December 16, 2019

**ZENITH ENERGY LTD.**

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

**Private Placement in Norway**

Zenith Energy Ltd., ("**Zenith**" or the "**Company**"), (**LSE**: **ZEN**; **TSX.V**: **ZEE; OSE: ZENA-ME**), the international oil & gas production company, is pleased to announce a Private Placement ("**Private Placement**") on the Merkur Market of the Oslo Stock Exchange.

The Company has successfully raised gross proceeds of NOK 7,700,000 (approximately £638,000 or CAD$1,123,430) to subscribe for 35,000,000 common shares of no par value in the capital of the Company ("**New Common Shares**") at a price of NOK 0.22 per New Common Share (approximately £0.02 or CAD$0.03).

Payment and issue of the New Common Shares to complete the Private Placement is expected on or around December 18, 2019, and an update will be provided upon completion.

The Private Placement attracted strong interest from both private and institutional investors.

Zenith intends to use the net proceeds of the Private Placement to purchase drilling equipment and to provide additional general working capital.

The Private Placement is subject to approval from the TSX Venture Exchange.

**Director Dealing/ PDMR Shareholding**

Mr. Andrea Cattaneo, Chief Executive Officer & President of Zenith, has advised the Company that, in relation to the aforementioned Private Placement, he subscribed 8,500,000 common shares of no par value ("**Common Shares**") in the capital of the Company.

Following the aforementioned dealing, Mr. Cattaneo is directly beneficially interested in a total of 35,334,115 Common Shares in the capital of the Company, representing 7.8 per cent of the total issued and outstanding common share capital of the Company admitted to trading on the TSX Venture Exchange and Merkur Market of the Oslo Stock Exchange.

Mr. Cattaneo is also indirectly interested in a total of 480,000 Common Shares, today representing 0.11 per cent of the Company's issued and outstanding common share capital admitted to trading on the TSX Venture Exchange and Merkur Market of the Oslo Stock Exchange.

**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 | 451,543,509 | 1 | 451,543,509 |
| Common Shares in issue and admitted to trading on the Merkur Market of the Oslo Børs | 451,543,509 | 1 | 451,543,509 |

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.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

**Further Information:**

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| **Zenith Energy Ltd** | |
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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.