

March 2, 2020

ZENITH ENERGY LTD.

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

Exclusivity Agreement for oil production asset, Tunisia

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 signed an exclusivity agreement to acquire an operated working interest in an onshore oil production asset in Tunisia (the **"Acquisition"**).

Tunisia Highlights:

- Daily national oil production of approximately 35,000 bopd
- Safe, democratic jurisdiction
- Fast monetisation of produced oil with favourable fiscal regime
- Attractive domain for junior independent exploration and production companies

The Acquisition currently produces at a rate of approximately 700 barrels of oil per day, generating gross annual revenues of approximately US\$15 million.

Zenith is advanced negotiations with an international oil major to sign an offtake agreement for the asset's future oil production in order to fund the Acquisition. There are no plans to issue equity consideration to fund the Acquisition.

The Company intends to complete the Acquisition by March 31, 2020 subject to the satisfactory conclusion of currently ongoing due diligence activities.

Andrea Cattaneo, Chief Executive Officer, commented:

"It is Zenith's strategy to acquire revenue generating oil and gas production assets.

The Acquisition represents an attractive opportunity to enrich our asset portfolio in a country where management have significant experience.

We are currently performing due diligence and visiting the target asset with a view to completing the Acquisition by March 31, 2020.

It is important to underline that we have no plans to issue equity to fund the Acquisition or its immediate development following completion."

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. 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.