

April 17, 2020

**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**Acquisition of Tilapia for £200,000**

Zenith Energy Ltd. ("**Zenith**" or the "**Company**") (LSE: **ZEN**; TSX.V: **ZEE**; OSE: **ZENA-ME**), the listed international oil & gas production company focused on pursuing African development opportunities, is pleased to announce that it has successfully renegotiated the terms for the acquisition from AIM listed Anglo African Oil & Gas plc ("**AAOG**") of its fully owned subsidiary in the Republic of the Congo, Anglo African Oil & Gas Congo S.A.U, ("**AAOG Congo**") which has a 56 per cent. majority interest in, and is the operator of, the Tilapia oilfield in the Republic of the Congo (the "**Licence**").

The Company has entered into a new conditional Deed of Variation (the "**Deed of Variation**") which now includes the acquisition of a **100 per cent.** interest in AAOG Congo and related intercompany loans (the "**Acquisition**") for a revised total consideration of **£200,000** ("**Revised Consideration**").

The aforementioned variation to the terms of the Acquisition means that completion ("**Completion**") will occur after the passing of a resolution (the "**Resolution**") to be put to shareholders of AAOG at a general meeting (the "**GM**"). Completion of the Acquisition is therefore no longer conditional on certain regulatory approvals being obtained in the Republic of the Congo.

Under the terms of the Deed of Variation for the Acquisition, payment of the Revised Consideration will solely depend upon the passing of the Resolution at the GM by AAOG shareholders.

Payment of the Revised Consideration is expected to be made on the next business day following the date of the Resolution being passed.

In addition, AAOG will novate 100% of the intercompany loans with AAOG Congo to Zenith as of the date of Completion, equivalent to approximately £12.5 million.

As previously announced, AAOG Congo is owed approximately US\$5.3 million by Société Nationale des Pétroles du Congo ("**SNPC**") as a result of past work performed on the Licence.

Following Completion, the Company will assume responsibility of all ongoing costs and liabilities in relation to AAOG Congo. Zenith expects to implement a series of cost-cutting measures at AAOG Congo to improve profitability, especially in reaction to the significant recent decline in oil prices.

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

"Acquiring a 56 percent interest in the potentially transformational Tilapia oilfield, as well as 100% of the approximately US\$5.3 million in receivables, for a consideration of £200,000 is a fantastic result made possible by the exceptional circumstances brought about by the COVID-19 pandemic, as well as the current low oil price environment.

We are fully confident that the necessary regulatory approval process in the Republic of the Congo for the transfer of ownership, as well as negotiations for a 25-year renewal of the Tilapia licence, will conclude positively, having been delayed due to the difficulties caused by COVID-19.

I believe we have obtained significant value for Zenith shareholders by concluding the transaction under the revised terms and I look forward to delivering further good news in due course."

**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. Zenith's development strategy is to identify and rapidly seize value-accretive hydrocarbon production opportunities in the onshore oil & gas sector, specifically in Africa. The Company's board of directors and senior management team have the experience and technical expertise to develop the Company successfully.

