

January 20, 2020

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Put and Call Option Agreement with AAOG

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 that it has entered into the put and call option agreement ("Put and Call Option Agreement") with Anglo African Oil & Gas plc ("AAOG") over the residual holding of 20 percent in Anglo African Oil & Gas Congo SAU ("AAOG Congo") that AAOG will retain ("the Residual Shares") following the signing of a conditional share purchase agreement ("SPA") for Zenith's acquisition of an 80 percent interest in AAOG Congo (the "Acquisition").

The Put and Call Option Agreement incorporates the key provisions of the agreed term sheet for the put and call option agreement with AAOG which were announced by the Company on January 13, 2020.

As announced on December 27, 2019, the SPA is conditional, inter alia, on the passing of an ordinary resolution of shareholders in AAOG in a General Meeting, to be held on January 13, 2020, approving the Acquisition and certain regulatory requirements in the Republic of the Congo, including consent of the Minister of Hydrocarbons ("Completion").

On January 13, 2020, the Company announced that the shareholders of AAOG had passed the resolution presented at the general meeting held on January 13, 2020 to approve the sale of 80 percent of the shares in AAOG Congo to Zenith.

The Company is working towards the fulfilment of the remaining conditions precedent in order to achieve Completion.

Further Information:

Zenith Energy Ltd	
Andrea Cattaneo, Chief Executive Officer	Tel: +1 (587) 315 9031
	E-mail: info@zenithenergy.ca
Novum Securities Limited - Broker	Tel: + 44 (0) 20 7399 9400
Charlie Brook-Partridge	
Hugh McAlister	
IFC Advisory Limited - Financial PR & IR	Tel: + 44 (0) 20 3934 6630

Graham Herring	
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 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.