations.

We are extremely motivated to achieve further success in C-30 well deepening operations with the benefit of the important experiences gained during C-37 operations.”

**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 by cumulative acreage 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 to be achieved from 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.