

February 24, 2021

**ZENITH ENERGY LTD.**

("Zenith" or the "Company")

**Credit Line Agreement & Debt Settlement**

Zenith Energy Ltd. ("Zenith" or the "Company") (LSE: ZEN; OSE: ZENA), the listed international oil & gas production company focused on pursuing African development opportunities, is pleased to announce that it has entered into a revolving line of credit agreement for a period of one year with a financial institution (the "Lender") for an amount of up to EUR 1,500,000 (the "Credit Line").

Under the terms of the Credit Line, interest shall accrue at a rate of 9 per cent per annum in respect of any amount advanced by the Lender.

The Company can confirm that, in accordance with the terms of the Credit Line, it has made a drawdown for a total amount of EUR 500,000.

**Use of Proceeds**

The Company will utilise funds received from the Credit Line to strengthen its cash position in view of potential additional asset acquisition opportunities and for general working capital purposes.

**Issue of Share Subscription Warrants (the "Warrants")**

In connection with the Credit Line, the Company has issued the Lender the following Warrants with a duration of one year:

- 85 million Warrants to acquire one common share for each Warrant at an exercise price of NOK 0.20 (equivalent to approximately £0.017).
- 85 million Warrants to acquire one common share for each Warrant at an exercise price of NOK 0.25 (equivalent to approximately £0.022).

**Debt Settlement by way of equity issuance**

The Company has issued a total of 1,816,410 new common shares ("Debt Settlement Shares") at a price of NOK 0.145 (equivalent to approximately £0.0124) to settle an amount owed by the Company to a creditor wishing to be paid in equity.

An application for the Debt Settlement Shares to be listed on the standard segment of the FCA Official List and to be admitted for trading on the London Stock Exchange Main Market for listed securities will be made within 12 months of the issue date.

## **Total Voting Rights**

The Company wishes to announce, in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, the following revised information resulting from the issuance of the aforementioned Debt Settlement Shares.

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 Euronext Growth Market of the Oslo Børs - representing the total outstanding common share capital of the Company	1,072,460,760	1	1,072,460,760

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

“In view of the potential near-term progress the Company may achieve in respect of its publicly announced objectives in Africa, we have sought to minimise any form of equity issuance and finance our activities via other instruments.

I look forward to updating the market in due course at this very exciting juncture in our development against a backdrop of a significantly improving oil price environment.”

**Further Information:**

<b>Zenith Energy Ltd</b>	
Andrea Cattaneo, Chief Executive Officer	Tel: +1 (587) 315 9031
	E-mail: <a href="mailto:info@zenithenergy.ca">info@zenithenergy.ca</a>
<b>Allenby Capital Limited - Financial Adviser &amp; Broker</b>	
Nick Harriss	Tel: + 44 (0) 203 328 5656
Nick Athanas	

**Notes to Editors:**

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

Zenith's development strategy is to identify and rapidly seize value-accretive hydrocarbon production opportunities in the oil & gas sector, specifically in Africa.