

July 31, 2020

ZENITH ENERGY LTD.

(“Zenith” or the “Company”)

Loan Facility for African Development

Zenith Energy Ltd. (“Zenith” or the “Company”) (LSE: ZEN; OSE: ZENA-ME), the listed international oil & gas production company, is pleased to announce that its Italian subsidiary has received approval to be awarded a legally binding loan facility (the “Loan”) for an amount of approximately EUR 300,000 from an Italian governmental entity.

The Loan attracts an interest rate of 0.85 per cent, has a grace period of 24 months during which only the interest will be payable, normal financial covenants, and a duration of 6 years.

Under the terms of the Loan, all funds to be disbursed are to be utilised for the purpose of the establishment of commercial activities in Africa, specifically in the Republic of Congo and the broader West Africa region.

The Company plans to file an application for a second loan facility of this kind, designed to assist Italian commercial enterprises in the current challenging financial climate, for the purpose of making infrastructural investments in its Italian natural gas, condensate and electricity production operations.

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

“We are pleased to have received approval for this Loan, which has very favourable conditions and will be used to further increase our investment in Africa at this time, specifically in the Congo and the broader West Africa region.

Indeed, as publicly announced on June 16, 2020, we are currently in negotiations with two pan-African financial institutions for a loan facility that will be used to fund the acquisition and development of Zenith’s growing portfolio in West Africa.

I look forward to updating shareholders on progress in due course.”

Total Voting Rights

The Company wishes to announce, in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, the following information:

Class of share	Total number of shares	Number of voting rights per share	Total number of voting rights per class of share
Common Shares in issue and admitted to trading on the Main Market of the London Stock Exchange	313,400,824	1	313,400,824
Common Shares in issue and admitted to trading on the Merkur Market of the Oslo Børs	852,072,921	1	852,072,921

Zenith holds 25,395,828 Common Shares in treasury. The above figure for total number of Common Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Further Information:

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Notes to Editors:

Zenith Energy Ltd. is an international oil and gas production company, listed on the London Stock Exchange (LSE:ZEN) and the Merkur Market of the Oslo Stock Exchange (ZENA:ME).

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.