

July 31, 2020

ZENITH ENERGY LTD.

(“Zenith” or the “Company”)

Termination of SPA for acquisition of Coro Energy Italian assets

Zenith Energy Ltd. (“Zenith” or the “Company”) (LSE: ZEN; OSE: ZENA-ME), the listed international oil & gas production company, announces the termination, by mutual agreement between the parties, of the sale and purchase agreement (“SPA”) entered into with Coro Energy plc (“Coro”) relating to the proposed acquisition by Zenith of Coro’s entire Italian natural gas production and exploration portfolio (the “Italian Acquisition”).

Under the SPA, completion of the Italian Acquisition was conditional on, *inter alia*, receipt of Italian regulatory approvals prior to the long stop date of July 31, 2020, which will not be achieved. The SPA allowed for a possible extension of the long stop date to October 31, 2020 upon written request by Zenith. For reference, signing of the SPA was first announced to the market on December 3, 2019.

The Company has elected not to formulate such a request for the following reasons:

- Negative profitability of the Italian Acquisition as a result of COVID-19.
- The concentration of the Company’s focus, in terms of management time and financial resources, on its publicly announced acquisition campaign in Africa.

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

“In view of the many exciting developments that have taken place since the SPA was first announced to the market in December 2019, specifically our acquisitions in the Republic of the Congo and Tunisia, as well as the unprecedented changes brought about by the COVID-19 pandemic, we have decided to reconsider the proposed expansion of our natural gas production and exploration portfolio in Italy.

There will therefore be no equity dilution associated with this transaction, enabling a further maximisation of our financial resources and attention towards possible additional value accretive acquisition opportunities in Africa.”

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.