

August 10, 2020

ZENITH ENERGY LTD.

(“Zenith” or the “Company”)

Preparations for Tilapia II Licence

Zenith Energy Ltd. (“Zenith” or the “Company”) (LSE: ZEN; OSE: ZENA-ME), the listed international oil & gas production company, is pleased to announce that it has incorporated Zenith Energy Congo SA (“Zenith Congo”), a fully owned subsidiary of the Company, created under the laws of the Republic of the Congo.

Zenith Congo has been established at the request of the Ministry of Hydrocarbons for the purpose of receiving a new 25-year licence following the submission of a comprehensive commercial and technical offer (the “Offer”) to the Ministry of Hydrocarbons of the Republic of the Congo for the award of a new 25-year licence for the Tilapia oilfield to be named “Tilapia II”. For reference, submission of the Offer was first announced to the market on July 20, 2020.

The Company plans to operate Zenith Congo in parallel to its other fully owned subsidiary in the Republic of the Congo, Anglo African Oil & Gas Congo S.A.U (“AAOG Congo”), which, as publicly announced, has total receivables of approximately US\$5.3 million from Société Nationale des Pétroles du Congo (“SNPC”).

As a result, and in agreement with the Ministry of Hydrocarbons, the Company has terminated the Plan for the Continuation of Activities” (“PCA”), first announced to the market on July 20, 2020, and returned operatorship of the Tilapia licence from AAOG Congo to a subsidiary of SNPC.

It is planned that, in the event the Offer is accepted by the Ministry of Hydrocarbons of the Republic of the Congo, the new operator of Tilapia II will be Zenith Congo.

Response to Media Speculation

The Company has become aware of speculation surrounding its activities in the Republic of the Congo.

It is the view of the Board of Directors that the aforementioned speculation is an attempt to create misplaced uncertainty amongst shareholders as to Zenith’s potential at this final stage in the assignation of a new 25-year licence for Tilapia.

Zenith is fully confident in its position in the Republic of Congo and believes that its future progress there will evidence the unsubstantiated, malicious nature of the rumours being circulated.

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

“We are looking forward with excitement to our journey in the Republic of the Congo following the possible acceptance of the Offer we have submitted. Furthermore, as announced on July 7, 2020, we are currently working to submit a parallel offer in partnership with a local company for a second licence in the vicinity of Tilapia.

It is regrettable to observe damaging misinformation being disseminated online about the Company. However, we are fully confident in our position and the great potential of our near-term progress.”

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.