

February 26, 2020

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Negotiations for drilling rig in the Congo

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 is in advanced negotiations to contract a drilling rig to perform planned drilling operations in the Republic of the Congo.

As previously announced, Zenith has agreed to acquire an 80 percent interest in Anglo African Oil & Congo S.A.U ("AAOG Congo"), which has a 56 percent majority interest in, and is operator of, the Tilapia oilfield in the Republic of the Congo ("License"), by way of a conditional share purchase agreement ("SPA") with AIM quoted Anglo African Oil & Gas plc ("AAOG").

The SPA remains conditional on certain regulatory requirements in the Republic of the Congo, including consent of the Minister of Hydrocarbons ("Completion").

As announced on February 11, 2020, the Company has identified two suitable drilling rigs, both of which are in the proximity of the License, thereby significantly reducing mobilisation costs, to perform planned drilling operations in the License.

The Company can today confirm that it is in advanced negotiations to contract one of the aforementioned drilling rigs, which is currently being used by an international oil major in a neighbouring oilfield and is expected to become available during the next 30 days.

Zenith intends to commence drilling operations during April 2020 following Completion.

Funding for planned drilling operations in Tilapia is expected to be provided by means of Zenith's publicly announced EUR 25 million EMTN programme, as well as certain repayments due to AAOG Congo from Société Nationale des Pétroles du Congo ("SNPC") as a result of past work performed on the License for a total amount of approximately US\$5.3 million. In accordance with the terms of the SPA, Zenith will retain 80 percent of the aforementioned amount upon Completion.

Andrea Cattaneo, Chief Executive Officer, commented:

"It is the Board's view that there is significant potential for near-term value creation in Zenith's equity due to a number of business development activities we are pursuing, foremost amongst which is Completion of the AAOG Congo acquisition and the planned drilling activities in the Mengo and Djeno horizons.

Management and I remain fully focussed on achieving Completion, having recently met extensively with all the relevant authorities in the Republic of the Congo.

As evidenced by our advanced negotiations with a local drilling contractor, we intend to commence operational activities without delay once Completion is achieved."

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) 207 399 9400
Charlie Brook-Partridge	
Hugh McAlister	

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. 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.