

April 23, 2021

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Debt reduction, amendment of terms and issue of warrants

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 reduced its liabilities, extended the maturity date of two existing loans and issued share purchase warrants to certain lenders of the Company.

Debt Reduction

On February 14, 2020, the Company announced that, in relation to its US\$2.5 million convertible loan facility (the "Facility") it had reduced its liability to US\$1.05 million.

The Company is pleased to confirm that, following recent repayments, the current liability in relation to the Facility stands at **US\$0.7 million**.

As last announced on January 6, 2021, the Company had an outstanding credit agreement with a financial institution in Azerbaijan for an amount US\$54,650.00 plus accrued interest payable by June 30, 2021.

The Company is pleased to confirm that this liability has now been reduced to a total amount of **US\$25,000**.

Loan Extensions

The Company confirms that it has amended the terms of the US\$2.5 million convertible loan facility and of an existing revolving credit line, extending the current repayment terms.

Issue of Warrants

In connection with these loan extensions, Zenith has issued:

- **45,000,000** share purchase warrants exercisable at NOK 0.12 (approximately £0.01) per common share payable in full in cash on subscription, and expiring within six months from the date of issue; and,
- **13,593,113** share purchase warrants to the lenders exercisable at NOK 0.156 (approximately £0.013) per common share payable in full in cash on subscription expiring three years from the date of issue.

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

"We are always seeking to improve our balance sheet by reducing our debt exposure, specifically to convertible loan facilities.

The Board believes the Company shall soon be able to settle all outstanding convertible debt instruments in the event it successfully completes and develops the recently announced acquisitions which have the potential to transform the Company's revenue position and profitability in the current oil price environment."

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.