

April 30, 2021

ZENITH ENERGY LTD.

("Zenith" or the "Company")

Acquisition of Robbana and El Bibane 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 delighted to announce that, following its market announcement dated April 21, 2021, Compagnie Du Desert Ltd ("CDD"), its recently incorporated fully owned subsidiary, has entered into a share purchase agreement ("SPA") with Candax Energy Limited ("Candax") for the acquisition of a 100 percent interest in Candax's fully owned subsidiary in Barbados, Ecumed Petroleum Tunisia Ltd ("EPT") (the "Acquisitions"), which holds a 100% interest in the El Bibane and Robbana concessions in Tunisia.

Terms

Pursuant to the terms of the SPA, CDD has agreed to acquire 100% of the issued share capital of EPT for a nominal consideration of US\$100 payable at completion, as well an additional consideration of approximately USD\$200,000 in the form of assumption of debt payable by the close of May 2021.

El Bibane Highlights

- The El Bibane concession ("El Bibane") is located 16 kilometres offshore from the port of Zarzis in the Gulf of Gabes, covering an area of approximately 228 square kilometres and in approximately 7-8 meters water depth. The field was discovered by Marathon Oil Corporation in 1982. However, it was not developed until 1998. Upon initial development, a peak production of 4,500 bopd was achieved. The reservoir is located in the cretaceous Zebbag fractured dolomite formation at approximately 2,150 metres below surface.
- Zenith has acquired a 100% working interest in El Bibane.
- A total of three wells remain active within El Bibane: EBB-5, EBB-4 and EBB-3RE2. A total of 6 wells plus 4 sidetracks have been drilled.
- EBB-5 currently produces approximately 80-100 barrels of condensate per day (API 49/50) with 5.5-6 MMSCF of natural gas from well EBB-5, which is re-injected into the formation via well EBB-4.
- It is expected that, by utilising new technologies, well EBB-4 may achieve commercial production of natural gas in addition to its current use as an injector well.
- EBB-3 suffered string damage and has been temporarily shut-in, having previously produced at a rate of between approximately 500-600 barrels of oil per day (35 API) 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.

- Zenith has already obtained market quotations for the well intervention required to restore production from well EBB-3 for an amount of approximately US\$3.5 million.
- In the event of a successful well intervention in EBB-3, the Company expects to produce approximately 500 barrels of oil equivalent per day from El Bibane.
- Candax commissioned an independent reserves evaluation, as of December 31, 2019, for the contingent reserves (1C) of El Bibane which evaluated remaining oil in place as 25.7 MMSTBO and 6.5 BCF of natural gas.
- Zenith has commissioned a new Competent Person's Report, in compliance with Canadian securities laws, specifically the COGE Handbook and National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*, in order to obtain an updated reserves evaluation for the El Bibane concession.
- El Bibane expires on December 31, 2033.

Robbana Highlights

- The Robbana concession ("**Robbana**"), covering 48 square kilometres and located onshore in the island of Djerba in the southern Gulf of Gabes, was discovered in 1988, achieving a peak production of 500 bopd in 1994. The ROB-1 well encountered two hydrocarbon-bearing reservoirs in the Cretaceous Upper Meloussi Sandstone formation. Only two wells have been drilled in Robbana since discovery, ROB-1 which is still in production and ROB-2 which is temporarily abandoned.
- Robbana currently produces approximately 25 barrels of oil per day from ROB-1, having previously produced approximately 50 barrels of oil per day prior to an unsuccessful well intervention.
- Studies have suggested that an infill well, to be drilled in the proximity of well ROB-1, is expected to produce approximately 200 barrels of oil per day.
- Candax commissioned an independent reserves evaluation, as of December 31, 2019, for the contingent reserves (1C) of Robbana which evaluated remaining oil in place as 10.99 MMSTBO. The study noted specifically noted that the "Middle Triassic sandstones of the Ras Hamra formation present a very significant 'high-risk/high reward' exploration objective."
- Zenith has commissioned a new Competent Person's Report, in compliance with Canadian securities laws, specifically the COGE Handbook and National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*, in order to obtain an updated reserves evaluation for Robbana.
- Robbana expires on November 4, 2034.

Andrea Cattaneo, Chief Executive Officer of Zenith, commented:

“The Board and I are very pleased to report on this latest acquisition that enables Zenith to enrich its portfolio of oil and gas production, development and exploration assets in Tunisia.

The key significance of the acquisition of El Bibane and Robbana is the undeveloped potential and the possibility to achieve, in the near-term, a stabilised cumulative production in excess of 500 barrels of oil per day, as well as a material production of natural gas and condensate. This volume of production, holding a 100% working interest in both concessions, would transform our revenue position and enable the Company to concretely achieve its long-held growth ambitions in terms of production, especially as the intention would be for the revenue to be reinvested in the further development of the assets.

Our near-term objective is to produce in excess of 1,000 barrels of oil per day and to substantially scale production upwards from this threshold by developing our portfolio via systematic workover and drilling activities in the current favourable oil price environment.

The management team and I are greatly excited about Zenith’s development trajectory and I look forward to reporting on additional progress in Tunisia and the Congo in due course.”

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.

