

March 12, 2020

## ZENITH ENERGY LTD.

("Zenith" or the "Company")

### Update on Acquisitions

Zenith Energy Ltd., ("Zenith" or the "Company"), (LSE: ZEN; TSX.V: ZEE; OSE: ZENA-ME), the international oil & gas production company, provides the following update in view of the recent volatility in oil prices and financial markets.

As announced to the market, Zenith has centred its strategic focus on pursuing large-scale, revenue generating oil production and development opportunities in Africa.

Zenith is in the process of finalising the following, publicly announced, acquisitions:

- Acquisition of an 80 percent interest in Anglo African Oil & Gas S.A.U ("**AAOGC**"), operator of the potentially transformational Tilapia oilfield in the Republic of the Congo with a 56 percent interest. Completion of the acquisition of AAOGC remains conditional on certain regulatory requirements in the Republic of the Congo which the Company is expecting to achieve imminently.
- Final stage negotiations with a national authority in West Africa for an oil production asset, formerly operated by a major international oil company, which last produced at a rate in excess of 1,000 barrels of oil per day. Zenith is pleased to confirm that negotiations have now been extended to also include the possible acquisition of a **second** asset, operated by an international oil major, currently producing 600 barrels of oil per day. The Company believes that the potential acquisition of the aforementioned assets represents a significant opportunity to materially increase Zenith's near-term oil production and, in turn, achieve sizeable revenue generation upside.
- Exclusivity Agreement for a working interest in an onshore oil production asset in Tunisia currently producing at a rate of approximately 700 barrels of oil per day, generating gross annual revenues of approximately US\$15 million ("**Tunisian Acquisition**"). Zenith is currently performing its due diligence process with the objective of finalising the transaction in due course. Completion of the Tunisian Acquisition will be subject to approval from the national oil company of Tunisia, Entreprise Tunisienne d'Activités Pétrolières (ETAP). 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 Tunisian Acquisition.
- Acquisition of Coro Energy Plc's Italian natural gas production and exploration portfolio ("**Italian Acquisition**"). Completion of the Italian Acquisition is conditional on the necessary regulatory approvals being obtained from the Italian Ministry for Economic Development. Upon completion, Zenith will become one of Italy's leading natural gas

producers with an increase in Italian gross production revenue of approximately 410%, and an expected yearly gross revenue of approximately €3.6 million. It is therefore expected that, upon completion of the Italian Acquisition, Zenith will have a daily total cumulative production from its enlarged Italian portfolio of approximately 65,000 standard cubic meters (approximately 382 BOE per day).

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

"The recent steep decline in oil prices as a result of world events has particularly impacted financial markets, whilst also presenting new opportunities to acquire highly prospective oil and natural gas production assets at advantageous terms.

We are currently in the process of completing a series of transformational acquisitions that, by virtue of their material existing production, or near-term highly prospective production potential in the case of Tilapia, will enable Zenith to rapidly enlarge and diversify its portfolio at a time of great opportunity for companies with a clear strategic focus."

**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.

