

April 21, 2021

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Binding Offer to acquire oil production and development assets in Tunisia

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 made a binding offer (the "**Offer**") to wholly acquire a company holding a 100% interest in two hydrocarbons production and development concessions in Tunisia (the "**Potential Acquisitions**"), which has now been accepted.

Terms

The Offer is represented by a mix of cash payments and assumption of debt by Zenith for a total consideration of approximately USD\$200,000.

Production

The Potential Acquisitions currently produce approximately 80-100 barrels of condensate per day with 5.5-6 MMSCF of natural gas, which is re-injected into the formation, from the first Potential Acquisition concession, and approximately 25 barrels of oil per day from the second Potential Acquisition concession. One well within the first Potential Acquisition concession suffered tubing string damage and has been temporarily shut-in, having had a stabilised production range of between approximately 500-600 barrels of oil per day prior to production being suspended. The low oil price environment during 2020 and the material investment required to restore production from this well have prevented the necessary repair work from being implemented.

A recent study carried out by seller in respect of the second Potential Acquisition, comprising production, cost-effectiveness and feasibility evaluations, concluded that the current production of approximately 25 barrels of oil per day could be increased to up to approximately 200 barrels of oil per day via drilling activities. The seller did not implement the recommendations of the study due to the low oil price environment during 2020 and the emergence of financing difficulties.

Terms and Expiry of Potential Acquisitions

Both Potential Acquisitions will be acquired with a 100% working interest.

The Company can confirm that the Potential Acquisitions are due to expire during the years 2033 and 2034 respectively.

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

"We are very pleased to continue further enriching our portfolio of oil and gas production and development assets in Tunisia, especially with these Potential Acquisitions which contain significant untapped potential and opportunity for value creation.

We expect to shortly achieve a daily production in excess of approximately 1,000 barrels of oil per day by way of our recently announced acquisitions, as well as the near-term development activities we intend to perform in these assets, which would very favourably position the Company in terms of profitability in the current oil price environment.

I look forward to sharing further information on the Potential Acquisitions once they are completed.”

Further Information:

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The information included in this announcement is defined as inside information pursuant to MAR article 7 and is publicly disclosed in accordance with MAR article 17 and section 5 -12 of the Norwegian Securities Trading Act. The announcement is made by the contact person.

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.