

March 31, 2020

**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**Letter of Intent for US\$2 million investment**

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 a non-binding Letter of Intent ("LOI") with an Arab consortium of strategic institutional investors focused on African development opportunities, to provide an investment of US\$2 million in Zenith's share capital at a price of 2.5 pence per Zenith common share (equivalent to approximately NOK 0.33 or CAD\$0.043), representing a premium of 384% over the closing mid-market price of Zenith's common shares admitted to trading on the London Stock Exchange on March 30, 2020 ("Strategic Investment").

Under the terms of the LOI, the Strategic Investment would be subject to a number of conditions including the completion of the publicly announced Tunisian Acquisition, as well as the successful acquisition of two oil production licenses currently being negotiated with a national oil authority in West Africa (as announced on March 12, 2020).

The Strategic Investment will also be conditional on the appointment of a director to Zenith's Board.

Upon completion of the aforementioned acquisitions, it is anticipated that Zenith will have a daily production in excess of 1,500 barrels of oil per day.

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

"It is extremely encouraging to receive such interest from a new institutional investor, especially during the unprecedented circumstances the world is currently facing.

The strategy Zenith is pursuing of expanding countercyclically at a time of great opportunity for portfolio enrichment by acquiring large, revenue generating oil production assets is attractive to institutional investors who see material future value for a junior oil company of our size with a clearly defined set of development objectives.

We look forward to the journey ahead with confidence in the belief that once the COVID-19 pandemic begins to be tackled successfully, and lessens in its impact, there will be a progressive recovery in financial markets and oil prices."

**Further Information:**

<b>Zenith Energy Ltd</b>	
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Colin Rowbury	

## **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.

## **Forward-Looking Statements and Forward-Looking Information**

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", "would", "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 closing of the Strategic Investment and the corresponding admission of the Company's Common Shares to the Main Market for listed securities of the London Stock Exchange, the completion of the Tunisian Acquisition, the acquisition of two oil production licenses in West Africa, and the potential daily production levels of the Company.

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 realize its growth opportunities and the 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 realize growth opportunities, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), constraint in the availability of services, commodity price and exchange rate fluctuations, changes in legislation impacting the oil and gas industry, adverse weather or break-up conditions and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.

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 these cautionary statements.