

August 1, 2019

**ZENITH ENERGY LTD.**

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

**Financing of Drilling Campaign**

Zenith Energy Ltd. (**"Zenith"** or the **"Company"**) (**LSE: ZEN; TSX.V: ZEE; OSE: ZENA-ME**) the listed international oil & gas production company operating the largest onshore oilfield in Azerbaijan, is pleased to announce that it has completed a placing (the **"Placing"**) of new units (**"Units"**), with each Unit comprised of one ordinary common share of no par value in the capital of the Company (**"Common Shares"**) and one full common share purchase warrant (**"Warrants"**), exercisable within 12 months at an exercise price of CAD\$0.10. Each Unit was issued at a price of CAD\$0.04 (approximately equivalent to £0.025).

Pursuant to the Placing, Zenith has issued a total of 43,012,500 Common Shares and 43,012,500 Warrants, to raise gross proceeds of CAD\$1,720,500 (approximately £1,075,000 or NOK 11,407,600).

The Placing has received conditional approval from the TSX Venture Exchange. Application has also been made for the Common Shares to be admitted to trading on the Merkur Market of the Oslo Børs (**"Admission"**).

An application for the Common Shares to be listed on the standard segment of the FCA Official List and to be admitted to trading on the London Stock Exchange Main Market for listed securities will be made within 12 months of the issue of the Common Shares.

The Company intends to use the proceeds of the Placing to fully fund the execution of well deepening operations in wells C-37 and C-30.

**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 Financing Common Shares:

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	258,404,153	1	258,404,153
Common shares in issue and admitted to trading on the TSXV	355,421,225	1	355,421,225
Common shares in issue and admitted to trading on the Merkur Market of the Oslo Børs	355,421,225	1	355,421,225

No 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.

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

“I am confident that a positive result in C-37 and C-30 drilling operations will be transformational for Zenith’s development. I am grateful to the shareholders who participated in this placing which ensures that we are now fully funded for the completion of well deepening operations in the Jafarli field.

I look forward with great excitement to reporting on progress of C-37 well deepening operations in due course.”

**Further Information:**

<b>Zenith Energy Ltd</b>	
Andrea Cattaneo, Chief Executive Officer	Tel: +1 (587) 315 9031
	E-mail: <a href="mailto:info@zenithenergy.ca">info@zenithenergy.ca</a>
<b>Peterhouse Capital - Joint Broker</b>	Tel: + 44 (0) 207 469 0930
Lucy Williams	
Charles Goodfellow	
<b>Novum Securities Limited - Joint Broker</b>	Tel: + 44 (0) 207 399 9400

Charlie Brook-Partridge	
Hugh McAlister	
<b>IFC Advisory Limited - Financial PR &amp; IR</b>	Tel: + 44 (0) 203 934 6630
Graham Herring	
Miles Nolan	
Zach Cohen	

### **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 and information concerning the admission of Zenith common shares to the Main Market for listed securities of the London Stock Exchange, as well as the potential of its 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.