

April 22, 2020

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Intention to delist from TSX-V & Debt Reduction

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, announces its intention to delist from the TSX Venture Exchange ("TSX-V") and confirms the full repayment of its largest outstanding liability.

Rationale

- Following the Company's dual listing on the Main Market for listed securities of the London Stock Exchange ("LSE") in January 2017 and the admission of its entire share capital to the Merkur Market of the Oslo Stock Exchange ("Merkur Market") in November 2018, the Company has seen its investor base move increasingly towards the UK and Norway, with limited investor support from the Canadian market. The Company has found UK and Norwegian investors to be more receptive to and interested in junior production and exploration companies, and therefore more suited to support companies such as Zenith. The Company intends on maintaining such listings and as such will provide continued trading liquidity of common shares in the capital of Zenith ("Common Shares") to its public shareholders.
- The Company's average trading volume and liquidity on the TSX-V has become comparatively limited, particularly in the past year. For example, over the preceding three months, Zenith's average volume of shares traded on the TSX-V were approximately 0.113 million Common Shares (1.6%) compared to 3.526 million Common Shares on the Merkur Market (48.9%) and 3.577 million Common Shares on the LSE (49.6%).
- Given the aforementioned, and in light of the current COVID-19 pandemic and low oil price environment, the Company has been reviewing its corporate structure to maximise cost control and, as part of this review, plans to delist from the TSX-V. The benefits of delisting are expected to result in lower administrative costs, greater operational efficiency and management time savings.

It is expected that the process to delist from the TSX-V will be completed during the month of May 2020.

At least 10 days prior to delisting from the TSX-V, Zenith will provide clear guidance to shareholders on the Canadian register on any applicable actions they will need to take. Zenith expects there will be no impact to the shareholders on the Canadian register and that trading access of their equity positions in Zenith on other markets where the Common Shares are admitted to trading will be available once appropriate actions are taken.

Repayment of Loan Facility for US\$1,485,000 and accrued interest

The amount of the principal, and related accrued interest, of the Loan Facility is represented and accounted as a liability in the audited Annual Financial Report of the Company as of March 31, 2019, and in the unaudited Q2 Financial Statements as of September 30, 2019, for an aggregate amount of US\$2,080,523.

On October 1, 2019, the Company announced that, following negotiations with the lender, it had successfully agreed to settle the aforementioned liability for a reduced amount of US\$1,000,000, representing a profit of US\$1,080,523.

The Company is pleased to confirm that the liability has been settled in full.

Andrea Cattaneo, Chief Executive Officer, commented:

"In view of the low oil price environment, and the impact of the COVID-19 pandemic on financial markets, we are taking every necessary step to maximise the efficiency of our corporate structure.

We view delisting from the TSX-V as a way to achieve meaningful cost savings for Zenith.

For some time, the level of interest for junior oil and gas production companies such as Zenith has significantly declined in the Canadian market. Indeed, the level of trading in the Company's common shares on the TSX-V has been minimal when compared to the London and Oslo markets.

I take the chance to thank the TSX-V and its officers who have always been extremely supportive in assisting Zenith over the years.

We are delighted to have fully settled the Loan Facility of US\$2,080,523 (inclusive of accrued interest) by making full payment of the revised settlement amount of US\$1,000,000. This is an important milestone in our debt reduction activities as it constituted the single largest liability on our balance sheet."

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.